

# Mid-Year Economic and Fiscal Outlook 2021-22

Statement by

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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 2021-22, while the forward years refer to 2022-23, 2023-24 and 2024-25
  - 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.
  - 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| nfp     | not for publication                         |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 2021-22* (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 and an outline of the key policy decisions taken since the 2021-22 Budget
- **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 2021-22 Budget
- **Part 4: Debt statement** – provides information on current and estimated Government debt
- **Part 5: Sensitivity analysis** – presents analysis which illustrates the sensitivity of the forecasts to changes in key variables
- **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 sector, the public non-financial corporations sector, the total non-financial public sector, the public financial corporations sector and notes to the general government sector financial statements
- **Appendix A: Policy decisions taken since the 2021-22 Budget** – provides details of decisions taken since the 2021-22 Budget that affect payment and receipt 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.

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# Part 1: Overview

## Introduction

The 2021-22 Mid-Year Economic and Fiscal Outlook reflects the Government's economic plan to secure the recovery and set Australia up for the future. Australia is well placed to deal with the challenges presented by the ongoing global pandemic, including managing new COVID-19 variants, having achieved some of the world's best health and economic outcomes to date.

## Updated economic and fiscal outlook

The Australian economy is rebounding strongly from the impact of the Delta outbreaks, underpinned by Australia's high vaccination rate and effective policy support. Having performed more strongly than any major advanced economy throughout the pandemic, the Australian economy is poised for a strong expansion that is forecast to see the unemployment rate fall to 4¼ per cent by the June quarter of 2023. This would represent the first time since before the Global Financial Crisis that Australia has sustained an unemployment rate of below 5 per cent and only the second time since the early 1970s.

Prior to the Delta outbreaks, Australia's economic recovery was progressing more strongly than forecast at Budget. The reimposition of health restrictions and lockdowns, that covered around half of the population, weighed heavily on economic activity, with GDP falling by 1.9 per cent in the September quarter.

The Government responded decisively to the Delta outbreaks by committing a further \$25 billion in direct economic and health support. This brings the total Commonwealth support to \$337 billion since the onset of the pandemic, equivalent to 16.3 per cent of GDP. This support cushioned the impact of the Delta outbreaks and helped strengthen private sector balance sheets for the recovery.

Real GDP is now expected to grow by 3¾ per cent in 2021-22, and by 3½ per cent in 2022-23, reflecting strong and broad-based momentum in the economy. As spare capacity in the labour market is absorbed, the pace of wage growth is expected to build gradually while the unwinding of near-term price pressures is expected to see inflation settle around the middle of the Reserve Bank of Australia's target band in the June quarter of 2023.

Higher average commodity prices than assumed at Budget have led to an upgrade in the terms of trade and to nominal GDP growth in 2021-22.

**Table 1.1: Major economic parameters<sup>(a)</sup>**

	Outcome		Forecasts		
	2020-21	2021-22	2022-23	2023-24	2024-25
Real GDP	1.5	3 3/4	3 1/2	2 1/4	2 1/2
Employment	6.5	1	2	1 1/2	1 1/4
Unemployment rate	5.1	4 1/2	4 1/4	4 1/4	4 1/4
Consumer price index	3.8	2 3/4	2 1/2	2 1/2	2 1/2
Wage price index	1.7	2 1/4	2 3/4	3	3 1/4
Nominal GDP	4.4	6 1/2	1 1/4	4 1/2	5

(a) Real GDP and nominal GDP are percentage change on preceding year. The consumer price index, employment and the wage price index are through-the-year growth to the June quarter. The unemployment rate is for the June quarter.

Source: ABS Australian National Accounts: National Income, Expenditure and Product; Labour Force, Australia; Wage Price Index, Australia; Consumer Price Index, Australia and Treasury.

The resilience of the Australian economy has contributed to an upgrade in tax receipts of \$95 billion over the forward estimates. At the same time, the Government has committed additional direct economic and health support of \$25 billion to support Australians through the Delta outbreaks while taking action to secure the recovery and set Australia up for the future. This includes continuing to guarantee the essential services Australians rely on, including by increasing funding for the National Disability Insurance Scheme (NDIS) by \$26.4 billion.

The underlying cash balance in 2021-22 is expected to be a deficit of \$99.2 billion (4.5 per cent of GDP), a \$7.4 billion improvement since the 2021-22 Budget despite the Delta lockdowns. The underlying cash balance is expected to improve across the forward estimates, leading to a deficit of \$57.5 billion or 2.3 per cent of GDP in 2024-25. Over the four years to 2024-25, the underlying cash balance is expected to improve by \$2.3 billion compared to estimates at the 2021-22 Budget. Over the medium term, the underlying cash balance is expected to improve to a deficit of 1.8 per cent of GDP in 2031-32.

The near-term improvement in the underlying cash balance flows through to the outlook for debt. Both gross debt and net debt are projected to be lower in every year of the forward estimates and medium term than at the 2021-22 Budget. Gross debt is expected to be 41.8 per cent of GDP at 30 June 2022 and is projected to stabilise at around 50 per cent of GDP in the medium term. Net debt is expected to be 30.6 per cent of GDP at 30 June 2022 and is projected to peak at 37.4 per cent of GDP at 30 June 2025, before improving over the medium term to reach 35.5 per cent of GDP at 30 June 2032.

**Table 1.2: Budget aggregates**

	Estimates							
	2021-22		2022-23		2023-24		2024-25	
	\$b	% GDP	\$b	% GDP	\$b	% GDP	\$b	% GDP
<b>Underlying cash balance</b>								
MYEFO	-99.2	-4.5	-98.9	-4.4	-84.5	-3.6	-57.5	-2.3
<i>Budget</i>	-106.6	-5.0	-99.3	-4.6	-79.5	-3.5	-57.0	-2.4
<b>Gross debt(a)</b>								
MYEFO	919	41.8	1,017	45.6	1,110	47.7	1,189	48.6
<i>Budget</i>	963	45.1	1,058	48.6	1,134	49.7	1,199	50.0
<b>Net debt(b)</b>								
MYEFO	673.4	30.6	773.1	34.7	855.9	36.8	914.8	37.4
<i>Budget</i>	729.0	34.2	835.0	38.4	920.4	40.4	980.6	40.9

(a) Gross debt measures the face value of AGS on issue.

(b) Net debt is the sum of interest bearing liabilities (which includes Australian Government Securities (AGS) on issue measured at market value) less the sum of selected financial assets (cash and deposits, advances paid and investments, loans and placements).

The ongoing global pandemic, including new variants, will continue to pose risks to the economic and fiscal outlook. The Government's decisive actions on the health and economic fronts since the onset of the pandemic have protected Australian lives and livelihoods (Box 1.1). Australia's high vaccination rate provides a strong platform to manage health risks and is supporting confidence among households and businesses, driving a strong private sector-led economic recovery.

## The Government's priorities

The Government remains focused on securing the recovery, creating jobs, keeping Australians safe, guaranteeing our essential services and setting Australia up for the future.

### Safely reopening Australia

Under the National Plan to transition Australia's National COVID-19 Response, the Government is increasing the Australian community's resilience to COVID-19 through procuring additional vaccines and treatments and continuing to build capability in our health system to meet current and future challenges. Australia has reached a high vaccination rate, with around 90 per cent of Australians aged 16 years and older fully vaccinated.

### **Box 1.1: The Government's response to COVID-19**

Since the onset of the pandemic, the Government has committed \$337 billion (or 16.3 per cent of GDP) in direct economic and health support. While the economic support provided by the Government has evolved over the course of the pandemic, it has continued to be underpinned by clear principles: that it be temporary, targeted and proportionate, and be delivered using existing mechanisms where possible.

Of the \$314 billion in direct economic support, more than \$210 billion has already flowed to individuals and businesses, supporting incomes and contributing to keeping household and business balance sheets healthy. It has enabled activity and employment to bounce back strongly each time restrictions have been eased, maintained momentum in economic activity more broadly and prevented labour market scarring. The underlying resilience of the economy is expected to continue as new variants emerge.

#### **Initial emergency response**

As the COVID-19 health crisis unfolded during March 2020, millions of Australians were locked down, leading to a significant contraction in economic activity. This could have led to cascading levels of unemployment and business failures.

The Government's response was designed to support household and business confidence, boost aggregate demand, replace lost incomes and maintain a connection between businesses and employees. The support was comprised of a number of elements including:

- The JobKeeper Payment, supporting 4 million individuals and over one million businesses, around 99 per cent of which were small businesses and not-for-profit entities.
- The Cash Flow Boost payments, supporting around 820,000 small and medium sized businesses and not-for-profit entities.
- The Coronavirus Supplement and Economic Support Payments, supporting over 8 million low-income households and income support recipients.
- Support for the most severely affected sectors and regions, including through the Relief and Recovery Fund, the HomeBuilder program and various programs to assist the aviation, tourism, early childhood and arts sectors, alongside infrastructure investments.
- Support for the flow of credit, in particular for small and medium sized enterprises through the SME Guarantee Scheme and the SME Recovery Loan Scheme, which supplemented the measures put in place by the banking sector.

**Box 1.1: The Government's response to COVID-19 (continued)****Maintaining momentum**

The easing of restrictions in May 2020 made way for a strong economic recovery across much of the country apart from Victoria, which experienced extended lockdowns. Government support underpinned the recovery and in the latter part of the year, it was tapered and became more closely targeted to individuals and businesses in hardship. For example, from late September 2020, the rate of the JobKeeper Payment was tapered and payments were tiered, two additional smaller Economic Support Payments were made, and the Coronavirus Supplement was extended at a lower rate.

The Government also implemented a range of policies to facilitate the return to private sector-led growth and job creation. These included: bringing forward Stage 2 of the Government's Personal Income Tax Plan and retaining the low and middle income tax offset in 2020-21 and 2021-22 to boost household incomes; temporary full expensing and temporary loss carry back to deliver tax relief to businesses and support \$320 billion of business investment; reducing the tax rate for small and medium companies to 25 per cent, the lowest rate in over 50 years; and undertaking a comprehensive digital and deregulation agenda to improve the dynamism and flexibility of the economy.

**Delta outbreaks**

In the first half of 2021, the economy and employment were recovering strongly across Australia, having returned to pre-pandemic levels ahead of any major advanced economy, and the unemployment rate had fallen to 4.9 per cent in June, its lowest level in over 10 years. However, in response to the outbreak of the Delta strain, extended state-based lockdowns were again put in place in New South Wales, Victoria and the Australian Capital Territory. A new set of Government support measures were introduced that targeted assistance to those individuals and businesses most affected by these lockdowns.

During the second half of 2021, more than 2.3 million individuals who had lost hours of work due to the lockdowns received \$12.9 billion in support through the COVID-19 Disaster Payment. The Australian Government, together with state and territory governments, also jointly funded \$14.7 billion in support payments to businesses significantly affected by the lockdowns.

The economic support provided to date has been considerable with further support through tax measures and ongoing infrastructure investment to continue to flow. The Government's actions have supported activity during the uncertainty of the past two years and laid the foundations for strong future growth, with households and businesses adding \$370 billion in cash savings to their balance sheets over this period. The temporary and targeted nature of this support ensures that Australia remains in a fiscally sustainable position.

### **Securing COVID-19 vaccines and treatments**

The Government is providing funding of \$1.1 billion over two years to continue the vaccine rollout, including booster and primary course vaccinations for children. This builds on the Government's investment of \$1.9 billion over five years in the national COVID-19 vaccine rollout at the 2021-22 Budget. Recent purchase agreements have increased the Government's total supply of vaccine doses to 281.9 million ensuring Australia is well prepared to provide booster vaccines into the future.

To complement vaccines, the Government has entered into advance purchase agreements to secure access to a diverse portfolio of treatments for COVID-19. This includes 34,560 courses of sotrovimab, 15,000 courses of the antibody-based therapy, Ronapreve, and stock of remdesivir that are and will be available to health professionals through the National Medical Stockpile. The Government has also secured access to 500,000 treatment courses of Pfizer's oral antiviral drug, 5,000 courses of Evusheld to treat immunocompromised individuals, and 300,000 courses of the molnupiravir oral antiviral drug, which (subject to regulatory approval by the Therapeutic Goods Administration) will broaden the treatments available to Australians.

### **Strengthening the health system**

The Government is taking steps to further strengthen the health system as the country transitions to living with COVID-19. This includes providing \$752.1 million to extend the National Partnership on COVID-19 Response to 30 June 2022 to deliver critical elements of the public health response, while \$8 million is also being provided to extend support to the Australian Medical Assistance Team for its domestic deployment capacity to support remote and vulnerable communities facing future COVID-19 outbreaks.

To support state and territory hospital systems, the Government has extended the Minimum Hospital Funding Guarantee for an additional year to 30 June 2022 to provide security of funding for public hospitals. To support the primary care system, the Government is also providing \$121.8 million to extend the reach and role of the network of GP Respiratory Clinics to 30 June 2022, \$9.7 million for an additional Medicare Benefits Schedule (MBS) item for general practitioners who support face-to-face care of COVID-19 positive patients and \$16.6 million for home visits and after-hours services by practising nurses and other medical practitioners for COVID-19 patients. Additional supplies have also been procured for the National Medical Stockpile. The Government is also providing \$266.9 million to extend the temporary MBS pathology items for the testing and detection of COVID-19.



## **Supporting livelihoods of Australians affected by COVID-19**

### *COVID-19 Disaster Payment*

The Government established the tax-exempt COVID-19 Disaster Payment in response to the Delta outbreak. It was available in locations subject to COVID-19 restrictions and a Commonwealth COVID-19 hotspot declaration. The Payment provided support of up to \$750 per week to eligible individuals who lost work due to lockdowns and other COVID-19 restrictions.

Access to the COVID-19 Disaster Payment is ceasing as each state or territory reaches full vaccination for 80 per cent of its adult population. To date, \$12.9 billion has been paid to over 2.3 million Australians.

The Government also provided support for aged care services and providers and mental health programs during lockdowns in New South Wales, Victoria and the Australian Capital Territory. Combined with other supports, the Government is investing a total of \$92.3 million over two years from 2021-22 in response to the mental health impacts of the COVID-19 pandemic.

### *Supporting businesses*

In response to the Delta outbreaks, the Government jointly funded business support payments administered by all of the states and territories, with costs being shared on a 50:50 basis. Over \$7.3 billion in Commonwealth funding has been committed towards business support programs across all jurisdictions.

In jurisdictions that experienced lockdowns, support was provided to assist affected businesses. In jurisdictions not experiencing a lockdown, support was provided to businesses significantly affected by border closures, such as those in the tourism sector or in border communities. Commonwealth business support is being phased out as vaccination targets are reached, health restrictions are relaxed and economies are able to reopen safely.

The Government expanded the eligibility criteria under the Small and Medium Enterprises (SME) Recovery Loan Scheme. From 1 October 2021, SMEs with a turnover of up to \$250 million that have been adversely economically affected by the impacts of COVID-19 are eligible to access loans under the Scheme. The expanded Scheme has enabled lenders to continue supporting Australian small businesses when they need it most. In recognition of the continued impacts of the pandemic, the Government recently announced the extension of the SME Recovery Loan Scheme for SMEs that have been adversely affected, with a guarantee of 50 per cent. The extension will commence on 1 January 2022 and end on 30 June 2022.

### **Sustaining capacity in key sectors**

The Government has provided support to sustain capacity in key sectors that have been significantly disrupted by COVID-19:

- **Aviation sector:** In response to the significant drop in air traffic following the Delta lockdowns, the Government introduced the Retaining Domestic Aviation Capability program, ensuring airlines maintain their capability and quickly ramp up to meet demand. A range of other domestic and international aviation support has also been extended to maintain essential passenger and freight air services. Building on this support, the Government will provide \$64.9 million for the Aviation Recovery Framework to assist with the recovery of the aviation sector and position it for long-term sustainability. This brings the total direct support provided to the aviation sector throughout the COVID-19 pandemic to over \$5.1 billion.
- **Tourism sector:** To support the tourism sector, in addition to business support payments, the Government extended existing programs, such as the Supporting Australia’s Exhibiting Zoos and Aquariums program and the Business Events Grants program.
- **Early childhood sector:** To ensure the viability and sustainability of the early childhood education and care sector, the Government provided over \$288 million in business continuity payments to services delivering early childhood education and care in Commonwealth-declared hotspots. The Government also allowed early childhood education and care services to waive gap fees for families where children were not able to attend care because of COVID-19 lockdowns to reduce the out-of-pocket costs for families.
- **Arts sector:** To support the ongoing viability of Australia’s leading arts organisations, the Government has provided an additional \$24 million to the Arts Sustainability Fund. An additional \$20 million to Support Act is helping deliver crisis relief and mental health support to artists, crew and music and live performance workers. These measures are part of the Government’s broader Creative Economy COVID Support Package, now at over \$475 million.

### **Reopening our borders**

To support the safe and efficient reopening of the international border, the Government will introduce a new Digital Passenger Declaration (DPD). The DPD and underlying permissions capability technology will enable the quick and secure collection of essential information, including vaccination status, up to 72 hours prior to boarding, and will replace the physical incoming passenger card. A new digital permissions capability platform will be built to support this initial application, with the capacity to reuse across government for other similar permission-based services such as permits, accreditation, licences and registrations.

## **Jobs and the economy**

The Government is taking action to address workforce shortages and continue its investment in a more skilled and capable workforce and a more flexible and dynamic economy.

### **Addressing workforce shortages**

The Government is investing to make it easier for vulnerable Australians to participate in the workforce and support a strong labour market recovery. These measures complement the measures announced in the 2021-22 Budget that provide incentives to increase participation in the labour market and modify existing unemployment services to further enhance support for job seekers.

Measures to address workforce shortages include:

- \$74.7 million to expand and extend the Launch into Work program to fund tailored pre-employment projects to build the skills and experience of job seekers for ongoing entry-level roles
- the extension of the AgMove program trial and provision of additional funding for providers of Harvest Trail Services to continue delivering assistance to more participants
- several measures that aim to reduce employment barriers facing older Australians, and to provide additional support to job seekers through career coaching and better connections with local workforce needs, including \$49.3 million to expand the Skills Checkpoint for Older Workers Program and extend the Skills and Training Incentive
- doubling the scale of the Pacific Worker Programs to address workforce shortages in regional Australia and consolidate these programs into a new streamlined, integrated and flexible Pacific Australia Labour Mobility (PALM) Scheme
- introducing a new Australian Agriculture Visa (AgVisa), which will be available to skilled, semi-skilled and low-skilled workers across a broad range of agricultural industries, including meat processing and fisheries and forestry
- temporarily allowing international students to work more than 40 hours a fortnight to support supermarkets in states and territories subject to COVID-19 lockdowns and the aged care sector, to unlock the labour and skills of people already in Australia and support the supply of critical services during the COVID-19 pandemic.

The Government is also committing \$73.9 million to build capability and capacity in the early childhood education and care sector. This funding will subsidise the cost of additional educators to support the inclusion of children with additional needs, including challenging and trauma-related behaviours, in mainstream child care services

in 2021-22. The Government is also providing greater flexibility for services to attract and retain staff by allowing any staff fee discount to apply to the gap fees while ensuring the full child care subsidy flows.

### **Skills and apprenticeships**

The Government continues to invest to build the skills that Australia's economy needs, with \$6.8 billion in skills funding provided since the 2021-22 Budget. New funding includes \$715.8 million in transitional support for all Boosting Apprenticeship Commencements (BAC) wage subsidy recipients to assist employers to retain apprentices through to the completion of their apprenticeships. The Government will provide a tapered wage subsidy for employers of 10 per cent of the eligible apprentice's wages in their second year, and 5 per cent in their third year. This will ensure appropriate transitional support for apprentices who have benefitted from the Government's significant BAC investment, while continuing to support employers to engage apprentices and help build the skills and qualifications needed for business and the Australian workforce.

Since the beginning of 2020, \$6.8 billion has been committed to provide wage subsidies through the BAC, Supporting Apprentices and Trainees and the Completing Apprenticeship Commencements programs, which are expected to support more than 450,000 apprentices and trainees.

### **Investing in infrastructure**

The Government is continuing to support jobs and the economic recovery through an additional \$2.3 billion of commitments to new and existing infrastructure projects. This forms part of the Government's \$110 billion 10-year infrastructure pipeline which is building roads, rail and other infrastructure across Australia.

These commitments include funding for new and existing projects, including: \$300 million for projects to support METRONET in Western Australia; \$316.1 million for the Coomera Connector Stage 1 (Coomera to Nerang) and \$243.1 million for projects along the Bruce Highway Corridor in Queensland; \$298.4 million for the Coffs Harbour Bypass Project and \$200 million for the Hawkesbury River Third Crossing in New South Wales; \$50 million for the Lefevre Peninsula upgrades in South Australia; and \$167.8 million for the New Bridgewater Bridge in Tasmania.

Funding is also being provided for Victorian Intermodal Terminals for Inland Rail and the Sydney Metro – Western Sydney Airport for the Rail Integration, as well as \$153.5 million over three years from 2021-22 for a new Remote Roads Upgrade Pilot program, which will improve the conditions of local roads in regional and remote areas, providing regional communities with improved accessibility and safer roads while contributing to local economic development.

**Unlocking the economic potential of rural and regional Australia**

The Government will provide \$244.9 million to help the agriculture sector achieve its goal of increasing output to \$100 billion by 2030, including more help for agribusinesses to diversify and increase their exports. This also includes \$65 million to build resilience in the horticulture sector and \$26.2 million over five years for the forestry sector. This builds on the Budget commitment of \$850.4 million for agriculture.

The Government is also providing further funding to increase the fifth round of the Building Better Regions Fund (BBRF) to \$300.1 million. This is in addition to the Budget commitment of \$250 million for a sixth BBRF round taking total funding under the program to around \$1.4 billion. A further \$69.7 million over four years will support the delivery of essential services and infrastructure to the Indian Ocean Territories, Norfolk Island and the Jervis Bay Territory.

**Growing our digital economy**

The Government is investing in further initiatives under the Digital Economy Strategy to achieve the vision of Australia being a leading digital economy and society by 2030. Online access to government services and payments will be improved through a further \$160.9 million for the Digital Identity System. To secure Australia's quantum future, \$111 million has been allocated to support the commercialisation, adoption and use of this technology to create jobs, support Australian business and keep Australians safe. This includes \$70 million for the Quantum Commercialisation Hub to foster strategic partnerships with likeminded countries to commercialise Australia's quantum research and help Australian businesses access new markets and investors. The Government will also: provide \$27.1 million to the Office of the National Data Commissioner to improve the sharing and promote greater use of public sector data; a further \$22.6 million for the Australian 5G Innovation Initiative – Round Two; consult with industry and the education and training sectors on ways to meet Australia's digital skills needs; and provide \$2.8 million to scope enhancements to the data.gov.au website to improve public access to Government data.

The Government is further growing Australia's digital economy by implementing recommendations from the Inquiry into Future Directions for the Consumer Data Right (CDR). This will deliver significant reforms to deepen the functionality of the CDR to enhance consumer experience, grow the CDR ecosystem through new innovative products and promote greater international engagement.

The Government will also create a fit-for-purpose regulatory framework for the evolving payments and crypto-ecosystems to promote competition, provide certainty for innovative businesses looking to invest, and ensure appropriate protections for consumers. This commitment will involve the Treasurer taking on an enhanced leadership role in the sector.

## **Essential services**

Ensuring our community has guaranteed access to high quality essential services remains a key priority of the Government.

### **National Disability Insurance Scheme**

To support the continued implementation of the maturing National Disability Insurance Scheme (NDIS), the Government is providing the National Disability Insurance Agency with an additional \$2.7 billion in 2021-22 and \$26.4 billion over the four years to 2024-25.

The additional funding will provide ongoing support to NDIS participants, largely reflecting higher average package costs and increased participant numbers over time. It will ensure that those with a permanent and significant disability receive reasonable and necessary support. This builds on more than \$17 billion in additional funding in the last two Budgets, underlining the Government's commitment to ensuring people with significant and permanent disability receive the funding they need to enable them to participate in the community.

### **Health and aged care**

The Government is continuing to make new medicines more affordable for Australians under new five year Strategic Agreements between the Government and Medicines Australia and the Generic and Biosimilar Medicines Association. These agreements will oversee improvements to Australia's world class medicines assessment process and produce efficiencies around \$2 billion over the five year agreements, which will be invested in Pharmaceutical Benefits Scheme (PBS) medicine listings. This builds on the PBS New Medicines Funding Guarantee, introduced in 2020 which ensures funding is guaranteed each year for the listing of new medicines on the PBS.

To continue modernising and supporting quality primary health care, the Government is making telehealth permanent, by committing \$106 million in funding to transition various COVID-19 telehealth items for General Practitioners, specialists and other healthcare professionals to ongoing arrangements. This will support more Australians to easily access high-quality care. Already there have been more than 87 million telehealth consultations providing important access to health care for 16.2 million patients.

The major reforms to deliver care, respect and dignity for senior Australians continue, with the ongoing implementation of the Government's response to the Royal Commission into Aged Care Quality and Safety building on the \$17.7 billion investment in aged care in the 2021-22 Budget. \$154 million will replace the aged care information and communications technology (ICT) system, which will allow providers to exchange information with Government in near real time to strengthen reporting and monitoring of regulatory compliance, and to begin work on an ICT system to support a new in-home care program. The Government will invest an additional \$16.6 million to provide an

additional 357 temporary Transition Care Programme places to support more senior Australians to move from hospital into their homes or residential aged care facilities more quickly. The Government is also providing \$34.4 million in funding to expand the Community Visitors Scheme, with over 4,300 new places per year available from 2023-24 to help tackle loneliness and social isolation of older Australians in aged care.

### **Supporting Indigenous Australians**

The Government is delivering on the commitments made in partnership with Indigenous Australians in the historic 2020 National Agreement on Closing the Gap. The 2021 Closing the Gap Implementation Plan provides over \$1 billion to support meaningful change for Indigenous Australians in areas such as health, education, early childhood, justice, languages and supporting families. The Plan also includes \$378.6 million for a new redress scheme for Stolen Generations survivors to continue Australia's reconciliation journey and support further healing.

The recently announced National Roadmap for Indigenous Skills, Jobs and Wealth Creation provides a clear plan to get more Indigenous Australians job-ready, increase employment and entrepreneurship and achieve economic empowerment. The National Roadmap will complement the Closing the Gap agreement and recognises that a flourishing Indigenous business sector is a source of unrealised economic growth for Australia.

### **Improving women's safety**

The Government is committing \$22.4 million over five years to establish a Domestic, Family and Sexual Violence Commission to oversee the implementation of the next National Plan to End Violence Against Women and Children. This commitment builds on the Government's \$1.1 billion investment in women's safety announced in the 2021-22 Budget to prevent and address family, domestic and sexual violence.

### **Secure and resilient Australia**

The Government is taking steps to care for our environment and build resilience, securing Australia for the future.

### **Emissions reduction**

The Government has committed to achieving net zero carbon emissions by 2050 with the 2021 Long-Term Emissions Reduction Plan outlining how Australia will achieve that goal while taking advantage of new economic opportunities.

To support the development of technology necessary to transition to net zero, the Government is establishing a new \$1 billion Low Emissions Technology Commercialisation Fund to be administered through the Clean Energy Finance Corporation (CEFC). Government investment will be in collaboration with industry,

combining \$500 million of new capital for the CEFC and \$500 million from private sector investors.

As part of the Future Fuels and Vehicles Strategy, the Government is committing a further \$177.7 million over four years to expand the Future Fuels Fund. Investing in the electric vehicle sector and bolstering infrastructure will contribute to the Long-Term Emissions Reduction Plan by supporting emissions reductions in the transport sector.

Scaling up the Indo-Pacific Carbon Offset Scheme announced in the 2021-22 Budget with an additional \$43.9 million in funding over 10 years will build emissions reporting capacity in the Indo-Pacific region. This will enable more countries to be able to participate in the offset scheme, as well as help them meet their reporting obligations under the Paris Agreement.

### **Energy**

To deliver on our National Hydrogen Strategy, the Government is committing \$158.7 million in new funding over five years to fast track the development of two additional clean hydrogen hubs. This commitment will secure Australia's position as a world leader in the growing clean hydrogen sector, supporting regional jobs and strengthening Australia's economy.

As part of our plan to boost Australia's long-term fuel security, the Government is providing an additional \$60 million over three years to expand our diesel storage capacity. The \$260 million Boosting Australia's Diesel Storage program is a key part of the Government's comprehensive fuel security package to secure our long-term supply, which will help bolster local industry, create jobs and keep fuel prices low for consumers.

### **Reinsurance pool for cyclones and related flood damage**

A reinsurance pool for cyclones and related flood damage is being established to improve the accessibility and affordability of home and business insurance in cyclone-prone areas. The reinsurance pool will be backed by a \$10 billion Government guarantee and commence on 1 July 2022 for eligible residential, strata and small business property insurance policies.



## Part 2: Economic Outlook

### Overview

The Australian economy is rebounding strongly from the impact of the Delta outbreaks, underpinned by Australia's high vaccination rate and effective policy support. Having performed more strongly than any major advanced economy throughout the pandemic, the Australian economy is poised for a strong expansion that is forecast to see the unemployment rate fall to 4¼ per cent by the June quarter of 2023. This would represent the first time since before the Global Financial Crisis that Australia has sustained an unemployment rate of below 5 per cent and only the second time since the early 1970s.

The pandemic will continue to pose headwinds for the global and domestic recovery for some time to come, as demonstrated by the recent emergence of the Omicron variant. However, Australia's high vaccination rate and increased investment in health system capacity, together with ongoing improvements in vaccines, diagnostics, and other therapeutics, are likely to assist in mitigating the downside risks to the economic outlook.

The scale of the Government's economic support throughout the pandemic and higher private savings sees aggregate private sector balance sheets in a very strong position, notwithstanding the significant financial hardship experienced by many individual households and businesses. The \$12.9 billion provided via the COVID-19 Disaster Payment has supported workers whose hours were reduced and \$14.7 billion has been jointly provided with states to support businesses during the Delta outbreaks. This, together with income tax cuts and a strong recovery in the labour market, will continue to support consumer spending as the recovery takes hold. Business investment is also seeing a strong recovery, boosted by temporary business tax incentives, which will continue to support growth and a more productive economy.

Real GDP is forecast to grow by 3¾ per cent in 2021-22 and by 3½ per cent in 2022-23. While the Delta outbreaks disrupted activity in the September quarter and dampened growth over 2021-22 relative to Budget, the effect on growth was less than initially expected and the economy is rebounding strongly in the December quarter. The recovery is being supported by broad-based momentum across both private and public demand. Economic growth is forecast to remain solid over the remainder of the forecast period as both the domestic and international recoveries continue. Real GDP is forecast to grow by 2¼ per cent in 2023-24 and by 2½ per cent in 2024-25.

Timely indicators show a swift bounce back in labour market conditions and a return to the strong labour demand seen prior to the Delta outbreaks, when the unemployment rate fell to 4.9 per cent in June and the participation rate reached a near record 66.2 per cent. In line with the forecast recovery in economic activity, the unemployment

rate is expected to fall to 4½ per cent by the June quarter of 2022 and 4¼ per cent by the June quarter of 2023.

Globally, the rollout of vaccines has seen a solid recovery in economic activity in 2021 following the contraction in 2020, with strong momentum expected to see further expansion in 2022. Nonetheless, the effects of the pandemic continue to play out with divergent outcomes across countries, in part due to uneven vaccination coverage across advanced and emerging economies. The international experience demonstrates that high vaccination rates are required to allow for safe and sustained economic reopening.

The impacts of the pandemic together with a sharp recovery in global demand have contributed to an increase in headline inflation in advanced economies to levels rarely seen in recent decades (Box 2.2). Higher oil and energy prices feeding through to household fuel costs and constraints in supply chains for manufactured goods, are driving up inflation outcomes, in part reflecting the sustained shift to goods consumption during the pandemic.

In many advanced economies, medium-term inflation pressures have also started to build as wage inflation picks up in response to tightening labour markets. This is most notable in the United States and in part reflects a decline in the participation rate, especially for older workers. In response to these pressures, central banks, including the US Federal Reserve, have begun to signal an earlier path for monetary policy normalisation than previously expected. Although high inflation outcomes are expected to persist into the first half of 2022 until supply bottlenecks are resolved, the normalisation of monetary policy is expected to see advanced economy inflation moderate to be broadly in line with central bank targets in 2023.

Headline inflation in Australia has also picked up this year but more moderately than in most other advanced economies. Underlying inflation pressures are also more muted, with the Reserve Bank of Australia signalling monetary policy normalisation in Australia will lag that in other advanced economies. Nevertheless, there has been some moderate tightening in financial conditions as market interest rates have risen in Australia, largely reflecting the rise in global interest rates.

Potential new variants of the virus remain the primary downside risk to Australia's economic outlook (Box 2.3). On the other hand, if health concerns around new variants are effectively managed, households may respond by drawing on accumulated savings and income more quickly than currently expected to support faster consumption growth, driving a stronger recovery. More broadly, the normalisation of monetary policy globally, most importantly in the US, and the future path for the Chinese economy, pose downside risks to the global outlook. The latter will depend on the Chinese authorities' ability to sustain a virus elimination strategy as more transmissible variants emerge, and to manage the macroeconomic implications of a slowing real estate sector.

**Table 2.1: Major economic parameters<sup>(a)</sup>**

	Outcome		Forecasts		
	2020-21	2021-22	2022-23	2023-24	2024-25
Real GDP	1.5	3 3/4	3 1/2	2 1/4	2 1/2
Employment	6.5	1	2	1 1/2	1 1/4
Unemployment rate	5.1	4 1/2	4 1/4	4 1/4	4 1/4
Consumer price index	3.8	2 3/4	2 1/2	2 1/2	2 1/2
Wage price index	1.7	2 1/4	2 3/4	3	3 1/4
Nominal GDP	4.4	6 1/2	1 1/4	4 1/2	5

(a) Real GDP and nominal GDP are percentage change on preceding year. The consumer price index, employment and the wage price index are through-the-year growth to the June quarter. The unemployment rate is for the June quarter.

Source: ABS Australian National Accounts: National Income, Expenditure and Product; Labour Force, Australia; Wage Price Index, Australia; Consumer Price Index, Australia and Treasury.

**Box 2.1: Key assumptions underpinning the economic forecasts**

The key assumptions that underpin the economic forecasts are set out below. Outcomes could be substantially different to the forecasts, depending upon the extent to which these assumptions hold.

- It is expected that Australia’s COVID-19 vaccination program will see over 90 per cent of Australia’s 16+ population fully vaccinated (two doses) by the end of 2021.
- With state and territory vaccination rates having already passed 80 per cent double dose to those aged 16 and older, it is assumed that lockdowns are no longer required to manage COVID-19 transmission in the community. Most domestic activity restrictions will be lifted by the beginning of 2022 with only baseline levels of physical distancing and density restrictions continuing over the first half of 2022.
- A temporary strengthening of activity restrictions may be required to respond to rising case numbers, or to contain localised outbreaks in areas of lower vaccination coverage, but these are not expected to materially affect the economic outlook.
- Remaining state border restrictions are assumed to be lifted by early 2022, in line with state reopening roadmaps.
- The Omicron variant is not assumed to significantly alter current reopening plans or require a reimposition of widespread health and activity restrictions.
- After a pause in the reopening of international borders in response to uncertainty around the Omicron variant, a gradual return of temporary and permanent migrants is assumed to occur from early 2022, with international students expected to return in readiness for the first semester of 2022.
- A gradual recovery in outbound international tourism began in November 2021. Inbound international tourism recommenced in late 2021 through travel bubble arrangements and a more broad-based recovery is assumed to occur from early 2022.

## International economic outlook

Headwinds from the spread of the Delta variant have proved more of an impediment to the global economic recovery than anticipated at Budget. The emergence of the Omicron variant further highlights that the global outlook will remain susceptible to new waves of the virus for some time.

Growth this year has moderately undershot earlier forecasts as outbreaks of the Delta variant have disrupted activity in several economies. This includes advanced economies such as Canada and Japan, which along with Australia experienced quarterly contractions this year. Others, including the US, have experienced softer growth owing to Delta disruptions while the UK and euro area are currently experiencing high caseloads with some nations reinstating targeted lockdowns. In emerging market economies, the economic impacts of renewed outbreaks have generally been more severe due to lower vaccination rates and more limited fiscal capacity to buffer the impact of health restrictions.

Notwithstanding some setbacks, prospects for a solid global recovery next year remain sound, underpinned by the ongoing rollout of vaccines and still generally accommodative macroeconomic policy settings. A solid global recovery is expected to provide a supportive global environment for Australia's recovery.

The world economy is forecast to grow by 5¾ per cent in 2021, followed by 4½ per cent in 2022 and 3½ per cent in 2023. Major trading partner (MTP) growth is forecast to be 6 per cent in 2021, 4½ per cent in 2022 and 3¾ per cent in 2023.

Higher-than-expected inflation outcomes this year and early signs of underlying inflation pressures, reflecting the strong recovery and tighter labour markets, have brought forward the timing of monetary policy normalisation globally (Box 2.2). A key factor in the outlook for the global economy is how smoothly advanced economy labour markets can adjust to the post-pandemic environment. Recent data suggest labour markets are tightening more rapidly than expected in some countries, including in the US, with signs that labour supply could be slow to fully recover from the shock. This is adding to concerns that transitory inflationary pressures from the pandemic may give way to more persistent inflationary pressures driven by overheating labour markets.

In response, major central banks, including the US Federal Reserve, have slowed the pace of bond purchases and are signalling an earlier start to raising policy interest rates. Some smaller advanced economy central banks have already started to lift policy rates. Financial conditions have tightened in response to higher inflation outcomes and central bank policy communications, with short-term bond yields generally 40 to 50 basis points higher than at Budget in many advanced economies. Nevertheless, overall financial conditions in Australia and abroad remain accommodative and supportive of the recovery. Global equity markets are trading around the record high levels reached in

November, reflecting historically low real interest rates and confidence among investors in the durability of the global recovery despite some short-lived volatility associated with news of the Omicron variant.

The easing of activity restrictions is expected to assist in rebalancing global consumption patterns away from goods and help moderate inflation pressures. The unwinding of pandemic related fiscal policy support will also assist in moderating inflation pressures. Advanced economy fiscal deficits in 2022 are expected to be around half the size of 2020 and are expected to narrow further over the forecast horizon.

In **China**, GDP is forecast to grow by 8 per cent in 2021 before moderating to 5 per cent in 2022, reflecting the strong recovery to date. Growth has eased recently owing to a slowdown in the property sector and the impact of multiple provincial virus outbreaks on consumption. Despite a high vaccination rate, China has continued to pursue an elimination strategy, imposing aggressive local containment measures and strict international border controls to suppress and limit outbreaks.

Strong external demand associated with the surge in global goods consumption has supported Chinese growth this year. However, China's growth is expected to normalise towards its pre-pandemic trend as the impulse from export-driven growth moderates over 2022, in line with the normalisation of consumption patterns in advanced economies, and downward pressure on property investment drags on domestic demand.

The key risks to the economic outlook relate to the policy challenges China faces in managing the virus and the slowdown in the domestic real estate sector. If policy makers continue to pursue an elimination strategy, this may require greater restrictions on economic activity. Further, if policymakers pursue and fail to sustain elimination and the virus circulates more freely, this could see households become more precautionary and consumption growth slow. Meanwhile the slowdown in China's property sector is delicately poised, with financial stability risks as developers with large liabilities come under financial strain.

The **United States'** economy is forecast to grow by 5½ per cent in 2021 and 4¼ per cent in 2022. Growth slowed in the third quarter of 2021 owing to the impacts of the spread of the Delta variant. However, growth is expected to rebound strongly in the fourth quarter with solid momentum continuing into 2022. Despite the potential for significant net spending in 2022 from the proposed US\$1.75 trillion Build Back Better package, the cessation of most temporary fiscal support measures and the imminent normalisation of monetary policy means that macroeconomic policy is no longer providing the primary impetus to growth. Growth is now being sustained by general improvements in the public health situation and through a rapidly tightening labour market feeding solid wages growth.

The emerging tightness in the US labour market is potentially a sign of greater scarring effects on the labour market from the pandemic than in other countries. This is reflected in a more persistent fall in the participation rate, which remains around 1.5 percentage points below pre-pandemic levels with 3.6 million fewer people employed. However, labour market dynamism also appears to have increased significantly with many workers switching jobs. The net impact of these labour withdrawal and reallocation effects will determine the extent to which a full recovery in employment can be achieved without an overheating labour market generating persistent inflationary pressures.

Although the emergence of new virus variants is a risk to the recovery, the US economy has managed to grow through the two recent waves of infections, suggesting adaptation is making the US economy more resilient to the pandemic.

**Euro area** GDP is forecast to grow by 5 per cent in 2021 and 4¼ per cent in 2022. Economic activity has remained steady across the euro area against the backdrop of increasing vaccine coverage. A sustained consumption recovery, supported by strong household balance sheets, will drive the expansion. The implementation of the €723.8 billion Recovery and Resilience Facility is expected to support growth in private and public investment. However, euro area growth remains at risk from price pressures driven by high energy costs and supply chain bottlenecks. Pandemic risks also remain high as demonstrated by renewed restrictions across several euro area economies in response to rising case numbers in recent months.

**Japan's** GDP is forecast to grow by 2 per cent in 2021 and 3¼ per cent in 2022. Delta outbreaks and regional supply chain problems particularly affecting motor vehicle manufacturing disrupted growth in 2021. However, the widespread vaccine uptake, low COVID-19 case levels and the lifting of a state of emergency are facilitating a pick-up in consumption, while supply chain problems are expected to progressively resolve. Japan is expected to recover to its pre-pandemic level of GDP during 2022, after which growth is expected to slow to its long-term trend, which is lower than other advanced economies owing to its declining working age population.

GDP in **Other East Asia** is forecast to grow by 3½ per cent in 2021 and 4¼ per cent in 2022. Since Budget, Delta outbreaks have spread significantly across the region, including in countries that had previously been highly effective at containing the virus, such as Vietnam. In response, governments have implemented new or extended containment measures, provided additional fiscal support, and where possible, increased the pace of vaccination rollouts. Countries with lower vaccination rates and higher reliance on service industries such as international tourism are expected to have a slower recovery than those with higher vaccination rates, and greater reliance on exports of manufactured goods or commodities. Some economies in the region may face additional risks of capital outflows if the US Federal Reserve moves more quickly than anticipated in normalising interest rates.

India's GDP is forecast to grow by 8½ per cent in both 2021 and 2022. The Indian economy experienced a significant setback following a severe Delta outbreak in May. However, prospects for near-term growth remain sound, with vaccine coverage steadily rising above 60 per cent, food price pressures easing due to a favourable monsoon season, and a supportive fiscal and monetary environment. Nevertheless, uncertainty around the evolution of the virus, supply chain disruptions and elevated commodity prices remain key downside risks to the outlook.

**Table 2.2: International economy forecasts<sup>(a)</sup>**

	Outcome	Forecasts (Calendar Years)		
	2020	2021	2022	2023
China	2.3	8	5	5 1/4
India	-7.0	8 1/2	8 1/2	6 1/2
Japan	-4.5	2	3 1/4	1
United States	-3.4	5 1/2	4 1/4	2 1/4
Euro area	-6.4	5	4 1/4	2
Other East Asia (b)	-2.4	3 1/2	4 1/4	4 1/2
Major trading partners	-1.6	6	4 1/2	3 3/4
World	-3.1	5 3/4	4 1/2	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 Singapore, along with Hong Kong, South Korea, Vietnam and Taiwan.

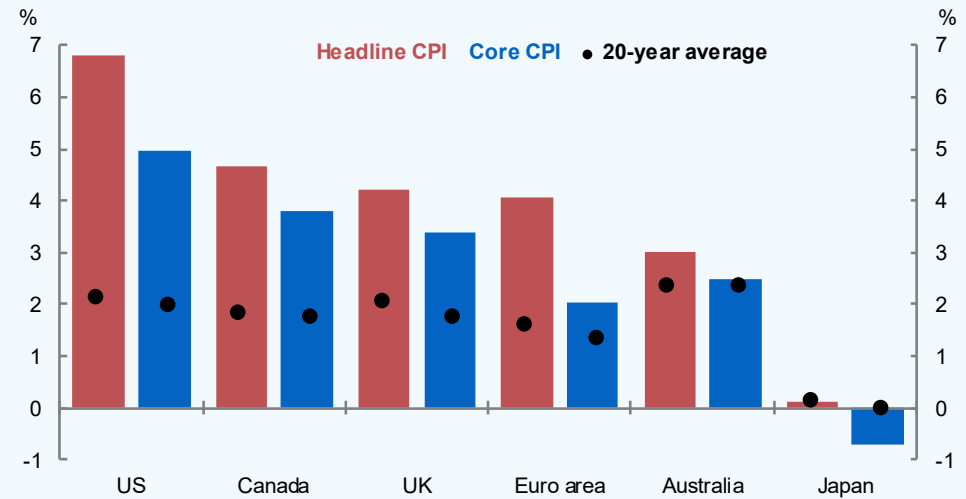
Source: National statistical agencies, Refinitiv and Treasury.



**Box 2.2: Global price pressures and Australian inflation**

Headline inflation rates in most advanced economies are currently at decade highs. Notably, the US recorded CPI inflation through the year of 6.8 per cent in November 2021, the highest annual rate since the early 1980s (Chart 2.1). Inflation in Australia has recently picked up with CPI growth of 3 per cent through the year to the September quarter 2021. Prior to the pandemic, inflation last reached 3 per cent in 2014. However, inflation pressures in Australia are more moderate than in most other advanced economies.

**Chart 2.1: International inflation comparisons**



Note: Core CPI excludes volatile items as defined by respective national statistical agencies such as energy. For comparison, the measure used for Australia is the ‘CPI ex. volatile items’ series published by the ABS. This is currently slightly higher than more widely used measures of ‘underlying’ inflation such as the trimmed mean or weighted median.

Source: Refinitiv, ABS.

Globally, the pass through of higher energy prices to motor vehicle fuel and home energy prices has been the major contributor to the spike in headline inflation. The unexpectedly swift recovery in oil demand led to a tight global oil market and sharp spike in prices in the first half of the year. In addition to the global recovery driving a pickup in energy demand, adverse weather conditions have contributed to tighter global energy markets leading to a spike in energy prices for households and businesses, most notably across the euro area.

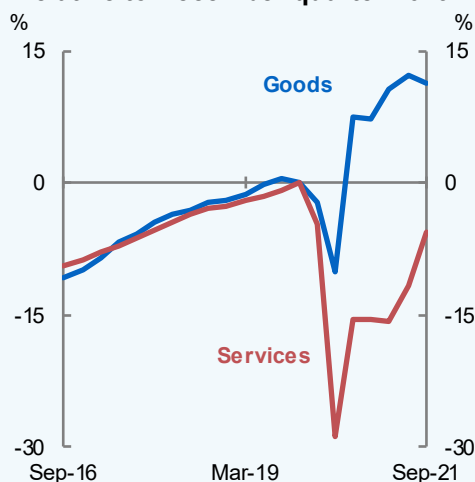
Although headline inflation has also picked up in Australia, the pickup has been more muted than for most other advanced economies. Some key contributors to international inflation have been less prominent in Australia, including domestic electricity prices, which have trended downwards in Australia in recent years. The Australian Electricity Market Operator forecasts residential electricity prices to fall further in coming years.

**Box 2.2: Global price pressures and Australian inflation (continued)**

Internationally, core inflation measures, which exclude the impact of volatile fuel prices, have also picked up this year to be significantly above the 20-year average. Some of this broader price pressure is being driven by a significant shift in consumption from services to goods in advanced economies because of the need to curtail services consumption involving high social contact (Chart 2.2).

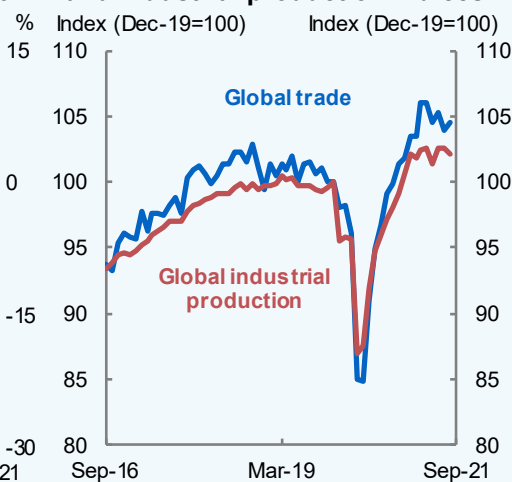
While global industrial production and trade volumes have recovered strongly (Chart 2.3), supply has not been able to fully respond to the unprecedented levels of demand for goods. The Freightos Baltic Index, a measure of global container shipping rates, is currently 5 times higher than pre-pandemic prices reflecting strong demand and supply constraints, notably port congestion in the US. Additional supply-side challenges, including input shortages for semiconductors, have exacerbated delays and price pressures for producers and consumers.

**Chart 2.2: G7 Consumption, relative to December quarter 2019**



Source: Refinitiv, OECD.

**Chart 2.3: Global trade volumes and industrial production indices**



Source: CPB World Trade Monitor.

A rebalancing of global demand towards services as restrictions ease and the resolution of supply bottlenecks will see the current acute inflationary pressures moderate in the first half of 2022. However, there is growing recognition that tighter labour markets are likely to generate stronger underlying, and potentially more persistent, wage pressures sooner than previously anticipated.

In response, central banks including the US Federal Reserve, have signalled an earlier normalisation of monetary policy settings than previously anticipated by financial markets. Financial conditions have tightened in anticipation of a clear policy response. US and Australian longer-term inflation expectations remain well anchored, with market pricing indicating US inflation is expected to moderate over the next few years.

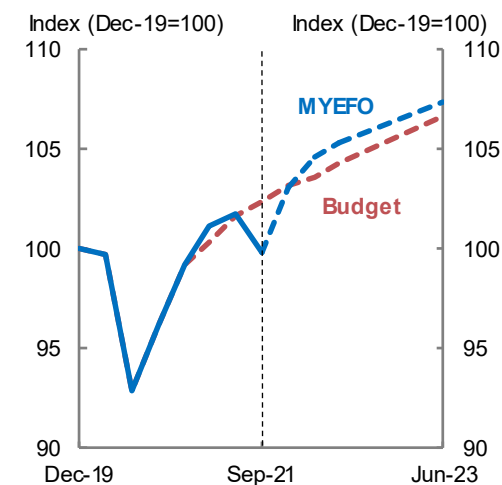
## Domestic economic outlook

The domestic economy is rebounding strongly from the impact of the Delta outbreaks, underpinned by Australia’s high vaccination rate and effective policy support. Having performed more strongly than any major advanced economy throughout the pandemic, the Australian economy is poised for a strong expansion that is forecast to see the unemployment rate fall to 4¼ per cent by the June quarter of 2023. This would represent the first time since before the Global Financial Crisis that Australia has sustained an unemployment rate of below 5 per cent and only the second time since the early 1970s.

Following strong economic momentum in the first half of 2021, Delta outbreaks caused the economy to contract by 1.9 per cent in the September quarter. The contraction was the third largest on record and concentrated in New South Wales, Victoria and the Australian Capital Territory, where on average around half of the Australian population were subject to lockdown restrictions. The impact on activity was cushioned by Government support through the COVID-19 Disaster Payment and business support payments. Meanwhile, states and territories not affected by outbreaks maintained solid momentum, collectively growing by 1.6 per cent in the quarter.

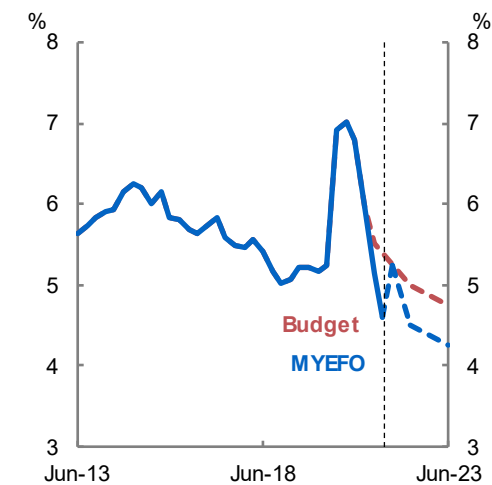
Real GDP is expected to rebound back above pre-pandemic levels in the December quarter and is forecast to grow by 3¾ per cent in 2021-22 (Chart 2.4). In 2022-23, real GDP is expected to grow by 3½ per cent, with the unemployment rate reaching 4¼ per cent by the June quarter of 2023 (Chart 2.5). In calendar years, real GDP is expected to grow by 4½ per cent in 2021, and by 4¼ per cent in 2022.

**Chart 2.4: Real GDP levels**



Source: ABS Australian National Accounts: National Income, Expenditure and Product and Treasury.

**Chart 2.5: Unemployment rate**



Source: ABS Labour Force, Australia and Treasury.

Although the ongoing global pandemic still presents significant risks to the outlook, as demonstrated by the recent Omicron variant, Australia's high vaccination rate is assisting to manage the health challenges and supporting confidence among households and businesses. Box 2.3 describes scenarios that highlight the uncertainty around the forecasts, including as a result of changes to the health environment.

Household and business spending are expected to contribute to ongoing momentum in demand with \$370 billion in additional cash savings since the beginning of the pandemic providing financial backing for a strong pick-up in spending. Pent-up demand is expected to drive the near-term rebound in household consumption before stronger fundamentals from a tightening labour market drive sustained income and consumption growth in the latter part of the forecasts.

Business sector confidence has rebounded on the back of reopening and remains supported by temporary business tax incentives for investment and the ongoing impact of small business tax cuts. This is translating into a willingness to invest with non-mining capital expenditure intentions for 2021-22 at record levels. The mining investment outlook has also been upgraded following Woodside's recent decision to proceed with the major US\$12 billion Scarborough gas project in Western Australia.

The reopening of international borders will lead to a return to positive net overseas migration and higher population growth that will in turn support consumption growth. Net overseas migration is forecast to be around -41,000 persons in 2021-22, before increasing to 180,000 persons in 2022-23, 213,000 persons in 2023-24 and 235,000 persons in 2024-25.

The reopening of international borders will also support a gradual recovery for the international education and tourism sectors. Despite this, net exports will remain a modest drag on economic growth. This in part reflects that the inflow of new international students will not initially offset the number of students completing their studies, particularly in 2021-22, while outbound tourism will more than offset inbound tourism, consistent with pre-pandemic travel patterns. Moreover, higher goods imports from increased domestic consumption and investment activity, including the large Scarborough gas project, will also weigh on net exports.

Current elevated job advertisements point to healthy labour demand which is expected to support a swift rebound in employment following the lockdowns. Consistent with the forecast for a robust recovery in activity over the next few years, the unemployment rate is forecast to reach 4¼ per cent by the June quarter of 2023. The number of people employed as a share of the population is forecast to return to the record high levels achieved prior to the Delta outbreaks. The tighter labour market will support a steady increase in wage growth as firms compete to attract and retain labour.

Domestic consumer price inflation is expected to be moderately higher in the near term then lessen through 2022, as inflation pressures flowing from the recent increase in

global oil prices, constraints in global supply chains, and heightened domestic housing construction activity ease. Inflation outcomes further out in the forecast horizon reflect the forecast recovery in wages, with inflation to settle around the mid-point of the RBA’s target band in the middle of 2023. There are potential upside risks to the outlook for inflation. A slower normalisation of pandemic affected consumption patterns and ongoing supply bottlenecks, potentially due to the emergence of new variants, could prolong existing prices pressures.

**Table 2.3: Domestic economy – detailed forecasts<sup>(a)</sup>**

	Outcomes <sup>(b)</sup>		Forecasts		
	2020-21	2021-22	2022-23		
		Budget	MYEFO	Budget	MYEFO
<b>Real gross domestic product</b>	<b>1.5</b>	<b>4 1/4</b>	<b>3 3/4</b>	<b>2 1/2</b>	<b>3 1/2</b>
Household consumption	1.0	5 1/2	1 3/4	4	5 1/2
Dwelling investment	3.2	0	6	-1 1/2	-2
Total business investment <sup>(c)</sup>	-1.5	1 1/2	7 1/2	10	8
<i>By industry</i>					
Mining investment	-1.4	3	4	3 1/2	8
Non-mining investment	-1.5	1 1/2	8 1/2	12 1/2	8
Private final demand <sup>(c)</sup>	1.2	4 1/2	3 1/4	4 1/2	5
Public final demand <sup>(c)</sup>	5.8	5	7 1/2	1 3/4	3 3/4
Change in inventories <sup>(d)</sup>	0.7	0	- 3/4	0	1/4
Gross national expenditure	3.2	4 3/4	3 3/4	3 3/4	5
Exports of goods and services	-8.3	4	2 1/2	3	4 1/2
Imports of goods and services	-2.9	6 1/2	3 1/2	9 1/2	12 1/2
Net exports <sup>(d)</sup>	-1.4	- 1/4	- 1/4	-1 1/4	-1 1/2
Nominal gross domestic product	4.4	3 1/2	6 1/2	2	1 1/4
Prices and wages					
Consumer price index <sup>(e)</sup>	3.8	1 3/4	2 3/4	2 1/4	2 1/2
Wage price index <sup>(f)</sup>	1.7	1 1/2	2 1/4	2 1/4	2 3/4
GDP deflator	2.9	- 1/2	2 3/4	- 1/2	-2
Labour market					
Participation rate (per cent) <sup>(g)</sup>	66.1	66 1/4	66	66	66 1/4
Employment <sup>(f)</sup>	6.5	1	1	1	2
Unemployment rate (per cent) <sup>(g)</sup>	5.1	5	4 1/2	4 3/4	4 1/4
Balance of payments					
Terms of trade <sup>(h)</sup>	10.4	-8	0	-10 1/2	-18
Current account balance (per cent of GDP)	3.4	1 1/4	1 1/2	-2 1/4	-4 1/4
Net overseas migration <sup>(i)</sup>	-100,000	-77,000	-41,000	96,000	180,000

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

(b) Calculated using original data unless otherwise indicated.

(c) Excluding second-hand asset sales between the public and 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 detailed forecasts are underpinned by price assumptions for key commodities: Iron ore spot price assumed to decline to US\$55/tonne free-on-board (FOB) by the end of the June quarter 2022; metallurgical coal spot price assumed to decline to US\$130/tonne FOB by the end of the June quarter 2022; and thermal coal spot price assumed to decline to US\$60/tonne FOB by the end of the June quarter 2022.

(i) Net overseas migration is forecast to be 213,000 persons in 2023-24 and 235,000 persons in 2024-25. The figure for 2020-21 consists of three quarters of preliminary actuals and one quarter of forecasts.

Note: The outlook for the domestic economy is based on several technical assumptions. The exchange rate is assumed to remain around its recent average level – a trade-weighted index of around 62 and a \$US exchange rate of around 75 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\$86 per barrel.

Population growth is forecast to be around 0.3 per cent in 2021-22 and 1.2 per cent in 2022-23.

Source: ABS Australian National Accounts: National Income, Expenditure and Product; Balance of Payments and International Investment Position, Australia; Labour Force, Australia; Wage Price Index, Australia; Consumer Price Index, Australia; unpublished ABS data and Treasury.

**Box 2.3: Uncertainty around the economic outlook**

The ongoing impact of the pandemic means the economic outlook remains highly uncertain. On the downside, the new Omicron variant highlights the ongoing risk of outbreaks which have the potential to damage confidence or require a reimposition of health measures and activity restrictions.

This box outlines two alternative stylised scenarios to the forecasts. The first captures the downside risk to the economic outlook presented by a new variant arising in the first half of 2022 that requires a significant response. The second scenario assumes a similar stable health outcome to the forecasts but sees a stronger recovery in domestic demand driven by a faster decline in the household savings rate than forecast (Chart 2.6).

**Scenario 1 – new variants of concern requiring significant response**

Under this scenario, it is assumed that a new variant of concern emerges requiring more significant public health responses to manage outbreaks than is currently expected. In this scenario, reopening of the international border would be set back by six months. It is assumed activity restrictions, such as physical distancing and density limits, together with targeted lockdowns, would need to be used to manage the spread of the virus domestically in the first half of 2022.

Precautionary behaviour and the direct impact of activity restrictions would lead to weaker consumption and higher household savings than in the forecasts. Prolonged border restrictions would result in a slower recovery in international travel and hamper the recovery in services exports. Net overseas migration would also be lower, reflecting a slower return of international arrivals.

Under this downside scenario, economic activity would be around \$20 billion lower in 2021-22, a detraction to GDP of around 1 percentage point in 2021-22 compared with the forecasts. Unemployment would also be around 1 percentage point higher in the middle of 2022 compared with the forecasts. Economic activity would rebound in the second half of 2022, as the impact of the new variant of concern is assumed to fade, but would remain  $\frac{3}{4}$  percentage points lower in 2022-23.

**Scenario 2 – stable health environment and increasing confidence**

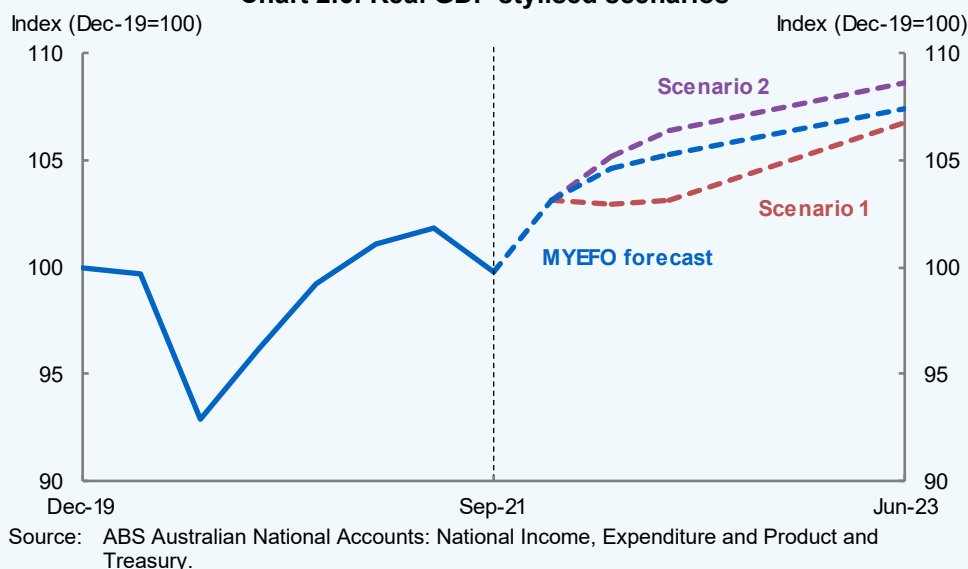
In this scenario, health and border measures would be the same as those assumed for the forecasts with no change to the current reopening plan. However, consumers and businesses are expected to respond more positively to the stable health environment than under the forecasts. Households unwind precautionary saving faster than forecast, driving a stronger recovery in consumer spending. Specifically, the savings rate is assumed to fall back to pre-pandemic levels six months earlier than in the forecasts.

**Box 2.3: Uncertainty around the economic outlook (continued)**

The higher levels of consumer confidence also support increased international travel. An increased volume of migrants, including international students, and tourists return from the beginning of 2022.

Under this scenario, economic activity could increase by around \$30 billion across 2021-22 and 2022-23, an increase of ½ a percentage point in 2021-22 and 1 percentage point in 2022-23 compared with the forecasts. Employment would be stronger in this scenario, putting downward pressure on unemployment, however, the impact is likely to be small as it would also encourage greater participation. The boost in consumption and stronger demand from inbound tourism would have positive effects on business investment and more broadly, economic activity, particularly in industries most affected by the health measures and border restrictions, such as travel services and accommodation and food services. Offsetting this would be an increased demand for Australians travelling overseas which would increase services imports.

**Chart 2.6: Real GDP stylised scenarios**





**Household consumption** is rebounding strongly following the Delta outbreak, spurred by the return of discretionary spending. This initial recovery is expected to be sustained, driven by a strong labour market, income growth and robust household balance sheets. Household consumption is forecast to grow by 1¾ per cent in 2021-22 and 5½ per cent in 2022-23, with pre-pandemic levels expected to be reached in the March quarter of 2022.

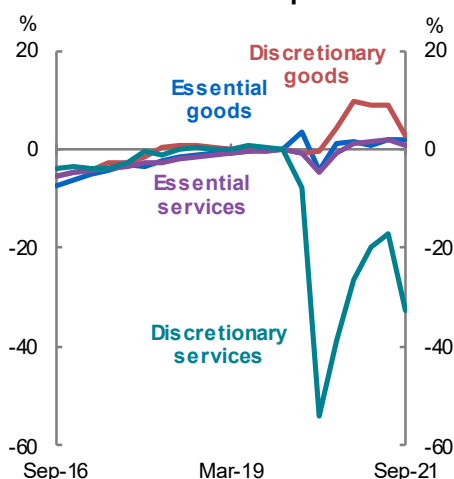
Consumption fell sharply in the September quarter as around half the population were under lockdown restrictions and had limited access to consumption opportunities. However, real-time data shows card spending in Victoria and New South Wales recovered to pre-Delta levels within a couple of weeks of reopening, driven by a strong return to discretionary spending on dining, shopping, travel and entertainment.

As has been the case globally over the course of the pandemic, opportunities to consume discretionary services have been limited. In contrast, consumption of discretionary goods rose through the latter half of 2020 and has remained elevated since, despite a fall in the September quarter associated with the recent lockdowns (Chart 2.7). As restrictions continue to ease and the borders reopen, spending patterns are expected to normalise with spending on discretionary services rising as a share of the consumer basket.

Despite the contraction in activity in the September quarter, household disposable income grew 4.6 per cent, in part reflecting the COVID-19 Disaster Payment, which to date has paid \$12.9 billion to households. The payments boosted incomes at the lower end of the income distribution, offsetting the effect of large falls in employment due to the health restrictions. Estimates suggest that employment and welfare payment income for the bottom quintile of working age people rose by 6 per cent between the June and September quarters of 2021. This follows large increases for the bottom income quintile in 2020, with employment and welfare payment income 20 to 25 per cent higher in the final three quarters of 2020, compared to the March quarter of 2020. Since the start of the pandemic, household disposable income has increased by 11.7 per cent with income support and tax relief supporting households through the pandemic.

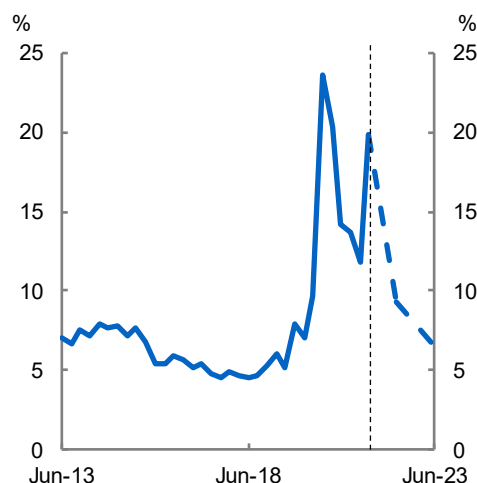
Rising household disposable income combined with constrained spending opportunities due to lockdowns saw a second spike in the savings ratio which led to a further accumulation of household savings (Chart 2.8). Together with rising housing wealth, households' large cash holdings provide a sound platform to support consumption growth over the forecast period. Nonetheless, there is uncertainty around the pace at which households will draw on accumulated savings and income to fund consumption (see Box 2.3).

**Chart 2.7: Consumption categories relative to December quarter 2019**



Source: Unpublished ABS data.

**Chart 2.8: Household savings ratio**



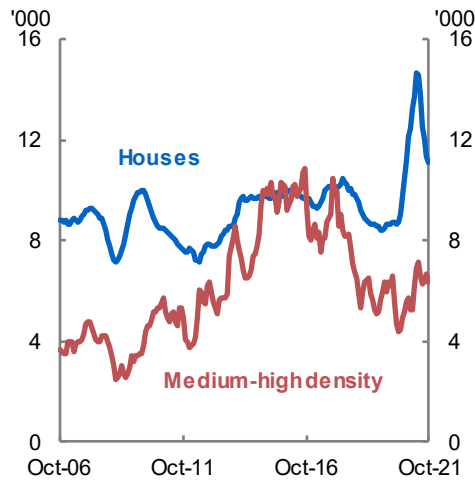
Source: ABS Australian National Accounts: National Income, Expenditure and Product and Treasury.

**Dwelling investment** is forecast to increase by 6 per cent in 2021-22, before falling by 2 per cent in 2022-23 as investment eases from an elevated level. Government incentives, such as the HomeBuilder program, alongside low interest rates and rising housing prices have supported a large pipeline of work in the sector, particularly for detached houses (Chart 2.9). Near-term capacity constraints are expected to see residential construction activity spread out over a longer period than usual as building material and labour shortages extend completion times and raise costs (Chart 2.10).

There has been a modest tightening in borrowing conditions for households, reflecting rising interest rates for some home loan products along with recent macroprudential policy measures. Despite this, the value of new loan commitments remains at a high level, with a pick-up in investor activity while owner-occupier loan commitments remain elevated despite moderating in recent months.

Households remain well placed to service existing debt, with income support measures and low debt servicing costs contributing to a build-up in mortgage prepayment buffers. Tighter borrowing conditions are expected to gradually dampen new borrowing and housing price growth over time, leading to a moderation in demand for dwelling investment. A faster-than-expected increase in interest rates could see a sharp slowing in housing price growth, which poses a downside risk to the outlook for dwelling investment and consumption.

**Chart 2.9: Private sector residential building approvals**



Note: Data are presented as 3-month moving averages.

Source: ABS Building Approvals.

**Chart 2.10: Material input prices to the house construction industry**



Source: ABS Producer Price Indexes.

The outlook for **business investment** remains strong. While new business investment contracted slightly in the September quarter of 2021, it is forecast to grow by 7½ per cent in 2021-22 and by a further 8 per cent in 2022-23, which would be the strongest outcomes since the mining investment boom in 2011-12. The forecast rebound in economic activity, combined with the effects of temporary business tax incentives are expected to drive growth in business investment over the coming years.

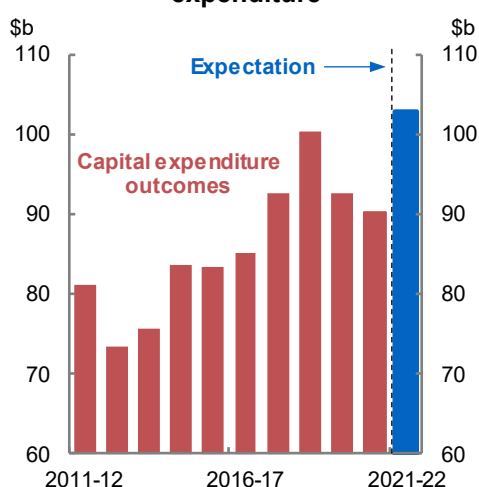
**Non-mining business investment** is forecast to rise by 8½ per cent in 2021-22 and by 8 per cent in 2022-23, the strongest growth since 2017-18. Prior to the Delta outbreaks, non-mining business investment had rebounded strongly, supported by temporary business tax incentives. New investment fell slightly in the September quarter of 2021, reflecting an easing in machinery and equipment investment and Delta-related industry shutdowns weighing on non-dwelling construction. Subsequently, business confidence has returned quickly following reopening with recent ABS investment intentions data pointing to record high investment intentions for 2021-22 (Chart 2.11).

After falling by 1.4 per cent in 2020-21, **mining investment** is forecast to grow by 4 per cent in 2021-22 and by 8 per cent in 2022-23. Iron ore investment is continuing, largely reflecting investments to maintain production capacity, while Woodside has recently made a final investment decision to proceed with the Scarborough and Pluto Train 2 LNG developments.

**Public final demand** has supported economic growth throughout the pandemic and is expected to continue to contribute strongly over the forecast period. New public final

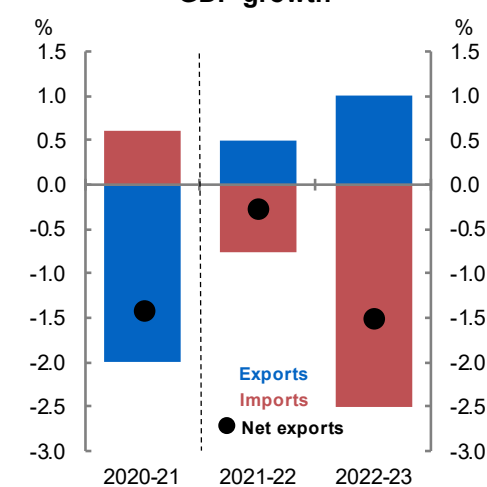
demand is forecast to grow by 7½ per cent in 2021-22 and a further 3¾ per cent in 2022-23. Commonwealth, state and territory budget updates have detailed additional spending, in particular for health including increased expenditure related to front-line health workers, the NDIS and infrastructure projects. Public consumption increased by 3.6 per cent in the September quarter of 2021, in part owing to spending related to the Delta outbreaks and vaccine rollout. Public investment grew at a slower pace of 0.8 per cent as projects experienced delays due to activity restrictions.

**Chart 2.11: Non-mining capital expenditure**



Note: Expectations data have been adjusted using long-run realisation ratios.  
Source: ABS Private New Capital Expenditure and Expected Expenditure and Treasury.

**Chart 2.12: Net exports contribution to GDP growth**



Source: Balance of Payments and International Investment position, Australia and Treasury.

**Net exports** are expected to detract ¼ of a percentage point from GDP growth in 2021-22 as growth in goods exports is offset by ongoing weakness in service exports and strong goods imports. The detraction from GDP growth from net exports is expected to increase to 1½ percentage points in 2022-23, with solid growth in goods and service imports offset by only modest growth in goods and services exports (Chart 2.12).

**Exports** are expected to increase by 2½ per cent in 2021-22 and 4½ per cent in 2022-23 in line with the ongoing global economic recovery. A rebound in mining production, following supply interruptions in 2020-21, and strong rural production owing to good seasonal conditions, is expected to drive growth in exports in 2021-22. Additions to mining supply capacity and recovery in tourism exports following the reopening of international borders is forecast to drive export growth in 2022-23.

**Mining exports** are expected to increase by 4 per cent in 2021-22 driven by growth in iron ore, coal and LNG exports as the temporary factors that subdued volumes in

2020-21 unwind, and new production comes online. Mining exports are expected to continue to grow by 4½ per cent in 2022-23 as iron ore production from the ramp up of new mines, such as BHP's South Flank and Rio Tinto's Gudai Darri projects, exceed the falling production from older mines.

**Rural exports** are forecast to increase by 15 per cent in 2021-22. Exceptional seasonal conditions across much of the country are expected to lead to a record winter crop harvest and increased meat, wool and dairy production. Exports are then forecast to fall by 6 per cent in 2022-23 due to an assumed return to average seasonal conditions.

**Services exports** are expected to fall by 12½ per cent in 2021-22. Despite the gradual pick up in international student arrivals, the number of students finishing their studies is expected to exceed commencements. However, by 2022-23 a continued recovery in the number of foreign tourist and international student arrivals is expected to see a strong turnaround with services exports expected to increase by 14 per cent.

**Imports** are also forecast to increase in 2021-22 by 3½ per cent as tourism services imports begin to grow with the easing of international travel restrictions and goods imports are supported by the strong rebound in household consumption and business investment. Imports growth is expected to increase 12½ per cent in 2022-23 as the continuing recovery in outbound tourism supports service imports growth and goods imports growth is driven by continued strength in the domestic economy.

The **labour market** was significantly impacted by recent lockdowns, with employment falling by 2.3 per cent and hours worked by 4.9 per cent between May and October 2021. However, the recent lockdowns appeared to have had less impact on the labour market in affected states than the 2020 lockdowns as firms have learnt to adapt their business practises to better cope with the disruptions. Demand for labour outside sectors directly impacted also proved more resilient, likely reflecting greater confidence in rapid recovery than was the case last year. The number of people attached to jobs fell only slightly, suggesting a degree of labour hoarding in impacted sectors as businesses anticipated only temporary impacts from restrictions.

Leading indicators suggest a swift recovery is underway in the labour market following the lockdowns. Single Touch Payroll data suggests around 350,000 jobs had been recovered by the end of October. Data on welfare payments also suggest most affected workers have had a smooth transition off the COVID-19 Disaster Payment, with only a very small share of recipients transitioning to other income support payments.

Consistent with the forecast recovery in economic activity, **employment** is expected to recover quickly and grow by 1 per cent through the year to the June quarter of 2022 and by 2 per cent through the year to the June quarter of 2023. Stronger GDP and population growth in 2022-23 means that by the June quarter of 2023, employment and participation are both expected to be higher than forecast at Budget, despite the Delta outbreak. This

growth will see the employment to population ratio reaching a record high by the September quarter of 2022.

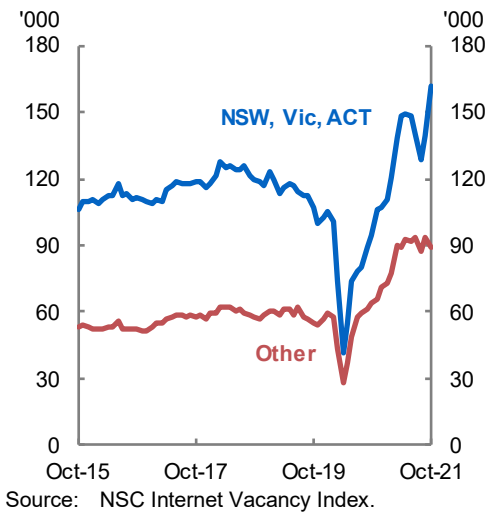
The **participation rate** fell by 0.9 percentage points in the September quarter of 2021, owing to many stood-down employees not being counted as participating in the labour force and a reduction in the number of people looking for work. However, with workers re-entering the labour force as restrictions ease, the participation rate is expected to recover by early 2022. Tight labour market conditions are then expected to see participation continue to rise to 66¼ per cent in the June quarter of 2023, around record levels.

The **unemployment rate** is expected to average 5¼ per cent in the December quarter of 2021 and is then forecast to fall to 4¼ per cent by the June quarter of 2023, compared to 4¾ per cent at Budget. This would see the unemployment rate fall to its lowest level since the September quarter of 2008, and remain at that level over 2023-24 and 2024-25, longer than any period since the early 1970s.

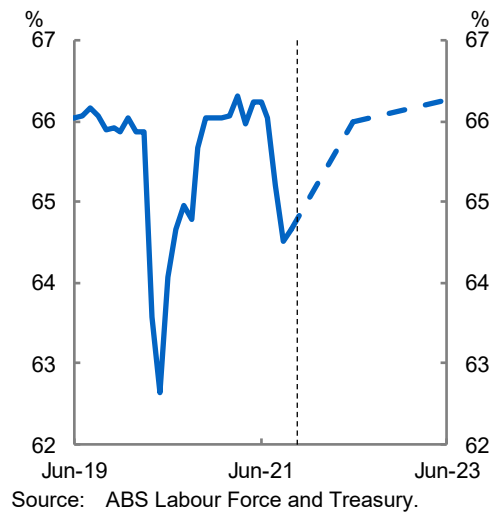
Overall, the outlook for the labour market is positive with elevated job vacancies and employment advertisements signalling a rebound in labour demand. Job vacancies reached a record high in May 2021 prior to the Delta outbreak and job ads have increased strongly in lockdown states as restrictions have eased (Chart 2.13), with ANZ job advertisements for November at the highest level since 2008.

In addition, there is evidence that labour mobility and dynamism is recovering, following a sharp decline during the pandemic. This is important, as labour mobility is a sign of a healthy labour market and supports improvements in labour productivity and wages by enabling better job matches. Previous Treasury research found that periods with high rates of job-to-job switching are often associated with stronger wage growth, even for those workers remaining in their jobs.

**Chart 2.13: Job advertisements**



**Chart 2.14: Participation rate**



Some of the increase in job switching likely reflects catchup for the disruption of the pandemic when workers’ career ladders were interrupted. Unlike the US where the “Great Resignation” has also been discussed as potentially weighing on participation, Australian labour market flows are expected to be consistent with a strong and rapid recovery in the participation rate following recent lockdowns (Chart 2.14).

The outlook for **wage growth** has been upgraded since Budget with wages expected to rise gradually over the forecast period. Growth in the Wage Price Index (WPI) picked up to 2.2 per cent through the year to the September quarter of 2021, returning to pre-pandemic growth rates. This growth, in part, reflects employers revisiting wage and salary reviews throughout 2021 that were postponed during 2020. In addition, worker shortages have contributed to pockets of wage pressure for select industries such as professional services and construction services.

A tighter labour market is expected to support a gradual pick-up in wage growth across the forecast period. Wage growth is forecast to be 2¼ per cent through the year to the June quarter of 2022 and 2¾ per cent through the year to the June quarter of 2023. Beyond the detailed forecast, wage growth is forecast to remain moderate, reaching 3¼ per cent through the year to the June quarter of 2025.

The outlook for **consumer price** inflation is stronger than at Budget, reflecting strong near-term price pressures evident in the latest inflation data and the expected impact of tighter labour market conditions further out in the forecast period.

The Consumer Price Index (CPI) rose by 0.8 per cent in the September quarter of 2021 to be 3.0 per cent higher through the year. Prior to the pandemic, the last time CPI inflation was 3.0 per cent was in 2014. The result was driven by rising fuel prices and a large rise

in the cost of constructing new dwellings. Measures of underlying inflation have also increased with the trimmed mean measure growing 2.1 per cent through the year to the September quarter of 2021.

In the near term, further upward pressure on construction costs of new dwellings, and global fuel and traded goods price pressures will contribute to stronger inflation outcomes. However, these pressures are expected to moderate over 2022. Consumer price inflation is forecast to be 2¾ per cent in the June quarter of 2022 and 2½ per cent in the June quarter of 2023.

There are potential upside risks to the outlook for prices and wages. On the prices side there are risks associated with stronger consumption outcomes and developments in global inflation (Box 2.2). In addition, if the labour market tightens faster than expected, this could increase upward pressure on wages over the forecast period.

**Nominal GDP** is forecast to grow by 6½ per cent in 2021-22 and by 1¼ per cent in 2022-23. The upgrade in 2021-22 compared to Budget is driven by higher than assumed commodity prices on average. While commodity prices are assumed to moderate over 2022-23, stronger wage growth forecasts and domestic activity continue to support nominal GDP growth over the next few years.

The **terms of trade** are expected to plateau in 2021-22 before falling by 18 per cent in 2022-23 from a near record level this year due to the assumed decline in commodity prices from current elevated levels. Box 2.4 discusses recent volatility in commodity prices and the prudent approach taken for the outlook for commodity prices. Further information on the sensitivity of the economy to changes in iron ore price can be found in Part 5: *Sensitivity Analysis*.

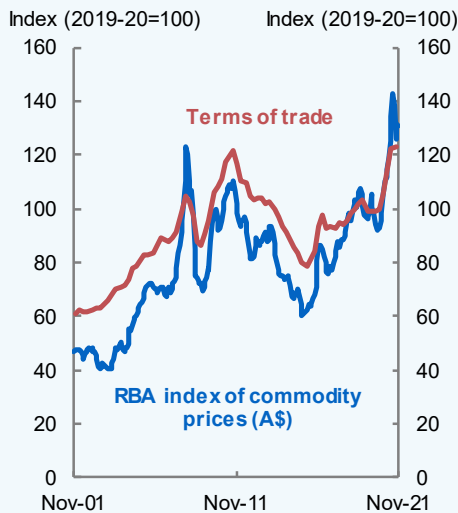


**Box 2.4: Commodity prices**

Australia’s terms of trade reached a record high in the September quarter of 2021, 8.2 per cent higher than forecast at Budget (Chart 2.15). Spot prices in Australia’s key commodity exports (iron ore, metallurgical coal, thermal coal and LNG) all reached record highs during the year.

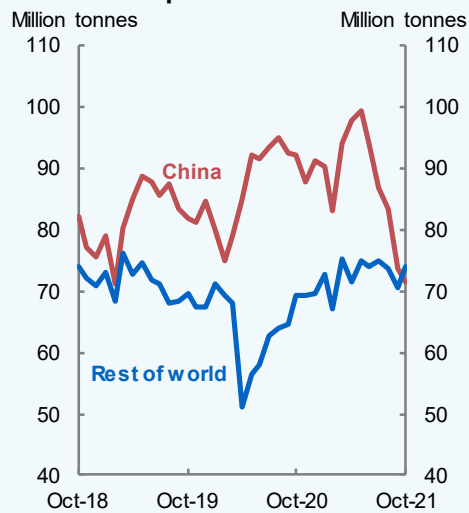
Commodity prices, however, remain volatile and susceptible to global shocks such as the recent slowing in the Chinese steel sector, with the spike in iron ore unwinding rapidly in recent months. The RBA commodity price index peaked in July but has since unwound by around 8 per cent over the four months to November. In line with this, the terms of trade are expected to decline in the December quarter.

**Chart 2.15: Commodity prices and Australia’s terms of trade**



Source: RBA, ABS.

**Chart 2.16: Global crude steel production**



Source: Bloomberg, World Steel Association.

The key drivers of iron ore price volatility have been a strong cycle in Chinese steel demand and supply disruptions. Chinese steel production increased sharply in the first half of 2021 to feed strong construction activity but has since unwound due to policy-induced steel production curbs aimed at limiting carbon emissions and softer demand as a result of the slowdown in the real estate sector (Chart 2.16).

Despite the slowing in the Chinese steel sector, metallurgical coal prices spiked in the second half of the year following supply disruptions at Chinese mines. Thermal coal and LNG prices rose in line with the increase in global energy prices associated with unseasonably cold weather in the Northern hemisphere and disruptions affecting key suppliers.

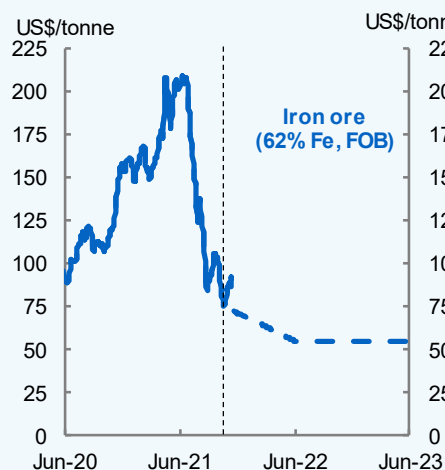
**Box 2.4: Commodity prices (continued)**

The temporary surge in commodity prices has provided additional support to the Australian economy over the course of the pandemic through higher profits and government revenue. However, given the expected temporary nature of the price shocks, the pick-up in mining investment intentions has been relatively modest compared with the peak of the mining investment boom in 2012-13.

The value of non-rural commodity exports have been around \$1.3 billion and \$15.1 billion higher than forecast in the June and September quarters 2021, respectively, due to higher-than-assumed commodity prices. While tax collections are subject to timing lags, company tax receipts in the mining sector were also higher over this period, partially owing to elevated commodity prices.

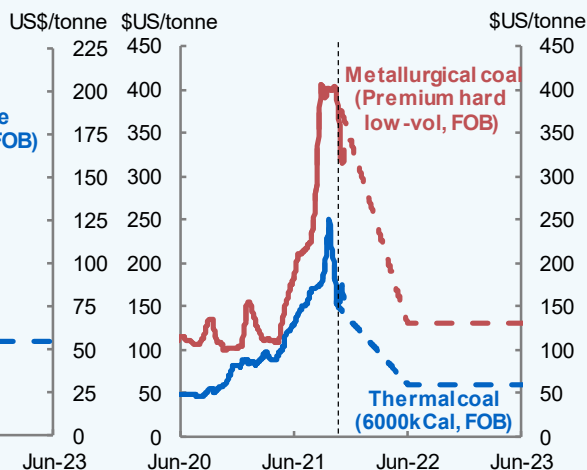
The 2021-22 MYEFO retains the prudent approach to commodity price assumptions from Budget. The iron ore price is assumed to decline to US\$55 per tonne FOB by the end of the June quarter 2022 (Chart 2.17). This is one quarter later than was assumed in the 2021-22 Budget. In addition, metallurgical and thermal coal prices are assumed to decline to reach US\$130 and US\$60, respectively, by the end of the June quarter 2022 (Chart 2.18). Factors keeping coal prices at current levels, such as supply disruptions, are expected to be temporary.

**Chart 2.17: Iron ore spot price**



Source: Argus Media and Treasury.

**Chart 2.18: Coal spot prices**



Source: Argus Media and Treasury.

Note: Spot price data are presented as a 5-day moving average and are expressed in Free on Board terms, which exclude the cost of freight. Iron ore and coal spot price assumptions were finalised on 12 November 2021. Calculations made by Treasury based on confidential proprietary data from Argus Media under licence. Argus Media shall not be liable for any loss or damage arising from any party's reliance on, or use of, the data provided or the Treasury's calculations.

**Box 2.4: Commodity prices (continued)**

The outlook for commodity prices remains subject to a range of uncertainties. On the upside, weather events that increase global energy demand or generate supply interruptions could contribute to coal prices remaining elevated. This risk is heightened by the current La Niña weather pattern, which is usually associated with colder winters in the Northern hemisphere, boosting demand, and heavy rainfall in northern and central Australia, which could disrupt Australian coal production. On the other hand, if the slowdown in the Chinese real estate sector were to accelerate, prices for Australia’s key exports could be lower than assumed (Refer to Part 5: *Sensitivity Analysis* for more information about iron ore sensitivity analysis of iron ore price movements).

## Medium-term projections

A macroeconomic model of the Australian economy is used to help inform the path that the economy takes to close the output gap, accounting for factors such as the nature and level of spare capacity in the economy, the drivers of potential output growth, and the expected path of international trade prices. The model allows for a considered assessment of the path of output beyond the detailed forecast period.

Potential GDP is estimated based on an analysis of trends for population, productivity, and participation. As additional capacity in the economy is absorbed over time (that is, the output gap closes), real GDP converges towards its potential level and the unemployment rate converges towards the estimate of the non-accelerating inflation rate of unemployment (NAIRU). On the nominal side, key non-rural commodity export prices are projected based on cost curve analysis. Domestic prices return over time to the mid-point of the RBA's inflation target band.

Population growth is expected to return to around 1.4 per cent by the end of the forward estimates as COVID-19 restrictions continue to ease, and global migration flows return to more normal levels. The size of the population is expected to be around 1.5 million people or 4.9 per cent smaller by 2030-31 compared with what was projected in the 2019-20 MYEFO, prior to the onset of the pandemic. Global migration flows, including those to Australia, could increase more quickly if there is a more rapid containment of the virus worldwide.

The outlook for the level of nominal GDP over the forecast and medium-term projection period (which runs from the end of the forward estimates until 2031-32) is stronger than the 2021-22 Budget. Potential GDP over the medium term is projected to remain below its expected pre-pandemic level. The terms of trade are projected to return to and remain around their 2006-07 level from 2025-26.

Over the past year, potential GDP growth is estimated to have fallen below 2 per cent per annum but is expected to rise to average  $2\frac{3}{4}$  per cent per annum over the medium term to 2031-32. Over the medium term, inflation is expected to return to the mid-point of the RBA's inflation target band and the unemployment rate is expected to converge to around the estimate of the NAIRU.

Labour productivity growth depends on both trends in underlying productivity<sup>1</sup> and the productive capital stock. As in the 2021-22 Budget, underlying productivity growth is assumed to converge over a 10-year period to the average growth rate in labour productivity over the 30 years to 2018-19 of 1.5 per cent per annum. Increases in underlying productivity lead to complementary increases in the productive capital stock, but this takes time due to costs of adjustment.

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1 Underlying productivity is also known as labour augmenting technical change.

## Part 3: Fiscal strategy and outlook

### Overview

The Government responded decisively to the Delta outbreaks with a further \$25 billion in direct economic and health support committed since Budget. This brings the total support committed since the onset of the pandemic to \$337 billion, equivalent to 16.3 per cent of GDP.

The success in responding to outbreaks and achieving a high vaccination rate has enabled Australia to safely commence reopening, ease restrictions and phase out support measures. The Government remains well placed to manage the risks presented by the emergence of new variants while supporting the economic recovery.

A stronger-than-expected labour market recovery, and higher commodity prices and asset prices than assumed at Budget, are driving upward revisions to tax receipts in the near term, while also reducing the number of unemployment benefit recipients. Notwithstanding the impacts of the Delta outbreaks, the expected underlying cash deficit in 2021-22 has improved to \$99.2 billion (4.5 per cent of GDP) from an estimate of \$106.6 billion (5.0 per cent of GDP) at the 2021-22 Budget.

Moderate upgrades in tax receipts over the remainder of the forward estimates are largely offset by increases in payments, including additional funding to support the continued implementation of the National Disability Insurance Scheme (NDIS), leaving the underlying cash balance broadly unchanged from Budget (Table 3.1).

Consistent with the 2021-22 Budget, the underlying cash balance is expected to improve significantly over the forward estimates, with the deficit declining to \$57.5 billion or 2.3 per cent of GDP in 2024-25. This improvement is projected to continue across the medium term, with the deficit declining to 1.8 per cent of GDP by 2031-32.

This significant improvement in the underlying cash balance occurs at the same time as tax receipts as a share of GDP are expected to fall from the 22.9 per cent outcome in 2020-21 to 22.1 per cent in 2024-25, in part due to the Government's tax reform measures which are helping to drive a private sector-led recovery. Consistent with the fiscal strategy, the Government is focused on lowering taxes to create more jobs, grow the economy and deliver a stronger budget.

A stronger-than-expected budget outcome in 2020-21 and outlook in the near term flows through to a better outlook for debt, with both gross and net debt lower in each year of the forward estimates and medium term than at Budget. Gross debt is expected to be 41.8 per cent of GDP at 30 June 2022 and stabilise at around 50 per cent of GDP in the medium term. Net debt is expected to be 30.6 per cent of GDP at 30 June 2022, peak at

37.4 per cent of GDP at 30 June 2025, and then fall to 35.5 per cent of GDP by 30 June 2032.

Although yields have risen slightly since Budget, they remain low by historical standards. Consequently, net interest payments also remain low at 0.7 per cent of GDP over the forward estimates, in line with the level recorded in 2013-14. Low yields, together with strong economic growth, mean the Government can stabilise the debt-to-GDP ratio while running modest budget deficits.

Despite the considerable fiscal cost of responding to COVID-19, the Australian Government continues to have a lower debt-to-GDP ratio than many other advanced economies thanks to Australia's strong record of fiscal management.

**Table 3.1: Australian Government general government sector budget aggregates**

	Estimates							
	2021-22		2022-23		2023-24		2024-25	
	\$b	% GDP	\$b	% GDP	\$b	% GDP	\$b	% GDP
<b>Underlying cash balance</b>								
MYEFO	-99.2	-4.5	-98.9	-4.4	-84.5	-3.6	-57.5	-2.3
Budget	-106.6	-5.0	-99.3	-4.6	-79.5	-3.5	-57.0	-2.4
<b>Receipts</b>								
MYEFO	532.1	24.2	516.4	23.1	550.3	23.6	591.2	24.2
Budget	482.1	22.6	494.0	22.7	532.9	23.4	572.0	23.9
<b>Tax receipts</b>								
MYEFO	490.5	22.3	478.5	21.4	507.6	21.8	539.5	22.1
Budget	445.6	20.9	455.3	20.9	493.1	21.6	525.4	21.9
<b>Non-tax receipts</b>								
MYEFO	41.6	1.9	37.9	1.7	42.6	1.8	51.7	2.1
Budget	36.5	1.7	38.7	1.8	39.7	1.7	46.6	1.9
<b>Payments(a)</b>								
MYEFO	631.4	28.7	615.3	27.6	634.7	27.3	648.6	26.5
Budget	588.7	27.6	593.3	27.3	612.4	26.9	628.9	26.2
<b>Gross debt(b)</b>								
MYEFO	919	41.8	1,017	45.6	1,110	47.7	1,189	48.6
Budget	963	45.1	1,058	48.6	1,134	49.7	1,199	50.0
<b>Net debt(c)</b>								
MYEFO	673.4	30.6	773.1	34.7	855.9	36.8	914.8	37.4
Budget	729.0	34.2	835.0	38.4	920.4	40.4	980.6	40.9
<b>Net interest payments</b>								
MYEFO	14.8	0.7	14.6	0.7	16.7	0.7	17.6	0.7
Budget	14.7	0.7	14.9	0.7	16.7	0.7	17.1	0.7

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

(b) Gross debt measures the face value of AGS on issue.

(c) Net debt is the sum of interest bearing liabilities less the sum of selected financial assets (cash and deposits, advances paid and investments, loans and placements).

## Economic and Fiscal Strategy

The Government’s Economic and Fiscal Strategy remains unchanged from the 2021-22 Budget and is comprised of two phases.

In the first phase, the priority is to ensure a strong and sustained recovery in order to drive down the unemployment rate and limit the long-term economic impact of the COVID-19 pandemic. Supporting economic growth now and into the future will underpin stronger public finances over time.

Consistent with this objective, the Government has taken decisive action to support households and businesses since the onset of the COVID-19 pandemic, including during the Delta outbreaks. This response was underpinned by a clear set of principles: that it be temporary, targeted, and proportionate, and be delivered using existing mechanisms where possible (see Box 1.1 of Part 1: *Overview* for more detail).

This substantial economic support along with Australia’s success in managing the health situation has allowed government support programs to be phased out and provided a foundation for the transition to sustainable private sector-led growth.

Despite these successes, the virus remains a risk to the economic recovery. While the unemployment rate is forecast to fall to 4¼ per cent by the June quarter 2023, there is still uncertainty in the economic outlook from the ongoing impact of the global pandemic. The first phase of the fiscal strategy will therefore remain in place until the economic recovery is secure.

Once the economic recovery is secure, the Government’s focus will turn to the medium-term objective of stabilising and then reducing debt as a share of GDP.

The Government’s Economic and Fiscal Strategy is consistent with the requirements of the *Charter of Budget Honesty Act 1998* and is set out in Box 3.1.

### **Box 3.1: The Government's Economic and Fiscal Strategy**

The Government's Economic and Fiscal Strategy will drive sustainable, private sector-led growth and job creation and ensure Australia is well placed to respond to future shocks.

By supporting economic growth now and over the medium term, the Strategy will underpin stronger public finances over time, guarantee provision of essential services and lower taxes as a share of the economy.

#### **COVID-19 Economic Recovery Plan**

The Government's Economic Recovery Plan aims to promote employment, growth and business and consumer confidence through:

- allowing the budget's automatic stabilisers to operate, to support aggregate demand
- temporary, proportionate and targeted fiscal support, including through tax measures that incentivise private sector investment to drive productivity and create jobs
- structural reforms to improve the ease of doing business and increase the economy's long-term growth potential to create the jobs of the future
- continuing to improve the efficiency and quality of government spending.

Progress on the economic recovery will be reviewed at each Budget update. This phase of the Strategy will remain in place until the economic recovery is secure and the unemployment rate is back to pre-crisis levels or lower, at which time the Strategy will be governed by the Government's medium-term fiscal objectives.

#### **Medium term fiscal strategy**

Over the medium term, the fiscal strategy will be focused on growing the economy in order to stabilise and reduce debt. This underlines the commitment to budget and balance sheet discipline and provides flexibility to respond to changing economic conditions.

The Strategy is underpinned by the following elements:

- stabilising and then reducing gross and net debt as a share of the economy
- targeting a budget balance, on average, over the course of the economic cycle that is consistent with the debt objective. This will be achieved by:
  - controlling expenditure growth, while maintaining the efficiency and quality of government spending and guaranteeing the delivery of essential services
  - supporting revenue growth through policies that drive earnings and economic growth, while maintaining a sustainable tax burden consistent with a tax-to-GDP ratio at or below 23.9 per cent of GDP
  - using the Government's balance sheet to support productivity-enhancing investments that build a stronger economy, support private investment and create jobs
  - ongoing structural reforms to boost economic growth.

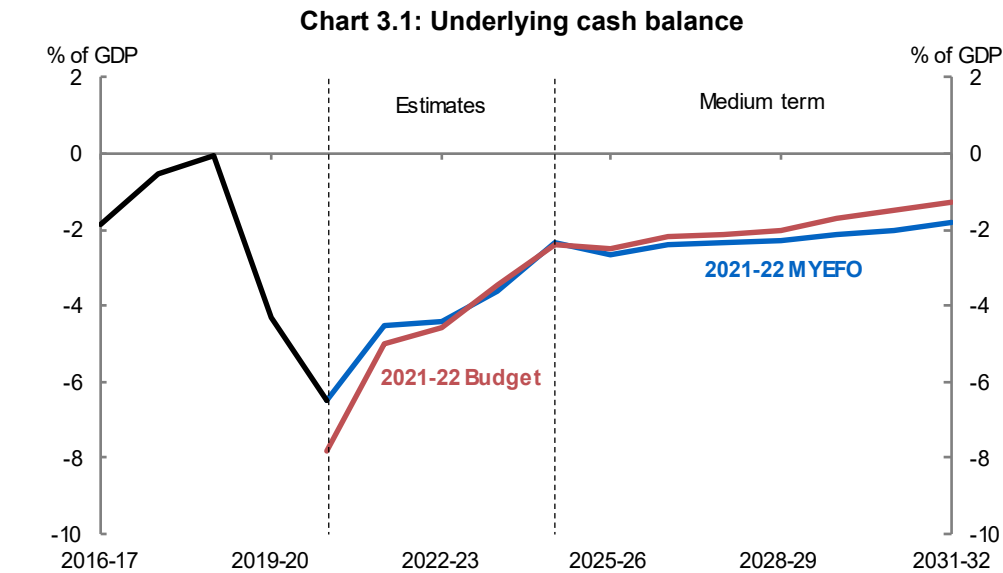


## Fiscal outlook

Compared with the 2021-22 Budget, the underlying cash balance in 2021-22 has improved by \$7.4 billion, while remaining broadly unchanged across the remainder of the forward estimates. The net improvement over the four years to 2024-25 since Budget is \$2.3 billion. By the end of the medium term, the projected underlying cash balance has deteriorated slightly since Budget, largely due to growth in NDIS expenditure.

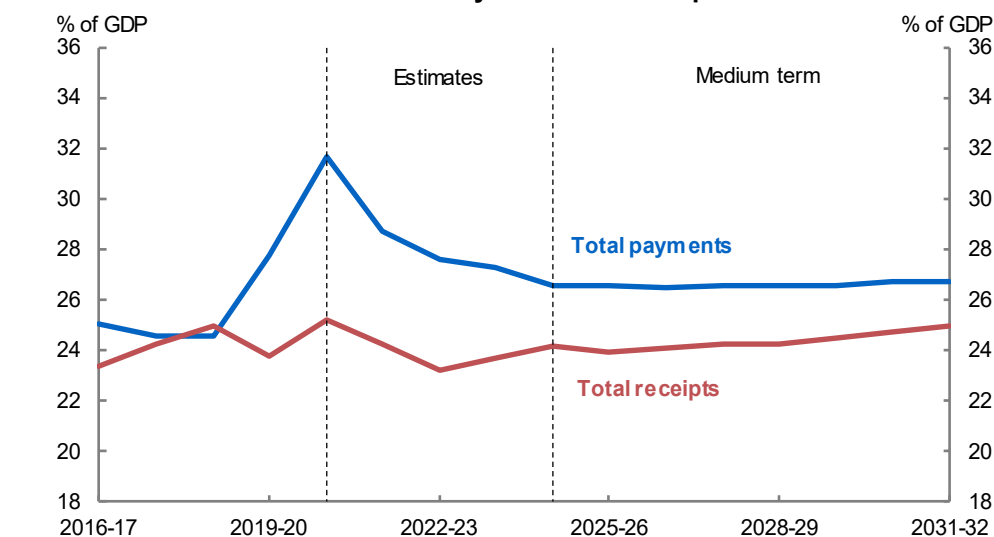
### Underlying cash balance estimates and projections

An underlying cash deficit of 4.5 per cent of GDP (\$99.2 billion) is estimated in 2021-22, improving to an estimated deficit of 2.3 per cent of GDP (\$57.5 billion) in 2024-25. The underlying cash balance is projected to continue to improve over the medium term to a deficit of 1.8 per cent of GDP in 2031-32 (Chart 3.1).



Total receipts are expected to be 24.2 per cent of GDP in 2021-22 and are projected to reach 24.9 per cent of GDP in 2031-32. Total payments are expected to fall from 28.7 per cent of GDP in 2021-22 to be 26.5 per cent of GDP in 2024-25. Payments are then projected to remain largely flat across the medium term to be 26.7 per cent of GDP in 2031-32 (Chart 3.2).

**Chart 3.2: Payments and receipts**



Source: Treasury.

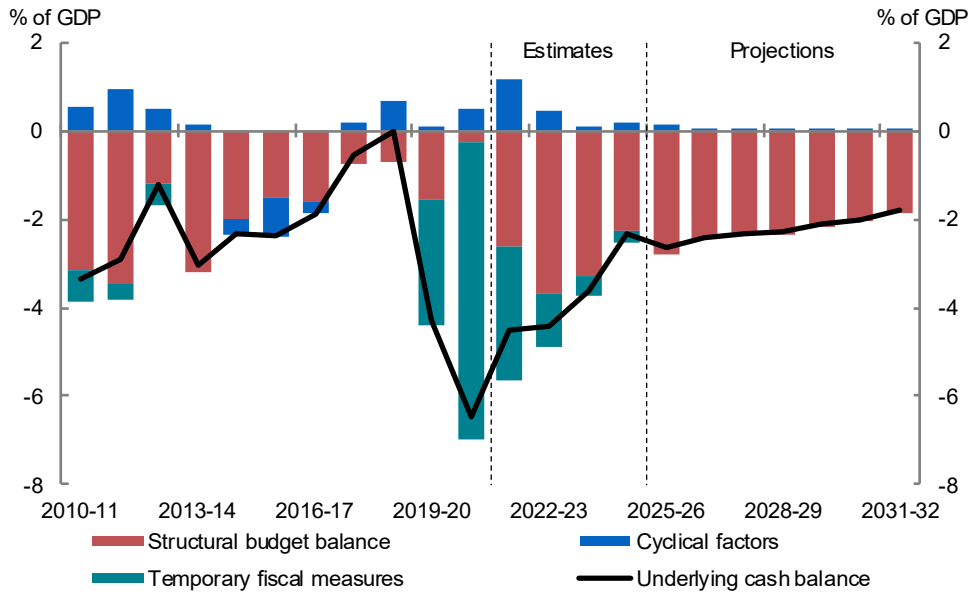
### Structural budget balance

The structural budget balance is estimated by removing temporary movements in receipts and payments from the underlying cash balance. These shifts are caused by cyclical factors such as temporary deviations in real GDP from potential (the output gap) or temporary deviations of commodity prices from their long-run trends, as well as temporary fiscal measures designed to support the economy through an economic crisis.

Cyclical factors are expected to provide a small contribution to the budget position in the near term. This largely reflects the impact of an elevated terms of trade and asset prices on receipts, which more than offsets the effect of a negative output gap on receipts and payments in 2021-22. The contribution from cyclical factors declines over time as the terms of trade returns to its assumed long-run trend and the output gap closes.

Temporary economic support measures, including additional support provided in response to the Delta outbreaks, have worsened the underlying cash balance since the onset of the COVID-19 pandemic. Nonetheless, the underlying cash balance improves steadily from 2020-21, as temporary measures are unwound, and the structural budget balance improves from 2022-23 (Chart 3.3).

**Chart 3.3: Structural budget balance**



Note: The presentation of the structural budget balance chart has been adjusted to separate the budgetary impact of temporary measures from structural factors. This approach follows the methodology detailed in Treasury Working Paper 2013-01. 'Temporary measures' comprise selected direct economic and health support measures implemented following the onset of the COVID-19 pandemic. The 'cyclical factors' component comprises the estimated impact on the underlying cash balance from automatic stabilisers and cyclical movements in asset and commodity prices.

Source: Treasury.

### Changes in the underlying cash balance over the forward estimates

Policy decisions made since the 2021-22 Budget have reduced the underlying cash balance by \$30.7 billion in 2021-22 and \$44.8 billion over the four years to 2024-25. This reflects spending to secure the economic recovery and the response to the Delta outbreaks while also guaranteeing high quality essential services, including new listings on the Pharmaceutical Benefits Scheme. Total COVID-19 related measures since the 2021-22 Budget reduce the underlying cash balance by \$25 billion over the four years to 2024-25.

Parameter and other variations have improved the underlying cash balance, with higher-than-expected tax receipts, partly offset by higher NDIS payments and increases in indexed payments as a result of higher inflation and wages forecasts. Parameter and other variations have improved the underlying cash balance by \$38.1 billion in 2021-22, and by \$47.1 billion over the four years to 2024-25.

**Table 3.2: Reconciliation of general government sector underlying cash balance estimates**

	Estimates				Total \$m
	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	
<b>2021-22 Budget underlying cash balance</b>	<b>-106,619</b>	<b>-99,266</b>	<b>-79,514</b>	<b>-56,966</b>	<b>-342,366</b>
Per cent of GDP	-5.0	-4.6	-3.5	-2.4	
<b>Changes from 2021-22 Budget to 2021-22 MYEFO</b>					
Effect of policy decisions(a)(b)					
<i>Receipts</i>	562	897	941	770	3,171
<i>Payments</i>	31,265	7,325	5,056	4,326	47,971
Total policy decisions impact on underlying cash balance	-30,702	-6,428	-4,114	-3,556	-44,800
Effect of parameter and other variations(b)					
<i>Receipts</i>	49,515	21,552	16,458	18,426	105,950
<i>Payments</i>	11,440	14,717	17,297	15,372	58,826
Total parameter and other variations impact on underlying cash balance	38,075	6,835	-840	3,053	47,124
<b>2021-22 MYEFO underlying cash balance</b>	<b>-99,247</b>	<b>-98,859</b>	<b>-84,468</b>	<b>-57,469</b>	<b>-340,042</b>
Per cent of GDP	-4.5	-4.4	-3.6	-2.3	

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

### Receipts estimates and projections

Total receipts are projected to have increased since the 2021-22 Budget, mainly driven by higher projected tax collections. Total receipts are expected to be \$532.1 billion (24.2 per cent of GDP) in 2021-22, \$50.1 billion higher than estimated at the 2021-22 Budget and \$109.1 billion higher over the four years to 2024-25.

In 2021-22, tax receipts are expected to be 22.3 per cent of GDP and non-tax receipts 1.9 per cent of GDP. Tax receipts are expected to fall to 22.1 per cent of GDP in 2024-25 in part as a result of the Government's tax reform measures that are helping to drive a private sector-led recovery.

Near-term strength in receipts has been driven by a range of factors including: higher wage levels, higher near-term commodity prices, strong on-assessment outcomes from the 2020-21 income year across individuals, company and superannuation funds tax, and elevated asset prices leading to higher capital gains also across individuals, company and superannuation funds tax.

Total receipts are projected to reach 24.9 per cent of GDP in 2031-32. Consistent with the 2021-22 Budget, tax receipts are projected to remain below the tax-to-GDP cap of 23.9 per cent of GDP across the forward estimates and medium term.

Tables 3.3 and 3.4 provide a summary of changes in total receipts in 2021-22 and 2022-23. Table 3.5 shows receipts from 2021-22 to 2024-25 by heads of revenue.

**Table 3.3: Reconciliation of 2021-22 general government sector (cash) receipts**

	Estimates		Change on Budget	
	Budget \$m	MYEFO \$m	\$m	%
Individuals and other withholding taxes				
Gross income tax withholding	216,500	227,400	10,900	5.0
Gross other individuals	45,200	50,300	5,100	11.3
less: Refunds	42,300	38,700	-3,600	-8.5
Total individuals and other withholding tax	219,400	239,000	19,600	8.9
Fringe benefits tax	3,960	3,310	-650	-16.4
Company tax	82,300	100,300	18,000	21.9
Superannuation fund taxes	15,260	23,210	7,950	52.1
Petroleum resource rent tax	1,000	1,400	400	40.0
<b>Income taxation receipts</b>	<b>321,920</b>	<b>367,220</b>	<b>45,300</b>	<b>14.1</b>
Goods and services tax	71,941	72,541	600	0.8
Wine equalisation tax	1,030	1,140	110	10.7
Luxury car tax	680	770	90	13.2
Excise and customs duty				
Petrol	6,100	5,650	-450	-7.4
Diesel	13,140	13,580	440	3.3
Other fuel products	1,830	1,640	-190	-10.4
Tobacco	14,750	13,300	-1,450	-9.8
Beer	2,600	2,490	-110	-4.2
Spirits	2,720	3,080	360	13.2
Other alcoholic beverages(a)	1,070	1,270	200	18.7
Other customs duty				
Textiles, clothing and footwear	160	190	30	18.8
Passenger motor vehicles	310	350	40	12.9
Other imports	1,230	1,290	60	4.9
less: Refunds and drawbacks	650	800	150	23.1
Total excise and customs duty	43,260	42,040	-1,220	-2.8
Major bank levy	1,650	1,500	-150	-9.1
Agricultural levies	505	554	49	9.6
Other taxes	4,613	4,723	110	2.4
<b>Indirect taxation receipts</b>	<b>123,679</b>	<b>123,267</b>	<b>-412</b>	<b>-0.3</b>
<b>Taxation receipts</b>	<b>445,599</b>	<b>490,487</b>	<b>44,888</b>	<b>10.1</b>
Sales of goods and services	17,364	17,520	156	0.9
Interest received	3,063	2,732	-331	-10.8
Dividends and distributions(b)	5,829	7,980	2,151	36.9
Other non-taxation receipts	10,198	13,411	3,212	31.5
<b>Non-taxation receipts</b>	<b>36,454</b>	<b>41,642</b>	<b>5,189</b>	<b>14.2</b>
<b>Total receipts</b>	<b>482,053</b>	<b>532,130</b>	<b>50,077</b>	<b>10.4</b>
<i>Memorandum:</i>				
Total excise	24,840	24,850	10	0.0
Total customs duty	18,420	17,190	-1,230	-6.7
Capital gains tax(c)	17,400	24,500	7,100	40.8

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

(b) 'Dividends' has been renamed 'dividends and distributions' to more accurately reflect the transactions included in this item.

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

**Table 3.4: Reconciliation of 2022-23 general government sector (cash) receipts**

	Estimates		Change on Budget	
	Budget \$m	MYEFO \$m	\$m	%
<b>Individuals and other withholding taxes</b>				
Gross income tax withholding	224,500	233,900	9,400	4.2
Gross other individuals	50,200	54,100	3,900	7.8
less: Refunds	38,100	37,900	-200	-0.5
<b>Total individuals and other withholding tax</b>	<b>236,600</b>	<b>250,100</b>	<b>13,500</b>	<b>5.7</b>
Fringe benefits tax	4,160	3,590	-570	-13.7
Company tax	70,400	79,900	9,500	13.5
Superannuation fund taxes	14,510	12,660	-1,850	-12.7
Petroleum resource rent tax	1,000	1,400	400	40.0
<b>Income taxation receipts</b>	<b>326,670</b>	<b>347,650</b>	<b>20,980</b>	<b>6.4</b>
Goods and services tax	75,231	76,861	1,630	2.2
Wine equalisation tax	1,060	1,100	40	3.8
Luxury car tax	610	720	110	18.0
<b>Excise and customs duty</b>				
Petrol	6,300	6,300	0	0.0
Diesel	13,740	14,530	790	5.7
Other fuel products	1,850	1,900	50	2.7
Tobacco	14,610	13,150	-1,460	-10.0
Beer	2,660	2,600	-60	-2.3
Spirits	2,800	2,920	120	4.3
Other alcoholic beverages(a)	1,100	1,080	-20	-1.8
Other customs duty				
Textiles, clothing and footwear	110	200	90	81.8
Passenger motor vehicles	70	290	220	314.3
Other imports	780	1,330	550	70.5
less: Refunds and drawbacks	650	700	50	7.7
<b>Total excise and customs duty</b>	<b>43,370</b>	<b>43,600</b>	<b>230</b>	<b>0.5</b>
Major bank levy	1,700	1,600	-100	-5.9
Agricultural levies	522	541	19	3.6
Other taxes	6,165	6,456	291	4.7
<b>Indirect taxation receipts</b>	<b>128,658</b>	<b>130,878</b>	<b>2,220</b>	<b>1.7</b>
<b>Taxation receipts</b>	<b>455,328</b>	<b>478,528</b>	<b>23,200</b>	<b>5.1</b>
Sales of goods and services	17,848	18,136	288	1.6
Interest received	3,080	3,032	-48	-1.6
Dividends and distributions(b)	7,451	4,825	-2,627	-35.3
Other non-taxation receipts	10,293	11,929	1,636	15.9
<b>Non-taxation receipts</b>	<b>38,672</b>	<b>37,921</b>	<b>-751</b>	<b>-1.9</b>
<b>Total receipts</b>	<b>494,000</b>	<b>516,449</b>	<b>22,449</b>	<b>4.5</b>
<i>Memorandum:</i>				
Total excise	25,780	26,550	770	3.0
Total customs duty	17,590	17,050	-540	-3.1
Capital gains tax(c)	18,600	22,500	3,900	21.0

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

(b) 'Dividends' has been renamed 'dividends and distributions' to more accurately reflect the transactions included in this item.

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

**Table 3.5: Australian Government general government sector (cash) receipts**

	Estimates			
	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
Individuals and other withholding taxes				
Gross income tax withholding	227,400	233,900	244,400	245,400
Gross other individuals	50,300	54,100	55,400	59,100
<i>less: Refunds</i>	38,700	37,900	35,300	37,100
Total individuals and other withholding tax	239,000	250,100	264,500	267,400
Fringe benefits tax	3,310	3,590	3,750	3,950
Company tax	100,300	79,900	85,900	105,000
Superannuation fund taxes	23,210	12,660	16,560	19,110
Petroleum resource rent tax	1,400	1,400	1,400	1,400
<b>Income taxation receipts</b>	<b>367,220</b>	<b>347,650</b>	<b>372,110</b>	<b>396,860</b>
Goods and services tax	72,541	76,861	79,660	83,992
Wine equalisation tax	1,140	1,100	1,140	1,180
Luxury car tax	770	720	720	760
Excise and customs duty				
Petrol	5,650	6,300	6,700	7,150
Diesel	13,580	14,530	15,230	16,280
Other fuel products	1,640	1,900	1,930	2,020
Tobacco	13,300	13,150	13,550	13,950
Beer	2,490	2,600	2,690	2,830
Spirits	3,080	2,920	3,000	3,130
Other alcoholic beverages(b)	1,270	1,080	1,110	1,170
Other customs duty				
Textiles, clothing and footwear	190	200	120	120
Passenger motor vehicles	350	290	70	80
Other imports	1,290	1,330	860	890
<i>less: Refunds and drawbacks</i>	800	700	700	700
Total excise and customs duty	42,040	43,600	44,560	46,920
Major bank levy	1,500	1,600	1,600	1,700
Agricultural levies	554	541	551	556
Other taxes	4,723	6,456	7,268	7,504
<b>Indirect taxation receipts</b>	<b>123,267</b>	<b>130,878</b>	<b>135,499</b>	<b>142,612</b>
<b>Taxation receipts</b>	<b>490,487</b>	<b>478,528</b>	<b>507,609</b>	<b>539,472</b>
Sales of goods and services	17,520	18,136	19,320	20,170
Interest received	2,732	3,032	3,411	3,685
Dividends and distributions(b)	7,980	4,825	6,056	10,268
Other non-taxation receipts	13,411	11,929	13,857	17,570
<b>Non-taxation receipts</b>	<b>41,642</b>	<b>37,921</b>	<b>42,645</b>	<b>51,693</b>
<b>Total receipts</b>	<b>532,130</b>	<b>516,449</b>	<b>550,253</b>	<b>591,165</b>
<i>Memorandum:</i>				
<i>Total excise</i>	24,850	26,550	27,810	29,620
<i>Total customs duty</i>	17,190	17,050	16,750	17,300
<i>Capital gains tax(c)</i>	24,500	22,500	22,100	23,300

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

(b) 'Dividends' has been renamed 'dividends and distributions' to more accurately reflect the transactions included in this item.

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



**Receipts policy decisions**

Policy decisions since the 2021-22 Budget have increased total receipts by \$0.6 billion in 2021-22 and by \$3.2 billion over the four years to 2024-25. Policy decisions have increased tax receipts by \$1.7 billion over the four years to 2024-25. Key tax receipt measures include:

- Continuing the ATO's personal income taxation and shadow economy compliance programs to the end of June 2023. This measure is estimated to increase receipts by \$1.2 billion over the forward estimates period.
- Amending the tax treatment of superannuation benefits that commenced on or after 20 September 2007 and were affected by the Full Federal Court decision in *Commissioner of Taxation v Douglas*, and creating a new non-refundable tax offset for recipients of certain military invalidity pensions. This measure is estimated to decrease receipts by \$60.0 million over the forward estimates period.
- Extending the temporary 50 per cent reduction in superannuation minimum drawdown rates for a further year to 30 June 2022. This measure is estimated to decrease receipts by \$50.0 million over the forward estimates period.

Since the 2021-22 Budget, policy decisions are expected to increase non-taxation receipts by \$0.5 billion in 2021-22, and by \$1.5 billion over the four years to 2024-25. The National COVID-19 Disaster Payment measure contributes significantly to this upward revision reflecting the repayments that states and territories are expected to make in relation to payments outside hotspot areas.

Further details of Government policy decisions are provided in Appendix A: *Policy decisions taken since the 2021-22 Budget*.

**Receipts parameter and other variations**

Parameter and other variations have increased total receipts since the 2021-22 Budget by \$49.5 billion in 2021-22 and by \$105.9 billion over the four years to 2024-25.

Since the 2021-22 Budget, parameter and other variations have increased tax receipts by \$44.9 billion in 2021-22 and by \$95.0 billion over the four years to 2024-25. The upward revision is driven by higher forecasts for individuals, superannuation funds and company income tax receipts. These upward revisions reflect stronger-than-expected payments related to 2020-21 tax returns, a faster-than-expected recovery in the labour market, elevated commodity prices in the 2021-22 year and elevated asset prices leading to larger-than-expected capital gains.

Since the 2021-22 Budget, parameter and other variations are expected to increase non-taxation receipts by \$4.6 billion in 2021-22 and by \$11.0 billion over the four years

to 2024-25. This revision reflects higher-than-expected Future Fund earnings and an increase in liquefied natural gas (LNG) royalties.

These improvements are partially offset by lower-than-expected Reserve Bank of Australia dividends and receipts from Australian Government Investment Funds.

The key economic parameters that influence tax receipts and tax revenue are shown in Table 3.6.

**Table 3.6: Key economic parameters for revenue<sup>(a)</sup>**

	Outcomes		Forecasts		
	2020-21	2021-22	2022-23	2023-24	2024-25
Nominal gross domestic product	4.4	6 1/2	1 1/4	4 1/2	5
Change since 2021-22 Budget		3	- 3/4	- 1/4	0
Compensation of employees(b)	3.3	3 1/2	4 1/4	5	5
Change since 2021-22 Budget		1/2	1/2	1	1/4
Corporate gross operating surplus(c)	9.6	2 1/4	-8 1/4	3 1/4	5
Change since 2021-22 Budget		9	-4 3/4	-1 3/4	- 1/4
Non-farm gross mixed income	11.5	-2 1/2	1	6	5
Change since 2021-22 Budget		4 3/4	-2 1/4	-1	-2 1/4
Property income(d)	-2.4	12	6	4 3/4	5
Change since 2021-22 Budget		-1 1/4	1 3/4	0	0
Consumption subject to GST	1.3	4	10 1/4	7	5 3/4
Change since 2021-22 Budget		-5 1/4	3 1/4	1	1/2

(a) Current prices, per cent change on previous year. Changes since the 2021-22 Budget 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.

Source: ABS, Australian National Accounts: National Income, Expenditure and Product, and Treasury.

Excluding policy decisions, personal income tax receipts have been revised up by \$19.6 billion in 2021-22 and \$45.3 billion over the four years to 2024-25.

Income tax withholding (tax collected primarily from salary and wages) has been revised up by \$10.9 billion in 2021-22 and \$36.7 billion over the four years to 2024-25. This is due to higher-than-expected collections, and a faster recovery in the labour market increasing average wages. Net other individuals receipts have been revised up by \$8.7 billion in 2021-22 and \$8.6 billion over the four years to 2024-25, driven by higher debit on assessment and lower refunds relating to prior income years and strength in non-salary and wage sources of income, including capital gains, partly offset by downward revisions to gross mixed income.

Company tax receipts have been revised up \$18.0 billion in 2021-22 and \$36.8 billion over the four years to 2024-25. This is largely the effect of higher-than-expected tax collections from companies in the year to date and higher near-term commodity prices.

Superannuation funds tax receipts have been revised up \$8.0 billion in 2021-22 and \$10.3 billion over the four years to 2024-25. The upwards revision in 2021-22 largely reflects higher-than-expected on-assessment payments driven by strong foreign exchange gains and capital gains in the 2020-21 income year. The subsequent downgrade in 2022-23 reflects the one-off impact of large off-market share buy-backs, which is expected to lead to higher refunds.

GST receipts have been revised up by \$591 million in 2021-22 and \$4.5 billion over the four years to 2024-25. The upwards revision to 2021-22 reflects underlying strength in the GST base partially offset by the effects of the lockdowns over the September quarter. Subsequent upgrades to GST reflect upgrades to private dwelling investment which taper off over the remaining years of the forward estimates.

Excise and customs duties have been revised down \$1.2 billion in 2021-22 and \$1.9 billion over the four years to 2024-25. This reflects weaker tobacco imports and consumption of petrol and other fuels, partly offset by increased consumption of alcohol and diesel fuel and increased consumer price inflation.

The 2021-22 MYEFO estimates continue to include provisions for a number of free trade agreements (FTAs) which have not been finalised:

- Australia-European Union FTA
- Australia-India Comprehensive Economic Cooperation Agreement
- Australia-United Kingdom FTA.

A number of other FTAs are currently under negotiation, but are not expected to have any material impact on revenue over the forward estimates. A full list of FTAs currently under negotiation is available on the Department of Foreign Affairs and Trade website.

## **Payments estimates and projections**

Total payments are expected to fall from 28.7 per cent of GDP in 2021-22 to be 26.5 per cent of GDP in 2024-25. Since the 2021-22 Budget, total payments have increased by \$42.7 billion in 2021-22 and by \$106.8 billion over the four years to 2024-25.

Payments are projected to remain largely flat across the medium term to be 26.7 per cent of GDP in 2031-32. Payments are projected to remain a higher share of the economy than they were pre-pandemic, mainly due to the Government's commitment to guaranteeing high quality and sustainable essential services, including additional investment in key priorities such as NDIS, aged care, childcare and defence.

## **Payment policy decisions**

Policy decisions since the 2021-22 Budget have increased total payments by \$31.3 billion in 2021-22 and by \$48.0 billion over the four years to 2024-25, largely reflecting temporary spending in response to the Delta outbreaks. Significant measures responding to the COVID-19 pandemic since the 2021-22 Budget include:

- funding for the National COVID-19 Disaster Payment (CDP) and for the continuation of the Pandemic Leave Disaster Payment, which are expected to increase payments by \$12.8 billion (\$12.6 billion for CDP) in 2020-21 and 2021-22
- COVID-19 Business Support Payments, which assisted businesses in coping with the effects of extended lockdowns, and were jointly funded and administered by state and territory governments, which are expected to increase payments by \$7.3 billion in 2021-22 (\$14.7 billion in total across governments)
- support for hospitals as part of the Government's emergency response to COVID-19, including support for states and territories in managing the public health response to COVID-19, which is expected to increase payments by \$1.0 billion over the two years to 2022-23
- funding for the distribution and uptake of COVID-19 vaccines across Australia, including the COVID-19 Vaccination Program, which is expected to increase payments by \$1.1 billion over two years from 2021-22
- continuing support for the aviation sector as part of the Government's response to the COVID-19 pandemic, which is expected to increase payments by \$767.2 million over two years from 2021-22.

Other significant measures since the 2021-22 Budget include:

- funding for priority infrastructure projects across Australia to support economic recovery and jobs as part of the Government's infrastructure pipeline, which is expected to increase payments by \$2.3 billion from 2021-22

- new and amended listings to the Pharmaceutical Benefits Scheme and Repatriation Pharmaceutical Benefits Scheme, which are expected to increase payments by \$1.1 billion over four years from 2021-22
- funding for a range of measures to support the new National Agreement on Closing the Gap and for a financial and wellbeing package to support Stolen Generation survivors from the Northern Territory, the Australian Capital Territory and the Jervis Bay Territory, which is expected to increase payments by \$1.1 billion over four years from 2021-22
- further investment in reliable energy supplies in Australia’s electricity markets and increasing investment in technology solutions that will reduce emissions in Australia and the Indo-Pacific region, as set out in Australia’s plan to achieve net zero emissions by 2050, which is expected to increase payments by \$1.1 billion over ten years from 2021-22
- funding to address workforce shortages, increase support for job seekers and make it easier for vulnerable Australians to participate in the workforce, including funding to boost apprenticeship outcomes through the Completing Apprenticeships Commencements wage subsidy, which is expected to increase payments by \$896.0 million over four years from 2021-22.

#### **Payment parameter and other variations**

Parameter and other variations since the 2021-22 Budget have increased payments by \$11.4 billion in 2021-22 and by \$58.8 billion over four years to 2024-25.

Major increases in payments as a result of parameter and other variations since the 2021-22 Budget include:

- payments relating to the NDIS, which are expected to increase by \$2.7 billion in 2021-22 (\$26.4 billion over four years to 2024-25), reflecting increased participant numbers and higher-than-expected average participant costs (see Part 1: *Overview* for more detail on this revision)
- payments relating to the provision of GST to the states and territories, which are expected to increase by \$544.6 million in 2021-22 (\$4.6 billion over the four years to 2024-25), consistent with an increase in GST receipts
- payments related to the Pharmaceutical Benefits Scheme (PBS), which are expected to increase by \$638.3 million in 2021-22 (\$2.5 billion over four years to 2024-25), largely reflecting higher-than-expected prices for subsidised medicines, and a portion attributable to increased PBS concessional card holders as a result of temporary COVID-19 unemployment support measures

- payments to the states and territories for non-government schools, which are expected to increase by \$586.9 million in 2021-22 (\$2.0 billion over the four years to 2024-25), reflecting increased student enrolments and support of needs-based disability loadings
- payments related to the Fuel Tax Credits Scheme, which are expected to increase by \$6.0 million in 2021-22 (\$1.1 billion over four years to 2024-25), largely reflecting an increase in consumption of fuels that are eligible for the Fuel Tax Credits Scheme
- payments relating to the Medical Benefits Scheme, which are expected to increase by \$663.9 million in 2021-22 (\$930.2 million over the four years to 2024-25), largely reflecting higher-than-expected claims as a result of the COVID-19 pandemic, including higher-than-anticipated demand for COVID-19 testing services.

Major decreases in cash payments as a result of parameter and other variations since the 2021-22 Budget include:

- payments relating to the Job Seeker Income Support program, which are expected to decrease by \$2.1 billion in 2021-22 (\$4.0 billion over four years to 2024-25), largely reflecting lower-than-expected number of recipients due to stronger labour market projections since the 2021-22 Budget as the economy recovers from the COVID-19 pandemic
- payments relating to the Employment Services program, which are expected to decrease by \$144.0 million in 2021-22 (\$673.5 million over the four years to 2024-25), largely reflecting lower-than-anticipated numbers of job seekers in employment services due to stronger labour market projections since the 2021-22 Budget as the economy recovers from the COVID-19 pandemic
- payments relating to Veterans' Hospital Services, which are expected to decrease by \$90.9 million in 2021-22 (\$401.9 million over the four years to 2024-25), largely reflecting lower-than-expected claims and recipients because of decreased admissions from COVID-19 restrictions across Australia limiting elective surgeries and outpatient treatment clinics
- payments relating to the Student Payments program, which are expected to decrease by \$246.4 million in 2021-22 (\$309.1 million over the four years to 2024-25), largely due to a higher proportion of recipients receiving the 'living at home' rate, which is lower than the 'living away from home' rate
- payments relating to the Farm Household Allowance, which are expected to decrease by \$62.8 million in 2021-22 (\$222.0 million over the four years to 2024-25), largely reflecting lower-than-expected recipients resulting from improved farming conditions.

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

A significant proportion of Government spending is adjusted at each update to align with changes in economic parameters (including prices and wages, unemployment and foreign exchange rates).

### **Headline cash balance estimates**

The headline cash balance consists of the underlying cash balance and net cash flows from investments in financial assets for policy purposes (for example, student loans and equity investment in the NBN). Table 3.7 provides further details of differences between the underlying and headline cash balance estimates.

A headline cash deficit of \$106.1 billion (4.8 per cent of GDP) is estimated in 2021-22, improving to an estimated deficit of \$66.7 billion (2.7 per cent of GDP) in 2024-25 (Table 3.7). This compares with a deficit of \$117.0 billion in 2021-22 and \$65.1 billion in 2024-25 estimated at the 2021-22 Budget.

Net cash flows from investments in financial assets for policy purposes has improved by \$3.5 billion in 2021-22, primarily driven by the early repayment of the NBN loan.

**Table 3.7: Reconciliation of general government sector underlying and headline cash balance estimates**

	Estimates				Total \$m
	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	
<b>2021-22 MYEFO underlying cash balance</b>	<b>-99,247</b>	<b>-98,859</b>	<b>-84,468</b>	<b>-57,469</b>	<b>-340,042</b>
<b>plus Net cash flows from investments in financial assets for policy purposes</b>					
Student loans	-3,319	-3,641	-3,459	-3,164	-13,583
NBN loan(a)	5,525	0	7,675	0	13,200
Trade support loans	-44	-34	-34	-37	-149
CEFC loans and investments	-1,074	-600	-168	-380	-2,222
Northern Australia Infrastructure Facility	-441	-1,170	-1,687	-796	-4,094
Australian Business Securitisation Fund	-648	-251	-501	-502	-1,902
Structured Finance Support Fund	1,218	400	139	0	1,757
Drought and rural assistance loans	-1,944	-239	-81	-75	-2,339
Official Development Assistance - Multilateral Replenishment	-127	-128	-132	-139	-526
National Housing Finance and Investment Corporation	-36	-206	-91	250	-83
COVID-19 Support for Indonesia - loan	100	100	100	100	400
Financial Assistance to Papua New Guinea - loan	20	40	40	40	140
Net other(b)	-6,118	-6,550	-5,122	-4,564	-22,354
<b>Total net cash flows from investments in financial assets for policy purposes</b>	<b>-6,888</b>	<b>-12,279</b>	<b>-3,321</b>	<b>-9,267</b>	<b>-31,755</b>
<b>2021-22 MYEFO headline cash balance</b>	<b>-106,135</b>	<b>-111,138</b>	<b>-87,789</b>	<b>-66,736</b>	<b>-371,798</b>

(a) This financial profile represents the actual repayments for 2021-22. As the loan agreement between the Government and NBN Co allows some flexibility in relation to the timing of the repayment, the remaining amount is included in 2023-24.

(b) Net other includes amounts that have not been itemised for commercial-in-confidence reasons.



## Balance sheet

The balance sheet measures changes in the value of the Government’s assets and liabilities over time. All balance sheet measures have broadly improved over the period since the 2021-22 Budget. This reflects improvements in the underlying cash balance in 2020-21 combined with the improved outlook for the underlying cash balance in the near term. Taken together, the balance sheet measures indicate that the Government’s fiscal position remains sustainable.

Different balance sheet metrics measure different groupings of assets and liabilities.

- Gross debt measures the face value of Australian Government Securities (AGS) on issue. This is the amount that the Government pays back to investors at maturity, independent of fluctuations in market prices.
- Net debt is measured at market value and incorporates specific financial assets and liabilities and provides a broader measure of the financial obligations of the Government than gross debt.
- Net financial worth includes all classes of financial assets and all liabilities, only some of which are included in net debt. Both the assets of the Future Fund and the public sector superannuation liability that the Future Fund seeks to finance are included in net financial worth.
- Net worth is the sum of all assets less all liabilities. It includes non-financial assets such as buildings and plant, equipment, and infrastructure.

Further information on the definitions of these metrics is available in Part 7: *Australian Government Budget Financial Statements*.

## Gross debt estimates and projections

Gross debt is expected to be 41.8 per cent of GDP (\$919 billion) at 30 June 2022 and increase to 48.6 per cent of GDP (\$1,189 billion) at 30 June 2025 (Table 3.8). Gross debt is projected to stabilise at around 50 per cent of GDP in the medium term.

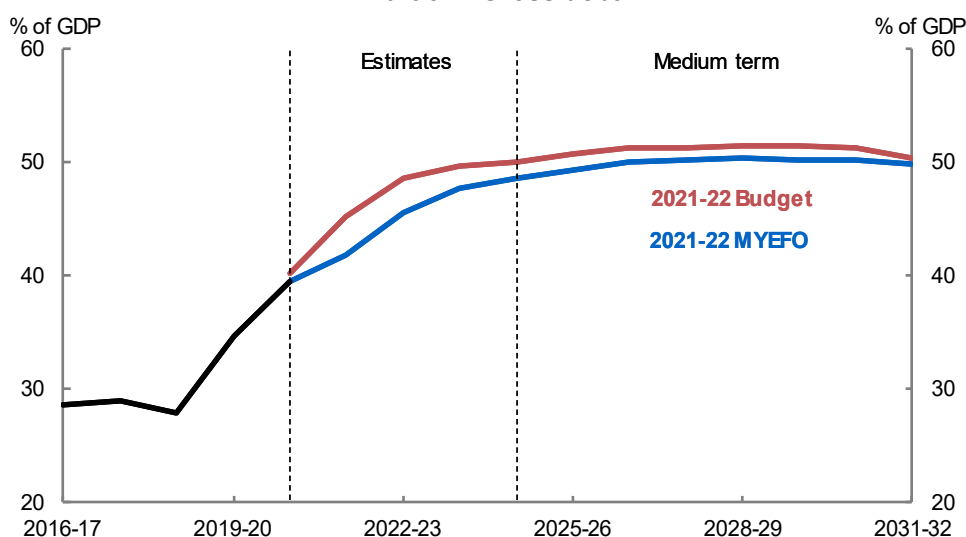
Compared with estimates at the 2021-22 Budget, gross debt is expected to be lower across the forward estimates and medium term, consistent with the better-than-expected outcome for gross debt in 2020-21 and the lower estimated deficits in the near term.

Since economic growth is projected to be higher than interest rates on debt for some time, gross debt is projected to stabilise in the medium term even in the absence of budget surpluses (Chart 3.4). Part 5: *Sensitivity Analysis* contains information on the impact on gross debt if interest rates (yields) are higher or lower than projected.

Although yields have risen slightly since Budget, they remain low by historical standards. Consequently, net interest payments also remain low at an estimated 0.7 per cent of GDP over the forward estimates.

The impact of changes in the yield curve on debt servicing costs are a function of the size of the new financing requirement, how much yields have moved, and the maturity profile of the debt portfolio. The Australian Office of Financial Management (AOFM) can influence the latter through its debt issuance choices. In the past decade, the AOFM implemented a strategy that lengthened the weighted average term to maturity of the debt portfolio and extended the yield curve. These actions have reduced the proportion of the debt portfolio that has to be refinanced each year and thereby slowed the impact of changes in the yield curve on debt servicing costs. For further information on actions to extend the yield curve, see Box 3.2 in Budget Paper No. 1 Statement 3: *Fiscal Strategy and Outlook* in the 2021-22 Budget.

**Chart 3.4: Gross debt**



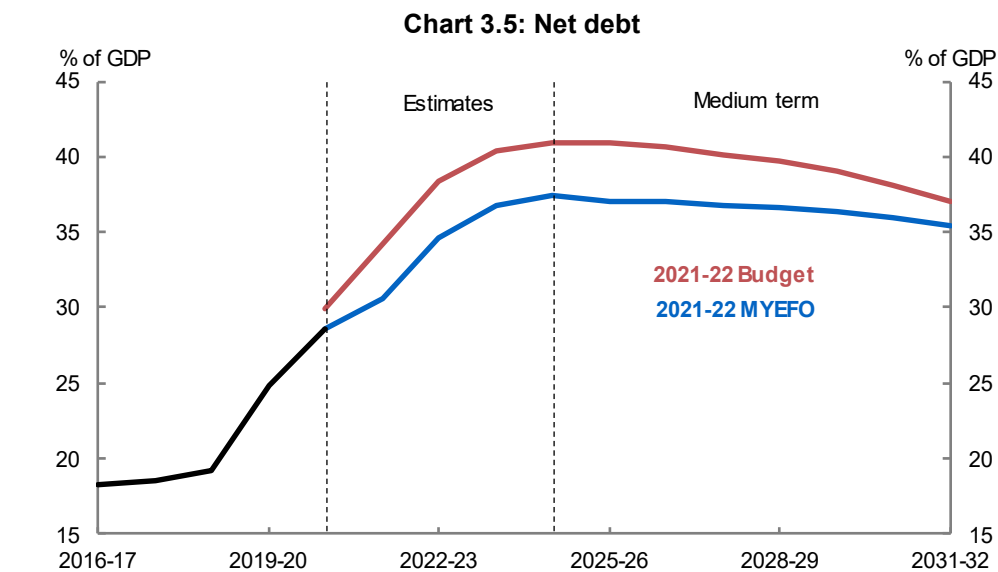
Source: Australian Office of Financial Management and Treasury.

### Net debt estimates and projections

The outcome for net debt in the 2020-21 Final Budget Outcome was 28.6 per cent of GDP at 30 June 2021, below the estimate at Budget. Net debt is estimated to be 30.6 per cent of GDP (\$673.4 billion) at 30 June 2022 (Table 3.8), lower than the estimate of 34.2 per cent of GDP (\$729.0 billion) at the 2021-22 Budget. This primarily reflects the Government's decreased borrowing requirement due to the expected improvement of the underlying cash balance, higher yields since Budget leading to a lower market value of AGS on issue and an increase in the value of the Government's investments (including the Future Fund's investments).

Net debt is expected to peak at 37.4 per cent of GDP at 30 June 2025, before improving over the medium term to reach 35.5 per cent of GDP at 30 June 2032 (Chart 3.5). Net debt as a share of the economy is expected to be lower across the forward estimates and medium term than was projected at the 2021-22 Budget.

As a share of GDP, net debt is projected to fall over the medium term while gross debt remains broadly stable. The divergence is because net debt is based on the market value of AGS which falls as yields rise. For further information on medium-term yield assumptions, see Box 2 in Budget Paper No. 1 Statement 7: *Debt Statement* in the 2020-21 Budget.



Source: Treasury.

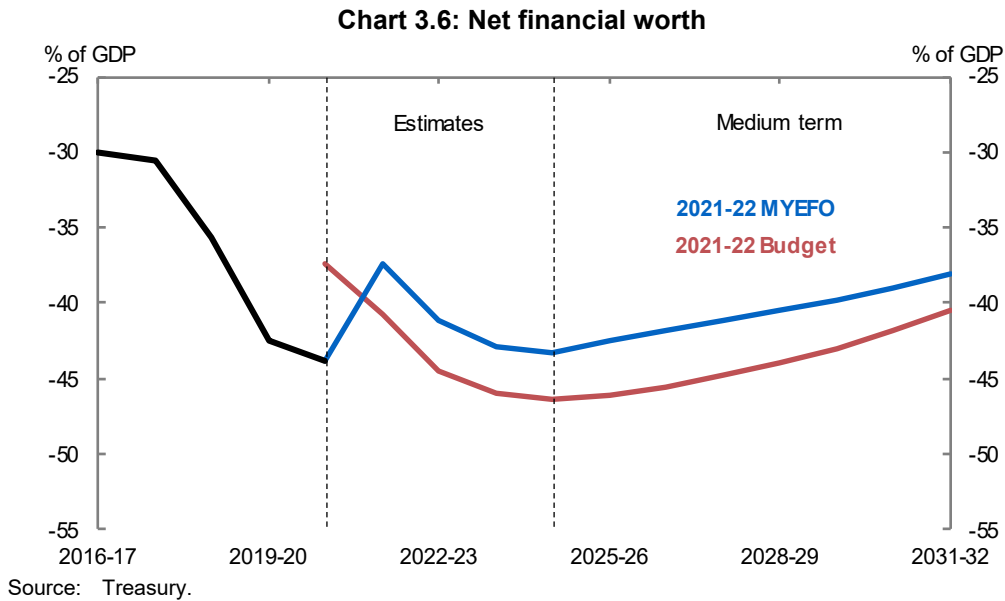
Further information on gross and net debt is provided in Part 4: *Debt Statement*.

### Net financial worth and net worth estimates and projections

The outcome for net financial worth in the 2020-21 Final Budget Outcome was -43.8 per cent of GDP at 30 June 2021, lower than the estimate at the 2021-22 Budget. This deterioration reflected an increase in the reported superannuation liability, partially offset by an improvement in the underlying cash balance. The reported increase in the superannuation liability was similar in magnitude to previous years and is the result of the different discount rates used to value the Government’s defined benefit superannuation liability between Budgets and Final Budget Outcomes (see 2020-21 Final Budget Outcome: *Part 1* for more detail).

Net financial worth is estimated to be -37.5 per cent of GDP (-\$824.3 billion) at 30 June 2022 (Table 3.8), compared with the estimate of -40.8 per cent of GDP (-\$870.6 billion) at the 2021-22 Budget.

Net financial worth is expected to deteriorate to -43.3 per cent of GDP at 30 June 2025 before improving thereafter to reach -38.1 per cent of GDP by the end of the medium term (Chart 3.6). At the 2021-22 Budget, net financial worth was projected to be -40.5 per cent of GDP at 30 June 2032.



Net worth is estimated to be -28.7 per cent of GDP (-\$632.4 billion) at 30 June 2022 (Table 3.8), compared with the estimate of -31.8 per cent of GDP (-\$678.0 billion) at the 2021-22 Budget. Net worth is projected to deteriorate to -34.2 per cent of GDP at 30 June 2025 before improving to reach -29.5 per cent of GDP at the end of the medium term.

**Table 3.8: Australian Government general government sector balance sheet aggregates**

	Estimates							
	2021-22		2022-23		2023-24		2024-25	
	\$b	% GDP	\$b	% GDP	\$b	% GDP	\$b	% GDP
<b>Financial assets</b>								
MYEFO	567.6	25.8	579.1	26.0	604.5	26.0	636.7	26.0
<i>Budget</i>	551.2	25.8	556.1	25.6	565.5	24.8	582.7	24.3
<b>Non-financial assets</b>								
MYEFO	191.9	8.7	202.1	9.1	212.2	9.1	221.5	9.1
<i>Budget</i>	192.6	9.0	202.4	9.3	211.6	9.3	220.0	9.2
<b>Total assets</b>								
MYEFO	759.5	34.5	781.2	35.0	816.7	35.1	858.1	35.1
<i>Budget</i>	743.8	34.9	758.5	34.9	777.1	34.1	802.7	33.5
<b>Total liabilities</b>								
MYEFO	1,391.9	63.2	1,498.1	67.2	1,604.8	68.9	1,695.8	69.3
<i>Budget</i>	1,421.8	66.6	1,525.9	70.1	1,613.9	70.8	1,694.1	70.7
<b>Net worth</b>								
MYEFO	-632.4	-28.7	-716.9	-32.1	-788.0	-33.8	-837.6	-34.2
<i>Budget</i>	-678.0	-31.8	-767.4	-35.3	-836.8	-36.7	-891.4	-37.2
<b>Net financial worth(a)</b>								
MYEFO	-824.3	-37.5	-919.0	-41.2	-1,000.2	-43.0	-1,059.1	-43.3
<i>Budget</i>	-870.6	-40.8	-969.8	-44.6	-1,048.4	-46.0	-1,111.4	-46.4
<b>Gross debt(b)</b>								
MYEFO	919	41.8	1,017	45.6	1,110	47.7	1,189	48.6
<i>Budget</i>	963	45.1	1,058	48.6	1,134	49.7	1,199	50.0
<b>Net debt(c)</b>								
MYEFO	673.4	30.6	773.1	34.7	855.9	36.8	914.8	37.4
<i>Budget</i>	729.0	34.2	835.0	38.4	920.4	40.4	980.6	40.9
<b>Total interest payments</b>								
MYEFO	17.5	0.8	17.7	0.8	20.1	0.9	21.3	0.9
<i>Budget</i>	17.8	0.8	18.0	0.8	20.1	0.9	20.8	0.9
<b>Net interest payments</b>								
MYEFO	14.8	0.7	14.6	0.7	16.7	0.7	17.6	0.7
<i>Budget</i>	14.7	0.7	14.9	0.7	16.7	0.7	17.1	0.7

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

(b) Gross debt measures the face value of AGS on issue.

(c) Net debt is the sum of interest bearing liabilities less the sum of selected financial assets (cash and deposits, advances paid and investments, loans and placements).

## Other fiscal aggregates

The following section presents alternative measures of the Government’s fiscal position, in particular, accrual measures.

### Accrual aggregates

#### Net operating balance estimates

The net operating balance is an accrual measure, reflecting revenue minus expenses. It excludes the impact of the Commonwealth’s net new capital expenditure.

The net operating balance is expected to be a deficit of \$91.3 billion (4.1 per cent of GDP) in 2021-22 (Table 3.9), compared to an expected deficit of \$92.7 billion (4.3 per cent of GDP) in the 2021-22 Budget.

**Table 3.9 Australian Government general government sector accrual aggregates**

	Estimates							
	2021-22		2022-23		2023-24		2024-25	
	\$b	% GDP	\$b	% GDP	\$b	% GDP	\$b	% GDP
<b>Revenue</b>								
MYEFO	542.5	24.7	530.3	23.8	564.0	24.2	597.3	24.4
<i>Budget</i>	496.6	23.3	505.1	23.2	544.5	23.9	578.0	24.1
<b>Expenses</b>								
MYEFO	633.8	28.8	616.3	27.6	636.6	27.3	650.6	26.6
<i>Budget</i>	589.3	27.6	595.4	27.4	614.7	27.0	633.7	26.4
<b>Net operating balance</b>								
MYEFO	-91.3	-4.1	-86.0	-3.9	-72.6	-3.1	-53.2	-2.2
<i>Budget</i>	-92.7	-4.3	-90.2	-4.1	-70.2	-3.1	-55.7	-2.3
<b>Net capital investment</b>								
MYEFO	11.6	0.5	11.4	0.5	10.9	0.5	8.2	0.3
<i>Budget</i>	10.3	0.5	10.9	0.5	10.1	0.4	9.2	0.4
<b>Fiscal balance</b>								
MYEFO	-102.9	-4.7	-97.3	-4.4	-83.5	-3.6	-61.4	-2.5
<i>Budget</i>	-103.0	-4.8	-101.2	-4.6	-80.3	-3.5	-64.9	-2.7

Table 3.10 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 2021-22 Budget. The drivers of movements in the net operating balance estimates are largely the same as for the underlying cash balance.

**Table 3.10: Reconciliation of general government sector net operating balance estimate**

	Estimates				Total \$m
	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	
<b>2021-22 Budget net operating balance</b>	<b>-92,713</b>	<b>-90,233</b>	<b>-70,178</b>	<b>-55,736</b>	<b>-308,860</b>
Per cent of GDP	-4.3	-4.1	-3.1	-2.3	
<b>Changes from 2021-22 Budget to 2021-22 MYEFO</b>					
Effect of policy decisions(a)(b)					
<i>Revenue</i>	530	1,266	918	781	3,494
<i>Expenses</i>	32,183	7,278	4,938	4,133	48,533
Total policy decisions impact on net operating balance	-31,653	-6,012	-4,021	-3,353	-45,039
Effect of parameter and other variations(b)					
<i>Revenue</i>	45,378	23,929	18,564	18,584	106,455
<i>Expenses</i>	12,322	13,657	16,979	12,730	55,688
Total parameter and other variations impact on net operating balance	33,056	10,272	1,585	5,853	50,767
<b>2021-22 MYEFO net operating balance</b>	<b>-91,310</b>	<b>-85,973</b>	<b>-72,614</b>	<b>-53,235</b>	<b>-303,132</b>
Per cent of GDP	-4.1	-3.9	-3.1	-2.2	
<i>Net capital investment</i>					
Effect of net capital investment(c)	11,593	11,376	10,920	8,205	42,094
<b>2021-22 MYEFO fiscal balance</b>	<b>-102,903</b>	<b>-97,349</b>	<b>-83,534</b>	<b>-61,440</b>	<b>-345,226</b>
Per cent of GDP	-4.7	-4.4	-3.6	-2.5	

(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 up by \$45.9 billion in 2021-22 and by \$109.9 billion over the four years to 2024-25 since the 2021-22 Budget. The revenue estimates are the accrual accounting equivalent of the cash-based receipts estimates. Changes in revenue are generally driven by the same factors as receipts.

Revenue amounts are usually higher than the cash equivalents as they include amounts that a taxpayer is liable to pay but has not paid. The differences between the accrual and cash amounts therefore generally reflect timing differences.

Tables 3.11 and 3.12 provide a summary of changes in total revenue in 2021-22 and 2022-23. Table 3.13 shows revenue from 2021-22 to 2024-25 by heads of revenue.

**Table 3.11: Reconciliation of 2021-22 general government sector (accrual) revenue**

	Estimates		Change on Budget	
	Budget \$m	MYEFO \$m	\$m	%
Individuals and other withholding taxes				
Gross income tax withholding	218,700	229,700	11,000	5.0
Gross other individuals	48,500	53,800	5,300	10.9
less: Refunds	42,300	38,700	-3,600	-8.5
Total individuals and other withholding tax	224,900	244,800	19,900	8.8
Fringe benefits tax	4,090	3,160	-930	-22.7
Company tax	84,200	102,700	18,500	22.0
Superannuation fund taxes	15,280	23,230	7,950	52.0
Petroleum resource rent tax	1,050	1,470	420	40.0
<b>Income taxation revenue</b>	<b>329,520</b>	<b>375,360</b>	<b>45,840</b>	<b>13.9</b>
Goods and services tax	74,130	76,410	2,280	3.1
Wine equalisation tax	1,050	1,160	110	10.5
Luxury car tax	680	770	90	13.2
Excise and customs duty				
Petrol	6,100	5,650	-450	-7.4
Diesel	13,140	13,580	440	3.3
Other fuel products	1,830	1,640	-190	-10.4
Tobacco	14,750	13,300	-1,450	-9.8
Beer	2,600	2,490	-110	-4.2
Spirits	2,720	3,080	360	13.2
Other alcoholic beverages(a)	1,070	1,270	200	18.7
Other customs duty				
Textiles, clothing and footwear	160	190	30	18.8
Passenger motor vehicles	310	350	40	12.9
Other imports	1,230	1,290	60	4.9
less: Refunds and drawbacks	650	800	150	23.1
Total excise and customs duty	43,260	42,040	-1,220	-2.8
Major bank levy	1,670	1,510	-160	-9.6
Agricultural levies	505	554	49	9.6
Other taxes	6,157	6,237	80	1.3
<b>Indirect taxation revenue</b>	<b>127,452</b>	<b>128,681</b>	<b>1,229</b>	<b>1.0</b>
<b>Taxation revenue</b>	<b>456,972</b>	<b>504,041</b>	<b>47,069</b>	<b>10.3</b>
Sales of goods and services	17,175	17,424	249	1.4
Interest	3,621	3,619	-2	-0.1
Dividends and distributions(b)	7,265	5,178	-2,087	-28.7
Other non-taxation revenue	11,588	12,266	679	5.9
<b>Non-taxation revenue</b>	<b>39,648</b>	<b>38,487</b>	<b>-1,161</b>	<b>-2.9</b>
<b>Total revenue</b>	<b>496,621</b>	<b>542,528</b>	<b>45,907</b>	<b>9.2</b>
<i>Memorandum:</i>				
Total excise	24,840	24,850	10	0.0
Total customs duty	18,420	17,190	-1,230	-6.7
Capital gains tax(c)	17,400	24,500	7,100	40.8

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

(b) 'Dividends' has been renamed 'dividends and distributions' to more accurately reflect the transactions included in this item.

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



**Table 3.12: Reconciliation of 2022-23 general government sector (accrual) revenue**

	Estimates		Change on Budget	
	Budget \$m	MYEFO \$m	\$m	%
Individuals and other withholding taxes				
Gross income tax withholding	226,700	236,400	9,700	4.3
Gross other individuals	53,500	57,800	4,300	8.0
less: Refunds	38,100	37,900	-200	-0.5
Total individuals and other withholding tax	242,100	256,300	14,200	5.9
Fringe benefits tax	4,290	3,540	-750	-17.5
Company tax	72,300	81,900	9,600	13.3
Superannuation fund taxes	14,530	12,690	-1,840	-12.7
Petroleum resource rent tax	990	1,440	450	45.5
<b>Income taxation revenue</b>	<b>334,210</b>	<b>355,870</b>	<b>21,660</b>	<b>6.5</b>
Goods and services tax	77,180	79,880	2,700	3.5
Wine equalisation tax	1,080	1,120	40	3.7
Luxury car tax	610	720	110	18.0
Excise and customs duty				
Petrol	6,300	6,300	0	0.0
Diesel	13,740	14,530	790	5.7
Other fuel products	1,860	1,900	40	2.2
Tobacco	14,610	13,150	-1,460	-10.0
Beer	2,660	2,600	-60	-2.3
Spirits	2,800	2,920	120	4.3
Other alcoholic beverages(a)	1,100	1,080	-20	-1.8
Other customs duty				
Textiles, clothing and footwear	110	200	90	81.8
Passenger motor vehicles	70	290	220	314.3
Other imports	780	1,330	550	70.5
less: Refunds and drawbacks	650	700	50	7.7
Total excise and customs duty	43,380	43,600	220	0.5
Major bank levy	1,720	1,620	-100	-5.8
Agricultural levies	522	541	19	3.6
Other taxes	7,398	7,735	337	4.6
<b>Indirect taxation revenue</b>	<b>131,890</b>	<b>135,217</b>	<b>3,326</b>	<b>2.5</b>
<b>Taxation revenue</b>	<b>466,100</b>	<b>491,087</b>	<b>24,986</b>	<b>5.4</b>
Sales of goods and services	17,704	18,128	424	2.4
Interest	3,403	3,718	314	9.2
Dividends and distributions(b)	6,789	5,682	-1,107	-16.3
Other non-taxation revenue	11,148	11,726	577	5.2
<b>Non-taxation revenue</b>	<b>39,045</b>	<b>39,254</b>	<b>209</b>	<b>0.5</b>
<b>Total revenue</b>	<b>505,145</b>	<b>530,340</b>	<b>25,195</b>	<b>5.0</b>
<i>Memorandum:</i>				
Total excise	25,790	26,550	760	2.9
Total customs duty	17,590	17,050	-540	-3.1
Capital gains tax(c)	18,600	22,500	3,900	21.0

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

(b) 'Dividends' has been renamed 'dividends and distributions' to more accurately reflect the transactions included in this item.

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

**Table 3.13: Australian Government general government sector (accrual) revenue**

	Estimates			
	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
Individuals and other withholding taxes				
Gross income tax withholding	229,700	236,400	247,300	248,300
Gross other individuals	53,800	57,800	58,900	63,000
less: Refunds	38,700	37,900	35,300	37,100
Total individuals and other withholding tax	244,800	256,300	270,900	274,200
Fringe benefits tax	3,160	3,540	3,700	3,900
Company tax	102,700	81,900	87,200	106,900
Superannuation fund taxes	23,230	12,690	16,590	19,140
Petroleum resource rent tax	1,470	1,440	1,410	1,410
<b>Income taxation revenue</b>	<b>375,360</b>	<b>355,870</b>	<b>379,800</b>	<b>405,550</b>
Goods and services tax	76,410	79,880	82,720	87,340
Wine equalisation tax	1,160	1,120	1,160	1,200
Luxury car tax	770	720	720	760
Excise and customs duty				
Petrol	5,650	6,300	6,700	7,050
Diesel	13,580	14,530	15,280	15,980
Other fuel products	1,640	1,900	1,930	1,990
Tobacco	13,300	13,150	13,550	13,950
Beer	2,490	2,600	2,700	2,750
Spirits	3,080	2,920	3,000	3,130
Other alcoholic beverages(a)	1,270	1,080	1,110	1,170
Other customs duty				
Textiles, clothing and footwear	190	200	120	120
Passenger motor vehicles	350	290	70	80
Other imports	1,290	1,330	860	890
less: Refunds and drawbacks	800	700	700	700
Total excise and customs duty	42,040	43,600	44,620	46,410
Major bank levy	1,510	1,620	1,620	1,720
Agricultural levies	554	541	551	556
Other taxes	6,237	7,735	8,532	8,453
<b>Indirect taxation revenue</b>	<b>128,681</b>	<b>135,217</b>	<b>139,922</b>	<b>146,439</b>
<b>Taxation revenue</b>	<b>504,041</b>	<b>491,087</b>	<b>519,722</b>	<b>551,989</b>
Sales of goods and services	17,424	18,128	19,317	20,171
Interest	3,619	3,718	4,189	4,552
Dividends and distributions(b)	5,178	5,682	9,906	10,140
Other non-taxation revenue	12,266	11,726	10,834	10,472
<b>Non-taxation revenue</b>	<b>38,487</b>	<b>39,254</b>	<b>44,246</b>	<b>45,335</b>
<b>Total revenue</b>	<b>542,528</b>	<b>530,340</b>	<b>563,969</b>	<b>597,323</b>
<i>Memorandum:</i>				
Total excise	24,850	26,550	27,870	29,110
Total customs duty	17,190	17,050	16,750	17,300
Capital gains tax(c)	24,500	22,500	22,100	23,300

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

(b) 'Dividends' has been renamed 'dividends and distributions' to more accurately reflect the transactions included in this item.

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

## Expense estimates

Movements in accrual expenses over the forward estimates are broadly consistent with 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 2021.
- 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 expenses table and the Contingency Reserve*.

Table 3.14 provides a reconciliation of expense estimates. Total expenses have increased by \$44.5 billion in 2021-22 since the 2021-22 Budget.

**Table 3.14: Reconciliation of general government sector expense estimates**

	Estimates				Total \$m
	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	
<b>2021-22 Budget expenses</b>	<b>589,334</b>	<b>595,378</b>	<b>614,665</b>	<b>633,694</b>	<b>2,433,071</b>
<b>Changes from 2021-22 Budget to 2021-22 MYEFO</b>					
Effect of policy decisions(a)	32,183	7,278	4,938	4,133	48,533
Effect of economic parameter variations					
Total economic parameter variations	464	3,043	2,865	4,274	10,646
<i>Unemployment benefits</i>	-1,004	-1,199	-994	-396	-3,593
<i>Prices and wages</i>	829	2,621	2,808	3,198	9,456
<i>Interest and exchange rates</i>	108	176	146	41	471
<i>GST payments to the states</i>	531	1,446	905	1,430	4,313
Public debt interest	-335	-532	71	451	-344
Program specific parameter variations	2,960	2,983	2,651	1,918	10,511
Other variations	9,232	8,162	11,392	6,088	34,874
<b>Total variations</b>	<b>44,504</b>	<b>20,935</b>	<b>21,917</b>	<b>16,864</b>	<b>104,221</b>
<b>2021-22 MYEFO expenses</b>	<b>633,838</b>	<b>616,313</b>	<b>636,582</b>	<b>650,558</b>	<b>2,537,292</b>

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

## Net capital investment estimates

Net capital investment is broadly defined as the sale and acquisition of non-financial assets less depreciation expenses. It provides a measure of the overall growth in capital assets (including buildings and infrastructure, specialist military equipment and

computer software) after taking into account depreciation and amortisation as previously acquired assets age.

Government capital spending involves acquisition of physical assets, financial assets and provision of grants and subsidies to others (primarily state and territory governments), which they use to acquire assets.

Table 3.15 provides a reconciliation of the net capital investment estimates.

**Table 3.15: Reconciliation of general government sector net capital investment estimate**

	Estimates				Total \$m
	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	
<b>2021-22 Budget net capital investment</b>	<b>10,330</b>	<b>10,939</b>	<b>10,135</b>	<b>9,161</b>	<b>40,565</b>
<b>Changes from 2021-22 Budget to 2021-22 MYEFO</b>					
Effect of policy decisions(a)	1,586	189	181	116	2,072
Effect of parameter and other variations	-324	249	605	-1,073	-542
<b>Total variations</b>	<b>1,263</b>	<b>438</b>	<b>786</b>	<b>-956</b>	<b>1,530</b>
<b>2021-22 MYEFO net capital investment</b>	<b>11,593</b>	<b>11,376</b>	<b>10,920</b>	<b>8,205</b>	<b>42,094</b>

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

## Part 4: Debt Statement

This Statement provides information on current and projected Government gross debt on issue, estimated Government net debt, and interest costs related to Australian Government Securities (AGS).

Notwithstanding the additional \$25 billion in support provided by the Government in response to the Delta outbreaks, gross debt is projected to be lower as a share of GDP in each year of the forward estimates and medium term compared with the 2021-22 Budget. Gross debt is expected to be 41.8 per cent of GDP (\$919 billion) at 30 June 2022 and increase to 48.6 per cent of GDP (\$1,189 billion) at 30 June 2025. Gross debt is projected to stabilise at around 50 per cent of GDP in the medium term.

Net debt is projected to be lower as a share of GDP in each year of the forward estimates and medium term compared with the 2021-22 Budget. Net debt is expected to be 30.6 per cent of GDP (\$673.4 billion) at 30 June 2022, increasing to a peak of 37.4 per cent of GDP (\$914.8 billion) at 30 June 2025. By the end of the medium term, net debt is projected to be 35.5 per cent of GDP.

### 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.

The Australian Office of Financial Management (AOFM) is responsible for issuing AGS and managing the Government's financing activities. The AOFM exercises operational independence in the execution of its duties. Further detail on the AOFM's operations can be found in Budget Paper No.1 Statement 7: *Debt Statement* in the 2021-22 Budget and on the AOFM website at [www.aofm.gov.au](http://www.aofm.gov.au).

### Estimates of AGS on issue

**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 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.<sup>2</sup> The total face

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<sup>2</sup> For Treasury Index Bonds, 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.

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 (often expressed as a yield to maturity). Consistent with external reporting standards, the market value of AGS on issue is reported on the Australian Government general government sector balance sheet.

Table 4.1 contains estimates of the face value (end-of-year and within-year peak)<sup>3</sup> 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 stipulating the maximum face value of relevant AGS that may be on issue. Effective from 7 October 2020, the Treasurer directed that the maximum face value of AGS that can be on issue is \$1,200 billion. As required by the *Charter of Budget Honesty Act 1998*, Table 4.1 reports estimates of AGS on issue subject to the Treasurer’s Direction.

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

**Table 4.1: Estimates of AGS on issue subject to the Treasurer’s Direction<sup>(a)(b)</sup>**

	Estimates			
	2021-22	2022-23	2023-24	2024-25
	\$b	\$b	\$b	\$b
Face value – end-of-year	919	1,017	1,110	1,189
Per cent of GDP	41.8	45.6	47.7	48.6
Face value – within-year peak(c)	921	1,019	1,129	1,211
Per cent of GDP(c)	41.8	45.7	48.5	49.5
<i>Month of peak(c)</i>	<i>Jun-22</i>	<i>Jun-23</i>	<i>Apr-24</i>	<i>Apr-25</i>
Market value – end-of-year	969	1,069	1,165	1,246
Per cent of GDP	44.0	47.9	50.0	50.9

(a) The Treasurer’s Direction applies 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.

(b) The stock and securities that are excluded from the current limit set by the Treasurer’s Direction are outlined in subsection 51JA(2A) of the CIS Act.

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

Source: AOFM.

<sup>3</sup> 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.

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

In 2021-22, the face value of AGS on issue subject to the Treasurer’s Direction is expected to reach a within-year peak of \$921 billion and be around \$919 billion at 30 June 2022. In 2024-25, the face value of AGS on issue subject to the Treasurer’s Direction is expected to reach a within-year peak of \$1,211 billion and be around \$1,189 billion at 30 June 2025.

**Changes in AGS on issue since the 2021-22 Budget**

Table 4.2 shows the change in the estimated end-of-year face value of AGS on issue subject to the Treasurer’s Direction between the 2021-22 Budget and the 2021-22 MYEFO.

Compared with the 2021-22 Budget, gross debt is expected to be lower across each year of the forward estimates. The improvement in gross debt is driven by a stronger-than-expected budget outcome in 2020-21 combined with the improved outlook for the budget balance in the near term.

**Table 4.2: Estimates of AGS on issue subject to the Treasurer’s Direction – reconciliation from the 2021-22 Budget to the 2021-22 MYEFO**

	Estimates			
	2021-22	2022-23	2023-24	2024-25
	\$b	\$b	\$b	\$b
<b>Total face value of AGS on issue subject to the Treasurer’s Direction as at 2021-22 Budget</b>	<b>963</b>	<b>1,058</b>	<b>1,134</b>	<b>1,199</b>
<b>Factors affecting the change in face value of AGS on issue from 2021-22 Budget to 2021-22 MYEFO(a)</b>				
Cumulative receipts decisions	-0.6	-1.5	-2.4	-3.2
Cumulative receipts variations	-49.5	-71.1	-87.5	-105.9
Cumulative payment decisions	31.3	38.6	43.6	48.0
Cumulative payment variations	11.4	26.2	43.5	58.8
Cumulative change in net investments in financial assets(b)	-4.1	-1.2	6.8	8.5
Other contributors	-32.5	-31.8	-28.3	-15.9
<b>Total face value of AGS on issue subject to the Treasurer’s Direction as at 2021-22 MYEFO</b>	<b>919</b>	<b>1,017</b>	<b>1,110</b>	<b>1,189</b>

(a) Cumulative impact of decisions and variations from 2021-22 to 2024-25. Increases to payments are shown as positive and increases to receipts are shown as negative.

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

Note: End-of-year data.

Detail on gross debt projections over the medium term can be found in Part 3: *Fiscal strategy and outlook*.

## Breakdown of AGS currently on issue

Table 4.3 provides a breakdown of the AGS on issue by type of security as at 8 December 2021.

**Table 4.3: Breakdown of current Australian Government Securities on issue**

	On issue as at 8 December 2021	
	Face value	Market value
	\$m	\$m
Treasury Bonds	795,210	836,769
Treasury Indexed Bonds	41,206	56,028
Treasury Notes	33,000	32,998
<b>Total AGS subject to Treasurer's Direction(a)</b>	<b>869,416</b>	<b>925,795</b>
Other stock and securities	5	5
<b>Total AGS on issue</b>	<b>869,421</b>	<b>925,801</b>

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

Source: AOFM.

## Treasury Bonds

Table 4.4 lists Treasury Bonds currently on issue, as well as the annual interest rate (the coupon) and the timing of coupon payments. As at 8 December 2021, there were 29 Treasury Bond lines on issue, with a weighted average term to maturity across all outstanding Treasury Bonds of around 7.3 years and the longest maturity extending to June 2051.



**Table 4.4: Treasury Bonds on issue**

Coupon Per cent	Maturity	On issue as at 8 December 2021		Timing of interest payments(a)		
		\$m				
2.00	21-Dec-21	16,398	Twice yearly	21-Dec	21-Jun	
5.75	15-Jul-22	24,763	Twice yearly	15-Jul	15-Jan	
2.25	21-Nov-22	26,500	Twice yearly	21-Nov	21-May	
5.50	21-Apr-23	34,200	Twice yearly	21-Apr	21-Oct	
2.75	21-Apr-24	34,400	Twice yearly	21-Apr	21-Oct	
0.25	21-Nov-24	37,600	Twice yearly	21-Nov	21-May	
3.25	21-Apr-25	35,600	Twice yearly	21-Apr	21-Oct	
0.25	21-Nov-25	33,800	Twice yearly	21-Nov	21-May	
4.25	21-Apr-26	37,100	Twice yearly	21-Apr	21-Oct	
0.50	21-Sep-26	31,800	Twice yearly	21-Sep	21-Mar	
4.75	21-Apr-27	33,900	Twice yearly	21-Apr	21-Oct	
2.75	21-Nov-27	29,700	Twice yearly	21-Nov	21-May	
2.25	21-May-28	29,700	Twice yearly	21-May	21-Nov	
2.75	21-Nov-28	32,100	Twice yearly	21-Nov	21-May	
3.25	21-Apr-29	33,000	Twice yearly	21-Apr	21-Oct	
2.75	21-Nov-29	32,900	Twice yearly	21-Nov	21-May	
2.50	21-May-30	36,600	Twice yearly	21-May	21-Nov	
1.00	21-Dec-30	38,700	Twice yearly	21-Dec	21-Jun	
1.50	21-Jun-31	36,300	Twice yearly	21-Jun	21-Dec	
1.00	21-Nov-31	39,000	Twice yearly	21-Nov	21-May	
1.25	21-May-32	30,200	Twice yearly	21-May	21-Nov	
1.75	21-Nov-32	19,800	Twice yearly	21-Nov	21-May	
4.50	21-Apr-33	18,800	Twice yearly	21-Apr	21-Oct	
2.75	21-Jun-35	8,550	Twice yearly	21-Jun	21-Dec	
3.75	21-Apr-37	12,000	Twice yearly	21-Apr	21-Oct	
3.25	21-Jun-39	9,900	Twice yearly	21-Jun	21-Dec	
2.75	21-May-41	13,000	Twice yearly	21-May	21-Nov	
3.00	21-Mar-47	13,300	Twice yearly	21-Mar	21-Sep	
1.75	21-Jun-51	15,600	Twice yearly	21-Jun	21-Dec	

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

Source: AOFM.

### Treasury Indexed Bonds

Table 4.5 lists Treasury Indexed Bonds (TIBs) currently on issue, as well as the annual interest rate (the coupon) and the timing of coupon payments. As at 8 December 2021, there were 8 TIB lines on issue, with a weighted average term to maturity across all outstanding TIBs of around 9.5 years and the longest maturity extending to February 2050.

**Table 4.5: Treasury Indexed Bonds on issue**

Coupon Per cent	Maturity	On issue as at 8 December 2021		Timing of interest payments(a)				
		\$m						
1.25	21-Feb-22	5,121	Quarterly	21-Feb	21-May	21-Aug	21-Nov	
3.00	20-Sep-25	7,743	Quarterly	20-Sep	20-Dec	20-Mar	20-Jun	
0.75	21-Nov-27	6,500	Quarterly	21-Nov	21-Feb	21-May	21-Aug	
2.50	20-Sep-30	6,343	Quarterly	20-Sep	20-Dec	20-Mar	20-Jun	
0.25	21-Nov-32	3,400	Quarterly	21-Nov	21-Feb	21-May	21-Aug	
2.00	21-Aug-35	4,350	Quarterly	21-Aug	21-Nov	21-Feb	21-May	
1.25	21-Aug-40	3,800	Quarterly	21-Aug	21-Nov	21-Feb	21-May	
1.00	21-Feb-50	3,950	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: AOFM.

## Treasury Notes

Table 4.6 lists the Treasury Notes currently on issue. As at 8 December 2021, there were 6 Treasury Note lines on issue. Treasury Notes do not pay a coupon.

**Table 4.6: Treasury Notes on issue**

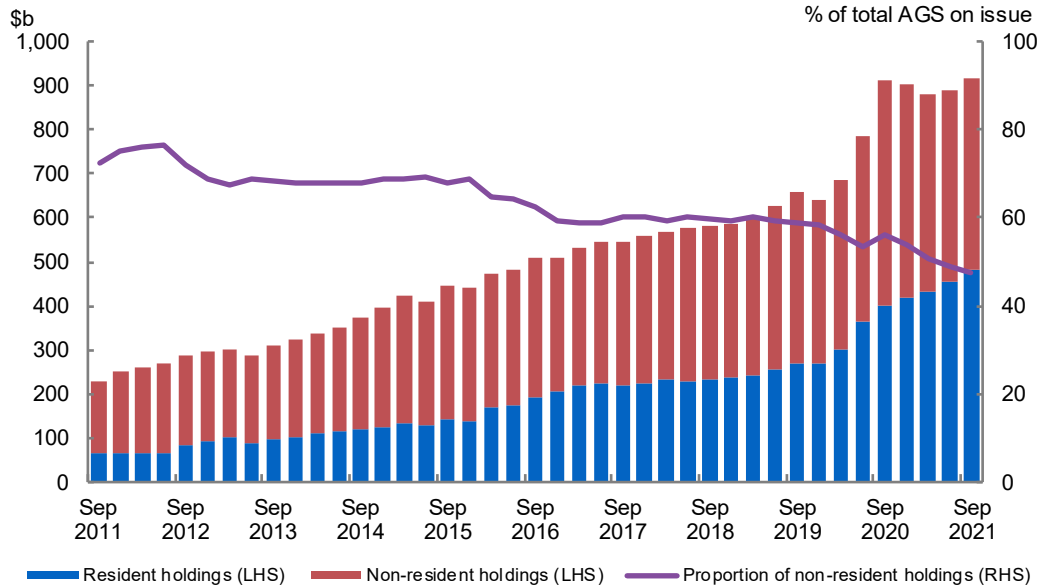
Maturity	On issue as at 8 December 2021		Timing of interest payment	
	\$m			
21-Jan-22	6,000		At maturity	21-Jan
11-Feb-22	4,500		At maturity	11-Feb
25-Feb-22	6,500		At maturity	25-Feb
11-Mar-22	3,000		At maturity	11-Mar
25-Mar-22	7,000		At maturity	25-Mar
22-Apr-22	6,000		At maturity	22-Apr

Source: AOFM.

## Non-resident holdings of AGS on issue

As at the September quarter 2021, the proportion of non-resident holdings of AGS was around 48 per cent (Chart 4.1). This proportion is down from historical highs of around 76 per cent in 2012. Since 2012 in absolute terms both non-resident and domestic holdings of AGS have increased. Domestic holdings have increased more, driven particularly by bank holdings.

**Chart 4.1: Non-resident holdings of AGS**



Note: Data refer to the repo-adjusted market value of holdings.  
 Source: ABS Balance of Payments and International Investment Position, Australia (September 2021), AOFM, RBA.

## Estimates and projections of net debt

**Net debt** is equal to the sum of interest-bearing liabilities (which includes AGS on issue measured at market value) less the sum of selected financial assets (cash and deposits, advances paid and investments, loans and placements). As net debt incorporates selected financial assets as well as interest-bearing liabilities, it provides a broader measure of the financial obligations of the Australian Government 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, nor are holdings of equities, for example those held by the Future Fund or the Government’s equity investment in the NBN.

Net debt is expected to be \$673.4 billion at 30 June 2022. Over the forward estimates, net debt is projected to increase as a proportion of GDP from 30.6 per cent at 30 June 2022 to 37.4 per cent at 30 June 2025.

Table 4.7 contains the liabilities and assets included in net debt over the forward estimates.

**Table 4.7 Liabilities and assets included in net debt from 2021-22 to 2024-25**

	Estimates			
	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m
<b>Liabilities included in net debt</b>				
Deposits held	598	598	598	598
Government securities(a)	969,411	1,068,714	1,165,412	1,245,738
Loans	29,501	29,565	29,354	29,118
Lease liabilities	19,823	19,965	19,308	18,249
<b>Total liabilities included in net debt</b>	<b>1,019,332</b>	<b>1,118,842</b>	<b>1,214,672</b>	<b>1,293,702</b>
<b>Assets included in net debt</b>				
Cash and deposits	57,497	38,944	41,001	51,776
Advances paid	82,967	87,256	83,070	85,240
Investments, loans and placements	205,481	219,500	234,730	241,847
<b>Total assets included in net debt</b>	<b>345,945</b>	<b>345,700</b>	<b>358,801</b>	<b>378,862</b>
<b>Net debt</b>	<b>673,387</b>	<b>773,142</b>	<b>855,870</b>	<b>914,840</b>

(a) Government securities are presented at market value.

### Changes in net debt since the 2021-22 Budget

Table 4.8 shows the drivers of the change in net debt between the 2021-22 Budget and the 2021-22 MYEFO. Compared with the 2021-22 Budget, net debt is expected to be lower across the forward estimates, including as a share of the economy. This primarily reflects the Government’s decreased borrowing requirement due to the expected improvement of the underlying cash balance, higher yields since Budget leading to a lower market value of AGS on issue, and an increase in the value of the Government’s investments (including the Future Fund’s investments).

**Table 4.8: Net Debt – reconciliation from the 2021-22 Budget to the 2021-22 MYEFO**

	Estimates			
	2021-22	2022-23	2023-24	2024-25
	\$b	\$b	\$b	\$b
<b>Net debt as at 2021-22 Budget (\$b)</b>	<b>729.0</b>	<b>835.0</b>	<b>920.4</b>	<b>980.6</b>
Changes in financing requirement	-44.7	-41.9	-24.9	-10.2
Impact of yields on AGS	-14.0	-15.7	-17.0	-18.1
Asset and other liability movements	3.0	-4.3	-22.7	-37.4
<i>Cash and deposits</i>	4.3	4.7	1.5	-10.9
<i>Advances paid</i>	2.7	1.1	-6.7	-7.5
<i>Investments, loans and placements</i>	-17.3	-23.6	-30.8	-31.9
<i>Other movements</i>	13.3	13.5	13.2	12.9
<b>Total movements in net debt from 2020-21 Budget to 2020-21 MYEFO</b>	<b>-55.6</b>	<b>-61.9</b>	<b>-64.6</b>	<b>-65.7</b>
<b>Net debt as at 2021-22 MYEFO (\$b)</b>	<b>673.4</b>	<b>773.1</b>	<b>855.9</b>	<b>914.8</b>

Detail on net debt projections over the medium term can be found in Part 3: *Fiscal strategy and outlook*.

## 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.

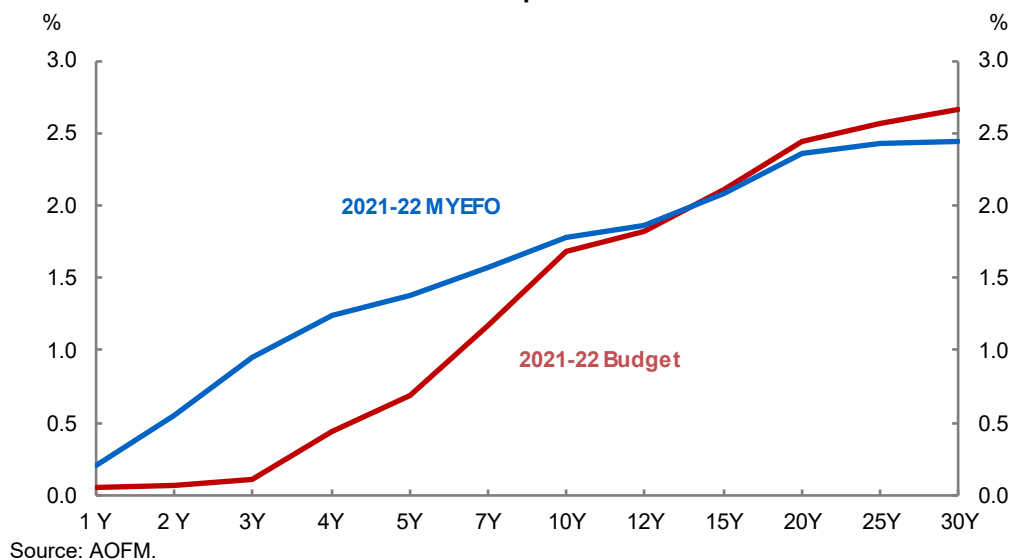
- **Interest payments** are recognised in the period when they are paid during the life of the security.
- **Interest expense** is recognised in the period in which an expense is incurred during the life of the security, rather than when it is actually paid.

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 cost of 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 2021-22 MYEFO result in a weighted average cost of borrowing of around 1.7 per cent for future issuance of Treasury Bonds in the forward estimates, compared with around 1.6 per cent at the 2021-22 Budget. Chart 4.2 shows the yield curve assumptions used in the 2021-22 Budget and 2021-22 MYEFO.

**Chart 4.2: Yield curve assumptions for 2021-22 to 2024-25**



The Government’s total interest payments in 2021-22 are estimated to be \$17.5 billion (0.8 per cent of GDP), of which \$17.0 billion relates to AGS on issue, lower than the \$17.8 billion estimated in the 2021-22 Budget (Table 4.9).

Interest payments as a share of GDP are expected to remain broadly constant over the forward estimates and are in line with estimates in the 2021-22 Budget.

**Table 4.9: Interest payments, interest receipts and net interest payments<sup>(a)</sup>**

	Estimates			
	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m
Interest payments on AGS	17,033	17,122	19,497	20,703
Per cent of GDP	0.8	0.8	0.8	0.8
Interest payments	17,496	17,675	20,139	21,326
Per cent of GDP	0.8	0.8	0.9	0.9
Interest receipts	2,732	3,032	3,411	3,685
Per cent of GDP	0.1	0.1	0.1	0.2
Net interest payments <sup>(b)</sup>	14,764	14,643	16,728	17,641
Per cent of GDP	0.7	0.7	0.7	0.7

(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 2021-22 is estimated to be \$20.1 billion (0.9 per cent of GDP), of which \$17.8 billion relates to AGS on issue. Table 4.10 shows the Government’s estimated interest expense on AGS, interest expense, interest income and net interest expense over the forward estimates.

**Table 4.10: Interest expense, interest income and net interest expense<sup>(a)</sup>**

	Estimates			
	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m
Interest expense on AGS	17,846	18,554	20,619	22,291
Per cent of GDP	0.8	0.8	0.9	0.9
Interest expense	20,070	20,061	22,340	23,595
Per cent of GDP	0.9	0.9	1.0	1.0
Interest income	3,619	3,718	4,189	4,552
Per cent of GDP	0.2	0.2	0.2	0.2
Net interest expense <sup>(b)</sup>	16,451	16,343	18,151	19,044
Per cent of GDP	0.7	0.7	0.8	0.8

(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.

## Part 5: Sensitivity Analysis

### Overview

Economic and fiscal forecasts and projections are important for government decision making. Understanding how economic and fiscal outcomes might vary from these forecasts contributes to better decision making and government policy. While this analysis is always important, the heightened uncertainty from the ongoing pandemic increases the scope for variance. Box 2.3 in *Part 2: Economic Outlook* includes a scenario highlighting the risks that new variants pose to the economic outlook as well as a scenario associated with stronger domestic demand due to higher confidence and a faster fall in the household savings rate.

Part 5 assesses the sensitivity of the 2021-22 Mid-Year Economic and Fiscal Outlook (MYEFO) forecasts to changes in key underlying assumptions. Alongside analysis in Part 2, Part 5 identifies variable parameters or changing sources of uncertainty since the 2021-22 Budget. Specifically, it assesses the sensitivity of forecasts to movements in the iron ore price and alternative pathways for yields. These variable parameters are fundamental to Australia's economic and fiscal outcomes.

Assessments of forecasting performance, forecasting uncertainty (confidence intervals), and the sensitivity of forecasts to alternative pathways for non-rural commodity exports and productivity growth were included in Budget Paper No. 1: *Statement 8: Forecasting Performance and Sensitivity Analysis* in the 2021-22 Budget and have not been re-presented as there have been no material changes to that analysis.

## Assessing the sensitivity of current forecasts

Sensitivity analysis assesses the degree of uncertainty surrounding current forecasts by considering alternative assumptions for key variables. In doing so, sensitivity analysis can illustrate the impact of small changes in assumptions on economic and fiscal aggregates.

### Movements in the iron ore price

The forecasts for nominal GDP and tax receipts are sensitive to assumptions about commodity prices, particularly iron ore which represents around a third of the value of goods and services exports. Iron ore prices have been volatile over 2021, and the outlook remains uncertain over the forecast period. Refer to Box 2.4, *Part 2: Economic Outlook* for more information on recent developments in commodity prices. The results of both an increase and a decrease in the iron ore price are presented in Table 5.1 below.

This analysis considers the impact that a permanent US\$10 per tonne increase in the iron ore price has on nominal GDP and tax receipts relative to baseline levels in the 2021-22 MYEFO forecasts. The effects of a US\$10 per tonne decrease in the iron ore price are broadly symmetrical with the effects of a US\$10 per tonne increase.

The US\$10 per tonne increase in the assumed price for iron ore exports is expected to result in an increase in nominal GDP of around \$3.9 billion in 2021-22 and around \$2.4 billion in 2022-23. The economic response to a permanent change in the price of iron ore is derived from a generic terms of trade shock in Treasury's Macroeconometric Model of Australia (EMMA). The model incorporates forward-looking financial markets, which are able to anticipate the permanent increase in commodity prices.

Under this analysis, an increase in iron ore export prices leads directly to higher export prices and a higher terms of trade. However, this is moderated somewhat by an appreciation in the exchange rate, which partially offsets the increase in export prices.

A US\$10 per tonne increase in the assumed price for iron ore exports is expected to result in an increase in tax receipts of around \$0.4 billion in 2021-22 and \$0.9 billion in 2022-23. An increase in iron ore export prices increases mining company profits and, as a result, company tax receipts in aggregate increase. This is partially offset by lower individuals and other withholding taxes and lower domestic prices resulting in lower nominal consumption and, consequently, reductions in indirect taxes. The impact on tax receipts is larger in 2022-23, largely owing to lags in tax collections.



**Table 5.1: Sensitivity analysis of a US\$10 per tonne movement in the iron ore price**

	US\$10/tonne FOB <sup>(a)</sup> fall		US\$10/tonne FOB increase	
	2021-22	2022-23	2021-22	2022-23
Nominal GDP (\$billion)	-3.9	-2.4	3.9	2.4
Tax receipts (\$billion)	-0.4	-0.9	0.4	0.9

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

Source: Treasury.

### Alternative pathways for yields

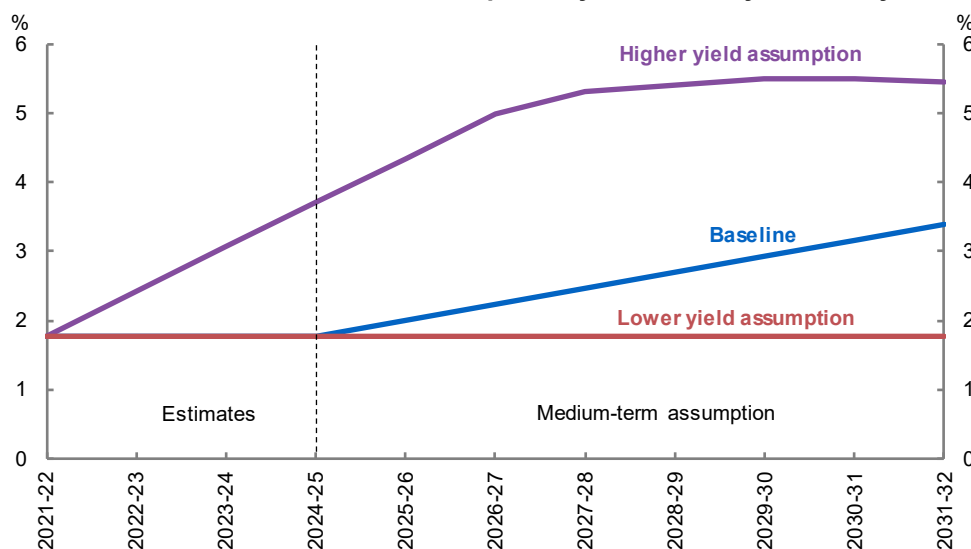
Yields on Australian Government bonds reflect the cost of government borrowing. Australia continues to experience very low yields on government debt. The following analysis illustrates the sensitivity of the underlying cash balance and gross debt over the next 10 years to different assumptions surrounding yields.

This analysis illustrates the impact of changes in the yield assumption in isolation. Other economic projections, including nominal GDP, are the same as those used in the baseline projections. While it is likely that yields would not move in isolation, by isolating the yield effect it is possible to see how changes in yields above and beyond other changes may impact fiscal aggregates. From a fiscal sustainability perspective, it is the difference between nominal yields and nominal economic growth that matters. If higher yields are accompanied by an economy that is growing at a faster rate than the rate on government borrowing, this may be sufficient to improve debt as a share of the economy over time, all else being equal.

There are a multitude of factors, often impacting in opposite directions, that could affect current and future yields. Given this uncertainty, a technical assumption for baseline yields is employed. Nominal yields are assumed to remain fixed over the budget year and the following three years at the levels observed immediately prior to the MYEFO update. The 10-year bond yield then converges to a long-run yield of around 5 per cent, consistent with long-run nominal GDP growth. The timeframe for this transition is 15 years (Chart 5.1). This section examines the consequences of different yield assumptions.

The lower yield assumption has the 10-year bond yield remaining at current levels over the next ten years rather than beginning to rise after four years, as is assumed in the baseline assumption. A lower yield assumption is supported by the observation that yields on Australian Government debt have generally been trending downwards for several decades. The higher yield assumption has yields converging immediately from current levels over five years to the long-run yield of around 5 per cent. While the medium and long-term effects on yields of the COVID-19 pandemic are unclear, a more rapid global recovery from the pandemic or higher inflation expectations, among other factors, could drive yields to increase.

**Chart 5.1: Baseline and alternative pathways for the 10-year bond yield**



Source: Treasury.

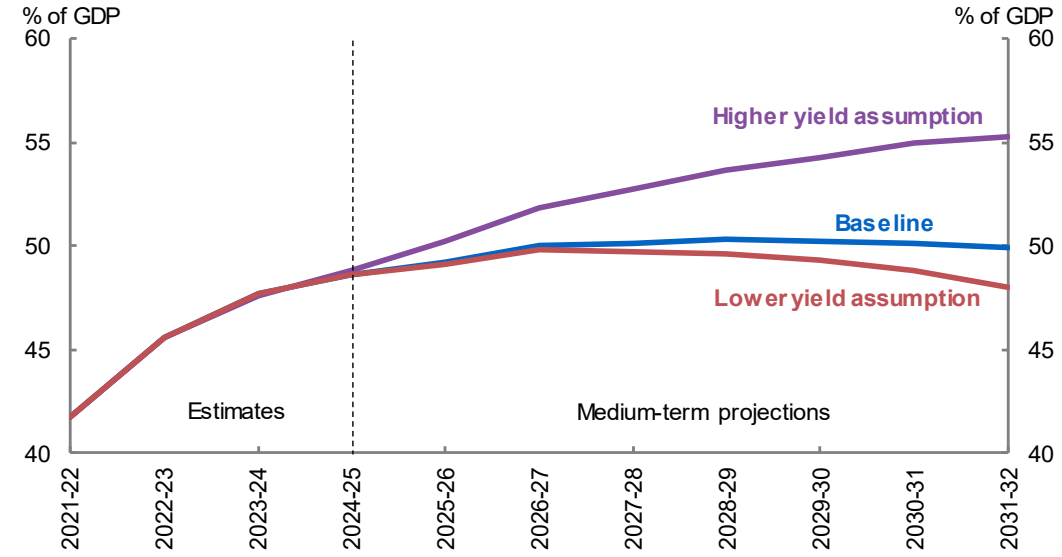
Yields affect both government receipts and payments. Yields affect the amount of public debt interest that the Government has to pay on its borrowings, but also have an impact on the receipts that the Government earns on its investments.

Compared with the baseline MYEFO projections, the lower yield assumption results in a slight improvement to the underlying cash balance over the medium term. Cumulative improvements to the underlying cash balance are projected to reduce gross debt by 1.8 percentage points of GDP at 30 June 2032 (Chart 5.2).

Conversely, the higher yield assumption results in a deterioration in the underlying cash balance of around 0.8 percentage points of GDP by 2031-32. This has flow on effects for debt with gross debt projected to be 5.4 percentage points of GDP higher compared to the MYEFO baseline at 30 June 2032.

Even under the higher yield assumption, growth in gross debt as a share of GDP slows towards the end of the medium term (Chart 5.2). Projected Commonwealth gross debt as a share of GDP under the higher yield assumption is less than half the average general government gross debt as a share of GDP in G20 advanced economies and below the general government gross debt of all G7 economies today.

**Chart 5.2: Gross debt, impact of alternative yield assumptions**



Source: Australian Office of Financial Management and Treasury.



## Part 6: Statement of Risks

### Risks to the Budget – Overview

The forward estimates of revenue and expenses in the 2021-22 Mid-Year Economic and Fiscal Outlook (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.

Events that could affect fiscal outcomes include:

- changes in economic and other parameters, including the uncertainty posed by the impacts of new COVID-19 variants on domestic and global recovery from the ongoing global pandemic;
- matters not included in the fiscal forecasts because of uncertainty about their timing, magnitude or likelihood; or
- the realisation of contingent liabilities or assets.

The revenue and expense estimates and projections published in the MYEFO are based on a range of economic and other parameters that are consistent with the domestic and international outlook detailed in *Part 2: Economic Outlook*. While the economic recovery is underway, there remain international and domestic risks and the outlook remains uncertain. Economic outcomes that differ from the parameters used in the MYEFO represent a material risk to the MYEFO estimates. *Part 5: Forecast Uncertainties and Sensitivity Analysis* examines the impact on receipts and payments of altering some of the key economic assumptions underlying the MYEFO estimates.

A significant portion of government expenditure is for demand-driven programs. Outcomes for these programs could differ from the estimates and projections due to changes in economic circumstances and other factors. For example, differing levels of unemployment will mean expenditure for related social services payments will vary. Similarly, a number of other support programs, including the National Disability Insurance Scheme, are demand-driven and outcomes for these programs may differ from the estimates in the Budget.

In addition, revenue forecasting relies heavily on the observed relationships between the economy, tax bases and tax revenues. Such relationships may shift over time as the economy changes, presenting further risk to the estimates. For example, the ability of entities to utilise tax losses to offset future profits may continue to pose heightened challenges in estimating the profile for tax receipts in the short term. Revenue forecasts also incorporate costings for new policies that typically involve a degree of uncertainty.

The estimates and projections of revenue are also subject to a number of general risks that can affect taxation collections. These general pressures include the ability 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.

Many agencies rely on external revenue to underpin their delivery of a range of outputs. Estimates included in the Budget for these agencies reflect the best and most up-to-date information regarding the likely scale of external revenue. However, outcomes in relation to external revenue are not certain and are subject to risks. In some cases, these risks are common to a number of agencies and the aggregate impact on the Budget can extend beyond a single entity. The COVID-19 pandemic continues to impact on the operations of a number of agencies, particularly where their revenue is derived from industries still impacted by the pandemic (such as international travel and tourism). This remains a source of risk to the Budget.

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.

## Specific risks to the Budget

The Budget is subject to a number of contingent liabilities. A large number of these reflect indemnities, including those relating to the Department of Defence, the Future Fund Management Agency and Future Fund Board of Guardians, and the Reserve Bank of Australia. The Australian Government has also issued a number of guarantees, such as those relating to guarantee schemes for the banking and financial sector, payments by Export Finance Australia, and the superannuation liabilities of the Commonwealth Bank prior to its sale to the private sector. Other significant contingent liabilities relate to uncalled capital subscriptions and credit facilities to international financial institutions and legal cases concerning the Australian Government. The Government has robust and conservative strategies in place to reduce its potential exposure to these contingent liabilities.

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.

Table 6.1 outlines how fiscal risks, assets and liabilities and contingent assets and liabilities are disclosed in the MYEFO.

Contingent liabilities, contingent assets and other fiscal risks with a possible impact on the forward estimates greater than \$20 million in any one year, or \$50 million over the forward estimates period, are summarised in Table 6.2. Risks that are new or that have materially changed are detailed by portfolio following Table 6.2. Some financial information in the text may not add to totals due to rounding. Information on contingent liabilities and contingent assets is also provided in the Australian Government's annual consolidated financial statements, and in the annual financial statements of departments and other Government entities.

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. Details of Government loans estimated to exceed \$200 million at 30 June 2021 are included at the conclusion of this Part.

**Table 6.1: Disclosure of fiscal risks, contingent assets and contingent liabilities, and assets and liabilities in the Budget papers**

Category	Type <sup>(a)</sup>	Disclosure
Fiscal Risks	Fiscal Risks	Statement of Risks
Contingent assets and contingent liabilities	Significant contingent assets and liabilities considered remote	Statement of Risks
	Unquantifiable contingent assets and liabilities that are improbable but not remote	Statement of Risks
	Quantifiable contingent assets and liabilities that are improbable but not remote	Statement of Risks
	Contingent assets and liabilities excluded on the basis of immateriality <sup>(b)</sup>	None
Assets and liabilities	Assets and liabilities that are probable and can be reliably measured	Balance sheet <sup>(c)(d)</sup>
	Assets and liabilities that are probable but have an uncertain timing or amount (provisions)	Balance sheet

(a) Items that are described as probable have a 50 per cent or higher chance of occurrence.

(b) Only risks with a possible impact on the forward estimates greater than \$20 million in any one year, or \$50 million over the forward estimates period, are considered material and disclosed in this Statement.

(c) Unearned income from charging guarantee fees is shown as a liability in the balance sheet.

(d) Additional disclosure to increase transparency on loans over \$200 million is included in this Statement.



**Table 6.2: Summary of contingent liabilities and contingent assets in the Statement of Risks<sup>(a)</sup>**

<b>Agriculture, Water and the Environment</b>	<b>Status</b>
<b>Fiscal Risks</b>	
Murray Darling Basin Reform – risk assignment	Unchanged
Remediation of Jabiru Township	Modified
<b>Contingent liabilities – unquantifiable</b>	
Commonwealth liabilities in respect of matching payments to industries for research and development contributions	Unchanged
Emergency pest and disease response arrangements	Modified
<b>Attorney-General's</b>	
<b>Fiscal Risk</b>	
Departure of the ACT Government from the Comcare workers' compensation scheme	Removed
<b>Contingent liabilities – unquantifiable</b>	
Native Title costs	Unchanged
Prospective investor-State claim against Australia	Unchanged
<b>Defence</b>	
<b>Fiscal Risks</b>	
Major operations of the Australian Defence Force in 2021-22	Modified
Acquisition of nuclear-powered submarine technology	New
Cancellation of the diesel-powered Attack class submarine program	New
<b>Significant but remote contingencies</b>	
ADI Limited – Officers' and Directors' Indemnities	Unchanged
Litigation cases	Unchanged
Remote contingencies	Modified
<b>Contingent liabilities – unquantifiable</b>	
Cockatoo Island Dockyard	Unchanged
Land decontamination, site restoration and decommissioning of Defence assets	Unchanged
<b>Contingent liability – quantifiable</b>	
Claims against the Department of Defence	Modified
<b>Education, Skills and Employment</b>	
<b>Fiscal Risk</b>	
Recovery of inappropriately claimed VET FEE-HELP payments from VET providers	Unchanged
<b>Contingent liabilities – quantifiable</b>	
ParentsNext program	Unchanged
jobactive	New
<b>Finance</b>	
<b>Significant but remote contingency</b>	
Australian Naval Infrastructure Pty Ltd – Termination of the Equity Funding Agreement	Unchanged

**Table 6.2: Summary of contingent liabilities and contingent assets in the Statement of Risks<sup>(a)</sup> (continued)**

<b>Finance (continued)</b>	<b>Status</b>
<b>Contingent liabilities – unquantifiable</b>	
ASC Pty Ltd – Directors' and Executives' Indemnities	Unchanged
ASC Pty Ltd – Guarantee of Indemnity from ASC in favour of ASC Shipbuilding Pty Limited	Unchanged
Finance Owned Estate	Unchanged
Australian Government general insurance fund – Comcover	Unchanged
Australian Naval Infrastructure Pty Ltd – Guarantee in favour of Naval Group Australia	Modified
Commonwealth Superannuation Corporation – Immunity and Indemnity	Unchanged
Future Fund Management Agency and Future Fund Board of Guardians – Indemnity	Unchanged
Goongong Dam	Unchanged
Indemnities for the Reserve Bank of Australia and private sector banks	Unchanged
Indemnities relating to other former asset sales, privatisations and information technology outsourcing projects	Unchanged
<b>Foreign Affairs and Trade</b>	
<b>Status</b>	
<b>Fiscal Risk</b>	
Export Finance Australia – National Interest Account (NIA)	Modified
<b>Significant but remote contingency</b>	
World Food Program – Charter Flights Indemnity	Removed
<b>Contingent liability – quantifiable</b>	
Export Finance Australia	Modified
<b>Health</b>	
<b>Status</b>	
<b>Contingent liabilities – unquantifiable</b>	
2032 Brisbane Olympic and Paralympics Games	Modified
Accommodation Payment Guarantee Scheme	Unchanged
Advance Purchasing Agreements for COVID-19 vaccines	Modified
Australian Red Cross Society – Indemnities	Unchanged
Blood and blood products liability cover	Unchanged
CSL Ltd	Unchanged
Indemnities relating to vaccines	Unchanged
Medical Indemnity Exceptional Claims Scheme	Unchanged
New South Wales Health Administration Council – Indemnity	Unchanged
Advance Purchasing Agreements for COVID-19 treatments	New
Indemnity Coverage for the COVID-19 Vaccination Rollout Program (Vaccine Claims Scheme)	New
<b>Contingent asset – unquantifiable</b>	
Legal action seeking compensation	Unchanged
<b>Home Affairs</b>	
<b>Status</b>	
<b>Fiscal Risk</b>	
Regional Processing Arrangements	Unchanged
<b>Significant but remote contingency</b>	
Indemnities relating to the Air Security Officer Program	Unchanged
<b>Contingent liabilities – unquantifiable</b>	
Australian Victims of Terrorism Overseas Payment	Unchanged
Garrison, welfare and health services at regional processing countries – liability limit	Unchanged
Immigration detention services by state and territory governments – liability limit	Unchanged

**Table 6.2: Summary of contingent liabilities and contingent assets in the Statement of Risks<sup>(a)</sup> (continued)**

<b>Home Affairs (continued)</b>	<b>Status</b>
Immigration detention services contract – liability limit	Unchanged
<b>Industry, Science, Energy and Resources</b>	<b>Status</b>
<b>Fiscal Risk</b>	
Snowy Hydro Limited	Modified
<b>Significant but remote contingencies</b>	
Snowy Hydro Limited – Board Members' Indemnity	Unchanged
Snowy Hydro Limited – Termination of the Equity Subscription Agreement	Modified
Liability for damages caused by space and certain high-power rocket activities	Unchanged
Operations and Maintenance of the Northern Endeavour and Associated Infrastructure	Unchanged
<b>Contingent liabilities – unquantifiable</b>	
Australian Nuclear Science and Technology Organisation – asbestos contamination	Unchanged
Australian Nuclear Science and Technology Organisation – Indemnity	Unchanged
Australian Nuclear Science and Technology Organisation – Legacy Waste Management to Final Disposal	New
Former British atomic test site at Maralinga	Unchanged
Gorgon liquefied natural gas and carbon dioxide storage project – long-term liability	Unchanged
Liability for costs incurred in a national liquid fuel emergency	Unchanged
Land decontamination and site restoration for CSIRO property	Unchanged
Snowy Hydro Limited – water releases	Unchanged
United States Strategic Petroleum Reserve (US SPR) Lease Agreement – Indemnity under certain conditions	Unchanged
<b>Contingent liability – quantifiable</b>	
Underwriting of Transmission Projects	Modified
<b>Contingent asset – quantifiable</b>	
CSIRO insurance claim – hailstorm	New
<b>Infrastructure, Transport, Regional Development and Communications</b>	<b>Status</b>
<b>Fiscal Risk</b>	
Inland Rail – Delivery	Modified
<b>Significant but remote contingency</b>	
Inland Rail – Termination of the Equity Financing Agreement	Unchanged
<b>Significant but remote contingencies</b>	
Maritime Industry Finance Company Limited – Board Members' Indemnity	Unchanged
Moorebank Intermodal Company Limited – Termination of the Equity Funding Agreement	Unchanged
Moorebank Intermodal Project – Glenfield Waste Site Easement	Unchanged
Optus Financial Guarantee	Modified
Telstra Financial Guarantee	Modified
Tripartite deeds relating to the sale of federal leased airports	Unchanged
WSA Co Limited – Board Members' Indemnities	Unchanged
WSA Co Limited – Termination of the Equity Subscription Agreement	Unchanged
WSA Co Limited – Sydney Metro-Western Sydney Airport Indemnity	New

**Table 6.2: Summary of contingent liabilities and contingent assets in the Statement of Risks<sup>(a)</sup> (continued)**

<b>Infrastructure, Transport, Regional Development and Communications (continued)</b>	<b>Status</b>
<b>Contingent liabilities – unquantifiable</b>	
Australian Maritime Safety Authority incident costs	Unchanged
Aviation rescue and firefighting potential per- and poly-fluoroalkyl substances contamination	Unchanged
Indemnity provided to the New South Wales Rural Fire Fighting Service in relation to the Jervis Bay Territory	Unchanged
Moorebank Intermodal Company Limited – Board Members' Indemnity	Unchanged
Moorebank Intermodal Project – Georges River rail crossing	Unchanged
Service Delivery Arrangement Indemnities – External Territories and Jervis Bay Territory	Modified
<b>Contingent liabilities – quantifiable</b>	
Australian Government contribution to the East West Link project	Unchanged
Australian Government contribution to the Perth Freight Link project	Unchanged
<b>Prime Minister and Cabinet</b>	
<b>Contingent liabilities – unquantifiable</b>	
<i>Basil Dawson and Ors v Commonwealth of Australia</i> (Community Development Program Class Action)	Unchanged
Northern Territory Stolen Generations Class Action	Unchanged
Disaster Recovery	Modified
<i>McDonald v Commonwealth</i> (Stolen Wages Class Action)	New
<b>Contingent liability – quantifiable</b>	
Indigenous Land and Sea Corporation – Voyages Indigenous Tourism Australia	Modified
<b>Social Services</b>	
<b>Fiscal Risk</b>	
COVID-19 Social Welfare Debt Pause for Affected Lockdown Areas	New
<b>Contingent asset – quantifiable</b>	
National Redress Scheme	New
<b>Treasury</b>	
<b>Significant but remote contingencies</b>	
Asbestos Injuries Compensation Fund	Unchanged
Financial Claims Scheme	Modified
Guarantee for the National Housing Finance and Investment Corporation	Unchanged
Guarantee of state and territory borrowing	Modified
Guarantees under the <i>Commonwealth Bank Sale Act 1995</i>	Modified
Reserve Bank of Australia – Guarantee	Modified
<b>Contingent liabilities – unquantifiable</b>	
Government Guarantees for Housing	Modified
Indemnities for specialised external advisers during the COVID-19 pandemic	Unchanged
International Monetary Fund – Poverty Reduction and Growth Trust	Modified
Small and Medium Enterprise Guarantee Scheme and SME Recovery Loan	Modified
Establishment of a Cyclone and related flooding reinsurance pool	Modified

**Table 6.2: Summary of contingent liabilities and contingent assets in the Statement of Risks<sup>(a)</sup> (continued)**

<b>Treasury (continued)</b>	<b>Status</b>
<b>Contingent liabilities – quantifiable</b>	
Terrorism insurance – commercial cover	Unchanged
Australian Taxation Office – tax disputes	Modified
International financial institutions – uncalled capital subscriptions	Modified
International Monetary Fund – New Arrangements to Borrow & Bilateral Borrowing Agreement)	Modified
Historical Interest on Early Payment entitlements	New
<b>Veterans’ Affairs</b>	<b>Status</b>
<b>Fiscal Risk</b>	
Defence Service Homes Insurance Scheme	Unchanged

(a) Detailed descriptions of these items are in the following text.

## Agriculture, Water and the Environment

### Fiscal Risk

#### Remediation of Jabiru Township

On 26 June 2021, the Government passed ownership of Jabiru to the Traditional Owners. A Memorandum of Understanding was signed in 2019 between the Australian Government, the Northern Territory Government, and Energy Resources Australia which underpins the transfer of ownership of Jabiru to traditional owners and related make good and rehabilitation arrangements. Rehabilitation work includes renewal of essential services, addressing contamination in Jabiru Lake, management or removal of hazardous materials and chemicals, ensuring structures are compliant to Building Codes and ecological remediation. Expenditure for the rehabilitation work will be shared across all parties to the arrangements.

The Australian Government has agreed to provide \$35.0 million toward the remediation of contaminants and hazards in Jabiru as part of its Securing Tourism and Jobs in Kakadu measure in the 2019-20 Budget.

### Contingent liability – unquantifiable

#### Emergency pest and disease response arrangements

National emergency response arrangements for animal, plant and environmental pest and disease incursions are largely funded through cost-sharing agreements between Australian governments and affected agricultural industry bodies. Under the terms of the emergency response agreements, the Australian Government is typically liable for 50 per cent of the total government funding for a nationally agreed response to a pest or disease incursion. Funding is provided in the forward estimates for the Australian Government's contributions under the emergency response agreements, which are paid to the state or territory governments undertaking relevant activities.

Recent concurrent incursions have placed considerable pressure on this funding which may be insufficient to meet the costs of any additional large-scale pest or disease responses. There are currently 14 national cost-shared emergency responses. Until 2026-27, more than half of this funding has been allocated to an eradication program for red imported fire ants in Queensland. This program is under review and the outcome of the review and subsequent deliberations with affected jurisdictions may result in financial implications for the Australian Government.

Governments have agreed to develop an Aquatic Emergency Animal Disease Deed (the Deed) covering aquatic emergency animal diseases. Final consultation has been undertaken with prospective industry signatories and the Deed will be presented to jurisdictions and potential industry signatories in late 2021/early 2022. If the Deed is finalised, potential liabilities for the Australian Government will be increased, the extent

of which will depend on which parties sign the Deed and what emergency aquatic incursions occur that would be subject to deed arrangements.

The Australian Government may provide financial assistance to an agricultural industry body by funding its share of an emergency response. These contributions are recovered from the industry over a period of up to 10 years, usually through an emergency response levy. The Australian Government may also contribute in situations where an incursion is not covered by a cost-sharing agreement or where the affected industry body/bodies is/are not party to an emergency response agreement, depending on the circumstances of the incursion.

## **Defence**

### **Fiscal Risks**

#### **Major operations of the Australian Defence Force in 2021-22**

The 2021-22 estimates for the Department of Defence (Defence) include the cost of major operations of the Australian Defence Force (ADF) in 2021-22 in Afghanistan, Iraq, Syria, and the broader Middle East region, as well as the protection of Australia's borders and offshore maritime interests. Funding for major Defence operations is considered and provisioned on a year-by-year basis. The estimates in the 2021-22 MYEFO include additional funding for these major operations in the 2021-22 year, but do not provide for further extensions. While the Government has committed to concluding Operations Highroad and Okra, and finalised the drawdown of ADF personnel in Afghanistan by September 2021, Defence will likely have additional funding requirements for major operations beyond 30 June 2022.

#### **Acquisition of nuclear-powered submarine technology**

On 16 September 2021, the Australian Government announced the formation of AUKUS, an enhanced security agreement between Australia, the United Kingdom (UK) and the United States of America (USA). The first program to be delivered under AUKUS is a nuclear-powered submarine program for Australia. Through AUKUS, Australia is commencing a period of consultation with the UK and USA over the next 18 months to determine the optimal pathway to achieve this capability. The costs of consultation will be met from within the existing Defence budget. The costs associated with the acquisition of a nuclear-powered submarine capability will be assessed as part of this process and are not fully reflected in the Budget estimates for Defence.

#### **Cancellation of the diesel-powered Attack class submarine program**

As part of the Government's announcement on 16 September 2021 regarding the formation of AUKUS and the pursuit of a nuclear submarine program, the Australian Government announced it is no longer proceeding with the diesel-powered Attack class submarine program, and notices of termination were sent to Naval Group and Lockheed Martin Australia on 16 September 2021. The quantum of termination costs

payable under the Strategic Partnering Agreement with Naval Group and the Design, Build and Integration Contract with Lockheed Martin Australia respectively is subject to negotiations with the companies, which have commenced.

### **Significant but remote contingency**

#### **Remote contingencies**

As at 30 June 2021, the Department of Defence carried 183 instances of quantifiable remote contingent liabilities valued at \$5.0 billion and 1,546 instances of unquantifiable remote contingent liabilities.

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

#### **Contingent liability – quantifiable**

##### **Claims against the Department of Defence**

The Department of Defence (Defence) has 13 instances of non-remote, quantifiable contingent liabilities in respect of claims on Defence valued at \$45.8 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 trying to resolve them through alternative dispute resolution measures.

### **Education, Skills and Employment**

#### **Contingent liability – quantifiable**

##### **jobactive**

jobactive supports job seekers to access support, tailored to their individual circumstances, to help them find work. Under the Program, providers accumulate one-off credits which accrue to their provider's Employment Fund on commencement of a job seeker.

Previously, providers have been spending less than the value of the available credits, creating an accumulated surplus of credits. As at 30 September 2021, there was \$230.0 million in unspent Employment Fund credits in the Employment Fund notional bank.

The current outstanding credits accumulated from years prior to 2021-22 represent a contingent liability for the Budget. The program terminates on 30 June 2022.



## Finance

### Contingent liability – unquantifiable

#### **Australian Naval Infrastructure Pty Ltd – Guarantee in favour of Naval Group Australia**

Under the commercial arrangements for the Attack class future submarine program and the Submarine Construction Yard, the Australian Government entered into a Deed of Guarantee and Indemnity with Naval Group Australia Pty Limited and Naval Group S.A (Société Anonyme). This guarantee remains in place notwithstanding the Government’s announcement on 16 September 2021 that it would not proceed with the Attack class submarine program and will be reviewed in the context of closing out the agreements with Naval Group.

## Foreign Affairs and Trade

### Fiscal Risk

#### **Export Finance Australia – National Interest Account (NIA)**

There are four financing facilities under the NIA as detailed below.

The Australian Infrastructure Financing Facility for the Pacific (AIFFP) became operational on 1 July 2019. The AIFFP will provide up to \$2.0 billion in facilities, including up to \$500 million in grants and the balance in loans and guarantees, to support high priority infrastructure development in Pacific countries and Timor-Leste. To date, the Government has agreed to provide loan, guarantee and grant contracts to support the development of four infrastructure projects in Fiji, Palau and the Solomon Islands. As at 31 October 2021, the maximum exposure is \$93.7 million, of which \$51.0 million has been drawn down. The fiscal impact of the loans and guarantees are reflected in the Budget estimates.

The Defence Export Facility (DEF) was established to grow Australia’s defence exports by helping overcome difficulties in accessing private sector finance. The DEF has a maximum aggregate exposure of US\$3.0 billion. As at 31 October 2021, three loans under the DEF had been agreed for a total maximum value of \$228 million, of which \$153.1 million had been drawn down. These three loans are reflected in the Budget estimates.

The COVID-19 Export Capital Facility (COVID-19 Facility) was announced on 15 April 2020, with a maximum aggregate exposure of \$500 million. The COVID-19 Facility expired in April 2021. As at 31 October 2021, the COVID-19 Facility has an outstanding amount of \$46.5 million and these loans are reflected in the Budget estimates.

The Critical Minerals Facility (the Facility) was established on 28 September 2021 to provide finance to critical minerals projects in Australia where private sector finance is unavailable. The Facility has a maximum aggregate exposure of \$2.0 billion. As at 31 October 2021, no loans have been agreed or drawn upon under the Facility.

## **Contingent liability – quantifiable**

### **Export Finance Australia**

The Australian Government guarantees the due payment of money that is, or may at any time, become payable by Export Finance Australia to anybody other than the Government. As at 31 October 2021, the Government's total contingent liability was \$3.2 billion. The \$3.2 billion contingent liability comprises Export Finance Australia's liabilities to third parties (\$2.9 billion) and Export Finance Australia's overseas investment insurance, contracts of insurance and guarantees (\$0.3 billion). Of the total contingent liability, \$2.8 billion relates to Export Finance Australia's Commercial Account and \$0.4 billion relates to the National Interest Account.

## **Health**

### **Contingent liabilities – unquantifiable**

#### **2032 Brisbane Olympic and Paralympics Games**

On 21 July 2021, the International Olympic Committee (IOC) selected Brisbane to host the 2032 Olympic and Paralympic Games. The Australian Government has committed to fund half the costs of critical infrastructure for the Games. The support is subject to shared governance arrangements with the Queensland Government. The Commonwealth has also provided a range of guarantees to the IOC for provision of government services in support of Brisbane hosting the Games at no cost to the Organising Committee for the Olympic Games. The costs of these arrangements are yet to be determined.

#### **Advance Purchasing Agreements for COVID-19 vaccines**

The Australian Government has provided indemnities to the suppliers of potential COVID-19 vaccines, for which the Australian Government has entered into Advance Purchasing Agreements, covering certain liabilities that could result from the use of the vaccines. This comprises the University of Oxford vaccine which is sponsored by AstraZeneca, the Pfizer vaccine, the Moderna vaccine, and the Novavax vaccine.

The Australian Government has also entered into the Gavi-led COVAX Facility and has made an upfront payment towards Australia's purchase of future COVID-19 vaccine doses through the Facility.

The Australian Government has also entered into risk-sharing arrangements with Pfizer and Novavax to limit financial exposure to the Commonwealth.

### **Advance Purchasing Agreements for COVID-19 treatments**

The Australian Government has entered into Advance Purchase Agreements for the potential COVID-19 treatments, the Pfizer treatment and the GSK treatment. The Australian Government has provided indemnities to the suppliers of these COVID-19 treatments to cover certain liabilities that could result from the use of the treatments.

### **Indemnity Coverage for the COVID-19 Vaccination Rollout Program (Vaccine Claims Scheme)**

The Australian Government has established the COVID-19 Vaccine Claims Scheme (the Scheme). Under the Scheme the Commonwealth assumes responsibility for paying 100 per cent of all claims, for which compensation is payable above the \$1,000 threshold, from patients who suffer a significant adverse event following a TGA approved COVID-19 Vaccination or its administration. Successful claimants would need to provide evidence that:

- a TGA-approved COVID-19 vaccine was received;
- administration of the vaccine was linked in medical documentation to the injury or harm related to a condition identified by the TGA;
- hospitalisation resulted (except in the event of death); and
- medical costs and/or economic loss above the threshold were incurred.

The Scheme will also provide compensation where the injury or harm caused or materially contributed to death.

Claims of \$20,000 or more will be assessed by a panel of independent experts and compensation paid based on its recommendations.

## **Industry, Science, Energy and Resources**

### **Fiscal Risk**

#### **Snowy Hydro Limited**

The Australian Government has committed to provide additional equity to Snowy Hydro Limited to support the delivery of the Snowy 2.0 pumped hydro project and the Hunter Power Project. These projects will improve the security and reliability of the National Electricity Market by providing reliable, dispatchable power and large-scale energy storage. Project risks for both projects include construction delays, cost pressures and cash flow forecasts.

These pressures are being mitigated through close management of the delivery program and engagement with key stakeholders.

## **Significant but remote contingency**

### **Snowy Hydro Limited – Termination of the Equity Subscription Agreement**

The Australian Government will provide sufficient funding to cover costs and liabilities incurred by Snowy Hydro Limited (SHL) for the delivery of Snowy 2.0 and the Hunter Power Project, capped to the total remaining undrawn equity, in the event that the Commonwealth terminates the Equity Subscription Agreement between the Commonwealth and SHL.

## **Contingent liability – unquantifiable**

### **Australian Nuclear Science and Technology Organisation (ANSTO) – Legacy Waste Management to Final Disposal**

ANSTO has accumulated, and will continue to accumulate, nuclear waste, the final disposal of which is unfunded. The majority of this waste has arisen from the production of nuclear medicine and will require characterisation in order to determine the nature, and therefore the costs and timing required to manage the waste to final disposal. It is anticipated that the long-term storage of the nuclear waste will be the responsibility of the planned National Radioactive Waste Management Facility. If this changes ANSTO may need to meet the costs of the future management of the waste.

## **Contingent liability – quantifiable**

### **Underwriting of Transmission Projects**

The Australian Government is working with the New South Wales (NSW) and Victorian Governments to provide early works underwriting support to the HumeLink and the Victoria to NSW Interconnector West (VNI West) projects.

The Australian Government and NSW Government have committed to underwrite early works for HumeLink (up to a total of \$65.7 million). The Australian Government and Victorian Government have committed to jointly underwrite early works for VNI West (with a preferred route known as KerangLink). The specific terms and conditions of the underwriting arrangements associated with this project are not yet finalised.

The Australian Government will provide up to \$181.5 million in underwriting support under an agreement secured with the NSW transmission provider TransGrid to enable transmission lines being built from south of Coleambally to Wagga Wagga as part of enabling Project EnergyConnect to be constructed at a larger capacity, which would reduce the future construction cost of the VNI West project.

Conditions for the underwritings to be called upon are likely to relate to the projects not achieving regulatory and approval requirements, but are also dependent on the final underwriting arrangements negotiated.

## **Contingent asset – quantifiable**

### **CSIRO insurance claim – hailstorm**

The Commonwealth Scientific and Industrial Research Organisation (CSIRO) has an outstanding insurance claim for business interruption and costs incurred from a natural disaster (hailstorm) that occurred at the CSIRO Black Mountain site on 20 January 2020. A recent review of the value of the CSIRO's insurance claim suggested it is likely to exceed \$20 million (the threshold for inclusion in the Statement of Risks), and it has not been reflected in CSIRO's Budget estimates.

## **Infrastructure, Transport, Regional Development and Communications**

### **Fiscal Risk**

#### **Inland Rail – Delivery**

The Australian Government has committed up to \$14.5 billion in equity for the Australian Rail Track Corporation (ARTC), enabling ARTC to deliver the Inland Rail project which provides a direct, high-performance freight rail corridor between Melbourne and Brisbane, as well as a new freight corridor between Brisbane and Perth (via Parkes).

The ARTC will finance Inland Rail with a combination of Commonwealth equity investment, private debt and internal cash flows. A Public Private Partnership will be established to design, build, finance and maintain the complex Toowoomba to Kagaru (Brisbane) section of the project, including major tunnelling works.

Project risks include securing jurisdictional support, construction delays, cost pressures and realising revenues. These pressures are being mitigated through close management of the delivery program and engagement with key stakeholders and jurisdictions. Project costs will be settled through the completion of procurements for all sections of Inland Rail following all final design, planning and environmental approvals.

The Australian Government has also agreed in-principle to the extension of Inland Rail from Toowoomba to the Port of Gladstone, subject to the outcomes of the business case demonstrating the project is economically beneficial.

The business case is expected to identify a preferred route, delivery approach, benefits and costs in order to optimise network connectivity through regional Queensland to the Port of Gladstone. The business case will also explore commercial development and private sector funding opportunities, which may reduce the potential level of Australian Government funding. The cost of extension has not been quantified at this time and is not reflected in the estimates.

## Significant but remote contingencies

### 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 (HFC) areas. The Australian Government is only liable in the event NBN Co does not pay an amount when due under the Agreement. As at 30 June 2021, NBN Co had generated liabilities covered by the Optus Agreement which are estimated at an amount less than \$195.0 million. There is a low risk that a claim would be made under the Guarantee.

### Telstra Financial Guarantee

The Australian Government has provided 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 Government is only liable in the event NBN Co does not pay an amount when due under the Definitive Agreements. As at 30 June 2021, NBN Co had liabilities covered by the Guarantee estimated at \$10.4 billion. The Guarantee will terminate when NBN Co achieves specified credit ratings for a period of two continuous years, and:

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

### WSA Co Limited – Sydney Metro-Western Sydney Airport Indemnity

The Australian Government will provide an indemnity to cover liabilities that may be incurred by WSA Co Limited related to the integration of the Sydney Metro-Western Sydney Airport project (delivered by the New South Wales Government) with the Western Sydney International (Nancy-Bird Walton) Airport, to the extent such liabilities are established in the Airport-Rail Integration Deed.

**Contingent liability – unquantifiable****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 to 31 December 2021, the New South Wales (NSW) Government has provided a range of services to the Norfolk Island community through a Heads of Agreement. From 1 January 2022, the Australian Government will enter into new arrangements with the Queensland Government for state-government-type service delivery to Norfolk Island.

The Australian Capital Territory (ACT) provides a number of services to the Jervis Bay Territory under the 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.

**Prime Minister and Cabinet****Contingent liabilities – unquantifiable****Disaster Recovery**

The Australian Government provides funding to states and territories (states) through the jointly funded Commonwealth-State Disaster Recovery Funding Arrangements (DRFA) (formerly the Natural Disaster Relief and Recovery Arrangements (NDRRA)) to assist with natural disaster relief and recovery costs. States may claim DRFA funding if a natural disaster occurs and states' relief and recovery expenditure for that event meets the requirements set out in the arrangements.

The current forward estimates for the 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.

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 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.

#### ***McDonald v Commonwealth (Stolen Wages Class Action)***

A class action against the Commonwealth has been lodged in the Federal Court Victorian Registry on behalf of all Aboriginal and Torres Strait Islander persons who lived and worked in the Northern Territory during the period 1 June 1933 to 12 November 1971, and whose wages were allegedly unjustly withheld, inadequate or not paid as a result of wage control legislation. Costs associated with this litigation (if any) and any potential related future litigation are not quantifiable until the matter is determined by the Court or otherwise resolved.

#### **Contingent liability – quantifiable**

##### **Indigenous Land and Sea Corporation – Voyages Indigenous Tourism Australia**

The Indigenous Land and Sea Corporation (ILSC) purchased Ayers Rock Resort (ARR) for \$291.2 million in May 2011 and immediately on-sold it to its wholly owned subsidiary, Voyages Indigenous Tourism Australia Pty Ltd (Voyages), creating an intercompany loan that is partly funded by borrowings. The interest rate is set at the 90-day bank bill swap reference rate plus 5 per cent, and is reset six-monthly. As at 30 June 2021, the outstanding loan balance was \$287.8 million.

Voyages also have debt facilities with ANZ (\$102.5 million) and the Northern Australia Infrastructure Facility (\$27.5 million). A sharp decline in occupancy rates associated with the COVID-19 pandemic has eroded the financial position of Voyages and raised additional risks regarding its viability.

#### **Social Services**

##### **Fiscal Risk**

##### **COVID-19 Social Welfare Debt Pause for Affected Lockdown Areas**

The Government implemented a temporary pause on certain social welfare debt raising and recovery activities from 4 August 2021 in New South Wales, Victoria, the Australian Capital Territory and 11 Local Government Areas in South East Queensland. This was undertaken in response to extended lockdowns due to the COVID-19 pandemic. Debt raising will recommence in early 2022.



There is currently an unquantifiable financial risk as the debt pause (and the arrangements lifting the debt pause) may reduce the value of debts raised and the amount of funds recovered by Services Australia in 2021-22, which also has flow on impacts on Social Security payments expenditure.

## **Contingent asset – quantifiable**

### **National Redress Scheme**

The *National Redress Scheme for Institutional Child Sexual Abuse Act 2018* aims to support people who experienced institutional child sexual abuse from institutions participating in the National Redress Scheme (the Scheme) to gain access to counselling and psychological services, a direct personal response from the responsible institution, and a monetary payment. The Department of Social Services (DSS) administers the Scheme. In this capacity, DSS makes the monetary payment to the survivor and then recovers the costs from the institution determined to be responsible for the abuse.

As at 30 June 2021, DSS has an administered quantifiable contingent asset of \$88.6 million in relation to the probable recovery from responsible institutions of monetary payments that may be made to survivors under the Scheme. The value is based on applications that have been referred to an Independent Decision Maker for assessment and the payment values.

As at 30 June 2021, DSS also has an administered quantifiable contingent liability of \$48.3 million in relation to applications made under the Scheme that have been referred to an Independent Decision Maker for assessment. The amount is based on the number of applications and the payment values.

The difference between the contingent asset and the contingent liability represents the net risk to the Budget from the Scheme.

## **Treasury**

### **Significant but remote contingencies**

#### **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. Deposits eligible for coverage under the Financial Claims Scheme were estimated at \$1.1 trillion at 30 June 2021.

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 the 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 that 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 Budget would depend on the extent of the default and the state's ability to meet the Government's claim.

As at 31 August 2021, the face value of state and territory borrowings covered by the Guarantee was \$0.5 billion, down from \$1.2 billion at 31 March 2021 as Queensland's guaranteed debt matured in June 2021.

**Guarantees under the *Commonwealth Bank Sale Act 1995***

Under the terms of the *Commonwealth Bank Sale Act 1995*, the Australian Government guarantees various superannuation and other liabilities: \$138.4 million is attributable to liabilities of the Commonwealth Bank of Australia as at 30 September 2021; and \$4.8 billion is attributable to liabilities of the Commonwealth Bank Officers' Superannuation Corporation as at 30 September 2021.

**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 principal component of the Bank's liabilities is exchange settlement balances. As at 30 October 2021, exchange settlement balances amount to \$403.6 billion, and the total Guarantee is \$537.5 billion.

**Contingent liabilities – unquantifiable****Government Guarantees for Housing**

The Australian Government has a number of programs to support individuals to enter the housing market sooner.

The **First Home Loan Deposit Scheme** (the Scheme) is designed to support eligible first home buyers to build or purchase a first home sooner by providing a guarantee to participating lenders for up to 15 percent of the property purchase price. The Scheme began on 1 January 2020.

The **New Home Guarantee** is designed to support eligible first homes buyers seeking to build a new home or purchase a newly built home by providing a guarantee to participating lenders for up to 15 percent of the property purchase price. A second tranche of 10,000 New Home Guarantees was made available from 1 July 2021.

The **Family Home Guarantee** is designed to support single parents with dependants seeking to enter, or re-enter, the housing market. The Family Home Guarantee will commence on 1 July 2021.

For the three programs listed above, the Australian Government guarantees the liabilities as they arise. Guaranteed liabilities arise where a lender's loss is covered by the guarantee. The lender then makes a claim against the guarantee and the National Housing Finance and Investment Corporation (NHFIC) accepts the claim. Given liabilities under the Scheme are met by a standing appropriation, the NHFIC is not required to maintain capital and reserves to meet the liabilities associated with these programs.

### **International Monetary Fund – Poverty Reduction and Growth Trust**

On 26 October 2020, the Australian Government entered into an agreement to make a line of credit available to the International Monetary Fund (IMF) under the Poverty Reduction and Growth Trust (PRGT) through to 31 December 2029. The PRGT provides concessional financial support to low-income countries to help them achieve, maintain, or restore a stable and sustainable macroeconomic position. PRGT funds are drawn upon by the IMF as needed and will be repaid in full with interest.

Through this agreement, the Government made available Special Drawing Rights (SDR) 500,000,000 (approximately A\$953.8 million at 30 June 2021) to loan to the IMF under the PRGT. As at 30 June 2021, SDR 210,567,714 (approximately A\$401.6 million) has been drawn down, leaving SDR 289,432,286 (approximately A\$552.1 million) remaining available to the IMF under the PRGT.

On 13 October 2021, the Government announced that it intended to provide an additional SDR 250,000,000 (approximately A\$481 million) to the PRGT.

### **Small and Medium Enterprise Guarantee Scheme and SME Recovery Loan Scheme**

The Australian Government will guarantee 50 per cent of loans issued under the Coronavirus Small and Medium Enterprises (SME) Guarantee Scheme and has guaranteed 100 per cent of loans issued under the Show Starter Loan Scheme provided by eligible lenders.

On 11 March 2021, the Australian Government announced a range of initiatives as part of a new \$1.2 billion support package targeting the businesses, workers and regions still impacted by COVID-19. This includes an expansion and extension of the Coronavirus SME Guarantee Scheme. The SME Recovery Loan Scheme is designed to support the economic recovery of, and to provide continued assistance to, firms that were recipients of JobKeeper Payments in the March quarter of 2021, or were affected by the floods in March 2021 and were located or operating in eligible Local Government Areas. The Government is working with lenders to ensure that eligible firms continue to have access to finance to maintain and grow their businesses.

On 25 August 2021, the Government announced that the SME Recovery Loan Scheme would be expanded to provide support to SMEs adversely economically affected by the Coronavirus pandemic. This change was effective from 1 October 2021.

Loans under the SME Recovery Loan Scheme will be available from 1 April 2021 until 31 December 2021. The Australian Government will guarantee 80 per cent of loans issued under the SME Recovery Loan Scheme provided by eligible lenders to SMEs.

The Government has agreed to extend the existing SME Loan Recovery Scheme for SMEs that have been adversely affected by the Coronavirus pandemic, with a guarantee of 50 per cent. The extension will commence on 1 January 2022 and end on 30 June 2022.

### **Establishment of a Cyclone and related flooding reinsurance pool**

The Government will provide a \$10 billion annually reinstated Government guarantee to the Australian Reinsurance Pool Corporation (ARPC), a reinsurance pool for the impact of cyclones and related flooding on eligible insured properties. Subject to the passage of legislation, the guarantee will take effect from 1 July 2022 and may be called upon in the event of a large cyclone and/or related flood, or in a year with a high number of cyclones and related flooding, to ensure the ARPC can pay any liabilities.

The reinsurance pool is designed to be cost-neutral to Government over time, based on the predicted cost and frequency of cyclone events. The estimated value and range of calls on the guarantee is unquantifiable due to significant uncertainty in the frequency and severity of cyclones and the resulting losses.

### **Contingent liabilities – quantifiable**

#### **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 30 September 2021, for which a provision has not been made, is \$5.1 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.

Australia's current uncalled capital subscription to the IBRD totals approximately US\$4.4 billion (estimated value A\$5.8 billion as at 30 October 2021).

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\$367.1 million as at 30 October 2021).

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\$9.3 billion as at 30 October 2021).

The Australian Government has further held an uncalled capital subscription in the Multilateral Investment Guarantee Agency of US\$26.5 million (estimated value A\$35.41 million as at 30 October 2021).

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\$4.0 billion as at 30 October 2021).

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

### **International Monetary Fund – New Arrangements to Borrow & Bilateral Borrowing Agreement**

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 stands at around SDR 4.4 billion (estimated value A\$8.4 billion at 30 June 2021). On 8 October 2020, the Treasurer advised the IMF that Australia consented to the new NAB Decision and on 26 January 2020, the IMF Executive Board approved amendments to the NAB decision, including increasing the credit arrangements of all participants and extending the arrangement from 1 January 2021 to 31 December 2025.

In addition, Australia has made available approximately SDR 2.0 billion (approximately A\$3.7 billion at 30 June 2021) via a contingent bilateral loan to the IMF, known as a Bilateral Borrowing Agreement (BBA). 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. The BBA is made available to the IMF through to 31 December 2023 with the possibility of a one-year extension.

### **Historical Interest on Early Payment entitlements**

Interest on early payments (IEP) is payable by the Commissioner of Taxation on payments made by a taxpayer towards an applicable liability where the payment is

made more than 14 days before the relevant due date. As at 30 September 2021, historical entitlements are estimated to be \$221 million and are not recognised in the Budget estimates.

The ATO is designing system functionality to automatically identify, calculate and pay interest on early payment entitlements to taxpayers. If successfully deployed, the ATO may expand the system, no earlier than December 2022, to include payment of historical amounts.

## **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, result in an impact on the fiscal balance.

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 6.3 summarises Government loans estimated to exceed \$200 million at 30 June 2021.



Table 6.3: Summary of Australian Government loans exceeding \$200 million

Entity	Loan amount <sup>(a)</sup> (\$m)	Borrower	Interest rate	Term	Status <sup>(b)</sup>
<b>Agriculture, Water and the Environment</b>					
Drought related and farm finance concessional loans – Agriculture	446	State Governments (that through their delivery agencies, on-lend to eligible farm businesses)	Various	Various	Modified
Farm Investment Loans, Drought Loans, AgriStarter Loans, AgBiz Drought Loans and AgRebuild Loans	1,058	Eligible Australian farm businesses and related small businesses, via Regional Investment Corporation	2.17 per cent	Up to 10 years	Modified
<b>Education, Skills and Employment</b>					
Higher Education Loan Program and VET Student Loans Program	53,576	Eligible tertiary education students	Consumer Price Index (CPI) growth	9.4 years*	Modified
Trade Support Loans Program	812	Eligible Australian Apprentices	CPI growth		Modified
<b>Foreign Affairs and Trade</b>					
Papua New Guinea Liquefied Natural Gas	207	Entities associated with the Papua New Guinea Liquefied Natural Gas project	Commercial-in-confidence	Until 2026	Modified
Telstra acquisition of Digicel Pacific <sup>(c)</sup>	0	Telstra	Commercial-in-confidence	Not yet finalised	New
<b>Health</b>					
Zero Real Interest Loans	243	Residential aged care providers	CPI growth	Up to 22 years	Modified
<b>Industry, Science, Energy and Resources</b>					
Clean Energy Finance Corporation	2,770	Approved entities undertaking clean energy technology projects	4.0 per cent weighted average	5-15 years	Modified

**Table 6.3: Summary of Australian Government loans exceeding \$200 million (continued)**

Entity	Loan amount <sup>(a)</sup> (\$m)	Borrower	Interest rate	Term	Status <sup>(b)</sup>
<b>Infrastructure, Transport, Regional Development and Communications</b>					
NBN Co Loan	13,199	NBN Co Limited	3.96 per cent	30 June 2024	Modified
WestConnex stage 2 Concessional loan	1,975	WCX M5 Finco Pty Ltd	3.36 per cent	November 2015 to July 2034	Unchanged
Northern Australia Infrastructure Facility Loans	269	Northern Australia jurisdictions (Western Australia, Queensland or the Northern Territory) for on lending to project proponents	5 per cent	Various	Modified
<b>Prime Minister and Cabinet</b>					
Indigenous Home Ownership, Business Development and Assistance	983	Eligible Indigenous persons	2.5-6.9 per cent	Up to 30 years	Unchanged
Voyages Indigenous Tourism Australia Pty Ltd	288	Voyages Indigenous Tourism Australia Pty Ltd	90 Day bank bill swap reference rate + 5 per cent	9 years, 11 months	Modified
<b>Social Services</b>					
Student Start up Loan	653	Eligible Youth Allowance (student), Austudy and ABSTUDY Living Allowance recipients	CPI growth	Various	Modified
Student Financial Supplement Scheme	447	Eligible recipients of Youth Allowance (student), Austudy and ABSTUDY recipients	CPI growth	Various	Modified

**Table 6.3: Summary of Australian Government loans exceeding \$200 million (continued)**

Entity	Loan amount <sup>(a)</sup> (\$m)	Borrower	Interest rate	Term	Status <sup>(b)</sup>
<b>Treasury</b>					
Loan Agreement between the Government of Australia and the Government of Indonesia	1,364	Government of Indonesia	Commonwealth cost of Borrowing plus 0.5 per cent	15 years	Unchanged
Commonwealth State financing arrangements – Housing and Specific Purpose Capital	1,414	State and Northern Territory Governments	4.0 per cent – 6.0 per cent	Up to 30 June 2042	Unchanged
International Monetary Fund – New Arrangements to Borrow	120	International Monetary Fund	0.1 per cent	10 years	Modified
International Monetary Fund – Poverty Reduction and Growth Trust	402	International Monetary Fund	IMF SDR interest rate	10 years	New
Affordable Housing Bond Aggregator	88	National Housing Finance and Investment Corporation	Commonwealth cost of borrowing	Various	Unchanged
Loan to the Government of Papua New Guinea	558	Government of Papua New Guinea	Commonwealth cost of Borrowing plus 0.5 per cent	15 years	Modified

\* Average.

(a) Loan amount is the estimated loan program amounts outstanding as at 30 June 2021 in \$ million.

(b) Status of loan items are considered 'unchanged' unless there are modifications to respective interest rates and/or loan term.

(c) As at 30 June 2021, the Telstra acquisition of Digicel Pacific loan had not been drawn down.

## Loan Items

### Agriculture, Water and the Environment

#### Drought related and farm finance concessional loans – Agriculture

As at 30 June 2021, the fair value of farm business, drought and dairy farm related loans is estimated to total \$446.0 million. This includes:

**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 2021, the interest rate was 1.22 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 2021, the interest rate was 1.27 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 2021, the interest rate was 1.67 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 2021, the interest rate was 1.72 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, AgriStarter Loans, AgBiz Drought Loans and AgRebuild Loans**

The Regional Investment Corporation commenced operations on 1 July 2018.

There are three loan products currently available to farm businesses – Farm Investment Loans, Drought Loans, and AgriStarter Loans (launched on 1 January 2021). In addition, AgBiz Drought Loans are also available for small businesses. AgRebuild Loans (North Queensland flood) closed on 30 June 2020.

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, except for AgBiz Drought Loans which are for small businesses that provide primary production related goods and services for drought affected farm businesses.

As at 1 August 2021, the variable interest rate was 2.17 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 was not payable during the first two years of the AgRebuild Loan, or on the Drought Loans and AgBiz Drought Loans for loan applications that were received before 30 September 2020.

Loans have a maximum term of 10 years.

## **Education, Skills and Employment**

### **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 2021, the fair value of debt outstanding is estimated to be \$53.6 billion. The fair value takes into account the concessional nature 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 2,901,607 HELP debtors as at 30 June 2021. 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 2021 the average time taken to repay HELP debts was 9.4 years.

### **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 \$21,779 (2021-22) 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 \$725.97 per month in the first year of their apprenticeship, \$544.48 per month in the second year, \$362.99 per month in the third year and \$181.49 per month in the fourth year.

The loan amounts provided are higher in the early years of training to compensate for lower wages. The lifetime limit of \$21,779 was indexed on 1 July 2021 using the Consumer Price Index and will continue to be indexed annually on 1 July to maintain its real value.

As an incentive to encourage completion of 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 \$47,014 for the 2021-22 income year. This is a demand-driven program.

### **Foreign Affairs and Trade**

#### **Papua New Guinea Liquefied Natural Gas**

The loan in support of the Papua New Guinea Liquefied Natural Gas (PNG LNG) project involves the development, construction, operation and maintenance of a LNG liquefaction plant, gas production and processing facilities, onshore and offshore pipelines, associated ancillary facilities and infrastructure. As at 31 October 2021, the fair value of the loan amount outstanding is estimated to total \$197.5 million.

#### **Telstra acquisition of Digicel Pacific**

The Government will provide a financing package of USD1.33 billion through Export Finance Australia to Telstra for its acquisition of Digicel Pacific. Telstra will own and operate Digicel Pacific, contributing to secure and reliable infrastructure in the Pacific region, which is critical to economic growth and development. This package will

include debt and equity like securities designed to secure the Government a long-term return. As at 31 October 2021, no funds have been drawn down.

## **Health**

### **Zero Real Interest Loans**

The Zero Real Interest Loans program provided loans to assist aged care providers to build or extend residential aged care services in areas of high need. Loans provided under the program attract an interest rate equivalent to the change in the All Groups Consumer Price Index (updated quarterly). Four funding rounds were completed, with the final round of offers finalised in 2013. No further loans will be allocated under the program. The total amount owing to the Commonwealth as at 30 June 2021 is \$242.9 million.

## **Industry, Science, Energy and Resources**

### **Clean Energy Finance Corporation**

The Clean Energy Finance Corporation (CEFC) has developed a portfolio of loans and investments across the spectrum of clean energy technologies, as required by the *Clean Energy Finance Corporation Act 2012*. This portfolio has an acceptable but not excessive level of risk relative to the sector, as required under the Clean Energy Finance Corporation Investment Mandate Direction 2020.

The CEFC's loan portfolio consists of predominantly senior-ranking, secured loans, and secured project finance facilities, typically secured against energy-generating assets such as wind or solar farms or biogas facilities or energy efficiency assets. The CEFC has predominantly made loans as a co-financier either jointly or in consortiums with private sector financial institutions. Interest rates vary with a current average expected return of approximately 4.0 per cent. Loans have various maturity dates, typically in the range of 5 to 15 years. As at 30 June 2021, loans contracted and outstanding totalled \$2.77 billion.

## **Infrastructure, Transport, Regional Development and Communications**

### **NBN Co Loan**

The Australian Government has provided a loan of \$19.5 billion to NBN Co, on commercial terms, which was fully drawn in July 2020. The loan was established in December 2016 and must be repaid in full by 30 June 2024. NBN Co commenced repaying the loan in December 2020, and as at 31 October 2021 has made repayments of \$11.6 billion. The outstanding balance of the loan is \$7.9 billion. The loan has a fixed interest rate of 3.96 per cent per annum, with interest payable monthly over the life of the facility.



### **Northern Australia Infrastructure Facility Loans**

The Northern Australian Infrastructure Facility (NAIF) is a lending facility established by the Commonwealth Government under the *Northern Australia Infrastructure Facility Act 2016* and will operate until 30 June 2026. The primary purpose of the NAIF is to provide loans or alternative financing mechanisms to infrastructure projects. The infrastructure that NAIF is able to finance is wide ranging and includes assets that facilitate the establishment or enhancement of business activity or increase economic activity in a region.

To be eligible for a loan from the NAIF, including up to 100 per cent of the project's debt, project proponents must meet the mandatory criteria outlined in the NAIF Investment Mandate of 30 June 2021. The Commonwealth Government announced changes to the NAIF on 30 September 2020 to:

- expand the eligibility for NAIF financing to include non-construction activities associated with the development of economic infrastructure; and
- enhance the potential to deliver significant public benefit to northern Australia by removing the prohibition against the Commonwealth assuming the majority risk in any project. The new requirement is that the financial risk be acceptable but not excessive.

Further changes were announced in the 2020-21 MYEFO context to simplify the NAIF's use of debt tools other than loans, such as guarantees and the purchase of bonds, and to permit the NAIF to make equity investments.

The Commonwealth Government has introduced legislation to give effect to these changes.

### **Prime Minister and Cabinet**

#### **Voyages Indigenous Tourism Australia Pty Ltd**

The Indigenous Land and Sea Corporation (ILSC) purchased Ayers Rock Resort (ARR) for \$291.2 million in May 2011 and immediately on-sold it to its wholly owned subsidiary, Voyages Indigenous Tourism Australia Pty Ltd (Voyages), creating an intercompany loan that is partly funded by borrowings. The interest rate is set at the 90-day bank bill swap reference rate plus 5 per cent, and is reset six-monthly. As at 30 June 2021, the outstanding loan balance was \$287.8 million.

### **Social Services**

#### **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 \$1,094 (in 2021). 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 over \$47,014 for 2021-22 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 2021, the fair value of the Student Start-up Loan was valued at \$653.2 million.

### **Student Financial Supplement Scheme**

The Student Financial Supplement Scheme (SFSS) commenced in January 1993 and closed on 31 December 2003. It was a voluntary income-contingent loan scheme for tertiary students (primarily Austudy and ABSTUDY) to help cover their living expenses while studying. Under the scheme, eligible students were able to trade one dollar of income support entitlement for two dollars in loans. Debtors are required to start repaying their SFSS loan once they earn \$47,014 for 2021-22. As at 30 June 2021, the fair value of SFSS loans outstanding was valued at \$447.4 million.

## **Treasury**

### **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 26 January 2020, the IMF Executive Board agreed to a new NAB period from 1 January 2021 to 31 December 2025. 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 was SDR 63.4 million (approximately A\$120.4 million) as at 30 June 2021.

### **International Monetary Fund – Poverty Reduction and Growth Trust**

On 26 October 2020, the Australian Government entered into an agreement to make a line of credit available to the International Monetary Fund (IMF) under the Poverty Reduction and Growth Trust (PRGT) through to 31 December 2029. The PRGT provides concessional financial support to low-income countries to help them achieve, maintain, or restore a stable and sustainable macroeconomic position. PRGT funds are drawn upon by the IMF as needed and will be repaid in full with interest.

As at 30 June 2021, SDR 210,567,714 (approximately A\$401.6 million) has been drawn down.

### **Loan to the Government of Papua New Guinea**

On 23 November 2020, the Government entered into a loan agreement for US\$400 million (approximately A\$558 million) in 2020-21 to the Government of Papua New Guinea. The loan refinances the US\$300 million short-term loan made in 2019-20 and a further A\$140 million loan for budget support, including PNG's response to COVID-19. The previous short-term loan was made to support budget sustainability, assist in the delivery of core government services, support longer term economic reforms and increase the availability of foreign exchange in the country. The Australian Government has agreed with PNG to temporarily suspend principal and interest repayments for the loan consistent with the Debt Service Suspension Initiative of G20 nations to support low-income nations during the COVID-19 pandemic.



## Part 7: Australian Government Budget Financial Statements

Consistent with the *Charter of Budget Honesty Act 1998* (the Charter), the Government has produced a 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 net operating balance and net lending/borrowing (fiscal balance)
- a balance sheet, which 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 Budget Financial Statements

**Table 7.1: Australian Government general government sector operating statement**

	Note	Estimates			
		2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
<b>Revenue</b>					
Taxation revenue	3	504,041	491,087	519,722	551,989
Sales of goods and services	4	17,424	18,128	19,317	20,171
Interest income	5	3,619	3,718	4,189	4,552
Dividend and distribution income(a)	5	5,178	5,682	9,906	10,140
Other	6	12,266	11,726	10,834	10,472
<b>Total revenue</b>		<b>542,528</b>	<b>530,340</b>	<b>563,969</b>	<b>597,323</b>
<b>Expenses</b>					
Gross operating expenses					
Wages and salaries(b)	7	23,102	22,322	22,073	22,733
Superannuation	7	12,091	6,848	7,017	7,385
Depreciation and amortisation	8	11,651	12,230	12,994	13,599
Supply of goods and services	9	175,257	170,384	179,537	178,076
Other operating expenses(b)	7	8,785	9,266	8,297	8,495
<i>Total gross operating expenses</i>		<i>230,886</i>	<i>221,050</i>	<i>229,918</i>	<i>230,288</i>
Superannuation interest expense	7	8,974	12,415	12,712	13,004
Interest expenses(c)	10	20,070	20,061	22,340	23,595
Current transfers					
Current grants	11	182,118	180,557	185,356	192,049
Subsidy expenses		18,938	16,242	15,913	16,510
Personal benefits	12	152,282	142,690	149,050	157,224
<i>Total current transfers</i>		<i>353,338</i>	<i>339,489</i>	<i>350,319</i>	<i>365,783</i>
Capital transfers					
Mutually agreed write-downs(c)		2,734	2,880	3,084	3,295
Other capital grants		17,836	20,419	18,209	14,593
<i>Total capital transfers</i>		<i>20,570</i>	<i>23,298</i>	<i>21,293</i>	<i>17,888</i>
<b>Total expenses</b>		<b>633,838</b>	<b>616,313</b>	<b>636,582</b>	<b>650,558</b>
<b>Net operating balance</b>		<b>-91,310</b>	<b>-85,973</b>	<b>-72,614</b>	<b>-53,235</b>
<b>Other economic flows – included in operating result</b>					
Net write-downs of assets		-7,828	-7,448	-7,459	-7,978
Assets recognised for the first time		242	251	261	271
Actuarial revaluations		109	94	76	54
Net foreign exchange gains		48	8	-128	-110
Net swap interest received		-343	0	0	0
Market valuation of debt		22,484	-401	-647	-249
Other gains/(losses)		6,983	9,266	9,640	9,986
<b>Total other economic flows – included in operating result</b>		<b>21,695</b>	<b>1,771</b>	<b>1,743</b>	<b>1,974</b>
<b>Operating result(d)</b>		<b>-69,616</b>	<b>-84,201</b>	<b>-70,871</b>	<b>-51,261</b>

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

	Note	Estimates			
		2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
<b>Non-owner movements in equity</b>					
Revaluation of equity investments		-3,174	0	0	0
Actuarial revaluations		-22,072	-268	-242	-212
Other economic revaluations		720	-43	-35	1,874
<b>Total other economic flows - included in equity</b>		<b>-24,526</b>	<b>-311</b>	<b>-277</b>	<b>1,663</b>
<b>Comprehensive result – Total change in net worth</b>		<b>-94,141</b>	<b>-84,512</b>	<b>-71,148</b>	<b>-49,598</b>
<b>Net operating balance</b>		<b>-91,310</b>	<b>-85,973</b>	<b>-72,614</b>	<b>-53,235</b>
<b>Net acquisition of non-financial assets</b>					
Purchases of non-financial assets		23,518	22,978	23,175	23,004
less Sales of non-financial assets		930	116	80	2,018
less Depreciation		11,651	12,230	12,994	13,599
plus Change in inventories		682	744	819	818
plus Other movements in non-financial assets		-26	0	0	0
<b>Total net acquisition of non-financial assets</b>		<b>11,593</b>	<b>11,376</b>	<b>10,920</b>	<b>8,205</b>
<b>Fiscal balance (Net lending/borrowing)(e)</b>		<b>-102,903</b>	<b>-97,349</b>	<b>-83,534</b>	<b>-61,440</b>

(a) 'Dividend income' has been renamed 'dividend and distribution income' to more accurately reflect the transactions included in this item.

(b) Consistent with the ABS GFS classification, other employee related expenses are classified separately from wages and salaries under other operating expenses. Total employee expenses equal wages and salaries plus other operating expenses.

(c) From the 2021-22 Budget, the value of debt not expected to be repaid (DNER) on initial recognition of income contingent concessional loans is reported as a mutually agreed write-down, which is a form of capital transfer. It was previously reported as other financing costs.

(d) Operating result under AAS.

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

**Table 7.2: Australian Government general government sector balance sheet**

	Note	Estimates			
		2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
<b>Assets</b>					
Financial assets					
Cash and deposits(a)		57,497	38,944	41,001	51,776
Advances paid	13	82,967	87,256	83,070	85,240
Investments, loans and placements(a)	14	205,481	219,500	234,730	241,847
Other receivables	13	65,103	70,220	77,738	80,986
Equity investments					
Investments in other public sector entities		61,792	68,136	72,405	76,102
Equity accounted investments		4,037	4,127	4,672	5,199
Investments – shares		90,724	90,880	90,933	95,527
<i>Total financial assets</i>		<i>567,601</i>	<i>579,062</i>	<i>604,549</i>	<i>636,676</i>
Non-financial assets					
Land	15	12,188	12,267	12,269	12,284
Buildings		46,330	49,175	51,144	52,144
Plant, equipment and infrastructure		98,724	104,959	112,373	120,232
Inventories		10,891	11,251	11,658	12,048
Intangibles		11,100	11,811	12,057	12,080
Investment properties		213	213	213	213
Biological assets		23	23	23	23
Heritage and cultural assets		11,869	11,877	11,869	11,859
Assets held for sale		562	557	557	557
Other non-financial assets		14	14	14	14
<i>Total non-financial assets</i>		<i>191,914</i>	<i>202,148</i>	<i>212,177</i>	<i>221,453</i>
<b>Total assets</b>		<b>759,515</b>	<b>781,210</b>	<b>816,726</b>	<b>858,129</b>
<b>Liabilities</b>					
Interest bearing liabilities					
Deposits held		598	598	598	598
Government securities		969,411	1,068,714	1,165,412	1,245,738
Loans	16	29,501	29,565	29,354	29,118
Lease liabilities		19,823	19,965	19,308	18,249
<i>Total interest bearing liabilities</i>		<i>1,019,332</i>	<i>1,118,842</i>	<i>1,214,672</i>	<i>1,293,702</i>



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

	Note	Estimates			
		2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
Provisions and payables					
Superannuation liability	17	250,958	257,482	263,878	275,754
Other employee liabilities	17	38,371	39,046	39,989	40,947
Suppliers payables	18	11,131	11,876	12,202	12,672
Personal benefits payables	18	2,977	2,969	3,729	3,808
Subsidies payables	18	995	1,013	1,033	1,054
Grants payables	18	4,314	3,652	3,874	3,917
Other payables	18	2,464	2,495	4,379	2,472
Provisions	18	61,349	60,723	61,007	61,436
<i>Total provisions and payables</i>		<i>372,559</i>	<i>379,257</i>	<i>390,090</i>	<i>402,061</i>
<b>Total liabilities</b>		<b>1,391,891</b>	<b>1,498,098</b>	<b>1,604,762</b>	<b>1,695,764</b>
<b>Net worth(b)</b>		<b>-632,376</b>	<b>-716,888</b>	<b>-788,036</b>	<b>-837,634</b>
<i>Net financial worth(c)</i>		<i>-824,290</i>	<i>-919,036</i>	<i>-1,000,212</i>	<i>-1,059,087</i>
<i>Net financial liabilities(d)</i>		<i>886,082</i>	<i>987,171</i>	<i>1,072,618</i>	<i>1,135,190</i>
<i>Net debt(e)</i>		<i>673,387</i>	<i>773,142</i>	<i>855,870</i>	<i>914,840</i>

(a) In the 2021-22 Budget, Australian Office of Financial Management moved from primarily using term deposits to a cash management account for investing cash for short-term liquidity management. This resulted in a decrease in investments, loans and placements and an increase in cash and deposits.

(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 is the sum of interest bearing liabilities less the sum of selected financial assets (cash and deposits, advances paid and investments, loans and placements).

**Table 7.3: Australian Government general government sector cash flow statement<sup>(a)</sup>**

	Estimates			
	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
<b>Cash receipts from operating activities</b>				
Taxes received	490,487	478,528	507,609	539,472
Receipts from sales of goods and services	17,520	18,136	19,320	20,170
Interest receipts	2,732	3,032	3,411	3,685
Dividends, distributions and income tax equivalents(b)	7,980	4,825	6,056	10,268
Other receipts(c)	13,139	11,681	11,751	17,316
<b>Total operating receipts</b>	<b>531,859</b>	<b>516,201</b>	<b>548,147</b>	<b>590,911</b>
<b>Cash payments for operating activities</b>				
Payments to employees(c)(d)	-36,681	-36,002	-36,337	-37,670
Payments for goods and services	-172,036	-169,318	-179,456	-178,187
Grants and subsidies paid	-221,836	-218,469	-219,202	-222,366
Interest paid	-17,496	-17,675	-20,139	-21,326
Personal benefit payments	-152,756	-143,340	-148,965	-157,832
Other payments(d)	-8,248	-8,638	-7,395	-7,592
<b>Total operating payments</b>	<b>-609,053</b>	<b>-593,442</b>	<b>-611,493</b>	<b>-624,973</b>
<b>Net cash flows from operating activities</b>	<b>-77,194</b>	<b>-77,241</b>	<b>-63,346</b>	<b>-34,063</b>
<b>Cash flows from investments in non-financial assets</b>				
Sales of non-financial assets	271	248	2,106	255
Purchases of non-financial assets	-19,877	-19,412	-20,744	-21,201
<b>Net cash flows from investments in non-financial assets</b>	<b>-19,606</b>	<b>-19,164</b>	<b>-18,638</b>	<b>-20,946</b>
<b>Net cash flows from investments in financial assets for policy purposes</b>	<b>-6,888</b>	<b>-12,279</b>	<b>-3,321</b>	<b>-9,267</b>
<b>Net cash flows from investments in financial assets for liquidity purposes</b>	<b>-2,979</b>	<b>-4,872</b>	<b>-5,090</b>	<b>-885</b>
<b>Cash receipts from financing activities</b>				
Borrowing	348,016	808,099	733,706	616,466
Other financing	57	0	0	6
<b>Total cash receipts from financing activities</b>	<b>348,073</b>	<b>808,099</b>	<b>733,706</b>	<b>616,471</b>
<b>Cash payments for financing activities</b>				
Borrowing	-239,019	-705,490	-635,383	-533,714
Other financing	-7,300	-7,608	-5,871	-6,822
<b>Total cash payments for financing activities</b>	<b>-246,319</b>	<b>-713,097</b>	<b>-641,254</b>	<b>-540,536</b>
<b>Net cash flows from financing activities</b>	<b>101,753</b>	<b>95,002</b>	<b>92,452</b>	<b>75,936</b>
<b>Net increase/(decrease) in cash held</b>	<b>-4,914</b>	<b>-18,554</b>	<b>2,057</b>	<b>10,775</b>

**Table 7.3: Australian Government general government sector cash flow statement (continued)<sup>(a)</sup>**

	Estimates			
	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m
<b>GFS cash surplus(+)/deficit(-)(e)</b>	<b>-96,801</b>	<b>-96,405</b>	<b>-81,984</b>	<b>-55,009</b>
<i>plus</i> Net cash flows from financing activities for leases(f)	-2,447	-2,454	-2,484	-2,460
<b>Equals underlying cash balance(g)</b>	<b>-99,247</b>	<b>-98,859</b>	<b>-84,468</b>	<b>-57,469</b>
<i>plus</i> Net cash flows from investments in financial assets for policy purposes	-6,888	-12,279	-3,321	-9,267
<b>Equals headline cash balance</b>	<b>-106,135</b>	<b>-111,138</b>	<b>-87,789</b>	<b>-66,736</b>

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

(b) 'Dividends and income tax equivalents' has been renamed to 'dividends, distributions and income tax equivalents' to more accurately reflect the types of receipts included in this item.

(c) As result of a voluntary accounting policy change, the pass-through of defined benefit member superannuation receipts and payments are reported on a gross basis in the cash flow statement. This was previously reported on a net basis.

(d) Consistent with the ABS GFS classification, other employee related payments are classified separately from wages and salaries under other payments.

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

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

(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	
	2021-22	\$m
<b>Revenue</b>		
Grants and subsidies		440
Sales of goods and services		18,780
Interest income		4
Other		24
<b>Total revenue</b>		<b>19,248</b>
<b>Expenses</b>		
Gross operating expenses		
Wages and salaries(a)		4,567
Superannuation		510
Depreciation and amortisation		4,691
Supply of goods and services		9,317
Other operating expenses(a)		641
<i>Total gross operating expenses</i>		<i>19,726</i>
Interest expenses		1,628
Other property expenses		274
Current transfers		
Tax expenses		100
<i>Total current transfers</i>		<i>100</i>
<b>Total expenses</b>		<b>21,728</b>
<b>Net operating balance</b>		<b>-2,480</b>
<b>Other economic flows</b>		<b>4,477</b>
<b>Comprehensive result – Total change in net worth excluding contribution from owners</b>		<b>1,998</b>
<b>Net acquisition of non-financial assets</b>		
Purchases of non-financial assets		8,402
<i>less</i> Sales of non-financial assets		<i>52</i>
<i>less</i> Depreciation		<i>4,691</i>
<i>plus</i> Change in inventories		<i>9</i>
<i>plus</i> Other movements in non-financial assets		<i>0</i>
<b>Total net acquisition of non-financial assets</b>		<b>3,668</b>
<b>Fiscal balance (Net lending/borrowing)(b)</b>		<b>-6,148</b>

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

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

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

	Estimates	
	2021-22	\$m
<b>Assets</b>		
Financial assets		
Cash and deposits		1,182
Investments, loans and placements		906
Other receivables		3,487
Equity investments		249
<i>Total financial assets</i>		<i>5,824</i>
Non-financial assets		
Land and other fixed assets		65,689
Other non-financial assets(a)		3,741
<i>Total non-financial assets</i>		<i>69,430</i>
<b>Total assets</b>		<b>75,253</b>
<b>Liabilities</b>		
Interest bearing liabilities		
Deposits held		16
Advances received and loans		30,885
Lease liabilities		12,456
<i>Total interest bearing liabilities</i>		<i>43,357</i>
Provisions and payables		
Superannuation liability		21
Other employee liabilities		1,759
Other payables		5,136
Other provisions(a)		724
<i>Total provisions and payables</i>		<i>7,640</i>
<b>Total liabilities</b>		<b>50,997</b>
<b>Shares and other contributed capital</b>		<b>24,256</b>
<b>Net worth(b)</b>		<b>24,256</b>
<i>Net financial worth(c)</i>		<i>-45,173</i>
<i>Net debt(d)</i>		<i>41,270</i>

(a) Excludes the impact of commercial taxation adjustments.

(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 is the sum of interest bearing liabilities less the sum of selected financial assets (cash and deposits and investments, loans and placements).

**Table 7.6: Australian Government public non-financial corporations sector cash flow statement<sup>(a)</sup>**

	Estimates	
	2021-22	\$m
<b>Cash receipts from operating activities</b>		
Receipts from sales of goods and services	19,740	
Grants and subsidies received	346	
GST input credit receipts	981	
Other receipts	77	
<b>Total operating receipts</b>	<b>21,144</b>	
<b>Cash payments for operating activities</b>		
Payments to employees <sup>(b)</sup>	-5,103	
Payments for goods and services	-11,235	
Interest paid	-1,716	
GST payments to taxation authority	-830	
Distributions paid	-275	
Other payments <sup>(b)</sup>	-1,045	
<b>Total operating payments</b>	<b>-20,203</b>	
<b>Net cash flows from operating activities</b>	<b>941</b>	
<b>Cash flows from investments in non-financial assets</b>		
Sales of non-financial assets	54	
Purchases of non-financial assets	-7,653	
<b>Net cash flows from investments in non-financial assets</b>	<b>-7,599</b>	
<b>Net cash flows from investments in financial assets for policy purposes</b>	<b>-6</b>	
<b>Net cash flows from investments in financial assets for liquidity purposes</b>	<b>67</b>	
<b>Net cash flows from financing activities</b>		
Borrowing (net)	2,551	
Other financing (net)	3,060	
<b>Net cash flows from financing activities</b>	<b>5,612</b>	
<b>Net increase/(decrease) in cash held</b>	<b>-985</b>	
<b>Cash at the beginning of the year</b>	<b>2,167</b>	
<b>Cash at the end of the year</b>	<b>1,182</b>	
<b>GFS cash surplus(+)/deficit(-)<sup>(c)</sup></b>	<b>-6,658</b>	
<i>plus</i> Net cash flows from financing activities for leases <sup>(d)</sup>	-506	
<b>Adjusted GFS cash surplus(+)/deficit(-)<sup>(d)</sup></b>	<b>-7,164</b>	

(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 classified separately from wages and salaries under other payments.

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

(d) Principal payments on lease liabilities, which are financing cash payments, are deducted in the calculation of the GFS cash surplus/deficit to maintain consistency of measure following the implementation of AASB 16.

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

	Estimates	
	2021-22	\$m
<b>Revenue</b>		
Taxation revenue	503,163	
Sales of goods and services	35,351	
Interest income	3,262	
Dividend and distribution income(a)	4,904	
Other	12,306	
<b>Total revenue</b>	<b>558,986</b>	
<b>Expenses</b>		
Gross operating expenses		
Wages and salaries(b)	27,669	
Superannuation	12,602	
Depreciation and amortisation	16,342	
Supply of goods and services	183,708	
Other operating expenses(b)	9,426	
<i>Total gross operating expenses</i>	<i>249,746</i>	
Superannuation interest expense	8,974	
Interest expenses(c)	21,337	
Current transfers		
Current grants	182,118	
Subsidy expenses	18,113	
Personal benefits	152,282	
<i>Total current transfers</i>	<i>352,513</i>	
Capital transfers(c)	20,266	
<b>Total expenses</b>	<b>652,836</b>	
<b>Net operating balance</b>	<b>-93,850</b>	
<b>Other economic flows</b>	<b>1,982</b>	
<b>Comprehensive result – Total change in net worth</b>	<b>-91,869</b>	
<b>Net acquisition of non-financial assets</b>		
Purchases of non-financial assets	31,918	
<i>less</i> Sales of non-financial assets	<i>983</i>	
<i>less</i> Depreciation	<i>16,342</i>	
<i>plus</i> Change in inventories	<i>691</i>	
<i>plus</i> Other movements in non-financial assets	<i>-26</i>	
<b>Total net acquisition of non-financial assets</b>	<b>15,258</b>	
<b>Fiscal balance (Net lending/borrowing)(d)</b>	<b>-109,109</b>	

(a) 'Dividend income' has been renamed 'dividend and distribution income' to more accurately reflect the transactions included in this item.

(b) Consistent with the ABS GFS classification, other employee related expenses are classified separately from wages and salaries under other operating expenses. Total employee expenses equal wages and salaries plus other operating expenses.

(c) From the 2021-22 Budget, the value of debt not expected to be repaid (DNER) on initial recognition of income contingent concessional loans is reported as a mutually agreed write-down, which is a form of capital transfer. It was previously reported as other financing costs.

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

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

	Estimates	
	2021-22	\$m
<b>Assets</b>		
Financial assets		
Cash and deposits(a)		58,950
Advances paid		75,021
Investments, loans and placements(a)		206,365
Other receivables		67,820
Equity investments		116,271
<i>Total financial assets</i>		<i>524,427</i>
Non-financial assets		
Land and fixed assets		245,676
Other non-financial assets		15,704
<i>Total non-financial assets</i>		<i>261,380</i>
<b>Total assets</b>		<b>785,807</b>
<b>Liabilities</b>		
Interest bearing liabilities		
Deposits held		613
Government securities		969,411
Advances received and loans		52,419
Lease liabilities		32,270
<i>Total interest bearing liabilities</i>		<i>1,054,713</i>
Provisions and payables		
Superannuation liability		250,980
Other employee liabilities		40,131
Other payables		26,889
Other provisions		61,354
<i>Total provisions and payables</i>		<i>379,353</i>
<b>Total liabilities</b>		<b>1,434,066</b>
<b>Net worth(b)</b>		<b>-648,260</b>
<i>Net financial worth(c)</i>		<i>-909,640</i>
<i>Net debt(d)</i>		<i>714,377</i>

(a) In the 2021-22 Budget, Australian Office of Financial Management moved from primarily using term deposits to a cash management account for investing cash for short-term liquidity management. This resulted in a decrease in investments, loans and placements and an increase in cash and deposits.

(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 is the sum of interest bearing liabilities less the sum of selected financial assets (cash and deposits, advances paid and investments, loans and placements).



**Table 7.9: Australian Government total non-financial public sector cash flow statement<sup>(a)</sup>**

	Estimates	
	2021-22	\$m
<b>Cash receipts from operating activities</b>		
Taxes received	490,256	
Receipts from sales of goods and services	34,573	
Interest receipts	2,384	
Dividends, distributions and income tax equivalents <sup>(b)</sup>	7,705	
Other receipts <sup>(c)</sup>	13,061	
<b>Total operating receipts</b>	<b>547,980</b>	
<b>Cash payments for operating activities</b>		
Payments to employees <sup>(c)(d)</sup>	-41,784	
Payments for goods and services	-180,430	
Grants and subsidies paid	-221,332	
Interest paid	-18,860	
Personal benefit payments	-152,756	
Other payments <sup>(d)</sup>	-9,068	
<b>Total operating payments</b>	<b>-624,230</b>	
<b>Net cash flows from operating activities</b>	<b>-76,251</b>	
<b>Cash flows from investments in non-financial assets</b>		
Sales of non-financial assets	325	
Purchases of non-financial assets	-27,530	
<b>Net cash flows from investments in non-financial assets</b>	<b>-27,205</b>	
<b>Net cash flows from investments in financial assets for policy purposes</b>	<b>-8,965</b>	
<b>Net cash flows from investments in financial assets for liquidity purposes</b>	<b>-2,910</b>	
<b>Net cash flows from financing activities</b>		
Borrowing (net)	117,076	
Other financing (net)	-7,372	
<b>Net cash flows from financing activities</b>	<b>109,704</b>	
<b>Net increase/(decrease) in cash held</b>	<b>-5,626</b>	
<b>Cash at the beginning of the year</b>	<b>64,576</b>	
<b>Cash at the end of the year</b>	<b>58,950</b>	
<b>GFS cash surplus(+)/deficit<sup>(-)</sup>(e)</b>	<b>-103,456</b>	
<i>plus</i> Net cash flows from financing activities for leases <sup>(f)</sup>	-2,952	
<b>Adjusted GFS cash surplus(+)/deficit<sup>(-)</sup>(f)</b>	<b>-106,408</b>	

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

(b) 'Dividends and income tax equivalents' has been renamed to 'dividends, distributions and income tax equivalents' to more accurately reflect the types of receipts included in this item.

(c) As result of a voluntary accounting policy change, the pass-through of defined benefit member superannuation receipts and payments are reported on a gross basis in the cash flow statement. This was previously reported on a net basis.

(d) Consistent with the ABS GFS classification, other employee related payments are classified separately from wages and salaries under other payments.

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

(f) Principal payments on lease liabilities, which are financing cash payments, are deducted in the calculation of the GFS cash surplus/deficit to maintain consistency of measure following the implementation of AASB 16.

**Table 7.10: Australian Government public financial corporations sector operating statement**

	Estimates	
	2021-22	\$m
<b>Revenue</b>		
Grants and subsidies		145
Sales of goods and services		600
Interest income		8,690
Other		92
<b>Total revenue</b>		<b>9,528</b>
<b>Expenses</b>		
Gross operating expenses		
Wages and salaries(a)		230
Superannuation		69
Depreciation and amortisation		73
Supply of goods and services		568
Other operating expenses(a)		55
<i>Total gross operating expenses</i>		<i>995</i>
Interest expenses		162
Other property expenses		16
Current transfers		
Tax expenses		7
<i>Total current transfers</i>		<i>7</i>
<b>Total expenses</b>		<b>1,180</b>
<b>Net operating balance</b>		<b>8,348</b>
<b>Other economic flows</b>		<b>-11,111</b>
<b>Comprehensive result – Total change in net worth excluding contribution from owners</b>		<b>-2,763</b>
<b>Net acquisition of non-financial assets</b>		
Purchases of non-financial assets		29
<i>less</i> Sales of non-financial assets		<i>0</i>
<i>less</i> Depreciation		<i>73</i>
<i>plus</i> Change in inventories		<i>-60</i>
<i>plus</i> Other movements in non-financial assets		<i>0</i>
<b>Total net acquisition of non-financial assets</b>		<b>-105</b>
<b>Fiscal balance (Net lending/borrowing)(b)</b>		<b>8,453</b>

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

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

**Table 7.11: Australian Government public financial corporations sector balance sheet<sup>(a)</sup>**

	Estimates	
	2021-22	\$m
<b>Assets</b>		
Financial assets		
Cash and deposits		945
Investments, loans and placements		599,262
Other receivables		288
Equity investments		882
<i>Total financial assets</i>		<i>601,378</i>
Non-financial assets		
Land and other fixed assets		960
Other non-financial assets(b)		88
<i>Total non-financial assets</i>		<i>1,048</i>
<b>Total assets</b>		<b>602,426</b>
<b>Liabilities</b>		
Interest bearing liabilities		
Deposits held		568,394
Borrowing		8,803
<i>Total interest bearing liabilities</i>		<i>577,197</i>
Provisions and payables		
Superannuation liability		539
Other employee liabilities		215
Other payables		1,132
Other provisions(b)		1,869
<i>Total provisions and payables</i>		<i>3,755</i>
<b>Total liabilities</b>		<b>580,953</b>
<b>Shares and other contributed capital</b>		<b>21,474</b>
<b>Net worth(c)</b>		<b>21,474</b>
<i>Net financial worth(d)</i>		<i>20,425</i>
<i>Net debt(e)</i>		<i>-23,010</i>

(a) Assumes no valuation or currency movement.

(b) Excludes the impact of commercial taxation adjustments.

(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 is the sum of interest bearing liabilities less the sum of selected financial assets (cash and deposits and investments, loans and placements).

**Table 7.12: Australian Government public financial corporations sector cash flow statement<sup>(a)</sup>**

	Estimates
	2021-22 \$m
<b>Cash receipts from operating activities</b>	
Receipts from sales of goods and services	642
Grants and subsidies received	145
GST input credit receipts	8
Interest receipts	8,668
Other receipts	15
<b>Total operating receipts</b>	<b>9,479</b>
<b>Cash payments for operating activities</b>	
Payments to employees <sup>(b)</sup>	-304
Payments for goods and services	-738
Interest paid	-120
GST payments to taxation authority	-18
Distributions paid	-2,687
Other payments <sup>(b)</sup>	-65
<b>Total operating payments</b>	<b>-3,931</b>
<b>Net cash flows from operating activities</b>	<b>5,547</b>
<b>Cash flows from investments in non-financial assets</b>	
Sales of non-financial assets	0
Purchases of non-financial assets	-82
<b>Net cash flows from investments in non-financial assets</b>	<b>-82</b>
<b>Net cash flows from investments in financial assets for policy purposes</b>	<b>-534</b>
<b>Net cash flows from investments in financial assets for liquidity purposes<sup>(c)</sup></b>	<b>-62,699</b>
<b>Net cash flows from financing activities</b>	
Borrowing and deposits received <sup>(net)</sup> <sup>(c)</sup>	53,166
Other financing (net)	4,651
<b>Net cash flows from financing activities</b>	<b>57,816</b>
<b>Net increase/(decrease) in cash held</b>	<b>49</b>
<b>Cash at the beginning of the year</b>	<b>896</b>
<b>Cash at the end of the year</b>	<b>945</b>
<b>GFS cash surplus(+)/deficit<sup>(-)</sup><sup>(d)</sup></b>	<b>5,466</b>
<i>plus</i> Net cash flows from financing activities for leases <sup>(e)</sup>	-2
<b>Adjusted GFS cash surplus(+)/deficit<sup>(-)</sup><sup>(e)</sup></b>	<b>5,464</b>

(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 classified separately from wages and salaries under other payments.

(c) Assumes no cash flows associated with valuation or currency movements.

(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 financing cash payments, are deducted in the calculation of the GFS cash surplus/deficit to maintain consistency of measure following the implementation of AASB 16.

## 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 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 for use by the not-for-profit sector and specific standards such as 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 the public non-financial corporations (PNFC) and public financial corporations (PFC) sectors and the total non-financial public sector (NFPS).

Explanations of major variations in fiscal balance, revenue, expenses, net capital investment, cash flows, net debt, net financial worth and net worth since the 2021-22 Budget are disclosed in Part 3: *Fiscal strategy and outlook*, with decisions taken since the 2021-22 Budget disclosed in Appendix A: *Policy decisions taken since the 2021-22 Budget*.

Updates to fiscal risks and contingent liabilities since the 2021-22 Budget are disclosed in Part 6: *Statement of risks*.

## **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
Timing recognition of Boosting Cash Flow for Employers	Expense recognition based on underlying economic activity that gives rise to the Cash Flow Boost payment.	Recognised when the businesses receive payments after submitting their activity statements and having met all requirements.	AAS
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 is 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
<b>Fiscal aggregates differences</b>			
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
<b>Classification differences</b>			
Prepayments	Treated as a non-financial asset.	Treated as a financial asset.	ABS GFS
Spectrum sales	Recognise non-financial asset sale for fiscal balance when 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 sale 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			
	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m
Individuals and other withholding taxes				
Gross income tax withholding	229,700	236,400	247,300	248,300
Gross other individuals	53,800	57,800	58,900	63,000
<i>less: Refunds</i>	38,700	37,900	35,300	37,100
Total individuals and other withholding taxation	244,800	256,300	270,900	274,200
Fringe benefits tax	3,160	3,540	3,700	3,900
Company tax	102,700	81,900	87,200	106,900
Superannuation fund taxes	23,230	12,690	16,590	19,140
Petroleum resource rent tax	1,470	1,440	1,410	1,410
<b>Income taxation revenue</b>	<b>375,360</b>	<b>355,870</b>	<b>379,800</b>	<b>405,550</b>
Goods and services tax	76,410	79,880	82,720	87,340
Wine equalisation tax	1,160	1,120	1,160	1,200
Luxury car tax	770	720	720	760
Excise and Custom duty				
Petrol	5,650	6,300	6,700	7,050
Diesel	13,580	14,530	15,280	15,980
Other fuel products	1,640	1,900	1,930	1,990
Tobacco	13,300	13,150	13,550	13,950
Beer	2,490	2,600	2,700	2,750
Spirits	3,080	2,920	3,000	3,130
Other alcoholic beverages(a)	1,270	1,080	1,110	1,170
Other customs duty				
Textiles, clothing and footwear	190	200	120	120
Passenger motor vehicles	350	290	70	80
Other imports	1,290	1,330	860	890
<i>less: Refunds and drawbacks</i>	800	700	700	700
Total excise and customs duty	42,040	43,600	44,620	46,410
Major bank levy	1,510	1,620	1,620	1,720
Agricultural levies	554	541	551	556
Other taxes	6,237	7,735	8,532	8,453
Mirror taxes	658	695	733	768
<i>less: Transfers to states in relation to mirror tax revenue</i>	658	695	733	768
Mirror tax revenue	0	0	0	0
<b>Indirect taxation revenue</b>	<b>128,681</b>	<b>135,217</b>	<b>139,922</b>	<b>146,439</b>
<b>Taxation revenue</b>	<b>504,041</b>	<b>491,087</b>	<b>519,722</b>	<b>551,989</b>

**Note 3: Taxation revenue by type (continued)**

	Estimates			
	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m
<i>Memorandum:</i>				
<i>Total excise</i>	24,850	26,550	27,870	29,110
<i>Total customs duty</i>	17,190	17,050	16,750	17,300
<i>Capital gains tax(b)</i>	24,500	22,500	22,100	23,300

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

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

**Note 3(a): Taxation revenue by source**

	Estimates			
	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m
Taxes on income, profits and capital gains				
Income and capital gains levied on individuals	247,960	259,840	274,600	278,100
Income and capital gains levied on enterprises	127,400	96,030	105,200	127,450
<b>Total taxes on income, profits and capital gains</b>	<b>375,360</b>	<b>355,870</b>	<b>379,800</b>	<b>405,550</b>
Taxes on employers' payroll and labour force	900	946	1,018	1,101
Taxes on the provision of goods and services				
Sales/goods and services tax	78,340	81,720	84,600	89,300
Excises and levies	25,404	27,091	28,421	29,666
Taxes on international trade	17,190	17,050	16,750	17,300
<b>Total taxes on the provision of goods and services</b>	<b>120,934</b>	<b>125,861</b>	<b>129,770</b>	<b>136,266</b>
Taxes on the use of goods and performance of activities	6,847	8,409	9,134	9,072
<b>Total taxation revenue</b>	<b>504,041</b>	<b>491,087</b>	<b>519,722</b>	<b>551,989</b>

**Note 4: Sales of goods and services revenue**

	Estimates			
	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m
Sales of goods	1,318	1,435	1,450	1,426
Rendering of services	13,643	14,180	15,546	16,396
Lease rental	360	345	357	358
Fees from regulatory services	2,102	2,169	1,965	1,991
<b>Total sales of goods and services revenue</b>	<b>17,424</b>	<b>18,128</b>	<b>19,317</b>	<b>20,171</b>

**Note 5: Interest and dividend and distribution revenue**

	Estimates			
	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m
<b>Interest from other governments</b>				
State and territory debt	12	9	8	6
Housing agreements	77	72	67	62
<b>Total interest from other governments</b>	<b>88</b>	<b>81</b>	<b>74</b>	<b>68</b>
<b>Interest from other sources</b>				
Advances	648	527	567	613
Deposits	90	75	78	76
Indexation of HELP receivable and other student loans	1,475	1,270	1,389	1,558
Other	1,317	1,764	2,081	2,237
<b>Total interest from other sources</b>	<b>3,531</b>	<b>3,637</b>	<b>4,115</b>	<b>4,484</b>
<b>Total interest</b>	<b>3,619</b>	<b>3,718</b>	<b>4,189</b>	<b>4,552</b>
<b>Dividends and distributions(a)</b>				
Dividends from other public sector entities	283	1,112	5,099	5,042
Other dividends and distributions	4,895	4,570	4,806	5,098
<b>Total dividends and distributions</b>	<b>5,178</b>	<b>5,682</b>	<b>9,906</b>	<b>10,140</b>
<b>Total interest and dividend and distribution revenue</b>	<b>8,797</b>	<b>9,400</b>	<b>14,095</b>	<b>14,692</b>

(a) 'Dividends' has been renamed to 'dividends and distributions' to more accurately reflect the transactions included in this item.

**Note 6: Other sources of non-taxation revenue**

	Estimates			
	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m
Industry contributions	167	177	180	192
Royalties	1,037	1,010	900	725
Seigniorage	79	71	67	64
Other	10,983	10,467	9,687	9,492
<b>Total other sources of non-taxation revenue</b>	<b>12,266</b>	<b>11,726</b>	<b>10,834</b>	<b>10,472</b>

**Note 7: Employee and superannuation expense**

	Estimates			
	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m
<b>Wages and salaries expenses</b>	<b>23,102</b>	<b>22,322</b>	<b>22,073</b>	<b>22,733</b>
<b>Other operating expenses</b>				
Leave and other entitlements	3,032	2,963	2,981	3,053
Separations and redundancies	84	92	92	110
Workers compensation premiums and claims	3,125	3,604	2,630	2,682
Other	2,543	2,607	2,594	2,651
<b>Total other operating expenses</b>	<b>8,785</b>	<b>9,266</b>	<b>8,297</b>	<b>8,495</b>
<b>Superannuation expenses</b>				
Superannuation	12,091	6,848	7,017	7,385
Superannuation interest cost	8,974	12,415	12,712	13,004
<b>Total superannuation expenses</b>	<b>21,066</b>	<b>19,263</b>	<b>19,729</b>	<b>20,389</b>
<b>Total employee and superannuation expense</b>	<b>52,952</b>	<b>50,851</b>	<b>50,099</b>	<b>51,617</b>

**Note 8: Depreciation and amortisation expense**

	Estimates			
	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m
<b>Depreciation</b>				
Specialist military equipment	4,320	4,740	5,381	5,925
Buildings	3,883	3,989	4,155	4,233
Other infrastructure, plant and equipment	2,216	2,209	2,189	2,166
Heritage and cultural assets	78	78	78	77
Other	6	6	6	6
<b>Total depreciation(a)</b>	<b>10,503</b>	<b>11,022</b>	<b>11,807</b>	<b>12,407</b>
<b>Total amortisation</b>	<b>1,148</b>	<b>1,208</b>	<b>1,187</b>	<b>1,192</b>
<b>Total depreciation and amortisation expense</b>	<b>11,651</b>	<b>12,230</b>	<b>12,994</b>	<b>13,599</b>
<i>Memorandum:</i>				
<b>Depreciation relating to right of use assets</b>				
Specialist military equipment	31	31	31	31
Buildings	2,253	2,257	2,277	2,251
Other infrastructure, plant and equipment	332	334	332	331
Other	6	6	6	6
<b>Total depreciation of right of use assets</b>	<b>2,622</b>	<b>2,628</b>	<b>2,646</b>	<b>2,620</b>

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

**Note 9: Supply of goods and services expense**

	Estimates			
	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m
Supply of goods and services	51,680	44,937	46,243	37,703
Lease expenses	335	307	150	157
Personal benefits – indirect	114,160	117,915	126,068	132,948
Health care payments	5,449	5,219	5,150	5,266
Other	3,631	2,006	1,926	2,002
<b>Total supply of goods and services expense</b>	<b>175,257</b>	<b>170,384</b>	<b>179,537</b>	<b>178,076</b>

**Note 10: Interest expense**

	Estimates			
	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m
<b>Interest on debt</b>				
Government securities(a)	17,846	18,554	20,619	22,291
Loans	4	25	40	43
Other	118	174	222	256
<b>Total interest on debt</b>	<b>17,968</b>	<b>18,753</b>	<b>20,881</b>	<b>22,590</b>
<b>Interest on lease liabilities</b>	<b>351</b>	<b>363</b>	<b>362</b>	<b>356</b>
<b>Other financing costs(b)</b>	<b>1,751</b>	<b>946</b>	<b>1,097</b>	<b>649</b>
<b>Total interest expense</b>	<b>20,070</b>	<b>20,061</b>	<b>22,340</b>	<b>23,595</b>

(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) From the 2021-22 Budget, the value of debt not expected to be repaid (DNER) on initial recognition of income contingent concessional loans is reported as a mutually agreed write-down, which is a form of capital transfer. It was previously reported as other financing costs.

**Note 11: Current and capital grants expense**

	Estimates			
	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m
<b>Current grants expense</b>				
State and territory governments	143,897	142,080	147,267	153,675
Private sector	14,577	13,382	12,493	11,702
Overseas	3,981	4,014	4,173	4,430
Non-profit organisations	5,256	4,962	4,671	4,537
Multi-jurisdictional sector	11,655	11,603	11,668	12,033
Other	2,751	4,516	5,085	5,671
<b>Total current grants expense</b>	<b>182,118</b>	<b>180,557</b>	<b>185,356</b>	<b>192,049</b>
<b>Capital grants expense</b>				
Mutually agreed write-downs(a)	2,734	2,880	3,084	3,295
Other capital grants				
State and territory governments	15,093	18,292	17,064	13,754
Local governments	1,408	1,114	561	473
Non-profit organisations	645	715	520	330
Private sector	238	39	15	15
Other	452	258	49	21
<b>Total capital grants expense</b>	<b>20,570</b>	<b>23,298</b>	<b>21,293</b>	<b>17,888</b>
<b>Total grants expense</b>	<b>202,689</b>	<b>203,855</b>	<b>206,649</b>	<b>209,937</b>

(a) From the 2021-22 Budget, the value of debt not expected to be repaid (DNER) on initial recognition of income contingent concessional loans is reported as a mutually agreed write-down, which is a form of capital transfer. It was previously reported as other financing costs.

**Note 12: Personal benefits expense**

	Estimates			
	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m
Social welfare – assistance to the aged	51,053	53,231	55,297	57,287
Assistance to veterans and dependants	4,510	4,268	4,114	3,991
Assistance to people with disabilities	27,628	28,505	29,729	30,653
Assistance to families with children	28,563	28,659	29,174	29,508
Assistance to the unemployed	16,185	14,284	13,963	14,085
Student assistance	3,038	3,029	2,994	2,975
Other welfare programs	14,292	1,005	1,027	1,082
Financial and fiscal affairs	550	593	641	693
Vocational and industry training	69	62	70	69
Other	6,393	9,055	12,039	16,881
<b>Total personal benefits expense</b>	<b>152,282</b>	<b>142,690</b>	<b>149,050</b>	<b>157,224</b>

**Note 13: Advances paid and other receivables**

	Estimates			
	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m
<b>Advances paid</b>				
Loans to state and territory governments	1,872	1,718	1,569	1,416
Student loans	58,077	60,600	62,511	63,661
Other	23,312	25,261	19,352	20,551
less Impairment allowance	295	323	363	389
<b>Total advances paid</b>	<b>82,967</b>	<b>87,256</b>	<b>83,070</b>	<b>85,240</b>
<b>Other receivables</b>				
Goods and services receivable	1,154	1,198	1,193	1,192
Recoveries of benefit payments	5,470	5,478	5,480	5,495
Taxes receivable	36,095	39,267	42,109	45,191
Prepayments	4,069	4,266	4,453	4,574
Other	20,949	22,685	27,213	27,280
less Impairment allowance	2,634	2,673	2,710	2,747
<b>Total other receivables</b>	<b>65,103</b>	<b>70,220</b>	<b>77,738</b>	<b>80,986</b>

**Note 14: Investments, loans and placements**

	Estimates			
	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m
Investments – deposits(a)	8,375	8,557	8,543	8,450
IMF quota	12,745	12,757	12,594	12,452
Other	184,361	198,186	213,594	220,945
<b>Total investments, loans and placements</b>	<b>205,481</b>	<b>219,500</b>	<b>234,730</b>	<b>241,847</b>

(a) In the 2021-22 Budget, Australian Office of Financial Management moved from primarily using term deposits to a cash management account for investing cash for short-term liquidity management. This resulted in a decrease in investments, loans and placements and an increase in cash and deposits.

**Note 15: Non-financial assets**

	Estimates			
	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m
<b>Land and buildings</b>				
Land	12,188	12,267	12,269	12,284
Buildings	46,330	49,175	51,144	52,144
<b>Total land and buildings</b>	<b>58,518</b>	<b>61,442</b>	<b>63,413</b>	<b>64,428</b>
<b>Plant, equipment and infrastructure</b>				
Specialist military equipment	79,474	85,839	93,877	102,515
Other plant, equipment and infrastructure	19,250	19,121	18,496	17,718
<b>Total plant, equipment and infrastructure</b>	<b>98,724</b>	<b>104,959</b>	<b>112,373</b>	<b>120,232</b>
<b>Inventories</b>				
Inventories held for sale	902	898	955	959
Inventories not held for sale	9,989	10,353	10,703	11,089
<b>Total inventories</b>	<b>10,891</b>	<b>11,251</b>	<b>11,658</b>	<b>12,048</b>
<b>Intangibles</b>				
Computer software	6,292	7,017	7,273	7,306
Other	4,809	4,794	4,785	4,773
<b>Total intangibles</b>	<b>11,100</b>	<b>11,811</b>	<b>12,057</b>	<b>12,080</b>
<b>Total investment properties</b>	<b>213</b>	<b>213</b>	<b>213</b>	<b>213</b>
<b>Total biological assets</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>23</b>
<b>Total heritage and cultural assets</b>	<b>11,869</b>	<b>11,877</b>	<b>11,869</b>	<b>11,859</b>
<b>Total assets held for sale</b>	<b>562</b>	<b>557</b>	<b>557</b>	<b>557</b>
<b>Total other non-financial assets</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>
<b>Total non-financial assets(a)</b>	<b>191,914</b>	<b>202,148</b>	<b>212,177</b>	<b>221,453</b>
<i>Memorandum:</i>				
<b>Total relating to right of use assets</b>				
Land	167	161	154	149
Buildings	15,878	16,001	15,444	14,537
Specialist military equipment	228	197	166	134
Other plant, equipment and infrastructure	2,628	2,544	2,393	2,169
<b>Total right of use assets</b>	<b>18,901</b>	<b>18,903</b>	<b>18,157</b>	<b>16,989</b>

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

**Note 16: Loans**

	Estimates			
	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m
Promissory notes	8,972	8,972	8,971	8,970
Special drawing rights	18,195	18,212	17,978	17,776
Other	2,334	2,381	2,405	2,371
<b>Total loans</b>	<b>29,501</b>	<b>29,565</b>	<b>29,354</b>	<b>29,118</b>



**Note 17: Employee and superannuation liabilities**

	Estimates			
	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m
<b>Total superannuation liability(a)</b>	<b>250,958</b>	<b>257,482</b>	<b>263,878</b>	<b>275,754</b>
<b>Other employee liabilities</b>				
Leave and other entitlements	9,624	9,736	9,890	10,012
Accrued salaries and wages	607	653	694	749
Workers compensation claims	1,824	1,729	1,654	1,600
Military compensation	25,667	26,268	27,083	27,911
Other	650	659	667	675
<b>Total other employee liabilities</b>	<b>38,371</b>	<b>39,046</b>	<b>39,989</b>	<b>40,947</b>
<b>Total employee and superannuation liabilities</b>	<b>289,330</b>	<b>296,528</b>	<b>303,867</b>	<b>316,700</b>

(a) For budget reporting purposes, a discount rate of 5 per cent determined by actuaries in preparing the 2020 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 2020-21 Final Budget Outcome (FBO) was calculated using the spot rates on long-term government bonds as at 30 June 2021 that best matched each individual scheme's liability duration. These rates were between 1.6 and 2.3 per cent per annum.

**Note 18: Provisions and payables**

	Estimates			
	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m
<b>Suppliers payables</b>				
Trade creditors	6,620	7,156	7,450	7,643
Lease rental payable	1	1	0	0
Personal benefits payables – indirect	2,456	2,680	2,724	3,008
Other creditors	2,053	2,040	2,028	2,020
<b>Total suppliers payables</b>	<b>11,131</b>	<b>11,876</b>	<b>12,202</b>	<b>12,672</b>
<b>Total personal benefits payables – direct</b>	<b>2,977</b>	<b>2,969</b>	<b>3,729</b>	<b>3,808</b>
<b>Total subsidies payable</b>	<b>995</b>	<b>1,013</b>	<b>1,033</b>	<b>1,054</b>
<b>Grants payables</b>				
State and territory governments	457	56	47	34
Non-profit organisations	206	204	204	204
Private sector	307	307	307	307
Overseas	1,744	1,482	1,714	1,770
Local governments	7	7	7	7
Other	1,592	1,595	1,594	1,594
<b>Total grants payables</b>	<b>4,314</b>	<b>3,652</b>	<b>3,874</b>	<b>3,917</b>
<b>Total other payables</b>	<b>2,464</b>	<b>2,495</b>	<b>4,379</b>	<b>2,472</b>
<b>Provisions</b>				
Provisions for tax refunds	3,130	3,120	3,110	3,100
Grants provisions	7,657	6,175	5,550	5,165
Personal benefits provisions – direct	7,636	7,820	7,981	8,149
Personal benefits provisions – indirect	3,473	3,652	3,704	3,765
Provisions for subsidies	5,524	5,620	5,850	6,116
Other	33,930	34,336	34,810	35,140
<b>Total provisions</b>	<b>61,349</b>	<b>60,723</b>	<b>61,007</b>	<b>61,436</b>

**Note 19: Reconciliation of cash**

	Estimates			
	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m
<b>Net operating balance (revenues less expenses)</b>	<b>-91,310</b>	<b>-85,973</b>	<b>-72,614</b>	<b>-53,235</b>
<i>less</i> Revenues not providing cash				
Other	2,218	2,128	2,191	2,373
<b>Total revenues not providing cash</b>	<b>2,218</b>	<b>2,128</b>	<b>2,191</b>	<b>2,373</b>
<i>plus</i> Expenses not requiring cash				
Increase/(decrease) in employee entitlements	9,644	7,025	7,173	12,676
Depreciation/amortisation expense	11,651	12,230	12,994	13,599
Mutually agreed write-downs	2,734	2,880	3,084	3,295
Other	2,287	2,160	2,004	2,043
<b>Total expenses not requiring cash</b>	<b>26,316</b>	<b>24,295</b>	<b>25,255</b>	<b>31,613</b>
<i>plus</i> Cash provided/(used) by working capital items				
Decrease/(increase) in inventories	-682	-744	-819	-818
Decrease/(increase) in receivables	-9,229	-11,064	-13,525	-10,313
Decrease/(increase) in other financial assets	-113	-881	-731	-225
Decrease/(increase) in other non-financial assets	69	-309	-305	-243
Increase/(decrease) in benefits, subsidies and grants payable	-1,692	-1,322	628	677
Increase/(decrease) in suppliers' liabilities	-385	560	247	204
Increase/(decrease) in other provisions and payables	2,049	326	708	651
<b>Net cash provided/(used) by working capital</b>	<b>-9,983</b>	<b>-13,434</b>	<b>-13,797</b>	<b>-10,067</b>
<i>equals</i> (Net cash from/(to) operating activities)	-77,194	-77,241	-63,346	-34,063
<i>plus</i> (Net cash from/(to) investing activities)	-29,473	-36,315	-27,050	-31,098
<b>Net cash from operating activities and investment</b>	<b>-106,668</b>	<b>-113,556</b>	<b>-90,396</b>	<b>-65,161</b>
<i>plus</i> (Net cash from/(to) financing activities)	101,753	95,002	92,452	75,936
<b><i>equals</i> Net increase/(decrease) in cash</b>	<b>-4,914</b>	<b>-18,554</b>	<b>2,057</b>	<b>10,775</b>
<b>Cash at the beginning of the year</b>	<b>62,412</b>	<b>57,497</b>	<b>38,944</b>	<b>41,001</b>
Net increase/(decrease) in cash	-4,914	-18,554	2,057	10,775
<b>Cash at the end of the year</b>	<b>57,497</b>	<b>38,944</b>	<b>41,001</b>	<b>51,776</b>

## 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*.<sup>4</sup>

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4 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.<sup>5</sup>

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.

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<sup>5</sup> Not all transactions impact net worth. For example, transactions in financial assets and liabilities do not impact 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.

### **Fiscal balance**

The fiscal balance (or net lending/borrowing) is the net operating balance less net capital investment. 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.<sup>6</sup>

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.

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<sup>6</sup> The net operating balance includes consumption of non-financial assets because depreciation is an expense. Depreciation is deducted in the calculation of net capital investment 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 equity holdings. Net financial worth includes all classes of financial assets and all liabilities, only some of which are included in net debt. As non-financial assets are excluded from net financial worth, this is a narrower measure than net worth. However, it avoids the concerns inherent with the net worth measure relating to the valuation of non-financial assets and their availability to offset liabilities.

**Net financial liabilities**

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

**Net debt**

Net debt is the sum of interest bearing liabilities less the sum of selected financial assets (cash and deposits, advances paid and investments, loans and placements). Financial assets include the Future Fund's investments in interest bearing securities and collective investment vehicles (CIVs). CIVs enable investors to pool their money and invest the pooled funds, rather than buying securities directly. 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.

## 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 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  
*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 excluded 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 this year.

In contrast, net Future Fund earnings have been 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 historical tables in Appendix E: *Historical Australian Government Data*.



### Headline cash balance

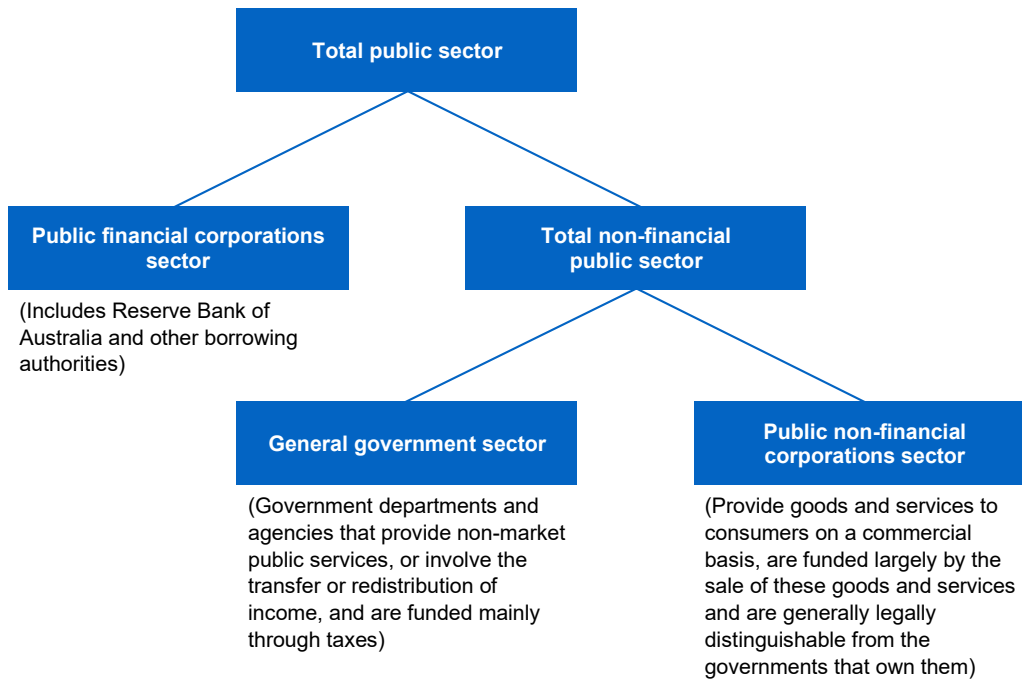
The headline cash balance is calculated by adding net cash flows from investments in financial assets for policy purposes to the underlying cash balance.

Net cash flows from investments in financial assets for policy purposes include equity transactions and advances paid. 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. The ABS GFS defines the GGS, PNFC and PFC sectors. AASB 1049 has also adopted this sectoral reporting.

**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-and-list>.

**Table 7.14: Entities outside of the general government sector – 2021-22**

<b>Public financial corporations</b>
Attorney-General's Portfolio
<ul style="list-style-type: none"> <li>• Coal Mining Industry (Long Service Leave Funding) Corporation</li> </ul>
Foreign Affairs and Trade Portfolio
<ul style="list-style-type: none"> <li>• Export Finance and Insurance Corporation (also referred to as Export Finance Australia)</li> </ul>
Industry, Science, Energy and Resources Portfolio
<ul style="list-style-type: none"> <li>• CSIRO FollowOn Services Pty Ltd</li> <li>• CSIRO FollowOn Services 2 Pty Ltd</li> <li>• CSIRO General Partner Pty Ltd</li> <li>• CSIRO General Partner 2 Pty Ltd</li> <li>• CSIROGP Fund 2 Pty Ltd</li> </ul>
Treasury Portfolio
<ul style="list-style-type: none"> <li>• Australian Reinsurance Pool Corporation</li> <li>• National Housing Finance and Investment Corporation*</li> <li>• Reserve Bank of Australia</li> </ul>
<b>Public non-financial corporations</b>
Finance Portfolio
<ul style="list-style-type: none"> <li>• ASC Pty Ltd</li> <li>• Australian Naval Infrastructure Pty Ltd</li> </ul>
Industry, Science, Energy and Resources Portfolio
<ul style="list-style-type: none"> <li>• ANSTO Nuclear Medicine Pty Ltd</li> <li>• Snowy Hydro Limited</li> </ul>
Infrastructure, Transport, Regional Development and Communications Portfolio
<ul style="list-style-type: none"> <li>• Airservices Australia</li> <li>• Australian Postal Corporation (Australia Post)</li> <li>• Australian Rail Track Corporation Limited</li> <li>• Moorebank Intermodal Company Limited</li> <li>• NBN Co Ltd</li> <li>• WSA Co Ltd</li> </ul>

**Table 7.14: Entities outside of the general government sector – 2021-22  
(continued)**

<b>Public non-financial corporations (continued)</b>
Prime Minister and Cabinet Portfolio <ul style="list-style-type: none"> <li>• Voyages Indigenous Tourism Australia Pty Ltd</li> </ul>
Social Services Portfolio <ul style="list-style-type: none"> <li>• Australian Hearing Services (Hearing Australia)</li> </ul>

\* 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 2021-22 Budget

## Receipt Measures

**Table 1: Receipt measures since the 2021-22 Budget<sup>(a)</sup>**

	2020-21	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m	\$m
<b>AGRICULTURE, WATER AND THE ENVIRONMENT</b>					
<i>Department of Agriculture, Water and the Environment</i>					
Australian Trusted Trader – Duty Deferral Plus	-	..	-	-	-
Improve the Flexibility and Sustainability of the Forestry Industry and Accelerate Industry Innovation(b)	-	-	2.0	2.7	3.4
Regional Investment Corporation – extended loan availability	-	-0.6	-4.9	-5.8	-3.3
<b>Portfolio total</b>	<b>-</b>	<b>-0.7</b>	<b>-2.9</b>	<b>-3.1</b>	<b>-0.1</b>
<b>EDUCATION, SKILLS AND EMPLOYMENT</b>					
<i>Australian Skills Quality Authority</i>					
Financial Relief for Tertiary Education Providers	-	-6.6	-0.4	-	-
<i>Department of Education, Skills and Employment</i>					
Financial Relief for Tertiary Education Providers	-	-15.0	-0.1	-	-
Medical Workforce(b)	-	-	-0.8	-3.0	-4.1
Supporting Australia’s Research and Higher Education Sectors(b)	-	-	-0.3	..	..
<i>Tertiary Education Quality and Standards Agency</i>					
Financial Relief for Tertiary Education Providers	-	-4.3	-6.3	-2.3	-1.4
<b>Portfolio total</b>	<b>-</b>	<b>-25.9</b>	<b>-7.8</b>	<b>-5.2</b>	<b>-5.5</b>
<b>FOREIGN AFFAIRS AND TRADE</b>					
<i>Export Finance and Insurance Corporation</i>					
Export Finance Facility(b)	-	nfp	nfp	nfp	nfp
<b>Portfolio total</b>	<b>-</b>	<b>nfp</b>	<b>nfp</b>	<b>nfp</b>	<b>nfp</b>

**Table 1: Receipt measures since the 2021-22 Budget<sup>(a)</sup> (continued)**

	2020-21	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m	\$m
<b>HEALTH</b>					
<i>Department of Health</i>					
COVID-19 Response Package – supporting our hospitals(b)	-	11.3	3.8	-	-
Guaranteeing Medicare and Access to Medicines – Pharmaceutical Benefits Scheme – new and amended listings(b)	-	nfp	nfp	nfp	nfp
Improving Access to Medicines – new strategic agreements with Medicines Australia and the Generic and Biosimilar Medicines Association(b)	-	nfp	nfp	nfp	nfp
<i>National Blood Authority</i>					
Guaranteeing Medicare – Medicare Benefits Schedule new and amended listings(b)	-	-	-0.6	-0.6	-0.7
<b>Portfolio total</b>	<b>-</b>	<b>11.3</b>	<b>3.2</b>	<b>-0.6</b>	<b>-0.7</b>
<b>HOME AFFAIRS</b>					
<i>Department of Home Affairs</i>					
Australian Agriculture Visa(b)	-	..	5.0	10.0	10.0
Australian Trusted Trader – Duty Deferral Plus	-	-0.1	..	..	..
Changes to Citizen Application Fees	-	-	-	-	-
COVID-19 Response Package – extending the temporary tariff concession for certain medical and hygiene products	-	-0.1	-	-	-
COVID-19 Response Package – Working Holiday Maker program arrangements(b)	-	..	..	..	..
COVID-19 Response Package – temporary flexibility for Skilled Independent visa (New Zealand stream) applicants affected by COVID-19	-	*	*	*	*
Pacific Labour Mobility – reforms(b)	-	10.0	5.0	5.0	5.0
Reform of Settlement Strategies and Services(b)	-	-	-1.5	-2.1	-1.3
Reopening the Borders(b)	-	..	35.0	15.0	10.0
<b>Portfolio total</b>	<b>-</b>	<b>9.8</b>	<b>43.5</b>	<b>27.9</b>	<b>23.7</b>
<b>INDUSTRY, SCIENCE, ENERGY AND RESOURCES</b>					
<i>Department of Industry, Science, Energy and Resources</i>					
Australian Space Agency – additional funding(b)	-	-0.3	-	-	-
Snowy Hydro Limited – Hunter Power Project(b)	-	nfp	nfp	nfp	nfp
<i>Geoscience Australia</i>					
Satellite Based Augmentation System – additional funding(b)	-	nfp	nfp	nfp	nfp
<b>Portfolio total</b>	<b>-</b>	<b>-0.3</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 1: Receipt measures since the 2021-22 Budget<sup>(a)</sup> (continued)**

	2020-21	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m	\$m
<b>INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND COMMUNICATIONS</b>					
<i>National Library of Australia</i>					
National Collecting Institutions – preserving Australia's cultural heritage(b)	-	-	2.8	-	-
<b>Portfolio total</b>	-	-	<b>2.8</b>	-	-
<b>PRIME MINISTER AND CABINET</b>					
<i>National Recovery and Resilience Agency</i>					
COVID-19 Response Package – National COVID-19 Disaster Payment(b)	-	436.9	-	-	-
<b>Portfolio total</b>	-	<b>436.9</b>	-	-	-
<b>SOCIAL SERVICES</b>					
<i>Department of Social Services</i>					
Pension Loan Scheme Settings(b)	-	..	..	..	-0.1
<b>Portfolio total</b>	-	..	..	..	<b>-0.1</b>
<b>TREASURY</b>					
<i>Australian Prudential Regulation Authority</i>					
Treasury Portfolio – additional funding(b)	-	-	24.6	20.6	21.5
<i>Australian Securities and Investments Commission</i>					
ASIC Industry Levies – fee relief	-	-45.5	-45.5	-	-
Compensation Scheme of Last Resort – establishment(b)	-	-	22.7	9.5	7.9
Treasury Portfolio – additional funding(b)	-	2.2	1.1	0.8	0.8
<i>Australian Taxation Office</i>					
Account Matching Service for Superannuation Funds (b)	-	-2.0	-3.0	26.0	-2.0
Ageing and Aged Care(b)	-	-	2.0	2.0	-
Australian Agriculture Visa(b)	-	..	20.0	50.0	55.0
Australian Taxation Office – continuation of compliance programs and independent resourcing review(b)	-	-	522.5	374.3	274.8
COVID-19 Response Package – Working Holiday Maker program arrangements(b)	-	5.0	30.0	20.0	15.0
COVID-19 Response Package – making COVID-19 business grants non-assessable non-exempt	-	-	-	-	-
Cyclone Seroja – tax treatment of qualifying grants	-	-	-	-	-
Employee Share Schemes – removing cessation of employment as a taxing point	-	-	-	*	*
FIFA 2023 Women's World Cup – income tax exemptions for FIFA and host entity	-	*	*	*	*
Indirect Tax Concession Scheme – diplomatic and consular concessions(b)	-	-0.7	..	..	..
COVID-19 Response Package – temporary additional flexibility for student visa holders – expansion	-	*	*	*	*

**Table 1: Receipt measures since the 2021-22 Budget<sup>(a)</sup> (continued)**

	2020-21	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m	\$m
<b>TREASURY (continued)</b>					
Miscellaneous Amendments – Treasury portfolio legislation	-	*	*	*	*
COVID-19 Response Package – National COVID-19 Disaster Payment(b)	-	-	-	-	-
Pacific Labour Mobility – reforms(b)	-	30.0	40.0	35.0	35.0
Philanthropy – deductible gift recipient category for pastoral care in schools	-	-	-	-13.0	-15.0
Philanthropy – updates to the list of specifically listed deductible gift recipients	-	-	-0.4	-0.9	-0.4
Reopening the Borders(b)	-	..	30.0	135.0	190.0
Superannuation – protecting veterans' interests(b)	-	-15.0	-25.0	-10.0	-10.0
Superannuation – re-contribution of COVID- 19 early release superannuation amounts(b)	-	..	..	..	..
Superannuation – remove excess concessional contributions charge(b)	-	-	-10.0	-14.0	-16.0
Supporting Retirees – extension of the temporary reduction in superannuation minimum drawdown rates(b)	-	-	-10.0	-20.0	-20.0
<i>Department of the Treasury</i>					
Digital Economy Strategy – additional funding(b)	-	0.1	0.1	0.1	0.1
<b>Portfolio total</b>	<b>-</b>	<b>-25.9</b>	<b>599.1</b>	<b>615.4</b>	<b>536.7</b>
<b>VETERANS' AFFAIRS</b>					
<i>Department of Veterans' Affairs</i>					
Improving Access to Medicines – new strategic agreements with Medicines Australia and the Generic and Biosimilar Medicines Association(b)	-	nfp	nfp	nfp	nfp
<b>Portfolio total</b>	<b>-</b>	<b>nfp</b>	<b>nfp</b>	<b>nfp</b>	<b>nfp</b>
<b>Decisions taken but not yet announced and not for publication (nfp)</b>	<b>-</b>	<b>157.2</b>	<b>259.3</b>	<b>307.1</b>	<b>216.3</b>
<b>Total impact of receipt measures(c)</b>	<b>-</b>	<b>562.4</b>	<b>897.0</b>	<b>941.3</b>	<b>770.4</b>

\* 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 receipts, no sign before an estimate indicates a gain in receipts.

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

(c) Measures may not add due to rounding.



## Education, Skills and Employment

### Financial Relief for Tertiary Education Providers

Receipts (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Tertiary Education Quality and Standards Agency	-	-4.3	-6.3	-2.3	-1.4
Australian Skills Quality Authority	-	-6.6	-0.4	-	-
Department of Education, Skills and Employment	-	-15.0	-0.1	-	-
Total – Receipts	-	-25.9	-6.7	-2.3	-1.4

The Government will forgo receipts of \$36.3 million over four years from 2021-22 by extending financial relief for education providers to assist the sector's recovery from the COVID-19 pandemic.

The Government will forgo:

- \$17.3 million over four years from 2021-22 by waiving all regulatory fees and charges (except for initial registration charges) for Commonwealth Register of Institutions and Courses for Overseas Students and Tertiary Education Quality and Standards Agency (TEQSA) providers for 12 months to 31 December 2022, with new TEQSA cost recovery arrangements to take effect from 1 January 2023
- \$8.7 million in 2021-22 by waiving for 12 months the International Tuition Protection Service Levy, the VET Student Loans Tuition Protection Levy, the Higher Education Loan Program Tuition Protection Levy and the Up-front Payments Tuition Protection Levy until the next scheduled collection of levies in late 2022 and early 2023
- \$7.0 million over two years from 2021-22 by waiving regulatory fees and levies for Australian Skills Quality Authority (ASQA) providers and accredited course owners (except for initial registration fees and initial VET course accreditation fees for new owners) for six months to 30 June 2022, with new ASQA cost recovery arrangements to take effect from 1 July 2022
- \$3.3 million in 2021-22 by delaying commencement of the *Higher Education Loan Program* cost recovery annual charges by twelve months to 1 January 2022, with providers not required to pay these charges until early 2023.

This measure builds on the 2021-22 Budget measure titled *Higher Education – additional support for tertiary and international education providers*.

Further information can be found in the joint press release of 25 November 2021 issued by the Minister for Education and Youth and the Minister for Immigration, Citizenship, Migrant Services and Multicultural Affairs.

## Home Affairs

### Australian Trusted Trader – Duty Deferral Plus

Receipts (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Agriculture, Water and the Environment	-	..	-	-	-
Department of Home Affairs	-	-0.1	..	..	..
Total – Receipts	-	-0.1	..	..	..

The Government has expanded the Australian Trusted Trader (ATT) Duty Deferral benefit to include import declaration processing charges payable in relation to excise equivalent goods imports, from 1 July 2021.

This expansion to the Duty Deferral Plus program enables ATTs to consolidate the payment of most taxes and charges collected by the Australian Border Force into a single monthly payment and will reduce the associated regulatory burden and improve cash flow for participating ATTs.

This measure is estimated to decrease receipts by \$0.1 million over the forward estimates period.

### Changes to Citizen Application Fees

Receipts (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Home Affairs	-	-	-	-	-

The Government increased citizenship application fees from 1 July 2021 to more accurately reflect the increased complexity of applications and cost of delivering the *Citizenship Program*. This measure is estimated to increase receipts by \$168.5 million over four years from 2021-22 (and \$43.9 million per year ongoing from 2025-26).

Further information can be found in the press release of 24 June 2021 issued by the Minister for Immigration, Citizenship, Migrant Services and Multicultural Affairs.

**COVID-19 Response Package – extending the temporary tariff concession for certain medical and hygiene products**

Receipts (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Home Affairs	-	-0.1	-	-	-

The Government has extended the free rate of customs duty by twelve months to 30 June 2022 for certain medical and hygiene products imported to treat, diagnose or prevent the spread of COVID-19. Affected product types include personal protective equipment, disinfectant preparations (excluding hand sanitiser), soaps, COVID-19 test kits, reagents and viral transport media.

This measure is estimated to decrease receipts by \$0.1 million over the forward estimates period.

**COVID-19 Response Package – Working Holiday Maker program arrangements**

Receipts (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	5.0	30.0	20.0	15.0
Department of Home Affairs	-	..	..	..	..
Total – Receipts	-	5.0	30.0	20.0	15.0
<i>Related payments (\$m)</i>					
<i>Department of the Treasury</i>	-	..	10.0	10.0	5.0

The Government has introduced temporary changes to allow current and former Working Holiday Maker (WHM) visa holders who were onshore on 20 March 2020 to apply for a replacement visa, without associated visa application charges. This allows WHMs to remain in Australia and fill workforce shortages in critical industries and builds on the temporary WHM visa concessions introduced as part of the Government's economic response to COVID-19 in the 2020-21 Budget.

The Government will also implement new WHM arrangements for a number of participating countries. This includes increases in annual placement caps and age limits. These changes will allow more young people to contribute to Australia's economic recovery as COVID-19 pandemic travel restrictions ease.

This measure is estimated to increase receipts by \$70.0 million and increase GST payments to the states and territories by \$25.0 million over the forward estimates period. Overall, this measure is estimated to increase the underlying cash balance by \$45.0 million over the forward estimates period.

Further information can be found in the press releases of 22 June 2021 and 23 November 2021 issued by the Minister for Immigration, Citizenship, Migrant Services and Multicultural Affairs.

**COVID-19 Response Package – temporary flexibility for Skilled Independent visa (New Zealand stream) applicants affected by COVID-19**

Receipts (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Home Affairs	-	*	*	*	*

The Government will exempt Skilled Independent (subclass 189) visa (New Zealand stream) applicants from needing to meet the income threshold requirement for one of either the 2019-20 or 2020-21 financial years, if they can demonstrate that their taxable income was affected by COVID-19. The Government will also allow time spent outside Australia due to COVID-19 travel restrictions to be counted as residence in Australia for the purpose of meeting the ‘usually resident’ requirement for the visa.

New Zealand citizens who apply for the visa on or after 1 July 2021 usually must meet the minimum income threshold for at least three financial years in the five years immediately before their application. They must also meet the ‘usually resident’ requirement, where they have been in Australia for a continuous period of at least five years immediately before the date of their application.

These changes will allow eligible New Zealand citizens to maintain their eligibility for the Skilled Independent (subclass 189) visa (New Zealand stream), even if they do not meet the minimum income threshold or ‘usually resident’ requirements due to COVID-19.

This measure is estimated to result in a small but unquantifiable increase in receipts over the forward estimates period.

Further information can be found in the press release of 12 November 2021 issued by the Minister for Immigration, Citizenship, Migrant Services and Multicultural Affairs.

## Treasury

### ASIC Industry Levies – fee relief

Receipts (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Securities and Investments Commission	-	-45.5	-45.5	-	-

The Government will provide temporary relief for financial services' licensees who provide personal advice to retail clients by reducing levies charged to recover the costs of the Australian Securities and Investments Commission (ASIC). Amounts relating to 2020-21 and 2021-22 (which would be recovered in 2021-22 and 2022-23) will be capped at the 2018-19 level for each adviser.

This measure is estimated to decrease receipts by \$91.1 million over two years from 2021-22.

Further information can be found in the joint press release of 30 August 2021 issued by the Treasurer and the Minister for Superannuation, Financial Services and the Digital Economy.

### Australian Taxation Office – continuation of compliance programs and independent resourcing review

Receipts (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	-	522.5	374.3	274.8
<i>Related payments (\$m)</i>					
<i>Department of the Treasury</i>	-	0.1	87.6	58.2	42.4
<i>Australian Taxation Office</i>	-	-	111.0	-	-
<i>Total – Payments</i>	-	0.1	198.6	58.2	42.4

The Government will provide funding of \$111.0 million to continue the ATO's personal income taxation and shadow economy compliance programs, and \$0.6 million for an independent review of the ATO's ongoing resourcing requirements. The programs are funded to 30 June 2023.

The extension of the two specified compliance programs will enable the ATO to continue to address high risk behaviours while the broader review takes place.

This measure is estimated to increase receipts by \$1.2 billion and increase GST payments to the states and territories by \$187.7 million over the forward estimates period. Overall, this measure is estimated to increase the underlying cash balance by \$872.3 million over the forward estimates period.

### COVID-19 Response Package – making COVID-19 business grants non-assessable non-exempt

Receipts (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	-	-	-	-

The Government has extended the measure which enables payments from certain state and territory COVID-19 business support programs to be made non-assessable non-exempt (NANE) for income tax purposes from 30 June 2021 until 30 June 2022. It has also expanded the measure to include Commonwealth COVID-19 business support programs, until 30 June 2022. This measure was originally announced on 13 September 2020.

In recognition that NANE tax treatment is only to be provided in exceptional circumstances, eligibility is limited to COVID-19 grant programs directed at supporting businesses who are the subject of a public health directive applying to a geographical area in which the businesses operate and whose operations have been significantly disrupted as a result of the public health directive.

Consistent with this, the Government has made the following state and territory grant programs eligible for this treatment since the 2021-22 Budget:

- New South Wales 2021 COVID-19 business grant
- New South Wales 2021 COVID-19 JobSaver payment
- New South Wales 2021 COVID-19 micro-business grant
- New South Wales Performing Arts COVID Support
- Victorian Alpine Resorts Support Program (Streams 1, 2 and 3)
- Victorian Business Continuity Fund
- Victorian Business Costs Assistance Program Round Two – July Extension
- Victorian Licenced Hospitality Venue Fund 2021 – July Extension
- Victorian Events Support Package
- Victorian Small Business COVID Hardship Fund
- South Australia’s COVID-19 Business Support Grant – July 2021
- South Australia’s COVID-19 Additional Business Support Grant

- Australian Capital Territory COVID-19 Business Support Grant.

This measure is estimated to have no impact on receipts over the forward estimates period.

### Cyclone Seroja – tax treatment of qualifying grants

Receipts (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	-	-	-	-

The Government will provide an income tax exemption for qualifying grants made to primary producers and small businesses affected by Tropical Cyclone Seroja.

Qualifying grants are Category C grants provided under the *Disaster Recovery Funding Arrangements 2018*, where those grants relate to the impact of Tropical Cyclone Seroja, which occurred between 11 and 12 April 2021. These include recovery grants of up to \$25,000 for small businesses and primary producers. The grants will be made non-assessable non-exempt income for tax purposes.

This measure is estimated to have no impact on receipts over the forward estimates period.

### Employee Share Schemes – removing cessation of employment as a taxing point

Receipts (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	-	-	*	*

The Government will remove the cessation of employment taxing point for the tax-deferred Employee Share Schemes (ESS) that are available to all companies for existing ESS interests that have not yet reached a taxing point. This builds on the 2021-22 Budget measure *Employee Share Schemes – removing cessation of employment as a taxing point and reducing red tape*. Removing cessation of employment as a taxing point will have effect from the start of the first income year after the date of Royal Assent of the enabling legislation.

This measure will reward aspiration by allowing more Australians to share in the value they create through their hard work. This measure is in addition to the Government’s work implementing previously announced reductions to red tape for ESS to ensure regulatory settings facilitate higher take-up of ESS.

This measure is estimated to result in an unquantifiable impact on receipts over the forward estimates period.



**FIFA 2023 Women’s World Cup – income tax exemptions for FIFA and host entity**

Receipts (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	*	*	*	*

The Government will provide income tax exemptions to Fédération Internationale de Football Association (FIFA) and an Australian subsidiary for the FIFA 2023 Women’s World Cup to be held in Australia and New Zealand in 2023. This exemption will apply from 1 July 2020 to 31 December 2028.

The entities will also be provided an exemption from interest, dividend and royalty withholding tax liabilities. The exemptions are part of the Government’s commitment to support FIFA to stage the Women’s World Cup in Australia.

This measure is estimated to result in an unquantifiable decrease in receipts over the forward estimates period.

**Indirect Tax Concession Scheme – diplomatic and consular concessions**

Receipts (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	-0.7	..	..	..
<i>Related payments (\$m)</i>					
<i>Department of the Treasury</i>	-	-0.7	..	..	..

The Government has granted or extended access to refunds of indirect tax (including GST, fuel and alcohol taxes) under the Indirect Tax Concession Scheme (ITCS). New access to refunds has been granted to the diplomatic and consular representations of Albania and Lithuania.

The Government has also extended ITCS access for a number of countries including Sri Lanka and Bosnia and Herzegovina to include construction and renovation relating to their current and future diplomatic missions and consular posts.

This measure is estimated to decrease receipts by \$0.7 million and decrease GST payments to the states and territories by \$0.7 million over the forward estimates period.

### COVID-19 Response Package – temporary additional flexibility for student visa holders – expansion

Receipts (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	*	*	*	*

The Government has temporarily relaxed the working hours restrictions for student visa holders, allowing them to work for more than 40 hours a fortnight to support supermarkets in states and territories subject to COVID-19 lockdowns from 17 July 2021, and in the aged care sector from 25 August 2021. These are in addition to existing relaxations to working hours rules that currently apply to student visa holders in the tourism, hospitality, disability support and agriculture sectors.

A 40-hour fortnightly limit usually applies to student visa holders during study periods.

These changes have been introduced to support the supply of critical services during the COVID-19 pandemic, are temporary, and will be reviewed by the Government.

Under the changes, students will still be required to balance their study and work commitments, maintain their course enrolment, and ensure satisfactory course attendance and progress.

This measure is estimated to result in a small but unquantifiable increase in receipts over the forward estimates period.

Further information can be found in the press release of 17 July 2021 issued by the Minister for Immigration, Citizenship, Migrant Services and Multicultural Affairs, and the press release of 30 August 2021 issued by the Minister for Health and Aged Care.

### Miscellaneous Amendments – Treasury portfolio legislation

Receipts (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	*	*	*	*

The Government will make minor amendments to Treasury portfolio legislation that clarify the law to ensure it operates in accordance with the policy intent and make minor policy changes to improve administrative outcomes. These changes are part of the Government's ongoing commitment to the maintenance of Treasury portfolio laws.

Further information can be found in the explanatory memoranda to the *Treasury Laws Amendment (2021 Measures No. 5) Act 2021* and the *Corporate Collective Investment Vehicle Framework and Other Measures Bill 2021*.

This measure is estimated to result in an unquantifiable impact on receipts over the forward estimates period.

**Philanthropy – deductible gift recipient category for pastoral care in schools**

Receipts (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	-	-	-13.0	-15.0

The Government will establish a deductible gift recipient (DGR) general category to enable funds that support pastoral care and analogous wellbeing services delivered to students in Australian primary and secondary schools to access DGR status.

The DGR general category will be established through amendments to the tax law and entities will be able to seek endorsement as a DGR under the new category from the beginning of the first quarter after the date of Royal Assent of the enabling legislation.

Taxpayers may claim an income tax deduction for donations of \$2 or more to DGRs. Ensuring that funds that support pastoral care or analogous student wellbeing services can access DGR support will encourage further philanthropy and support for the not-for-profit sector.

This measure is estimated to decrease receipts by \$28.0 million over the forward estimates period.

**Philanthropy – updates to the list of specifically listed deductible gift recipients**

Receipts (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	-	-0.4	-0.9	-0.4

The Government will amend the tax law to specifically list the following organisations as deductible gift recipients for the following dates:

- Perth Korean War Memorial Committee Incorporated from 1 July 2021 to 30 June 2024
- Greek Orthodox Archdiocese of Australia Consolidated Trust Cathedral of the Annunciation of our Lady Restoration Fund from 1 July 2021 to 30 June 2024
- Jewish Schools Foundation Ltd from 1 July 2021 to 30 June 2026
- The Australian Future Leaders Foundation Limited from 1 July 2021
- Australian Education Research Organisation Limited from 1 July 2021
- Lord Mayor’s Charitable Foundation from 1 July 2021
- The Ramsay Centre for Western Civilisation Limited from 1 July 2021.

Taxpayers may claim an income tax deduction for donations of \$2 or more to these organisations.

This measure is estimated to decrease receipts by \$1.7 million over the forward estimates period.

### Superannuation – protecting veterans’ interests

Receipts (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	-15.0	-25.0	-10.0	-10.0
<i>Related payments (\$m)</i>					
Australian Taxation Office	-	11.2	10.4	8.1	4.2
Department of the Treasury	-	0.3	0.2	-	-
<i>Total – Payments</i>	-	11.5	10.7	8.1	4.2

The Government will amend the tax treatment of superannuation benefits that commenced on or after 20 September 2007 and were affected by the Full Federal Court decision in *Commissioner of Taxation v Douglas* so that they are taxed as superannuation income stream benefits, rather than as lump sums. Recipients of certain military invalidity pensions who would have received preferable tax treatment as a result of the court decision will receive a new non-refundable tax offset to ensure that they retain the income tax benefit from the decision. This measure will take effect from the date of Royal Assent and will apply to all financial years from 2007-08.

This measure is estimated to decrease receipts by \$60.0 million and increase payments by \$34.5 million over the forward estimates period. Overall, this measure is estimated to decrease the underlying cash balance by \$94.5 million over the forward estimates period.

Further information can be found in the joint press release of 24 November 2021 issued by the Assistant Treasurer and the Minister for Veterans’ Affairs, Minister for Defence Personnel.

### Superannuation – re-contribution of COVID-19 early release superannuation amounts

Receipts (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	..	..	..	..
<i>Related payments (\$m)</i>					
<i>Australian Taxation Office</i>	-	5.8	1.2	0.5	0.2

The Government has allowed individuals to re-contribute amounts withdrawn as part of the COVID-19 early release of superannuation program as non-concessional contributions above and beyond the existing non-concessional cap. Re-contributions are permitted from 1 July 2021 to 30 June 2030.

This measure is estimated to result in a negligible decrease in receipts and increase payments by \$7.7 million over the forward estimates period. Overall, this measure is estimated to decrease the underlying cash balance by \$7.7 million over the forward estimates period.

Further information can be found in the joint media release of 17 June 2021 issued by the Treasurer and the Minister for Superannuation, Financial Services and the Digital Economy and the Minister for Women’s Economic Security.

### Superannuation – remove excess concessional contributions charge

Receipts (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	-	-10.0	-14.0	-16.0
<i>Related payments (\$m)</i>					
<i>Australian Taxation Office</i>	-	3.3	1.0	-	-

The Government has removed the excess concessional contributions (ECC) charge for people who exceed their concessional superannuation contributions cap. This change will apply to superannuation contributions made from the 2021-22 income year onwards.

Previously, the ECC charge was imposed on individuals even when they breached their concessional contributions cap through no choice of their own. All excess contributions will continue to be taxed at the individual’s marginal income tax rate.

This measure is estimated to decrease receipts by \$40.0 million and increase payments by \$4.3 million over the forward estimates period. Overall, this measure is estimated to decrease the underlying cash balance by \$44.3 million over the forward estimates period.

Further information can be found in the joint press release of 17 June 2021 issued by the Treasurer and the Minister for Superannuation, Financial Services and the Digital Economy, Minister for Women’s Economic Security.

**Supporting Retirees – extension of the temporary reduction in superannuation minimum drawdown rates**

Receipts (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	-	-10.0	-20.0	-20.0
<i>Related payments (\$m)</i>					
<i>Department of Social Services</i>	-	18.0	-5.7	-5.5	-5.4
<i>Department of Veterans’ Affairs</i>	-	1.1	-	-	-
<i>Services Australia</i>	-	0.1	0.2	-	-
<i>Total – Payments</i>	-	19.2	-5.5	-5.5	-5.4

The Government has extended the 50 per cent reduction of the superannuation minimum drawdown requirements for account-based pensions and similar products for a further year to 30 June 2022.

The minimum drawdown requirements determine the minimum amount of a pension that a retiree has to draw from their superannuation in order to qualify for tax concessions. This change will allow retirees to avoid selling assets in a loss position in order to satisfy the minimum drawdown requirements.

This measure is estimated to decrease receipts by \$50.0 million and increase payments by \$2.8 million over the forward estimates period. Overall, this measure is estimated to decrease the underlying cash balance by \$52.8 million over the forward estimates period.

## Payment Measures

**Table 2: Payment measures since the 2021-22 Budget<sup>(a)</sup>**

	2020-21	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m	\$m
<b>AGRICULTURE, WATER AND THE ENVIRONMENT</b>					
<i>Bureau of Meteorology</i>					
COVID-19 Response Package – additional aviation support – continued	-	1.9	-	-	-
<i>Department of Agriculture, Water and the Environment</i>					
Australian Agriculture Visa(b)	-	0.4	0.5	0.5	0.5
Australian Trade System Support	-	36.5	41.7	22.1	3.0
Building Horticulture Industry Resilience	-	0.6	0.5	0.2	0.7
Certifying Australian Cosmetics Exports	-	1.7	4.7	1.0	1.0
Drought Response, Resilience and Preparedness Plan – improved drought and climate information	-	1.3	2.9	-	-
Expanding Australia’s Recycling Sector	-	10.0	-	-	-
Improve the Flexibility and Sustainability of the Forestry Industry and Accelerate Industry Innovation(b)	-	1.7	4.8	4.3	5.7
Managing Contamination on Commonwealth Sites	-	2.3	4.3	2.9	3.2
Murray-Darling Basin – improving infrastructure and environmental outcomes	-	-	1.0	1.6	0.9
Permissions Capability – digital passenger declaration	-	nfp	nfp	nfp	nfp
Regional Investment Corporation – extended loan availability	-	-	-	-	-
Supporting Agricultural Industries and Communities	-	29.5	29.0	-0.6	-
Voluntary Biodiversity Stewardship Market	-	1.3	4.2	-	-
<i>Director of National Parks</i>					
Developing Australia’s Parks	-4.5	38.0	-	-	-
<i>Great Barrier Reef Marine Park Authority</i>					
Centre of Excellence for Coral Reef Education at Reef HQ	-	-	-	-	-
<i>Regional Investment Corporation</i>					
Regional Investment Corporation – extended loan availability	-	-	-	-	-
<b>Portfolio total</b>	<b>-4.5</b>	<b>125.1</b>	<b>93.6</b>	<b>32.1</b>	<b>15.1</b>
<b>ATTORNEY-GENERAL’S</b>					
<i>Administrative Appeals Tribunal</i>					
Attorney-General’s Portfolio – additional resourcing	-	-	-	-	-

**Table 2: Payment measures since the 2021-22 Budget<sup>(a)</sup> (continued)**

	2020-21	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m	\$m
<b>ATTORNEY-GENERAL'S (continued)</b>					
<i>Attorney-General's Department</i>					
Ageing and Aged Care(b)	-	0.1	11.2	10.8	11.3
Attorney-General's Portfolio – additional resourcing	-	5.2	3.6	2.9	2.9
Closing the Gap Package	-	1.6	4.1	6.7	-
Family Law System – improving access and safety for children and families – extension	-	-	0.3	0.2	0.2
First National Action Plan to Prevent and Respond to Child Sexual Abuse	-	-	-	-	-
Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability – extension	-	-	-	-	-
<i>Australian Human Rights Commission</i>					
Ageing and Aged Care(b)	-	0.4	0.6	-	-
Attorney-General's Portfolio – additional resourcing	-	1.3	2.9	2.5	2.3
<i>Comcare</i>					
Attorney-General's Portfolio – additional resourcing	-	-	-	-	-
<i>Fair Work Ombudsman and Registered Organisations Commission</i>					
Australian Agriculture Visa(b)	-	1.3	1.9	2.7	2.8
Pacific Labour Mobility – reforms(b)	-	2.2	2.4	2.4	2.4
<i>Federal Court of Australia</i>					
Attorney-General's Portfolio – additional resourcing	-	-	1.1	1.1	1.1
<i>National Archives of Australia</i>					
National Archives of Australia – preserving Australia's cultural heritage	-	19.7	17.1	15.5	15.4
<i>Office of the Australian Information Commissioner</i>					
Australian Federal Privacy and Freedom of Information Regulator – additional funding	-	2.0	-	-	-
Digital Economy Strategy – additional funding(b)	-	-	0.9	-	-
<b>Portfolio total</b>	<b>-</b>	<b>33.7</b>	<b>46.2</b>	<b>44.8</b>	<b>38.3</b>
<b>CROSS PORTFOLIO</b>					
<i>Various Agencies</i>					
Australian Trade System Support	-	-	-	-	-
Closing the Gap Package	-	-	-	-	-
Commonwealth Parliamentary Workplaces – Independent Review and ongoing support measures	-	-	-	-	-
COVID-19 Response Package – additional aviation support - continued	-	-	-	-	-
Digital Economy Strategy – additional funding(b)	-	-	-	-	-
<b>Portfolio total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



**Table 2: Payment measures since the 2021-22 Budget<sup>(a)</sup> (continued)**

	2020-21	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m	\$m
<b>DEFENCE</b>					
<i>Department of Defence</i>					
COVID-19 Response Package – Centres for National Resilience	-	nfp	-	-	-
Joint Strike Fighter Industry Support Program – additional funding	-	-	-	-	-
Office of the Special Investigator – funding	-	-	-56.5	-	-
<b>Portfolio total</b>	-	-	<b>-56.5</b>	-	-
<b>EDUCATION, SKILLS AND EMPLOYMENT</b>					
<i>Department of Education, Skills and Employment</i>					
Changes to Wage Scheme – Remote Engagement Program	-	0.7	-	-	-
Closing the Gap Package	-	22.7	44.3	42.3	14.5
COVID-19 Response Package – transitional support for the child care sector	-	361.7	-	-	-
Deregulation Agenda – next steps	-	-	8.0	9.2	-
Medical Workforce(b)	-	0.4	1.9	0.2	0.2
Pacific Labour Mobility – reforms(b)	-	5.0	7.4	6.1	6.2
Reform of Settlement Strategies and Services(b)	-	-	-0.1	-0.3	-0.5
Supporting Australia's Research and Higher Education Sectors(b)	-	-107.3	161.7	62.5	61.1
Supporting Jobs in the Economic Recovery	-	102.4	379.4	284.1	80.6
<b>Portfolio total</b>	-	<b>385.6</b>	<b>602.6</b>	<b>404.1</b>	<b>162.1</b>
<b>FINANCE</b>					
<i>Australian Electoral Commission</i>					
Improving Confidence in the Electoral Process	-	8.1	2.4	2.0	2.6
Indigenous Engagement	-	0.3	3.7	3.3	2.2
<i>Department of Finance</i>					
Ageing and Aged Care(b)	-	0.2	0.2	-	-
Closing the Gap Package	-	0.1	-	-	-
Commonwealth Parliamentary Workplaces – Independent Review and ongoing support measures	-	nfp	nfp	nfp	nfp
COVID-19 Response Package – Centres for National Resilience	-	nfp	-	-	-
Department of Finance – additional resourcing	-	3.1	2.6	3.2	1.3
Digital Economy Strategy – additional funding(b)	-	-	0.1	-	-
Improving Confidence in the Electoral Process	-	0.4	-	-	-
Permissions Capability – digital passenger declaration	-	nfp	nfp	nfp	nfp
<b>Portfolio total</b>	-	<b>12.1</b>	<b>9.0</b>	<b>8.5</b>	<b>6.0</b>

**Table 2: Payment measures since the 2021-22 Budget<sup>(a)</sup> (continued)**

	2020-21	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m	\$m
<b>FOREIGN AFFAIRS AND TRADE</b>					
<i>Australian Trade and Investment Commission</i>					
Australian Trade System Support	-	9.5	10.4	6.5	5.3
Comprehensive Strategic Partnership with India – new initiatives	-	-	..	0.5	0.3
COVID-19 Response Package – additional aviation support – continued	-	312.4	38.5	-	-
COVID-19 Response Package – tourism support – continued	-	58.5	0.2	-	-
Critical Minerals – support for supply chains	-	-	-	-	-
Supporting Australia’s Research and Higher Education Sectors(b)	-	-	-	-	-
<i>Department of Foreign Affairs and Trade</i>					
ASEAN-Australia Comprehensive Strategic Partnership	-	-	7.8	20.1	16.3
Australia’s Overseas Presence – enhancements	-	1.2	5.0	2.4	2.3
Australian Agriculture Visa(b)	-	5.4	18.7	20.5	16.8
Comprehensive Strategic Partnership with India – new initiatives	-	0.1	8.9	9.2	7.2
Continued Assistance to Palau	-	-	-	-	-
COVID-19 Response Package – international COVID-19 vaccination certificate	-	14.8	5.8	-	-
Critical Minerals – support for supply chains	-	-	-	-	-
Digital Economy Strategy – additional funding(b)	-	-	3.6	3.6	-
OECD – sustainable agriculture research	-	1.0	1.0	1.0	-
Pacific Labour Mobility – reforms(b)	-	10.4	14.1	11.6	11.0
Strengthening Australia’s Sanctions Laws	-	1.1	2.2	2.3	-
<i>Export Finance and Insurance Corporation</i>					
Export Finance Facility(b)	-	nfp	nfp	nfp	nfp
<i>Various Agencies</i>					
Australian Infrastructure Financing Facility for the Pacific Projects(b)	-	nfp	nfp	nfp	nfp
<b>Portfolio total</b>	<b>-</b>	<b>414.4</b>	<b>116.3</b>	<b>77.7</b>	<b>59.2</b>
<b>HEALTH</b>					
<i>Aged Care Quality and Safety Commission</i>					
Ageing and Aged Care(b)	-	3.3	18.8	13.5	14.2
<i>Australian Digital Health Agency</i>					
Ageing and Aged Care(b)	-	1.5	1.5	-	-
COVID-19 Response Package – COVID-19 Vaccine Program	-	2.9	-	-	-
<i>Australian Institute of Health and Welfare</i>					
Australia’s Disability Strategy	-	-	-	-	-
First National Action Plan to Prevent and Respond to Child Sexual Abuse	-	-	-	-	-

**Table 2: Payment measures since the 2021-22 Budget<sup>(a)</sup> (continued)**

	2020-21	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m	\$m
<b>HEALTH (continued)</b>					
<i>Australian Radiation Protection and Nuclear Safety Agency</i>					
Investing in Medical Research and Technology	-	2.5	-	-	-
<i>Australian Sports Commission</i>					
Sport – supporting sporting events and participation	-	0.3	5.5	-	-
<i>Department of Health</i>					
Ageing and Aged Care(b)	-	251.8	186.9	31.3	20.9
Closing the Gap Package	-	4.9	51.5	51.5	46.5
COVID-19 Response Package – ageing and aged care	-	193.9	40.2	-	-
COVID-19 Response Package – COVID-19 Vaccine Program	-	894.4	115.0	-	-
COVID-19 Response Package – guaranteeing Medicare and access to medicines	-	260.7	10.7	-	-
COVID-19 Response Package – international COVID-19 vaccination certificate	-	1.1	1.5	-	-
COVID-19 Response Package – prioritising mental health	-	32.0	58.4	-	-
COVID-19 Response Package – strengthening primary care	-	187.0	0.4	-	-
COVID-19 Response Package – supporting our hospitals(b)	-	58.7	0.8	-	-
COVID-19 Response Package – vaccines and treatments purchases	-	nfp	nfp	nfp	nfp
First National Action Plan to Prevent and Respond to Child Sexual Abuse	-	-	-	-	-
Guaranteeing Medicare – Medicare Benefits Schedule new and amended listings(b)	-	0.1	15.0	25.6	26.8
Guaranteeing Medicare – strengthening primary care	-	-	-	-	-
Guaranteeing Medicare and Access to Medicines – Pharmaceutical Benefits Scheme – new and amended listings(b)	-	205.2	273.1	111.3	92.1
Improving Access to Medicines – new strategic agreements with Medicines Australia and the Generic and Biosimilar Medicines Association(b)	-	-0.7	-61.7	-226.6	-148.6
Indigenous Marathon Project	-	0.6	1.0	1.1	1.1
Investing in Medical Research and Technology	-	-	-	-	-
Medical Workforce(b)	-	5.3	6.0	2.4	2.4
New Products and Listings	-	0.7	0.9	1.4	1.8
Permissions Capability – digital passenger declaration	-	nfp	nfp	nfp	nfp
Preventive Health	-	11.9	10.6	0.6	0.6
Reform of Settlement Strategies and Services(b)	-	-	..	-0.1	-0.1

**Table 2: Payment measures since the 2021-22 Budget<sup>(a)</sup> (continued)**

	2020-21	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m	\$m
<b>HEALTH (continued)</b>					
Settlement and Integration of New Arrivals from Afghanistan	-	5.2	2.7	-	-
Sport – supporting sporting events and participation	-	2.8	2.1	-	-
Supporting Australia's Olympic and Paralympic Team	-	3.1	-	-	-
Western Australian Children's Health Telethon	-	3.7	-	-	-
<i>National Blood Authority</i>					
Guaranteeing Medicare – Medicare Benefits Schedule new and amended listings(b)	-	-	-1.7	-1.7	-1.8
<i>National Health and Medical Research Council</i>					
Investing in Medical Research and Technology	-	-	-	-	-
<b>Portfolio total</b>	<b>-</b>	<b>2,133.0</b>	<b>739.3</b>	<b>10.3</b>	<b>56.0</b>
<b>HOME AFFAIRS</b>					
<i>Australian Criminal Intelligence Commission</i>					
National Automated Fingerprint Identification System Update	-	1.5	7.5	-	1.1
<i>Australian Federal Police</i>					
COVID-19 Response Package – supporting our hospitals(b)	-	6.5	-	-	-
First National Action Plan to Prevent and Respond to Child Sexual Abuse	-	-	-	-	-
<i>Department of Home Affairs</i>					
Australian Agriculture Visa(b)	-	3.1	4.1	3.9	3.9
Australian Trade System Support	-	3.6	8.6	3.6	0.6
Digital Economy Strategy – additional funding(b)	-	-	5.2	5.2	-
Fixed Wing Civil Maritime Surveillance	-	9.2	19.8	22.2	24.6
National Disaster Resilience and Support	-	-	-	-	-
Permissions Capability – digital passenger declaration	-	nfp	nfp	nfp	nfp
Reform of Settlement Strategies and Services(b)	-	11.0	4.0	0.1	-8.9
Reopening the Borders(b)	-	13.6	-	-	-
Safer Communities Fund – additional funding	-	25.0	25.0	-	-
Settlement and Integration of New Arrivals from Afghanistan	-	12.7	6.5	-	-
Social Cohesion Grants Program	-	-	-	-	-
<i>Office of the Special Investigator</i>					
Office of the Special Investigator – funding	-	-	56.5	-	-
<b>Portfolio total</b>	<b>-</b>	<b>86.1</b>	<b>137.2</b>	<b>35.0</b>	<b>21.3</b>

**Table 2: Payment measures since the 2021-22 Budget<sup>(a)</sup> (continued)**

	2020-21	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m	\$m
<b>INDUSTRY, SCIENCE, ENERGY AND RESOURCES</b>					
<i>Australian Nuclear Science and Technology Organisation</i>					
Nuclear Medicines	-	0.8	-	-	-
<i>Australian Renewable Energy Agency</i>					
Energy and Emissions Reduction	-	55.3	102.9	43.4	9.6
<i>Clean Energy Finance Corporation</i>					
Energy and Emissions Reduction	-	2.6	4.6	5.2	5.6
<i>Clean Energy Regulator</i>					
Voluntary Biodiversity Stewardship Market	-	0.4	7.3	-	-
<i>Department of Industry, Science, Energy and Resources</i>					
Australian Space Agency – additional funding(b)	-	2.9	5.6	5.0	5.0
Comprehensive Strategic Partnership with India – new initiatives	-	-	1.0	0.8	0.9
Critical Minerals – support for supply chains	-	0.9	0.9	1.0	1.0
Digital Economy Strategy – additional funding(b)	-	1.9	11.8	11.2	11.6
Energy and Emissions Reduction	-	73.1	87.1	76.6	20.8
Former British Nuclear Testing Site at Maralinga – maintenance	-	nfp	nfp	nfp	nfp
Northern Endeavour Decommission – additional funding	-	nfp	nfp	nfp	nfp
Questacon – additional funding	-	2.4	9.1	-	-
Snowy Hydro Limited – Hunter Power Project(b)	-	nfp	nfp	nfp	nfp
Strategic Basin Plans – additional funding	-	0.2	0.6	0.6	-
Supporting Industry Growth and National Manufacturing Priorities	-	-	-	-	-
Supporting Jobs in the Economic Recovery	-	-	-	-	-
Supporting Regional Business Recovery from Bushfires, COVID-19 and Flood Emergencies	-	-	6.9	-	-
Supporting Small and Medium Enterprise Participation in Commonwealth Procurement – additional funding	-	1.4	-	-	-
<i>Geoscience Australia</i>					
Critical Minerals – support for supply chains	-	-	-	-	-
Satellite Based Augmentation System – additional funding(b)	-	-8.4	13.4	140.5	104.4
Strategic Basin Plans – additional funding	-	1.4	7.4	8.0	14.1
<b>Portfolio total</b>	-	<b>135.0</b>	<b>258.7</b>	<b>292.3</b>	<b>173.0</b>

**Table 2: Payment measures since the 2021-22 Budget<sup>(a)</sup> (continued)**

	2020-21	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m	\$m
<b>INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND COMMUNICATIONS</b>					
<i>Department of Infrastructure, Transport, Regional Development and Communications</i>					
Australian Trade System Support	-	-	-	-	-
Aviation Recovery Framework	-	15.1	18.9	17.2	12.7
Building Better Regions Fund – round five additional funding	-	-	50.0	50.1	-
Closing the Gap Package	-	4.6	6.2	7.0	5.0
Community Development Grants Program – new projects	-	2.0	3.0	2.0	7.0
COVID-19 Response Package – additional arts sector support	-	44.0	-	-	-
COVID-19 Response Package – additional aviation support – continued	nfp	nfp	-	-	-
Developing Australia's Parks	-	-	-	-	-
Digital Economy Strategy – additional funding	-	0.6	8.9	8.6	4.5
Infrastructure Investment	-	nfp	nfp	nfp	nfp
National Collecting Institutions – preserving Australia's cultural heritage(b)	-	nfp	nfp	-	-
National Water Grid Fund – project funding	-	-	-	-	-
Remote Roads Upgrade Pilot Program	-	0.4	2.3	0.8	-
Services to Territories – additional funding	-	4.6	27.7	9.0	3.9
WSA Co Limited – equity injection	-	nfp	nfp	nfp	nfp
<i>National Film and Sound Archive of Australia</i>					
National Collecting Institutions – preserving Australia's cultural heritage(b)	-	6.5	11.9	13.7	9.9
<i>National Library of Australia</i>					
National Collecting Institutions – preserving Australia's cultural heritage(b)	-	0.7	7.9	-	-
<i>National Transport Commission</i>					
National Rail Action Plan – stage 2	-	0.9	0.7	0.5	-
<i>Screen Australia</i>					
COVID-19 Response Package – additional arts sector support	-	-9.0	-	-	-
<b>Portfolio total</b>	<b>-</b>	<b>70.3</b>	<b>137.5</b>	<b>108.9</b>	<b>43.0</b>
<b>PRIME MINISTER AND CABINET</b>					
<i>Australian Institute of Aboriginal and Torres Strait Islander Studies</i>					
Closing the Gap Package	-	2.4	1.7	-	-
<i>Australian Public Service Commission</i>					
Commonwealth Parliamentary Workplaces – Independent Review and ongoing support measures	-	-	-	2.7	2.7

**Table 2: Payment measures since the 2021-22 Budget<sup>(a)</sup> (continued)**

	2020-21	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m	\$m
<b>PRIME MINISTER AND CABINET (continued)</b>					
<i>Department of the Prime Minister and Cabinet</i>					
Australian Trade System Support	-	0.3	0.3	-	-
Commonwealth Parliamentary Workplaces – Independent Review and ongoing support measures	-	2.0	4.0	-	-
Department of Prime Minister and Cabinet – additional resourcing	-	-	2.4	4.2	-
Deregulation Agenda – next steps	-	-	-	-	-
Digital Economy Strategy – additional funding(b)	-	-	-	-	-
First National Action Plan to Prevent and Respond to Child Sexual Abuse	-	-	-	-	-
National Australia Day Council Funding	-	31.2	16.9	-	-
<i>Digital Transformation Agency</i>					
Digital Economy Strategy – additional funding(b)	-	-	11.5	10.2	-
Digital Transformation Agency – resource funding	-	-	-	-	-
<i>National Indigenous Australians Agency</i>					
Changes to Wage Scheme – Remote Engagement Program	-	0.7	-4.6	-1.6	-0.1
Closing the Gap Package	-	5.7	22.5	28.7	25.1
First National Action Plan to Prevent and Respond to Child Sexual Abuse	-	-	-	-	-
Murray-Darling Basin – improving infrastructure and environmental outcomes	-	0.3	4.1	3.9	4.0
Stage Three of the Wiyi Yani U Thangani (Women's Voices) Project	-	0.9	1.1	0.7	-
Support for Kapani Warrior	-	-	-	-	-
<i>National Recovery and Resilience Agency</i>					
COVID-19 Response Package – National COVID-19 Disaster Payment(b)	25.6	13,206.7	-	-	-
National Disaster Resilience and Support	-	5.8	11.8	-	-
Rural Financial Counselling Services Drought Communities Small Business Support Program	-	4.3	4.3	-	-
<i>Office of National Intelligence</i>					
Office of National Intelligence – additional funding	-	0.3	6.1	9.9	11.9
<i>Northern Territory Aboriginal Investment Corporation</i>					
Northern Territory Aboriginal Investment Corporation – establishment	-	-	-	-	-
<i>Office of the Official Secretary to the Governor-General</i>					
Australian Honours and Awards – Promotion of the Order of Australia	-	0.2	0.5	0.5	0.5
<i>Old Parliament House</i>					
Old Parliament House – capital works	-	3.0	-	-	-
<b>Portfolio total</b>	<b>25.6</b>	<b>13,263.9</b>	<b>82.6</b>	<b>59.3</b>	<b>44.1</b>

**Table 2: Payment measures since the 2021-22 Budget<sup>(a)</sup> (continued)**

	2020-21	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m	\$m
<b>SOCIAL SERVICES</b>					
<i>Department of Social Services</i>					
Australia's Disability Strategy	-	-	-	-	-
Australian Family Domestic and Sexual Violence Commission	-	-	3.8	4.5	4.5
Changes to "Wage Scheme" – Remote Engagement Program	-	..	2.3	1.3	0.1
Child Support Scheme – broadening powers to recover child support debts	-	0.3	0.2	0.1	0.1
Closing the Gap Package	-	9.5	22.3	17.7	-
Continuation of Funding for the Fathering Project and the Home Interaction Program for Parents and Youngsters	-	-	nfp	nfp	nfp
COVID-19 Response Package – Age Pension – extension of income support for people overseas who are unable to return home	-	0.4	0.4	0.5	0.5
First National Action Plan to Prevent and Respond to Child Sexual Abuse	-	-	-	-	-
Get Skilled Access – improve health outcomes for people with a disability	-	-	-	-	-
Improvements to the Child to Adult Transfer Process for Carer Payment and Carer Allowance Qualification	-	-	0.3	1.9	1.9
Pension Loan Scheme Settings(b)	-	-	-	-	-
Reform of Settlement Strategies and Services(b)	-	-	-2.1	-4.8	-6.5
Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability – extension	-	-	38.2	10.2	-
Settlement and Integration of New Arrivals from Afghanistan	-	1.5	-	-	-
Supporting Jobs in the Economic Recovery	-	-0.3	-1.6	-1.6	-1.7
Supporting Quality Engagement with Children	-	-	0.7	0.7	0.7
Supporting Retirees – extension of the temporary reduction in superannuation minimum drawdown rates(b)	-	18.0	-5.7	-5.5	-5.4
<i>National Disability Insurance Scheme Launch Transition Agency</i>					
Ageing and Aged Care(b)	-	2.7	5.4	5.4	5.4
National Disability Insurance Scheme – payment compliance and fraud integrity pilot	-	17.5	9.0	-	-
Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability – extension	-	5.8	11.5	2.9	-
<i>NDIS Quality and Safeguards Commission</i>					
COVID-19 Response Package – NDIS Quality and Safeguards Commission for COVID-19 Vaccination Monitoring and Compliance for Disability Support Workers	-	6.6	4.0	-	-
National Disability Insurance Scheme – payment compliance and fraud integrity pilot	-	2.2	1.4	-	-



**Table 2: Payment measures since the 2021-22 Budget<sup>(a)</sup> (continued)**

	2020-21	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m	\$m
<b>SOCIAL SERVICES (continued)</b>					
Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability – extension	-	-	1.4	1.4	-
<i>Services Australia</i>					
Ageing and Aged Care(b)	-	5.4	33.6	-	-
Changes to “Wage Scheme” – Remote Engagement Program	-	-1.3	2.3	0.3	-
Child Support Scheme – broadening powers to recover child support debts	-	6.9	0.3	-	-
COVID-19 Response Package – Age Pension – extension of income support for people overseas who are unable to return home	-	3.1	0.2	0.1	0.1
COVID-19 Response Package – ageing and aged care	-	0.1	-	-	-
COVID-19 Response Package – COVID-19 Vaccine Program	-	18.5	0.2	-	-
COVID-19 Response Package – COVID-19 Work Test – Paid Parental Leave amendment	-	2.4	..	..	..
COVID-19 Response Package – guaranteeing Medicare and access to medicines	-	2.7	..	-	-
COVID-19 Response Package – international COVID-19 vaccination certificate	-	11.9	0.6	-	-
COVID-19 Response Package – prioritising mental health	-	-	0.4	-	-
COVID-19 Response Package – strengthening primary care	-	0.3	-	-	-
COVID-19 Response Package – transitional support for the child care sector	-	0.1	-	-	-
COVID-19 Response Package – vaccines and treatments purchases	-	nfp	nfp	nfp	nfp
Digital Economy Strategy – additional funding(b)	-	-	20.3	21.7	-
Grandparent Adviser Line – enhanced support services	-	1.7	1.0	1.0	1.0
Guaranteeing Medicare – Medicare Benefits Schedule new and amended listings(b)	-	0.9	..	0.1	0.1
Guaranteeing Medicare – strengthening primary care	-	-	-	-	-
Guaranteeing Medicare and Access to Medicines – Pharmaceutical Benefits Scheme – new and amended listings(b)	-	1.0	0.3	0.2	0.2
Improvements to the Child to Adult Transfer Process for Carer Payment and Carer Allowance Qualification	-	2.4	0.8	..	..
Medical Workforce(b)	-	2.9	8.5	1.6	1.5
COVID-19 Response Package – National COVID-19 Disaster Payment(b)	-	451.1	-	-	-
National Disaster Resilience and Support	-	..	1.0	1.0	1.1

**Table 2: Payment measures since the 2021-22 Budget<sup>(a)</sup> (continued)**

	2020-21	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m	\$m
<b>SOCIAL SERVICES (continued)</b>					
Pension Loan Scheme Settings(b)	-	1.2	0.7	0.2	0.1
Reform of Settlement Strategies and Services(b)	-	3.3	0.1	-0.2	-0.3
Self-managed Superannuation Funds – legacy retirement product conversions	-	1.1	1.1	0.4	-
Settlement and Integration of New Arrivals from Afghanistan	-	0.3	-	-	-
Supporting Retirees – extension of the temporary reduction in superannuation minimum drawdown rates(b)	-	0.1	0.2	-	-
Treasury Portfolio – additional funding(b)	-	0.9	-	-	-
<b>Portfolio total</b>	<b>-</b>	<b>581.1</b>	<b>163.0</b>	<b>60.8</b>	<b>3.4</b>
<b>TREASURY</b>					
<i>Australian Bureau of Statistics</i>					
Australia's Disability Strategy	-	-	-	-	-
Digital Economy Strategy – additional funding(b)	-	2.8	-	-	-
<i>Australian Competition and Consumer Commission</i>					
Cyclone and Related Flooding Reinsurance Pool – implementation	-	2.5	5.3	4.3	3.3
Treasury Portfolio – additional funding(b)	-	-	3.5	-	-
<i>Australian Prudential Regulation Authority</i>					
Treasury Portfolio – additional funding(b)	-	-	23.0	22.6	21.7
<i>Australian Securities and Investments Commission</i>					
Treasury Portfolio – additional funding(b)	-	4.1	1.5	0.7	0.7
<i>Australian Taxation Office</i>					
Account Matching Service for Superannuation Funds	-	-	2.0	0.2	0.2
Australian Taxation Office – continuation of compliance programs and independent resourcing review(b)	-	-	111.0	-	-
Australian Taxation Office IT Systems – strengthening capabilities	-	2.1	40.1	-	-
Digital Economy Strategy – additional funding(b)	-	-	38.3	40.3	-
Digital Games Tax Offset – expansion	-	-	-	6.9	12.7
Medical Workforce(b)	-	-	0.8	0.1	0.1
Superannuation – protecting veterans' interests(b)	-	11.2	10.4	8.1	4.2
Superannuation – re-contribution of COVID- 19 early release superannuation amounts(b)	-	5.8	1.2	0.5	0.2
Superannuation – remove excess concessional contributions charge(b)	-	3.3	1.0	-	-
Treasury Portfolio – additional funding(b)	-	8.6	-	-	-

**Table 2: Payment measures since the 2021-22 Budget<sup>(a)</sup> (continued)**

	2020-21	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m	\$m
<b>TREASURY (continued)</b>					
<i>Department of the Treasury</i>					
Australian Agriculture Visa(b)	-	..	5.0	15.0	15.0
Australian Taxation Office – continuation of compliance programs and independent resourcing review(b)	-	0.1	87.6	58.2	42.4
Building Horticulture Industry Resilience	-	34.0	15.0	14.0	-
Closing the Gap Package	-	2.0	3.4	3.4	2.7
Compensation Scheme of Last Resort – establishment(b)	-	4.6	21.8	9.4	9.5
COVID-19 Response Package – COVID-19 Business Support	-	7,330.4	-	-	-
COVID-19 Response Package – COVID-19 Vaccine Program	-	75.6	-	-	-
COVID-19 Response Package – prioritising mental health	-	1.5	-	-	-
COVID-19 Response Package – strengthening primary care	-	13.0	-	-	-
COVID-19 Response Package – supporting our hospitals(b)	-	809.1	127.8	-	-
COVID-19 Response Package – Working Holiday Maker program arrangements(b)	-	..	10.0	10.0	5.0
Cyclone and Related Flooding Reinsurance Pool – implementation	-	1.4	0.9	0.5	0.5
Developing Australia’s Parks	-	4.5	-	-	-
Digital Economy Strategy – additional funding(b)	-	-	-	-	-
Family Law System – improving access and safety for children and families – extension	-	-	3.2	3.2	3.3
First National Action Plan to Prevent and Respond to Child Sexual Abuse	-	-	-	-	-
Improve the Flexibility and Sustainability of the Forestry Industry and Accelerate Industry Innovation(b)	-	4.6	10.0	-	-
Indirect Tax Concession Scheme – diplomatic and consular concessions(b)	-	-0.7	..	..	..
Infrastructure Investment	-	98.7	210.1	311.3	521.7
International Economic Support	-	-	-	-	-
Medical Workforce(b)	-	1.0	2.0	-	-
National Disaster Resilience and Support	-	-	-	-	-
New Products and Listings	-	-	-	12.5	12.5
Pacific Labour Mobility – reforms(b)	-	10.0	15.0	15.0	10.0
Preventive Health	-	0.8	0.6	-	-
Remote Roads Upgrade Pilot Program	-	-	100.0	50.0	-
Reopening the Borders(b)	-	..	5.0	30.0	45.0
SME Recovery Loan Scheme – extension	-	nfp	nfp	nfp	nfp
Strategic Basin Plans – additional funding	-	-	15.0	15.0	-

**Table 2: Payment measures since the 2021-22 Budget<sup>(a)</sup> (continued)**

	2020-21	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m	\$m
<b>TREASURY (continued)</b>					
Superannuation – protecting veterans' interests(b)	-	0.3	0.2	-	-
Supporting Agricultural Industries and Communities	-	-	0.6	0.6	-
Supporting the Delivery of More Affordable Housing	-	-	-	-	-
Treasury Portfolio – additional funding(b)	-	2.2	11.2	3.6	2.9
<b>Portfolio total</b>	<b>-</b>	<b>8,433.5</b>	<b>882.5</b>	<b>635.3</b>	<b>713.5</b>
<b>VETERANS' AFFAIRS</b>					
Ageing and Aged Care(b)	-	-	0.3	-	-
COVID19 Response Package – ageing and aged care	-	0.1	-	-	-
COVID19 Response Package – COVID19 Vaccine Program	-	2.0	0.1	-	-
COVID19 Response Package – guaranteeing Medicare and access to medicines	-	3.4	0.2	-	-
COVID19 Response Package – strengthening primary care	-	0.2	-	-	-
Guaranteeing Medicare – Medicare Benefits Schedule new and amended listings(b)	-	..	0.3	0.3	0.3
Guaranteeing Medicare – strengthening primary care	-	-	-	-	..
Guaranteeing Medicare and Access to Medicines – Pharmaceutical Benefits Scheme – new and amended listings(b)	-	4.9	6.3	6.9	7.3
Improving Access to Medicines – new strategic agreements with Medicines Australia and the Generic and Biosimilar Medicines Association(b)	-	-	-0.5	-7.8	-9.3
Pension Loan Scheme Settings(b)	-	..	0.1	0.1	0.1
Self-managed Superannuation Funds – legacy retirement product conversions	-	-	..	0.1	0.1
Supporting Jobs in the Economic Recovery	-	..	0.1	0.1	0.1
Supporting Retirees – extension of the temporary reduction in superannuation minimum drawdown rates(b)	-	1.1	-	-	-
Veterans' Recognition Program – continuation	-	-	2.7	2.7	-
<b>Portfolio total</b>	<b>-</b>	<b>11.7</b>	<b>9.4</b>	<b>2.3</b>	<b>-1.5</b>
<b>Decisions taken but not yet announced and not for publication (nfp)</b>	<b>-164.0</b>	<b>5,579.2</b>	<b>4,103.1</b>	<b>3,284.4</b>	<b>2,992.7</b>
<b>Total impact of payment measures (c)</b>	<b>-142.9</b>	<b>31,264.8</b>	<b>7,324.6</b>	<b>5,055.7</b>	<b>4,326.3</b>

\* 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 payments, no sign before an estimate indicates increased payments.

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

(c) Measures may not add due to rounding.

## Agriculture, Water and the Environment

### Building Horticulture Industry Resilience

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Agriculture, Water and the Environment	-	0.6	0.5	0.2	0.7
Department of Treasury	-	34.0	15.0	14.0	-
Total – Payments	-	34.6	15.5	14.2	0.7

The Government will provide \$65.0 million over four years from 2021-22 to build resilience in the horticulture sector by protecting crops from extreme weather events and fruit fly pests. Funding includes:

- \$35.0 million over four years from 2021-22 to expand the trial *Horticultural Netting Program* nationally, to support producers to purchase and install new horticultural netting to protect their crops from extreme weather and pests, and increase water use efficiency
- \$30.0 million over three years from 2021-22 to work with states, territories and industry to manage fruit fly pests through new post-harvest treatment infrastructure, upgrading quarantine stations, and investing in Sterile Insect Technique capabilities.

### Centre of Excellence for Coral Reef Education at Reef HQ

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Great Barrier Reef Marine Park Authority	-	-	-	-	-

The Government will provide \$40.0 million over three years from 2021-22 to help transform Reef HQ into a national centre of excellence for tropical reef education as part of the Townsville City Deal.

Funding for this measure has already been provided for by the Government.

Further information can be found in the joint press release of 9 July 2021 issued by the Minister for Communications, Urban Infrastructure, Cities and the Arts and the Minister for the Environment, and the Assistant Minister for Waste Reduction and Environmental Management.

### Certifying Australian Cosmetics Exports

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Agriculture, Water and the Environment	-	1.7	4.7	1.0	1.0

The Government will provide \$8.5 million over four years from 2021-22 to establish regulatory arrangements to issue export certification for Australian cosmetics exports. This will support Australian businesses to expand and diversify cosmetic exports to emerging and growing markets.

### Developing Australia's Parks

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Director of National Parks	4.5	38.0	-	-	-
Department of the Treasury	-	4.5	-	-	-
Department of Infrastructure, Transport, Regional Development and Communications	-	-	-	-	-
<b>Total – Payments</b>	-	<b>42.4</b>	-	-	-

The Government will provide \$42.4 million in 2021-22 to support the effective management and environmental conservation of Australia's national parks and promote activities associated with the Kamay Botany Bay National Park, Kurnell Master Plan. Funding includes:

- \$38.0 million in 2021-22 to ensure the safety of staff and visitors to Commonwealth national parks and continued protection of natural and cultural values
- \$4.5 million in 2021-22 to improve visitor experience and understanding of the heritage significance of the Kamay Botany Bay National Park. This funding has been fully met from within existing resources.

**Drought Response, Resilience and Preparedness Plan – improved drought and climate information**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Agriculture, Water and the Environment	-	1.3	2.9	-	-

The Government will provide \$11.1 million over two years from 2021-22 to improve drought and climate information for Australian farmers and communities. Funding includes:

- \$7.0 million in 2022-23 to expand climate services for agriculture by providing tailored climate information to farmers and farming communities to help manage the impacts of drought and other climate risks on agricultural commodities. This funding will be met through the \$100.0 million per year expenditure from the *Future Drought Fund*
- \$4.1 million over two years from 2021-22 for the development of drought indicators for a drought early warning system.

This measure builds on the 2021-22 Budget measure titled *Drought Response, Resilience and Preparedness Plan – continued support*.

Further information can be found in the press releases of 26 October 2021 and 25 November 2021 issued by the Minister for Agriculture and Northern Australia.

**Expanding Australia's Recycling Sector**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Agriculture, Water and the Environment	-	10.0	-	-	-

The Government will provide \$16.0 million over four years from 2021-22 to improve recycling in Australia. Funding will build awareness of recycling and implement a construction industry action plan to accelerate Australia's transition to a circular economy.

Partial funding for this measure has already been provided for by the Government.

Further information can be found in the joint press release of 6 December 2021 issued by the Prime Minister, the Minister for the Environment, and the Assistant Minister for Waste Reduction and Environmental Management.

### Improve the Flexibility and Sustainability of the Forestry Industry and Accelerate Industry Innovation

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of the Treasury	-	4.6	10.0	-	-
Department of Agriculture, Water and the Environment	-	1.7	4.8	4.3	5.7
<b>Total – Payments</b>	<b>-</b>	<b>6.3</b>	<b>14.8</b>	<b>4.3</b>	<b>5.7</b>
<i>Related receipts (\$m)</i>					
<i>Department of Agriculture, Water and the Environment</i>	-	-	2.0	2.7	3.4

The Government will provide \$26.2 million over five years from 2021-22 (and \$2.3 million per year ongoing from 2026-27) for a package of measures to continue to assist the forestry industry in responding to emerging challenges. Funding includes:

- \$15.1 million over two years from 2021-22 to assist with the costs of transporting bushfire salvaged softwood timber, primarily from Kangaroo Island, to be processed and used in residential construction materials
- \$7.1 million over four years from 2022-23 (and \$2.3 million per year ongoing) for the Commonwealth contribution to industry research and development to improve innovation and encourage productivity growth for Australia’s wood production under the *Forestry Marketing and Research and Development Services Act 2007* to accompany a phased levy. The forest grower levy will increase to 8.5 cents per cubic metre effective 1 July 2022, with further phased increases up to 13.5 cents per cubic metre from 1 July 2024
- \$3.1 million over two years from 2021-22 to extend funding for three National Institute for Forest Products Innovation centres in Mount Gambier, Launceston, and Gippsland to support innovation in forest management, timber processing, wood fibre recovery, and advanced manufacturing
- \$0.9 million over two years from 2021-22 for studies to assess Australia’s exposure to illegally logged timber imports.

Partial funding for this measure has already been provided for by the Government.

The Government will also increase the Plant Health Australia biosecurity levy from 0.5 cents per cubic metre to 5 cents per cubic metre for forest grower’s plantation logs, commencing 1 July 2022, to support biosecurity for the benefit of the forestry industry.

Further information can be found in the joint press release of 21 September 2021 issued by the Minister for Agriculture and Northern Australia, the Minister for Housing and the Assistant Minister for Forestry and Fisheries, and the joint press release of 15 November 2021 issued by the Minister for Agriculture and Northern Australia and the Assistant Minister for Forestry and Fisheries.



**Managing Contamination on Commonwealth Sites**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Agriculture, Water and the Environment	-	2.3	4.3	2.9	3.2

The Government will provide \$12.6 million over four years from 2021-22 (and \$3.2 million per year ongoing) to establish a chemical contamination management advisory function within the Department of Agriculture, Water and the Environment. This will strengthen the use of consistent standards and advice on the safe management of contaminated sites across the Commonwealth estate.

**Murray-Darling Basin – improving infrastructure and environmental outcomes**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
National Indigenous Australians Agency	-	0.3	4.1	3.9	4.0
Department of Agriculture, Water and the Environment	-	-	1.0	1.6	0.9
<b>Total – Payments</b>	-	0.3	5.0	5.5	4.9

The Government will provide a further \$19.0 million over seven years from 2021-22 to continue efforts to achieve a sustainable and certain future for the Murray-Darling Basin, its people, industries and the environment. Funding includes:

- \$12.2 million over four years from 2021-22 to extend the existing *Murray-Darling Basin Indigenous River Rangers Pilot Program* to manage and restore waterway health, and to improve long-term education and employment outcomes for Indigenous Australians across the Murray-Darling Basin
- \$6.7 million over six years from 2022-23 for the Commonwealth contribution towards critical renewal works for the Basin’s largest piece of water infrastructure, the Hume Dam on the River Murray. This project provides water security, creates local jobs and gives certainty for communities including Albury-Wodonga.

This measure builds on the 2021-22 Budget measure titled *Murray-Darling Basin – managing water resources*.

### Regional Investment Corporation – extended loan availability

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Agriculture, Water and the Environment	-	-	-	-	-
Regional Investment Corporation	-	-	-	-	-
<b>Total – Payments</b>	-	-	-	-	-
<i>Related receipts (\$m)</i>					
<i>Department of Agriculture, Water and the Environment</i>	-	-0.6	-4.9	-5.8	-3.3

The Government will reallocate \$336.5 million of existing loan funding over three years from 2023-24 to continue providing concessional loans to farmers and farm dependent small businesses through the Regional Investment Corporation (RIC). The estimated cost of \$15.6 million over five years from 2021-22 will be recovered beyond the forward estimates as interest is received on the loans made, such that the measure is budget neutral over the term of the loan.

The Government will also extend eligibility for AgriStarter Loans available to farmers leasing or share farming land from 1 April 2022. This will better support farmers to establish their first farming business.

The administrative cost of this measure will be met from within the existing resources of the Department of Agriculture, Water and the Environment and the RIC.

### Supporting Agricultural Industries and Communities

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Agriculture, Water and the Environment	-	29.5	29.0	-0.6	-
Department of the Treasury	-	-	0.6	0.6	-
<b>Total – Payments</b>	-	29.5	29.6	-	-

The Government will provide \$61.0 million over three years from 2021-22 to continue to support the agriculture sector to recover from COVID-19, drought and environmental disruption. Funding includes:

- \$25.0 million in 2021-22 to extend support for agricultural shows and field days to meet the costs incurred because of shows that are cancelled due to the COVID-19 pandemic and for agricultural showmen and women to participate in agricultural shows in 2022-23

- \$21.7 million over two years from 2021-22 to expand the eight Drought Resilience Adoption and Innovation Hubs to undertake broader innovation activities to improve productivity and commercialisation opportunities, particularly across the agriculture, aquaculture and forestry sectors
- \$13.2 million in 2022-23 to extend the Agri-Business Expansion Initiative to help Australian agribusinesses maintain, diversify and expand their export markets
- \$1.1 million over two years from 2022-23 to support the development of a national horse traceability register with states and territories through the National Horse Traceability Working Group.

Partial funding for this measure has already been provided for by the Government.

This measure builds on the 2021-22 Budget measures titled *Agriculture 2030* and *Supporting Agricultural Showmen and Women*.

Further information can be found in the press releases of 6 October, 12 October and 12 November 2021 issued by the Minister for Agriculture and Northern Australia.

### Voluntary Biodiversity Stewardship Market

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Agriculture, Water and the Environment	-	1.3	4.2	-	-
Clean Energy Regulator	-	0.4	7.3	-	-
Total – Payments	-	1.7	11.5	-	-

The Government will provide \$13.2 million over two years from 2021-22 to establish a voluntary biodiversity stewardship market. This will enable farmers who undertake biodiversity activities to gain access to new income streams whilst contributing to environmental outcomes. A Biodiversity Trading Platform will be established to link farmers to private sector parties who wish to access and invest in on-farm biodiversity activities.

Further information can be found in the press release of 19 November 2021 issued by the Minister for Agriculture and Northern Australia.

## Attorney-General's

### Attorney-General's Portfolio – additional resourcing

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Attorney-General's Department	-	5.2	3.6	2.9	2.9
Australian Human Rights Commission	-	1.3	2.9	2.5	2.3
Federal Court of Australia	-	-	1.1	1.1	1.1
Administrative Appeals Tribunal	-	-	-	-	-
Comcare	-	-	-	-	-
<b>Total – Payments</b>	-	<b>6.5</b>	<b>7.6</b>	<b>6.5</b>	<b>6.2</b>

The Government will provide \$37.4 million over four years from 2021-22 to enhance essential justice services, support mentally healthy and safe workplaces and upgrade court and tribunal infrastructure for entities within the Attorney-General's portfolio. Funding includes:

- \$11.7 million in capital funding over four years from 2021-22 (and \$1.6 million in 2025-26 and \$0.7 million per year over three years from 2026-27) as the Commonwealth's contribution to the Queens Square Law Court critical building infrastructure upgrade and maintenance. The New South Wales Government is also contributing to the costs of upgrading and maintaining the Queens Square Law Court
- \$9.0 million over four years from 2021-22 (and \$2.2 million per year ongoing) to support the statutory office of the Freedom of Religion Commissioner. The new position, to be established by the Religious Discrimination Bill 2021, will be responsible for reviewing protections for faith-based groups and individuals and reporting on issues relating to freedom of religion in Australia
- \$5.8 million over four years from 2021-22 (including \$3.0 million in capital funding in 2021-22 and \$0.8 million per year ongoing) to provide additional court room facilities within the Commonwealth Law Courts building in Perth for the Federal Circuit and Family Court of Australia and the Family Court of Western Australia, and provide additional judicial resources for the Family Court of Western Australia to help separating families to resolve disputes in a timely, effective and efficient manner, with capital costs to be met from within the existing resources of the Federal Court of Australia (FCA)

- \$4.0 million over four years from 2021-22 to establish a new psychosocial inspectorate in Comcare to support mentally healthy and safe workplaces within Comcare’s jurisdiction, with costs to be met from within Comcare’s usual resourcing arrangements
- \$3.7 million in 2021-22 (including \$1.8 million in capital funding in 2021-22) to implement a pilot case management system, as the first step in developing a single case management system for the Administrative Appeals Tribunal (AAT), with costs to be met from within the existing resources of the AAT
- \$3.2 million over three years from 2022-23 (and \$1.1 million per year ongoing) to maintain a permanent judicial position in the Tasmanian Registry of the FCA.

**Australian Federal Privacy and Freedom of Information Regulator – additional funding**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Office of the Australian Information Commissioner	-	2.0	-	-	-

The Government will provide \$2.0 million in 2021-22 (including \$0.6 million in capital funding in 2021-22) to support the operations of the Office of the Australian Information Commissioner.

**Family Law System – improving access and safety for children and families – extension**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of the Treasury	-	-	3.2	3.2	3.3
Attorney-General's Department	-	-	0.3	0.2	0.2
Total – Payments	-	-	3.5	3.4	3.5

The Government will provide \$10.4 million over three years from 2022-23 to extend the National Information Sharing Framework to support collaboration and information sharing between the Federal family law system and state family violence and child protection agencies.

This measure builds on the 2021-22 Budget measure titled *Family Law System – improving access and safety for children and families*.

### National Archives of Australia – preserving Australia’s cultural heritage

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
National Archives of Australia	-	19.7	17.1	15.5	15.4

The Government will provide \$67.7 million over four years from 2021-22 to the National Archives of Australia (National Archives) to:

- accelerate digitisation and preservation of the National Archives’ at-risk records
- provide additional staffing and capability for ‘access applications’ and improve Digitisation on Demand services
- invest in cybersecurity and future digital enhancements.

Further information can be found in the joint press release of 1 July 2021 issued by the Attorney-General and the Assistant Minister to the Attorney-General.

### Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability – extension

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
National Disability Insurance Scheme Launch Transition Agency	-	5.8	11.5	2.9	-
Department of Social Services	-	-	38.2	10.2	-
NDIS Quality and Safeguards Commission	-	-	1.4	1.4	-
Attorney-General’s Department	-	-	-	-	-
Total – Payments	-	5.8	51.1	14.5	-

The Government will provide \$71.4 million over three years from 2021-22 for advocacy, support and counselling services to people with disability in connection with their participation in the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability (the Royal Commission).

The Government agreed to extend the reporting date of the Royal Commission to 29 September 2023. The extension provides an additional 17 months having regard to the impact of COVID-19 and the broad issues of inquiry under the Royal Commission’s Letters Patent. 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 joint press release of 13 May 2021 issued by the Attorney-General and the Minister for Families and Social Services.

## Cross Portfolio

### Australian Trade System Support

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Agriculture, Water and the Environment	-	36.5	41.7	22.1	3.0
Australian Trade and Investment Commission	-	9.5	10.4	6.5	5.3
Department of Home Affairs	-	3.6	8.6	3.6	0.6
Department of the Prime Minister and Cabinet	-	0.3	0.3	-	-
Department of Infrastructure, Transport, Regional Development and Communications	-	-	-	-	-
<b>Total – Payments</b>	<b>-</b>	<b>49.9</b>	<b>61.0</b>	<b>32.1</b>	<b>8.8</b>

The Government will provide an additional \$154.5 million over four years from 2021-22 (and \$0.6 million per year ongoing) to support Australian exporters, modernise Australia’s trade system and streamline border clearance services. Funding includes:

- \$68.4 million to support agricultural producers to meet export requirements
- \$37.0 million for digital upgrades to improve biosecurity clearance processes and facilitate crossborder trade
- \$32.1 million to deliver options to enhance crossborder trade alignment and data sharing and to coordinate reforms across government
- \$17.0 million to provide advisory services for Australian exporters to adapt to evolving global market environments.

The cost of this measure will be partially met from within the existing resources of the Department of Home Affairs and the Department of Infrastructure, Transport, Regional Development and Communications.

This measure builds on the 2021-22 Budget measure titled *Simplified Trade System*.

### Closing the Gap Package

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
National Indigenous Australians Agency	-	5.7	22.5	28.7	25.1
Department of Education, Skills and Employment	-	22.7	44.3	42.3	14.5
Department of Health	-	4.9	51.5	51.5	46.5
Department of Social Services	-	9.5	22.3	17.7	-
Department of Infrastructure, Transport, Regional Development and Communications	-	4.6	6.2	7.0	5.0
Australian Institute of Aboriginal and Torres Strait Islander Studies	-	2.4	1.7	-	-
Department of the Treasury	-	2.0	3.4	3.4	2.7
Attorney General's Department	-	1.6	4.1	6.7	-
Department of Finance	-	0.1	-	-	-
Total – Payments	-	53.3	156.0	157.3	93.8

The Government will provide \$1.1 billion over four years from 2021-22 (and \$127.9 million in 2025-26) for a range of measures to support the new National Agreement on Closing the Gap. The Government will also fund a financial and wellbeing package to support Stolen Generation survivors from the Northern Territory, the Australian Capital Territory and the Jervis Bay Territory. Funding includes:

- \$254.4 million over four years to improve existing or build new health infrastructure to deliver services to Aboriginal and Torres Strait Islander communities
- \$81.8 million over four years to help Aboriginal and Torres Strait Islander children to be safe, healthy and ready to thrive in school by the age of five by expanding the *Connected Beginnings* program by an additional 27 sites
- \$74.9 million over four years to build three additional Studio Schools in remote areas and refurbish another school into the Studio Schools format to provide education on country and build relationships with culture and local community
- \$66.0 million over four years to expand existing alcohol and other drug services to be funded through the *Indigenous Advancement Strategy*
- \$45.0 million over four years to continue to work to improve the birthweight of Aboriginal and Torres Strait Islander children and improve health outcomes
- \$39.2 million over four years to support states and territories to review and redesign frontline service models including family violence, mental and physical health, substance abuse and disability



- \$38.6 million over three years to establish an Outcomes and Evidence Fund, to provide targeted grant funding to Aboriginal Community Controlled Organisations to deliver improved and codesigned methods of service delivery for Indigenous Australians
- \$29.9 million over four years to expand the *Community Child Care Fund Restricted* program, to fund an additional 20 majority Aboriginal and Torres Strait Islander run child care services in predominantly remote and very remote communities
- \$25.9 million over four years to establish ten City-Country School Partnerships with high performing non-government schools to provide support to remote schools which have a majority of Aboriginal and Torres Strait Islander students
- \$23.0 million over four years for literacy and numeracy programs to assist schools in metropolitan and remote areas with a majority of Aboriginal and Torres Strait Islander students
- \$22.8 million over four years to expand the *Indigenous Languages and Arts* program to further support Indigenous languages
- \$10.0 million over four years to the Coalition of Peaks secretariat to support its ongoing work relating to the National Agreement on Closing the Gap
- \$9.3 million over four years to fund the Aboriginal and Torres Strait Islander Legal Service to support clients involved in complex litigation and provide legal assistance to families of deceased Aboriginal and Torres Strait Islander individuals in coronial inquiries
- \$9.0 million over four years to establish four trial sites to replicate the *Early Years Education* program to improve school readiness and educational and health outcomes for young children facing family stress and social disadvantage
- \$8.3 million over three years to assist Aboriginal and Torres Strait Islander families resolve post-separation parenting and property disputes through culturally safe and appropriate family dispute resolution services delivered by Aboriginal Community Controlled Organisations
- \$7.7 million over three years to build workforce capability in the child and family support sector to improve the level of service provided to Aboriginal and Torres Strait Islander clients
- \$7.6 million over three years to establish a joined up approach to justice and achieving justice targets through a Justice Policy Partnership between Commonwealth, state and territory governments and Aboriginal and Torres Strait Islander representatives

- \$4.7 million over two years to undertake an analysis of the drivers of Closing the Gap outcomes and to develop a statistical model to test the potential impact of investments on Closing the Gap targets
- \$4.1 million over two years to undertake further work to develop options for the Ngurra Cultural Precinct.
- \$3.2 million over two years to assess the needs and increase the involvement of Aboriginal Community Controlled Organisations in the child and family support sector
- \$3.0 million over three years for community organisations to partner with Aboriginal and Torres Strait Islander communities to develop dual language books and digital resources to be used in schools and encourage the preservation of local Indigenous languages
- \$1.9 million over three years to design, implement and evaluate a hybrid instructional model trial of explicit instruction and play-based learning in two early learning centres, within urban and regional settings with a proportionately large number of Aboriginal and Torres Strait Islander children attending.

This measure also includes \$312.7 million over four years from 2021-22 (and \$65.8 million in 2025-26) to establish the Territories Stolen Generations Redress Scheme, which will provide a financial and wellbeing package for Stolen Generations survivors who were removed as children from their families in the Northern Territory and the Australian Capital Territory (prior to their respective self-government), and the Jervis Bay Territory.

Partial funding for this measure has already been provided for by the Government.

Further information can be found in the joint press release of 5 August 2021 issued by the Prime Minister and the Minister for Indigenous Australians.

### Commonwealth Parliamentary Workplaces – Independent Review and ongoing support measures

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Public Service Commission	-	-	-	2.7	2.7
Department of the Prime Minister and Cabinet	-	2.0	4.0	-	-
Department of Finance	-	nfp	nfp	nfp	nfp
<b>Total – Payments</b>	<b>-</b>	<b>2.0</b>	<b>4.0</b>	<b>2.7</b>	<b>2.7</b>

The Government will provide \$17.8 million over four years from 2021-22 to progress the recommendations of the report on the *Independent Review into Commonwealth Parliamentary Workplaces* (the Jenkins Review) and provide ongoing support services for parliamentary staff and Parliamentarians recommended by the *Foster Review on Responding to Serious Incidents*. Funding includes:

- \$6.3 million for the Parliamentary Workplace Support Service, including the independent complaints mechanism for serious incidents
- \$6.0 million to establish a taskforce to progress the recommendations of the Jenkins Review
- ongoing funding to provide support services for parliamentary staff and Parliamentarians, including through the continuation of the Safe and Respectful Workplaces Training Program, and the dedicated 24/7 Parliamentary Support Line. The costs of this component is not for publication (nfp) due to commercial sensitivities.

Partial funding for this measure has already been provided for by the Government.

This measure builds on the 2021-22 Budget measure titled *Parliamentary Staff and Parliamentarians – Independent Review into Commonwealth Parliamentary Workplaces and additional support measures*.

Further information can be found in the joint press releases of 26 July 2021 issued by the Prime Minister and the Minister for Finance and 30 November 2021 issued by the Prime Minister, the Minister for Finance, the Minister for Women, and the Special Minister of State.

**COVID-19 Response Package – additional aviation support – continued**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Trade and Investment Commission	-	312.4	38.5	-	-
Bureau of Meteorology	-	1.9	-	-	-
Department of Infrastructure, Transport, Regional Development and Communications	nfp	nfp	-	-	-
<b>Total – Payments</b>	<b>-</b>	<b>314.3</b>	<b>38.5</b>	<b>-</b>	<b>-</b>

The Government is providing additional funding of \$767.2 million over two years from 2021-22 to continue to support the aviation sector as part of the Government’s response to the COVID-19 pandemic. This will ensure domestic services, essential air services to regional communities and other operations across the sector continue, and will support jobs and transport safety. This includes funding to:

- establish the Retaining Domestic Airline Capability program until 31 December 2021 to preserve core domestic aviation capabilities and support up to 20,000 jobs in the aviation sector
- extend the *Domestic Airports Security Costs Support* program until 31 December 2021 to support domestic airports meeting the costs of Commonwealth mandated regulatory requirements for security services
- extend the 50 per cent waiver for domestic air services charges to aircraft operators until 31 December 2021
- extend the *Aviation Services Accreditation Support Program* until 31 December 2021, providing a 50 per cent subsidy to meet the cost of mandatory training, certification and accreditation for ground handling companies to support the recovery of domestic aviation
- extend the *International Aviation Support* program until 31 March 2022 to retain flight ready crews and maintain international aircraft in preparation for the return of international travel
- establish the *International Airports Security Charges Rebate Program* to partially meet Australian international airport operators’ fixed costs associated with mandatory international security screening until 31 March 2022
- continue the *International Freight Assistance Mechanism* until 30 June 2022 to keep two way supply chains open with key overseas markets.

The Government will also extend:

- the *Domestic Aviation Network Support* program until 31 December 2021 to continue to ensure essential air connectivity, provide certainty to the aviation sector and confidence to consumers while the COVID-19 vaccine continues to be rolled out
- the *Regional Airline Network Support* program until 31 March 2022 to continue to cover operating shortfalls for a limited number of services on regional routes to maintain air transport connectivity to regional communities
- the *Tourism Aviation Network Support Program* until 31 March 2022, with the booking deadline and travel period extended to 28 February 2022, to allow remaining tickets to be sold and used following the easing of border restrictions.

This brings total Government support for the aviation sector during COVID-19 to over \$5.1 billion.

The financial implications for the *Domestic Aviation Network Support* and the *Tourism Aviation Network Support* programs are not for publication (nfp) due to commercial sensitivities.

The cost of this measure will be partially met from within the existing resources of the Department of Infrastructure, Transport, Regional Development and Communications.

This measure builds on the 2020-21 MYEFO measure titled *COVID-19 Response Package – continuing aviation support* and the 2021-22 Budget measure titled *COVID-19 Response Package – aviation and tourism support – continued*.

Further information can be found in the press release of 2 August 2021 issued by the Minister for Infrastructure, Transport and Regional Development, the press release of 27 August 2021 issued by the Minister for Trade Tourism and Investment and the joint press releases of 20 September 2021 and 30 November 2021 issued by the Minister for Infrastructure, Transport and Regional Development and the Minister for Trade, Tourism and Investment.

### Digital Economy Strategy – additional funding

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of the Prime Minister and Cabinet	-	-	-	-	-
Australian Bureau of Statistics	-	2.8	-	-	-
Department of Industry, Science, Energy and Resources	-	1.9	11.8	11.2	11.6
Department of the Treasury	-	-	-	-	-
Australian Taxation Office	-	-	38.3	40.3	-
Services Australia	-	-	20.3	21.7	-
Digital Transformation Agency	-	-	11.5	10.2	-
Department of Home Affairs	-	-	5.2	5.2	-
Department of Foreign Affairs and Trade	-	-	3.6	3.6	-
Department of Infrastructure, Transport, Regional Development and Communications	-	0.6	8.9	8.6	4.5
Office of the Australian Information Commissioner	-	-	0.9	-	-
Department of Finance	-	-	0.1	-	-
<b>Total – Payments</b>	<b>-</b>	<b>5.3</b>	<b>100.6</b>	<b>100.8</b>	<b>16.1</b>
<i>Related receipts (\$m)</i>					
<i>Department of the Treasury</i>	<i>-</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>

The Government will provide an additional \$252.5 million over four years from 2021-22 to implement further initiatives under the *Digital Economy Strategy*, to support the goal of Australia as a leading digital economy and society by 2030. The *Digital Economy Strategy* provides the foundations to grow the digital economy and focuses investment on the settings, infrastructure and incentives to ensure businesses are able to lift productivity and be globally competitive.

The Government is providing additional funding for the following priorities:

- \$160.9 million over two years from 2022-23 to continue the Digital Identity system to improve online access to government services and payments
- \$111.0 million over twelve years from 2021-22 (and \$2.2 million per year ongoing) to establish a Quantum Commercialisation Hub and develop a National Quantum Strategy to support the commercialisation, adoption and use of quantum technologies in Australia
- \$27.1 million over four years from 2021-22 (and \$6.4 million per year ongoing) to the Office of the National Data Commissioner to improve the sharing and promote the greater use of public sector data

- \$22.6 million over four years from 2021-22 for a second round of the Australian 5G Innovation Initiative to support private sector investment in 5G testbeds and trials
- \$2.8 million in 2021-22 for the Australian Bureau of Statistics to scope enhancements to the data.gov.au website to improve public access to Government data
- \$0.8 million over two years from 2021-22 to identify interventions to meet Australia’s digital skills and inclusion needs in consultation with the industry, education and training sectors, with costs to be met from within the existing resources of the Department of the Prime Minister and Cabinet
- the Government will implement its response to the *Inquiry into the Future Directions for the CDR* to expand the functionality and scope of the Consumer Data Right for consumer benefit
- \$1.8 million over two years from 2021-22 to make Victorian energy reference data available through the Consumer Data Right
- provide a \$6.2 million concessional loan to the Australian Energy Market Operator (AEMO) in 2021-22 to enable AEMO to build the necessary IT system to share data through the Consumer Data Right regime.

Partial funding for this measure has already been provided for by the Government.

This measure builds on the 2021-22 Budget measure titled *Digital Economy Strategy*.

Further information can be found in the joint press release of 17 November 2021 issued by the Prime Minister, the Minister for Science and Technology, and the Minister for Superannuation, Financial Services and the Digital Economy and press release of 14 December 2021 issued by Minister for Superannuation, Financial Services and the Digital Economy.

See also the related receipt measure titled *Digital Games Tax Offset – expansion* in the Treasury Portfolio.

## Defence

### Joint Strike Fighter Industry Support Program – additional funding

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Defence	-	-	-	-	-

The Government will provide an additional \$60.0 million over seven years from 2021-22 to the *Joint Strike Fighter Industry Support Program*, which provides grants to support Australian industry participation in the production, sustainment and modernisation of the Joint Strike Fighter.

The cost of this measure will be met from within the existing resources of the Department of Defence.



## Education, Skills and Employment

### COVID-19 Response Package – transitional support for the child care sector

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Education, Skills and Employment	-	361.7	-	-	-
Services Australia	-	0.1	-	-	-
Total – Payments	-	361.9	-	-	-

The Government is providing \$361.9 million in 2021-22 to maintain critical child care services and reduce the pressure on families impacted by the COVID-19 pandemic. Funding includes:

- \$288.0 million to support eligible child care services impacted by extended COVID-19 lockdowns in Commonwealth declared hotspots
- \$73.9 million for the *Inclusion Support Program* to subsidise the cost of additional educators to support the inclusion of children with additional needs, including challenging and trauma-related behaviours, in mainstream child care services.

The Government will also permit child care providers to offer a discount on their gap fees to employees who have children in care at their workplace. This will support the retention and attraction of early childhood educators in the child care sector.

Further information can be found in the joint press release of 23 August 2021 issued by the Prime Minister and the Minister for Education and Youth.

### Supporting Australia’s Research and Higher Education Sectors

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Trade and Investment Commission	-	-	-	-	-
Department of Education, Skills and Employment	-	-107.3	161.7	62.5	61.1
<b>Total – Payments</b>	<b>-</b>	<b>-107.3</b>	<b>161.7</b>	<b>62.5</b>	<b>61.1</b>
<i>Related receipts (\$m)</i>					
<i>Department of Education, Skills and Employment</i>	-	-	-0.3	..	..

The Government will provide \$232.8 million over four years from 2021-22 (and forgo receipts of \$0.2 million over three years from 2022-23) to support Australia’s research and higher education sectors by building world class research capabilities, extending financial support for students in response to the COVID-19 pandemic, and assisting providers to diversify their course offerings and promote growth in target markets. Funding includes:

- \$188.4 million over four years from 2021-22 (and \$55.1 million in 2025-26) in grants for four trailblazing universities to build new research capabilities and invest in new industry engagement opportunities, which are aligned to the National Manufacturing Priorities. This will include up to \$30.0 million in CSIRO specialist equipment to support in-house commercialisation capacity and the establishment of innovation hubs
- \$32.5 million over four years from 2021-22 (and \$98.8 million over ten years) to develop and deliver industry-focused micro-credentials by higher education providers for domestic and offshore students, and accelerate the completion of the Australian Skills Classifications to help identify in-demand skills to underpin the micro-credentials
- \$9.4 million in 2021-22 to provide grants of up to \$150,000 to eligible private English Language Intensive Courses for Overseas Students providers to diversify into online and offshore education delivery
- \$2.1 million to rebuild the Study Australia website to improve mobile device access for international students to explore study options and courses available to them, and to provide the capability to analyse course search data to generate commercially-relevant market insights for providers
- \$0.3 million over four years from 2021-22 (and \$0.2 million in forgone receipts), with a negative \$80.4 million impact in fiscal balance terms, to extend the existing FEE-HELP loan fee exemption by 12 months to 31 December 2022.

Universities and higher education providers will also be supported to deliver innovative industry focused short courses in 2022 through a rollover of unspent 2021 funding. Funding for short courses was provided in the 2020-21 Budget and the 2021-22 Budget to support Australians to upskill or retrain in national priority areas.

In addition, students from inner regional areas will be able to apply for the Tertiary Access Payment from 1 January 2022. Eligible students will receive a \$3,000 payment in their first year of study to assist with the expense of relocating to their place of study. Students from outer regional and remote areas will continue to be able to apply for a \$5,000 payment under the program.

The cost of this measure will be partially met from within the existing resources of the Department of Education, Skills and Employment and Austrade.

This measure builds on the 2021-22 Budget measure titled Higher Education – additional support for tertiary and international education providers.

Further information can be found in the joint press release of 24 November 2021 issued by the Prime Minister, Minister for Education and Youth, Minister for Regionalisation, Regional Communications and Regional Education and Minister for Defence, Industry and Science and Technology, in the joint press release of 25 November 2021 issued by the Minister for Education and Youth and the Minister for Immigration, Citizenship, Migrant Services and Multicultural Affairs, in the press release of 7 December 2021 issued by the Minister for Employment, Workforce, Skills, Small and Family Business.

### Supporting Jobs in the Economic Recovery

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Education, Skills and Employment	-	102.4	379.4	284.1	80.6
Department of Industry, Science, Energy and Resources	-	-	-	-	-
Department of Veterans' Affairs	-	..	0.1	0.1	0.1
Department of Social Services	-	-0.3	-1.6	-1.6	-1.7
Total – Payments	-	102.1	377.7	282.3	78.9

The Government will provide \$896.0 million over four years from 2021-22 (and \$0.9 million per year ongoing) to address workforce shortages, increase support for job seekers, and make it easier for vulnerable Australians to participate in the workforce. Funding includes:

- \$715.8 million over four years from 2021-22 to boost apprenticeship outcomes through the Completing Apprenticeship Commencements wage subsidy. After twelve months of support on the Boosting Apprenticeship Commencements wage subsidy, participants will transition to the Completing Apprenticeship Commencements wage subsidy. This wage subsidy will reimburse eligible businesses 10 per cent of an apprentice or trainee’s wage up to \$1,500 per quarter in the second year, and 5 per cent of wages up to \$750 per quarter in the third year
- \$74.7 million over four years from 2021-22 to expand and extend the *Launch into Work* program until June 2028, through partnerships with large employers, as well as small and medium businesses, to fund tailored pre-employment projects to build the skills and experience of job seekers for ongoing entry-level roles
- \$49.3 million over three years from 2021-22 to expand the *Skills Checkpoint for Older Workers Program*, supporting up to 10,000 participants per financial year and extend the *Skills and Training Incentive* to support up to 7,500 participants per financial year. Eligibility for both programs has been lowered to participants aged over 40 years, increasing assistance for older Australians seeking to re-skill and transition into new careers
- \$19.7 million over three years from 2021-22 to increase the employability of skilled, onshore migrants, including those without a skills assessment or working below their skill level, by providing incentives to fast-track skills assessments in priority occupations
- \$10.5 million over three years from 2021-22 to work intensively with the New South Wales and South Australian governments to fast track entry into the workforce through the apprenticeship and traineeship sector, by piloting novel approaches to accelerate qualification completion time

- \$10.2 million over four years from 2021-22 (and \$0.9 million per year ongoing) to create an education, skills, and employment data asset, to support the provision of comprehensive workforce, skills, and labour market information
- \$8.0 million in 2021-22 to deliver an additional 25 *Jobs Fairs* to better connect job seekers to local workforce needs
- \$3.8 million in 2021-22 to strengthen the role of *jobactive* providers, tighten compliance action and improve job matching to help job seekers in to employment and alleviate labour and skills shortages in their local areas
- \$1.7 million in 2021-22 to extend the *AgMove* program trial to 30 June 2022 and provide additional funding for *Harvest Trail Services* providers to continue delivering assistance to more participants
- \$1.4 million in 2021-22 to trial the provision of career coaching for job seekers of all ages participating in Digital Services as part of the New Employment Services Model. The trial will leverage the existing National Career Institute *School Leaver Information Service* architecture to provide career coaching to Online Employment Services participants, to help them secure employment
- \$1.0 million in 2021-22 to develop a Manufacturing Workforce Strategy with industry to identify critical skills gaps in Australia’s manufacturing sector and ensure Australian manufacturers have access to a pipeline of highly skilled workers.

The cost of this measure will be partially met from within the existing resources of the Department of Education, Skills, and Employment and the Department of Industry, Science, Energy, and Resources.

The package is also estimated to achieve efficiencies of \$52.3 million over four years from 2021-22 (and \$10.9 million per year ongoing) by streamlining employment services and strengthening the apprenticeship and traineeship sector to operate more efficiently.

Further information can be found in the press releases of 28 September 2021 and 7 December 2021 issued by the Minister for Employment, Workforce, Skills, Small and Family Business.

## Finance

### COVID-19 Response Package – Centres for National Resilience

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Defence	-	nfp	-	-	-
Department of Finance	-	nfp	-	-	-
Total – Payments	-	nfp	-	-	-

The Government will provide funding in 2021-22 to build Centres for National Resilience in Queensland, Victoria and Western Australia. The Centres will deliver additional quarantine capacity to respond to COVID-19 and enhance Australia’s ability to respond to future national disasters, health, or humanitarian emergencies.

The expected total cost of this measure is not for publication (nfp) due to commercial sensitivities during the procurement stages. Advances to the Finance Minister (AFMs) are being issued monthly, from November 2021 until Additional Estimates Bills are available, providing funding for liabilities payable to contractors in preceding periods. The first AFM covers \$218 million of early works.

Further information can be found in the press release of 23 July, 17 August, 27 August, and 19 November 2021 issued by the Minister for Finance.

### Department of Finance – additional resourcing

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Finance	-	3.1	2.6	3.2	1.3

The Government will provide \$10.2 million over four years from 2021-22 (and \$0.8 million per year ongoing) to the Department of Finance to support cloud based environments as a communications enabler for Government agencies.

### Improving Confidence in the Electoral Process

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Electoral Commission	-	8.1	2.4	2.0	2.6
Department of Finance	-	0.4	-	-	-
Total – Payments	-	8.5	2.4	2.0	2.6

The Government will provide \$15.5 million over four years from 2021-22 for initiatives to further strengthen the integrity of Australia’s electoral system, modernise electoral processes, improve services to Australian voters and maintain confidence including by:

- improving assurance of computer systems and processes used to capture and count votes
- requiring greater transparency from political actors seeking to influence voters, by broadening the criteria for registration by politically active persons and entities
- enhancing the capacity of the Australian Electoral Commission to detect, investigate and prosecute non-compliance with electoral funding and disclosure laws.

Further information can be found in the press release of 12 August 2021 issued by the Assistant Minister for Electoral Matters and the press release of 22 November 2021 issued by the Special Minister of State.

### Indigenous Engagement

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Electoral Commission	-	0.3	3.7	3.3	2.2

The Government will provide \$9.4 million over four years from 2021-22 to support the participation of Aboriginal and Torres Strait Islander Peoples in Australian elections.

Increased funding will deliver an expanded *Indigenous engagement program*, designed and delivered in partnership with local Indigenous communities, to improve electoral awareness and participation and provide additional flexibility for electoral roll systems to better capture and link traditional, kinship and other recognised names.

Further information can be found in the joint press release of 28 October 2021 issued by the Minister for Indigenous Australians and the Special Minister of State.

## Foreign Affairs and Trade

### ASEAN-Australia Comprehensive Strategic Partnership

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Foreign Affairs and Trade	-	-	7.8	20.1	16.3

The Government will provide \$160.9 million over nine years from 2022-23 for initiatives to support a Comprehensive Strategic Partnership with the Association of Southeast Asian Nations (ASEAN), including:

- the ASEAN Futures Initiative to fund projects, jointly identified by ASEAN and Australia, to address emerging challenges in the region
- the ASEAN-Australia Awards to support scholarships for emerging ASEAN leaders
- the ASEAN Digital Transformation and Future Skills Initiative to support ASEAN students to study in Australia.

Further information can be found in the joint press release of 27 October 2021 issued by the Prime Minister and the Minister for Foreign Affairs.

### Australia's Overseas Presence – enhancements

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Foreign Affairs and Trade	-	1.2	5.0	2.4	2.3

The Government will provide \$36.3 million over four years from 2021-22 (and \$2.3 million per year ongoing) to enhance Australia's overseas presence, including:

- establishing a permanent Australian Mission in Bern, Switzerland
- continuing Australian representation to Afghanistan following the international military withdrawal and the closure of the Australian Embassy in Kabul.

The cost of this measure will be partially met from within the existing resources of the Department of Foreign Affairs and Trade.

Further information can be found in the joint press release of 25 May 2021 issued by the Prime Minister and the Minister for Foreign Affairs.



**Australian Agriculture Visa**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Foreign Affairs and Trade	-	5.4	18.7	20.5	16.8
Department of Home Affairs	-	3.1	4.1	3.9	3.9
Fair Work Ombudsman and Registered Organisations Commission	-	1.3	1.9	2.7	2.8
Department of Agriculture, Water and the Environment	-	0.4	0.5	0.5	0.5
Department of the Treasury	-	..	5.0	15.0	15.0
<b>Total – Payments</b>	-	10.1	30.3	42.7	39.0
<i>Related receipts (\$m)</i>					
<i>Australian Taxation Office</i>	-	..	20.0	50.0	55.0
<i>Department of Home Affairs</i>	-	..	5.0	10.0	10.0
<b>Total – Receipts</b>	-	..	25.0	60.0	65.0

The Government will provide \$87.2 million over four years from 2021-22 (and \$23.4 million per year ongoing from 2025-26) to introduce the Australian Agriculture Visa (AgVisa) scheme to respond to workforce shortages in the agricultural and primary industry sectors. The AgVisa scheme allows workers to take up opportunities in rural and regional Australia across a range of agricultural industries, including meat processing and the fishery and forestry sectors.

This measure is estimated to increase receipts by \$150.0 million and increase GST payments to the states and territories by \$35.0 million over the forward estimates period.

Further information can be found in the joint press release of 23 August 2021 issued by the Minister for Infrastructure, Transport and Regional Development, the Minister for Agriculture and Northern Australia, the Minister for Foreign Affairs and the Minister for Immigration, Citizenship, Migrant Services and Multicultural Affairs, and the press release of 1 October 2021 issued by the Minister for Agriculture and Northern Australia.

See also the related payment measure titled *Pacific Labour Mobility – reforms* in the Foreign Affairs portfolio.

**Australian Infrastructure Financing Facility for the Pacific Projects**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Various Agencies	-	nfp	nfp	nfp	nfp
<i>Related receipts (\$m)</i>					
<i>Various Agencies</i>	-	nfp	nfp	nfp	nfp

The Government will support additional infrastructure investment in the Pacific including funding provided through the Australian Infrastructure Financing Facility for the Pacific to:

- Airports Fiji Pte Ltd to fund essential maintenance and capital works at Nadi International Airport and several outer island airports in Fiji
- the Government of Papua New Guinea to support the upgrade of priority ports.

The Government will also provide additional funding to support the development of a solar photovoltaic facility and battery storage system in Palau.

The financial implications of this measure are not for publication (nfp) due to commercial sensitivities.

This measure builds on the 2020-21 MYEFO measure titled *Australian Infrastructure Financing Facility for the Pacific – support for the Republic of Palau*.

**Comprehensive Strategic Partnership with India – new initiatives**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Foreign Affairs and Trade	-	0.1	8.9	9.2	7.2
Department of Industry, Science, Energy and Resources	-	-	1.0	0.8	0.9
Australian Trade and Investment Commission	-	-	..	0.5	0.3
<b>Total – Payments</b>	<b>-</b>	<b>0.1</b>	<b>9.9</b>	<b>10.5</b>	<b>8.4</b>

The Government will provide \$36.6 million over five years from 2021-22 (and \$5.2 million per year ongoing) for initiatives to support the Comprehensive Strategic Partnership with India, including:

- an expanded diplomatic presence at the Australian Consulate-General, Bengaluru, to deepen Australia’s engagement with India and maximise opportunities for Australian industry in a key commercial hub
- a Centre of Excellence for Critical and Emerging Technology Policy to shape technology governance and support an open, inclusive and resilient Indo-Pacific.

**Continued Assistance to Palau**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Foreign Affairs and Trade	-	-	-	-	-

The Government will provide \$12.0 million over three years from 2022-23 (and \$4.0 million per year ongoing from 2025-26) to support Palau, 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.

**COVID-19 Response Package – international COVID-19 vaccination certificate**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Foreign Affairs and Trade	-	14.8	5.8	-	-
Services Australia	-	11.9	0.6	-	-
Department of Health	-	1.1	1.5	-	-
Total – Payments	-	27.8	7.9	-	-

The Government will provide \$55.5 million over two years from 2021-22 to provide Australia with a secure, internationally-recognised COVID-19 vaccination certificate.

The cost of this measure will be partially met from within the existing resources of Services Australia.

Further information can be found in the joint press release of 18 October 2021 issued by the Minister for Foreign Affairs, the Minister for Health and Aged Care, the Minister for Trade, Tourism and Investment, the Minister for Home Affairs, the Minister for Employment, Workforce, Skills, Small and Family Business and the Minister for Government Services.

**COVID-19 Response Package – tourism support – continued**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Trade and Investment Commission	-	58.5	0.2	-	-

The Government will provide \$58.6 million over two years from 2021-22 to continue support for the Australian tourism sector as part of the Government’s response to the COVID-19 pandemic.

This measure builds on the 2021-22 Budget measure titled *COVID-19 Response Package – aviation and tourism support – continued*.

Further information can be found in the press release of 6 October 2021 issued by the Minister for Trade, Tourism and Investment.

**Export Finance Facility**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Export Finance and Insurance Corporation	-	nfp	nfp	nfp	nfp
<i>Related receipts (\$m)</i>					
<i>Export Finance and Insurance Corporation</i>	-	nfp	nfp	nfp	nfp

The Government will provide a financing package of USD\$1.3 billion (AUD\$1.8 billion) to support Telstra’s acquisition of Digicel Pacific. Telstra will own and operate Digicel Pacific, contributing to secure and reliable infrastructure in the Pacific region.

The financing package will be provided through Export Finance Australia and include debt and equity-like securities designed to secure a long-term return on the Government’s financing.

The financial implications of this measure are not for publication (nfp) due to commercial sensitivities.

Further information can be found in the joint press release of 25 October 2021 issued by the Minister for Foreign Affairs, the Minister for Trade, Tourism and Investment and the Minister for International Development and the Pacific.

**OECD – sustainable agriculture research**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Foreign Affairs and Trade	-	1.0	1.0	1.0	-

The Government will provide \$3.0 million over three years from 2021-22 to the Organisation for Economic Co-operation and Development (OECD) to support research on global agricultural trade and sustainable agriculture.

**Pacific Labour Mobility – reforms**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Foreign Affairs and Trade	-	10.4	14.1	11.6	11.0
Department of the Treasury	-	10.0	15.0	15.0	10.0
Department of Education, Skills and Employment	-	5.0	7.4	6.1	6.2
Fair Work Ombudsman and Registered Organisations Commission	-	2.2	2.4	2.4	2.4
<b>Total – Payments</b>	-	<b>27.7</b>	<b>38.9</b>	<b>35.2</b>	<b>29.6</b>
<i>Related receipts (\$m)</i>					
<i>Australian Taxation Office</i>	-	<i>30.0</i>	<i>40.0</i>	<i>35.0</i>	<i>35.0</i>
<i>Department of Home Affairs</i>	-	<i>10.0</i>	<i>5.0</i>	<i>5.0</i>	<i>5.0</i>
<b>Total – Receipts</b>	-	<b>40.0</b>	<b>45.0</b>	<b>40.0</b>	<b>40.0</b>

The Government will provide \$81.3 million over four years from 2021-22 (and \$18.9 million in 2025-26) to increase Pacific labour mobility, including:

- supporting an additional 12,500 Pacific workers under the Pacific Labour Scheme by 2022 to address workforce shortages in regional Australia
- establishing the Pacific Australia Labour Mobility (PALM) scheme as an uncapped, demand driven program by consolidating the *Seasonal Worker Programme* and the Pacific Labour Scheme from April 2022.

This measure is estimated to increase receipts by \$165.0 million and GST payments to the states and territories by \$50.0 million over the forward estimates period.

Further information can be found in the joint press release of 23 November 2021 issued by the Minister for Foreign Affairs and the Minister for International Development and the Pacific.

**Strengthening Australia’s Sanctions Laws**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Foreign Affairs and Trade	-	1.1	2.2	2.3	-

The Government will provide \$5.7 million over three years from 2021-22 to implement Australia’s autonomous sanctions reform to enable the imposition of targeted financial sanctions and travel bans against the perpetrators of acts of international concern.

Further information can be found in the press release of 5 August 2021 issued by the Minister for Foreign Affairs.

## Health

### Ageing and Aged Care

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Health	-	251.8	186.9	31.3	20.9
Services Australia	-	5.4	33.6	-	-
Aged Care Quality and Safety Commission	-	3.3	18.8	13.5	14.2
National Disability Insurance Scheme Launch Transition Agency	-	2.7	5.4	5.4	5.4
Australian Digital Health Agency	-	1.5	1.5	-	-
Australian Human Rights Commission	-	0.4	0.6	-	-
Department of Finance	-	0.2	0.2	-	-
Attorney-General's Department	-	0.1	11.2	10.8	11.3
Department of Veterans' Affairs	-	-	0.3	-	-
<b>Total – Payments</b>	<b>-</b>	<b>265.4</b>	<b>258.4</b>	<b>60.9</b>	<b>51.9</b>
<i>Related receipts (\$m)</i>					
<i>Australian Taxation Office</i>	-	-	2.0	2.0	-

The Government will provide \$636.6 million over four years from 2021-22, and \$45.5 million in 2025-26 to further implement the Government's response to the Royal Commission into Aged Care Quality and Safety, improve transparency and regulatory standards and continue ongoing reforms announced in the 2021-22 Budget. Funding includes:

#### Pillar 1: Home Care

- \$229.3 million over two years from 2021-22 for the *Disability Support for Older Australians Program* to ensure that older Australians with a disability who were not eligible for the National Disability Insurance Scheme continue to receive the support they need
- \$154.0 million over two years from 2021-22 to replace the aged care information and communications technology (ICT) system and to begin work on an ICT system to support a new in-home care program
- \$34.4 million over four years from 2021-22 (\$13.8 million in 2025-26) to expand and improve the Community Visitors Scheme to address social isolation for harder to reach senior Australians.

Pillar 2: Residential Aged Care Services and Sustainability

- \$64.2 million in 2021-22 to provide additional funding for the Business Improvement Fund and the *Structural Adjustment Program* to continue assisting eligible aged care providers to improve their financial operations.

Pillar 3: Residential Aged Care Quality and Safety

- \$44.1 million over four years from 2021-22 (\$15.8 million in 2025-26) to implement the Serious Incident Response Scheme for in-home care and tackle elder abuse by continuing the *Elder Abuse Service Trials*
- \$34.8 million over four years from 2021-22 (\$5.5 million in 2025-26) for measures to deliver sustained reductions in the number of younger people in residential aged care
- \$27.0 million over four years from 2021-22 (\$5.4 million in 2025-26) to ensure aged care providers are complying with new legislative requirements coming into effect from 1 March 2022
- \$15.1 million over four years from 2021-22 (\$4.9 million in 2025-26) to continue a number of services and initiatives that protect elderly Australians from abuse, including telephone line National Knowledge Centre Hub and awareness raising activities, which build on the Australian Government's commitments under the *National Plan to Respond to the Abuse of Older Australians 2019-2023*
- \$6.3 million in 2022-23 to transition the prudential regulation function from the Department of Health to the Aged Care Quality and Safety Commission to create a fully independent prudential regulator from 1 July 2023
- \$5.7 million over three years from 2021-22 to fund the Australian Commission on Safety and Quality in Health Care to review clinical care standards by 31 December 2022 and to formulate clinical safety standards for aged care
- introduce new compliance notices and civil penalties for residential aged care providers.

Pillar 4: Workforce

- \$13.1 million over two years from 2022-23 for the introduction of a new six month retention bonus payment to aged care nurses regardless of working location and expanding the scope of the current aged care nurses workforce bonus to registered nurses that work in an extended range of rural locations.



## Pillar 5: Governance

- \$8.8 million over two years from 2021-22 to appoint an interim Inspector-General of Aged Care from early 2022.

This measure builds on the 2021-22 Budget measures titled *Aged Care – Government response to the Royal Commission into Aged Care Quality and Safety – governance and regional access*; *Aged Care – Government response to the Royal Commission into Aged Care Quality and Safety – home care*; *Aged Care – Government response to the Royal Commission into Aged Care Quality and Safety – residential aged care quality and safety*; *Aged Care – Government response to the Royal Commission into Aged Care Quality and Safety – residential aged care services and sustainability*; and *Aged Care – Government response to the Royal Commission into Aged Care Quality and Safety – workforce*.

**COVID-19 Response Package – ageing and aged care**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Health	-	193.9	40.2	-	-
Services Australia	-	0.1	-	-	-
Department of Veterans' Affairs	-	0.1	-	-	-
Total – Payments	-	194.1	40.2	-	-

The Government will provide \$246.8 million over four years from 2021-22 to support older Australians and the aged care sector with managing the impacts of the COVID-19 pandemic. Funding includes:

- \$146.8 million over two years from 2021-22 to continue the *COVID-19 Aged Care Preparedness* program that supports aged care providers to manage and prevent outbreaks of COVID-19, including infection control training
- \$38.0 million over two years from 2021-22 to extend the Support for Aged Care Workers in COVID-19 Grant to minimise the risk of infection to aged care workers, residents and other consumers of aged care services
- \$32.1 million in 2021-22 to extend in-reach screening for COVID-19 in residential aged care facilities using Polymerase Chain Reaction technology for a further six months to 30 June 2022
- \$16.1 million in 2021-22 to implement Rapid Antigen Testing in aged care facilities in areas impacted by COVID-19

- \$11.0 million in 2021-22 to establish the Residential Aged Care COVID-19 Employee Vaccination Support Grant to provide residential care providers the financial support to enable their staff to go off-site to receive a vaccination
- \$1.4 million over four years from 2021-22 in administration costs to extend the application and repayment period under the *Refundable Accommodation Deposit Support Loan Program*
- \$1.3 million in 2021-22 to extend support for the Victorian Aged Care Response Centre.

The cost of this measure will be partially met from within existing resources of the Department of Health.

This measure builds on the 2020-21 MYEFO measure titled *COVID-19 Response Package – ageing and aged care* and the 2021-22 Budget measure titled *Aged Care – Government response to the Royal Commission into Aged Care Quality and Safety – residential aged care quality and safety*.

Further information can be found in the press releases of 2 July, 16 August and 3 December 2021 issued by the Minister for Health and Aged Care.

### **COVID-19 Response Package – COVID-19 Vaccine Program**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Health	-	894.4	115.0	-	-
Department of the Treasury	-	75.6	-	-	-
Services Australia	-	18.5	0.2	-	-
Australian Digital Health Agency	-	2.9	-	-	-
Department of Veterans' Affairs	-	2.0	0.1	-	-
<b>Total – Payments</b>	-	<b>993.5</b>	<b>115.3</b>	-	-

The Government will provide \$1.1 billion over two years from 2021-22 for the distribution and uptake of COVID-19 vaccines across Australia. Funding includes:

- \$599.0 million over two years from 2021-22 for the administration of primary and booster doses in primary care settings, pharmacies, aged and disability care facilities, and Aboriginal and Torres Strait Islander and culturally and linguistically diverse communities
- \$259.6 million over two years from 2021-22 for COVID-19 vaccine distribution, logistics and storage functions, and to purchase additional vaccine consumables

- \$174.6 million in 2021-22 for the implementation, monitoring, communications and reporting functions of the vaccine rollout, including digital and non-digital capabilities, and expert advisory services
- \$75.6 million in 2021-22 for the *National Partnership on COVID-19 Response for vaccines*.

This measure builds on the 2021-22 Budget Measure *COVID-19 Response Package – vaccine purchases and rollout*. Further information can be found in the press release of 28 October 2021 issued by the Prime Minister.

### COVID-19 Response Package – guaranteeing Medicare and access to medicines

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Health	-	260.7	10.7	-	-
Department of Veterans' Affairs	-	3.4	0.2	-	-
Services Australia	-	2.7	..	-	-
Total – Payments	-	266.8	11.0	-	-

The Government will provide \$277.8 million over two years from 2021-22 to continue the health response to the COVID-19 pandemic, to support access to health care services, and reduce the risk of community transmission of COVID-19. Funding includes:

- \$266.9 million to extend temporary Medicare Benefits Schedule (MBS) pathology items for the testing and detection of COVID-19
- \$8.8 million to provide expanded Point of Care Testing for COVID-19 to vulnerable groups including Aboriginal and Torres Strait Islander people in response to the COVID-19 Delta outbreak
- \$2.5 million to temporarily increase access to telehealth services, including longer telephone and admitted patient items, supporting the Government's response to the COVID-19 Delta outbreak
- \$0.3 million to extend the emergency continued dispensing arrangements for a further six months to 30 June 2022, and replace with an amended ongoing continued dispensing measure from 1 July 2022
- \$0.2 million to list temporary items on the MBS for cardiac magnetic resonance imaging services to support the diagnosis of myocarditis associated with mRNA COVID-19 vaccines

- extend the Home Medicines Service until 30 June 2022, utilising funding already provided by Government, and a refined eligibility criteria to support access to medicines.

This measure builds on the 2021-22 measure titled *COVID-19 Response Package – guaranteeing Medicare and access to medicines – extension*.

### COVID-19 Response Package – prioritising mental health

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Health	-	32.0	58.4	-	-
Department of the Treasury	-	1.5	-	-	-
Services Australia	-	-	0.4	-	-
Total – Payments	-	33.5	58.8	-	-

The Government will provide \$92.3 million over two years from 2021-22 to further respond to the mental health impacts of COVID-19. Funding includes:

- \$58.8 million in 2022-23 to extend COVID-19 mental health support services available under the *Better Access* initiative to psychiatrists, psychologists, and general practitioners through the Medicare Benefits Schedule until 31 December 2022
- \$19.8 million for pop-up mental health clinics in New South Wales (NSW) and Victoria, and for mental health services in the Australian Capital Territory
- \$12.3 million for online mental health services in NSW
- \$1.5 million to fund Lifeline to extend its messaging mental health services.

Further information can be found in the joint press releases of 13 July 2021 and 8 August 2021 issued by the Minister for Health and Aged Care and the Assistant Minister to the Prime Minister for Mental Health and Suicide Prevention and the joint press release of 21 September 2021 issued by the Minister for Health and Aged Care, the Assistant Minister to the Prime Minister for Mental Health and Suicide Prevention and the Minister for International Development and the Pacific.

**COVID-19 Response Package – strengthening primary care**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Health	-	187.0	0.4	-	-
Department of the Treasury	-	13.0	-	-	-
Services Australia	-	0.3	-	-	-
Department of Veterans' Affairs	-	0.2	-	-	-
<b>Total – Payments</b>	-	<b>200.5</b>	<b>0.4</b>	-	-

The Government will provide \$200.9 million over two years from 2021-22 to continue to support the primary care system through the COVID-19 pandemic. Funding includes:

- \$121.8 million to extend the operational timeframe of the *General Practitioner-led Respiratory Clinic* program to 30 June 2022
- \$22.3 million for pulse oximeters, and for Primary Health Networks to assist in distributing pulse oximeters and personal protective equipment from the National Medical Stockpile to areas of need
- \$16.6 million to commission medical deputising services, large practices, nurse practitioners and practice nurses to conduct home visits or after-hours services for COVID-positive patients, focusing on regional and rural areas
- \$13.2 million for a national triage, management and escalation service for Healthdirect Australia to support COVID-positive patients
- \$9.7 million to support face-to-face care of COVID-positive patients by General Practitioners
- \$9.3 million for the development and update of regional COVID-positive care pathways and to support the development of health workforce contingency plans for rural and remote areas
- \$8.0 million to support Australian Medical Assistance Teams (AUSMAT) to respond to COVID-19 in remote and vulnerable communities.

Further information can be found in the press release of 29 October 2021 issued by the Minister for Health and Aged Care.

### COVID-19 Response Package – supporting our hospitals

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of the Treasury	-	809.1	127.8	-	-
Department of Health	-	58.7	0.8	-	-
Australian Federal Police	-	6.5	-	-	-
Total – Payments	-	874.2	128.6	-	-
<i>Related receipts (\$m)</i>					
<i>Department of Health</i>	-	11.3	3.8	-	-

The Government will provide \$1.0 billion over two years from 2021-22 to support the Government’s emergency response to COVID-19. Funding includes:

- \$752.1 million to extend the *National Partnership on COVID-19 Response* to continue support for the states and territories in managing the public health response to COVID-19
- \$181.6 million to continue quarantine services in the Northern Territory to 30 June 2022 with costs to be partially met from funding allocated to the existing agreement with the Northern Territory Government. These costs will be partially recovered from the people who quarantine in the facility
- \$56.9 million to continue and expand activities of the National Incident Centre and Therapeutic Goods Administration, and to support the expanded operation and modelling for the National Medical Stockpile, with the cost of this measure partially met from within the existing resources of the Department of Health
- \$12.2 million to South Australia to support a trial of its Home Quarantine Mobile Application for use in other jurisdictions
- providing a minimum funding guarantee for all states and territories in 2021-22 to ensure payments under the National Health Reform Agreement are not impacted by the COVID-19 pandemic.

**COVID-19 Response Package – vaccines and treatments purchases**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Services Australia	-	nfp	nfp	nfp	nfp
Department of Health	-	nfp	nfp	nfp	nfp
Total – Payments	-	nfp	nfp	nfp	nfp

The Government has entered into advance purchase agreements for a diverse portfolio of COVID-19 treatment options on the advice of the Science and Industry Technical Advisory Group, including:

- oral protease inhibitor by Pfizer
- molnupiravir by Merck, Sharp and Dohme
- tixagevimab and cilgavimab (Evusheld®) by AstraZeneca
- sotrovimab (Xevudy®) by GlaxoSmithKline
- casirivimab and imdevimab (Ronapreve®) by Roche and Regeneron
- remdesivir (Veklury®) by Gilead Sciences.

The Government has also entered into purchase contracts for an additional 86.5 million booster doses of the Pfizer BioNTech vaccine (Comirnaty®), and one million doses of the Moderna vaccine (Spikevax®). This has increased the Government’s total supply of vaccine doses to 281.9 million.

The Government has established a COVID-19 Vaccine Claims Scheme to provide access to compensation for claims related to the administration of Therapeutic Goods Administration approved COVID-19 vaccines.

The Government has provided support for small scale, fill and finish manufacturing capability for COVID-19 vaccines.

The financial implications of this measure are not for publication (nfp) due to commercial sensitivities.

This measure builds on the 2021-22 Budget Measure titled *COVID-19 Response Package – vaccine purchases and rollout*, and the 2020-21 MYEFO measure titled *COVID-19 Response Package – vaccination and treatment*.

Further information can be found in the joint press release of 25 July 2021 issued by the Prime Minister and the Minister for Health and Aged Care, the joint press release of 12 September 2021 issued by the Prime Minister, the Minister for Foreign Affairs and the Minister for Health and Aged Care and the press release of 17 October 2021 issued by the Minister for Health and Aged Care.

### Guaranteeing Medicare – Medicare Benefits Schedule new and amended listings

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Services Australia	-	0.9	..	0.1	0.1
Department of Health	-	0.1	15.0	25.6	26.8
Department of Veterans' Affairs	-	..	0.3	0.3	0.3
National Blood Authority	-	-	-1.7	-1.7	-1.8
<b>Total – Payments</b>	<b>-</b>	<b>1.0</b>	<b>13.6</b>	<b>24.2</b>	<b>25.5</b>
<i>Related receipts (\$m)</i>					
<i>National Blood Authority</i>	-	-	-0.6	-0.6	-0.7

The Government will provide \$41.8 million over four years from 2021-22 to amend the Medicare Benefits Schedule (MBS). Funding includes:

- \$22.5 million for a range of genetic testing services for alpha thalassemia, heritable kidney disease, inheritable cardiac arrhythmia disorders, inheritable cardiomyopathies and an expansion of myeloproliferative neoplasms testing services
- \$14.2 million for prostate specific positron emission tomography services to inform the treatment of patients with prostate cancer
- \$2.4 million to expand access to left atrial appendage closure for patients with an increased risk of stroke
- \$2.2 million to expand access to self-collected cervical screening tests under the *National Cervical Screening Programs*
- \$0.5 million for less invasive services for prenatal testing, transcatheter aortic valve implantations, and remote programming of auditory implants and sound processors.

The Government will also provide \$32.3 million over four years from 2021-22 to respond to the MBS Review Taskforce's recommendations to align the MBS with contemporary practice, tighten clinical indicators, list new items, remove obsolete items and restrict inappropriate co-claiming. Funding includes:

- \$29.9 million to improve access to primary health care services delivered by allied health professionals for Aboriginal and Torres Strait Islander people and children and young adults accessing complex health services
- \$4.8 million for further changes to plastic and reconstructive surgery services to align mandible and maxilla osteotomy items with best clinical practice and to reflect procedural complexity
- \$3.1 million for the removal of extradural spinal lesions and tumours



- \$2.8 million to align anaesthesia services with contemporary clinical practice
- \$0.8 million to update schedule fees to recognise the complexity of services relating to the extraction of pacemaker and defibrillator leads and prevent service gaps in gynaecological services
- savings of \$9.1 million resulting from a restructure of intrapartum items and maternity care plans for participating midwives to reduce the number of women with multiple care plans and ensure a higher standard of care.

Partial funding for this measure has already been provided for by the Government.

### Guaranteeing Medicare – strengthening primary care

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Health	-	-	-	-	-
Services Australia	-	-	-	-	-
Department of Veterans' Affairs	-	-	-	-	-
Total – Payments	-	-	-	-	-

The Government will provide \$108.2 million over four years from 2021-22 to continue modernising the health system and improving the delivery of primary health care services for Australians. Funding includes:

- \$106.0 million for ongoing Medicare Benefits Schedule telehealth services provided to patients by general practitioners, specialists, nursing, midwifery and allied health providers
- \$2.1 million over two years from 2021-22 to investigate potential options for a wound consumables scheme
- \$0.2 million in 2021-22 to extend the *Patient Pathways Program* pilot for a further year, trialling methods to connect patients with serious and rare diseases to appropriate health services.

Funding for this measure has already been provided for by the Government. This measure builds on the 2021-22 Budget measure titled *Primary Care*.

### Guaranteeing Medicare and Access to Medicines – Pharmaceutical Benefits Scheme – new and amended listings

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Health	-	205.2	273.1	111.3	92.1
Department of Veterans' Affairs	-	4.9	6.3	6.9	7.3
Services Australia	-	1.0	0.3	0.2	0.2
Total – Payments	-	211.2	279.7	118.5	99.6
<i>Related receipts (\$m)</i>					
<i>Department of Health</i>	-	nfp	nfp	nfp	nfp

The Government will provide \$1.1 billion over four years from 2021-22 for new and amended listings on the Pharmaceutical Benefits Scheme (PBS) and the Repatriation Pharmaceutical Benefits Scheme (RPBS).

New and amended PBS listings since the 2021-22 Budget include:

- cabozaninib (Cabometyx®) from 1 July 2021, for the treatment of stage four clear cell variant renal cell carcinoma
- fremanezumab (ajovy®) from 1 August 2021, for the treatment of chronic migraines for eligible patients
- obeticholic acid (Ocaliva®) from 1 September 2021, for the treatment of primary biliary cholangitis
- ofatumumab (Kesimpta®) from 1 October 2021, for the treatment of relapsing-remitting multiple sclerosis
- darolutamide (Nubeqa®) from 1 November 2021, for the treatment of castration resistant prostate cancer
- lanadelumab (Takhzyro®) from 1 December 2021, for the treatment of recurring attacks of hereditary angioedema.

The cost of some medicines will be reduced by revenue from rebates negotiated as part of purchase agreements. Details of the revenue are not for publication (nfp) due to commercial sensitivities.

The cost of this measure has been met from the *PBS New Medicines Funding Guarantee* and savings achieved from the 2021-22 MYEFO measure titled *Improving Access to Medicines – new strategic agreements with Medicines Australia and the Generic and Biosimilar Medicines Association*.

### Improving Access to Medicines – new strategic agreements with Medicines Australia and the Generic and Biosimilar Medicines Association

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Health	-	-0.7	-61.7	-226.6	-148.6
Department of Veterans' Affairs	-	-	-0.5	-7.8	-9.3
Total – Payments	-	-0.7	-62.2	-234.4	-157.9
<i>Related receipts (\$m)</i>					
Department of Veterans' Affairs	-	nfp	nfp	nfp	nfp
Department of Health	-	nfp	nfp	nfp	nfp
Total – Receipts	-	nfp	nfp	nfp	nfp

The Government is improving the Pharmaceutical Benefits Scheme (PBS) and the Repatriation Pharmaceutical Benefits Scheme as part of new five year strategic agreements with Medicines Australia and the Generic and Biosimilar Medicines Association, to run from 1 July 2022 until 30 June 2027.

As part of these agreements, the Government has legislated an improved statutory pricing system for PBS medicines with efficiencies from price reductions agreed with the medicines industry to be reinvested in PBS medicines.

The Government will also implement a Medicines Supply Security Guarantee to support companies to hold increased stock of PBS medicines in Australia that are susceptible to shortages and will undertake a review of Australia's Health Technology Assessment policy and methods.

The Government will also co-design and implement an Enhanced Consumer Engagement Process to better capture the patient voice early in the medicines assessment process.

The Government will achieve efficiencies of \$2.0 billion over five years from 2022-23 from the measures outlined in the strategic agreements, which will fund new and amended listings.

These efficiencies will be reduced by revenue from rebates negotiated as part of purchase agreements.

Details of revenue are not for publication (nfp) due to commercial sensitivities.

Further information can be found in the press release of 7 September 2021 issued by the Minister for Health and Aged Care.

### Indigenous Marathon Project

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Health	-	0.6	1.0	1.1	1.1

The Government will provide \$3.9 million over four years from 2021-22 to the Indigenous Marathon Foundation for the Indigenous Marathon Project which supports young Aboriginal and Torres Strait Islander people to train and participate in marathon events.

Further information can be found in the joint press release of 24 November 2021 issued by the Treasurer, the Minister for Health and Aged Care and the Minister for Indigenous Australians.

### Investing in Medical Research and Technology

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Radiation Protection and Nuclear Safety Agency	-	2.5	-	-	-
Department of Health	-	-	-	-	-
National Health and Medical Research Council	-	-	-	-	-
Total – Payments	-	2.5	-	-	-

The Government will provide \$4.5 million over two years from 2021-22 for medical research and medical innovation. Funding includes:

- \$2.5 million in 2021-22 to purchase a new linear accelerator for the Australian Radiation Protection and Nuclear Safety Agency to calibrate hospital radiation equipment and ensure a continuous supply of life-saving radiation therapy for cancer patients
- \$2.0 million over two years from 2021-22 for the delivery of early-phase clinical trials to find a cure for Motor Neurone Disease (MND).

The Government will also:

- amend the *Gene Technology Act 2000* and the *Gene Technology Regulations 2001* and draft new legislative instruments to implement the recommendations of the Third Review of the National Gene Technology Scheme by 2023

- apply indexation to the Independent Research Institute Infrastructure Support Scheme consistent with the Medical Research Endowment Account from which the scheme is funded. Increases in the annual cap will be met from within the existing resources of the National Health and Medical Research Council.

The cost of this measure will be partially met from within the existing resources of the Department of Health.

### Medical Workforce

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Health	-	5.3	6.0	2.4	2.4
Services Australia	-	2.9	8.5	1.6	1.5
Department of the Treasury	-	1.0	2.0	-	-
Department of Education, Skills and Employment	-	0.4	1.9	0.2	0.2
Australian Taxation Office	-	-	0.8	0.1	0.1
<b>Total – Payments</b>	<b>-</b>	<b>9.6</b>	<b>19.3</b>	<b>4.2</b>	<b>4.2</b>
<i>Related receipts (\$m)</i>					
<i>Department of Education, Skills and Employment</i>	-	-	-0.8	-3.0	-4.1

The Government will provide \$45.1 million over four years from 2021-22 to support doctors delivering primary care in rural and remote Australia. Funding includes:

- \$19.9 million to waive *Higher Education Loan Program* (HELP) debts, for eligible medical or nurse practitioners who meet length of service requirements while working in a rural, remote or very remote location in Australia
- \$15.4 million to support general practitioners (GPs) through streamlining their training payments and to examine the viability of an employment entitlements portability scheme
- \$5.9 million to change Distribution Priority Area arrangements to make it easier for more rural and regional areas to recruit from the pool of GPs under location moratoriums, such as those who trained overseas
- \$3.0 million over two years from 2021-22 to provide greater capacity in emergency care at Mount Barker Hospital Emergency Department
- \$0.9 million in 2021-22 to facilitate overseas health practitioner migration to Australia.

The Government will also ensure claims made from 1 July 2021 against permanently retired medical practitioners and eligible midwives under the age of 65 years will be eligible under the Run-off Cover Scheme.

Further information can be found in the press release of 10 December 2021 issued by the Minister for Regional Health.

### **New Products and Listings**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Health	-	0.7	0.9	1.4	1.8
Department of the Treasury	-	-	-	12.5	12.5
Total – Payments	-	0.7	0.9	13.9	14.3

The Government will provide \$3.4 million over four years from 2021-22 for medical aids and appliances, including:

- the listing of 46 new products on the National Epidermolysis Bullosa Dressing Scheme (NEBDS) as recommended by the NEBDS clinical advisory panel
- the listing of six new products on the National Diabetes Services Scheme and amending one product listing
- the listing of four new items on the Stoma Appliance Scheme, amending the product listings of 20 current items and deleting 18 items, as recommended by the Stoma Product Assessment Panel.

The Government will also provide \$39.0 million over five years from 2021-22 for the provision of human immunodeficiency virus (HIV) treatment for people with HIV in Australia who are ineligible for Medicare, including all visa types.

Further information can be found in the press release of 1 December 2021 issued by the Minister for Health and Aged Care.

**Preventive Health**

## Payments (\$m)

	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Health	-	11.9	10.6	0.6	0.6
Department of the Treasury	-	0.8	0.6	-	-
Total – Payments	-	12.7	11.2	0.6	0.6

The Government will provide \$58.3 million over four years from 2021-22 to improve health outcomes through preventive and other health initiatives. Funding includes:

- \$20.0 million over two years from 2021-22 for a National Skin Cancer Awareness Campaign
- \$17.2 million over two years from 2022-23 to the states and territories to continue the National Partnership Agreement for the Participant Follow-up Function of the *National Bowel Cancer Screening Program*
- \$16.0 million over three years from 2022-23 to expand existing tobacco control program activities to support the Government’s target of reducing national smoking rates to less than 10 per cent by 2025
- \$2.5 million over four years from 2021-22 to the University of New South Wales, Sydney for the management of the Your IVF Success website, supporting Australian couples with independent advice and information on fertility support services and In Vitro Fertilisation (IVF)
- \$1.4 million over two years from 2021-22 to support the Northern Territory Government’s *Aedes aegypti* (dengue) and other diseases mitigation through mosquito control in the Tennant Creek program
- \$1.2 million in 2021-22 to Lives Lived Well to continue drug and alcohol treatment services in the Caboolture and Moreton Bay regions of Queensland.

Funding for this measure will be partially offset by redirecting funding from within the Health portfolio.

Funding for this measure has also already been partially provided for by the Government.

### Sport – supporting sporting events and participation

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Health	-	2.8	2.1	-	-
Australian Sports Commission	-	0.3	5.5	-	-
Total – Payments	-	3.2	7.6	-	-

The Government will provide \$10.8 million over two years from 2021-22 to support Australia’s hosting of international sporting events and leverage increased sport participation in Australia. Funding includes:

- \$5.8 million over two years from 2021-22 for the extension and expansion of the *Local Sporting Champions* program, which supports young Australians to participate in state, national and international sporting championships
- \$5.0 million over two years from 2021-22 to support the UCI Road World Championships 2022 and legacy initiatives to increase cycling participation, particularly among youth in regional and remote communities and people with a disability.

### Supporting Australia’s Olympic and Paralympic Team

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Health	-	3.1	-	-	-

The Government will provide \$3.1 million in 2021-22 for Australia’s Olympic and Paralympic athletes who competed at the Olympic and Paralympic Games Tokyo 2020 held in 2021. Funding includes:

- \$2.1 million in 2021-22 to the Australian Olympic Committee to fund the cost of mandatory quarantine for the Australian Olympic Team and officials on return to Australia
- \$1.0 million in 2021-22 to Paralympics Australia to make incentive payments to medal winning athletes.

The Government has also committed to provide funding to Paralympics Australia for incentive payments to athletes who win medals at the Beijing 2022 Winter Paralympic Games.

Further information can be found in the joint press release of 2 September 2021 issued by the Prime Minister and the Minister for Sport.



**Western Australian Children’s Health Telethon**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Health	-	3.7	-	-	-

The Government will provide \$3.7 million in 2021-22 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.

## Home Affairs

### Fixed Wing Civil Maritime Surveillance

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Home Affairs	-	9.2	19.8	22.2	24.6

The Government will provide \$297.9 million over seven years from 2021-22 to maintain the fixed wing civil maritime surveillance capability that is critical to Australia's border security arrangements, including Operation Sovereign Borders.

The cost of this measure will be partially met from within the existing resources of the Department of Home Affairs.

### National Automated Fingerprint Identification System Update

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Criminal Intelligence Commission	-	1.5	7.5	-	1.1

The Government will provide \$169.6 million over 13 years from 2021-22 (including \$82.8 million over four years from 2021-22) to the Australian Criminal Intelligence Commission to upgrade the National Automated Fingerprint Identification System.

Partial funding for this measure has already been provided for by the Government through the *National Policing Information Systems and Services Special Account*.

### Office of the Special Investigator – funding

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Office of the Special Investigator	-	-	56.5	-	-
Department of Defence	-	-	-56.5	-	-
Total – Payments	-	-	-	-	-

The Government will provide \$56.5 million in 2022-23 to continue the work of the Office of the Special Investigator.

This measure will be met from within existing funds.

This measure extends the 2020-21 MYEFO measure titled *Office of the Special Investigator – establishment*.

**Permissions Capability – digital passenger declaration**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Agriculture, Water and the Environment	-	nfp	nfp	nfp	nfp
Department of Finance	-	nfp	nfp	nfp	nfp
Department of Health	-	nfp	nfp	nfp	nfp
Department of Home Affairs	-	nfp	nfp	nfp	nfp
Total – Payments	-	nfp	nfp	nfp	nfp

The Government will provide additional funding for the development of a permissions capability to digitise permissions-based government services including digitising the paper-based incoming passenger card to facilitate the safe reopening of Australia’s international borders.

The funding for this measure is not for publication (nfp) due to commercial-in-confidence sensitivities.

This measure builds on the 2020-21 MYEFO measure titled *Whole-of-Government Permissions Capability*.

Further information can be found in the joint press release of 13 September 2021 issued by the Minister for Home Affairs and the Minister for Employment, Workforce, Skills, Small and Family Business.

### Reform of Settlement Strategies and Services

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Home Affairs	-	11.0	4.0	0.1	-8.9
Services Australia	-	3.3	0.1	-0.2	-0.3
Department of Health	-	-	..	-0.1	-0.1
Department of Education, Skills and Employment	-	-	-0.1	-0.3	-0.5
Department of Social Services	-	-	-2.1	-4.8	-6.5
Total – Payments	-	14.3	1.9	-5.3	-16.3
<i>Related receipts (\$m)</i>					
<i>Department of Home Affairs</i>	-	-	-1.5	-2.1	-1.3

The Government will provide \$37.3 million over four years from 2021-22 (and \$0.1 million per year ongoing) to improve settlement and integration outcomes for refugees and humanitarian entrants to Australia. Funding includes:

- \$24.6 million over four years from 2021-22 to establish the Economic Pathways to Refugee Integration program to fund evidence-based initiatives to create opportunities for employment, including self-employment, for refugee and humanitarian entrants
- \$9.2 million over four years from 2021-22 to establish the Community Refugee Integration and Settlement Pilot to increase the role of community groups in supporting settlement and integration of refugees and humanitarian entrants
- \$3.5 million over four years from 2021-22 to address gaps in national outcomes data and improve reporting on refugee and humanitarian entrant health, homelessness, digital literacy and social connectedness and belonging.

From 1 July 2022, the Government will reduce the visa application charge to 40 per cent of the current rate for primary applicants to the *Community Support Program* and remove it entirely for secondary applicants. It will also increase the number of places available in the program from 750 to 1,900 places by 2024-25. These changes to the *Community Support Program* are estimated to decrease receipts by \$4.9 million over four years from 2021-22.

**Reopening the Borders**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Home Affairs	-	13.6	-	-	-
Department of the Treasury	-	..	5.0	30.0	45.0
<b>Total – Payments</b>	-	13.6	5.0	30.0	45.0
<i>Related receipts (\$m)</i>					
Department of Home Affairs	-	..	35.0	15.0	10.0
Australian Taxation Office	-	..	30.0	135.0	190.0
<b>Total – Receipts</b>	-	..	65.0	150.0	200.0

The Government will provide \$14.7 million in 2021-22 to implement changes to visa settings and facilitate inbound international travel to support economic recovery as the border reopens. Funding includes:

- \$13.6 million in 2021-22 to facilitate inbound movement of international travellers
- \$1.1 million in 2021-22 for changes to visa settings to retain and maximise economic participation for onshore visa holders, encourage offshore priority migrants to return to Australia and deliver concessions for priority visa holders impacted by COVID-19 travel restrictions.

This measure is estimated to increase tax receipts by \$415.0 million and increase GST payments to the states and territories by \$80.0 million over the forward estimates period.

The cost of this measure will be partially met from within the existing resources of the Department of Home Affairs.

**Safer Communities Fund – additional funding**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Home Affairs	-	25.0	25.0	-	-

The Government will provide an additional \$50.0 million over two years from 2021-22 through Round 6 of the *Safer Communities Fund* for grant funding to local government and community organisations to address crime and anti-social behaviour.

### Settlement and Integration of New Arrivals from Afghanistan

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Home Affairs	-	12.7	6.5	-	-
Department of Health	-	5.2	2.7	-	-
Department of Social Services	-	1.5	-	-	-
Services Australia	-	0.3	-	-	-
<b>Total – Payments</b>	-	<b>19.7</b>	<b>9.2</b>	-	-

The Government will provide \$28.8 million over two years from 2021-22 to support recent evacuees from Afghanistan to settle successfully in Australia. Funding includes:

- \$8.0 million over two years from 2021-22 for support payments and a capacity-building program for Afghan-Australian community organisations, and other grassroots community organisations, to support new arrivals
- \$7.9 million over two years from 2021-22 to provide targeted mental health support to Afghan refugees and communities
- \$6.4 million over two years from 2021-22 for specialist legal services to support humanitarian entrants transition to a permanent visa
- \$4.8 million in 2021-22 to deliver coaching and mentoring services to assist evacuees to find education pathways and gain paid employment in Australia
- \$1.8 million in 2021-22 to support Afghanistan refugees who hold a Temporary Humanitarian Stay visa (subclass 449) granted on or after 19 August 2021. In cases where refugees receive non-monetary support such as lodging and/or boarding following their arrival, the Government will temporarily cease associated reductions to Special Benefit payments.

Further information can be found in the press release of 14 October 2021 issued by the Minister for Immigration, Citizenship, Migrant Services and Multicultural Affairs.

**Social Cohesion Grants Program**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Home Affairs	-	-	-	-	-

The Government will provide \$8.1 million in 2021-22 to continue the *Fostering Integration Grants* program to promote social cohesion by supporting deeper integration of multicultural communities and strengthening their sense of belonging and participation in Australian Society.

The cost of this measure will be met from within the existing resources of the Department of Home Affairs.

## Industry, Science, Energy and Resources

### Australian Space Agency – additional funding

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Industry, Science, Energy and Resources	-	2.9	5.6	5.0	5.0
<i>Related receipts (\$m)</i>					
<i>Department of Industry, Science, Energy and Resources</i>	-	-0.3	-	-	-

The Government will provide an additional \$22.9 million over five years from 2021-22 (and \$2.1 million per year ongoing) to the Australian Space Agency to support growth of the Australian space industry, including:

- the ongoing operation of the Australian Space Discovery Centre
- an extension of the Moon to Mars initiative to enable an agreement with NASA for an Australian made rover to be included in a future mission to Mars.

The cost of this measure will be partially met from within the existing resources of the Department of Industry, Science, Energy and Resources.



**Critical Minerals – support for supply chains**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Industry, Science, Energy and Resources	-	0.9	0.9	1.0	1.0
Australian Trade and Investment Commission	-	-	-	-	-
Department of Foreign Affairs and Trade	-	-	-	-	-
Geoscience Australia	-	-	-	-	-
<b>Total – Payments</b>	<b>-</b>	<b>0.9</b>	<b>0.9</b>	<b>1.0</b>	<b>1.0</b>

The Government will establish a \$2.0 billion Critical Minerals Facility on the National Interest Account to provide finance to critical minerals projects in Australia where private sector finance is unavailable. The Facility will be administered by Export Finance Australia and will have no impact on the underlying cash balance until drawn on.

The Government will also provide \$34.7 million over five years from 2021-22 to support the development of competitive and reliable end-to-end critical minerals supply chains, focused on Australian extraction and processing, including:

- international engagement to secure strategic partnerships and promote Australia’s high environmental, social and governance standards for critical minerals
- scoping work to establish regional critical minerals hubs and precincts in cooperation with states and territories.

This measure will help secure the supply of resources essential to the manufacture of items like mobile phones, electric vehicles, and fighter jets, and support thousands of resources jobs in regional Australia.

The cost of this measure will be partially met from within the existing resources of the relevant entities.

Further information can be found in the joint press release of 28 September 2021 issued by the Prime Minister, the Minister for Trade, Tourism and Investment and the Minister for Resources and Water.

## Energy and Emissions Reduction

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Industry, Science, Energy and Resources	-	73.1	87.1	76.6	20.8
Australian Renewable Energy Agency	-	55.3	102.9	43.4	9.6
Clean Energy Finance Corporation	-	2.6	4.6	5.2	5.6
Total – Payments	-	131.1	194.6	125.2	36.1

The Government will provide \$1.1 billion over ten years from 2021-22 to support further investment in reliable energy supplies in Australia’s electricity markets and increase investment in technology solutions that will reduce emissions in Australia and the Indo-Pacific region, as set out in Australia’s plan to achieve net zero emissions by 2050. Funding includes:

- \$500.0 million in equity for the Clean Energy Finance Corporation (CEFC), which together with \$500.0 million from private sector investors will support the establishment of a \$1.0 billion *Low Emissions Technology Commercialisation Fund* (LETCF). \$56.6 million over ten years from 2021-22 will also be provided to the CEFC to administer the LETCF
- \$177.7 million over four years from 2021-22 to expand the *Future Fuels Fund*, which will enhance consumer choice and accelerate uptake of new vehicle technologies reducing emissions in the transport sector
- \$158.7 million over five years from 2021-22 to support two additional hydrogen hubs, increasing the Government’s commitment to seven hubs
- an additional \$60.0 million over three years from 2021-22 to expand the *Boosting Australia’s Diesel Storage Program*
- \$43.9 million over ten years from 2021-22 to increase the number of partner countries in the Indo-Pacific Carbon Offset Scheme which will support increased transparency of emissions reporting and investment in projects generating high integrity carbon offsets in partner countries in the Indo-Pacific region
- \$33.5 million over four years from 2021-22 to support the development and deployment of sustainable aviation and marine biofuels
- \$14.0 million over four years from 2021-22 to expand available funding under the *National Soil Carbon Innovation Challenge*, which will accelerate the development and deployment of reliable, certifiable soil carbon measurement technologies

- \$10.1 million over four years from 2021-22 to undertake analysis and modelling to ensure the electricity grid is ready for increased electric vehicle uptake and avoid unnecessary investment in distribution networks
- \$2.0 million over two years from 2021-22 to support the design and implementation of post-2025 market reforms to the National Electricity Market.

The Government will also pursue reforms to accelerate critical infrastructure and provide additional underwriting support for early works associated with the HumeLink transmission proposal and Dinawan to Wagga Wagga transmission line upgrading in New South Wales.

The Government has also agreed to commence full cost recovery from 1 January 2022 for activities related to the offshore electricity infrastructure framework such as the construction, operation and decommissioning of offshore transmission and renewable energy generation infrastructure.

Further information can be found in the joint press releases of 24 September 2021 issued by the Minister for Industry, Energy and Emissions Reduction and 9 and 10 November 2021 issued by the Prime Minister and the Minister for Industry, Energy and Emissions Reduction.

#### **Former British Nuclear Testing Site at Maralinga – maintenance**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Industry, Science, Energy and Resources	-	nfp	nfp	nfp	nfp

The Government will provide funding over five years from 2021-22 for integrated assessment, remediation and revegetation works at the former British nuclear testing site on the Maralinga Tjarutja lands in South Australia.

The financial implications of this measure are not for publication (nfp) due to commercial sensitivities.

### Northern Endeavour Decommission – additional funding

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Industry, Science, Energy and Resources	-	nfp	nfp	nfp	nfp

The Government will provide additional funding over two years from 2021-22 to continue activities related to the decommissioning and remediation of the Laminaria-Corallina oil fields and associated infrastructure.

This includes funding for Commonwealth litigation and settlement negotiation costs associated with proceedings with Castleton Commodities Merchant Asia Co. Pte Ltd.

The financial implications for this measure are not for publication (nfp) due to legal and commercial sensitivities.

This measure builds on the 2020-21 MYEFO measure titled *Northern Endeavour Decommission*.

### Nuclear Medicines

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Nuclear Science and Technology Organisation	-	0.8	-	-	-

The Government will provide \$30.8 million over two years from 2021-22 to the Australian Nuclear Science and Technology Organisation to design a new facility at Lucas Heights in Sydney to safeguard Australia’s sovereign capability to produce nuclear medicine. The Government will also defer nuclear medicine price increases from 1 October 2021 to alleviate the pricing impact on patients.

Partial funding for this measure has already been provided for by the Government.

Further information can be found in the joint press release of 30 September 2021 issued by the Minister for Industry, Energy and Emissions Reduction, the Minister for Finance and the Minister for Health and Aged Care.

**Questacon – additional funding**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Industry, Science, Energy and Resources	-	2.4	9.1	-	-

The Government will provide an additional \$11.5 million over two years from 2021-22 to support Questacon to engage young Australians, families and teachers in science, technology, engineering and mathematics, including through touring exhibitions for regional, rural and remote communities.

**Satellite Based Augmentation System – additional funding**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Geoscience Australia	-	-8.4	13.4	140.5	104.4
<i>Related receipts (\$m)</i>					
<i>Geoscience Australia</i>	-	nfp	nfp	nfp	nfp

The Government will provide an additional \$521.8 million over 20 years from 2021-22 to deliver the Satellite Based Augmentation System to provide precise positioning services across Australia and New Zealand, including in regional and remote areas. This funding will deliver significant benefits to regional and remote Australians, guaranteeing access to precise positioning even in areas without mobile or internet reception.

The receipts for this measure are not for publication (nfp) due to legal sensitivities.

This measure builds on the 2020-21 MYEFO measure titled *Satellite Based Augmentation System*.

**Snowy Hydro Limited – Hunter Power Project**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Industry, Science, Energy and Resources	-	nfp	nfp	nfp	nfp
<i>Related receipts (\$m)</i>					
<i>Department of Industry, Science, Energy and Resources</i>	-	nfp	nfp	nfp	nfp

The Government will provide up to \$600.0 million in equity over three years from 2021-22 to Snowy Hydro Limited (SHL) to construct a 660 Megawatt (MW) gas plant at Kurri Kurri, New South Wales (NSW). The Hunter Power Project delivers on the Government's 1,000 MW target for new dispatchable electricity supply in NSW announced in September 2020, which was created to avoid unacceptable price increases following the scheduled closure of the Liddell power station in 2023.

The Project will also deliver an important economic boost to the Hunter region, creating up to 600 new jobs during peak construction and 1,200 indirect jobs across NSW, while safeguarding employment in traditional energy-intensive industries like aluminum smelting. The Government will also provide temporary equity support to SHL over two years from 2021-22 in response to lower than forecast wholesale electricity prices. This temporary equity support is expected to have a modest positive impact on the underlying cash balance and is not for publication (nfp) due to commercial sensitivities.

Further information can be found in the press release of the 19 May 2021 issued by the Minister for Industry, Energy and Emissions Reduction.

**Strategic Basin Plans – additional funding**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Geoscience Australia	-	1.4	7.4	8.0	14.1
Department of Industry, Science, Energy and Resources	-	0.2	0.6	0.6	-
Department of the Treasury	-	-	15.0	15.0	-
Total – Payments	-	1.6	23.0	23.6	14.1

The Government will provide an additional \$62.4 million over four years from 2021-22 to unlock Australia’s vast gas resources benefitting domestic energy users and creating major new job opportunities and economic benefits, particularly across regional Queensland and South Australia. Funding includes:

- \$30.9 million over four years from 2021-22 for a Data Driven Discoveries initiative that will collect and publish new geoscientific data to drive exploration investment in the Cooper and Adavale basins
- \$31.5 million over three years from 2021-22 for an Optimise and Discover program to increase gas supplies and competition between gas producers in the Cooper and Adavale basins.

This measure builds on the 2021-22 Budget measure titled *Strategic Basin Plans*.

Further information can be found in the joint press release of 19 November 2021 issued by the Minister for Resources and Water, and the Assistant Minister for Children and Families and Regional Tourism.

**Supporting Industry Growth and National Manufacturing Priorities**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Industry, Science, Energy and Resources	-	-	-	-	-

The Government will provide \$29.1 million over four years from 2021-22 to further support the Modern Manufacturing Strategy and National Manufacturing Priorities. Funding includes:

- \$18.8 million in 2021-22 to fund Industry Growth Centre activities to increase skills, collaboration and commercialisation and to improve international opportunities and market access

- \$10.3 million over four years from 2021-22 to further align existing industry, science and technology programs into outcome-based investment streams to better target support to maximise the impact from intervention and strengthen policy objectives.

The cost of this measure will be met from within the existing resources of the Department of Industry, Science, Energy and Resources.

### **Supporting Regional Business Recovery from Bushfires, COVID-19 and Flood Emergencies**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Industry, Science, Energy and Resources	-	-	6.9	-	-

The Government will provide an additional \$6.9 million in 2022-23 to continue recovery and resilience advice services for another year for regional businesses impacted by bushfire, COVID-19 and flood emergencies.

### **Supporting Small and Medium Enterprise Participation in Commonwealth Procurement – additional funding**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Industry, Science, Energy and Resources	-	1.4	-	-	-

The Government will provide an additional \$2.0 million over four years from 2021-22 (and \$0.3 million per year ongoing) to improve support for Australian business participation in Commonwealth procurement. This will include establishing a digital platform to streamline and enhance access to events tailored to small and medium enterprises.

The cost of this measure will be partially met from within the existing resources of the Department of Industry, Science, Energy and Resources.

This measure builds on the 2021-22 Budget measure titled *Supporting Small and Medium Enterprise Participation in Commonwealth Procurement*.



## Infrastructure, Transport, Regional Development and Communications

### Aviation Recovery Framework

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Infrastructure, Transport, Regional Development and Communications	-	15.1	18.9	17.2	12.7

The Government will provide \$64.9 million over four years from 2021-22 for the Aviation Recovery Framework to assist with the recovery of the aviation sector and position it for long term sustainability beyond the COVID-19 pandemic. Funding includes:

- \$33.5 million over two years from 2021-22 to establish an Automatic Dependent Surveillance Broadcast (ADS-B) program to provide a rebate of 50 per cent (up to \$5,000) towards the costs for aircraft owners to install ADS-B devices to improve airspace management and reduce reliance on visual sighting of aircraft
- \$17.2 million over three years from 2021-22 to extend the *Remote Airstrip Upgrade* program for an additional funding round to support improved safety and access at remote airstrips to facilitate air connectivity and delivery of goods and services to remote communities
- \$6.6 million over four years from 2021-22 in additional funding to continue the Remote Air Services Subsidy Scheme until 30 June 2025 to ensure continued access to services, essential freight and mail for 269 remote locations across Australia
- \$4.0 million over four years from 2022-23 to extend the Women in Aviation Initiative to continue to support more women in the aviation sector, particularly pilots and engineers
- \$3.6 million over three years from 2021-22 to develop a Roadmap to Revitalise General Aviation in Australia to support the sector's role in facilitating essential social services and driving broader economic growth and efficiencies for key export industries
- extending the *Regional Airports Program* for a third funding round in 2022 and enable existing grantees to complete projects that have been delayed by the impacts of COVID-19 on construction activities

- establishing a Strategic Aviation Advisory Forum to provide industry advice to the Government on the recovery of the aviation sector and future strategic issues, and support targeted research and consultancies on Forum priorities.

The cost of this measure will be partially met from within the existing resources of the Department of Infrastructure, Transport, Regional Development and Communications.

See also the related payment measure titled *COVID-19 Response Package – aviation support – continued* in the Infrastructure, Transport, Regional Development and Communications portfolio.

### Building Better Regions Fund – round five additional funding

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Infrastructure, Transport, Regional Development and Communications	-	-	50.0	50.1	-

The Government will provide \$100.1 million over two years from 2022-23 to increase funding for round five of the *Building Better Regions Fund* to \$300.1 million to support investment in community infrastructure and capacity building projects in regional areas.

This measure builds on the 2020-21 Budget and 2021-22 Budget measures titled *Supporting Regional Australia*.

Further information can be found in the press release of 8 October 2021 issued by the Minister for Infrastructure, Transport and Regional Development.

### Community Development Grants Program – new projects

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Infrastructure, Transport, Regional Development and Communications	-	2.0	3.0	2.0	7.0

The Government will provide \$25.3 million over four years from 2021-22 to deliver new projects that support local communities across Australia. Funding includes:

- \$15.0 million towards the Port Adelaide Football Club redevelopment of Alberton Oval in South Australia
- \$6.0 million towards the Cardwell sewerage treatment plant in Queensland
- \$2.0 million towards the Laurel Palliative Care Foundation in South Australia

- \$1.3 million towards the Whitlam House restoration project in New South Wales
- \$1.0 million towards the Leeuwin Ocean Foundation STS Leeuwin Refit in Western Australia.

Partial funding for this measure has already been provided for by the Government.

Further information can be found in the joint press release of 27 November 2021 issued by the Prime Minister, the Minister for Finance and the Minister for Sport.

### **COVID-19 Response Package – additional arts sector support**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Infrastructure, Transport, Regional Development and Communications	-	44.0	-	-	-
Screen Australia	-	-9.0	-	-	-
<b>Total – Payments</b>	-	<b>35.0</b>	-	-	-

The Government will provide \$44.0 million in 2021-22 to continue to support the arts sector during COVID-19. Funding includes:

- \$24.0 million in 2021-22 to extend the *COVID-19 Arts Sustainability Fund* to further support arts organisations at risk of insolvency due to COVID-19.
- \$20.0 million in 2021-22 to music charity Support Act to provide expanded relief for artists and arts sector workers

This measure builds on the 2021-22 Budget measure titled *COVID-19 Response Package – additional arts sector support*.

Further information can be found in the press release of 10 August 2021 issued by the Minister for Communications, Urban Infrastructure, Cities and the Arts.

### Digital Games Tax Offset – expansion

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	-	-	6.9	12.7

The Government will provide an additional \$19.6 million over two years from 2023-24 to expand the Digital Games Tax Offset from 1 July 2022 to include qualifying expenditure on eligible games following their public release. Support will be provided annually on an activity-basis across any number of post-release eligible games on which an eligible company incurs qualifying expenditure, provided it totals at least \$0.5 million.

This measure builds on the 2021-22 Budget measure titled *Digital Economy Strategy*.

See also the related payment measure titled *Digital Economy Strategy – additional funding* in the Prime Minister and Cabinet Portfolio.

### Infrastructure Investment

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of the Treasury	-	98.7	210.1	311.3	521.7
Department of Infrastructure, Transport, Regional Development and Communications	-	nfp	nfp	nfp	nfp
Total – Payments	-	98.7	210.1	311.3	521.7

The Government will provide \$2.3 billion from 2021-22 for priority infrastructure projects across Australia to support economic recovery and jobs as part of the Government’s \$110.0 billion infrastructure investment pipeline. Funding includes:

#### Australian Capital Territory

- \$17.9 million for intersection safety improvements
- \$5.0 million for the Boboyan Road Upgrade
- \$1.0 million for the Canberra South-West Corridor upgrade package.

#### New South Wales

- \$298.4 million for the Coffs Harbour Bypass Project
- \$200.0 million for the Hawkesbury River Third Crossing

- \$96.0 million for the New England Highway Tenterfield Heavy Vehicle Bypass
- \$90.0 million for projects along the Tenterfield to Newcastle Corridor
- \$80.0 million for the M1 Pacific Motorway Extension to Raymond Terrace
- \$44.8 million for the Mulgoa Road Upgrade
- \$30.0 million for the Prospect Highway Upgrade
- \$30.0 million for the King Georges Road Upgrade
- \$20.0 million for the Port Stephens Cutting Upgrade
- \$6.8 million for Bruxner Highway – Wollongbar to Goonellabah
- \$4.0 million for Oxley Highway Stage 2 Planning
- \$4.0 million for Appin Road
- \$3.6 million for Princes Highway and Waratah Street Intersection Upgrade
- provision of funding to meet potential Airport-Rail Integration Deed requirements for integration and NSW Government delivery of Sydney Metro – Western Sydney Airport with the Western Sydney International (Nancy Bird Walton) Airport.

#### Queensland

- \$316.1 million for the Coomera Connector Stage 1 (Coomera to Nerang)
- \$243.1 million for projects along the Bruce Highway Corridor
- \$29.3 million for the Bowen Basin Service Link – Walkerston Bypass
- \$15.0 million to support an upgrade of the Royal Flying Doctor Service facilities in Townsville under the Townsville City Deal
- \$10.0 million for the Business Case for Toowoomba to Gladstone Inland Rail Connection
- \$3.0 million for Investment Planning for the Sunshine Coast Rail Extension (Beerwah to Maroochydore).

#### South Australia

- \$50.0 million for the Lefevre Peninsula Upgrades
- \$30.0 million to support a Digital Technologies Academy at Lot Fourteen under the Adelaide City Deal
- \$16.0 million for the Eyre Peninsula Network
- \$16.0 million for the Princes Highway Corridor – Overtaking Lanes
- \$15.0 million for the Brighton Road Intersection Improvements
- \$5.4 million for the Rural Roads Package – Naracoorte Roundabouts
- \$5.0 million for the Level Crossing Removal Planning Program
- \$5.0 million for the Automated Train Protection Signals Upgrade – Seaford Line.

#### Tasmania

- \$167.8 million for the New Bridgewater Bridge
- \$80.0 million for the Freight Capacity Upgrade Program.

#### Victoria

- \$6.8 million for the Western Freeway Realignment at Pykes Creek
- \$6.0 million for the Caulfield-Rowville Link Business Case
- \$5.3 million for the Henderson Road Upgrade
- \$1.8 million for the Camberwell Road / Monteath Avenue / Redfern Road Intersection Upgrade
- \$1.4 million for the Plymouth Road Improvements
- additional equity investment in Moorebank Intermodal Company (to be renamed the National Intermodal Corporation) to undertake land acquisitions and commence planning, development and delivery of Victorian Intermodal Terminals for Inland Rail.

Western Australia

- \$300.0 million for projects to support METRONET
- \$32.0 million for the Newman to Katherine Corridor Upgrade – Port Hedland Airport Deviation
- \$25.0 million for the Canning Bridge Bus Interchange
- \$5.0 million for the Wanneroo Road – Dunstan Road to Romeo Road – Duplication.

Funding for Victorian Intermodal Terminals for Inland Rail and the Sydney Metro – Western Sydney Airport for the Rail Integration are not for publication (nfp) due to commercial sensitivities.

This measure builds on the 2021-22 Budget Infrastructure Investment measures.

**National Collecting Institutions – preserving Australia’s cultural heritage**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
National Film and Sound Archive of Australia	-	6.5	11.9	13.7	9.9
National Library of Australia	-	0.7	7.9	-	-
Department of Infrastructure, Transport, Regional Development and Communications	-	nfp	nfp	-	-
<b>Total – Payments</b>	<b>-</b>	<b>7.1</b>	<b>19.8</b>	<b>13.7</b>	<b>9.9</b>
<i>Related receipts (\$m)</i>					
<i>National Library of Australia</i>	-	-	2.8	-	-

The Government will provide \$50.5 million over four years from 2021-22 (and \$6.5 million per year ongoing) to support the National Collecting Institutions. Funding includes:

- \$41.9 million over four years from 2021-22 (and \$6.5 million per year ongoing from 2025-26) to the National Film and Sound Archive to support the digitisation of all remaining at-risk audio-visual material across the National Collecting Institutions
- \$8.5 million over two years from 2021-22 to support the National Library of Australia’s digital information resource, Trove. The cost of this measure will be partially met through Trove partnership revenue.

The Government will also provide funding over two years from 2021-22 to develop a detailed business case for a shared storage facility for the National Collecting Institutions.

The financial implications of this element are not for publication (nfp) due to commercial sensitivities.

Further information can be found in the joint press release of 3 December 2021 issued by Treasurer, the Minister for Communications, Urban Infrastructure, Cities and the Arts, and the Senator for the Australian Capital Territory.

### **National Rail Action Plan – stage 2**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
National Transport Commission	-	0.9	0.7	0.5	-

The Government will provide \$2.1 million over three years from 2021-22 to fund the National Transport Commission to deliver the National Rail Action Plan – stage 2. The National Rail Action Plan is a collaboration between the Australian and state and territory governments and the rail industry to support the productivity and competitiveness of Australia’s supply chain, rail industry and workers.

### **National Water Grid Fund – project funding**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Infrastructure, Transport, Regional Development and Communications	-	-	-	-	-

The Government will provide \$137.8 million over two years from 2021-22 to support the development and delivery of nationally important water infrastructure projects. Projects include:

- \$107.9 million for 40 targeted construction projects under the National Water Grid Connections funding pathway to be delivered across the country over the next two years
- \$12.7 million in additional funding for the Urannah Dam business case, Queensland.

The cost of this measure will be met from unallocated funding within the *National Water Grid Fund*.

This measure builds on the 2021-22 Budget measure titled *National Water Grid – new projects*.



**Remote Roads Upgrade Pilot Program**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Infrastructure, Transport, Regional Development and Communications	-	0.4	2.3	0.8	-
Department of the Treasury	-	-	100.0	50.0	-
<b>Total – Payments</b>	-	0.4	102.3	50.8	-

The Government will provide \$153.5 million over three years from 2021-22 for a *Remote Roads Upgrade Pilot Program* (the Program) to improve the conditions of local roads in regional and remote areas. The Program will provide regional communities with improved accessibility and safer roads, and contribute to local economic development.

The Government will work with local councils and state and territory jurisdictions to identify eligible projects.

Further information can be found in the press release of 1 November 2021 issued by the Minister for Infrastructure, Transport and Regional Development.

**Services to Territories – additional funding**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Infrastructure, Transport, Regional Development and Communications	-	4.6	27.7	9.0	3.9

The Government will provide \$69.7 million over four years from 2021-22 (including \$28.7 million in capital funding, and \$11.2 million per year ongoing from 2025-26) to support the delivery of essential services and infrastructure to the Indian Ocean Territories, Norfolk Island and the Jervis Bay Territory. Funding includes:

- \$41.9 million over four years from 2021-22 (and \$7.2 million per year ongoing from 2025-26) to the Indian Ocean Territories to replace the water treatment plant with a seawater reverse osmosis desalination plant, upgrade the existing wastewater treatment plant and underwrite air passenger and freight services
- \$15.8 million over four years from 2021-22 (and \$0.1 million per year ongoing from 2025-26) to connect the Jervis Bay Territory to the neighbouring Shoalhaven City Council water supply and design and plan a new wastewater transportation network
- \$12.0 million over four years from 2021-22 (and \$3.9 million ongoing per year from 2025-26) to Norfolk Island to provide child and family wellbeing services and underwrite air freight services.

Partial funding for this measure has already been provided for by the Government.

This measure builds on the 2021-22 Budget measure titled *Services to Territories – additional funding*.

**WSA Co Limited – equity injection**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Infrastructure, Transport, Regional Development and Communications	-	nfp	nfp	nfp	nfp

The Government will make an additional equity investment in WSA Co Limited to self-develop a fuel farm for the Western Sydney International (Nancy-Bird Walton) Airport.

This approach will be more cost effective and generate greater shareholder value compared to the alternative model in which a third party builds the fuel farm and charges for its services on an ongoing basis.

This builds on the Government’s commitment to deliver critical infrastructure to the Western Sydney Basin, bringing better access to air travel and boosting jobs and economic growth to Western Sydney.

The financial implications for this measure are not for publication (nfp) due to commercial sensitivities.

## Prime Minister and Cabinet

### Australian Honours and Awards – promotion of the Order of Australia

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Office of the Official Secretary to the Governor-General	-	0.2	0.5	0.5	0.5

The Government will provide \$1.8 million over four years from 2021-22 (and \$0.5 million per year ongoing) to increase public engagement with the Order of Australia.

### Changes to Wage Scheme – Remote Engagement Program

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
National Indigenous Australians Agency	-	0.7	-4.6	-1.6	-0.1
Department of Education, Skills and Employment	-	0.7	-	-	-
Department of Social Services	-	..	2.3	1.3	0.1
Services Australia	-	-1.3	2.3	0.3	-
Total – Payments	-	-	-	-	-

The Government will provide \$5.6 million over four years from 2021-22 to expand the number of pilot sites to support the design of the *Remote Engagement Program*, formerly known as the *New Remote Jobs Program*, that will replace the *Community Development Program*, and will support remote communities by targeting job creation and skills development.

This measure will be funded through the *Indigenous Advancement Strategy*.

This measure builds on the 2021-22 Budget measure titled *New Remote Jobs Program*.

### Department of Prime Minister and Cabinet – additional resourcing

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of the Prime Minister and Cabinet	-	-	2.4	4.2	-

The Government will provide \$27.1 million over two years from 2022-23 to assist the Department of the Prime Minister and Cabinet in providing policy support to the Government’s domestic and international policy agendas, including national security.

Partial funding for this measure has already been provided for by the Government.

### Deregulation Agenda – next steps

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Education, Skills and Employment	-	-	8.0	9.2	-
Department of the Prime Minister and Cabinet	-	-	-	-	-
Total – Payments	-	-	8.0	9.2	-

The Government will provide \$18.8 million over three years from 2021-22 (including \$5.7 million in capital funding in 2022-23 and \$5.8 million in 2023-24) to reduce the regulatory burden of business interactions with government and drive economic resilience. Funding includes:

- \$17.3 million over two years from 2022-23 to develop and implement a data innovation project to update the Provider Registration International Student Management System and streamline the collection of international student information from education providers
- \$1.5 million over two years from 2021-22 to develop reforms to reduce the costs businesses face in complying with multiple regulatory obligations between different government agencies and levels of government.

Partial funding for this measure has already been provided for by the Government.

This measure builds on the 2021-22 Budget measure titled *Commonwealth's Deregulation Agenda*.

**Digital Transformation Agency – resource funding**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Digital Transformation Agency	-	-	-	-	-

The Government will provide an additional \$58.8 million over four years from 2021-22 (and \$17.5 million per year ongoing) to the Digital Transformation Agency to provide enhanced digital and ICT oversight and advice.

**First National Action Plan to Prevent and Respond to Child Sexual Abuse**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Federal Police	-	-	-	-	-
Department of the Prime Minister and Cabinet	-	-	-	-	-
Australian Institute of Health and Welfare	-	-	-	-	-
Department of the Treasury	-	-	-	-	-
Attorney-General's Department	-	-	-	-	-
National Indigenous Australians Agency	-	-	-	-	-
Department of Social Services	-	-	-	-	-
Department of Health	-	-	-	-	-
Total – Payments	-	-	-	-	-

The Government will provide \$155.0 million over four years from 2021-22 for initiatives to prevent and respond to child sexual abuse. These initiatives will contribute to the First National Action Plan (2021-2024 – with funding to continue to 30 June 2025) under the National Strategy to Prevent and Respond to Child Sexual Abuse 2021-2030.

The Government will provide \$29.0 million over four years from 2021-22 for awareness raising, education and building child safe cultures. Funding includes:

- \$22.3 million to deliver a national awareness raising campaign on child sexual abuse
- \$2.5 million to implement and promote the National Principles for Child Safe Organisations and develop an evaluation framework on the implementation and effectiveness of the National Principles.
- \$1.9 million to work with the National Centre for the Prevention of Child Sexual Abuse to develop and deliver education and capacity-building measures

- \$1.2 million to establish an ongoing national annual reporting framework for non-government organisations to report on their progress to create and maintain child safe cultures
- \$1.1 million to enhance national arrangements for sharing child safety and wellbeing information.

The Government will provide \$22.8 million over four years from 2021-22 to support and empower victims and survivors of child sexual abuse. Funding includes:

- \$10.2 million to set up a national support service for non-offending family members of child sexual abuse perpetrators
- \$8.7 million to deliver a website and helpline to assist victims and survivors to access help and information
- \$3.8 million to deliver a trauma-aware, healing-informed and culturally appropriate resource to improve early disclosure experiences of, and access to, specialist services for Aboriginal and Torres Strait Islander victims and survivors.

The Government will provide \$4.4 million over four years from 2021-22 to enhance national approaches to children with harmful sexual behaviours. Funding includes:

- \$1.8 million to set up a National Clinical Reference Group
- \$1.4 million to develop national standards for responding to, supporting and safeguarding children with harmful sexual behaviours, and to set up a national clinical framework for responding to children with harmful sexual behaviours
- \$1.2 million to increase workforce capability for preventing and responding to children with harmful sexual behaviours and to support the community to better understand and respond to developmentally appropriate sexual behaviours and harmful sexual behaviours in children.

The Government will provide \$51.7 million over four years from 2021-22 to improve offender prevention and intervention. Funding includes:

- \$18.6 million to implement a National Victim Identification Framework for online child sexual abuse
- \$16.6 million (from within existing resources) to embed members of all Australian and New Zealand police forces into the Australian Federal Police-led Australia Centre to Counter Child Exploitation

- \$9.6 million to launch an offender prevention service for adults who have sexual thoughts about children or young people
- \$3.8 million (from within existing resources) to set up a victim coordinator liaison capability
- \$3.1 million (from within existing resources) to deliver a *Digital Field Triage Tool and Training Program*.

The Government will provide \$32.0 million over four years from 2021-22 to improve the evidence base on child sexual abuse. Funding includes:

- \$19.3 million (and \$3.1 million over 2025-26 and 2026-27) to conduct a second wave of the Australian Child Maltreatment Study
- \$5.1 million to complete a baseline analysis of specialist and community support services for victims and survivors of child sexual abuse
- \$3.3 million to set up a monitoring and evaluation framework under the National Strategy
- \$3.2 million to develop a scoping study for, and establishment of, an Australian Child Wellbeing Data Asset
- \$0.7 million to develop and deliver a strategic child safety research agenda.
- \$0.5 million to complete a monitoring and evaluation data feasibility assessment study

In addition to the First National Action Plan, the Government will also provide \$15.2 million for other initiatives to prevent and respond to child sexual abuse. Funding includes:

- \$5.9 million over two years from 2023-24 to conduct a scoping study and pilot service to prevent child sexual abuse re-offending
- \$4.7 million over four years from 2021-22 to increase specialist services for children with harmful sexual behaviours
- \$3.9 million over four years from 2021-22 to enhance child protection investigation in the Northern Territory
- \$0.6 million in 2021-22 to further develop and implement a national evaluation framework to measure government responses to the Royal Commission into Institutional Responses to Child Sexual Abuse.

This measure forms part of the Government’s response to the recommendations of the Final Report of the Royal Commission into Institutional Response to Child Sexual Abuse.

The costs of the National Strategy measure will be partially met from within existing resources or has been previously provided for by the Government.

Further information can be found in the joint press release of 27 October 2021 issued by the Prime Minister and the Minister Assisting the Prime Minister and Cabinet.

### National Australia Day Council Funding

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of the Prime Minister and Cabinet	-	31.2	16.9	-	-

The Government will provide \$48.1 million over two years from 2021-22 to support the celebration of Australia Day in 2022 and 2023. Funding will support delivery of COVID-19 safe Australia Day 2022 and 2023 events and seek to increase public engagement.

### COVID-19 Response Package – National COVID-19 Disaster Payment

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
National Recovery and Resilience Agency	25.6	13,206.7	-	-	-
Services Australia	-	451.1	-	-	-
<b>Total – Payments</b>	<b>25.6</b>	<b>13,657.8</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Related receipts (\$m)</i>					
National Recovery and Resilience Agency	-	436.9	-	-	-
<b>Total – Receipts</b>	<b>-</b>	<b>436.9</b>	<b>-</b>	<b>-</b>	<b>-</b>

The Government has provided \$12.6 billion in 2020-21 and 2021-22 for the COVID-19 Disaster Payment (CDP) (and \$451.1 million for Services Australia to administer the payment) and a further \$166.8 million for the continuation of the Pandemic Leave Disaster Payment (PLDP) until 30 June 2022. In total, \$12.9 billion has been paid out for CDP (including state and territory government contributions) and an estimated \$343.1 million will be paid out for PLDP (including expenditure under existing measures and state and territory government contributions).

CDP provides eligible recipients, who have lost hours of work due to COVID-19 restrictions, tax-free payments of up to \$750 per week for individuals that lost 20 hours



or more of work, \$450 per week for individuals that lost between 8 and 20 hours or a full day of work, and \$200 per week for those on income support payments who lost 8 hours or a full day of work. Payments reduce once a state or territory reaches 80 per cent vaccination of the population over the age of 16, and terminate two weeks after this milestone is reached.

PLDP provides a payment of \$1,500 to eligible recipients who are unable to work due to a requirement to self-isolate or quarantine for a period of 14 days or who are caring for someone with COVID-19. The payment, previously due to end on 31 October 2021, has been extended to 30 June 2022. Following changes in isolation requirements for those who are vaccinated, a payment of \$750 will be made available for eligible recipients required to self-isolate or quarantine for seven days.

Further information can be found in the joint press release of 3 June 2021 issued by the Prime Minister, the Treasurer, the Minister for Agriculture Drought and Emergency Management, and the Minister for Government Services, and the joint press release of 28 July 2021 issued by the Prime Minister, the Treasurer, the Minister for Emergency Management and National Recovery and Resilience, the Minister for Families and Social Services, and the Minister for Government Services.

### National Disaster Resilience and Support

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of the Treasury	-	-	-	-	-
National Recovery and Resilience Agency	-	5.8	11.8	-	-
Department of Home Affairs	-	-	-	-	-
Services Australia	-	..	1.0	1.0	1.1
Total – Payments	-	5.9	12.8	1.0	1.1

The Government will provide \$107.6 million over four years from 2021-22 to continue to improve Australia’s capability to better prepare for, respond to, and recover from natural disasters. Funding includes:

- \$50.0 million in 2021-22 from the *Emergency Response Fund* for the second round of the *National Flood Mitigation Infrastructure Program*
- \$20.5 million in 2021-22 to co-fund a new Australian Fire Danger Rating System with the states and territories, to strengthen the ability of fire authorities to accurately communicate bushfire risk to the community and enhance preparedness for the bushfire season

- \$16.4 million over four years from 2021-22 (and \$4.0 million per year ongoing) for a Large Air Tanker based in Australia to be readily available all year for the bushfire season, increasing the Commonwealth’s contribution to the National Aerial Firefighting Centre to \$30.2 million per year ongoing
- \$15.9 million over two years from 2021-22 in additional funding for the National Recovery and Resilience Agency
- \$3.2 million over four years from 2021-22 (and \$1.1 million per year ongoing) for Services Australia to bolster its disaster response capability, enabling Australians to access government services anywhere in the country within 72 hours of a disaster
- \$1.7 million in 2021-22 to undertake consultation on how to better support victims of disasters and reduce trauma by improving the sharing of personal information of disaster victims between Commonwealth, state and territory and selected non-government entities to enable victims to relate their story once, rather than repeating it for each agency they seek assistance from.

The Government will also provide funding to the states and territories under the Disaster Recovery Funding Arrangements to support communities recovering from natural disasters, including Tropical Cyclone Seroja, Tropical Cyclone Niran and the 2021 South Queensland Severe Weather. The cost of this support is reflected in the estimates for the Disaster Recovery Funding Arrangements.

Partial funding for this measure has already been provided for by the Government.

Further information can be found in the press releases of 6 September 2021, and 4 October 2021 and 30 November 2021 issued by the Minister for Emergency Management and National Recovery and Resilience.

### **Northern Territory Aboriginal Investment Corporation – establishment**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Northern Territory Aboriginal Investment Corporation	-	-	-	-	-

The Government will create a new Aboriginal-controlled corporate Commonwealth Entity, the Northern Territory Aboriginal Investment Corporation (NTAIC) to administer and invest funds from the Aboriginals Benefit Account (ABA).

The NTAIC will provide funding for grants and large scale strategic investments in the Northern Territory and will be governed by an Aboriginal-led Board. Funding and the operational costs of the entity will be met from the ABA, through the collection of royalty equivalents from mining on Aboriginal land.

The NTAIC is expected to increase funding available for grants and strategic investments by \$15.1 million over four years by improving the rate of returns from the ABA.

Funding for this measure has already been provided for by the Government.

Further information can be found in the press release of 25 August 2021 issued by the Minister for Indigenous Australians.

### Office of National Intelligence – additional funding

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Office of National Intelligence	-	0.3	6.1	9.9	11.9

The Government will provide \$28.3 million over four years from 2021-22 (and \$12.1 million per year ongoing) to support the performance of the functions of the Office of National Intelligence. This will bolster the Office of National Intelligence's leadership of the National Intelligence Community and its provision of strategic assessments to the Government on the threats posed to Australia's national security and other interests.

### Old Parliament House – capital works

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Old Parliament House	-	3.0	-	-	-

The Government will provide \$3.0 million in 2021-22 for further capital works at Old Parliament House.

### Stage Three of the Wiyi Yani U Thangani (Women's Voices) Project

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
National Indigenous Australians Agency	-	0.9	1.1	0.7	-

The Government will provide \$2.8 million over three years from 2021-22 to deliver the final stage of the Wiyi Yani U Thangani (Women's Voices) Project (the Project).

Project funding will support a national summit focused on women's leadership, decision making and addressing family, domestic and sexual violence. In addition, the Project will undertake research to identify effective strength based programs and approaches to support Aboriginal and Torres Strait Islander women and girls.

Further information can be found in the joint press release of 25 November 2021 issued by the Minister for Indigenous Australians, the Minister for Women, and the Minister for Women’s Safety.

### **Support for Kapani Warrior**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
National Indigenous Australians Agency	-	-	-	-	-

The Government will provide \$1.0 million in 2021-22 to Kapani Warrior to update its equipment and improve its training capability. The *Kapani Warrior Program* prepares Indigenous Australians for employment in the mining industry.

Funding for this measure has already been provided for by the Government.

Further information can be found in the joint press release of 24 June 2021 issued by the Minister for Indigenous Australians and the Federal Member for Leichhardt.

## Social Services

### Australia's Disability Strategy

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Bureau of Statistics	-	-	-	-	-
Australian Institute of Health and Welfare	-	-	-	-	-
Department of Social Services	-	-	-	-	-
Total – Payments	-	-	-	-	-

The Government will provide \$120.3 million over four years from 2021-22 and \$151.9 million from 2025-26 to 2031-32 (and \$11.7 million per year ongoing) to support the delivery and implementation of Australia's Disability Strategy 2021-2031. The Strategy will support improvements to mainstream services for people with a disability.

The cost of this measure will be met from within existing resources of the Department of Social Services.

Further information can be found in the press release of 3 December 2021 issued by the Minister for Families and Social Services.

### Australian Family Domestic and Sexual Violence Commission

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Social Services	-	-	3.8	4.5	4.5

The Government will provide \$22.4 million over five years from 2022-23 to establish a Domestic, Family and Sexual Violence Commission (the Commission).

The Commission will be a non-corporate Commonwealth executive agency led by a Commissioner, who will be responsible for providing policy advice and leadership on the next *National Plan to End Violence Against Women and Children*.

Further information can be found in the joint press release of 23 November 2021 issued by the Minister for Women and the Minister for Women's Safety.

### Child Support Scheme – broadening powers to recover child support debts

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Services Australia	-	6.9	0.3	-	-
Department of Social Services	-	0.3	0.2	0.1	0.1
Total – Payments	-	7.2	0.5	0.1	0.1

The Government will provide \$7.8 million over four years from 2021-22 to reduce the level of unpaid or overdue child support by tightening departure exemptions and strengthening existing employer withholding arrangements.

### Continuation of Funding for the Fathering Project and the Home Interaction Program for Parents and Youngsters

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Social Services	-	-	nfp	nfp	nfp

The Government will provide funding for the *Home Interaction Program for Parents and Youngsters* (HIPPY). HIPPY provides support to vulnerable parents with young children to assist them in their role as their child’s first teacher.

The Government will also provide \$4.1 million over two years from 2022-23 for the Fathering Project to improve child development outcomes by building stronger bonds between children and their fathers.

The financial implications of the HIPPY component of this measure are not for publication (nfp) due to commercial-in-confidence sensitivities.

### COVID-19 Response Package – Age Pension – extension of income support for people overseas who are unable to return home

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Services Australia	-	3.1	0.2	0.1	0.1
Department of Social Services	-	0.4	0.4	0.5	0.5
Total – Payments	-	3.5	0.7	0.6	0.6

The Government will provide \$5.3 million over four years from 2021-22 (and \$0.6 million per year ongoing) to allow pensioners to retain their payment when they are unable to return home from overseas within 26 weeks for allowable reasons including serious accidents or illness, public health crises or natural disasters, for example COVID-19.

### COVID-19 Response Package – COVID-19 Work Test – Paid Parental Leave amendment

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Services Australia	-	2.4	..	..	..

The Government will provide \$2.4 million over four years from 2021-22 to temporarily relax the Paid Parental Leave work test in response to COVID-19 lockdowns. Parents who have been unable to work as a result of prolonged COVID-19 lockdowns will be able to count the period they have received the COVID-19 Disaster Payment as part of the work test for both Parental Leave Pay and Dad and Partner Pay.

Further information can be found in the press release of 25 August 2021 issued by the Minister for Families and Social Services.

### COVID-19 Response Package – NDIS Quality and Safeguards Commission for COVID-19 vaccination monitoring and compliance for disability support workers

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
NDIS Quality and Safeguards Commission	-	6.6	4.0	-	-

The Government will provide \$10.6 million over two years from 2021-22 to implement compliance arrangements associated with the requirement that disability support workers providing support to National Disability Insurance Scheme (NDIS) participants are vaccinated for COVID-19.

### Get Skilled Access – improve health outcomes for people with a disability

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Social Services	-	-	-	-	-

The Government will provide \$2.7 million over two years from 2021-22 to Get Skilled Access, to deliver two projects to improve health and wellbeing outcomes of people with disability. The first project will deliver a training and education program on disability awareness to health professionals, to be trialled at selected hospitals in Victoria. The second project will support the expansion of the *Sport4All* program to Indigenous, culturally and linguistically diverse communities, as well as to regional and remote areas, to ensure people with disability are welcome and have the same opportunities as others to participate in sport.

Further information can be found in the joint press release of 15 May 2021 issued by the Minister for Families and Social Services and the Treasurer.

**Grandparent Adviser Line – enhanced support services**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Services Australia	-	1.7	1.0	1.0	1.0

The Government will provide \$4.5 million over four years from 2021-22 (and \$0.9 million per year ongoing from 2025-26) to promote the Grandparent Adviser Line and to extend its services to all non-parent carers. The Grandparent Adviser Line provides assistance with navigating available government and community support services.

**Improvements to the Child to Adult Transfer Process for Carer Payment and Carer Allowance Qualification**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Services Australia	-	2.4	0.8	..	..
Department of Social Services	-	-	0.3	1.9	1.9
Total – Payments	-	2.4	1.1	1.9	2.0

The Government will provide \$7.4 million over four years from 2021-22 (and \$2.0 million per year ongoing) to simplify processes when a care receiver transitions from child to adult for the purposes of Carer Payment and Carer Allowance.

From 1 April 2023, all Carer Payment and Carer Allowance recipients will remain qualified for payments under child provisions, until the care receiver reaches 16 years and 3 months of age.



### National Disability Insurance Scheme – payment compliance and fraud integrity pilot

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
National Disability Insurance Scheme Launch Transition Agency	-	17.5	9.0	-	-
NDIS Quality and Safeguards Commission	-	2.2	1.4	-	-
<b>Total – Payments</b>	-	19.7	10.3	-	-

The Government will provide \$30.0 million over two years from 2021-22 to the National Disability Insurance Agency (NDIA) and the National Disability Insurance Scheme (NDIS) Quality and Safeguards Commission (the Commission) to develop and test new compliance capabilities, targeting fraudulent and unethical provider behaviours.

The NDIA and the Commission will identify patterns of provider fraud and unethical behaviours to ensure the integrity of the NDIS and protect participants from fraudulent practices.

### Pension Loan Scheme Settings

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Services Australia	-	1.2	0.7	0.2	0.1
Department of Veterans' Affairs	-	..	0.1	0.1	0.1
Department of Social Services	-	-	-	-	-
<b>Total – Payments</b>	-	1.3	0.8	0.3	0.2
<i>Related receipts (\$m)</i>					
<i>Department of Social Services</i>	-	..	..	..	-0.1

The Government will provide \$2.7 million over four years from 2021-22 to improve the uptake of the Pension Loan Scheme by reducing the annual interest rate from 4.5 per cent to 3.95 per cent from 1 January 2022.

This measure builds on the 2021-22 Budget measure titled *Increasing the Flexibility of the Pension Loans Scheme*.

**Supporting Quality Engagement with Children**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Social Services	-	-	0.7	0.7	0.7

The Government will provide \$2.0 million over three years from 2022-23 for the National Children’s Commissioner to increase its capacity to consult with children and young people on the effectiveness of Government programs.

## Treasury

### Account Matching Service for Superannuation Funds

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	-	2.0	0.2	0.2
<i>Related receipts (\$m)</i>					
Australian Taxation Office	-	-2.0	-3.0	26.0	-2.0

The Government will provide \$2.4 million over three years from 2022-23 to the Australian Taxation Office (ATO) to develop a service that supports superannuation funds to transfer members' superannuation balances to the ATO for reunification with members' eligible active accounts identified via the service. The account matching service would operate for two years, commencing in 2022-23.

The Government also deferred the commencement of the single default account measure by four months, from 1 July 2021 to 1 November 2021. The delay provided employers with additional time to prepare for the new requirements. This is estimated to increase receipts by \$19.0 million over the forward estimates period.

Further information can be found in the joint press release of 17 June 2021 issued by the Treasurer and Minister for Superannuation, Financial Services and the Digital Economy, Minister for Women's Economic Security.

### Australian Taxation Office IT Systems – strengthening capabilities

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	2.1	40.1	-	-

The Government will provide \$42.2 million over two years from 2021-22 to modernise the information technology systems of the Australian Taxation Office (ATO), including strengthening the ATO's capabilities in data matching and pre-filling taxpayers' tax returns through MyGov.

### Compensation Scheme of Last Resort – establishment

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of the Treasury	-	4.6	21.8	9.4	9.5
<i>Related receipts (\$m)</i>					
<i>Australian Securities and Investments Commission</i>	-	-	22.7	9.5	7.9

The Government will provide \$45.3 million over four years from 2021-22 (and \$7.9 million per year ongoing) for the establishment and ongoing operation of the Compensation Scheme of Last Resort (CSLR) as part of the Government’s response to the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry.

The CSLR will allow eligible consumers to access compensation payments for determinations made by the Australian Financial Complaints Authority that remain unpaid.

This measure will be partially offset by an increase in levies collected by the Australian Securities and Investments Commission.

Further information can be found in the joint press release of 28 October 2021 issued by the Treasurer and the Minister for Superannuation, Financial Services and the Digital Economy.

### COVID-19 Response Package – COVID-19 Business Support

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of the Treasury	-	7,330.4	-	-	-

The Government is providing \$7.3 billion in 2021-22 for COVID-19 Business Support Payments to assist businesses in coping with the effects of extended lockdowns and border closures. Business Support Payments have been administered by all state and territory governments with 50 per cent of the costs met by the Australian Government. In total, \$14.7 billion has been paid out in jointly-funded Business Support Payments with all states and territories.

Further information can be found in the press release of 16 July 2021 issued by the Prime Minister.

**Cyclone and Related Flooding Reinsurance Pool – implementation**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Competition and Consumer Commission	-	2.5	5.3	4.3	3.3
Department of the Treasury	-	1.4	0.9	0.5	0.5
<b>Total – Payments</b>	<b>-</b>	<b>3.9</b>	<b>6.1</b>	<b>4.7</b>	<b>3.8</b>

The Government will establish an Australia-wide Reinsurance Pool for Cyclone and Cyclone-related Flood Damage (the Pool) to commence from 1 July 2022. The Pool will improve the accessibility and affordability of insurance for households and small businesses in cyclone-prone areas across Australia. The Pool will be backed by a \$10.0 billion Government guarantee and administered by the Australian Reinsurance Pool Corporation.

The Pool will provide reinsurance for cyclone and related flood risk for eligible household, residential strata and small business property insurance policies from 1 July 2022.

In addition, the Government will provide \$18.6 million over four years from 2021-22 to support the implementation and oversight of the Pool and to monitor premiums and savings that are passed on to policy holders. Funding includes:

- \$15.4 million over four years from 2021-22 for the Australian Competition and Consumer Commission to prepare and conduct a price monitoring role in relation to the insurance industry, with a focus on evaluating the impact of the cyclone reinsurance pool and whether the savings from the reinsurance pool are being passed through to policyholders
- \$3.2 million over four years from 2021-22 for the Treasury to establish, oversee and evaluate the Pool.

This measure builds on the 2021-22 Budget measure titled *Cyclone and Related Flooding Reinsurance Pool*.

Further information can be found in the press release of 21 May 2021 issued by the Minister for Housing and Minister for Homelessness, Social and Community Housing.

### International Economic Support

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of the Treasury	-	-	-	-	-

The Government will provide \$3.0 million over four years from 2021-22 to provide international economic support. Funding includes:

- \$3.0 million in 2021-22 to the Global Infrastructure Hub to continue to support the delivery of the G20 infrastructure agenda
- a loan of \$250.0 million special drawing rights (approximately \$485 million) to the International Monetary Fund’s Poverty Reduction and Growth Trust (with no impact on underlying cash)
- a contribution of \$36.0 million special drawing rights (approximately \$70 million) to the International Monetary Fund’s Poverty Reduction and Growth Trust’s Subsidy Account (with no impact on underlying cash).

Partial funding for this measure has already been provided for by the Government.

### Rural Financial Counselling Services Drought Communities Small Business Support Program

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
National Recovery and Resilience Agency	-	4.3	4.3	-	-

The Government will provide an additional \$8.6 million over two years from 2021-22 to extend the *Regional Small Business Support (RSBS) program (formerly the Drought Communities Small Business Support Program)*, targeting services to areas with the greatest need. The RSBS program provides free and independent financial counselling to eligible small businesses that are experiencing, or at risk of, financial hardship due to drought, bushfire or COVID-19.

This measure extends the 2021-22 Budget measure titled *Building Australia’s Resilience*.

**SME Recovery Loan Scheme – extension**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of the Treasury	-	nfp	nfp	nfp	nfp

The Government will extend the Small and Medium Enterprises (SME) Recovery Loan Scheme. This includes:

- the Scheme eligibility criteria will be expanded from 1 October 2021 to include all businesses adversely economically impacted by COVID-19 on the same terms as those businesses that were eligible for *JobKeeper Payment* at the end of March 2021
- The Scheme end date will be extended to 30 June 2022 for businesses adversely impacted by COVID-19, with the Commonwealth’s guarantee of loan values returned to 50 per cent, consistent with the earlier SME Guarantee program, with all other conditions remaining as for the current program.

The financial implications for this measure are not for publication (nfp) due to commercial sensitivities.

This measure builds on the 2021-22 Budget measure *SME Recovery Loan Scheme*.

Further information can be found in the press release of 25 August 2021 issued by the Treasurer.

**Supporting the Delivery of More Affordable Housing**

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of the Treasury	-	-	-	-	-

The Government will increase the cap on the National Housing Finance and Investment Corporation’s (NHFIC) liabilities guaranteed by the Commonwealth by \$500.0 million to support an additional 2,500 affordable dwellings and extend the end date of the Commonwealth guarantee of NHFIC’s total liabilities from 30 June 2023 to 30 June 2028 to facilitate the continuation of the Affordable Housing Bond Aggregator.

### Treasury Portfolio – additional funding

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	8.6	-	-	-
Australian Securities and Investments Commission	-	4.1	1.5	0.7	0.7
Department of the Treasury	-	2.2	11.2	3.6	2.9
Services Australia	-	0.9	-	-	-
Australian Prudential Regulation Authority	-	-	23.0	22.6	21.7
Australian Competition and Consumer Commission	-	-	3.5	-	-
<b>Total – Payments</b>	<b>-</b>	<b>15.8</b>	<b>39.3</b>	<b>26.9</b>	<b>25.3</b>
<i>Related receipts (\$m)</i>					
<i>Australian Securities and Investments Commission</i>	<i>-</i>	<i>2.2</i>	<i>1.1</i>	<i>0.8</i>	<i>0.8</i>
<i>Australian Prudential Regulation Authority</i>	<i>-</i>	<i>-</i>	<i>24.6</i>	<i>20.6</i>	<i>21.5</i>
<b>Total – Receipts</b>	<b>-</b>	<b>2.2</b>	<b>25.6</b>	<b>21.3</b>	<b>22.3</b>

The Government will provide \$111.9 million over four years from 2021-22 to support the delivery of Government priorities in the Treasury Portfolio. Funding includes:

- \$67.3 million to the Australian Prudential Regulation Authority to maintain its capacity to respond to risks within the financial system, with costs to be recovered from industry
- \$23.5 million to the Department of the Treasury to support core capabilities and the Australian Small Business and Family Enterprise Ombudsman and to implement Government reforms in relation to the payments system and crypto-assets
- \$8.6 million to the Australian Taxation Office to assist with the administration of business support measures
- \$7.0 million to the Australian Securities and Investments Commission (ASIC) to implement *Financial Sector Reform (Hayne Royal Commission Response – Better Advice) Act 2021*, with costs to be partially offset by the fees and levies collected by ASIC
- \$3.5 million to the Australian Competition and Consumer Commission to continue the financial sector market studies and advocacy to undertake financial system competition work through the performance of market inquiries, advocacy and engagement work, with costs to be recovered from industry
- \$1.9 million to support the implementation of the Government’s National Financial Capability Strategy.



The measure also covers reforms to creditor schemes of arrangement processes by establishing an opt-in automatic moratorium on creditor enforcement, enabling courts to prevent a class of creditors from inappropriately leveraging a scheme process to force an alternative arrangement, and enhancing creditor notification requirements.

Partial funding for this measure has already been provided for by the Government.

## Veterans' Affairs

### Self-managed Superannuation Funds – legacy retirement product conversions

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Services Australia	-	1.1	1.1	0.4	-
Department of Veterans' Affairs	-	-	..	0.1	0.1
Total – Payments	-	1.1	1.1	0.5	0.1

The Government will provide funding to the Department of Veterans' Affairs and Services Australia for implementation of the 2021-22 Budget measure titled *Self-managed Superannuation Funds – legacy retirement product conversions*.

This measure is estimated to decrease the underlying cash balance by \$2.8 million over the forward estimates period.

### Veterans' Recognition Program – continuation

Payments (\$m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Veterans' Affairs	-	-	2.7	2.7	-

The Government will provide \$5.4 million over two years from 2022-23 to extend the *Veterans' Benefits Program* which is a component of the *Veterans' Recognition Program*. This initiative enables businesses to show their appreciation and support for veterans and their families by providing discounts on goods and services.

This measure builds on the 2021-22 Budget measure titled *Department of Veterans' Affairs – additional resourcing*.

## **Appendix B: Supplementary expenses table and the Contingency Reserve**

### **Expenses**

Table B.1 shows estimates of Australian Government general government expenses by function and sub-function for 2021-22 and the forward years.

**Table B.1: Estimates of Australian Government general government sector expenses by function and sub-function**

	Estimates											
	2021-22			2022-23			2023-24			2024-25		
	Budget	MYEFO	Change on Budget	Budget	MYEFO	Change on Budget	Budget	MYEFO	Change on Budget	Budget	MYEFO	Change on Budget
\$m	\$m	%	\$m	\$m	%	\$m	\$m	%	\$m	\$m	%	
<b>General public services</b>												
Legislative and executive affairs	1,744	1,918	10	1,385	1,470	6	1,356	1,462	8	1,653	1,738	5
Financial and fiscal affairs	8,067	9,436	17	7,216	7,887	9	6,791	7,306	8	7,030	7,574	8
Foreign affairs and economic aid	6,340	7,170	13	6,204	6,359	2	6,615	6,713	1	6,532	6,625	1
General research	3,448	3,469	1	3,448	3,560	3	3,546	3,634	2	3,549	3,644	3
General services	771	818	6	748	760	2	759	768	1	764	773	1
Government superannuation benefits	5,700	10,454	83	5,810	5,236	-10	6,082	5,537	-9	6,301	5,852	-7
<b>Defence</b>	34,473	35,201	2	36,496	37,202	2	38,344	38,498	0	40,721	40,280	-1
<b>Public order and safety</b>	6,652	6,766	2	6,074	6,411	6	5,889	6,065	3	5,919	6,039	2
<b>Education</b>	42,799	43,378	1	43,496	44,532	2	44,626	45,681	2	46,010	47,026	2
<b>Health</b>	98,283	105,706	8	95,779	98,568	3	99,300	100,645	1	103,177	104,065	1
<b>Social security and welfare</b>	209,975	226,241	8	214,655	220,807	3	219,028	228,722	4	224,512	236,342	5
<b>Housing and community amenities</b>	7,869	8,139	3	6,283	6,488	3	5,517	5,664	3	5,028	5,154	3
<b>Recreation and culture</b>	4,532	4,567	1	4,151	4,223	2	3,959	4,074	3	3,938	4,013	2
<b>Fuel and energy</b>	9,638	9,770	1	9,546	10,168	7	10,069	10,548	5	10,567	11,007	4
<b>Agriculture, forestry and fishing</b>	4,483	4,456	-1	3,779	4,463	18	3,280	3,377	3	2,450	2,517	3

**Table B.1: Estimates of Australian Government general government sector expenses by function and sub-function (continued)**

	Estimates															
	2021-22				2022-23				2023-24				2024-25			
	Budget	MYEFO	Change on Budget	%	Budget	MYEFO	Change on Budget	%	Budget	MYEFO	Change on Budget	%	Budget	MYEFO	Change on Budget	%
	\$m	\$m			\$m	\$m			\$m	\$m			\$m	\$m		
<b>Mining, manufacturing and construction</b>	4,354	4,259	-2	4,230	4,606	9	4,138	4,277	3	3,739	3,640	-3				
<b>Transport and communication</b>	14,460	15,312	6	17,618	17,953	2	16,411	17,306	5	13,322	14,524	9				
<b>Other economic affairs</b>																
Tourism and area promotion	199	214	8	160	171	7	161	168	4	164	170	4				
Labour and employment affairs	7,530	7,968	6	5,541	5,716	3	4,702	4,766	1	4,577	4,520	-1				
Immigration	3,694	4,072	10	2,683	2,787	4	2,638	2,705	3	2,746	2,794	2				
Other economic affairs nec	3,216	11,265	250	2,708	2,841	5	2,604	2,662	2	2,581	2,640	2				
<b>Other purposes</b>																
Public debt interest	18,196	17,862	-2	19,118	18,587	-3	20,580	20,652	0	21,873	22,324	2				
Nominal superannuation interest	10,018	8,974	-10	10,775	12,415	15	11,372	12,712	12	12,191	13,004	7				
General purpose inter-government transactions	77,509	78,324	1	81,884	83,967	3	84,795	86,348	2	89,219	91,211	2				
Natural disaster relief	327	582	78	253	267	6	92	143	55	39	39	0				
Contingency reserve	5,055	7,518	49	5,338	8,870	66	12,014	16,149	34	15,091	13,044	-14				
<b>Total expenses</b>	<b>589,334</b>	<b>633,838</b>	<b>8</b>	<b>595,378</b>	<b>616,313</b>	<b>4</b>	<b>614,665</b>	<b>636,582</b>	<b>4</b>	<b>633,694</b>	<b>650,558</b>	<b>3</b>				

## 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 2022-23 is largely due to the CBA. Since the 2021-22 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 2022-23 (\$1.3 billion)
- $\frac{3}{4}$  of a percentage point of expenses in the second forward year 2023-24 (\$4.0 billion)
- $1\frac{1}{2}$  of a percentage point of expenses in the third forward year 2024-25 (\$8.3 billion).

The drawdown of the CBA reduced expenses by \$1.2 billion in 2022-23, \$1.2 billion in 2023-24, and \$2.3 billion in 2024-25. 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 policy changes that may impact the budget estimates.





## Appendix C: Australia's Federal Relations

This appendix provides information on payments to state and territory governments (the states) for specific purposes and general revenue assistance, including the GST entitlement.

Australian Government payments to the states are framed by the Intergovernmental Agreement on Federal Financial Relations (the Intergovernmental Agreement), which has been in place since 1 January 2009. The Intergovernmental Agreement recognises that the states have primary responsibility for many areas of service delivery, but that coordinated action is necessary to address Australia's economic and social challenges.

On 29 May 2020, National Cabinet assigned the Council on Federal Financial Relations (CFFR) responsibility for all Commonwealth-state funding agreements. CFFR's role is to ensure that agreements are negotiated and administered efficiently. On 28 August 2020, CFFR implemented new governance arrangements for Commonwealth-state funding agreements, known as the Federation Funding Agreements (FFA) Framework. The FFA Framework complements the Intergovernmental Agreement.

More detailed information on Australia's federal relations can be found in Budget Paper No. 3, *Federal Financial Relations 2021-22* and on the Federal Financial Relations website at: [www.federalfinancialrelations.gov.au](http://www.federalfinancialrelations.gov.au).

### Overview of payments to the states

Australian Government payments to the states in 2021-22 are estimated to be \$160.4 billion, or 25 per cent of total Australian Government expenditure for the year. This amount comprises payments for specific purposes of \$84.3 billion and general revenue assistance of \$76.1 billion.

In 2021-22, payments to the states include support provided by the Australian Government in response to the COVID-19 pandemic. This includes payments relating to health services; co-funding states' support to businesses affected by lockdowns and other restrictions; local roads and community infrastructure to support jobs and local economies; training places to help young people and job seekers; domestic, family and sexual violence services; and legal assistance services. Payments to the states do not capture the direct support provided by the Australian Government to individuals and businesses through COVID-19 response measures such as the COVID-19 Disaster Payment and sectoral support for aviation and the arts.

Table C.1 shows payments for specific purposes and general revenue assistance to the states.

**Table C.1: Australian Government payments to the states, 2021-22 to 2024-25**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2021-22</b>									
Payments for specific purposes(a)	26,016	20,884	15,714	8,752	4,999	1,691	1,286	1,875	84,348
GST entitlement(b)	22,107	17,411	15,739	3,199	6,785	3,024	1,426	3,379	73,070
Other general revenue assistance(c)	55	49	26	2,148	-	-	43	-	2,980
<b>Total payments to the states</b>	<b>48,178</b>	<b>38,344</b>	<b>31,479</b>	<b>14,099</b>	<b>11,784</b>	<b>4,714</b>	<b>2,756</b>	<b>5,254</b>	<b>160,398</b>
<b>2022-23</b>									
Payments for specific purposes(a)	23,292	19,188	17,076	9,215	5,324	1,992	1,232	1,749	80,927
GST entitlement(b)	22,511	17,772	16,242	5,682	7,019	3,155	1,468	3,567	77,416
Other general revenue assistance(c)	868	716	550	36	173	39	86	-	3,143
<b>Total payments to the states</b>	<b>46,671</b>	<b>37,677</b>	<b>33,868</b>	<b>14,933</b>	<b>12,516</b>	<b>5,185</b>	<b>2,786</b>	<b>5,317</b>	<b>161,486</b>
<b>2023-24</b>									
Payments for specific purposes(a)	23,623	19,618	17,704	8,941	5,624	2,081	1,338	1,369	81,477
GST entitlement(b)	23,277	18,494	16,870	5,896	7,255	3,257	1,519	3,681	80,249
Other general revenue assistance(c)	898	746	572	33	179	46	89	-	3,166
<b>Total payments to the states</b>	<b>47,798</b>	<b>38,858</b>	<b>35,146</b>	<b>14,870</b>	<b>13,058</b>	<b>5,384</b>	<b>2,946</b>	<b>5,051</b>	<b>164,892</b>
<b>2024-25</b>									
Payments for specific purposes(a)	23,904	19,218	17,885	8,131	5,157	1,758	1,242	1,308	79,631
GST entitlement(b)	24,426	19,537	17,752	6,680	7,606	3,416	1,595	3,863	84,875
Other general revenue assistance(c)	1,028	861	652	25	199	49	95	-	3,397
<b>Total payments to the states</b>	<b>49,358</b>	<b>39,615</b>	<b>36,289</b>	<b>14,836</b>	<b>12,961</b>	<b>5,223</b>	<b>2,932</b>	<b>5,171</b>	<b>167,902</b>

(a) As state allocations for a number of programs have not yet been determined, these payments are not included in state totals. As a result, total payments may not equal the sum of state totals.

(b) State allocations are dependent upon the GST revenue sharing relativities for each financial year. They are calculated based on a technical assumption that the Commonwealth Grants Commission's 2021-22 GST relativities under the old and updated distribution systems remain unchanged and the point in time of the transition. The estimates do not reflect any attempt to project future GST relativities or GST entitlements.

(c) State allocations for royalties are not published due to commercial sensitivities. These payments are not included in state totals. As a result, 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 \$84.3 billion in 2021-22, which is 13 per cent of total Australian Government expenditure for the year and an increase of \$15.5 billion (or 22 per cent) on the \$68.9 billion the states received in 2020-21.

The Australian Government provides the following types of specific purpose payments (SPPs) to the states:

- National Specific Purpose Payments (National SPPs) in respect of skills and workforce development.
- National Health Reform funding, largely for public hospital services and including the COVID-19 health response.
- 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, including COVID-19 business support.

Table C.2 shows total payments for specific purposes by type of SPP.

**Table C.2: Total payments for specific purposes by category, 2021-22 to 2024-25**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
<b>2021-22</b>									
National Specific Purpose Payments	500	408	321	165	109	33	27	15	1,578
National Health Reform funding(b)(c)	8,118	6,675	5,850	2,745	1,658	536	493	358	26,433
Quality Schools funding	7,654	6,183	5,453	2,558	1,796	572	388	422	25,025
National Housing and Homelessness funding	493	420	334	174	113	35	28	20	1,616
National Partnership payments(d)	9,251	7,198	3,756	3,110	1,324	515	351	1,059	29,697
<b>Total payments for specific purposes</b>	<b>26,016</b>	<b>20,884</b>	<b>15,714</b>	<b>8,752</b>	<b>4,999</b>	<b>1,691</b>	<b>1,286</b>	<b>1,875</b>	<b>84,348</b>
<b>2022-23</b>									
National Specific Purpose Payments	505	413	327	168	110	34	27	15	1,600
National Health Reform funding(c)	8,141	6,762	6,188	2,912	1,657	542	501	410	27,113
Quality Schools funding	8,059	6,549	5,722	2,727	1,890	596	408	432	26,384
National Housing and Homelessness funding	499	427	340	177	114	36	28	21	1,640
National Partnership payments(d)	6,088	5,037	4,498	3,232	1,553	785	269	871	24,190
<b>Total payments for specific purposes</b>	<b>23,292</b>	<b>19,188</b>	<b>17,076</b>	<b>9,215</b>	<b>5,324</b>	<b>1,992</b>	<b>1,232</b>	<b>1,749</b>	<b>80,927</b>
<b>2023-24</b>									
National Specific Purpose Payments	511	421	333	171	112	34	27	16	1,625
National Health Reform funding	8,607	7,071	6,624	3,058	1,735	564	542	442	28,642
Quality Schools funding	8,448	6,898	5,983	2,871	1,979	621	427	443	27,669
National Housing and Homelessness funding	496	412	332	170	110	34	26	19	1,600
National Partnership payments(d)	5,561	4,816	4,432	2,671	1,687	827	316	450	21,941
<b>Total payments for specific purposes</b>	<b>23,623</b>	<b>19,618</b>	<b>17,704</b>	<b>8,941</b>	<b>5,624</b>	<b>2,081</b>	<b>1,338</b>	<b>1,369</b>	<b>81,477</b>

**Table C.2: Total payments for specific purposes by category, 2021-22 to 2024-25 (continued)**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
<b>2024-25</b>									
National Specific Purpose									
Payments	519	430	339	173	113	35	28	16	1,652
National Health Reform									
funding	9,098	7,463	7,110	3,259	1,816	594	581	484	30,405
Quality Schools funding	8,752	7,181	6,192	2,975	2,044	642	442	450	28,678
National Housing and									
Homelessness funding	503	421	338	173	111	34	27	20	1,626
National Partnership									
payments(d)	5,032	3,722	3,906	1,552	1,073	453	164	338	17,269
<b>Total payments for specific purposes</b>	<b>23,904</b>	<b>19,218</b>	<b>17,885</b>	<b>8,131</b>	<b>5,157</b>	<b>1,758</b>	<b>1,242</b>	<b>1,308</b>	<b>79,631</b>

(a) As state allocations for a number of programs have not yet been determined, these payments are not included in state totals. As a result, total payments may not equal the sum of state totals.

(b) Includes \$1.6 billion for the COVID-19 public health response in 2021-22.

(c) Includes expected payment of the Minimum Funding Guarantee which has been extended until 2021-22. If the guarantee is invoked for a state, payment is made in the following financial year.

(d) Includes financial assistance grants for local government and payments direct to local government.

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 C.3 shows total payments for specific purposes by sector.

**Table C.3: Payments for specific purposes by sector, 2021-22 to 2024-25**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
<b>2021-22</b>									
Health	8,199	6,769	5,952	2,787	1,698	550	502	729	27,218
Education	7,764	6,286	5,531	2,599	1,823	581	396	455	25,601
Skills and workforce									
development	719	531	389	228	168	57	36	25	2,152
Community services	650	277	232	766	83	26	18	48	2,166
Affordable housing	493	420	334	174	113	35	28	209	3,585
Infrastructure	3,319	2,785	2,286	1,907	902	318	76	299	11,923
Environment	376	207	300	31	52	22	29	51	1,889
Contingent payments	319	2	1	27	..	..	..	..	348
Other									
Business support	3,626	3,187	300	1	14	41	156	5	7,330
Other payments(b)	551	420	389	232	147	61	45	54	2,136
<b>Total payments for specific purposes</b>	<b>26,016</b>	<b>20,884</b>	<b>15,714</b>	<b>8,752</b>	<b>4,999</b>	<b>1,691</b>	<b>1,286</b>	<b>1,875</b>	<b>84,348</b>

**Table C.3: Payments for specific purposes by sector, 2021-22 to 2024-25  
(continued)**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
<b>2022-23</b>									
Health	8,177	6,865	6,239	2,958	1,711	555	511	566	27,629
Education	8,059	6,549	5,722	2,727	1,890	596	408	461	26,929
Skills and workforce development	569	466	368	188	124	43	30	17	1,805
Community services	350	271	219	113	81	25	18	63	1,269
Affordable housing	499	427	340	177	114	36	28	248	1,953
Infrastructure	4,094	3,722	3,374	2,645	1,106	594	143	318	16,246
Environment	553	127	152	20	62	40	25	3	1,784
Contingent payments	9	1	3	1	..	..	~	~	15
Other									
Business support	-	-	-	-	-	-	-	-	-
Other payments(b)	981	760	658	387	236	104	69	72	3,297
<b>Total payments for specific purposes</b>	<b>23,292</b>	<b>19,188</b>	<b>17,076</b>	<b>9,215</b>	<b>5,324</b>	<b>1,992</b>	<b>1,232</b>	<b>1,749</b>	<b>80,927</b>
<b>2023-24</b>									
Health	8,703	7,136	6,651	3,096	1,751	578	547	452	28,956
Education	8,448	6,898	5,983	2,871	1,979	621	427	472	28,219
Skills and workforce development	511	421	333	171	112	34	27	16	1,625
Community services	362	280	227	136	83	26	19	58	1,190
Affordable housing	496	412	332	170	111	34	26	23	1,605
Infrastructure	3,767	3,664	3,432	2,094	1,291	661	199	272	15,767
Environment	322	23	72	4	73	23	22	4	743
Contingent payments	3	..	..	..	~	~	~	~	4
Other									
Business support	-	-	-	-	-	-	-	-	-
Other payments(b)	1,010	784	675	400	223	104	72	74	3,370
<b>Total payments for specific purposes</b>	<b>23,623</b>	<b>19,618</b>	<b>17,704</b>	<b>8,941</b>	<b>5,624</b>	<b>2,081</b>	<b>1,338</b>	<b>1,369</b>	<b>81,477</b>
<b>2024-25</b>									
Health	9,240	7,475	7,120	3,269	1,819	595	582	487	30,612
Education	8,752	7,181	6,192	2,975	2,044	642	442	450	29,202
Skills and workforce development	519	430	339	173	113	35	28	16	1,652
Community services	-	-	-	-	-	-	-	-	-
Affordable housing	503	421	338	173	112	34	27	20	1,627
Infrastructure	3,716	2,881	3,163	1,128	839	324	90	259	12,786
Environment	130	17	35	..	..	20	..	2	288
Contingent payments	1	~	~	~	~	~	~	~	1
Other									
Business support	-	-	-	-	-	-	-	-	-
Other payments(b)	1,043	813	698	413	230	108	74	75	3,463
<b>Total payments for specific purposes</b>	<b>23,904</b>	<b>19,218</b>	<b>17,885</b>	<b>8,131</b>	<b>5,157</b>	<b>1,758</b>	<b>1,242</b>	<b>1,308</b>	<b>79,631</b>

(a) As state allocations for a number of programs have not yet been determined, these payments are not included in state totals. As a result, total payments may not equal the sum of state totals.

(b) Includes financial assistance grants for local governments.

Table C.4 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 C.4: Payments for specific purposes by sector and category, 2021-22 to 2024-25**

\$million	2021-22	2022-23	2023-24	2024-25
<i>Health</i>				
National Health Reform funding(a)(b)	26,433	27,113	28,642	30,405
National Partnership payments	786	515	314	207
<i>Education</i>				
Quality Schools funding	25,025	26,384	27,669	28,678
National Partnership payments	576	545	549	524
<i>Skills and workforce development</i>				
National Skills and Workforce Development SPP	1,578	1,600	1,625	1,652
National Partnership payments	574	205	-	-
<i>Community services</i>				
National Partnership payments	2,166	1,269	1,190	-
<i>Affordable housing</i>				
National Housing and Homelessness funding	1,616	1,640	1,600	1,626
National Partnership payments	1,969	314	5	1
<i>Infrastructure</i>				
National Partnership payments	11,923	16,246	15,767	12,786
<i>Environment</i>				
National Partnership payments	1,889	1,784	743	288
<i>Contingent payments</i>				
National Partnership payments	348	15	4	1
<i>Other</i>				
Business support	7,330	-	-	-
National Partnership payments(c)	2,136	3,297	3,370	3,463
<b>Total payments for specific purposes</b>	<b>84,348</b>	<b>80,927</b>	<b>81,477</b>	<b>79,631</b>

(a) Includes \$1.6 billion for the COVID-19 public health response in 2021-22.

(b) Includes expected payment of the Minimum Funding Guarantee which has been extended until 2021-22. If the guarantee is invoked for a state, payment is made in the following financial year.

(c) Includes financial assistance grants for local government.

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 eligible 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. Estimated DRFA cash payments are shown in Table C.5. Expense estimates are presented in Table C.A.8 in Annex A (available online).

**Table C.5: Estimated DRFA cash payments, 2021-22 to 2024-25**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2021-22	325.5	51.2	540.4	177.7	26.5	6.9	2.5	21.0	1,151.7
2022-23	617.7	100.5	351.7	59.3	34.2	1.6	-	-	1,164.9
2023-24	272.0	1.9	0.1	27.1	-	..	-	-	301.1
2024-25	52.9	-	-	-	-	-	-	-	52.9

## 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 2021-22, the states are expected to receive \$76.1 billion in general revenue assistance from the Australian Government, comprising \$73.1 billion in goods and services tax (GST) entitlements and \$3.0 billion in other general revenue assistance. General revenue assistance to the states is estimated to represent 12 per cent of total Australian Government expenditure in 2021-22.

Table C.6 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 C.6: General revenue assistance, 2021-22 to 2024-25**

\$million	2021-22	2022-23	2023-24	2024-25
GST entitlements	73,070	77,416	80,249	84,875
Other payments				
<i>ACT municipal services</i>	42	42	43	44
<i>Compensation for reduced royalties</i>	33	36	33	25
<i>Royalties</i>	659	674	603	488
<i>Transitional GST top-up payments(a)</i>	2,115	-	-	-
<i>HFE transition payments(a)</i>	131	2,390	2,486	2,840
Total other	2,980	3,143	3,166	3,397
<b>Total GST and other payments</b>	<b>76,050</b>	<b>80,558</b>	<b>83,415</b>	<b>88,272</b>

(a) Estimates of the transitional GST top-up payments and horizontal fiscal equalisation (HFE) transition payments for 2021-22 and later years are based on current GST relativities, and adjusted to take into account the transition to the new HFE system.

## 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. Table C.7 reconciles GST revenue and the states' GST entitlement.



**Table C.7: Reconciling GST revenue and the states' GST entitlement**

\$million	2021-22	2022-23	2023-24	2024-25
GST revenue	76,410	79,880	82,720	87,340
<i>less</i> Change in GST receivables	3,869	3,019	3,060	3,348
GST receipts	72,541	76,861	79,660	83,992
<i>less</i> Non-GIC penalties collected	70	80	70	60
<i>less</i> GST collected by Commonwealth agencies but not yet remitted to the ATO	1	1	-	2
<i>plus</i> GST pool boost	600	636	659	945
<b>States' GST entitlement</b>	<b>73,070</b>	<b>77,416</b>	<b>80,249</b>	<b>84,875</b>

Table C.8 reconciles the change in the estimates of the states' GST entitlement since the 2021-22 Budget. Since the 2021-22 Budget the GST entitlement has been revised up by \$540 million in 2021-22 and \$4.7 billion over the four years to 2024-25.

**Table C.8: Reconciliation of the GST entitlement estimates since the 2021-22 Budget**

\$million	2021-22	2022-23	2023-24	2024-25
GST entitlement at 2021-22 Budget	72,530	75,847	79,215	83,327
<i>Changes between 2021-22 Budget and 2021-22 MYEFO</i>				
Effect of policy decisions	9	122	128	117
Effect of parameter and other variations	531	1,446	905	1,430
Total variations	540	1,568	1,034	1,548
<b>GST entitlement at 2021-22 MYEFO</b>	<b>73,070</b>	<b>77,416</b>	<b>80,249</b>	<b>84,875</b>

Parameter and other variations have increased the GST entitlement by \$4.3 billion over the four years to 2024-25.

Specific policy decisions taken since the 2021-22 Budget that affect the GST entitlement are shown in Table C.9. These decisions are estimated to increase the amount of the GST entitlement by \$377 million over the four years to 2024-25.

**Table C.9: Policy decisions since the 2021-22 Budget that affect the GST entitlement**

\$million	2021-22	2022-23	2023-24	2024-25
Australian Agriculture Visa	..	5.0	15.0	15.0
Australian Taxation Office – continuation of compliance programs and independent resourcing review	0.0	87.1	58.2	42.4
COVID-19 Response Package – Working Holiday Maker program arrangements	..	10.0	10.0	5.0
Indirect Tax Concession Scheme – diplomatic and consular concessions	-0.7	..	..	..
Pacific Labour Mobility – reforms	10.0	15.0	15.0	10.0
Reopening the Borders	..	5.0	30.0	45.0
<b>Total</b>	<b>9.3</b>	<b>122.1</b>	<b>128.2</b>	<b>117.4</b>

Detailed information on specific policy decisions taken since the 2021-22 Budget is included in MYEFO 2021-22, *Appendix A: Policy decisions taken since the 2021-22 Budget*.

### 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. Table C.10 shows the calculation for the distribution of the states' estimated GST entitlement in 2021-22. This method of calculation is prescribed in the *Federal Financial Relations Act 2009*.

**Table C.10: Distribution of the GST entitlement, 2021-22<sup>(a)</sup>**

	Estimated 31 December 2021 population	GST relativities	Adjusted population (1) x (2)	Share of adjusted population	Share of GST pool \$million
<b>2021-22</b>	(1)	(2)	(3)	(4)	(5)
NSW	8,164,803	0.95617	7,806,940	30.3%	22,107
VIC	6,659,280	0.92335	6,148,846	23.8%	17,411
QLD	5,247,808	1.05918	5,558,373	21.5%	15,739
WA	2,691,582	0.41967	1,129,576	4.4%	3,199
SA	1,778,553	1.34719	2,396,049	9.3%	6,785
TAS	544,610	1.96067	1,067,801	4.1%	3,024
ACT	433,288	1.16266	503,766	2.0%	1,426
NT	248,597	4.79985	1,193,230	4.6%	3,379
<b>Total</b>	<b>25,768,521</b>	<b>na</b>	<b>25,804,581</b>	<b>100.0%</b>	<b>73,070</b>

(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 2020-21 balancing adjustment of \$3.3 billion which was made to the states' GST advance payments in 2021-22.

The calculation of the final GST entitlement for 2020-21 is shown in Table C 11. The Assistant Treasurer made a determination giving effect to this entitlement on 28 October 2021. 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 2020-21.

**Table C.11: Calculation of the GST entitlement and balancing adjustment, 2020-21**

	31 December 2020 population	GST relativities	Adjusted population (1) x (2)	Share of adjusted population	Share of GST pool \$million	GST advances \$million	Balancing adjustment \$million (5) – (6)
<b>2020-21</b>	(1)	(2)	(3)	(4)	(5)	(6)	(7)
NSW	8,172,505	0.91808	7,503,013	29.2%	21,372.92	20,361	1,012
VIC	6,661,736	0.95992	6,394,734	24.9%	18,215.89	17,479	737
QLD	5,194,879	1.04907	5,449,792	21.2%	15,524.15	14,809	715
WA	2,670,241	0.44970	1,200,807	4.7%	3,420.59	3,261	160
SA	1,770,790	1.35765	2,404,113	9.4%	6,848.30	6,533	316
TAS	541,506	1.89742	1,027,464	4.0%	2,926.81	2,793	134
ACT	431,484	1.15112	496,690	1.9%	1,414.86	1,349	66
NT	246,561	4.76893	1,175,832	4.6%	3,349.45	3,176	173
<b>Total</b>	<b>25,689,702</b>	<b>na</b>	<b>25,652,445</b>	<b>100.0%</b>	<b>73,073</b>	<b>69,761</b>	<b>3,312</b>

### GST administration

States reimburse the Australian Government for the agreed costs incurred by the Australian Taxation Office (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 \$675.7 million for 2021-22, as shown in Table C.12.

**Table C.12: GST administration budget<sup>(a)</sup>**

\$million	Actual Estimates				
	2020-21	2021-22	2022-23	2023-24	2024-25
Administration budget at 2021-22 Budget (a)	621.5	682.9	679.1	483.9	484.4
Changes from 2021-22 Budget to MYEFO					
Parameter variations	-	-	0.6	1.3	3.1
Other variations	-	-7.2	-2.5	-2.8	-4.8
Total variations	-	-7.2	-1.9	-1.5	-1.6
Administration budget at 2021-22 MYEFO	621.5	675.7	677.2	482.4	482.7
less Prior year adjustment (b)	-	-83.3	-	-	-
<b>equals State government payments</b>	<b>621.5</b>	<b>592.4</b>	<b>677.2</b>	<b>482.4</b>	<b>482.7</b>

(a) Decreases in estimates from 2023-24 reflect the end of GST Compliance Program announced at the 2018-19 MYEFO.

(b) ATO resources diverted to support COVID-19 stimulus work during 2019-20 and 2020-21 resulted in lower-than-average GST administration costs for these financial years. Future estimates indicate a return to more normalised GST business as usual activities.



## Appendix D: Tax Benchmarks and Variations Statement

This appendix contains an overview of Australian Government tax benchmark variations. Section 16 of the *Charter of Budget Honesty Act 1998* (CBHA) requires the publication of a detailed statement of tax expenditures. This is presented in the Tax Benchmarks and Variations Statement (TBAVS). The TBAVS 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.

Tax benchmarks represent a standard taxation treatment that applies to similar taxpayers or types of activities. Policy approaches can apply a taxation treatment different from a standard approach and the resulting variations can give rise to positive or negative variations. The choice of benchmark unavoidably involves judgment and may therefore be contentious in some cases.

Benchmark variation estimates should be interpreted with caution as they do not indicate the revenue gain or loss to the Budget if they were to be abolished by a change of policy. In addition, the characterisation of a provision of the tax law that gives rise to a benchmark variation does not indicate a view on how an activity or class of taxpayer ought to be taxed.

Consistent with most OECD countries, estimates of a benchmark variation reflect the extent to which a variation is utilised, similar to Budget estimates of outlays on demand-driven expenditure programs. This is known as the 'revenue forgone' approach which, in practice, involves estimating the difference in revenue between the actual and benchmark tax treatments but, importantly, assuming taxpayer behaviour is the same in each circumstance. Revenue forgone estimates therefore do not indicate the revenue gain to the Budget if specific 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 expenditures as they may measure different things. In addition, estimates from different editions of previously released TBAVS are generally not comparable, because of changes or modifications to – for example – benchmarks, individual benchmark variations, data used or modelling methodology.

The information in Table D.1 is derived from the 2020 TBAVS, published in January 2021, based on economic parameters as at the publication of the 2020-21 MYEFO. It does not include the impact of policy decisions, or changes in the economic outlook since then on benchmark variations. Further information on benchmarks and variations from them will be available in the next TBAVS, scheduled to be published in January 2022.

Table D.1: Estimates of large measured benchmark variations

Benchmark variations	Estimate \$m			
	2021-22	2022-23	2023-24	2024-25
<b>Large positive benchmark variations</b>				
E8 Main residence exemption - discount component	25,500	26,500	29,000	28,500
E7 Main residence exemption	21,500	22,000	24,000	23,500
C2 Concessional taxation of employer superannuation contributions	19,350	20,550	22,550	20,750
C4 Concessional taxation of superannuation entity earnings	16,450	16,400	16,600	16,800
B66 Accelerated depreciation for business entities	11,000	11,100	-5,500	-8,700
E15 Discount for individuals and trusts	8,530	9,060	9,680	10,420
H26 Food	8,200	8,500	8,800	9,100
B82 Simplified depreciation rules	6,900	5,000	-4,400	-5,600
H14 Education	5,350	5,600	5,900	6,200
H17 Health - medical and health services	5,050	5,300	5,600	5,900
H2 Financial supplies - input taxed treatment	3,850	4,050	4,300	4,550
A25 Exemption for National Disability Insurance Scheme amounts	3,420	3,120	3,130	3,400
B24 Temporary loss carry-back for certain incorporated entities	3,120	2,270	-540	-460
B23 Tax exemption for assistance provided through the 'boosting cash flow for employers' measure	3,030	660	30	..
B12 Exemption from interest withholding tax on certain securities	2,600	2,600	2,600	2,600
A26 Exemption of Child Care Assistance payments	2,350	2,500	2,600	2,550
A23 Concessional taxation of non-superannuation termination benefits	2,350	2,250	2,150	1,850
B2 Local government bodies income tax exemption	2,200	2,300	2,400	2,500
D15 Exemption for public benevolent institutions (excluding hospitals)	2,050	2,150	2,200	2,150
A18 Medicare levy exemption for residents with taxable income below the low-income thresholds	1,950	1,950	1,950	1,950
B56 Lower company tax rate	1,900	1,800	2,800	3,000
A38 Exemption of Family Tax Benefit payments	1,780	1,770	1,780	1,780
D11 Exemption for public and not-for-profit hospitals and public ambulance services	1,750	1,800	1,850	1,750
C6 Deductibility of life and total permanent disability insurance premiums provided inside of superannuation	1,750	1,890	2,030	2,020
H5 Child care services	1,670	1,760	1,840	1,930
A16 Exemption of the Private Health Insurance Rebate	1,560	1,610	1,640	1,670
H18 Health - residential care, community care and other care services	1,400	1,480	1,560	1,640
C3 Concessional taxation of personal superannuation contributions	1,300	1,250	1,250	1,350
F6 Concessional rate of excise levied on aviation gasoline and aviation turbine fuel	1,270	1,320	1,380	1,480
H6 Water, sewerage and drainage	1,210	1,270	1,340	1,400
B77 Capital works expenditure deduction	1,190	1,190	1,180	1,170
A55 Philanthropy - deduction for gifts to deductible gift recipients	1,105	1,165	1,210	1,260

**Table D.1: Estimates of large measured benchmark variations (continued)**

Benchmark variations	Estimate \$m			
	2021-22	2022-23	2023-24	2024-25
C1 Concessional taxation of capital gains for superannuation funds	1,100	1,150	1,350	1,650
A37 Exemption of certain income support benefits, pensions or allowances	1,080	1,110	1,150	1,090
<b>Large negative benchmark variations</b>				
F10 Higher rate of excise levied on cigarettes not exceeding 0.8 grams of tobacco	-1,635	-1,630	-1,645	-1,675
F21 Customs duty	-1,680	-1,110	-1,110	-820





## 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 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* from 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:

- 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.

- From 2019-20 onwards, as a result of the implementation of the accounting standard AASB 16 Leases, the distinction between operating and finance leases for lessees has been removed. This change impacted a number of budget aggregates, in particular net debt and net financial worth. Due to data limitations, these changes have not been back-cast to earlier years.
- 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.
- 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.<sup>7</sup> 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.

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<sup>7</sup> 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.

## **Revisions to previously published data**

Under the accrual GFS framework and generally under AAS, flows are recorded in the period in which they occurred. As a result, prior period outcomes may be revised for classification changes relating to information that could reasonably have been expected to be known in the past, is material in at least one of the affected periods, and can be reliably assigned to the relevant period(s).

There have been no material classification changes that have resulted in back-casting in this update.

**Table E.1: Australian Government general government sector receipts, payments, net Future Fund earnings and underlying cash balance<sup>(a)</sup>**

	Receipts(b)		Payments(c)			Net Future Fund earnings	Underlying cash balance(d)	
	\$m	Per cent of GDP	\$m	Per cent real growth(f)	Per cent of GDP	\$m	\$m	Per cent of GDP
1970-71	8,290	20.5	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	19.5	9,388	7.7	18.8	-	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	22.5	31,642	1.5	23.5	-	-1,322	-1.0
1980-81	35,993	23.6	36,176	4.6	23.7	-	-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	26.1	77,158	-1.1	27.0	-	-2,434	-0.9
1987-88	83,491	25.7	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	24.1	100,665	3.1	24.3	-	-438	-0.1
1991-92	95,840	22.7	108,472	5.7	25.6	-	-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	23.5	135,538	1.9	25.6	-	-11,109	-2.1
1996-97	133,592	24.0	139,689	1.7	25.1	-	-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	25.9	177,123	9.1	25.1	-	5,872	0.8
2001-02	187,588	24.8	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	25.2	209,785	3.9	24.3	-	7,990	0.9
2004-05	235,984	25.5	222,407	3.5	24.1	-	13,577	1.5
2005-06	255,943	25.6	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	21.8	336,900	4.2	25.9	2,256	-54,494	-4.2

**Table E.1: Australian Government general government sector receipts, payments, net Future Fund earnings and underlying cash balance<sup>(a)</sup> (continued)**

	Receipts(b)		Payments(c)			Net Future Fund earnings	Underlying cash balance(d)	
	\$m	Per cent of GDP	\$m	Per cent real growth(f)	Per cent of GDP	\$m	\$m	Per cent of GDP
2010-11	302,024	21.3	346,102	-0.4	24.4	3,385	-47,463	-3.3
2011-12	329,874	22.0	371,032	4.8	24.7	2,203	-43,360	-2.9
2012-13	351,052	22.8	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	23.3	439,375	2.0	25.0	3,644	-33,151	-1.9
2017-18	446,905	24.2	452,742	1.1	24.6	4,305	-10,141	-0.6
2018-19	485,286	24.9	478,098	3.9	24.6	7,878	-690	0.0
2019-20	469,398	23.7	549,634	13.4	27.7	5,036	-85,272	-4.3
2020-21	519,913	25.1	654,084	17.1	31.6	6,619	-134,171	-6.5
<b>2021-22 (e)</b>	<b>532,130</b>	<b>24.2</b>	<b>631,377</b>	<b>-6.3</b>	<b>28.7</b>	<b>4,615</b>	<b>-99,247</b>	<b>-4.5</b>
2022-23 (e)	516,449	23.1	615,308	-4.8	27.6	3,957	-98,859	-4.4
2023-24 (e)	550,254	23.6	634,721	0.6	27.3	4,162	-84,468	-3.6
2024-25 (e)	591,165	24.2	648,634	-0.3	26.5	4,425	-57,469	-2.3

(a) Data have been revised in the 2021-22 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. In all other years, 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.

**Table E.2: Australian Government general government sector net cash flows from investments in financial assets for policy purposes and headline cash balance<sup>(a)</sup>**

			Net cash flows from investments in financial assets for policy purposes(b)		Headline cash balance(c)	
	Receipts	Payments	\$m	Per cent of GDP	\$m	Per cent of GDP
	\$m	\$m				
1970-71	8,290	7,389	-851	-2.1	50	0.1
1971-72	9,135	8,249	-987	-2.2	-101	-0.2
1972-73	9,735	9,388	-977	-2.0	-629	-1.3
1973-74	12,228	11,078	-1,275	-2.1	-125	-0.2
1974-75	15,643	15,463	-2,648	-3.7	-2,467	-3.5
1975-76	18,727	20,225	-2,040	-2.4	-3,539	-4.2
1976-77	21,890	23,157	-1,530	-1.6	-2,796	-2.9
1977-78	24,019	26,057	-1,324	-1.3	-3,361	-3.2
1978-79	26,129	28,272	-1,074	-0.9	-3,216	-2.7
1979-80	30,321	31,642	-702	-0.5	-2,024	-1.5
1980-81	35,993	36,176	-962	-0.6	-1,146	-0.8
1981-82	41,499	41,151	-1,008	-0.6	-660	-0.4
1982-83	45,463	48,810	-1,363	-0.7	-4,711	-2.5
1983-84	49,981	56,990	-1,136	-0.5	-8,144	-3.8
1984-85	58,817	64,853	-922	-0.4	-6,959	-3.0
1985-86	66,206	71,328	-810	-0.3	-5,932	-2.3
1986-87	74,724	77,158	-545	-0.2	-2,979	-1.0
1987-88	83,491	82,039	657	0.2	2,109	0.7
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	-2.5
1995-96	124,429	135,538	5,188	1.0	-5,921	-1.1
1996-97	133,592	139,689	7,241	1.3	1,142	0.2
1997-98	140,736	140,587	15,154	2.6	15,303	2.6
1998-99	152,063	148,175	6,948	1.1	10,837	1.7
1999-00	166,199	153,192	9,500	1.4	22,507	3.4
2000-01	182,996	177,123	5,673	0.8	11,545	1.6
2001-02	187,588	188,655	3,422	0.5	2,355	0.3
2002-03	204,613	197,243	-229	0.0	7,141	0.9
2003-04	217,775	209,785	-452	-0.1	7,538	0.9
2004-05	235,984	222,407	-1,139	-0.1	12,438	1.3
2005-06	255,943	240,136	-1,647	-0.2	14,160	1.4
2006-07	272,637	253,321	7,403	0.7	26,720	2.5
2007-08	294,917	271,843	5,108	0.4	28,181	2.4
2008-09	292,600	316,046	-7,889	-0.6	-31,336	-2.5
2009-10	284,662	336,900	-4,278	-0.3	-56,516	-4.3

**Table E.2: Australian Government general government sector net cash flows from investments in financial assets for policy purposes and headline cash balance<sup>(a)</sup> (continued)**

	Receipts		Payments		Net cash flows from investments in financial assets for policy purposes(b)		Headline cash balance(c)	
	\$m	\$m	\$m	\$m	\$m	Per cent of GDP	\$m	Per cent of GDP
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	469,398	549,634	-13,632	-0.7	-93,868	-4.7		
2020-21	519,913	654,084	-3,364	-0.2	-137,535	-6.7		
<b>2021-22 (e)</b>	<b>532,130</b>	<b>631,377</b>	<b>-6,888</b>	<b>-0.3</b>	<b>-106,135</b>	<b>-4.8</b>		
2022-23 (e)	516,449	615,308	-12,279	-0.6	-111,138	-5.0		
2023-24 (e)	550,254	634,721	-3,321	-0.1	-87,789	-3.8		
2024-25 (e)	591,165	648,634	-9,267	-0.4	-66,736	-2.7		

(a) Data have been revised in the 2021-22 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 E.1.

(e) Estimates.

**Table E.3: Australian Government general government sector taxation receipts, non-taxation receipts and total receipts<sup>(a)</sup>**

	Taxation receipts		Non-taxation receipts		Total receipts <sup>(b)</sup>	
	\$m	Per cent of GDP	\$m	Per cent of GDP	\$m	Per cent of GDP
1970-71	7,193	17.8	1,097	2.7	8,290	20.5
1971-72	7,895	17.7	1,240	2.8	9,135	20.5
1972-73	8,411	16.9	1,324	2.7	9,735	19.5
1973-74	10,832	17.9	1,396	2.3	12,228	20.3
1974-75	14,141	19.8	1,502	2.1	15,643	22.0
1975-76	16,920	20.3	1,807	2.2	18,727	22.5
1976-77	19,714	20.5	2,176	2.3	21,890	22.8
1977-78	21,428	20.4	2,591	2.5	24,019	22.9
1978-79	23,409	19.7	2,720	2.3	26,129	22.0
1979-80	27,473	20.4	2,848	2.1	30,321	22.5
1980-81	32,641	21.4	3,352	2.2	35,993	23.6
1981-82	37,880	21.5	3,619	2.1	41,499	23.6
1982-83	41,025	21.7	4,438	2.3	45,463	24.0
1983-84	44,849	21.0	5,132	2.4	49,981	23.4
1984-85	52,970	22.5	5,847	2.5	58,817	25.0
1985-86	58,841	22.6	7,365	2.8	66,206	25.4
1986-87	66,467	23.2	8,257	2.9	74,724	26.1
1987-88	75,076	23.2	8,415	2.6	83,491	25.7
1988-89	83,452	22.7	7,296	2.0	90,748	24.7
1989-90	90,773	22.4	7,852	1.9	98,625	24.4
1990-91	92,739	22.3	7,488	1.8	100,227	24.1
1991-92	87,364	20.7	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	23.5
1996-97	124,559	22.4	9,033	1.6	133,592	24.0
1997-98	130,984	22.2	9,752	1.7	140,736	23.9
1998-99	138,420	22.3	13,643	2.2	152,063	24.5
1999-00	151,313	22.9	14,887	2.2	166,199	25.1
2000-01	170,354	24.1	12,641	1.8	182,996	25.9
2001-02	175,371	23.2	12,218	1.6	187,588	24.8
2002-03	192,391	24.0	12,222	1.5	204,613	25.5
2003-04	206,734	23.9	11,041	1.3	217,775	25.2
2004-05	223,986	24.2	11,999	1.3	235,984	25.5
2005-06	241,987	24.2	13,956	1.4	255,943	25.6
2006-07	258,252	23.7	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	21.8



**Table E.3: Australian Government general government sector taxation receipts, non-taxation receipts and total receipts<sup>(a)</sup> (continued)**

	Taxation receipts		Non-taxation receipts		Total receipts <sup>(b)</sup>	
	\$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	22.8
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	21.9	24,537	1.5	386,924	23.3
2016-17	379,271	21.6	30,597	1.7	409,868	23.3
2017-18	418,053	22.7	28,853	1.6	446,905	24.2
2018-19	448,579	23.0	36,707	1.9	485,286	24.9
2019-20	431,775	21.8	37,623	1.9	469,398	23.7
2020-21	473,850	22.9	46,063	2.2	519,913	25.1
<b>2021-22 (e)</b>	<b>490,487</b>	<b>22.3</b>	<b>41,642</b>	<b>1.9</b>	<b>532,130</b>	<b>24.2</b>
2022-23 (e)	478,528	21.4	37,921	1.7	516,449	23.1
2023-24 (e)	507,609	21.8	42,645	1.8	550,254	23.6
2024-25 (e)	539,472	22.1	51,693	2.1	591,165	24.2

(a) Data have been revised in the 2021-22 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 E.1.

(e) Estimates.

**Table E.4: Australian Government general government sector net debt and net interest payments<sup>(a)</sup>**

	Net debt(b)		Net interest payments(c)	
	\$m	Per cent of GDP	\$m	Per cent of GDP
1970-71	344	0.9	-189	-0.5
1971-72	-496	-1.1	-245	-0.6
1972-73	-790	-1.6	-252	-0.5
1973-74	-1,851	-3.1	-286	-0.5
1974-75	-1,901	-2.7	-242	-0.3
1975-76	-341	-0.4	-330	-0.4
1976-77	898	0.9	-62	-0.1
1977-78	2,896	2.8	4	0.0
1978-79	4,983	4.2	254	0.2
1979-80	6,244	4.6	440	0.3
1980-81	6,356	4.2	620	0.4
1981-82	5,919	3.4	680	0.4
1982-83	9,151	4.8	896	0.5
1983-84	16,015	7.5	1,621	0.8
1984-85	21,896	9.3	2,813	1.2
1985-86	26,889	10.3	3,952	1.5
1986-87	29,136	10.2	4,762	1.7
1987-88	27,344	8.4	4,503	1.4
1988-89	21,981	6.0	4,475	1.2
1989-90	16,123	4.0	4,549	1.1
1990-91	16,915	4.1	3,636	0.9
1991-92	31,041	7.3	3,810	0.9
1992-93	55,218	12.4	3,986	0.9
1993-94	70,223	15.1	5,628	1.2
1994-95	83,492	16.8	7,292	1.5
1995-96	95,831	18.1	8,861	1.7
1996-97	96,281	17.3	9,489	1.7
1997-98	82,935	14.1	8,279	1.4
1998-99	72,065	11.6	8,649	1.4
1999-00	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 E.4: Australian Government general government sector net debt and net interest payments<sup>(a)</sup> (continued)**

	Net debt <sup>(b)</sup>		Net interest payments <sup>(c)</sup>	
	\$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	18.6	13,135	0.7
2018-19	373,566	19.2	15,149	0.8
2019-20	491,217	24.8	13,280	0.7
2020-21	592,221	28.6	14,290	0.7
<b>2021-22 (e)</b>	<b>673,387</b>	<b>30.6</b>	<b>14,764</b>	<b>0.7</b>
2022-23 (e)	773,142	34.7	14,643	0.7
2023-24 (e)	855,870	36.8	16,728	0.7
2024-25 (e)	914,840	37.4	17,641	0.7

(a) Data have been revised in the 2021-22 MYEFO to improve accuracy and comparability through time.

(b) Net debt is the sum of interest-bearing liabilities less the sum of selected financial assets (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.

**Table E.5: Australian Government general government sector face value of Australian Government Securities (AGS) on issue and interest paid<sup>(a)</sup>**

	Face value of AGS on issue(b)					
	Total AGS on issue(c)		Subject to Treasurer's Direction(d)		Interest paid(f)	
	End of year \$m	Per cent of GDP	End of year \$m	Per cent of GDP	\$m	Per cent of GDP
1970-71	10,887	27.0	-	-	580	1.4
1971-72	11,490	25.8	-	-	614	1.4
1972-73	12,217	24.5	-	-	675	1.4
1973-74	12,809	21.2	-	-	712	1.2
1974-75	14,785	20.8	-	-	893	1.3
1975-76	17,940	21.5	-	-	1,001	1.2
1976-77	20,845	21.7	-	-	1,485	1.5
1977-78	23,957	22.8	-	-	1,740	1.7
1978-79	28,120	23.7	-	-	2,080	1.8
1979-80	29,321	21.8	-	-	2,356	1.8
1980-81	30,189	19.8	-	-	2,723	1.8
1981-82	31,060	17.7	-	-	3,058	1.7
1982-83	37,071	19.6	-	-	3,580	1.9
1983-84	45,437	21.3	-	-	4,558	2.1
1984-85	54,420	23.1	-	-	5,952	2.5
1985-86	63,089	24.2	-	-	7,394	2.8
1986-87	67,172	23.5	-	-	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	11.7	-	-	6,994	1.7
1991-92	58,826	13.9	-	-	6,819	1.6
1992-93	76,509	17.2	-	-	6,487	1.5
1993-94	90,889	19.5	-	-	7,709	1.7
1994-95	105,466	21.3	-	-	9,144	1.8
1995-96	110,166	20.8	-	-	10,325	2.0
1996-97	111,067	20.0	-	-	10,653	1.9
1997-98	93,664	15.9	-	-	9,453	1.6
1998-99	85,331	13.7	-	-	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	8.3	-	-	6,270	0.8
2002-03	57,435	7.2	-	-	4,740	0.6
2003-04	54,750	6.3	-	-	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 E.5: Australian Government general government sector face value of Australian Government Securities (AGS) on issue and interest paid<sup>(a)</sup> (continued)**

	Face value of AGS on issue(b)					
	Total AGS on issue(c)		Subject to Treasurer's Direction(d)		Interest paid(f)	
	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	22.6	13,924	0.9
2015-16	420,420	25.4	417,936	25.2	14,977	0.9
2016-17	500,979	28.5	498,510	28.3	15,290	0.9
2017-18	531,937	28.9	529,467	28.7	16,568	0.9
2018-19	541,992	27.8	541,986	27.8	18,951	1.0
2019-20	684,298	34.5	684,292	34.5	16,524	0.8
2020-21	816,991	39.5	816,985	39.5	17,102	0.8
<b>2021-22 (e)</b>	<b>919,000</b>	<b>41.8</b>	<b>919,000</b>	<b>41.8</b>	<b>17,496</b>	<b>0.8</b>
2022-23 (e)	1,017,000	45.6	1,017,000	45.6	17,675	0.8
2023-24 (e)	1,110,000	47.7	1,110,000	47.7	20,139	0.9
2024-25 (e)	1,189,000	48.6	1,189,000	48.6	21,326	0.9

(a) Data have been revised in the 2021-22 MYEFO to improve accuracy and comparability through time.

(b) From 2020-21 onwards, data for AGS on issue are estimates and are rounded to the nearest \$1 billion.

(c) Total AGS on issue includes AGS held on behalf of the states and the Northern Territory.

(d) 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. 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.

(e) Estimates.

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

**Table E.6: Australian Government general government sector revenue, expenses, net operating balance, net capital investment, net operating balance, net capital investment and fiscal balance<sup>(a)</sup>**

	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	145,940	26.2	-4,252	-0.8	90	0.0	-4,342	-0.8
1997-98	146,820	24.9	148,788	25.3	-1,968	-0.3	147	0.0	-2,115	-0.4
1998-99	152,106	24.5	146,925	23.7	5,181	0.8	1,433	0.2	3,748	0.6
1999-00	167,304	25.3	155,728	23.5	11,576	1.7	-69	0.0	11,645	1.8
2000-01	186,106	26.3	180,277	25.5	5,829	0.8	8	0.0	5,820	0.8
2001-02	190,432	25.2	193,214	25.6	-2,782	-0.4	382	0.1	-3,164	-0.4
2002-03	206,778	25.8	201,402	25.1	5,376	0.7	287	0.0	5,088	0.6
2003-04	222,042	25.7	215,634	25.0	6,409	0.7	660	0.1	5,749	0.7
2004-05	242,354	26.2	229,427	24.8	12,926	1.4	1,034	0.1	11,892	1.3
2005-06	260,569	26.1	241,977	24.2	18,592	1.9	2,498	0.3	16,094	1.6
2006-07	277,895	25.5	259,197	23.8	18,698	1.7	2,333	0.2	16,365	1.5
2007-08	303,402	25.7	280,335	23.8	23,068	2.0	2,593	0.2	20,475	1.7
2008-09	298,508	23.7	324,889	25.8	-26,382	-2.1	4,064	0.3	-30,445	-2.4
2009-10	292,387	22.4	340,354	26.1	-47,967	-3.7	6,433	0.5	-54,400	-4.2
2010-11	309,204	21.8	356,710	25.2	-47,506	-3.4	5,297	0.4	-52,802	-3.7
2011-12	337,324	22.5	377,948	25.2	-40,624	-2.7	4,850	0.3	-45,474	-3.0
2012-13	359,496	23.4	383,351	25.0	-23,855	-1.6	987	0.1	-24,842	-1.6
2013-14	374,151	23.4	415,691	26.0	-41,540	-2.6	3,850	0.2	-45,390	-2.8
2014-15	379,455	23.4	418,956	25.8	-39,501	-2.4	2,706	0.2	-42,206	-2.6
2015-16	395,055	23.8	430,739	26.0	-35,684	-2.2	3,829	0.2	-39,513	-2.4

**Table E.6: Australian Government general government sector revenue, expenses, net operating balance, net capital investment and fiscal balance<sup>(a)</sup> (continued)**

	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
2016-17	415,723	23.6	449,712	25.6	-33,989	-1.9	2,876	0.2	-36,865	-2.1
2017-18	456,280	24.8	461,490	25.0	-5,209	-0.3	1,284	0.1	-6,493	-0.4
2018-19	493,346	25.3	485,869	25.0	7,476	0.4	6,126	0.3	1,350	0.1
2019-20	486,278	24.5	578,117	29.2	-91,839	-4.6	4,005	0.2	-95,844	-4.8
2020-21	523,012	25.3	651,916	31.5	-128,904	-6.2	7,204	0.3	-136,108	-6.6
<b>2021-22 (e)</b>	<b>542,528</b>	<b>24.7</b>	<b>633,838</b>	<b>28.8</b>	<b>-91,310</b>	<b>-4.1</b>	<b>11,593</b>	<b>0.5</b>	<b>-102,903</b>	<b>-4.7</b>
2022-23 (e)	530,340	23.8	616,313	27.6	-85,973	-3.9	11,376	0.5	-97,349	-4.4
2023-24 (e)	563,969	24.2	636,582	27.3	-72,614	-3.1	10,920	0.5	-83,534	-3.6
2024-25 (e)	597,323	24.4	650,558	26.6	-53,235	-2.2	8,205	0.3	-61,440	-2.5

(a) Data have been revised in the 2021-22 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.

**Table E.7: Australian Government general government sector net worth and net financial worth<sup>(a)</sup>**

	Net worth <sup>(b)</sup>		Net financial worth <sup>(c)</sup>	
	\$m	Per cent of GDP	\$m	Per cent of GDP
1999-00	-10,424	-1.6	-70,414	-10.6
2000-01	-10,287	-1.5	-75,544	-10.7
2001-02	-15,330	-2.0	-81,707	-10.8
2002-03	-18,856	-2.3	-86,456	-10.8
2003-04	-4,740	-0.5	-75,976	-8.8
2004-05	11,066	1.2	-62,372	-6.7
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	-24.0
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	-25.6	-548,028	-33.1
2016-17	-390,897	-22.2	-529,225	-30.1
2017-18	-418,135	-22.7	-562,183	-30.5
2018-19	-543,459	-27.9	-694,448	-35.7
2019-20	-664,892	-33.6	-840,557	-42.4
2020-21	-725,230	-35.1	-905,924	-43.8
<b>2021-22 (e)</b>	<b>-632,376</b>	<b>-28.7</b>	<b>-824,290</b>	<b>-37.5</b>
2022-23 (e)	-716,888	-32.1	-919,036	-41.2
2023-24 (e)	-788,036	-33.8	-1,000,212	-43.0
2024-25 (e)	-837,634	-34.2	-1,059,087	-43.3

(a) Data have been revised in the 2021-22 MYEFO to improve accuracy and comparability through time.

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

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

(e) Estimates.



**Table E.8: Australian Government general government sector accrual taxation revenue, non-taxation revenue and total revenue<sup>(a)</sup>**

	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	1.4	186,106	26.3
2001-02	178,410	23.6	12,022	1.6	190,432	25.2
2002-03	195,319	24.3	11,458	1.4	206,778	25.8
2003-04	210,541	24.4	11,501	1.3	222,042	25.7
2004-05	230,490	24.9	11,863	1.3	242,354	26.2
2005-06	245,846	24.6	14,723	1.5	260,569	26.1
2006-07	262,876	24.2	15,019	1.4	277,895	25.5
2007-08	286,869	24.3	16,534	1.4	303,402	25.7
2008-09	279,303	22.2	19,206	1.5	298,508	23.7
2009-10	268,841	20.6	23,546	1.8	292,387	22.4
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	22.0	23,134	1.4	379,455	23.4
2015-16	369,410	22.3	25,645	1.5	395,055	23.8
2016-17	388,641	22.1	27,082	1.5	415,723	23.6
2017-18	427,183	23.2	29,097	1.6	456,280	24.8
2018-19	456,072	23.4	37,274	1.9	493,346	25.3
2019-20	447,526	22.6	38,752	2.0	486,278	24.5
2020-21	480,221	23.2	42,791	2.1	523,012	25.3
<b>2021-22 (e)</b>	<b>504,041</b>	<b>22.9</b>	<b>38,487</b>	<b>1.7</b>	<b>542,528</b>	<b>24.7</b>
2022-23 (e)	491,087	22.0	39,254	1.8	530,340	23.8
2023-24 (e)	519,722	22.3	44,246	1.9	563,969	24.2
2024-25 (e)	551,989	22.6	45,335	1.9	597,323	24.4

(a) Data have been revised in the 2021-22 MYEFO to improve accuracy and comparability through time.

(e) Estimates.

**Table E.9: Australian Government cash receipts, payments and surplus by institutional sector (\$m)<sup>(a)</sup>**

	General government				Public non-financial corporations				Non-financial public sector				
	Receipts		Payments		Receipts		Payments		Receipts		Payments		
	(b)	(c)	(b)	(c)	(b)	(c)	(b)	(c)	(b)	(c)	(b)	(c)	
				Underlying cash balance(d)									
1988-89	90,748	85,326	5,421	4,177	6,035	257	93,923	90,312	5,678				
1989-90	98,625	92,684	5,942	3,926	11,322	-5,261	101,495	102,883	681				
1990-91	100,227	100,665	-438	4,804	9,351	-2,139	103,837	108,808	-2,577				
1991-92	95,840	108,472	-12,631	3,899	7,713	101	97,937	114,369	-12,530				
1992-93	97,633	115,751	-18,118	4,385	7,819	-196	100,512	122,042	-18,314				
1993-94	103,824	122,009	-18,185	5,178	6,476	1,482	106,747	126,214	-16,703				
1994-95	113,458	127,619	-14,160	5,262	7,318	1,956	116,751	132,965	-12,204				
1995-96	124,429	135,538	-11,109	4,927	8,190	-527	126,593	140,963	-11,636				
1996-97	133,592	139,689	-6,099	4,782	7,373	473	135,259	143,948	-5,626				
1997-98	140,736	140,587	149	6,238	7,923	1,119	144,517	145,985	1,268				
1998-99	152,063	148,175	3,889	na	na	-353	na	na	3,536				
1999-00	166,199	153,192	13,007	na	na	-2,594	na	na	10,413				
2000-01	182,996	177,123	5,872	na	na	391	na	na	6,323				
2001-02	187,588	188,655	-1,067	na	na	1,210	na	na	65				
2002-03	204,613	197,243	7,370	27,386	26,105	1,280	na	na	8,651				
2003-04	217,775	209,785	7,990	27,718	26,142	1,575	238,236	228,664	9,569				
2004-05	235,984	222,407	13,577	29,621	28,071	1,550	257,946	242,805	15,141				
2005-06	255,943	240,136	15,757	30,875	31,874	-999	278,254	263,421	14,833				
2006-07	272,637	253,321	17,190	16,882	18,641	-1,759	285,336	267,719	17,625				
2007-08	294,917	271,843	19,754	7,758	8,231	-472	300,503	277,754	22,800				
2008-09	292,600	316,046	-27,013	7,987	8,960	-973	297,421	321,275	-23,786				
2009-10	284,662	336,900	-54,494	8,419	9,341	-922	290,681	343,816	-52,879				

**Table E.9: Australian Government cash receipts, payments and surplus by institutional sector (\$m)<sup>(a)</sup> (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	469,398	549,634	-85,272	18,824	28,244	-9,419	483,362	573,018	-89,656
2020-21	519,913	654,084	-134,171	21,264	26,635	-5,371	535,940	675,484	-139,544
<b>2021-22 (e)</b>	<b>532,130</b>	<b>631,377</b>	<b>-99,247</b>	<b>21,198</b>	<b>28,362</b>	<b>-7,164</b>	<b>548,305</b>	<b>654,713</b>	<b>-103,456</b>
2022-23 (e)	516,449	615,308	-98,859	na	na	na	na	na	na
2023-24 (e)	550,254	634,721	-84,468	na	na	na	na	na	na
2024-25 (e)	591,165	648,634	-57,469	na	na	na	na	na	na

(a) Data have been revised in the 2021-22 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. In all other years, 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.

na Data not available.

**Table E.10: Australian Government accrual revenue, expenses and fiscal balance by institutional sector (\$m)<sup>(a)</sup>**

	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	145,940	-4,342	27,431	26,015	-331	na	na	-4,673
1997-98	146,820	148,788	-2,115	29,618	26,999	2,360	na	na	251
1998-99	152,106	146,925	3,748	27,687	26,088	-816	175,891	169,111	2,932
1999-00	167,304	155,728	11,645	25,485	23,542	1,062	188,841	175,322	11,550
2000-01	186,106	180,277	5,820	25,869	24,762	-826	207,367	200,433	4,994
2001-02	190,432	193,214	-3,164	26,638	25,341	793	212,462	213,947	-2,371
2002-03	206,778	201,402	5,088	24,339	22,916	1,975	225,989	219,232	7,023
2003-04	222,042	215,634	5,749	25,449	23,444	2,143	241,746	233,333	7,892
2004-05	242,354	229,427	11,892	26,965	25,191	1,473	263,434	248,733	13,365
2005-06	260,569	241,977	16,094	28,143	29,531	-2,442	281,927	264,722	13,652
2006-07	277,895	259,197	16,365	15,443	16,360	-1,763	289,551	271,771	14,601
2007-08	303,402	280,335	20,475	6,854	6,686	-584	308,888	285,652	19,891
2008-09	298,508	324,889	-30,445	6,998	7,576	-1,495	303,309	330,268	-31,941
2009-10	292,387	340,354	-54,400	7,288	7,297	-1,079	298,033	346,008	-55,480
2010-11	309,204	356,710	-52,802	7,563	7,787	-1,446	315,001	362,732	-54,248
2011-12	337,324	377,948	-45,474	8,046	8,238	-2,158	343,722	384,538	-47,632
2012-13	359,496	383,351	-24,842	8,863	9,415	-4,189	366,642	391,048	-29,031
2013-14	374,151	415,691	-45,390	9,537	11,127	-6,070	381,971	425,102	-51,460
2014-15	379,455	418,956	-42,206	9,987	11,850	-4,856	387,719	429,083	-47,062
2015-16	395,055	430,739	-39,513	10,044	12,809	-7,486	403,868	442,318	-46,999

**Table E.10: Australian Government accrual revenue, expenses and fiscal balance by institutional sector (\$m)<sup>(a)</sup> (continued)**

	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)
2016-17	415,723	449,712	-36,865	10,894	15,035	-9,918	425,114	463,243	-46,784
2017-18	456,280	461,490	-6,493	12,318	16,934	-10,055	466,661	476,403	-16,463
2018-19	493,346	485,869	1,350	15,836	20,899	-11,121	507,017	504,486	-9,655
2019-20	486,278	578,117	-95,844	17,029	23,174	-10,096	500,961	598,651	-105,637
2020-21	523,012	651,916	-136,108	19,166	22,941	-5,264	538,350	670,849	-141,187
<b>2021-22 (e)</b>	<b>542,528</b>	<b>633,838</b>	<b>-102,903</b>	<b>19,248</b>	<b>21,728</b>	<b>-6,148</b>	<b>558,986</b>	<b>652,836</b>	<b>-109,109</b>
2022-23 (e)	530,340	616,313	-97,349	na	na	na	na	na	na
2023-24 (e)	563,969	636,582	-83,534	na	na	na	na	na	na
2024-25 (e)	597,323	650,558	-61,440	na	na	na	na	na	na

(a) Data have been revised in the 2021-22 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.

na Data not available.

**Table E.11: Australian Government general government sector receipts, payments, underlying cash balance, net debt and net interest payments presented on a real per capita basis<sup>(a)(b)</sup>**

	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 E.11: Australian Government general government sector receipts, payments, underlying cash balance, net debt and net interest payments presented on a real per capita basis<sup>(a)(b)</sup> (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	14,900	1,028	15,929	16,137	-361	12,188	468
2018-19	15,492	1,268	16,759	16,511	-24	12,901	523
2019-20	14,527	1,266	15,793	18,493	-2,869	16,527	447
2020-21	15,628	1,519	17,148	21,573	-4,425	19,532	471
<b>2021-22 (e)</b>	<b>15,665</b>	<b>1,330</b>	<b>16,995</b>	<b>20,164</b>	<b>-3,170</b>	<b>21,506</b>	<b>472</b>
2022-23 (e)	14,752	1,169	15,921	18,969	-3,048	23,835	451
2023-24 (e)	15,063	1,265	16,328	18,835	-2,506	25,397	496
2024-25 (e)	15,412	1,477	16,888	18,530	-1,642	26,135	504

(a) Data have been revised in the 2021-22 MYEFO to improve accuracy and comparability through time.

(b) 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.





## 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 2021-22 to 2024-25 as follows:

C.A.1 - health

C.A.2 - education

C.A.3 - skills and workforce development

C.A.4 - community services

C.A.5 - affordable housing

C.A.6 - infrastructure

C.A.7 - environment

C.A.8 - contingent payments

C.A.9 - other

C.A.10 - GST and general revenue assistance

C.A.11 - payments presented on the Australian Bureau of Statistics Government Finance Statistics (GFS) functional basis

C.A.12 - advances, repayment of advances and interest payments.

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2021-22</b>									
<b>National Health Reform funding</b>									
Hospital services(a)	7,287.6	6,136.5	5,531.4	2,568.0	1,550.6	494.5	462.2	333.1	24,363.9
Public health	147.0	121.4	94.0	48.0	31.8	9.8	7.8	4.3	464.2
COVID-19 public health response(b)	683.7	416.7	224.5	128.8	75.3	31.4	23.2	20.9	1,604.6
Total National Health Reform funding	8,118.3	6,674.6	5,850.0	2,744.7	1,657.8	535.6	493.2	358.4	26,432.7
<b>National Partnership payments</b>									
<b>Health services</b>									
Access to HIV treatment	-	-	-	-	-	-	-	-	-
Achieving better health outcomes	0.5	-	-	-	-	-	-	-	0.5
Adult mental health centres	-	-	-	-	4.0	-	-	-	4.0
Comprehensive palliative care across the life course	2.0	8.1	2.2	1.1	0.8	0.2	0.2	0.1	14.7
Expansion of the BreastScreen Australia program(c)	~	~	~	~	~	~	~	~	15.6
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
Mosquito Control in Tennant Creek	-	-	-	-	-	-	-	0.8	0.8
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
National perinatal mental health check(c)	~	~	~	~	~	~	~	~	7.0
NSW Mental Health Support	1.5	-	-	-	-	-	-	-	1.5
OzFoodNet	0.4	0.3	0.3	0.2	0.2	0.2	0.2	0.2	1.9
Royal Darwin Hospital – equipped, prepared and ready	-	-	-	-	-	-	-	24.9	24.9
Specialist dementia care(c)	0.3	0.8	0.8	0.3	0.3	~	0.3	~	4.0
Vaccine-preventable diseases surveillance	0.2	0.2	0.2	0.1	0.1	..	..	0.1	1.0

**Table C.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
<b>Health infrastructure</b>									
Community Health, Hospitals and Infrastructure projects	32.5	42.5	57.2	20.3	9.1	9.0	6.5	0.2	177.3
Home for the Matildas	-	7.5	-	-	-	-	-	-	7.5
Proton beam therapy facility	-	-	-	-	-	-	-	-	-
Western Australia Children's Hospice	-	-	-	7.5	-	-	-	-	7.5
<b>Indigenous health</b>									
Addressing blood-borne viruses and sexually transmissible infections in the Torres Strait	-	-	1.1	-	-	-	-	-	1.1
Improving trachoma control services for Indigenous Australians(c)	-	-	~	~	~	-	-	~	4.7
Northern Territory Remote Aboriginal Investment	-	-	-	-	-	-	-	-	-
Health component	-	-	-	-	-	-	-	7.7	7.7
Rheumatic fever strategy(c)	-	-	~	~	~	-	-	~	2.9

**Table C.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
<b>Other health</b>									
Centre for National Resilience	-	-	-	-	-	-	-	318.7	318.7
Encouraging more clinical trials in Australia(c)	~	~	~	~	~	~	~	~	1.5
Essential vaccines	5.7	4.5	3.8	2.1	1.5	0.8	0.7	0.6	19.6
Health Innovation Fund	-	-	-	-	1.7	-	-	15.0	16.7
Increasing specialist services for children with harmful sexual behaviours in the NT	-	-	-	-	-	-	-	0.7	0.7
Lymphoedema garments									
and allied health therapy program	0.6	0.5	0.4	0.2	0.1	..	..	..	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	107.9
Queensland 2032 Olympic and Paralympic Games Candidature	-	-	5.5	-	-	-	-	-	5.5
SA Home Quarantine Application	-	-	-	-	12.2	-	-	-	12.2
Total National Partnership payments(d)	80.8	93.9	101.9	42.6	40.0	13.9	9.0	370.5	785.7
<b>Total(d)</b>	<b>8,199.1</b>	<b>6,768.5</b>	<b>5,951.9</b>	<b>2,787.3</b>	<b>1,697.8</b>	<b>549.6</b>	<b>502.3</b>	<b>728.8</b>	<b>27,218.3</b>

(a) Includes expected payment of the Minimum Funding Guarantee which has been extended until 2021-22. If the guarantee is invoked for a state, payment is made in the following financial year.

(b) Payments to the states for the COVID-19 public health response complement funding under the 2020-2025 Addendum to the National Health Reform Agreement and are separate to state and territory National Health Reform funding entitlements under the Addendum. Total includes unallocated funding.

(c) 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 C.A.1: Estimated payments to support state health services, by year and state (continued)**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2022-23</b>									
<b>National Health Reform funding</b>									
Hospital services(a)	7,987.2	6,634.4	6,089.5	2,861.2	1,624.0	531.5	492.8	406.0	26,626.7
Public health	153.7	127.5	98.9	50.4	33.3	10.3	8.2	4.4	486.6
COVID-19 public health response	-	-	-	-	-	-	-	-	-
Total National Health Reform funding	8,140.9	6,761.8	6,188.4	2,911.7	1,657.3	541.8	501.0	410.4	27,113.3
<b>National Partnership payments</b>									
<b>Health services</b>									
Access to HIV treatment	-	-	-	-	-	-	-	-	-
Achieving better health outcomes	0.5	-	-	-	-	-	-	-	0.5
Adult mental health centres	-	-	-	-	4.0	-	-	-	4.0
Comprehensive palliative care across the life course	2.0	3.0	2.3	1.2	0.8	0.2	0.2	0.1	9.8
Expansion of the BreastScreen Australia program(b)	~	~	~	~	~	~	~	~	15.8
Hummingbird House	-	-	0.8	-	-	-	-	-	0.8
Management of Torres Strait / Papua New Guinea cross-border health issues	-	-	5.3	-	-	-	-	-	5.3
Mosquito control and cross border liaison in the Torres Strait	-	-	0.9	-	-	-	-	-	0.9
Mosquito Control in Tennant Creek	-	-	-	-	-	-	-	0.6	0.6
National bowel cancer screening program – participant follow-up function(b)	~	~	~	~	~	~	~	~	8.1
National perinatal mental health check(b)	~	~	~	~	~	~	~	~	7.0
NSW Mental Health Support	-	-	-	-	-	-	-	-	-
OzFoodNet	0.4	0.3	0.3	0.2	0.2	0.2	0.2	0.2	1.9
Royal Darwin Hospital – equipped, prepared and ready	-	-	-	-	-	-	-	17.3	17.3
Specialist dementia care(b)	0.3	0.8	0.8	0.3	0.3	~	0.3	~	9.4
Vaccine-preventable diseases surveillance	0.3	0.2	0.2	0.1	0.1	..	..	0.1	1.0

**Table C.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
<b>Health infrastructure</b>									
Community Health, Hospitals and Infrastructure projects	26.5	86.2	34.6	41.8	17.4	12.0	8.8	-	227.3
Home for the Matildas	-	7.5	-	-	-	-	-	-	7.5
Proton beam therapy facility	-	-	-	-	27.3	-	-	-	27.3
Western Australia Children's Hospice	-	-	-	-	-	-	-	-	-
<b>Indigenous health</b>									
Addressing blood-borne viruses and sexually transmissible infections in the Torres Strait	-	-	1.1	-	-	-	-	-	1.1
Improving trachoma control services for Indigenous Australians(b)	-	-	~	~	~	-	-	~	4.7
Northern Territory Remote Aboriginal Investment	-	-	-	-	-	-	-	-	-
Health component	-	-	-	-	-	-	-	7.4	7.4
Rheumatic fever strategy(b)	-	-	~	~	~	-	-	~	3.0

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2022-23</b>									
<b>Other health</b>									
Centre for National Resilience	-	-	-	-	-	-	-	127.8	127.8
Encouraging more clinical trials in Australia(b)	~	~	~	~	~	~	~	~	1.5
Essential vaccines	5.7	4.6	3.8	2.1	1.5	0.8	0.7	0.6	19.9
Health Innovation Fund	-	-	-	-	1.7	-	-	-	1.7
Increasing specialist services for children with harmful sexual behaviours in the NT	-	-	-	-	-	-	-	1.4	1.4
Lymphoedema garments and allied health therapy program	0.6	0.5	0.4	0.2	0.1	..	..	..	2.0
National Coronial Information System	-	0.4	-	-	-	-	-	-	0.4
Public dental services for adults	-	-	-	-	-	-	-	-	-
Queensland 2032 Olympic and Paralympic Games Candidature	-	-	-	-	-	-	-	-	-
SA Home Quarantine Application	-	-	-	-	-	-	-	-	-
Total National Partnership payments(c)	36.3	103.6	50.5	45.9	53.5	13.3	10.2	155.4	515.4
<b>Total(c)</b>	<b>8,177.2</b>	<b>6,865.4</b>	<b>6,238.9</b>	<b>2,957.6</b>	<b>1,710.8</b>	<b>555.1</b>	<b>511.2</b>	<b>565.8</b>	<b>27,628.7</b>

(a) Includes expected payment of the Minimum Funding Guarantee which has been extended until 2021-22. If the guarantee is invoked for a state, payment is made in the following financial year.

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2023-24</b>									
<b>National Health Reform funding</b>									
Hospital services	8,446.0	6,936.0	6,519.5	3,005.1	1,700.3	553.6	533.1	437.1	28,130.8
Public health	161.1	134.5	104.1	53.0	34.8	10.8	8.6	4.6	511.4
COVID-19 public health response	-	-	-	-	-	-	-	-	-
Total National Health Reform funding	8,607.1	7,070.5	6,623.6	3,058.1	1,735.1	564.4	541.7	441.7	28,642.2
<b>National Partnership payments</b>									
<b>Health services</b>									
Access to HIV treatment	6.7	3.7	1.4	0.2	0.1	0.1	0.1	0.2	12.5
Achieving better health outcomes	-	-	-	-	-	-	-	-	-
Adult mental health centres	-	-	-	-	4.0	-	-	-	4.0
Comprehensive palliative care across the life course	2.1	3.1	2.4	1.3	0.8	0.3	0.2	0.1	10.3
Expansion of the BreastScreen Australia program(a)	~	~	~	~	~	~	~	~	16.0
Hummingbird House	-	-	-	-	-	-	-	-	-
Management of Torres Strait / Papua New Guinea cross-border health issues	-	-	5.4	-	-	-	-	-	5.4
Mosquito control and cross border liaison in the Torres Strait	-	-	0.9	-	-	-	-	-	0.9
Mosquito Control in Tennant Creek	-	-	-	-	-	-	-	-	-
National bowel cancer screening program – participant follow-up function(a)	~	~	~	~	~	~	~	~	8.5
National perinatal mental health check	-	-	-	-	-	-	-	-	-
NSW Mental Health Support	-	-	-	-	-	-	-	-	-
OzFoodNet	0.4	0.3	0.3	0.2	0.2	0.2	0.2	0.2	1.9
Royal Darwin Hospital – equipped, prepared and ready	-	-	-	-	-	-	-	-	-
Specialist dementia care(a)	~	~	~	~	~	~	~	~	9.5
Vaccine-preventable diseases surveillance	0.3	0.2	0.2	0.1	0.1	..	..	0.1	1.1



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

\$million 2023-24	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>Health infrastructure</b>									
Community Health, Hospitals and Infrastructure projects	80.5	52.2	11.4	33.4	7.0	12.0	4.0	-	200.5
Home for the Matildas	-	-	-	-	-	-	-	-	-
Proton beam therapy facility	-	-	-	-	-	-	-	-	-
Western Australia Children's Hospice	-	-	-	-	-	-	-	-	-
<b>Indigenous health</b>									
Addressing blood-borne viruses and sexually transmissible infections in the Torres Strait	-	-	1.1	-	-	-	-	-	1.1
Improving trachoma control services for Indigenous Australians(a)	-	-	~	~	~	-	-	~	4.8
Northern Territory Remote Aboriginal Investment	-	-	-	-	-	-	-	-	-
Health component	-	-	-	-	-	-	-	7.4	7.4
Rheumatic fever strategy(a)	-	-	~	~	~	-	-	~	3.0

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

\$million 2023-24	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>Other health</b>									
Centre for National Resilience	-	-	-	-	-	-	-	-	-
Encouraging more clinical trials in Australia(a)	~	~	~	~	~	~	~	~	1.5
Essential vaccines	5.7	4.6	3.8	2.1	1.5	0.8	0.7	0.6	19.8
Health Innovation Fund	-	-	-	-	1.7	-	-	-	1.7
Increasing specialist services for children with harmful sexual behaviours in the NT	-	-	-	-	-	-	-	1.4	1.4
Lymphoedema garments									
and allied health therapy program	0.6	0.5	0.4	0.2	0.1	..	..	..	2.0
National Coronial Information System	-	0.4	-	-	-	-	-	-	0.4
Public dental services for adults	-	-	-	-	-	-	-	-	-
Queensland 2032 Olympic and Paralympic Games Candidature	-	-	-	-	-	-	-	-	-
SA Home Quarantine Application	-	-	-	-	-	-	-	-	-
Total National Partnership payments(b)	96.3	65.1	27.3	37.5	15.5	13.4	5.2	9.9	313.7
<b>Total(b)</b>	<b>8,703.4</b>	<b>7,135.6</b>	<b>6,650.9</b>	<b>3,095.6</b>	<b>1,750.6</b>	<b>577.8</b>	<b>546.9</b>	<b>451.7</b>	<b>28,955.9</b>

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2024-25</b>									
<b>National Health Reform funding</b>									
Hospital services	8,928.9	7,320.6	7,000.6	3,203.4	1,779.6	582.4	572.2	479.5	29,867.1
Public health	169.1	142.2	109.5	55.8	36.4	11.3	9.0	4.8	538.0
COVID-19 public health response	-	-	-	-	-	-	-	-	-
Total National Health Reform funding	9,098.0	7,462.9	7,110.1	3,259.2	1,816.0	593.6	581.1	484.3	30,405.1
<b>National Partnership payments</b>									
<b>Health services</b>									
Access to HIV treatment	6.7	3.7	1.4	0.2	0.1	0.1	0.1	0.2	12.5
Achieving better health outcomes	-	-	-	-	-	-	-	-	-
Adult mental health centres	-	-	-	-	-	-	-	-	-
Comprehensive palliative care across the life course	-	-	-	-	-	-	-	-	-
Expansion of the BreastScreen Australia program(a)	~	~	~	~	~	~	~	~	16.2
Hummingbird House	-	-	-	-	-	-	-	-	-
Management of Torres Strait / Papua New Guinea cross-border health issues	-	-	-	-	-	-	-	-	-
Mosquito control and cross border liaison in the Torres Strait	-	-	-	-	-	-	-	-	-
Mosquito Control in Tennant Creek	-	-	-	-	-	-	-	-	-
National bowel cancer screening program – participant follow-up function	-	-	-	-	-	-	-	-	-
National perinatal mental health check	-	-	-	-	-	-	-	-	-
NSW Mental Health Support	-	-	-	-	-	-	-	-	-
OzFoodNet	-	-	-	-	-	-	-	-	-
Royal Darwin Hospital – equipped, prepared and ready	-	-	-	-	-	-	-	-	-
Specialist dementia care	-	-	-	-	-	-	-	-	-
Vaccine-preventable diseases surveillance	-	-	-	-	-	-	-	-	-

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2024-25</b>									
<b>Health infrastructure</b>									
Community Health, Hospitals and Infrastructure projects	130.0	3.0	4.7	7.3	-	-	-	-	145.0
Home for the Matildas	-	-	-	-	-	-	-	-	-
Proton beam therapy facility	-	-	-	-	-	-	-	-	-
Western Australia Children's Hospice	-	-	-	-	-	-	-	-	-
<b>Indigenous health</b>									
Addressing blood-borne viruses and sexually transmissible infections in the Torres Strait	-	-	-	-	-	-	-	-	-
Improving trachoma control services for Indigenous Australians(a)	-	-	~	~	~	-	-	~	4.9
Northern Territory Remote Aboriginal Investment	-	-	-	-	-	-	-	-	-
Health component	-	-	-	-	-	-	-	-	-
Rheumatic fever strategy(a)	-	-	~	~	~	-	-	~	3.1

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2024-25</b>									
<b>Other health</b>									
Centre for National Resilience	-	-	-	-	-	-	-	-	-
Encouraging more clinical trials in Australia(a)	~	~	~	~	~	~	~	~	1.5
Essential vaccines	5.8	4.7	3.9	2.1	1.5	0.8	0.7	0.6	20.1
Health Innovation Fund	-	-	-	-	1.7	-	-	-	1.7
Increasing specialist services for children with harmful sexual behaviours in the NT	-	-	-	-	-	-	-	1.4	1.4
Lymphoedema garments and allied health therapy program	-	-	-	-	-	-	-	-	-
National Coronial Information System	-	0.4	-	-	-	-	-	-	0.4
Public dental services for adults	-	-	-	-	-	-	-	-	-
Queensland 2032 Olympic and Paralympic Games Candidature	-	-	-	-	-	-	-	-	-
SA Home Quarantine Application	-	-	-	-	-	-	-	-	-
Total National Partnership payments(b)	142.5	11.8	9.9	9.6	3.3	0.9	0.8	2.2	206.7
<b>Total(b)</b>	<b>9,240.5</b>	<b>7,474.7</b>	<b>7,120.0</b>	<b>3,268.8</b>	<b>1,819.2</b>	<b>594.5</b>	<b>581.9</b>	<b>486.5</b>	<b>30,611.9</b>

(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 C.A.2: Estimated payments to support state education services, by year and state**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2021-22</b>									
<b>Quality Schools funding(a)(b)(c)(d)</b>	7,654.2	6,183.3	5,452.7	2,558.2	1,795.5	571.9	387.6	421.9	25,025.3
<b>National Partnership payments</b>									
MoneySmart teaching	-	-	-	-	-	-	0.1	-	0.1
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
Preschool Reform Agreement(f)	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp
School pathways program	-	-	-	0.6	0.6	-	-	-	1.2
Universal access to early childhood education(f)	98.6	90.0	59.5	32.5	19.8	6.9	6.8	3.3	317.2
Total National Partnership payments(g)	109.8	102.8	77.8	40.8	27.9	9.1	7.9	33.1	576.0
<b>Total(g)</b>	<b>7,764.0</b>	<b>6,286.0</b>	<b>5,530.5</b>	<b>2,599.0</b>	<b>1,823.5</b>	<b>581.0</b>	<b>395.5</b>	<b>454.9</b>	<b>25,601.3</b>
<i>Memorandum item – payments for non-government schools included in payments above</i>									
<b>Quality Schools funding(b)(c)(d)</b>	4,644.3	3,913.1	3,294.9	1,538.2	1,129.9	337.6	244.7	194.6	15,297.3
<b>Total</b>	<b>4,644.3</b>	<b>3,913.1</b>	<b>3,294.9</b>	<b>1,538.2</b>	<b>1,129.9</b>	<b>337.6</b>	<b>244.7</b>	<b>194.6</b>	<b>15,297.3</b>

(a) Includes funding for the Northern Territory to accelerate evidence-based reforms to improve outcomes for vulnerable students and includes Literacy Support for Tasmanian Students.

(b) Includes capital funding.

(c) Includes prescribed circumstances funding.

(d) Includes funding for non-government school reform support and the Choice and Affordability Fund.

(e) Includes payments for government and non-government schools. However, the non-government schools component is not included in the Memorandum item.

(f) The Universal Access to Early Childhood Education agreement concludes at the end of the 2021 preschool year and will be replaced by the new Preschool Reform Agreement for the 2022 to 2025 preschool years. Funding amounts for the new Preschool Reform Agreement are subject to finalisation.

(g) State allocations for a number of programs are not yet finalised, therefore total payments may not equal the sum of state totals.

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2022-23</b>									
<b>Quality Schools funding(a)(b)(c)(d)</b>	8,059.5	6,549.1	5,722.3	2,727.3	1,890.0	595.8	407.5	431.9	26,383.5
<b>National Partnership payments</b>									
MoneySmart teaching	-	-	-	-	-	-	-	-	-
National school chaplaincy program(e)	~	~	~	~	~	~	~	~	61.4
Northern Territory Remote Aboriginal Investment(f)	-	-	-	-	-	-	-	-	-
Children and schooling component	-	-	-	-	-	-	-	29.3	29.3
Preschool Reform Agreement(g)	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp
School pathways program	-	-	-	-	-	-	-	-	-
Universal access to early childhood education(g)	-	-	-	-	-	-	-	-	-
Total National Partnership payments(h)	~	~	~	~	~	~	~	29.3	545.3
<b>Total(h)</b>	<b>8,059.5</b>	<b>6,549.1</b>	<b>5,722.3</b>	<b>2,727.3</b>	<b>1,890.0</b>	<b>595.8</b>	<b>407.5</b>	<b>461.2</b>	<b>26,928.8</b>
<i>Memorandum item – payments for non-government schools included in payments above</i>									
<b>Quality Schools funding(b)(c)(d)</b>	4,847.5	4,097.7	3,436.1	1,606.2	1,167.2	351.9	251.5	200.8	15,958.9
<b>Total</b>	<b>4,847.5</b>	<b>4,097.7</b>	<b>3,436.1</b>	<b>1,606.2</b>	<b>1,167.2</b>	<b>351.9</b>	<b>251.5</b>	<b>200.8</b>	<b>15,958.9</b>

(a) Includes funding for the Northern Territory to accelerate evidence-based reforms to improve outcomes for vulnerable students and includes Literacy Support for Tasmanian Students.

(b) Includes capital funding.

(c) Includes prescribed circumstances funding.

(d) Includes funding for non-government school reform support and the Choice and Affordability Fund.

(e) State allocations are yet to be finalised.

(f) Includes payments for government and non-government schools. However, the non-government schools component is not included in the Memorandum item.

(g) The Universal Access to Early Childhood Education agreement concludes at the end of the 2021 preschool year and will be replaced by the new Preschool Reform Agreement for the 2022 to 2025 preschool years. Funding amounts for the new Preschool Reform Agreement are subject to finalisation.

(h) State allocations for a number of programs are not yet finalised, therefore total payments may not equal the sum of state totals.

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2023-24</b>									
<b>Quality Schools funding(a)(b)(c)(d)</b>	8,448.0	6,897.7	5,982.5	2,871.4	1,979.3	621.2	426.6	442.6	27,669.2
<b>National Partnership payments</b>									
MoneySmart teaching	-	-	-	-	-	-	-	-	-
National school chaplaincy program(e)	~	~	~	~	~	~	~	~	61.4
Northern Territory Remote Aboriginal Investment(f)	-	-	-	-	-	-	-	-	-
Children and schooling component	-	-	-	-	-	-	-	29.3	29.3
Preschool Reform Agreement(g)	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp
School pathways program	-	-	-	-	-	-	-	-	-
Universal access to early childhood education(g)	-	-	-	-	-	-	-	-	-
Total National Partnership payments(h)	~	~	~	~	~	~	~	29.3	549.4
<b>Total(h)</b>	<b>8,448.0</b>	<b>6,897.7</b>	<b>5,982.5</b>	<b>2,871.4</b>	<b>1,979.3</b>	<b>621.2</b>	<b>426.6</b>	<b>471.9</b>	<b>28,218.6</b>
<i>Memorandum item – payments for non-government schools included in payments above</i>									
<b>Quality Schools funding(b)(c)(d)</b>	5,061.8	4,292.1	3,587.5	1,671.9	1,216.5	368.4	259.6	208.0	16,665.8
<b>Total</b>	<b>5,061.8</b>	<b>4,292.1</b>	<b>3,587.5</b>	<b>1,671.9</b>	<b>1,216.5</b>	<b>368.4</b>	<b>259.6</b>	<b>208.0</b>	<b>16,665.8</b>

(a) Includes funding for the Northern Territory to accelerate evidence-based reforms to improve outcomes for vulnerable students and includes Literacy Support for Tasmanian Students.

(b) Includes capital funding.

(c) Includes prescribed circumstances funding.

(d) Includes funding for non-government school reform support and the Choice and Affordability Fund.

(e) State allocations are yet to be finalised.

(f) Includes payments for government and non-government schools. However, the non-government schools component is not included in the Memorandum item.

(g) The Universal Access to Early Childhood Education agreement concludes at the end of the 2021 preschool year and will be replaced by the new Preschool Reform Agreement for the 2022 to 2025 preschool years. Funding amounts for the new Preschool Reform Agreement are subject to finalisation.

(h) State allocations for a number of programs are not yet finalised, therefore total payments may not equal the sum of state totals.



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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2024-25</b>									
<b>Quality Schools funding(a)(b)(c)(d)</b>	8,752.5	7,180.9	6,192.3	2,974.5	2,043.6	642.5	441.9	450.2	28,678.3
<b>National Partnership payments</b>									
MoneySmart teaching	-	-	-	-	-	-	-	-	-
National school chaplaincy program(e)	~	~	~	~	~	~	~	~	61.4
Northern Territory Remote Aboriginal Investment	-	-	-	-	-	-	-	-	-
Children and schooling component	-	-	-	-	-	-	-	-	-
Preschool Reform Agreement(f)	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp
School pathways program	-	-	-	-	-	-	-	-	-
Universal access to early childhood education(f)	-	-	-	-	-	-	-	-	-
<b>Total(g)</b>	<b>8,752.5</b>	<b>7,180.9</b>	<b>6,192.3</b>	<b>2,974.5</b>	<b>2,043.6</b>	<b>642.5</b>	<b>441.9</b>	<b>450.2</b>	<b>29,202.1</b>
<i>Memorandum item – payments for non-government schools included in payments above</i>									
<b>Quality Schools funding(b)(c)(d)</b>	5,226.6	4,454.0	3,710.4	1,723.9	1,254.0	382.0	266.6	212.9	17,230.5
<b>Total</b>	<b>5,226.6</b>	<b>4,454.0</b>	<b>3,710.4</b>	<b>1,723.9</b>	<b>1,254.0</b>	<b>382.0</b>	<b>266.6</b>	<b>212.9</b>	<b>17,230.5</b>

- (a) Includes funding for the Northern Territory to accelerate evidence-based reforms to improve outcomes for vulnerable students and includes Literacy Support for Tasmanian Students.
- (b) Includes capital funding.
- (c) Includes prescribed circumstances funding.
- (d) Includes funding for non-government school reform support and the Choice and Affordability Fund.
- (e) State allocations are yet to be finalised.
- (f) The Universal Access to Early Childhood Education agreement concludes at the end of the 2021 preschool year and will be replaced by the new Preschool Reform Agreement for the 2022 to 2025 preschool years. Funding amounts for the new Preschool Reform Agreement are subject to finalisation.
- (g) State allocations for a number of programs are not yet finalised, therefore total payments may not equal the sum of state totals.

**Table C.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
<b>2021-22</b>									
<b>National Skills and Workforce Development SPP</b>									
National Partnership payments									
Energising Tasmania	-	-	-	-	-	4.6	-	-	4.6
JobTrainer Fund(a)	143.3	117.3	60.3	31.1	41.4	9.5	5.0	5.8	413.6
Revitalising TAFE campuses across Australia	5.0	5.7	7.5	2.0	2.5	5.0	0.6	0.8	29.1
Skilling Australians Fund(a)	71.1	-	-	29.7	15.0	4.5	3.7	3.0	127.1
Total National Partnership payments(b)	219.5	123.0	67.8	62.8	58.8	23.6	9.3	9.6	574.4
<b>Total(b)</b>	<b>719.4</b>	<b>530.7</b>	<b>389.0</b>	<b>227.5</b>	<b>167.7</b>	<b>56.9</b>	<b>35.9</b>	<b>24.8</b>	<b>2,151.9</b>
<b>2022-23</b>									
<b>National Skills and Workforce Development SPP</b>									
National Partnership payments									
Energising Tasmania	-	-	-	-	-	4.7	-	-	4.7
JobTrainer Fund(a)	63.7	52.1	40.2	20.7	13.8	4.2	3.4	1.9	200.0
Revitalising TAFE campuses across Australia	-	-	-	-	-	-	-	-	-
Skilling Australians Fund	-	-	-	-	-	-	-	-	-
Total National Partnership payments(b)	63.7	52.1	40.2	20.7	13.8	8.9	3.4	1.9	204.7
<b>Total(b)</b>	<b>568.7</b>	<b>465.6</b>	<b>367.7</b>	<b>188.4</b>	<b>124.2</b>	<b>42.7</b>	<b>30.2</b>	<b>17.4</b>	<b>1,805.0</b>

(a) State allocations are yet to be finalised.

(b) State allocations for a number of programs are not yet finalised.

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2023-24</b>									
<b>National Skills and Workforce Development SPP</b>									
<b>National Partnership payments</b>									
Energising Tasmania	511.4	421.3	333.1	170.5	111.8	34.2	27.3	15.6	1,625.3
JobTrainer Fund	-	-	-	-	-	-	-	-	-
Revitalising TAFE campuses across Australia	-	-	-	-	-	-	-	-	-
Skilling Australians Fund	-	-	-	-	-	-	-	-	-
Total National Partnership payments	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>511.4</b>	<b>421.3</b>	<b>333.1</b>	<b>170.5</b>	<b>111.8</b>	<b>34.2</b>	<b>27.3</b>	<b>15.6</b>	<b>1,625.3</b>
<b>2024-25</b>									
<b>National Skills and Workforce Development SPP</b>									
<b>National Partnership payments</b>									
Energising Tasmania	518.8	430.4	338.7	173.3	113.1	34.6	27.6	15.8	1,652.2
JobTrainer Fund	-	-	-	-	-	-	-	-	-
Revitalising TAFE campuses across Australia	-	-	-	-	-	-	-	-	-
Skilling Australians Fund	-	-	-	-	-	-	-	-	-
Total National Partnership payments	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>518.8</b>	<b>430.4</b>	<b>338.7</b>	<b>173.3</b>	<b>113.1</b>	<b>34.6</b>	<b>27.6</b>	<b>15.8</b>	<b>1,652.2</b>

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2021-22</b>									
<b>National Partnership payments</b>									
Family, Domestic and Sexual Violence Responses(a)	20.0	15.7	13.3	7.5	4.8	1.4	1.1	1.2	130.0
NDIS Strategic Investment in QLD Northern Territory Remote Aboriginal Investment	-	-	7.6	-	-	-	-	-	7.6
Community safety implementation plan Payments from the DisabilityCare Australia Fund(b)	-	-	-	-	-	-	-	35.8	35.8
Remote Community Store Licensing Scheme	630.0	261.4	211.5	758.5	77.9	24.1	17.4	10.4	1,991.2
<b>Total(c)</b>	<b>650.0</b>	<b>277.1</b>	<b>232.4</b>	<b>766.1</b>	<b>82.7</b>	<b>25.6</b>	<b>18.5</b>	<b>48.4</b>	<b>2,165.6</b>
<b>2022-23</b>									
<b>National Partnership payments</b>									
Family, Domestic and Sexual Violence Responses(a)	~	~	~	~	~	~	~	~	130.0
NDIS Strategic Investment in QLD Northern Territory Remote Aboriginal Investment	-	-	-	-	-	-	-	-	-
Community safety implementation plan Payments from the DisabilityCare Australia Fund(b)	-	-	-	-	-	-	-	45.9	45.9
Remote Community Store Licensing Scheme	349.8	270.5	218.9	113.1	80.6	25.0	18.0	10.8	1,086.7
<b>Total(c)</b>	<b>349.8</b>	<b>270.5</b>	<b>218.9</b>	<b>113.1</b>	<b>80.6</b>	<b>25.0</b>	<b>18.0</b>	<b>63.2</b>	<b>1,269.2</b>

(a) Payments are contingent on states' compliance with the multilateral schedule, submission of agreed performance milestones, and Commonwealth agreement to state financial contributions.

(b) Funding amounts for WA are indicative estimates only. Negotiations are continuing on drawdown arrangements.

(c) State allocations for a number of programs are not yet finalised, therefore total payments may not equal the sum of state totals.

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2023-24</b>									
<b>National Partnership payments</b>									
Family, Domestic and Sexual Violence Responses	-	-	-	-	-	-	-	-	-
NDIS Strategic Investment in QLD Northern Territory Remote Aboriginal Investment	-	-	-	-	-	-	-	-	-
Community safety implementation plan Payments from the DisabilityCare Australia Fund(a)	361.9	280.0	226.6	135.9	83.4	25.9	18.7	11.1	1,143.4
Remote Community Store Licensing Scheme	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>361.9</b>	<b>280.0</b>	<b>226.6</b>	<b>135.9</b>	<b>83.4</b>	<b>25.9</b>	<b>18.7</b>	<b>57.5</b>	<b>1,189.8</b>
<b>2024-25</b>									
<b>National Partnership payments</b>									
Family, Domestic and Sexual Violence Responses	-	-	-	-	-	-	-	-	-
NDIS Strategic Investment in QLD Northern Territory Remote Aboriginal Investment	-	-	-	-	-	-	-	-	-
Community safety implementation plan Payments from the DisabilityCare Australia Fund	-	-	-	-	-	-	-	-	-
Remote Community Store Licensing Scheme	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(a) Funding amounts for WA are indicative estimates only. Negotiations are continuing on drawdown arrangements.

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2021-22</b>									
<b>National Housing and Homelessness Agreement</b>	493.2	419.8	333.7	173.8	112.6	35.1	27.5	20.4	1,616.2
<b>National Partnership payments</b>	~	~	~	~	~	~	~	~	1,777.8
HomeBuilder(a)									
Northern Territory Remote Aboriginal Investment									
Remote Australia strategies component	-	-	-	-	-	-	-	3.7	3.7
Remote housing	-	-	-	-	-	-	-	185.0	185.0
Social Impact Investments									
Vulnerable priority groups(b)	~	~	~	~	0.7	~	~	~	1.1
Youth at risk of homelessness(b)	~	~	~	~	~	~	~	~	1.1
Total National Partnership payments(c)	~	~	~	~	0.7	~	~	188.7	1,968.7
<b>Total</b>	<b>493.2</b>	<b>419.8</b>	<b>333.7</b>	<b>173.8</b>	<b>113.3</b>	<b>35.1</b>	<b>27.5</b>	<b>209.1</b>	<b>3,584.8</b>

(a) State allocations are not available as this is a demand-driven program.

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

\$million 2022-23	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>National Housing and Homelessness Agreement</b>									
<b>National Partnership payments</b>									
HomeBuilder(a)	498.6	427.0	339.7	176.6	113.9	35.6	27.8	20.6	1,639.8
Northern Territory Remote Aboriginal Investment	~	~	~	~	~	~	~	~	85.1
Remote Australia strategies component	-	-	-	-	-	-	-	3.8	3.8
Remote housing	-	-	-	-	-	-	-	223.8	223.8
Social Impact Investments	-	-	-	-	-	-	-	-	-
Vulnerable priority groups	~	~	~	~	0.5	-	-	-	0.5
Youth at risk of homelessness(b)	~	~	~	~	~	~	~	~	0.5
Total National Partnership payments(c)	~	~	~	~	0.5	~	~	227.5	313.6
<b>Total</b>	<b>498.6</b>	<b>427.0</b>	<b>339.7</b>	<b>176.6</b>	<b>114.4</b>	<b>35.6</b>	<b>27.8</b>	<b>248.1</b>	<b>1,953.5</b>

(a) State allocations are not available as this is a demand-driven program.

(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 C.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
<b>2023-24</b>									
<b>National Housing and Homelessness Agreement(a)</b>	496.0	412.4	332.2	169.9	110.1	34.1	26.2	19.3	1,600.2
<b>National Partnership payments</b>									
HomeBuilder	-	-	-	-	-	-	-	-	-
Northern Territory Remote Aboriginal Investment									
Remote Australia strategies component	-	-	-	-	-	-	-	3.8	3.8
Remote housing	-	-	-	-	-	-	-	-	-
Social Impact Investments									
Vulnerable priority groups	-	-	-	-	0.5	-	-	-	0.5
Youth at risk of homelessness(b)	~	~	~	~	~	~	~	~	0.5
Total National Partnership payments(c)	~	~	~	~	0.5	~	~	3.8	4.9
<b>Total</b>	<b>496.0</b>	<b>412.4</b>	<b>332.2</b>	<b>169.9</b>	<b>110.6</b>	<b>34.1</b>	<b>26.2</b>	<b>23.1</b>	<b>1,605.1</b>

(a) Bilateral agreements under the NHHA expire at the end of 2022-23, beyond which funding is subject to negotiation.

(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 C.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
<b>2024-25</b>									
<b>National Housing and Homelessness Agreement(a)</b>	502.7	421.0	337.6	172.7	111.3	34.5	26.5	19.5	1,625.8
<b>National Partnership payments</b>	-	-	-	-	-	-	-	-	-
HomeBuilder	-	-	-	-	-	-	-	-	-
Northern Territory Remote Aboriginal Investment	-	-	-	-	-	-	-	-	-
Remote Australia strategies component	-	-	-	-	-	-	-	-	-
Remote housing	-	-	-	-	-	-	-	-	-
Social Impact Investments	-	-	-	-	-	-	-	-	-
Vulnerable priority groups	-	-	-	-	0.5	-	-	-	0.5
Youth at risk of homelessness(b)	~	~	~	~	~	~	~	~	0.5
Total National Partnership payments(c)	~	~	~	~	0.5	~	~	~	1.1
<b>Total</b>	<b>502.7</b>	<b>421.0</b>	<b>337.6</b>	<b>172.7</b>	<b>111.8</b>	<b>34.5</b>	<b>26.5</b>	<b>19.5</b>	<b>1,626.9</b>

(a) Bilateral agreements under the NHHA expire at the end of 2022-23, beyond which funding is subject to negotiation.

(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 C.A.6: Estimated payments to support state infrastructure services, by year and state**

\$million

2021-22

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>National Partnership payments</b>									
Infrastructure Investment Program									
Black Spot Projects	42.9	34.7	27.1	14.8	8.4	3.8	2.2	3.1	137.0
Bridges Renewal Program	33.7	10.5	33.5	4.4	2.5	1.4	2.4	1.5	90.0
Developing Northern Australia									
Improving cattle supply chains	-	-	3.1	-	-	-	-	-	3.1
Northern Australia Roads	-	-	17.0	6.3	-	-	-	19.2	42.6
Heavy Vehicle Safety and Productivity Program	29.9	2.0	19.8	6.8	5.3	..	0.7	0.5	65.0
Major Projects Business Case Fund	4.8	31.3	35.1	5.4	-	-	-	-	76.5
Rail investment component	876.8	991.6	91.6	235.4	69.9	41.0	20.0	0.3	2,326.5
Road investment component	1,544.8	1,123.0	1,353.0	900.6	433.0	97.8	27.3	161.7	5,641.2
Roads of Strategic Importance	66.2	69.0	182.0	218.6	97.9	84.0	-	34.2	751.9
Roads to Recovery	137.1	102.6	102.4	71.2	45.2	16.3	10.2	14.5	499.5
Urban Congestion Fund	101.0	179.0	143.3	217.8	88.5	9.6	-	-	739.2
Infrastructure Growth Package									
Western Sydney Infrastructure Plan	139.4	-	-	-	-	-	-	-	139.4

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2021-22</b>									
Other payments									
Adelaide City Deal	-	-	-	-	49.7	-	-	-	49.7
Albury Wodonga Regional Deal	-	1.7	-	-	-	-	-	-	1.7
Barkly Regional Deal	-	-	-	-	-	-	-	11.4	11.4
Darwin City Deal	-	-	-	-	-	-	-	27.3	27.3
Drought Communities Programme	6.4	2.6	2.6	7.2	3.4	0.5	-	0.4	23.1
Geelong City Deal	-	24.2	-	-	-	-	-	-	24.2
Hinkler Regional Deal	-	-	7.5	-	-	-	-	-	7.5
Launceston City Deal	-	-	-	-	-	17.3	-	-	17.3
Local Roads and Community Infrastructure	271.5	204.7	178.8	120.3	77.6	26.2	13.1	21.8	914.0
National Water Grid Fund(a)	14.8	8.5	6.5	5.0	10.1	10.3	~	2.7	89.6
Perth City Deal	-	-	-	86.8	-	-	-	-	86.8
Regional Recovery Partnerships	10.0	-	5.0	6.2	10.0	10.0	-	-	41.2
Townsville City Deal(b)	-	-	78.0	-	-	-	-	-	78.0
Western Sydney City Deal	37.3	-	-	-	-	-	-	-	37.3
WiFi and mobile coverage on trains	2.0	-	-	-	-	-	-	-	2.0
<b>Total(c)</b>	<b>3,318.6</b>	<b>2,785.3</b>	<b>2,286.3</b>	<b>1,906.9</b>	<b>901.6</b>	<b>318.0</b>	<b>75.9</b>	<b>298.6</b>	<b>11,923.0</b>
\$million									
<i>Memorandum item – payments direct to local governments included in payments above</i>									
Infrastructure Investment Program	136.1	102.6	102.4	71.2	34.7	16.3	-	7.9	471.2
Roads to Recovery									
Other payments									
Drought Communities Program	6.4	2.6	2.6	7.2	3.4	0.5	-	0.4	23.1
Local Roads and Community Infrastructure	271.5	204.7	178.8	120.3	77.6	26.2	13.1	21.8	914.0
<b>Total</b>	<b>414.0</b>	<b>309.9</b>	<b>283.8</b>	<b>198.8</b>	<b>115.7</b>	<b>42.9</b>	<b>13.1</b>	<b>30.1</b>	<b>1,408.3</b>

(a) State allocations are yet to be finalised.  
 (b) As part of funding for the Townsville City Deal, \$40.0 million will be provided to the Great Barrier Reef Marine Park Authority under a new measure to transform the Reef HQ into a national centre of excellence for tropical coral reef education. Further information can be found in the joint press release of 9 July 2021 issued by the Minister for Communications, Urban Infrastructure, Cities and the Arts and the Minister for the Environment.  
 (c) State allocations for a number of programs are not yet finalised, therefore total payments may not equal the sum of state totals.

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2022-23</b>									
<b>National Partnership payments</b>									
Infrastructure Investment Program									
Black Spot Projects	35.4	35.4	26.7	14.2	9.0	3.9	2.4	1.9	128.9
Bridges Renewal Program	43.9	32.7	24.0	11.8	5.7	1.8	1.1	0.2	121.1
Developing Northern Australia									
Improving cattle supply chains	-	-	3.0	-	-	-	-	-	3.0
Northern Australia Roads	-	-	8.7	-	-	-	-	-	8.7
Heavy Vehicle Safety and Productivity Program	26.2	9.0	21.8	6.5	2.5	0.5	0.4	0.2	67.2
Major Projects Business Case Fund	20.0	1.0	47.6	10.4	-	-	-	-	79.0
Rail investment component	1,313.8	1,062.5	207.6	533.0	8.4	38.0	35.0	-	3,198.3
Road investment component	1,840.9	1,741.5	2,207.4	1,181.8	786.9	322.1	85.5	214.2	8,380.3
Roads of Strategic Importance	151.3	131.2	199.7	314.5	83.2	151.2	-	62.3	1,093.4
Roads to Recovery	136.2	101.2	101.4	70.5	44.6	16.3	8.0	12.8	490.9
Urban Congestion Fund	138.0	405.6	228.8	283.0	55.9	9.5	-	-	1,120.9
Infrastructure Growth Package									
Western Sydney Infrastructure Plan	167.3	-	-	-	-	-	-	-	167.3

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2022-23</b>									
Other payments									
Adelaide City Deal	-	-	-	-	42.0	-	-	-	42.0
Albury Wodonga Regional Deal	-	-	-	-	-	-	-	-	-
Barkly Regional Deal	-	-	-	-	-	-	-	4.5	4.5
Darwin City Deal	-	-	-	-	-	-	-	-	-
Drought Communities Programme	-	-	-	-	-	-	-	-	-
Geelong City Deal	-	48.0	-	-	-	-	-	-	48.0
Hinkler Regional Deal	-	-	3.0	-	-	-	-	-	3.0
Launceston City Deal	-	-	-	-	-	16.3	-	-	16.3
Local Roads and Community Infrastructure	184.5	136.3	131.5	91.7	57.3	20.2	10.3	17.5	649.3
National Water Grid Fund(a)	36.7	17.4	73.3	63.5	10.2	14.3	~	4.4	469.9
Perth City Deal	-	-	-	63.7	-	-	-	-	63.7
Regional Recovery Partnerships	-	-	-	-	-	-	-	-	-
Townsville City Deal	-	-	90.0	-	-	-	-	-	90.0
Western Sydney City Deal	-	-	-	-	-	-	-	-	-
WiFi and mobile coverage on trains	-	-	-	-	-	-	-	-	-
<b>Total(b)</b>	<b>4,094.3</b>	<b>3,721.9</b>	<b>3,374.5</b>	<b>2,644.6</b>	<b>1,105.6</b>	<b>594.0</b>	<b>142.7</b>	<b>318.1</b>	<b>16,245.7</b>
\$million									
<i>Memorandum item – payments direct to local governments included in payments above</i>									
Infrastructure Investment Program	135.2	101.2	101.4	70.5	34.1	16.3	-	6.3	464.8
Roads to Recovery	-	-	-	-	-	-	-	-	-
Other payments	-	-	-	-	-	-	-	-	-
Drought Communities Program	184.5	136.3	131.5	91.7	57.3	20.2	10.3	17.5	649.3
Local Roads and Community Infrastructure	<b>319.7</b>	<b>237.5</b>	<b>233.0</b>	<b>162.1</b>	<b>91.3</b>	<b>36.5</b>	<b>10.3</b>	<b>23.7</b>	<b>1,114.2</b>

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2023-24</b>									
<b>National Partnership payments</b>									
Infrastructure Investment Program									
Black Spot Projects	35.2	30.3	25.6	13.2	9.1	3.5	2.3	1.9	121.1
Bridges Renewal Program	40.3	12.8	45.6	9.1	4.1	4.8	1.1	3.3	121.1
Developing Northern Australia									
Improving cattle supply chains	-	-	1.1	0.5	-	-	-	-	1.6
Northern Australia Roads	-	-	6.5	0.4	-	-	-	-	6.9
Heavy Vehicle Safety and Productivity Program	40.3	9.1	23.9	7.9	6.1	4.0	2.1	8.3	101.6
Major Projects Business Case Fund	10.5	-	17.7	4.9	-	-	-	-	33.1
Rail investment component	1,061.3	1,406.2	317.1	681.4	0.8	18.0	57.5	-	3,542.2
Road investment component	1,691.9	1,506.9	2,447.3	873.1	1,102.3	366.4	128.6	158.4	8,275.1
Roads of Strategic Importance	162.2	121.0	122.3	172.2	22.4	221.4	-	80.1	901.5
Roads to Recovery	132.7	101.9	101.9	69.0	44.4	16.2	5.7	13.5	485.3
Urban Congestion Fund	187.1	391.1	167.3	94.6	38.6	9.0	-	-	887.7
Infrastructure Growth Package									
Western Sydney Infrastructure Plan	350.0	-	-	-	-	-	-	-	350.0

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2023-24</b>									
Other payments									
Adelaide City Deal	-	-	-	-	49.5	-	-	-	49.5
Albury Wodonga Regional Deal	-	-	-	-	-	-	-	-	-
Barkly Regional Deal	-	-	-	-	-	-	-	-	-
Darwin City Deal	-	-	-	-	-	-	-	-	-
Drought Communities Programme	-	-	-	-	-	-	-	-	-
Geelong City Deal	-	51.7	-	-	-	-	-	-	51.7
Hinkler Regional Deal	-	-	-	-	-	-	-	-	-
Launceston City Deal	-	-	-	-	7.6	-	-	-	7.6
Local Roads and Community Infrastructure	27.9	20.3	20.3	14.6	9.0	3.3	1.6	2.9	99.9
National Water Grid Fund(a)	28.0	13.0	66.3	94.5	5.0	6.6	~	3.1	602.8
Perth City Deal	-	-	-	59.0	-	-	-	-	59.0
Regional Recovery Partnerships	-	-	-	-	-	-	-	-	-
Townsville City Deal	-	-	69.0	-	-	-	-	-	69.0
Western Sydney City Deal	-	-	-	-	-	-	-	-	-
WiFi and mobile coverage on trains	-	-	-	-	-	-	-	-	-
<b>Total(b)</b>	<b>3,767.2</b>	<b>3,654.3</b>	<b>3,431.9</b>	<b>2,094.2</b>	<b>1,291.4</b>	<b>660.8</b>	<b>198.9</b>	<b>271.6</b>	<b>15,766.6</b>
\$million									
<i>Memorandum item – payments direct to local governments included in payments above</i>									
Infrastructure Investment Program	131.6	101.9	101.9	69.0	34.0	16.2	-	7.0	461.4
Roads to Recovery	-	-	-	-	-	-	-	-	-
Other payments	-	-	-	-	-	-	-	-	-
Drought Communities Program	27.9	20.3	20.3	14.6	9.0	3.3	1.6	2.9	99.9
Local Roads and Community Infrastructure	<b>159.4</b>	<b>122.2</b>	<b>122.2</b>	<b>83.6</b>	<b>43.0</b>	<b>19.4</b>	<b>1.6</b>	<b>9.9</b>	<b>561.3</b>

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2024-25</b>									
<b>National Partnership payments</b>									
Infrastructure Investment Program									
Black Spot Projects	35.2	30.3	25.6	13.2	9.1	3.5	2.3	1.9	121.1
Bridges Renewal Program	30.3	9.6	34.3	6.8	3.1	3.6	0.8	2.5	91.1
Developing Northern Australia									
Improving cattle supply chains	-	-	-	-	-	-	-	-	-
Northern Australia Roads	-	-	2.7	-	-	-	-	-	2.7
Heavy Vehicle Safety and Productivity Program	27.5	6.2	16.3	5.4	4.1	2.7	1.5	5.6	69.3
Major Projects Business Case Fund	3.0	-	7.0	3.5	-	-	-	-	13.5
Rail investment component	1,070.0	1,469.8	301.8	422.7	-	-	20.0	-	3,284.3
Road investment component	1,779.0	1,005.1	2,349.9	434.1	747.8	180.4	57.2	137.5	6,690.8
Roads of Strategic Importance	132.6	62.0	190.6	46.5	6.7	111.6	-	96.6	646.4
Roads to Recovery	139.3	101.7	101.7	73.1	44.9	16.3	8.0	14.5	499.5
Urban Congestion Fund	141.1	150.9	44.9	44.7	17.9	6.0	-	-	405.5
Infrastructure Growth Package									
Western Sydney Infrastructure Plan	350.2	-	-	-	-	-	-	-	350.2



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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2024-25</b>									
Other payments									
Adelaide City Deal	-	-	-	-	5.0	-	-	-	5.0
Albury Wodonga Regional Deal	-	-	-	-	-	-	-	-	-
Barkly Regional Deal	-	-	-	-	-	-	-	-	-
Darwin City Deal	-	-	-	-	-	-	-	-	-
Drought Communities Programme	-	-	-	-	-	-	-	-	-
Geelong City Deal	-	44.6	-	-	-	-	-	-	44.6
Hinkler Regional Deal	-	-	-	-	-	-	-	-	-
Launceston City Deal	-	-	-	-	-	-	-	-	-
Local Roads and Community Infrastructure	-	-	-	-	-	-	-	-	-
National Water Grid Fund(a)	7.7	0.5	70.0	23.5	~	~	~	~	488.8
Perth City Deal	-	-	-	55.0	-	-	-	-	55.0
Regional Recovery Partnerships	-	-	-	-	-	-	-	-	-
Townsville City Deal	-	-	18.0	-	-	-	-	-	18.0
Western Sydney City Deal	-	-	-	-	-	-	-	-	-
WiFi and mobile coverage on trains	-	-	-	-	-	-	-	-	-
<b>Total(b)</b>	<b>3,715.8</b>	<b>2,880.7</b>	<b>3,162.8</b>	<b>1,128.5</b>	<b>838.6</b>	<b>324.1</b>	<b>89.7</b>	<b>258.7</b>	<b>12,786.0</b>
\$million									
<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									
Other payments									
Drought Communities Program	-	-	-	-	-	-	-	-	-
Local Roads and Community Infrastructure	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>138.3</b>	<b>101.7</b>	<b>101.7</b>	<b>73.1</b>	<b>34.5</b>	<b>16.3</b>	<b>-</b>	<b>8.0</b>	<b>473.5</b>

(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 C.A.7: Estimated payments to support state environment services, by year and state**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2021-22</b>									
<b>National Partnership payments</b>									
Australian Fire Danger Rating System(a)	~	~	~	~	~	~	~	~	20.5
Bilateral Energy and Emissions Reduction Agreements	-	-	-	-	-	-	-	30.0	30.0
Building Resilience to Manage Fruit Fly(b)	-	-	-	-	-	-	-	-	-
Construction Softwood Transport Assistance(a)	~	~	~	~	~	~	~	~	4.6
Disaster risk reduction	5.4	3.3	4.8	2.5	1.7	1.0	1.0	1.0	20.9
Enrichia canis pilot program	-	-	-	0.1	-	-	-	0.2	0.2
Emergency Response Fund — flood mitigation(a)	13.4	6.9	9.9	0.7	3.2	3.2	3.3	9.4	100.0
Environmental assessment systems upgrade	0.3	0.3	0.3	6.0	0.3	0.3	0.3	1.3	9.1
Environmental management of the former Rum Jungle Mine site(c)	-	-	-	-	-	-	-	2.3	2.3
Environment Restoration Fund Feasibility study into Curtis Island	0.3	1.2	-	-	3.5	-	-	-	5.0
LNG Electrification	-	-	1.5	-	-	-	-	-	1.5
Fishing and Camping Facilities Program	4.2	2.0	3.8	2.3	1.7	0.9	0.2	1.4	16.7
Future Drought Fund									
Farm business resilience(a)	~	~	~	~	~	~	~	~	25.0
Regional drought resilience planning(a)	~	~	~	~	~	~	~	~	14.0
Great Artesian Basin Sustainability Initiative	4.8	-	3.5	-	3.6	-	-	0.1	11.9
Horse Traceability	-	0.1	-	-	-	-	-	-	0.1
Horticultural Netting(b)	-	-	-	-	-	-	-	-	-
Hydrogen energy supply chain pilot project	-	12.5	-	-	-	-	-	-	12.5
Hydrogen ready gas generation	5.0	-	-	-	-	-	-	-	5.0

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2021-22</b>									
Implementing water reform in the Murray-Darling Basin(a)	~	~	~	-	~	-	~	-	20.0
Kamay 250th Anniversary Project	4.5	-	-	-	-	-	-	-	4.5
Lindenow Valley water security scheme	-	1.6	-	-	-	-	-	-	1.6
Management of established pest and weeds(a)	0.3	0.3	0.6	0.1	3.2	0.1	~	0.2	4.8
National Forestry Industry Plan	0.4	0.5	0.5	0.5	0.5	0.5	0.2	0.4	3.5
National Plant Health Surveillance Program	0.2	0.2	0.1	0.1	0.1	0.1	..	0.1	1.0
National Water Infrastructure Development Fund									
Capital	80.0	45.3	132.7	-	-	8.8	-	-	266.8
Feasibility studies	8.5	0.2	37.5	0.4	-	-	-	1.6	48.2
North Queensland strata title resilience pilot program	-	-	8.0	-	-	-	-	-	8.0
On-farm emergency water infrastructure rebate(a)	~	~	~	~	~	~	~	~	50.8
Pest and disease preparedness and response programs	0.2	1.3	68.3	0.4	-	-	-	1.0	71.2
Raine Island Recovery Project	-	-	-	-	-	-	-	-	-
Recycling Infrastructure(a)	16.0	13.0	4.5	17.5	8.0	2.0	4.0	2.0	87.2
Reducing regulatory burden and streamlining audit arrangements in the dairy sector	-	0.2	-	-	-	-	-	-	0.2
Regional fund for wildlife and habitat bushfire recovery	16.9	8.5	1.5	-	1.2	-	-	-	28.2
Sustainable rural water use and infrastructure program	214.9	47.9	16.8	-	24.0	-	20.4	-	324.0
Water for Fodder Program	-	-	-	-	0.6	-	-	-	0.6

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2021-22</b>									
Water for the Environment Special Account									
Implementation of constraints measures(a)	~	~	-	-	~	-	-	-	82.9
Off-farm Efficiency Program(a)	~	62.0	~	-	~	-	~	-	582.0
Water Efficiency Program	0.3	-	-	-	-	-	-	-	0.3
World Heritage Sites	0.8	-	3.1	0.4	0.1	5.1	-	-	9.5
Yellow crazy ant control	-	-	3.0	-	-	-	-	-	3.0
<b>Total(d)</b>	<b>376.3</b>	<b>207.3</b>	<b>300.3</b>	<b>31.1</b>	<b>51.8</b>	<b>22.2</b>	<b>29.5</b>	<b>51.0</b>	<b>1,888.6</b>

(a) State allocations are yet to be finalised.

(b) Funding for this measure has been determined. See Appendix A: Policy decisions taken since the 2021-22 Budget for more information.

(c) Includes values not for publication due to commercial sensitivities.

(d) State allocations for a number of programs are not yet finalised, therefore total payments may not equal the sum of state totals.

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2022-23</b>									
<b>National Partnership payments</b>									
Australian Fire Danger Rating System	-	-	-	-	-	-	-	-	-
Bilateral Energy and Emissions Reduction Agreements	-	-	-	-	-	-	-	-	-
Building Resilience to Manage Fruit Fly(a)	-	-	-	-	-	-	-	-	-
Construction Softwood Transport Assistance(b)	~	~	~	~	~	~	~	~	10.0
Disaster risk reduction	5.4	3.3	4.8	2.5	1.7	1.0	1.0	1.0	20.9
Ehrlichia canis pilot program	-	-	-	0.1	-	-	-	-	0.1
Emergency Response Fund — flood mitigation	-	-	-	-	-	-	-	-	-
Environmental assessment systems upgrade	-	-	-	-	-	-	-	-	-
Environmental management of the former Rum Jungle Mine site(c)	-	-	-	-	-	-	-	nfp	nfp
Environment Restoration Fund	-	0.3	-	-	1.3	-	-	-	1.6
Feasibility study into Curtis Island LNG Electrification	-	-	-	-	-	-	-	-	-
Fishing and Camping Facilities Program	-	-	-	-	-	-	-	-	-
Future Drought Fund	-	-	-	-	-	-	-	-	-
Farm business resilience(b)	~	~	~	~	~	~	~	~	20.0
Regional drought resilience planning(b)	~	~	~	~	~	~	~	~	11.0
Great Artesian Basin Sustainability Initiative	2.6	-	2.7	-	2.6	-	-	0.1	8.0
Horse Traceability(b)	~	0.3	~	~	~	~	~	~	0.6
Horticultural Netting(a)	-	-	-	-	-	-	-	-	-
Hydrogen energy supply chain pilot project	-	-	-	-	-	-	-	-	-
Hydrogen ready gas generation	-	-	-	-	-	-	-	-	-

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2022-23</b>									
Implementing water reform in the Murray-Darling Basin(b)	~	~	~	-	~	-	~	-	20.0
Kamay 250th Anniversary Project	-	-	-	-	-	-	-	-	-
Lindenow Valley water security scheme	-	-	-	-	-	-	-	-	-
Management of established pest and weeds(b)	0.4	0.3	0.4	0.2	1.3	0.2	~	0.2	2.9
National Forestry Industry Plan	-	-	-	-	-	-	-	-	-
National Plant Health Surveillance Program	0.2	0.2	0.1	0.1	0.1	0.1	..	0.1	1.0
National Water Infrastructure Development Fund									
Capital	207.0	29.9	43.6	-	4.0	31.2	-	-	315.7
Feasibility studies	2.5	0.3	1.7	0.3	-	-	-	-	4.7
North Queensland strata title resilience pilot program	-	-	20.0	-	-	-	-	-	20.0
On-farm emergency water infrastructure rebate	-	-	-	-	-	-	-	-	-
Pest and disease preparedness and response programs	0.2	1.3	31.2	0.2	-	-	-	0.9	33.8
Raine Island Recovery Project	-	-	0.7	-	-	-	-	-	0.7
Recycling Infrastructure(b)	7.0	7.0	6.5	16.5	7.0	2.0	1.0	1.0	84.2
Reducing regulatory burden and streamlining audit arrangements in the dairy sector	-	0.4	-	-	-	-	-	-	0.4
Regional fund for wildlife and habitat bushfire recovery	-	-	-	-	-	-	-	-	-
Sustainable rural water use and infrastructure program	327.1	14.3	37.5	-	43.7	-	23.0	-	445.6
Water for Fodder Program	-	-	-	-	-	-	-	-	-

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2022-23</b>									
Water for the Environment Special Account									
Implementation of constraints measures(b)	~	~	-	-	~	-	-	-	52.3
Off-farm Efficiency Program(b)	~	70.0	~	-	~	-	~	-	704.0
Water Efficiency Program	-	-	-	-	-	-	-	-	-
World Heritage Sites	0.8	-	3.1	0.4	0.1	5.1	-	-	9.5
Yellow crazy ant control	-	-	-	-	-	-	-	-	-
<b>Total(d)</b>	<b>553.1</b>	<b>127.4</b>	<b>152.2</b>	<b>20.2</b>	<b>61.8</b>	<b>39.7</b>	<b>25.1</b>	<b>3.4</b>	<b>1,784.5</b>

(a) Funding for this measure has been determined. See Appendix A: Policy decisions taken since the 2021-22 Budget for more information.

(b) State allocations are yet to be finalised.

(c) Includes values not for publication due to commercial sensitivities.

(d) State allocations for a number of programs are not yet finalised, therefore total payments may not equal the sum of state totals.

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2023-24</b>									
<b>National Partnership payments</b>									
Australian Fire Danger Rating System	-	-	-	-	-	-	-	-	-
Bilateral Energy and Emissions Reduction Agreements	-	-	-	-	-	-	-	-	-
Building Resilience to Manage Fruit Fly(a)	-	-	-	-	-	-	-	-	-
Construction Softwood Transport Assistance	-	-	-	-	-	-	-	-	-
Disaster risk reduction	5.4	3.3	4.8	2.5	1.7	1.0	1.0	1.0	20.9
Ehrlichia canis pilot program	-	-	-	-	-	-	-	-	-
Emergency Response Fund – flood mitigation	-	-	-	-	-	-	-	-	-
Environmental assessment systems upgrade	-	-	-	-	-	-	-	-	-
Environmental management of the former Rum Jungle Mine site(b)	-	-	-	-	-	-	-	nfp	nfp
Environment Restoration Fund	-	-	-	-	-	-	-	-	-
Feasibility study into Curtis Island LNG Electrification	-	-	-	-	-	-	-	-	-
Fishing and Camping Facilities Program	-	-	-	-	-	-	-	-	-
Future Drought Fund	-	-	-	-	-	-	-	-	-
Farm business resilience(c)	~	~	~	~	~	~	~	~	15.0
Regional drought resilience planning(c)	~	~	~	~	~	~	~	~	6.0
Great Artesian Basin Sustainability Initiative	1.3	-	1.3	-	1.3	-	-	0.1	4.0
Horse Traceability(c)	~	~	~	~	~	~	~	~	0.6
Horticultural Netting(a)	-	-	-	-	-	-	-	-	-
Hydrogen energy supply chain pilot project	-	-	-	-	-	-	-	-	-
Hydrogen ready gas generation	-	-	-	-	-	-	-	-	-



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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2023-24</b>									
Implementing water reform in the Murray-Darling Basin(c)	~	~	~	-	~	-	~	-	20.0
Kamay 250th Anniversary Project	-	-	-	-	-	-	-	-	-
Lindenow Valley water security scheme	-	-	-	-	-	-	-	-	-
Management of established pest and weeds	-	-	-	-	-	-	-	-	-
National Forestry Industry Plan	-	-	-	-	-	-	-	-	-
National Plant Health Surveillance Program	0.2	0.2	0.1	0.1	0.1	0.1	..	0.1	1.0
National Water Infrastructure Development Fund									
Capital	70.0	4.8	-	-	3.9	20.0	-	-	98.7
Feasibility studies	-	-	-	-	-	-	-	-	-
North Queensland strata title resilience pilot program	-	-	12.0	-	-	-	-	-	12.0
On-farm emergency water infrastructure rebate	-	-	-	-	-	-	-	-	-
Pest and disease preparedness and response programs	0.2	1.3	30.5	0.2	-	-	-	0.9	33.1
Raine Island Recovery Project	-	-	0.7	-	-	-	-	-	0.7
Recycling Infrastructure(c)	2.0	3.0	9.0	1.0	-	1.5	1.0	2.0	51.5
Reducing regulatory burden and streamlining audit arrangements in the dairy sector	-	-	-	-	-	-	-	-	-
Regional fund for wildlife and habitat bushfire recovery	-	-	-	-	-	-	-	-	-
Sustainable rural water use and infrastructure program	243.4	-	13.2	-	66.3	-	20.0	-	342.9
Water for Fodder Program	-	-	-	-	-	-	-	-	-

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2023-24</b>									
Water for the Environment Special Account									
Implementation of constraints measures(c)	~	~	-	-	~	-	-	-	50.6
Off-farm Efficiency Program(c)	~	10.5	~	-	~	-	~	-	72.0
Water Efficiency Program	-	-	-	-	-	-	-	-	-
World Heritage Sites	-	-	-	-	-	-	-	-	-
Yellow crazy ant control	-	-	-	-	-	-	-	-	-
<b>Total(d)</b>	<b>322.5</b>	<b>23.1</b>	<b>71.6</b>	<b>3.8</b>	<b>73.3</b>	<b>22.7</b>	<b>22.1</b>	<b>4.2</b>	<b>742.9</b>

(a) Funding for this measure has been determined. See Appendix A: Policy decisions taken since the 2021-22 Budget for more information.

(b) Includes values not for publication due to commercial sensitivities.

(c) 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 C.A.7: Estimated payments to support state environment services, by year and state (continued)**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2024-25</b>									
<b>National Partnership payments</b>									
Australian Fire Danger Rating System	-	-	-	-	-	-	-	-	-
Bilateral Energy and Emissions Reduction Agreements	-	-	-	-	-	-	-	-	-
Building Resilience to Manage Fruit Fly(a)	-	-	-	-	-	-	-	-	-
Construction Softwood Transport Assistance	-	-	-	-	-	-	-	-	-
Disaster risk reduction	-	-	-	-	-	-	-	-	-
Ehrlichia canis pilot program	-	-	-	-	-	-	-	-	-
Emergency Response Fund – flood mitigation	-	-	-	-	-	-	-	-	-
Environmental assessment systems upgrade	-	-	-	-	-	-	-	-	-
Environmental management of the former Rum Jungle Mine site(b)	-	-	-	-	-	-	-	nfp	nfp
Environment Restoration Fund	-	-	-	-	-	-	-	-	-
Feasibility study into Curtis Island LNG Electrification	-	-	-	-	-	-	-	-	-
Fishing and Camping Facilities Program	-	-	-	-	-	-	-	-	-
Future Drought Fund	-	-	-	-	-	-	-	-	-
Farm business resilience	-	-	-	-	-	-	-	-	-
Regional drought resilience planning	-	-	-	-	-	-	-	-	-
Great Artesian Basin Sustainability Initiative	-	-	-	-	-	-	-	-	-
Horse Traceability	-	-	-	-	-	-	-	-	-
Horticultural Netting(a)	-	-	-	-	-	-	-	-	-
Hydrogen energy supply chain pilot project	-	-	-	-	-	-	-	-	-
Hydrogen ready gas generation	-	-	-	-	-	-	-	-	-

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2024-25</b>									
Implementing water reform in the Murray-Darling Basin	-	-	-	-	-	-	-	-	-
Kamay 250th Anniversary Project	-	-	-	-	-	-	-	-	-
Lindenow Valley water security scheme	-	-	-	-	-	-	-	-	-
Management of established pest and weeds	-	-	-	-	-	-	-	-	-
National Forestry Industry Plan	-	-	-	-	-	-	-	-	-
National Plant Health Surveillance Program	0.2	0.2	0.1	0.1	0.1	0.1	..	0.1	1.0
National Water Infrastructure Development Fund									
Capital	130.0	15.7	-	-	0.1	20.0	-	-	165.8
Feasibility studies	-	-	-	-	-	-	-	-	-
North Queensland strata title resilience pilot program	-	-	-	-	-	-	-	-	-
On-farm emergency water infrastructure rebate	-	-	-	-	-	-	-	-	-
Pest and disease preparedness and response programs	0.2	1.3	35.1	0.2	-	-	-	0.9	37.7
Raine Island Recovery Project	-	-	-	-	-	-	-	-	-
Recycling Infrastructure(c)	~	~	~	~	~	~	~	0.5	18.5
Reducing regulatory burden and streamlining audit arrangements in the dairy sector	-	-	-	-	-	-	-	-	-
Regional fund for wildlife and habitat bushfire recovery	-	-	-	-	-	-	-	-	-
Sustainable rural water use and infrastructure program	-	-	-	-	-	-	-	-	-
Water for Fodder Program	-	-	-	-	-	-	-	-	-

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2024-25</b>									
Water for the Environment Special Account									
Implementation of constraints measures	-	-	-	-	-	-	-	-	-
Off-farm Efficiency Program	-	-	-	-	-	-	-	-	-
Water Efficiency Program	-	-	-	-	-	-	-	-	-
World Heritage Sites	-	-	-	-	-	-	-	-	-
Yellow crazy ant control	-	-	-	-	-	-	-	-	-
<b>Total(d)</b>	<b>130.3</b>	<b>17.2</b>	<b>35.2</b>	<b>0.3</b>	<b>0.2</b>	<b>20.1</b>	<b>..</b>	<b>1.5</b>	<b>287.9</b>

(a) Funding for this measure has been determined. See Appendix A: Policy decisions taken since the 2021-22 Budget for more information.

(b) Includes values not for publication due to commercial sensitivities.

(c) 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 C.A.8: Estimated contingent payments to the states, by year and state**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2021-22</b>									
<b>National Partnership payments</b>									
Disaster Recovery Funding Arrangements(a)	318.8	1.8	0.6	27.0	-0.1	0.1	-	-	348.2
Hepatitis C settlement fund(b)	~	~	~	~	~	~	~	~	0.1
<b>Total(c)</b>	<b>318.8</b>	<b>1.8</b>	<b>0.6</b>	<b>27.0</b>	<b>-0.1</b>	<b>0.1</b>	~	~	<b>348.2</b>
<b>2022-23</b>									
<b>National Partnership payments</b>									
Disaster Recovery Funding Arrangements(a)	9.2	1.0	3.4	0.8	0.3	..	-	-	14.8
Hepatitis C settlement fund(b)	~	~	~	~	~	~	~	~	0.1
<b>Total(c)</b>	<b>9.2</b>	<b>1.0</b>	<b>3.4</b>	<b>0.8</b>	<b>0.3</b>	<b>..</b>	~	~	<b>14.9</b>
<b>2023-24</b>									
<b>National Partnership payments</b>									
Disaster Recovery Funding Arrangements(a)	3.2	..	..	0.3	-	-	-	-	3.5
Hepatitis C settlement fund(b)	~	~	~	~	~	~	~	~	0.1
<b>Total(c)</b>	<b>3.2</b>	<b>..</b>	<b>..</b>	<b>0.3</b>	~	~	~	~	<b>3.6</b>
<b>2024-25</b>									
<b>National Partnership payments</b>									
Disaster Recovery Funding Arrangements(a)	0.5	-	-	-	-	-	-	-	0.5
Hepatitis C settlement fund(b)	~	~	~	~	~	~	~	~	0.1
<b>Total(c)</b>	<b>0.5</b>	~	~	~	~	~	~	~	<b>0.6</b>

(a) Figures reflect estimated expense outcomes. Estimated cash outcomes are presented in Table C.5 in Appendix C.

(b) State allocations are yet to be determined.

(c) State allocations for a number of programs are not yet finalised, therefore total payments may not equal the sum of state totals.

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

\$million

2021-22	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>National Partnership payments</b>									
Commonwealth High Risk Terrorist Offender Regime(a)	~	~	~	~	~	~	~	~	11.7
Family law information sharing	0.8	0.3	0.7	0.3	0.2	0.3	0.3	-	2.8
Financial assistance for police officers	2.2	-	-	-	-	-	-	-	2.2
Financial assistance to local governments	414.4	325.2	264.6	159.3	86.5	41.4	28.8	18.5	1,338.8
Gas Well Trials	-	-	15.6	-	-	-	-	-	15.6
Indigenous Tourism Fund	-	-	-	-	-	-	-	4.3	4.3
National Legal Assistance Partnership									
Aboriginal and Torres Strait Islander Legal Services	19.3	5.5	24.3	13.5	5.3	2.7	0.8	15.3	86.7
Community legal centres	15.3	12.8	11.0	7.1	4.7	1.8	1.3	1.8	55.9
Coronial inquiries and expensive and complex cases(a)	~	~	~	~	~	~	~	~	1.3
Domestic Violence Units and Health Justice Partnerships	2.0	2.3	3.3	2.1	1.5	1.0	0.6	1.5	14.3
Family advocacy and support services	2.4	1.7	1.4	1.0	0.9	1.0	0.8	0.9	10.0
Frontline support to address workplace sexual harassment	3.0	2.1	2.4	1.4	0.8	0.3	0.2	0.7	10.8
Increased legal assistance funding for vulnerable women	9.6	6.7	6.6	3.2	2.4	1.3	0.7	1.1	31.6
Justice Policy Partnership(a)	~	~	~	~	~	~	~	~	0.7
Legal aid commissions	71.5	54.7	48.4	27.3	17.7	6.6	5.3	6.4	237.8
Legal assistance family law pilot program	-	-	-	-	3.6	-	-	-	3.6
State and territory legal assistance administration	0.7	0.7	0.7	0.7	0.6	0.4	0.4	0.4	4.7
Supporting increased child sexual abuse prosecutions	0.5	0.3	0.4	0.2	0.1	..	..	0.1	1.6
Supporting people with mental health conditions access the justice system	3.9	2.7	3.1	1.8	1.0	0.4	0.3	0.9	14.0

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2021-22</b>									
National Tourism Icons Package	-	-	0.6	12.5	-	3.6	-	-	16.7
North Bowen Pipeline Feasibility Study	-	-	2.5	-	-	-	-	-	2.5
North Queensland Strata Title Inspection Scheme	-	-	-	-	-	-	-	-	-
Optimise and Discover Program	-	-	-	-	-	-	-	-	-
Preventing Harm in Australian Prisons and Other Places of Detention (OPCAT)(b)	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp
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(a)	~	~	~	~	~	~	~	~	218.8
Supplementary funding to South Australia for local roads	-	-	-	-	20.0	-	-	-	20.0
Support for businesses impacted by COVID-19 lockdowns	3,626.0	3,187.4	300.0	0.9	14.1	41.0	156.0	5.2	7,330.4
Victorian Energy Compare IT Infrastructure	-	1.0	-	-	-	-	-	-	1.0
Build for Consumer Data Right	-	-	-	-	-	-	-	-	-
<b>Total(c)</b>	<b>4,176.9</b>	<b>3,607.2</b>	<b>689.3</b>	<b>233.0</b>	<b>160.6</b>	<b>102.3</b>	<b>201.0</b>	<b>59.3</b>	<b>9,466.5</b>

(a) State allocations are yet to be finalised.

(b) Funding amounts are not published as negotiations are yet to be finalised.

(c) Total figures include other items not for publication due to ongoing negotiations with states.



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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2022-23</b>									
<b>National Partnership payments</b>									
Commonwealth High Risk Terrorist Offender Regime	-	-	-	-	-	-	-	-	-
Family law information sharing(a)	~	~	~	~	~	~	~	~	6.4
Financial assistance for police officers	0.4	-	-	-	-	-	-	-	0.4
Financial assistance to local governments	845.3	663.8	543.9	326.8	177.1	84.7	58.9	38.0	2,738.5
Gas Well Trials	-	-	-	-	-	-	-	-	-
Indigenous Tourism Fund	-	-	-	-	-	-	-	4.3	4.3
National Legal Assistance Partnership									
Aboriginal and Torres Strait Islander Legal Services	19.7	5.6	24.7	13.7	5.4	2.8	0.8	15.5	88.2
Community legal centres	15.5	13.0	11.2	7.2	4.8	1.9	1.3	1.9	56.7
Coronial inquiries and expensive and complex cases(a)	~	~	~	~	~	~	~	~	2.6
Domestic Violence Units and Health Justice Partnerships	2.1	2.3	3.3	2.2	1.5	1.0	0.6	1.5	14.5
Family advocacy and support services	7.7	6.5	6.4	1.8	1.1	1.4	0.9	1.3	27.1
Frontline support to address workplace sexual harassment	3.0	2.1	2.4	1.4	0.8	0.3	0.2	0.7	10.9
Increased legal assistance funding for vulnerable women	9.8	6.7	6.7	3.3	2.4	1.3	0.7	1.1	32.0
Justice Policy Partnership(a)	~	~	~	~	~	~	~	~	0.7
Legal aid commissions	72.5	55.6	49.1	27.7	18.0	6.7	5.3	6.5	241.4
Legal assistance family law pilot program	-	-	-	-	3.6	-	-	-	3.6
State and territory legal assistance administration	0.7	0.7	0.7	0.7	0.6	0.4	0.4	0.4	4.8
Supporting increased child sexual abuse prosecutions	0.5	0.3	0.4	0.2	0.1	..	..	0.1	1.7
Supporting people with mental health conditions access the justice system	4.0	2.8	3.2	1.8	1.1	0.4	0.3	0.9	14.5

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2022-23</b>									
National Tourism Icons Package	-	-	0.7	-	-	2.6	-	-	3.3
North Bowen Pipeline Feasibility Study	-	-	2.5	-	-	-	-	-	2.5
North Queensland Strata Title Inspection Scheme	-	-	2.9	-	-	-	-	-	2.9
Optimise and Discover Program(a)	-	-	~	-	~	-	-	-	15.0
Preventing Harm in Australian Prisons and Other Places of Detention (OPCAT)(b)	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp
Provision of fire services(b)	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp
Sinking fund on state debt	..	..	-	-	-	-	-	-	..
Small business regulatory reform	-	-	-	-	-	-	-	-	-
Supplementary funding to South Australia for local roads	-	-	-	-	20.0	-	-	-	20.0
Support for businesses impacted by COVID-19 lockdowns	-	-	-	-	-	-	-	-	-
Victorian Energy Compare IT Infrastructure	-	-	-	-	-	-	-	-	-
Build for Consumer Data Right	-	0.9	-	-	-	-	-	-	0.9
<b>Total(c)</b>	<b>981.2</b>	<b>760.4</b>	<b>658.1</b>	<b>386.7</b>	<b>236.4</b>	<b>103.6</b>	<b>69.4</b>	<b>72.0</b>	<b>3,297.1</b>

(a) State allocations are yet to be finalised.

(b) Funding amounts are not published as negotiations are yet to be finalised.

(c) Total figures include other items not for publication due to ongoing negotiations with states.

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2023-24</b>									
<b>National Partnership payments</b>									
Commonwealth High Risk Terrorist Offender Regime	-	-	-	-	-	-	-	-	-
Family law information sharing(a)	~	~	~	~	~	~	~	~	6.4
Financial assistance for police officers	-	-	-	-	-	-	-	-	-
Financial assistance to local governments	871.9	686.6	564.8	338.8	183.3	87.6	60.9	39.4	2,833.2
Gas Well Trials	-	-	-	-	-	-	-	-	-
Indigenous Tourism Fund	-	-	-	-	-	-	-	4.3	4.3
<b>National Legal Assistance Partnership</b>									
Aboriginal and Torres Strait Islander Legal Services	20.1	5.7	25.1	13.8	5.4	2.9	0.8	15.7	89.6
Community legal centres	15.8	13.2	11.4	7.3	4.8	1.9	1.3	1.9	57.6
Coronial inquiries and expensive and complex cases(a)	~	~	~	~	~	~	~	~	2.7
Domestic Violence Units and Health Justice Partnerships	2.1	2.4	3.4	2.2	1.5	1.0	0.6	1.5	14.7
Family advocacy and support services	7.8	6.7	6.5	1.9	1.2	1.5	0.9	1.3	27.7
Frontline support to address workplace sexual harassment	3.1	2.1	2.4	1.4	0.8	0.3	0.2	0.7	11.0
Increased legal assistance funding for vulnerable women	9.9	6.8	6.8	3.3	2.5	1.3	0.7	1.1	32.5
Justice Policy Partnership(a)	~	~	~	~	~	~	~	~	0.7
Legal aid commissions	73.7	56.5	50.0	28.0	18.3	6.9	5.4	6.6	245.3
Legal assistance family law pilot program	-	-	-	-	3.6	-	-	-	3.6
State and territory legal assistance administration	0.8	0.8	0.8	0.8	0.6	0.4	0.4	0.4	4.9
Supporting increased child sexual abuse prosecutions	0.5	0.3	0.4	0.2	0.1	..	..	0.1	1.7
Supporting people with mental health conditions access the justice system	4.0	2.8	3.2	1.8	1.1	0.4	0.3	0.9	14.5

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

\$million 2023-24	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Tourism Icons Package	-	-	-	-	-	-	-	-	-
North Bowen Pipeline Feasibility Study	-	-	-	-	-	-	-	-	-
North Queensland Strata Title Inspection Scheme	-	-	-	-	-	-	-	-	-
Optimise and Discover Program(a)	-	-	~	-	~	-	-	-	15.0
Preventing Harm in Australian Prisons and Other Places of Detention (OPCAT)	-	-	-	-	-	-	-	-	-
Provision of fire services(b)	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp
Sinking fund on state debt	..	..	-	-	-	-	-	-	..
Small business regulatory reform	-	-	-	-	-	-	-	-	-
Supplementary funding to South Australia for local roads	-	-	-	-	-	-	-	-	-
Support for businesses impacted by COVID-19 lockdowns	-	-	-	-	-	-	-	-	-
Victorian Energy Compare IT Infrastructure	-	-	-	-	-	-	-	-	-
Build for Consumer Data Right	-	-	-	-	-	-	-	-	-
<b>Total(c)</b>	<b>1,009.7</b>	<b>783.8</b>	<b>674.7</b>	<b>399.5</b>	<b>223.2</b>	<b>104.3</b>	<b>71.6</b>	<b>73.7</b>	<b>3,369.8</b>

(a) State allocations are yet to be finalised.

(b) Funding amounts are not published as negotiations are yet to be finalised.

(c) Total figures include other items not for publication due to ongoing negotiations with states.

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2024-25</b>									
<b>National Partnership payments</b>									
Commonwealth High Risk Terrorist Offender Regime	-	-	-	-	-	-	-	-	-
Family law information sharing(a)	~	~	~	~	~	~	~	~	6.4
Financial assistance for police officers	-	-	-	-	-	-	-	-	-
Financial assistance to local governments	902.6	714.0	586.5	351.7	189.7	90.7	63.1	40.7	2,938.9
Gas Well Trials	-	-	-	-	-	-	-	-	-
Indigenous Tourism Fund	-	-	-	-	-	-	-	4.3	4.3
National Legal Assistance Partnership									
Aboriginal and Torres Strait Islander Legal Services	20.6	5.8	25.5	14.0	5.5	2.9	0.8	15.9	91.0
Community legal centres	16.1	13.4	11.6	7.4	4.9	1.9	1.3	1.9	58.6
Coronial inquiries and expensive and complex cases(a)	~	~	~	~	~	~	~	~	2.7
Domestic Violence Units and Health Justice Partnerships	2.1	2.4	3.4	2.2	1.5	1.0	0.6	1.5	14.9
Family advocacy and support services	8.0	6.8	6.6	1.9	1.2	1.5	0.9	1.3	28.3
Frontline support to address workplace sexual harassment	3.1	2.1	2.5	1.4	0.8	0.3	0.2	0.7	11.2
Increased legal assistance funding for vulnerable women	10.0	6.9	6.9	3.3	2.5	1.4	0.7	1.1	32.9
Justice Policy Partnership	-	-	-	-	-	-	-	-	-
Legal aid commissions	74.8	57.4	50.8	28.4	18.6	7.0	5.5	6.6	249.2
Legal assistance family law pilot program	-	-	-	-	3.6	-	-	-	3.6
State and territory legal assistance administration	0.8	0.8	0.8	0.8	0.6	0.4	0.4	0.4	4.9
Supporting increased child sexual abuse prosecutions	0.5	0.3	0.4	0.2	0.1	..	..	0.1	1.7
Supporting people with mental health conditions access the justice system	4.0	2.8	3.2	1.8	1.1	0.4	0.3	0.9	14.5

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2024-25</b>									
National Tourism Icons Package	-	-	-	-	-	-	-	-	-
North Bowen Pipeline Feasibility Study	-	-	-	-	-	-	-	-	-
North Queensland Strata Title Inspection Scheme	-	-	-	-	-	-	-	-	-
Optimise and Discover Program	-	-	-	-	-	-	-	-	-
Preventing Harm in Australian Prisons and Other Places of Detention (OPCAT)	-	-	-	-	-	-	-	-	-
Provision of fire services(b)	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp
Sinking fund on state debt	..	..	-	-	-	-	-	-	..
Small business regulatory reform	-	-	-	-	-	-	-	-	-
Supplementary funding to South Australia for local roads	-	-	-	-	-	-	-	-	-
Support for businesses impacted by COVID-19 lockdowns	-	-	-	-	-	-	-	-	-
Victorian Energy Compare IT Infrastructure	-	-	-	-	-	-	-	-	-
Build for Consumer Data Right	-	-	-	-	-	-	-	-	-
<b>Total(c)</b>	<b>1,042.7</b>	<b>812.8</b>	<b>698.2</b>	<b>413.2</b>	<b>230.1</b>	<b>107.7</b>	<b>73.9</b>	<b>75.5</b>	<b>3,463.1</b>

(a) State allocations are yet to be finalised.

(b) Funding amounts are not published as negotiations are yet to be finalised.

(c) Total figures include other items not for publication due to ongoing negotiations with states.

**Table C.A.10: GST and general revenue assistance payments to the states, by year and state**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2021-22</b>									
<b>GST entitlement(a)</b>	22,106.7	17,411.5	15,739.5	3,198.6	6,784.8	3,023.7	1,426.5	3,378.8	73,070.0
<b>Other general revenue assistance</b>									
ACT municipal services	-	-	-	-	-	-	41.7	-	41.7
Compensation for reduced royalties	-	-	-	33.2	-	-	-	-	33.2
Royalty payments(b)	-	-	-	nfp	-	-	-	nfp	658.7
Transitional GST top-up payments(c)	-	-	-	2,115.2	-	-	-	-	2,115.2
HFE transition payment(c)	55.1	48.7	26.1	-	-	-	1.4	-	131.2
Total other general revenue assistance(d)	55.1	48.7	26.1	2,148.4	-	-	43.1	-	2,980.0
<b>Total(d)</b>	<b>22,161.7</b>	<b>17,460.2</b>	<b>15,765.5</b>	<b>5,347.0</b>	<b>6,784.8</b>	<b>3,023.7</b>	<b>1,469.6</b>	<b>3,378.8</b>	<b>76,050.0</b>
<b>2022-23</b>									
<b>GST entitlement(a)</b>	22,511.0	17,772.1	16,242.0	5,681.5	7,019.2	3,154.5	1,467.9	3,567.5	77,415.7
<b>Other general revenue assistance</b>									
ACT municipal services	-	-	-	-	-	-	42.3	-	42.3
Compensation for reduced royalties	-	-	-	36.2	-	-	-	-	36.2
Royalty payments(b)	-	-	-	nfp	-	-	-	nfp	673.9
Transitional GST top-up payments(c)	-	-	-	-	-	-	-	-	-
HFE transition payment(c)	868.4	716.3	550.1	-	172.8	38.8	44.1	-	2,390.5
Total other general revenue assistance(d)	868.4	716.3	550.1	36.2	172.8	38.8	86.3	-	3,142.8
<b>Total(d)</b>	<b>23,379.4</b>	<b>18,488.4</b>	<b>16,792.1</b>	<b>5,717.7</b>	<b>7,192.0</b>	<b>3,193.3</b>	<b>1,554.2</b>	<b>3,567.5</b>	<b>80,558.5</b>

(a) The GST is distributed among the states based on the GST revenue sharing ratios recommended by the Commonwealth Grants Commission (the Commission) and determined by the Treasurer for 2021-22. The Commission does not provide projected ratios beyond 2021-22.

(b) State allocations are not published due to commercial sensitivities.

(c) Estimates beyond 2021-22 are based upon current GST ratios, and adjusted to take into account the transition to the new HFE system.

(d) Total payments may not equal the sum of state totals.

**Table C.A.10: GST and general revenue assistance payments to the states, by year and state (continued)**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2023-24</b>									
<b>GST entitlement(a)</b>	23,276.9	18,493.6	16,870.4	5,895.7	7,255.4	3,256.6	1,519.1	3,681.3	80,248.9
<b>Other general revenue assistance</b>									
ACT municipal services	-	-	-	-	-	-	42.9	-	42.9
Compensation for reduced royalties	-	-	-	33.1	-	-	-	-	33.1
Royalty payments(b)	-	-	-	nfp	-	-	-	nfp	603.4
Transitional GST top-up payments(c)	-	-	-	-	-	-	-	-	-
HFE transition payment(c)	898.4	745.7	571.7	-	178.8	46.2	45.6	-	2,486.4
Total other general revenue assistance(d)	898.4	745.7	571.7	33.1	178.8	46.2	88.5	-	3,165.7
<b>Total(d)</b>	<b>24,175.2</b>	<b>19,239.3</b>	<b>17,442.1</b>	<b>5,928.8</b>	<b>7,434.2</b>	<b>3,302.7</b>	<b>1,607.6</b>	<b>3,681.3</b>	<b>83,414.7</b>
<b>2024-25</b>									
<b>GST entitlement(a)</b>	24,425.8	19,536.7	17,752.5	6,679.6	7,605.7	3,416.0	1,595.3	3,863.4	84,874.9
<b>Other general revenue assistance</b>									
ACT municipal services	-	-	-	-	-	-	43.6	-	43.6
Compensation for reduced royalties	-	-	-	25.2	-	-	-	-	25.2
Royalty payments(b)	-	-	-	nfp	-	-	-	nfp	487.9
Transitional GST top-up payments(c)	-	-	-	-	-	-	-	-	-
HFE transition payment(c)	1,028.2	861.0	651.7	-	199.0	48.7	51.5	-	2,840.0
Total other general revenue assistance(d)	1,028.2	861.0	651.7	25.2	199.0	48.7	95.1	-	3,396.7
<b>Total(d)</b>	<b>25,454.0</b>	<b>20,397.7</b>	<b>18,404.1</b>	<b>6,704.8</b>	<b>7,804.7</b>	<b>3,464.6</b>	<b>1,690.4</b>	<b>3,863.4</b>	<b>88,271.6</b>

(a) The GST is distributed among the states based on the GST revenue sharing ratios recommended by the Commonwealth Grants Commission (the Commission) and determined by the Treasurer for 2020-21. The Commission does not provide projected ratios beyond 2020-21.

(b) State allocations are not published due to commercial sensitivities.

(c) Estimates beyond 2020-21 are based upon current GST ratios, and adjusted to take into account the transition to the new HFE system.

(d) Total payments may not equal the sum of state totals.



**Table C.A.11: Total payments to the states by GFS function**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
<b>2021-22</b>									
General public services	136.5	93.6	105.9	60.3	40.0	16.3	16.3	67.1	570.3
Public order and safety	8,483.4	6,816.8	5,919.5	2,826.6	1,991.2	637.9	431.4	476.1	27,749.5
Education	8,196.9	6,752.1	5,943.3	2,785.9	1,696.8	549.4	501.8	728.7	27,191.1
Health	652.3	286.0	235.4	767.5	84.4	25.8	18.9	20.0	2,156.9
Social security and welfare	703.2	535.5	638.4	306.5	203.8	93.6	36.2	264.9	4,670.3
Housing and community amenities	8.7	9.5	9.3	2.3	1.7	0.9	0.2	1.4	34.2
Recreation and culture	5.0	12.5	19.6	-	-	-	-	30.0	67.1
Fuel and energy	221.0	113.9	89.8	1.3	32.1	0.8	20.6	1.9	1,202.7
Agriculture, forestry and fishing	-	-	-	-	-	-	-	-	-
Mining, manufacturing and construction	2,978.6	2,543.6	2,008.0	1,681.4	750.8	253.8	62.9	235.0	10,514.1
Transport and communication	3,626.0	3,188.3	300.6	13.4	14.1	44.6	156.0	9.4	7,571.1
Other economic affairs	23,166.5	17,992.0	16,209.5	5,653.7	6,968.9	3,091.2	1,511.4	3,419.2	78,671.0
Other purposes(b)									
<b>Total payments to the states</b>	<b>48,178.0</b>	<b>38,344.0</b>	<b>31,479.4</b>	<b>14,098.7</b>	<b>11,783.7</b>	<b>4,714.4</b>	<b>2,755.6</b>	<b>5,253.8</b>	<b>160,398.3</b>
less payments 'through' the states	4,718.0	3,960.1	3,377.6	1,640.5	1,152.3	342.3	257.0	235.3	17,461.0
less financial assistance for local government	414.4	325.2	264.6	159.3	106.5	41.4	28.8	18.5	1,358.8
less payments direct to local government	414.0	309.9	283.8	198.8	115.7	42.9	13.1	30.1	1,408.3
<b>equals total payments to the states for own-purpose expenses</b>	<b>42,631.6</b>	<b>33,748.7</b>	<b>27,553.4</b>	<b>12,100.1</b>	<b>10,409.2</b>	<b>4,287.8</b>	<b>2,456.8</b>	<b>4,969.9</b>	<b>140,170.2</b>

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

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

**Table C.A.11: Total payments to the states by GFS function (continued)**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
<b>2022-23</b>									
General public services	136.0	95.7	108.1	59.9	39.3	16.4	10.5	75.6	551.3
Public order and safety	8,628.2	7,014.7	6,090.0	2,915.8	2,014.2	638.6	437.8	474.9	28,730.2
Education	8,174.9	6,854.1	6,235.7	2,956.1	1,709.7	554.8	510.7	565.7	27,606.4
Health	352.1	274.3	222.0	114.6	82.2	25.2	18.5	24.8	1,250.4
Social security and welfare	758.1	533.2	589.2	323.4	180.1	105.5	29.9	255.3	3,158.4
Housing and community amenities	-	7.5	-	-	-	-	-	-	7.5
Recreation and culture	-	-	2.5	-	-	-	-	-	17.5
Fuel and energy	330.4	86.7	71.9	0.6	47.7	0.3	23.0	1.3	1,315.6
Agriculture, forestry and fishing	-	-	-	-	-	-	-	-	-
Mining, manufacturing and construction	3,873.1	3,520.2	3,076.6	2,425.7	996.1	543.2	132.3	291.7	14,858.9
Transport and communication	-	0.9	0.7	-	-	2.6	-	4.3	8.4
Other economic affairs	24,418.4	19,289.5	17,471.0	6,137.0	7,446.7	3,298.2	1,623.5	3,623.0	83,981.1
Other purposes(b)	<b>46,671.2</b>	<b>37,676.8</b>	<b>33,867.7</b>	<b>14,933.1</b>	<b>12,516.2</b>	<b>5,184.9</b>	<b>2,786.2</b>	<b>5,316.6</b>	<b>161,485.8</b>
<b>Total payments to the states</b>	4,902.1	4,163.0	3,464.4	1,680.4	1,208.7	354.3	260.6	212.1	16,407.1
less payments 'through' the states									
less financial assistance for local government	845.3	663.8	543.9	326.8	197.1	84.7	58.9	38.0	2,758.5
less payments direct to local government	319.7	237.5	233.0	162.1	91.3	36.5	10.3	23.7	1,114.2
<b>equals total payments to the states for own-purpose expenses</b>	<b>40,604.2</b>	<b>32,612.5</b>	<b>29,626.5</b>	<b>12,763.8</b>	<b>11,018.9</b>	<b>4,709.4</b>	<b>2,456.4</b>	<b>5,042.8</b>	<b>141,206.1</b>

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

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

**Table C.A.11: Total payments to the states by GFS function (continued)**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
<b>2023-24</b>									
General public services	137.8	97.3	109.9	-	39.8	16.7	10.7	-	559.2
Public order and safety	8,959.4	7,319.0	6,315.7	3,041.9	2,091.1	655.3	453.8	483.9	29,840.2
Education	8,701.4	7,132.5	6,648.5	3,094.3	1,749.8	577.5	546.7	451.5	28,940.7
Health	363.9	283.1	229.0	137.1	84.8	26.1	18.9	18.7	1,171.2
Social security and welfare	601.4	488.2	494.1	326.9	170.2	70.8	28.2	25.5	2,633.0
Housing and community amenities	-	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-	-
Fuel and energy	-	-	-	-	-	-	-	-	15.0
Agriculture, forestry and fishing	245.0	12.0	45.2	0.3	67.7	0.1	20.0	1.1	550.2
Mining, manufacturing and construction	-	-	-	-	-	-	-	-	-
Transport and communication	3,711.3	3,579.3	3,276.2	1,926.1	1,227.9	643.4	197.3	265.6	14,827.1
Other economic affairs	-	-	-	-	-	-	-	4.3	4.3
Other purposes(b)	25,078.2	19,946.2	18,027.2	6,282.5	7,626.5	3,393.6	1,670.1	3,723.6	86,351.2
<b>Total payments to the states</b>	<b>47,798.4</b>	<b>38,857.5</b>	<b>35,145.7</b>	<b>14,869.9</b>	<b>13,057.8</b>	<b>5,383.5</b>	<b>2,945.8</b>	<b>5,050.7</b>	<b>164,892.1</b>
less payments 'through' the states	5,068.5	4,347.3	3,592.4	1,733.6	1,228.8	369.5	266.4	219.4	16,902.3
less financial assistance for local government	871.9	686.6	564.8	338.8	183.3	87.6	60.9	39.4	2,833.2
less payments direct to local government	159.4	122.2	122.2	83.6	43.0	19.4	1.6	9.9	561.3
<b>equals total payments to the states for own-purpose expenses</b>	<b>41,698.6</b>	<b>33,701.5</b>	<b>30,866.3</b>	<b>12,714.0</b>	<b>11,602.7</b>	<b>4,907.0</b>	<b>2,616.8</b>	<b>4,782.1</b>	<b>144,595.3</b>

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

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

**Table C.A.11: Total payments to the states by GFS function (continued)**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
<b>2024-25</b>									
General public services	-	-	-	-	-	-	-	-	-
Public order and safety	140.1	98.8	111.7	61.5	40.4	17.0	10.8	30.5	520.0
Education	9,271.2	7,611.3	6,531.0	3,147.8	2,156.7	677.1	469.5	465.9	30,854.3
Health	9,240.5	7,474.7	7,120.0	3,268.8	1,819.2	594.5	581.9	486.5	30,612.0
Social security and welfare	-	-	-	-	0.5	-	-	-	0.5
Housing and community amenities	640.5	481.8	425.6	251.2	116.4	54.5	26.5	20.0	2,482.0
Recreation and culture	-	-	-	-	-	-	-	-	-
Fuel and energy	-	-	-	-	-	-	-	-	-
Agriculture, forestry and fishing	0.3	1.5	35.2	0.3	0.1	0.1	..	1.0	43.7
Mining, manufacturing and construction	-	-	-	-	-	-	-	-	-
Transport and communication	3,708.1	2,835.6	3,074.8	1,050.0	833.6	324.1	89.7	258.7	12,174.6
Other economic affairs	-	-	-	-	-	-	-	4.3	4.3
Other purposes(b)	26,357.1	21,111.7	18,990.6	7,056.5	7,994.4	3,555.3	1,753.5	3,904.1	91,211.0
<b>Total payments to the states</b>	<b>49,357.8</b>	<b>39,615.4</b>	<b>36,288.9</b>	<b>14,836.1</b>	<b>12,961.4</b>	<b>5,222.5</b>	<b>2,932.0</b>	<b>5,171.1</b>	<b>167,902.3</b>
less payments 'through' the states	5,227.8	4,498.8	3,710.6	1,779.0	1,264.6	382.1	274.6	219.6	17,418.6
less financial assistance for local government	902.6	714.0	586.5	351.7	189.7	90.7	63.1	40.7	2,938.9
less payments direct to local government	138.3	101.7	101.7	73.1	34.5	16.3	-	8.0	473.5
<b>equals total payments to the states for own-purpose expenses</b>	<b>43,089.2</b>	<b>34,300.9</b>	<b>31,890.1</b>	<b>12,632.3</b>	<b>11,472.6</b>	<b>4,733.4</b>	<b>2,594.2</b>	<b>4,902.8</b>	<b>147,071.4</b>

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

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

**Table C.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
<b>2021-22</b>									
<b>Repayments</b>									
Agriculture									
Drought Concessional Loans Scheme	-32.1	-26.5	-35.3	-2.0	-2.9	-1.3	-	-	-100.3
Drought Recovery Loans Scheme	-3.7	-4.3	-4.0	-	-1.5	-0.2	-	-	-13.7
Farm Finance Concessional Loans Scheme	-8.1	-2.8	-0.9	-3.1	-	-1.6	-	-0.2	-16.7
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
Loan to NSW to assist beneficiaries of the Asbestos Injuries Compensation Fund	-	-	-	-	-	-	-	-	-
Natural disaster relief	-4.3	-	-12.8	-	-	-	-	-	-17.1
Other purposes									
Loan Council – housing nominations	-11.7	-	-4.3	-7.4	-4.9	-	-	-3.9	-32.2
USC Moreton Bay Precinct Loan	-	-	-123.7	-	-	-	-	-	-123.7
<b>Total Repayments</b>	<b>-98.7</b>	<b>-33.7</b>	<b>-192.7</b>	<b>-22.7</b>	<b>-13.0</b>	<b>-3.1</b>	<b>-8.4</b>	<b>-9.1</b>	<b>-381.3</b>

**Table C.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
<b>2021-22</b>									
<b>Interest</b>									
Agriculture									
Drought Concessional Loans Scheme	-0.7	-2.4	-1.0	..	-0.1	-0.5	-	-	-4.7
Drought Recovery Loans Scheme	-0.2	-0.5	-0.2	-	-0.1	..	-	-	-1.0
Farm Finance Concessional Loans Scheme	-0.1	..	..	..	-	..	-	..	-0.2
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 NSW to assist beneficiaries of the Asbestos Injuries Compensation Fund	-2.2	-	-	-	-	-	-	-	-2.2
Natural disaster relief	..	-	-0.2	-	-	-	-	-	-0.2
Other purposes									
Loan Council – housing nominations	-15.0	-	-5.4	-9.1	-6.6	-	-	-5.3	-41.4
USC Moreton Bay Precinct Loan	-	-	-1.1	-	-	-	-	-	-1.1
Total Interest	-36.3	-2.9	-13.5	-13.9	-8.2	-0.5	-4.4	-8.5	-88.2
<b>Net Financial Flow</b>	<b>-135.0</b>	<b>-36.5</b>	<b>-206.2</b>	<b>-36.6</b>	<b>-21.1</b>	<b>-3.6</b>	<b>-12.8</b>	<b>-17.6</b>	<b>-469.5</b>

**Table C.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
<b>2022-23</b>									
<b>Repayments</b>									
Agriculture									
Drought Concessional Loans Scheme	-1.1	-11.6	-4.6	-	-0.4	-1.4	-	-	-19.2
Drought Recovery Loans Scheme	-1.7	-3.8	-1.4	-	-0.5	-0.3	-	-	-7.6
Farm Finance Concessional Loans Scheme	-	-	-	-	-	-	-	-	-
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
Loan to NSW to assist beneficiaries of the Asbestos Injuries Compensation Fund	-16.0	-	-	-	-	-	-	-	-16.0
Natural disaster relief	-4.3	-	-13.4	-	-	-	-	-	-17.7
Other purposes									
Loan Council – housing nominations	-12.2	-	-4.5	-7.8	-5.1	-	-	-4.1	-33.6
USC Moreton Bay Precinct Loan	-	-	-	-	-	-	-	-	-
<b>Total Repayments</b>	<b>-73.7</b>	<b>-15.4</b>	<b>-35.6</b>	<b>-17.8</b>	<b>-9.8</b>	<b>-1.8</b>	<b>-8.4</b>	<b>-9.2</b>	<b>-171.7</b>

**Table C.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
<b>2022-23</b>									
<b>Interest</b>									
Agriculture									
Drought Concessional Loans Scheme	-0.5	-2.0	-0.8	-	-0.1	-0.5	-	-	-3.8
Drought Recovery Loans Scheme	-0.2	-0.4	-0.2	-	-0.1	..	-	-	-0.8
Farm Finance Concessional Loans Scheme	-	-	-	-	-	-	-	-	-
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 NSW to assist beneficiaries of the Asbestos Injuries Compensation Fund	-2.2	-	-	-	-	-	-	-	-2.2
Natural disaster relief	..	-	-0.1	-	-	-	-	-	-0.2
Other purposes									
Loan Council – housing nominations	-14.5	-	-5.2	-8.8	-6.4	-	-	-5.1	-40.0
USC Moreton Bay Precinct Loan	-	-	-	-	-	-	-	-	-
Total Interest	-33.6	-2.5	-11.3	-13.1	-7.7	-0.5	-4.0	-8.1	-80.8
<b>Net Financial Flow</b>	<b>-107.3</b>	<b>-17.8</b>	<b>-47.0</b>	<b>-30.9</b>	<b>-17.5</b>	<b>-2.3</b>	<b>-12.4</b>	<b>-17.4</b>	<b>-252.6</b>



**Table C.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
<b>2023-24</b>									
<b>Repayments</b>									
Agriculture									
Drought Concessional Loans Scheme	-2.7	-13.2	-4.3	-	-0.5	-2.5	-	-	-23.4
Drought Recovery Loans Scheme	-1.7	-3.8	-1.8	-	-0.5	-0.3	-	-	-8.0
Farm Finance Concessional Loans Scheme	-	-	-	-	-	-	-	-	-
Environment									
Northern Territory – water and sewerage assistance	-	-	-	-	-	-	-	-0.1	-0.1
Housing									
Commonwealth-State Housing Agreement loans	-35.3	-	-10.2	-9.6	-2.9	-	-	-1.2	-59.1
Housing for service personnel	-2.5	-	-1.3	-0.3	-0.1	-	-	-	-4.2
Other housing	-	-	-	-	-	-	-8.4	-3.8	-12.2
Loan to NSW to assist beneficiaries of the Asbestos Injuries Compensation Fund	-16.0	-	-	-	-	-	-	-	-16.0
Natural disaster relief	-0.2	-	-7.6	-	-	-	-	-	-7.8
Other purposes									
Loan Council – housing nominations	-12.8	-	-4.7	-8.1	-5.3	-	-	-4.2	-35.2
USC Moreton Bay Precinct Loan	-	-	-	-	-	-	-	-	-
<b>Total Repayments</b>	<b>-71.1</b>	<b>-17.0</b>	<b>-30.0</b>	<b>-17.9</b>	<b>-9.4</b>	<b>-2.9</b>	<b>-8.4</b>	<b>-9.4</b>	<b>-165.9</b>

**Table C.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
<b>2023-24</b>									
<b>Interest</b>									
Agriculture									
Drought Concessional Loans Scheme	-0.4	-1.8	-0.6	-	-0.1	-0.4	-	-	-3.4
Drought Recovery Loans Scheme	-0.2	-0.4	-0.1	-	..	..	-	-	-0.7
Farm Finance Concessional Loans Scheme	-	-	-	-	-	-	-	-	-
Environment									
Northern Territory – water and sewerage assistance	-	-	-	-	-	-	-	-0.5	-0.5
Housing									
Commonwealth-State Housing Agreement loans	-13.3	-	-4.0	-3.7	-0.9	-	-	-0.8	-22.7
Housing for service personnel	-1.2	-	-0.6	-0.1	-0.1	-	-	-	-2.0
Other housing	-	-	-	-	-	-	-3.7	-1.4	-5.1
Loan to NSW to assist beneficiaries of the Asbestos Injuries Compensation Fund	-1.5	-	-	-	-	-	-	-	-1.5
Natural disaster relief	..	-	-0.1	-	-	-	-	-	-0.1
Other purposes									
Loan Council – housing nominations	-14.0	-	-5.0	-8.5	-6.1	-	-	-5.0	-38.5
USC Moreton Bay Precinct Loan	-	-	-	-	-	-	-	-	-
Total Interest	-30.5	-2.2	-10.4	-12.3	-7.2	-0.5	-3.7	-7.7	-74.4
<b>Net Financial Flow</b>	<b>-101.6</b>	<b>-19.1</b>	<b>-40.3</b>	<b>-30.2</b>	<b>-16.6</b>	<b>-3.3</b>	<b>-12.0</b>	<b>-17.1</b>	<b>-240.3</b>

**Table C.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
<b>2024-25</b>									
<b>Repayments</b>									
Agriculture									
Drought Concessional Loans Scheme	-2.8	-13.2	-4.3	-	-0.5	-2.6	-	-	-23.6
Drought Recovery Loans Scheme	-6.1	-4.1	-2.6	-	-0.6	-0.3	-	-	-13.8
Farm Finance Concessional Loans Scheme	-	-	-	-	-	-	-	-	-
Environment									
Northern Territory – water and sewerage assistance	-	-	-	-	-	-	-	-0.1	-0.1
Housing									
Commonwealth-State Housing Agreement loans	-33.8	-	-10.0	-9.2	-1.5	-	-	-1.2	-55.7
Housing for service personnel	-2.7	-	-1.4	-0.2	-0.1	-	-	-	-4.4
Other housing	-	-	-	-	-	-	-8.3	-4.0	-12.3
Loan to NSW to assist beneficiaries of the Asbestos Injuries Compensation Fund	-16.0	-	-	-	-	-	-	-	-16.0
Natural disaster relief	-0.2	-	-7.1	-	-	-	-	-	-7.3
Other purposes									
Loan Council – housing nominations	-13.3	-	-4.9	-8.5	-5.6	-	-	-4.4	-36.7
USC Moreton Bay Precinct Loan	-	-	-	-	-	-	-	-	-
<b>Total Repayments</b>	<b>-74.9</b>	<b>-17.4</b>	<b>-30.3</b>	<b>-17.9</b>	<b>-8.3</b>	<b>-3.0</b>	<b>-8.3</b>	<b>-9.8</b>	<b>-169.9</b>

**Table C.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
<b>2024-25</b>									
<b>Interest</b>									
Agriculture									
Drought Concessional Loans Scheme	-0.4	-1.6	-0.5	-	-0.1	-0.4	-	-	-2.9
Drought Recovery Loans Scheme	-0.1	-0.3	-0.1	-	..	..	-	-	-0.6
Farm Finance Concessional Loans Scheme	-	-	-	-	-	-	-	-	-
Environment									
Northern Territory – water and sewerage assistance	-	-	-	-	-	-	-	-0.5	-0.5
Housing									
Commonwealth-State Housing Agreement loans	-11.7	-	-3.5	-3.3	-0.8	-	-	-0.8	-20.1
Housing for service personnel	-1.1	-	-0.6	-0.1	-0.1	-	-	-	-1.8
Other housing	-	-	-	-	-	-	-3.3	-1.2	-4.5
Loan to NSW to assist beneficiaries of the Asbestos Injuries Compensation Fund	-0.7	-	-	-	-	-	-	-	-0.7
Natural disaster relief	..	-	..	-	-	-	-	-	-0.1
Other purposes									
Loan Council – housing nominations	-13.4	-	-4.8	-8.1	-5.9	-	-	-4.8	-36.9
USC Moreton Bay Precinct Loan	-	-	-	-	-	-	-	-	-
Total Interest	-27.4	-1.9	-9.5	-11.5	-6.8	-0.4	-3.3	-7.2	-68.1
<b>Net Financial Flow</b>	<b>-102.4</b>	<b>-19.2</b>	<b>-39.9</b>	<b>-29.4</b>	<b>-15.1</b>	<b>-3.4</b>	<b>-11.6</b>	<b>-17.0</b>	<b>-237.9</b>