

Mid-Year Economic and Fiscal Outlook 2019-20

DECEMBER 2019

Statement by

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Treasurer of the Commonwealth of Australia

and

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For the information of honourable members

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NOTES

- (a) The following definitions are used in this Mid-Year Economic and Fiscal Outlook (MYEFO):
- 'real' means adjusted for the effect of inflation;
 - real growth in expenses and payments is calculated by the Consumer Price Index (CPI) as the deflator;
 - the Budget year refers to 2019-20, while the forward years refer to 2020-21, 2021-22 and 2022-23; and
 - one billion is equal to one thousand million.
- (b) Figures in tables and generally in the text have been rounded. Discrepancies in tables between totals and sums of components are due to rounding:
- estimates under \$100,000 are rounded to the nearest thousand;
 - estimates \$100,000 and over are generally rounded to the nearest tenth of a million;
 - estimates midway between rounding points are rounded up; and
 - the percentage changes in statistical tables are calculated using unrounded data.
- (c) For the budget balance, a negative sign indicates a deficit while no sign indicates a surplus.
- (d) The following notations are used:
- | | |
|---------|---|
| - | nil |
| na | not applicable (unless otherwise specified) |
| \$m | millions of dollars |
| \$b | billions of dollars |
| nfp | not for publication |
| (e) | estimates (unless otherwise specified) |
| (p) | projections (unless otherwise specified) |
| NEC/nec | not elsewhere classified |

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

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

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

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

Foreword

The *Mid-Year Economic and Fiscal Outlook 2019-20* (MYEFO) has been prepared in accordance with the *Charter of Budget Honesty Act 1998*. The Charter requires that the Government provide a mid-year budget report which provides updated information on the Government's fiscal position.

Consistent with these requirements:

- **Part 1: Overview** – contains summary information on the key fiscal and economic indicators and outlook
- **Part 2: Economic outlook** – discusses the domestic and international economic forecasts and projections that underpin the budget estimates
- **Part 3: Fiscal strategy and outlook** – provides a discussion of the fiscal strategy and outlook, in addition to a summary of the factors explaining variations in the cash flow statement, the operating statement and the balance sheet since the 2019 Pre-election Economic and Fiscal Outlook (PEFO).
- **Part 4: Debt statement** – provides information on current and projected Government debt
- **Part 5: Forecast uncertainties, sensitivities and scenarios** – provides details of the historical performance of Budget forecasts and presents a number of scenarios seeking to illustrate the sensitivity of budget aggregates to changes in economic forecasts and projections and some underlying assumptions
- **Part 6: Statement of risks** – provides details of general developments or specific events that may have an impact on the fiscal position, and contingent liabilities which are costs the government may possibly face, some of which are quantified
- **Part 7: Australian Government Budget Financial Statements** – provides financial statements for the general government, public non-financial corporations and total non-financial public sectors
- **Appendix A: Policy decisions taken since the 2019 PEFO** – provides details of decisions taken since the 2019 PEFO that affect revenue, expense and capital estimates
- **Appendix B: Supplementary expense tables and the Contingency Reserve** – provides estimates of general government expenses by function and sub-function and outlines the role of the Contingency Reserve

- **Appendix C: Australia’s federal relations** – provides information on payments for specific purposes and general revenue assistance provided to the states and territories
- **Appendix D: Tax benchmarks and variations** – provides information on the largest measured Australian Government tax benchmark variations
- **Appendix E: Historical Australian Government data** – provides historical data for the Australian Government’s key fiscal aggregates

The last published update of economic forecasts and fiscal estimates was at the 2019 Pre-election Economic and Fiscal Outlook (PEFO), released jointly by the Treasury and the Department of Finance on 17 April 2019. The economic forecasts were unchanged since the 2019-20 Budget and the fiscal estimates did not change materially in the 2019 PEFO. In some instances, 2019 PEFO forecasts and estimates referenced in this document are identical to those published at the 2019-20 Budget.

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Part 1: Overview

The 2019-20 Mid-Year Economic and Fiscal Outlook (MYEFO) confirms the budget remains on track to return to surplus in 2019-20. The Government is making investments to strengthen the economy for all Australians while staying the course with considered, disciplined, and responsible economic and fiscal management.

The Government remains committed to securing the nation's finances. In 2018-19, the Commonwealth budget returned to balance for the first time in 11 years and, in 2019-20, the budget is expected to return to surplus. The budget is expected to be in surplus across all years of the forward estimates and surpluses continue to build to over 1 per cent of GDP in the medium term. The Government's responsible budget management has ensured the budget has the capacity to deal with immediate challenges, including additional funding in response to the drought, increased investments in infrastructure, and further support for essential services such as aged care.

Australia's economy continues to show resilience in the face of weak momentum in the global economy as well as domestic challenges such as the devastating effects of drought and bushfires.

GDP growth in the first three quarters of 2019 was stronger than it was in the second half of 2018. However, while economic activity has continued to expand, growth has been slower than was expected at the 2019 Pre-election Economic and Fiscal Outlook (PEFO). The labour market remains strong and domestic demand is expected to pick up. The Government's tax plan and \$100 billion Infrastructure Investment Plan are providing support to the economy.

The Government's economic and fiscal plan continues to serve Australia well. Continuing to build a strong fiscal position supports the Government's capacity to respond flexibly to unforeseen events and challenges.

Responsible fiscal management also provides the stability and certainty that households and businesses need to plan for the future, giving them confidence to spend and invest knowing that the Government can keep taxes low and guarantee funding for essential services.

Updated fiscal outlook

The underlying cash balance is expected to improve from broad balance in 2018-19 to a surplus of \$5.0 billion in 2019-20 (0.3 per cent of GDP). Underlying cash surpluses are expected to continue over the remaining years of the forward estimates. Over the four years from 2019-20, the cumulative underlying cash surplus is expected to be \$23.5 billion.

Table 1.1: Budget aggregates

	Estimates					
	2019-20			2020-21		
	Budget \$b	PEFO \$b	MYEFO \$b	Budget \$b	PEFO \$b	MYEFO \$b
Underlying cash balance(a)	7.1	7.1	5.0	11.0	11.0	6.1
Per cent of GDP	0.4	0.4	0.3	0.5	0.5	0.3
Net operating balance(b)	12.9	12.9	8.0	18.2	18.2	12.1
Per cent of GDP	0.6	0.6	0.4	0.9	0.9	0.6
	Projections					
	2021-22			2022-23		
	Budget \$b	PEFO \$b	MYEFO \$b	Budget \$b	PEFO \$b	MYEFO \$b
Underlying cash balance(a)	17.8	17.8	8.4	9.2	9.2	4.0
Per cent of GDP	0.8	0.8	0.4	0.4	0.4	0.2
Net operating balance(b)	28.8	28.8	17.8	20.6	20.6	11.6
Per cent of GDP	1.3	1.3	0.8	0.9	0.9	0.5

(a) Excludes expected net Future Fund earnings before 2020-21.

(b) The estimates and projections for MYEFO include impacts resulting from the implementation of AASB 16.

The Government continues to take a disciplined approach to prioritising new spending. Overall growth in government spending remains prudent, with average annual real growth in payments projected to be 1.3 per cent across the forward estimates.

Since the 2019 PEFO, expected total receipts have been revised down by about \$3.0 billion in 2019-20 and \$32.6 billion over the four years to 2022-23. The downward revision in 2019-20 is mainly driven by downgrades to superannuation fund taxes and GST, as well as non-tax receipts. The downward revision from 2020-21 to 2022-23 is mainly driven by downgrades to the forecasts for individuals taxes, company tax and GST. Tax receipts are projected to remain below the Government's tax-to-GDP cap of 23.9 per cent over the medium term.

Between 2013-14 and 2019-20, the underlying cash balance is expected to have improved by 3.3 percentage points of GDP. Looking ahead, underlying cash surpluses are projected across the medium term, reaching 1 per cent of GDP in 2026-27, unchanged since the PEFO.

Net debt is projected to be \$392.3 billion in 2019-20 (19.5 per cent of GDP) and to improve across the forward estimates and medium term. Gross debt as a share of GDP is also expected to decline over the forward estimates and medium term.

The Government is implementing the plan it took to the 2019 federal election and delivering for the Australian people. This includes funding all of its election commitments, returning the budget to surplus, delivering more jobs, lowering taxes, guaranteeing essential services, and keeping Australians safe.

Updated economic outlook

Australia's economy continues to show resilience in the face of weak momentum in the global economy, as well as domestic challenges such as the devastating effects of drought and bushfires. While economic activity has continued to expand, these factors have resulted in slower growth than had been expected at PEFO. Real GDP is forecast to be 2¼ per cent in 2019-20. Growth is expected to strengthen to 2¾ per cent in 2020-21.

GDP growth in the first three quarters of 2019 has been stronger than it was in the second half of 2018. The labour market remains strong and domestic demand is expected to pick up over the forecast period. Growth in household consumption and non-mining business investment is forecast to increase, and mining investment is forecast to grow for the first time in seven years. Public final demand is expected to continue to contribute to growth. Export growth is forecast to remain strong, reflecting a lower Australian dollar, continuing demand for services exports and the expansion of production in the mining sector.

The recovery in growth over the next couple of years reflects policy settings including personal income tax relief and an increase in spending on infrastructure across all levels of government, as well as lower interest rates.

The drag from the unwinding of the mining investment boom has receded over the past few years, and mining investment is expected to grow for the first time in seven years in 2019-20. A persistent recovery in the established housing market should also support consumption and dwelling investment. However, lower farm production and exports resulting from the drought are expected to detract from growth in 2019-20.

Table 1.2: Major economic parameters^(a)

	Outcomes	Forecasts		Projections	
	2018-19	2019-20	2020-21	2021-22	2022-23
Real GDP	2.0	2 1/4	2 3/4	3	3
Employment	2.5	1 3/4	1 3/4	1 1/2	1 1/2
Unemployment rate	5.2	5 1/4	5 1/4	5	5
Consumer price index	1.6	2	2 1/4	2 1/2	2 1/2
Wage price index	2.3	2 1/2	2 1/2	2 3/4	3
Nominal GDP	5.3	3 1/4	2 1/4	4 3/4	4 3/4

(a) Year-average growth unless otherwise stated. From 2018-19 to 2020-21, employment and the wage price index are through-the-year growth to the June quarter. The unemployment rate is the rate for the June quarter. The consumer price index is through-the-year growth to the June quarter.

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

Part 1: Overview

Nominal GDP is forecast to grow by 3¼ per cent in 2019-20, the same as forecast at PEFO. Nominal GDP growth in 2020-21 has been downgraded by 1½ percentage points to 2¼ per cent, largely reflecting the assumed decline in iron ore prices.

Global economic momentum weakened in 2019. This reflects the direct impact of trade tensions on global trade flows and supply chains in East Asia. But it also increasingly comes from global uncertainty, which appears to be weighing on business confidence and investment intentions. Global growth is expected to be 3 per cent in 2019 – the weakest growth since the global financial crisis – and 3¼ per cent in 2020. Major trading partner growth is forecast to be 3½ per cent in 2019 and 3¾ per cent in 2020.

The Government's priorities

The Government is continuing to implement its economic plan, including taking a disciplined approach to managing the budget, prioritising new spending which supports Australia's economy and guaranteeing the essential services on which Australians rely. The 2019-20 MYEFO includes substantial funding to:

- accelerate transport infrastructure projects
- increase support for drought-affected communities
- ensure quality and safety in aged care while the Royal Commission continues its work.

A stronger and more productive economy

Accelerating and creating new road and rail projects

The Government has worked with the states and territories to identify transport infrastructure projects where delivery could be accelerated in order for the benefits to commuters, freight, and safety to be realised sooner. As a result of bringing forward investments and funding for new projects, the Government is investing an additional \$4.2 billion over the forward estimates, as part of the Australian Government's total transport infrastructure investment of \$100 billion over the next ten years. Regional areas will receive over half of this package.

There are currently 130 major projects under construction funded by the Australian Government. These projects are expected to support 85,000 direct and indirect jobs over their lifetimes. The projects are improving road safety, addressing congestion in our cities, and better connecting people and places.

The Government's accelerated infrastructure investments and additional funding covers all states and territories:

- \$571 million for New South Wales to improve safety and efficiency for the Pacific, Newell, and Princes Highways.
- \$514 million for Victoria including immediate funding for the North East Link, Stage 2 of the Monash Freeway upgrade, and allowing for the completion of the Echuca-Moama Bridge in mid-2021.
- \$1.5 billion for Queensland including upgrades to the M1, Warrego, Cunningham, and Bruce Highways, the Gold Coast Light Rail Stage 3A, and the North Coast rail line. The Australian and Queensland Governments have also reached agreement on the delivery of the Melbourne to Brisbane Inland Rail.
- \$868 million for Western Australia including the early construction of the Bunbury Outer Ring Road, Albany Ring Road, Tonkin Highway Gap, and upgrades to the Karratha to Tom Price Corridor.
- \$327 million for South Australia, including the completion of the Darlington Upgrade and Flinders Link, and commencement of works on the Rural Roads Safety Package, the Victor Harbour Road Duplication, and the Eyre Highway.
- \$173 million for Tasmania including funding for the Port of Burnie shiploader and upgrades to the Bass and Midland Highways.
- \$147 million for the Northern Territory including upgrades on the Alice Springs to Darwin corridor, including the Mango Industry Road upgrades in Litchfield, and the Adelaide River to Wadeye Road corridors.
- \$30 million for the Australian Capital Territory to accelerate the Monaro Highway upgrades, including the intersection with Lanyon Drive.

Improving water infrastructure

The Australian and New South Wales Governments have committed to deliver a \$1 billion water infrastructure package for rural and regional communities, involving a \$650 million upgrade of Wyangala Dam in the Central West of New South Wales and a \$484 million new Dungowan Dam near Tamworth. The projects are part of the Government's plan for improving regional water security through water infrastructure led by the newly established National Water Grid Authority. The Authority is helping shape national water infrastructure policy and bringing together world-best science to identify and plan the next generation of water infrastructure that will support the growth of primary industries, build drought resilience, and meet the needs of a growing population.

Part 1: Overview

The Government's investments in water infrastructure are being delivered by the National Water Infrastructure Development Fund and the National Water Infrastructure Loan Facility.

Deregulation for Australian business

The Government is tackling regulatory congestion and helping businesses to invest and create jobs.

The next wave of deregulation reform includes making it easier to export more Australian food, streamlining major project approval processes, helping small businesses employ more Australians, and creating a one-stop shop for business to update, manage, and maintain their business registry data in one location.

The Government is establishing a new consolidated online checklist that guides small and micro-businesses through the steps of engaging their first employee. The Government is modernising Australia's business registers to make it easier and faster for businesses to interact with government (for example, replacing paper forms with digital processes), saving them time and money. The Government is also building a digital platform for environmental assessments and approvals to get major projects up and running sooner, partnering with the Western Australian Government as a first step toward a consistent nationwide process.

A modern export documents platform will replace the existing paper-based processes with a new online system to reduce the time, cost, and risks associated with exporting, making it easier for small and medium-sized enterprises to grow their exports. The Government is also expanding the Trusted Trader Program and Known Consignor Scheme to expedite the flow of cargo.

Supporting small businesses and first home buyers

The recently announced Australian Business Growth Fund will have \$540 million to make equity investments in small and medium-sized businesses, filling a gap in the financing market. This will complement the recently legislated \$2 billion Australian Business Securitisation Fund, which will boost lending to small business.

The First Home Loan Deposit Scheme will enable first home buyers to purchase a home with a deposit of as little as 5 per cent, allowing them to get into the market sooner. The Scheme will support up to 10,000 guarantees for eligible first home buyers each financial year. The Scheme will commence from 1 January 2020.

Guaranteeing services and strengthening communities

Supporting farmers and their communities

The Australian Government is providing significant assistance and concessional loans to those affected by drought with almost \$1.3 billion in additional support committed since the PEFO.

The Government's actions will support those directly affected by the drought. This includes the Farm Household Allowance, Rural Financial Counselling Service, and the Drought Community Support Initiative. The Government has also provided \$29.4 million for mental health and wellbeing support and two-year interest-free Drought Loans for farmers.

The Government is supporting the wider communities affected by drought through boosting economic activity and supporting jobs. This has included more than \$300 million for the Drought Communities Programme to help eligible councils to complete local capital works and drought relief projects. The Government is also redirecting \$200 million from the Building Better Regions Fund into drought-affected communities and funding an extra \$138.9 million in Roads to Recovery in 2020 for 128 Local Government Areas impacted by drought. The Government is also supporting small businesses in drought-affected communities with two-year interest-free loans to support cash flow for viable businesses.

The Government is enhancing long-term resilience and preparedness so that farm businesses and rural communities can better withstand future drought periods. This includes the \$5 billion Future Drought Fund, the National Water Infrastructure Development Fund, and the National Water Infrastructure Loan Facility.

Quality and safety in aged care

The Government will provide \$623.9 million over four years from 2019-20 to respond to the Interim Report of the Royal Commission into Aged Care Quality and Safety, and to build on the Government's recent aged care reforms to improve standards, oversight, funding, and transparency in the care of older Australians. This includes:

- \$496.3 million for the release of an additional 10,000 home care packages
- \$25.5 million to improve medication management and reduce the use of medicines as a chemical restraint for older Australians living in residential aged care facilities and at home
- \$10 million for additional dementia training and support for aged care workers and providers
- \$4.7 million for a survey of younger people in aged care to support new targets to reduce the number of younger people in residential aged care.

Part 1: Overview

This is in addition to the Government's record funding for older Australians of \$21.4 billion in 2019-20, growing to an estimated \$25.4 billion in 2022-23, up from \$13.3 billion in 2012-13.

Supporting veterans

The Government is committed to delivering services and support for veterans and their families, including initiatives to support veterans' mental health and commemorating the service and sacrifice of veterans and their families. As part of these initiatives, the Government is providing \$4 million to Open Arms – Veterans' Families Counselling to collaborate with the Returned and Services League in delivering a national program of mental health training to volunteers to recognise people at risk and offer intervention and support.

The Government is also providing \$30 million towards a network of six new Veterans' Wellbeing Centres in Townsville, Perth, Adelaide, Darwin, Nowra, and Wodonga to bring together key services for veterans and their families.

Delivering more affordable and reliable energy

The Government is delivering on its plan for a fairer, more affordable, reliable energy system.

The Government has legislated strong new powers to respond to electricity market misconduct. The laws will ensure that electricity retailers pass on reductions in wholesale electricity prices to consumers and make it easier for smaller energy businesses and new entrants.

The Government is establishing a \$1 billion Grid Reliability Fund, administered by the Clean Energy Finance Corporation, as a dedicated funding source for energy generation, storage, transmission, and distribution infrastructure and grid stabilising technologies.

The Government is supporting the acceleration of transmission projects to increase the supply of electricity to consumers. In partnership with state governments, the Government is jointly underwriting early works to upgrade an electricity interconnector between NSW and Queensland, and the HumeLink transmission line which carries power from the Snowy to Sydney, Newcastle, and Wollongong. The Government is also negotiating to support the KerangLink transmission line which carries power from the Snowy to Melbourne. These transmission lines will unlock the benefits of Snowy Hydro's dispatchable power and underpin reliability as ageing coal generators exit the system.

Stepping up Australia's engagement in the Pacific

Loan to Papua New Guinea

Australia has signed an agreement with Papua New Guinea (PNG) to provide a loan of US\$300 million through Export Finance Australia in response to a direct request from

the Government of PNG to help it deliver long-term economic reform. The Australian and PNG Governments are working closely with the International Monetary Fund, the World Bank, and the Asian Development Bank to ensure that this loan has maximum impact on PNG's social and economic development.

Emerging Markets Impact Investment Fund

The Government will provide \$40 million from existing Official Development Assistance (ODA) funding over a 10-year period from 2020-21 to establish the Emerging Markets Impact Investment Fund. This pilot program will test the cost effectiveness, strategic value, and impact of a new approach to deliver ODA, including a range of non-grant financing instruments (loans, equity, and guarantees) to draw in private capital to co-invest in small and medium-sized enterprises in the Indo-Pacific.

Australian Infrastructure Financing Facility for the Pacific

The \$2 billion Australian Infrastructure Financing Facility for the Pacific will use grant funding combined with loans to support the development of high priority infrastructure in Pacific island countries and Timor-Leste. The Facility is consulting across the region and is currently assessing a substantial pipeline of potential projects.

Part 2: Economic outlook

Overview

Australia's economy continues to show resilience in the face of weak momentum in the global economy, as well as domestic challenges such as the devastating effects of drought and bushfires. While economic activity has continued to expand, these factors have resulted in slower growth than had been expected at PEFO.

GDP growth in the first three quarters of 2019 was stronger than it was in the second half of 2018. The labour market remains strong, and domestic demand is expected to pick up over the forecast period. Growth in household consumption and non-mining business investment is forecast to increase, and mining investment is forecast to grow for the first time in seven years. Public final demand is expected to continue to contribute to growth. Export growth is forecast to remain strong, reflecting a lower Australian dollar, continuing demand for services exports and the expansion of production in the mining sector.

Real GDP growth is forecast to be 2¼ per cent in 2019-20, a downgrade of ½ of a percentage point since PEFO. Growth is then expected to strengthen to 2¾ per cent in 2020-21.

The recovery in GDP growth partly reflects supportive policy settings. The personal income tax relief announced in the 2018-19 and 2019-20 budgets is supporting household disposable income, and continued investment in productive infrastructure by all levels of government is supporting economic activity and employment. Monetary policy remains accommodative, and the depreciation of the Australian dollar is benefiting the trade-exposed sectors of the economy.

The drought has severely affected rural communities – farm GDP detracted from growth in 2018-19 and is expected to detract in 2019-20. An assumed return to average seasonal conditions should contribute to growth in 2020-21 as farm production and exports recover. However, the pace of growth of rural exports and farm GDP will depend on future weather conditions.

With combined capital city housing prices rising since July 2019, a persistent recovery in the established housing market should also support activity. Falls in combined capital city housing prices between mid-late 2017 and mid-2019 have weighed on housing turnover, household consumption and building approvals. Consumption and activity associated with the transfer of property are expected to pick up as the negative effects of lower housing prices on spending and turnover dissipate, and as wage growth gradually increases. After several years of strong growth, dwelling investment has fallen over the past year from record highs, and is expected to decline further over the forecast horizon as recent weakness in building approvals continues to flow through to activity.

Part 2: Economic outlook

The drag from the unwinding of the mining investment boom has receded over the past few years, and mining investment is expected to grow in 2019-20 as mining companies invest to maintain production. This would be the first instance of positive growth in seven years and is expected to be accompanied by steady growth in non-mining business investment – particularly in non-residential construction activity, given the solid pipeline of work yet to be done.

Labour market conditions have remained strong with employment growth outpacing growth in the population, and growing above the OECD average. Employment growth will be underpinned by a pick-up in economic activity, although leading employment indicators suggest that growth is likely to moderate, keeping the unemployment rate at 5¼ per cent. Ongoing employment growth is expected to support a pick-up in wage and consumer price growth across the forward estimates, albeit more gradually than at PEFO. As has been the case in other advanced economies, wage growth in Australia has been slow to respond to improving labour market conditions.

Nominal GDP is forecast to grow by 3¼ per cent in 2019-20, the same as forecast at PEFO. Nominal GDP growth in 2020-21 has been downgraded by 1½ percentage points to 2¼ per cent, largely reflecting the assumed decline in iron ore prices.

Global economic momentum weakened in 2019. This reflects the direct impact of trade actions on global trade flows and supply chains in East Asia. But it also increasingly comes from global uncertainty, which appears to be weighing on business confidence and investment intentions. As a result, global economic growth in 2019 and 2020 is forecast to be weaker than had been expected at PEFO. This outlook assumes that all announced trade policy actions will be implemented. Global growth is expected to be 3 per cent in 2019 – the weakest growth since the global financial crisis – and 3¼ per cent in 2020. Major trading partner growth is forecast to be 3½ per cent in 2019 and 3¾ per cent in 2020. Growth is expected to pick up in 2021, supported by recent monetary policy easing in a large number of economies.

Developments in global trade policy remain the largest uncertainty for the global outlook. Any significant resolution of tensions, particularly a winding back of existing and announced trade barriers, would present an upside risk to the global outlook. The recent resumption of trade negotiations between the United States (US) and China is encouraging. Conversely, an escalation of tensions between the US and China, or a further spread of tensions to other economies, would be negative for global growth. A range of other downside risks to the global outlook remain, such as fragilities in the financial sectors of a number of economies and, to a lesser extent, a disorderly Brexit.

There are also uncertainties around the domestic forecasts. The forecasts assume that some of the recent weakness in consumption reflects timing factors and that the household saving ratio will fall as households increase their consumption in response to higher after-tax income. However, there is a risk that consumers remain cautious and the fall in the household saving ratio is slower than expected. Dwelling investment could also be weaker than forecast. And Australian businesses are not immune to the impacts

of greater global uncertainty, which could weigh further on business confidence and investment. Upside risks include a more rapid recovery in the housing market which could support stronger consumer spending, while a rebound in business conditions and confidence could contribute to a stronger-than-expected recovery in non-mining business investment.

International economic outlook

Global economic momentum has weakened since PEFO. This reflects the direct impact of trade actions on trade flows, including through supply chains in East Asia. It also reflects elevated uncertainty from trade and technology tensions, Brexit, and financial instability in Italy, Turkey, and a number of South American countries. This continued uncertainty has weighed on business confidence and investment intentions, particularly in manufacturing. Global growth is expected to be 3 per cent in 2019, a downgrade of ½ of a percentage point since PEFO. Growth is expected to pick up to 3½ per cent in 2021, supported by recent monetary policy easing in a large number of economies, including the US, the euro area, China and across South East Asia. Australia's major trading partners are forecast to grow by 3½ per cent in 2019, 3¾ per cent in 2020 and 4 per cent in 2021. These forecasts assume that all announced trade policy actions will be implemented.

Since late 2018, global trade growth has declined and there has been a marked slowing in manufacturing activity in a number of economies. This reflects a range of factors, some of which are interrelated, including trade actions, downturns in the electronics cycle and in automotive production, and slower growth in China as the authorities continue to address risks in the financial system. Trade in economies in East and South-East Asia – which play a key role in global supply chains – has been particularly weak. However, some of these economies have benefited from trade diversion as a result of tariff actions between the US and China.

Uncertainty around global trade policy, Brexit and financial fragilities have remained elevated over much of 2019. This has weighed on business confidence and investment, contributing to investment growth being below average in 2018-19 in China, the US, Korea and some ASEAN economies. It remains unclear at this point whether recent positive developments in trade policy between the US and China will endure and help to reduce some of the policy uncertainty.

On the upside, labour markets remain robust, with unemployment rates nearing record lows in the US, the euro area and Japan. While this has led to a gradual increase in wages, wage growth appears to have softened recently in the US and the euro area. Low inflation has also persisted, and remains near 2 per cent for both the United Kingdom (UK) and the US.

Developments in global trade policy remain the largest uncertainty for the global outlook. The resumption of negotiations between the US and China on a phase one deal is encouraging as any significant resolution of tensions, particularly if it removes

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existing and announced trade barriers, would present an upside risk to the global outlook. However, deeper points of contention around structural policies such as intellectual property, forced transfer of technology and industrial subsidies for favoured industries would likely need to be resolved before policy and trade uncertainty subsides.

A further escalation of tensions between the US and China, or a further spread of tensions to other economies, would be negative for global growth, especially if it started to significantly affect household and business behaviour. As has been evident to date, the economic effect of any changes in trade policy are magnified by their effect on policy uncertainty and business confidence.

A range of downside risks to the global outlook remain. Fragilities in the financial sectors of a number of economies remain a concern, including in China, where the authorities are trying to balance financial deleveraging with a need to support a slowing economy. A disorderly Brexit continues to pose a downside risk to the outlook for the UK economy and Europe more broadly.

Over the longer term, unfavourable demographics and potentially slower productivity growth could constrain growth rates in some of the world's major economies. Future global productivity growth will depend on the dispersion of technology, the mobility of capital and the degree of openness and competition maintained across economies.

Table 1: International GDP growth forecasts (a)

	Outcomes	Forecasts		
	2018	2019	2020	2021
China	6.6	6	5 3/4	5 3/4
India	7.4	5	6	6 3/4
Japan	0.3	1	1/2	3/4
United States	2.9	2 1/4	1 3/4	1 3/4
Euro area	1.9	1 1/4	1 1/4	1 1/2
Other East Asia (b)	4.3	3 1/2	3 3/4	4
Major trading partners	4.1	3 1/2	3 3/4	4
World	3.6	3	3 1/4	3 1/2

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

(b) Other East Asia comprises the Association of Southeast Asian Nations group of five (ASEAN-5), comprising Indonesia, Malaysia, the Philippines, Thailand and Vietnam, along with Hong Kong, South Korea, Singapore and Taiwan.

Source: National statistical agencies, IMF World Economic Outlook October 2019, Refinitiv and Treasury.

The **United States** economy has continued to grow at a solid pace throughout 2019 despite the impact of, and uncertainty generated by, trade actions. This is primarily due to the resilience of household consumption, supported by a strong labour market. The growth forecast for 2020 has been downgraded by 1/4 of a percentage point since PEFO as global uncertainties are expected to weigh on business investment and manufacturing activity. However, fiscal policy is currently expansionary, with the US deficit forecast to

increase. Monetary policy is also expected to stimulate activity following cuts of 75 basis points to the federal funds rate in 2019.

GDP growth in **China** has continued to moderate since PEFO, reflecting weaker trade and associated production and investment activity, as well as softening domestic demand as a result of the authorities' deleveraging efforts to address financial risks. As a result, growth in 2020 has been downgraded by $\frac{1}{4}$ of a percentage point since PEFO. This moderation in growth has been partially offset by policy action reducing banks' reserve requirement ratios and fiscal support through increased bond quotas for local governments. Growth is expected to continue to moderate in coming years, reflecting ongoing structural challenges, such as an ageing population and slowing productivity growth. An escalation in trade tensions with the US poses a particular risk to the outlook.

Over 2019, the **Indian** economy has recorded growth outcomes significantly below expectations. Domestic demand remains weak as subdued global demand and tight financial conditions weigh on the economy, with stress in the banking sector affecting credit growth. Consequently, the growth forecast has been downgraded by $2\frac{1}{2}$ percentage points since PEFO to 5 per cent in 2019. Announced monetary and fiscal policy support is expected to improve credit conditions and spur investment-led demand. However, this will likely take some time, with growth now expected to pick up towards the economy's estimated potential rate in late 2021.

The **Japanese** economy grew strongly in the first half of 2019, following only modest growth in 2018. However, the increase in the value-added tax in October is expected to weigh on private consumption for one or two quarters. Slowing growth in China and continuing weakness in global electronics demand are also expected to weigh on growth. As such, GDP growth is expected to be $\frac{1}{4}$ of a percentage point lower in 2020 than was forecast at PEFO, before picking up again slightly in 2021.

Weakness in the **euro area** has persisted throughout 2019. The growth forecast for 2020 has been downgraded by $\frac{1}{4}$ of a percentage point compared with PEFO, reflecting the current slowdown persisting throughout 2020. Growth in Germany has been significantly affected by the weakness in global trade, structural changes seen in its car manufacturing sector, and uncertainty over Brexit. Growth in Italy and France has also been weak. However, the unemployment rate in the euro area has fallen back to levels not seen since before the financial crisis. Growth is expected to be supported by accommodative monetary policy – interest rates remain at historically low levels and the European Central Bank has recently restarted quantitative easing.

The fall in global trade and the slowdown in the electronics cycle is putting pressure on economic growth in the trade-exposed **ASEAN-5** economies. While economic growth remains solid, there has been a slowdown in trade growth in Indonesia, Malaysia, Thailand and the Philippines. However, some countries – notably Vietnam – have benefited from trade diversion away from China with exports to the US increasing markedly. Vietnam has also benefited from an increase in foreign direct investment, including from firms looking to diversify production locations.

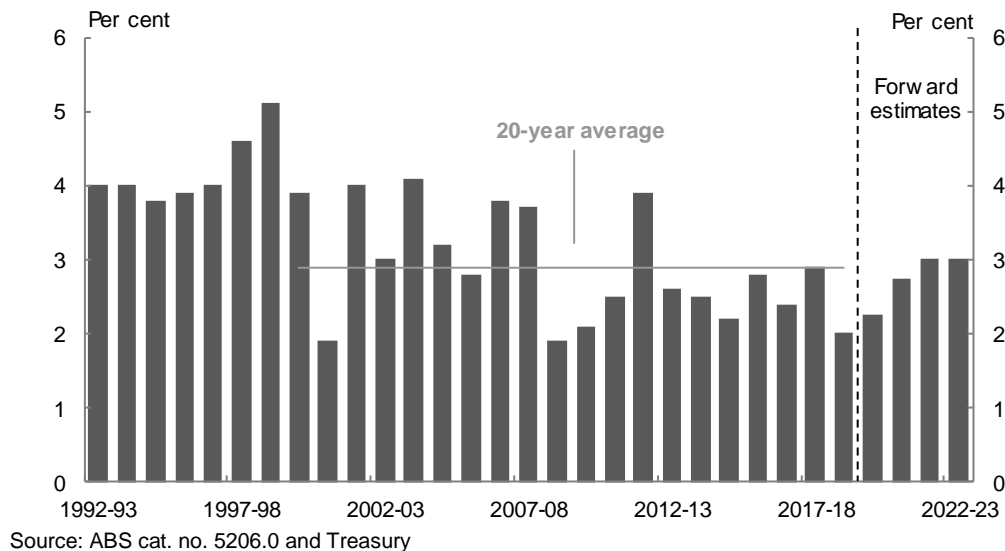
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Growth in other **East Asian** economies has also been weak during the year, with Hong Kong experiencing a recession. Because of their integration in regional electronics supply chains, Singapore and South Korea have been strongly affected by slowing global electronics demand, both experiencing falls in GDP growth during the year. Taiwan has continued to grow, but only at a modest pace.

Domestic economic outlook

Following subdued growth in the second half of 2018, growth in the Australian economy is picking up. Nonetheless, GDP growth in 2019-20 has been downgraded by $\frac{1}{2}$ of a percentage point since PEFO to $2\frac{1}{4}$ per cent, reflecting recent outcomes in household consumption growth. GDP growth is forecast to return to $2\frac{3}{4}$ per cent in 2020-21 (Chart 1).

Chart 1: Real GDP growth



Growth over the next couple of years will be supported by policy settings, including personal income tax relief and an increase in spending on infrastructure across all levels of government, as well as lower interest rates. It is also expected to be supported by a stabilisation in the housing market and a pick-up in mining investment.

The drought has severely affected the rural sector in parts of Australia, with the fall in farm GDP detracting from growth in 2018-19 and a further detraction forecast in 2019-20. However, a recovery in rural exports is expected to contribute to growth in 2020-21 on the basis of an assumed return to average seasonal conditions.

A persistent recovery in the established housing market should support activity in the economy in coming years. The housing price falls between mid-late 2017 and mid-2019 weighed on growth by lowering household consumption, reducing residential building construction, and lowering turnover in the housing market – activity directly

associated with the transfer of property detracted 0.3 percentage points from GDP growth in 2018-19. A pick-up in housing prices is likely to help turnover recover and provide some support to those components of consumption more affected by housing prices. A recovery in dwelling investment is unlikely in the forecast period given the lags between building approvals and construction activity (See Box 1).

As has been the case for some time, GDP growth over the past year has been affected by the winding down of the mining investment boom. But, with all major projects now in production, mining investment is expected to soon stop detracting from growth. Indeed, mining investment growth is expected to move into positive territory in 2019-20, and pick up over the forecast period as mining companies invest to maintain existing capital and begin new projects in order to sustain productive capacity.

Outside of these factors, growth is expected to be assisted by continued growth in public final demand, a pick-up in non-mining business investment and continued export growth, supported by the last of the major liquefied natural gas (LNG) projects ramping up to full production. Consumption growth is expected to gradually recover given continued growth in household disposable income.

Employment is forecast to expand over the forecast horizon, underpinned by a pick-up in economic activity. Labour force participation is expected to remain near historically high levels in 2019-20 and 2020-21 and the unemployment rate is forecast to be 5¼ per cent. Growth in wages and consumer prices is expected to increase over the forward estimates.

Table 2: Domestic economy forecasts (a)

	Outcomes(b)	Forecasts			
	2018-19	2019-20		2020-21	
		PEFO	MYEFO	PEFO	MYEFO
Real gross domestic product	2.0	2 3/4	2 1/4	2 3/4	2 3/4
Household consumption	2.0	2 3/4	1 3/4	3	2 1/2
Dw elling investment	0.0	-7	-9	-4	-3 1/2
Total business investment(c)	-1.0	5	1 1/2	4 1/2	6
<i>By industry</i>					
Mining investment	-9.5	4	1	4 1/2	12
Non-mining investment	1.6	5 1/2	2	4 1/2	4 1/2
Private final demand(c)	1.0	2 1/4	3/4	2 3/4	2 3/4
Public final demand(c)	4.1	3 1/4	4 3/4	3	3 1/4
Change in inventories(d)	-0.1	0	0	0	0
Gross national expenditure	1.6	2 1/2	1 3/4	2 3/4	2 3/4
Exports of goods and services	3.9	4	2 1/2	1 1/2	2 1/2
Imports of goods and services	0.2	3	1/2	2 1/2	3
Net exports(d)	0.8	1/4	1/2	- 1/4	0
Nominal gross domestic product	5.3	3 1/4	3 1/4	3 3/4	2 1/4
Prices and w ages					
Consumer price index(e)	1.6	2 1/4	2	2 1/2	2 1/4
Wage price index(f)	2.3	2 3/4	2 1/2	3 1/4	2 1/2
GDP deflator	3.2	1/2	3/4	1	- 1/4
Labour market					
Participation rate (per cent)(g)	66.0	65 1/2	66	65 1/2	66
Employment(f)	2.5	1 3/4	1 3/4	1 3/4	1 3/4
Unemployment rate (per cent)(g)	5.2	5	5 1/4	5	5 1/4
Balance of payments					
Terms of trade(h)	5.6	-5 1/4	-4	-4 3/4	-8 3/4
Current account balance (per cent of GDP)	-0.6	-2 3/4	- 3/4	-3 3/4	-3 1/4

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

(b) Calculated using original data unless otherwise indicated.

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

(d) Percentage point contribution to growth in GDP.

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

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

(g) Seasonally adjusted rate for the June quarter.

(h) The forecasts are underpinned by price assumptions for key commodities: Iron ore spot price assumed to decline towards US\$55/tonne free-on-board (FOB) by the end of the June quarter 2020; metallurgical coal spot price remaining at US\$134/tonne FOB; and thermal coal spot price remaining at US\$64/tonne FOB.

Note: The forecasts for the domestic economy are based on several technical assumptions. The exchange rate is assumed to remain around its recent average level — a trade-weighted index of around 59 and a \$US exchange rate of around 68 US cents. Interest rates are assumed to move broadly in line with market expectations. World oil prices (Malaysian Tapis) are assumed to remain around US\$64 per barrel. Population growth is assumed to average around 1.7 per cent per year over the forecast period.

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

Household consumption is forecast to grow by 1¾ per cent in 2019-20 and 2½ per cent in 2020-21. Growth in consumer spending was weaker than expected in 2018-19, occurring alongside falls in housing prices and continued softness in wage and non-wage income growth. A persistent recovery in housing prices should help to support household consumption over the forecast period, including from a recovery in those components of consumption related to the turnover of dwellings, such as furniture and fittings.

In addition, consumption should be supported by a pick-up in household disposable income growth, reflecting the personal income tax measures announced in the 2018-19 and 2019-20 Budgets, as well as continued growth in employment, a modest pick-up in wage growth and supportive monetary policy settings. Reflecting a reduction in tax payable, the household saving ratio rose sharply in the September quarter 2019 after declining over the past five years. The household saving ratio is expected to decrease again over the remainder of 2019-20 as consumers respond to the step-up in income, before stabilising in 2020-21. Nonetheless, forecasts for consumption growth have been downgraded since PEFO by 1 percentage point in 2019-20 and ½ of a percentage point in 2020-21.

Dwelling investment is forecast to fall by 9 per cent in 2019-20, and by a further 3½ per cent in 2020-21. Despite the recent stabilisation in the established housing market, weakness in residential building approvals has persisted and the number of approvals in October 2019 was more than 40 per cent lower than its peak in late 2017. The pipeline of residential construction work yet to be done remains elevated, although this too has softened and the downward trend in building approvals means that a continued moderation in the future level of activity is likely. Activity is expected to start recovering towards the end of the forecast period, supported by lower interest rates, continued population growth and improvements in the broader economy.

Box 1: Housing prices, consumption and dwelling investment

After a recent period of significant falls in housing prices from mid-late 2017 to mid-2019, the established housing market has stabilised. In July 2019, combined capital city housing prices rose for the first time in almost two years, and this has continued in recent months. Although increases have been largest in Sydney and Melbourne, increases have now spread to all cities except Darwin. Overall, combined capital city housing prices are now almost 6 per cent higher than their recent trough in June, although they are still around 5 per cent lower than their peak in September 2017.

This increase in housing prices is expected to support the outlook for household consumption, particularly as corresponding increases in housing turnover should see a pick-up in spending on household goods such as furnishings. More broadly, continued rises in housing prices should provide a boost to confidence and household wealth, as well as increasing borrowing capacity given changes in collateral.

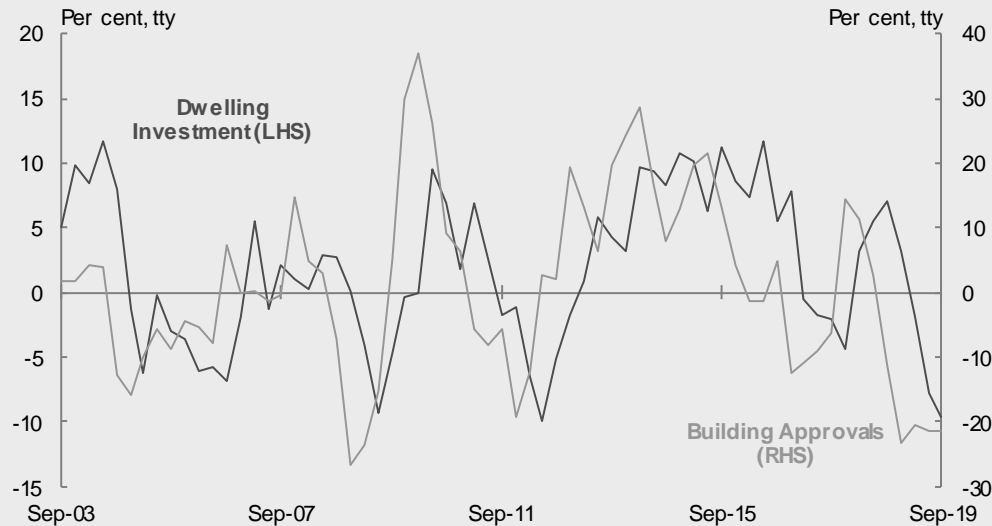
Ownership transfer costs – various fees incurred when fixed assets such as dwellings are sold (including legal and real estate agent fees, stamp duty, and other government charges) – were negatively affected by low rates of housing market turnover in 2018-19 and detracted from real GDP growth. Ownership transfer costs rose by 4.5 per cent in the September quarter 2019 and a further increase supported by stronger housing turnover and prices should contribute to economic growth over the forecast period.

Movements in housing prices impact dwelling investment activity through changes to expected returns to residential construction. However, recent price gains will affect new dwelling investment with a delay. This is because planning and approval processes take time to work their way through into new construction. On average, depending on the type of dwelling, it can take around 2 to 5 months for new dwellings to commence following approval, and a further 6 to 20 months for activity to be completed. High-density dwellings have the longest approval and construction times, and houses the shortest on average.

New dwelling approvals have trended down since late 2017, with the total number of building approvals over the year to October 2019 down by more than 20 per cent from the preceding 12 months and below the 10-year average. The falls in building approvals have been particularly stark in medium-high density dwellings, which also have the longest lag between approval and completion. This means that further moderation in dwelling investment is likely over the forecast period (Chart A). This weakness should be partly offset by a solid pipeline of housing construction work yet to be done.

Box 1: Housing prices, consumption and dwelling investment (continued)

Chart A: Residential building approvals and dwelling investment growth



Note: Building approvals reflect through-the-year growth in total private dwelling building approvals.

Source: ABS cat. no. 5206.0 and 8731.0.

Business investment is forecast to grow by 1½ per cent in 2019-20 and 6 per cent in 2020-21, reflecting continued growth in the non-mining sector and a renewed pick-up in the resources sector. **Mining investment** is forecast to grow by 1 per cent in 2019-20, and 12 per cent in 2020-21 as mining companies invest to maintain the large capital stock accumulated over the investment boom and seek to expand their operations to sustain productive capacity (See Box 2).

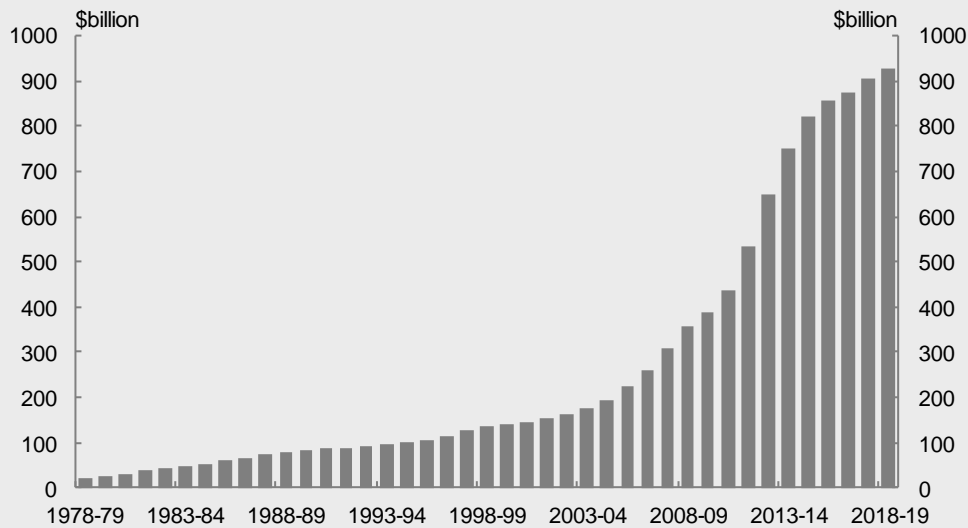
Non-mining business investment growth moderated in 2018-19. Non-mining business investment is expected to grow by 2 per cent in 2019-20, weaker than forecast in PEFO. In 2020-21, growth in non-mining business investment is forecast to pick up to 4½ per cent, supported by growth in non-dwelling construction, which is expected to benefit from an elevated pipeline of work yet to be done.

Box 2: Mining business investment

Following six years of falls, the declines in mining investment and their associated drag on economic growth are coming to an end. The last of the major LNG projects began exporting in 2019, while ABS survey measures and business liaison suggest that mining investment will increase in 2019-20.

A renewed pick-up in mining investment to maintain depreciating assets has been anticipated for some time, as a structurally higher level of investment is needed to sustain a much larger capital stock in the sector. Indeed, the mining investment boom generated a more than five-fold increase in the mining capital stock, with around \$750 billion having been injected into Australia’s mining capital stock over the past 15 years (Chart A).

Chart A: Nominal Mining Net Capital Stock



Source: ABS cat. no. 5204.0.

Mineral and petroleum exploration investment has increased notably in recent quarters and grew by around 15 per cent in 2018-19 after five consecutive years in decline. Further, a number of iron ore projects – such as Rio Tinto’s Koodaideri iron ore mine and rail project, as well as Fortescue Metals Group’s Eliwana iron ore and rail development, are being constructed to maintain productive capacity.

Capacity expansion in the LNG sector is another bright spot for mining investment in coming years, with a number of prospective projects on the horizon, such as the development of the Scarborough gas field off the coast of Western Australia.

Public final demand has contributed strongly to growth over the past four years – particularly spending on the National Disability Insurance Scheme, transport infrastructure, healthcare and the National Broadband Network – and is forecast to continue to provide support to the economy over the forecast period. New public final demand is forecast to grow by 4¾ per cent in 2019-20 and 3¼ per cent in 2020-21, reflecting the delivery of essential services and continued investment in infrastructure

from the Government's record \$100 billion infrastructure rollout and additional infrastructure spending by the states and territories.

Exports are forecast to grow by 2½ per cent in 2019-20 and in 2020-21, supported by ongoing strength in mining and services exports.

Non-rural commodity exports are forecast to grow by 4 per cent in 2019-20 reflecting increases in iron ore and LNG exports. Growth in 2019-20 is expected to be slower than forecast at PEFO owing to planned and unplanned maintenance. Growth is forecast to slow to 2½ per cent in 2020-21, with the remaining LNG projects expected to have ramped up production by that time.

Services exports are forecast to grow by 5½ per cent in 2019-20 and 3½ per cent in 2020-21. Growth in services exports has remained strong over the past year, and is expected to be supported by lower oil prices and a lower exchange rate.

Drought conditions across Australia are expected to reduce farm production in 2019-20. This is expected to result in an 8½ per cent fall in rural exports. The assumption of average seasonal conditions supports a forecast return to growth in the farm sector in 2020-21. However, the pace of growth of rural exports and farm GDP will depend on how weather conditions evolve.

Imports are forecast to grow by ½ per cent in 2019-20 and 3 per cent in 2020-21, with imports of consumption and intermediate goods expected to expand. Capital and services imports are expected to contract in 2019-20, partly due to a lower exchange rate since PEFO, before returning to growth in 2020-21.

Box 3: Economic impact of extreme weather events

For nearly three years now, large parts of New South Wales, Queensland and South Australia have suffered under extreme drought conditions. Since 2017, the northern half of New South Wales and adjacent southern Queensland have experienced their lowest rainfall on record.

This is having devastating effects on the communities in these regions – not only farmers, but also the many businesses and people that rely on the agricultural sector for their living. The social and economic effects of drought are being compounded by bushfires in many of these same communities. Ongoing drought conditions have resulted in a downgrade to farm GDP forecasts in 2019-20. Based on the latest information from the Australian Bureau of Agricultural and Resource Economics and Sciences, farm GDP and rural exports are forecast to decline in 2019-20 by 3 and 8½ per cent respectively. The fall in farm GDP is expected to detract around 0.1 percentage points from real GDP growth in 2019-20, following a detraction of 0.2 percentage points in 2018-19.

The extremely dry conditions are affecting both crop and livestock production. Crop production is affected by low soil moisture and dam storage levels, with falls in both the area of crops planted and average yields. Flock and herd numbers have declined owing to high slaughter rates, which will impact the future productive capacity of the industry. In 2018-19, farm GDP was 14 per cent lower than it was in 2016-17 when Australia produced a bumper grain crop. Farm GDP is expected to fall further in 2019-20, to the lowest level seen since 2007-08 in the Millennium drought.

There has been some offsetting effects on farm incomes from higher prices for key rural commodities in global markets, owing to lower supply and a lower Australian dollar. Meat export prices are high due to the effects of African swine fever and growing demand from developing economies. Grain prices have been high but are expected to fall in 2019-20 as global supply increases.

Overall, the drought has had a negative effect on the income of Australian farmers with farm unincorporated business income around 15 per cent lower than it was a year ago. As unincorporated businesses form part of the household sector, this has dragged on household gross disposable income growth.

Ongoing drought conditions and related supply disruptions have also put upward pressure on some domestic food prices.

Box 3: Economic impact of extreme weather events (continued)

Following the usual practice, the forecasts assume a return to average seasonal conditions in 2020-21. Herd and livestock production will take longer to recover than grain production, as herds first need to be rebuilt which can take a number of years.

It is too early to tell what effect severe fire conditions around Australia have had on aggregate farming land and production. However, regional fires in New South Wales have resulted in some rerouting of livestock feed as well as possible delays to harvesting, which may lower farm production. Fires in central Queensland have reportedly affected horticultural crops.

More broadly, the fires have caused widespread damage to public infrastructure and private property in affected regions. It is causing disruptions to business, including tourism, where the full cost is not likely to be known for some time.

Labour market conditions have remained strong over the past year, with employment increasing in most states and territories and in 10 out of 19 industries. Employment growth was 2.0 per cent through the year to October, which is faster than the growth in population and above the OECD average. Consistent with improved opportunities in the labour market, as well as continued increases in participation by women and older Australians, the headline participation rate has increased to record highs over the past year.

While employment growth will be underpinned by a strengthening economic outlook, leading employment indicators suggest that employment growth is likely to moderate going forward. **Employment** growth is expected to be 1¾ per cent through the year to the June quarter 2020 and the June quarter 2021. The **labour force participation rate** is forecast to remain near historically high levels, while the **unemployment rate** is expected to be 5¼ per cent across the forecast period.

Wage growth is expected to pick up to 2½ per cent during the forecast period. Downgrades to the wage growth forecasts since PEFO are consistent with the updated economic growth forecasts. In addition, the response of wages to improving labour market conditions has been slower and more muted than in past cycles, consistent with the experience in other advanced economies. This is partly explained by lower inflation expectations, while strong employment growth has also drawn people into the labour market who were not previously looking for work, suggesting there may be more spare capacity than previously thought. A number of information sources – including data for newly negotiated Enterprise Bargaining Agreements and Treasury’s business liaison discussions – suggest that a strengthening in wage growth will be more gradual than previously expected. Wage growth outcomes to date have continued to outstrip inflation.

Consumer price inflation has been broadly in line with expectations at PEFO and was 1.7 per cent through the year to the September quarter 2019. Measures of underlying inflation have fallen to historical lows, with trimmed mean inflation at 1.6 per cent

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through the year to the September quarter 2019. A marked fall in housing inflation, declines in some administered prices and low growth in labour costs are all contributing to continued weakness in inflation outcomes. Prices for new dwelling purchases by owner-occupiers – the largest component of the CPI basket – have declined over recent quarters in line with the moderation in housing construction. Additionally, growth in rents has continued to be weak and electricity prices have fallen over the past year, owing to a number of policy changes. Working in the other direction, a combination of the lower Australian dollar and ongoing drought conditions have put some upward pressure on retail prices, particularly for clothing and footwear, meat, dairy, bread and cereal products. Subdued inflationary pressure overall and lower forecasts for wage growth have resulted in downgrades to forecasts for consumer price inflation over the forecast period since PEFO.

The forecasts for the terms of trade and nominal GDP are sensitive to assumptions about **commodity prices**. The assumptions regarding commodity prices are supported by market and industry consultation undertaken by Treasury.

Iron ore spot prices increased sharply in the first half of 2019, mainly due to supply issues in Australia and Brazil, and stronger-than-expected demand from China. Iron ore prices peaked in early July at almost US\$120 per tonne free-on-board (FOB). Prices have since fallen, but remain above the price assumed at PEFO. The decline in the price has mainly been due to uncertainty about demand from Chinese steel mills and the recovery in supply. As such, prudent assumptions have been retained and the iron ore spot price is assumed to decline to reach US\$55 per tonne FOB by the end of the June quarter 2020. This is one quarter later than was assumed at PEFO.

Coal prices have fallen since PEFO. Metallurgical coal prices have fallen faster and further than had been assumed at PEFO, with the spot price below US\$150 per tonne FOB since October 2019. The fall in the spot price is due in large part to uncertainty about demand from Chinese steel mills and policy changes in China. The metallurgical coal price is assumed to remain around recent levels of US\$134 per tonne FOB over the forecast period. This is lower than the PEFO assumption, which was for the price to fall to US\$150 per tonne FOB by the end of the March quarter 2020.

After reaching a peak of just over US\$125 per tonne FOB in mid-2018, thermal coal prices have trended lower, mainly due to increases in seaborne supply and softer global demand. The thermal coal price is assumed to remain around recent levels of US\$64 per tonne FOB over the forecast period, below the PEFO assumption of US\$91 per tonne FOB.

Commodity prices are volatile and the outlook for commodity prices remains a key uncertainty in the outlook for nominal GDP (Box 4).

Box 4: Sensitivity analysis — iron ore price

If the iron ore price were to fall immediately to US\$55 per tonne FOB, two quarters earlier than assumed, nominal GDP could be around \$7.5 billion lower than forecast in 2019-20 and \$0.3 billion lower in 2020-21. This would have a negative flow-on impact to company tax receipts estimated at around \$0.8 billion in 2019-20 and \$1.1 billion in 2020-21 (Table A).

By contrast, if the iron ore price remained elevated for two quarters longer than currently assumed, before falling immediately to US\$55 per tonne FOB, nominal GDP could be around \$6.4 billion higher than forecast in 2019-20 and \$1.0 billion higher in 2020-21. This would have a flow-on impact to company tax receipts estimated at around \$0.5 billion in 2019-20 and \$1.3 billion in 2020-21.

The actual impact on company tax receipts may vary due to timing of tax collections and the availability of tax losses.

Table A: Sensitivity analysis of an earlier and later fall in the iron ore spot price

	Earlier fall to US\$55/tonne FOB ^(a)		Later fall to US\$55/tonne FOB	
	2019-20	2020-21	2019-20	2020-21
Nominal GDP (\$billion)	-7.5	-0.3	6.4	1.0
Tax receipts (\$billion)	-0.8	-1.1	0.5	1.3

(a) FOB is the free-on-board price which excludes freight costs.

Source: Treasury.

The **terms of trade** are forecast to fall by 4 per cent in 2019-20 and a further 8¾ per cent in 2020-21. Stronger-than-assumed commodity prices in the period since PEFO contribute to the smaller fall in the terms of trade in 2019-20, while the larger fall in the terms of trade in 2020-21 largely reflects the assumed decline in iron ore prices.

Nominal GDP is forecast to grow by 3¼ per cent in 2019-20 and 2¼ per cent in 2020-21. The growth forecast for 2020-21 is lower than the forecast in PEFO, reflecting the downgrade to the forecasts for the terms of trade.

There are inherent uncertainties around the domestic outlook, including for household consumption, business investment and dwelling investment.

The forecasts assume that some of the recent weakness in consumption reflects timing factors, and that the household saving ratio will fall as households increase their consumption in response to higher after-tax income. If households maintain their recent preference to save rather than spend their disposable income, this would affect consumer spending.

There is also a risk that wage growth and inflation could remain subdued, and employment growth could slow more sharply than forecast. Dwelling investment could also be weaker than expected. And uncertainty around the global outlook could continue to hamper business confidence and investment plans.

Part 2: Economic outlook

Upside risks include a more rapid recovery in the housing market which could support stronger consumer spending, while a rebound in business conditions and confidence could contribute to a stronger-than-expected recovery in non-mining business investment.

The duration, severity and expected recovery from the drought is a key uncertainty for the forecasts. If drought conditions were to deteriorate further, growth outcomes could be weaker than forecast. Equally, a faster-than-expected return to average seasonal conditions could lead to stronger economic outcomes.

Commodity prices are an important source of uncertainty for the nominal GDP forecasts. **Part 5** presents information on the estimated effect on the economy of a movement in commodity prices.

Medium-term projections

The fiscal aggregates are based on detailed economic forecasts for the Budget year and the subsequent financial year. Economic projections then underpin the fiscal aggregates for the following two financial years. These projections are more stylised and, as outlined in the 2014-15 Budget, assume that any spare capacity in the economy is absorbed over the five years following the forecast period.

The growth rate of potential GDP is estimated to be $2\frac{3}{4}$ per cent over the next few years. As spare capacity is absorbed, labour productivity and labour market variables – including employment and the participation rate – are assumed to converge to their potential levels. To absorb the spare capacity in the economy, real GDP from 2021-22 is then projected to grow faster than potential at 3 per cent. By the end of 2025-26, spare capacity is absorbed and real GDP is projected to grow at its potential rate thereafter.

Potential GDP is estimated based on an analysis of underlying trends for population, productivity and participation. In the long run, estimates of participation are affected by demographic factors, including the ageing population, while labour productivity is assumed to grow at its 30-year average rate. The unemployment rate is projected to be 5 per cent consistent with estimates of the non-accelerating inflation rate of unemployment (NAIRU). Inflation is projected to be $2\frac{1}{2}$ per cent, consistent with the mid-point of the RBA's medium-term target band. The terms of trade are projected to remain flat at around levels recorded in 2005-06 from 2022-23.

The medium-term economic and fiscal projections are sensitive to the assumptions that underpin Treasury's estimate of potential GDP and the pace at which the economy is assumed to return to potential. Analysis in the 2019-20 Budget presented the sensitivity of Budget projections to alternate pathways for potential growth. This information is reported in Budget Paper No.1 Statement 7: *Forecasting Performance and Scenario Analysis*.

Part 3: Fiscal strategy and outlook

Overview

The budget remains on track to return to surplus in 2019-20 for the first time in 12 years, with strong fiscal discipline ensuring surpluses build over the medium term.

The underlying cash balance is expected to improve from a broad balance of -\$0.7 billion (0.0 per cent of GDP) in 2018-19 to a surplus of \$5.0 billion (0.3 per cent of GDP) in 2019-20. Looking ahead, the budget is expected to be in surplus across all years of the forward estimates and continue to build to over 1 per cent of GDP in the medium term. Over the four years from 2019-20, the cumulative underlying cash surplus is expected to be \$23.5 billion.

The net operating balance is expected to continue to be in surplus, with a surplus of \$8.0 billion (0.4 per cent of GDP) in 2019-20 and continued surpluses over the remainder of the forward estimates.

Table 3.1: Budget aggregates

	Estimates					
	2019-20			2020-21		
	Budget \$b	PEFO \$b	MYEFO \$b	Budget \$b	PEFO \$b	MYEFO \$b
Underlying cash balance(a)	7.1	7.1	5.0	11.0	11.0	6.1
Per cent of GDP	0.4	0.4	0.3	0.5	0.5	0.3
Net operating balance(b)	12.9	12.9	8.0	18.2	18.2	12.1
Per cent of GDP	0.6	0.6	0.4	0.9	0.9	0.6
	Projections					
	2021-22			2022-23		
	Budget \$b	PEFO \$b	MYEFO \$b	Budget \$b	PEFO \$b	MYEFO \$b
Underlying cash balance(a)	17.8	17.8	8.4	9.2	9.2	4.0
Per cent of GDP	0.8	0.8	0.4	0.4	0.4	0.2
Net operating balance(b)	28.8	28.8	17.8	20.6	20.6	11.6
Per cent of GDP	1.3	1.3	0.8	0.9	0.9	0.5

(a) Excludes expected net Future Fund earnings before 2020-21.

(b) The estimates and projections for MYEFO include impacts resulting from the implementation of AASB 16.

Net debt and gross debt are expected to decline as a share of the economy in each year of the forward estimates and the medium term.

The Government remains focused on supporting a stronger economy, through policies that drive earnings and economic growth. The Government's responsible budget management has ensured the budget has the capacity to deal with immediate challenges, including the ongoing drought, as well as supporting investments in infrastructure and continuing to guarantee essential services such as aged care.

Part 3: Fiscal strategy and outlook

The Government has taken a disciplined approach to prioritising new spending. Real growth in spending is expected to average 1.3 per cent between 2019-20 and 2022-23. Spending on interest payments on government borrowing is expected to fall from \$19.0 billion in 2018-19 to \$14.5 billion by 2022-23.

Since the 2019 PEFO, expected total receipts have been revised down by \$3.0 billion in 2019-20 and \$32.6 billion over the four years to 2022-23. The downward revision in 2019-20 is mainly driven by downgrades to superannuation fund taxes and GST, as well as non-tax receipts. The downward revision from 2020-21 to 2022-23 is mainly driven by downgrades to the forecasts for individuals taxes, company tax and GST.

Fiscal strategy

Consistent with the *Charter of Budget Honesty Act 1998*, the Government's fiscal policy is directed at maintaining the ongoing economic prosperity and welfare of the people of Australia and is therefore set in a sustainable medium-term framework.

The fiscal strategy provides the basis for sound fiscal management to ensure budget settings are sustainable over the longer term, and that the Government has capacity to respond to unanticipated events and risks that may eventuate.

Reflecting the delivery of a balanced budget in 2018-19 and the return to surplus in 2019-20, the Government has updated its fiscal strategy. It reaffirms the Government's commitment to budget discipline while allowing flexibility to respond to changing economic conditions.

The Government's fiscal strategy is set out in Box A.

Box A: The Government's fiscal strategy

The Government's fiscal strategy is to achieve budget surpluses, on average, over the course of the economic cycle. The fiscal strategy underlines the commitment to budget discipline and outlines how the Government will set medium-term fiscal policy while allowing for flexibility in response to changing economic conditions.

The strategy is underpinned by the following policy elements:

- investing in a stronger economy with Government spending focused on boosting productivity and workforce participation
- maintaining strong fiscal discipline by controlling expenditure in order to free up resources for private investment to create jobs and economic growth, including by pursuing budget savings to make room for new spending priorities
- supporting revenue growth through policies that drive earnings and economic growth, while maintaining a sustainable tax burden consistent with the economic growth objective, including through maintaining the tax-to-GDP ratio at or below 23.9 per cent of GDP
- building sustainable budget surpluses of at least 1 per cent of GDP when economic circumstances permit to build resilience and support fiscal flexibility
- strengthening the Government's balance sheet by reducing government borrowing as a share of the economy over time, with the objectives of improving net financial worth, reducing gross debt and eliminating net debt.

Returning the budget to surplus

Reflecting the Government's responsible budget management, the underlying cash balance is expected to be a surplus of \$5.0 billion (0.3 per cent of GDP) in 2019-20, with surpluses continuing across the forward estimates and the medium term. Table 3.2 provides key budget aggregates for the Australian Government general government sector.

Table 3.2: Australian Government general government sector budget aggregates

	Estimates			
	2019-20		2020-21	
	PEFO \$b	MYEFO \$b	PEFO \$b	MYEFO \$b
Receipts	505.5	502.5	522.3	516.6
Per cent of GDP	25.2	25.0	25.1	25.1
Payments(a)	493.3	492.0	511.3	510.5
Per cent of GDP	24.6	24.5	24.6	24.8
Net Future Fund earnings(b)	5.1	5.5	na	na
Underlying cash balance(c)	7.1	5.0	11.0	6.1
Per cent of GDP	0.4	0.3	0.5	0.3
Revenue	513.8	511.1	534.3	527.3
Per cent of GDP	25.6	25.4	25.7	25.6
Expenses(d)	500.9	503.2	516.1	515.1
Per cent of GDP	25.0	25.0	24.8	25.0
Net operating balance(d)	12.9	8.0	18.2	12.1
Per cent of GDP	0.6	0.4	0.9	0.6
Net capital investment(d)	4.7	4.2	7.7	6.3
Fiscal balance(d)	8.1	3.8	10.4	5.8
Per cent of GDP	0.4	0.2	0.5	0.3
<i>Memorandum:</i>				
Net Future Fund earnings(b)	5.1	5.5	5.2	5.5
Headline cash balance	-4.4	-2.8	-0.5	-2.5

Table 3.2: Australian Government general government sector budget aggregates (continued)

	Projections			
	2021-22		2022-23	
	PEFO \$b	MYEFO \$b	PEFO \$b	MYEFO \$b
Receipts	551.0	539.2	566.9	554.8
Per cent of GDP	25.4	25.0	25.0	24.6
Payments(a)	533.2	530.9	557.7	550.8
Per cent of GDP	24.5	24.6	24.5	24.4
Net Future Fund earnings(b)	na	na	na	na
Underlying cash balance(c)	17.8	8.4	9.2	4.0
Per cent of GDP	0.8	0.4	0.4	0.2
Revenue	564.7	551.7	580.5	567.2
Per cent of GDP	26.0	25.6	25.6	25.1
Expenses(d)	535.9	533.8	559.9	555.6
Per cent of GDP	24.7	24.8	24.6	24.6
Net operating balance(d)	28.8	17.8	20.6	11.6
Per cent of GDP	1.3	0.8	0.9	0.5
Net capital investment(d)	9.7	8.2	10.8	8.7
Fiscal balance(d)	19.1	9.7	9.8	2.9
Per cent of GDP	0.9	0.4	0.4	0.1
<i>Memorandum:</i>				
Net Future Fund earnings(b)	5.6	5.5	6.2	5.9
Headline cash balance	7.9	-1.4	2.5	-6.6

(a) Equivalent to cash payments for operating activities, purchases of non-financial assets and net cash flows from financing activities for leases.

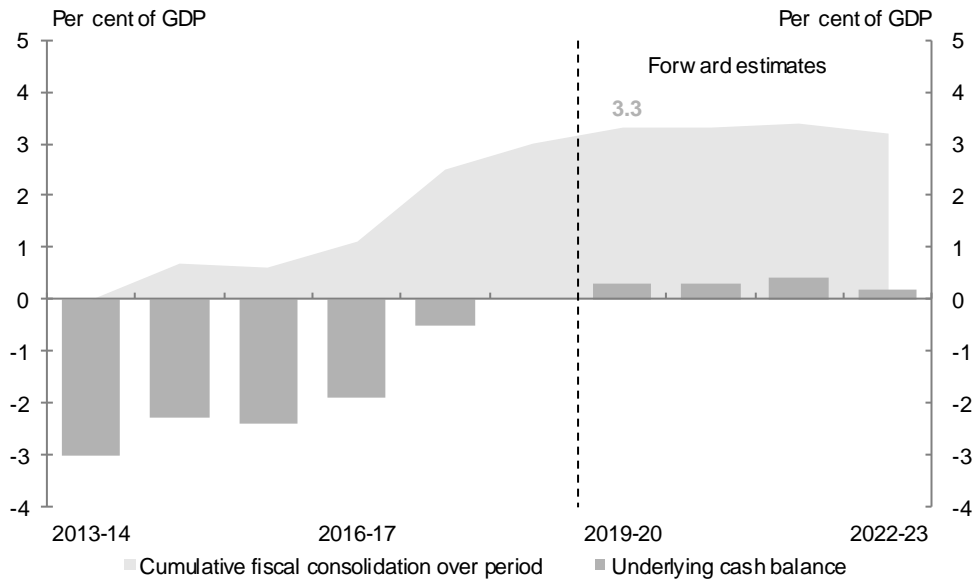
(b) Under the *Future Fund Act 2006*, net Future Fund earnings will be available to meet the Australian Government's superannuation liability in 2020-21. From this time, the underlying cash balance includes expected net Future Fund earnings.

(c) Excludes expected net Future Fund earnings before 2020-21.

(d) The estimates and projections for MYEFO include impacts resulting from the implementation of AASB 16.

The Government has charted a responsible path back to surplus with the total improvement in the underlying cash balance between 2013-14 and 2019-20 expected to be 3.3 percentage points of GDP, as shown in Chart 3.1.

Chart 3.1: Underlying cash balance to GDP- pace of fiscal consolidation^(a)



(a) Excludes expected net Future Fund earnings before 2020-21.

Since the 2016 election, the Government has implemented around \$70 billion of budget repair measures that have strengthened the budget position. These structural savings continue to improve the spending growth trajectory over time, ensuring that the Budget has the capacity to deal with immediate challenges, including the effects of the ongoing drought, as well as supporting longer-term investment in infrastructure and continuing to guarantee essential services such as aged care.

In the 2019-20 MYEFO, the Government has continued to take a disciplined approach to managing the Budget by prioritising new spending which supports Australia's economy, addressing immediate priorities and implementing the Government's election commitments. Reflecting the Government's commitment to budget repair, the Budget remains on track to return to surplus in 2019-20, while supporting substantial additional funding to:

- accelerate transport infrastructure projects
- increase support for drought-affected communities
- ensure quality and safety in aged care while the Royal Commission continues its work.

After taking into account the Government's significant investment in these priority areas and the reductions in payments as result of non-economic parameter and other variations, the net impact of other new policy decisions in the 2019-20 MYEFO is a reduction of \$1.3 billion in payments over the four years to 2022-23.

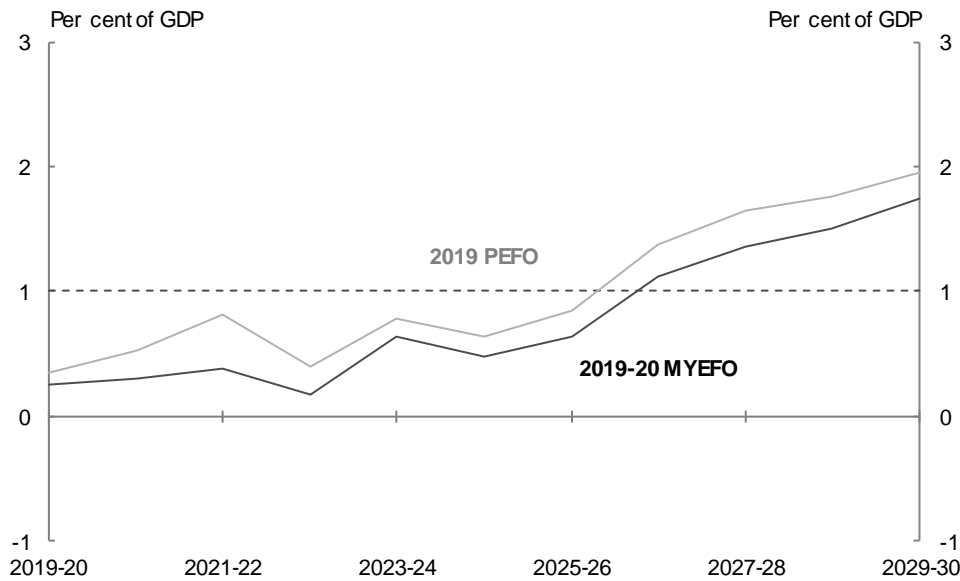
Table 3.3: Reconciliation of key payment decisions in the 2019-20 MYEFO

	Estimates		Projections		Total
	2019-20 \$m	2020-21 \$m	2021-22 \$m	2022-23 \$m	
Total payment impact of policy decisions taken since the 2019 PEFO	-2,449	-2,955	-1,865	-1,000	-8,268
Election Commitments	1	9	54	38	102
Increased Drought Support	-325	-234	-77	-129	-766
Aged Care Package	-173	-218	-171	-63	-625
Accelerated Infrastructure Spending	-750	-1,403	-1,239	-797	-4,189
Other new policy decisions	-1,201	-1,108	-432	-49	-2,790
<i>add</i> Payments impacts of non-economic parameter and other variations	465	754	501	2,377	4,097
Net payment impact of policy decisions in the 2019-20 MYEFO	-736	-354	69	2,329	1,307

The Government is committed to continuing to work with the Parliament to secure the successful passage of unlegislated measures to ensure the Budget remains on a sustainable trajectory for the future. The estimated impact over the forward estimates of remaining unlegislated budget repair measures, announced prior to the 2019-20 MYEFO and after taking account of parameter changes, is now positive \$4.9 billion. This comprises around \$2.3 billion of receipt increases and around \$2.5 billion of payment saves.

Chart 3.2 shows the projection of the underlying cash balance to 2029-30. The budget is projected to remain in surplus throughout the forward estimates and medium term, reaching 1 per cent of GDP from 2026-27.

Chart 3.2: Underlying cash balance projected to 2029-30



Note: Tax receipts are projected to remain below the Government's tax-to-GDP cap of 23.9 per cent over the medium term. Net Future Fund earnings are included in the projections of the underlying cash balance from 2020-21 when drawdowns from the Future Fund are available.

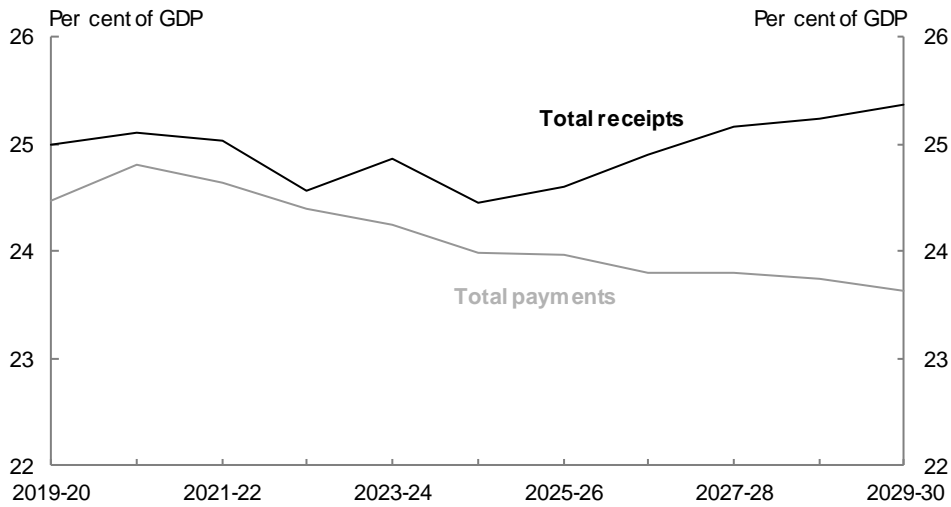
Source: Treasury projections.

Projections of the underlying cash balance over the medium term incorporate the Government's legislated tax cuts. Taxes as a share of GDP remain below the cap of 23.9 per cent of GDP across the medium term.

The payments projections reflect falling payments as a share of GDP across a range of programs over the forward estimates flowing through to the medium term. Approximately one third of this decline is due to lower public debt interest costs. Continued strong labour market conditions have contributed to lower demand for a range of income support programs. Average annual real payments growth is projected to be 2.3 per cent over the medium term.

Chart 3.3 shows total payments and total receipts projected to 2029-30.

Chart 3.3: Total payments and total receipts projected to 2029-30



Note: Tax receipts are projected to remain below the Government's tax-to-GDP cap of 23.9 per cent over the medium term. Net Future Fund earnings are included in the projections of the underlying cash balance from 2020-21 when drawdowns from the Future Fund are available.

Source: Treasury projections.

The medium-term fiscal projections outline the broad trajectory of the fiscal position under current policy settings. They use the forward estimates as a base, and are subject to risks and uncertainties similar to those affecting the forward estimates. However, the longer timeframes across the medium term mean these risks and uncertainties can be amplified.

Beyond the forward estimates, a range of assumptions are used to project medium-term government receipts and payments. In particular, the projections assume no policy change and are based on economic projections underpinned by the medium-term methodology. Changes to underlying assumptions, for example, deviations of the economy from its assumed trend growth or future government policy changes can have large impacts on projections of the underlying cash balance. The sensitivity of projections to underlying assumptions is shown in Part 5: *Forecast uncertainties, sensitivities and scenarios*.

Strengthening the Government's balance sheet

Maintaining debt at prudent levels is an important element of improving the strength and sustainability of the Government's financial position. It provides the Government with flexibility to respond to changing economic conditions and also ensures that future generations are not burdened by excessive debt from past government spending. This places future generations in the best position to manage emerging fiscal pressures, including the ageing of the population.

There are a range of measures of the Government's balance sheet. On all measures, the balance sheet is expected to strengthen over the forward estimates and medium term, as set out in Table 3.4.

Table 3.4: Australian Government general government sector net worth, net financial worth, net debt and net interest payments^(a)

	Estimates			
	2019-20		2020-21	
	PEFO \$b	MYEFO \$b	PEFO \$b	MYEFO \$b
Financial assets	456.3	482.8	477.6	497.7
Non-financial assets	154.7	172.8	161.5	178.7
Total assets	610.9	655.6	639.1	676.5
Total liabilities	944.3	1,001.6	954.6	1,006.0
Net worth	-333.4	-346.0	-315.5	-329.6
Net financial worth(b)	-488.1	-518.8	-477.0	-508.3
Per cent of GDP	-24.4	-25.8	-23.0	-24.7
Net debt(c)	361.1	392.3	349.6	379.2
Per cent of GDP	18.0	19.5	16.8	18.4
Net interest payments	10.9	11.4	10.4	9.8
Per cent of GDP	0.5	0.6	0.5	0.5
	Projections			
	2021-22		2022-23	
	PEFO \$b	MYEFO \$b	PEFO \$b	MYEFO \$b
Financial assets	507.3	532.5	520.3	545.4
Non-financial assets	170.0	186.0	179.4	193.6
Total assets	677.3	718.5	699.6	739.0
Total liabilities	964.6	1,026.9	967.2	1,033.2
Net worth	-287.3	-308.4	-267.6	-294.2
Net financial worth(b)	-457.3	-494.4	-446.9	-487.8
Per cent of GDP	-21.1	-23.0	-19.7	-21.6
Net debt(c)	333.3	364.5	326.2	360.8
Per cent of GDP	15.3	16.9	14.4	16.0
Net interest payments	9.4	9.0	8.7	7.9
Per cent of GDP	0.4	0.4	0.4	0.3

(a) The estimates and projections for MYEFO include impacts resulting from the implementation of AASB 16.

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

(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.

Net debt is the sum of selected financial liabilities less the sum of selected financial assets and is a common measure of the strength of a government's financial position. High levels of net debt impose a call on future revenue to service that debt.

Net debt is estimated to be 19.5 per cent of GDP in 2019-20, falling as a share of GDP to 16.0 per cent by 2022-23. In the 2019 PEFO, net debt was projected to be 18.0 per cent of GDP in 2019-20, falling to 14.4 per cent of GDP in 2022-23. The change in the estimate of net debt primarily reflects a rise in the market value of Australian Government Securities (AGS) due to lower yields and lease liabilities recognised due to the

implementation of AASB 16 *Leases*. Refer to Part 7: *Australian Government Budget Financial Statements* for further information.

Gross debt, as measured by the face value of AGS on issue, is estimated to fall from 27.7 per cent of GDP in 2019-20 to 25.5 per cent of GDP by the end of the forward estimates.

Net financial worth is an indicator of fiscal sustainability in the medium term fiscal strategy. It measures the Government's financial assets and liabilities, including both the assets of the Future Fund and the public superannuation liability that the Future Fund seeks to finance.

Net financial worth is estimated to be -\$518.8 billion in 2019-20 (25.8 per cent of GDP), \$30.8 billion lower than estimated at the 2019 PEFO. This primarily reflects a rise in the market value of AGS due to lower yields and lease liabilities recognised due to the implementation of AASB 16.

Net worth is equal to total assets less total liabilities. Net worth is estimated to be -\$346.0 billion in 2019-20 (17.2 per cent of GDP), \$12.6 billion lower than estimated at the 2019 PEFO.

Fiscal outlook

Budget aggregates

An **underlying cash surplus** of \$5.0 billion (0.3 per cent of GDP) is expected in 2019-20, improving to a forecast surplus of \$6.1 billion (0.3 per cent of GDP) in 2020-21 and a larger projected surplus of \$8.4 billion (0.4 per cent of GDP) in 2021-22.

In accrual terms, a **net operating surplus** of \$8.0 billion (0.4 per cent of GDP) is expected in 2019-20, improving to a forecast surplus of \$12.1 billion (0.6 per cent of GDP) and a larger projected surplus of \$17.8 billion (0.8 per cent of GDP) by the end of the forward estimates.

A **headline cash deficit** of \$2.8 billion (0.1 per cent of GDP) is expected in 2019-20, improving to projected deficits of \$2.5 billion (0.1 per cent of GDP) in 2020-21 and \$1.4 billion (0.1 per cent of GDP) in 2021-22.

Table 3.5 provides a summary of the cash flows of the Australian Government general government sector.

Table 3.5: Summary of Australian Government general government sector cash flows^(a)

	Estimates			
	2019-20		2020-21	
	PEFO \$b	MYEFO \$b	PEFO \$b	MYEFO \$b
Cash receipts				
Operating cash receipts	503.9	500.8	522.0	516.1
Capital cash receipts(b)	1.6	1.7	0.3	0.5
Total cash receipts	505.5	502.5	522.3	516.6
Cash payments				
Operating cash payments(c)	479.1	475.3	494.6	491.6
Capital cash payments(d)	14.3	14.3	16.7	16.5
Total cash payments	493.3	489.6	511.3	508.1
GFS cash surplus(+)/deficit(-)	12.2	12.8	11.0	8.5
Per cent of GDP	0.6	0.6	0.5	0.4
<i>plus</i> Net cash flow s from financing activities for leases(e)	na	-2.3	na	-2.4
<i>less</i> Net Future Fund earnings(f)	5.1	5.5	na	na
Underlying cash balance(g)	7.1	5.0	11.0	6.1
Per cent of GDP	0.4	0.3	0.5	0.3
<i>Memorandum:</i>				
Net cash flow s from investments in financial assets for policy purposes	-16.6	-13.3	-11.5	-8.6
<i>plus</i> Net Future Fund earnings(f)	5.1	5.5	na	na
Headline cash balance	-4.4	-2.8	-0.5	-2.5
Net Future Fund earnings(f)	5.1	5.5	5.2	5.5

Table 3.5: Summary of Australian Government general government sector cash flows^(a) (continued)

	Projections			
	2021-22		2022-23	
	PEFO	MYEFO	PEFO	MYEFO
	\$b	\$b	\$b	\$b
Cash receipts				
Operating cash receipts	550.8	539.0	566.7	554.7
Capital cash receipts(b)	0.2	0.2	0.2	0.1
Total cash receipts	551.0	539.2	566.9	554.8
Cash payments				
Operating cash payments(c)	514.7	510.8	537.8	530.6
Capital cash payments(d)	18.6	17.7	19.9	17.7
Total cash payments	533.2	528.4	557.7	548.3
GFS cash surplus(+)/deficit(-)	17.8	10.8	9.2	6.6
Per cent of GDP	0.8	0.5	0.4	0.3
<i>plus</i> Net cash flows from financing activities for leases(e)	na	-2.5	na	-2.5
<i>less</i> Net Future Fund earnings(f)	na	na	na	na
Underlying cash balance(g)	17.8	8.4	9.2	4.0
Per cent of GDP	0.8	0.4	0.4	0.2
<i>Memorandum:</i>				
Net cash flows from investments in financial assets for policy purposes	-9.9	-9.7	-6.6	-10.6
<i>plus</i> Net Future Fund earnings(f)	na	na	na	na
Headline cash balance	7.9	-1.4	2.5	-6.6
Net Future Fund earnings(f)	5.6	5.5	6.2	5.9

(a) The numbers in the PEFO column were not published in the 2019 PEFO.

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

(c) The estimates and projections for MYEFO include impacts resulting from the implementation of AASB 16.

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

(e) Principal payments on lease liabilities, which are cash flows from financing activities, are deducted in the calculation of the underlying cash balance to maintain consistency of measure following the implementation of AASB 16.

(f) Under the *Future Fund Act 2006*, net Future Fund earnings will be available to meet the Australian Government's superannuation liability in 2020-21. From this time, the underlying cash balance includes expected net Future Fund earnings.

(g) Excludes expected net Future Fund earnings before 2020-21.

Underlying cash balance estimates

Table 3.6 provides a reconciliation of the variations in the underlying cash balance since the 2019 PEFO.

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

	Estimates		Projections		Total
	2019-20	2020-21	2021-22	2022-23	
	\$m	\$m	\$m	\$m	\$m
2019-20 Budget underlying cash balance(a)	7,054	11,004	17,792	9,165	45,014
Per cent of GDP	0.4	0.5	0.8	0.4	
Changes from 2019-20 Budget to 2019 PEFO					
Effect of policy decisions(b)	-2	-1	0	0	-3
Effect of parameter and other variations	0	0	0	0	0
Total variations	-2	-1	0	0	-3
2019 PEFO underlying cash balance(a)	7,051	11,003	17,792	9,165	45,011
Per cent of GDP	0.4	0.5	0.8	0.4	
Changes from 2019 PEFO to 2019-20 MYEFO					
Effect of policy decisions(b)(c)(d)					
<i>Receipts</i>	288	10	-103	19	215
<i>Payments</i>	2,449	2,955	1,865	1,000	8,268
Total policy decisions impact on underlying cash balance	-2,160	-2,945	-1,968	-981	-8,053
Effect of parameter and other variations(c)					
<i>Receipts</i>	-3,339	-5,754	-11,699	-12,091	-32,883
<i>Payments</i>	-3,804	-3,749	-4,225	-7,950	-19,728
less Net Future Fund earnings(e)	328	na	na	na	328
Total parameter and other variations impact on underlying cash balance	136	-2,005	-7,473	-4,140	-13,482
2019-20 MYEFO underlying cash balance(a)	5,028	6,054	8,351	4,044	23,476
Per cent of GDP	0.3	0.3	0.4	0.2	
<i>Memorandum:</i>					
<i>Net Future Fund earnings(e)</i>	5,468	5,542	5,527	5,857	22,393
Effect of revenue policy decisions on GST					
<i>Receipts</i>	3	13	25	40	81
<i>Payments</i>	3	13	25	40	81

(a) Excludes expected net Future Fund earnings before 2020-21.

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

(c) A positive number for receipts improves the underlying cash balance, while a positive number for payments worsens the underlying cash balance.

(d) Excludes the impact of revenue policy decisions on GST.

(e) Under the *Future Fund Act 2006*, net Future Fund earnings will be available to meet the Australian Government's superannuation liability in 2020-21. From this time, the underlying cash balance includes expected net Future Fund earnings.

Since the 2019 PEFO, the effect of parameter and other variations has resulted in a \$32.9 billion decrease in forecast receipts and a \$19.7 billion decrease in payments over the forward estimates.

Delivering on the Government's Election Commitments

Implementation of the Government's election commitments is fully reflected in the budget bottom line in the 2019-20 MYEFO. The overall impact of the election commitments on the budget is an improvement of \$102.0 million over the four years to 2022-23.

Further details on election commitments are provided in the policy document '*Our Plan to Deliver Budget Surpluses without Increasing Taxes*' and Appendix A.

Receipts estimates

Total receipts are expected to be \$3.0 billion lower in 2019-20 than estimated at the 2019 PEFO. In 2019-20, tax receipts are \$2.6 billion lower and non-tax receipts are \$442 million lower compared with the 2019 PEFO.

Tables 3.7 and 3.8 provide a summary of changes in total receipts in 2019-20 and 2020-21.

Table 3.7: Reconciliation of 2019-20 general government sector (cash) receipts^(a)

	Estimates		Change on PEFO	
	PEFO \$m	MYEFO \$m	\$m	%
Individuals and other w ithholding taxes				
Gross income tax w ithholding	218,100	218,100	0	0.0
Gross other individuals	47,600	49,600	2,000	4.2
less: Refunds	36,900	36,800	-100	-0.3
Total individuals and other w ithholding tax	228,800	230,900	2,100	0.9
Fringe benefits tax	3,930	3,940	10	0.3
Company tax	98,900	98,200	-700	-0.7
Superannuation fund taxes	9,710	8,210	-1,500	-15.4
Petroleum resource rent tax(b)	1,400	1,150	-250	-17.9
Income taxation receipts	342,740	342,400	-340	-0.1
Goods and services tax	67,364	65,558	-1,807	-2.7
Wine equalisation tax	1,080	1,090	10	0.9
Luxury car tax	640	670	30	4.7
Excise and customs duty				
Petrol	6,350	6,200	-150	-2.4
Diesel	12,300	12,280	-20	-0.2
Other fuel products	2,280	2,200	-80	-3.5
Tobacco	17,410	17,210	-200	-1.1
Beer	2,530	2,520	-10	-0.4
Spirits	2,380	2,510	130	5.5
Other alcoholic beverages(c)	1,030	1,040	10	1.0
Other customs duty				
Textiles, clothing and footw ear	200	200	0	0.0
Passenger motor vehicles	420	400	-20	-4.8
Other imports	1,290	1,260	-30	-2.3
less: Refunds and draw backs	500	500	0	0.0
Total excise and customs duty	45,690	45,320	-370	-0.8
Major bank levy	1,600	1,600	0	0.0
Agricultural levies	520	520	0	0.1
Other taxes	6,763	6,633	-129	-1.9
Indirect taxation receipts	123,657	121,391	-2,266	-1.8
Taxation receipts	466,397	463,791	-2,606	-0.6
Sales of goods and services	15,747	15,142	-604	-3.8
Interest received	5,701	5,134	-567	-10.0
Dividends	6,165	6,792	627	10.2
Other non-taxation receipts	11,510	11,612	102	0.9
Non-taxation receipts	39,123	38,680	-442	-1.1
Total receipts	505,520	502,472	-3,048	-0.6
<i>Memorandum:</i>				
<i>Total excise</i>	24,540	24,290	-250	-1.0
<i>Total customs duty</i>	21,150	21,030	-120	-0.6
<i>Capital gains tax(d)</i>	18,100	18,400	300	1.7

(a) The numbers in the PEFO column were not published in the 2019 PEFO.

(b) This item includes an amount of MRRT receipts which has not been separately disclosed owing to taxpayer confidentiality.

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

(d) 'Capital gains tax' is part of gross other individuals, company tax and superannuation fund taxes.

Table 3.8: Reconciliation of 2020-21 general government sector (cash) receipts^(a)

	Estimates		Change on PEFO	
	PEFO \$m	MYEFO \$m	\$m	%
Individuals and other withholding taxes				
Gross income tax withholding	230,600	229,300	-1,300	-0.6
Gross other individuals	49,700	50,900	1,200	2.4
<i>less: Refunds</i>	38,100	38,400	300	0.8
Total individuals and other withholding tax	242,200	241,800	-400	-0.2
Fringe benefits tax	4,170	4,150	-20	-0.5
Company tax	99,500	96,700	-2,800	-2.8
Superannuation fund taxes	13,210	13,210	0	0.0
Petroleum resource rent tax	1,400	1,150	-250	-17.9
Income taxation receipts	360,480	357,010	-3,470	-1.0
Goods and services tax	70,153	67,734	-2,419	-3.4
Wine equalisation tax	1,110	1,130	20	1.8
Luxury car tax	650	680	30	4.6
Excise and customs duty				
Petrol	6,500	6,250	-250	-3.8
Diesel	12,750	12,620	-130	-1.0
Other fuel products	2,290	2,180	-110	-4.8
Tobacco	15,900	15,690	-210	-1.3
Beer	2,580	2,570	-10	-0.4
Spirits	2,440	2,580	140	5.7
Other alcoholic beverages ^(b)	1,040	1,050	10	1.0
Other customs duty				
Textiles, clothing and footwear	190	200	10	5.3
Passenger motor vehicles	350	330	-20	-5.7
Other imports	1,080	1,050	-30	-2.8
<i>less: Refunds and draw backs</i>	500	500	0	0.0
Total excise and customs duty	44,620	44,020	-600	-1.3
Major bank levy	1,700	1,650	-50	-2.9
Agricultural levies	564	539	-25	-4.4
Other taxes	7,096	7,034	-62	-0.9
Indirect taxation receipts	125,893	122,787	-3,106	-2.5
Taxation receipts	486,372	479,797	-6,576	-1.4
Sales of goods and services	16,997	16,526	-471	-2.8
Interest received	6,375	6,060	-315	-4.9
Dividends	5,683	5,777	94	1.7
Other non-taxation receipts	6,903	8,438	1,535	22.2
Non-taxation receipts	35,957	36,801	844	2.3
Total receipts	522,329	516,598	-5,731	-1.1
<i>Memorandum:</i>				
<i>Total excise</i>	25,200	24,720	-480	-1.9
<i>Total customs duty</i>	19,420	19,300	-120	-0.6
<i>Capital gains tax^(c)</i>	18,700	18,400	-300	-1.6

(a) The numbers in the PEFO column were not published in the 2019 PEFO.

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

(c) 'Capital gains tax' is part of gross other individuals, company tax and superannuation fund taxes.

Table 3.9 shows the Australian Government general government cash receipts from 2018-19 to 2022-23 by heads of revenue.

Table 3.9: Australian Government general government sector (cash) receipts

	Actual	Estimates		Projections	
	2018-19 \$m	2019-20 \$m	2020-21 \$m	2021-22 \$m	2022-23 \$m
Individuals and other w ithholding taxes					
Gross income tax w ithholding	204,764	218,100	229,300	241,900	242,800
Gross other individuals	48,423	49,600	50,900	54,900	57,500
less: Refunds	29,514	36,800	38,400	40,100	41,500
Total individuals and other w ithholding tax	223,673	230,900	241,800	256,700	258,800
Fringe benefits tax	3,794	3,940	4,150	4,330	4,530
Company tax	93,660	98,200	96,700	98,600	103,400
Superannuation fund taxes	11,269	8,210	13,210	14,660	16,110
Petroleum resource rent tax (a)	1,053	1,150	1,150	1,150	1,150
Income taxation receipts	333,449	342,400	357,010	375,440	383,990
Goods and services tax	65,204	65,558	67,734	70,970	74,622
Wine equalisation tax	982	1,090	1,130	1,170	1,210
Luxury car tax	675	670	680	710	750
Excise and customs duty					
Petrol	6,028	6,200	6,250	6,500	6,900
Diesel	11,584	12,280	12,620	13,270	14,020
Other fuel products	2,174	2,200	2,180	2,250	2,300
Tobacco	12,130	17,210	15,690	16,430	16,860
Beer	2,478	2,520	2,570	2,650	2,750
Spirits	2,392	2,510	2,580	2,660	2,760
Other alcoholic beverages (b)	993	1,040	1,050	1,090	1,130
Other customs duty					
Textiles, clothing and footwear	208	200	200	200	200
Passenger motor vehicles	449	400	330	160	30
Other imports	1,313	1,260	1,050	920	850
less: Refunds and draw backs	523	500	500	500	500
Total excise and customs duty	39,226	45,320	44,020	45,630	47,300
Major bank levy	1,560	1,600	1,650	1,700	1,800
Agricultural levies	556	520	539	557	577
Other taxes	6,926	6,633	7,034	7,250	7,456
Indirect taxation receipts	115,130	121,391	122,787	127,987	133,715
Taxation receipts	448,579	463,791	479,797	503,427	517,705
Sales of goods and services	12,863	15,142	16,526	17,763	18,064
Interest received	3,803	5,134	6,060	6,376	6,632
Dividends	8,943	6,792	5,777	5,430	6,018
Other non-taxation receipts	11,099	11,612	8,438	6,249	6,426
Non-taxation receipts	36,707	38,680	36,801	35,818	37,139
Total receipts	485,286	502,472	516,598	539,245	554,843
<i>Memorandum:</i>					
Total excise	23,300	24,290	24,720	25,820	27,170
Total customs duty	15,926	21,030	19,300	19,810	20,130
Capital gains tax (c)	17,400	18,400	18,400	19,200	20,300

(a) This item includes an amount of MRRT receipts which has not been separately disclosed owing to taxpayer confidentiality.

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

(c) 'Capital gains tax' is part of gross other individuals, company tax and superannuation fund taxes. The 2018-19 reported figure is an estimate.

Policy decisions

Policy decisions since the 2019 PEFO have increased total receipts by \$291 million in 2019-20 and total receipts by \$295 million over the forward estimates period. Key measures include:

- Combatting illegal phoenixing to reduce its impact on businesses, employees and government, which is estimated to increase receipts by \$165 million over the forward estimates period.
- Expanding the Working Holiday Maker program which is estimated to increase receipts by \$101 million over the forward estimates period.
- Increasing cost recovery and not proceeding with the original biosecurity imports levy which is estimated to decrease receipts by \$344 million over the forward estimates period. The Government will work with industry on the design of an alternative biosecurity levy.
- Refinements to the research and development tax incentive, which is estimated to decrease receipts by \$235 million over the forward estimates period.

Further details of Government policy decisions are provided in Appendix A.

Parameter and other variations

Parameter and other variations have decreased total receipts (including Future Fund earnings) since the 2019 PEFO by \$3.3 billion in 2019-20 and \$32.9 billion over the forward estimates period.

Since the 2019 PEFO, parameter and other variations have reduced tax receipts by \$2.2 billion in 2019-20 and \$30.7 billion over the four years to 2022-23. The downward revision in 2019-20 is largely driven by lower forecasts for superannuation fund taxes and GST, reflecting foreign exchange losses and downgrades to growth in consumption subject to GST, respectively. Partially offsetting these factors in 2019-20 is an upgrade to gross other individuals tax, largely reflecting stronger-than-expected collections relating to previous income years. Over the four years to 2022-23, lower forecasts for average wage growth and downgrades to corporate profits weigh on the forecasts for tax receipts.

Parameter and other variations have decreased non-taxation receipts, including Future Fund earnings, since the 2019 PEFO by \$1.1 billion in 2019-20 and \$2.1 billion over the four years to 2022-23. This revision reflects fewer than expected unclaimed superannuation fund balances transferring to the Australian Taxation Office in 2019-20, fewer property sales planned by Defence Housing Australia and lower dividends from the Reserve Bank of Australia.

Part 3: Fiscal strategy and outlook

The key economic parameters that influence tax receipts and tax revenue are shown in Table 3.10. Analysis of the sensitivity of the receipts estimates to changes in the economic outlook is provided in Part 5.

Table 3.10: Key economic parameters for revenue^(a)

	Outcomes	Estimates		Projections	
	2018-19	2019-20	2020-21	2021-22	2022-23
Nominal gross domestic product	5.3	3 1/4	2 1/4	4 3/4	4 3/4
Change since 2019 PEFO	1/4	0	-1 1/2	1/4	1/4
Compensation of employees(b)	4.5	4 3/4	4 1/4	4 1/4	4 1/2
Change since 2019 PEFO	1/4	1/2	- 1/2	- 3/4	- 1/2
Corporate gross operating surplus(c)	9.7	1 1/2	-2 1/4	4 3/4	5
Change since 2019 PEFO	1/2	0	-3	1 3/4	1 3/4
Non-farm gross mixed income	2.7	1 1/2	5 1/2	7 1/2	7
Change since 2019 PEFO	- 1/4	- 3/4	- 1/2	1 1/4	1 1/2
Property income(d)	6.3	3 1/4	5 3/4	4 3/4	5
Change since 2019 PEFO	2 1/4	-1	3/4	0	1/4
Consumption subject to GST	3.2	3 1/4	4 3/4	5 1/4	5 1/4
Change since 2019 PEFO	0	-1 1/2	- 1/2	0	0

(a) Current prices, per cent change on previous year. Changes since the 2019 PEFO are percentage points.

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

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

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

Excluding policy decisions, individuals taxes have been revised up by \$2.1 billion (0.9 per cent) in 2019-20 but down by \$7.4 billion over the four years to 2022-23. The increase in 2019-20 is driven by an upward revision to gross other individuals tax, largely due to higher-than-expected capital gains and dividend income relating to previous income years. Some of this strength is sustained beyond 2019-20, reflecting upward revisions to property income (which includes interest, rent and dividends). However, over the four years to 2022-23, lower forecasts for average wage growth are expected to weigh on gross income tax withholding.

Excluding policy decisions, company tax receipts have been revised down by \$525 million (0.5 per cent) in 2019-20 and \$7.9 billion over the four years to 2022-23. The downward revision in 2019-20 reflects weaker-than-expected collections since 2019 PEFO, partly offset by recent higher-than-expected mining profits. Downwards revisions to growth in corporate profits in 2020-21, largely reflecting the downgrades to the forecast for the terms of trade, weigh further on the forecasts.

Excluding policy decisions, GST receipts have been revised down by \$1.8 billion in 2019-20 and \$9.9 billion over the four years to 2022-23. This reflects a weaker-than-expected outcome for 2018-19, and downgrades to consumption subject to GST and dwelling investment.

Excluding policy decisions, superannuation fund taxes have been revised down by \$1.4 billion in 2019-20 and \$1.6 billion over the four years to 2022-23. The downward

revision in 2019-20 largely reflects decreases in superannuation fund earnings due to foreign exchange and capital gains losses, and stronger-than-expected franked dividend growth in 2018-19. The downgrade is mostly due to one-off factors that are not expected to impact the forecasts from 2020-21.

Excluding policy decisions, excise and customs duties have been revised down by \$371 million in 2019-20 and \$2.1 billion over the four years to 2022-23, largely driven by downgrades to fuel excise.

The 2019-20 MYEFO continues to include provisions for a number of Free Trade Agreements (FTAs) which have not been finalised:

- Environmental Goods Agreement
- Australia-Gulf Cooperation Council Free Trade Agreement
- Australia-India Comprehensive Economic Cooperation Agreement
- Regional Comprehensive Economic Partnership
- Pacific Alliance Free Trade Agreement
- Australia-European Union Free Trade Agreement
- Australia-United Kingdom Free Trade Agreement.

Payments estimates

Since the 2019 PEFO, total cash payments have decreased by \$1.4 billion in 2019-20 and decreased by \$11.5 billion over the four years to 2022-23.

Policy decisions

The net impact of payment-related policy decisions since the 2019 PEFO has increased total cash payments by \$2.4 billion in 2019-20 and by \$8.3 billion over the four years to 2022-23.

Significant measures include:

- funding for a package of measures for the Infrastructure Investment Program to accelerate critical infrastructure projects across Australia to drive jobs, strengthen the economy and get people home sooner and safer, which is expected to increase payments by \$750 million in 2019-20 (\$4.2 billion over four years to 2022-23). The Government's significant additional investment will accelerate existing transport infrastructure projects and provide additional funding for priority regional and urban transport across all states and territories

Part 3: Fiscal strategy and outlook

- funding for a package of measures to support farmers and communities in drought, which is expected to increase payments by \$325 million in 2019-20 (\$766 million over four years to 2022-23). These measures provide immediate support for farmers and communities affected by drought and further enhances long term preparedness and resilience. These measures build on existing programs and drought support announced by the Government since the 2018-19 Budget, which will exceed \$8 billion over the medium term
- funding for a package of Aged Care measures to primarily respond to the priorities identified in the interim report of the Aged Care Royal Commission by increasing the number of home care packages, reducing the use of medication as a chemical restraint and providing a stronger evidence base to support new targets to reduce the number of younger people in residential aged care, which is expected to increase payments by \$173 million in 2019-20, and by \$625 million over four years to 2022-23. This funding is in addition to the Government's record funding for older Australians of \$21.4 billion in 2019-20, growing to an estimated \$25.4 billion in 2022-23, up from \$13.3 billion in 2012-13
- maintaining the Efficiency Dividend at the 2018-19 level of 2.0 per cent for a further two years before stepping down to 1.5 per cent in 2021-22 and returning to the base rate of 1.0 per cent from 1 July 2022, which is expected to decrease payments by \$1.5 billion over four years to 2022-23.

Further details of Government policy decisions are provided in Appendix A.

Parameter and other variations

Parameter and other variations since the 2019 PEFO have decreased total cash payments by \$3.8 billion in 2019-20 and decreased total cash payments by \$19.7 billion over the four years to 2022-23.

Major decreases in cash payments as a result of parameter and other variations since the 2019 PEFO include:

- payments relating to the provision of GST to the States and Territories, which are expected to decrease by \$1.8 billion in 2019-20 (\$9.9 billion over the four years to 2022-23), consistent with a reduction in GST receipts
- payments relating to Commonwealth Debt Management, which are expected to decrease by \$446 million in 2019-20 (\$3.9 billion over the four years to 2022-23), largely reflecting the lower-than-expected cost of servicing Australian Government Securities on issue and repayment of debt as the Budget returns to surplus. These decreases are expected to continue as the Budget returns to surplus and the Government pays down debt
- payments relating to Defence Housing Australia, which are expected to decrease by \$216 million in 2019-20 (\$1.3 billion over the four years to 2022-23), largely reflecting

lower forecast capital expenditure consistent with fewer property sales planned by Defence Housing Australia

- payments relating to the Family Tax Benefit program, which are expected to decrease by \$323 million in 2019-20 (\$1.2 billion over the four years to 2022-23), largely reflecting lower-than-expected recipient numbers as a result of improving employment conditions, including rising workforce participation and more people choosing to work part-time
- payments relating to the Student Payments program, which are expected to decrease by \$181 million in 2019-20 (\$662 million over the four years to 2022-23), largely reflecting lower-than-expected recipient numbers and higher recipient earnings reducing average student support payment rates, resulting from more students moving into work.

Major increases in cash payments as a result of parameter and other variations since the 2019 PEFO include:

- payments relating to the Military Rehabilitation Compensation Acts – Income Support and Compensation program, which are expected to increase by \$340 million in 2019-20 (\$1.3 billion over the four years to 2022-23), largely reflecting an increase in the number of rehabilitation and compensation payments, and higher growth in the average payment amount
- payments relating to the DisabilityCare Australia Fund, which are expected to decrease by \$123 million in 2019-20 (overall increase by \$870 million over the four years to 2022-23), largely reflecting the impact of updated payment schedules now that all states and territories have agreed to full scheme arrangements, which will result in more Australians benefiting from the NDIS
- payments to the states and territories for non-government schools, which are expected to increase by \$197 million in 2019-20 (\$724 million over the four years to 2022-23), largely reflecting a further increase in Commonwealth funding to support higher student enrolments and new school openings.

Consistent with previous budgets, the underlying cash balance has been improved by the regular draw down of the conservative bias allowance. Detail of this draw down are provided in Appendix B: *Supplementary expense table and the Contingency Reserve*.

Analysis of the sensitivity of the payments estimates to change in the economic outlook is provided in Part 5: *Forecast uncertainties, sensitivities and scenarios*.

Net operating balance estimates

Table 3.11 provides a reconciliation of net operating balance estimates, including the impact of policy decisions and parameter and other variations on revenue and expenses since the 2019 PEFO.

The net operating balance is expected to reach a surplus of \$8.0 billion (0.4 per cent of GDP) in 2019-20, increasing further to a projected surplus of \$11.6 billion (0.5 per cent of GDP) in 2022-23. Recurrent expenditure is fully funded by revenue in 2019-20 and over the forward estimates, with surpluses available to fund capital spending that strengthens the productive capacity of the economy and to pay down debt.

Table 3.11: Reconciliation of general government sector net operating balance estimates

	Estimates		Projections		Total
	2019-20	2020-21	2021-22	2022-23	
	\$m	\$m	\$m	\$m	\$m
2019-20 Budget net operating balance	12,891	18,155	28,791	20,606	80,443
Per cent of GDP	0.6	0.9	1.3	0.9	
Changes from 2019-20 Budget to 2019 PEFO					
Effect of policy decisions(a)	-2	0	1	1	-1
Effect of parameter and other variations	0	9	0	0	9
Total variations	-2	9	1	1	8
2019 PEFO net operating balance	12,889	18,164	28,792	20,607	80,452
Per cent of GDP	0.6	0.9	1.3	0.9	
Changes from 2019 PEFO to 2019-20 MYEFO					
Effect of policy decisions(a)(b)					
<i>Revenue</i>	-56	28	209	177	358
<i>Expenses</i>	2417	2906	1851	992	8165
Total policy decisions impact on net operating balance	-2,473	-2,878	-1,641	-815	-7,808
Effect of parameter and other variations(b)					
<i>Revenue</i>	-2,558	-7,033	-13,255	-13,463	-36,310
<i>Expenses</i>	-110	-3,891	-3,933	-5,277	-13,212
Total parameter and other variations impact on net operating balance	-2,448	-3,142	-9,322	-8,186	-23,098
2019-20 MYEFO net operating balance	7,968	12,144	17,828	11,606	49,546
Per cent of GDP	0.4	0.6	0.8	0.5	
<i>Net capital investment</i>					
Effect of net capital investment(c)	4,161	6,309	8,168	8,695	27,333
2019-20 MYEFO fiscal balance	3,807	5,835	9,660	2,911	22,213
Per cent of GDP	0.2	0.3	0.4	0.1	

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

(b) A positive number for revenue improves the net operating balance, while a positive number for expenses worsens the net operating balance.

(c) A positive number for net capital investment worsens the fiscal balance.

Revenue estimates

Total revenue has been revised down by \$2.6 billion in 2019-20 since the 2019 PEFO.

While changes in tax revenue (measured when the obligation to pay tax is incurred) are generally driven by the same factors as tax receipts (measured when the tax is collected), there are differences as not all revenue raised in a given year is actually paid in that year. These differences exist for most revenue heads and vary across years.

Tables 3.12 and 3.13 provide a summary of changes in total revenue in 2019-20 and 2020-21. Table 3.14 shows the Australian Government general government revenue from 2018-19 to 2022-23 by heads of revenue.

Table 3.12: Reconciliation of 2019-20 general government sector (accrual) revenue^(a)

	Estimates		Change on Budget	
	PEFO \$m	MYEFO \$m	\$m	%
Individuals and other w ithholding taxes				
Gross income tax w ithholding	219,800	220,300	500	0.2
Gross other individuals	51,200	52,900	1,700	3.3
/ess: Refunds	36,900	36,800	-100	-0.3
Total individuals and other w ithholding tax	234,100	236,400	2,300	1.0
Fringe benefits tax	4,040	4,040	0	0.0
Company tax	100,600	99,800	-800	-0.8
Superannuation fund taxes	9,750	8,460	-1,290	-13.2
Petroleum resource rent tax(b)	1,290	1,130	-160	-12.4
Income taxation revenue	349,780	349,830	50	0.0
Goods and services tax	69,630	67,230	-2,400	-3.4
Wine equalisation tax	1,100	1,110	10	0.9
Luxury car tax	640	670	30	4.7
Excise and customs duty				
Petrol	6,240	6,100	-140	-2.2
Diesel	12,100	12,080	-20	-0.2
Other fuel products	2,250	2,170	-80	-3.6
Tobacco	17,380	16,980	-400	-2.3
Beer	2,470	2,460	-10	-0.4
Spirits	2,380	2,510	130	5.5
Other alcoholic beverages(c)	1,030	1,040	10	1.0
Other customs duty				
Textiles, clothing and footw ear	200	200	0	0.0
Passenger motor vehicles	420	400	-20	-4.8
Other imports	1,290	1,260	-30	-2.3
/ess: Refunds and draw backs	500	500	0	0.0
Total excise and customs duty	45,260	44,700	-560	-1.2
Major bank levy	1,610	1,610	0	0.0
Agricultural levies	551	521	-30	-5.4
Other taxes	8,025	7,144	-881	-11.0
Indirect taxation revenue	126,815	122,985	-3,831	-3.0
Taxation revenue	476,596	472,815	-3,781	-0.8
Sales of goods and services	15,758	14,980	-778	-4.9
Interest	6,009	5,247	-761	-12.7
Dividends	6,112	6,383	271	4.4
Other non-taxation revenue	9,288	11,723	2,435	26.2
Non-taxation revenue	37,167	38,333	1,167	3.1
Total revenue	513,762	511,148	-2,614	-0.5
<i>Memorandum:</i>				
<i>Total excise</i>	24,140	23,900	-240	-1.0
<i>Total customs duty</i>	21,120	20,800	-320	-1.5
<i>Capital gains tax(d)</i>	18,100	18,400	300	1.7

(a) The numbers in the PEFO column were not published in the 2019 PEFO.

(b) This item includes an amount of MRRT receipts which has not been separately disclosed owing to taxpayer confidentiality.

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

(d) 'Capital gains tax' is part of gross other individuals, company tax and superannuation fund taxes.

Table 3.13: Reconciliation of 2020-21 general government sector (accrual) revenue^(a)

	Estimates		Change on Budget	
	PEFO \$m	MYEFO \$m	\$m	%
Individuals and other w ithholding taxes				
Gross income tax w ithholding	232,200	231,500	-700	-0.3
Gross other individuals	53,500	54,600	1,100	2.1
/ess: Refunds	38,100	38,400	300	0.8
Total individuals and other w ithholding tax	247,600	247,700	100	0.0
Fringe benefits tax	4,280	4,250	-30	-0.7
Company tax	100,800	97,700	-3,100	-3.1
Superannuation fund taxes	13,270	13,210	-60	-0.5
Petroleum resource rent tax	1,380	1,160	-220	-15.9
Income taxation revenue	367,330	364,020	-3,310	-0.9
Goods and services tax	72,620	69,790	-2,830	-3.9
Wine equalisation tax	1,130	1,150	20	1.8
Luxury car tax	650	680	30	4.6
Excise and customs duty				
Petrol	6,500	6,250	-250	-3.8
Diesel	12,760	12,630	-130	-1.0
Other fuel products	2,290	2,180	-110	-4.8
Tobacco	15,630	15,610	-20	-0.1
Beer	2,580	2,570	-10	-0.4
Spirits	2,440	2,580	140	5.7
Other alcoholic beverages(b)	1,040	1,050	10	1.0
Other customs duty				
Textiles, clothing and footw ear	190	200	10	5.3
Passenger motor vehicles	350	330	-20	-5.7
Other imports	1,080	1,050	-30	-2.8
/ess: Refunds and draw backs	500	500	0	0.0
Total excise and customs duty	44,360	43,950	-410	-0.9
Major bank levy	1,710	1,660	-50	-2.9
Agricultural levies	565	540	-25	-4.4
Other taxes	8,370	8,246	-124	-1.5
Indirect taxation revenue	129,404	126,016	-3,388	-2.6
Taxation revenue	496,734	490,036	-6,698	-1.3
Sales of goods and services	16,921	16,291	-630	-3.7
Interest	6,796	6,240	-557	-8.2
Dividends	5,815	5,521	-295	-5.1
Other non-taxation revenue	8,005	9,180	1,174	14.7
Non-taxation revenue	37,538	37,231	-307	-0.8
Total revenue	534,272	527,267	-7,005	-1.3
<i>Memorandum:</i>				
<i>Total excise</i>	25,210	24,730	-480	-1.9
<i>Total customs duty</i>	19,150	19,220	70	0.4
<i>Capital gains tax(c)</i>	18,700	18,400	-300	-1.6

(a) The numbers in the PEFO column were not published in the 2019 PEFO.

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

(c) 'Capital gains tax' is part of gross other individuals, company tax and superannuation fund taxes.

Table 3.14: Australian Government general government sector (accrual) revenue

	Actual	Estimates		Projections	
	2018-19 \$m	2019-20 \$m	2020-21 \$m	2021-22 \$m	2022-23 \$m
Individuals and other withholding taxes					
Gross income tax withholding	206,405	220,300	231,500	244,200	245,100
Gross other individuals	51,555	52,900	54,600	58,800	61,600
less: Refunds	29,514	36,800	38,400	40,100	41,500
Total individuals and other withholding tax	228,445	236,400	247,700	262,900	265,200
Fringe benefits tax	3,893	4,040	4,250	4,430	4,630
Company tax	94,713	99,800	97,700	99,700	104,400
Superannuation fund taxes	10,910	8,460	13,210	14,660	16,110
Petroleum resource rent tax(a)	1,202	1,130	1,160	1,160	1,160
Income taxation revenue	339,163	349,830	364,020	382,850	391,500
Goods and services tax	66,385	67,230	69,790	73,240	76,960
Wine equalisation tax	995	1,110	1,150	1,190	1,230
Luxury car tax	688	670	680	710	750
Excise and customs duty					
Petrol	6,078	6,100	6,250	6,500	6,900
Diesel	11,679	12,080	12,630	13,280	14,030
Other fuel products	2,188	2,170	2,180	2,250	2,300
Tobacco	12,147	16,980	15,610	16,430	16,860
Beer	2,495	2,460	2,570	2,650	2,750
Spirits	2,397	2,510	2,580	2,660	2,760
Other alcoholic beverages(b)	1,001	1,040	1,050	1,090	1,130
Other customs duty					
Textiles, clothing and footwear	208	200	200	200	200
Passenger motor vehicles	449	400	330	160	30
Other imports	1,313	1,260	1,050	920	850
less: Refunds and draw backs	523	500	500	500	500
Total excise and customs duty	39,432	44,700	43,950	45,640	47,310
Major bank levy	1,566	1,610	1,660	1,710	1,810
Agricultural levies	563	521	540	557	572
Other taxes	7,280	7,144	8,246	8,495	8,800
Indirect taxation revenue	116,908	122,985	126,016	131,542	137,432
Taxation revenue	456,072	472,815	490,036	514,392	528,932
Sales of goods and services	12,488	14,980	16,291	17,512	18,047
Interest	4,477	5,247	6,240	6,557	6,993
Dividends	9,587	6,383	5,521	5,697	5,738
Other non-taxation revenue	10,722	11,723	9,180	7,503	7,485
Non-taxation revenue	37,274	38,333	37,231	37,270	38,263
Total revenue	493,346	511,148	527,267	551,662	567,195
<i>Memorandum:</i>					
Total excise	23,488	23,900	24,730	25,830	27,180
Total customs duty	15,944	20,800	19,220	19,810	20,130
Capital gains tax(c)	17,400	18,400	18,400	19,200	20,300

(a) This item includes an amount of MRRT receipts which has not been separately disclosed owing to taxpayer confidentiality.

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

(c) 'Capital gains tax' is part of gross other individuals, company tax and superannuation fund taxes. The 2018-19 reported figure is an estimate.

Expense estimates

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

- Superannuation benefits programs (civilian and military), where there is a timing difference with the expense accruing during employment and cash payments occurring during retirement, and the application of the *AASB Employee Benefits* whereby the current financial year interest expenses are recalculated using the long-term government bond rate as at 1 July 2019.
- Purchases of non-financial assets, which are included in cash payments but not in accrual expenses. The expense estimates include depreciation of non-financial assets rather than recognising the impact at the time of purchase.

Estimates of Australian Government general government sector expenses by function can be found in Appendix B: *Supplementary Expense table and the Contingency Reserve*.

Table 3.15 provides a reconciliation of expense estimates.

Table 3.15 Reconciliation of general government sector expense estimates

	Estimates		Projections		Total
	2019-20 \$m	2020-21 \$m	2021-22 \$m	2022-23 \$m	
2019-20 Budget expenses	500,872	516,105	535,915	559,874	2,112,766
Changes from 2019-20 Budget to 2019 PEFO					
Effect of policy decisions(a)	0	1	1	1	2
Effect of parameter and other variations	2	2	0	0	4
Total variations	1	4	1	1	6
2019 PEFO expenses	500,874	516,108	535,916	559,875	2,112,773
Changes from 2019 PEFO to 2019-20 MYEFO					
Effect of policy decisions(a)	2,417	2,906	1,851	992	8,165
Effect of economic parameter variations					
Total economic parameter variations	-1,564	-2,071	-2,587	-2,930	-9,152
<i>Unemployment benefits</i>	-266	182	118	12	46
<i>Prices and wages</i>	372	4	-195	-292	-111
<i>Interest and exchange rates</i>	122	156	205	301	784
<i>GST payments to the states</i>	-1,793	-2,413	-2,715	-2,951	-9,871
Public debt interest	-449	-796	-1,183	-1,583	-4,010
Program specific parameter variations	-395	-854	-216	432	-1,033
Other variations	2,299	-171	52	-1,197	984
Total variations	2,307	-986	-2,082	-4,286	-5,047
2019-20 MYEFO expenses	503,180	515,123	533,833	555,589	2,107,726

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

Net capital investment estimates

Table 3.16 provides a reconciliation of the net capital investment estimates.

Table 3.16: Reconciliation of general government sector net capital investment estimates

	Estimates		Projections		Total
	2019-20 \$m	2020-21 \$m	2021-22 \$m	2022-23 \$m	
2019-20 Budget net capital investment	4,749	7,717	9,715	10,780	32,961
Changes from 2019-20 Budget to 2019 PEFO					
Effect of policy decisions(a)	0	0	0	0	0
Effect of parameter and other variations	0	9	0	0	9
Total variations	0	9	0	0	9
2019 PEFO net capital investment	4,749	7,727	9,715	10,780	32,970
Changes from 2019 PEFO to 2019-20 MYEFO					
Effect of policy decisions(a)	93	110	48	97	349
Effect of parameter and other variations	-681	-1,528	-1,595	-2,182	-5,985
Total variations	-588	-1,417	-1,546	-2,085	-5,637
2019-20 MYEFO net capital investment	4,161	6,309	8,168	8,695	27,333

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

Headline cash balance

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 Limited) and net Future Fund earnings. Table 3.17 provides further detail between the underlying and headline cash balance estimates of the Australian Government general government sector.

The headline cash balance for 2019-20 is estimated to have improved by \$1.6 billion to a deficit of \$2.8 billion, compared with a deficit of \$4.4 billion at the 2019 PEFO. Over the four years to 2022-23, the headline cash balance has declined by \$18.8 billion. The decrease in the headline cash balance since the 2019 PEFO is primarily driven by lower underlying cash surpluses across the forward estimates.

Table 3.17: Reconciliation of general government sector underlying and headline cash balance estimates

	Estimates		Projections		Total
	2019-20	2020-21	2021-22	2022-23	
	\$m	\$m	\$m	\$m	\$m
2019-20 MYEFO underlying cash balance(a)	5,028	6,054	8,351	4,044	23,476
plus Net cash flows from investments in financial assets for policy purposes					
Student loans	-3,901	-3,742	-3,591	-3,471	-14,705
NBN loan	-6,143	-304	0	0	-6,447
WestConnex	-85	0	0	0	-85
Asbestos removal in the ACT - Mr Fluffy loose fill asbestos remediation	900	0	0	0	900
Trade support loans	-147	-121	-88	-68	-424
CEFC loans and investments	-769	-552	-306	-559	-2,186
Northern Australia Infrastructure Facility	-288	-778	-902	-1,155	-3,123
Australian Business Securitisation Fund	-200	-200	-400	-402	-1,202
Drought and rural assistance loans	-330	-405	-441	-451	-1,627
Water infrastructure and regional development loans	-190	-200	-200	-400	-990
Official Development Assistance - Multilateral Replenishment	-120	-125	-125	-126	-496
National Housing Finance and Investment Corporation	-125	-175	-175	-175	-650
Net other(b)	-1,938	-1,953	-3,505	-3,815	-11,211
Total net cash flows from investments in financial assets for policy purposes	-13,336	-8,555	-9,733	-10,622	-42,246
plus Net Future Fund earnings(c)	5,468	na	na	na	5,468
2019-20 MYEFO headline cash balance	-2,841	-2,501	-1,383	-6,578	-13,302
<i>Memorandum:</i>					
<i>Net Future Fund earnings(c)</i>	<i>5,468</i>	<i>5,542</i>	<i>5,527</i>	<i>5,857</i>	<i>22,393</i>

(a) Excludes expected net Future Fund earnings before 2020-21.

(b) Net other includes proposed equity payments for infrastructure projects. The amounts have not been itemised for commercial-in-confidence reasons.

(c) Under the *Future Fund Act 2006*, net Future Fund earnings will be available to meet the Australian Government's superannuation liability in 2020-21. From this time, the underlying cash balance includes expected net Future Fund earnings.

Recurrent and capital spending

Table 3.18 outlines estimates of the Government's recurrent and capital spending from 2019-20 to 2022-23.

Table 3.18: The Government's recurrent and capital spending^{(a)(b)}

	Estimates		Projections	
	2019-20	2020-21	2021-22	2022-23
	\$b	\$b	\$b	\$b
Recurrent spending				
Operating payments	316.8	324.6	338.7	352.9
Recurrent grants	83.7	88.3	88.4	90.6
Total recurrent spending	400.5	412.8	427.2	443.5
Capital spending				
Direct capital investment ^(b)	16.9	19.2	20.4	20.5
Capital grants	9.2	10.9	11.9	11.7
Financial asset investments ^(c)	19.1	14.3	15.7	17.1
Total capital spending	45.3	44.4	48.0	49.3
Total spending	445.7	457.3	475.1	492.8

(a) General Revenue Assistance is excluded from this analysis.

(b) Includes impacts from the implementation of AASB 16. Direct capital investment includes net cash flows from investments in non-financial assets, financing activities for leases and lease liability interest payments.

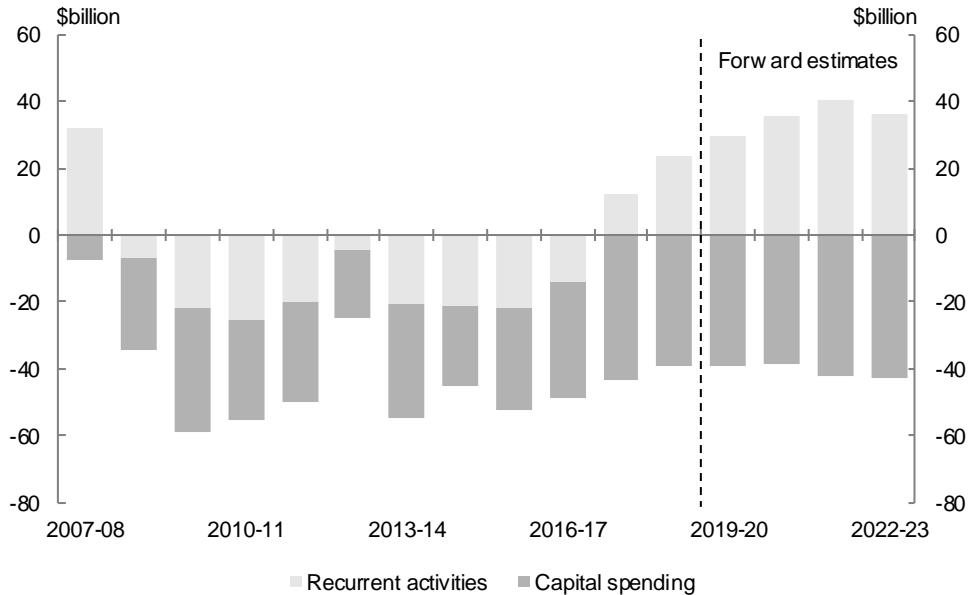
(c) Investments in financial assets for policy purposes is presented on a gross basis.

Note: Recurrent spending includes pension and income support payments, payments to government employees, payments for goods and services, subsidies, grants not made for capital purposes and specific purpose payments to states for recurrent purposes.

Impact of capital and recurrent spending on the borrowing requirement

Chart 3.4 sets out estimates of the Government's annual borrowing for capital spending and recurrent cash spending. It does this by analysing the net cash flows from recurrent activities (that is, current revenue less recurrent spending) and the cash flows for capital investment.

Chart 3.4: Contributions of recurrent and capital spending to the Government's borrowing requirement



Note: Net capital spending includes spending on physical assets, net spending to acquire financial assets and capital grants to the states and other entities. From 2019-20 onwards, capital spending includes impacts from the implementation of AASB 16.
Source: Treasury projections

In 2017-18, net cash flows from recurrent activities were in surplus for the first time since the Global Financial Crisis, and are expected to remain positive over the forward estimates. With the budget projected to remain in surplus across the forward estimates, the positive cash flow from recurrent activities will increasingly contribute to funding capital spending, reducing the Government's borrowing requirement.

Structural budget balance

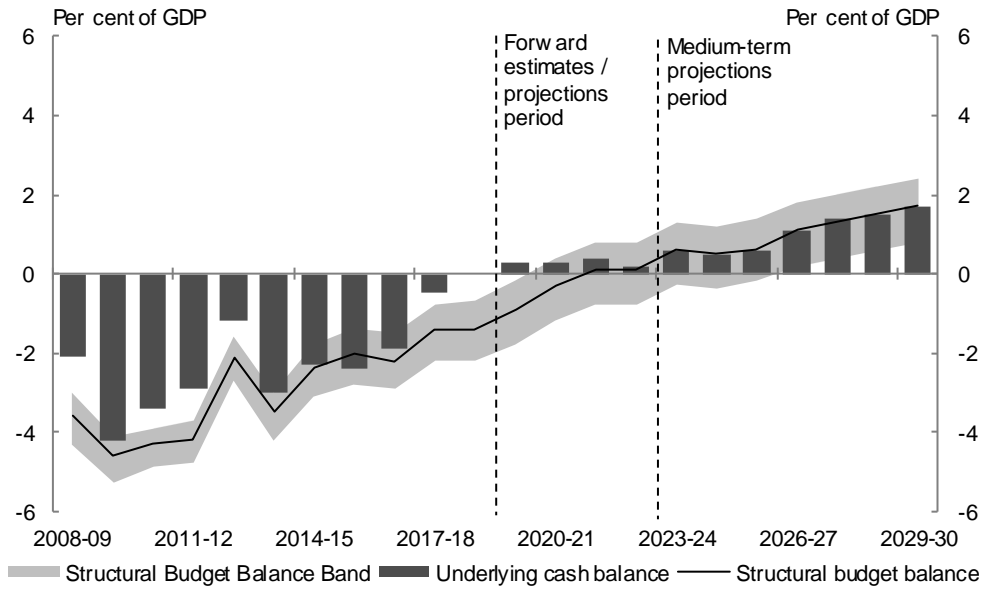
Estimates of the structural budget balance attempt to remove the impact of temporary economic factors on revenues and expenditures. These factors include deviations in real GDP, commodity prices, asset prices and the rate of unemployment from their long-run trends.

Considered in conjunction with other measures, estimates of the structural budget balance can provide broad insights into the sustainability of fiscal settings.

Over the past decade, estimates of the structural budget balance have generally been lower than the underlying cash balance. This is because commodity prices have generally been higher than their estimated long-run levels, which has outweighed the estimated effect of other cyclical factors.

The estimated structural budget balance improves over the forward estimates and medium term, as shown in Chart 3.5.

Chart 3.5: Structural budget balance estimates



Note: The methodology for producing structural budget balance estimates is described in Treasury Working Paper 2013-01 and incorporates the medium term projection methodology detailed in Treasury Working Paper 2014-02.

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

Part 4: Debt Statement

This Statement provides information on current and projected Government gross debt on issue, and estimated and projected Government net debt.

Net debt is expected to be 19.5 per cent of GDP (\$392.3 billion) in 2019-20. Net debt is then projected to decline as a share of GDP to 16.0 per cent in 2022-23, and further decline over the medium term to 1.8 per cent of GDP in 2029-30.

Gross debt, measured as the face value of Australian Government Securities (AGS) on issue, is expected to be 27.7 per cent of GDP (\$556 billion) at the end of 2019-20 before increasing to 25.5 per cent of GDP (\$576 billion) by the end of the forward estimates. By 2029-30, the total face value of AGS on issue is projected to fall to around 14.6 per cent of GDP (\$474 billion).

Australian Government Securities issuance

The Government finances its activities either through receipts or borrowing. When receipts fall short of payments, the Government borrows by issuing AGS to investors.

The Australian Office of Financial Management (AOFM) is responsible for issuing AGS and managing the Government's financing activities. The AOFM currently issues three types of securities:

- **Treasury Bonds:** medium-term to long-term securities with a fixed annual rate of interest payable every six months.
- **Treasury Indexed Bonds (TIBs):** medium-term to long-term securities for which the capital value of the security is adjusted for movements in the consumer price index (CPI). Interest on TIBs is paid quarterly, at a fixed rate, on the adjusted capital value.
- **Treasury Notes:** short-term securities generally maturing within six months of issuance. The volume of Treasury Notes on issue will vary over the course of the year, depending on the size and profile of the within-year funding flows.

Within these three broad categories of AGS, issuance is undertaken into a limited number of maturities (known as lines). Each of these lines has a fixed maturity date (the date on which the Government repays the principal it has borrowed) and, for Treasury Bonds and TIBs, a coupon rate (the annual fixed interest rate paid on the security).

Part 4: Debt statement

Concentrating AGS issuance into a limited number of lines (rather than issuing securities with a specific time value, such as 10 years) ensures each line is sufficiently large that it can easily be traded in the secondary market. Strong liquidity in the secondary market is attractive to investors and intermediaries, promotes demand for AGS and assists in lowering borrowing costs. All AGS issuance is undertaken in Australian dollars.

The AOFM exercises operational independence in the execution of its duties. Its announced issuance program for each year is therefore determined on the basis of maturing AGS, net new issuance required to fund the budget, funding balance sheet investments and other operational considerations.

Operational considerations often mean that the annual issuance program may not be equivalent to the financing task for a particular year. For example, the AOFM may decide there is merit in partially pre-funding the following year's financing task. Alternatively, the AOFM might choose to smooth issuance across several financial years in order to minimise changes in AGS supply from one financial year to the next.

The AOFM conducts regular buyback tenders for Treasury Bonds shorter than those comprising the primary three-year Treasury Bond futures contract. This operation assists the AOFM in its cash management task ahead of bond maturities and contributes to an orderly and efficient Treasury Bond market.

In recent years, the AOFM has taken the opportunity to lengthen the AGS yield curve to include a 30-year benchmark. This has provided for a lower risk profile of maturing debt, further broadened the investor base, and has been achieved during a period when borrowing costs have been low by historical standards.

At times when AGS issuance is not required to finance the Government's activities, successive Governments have continued to issue AGS for policy purposes such as to maintain a liquid AGS market.

While its fiscal strategy includes an objective of reducing gross debt, the Government remains committed to maintaining a well-functioning and liquid AGS market. In particular, the Government will focus on ensuring a market of sufficient size to maintain liquidity across the longer yield curve and to support the Treasury Bond futures market and other important benchmarks.

A well-functioning and liquid AGS market also supports the development of state government and corporate bond markets by providing a risk-free benchmark.

Estimates and projections of key debt aggregates

The level of current and projected Government debt on issue is commonly expressed in one of two ways: gross or net debt.

Gross debt measures the face value of AGS on issue at a point in time. While gross debt is measured in face value terms, estimates and projections of AGS on issue are published in both face value and market value terms in this Statement.

- The **face value** of AGS on issue is the amount that the Government pays back to investors at maturity, independent of fluctuations in market prices.¹ The total face value of AGS on issue changes when new securities are issued, or when securities are repurchased or reach maturity.
- The **market value** of AGS represents the value of securities as traded on the secondary market, which changes continuously with movements in market prices. Consistent with external reporting standards, the market value of AGS on issue is reported on the Australian Government general government sector balance sheet.

Net debt is equal to the sum of deposits held, government securities (at market value), loans and other borrowing, minus the sum of cash and deposits, advances paid and investments, loans and placements. As net debt incorporates both selected financial assets and liabilities at their fair value, it provides a broader measure of the financial obligations of the Commonwealth than gross debt.

Not all government assets or liabilities are included in the measurement of net debt. For example the Government's unfunded superannuation liability is not accounted for in net debt.

Estimates and projections of net debt

Table 4.1 contains estimates and projections of net debt to the end of the forward estimates period.

In 2019-20, net debt is expected to be \$392.3 billion, compared with \$361.1 billion at the time of the 2019 Pre-election Economic and Fiscal Outlook (PEFO). Over the forward estimates, net debt is projected to decline as a proportion of GDP from 19.5 per cent in 2019-20 to 16.0 per cent by 2022-23.

¹ For TIBs, the final repayment amount paid to investors includes an additional amount to reflect the impact of inflation over the life of the security. This additional amount is not included in the calculation of face value.

Part 4: Debt statement

Table 4.1: Liabilities and assets included in net debt

	Estimates		Projections	
	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m
Liabilities included in net debt				
Deposits held	388	388	388	388
Government securities(a)	645,907	643,119	656,659	654,608
Loans	17,759	17,336	17,564	17,759
Lease liabilities(b)	19,139	18,558	18,207	18,581
Total liabilities included in net debt	683,193	679,400	692,819	691,336
Assets included in net debt				
Cash and deposits	7,204	7,207	7,557	7,726
Advances paid	85,155	89,078	93,204	97,089
Investments, loans and placements	198,528	203,900	227,555	225,704
Total assets included in net debt	290,888	300,185	328,316	330,519
Net debt	392,305	379,216	364,503	360,817

(a) Government securities are presented at market value.

(b) Includes impacts from the implementation of AASB 16.

Changes in net debt since the 2019 PEFO

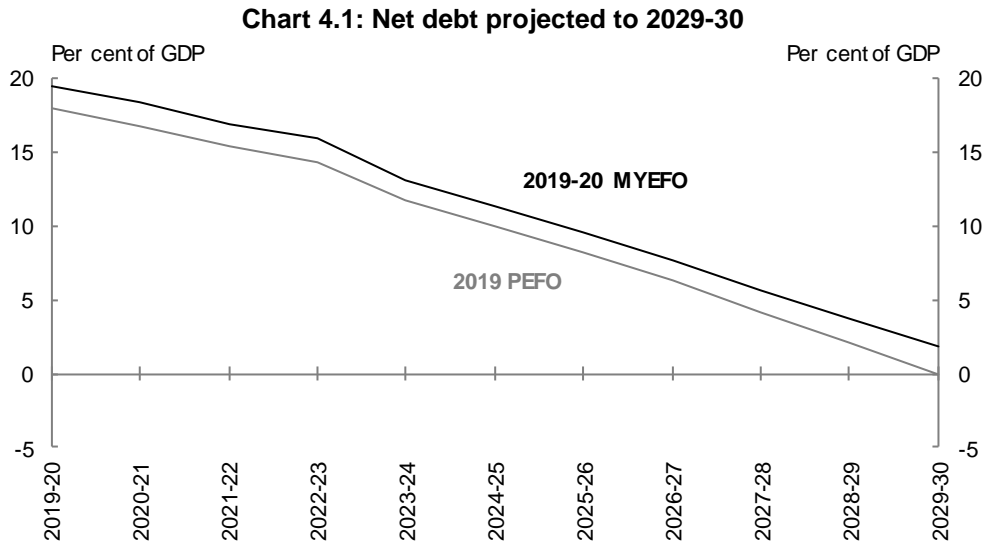
Table 4.2 shows the drivers of the change in net debt between the 2019 PEFO and the 2019-20 MYEFO.

Compared with the 2019 PEFO, net debt is estimated to be higher across the forward estimates. This primarily reflects a rise in the market value of AGS due to lower yields and lease liabilities recognised due to the implementation of AASB 16. In the absence of the implementation of the accounting change, net debt in 2019-20 would have been 18.6 per cent of GDP, which is below the outcome in 2018-19. Refer to *Part 7: Australian Government Budget Financial Statements* for further information.

Table 4.2: Net Debt — reconciliation from the 2019 PEFO to the 2019-20 MYEFO

	Estimates		Projections	
	2019-20	2020-21	2021-22	2022-23
	\$b	\$b	\$b	\$b
Net debt as at 2019 PEFO	361.1	349.6	333.3	326.2
Changes in financing requirement	-5.5	-10.1	2.5	7.3
Impact of yields on AGS	31.9	30.7	28.8	26.8
Impact of AASB 16 on lease liabilities	17.7	17.1	16.8	17.3
Asset and other liability movements	-13.0	-8.1	-16.9	-16.7
<i>Cash and deposits</i>	-2.0	-1.8	-2.4	-1.4
<i>Advances paid</i>	-1.9	0.4	0.7	-1.8
<i>Investments, loans and placements</i>	-10.2	-7.2	-15.8	-14.1
<i>Other movements</i>	1.0	0.6	0.6	0.5
Total movements in net debt from 2019 PEFO to 2019-20 MYEFO	31.2	29.6	31.2	34.7
Net debt as at 2019-20 MYEFO	392.3	379.2	364.5	360.8

Chart 4.1 shows that net debt is projected to be 1.8 per cent of GDP in 2029-30, compared to 0 per cent in 2029-30 projected at the time of the 2019 PEFO. This primarily reflects lower projected surpluses and a change in the accounting treatment of leases due to the implementation of AASB 16.



Note: Tax receipts are projected to remain below the Government’s tax-to-GDP cap of 23.9 per cent over the medium term.
Source: Treasury projections.

Estimates and projections of AGS on issue

Table 4.3 contains projections of the face value (end-of-year and within-year peak)² and the market value (end-of-year) of AGS on issue.

The *Commonwealth Inscribed Stock Act 1911* (CIS Act) requires the Treasurer to issue a direction to the AOFM stipulating the maximum face value of relevant AGS that may be on issue.³ As required by the *Charter of Budget Honesty Act 1998*, Table 4.3 reports projections of AGS on issue subject to the Treasurer’s Direction.

When considering these projections, it is important to note that the AOFM publishes an issuance program for the budget year only. Projections beyond the budget year are based on a set of technical assumptions and will vary with changes to these assumptions and budget estimates and projections.

2 End-of-year values are estimates or projections of AGS on issue at 30 June for the particular year. The precise timing of within-year peaks of AGS on issue cannot be determined with a high degree of accuracy. The timing of the within-year peak is therefore reported to the given month in the particular year.
3 On 9 May 2017, the Treasurer directed that the maximum face value of AGS that can be on issue is \$600 billion.

Table 4.3: Estimates and projections of Australian Government Securities on issue subject to the Treasurer's Direction^(a)

	Estimates		Projections	
	2019-20	2020-21	2021-22	2022-23
	\$b	\$b	\$b	\$b
Face value - end of year	556	558	576	576
Per cent of GDP	27.6	27.1	26.7	25.5
Face value - within-year peak ^(b)	575	577	591	593
Per cent of GDP ^(b)	28.6	28.0	27.4	26.3
Month of peak ^(b)	Apr-20	May-21	Dec-21	Mar-23
Market value - end of year ^(c)	646	643	657	655
Per cent of GDP	32.1	31.3	30.5	29.0

(a) The same stock and securities that were excluded from the previous legislative limit are excluded from the current limit set by the Treasurer's Direction. These exclusions are outlined in subsection 51JA(2A) of the CIS Act.

(b) The precise within-year timing of cash receipts and payments is not known. Projected peaks of AGS on issue are therefore subject to considerable uncertainty.

(c) The Treasurer's Direction applies only to the face value of AGS on issue. This table also shows the equivalent market value of AGS that are subject to the Treasurer's Direction. These figures will differ from the estimates and projections published in *Part 7: Australian Government Budget Financial Statements*, 'Table 7.2: Australian Government general government sector balance sheet' that refer to total AGS on issue.

Source: Australian Office of Financial Management.

The total amount of AGS on issue subject to the Treasurer's Direction is reported weekly on the AOFM website.

In 2019-20, the end-of-year face value of AGS on issue subject to the Treasurer's Direction is expected to be \$556 billion, compared to \$560 billion at the 2019 PEFO. The end-of-year face value of AGS on issue subject to the Treasurer's Direction is expected to reach \$576 billion in 2022-23.

In 2019-20, the face value of AGS on issue subject to the Treasurer's Direction is expected to reach a within-year peak of \$575 billion. In 2022-23, this is projected to rise to a within-year peak of \$593 billion.

Changes in AGS on issue since the 2019 PEFO

Table 4.4 shows the change in the projected end-of-year face value of AGS on issue subject to the Treasurer's Direction between the 2019 PEFO and the 2019-20 MYEFO.

Table 4.4: Estimates and projections of AGS on issue subject to the Treasurer's Direction — reconciliation from the 2019 PEFO to the 2019-20 MYEFO

	Estimates		Projections	
	2019-20	2020-21	2021-22	2022-23
	\$b	\$b	\$b	\$b
Total face value of AGS on issue subject to the Treasurer's Direction as at 2019 PEFO	560	567	573	569
Factors affecting the change in face value of AGS on issue from 2019 PEFO to 2019-20 MYEFO(a)				
Cumulative receipts decisions	-0.3	-0.3	-0.2	-0.2
Cumulative receipts variations	3.3	9.1	20.8	32.9
Cumulative payment decisions	2.4	5.4	7.3	8.3
Cumulative payment variations	-3.8	-7.6	-11.8	-19.7
Cumulative change in net investments in financial assets(b)	0.4	-7.3	-3.0	-1.1
Other contributors	-6.1	-8.9	-10.3	-13.3
Total face value of AGS on issue subject to the Treasurer's Direction as at 2019-20 MYEFO	556	558	576	576

(a) Cumulative impact of decisions and variations from 2019-20 to 2022-23. Increases to payments are shown as positive, and increases to receipts are shown as negative.

(b) Change in net cash flows from investments in policy and liquidity purposes.

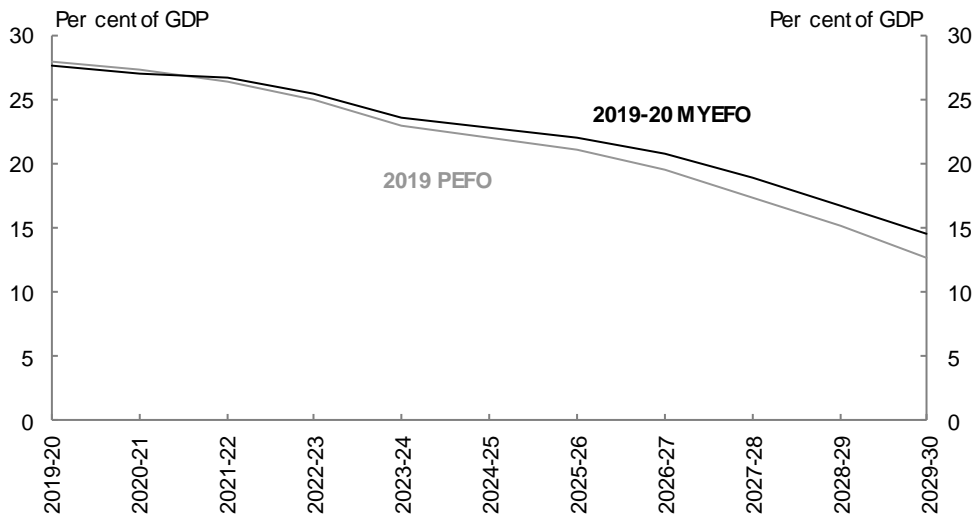
Note: End of year data.

The total face value of AGS on issue is projected to fall to around 14.6 per cent of GDP (\$474 billion) by 2029-30, compared to 12.8 per cent of GDP (\$417 billion) at the 2019 PEFO (Chart 4.2). By the end of the medium term, gross debt is now projected to be \$57 billion higher than at the 2019 PEFO. The projected increase in the total face value of AGS in 2029-30 reflects smaller underlying cash surpluses over the forward estimates and medium term than projected at the 2019 PEFO.

Further details on the changes to the underlying cash balance since the 2019 PEFO can be found in *Part 3: Fiscal Strategy and Outlook*.

Part 4: Debt statement

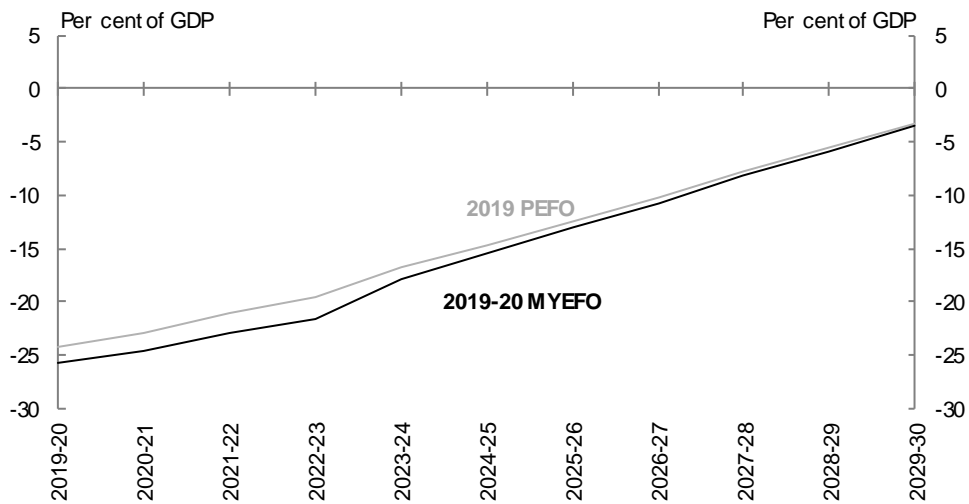
Chart 4.2: Face value of AGS on issue projected to 2029-30



Note: Tax receipts are projected to remain below the Government's tax-to-GDP cap of 23.9 per cent over the medium term.
 Source: Australian Office of Financial Management and Treasury projections.

Net financial worth is projected to improve from -25.8 per cent of GDP (-\$519 billion) in 2019-20 to -3.5 per cent of GDP (-\$112 billion) by 2029-30 (Chart 4.3).

Chart 4.3: Net financial worth projected to 2029-30



Breakdown of AGS currently on issue

Table 4.5 provides a breakdown of the AGS on issue by type of security as at 6 December 2019.

Table 4.5: Breakdown of current AGS on issue

	On issue as at 6 December 2019	
	Face value	Market value
	\$m	\$m
Treasury Bonds(a)	506,217	582,465
Treasury Indexed Bonds(a)	37,587	52,100
Treasury Notes(a)	13,686	13,656
Total AGS subject to Treasurer's Direction(a)(b)	557,490	648,220
Other stock and securities	6	6
Total AGS on issue	557,496	648,226

(a) The Treasurer's Direction applies only to the face value of AGS on issue. This table shows the equivalent market value of AGS that are subject to the Treasurer's Direction.

(b) The same stock and securities that were excluded from the previous legislative limit are excluded from the current limit set by the Treasurer's Direction. These exclusions are outlined in subsection 51JA(2A) of the CIS Act.

Source: Australian Office of Financial Management.

Treasury Bonds

Table 4.6 lists Treasury Bonds currently on issue, as well as the annual interest rate (the coupon) and the timing of coupon payments. As at 6 December 2019, there were 24 Treasury Bond lines on issue, with a weighted average term to maturity across all outstanding Treasury Bonds of around 7.6 years and the longest maturity extending to March 2047.

Since late 2010-11, the AOFM has incrementally lengthened the AGS yield curve. This supports increases in the average maturity and duration profile of the AOFM's debt portfolio, thereby lowering variability in future debt servicing costs and reducing refinancing risk.

Table 4.6: Treasury Bonds on issue

Coupon Per cent	Maturity	On issue as at 6 December 2019		Timing of interest payments(a)		
		\$m				
4.50	15-Apr-20	19,362	Twice yearly	15 Apr	15 Oct	
1.75	21-Nov-20	17,821	Twice yearly	21 Nov	21 May	
5.75	15-May-21	26,485	Twice yearly	15 May	15 Nov	
2.00	21-Dec-21	17,800	Twice yearly	21 Dec	21 Jun	
5.75	15-Jul-22	25,000	Twice yearly	15 Jul	15 Jan	
2.25	21-Nov-22	16,500	Twice yearly	21 Nov	21 May	
5.50	21-Apr-23	25,200	Twice yearly	21 Apr	21 Oct	
2.75	21-Apr-24	28,000	Twice yearly	21 Apr	21 Oct	
3.25	21-Apr-25	27,900	Twice yearly	21 Apr	21 Oct	
4.25	21-Apr-26	32,400	Twice yearly	21 Apr	21 Oct	
4.75	21-Apr-27	29,700	Twice yearly	21 Apr	21 Oct	
2.75	21-Nov-27	28,000	Twice yearly	21 Nov	21 May	
2.25	21-May-28	28,700	Twice yearly	21 May	21 Nov	
2.75	21-Nov-28	25,600	Twice yearly	21 Nov	21 May	
3.25	21-Apr-29	30,000	Twice yearly	21 Apr	21 Oct	
2.75	21-Nov-29	26,100	Twice yearly	21 Nov	21 May	
2.50	21-May-30	26,000	Twice yearly	21 May	21 Nov	
1.50	21-Jun-31	15,000	Twice yearly	21 Jun	21 Dec	
4.50	21-Apr-33	13,900	Twice yearly	21 Apr	21 Oct	
2.75	21-Jun-35	7,750	Twice yearly	21 Jun	21 Dec	
3.75	21-Apr-37	12,000	Twice yearly	21 Apr	21 Oct	
3.25	21-Jun-39	9,100	Twice yearly	21 Jun	21 Dec	
2.75	21-May-41	4,600	Twice yearly	21 May	21 Nov	
3.00	21-Mar-47	13,300	Twice yearly	21 Mar	21 Sep	

(a) Where the timing of an interest payment falls on a non-business day, the payment will occur on the following business day.

Source: Australian Office of Financial Management.

Treasury Indexed Bonds

Table 4.7 lists TIBs currently on issue, as well as the annual interest rate (the coupon) and the timing of coupon payments. As at 6 December 2019, there were 8 TIB lines on issue, with a weighted average term to maturity across all outstanding TIBs of around 10.1 years and the longest maturity extending to February 2050.

Table 4.7: Treasury Indexed Bonds on issue

Coupon Per cent	Maturity	On issue as at 6 December 2019		Timing of interest payments(a)			
		\$m					
4.00	20-Aug-20	2,061	Quarterly	20 Aug	20 Nov	20 Feb	20 May
1.25	21-Feb-22	6,840	Quarterly	21 Feb	21 May	21 Aug	21 Nov
3.00	20-Sep-25	7,593	Quarterly	20 Sep	20 Dec	20 Mar	20 Jun
0.75	21-Nov-27	4,850	Quarterly	21 Nov	21 Feb	21 May	21 Aug
2.50	20-Sep-30	4,893	Quarterly	20 Sep	20 Dec	20 Mar	20 Jun
2.00	21-Aug-35	3,950	Quarterly	21 Aug	21 Nov	21 Feb	21 May
1.25	21-Aug-40	3,550	Quarterly	21 Aug	21 Nov	21 Feb	21 May
1.00	21-Feb-50	3,850	Quarterly	21 Feb	21 May	21 Aug	21 Nov

(a) Where the timing of an interest payment falls on a non-business day, the payment will occur on the following business day.

Source: Australian Office of Financial Management.

Treasury Notes

Table 4.8 lists the Treasury Notes currently on issue. The face value of Treasury Notes on issue as at 6 December 2019 was \$13.7 billion. Treasury Notes do not pay a coupon, but instead are issued at a discount to their face value.

Table 4.8: Treasury Notes on issue

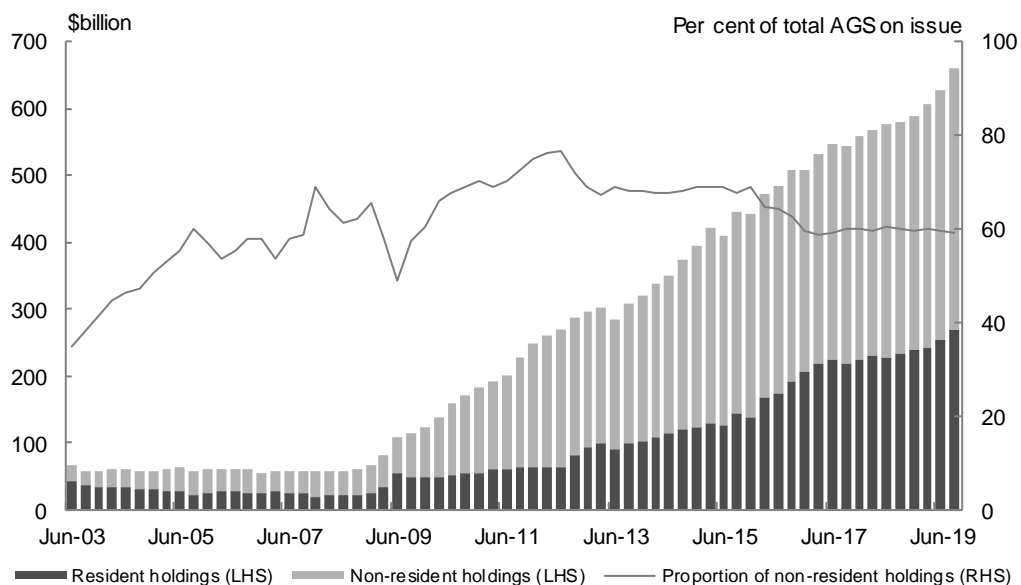
Maturity	On issue as at 6 December 2019		Timing of interest payment	
	\$m			
24-Jan-20	2,436		At maturity	24-Jan
21-Feb-20	6,500		At maturity	21-Feb
24-Apr-20	2,500		At maturity	24-Apr
22-May-20	2,250		At maturity	22-May

Source: Australian Office of Financial Management.

Non-resident holdings of AGS on issue

As at the September quarter 2019, the proportion of non-resident holdings of AGS was around 59 per cent (Chart 4.4). This proportion is down from historical highs of around 76 per cent in 2012.

Chart 4.4: Non-resident holdings of AGS



Note: Data refers to the market value of holdings. Data is adjusted to remove the impact of repurchase agreements from March 2009 onwards.

Source: ABS cat. no. 5302.0 and Australian Office of Financial Management.

Interest on AGS

The interest costs related to AGS are presented in this Statement in both cash and accrual accounting terms. The difference between the cash interest payments and accrual interest expense generally relates to the timing of when the interest cost is recognised.

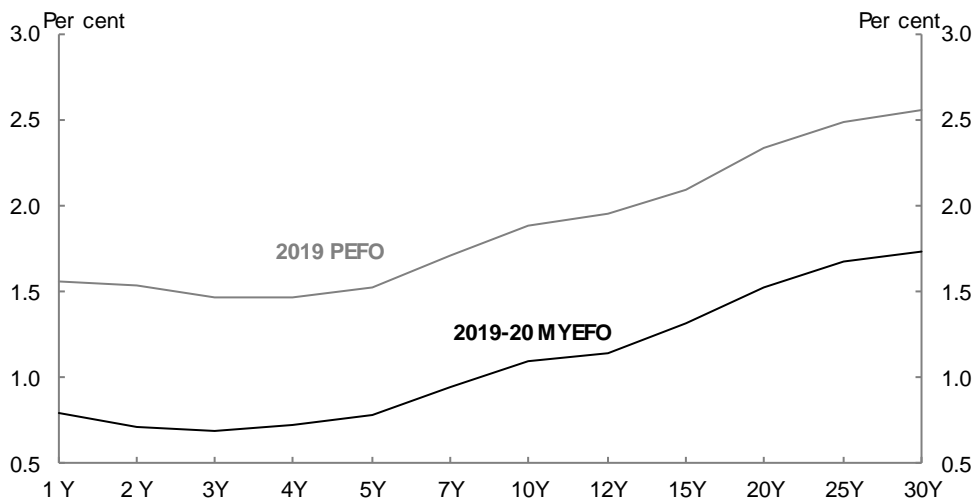
- **Interest payments** are recognised in the period when they are paid during the life of the security.
- **Interest expense** is recognised in the period in which an expense is incurred during the life of the security, rather when it is actually paid.

Estimates of the interest payments and interest expense of AGS on issue include the cost of AGS already on issue and future AGS issuance. The cost of:

- AGS already on issue uses the actual interest rates incurred at the time of issuance
- the expected future issuance of AGS is based on the prevailing market rates across the yield curve at the time of a budget estimates update.

The assumed market yields at the 2019-20 MYEFO result in a weighted average cost of borrowing of around 1.1 per cent for future issuance of Treasury Bonds in the forward estimates period, compared with around 1.9 per cent at the 2019 PEFO. Chart 4.5 shows the yield curve assumptions underpinning the 2019 PEFO and 2019-20 MYEFO.

Chart 4.5: Yield curve assumptions for 2019-20 to 2022-23



Source: Australian Office of Financial Management.

The Government's total interest payments in 2019-20 are estimated to be \$16.6 billion, of which \$16.0 billion relates to AGS on issue (Table 4.9).

Table 4.9: Interest payments, interest receipts and net interest payments^(a)

	Estimates		Projections	
	2019-20 \$m	2020-21 \$m	2021-22 \$m	2022-23 \$m
Interest payments on AGS	15,953	15,279	14,726	13,900
Per cent of GDP	0.8	0.7	0.7	0.6
Interest payments	16,564	15,903	15,341	14,525
Per cent of GDP	0.8	0.8	0.7	0.6
Interest receipts	5,134	6,060	6,376	6,632
Per cent of GDP	0.3	0.3	0.3	0.3
Net interest payments(b)	11,430	9,843	8,965	7,893
Per cent of GDP	0.6	0.5	0.4	0.3

(a) Interest payments and interest receipts are a cash measure, with the relevant amount recognised in the period in which the interest payment is made or interest is received.

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

The Government's total interest expense in 2019-20 is estimated to be \$18.2 billion, of which \$16.6 billion relates to AGS on issue. Table 4.10 shows the Government's estimated interest expense, interest expense on AGS, interest income and net interest expense over the forward estimates.

Table 4.10: Interest expense, interest income and net interest expense^(a)

	Estimates		Projections	
	2019-20 \$m	2020-21 \$m	2021-22 \$m	2022-23 \$m
Interest expense on AGS	16,588	15,814	14,858	14,136
Per cent of GDP	0.8	0.8	0.7	0.6
Interest expense	18,215	17,436	16,490	16,066
Per cent of GDP	0.9	0.8	0.8	0.7
Interest income	5,247	6,240	6,557	6,993
Per cent of GDP	0.3	0.3	0.3	0.3
Net interest expense(b)	12,968	11,197	9,932	9,073
Per cent of GDP	0.6	0.5	0.5	0.4

(a) Interest expense is an accrual measure, with the relevant amount recognised in the period in which the expense is incurred, but not necessarily paid.

(b) Net interest expense is equal to the difference between interest expenses and interest income.

Climate spending

The Government's climate spending is shown on an aggregated basis in Table 4.11.

Table 4.11: Climate spending from 2019-20 to 2022-23

	Estimates		Projections	
	2019-20	2020-21	2021-22	2022-23
	\$b	\$b	\$b	\$b
Climate spending(a)	2.00	1.40	1.50	1.55

(a) Spending in this table is on a headline cash balance basis; that is, it includes payments and net cash flows from investments in financial assets for policy purposes, as well as estimated interest receipts associated with Clean Energy Finance Corporation investments.

The key components of climate spending are:

- the Clean Energy Finance Corporation, which invests in renewable energy, energy efficiency and low emissions technologies
- the Australian Renewable Energy Agency, which supports research and development of renewable energy and related technologies
- the Clean Energy Regulator, which administers legislation to reduce carbon emissions and increase the use of clean energy.

The above figures incorporate the Government's decision to provide \$3.5 billion over 15 years from 2018-19 for a Climate Solutions package, which provides incentives to support abatement activities across the economy.

Impact of climate spending on debt

Climate spending is financed through either receipts or debt. This Statement assumes that the proportion of climate spending being financed through new debt (as opposed to receipts) is equivalent to the proportion of total spending financed by debt. This is shown in Table 4.12.

Table 4.12: Impact on debt — climate spending as a proportion of total spending

	Estimates		Projections	
	2019-20	2020-21	2021-22	2022-23
	\$b	\$b	\$b	\$b
Climate spending(a)	2.00	1.40	1.50	1.55
Total Spending(b)	503	517	538	559
Climate spending (per cent of total spending)	0.4	0.3	0.3	0.3
Change in face value of AGS from previous year(c)	13.7	2.0	18.2	-0.2
Contribution to change in face value of AGS from climate spending	0.05	0.01	0.05	na

(a) The calculation of climate spending in this table is on a headline cash balance basis; that is, it includes payments and net cash flows from investments in financial assets for policy purposes, as well as estimated interest receipts associated with the Clean Energy Finance Corporation investments.

(b) The calculation of total spending in this table is on a headline cash balance basis; that is, it includes total payments and net cash flows from investments in financial assets for policy purposes.

(c) Calculations of the change in the face value of AGS are calculated using total AGS on issue.

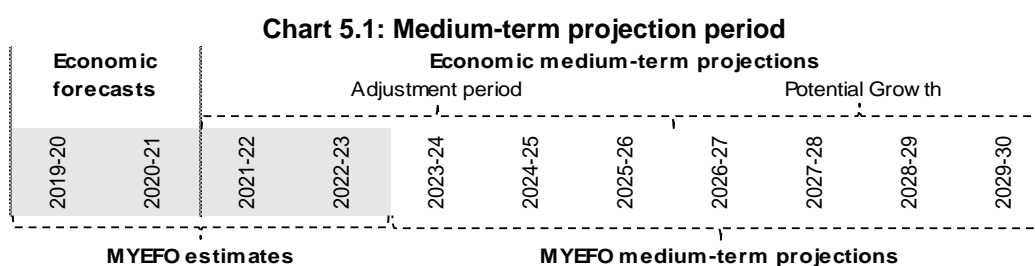
Part 5: Forecast uncertainties, sensitivities and scenarios

Overview

Macroeconomic and fiscal forecasts are important for Government policy and decision making. The macroeconomic and fiscal forecasts in the 2019-20 MYEFO are based on information available at the time of preparation. A better understanding of the uncertainties around the forecasts contributes to better policy and decision making.

This Part assesses the historical performance of budget forecasts and estimates of uncertainty around these forecasts. This assessment is consistent with the practice of other fiscal agencies to improve forecasting performance and to raise awareness of the uncertainties inherent in forecasting.

The fiscal estimates presented in the 2019-20 MYEFO are underpinned by short-term economic forecasts for the budget year and the subsequent financial year, and economic projections for the following two years. These four years are followed by medium-term projections for seven additional years to provide an indication of the longer-term fiscal trajectory (Chart 5.1).



Source: Treasury.

This Part presents an analysis of the sensitivity of 2019-20 MYEFO estimates to changes in core assumptions as required under the *Charter of Budget Honesty Act 1998*.

Confidence intervals around economic and fiscal forecasts

Measures of uncertainty around economic forecasts

The Government's macroeconomic forecasts are prepared using a range of modelling techniques including macro-econometric models, spreadsheet analysis and accounting frameworks. These are supplemented by survey data, business liaison, professional opinion and judgment.

Forecasts are subject to inherent uncertainties. Generally, these uncertainties tend to increase as the forecast horizon lengthens. Forecast errors (the differences between forecasts and outcomes) can arise for a range of reasons — for example, differences

Part 5: Forecast uncertainties, sensitivities and scenarios

between the assumed path of key variables and outcomes, changes in the relationships between different parts of the economy and unexpected events both domestically and globally.

Confidence intervals seek to illustrate that there is a range of plausible outcomes around any forecast. Confidence intervals are based on observed historical patterns of forecast errors. They are a guide to the degree of uncertainty around a forecast and can span a wide range of outcomes.

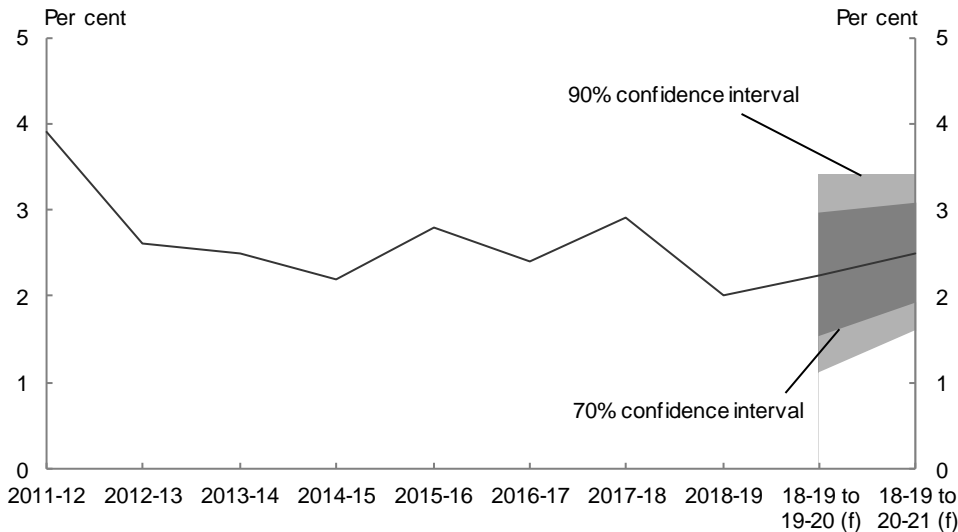
Real GDP forecasts

Real GDP forecasts factor in a number of key inputs including exchange rates, interest rates and commodity prices. The forecasts also incorporate judgments about how developments in one part of the economy affect other parts and how the domestic economy is affected by events in the international economy.

The accuracy of the forecasts is influenced by the extent to which the assumptions and judgments underpinning them prove to be correct – and also the reliability of the economic relationships embodied in the macroeconomic models used to produce them. Forecast errors for real GDP can also be caused by unexpected shifts in the pace and nature of economic activity during the forecast period.

Chart 5.2 shows that the average annualised growth rate in real GDP in the two years to 2020-21 is expected to be around 2½ per cent, with the 70 per cent confidence interval ranging from 2 per cent to 3 per cent. In other words, if forecast errors are similar to those made over recent years, there is a 70 per cent probability that the growth rate will lie in this range.

Chart 5.2: Confidence intervals around real GDP growth rate forecasts



Note: The central line shows the outcomes and the 2019-20 MYEFO forecasts. Annual growth rates are reported for the outcomes. Average annualised growth rates from 2018-19 are reported for 2019-20 onwards. (f) are forecasts. Confidence intervals are based on the root mean squared errors (RMSEs) of MYEFO forecasts from 1998-99 onwards, with outcomes based on September quarter 2019 National Accounts data.

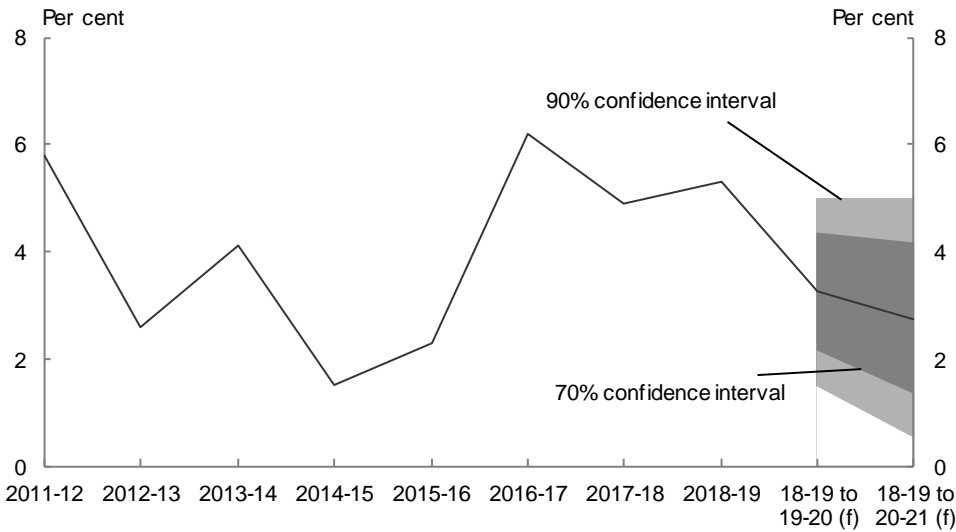
Source: ABS cat. no. 5206.0, Budget papers and Treasury.

Nominal GDP forecasts

Compared with real GDP forecasts, nominal GDP forecasts are subject to additional sources of uncertainty from the evolution of domestic prices and wages, prices of imported goods, and world prices for Australia's exports, including commodities. Difficulty in predicting their movements, particularly global commodity prices, has been the primary driver of nominal GDP forecast errors over the past decade. This additional uncertainty is reflected in the wider confidence intervals around nominal GDP forecasts.

Chart 5.3 shows average annualised growth in nominal GDP in the two years to 2020-21 is expected to be around $2\frac{3}{4}$ per cent, with the 70 per cent confidence interval ranging from $1\frac{1}{4}$ per cent to $4\frac{1}{4}$ per cent.

Chart 5.3: Confidence intervals around nominal GDP growth rate forecasts



Note: See note to Chart 5.2.

Source: ABS cat. no. 5206.0, Budget papers and Treasury.

Measures of uncertainty around fiscal forecasts

The fiscal estimates contained in the 2019-20 MYEFO are based on economic and demographic forecasts and projections as well as estimates of the impact of government spending and revenue measures. Changes to the economic or demographic forecasts and projections underlying the estimates will affect forecasts for receipts and payments. As such, this will have a direct impact on the profile of the underlying cash balance and government debt. Even small movements in these economic forecasts and projections or outcomes that differ from the forecasts and projections can result in large changes to budget estimates.

Receipts

The Government's tax receipts estimates are generally prepared using a 'base plus growth' methodology. The last known outcome (2018-19 for the 2019-20 MYEFO) is used as the base to which estimated growth rates are applied, resulting in tax receipts estimates for the current and future years. Estimates for the current year also incorporate recent trends in tax collections.

Over the past two decades, tax receipts forecasts have both under-predicted and over-predicted outcomes (Chart 5.4).

Chart 5.4: Budget forecasts of tax receipts growth

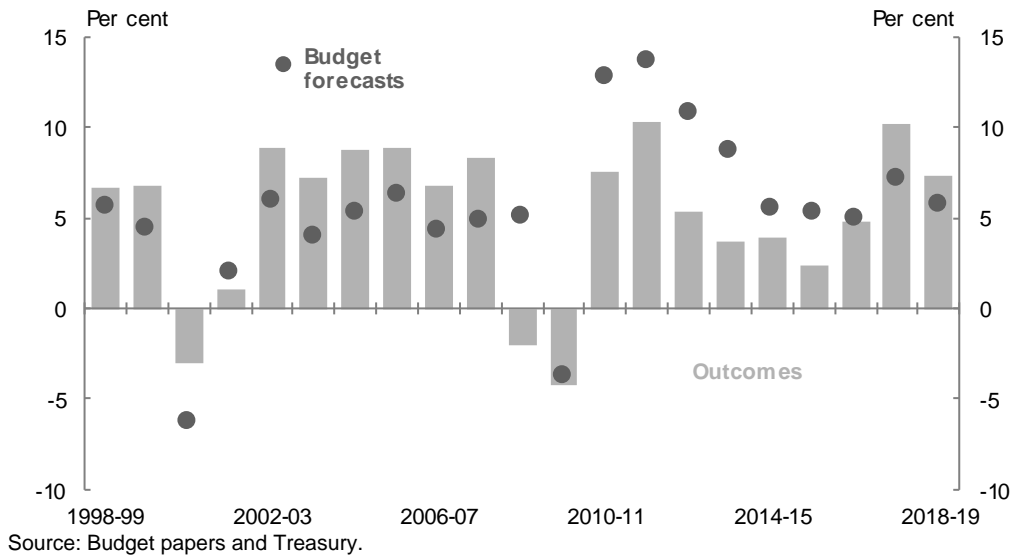
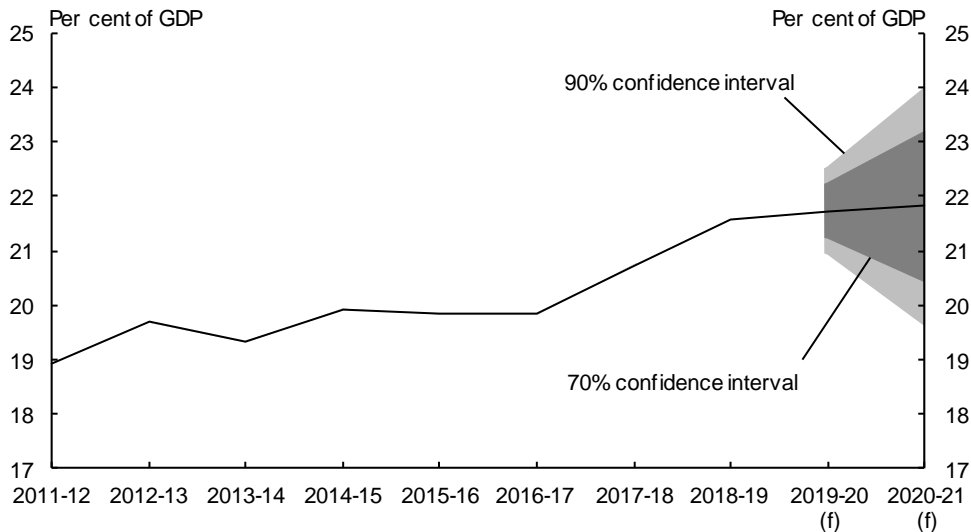


Chart 5.5 shows confidence intervals around the forecasts for receipts (excluding GST⁴ and including Future Fund earnings). Confidence intervals constructed around the receipts forecasts exclude historical variations caused by subsequent policy decisions. These intervals take into account errors caused by parameter and other variations in isolation.

The chart shows that there is considerable uncertainty around receipts forecasts and that this uncertainty increases as the forecast horizon lengthens. It suggests that in 2019-20, the width of the 70 per cent confidence interval for the 2019-20 MYEFO receipts forecast is approximately 1.0 per cent of GDP (\$20 billion) and the 90 per cent confidence interval is approximately 1.6 per cent of GDP (\$32 billion).

⁴ GST was not reported as a Commonwealth tax in budget documents prior to the 2008-09 Budget. As a result, GST data have been removed from historical receipts and payments data to abstract from any error associated with this change in accounting treatment.

Chart 5.5: Confidence intervals around receipts forecasts



Note: The central line shows the outcomes and the 2019-20 MYEFO point estimate forecasts. Confidence intervals use RMSEs for MYEFO forecasts from the 1998-99 MYEFO onwards. (f) are forecasts.

Source: Treasury.

Payments

Payments outcomes can differ from forecasts for a number of reasons. Demand-driven programs, such as payments to individuals and some social services, form the largest part of government expenditure. Forecasts of payments associated with many of these government programs depend on forecasts of economic conditions. For example, lower than forecast unemployment levels will mean that actual expenditure on related services, including allowances, will be lower than forecast.

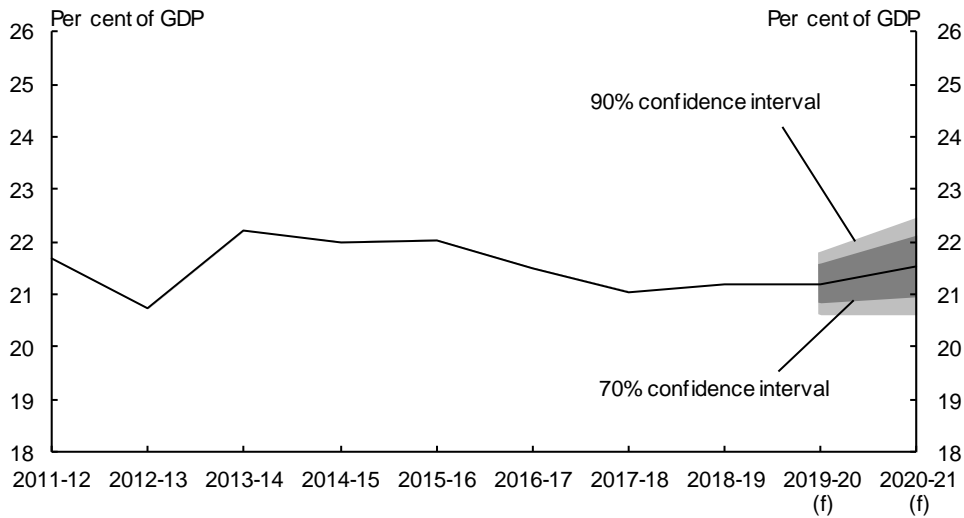
Chart 5.6 shows confidence intervals around payments forecasts (excluding GST). As with receipts estimates, historical policy decisions are excluded,⁵ and future policy decisions are out of scope. Payments estimates include the public debt interest impact of policy decisions.⁶

The chart shows that there is moderate uncertainty around payments forecasts. In 2019-20, the width of the 70 per cent confidence interval for the 2019-20 MYEFO payments forecast is approximately 0.7 per cent of GDP (\$15 billion) and the 90 per cent confidence interval is approximately 1.2 per cent of GDP (\$24 billion).

5 The allowance for historical policy variations only includes subsequent policy decisions made at each update. No allowance is made for other decisions, such as assistance for the impact of natural disasters or changes to the timing of projects announced in previous updates. These decisions will contribute to historical forecast errors and therefore increase the size of the confidence intervals around payments.

6 The impacts of past policy decisions on historical public debt interest through time cannot be readily identified or estimated. For this reason, no adjustment has been made to exclude these impacts from the analysis.

Chart 5.6: Confidence intervals around payments forecasts



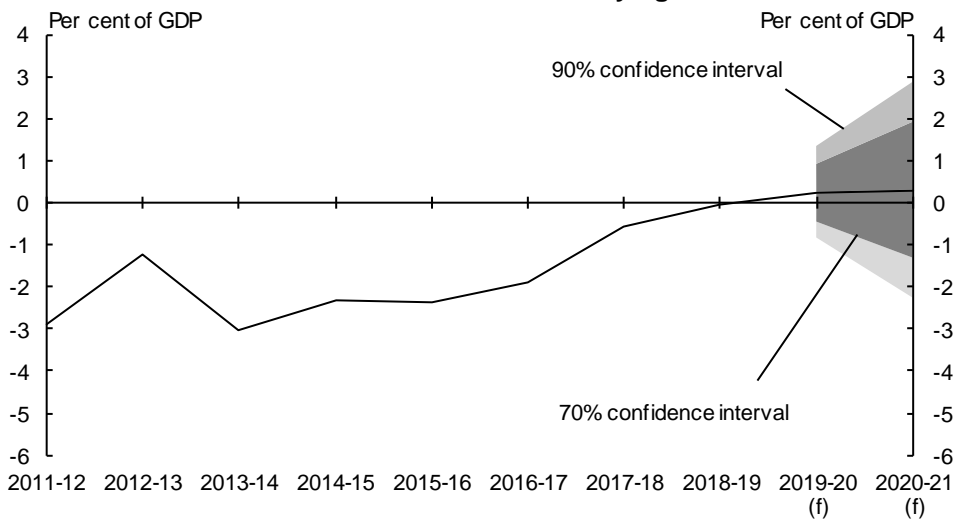
Note: See note to Chart 5.5.
Source: Treasury.

Underlying cash balance

The underlying cash balance estimates are sensitive to the same forecast errors that affect estimates of receipts and payments. Confidence interval analysis shows that there is considerable uncertainty around the underlying cash balance forecasts (Chart 5.7).

In 2019-20, the width of the 70 per cent confidence interval for the 2019-20 MYEFO underlying cash balance forecast is approximately 1.4 per cent of GDP (\$28 billion) and the 90 per cent confidence interval is approximately 2.2 per cent of GDP (\$44 billion). In line with receipts forecasts, uncertainty increases over the estimates period.

Chart 5.7: Confidence intervals around the underlying cash balance forecasts



Note: See note to Chart 5.5.
Source: Treasury.

Sensitivity and scenario analysis

Small movements in economic forecasts or projections can improve or worsen the underlying cash balance, depending on their impacts on payments and receipts. This in turn can drive changes in gross and net debt. Consideration of particular scenarios and sensitivity analyses demonstrates the potential impact of these changes. The analysis presented considers the impact of changes to the economic outlook over the forecast years of 2019-20 and 2020-21 and the projections beyond that.

As the assumptions and judgments that underpin fiscal forecasts and projections are subject to considerable uncertainty, it is important to understand how changes to these can affect these forecasts and projections. Consideration of alternative scenarios and sensitivity analyses demonstrates the potential impact of these changes and highlights the uncertainties that governments face should risks eventuate — for example, in meeting budget forecasts or fiscal targets.

The analysis presented in the 2019-20 MYEFO considers the impact of changes to the economic outlook over the forecast years. Scenarios 1 and 2 explore the sensitivity of fiscal aggregates to alternative paths for the terms of trade and household consumption growth.

Scenario 3 illustrates the sensitivity of fiscal projections to changes in assumed yields on government debt.

Sensitivity analysis over the forecast period

The following two scenarios provide a stylised indication of the sensitivity of receipts, payments and the underlying cash balance to changes in the economic outlook over the forecast period to 2020-21.

Scenario 1: Alternative path for the terms of trade

This scenario considers the direct consequences of a permanent 10 per cent movement in world prices of non-rural commodity exports through 2019-20 relative to the 2019-20 MYEFO forecast levels.

The impact on the fiscal position presented below should be considered an upper bound estimate as this scenario holds the Australian dollar and domestic interest rates unchanged. A change in the terms of trade has historically been associated with an exchange rate movement in the same direction which would mitigate the effects on real GDP of the initial movement in the price of non-rural commodity exports. Similarly, domestic interest rates could potentially be adjusted by the Reserve Bank of Australia if an international shock was to cause significant movements in the Australian economy.

A permanent 10 per cent higher (lower) non-rural commodity export price is consistent with a rise (fall) in the terms of trade of 5¼ per cent and an increase (decrease) in nominal GDP of 1¼ per cent by 2020-21. Under this scenario, the increase in export prices leads directly to higher overall output prices (as measured by the GDP deflator) and higher domestic incomes compared with MYEFO levels. Higher domestic incomes cause both consumption and investment to rise, resulting in higher real GDP and employment and an increase in wages. The rise in aggregate demand puts upward pressure on domestic prices.

The impacts in Table 5.1 are stylised and refer to percentage deviations from the MYEFO forecast levels due to permanently higher non-rural commodity prices. The effects on the economy of permanently lower prices of the same magnitude would be broadly symmetric.

Table 5.1: Illustrative effects of 10 per cent permanently higher non-rural commodity prices (per cent deviation from the MYEFO level)⁷

	Impact after 1 year (2019-20)	Impact after 2 years (2020-21)
	per cent	per cent
Real GDP	0	1/4
GDP deflator	1/2	1
Nominal GDP	1/2	1 1/4
Employment	1/4	1/4
Wages	1/4	1/2
CPI	0	1/4
Company profits	2	3 1/2
Nominal household consumption	0	1/2

On the receipts side, an increase in nominal GDP increases tax collections. The largest effect is on company tax receipts as the increase in export income increases company profits. The effect on company tax is larger in 2020-21, partly owing to lags in tax collections and a larger effect on company profits in the second year of the scenario period.

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

The overall estimated expenditure on income support payments (including pensions, unemployment benefits and other allowances) decreases in both years, reflecting a lower number of unemployment benefit recipients. The fall in spending on unemployment benefits is partially offset by increased expenditure on pensions and allowances reflecting stronger growth in benefit payment rates, resulting from slightly higher inflation. Other payments linked to inflation also rise in line with the stronger growth in prices.

Given these assumptions, the overall effect of the increase in the terms of trade is an improvement in the underlying cash balance of around \$2.3 billion in 2019-20 and around \$6.7 billion in 2020-21 (Table 5.2). Broadly opposite effects would be expected for a fall in the terms of trade of the same magnitude.

⁷ These results represent a partial economic analysis only and do not attempt to capture all the economic feedback effects or policy responses resulting from changed economic conditions, and assume no change in the exchange rate, interest rates or government policy over the forecast period.

Table 5.2: Illustrative sensitivity of the budget balance to permanently 10 per cent higher non-rural commodity prices

	2019-20	2020-21
	\$b	\$b
Receipts		
Individuals and other withholding taxes	0.6	2.4
Superannuation fund taxes	0.0	0.1
Company tax	1.5	3.4
Goods and services tax	0.0	0.3
Excise and customs duty	0.0	0.3
Other taxes	0.1	0.2
Total receipts	2.2	6.7
Payments		
Income support	0.1	0.3
Other payments	0.0	0.0
Goods and services tax	0.0	-0.3
Total payments	0.1	0.0
Public debt interest	0.0	0.1
Underlying cash balance impact(a)	2.3	6.7

(a) Estimated effects fall within the 70 per cent confidence intervals for years 2019-20 and 2020-21, as shown in Charts 5.5 to 5.7.

Note: Numbers may not sum due to rounding.

The specific effect of a US\$10 per tonne free-on-board (FOB) higher or lower iron ore price is outlined in Box A.

Box A: Sensitivity analysis of iron ore price movements

The effect of a US\$10 per tonne FOB movement in the iron ore price over the course of a year is set out in Table A. This is based on the sensitivity analysis presented in Scenario 1 and is calibrated to take into account the share of iron ore in the value of total exports, which can change over time. A US\$10 per tonne FOB permanently higher iron ore price results in an increase in nominal GDP of around \$6.3 billion in 2019-20 and over \$13 billion in 2020-21. Similarly, a US\$10 per tonne FOB permanently lower iron ore price results in a decrease in nominal GDP of an equivalent amount.

Table A: Sensitivity analysis of a US\$10 per tonne movement in iron ore prices

	US\$10/tonne FOB ^(a) fall		US\$10/tonne FOB increase	
	2019-20	2020-21	2019-20	2020-21
Nominal GDP (\$billion)	-6.3	-13.6	6.3	13.6
Tax receipts (\$billion)	-1.2	-3.7	1.2	3.7

(a) Prices are presented in free-on-board (FOB) terms, which exclude the cost of freight.

Scenario 2: Alternative paths for household consumption growth

This scenario considers the economic and fiscal effects of a change in household consumption growth in 2019-20. The scenario is a two-sided sensitivity analysis, where the lower consumption growth analysis illustrates the consequences of households shifting their preferences towards a higher rate of saving than forecast in the 2019-20 MYEFO. This could occur if, for example, households reduce consumption in response to weak income growth, lower housing prices, or an increased preference to

save amidst uncertainty about the outlook for the global and domestic economy. The higher consumption growth analysis illustrates the consequences of households reducing their rate of saving by more than forecast in the 2019-20 MYEFO, for example, due to an increase in risk appetite, expectations of stronger income growth or an increase in perceived or actual wealth.

Household consumption accounts for around 55 per cent of the economy, so its growth profile is an important source of uncertainty around the GDP growth forecasts. Household consumption growth has exceeded household income growth over the past several years, resulting in a decline in the household saving ratio from 8.0 per cent in 2014-15 to 3.0 per cent in 2018-19. At the same time, year-average growth in household consumption remains below its 20-year average rate, which is also true on a per capita basis.

For this scenario, household consumption growth in 2019-20 has been adjusted so, by the end of 2019-20, the level of consumption is either 1 per cent lower or higher than the levels currently forecast in the MYEFO.⁸ The scenario assumes no changes to investment, the exchange rate, interest rates or the cost of capital.

The effects of lower consumption growth relative to the 2019-20 MYEFO are presented in Table 5.3. These are stylised results and refer to percentage deviations from the MYEFO forecast levels. Stronger growth in consumption would have broadly opposite effects on the economy over the scenario period.

Table 5.3: Illustrative effects of lower growth in household consumption (per cent deviation from the MYEFO level)⁹

	Impact after 1 year (2019-20)	Impact after 2 years (2020-21)
	per cent	per cent
Real GDP	- 1/4	- 1/2
Nominal GDP	- 1/4	- 1/2
Employment	0	- 1/4
Company profits	- 1/2	- 1/2
Nominal household consumption	- 1/2	-1

The results show that weaker growth in consumption lowers real GDP compared with MYEFO levels. The fall in output is a little less than would be implied by the direct effect of the fall in consumption as imports also fall. As a result of the decline in output, employment falls and wage and price pressures are modestly lower.

On the receipts side, the reduction in consumption immediately affects indirect taxes, particularly goods and services tax. Business income falls in both years but the effect on

⁸ Consumption is higher or lower by 1 per cent by the end of 2019-20 in through-the-year terms. Table 5.3 presents the results in year-average terms.

⁹ These results represent a partial economic analysis only and do not attempt to capture all the economic feedback effects or policy responses resulting from changed economic conditions, and assume no change in the exchange rate, interest rates or government policy over the forecast period.

company tax receipts is larger in the second year, owing to lags in tax collections. Lower employment and wages lead to lower tax receipts from individuals' salary and wage withholding taxes.

On the payments side, overall estimated expenditure on income support payments increases due to a higher number of unemployment benefit recipients. The increase in spending on unemployment benefits is partially offset by decreased expenditure on pensions and allowances reflecting slightly slower growth in benefit payment rates as a result of slightly lower inflation. Other payments linked to inflation are also lower in line with the weaker growth in prices.

The overall impact of the lower growth in consumption is a deterioration in the underlying cash balance of around \$0.7 billion in 2019-20 and around \$2.7 billion in 2020-21 (Table 5.4). Stronger growth in consumption would have a broadly opposite effect on the underlying cash balance over the scenario period.

Table 5.4: Illustrative sensitivity of the budget balance to lower growth in household consumption

	2019-20	2020-21
	\$b	\$b
Receipts		
Individuals and other withholding taxes	-0.2	-1.4
Superannuation fund taxes	-0.1	-0.1
Company tax	-0.2	-0.6
Goods and services tax	-0.3	-0.5
Excise and customs duty	-0.2	-0.4
Other taxes	0.0	0.0
Total receipts	-0.9	-3.0
Payments		
Income support	-0.1	-0.3
Other payments	0.0	0.0
Goods and services tax	0.3	0.5
Total payments	0.3	0.3
Public debt interest	0.0	0.0
Underlying cash balance impact(a)	-0.7	-2.7

(a) Estimated impacts fall within the 70 per cent confidence intervals for years 2019-20 and 2020-21, as shown in Charts 5.5 to 5.7.

Note: Numbers may not sum due to rounding.

Sensitivity analysis over the forward estimates and medium term

The following scenario demonstrates the sensitivity of the fiscal estimates to changes in modelling assumptions about yields on government debt over the budget year and the following years to 2029-30.

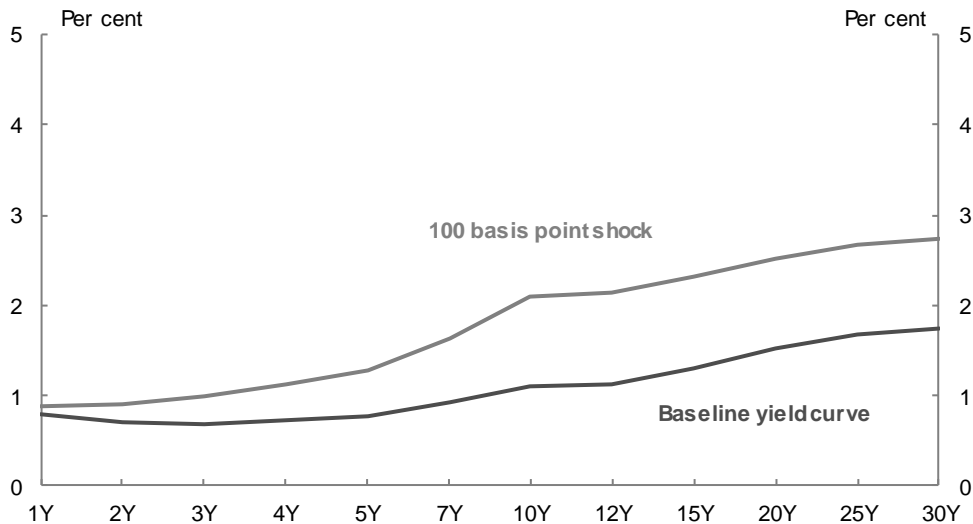
For further information on the economic and fiscal projection frameworks, please refer to *Budget Paper 1, Statement 7: Forecasting Performance and Scenario Analysis* in the 2019-20 Budget.

Scenario 3: Steeper yield curve assumption

Over the forward estimates, yields on Australian Government Securities (AGS) are assumed to remain fixed at the levels observed immediately prior to the 2019-20 MYEFO. The medium-term fiscal projections assume yields on government debt converge to an assumed long-run yield curve, based on a 10-year yield of 5 per cent. This is consistent with the Long-Term Cost Report prepared by the Australian Government Actuary. The observed yield curve converges to the long-run curve in the medium term.

Scenario 3 examines the consequences of a 100 basis point steepening of the yield curve between the cash rate and the 10-year bond yield over the two years until 2020-21 (Chart 5.8). Yields remain higher until the end of the forward estimates, after which yields converge to the assumed long-run yield curve.

Chart 5.8: Steeper yield curve compared to MYEFO baseline in 2020-21



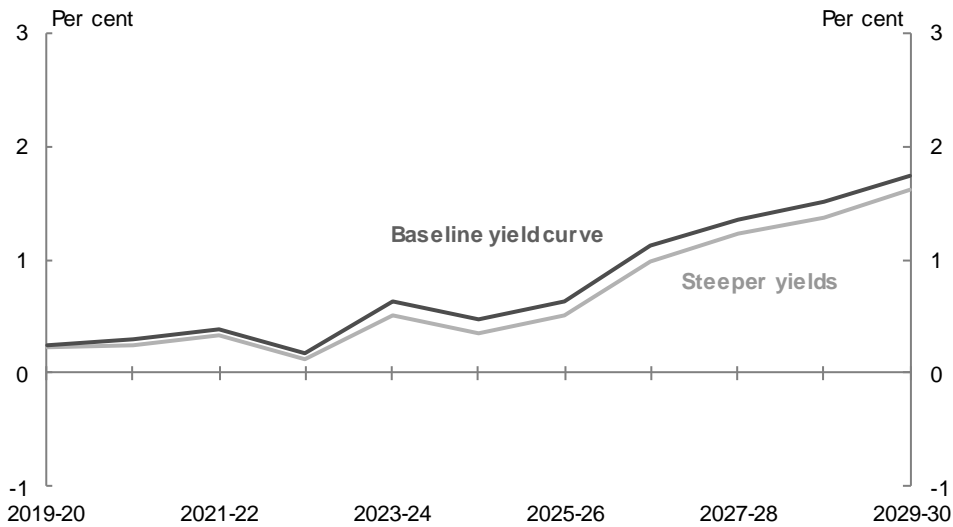
Source: Treasury.

Yields affect both the income and expenses of the Government. Yields affect the amount of public debt interest (PDI) the Government has to pay on its borrowings, but also have an impact on projections of the receipts the Government earns on its investments.

As shown in Table 4.6 of *Part 4: Debt Statement*, the Government borrows a large proportion of its debt in medium and long-dated debt. Conversely, many government investments are held in short-dated assets. As such, a steepening of the yield curve affects Government debt more than assets.

Compared to MYEFO projections, a steeper than assumed yield curve results in a small deterioration to the underlying cash balance in the forward estimates, and a net deterioration of around 0.1 percentage points of GDP in 2029-30 (Chart 5.9).

Chart 5.9: Underlying cash balance impacts of higher yields



Note: Excludes expected net Future Fund earnings before 2020-21. Tax receipts are projected to remain below the Government's tax-to-GDP cap of 23.9 per cent over the medium term.
Source: Treasury projections.

Gross debt, as measured by the face value of AGS on issue, increases by 0.6 percentage points of GDP by 2022-23. Gross debt is 0.3 percentage points of GDP higher than the baseline by 2029-30.

The increase in gross debt results in a similar increase in net debt. However, this is offset over the forward estimates by lower market values of AGS from higher yields. As a result, compared to the baseline, net debt decreases by 1.5 percentage points of GDP in 2019-20, and remains 0.6 percentage points of GDP lower by 2022-23. Over the medium term, as the baseline yields converge to their long-run rates, the impact of the yield shock is unwound. The combination of increased gross debt and unwinding the valuation effect results in net debt projections being 0.6 percentage points higher compared to MYEFO by 2029-30.

A flattening of the yield would have broadly opposite effects.

Part 6: Statement of risks

Overview

Full details of fiscal risks, contingent liabilities and contingent assets are provided in Budget Paper No. 1, *Budget Strategy and Outlook 2019-20*. The 2019 Pre-election Economic and Fiscal Outlook (PEFO) noted there were no material changes to fiscal risks, contingent liabilities and assets, or Government loans in the period between the 2019-20 Budget and release of the 2019 PEFO. The following Statement updates fiscal risks, contingent liabilities and contingent assets that have materially changed since the 2019-20 Budget and 2019 PEFO.

The forward estimates of revenue and expenses in the *Mid-Year Economic and Fiscal Outlook 2019-20* (MYEFO) incorporate assumptions and judgments based on the best information available at the time of publication, together with a range of economic assumptions and other forecasts and projections.

To the extent that unanticipated changes in economic circumstances occur, their impact will flow through to government expense and revenue forecasts.

Major taxes such as company and individuals' income taxes fluctuate significantly with economic activity. Capital gains tax is particularly volatile and is affected by both the level of gains in asset markets and the timing of when those gains are realised.

In addition, revenue forecasting relies heavily on the observed historical relationships between the economy, tax bases and tax revenues. Such relationships may shift over time as the economy changes, presenting a further risk to the estimates. Revenue forecasts also incorporate costings for new policies that typically involve a degree of uncertainty.

The estimates and projections of revenue are subject to a number of general risks that can affect taxation collections. These general pressures include failure of the tax system to keep pace with changes in the business environment, tax avoidance, court decisions and Australian Taxation Office rulings, and the outcome of compliance programs. These pressures may result in a shift in the composition of taxation collected from the various tax bases and/or a change in the size of the tax base.

The forward estimates in the MYEFO include the impact of all policy decisions, including those that remain unlegislated. Where legislation is not passed in time to enable commencement of the measure at the anticipated commencement date, the legislation is passed with amendments to the original decision, or is rejected, there is a risk of a variation to the fiscal position outlined in the MYEFO.

Details of fiscal risks, contingent liabilities and contingent assets

New or revised fiscal risks, contingent liabilities and contingent assets with a possible impact on the forward estimates greater than \$20 million in any one year, or \$50 million over the forward estimates period, that have arisen or changed since the 2019-20 Budget and 2019 PEFO are described below and summarised in Table 6.1.

Information on both contingent liabilities and contingent assets is also provided in the annual financial statements of departments, entities and non-budget entities.

Table 6.1: Summary of material changes to the Statement of Risks since 2019-20 Budget and 2019 PEFO^(a)

Fiscal risks		
Agriculture		
Murray Darling Basin Reform — risk assignment		Modified
Foreign Affairs and Trade		
Export Finance Australia — National Interest Account		Modified
Significant but remote contingencies		
Communications and the Arts		
NBN Co Limited — Equity Agreement		Modified
Optus Financial Guarantee		Modified
Telstra Financial Guarantee		Modified
Defence		
Remote contingencies		Modified
Industry, Innovation and Science		
Liability for damages caused by space and certain high power rocket activities		Modified
Treasury		
Financial Claims Scheme		Modified
Guarantee of state and territory borrowing		Modified
Guarantees under the <i>Commonwealth Bank Sale Act 1995</i>		Modified
Reserve Bank of Australia — Guarantee		Modified
Contingent liabilities — unquantifiable		
Defence		
Non-remote contingent liabilities		Modified
Finance		
Australian Government domestic property		Modified
Australian Naval Infrastructure Pty Ltd — Guarantee in favour of Naval Group Australia		Modified
Health		
Medical Indemnity Exceptional Claims Scheme		Modified
Indemnities relating to vaccines		Modified
Home Affairs		
Disaster Recovery		Modified
Industry, Innovation and Science		
Australian Nuclear Science and Technology Organisation — asbestos contamination		Modified

Table 6.1: Summary of material changes to the Statement of Risks since 2019-20 Budget and 2019 PEFO^(a) (continued)

Contingent liabilities — unquantifiable (continued)	
Infrastructure, Transport, Cities and Regional Development	
Aviation rescue and firefighting potential per- and poly-fluoroalkyl substances contamination	Modified
Service Delivery Arrangement Indemnities — External Territories and Jervis Bay Territory	Modified
Social Services	
Welfare Integrity	New
Treasury	
First Home Loan Deposit scheme	New
Contingent assets — unquantifiable	
Defence	
Non-remote contingent assets	Modified
Home Affairs	
Civil penalty proceedings in the Federal Court against the Westpac Banking Corporation	New
Contingent liabilities — quantifiable	
Defence	
Claims against the Department of Defence	Modified
Employment, Skills, Small and Family Business	
ParentsNext program	New
Foreign Affairs and Trade	
Export Finance Australia	Modified
Environment and Energy	
Renewable Energy Target — <i>Renewable Energy (Electricity) Act 2000</i> — refunds of large-scale renewable energy shortfall charges	Removed
Health	
Hosting budget for the FIFA Women's World Cup 2023	New
Infrastructure, Transport, Cities and Regional Development	
Australian Government contribution to the East West Link project	Modified
Prime Minister and Cabinet	
Indigenous Land and Sea Corporation — Debt Guarantee	Modified
Leases for public housing in remote Northern Territory	Removed
Treasury	
Australian Taxation Office — tax disputes	Modified
International financial institutions — uncalled capital subscriptions	Modified
International Monetary Fund	Modified

(a) Risks appearing in Budget Paper No. 1, Budget Strategy and Outlook 2019-20, Statement 8, but not listed in the table above are substantially unchanged.

Fiscal risks

Fiscal risks comprise general developments or specific events that may affect the fiscal outlook. Some developments or events raise the possibility of a fiscal impact. In other cases, the likelihood of a fiscal impact may be reasonably certain, but will not be included in the forward estimates because the timing or magnitude is not known.

Agriculture

Murray Darling Basin Reform — risk assignment

The Australian Government has committed to bridge the gap between the Baseline Diversion Limit (BDL) and the Sustainable Diversion Limits (SDLs) in the Basin Plan through water recovery. On 1 July 2019, the SDLs took effect. The *Water Act 2007* provides a risk assignment framework whereby entitlement holders with reductions in water allocations, or changes in the reliability of water allocations (where the gap has not been bridged and an accredited water resource plan is in place), may be eligible for a payment from the Commonwealth.

The total cost (if any) of the operation of the risk assignment framework is not able to be quantified at this time and remains a fiscal risk until the gap between the BDL and SDLs is fully bridged.

Foreign Affairs and Trade

Export Finance Australia — National Interest Account

The Government's Australian Infrastructure Financing Facility for the Pacific (AIFFP) became operational on 1 July 2019, which will provide up to \$1.5 billion in long-term loans to support high priority infrastructure development in Pacific countries and Timor-Leste. The facility will have no financial implications until drawn on. As at 30 September 2019, there were no loans under the AIFFP.

The Government has also established a Defence Export Facility. The Facility has a maximum aggregate exposure of US\$3.0 billion. The Facility has no financial implications until drawn on. As at 30 September 2019, three loans under the Facility had been agreed for a total maximum value of \$213 million. These are reflected in the Budget estimates.

Significant but remote contingencies

Communications and the Arts

NBN Co Limited — Equity Agreement

The Australian Government has entered into an Equity Funding Agreement with NBN Co Limited (NBN Co). Whilst this agreement ended in June 2019, the Commonwealth retains obligations to meet NBN Co's costs arising from a termination of the roll-out. As at 30 September 2019, NBN Co's termination liabilities were estimated at \$20.1 billion.

Optus Financial Guarantee

The Australian Government has provided a guarantee in respect of NBN Co's financial obligations to Optus Networks Pty Ltd, Optus Internet Pty Limited, Optus Vision Media Pty Limited and SingTel Optus Pty Ltd (collectively, Optus) under the Optus HFC Subscriber Agreement (the Agreement). An amended version of the Agreement came

into effect on 22 January 2019. The Guarantee continues to apply to that Agreement. The Agreement extends for the period of the National Broadband Network roll-out in Optus Hybrid Fibre Coaxial areas. The Australian Government is only liable in the event NBN Co does not pay an amount when due under the Optus Agreement. As at 30 September 2019, NBN Co had generated liabilities covered by the Optus Agreement which are estimated at an amount less than \$260.0 million. There is a low risk that a claim would be made under the Guarantee. The Guarantee will terminate in 2021.

Telstra Financial Guarantee

The Australian Government has provided to Telstra Corporation Limited (Telstra) a guarantee in respect of NBN Co's financial obligations under the Definitive Agreements. The Agreements were amended on 14 December 2014. The Guarantee was not amended at that time and it continues in force in accordance with its terms in respect of the amended Definitive Agreements. The liabilities under the Definitive Agreements between Telstra and NBN Co arise progressively during the roll-out of the National Broadband Network as Telstra's infrastructure is accessed and Telstra's customers are disconnected from its copper and Hybrid Fibre Coaxial cable networks. The Australian Government is only liable in the event NBN Co does not pay an amount when due under the Definitive Agreements. As at 30 September 2019, NBN Co had generated liabilities covered by the Guarantee estimated at \$10.5 billion. The Guarantee will terminate when NBN Co achieves specified credit ratings for a period of two continuous years and either:

- the company is capitalised by the Commonwealth to the agreed amount or
- the Minister for Communications declares, under the *National Broadband Network Companies Act 2011*, that, in his or her opinion, the National Broadband Network should be treated as built and fully operational.

Defence

Remote contingencies

As at 30 June 2019, the Department of Defence carried 1,409 instances of quantifiable remote contingent liabilities valued at \$5.3 billion and 134 instances of unquantifiable remote contingent liabilities.

These significant remote contingent liabilities are restricted in nature and details are not given due to reasons of commercial in confidence and/or national security.

Industry, Innovation and Science

Liability for damages caused by space and certain high power rocket activities

Under the United Nations Convention on International Liability for Damage Caused by Space Objects, the Australian Government may be liable to pay compensation for damage caused to nationals of other countries by space objects launched from, or by, Australia or Australian nationals. For activities approved under the *Space (Launches and*

Part 6: Statement of risks

Returns) Act 2018 (the Act), the Government also accepts liability for damage suffered by Australian nationals, to a maximum value of \$3 billion above an insured level.

To address this risk, in order to have a space or high power rocket activity approved under the Act, the responsible party is required to insure against, or take financial responsibility for, damage to third parties. The amount of insurance or financial responsibility is capped at \$100 million. The Act provides for amounts lower than \$100 million depending on the risk profile of the activity. A maximum probable loss methodology is also available to calculate the amount of insurance or financial responsibility.

Treasury

Financial Claims Scheme

The Financial Claims Scheme provides depositors of authorised deposit-taking institutions (ADIs) and claimants of general insurers with timely access to their funds in the event of a financial institution failure.

Under the *Banking Act 1959*, the scheme provides a mechanism for making payments to depositors under the Australian Government's guarantee of deposits in ADIs. Payments are capped at \$250,000 per account holder per ADI. It is estimated that deposits eligible for coverage under the Financial Claims Scheme will be \$930 billion by 31 December 2019, compared to an estimated \$920 billion at 30 June 2019. This reflects overall deposit growth in the financial system.

Under the *Insurance Act 1973*, the scheme provides a mechanism for making payments to eligible beneficiaries with a valid claim against a failed general insurer. It is not possible to estimate the amounts of any eventual payments that may be required in relation to general insurance claims.

In the very unlikely event of an ADI or general insurer failure, any payments made under the Financial Claims Scheme would be recovered through the liquidation of the failed institution. If there was a shortfall in the amount recovered through the liquidation of the failed institution, a levy could be applied to the relevant industry to recover the difference between the amount expended and the amount recovered in the liquidation.

The Australian Prudential Regulation Authority (APRA) is responsible for administration of the Financial Claims Scheme. Under the Financial Claims Scheme, any payments to account holders with eligible protected accounts or eligible claimants would be made from APRA's Financial Claims Scheme Special Account. Under the legislation, upon activation, up to \$20 billion per institution would be available to meet Financial Claims Scheme payments and up to \$100 million for administration costs per institution.

Guarantee of state and territory borrowing

The Australian Government announced on 25 March 2009 that a voluntary, temporary guarantee would be put in place over state and territory borrowing. The Guarantee of state and territory borrowing commenced on 24 July 2009 and closed on 31 December 2010. New South Wales and Queensland were the only states who chose to participate in the Guarantee.

Securities covered by the Guarantee will continue to be guaranteed until these securities either mature or are bought back and extinguished by the issuer.

The expected liability under the Guarantee is remote and unquantifiable. Australian Government expenditure would arise under the Guarantee only in the unlikely event that a state failed to meet its obligations with respect to a commitment that was subject to the Guarantee and the Guarantee was called upon. In such a case, the Government would likely be able to recover any such expenditure through a claim on the relevant state at a future date. The impact on the Government's budget would depend upon the extent of the default and the state's ability to meet the Government's claim.

As at 31 October 2019, the face value of state and territory borrowings covered by the Guarantee was \$1.4 billion, down from \$3.5 billion at 31 January 2019.

Guarantees under the *Commonwealth Bank Sale Act 1995*

Under the terms of the *Commonwealth Bank Sale Act 1995*, the Australian Government has guaranteed various superannuation and other liabilities: \$148.1 million is attributable to liabilities of the Commonwealth Bank of Australia, as at 30 September 2019; and \$4.8 billion is attributable to liabilities of the Commonwealth Bank Officers' Superannuation Corporation, as at 30 September 2019.

Reserve Bank of Australia — Guarantee

The Australian Government guarantees the liabilities of the Reserve Bank of Australia, measured as the Bank's total liabilities excluding capital, reserves, and Australian Government deposits. The major component of the Bank's liabilities is Australian banknotes on issue. As at 9 October 2019, banknotes on issue amount to \$81.2 billion, and the total Guarantee is \$118.3 billion.

Contingent liabilities — unquantifiable

Defence

Non-remote contingent liabilities

The Department of Defence has one instance of an unquantifiable non-remote contingent liability. There is potential for claims to arise from legacy contamination at various Defence locations.

Finance

Australian Government domestic property

The Australian Government's domestic property portfolio managed by the Department of Finance has approximately 75 properties. This number has reduced from approximately 80 reported at the 2019-20 Budget due to the ongoing implementation of the measure *Smaller Government – Surplus Commonwealth Properties – divestment*. A small number of properties have had potential remediation issues identified, which are currently the subject of further investigation. Except for the properties at Lucas Heights, New South Wales and Cox Peninsula, Northern Territory, none of the remaining properties with potential remediation issues has had a provision recognised, as neither the conditions for legal nor constructive obligations have been met, nor is a reliable estimate of the obligation currently possible.

Australian Naval Infrastructure Pty Ltd — Guarantee in favour of Naval Group Australia

Under the commercial arrangements in respect of the Future Submarine Program and the Submarine Construction Yard, Australian Naval Infrastructure Pty Ltd (ANI) is responsible for the construction of a purpose built Submarine Construction Yard and providing access to the yard to Naval Group Australia and Naval Group S.A. (Société Anonyme). As part of these commercial arrangements, the Australian Government has entered into a Deed of Guarantee and Indemnity with Naval Group Australia Pty Limited and Naval Group S.A., whereby the Australian Government has agreed to provide a guarantee in respect of ANI's financial obligations under the Submarine Construction Yard Access arrangements with Naval Group Australia and Naval Group S.A.

Health

Medical Indemnity Exceptional Claims Scheme

Under the Medical Indemnity Exceptional Claims Scheme, the Australian Government assumes liability for 100 per cent of any damages payable against practitioners practising in a medical profession that exceeds a specified level of cover provided by the practitioner's medical indemnity insurer (currently \$20 million). In 2019, the Government agreed to expand eligibility of the Scheme through an amendment to the Midwife Professional Indemnity (Commonwealth Contribution) Scheme Rules 2010 (MPIS) to provide cover for employed private practising midwives who are not eligible for cover under the MPIS. These arrangements apply to payouts either related to a single large claim or to multiple claims that in aggregate exceed the cover provided by the practitioner's medical indemnity insurer, and would apply to claims notified under contract-based cover since 2003. From 1 July 2020, the Medical and Midwife Indemnity Legislation Amendment Bill 2019 provides eligibility for this cohort of midwives under the Allied Health High Cost Claims Scheme and Allied Health Exceptional Claims Scheme within the *Medical Indemnity Act 2002*.

Indemnities relating to vaccines

The Australian Government has provided an indemnity to a manufacturer of smallpox vaccine held by the Australian Government, covering possible adverse events that could result from the use of the vaccine in an emergency situation. Indemnities have also been provided to a particular manufacturer of pandemic and pre-pandemic influenza vaccines for the supply or future supply of influenza vaccines under certain conditions (including H1N1 and H5N1).

Home Affairs

Disaster Recovery

The Australian Government provides funding to states and territories through the Australian Government Cost Sharing Arrangements (Natural Disaster Relief and Recovery Arrangements (NDRRA) and the Disaster Recovery Funding Arrangements (DRFA) 2018) to assist with natural disaster relief and recovery costs. A state or territory may claim NDRRA/DRFA funding if a natural disaster occurs and state or territory relief and recovery expenditure for that event meets the requirements set out in the arrangements. For major disasters, the Australian Government may approve payments to individuals under the *Social Security Act 1991*. These include the Australian Government Disaster Recovery Payment and Disaster Recovery Allowance. As disasters, and their impacts, are unpredictable the cost relating to these payments from future disasters is unquantifiable and therefore not included in the forward estimates.

The current forward estimates for the NDRRA/DRFA include preliminary estimates for past events, based on the best information available at the time of preparation. Preliminary estimates of the cost of a disaster and the timing of expenditure are subject to change. The total cost of relief and recovery from these past events may not be completely realised for some years. Estimates of the Commonwealth's share of the costs of restoration or replacement of essential public assets stemming from the recent bushfires, notably in northern New South Wales and southern Queensland, were not available at the time of preparation and have not been included in the MYEFO estimates.

The Government also maintains an Emergency Response Fund (ERF) to provide additional resourcing to assist with the preparation for, and response to, natural disasters. Reflecting the unpredictability of natural disasters the cost of any payments from the ERF are unquantifiable and not included in the Budget estimates.

Industry, Innovation and Science

Australian Nuclear Science and Technology Organisation — asbestos contamination

The Australian Nuclear Science and Technology Organisation (ANSTO) site contains asbestos in a number of buildings and in the soil at the Lucas Heights campus. Although there is potential for claims being made in relation to asbestos related diseases, the potential costs have not been assessed and are unquantifiable contingencies.

Infrastructure, Transport, Cities and Regional Development

Aviation rescue and firefighting potential per- and poly-fluoroalkyl substances contamination

The Department of Infrastructure, Transport, Cities and Regional Development (the Department) has identified a number of sites in Australia potentially contaminated with per- and poly-fluoroalkyl substances (PFAS) previously contained in firefighting foams.

The identified contaminants do not naturally break down in the environment. According to the Environmental Health Standing Committee (enHealth), a joint Commonwealth-state standing committee of the Australian Health Protection Principal Committee (AHPPC), which reports to the Australian Health Ministers Advisory Council (AHMAC), there is currently no consistent evidence that exposure to PFAS causes adverse human health effects. Airservices Australia (Airservices) is implementing a national PFAS management program, which includes PFAS investigations at 20 airport sites. The costs of potential long-term management options cannot be quantified at this time. Up to 37 airport sites are potentially contaminated with PFAS (20 federally leased airports and 17 regional airports).

For federally leased airports, Airport Lessee Companies are responsible for environmental management of their airport sites. Airport leases indemnify the Commonwealth in relation to damages or injury to the environment. Liability has not yet been established for costs arising from PFAS contamination. Currently, there are three class actions against the Commonwealth seeking damages over the use of historical PFAS-containing firefighting foam by the Department of Defence at Williamstown, Oakey and Katherine (Tindal), with potential implications for the Department and Airservices. Brisbane Airport Corporation has also commenced legal proceedings in the Queensland Supreme Court against Airservices in relation to legacy PFAS contamination from Airservices' firefighting activities at the airport.

Service Delivery Arrangement Indemnities — External Territories and Jervis Bay Territory

Since 1992, the Australian Government has been entering into Service Delivery Arrangements with the Western Australian (WA) Government for the provision of services to the Indian Ocean Territories of Christmas Island and the Cocos (Keeling) Islands. The Australian Government has provided certain indemnities for the WA Government, their respective officers, agents, contractors and employees against civil claims relating to their employment and conduct as officers.

From 1 July 2016, the New South Wales (NSW) Government has provided a range of services to the Norfolk Island community through a Heads of Agreement. The NSW Government also provides rural fire services to the Jervis Bay Territory under a Service Delivery Agreement. The Australian Government provides certain indemnities for the State of NSW and NSW authorities and officials in respect of the delivery of services to Norfolk Island and the Jervis Bay Territory.

The Australian Capital Territory (ACT) provides a number of services to the Jervis Bay Territory under Memoranda of Understanding. The Australian Government has provided certain indemnities for the ACT Government authorities and officials in respect of the delivery of services to the Jervis Bay Territory.

The likelihood of an event occurring that may result in a liability for the Australian Government has been assessed as remote and the risks are currently mitigated through the training and professional qualifications of the staff of these agencies.

Social Services

Welfare Integrity

The Australian Government announced on 19 November 2019, a refinement to the Income Compliance Programme. Current and former income support recipients who have had an income compliance review (or part of a review), where a debt has been determined and this is based solely on averaging of ATO income data, are being identified. A subset of debts which have been raised to date under the Programme are in-scope for reassessment. The effect on the identified debt, total value and return or recovery will not be quantifiable until reassessments are completed.

Treasury

First Home Loan Deposit Scheme

The First Home Loan Deposit Scheme will commence on 1 January 2020. The Australian Government guarantees the liabilities under the First Home Loan Deposit Scheme (the Scheme) as they arise. Guarantee liabilities arise under the Scheme where a lender's loss is covered by the guarantee, the lender makes a claim against the guarantee and the National Housing Finance and Investment Corporation (NHFIC) accepts the claim.

Because liabilities under the Scheme are met by a standing appropriation, the NHFIC is not required to maintain capital and reserves to meet these liabilities.

Contingent assets — unquantifiable

Defence

Non-remote contingent assets

As at 30 June 2019, the Department of Defence had two instances of unquantifiable non-remote contingent assets.

Home Affairs

Civil penalty proceedings in the Federal Court against Westpac Banking Corporation

On 20 November 2019, AUSTRAC applied to the Federal Court of Australia for civil penalty orders against Westpac Banking Corporation (Westpac) for systemic non-compliance with the *Anti-Money Laundering and Counter-Terrorism*

Part 6: Statement of risks

Financing Act 2006 (AML/CTF Act). AUSTRAC alleges Westpac contravened the AML/CTF Act on over 23 million occasions. The outcome of this matter is unknown, including the quantum of any penalty that may be imposed by the Court.

Contingent liabilities — quantifiable

Defence

Claims against the Department of Defence

The Department of Defence (Defence) has nine instances of non-remote, quantifiable contingent liabilities in respect of claims on Defence valued at \$67.5 million. The estimated figure is determined by conducting an objective analysis of the probable amount payable for all matters managed by firms engaged by Defence through the Attorney-General's Whole of Australian Government Legal Services Panel and those being handled in-house by Defence Legal Division. However, the exact amount payable under those claims is uncertain. Defence is defending the claims or is trying to resolve them by recourse to alternative dispute resolution measures.

Employment, Skills, Small and Family Business

ParentsNext program

ParentsNext supports parents to identify their education and employment related goals, to build their work readiness and plan and prepare for employment by the time their youngest child starts school.

Under the program, providers accumulate one-off credits, which accrue to their provider's Participation Fund on commencement of an intensive stream participant.

Currently providers are forecast to spend less than the value of the available credits, creating an accumulating surplus of credits that present a contingent liability.

The current outstanding credits accumulated from years prior to 2019-20 represent a contingent liability for the Budget.

Foreign Affairs and Trade

Export Finance Australia

The Australian Government guarantees the due payment of money that is, or may at any time, become payable by the Export Finance Australia (previously known as EFIC) to anybody other than the Government. This year, the Government has agreed to increase Export Finance Australia's callable capital by \$1.0 billion to \$1.2 billion and has granted it a new overseas infrastructure financing power. The callable capital facility is available to Export Finance Australia, on request, to cover liabilities, losses and claims. As at 30 September 2019, the Government's total contingent liability was \$3.5 billion. The \$3.5 billion contingent liability comprises Export Finance Australia's liabilities to third parties (\$2.8 billion) and Export Finance Australia's overseas investment

insurance, contracts of insurance and guarantees (\$0.6 billion). Of the total contingent liability, \$3.0 billion relates to Export Finance Australia's Commercial Account and \$0.4 billion relates to the National Interest Account.

Health

Hosting budget for the FIFA Women's World Cup 2023

Football Federation Australia and New Zealand Football are jointly bidding to host the FIFA Women's World Cup 2023. Should the bid be successful, the Australian Government has committed direct funding to support the delivery of the event in Australia. The funding is not required if the bid is unsuccessful.

Infrastructure, Transport, Cities and Regional Development

Australian Government contribution to the East West Link project

The Australian Government remains committed to the construction of East West Link, despite the decision of the Victorian Government not to proceed with the project.

To this end, the Australian Government will provide \$4 billion to the first Victorian Government willing to build the East West Link and is therefore recording this commitment as a contingent liability in the Budget.

Prime Minister and Cabinet

Indigenous Land and Sea Corporation — Debt Guarantee

The Indigenous Land and Sea Corporation (ILSC) provides a guarantee to a major bank that has provided a \$120 million facility to its wholly-owned subsidiary, Voyages Indigenous Tourism Australia Pty Ltd. As at 30 June 2020, the outstanding balance of the facility is expected to be \$102.5 million.

Treasury

Australian Taxation Office — tax disputes

At any point in time the Australian Taxation Office is involved in a range of dispute resolution processes, including litigation, relating to tax disputes.

Details of the outcome of dispute resolution processes are uncertain until a court ruling is made and/or an agreement is reached with the taxpayer. As a result, in most cases it is not possible to estimate with any reliability the likely financial impact of current disputes. The estimated aggregate value of tax in dispute as at 31 October 2019, for which a provision has not been made, is \$5.5 billion.

Outcomes of dispute resolution processes are included in the Commissioner of Taxation's Annual Report each year. This may include disputes resolved through objections, settlements and court and tribunal decisions. It may also include amounts owed by taxpayers that are subject to dispute but not finalised.

International financial institutions — uncalled capital subscriptions

The Australian Government has held an uncalled capital subscription in the International Bank for Reconstruction and Development (IBRD) since 1947. In 2018, the Australian Government agreed to participate in a capital increase package which will increase the uncalled capital subscription by around US\$0.8 billion (estimated value A\$1.2 billion as at 24 October 2019). Subject to enabling legislation being passed by Parliament, Australia's uncalled capital subscription to the IBRD totals around US\$4.4 billion (estimated value A\$6.4 billion as at 24 October 2019).

The Australian Government has also held an uncalled capital subscription in the European Bank for Reconstruction and Development (EBRD) since 1991. Australia's uncalled capital subscription to the EBRD totals around EUR237.5 million (estimated value A\$386.6 million as at 24 October 2019).

The Australian Government has further held an uncalled capital subscription in the Asian Development Bank (ADB) since 1966. Australia's uncalled capital subscription to the ADB totals around US\$7.0 billion (estimated value A\$10.3 billion as at 24 October 2019).

The Australian Government has further held an uncalled capital subscription in the Multilateral Investment Guarantee Agency of US\$26.5 million (estimated value A\$38.7 million as at 24 October 2019).

The Asian Infrastructure Investment Bank (AIIB) was established on 25 December 2015. The Australian Government has subscribed to shares in the AIIB, which includes an uncalled capital subscription. Australia's uncalled capital subscription to the AIIB totals around US\$3.0 billion (estimated value A\$4.3 billion as at 24 October 2019).

None of these international financial institutions has ever drawn on Australia's uncalled capital subscriptions.

International Monetary Fund

Australia has made a line of credit available to the International Monetary Fund (IMF) under its New Arrangements to Borrow (NAB) since 1998. This is a contingent loan to help ensure that the IMF has the resources available to maintain stability in the global economy. The value of Australia's NAB credit arrangement now stands at Special Drawing Rights (SDR, the IMF's unit of account) of around SDR2.2 billion (estimated value A\$4.5 billion at 24 October 2019). On 4 November 2016, the IMF Executive Board agreed to renew the NAB for an additional five-year period to 16 November 2022.

In addition, Australia has made available a SDR4.61 billion (approximately A\$9.3 billion at 24 October 2019) contingent bilateral loan to the IMF, known as a Bilateral Borrowing Agreement. This contingent bilateral loan is on terms consistent with other bilateral loans and note purchase agreements between the IMF and other contributing countries. The contingent bilateral loan will be drawn upon by the IMF only if needed to

supplement the IMF's quota and NAB resources and any drawings on loans would be repaid in full with interest. On 24 July 2019, the Treasurer agreed to a one-year extension of Australia's contingent loan to the IMF through to 31 December 2020.

Government loans

Loans are recorded as financial assets and accordingly the amounts advanced and repaid do not normally affect the budget aggregates of fiscal balance and underlying cash balance. Loans that are concessional (lower than market interest rate) or are agreed to be written off may result in an impact on the fiscal balance in some circumstances.

The Government makes loans for policy purposes. All loans contain some element of credit risk that they will not be repaid in full, although in many cases this risk is small. Table 6.2 summarises Government loans estimated to exceed \$200 million at 30 June 2020 and that have materially changed since the 2019-20 Budget.

Table 6.2: Summary of material changes to Australian Government loans exceeding \$200 million since the 2019-20 Budget and 2019 PEFO^(a)

Entity	Loan amount ^(a) (\$m)	Borrower	Interest rate	Term	Status
Department of Education					
Higher Education Loan and VET Student Loans Programs ^(b)	53,446	Eligible tertiary education students	Consumer Price Index (CPI)	9.2 years	Modified
Department of Communications and the Arts					
NBN Co Loan	19,196	NBN Co Limited	3.96 per cent p.a.	30 June 2024	Modified
Department of Infrastructure, Transport, Cities and Regional Development					
WestConnex Stage 2 Concessional Loan	1,703	WCX M5 Finco Pty Ltd	3.36 per cent	November 2015 to July 2034	Modified
Concessional Loan for Asbestos Removal in the ACT — Mr Fluffy Loose Fill Asbestos Remediation ^(c)	N/A	Australian Capital Territory Government	Australian Government 10-year bond rate	Up to 30 June 2024	Removed
Treasury					
Commonwealth-State financing arrangements — Housing and Specific Purpose Capital	1,492	New South Wales, Queensland, South Australian, Northern Territory and Western Australian Governments	4.0 per cent – 6.0 per cent	Up to 30 June 2042	Modified
International Monetary Fund — New Arrangements to Borrow	280	International Monetary Fund	0.81 per cent	10 years	Modified
Department of Employment, Skills, Small and Family Business					
Trade Support Loans Program	763	Eligible Australian Apprentices	CPI	To be determined	Modified

Table 6.2: Summary of material changes to Australian Government loans exceeding \$200 million since the 2019-20 Budget and 2019 PEFO^(a) (continued)

Entity	Loan amount ^(a) (\$m)	Borrower	Interest rate	Term	Status
Department of Agriculture					
Drought related and farm finance concessional loans — Agriculture	536	State Governments (that, through their delivery agencies, on-lend to eligible farm businesses)	Various	Various	Modified
Farm Investment Loans, Drought Loans and AgRebuild	402	Eligible Australian farm businesses and related small businesses, via Regional Investment Corporation	3.11 per cent	Up to 10 years	Modified
Department of Social Services					
Student Financial Supplement Scheme	355	Eligible recipients of Youth Allowance (student), Austudy and ABSTUDY recipients	CPI	Various	Modified
Student Start up Loan	326	Eligible Youth Allowance (student), Austudy and ABSTUDY Living Allowance recipients	CPI	Various	Modified

(a) Loan amount is the estimated loan program amounts outstanding as at 30 June 2020 in \$ million.

(b) Following Machinery of Government changes in May and August of 2019, responsibility for the VET Student Loans and VET FEE HELP elements of this loan item rest with the Department of Employment, Skills, Small and Family Business.

(c) On 1 November 2019, the ACT Government has repaid the remaining balance and interest owed to the Australian Government.

Higher Education Loan Program and VET Student Loans Program

The Higher Education Loan Program (HELP) and the VET Student Loans (VSL) program are income-contingent loan programs that assist eligible tertiary education students with the cost of their fees. As at 30 June 2019, the fair value of debt outstanding is estimated to be \$50.3 billion. The fair value takes into account the concessionality of HELP loans and makes an allowance for debt not expected to be repaid.

Debts outstanding for more than 11 months are indexed annually using the Consumer Price Index. The Australian Taxation Office collects repayment of these debts through the tax system. Repayment of debts commence when an individual debtor's income reaches the repayment threshold.

There were 2,972,032 HELP debtors as at 30 June 2019. The repayment term of a HELP debt can only be determined for people who have fully repaid their debt. As at the end of June 2019, the average time taken to repay HELP debts was 9.2 years.

HELP comprises a number of programs, including HECS-HELP, FEE-HELP, OS-HELP, SA-HELP and VET FEE-HELP. Responsibility for the VSL program and VET FEE-HELP transferred to the Department of Employment, Skills, Small and Family Business following Machinery of Government changes in May and August 2019.

NBN Co Loan

The Australian Government has provided a loan to NBN Co on commercial terms of up to \$19.5 billion, with drawings available on a monthly basis. The loan was established in December 2016 and must be repaid in full by 30 June 2024. The loan has a fixed interest rate of 3.96 per cent per annum, with interest payable monthly over the life of the facility.

WestConnex Stage 2 Concessional Loan

The WestConnex concessional loan is a \$2 billion loan facility provided to deliver WestConnex Stage 2. The concessional loan enabled Stage 2 to be brought forward, allowing Stages 1 and 2 to proceed in parallel. This resulted in significant time savings, compared to the original approach where these stages progressed in sequence.

WestConnex Stage 2 includes the King Georges Road Interchange Upgrade (completed in 2016) and construction of new twin tunnels from Kingsgrove to a new St Peters interchange, providing motorway connections to Alexandria and Mascot, the future Sydney Gateway and the M4-M5 Link. Stage 2 is due for completion in late May 2020.

The concessional loan agreement requires that the loan be repaid between September 2029 and July 2034.

Commonwealth-State financing arrangements — Housing and Specific Purpose Capital

From 1945 to 1989, the Australian Government made concessional advances to the state and Northern Territory Governments under Commonwealth-State financing arrangements for housing and for specific purpose capital. The advances were concessional fixed-rate loans to be repaid over 53 years, with the last loans maturing in 2042. Annual payments, comprising both interest and principal repayment, are made to the Commonwealth Government. As at 30 June 2020, the estimated amortised value of the advances is \$1.492 billion (and principal value of \$1.646 billion).

The Australian Office of Financial Management manages the receipt of interest and principal repayments from the state and Northern Territory Governments to the Commonwealth Government.

International Monetary Fund — New Arrangements to Borrow

Australia has made a line of credit available to the International Monetary Fund (IMF) under its New Arrangements to Borrow (NAB) since 1998. On 4 November 2016, the IMF Executive Board agreed to renew the NAB for an additional five-year period to 16 November 2022. The NAB helps ensure that the IMF has the resources available to maintain stability and support recovery in the global economy. NAB funds are drawn upon by the IMF as needed to supplement the IMF's usual quota resources and will be repaid in full with interest. It is expected that the fair value of loans outstanding to Australia will be approximately A\$280.0 million as at 30 June 2020.

Trade Support Loans Program

The Trade Support Loans Program is an income-contingent, concessional loan program that assists eligible Australian Apprentices by providing financial support of up to \$21,078 to assist with the costs of living, learning and undertaking an apprenticeship, and helping apprentices to focus on completing a trade qualification.

Eligible Australian Apprentices can access up to \$8,431 in the first year, \$6,324 in the second, \$4,216 in the third and \$2,108 in the fourth year of their apprenticeships. The lifetime limit of \$21,078 was indexed on 1 July 2019 and will continue to be indexed annually on 1 July to maintain its real value.

As an incentive to finish their training, apprentices who successfully complete their apprenticeships are eligible for a 20 per cent discount on their loan. The loans become repayable at the same thresholds as the Higher Education Loan Program, which is \$45,880 for the 2019-20 income year. This is a demand-driven program.

Drought related and farm finance concessional loans — Agriculture

As at 30 June 2019, the fair value of farm business, drought and dairy farm related loans is estimated to total \$535.9 million. These include:

Part 6: Statement of risks

Drought Concessional Loans Scheme: This scheme provided loans to drought-affected farm businesses for debt restructuring, operating expenses and drought recovery and preparedness activities. The scheme commenced in June 2014 as a loans scheme available for two years and operated in Queensland, Victoria, New South Wales, South Australia, Western Australia, Tasmania and the Northern Territory. The Government extended the application period until 31 October 2016 to cover the period until the new 10-year Farm Business Concessional Loans Scheme was able to commence on 1 November 2016. The Government also extended the Western Australian application period for the Drought Concessional Loans Scheme until 30 June 2017.

As at 1 August 2019, the interest rate is 2.69 per cent, reviewed on a six-monthly basis and revised in accordance with material changes in the five-year Commonwealth bond rate. Loans have a maximum term of five years, with an extenuating circumstances clause in some jurisdictions, which allows a maximum two-year extension to the loan at commercial rates.

Drought Recovery and Dairy Recovery Concessional Loans Scheme(s): The drought recovery component of this scheme provided loans to farm businesses affected by unprecedented drought or, where applicable, Queensland farm businesses directly impacted by the combined effects of drought and the mid-2011 disruption to live cattle exports to Indonesia. The loans funded planting and restocking activities and associated expenses, when seasonal conditions allowed. The loans were available from January 2015, and in 2014-15, operated in Queensland and New South Wales. In 2015-16, drought recovery concessional loans were available in Queensland, New South Wales, South Australia and Tasmania.

The dairy recovery component of this scheme provided concessional loans to dairy farm businesses affected by the 2016 reduction in farm gate milk prices by Murray Goulburn, Fonterra and National Dairy Products. Loans were available for debt restructuring, providing new debt for operating expenses or productivity enhancement activities, or a combination of these purposes. Dairy recovery concessional loans became available in Victoria, New South Wales, South Australia and Tasmania from June 2016. Applications closed on 31 October 2016. A dairy recovery concessional loan product was available under the Farm Business Concessional Loans Scheme until 30 June 2018.

As at 1 August 2019, the interest rate is 2.23 per cent, reviewed on a six-monthly basis and revised in accordance with changes in the 10-year Australian Government bond rate. Loans have a maximum term of 10 years with interest-only payments required for the first five years. Principal and interest repayments will be made in the remaining five years of the loan term.

Farm Business Concessional Loans Scheme: This scheme provided three types of concessional loans – drought assistance, dairy recovery and business improvement. This scheme was designed to cover a farmer's short-term needs when income was tight and to supplement, rather than replace, commercial finance. Loans under the scheme

were first available in November 2016. Applications for loans under the scheme closed on 30 June 2018.

Drought assistance concessional loans were available in Queensland, New South Wales, Victoria, South Australia, Tasmania and the Northern Territory. Loans were available for debt restructuring, operating expenses, drought preparedness activities or drought-recovery activities or a combination of these purposes.

Business improvement concessional loans were available in Queensland, New South Wales, Victoria, South Australia, Tasmania and the Northern Territory. Loans were available for eligible Farm Household Allowance (FHA) recipients who were recovering from financial hardship and had exhausted, or would exhaust their FHA 1,095-day income support entitlement, by 30 June 2018. These loans were for debt restructuring only.

Dairy recovery concessional loans were available in New South Wales, Victoria, South Australia and Tasmania to eligible suppliers of Murray Goulburn, Fonterra and National Dairy Products. Loans were available for debt restructuring, providing new debt for operating expenses, productivity enhancement activities or a combination of these purposes.

As at 1 August 2019, the interest rate is 2.63 per cent, reviewed on a six-monthly basis and revised in accordance with changes in the 10-year Australian Government bond rate. Loans have a maximum term of 10 years.

Farm Finance Concessional Loans Scheme: This scheme provided concessional loans to eligible farm businesses experiencing financial difficulties that were considered commercially viable in the long term, and were for productivity enhancements and debt restructuring. Applications for Farm Finance Concessional Loans closed on 30 June 2015.

As at 1 August 2019, the interest rate is 3.19 per cent, reviewed on a six-monthly basis and revised in accordance with material changes in the five-year Commonwealth bond rate. Loans have a maximum term of five years, with an extenuating circumstances clause in some jurisdictions, which allows a maximum two-year extension to the loan, on commercial terms.

Farm Investment Loans, Drought Loans and AgRebuild

The Regional Investment Corporation commenced operations on 1 July 2018.

There are three loan products currently available – farm investment loans, drought loans and AgRebuild loans (North Queensland flood). A further two products will become available shortly – Agristarter loans and Small Business Drought Loans.

All loan products provide concessional loans to eligible businesses that are experiencing financial difficulties and are considered financially viable in the long term (additional criteria apply for each product and terms and conditions may vary). All products are for farm businesses, with the exception of the Small Business Drought Loans which will be

Part 6: Statement of risks

specifically for those small businesses that provide primary production related goods and services for drought affected farm businesses.

As at 1 August 2019, the variable interest rate is 3.11 per cent. Interest rates are revised on a six monthly basis in line with any material changes to the Australian Government 10-year bond rate, where a material change is taken to be a movement of more than 10 basis points (0.1 per cent). Interest is not payable during the first two years of the AgRebuild Loan, the Small Business Drought Loan and (from November 2019) the drought loans.

Loans have a maximum term of 10 years.

Student Financial Supplement Scheme

The Student Financial Supplement Scheme (SFSS) was a program under which student income support recipients could trade one dollar of entitlement for two dollars provided as an income contingent loan. The program closed for new recipients on 1 January 2004. The outstanding debt relates to debtors who received loans prior to 2004. From 1 July 2019, the recovery of SFSS debts was modified such that:

- SFSS debt is recovered once Higher Education Contribution Scheme (HECS) and Higher Education Loan Program (HELP) debt is fully repaid. Previously, SFSS debts were recovered concurrently with HECS/HELP debt.
- The income thresholds and repayment percentages for SFSS were aligned with the HECS/HELP income thresholds.

Debtors are required to start repaying their SFSS loan once they earn \$45,881 for 2019-20. As at 30 June 2020, the fair value of loans outstanding is estimated to total \$355.2 million. The increase from June 2019 is due to more debtors being eligible to repay due to the lowering of the minimum income threshold and a higher repayment percentage.

Student Start-up Loan

The Student Start-up Loan (SSL) is a voluntary income contingent loan for student payment (Youth Allowance (student), Austudy and ABSTUDY Living Allowance) recipients undertaking higher education. Introduced on 1 January 2016, the SSL is paid a maximum of twice a year and each SSL payment is valued at \$1,077 (in 2019). The SSL is repayable under similar arrangements to Higher Education Loan Program (HELP) debts. Students are required to start repaying their SSL once they earn \$45,881 for 2019-20 and only after they have repaid their HELP debt. When it commenced, the SSL was initially for new student payment recipients undertaking higher education. From 1 July 2017, with the closure of the Student Start-up Scholarship, the SSL has become available to all eligible student payment recipients undertaking higher education. As at 30 June 2020, the fair value of the Student Start-up Loan is estimated to be \$325.6 million.

Part 7: Australian Government Budget 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) sector. The financial statements comply with both the 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 the 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
- 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 statements reflect the Government's policy that the ABS GFS remains the basis of budget accounting policy, except where AAS is applied because it provides a better conceptual basis for presenting information of relevance to users of public sector financial reports.

The Australian, state and territory governments have an agreed framework – the Uniform Presentation Framework (UPF) – for the presentation of government financial information on a basis broadly consistent with the Australian Accounting Standard AASB 1049. The financial statements are consistent with the requirements of the UPF.

Australian Government Financial Statements

Table 7.1: Australian Government general government sector operating statement

	Note	Estimates		Projections	
		2019-20 \$m	2020-21 \$m	2021-22 \$m	2022-23 \$m
Revenue					
Taxation revenue	3	472,815	490,036	514,392	528,932
Sales of goods and services	4	14,980	16,291	17,512	18,047
Interest income	5	5,247	6,240	6,557	6,993
Dividend income	5	6,383	5,521	5,697	5,738
Other	6	11,723	9,180	7,503	7,485
Total revenue		511,148	527,267	551,662	567,195
Expenses					
Gross operating expenses					
Wages and salaries(a)	7	21,366	21,350	21,542	21,697
Superannuation	7	12,357	5,960	6,024	6,034
Depreciation and amortisation(b)	8	11,446	11,699	11,736	12,320
Supply of goods and services(b)	9	124,029	127,439	134,013	140,437
Other operating expenses(a)	7	7,236	6,898	7,032	7,144
<i>Total gross operating expenses</i>		<i>176,434</i>	<i>173,346</i>	<i>180,347</i>	<i>187,631</i>
Superannuation interest expense	7	7,715	11,466	11,797	12,122
Interest expenses(b)	10	18,215	17,436	16,490	16,066
Current transfers					
Current grants	11	149,813	155,596	160,038	166,030
Subsidy expenses		12,136	13,051	13,512	14,154
Personal benefits	12	128,282	132,042	138,332	146,376
<i>Total current transfers</i>		<i>290,232</i>	<i>300,689</i>	<i>311,883</i>	<i>326,559</i>
Capital transfers					
Mutually agreed write-downs		1,416	1,315	1,406	1,531
Other capital grants		9,168	10,871	11,911	11,679
<i>Total capital transfers</i>		<i>10,584</i>	<i>12,186</i>	<i>13,317</i>	<i>13,210</i>
Total expenses		503,180	515,123	533,833	555,589
Net operating balance		7,968	12,144	17,828	11,606
Other economic flows – included in operating result					
Net write-downs of assets		-6,933	-7,100	-7,366	-7,250
Assets recognised for the first time		201	193	184	176
Actuarial revaluations		81	70	65	57
Net foreign exchange gains		-92	14	355	373
Net swap interest received		-210	0	0	0
Market valuation of debt		-1,129	8,046	6,827	6,030
Other gains/(losses)		5,131	2,920	3,186	3,207
Total other economic flows – included in operating result		-2,950	4,144	3,251	2,593
Operating Result(c)		5,018	16,288	21,079	14,199

Table 7.1: Australian Government general government sector operating statement (continued)

	Note	Estimates		Projections	
		2019-20 \$m	2020-21 \$m	2021-22 \$m	2022-23 \$m
Non-owner movements in equity					
Revaluation of equity investments		-3,928	-33	-4	-4
Actuarial revaluations		1,879	297	119	97
Other economic revaluations		195	-66	-84	-69
Total other economic flows - included in equity		-1,853	198	31	23
Comprehensive result - Total change in net worth		3,164	16,486	21,110	14,222
Net operating balance		7,968	12,144	17,828	11,606
Net acquisition of non-financial assets(b)					
Purchases of non-financial assets		16,868	18,611	20,226	21,280
<i>less</i> Sales of non-financial assets		1,219	570	195	128
<i>less</i> Depreciation		11,446	11,699	11,736	12,320
<i>plus</i> Change in inventories		-40	-33	-127	-136
<i>plus</i> Other movements in non-financial assets		-3	0	0	0
Total net acquisition of non-financial assets		4,161	6,309	8,168	8,695
Fiscal balance (Net lending/borrowing)(d)		3,807	5,835	9,660	2,911

(a) Consistent with the 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) Includes impacts resulting from the implementation of AASB 16.

(c) Operating result under AAS.

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

Table 7.2: Australian Government general government sector balance sheet

	Note	Estimates		Projections	
		2019-20 \$m	2020-21 \$m	2021-22 \$m	2022-23 \$m
Assets					
Financial assets					
Cash and deposits		7,204	7,207	7,557	7,726
Advances paid	13	85,155	89,078	93,204	97,089
Investments, loans and placements	14	198,528	203,900	227,555	225,704
Other receivables	13	58,577	61,442	64,697	67,019
Equity investments					
Investments in other public sector entities		55,640	58,086	61,576	65,538
Equity accounted investments		3,677	3,767	3,847	3,924
Investments - shares		73,969	74,256	74,052	78,399
<i>Total financial assets</i>		<i>482,751</i>	<i>497,734</i>	<i>532,489</i>	<i>545,398</i>
Non-financial assets					
Land	15	11,824	11,783	11,685	11,611
Buildings		43,415	43,994	44,252	45,550
Plant, equipment and infrastructure		87,832	93,640	101,235	108,077
Inventories		8,488	8,072	7,583	7,108
Intangibles		9,105	9,124	9,121	9,178
Investment properties		160	160	160	160
Biological assets		21	18	18	18
Heritage and cultural assets		11,695	11,677	11,659	11,643
Assets held for sale		231	231	231	231
Other non-financial assets		32	32	32	32
<i>Total non-financial assets(a)</i>		<i>172,803</i>	<i>178,731</i>	<i>185,977</i>	<i>193,607</i>
Total assets		655,554	676,465	718,466	739,005
Liabilities					
Interest bearing liabilities					
Deposits held		388	388	388	388
Government securities		645,907	643,119	656,659	654,608
Loans	16	17,759	17,336	17,564	17,759
Lease liabilities(a)		19,139	18,558	18,207	18,581
<i>Total interest bearing liabilities</i>		<i>683,193</i>	<i>679,400</i>	<i>692,819</i>	<i>691,336</i>

Table 7.2: Australian Government general government sector balance sheet (continued)

	Note	Estimates		Projections	
		2019-20	2020-21	2021-22	2022-23
		\$m	\$m	\$m	\$m
Provisions and payables					
Superannuation liability	17	230,774	237,708	244,442	251,166
Other employee liabilities	17	26,663	27,133	27,608	28,058
Suppliers payables	18	7,579	7,956	8,392	8,753
Personal benefits payables	18	3,753	3,471	3,448	3,417
Subsidies payables	18	645	1,362	1,396	1,411
Grants payables	18	4,051	4,123	3,790	3,521
Other payables	18	2,186	2,156	2,103	2,021
Provisions	18	42,752	42,712	42,913	43,544
<i>Total provisions and payables</i>		<i>318,404</i>	<i>326,621</i>	<i>334,093</i>	<i>341,892</i>
Total liabilities		1,001,597	1,006,021	1,026,912	1,033,228
Net worth(b)		-346,042	-329,556	-308,446	-294,223
<i>Net financial worth(c)</i>		<i>-518,845</i>	<i>-508,287</i>	<i>-494,423</i>	<i>-487,830</i>
<i>Net financial liabilities(d)</i>		<i>574,486</i>	<i>566,373</i>	<i>555,999</i>	<i>553,368</i>
<i>Net debt(e)</i>		<i>392,305</i>	<i>379,216</i>	<i>364,503</i>	<i>360,817</i>

(a) Includes impacts from implementation of AASB 16.

(b) Net worth equals total assets minus total liabilities.

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

(d) Net financial liabilities equals total liabilities less financial assets other than investments in other public sector entities.

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

Table 7.3: Australian Government general government sector cash flow statement^(a)

	Estimates		Projections	
	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m
Cash receipts from operating activities				
Taxes received	463,791	479,797	503,427	517,705
Receipts from sales of goods and services	15,142	16,526	17,763	18,064
Interest receipts	5,134	6,060	6,376	6,632
Dividends and income tax equivalents	6,792	5,777	5,430	6,018
Other receipts	9,949	7,917	6,052	6,296
Total operating receipts	500,809	516,077	539,048	554,713
Cash payments for operating activities				
Payments to employees(b)	-31,152	-31,510	-32,407	-32,951
Payments for goods and services(c)	-122,024	-124,792	-131,996	-138,232
Grants and subsidies paid	-170,400	-179,809	-185,283	-191,544
Interest paid(c)	-16,564	-15,903	-15,341	-14,525
Personal benefit payments	-128,416	-133,166	-139,174	-146,664
Other payments(b)	-6,768	-6,429	-6,581	-6,701
Total operating payments	-475,325	-491,609	-510,783	-530,618
Net cash flows from operating activities	25,483	24,467	28,265	24,096
Cash flows from investments in non-financial assets				
Sales of non-financial assets	1,663	521	197	130
Purchases of non-financial assets	-14,304	-16,526	-17,657	-17,676
Net cash flows from investments in non-financial assets	-12,641	-16,005	-17,460	-17,546
Net cash flows from investments in financial assets for policy purposes	-13,336	-8,555	-9,733	-10,622
Net cash flows from investments in financial assets for liquidity purposes	-15,923	-970	-17,936	3,757
Cash receipts from financing activities				
Borrowing	128,737	205,650	198,478	213,945
Other financing	968	21	21	21
Total cash receipts from financing activities	129,705	205,671	198,499	213,966
Cash payments for financing activities				
Borrowing	-108,466	-198,694	-175,189	-207,550
Other financing(c)	-6,225	-5,912	-6,096	-5,931
Total cash payments for financing activities	-114,691	-204,606	-181,284	-213,482
Net cash flows from financing activities	15,014	1,065	17,215	484
Net increase/(decrease) in cash held	-1,403	3	350	169

Table 7.3: Australian Government general government sector cash flow statement^(a)(continued)

	Estimates		Projections	
	2019-20 \$m	2020-21 \$m	2021-22 \$m	2022-23 \$m
GFS cash surplus(+)/deficit(-)(d)	12,842	8,462	10,805	6,550
<i>plus</i> Net cash flows from financing activities for leases(e)	-2,347	-2,408	-2,454	-2,506
<i>less</i> Net Future Fund earnings(f)	5,468	na	na	na
Equals underlying cash balance(g)	5,028	6,054	8,351	4,044
<i>plus</i> Net cash flows from investments in financial assets for policy purposes	-13,336	-8,555	-9,733	-10,622
<i>plus</i> Net Future Fund earnings(f)	5,468	na	na	na
Equals headline cash balance	-2,841	-2,501	-1,383	-6,578
<i>Memorandum:</i>				
<i>Net Future Fund earnings(f)</i>	5,468	5,542	5,527	5,857

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

(b) Consistent with the ABS GFS classification, other employee related payments are reported under other payments.

(c) Includes impacts from implementation of AASB 16.

(d) GFS cash surplus/deficit equals net cash flows from operating activities and investments in non-financial assets.

(e) Principal payments on lease liabilities, which are cash flows from financing activities, are deducted in the calculation of the underlying cash balance to maintain consistency of measure following the implementation of AASB 16.

(f) Under the *Future Fund Act 2006*, net Future Fund earnings will be available to meet the Australian Government's superannuation liability in 2020-21. From this time, the underlying cash balance includes expected net Future Fund earnings.

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

Table 7.4: Australian Government public non-financial corporations sector operating statement

	Estimates
	2019-20
	\$m
Revenue	
Current grants and subsidies	65
Sales of goods and services	16,618
Interest income	26
Other	43
Total revenue	16,753
Expenses	
Gross operating expenses	
Wages and salaries(a)	4,585
Superannuation	490
Depreciation and amortisation(b)	4,353
Supply of goods and services(b)	10,385
Other operating expenses(a)	623
<i>Total gross operating expenses</i>	<i>20,437</i>
Interest expenses(b)	1,643
Other property expenses	322
Current transfers	
Tax expenses	134
<i>Total current transfers</i>	<i>134</i>
Total expenses	22,536
Net operating balance	-5,783
Other economic flows	378
Comprehensive result - Total change in net worth excluding contribution from owners	-5,405
Net acquisition of non-financial assets(b)	
Purchases of non-financial assets	10,012
<i>less</i> Sales of non-financial assets	<i>70</i>
<i>less</i> Depreciation	<i>4,353</i>
<i>plus</i> Change in inventories	<i>5</i>
<i>plus</i> Other movements in non-financial assets	<i>0</i>
Total net acquisition of non-financial assets	5,594
Fiscal balance (Net lending/borrowing)(c)	-11,377

(a) Consistent with the 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) Includes impacts resulting from the implementation of AASB 16.

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

Table 7.5: Australian Government public non-financial corporations sector balance sheet

	Estimates
	2019-20
	\$m
Assets	
Financial assets	
Cash and deposits	1,784
Investments, loans and placements	959
Other receivables	2,863
Equity investments	177
<i>Total financial assets</i>	<i>5,783</i>
Non-financial assets	
Land and other fixed assets	56,764
Other non-financial assets(a)	3,864
<i>Total non-financial assets(b)</i>	<i>60,628</i>
Total assets	66,411
Liabilities	
Interest bearing liabilities	
Deposits held	13
Advances received and Loans	25,068
Lease liabilities(b)	12,896
<i>Total interest bearing liabilities</i>	<i>37,978</i>
Provisions and payables	
Superannuation liability	26
Other employee liabilities	1,861
Other payables	4,762
Other provisions(a)	607
<i>Total provisions and payables</i>	<i>7,255</i>
Total liabilities	45,233
Shares and other contributed capital	21,178
Net worth(c)	21,178
<i>Net financial worth(d)</i>	<i>-39,450</i>
<i>Net debt(e)</i>	<i>35,234</i>

(a) Excludes the impact of commercial taxation adjustments.

(b) Includes impacts from implementation of AASB 16.

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

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

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

Table 7.6: Australian Government public non-financial corporations sector cash flow statement^(a)

	Estimates
	2019-20
	\$m
Cash receipts from operating activities	
Receipts from sales of goods and services	17,462
Grants and subsidies received	5
GST input credit receipts	1,148
Other receipts	58
Total operating receipts	18,674
Cash payments for operating activities	
Payments to employees(b)	-4,658
Payments for goods and services(c)	-12,261
Interest paid(c)	-810
GST payments to taxation authority	-1,041
Other payments(b)	-987
Total operating payments	-19,756
Net cash flows from operating activities	-1,082
Cash flows from investments in non-financial assets	
Sales of non-financial assets	70
Purchases of non-financial assets	-7,840
Net cash flows from investments in non-financial assets	-7,771
Net cash flows from investments in financial assets for policy purposes	-5
Net cash flows from investments in financial assets for liquidity purposes	-38
Net cash flows from financing activities	
Borrowing (net)	8,136
Other financing (net)(c)	789
Distributions paid (net)(d)	-333
Net cash flows from financing activities	8,592
Net increase/(decrease) in cash held	-305
Cash at the beginning of the year	2,078
Cash at the end of the year	1,773
Net cash from operating activities and investments in non-financial assets	-8,853
Distributions paid(d)	-333
GFS cash surplus(+)/deficit(-)	-9,186
<i>plus</i> Net cash flows from financing activities for leases(e)	-962
Adjusted GFS cash surplus(+)/deficit(-)(e)	-10,147

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

(b) Consistent with the ABS GFS classification, other employee related payments are reported under other payments.

(c) Includes impacts from implementation of AASB 16.

(d) Under the ABS GFS, distributions paid by public corporations is reported as cash payments for operating activities.

(e) To retain a consistent measure of the GFS cash surplus/deficit following the implementation of AASB 16, its calculation is adjusted to include the principal payments on lease liabilities.

Table 7.7: Australian Government total non-financial public sector operating statement

	Estimates
	2019-20
	\$m
Revenue	
Taxation revenue	472,708
Sales of goods and services	30,640
Interest income	4,637
Dividend income	6,060
Other	11,804
Total revenue	525,850
Expenses	
Gross operating expenses	
Wages and salaries(a)	25,951
Superannuation	12,848
Depreciation and amortisation(b)	15,799
Supply of goods and services(b)	133,440
Other operating expenses(a)	7,859
<i>Total gross operating expenses</i>	<i>195,896</i>
Superannuation interest expense	7,715
Interest expenses(b)	19,222
Current transfers	
Current grants	149,813
Subsidy expenses	12,131
Personal benefits	128,282
<i>Total current transfers</i>	<i>290,227</i>
Capital transfers	10,584
Total expenses	523,644
Net operating balance	2,206
Other economic flows	1,589
Comprehensive result - Total change in net worth	3,795
Net acquisition of non-financial assets(b)	
Purchases of non-financial assets	26,872
<i>less</i> Sales of non-financial assets	<i>1,289</i>
<i>less</i> Depreciation	<i>15,799</i>
<i>plus</i> Change in inventories	<i>-34</i>
<i>plus</i> Other movements in non-financial assets	<i>-3</i>
Total net acquisition of non-financial assets	9,747
Fiscal balance (Net lending/borrowing)(c)	-7,541

(a) Consistent with the 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) Includes impacts resulting from the implementation of AASB 16.

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

Table 7.8: Australian Government total non-financial public sector balance sheet

	Estimates
	2019-20
	\$m
Assets	
Financial assets	
Cash and deposits	8,989
Advances paid	65,697
Investments, loans and placements	199,459
Other receivables	61,302
Equity investments	110,021
<i>Total financial assets</i>	<i>445,468</i>
Non-financial assets	
Land and fixed assets	220,009
Other non-financial assets	13,464
<i>Total non-financial assets(a)</i>	<i>233,473</i>
Total assets	678,941
Liabilities	
Interest bearing liabilities	
Deposits held	401
Government securities	645,907
Advances received and Loans	23,340
Lease liabilities(a)	32,027
<i>Total interest bearing liabilities</i>	<i>701,675</i>
Provisions and payables	
Superannuation liability	230,800
Other employee liabilities	28,524
Other payables	22,923
Other provisions	43,284
<i>Total provisions and payables</i>	<i>325,531</i>
Total liabilities	1,027,206
Net worth(b)	-348,265
<i>Net financial worth(c)</i>	<i>-581,738</i>
<i>Net debt(d)</i>	<i>427,531</i>

(a) Includes impacts from implementation of AASB 16.

(b) Under AASB 1049, net worth equals total assets minus total liabilities. Under the ABS GFS, net worth equals 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 the 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 minus the sum of cash and deposits, advances paid and investments, loans and placements.

Table 7.9: Australian Government total non-financial public sector cash flow statement^(a)

	Estimates
	2019-20
	\$m
Cash receipts from operating activities	
Taxes received	463,718
Receipts from sales of goods and services	30,484
Interest receipts	4,531
Dividends and income tax equivalents	6,478
Other receipts	9,964
Total operating receipts	515,175
Cash payments for operating activities	
Payments to employees(b)	-35,810
Payments for goods and services(c)	-132,061
Grants and subsidies paid	-170,396
Interest paid(c)	-16,749
Personal benefit payments	-128,416
Other payments(b)	-7,634
Total operating payments	-491,066
Net cash flows from operating activities	24,109
Cash flows from investments in non-financial assets	
Sales of non-financial assets	1,733
Purchases of non-financial assets	-22,173
Net cash flows from investments in non-financial assets	-20,441
Net cash flows from investments in financial assets for policy purposes	-5,564
Net cash flows from investments in financial assets for liquidity purposes	-15,961
Net cash flows from financing activities	
Borrowing (net)	22,258
Other financing (net)(c)	-6,107
Net cash flows from financing activities	16,150
Net increase/(decrease) in cash held	-1,707
Cash at the beginning of the year	10,685
Cash at the end of the year	8,979
Net cash from operating activities and investments in non-financial assets	3,668
Distributions paid	0
GFS cash surplus(+)/deficit(-)	3,668
<i>plus</i> Net cash flows from financing activities for leases(d)	-3,309
Adjusted GFS cash surplus(+)/deficit(-)(d)	360

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

(b) Consistent with the ABS GFS classification, other employee related payments are reported under other payments.

(c) Includes impacts from implementation of AASB 16.

(d) To retain a consistent measure of the GFS cash surplus/deficit following the implementation of AASB 16, its calculation is adjusted to include the principal payments on lease liabilities.

Table 7.10: Australian Government public financial corporations sector operating statement

	Estimates
	2019-20
	\$m
Revenue	
Current grants and subsidies	151
Sales of goods and services	780
Interest income	1,682
Other	50
Total revenue	2,663
Expenses	
Gross operating expenses	
Wages and salaries(a)	198
Superannuation	70
Depreciation and amortisation(b)	71
Supply of goods and services(b)	540
Other operating expenses(a)	58
<i>Total gross operating expenses</i>	<i>937</i>
Interest expenses(b)	680
Other property expenses	875
Current transfers	
Tax expenses	8
<i>Total current transfers</i>	<i>9</i>
Total expenses	2,502
Net operating balance	162
Other economic flows	1,704
Comprehensive result - Total change in net worth excluding contribution from owners	1,866
Net acquisition of non-financial assets(b)	
Purchases of non-financial assets	35
<i>less</i> Sales of non-financial assets	<i>0</i>
<i>less</i> Depreciation	<i>71</i>
<i>plus</i> Change in inventories	<i>-28</i>
<i>plus</i> Other movements in non-financial assets	<i>0</i>
Total net acquisition of non-financial assets	-64
Fiscal balance (Net lending/borrowing)(c)	225

(a) Consistent with the 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) Includes impacts resulting from the implementation of AASB 16.

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

Table 7.11: Australian Government public financial corporations sector balance sheet^(a)

	Estimates
	2019-20
	\$m
Assets	
Financial assets	
Cash and deposits	1,581
Investments, loans and placements	179,189
Other receivables	143
Equity investments	625
<i>Total financial assets</i>	<i>181,539</i>
Non-financial assets	
Land and other fixed assets	885
Other non-financial assets(b)	97
<i>Total non-financial assets(c)</i>	<i>983</i>
Total assets	182,521
Liabilities	
Interest bearing liabilities	
Deposits held	139,640
Borrowing(c)	7,509
<i>Total interest bearing liabilities</i>	<i>147,148</i>
Provisions and payables	
Superannuation liability	726
Other employee liabilities	211
Other payables	1,043
Other provisions(b)	1,628
<i>Total provisions and payables</i>	<i>3,608</i>
Total liabilities	150,756
Shares and other contributed capital	31,765
Net worth(d)	31,765
<i>Net financial worth(e)</i>	<i>30,783</i>
<i>Net debt(f)</i>	<i>-33,622</i>

(a) Assumes no valuation or currency movement.

(b) Excludes the impact of commercial taxation adjustments.

(c) Includes impacts from implementation of AASB 16.

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

(e) Under AASB 1049, net financial worth equals total financial assets minus total liabilities. Under the 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.

(f) Net debt equals the sum of interest bearing liabilities minus the sum of cash and deposits and investments, loans and placements.

Table 7.12: Australian Government public financial corporations sector cash flow statement^(a)

	Estimates
	2019-20
	\$m
Cash receipts from operating activities	
Receipts from sales of goods and services	802
Grants and subsidies received	151
GST input credit receipts	8
Interest receipts	1,677
Other receipts	4
Total operating receipts	2,642
Cash payments for operating activities	
Payments to employees(b)	-254
Payments for goods and services(c)	-695
Interest paid(c)	-636
GST payments to taxation authority	-14
Other payments(b)	-71
Total operating payments	-1,671
Net cash flows from operating activities	971
Cash flows from investments in non-financial assets	
Sales of non-financial assets	0
Purchases of non-financial assets	-77
Net cash flows from investments in non-financial assets	-77
Net cash flows from investments in financial assets for policy purposes	-466
Net cash flows from investments in financial assets for liquidity purposes	9,896
Net cash flows from financing activities	
Borrowing (net)	-10,624
Deposits received (net)	0
Other financing (net)(c)	1,359
Distributions paid (net)(d)	-1,710
Net cash flows from financing activities	-10,975
Net increase/(decrease) in cash held	-652
Cash at the beginning of the year	2,233
Cash at the end of the year	1,581
Net cash from operating activities and investments in non-financial assets	894
Distributions paid(d)	-1,710
GFS cash surplus(+)/deficit(-)	-816
<i>plus</i> Net cash flows from financing activities for leases(e)	-1
Adjusted GFS cash surplus(+)/deficit(-)(e)	-817

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

(b) Consistent with the ABS GFS classification, other employee related payments are reported under other payments.

(c) Includes impacts from implementation of AASB 16.

(d) Under the ABS GFS, distributions paid by public corporations is reported as cash payments for operating activities.

(e) To retain a consistent measure of the GFS cash surplus/deficit following implementation of AASB 16, its calculation is adjusted to include the principal payments on lease liabilities.

Notes to the general government sector financial statements

Note 1: External reporting standards and accounting policies

The *Charter of Budget Honesty Act 1998* (the Charter) requires that the Mid-Year Economic and Fiscal Outlook (MYEFO) be based on external reporting standards and that departures from applicable external reporting standards be identified.

The external standards used for MYEFO reporting purposes are:

- the Australian Bureau of Statistics' (ABS) accrual Government Finance Statistics (GFS) publication, *Australian System of Government Finance Statistics: Concepts, Sources and Methods, 2015* (cat. no. 5514.0), which in turn is based on the International Monetary Fund (IMF) accrual GFS framework
- the Australian Accounting Standards (AAS), issued by the Australian Accounting Standards Board (AASB), which includes International Financial Reporting Standards as adopted in Australia and the public sector specific standard AASB 1049 *Whole of Government and General Government Sector Financial Reporting* (AASB 1049).

The financial statements have been prepared on an accrual basis that complies with both the ABS GFS and AAS, except for departures disclosed at Note 2. A more detailed description of the AAS and the 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 Australian Government 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. 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 Government's key fiscal aggregates are based on the ABS GFS concepts and definitions, including the ABS GFS cash surplus/deficit and net financial worth. AASB 1049 requires the disclosure of other ABS GFS fiscal aggregates, including the 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).

Part 7: Australian Government Budget Financial Statements

Explanations of major variations in fiscal balance, revenue, expenses, net capital investment, cash flows, net debt, net financial worth and net worth since the 2019 PEFO are disclosed in Part 3, with decisions taken since the 2019 PEFO disclosed in Appendix A.

Updates to fiscal risks and contingent liabilities since the 2019-20 Budget are disclosed in Part 6.

The new Australian Accounting Standard, AASB 16 *Leases*, applied to all Australian Government entities from 1 July 2019. AASB 16 introduced a single lease accounting framework for lessees and removed the distinction between operating and finance leases. As a result, new assets and liabilities have been recognised on the balance sheet for leases that were previously accounted for as operating expenses. The reduction in operating lease expenses is replaced with the depreciation charge for the right-of-use assets and interest expense on the lease liabilities.

The implementation of AASB 16 has implications for a number of budget aggregates, in particular, net debt and net financial worth due to the recognition of the new lease liabilities. To maintain consistency in the measurement of the underlying cash balance, the principal payments on lease liabilities which are recognised as cash flows from financing activities, have been included in the calculation following the implementation of AASB 16.

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 7.13.

AASB 1049 requires AAS measurement of items to be disclosed on the face of the financial statements with reconciliation to the ABS GFS measurement of key fiscal aggregates, where different, in notes to the financial statements. Only one measure of each aggregate has been included on the face statements to avoid confusion.

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, 2015* (cat. no. 5514.0).

Table 7.13: Major differences between AAS and ABS GFS

Issue	AAS treatment	ABS GFS treatment	Treatment adopted
Circulating coins — seigniorage	The profit between the cost and sale of circulating coins (seigniorage) is treated as revenue.	Circulating coins is treated as a liability, and the cost of producing the coins is treated as an expense.	AAS
Valuation of loans	Changes in the valuation of loans are treated as a revenue or an expense. In some circumstances recognition as a revenue or an expense is delayed until the loan ends or is transferred.	Changes in the valuation of loans (excluding mutually agreed write-downs) are treated as an other economic flow.	ABS GFS
Leases	AASB 16 introduced a single lease accounting framework for lessees, which replaced the distinction between operating and finance leases. Right of use assets and lease liabilities are recognised on the balance sheets for leases that were previously accounted for as operating expense.	The distinction between operating leases and finance leases will be continued for lessees.	AAS
Concessional loans	Concessional elements are treated as an expense on initial recognition and unwound over the loan term.	Concessional elements are treated as an other economic flow.	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	Capitalised when the asset is acquired.	Capitalised when make-good activity takes place.	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 revenue 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
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
Dividends paid by the Reserve Bank of Australia	Dividends are recognised in the year profit was earned.	Dividends are recognised when the Treasurer makes a determination.	AAS

Table 7.13: Major differences between AAS and ABS GFS (continued)

Issue	AAS treatment	ABS GFS treatment	Treatment adopted
National Disability Insurance Scheme (NDIS) revenue	Funding contributions by the state and territory governments to NDIS are treated as sales of goods and services revenue. In-kind disability services provided by the state and territory governments are treated as other revenue.	Funding contributions by the state and territory governments to NDIS are treated as grants revenue. In-kind disability services provided by the state and territory governments are treated as sales of goods and services revenue.	AAS
Commercial tax effect accounting assets and liabilities	Corporations in the PNFC and PFC sectors record tax expenses on a commercial basis.	Deferred tax assets and liabilities are reversed so that corporations record tax expenses on a consistent basis to the Australian Taxation Office.	ABS GFS
Fiscal aggregate differences			
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 sectors	Calculated as financial assets less total liabilities.	Calculated as financial assets less total liabilities less shares and contributed capital.	AAS
Classification differences			
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 at which 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 at which control is transferred. Recognise cash at the time of receipt.	AAS

Note 3: Taxation revenue by type

	Estimates		Projections	
	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m
Individuals and other w ithholding taxes				
Gross income tax w ithholding	220,300	231,500	244,200	245,100
Gross other individuals	52,900	54,600	58,800	61,600
/ess: Refunds	36,800	38,400	40,100	41,500
Total individuals and other w ithholding taxation	236,400	247,700	262,900	265,200
Fringe benefits tax	4,040	4,250	4,430	4,630
Company tax	99,800	97,700	99,700	104,400
Superannuation fund taxes	8,460	13,210	14,660	16,110
Petroleum resource rent tax(a)	1,130	1,160	1,160	1,160
Income taxation revenue	349,830	364,020	382,850	391,500
Goods and services tax	67,230	69,790	73,240	76,960
Wine equalisation tax	1,110	1,150	1,190	1,230
Luxury car tax	670	680	710	750
Excise and Custom duty				
Petrol	6,100	6,250	6,500	6,900
Diesel	12,080	12,630	13,280	14,030
Other fuel products	2,170	2,180	2,250	2,300
Tobacco	16,980	15,610	16,430	16,860
Beer	2,460	2,570	2,650	2,750
Spirits	2,510	2,580	2,660	2,760
Other alcoholic beverages(b)	1,040	1,050	1,090	1,130
Other customs duty				
Textiles, clothing and footw ear	200	200	200	200
Passenger motor vehicles	400	330	160	30
Other imports	1,260	1,050	920	850
/ess: Refunds and draw backs	500	500	500	500
Total excise and customs duty	44,700	43,950	45,640	47,310
Major bank levy	1,610	1,660	1,710	1,810
Agricultural levies	521	540	557	572
Other taxes	7,144	8,246	8,495	8,800
Mirror taxes	633	659	690	727
/ess: Transfers to states in relation to mirror tax revenue	633	659	690	727
Mirror tax revenue	0	0	0	0
Indirect taxation revenue	122,985	126,016	131,542	137,432
Taxation revenue	472,815	490,036	514,392	528,932

Note 3: Taxation revenue by type (continued)

	Estimates		Projections	
	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m
<i>Memorandum:</i>				
<i>Total excise</i>	23,900	24,730	25,830	27,180
<i>Total customs duty</i>	20,800	19,220	19,810	20,130
<i>Capital gains tax(c)</i>	18,400	18,400	19,200	20,300

- (a) This item includes an amount of MRRT receipts which has not been separately disclosed owing to taxpayer confidentiality.
- (b) 'Other alcoholic beverages' are those not exceeding 10 per cent by volume of alcohol (excluding beer, brandy and wine).
- (c) 'Capital gains tax' is part of gross other individuals, company tax and superannuation fund taxes.

Note 3(a): Taxation revenue by source

	Estimates		Projections	
	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m
Taxes on income, profits and capital gains				
Income and capital gains levied on individuals	240,440	251,950	267,330	269,830
Income and capital gains levied on enterprises	109,390	112,070	115,520	121,670
Total taxes on income, profits and capital gains	349,830	364,020	382,850	391,500
Taxes on employers' payroll and labour force	959	1,024	976	1,039
Taxes on the provision of goods and services				
Sales/goods and services tax	69,010	71,620	75,140	78,940
Excises and levies	24,421	25,270	26,387	27,752
Taxes on international trade	20,800	19,220	19,810	20,130
Total taxes on the provision of goods and services	114,231	116,110	121,337	126,822
Taxes on the use of goods and performance of activities	7,795	8,882	9,229	9,571
Total taxation revenue	472,815	490,036	514,392	528,932

Note 4: Sales of goods and services revenue

	Estimates		Projections	
	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m
Sales of goods	1,227	1,168	1,372	1,470
Rendering of services	11,639	12,969	13,954	14,346
Lease rental	107	108	109	118
Fees from regulatory services	2,006	2,046	2,078	2,113
Total sales of goods and services revenue	14,980	16,291	17,512	18,047

Note 5: Interest and dividend revenue

	Estimates		Projections	
	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m
Interest from other governments				
State and territory debt	30	18	16	14
Housing agreements	86	81	77	72
Total interest from other governments	116	99	92	86
Interest from other sources				
Advances	360	395	382	384
Deposits	465	412	383	350
Indexation of HELP receivable and other student loans	1,037	1,220	1,286	1,500
Other	3,269	4,113	4,414	4,673
Total interest from other sources	5,131	6,140	6,465	6,907
Total interest	5,247	6,240	6,557	6,993
Dividends				
Dividends from other public sector entities	1,234	975	1,277	1,052
Other dividends	5,149	4,545	4,420	4,686
Total dividends	6,383	5,521	5,697	5,738
Total interest and dividend revenue	11,630	11,760	12,254	12,731

Note 6: Other sources of non-taxation revenue

	Estimates		Projections	
	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m
Industry contributions	165	164	164	165
Royalties	1,150	937	819	727
Seigniorage	69	69	64	64
Other	10,339	8,009	6,456	6,529
Total other sources of non-taxation revenue	11,723	9,180	7,503	7,485

Note 7: Employee and superannuation expense

	Estimates		Projections	
	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m
Wages and salaries expenses	21,366	21,350	21,542	21,697
Other operating expenses				
Leave and other entitlements	2,481	2,380	2,387	2,348
Separations and redundancies	55	54	72	62
Workers compensation premiums and claims	2,289	1,984	2,021	2,064
Other	2,411	2,479	2,552	2,670
Total other operating expenses	7,236	6,898	7,032	7,144
Superannuation expenses				
Superannuation	12,357	5,960	6,024	6,034
Superannuation interest cost	7,715	11,466	11,797	12,122
Total superannuation expenses	20,072	17,426	17,822	18,156
Total employee and superannuation expense	48,674	45,674	46,395	46,996

Note 8: Depreciation and amortisation expense

	Estimates		Projections	
	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m
Depreciation				
Specialist military equipment	4,767	4,965	4,998	5,552
Buildings	3,518	3,567	3,560	3,606
Other infrastructure, plant and equipment	1,936	2,011	2,084	2,090
Heritage and cultural assets	81	81	82	81
Other	3	3	3	3
Total depreciation(a)	10,306	10,626	10,726	11,333
Total amortisation	1,140	1,072	1,010	988
Total depreciation and amortisation expense	11,446	11,699	11,736	12,320
<i>Memorandum:</i>				
Depreciation relating to right of use assets				
Buildings	2,216	2,251	2,263	2,286
Other infrastructure, plant and equipment	363	365	364	389
Other	3	3	3	3
Total depreciation of right of use assets	2,581	2,619	2,629	2,678

(a) Includes depreciation of right of use (leased) assets, resulting from implementation of AASB 16.

Note 9: Supply of goods and services expense

	Estimates		Projections	
	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m
Supply of goods and services	34,589	33,209	35,169	36,622
Lease expenses(a)	296	216	212	212
Personal benefits – indirect	81,786	87,090	91,686	96,822
Health care payments	5,012	4,738	4,801	4,757
Other	2,347	2,186	2,145	2,023
Total supply of goods and services expense	124,029	127,439	134,013	140,437

(a) Includes impacts resulting from the implementation of AASB 16.

Note 10: Interest expense

	Estimates		Projections	
	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m
Interest on debt				
Government securities(a)	16,588	15,814	14,858	14,136
Loans	2	4	4	4
Other	222	250	254	264
Total interest on debt	16,812	16,067	15,116	14,404
Interest on lease liabilities(b)	387	376	368	371
Other financing costs	1,016	994	1,006	1,291
Total interest expense	18,215	17,436	16,490	16,066

(a) Public debt interest estimates are calculated using the contract interest rates incurred on existing Australian Government Securities (AGS), previously referred to as Commonwealth Government Securities, when issued and on technical assumptions, based on prevailing market interest rates across the yield curve, for yields on future AGS issuance.

(b) Includes impacts resulting from the implementation of AASB 16.

Note 11: Current and capital grants expense

	Estimates		Projections	
	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m
Current grants expense				
State and territory governments	118,389	123,892	128,484	134,199
Private sector	10,294	10,310	10,601	10,454
Overseas	3,964	4,132	3,744	3,955
Non-profit organisations	4,886	4,102	3,955	3,958
Multi-jurisdictional sector	10,592	10,985	11,225	11,506
Other	1,688	2,174	2,028	1,958
Total current grants expense	149,813	155,596	160,038	166,030
Capital grants expense				
Mutually agreed write-downs	1,416	1,315	1,406	1,531
Other capital grants				
State and territory governments	7,251	9,337	10,086	10,784
Local governments	669	636	474	474
Non-profit organisations	1,003	584	1,110	256
Private sector	19	39	39	20
Other	226	274	203	145
Total capital grants expense	10,584	12,186	13,317	13,210
Total grants expense	160,398	167,782	173,355	179,240

Note 12: Personal benefits expense

	Estimates		Projections	
	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m
Social welfare - assistance to the aged	48,548	50,282	52,351	54,908
Assistance to veterans and dependants	4,752	4,602	4,619	4,394
Assistance to people with disabilities	26,098	26,390	27,401	28,220
Assistance to families with children	27,168	27,467	27,904	28,383
Assistance to the unemployed	11,306	11,447	11,870	12,317
Student assistance	2,238	2,280	2,333	2,470
Other welfare programs	1,036	1,018	1,048	1,075
Financial and fiscal affairs	461	473	416	453
Vocational and industry training	36	37	38	39
Other	6,642	8,046	10,351	14,116
Total personal benefits expense	128,282	132,042	138,332	146,376

Note 13: Advances paid and other receivables

	Estimates		Projections	
	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m
Advances paid				
Loans to state and territory governments	2,397	2,396	2,428	2,681
Student loans	55,029	57,854	60,146	61,899
Other	28,124	29,369	31,330	33,370
less Impairment allowance(a)	395	541	699	861
Total advances paid	85,155	89,078	93,204	97,089
Other receivables				
Goods and services receivable	1,372	1,333	1,252	1,263
Recoveries of benefit payments	6,196	6,682	6,996	6,767
Taxes receivable	28,817	31,726	34,121	36,462
Prepayments	4,209	4,134	3,990	3,683
Other	21,142	20,974	21,944	22,423
less Impairment allowance(a)	3,158	3,407	3,605	3,580
Total other receivables	58,577	61,442	64,697	67,019

(a) Disclosed as 'provision for doubtful debts' in the 2019-20 Budget Paper No. 1.

Note 14: Investments, loans and placements

	Estimates		Projections	
	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m
Investments - deposits	40,408	33,585	45,186	34,189
IMF quota	13,219	13,235	13,715	14,217
Other	144,902	157,080	168,653	177,298
Total investments, loans and placements	198,528	203,900	227,555	225,704

Note 15: Non-financial assets

	Estimates		Projections	
	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m
Land and buildings				
Land	11,824	11,783	11,685	11,611
Buildings	43,415	43,994	44,252	45,550
Total land and buildings	55,240	55,777	55,938	57,160
Plant, equipment and infrastructure				
Specialist military equipment	69,914	75,214	82,612	89,481
Other plant, equipment and infrastructure	17,918	18,426	18,623	18,595
Total plant, equipment and infrastructure	87,832	93,640	101,235	108,077
Inventories				
Inventories held for sale	1,074	1,033	898	748
Inventories not held for sale	7,414	7,039	6,685	6,360
Total inventories	8,488	8,072	7,583	7,108
Intangibles				
Computer software	4,639	4,517	4,368	4,284
Other	4,466	4,607	4,753	4,894
Total intangibles	9,105	9,124	9,121	9,178
Total investment properties	160	160	160	160
Total biological assets	21	18	18	18
Total heritage and cultural assets	11,695	11,677	11,659	11,643
Total assets held for sale	231	231	231	231
Total other non-financial assets	32	32	32	32
Total non-financial assets (a)	172,803	178,731	185,977	193,607
<i>Memorandum:</i>				
Total relating to right of use assets				
Land	115	118	117	118
Buildings	16,466	15,703	15,299	15,567
Other plant, equipment and infrastructure	2,033	1,996	1,865	1,783
Total right of use assets	18,614	17,816	17,282	17,468

(a) Include right of use (leased) assets, resulting from implementation of AASB 16.

Note 16: Loans

	Estimates		Projections	
	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m
Promissory notes	10,608	10,608	10,611	10,613
Special drawing rights	6,201	6,209	6,434	6,669
Other	949	519	520	477
Total loans	17,759	17,336	17,564	17,759

Note 17: Employee and superannuation liabilities

	Estimates		Projections	
	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m
Total superannuation liability(a)	230,774	237,708	244,442	251,166
Other employee liabilities				
Leave and other entitlements	8,824	8,934	9,029	9,114
Accrued salaries and wages	330	330	357	366
Workers compensation claims	1,940	1,864	1,793	1,730
Military compensation	15,174	15,607	16,031	16,450
Other	394	397	398	398
Total other employee liabilities	26,663	27,133	27,608	28,058
Total employee and superannuation liabilities	257,437	264,841	272,051	279,224

(a) For budget reporting purposes, a discount rate of 5 per cent determined by actuaries in preparing the 2017 Long Term Cost Reports is used to value the superannuation liability. This reflects the average annual rate estimated to apply over the term of the liability and it reduces the volatility in reported liabilities that would occur from year to year if the spot rates on long-term government bonds were used. Consistent with AAS, the superannuation liability for the 2018-19 Final Budget Outcome (FBO) was calculated using the spot rates on long-term government bonds as at 30 June 2019 that best matched each individual scheme's liability duration. These rates were between 1.4 and 1.9 per cent per annum.

Note 18: Provisions and payables

	Estimates		Projections	
	2019-20 \$m	2020-21 \$m	2021-22 \$m	2022-23 \$m
Suppliers payables				
Trade creditors	5,396	5,618	5,979	6,270
Lease rental payable	195	195	186	175
Personal benefits payables - indirect	1,695	1,821	1,884	1,955
Other creditors	292	322	343	354
Total suppliers payables	7,579	7,956	8,392	8,753
Total personal benefits payables - direct	3,753	3,471	3,448	3,417
Total subsidies payable	645	1,362	1,396	1,411
Grants payables				
State and territory governments	70	57	53	45
Non-profit organisations	230	230	230	230
Private sector	526	526	525	525
Overseas	1,927	2,011	1,683	1,421
Local governments	1	1	1	1
Other	1,297	1,298	1,298	1,298
Total grants payables	4,051	4,123	3,790	3,521
Total other payables	2,186	2,156	2,103	2,021
Provisions				
Provisions for tax refunds	3,653	3,790	3,936	4,091
Grants provisions	7,971	6,761	6,403	6,042
Personal benefits provisions - direct	6,859	6,956	7,059	7,170
Personal benefits provisions - indirect	2,607	3,005	3,060	3,148
Provisions for subsidies	4,177	4,212	4,278	4,415
Other	17,484	17,988	18,178	18,678
Total provisions	42,752	42,712	42,913	43,544

Note 19: Reconciliation of cash

	Estimates		Projections	
	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m
Net Operating balance (revenues less expenses)	7,968	12,144	17,828	11,606
<i>less</i> Revenues not providing cash				
Other	1,367	1,590	1,690	1,932
Total revenues not providing cash	1,367	1,590	1,690	1,932
<i>plus</i> Expenses not requiring cash				
Increase/(decrease) in employee entitlements	10,884	7,771	7,394	7,327
Depreciation/amortisation expense	11,446	11,699	11,736	12,320
Mutually agreed write-downs	1,416	1,315	1,406	1,531
Other	1,383	1,266	878	1,267
Total expenses not requiring cash	25,129	22,051	21,414	22,446
<i>plus</i> Cash provided/(used) by working capital items				
Decrease/(increase) in inventories	40	33	127	136
Decrease/(increase) in receivables	-7,514	-8,671	-9,259	-8,270
Decrease/(increase) in other financial assets	113	-404	-535	-668
Decrease/(increase) in other non-financial assets	47	70	42	92
Increase/(decrease) in benefits, subsidies and grants payable	2,115	80	-269	-116
Increase/(decrease) in suppliers' liabilities	-637	217	418	330
Increase/(decrease) in other provisions and payables	-412	537	189	472
Net cash provided/(used) by working capital	-6,248	-8,138	-9,287	-8,024
<i>equals</i> (Net cash from/(to) operating activities)	25,483	24,467	28,265	24,096
<i>plus</i> (Net cash from/(to) investing activities)	-41,900	-25,530	-45,130	-24,411
Net cash from operating activities and investment	-16,416	-1,062	-16,865	-315
<i>plus</i> (Net cash from/(to) financing activities)	15,014	1,065	17,215	484
<i>equals</i> Net increase/(decrease) in cash	-1,403	3	350	169
Cash at the beginning of the year	8,607	7,204	7,207	7,557
Net increase/(decrease) in cash	-1,403	3	350	169
Cash at the end of the year	7,204	7,207	7,557	7,726

Attachment A

Financial reporting standards and budget concepts

The MYEFO primarily focuses on the financial performance and position of 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. AASB 1049 recognises the GGS as a reporting entity.

AASB 1049 Conceptual framework

AASB 1049 seeks to 'harmonise' the 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. AASB 1049 also provides a basis for whole-of-government reporting including for the PNFC and PFC sectors.

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 10 *Consolidated Financial Statements*. AASB 1049 also follows the 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 2014*.¹⁰

10 Additional information on the Australian accrual GFS framework is available in the ABS publication *Australian System of Government Finance Statistics: Concepts, Sources and Methods, 2015* (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.¹¹

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.

'Other economic flows' are presented in the operating statement and outline changes in net worth that are driven by economic flows other than revenues and expenses. Revenues, expenses and 'other economic flows' sum to the total change in net worth during a period. The majority of 'other economic flows' for the Australian Government GGS arise from price movements in its assets and liabilities.

11 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.

Net operating balance

The net operating balance is the excess of revenue from transactions over expenses from transactions. The net operating balance excludes expenditure on the acquisition of capital assets, but includes non-cash costs such as accruing superannuation entitlements and the consumption of capital (depreciation). By including all accruing costs, including depreciation, the net operating balance encompasses the full current cost of providing government services. This makes it a measure of the sustainability of the government's fiscal position over time and provides an indication of the sustainability of the existing level of government services.

The net operating balance is a flow measure on the operating statement.

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.¹²

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.

12 The net operating balance includes consumption of non-financial assets because depreciation is an expense. Depreciation is deducted in the calculation of net capital investments as the full investment in non-financial assets is included in the calculation of fiscal balance.

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 and other contributed capital. Net financial worth is a broader measure than net debt, in that it incorporates provisions made (such as superannuation) as well as holdings of equity. Net financial worth includes all classes of financial assets and all liabilities, only some of which are included in net debt. As non-financial assets are excluded from net financial worth, this is a narrower measure than net worth. However, it avoids the concerns inherent with the net worth measure relating to the valuation of non-financial assets and their availability to offset liabilities.

Net financial liabilities

Net financial liabilities comprises total liabilities less financial assets but excludes equity investments in the other sectors of the jurisdiction. Net financial liabilities is a more accurate indicator than net debt of a jurisdiction's fiscal position as it includes substantial non-debt liabilities such as accrued superannuation and long service leave entitlements. Excluding the net worth of other sectors in 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 assets¹³ (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.

The 2015 ABS GFS Manual presents debt in a matrix format, with no single net debt aggregate identified. The Australian Government continues to report net debt in accordance with the UPF as described above.

¹³ 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.

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 is the cash counterpart of the fiscal balance, reflecting the Australian Government's cash investment-saving balance.

For the GGS, the underlying cash balance is calculated as shown below:

Net cash flows from operating activities
plus
Net cash flows from investments in non-financial assets
equals
ABS GFS cash surplus/deficit
plus
Net cash flows from financing activities for leases
less
Net Future Fund cash earnings
equals
Underlying cash balance

Under the *Future Fund Act 2006*, earnings are required to be reinvested to meet the Government's future public sector superannuation liabilities. The Government excludes net Future Fund cash earnings from the calculation of the underlying cash balance between 2005-06 and 2019-20. From 2020-21 onwards, net Future Fund cash earnings are included in the calculation of the underlying cash balance because the Future Fund becomes available to meet the Government's superannuation liabilities from that year.

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

Net Future Fund earnings are separately identified in the Australian Government GGS cash flow statement in Table 7.3 of this statement, related tables in Part 3 and the historical tables in Appendix E.

Headline cash balance

The headline cash balance is calculated by adding net cash flows from investments in financial assets for policy purposes and net Future Fund earnings to the underlying cash balance.

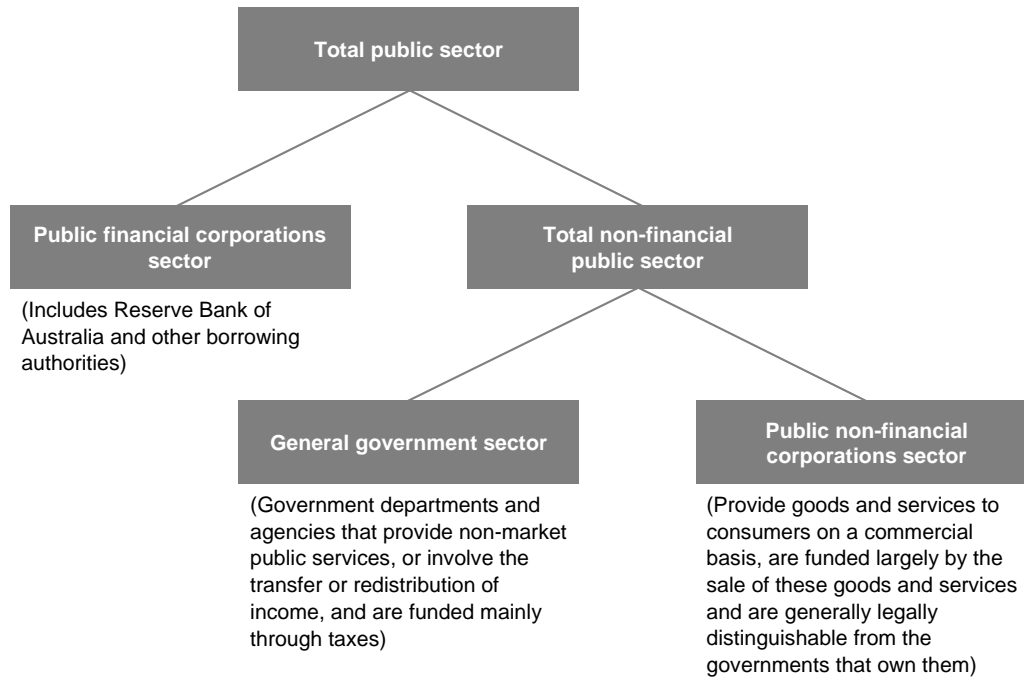
Net cash flows from investments in financial assets for policy purposes include equity transactions and advances paid.¹⁴ Equity transactions include equity injections into controlled businesses and privatisations of government businesses. Advances paid include net loans to the states and net loans to students.

Sectoral classifications

To assist in analysing the public sector, data are presented by institutional sector as shown in Figure 7.1. ABS GFS defines the GGS, PNFC and PFC sectors. AASB 1049 has also adopted this sectoral reporting.

¹⁴ Net cash flows from investments in financial assets for policy purposes are often referred to as net advances.

Figure 7.1: 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 7.14).

A table which provides a full list of public sector principal entities under the current portfolio structure is available on the Department of Finance website at: <https://www.finance.gov.au/government/managing-commonwealth-resources/structure-australian-government-public-sector/pgpa-act-flipchart-list>.

Table 7.14: Entities outside of the general government sector — 2019-20

Public financial corporations
Attorney-General's Portfolio
<ul style="list-style-type: none">• Coal Mining Industry (Long Service Leave Funding) Corporation
Foreign Affairs and Trade Portfolio
<ul style="list-style-type: none">• Export Finance Australia
Industry, Innovation and Science Portfolio
<ul style="list-style-type: none">• CSIRO General Partner Pty Ltd• CSIRO General Partner 2 Pty Ltd• CSIRO FollowOn Services Pty Ltd
Treasury Portfolio
<ul style="list-style-type: none">• Australian Reinsurance Pool Corporation• National Housing Finance and Investment Corporation*• Reserve Bank of Australia
Public non-financial corporations
Communications and the Arts Portfolio
<ul style="list-style-type: none">• Australian Postal Corporation (Australia Post)• nbn Co Ltd
Environment and Energy Portfolio
<ul style="list-style-type: none">• Snowy Hydro Limited
Finance Portfolio
<ul style="list-style-type: none">• ASC Pty Ltd• Australian Naval Infrastructure Pty Ltd
Social Services Portfolio
<ul style="list-style-type: none">• Australian Hearing Services (Australian Hearing)
Infrastructure, Transport, Cities and Regional Development Portfolio
<ul style="list-style-type: none">• Airservices Australia• Australian Rail Track Corporation Limited• Moorebank Intermodal Company Limited• WSA Co Ltd

**Table 7.14: Entities outside of the general government sector — 2019-20
(continued)**

Public non-financial corporations (continued)
Industry, Innovation and Science Portfolio
• ANSTO Nuclear Medicine Pty Ltd
Prime Minister and Cabinet Portfolio
• Voyages Indigenous Tourism Australia Pty Ltd

* The National Housing Finance and Investment Corporation (NHFIC), a corporate Commonwealth entity, operates an affordable housing bond aggregator to encourage greater private and institutional investment and provide cheaper and longer-term finance to registered providers of affordable housing. The NHFIC bond aggregator is a PFC. NHFIC also administers the National Housing Infrastructure Facility (the Facility). The Facility is included in the GGS.

Appendix A: Policy decisions taken since the 2019 PEFO

Revenue Measures

Table 1: Revenue measures since the 2019 PEFO^(a)

	2018-19	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m	\$m
AGRICULTURE					
<i>Department of Agriculture</i>					
Biosecurity Services — increased cost recovery and not proceeding with original imports levy(b)	-	-83.9	-93.9	-99.0	-107.1
Drought Response, Resilience and Preparedness Plan — additional support for farmers and communities in drought(b)(c)	-	1.8	1.9	3.1	7.8
Primary Industries — changes to agricultural production levies(b)	-	-16.8	-16.5	-17.2	-17.7
Portfolio total	-	-98.9	-108.5	-113.1	-117.0
COMMUNICATIONS AND THE ARTS					
<i>Australian Communications and Media Authority</i>					
Radio Frequency Electromagnetic Energy Program — enhanced(b)(c)	-	-	1.6	1.6	1.6
<i>Department of Communications and the Arts</i>					
Australia Post — Strategic Review(b)	-	nfp	-	-	-
Portfolio total	-	-	1.6	1.6	1.6
DEFENCE					
<i>Department of Defence</i>					
Election Commitment — Defence Home Ownership Assistance Scheme — extending access(b)	-	-	..	0.1	0.1
Portfolio total	-	-	..	0.1	0.1
EDUCATION					
<i>Department of Education</i>					
Higher Education Loan Program — encouraging Early Childhood Teachers to work in very remote areas(b)	-	-0.1	-0.1	-0.1	..
<i>Tertiary Education Quality and Standards Agency</i>					
Tertiary Education Quality and Standards Agency — delayed transition to full cost recovery	-	nfp	nfp	nfp	-
Portfolio total	-	-0.1	-0.1	-0.1	..

Appendix A: Policy decisions taken since the 2019 PEFO

Table 1: Revenue measures since the 2019 PEFO^(a) (continued)

	2018-19	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m	\$m
EMPLOYMENT, SKILLS, SMALL AND FAMILY BUSINESS					
<i>Department of Employment, Skills, Small and Family Business</i>					
Improving Integrity of the Vocational and Education Training System(b)	-	-	-0.5	-0.5	-0.5
Portfolio total	-	-	-0.5	-0.5	-0.5
ENVIRONMENT AND ENERGY					
<i>Clean Energy Finance Corporation</i>					
Grid Reliability Fund — establishment(b)	-	-	2.5	6.2	12.0
<i>Department of the Environment and Energy</i>					
Interconnector Funding — delivering reliable and affordable energy(b)	-	-	0.1	1.3	-
<i>Great Barrier Reef Marine Park Authority</i>					
National Education Centre for the Great Barrier Reef — refurbishment(b)(c)	-	-	-0.9	-0.4	-
Portfolio total	-	-	1.7	7.1	12.0
FINANCE					
<i>Department of Finance</i>					
National Disability Insurance Scheme — transition to full Scheme(b)	-	-	-	-	-
Portfolio total	-	-	-	-	-
FOREIGN AFFAIRS AND TRADE					
<i>Export Finance and Insurance Corporation (National Interest component)</i>					
Short-Term Loan to the Government of Papua New Guinea(b)	-	5.3	4.5	-	-
Portfolio total	-	5.3	4.5	-	-
HEALTH					
<i>Department of Health</i>					
Aged Care — response to the Aged Care Royal Commission Interim Report and ongoing aged care reforms(b)(c)	-	-1.1	-	-	-
Pharmaceutical Benefits Scheme — new and amended listings(b)	-	nfp	nfp	nfp	nfp
Therapeutic Goods Administration Charging Framework(b)	-	-3.0	-6.0	-8.0	-8.5
Portfolio total	-	-4.1	-6.0	-8.0	-8.5
HOME AFFAIRS					
<i>Department of Home Affairs</i>					
Expanding the Working Holiday Maker program(b)	-	2.5	4.5	5.0	4.8
Regional Migration Initiatives(b)	-	-1.7	-4.7	-6.7	-8.1
Portfolio total	-	0.8	-0.2	-1.7	-3.3

Table 1: Revenue measures since the 2019 PEFO^(a) (continued)

	2018-19	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m	\$m
INDUSTRY, INNOVATION AND SCIENCE					
<i>Department of Industry, Innovation and Science</i>					
Building a stronger construction sector — additional funding(b)	-	1.0	1.0	-	-
Growing Australia's Space Industry(b)	-	-	0.3	0.3	0.3
Portfolio total	-	1.0	1.3	0.3	0.3
TREASURY					
<i>Australian Office of Financial Management</i>					
Waiving Tasmania's Outstanding Housing-Related Debt(b)	-	-7.0	-6.7	-6.3	-5.9
<i>Australian Securities and Investments Commission</i>					
Australian Securities and Investments Commission — reduction in fees — extension	-	*	*	*	*
<i>Australian Taxation Office</i>					
Better Targeting the Research and Development Tax Incentive — refinements(b)	-	-170.0	-75.0	30.0	-20.0
Black Economy — assisting businesses to meet their reporting obligations(b)	-	-	-	*	*
Black Economy — introducing a sharing economy reporting regime(b)(c)	-	-	-	-	13.6
Capital Gains Tax — main residence exemption for foreign tax residents — amendments	-	-45.0	-15.0	*	*
Combatting Illegal Phoenixing — reducing the impact of illegal phoenixing on businesses, employees and government(b)(c)	-	-	55.9	121.3	134.3
Corporate Taxation — implementing the Timor-Leste Maritime Boundary Treaty	-	*	*	*	*
Corporate Taxation — removing the tax on refunds of large-scale generation certificate shortfall charges	-	-5.0	-15.0	-15.0	-35.0
Drought Response, Resilience and Preparedness Plan — additional support for farmers and communities in drought(b)(c)	-	-	1.2	1.5	2.0
Election Commitment — Defence Home Ownership Assistance Scheme — extending access(b)	-	-	0.1	0.2	0.4
Election Commitment — Farm Household Allowance — permanently maintain the farm assets value limit at \$5 million(b)	-	-	0.2	0.6	1.1
Expanding the Working Holiday Maker program(b)	-	9.9	21.3	26.4	27.4
Philanthropy — updates to the list of specifically listed deductible gift recipients	-	-	-0.1	-0.1	-0.5

Appendix A: Policy decisions taken since the 2019 PEFO

Table 1: Revenue measures since the 2019 PEFO^(a) (continued)

	2018-19	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m	\$m
TREASURY (continued)					
Protecting Your Super Package — putting members' interests first — amendments(b)	-	-75.0	-5.0	-5.0	-5.0
Regional Migration Initiatives(b)	-	-	-	2.3	6.7
Superannuation — facilitating closure of eligible rollover funds(b)	-	160.0	4.0	-4.0	-4.0
Superannuation Guarantee — salary sacrifice integrity measures — change in start date	-	*	*	-	-
Superannuation Guarantee Amnesty — extension of the amnesty period(b)	-	-18.0	53.0	-5.0	-
Tax Integrity — improving the operation of the hybrid mismatch rules	-	*	*	*	*
Tax Integrity — deny deductions for vacant land — amendments	-	-	*	*	*
<i>Department of the Treasury</i>					
Election Commitment — Australian Business Growth Fund — establishment(b)	-	*	*	*	*
Portfolio total	-	-150.1	18.9	146.9	115.1
Decisions taken but not yet announced(d)	-	190.2	45.2	36.7	36.7
Total impact of revenue measures(e)	-	-56.0	-42.1	69.2	36.5

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

.. Not zero, but rounded to zero.

- Nil.

nfp not for publication.

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

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

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

(d) Includes the impact of measures that are not for publication (nfp).

(e) Measures may not add due to rounding.

Agriculture

Biosecurity Services — increased cost recovery and not proceeding with original imports levy

Revenue (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Agriculture	-	-83.9	-93.9	-99.0	-107.1
<i>Related expense (\$m)</i>					
<i>National Indigenous Australians Agency</i>	-	-	-	-	-
<i>Department of Agriculture</i>	-	-3.7	-9.3	-9.5	-9.5
<i>Department of the Treasury</i>	-	-3.9	-5.0	-5.0	-10.0
<i>Total — Expense</i>	-	-7.6	-14.3	-14.5	-19.5

Following consultation with industry, the Government will no longer proceed with the biosecurity levy as announced in the 2018-19 Budget. Instead, the Government will work with industry on the design of an alternative biosecurity levy.

The Government will also increase the cost recovery of biosecurity services that protect Australia from the threat of pest and disease incursions. This will ensure all those involved in bringing goods into Australia are contributing to the cost of our robust biosecurity system. The Government will also align some biosecurity activities with more appropriate funding sources. These changes will support the continued provision by the Government of effective biosecurity services that provide early detection, identification and responses to incursions of exotic pests and diseases.

This measure is estimated to have a cost to the budget of \$328.0 million in fiscal balance terms over the forward estimates period. In underlying cash balance terms this measure is estimated to have a cost to the budget of \$288.0 million over the forward estimates period.

Further information can be found in the press release of 11 December 2019 issued by the Minister for Agriculture.

Appendix A: Policy decisions taken since the 2019 PEFO

Primary Industries — changes to agricultural production levies

Revenue (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Agriculture	-	-16.8	-16.5	-17.2	-17.7
<i>Related expense (\$m)</i>					
<i>Department of Agriculture</i>	-	-16.9	-16.8	-17.5	-18.1

The Government is making changes to the following agricultural levies and export charges to address funding needs of the agricultural sector. This measure is estimated to have a gain to the budget of \$0.9 million over the forward estimates period reflecting timing differences between funds received and disbursed.

- Wool: on 1 July 2019, the Government decreased the marketing and research and development (R&D) component of the wool levy and export charge from 2 per cent to 1.5 per cent of the sale or free-on-board value. This change was made in response to wool producers' requests following the outcome of the poll conducted in 2018.
- Citrus: from 1 January 2020, the Government will increase the Emergency Plant Pest Response component of the citrus levy and export charge from nil to \$1.05 per tonne for oranges and other citrus sold in bulk, and from nil to 2.1 cents per box for oranges and other citrus not sold in bulk. The funds raised will be used to reimburse the Government for costs paid on behalf of industry in relation to the response to citrus canker in the Northern Territory and Western Australia.
- Farmed prawns: from 1 January 2020, the Government will introduce a white spot disease repayment levy and export charge component on farmed prawns at a rate of 3.01 cents per kilogram. The funds raised will form industry's contribution to the assistance package for prawn farmers affected by white spot disease in the Logan River area of Queensland.
- Dairy cattle: from 1 July 2020, the Government will introduce a statutory dairy cattle export charge at a rate of \$6 per head, comprising a marketing component of \$5 per head and an R&D component of \$1 per head. The Australian Livestock Exporters' Council asked the Government to consider a proposal for a mandatory export charge to replace the current voluntary charge, which is not raising sufficient funds to deliver LiveCorp's Dairy Cattle Export Program. The export charge creates a Commonwealth matching obligation in respect of R&D expenditure.

Education

Tertiary Education Quality and Standards Agency — delayed transition to full cost recovery

Revenue (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Tertiary Education Quality and Standards Agency	-	nfp	nfp	nfp	-

The Government will delay the transition of the Tertiary Education Quality and Standards Agency to full cost recovery, as announced in the 2018-19 Budget, to better align charging arrangements across education regulators.

The financial impact of this measure is not for publication (nfp) as the cost recovery arrangements are still subject to negotiations.

This measure extends the 2018-19 MYEFO measure titled *Tertiary Education Quality and Standards Agency – delayed transition to full cost recovery*.

Home Affairs

Expanding the Working Holiday Maker program

Revenue (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Taxation Office	-	9.9	21.3	26.4	27.4
Department of Home Affairs	-	2.5	4.5	5.0	4.8
Total — Revenue	-	12.4	25.8	31.4	32.2
<i>Related expense (\$m)</i>					
<i>Department of the Treasury</i>	-	2.9	5.9	6.8	7.1
<i>Department of Home Affairs</i>	-	0.1	0.2	0.2	0.2
Total — Expense	-	3.0	6.1	7.0	7.3

The Government will increase annual placement caps for Work and Holiday (subclass 462) visas and increase the age limit from 30 to 35 for Working Holiday Maker (subclass 417) visas for a number of participating countries. This measure is estimated to have a gain to the budget of \$78.4 million over the forward estimates period.

Regional Migration Initiatives

Revenue (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Taxation Office	-	-	-	2.3	6.7
Department of Home Affairs	-	-1.7	-4.7	-6.7	-8.1
Total — Revenue	-	-1.7	-4.7	-4.4	-1.4
<i>Related expense (\$m)</i>					
<i>Department of the Treasury</i>	-	-	1.7	3.4	4.2
<i>Department of Home Affairs</i>	-	-0.2	-0.6	-0.7	-0.8
Total — Expense	-	-0.2	1.1	2.7	3.4

The Government is increasing the total number of places for regional visas from 23,000 to 25,000 and changing the definition of regional Australia for migration purposes.

The definition of regional Australia was changed from 16 November 2019. Regional visas are eligible for priority processing. International university graduates who have completed their study at a regional university campus and continued to live in regional Australia will be eligible to apply for more time in Australia on a post-study work visa.

This measure is estimated to have a cost to the budget of \$19.2 million over the forward estimates period.

Further information can be found in the joint press release of 26 October 2019 issued by the Prime Minister, the Minister for Population, Cities and Urban Infrastructure, the Minister for Education and the Minister for Immigration, Citizenship, Migrant Services and Multicultural Affairs.

Treasury

Australian Securities and Investments Commission — reduction in fees — extension

Revenue (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Securities and Investments Commission	-	*	*	*	*

The Government will broaden the search fee exemption currently available to journalists when accessing certain information on the Australian Securities and Investments Commission (ASIC) business registers to include free access to historical company extracts and documents lodged with ASIC.

This measure builds on the 2018-19 MYEFO measure titled *Australian Securities and Investments Commission – reduction in fees*.

Better Targeting the Research and Development Tax Incentive — refinements

Revenue (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Taxation Office	-	-170.0	-75.0	30.0	-20.0
<i>Related expense (\$m)</i>					
<i>Australian Taxation Office</i>	-	-	-	-	-

The Government will make refinements to the 2018-19 Budget measure *Better targeting the research and development tax incentive*. The refinements are:

- a deferral of the start date by 12 months, with the revised package to apply to income years starting on or after 1 July 2019
- the introduction of a simplified R&D premium for large companies (those with aggregated annual turnover of \$20 million or more).

This measure is estimated to have a cost to the budget of \$235.0 million in fiscal balance terms over the forward estimates period. In underlying cash balance terms this measure is estimated to have a cost to the budget of \$405.0 million over the forward estimates period.

The 12 month deferral provides greater certainty for all claimants, including those companies that made investment decisions prior to the 2018-19 Budget announcement.

The simplified R&D premium for large companies reduces the number of intensity tiers from four to three. The simplified premium also provides greater support for initial R&D

Appendix A: Policy decisions taken since the 2019 PEFO

investment, while still rewarding those companies that commit a greater proportion of their business expenditure to R&D.

The R&D premium ties the rates of the non-refundable R&D tax offset to the incremental intensity of R&D expenditure as a proportion of total expenses for the year. The marginal R&D premium will be the claimant's company tax rate plus:

- 4.5 percentage points for R&D expenditure between 0 per cent and 4 per cent R&D intensity
- 8.5 percentage points for R&D expenditure above 4 per cent to 9 per cent R&D intensity
- 12.5 percentage points for R&D expenditure above 9 per cent R&D intensity.

All other aspects of the 2018-19 Budget measure are unchanged.

Further information can be found in the joint press release of 5 December 2019 issued by the Treasurer and the Minister for Industry, Science and Technology.

Black Economy — assisting businesses to meet their reporting obligations

Revenue (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Taxation Office	-	-	-	*	*
<i>Related expense (\$m)</i>					
<i>Department of the Treasury</i>	-	-	-	*	*

The Government will provide the Commissioner of Taxation a discretion to direct taxpayers to undertake an approved record keeping course instead of applying financial penalties. This will support businesses who are struggling with their reporting obligations.

The discretion can be exercised where the Commissioner reasonably believes there has been a failure by the taxpayer to comply with their reporting obligations. The Commissioner would not apply this discretion to those who disengage with the tax system or who deliberately avoid their record keeping obligations. The existing ATO penalty and prosecution regimes would apply in these cases.

The measure will have effect three months after the date of Royal Assent of the enabling legislation. This measure is estimated to have a small but unquantifiable gain to the budget over the forward estimates period.

Black Economy — introducing a sharing economy reporting regime

Revenue (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Taxation Office	-	-	-	-	13.6
<i>Related expense (\$m)</i>					
<i>Australian Taxation Office</i>	-	-	-	1.8	4.6
<i>Department of the Treasury</i>	-	-	-	-	4.1
<i>Total — Expense</i>	-	-	-	1.8	8.7
<i>Related capital (\$m)</i>					
<i>Australian Taxation Office</i>	-	-	-	5.4	2.7

The Government will introduce a third party reporting regime which will require sharing economy online platforms to report identification and income information regarding participating sellers to the ATO for data matching purposes. This measure is estimated to have a cost to the budget of \$5.1 million in fiscal balance terms over the forward estimates period. In underlying cash balance terms, this measure is estimated to have a cost to the budget of \$14.6 million over the forward estimates period. This measure is estimated to increase GST payments to the States and Territories by \$4.1 million over the forward estimates period.

The measure ensures consistent application of reporting obligations across service based platforms. Under this measure, the reporting regime will apply to:

- ride-sourcing and short-term accommodation platforms from 1 July 2022
- asset sharing, food delivery, tasking-based platforms, and other platforms (except for marketplaces) from 1 July 2023.

Once reporting by platforms begins the measure is expected to result in increased self-reporting of currently unreported income by sellers. It will also assist the ATO to identify under-reporting of sharing economy income or non-lodgment and take corrective action where necessary.

Capital Gains Tax — main residence exemption for foreign tax residents — amendments

Revenue (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Taxation Office	-	-45.0	-15.0	*	*

The Government will make two amendments to the previously announced measure limiting access by foreign tax residents to the capital gains tax (CGT) main residence exemption.

Firstly, the Government will allow individuals that have been foreign residents for six years or less to utilise the CGT main residence exemption if they face a CGT event

Appendix A: Policy decisions taken since the 2019 PEFO

that is due to certain circumstances that are outside of their control. This would include death, divorce or suffering a terminal medical condition.

Secondly, the Government will extend grandfathering arrangements for properties held prior to 7:30PM (AEST) on 9 May 2017 (the start date of the measure) from 30 June 2019 to 30 June 2020. This extension will allow additional time for foreign residents to consider and plan their affairs.

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

Combatting Illegal Phoenixing — reducing the impact of illegal phoenixing on businesses, employees and government

Revenue (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Taxation Office	-	-	55.9	121.3	134.3
<i>Related expense (\$m)</i>					
Australian Taxation Office	-	4.0	16.2	18.4	19.6
Australian Securities and Investments Commission	-	0.6	0.5	0.5	0.2
Department of the Treasury	-	-	6.7	17.6	27.2
Total — Expense	-	4.6	23.3	36.5	47.0
<i>Related capital (\$m)</i>					
Australian Securities and Investments Commission	-	2.5	0.6	-	-
Australian Taxation Office	-	0.7	-	-	-
Total — Capital	-	3.2	0.6	-	-

The Government will provide \$58.9 million over four years to the ATO and \$4.7 million over four years to the ASIC to continue the Government's efforts to combat illegal phoenixing behaviour. This measure is estimated to have a gain to the budget of \$196.4 million in fiscal balance terms over the forward estimates period. In underlying cash balance terms this measure is estimated to have a gain to the budget of \$50.1 million over the forward estimates period. This measure is estimated to increase GST payments to the States and Territories by \$51.5 million over the forward estimates period.

This program builds on the work of the Phoenix Taskforce to deter and disrupt illegal phoenix activity. It leverages the Government's enhancement of regulator tools and investment in improving company and director data through the modernising business registers program and implementation of director identification numbers.

See also the related expense measure titled *New Deregulation Agenda*.

Corporate Taxation — implementing the Timor-Leste Maritime Boundary Treaty

Revenue (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Taxation Office	-	*	*	*	*

The *Treasury Laws Amendment (Timor Sea Maritime Boundaries Treaty) Act 2019* amended Australia's tax laws to fulfil Australia's taxation obligations under the Treaty Between Australia and the Democratic Republic of Timor-Leste Establishing Their Maritime Boundaries in the Timor Sea (the Treaty). The changes took effect from 30 August 2019. This measure is estimated to have an unquantifiable cost to revenue over the forward estimates period.

Under the Treaty certain oil and gas fields have transitioned from joint Australian and Timor-Leste jurisdiction or exclusive Australian jurisdiction to Timor-Leste's exclusive jurisdiction. The Treaty provides that these existing activities continue under conditions equivalent to arrangements previously in place across both countries, including conditions with respect to taxation arrangements. In practice, a cost to revenue arises because Australia has granted these activities special tax treatments.

Corporate Taxation — removing the tax on refunds of large-scale generation certificate shortfall charges

Revenue (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Taxation Office	-	-5.0	-15.0	-15.0	-35.0

The Government will amend the law to ensure that no tax is payable on the refund of large-scale generation certificate (LGC) shortfall charges. This measure will apply to refunds relating to all LGC shortfall charges including those charges already paid. This measure is estimated to have a cost to revenue of \$70.0 million over the forward estimates period.

Under the *Renewable Energy (Electricity) Act 2000*, liable entities (generally energy retailers) must surrender LGCs to meet their legal obligations or pay a non-deductible shortfall charge. Liable entities which pay the shortfall charge may apply to have the shortfall charge refunded if they surrender the outstanding certificates within the allowable refund period.

Legislating to ensure that no tax is payable when companies receive a refund of their shortfall charge will enable the market for renewable energy certificates to work as intended, meeting targets for clean energy while ensuring affordable electricity for consumers.

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Philanthropy — updates to the list of specifically listed deductible gift recipients

Revenue (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Taxation Office	-	-	-0.1	-0.1	-0.5

Since the 2019-20 Budget, the following organisations have been approved as specifically listed deductible gift recipients from 1 July 2019:

- Friends of Myall Creek Memorial Incorporated
- Greek Orthodox Community of New South Wales Limited
- Neighbourhood Watch Australasia Limited
- The Samuel Griffith Society
- Toy Libraries Australia Incorporated.

Taxpayers may claim an income tax deduction for gifts of \$2 or more to these organisations. This measure is estimated to have a cost to revenue of \$0.7 million over the forward estimates period.

Protecting Your Super Package — putting members' interests first — amendments

Revenue (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Taxation Office	-	-75.0	-5.0	-5.0	-5.0
<i>Related expense (\$m)</i>					
<i>Department of Employment, Skills, Small and Family Business</i>	-	-0.1	-0.4	-0.4	-0.4
<i>Services Australia</i>	-	-0.2	-0.1	-0.1	-0.1
<i>Department of Social Services</i>	-	-3.0	-3.1	-2.0	-2.1
<i>Total — Expense</i>	-	-3.3	-3.6	-2.4	-2.5

The Government has agreed to amendments to the *Protecting Your Super Package* announced in the 2018-19 Budget to:

- allow trustees to elect to use a dangerous occupation exception to provide insurance on an opt-out basis for members employed in emergency services or in the top 20 per cent riskiest occupations
- delay the start date to 1 April 2020 for insurance within superannuation to be only offered on an opt-in basis for accounts with balances of less than \$6,000 and new accounts belonging to members under the age of 25 years.

This measure is estimated to have a cost to the budget of \$78.2 million in fiscal balance terms over the forward estimates period.

Further information can be found in the joint press release of 19 September 2019 issued by the Treasurer and the Assistant Minister for Superannuation, Financial Services and Financial Technology.

Superannuation — facilitating closure of eligible rollover funds

Revenue (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Taxation Office	-	160.0	4.0	-4.0	-4.0
<i>Related expense (\$m)</i>					
Australian Taxation Office	-	13.0	-	-	-

The Government will allow eligible rollover fund (ERF) trustees to voluntarily transfer any amounts they hold to the ATO following the passage of relevant legislation. In addition, there will be a requirement for ERF trustees to transfer all accounts below \$6,000 to the ATO by 30 June 2020, and all remaining accounts to the ATO by 30 June 2021. This measure will also prevent new amounts being paid to ERFs. Consistent with current arrangements, the ATO will then be able to pay amounts received under this measure together with interest to active superannuation accounts or directly to individuals. This measure is estimated to have a gain to the budget of \$143.0 million in fiscal balance terms over the forward estimates period. In underlying cash balance terms this measure is estimated to have a gain to the budget of \$199.0 million over the forward estimates period. The difference between the fiscal and cash estimates reflects the time taken to reunite amounts with individuals.

Superannuation Guarantee — salary sacrifice integrity measures — change in start date

Revenue (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Taxation Office	-	*	*	-	-

The Government has changed the start date of the 2017-18 MYEFO measure to close two loopholes in the laws governing the superannuation guarantee (SG) to ensure that salary sacrificed superannuation contributions made by an employee do not reduce the amount of superannuation paid by their employer. These changes, which were originally scheduled to commence on 1 July 2018, will now start on 1 January 2020. This measure is estimated to have an unquantifiable impact on revenue over the forward estimates period.

Employers will no longer be permitted to:

- use salary sacrifice amounts to satisfy their SG obligation to their employee

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- base their SG contributions on the lower, post-salary sacrifice earnings base.

These amendments will improve the integrity of the superannuation system by ensuring that employers cannot short-change employees who make salary sacrificed contributions to their superannuation.

Further information can be found in the press release of 24 July 2019 issued by the Minister for Housing and Assistant Treasurer.

Superannuation Guarantee Amnesty — extension of the amnesty period

Revenue (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Taxation Office	-	-18.0	53.0	-5.0	-
<i>Related expense (\$m)</i>					
Australian Taxation Office	-	76.1	72.1	-	-

The Government will extend the amnesty for historical superannuation guarantee non-compliance for employers who voluntarily repay historical SG shortfalls to their employees. This measure will apply from the original announcement date of 24 May 2018 to six months following Royal Assent and applies to historical non-compliance up to and including the March quarter of 2018. This measure is estimated to have a cost to the budget of \$118.2 million in fiscal balance terms over the forward estimates period. In underlying cash balance terms, this measure is estimated to have a cost to the budget of \$21.2 million over the forward estimates period.

The amnesty is part of a broader suite of legislated Government initiatives to drive greater employer compliance with their SG obligations. The amnesty is estimated to result in the recovery of \$230 million in unpaid superannuation on behalf of 50,000 employees who would otherwise miss out. Extending the amnesty period will also provide greater certainty by ensuring that employers who have already qualified for the amnesty will continue to be eligible.

Further information can be found in the press release of 18 September 2019 issued by the Assistant Minister for Superannuation, Financial Services and Financial Technology.

Tax Integrity — improving the operation of the hybrid mismatch rules

Revenue (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Taxation Office	-	*	*	*	*

The Government will amend the hybrid mismatch rules in the income tax law to provide greater certainty that these rules do not adversely impact legitimate business structures or operations. These amendments will apply to income years starting on or after 1 January 2019. This measure is estimated to have a small but unquantifiable cost to revenue over the forward estimates period.

The amendments will ensure that where distributions on Additional Tier 1 capital instruments give rise to an entitlement to a foreign income tax deduction, franking credits will be available to holders of those securities if the issuing company does not claim the foreign income tax deduction. The amendments will also improve the operation of the dual inclusion income on payment rule so that it appropriately accommodates a chain of payments made within a consolidated tax group, and allows the 'on payment' to be traced to income from multiple sources within the group.

Tax Integrity — deny deductions for vacant land — amendments

Revenue (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Taxation Office	-	-	*	*	*

The Government has made three amendments to the measure to deny deductions for vacant land to provide greater certainty to taxpayers on the scope of the measure. The amendments are estimated to have an unquantifiable impact on revenue over the forward estimates period.

Firstly, the Government has made it clear that taxpayers carrying on a primary production business, such as farming, are not affected by the measure.

Secondly, deductions will continue to be available where a taxpayer rents out their vacant land on an arm's length basis to an entity carrying on a business.

Finally, the Government has ensured that deductions may be available where land, previously not vacant, becomes vacant due to exceptional and unforeseen circumstances. This would include fire, flood or substantial building defects. The exemption will apply for three years from the date of the exceptional circumstance, with an option for taxpayers to request an extension from the Commissioner of Taxation.

Legislation to give effect to these amendments received Royal Assent on 28 October 2019.

Expense Measures

Table 2: Expense measures since the 2019 PEFO^(a)

	2018-19	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m	\$m
AGRICULTURE					
<i>Department of Agriculture</i>					
African Swine Fever Response Package(c)	-	22.4	39.0	-	-
Biosecurity Services — increased cost recovery and not proceeding with original imports levy(b)	-	-3.7	-9.3	-9.5	-9.5
Drought Response, Resilience and Preparedness Plan — additional support for farmers and communities in drought(b)(c)	-	49.9	89.0	87.3	89.2
Election Commitment — Farm Household Allowance — permanently maintain the farm assets value limit at \$5 million(b)	-	2.5	6.7	11.2	15.8
Election Commitment — Strengthening and Showcasing the Agriculture and Fisheries Sectors	-	17.2	29.8	12.4	8.1
Horticultural Netting Program — trial	-	6.5	13.0	6.5	-
Inspector-General of Murray-Darling Basin Water Resources — establishment	-	-	-	-	-
New Deregulation Agenda(c)	-	0.6	2.1	2.1	1.0
Primary Industries — changes to agricultural production levies(b)	-	-16.9	-16.8	-17.5	-18.1
<i>Regional Investment Corporation</i>					
Drought Response, Resilience and Preparedness Plan — additional support for farmers and communities in drought(b)(c)	-	0.1	1.7	1.8	4.8
<i>Various Agencies</i>					
Drought Response, Resilience and Preparedness Plan — additional support for farmers and communities in drought(b)(c)	-	nfp	nfp	-	-
Portfolio total	-	78.4	155.2	94.3	91.4
ATTORNEY-GENERAL'S					
<i>Administrative Appeals Tribunal</i>					
Place-Based Income Management and Transition to Cashless Debit Card — extension	-	nfp	nfp	nfp	-
<i>Attorney-General's Department</i>					
Digital Platform Unit — establishment(c)	-	0.2	1.6	-	-
New Deregulation Agenda(c)	-	0.2	0.2	-	-
Royal Commission into Aged Care Quality and Safety — extension	-	-	-	-	-
Securing Agreement to the National Legal Assistance Partnership	-	-	-0.5	-0.6	-0.6

Appendix A: Policy decisions taken since the 2019 PEFO

Table 2: Expense measures since the 2019 PEFO^(a) (continued)

	2018-19	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m	\$m
ATTORNEY-GENERAL'S (continued)					
Supporting Victims of Family Violence in the Courts	-	2.0	-	-	-
<i>Fair Work Ombudsman and Registered Organisations Commission Entity</i>					
Increasing Uptake of Workers in Australia's Pacific Labour Mobility Initiatives and Finalisation of a Horticulture Industry Labour Agreement(c)	-	0.2	2.8	3.4	-
New Deregulation Agenda(c)	-	0.8	0.7	-	-
<i>Federal Court of Australia</i>					
Supporting Victims of Family Violence in the Courts	-	0.5	6.5	6.5	-
<i>Office of the Commonwealth Ombudsman</i>					
Election Commitment — National Disability Insurance Scheme Participant Service Guarantee — monitoring funding	-	0.5	0.5	0.5	0.5
Improving Integrity of the Vocational and Education Training System(b)	-	6.4	9.1	-	-
Portfolio total	-	10.7	20.7	9.9	-0.1
COMMUNICATIONS AND THE ARTS					
<i>Australian Communications and Media Authority</i>					
Digital Literacy for Older Australians — extension	-	-	3.9	-	-
<i>Department of Communications and the Arts</i>					
Audio Description on Free-to-Air Television — introduction	-	nfp	nfp	-	-
Community Development Grants — new projects	-	0.4	-	-	-
Radio Frequency Electromagnetic Energy Program — enhanced(b)(c)	-	0.1	0.6	0.5	0.5
Portfolio total	-	0.5	4.5	0.5	0.5
CROSS PORTFOLIO					
<i>Various Agencies</i>					
Election Commitment — Efficiency Dividend — extension(c)	-	-130.1	-362.3	-481.3	-467.7
Portfolio total	-	-130.1	-362.3	-481.3	-467.7
DEFENCE					
<i>Australian Signals Directorate</i>					
Election Commitment — Cyber Security Resilience and Workforce Package	-	10.9	26.7	33.2	34.3
<i>Department of Defence</i>					
Election Commitment — Cyber Security Resilience and Workforce Package	-	-10.9	-26.7	-33.2	-34.3
Election Commitment — Defence Home Ownership Assistance Scheme — extending access(b)	-	-	-	-	-

Table 2: Expense measures since the 2019 PEFO^(a) (continued)

	2018-19	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m	\$m
DEFENCE (continued)					
Election Commitment — Protected Mobile Fires Project (LAND 8112)(c)	-	-	6.8	7.0	3.6
Election Commitment — Tasmania Defence Innovation and Design Precinct	-	-	-	-	-
Portfolio total	-	-	6.8	7.0	3.6
EDUCATION					
<i>Department of Education</i>					
Australian Children's Education and Care Quality Authority — ongoing funding	-	-9.1	3.8	2.6	2.7
Drought Response, Resilience and Preparedness Plan — additional support for farmers and communities in drought(b)(c)	-	25.6	-	-	-
Election Commitment — Investing in Regional Australia — additional Regional University Centres	-	3.8	3.8	3.8	3.8
Election Commitment — National Phonics Check	-	2.2	4.3	4.3	-
Election Commitment — New Central Queensland School of Mines and Manufacturing — Gladstone and Rockhampton	-	-	13.5	15.0	1.5
Election Commitment — Rural Inspire Initiative	-	0.5	1.0	0.5	-
Election Commitment — Teach for Australia Future Leaders Program — additional funding	-	2.5	2.5	10.0	-
Flexible Literacy for Remote Primary Schools Program — extension	-	-	-	-	-
General Sir John Monash Foundation	-	10.0	-	-	-
Higher Education Loan Program — encouraging Early Childhood Teachers to work in very remote areas(b)	-	2.4
Pilot Programs to Enhance Collaboration between Universities and Industry	-	-	-	-	-
Portfolio total	-	35.5	28.9	36.2	10.3
EMPLOYMENT, SKILLS, SMALL AND FAMILY BUSINESS					
<i>Australian Skills Quality Authority</i>					
Skills Package — strengthening the national training system	-	3.0	1.8	1.6	1.6
<i>Department of Employment, Skills, Small and Family Business</i>					
Election Commitment — Australian Apprentice Wage Subsidy Trial — expansion	-	12.7	23.6	16.6	7.1
Election Commitment — Mid-Career Checkpoint — establishment	-	5.0	17.5	26.3	26.3

Appendix A: Policy decisions taken since the 2019 PEFO

Table 2: Expense measures since the 2019 PEFO^(a) (continued)

	2018-19	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m	\$m
EMPLOYMENT, SKILLS, SMALL AND FAMILY BUSINESS (continued)					
Improving Integrity of the Vocational and Education Training System(b)	-	3.6	1.4	0.6	-
Increasing Uptake of Workers in Australia's Pacific Labour Mobility Initiatives and Finalisation of a Horticulture Industry Labour Agreement(c)	-	0.5	2.8	3.1	-
Jobs and Education Data Infrastructure — mapping skills for better futures(c)	-	3.1	4.3	3.5	3.4
New Deregulation Agenda(c)	-	0.1	0.1	-	-
Online Employment Services Trial — expansion	-	-1.7	-11.5	-12.5	-3.4
Payment Times Reporting Framework — establishment(c)	-	0.8	2.1	1.7	2.1
Protecting Your Super Package — putting members' interests first — amendments(b)	-	-0.1	-0.4	-0.4	-0.4
Skills Package — strengthening the national training system	-	6.6	11.4	6.3	2.0
Small Business Support Programs — extension	-5.7	4.3	1.4	-	-
Transition to Work — extending support for young people(c)	-	0.2	-10.9	-7.4	-8.5
Portfolio total	-5.7	38.1	43.5	39.4	30.2
ENVIRONMENT AND ENERGY					
<i>Australian Renewable Energy Agency</i>					
Measures to Support the National Hydrogen Strategy	-	-	-	-	-
<i>Bureau of Meteorology</i>					
Disaster Preparedness Initiatives	-	3.0	-	-	-
<i>Clean Energy Finance Corporation</i>					
Election Commitment — Australian Recycling Investment Fund	-	-	-	-	-
Grid Reliability Fund — establishment(b)	-	1.9	24.3	24.5	9.3
Measures to Support the National Hydrogen Strategy	-	-	-	-	-
<i>Climate Change Authority</i>					
Funding for the Climate Change Authority and Research on the Environment	-	0.9	2.6	2.6	2.6
<i>Department of the Environment and Energy</i>					
Asia Pacific Rainforest Summit and International Partnerships for Blue Carbon	-	0.5	-	-	-
Busting Congestion in the Environmental Assessment Process	-	7.5	17.5	-	-
Election Commitment — Product Stewardship Investment Fund — establishment	-	3.0	6.0	6.0	5.0
Election Commitment — Taking Forward a Ban on the Export of Waste	-	6.2	8.8	-	-

Table 2: Expense measures since the 2019 PEFO^(a) (continued)

	2018-19	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m	\$m
ENVIRONMENT AND ENERGY (continued)					
Energy and Emissions Reductions for Residential and Commercial Buildings	-	-3.5	4.4	..	-
Funding for the Climate Change Authority and Research on the Environment	-	3.0	-1.6	-1.6	-1.6
Interconnector Funding — delivering reliable and affordable energy(b)	-	0.1	1.3	-	-
Measures to Support the National Hydrogen Strategy	-	1.5	3.3	2.5	2.4
New Deregulation Agenda(c)	-	0.6	1.4	1.4	-
Oil Stockholding Requirements — additional funding	-	-	10.0	-	-
Strengthening the Australian Antarctic Program(c)	-	10.4	28.2	20.1	-
<i>Great Barrier Reef Marine Park Authority</i>					
National Education Centre for the Great Barrier Reef — refurbishment(b)(c)	-	0.7	3.2	2.1	0.5
Portfolio total	-	36.0	109.4	57.7	18.2
FINANCE					
<i>Department of Finance</i>					
Aged Care — response to the Aged Care Royal Commission Interim Report and ongoing aged care reforms(b)(c)	-	0.1	-	-	-
Australia Post — Strategic Review(b)	-	nfp	-	-	-
Election Commitment — Cyber Security Resilience and Workforce Package	-	0.4	0.7	0.8	0.8
National Disability Insurance Scheme — transition to full Scheme(b)	-	-	-	-	-
New Deregulation Agenda(c)	-	0.1	-	-	-
Skills Package — strengthening the national training system	-	0.1	-	-	-
Treasury Portfolio — additional funding(c)	-	0.2	0.1	0.1	0.1
Portfolio total	-	0.9	0.8	0.9	0.9
FOREIGN AFFAIRS AND TRADE					
<i>Australian Trade and Investment Commission</i>					
Australia-United Kingdom 2021-22 Season of Culture	-	1.4	1.3	1.3	-
Critical Minerals Capabilities	-	0.1	0.5	0.5	0.6
New Deregulation Agenda(c)	-	1.2	2.8	2.4	-
<i>Department of Foreign Affairs and Trade</i>					
Increasing Uptake of Workers in Australia's Pacific Labour Mobility Initiatives and Finalisation of a Horticulture Industry Labour Agreement(c)	-	-	-	-	-
Investment Treaty Reform	-	-	0.5	0.9	1.3
Support for the Cook Islands	-	-	-	-	-
The Emerging Markets Impact Investment Fund	-	-	-6.7	-5.9	-7.5

Appendix A: Policy decisions taken since the 2019 PEFO

Table 2: Expense measures since the 2019 PEFO^(a) (continued)

	2018-19	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m	\$m
FOREIGN AFFAIRS AND TRADE (continued)					
<i>Export Finance and Insurance Corporation (National Interest component)</i>					
Critical Minerals Capabilities	-	-	-	-	-
Short-Term Loan to the Government of Papua New Guinea(b)	-	4.0	3.4	-	-
Portfolio total	-	6.8	1.9	-0.8	-5.7
HEALTH					
<i>Aged Care Quality and Safety Commission</i>					
Aged Care — response to the Aged Care Royal Commission Interim Report and ongoing aged care reforms(b)(c)	-	11.7	1.6	-	-
<i>Australian Institute of Health and Welfare</i>					
Guaranteeing Medicare — Medicare Benefits Schedule — new and amended listings	-	-0.2	-0.4	-0.4	-0.4
<i>Australian Radiation Protection and Nuclear Safety Agency</i>					
Radio Frequency Electromagnetic Energy Program — enhanced(b)(c)	-	..	1.1	1.1	1.1
<i>Australian Sports Commission</i>					
Sport Australia Hall of Fame	-	0.1	0.1	0.1	0.1
<i>Department of Health</i>					
Access for CAR-T Cell Therapy (Kymriah®) in Public Hospitals	-	-	-	-	-
Adult Mental Health Centres — trial	-	0.2	7.2	16.5	-3.2
Aged Care — response to the Aged Care Royal Commission Interim Report and ongoing aged care reforms(b)(c)	-	116.8	211.8	170.9	63.4
Drought Response, Resilience and Preparedness Plan — additional support for farmers and communities in drought(b)(c)	-	-
Election Commitment — Achieving Better Health Outcomes	-	0.7	0.7	0.7	-
Election Commitment — Additional Health Services for North and North-Western Tasmania	-	0.1	-	-	-
Election Commitment — Additional Mental Health Services for Southern Brisbane	-	1.4	1.4	1.4	1.4
Election Commitment — Additional Mental Health Support for Commercial Fishers	-	-	-	-	-
Election Commitment — Aged Care System Navigators — culturally and linguistically diverse	-	2.5	2.5	2.5	2.5
Election Commitment — Australian Breastfeeding Association — extension	-	1.0	1.0	1.0	1.0
Election Commitment — headspace services — extension	-	-	7.5	7.5	7.5

Table 2: Expense measures since the 2019 PEFO^(a) (continued)

	2018-19	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m	\$m
HEALTH (continued)					
Election Commitment — Kids Helpline — additional funding	-	-	-	2.0	-
Election Commitment — Lymphoedema Garments and Allied Health Therapy Program	-	-	-	-	-
Election Commitment — National Dust Diseases Taskforce and Register	-	0.8	0.8	-	-
Election Commitment — National Perinatal Mental Health Check	-	-	6.0	5.0	5.0
Election Commitment — Peel Health Campus Choices Program — expansion	-	0.3	0.5	0.5	-
Election Commitment — Pharmaceutical Benefits Scheme — Safety Net	-	6.2	106.5	104.6	108.2
Election Commitment — Sport and Physical Activity in Australia Grants	-	10.3	24.9	23.4	11.4
Election Commitment — Supporting Children with Life-Threatening Medical Conditions and their Families	-	0.3	1.0	1.0	1.0
Election Commitment — Take Home Naloxone Program — expansion	-	2.0	0.8	-	-
Guaranteeing Medicare — health and aged care payments system maintenance(c)	-	-	-	-	-
Guaranteeing Medicare — Medicare Benefits Schedule — new and amended listings	-	4.3	22.4	19.2	15.8
Guaranteeing Medicare — Medicare Benefits Schedule Review	-	-	-0.1	..	-0.1
Guaranteeing Medicare — strengthening primary care — expanding access to flexible models of care funding for Indigenous Australians	-	-	0.1	1.4	5.7
Hearing Services Program — amendments	-	-1.4	-1.1	1.3	1.2
Improving Access to Medicines — hospital pharmacy pricing	-	4.1	-	-	-
Improving Access to Medicines — Safer Use of Opioids	-	nfp	nfp	nfp	nfp
Insurance Arrangements for Privately Practising Midwives	-	-	-	-	-
Intergenerational Health and Mental Health Survey	-	-	-	-	-
Investing in Health and Medical Research — Fight Motor Neurone Disease	-	3.0	-	-	-
National Awareness Campaign for Pregnancy and Breastfeeding Women	-	2.5	7.5	7.5	7.5
National Immunisation Program — new and amended listings	-	47.9	49.4	50.8	52.1

Appendix A: Policy decisions taken since the 2019 PEFO

Table 2: Expense measures since the 2019 PEFO^(a) (continued)

	2018-19	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m	\$m
HEALTH (continued)					
National Partnership Agreement — Management and prevention of Torres Strait/Papua New Guinea health issues	-	-	-1.1	-1.1	-1.1
National Partnership Agreement for a National Coronial Information System — extension	-	-	-0.4	-0.4	-0.4
National Partnership Agreement on Specified Projects — OzFoodNet	-	-	-	-	-
North-Western Australia Eye Health	-	4.5	-	-	-
Pharmaceutical Benefits Scheme — new and amended listings(b)	-	199.3	69.1	70.8	74.9
Preventive Health — project agreement for Vaccine Preventable Diseases Surveillance Program	-	-	-0.1	-0.1	-0.1
Preventive Health — youth whole-of-government framework and sector support	-	-	-	-	-
South Australian immunoGENomics (SAiGEN) Cancer Institute	-	-	-	-	-
Supporting Our Hospitals — Hummingbird House	-	-	-0.8	-0.8	-0.8
Therapeutic Goods Administration Charging Framework(b)	-	0.5	0.6	-	6.5
Western Australian Children's Health Telethon	-	3.5	-	-	-
Workforce Incentive Program — Practice Stream — commencement	-	-	-	-	-
<i>National Health and Medical Research Council</i>					
Radio Frequency Electromagnetic Energy Program — enhanced(b)(c)	-	-	-0.7	-0.7	-0.7
Portfolio total	-	422.4	519.8	485.7	359.3
HOME AFFAIRS					
<i>Department of Home Affairs</i>					
Australian Victims of Terrorism Overseas Payment	-	2.7	-	-	-
Disaster Preparedness Initiatives	-	11.0	-	-	-
Election Commitment — Safer Communities Fund — additional funding	-	4.0	6.0	5.0	5.0
Expanding the Working Holiday Maker program(b)	-	0.1	0.2	0.2	0.2
Immigration Reform — continued improvements to visa service arrangements	-	25.6	-	-	-
Increasing Uptake of Workers in Australia's Pacific Labour Mobility Initiatives and Finalisation of a Horticulture Industry Labour Agreement(c)	-	-	-	-	-
New Deregulation Agenda(c)	-	1.5	1.2	0.6	0.1
Regional Migration Initiatives(b)	-	-0.2	-0.6	-0.7	-0.8

Table 2: Expense measures since the 2019 PEFO^(a) (continued)

	2018-19	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m	\$m
HOME AFFAIRS (continued)					
<i>Various Agencies</i>					
National Security Agencies — additional resourcing(c)	-	nfp	nfp	nfp	nfp
Portfolio total	-	44.7	6.8	5.1	4.5
INDUSTRY, INNOVATION AND SCIENCE					
<i>Commonwealth Scientific and Industrial Research Organisation</i>					
National Consumer Data Right	-	nfp	nfp	nfp	-
<i>Department of Industry, Innovation and Science</i>					
Building a stronger construction sector — additional funding(b)	-	2.0	2.0	-	-
Community Benefit Program for Hawker and Kimba — establishment	-	-	-	-	-
Critical Minerals Capabilities	-	1.6	3.0	3.0	3.0
Election Commitment — Australian Made Export Campaign	-	1.0	1.5	1.5	1.0
Election Commitment — Incubator Support Initiative — expansion	-	1.3	1.3	1.3	1.3
Election Commitment — Manufacturing Modernisation Fund — establishment	-	10.0	20.0	20.0	-
Encouraging More Women into Science, Technology, Engineering and Mathematics (STEM)	-	0.2	0.3	0.4	0.2
Growing Australia's Space Industry(b)	-	0.4	5.5	10.9	36.0
Interconnector Funding — delivering reliable and affordable energy(b)	-	0.6	-	-	-
Measures to Support the National Hydrogen Strategy	-	-	-	-	-
New Deregulation Agenda(c)	-	4.0	4.8	0.2	-
Portfolio total	-	21.0	38.2	37.2	41.5
INFRASTRUCTURE, TRANSPORT, CITIES AND REGIONAL DEVELOPMENT					
<i>Civil Aviation Safety Authority</i>					
Civil Aviation Safety Authority — Management of Drones	-	12.0	-	-	-
<i>Department of Infrastructure, Transport, Cities and Regional Development</i>					
Community Development Grants — new projects	-	-0.4	-	-	-
Drought Response, Resilience and Preparedness Plan — additional support for farmers and communities in drought(b)(c)	-	251.9	176.0	17.3	12.8
Economic Diversification on Christmas Island	-	4.0	7.2	0.8	-
Election Commitment — Improving Road Safety	-	5.0	7.9	-	-

Appendix A: Policy decisions taken since the 2019 PEFO

Table 2: Expense measures since the 2019 PEFO^(a) (continued)

	2018-19	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m	\$m
INFRASTRUCTURE, TRANSPORT, CITIES AND REGIONAL DEVELOPMENT (continued)					
Election Commitment — Infrastructure Investment Program — Roads of Strategic Importance — additional projects	-	-	-	-	-
Election Commitment — Infrastructure Investment Program — Urban Congestion Fund — additional funding	-	-	-	-	-
Infrastructure Investment Program — Australian Capital Territory infrastructure investments	-	-	-	-	-
Infrastructure Investment Program — New South Wales infrastructure investments	-	-	-	-	-
Infrastructure Investment Program — Northern Territory infrastructure investments	-	-	-	-	-
Infrastructure Investment Program — Queensland infrastructure investments	-	-	-	-	-
Infrastructure Investment Program — South Australian infrastructure investments	-	-	-	-	-
Infrastructure Investment Program — Tasmanian infrastructure investments	-	-	-	-	-
Infrastructure Investment Program — Victorian infrastructure investments	-	-	-	-	-
Infrastructure Investment Program — Western Australian infrastructure investments	-	-	-	-	-
National Freight and Supply Chain Strategy — additional funding	-	-	-	-	-
Norfolk Island — essential services(c)	-	7.6	1.5	1.0	-
South Australia — Iron Road	-	-	-	-	-
Supporting Infrastructure Investment and Services	-	14.6	4.9	7.4	7.4
Tasmanian Freight Equalisation Scheme — increased assistance and reduced claim times	-	2.5	3.5	3.6	3.8
Western Australian Cricket Association Stadium	-	-	-	-	-
<i>National Capital Authority</i>					
Community Development Grants — new projects	-	0.5	-	-	-
Portfolio total	-	297.9	201.1	30.2	24.1
PRIME MINISTER AND CABINET					
<i>Australian Public Service Commission</i>					
Australian Public Service Reform Implementation	-	2.8	2.6	-	-
<i>Department of the Prime Minister and Cabinet</i>					
Australian Public Service Reform Implementation	-	3.0	6.6	-	-

Table 2: Expense measures since the 2019 PEFO^(a) (continued)

	2018-19	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m	\$m
PRIME MINISTER AND CABINET (continued)					
Community Development Grants — new projects	-	0.1	-	-	-
National Australia Day Council — additional funding	-	12.8	-	-	-
Prime Minister and Cabinet — additional funding	-	5.3	18.7	18.5	18.6
<i>National Indigenous Australians Agency</i>					
Biosecurity Services — increased cost recovery and not proceeding with original imports levy(b)	-	-	-	-	-
New Deregulation Agenda(c)	-	0.1	-	-	-
Prime Minister and Cabinet — additional funding	-	-	4.5	4.5	4.5
<i>National Drought and North Queensland Flood Response and Recovery Agency</i>					
Drought Response, Resilience and Preparedness Plan — additional support for farmers and communities in drought(b)(c)	-	9.2	21.5	-	-
Portfolio total	-	33.3	54.0	23.0	23.1
SOCIAL SERVICES					
<i>Department of Social Services</i>					
Addressing the Implementation Risks Associated with the National Redress Scheme	-	15.3	-	-	-
Digital Literacy for Older Australians — extension	-	-	5.4	-	-
Drought Response, Resilience and Preparedness Plan — additional support for farmers and communities in drought(b)(c)	-	0.1	0.3	0.6	0.8
Drug Testing Trial policy — amendments	-	-	-	-	-
Election Commitment — Improving Social Connections for Older Australians	-	2.5	2.5	2.5	2.5
Election Commitment — National Disability Information Gateway	-	-1.0	1.4	-0.3	-
Extension of Funding for Financial Wellbeing and Capability Measures	-	-	10.2	-	-
National Disability Data Asset pilot	-	15.0	-	-	-
National Disability Insurance Scheme — transition to full Scheme(b)	-	3.9	4.2	12.0	-
Place-Based Income Management and Transition to Cashless Debit Card — extension	-	nfp	nfp	nfp	-
Protecting Your Super Package — putting members' interests first — amendments(b)	-	-3.0	-3.1	-2.0	-2.1
Supporting People with Disability	-	1.3	7.7	..	-

Appendix A: Policy decisions taken since the 2019 PEFO

Table 2: Expense measures since the 2019 PEFO^(a) (continued)

	2018-19	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m	\$m
SOCIAL SERVICES (continued)					
<i>Digital Transformation Agency</i>					
Whole-of-Government Digital Initiatives(c)	-	9.6	13.2	-	-
<i>National Disability Insurance Scheme Launch Transition Agency</i>					
Election Commitment — National Disability Insurance Scheme Community Connectors — national expansion	-	5.0	15.0	-	-
<i>Services Australia</i>					
Addressing the Implementation Risks Associated with the National Redress Scheme	-	-3.6	-	-	-
Aged Care — response to the Aged Care Royal Commission Interim Report and ongoing aged care reforms(b)(c)	-	3.8	-	-	-
Drought Response, Resilience and Preparedness Plan — additional support for farmers and communities in drought(b)(c)	-	11.1	7.0	4.6	4.5
Drug Testing Trial policy — amendments	-	nfp	nfp	nfp	-
Election Commitment — Farm Household Allowance — permanently maintain the farm assets value limit at \$5 million(b)	-	-	-	-	-
Election Commitment — Pharmaceutical Benefits Scheme — Safety Net	-	-	-	-	-
Guaranteeing Medicare — health and aged care payments system maintenance(c)	-	23.4	-	-	-
Guaranteeing Medicare — Medicare Benefits Schedule — new and amended listings	-	..	0.1	0.1	0.1
Guaranteeing Medicare — Medicare Benefits Schedule Review	-	-	..	-0.2	-0.2
Pharmaceutical Benefits Scheme — new and amended listings(b)	-	1.2	0.1	0.1	0.1
Place-Based Income Management and Transition to Cashless Debit Card — extension	-	nfp	nfp	nfp	-
Protecting Your Super Package — putting members' interests first — amendments(b)	-	-0.2	-0.1	-0.1	-0.1
Supporting People with Disability	-	-	-	-	-
Tasmanian Freight Equalisation Scheme — increased assistance and reduced claim times	-	3.9	1.5	1.4	1.5
Transition to Work — extending support for young people(c)	-	0.6	..	-	-
Portfolio total	-	88.7	65.4	18.7	7.2

Table 2: Expense measures since the 2019 PEFO^(a) (continued)

	2018-19	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m	\$m
TREASURY					
<i>Australian Bureau of Statistics</i>					
Treasury Portfolio — additional funding(c)	-	-	40.4	-	-
<i>Australian Competition and Consumer Commission</i>					
Australian Competition and Consumer Commission — inquiry into the Murray-Darling Basin Water Market(c)	-	4.2	2.7	-	-
Australian Competition and Consumer Commission Agriculture Unit — extension	-	-	2.7	2.7	2.7
Australian Competition and Consumer Commission Gas Inquiry — extension(c)	-	1.0	4.3	4.3	4.3
Digital Platform Unit — establishment(c)	-	3.5	7.6	7.5	7.6
National Consumer Data Right	-	nfp	nfp	nfp	-
Treasury Portfolio — additional funding(c)	-	7.0	-	-	-
<i>Australian Office of Financial Management</i>					
Waiving Tasmania's Outstanding Housing-Related Debt(b)	-	157.6	-	-	-
<i>Australian Securities and Investments Commission</i>					
Combatting Illegal Phoenixing — reducing the impact of illegal phoenixing on businesses, employees and government(b)(c)	-	0.6	0.5	0.5	0.2
New Deregulation Agenda(c)	-	1.2	-	-	-
<i>Australian Taxation Office</i>					
Better Targeting the Research and Development Tax Incentive (R&DTI) — refinements(b)	-	-	-	-	-
Black Economy — introducing a sharing economy reporting regime(b)(c)	-	-	-	1.8	4.6
Combatting Illegal Phoenixing — reducing the impact of illegal phoenixing on businesses, employees and government(b)(c)	-	4.0	16.2	18.4	19.6
National Tax Clinic Program	-	0.5	1.0	1.2	1.3
New Deregulation Agenda(c)	-	27.6	-	-	-
Superannuation — facilitating closure of eligible rollover funds(b)	-	13.0	-	-	-
Superannuation guarantee amnesty — extension of the amnesty period(b)	-	76.1	72.1	-	-
Treasury Portfolio — additional funding(c)	-	7.5	95.3	37.4	-
Whole-of-Government Digital Initiatives(c)	-	0.6	-	-	-
<i>Department of the Treasury</i>					
Adult Mental Health Centres — trial	-	2.0	-	4.0	4.0
Australian Competition and Consumer Commission — inquiry into the Murray-Darling Basin Water Market(c)	-	-	-7.4	-	-

Table 2: Expense measures since the 2019 PEFO^(a) (continued)

	2018-19	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m	\$m
TREASURY (continued)					
Biosecurity Services — increased cost recovery and not proceeding with original imports levy(b)	-	-3.9	-5.0	-5.0	-10.0
Black Economy — assisting businesses to meet their reporting obligations(b)	-	-	-	*	*
Black Economy — introducing a sharing economy reporting regime(b)(c)	-	-	-	-	4.1
Combatting Illegal Phoenixing — reducing the impact of illegal phoenixing on businesses, employees and government(b)(c)	-	-	6.7	17.6	27.2
Disaster Preparedness Initiatives	-	10.0	-	-	-
Disaster Relief	-	26.0	3.0	3.0	-
Drought Response, Resilience and Preparedness Plan — additional support for farmers and communities in drought(b)(c)	-	-6.0	14.7	39.7	69.2
Election Commitment — Achieving Better Health Outcomes	-	-	1.4	-	-
Election Commitment — Additional Health Services for North and North-Western Tasmania	-	-	1.5	4.0	10.0
Election Commitment — Australian Business Growth Fund — establishment(b)	-	*	*	*	*
Election Commitment — First Home Loan Deposit Scheme	-	13.9	11.1	10.3	8.5
Election Commitment — Infrastructure Investment Program — Roads of Strategic Importance — additional projects	-	-	-	-	-
Election Commitment — Infrastructure Investment Program — Urban Congestion Fund — additional funding	-	-	-	110.0	100.0
Election Commitment — Lymphoedema Garments and Allied Health Therapy Program	-	2.0	2.0	2.0	2.0
Election Commitment — National Perinatal Mental Health Check	-	-	6.0	7.0	7.0
Election Commitment — Supporting Children with Life-Threatening Medical Conditions and their Families	-	0.3	0.5	0.5	0.5
Expanding the Working Holiday Maker program(b)	-	2.9	5.9	6.8	7.1
Infrastructure Investment Program — Australian Capital Territory infrastructure investments	-	-	30.0	-	-
Infrastructure Investment Program — New South Wales infrastructure investments	-	83.9	138.0	186.7	162.0

Table 2: Expense measures since the 2019 PEFO^(a) (continued)

	2018-19	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m	\$m
TREASURY (continued)					
Infrastructure Investment Program — Northern Territory infrastructure investments	-0.3	34.8	49.8	51.8	10.5
Infrastructure Investment Program — Queensland infrastructure investments	-0.8	159.1	519.7	299.3	485.2
Infrastructure Investment Program — South Australian infrastructure investments	-	115.6	101.2	116.6	-6.0
Infrastructure Investment Program — Tasmanian infrastructure investments	-2.6	25.2	69.9	91.7	-13.5
Infrastructure Investment Program — Victorian infrastructure investments	-	174.4	196.0	80.0	63.8
Infrastructure Investment Program — Western Australian infrastructure investments	-0.4	109.2	278.5	398.1	82.0
National Consumer Data Right	-	nfp	nfp	nfp	-
National Disability Insurance Scheme — transition to full Scheme(b)	-	3.5	8.9	7.6	-
National Immunisation Program — new and amended listings	-	-	2.1	2.2	2.3
National Partnership Agreement — Management and prevention of Torres Strait/Papua New Guinea health issues	-	-	1.1	1.1	1.1
National Partnership Agreement for a National Coronial Information System — extension	-	-	0.4	0.4	0.4
National Partnership Agreement on Specified Projects — OzFoodNet	-	-	-	-	-
New Deregulation Agenda(c)	-	6.0	6.6	1.5	-
Preventive Health — project agreement for Vaccine Preventable Diseases Surveillance Program	-	-	0.1	0.1	0.1
Regional Migration Initiatives(b)	-	-	1.7	3.4	4.2
Retirement Income Review	-	2.0	-	-	-
Revitalising TAFE Campuses Across Australia	-	-	25.0	25.0	-
Securing Agreement to the National Legal Assistance Partnership	-	-	7.8	7.9	8.1
South Australia — Iron Road	-	5.0	20.0	-	-
South Australian immunoGENomics (SAiGEN) Cancer Institute	-	6.0	74.0	-	-
Supporting Our Hospitals — Hummingbird House	-	-	0.8	0.8	0.8
Treasury Portfolio — additional funding(c)	-	12.1	1.3	-	-
<i>Various Agencies</i>					
Implementing the Government's Response to the Financial Services Royal Commission — additional funding	-	9.3	-	-	-
Portfolio total	-4.1	1,097.4	1,816.1	1,548.0	1,070.7

Appendix A: Policy decisions taken since the 2019 PEFO

Table 2: Expense measures since the 2019 PEFO^(a) (continued)

	2018-19	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m	\$m
VETERANS' AFFAIRS					
<i>Department of Veterans' Affairs</i>					
Aged Care — response to the Aged Care Royal Commission Interim Report and ongoing aged care reforms(b)(c)	-	..	-	-	-
Deferring the Treatment Cycle Component of the Improved Dental and Allied Health Measure	-	3.4	-	-	-
Election Commitment — Defence Service Homes Insurance Scheme — expanding eligibility	-	-	-	-	-
Election Commitment — Exempting Totally and Permanently Impaired Pension Recipients from Allied Health Treatment Cycle — additional funding	-	4.7	3.9	4.3	4.8
Election Commitment — Pharmaceutical Benefits Scheme — Safety Net	-	0.2	3.3	3.1	3.0
Election Commitment — Saluting their Service Commemorative Grants — expansion	-	2.5	2.5	2.5	2.5
Election Commitment — Supporting the Kokoda Track	-	0.5	4.0	5.5	-
Election Commitment — Veterans' Wellbeing Centres	-	10.0	10.0	10.0	-
Guaranteeing Medicare — Medicare Benefits Schedule — new and amended listings	-	..	0.2	0.1	0.1
Guaranteeing Medicare — Medicare Benefits Schedule Review	-	-	..	..	..
Improving Access to Medicines — hospital pharmacy pricing	-	..	-	-	-
Improving Access to Medicines — Safer Use of Opioids	-	nfp	nfp	nfp	nfp
Pharmaceutical Benefits Scheme — new and amended listings(b)	-	3.5	1.1	1.3	1.4
Portfolio total	-	24.9	25.0	26.8	11.9
Decisions taken but not yet announced(d)	-6.3	309.9	166.0	-91.8	-236.5
Depreciation Expense		-	4.1	4.1	4.1
Total impact of expense measures(e)	-16.1	2,417.0	2,905.8	1,850.7	991.7

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

.. Not zero, but rounded to zero.

- Nil.

nfp not for publication.

(a) A minus sign before an estimate indicates a reduction in expenses, no sign before an estimate indicates increased expenses.

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

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

(d) Includes the impact of measures that are not for publication (nfp).

(e) Measures may not add due to rounding.

Agriculture

African Swine Fever Response Package

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Agriculture	-	22.4	39.0	-	-
<i>Related capital (\$m)</i>					
<i>Department of Agriculture</i>	-	5.1	0.1	-	-

The Government will provide \$66.6 million over two years from 2019-20 to address the biosecurity risk posed by African Swine Fever. Funding will:

- increase frontline screening at Australia's international airports and mail centres to enhance detection capability by expanding product testing and risk profiling incoming passengers and imports
- increase detection capability at high risk airports and mail centres, including high volume pathways such as cargo, travellers and mail
- strengthen global and industry preparedness.

Further information can be found in the press release of 11 December 2019 issued by the Minister for Agriculture.

Appendix A: Policy decisions taken since the 2019 PEFO

Drought Response, Resilience and Preparedness Plan — additional support for farmers and communities in drought

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Infrastructure, Transport, Cities and Regional Development	-	251.9	176.0	17.3	12.8
Department of Agriculture	-	49.9	89.0	87.3	89.2
Department of Education	-	25.6	-	-	-
Services Australia	-	11.1	7.0	4.6	4.5
National Drought and North Queensland Flood Response and Recovery Agency	-	9.2	21.5	-	-
Regional Investment Corporation	-	0.1	1.7	1.8	4.8
Department of Social Services	-	0.1	0.3	0.6	0.8
Department of Health	-	-
Department of the Treasury	-	-6.0	14.7	39.7	69.2
Various Agencies	-	nfp	nfp	-	-
Total — Expense	-	341.9	310.4	151.3	181.5
<i>Related revenue (\$m)</i>					
<i>Department of Agriculture</i>	-	1.8	1.9	3.1	7.8
<i>Australian Taxation Office</i>	-	-	1.2	1.5	2.0
Total — Revenue	-	1.8	3.1	4.6	9.8
<i>Related capital (\$m)</i>					
<i>Services Australia</i>	-	7.9	-	-	-
<i>National Drought and North Queensland Flood Response and Recovery Agency</i>	-	2.2	0.1	-	-
Total — Capital	-	10.1	0.1	-	-

The Government will provide an additional \$1.3 billion over four years from 2019-20 for a range of measures to support farmers and communities in drought. The package of measures provides immediate action for those in drought, support for the wider communities affected by drought and support for long-term resilience and preparedness.

The package includes funding to provide immediate action for those in drought, including:

- \$114.5 million over four years from 2019-20 to support farmers through changes to the Farm Household Allowance, including expanding and simplifying eligibility arrangements, providing a single rate of payment, and strengthening the case management approach to support farmers in hardship. The Government will also provide a one-off relief payment of \$7,500 for singles and \$12,000 for couples to current and former recipients who have exhausted their four year entitlement to payment by 30 June 2020

- improved access to concessional loans for farmers and small businesses through the Regional Investment Corporation by providing Drought Loans of up to \$2.0 million for new and existing borrowers and Small Business Drought Loans of up to \$500,000 for farm-dependent small businesses with two years interest free, followed by three years interest only payments, and repayment in 10 years at concessional rates
- \$33.0 million over two years from 2019-20 to expand the role of the North Queensland Livestock Industry Recovery Agency to co-ordinate the Government's response to the current drought. The expanded agency is to be renamed the National Drought and North Queensland Flood Response and Recovery Agency
- \$20.0 million over four years from 2019-20 to deliver on the Government's election commitment to combat pests and weeds in drought-affected areas, including \$10.0 million for the replacement of the Dog Fence in South Australia
- \$17.0 million to support drought and flood affected families by exempting them from the Child Care Subsidy activity test for 2018-19
- \$10.0 million in 2019-20 for Special Circumstances funding for eligible drought-affected schools experiencing financial difficulties to help ensure the viability of these schools
- \$7.0 million over two years from 2019-20 for the Rural Financial Counselling Service, which delivers on the Government's election commitment
- \$5.0 million in 2019-20 to support child care centres experiencing decreased demand and financial pressure as a result of drought.

The package also includes funding to support local communities affected by the drought, including:

- \$200.0 million over three years from 2020-21 redirected under round four of the *Building Better Regions Fund* for community infrastructure and capacity building investments in drought-affected regional communities
- \$157.1 million over two years from 2019-20 for the *Drought Communities Programme* to deliver local infrastructure and drought-relief projects in 128 drought-affected councils
- \$138.9 million over two years from 2019-20 for the *Roads to Recovery Program* to support the maintenance of local road infrastructure in the 128 drought-affected councils eligible under the *Drought Communities Programme*

Appendix A: Policy decisions taken since the 2019 PEFO

- \$50.0 million over two years from 2019-20 for a discretionary fund under the *Drought Communities Programme* to support projects in councils impacted by the drought
- \$66.7 million over two years from 2019-20 for the *Drought Community Support Initiative* to provide financial assistance of up to \$3,000 per household for approximately 20,000 farming households and workers.

The package also includes funding to support long-term resilience and preparedness, including:

- \$208.5 million over five years from 2019-20 for the National Water Infrastructure Development Fund to construct water infrastructure in partnership with states and territories
- \$100.0 million over five years from 2019-20 to establish the National Water Grid Authority to lead the development of water infrastructure policy, from within existing resources. The Authority will work with state and territory governments to develop a national framework for investment in water infrastructure, and use the world's best science to secure long-term water supplies across Australia
- Funding over two years from 2019-20 to the South Australian Government to secure up to 100 gigalitres of water for farmers in the Murray-Darling Basin to grow fodder, silage and pasture at a discounted rate. Funding for this measure is not for publication (nfp) due to commercial-in-confidence sensitivities
- \$8.9 million over four years from 2019-20 to support the administration of grants and public consultation rounds for the Future Drought Fund.

Funding of \$336.0 million for these measures has already been provided for by the Government.

Further information can be found in the following press releases:

- the press release of 5 September 2019 issued by the Minister for Education
- the press release of 14 September 2019 issued by the Deputy Prime Minister and Minister for Infrastructure, Transport and Regional Development
- the joint press release of 27 September 2019 issued by the Prime Minister, the Deputy Prime Minister and Minister for Infrastructure, Transport and Regional Development, the Minister for Agriculture and the Minister for Water Resources, Drought, Rural Finance, Natural Disaster and Emergency Management

- the joint press release of 13 October 2019 issued by the Prime Minister and the Deputy Prime Minister and Minister for Infrastructure, Transport and Regional Development
- the press release of 17 October 2019 issued by the Minister for Agriculture
- the joint press release of 7 November 2019 issued by the Prime Minister, Deputy Prime Minister and Minister for Infrastructure, Transport and Regional Development and the Minister for Water Resources, Drought, Rural Finance, Natural Disaster and Emergency Management
- the press release of 5 December 2019 issued by the Prime Minister.

Election Commitment — Farm Household Allowance — permanently maintain the farm assets value limit at \$5 million

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Agriculture	-	2.5	6.7	11.2	15.8
Services Australia	-	-	-	-	-
Total — Expense	-	2.5	6.7	11.2	15.8
<i>Related revenue (\$m)</i>					
<i>Australian Taxation Office</i>	-	-	0.2	0.6	1.1

The Government will provide \$36.2 million over four years from 2019-20 to permanently increase the Farm Household Allowance asset threshold test from \$2.6 million to \$5.0 million. This will increase availability of the payment to farmers with larger farm asset holdings and limited income.

Further information can be found in the press release of 4 July 2019 issued by the Minister for Agriculture.

This measure delivers on the Government's election commitment.

Election Commitment — Strengthening and Showcasing the Agriculture and Fisheries Sectors

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Agriculture	-	17.2	29.8	12.3	8.1

The Government will provide \$67.4 million over four years from 2019-20 to strengthen and showcase the agriculture and fisheries sectors. Funding will include:

- \$20.0 million over two years from 2019-20 to establish the Regional Agricultural Show Development Grants Program to support regional agricultural show societies to upgrade and maintain existing infrastructure, and to build new infrastructure
- \$20.0 million over four years from 2019-20 to support local councils to improve, maintain or build new boating, marine rescue, fishing and camping facilities
- \$10.0 million over three years from 2019-20 to better educate Australian students about agriculture
- \$8.0 million over four years from 2019-20 to support non-government organisations to restore marine and estuarine habitats and ensure the health of fisheries and fish stocks
- \$3.5 million over four years from 2019-20 to establish the National Farm Safety Education Fund to support activities that help manage on-farm safety issues
- \$3.0 million over two years from 2019-20 to support farming groups to establish farm co-operatives and other collaborative business models
- \$1.5 million over two years from 2019-20 to promote the role of bees in all aspects of agricultural production and their impact on the entire food chain
- \$1.0 million over three years from 2019-20 to support the Australian dairy industry to simplify contract processes for the dairy industry and to support Dairy Australia to extend and improve financial and legal advice support services
- \$0.4 million over four years from 2019-20 to fund capacity-building training for commercial, recreational and Indigenous representatives who sit on Commonwealth and national fisheries advisory bodies and committees.

This measure delivers on the Government's election commitments.

Horticultural Netting Program — trial

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Agriculture	-	6.5	13.0	6.5	-

The Government will provide \$25.9 million over three years from 2019-20 to trial a netting program that will support horticultural industries to improve resilience on farms across New South Wales, Queensland, South Australia, Victoria and Western Australia.

The trial program will provide grants to farmers as a contribution towards the costs of purchasing and installing horticultural netting.

Inspector-General of Murray-Darling Basin Water Resources — establishment

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Agriculture	-	-	-	-	-

The Government will provide \$7.6 million over four years from 2019-20 to establish the Office of the Inspector-General of Murray-Darling Basin Water Resources.

The Inspector-General will improve transparency, accountability and community confidence in the delivery of the Murray-Darling Basin Plan.

The cost of this measure will be met from within the existing resources of the Agriculture portfolio.

Further information can be found in the press release of 1 August 2019 issued by the Minister for Water Resources, Drought, Rural Finance, Natural Disaster and Emergency Management.

Attorney-General's

Royal Commission into Aged Care Quality and Safety — extension

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Attorney-General's Department	-	-	-	-	-

The Government has agreed to extend the Royal Commission into Aged Care Quality and Safety for six months to allow the Commission to continue to hear evidence from Australians and conduct its deliberations and to support the appointment of a new Commissioner.

The cost of this measure will be met from within the existing resources of the Attorney-General's Department.

Further information can be found in the press release of 13 September 2019 issued by the Minister for Aged Care and Senior Australians.

Securing Agreement to the National Legal Assistance Partnership

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of the Treasury	-	-	7.8	7.9	8.1
Attorney-General's Department	-	-	-0.5	-0.6	-0.6
Total — Expense	-	-	7.3	7.4	7.5

The Government will provide an additional \$23.8 million over three years from 2020-21, including ongoing funding as part of the single mechanism for Commonwealth legal assistance funding.

This includes \$15.3 million in additional funding for the delivery of frontline legal services to vulnerable Australians with legal needs. This additional funding is contingent on it being matched by the states and territories.

The measure also provides the states and territories with \$8.5 million for administration costs associated with the single national mechanism, and achieves savings of \$1.7 million over three years from 2020-21 from Commonwealth administrative costs.

This measure builds on the 2019-20 Budget measure titled *Single National Mechanism for Commonwealth Legal Assistance* that provided \$1.2 billion over three years from 2020-21 for the single mechanism for Commonwealth legal assistance funding.

Supporting Victims of Family Violence in the Courts

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Attorney-General's Department	-	2.0	-	-	-
Federal Court of Australia	-	0.5	6.5	6.5	-
Total — Expense	-	2.5	6.5	6.5	-

The Government will provide \$15.5 million over three years from 2019-20 to support those affected by family violence who are involved in family law proceedings. This funding includes:

- \$13.5 million over three years from 2019-20 to the Federal Court of Australia to pilot a screening and triage program for matters being considered by family law courts, with three interconnected processes: screening parenting matters for family safety risks at the point of filing; triaging matters to an appropriate pathway based on the identified level of risk; and maintaining a specialist list to hear matters assessed as involving a high risk of family violence
- \$2.0 million in 2019-20 to legal aid commissions to provide legal representation to ensure that victims of family violence are not subject to cross-examination by their alleged abusers. This funding builds on the 2018-19 MYEFO measure titled *Women's Economic Security Package*.

Communications and the Arts

Audio Description on Free-to-Air Television — introduction

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Communications and the Arts	-	nfp	nfp	-	-

The Government will provide funding over two years from 2019-20 to support the introduction of audio description services by Australian free-to-air television broadcasters. This measure will improve the accessibility of free-to-air television content for people who are blind or vision impaired.

The expenditure for this measure is not for publication (nfp) due to commercial-in-confidence sensitivities.

Radio Frequency Electromagnetic Energy Program — enhanced

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Communications and the Arts	-	0.1	0.6	0.5	0.5
Australian Radiation Protection and Nuclear Safety Agency	-	..	1.1	1.1	1.1
National Health and Medical Research Council	-	-	-0.7	-0.7	-0.7
Total — Expense	-	0.1	1.0	0.9	0.9
<i>Related revenue (\$m)</i>					
<i>Australian Communications and Media Authority</i>	-	-	1.6	1.6	1.6
<i>Related capital (\$m)</i>					
<i>Australian Radiation Protection and Nuclear Safety Agency</i>	-	-	2.0	-	-

The Government will provide \$4.9 million over four years from 2019-20 (including \$2.0 million in capital funding) to enhance the *Electromagnetic Energy (EME)* program to respond to community concerns. This funding includes:

- \$1.2 million for the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) to enhance international engagement, undertake EME measurement studies and provide expert scientific advice on EME and health
- \$2.0 million in capital funding for ARPANSA to upgrade its laboratory facilities to test high frequency emissions

- \$1.8 million for the Department of Communications and the Arts to deliver an enhanced public communications program.

The measure includes the transfer of existing EME program funding of \$2.1 million over three years from 2020-21 from the National Health and Medical Research Council to ARPANSA to deliver the enhanced program.

The cost of the EME program will be fully recovered by introducing a new component under the *Radiocommunications (Spectrum Licence Tax) Determination 2014*, replacing the existing EME component under the *Radiocommunications (Transmitter Licence Tax) Determination 2015*, to better direct charges to entities deploying networks that are generating public concern.

Cross Portfolio

Election Commitment — Efficiency Dividend — extension

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Various Agencies	-	-130.1	-362.3	-481.3	-467.7
<i>Related capital (\$m)</i>					
Various Agencies	-	-5.1	-15.5	-21.3	-21.6

The Government will achieve savings of \$1.5 billion over four years by maintaining the Efficiency Dividend (ED) at the 2018-19 level of 2.0 per cent for two additional years (2019-20 and 2020-21), stepping down to 1.5 per cent in 2021-22 and returning to the base rate of 1.0 per cent from 1 July 2022.

This measure ensures efficiencies in government administration are returned to the Budget.

The ED extension applies to all Australian Government entities, except those entities that have been specifically exempted by the Government, including the National Disability Insurance Agency, the Australian Securities and Investments Commission, the Australian Prudential Regulation Authority, Tourism Australia, the National Collecting Institutions and Commonwealth agencies with an Average Staffing Level of less than 200.

This measure delivers on the Government's election commitment.

Defence

Election Commitment — Cyber Security Resilience and Workforce Package

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Signals Directorate	-	10.9	26.7	33.2	34.3
Department of Finance	-	0.4	0.7	0.8	0.8
Department of Defence	-	-10.9	-26.7	-33.2	-34.3
Total — Expense	-	0.4	0.7	0.8	0.8

The Government will provide \$152.7 million over four years from 2019-20 to strengthen Australia's cyber security resilience and workforce. This includes:

- creating additional specialist cyber security positions within Government and the Australian Defence Force to monitor and respond to cyber security threats
- providing a suite of scholarships and training opportunities to Australians to develop specialist cyber security skills
- providing targeted assistance to small business, older Australians and families to conduct online activities in a more secure manner
- enhancing the cyber security of voter information.

The cost of this measure will be partially met from within the existing resources of the Department of Defence.

This measure delivers on the Government's election commitment.

Appendix A: Policy decisions taken since the 2019 PEFO

Election Commitment — Defence Home Ownership Assistance Scheme — extending access

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Defence	-	-	-	-	-
<i>Related revenue (\$m)</i>					
<i>Australian Taxation Office</i>	-	-	0.1	0.2	0.4
<i>Department of Defence</i>	-	-	..	0.1	0.1
<i>Total — Revenue</i>	-	-	0.1	0.3	0.5

The Government will extend the time period for Australian Defence Force (ADF) personnel who leave the ADF to access the Defence Home Ownership Assistance Scheme. This expansion will extend the current post-separation period, during which the Scheme can be accessed, from two to five years. Access to the Scheme enables former ADF personnel to subsidise the interest cost of maintaining a home loan.

As a result of the taxation treatment of fringe benefits, it is anticipated this proposal will generate \$1.0 million in revenue over three years from 2020-21 to be paid by the Department of Defence.

The cost of this measure will be met from within the existing resources of the Department of Defence.

This measure delivers on the Government's election commitment.

Election Commitment — Tasmania Defence Innovation and Design Precinct

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Defence	-	-	-	-	-

The Government will provide \$30.0 million over three years from 2019-20 to work with the Tasmanian Government and the University of Tasmania to support Phase 1 construction of the Defence Innovation and Design Precinct at the Australian Maritime College, Launceston.

This Precinct will develop world-class research, drive defence-related research and development projects, and positively contribute to the local economy during the construction phase.

The cost of this measure will be met from within the existing resources of the Department of Defence.

This measure delivers on the Government's election commitment.

Education

Australian Children's Education and Care Quality Authority — ongoing funding

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Education	-	-9.1	3.8	2.6	2.7

The Government will provide an additional \$23.9 million over three years from 2020-21 (and \$7.8 million per year ongoing) to continue funding the Australian Children's Education and Care Quality Authority (ACECQA) on an ongoing basis. ACECQA supports the nationally consistent regulation of quality and safety in early childhood education and care services across Australia.

The cost of this measure will be partially met from within the existing resources of the Department of Education, including through efficiencies from the *Inclusion Support Program* and the *National Research Internship Program*.

This measure extends the 2018-19 Budget measure titled *Australian Children's Education and Care Quality Authority – additional funding*.

Election Commitment — Investing in Regional Australia — additional Regional University Centres

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Education	-	3.8	3.8	3.8	3.8

The Government will provide \$15.0 million over four years from 2019-20 to support higher education in regional Australia by establishing a further five Regional University Centres (formerly known as Regional Study Hubs), including a centre in Wangaratta. The additional funding will increase the number of Regional University Centres from 16 to 21 to provide more opportunities for students to undertake higher education while remaining in their local communities.

This measure builds on the 2018-19 MYEFO measure titled *Strengthening Higher Education in Regional Australia – additional support for students and universities*.

This measure delivers on the Government's election commitment.

Appendix A: Policy decisions taken since the 2019 PEFO

Election Commitment — National Phonics Check

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Education	-	2.2	4.3	4.3	-

The Government will provide \$10.8 million over three years from 2019-20 for a voluntary phonics health check for year one students that allows parents and teachers to ensure their children are not falling behind. This funding includes:

- \$8.0 million to develop an online Phonics Hub, which will host the phonics health check and provide extensive online professional learning resources for teachers and learning resources for parents
- \$2.8 million to assist primary schools, particularly in low socio economic areas, to access additional phonics resources and training.

This measure builds on the 2019-20 Budget measure titled *School Funding – initiatives to support students and teachers*.

Further information can be found in the press release of 15 October 2019 issued by the Minister for Education.

This measure delivers on the Government's election commitment.

Election Commitment — New Central Queensland School of Mines and Manufacturing — Gladstone and Rockhampton

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Education	-	-	13.5	15.0	1.5

The Government will provide \$30.0 million over three years from 2020-21 to the new School of Mines and Manufacturing of Central Queensland University. The new school will provide training in traditional trades and emerging technologies to support Australia's growing resources sector. Construction of the school is expected to create more than 300 jobs, directly benefiting the Gladstone and Rockhampton regions.

This measure delivers on the Government's election commitment.

Election Commitment — Rural Inspire Initiative

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Education	-	0.5	1.0	0.5	-

The Government will provide \$2.0 million over three years from 2019-20 to the Country Education Partnership's Rural Inspire Initiative to support young people living in rural communities to set their sights high and achieve their goals by developing leadership skills and knowledge. The Initiative also aims to explore education challenges and opportunities facing rural youth.

This measure delivers on the Government's election commitment.

Election Commitment — Teach for Australia Future Leaders Program — additional funding

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Education	-	2.5	2.5	10.0	-

The Government will provide an additional \$15.0 million over three years from 2019-20 to support more high achieving teachers to become high quality school leaders in rural, remote and disadvantaged schools.

This measure builds on the 2018-19 Budget measure titled *High Achieving Teachers Program*.

This measure delivers on the Government's election commitment.

Flexible Literacy for Remote Primary Schools Program — extension

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Education	-	-	-	-	-

The Government will provide \$1.8 million over two years from 2019-20 to extend the *Flexible Literacy for Remote Primary Schools Program* pilot into the 2020 school year to help improve literacy outcomes by continuing to trial flexible teaching methods.

This measure will be offset by redirecting funding from the National Schools Reform Fund, which was part of the 2017-18 Budget measure titled *Quality Schools – true needs-based funding for Australia's schools*.

This measure builds on the 2018-19 MYEFO measure titled *School Funding – additional support for students*.

Appendix A: Policy decisions taken since the 2019 PEFO

General Sir John Monash Foundation

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Education	-	10.0	-	-	-

The Government will provide \$10.0 million in 2019-20 to the General Sir John Monash Foundation to establish the Bob Hawke John Monash Scholarship and the Tim Fischer John Monash Scholarship programs. Scholarships will be provided from 2020 for postgraduate scholars to study at a leading international university. The Bob Hawke Scholarship will be provided to scholars with leadership potential and the Tim Fischer Scholarship will be offered to scholars from regional or rural backgrounds.

Higher Education Loan Program — encouraging Early Childhood Teachers to work in very remote areas

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Education	-	2.4
<i>Related revenue (\$m)</i>					
<i>Department of Education</i>	-	-0.1	-0.1	-0.1	..

The Government will provide \$2.4 million over four years from 2019-20 to extend the removal of *Higher Education Loan Program* (HELP) debt for teachers working in very remote locations of Australia to include early childhood teachers. From 2019, HELP debts for early childhood teachers will be extinguished after four years of employment in very remote locations of Australia. Additionally, indexation on HELP debt will no longer accrue for early childhood teachers while working in these locations.

This measure builds on the 2019-20 Budget measure titled *Closing the Gap refresh — Indigenous Youth Education Package* to ensure Aboriginal and Torres Strait Islander children have access to quality education.

Further information can be found in the press release of 16 October 2019 issued by the Minister for Education.

Pilot Programs to Enhance Collaboration between Universities and Industry

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Education	-	-	-	-	-

The Government will provide \$9.6 million over two years from 2019-20 to bring together universities and industry to partner on innovative projects. These include:

- \$2.0 million to the University of Wollongong to establish an Industry 4.0 Hub in Nowra to drive productivity and growth in areas of agribusiness and manufacturing in the Shoalhaven area
- \$2.0 million to Deakin University to establish a hydrogen fuel cell and supply chain pilot program in the city of Warrnambool
- \$2.0 million to Flinders University to deliver an advanced apprenticeship diploma to upskill employees in digital technologies, working in partnership with BAE Systems Australia Pty Ltd, ASC Pty Ltd and TAFE South Australia. The diploma will support workers under the *Hunter Class Frigate Program*
- \$3.6 million to support students through an advanced apprenticeship model of course delivery with heavy industry engagement. The *Diploma in Applied Technologies* program will be delivered by six partner universities around Australia and builds on the successful collaboration between Swinburne University of Technology and Siemens Australia.

The cost of this measure will be met from within the existing resources of the Department of Education.

Employment, Skills, Small and Family Business

Election Commitment — Australian Apprentice Wage Subsidy Trial — expansion

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Employment, Skills, Small and Family Business	-	12.7	23.6	16.6	7.1

The Government will provide \$60.0 million over four years from 2019-20 to expand the successful *Australian Apprentice Wage Subsidy Trial* to provide additional support for young Australians and small businesses across rural and regional Australia.

The expansion will benefit up to an additional 1,630 new apprentices undertaking full-time apprenticeships at the Certificate III and IV levels in rural and regional areas, and in areas of skills needs as identified by the National Skills Needs List.

This measure delivers on the Government's election commitment.

Election Commitment — Mid-Career Checkpoint — establishment

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Employment, Skills, Small and Family Business	-	5.0	17.5	26.3	26.3

The Government will provide \$75.0 million over four years from 2019-20 to establish a mid-career checkpoint for caregivers who have taken time out of their career to care for their family and are seeking to return to the workforce.

The program will support up to 40,000 caregivers who have taken two or more years out of the workforce for caring responsibilities to step back in to or step up their careers by providing tailored advice on professional development or further skills needed to achieve their employment goals.

This measure delivers on the Government's election commitment.

Improving Integrity of the Vocational and Education Training System

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Office of the Commonwealth Ombudsman	-	6.4	9.1	-	-
Department of Employment, Skills, Small and Family Business	-	3.6	1.4	0.6	-
Total — Expense	-	9.9	10.4	0.6	-
<i>Related revenue (\$m)</i>					
<i>Department of Employment, Skills, Small and Family Business</i>	-	-	-0.5	-0.5	-0.5

The Government will provide \$21.0 million over four years from 2019-20 to further strengthen the compliance and regulatory arrangements of the Vocational and Education Training (VET) sector and to improve service delivery. This funding includes:

- \$18.0 million over three years from 2019-20 to fund the continued implementation of the VET FEE-HELP Redress measure in 2020. The Redress measure provides a legislative remedy under the *Higher Education Support Act 2003* for students who incurred debts under the VET FEE-HELP loans scheme, introduced by the former government in 2012, following inappropriate conduct by VET providers. This remedy will sunset to new applicants on 31 December 2020
- \$3.0 million over two years from 2019-20 to undertake additional design work, stakeholder engagement and user research to further inform the development of the VET Student Loans IT System, to ensure the new IT System supports user needs.

From 1 January 2020, TAFEs and other government owned education and training providers will be exempt from paying the administrative fee component of the new Tuition Protection Scheme levy. This will reduce revenue by \$1.6 million over three years from 2020-21.

The Government will also lead a review of the VET Student Loans program to ensure parity of access for students across Australia.

This measure builds on the 2018-19 MYEFO measures titled *VET FEE-HELP Debts – additional student protection* and *VET Student Loans and FEE-HELP – new tuition protection schemes*.

Appendix A: Policy decisions taken since the 2019 PEFO

Jobs and Education Data Infrastructure — mapping skills for better futures

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Employment, Skills, Small and Family Business	-	3.1	4.3	3.5	3.4
<i>Related capital (\$m)</i>					
Department of Employment, Skills, Small and Family Business	-	3.3	0.7	-	-

The Government will provide \$18.3 million over four years from 2019-20 to complete the final phase of the Jobs and Education Data Infrastructure project. The project will establish a data tool prototype to help employers identify the skills that employees will need in the future and to support employers' workforce planning and training.

The measure also includes funding to develop a dynamic Australian skills classification to help individuals identify short-term and long-term pathways to new jobs.

This measure builds on the 2018-19 MYEFO measure titled *Jobs and Education Data Infrastructure – data tool for employers and employees* and the 2019-20 Budget measure titled *Skills Package – delivering skills for today and tomorrow*.

Online Employment Services Trial — expansion

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Employment, Skills, Small and Family Business	-	-1.7	-11.5	-12.5	-3.4

The Government will provide \$3.6 million over three years from 2019-20 to further expand the *Online Employment Services Trial* program, providing digital employment services nationally to an additional 33,750 job-ready participants.

The measure will achieve net savings by enabling job-ready participants to access online support rather than face-to-face support through employment service providers. The online trial is an opt-out system. Jobseekers can still access face-to-face support if they request it.

This measure builds on the 2019-20 Budget measure titled *New Employment Services Model – pilot and transitional arrangements*.

The savings from this measure will be redirected by the Government to fund policy priorities.

Payment Times Reporting Framework — establishment

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Employment, Skills, Small and Family Business	-	0.8	2.1	1.7	2.1
<i>Related capital (\$m)</i>					
Department of Employment, Skills, Small and Family Business	-	-	2.8	0.3	0.3

The Government will provide \$10.0 million over four years from 2019-20 (including \$3.4 million in capital funding) and \$2.6 million in 2023-24 with \$2.4 million per year ongoing from 2024-25, to implement a reporting framework requiring large businesses to publish information on payment behaviour, including how quickly small business suppliers are paid.

The reporting obligation will include Australian and foreign businesses with an annual turnover of more than \$100 million which:

- are incorporated
- have a physical presence in an Australian territory
- are foreign businesses that pass the carrying on business test.

This measure builds on the 2018-19 MYEFO measure titled *Small Business Package – finance and cash flow*.

Revitalising TAFE Campuses Across Australia

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of the Treasury	-	-	25.0	25.0	-

The Government will provide \$50.0 million over two years from 2020-21 to establish a TAFE revitalisation grants program, in partnership with state and territory governments. This funding will be contingent on matched contributions from states and territories.

This measure will improve vocational education infrastructure ensuring TAFEs are equipped to deliver training to the standards expected by students and industry.

Appendix A: Policy decisions taken since the 2019 PEFO

Skills Package — strengthening the national training system

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Employment, Skills, Small and Family Business	-	6.6	11.4	6.3	2.0
Australian Skills Quality Authority	-	3.0	1.8	1.6	1.6
Department of Finance	-	0.1	-	-	-
Total — Expense	-	9.6	13.2	7.9	3.6

The Government will provide \$34.3 million over four years from 2019-20 to further improve the quality of the Vocational Education and Training (VET) system, and continue to implement the response to the *Expert Review of Australia's Vocational Education and Training System* led by the Hon Steven Joyce and the *Review of the National Vocational Education and Training Regulator Act 2011* led by Professor Valerie Braithwaite. The Government will also raise the profile of VET as a career pathway and increase the awareness of available Commonwealth Skills and VET initiatives.

This package includes:

- \$18.1 million over four years from 2019-20 to reform the Australian Skills Quality Authority (ASQA) to strengthen quality assurance in the VET sector. The new funding will expand ASQA's educative role and improve ASQA's regulatory approach to support the fair, transparent and effective regulation of the VET sector, and high quality student outcomes.
- \$9.7 million over three years from 2019-20 to establish a Skills Organisation pilot for the mining and resources industry to trial new ways of working across the national training system to ensure graduating trainees and apprentices have the particular skills needed by employers in the mining industry.
- \$4.3 million over two years from 2019-20 to hold up to 25 additional job fairs to connect jobseekers with local employers who have available job vacancies in communities across Australia to leverage their skills.
- \$2.2 million over two years from 2019-20 to develop a second pass business case to develop detailed delivery options to replace the current Australian Apprenticeship IT system to deliver faster transactions and improved government service delivery for employers and apprentices.

This measure builds on the 2019-20 Budget measure titled *Skills Package — delivering skills for today and tomorrow*.

Further information can be found in the joint press release of 1 November 2019, issued by the Prime Minister, the Minister for Employment, Skills, Small and Family Business and the Minister for Resources and Northern Australia and the press release of 30 October 2019 issued by the Minister for Employment, Skills, Small and Family Business.

Small Business Support Programs — extension

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Employment, Skills, Small and Family Business	-5.7	4.3	1.4	-	-

The Government will extend three small business support programs announced as part of the Small Business Package at the 2018-19 MYEFO, including continuing the *Finance and Cash Flow* program, the *Making it Easier for Business* program and the *Small Business Digital Champions Project*.

These extensions will ensure the Government delivers its commitment to help small businesses to improve their digital capability.

Transition to Work — extending support for young people

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Services Australia	-	0.6	..	-	-
Department of Employment, Skills, Small and Family Business	-	0.2	-10.9	-7.4	-8.5
Total — Expense	-	0.8	-10.9	-7.4	-8.5
<i>Related capital (\$m)</i>					
Department of Employment, Skills, Small and Family Business	-	0.5	-	-	-

The Government will invest an additional \$12.5 million over four years from 2019-20 (including \$0.5 million in capital in 2019-20) to extend the time a participant can spend in the *Transition to Work* program from 12 months to 18 months. This measure will help disadvantaged young Australians enter employment by allowing them more time to build their skills, confidence and readiness.

The measure will achieve net savings by reducing the number of participants entering *jobactive* as they will receive services through the *Transition to Work* program for an additional six months.

This measure builds on the 2019-20 Budget measure titled *New Employment Services Model – pilot and transitional arrangements* and the 2018-19 Budget measure titled *Transition to Work – additional places*.

Environment and Energy

Asia Pacific Rainforest Summit and International Partnerships for Blue Carbon

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of the Environment and Energy	-	0.5	-	-	-

The Government will provide \$0.5 million in 2019-20 to support Australia's preparation for the Asia-Pacific Rainforest Summit in 2020. The funding will also support Australia's engagement with the International Partnership for Blue Carbon in 2019-20.

Busting Congestion in the Environmental Assessment Process

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of the Environment and Energy	-	7.5	17.5	-	-

The Government will provide \$25.0 million over two years from 2019-20 to reduce unnecessary delays in environmental assessments and approval of applications under the *Environmental Protection and Biodiversity Conservation Act 1999*. The Department of the Environment and Energy will work through the backlog of environmental approval applications, with a focus on major projects, to deliver better outcomes for the environment and reduce costs to businesses.

Further information can be found in the press release of 21 November 2019 issued by the Minister for the Environment.

See also the related expense measure titled *New Deregulation Agenda* in the Treasury portfolio.

Election Commitment — Australian Recycling Investment Fund

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Clean Energy Finance Corporation	-	-	-	-	-

The Government will provide \$100.0 million in capital funding from 2020-21 to establish an Australian Recycling Investment Fund through the Clean Energy Finance Corporation (CEFC) to support the manufacturing of lower emissions and energy efficient recycled content products.

The Australian Recycling Investment Fund will use existing funds available within the CEFC.

Further information can be found in the press release of 5 June 2019 issued by the Minister for the Environment.

This measure delivers on the Government's election commitment.

Election Commitment — Product Stewardship Investment Fund — establishment

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of the Environment and Energy	-	3.0	6.0	6.0	5.0

The Government will provide \$20.0 million over four years from 2019-20 to establish a Product Stewardship Investment Fund to accelerate the development of new industry-led product stewardship schemes and improve recycling rates of existing schemes.

Further information can be found in the press release of 5 June 2019 issued by the Minister for the Environment.

This measure delivers on the Government's election commitment.

Election Commitment — Taking Forward a Ban on the Export of Waste

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of the Environment and Energy	-	6.2	8.8	-	-

The Government will provide \$15.0 million over two years from 2019-20 to implement the Government's commitment to ban the export of waste plastic, paper, glass and tyres, while building Australia's capacity to generate high value recycled commodities and their associated demand.

The Government has committed to banning the export of certain types of waste, starting with all waste glass by July 2020, mixed waste plastics by July 2021, all whole tyres by December 2021 and remaining waste products, including mixed paper and cardboard by no later than 30 June 2022.

This measure delivers on the Government's election commitment.

Appendix A: Policy decisions taken since the 2019 PEFO

Energy and Emissions Reductions for Residential and Commercial Buildings

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of the Environment and Energy	-	-3.5	4.4	..	-

The Government will provide \$10.9 million in 2020-21 to improve energy efficiency and reduce energy bills for residential and commercial buildings. Funding will be directed to activities that improve energy efficiency standards, encourage building owners to replace inefficient heating, ventilation and air conditioning systems, and expand energy rating schemes.

This measure will be partially offset by redirecting \$10.0 million in funding from the *Energy Efficient Communities Program* over three years from 2019-20.

This measure builds on the 2019-20 Budget measure titled *Climate Solutions Package*.

Funding for the Climate Change Authority and Research on the Environment

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of the Environment and Energy	-	3.0	-1.6	-1.6	-1.6
Climate Change Authority	-	0.9	2.6	2.6	2.6
Total — Expense	-	3.9	1.1	1.0	1.0

The Government will provide \$8.1 million over five years from 2019-20 (including \$1.1 million in 2023-24), as follows:

- \$5.1 million over five years from 2019-20 to the Climate Change Authority (CCA)
- \$3.0 million to the Department of the Environment and Energy to further develop the evidence base for future environmental policies and programs.

Under this measure, funding that was previously provided to the CCA through the Department of the Environment and Energy will be directly appropriated to the CCA.

Grid Reliability Fund — establishment

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Clean Energy Finance Corporation	-	1.9	24.3	24.5	9.3
<i>Related revenue (\$m)</i>					
<i>Clean Energy Finance Corporation</i>	-	-	2.5	6.2	12.0

The Government will provide \$1.0 billion in capital funding to establish a Grid Reliability Fund (GRF) to support investment in new energy generation, storage and transmission infrastructure to ensure the security of electricity and delivery of secure and reliable energy for Australian households, businesses and industries. The GRF will be administered by the Clean Energy Finance Corporation (CEFC).

Eligible investments under the GRF will include energy storage projects, including pumped hydro and batteries, transmission and distribution infrastructure and grid stabilising technologies. The CEFC will also consider eligible projects that are shortlisted under the *Underwriting New Generation Investments* program.

Further information can be found in the joint press release of 30 October 2019 issued by the Prime Minister, the Minister for Finance and the Minister for Energy and Emissions Reduction.

Interconnector Funding — delivering reliable and affordable energy

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Industry, Innovation and Science	-	0.6	-	-	-
Department of the Environment and Energy	-	0.1	1.3	-	-
Total — Expense	-	0.7	1.3	-	-
<i>Related revenue (\$m)</i>					
<i>Department of the Environment and Energy</i>	-	-	0.1	1.3	-

The Government is providing funding to a range of projects as part of its commitment to reliable and affordable energy.

The Government, in partnership with the New South Wales (NSW) Government, will underwrite transmission interconnector projects to ensure the security of electricity and delivery of reliable and affordable energy in the National Electricity Market (NEM).

Under these agreements, the Commonwealth and NSW will each underwrite 50 per cent of the early works of the New South Wales-Queensland interconnector (up to \$102.0 million), Victoria-New South Wales interconnector (up to \$8.0 million) and the

Appendix A: Policy decisions taken since the 2019 PEFO

proposed HumeLink transmission line (up to \$65.7 million). Underwriting these works will support the reliability and security of the NEM as it transitions to lower emissions technology and provide better access to the increased generation and storage capacity of Snowy 2.0.

The Government is also providing \$0.6 million to Ferretti International in 2019-20 for a feasibility study into a proposed transmission tower manufacturing plant in Whyalla, South Australia. The feasibility study will be used to inform their potential involvement in the tender process to supply transmission towers to the proposed New South Wales-South Australia interconnector, Project EnergyConnect.

Further information on the underwrite can be found in the joint press release of 28 October 2019 issued by the Prime Minister, the Minister for Energy and Emissions Reduction, the NSW Premier and the NSW Minister for Energy and Environment.

Measures to Support the National Hydrogen Strategy

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of the Environment and Energy	-	1.5	3.3	2.5	2.4
Australian Renewable Energy Agency	-	-	-	-	-
Clean Energy Finance Corporation	-	-	-	-	-
Department of Industry, Innovation and Science	-	-	-	-	-
Total — Expense	-	1.5	3.3	2.5	2.4

The Government will provide \$383.4 million to support the *National Hydrogen Strategy*, including:

- \$300.0 million in capital funding to establish the Advancing Hydrogen Fund within the Clean Energy Finance Corporation (CEFC) to provide concessional finance for the development of hydrogen projects and technologies
- \$70.0 million from 2020-21 for the Australian Renewable Energy Agency (ARENA) to support hydrogen electrolyser projects
- \$7.5 million over four years from 2019-20 to address regulatory barriers and undertake detailed economic and technical analyses to support decision making for Australia's actions in the global hydrogen market
- \$5.9 million over four years from 2019-20 to increase engagement with international hydrogen forums and fund feasibility studies to determine the technological and economic conditions required for establishing successful supply chains with international partners.

The cost of the Advancing Hydrogen Fund will be met from within the existing resources of the CEFC.

Funding to support hydrogen electrolyser projects will be met from within the existing resources of the ARENA.

The cost of increased international engagement will be partially met from within the existing resources of the Department of Industry, Innovation and Science.

Further information can be found in the press release of 23 November 2019 issued by the Minister for Finance, the Minister for Energy and Emissions Reduction and the Minister for Resources and Northern Australia.

National Education Centre for the Great Barrier Reef — refurbishment

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Great Barrier Reef Marine Park Authority	-	0.7	3.2	2.1	0.5
<i>Related revenue (\$m)</i>					
<i>Great Barrier Reef Marine Park Authority</i>	-	-	-0.9	-0.4	-
<i>Related capital (\$m)</i>					
<i>Great Barrier Reef Marine Park Authority</i>	-	7.4	8.1	2.9	2.1

The Government will provide \$26.9 million over four years from 2019-20 (and \$1.8 million per year ongoing from 2023-24) to the Great Barrier Reef Marine Park Authority to refurbish and repair the National Education Centre for the Great Barrier Reef (Reef HQ) in Townsville. This funding will ensure the Reef HQ continues to be an invaluable educational resource and tourism site for Far North Queensland.

The revenue impacts associated with this measure reflect a reduction in own-source revenue due to the temporary closure of Reef HQ in 2021 while large scale repairs and maintenance are undertaken.

Oil Stockholding Requirements — additional funding

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of the Environment and Energy	-	-	10.0	-	-

The Government will provide \$10.0 million in 2020-21 to secure up to 280 kilo-tonnes of oil stock tickets and progress toward compliance with the International Energy Agency's 90-day oil stockholding requirements.

Appendix A: Policy decisions taken since the 2019 PEFO

Strengthening the Australian Antarctic Program

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of the Environment and Energy	-	10.4	28.2	20.1	-
<i>Related capital (\$m)</i>					
<i>Department of the Environment and Energy</i>	-	0.7	6.3	-	-

The Government will provide \$65.7 million over three years from 2019-20 to ensure the successful implementation and delivery of Australia's major infrastructure and scientific investments in the Antarctic region, including:

- \$58.8 million to progress planning for the construction of an Aerodrome at Davis Station to provide year-round aviation access to Antarctica
- \$6.9 million for the Traverse and Million Year Ice Core Project to ensure Australia can undertake major land-based campaigns across the Australian Antarctic Territory with the aim of retrieving a million year ice core to better understand the changes in the world's climate over time.

Further information can be found in the joint press release of 2 December 2019 issued by the Minister for Foreign Affairs and the Minister for the Environment.

Finance

Australia Post — Strategic Review

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Finance	-	nfp	-	-	-
<i>Related revenue (\$m)</i>					
<i>Department of Communications and the Arts</i>	-	nfp	-	-	-

The Government is undertaking a strategic review of Australia Post in 2019-20 to review Australia Post's strategy to operate as a sustainable and fit-for-purpose service provider for the longer term. This review will consider broader market conditions such as growth in e-commerce, the regulatory environment, and changes in business and consumer needs. The review is expected to report back to Government in early 2020.

The budget impact for this measure is not for publication (nfp) due to commercial sensitivities.

Further information can be found in the joint press release of 1 November 2019 issued by the Minister for Finance and the Minister for Communications, Cyber Safety and the Arts.

Foreign Affairs and Trade

Australia-United Kingdom 2021-22 Season of Culture

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Trade and Investment Commission	-	1.4	1.3	1.3	-

The Government will provide funding of \$4.0 million over three years from 2019-20 to the Australian Trade and Investment Commission for the measure *Australia-United Kingdom 2021-22 Season of Culture*. This funding will be used to undertake activities with the British Council to increase the level of cultural exchange between Australia and the United Kingdom, contributing to deeper business engagement and talent mobility.

Increasing Uptake of Workers in Australia's Pacific Labour Mobility Initiatives and Finalisation of a Horticulture Industry Labour Agreement

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Employment, Skills, Small and Family Business	-	0.5	2.8	3.1	-
Fair Work Ombudsman and Registered Organisations Commission Entity	-	0.2	2.8	3.4	-
Department of Foreign Affairs and Trade	-	-	-	-	-
Department of Home Affairs	-	-	-	-	-
Total — Expense	-	0.8	5.5	6.5	-
<i>Related capital (\$m)</i>					
<i>Department of Employment, Skills, Small and Family Business</i>	-	-	0.4	-	-

The Government will provide \$13.6 million over three years from 2019-20 to address labour challenges in the agriculture sector, with \$13.2 million to improve access to a sustainable labour force for the horticulture sector, including the *Seasonal Worker Programme* (SWP).

This measure will extend current arrangements for the SWP pilot until 30 June 2022 to include the whole Wimmera Mallee region. This measure will provide additional resources to support employers in sourcing workers and additional Australian Border Force support with a focus on information and education activities in order to maintain the integrity of the program. It will also support smaller farmers to more easily access labour through the SWP.

The Government will provide opportunities for an additional 1,000 Pacific workers through the SWP and the Pacific Labour Scheme, with a particular focus on increasing participation from Papua New Guinea.

To increase the supply of labour prior to the peak of the harvest season in January 2020, the Government will also finalise a Horticulture Industry Labour Agreement.

The measure includes \$6.4 million over three years from 2019-20 for the Fair Work Ombudsman to increase education, monitoring and investigation activities relating to SWP employers.

The costs of this measure will be partially met from the existing resources of the Department of Home Affairs and the Department of Foreign Affairs and Trade.

This measure builds on the 2018-19 MYEFO measure titled *Changes to the Seasonal Worker Programme* and the 2019-20 Budget measure titled *Seasonal Worker Programme – pilot to address regional workforce shortages*.

Further information can be found in the joint press release of 19 November 2019 issued by the Minister for Agriculture, the Minister for Employment, Skills, Small and Family Business and the Minister for Immigration, Citizenship, Migrant Services and Multicultural Affairs.

Investment Treaty Reform

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Foreign Affairs and Trade	-	-	0.5	0.9	1.3

The Government will provide \$4.5 million over four years from 2020-21 (including \$1.7 million in 2023-24) to undertake international investment treaty reform. The funding will support reviewing, and where appropriate updating, the 14 bilateral international investment treaties to which Australia is a party.

Further information can be found in the press release of 21 October 2019 issued by the Minister for Trade, Tourism and Investment.

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Short-Term Loan to the Government of Papua New Guinea

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Export Finance and Insurance Corporation (National Interest component)	-	4.0	3.4	-	-
<i>Related revenue (\$m)</i>					
<i>Export Finance and Insurance Corporation (National Interest component)</i>	-	5.3	4.5	-	-

The Government will provide a one year loan of US\$300 million (approximately \$441.2 million) in 2019-20 to the Government of Papua New Guinea to support budget sustainability, assist in the delivery of core government services and support longer-term economic reforms. The loan has been made by Export Finance Australia on the National Interest Account and will support Australian businesses investing and trading with Papua New Guinea by improving access to foreign currency.

Further information can be found in the press release of 23 November 2019 issued by the Minister for International Development and the Pacific.

Support for the Cook Islands

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Foreign Affairs and Trade	-	-	-	-	-

The Government will provide \$8.0 million over four years from 2020-21 to support the Cook Islands following its graduation from Official Development Assistance eligibility.

The cost of this measure will be met from within the existing resources of the Foreign Affairs and Trade portfolio.

The Emerging Markets Impact Investment Fund

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Foreign Affairs and Trade	-	-	-6.7	-5.9	-7.5

The Government will provide \$40.0 million over 10 years from 2020-21 to establish the Emerging Markets Impact Investment Fund (EMIIF).

The EMIIF will improve access to financing for small and medium enterprises operating in the Indo-Pacific region and will support the achievement of important development and social goals, including women's economic empowerment.

The cost of this measure will be met from within the existing resources of the Foreign Affairs and Trade portfolio.

Health

Access for CAR-T Cell Therapy (Kymriah®) in Public Hospitals

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Health	-	-	-	-	-

The Government will support the delivery of the CAR-T cell therapy Kymriah® in public hospitals under the National Health Reform Agreement through an exemption from the national growth funding cap in 2019-20 and 2020-21.

Kymriah® has been approved by the Medical Services Advisory Committee and the Independent Hospital Pricing Authority as a treatment for confirmed relapsed or refractory acute lymphoblastic leukaemia in children and young adults up to the age of 25.

Adult Mental Health Centres — trial

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of the Treasury	-	2.0	-	4.0	4.0
Department of Health	-	0.2	7.2	16.5	-3.2
Total — Expense	-	2.2	7.2	20.5	0.8

The Government will bring forward the planned trial of eight adult mental health centres.

This measure builds on the 2019-20 Budget measure titled *Prioritising Mental Health – caring for our community*.

Appendix A: Policy decisions taken since the 2019 PEFO

Aged Care — response to the Aged Care Royal Commission Interim Report and ongoing aged care reforms

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Health	-	116.8	211.8	170.9	63.4
Aged Care Quality and Safety Commission	-	11.7	1.6	-	-
Services Australia	-	3.8	-	-	-
Department of Finance	-	0.1	-	-	-
Department of Veterans' Affairs	-	..	-	-	-
Total — Expense	-	132.5	213.5	170.9	63.4
<i>Related revenue (\$m)</i>					
<i>Department of Health</i>	-	-1.1	-	-	-
<i>Related capital (\$m)</i>					
<i>Department of Health</i>	-	4.6	4.4	-	-
<i>Services Australia</i>	-	..	-	-	-
Total — Capital	-	4.6	4.4	-	-

The Government will provide \$623.9 million over four years from 2019-20 to respond to the *Interim Report* of the Royal Commission into Aged Care Quality and Safety, including the three priority areas identified in the report, and build on the Government's recent aged care reforms to improve standards, oversight, funding and transparency in the care of older Australians:

Response to the Royal Commission into Aged Care Quality and Safety Interim Report

The Government will provide:

- \$496.3 million over four years from 2019-20 for the release of an additional 10,000 home care packages across three package levels
- \$25.5 million in 2019-20 to improve medication management and reduce the use of medicines as a chemical restraint for older Australians living in residential aged care facilities and at home through the *Home Medicines Review*, the *Residential Medication Management Review*, and *Quality Use of Medicines* community pharmacy programs
- \$10.0 million over two years from 2019-20 for additional dementia training and support for aged care workers and providers
- \$4.7 million in 2019-20 for a survey of younger people in aged care to support new targets to reduce the number of younger people in residential aged care

Ongoing Aged Care Reforms

The Government will provide:

- \$31.5 million over three years from 2019-20 to support transition arrangements for the implementation of the new aged care national assessment framework and workforce
- \$21.9 million in 2019-20 to support the operating costs of the My Aged Care system
- \$13.6 million over two years from 2019-20 to support the Department of Health and the Aged Care Quality and Safety Commission to respond to requests from the Royal Commission into Aged Care Quality and Safety
- \$11.4 million in 2019-20 to increase the capability of the Department of Health and the Aged Care Quality and Safety Commission to effectively monitor, identify and respond to failures in care and financial risks in aged care
- \$5.9 million in 2019-20 to develop a second-pass business case for the development of an external assessment tool as an alternative to the existing Aged Care Funding Instrument
- \$1.9 million in 2019-20 to strengthen prudential and financial risk management of aged care providers
- \$1.1 million in forgone non-tax revenue in 2019-20 from deferring the implementation of a mandatory levy on residential care providers where the Accommodation Payment Guarantee Scheme is triggered.

The costs of this measure will be partially met from within the existing resources of the Department of Health.

Further information can be found in the joint press release of 25 November 2019 issued by the Prime Minister, the Minister for Health, the Minister for Aged Care and Senior Australians and the Minister for the National Disability Insurance Scheme.

Appendix A: Policy decisions taken since the 2019 PEFO

Election Commitment — Achieving Better Health Outcomes

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Health	-	0.7	0.7	0.7	-
Department of the Treasury	-	-	1.4	-	-
Total — Expense	-	0.7	2.1	0.7	-

The Government will provide \$3.4 million over three years from 2019-20 to improve health services in regional New South Wales, including:

- \$2.0 million to create a Central Coast General Practice Incentive Fund to attract and retain General Practitioners in the Central Coast region
- \$1.4 million to refurbish the Deniliquin Hospital Emergency Department to improve access for vulnerable patients and those with mental health issues.

This measure delivers on the Government's election commitment.

Election Commitment — Additional Health Services for North and North-Western Tasmania

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Health	-	0.1	-	-	-
Department of the Treasury	-	-	1.5	4.0	10.0
Total — Expense	-	0.1	1.5	4.0	10.0

The Government will provide \$25.6 million over five years from 2019-20 (including \$10.0 million in 2023-24) to improve health facilities and services in north and north-western Tasmania. This funding includes:

- \$10.0 million for the redevelopment and extension of the existing Kings Meadows Community Health Centre into a contemporary community health centre
- \$10.0 million towards the improvement of the acute care facility at the North West Regional Hospital
- \$4.5 million for a perinatal infant mental health service at Launceston General Hospital and North West Regional Hospital
- \$1.0 million for the Queenstown Allied Health and Aged Facility
- \$100,000 for two mobile buses supported by Rotary Tasmania and the Royal Flying Doctors Service.

This measure delivers on the Government's election commitment.

Election Commitment — Additional Mental Health Services for Southern Brisbane

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Health	-	1.4	1.4	1.4	1.4

The Government will provide \$5.4 million over four years from 2019-20 to improve mental health services in the southern Brisbane area, including:

- \$2.8 million to support Brook Red to deliver adult mental health and psychosocial support services
- \$1.6 million to Canefields Clubhouse to deliver psychological support to people with mental health conditions
- \$1.0 million to *headspace* Meadowbrook to deliver increased services and to reduce wait times.

This measure builds on the 2019-20 Budget measures titled *Prioritising Mental Health – caring for our community* and *Prioritising Mental Health – national headspace network*.

This measure delivers on the Government's election commitment.

Election Commitment — Additional Mental Health Support for Commercial Fishers

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Health	-	-	-	-	-

The Government will provide \$0.6 million over two years from 2019-20 to support a trial of mental health advocates to improve mental health care in the fishing industry. The trial will establish up to 10 advocates across eight communities, who will facilitate mental health support within their community.

The cost of this measure will be met from within existing resources of the Department of Health.

This measure delivers on the Government's election commitment.

Appendix A: Policy decisions taken since the 2019 PEFO

Election Commitment — Aged Care System Navigators — culturally and linguistically diverse

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Health	-	2.5	2.5	2.5	2.5

The Government will provide \$10.0 million over four years from 2019-20 to create a dedicated network of Aged Care System Navigators to assist people and their families from culturally and linguistically diverse backgrounds access the aged care system.

This measure delivers on the Government's election commitment.

Election Commitment — Australian Breastfeeding Association — extension

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Health	-	1.0	1.0	1.0	1.0

The Government will provide an additional \$4.0 million over four years from 2019-20 to the Australian Breastfeeding Association to increase Commonwealth support for breastfeeding mothers to \$8.2 million over this period. This funding will provide education and support services to assist mothers to establish and continue breastfeeding.

This measure delivers on the Government's election commitment.

Election Commitment — *headspace* services — extension

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Health	-	-	7.5	7.5	7.5

The Government will provide an additional \$30.0 million over four years from 2020-21 (including \$7.5 million in 2023-24) for *headspace* mental health services in 10 locations across New South Wales, Queensland, Victoria and Western Australia. This will provide increased access to youth mental health services for young people.

This measure builds on the 2019-20 Budget measure titled *Prioritising Mental Health – national headspace network*.

This measure delivers on the Government's election commitment.

Election Commitment — Kids Helpline — additional funding

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Health	-	-	-	2.0	-

The Government will provide an additional \$2.0 million in 2021-22 for Kids Helpline to provide additional free counselling services. This will ensure Kids Helpline counsellors can provide practical help and emotional support to young people aged five to 25.

This measure builds on the 2019-20 Budget measure titled *Prioritising Mental Health – caring for our community*.

This measure delivers on the Government's election commitment.

Election Commitment — Lymphoedema Garments and Allied Health Therapy Program

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of the Treasury	-	2.0	2.0	2.0	2.0
Department of Health	-	-	-	-	-
Total — Expense	-	2.0	2.0	2.0	2.0

The Government will provide \$8.0 million over four years from 2019-20 (and \$2.0 million per year ongoing) to the states and territories to support a nationally consistent approach for access to specialised compression garments needed by people with lymphoedema. This will also assist people who have undergone surgery and radiotherapy for the treatment of cancer.

This measure delivers on the Government's election commitment.

Election Commitment — National Dust Diseases Taskforce and Register

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Health	-	0.8	0.8	-	-

The Government will provide \$5.1 million over two years from 2019-20 to establish a National Dust Diseases Taskforce. This consists of \$1.6 million through the 2019-20 MYEFO and \$3.5 million through the Medical Research Future Fund. The Taskforce will provide a final report to Government by 31 December 2020.

This measure delivers on the Government's election commitment.

Appendix A: Policy decisions taken since the 2019 PEFO

Election Commitment — National Perinatal Mental Health Check

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of the Treasury	-	-	6.0	7.0	7.0
Department of Health	-	-	6.0	5.0	5.0
Total — Expense	-	-	12.0	12.0	12.0

The Government will provide \$36.0 million over three years from 2020-21 for a national perinatal screening program for new and expecting parents to improve perinatal mental health outcomes by identifying risks early, including:

- \$20.0 million for a National Partnership Agreement with the states and territories to ensure a nationally consistent approach to perinatal mental health screening by providing a 'Mums, Dads and Bubs check' before leaving hospital
- \$16.0 million for the Centre of Perinatal Excellence to roll out a perinatal mental health screening tool.

This measure builds on the 2019-20 Budget measure titled *Prioritising Mental Health – caring for our community*.

This measure delivers on the Government's election commitment.

Election Commitment — Peel Health Campus Choices Program — expansion

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Health	-	0.3	0.5	0.5	-

The Government will provide \$1.3 million over three years from 2019-20 to expand the *Choices* service to the Peel Health Campus in Western Australia. The *Choices* service assists people who have frequent contact with hospital emergency departments and Magistrates Courts with mental health, alcohol and drug abuse issues.

This measure builds on the 2019-20 Budget measure titled *Supporting our Hospitals – Community Health and Hospitals Program*.

This measure delivers on the Government's election commitment.

Election Commitment — Pharmaceutical Benefits Scheme — Safety Net

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Health	-	6.2	106.5	104.6	108.2
Department of Veterans' Affairs	-	0.2	3.3	3.1	3.0
Services Australia	-	-	-	-	-
Total — Expense	-	6.4	109.8	107.7	111.2

The Government will provide \$335.1 million over four years from 2019-20 to reduce the Pharmaceutical Benefits Scheme Safety Net thresholds. As a result of this measure, patients will reach the Safety Net with approximately 12 fewer scripts for concessional patients and two fewer scripts for general patients in a calendar year, saving patients who reach their safety net up to approximately \$80 per year. The change will take effect from 1 January 2020.

Further information can be found in the press release of 30 September 2019 issued by the Prime Minister and the Minister for Health.

This measure delivers on the Government's election commitment.

Election Commitment — Sport and Physical Activity in Australia Grants

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Health	-	10.3	24.9	23.4	11.4

The Government will provide \$115.6 million over four years from 2019-20 to strengthen participation in sports and physical activity to enhance Australia's performance and reputation in international sport by providing:

- \$45.6 million to fund sport infrastructure projects in local communities
- \$30.0 million to Netball Australia to boost the number of young athletes playing netball, and support a high performance centre for Netball Australia in Melbourne
- \$15.0 million to establish a home for the Matildas in Melbourne
- \$11.5 million to support infrastructure upgrades at high-performance facilities across Australia to benefit Olympic hopefuls
- Up to \$10.0 million as an Australian Government contribution to support south-east Queensland's bid for the 2032 Olympic Games
- \$2.0 million to establish a Regional Events Fund to support the staging of new elite level sporting events in regional Australia
- \$1.5 million to better identify and support para-athletes compete on the world stage.

Appendix A: Policy decisions taken since the 2019 PEFO

This measure builds on the 2019-20 Budget measure titled *Implementing Sport 2030*, the Government's plan to increase participation in physical and recreational activities to promote social inclusion, physical and mental health, to support the staging of world-class major sporting events and to protect integrity in sport.

This measure delivers on the Government's election commitment.

Election Commitment — Supporting Children with Life-Threatening Medical Conditions and their Families

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Health	-	0.3	1.0	1.0	1.0
Department of the Treasury	-	0.3	0.5	0.5	0.5
Total — Expense	-	0.5	1.5	1.5	1.5

The Government will provide \$5.0 million over four years from 2019-20 to support children and their families with life-threatening medical conditions, including:

- \$3.3 million to develop a national paediatric palliative care action plan with the Palliative Care Alliance
- \$1.8 million to the Heart Centre for Children at the Westmead Hospital to undertake a trial to help children with high medical needs and their families to spend less time in hospital.

This measure delivers on the Government's election commitment.

Election Commitment — Take Home Naloxone Program — expansion

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Health	-	2.0	0.8	-	-

The Government will provide an additional \$2.8 million over two years from 2019-20 to include Western Australia, alongside New South Wales and South Australia, in the take-home naloxone trial that will run from 1 December 2019 to 28 February 2021. The trial will make naloxone available for carers, friends and family members of people who are at risk of an opioid overdose or adverse reaction.

Further information can be found in the press release of 30 October 2019 issued by the Minister for Health.

This measure extends the 2019-20 Budget measure titled *Whole of Government Drug Strategy*.

This measure delivers on the Government's election commitment.

Guaranteeing Medicare — health and aged care payments system maintenance

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Services Australia	-	23.4	-	-	-
Department of Health	-	-	-	-	-
Total — Expense	-	23.4	-	-	-
<i>Related capital (\$m)</i>					
Services Australia	-	12.8	-	-	-

The Government will provide an additional \$36.3 million in 2019-20 (including \$12.8 million in capital funding) for essential health and aged care payments system maintenance and to ensure that the Government continues to own and operate the ICT systems that deliver Medicare, the Pharmaceutical Benefits Scheme, Aged Care and related payments into the future.

This measure builds on the 2018-19 Budget measure titled *Guaranteeing Medicare – modernising the health and aged care payments systems*.

Guaranteeing Medicare — Medicare Benefits Schedule — new and amended listings

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Health	-	4.3	22.4	19.2	15.8
Department of Veterans' Affairs	-	..	0.2	0.1	0.1
Services Australia	-	..	0.1	0.1	0.1
Australian Institute of Health and Welfare	-	-0.2	-0.4	-0.4	-0.4
Total — Expense	-	4.1	22.3	19.0	15.6

The Government will provide \$62.4 million over four years from 2019-20 (and \$18.5 million ongoing) for new and amended Medicare Benefits Scheme (MBS) and Veterans' Benefits items based on recommendations from the independent Medical Services Advisory Committee (MSAC), to commence from 1 May 2020 including:

- new items for diagnostic genetic testing for familial hypercholesterolemia in clinical affected individuals and predictive testing of biological relatives
- new items for genetic testing for childhood syndromes, hereditary colorectal and endometrial cancers, and somatic markers for diagnostic and classification of tumours
- a new item for the insertion of micro-bypass glaucoma surgery (MBGS) devices for patients with open angle glaucoma (OAG) for whom conservative treatment has failed or is contraindicated

Appendix A: Policy decisions taken since the 2019 PEFO

- a new item for magnetic resonance imaging (MRI) guided prostate biopsy
- increased fees for endoscopic visual laser ablation of the prostate (VLAP) items
- removal of restrictions for cone beam computed tomography (CBCT) dedicated equipment.

The Government will also revise the scope of the 2019-20 Budget measure titled *Guaranteeing Medicare – improving quality and safety through stronger compliance*, reducing expenditure by \$1.3 million over four years from 2019-20 by not proceeding with the use of data matching for research and policy development purposes.

Guaranteeing Medicare — Medicare Benefits Schedule Review

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Veterans' Affairs	-	-
Services Australia	-	-	..	-0.2	-0.2
Department of Health	-	-	-0.1
Total — Expense	-	-	-0.1	-0.2	-0.3

The Government has responded to a number of recommendations from the independent, clinician-led Medicare Benefits Schedule (MBS) Review Taskforce to align certain MBS items with contemporary clinical evidence and improve health outcomes for patients. Changes include restructuring services and updating item descriptions and explanatory notes for services relating to blood products, general surgery and chemotherapy.

Net savings of \$0.6 million over three years from 2020-21 have already been reinvested by the Government in Medicare.

Guaranteeing Medicare — strengthening primary care — expanding access to flexible models of care funding for Indigenous Australians

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Health	-	-	0.1	1.4	5.7

The Government will provide \$7.2 million over three years from 2020-21 to include Indigenous Australians 50 years of age and older in the flexible models of care funding for participating practices from 1 July 2020.

This measure builds on the 2019-20 Budget measure titled *Guaranteeing Medicare – strengthening primary care*.

Hearing Services Program — amendments

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Health	-	-1.4	-1.1	1.3	1.2

The Government will provide an additional \$2.6 million over four years from 2019-20 for improvements to the *Hearing Services Program*, including:

- removing the requirement for medical certification for the issuing of a voucher
- removing minor repair items from the schedule of services
- requiring claims to be linked to a current voucher
- requiring a referral from an audiometrist for some services.

These changes commenced on 1 October 2019.

The cost of this measure will be met from within the existing resources of the Department of Health.

Improving Access to Medicines — hospital pharmacy pricing

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Health	-	4.1	-	-	-
Department of Veterans' Affairs	-	..	-	-	-
Total — Expense	-	4.1	-	-	-

The Government extended the transition for the alignment of public and private hospital pharmacy pricing with the community pharmacy pricing arrangements until 1 October 2019, following consultation with stakeholders.

Improving Access to Medicines — Safer Use of Opioids

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Veterans' Affairs	-	nfp	nfp	nfp	nfp
Department of Health	-	nfp	nfp	nfp	nfp
Total — Expense	-	nfp	nfp	nfp	nfp

The Government will improve the safe use of opioids and limit use to clinically appropriate circumstances through Therapeutic Goods Administration (TGA) regulatory changes. Use of opioids for chronic pain will be permitted for specific conditions, principally for cancer patients and end of life care. Use of opioids for acute pain will be limited to better align with clinical guidelines.

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These regulatory changes, designed in consultation with the medical sector, will be complemented by direct advice to prescribers from the Chief Medical Officer and the National Prescribing Service MedicineWise, advertising campaigns, registrations of smaller medicines pack sizes on the Australian Register of Therapeutic Goods to reduce the potential to develop dependence, and improved guidelines and compliance activities.

It is expected that the changes to improve patient safety will lead to lower usage of opioid medicines and reduced incidence of overdose, as has been the experience internationally following the implementation of similar regulatory changes.

The expenditure for this measure is not for publication (nfp) due to commercial-in-confidence sensitivities.

Further information can be found on the TGA's website.

Insurance Arrangements for Privately Practising Midwives

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Health	-	-	-	-	-

The Government will provide access to privately employed practising midwives to Commonwealth indemnity arrangements under the High Cost Claims Scheme and Exceptional Claims Scheme, consistent with medical and allied health practitioners, from 1 January 2020. This will ensure these practitioners have access to indemnity arrangements for high cost claims.

This measure builds on the 2018-19 MYEFO measure titled *Guaranteeing Medicare – strengthening primary care*.

Intergenerational Health and Mental Health Survey

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Health	-	-	-	-	-

The Government will provide \$89.5 million over three years from 2020-21 for the Australian Bureau of Statistics to undertake a comprehensive health survey of the physical and mental health of the Australian population. The survey will provide data to enable Australian Governments and other providers of health services to better develop and coordinate health services.

The cost of this measure will be met from within existing resources of the Department of Health.

Investing in Health and Medical Research — Fight Motor Neurone Disease

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Health	-	3.0	-	-	-

The Government will provide \$3.0 million in 2019-20 to FightMND for Motor Neurone Disease research, including more clinical trials, drug development and other research projects to find effective treatments.

This measure will increase the Government's total contribution to FightMND to \$5.0 million in 2019-20.

National Awareness Campaign for Pregnancy and Breastfeeding Women

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Health	-	2.5	7.5	7.5	7.5

The Government will provide \$25.0 million over four years from 2019-20 to the Foundation for Alcohol Research and Education to implement a national information campaign to raise awareness of alcohol related conditions and diseases for specific target groups and the general population.

National Immunisation Program — new and amended listings

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Health	-	47.9	49.4	50.8	52.1
Department of the Treasury	-	-	2.1	2.2	2.3
Total — Expense	-	47.9	51.5	53.0	54.4

The Government will provide \$206.8 million over four years from 2019-20 (and \$55.1 million per year in 2023-24) to list the following vaccines on the National Immunisation Program from 1 January 2020:

- Vaxigrip Tetra® for all children aged six months to five years, Aboriginal and Torres Strait Islanders, at risk populations aged six months and older and pregnant women for the prevention of seasonal influenza
- Engerix B® temporary extension of a hepatitis B vaccine for adults
- Fluvad Quad® for people aged 65 and over for the prevention of seasonal influenza
- FluQuadri® for all children aged six months to five years for the prevention of seasonal influenza.

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National Partnership Agreement — management and prevention of Torres Strait/Papua New Guinea health issues

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of the Treasury	-	-	1.1	1.1	1.1
Department of Health	-	-	-1.1	-1.1	-1.1
Total — Expense	-	-	-	-	-

The Government will provide \$29.0 million over four years from 2020-21 (including \$7.4 million in 2023-24) to continue funding for Communicable Disease Prevention and Management in the Torres Strait, and Management of Torres Strait/Papua New Guinea Cross-Border Health Issues.

This funding will enable continued Australian Government support for:

- health facilities and health services provided to Papua New Guinea nationals who travel through the Torres Strait Protected Zone
- exotic mosquito control in transport hubs in the Torres Strait as well as for primary healthcare to reduce the risks and prevalence of communicable diseases.

Funding for this measure has already been provided for by the Government.

National Partnership Agreement for a National Coronial Information System — extension

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of the Treasury	-	-	0.4	0.4	0.4
Department of Health	-	-	-0.4	-0.4	-0.4
Total — Expense	-	-	-	-	-

The Government will provide \$2.1 million over five years from 2020-21 (including \$0.4 million in 2023-24 and 2024-25) to Victoria to continue the Commonwealth contribution to the National Coronial Information System. Continued support for nationally consistent coronial data will assist in the development of health policy and prevention strategies.

The cost of this measure will be met from within the existing resources of the Department of Health.

National Partnership Agreement on Specified Projects — OzFoodNet

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Health	-	-	-	-	-
Department of the Treasury	-	-	-	-	-
Total — Expense	-	-	-	-	-

The Government will provide \$7.6 million over four years from 2020-21 (including \$1.9 million in 2023-24) to continue funding for Australia's national surveillance system for foodborne diseases, in collaboration with the states and territories. The Commonwealth contribution will support the investigation and understanding of foodborne disease to assist in minimising foodborne illness in Australia.

Funding for this measure has already been provided for by the Government.

North-Western Australia Eye Health

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Health	-	4.5	-	-	-

The Government will provide \$4.5 million in 2019-20 to the Lions Outback Vision for the North-West Eye Hub in Broome. This will support optometrists and ophthalmologists to improve the eye health of people in the Kimberly Region.

Pharmaceutical Benefits Scheme — new and amended listings

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Health	-	199.3	69.1	70.8	74.9
Department of Veterans' Affairs	-	3.5	1.1	1.3	1.4
Services Australia	-	1.2	0.1	0.1	0.1
Total — Expense	-	204.0	70.3	72.2	76.4
<i>Related revenue (\$m)</i>					
<i>Department of Health</i>	-	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>

The Government will provide \$422.9 million over four years from 2019-20 for a number of new and amended listings on the Pharmaceutical Benefits Scheme (PBS) and the Repatriation Pharmaceutical Benefits Scheme (RPBS).

New and amended listings since the 2019-20 Budget include:

- Tocilizumab (Actemra®) from 1 August 2019, for the treatment of giant cell arthritis

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- Buprenorphine (Buvidal®) from 1 September 2019, for the treatment of opiate dependency
- Teduglutide (Revestive®) from 1 October 2019, for the treatment of short bowel syndrome
- Atezolizumab (Tecentriq®) with bevacizumab (Avastin®) from 1 October 2019, for the first line treatment of non-squamous non-small cell lung cancer
- Pembrolizumab (Keytruda®) from 1 December 2019, for the treatment of squamous and non-squamous non-small cell lung cancer
- Lumacaftor with ivacaftor (Orkambi®), and tezacaftor with ivacaftor (Symdeko®), both from 1 December 2019, for the treatment of cystic fibrosis.

The cost of some of these medicines will be reduced by revenue from rebates negotiated as part of purchase agreements. Revenue details are not for publication (nfp) due to commercial sensitivities.

Further information can be found on the PBS website (www.pbs.gov.au).

Preventive Health — project agreement for Vaccine Preventable Diseases Surveillance Program

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of the Treasury	-	-	0.1	0.1	0.1
Department of Health	-	-	-0.1	-0.1	-0.1
Total — Expense	-	-	-	-	-

The Government will provide \$3.1 million over three years from 2020-21 to the states and territories for the *Vaccine Preventable Diseases Surveillance Program*. This funding will enable continued Australian Government support for surveillance reporting of 14 nationally notifiable vaccine preventable diseases associated with high rates of morbidity and mortality, and for the enhanced surveillance of invasive meningococcal disease and maternal pertussis.

National surveillance provides information on whether immunisation is effective and informs the *National Immunisation Program*.

Funding for this measure has already been provided for by the Government.

Preventive Health — youth whole-of-government framework and sector support

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Health	-	-	-	-	-

The Government will provide \$3.2 million over two years from 2019-20 to support the development of a youth policy framework to ensure programs and policies are appropriately designed to target and address areas of youth vulnerability and to improve government engagement with young people aged 15-24 years.

The cost of this measure will be met from within existing resources of the Department of Health.

South Australian immunoGENomics (SAiGEN) Cancer Institute

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of the Treasury	-	6.0	74.0	-	-
Department of Health	-	-	-	-	-
Total — Expense	-	6.0	74.0	-	-

The Government will contribute \$80.0 million towards the establishment of the South Australian immunoGENomics (SAiGEN) Cancer Institute. The Cancer Institute will utilise new technologies in immunotherapies and genomics to develop new approaches to the diagnoses and treatment of cancer.

Further information can be found in the press release of 26 August 2019 issued by the Minister for Health.

Sport Australia Hall of Fame

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Sports Commission	-	0.1	0.1	0.1	0.1

The Government will provide \$0.6 million over five years from 2019-20 (including \$0.1 million in 2023-24) for Sport Australia Hall of Fame.

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Supporting Our Hospitals — Hummingbird House

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of the Treasury	-	-	0.8	0.8	0.8
Department of Health	-	-	-0.8	-0.8	-0.8
Total — Expense	-	-	-	-	-

The Government will provide \$2.4 million over three years from 2020-21 towards the operation of Hummingbird House, a children's respite and hospice facility that provides 24 hour care for children with life-limiting conditions. Support for Hummingbird House is also provided by the Queensland Government.

The cost of this measure will be met from within the existing resources of the Department of Health.

Therapeutic Goods Administration Charging Framework

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Health	-	0.5	0.6	-	6.5
<i>Related revenue (\$m)</i>					
<i>Department of Health</i>	-	-3.0	-6.0	-8.0	-8.5

The Government will provide \$33.0 million over four years from 2019-20 to improve access to medicines and improve patient safety by implementing new stricter regulatory measures for opioids and transitioning to direct funding for certain Therapeutic Goods Administration (TGA) activities including the Special Access Scheme, Orphan Drugs Program, mandatory reporting of shortages of critical medicines and certain regulatory functions.

Further information can be found on the TGA's website.

Western Australian Children's Health Telethon

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Health	-	3.5	-	-	-

The Government provided \$3.5 million in 2019-20 to the Channel 7 Telethon Trust (the Trust), to support children's health in Western Australia. The Trust provides financial assistance to charitable organisations and children's hospitals and funds research into children's diseases.

Workforce Incentive Program — Practice Stream — commencement

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Health	-	-	-	-	-

The Government will delay the implementation of the *Workforce Incentive Program Practice Stream* from 1 January 2020 to 1 February 2020, to align with other workforce measures. The *Workforce Incentive Program Practice Stream* was announced as part of the 2018-19 Budget measure titled *A Stronger Rural Health Strategy*.

This measure builds on the 2019-20 Budget measure titled *Guaranteeing Medicare – strengthening primary care*.

Home Affairs

Australian Victims of Terrorism Overseas Payment

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Home Affairs	-	2.7	-	-	-

The Government will provide \$2.7 million in 2019-20 to Australian victims of terrorism for various terrorist incidents overseas, including in Sri Lanka, India, New Zealand, Kenya and Pakistan.

Further information can be found in the press releases of 8 September 2019 and 28 November 2019 issued by the Minister for Home Affairs.

Disaster Preparedness Initiatives

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Home Affairs	-	11.0	-	-	-
Department of the Treasury	-	10.0	-	-	-
Bureau of Meteorology	-	3.0	-	-	-
Total — Expense	-	24.0	-	-	-

The Government will provide \$24.0 million in 2019-20 for disaster preparedness and mitigation initiatives. The funding includes:

- \$11.0 million for the National Aerial Firefighting Centre, at the request of the Australasian Fire and Emergency Service Authorities Council, to ensure aircraft are available when needed
- \$10.0 million for the extension of the Queensland Government's Household Resilience Program that assists home owners to improve the resilience of their homes against cyclones
- \$3.0 million for the Bureau of Meteorology to deliver a quality control service for third party weather observations data that will help consumers access insurance and reduce the financial volatility caused by weather and water variability.

Further information can be found in the joint press release of 12 December 2019 issued by the Prime Minister and the Minister for Water Resources, Drought, Rural Finance, Natural Disaster and Emergency Management.

Disaster Relief

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of the Treasury	-	26.0	3.0	3.0	-

The Government will provide up to \$32.0 million over three years from 2019-20 under Category C of the Disaster Recovery Funding Arrangements for recovery packages for communities and primary producers in Queensland, New South Wales and Victoria.

Category C assistance is provided to specified communities and sectors severely affected by a natural disaster, following a request from the relevant state government, with the cost of the assistance shared equally between the Commonwealth and the state.

Election Commitment — Safer Communities Fund — additional funding

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Home Affairs	-	4.0	6.0	5.0	5.0

The Government will provide \$20.0 million over four years from 2019-20 to increase funding available under round five of the Safer Communities Fund. This funding will enhance the safety of Australians through grants to support local crime prevention initiatives addressing crime hotspots, community security and anti-social behaviour.

\$1.0 million of this funding will be allocated to the Northern Territory to invest in crime prevention activities, including improved security systems, lighting and CCTV.

This measure delivers on the Government's election commitment.

Immigration Reform — continued improvements to visa service arrangements

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Home Affairs	-	25.6	-	-	-

The Government will provide \$31.2 million over three years to improve the online service delivery and data management capabilities of the visa and citizenship processing ICT system.

The measure will improve the Department of Home Affairs' ability to verify the identity of individuals arriving in Australia. The measure will also allow continued engagement with the market for a strategic technology solution to ensure Australia's visa systems remain competitive, relevant and safeguard national security.

The costs of this measure will be partially met from within the existing resources of the Department of Home Affairs.

Appendix A: Policy decisions taken since the 2019 PEFO

This measure builds on the 2017-18 Budget measure titled *Immigration Reform – changes to Australia's visa processing arrangements*, the 2018-19 Budget measure titled *Home Affairs ICT Systems – upgrade* and the 2018-19 MYEFO measure titled *Immigration Reform – continued changes to visa service arrangements*.

National Security Agencies — additional resourcing

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Various Agencies	-	nfp	nfp	nfp	nfp
<i>Related capital (\$m)</i>					
Various Agencies	-	nfp	nfp	nfp	nfp

The Government will provide \$107.4 million over five years from 2019-20 (including \$24.1 million in 2023-24) to improve the capacity of national security agencies to meet the Government's objectives.

This measure includes \$87.8 million over five years from 2019-20 (including \$14.9 million in capital funding) to establish a Counter Foreign Interference Taskforce, which will strengthen Australia's ability to disrupt and deter foreign attempts to undermine its national interests.

The Taskforce will work to the National Counter Foreign Interference Coordinator in the Department of Home Affairs, and will be led by a senior officer from the Australian Security Intelligence Organisation (ASIO). It will bring together representatives from the Australian Federal Police, Australian Signals Directorate, ASIO, Australian Transaction Reports and Analysis Centre, and Australian Geospatial-Intelligence Organisation, with support provided by the Office of National Intelligence.

The funding for individual agencies is not for publication (nfp) due to national security reasons.

This measure also includes \$19.6 million (including \$2.0 million in capital funding) in 2019-20 for ASIO to sustain its current operations and continue work to enhance its future operations.

This measure builds on the 2019-20 Budget measures titled *Countering Foreign Interference* and *National Security Agencies – additional resourcing*.

Further information can be found in the joint press release of 2 December 2019 issued by the Prime Minister, the Minister for Home Affairs, and the Minister for Defence.

Industry, Innovation and Science

Building a stronger construction sector — additional funding

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Industry, Innovation and Science	-	2.0	2.0	-	-
<i>Related revenue (\$m)</i>					
<i>Department of Industry, Innovation and Science</i>	-	1.0	1.0	-	-

The Government will provide an additional \$4.0 million over two years from 2019-20 to the Australian Building Codes Board to deliver a national framework to implement the recommendations of the *Building Confidence Report*.

The funding will support a dedicated implementation team to deliver and report on the national framework to facilitate consistent national reforms to the building sector. Funding of \$2.0 million will be contributed by the states and territories.

Community Benefit Program for Hawker and Kimba — establishment

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Industry, Innovation and Science	-	-	-	-	-

The Government will provide \$4.0 million over two years from 2019-20 to establish a Community Benefit Program for the communities being considered for the site of the National Radioactive Waste Management Facility. The Program will support the Hawker and Kimba communities to diversify their economies and promote social cohesion.

This measure will be offset by redirecting funding from the 2018-19 MYEFO measure titled *National Radioactive Waste Management Facility – additional funding*.

Further information can be found in the press release of 8 October 2019 issued by the Minister for Resources and Northern Australia.

Appendix A: Policy decisions taken since the 2019 PEFO

Critical Minerals Capabilities

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Industry, Innovation and Science	-	1.6	3.0	3.0	3.0
Australian Trade and Investment Commission	-	0.1	0.5	0.5	0.6
Export Finance and Insurance Corporation (National Interest component)	-	-	-	-	-
Total — Expense	-	1.8	3.5	3.5	3.5

The Government will provide \$16.1 million over five years from 2019-20 to support the development of Australia’s critical minerals capabilities, and boost Australia’s contribution to enhancing the stability and security of global critical minerals supply chains.

The measure will support:

- establishing a Critical Minerals Facilitation Office to provide a dedicated project facilitation service for Australian critical minerals projects, and undertake international engagement to promote the Australian critical minerals market
- expanding the scope of Export Finance Australia’s Defence Export Facility to include rare earth and critical minerals projects, including those strategically important to Defence end-use.

Further information can be found in the joint press release of 14 November 2019 issued by the Minister for Resources and Northern Australia, the Minister for Trade, Tourism and Investment and the Minister for Defence.

Election Commitment — Australian Made Export Campaign

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Industry, Innovation and Science	-	1.0	1.5	1.5	1.0

The Government will provide \$5.0 million over four years from 2019-20 to the Australian Made Campaign Ltd (AMCL) to develop and deliver an Australian Made Export Campaign for the benefit of exporters. Funding will support AMCL to:

- promote the Australian Made logo (the logo) to Australian businesses domestically as an export tool
- register the logo as a trademark in additional countries, including where Australia has a Free Trade Agreement or where one is being developed
- market and promote the logo in overseas markets in conjunction with Austrade and other agencies
- research and evaluate the effectiveness of the logo and promotional activities.

This measure delivers on the Government’s election commitment.

Election Commitment — Incubator Support Initiative — expansion

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Industry, Innovation and Science	-	1.3	1.3	1.3	1.3

The Government will provide an additional \$5.0 million over four years from 2019-20 to expand the Incubator Support Initiative under the *Entrepreneurs’ Programme* to assist first generation migrants and refugees to establish start-up businesses.

Grant funding will enable organisations to deliver targeted services including education, acceleration, incubation and mentoring, and to provide advice on how to establish and manage a start-up business.

This measure delivers on the Government’s election commitment.

Appendix A: Policy decisions taken since the 2019 PEFO

Election Commitment — Manufacturing Modernisation Fund — establishment

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Industry, Innovation and Science	-	10.0	20.0	20.0	-

The Government will provide \$50.0 million over three years from 2019-20 to establish a Manufacturing Modernisation Fund (the Fund) to increase the competitiveness of Australian manufacturing businesses and secure manufacturing jobs. The Fund will provide grants to small and medium sized manufacturing businesses to support transformative investments in manufacturing technologies and processes, to be matched by industry contributions.

Further information can be found in the press release of 5 September 2019 issued by the Minister for Industry, Science and Technology.

This measure delivers on the Government's election commitment.

Encouraging More Women into Science, Technology, Engineering and Mathematics (STEM)

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Industry, Innovation and Science	-	0.2	0.3	0.4	0.2

The Government will provide \$2.7 million over 10 years from 2019-20 to support the publication of a National Data Report on girls' and women's participation in STEM fields and careers.

The measure builds on the 2019-20 Budget measure titled *Improving STEM Gender Equity in Australia*.

Growing Australia's Space Industry

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Industry, Innovation and Science	-	0.4	5.5	10.9	36.0
<i>Related revenue (\$m)</i>					
<i>Department of Industry, Innovation and Science</i>	-	-	0.3	0.3	0.3

The Government will provide \$150.0 million over five years from 2020-21 to support Australian businesses to access international space supply chains.

The investment will enable Australian businesses and researchers to demonstrate their capabilities and support NASA's Moon to Mars mission. It will also enable Australian businesses to deliver products and services to the international space market.

The Government will also provide \$2.8 million over four years from 2019-20 to assist the Australian Space Agency to assess an increase in applications to undertake civil space activities under the *Space (Launches and Returns) Act 2018*. The cost of assessing these applications will be partially recovered through a regulatory charging arrangement applied to individual applicants from 2020-21.

This measure builds on the 2019-20 Budget measure titled *Space Infrastructure Fund* and the 2018-19 Budget measure titled *Australian Technology and Science Growth Plan – growing the Australian space industry*.

Further information can be found in the joint press release of 21 September 2019 issued by the Prime Minister and the Minister for Industry, Science and Technology.

Infrastructure, Transport, Cities and Regional Development

Civil Aviation Safety Authority — Management of Drones

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Civil Aviation Safety Authority	-	12.0	-	-	-

The Government will provide \$12.0 million in 2019-20 to support the Civil Aviation Safety Authority to manage the regulation and associated compliance of commercial drone technologies in Australia.

This measure builds on the 2018-19 Budget measure titled *Management of Drones*.

Community Development Grants — new projects

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
National Capital Authority	-	0.5	-	-	-
Department of Communications and the Arts	-	0.4	-	-	-
Department of the Prime Minister and Cabinet	-	0.1	-	-	-
Department of Infrastructure, Transport, Cities and Regional Development	-	-0.4	-	-	-
Total — Expense	-	0.6	-	-	-

The Government will provide \$404.0 million from 2019-20 to deliver new projects that support local communities across Australia.

This measure builds on the 2019-20 Budget measure titled *Community Development Grants Programme – additional projects*.

Economic Diversification on Christmas Island

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Infrastructure, Transport, Cities and Regional Development	-	4.0	7.2	0.8	-

The Government will provide \$12.0 million over three years from 2019-20 to support essential air services and economic diversification in the Indian Ocean Territories, including:

- an additional \$7.4 million over two years from 2019-20 to underwrite essential air services in the Indian Ocean Territories
- an additional \$4.6 million over three years from 2019-20 to support economic diversification on Christmas Island, including improvements to tourism infrastructure, a business case for a science research centre, and the establishment of a business innovator and entrepreneur network.

This measure builds on the 2019-20 Budget measure titled *Indian Ocean Territories – economic diversification*.

Election Commitment — Improving Road Safety

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Infrastructure, Transport, Cities and Regional Development	-	5.0	7.9	-	-

The Government will provide \$12.9 million over two years from 2019-20 for initiatives to improve road safety in Australia. This funding includes:

- \$8.0 million to support the upgrade and establishment of driver reviver locations across Australia
- an additional \$3.1 million for the Office of Road Safety to lead development of the National Road Safety Strategy 2021-2030
- \$1.8 million for the Australian Road Safety Foundation to pilot a Digital Road Safety Passport for schools, to equip Year 9 school students with an understanding of the foundations of road safety.

This measure builds on the 2019-20 Budget measure titled *Improving Road Safety*.

This measure delivers on the Government’s election commitment.

Appendix A: Policy decisions taken since the 2019 PEFO

Election Commitment — Infrastructure Investment Program — Roads of Strategic Importance — additional projects

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Infrastructure, Transport, Cities and Regional Development	-	-	-	-	-
Department of the Treasury	-	-	-	-	-
Total — Expense	-	-	-	-	-

The Government will allocate \$111.5 million over four years from 2019-20 from within existing funding to specific projects under the *Roads of Strategic Importance* initiative, to support works on regional roads, inter-regional and inter-state highways that address pinch points and other impediments to freight movements.

Information on project allocation is provided in the relevant state or territory infrastructure investments measure.

This measure builds on the 2019-20 Budget measure titled *Infrastructure Investment Program – Roads of Strategic Importance – next priorities*.

This measure delivers on the Government's election commitment.

Election Commitment — Infrastructure Investment Program — Urban Congestion Fund — additional funding

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of the Treasury	-	-	-	110.0	100.0
Department of Infrastructure, Transport, Cities and Regional Development	-	-	-	-	-
Total — Expense	-	-	-	110.0	100.0

The Government will provide an additional \$210.0 million over two years from 2021-22 for the *Urban Congestion Fund* to support projects that improve traffic safety and flow, and increase network efficiency for commuter and freight movements in major urban areas.

This will bring the Government's total commitment to the *Urban Congestion Fund* to \$4.8 billion.

Information on project allocation is provided in the relevant state or territory infrastructure investments measure.

This measure builds on the 2019-20 Budget measure titled *Infrastructure Investment Program – Urban Congestion Fund – next priorities*.

This measure delivers on the Government's election commitment.

Infrastructure Investment Program — Australian Capital Territory infrastructure investments

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of the Treasury	-	-	30.0	-	-
Department of Infrastructure, Transport, Cities and Regional Development	-	-	-	-	-
Total — Expense	-	-	30.0	-	-

The Government will provide an additional \$30.0 million in 2020-21 to accelerate Monaro Highway upgrades to increase safety, improve freight productivity and boost tourism, as part of the Government's total commitment to transport infrastructure projects in the Australian Capital Territory of over \$725.0 million.

This measure builds on the 2019-20 Budget measure titled *Infrastructure Investment Program – Australian Capital Territory infrastructure investments*.

Further information can be found in the joint press release of 25 November 2019 issued by the Prime Minister, the Acting Australian Capital Territory Chief Minister, the Deputy Prime Minister and Minister for Infrastructure, Transport, and Regional Development, the Minister for Population, Cities and Urban Infrastructure and the Australian Capital Territory Minister for Roads and Active Travel.

Infrastructure Investment Program — New South Wales infrastructure investments

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of the Treasury	-	83.9	138.0	186.7	162.0
Department of Infrastructure, Transport, Cities and Regional Development	-	-	-	-	-
Total — Expense	-	83.9	138.0	186.7	162.0

The Government will provide an additional \$719.0 million over four years from 2019-20 for priority road and rail projects in New South Wales, increasing the Government's total commitment to transport infrastructure projects in New South Wales to over \$33.0 billion.

The funding includes bringing forward \$529.9 million to accelerate existing transport infrastructure projects in New South Wales, including:

- \$200.0 million for Newell Highway upgrades
- \$184.9 million for the Toowoomba to Seymour corridor
- \$145.0 million for the Princes Highway corridor.

Appendix A: Policy decisions taken since the 2019 PEFO

The Government will provide an additional \$40.7 million over three years from 2019-20 for priority regional and urban transport infrastructure in New South Wales. The funding includes:

- \$20.0 million for the Pacific Highway between Woolgoolga and Ballina
- \$8.8 million for the Brig O'Johnston Bridge
- \$7.9 million for the Davey Road Interchange
- \$4.0 million for Dixons Long Point Crossing.

The Government will allocate \$132.2 million to projects in New South Wales under the *Urban Congestion Fund*, with \$15.0 million allocated to commuter car park projects, including from funding provided through the measure *Infrastructure Investment Program – Urban Congestion Fund – additional funding*. The allocation includes:

- \$63.5 million for the Dunheved Road Upgrade
- \$15.0 million for the Emu Plains Station commuter car park
- \$11.3 million for the Steyne Road Upgrade
- \$10.0 million for the Del Monte Place Upgrade
- \$7.4 million for the Ridgeway Road Upgrade
- \$6.7 million for the Lushington Road Upgrade.

The Government will further allocate \$15.2 million to projects in New South Wales under the *Roads of Strategic Importance* initiative. This allocation includes:

- \$5.0 million for the Lorne Road Upgrade
- \$1.9 million for the Warren Road Upgrade
- \$1.7 million for the Murrabrine Bridge Upgrade
- \$1.3 million for the Whipstick Bridge Upgrade.

The Government will also provide \$1.0 million over two years from 2019-20 to support the development of commercial agreements and project negotiations for the Sydney Metro Greater West Rail project, to be met from within the existing resources of the Department of Infrastructure, Transport, Cities and Regional Development.

Infrastructure, Transport, Cities and Regional Development

This measure builds on the 2019-20 Budget measure titled *Infrastructure Investment Program – New South Wales infrastructure investments* and the 2018-19 Budget measure titled *Western Sydney City Deal*.

Further information can be found in the joint press release of 21 November 2019 issued by the Prime Minister, the Deputy Prime Minister and Minister for Infrastructure, Transport and Regional Development, the Premier of New South Wales, the Minister for Population, Cities and Urban Infrastructure, the New South Wales Minister for Transport and Roads and the New South Wales Minister for Regional Transport and Roads.

Infrastructure Investment Program — Northern Territory infrastructure investments

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of the Treasury	-0.3	34.8	49.8	51.8	10.5
Department of Infrastructure, Transport, Cities and Regional Development	-	-	-	-	-
Total — Expense	-0.3	34.8	49.8	51.8	10.5

The Government will provide an additional \$146.9 million over four years from 2019-20 to accelerate existing transport infrastructure projects in the Northern Territory, as part of the Government's total commitment to transport infrastructure projects in the Northern Territory of over \$2.2 billion. This includes:

- \$73.4 million for the Alice Springs to Darwin corridor
- \$43.5 million for the Adelaide River to Wadeye corridor
- \$30.0 million for the Outback Way.

This measure builds on the 2019-20 Budget measure titled *Infrastructure Investment Program – Northern Territory infrastructure investments*.

Further information can be found in the joint press release of 25 November 2019 issued by the Prime Minister, the Chief Minister of the Northern Territory, the Deputy Prime Minister and Minister for Infrastructure, Transport and Regional Development, the Minister for Population, Cities and Urban Infrastructure and the Northern Territory Minister for Infrastructure, Planning and Logistics.

Appendix A: Policy decisions taken since the 2019 PEFO

Infrastructure Investment Program — Queensland infrastructure investments

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of the Treasury	-0.8	159.1	519.7	299.3	485.2
Department of Infrastructure, Transport, Cities and Regional Development	-	-	-	-	-
Total — Expense	-0.8	159.1	519.7	299.3	485.2

The Government will provide an additional \$1.6 billion over four years from 2019-20 for priority road and rail projects in Queensland, increasing the Government's total commitment to transport infrastructure in Queensland to over \$26.0 billion.

The funding includes bringing forward \$718.7 million to accelerate existing transport infrastructure projects in Queensland, including:

- \$225.6 million for Bruce Highway projects, including for Pine River to Caloundra, Mackay Ring Road Stage 2 and the Linkfield Road Overpass
- \$97.8 million for the Cooktown to Weipa corridor
- \$30.3 million for the Tennant Creek to Townsville corridor
- \$28.0 million for the Townsville to Roma corridor
- \$114.3 million for the M1 Pacific Motorway upgrades, including for Eight Mile Plains to Daisy Hill and for Varsity Lakes to Tugun
- \$90.0 million for the Beerburrum to Nambour Rail Upgrade
- \$62.0 million for Gold Coast Light Rail Stage 3A
- \$27.0 million for the Cunningham Highway
- \$22.0 million for the Warrego Highway.

The Government will provide an additional \$744.5 million over four years from 2019-20 for priority regional and urban transport infrastructure in Queensland. The funding includes:

- \$400.0 million for National Network Future Priorities, including funding for the M1
- \$157.0 million for Gold Coast Light Rail Stage 3A
- \$50.0 million for the relocation of Loganlea Station
- \$46.3 million for M1 Interchange upgrades at Exits 41 and 49

Infrastructure, Transport, Cities and Regional Development

- \$20.0 million for the Port of Brisbane business case
- \$10.0 million for the Sailsbury to Beaudesert rail business case.

The Government will allocate \$76.3 million to projects in Queensland under the *Urban Congestion Fund*, with \$45.0 million allocated to commuter car park projects, including from funding provided through the measure titled *Infrastructure Investment Program – Urban Congestion Fund – additional funding*. The allocation includes:

- \$14.0 million for the Rochedale Road and Priestdale Road Intersection
- \$11.3 million for the Chambers Flat Road Upgrade
- \$5.0 million for the Beenleigh and Beaudesert Road Upgrade.

The Government will allocate \$59.3 million to specific projects in Queensland under the *Roads of Strategic Importance* initiative. The allocation includes:

- \$21.6 million for the Stanage Bay Road Upgrade
- \$20.0 million for the John Petersen Bridge Upgrade.

This measure builds on the 2019-20 Budget measure titled *Infrastructure Investment Program – Queensland infrastructure investments*.

Further information can be found in the joint press release of 20 November 2019 issued by the Prime Minister, the Deputy Prime Minister and Minister for Infrastructure, Transport and Regional Development, the Minister for Population, Cities and Urban Infrastructure and the Premier of Queensland.

Infrastructure Investment Program — South Australian infrastructure investments

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of the Treasury	-	115.6	101.2	116.6	-6.0
Department of Infrastructure, Transport, Cities and Regional Development	-	-	-	-	-
Total — Expense	-	115.6	101.2	116.6	-6.0

The Government will provide an additional \$354.4 million over four years from 2019-20 for priority road and rail projects in South Australia, increasing the Government's total commitment to transport infrastructure projects in South Australia to over \$8.8 billion.

The Government will also bring forward \$249.4 million to accelerate existing transport infrastructure projects in South Australia, including:

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- \$80.0 million for the South Australian Rural Roads Safety Package
- \$69.4 million for the Port Augusta to Perth corridor
- \$60.0 million for the Victor Harbor Road Duplication – Main South Road to McLaren Vale
- \$40.0 million for the Horrocks Highway corridor.

The Government will provide an additional \$78.0 million over two years from 2019-20 for priority urban transport infrastructure in South Australia. The funding includes:

- \$70.0 million for the North-South corridor – Darlington Upgrade
- \$8.0 million for the Flinders Link Project.

The Government will allocate \$20.0 million to the Old Belair Road Upgrade under the *Urban Congestion Fund*, including from funding provided through the measure *Infrastructure Investment Program – Urban Congestion Fund – additional funding*.

The Government will also allocate \$7.0 million to specific projects in South Australia under the *Roads of Strategic Importance* initiative. This allocation includes:

- \$5.0 million for the Long Valley Road Upgrade, Mount Barker to Strathalbyn
- \$2.0 million for the Onkaparinga Valley Road, Tiers Road, Tolmer Road Intersection Upgrade.

This measure builds on the 2019-20 Budget measure titled *Infrastructure Investment Program – South Australian infrastructure investment*.

Further information can be found in the joint press release of 18 November 2019 issued by the Prime Minister, the Deputy Prime Minister and Minister for Infrastructure, Transport and Regional Development, the Premier of South Australia, the Minister for Population, Cities and Urban Infrastructure, the South Australian Minister for Transport, Infrastructure and Local Government and the South Australian Minister for Planning.

Infrastructure Investment Program — Tasmanian infrastructure investments

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of the Treasury	-2.6	25.2	69.9	91.7	-13.5
Department of Infrastructure, Transport, Cities and Regional Development	-	-	-	-	-
Total — Expense	-2.6	25.2	69.9	91.7	-13.5

The Government will provide an additional \$173.3 million over four years from 2019-20 for priority road and rail projects in Tasmania, as part of the Government's total commitment to transport infrastructure projects in Tasmania of over \$2.8 billion.

The funding includes bringing forward \$133.3 million to accelerate existing transport infrastructure projects in Tasmania, including:

- \$46.4 million for the Bass Highway upgrades, Marrawah to Wynyard and Cooee to Wynyard
- \$45.0 million for the Hobart to Sorell corridor
- \$41.9 million for Midland Highway upgrades and preconstruction works.

The Government will also provide an additional \$40.0 million from 2019-20 for the Port of Burnie Shiploader.

This measure builds on the 2019-20 Budget measure titled *Infrastructure Investment Program – Tasmanian infrastructure investments*.

Further information can be found in the joint press release of 25 November 2019 issued by the Prime Minister, the Deputy Prime Minister and Minister for Infrastructure, Transport and Regional Development, the Minister for Population, Cities and Urban Infrastructure, the Premier of Tasmania and the Tasmanian Minister for Infrastructure and Transport.

Appendix A: Policy decisions taken since the 2019 PEFO

Infrastructure Investment Program — Victorian infrastructure investments

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of the Treasury	-	174.4	196.0	80.0	63.8
Department of Infrastructure, Transport, Cities and Regional Development	-	-	-	-	-
Total — Expense	-	174.4	196.0	80.0	63.8

The Government will provide an additional \$855.2 million over four years from 2019-20 for priority road and rail projects in Victoria, increasing the Government's total commitment to transport infrastructure projects in Victoria to over \$29.0 billion.

The funding includes bringing forward \$269.1 million to accelerate existing transport infrastructure projects in Victoria, including:

- \$262.0 million for the North East Link project
- \$7.1 million for Commuter Car Park Upgrades — Northern Lines.

The Government will provide an additional \$245.1 million over four years from 2019-20 for priority regional and urban transport infrastructure in Victoria. The funding includes:

- \$183.8 million for the Monash Freeway Upgrade
- \$32.6 million for the South Gippsland Highway realignment between Koonwarra and Meeniyan
- \$28.7 million for the Echuca-Moama Bridge.

The Government will allocate \$311.0 million to projects in Victoria under the *Urban Congestion Fund*, with \$24.0 million allocated to commuter car park projects, including from funding provided under the measure *Infrastructure Investment Program — Urban Congestion Fund — additional funding*. This includes:

- \$260.0 million for the Glenferrie Road Level Crossing removal
- \$15.0 million for the Glenferrie Station commuter car park
- \$10.0 million for the Clyde Road and Kangan Drive Intersection Upgrade
- \$6.0 million for the Doncaster Park and Ride car park
- \$5.0 million for the Grubb Road Upgrade
- \$5.0 million for the Madden Grove Level Crossing removal study
- \$5.0 million for the Tooronga Road Level Crossing removal study.

Infrastructure, Transport, Cities and Regional Development

The Government will also allocate \$30.0 million to specific projects in Victoria under the *Roads of Strategic Importance* initiative. This allocation includes:

- \$24.0 million for the McKoy Street and Hume Freeway Intersection Upgrade
- \$3.2 million for the Bannockburn Township Entrance Safety Project
- \$2.0 million for the Bonang Road Upgrade
- \$0.8 million for the Buangor-Ben Nevis Road Upgrade.

This measure builds on the 2019-20 Budget measure titled *Infrastructure Investment Program – Victorian infrastructure investments*.

Infrastructure Investment Program — Western Australian infrastructure investments

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of the Treasury	-0.4	109.2	278.5	398.1	82.0
Department of Infrastructure, Transport, Cities and Regional Development	-	-	-	-	-
Total — Expense	-0.4	109.2	278.5	398.1	82.0

The Government will provide an additional \$905.9 million over four years from 2019-20 for priority road and rail projects in Western Australia, increasing the Government's total commitment to transport infrastructure projects in Western Australia to over \$13.6 billion.

This additional funding includes bringing forward \$816.8 million to accelerate existing transport infrastructure projects in Western Australia, including:

- \$283.6 million for the Bunbury Outer Ring Road (Stages 2 and 3)
- \$159.9 million for the Tonkin Highway Gap
- \$156.7 million for the Karratha to Tom Price corridor
- \$82.8 million for the Albany Ring Road
- \$40.8 million for the Newman to Katherine corridor
- \$40.8 million for the Port Augusta to Perth corridor
- \$36.2 million for the Alice Springs to Halls Creek corridor
- \$16.0 million for the Fremantle Traffic Bridge (Swan River Crossing).

Appendix A: Policy decisions taken since the 2019 PEFO

The Government will also allocate an additional \$51.0 million to Western Australian projects, including:

- \$29.0 million for Lakelands Station
- \$10.0 million for the Great Eastern Highway and Old Northam Road Upgrade
- \$5.5 million for the Wanneroo Road and Morley Drive Intersection Upgrade
- \$3.5 million for the Great Northern Highway and Apple Street Intersection Upgrade
- \$3.0 million for Mitchell Freeway widening (Hodges Drive to Hepburn Avenue).

The Government will also allocate \$38.1 million to Western Australian projects under the *Urban Congestion Fund*, including from funding provided through the measure *Infrastructure Investment Program – Urban Congestion Fund – additional funding*. This includes:

- \$25.0 million for the Lakelands Station construction
- \$3.5 million for the Great Northern Highway and Apple Street Intersection Upgrade
- \$3.1 million for The Broadway Upgrade
- \$2.0 million for the Erindale Road and Reid Highway Intersection Upgrade
- \$2.0 million for the Main Street, Hitton Street and Royal Street Intersection Upgrade
- \$2.0 million for the Wanneroo Road and Morley Drive Intersection Upgrade
- \$0.5 million for The Broadway and The Promenade Intersection Upgrade.

This measure builds on the 2019-20 Budget measure titled *Infrastructure Investment Program – Western Australian infrastructure investments*.

Further information can be found in the joint press release of 20 November 2019 issued by the Prime Minister, the Minister for Finance, the Minister for Population, Cities and Urban Infrastructure, the Premier of Western Australia and the Western Australia Urban Infrastructure, the Premier of Western Australia and the Western Australia Minister for Transport.

National Freight and Supply Chain Strategy — additional funding

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Infrastructure, Transport, Cities and Regional Development	-	-	-	-	-

The Government will provide an additional \$3.9 million over three years from 2019-20 to deliver initiatives as part of the National Freight and Supply Chain Strategy.

The cost of this measure will be met from within the existing resources of the Department of Infrastructure, Transport, Cities and Regional Development.

This measure builds on the 2019-20 Budget measure titled *National Freight and Supply Chain Strategy – additional funding*.

Norfolk Island — essential services

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Infrastructure, Transport, Cities and Regional Development	-	7.6	1.5	1.0	-
<i>Related capital (\$m)</i>					
<i>Department of Infrastructure, Transport, Cities and Regional Development</i>	-	1.2	-	-	-

The Government will provide an additional \$12.7 million over three years from 2019-20 (including \$2.6 million in capital funding) to support service delivery and tourism on Norfolk Island. This funding includes:

- \$6.8 million over three years from 2019-20 to improve essential services, including water, emergency management, health, aged care, prosecution and communication services
- \$2.6 million over two years from 2019-20 to develop a detailed business case for a new multipurpose health services facility
- \$3.3 million over three years from 2019-20 to improve cruise ship transfers.

The cost of this measure will be partially met from within the existing resources of the Department of Infrastructure, Transport, Cities and Regional Development.

This measure builds on the 2019-20 Budget measure titled *Norfolk Island – additional funding*.

Appendix A: Policy decisions taken since the 2019 PEFO

South Australia — Iron Road

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of the Treasury	-	5.0	20.0	-	-
Department of Infrastructure, Transport, Cities and Regional Development	-	-	-	-	-
Total — Expense	-	5.0	20.0	-	-

The Government will provide \$25.0 million to support the Cape Hardy Port Precinct, which includes a multi-commodity deep water port at Cape Hardy, which brings together agriculture, mining, green manufacturing and indigenous business into a multi-user, multi-commodity manufacturing and export hub in South Australia.

Supporting Infrastructure Investment and Services

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Infrastructure, Transport, Cities and Regional Development	-	14.6	4.9	7.4	7.4

The Government will provide \$34.5 million over four years from 2019-20 (and \$7.4 million per year ongoing) to support infrastructure investment and services, promote significant national and local infrastructure programs and provide additional resourcing for the implementation of priority projects.

This measure builds on the 2018-19 MYEFO measure titled *Supporting Infrastructure Investment – additional resourcing*.

Tasmanian Freight Equalisation Scheme — increased assistance and reduced claim times

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Services Australia	-	3.9	1.5	1.4	1.5
Department of Infrastructure, Transport, Cities and Regional Development	-	2.5	3.5	3.6	3.8
Total — Expense	-	6.4	4.9	5.1	5.3

The Government will provide \$21.8 million over four years from 2019-20 to increase *Tasmanian Freight Equalisation Scheme* assistance for high-density goods being shipped to and from Tasmania from 60 per cent to 100 per cent of the standard rate of assistance from 1 October 2019. Processing times for claims will also be reduced from 35 to 30 days, with interest to be payable on claims finalised more than 30 days from the date of lodgement.

Infrastructure, Transport, Cities and Regional Development

Further information can be found in the press release of 23 August 2019 issued by the Assistant Minister to the Deputy Prime Minister.

Western Australian Cricket Association Stadium

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Infrastructure, Transport, Cities and Regional Development	-	-	-	-	-

The Government will provide \$30.0 million over two years from 2020-21 towards the redevelopment of the Western Australian Cricket Association Stadium to create a sustainable community and sporting hub, which will ensure the Stadium continues to serve the needs of cricket and sport into the future.

Funding for this measure has already been provided for by the Government.

Prime Minister and Cabinet

Australian Public Service Reform Implementation

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of the Prime Minister and Cabinet	-	3.0	6.6	-	-
Australian Public Service Commission	-	2.8	2.6	-	-
Total — Expense	-	5.9	9.2	-	-

The Government will provide \$15.1 million over two years from 2019-20 to the Department of the Prime Minister and Cabinet and the Australian Public Service (APS) Commission to support the commencement of the comprehensive reform of the APS.

This funding represents an investment in the capacity of the APS to respond to challenges and opportunities and deliver better services for the Australian people.

National Australia Day Council — additional funding

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of the Prime Minister and Cabinet	-	12.8	-	-	-

The Government will provide \$12.8 million in 2019-20 to the National Australia Day Council to support Australia Day activities.

Prime Minister and Cabinet — additional funding

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of the Prime Minister and Cabinet	-	5.3	18.7	18.5	18.6
National Indigenous Australians Agency	-	-	4.5	4.5	4.5
Total — Expense	-	5.3	23.2	23.0	23.1

The Government will provide \$74.7 million over four years from 2019-20 to the Department of the Prime Minister and Cabinet and the National Indigenous Australians Agency.

This funding is an investment in the capacity of the Australian Public Service to respond to challenges and opportunities and deliver better services for the Australian people.

Social Services

Addressing the Implementation Risks Associated with the National Redress Scheme

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Social Services	-	15.3	-	-	-
Services Australia	-	-3.6	-	-	-
Total — Expense	-	11.7	-	-	-

The Government will provide \$11.7 million in 2019-20 to enhance the delivery of the National Redress Scheme and further assist applicants during the claiming process.

This measure builds on the 2017-18 Budget measure titled *Commonwealth Redress Scheme for Survivors of Institutional Child Sexual Abuse* and the 2017-18 MYEFO measure titled *Commonwealth Redress Scheme for Survivors of Abuse — Additional Funding*.

Digital Literacy for Older Australians — extension

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Social Services	-	-	5.4	-	-
Australian Communications and Media Authority	-	-	3.9	-	-
Total — Expense	-	-	9.3	-	-

The Government will provide an additional \$9.3 million in 2020-21 to extend the *Be Connected Program* for one year. The program increases older Australians' digital literacy, confidence and online safety skills enabling them to access social and economic benefits of online participation.

Appendix A: Policy decisions taken since the 2019 PEFO

Drug Testing Trial policy — amendments

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Social Services	-	nfp	nfp	nfp	-
Services Australia	-	nfp	nfp	nfp	-
Total — Expense	-	nfp	nfp	nfp	-

The Government will amend initiatives to reduce substance misuse among welfare recipients by revising the scope of testing and penalties applied to failed tests.

The financial implications of this measure are not for publication (nfp) due to commercial-in-confidence sensitivities.

Election Commitment — Improving Social Connections for Older Australians

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Social Services	-	2.5	2.5	2.5	2.5

The Government will provide an additional \$10.0 million over four years from 1 July 2019 to establish the *Seniors Connected Program*.

The Program will provide grant funding to local community groups dedicated to supporting older Australians improve their social connections.

This measure delivers on the Government's election commitment.

Election Commitment — National Disability Information Gateway

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Social Services	-	-1.0	1.4	-0.3	-

The Government will provide \$45.0 million over three years from 2019-20 to establish a National Disability Information Gateway (the Gateway). The Gateway will provide access to relevant up-to-date information, support and referral tools to assist people with disability, their families and carers, in making their own choices about disability services.

The cost of this measure will be met from within the existing resources of the Department of Social Services.

This measure delivers on the Government's election commitment.

Election Commitment — National Disability Insurance Scheme Community Connectors — national expansion

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
National Disability Insurance Scheme Launch Transition Agency	-	5.0	15.0	-	-

The Government will provide \$20.0 million over two years from 2019-20 to expand the National Disability Insurance Scheme (NDIS) Community Connectors Program. The expansion will support engagement with people who might not otherwise participate in the NDIS, including Indigenous Australians, culturally and linguistically diverse communities in urban, remote and rural settings, and ageing parents or carers of children with disability.

This measure delivers on the Government's election commitment.

Election Commitment — National Disability Insurance Scheme Participant Service Guarantee — monitoring funding

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Office of the Commonwealth Ombudsman	-	0.5	0.5	0.5	0.5

The Government will provide \$2.0 million over four years from 2019-20 to the Commonwealth Ombudsman to monitor the National Disability Insurance Agency's performance to ensure the Government's Participant Service Guarantee timeframes are met.

The Government's National Disability Insurance Scheme (NDIS) Participant Service Guarantee will be in place from 1 July 2020 and will support positive participant experiences with the NDIS.

This measure delivers on the Government's election commitment.

Extension of Funding for Financial Wellbeing and Capability Measures

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Social Services	-	-	10.2	-	-

The Government will provide \$10.2 million in 2020-21 to extend the *Money Support Hubs*, *Microfinance* program (comprising of Microfinance, No Interest Loans Scheme, StepUp and Saver Plus), and *Problem Gambling Financial Counselling* measures for one year from 1 July 2020.

These measures support vulnerable Australians and their families to access mainstream financial services and build financial capability, independence and resilience.

Appendix A: Policy decisions taken since the 2019 PEFO

National Disability Data Asset pilot

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Social Services	-	15.0	-	-	-

The Government will provide \$15.0 million in 2019-20 to pilot a National Disability Data Asset.

The National Disability Data Asset will bring together de-identified data from the Commonwealth, states and territories to provide information on how people with disability are supported through services, payments and other programs. The pilot of the Asset will include data from the Commonwealth, New South Wales, Victoria, Queensland and South Australia.

Further information can be found in the press release of 6 September 2019 by the Minister for the National Disability Insurance Scheme and Government Services.

National Disability Insurance Scheme — transition to full Scheme

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Social Services	-	3.9	4.2	12.0	-
Department of the Treasury	-	3.5	8.9	7.6	-
Department of Finance	-	-	-	-	-
Total — Expense	-	7.4	13.0	19.6	-
<i>Related revenue (\$m)</i>					
<i>Department of Finance</i>	-	-	-	-	-

The Government has finalised agreements to commence the full National Disability Insurance Scheme (NDIS) in Victoria from 1 July 2019 and Queensland from 1 July 2020, including payments under the DisabilityCare Australia Fund to partially reimburse Victoria and Queensland for the cost of implementing the Scheme.

Provision for the NDIS in Victoria and Queensland is already included in the forward estimates, reflecting full Scheme agreements and the National Partnership Agreement on DisabilityCare Australia Fund Payments.

Place-Based Income Management and Transition to Cashless Debit Card — extension

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Administrative Appeals Tribunal	-	nfp	nfp	nfp	-
Department of Social Services	-	nfp	nfp	nfp	-
Services Australia	-	nfp	nfp	nfp	-
Total — Expense	-	nfp	nfp	nfp	-

The Government will support the transition of *Income Management* participants to the *Cashless Debit Card*, and extend *Income Management* for one year in place-based locations from 1 July 2020.

Place-based *Income Management* is operating in various locations in Queensland, Western Australia, New South Wales, Victoria and South Australia.

The expenditure for this measure is not for publication (nfp) as negotiations with potential commercial providers are yet to be finalised.

This measure builds on 2019-20 Budget measure titled *Cashless Debit Card – further extension and expansion*.

Supporting People with Disability

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Social Services	-	1.3	7.7	..	-
Services Australia	-	-	-	-	-
Total — Expense	-	1.3	7.7	..	-

The Government will provide \$9.1 million over three years to continue to support people with disability, including continuation of the Boosting the Local Care Workforce program. The program supports the disability sector by employing regional coordinators to assist businesses to address workforce challenges, ensuring continuous provider market growth to meet the needs of people with disability.

This measure builds on the 2017-18 Budget measure titled *Boosting the Local Care Workforce*.

Appendix A: Policy decisions taken since the 2019 PEFO

Whole-of-Government Digital Initiatives

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Digital Transformation Agency	-	9.6	13.2	-	-
Australian Taxation Office	-	0.6	-	-	-
Total — Expense	-	10.1	13.2	-	-
<i>Related capital (\$m)</i>					
<i>Australian Taxation Office</i>	-	1.6	-	-	-

The Government will provide \$25.0 million over two years from 2019-20 for whole-of-government digital initiatives including:

- \$19.1 million over two years from 2019-20 for the development of the protected utility platform and the implementation of a hosting strategy
- \$5.9 million in 2019-20 to continue the development of the Digital Identity program, which will allow Australian citizens to verify their identity when accessing Government services online.

This measure builds on the 2019-20 Budget measure titled *Continued Funding for GovPass – Trusted Digital Identity*.

Treasury

Australian Competition and Consumer Commission — inquiry into the Murray-Darling Basin Water Market

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Competition and Consumer Commission	-	4.2	2.7	-	-
Department of the Treasury	-	-	-7.4	-	-
Total — Expense	-	4.2	-4.7	-	-
<i>Related capital (\$m)</i>					
<i>Australian Competition and Consumer Commission</i>	-	0.5	-	-	-

The Government will provide \$7.4 million over two years from 2019-20 (including \$0.5 million in capital funding) to the Australian Competition and Consumer Commission to conduct an inquiry into markets for tradeable water rights in the Murray-Darling Basin. The inquiry will look at options to improve the transparency and efficiency of the water market.

Further information can be found in the joint press release of 7 August 2019 issued by the Treasurer and the Minister for Water Resources, Drought, Rural Finance, Natural Disaster and Emergency Management.

Australian Competition and Consumer Commission Agriculture Unit — extension

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Competition and Consumer Commission	-	-	2.7	2.7	2.7

The Government will provide \$2.7 million ongoing from 2020-21 to the Australian Competition and Consumer Commission to continue the operations of its Agriculture Unit. The Unit will include a dedicated Dairy Specialist role to provide additional expertise and to raise industry awareness about the Dairy Mandatory Code of Conduct.

This measure builds on the 2019-20 Budget measure titled *Australian Competition and Consumer Commission Agriculture Unit – continuation*.

Appendix A: Policy decisions taken since the 2019 PEFO

Australian Competition and Consumer Commission Gas Inquiry — extension

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Competition and Consumer Commission	-	1.0	4.3	4.3	4.3
<i>Related capital (\$m)</i>					
<i>Australian Competition and Consumer Commission</i>	-	0.4	-	-	-

The Government will provide \$25.4 million over seven years from 2019-20 (including \$4.3 million in 2023-24, \$4.4 million in 2024-25 and \$2.4 million in 2025-26) for the Australian Competition and Consumer Commission to extend its Gas Inquiry (the Inquiry). The extended Inquiry will continue to increase transparency in the gas market, with a focus on the tightness of the East Coast Gas Market and the impact on domestic gas prices and end users (particularly large commercial and industrial users).

Digital Platform Unit — establishment

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Competition and Consumer Commission	-	3.5	7.6	7.5	7.6
Attorney-General's Department	-	0.2	1.6	-	-
Total — Expense	-	3.7	9.1	7.5	7.6
<i>Related capital (\$m)</i>					
<i>Australian Competition and Consumer Commission</i>	-	0.7	-	-	-

The Government will provide \$28.6 million over four years from 2019-20 to implement recommendations from the Digital Platforms Inquiry. The response will include:

- \$26.9 million over four years to establish a Digital Platforms Unit within the Australian Competition and Consumer Commission (ACCC) to implement a number of recommended reforms, including monitoring and collecting data about digital platforms, investigating potential breaches of competition and consumer law and facilitating a voluntary code of conduct between new media businesses and digital platforms. The ACCC will also undertake more detailed inquiries as directed by the Treasurer, the first being into online advertising and 'ad-tech' services
- \$1.7 million over two years to conduct a review of the Privacy Act to ensure it remains fit for purpose in the digital era.

Further information can be found in the joint press release of 12 December 2019 issued by the Prime Minister, the Treasurer and the Minister for Communications, Cyber Security and the Arts.

Election Commitment — Australian Business Growth Fund — establishment

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of the Treasury	-	*	*	*	*
<i>Related revenue (\$m)</i>					
<i>Department of the Treasury</i>	-	*	*	*	*

The Government will provide \$100.0 million as an equity investment to establish the Australian Business Growth Fund (BGF) to ensure that small and medium-sized businesses have access to equity financing to enable growth. The BGF will be established in partnership with financial institutions, will fill a gap in the market and enhance the ability of small and medium-sized business to grow and create jobs. The aim is for the BGF to grow to \$1 billion as it matures.

Further information can be found in the joint press release of 4 November 2019 issued by the Treasurer and the Minister for Small and Family Business, Skills and Vocational Education.

The total financial impact of this measure cannot be quantified as the Fund has not yet been established. The investment will result in a minimal public debt interest cost over the forward estimates.

This measure delivers on the Government's election commitment.

Election Commitment — First Home Loan Deposit Scheme

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of the Treasury	-	13.9	11.1	10.3	8.5

The Government will provide \$43.8 million over four years from 2019-20 to establish the First Home Loan Deposit Scheme (the Scheme) and the National Housing Finance and Investment Corporation's (NHFIC) new research function.

NHFIC will administer the Scheme, which will provide a Government guarantee to allow eligible first home buyers to purchase a home with a deposit of as little as 5 per cent. The Scheme will support up to 10,000 first home buyers each financial year. The new research function will examine housing demand, supply and affordability in Australia, complementing existing housing-related research within NHFIC.

Further information can be found in the joint press release of 27 October 2019 issued by the Treasurer and the Assistant Treasurer and Minister for Housing.

This measure delivers on the Government's election commitment.

Implementing the Government's Response to the Financial Services Royal Commission — additional funding

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Various Agencies	-	9.3	-	-	-

The Government will provide additional funding in 2019-20 to support agencies as they undertake consultation and develop reforms to implement the Government's response to the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (the Royal Commission), including the delivery of the Unpaid External Dispute Resolution Scheme.

This measure builds on the 2019-20 Budget measure titled *Government Response to the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry*.

Further information on these reforms can be found in the Government's response to the Royal Commission's recommendations announced by the Prime Minister and the Treasurer on 4 February 2019 and the press release of 19 August 2019 issued by the Treasurer.

National Consumer Data Right

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Commonwealth Scientific and Industrial Research Organisation	-	nfp	nfp	nfp	-
Department of the Treasury	-	nfp	nfp	nfp	-
Australian Competition and Consumer Commission	-	nfp	nfp	nfp	-
Total — Expense	-	nfp	nfp	nfp	-

The Government will provide additional funding to the Australian Competition and Consumer Commission to continue the development of the Consumer Data Right (CDR), including conducting testing and assurance activities with the major banks prior to the initial rollout of the Open Banking component of CDR in 2020.

The expenditure for this measure is not for publication (nfp) as negotiations are yet to be finalised.

This measure expands the 2018-19 MYEFO measure titled *National Consumer Data Right — additional funding*.

National Tax Clinic Program

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Taxation Office	-	0.5	1.0	1.2	1.3

The Government will provide \$4.0 million over four years from 2019-20 to fund tax clinics across the country, following the success of a Tax Clinics pilot program.

The tax clinics will support individuals and small business taxpayers by providing general taxation advice to help them meet their tax obligations and reporting requirements.

Appendix A: Policy decisions taken since the 2019 PEFO

New Deregulation Agenda

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Taxation Office	-	27.6	-	-	-
Department of the Treasury	-	6.0	6.6	1.5	-
Department of Industry, Innovation and Science	-	4.0	4.8	0.2	-
Department of Home Affairs	-	1.5	1.2	0.6	0.1
Australian Trade and Investment Commission	-	1.2	2.8	2.4	-
Australian Securities and Investments Commission	-	1.2	-	-	-
Fair Work Ombudsman and Registered Organisations Commission Entity	-	0.8	0.7	-	-
Department of the Environment and Energy	-	0.6	1.4	1.4	-
Department of Agriculture	-	0.6	2.1	2.1	1.0
Attorney-General's Department	-	0.2	0.2	-	-
Department of Finance	-	0.1	-	-	-
Department of Employment, Skills, Small and Family Business	-	0.1	0.1	-	-
National Indigenous Australians Agency	-	0.1	-	-	-
Total — Expense	-	43.8	19.8	8.1	1.1
<i>Related capital (\$m)</i>					
Australian Taxation Office	-	23.0	-	-	-
Australian Securities and Investments Commission	-	8.6	-	-	-
Department of Agriculture	-	3.7	10.0	8.3	2.4
Australian Trade and Investment Commission	-	2.5	5.9	4.6	-
Department of the Environment and Energy	-	1.5	6.3	4.5	-
Department of Home Affairs	-	1.3	0.7	-	-
Total — Capital	-	40.6	22.8	17.4	2.4

The Government will provide \$156.2 million over four years from 2019-20 to streamline regulatory compliance processes and reduce the cost of doing business, including by targeted investments in technology. This package includes:

- \$60.6 million in 2019-20 to make it easier and faster for business to interact with the Government, and to create a single, accessible and trusted source of business data, by introducing Director Identification Numbers and transferring existing business registers on to a modernised platform operated by the Australian Business Register

- \$29.2 million over four years from 2019-20 to streamline export processes by completing the delivery of a digital export certification management system, which will provide a modern and secure approach to assuring that produce meets importing country requirements
- \$26.8 million over three years from 2019-20 to help beneficial major projects commence as soon as possible by partnering with the Western Australian Government to develop an online platform for environmental assessment and approval processes, supported by a database of biodiversity information, as the first step towards a nationally consistent approach to a digital environmental approval regime
- \$21.4 million over three years from 2019-20 to develop a new trade information service to provide businesses with a single source of online information on how to export, including regulatory and border compliance requirements
- \$5.4 million over four years from 2019-20 to support food exporters by promoting the use of the Australian Trusted Trader (ATT) customs facilitation, and streamlining and digitising the application process for the ATT and the Known Consignor Scheme
- \$10.0 million over two years from 2019-20 to help small businesses employ their first person, including through developing a consolidated online checklist to provide guidance on the steps to becoming an employer
- \$3.0 million in 2019-20 to fund the Deregulation Taskforce to support the delivery of the Government's deregulation agenda.

Further information can be found in the joint press release of 20 November 2019 issued by the Prime Minister, the Treasurer and the Assistant Minister to the Prime Minister and Cabinet.

Appendix A: Policy decisions taken since the 2019 PEFO

Retirement Income Review

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of the Treasury	-	2.0	-	-	-

The Government will provide \$2.0 million in 2019-20 to conduct an independent review of the retirement income system. The Review will look at the three pillars of the existing retirement income system, being the Age Pension, compulsory superannuation and voluntary savings. The Review will improve understanding of the current retirement income system and the outcomes it is delivering for Australians.

Further information can be found in the joint press release of 27 September 2019 issued by the Treasurer and the Assistant Minister for Superannuation, Financial Services and Financial Technology.

Treasury Portfolio — additional funding

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of the Treasury	-	12.1	1.3	-	-
Australian Taxation Office	-	7.5	95.3	37.4	-
Australian Competition and Consumer Commission	-	7.0	-	-	-
Department of Finance	-	0.2	0.1	0.1	0.1
Australian Bureau of Statistics	-	-	40.4	-	-
Total — Expense	-	26.7	137.1	37.5	0.1
<i>Related capital (\$m)</i>					
<i>Australian Taxation Office</i>	<i>-</i>	<i>11.1</i>	<i>0.3</i>	<i>0.3</i>	<i>-</i>

The Government will provide \$213.2 million over four years from 2019-20 to the Department of the Treasury and agencies in the Treasury portfolio, to deliver the Government's policy priorities, including:

- \$7.0 million in 2019-20 to the Australian Competition and Consumer Commission to strengthen its capacity to address competition and consumer protection issues
- \$40.4 million in 2020-21 to the Australian Bureau of Statistics to continue to deliver on key statistical outputs
- \$150.8 million over three years from 2019-20 to the Australian Taxation Office to improve its data storage and resilience of its security system. As part of this the Department of Finance will receive funding of \$0.5 million for assurance reviews.

Waiving Tasmania's Outstanding Housing-Related Debt

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Office of Financial Management	-	157.6	-	-	-
<i>Related revenue (\$m)</i>					
<i>Australian Office of Financial Management</i>	-	-7.0	-6.7	-6.3	-5.9

The Government has agreed to waive Tasmania's public housing debt. This waiver will have a negative impact on the fiscal balance of \$183.5 million over four years from 2019-20.

In return for the Commonwealth's agreement to waive the debt, the Tasmanian Government has agreed to redirect the amount of repayments to programs that increase access to community housing and to report publicly on the outcomes from expenditure.

Further information can be found in the joint press release of 8 September 2019 issued by the Minister for Housing and Assistant Treasurer and the Tasmanian Minister for Housing.

Veterans' Affairs

Deferring the Treatment Cycle Component of the Improved Dental and Allied Health Measure

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Veterans' Affairs	-	3.4	-	-	-

The Government will provide \$3.4 million in 2019-20 to defer the commencement of the *Improved Dental and Allied Health Program* from 1 July 2019 to 1 October 2019 to allow more time for consultations with veterans and their medical professionals.

Election Commitment — Defence Service Homes Insurance Scheme — expanding eligibility

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Veterans' Affairs	-	-	-	-	-

The Government will expand eligibility from 1 July 2019 for coverage under the Defence Service Homes Insurance Scheme to all current and former members of the Australian Defence Force with at least one day of service.

The Defence Service Homes Insurance Scheme is a self-funded insurance scheme established under legislation.

This measure delivers on the Government's election commitment.

Election Commitment — Exempting Totally and Permanently Impaired Pension Recipients from Allied Health Treatment Cycle — additional funding

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Veterans' Affairs	-	4.7	3.9	4.3	4.8

The Government will provide an additional \$17.8 million from 2019-20 to exempt Totally and Permanently Impaired (TPI) pension recipients from the new allied health treatment cycle requirements announced in the 2018-19 Budget measure titled *Improved Dental and Allied Health*.

This will reduce the number of times TPI pension recipients will be required to return to their General Practitioner for referrals for allied health services.

This measure delivers on the Government's election commitment.

Election Commitment — Saluting their Service Commemorative Grants — expansion

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Veterans' Affairs	-	2.5	2.5	2.5	2.5

The Government will provide an additional \$10.0 million over four years from 2019-20 to expand the *Saluting Their Service Commemorative Grants Program*, to enable local communities to fund projects that commemorate the 75th anniversary of the end of the Second World War and honour the service and sacrifice of our veterans who have served our nation and its allies in wars, conflicts and peace operations.

The measure delivers on the Government's election commitment.

Election Commitment — Supporting the Kokoda Track

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Veterans' Affairs	-	0.5	4.0	5.5	-

The Government will provide \$10.0 million over three years from 2019-20 for projects to commemorate the bonds between Australia and Papua New Guinea from the Second World War, particularly around the Kokoda Track.

This measure delivers on the Government's election commitment.

Election Commitment — Veterans' Wellbeing Centres

Expense (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Veterans' Affairs	-	10.0	10.0	10.0	-

The Government will provide \$30.0 million over three years from 2019-20 to establish six Veterans' Wellbeing Centres (Centres) in partnership with ex-service organisations and state governments.

The Centres will be established across Australia and integrate government and non-government support for veterans with local health services, community organisations, advocacy and wellbeing support.

This measure delivers on the Government's election commitment.

Capital Measures

Table 3: Capital measures since the 2019 PEFO^(a)

	2018-19	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m	\$m
AGRICULTURE					
<i>Department of Agriculture</i>					
African Swine Fever Response Package(b)	-	5.1	0.1	-	-
New Deregulation Agenda(b)	-	3.7	10.0	8.3	2.4
Portfolio total	-	8.8	10.1	8.3	2.4
ATTORNEY-GENERAL'S					
<i>National Archives of Australia</i>					
Election Commitment — Digitalisation of Second World War Records	-	2.5	2.5	2.5	2.5
Portfolio total	-	2.5	2.5	2.5	2.5
CROSS PORTFOLIO					
<i>Various Agencies</i>					
Election Commitment — Efficiency Dividend — extension(b)	-	-5.1	-15.5	-21.3	-21.6
Portfolio total	-	-5.1	-15.5	-21.3	-21.6
DEFENCE					
<i>Department of Defence</i>					
Election Commitment — Protected Mobile Fires Project (LAND 8112)(b)	-	-	-	-	97.0
Portfolio total	-	-	-	-	97.0
EMPLOYMENT, SKILLS, SMALL AND FAMILY BUSINESS					
<i>Department of Employment, Skills, Small and Family Business</i>					
Increasing Uptake of Workers in Australia's Pacific Labour Mobility Initiatives and Finalisation of a Horticulture Industry Labour Agreement(b)	-	-	0.4	-	-
Jobs and Education Data Infrastructure — mapping skills for better futures(b)	-	3.3	0.7	-	-
Payment Times Reporting Framework — establishment(b)	-	-	2.8	0.3	0.3
Transition to Work — extending support for young people(b)	-	0.5	-	-	-
Portfolio total	-	3.8	3.9	0.3	0.3
ENVIRONMENT AND ENERGY					
<i>Department of the Environment and Energy</i>					
New Deregulation Agenda(b)	-	1.5	6.3	4.5	-
Strengthening the Australian Antarctic Program(b)	-	0.7	6.3	-	-

Appendix A: Policy decisions taken since the 2019 PEFO

Table 3: Capital measures since the 2019 PEFO^(a) (continued)

	2018-19	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m	\$m
ENVIRONMENT AND ENERGY (continued)					
<i>Great Barrier Reef Marine Park Authority</i>					
National Education Centre for the Great Barrier Reef — refurbishment(b)(c)	-	7.4	8.1	2.9	2.1
Portfolio total	-	9.6	20.7	7.4	2.1
FOREIGN AFFAIRS AND TRADE					
<i>Australian Trade and Investment Commission</i>					
New Deregulation Agenda(b)	-	2.5	5.9	4.6	-
Portfolio total	-	2.5	5.9	4.6	-
HEALTH					
<i>Australian Radiation Protection and Nuclear Safety Agency</i>					
Radio Frequency Electromagnetic Energy Program — enhanced(b)(c)	-	-	2.0	-	-
<i>Department of Health</i>					
Aged Care — response to the Aged Care Royal Commission Interim Report and ongoing aged care reforms(b)(c)	-	4.6	4.4	-	-
Portfolio total	-	4.6	6.4	-	-
HOME AFFAIRS					
<i>Department of Home Affairs</i>					
New Deregulation Agenda(b)	-	1.3	0.7	-	-
<i>Various Agencies</i>					
National Security Agencies — additional resourcing(b)	-	nfp	nfp	nfp	nfp
Portfolio total	-	1.3	0.7	-	-
INFRASTRUCTURE, TRANSPORT, CITIES AND REGIONAL DEVELOPMENT					
<i>Department of Infrastructure, Transport, Cities and Regional Development</i>					
Norfolk Island — essential services(b)	-	1.2	-	-	-
Portfolio total	-	1.2	-	-	-
PRIME MINISTER AND CABINET					
<i>National Drought and North Queensland Flood Response and Recovery Agency</i>					
Drought Response, Resilience and Preparedness Plan — additional support for farmers and communities in drought(b)(c)	-	2.2	0.1	-	-
Portfolio total	-	2.2	0.1	-	-

Table 3: Capital measures since the 2019 PEFO^(a) (continued)

	2018-19	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m	\$m
SOCIAL SERVICES					
<i>Services Australia</i>					
Aged Care — response to the Aged Care Royal Commission Interim Report and ongoing aged care reforms(b)(c)	-	..	-	-	-
Drought Response, Resilience and Preparedness Plan — additional support for farmers and communities in drought(b)(c)	-	7.9	-	-	-
Guaranteeing Medicare — health and aged care payments system maintenance(b)	-	12.8	-	-	-
Portfolio total	-	20.7	-	-	-
TREASURY					
<i>Australian Competition and Consumer Commission</i>					
Australian Competition and Consumer Commission — inquiry into the Murray-Darling Basin Water Market(b)	-	0.5	-	-	-
Australian Competition and Consumer Commission Gas Inquiry — extension(b)	-	0.4	-	-	-
Digital Platform Unit — establishment(b)	-	0.7	-	-	-
<i>Australian Securities and Investments Commission</i>					
Combatting Illegal Phoenixing — reducing the impact of illegal phoenixing on businesses, employees and government(b)(c)	-	2.5	0.6	-	-
New Deregulation Agenda(b)	-	8.6	-	-	-
<i>Australian Taxation Office</i>					
Black Economy — introducing a sharing economy reporting regime(b)(c)	-	-	-	5.4	2.7
Combatting Illegal Phoenixing — reducing the impact of illegal phoenixing on businesses, employees and government(b)(c)	-	0.7	-	-	-
New Deregulation Agenda(b)	-	23.0	-	-	-
Treasury Portfolio — additional funding(b)	-	11.1	0.3	0.3	-
Whole-of-Government Digital Initiatives(b)	-	1.6	-	-	-
Portfolio total	-	49.2	0.9	5.7	2.7
Decisions taken but not yet announced(d)	-	-8.3	78.8	45.0	15.6
Depreciation Expense		-	-4.1	-4.1	-4.1
Total impact of capital measures(e)	-	92.9	110.3	48.4	96.9

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

.. Not zero, but rounded to zero.

- Nil.

nfp not for publication.

(a) A minus sign before an estimate indicates a reduction in capital, no sign before an estimate indicates increased capital.

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

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

(d) Includes the impact of measures that are not for publication (nfp).

(e) Measures may not add due to rounding.

Attorney-General's

Election Commitment — Digitalisation of Second World War Records

Capital (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
National Archives of Australia	-	2.5	2.5	2.5	2.5

The Government will provide \$10.0 million over four years from 2019-20 to the National Archives of Australia to digitise Second World War service records.

Next year marks the 75th anniversary of the end of the Second World War and the digitised records will help ensure that Australians remember and understand the service and sacrifice of Second World War veterans.

This measure delivers on the Government's election commitment.

Defence

Election Commitment — Protected Mobile Fires Project (LAND 8112)

Capital (\$m)	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Defence	-	-	-	-	97.0
<i>Related expense (\$m)</i>					
<i>Department of Defence</i>	-	-	6.8	7.0	3.6

The Government will provide \$417.8 million over four years from 2020-21 (including \$1.4 billion over the medium term) to acquire a new self-propelled howitzer artillery system for the Australian Army. The Government will support a new facility to be constructed in Geelong, Victoria beginning before the end of 2022-23 and will source ammunition from Australian supply chains.

This measure will address the capability gap left as a result of the cancellation of this project in 2012 and it will create jobs within the large manufacturing skills base in Geelong.

This measure delivers on the Government's election commitment.

Appendix B: Supplementary expenses table and the Contingency Reserve

Expenses

Table B1 shows estimates of Australian Government general government expenses by function and sub-function for 2019-20 and the forward years.

Table B1: Estimates of Australian Government general government sector expenses by function and sub-function^(a)

	Estimates						Projections					
	2019-20		2020-21		2021-22		2022-23		2021-22		2022-23	
	Budget \$m	MYEFO \$m	Budget \$m	MYEFO \$m	Budget \$m	MYEFO \$m	Budget \$m	MYEFO \$m	Budget \$m	MYEFO \$m	Budget \$m	MYEFO \$m
			Change on Budget %				Change on Budget %					Change on Budget %
General public services												
Legislative and executive affairs	1,196	1,355	13	1,197	1,339	12	1,528	1,668	1,199	1,345	12	
Financial and fiscal affairs	7,344	7,275	-1	7,287	7,352	1	7,593	7,456	7,495	7,402	-1	
Foreign affairs and economic aid	6,253	6,293	1	6,211	6,242	0	5,697	5,718	5,918	5,944	0	
General research	3,159	3,177	1	3,212	3,204	0	3,330	3,321	3,476	3,461	0	
General services	651	675	4	592	587	-1	597	590	581	574	-1	
Government superannuation benefits	5,011	11,380	127	5,025	5,012	0	5,083	5,063	5,134	5,082	-1	
Defence												
Public order and safety	32,243	32,783	2	32,772	34,129	4	34,739	36,318	37,629	40,462	8	
Education	5,919	5,966	1	5,723	5,599	-2	5,730	5,524	5,613	5,389	-4	
Health	36,350	35,846	-1	38,047	37,590	-1	39,339	38,896	40,893	40,590	-1	
Social security and welfare	81,777	83,425	2	82,530	82,974	1	85,552	86,034	89,544	90,042	1	
Housing and community amenities	180,125	180,782	0	186,852	187,847	1	193,607	193,451	200,217	200,297	0	
Recreation and culture	5,907	5,715	-3	5,264	5,159	-2	5,523	5,488	4,767	4,457	-7	
Fuel and energy	3,849	3,989	4	3,738	3,942	5	3,714	3,887	3,696	3,806	3	
Agriculture, forestry and fishing	8,171	8,161	0	8,515	8,527	0	8,865	8,830	9,285	9,161	-1	
Mining, manufacturing and construction	2,871	3,025	5	3,075	3,260	6	2,983	3,515	3,014	3,142	4	
Transport and communication	3,422	3,073	-10	3,730	3,027	-19	3,408	3,081	2,926	3,284	12	
	9,038	8,671	-4	9,225	10,770	17	9,717	11,183	11,149	11,727	5	

Table B1: Estimates of Australian Government general government sector expenses by function and sub-function^(a)
(continued)

	Estimates						Projections					
	2019-20			2020-21			2021-22			2022-23		
	Budget \$m	MYEFO \$m	Change on Budget %	Budget \$m	MYEFO \$m	Change on Budget %	Budget \$m	MYEFO \$m	Change on Budget %	Budget \$m	MYEFO \$m	Change on Budget %
Other economic affairs												
Tourism and area promotion	169	173	2	178	192	8	180	186	3	185	181	-2
Labour and employment affairs	3,707	3,587	-3	3,717	3,600	-3	3,746	3,602	-4	3,876	3,695	-5
Immigration	2,854	3,800	33	2,538	2,693	6	2,507	2,611	4	2,542	2,614	3
Other economic affairs nec	2,567	2,690	5	2,554	2,611	2	2,493	2,489	0	2,394	2,411	1
Other purposes												
Public debt interest	17,037	16,746	-2	16,625	15,830	-5	16,063	14,880	-7	15,747	14,164	-10
Nominal superannuation interest	11,127	7,715	-31	11,466	11,466	0	11,797	11,797	0	12,122	12,122	0
General purpose inter-government transactions	70,328	68,547	-3	73,912	71,485	-3	77,831	75,078	-4	81,491	78,524	-4
Natural disaster relief	11	38	245	2	11	450	0	3	na	0	0	0
Contingency reserve	-216	-1,707	690	2,117	676	-68	4,293	3,165	-26	8,982	5,712	-36
Total expenses	500,872	503,180	0	516,105	515,123	0	535,915	533,833	0	559,874	555,589	-1

(a) The 2019-20 Budget numbers are used in this table as this table was not published in the 2019 PEFO.

Contingency Reserve

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

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

The Contingency Reserve contains an allowance for the tendency for estimates of expenses for existing Government policy to be revised upwards in the forward years, known as the conservative bias allowance (CBA). The increase in expenses in the Contingency Reserve sub-function from 2019-20 is largely due to the CBA. Since the 2019-20 Budget, the allowance has been drawn down to:

- $\frac{1}{4}$ of a percentage point of total general government sector expenses (excluding GST payments to the states) in the first forward year 2020-21 (\$1.1 billion)
- $\frac{3}{4}$ of a percentage point of expenses in the second forward year 2021-22 (\$3.4 billion)
- $1\frac{1}{2}$ percentage point provision in the third forward year 2022-23 (\$7.1 billion).

The drawdown of the CBA reduced expenses by \$1.1 billion in 2020-21, \$1.2 billion in 2021-22, and \$2.4 billion in 2022-23. This is consistent with long standing practice and does not represent a saving.

In general, the Contingency Reserve can also include:

- a provision for underspends in the current financial year reflecting the tendency for budgeted expenses for some entities or functions not to be met
- commercial-in-confidence and national security-in-confidence items that cannot be disclosed separately and programs that are yet to be renegotiated with state and territory governments
- the effect, on the budget and forward estimates, of economic parameter revisions received late in the process and hence not able to be allocated to individual entities or functions
- decisions taken but not yet announced by the Government, and decisions made too late for inclusion against individual entity estimates
- provisions for other specific events and pressures that are reasonably expected to affect the budget estimates.

Appendix C: Australia's Federal Relations

This appendix provides information on payments for specific purposes and general revenue assistance provided to the states and territories (the states).

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

More detailed information on the Intergovernmental Agreement and Australia's federal financial relations is provided at www.federalfinancialrelations.gov.au and in Budget Paper No. 3, *Federal Financial Relations 2019-20*.

Overview of payments to the states

Payments to the states in 2019-20 are estimated to be \$126.3 billion, or 25.1 per cent of total Australian Government expenditure for the year. This amount comprises payments for specific purposes of \$59.0 billion and general revenue assistance of \$67.3 billion.

Table C1 shows payments for specific purposes and general revenue assistance to the states.

Table C1: Australian Government payments to the states, 2019-20 to 2022-23

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2019-20									
Payments for specific purposes(a)	17,495	14,431	12,892	6,201	3,868	1,283	1,005	1,254	59,024
GST entitlement	18,192	16,798	13,868	3,489	6,592	2,417	1,368	2,685	65,410
Other general revenue assistance(c)	-	-	-	846	-	-	41	252	1,875
Total payments to the states	35,687	31,229	26,760	10,537	10,460	3,701	2,414	4,192	126,310
2020-21									
Payments for specific purposes(a)	18,892	15,012	15,278	7,353	4,106	1,415	1,068	1,313	65,019
GST entitlement(b)	~	~	~	~	~	~	~	~	67,610
Other general revenue assistance(c)	-	-	-	566	-	-	41	-	1,236
Total payments to the states	18,892	15,012	15,278	7,919	4,106	1,415	1,109	1,313	133,865
2021-22									
Payments for specific purposes(a)	19,203	15,774	15,489	7,597	4,189	1,532	1,039	1,389	66,710
GST entitlement(b)	~	~	~	~	~	~	~	~	71,440
Other general revenue assistance(c)	-	-	-	308	-	-	42	-	894
Total payments to the states	19,203	15,774	15,489	7,906	4,189	1,532	1,080	1,389	139,044

Table C1: Australian Government payments to the states, 2019-20 to 2022-23 (continued)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2022-23									
Payments for specific purposes(a)	20,156	17,363	16,059	7,599	4,191	1,568	1,107	1,282	69,794
GST entitlement(b)	~	~	~	~	~	~	~	~	75,111
Other general revenue assistance(c)	-	-	-	24	-	-	43	-	552
Total payments to the states	20,156	17,363	16,059	7,623	4,191	1,568	1,149	1,282	145,457

(a) State allocations for some programs have yet to be determined. These payments are not included in state totals, and consequently, total payments may not equal the sum of state totals.

(b) State allocations are dependent upon the GST revenue sharing relativities for that financial year. These relativities are not forecast beyond the Budget year.

(c) State allocations for royalties are not published due to commercial sensitivities. These payments are not included in state totals, and consequently, total payments may not equal the sum of state totals.

Payments for specific purposes

The Australian Government provides payments to the states for specific purposes in areas administered by the states. Payments to the states for specific purposes are estimated to total \$59.0 billion in 2019-20, which is 11.7 per cent of total Australian Government expenditure for the year and a decrease of \$1.3 billion (or 2.1 per cent) on the \$60.3 billion the states received in 2018-19.

The Australian Government provides the following types of specific purpose payments (SPPs) to the states:

- National Specific Purpose Payments (National SPPs) in respect of key service delivery sectors – disability services, and skills and workforce development.
- National Health Reform funding, largely for public hospital services.
- Quality Schools funding for government and non-government schools.
- National Housing and Homelessness funding for improved housing outcomes.
- National Partnership payments in a wide range of areas.

Table C2 shows total payments for specific purposes by type of SPP.

Table C2: Total payments for specific purposes by category, 2019-20 to 2022-23

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
2019-20									
National Specific Purpose Payments	491	402	309	331	106	32	26	15	1,712
National Health Reform funding	6,848	5,864	4,906	2,375	1,398	425	412	306	22,535
Quality Schools funding(b)	6,495	5,264	4,572	2,129	1,485	481	348	364	21,151
National Housing and Homelessness funding	484	406	320	166	109	34	27	20	1,565
National Partnership payments(c)	3,177	2,496	2,784	1,200	771	311	193	549	12,062
Total payments for specific purposes	17,495	14,431	12,892	6,201	3,868	1,283	1,005	1,254	59,024
2020-21									
National Specific Purpose Payments	498	410	314	159	106	33	26	15	1,561
National Health Reform funding	7,212	5,876	5,347	2,521	1,450	443	441	333	23,623
Quality Schools funding(b)	6,963	5,695	4,924	2,318	1,606	508	365	378	22,759
National Housing and Homelessness funding	491	416	327	168	110	34	27	20	1,595
National Partnership payments(c)	3,729	2,614	4,367	2,187	834	397	208	567	15,482
Total payments for specific purposes	18,892	15,012	15,278	7,353	4,106	1,415	1,068	1,313	65,019
2021-22									
National Specific Purpose Payments	505	419	319	160	107	33	27	15	1,585
National Health Reform funding	7,593	6,164	5,598	2,661	1,503	462	464	371	24,816
Quality Schools funding(b)	7,365	6,082	5,187	2,482	1,724	529	379	386	24,135
National Housing and Homelessness funding	491	404	320	161	107	33	26	19	1,561
National Partnership payments(c)	3,250	2,705	4,065	2,133	749	475	143	598	14,614
Total payments for specific purposes	19,203	15,774	15,489	7,597	4,189	1,532	1,039	1,389	66,710
2022-23									
National Specific Purpose Payments	513	428	324	162	108	33	27	15	1,611
National Health Reform funding	7,992	6,466	5,974	2,815	1,558	482	492	404	26,184
Quality Schools funding(b)	7,797	6,488	5,441	2,644	1,845	550	399	391	25,557
National Housing and Homelessness funding	498	413	325	163	107	33	27	19	1,586
National Partnership payments(c)	3,356	3,568	3,995	1,815	572	469	161	453	14,857
Total payments for specific purposes	20,156	17,363	16,059	7,599	4,191	1,568	1,107	1,282	69,794

(a) As state allocations for some programs have yet to be determined, relevant payments are not included in state totals. Consequently, total payments may not equal the sum of state totals.

(b) State allocations from the 2020 school year onwards are indicative only and final allocations are subject to formal negotiations between the Australian Government, the states and the non-government schools sector.

(c) Includes financial assistance grants for local government.

Appendix C: Australia's Federal Relations

Payments for specific purposes cover most areas of state and local government activity, including health, education, skills and workforce development, community services, affordable housing, infrastructure, and the environment. Table C3 shows total payments for specific purposes by sector.

Table C3: Payments for specific purposes by sector, 2019-20 to 2022-23

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
2019-20									
Health	6,910	5,917	4,951	2,401	1,465	463	421	338	22,872
Education	6,647	5,410	4,683	2,187	1,524	494	360	407	21,726
Skills and workforce development	491	402	309	158	106	35	26	15	1,716
Community services	639	244	551	275	73	23	47	58	1,910
Affordable housing	484	406	320	166	109	34	27	133	1,680
Infrastructure	1,738	1,616	1,644	819	457	174	45	259	6,753
Environment	81	61	57	6	30	8	40	15	544
Contingent payments	21	2	12	..	..	4	-	..	38
Other(b)	483	374	364	188	104	49	39	28	1,786
Total payments for specific purposes	17,495	14,431	12,892	6,201	3,868	1,283	1,005	1,254	59,024
2020-21									
Health	7,236	5,906	5,374	2,542	1,530	468	444	363	23,932
Education	7,070	5,800	5,000	2,358	1,634	517	373	412	23,167
Skills and workforce development	498	410	314	159	106	37	26	15	1,726
Community services	618	253	702	609	75	23	17	45	2,342
Affordable housing	491	416	327	168	110	34	27	134	1,709
Infrastructure	1,909	1,450	2,875	1,137	428	231	84	279	8,393
Environment	129	52	61	7	21	5	25	1	537
Contingent payments	3	..	7	-	-	..	-	-	11
Other(b)	939	725	618	371	201	98	71	64	3,202
Total payments for specific purposes	18,892	15,012	15,278	7,353	4,106	1,415	1,068	1,313	65,019
2021-22									
Health	7,607	6,184	5,627	2,685	1,540	472	466	397	24,995
Education	7,376	6,095	5,205	2,489	1,731	532	380	416	24,225
Skills and workforce development	505	419	319	160	107	38	27	15	1,750
Community services	630	261	219	109	78	24	17	46	1,386
Affordable housing	491	404	320	161	107	33	26	208	1,751
Infrastructure	1,490	1,655	3,077	1,609	398	328	48	241	8,847
Environment	131	1	88	1	22	5	..	1	559
Contingent payments	3	-	-	-	-	..	-	-	3
Other(b)	970	755	633	381	207	100	74	66	3,195
Total payments for specific purposes	19,203	15,774	15,489	7,597	4,189	1,532	1,039	1,389	66,710

Table C3: Payments for specific purposes by sector, 2019-20 to 2022-23 (continued)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
2022-23									
Health	8,053	6,543	6,035	2,860	1,576	494	502	443	26,528
Education	7,797	6,488	5,441	2,644	1,845	550	399	391	25,618
Skills and workforce development	513	428	324	162	108	38	27	15	1,615
Community services	350	271	219	113	81	25	18	11	1,087
Affordable housing	498	413	325	163	107	33	27	129	1,697
Infrastructure	1,913	2,437	3,034	1,270	231	322	63	228	9,499
Environment	33	..	29	1	32	5	-	1	480
Contingent payments	..	-	-	-	-	-	-	-	..
Other(b)	998	783	652	386	211	100	70	64	3,269
Total payments for specific purposes	20,156	17,363	16,059	7,599	4,191	1,568	1,107	1,282	69,794

(a) As state allocations for some programs have yet to be determined, relevant payments are not included in state totals. Consequently, total payments may not equal the sum of state totals.

(b) Includes financial assistance grants for local government.

Table C4 shows total payments for specific purposes by sector and category (National SPPs, National Health Reform funding, Quality Schools funding, National Housing and Homelessness and National Partnership payments).

Table C4: Payments for specific purposes by sector and category, 2019-20 to 2022-23

\$million	2019-20	2020-21	2021-22	2022-23
<i>Health</i>				
National Health Reform funding	22,535	23,623	24,816	26,184
National Partnerships	337	309	179	345
<i>Education</i>				
Quality Schools funding	21,151	22,759	24,135	25,557
National Partnerships	575	408	91	61
<i>Skills and workforce development</i>				
National Skills and Workforce Development SPP	1,539	1,561	1,585	1,611
National Partnerships	177	166	165	5
<i>Community services</i>				
National Disability SPP	173	-	-	-
National Partnerships	1,737	2,342	1,386	1,087
<i>Affordable housing</i>				
National Housing and Homelessness funding	1,565	1,595	1,561	1,586
National Partnerships	115	115	190	111
<i>Infrastructure</i>				
National Partnerships	6,753	8,393	8,847	9,499
<i>Environment</i>				
National Partnerships	544	537	559	480
<i>Contingent payments</i>				
National Partnerships	38	11	3	..
<i>Other</i>				
National Partnerships(a)	1,786	3,202	3,195	3,269
Total payments for specific purposes	59,024	65,019	66,710	69,794

(a) Includes financial assistance grants for local government.

Appendix C: Australia's Federal Relations

Detailed tables of payments for specific purposes are provided in Annex A (available online).

The Australian Government provides funding under the Disaster Recovery Funding Arrangements (DRFA) to assist the states following natural disasters. For accounting purposes, the Australian Government recognises a liability equal to the present value of future payments expected to be made to the states under the DRFA. This is regardless of whether a state has completed eligible reconstruction work or submitted an eligible claim under the DRFA. Estimated DRFA cash payments are shown in Table C5 below. Expense estimates are presented in Table A.8 in Annex A (available online).

Table C5: Estimated DRFA cash payments, 2019-20 to 2022-23

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2019-20	16.5	28.0	260.9	134.7	0.2	58.2	..	49.9	548.3
2020-21	..	0.7	887.4	-	-	7.7	-	-	895.8
2021-22	-	-	-	-	-	3.2	-	-	3.2
2022-23	-	-	-	-	-	-	-	-	-

General revenue assistance

General revenue assistance is provided to the states without conditions and can be spent by the states according to their own budget priorities.

In 2019-20, the states are expected to receive \$67.3 billion in general revenue assistance from the Australian Government, comprising \$65.4 billion in goods and services tax (GST) entitlements and \$1.9 billion in other general revenue assistance. This is a 1.0 per cent increase in general revenue assistance on the \$66.6 billion the states received in 2018-19. General revenue assistance to the states is estimated to represent 13.4 per cent of total Australian Government expenditure in 2019-20.

Table C6 summarises GST and other general revenue assistance payments to the states. Detailed tables of GST and other general revenue assistance are provided in Annex A (available online).

Table C6: General revenue assistance, 2019-20 to 2022-23

\$million	2019-20	2020-21	2021-22	2022-23
GST entitlements	65,410.0	67,610.0	71,440.0	75,110.8
Other payments				
<i>ACT municipal services</i>	40.7	41.2	41.9	42.5
<i>Compensation for reduced royalties</i>	32.0	28.6	26.3	24.3
<i>Royalties</i>	736.4	629.3	543.4	485.6
<i>Transitional GST top-up payments(a)</i>	1,066.3	537.2	282.0	-
Total other	1,875.4	1,236.3	893.6	552.4
Total GST and other payments	67,285.4	68,846.3	72,333.6	75,663.3

(a) The Government paid Western Australia \$434 million of its 2019-20 GST top-up payment in 2018-19. Estimates beyond 2019-20 are based upon the GST relativities presented in the final report of the Productivity Commission Inquiry into Horizontal Fiscal Equalisation, and the Government's interim response.

GST payments

Under the *Federal Financial Relations Act 2009*, the states are entitled to receive payments from the Australian Government equivalent to the revenue raised from the GST in any given financial year, after some minor adjustments. From 2021-22, the states' GST entitlements will also be boosted each year by additional Australian Government funding.

The Australian Government makes monthly advance GST payments to the states throughout the year based on the GST estimates for that year. Estimates of the GST are used as the actual amount of GST revenue collected over the financial year is unknown until after the end of the financial year. Once the amount of GST revenue is known, the Treasurer makes a determination of the GST entitlement for that year. Subsequently, a balancing adjustment payment (referred to as the 'prior year balancing adjustment') is made to each state to ensure the states receive the GST payments to which they are entitled.

States compensate the Australian Government for the agreed costs incurred by the Australian Taxation Office (ATO) in administering the GST. In practice, this is achieved by the Australian Government reducing the monthly GST payments to the states by the GST administration costs.

Calculating the GST payments

Adjustments and additions are made to GST revenue in order to calculate the amount of GST paid to the states in any given year.

- Some GST revenue accrued during a financial year is not remitted to the ATO by 30 June of that year because it is not due to be paid until Business Activity Statements (BAS) are lodged the following financial year.
- Penalties owed to the ATO, other than general interest charge (GIC) penalties, are not included in the GST to be paid to the states, as defined in the *Federal Financial Relations Act 2009*.
- Some GST collected by Australian Government agencies is not remitted to the ATO by 30 June in each financial year because it is not due to be paid until the next BAS is lodged.
- From 2021-22, the Australian Government will also boost the states' GST entitlement each year with additional funding. In 2021-22, the Australian Government will inject \$600 million into the GST entitlement, followed by a further \$250 million in 2024-25. Each year, these boosts will grow in line with the underlying growth of the GST and be distributed to the states in the same way as the GST revenue.

A reconciliation of GST revenue and the states' GST entitlement is provided in Table C7.

Table C7: Reconciling GST revenue and the states' GST entitlement

\$million	2019-20	2020-21	2021-22	2022-23
GST revenue	67,230	69,790	73,240	76,960
<i>less</i> Change in GST receivables	1,672	2,056	2,270	2,338
GST receipts	65,558	67,734	70,970	74,622
<i>less</i> Non-GIC penalties collected	110	120	130	140
<i>less</i> GST collected by Commonwealth agencies but not yet remitted to the ATO	38	4	0	2
<i>plus</i> GST pool boost	0	0	600	631
States' GST entitlement	65,410	67,610	71,440	75,111

Table C8 provides a reconciliation of estimates of the states' GST entitlement since the 2019 PEFO. The reconciliation accounts for policy decisions and parameter and other variations.

Table C8: Reconciliation of the GST entitlement estimates since the 2019 PEFO

\$million	2019-20	2020-21	2021-22	2022-23
GST entitlement at 2019 PEFO	67,200	70,010	74,130	78,021
<i>Changes between 2019 PEFO and 2019-20 MYEFO</i>				
Effect of policy decisions	3	13	25	40
Effect of parameter and other variations	-1,793	-2,413	-2,715	-2,951
Total variations	-1,790	-2,400	-2,690	-2,911
GST entitlement at 2019-20 MYEFO	65,410	67,610	71,440	75,111

Specific policy decisions taken since the 2019 PEFO that affect the GST entitlement are shown in Table C9. These decisions increase the amount of the GST entitlement by around \$81 million over four years.

Detailed information on policy decisions since the 2019 PEFO is included in Appendix A.

Table C9: Policy decisions since the 2019 PEFO that affect the GST entitlement

\$million	2019-20	2020-21	2021-22	2022-23
Black Economy - assisting businesses to meet their reporting obligations	0.0	0.0	*	*
Black Economy - introducing a sharing economy reporting regime	0.0	0.0	0.0	4.1
Combatting Illegal Phoenixing - reducing the impact of illegal phoenixing on businesses, employees and government	0.0	6.7	17.6	27.2
Expanding the Working Holiday Maker program	2.9	5.9	6.8	7.1
Regional Migration Initiatives	0.0	0.0	0.7	1.6
Total	2.9	12.6	25.1	40.0

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

Distribution of the GST among the states

The Australian Government distributes the GST among the states based on the GST revenue sharing relativities recommended by the Commonwealth Grants Commission. From 2021-22 to 2026-27, the horizontal fiscal equalisation system will progressively

transition to a more stable and predictable equalisation standard, based on the fiscal capacity of the stronger of New South Wales or Victoria. This change will reduce volatility in states' GST payments, making it more predictable for the states and easier for them to manage their budgets.

During this transition phase, the Australian Government has also guaranteed that each state will get the cumulative better of the old or the new system.

Table C10 shows the detailed calculation for the distribution of the states' estimated GST entitlement in 2019-20. This method of calculation is prescribed in legislation in the *Federal Financial Relations Act 2009*.

Table C10: Distribution of the GST entitlement, 2019-20^(a)

	Estimated 31 December 2019 population (1)	GST relativities (2)	Adjusted population (1) x (2) (3)	Share of adjusted population % (4)	2019-20 GST entitlement \$million (5)
NSW	8,167,767	0.87013	7,107,019	27.8%	18,192.1
VIC	6,677,874	0.98273	6,562,547	25.7%	16,798.4
QLD	5,141,594	1.05370	5,417,698	21.2%	13,867.9
WA	2,629,382	0.51842	1,363,124	5.3%	3,489.2
SA	1,757,149	1.46552	2,575,137	10.1%	6,591.7
TAS	537,871	1.75576	944,372	3.7%	2,417.3
ACT	431,836	1.23759	534,436	2.1%	1,368.0
NT	245,837	4.26735	1,049,073	4.1%	2,685.3
Total	25,589,310	n/a	25,553,406	100.0%	65,410.0

(a) Amounts shown are estimates of each state's GST entitlement, based on the estimated total GST entitlement and state populations. These amounts do not take into account the 2018-19 balancing adjustment of -\$470.3 million which was made to the state's monthly GST advance payments in 2019-20.

The calculation of the GST entitlement for 2018-19 is shown in Table C11. The Treasurer made a Determination giving effect to this entitlement on 8 November 2019. The table also includes the distribution of the balancing adjustment, taking account of differences between advances of GST paid to each state and each state's final entitlement for 2018-19.

Table C11: Calculation of the GST entitlement and balancing adjustment, 2018-19^(a)

	31 December 2018 population (1)	GST relativities (2)	Adjusted population (1) x (2) (3)	Share of adjusted population % (4)	2018-19 GST entitlement \$million (5)	2018-19 GST advances \$million (6)	Balancing adjustment \$million (5) - (6) (7)
NSW	8,046,070	0.85517	6,880,758	27.4%	17,826.3	17,952.6	-126.3
VIC	6,526,413	0.98670	6,439,612	25.6%	16,683.4	16,809.6	-126.2
QLD	5,052,827	1.09584	5,537,090	22.0%	14,345.2	14,440.8	-95.6
WA	2,606,338	0.47287	1,232,459	4.9%	3,193.0	3,215.9	-22.9
SA	1,742,744	1.47727	2,574,503	10.2%	6,669.9	6,715.7	-45.8
TAS	531,529	1.76706	939,244	3.7%	2,433.3	2,448.8	-15.4
ACT	423,811	1.18070	500,394	2.0%	1,296.4	1,308.0	-11.6
NT	245,854	4.25816	1,046,886	4.2%	2,712.2	2,738.6	-26.4
Total	25,175,586	n/a	25,150,945	100.0%	65,159.7	65,630.0	-470.3

(a) These amounts do not take into account the 2017-18 balancing adjustment of -\$316.5 million which was made to the state's monthly GST advance payments in 2018-19.

GST administration

States compensate the Australian Government for the agreed costs incurred by the ATO in administering the GST, including costs incurred by the Department of Home Affairs. The GST administration budget for the ATO is estimated to be \$646.6 million for 2019-20, as shown in Table C12.

Table C12: GST administration budget

\$million	Actual		Estimates		
	2018-19	2019-20	2020-21	2021-22	2022-23
Administration budget at 2019 PEFO	599.2	646.6	612.0	615.0	618.0
Changes from 2019 PEFO to MYEFO	-	-	-	-	-
Parameter variations	-	-	-	-	-
Other variations	-	-	-	-	-
Total variations	-	-	-	-	-
Administration budget at 2019-20 MYEFO	599.2	646.6	612.0	615.0	618.0
less Prior year adjustment	-	-	-	-	-
<i>equals</i> State government payments (a)	599.2	646.6	612.0	615.0	618.0

(a) The GST administration costs for 2018-19 were capped at the 2017-18 Budget estimate. The ATO continues to review its methodology for estimating the cost to administer the GST.

Payments to the States

This annex provides accrual estimates of Australian Government payments to state and territory governments (the states) and local governments. This includes Australian Government advances (loans) to the states, including new advances, interest on advances and repayments of advances. The Australian Government advances the states loans under a range of agreements. These advances have often been over very long repayment periods (some in excess of 50 years), although the terms of each agreement vary considerably.

Each table presents estimated payments to the states for the period 2019-20 to 2022-23 as follows:

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

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

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
\$million									
2019-20									
National Health Reform funding(a)									
Hospital services	6,713.7	5,753.8	4,821.6	2,331.9	1,369.1	416.0	404.6	302.0	22,112.8
Public health	134.6	110.1	84.7	43.3	29.0	8.9	7.1	4.1	421.8
National Partnership payments									
Health services									
Achieving better health outcomes	0.3	-	-	-	-	-	-	-	0.3
Additional assistance for public hospitals	-	-	-	-	-	-	4.1	-	4.1
Adult mental health centres	-	-	-	-	2.0	-	-	-	2.0
Comprehensive palliative care across the life course	3.2	2.6	2.0	1.0	0.7	0.2	0.2	0.1	9.9
Expansion of the BreastScreen Australia Program	4.9	3.8	3.0	1.6	1.1	0.3	0.2	0.2	15.2
Hummingbird House	-	-	0.8	-	-	-	-	-	0.8
Management of Torres Strait / Papua New Guinea cross-border health issues	-	-	4.9	-	-	-	-	-	4.9
Mosquito control and cross border liaison in the Torres Strait	-	-	1.0	-	-	-	-	-	1.0
Mum's, Dad's and bub's check	-	-	-	-	-	-	-	-	-
National Bowel Cancer Screening Program – participant follow-up function	2.8	2.2	1.8	1.0	0.7	0.3	0.2	0.1	8.9
OzFoodNet	0.4	0.3	0.3	0.2	0.2	0.2	0.1	0.2	1.8
Royal Darwin hospital – equipped, prepared and ready	-	-	-	-	-	-	-	16.5	16.5
SAIGEN Cancer Institute	-	-	-	-	6.0	-	-	-	6.0
Specialist dementia care program(b)	~	~	~	~	~	~	~	~	2.8
Vaccine-preventable diseases surveillance	0.2	0.2	0.2	0.1	0.1	..	..	0.1	0.9
Victorian Cytology Service	-	10.5	-	-	-	-	-	-	10.5

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

\$million 2019-20	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Health infrastructure									
Fussell House accommodation	2.7	-	-	-	-	-	-	-	2.7
Grace's Place	4.1	-	-	-	-	-	-	-	4.1
Hospital infrastructure projects	-	0.5	-	4.4	-	10.0	-	2.2	17.1
Proton Beam Therapy Facility	-	-	-	-	40.7	-	-	-	40.7
Redevelopment of Strathalbyn residential aged care facility	-	-	-	-	0.7	-	-	-	0.7
Indigenous health									
Addressing blood borne viruses and sexually transmitted infections in the Torres Strait	-	-	1.1	-	-	-	-	-	1.1
Improving trachoma control services for Indigenous Australians	..	-	0.3	1.7	1.4	-	-	1.9	5.2
Northern Territory remote Aboriginal investment – health component	-	-	-	-	-	-	-	6.7	6.7
Rheumatic fever strategy	-	-	0.9	0.9	0.4	-	-	0.9	3.2
Other health									
CCTV trial in aged care facilities	-	-	-	-	0.5	-	-	-	0.5
Community Health, Hospitals and Infrastructure projects	2.8	1.2	3.5	3.5	2.2	22.4	2.3	0.9	38.8
Encouraging more clinical trials in Australia	0.3	0.2	0.3	0.2	0.1	0.1	0.2	0.1	1.5
Essential vaccines	4.1	3.5	3.0	1.8	1.1	0.6	0.5	0.5	15.0
Health Innovation Fund	-	-	-	-	-	-	-	-	-
Lymphoedema garments and allied health therapy(b)	~	~	~	~	~	~	~	~	2.0
National Coronial Information System	-	0.4	-	-	-	-	-	-	0.4
Public dental services for adults	34.4	26.9	21.7	9.7	9.4	3.4	1.0	1.4	107.8
Suicide prevention	1.9	0.8	-	-	-	0.5	0.9	-	4.0
Total(c)	6,910.2	5,916.9	4,951.0	2,401.4	1,465.3	462.9	421.4	337.9	22,871.8

(a) National Health Reform funding estimates remain unchanged (in all years) from Budget 2019-20 as revised public hospital activity forecasts were not available.

(b) State allocations are yet to be finalised.

(c) State allocations for a number of programs are not yet finalised, therefore total payments may not equal the sum of state totals.

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

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
\$million									
2020-21									
National Health Reform funding									
Hospital services	7,070.5	5,759.2	5,257.4	2,475.9	1,419.6	433.2	433.8	328.8	23,178.4
Public health	141.8	116.7	89.4	45.3	30.3	9.3	7.5	4.2	444.4
National Partnership payments									
Health services									
Achieving better health outcomes	1.9	-	-	-	-	-	-	-	1.9
Additional assistance for public hospitals(a)	-	-	-	-	-	18.9	-	-	18.9
Adult mental health centres	-	-	-	-	-	-	-	-	-
Comprehensive palliative care across the life course	3.3	2.7	2.1	1.1	0.7	0.2	0.2	0.1	10.5
Expansion of the BreastScreen Australia Program	4.9	3.9	3.1	1.7	1.1	0.3	0.3	0.2	15.4
Hummingbird House	-	-	0.8	-	-	-	-	-	0.8
Management of Torres Strait / Papua New Guinea cross-border health issues	-	-	5.1	-	-	-	-	-	5.1
Mosquito control and cross border liaison in the Torres Strait	-	-	0.8	-	-	-	-	-	0.8
Mum's, Dad's and bub's check(b)	~	~	~	~	~	~	~	~	6.0
National Bowel Cancer Screening Program – participant follow-up function	2.8	2.2	1.8	1.0	0.7	0.3	0.2	0.1	9.1
OzFoodNet(b)	~	~	~	~	~	~	~	~	1.9
Royal Darwin hospital – equipped, prepared and ready	-	-	-	-	-	-	-	16.8	16.8
SAIGEN Cancer Institute	-	-	-	-	74.0	-	-	-	74.0
Specialist dementia care program(b)	~	~	~	~	~	~	~	~	3.9
Vaccine-preventable diseases surveillance(b)	~	~	~	~	~	~	~	~	1.0
Victorian Cytology Service	-	10.6	-	-	-	-	-	-	10.6

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

\$million 2020-21	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Health infrastructure									
Fussell House accommodation	-	-	-	-	-	-	-	-	-
Grace's Place	2.0	-	-	-	-	-	-	-	2.0
Hospital infrastructure projects	-	-	-	-	-	-	-	-	-
Proton Beam Therapy Facility	-	-	-	-	-	-	-	-	-
Redevelopment of Strathalbyn residential aged care facility	-	-	-	-	0.7	-	-	-	0.7
Indigenous health									
Addressing blood borne viruses and sexually transmitted infections in the Torres Strait	-	-	1.1	-	-	-	-	-	1.1
Improving trachoma control services for Indigenous Australians	..	-	0.3	1.7	1.4	-	-	1.9	5.3
Northern Territory remote Aboriginal investment – health component	-	-	-	-	-	-	-	7.0	7.0
Rheumatic fever strategy	-	-	1.0	1.0	0.4	-	-	1.0	3.3
Other health									
CCTV trial in aged care facilities	-	-	-	-	-	-	-	-	-
Community Health, Hospitals and Infrastructure projects	2.8	5.7	7.3	12.5	-	5.5	1.5	2.7	37.9
Encouraging more clinical trials in Australia	0.3	0.2	0.3	0.2	0.1	0.1	0.2	0.1	1.5
Essential vaccines	5.2	4.2	3.4	1.9	1.3	0.6	0.6	0.5	17.9
Health Innovation Fund(b)	~	~	~	~	~	~	~	~	50.0
Lymphoedema garments and allied health therapy(b)	~	~	~	~	~	~	~	~	2.0
National Coronial Information System	-	0.4	-	-	-	-	-	-	0.4
Public dental services for adults	-	-	-	-	-	-	-	-	-
Suicide prevention(b)	~	~	~	~	~	~	~	~	3.0
Total(c)	7,235.6	5,905.8	5,374.0	2,542.2	1,530.3	468.5	444.2	363.4	23,931.6

(a) Funding is indicative only and will depend on final entitlements to National Health Reform funding.

(b) State allocations are yet to be finalised.

(c) State allocations for a number of programs are not yet finalised, therefore total payments may not equal the sum of state totals.

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2021-22									
National Health Reform funding									
Hospital services	7,443.8	6,040.4	5,503.3	2,613.2	1,471.6	451.9	456.0	367.1	24,347.4
Public health	149.4	123.8	94.3	47.4	31.6	9.8	8.0	4.4	468.6
National Partnership payments									
Health services									
Achieving better health outcomes	0.5	-	-	-	-	-	-	-	0.5
Additional assistance for public hospitals	-	-	-	-	-	-	-	-	-
Adult mental health centres	-	-	-	-	4.0	-	-	-	4.0
Comprehensive palliative care across the life course	3.5	2.8	2.2	1.1	0.8	0.2	0.2	0.1	11.0
Expansion of the BreastScreen Australia Program	-	-	-	-	-	-	-	-	-
Hummingbird House	-	-	0.8	-	-	-	-	-	0.8
Management of Torres Strait / Papua New Guinea cross-border health issues	-	-	5.2	-	-	-	-	-	5.2
Mosquito control and cross border liaison in the Torres Strait	-	-	0.9	-	-	-	-	-	0.9
Mum's, Dad's and bub's check(a)	~	~	~	~	~	~	~	~	7.0
National Bowel Cancer Screening Program – participant follow-up function	2.8	2.2	1.8	1.0	0.7	0.3	0.2	0.1	9.0
OzFoodNet(a)	~	~	~	~	~	~	~	~	1.9
Royal Darwin hospital – equipped, prepared and ready	-	-	-	-	-	-	-	17.0	17.0
SAIGEN Cancer Institute	-	-	-	-	-	-	-	-	-
Specialist dementia care program(a)	~	~	~	~	~	~	~	~	4.0
Vaccine-preventable diseases surveillance(a)	~	~	~	~	~	~	~	~	1.0
Victorian Cytology Service	-	-	-	-	-	-	-	-	-

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

\$million 2021-22	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Health infrastructure									
Fussell House accommodation	-	-	-	-	-	-	-	-	-
Grace's Place	-	-	-	-	-	-	-	-	-
Hospital infrastructure projects	-	-	-	-	-	-	-	-	-
Proton Beam Therapy Facility	-	-	-	-	27.3	-	-	-	27.3
Redevelopment of Strathalbyn residential aged care facility	-	-	-	-	-	-	-	-	-
Indigenous health									
Addressing blood borne viruses and sexually transmitted infections in the Torres Strait	-	-	1.1	-	-	-	-	-	1.1
Improving trachoma control services for Indigenous Australians	-	-	-	-	-	-	-	-	-
Northern Territory remote Aboriginal investment – health component	-	-	-	-	-	-	-	7.4	7.4
Rheumatic fever strategy	-	-	-	-	-	-	-	-	-
Other health									
CCTV trial in aged care facilities	-	-	-	-	-	-	-	-	-
Community Health, Hospitals and Infrastructure projects	1.5	10.2	14.2	20.3	3.0	9.0	1.5	0.2	59.9
Encouraging more clinical trials in Australia	-	-	-	-	-	-	-	-	-
Essential vaccines	5.3	4.3	3.5	1.9	1.4	0.7	0.6	0.5	18.2
Health Innovation Fund	-	-	-	-	-	-	-	-	-
Lymphoedema garments and allied health therapy(a)	~	~	~	~	~	~	~	~	2.0
National Coronial Information System	-	0.4	-	-	-	-	-	-	0.4
Public dental services for adults	-	-	-	-	-	-	-	-	-
Suicide prevention	-	-	-	-	-	-	-	-	-
Total(b)	7,606.8	6,184.1	5,627.4	2,685.0	1,540.3	471.8	466.4	396.8	24,994.5

(a) State allocations are yet to be finalised.

(d) State allocations for a number of programs are not yet finalised, therefore total payments may not equal the sum of state totals.

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

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
\$million 2022-23									
National Health Reform funding									
Hospital services	7,834.6	6,334.8	5,874.3	2,765.8	1,525.2	471.3	483.9	399.7	25,689.6
Public health	157.5	131.3	99.5	49.6	33.1	10.2	8.4	4.5	494.1
National Partnership payments									
Health services									
Achieving better health outcomes	0.5	-	-	-	-	-	-	-	0.5
Additional assistance for public hospitals	-	-	-	-	-	-	-	-	-
Adult mental health centres	-	-	-	-	4.0	-	-	-	4.0
Comprehensive palliative care across the life course	3.7	3.0	2.3	1.2	0.8	0.2	0.2	0.1	11.5
Expansion of the BreastScreen									
Australia Program	-	-	-	-	-	-	-	-	-
Hummingbird House	-	-	0.8	-	-	-	-	-	0.8
Management of Torres Strait / Papua New Guinea cross-border health issues									
Mosquito control and cross border liaison in the Torres Strait	-	-	5.3	-	-	-	-	-	5.3
Mum's, Dad's and bub's check(a)	-	-	0.9	-	-	-	-	-	0.9
National Bowel Cancer Screening Program – participant follow-up function	~	~	~	~	~	~	~	~	7.0
OzFoodNet(a)	-	-	-	-	-	-	-	-	-
Royal Darwin hospital – equipped, prepared and ready	~	~	~	~	~	~	~	~	1.9
SAIGEN Cancer Institute	-	-	-	-	-	-	-	17.3	17.3
Specialist dementia care program(a)	-	-	-	-	-	-	-	-	-
Vaccine-preventable diseases surveillance(a)	~	~	~	~	~	~	~	~	9.4
Victorian Cytology Service	-	-	-	-	-	-	-	-	1.0

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

\$million 2022-23	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Health infrastructure									
Fussell House accommodation	-	-	-	-	-	-	-	-	-
Grace's Place	-	-	-	-	-	-	-	-	-
Hospital infrastructure projects	-	-	-	-	-	-	-	-	-
Proton Beam Therapy Facility	-	-	-	-	-	-	-	-	-
Redevelopment of Strathalbyn residential aged care facility	-	-	-	-	-	-	-	-	-
Indigenous health									
Addressing blood borne viruses and sexually transmitted infections in the Torres Strait	-	-	1.1	-	-	-	-	-	1.1
Improving trachoma control services for Indigenous Australians	-	-	-	-	-	-	-	-	-
Northern Territory remote Aboriginal investment – health component	-	-	-	-	-	-	-	-	-
Rheumatic fever strategy	-	-	-	-	-	-	-	-	-
Other health									
CCTV trial in aged care facilities	-	-	-	-	-	-	-	-	-
Community Health, Hospitals and Infrastructure projects	51.8	69.5	47.1	41.8	11.1	12.0	9.0	20.7	263.0
Encouraging more clinical trials in Australia	-	-	-	-	-	-	-	-	-
Essential vaccines	5.4	4.4	3.6	2.0	1.4	0.7	0.6	0.5	18.6
Health Innovation Fund	-	-	-	-	-	-	-	-	-
Lymphoedema garments and allied health therapy(a)	~	~	~	~	~	~	~	~	2.0
National Coronial Information System	-	0.4	-	-	-	-	-	-	0.4
Public dental services for adults	-	-	-	-	-	-	-	-	-
Suicide prevention	-	-	-	-	-	-	-	-	-
Total(b)	8,053.5	6,543.4	6,034.9	2,860.3	1,575.6	494.5	502.1	442.9	26,528.5

(a) State allocations are yet to be finalised.

(e) State allocations for a number of programs are not yet finalised, therefore total payments may not equal the sum of state totals.

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2019-20									
Quality Schools funding(a)(b)(c)(d)	6,495.0	5,264.1	4,572.2	2,128.6	1,484.9	481.4	347.8	364.0	21,150.9
National Partnership payments									
Local Schools Community Fund	9.4	7.6	6.0	3.2	2.0	1.0	0.6	0.4	30.2
MoneySmart Teaching(e)	~	~	~	0.1	0.1	0.1	0.1	~	1.3
National School Chaplaincy Program	11.3	12.8	18.4	7.7	7.6	2.2	1.0	0.5	61.4
Northern Territory Remote Aboriginal Investment(f)	-	-	-	-	-	-	-	-	37.3
Children and schooling component	-	-	-	0.6	0.6	-	-	-	1.2
School Pathways Program	-	-	-	46.9	28.6	9.4	10.3	4.8	443.9
Universal Access to Early Childhood Education	131.2	126.0	86.6	46.9	28.6	9.4	10.3	4.8	443.9
Total(g)	6,646.9	5,410.5	4,683.1	2,187.3	1,523.8	494.2	359.8	407.1	21,726.3

Memorandum item – payments for non-government schools included in payments above

Quality Schools funding(b)(c)	3,893.9	3,330.9	2,690.2	1,302.5	923.0	273.8	227.9	167.9	12,823.1
Total	3,893.9	3,330.9	2,690.2	1,302.5	923.0	273.8	227.9	167.9	12,823.1

- (a) Includes funding for the Northern Territory to accelerate evidence based reforms to improve student outcomes for some of our most vulnerable children.
- (f) Includes capital funding.
- (g) Includes special circumstances funding, other prescribed purpose funding, adjustment assistance and non-government school reform support. Where state allocations cannot yet be determined, this funding is included in the total for each year only. As a result, the total for each year does not equal the sum of state totals.
- (h) Includes funding for literacy and numeracy support for Tasmanian students.
- (i) State allocations will be determined on signing of the agreement.
- (j) Includes payments for government and non-government schools. However, the non-government schools component is not included in the Memorandum item.
- (k) State allocations for a number of programs are not yet finalised, therefore total payments may not equal the sum of state totals.

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

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
\$million 2020-21									
Quality Schools funding(a)(b)(c)(d)	6,962.7	5,695.4	4,924.3	2,317.6	1,606.2	508.1	365.4	378.1	22,759.4
National Partnership payments									
Local Schools Community Fund	-	-	-	-	-	-	-	-	-
MoneySmart Teaching(e)	~	~	~	0.1	0.1	0.1	0.1	~	1.3
National School Chaplaincy Program	11.3	12.8	18.4	7.7	7.6	2.2	1.0	0.5	61.4
Northern Territory Remote Aboriginal Investment(f)									
Children and schooling component	-	-	-	-	-	-	-	30.2	30.2
School Pathways Program	-	-	-	-	-	-	-	-	-
Universal Access to Early Childhood Education	95.7	91.6	57.6	32.6	20.2	6.9	6.7	3.3	314.7
Total(g)	7,069.7	5,799.8	5,000.3	2,358.0	1,634.2	517.4	373.2	412.2	23,167.0

Memorandum item – payments for non-government schools included in payments above

Quality Schools funding(b)(c)	4,179.8	3,593.7	2,893.6	1,399.9	996.9	291.0	232.3	177.9	13,766.7
Total	4,179.8	3,593.7	2,893.6	1,399.9	996.9	291.0	232.3	177.9	13,766.7

- (a) Includes funding for the Northern Territory to accelerate evidence based reforms to improve student outcomes for some of our most vulnerable children.
- (l) Includes capital funding.
- (m) Includes special circumstances funding, other prescribed purpose funding, adjustment assistance and non-government school reform support. Where state allocations cannot yet be determined, this funding is included in the total for each year only. As a result, the total for each year does not equal the sum of state totals.
- (n) Includes funding for literacy and numeracy support for Tasmanian students.
- (o) State allocations will be determined on signing of the agreement.
- (p) Includes payments for government and non-government schools. However, the non-government schools component is not included in the Memorandum item.
- (q) State allocations for a number of programs are not yet finalised, therefore total payments may not equal the sum of state totals.

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

\$million 2021-22	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Quality Schools funding(a)(b)(c)(d)	7,364.5	6,082.3	5,187.0	2,481.6	1,723.6	529.5	378.6	385.8	24,134.6
National Partnership payments	-	-	-	-	-	-	-	-	-
Local Schools Community Fund	-	-	-	-	-	-	-	-	-
MoneySmart Teaching	-	-	-	-	-	-	-	-	-
National School Chaplaincy Program	11.3	12.8	18.4	7.7	7.6	2.2	1.0	0.5	61.4
Northern Territory Remote Aboriginal Investment(e)	-	-	-	-	-	-	-	-	-
Children and schooling component	-	-	-	-	-	-	-	29.3	29.3
School Pathways Program	-	-	-	-	-	-	-	-	-
Universal Access to Early Childhood Education	-	-	-	-	-	-	-	-	-
Total(f)	7,375.8	6,095.1	5,205.4	2,489.4	1,731.2	531.7	379.6	415.6	24,225.4

Memorandum item – payments for non-government schools included in payments above

Quality Schools funding(b)(c)

Total	4,399.5	3,806.2	3,026.8	1,469.9	1,060.3	303.4	232.1	184.4	14,484.2
	4,399.5	3,806.2	3,026.8	1,469.9	1,060.3	303.4	232.1	184.4	14,484.2

(a) Includes funding for the Northern Territory to accelerate evidence based reforms to improve student outcomes for some of our most vulnerable children.

(r) Includes capital funding.

(s) Includes special circumstances funding, other prescribed purpose funding, adjustment assistance and non-government school reform support. Where state allocations cannot yet be determined, this funding is included in the total for each year only. As a result, the total for each year does not equal the sum of state totals.

(t) Includes funding for literacy and numeracy support for Tasmanian students.

(u) Includes payments for government and non-government schools. However, the non-government schools component is not included in the Memorandum item.

(v) State allocations for a number of programs are not yet finalised, therefore total payments may not equal the sum of state totals.

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

\$million 2022-23	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Quality Schools funding(a)(b)(c)(d)	7,796.8	6,488.2	5,440.8	2,644.0	1,845.1	550.5	399.1	390.8	25,556.9
National Partnership payments									
Local Schools Community Fund	-	-	-	-	-	-	-	-	-
MoneySmart Teaching	-	-	-	-	-	-	-	-	-
National School Chaplaincy Program(e)	~	~	~	~	~	~	~	~	61.4
Northern Territory Remote Aboriginal Investment(f)									
Children and schooling component	-	-	-	-	-	-	-	-	-
School Pathways Program	-	-	-	-	-	-	-	-	-
Universal Access to Early Childhood Education	-	-	-	-	-	-	-	-	-
Total(g)	7,796.8	6,488.2	5,440.8	2,644.0	1,845.1	550.5	399.1	390.8	25,618.3

Memorandum item – payments for non-government schools included in payments above

Quality Schools funding(b)(c)

	4,635.6	4,023.6	3,149.3	1,535.2	1,125.3	315.6	238.1	191.2	15,215.6
Total	4,635.6	4,023.6	3,149.3	1,535.2	1,125.3	315.6	238.1	191.2	15,215.6

(a) Includes funding for the Northern Territory to accelerate evidence based reforms to improve student outcomes for some of our most vulnerable children.

(w) Includes capital funding.

(x) Includes special circumstances funding, other prescribed purpose funding, adjustment assistance and non-government school reform support. Where state allocations cannot yet be determined, this funding is included in the total for each year only. As a result, the total for each year does not equal the sum of state totals.

(y) Includes funding for literacy and numeracy support for Tasmanian students.

(z) State allocations for 2022-23 have not yet been determined. The total funding available for 2022-23 is listed in the grand total.

(aa) Includes payments for government and non-government schools. However, the non-government schools component is not included in the Memorandum item.

(bb) State allocations for a number of programs are not yet finalised, therefore total payments may not equal the sum of state totals.

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2019-20									
National Skills and Workforce Development SPP	491.1	401.5	309.1	158.1	105.6	32.3	26.0	14.8	1,538.6
National Partnership payments									
Skilling Australians Fund(a)	~	-	-	~	~	~	~	~	175.0
Skills for Tasmania	-	-	-	-	-	2.3	-	-	2.3
TAFE Infrastructure Revitalisation initiative	-	-	-	-	-	-	-	-	-
Total(b)	491.1	401.5	309.1	158.1	105.6	34.6	26.0	14.8	1,715.8
2020-21									
National Skills and Workforce Development SPP	497.8	409.8	313.8	159.1	106.2	32.6	26.4	14.8	1,560.6
National Partnership payments									
Skilling Australians Fund(a)	~	-	-	~	~	~	~	~	136.1
Skills for Tasmania	-	-	-	-	-	4.6	-	-	4.6
TAFE Infrastructure Revitalisation initiative(a)	~	~	~	~	~	~	~	~	25.0
Total(b)	497.8	409.8	313.8	159.1	106.2	37.2	26.4	14.8	1,726.2
2021-22									
National Skills and Workforce Development SPP	505.2	418.6	319.0	160.3	107.0	33.0	26.9	14.7	1,584.7
National Partnership payments									
Skilling Australians Fund(a)	~	-	-	~	~	~	~	~	135.8
Skills for Tasmania	-	-	-	-	-	4.6	-	-	4.6
TAFE Infrastructure Revitalisation initiative(a)	~	~	~	~	~	~	~	~	25.0
Total(b)	505.2	418.6	319.0	160.3	107.0	37.6	26.9	14.7	1,750.1
2022-23									
National Skills and Workforce Development SPP	513.2	427.9	324.4	161.6	107.8	33.4	27.4	14.7	1,610.5
National Partnership payments									
Skilling Australians Fund	-	-	-	-	-	-	-	-	-
Skills for Tasmania	-	-	-	-	-	4.7	-	-	4.7
TAFE Infrastructure Revitalisation initiative	-	-	-	-	-	-	-	-	-
Total(b)	513.2	427.9	324.4	161.6	107.8	38.1	27.4	14.7	1,615.2

(a) State allocations are yet to be finalised.

(cc) State allocations for a number of programs are not yet finalised, therefore total payments may not equal the sum of state totals.

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2019-20									
National Disability SPP(a)	-	-	-	173.2	-	-	-	-	173.2
National Partnership payments									
Improve NDIS participant transition in QLD	-	-	3.5	-	-	-	-	-	3.5
Northern Territory remote Aboriginal investment	-	-	-	-	-	-	-	44.4	44.4
Community safety implementation plan	-	-	-	-	-	-	-	-	-
Pay equity for the social and community services sector	31.9	-	-	33.3	-	-	-	4.0	69.2
Payments from the DisabilityCare Australia Fund(b)	607.0	244.0	547.4	40.1	72.7	22.5	47.2	9.7	1,590.6
Specialist disability services	-	-	-	28.2	-	-	-	-	28.2
Women's Safety Package Technology Trials	-	0.1	0.1	-	0.2	0.4	-	..	0.8
Total	638.8	244.1	551.1	274.8	72.9	23.0	47.2	58.1	1,909.9
2020-21									
National Disability SPP(a)	-	-	-	-	-	-	-	-	-
National Partnership payments									
Improve NDIS participant transition in QLD	-	-	8.9	-	-	-	-	-	8.9
Northern Territory remote Aboriginal investment	-	-	-	-	-	-	-	34.6	34.6
Community safety implementation plan	-	-	-	-	-	-	-	-	-
Pay equity for the social and community services sector	-	-	-	-	-	-	-	-	-
Payments from the DisabilityCare Australia Fund(b)	618.0	252.5	693.0	609.1	75.2	23.3	16.8	10.0	2,298.0
Specialist disability services	-	-	-	-	-	-	-	-	-
Women's Safety Package Technology Trials	-	-	-	-	-	-	-	-	-
Total	618.0	252.5	701.9	609.1	75.2	23.3	16.8	44.7	2,341.5

(a) A zero entitlement indicates that the NDIS has been fully rolled out in that state.

(dd) Funding amounts are indicative estimates only. Negotiations are continuing with the states on drawdown arrangements.

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2021-22									
National Disability SPP(a)									
National Partnership payments									
Improve NDIS participant transition in QLD	-	-	7.6	-	-	-	-	-	7.6
Northern Territory remote Aboriginal investment	-	-	-	-	-	-	-	35.9	35.9
Community safety implementation plan	-	-	-	-	-	-	-	-	-
Pay equity for the social and community services sector	-	-	-	-	-	-	-	-	-
Payments from the DisabilityCare Australia Fund(b)	630.0	261.4	211.5	109.3	77.9	24.1	17.4	10.4	1,342.0
Specialist disability services	-	-	-	-	-	-	-	-	-
Women's Safety Package Technology Trials	-	-	-	-	-	-	-	-	-
Total	630.0	261.4	219.1	109.3	77.9	24.1	17.4	46.3	1,385.5
2022-23									
National Disability SPP(a)									
National Partnership payments									
Improve NDIS participant transition in QLD	-	-	-	-	-	-	-	-	-
Northern Territory remote Aboriginal investment	-	-	-	-	-	-	-	-	-
Community safety implementation plan	-	-	-	-	-	-	-	-	-
Pay equity for the social and community services sector	-	-	-	-	-	-	-	-	-
Payments from the DisabilityCare Australia Fund(b)	349.8	270.5	218.9	113.1	80.6	25.0	18.0	10.8	1,086.7
Specialist disability services	-	-	-	-	-	-	-	-	-
Women's Safety Package Technology Trials	-	-	-	-	-	-	-	-	-
Total	349.8	270.5	218.9	113.1	80.6	25.0	18.0	10.8	1,086.7

(a) A zero entitlement indicates that the NDIS has been fully rolled out in that state.

(b) Funding amounts are indicative estimates only. Negotiations are continuing with the states on drawdown arrangements.

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2019-20									
National Housing and Homelessness Agreement	483.6	405.8	320.4	166.0	108.9	33.8	26.6	19.9	1,564.9
National Partnership payments									
National Regulatory System for Community Housing	0.3	-	-	-	-	-	-	-	0.3
Northern Territory remote Aboriginal investment	-	-	-	-	-	-	-	3.5	3.5
Remote Australia strategies component	-	-	-	-	-	-	-	110.0	110.0
Remote Housing	-	-	-	-	-	-	-	-	-
Social Impact Investments	~	~	~	~	~	~	~	~	0.5
Vulnerable priority groups(a)	~	~	~	~	~	~	~	~	0.5
Youth at risk of homelessness(a)	~	~	~	~	~	~	~	~	0.5
Total(b)	483.9	405.8	320.4	166.0	108.9	33.8	26.6	133.4	1,679.8
2020-21									
National Housing and Homelessness Agreement	491.1	416.4	326.6	168.4	110.2	34.4	27.3	20.2	1,594.5
National Partnership payments									
National Regulatory System for Community Housing	-	-	-	-	-	-	-	-	-
Northern Territory remote Aboriginal investment	-	-	-	-	-	-	-	3.7	3.7
Remote Australia strategies component	-	-	-	-	-	-	-	110.0	110.0
Remote housing	-	-	-	-	-	-	-	-	-
Social Impact Investments	~	~	~	~	~	~	~	~	0.5
Vulnerable priority groups(a)	~	~	~	~	~	~	~	~	0.5
Youth at risk of homelessness(a)	~	~	~	~	~	~	~	~	0.5
Total(b)	491.1	416.4	326.6	168.4	110.2	34.4	27.3	133.8	1,709.2

(a) State allocations are yet to be finalised.

(b) State allocations for a number of programs are not yet finalised, therefore total payments may not equal the sum of state totals.

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2021-22									
National Housing and Homelessness Agreement									
National Partnership payments									
National Regulatory System for Community Housing	-	-	-	-	-	-	-	-	-
Northern Territory remote Aboriginal investment	-	-	-	-	-	-	-	3.7	3.7
Remote Australia strategies component	-	-	-	-	-	-	-	185.0	185.0
Remote housing	-	-	-	-	-	-	-	-	-
Social Impact Investments	-	-	-	-	-	-	-	-	-
Vulnerable priority groups(a)	~	~	~	~	~	~	~	~	0.5
Youth at risk of homelessness(a)	~	~	~	~	~	~	~	~	0.5
Total(b)	490.6	404.3	320.1	161.4	106.5	32.9	26.0	207.7	1,750.7
2022-23									
National Housing and Homelessness Agreement									
National Partnership payments									
National Regulatory System for Community Housing	-	-	-	-	-	-	-	-	-
Northern Territory remote Aboriginal investment	-	-	-	-	-	-	-	-	-
Remote Australia strategies component	-	-	-	-	-	-	-	-	-
Remote housing	-	-	-	-	-	-	-	110.0	110.0
Social Impact Investments	-	-	-	-	-	-	-	-	-
Vulnerable priority groups(a)	~	~	~	~	~	~	~	~	0.5
Youth at risk of homelessness(a)	~	~	~	~	~	~	~	~	0.5
Total(b)	498.3	413.0	325.4	162.8	107.4	33.3	26.5	129.1	1,697.0

(a) State allocations are yet to be finalised.

(b) State allocations for a number of programs are not yet finalised, therefore total payments may not equal the sum of state totals.

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

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
\$million									
2019-20									
National Partnership payments									
Infrastructure Investment Program									
Black spot projects	33.7	30.1	25.0	14.9	8.2	3.8	1.6	2.7	120.0
Bridges Renewal Program	38.9	17.6	31.1	11.9	7.6	4.2	1.3	8.9	121.4
Developing Northern Australia									
Improving cattle supply chains	-	-	21.7	12.7	-	-	-	17.3	51.7
Northern Australia Roads	-	-	71.9	54.9	-	-	-	67.6	194.4
Heavy Vehicle Safety and Productivity Program									
Major Business Cases	35.9	12.3	24.4	8.2	7.6	1.1	0.4	5.0	95.0
National Rail Program	10.0	18.0	10.0	0.5	-	-	-	-	38.5
Rail Investment component	33.0	15.0	52.0	8.4	-	-	-	-	108.4
Road Investment component	-	449.1	10.8	56.2	43.7	19.0	-	-	578.7
Roads of Strategic Importance	660.1	564.4	1,079.9	342.1	248.5	81.6	7.9	72.1	3,056.6
Roads to Recovery Program	82.5	23.3	11.0	83.0	5.3	26.6	-	52.0	283.7
Urban Congestion Fund	173.1	111.3	118.4	73.1	53.8	16.8	8.0	14.5	569.0
Infrastructure Growth Package	141.9	331.8	128.5	149.2	45.5	8.9	-	-	806.0
New Investments	28.0	3.2	3.8	4.0	4.4	0.5	-	6.9	50.7
Western Sydney Infrastructure Plan	432.4	-	-	-	-	-	-	-	432.4
Other National Partnerships Payments									
Adelaide City Deal	-	-	-	-	4.0	-	-	-	4.0
Albury Wodonga Regional Deal	1.6	1.6	-	-	-	-	-	-	3.2
Barkly Regional Deal	-	-	-	-	-	-	-	4.7	4.7
Darwin City Deal	-	-	-	-	-	-	-	7.5	7.5
Drought Communities Program	43.5	11.6	14.5	-	28.3	3.0	25.7	-	126.5
Geelong City Deal	-	26.5	-	-	-	-	-	-	26.5
Hinkler Regional Deal	-	-	6.3	-	-	-	-	-	6.3
Launceston City Deal - Tamar River	-	-	-	-	-	8.8	-	-	8.8
Townsville City Deal	-	-	35.0	-	-	-	-	-	35.0
Western Sydney City Deal	13.8	-	-	-	-	-	-	-	13.8
WiFi and mobile coverage on trains	10.0	-	-	-	-	-	-	-	10.0
Total	1,738.5	1,615.8	1,644.3	819.1	457.0	174.2	44.8	259.2	6,752.8

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

\$million 2019-20	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<i>Memorandum item – payments direct to local governments included in payments above</i>									
Infrastructure Investment Program	172.1	111.3	118.4	73.1	43.3	16.8	-	8.0	543.0
Roads to Recovery Program	43.5	11.6	14.5	-	28.3	3.0	25.7	-	126.5
Supporting drought-affected communities program									
Total	215.6	122.9	132.9	73.1	71.6	19.8	25.7	8.0	669.5

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

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21									
National Partnership payments									
Infrastructure Investment Program									
Black spot projects	33.5	32.0	23.8	14.2	7.8	2.9	1.7	1.8	117.8
Bridges Renewal Program	49.0	25.5	25.1	11.4	5.2	1.6	1.3	0.7	119.7
Developing Northern Australia									
Improving cattle supply chains	-	-	8.4	-	-	-	-	0.5	8.9
Northern Australia Roads	-	-	64.4	19.6	-	-	-	63.0	147.0
Heavy Vehicle Safety and Productivity Program	27.6	12.9	18.4	11.5	2.3	2.0	0.4	2.2	77.4
Major Business Cases	12.0	8.0	31.3	7.0	-	-	-	-	58.3
National Rail Program	41.1	75.3	190.0	199.0	-	-	-	-	505.4
Rail Investment component	-	311.9	7.0	84.3	18.0	51.0	-	-	472.2
Road Investment component	786.5	535.3	1,933.3	297.3	176.2	56.8	47.2	101.0	3,933.5
Roads of Strategic Importance	92.1	33.6	108.4	161.0	30.1	71.2	..	80.5	576.8
Roads to Recovery Program	173.1	111.3	118.4	73.1	53.8	16.8	8.0	14.5	569.0
Urban Congestion Fund	142.4	241.2	167.3	259.0	108.0	18.4	-	-	936.5
Infrastructure Growth Package									
New Investments	12.0	-	1.1	-	-	-	-	-	13.1
Western Sydney Infrastructure Plan	474.2	-	-	-	-	-	-	-	474.2
Other National Partnerships Payments									
Adelaide City Deal	-	-	-	-	10.0	-	-	-	10.0
Albury Wodonga Regional Deal	-	-	-	-	-	-	-	-	-
Barkly Regional Deal	-	-	-	-	-	-	-	9.5	9.5
Darwin City Deal	-	-	-	-	-	-	-	5.0	5.0
Drought Communities Program	30.5	6.4	13.5	-	16.7	1.0	25.3	-	93.5
Geelong City Deal	-	56.8	-	-	-	-	-	-	56.8
Hinkler Regional Deal	-	-	4.5	-	-	-	-	-	4.5
Launceston City Deal - Tamar River	-	-	-	-	-	8.8	-	-	8.8
Townsville City Deal	-	-	160.0	-	-	-	-	-	160.0
Western Sydney City Deal	35.3	-	-	-	-	-	-	-	35.3
WiFi and mobile coverage on trains	-	-	-	-	-	-	-	-	-
Total	1,909.3	1,450.2	2,874.9	1,137.5	428.1	230.6	83.9	278.7	8,393.2

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

\$million 2020-21	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<i>Memorandum item – payments direct to local governments included in payments above</i>									
Infrastructure Investment Program	172.1	111.3	118.4	73.1	43.3	16.8	-	8.0	543.0
Roads to Recovery Program									
Supporting drought-affected communities program	30.5	6.4	13.5	-	16.7	1.0	25.3	-	93.5
Total	202.7	117.6	131.9	73.1	60.0	17.8	25.3	8.0	636.5

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

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
\$million									
2021-22									
National Partnership payments									
Infrastructure Investment Program									
Black spot projects	33.5	32.0	23.8	14.2	7.8	2.9	1.7	1.8	117.8
Bridges Renewal Program	34.7	28.7	21.7	11.0	7.3	2.2	1.9	1.0	108.5
Developing Northern Australia									
Improving cattle supply chains	-	-	-	-	-	-	-	-	-
Northern Australia Roads	-	-	16.3	4.6	-	-	-	-	20.9
Heavy Vehicle Safety and Productivity Program	37.3	11.9	23.8	8.7	2.3	2.2	0.6	0.3	87.2
Major Business Cases	6.0	-	25.5	10.0	-	-	-	-	41.5
National Rail Program	172.2	135.0	230.0	266.5	-	-	-	-	803.7
Rail Investment component	-	248.7	-	324.4	-	41.0	-	-	614.0
Road Investment component	577.2	709.6	2,201.1	581.3	127.4	125.0	36.0	127.7	4,485.4
Roads of Strategic Importance	121.4	34.9	158.3	205.8	42.4	120.3	0.1	79.0	762.2
Roads to Recovery Program	139.3	101.7	101.7	73.1	44.9	16.3	8.0	14.5	499.6
Urban Congestion Fund	172.3	295.8	219.9	109.5	138.5	8.1	-	-	944.3
Infrastructure Growth Package									
New Investments	0.6	-	-	-	-	-	-	-	0.6
Western Sydney Infrastructure Plan	177.9	-	-	-	-	-	-	-	177.9
Other National Partnerships Payments									
Adelaide City Deal	-	-	-	-	27.0	-	-	-	27.0
Albury Wodonga Regional Deal	-	-	-	-	-	-	-	-	-
Barkly Regional Deal	-	-	-	-	-	-	-	6.8	6.8
Darwin City Deal	-	-	-	-	-	-	-	10.0	10.0
Drought Communities Program	-	-	-	-	-	-	-	-	-
Geelong City Deal	-	56.6	-	-	-	-	-	-	56.6
Hinkler Regional Deal	-	-	-	-	-	-	-	-	-
Launceston City Deal - Tamar River	-	-	-	-	-	10.3	-	-	10.3
Townsville City Deal	-	-	55.0	-	-	-	-	-	55.0
Western Sydney City Deal	18.1	-	-	-	-	-	-	-	18.1
WiFi and mobile coverage on trains	-	-	-	-	-	-	-	-	-
Total	1,490.5	1,655.0	3,077.2	1,609.1	397.8	328.3	48.2	241.3	8,847.3

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

\$million 2021-22	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<i>Memorandum item – payments direct to local governments included in payments above</i>									
Infrastructure Investment Program	138.3	101.7	101.7	73.1	34.5	16.3	-	8.0	473.5
Roads to Recovery Program									
Supporting drought-affected communities program	-	-	-	-	-	-	-	-	-
Total	138.3	101.7	101.7	73.1	34.5	16.3	-	8.0	473.5

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

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
\$million									
2022-23									
National Partnership payments									
Infrastructure Investment Program									
Black spot projects	33.5	32.0	23.8	14.2	7.8	2.9	1.7	1.8	117.8
Bridges Renewal Program	27.2	22.6	17.0	8.5	5.7	1.7	1.5	0.8	85.0
Developing Northern Australia									
Improving cattle supply chains	-	-	-	-	-	-	-	-	-
Northern Australia Roads	-	-	-	-	-	-	-	-	-
Heavy Vehicle Safety and Productivity Program	20.8	17.3	13.0	6.5	4.3	1.3	1.1	0.6	65.0
Major Business Cases	8.0	4.0	29.2	7.5	-	-	-	-	48.7
National Rail Program	659.9	280.0	185.0	290.0	-	-	-	-	1,414.9
Rail Investment component	-	285.1	-	-	-	17.0	-	-	302.1
Road Investment component	582.2	1,222.8	2,256.0	580.6	86.4	171.0	51.0	136.7	5,086.8
Roads of Strategic Importance	129.7	108.0	280.0	183.0	34.0	97.2	0.1	63.9	895.7
Roads to Recovery Program	139.3	101.7	101.7	73.1	44.9	16.3	8.0	14.5	499.6
Urban Congestion Fund	62.6	330.9	108.7	106.8	25.0	-	-	-	634.0
Infrastructure Growth Package									
New Investments	-	-	-	-	-	-	-	-	-
Western Sydney Infrastructure Plan	250.0	-	-	-	-	-	-	-	250.0
Other National Partnerships Payments									
Adelaide City Deal	-	-	-	-	23.0	-	-	-	23.0
Albury Wodonga Regional Deal	-	-	-	-	-	-	-	-	-
Barkly Regional Deal	-	-	-	-	-	-	-	-	-
Darwin City Deal	-	-	-	-	-	-	-	9.8	9.8
Drought Communities Program	-	-	-	-	-	-	-	-	-
Geelong City Deal	-	32.7	-	-	-	-	-	-	32.7
Hinkler Regional Deal	-	-	-	-	-	-	-	-	-
Launceston City Deal - Tamar River	-	-	-	-	-	14.2	-	-	14.2
Townsville City Deal	-	-	20.0	-	-	-	-	-	20.0
Western Sydney City Deal	-	-	-	-	-	-	-	-	-
WiFi and mobile coverage on trains	-	-	-	-	-	-	-	-	-
Total	1,913.1	2,437.0	3,034.5	1,270.2	231.2	321.7	63.3	228.2	9,499.2

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

\$million 2022-23	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<i>Memorandum item – payments direct to local governments included in payments above</i>									
Infrastructure Investment Program	138.3	101.7	101.7	73.1	34.5	16.3	-	8.0	473.5
Roads to Recovery Program									
Supporting drought-affected communities program	-	-	-	-	-	-	-	-	-
Total	138.3	101.7	101.7	73.1	34.5	16.3	-	8.0	473.5

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

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
\$million									
2019-20									
National Partnership payments									
Development of business cases for constraints measures and implementation(a)	19.4	~	-	-	0.6	-	-	-	20.0
Disaster risk reduction(a)	~	~	~	~	~	~	~	~	20.9
Environmental assessment systems upgrade	-	-	-	3.0	-	-	-	-	3.0
Environmental management of the former Rum Jungle Mine site	-	-	-	-	-	-	-	5.3	5.3
Great Artesian Basin sustainability initiative(a)	~	-	~	-	~	-	-	~	10.0
Hydrogen energy supply chain pilot project	-	17.5	-	-	-	-	-	-	17.5
Implementing water reform in the Murray-Darling Basin	9.4	6.8	2.0	-	1.5	-	0.3	-	20.0
Linderoo Valley water security scheme	-	10.0	-	-	-	-	-	-	10.0
Management of established pest and weeds	-	-	-	1.0	3.0	-	-	-	4.0
National forestry industry plan	-	-	-	-	-	-	-	-	-
National Water Infrastructure Development Fund	-	-	-	-	-	-	-	-	-
Feasibility studies(a)	~	~	~	~	~	~	~	~	41.8
Capital(a)	~	~	~	~	~	~	~	~	138.1
On-farm emergency water infrastructure rebate(a)	~	~	~	~	~	~	~	~	32.9
Pest and disease preparedness and response programs	0.5	0.6	41.5	2.0	0.1	-	-	9.9	54.6
Preparing Australia package	0.8	-	-	-	-	-	-	-	0.8
Sustainable rural water use and infrastructure program	50.5	26.5	7.5	-	24.4	-	39.4	-	148.2
Water Efficiency Program(a)	~	~	-	-	0.8	-	~	-	0.8
World Heritage Sites	0.8	-	3.1	0.4	0.1	8.2	-	-	12.6
Yellow crazy ant control	-	-	3.0	-	-	-	-	-	3.0
Total(b)	81.4	61.3	57.1	6.4	30.5	8.2	39.7	15.3	543.5

(a) State allocations are yet to be finalised.

(b) State allocations for a number of programs are not yet finalised, therefore total payments may not equal the sum of state totals.

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

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
\$million									
2020-21									
National Partnership payments									
Development of business cases for constraints measures and implementation(a)	33.3	~	-	-	0.9	-	-	-	40.0
Disaster risk reduction(a)	~	~	~	~	~	~	~	~	20.9
Environmental assessment systems upgrade	0.1	0.1	0.1	6.0	0.1	0.1	0.1	0.1	6.6
Environmental management of the former Rum Jungle Mine site	-	-	-	-	-	-	-	-	-
Great Artesian Basin sustainability initiative(a)	~	-	~	-	~	-	-	~	6.0
Hydrogen energy supply chain pilot project	-	12.5	-	-	-	-	-	-	12.5
Implementing water reform in the Murray-Darling Basin	-	-	-	-	-	-	-	-	-
Linderoo Valley water security scheme	-	-	-	-	-	-	-	-	-
Management of established pest and weeds	-	-	-	-	3.0	-	-	-	3.0
National forestry industry plan(a)	-	-	-	-	-	-	-	-	-
National Water Infrastructure Development Fund	~	~	~	~	~	~	~	~	1.8
Feasibility studies(a)	~	~	~	~	~	~	~	~	40.0
Capital(a)	~	~	~	~	~	~	~	~	134.7
On-farm emergency water infrastructure rebate(a)	~	~	~	~	~	~	~	~	9.7
Pest and disease preparedness and response programs	0.3	0.4	31.0	1.0	0.1	-	-	1.0	33.8
Preparing Australia package	-	-	-	-	-	-	-	-	-
Sustainable rural water use and infrastructure program	94.6	39.4	24.2	-	17.2	-	24.9	-	200.4
Water Efficiency Program(a)	~	~	-	-	~	-	~	-	15.4
World Heritage Sites	0.8	-	3.1	0.4	0.1	5.1	-	-	9.5
Yellow crazy ant control	-	-	3.0	-	-	-	-	-	3.0
Total(b)	129.1	52.4	61.5	7.4	21.5	5.2	25.0	1.1	537.3

(a) State allocations are yet to be finalised.

(b) State allocations for a number of programs are not yet finalised, therefore total payments may not equal the sum of state totals.

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

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
\$million									
2021-22									
National Partnership payments									
Development of business cases for constraints measures and implementation(a)	10.2	~	-	-	1.0	-	-	-	49.6
Disaster risk reduction(a)	~	~	~	~	~	~	~	~	20.9
Environmental assessment systems upgrade	0.2	0.2	0.2	-	0.2	0.2	0.2	0.2	1.5
Environmental management of the former Rum Jungle Mine site	-	-	-	-	-	-	-	-	-
Great Artesian Basin sustainability initiative(a)	~	-	~	-	~	-	-	~	6.0
Hydrogen energy supply chain pilot project	-	-	-	-	-	-	-	-	-
Implementing water reform in the Murray-Darling Basin	-	-	-	-	-	-	-	-	-
Linderoo Valley water security scheme	-	-	-	-	-	-	-	-	-
Management of established pest and weeds	-	-	-	-	3.0	-	-	-	3.0
National forestry industry plan(a)	-	-	-	-	-	-	-	-	-
National Water Infrastructure Development Fund	~	~	~	~	~	~	~	~	1.8
Feasibility studies(a)	~	~	~	~	~	~	~	~	30.0
Capital(a)	~	~	~	~	~	~	~	~	199.7
On-farm emergency water infrastructure rebate	-	-	-	-	-	-	-	-	-
Pest and disease preparedness and response programs	0.3	0.4	23.9	1.0	0.1	-	-	1.0	26.7
Preparing Australia package	-	-	-	-	-	-	-	-	-
Sustainable rural water use and infrastructure program	119.4	-	57.4	-	17.4	-	-	-	194.2
Water Efficiency Program(a)	~	~	-	-	~	-	~	-	13.2
World Heritage Sites	0.8	-	3.1	0.4	0.1	5.1	-	-	9.5
Yellow crazy ant control	-	-	3.0	-	-	-	-	-	3.0
Total(b)	130.9	0.6	87.6	1.4	21.8	5.3	0.2	1.2	559.0

(a) State allocations are yet to be finalised.

(b) State allocations for a number of programs are not yet finalised, therefore total payments may not equal the sum of state totals.

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

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
\$million									
2022-23									
National Partnership payments									
Development of business cases for constraints measures and implementation(a)	~	~	-	-	~	-	-	-	50.0
Disaster risk reduction(a)	~	~	~	~	~	~	~	~	20.9
Environmental assessment systems upgrade	-	-	-	-	-	-	-	-	-
Environmental management of the former Rum Jungle Mine site	-	-	-	-	-	-	-	-	-
Great Artesian Basin sustainability initiative(a)	~	-	~	-	~	-	-	~	8.0
Hydrogen energy supply chain pilot project	-	-	-	-	-	-	-	-	-
Implementing water reform in the Murray-Darling Basin	-	-	-	-	-	-	-	-	-
Linderoo Valley water security scheme	-	-	-	-	-	-	-	-	-
Management of established pest and weeds	-	-	-	-	1.0	-	-	-	1.0
National forestry industry plan	-	-	-	-	-	-	-	-	-
National Water Infrastructure Development Fund	-	-	-	-	-	-	-	-	-
Feasibility studies(a)	~	~	~	~	~	~	~	~	8.0
Capital(a)	~	~	~	~	~	~	~	~	291.2
On-farm emergency water infrastructure rebate	-	-	-	-	-	-	-	-	-
Pest and disease preparedness and response programs	0.3	0.4	24.2	1.0	0.1	-	-	1.0	27.0
Preparing Australia package	-	-	-	-	-	-	-	-	-
Sustainable rural water use and infrastructure program	32.0	-	1.5	-	30.6	-	-	-	64.1
Water Efficiency Program	-	-	-	-	-	-	-	-	-
World Heritage Sites	0.8	-	3.1	0.4	0.1	5.1	-	-	9.5
Yellow crazy ant control	-	-	-	-	-	-	-	-	-
Total(b)	33.1	0.4	28.8	1.4	31.8	5.1	-	1.0	479.7

(a) State allocations are yet to be finalised.

(b) State allocations for a number of programs are not yet finalised, therefore total payments may not equal the sum of state totals.

Table A.8: Estimated contingent payments to the states, by year and state

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
\$million									
2019-20									
National Partnership payments									
Disaster Recover Funding Arrangements(a)	20.4	1.5	12.2	0.1	..	3.6	-	0.1	37.9
Hepatitis C settlement fund	0.2	-	-	-	-	-	-	-	0.2
Total(b)	20.6	1.5	12.2	0.1	..	3.6	-	0.1	38.0
2020-21									
National Partnership payments									
Disaster Recover Funding Arrangements(a)	3.0	..	7.4	-	-	0.1	-	-	10.5
Hepatitis C settlement fund	0.2	-	-	-	-	-	-	-	0.2
Total(b)	3.2	..	7.4	-	-	0.1	-	-	10.7
2021-22									
National Partnership payments									
Disaster Recover Funding Arrangements(a)	3.0	-	-	-	-	..	-	-	3.1
Hepatitis C settlement fund	0.2	-	-	-	-	-	-	-	0.2
Total(b)	3.2	-	-	-	-	..	-	-	3.2
2022-23									
National Partnership payments									
Disaster Recover Funding Arrangements	-	-	-	-	-	-	-	-	-
Hepatitis C settlement fund	0.2	-	-	-	-	-	-	-	0.2
Total(b)	0.2	-	-	-	-	-	-	-	0.2

(a) Figures reflect estimated expense outcomes. Estimated cash outcomes are presented in Table C5 in Appendix C.

(b) State allocations for a number of programs are not yet finalised, therefore total payments may not equal the sum of state totals.

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

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Partnership payments									
Financial assistance to local governments	391.6	306.6	248.1	149.8	81.8	39.0	27.1	17.6	1,261.7
Family advocacy and support services	2.3	1.6	1.4	1.0	0.8	1.0	0.7	0.8	9.7
Family law information sharing(a)	~	~	~	~	~	~	~	~	2.7
Financial assistance for police officers	4.6	-	-	-	-	-	-	-	4.6
Household resilience program	-	-	10.0	-	-	-	-	-	10.0
Legal assistance services	79.8	62.1	54.2	32.0	20.6	7.6	6.1	7.6	270.0
National Legal Assistance Partnership	-	-	-	-	-	-	-	-	-
Legal Aid Commissions	-	-	-	-	-	-	-	-	-
Community Legal Centres	-	-	-	-	-	-	-	-	-
Aboriginal and Torres Strait Islander Legal Services	-	-	-	-	-	-	-	-	-
Domestic violence units and health justice partnerships	-	-	-	-	-	-	-	-	-
Expensive Commonwealth criminal cases	-	-	-	-	-	-	-	-	-
Matched legal assistance investment	-	-	-	-	-	-	-	-	-
Family advocacy and support services	-	-	-	-	-	-	-	-	-
State administration funding	-	-	-	-	-	-	-	-	-
Social and Community Services Sector supplementation	-	-	-	-	-	-	-	-	-
National tourism icons package	-	-	1.4	3.7	-	0.9	-	-	5.9
North Queensland stadium	-	-	40.0	-	-	-	-	-	40.0
North Queensland strata title inspection scheme	-	-	5.3	-	-	-	-	-	5.3
Provision of fire services	5.0	3.5	3.4	1.6	1.2	0.3	5.3	2.3	22.6
Sinking fund on state debt	..	-	-	-	-	-	-	-	..
Small business regulatory reform(a)	~	~	~	~	~	~	~	~	153.8
Total(b)	483.4	373.8	363.8	188.1	104.4	48.8	39.3	28.3	1,786.4

(a) State allocations are yet to be finalised.

(b) State allocations for a number of programs are not yet finalised, therefore total payments may not equal the sum of state totals.

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

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Partnership payments									
Financial assistance to local governments	818.7	644.1	519.2	311.8	170.1	81.4	56.8	36.6	2,638.6
Family advocacy and support services	-	-	-	-	-	-	-	-	-
Family law information sharing(a)	~	~	~	~	~	~	~	~	2.8
Financial assistance for police officers	5.1	-	-	-	-	-	-	-	5.1
Household resilience program	-	-	-	-	-	-	-	-	-
Legal assistance services	-	-	-	-	-	-	-	-	-
National Legal Assistance Partnership(b)	-	-	-	-	-	-	-	-	-
Legal Aid Commissions	70.0	53.5	47.2	26.8	17.3	6.4	5.2	6.2	232.7
Community Legal Centres	13.5	10.8	8.8	5.7	3.9	1.5	1.1	1.6	46.8
Aboriginal and Torres Strait Islander Legal Services	18.4	4.7	19.6	13.1	5.1	2.6	0.7	13.6	77.8
Domestic violence units and health justice partnerships	1.4	1.5	2.4	1.5	1.0	0.5	0.5	1.0	9.9
Expensive Commonwealth criminal cases	2.9	2.6	1.3	0.8	0.2	0.1	0.1	0.1	8.1
Matched legal assistance investment(a)	~	~	~	~	~	~	~	~	5.0
Family advocacy and support services	2.3	1.7	1.4	1.0	0.8	1.0	0.7	0.9	9.9
State administration funding	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	2.8
Social and Community Services Sector supplementation	1.0	2.1	5.5	1.2	0.6	0.2	0.2	1.5	12.3
National tourism icons package	-	-	5.7	7.6	-	3.7	-	-	17.0
North Queensland stadium	-	-	-	-	-	-	-	-	-
North Queensland strata title inspection scheme	-	-	2.9	-	-	-	-	-	2.9
Provision of fire services	5.2	3.6	3.5	1.6	1.2	0.3	5.5	2.3	23.3
Sinking fund on state debt	..	-	-	-	-	-	-	-	..
Small business regulatory reform(a)	~	~	~	~	~	~	~	~	107.3
Total(c)	938.7	725.0	617.9	371.5	200.6	98.2	71.2	64.1	3,202.3

(a) State allocations are yet to be finalised.

(b) Subject to negotiations with the states.

(c) State allocations for a number of programs are not yet finalised, therefore total payments may not equal the sum of state totals.

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

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Partnership payments									
Financial assistance to local governments	851.1	673.0	540.3	322.8	175.8	84.5	59.2	37.7	2,744.4
Family advocacy and support services	-	-	-	-	-	-	-	-	-
Family law information sharing(a)	~	~	~	~	~	~	~	~	2.8
Financial assistance for police officers	2.2	-	-	-	-	-	-	-	2.2
Household resilience program	-	-	-	-	-	-	-	-	-
Legal assistance services	-	-	-	-	-	-	-	-	-
National Legal Assistance Partnership(b)									
Legal Aid Commissions	71.0	54.3	48.0	27.1	17.6	6.6	5.2	6.3	236.2
Community Legal Centres	14.7	12.5	10.7	7.0	4.6	1.8	1.3	1.8	54.2
Aboriginal and Torres Strait Islander Legal Services	18.8	5.4	23.9	13.3	5.2	2.7	0.8	15.0	85.0
Domestic violence units and health justice partnerships	1.5	1.6	2.4	1.6	1.0	0.5	0.5	1.0	10.1
Expensive Commonwealth criminal cases	2.9	2.6	1.4	0.8	0.2	0.1	0.1	0.1	8.2
Matched legal assistance investment(a)	~	~	~	~	~	~	~	~	5.1
Family advocacy and support services	2.4	1.7	1.4	1.0	0.9	1.0	0.8	0.9	10.0
State administration funding	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	2.9
Social and Community Services Sector supplementation	-	-	-	-	-	-	-	-	-
National tourism icons package	-	-	1.0	5.9	-	2.6	-	-	9.5
North Queensland stadium	-	-	-	-	-	-	-	-	-
North Queensland strata title inspection scheme	-	-	-	-	-	-	-	-	-
Provision of fire services	5.3	3.7	3.6	1.7	1.3	0.4	5.7	2.4	24.2
Sinking fund on state debt	..	-	-	-	-	-	-	-	..
Small business regulatory reform	-	-	-	-	-	-	-	-	-
Total(c)	970.3	755.2	633.0	381.4	206.8	100.4	73.9	65.7	3,194.7

(a) State allocations are yet to be finalised.

(b) Subject to negotiations with the states.

(c) State allocations for a number of programs are not yet finalised, therefore total payments may not equal the sum of state totals.

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

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Partnership payments									
Financial assistance to local governments	886.9	704.7	563.6	334.9	182.1	87.9	61.8	39.0	2,860.8
Family advocacy and support services	-	-	-	-	-	-	-	-	-
Family law information sharing	-	-	-	-	-	-	-	-	-
Financial assistance for police officers	0.4	-	-	-	-	-	-	-	0.4
Household resilience program	-	-	-	-	-	-	-	-	-
Legal assistance services	-	-	-	-	-	-	-	-	-
National Legal Assistance Partnership(b)	-	-	-	-	-	-	-	-	-
Legal Aid Commissions	72.0	55.2	48.8	27.5	17.9	6.7	5.3	6.4	239.7
Community Legal Centres	15.0	12.6	10.8	7.0	4.6	1.8	1.3	1.8	55.0
Aboriginal and Torres Strait Islander Legal Services	19.2	5.5	24.3	13.5	5.3	2.7	0.8	15.3	86.5
Domestic violence units and health justice partnerships	1.5	1.6	2.4	1.6	1.1	0.5	0.5	1.1	10.2
Expensive Commonwealth criminal cases	3.0	2.7	1.4	0.8	0.2	0.1	0.1	0.1	8.4
Matched legal assistance investment(a)	~	~	~	~	~	~	~	~	5.2
Family advocacy and support services	-	-	-	-	-	-	-	-	-
State administration funding	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	2.9
Social and Community Services Sector supplementation	-	-	-	-	-	-	-	-	-
National tourism icons package	-	-	-	-	-	-	-	-	-
North Queensland stadium	-	-	-	-	-	-	-	-	-
North Queensland strata title inspection scheme	-	-	-	-	-	-	-	-	-
Provision of fire services	-	-	-	-	-	-	-	-	-
Sinking fund on state debt	-	-	-	-	-	-	-	-	-
Small business regulatory reform	-	-	-	-	-	-	-	-	-
Total(c)	998.4	782.6	651.6	385.6	211.4	100.1	70.2	64.0	3,269.0

(a) State allocations are yet to be finalised.

(b) Subject to negotiations with the states.

(c) State allocations for a number of programs are not yet finalised, therefore total payments may not equal the sum of state totals.

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

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2019-20									
GST entitlement	18,192.1	16,798.4	13,867.9	3,489.2	6,591.7	2,417.3	1,368.0	2,685.3	65,410.0
Other payments									
ACT municipal services	-	-	-	-	-	-	40.7	-	40.7
Compensation for reduced royalties	-	-	-	32.0	-	-	-	-	32.0
Royalty payments(a)	-	-	-	nfp	-	-	-	nfp	736.4
Transitional GST top-up payments	-	-	-	814.2	-	-	-	252.1	1,066.3
Total(b)	18,192.1	16,798.4	13,867.9	4,335.4	6,591.7	2,417.3	1,408.7	2,937.5	67,285.4
2020-21									
GST entitlement(c)	~	~	~	~	~	~	~	~	67,610.0
Other payments									
ACT municipal services	-	-	-	-	-	-	41.2	-	41.2
Compensation for reduced royalties	-	-	-	28.6	-	-	-	-	28.6
Royalty payments(a)	-	-	-	nfp	-	-	-	nfp	629.3
Transitional GST top-up payments(d)	-	-	-	537.2	-	-	-	-	537.2
Total(b)(e)	-	-	-	565.8	-	-	41.2	-	68,846.3

(a) State allocations are not published due to commercial sensitivities.

(b) Total payments may not equal the sum of state totals.

(c) State allocations are dependent upon the GST revenue sharing relativities for that financial year. These relativities are not forecast beyond the Budget year.

(d) Estimates beyond 2019-20 are based upon the GST relativities presented in the final report of the Productivity Commission Inquiry into Horizontal Fiscal Equalisation, and the Government's interim response.

(e) State allocations reflect other general revenue assistance payments only.

Table A.10: GST and general revenue assistance payments to the states, by year and state (continued)

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2021-22									
GST entitlement(c)	~	~	~	~	~	~	~	~	71,440.0
Other payments	-	-	-	-	-	-	41.9	-	41.9
ACT municipal services	-	-	-	-	-	-	-	-	26.3
Compensation for reduced royalties	-	-	-	26.3	-	-	-	-	543.4
Royalty payments(a)	-	-	-	nfp	-	-	-	nfp	282.0
Transitional GST top-up payments(d)	-	-	-	282.0	-	-	-	-	
Total(b)(e)	-	-	-	308.4	-	-	41.9	-	72,333.6
2022-23									
GST entitlement(c)	~	~	~	~	~	~	~	~	75,110.8
Other payments	-	-	-	-	-	-	42.5	-	42.5
ACT municipal services	-	-	-	-	-	-	-	-	24.3
Compensation for reduced royalties	-	-	-	24.3	-	-	-	-	485.6
Royalty payments(a)	-	-	-	nfp	-	-	-	nfp	
Transitional GST top-up payments(d)	-	-	-	-	-	-	-	-	
Total(b)(e)	-	-	-	24.3	-	-	42.5	-	75,663.3

(a) State allocations are not published due to commercial sensitivities.

(b) Total payments may not equal the sum of state totals.

(c) State allocations are dependent upon the GST revenue sharing relativities for that financial year. These relativities are not forecast beyond the Budget year.

(d) Estimates beyond 2019-20 are based upon the GST relativities presented in the final report of the Productivity Commission Inquiry into Horizontal Fiscal Equalisation, and the Government's interim response.

(e) State allocations reflect other general revenue assistance payments only.

Table A.11: Total payments to the states by GFS function

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
\$million									
2019-20									
General public services	-	-	-	-	-	-	-	-	-
Public order and safety	91.6	65.9	57.7	33.6	22.3	9.1	12.0	54.9	349.9
Education	7,138.0	5,812.0	4,992.2	2,345.3	1,629.4	528.8	385.8	417.1	23,437.3
Health	6,907.2	5,914.3	4,949.0	2,400.4	1,463.4	462.7	421.2	337.8	22,858.0
Social security and welfare	642.9	247.9	554.4	276.9	75.1	22.9	47.5	22.3	1,892.8
Housing and community amenities	543.5	445.4	397.5	169.4	141.3	53.8	52.3	147.5	2,152.5
Recreation and culture	-	-	40.0	-	-	-	-	-	40.0
Fuel and energy	-	17.5	-	-	-	-	-	-	17.5
Agriculture, forestry and fishing	79.8	43.8	51.0	3.0	30.4	-	39.7	9.9	300.5
Mining, manufacturing and construction	-	-	-	-	-	-	-	-	-
Transport and communication	1,679.6	1,576.1	1,588.5	819.1	424.7	162.4	19.2	247.0	6,516.5
Other economic affairs	-	-	1.4	3.7	-	0.9	-	-	159.7
Other purposes(b)	18,604.2	17,106.5	14,128.2	4,485.3	6,673.5	2,460.0	1,435.8	2,955.2	68,585.0
Total payments to the states	35,686.8	31,229.5	26,759.8	10,536.7	10,460.0	3,700.6	2,413.6	4,191.6	126,309.7
less payments 'through' the states	3,999.4	3,395.4	2,756.8	1,351.1	990.8	280.2	237.6	194.0	13,393.8
less financial assistance grants for local government	391.6	306.6	248.1	149.8	81.8	39.0	27.1	17.6	1,261.7
less payments direct to local government	215.6	122.9	132.9	73.1	71.6	19.8	25.7	8.0	669.5
equals total payments to the states for own-purpose expenses	31,080.1	27,404.6	23,622.0	8,962.6	9,315.7	3,361.6	2,123.1	3,972.1	110,994.7

(a) State allocations for a number of programs are not yet finalised, therefore total payments may not equal the sum of state totals.

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

Table A.11: Total payments to the states by GFS function (continued)

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
General public services	119.1	78.7	84.6	-	-	12.9	14.2	-	458.9
Public order and safety	7,567.5	6,209.5	5,314.1	2,517.1	1,740.4	554.6	399.6	423.3	24,889.6
Education	7,232.4	5,903.1	5,371.9	2,541.1	1,528.9	468.3	444.0	363.3	23,916.8
Health	622.3	257.4	709.5	611.4	77.2	23.8	17.2	18.9	2,341.5
Social security and welfare	557.8	479.7	513.7	174.8	137.1	49.4	52.8	144.7	2,306.5
Housing and community amenities	-	-	-	-	-	-	-	-	-
Recreation and culture	-	12.5	-	-	-	-	-	-	12.5
Fuel and energy	128.3	39.8	55.3	1.0	21.3	-	24.9	1.0	310.1
Agriculture, forestry and fishing	-	-	-	-	-	-	-	-	-
Mining, manufacturing and construction	1,843.5	1,387.0	2,696.8	1,137.5	401.4	220.8	58.6	264.3	8,009.8
Transport and communication	-	-	5.7	7.6	-	3.7	-	-	124.3
Other economic affairs	821.7	644.2	526.5	877.6	170.1	81.5	98.1	36.6	71,495.4
Other purposes(b)	18,892.5	15,011.8	15,278.1	7,919.0	4,106.3	1,414.8	1,109.3	1,312.7	133,865.3
Total payments to the states	4,257.8	3,690.7	2,946.1	1,424.1	1,020.7	295.0	241.5	195.9	14,202.2
less payments 'through' the states									
less financial assistance grants for local government	818.7	644.1	519.2	311.8	170.1	81.4	56.8	36.6	2,638.6
less payments direct to local government	202.7	117.6	131.9	73.1	60.0	17.8	25.3	8.0	636.5
equals total payments to the states for own-purpose expenses	13,613.4	10,559.4	11,680.9	6,109.9	2,855.5	1,020.6	785.6	1,072.3	116,388.0

(a) State allocations for a number of programs are not yet finalised, therefore total payments may not equal the sum of state totals.

(b) Payments for 'Other purposes' includes general revenue assistance to the states. Estimates of the transitional GST top-up payments, included within 'general revenue assistance', are based upon the GST relativities presented in the final report of the Productivity Commission Inquiry into Horizontal Fiscal Equalisation, and the Government's interim response. State allocations do not include GST entitlements, as these are dependent upon the GST revenue sharing relativities which are not forecast beyond the budget year.

Table A.11: Total payments to the states by GFS function (continued)

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
2021-22									
General public services	119.2	82.2	91.7	52.8	31.1	13.4	14.7	63.9	476.7
Public order and safety	7,881.0	6,513.7	5,524.3	2,649.6	1,838.2	569.3	406.5	426.7	25,971.8
Education	7,603.5	6,181.3	5,625.2	2,683.8	1,539.5	471.6	466.2	396.7	24,979.7
Health	633.5	264.2	221.3	110.4	78.6	24.4	17.6	17.9	1,371.9
Social security and welfare	509.8	461.1	381.3	161.8	133.9	48.5	26.2	221.1	2,195.3
Housing and community amenities	-	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-	-
Fuel and energy	-	-	-	-	-	-	-	-	-
Agriculture, forestry and fishing	129.9	0.4	81.3	1.0	21.5	-	-	1.0	294.5
Mining, manufacturing and construction	-	-	-	-	-	-	-	-	-
Transport and communication	1,472.3	1,598.4	3,022.2	1,609.1	370.8	318.0	48.2	224.5	8,663.5
Other economic affairs	-	-	1.0	5.9	-	2.6	-	-	9.5
Other purposes(b)	854.2	673.0	540.3	631.1	175.8	84.5	101.1	37.7	75,081.1
Total payments to the states	19,203.4	15,774.2	15,488.7	7,905.6	4,189.3	1,532.2	1,080.5	1,389.5	139,044.0
less payments 'through' the states	4,469.6	3,906.2	3,069.8	1,491.9	1,113.0	307.8	241.1	206.2	14,828.1
less financial assistance grants for local government	851.1	673.0	540.3	322.8	175.8	84.5	59.2	37.7	2,744.4
less payments direct to local government	138.3	101.7	101.7	73.1	34.5	16.3	-	8.0	473.5
equals total payments to the states for own-purpose expenses	13,744.3	11,093.3	11,776.9	6,017.9	2,866.1	1,123.7	780.2	1,137.6	120,998.0

(a) State allocations for a number of programs are not yet finalised, therefore total payments may not equal the sum of state totals.

(b) Payments for 'Other purposes' includes general revenue assistance to the states. Estimates of the transitional GST top-up payments, included within 'general revenue assistance', are based upon the GST relativities presented in the final report of the Productivity Commission Inquiry into Horizontal Fiscal Equalisation, and the Government's interim response. State allocations do not include GST entitlements, as these are dependent upon the GST revenue sharing relativities which are not forecast beyond the budget year.

Table A.11: Total payments to the states by GFS function (continued)

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
General public services	111.5	77.9	88.0	-	29.3	12.2	8.3	-	408.2
Public order and safety	8,310.1	6,916.1	5,765.2	2,805.6	1,952.9	588.6	426.5	405.5	27,233.5
Education	8,050.0	6,540.4	6,032.6	2,859.1	1,574.8	494.2	501.9	442.8	26,507.7
Health	353.5	273.5	221.2	114.3	81.4	25.2	18.2	10.9	1,107.6
Social security and welfare	499.1	445.7	348.5	163.2	130.5	52.6	26.5	138.9	2,126.2
Housing and community amenities	-	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-	-
Fuel and energy	-	-	-	-	-	-	-	-	-
Agriculture, forestry and fishing	32.3	0.4	25.7	1.0	31.7	-	-	1.0	150.1
Mining, manufacturing and construction	-	-	-	-	-	-	-	-	-
Transport and communication	1,913.1	2,404.4	3,014.5	1,270.2	208.2	307.5	63.3	218.4	9,399.6
Other economic affairs	-	-	-	-	-	-	-	-	-
Other purposes(b)	886.9	704.7	563.6	359.2	182.1	87.9	104.4	39.0	78,524.1
Total payments to the states	20,156.4	17,363.0	16,059.3	7,623.4	4,190.9	1,568.2	1,149.2	1,281.5	145,457.1
less payments 'through' the states	4,674.2	4,087.6	3,173.1	1,546.9	1,143.6	317.6	246.1	208.4	15,481.4
less financial assistance for local government	886.9	704.7	563.6	334.9	182.1	87.9	61.8	39.0	2,860.8
less payments direct to local government	138.3	101.7	101.7	73.1	34.5	16.3	-	8.0	473.5
equals total payments to the states for own-purpose expenses	14,457.1	12,469.1	12,220.9	5,668.5	2,830.8	1,146.4	841.2	1,026.1	126,641.3

(a) State allocations for a number of programs are not yet finalised, therefore total payments may not equal the sum of state totals.

(b) Payments for 'Other purposes' includes general revenue assistance to the states. Estimates of the transitional GST top-up payments, included within 'general revenue assistance', are based upon the GST relativities presented in the final report of the Productivity Commission Inquiry into Horizontal Fiscal Equalisation, and the Government's interim response. State allocations do not include GST entitlements, as these are dependent upon the GST revenue sharing relativities which are not forecast beyond the budget year.

Table A.12: Other financial flows — estimated advances, repayment of advances and interest payments, by year and state

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2019-20									
Advances									
Agriculture									
Drought Concessional Loans Scheme	-	-	-	-	-	-	-	-	-
National Water Infrastructure Loan Facility(a)	~	~	~	~	~	~	~	~	100.0
Loan to New South Wales to assist beneficiaries of the Asbestos Injuries Compensation Fund	-	-	-	-	-	-	-	-	-
Natural disaster relief	-	-	0.1	-	-	0.6	-	-	0.7
Repayments									
Agriculture									
Drought Concessional Loans Scheme	-33.5	-28.7	-50.8	-	-0.5	-	-	-	-113.5
Drought Recovery Loans Scheme	-	-1.4	-0.3	-	-	-	-	-	-1.7
Farm Finance Concessional Loans Scheme	-20.7	-6.5	-13.6	-4.5	-0.5	-5.1	-	-4.3	-55.1
National Water Infrastructure Loan Facility	-	-	-	-	-	-	-	-	-
Asbestos removal in the Australian Capital Territory	-	-	-	-	-	-	-900.0	-	-900.0

(a) State allocations are yet to be finalised.

Table A.12: Other financial flows — estimated advances, repayment of advances and interest payments, by year and state (continued)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2019-20									
Environment									
Northern Territory – water and sewerage assistance	-	-	-	-	-	-	-	-0.1	-0.1
Housing									
Commonwealth-State Housing Agreement loans	-37.4	-	-10.3	-9.9	-3.2	-	-	-1.0	-61.7
Housing for service personnel	-2.0	-	-1.2	-0.3	-0.1	-	-	-	-3.6
Other housing	-	-	-	-	-	-	-8.3	-3.5	-11.7
Natural disaster relief	-4.3	-	-13.2	-	-	..	-	-	-17.5
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-0.6	-	-0.6
Loan Council – housing nominations	-10.7	-	-3.9	-6.8	-4.5	-	-	-3.6	-29.5
Interest									
Agriculture									
Drought Concessional Loans Scheme	-2.3	-5.2	-3.6	-0.1	-0.3	-1.0	-	-	-12.5
Drought Recovery Loans Scheme	-0.5	-1.0	-0.5	-	-0.3	-0.1	-	-	-2.3
Farm Finance Concessional Loans Scheme	-0.6	-0.2	-0.2	-0.2	-0.3	-0.0	-	-0.1	-1.6
National Water Infrastructure Loan Facility(a)	-	-	-	-	-	-	-	-	-
Asbestos removal in the									
Australian Capital Territory	-	-	-	-	-	-	-8.2	-	-8.2

(a) State allocations are yet to be finalised.

Table A.12: Other financial flows — estimated advances, repayment of advances and interest payments, by year and state (continued)

\$million 2019-20	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Environment									
Northern Territory – water and sewerage assistance	-	-	-	-	-	-	-	-0.5	-0.5
Housing									
Commonwealth-State Housing									
Agreement loans	-19.9	-	-5.8	-5.5	-1.7	-	-	-1.0	-33.9
Housing for service personnel	-1.6	-	-0.9	-0.1	-0.1	-	-	-	-2.6
Other housing	-	-	-	-	-	-	-5.2	-2.2	-7.3
Loan to New South Wales to assist beneficiaries of the Asbestos Injuries Compensation Fund	-2.2	-	-	-	-	-	-	-	-2.2
Natural disaster relief	-0.1	-	-0.5	-	-	..	-	-	-0.7
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-0.3	-	-0.3
Loan Council – housing nominations	-16.0	-	-5.7	-9.8	-7.0	-	-	-5.6	-44.2
Net Financial Flow(a)	-151.7	-43.1	-110.5	-37.2	-18.3	-5.5	-922.5	-21.9	-1,210.6

(a) Total payments may not equal the sum of state totals.

**Table A.12: Other financial flows — estimated advances, repayment of advances and interest payments, by year and state
(continued)**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21									
Advances									
Agriculture									
Drought Concessional Loans Scheme	-	-	-	-	-	-	-	-	-
National Water Infrastructure Loan Facility(a)	~	~	~	~	~	~	~	~	200.0
Loan to New South Wales to assist beneficiaries of the Asbestos Injuries Compensation Fund	-	-	-	-	-	-	-	-	-
Natural disaster relief	-	-	-	-	-	-	-	-	-
Repayments									
Agriculture									
Drought Concessional Loans Scheme	-28.8	-16.3	-28.2	-1.5	-1.7	-0.3	-	-	-76.7
Drought Recovery Loans Scheme	-	-	-	-	-	-	-	-	-
Farm Finance Concessional Loans Scheme	-4.9	-4.2	-0.3	-4.7	-	-2.7	-	-1.0	-17.8
National Water Infrastructure Loan Facility	-	-	-	-	-	-	-	-	-
Asbestos removal in the Australian Capital Territory	-	-	-	-	-	-	-	-	-

(a) State allocations are yet to be finalised.

Table A.12: Other financial flows — estimated advances, repayment of advances and interest payments, by year and state (continued)

\$million 2020-21	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Environment									
Northern Territory – water and sewerage assistance	-	-	-	-	-	-	-	-0.1	-0.1
Housing									
Commonwealth-State Housing									
Agreement loans	-37.0	-	-10.3	-9.9	-3.4	-	-	-1.0	-61.7
Housing for service personnel	-2.1	-	-1.2	-0.3	-0.1	-	-	-	-3.7
Other housing	-	-	-	-	-	-	-8.3	-3.6	-12.0
Natural disaster relief	-4.3	-	-13.4	-	-	-0.1	-	-	-17.8
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-0.6	-	-0.6
Loan Council – housing nominations	-11.2	-	-4.1	-7.1	-4.7	-	-	-3.7	-30.8
Interest									
Agriculture									
Drought Concessional Loans Scheme	-1.5	-4.6	-2.6	-0.1	-0.3	-1.0	-	-	-10.0
Drought Recovery Loans Scheme	-0.5	-1.0	-0.6	-	-0.2	-0.1	-	-	-2.3
Farm Finance Concessional Loans Scheme	-0.2	-0.1	-	-0.1	-0.1	-	-	..	-0.4
National Water Infrastructure Loan Facility(a)	-	-	-	-	-	-	-	-	-
Asbestos removal in the Australian Capital Territory	-	-	-	-	-	-	-	-	-

(a) State allocations are yet to be finalised.

Table A.12: Other financial flows — estimated advances, repayment of advances and interest payments, by year and state (continued)

\$million 2020-21	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Environment									
Northern Territory – water and sewerage assistance	-	-	-	-	-	-	-	-0.5	-0.5
Housing									
Commonwealth-State Housing									
Agreement loans	-18.3	-	-5.3	-5.1	-1.5	-	-	-1.0	-31.1
Housing for service personnel	-1.5	-	-0.8	-0.1	-0.1	-	-	-	-2.5
Other housing	-	-	-	-	-	-	-4.8	-2.0	-6.8
Loan to New South Wales to assist beneficiaries of the Asbestos Injuries Compensation Fund	-2.2	-	-	-	-	-	-	-	-2.2
Natural disaster relief	-0.1	-	-0.4	-	-	..	-	-	-0.5
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-0.2	-	-0.2
Loan Council – housing nominations	-15.5	-	-5.6	-9.5	-6.8	-	-	-5.5	-42.8
Net Financial Flow(a)	-128.0	-26.2	-72.8	-38.3	-18.7	-4.1	-13.9	-18.5	-120.5

(a) Total payments may not equal the sum of state totals.

Table A.12: Other financial flows — estimated advances, repayment of advances and interest payments, by year and state (continued)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2021-22									
Advances									
Agriculture									
Drought Concessional Loans Scheme	-	-	-	-	-	-	-	-	-
National Water Infrastructure Loan Facility(a)	~	~	~	~	~	~	~	~	200.0
Loan to New South Wales to assist beneficiaries of the Asbestos Injuries Compensation Fund	-	-	-	-	-	-	-	-	-
Natural disaster relief	-	-	-	-	-	-	-	-	-
Repayments									
Agriculture									
Drought Concessional Loans Scheme	-5.3	-18.7	-24.8	-2.0	-3.3	-	-	-	-54.1
Drought Recovery Loans Scheme	-1.2	-0.1	-0.7	-	..	-	-	-	-2.0
Farm Finance Concessional Loans Scheme	-0.7	-	-	-1.8	-	-0.7	-	-	-3.1
National Water Infrastructure Loan Facility	-	-	-	-	-	-	-	-	-
Asbestos removal in the Australian Capital Territory	-	-	-	-	-	-	-	-	-

(a) State allocations are yet to be finalised.

Table A.12: Other financial flows — estimated advances, repayment of advances and interest payments, by year and state (continued)

\$million 2021-22	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Environment									
Northern Territory – water and sewerage assistance	-	-	-	-	-	-	-	-0.1	-0.1
Housing									
Commonwealth-State Housing									
Agreement loans	-36.7	-	-10.3	-9.9	-3.6	-	-	-1.1	-61.5
Housing for service personnel	-2.2	-	-1.2	-0.3	-0.1	-	-	-	-3.9
Other housing	-	-	-	-	-	-	-8.4	-3.7	-12.1
Natural disaster relief	-4.3	-	-12.5	-	-	-0.2	-	-	-16.9
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-0.6	-	-0.6
Loan Council – housing nominations	-11.7	-	-4.3	-7.4	-4.9	-	-	-3.9	-32.2
Interest									
Agriculture									
Drought Concessional Loans Scheme	-1.0	-4.1	-1.9	..	-0.2	-1.0	-	-	-8.3
Drought Recovery Loans Scheme	-0.5	-1.0	-0.6	-	-0.2	-0.1	-	-	-2.3
Farm Finance Concessional Loans Scheme	..	-0.0	-	..	..	-	-	-	-0.1
National Water Infrastructure Loan Facility(a)	-	-	-	-	-	-	-	-	-
Asbestos removal in the Australian Capital Territory	-	-	-	-	-	-	-	-	-

(a) State allocations are yet to be finalised.

Table A.12: Other financial flows — estimated advances, repayment of advances and interest payments, by year and state (continued)

\$million 2021-22	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Environment									
Northern Territory – water and sewerage assistance	-	-	-	-	-	-	-	-0.5	-0.5
Housing									
Commonwealth-State Housing									
Agreement loans	-16.6	-	-4.9	-4.6	-1.3	-	-	-0.9	-28.3
Housing for service personnel	-1.4	-	-0.8	-0.1	-0.1	-	-	-	-2.3
Other housing	-	-	-	-	-	-	-4.4	-1.8	-6.2
Loan to New South Wales to assist beneficiaries of the Asbestos Injuries Compensation Fund	-2.2	-	-	-	-	-	-	-	-2.2
Natural disaster relief	-0.1	-	-0.3	-	-	..	-	-	-0.4
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-0.1	-	-0.1
Loan Council – housing nominations	-15.0	-	-5.4	-9.1	-6.6	-	-	-5.3	-41.4
Net Financial Flow(a)	-98.9	-23.9	-67.6	-35.3	-20.2	-1.9	-13.5	-17.4	-78.6

(a) Total payments may not equal the sum of state totals.

**Table A.12: Other financial flows — estimated advances, repayment of advances and interest payments, by year and state
(continued)**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2022-23									
Advances									
Agriculture									
Drought Concessional Loans Scheme	-	-	-	-	-	-	-	-	-
National Water Infrastructure Loan Facility(a)	~	~	~	~	~	~	~	~	400.0
Loan to New South Wales to assist beneficiaries of the Asbestos Injuries Compensation Fund	-	-	-	-	-	-	-	-	-
Natural disaster relief	-	-	-	-	-	..	-	-	..
Repayments									
Agriculture									
Drought Concessional Loans Scheme	-0.1	-5.6	-3.4	-	-	-1.3	-	-	-10.4
Drought Recovery Loans Scheme	-2.1	-4.6	-2.1	-	-0.7	-0.2	-	-	-9.7
Farm Finance Concessional Loans Scheme	-	-	-	-	-	-	-	-	-
National Water Infrastructure Loan Facility	-	-	-	-	-	-	-	-	-
Asbestos removal in the Australian Capital Territory	-	-	-	-	-	-	-	-	-

(a) State allocations are yet to be finalised.

Table A.12: Other financial flows — estimated advances, repayment of advances and interest payments, by year and state (continued)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2022-23									
Environment									
Northern Territory – water and sewerage assistance	-	-	-	-	-	-	-	-0.1	-0.1
Housing									
Commonwealth-State Housing									
Agreement loans	-36.2	-	-10.3	-9.7	-3.7	-	-	-1.1	-61.1
Housing for service personnel	-2.4	-	-1.3	-0.3	-0.1	-	-	-	-4.1
Other housing	-	-	-	-	-	-	-8.4	-3.9	-12.3
Natural disaster relief	-4.3	-	-12.5	-	-	-0.2	-	-	-16.9
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-0.6	-	-0.6
Loan Council – housing nominations	-12.2	-	-4.5	-7.8	-5.1	-	-	-4.1	-33.6
Interest									
Agriculture									
Drought Concessional Loans Scheme	-0.9	-3.8	-1.6	-	-0.2	-1.0	-	-	-7.5
Drought Recovery Loans Scheme	-0.5	-1.0	-0.5	-	-0.2	-0.1	-	-	-2.3
Farm Finance Concessional Loans Scheme	-	-	-	-	-	-	-	-	-
National Water Infrastructure Loan Facility(a)	-	-	-	-	-	-	-	-	-
Asbestos removal in the									
Australian Capital Territory	-	-	-	-	-	-	-	-	-

(a) State allocations are yet to be finalised.

Table A.12: Other financial flows — estimated advances, repayment of advances and interest payments, by year and state (continued)

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
\$million									
2022-23									
Environment									
Northern Territory – water and sewerage assistance	-	-	-	-	-	-	-	-0.5	-0.5
Housing									
Commonwealth-State Housing									
Agreement loans	-15.0	-	-4.4	-4.2	-1.1	-	-	-0.9	-25.5
Housing for service personnel	-1.3	-	-0.7	-0.1	-0.1	-	-	-	-2.1
Other housing	-	-	-	-	-	-	-4.0	-1.6	-5.7
Loan to New South Wales to assist beneficiaries of the Asbestos Injuries Compensation Fund	-2.2	-	-	-	-	-	-	-	-2.2
Natural disaster relief	..	-	-0.2	-	-	..	-	-	-0.2
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-0.1	-	-0.1
Loan Council – housing nominations	-14.5	-	-5.2	-8.8	-6.4	-	-	-5.1	-40.0
Net Financial Flow(a)	-91.7	-15.0	-46.7	-30.9	-17.5	-2.7	-13.0	-17.4	165.0

(a) Total payments may not equal the sum of state totals.

Appendix D: Tax Benchmarks and Variations Statement

This appendix provides information on Australian Government tax benchmarks and variations, as required by Section 12 of the *Charter of Budget Honesty Act 1998 (CBHA)*.

Tax benchmarks represent a standard taxation treatment that applies to similar taxpayers or types of activity. Certain tax exemptions, deductions or offsets may apply a different taxation treatment to the tax benchmark and can give rise to a positive or negative variation from the benchmark.

The choice of tax benchmark unavoidably involves judgment and may be contentious in some cases. The tax benchmark should not be interpreted as an indication of the way an activity or taxpayer ought to be taxed.

A tax variation arises when there is a difference in revenue between the actual and benchmark treatments. This is known as the 'revenue forgone' approach and importantly, this approach assumes that taxpayer behaviour is the same in each circumstance.

As a result, revenue forgone estimates do not indicate the revenue gain to the budget if specific tax benchmark variations were abolished through policy change as there may be significant changes in taxpayer behaviour were the variations removed.

Care needs to be taken when comparing benchmark variations with direct expenditure as they may measure different things. In addition, estimates from different editions of the Tax Benchmarks and Variations Statement (previously the Tax Expenditures Statement or TES) may not be comparable. This is due to, for example, changes or modifications to tax benchmarks, individual benchmark variations or data used.

The CBHA also requires the publication of an annual report. The 2018 Tax Benchmarks and Variations Statement was published in January 2019 and provides a detailed description of Australian Government benchmarks and benchmark variations and, where possible, the estimated value or order of magnitude of each benchmark variation.

The information in Table D1 is derived from the 2018 Tax Benchmarks and Variations Statement and, consistent with longstanding practice, does not include the impact of decisions taken since the 2018-19 MYEFO. Further information on benchmarks and variations will be available in future Tax Benchmarks and Variations Statements.

Appendix D: Tax Benchmarks and Variations Statement

Table D1: Estimates of large measured benchmark variations

		Estimate \$m			
		2019-20	2020-21	2021-22	2022-23
Benchmark variations					
Large positive benchmark variations					
E7	Main residence exemption - discount component	35,000	36,000	37,500	40,000
E6	Main residence exemption	29,500	31,000	32,000	33,500
C4	Concessional taxation of superannuation entity earnings	20,150	21,100	22,650	23,650
C2	Concessional taxation of employer superannuation contributions	19,100	20,450	22,700	23,350
E14	Discount for individuals and trusts	9,310	9,370	9,430	9,500
H26	Food	7,500	7,800	8,100	8,400
H14	Education	5,050	5,400	5,800	6,200
H17	Health - medical and health services	4,550	4,850	5,150	5,450
H2	Financial supplies - input taxed treatment	3,850	4,150	4,400	4,750
A26	Exemption for National Disability Insurance Scheme amounts	2,550	3,020	3,320	3,600
B2	Local government bodies income tax exemption	2,450	2,790	3,170	3,610
B12	Exemption from interest withholding tax on certain securities	2,360	2,360	2,360	2,360
A24	Concessional taxation of non-superannuation termination benefits	2,200	2,100	2,000	1,900
C6	Deductibility of life and total permanent disability insurance premiums provided inside of superannuation	2,180	2,460	2,870	3,200
A19	Medicare levy exemption for residents with taxable income below the low-income thresholds	1,990	2,015	2,045	2,075
A40	Exemption of Family Tax Benefit payments	1,960	1,980	2,000	1,970
B52	Lower company tax rate	1,900	3,400	4,100	4,000
A27	Exemption of Child Care Assistance payments	1,825	1,920	2,045	2,015
C1	Concessional taxation of capital gains for superannuation funds	1,800	1,950	2,150	2,250
D10	Exemption for public and not-for-profit hospitals and public ambulance services	1,800	1,900	2,000	2,000
D14	Exemption for public benevolent institutions (excluding hospitals)	1,800	1,900	2,000	2,000
H5	Child care services	1,680	1,790	1,920	2,070
A17	Exemption of the Private Health Insurance Rebate	1,540	1,590	1,650	1,710
A57	Philanthropy - deduction for gifts to deductible gift recipients	1,510	1,610	1,715	1,825
C3	Concessional taxation of personal superannuation contributions	1,400	1,650	1,750	1,950
F7	Concessional rate of excise levied on aviation gasoline and aviation turbine fuel	1,400	1,430	1,500	1,540
H18	Health - residential care, community care and other care services	1,270	1,350	1,440	1,530
A39	Exemption of certain income support benefits, pensions or allowances	1,170	1,180	1,190	1,190
H6	Water, sewerage and drainage	1,150	1,210	1,280	1,350
B73	Capital works expenditure deduction	1,150	1,230	1,320	1,410
E30	Small business 50 per cent reduction	1,090	1,170	1,250	1,340
Large negative benchmark variations					
F22	Customs duty	-1,460	-1,290	-1,130	-920
F11	Higher rate of excise levied on cigarettes not exceeding 0.8 grams of tobacco	-2,920	-3,130	-3,290	-3,460

Appendix E: 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:

- As a result of the new accounting standard AASB 16 *Leases*, the distinction between operating and finance leases for lessees has been removed. This has a number of implications for the budget aggregates, in particular net debt and net financial worth. Also, to maintain consistency in the measurement of the underlying cash balance, the principal payments on lease liabilities which are recognised as cash flows from financing activities have been included in the calculation following the implementation of AASB 16. This standard change impacts 2019-20 onwards.

Appendix E: Historical Australian Government data

- 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.¹⁵ 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 are 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 have been made in arrangements for transfer payments, where tax concessions or rebates are 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 reduce both cash payments and receipts.
- Classification differences in the data relating to the period prior to 1976-77 mean 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

¹⁵ Prior to the 2008-09 Budget, cash data calculated under the cash accounting framework were used up to and including 1998-99. In the 2008-09 Budget, cash data prior to 1998-99 have been replaced by ABS data derived from the accrual framework.

Appendix E: Historical Australian Government data

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).

There have been no material classification changes that have resulted in back-casting in this update.

Table E1: Australian Government general government sector receipts, payments, net Future Fund earnings and underlying cash balance^(a)

	Receipts(b)		Payments(c)			Net Future Fund earnings	Underlying cash balance(d)	
	Per cent		Per cent real growth(f)	Per cent of GDP	Per cent of GDP	\$m	Per cent	
	\$m	of GDP					\$m	\$m	of GDP
1970-71	8,290	20.6	7,389	na	18.3	-	901	2.2
1971-72	9,135	20.5	8,249	4.1	18.5	-	886	2.0
1972-73	9,735	19.6	9,388	7.7	18.9	-	348	0.7
1973-74	12,228	20.3	11,078	4.2	18.4	-	1,150	1.9
1974-75	15,643	22.0	15,463	19.9	21.7	-	181	0.3
1975-76	18,727	22.5	20,225	15.7	24.3	-	-1,499	-1.8
1976-77	21,890	22.8	23,157	0.6	24.1	-	-1,266	-1.3
1977-78	24,019	22.9	26,057	2.7	24.8	-	-2,037	-1.9
1978-79	26,129	22.0	28,272	0.3	23.8	-	-2,142	-1.8
1979-80	30,321	22.6	31,642	1.5	23.5	-	-1,322	-1.0
1980-81	35,993	23.7	36,176	4.6	23.8	-	-184	-0.1
1981-82	41,499	23.6	41,151	2.9	23.4	-	348	0.2
1982-83	45,463	24.0	48,810	6.3	25.8	-	-3,348	-1.8
1983-84	49,981	23.4	56,990	9.4	26.7	-	-7,008	-3.3
1984-85	58,817	25.0	64,853	9.1	27.6	-	-6,037	-2.6
1985-86	66,206	25.4	71,328	1.5	27.4	-	-5,122	-2.0
1986-87	74,724	26.2	77,158	-1.1	27.0	-	-2,434	-0.9
1987-88	83,491	25.8	82,039	-0.9	25.3	-	1,452	0.4
1988-89	90,748	24.7	85,326	-3.1	23.2	-	5,421	1.5
1989-90	98,625	24.4	92,684	0.6	22.9	-	5,942	1.5
1990-91	100,227	24.2	100,665	3.1	24.3	-	-438	-0.1
1991-92	95,840	22.7	108,472	5.7	25.7	-	-12,631	-3.0
1992-93	97,633	22.0	115,751	5.6	26.1	-	-18,118	-4.1
1993-94	103,824	22.3	122,009	3.5	26.2	-	-18,185	-3.9
1994-95	113,458	22.9	127,619	1.4	25.8	-	-14,160	-2.9
1995-96	124,429	23.6	135,538	1.9	25.7	-	-11,109	-2.1
1996-97	133,592	24.1	139,689	1.7	25.2	-	-6,099	-1.1
1997-98	140,736	23.9	140,587	0.6	23.9	-	149	0.0
1998-99	152,063	24.5	148,175	4.1	23.9	-	3,889	0.6
1999-00	166,199	25.1	153,192	1.0	23.2	-	13,007	2.0
2000-01	182,996	26.0	177,123	9.1	25.1	-	5,872	0.8
2001-02	187,588	24.9	188,655	3.5	25.0	-	-1,067	-0.1
2002-03	204,613	25.5	197,243	1.4	24.6	-	7,370	0.9
2003-04	217,775	25.3	209,785	3.9	24.4	-	7,990	0.9
2004-05	235,984	25.6	222,407	3.5	24.1	-	13,577	1.5
2005-06	255,943	25.7	240,136	4.6	24.1	51	15,757	1.6
2006-07	272,637	25.1	253,321	2.5	23.3	2,127	17,190	1.6
2007-08	294,917	25.0	271,843	3.8	23.1	3,319	19,754	1.7
2008-09	292,600	23.2	316,046	12.7	25.1	3,566	-27,013	-2.1
2009-10	284,662	21.9	336,900	4.2	25.9	2,256	-54,494	-4.2

Table E1: 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)	
	Per cent		Per cent real growth(f)	Per cent of GDP	Per cent of GDP	\$m	Per cent	
	\$m	of GDP					\$m	\$m	of GDP
2010-11	302,024	21.3	346,102	-0.4	24.4	3,385	-47,463	-3.4
2011-12	329,874	22.0	371,032	4.8	24.7	2,203	-43,360	-2.9
2012-13	351,052	22.9	367,204	-3.2	23.9	2,682	-18,834	-1.2
2013-14	360,322	22.5	406,430	7.8	25.4	2,348	-48,456	-3.0
2014-15	378,301	23.3	412,079	-0.3	25.4	4,089	-37,867	-2.3
2015-16	386,924	23.3	423,328	1.3	25.5	3,202	-39,606	-2.4
2016-17	409,868	23.2	439,375	2.0	24.9	3,644	-33,151	-1.9
2017-18	446,905	24.2	452,742	1.1	24.5	4,305	-10,141	-0.5
2018-19	485,286	24.9	478,098	3.9	24.5	7,878	-690	0.0
2019-20 (e)	502,472	25.0	491,976	1.0	24.5	5,468	5,028	0.3
2020-21 (e)	516,598	25.1	510,544	1.5	24.8	na	6,054	0.3
2021-22 (p)	539,245	25.0	530,894	1.7	24.6	na	8,351	0.4
2022-23 (p)	554,843	24.6	550,799	1.2	24.4	na	4,044	0.2

(a) Data have been revised in the 2019-20 MYEFO 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 cash flows from financing activities for leases.

(d) Between 2005-06 and 2019-20, the underlying cash balance is equal to receipts less payments, less net Future Fund earnings. For the years 1970-71 to 2004-05 and from 2020-21 onwards, the underlying cash balance is equal to receipts less payments.

(e) Estimates.

(f) Real spending growth is calculated using the Consumer Price Index as the deflator.

(p) Projections.

Table E2: 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	-2.5	-3,539	-4.3
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	0.7
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	-2.6
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	-4.3

Table E2: Australian Government general government sector net cash flows from investments in financial assets for policy purposes and headline cash balance^(a) (continued)

			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	
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	-3.1
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
2014-15	378,301	412,079	-5,158	-0.3	-38,936	-2.4
2015-16	386,924	423,328	-12,684	-0.8	-49,088	-3.0
2016-17	409,868	439,375	-13,501	-0.8	-43,008	-2.4
2017-18	446,905	452,742	-20,041	-1.1	-25,878	-1.4
2018-19	485,286	478,098	-14,387	-0.7	-7,199	-0.4
2019-20 (e)	502,472	491,976	-13,336	-0.7	-2,841	-0.1
2020-21 (e)	516,598	510,544	-8,555	-0.4	-2,501	-0.1
2021-22 (p)	539,245	530,894	-9,733	-0.5	-1,383	-0.1
2022-23 (p)	554,843	550,799	-10,622	-0.5	-6,578	-0.3

(a) Data have been revised in the 2019-20 MYEFO 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. Receipts and payments are identical to Table E1.

(e) Estimates.

(p) Projections.

Table E3: Australian Government general government sector taxation receipts, non-taxation receipts and total receipts^(a)

	Taxation receipts		Non-taxation receipts		Total receipts(b)	
		Per cent		Per cent		Per cent
	\$m	of GDP	\$m	of GDP	\$m	of GDP
1970-71	7,193	17.8	1,097	2.7	8,290	20.6
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	19.6
1973-74	10,832	18.0	1,396	2.3	12,228	20.3
1974-75	14,141	19.9	1,502	2.1	15,643	22.0
1975-76	16,920	20.3	1,807	2.2	18,727	22.5
1976-77	19,714	20.5	2,176	2.3	21,890	22.8
1977-78	21,428	20.4	2,591	2.5	24,019	22.9
1978-79	23,409	19.7	2,720	2.3	26,129	22.0
1979-80	27,473	20.4	2,848	2.1	30,321	22.6
1980-81	32,641	21.5	3,352	2.2	35,993	23.7
1981-82	37,880	21.6	3,619	2.1	41,499	23.6
1982-83	41,025	21.7	4,438	2.3	45,463	24.0
1983-84	44,849	21.0	5,132	2.4	49,981	23.4
1984-85	52,970	22.5	5,847	2.5	58,817	25.0
1985-86	58,841	22.6	7,365	2.8	66,206	25.4
1986-87	66,467	23.3	8,257	2.9	74,724	26.2
1987-88	75,076	23.2	8,415	2.6	83,491	25.8
1988-89	83,452	22.7	7,296	2.0	90,748	24.7
1989-90	90,773	22.5	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	20.7	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	22.3
1994-95	104,921	21.2	8,537	1.7	113,458	22.9
1995-96	115,700	21.9	8,729	1.7	124,429	23.6
1996-97	124,559	22.4	9,033	1.6	133,592	24.1
1997-98	130,984	22.3	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	24.2	12,641	1.8	182,996	26.0
2001-02	175,371	23.3	12,218	1.6	187,588	24.9
2002-03	192,391	24.0	12,222	1.5	204,613	25.5
2003-04	206,734	24.0	11,041	1.3	217,775	25.3
2004-05	223,986	24.3	11,999	1.3	235,984	25.6
2005-06	241,987	24.3	13,956	1.4	255,943	25.7
2006-07	258,252	23.8	14,385	1.3	272,637	25.1
2007-08	279,317	23.7	15,600	1.3	294,917	25.0
2008-09	273,674	21.7	18,926	1.5	292,600	23.2
2009-10	262,167	20.1	22,495	1.7	284,662	21.9

Table E3: Australian Government general government sector taxation receipts, non-taxation receipts and total receipts^(a) (continued)

	Taxation receipts		Non-taxation receipts		Total receipts ^(b)	
	\$m	Per cent of GDP	\$m	Per cent of GDP	\$m	Per cent of GDP
2010-11	282,106	19.9	19,918	1.4	302,024	21.3
2011-12	311,269	20.8	18,606	1.2	329,874	22.0
2012-13	327,835	21.3	23,218	1.5	351,052	22.9
2013-14	340,283	21.3	20,038	1.3	360,322	22.5
2014-15	353,883	21.8	24,418	1.5	378,301	23.3
2015-16	362,387	21.8	24,537	1.5	386,924	23.3
2016-17	379,271	21.5	30,597	1.7	409,868	23.2
2017-18	418,053	22.6	28,853	1.6	446,905	24.2
2018-19	448,579	23.0	36,707	1.9	485,286	24.9
2019-20 (e)	463,791	23.1	38,680	1.9	502,472	25.0
2020-21 (e)	479,797	23.3	36,801	1.8	516,598	25.1
2021-22 (p)	503,427	23.4	35,818	1.7	539,245	25.0
2022-23 (p)	517,705	22.9	37,139	1.6	554,843	24.6

(a) Data have been revised in the 2019-20 MYEFO to improve accuracy and comparability through time.

(b) Receipts are equal to receipts from operating activities and sales of non-financial assets. Receipts are identical to Table E1.

(e) Estimates.

(p) Projections.

Table E4: Australian Government general government sector net debt and net interest payments^(a)

	Net debt(b)		Net interest payments(c)	
	\$m	Per cent of GDP	\$m	Per cent of GDP
1970-71	344	0.9	-189	-0.5
1971-72	-496	-1.1	-245	-0.6
1972-73	-790	-1.6	-252	-0.5
1973-74	-1,851	-3.1	-286	-0.5
1974-75	-1,901	-2.7	-242	-0.3
1975-76	-341	-0.4	-330	-0.4
1976-77	898	0.9	-62	-0.1
1977-78	2,896	2.8	4	0.0
1978-79	4,983	4.2	254	0.2
1979-80	6,244	4.6	440	0.3
1980-81	6,356	4.2	620	0.4
1981-82	5,919	3.4	680	0.4
1982-83	9,151	4.8	896	0.5
1983-84	16,015	7.5	1,621	0.8
1984-85	21,896	9.3	2,813	1.2
1985-86	26,889	10.3	3,952	1.5
1986-87	29,136	10.2	4,762	1.7
1987-88	27,344	8.4	4,503	1.4
1988-89	21,981	6.0	4,475	1.2
1989-90	16,123	4.0	4,549	1.1
1990-91	16,915	4.1	3,636	0.9
1991-92	31,041	7.3	3,810	0.9
1992-93	55,218	12.5	3,986	0.9
1993-94	70,223	15.1	5,628	1.2
1994-95	83,492	16.9	7,292	1.5
1995-96	95,831	18.2	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	57,661	8.7	7,514	1.1
2000-01	46,802	6.6	6,195	0.9
2001-02	42,263	5.6	5,352	0.7
2002-03	33,403	4.2	3,758	0.5
2003-04	26,995	3.1	3,040	0.4
2004-05	15,604	1.7	2,502	0.3
2005-06	331	0.0	2,303	0.2
2006-07	-24,288	-2.2	228	0.0
2007-08	-39,958	-3.4	-1,015	-0.1
2008-09	-11,285	-0.9	-1,196	-0.1
2009-10	47,874	3.7	2,386	0.2

Table E4: Australian Government general government sector net debt and net interest payments^(a) (continued)

	Net debt ^(b)		Net interest payments ^(c)	
	\$m	Per cent of GDP	\$m	Per cent of GDP
2010-11	90,660	6.4	4,608	0.3
2011-12	153,443	10.2	6,609	0.4
2012-13	159,594	10.4	8,285	0.5
2013-14	209,559	13.1	10,843	0.7
2014-15	245,817	15.1	10,868	0.7
2015-16	303,467	18.3	12,041	0.7
2016-17	322,320	18.3	12,365	0.7
2017-18	341,961	18.5	13,135	0.7
2018-19	373,566	19.2	15,149	0.8
2019-20 (e)	392,305	19.5	11,430	0.6
2020-21 (e)	379,216	18.4	9,843	0.5
2021-22 (p)	364,503	16.9	8,965	0.4
2022-23 (p)	360,817	16.0	7,893	0.3

(a) Data have been revised in the 2019-20 MYEFO to improve accuracy and comparability through time.

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

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

(e) Estimates.

(p) Projections.

Table E5: Australian Government general government sector face value of Australian Government Securities (AGS)^(a) on issue and interest paid^(b)

	Face value of AGS on issue(c)					
	Total AGS on issue(d)		Subject to Treasurer's Direction(f)		Interest paid(g)	
	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	24.6	-	-	675	1.4
1973-74	12,809	21.3	-	-	712	1.2
1974-75	14,785	20.8	-	-	893	1.3
1975-76	17,940	21.6	-	-	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	23.2	-	-	5,952	2.5
1985-86	63,089	24.2	-	-	7,394	2.8
1986-87	67,172	23.5	-	-	8,339	2.9
1987-88	62,794	19.4	-	-	8,139	2.5
1988-89	56,854	15.5	-	-	8,222	2.2
1989-90	48,399	12.0	-	-	8,064	2.0
1990-91	48,723	11.8	-	-	6,994	1.7
1991-92	58,826	13.9	-	-	6,819	1.6
1992-93	76,509	17.3	-	-	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	20.9	-	-	10,325	2.0
1996-97	111,067	20.0	-	-	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	7.5	3,970	0.3
2009-10	147,133	11.3	141,806	10.9	6,411	0.5

Table E5: Australian Government general government sector face value of Australian Government Securities (AGS)^(a) on issue and interest paid^(b) (continued)

	Face value of AGS on issue(c)					
	Total AGS on issue(d)		Subject to Treasurer's Direction(f)		Interest paid(g)	
	End of year \$m	Per cent of GDP	End of year \$m	Per cent of GDP	\$m	Per cent of GDP
2010-11	191,292	13.5	186,704	13.2	9,551	0.7
2011-12	233,976	15.6	229,389	15.3	10,875	0.7
2012-13	257,378	16.8	252,791	16.5	11,846	0.8
2013-14	319,487	20.0	316,952	19.8	13,972	0.9
2014-15	368,738	22.7	366,202	22.5	13,924	0.9
2015-16	420,420	25.3	417,936	25.2	14,977	0.9
2016-17	500,979	28.4	498,510	28.3	15,290	0.9
2017-18	531,937	28.8	529,467	28.6	16,568	0.9
2018-19	541,992	27.8	541,986	27.8	18,951	1.0
2019-20 (e)	556,000	27.7	556,000	27.7	16,564	0.8
2020-21 (e)	558,000	27.1	558,000	27.1	15,903	0.8
2021-22 (p)	576,000	26.7	576,000	26.7	15,341	0.7
2022-23 (p)	576,000	25.5	576,000	25.5	14,525	0.6

(a) Referred to as Commonwealth Government Securities prior to the 2019-20 Budget.

(b) Data have been revised in the 2019-20 MYEFO to improve accuracy and comparability through time.

(c) From 2019-20 onwards, data for AGS on issue are projections and are rounded to the nearest \$1 billion.

(d) Total AGS on issue includes AGS held on behalf of the states and the Northern Territory, but excludes Commonwealth holdings of AGS.

(e) Estimates.

(f) The face value of AGS 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. Data on AGS on issue subject to the Treasurer's Direction are not available prior to 2008-09 because the limit was first introduced in July 2008.

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

(p) Projections.

Table E6: Australian Government general government sector revenue, expenses, net operating balance, net operating balance, net capital investment and fiscal balance^(a)

	Revenue		Expenses		Net operating balance ^(b)		Net capital investment		Fiscal balance ^(c)	
	\$m	Per cent of GDP	\$m	Per cent of GDP	\$m	Per cent of GDP	\$m	Per cent of GDP	\$m	Per cent of GDP
1996-97	141,688	25.5	145,821	26.3	-4,133	-0.7	90	0.0	-4,223	-0.8
1997-98	146,820	25.0	148,652	25.3	-1,832	-0.3	147	0.0	-1,979	-0.3
1998-99	152,106	24.5	146,772	23.7	5,334	0.9	1,433	0.2	3,901	0.6
1999-00	167,304	25.3	155,558	23.5	11,746	1.8	-69	0.0	11,815	1.8
2000-01	186,106	26.4	180,090	25.5	6,016	0.9	8	0.0	6,007	0.9
2001-02	190,432	25.2	192,984	25.6	-2,553	-0.3	382	0.1	-2,935	-0.4
2002-03	206,778	25.8	201,113	25.1	5,665	0.7	287	0.0	5,377	0.7
2003-04	222,042	25.8	215,235	25.0	6,808	0.8	660	0.1	6,148	0.7
2004-05	242,354	26.3	229,092	24.8	13,261	1.4	1,034	0.1	12,228	1.3
2005-06	260,569	26.2	241,665	24.3	18,904	1.9	2,498	0.3	16,406	1.6
2006-07	277,895	25.6	258,761	23.8	19,134	1.8	2,333	0.2	16,801	1.5
2007-08	303,402	25.8	279,862	23.8	23,540	2.0	2,593	0.2	20,948	1.8
2008-09	298,508	23.7	324,387	25.7	-25,879	-2.1	4,064	0.3	-29,943	-2.4
2009-10	292,387	22.5	339,829	26.1	-47,442	-3.6	6,433	0.5	-53,875	-4.1
2010-11	309,204	21.8	356,084	25.1	-46,880	-3.3	5,297	0.4	-52,176	-3.7
2011-12	337,324	22.5	377,220	25.2	-39,896	-2.7	4,850	0.3	-44,746	-3.0
2012-13	359,496	23.4	382,397	24.9	-22,901	-1.5	987	0.1	-23,888	-1.6
2013-14	374,151	23.4	414,500	25.9	-40,349	-2.5	3,850	0.2	-44,198	-2.8
2014-15	379,455	23.4	417,514	25.7	-38,059	-2.3	2,706	0.2	-40,764	-2.5
2015-16	395,055	23.8	428,691	25.8	-33,636	-2.0	3,829	0.2	-37,464	-2.3
2016-17	415,723	23.6	447,807	25.4	-32,084	-1.8	2,876	0.2	-34,960	-2.0
2017-18	456,280	24.7	460,282	24.9	-4,001	-0.2	1,284	0.1	-5,285	-0.3
2018-19	493,346	25.3	484,653	24.9	8,692	0.4	6,126	0.3	2,566	0.1
2019-20 (e)	511,148	25.4	503,180	25.0	7,968	0.4	4,161	0.2	3,807	0.2
2020-21 (e)	527,267	25.6	515,123	25.0	12,144	0.6	6,309	0.3	5,835	0.3
2021-22 (p)	551,662	25.6	533,833	24.8	17,828	0.8	8,168	0.4	9,660	0.4
2022-23 (p)	567,195	25.1	555,589	24.6	11,606	0.5	8,695	0.4	2,911	0.1

(a) Data have been revised in the 2019-20 MYEFO to improve accuracy and comparability through time.

(b) Net operating balance is equal to revenue less expenses.

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

(e) Estimates.

(p) Projections.

Table E7: 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	-10,424	-1.6	-70,414	-10.7
2000-01	-10,287	-1.5	-75,544	-10.7
2001-02	-15,330	-2.0	-81,707	-10.8
2002-03	-18,856	-2.4	-86,456	-10.8
2003-04	-4,740	-0.6	-75,976	-8.8
2004-05	11,066	1.2	-62,372	-6.8
2005-06	14,293	1.4	-63,442	-6.4
2006-07	42,677	3.9	-39,370	-3.6
2007-08	67,122	5.7	-18,428	-1.6
2008-09	15,452	1.2	-75,465	-6.0
2009-10	-50,383	-3.9	-148,930	-11.4
2010-11	-100,504	-7.1	-203,904	-14.4
2011-12	-252,046	-16.8	-360,672	-24.1
2012-13	-207,769	-13.5	-317,843	-20.7
2013-14	-261,596	-16.4	-375,882	-23.5
2014-15	-308,390	-19.0	-427,169	-26.3
2015-16	-423,674	-25.5	-548,028	-33.0
2016-17	-390,897	-22.2	-529,225	-30.0
2017-18	-418,135	-22.6	-562,183	-30.4
2018-19	-543,459	-27.9	-694,448	-35.7
2019-20 (e)	-346,042	-17.2	-518,845	-25.8
2020-21 (e)	-329,556	-16.0	-508,287	-24.7
2021-22 (p)	-308,446	-14.3	-494,423	-23.0
2022-23 (p)	-294,223	-13.0	-487,830	-21.6

(a) Data have been revised in the 2019-20 MYEFO to improve accuracy and comparability through time.

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

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

(e) Estimates.

(p) Projections.

Table E8: 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	153,409	23.2	13,895	2.1	167,304	25.3
2000-01	175,876	24.9	10,229	1.5	186,106	26.4
2001-02	178,410	23.7	12,022	1.6	190,432	25.2
2002-03	195,319	24.4	11,458	1.4	206,778	25.8
2003-04	210,541	24.5	11,501	1.3	222,042	25.8
2004-05	230,490	25.0	11,863	1.3	242,354	26.3
2005-06	245,846	24.7	14,723	1.5	260,569	26.2
2006-07	262,876	24.2	15,019	1.4	277,895	25.6
2007-08	286,869	24.4	16,534	1.4	303,402	25.8
2008-09	279,303	22.2	19,206	1.5	298,508	23.7
2009-10	268,841	20.7	23,546	1.8	292,387	22.5
2010-11	289,566	20.4	19,639	1.4	309,204	21.8
2011-12	317,413	21.2	19,911	1.3	337,324	22.5
2012-13	338,106	22.0	21,390	1.4	359,496	23.4
2013-14	353,239	22.1	20,912	1.3	374,151	23.4
2014-15	356,321	21.9	23,134	1.4	379,455	23.4
2015-16	369,410	22.2	25,645	1.5	395,055	23.8
2016-17	388,641	22.0	27,082	1.5	415,723	23.6
2017-18	427,183	23.1	29,097	1.6	456,280	24.7
2018-19	456,072	23.4	37,274	1.9	493,346	25.3
2019-20 (e)	472,815	23.5	38,333	1.9	511,148	25.4
2020-21 (e)	490,036	23.8	37,231	1.8	527,267	25.6
2021-22 (p)	514,392	23.9	37,270	1.7	551,662	25.6
2022-23 (p)	528,932	23.4	38,263	1.7	567,195	25.1

(a) Data have been revised in the 2019-20 MYEFO to improve accuracy and comparability through time.

(e) Estimates.

(p) Projections.

Table E9: 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)	Cash surplus	Receipts(b)	Payments(f)	Cash surplus	Receipts(b)	Payments(f)	Cash surplus	Receipts(b)	Payments(f)	Cash surplus
1988-89	90,748	85,326	5,421	257	4,177	6,035	257	93,923	90,312	5,678	93,923	90,312	5,678
1989-90	98,625	92,684	5,942	-5,261	3,926	11,322	-5,261	101,495	102,883	681	101,495	102,883	681
1990-91	100,227	100,665	-438	-2,139	4,804	9,351	-2,139	103,837	108,808	-2,577	103,837	108,808	-2,577
1991-92	95,840	108,472	-12,631	101	3,899	7,713	101	97,937	114,369	-12,530	97,937	114,369	-12,530
1992-93	97,633	115,751	-18,118	-196	4,385	7,819	-196	100,512	122,042	-18,314	100,512	122,042	-18,314
1993-94	103,824	122,009	-18,185	1,482	5,178	6,476	1,482	106,747	126,214	-16,703	106,747	126,214	-16,703
1994-95	113,458	127,619	-14,160	1,956	5,262	7,318	1,956	116,751	132,965	-12,204	116,751	132,965	-12,204
1995-96	124,429	135,538	-11,109	-527	4,927	8,190	-527	126,593	140,963	-11,636	126,593	140,963	-11,636
1996-97	133,592	139,689	-6,099	473	4,782	7,373	473	135,259	143,948	-5,626	135,259	143,948	-5,626
1997-98	140,736	140,587	149	1,119	6,238	7,923	1,119	144,517	145,985	1,268	144,517	145,985	1,268
1998-99	152,063	148,175	3,889	-353	na	na	-353	na	na	3,536	na	na	3,536
1999-00	166,199	153,192	13,007	-2,594	na	na	-2,594	na	na	10,413	na	na	10,413
2000-01	182,996	177,123	5,872	391	na	na	391	na	na	6,323	na	na	6,323
2001-02	187,588	188,655	-1,067	1,210	na	na	1,210	na	na	65	na	na	65
2002-03	204,613	197,243	7,370	1,280	27,386	26,105	1,280	na	na	8,651	na	na	8,651
2003-04	217,775	209,785	7,990	1,575	27,718	26,142	1,575	238,236	228,664	9,569	238,236	228,664	9,569
2004-05	235,984	222,407	13,577	1,550	29,621	28,071	1,550	257,946	242,805	15,141	257,946	242,805	15,141
2005-06	255,943	240,136	15,757	-999	30,875	31,874	-999	278,254	263,421	14,833	278,254	263,421	14,833
2006-07	272,637	253,321	17,190	-1,759	16,882	18,641	-1,759	285,336	267,719	17,625	285,336	267,719	17,625
2007-08	294,917	271,843	19,754	-472	7,758	8,231	-472	300,503	277,754	22,800	300,503	277,754	22,800
2008-09	292,600	316,046	-27,013	-973	7,987	8,960	-973	297,421	321,275	-23,786	297,421	321,275	-23,786
2009-10	284,662	336,900	-54,494	-922	8,419	9,341	-922	290,681	343,816	-52,879	290,681	343,816	-52,879

Table E9: Australian Government cash receipts, payments and surplus by institutional sector (\$m)^(a) (continued)

	General government			Public non-financial corporations			Non-financial public sector		
	Receipts(b)	Payments(c)	Underlying cash balance(d)	Receipts(b)	Payments(f)	Cash surplus	Receipts(b)	Payments(f)	Cash surplus
2010-11	302,024	346,102	-47,463	8,558	9,733	-1,175	308,258	353,452	-44,911
2011-12	329,874	371,032	-43,360	8,845	10,847	-2,002	336,122	379,266	-42,763
2012-13	351,052	367,204	-18,834	9,766	13,061	-3,294	358,088	377,221	-19,133
2013-14	360,322	406,430	-48,456	11,042	14,246	-3,204	368,521	417,248	-48,726
2014-15	378,301	412,079	-37,867	11,256	15,136	-3,880	386,643	424,229	-37,586
2015-16	386,924	423,328	-39,606	11,606	17,753	-6,147	395,842	438,228	-42,386
2016-17	409,868	439,375	-33,151	12,406	19,543	-7,138	419,433	456,020	-36,587
2017-18	446,905	452,742	-10,141	14,195	22,348	-8,153	457,604	471,451	-13,846
2018-19	485,286	478,098	-690	17,909	-26,608	-8,699	498,767	500,276	-1,510
2019-20 (e)	502,472	491,976	5,028	18,743	28,891	-10,147	516,908	516,548	360
2020-21 (e)	516,598	510,544	6,054	na	na	na	na	na	na
2021-22 (p)	539,245	530,894	8,351	na	na	na	na	na	na
2022-23 (p)	554,843	550,799	4,044	na	na	na	na	na	na

(a) Data have been revised in the 2019-20 MYEFO to improve accuracy and comparability through time.

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

(c) Payments in the general government sector are equal to payments for operating activities, purchases of non-financial assets and net cash flows from financing activities for leases.

(d) Between 2005-06 and 2019-20, the underlying cash balance is equal to receipts less payments, less net Future Fund earnings. For the years 1970-71 to 2004-05 and from 2020-21 onwards, the underlying cash balance is equal to receipts less payments.

(e) Estimates.

(f) Payments in the public non-financial corporations and non-financial public sectors are equal to payments for operating activities, purchases of non-financial assets, distributions paid and net cash flows from financing activities for leases.

(p) Projections.

na Data not available.

Table E10: 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	186,106	180,090	6,007	25,869	24,762	-826	207,367	200,246	5,181
2001-02	190,432	192,984	-2,935	26,638	25,341	793	212,462	213,718	-2,142
2002-03	206,778	201,113	5,377	24,339	22,916	1,975	225,989	218,944	7,311
2003-04	222,042	215,235	6,148	25,449	23,444	2,143	241,746	232,934	8,291
2004-05	242,354	229,092	12,228	26,965	25,191	1,473	263,434	248,398	13,700
2005-06	260,569	241,665	16,406	28,143	29,531	-2,442	281,927	264,410	13,964
2006-07	277,895	258,761	16,801	15,443	16,360	-1,763	289,551	271,335	15,038
2007-08	303,402	279,862	20,948	6,854	6,686	-584	308,888	285,179	20,364
2008-09	298,508	324,387	-29,943	6,998	7,576	-1,495	303,309	329,766	-31,438
2009-10	292,387	339,829	-53,875	7,288	7,297	-1,079	298,033	345,483	-54,954
2010-11	309,204	356,084	-52,176	7,563	7,787	-1,446	315,001	362,106	-53,622
2011-12	337,324	377,220	-44,746	8,046	8,238	-2,158	343,722	383,810	-46,904
2012-13	359,496	382,397	-23,888	8,863	9,415	-4,189	366,642	390,094	-28,077
2013-14	374,151	414,500	-44,198	9,537	11,127	-6,070	381,971	423,910	-50,269
2014-15	379,455	417,514	-40,764	9,987	11,850	-4,856	387,719	427,641	-45,620
2015-16	395,055	428,691	-37,464	10,044	12,809	-7,486	403,868	440,270	-44,950
2016-17	415,723	447,807	-34,960	10,894	15,035	-9,918	425,114	461,338	-44,879
2017-18	456,280	460,282	-5,285	12,318	16,934	-10,055	466,661	475,195	-15,255
2018-19	493,346	484,653	2,566	15,836	20,899	-11,121	507,017	503,270	-8,439
2019-20 (e)	511,148	503,180	3,807	16,753	22,536	-11,377	525,850	523,644	-7,541
2020-21 (e)	527,267	515,123	5,835	na	na	na	na	na	na
2021-22 (p)	551,662	533,833	9,660	na	na	na	na	na	na
2022-23 (p)	567,195	555,589	2,911	na	na	na	na	na	na

(a) Data have been revised in the 2019-20 MYEFO to improve accuracy and comparability through time.

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

(e) Estimates.

(p) Projections.

na Data not available.

Table E11: Australian Government general government sector receipts, payments, underlying cash balance, net debt and net interest payments presented on a real per capita basis^(a)

	Taxation receipts	Non-taxation receipts	Total receipts	Payments	Underlying cash balance	Net debt	Net interest payments
1970-71	5,494	838	6,331	5,643	688	263	-144
1971-72	5,524	868	6,391	5,771	620	-347	-171
1972-73	5,484	863	6,348	6,122	227	-515	-164
1973-74	6,138	791	6,930	6,278	652	-1,049	-162
1974-75	6,797	722	7,519	7,433	87	-914	-116
1975-76	7,125	761	7,886	8,516	-631	-144	-139
1976-77	7,212	796	8,008	8,471	-463	329	-23
1977-78	7,073	855	7,928	8,601	-672	956	1
1978-79	7,066	821	7,887	8,534	-647	1,504	77
1979-80	7,430	770	8,200	8,557	-358	1,689	119
1980-81	7,954	817	8,771	8,815	-45	1,549	151
1981-82	8,208	784	8,992	8,916	75	1,283	147
1982-83	7,861	850	8,712	9,353	-642	1,754	172
1983-84	7,956	910	8,866	10,110	-1,243	2,841	288
1984-85	8,889	981	9,870	10,883	-1,013	3,674	472
1985-86	8,978	1,124	10,102	10,883	-782	4,103	603
1986-87	9,131	1,134	10,265	10,600	-334	4,003	654
1987-88	9,453	1,060	10,512	10,329	183	3,443	567
1988-89	9,628	842	10,470	9,844	625	2,536	516
1989-90	9,555	827	10,382	9,756	625	1,697	479
1990-91	9,153	739	9,893	9,936	-43	1,670	359
1991-92	8,368	812	9,180	10,390	-1,210	2,973	365
1992-93	8,341	834	9,175	10,877	-1,703	5,189	375
1993-94	8,532	956	9,488	11,150	-1,662	6,417	514
1994-95	9,191	748	9,938	11,179	-1,240	7,314	639
1995-96	9,608	725	10,333	11,255	-922	7,958	736
1996-97	10,096	732	10,828	11,322	-494	7,804	769
1997-98	10,511	783	11,294	11,282	12	6,655	664
1998-99	10,852	1,070	11,922	11,617	305	5,650	678
1999-00	11,455	1,127	12,582	11,597	985	4,365	569
2000-01	12,010	891	12,901	12,487	414	3,299	437
2001-02	11,882	828	12,710	12,782	-72	2,863	363
2002-03	12,500	794	13,294	12,815	479	2,170	244
2003-04	12,983	693	13,677	13,175	502	1,695	191
2004-05	13,566	727	14,293	13,470	822	945	152
2005-06	14,012	808	14,820	13,904	912	19	133
2006-07	14,269	795	15,064	13,997	950	-1,342	13
2007-08	14,630	817	15,447	14,239	1,035	-2,093	-53
2008-09	13,618	942	14,559	15,726	-1,344	-562	-60
2009-10	12,552	1,077	13,629	16,131	-2,609	2,292	114

Table E11: Australian Government general government sector receipts, payments, underlying cash balance, net debt and net interest payments presented on a real per capita basis^(a) (continued)

	Taxation receipts	Non-taxation receipts	Total receipts	Payments	Underlying cash balance	Net debt	Net interest payments
2010-11	12,919	912	13,831	15,849	-2,174	4,152	211
2011-12	13,692	818	14,511	16,321	-1,907	6,750	291
2012-13	13,859	982	14,841	15,524	-796	6,747	350
2013-14	13,798	813	14,611	16,480	-1,965	8,497	440
2014-15	13,906	960	14,866	16,193	-1,488	9,660	427
2015-16	13,829	936	14,765	16,154	-1,511	11,580	459
2016-17	13,992	1,129	15,121	16,210	-1,223	11,891	456
2017-18	14,901	1,028	15,930	16,138	-361	12,189	468
2018-19	15,476	1,266	16,742	16,494	-24	12,888	523
2019-20 (e)	15,442	1,288	16,730	16,381	167	13,062	381
2020-21 (e)	15,365	1,179	16,544	16,350	194	12,144	315
2021-22 (p)	15,500	1,103	16,603	16,346	257	11,223	276
2022-23 (p)	15,297	1,097	16,394	16,275	119	10,661	233

(a) The real levels are derived using the Consumer Price Index (CPI). The current reference period for the CPI is 2011-12, which means the real levels per capita are reported in 2011-12 dollars.

(e) Estimates.

(p) Projections.