

Final Budget Outcome

2013-14

September 2014

Statement by

The Honourable J. B. Hockey MP

Treasurer of the Commonwealth of Australia

and

Senator the Honourable Mathias Cormann

Minister for Finance of the Commonwealth of Australia

For the information of honourable members

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FOREWORD

The *Final Budget Outcome 2013-14* has been prepared in a manner consistent with the *Charter of Budget Honesty Act 1998* (the Charter). The Charter requires that, inter alia, the Government provide a final budget outcome report no later than three months after the end of the financial year. Consistent with these requirements, this report encompasses Australian Government general government sector fiscal outcomes for the 2013-14 financial year and is based on external reporting standards.

- **Part 1** provides the general government sector budget aggregates for 2013-14 together with an analysis of the 2013-14 Final Budget Outcome. This includes summary analysis of cash flows, revenue, expenses, net capital investment and the balance sheet (net debt, net financial worth and net worth).
- **Part 2** presents the Australian Government financial statements for 2013-14 with the Australian Bureau of Statistics' (ABS) Government Finance Statistics (GFS) as the basis for accounting policy, except for where the Government has decided to depart because Australian Accounting Standards provide a better conceptual treatment for presenting information of relevance to users of public sector financial reports. This data covers the general government sector as well as the Australian Government public corporations sectors.
- **Part 3** provides details for 2013-14 on Australia's Federal Relations, updated from that contained in the 2014-15 Budget Paper No. 3, *Australia's Federal Relations*.

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

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Notes

- (a) The following definitions are used in this Budget Paper:
- ‘real’ means adjusted for the effect of inflation;
 - real growth in expenses and payments is calculated using the Consumer Price Index (CPI) as the deflator; and
 - one billion is equal to one thousand million.
- (b) Figures in tables and generally in the text have been rounded. Discrepancies in tables between totals and sums of components are due to rounding:
- estimates under \$100,000 are rounded to the nearest thousand;
 - estimates \$100,000 and over are generally rounded to the nearest tenth of a million;
 - estimates midway between rounding points are rounded up; and
 - the percentage changes in statistical tables are calculated using unrounded data.
- (c) For the budget balance, a negative sign indicates a deficit while no sign indicates a surplus.
- (d) The following notations are used:
- | | |
|---------|---|
| - | nil |
| na | not applicable (unless otherwise specified) |
| \$m | millions of dollars |
| \$b | billions of dollars |
| nfp | not for publication |
| (e) | estimates (unless otherwise specified) |
| (p) | projections (unless otherwise specified) |
| NEC/nec | not elsewhere classified |

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

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

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

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

PART 1: AUSTRALIAN GOVERNMENT BUDGET OUTCOME

OVERVIEW

In 2013-14, the Australian Government general government sector recorded an underlying cash deficit of \$48.5 billion (3.1 per cent of gross domestic product (GDP)). The fiscal balance was in deficit by \$43.7 billion (2.8 per cent of GDP).

In cash terms, the Final Budget Outcome for 2013-14 was a \$1.4 billion improvement compared with the underlying cash deficit estimated at the time of the 2014-15 Budget. Total receipts were \$3.2 billion lower than expected, more than offset by total payments which were \$4.2 billion lower than expected. Net Future Fund earnings were \$341 million lower than estimated at the time of the 2014-15 Budget.

In fiscal balance terms, the Final Budget Outcome for 2013-14 was a \$1.3 billion improvement compared to the fiscal balance deficit estimated at the time of the 2014-15 Budget, with revenue \$317 million lower than expected, expenses \$1.4 billion lower than expected, and net capital investment \$177 million lower than expected.

Real GDP grew a little below trend in 2013-14 and slightly higher than the 2014-15 Budget forecast. The slightly higher than anticipated real GDP growth was largely driven by a stronger than expected contribution from net exports. With the resources sector transitioning from the investment to production phase, commodity export volumes increased at a faster pace than expected, while mining related capital imports fell. The decline in Australia's terms of trade in 2013-14 was smaller than expected at the 2014-15 Budget. The smaller than anticipated decline in the terms of trade was largely driven by higher than expected prices Australia receives for its commodities. Nominal GDP growth in 2013-14 was in line with the 2014-15 Budget forecast, but well below its long-term average, reflecting the decline in the terms of trade and subdued domestic price growth.

Tax receipts for 2013-14 were \$3.3 billion lower (1.0 per cent) than forecast at the time of the 2014-15 Budget.

Australian Government general government sector net debt was \$202.5 billion (12.8 per cent of GDP), which is \$4.6 billion higher than estimated at the time of the 2014-15 Budget. The increase was primarily driven by the higher than expected market value of Commonwealth Government Securities (CGS), owing to lower than expected yields. Australian Government general government sector net financial worth was -\$370.3 billion at the end of 2013-14. Net worth was -\$256.0 billion at the end of 2013-14.

Table 1: Australian Government general government sector budget aggregates

	2012-13 Outcome	2013-14 Estimate at 2014-15 Budget	2013-14 Outcome	Change on 2014-15 Budget
	\$b	\$b	\$b	\$b
Receipts	351.1	363.5	360.3	-3.2
Per cent of GDP	23.0	23.0	22.7	
Payments(a)	367.2	410.7	406.4	-4.2
Per cent of GDP	24.1	25.9	25.6	
Net Future Fund earnings	2.7	2.7	2.3	-0.3
Underlying cash balance(b)	-18.8	-49.9	-48.5	1.4
Per cent of GDP	-1.2	-3.1	-3.1	
Revenue	360.2	374.3	373.9	-0.3
Per cent of GDP	23.6	23.6	23.6	
Expenses	382.6	415.3	413.8	-1.4
Per cent of GDP	25.1	26.2	26.1	
Net operating balance	-22.5	-41.0	-39.9	1.1
Net capital investment	1.0	4.0	3.8	-0.2
Fiscal balance	-23.5	-45.1	-43.7	1.3
Per cent of GDP	-1.5	-2.8	-2.8	
<i>Memorandum item:</i>				
Headline cash balance	-21.0	-53.7	-52.5	1.3

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

(b) Excludes net Future Fund earnings.

UNDERLYING CASH BALANCE

The 2013-14 underlying cash deficit was \$48.5 billion, an improvement of \$1.4 billion compared with the estimate at the time of the 2014-15 Budget. This was the result of lower receipts of \$3.2 billion, more than offset by lower payments of \$4.2 billion and lower net Future Fund earnings of \$341 million.

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

	2013-14 Estimate at 2014-15 Budget \$b	2013-14 Outcome \$b	Change on 2014-15 Budget \$b
Cash receipts			
Operating cash receipts	363.0	359.9	-3.2
Capital cash receipts(a)	0.5	0.5	0.0
Total cash receipts	363.5	360.3	-3.2
Cash payments			
Operating cash payments	400.4	396.8	-3.5
Capital cash payments(b)	9.8	9.0	-0.8
Total cash payments	410.2	405.8	-4.3
Finance leases and similar arrangements(c)	0.5	0.6	0.1
GFS cash surplus(+)/deficit(-)	-47.2	-46.1	1.1
Per cent of GDP	-3.0	-2.9	
<i>less</i> Net Future Fund earnings	2.7	2.3	-0.3
Underlying cash balance(d)	-49.9	-48.5	1.4
Per cent of GDP	-3.1	-3.1	
<i>Memorandum items:</i>			
Net cash flows from investments in financial assets for policy purposes	-6.6	-6.4	0.2
<i>plus</i> Net Future Fund earnings	2.7	2.3	-0.3
Headline cash balance	-53.7	-52.5	1.3

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

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

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

(d) Excludes net Future Fund earnings.

Receipts

Total receipts were \$360.3 billion in 2013-14, \$3.2 billion lower than estimated at the time of the 2014-15 Budget. Total receipts (excluding Future Fund earnings) were \$357.2 billion in 2013-14, \$3.1 billion lower than estimated at the time of the 2014-15 Budget.

Total tax receipts for 2013-14 were \$338.4 billion, \$3.3 billion (1.0 per cent) lower than expected in the 2014-15 Budget. Excluding GST, tax receipts were around \$3.6 billion (1.3 per cent) lower than expected in the 2014-15 Budget.

Compared with the 2014-15 Budget, higher than expected receipts from excise and customs duties and the GST were more than offset by lower than expected receipts from the carbon pricing mechanism, company tax and superannuation fund taxes.

- Excise and customs duty receipts were \$591 million (1.7 per cent) above the 2014-15 Budget estimate, largely because of higher than expected receipts from tobacco products in the month of June. This reflects temporary factors in tobacco clearance patterns. The higher result for 2013-14 is expected to be largely offset by lower collections in the first half of 2014-15.
- Receipts from the GST were \$391 million (0.8 per cent) above the 2014-15 Budget estimate, consistent with stronger than expected dwelling investment. Higher than expected GST receipts will be reflected in higher payments to the States.
- Carbon pricing mechanism receipts were \$2.8 billion (39.2 per cent) below the 2014-15 Budget estimate. Much of the shortfall was offset by lower than expected payments, such that the impact on the underlying cash balance was around \$0.7 billion. The shortfall was caused by two factors.
 - Carbon emissions were lower than expected at the 2014-15 Budget, reflecting information from interim emissions reports and an estimate of accrued carbon price revenue based on the audited accounts of the Clean Energy Regulator. The estimate is considered preliminary as certain emitters are not required to report in interim emissions reports, and emitters may base their interim report on the previous year's emissions. Information on actual 2013-14 emissions will become available following the final emissions reporting in October 2014.
 - Free permits were issued to eligible businesses and could either be used to extinguish a business's carbon tax liability, be sold to another business or be sold back to the Government. The use of free carbon permits to extinguish liabilities was greater than assumed at the 2014-15 Budget, resulting in less permits purchased, and hence lower receipts. Greater use of free permits also meant that less free permits were sold back to the Government than was expected at the 2014-15 Budget, resulting in payments being lower by an equivalent amount.

- Company tax receipts were \$727 million (1.1 per cent) below the 2014-15 Budget estimate, consistent with lower than expected monthly instalments and a higher level of refunds relating to previous income years.
- Receipts from superannuation fund taxes were \$429 million (6.6 per cent) below the 2014-15 Budget estimate.
- Receipts from total individuals and other withholding taxes were \$208 million (0.1 per cent) below the 2014-15 Budget estimate.

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

	2013-14 Estimate at 2014-15 Budget \$m	2013-14 Outcome \$m	Change on 2014-15 Budget \$m
Individuals and other withholding taxes			
Gross income tax withholding	156,700	156,211	-489
Gross other individuals	34,200	34,787	587
less: Refunds	27,100	27,407	307
Total individuals and other withholding tax	163,800	163,592	-208
Fringe benefits tax	4,090	4,077	-13
Company tax	68,000	67,273	-727
Superannuation fund taxes	6,530	6,101	-429
Minerals resource rent tax(a)	170	143	-27
Petroleum resource rent tax	1,400	1,368	-32
Income taxation receipts	243,990	242,553	-1,437
Goods and services tax	51,003	51,394	391
Wine equalisation tax	760	766	6
Luxury car tax	430	464	34
Excise and customs duty			
Petrol	6,000	6,053	53
Diesel	8,990	8,940	-50
Other fuel products	3,690	3,624	-66
Tobacco	7,850	8,498	648
Beer	2,370	2,348	-22
Spirits	1,890	1,909	19
Other alcoholic beverages(b)	960	927	-33
Other customs duty			
Textiles, clothing and footwear	770	789	19
Passenger motor vehicles	920	921	1
Other imports	1,650	1,631	-19
less: Refunds and drawbacks	360	319	-41
Total excise and customs duty	34,730	35,321	591
Carbon pricing mechanism	7,180	4,363	-2,817
Agricultural levies	476	495	19
Other taxes	3,074	3,012	-61
Indirect taxation receipts	97,653	95,815	-1,837
Taxation receipts	341,643	338,368	-3,275

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

	2013-14 Estimate at 2014-15 Budget \$m	2013-14 Outcome \$m	Change on 2014-15 Budget \$m
Sales of goods and services	8,764	8,579	-185
Interest received	3,210	3,128	-81
Dividends	3,040	2,978	-62
Other non-taxation receipts	6,840	7,268	428
Non-taxation receipts	21,854	21,954	100
Total receipts	363,496	360,322	-3,174
<i>Memorandum:</i>			
<i>Total excise</i>	25,720	26,075	355
<i>Total customs duty</i>	9,010	9,246	236
<i>Medicare and DisabilityCare Australia levy</i>	10,480	10,500	20

- (a) Net receipts from the MRRT was \$0.1 billion in 2013-14 which represents the net receipt impact across different revenue heads. These include offsetting reductions in company tax (through deductibility) and interactions with other taxes.
- (b) Other alcoholic beverages are those not exceeding 10 per cent by volume of alcohol (excluding beer, brandy and wine).

Non-tax receipts (excluding Future Fund earnings) were \$18.8 billion in 2013-14, \$169 million higher than estimated at the time of the 2014-15 Budget. This increase largely relates to greater than expected returns of unclaimed monies which were \$123 million (15.1 per cent) higher than estimated at the time of the 2014-15 Budget.

Payments

Total cash payments were \$406.4 billion in 2013-14, \$4.2 billion lower than estimated at the time of the 2014-15 Budget. Total payments (excluding Future Fund payments) were \$405.6 billion, \$4.5 billion lower than estimated at the time of the 2014-15 Budget. The outcome largely reflects decreases in:

- redemption of free carbon permits under the buy-back facility (\$2.2 billion). Permit holders are able to redeem permits, through the buy-back facility or against a tax liability, until February 2015. Much of the impact of lower payments was offset by lower than expected receipts;
- Department of Defence spending (\$438 million) due to foreign exchange effects and lower than anticipated spending on Defence operations;
- Illegal Maritime Arrival numbers and the closure of a number of Immigration Detention Network facilities (\$370 million);
- demand and costs for a range of demand-driven health programmes, including mental health, rural workforce and pharmaceutical related programmes (\$362 million);
- payments in a range of national partnership agreements, including road transport (\$205 million) and school education (\$186 million). The lower payments largely reflect delays in achievement of milestones related to the delivery of projects;
- projected number of unemployment benefit recipients under the Job Seeker Income Support programme (\$178 million);
- payments by the Australian Renewable Energy Agency, which largely reflects the Moree Solar Farm project being delayed from 2013-14 to 2014-15 due to slippage in finalising an agreement to connect to the New South Wales electricity network (\$172 million);
- projected average payment rates under the Income Support for Seniors programme as a result of stronger than anticipated increases in asset values held by recipients of the age pension (\$128 million); and
- forecast flexible and residential care subsidies resulting in lower than estimated payments in Residential and Flexible Care (\$105 million).

These and other decreases were partially offset by the extinguishment of the provision for underspends in the Contingency Reserve.

Net Future Fund Earnings

The underlying cash balance excludes net Future Fund earnings. Net Future Fund earnings were \$2.3 billion in 2013-14, \$341 million lower than estimated at the time of the 2014-15 Budget. This largely reflects payables to suppliers lower than estimated at the time of the 2014-15 Budget.

FISCAL BALANCE

The 2013-14 fiscal balance deficit was \$43.7 billion, a \$1.3 billion improvement on the deficit of \$45.1 billion estimated at the time of the 2014-15 Budget.

While the change in the fiscal balance since the 2014-15 Budget is comparable to the change in the underlying cash balance of \$1.4 billion, there are some revenue and expenses and net capital investment variations that have different cash impacts in 2013-14. The major differences are outlined below.

Revenue

Total revenue was \$373.9 billion in 2013-14, \$317 million lower than estimated at the time of the 2014-15 Budget. In comparison, total cash receipts were \$360.3 billion in 2013-14, \$3.2 billion lower than estimated at the time of the 2014-15 Budget.

Taxation revenue was \$351.1 billion in 2013-14, \$131 million higher than the estimate at the time of the 2014-15 Budget.

Carbon pricing mechanism revenue in 2013-14 was \$717 million (9.8 per cent) lower than expected at the 2014-15 Budget, reflecting information from interim emissions reports and an estimate of accrued carbon price revenue based on the audited accounts of the Clean Energy Regulator. The estimate is considered preliminary as certain emitters are not required to report in interim emissions reports, and emitters may base their interim report on the previous year's emissions. Information on actual 2013-14 emissions will become available following the final emissions reporting in October 2014.

Total non-tax revenue was \$22.9 billion in 2013-14, \$449 million lower than estimated at the 2014-15 Budget. Non-tax receipts were \$22.0 billion, \$100 million higher than estimated at Budget.

The \$349 million difference in outcomes for non-tax revenue and non-tax receipts is largely a result of decreases to non-tax revenue, which did not have a corresponding non-tax receipt impact in 2013-14, including a lower dividend from the Reserve Bank of Australia (RBA) than estimated at the time of the 2014-15 Budget, reflecting a larger transfer from RBA net profits to the Reserve Bank Reserve Fund based on a review of the outlook for the RBA's capital requirements.

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

	2013-14 Estimate at 2014-15 Budget \$m	2013-14 Outcome \$m	Change on 2014-15 Budget \$m
Individuals and other withholding taxes			
Gross income tax withholding	158,300	157,761	-539
Gross other individuals	37,180	37,561	381
/less: Refunds	27,100	27,407	307
Total individuals and other withholding tax	168,380	167,915	-465
Fringe benefits tax	4,140	4,285	145
Company tax	69,400	68,764	-635
Superannuation fund taxes	6,580	6,146	-434
Minerals resource rent tax(a)	170	141	-29
Petroleum resource rent tax	1,470	1,645	175
Income taxation revenue	250,140	248,897	-1,243
Goods and services tax	54,321	55,517	1,196
Wine equalisation tax	810	826	16
Luxury car tax	430	476	46
Excise and customs duty			
Petrol	5,890	5,927	37
Diesel	8,820	8,758	-62
Other fuel products	3,600	3,572	-28
Tobacco	7,770	8,531	761
Beer	2,330	2,307	-23
Spirits	1,890	1,902	12
Other alcoholic beverages(b)	960	908	-52
Other customs duty			
Textiles, clothing and footwear	770	789	19
Passenger motor vehicles	920	921	1
Other imports	1,660	1,633	-27
/less: Refunds and drawbacks	360	319	-41
Total excise and customs duty	34,250	34,929	679
Carbon pricing mechanism(c)	7,340	6,623	-717
Agricultural levies	476	491	15
Other taxes	3,190	3,329	140
Indirect taxation revenue	100,817	102,191	1,374
Taxation revenue	350,956	351,088	131

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

	2013-14 Estimate at 2014-15 Budget \$m	2013-14 Outcome \$m	Change on 2014-15 Budget \$m
Sales of goods and services	8,853	8,573	-280
Interest	3,445	3,341	-104
Dividends	4,288	4,105	-183
Other non-taxation revenue	6,724	6,843	118
Non-taxation revenue	23,310	22,862	-449
Total revenue	374,267	373,950	-317
<i>Memorandum:</i>			
<i>Total excise</i>	<i>25,230</i>	<i>25,648</i>	<i>418</i>
<i>Total customs duty</i>	<i>9,020</i>	<i>9,280</i>	<i>260</i>
<i>Medicare and DisabilityCare Australia levy</i>	<i>10,480</i>	<i>10,309</i>	<i>-171</i>

- (a) Net revenue from the MRRT was \$0.1 billion in 2013-14 which represents the net revenue impact across different revenue heads. These include offsetting reductions in company tax (through deductibility) and interactions with other taxes.
- (b) Other alcoholic 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 the legislated price, with details of the accounting treatment of carbon revenue set out in Note 2 to the General Government Sector Financial Statements.

Expenses and net capital investment

Total expenses were \$413.8 billion in 2013-14, \$1.4 billion lower than estimated at the time of the 2014-15 Budget. Total net capital investment for 2013-14 was \$3.8 billion, \$177 million lower than the estimate of \$4.0 billion at the time of the 2014-15 Budget. In comparison, cash payments were \$406.4 billion in 2013-14, \$4.2 billion lower than the estimate at the time of the 2014-15 Budget.

The difference of \$2.6 billion between the lower than estimated net outcome for expenses and net capital investment and the outcome for cash payments includes:

- expenses for all free carbon units issued or approved for issue during 2013-14 which were broadly in line with Budget estimates. However, cash payments in relation to the redemption of these units under the buy-back facility are lower by \$2.2 billion due to lower than expected usage of the facility;
- higher than expected expenses (\$624 million) claimed through the Australian Taxation Office in 2013-14 due to the continued operation of the Low Income Superannuation Contribution programme;
- the provision of GST to the States and Territories, reflecting higher than estimated GST collections (\$370 million).¹

These increases were broadly offset by lower than expected write-offs of tax penalties (\$467 million) by the Australian Taxation Office.

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

1 There will be differences in the amount of GST received and GST paid to the States and Territories, reflecting timing of payments between financial years and other adjustments (see Part 3, Table 32).

Table 5: Australian Government general government sector expenses by function

	2013-14 Estimate at 2014-15 Budget \$m	2013-14 Outcome \$m	Change on 2014-15 Budget \$m
General public services			
Legislative and executive affairs	1,334	1,401	68
Financial and fiscal affairs	17,652	16,995	-658
Foreign affairs and economic aid	6,060	6,011	-49
General research	2,724	2,717	-7
General services	714	684	-30
Government superannuation benefits	5,667	5,834	167
Defence	22,840	22,113	-727
Public order and safety	4,446	4,368	-77
Education	29,707	29,669	-38
Health	64,511	63,983	-528
Social security and welfare	140,569	140,566	-3
Housing and community amenities	8,383	8,355	-28
Recreation and culture	3,725	3,749	24
Fuel and energy	7,047	6,749	-298
Agriculture, forestry and fishing	2,629	2,385	-244
Mining, manufacturing and construction	3,139	3,451	313
Transport and communication	8,495	8,407	-89
Other economic affairs			
Tourism and area promotion	189	188	-1
Total labour and employment affairs	4,064	3,879	-185
Immigration	4,656	4,404	-251
Other economic affairs nec	2,355	2,367	12
Other purposes			
Public debt interest	13,454	13,414	-40
Nominal superannuation interest	8,320	8,214	-106
General purpose inter-governmental transactions	53,224	53,563	339
Natural disaster relief	183	377	194
Contingency reserve	-793	0	793
Total expenses	415,294	413,845	-1,449

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

	2013-14 Estimate at 2014-15 Budget \$m	2013-14 Outcome \$m	Change on 2014-15 Budget \$m
General public services	546	258	-288
Defence	2,825	3,371	546
Public order and safety	44	29	-16
Education	9	10	1
Health	-14	-13	1
Social security and welfare	-22	-77	-54
Housing and community amenities	96	-26	-123
Recreation and culture	31	-44	-76
Fuel and energy	-1	1	2
Agriculture, forestry and fishing	78	65	-13
Mining, manufacturing and construction	4	3	-1
Transport and communication	-1	-7	-6
Other economic affairs	452	280	-173
Other purposes	-22	0	22
Total net capital investment	4,027	3,850	-177

Table 7: Australian Government general government sector purchases of non-financial assets by function

	2013-14 Estimate at 2014-15 Budget \$m	2013-14 Outcome \$m	Change on 2014-15 Budget \$m
General public services	1,220	914	-306
Defence	6,640	6,711	70
Public order and safety	384	379	-5
Education	29	32	3
Health	74	62	-12
Social security and welfare	306	287	-19
Housing and community amenities	184	55	-129
Recreation and culture	305	271	-34
Fuel and energy	3	11	9
Agriculture, forestry and fishing	105	94	-11
Mining, manufacturing and construction	10	9	-1
Transport and communication	65	55	-10
Other economic affairs	897	734	-164
Other purposes	17	0	-17
Total Government purchases of non-financial assets	10,240	9,613	-626

HEADLINE CASH BALANCE ESTIMATES

The headline cash balance consists of the underlying cash balance, net cash flows from investments in financial assets for policy purposes (for example, the equity funding of NBN Co), and net Future Fund earnings.

Table 8 provides further detail between the underlying and headline cash balance estimates of the Australian Government general government sector in 2013-14.

At the end of 2013-14, the headline cash balance was \$52.5 billion, a \$1.3 billion improvement from the estimate at the time of the 2014-15 Budget. The improvement in the headline cash balance was primarily driven by the change in the underlying cash balance.

Table 8: Details of the Australian Government general government sector items between the underlying and headline cash balance

	2013-14 Estimate at 2014-15 Budget \$m	2013-14 Outcome \$m	Change on 2014-15 Budget \$m
2013-14 Outcome underlying cash balance(a)	-49,855	-48,456	1,399
plus Net cash flows from investments in financial assets for policy purpose			
Students loans	-4,630	-4,728	-98
NBN investment	-3,380	-3,190	190
Residential mortgage backed securities	2,894	3,063	169
Net other	-1,458	-1,516	-58
Total net cash flows from investments in financial assets for policy purposes	-6,575	-6,371	204
plus Net Future Fund earnings	2,689	2,348	-341
2013-14 Outcome headline cash balance	-53,741	-52,479	1,262

(a) Excludes net Future Fund earnings.

NET DEBT, NET FINANCIAL WORTH AND NET WORTH

At the end of 2013-14, the level of Australian Government net debt was \$202.5 billion (12.8 per cent of GDP), \$4.6 billion higher than estimated at the time of the 2014-15 Budget.

The increase in net debt compared to the level expected at Budget was primarily driven by an increase in the market value of the existing stock of Commonwealth Government Securities (CGS) on issue, owing to lower than expected yields. CGS are reported in the general government sector balance sheet in market value terms, consistent with the Australian Accounting Standards.

Net financial worth was -\$370.3 billion at the end of 2013-14, compared with -\$299.6 billion estimated at the 2014-15 Budget.

Net worth was -\$256.0 billion at the end of 2013-14, compared with -\$186.4 billion estimated at the 2014-15 Budget.

The change in the market value of CGS described above also impacts on net financial worth and net worth. In addition to this, changes to net financial worth and net worth since the Budget reflect a significant increase in the Government's superannuation liability. This is the result of a large difference between the long-term discount rate used in the Budget (6.0 per cent per annum) and the actual bond rate as at 30 June 2014 (4.1 per cent per annum) used to value the superannuation liability. The use of two different rates is the usual practice, applied in previous Budgets and Final Budget Outcomes.

Table 9: Australian Government general government sector net worth, net financial worth, net debt and net interest payments

	2013-14 Estimate at 2014-15 Budget \$b	2013-14 Outcome \$b	Change on 2014-15 Budget \$b
Financial assets	279.8	281.8	2.0
Non-financial assets	113.2	114.3	1.1
Total assets	393.0	396.1	3.0
Total liabilities	579.4	652.1	72.7
Net worth	-186.4	-256.0	-69.6
Net financial worth(a)	-299.6	-370.3	-70.7
Per cent of GDP	-18.9	-23.3	
Net debt(b)	197.9	202.5	4.6
Per cent of GDP	12.5	12.8	
Net interest payments	10.7	10.8	0.1
Per cent of GDP	0.7	0.7	

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

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

PART 2: AUSTRALIAN GOVERNMENT FINANCIAL STATEMENTS

Consistent with the *Charter of Budget Honesty Act 1998* (the Charter), the Government has produced a single set of financial statements for the Australian Government general government sector (GGS), the public non-financial corporations (PNFC) sector, the total non-financial public sector (NFPS) and the public financial corporations (PFC). The financial statements comply with both Australian Bureau of Statistics' (ABS) accrual Government Finance Statistics (GFS) and Australian Accounting Standards (AAS), with departures disclosed. These statements are:

- an operating statement, including other economic flows, which shows net operating balance and net lending/borrowing (fiscal balance);
- 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.

The financial statements for the *Final Budget Outcome 2013-14* have been prepared on a basis consistent with the 2014-15 Budget. This enables comparison of the 2013-14 revised estimates published at the 2014-15 Budget and the outcome.

The statements reflect the 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 Commonwealth, State and Territory governments have an agreed framework – the Uniform Presentation Framework (UPF) – for the presentation of government financial information on a basis broadly consistent with the Australian Accounting Standards Board standard AASB 1049. The financial statements are consistent with the requirements of the UPF.

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

AUSTRALIAN GOVERNMENT FINANCIAL STATEMENTS

Table 10: Australian Government general government sector operating statement

		2013-14 Estimate at 2014-15 Budget	Month of June 2014(d) \$m	2013-14 Outcome \$m	Change on 2014-15 Budget \$m
	Note	\$m	\$m	\$m	\$m
Revenue					
Taxation revenue	3	350,956	26,158	351,088	131
Sales of goods and services	4	8,853	469	8,573	-280
Interest income	5	3,445	476	3,341	-104
Dividend income	5	4,288	1,552	4,105	-183
Other	6	6,724	860	6,843	118
Total revenue		374,267	29,515	373,950	-317
Expenses					
Gross operating expenses					
Wages and salaries(a)	7	19,532	1,525	18,823	-709
Superannuation	7	6,235	1,355	6,372	138
Depreciation and amortisation	8	6,474	679	6,341	-134
Supply of goods and services	9	74,552	7,827	75,304	751
Other operating expenses(a)	7	6,039	1,023	6,023	-17
<i>Total gross operating expenses</i>		<i>112,833</i>	<i>12,409</i>	<i>112,862</i>	<i>29</i>
Superannuation interest expense	7	8,320	700	8,214	-106
Interest expenses	10	14,396	1,550	14,597	201
Current transfers					
Current grants	11	117,437	15,531	115,911	-1,526
Subsidy expenses		15,534	2,415	15,728	194
Personal benefits	12	124,944	10,016	125,174	230
<i>Total current transfers</i>		<i>257,915</i>	<i>27,961</i>	<i>256,813</i>	<i>-1,102</i>
Capital transfers					
Mutually agreed write-downs		3,094	-229	2,627	-467
Other capital grants		18,736	1,149	18,732	-4
<i>Total capital transfers</i>		<i>21,830</i>	<i>921</i>	<i>21,359</i>	<i>-471</i>
Total expenses		415,294	43,541	413,845	-1,449
Net operating balance		-41,027	-14,026	-39,896	1,132
Other economic flows - included in operating result					
Net write-downs of assets					
(including bad and doubtful debts)		-5,278	-2,091	-8,822	-3,545
Assets recognised for the first time		330	-178	310	-21
Liabilities recognised for the first time		0	0	0	0
Actuarial revaluations		0	0	0	0
Net foreign exchange gains		-447	-558	-402	45
Net swap interest received		-663	90	-330	332
Market valuation of debt		2,410	-2,281	-3,685	-6,096
Other gains/(losses)		9,302	-6,136	2,611	-6,690
Total other economic flows - included in operating result		5,655	-11,155	-10,319	-15,974
Operating result(b)		-35,372	-25,181	-50,215	-14,843
Non-owner movements in equity					
Revaluation of equity investments		7,185	9,204	8,111	926
Actuarial revaluations		-6,720	-5,191	-5,191	1,529
Other economic revaluations		704	9,170	9,739	9,035

Table 10: Australian Government general government sector operating statement (continued)

	2013-14 Estimate at 2014-15 Budget \$m	Month of June 2014(d) \$m	2013-14 Outcome \$m	Change on 2014-15 Budget \$m
Total other economic flows - included in equity	1,168	13,182	12,659	11,490
Comprehensive result - Total change in net worth	-34,204	-11,999	-37,556	-3,352
Net operating balance	-41,027	-14,026	-39,896	1,132
Net acquisition of non-financial assets				
Purchases of non-financial assets	10,240	1,783	9,613	-626
<i>less</i> Sales of non-financial assets	273	56	241	-32
<i>less</i> Depreciation	6,474	679	6,341	-134
<i>plus</i> Change in inventories	430	163	704	274
<i>plus</i> Other movements in non-financial assets	105	-36	115	9
Total net acquisition of non-financial assets	4,027	1,177	3,850	-177
Fiscal balance (Net lending/borrowing)(c)	-45,055	-15,203	-43,746	1,309

(a) Consistent with ABS GFS classification, other employee related expenses are reported under other operating expenses. Total employee expenses equal wages and salaries plus other operating expenses.

(b) Operating result under AAS.

(c) The term fiscal balance is not used by the ABS.

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

Table 11: Australian Government general government sector balance sheet

		2013-14 Estimate at 2014-15 Budget	2013-14 Outcome	Change on 2014-15 Budget
	Note	\$m	\$m	\$m
Assets				
Financial assets				
Cash and deposits	19(a)	3,004	3,844	841
Advances paid	13	39,737	39,591	-146
Investments, loans and placements	14	117,371	117,507	136
Other receivables	13	46,051	45,249	-802
Equity investments				
Investments in other public sector entities		35,781	35,956	176
Equity accounted investments		300	324	23
Investments - shares		37,549	39,296	1,747
Total financial assets		279,792	281,767	1,975
Non-financial assets				
Land	15	8,929	9,331	403
Buildings		24,335	24,723	388
Plant, equipment and infrastructure		54,875	54,293	-581
Inventories		7,942	8,253	311
Intangibles		5,810	6,138	328
Investment property		196	183	-13
Biological assets		35	36	1
Heritage and cultural assets		10,573	10,825	252
Assets held for sale		136	95	-42
Other non-financial assets		397	409	12
Total non-financial assets		113,228	114,286	1,058
Total assets		393,020	396,053	3,033
Liabilities				
Interest bearing liabilities				
Deposits held		182	211	29
Government securities		346,648	351,285	4,637
Loans	16	9,608	10,237	629
Other borrowing		1,524	1,673	149
Total interest bearing liabilities		357,963	363,406	5,443
Provisions and payables				
Superannuation liability	17	157,067	221,746	64,679
Other employee liabilities	17	15,102	15,931	828
Suppliers payable	18	4,632	4,880	247
Personal benefits provisions and payables	18	12,384	13,137	753
Subsidies provisions and payables	18	4,242	4,517	275
Grants provisions and payables	18	14,170	14,201	31
Other provisions and payables	18	13,879	14,281	402
Total provisions and payables		221,477	288,693	67,216
Total liabilities		579,439	652,099	72,659
Net worth(a)		-186,419	-256,045	-69,626
<i>Net financial worth(b)</i>		<i>-299,647</i>	<i>-370,331</i>	<i>-70,684</i>
<i>Net financial liabilities(c)</i>		<i>335,428</i>	<i>406,287</i>	<i>70,860</i>
<i>Net debt(d)</i>		<i>197,851</i>	<i>202,463</i>	<i>4,612</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 12: Australian Government general government sector cash flow statement^(a)

	2013-14 Estimate at 2014-15 Budget \$m	Month of June 2014(d) \$m	2013-14 Outcome \$m	Change on 2014-15 Budget \$m
Cash receipts from operating activities				
Taxes received	341,643	30,115	338,368	-3,275
Receipts from sales of goods and services	8,764	471	8,579	-185
Interest receipts	3,210	496	3,128	-81
Dividends and income tax equivalents	3,040	106	2,978	-62
Other receipts	6,376	680	6,811	436
Total operating receipts	363,032	31,867	359,865	-3,167
Cash payments for operating activities				
Payments for employees	-26,587	-1,736	-25,889	698
Payments for goods and services	-74,438	-8,278	-75,845	-1,407
Grants and subsidies paid	-152,953	-18,451	-148,990	3,963
Interest paid	-13,935	-2,408	-13,972	-37
Personal benefit payments	-126,398	-9,339	-126,367	31
Other payments	-6,056	-1,028	-5,769	286
Total operating payments	-400,366	-41,241	-396,832	3,534
Net cash flows from operating activities	-37,334	-9,374	-36,968	367
Cash flows from investments in non-financial assets				
Sales of non-financial assets	464	271	457	-7
Purchases of non-financial assets	-9,827	-1,549	-9,012	816
Net cash flows from investments in non-financial assets	-9,363	-1,278	-8,554	809
Net cash flows from investments in financial assets for policy purposes	-6,575	24	-6,371	204
Cash flows from investments in financial assets for liquidity purposes				
Increase in investments	-8,592	16,893	-7,718	874
Net cash flows from investments in financial assets for liquidity purposes	-8,592	16,893	-7,718	874
Cash receipts from financing activities				
Borrowing	64,689	-5,251	63,218	-1,471
Other financing	17	-34	8	-9
Total cash receipts from financing activities	64,706	-5,285	63,226	-1,480
Cash payments for financing activities				
Borrowing	0	0	0	0
Other financing	-1,914	54	-1,845	68
Total cash payments for financing activities	-1,914	54	-1,845	68
Net cash flows from financing activities	62,792	-5,230	61,380	-1,412
Net increase/(decrease) in cash held	928	1,035	1,769	841

Table 12: Australian Government general government sector cash flow statement (continued)^(a)

	2013-14 Estimate at 2014-15 Budget \$m	Month of June 2014(d) \$m	2013-14 Outcome \$m	Change on 2014-15 Budget \$m
Net cash flows from operating activities and investments in non-financial assets (Surplus+)/deficit(-)	-46,698	-10,652	-45,522	1,176
Finance leases and similar arrangements(b)	-469	-16	-586	-117
GFS cash surplus(+)/deficit(-)	-47,166	-10,668	-46,108	1,058
<i>less</i> Net Future Fund earnings	2,689	41	2,348	-341
Equals underlying cash balance(c)	-49,855	-10,709	-48,456	1,399
<i>plus</i> Net cash flows from investments in financial assets for policy purposes	-6,575	24	-6,371	204
<i>plus</i> Net Future Fund earnings	2,689	41	2,348	-341
Equals headline cash balance	-53,741	-10,644	-52,479	1,262

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

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

(c) The term underlying cash balance is not used by the ABS.

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

Table 13: Australian Government public non-financial corporations sector operating statement

	2013-14 Estimate at 2014-15 Budget \$m	2013-14 Outcome \$m	Change on 2014-15 Budget \$m
Revenue			
Current grants and subsidies	34	56	21
Sales of goods and services	9,426	9,389	-37
Interest income	55	66	12
Other	5	26	20
Total revenue	9,520	9,537	16
Expenses			
Gross operating expenses			
Wages and salaries(a)	3,827	3,548	-279
Superannuation	472	474	1
Depreciation and amortisation	966	938	-28
Supply of goods and services	4,637	4,827	190
Other operating expenses(a)	432	689	257
<i>Total gross operating expenses</i>	<i>10,334</i>	<i>10,475</i>	<i>142</i>
Interest expenses	288	364	76
Other property expenses	215	222	7
Current transfers			
Tax expenses	147	66	-82
<i>Total current transfers</i>	<i>147</i>	<i>66</i>	<i>-82</i>
Total expenses	10,984	11,127	143
Net operating balance	-1,464	-1,590	-126
Other economic flows	4	354	350
Comprehensive result - Total change in net worth excluding contribution from owners	-1,460	-1,236	224
Net acquisition of non-financial assets			
Purchases of non-financial assets	2,892	4,726	1,834
<i>less</i> Sales of non-financial assets	185	197	13
<i>less</i> Depreciation	966	938	-28
<i>plus</i> Change in inventories	10	14	5
<i>plus</i> Other movements in non-financial assets	628	875	247
Total net acquisition of non-financial assets	2,379	4,480	2,101
Fiscal balance (Net lending/borrowing)(b)	-3,843	-6,070	-2,227

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

	2013-14 Estimate at 2014-15 Budget \$m	2013-14 Outcome \$m	Change on 2014-15 Budget \$m
Assets			
Financial assets			
Cash and deposits	1,897	1,380	-517
Investments, loans and placements	239	423	184
Other receivables	1,434	1,348	-85
Equity investments	30	9	-21
<i>Total financial assets</i>	<i>3,600</i>	<i>3,160</i>	<i>-440</i>
Non-financial assets			
Land and fixed assets	16,559	16,380	-179
Other non-financial assets(a)	2,208	2,478	270
<i>Total non-financial assets</i>	<i>18,767</i>	<i>18,858</i>	<i>91</i>
Total assets	22,367	22,018	-349
Liabilities			
Interest bearing liabilities			
Loans	2,947	2,515	-433
Other borrowing	3,468	3,471	3
<i>Total interest bearing liabilities</i>	<i>6,415</i>	<i>5,986</i>	<i>-430</i>
Provisions and payables			
Superannuation liability	57	4	-53
Other employee liabilities	1,318	1,349	31
Other provisions and payables(a)	2,693	2,760	67
<i>Total provisions and payables</i>	<i>4,068</i>	<i>4,113</i>	<i>44</i>
Total liabilities	10,483	10,098	-385
Shares and other contributed capital	11,884	11,920	36
Net worth(b)	11,884	11,920	36
<i>Net financial worth(c)</i>	<i>-6,883</i>	<i>-6,938</i>	<i>-54</i>
<i>Net debt(d)</i>	<i>4,279</i>	<i>4,183</i>	<i>-96</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, loans and other borrowing), minus the sum of cash and deposits and investments, loans and placements.

Table 15: Australian Government public non-financial corporations sector cash flow statement^(a)

	2013-14 Estimate at 2014-15 Budget \$m	2013-14 Outcome \$m	Change on 2014-15 Budget \$m
Cash receipts from operating activities			
Receipts from sales of goods and services	10,732	10,421	-311
GST input credit receipts	266	277	11
Other receipts	61	87	26
Total operating receipts	11,059	10,785	-274
Cash payments for operating activities			
Payments to employees	-4,533	-4,326	207
Payment for goods and services	-5,746	-5,634	112
Interest paid	-68	-65	3
GST payments to taxation authority	-618	-396	221
Other payments	-130	-84	46
Total operating payments	-11,095	-10,506	589
Net cash flows from operating activities	-36	279	315
Cash flows from investments in non-financial assets			
Sales of non-financial assets	245	257	12
Purchases of non-financial assets	-3,524	-3,523	1
Net cash flows from investments in non-financial assets	-3,279	-3,266	13
Net cash flows from investments in financial assets for policy purposes	0	0	0
Cash flows from investments in financial assets for liquidity purposes			
Increase in investments	892	656	-237
Net cash flows from investments in financial assets for liquidity purposes	892	656	-237
Net cash flows from financing activities			
Borrowing (net)	-106	-13	92
Other financing (net)	3,746	3,051	-695
Distributions paid (net)	-212	-217	-5
Net cash flows from financing activities	3,429	2,821	-608
Net increase/(decrease) in cash held	1,006	489	-517
Cash at the beginning of the year	891	891	0
Cash at the end of the year	1,897	1,380	-517
Net cash from operating activities and investments in non-financial assets	-3,315	-2,987	328
Distributions paid	-212	-217	-5
Equals surplus(+)/deficit(-)	-3,527	-3,204	323
Finance leases and similar arrangements(b)	0	-2,076	-2,076
GFS cash surplus(+)/deficit(-)	-3,527	-5,280	-1,753

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

(b) The acquisition of assets under finance leases decreases the surplus or increases the deficit. The disposal of assets previously held under finance leases increases the surplus or decreases the deficit.

Table 16: Australian Government total non-financial public sector operating statement

	2013-14 Estimate at 2014-15 Budget \$m	2013-14 Outcome \$m	Change on 2014-15 Budget \$m
Revenue			
Taxation revenue	350,809	351,022	213
Sales of goods and services	16,946	16,608	-338
Interest income	3,468	3,389	-79
Dividend income	4,073	3,883	-190
Other	6,730	6,868	138
Total revenue	382,026	381,770	-256
Expenses			
Gross operating expenses			
Wages and salaries(a)	23,359	22,371	-989
Superannuation	6,707	6,846	139
Depreciation and amortisation	7,440	7,278	-162
Supply of goods and services	77,856	78,776	920
Other operating expenses(a)	6,471	6,712	241
<i>Total gross operating expenses</i>	<i>121,833</i>	<i>121,983</i>	<i>150</i>
Superannuation interest expense	8,320	8,214	-106
Interest expenses	14,653	14,942	289
Current transfers			
Current grants	117,437	115,911	-1,526
Subsidy expenses	15,499	15,672	173
Personal benefits	124,944	125,174	230
<i>Total current transfers</i>	<i>257,880</i>	<i>256,757</i>	<i>-1,123</i>
Capital transfers	21,830	21,359	-471
Total expenses	424,517	423,256	-1,261
Net operating balance	-42,491	-41,486	1,005
Other economic flows	8,436	3,887	-4,549
Comprehensive result - Total change in net worth	-34,056	-37,599	-3,544
Net acquisition of non-financial assets			
Purchases of non-financial assets	13,132	14,339	1,208
<i>less</i> Sales of non-financial assets	<i>458</i>	<i>439</i>	<i>-19</i>
<i>less</i> Depreciation	<i>7,440</i>	<i>7,278</i>	<i>-162</i>
<i>plus</i> Change in inventories	<i>439</i>	<i>718</i>	<i>279</i>
<i>plus</i> Other movements in non-financial assets	<i>733</i>	<i>989</i>	<i>256</i>
Total net acquisition of non-financial assets	6,406	8,330	1,923
Fiscal balance (Net lending/borrowing)(b)	-48,898	-49,816	-918

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

	2013-14 Estimate at 2014-15 Budget \$m	2013-14 Outcome \$m	Change on 2014-15 Budget \$m
Assets			
Financial assets			
Cash and deposits	4,901	5,225	324
Advances paid	39,737	39,591	-146
Investments, loans and placements	117,307	117,609	302
Other receivables	47,354	45,640	-1,714
Equity investments	61,437	63,135	1,698
<i>Total financial assets</i>	<i>270,736</i>	<i>271,199</i>	<i>463</i>
Non-financial assets			
Land and fixed assets	123,212	123,806	594
Other non-financial assets	8,783	9,338	555
<i>Total non-financial assets</i>	<i>131,995</i>	<i>133,144</i>	<i>1,149</i>
Total assets	402,731	404,343	1,611
Liabilities			
Interest bearing liabilities			
Deposits held	182	211	29
Government securities	346,648	351,285	4,637
Loans	12,252	12,430	178
Other borrowing	4,992	5,144	152
<i>Total interest bearing liabilities</i>	<i>364,074</i>	<i>369,070</i>	<i>4,996</i>
Provisions and payables			
Superannuation liability	157,124	221,751	64,626
Other employee liabilities	16,420	17,279	859
Other provisions and payables	51,869	52,817	948
<i>Total provisions and payables</i>	<i>225,414</i>	<i>291,847</i>	<i>66,433</i>
Total liabilities	589,489	660,917	71,429
Shares and other contributed capital	11,884	11,920	36
Net worth(a)	-186,757	-256,575	-69,817
<i>Net financial worth(b)</i>	<i>-318,752</i>	<i>-389,718</i>	<i>-70,966</i>
<i>Net debt(c)</i>	<i>202,130</i>	<i>206,646</i>	<i>4,516</i>

(a) Under AASB 1049, net worth is calculated as total assets minus total liabilities. Under ABS GFS, net worth is calculated as total assets minus total liabilities minus shares and other contributed capital. The AASB 1049 method is used in this table.

(b) Under AASB 1049, net financial worth equals total financial assets minus total liabilities. Under ABS GFS, net financial worth equals total financial assets minus total liabilities minus shares and other contributed capital. The AASB 1049 method is used in this table.

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

Table 18: Australian Government total non-financial public sector cash flow statement^(a)

	2013-14 Estimate at 2014-15 Budget \$m	2013-14 Outcome \$m	Change on 2014-15 Budget \$m
Cash receipts from operating activities			
Taxes received	341,512	338,284	-3,228
Receipts from sales of goods and services	17,750	16,754	-996
Interest receipts	3,239	3,182	-57
Dividends and income tax equivalents	2,828	2,763	-65
Other receipts	6,377	6,824	447
Total operating receipts	371,706	367,807	-3,898
Cash payments for operating activities			
Payments to employees	-31,120	-30,216	904
Payments for goods and services	-78,790	-79,352	-562
Grants and subsidies paid	-152,953	-148,990	3,963
Interest paid	-13,972	-14,019	-46
Personal benefit payments	-126,398	-126,367	31
Other payments	-6,056	-5,770	286
Total operating payments	-409,288	-404,713	4,575
Net cash flows from operating activities	-37,583	-36,906	677
Cash flows from investments in non-financial assets			
Sales of non-financial assets	709	714	5
Purchases of non-financial assets	-13,351	-12,535	817
Net cash flows from investments in non-financial assets	-12,642	-11,820	822
Net cash flows from investments in financial assets for policy purposes	-3,154	-3,138	16
Cash flows from investments in financial assets for liquidity purposes			
Increase in investments	-7,699	-7,063	637
Net cash flows from investments in financial assets for liquidity purposes	-7,699	-7,063	637
Net cash flows from financing activities			
Borrowing (net)	64,584	63,205	-1,379
Other financing (net)	-1,571	-2,019	-449
Net cash flows from financing activities	63,013	61,185	-1,828
Net increase/(decrease) in cash held	1,934	2,258	324
Cash at the beginning of the year	2,966	2,966	0
Cash at the end of the year	4,901	5,225	324
Net cash from operating activities and investments in non-financial assets	-50,225	-48,726	1,498
Distributions paid	0	0	0
Equals surplus(+)/deficit(-)	-50,225	-48,726	1,498
Finance leases and similar arrangements(b)	-469	-2,662	-2,193
GFS cash surplus(+)/deficit(-)	-50,693	-51,388	-695

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

(b) The acquisition of assets under finance leases decreases the surplus or increases the deficit. The disposal of assets previously held under finance leases increases the surplus or decreases the deficit.

Table 19: Australian Government public financial corporations sector operating statement

	2013-14 Outcome \$m
Revenue	
Current grants and subsidies	9,039
Sales of goods and services	6,713
Interest income	1,981
Other	93
Total revenue	17,826
Expenses	
Gross operating expenses	
Wages and salaries(a)	897
Superannuation	91
Depreciation and amortisation	74
Other operating expenses(a)	5,988
<i>Total gross operating expenses</i>	<i>7,050</i>
Interest expenses	1,154
Other property expenses	1,389
Current transfers	
Tax expenses	88
<i>Total current transfers</i>	<i>88</i>
Total expenses	9,681
Net operating balance	8,145
Other economic flows	359
Comprehensive result - Total change in net worth excluding contribution from owners	8,504
Net acquisition of non-financial assets	
Purchases of non-financial assets	805
<i>less</i> Sales of non-financial assets	5
<i>less</i> Depreciation	74
<i>plus</i> Change in inventories	2
<i>plus</i> Other movements in non-financial assets	-1
Total net acquisition of non-financial assets	728
Fiscal balance (Net lending/borrowing)(b)	7,418

(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 20: Australian Government public financial corporations sector balance sheet

	2013-14 Outcome \$m
Assets	
Financial assets	
Cash and deposits	1,030
Investments, loans and placements	145,803
Other receivables	581
Equity investments	638
<i>Total financial assets</i>	<i>148,051</i>
Non-financial assets	
Land and other fixed assets	982
Other non-financial assets(a)	81
<i>Total non-financial assets</i>	<i>1,064</i>
Total assets	149,114
Liabilities	
Interest bearing liabilities	
Deposits held	114,351
Borrowing	9,532
<i>Total interest bearing liabilities</i>	<i>123,883</i>
Provisions and payables	
Superannuation liability	197
Other employee liabilities	1,441
Other provisions and payables(a)	2,956
<i>Total provisions and payables</i>	<i>4,595</i>
Total liabilities	128,478
Shares and other contributed capital	20,637
Net worth(b)	20,637
<i>Net financial worth(c)</i>	<i>19,573</i>
<i>Net debt(d)</i>	<i>-22,949</i>

(a) Excludes the impact of commercial taxation adjustments.

(b) Under AASB 1049, net worth is calculated as total assets minus total liabilities. Under ABS GFS, net worth is calculated as total assets minus total liabilities minus shares and other contributed capital. The AASB 1049 method is used in this table.

(c) Under AASB 1049, net financial worth equals total financial assets minus total liabilities. Under ABS GFS, net financial worth equals total financial assets minus total liabilities minus shares and other contributed capital. The AASB 1049 method is used in this table.

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

Table 21: Australian Government public financial corporations sector cash flow statement^(a)

	2013-14 Outcome \$m
Cash receipts from operating activities	
Receipts from sales of goods and services	6,675
Grants and subsidies received	8,970
GST input credit receipts	19
Interest receipts	1,894
Other receipts	78
Total operating receipts	17,637
Cash payments for operating activities	
Payments to employees	-696
Payment for goods and services	-10,730
Interest paid	-1,137
GST payments to taxation authority	-1
Other payments	5,032
Total operating payments	-7,532
Net cash flows from operating activities	10,105
Cash flows from investments in non-financial assets	
Sales of non-financial assets	5
Purchases of non-financial assets	-803
Net cash flows from investments in non-financial assets	-798
Net cash flows from investments in financial assets for policy purposes	0
Cash flows from investments in financial assets for liquidity purposes	
Increase in investments	-40,097
Net cash flows from investments in financial assets for liquidity purposes	-40,097
Net cash flows from financing activities	
Advances received (net)	0
Borrowing (net)	27,366
Deposits received (net)	0
Other financing (net)	3,961
Distributions paid (net)	-603
Net cash flows from financing activities	30,725
Net increase/(decrease) in cash held	-65
Cash at the beginning of the year	1,095
Cash at the end of the year	1,030
Net cash from operating activities and investments in non-financial assets	9,307
Distributions paid	-603
Equals surplus(+)/deficit(-)	8,704
Finance leases and similar arrangements(b)	0
GFS cash surplus(+)/deficit(-)	8,704

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

(b) The acquisition of assets under finance leases decreases the surplus or increases the deficit. The disposal of assets previously held under finance leases increases the surplus or decreases the deficit.

Notes to the general government sector financial statements

Note 1: External reporting standards and accounting policies

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

The external standards used for final budget outcome reporting purposes are:

- the Australian Bureau of Statistics' (ABS) accrual Government Finance Statistics (GFS) publication, *Australian System of Government Finance Statistics: Concepts, Sources and Methods*, (cat. no. 5514.0), which in turn is based on the International Monetary Fund (IMF) accrual GFS framework; and
- the Australian Accounting Standards (AAS), issued by the Australian Accounting Standards Board (AASB), which includes International Financial Reporting Standards (IFRS) as adopted in Australia and the public sector specific standard AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

The financial statements have been prepared on an accrual basis that complies with both ABS GFS and AAS, except for departures disclosed at Note 2. A more detailed description of the AAS and ABS GFS frameworks, in addition to definitions of key terms used in these frameworks, can be found in Attachment A. Detailed accounting policies, as well as a set of notes and other disclosures, as required by AAS, are disclosed in the annual Consolidated Financial Statements.

Fiscal reporting focuses on the general government sector (GGS). The GGS provides public services that are mainly non-market in nature and for the collective consumption of the community, or involve the transfer or redistribution of income. These services are largely financed through taxes and other compulsory levies, user charging and external funding. This sector comprises all government departments, offices and some other bodies. In preparing financial statements for the GGS, all material transactions and balances between entities within the GGS have been eliminated. The statements for the GGS are based on audit cleared financial statements for material agencies, with the exception of the Departments of Education, Employment and Veterans Affairs and the closing statements for the Department of Employment, Education and Workplace Relations. The statements for the Department of Communications are audit-cleared except for the valuation of investments.

The Government's key fiscal aggregates are based on ABS GFS concepts and definitions, including the ABS GFS cash surplus/deficit and the derivation of the underlying cash balance and net financial worth. AASB 1049 requires the disclosure of other ABS GFS fiscal aggregates, including net operating balance, net lending/borrowing (fiscal balance) and net worth. In addition to these ABS GFS

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

AASB 1049 and the 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).

AASB 1049 requires disaggregated information, by ABS GFS function, for expenses and total assets to be disclosed where they are reliably attributable. ABS GFS does not require total assets to be attributed to functions. In accordance with ABS GFS, disaggregated information for expenses and net acquisition of non-financial assets by function is disclosed in Part 1. In accordance with the UPF, purchases of non-financial assets by function are also disclosed in in Part 1.

AASB 1049 requires major variances between original budget estimates and outcomes to be explained in the financial statements. Explanations of major variances in fiscal balance, revenue, expenses, net capital investment, cash flows, net debt, net financial worth and net worth for the 2013-14 year from the 2013-14 Budget to the 2013-14 Mid-Year Economic and Fiscal Outlook (MYEFO) are discussed in Part 3 of the 2013-14 MYEFO. Explanations of variances for the 2013-14 year from MYEFO to the 2014-15 Budget are disclosed in Statement 3 of 2014-15 Budget Paper No. 1, Budget Strategy and Outlook. Explanations of variances from the 2014-15 Budget to the Final Budget Outcome 2013-14 are disclosed in Part 1.

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

Note 2: Departures from external reporting standards

The Charter requires that departures from applicable external reporting standards be identified. The major differences between AAS and the ABS GFS treatments of transactions are outlined in Table 22.

AASB 1049 requires AAS measurement of items to be disclosed on the face of the financial statements with reconciliation to ABS GFS measurement of key fiscal aggregates, where different, in notes to the financial statements. Differences from the AAS measurement of items outline above and reconciliation have not been included as they would effectively create different measures of the same aggregate.

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).

Table 22: Major differences between AAS and ABS GFS

Issue	AAS treatment	ABS GFS treatment	Treatment adopted
Acquisition of defence weapons platforms (DWP)	Treated as capital expenditure. DWP appear as a non-financial asset on the balance sheet. Depreciation expense on assets is recorded in the operating statement. AASB 1049 requires cost to be used where fair value of assets cannot be reliably measured.	ABS has updated its treatment in its GFS reports to record DWP as a non-financial asset on a market value basis using the perpetual inventory method from September quarter 2009. This represents an early adoption of changes to the System of National Accounts.	AAS
Circulating coins — seigniorage	The profit between the cost and sale of circulating coins (seigniorage) is treated as revenue.	Circulating coins are treated as a liability, and the cost of producing the coins is treated as an expense.	AAS
Provisions for bad and doubtful debts	Reported in the balance sheet as an offset to assets. Under AASB 1049, it is included in the operating statement as other economic flows.	Creating provisions for bad and doubtful debts is not considered an economic event and therefore not considered to be an expense or reflected in the balance sheet.	AAS
Advances to the International Development Association and Asian Development Fund	Recorded at fair value in the balance sheet.	Recorded at nominal value in balance sheet.	ABS GFS
Concessional loans	Discounts concessional loans by a market rate of a similar instrument.	Does not discount concessional loans as no secondary market is considered to exist.	AAS
Investment in other public sector entities	Valued at fair value in the balance sheet as long as it can be reliably measured, otherwise net assets is permissible.	Unlisted entities valued based on their net assets in the balance sheet.	AAS
Provision for restoration, decommissioning and make-good	Included in the fiscal balance capital adjustment.	Excluded from the calculation of net lending capital adjustment.	AAS
Renewable Energy Certificates (RECs)	The issuance and registration of RECs is considered to be an administrative function and does not result in the recognition of assets or liabilities and, consequently, no revenues or expenses are recognised.	The issuance and registration of RECs is considered to be government financial transactions resulting in the recognition of assets, liabilities, revenue and expenses.	AAS
Carbon tax	The issuance and surrender of free carbon units and Australian Carbon Credit Units (ACCUs) used in the settlement of emissions liabilities are not recognised.	The issuance and surrender of free carbon units and ACCUs used in the settlement of emissions' liabilities are treated as expenses and revenues respectively.	ABS GFS
Dividends paid by public corporations	Treated as an equity distribution. Equity distributions are treated as a distribution of profits, as opposed to an expense.	Dividends are treated as an expense.	ABS GFS

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

Issue	AAS treatment	ABS GFS treatment	Treatment adopted
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
Payment to the Reserve Bank of Australia	Treated as a grant.	Treated as an equity injection.	AAS
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
Net financial worth of PNFC and PFC	Calculated as financial assets less total liabilities.	Calculated as financial assets less total liabilities less shares and contributed capital.	AAS
Classification difference			
Prepayments	Treated as a non-financial asset.	Treated as a financial asset.	ABS GFS
Spectrum sales	Recognise non-financial asset sales for fiscal balance when payment is made and the licences take effect, which may be after the auction of licences, as this is regarded as the point control is transferred. Recognise cash at the time of receipt.	Recognise non-financial asset sales for fiscal balance at time of auction as this is regarded as the point control is transferred. Recognise cash at the time of receipt.	AAS

Note 3: Taxation revenue by type

	2013-14 Estimate at 2014-15 Budget \$m	2013-14 Outcome \$m	Change on 2014-15 Budget \$m
Individuals and other withholding taxes			
Gross income tax withholding	158,300	157,761	-539
Gross other individuals	37,180	37,561	381
less: Refunds	27,100	27,407	307
Total individuals and other withholding tax	168,380	167,915	-465
Fringe benefits tax	4,140	4,285	145
Company tax	69,400	68,764	-635
Superannuation fund taxes	6,580	6,146	-434
Minerals resource rent tax(a)	170	141	-29
Petroleum resource rent tax	1,470	1,645	175
Income taxation revenue	250,140	248,897	-1,243
Goods and services tax	54,321	55,517	1,196
Wine equalisation tax	810	826	16
Luxury car tax	430	476	46
Excise and customs duty			
Petrol	5,890	5,927	37
Diesel	8,820	8,758	-62
Other fuel products	3,600	3,572	-28
Tobacco	7,770	8,531	761
Beer	2,330	2,307	-23
Spirits	1,890	1,902	12
Other alcoholic beverages(b)	960	908	-52
Other customs duty			
Textiles, clothing and footwear	770	789	19
Passenger motor vehicles	920	921	1
Other imports	1,660	1,633	-27
less: Refunds and drawbacks	360	319	-41
Total excise and customs duty	34,250	34,929	679
Carbon pricing mechanism(c)	7,340	6,623	-717
Agricultural levies	476	491	15
Other taxes	3,190	3,329	140
Mirror taxes	508	498	-10
less: Transfers to States in relation to mirror tax revenue	508	498	-10
Mirror tax revenue	0	0	0
Indirect taxation revenue	100,817	102,191	1,374
Taxation revenue	350,956	351,088	131
<i>Memorandum:</i>			
Total excise	25,230	25,648	418
Total customs duty	9,020	9,280	260
Medicare and DisabilityCare Australia levy	10,480	10,309	-171

(a) Net revenue from the MRRT was \$0.1 billion in 2013-14 which represents the net revenue impact across different revenue heads. These include offsetting reductions in company tax (through deductibility) and interactions with other taxes.

(b) Other alcoholic 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 the legislated price, with details of the accounting treatment of carbon revenue set out in Note 2 to the General Government Sector Financial Statements.

Note 3(a): Taxation revenue by source

	2013-14 Estimate at 2014-15 Budget \$m	2013-14 Outcome \$m	Change on 2014-15 Budget \$m
Taxes on income, profits and capital gains			
Income and capital gains levied on individuals	172,530	172,215	-315
Income and capital gains levied on enterprises	77,610	76,682	-927
Total taxes on income, profits and capital gains	250,140	248,897	-1,243
Taxes on employers' payroll and labour force	700	844	144
Taxes on the provision of goods and services			
Sales/goods and services tax	55,561	56,819	1,258
Excises and levies	25,706	26,139	433
Taxes on international trade	9,020	9,280	260
Total taxes on the provision of goods and services	90,287	92,239	1,952
Other sale of goods and services	9,830	9,108	-721
Total taxation revenue	350,956	351,088	131
<i>Memorandum:</i>			
<i>Medicare and DisabilityCare Australia levy</i>	<i>10,480</i>	<i>10,309</i>	<i>-171</i>

Note 4: Sales of goods and services revenue

	2013-14 Estimate at 2014-15 Budget \$m	2013-14 Outcome \$m	Change on 2014-15 Budget \$m
Sales of goods	1,520	1,453	-67
Rendering of services	3,994	3,645	-349
Operating lease rental	63	68	5
Fees from regulatory services	3,276	3,408	132
Total sales of goods and services revenue	8,853	8,573	-280

Note 5: Interest and dividend revenue

	2013-14 Estimate at 2014-15 Budget \$m	2013-14 Outcome \$m	Change on 2014-15 Budget \$m
Interest from other governments			
State and Territory debt	9	9	0
Housing agreements	138	121	-18
Total interest from other governments	148	131	-17
Interest from other sources			
Advances	47	44	-3
Deposits	91	39	-52
Bills receivable	0	5	5
Bank deposits	158	257	99
Indexation of HELP receivable and other student loans	536	408	-127
Other	2,465	2,457	-8
Total interest from other sources	3,297	3,210	-87
Total interest	3,445	3,341	-104
Dividends			
Dividends from other public sector entities	2,154	1,695	-459
Other dividends	2,134	2,410	276
Total dividends	4,288	4,105	-183
Total interest and dividend revenue	7,733	7,446	-287

Note 6: Other sources of non-taxation revenue

	2013-14 Estimate at 2014-15 Budget \$m	2013-14 Outcome \$m	Change on 2014-15 Budget \$m
Industry contributions	42	75	32
Royalties	1,852	1,823	-29
Seigniorage	135	112	-23
Other	4,695	4,833	139
Total other sources of non-taxation revenue	6,724	6,843	118

Note 7: Employee and superannuation expense

	2013-14 Estimate at 2014-15 Budget \$m	2013-14 Outcome \$m	Change on 2014-15 Budget \$m
Wages and salaries expenses	19,532	18,823	-709
Other operating expenses			
Leave and other entitlements	2,449	2,614	165
Separations and redundancies	273	580	306
Workers compensation premiums and claims	741	740	-1
Other	2,577	2,090	-487
Total other operating expenses	6,039	6,023	-17
Superannuation expenses			
Superannuation	6,235	6,372	138
Superannuation interest cost	8,320	8,214	-106
Total superannuation expenses	14,555	14,586	31
Total employee and superannuation expense	40,127	39,432	-695

Note 8: Depreciation and amortisation expense

	2013-14 Estimate at 2014-15 Budget \$m	2013-14 Outcome \$m	Change on 2014-15 Budget \$m
Depreciation			
Specialist military equipment	2,815	2,539	-276
Buildings	1,329	1,422	93
Other infrastructure, plant and equipment	1,401	1,394	-7
Heritage and cultural assets	37	51	14
Total depreciation	5,583	5,407	-176
Total amortisation	891	934	43
Total depreciation and amortisation expense	6,474	6,341	-134

Note 9: Supply of goods and services expense

	2013-14 Estimate at 2014-15 Budget \$m	2013-14 Outcome \$m	Change on 2014-15 Budget \$m
Supply of goods and services	23,904	23,831	-73
Operating lease rental expenses	2,650	2,549	-100
Personal benefits - indirect	40,906	40,943	37
Health care payments	5,336	5,604	269
Other	1,757	2,376	619
Total supply of goods and services expense	74,552	75,304	751

Note 10: Interest expense

	2013-14 Estimate at 2014-15 Budget \$m	2013-14 Outcome \$m	Change on 2014-15 Budget \$m
Interest on debt			
Government securities	13,429	13,390	-39
Loans	10	10	0
Other	283	262	-21
Total interest on debt	13,723	13,662	-61
Other financing costs	674	935	262
Total interest expense	14,396	14,597	201

Note 11: Current and capital grants expense

	2013-14 Estimate at 2014-15 Budget \$m	2013-14 Outcome \$m	Change on 2014-15 Budget \$m
Current grants expense			
State and Territory governments	88,473	88,454	-20
Local governments	17	15	-2
Private sector(a)	2,358	1,920	-438
Overseas	4,218	4,172	-46
Non-profit organisations(a)(b)	1,600	3,966	2,365
Multi-jurisdictional sector	9,755	9,634	-121
Other(b)	11,015	7,750	-3,265
Total current grants expense	117,437	115,911	-1,526
Capital grants expense			
Mutually agreed write-downs	3,094	2,627	-467
Other capital grants			
State and Territory governments	8,616	8,765	150
Local governments	728	714	-15
Private sector	34	34	0
Multi-jurisdictional sector	99	97	-1
Other	9,260	9,122	-138
Total capital grants expense	21,830	21,359	-471
Total grants expense	139,267	137,270	-1,997

(a) Includes reallocation of some programs between grants to private sector and grants to non-profit organisations since 2014-15 Budget.

(b) Includes reallocation of some programs between grants to non-profit organisations and grants to other since 2014-15 Budget.

Note 12: Personal benefits expense

	2013-14 Estimate at 2014-15 Budget \$m	2013-14 Outcome \$m	Change on 2014-15 Budget \$m
Social welfare - assistance to the aged	40,279	40,194	-85
Assistance to veterans and dependants	6,226	6,147	-79
Assistance to people with disabilities	23,237	23,217	-20
Assistance to families with children	32,805	33,283	478
Assistance to the unemployed	10,226	10,050	-176
Student assistance	3,602	3,557	-45
Other welfare programmes	335	936	601
Financial and fiscal affairs	468	403	-65
Vocational and industry training	295	293	-2
Other	7,470	7,093	-377
Total personal benefit expense	124,944	125,174	230

Note 13: Advances paid and other receivables

	2013-14 Estimate at 2014-15 Budget \$m	2013-15 Outcome \$m	Change on 2014-15 Budget \$m
Advances paid			
Loans to State and Territory governments	2,510	2,502	-8
Higher Education Loan Program	25,183	25,147	-36
Student Financial Supplement Scheme	624	604	-19
Other	11,444	11,566	122
less Provision for doubtful debts	24	228	204
Total advances paid	39,737	39,591	-146
Other receivables			
Goods and services receivable	829	817	-12
Recoveries of benefit payments	3,398	3,635	237
Taxes receivable	22,700	20,352	-2,348
Prepayments	2,511	2,985	474
Other	18,013	20,094	2,081
less Provision for doubtful debts	1,400	2,633	1,234
Total other receivables	46,051	45,249	-802

Note 14: Investments, loans and placements

	2013-14 Estimate at 2014-15 Budget \$m	2013-14 Outcome \$m	Change on 2014-15 Budget \$m
Investments - deposits	36,823	36,926	103
IMF quota	5,339	5,306	-33
Other	75,209	75,276	66
Total investments, loans and placements	117,371	117,507	136

Note 15: Non-financial assets

	2013-14 Estimate at 2014-15 Budget \$m	2013-14 Outcome \$m	Change on 2014-15 Budget \$m
Land and buildings			
Land	8,929	9,331	403
Buildings	24,335	24,723	388
Total land and buildings	33,264	34,054	790
Plant, equipment and infrastructure			
Specialist military equipment	41,384	41,242	-142
Other	13,490	13,051	-440
Total plant, equipment and infrastructure	54,875	54,293	-581
Inventories			
Inventories held for sale	1,280	1,267	-12
Inventories not held for sale	6,662	6,986	324
Total inventories	7,942	8,253	311
Intangibles			
Computer software	3,535	3,629	94
Other	2,275	2,509	234
Total intangibles	5,810	6,138	328
Total investment properties	196	183	-13
Total biological assets	35	36	1
Total heritage and cultural assets	10,573	10,825	252
Total assets held for sale	136	95	-42
Total other non-financial assets	397	409	12
Total non-financial assets	113,228	114,286	1,058

Note 16: Loans

	2013-14 Estimate at 2014-15 Budget \$m	2013-14 Outcome \$m	Change on 2014-15 Budget \$m
Promissory notes	3,709	3,904	194
Special drawing rights	5,086	5,054	-31
Other	813	1,279	467
Total loans	9,608	10,237	629

Note 17: Employee and superannuation liabilities

	2013-14 Estimate at 2014-15 Budget \$m	2013-14 Outcome \$m	Change on 2014-15 Budget \$m
Total superannuation liability(a)	157,067	221,746	64,679
Other employee liabilities			
Leave and other entitlements	7,496	7,331	-165
Accrued salaries and wages	686	772	85
Workers compensation claims	3,166	3,175	9
Separations and redundancies	110	284	174
Other	3,644	4,368	724
Total other employee liabilities	15,102	15,931	828
Total employee and superannuation liabilities	172,169	237,677	65,508

(a) For budget reporting purposes, a discount rate applied by actuaries in preparing Long-Term Cost Reports is used to value the superannuation liability. This reduces the volatility in reported liabilities that would occur from year to year if the long-term government bond rate were used. Consistent with AAS, the long-term government bond rate as at 30 June is used to calculate the superannuation liability for the purpose of actuals reporting.

Note 18: Provisions and payables

	2013-14 Estimate at 2014-15 Budget \$m	2013-14 Outcome \$m	Change on 2014-15 Budget \$m
Suppliers payable			
Trade creditors	3,913	3,560	-354
Operating lease rental payable	222	264	41
Other creditors	497	1,056	560
Total suppliers payable	4,632	4,880	247
Total personal benefits provisions and payables	12,384	13,137	753
Total subsidies provisions and payables	4,242	4,517	275
Grants provisions and payables			
State and Territory governments	149	679	530
Non-profit organisations	90	81	-9
Private sector	365	303	-62
Overseas	2,076	1,660	-416
Local governments	7	2	-5
Other	11,484	11,476	-9
Total grants provisions and payables	14,170	14,201	31
Other provisions and payables			
Provisions for tax refunds	3,406	2,919	-487
Other	10,473	11,362	889
Total other provisions and payables	13,879	14,281	402

Note 19: Reconciliation of cash

	2013-14 Estimate at 2014-15 Budget \$m	2013-14 Outcome \$m	Change on 2014-15 Budget \$m
Operating balance (revenues less expenses)	-41,027	-39,896	1,131
<i>less</i> Revenues not providing cash			
Other	876	554	-322
Total revenues not providing cash	876	554	-322
<i>plus</i> Expenses not requiring cash			
Increase/(decrease) in employee entitlements	7,776	16,301	8,525
Depreciation/amortisation expense	6,474	6,341	-134
Mutually agreed write-downs	3,094	2,627	-467
Other	719	-7,127	-7,845
Total expenses not requiring cash	18,063	18,142	79
<i>plus</i> Cash provided / (used) by working capital items			
Decrease / (increase) in inventories	-227	-474	-247
Decrease / (increase) in receivables	-9,970	-9,297	672
Decrease / (increase) in other financial assets	1,630	99	-1,530
Decrease / (increase) in other non-financial assets	-64	-319	-254
Increase / (decrease) in benefits, subsidies and grants payable	-2,962	-2,375	587
Increase / (decrease) in suppliers' liabilities	345	-544	-889
Increase / (decrease) in other provisions and payables	-2,245	-1,750	496
Net cash provided / (used) by working capital	-13,493	-14,659	-1,166
<i>equals</i> (Net cash from/(to) operating activities)	-37,334	-36,968	367
<i>plus</i> (Net cash from/(to) investing activities)	-24,530	-22,644	1,886
Net cash from operating activities and investment	-61,864	-59,611	2,253
<i>plus</i> (Net cash from/(to) financing activities)	62,792	61,380	-1,412
equals Net increase/(decrease) in cash	928	1,769	841
Cash at the beginning of the year	2,075	2,075	0
Net increase/(decrease) in cash	928	1,769	841
Cash at the end of the year	3,004	3,844	841

Note 19(a): Consolidated Revenue Fund

	2013-14 Estimate at 2014-15 Budget \$m	2013-14 Outcome \$m	Change on 2014-15 Budget \$m
Total general government sector cash	3,004	3,844	840
<i>less</i> CAC Agency cash balances	1,907	2,217	310
<i>plus</i> Special public monies	294	173	-121
Balance of Consolidated Revenue Fund at 30 June	1,391	1,800	409

The cash balances reflected in the balance sheet for the Australian Government GGS (Table 11) include the reported cash balances controlled and administered by Australian Government agencies and entities subject to the *Financial Management and Accountability Act 1997* and the *Commonwealth Authorities and Companies Act 1997* (CAC Act), that implement public policy through the provision of primarily non-market services. From 1 July 2014, these agencies and entities will be subject to equivalent provisions under the *Public Governance, Performance and Accountability Act 2013*.

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 *Final Budget Outcome* primarily focuses on the financial performance and position of the general government sector (GGS). The ABS defines the GGS as providing public services which are mainly non-market in nature, mainly for the collective consumption of the community, involving the transfer or redistribution of income and financed mainly through taxes and other compulsory levies. AASB 1049 recognises the GGS as a reporting entity.

AASB 1049 history and conceptual framework

The Australian Accounting Standards Board (AASB) released AASB 1049 for application from the 2008-09 financial year. AASB 1049 seeks to 'harmonise' ABS GFS and AAS.

The reporting framework for AASB 1049 requires the preparation of accrual-based general purpose financial reports, showing government assets, liabilities, revenue, expenses and cash flows. GGS reporting under AASB 1049 aims to provide users with information about the stewardship of each government in relation to its GGS and accountability for the resources entrusted to it; information about the financial position, performance and cash flows of each government's GGS; and information that facilitates assessments of the macroeconomic impact. While AASB 1049 provides a basis for whole-of-government and GGS outcome reporting (including the PNFC and PFC sectors), budget reporting and budget outcome reporting focuses on the GGS.

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, overriding 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*.¹

1 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).

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.²

A change to the value or volume of an asset or liability that does not result from a transaction is an 'other economic flow'. This can include changes in values from market prices, most actuarial valuations and exchange rates, and changes in volumes from discoveries, depletion and destruction. All other economic flows are reported in the operating statement.

Consistent with the ABS GFS framework, and in general AAS, the financial statements record flows in the period in which they occur. As a result, prior period outcomes may be revised for classification changes relating to information that could reasonably have been expected to be known in the past, is material in at least one of the affected periods and can be reliably assigned to the relevant period(s).

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) equals gross fixed capital formation, less depreciation, plus changes (investment) in inventories, plus other transactions in non-financial assets. This 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.

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.

2 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.

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.³

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.

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

3 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.

measure relating to the valuation of non-financial assets and their availability to offset liabilities.

Net financial liabilities

Net financial liabilities comprises total liabilities less financial assets but excludes equity investments in the other sectors of the jurisdiction. Net financial liabilities is a more accurate indicator than net debt of a jurisdiction's fiscal position as it includes substantial non-debt liabilities such as accrued superannuation and long service leave entitlements. Excluding the net worth of other sectors of government results in a purer measure of financial worth than net financial worth, as, in general, the net worth of other sectors of government, in particular the PNFC sector, is backed up by physical assets.

Net debt

Net debt is the sum of selected financial liabilities (deposits held, advances received, government securities, loans and other borrowing) less the sum of selected financial assets⁴ (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, 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.

4 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.

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 ⁵
<i>equals</i>
ABS GFS cash surplus/deficit
<i>less</i>
Net Future Fund earnings
<i>equals</i>
Underlying cash balance

The Government has excluded net Future Fund earnings from the calculations of the underlying cash balance. Prior to the 2012-13 MYEFO, the underlying cash balance only excluded the gross earnings of the Future Fund. Under the *Future Fund Act 2006*, earnings are required to be reinvested to meet the Government's future public sector superannuation liabilities. The Future Fund becomes available to meet the Government's superannuation liabilities from 2020.

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

Net Future Fund earnings are separately identified in the Australian Government GGS cash flow statement in Table 12 of this statement and the historical tables in Appendix B.

5 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.

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.

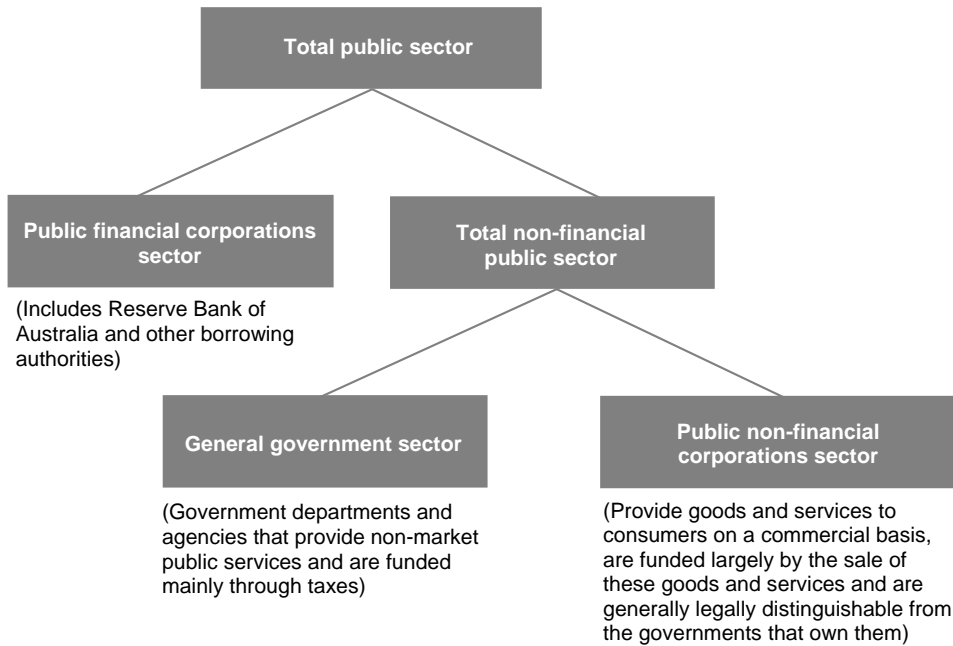
Cash flows from investments in financial assets for policy purposes include equity transactions and net advances.⁶ Equity transactions include equity injections into controlled businesses and privatisations of government businesses. Net advances include net loans to the States, net loans to students under the Higher Education Loan Program (HELP), and contributions to international organisations that increase the Australian Government's financial assets.

Sectoral classifications

To assist in analysing the public sector, data is presented by institutional sector as shown in Figure 1. ABS GFS defines the general government sector (GGS) and the public non-financial corporations (PNFC) and public financial corporations (PFC) sectors. AASB 1049 has also adopted this sectoral reporting.

6 Cash flows from investments in financial assets for policy purposes were called net advances under the cash budgeting framework.

Figure 1: Institutional structure of the public sector



All entities are classified as GGS entities except for the following list of portfolio entities that are classified as PFC or PNFC (Table 23).

A table which provides a full list of public sector principal entities is available on the Department of Finance website at www.finance.gov.au/sites/default/files/list-ggs-pnfc-pfc-pgpa.pdf.

Table 23: Entities outside of the general government sector

Public financial corporations
Employment Portfolio
Coal Mining Industry (Long Service Leave Funding) Corporation
Finance Portfolio
Medibank Private Ltd
Foreign Affairs and Trade Portfolio
Export Finance and Insurance Corporation
Treasury Portfolio
Australian Reinsurance Pool Corporation, Reserve Bank of Australia
Public non-financial corporations
Attorney General's Portfolio
Australian Government Solicitor
Communications Portfolio
Australian Postal Corporation, NBN Co Ltd
Finance Portfolio
Albury-Wodonga Development Corporation, ASC Pty Ltd, Australian River Co. Ltd
Industry Portfolio
ANSTO Nuclear Medicine Pty Ltd
Infrastructure and Regional Development Portfolio
Airservices Australia, Australian Rail Track Corporation Ltd, Moorebank Intermodal Company Ltd
Prime Minister and Cabinet Portfolio
Voyages Indigenous Tourism Australia Pty Ltd
Social Services Portfolio
Australian Hearing Services

AUSTRALIAN LOAN COUNCIL ALLOCATION

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

- the estimated non-financial public sector ABS GFS cash surplus/deficit (made up from the balances of the general government and public non-financial corporations sectors and total non-financial public sector acquisitions under finance leases and similar arrangements);
- net cash flows from investments in financial assets for policy purposes; and
- memorandum items, which involve transactions that are not formally borrowings but nevertheless have many of the characteristics of borrowings.

LCA nominations are considered by the Loan Council, having regard to each jurisdiction's fiscal position and infrastructure requirements, as well as the macroeconomic implications of the aggregate figure.

As set out in Table 24, the Commonwealth's 2013-14 LCA final budget outcome is a \$57.5 billion deficit. This compares with the Australian Government's 2013-14 LCA Budget estimate of a \$29.0 billion deficit.

A tolerance limit of 2 per cent of non-financial public sector receipts applies between the LCA Budget estimate and the outcome. Tolerance limits recognise that LCAs are nominated at an early stage of the Budget process and may change as a result of policy and parameter changes. The Australian Government's 2013-14 LCA final budget outcome exceeds the 2 per cent tolerance limit. This primarily reflects write-downs in tax receipts and higher payments than estimated at the time of the 2013-14 Budget.

Table 24: Australian Government Loan Council Allocation

	2013-14 Budget Estimate \$m	2013-14 Outcome \$m
GGs cash surplus(-)/deficit(+)	14,736	45,522
PNFC sector cash surplus(-)/deficit(+)	4,862	3,204
NFPS cash surplus(-)/deficit(+)(a)	19,599	48,726
<i>plus</i> Acquisitions under finance leases and similar arrangements	469	2,662
<i>equals</i> ABS GFS cash surplus(-)/deficit(+)	20,067	51,388
<i>minus</i> Net cash flows from investments in financial assets for policy purposes(b)	-10,073	-6,371
<i>plus</i> Memorandum items(c)	-1,121	-241
Loan Council Allocation	29,019	57,518

- (a) May not directly equate to the sum of the GGS and the PNFC sector due to intersectoral transfers which are netted out.
- (b) Net cash flows from investments in financial assets for policy purposes are displayed with the same sign as they are reported in cash flow statements. Such transactions involve the transfer or exchange of a financial asset and are not included within the cash surplus/deficit. However, the cash flow from investments in financial assets for policy purposes has implications for a government's call on financial markets.
- (c) For the Commonwealth's LCA outcome, memorandum items include the change in net present value (NPV) of operating leases (with NPV greater than \$5 million), the over-funding of superannuation and the net financing requirement of the Australian National University.

PART 3: AUSTRALIA'S FEDERAL RELATIONS

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

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

More detailed information on Australia's Federal Relations is provided in Budget Paper No. 3, *Federal Financial Relations 2014-15*, and on the Federal Financial Relations website at: www.federalfinancialrelations.gov.au.

OVERVIEW OF PAYMENTS TO THE STATES

The States receive substantial financial support from the Commonwealth. In 2013-14, the Commonwealth provided the States with payments totalling \$97.9 billion, comprising specific purpose payments of \$45.6 billion and general revenue assistance (including GST entitlements) of \$52.4 billion, as shown in Table 25. Total payments to the States as a proportion of total Commonwealth expenditure was 23.7 per cent in 2013-14.

Table 25: Commonwealth payments to the States, 2013-14

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Payments for specific purposes	13,720	12,478	9,233	4,603	2,898	995	748	881	45,557
General revenue assistance	15,900	11,533	10,892	3,682	4,652	1,824	1,068	2,839	52,391
Total payments to the States	29,620	24,011	20,125	8,285	7,550	2,819	1,816	3,720	97,948

PAYMENTS FOR SPECIFIC PURPOSES

In 2013-14, the Commonwealth provided payments to the States for specific purposes in areas administered by the States. These payments cover most functional areas of state and local government activity including: health; education; skills and workforce development; community services; housing; Indigenous affairs; infrastructure; and the environment.

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

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

National SPPs, National Health Reform and Students First funding

In 2013-14, the Commonwealth continued to provide funding for key service delivery sectors through National SPPs, National Health Reform funding and Students First funding. The National SPPs are as follows:

- National Schools SPP (which was replaced by Students First funding from January 2014);
- National Skills and Workforce Development SPP;
- National Disability Services SPP; and
- National Affordable Housing SPP.

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

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

Payments made throughout the year for National SPPs, National Health Reform and Students First are made in advance, based on Commonwealth estimates of the respective growth factors. A balancing adjustment is made after the end of the financial year (or calendar year, for Students First) once final growth factor data become available.

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

In the case of the government schools component of the National Schools SPP (which ceased on 31 December 2013), the relevant population is each State's share of full-time equivalent student enrolments in government schools.

From 1 January 2014, Students First funding replaced the National Schools SPP and various schools-related National Partnership payments. Students First funding includes: funding for government and non-government schools; capital funding and special circumstances funding for non-government schools; and funding for non-government representative bodies. Students First funding is distributed among the States in accordance with the *Australian Education Act 2013* and relevant agreements made under that Act.

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

State shares of National Health Reform funding for 2013-14 are allocated on a population basis, adjusted for cross border patient flows. The adjustment is calculated by the Administrator of the National Health Funding Pool reflecting State estimates of cross-border activity. The Treasurer will determine the actual allocations for 2013-14, following the Administrator's reconciliation of activity data.

National Partnership payments

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

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

Total payments for specific purposes

In 2013-14, the States received \$45.6 billion in payments for specific purposes. Payments to the States for specific purposes constituted 11.0 per cent of total Commonwealth expenditure in 2013-14.

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

Table 26: Total payments for specific purposes by category, 2013-14

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Specific Purpose									
Payments(a)(b)	3,315	2,592	2,136	1,093	759	220	177	122	10,415
National Health Reform funding(a)(c)	4,352	3,463	2,800	1,515	1,006	299	272	135	13,841
Students First funding(d)	2,087	1,652	1,414	690	519	160	121	123	6,766
National Partnership Payments(e)	3,965	4,771	2,883	1,306	614	316	178	501	14,534
Total payments for specific purposes	13,720	12,478	9,233	4,603	2,898	995	748	881	45,557

(a) The 2013-14 outcomes for the National SPPs and National Health Reform funding will be finalised following a Determination by the Treasurer.

(b) Includes National Schools SPP funding, which ceased in December 2013.

(c) State allocations of National Health Reform funding for 2013-14 are published on a population basis, adjusted for cross-border patient flows. These amounts will be finalised following reconciliation of activity data by the Administrator of the National Health Funding Pool.

(d) Students First funding commenced in January 2014. The 2013-14 outcomes for Students First funding will be finalised following a Determination by the Minister for Education.

(e) Includes financial assistance grants for local government.

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

Table 27: Total payments for specific purposes by sector, 2013-14

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Health	4,989	3,940	3,179	1,736	1,158	377	305	191	15,875
Education	4,319	3,483	2,926	1,458	1,091	325	247	285	14,135
Skills and Workforce									
Development	560	437	347	189	129	39	29	19	1,750
Community Services	542	803	327	334	104	31	31	101	2,273
Affordable Housing	522	346	462	353	136	34	28	162	2,043
Infrastructure	2,182	2,947	1,105	354	88	77	65	92	6,910
Environment	100	198	54	11	75	37	3	6	485
Contingent	58	5	310	2	-	1	377
Other(a)	448	319	523	165	116	74	39	23	1,708
Total payments for specific purposes	13,720	12,478	9,233	4,603	2,898	995	748	881	45,557

(a) Includes financial assistance grants for local government.

Total payments for specific purposes by sector and category, including National SPPs, National Health Reform funding, Students First funding and National Partnership payments, are shown in Table 28.

Table 28: Total payments for specific purposes by sector and category, 2013-14

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<i>Health</i>									
National Health Reform funding(a)(b)	4,352	3,463	2,800	1,515	1,006	299	272	135	13,841
National Partnerships	637	477	379	222	152	78	33	56	2,034
Total health payments	4,989	3,940	3,179	1,736	1,158	377	305	191	15,875
<i>Education</i>									
National Schools SPP(a)(c)	2,024	1,600	1,330	657	488	138	109	75	6,422
Students First funding(d)	2,087	1,652	1,414	690	519	160	121	123	6,766
National Partnerships	208	231	182	112	84	27	18	87	947
Total education payments	4,319	3,483	2,926	1,458	1,091	325	247	285	14,135
<i>Skills and workforce development</i>									
National Skills and Workforce Development SPP(a)	455	350	281	151	102	31	23	15	1,409
National Partnerships	105	88	66	38	27	8	6	4	341
Total skills and workforce development payments	560	437	347	189	129	39	29	19	1,750
<i>Community services</i>									
National Disability SPP(a)(e)	427	331	268	146	75	20	22	12	1,302
National Partnerships	115	472	59	188	30	10	9	88	971
Total community services payments	542	803	327	334	104	31	31	101	2,273
<i>Affordable housing</i>									
National Affordable Housing SPP(a)	410	312	256	139	94	30	22	20	1,283
National Partnerships	112	35	205	215	42	4	5	142	760
Total affordable housing payments	522	346	462	353	136	34	28	162	2,043
<i>Infrastructure</i>									
National Partnerships	2,182	2,947	1,105	354	88	77	65	92	6,910
<i>Environment</i>									
National Partnerships	100	198	54	11	75	37	3	6	485
<i>Contingent payments</i>									
National Partnerships	58	5	310	2	-	1	377
<i>Other</i>									
National Partnerships(f)	448	319	523	165	116	74	39	23	1,708
Total payments for specific purposes	13,720	12,478	9,233	4,603	2,898	995	748	881	45,557

(a) The 2013-14 outcomes for the National SPPs and National Health Reform funding will be finalised following a Determination by the Treasurer.

(b) State allocations of National Health Reform funding for 2013-14 are published on a population basis, adjusted for cross-border patient flows. These amounts will be finalised following reconciliation of activity data by the Administrator of the National Health Funding Pool.

(c) National Schools SPP funding ceased in December 2013.

(d) Students First funding commenced in January 2014. The 2013-14 outcomes for Students First funding will be finalised following a Determination by the Minister for Education.

(e) Includes adjustment to achieve budget neutrality for 2012-13 activity (see footnote to Attachment A for details).

(f) Includes financial assistance grants for local government.

Natural Disaster Relief and Recovery Arrangements

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

For accounting purposes, the Commonwealth recognises a liability equal to the present value of future payments expected to be made to the States under the NDRRA. This is regardless of whether a State has completed eligible disaster reconstruction work or submitted an eligible claim under the NDRRA. Total cash payments in 2013-14 are presented in Table 29 below; see Table 44 in Attachment A for the expense outcome.

Table 29: NDRRA cash payments, 2013-14

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
NDRRA	482,757	626	1,514,545	53,226	-	13,773	-	-	2,064,927
Total	482,757	626	1,514,545	53,226	-	13,773	-	-	2,064,927

GENERAL REVENUE ASSISTANCE

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

In 2013-14, the States received \$52.4 billion in general revenue assistance from the Commonwealth, comprising \$51.1 billion in GST entitlements and \$1.3 billion of other general revenue assistance, as shown in Table 30. In 2013-14, total general revenue assistance to the States represented 12.7 per cent of total Commonwealth expenditure.

Table 30: General revenue assistance, 2013-14

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
GST entitlement	15,850	11,508	10,892	2,500	4,652	1,824	1,031	2,834	51,090
Other general revenue assistance									
<i>ACT municipal services</i>	-	-	-	-	-	-	37	-	37
<i>Reduced royalties</i>	-	-	-	66	-	-	-	-	66
<i>Royalties</i>	-	-	-	1,116	-	-	-	5	1,121
<i>Snowy Hydro Ltd tax compensation</i>	51	25	-	-	-	-	-	-	76
Total other general revenue assistance	51	25	-	1,182	-	-	37	5	1,300
Total general revenue assistance	15,900	11,533	10,892	3,682	4,652	1,824	1,068	2,839	52,391

GST PAYMENTS

Reconciling GST revenue and GST payments to the States

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

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

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

In 2013-14, GST revenue was \$55.5 billion. A reconciliation of GST revenue and GST entitlement to the States is provided in Table 31.

Table 31: GST revenue and GST entitlement to the States, 2013-14

\$million	Total
GST revenue	55,517
<i>less</i> change in GST receivables	4,123
GST receipts	51,394
<i>less</i> non-GIC penalties collected	276
<i>less</i> net GST collected by Commonwealth agencies but not yet remitted to the ATO	28
GST entitlement to the States(a)	51,090

(a) The 2013-14 GST outcome will be finalised following a Determination by the Treasurer.

Advances of GST entitlements were provided to the States throughout the 2013-14 financial year based on the Commonwealth's estimate of GST entitlements as updated at the 2014-15 Budget. The GST entitlement to the States is expected to be \$370 million higher than the advances paid during 2013-14. A balancing adjustment will be made following a Determination by the Treasurer. Table 32 provides a reconciliation of the GST entitlement and GST advances to the States.

Table 32: GST entitlement and GST advances to the States, 2013-14

\$million	Total
GST entitlement to the States(a)	51,090
<i>less</i> advances of GST made throughout 2013-14	50,720
<i>equals</i> following year balancing adjustment	370

(a) The 2013-14 GST outcome will be finalised following a Determination by the Treasurer.

Distribution of GST entitlements among the States

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

GST relativities

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

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

A Determination on the GST Revenue sharing relativities for 2013-14 was made in May 2013. The relativities for 2013-14 are shown in Table 33.

Table 33: GST relativities, 2013-14

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT
2013-14	0.96576	0.90398	1.05624	0.44581	1.26167	1.61454	1.22083	5.31414

Applying the GST relativities to the GST pool

The GST relativities were applied to estimated State populations to determine an adjusted population for each State. The entitlements are allocated using the population as at 31 December 2013 as determined by the Australian Statistician. Each State received its adjusted population share of the GST entitlement as shown in Table 34.

Table 34: Calculation of the 2013-14 GST entitlements

	Population as at 31 December 2013 (1)	GST revenue sharing relativities (2)	Adjusted population (1) x (2) (3)	Share of adjusted population per cent (4)	Share of GST pool \$million (5)
NSW	7,465,497	0.96576	7,209,878	31.0	15,849.5
VIC	5,790,990	0.90398	5,234,939	22.5	11,508.0
QLD	4,690,910	1.05624	4,954,727	21.3	10,892.0
WA	2,550,874	0.44581	1,137,205	4.9	2,499.9
SA	1,677,250	1.26167	2,116,136	9.1	4,651.9
TAS	513,955	1.61454	829,801	3.6	1,824.2
ACT	384,147	1.22083	468,978	2.0	1,031.0
NT	242,573	5.31414	1,289,067	5.5	2,833.8
Total	23,316,196	N/A	23,240,731	100.0	51,090.2

Table 35 provides a summary of advances made in 2013-14 against their estimated final entitlement shown in Table 34 above. The variance between advances paid in 2013-14 and the States' final entitlement will be paid in the 2014-15 financial year.

Table 35: Summary of advances made in 2013-14 and distribution of following year adjustment across States

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
GST entitlement	15,849.5	11,508.0	10,892.0	2,499.9	4,651.9	1,824.2	1,031.0	2,833.8	51,090.2
13-14 advances	15,727.2	11,426.1	10,822.7	2,484.8	4,618.2	1,809.5	1,023.9	2,807.6	50,720.0
Following year adjustment(a)	122.3	81.9	69.3	15.1	33.7	14.7	7.1	26.1	370.2

(a) The 2013-14 GST outcome will be finalised following a Determination by the Treasurer.

GST administration costs

The Commissioner of Taxation administers the GST law and the States compensate the Commonwealth for the costs incurred by the ATO in administering the GST, including costs incurred by the Australian Customs Service, as shown in Table 36.

Table 36: GST administration, 2013-14

\$million	Actual	
	2012-13	2013-14
Australian Taxation Office budget	694.4	698.6
less prior year adjustment	-13.7	-11.0
<i>equals</i> State government administration payments	708.1	709.6
less Australian Taxation Office outcome(a)	705.3	690.4
<i>equals</i> Commonwealth budget impact	2.8	19.1
plus prior year adjustment	-13.7	-11.0
<i>equals</i> following year adjustment	-11.0	8.2

(a) Estimated outcome for 2013-14 pending confirmation by the Australian National Audit Office.

The estimated outcome for the 2013-14 GST administration expenses of \$690.4 million differs from the amount paid by the States and the prior year adjustment by \$8.2 million. Once the outcome for GST administration costs in 2013-14 is audited and confirmed by the Australian National Audit Office, any adjustment required will be incorporated into the States' administration costs for 2014-15.

Attachment A

PAYMENTS TO THE STATES

This attachment provides information on Commonwealth payments to the States and local governments on an accruals basis. Details regarding Commonwealth advances (loans) to the States, including repayments of advances and interest on advances, are available online at www.budget.gov.au (Table 48 refers). Most of these advances were funded from borrowings made on behalf of the States under previous Australian Loan Council arrangements.

The following tables detail payments to the States for 2013-14:

Table 37 – health;

Table 38 – education;

Table 39 – skills and workforce development;

Table 40 – community services;

Table 41 – affordable housing;

Table 42 – infrastructure;

Table 43 – environment;

Table 44 – contingent liabilities;

Table 45 – other purposes;

Table 46 – general revenue assistance; and

Table 47 – payments presented on the Australian Bureau of Statistics Government Finance Statistics functional basis.

Table 37: Payments for specific purposes to support state health services, 2013-14

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Health Reform funding(a)(b)									
Hospital services	4,249,504	3,382,652	2,735,047	1,479,377	983,112	291,867	266,379	131,636	13,519,574
Public health	102,982	79,883	64,708	35,188	23,137	7,090	5,299	3,346	321,633
National Partnership payments									
National Health Reform									
Public hospital system – additional funding	44,544	43,178	41,462	17,814	17,147	5,168	4,373	183	173,869
Financial assistance for long stay older patients	35,985	4,146	13,534	7,275	10,561	1,408	3,990	1,330	78,229
Improving Public Hospital Services									
Flexible funding pool for emergency departments, elective surgery and subacute care	-	-	-	-	-	1,073	-	-	1,073
National elective surgery target									
Capital funding	-	-	-	-	-	1,244	-	-	1,244
Facilitation and reward funding	7,212	5,143	1,758	2,227	1,121	2,257	673	247	20,638
National emergency access target									
Capital funding	-	-	-	-	-	1,941	-	-	1,941
Facilitation and reward funding	-	-	-	5,326	3,051	1,718	-	-	10,095
New subacute beds guarantee funding	203,800	154,700	125,900	64,300	46,000	21,000	9,900	6,900	632,500
Health Infrastructure									
Health and Hospitals Fund									
Hospital infrastructure and other projects of national significance	-	-	35,580	62,600	-	-	-	-	98,180
National cancer system	6,267	85,700	12,165	4,600	6,124	3,703	4,450	1,200	124,209
Regional priority round	163,800	50,962	16,571	9,498	25,631	-	234	2,950	269,646
Health services									
Health services									
National antimicrobial utilisation surveillance programme	-	-	-	-	150	-	-	-	150

Table 37: Payments for specific purposes to support state health services, 2013-14 (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Health services (continued)									
Northern Territory medical school – funding contribution	-	-	-	-	-	-	-	2,250	2,250
Expansion of the BreastScreen Australia programme	979	944	-	640	537	539	521	508	4,668
Health care grants for the Torres Strait	-	-	4,458	-	-	-	-	-	4,458
Improving Health Services in Tasmania									
Better access to community based palliative care services	-	-	-	-	-	1,790	-	-	1,790
Improving patient pathways through clinical and system redesign	-	-	-	-	-	6,936	-	-	6,936
Innovative flexible funding for mental health	-	-	-	-	-	1,050	-	-	1,050
Reducing elective surgery waiting lists in Tasmania	-	-	-	-	-	14,903	-	-	14,903
National Bowel Cancer Screening Programme – participant follow-up function	-	601	483	248	193	124	100	83	1,832
National Perinatal Depression Initiative	3,093	2,574	2,152	1,329	737	334	287	344	10,850
OzFoodNet	333	246	247	192	193	179	134	140	1,664
Royal Darwin Hospital – equipped, prepared and ready	-	-	-	-	-	-	-	15,007	15,007
Torres Strait health protection strategy – mosquito control	-	-	942	-	-	-	-	-	942
Vaccine-preventable diseases surveillance	190	181	157	80	77	32	33	45	795
Victorian cytology service	-	8,472	-	-	-	-	-	-	8,472
Indigenous health									
Improving ear health services for Indigenous Australian children	95	13	151	152	86	-	-	162	659

Table 37: Payments for specific purposes to support state health services, 2013-14 (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Indigenous health (continued)									
Improving trachoma control services for Indigenous Australians	254	-	-	1,397	1,051	-	-	1,666	4,368
Indigenous early childhood development – antenatal and reproductive health	5,490	1,420	7,648	3,920	1,118	735	250	3,750	24,331
Reducing acute rheumatic heart fever among Indigenous children	-	-	857	857	367	-	-	857	2,938
Renal dialysis services in Central Australia	-	-	-	-	-	-	-	1,700	1,700
Stronger Futures in the Northern Territory	-	-	-	-	-	-	-	2,816	2,816
Hearing health services	-	-	-	-	-	-	-	4,386	4,386
Mobile Outreach Service Plus	-	-	-	-	-	-	-	2,318	2,318
Oral health services	-	-	-	-	-	-	-	-	-
Torres Strait health protection strategy – Saibai Island health clinic	-	-	500	-	-	-	-	-	500
Other									
Essential vaccines	81,142	57,709	55,921	26,064	16,630	3,069	4,100	3,724	248,359
National Coronial Information System	-	424	-	-	-	-	-	-	424
Preventive health									
Healthy children and workers	17,329	13,020	10,968	5,583	3,860	1,242	894	617	53,513
Healthy communities	2,846	2,450	1,824	1,483	1,383	276	-	391	10,653
Supporting National Mental Health Reform									
Reform	13,559	9,346	15,257	5,993	3,355	1,587	620	887	50,604
Treating more public dental patients	50,012	36,240	30,363	-	12,497	5,540	2,471	1,890	139,013
Total	4,989,416	3,940,004	3,178,653	1,736,143	1,158,118	376,805	304,708	191,333	15,875,180
<i>Memorandum item - payments direct to local governments included in payments above</i>									
Preventive health									
Healthy communities	2,846	2,450	1,824	1,483	1,383	276	-	391	10,653
Total	2,846	2,450	1,824	1,483	1,383	276	-	391	10,653

(a) The 2013-14 outcomes for National Health Reform funding will be finalised following a Determination by the Treasurer.

(b) State allocations of National Health Reform funding for 2013-14 are published on a population basis, adjusted for cross-border patient flows. These amounts will be finalised following reconciliation of activity data by the Administrator of the National Health Funding Pool.

Table 38: Payments for specific purposes to support state education services, 2013-14

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Schools SPP(a)	2,024,077	1,599,659	1,330,271	656,853	488,300	138,439	108,779	75,397	6,421,775
Students First funding(b)	2,087,174	1,651,860	1,414,315	689,562	518,926	160,166	120,961	123,300	6,766,264
National Partnership payments									
Improving literacy and numeracy	25,018	13,709	20,222	9,876	6,577	2,281	878	2,213	80,774
Independent Public Schools	-	2,270	-	-	790	300	130	230	3,720
Indigenous early childhood development – children and family centres	24,037	3,757	12,650	11,895	5,278	1,687	1,107	14,676	75,087
MoneySmart Teaching	264	249	199	135	129	-	-	56	1,032
More support for students with disabilities	26,150	19,840	16,912	8,426	5,960	1,891	1,406	904	81,489
National quality agenda for early childhood education and care	4,237	2,314	734	441	1,149	140	106	420	9,541
National Solar Schools Programme	2,382	5,437	4,552	3,412	924	246	382	615	17,950
School Pathways Programme	-	-	-	540	747	-	-	-	1,287
Schools Security Programme	2,232	1,977	262	279	64	-	-	-	4,814
Smarter Schools(c)									
Improving teacher quality	56,028	44,147	34,537	16,890	12,790	4,154	3,128	2,137	173,811
Low socio-economic status school communities	66,184	20,472	18,559	7,196	17,822	5,216	223	5,216	140,888
Stronger Futures in the Northern Territory(c)									
Building a quality school workforce									
Additional teachers	-	-	-	-	-	-	-	29,330	29,330
Quality teaching	-	-	-	-	-	-	-	16,980	16,980
Teacher housing	-	-	-	-	-	-	-	4,783	4,783
Expansion of the school enrolment and attendance measure	-	-	-	-	-	-	-	2,338	2,338
Trade training centres in schools	1,404	38,517	5,151	8,736	4,129	789	5,131	6,831	70,688
Universal access to early childhood education	-	78,324	67,987	43,842	27,289	10,033	5,155	-	232,630
Total	4,319,187	3,482,532	2,926,351	1,458,083	1,090,874	325,342	247,386	285,426	14,135,181

Table 38: Payments for specific purposes to support state education services, 2013-14 (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<i>Memorandum item - payments for non-government schools included in payments above(d)</i>									
National Schools SPP(a)	1,352,346	1,112,755	889,614	436,857	338,482	87,163	77,111	47,105	4,341,433
Students First funding(b)	1,356,155	1,111,818	891,315	444,562	334,498	88,788	84,793	59,300	4,371,229
National Partnership payments									
Improving literacy and numeracy	5,340	3,895	3,951	2,258	1,614	401	291	379	18,129
More support for students with disabilities	6,929	5,028	3,657	2,287	1,172	340	334	123	19,870
Schools Security Programme	2,232	1,977	262	279	64	-	-	-	4,814
Trade training centres in schools	269	699	46	223	335	-	-	-	1,572
Total	2,723,271	2,236,172	1,788,845	886,466	676,165	176,692	162,529	106,907	8,757,047

- (a) National Schools SPP funding ceased in December 2013. The 2013-14 outcomes for the National Schools SPP will be finalised following a Determination by the Treasurer.
- (b) Students First funding commenced in January 2014, and includes funding for non-government representative bodies. The 2013-14 outcomes for Students First funding will be finalised following a Determination by the Minister for Education.
- (c) Includes government and non-government schools; however, payments to non-government schools are not shown in the Memorandum item.
- (d) Actual cash payments to non-government schools may be inclusive of GST; however, Final Budget Outcome figures are reported exclusive of GST.

Table 39: Payments for specific purposes to support state skills and workforce development services, 2013-14

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Skills and Workforce Development SPP(a)	454,705	349,725	281,283	151,473	102,285	31,445	23,395	14,658	1,408,969
National Partnership payments									
Building Australia's Future Workforce									
Skills reform	76,588	59,303	48,669	24,858	17,314	5,332	3,820	2,465	238,349
Training places for single and teenage parents	8,520	6,330	5,711	2,563	2,227	766	248	303	26,668
Commonwealth/State and Territory joint group training programme	-	-	3,166	2,565	1,149	-	293	215	7,388
Industry and Indigenous Skills Centres	-	98	264	154	90	-	55	144	805
TAFE fee waivers for childcare qualifications	5,824	6,121	5,437	1,633	1,226	468	481	23	21,213
Youth attainment and transitions									
Maximising engagement, attainment and successful transitions	4,246	8,520	2,798	1,406	968	303	331	179	18,751
Year 12 attainment and transitions	10,236	7,190	-	4,781	3,856	663	478	1,026	28,230
Total	560,119	437,287	347,328	189,433	129,115	38,977	29,101	19,013	1,750,373

(a) The 2013-14 National SPPs outcome will be finalised following a Determination by the Treasurer.

Table 40: Payments for specific purposes to support state community services, 2013-14

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Disability SPP(a)	427,078	331,286	268,353	145,928	95,951	29,402	21,976	13,877	1,333,851
Changed roles and responsibilities – adjustment to achieve budget neutrality(b)	-	-	-	-	-21,105	-9,248	-	-1,559	-31,912
National Partnership payments									
Transitioning responsibilities for aged care and disability services –									
Specialist disability services(c)	-	-	-	-	-	-	-	4,805	4,805
Assisting preparation towards the trial of the National Disability Insurance Scheme	-	-	-	-	-	704	6,424	-	7,128
Certain concessions for pensioners and seniors card holders									
Certain concessions for pensioners	97,276	69,533	48,555	24,451	27,662	8,881	1,976	1,351	279,685
National reciprocal transport concessions	5,929	1,643	3,799	407	367	113	170	73	12,501
Home and Community Care	-	378,151	-	161,674	-	-	-	-	539,825
Home and Community Care – services for veterans	856	3,979	1,221	1,526	260	127	141	27	8,137
Municipal and essential services	-	-	5,000	-	-	-	-	-	5,000
Pay equity for the social and community services sector	10,691	18,781	-	-	1,315	590	280	304	31,961

Table 40: Payments for specific purposes to support state community services, 2013-14 (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Stronger Futures in the Northern Territory									
Alice Springs Transformation Plan	-	-	-	-	-	-	-	4,653	4,653
Child, youth, family and community wellbeing	-	-	-	-	-	-	-	13,493	13,493
Community safety and justice	-	-	-	-	-	-	-	40,346	40,346
Municipal and essential services	-	-	-	-	-	-	-	15,360	15,360
Remote engagement and coordination	-	-	-	-	-	-	-	4,214	4,214
Tackling alcohol abuse	-	-	-	-	-	-	-	3,773	3,773
Total	541,830	803,373	326,928	333,986	104,450	30,569	30,967	100,717	2,272,820

(a) The 2013-14 National SPPs outcome will be finalised following a Determination by the Treasurer.

(b) The Commonwealth makes an adjustment to the National Disability SPP to ensure that the changes to Commonwealth and State roles and responsibilities for aged care and disability services are budget neutral. This adjustment relates to 2012-13 activity.

(c) Funding related to 2012-13 activity.

Table 41: Payments for specific purposes to support state affordable housing services, 2013-14

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Affordable Housing SPP(a)	409,625	311,551	256,460	138,916	94,062	29,974	22,485	19,610	1,282,683
National Partnership payments									
Building Better Regional Cities	33,923	3,449	3,468	4,400	-	-	-	-	45,240
First Home Owners Boost(b)	483	1,347	60	193	60	21	-	14	2,178
Homelessness	32,960	30,140	31,469	18,650	15,370	4,020	5,480	5,160	143,249
Nation Building and Jobs Plan									
Social housing –									
second stage construction	-	-	-7,180	-	-9,800	-	-	-	-16,980
Remote Indigenous Housing	44,637	-	177,532	191,278	36,414	-	-	85,732	535,593
Stronger Futures in the Northern Territory									
Housing	-	-	-	-	-	-	-	51,194	51,194
Total	521,628	346,487	461,809	353,437	136,106	34,015	27,965	161,710	2,043,157
<i>Memorandum item - payments direct to local governments included in payments above</i>									
Building Better Regional Cities	33,923	3,449	3,468	4,400	-	-	-	-	45,240
Total	33,923	3,449	3,468	4,400	-	-	-	-	45,240

(a) The 2013-14 National SPPs outcome will be finalised following a Determination by the Treasurer.

(b) Total payments for the First Home Owners Boost were \$1.8 million. Total recoveries for the First Home Owners Boost were \$1.5 million.

Table 42: Payments for specific purposes to support state infrastructure services, 2013-14

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Partnership payments									
Infrastructure Investment Programme									
Black spot projects	23,965	13,119	14,431	6,239	3,765	1,515	942	523	64,499
Heavy vehicle safety and productivity	12,143	3,009	4,103	2,626	3,516	2,128	250	5,629	33,404
Improving the national network(a)	-	-	-	-	311	-	-	-	311
Investment									
Rail	335,715	-	-	17,102	566	33,696	-	-	387,079
Road	1,628,048	1,662,971	620,902	254,224	38,663	8,165	337	47,800	4,261,110
Off-network projects									
Rail	10,837	817	68,380	5,922	-	-	-	-	85,956
Road	11,743	29,227	302,030	500	167	21,026	-	25,303	389,996
Supplementary(a)	-	-	-	4,535	-	-	-	-	4,535
Roads to Recovery	110,515	73,028	78,177	56,719	31,012	10,333	27	12,348	372,159
Building Australia Fund									
Rail	-	1,128,000	-	-	-	-	-	-	1,128,000
Road	8,000	-	-	-	-	-	62,990	-	70,990
Community Infrastructure Grants –									
Glenbrook precinct upgrade	819	-	-	-	-	-	-	-	819
Interstate road transport	34,617	20,142	7,132	2,980	9,079	375	375	375	75,075
Lalor Valley economic diversification	-	2,400	-	-	-	-	-	-	2,400
Liveable communities	2,952	1,586	-	2,944	1,107	185	220	200	9,194
Local Government and Regional Development –									
infrastructure employment projects	-	-	1,604	-	-	-	-	-	1,604
Managed motorways	2,800	9,800	8,000	-	-	-	-	-	20,600
Murray-Darling Basin regional economic diversification programme	-	2,561	-	-	-	-	-	-	2,561
Total	2,182,154	2,946,660	1,104,759	353,791	88,186	77,423	65,141	92,178	6,910,292

Table 42: Payments for specific purposes to support state infrastructure services, 2013-14 (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<i>Memorandum item - payments direct to local governments included in payments above</i>									
Infrastructure Investment Programme									
Off-network projects									
Rail	-	200	-	-	-	-	-	-	200
Road	-	-	300,000	-	-	-	-	-	300,000
Supplementary(a)	-	-	-	4,535	-	-	-	-	4,535
Roads to Recovery	108,475	73,028	78,177	56,719	22,591	10,333	-	7,396	356,719
Latrobe Valley economic diversification	-	1,000	-	-	-	-	-	-	1,000
Liveable communities	2,952	686	-	194	107	185	-	200	4,324
Local Government and Regional Development – infrastructure employment projects	-	-	1,604	-	-	-	-	-	1,604
Total	111,427	74,914	379,781	61,448	22,698	10,518	-	7,596	668,382

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

Table 43: Payments for specific purposes to support state environment services, 2013-14

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Partnership payments									
Assistance for water infrastructure and pest management in drought-affected areas	1,500	-	3,500	-	-	-	-	-	5,000
Assistance to farm businesses for water-related infrastructure	3,000	-	7,000	-	-	-	-	-	10,000
Coal seam gas and large coal mining development	7,000	4,050	7,400	-	1,250	-	-	-	19,700
Environmental management of the former Rum Jungle Mine site	-	-	-	-	-	-	-	3,355	3,355
Great Artesian Basin Sustainability Initiative	6,422	-	6,816	-	973	-	-	-	14,211
Implementation of the Tasmanian Forests Intergovernmental Agreement	-	-	-	-	-	8,808	-	-	8,808
Implementing water reform in the Murray-Darling Basin	6,346	4,590	1,340	-	1,003	-	221	-	13,500
National Urban Water and Desalination Plan	-	5,590	-	-	950	-	-	-	6,540
National Water Security Plan for Cities and Towns	12,617	-	1,084	6,690	300	-	-	-	20,691
Natural disaster resilience	3,393	2,088	6,003	3,132	1,044	653	653	653	17,619
Pest and disease preparedness and response programmes									
Animal and plant pest and disease eradication	3,635	-20	9,239	47	-	-	-	1,495	14,396
Exotic disease preparedness	306	17	49	-	10	21	-	10	413
South Australian River Murray Sustainability Programme									
Irrigation efficiency and water purchase	-	-	-	-	14,000	-	-	-	14,000
Irrigation industry assistance	-	-	-	-	2,500	-	-	-	2,500
Regional economic development	-	-	-	-	7,000	-	-	-	7,000

Table 43: Payments for specific purposes to support state environment services, 2013-14 (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Sustainable Australia – Sustainable regional development	-	-	-	-	360	360	-	-	720
Sustainable Rural Water Use and Infrastructure Programme	55,409	181,613	11,909	1,421	45,697	27,471	2,259	553	326,332
Total	99,628	197,928	54,340	11,290	75,087	37,313	3,133	6,066	484,785
<i>Memorandum item – payments direct to local governments included in payments above</i>									
National Urban Water and Desalination Plan	-	-	-	-	950	-	-	-	950
National Water Security Plan for Cities and Towns	3,017	-	-	-	-	-	-	-	3,017
Sustainable Australia – Sustainable regional development	-	-	-	-	360	360	-	-	720
Total	3,017	-	-	-	1,310	360	-	-	4,687

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Table 44: Payments for specific purposes to support contingent state services, 2013-14

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Partnership payments									
Hepatitis C settlement fund	43	-	-	-	-	-	-	-	43
Natural Disaster Relief and Recovery Arrangements(a)	57,900	5,165	310,374	2,190	176	282	-	1,255	377,342
Total	57,943	5,165	310,374	2,190	176	282	-	1,255	377,385

(a) Figures in the table above reflect the expense outcome. Total cash payments made in 2013-14 are presented in Table 29.

Table 45: Payments for specific purposes to support other state services, 2013-14

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Partnership payments									
2014 G20 leaders' summit security	-	-	83,500	-	-	-	-	-	83,500
2018 Gold Coast Commonwealth Games	-	-	156,000	-	-	-	-	-	156,000
Assistance to Tasmania to implement national policy reforms	-	-	-	-	-	30,000	-	-	30,000
Australian Capital Territory emergency services	-	-	-	-	-	-	4,000	-	4,000
Centenary of Canberra 2013 – joint national programme	-	-	-	-	-	-	991	-	991
Financial assistance to local governments									
Financial assistance grants	358,830	270,877	226,899	140,478	77,329	36,606	24,516	16,600	1,152,135
Supplementary funding to South Australia for local roads	-	-	-	-	17,815	-	-	-	17,815
Indigenous Communications – Internet Access and Training	-	-	361	505	152	-	-	721	1,739
Legal assistance services	63,433	44,943	41,689	20,165	15,893	6,009	4,468	3,950	200,550
Pilot of drought reform measures in Western Australia	-	-	-	1,157	-	-	-	-	1,157
Provision of fire services	3,980	2,803	2,824	1,260	940	247	4,774	1,524	18,352
Seamless National Economy	22,197	-	11,463	1,446	4,070	1,561	537	573	41,847
Sinking fund on state debt	20	-	-	-	-	-	-	-	20
Total	448,460	318,623	522,736	165,011	116,199	74,423	39,286	23,368	1,708,106

Table 46: General revenue assistance payments to the States, 2013-14

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
GST entitlement(a)	15,849,509	11,507,991	10,891,998	2,499,924	4,651,911	1,824,155	1,030,956	2,833,762	51,090,206
Other payments									
ACT Municipal Services	-	-	-	-	-	-	37,311	-	37,311
Reduced royalties	-	-	-	65,955	-	-	-	-	65,955
Royalties	-	-	-	1,116,042	-	-	-	5,215	1,121,257
Snowy Hydro Ltd tax compensation	50,515	25,257	-	-	-	-	-	-	75,772
Total	15,900,024	11,533,248	10,891,998	3,681,921	4,651,911	1,824,155	1,068,267	2,838,977	52,390,501

(a) The 2013-14 GST outcome will be finalised following a Determination by the Treasurer.

Table 47: Total payments to the States by GFS function, 2013-14

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
General public services	22,197	-	11,463	1,446	4,070	1,561	537	573	41,847
Public order and safety	69,645	49,723	128,275	21,704	16,897	6,256	13,242	45,820	351,562
Education	4,846,418	3,906,236	3,252,051	1,628,770	1,211,335	392,246	274,544	259,442	15,771,042
Health	4,989,447	3,939,983	3,178,653	1,736,143	1,158,118	376,805	304,702	191,333	15,875,183
Social security and welfare	570,116	809,466	335,312	346,322	110,877	32,396	32,186	89,034	2,325,709
Housing and community amenities	538,792	359,172	488,816	359,513	146,867	35,213	28,838	181,278	2,138,489
Recreation and culture	-	-	156,000	-	-	-	991	-	156,991
Fuel and energy	2,382	5,437	4,552	3,412	924	246	382	615	17,950
Agriculture, forestry and fishing	86,235	191,790	33,937	9,315	65,433	36,300	2,480	2,058	427,548
Transport and communication	2,178,383	2,940,113	1,103,516	351,352	87,231	77,238	64,921	92,699	6,895,453
Other economic affairs	-	98	3,430	2,719	1,239	-	348	359	8,193
Other purposes(a)	16,316,774	11,809,290	11,429,271	3,824,589	4,747,231	1,861,043	1,092,783	2,856,832	53,937,813
Total payments to the States	29,620,389	24,011,308	20,125,276	8,285,285	7,550,222	2,819,304	1,815,954	3,720,043	97,947,780
<i>less</i> payments 'through' the States	2,739,890	2,336,832	1,863,159	933,787	732,199	187,989	168,705	144,151	9,106,712
<i>less</i> financial assistance grants for local government	358,830	270,877	226,899	140,478	77,329	36,606	24,516	16,600	1,152,135
<i>less</i> payments direct 'to' local government	151,213	80,813	385,073	67,331	25,391	11,154	-	7,987	728,962
<i>equals</i> total payments 'to' the States for own-purpose expenses	26,370,456	21,322,786	17,650,145	7,143,689	6,715,303	2,583,555	1,622,733	3,551,305	86,959,971

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

Table 48: Other financial flows — estimated advances, repayment of advances and interest payments, 2013-14

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Advances									
Contingent liabilities									
Loan to NSW to assist beneficiaries of the Asbestos Injuries Compensation Fund	24,356	-	-	-	-	-	-	-	24,356
Natural disaster relief	32,666	-	72,426	-	-	-	-	-	105,092
Repayments									
Contingent liabilities									
Natural disaster relief	-102	-	-8,234	-	-	-	-	-	-8,336
Environment									
Northern Territory – water and sewerage assistance	-	-	-	-	-	-	-	-136	-136
Housing									
Commonwealth-State Housing									
Agreement loans	-36,710	-	-9,790	-9,294	-2,338	-4,945	-	-758	-63,835
Housing for service personnel	-1,413	-	-874	-238	-47	-	-	-	-2,572
Other housing	-	-	-	-	-	-	-7,619	-2,572	-10,191
Payments to debt sinking funds	-99	-1	-	-	-	-	-	-	-100
Infrastructure									
Railway projects	-	-	-	-350	-	-	-	-	-350
Sewerage	-5,812	-	-1,048	-	-1,165	-	-	-	-8,025
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-554	-	-554
Loan Council – housing nominations	-8,211	-	-3,021	-5,237	-3,435	-2,202	-	-2,733	-24,839

Table 48: Other financial flows — estimated advances, repayment of advances and interest payments, 2013-14 (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Interest									
Contingent liabilities									
Loan to NSW to assist beneficiaries of the Asbestos Injuries Compensation Fund	-1,196	-	-	-	-	-	-	-	-1,196
Natural disaster relief	-6	-	-1,620	-	-	-	-	-	-1,626
Environment									
Northern Territory – water and sewerage assistance	-	-	-	-	-	-	-	-562	-562
Housing									
Commonwealth-State Housing Agreement loans	-29,999	-2	-8,416	-8,037	-2,548	-4,117	-	-1,225	-54,344
Housing for service personnel	-2,010	-	-1,126	-211	-90	-	-	-	-3,437
Other housing	-	-	-	-	-	-	-7,311	-3,048	-10,359
Infrastructure									
Railway projects	-	-	-	-96	-	-	-	-	-96
Sewerage	-1,265	-	-320	-	-320	-	-	-	-1,905
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-697	-	-697
Loan Council – housing nominations	-18,500	-	-6,645	-11,352	-8,031	-4,905	-	-6,469	-55,902
Net Financial Flow	-48,301	-3	31,332	-34,815	-17,974	-16,169	-16,181	-17,503	-119,614

APPENDIX A: EXPENSES BY FUNCTION AND SUB-FUNCTION

Table A1 sets out Australian Government general government sector expenses by function and sub-function for 2013-14.

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

	2012-13 Outcome	2013-14 Estimate at 2014-15 Budget	2013-14 Outcome	Change on 2014-15 Budget
	\$m	\$m	\$m	\$m
General public services				
Legislative and executive affairs	959	1,334	1,401	68
Financial and fiscal affairs	7,843	17,652	16,995	-658
Foreign affairs and economic aid	5,796	6,060	6,011	-49
General research	2,651	2,724	2,717	-7
General services	759	714	684	-30
Government superannuation benefits	7,947	5,667	5,834	167
Total general public services	25,956	34,151	33,642	-509
Defence	21,146	22,840	22,113	-727
Public order and safety				
Courts and legal services	852	1,080	1,089	9
Other public order and safety	3,071	3,366	3,280	-86
Total public order and safety	3,923	4,446	4,368	-77
Education				
Higher education	8,714	8,970	8,970	0
Vocational and other education	1,887	1,766	1,760	-6
Schools	12,442	13,567	13,531	-36
<i>Non-government schools</i>	8,116	8,764	8,741	-23
<i>Government schools</i>	4,326	4,803	4,790	-13
School education - specific funding	1,552	1,151	965	-186
Student assistance	3,597	3,998	4,157	159
General administration	276	255	286	31
Total education	28,468	29,707	29,669	-38
Health				
Medical services and benefits	25,342	26,390	26,360	-30
Pharmaceutical benefits and services	9,832	10,519	10,351	-168
Assistance to the States for public hospitals	13,309	13,845	13,841	-3
Hospital services	2,632	2,844	3,004	160
Health services	6,294	6,839	6,571	-268
General administration	3,164	3,274	3,100	-174
Aboriginal and Torres Strait Islander health	730	800	756	-44
Total health	61,302	64,511	63,983	-528

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

	2012-13 Outcome	2013-14 Estimate at 2014-15 Budget	2013-14 Outcome	Change on 2014-15 Budget
	\$m	\$m	\$m	\$m
Social security and welfare				
Assistance to the aged	50,688	54,984	54,587	-397
Assistance to veterans and dependants	6,968	6,984	6,950	-34
Assistance to people with disabilities	24,018	26,035	25,839	-196
Assistance to families with children	35,119	36,131	36,352	221
Assistance to the unemployed and the sick	8,518	10,238	10,050	-188
Other welfare programmes	1,555	735	1,190	455
Assistance for Indigenous Australians nec	1,172	1,910	1,691	-219
General administration	3,863	3,552	3,907	355
Total social security and welfare	131,901	140,569	140,566	-3
Housing and community amenities				
Housing	2,844	3,284	3,221	-64
Urban and regional development	531	578	620	42
Environment protection	3,391	4,521	4,515	-7
Total housing and community amenities	6,766	8,383	8,355	-28
Recreation and culture				
Broadcasting	1,665	1,539	1,526	-14
Arts and cultural heritage	1,167	1,239	1,236	-3
Sport and recreation	403	552	511	-41
National estate and parks	389	395	476	81
Total recreation and culture	3,625	3,725	3,749	24
Fuel and energy	5,954	7,047	6,749	-298
Agriculture, forestry and fishing				
Wool industry	57	58	56	-2
Grains industry	184	184	164	-20
Dairy industry	51	53	53	1
Cattle, sheep and pig industry	168	182	194	12
Fishing, horticulture and other agriculture	217	272	261	-11
General assistance not allocated to specific industries	25	26	26	0
Rural assistance	119	144	127	-17
Natural resources development	951	1,016	869	-147
General administration	635	695	634	-61
Total agriculture, forestry and fishing	2,407	2,629	2,385	-244
Mining, manufacturing and construction	2,920	3,139	3,451	313

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

	2012-13 Outcome	2013-14 Estimate at 2014-15 Budget	2013-14 Outcome	Change on 2014-15 Budget
	\$m	\$m	\$m	\$m
Transport and communication				
Communication	637	732	701	-31
Rail transport	1,025	1,602	1,648	47
Air transport	213	212	208	-5
Road transport	2,521	5,360	5,305	-55
Sea transport	310	351	335	-17
Other transport and communication	316	239	211	-28
Total transport and communication	5,023	8,495	8,407	-89
Other economic affairs				
Tourism and area promotion	190	189	188	-1
Total labour and employment affairs	4,156	4,064	3,879	-185
<i>Vocational and industry training</i>	1,628	1,724	1,625	-99
<i>Labour market assistance to job seekers and industry</i>	1,727	1,579	1,568	-11
<i>Industrial relations</i>	801	760	686	-74
Immigration	3,533	4,656	4,404	-251
Other economic affairs nec	2,752	2,355	2,367	12
Total other economic affairs	10,631	11,263	10,838	-425
Other purposes				
Public debt interest	12,521	13,454	13,414	-40
<i>Interest on Australian Government's behalf</i>	12,521	13,454	13,414	-40
Nominal superannuation interest	6,729	8,320	8,214	-106
General purpose inter-government transactions	51,480	53,224	53,563	339
<i>General revenue assistance - States and Territories</i>	49,244	52,056	52,391	335
<i>Local government assistance</i>	2,236	1,168	1,173	5
Natural disaster relief	1,893	183	377	194
Contingency reserve	0	-793	0	793
Total other purposes	72,623	74,388	75,568	1,181
Total expenses	382,644	415,294	413,845	-1,449

APPENDIX B: HISTORICAL AUSTRALIAN GOVERNMENT DATA

This appendix reports historical data for the Australian Government fiscal aggregates across the general government, public non-financial corporations and non-financial public sectors.

DATA SOURCES

Data are sourced from Australian Government *Final Budget Outcomes*, the Australian Bureau of Statistics (ABS), the Australian Office of Financial Management (AOFM) and Australian Government *Consolidated Financial Statements*.

- Accrual data from 1996-97 onwards and cash data, net debt data, net financial worth data and net worth data from 1999-2000 onwards are sourced from Australian Government *Final Budget Outcomes*. Back-casting adjustments for accounting classification changes and other revisions have been made from 1998-99 onwards where applicable.
- Cash data prior to 1999-2000 are sourced from ABS data, which have been calculated using methodology consistent with that used for later years in ABS cat. no. 5512.0 *Government Finance Statistics*.
- Net debt data prior to 1999-2000 are from ABS cat. no. 5512.0 *Government Finance Statistics 2003-04* in 1998-99, ABS cat. no. 5501.0 *Government Financial Estimates 1999-2000* and ABS cat. no. 5513.0 *Public Sector Financial Assets and Liabilities 1998* in 1987-88 to 1997-98, and Treasury estimates (see Treasury's *Economic Roundup*, Spring 1996, pages 97-103) prior to 1987-88.

COMPARABILITY OF DATA ACROSS YEARS

The data set contains a number of structural breaks owing to accounting classification differences and changes to the structure of the budget which cannot be eliminated through back-casting because of data limitations. These breaks can affect the comparability of data across years, especially when the analysis is taken over a large number of years. Specific factors causing structural breaks include:

- from 2005-06 onwards, underlying Government Finance Statistics (GFS) data are provided by agencies in accordance with Australian Accounting Standards (AAS) which includes International Financial Reporting Standards (IFRS) as adopted in

Australia. Prior to 2005-06, underlying GFS data are based on data provided by agencies applying AAS prior to the adoption of IFRS;

- most recent accounting classification changes that require revisions to the historical series have been back-cast (where applicable) to 1998-99, ensuring that data are consistent across the accrual period from 1998-99 onwards. However, because of data limitations, these changes have not been back-cast to earlier years;
- prior to 1999-2000, Australian Government general government sector debt instruments are valued at historic cost, whereas from 1999-2000 onwards they are valued at market prices (consistent with accrual GFS standards). This affects net debt and net interest payments;
- cash data up to and including 1997-98 are calculated under a cash accounting framework, while cash data from 1998-99 onwards are derived from an accrual accounting framework.¹ Although the major methodological differences associated with the move to the accrual framework have been eliminated through back-casting, comparisons across the break may still be affected by changes to some data sources and collection methodologies;
- adjustments in the coverage of agencies included in the accounts of the different sectors. These include the reclassification of Central Banking Authorities from the general government to the public financial corporations sector in 1998-99, and subsequent back-casting to account for this change;
- changes in arrangements for transfer payments, where tax concessions or rebates have been replaced by payments through the social security system. This has the effect of increasing both cash receipts and payments, as compared with earlier periods, but not changing cash balances. Changes in the opposite direction (tax expenditures replacing payments) reduce both cash payments and receipts; and
- classification differences in the data relating to the period prior to 1976-77 (which means that earlier data may not be entirely consistent with data for 1976-77 onwards).

REVISIONS TO PREVIOUSLY PUBLISHED DATA

Under the accrual GFS framework and generally under AAS, flows are recorded in the period in which they occurred. As a result, prior period outcomes may be revised for classification changes relating to information that could reasonably have been expected

1 Prior to the 2008-09 Budget, cash data calculated under the cash accounting framework was used up to and including 1998-99. In the 2008-09 Budget, cash data prior to 1998-99 have been replaced by ABS data derived from the accrual framework.

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).

AUSTRALIAN GOVERNMENT GENERAL GOVERNMENT SECTOR CALL ON RESOURCES

The call on resources series for the Australian Government general government sector provides a measure of the aggregate level of receipts (both tax and non-tax) and borrowings required to fund government activities. Cash data for the call on resources series has been derived from the underlying and headline cash balance data series.

DEFLATING REAL SPENDING GROWTH BY THE CONSUMER PRICE INDEX

The 2013-14 Final Budget Outcome (FBO), including the historical series, calculates real spending growth using the Consumer Price Index (CPI) as the deflator. Previously the non-farm GDP (NFGDP) deflator was used and has therefore been shown in this appendix for comparative purposes. The non-farm GDP deflator incorporates fluctuations in global commodity prices which are not relevant for Government expenditures.

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

	Receipts(b)		Payments(c)				Net Future Fund earnings	Underlying cash balance(d)	
	\$m	Per cent of GDP	\$m	Per cent		Per cent of GDP	\$m	\$m	Per cent of GDP
				Per cent real growth	Per cent real growth				
				(CPI)	(NFGDP deflator)(e)				
1970-71	8,290	20.5	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	19.5	9,388	7.7	7.8	18.8	-	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	14.6	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	2.7	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	9.6	26.7	-	-7,008	-3.3
1984-85	58,817	25.0	64,853	9.1	9.0	27.6	-	-6,037	-2.6
1985-86	66,206	25.4	71,328	1.5	3.4	27.3	-	-5,122	-2.0
1986-87	74,724	26.1	77,158	-1.1	0.5	26.9	-	-2,434	-0.8
1987-88	83,491	25.6	82,039	-0.9	-0.3	25.2	-	1,452	0.4
1988-89	90,748	24.6	85,326	-3.1	-4.3	23.1	-	5,421	1.5
1989-90	98,625	24.4	92,684	0.6	2.7	22.9	-	5,942	1.5
1990-91	100,227	24.2	100,665	3.1	4.2	24.3	-	-438	-0.1
1991-92	95,840	22.7	108,472	5.7	5.8	25.6	-	-12,631	-3.0
1992-93	97,633	22.0	115,751	5.6	6.0	26.1	-	-18,118	-4.1
1993-94	103,824	22.2	122,009	3.5	4.4	26.1	-	-18,185	-3.9
1994-95	113,458	22.9	127,619	1.4	2.2	25.7	-	-14,160	-2.9
1995-96	124,429	23.5	135,538	1.9	3.2	25.6	-	-11,109	-2.1
1996-97	133,592	24.0	139,689	1.7	1.5	25.1	-	-6,099	-1.1
1997-98	140,736	23.9	140,587	0.6	-0.7	23.9	-	149	0.0
1998-99	152,063	24.5	148,175	4.1	4.9	23.9	-	3,889	0.6
1999-00	166,199	25.1	153,192	1.0	0.8	23.2	-	13,007	2.0
2000-01	182,996	25.9	177,123	9.1	10.8	25.1	-	5,872	0.8
2001-02	187,588	24.9	188,655	3.5	4.1	25.0	-	-1,067	-0.1
2002-03	204,613	25.5	197,243	1.4	1.4	24.6	-	7,370	0.9
2003-04	217,775	25.3	209,785	3.9	2.6	24.3	-	7,990	0.9
2004-05	235,984	25.6	222,407	3.5	2.0	24.1	-	13,577	1.5
2005-06	255,943	25.6	240,136	4.6	2.6	24.1	51	15,757	1.6
2006-07	272,637	25.1	253,321	2.5	0.5	23.3	2,127	17,190	1.6
2007-08	294,917	25.0	271,843	3.8	2.7	23.1	3,319	19,754	1.7
2008-09	292,600	23.2	316,046	12.7	10.4	25.1	3,566	-27,013	-2.1
2009-10	284,662	22.0	336,900	4.2	5.5	26.0	2,256	-54,494	-4.2
2010-11	302,024	21.5	346,102	-0.4	-3.1	24.6	3,385	-47,463	-3.4

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

	Receipts(b)		Payments(c)				Net Future Fund earnings	Underlying cash balance(d)	
	\$m	Per cent of GDP	\$m	Per cent real growth (CPI)	Per cent real growth		\$m	\$m	Per cent of GDP
					(NFGDP deflator)(e)	Per cent of GDP			
2011-12	329,874	22.2	371,032	4.8	5.2	25.0	2,203	-43,360	-2.9
2012-13	351,052	23.0	367,204	-3.2	-0.7	24.1	2,682	-18,834	-1.2
2013-14	360,322	22.7	406,430	7.7	9.3	25.6	2,348	-48,456	-3.1

(a) Data have been revised in the 2013-14 Final Budget Outcome to improve accuracy and comparability through time.

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

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

(d) Underlying cash balance is equal to receipts less payments, less net Future Fund earnings. For the purposes of consistent comparison with years prior to 2005-06, net Future Fund earnings should be added back to the underlying cash balance.

(e) Real spending growth calculated using the Consumer Price Index as the deflator. Real spending growth using non-farm GDP deflator is included for comparative purposes only.

Table B2: Australian Government general government sector net cash flows from investments in financial assets for policy purposes and headline cash balance^(a)

			Net cash flows from investments in financial assets for policy purposes(b)		Headline cash balance(c)	
	Receipts	Payments		Per cent of GDP		Per cent of GDP
	\$m	\$m	\$m		\$m	
1970-71	8,290	7,389	-851	-2.1	50	0.1
1971-72	9,135	8,249	-987	-2.2	-101	-0.2
1972-73	9,735	9,388	-977	-2.0	-629	-1.3
1973-74	12,228	11,078	-1,275	-2.1	-125	-0.2
1974-75	15,643	15,463	-2,648	-3.7	-2,467	-3.5
1975-76	18,727	20,225	-2,040	-2.4	-3,539	-4.2
1976-77	21,890	23,157	-1,530	-1.6	-2,796	-2.9
1977-78	24,019	26,057	-1,324	-1.3	-3,361	-3.2
1978-79	26,129	28,272	-1,074	-0.9	-3,216	-2.7
1979-80	30,321	31,642	-702	-0.5	-2,024	-1.5
1980-81	35,993	36,176	-962	-0.6	-1,146	-0.8
1981-82	41,499	41,151	-1,008	-0.6	-660	-0.4
1982-83	45,463	48,810	-1,363	-0.7	-4,711	-2.5
1983-84	49,981	56,990	-1,136	-0.5	-8,144	-3.8
1984-85	58,817	64,853	-922	-0.4	-6,959	-3.0
1985-86	66,206	71,328	-810	-0.3	-5,932	-2.3
1986-87	74,724	77,158	-545	-0.2	-2,979	-1.0
1987-88	83,491	82,039	657	0.2	2,109	0.6
1988-89	90,748	85,326	168	0.0	5,589	1.5
1989-90	98,625	92,684	1,217	0.3	7,159	1.8
1990-91	100,227	100,665	1,563	0.4	1,125	0.3
1991-92	95,840	108,472	2,156	0.5	-10,475	-2.5
1992-93	97,633	115,751	2,471	0.6	-15,647	-3.5
1993-94	103,824	122,009	3,447	0.7	-14,738	-3.2
1994-95	113,458	127,619	1,546	0.3	-12,614	-2.5
1995-96	124,429	135,538	5,188	1.0	-5,921	-1.1
1996-97	133,592	139,689	7,241	1.3	1,142	0.2
1997-98	140,736	140,587	15,154	2.6	15,303	2.6
1998-99	152,063	148,175	6,948	1.1	10,837	1.7
1999-00	166,199	153,192	9,500	1.4	22,507	3.4
2000-01	182,996	177,123	5,673	0.8	11,545	1.6
2001-02	187,588	188,655	3,422	0.5	2,355	0.3
2002-03	204,613	197,243	-229	0.0	7,141	0.9
2003-04	217,775	209,785	-452	-0.1	7,538	0.9
2004-05	235,984	222,407	-1,139	-0.1	12,438	1.3
2005-06	255,943	240,136	-1,647	-0.2	14,160	1.4
2006-07	272,637	253,321	7,403	0.7	26,720	2.5
2007-08	294,917	271,843	5,108	0.4	28,181	2.4
2008-09	292,600	316,046	-7,889	-0.6	-31,336	-2.5
2009-10	284,662	336,900	-4,278	-0.3	-56,516	-4.4
2010-11	302,024	346,102	-7,028	-0.5	-51,106	-3.6
2011-12	329,874	371,032	-5,866	-0.4	-47,023	-3.2
2012-13	351,052	367,204	-4,802	-0.3	-20,954	-1.4
2013-14	360,322	406,430	-6,371	-0.4	-52,479	-3.3

(a) Data have been revised in the 2013-14 Final Budget Outcome to improve accuracy and comparability through time.

(b) Prior to 1999-2000, net cash flows from investments in financial assets for policy purposes were referred to as 'net advances'. A negative number reflects a cash outflow, while a positive number reflects a cash inflow.

(c) Headline cash balance is equal to receipts less payments, plus net cash flows from investments in financial assets for policy purposes.

Table B3: Australian Government general government sector call on resources^(a)

	Receipts(b)		Headline cash balance(c)		Call on resources(d)	
	\$m	Per cent of GDP	\$m	Per cent of GDP	\$m	Per cent of GDP
1970-71	8,290	20.5	50	0.1	8,240	20.4
1971-72	9,135	20.5	-101	-0.2	9,236	20.7
1972-73	9,735	19.5	-629	-1.3	10,364	20.8
1973-74	12,228	20.3	-125	-0.2	12,353	20.5
1974-75	15,643	22.0	-2,467	-3.5	18,110	25.4
1975-76	18,727	22.5	-3,539	-4.2	22,266	26.7
1976-77	21,890	22.8	-2,796	-2.9	24,686	25.7
1977-78	24,019	22.9	-3,361	-3.2	27,380	26.1
1978-79	26,129	22.0	-3,216	-2.7	29,345	24.7
1979-80	30,321	22.5	-2,024	-1.5	32,345	24.0
1980-81	35,993	23.6	-1,146	-0.8	37,139	24.4
1981-82	41,499	23.6	-660	-0.4	42,159	24.0
1982-83	45,463	24.0	-4,711	-2.5	50,174	26.5
1983-84	49,981	23.4	-8,144	-3.8	58,125	27.2
1984-85	58,817	25.0	-6,959	-3.0	65,776	27.9
1985-86	66,206	25.4	-5,932	-2.3	72,138	27.6
1986-87	74,724	26.1	-2,979	-1.0	77,703	27.1
1987-88	83,491	25.6	2,109	0.6	81,382	25.0
1988-89	90,748	24.6	5,589	1.5	85,159	23.0
1989-90	98,625	24.4	7,159	1.8	91,466	22.6
1990-91	100,227	24.2	1,125	0.3	99,102	23.9
1991-92	95,840	22.7	-10,475	-2.5	106,315	25.1
1992-93	97,633	22.0	-15,647	-3.5	113,280	25.5
1993-94	103,824	22.2	-14,738	-3.2	118,562	25.4
1994-95	113,458	22.9	-12,614	-2.5	126,072	25.4
1995-96	124,429	23.5	-5,921	-1.1	130,350	24.6
1996-97	133,592	24.0	1,142	0.2	132,450	23.8
1997-98	140,736	23.9	15,303	2.6	125,433	21.3
1998-99	152,063	24.5	10,837	1.7	141,226	22.8
1999-00	166,199	25.1	22,507	3.4	143,692	21.7
2000-01	182,996	25.9	11,545	1.6	171,451	24.3
2001-02	187,588	24.9	2,355	0.3	185,233	24.6
2002-03	204,613	25.5	7,141	0.9	197,472	24.6
2003-04	217,775	25.3	7,538	0.9	210,237	24.4
2004-05	235,984	25.6	12,438	1.3	223,546	24.2
2005-06	255,943	25.6	14,160	1.4	241,783	24.2
2006-07	272,637	25.1	26,720	2.5	245,918	22.6
2007-08	294,917	25.0	28,181	2.4	266,735	22.6
2008-09	292,600	23.2	-31,336	-2.5	323,935	25.7
2009-10	284,662	22.0	-56,516	-4.4	341,178	26.3
2010-11	302,024	21.5	-51,106	-3.6	353,130	25.1
2011-12	329,874	22.2	-47,023	-3.2	376,898	25.4
2012-13	351,052	23.0	-20,954	-1.4	372,006	24.4
2013-14	360,322	22.7	-52,479	-3.3	412,801	26.0

(a) Data have been revised in the 2013-14 Final Budget Outcome to improve accuracy and comparability through time.

(b) Receipts are identical to those in Table B1.

(c) Headline cash balance is equal to receipts less payments, plus net cash flows from investments in financial assets for policy purposes. Headline cash balance is identical to those in Table B2.

(d) Call on resources is equal to receipts less headline cash balance.

Table B4: 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	20.5
1971-72	7,895	17.7	1,240	2.8	9,135	20.5
1972-73	8,411	16.9	1,324	2.7	9,735	19.5
1973-74	10,832	17.9	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	21.5	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	23.2	8,257	2.9	74,724	26.1
1987-88	75,076	23.1	8,415	2.6	83,491	25.6
1988-89	83,452	22.6	7,296	2.0	90,748	24.6
1989-90	90,773	22.4	7,852	1.9	98,625	24.4
1990-91	92,739	22.4	7,488	1.8	100,227	24.2
1991-92	87,364	20.6	8,476	2.0	95,840	22.7
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	21.2	8,537	1.7	113,458	22.9
1995-96	115,700	21.9	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	2.3	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	24.9
2002-03	192,131	24.0	12,482	1.6	204,613	25.5
2003-04	206,091	23.9	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	25.6
2006-07	257,392	23.7	15,245	1.4	272,637	25.1
2007-08	278,376	23.6	16,540	1.4	294,917	25.0
2008-09	272,627	21.7	19,973	1.6	292,600	23.2
2009-10	260,973	20.1	23,689	1.8	284,662	22.0
2010-11	280,839	20.0	21,185	1.5	302,024	21.5
2011-12	309,943	20.9	19,931	1.3	329,874	22.2
2012-13	326,426	21.4	24,627	1.6	351,052	23.0
2013-14	338,368	21.3	21,954	1.4	360,322	22.7

(a) Data have been revised in the 2013-14 Final Budget Outcome to improve accuracy and comparability through time.

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

Table B5: 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	5.9	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	6.1	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	9.9	6,609	0.4
2012-13	152,982	10.0	8,285	0.5
2013-14	202,463	12.8	10,843	0.7

(a) Data have been revised in the 2013-14 Final Budget Outcome to improve accuracy and comparability through time.

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

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

Table B6: Australian Government general government sector face value of Commonwealth Government Securities (CGS) on issue and interest paid

	Face value of CGS on issue					
	Total CGS on issue(a)		Subject to Treasurer's direction(b)		Interest Paid(c)	
	End of year \$m	Per cent of GDP	End of year \$m	Per cent of GDP	\$m	Per cent of GDP
1970-71	10,887	27.0	-	-	580	1.4
1971-72	11,490	25.8	-	-	614	1.4
1972-73	12,217	24.5	-	-	675	1.4
1973-74	12,809	21.2	-	-	712	1.2
1974-75	14,785	20.8	-	-	893	1.3
1975-76	17,940	21.5	-	-	1,001	1.2
1976-77	20,845	21.7	-	-	1,485	1.5
1977-78	23,957	22.8	-	-	1,740	1.7
1978-79	28,120	23.7	-	-	2,080	1.8
1979-80	29,321	21.8	-	-	2,356	1.8
1980-81	30,189	19.8	-	-	2,723	1.8
1981-82	31,060	17.7	-	-	3,058	1.7
1982-83	37,071	19.6	-	-	3,580	1.9
1983-84	45,437	21.3	-	-	4,558	2.1
1984-85	54,420	23.1	-	-	5,952	2.5
1985-86	63,089	24.2	-	-	7,394	2.8
1986-87	67,172	23.4	-	-	8,339	2.9
1987-88	62,794	19.3	-	-	8,139	2.5
1988-89	56,854	15.4	-	-	8,222	2.2
1989-90	48,399	12.0	-	-	8,064	2.0
1990-91	48,723	11.7	-	-	6,994	1.7
1991-92	58,826	13.9	-	-	6,819	1.6
1992-93	76,509	17.2	-	-	6,487	1.5
1993-94	90,889	19.5	-	-	7,709	1.7
1994-95	105,466	21.3	-	-	9,144	1.8
1995-96	110,166	20.8	-	-	10,325	2.0
1996-97	111,067	19.9	-	-	10,653	1.9
1997-98	93,664	15.9	-	-	9,453	1.6
1998-99	85,331	13.8	-	-	9,299	1.5
1999-00	75,536	11.4	-	-	8,509	1.3
2000-01	66,403	9.4	-	-	7,335	1.0
2001-02	63,004	8.4	-	-	6,270	0.8
2002-03	57,435	7.2	-	-	4,740	0.6
2003-04	54,750	6.4	-	-	4,096	0.5
2004-05	55,151	6.0	-	-	3,902	0.4
2005-06	54,070	5.4	-	-	4,628	0.5
2006-07	53,264	4.9	-	-	3,959	0.4
2007-08	55,442	4.7	-	-	3,754	0.3
2008-09	101,147	8.0	95,103	7.6	3,970	0.3
2009-10	147,133	11.3	141,806	10.9	6,411	0.5
2010-11	191,292	13.6	186,704	13.3	9,551	0.7
2011-12	233,976	15.7	229,389	15.4	10,875	0.7
2012-13	257,378	16.9	252,791	16.6	11,846	0.8
2013-14	319,487	20.1	316,952	20.0	13,972	0.9

(a) Total CGS on issue includes CGS held on behalf of the States and the Northern Territory, but excludes Commonwealth holdings of CGS.

(b) The face value of CGS subject to the Treasurer's Direction excludes the stock and securities outlined in subsection 51JA(2A) of the *Commonwealth Inscribed Stock Act 1911*. These are the same stock and securities that were excluded from the previous legislative debt limit. CGS on issue subject to the Treasurer's Direction are not available prior to 2008-09 because the limit was first introduced in July 2008.

(c) Interest paid consists of all cash interest payments of the general government sector, including those relating to CGS on issue.

Table B7: Australian Government general government sector revenue, expenses, net capital investment and fiscal balance^(a)

	Revenue		Expenses		Net capital investment		Fiscal balance(b)	
	\$m	Per cent of GDP	\$m	Per cent of GDP	\$m	Per cent of GDP	\$m	Per cent 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	23.7	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	26.4	180,094	25.5	8	0.0	6,007	0.9
2001-02	190,488	25.3	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	25.0	660	0.1	6,148	0.7
2004-05	242,507	26.3	229,245	24.8	1,034	0.1	12,228	1.3
2005-06	261,238	26.2	242,334	24.3	2,498	0.3	16,406	1.6
2006-07	278,411	25.6	259,276	23.8	2,333	0.2	16,801	1.5
2007-08	303,729	25.8	280,188	23.8	2,593	0.2	20,948	1.8
2008-09	298,933	23.8	324,612	25.8	4,064	0.3	-29,743	-2.4
2009-10	292,767	22.6	340,208	26.2	6,433	0.5	-53,875	-4.2
2010-11	309,890	22.0	356,353	25.3	5,297	0.4	-51,760	-3.7
2011-12	338,109	22.8	378,005	25.4	4,850	0.3	-44,746	-3.0
2012-13	360,160	23.6	382,644	25.1	987	0.1	-23,472	-1.5
2013-14	373,950	23.6	413,845	26.1	3,850	0.2	-43,746	-2.8

(a) Data have been revised in the 2013-14 Final Budget Outcome to improve accuracy and comparability through time.

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

Table B8: Australian Government general government sector net worth and net financial worth^(a)

	Net worth(b)		Net financial worth(c)	
	\$m	Per cent of GDP	\$m	Per cent of GDP
1999-00	-7,046	-1.1	-67,036	-10.1
2000-01	-6,618	-0.9	-71,876	-10.2
2001-02	-11,655	-1.5	-78,032	-10.4
2002-03	-15,330	-1.9	-82,931	-10.4
2003-04	-1,152	-0.1	-72,389	-8.4
2004-05	14,556	1.6	-58,882	-6.4
2005-06	17,971	1.8	-59,763	-6.0
2006-07	46,351	4.3	-35,696	-3.3
2007-08	70,859	6.0	-14,690	-1.2
2008-09	19,427	1.5	-71,490	-5.7
2009-10	-45,938	-3.5	-144,485	-11.1
2010-11	-95,386	-6.8	-198,787	-14.1
2011-12	-247,208	-16.6	-355,834	-23.9
2012-13	-202,650	-13.3	-312,724	-20.5
2013-14	-256,045	-16.1	-370,331	-23.3

(a) Data have been revised in the 2013-14 Final Budget Outcome to improve accuracy and comparability through time.

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

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

Table B9: 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	26.4
2001-02	178,210	23.6	12,278	1.6	190,488	25.3
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	24.9	12,564	1.4	242,507	26.3
2005-06	245,716	24.6	15,522	1.6	261,238	26.2
2006-07	262,511	24.1	15,900	1.5	278,411	25.6
2007-08	286,229	24.3	17,500	1.5	303,729	25.8
2008-09	278,653	22.1	20,280	1.6	298,933	23.8
2009-10	268,000	20.7	24,767	1.9	292,767	22.6
2010-11	289,005	20.5	20,885	1.5	309,890	22.0
2011-12	316,779	21.3	21,330	1.4	338,109	22.8
2012-13	337,323	22.1	22,836	1.5	360,160	23.6
2013-14	351,088	22.1	22,862	1.4	373,950	23.6

(a) Data have been revised in the 2013-14 Final Budget Outcome to improve accuracy and comparability through time.

Table B10: 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	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	228,669	9,564
2004-05	235,984	222,407	13,577	29,621	28,071	1,550	257,946	242,818	15,128
2005-06	255,943	240,136	15,757	30,875	31,874	-999	278,254	263,445	14,759
2006-07	272,637	253,321	17,190	16,882	18,641	-1,759	285,336	267,778	15,431
2007-08	294,917	271,843	19,754	7,758	8,232	-473	300,503	277,903	19,281
2008-09	292,600	316,046	-27,013	7,987	8,960	-973	297,421	321,841	-27,986
2009-10	284,662	336,900	-54,494	8,419	9,341	-922	290,681	343,841	-55,416
2010-11	302,024	346,102	-47,463	8,558	9,733	-1,175	308,258	353,511	-48,638
2011-12	329,874	371,032	-43,360	8,845	10,847	-2,002	336,122	379,282	-45,362
2012-13	351,052	367,204	-18,834	9,766	14,135	-4,369	358,088	378,609	-23,203
2013-14	360,322	406,430	-48,456	11,042	16,322	-5,280	368,521	419,910	-53,737

(a) Data have been revised in the 2013-14 Final Budget Outcome to improve accuracy and comparability through time.

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

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

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

na Data not available.

Table B11: Australian Government accrual revenue, expenses and fiscal balance by institutional sector (\$m)^(a)

	General government			Public non-financial corporations			Non-financial public sector		
	Revenue	Expenses	Fiscal balance(b)	Revenue	Expenses	Fiscal balance(b)	Revenue	Expenses	Fiscal balance(b)
1996-97	141,688	145,821	-4,223	27,431	26,015	-331	na	na	-4,554
1997-98	146,820	148,652	-1,979	29,618	26,999	2,360	na	na	387
1998-99	152,106	146,772	3,901	27,687	26,088	-816	175,891	168,958	3,085
1999-00	167,304	155,558	11,815	25,485	23,542	1,062	188,841	175,152	11,721
2000-01	186,110	180,094	6,007	25,869	24,762	-826	207,372	200,250	5,181
2001-02	190,488	193,041	-2,935	26,638	25,341	793	212,518	213,774	-2,142
2002-03	206,923	201,259	5,377	24,339	22,916	1,975	226,135	219,089	7,311
2003-04	222,168	215,361	6,148	25,449	23,444	2,143	241,873	233,060	8,291
2004-05	242,507	229,245	12,228	26,965	25,191	1,473	263,587	248,552	13,700
2005-06	261,238	242,334	16,406	28,143	29,531	-2,442	282,597	265,080	13,964
2006-07	278,411	259,276	16,801	15,443	16,360	-1,763	290,067	271,850	15,038
2007-08	303,729	280,188	20,948	6,854	6,686	-584	309,215	285,506	20,364
2008-09	298,933	324,612	-29,743	6,998	7,576	-1,495	303,733	329,991	-31,238
2009-10	292,767	340,208	-53,875	7,288	7,297	-1,079	298,412	345,863	-54,954
2010-11	309,890	356,353	-51,760	7,563	7,787	-1,446	315,688	362,375	-53,205
2011-12	338,109	378,005	-44,746	8,046	8,238	-2,158	344,507	384,595	-46,904
2012-13	360,160	382,644	-23,472	8,863	9,415	-4,189	367,306	390,342	-27,661
2013-14	373,950	413,845	-43,746	9,537	11,127	-6,070	381,770	423,256	-49,816

(a) Data have been revised in the 2013-14 Final Budget Outcome to improve accuracy and comparability through time.

(b) Fiscal balance is equal to revenue less expenses less net capital investment. Net capital investment is not shown in this table.

na Data not available

