

Part 1: Australian Government Budget Outcome 2023–24

Overview

In 2023–24, the Australian Government general government sector recorded an underlying cash surplus of \$15.8 billion (0.6 per cent of GDP). Together with the \$22.1 billion surplus delivered by the Government in 2022–23, these are the first back-to-back surpluses to be delivered in nearly two decades and the largest nominal back-to-back surpluses on record.

The 2023–24 underlying cash balance outcome was an improvement of \$6.4 billion (0.2 per cent of GDP) against the 2024–25 Budget estimate. It also reflects an improvement of \$72.3 billion (3.0 per cent of GDP) compared to the 2022 Pre-election Economic and Fiscal Outlook (PEFO) estimate. Across 2022–23 and 2023–24, the underlying cash balance improved by \$172.3 billion compared to the PEFO.

The Government's responsible economic management continued to support monetary policy to keep the pressure off inflation, through delivering a second surplus and returning a total of 87 per cent of tax receipt upgrades to the budget in 2023–24 since PEFO.

The improvement in the 2023–24 surplus since the 2024–25 Budget estimate was due to lower payments, rather than higher receipts.

Payments were \$10.2 billion lower than estimated in the 2024–25 Budget, reducing real growth in payments to 2.9 per cent in 2023–24. This outcome reflects lower-than-estimated payments across a range of programs, including around \$4.2 billion in lower payments across a number of National Partnership agreements. Payments as a share of the economy were 25.2 per cent in 2023–24, lower than the 25.4 per cent estimated at the 2024–25 Budget and substantially lower than the 27.1 per cent estimated at PEFO.

Total receipts for 2023–24 were \$688.6 billion, \$3.7 billion lower than forecast in the 2024–25 Budget. Tax receipts for 2023–24 were \$633.4 billion, \$5.3 billion lower than estimated at the 2024–25 Budget, largely driven by lower personal income tax receipts and company tax receipts.

The Government's responsible economic and fiscal management has resulted in lower debt compared to the 2022 PEFO. Gross debt was \$906.9 billion (34.0 per cent of GDP) at the end of 2023–24, \$149.1 billion and 10.6 percentage points of GDP lower than estimated at PEFO. Net debt was \$491.5 billion (18.4 per cent of GDP), \$280.6 billion lower than estimated at PEFO. Lower debt will result in lower interest payments over the medium term.

Table 1.1: Overview of key Australian Government general government sector budget aggregates

	2023-24 Estimate at 2022 PEFO	2023-24 Estimate at 2024-25 Budget	2023-24 Outcome	Change on 2024-25 Budget
	\$b	\$b	\$b	\$b
Underlying cash balance	-56.5	9.3	15.8	6.4
Per cent of GDP	-2.4	0.3	0.6	
Gross debt(a)	1,056.0	904.0	906.9	2.9
Per cent of GDP	44.6	33.7	34.0	
Net debt(b)	772.1	499.9	491.5	-8.4
Per cent of GDP	32.6	18.6	18.4	

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

b) Net debt is 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).

Real GDP grew by 1.5 per cent in 2023–24, softer than the 1¾ per cent forecast in the Budget. As anticipated, high but moderating inflation and higher interest rates have weighed on household consumption and dwelling investment. The Australian economy also faced subdued global growth owing to the effects of persistent global inflation, restrictive macroeconomic policy, heightened geopolitical tensions and global economic uncertainty more broadly.

While labour market conditions have gradually eased over 2023–24, the labour market has been resilient. The unemployment rate was 4.1 per cent in the June quarter, consistent with the forecast in the 2024–25 Budget and below the 5-year pre-pandemic average of 5.5 per cent. Employment grew by 2.4 per cent through-the-year to the June quarter, higher than the Budget forecast of 2¼ per cent. The Wage Price Index increased by 4.1 per cent through the year to the June quarter, consistent with the 2024–25 Budget forecast. Real wages, based on the WPI and the Consumer Price Index, grew 0.3 per cent through the year to the June quarter 2024.

Inflation was 3.8 per cent through the year to the June quarter 2024. While inflation remains elevated, it is less than half of its peak in 2022. This moderation in headline inflation has mainly been driven by an easing of goods inflation alongside the normalisation of global supply pressures. The Government's cost-of-living policies are directly reducing headline inflation, with ABS data showing the energy bill relief, rent assistance increase and child care changes reduced inflation by ½ of a percentage point in the year to the June quarter 2024.

Nominal GDP grew by 4.2 per cent in 2023–24, lower than the 4¾ per cent forecast at Budget. This reflects lower-than-expected real GDP and a lower-than-expected terms of trade.

Budget aggregates

Table 1.2: Australian Government general government sector budget aggregates

	2023-24 Estimate at 2024-25 Budget \$b	2023-24 Outcome \$b	Change on 2024-25 Budget \$b
Underlying cash balance	9.3	15.8	6.4
Per cent of GDP	0.3	0.6	
Receipts	692.3	688.6	-3.7
Per cent of GDP	25.8	25.8	
Tax receipts	638.8	633.4	-5.3
Per cent of GDP	23.8	23.7	
Non-tax receipts	53.6	55.2	1.6
Per cent of GDP	2.0	2.1	
Payments(a)	683.0	672.8	-10.2
Per cent of GDP	25.4	25.2	
Net interest payments(b)	12.3	12.3	0.0
Per cent of GDP	0.5	0.5	
Revenue	706.9	704.5	-2.4
Per cent of GDP	26.3	26.4	
Expenses	691.1	685.9	-5.2
Per cent of GDP	25.7	25.7	
Net operating balance	15.8	18.6	2.8
Per cent of GDP	0.6	0.7	
Net capital investment	7.8	6.7	-1.1
Per cent of GDP	0.3	0.2	
Fiscal balance	8.1	12.0	3.9
Per cent of GDP	0.3	0.4	

a) Equivalent to cash payments for operating activities, purchases of non-financial assets and principal payments of lease liabilities.

b) Net interest payments are equal to the difference between interest payments and interest receipts. Net interest payments are largely tied to the existing stock of Australian Government Securities, meaning there was little change from the 2024–25 Budget estimates.

Underlying cash balance

Receipts

Total receipts for 2023–24 were \$688.6 billion, \$3.7 billion lower than forecast in the 2024–25 Budget.

Tax receipts were \$5.3 billion lower than estimated in the Budget. This was mostly due to lower-than-expected personal income tax and company tax receipts.

- Receipts from total individuals and other withholding taxes were \$3.1 billion below the Budget estimate. This primarily reflects lower net other individual tax receipts due to lower-than-expected collections relating to 2022–23 tax returns and slightly higher-than-expected refunds. Lower-than-expected income tax withholding receipts also contributed to the outcome.
- Company tax receipts were \$1.7 billion below the Budget estimate, primarily due to lower-than-expected collections relating to 2022–23 tax returns.
- Receipts from excise and customs duty were \$1.0 billion lower than the Budget estimate, primarily reflecting lower-than-expected collections for tobacco excise equivalent duty.
- Receipts from the GST were \$0.7 billion below the Budget estimate.
- The lower-than-expected outcomes for the above taxes were partly offset by superannuation fund tax receipts which were \$0.8 billion above the Budget estimate due to higher-than-expected pay-as-you-go instalments and lower-than-expected refunds relating to 2022–23 tax returns.

Non-tax receipts were \$55.2 billion in 2023–24, \$1.6 billion higher than estimated in the 2024–25 Budget. This increase largely reflected higher-than-estimated earnings from the Future Fund (\$0.4 billion), the Commonwealth Debt Management program (\$0.3 billion), and Australian Government Investment Funds (\$0.2 billion).

Table 1.3: Australian Government general government sector (cash) receipts

	2023-24 Estimate at 2024-25 Budget \$m	2023-24 Outcome \$m	Change on 2024-25 Budget \$m
Individuals and other withholding taxes			
Gross income tax withholding	296,000	294,949	-1,051
Gross other individuals	76,100	74,199	-1,901
less: Refunds	37,500	37,635	135
Total individuals and other withholding tax	334,600	331,513	-3,087
Fringe benefits tax	4,360	4,632	272
Company tax	142,900	141,177	-1,723
Superannuation fund taxes	11,660	12,465	805
Petroleum resource rent tax	1,150	1,144	-6
Income taxation receipts	494,670	490,931	-3,739
Goods and services tax	85,758	85,031	-727
Wine equalisation tax	1,080	1,091	11
Luxury car tax	1,310	1,253	-57
Excise and customs duty			
Petrol	6,950	6,941	-9
Diesel	16,160	16,092	-68
Other fuel products	2,090	1,999	-91
Tobacco	10,500	9,730	-770
Beer	2,630	2,599	-31
Spirits	3,340	3,208	-132
Other alcoholic beverages(a)	1,680	1,686	6
Other customs duty			
Textiles, clothing and footwear	160	159	-1
Passenger motor vehicles	380	391	11
Other imports	1,490	1,501	11
less: Refunds and drawbacks	850	791	-59
Total excise and customs duty	44,530	43,514	-1,016
Major bank levy	1,630	1,623	-7
Agricultural levies	620	637	17
Visa application charges	3,290	3,385	95
Other taxes	5,862	5,936	74
Indirect taxation receipts	144,080	142,469	-1,611
Taxation receipts	638,750	633,400	-5,350
Sales of goods and services	19,938	19,867	-71
Interest received	10,404	10,509	105
Dividends and distributions	5,918	6,412	494
Other non-taxation receipts	17,297	18,397	1,100
Non-taxation receipts	53,557	55,185	1,628
Total receipts	692,307	688,585	-3,722
<i>Memorandum:</i>			
Total excise	29,940	29,761	-179
Total customs duty	14,590	13,753	-837

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

Payments

Payments in 2023–24 were \$672.8 billion, \$10.2 billion lower than estimated in the 2024–25 Budget. This reflected lower-than-estimated payments across a range of programs, including around \$4.2 billion in lower payments across a number of National Partnership agreements, partly due to delays in delivery of projects in 2023–24. The programs with the largest adjustments include:

- National Partnership Payments – Assistance to People with Disabilities program, due to Western Australia not having signed a full scheme bilateral agreement with the Commonwealth by 30 June 2024 (\$1.0 billion).
- National Partnership Payments – Road Transport program (\$0.4 billion) and Rail Transport program (\$0.2 billion), largely reflecting delays in milestone payments for projects due to market constraints and adverse weather events.
- National Disability Insurance Scheme (NDIS), largely reflecting lower-than-expected increases in average payments per participant (\$0.5 billion), noting that this partially reduces the \$1.3 billion increase in payments related to the NDIS in 2023–24 recorded in the 2024–25 Budget.
- National Partnership Payments – Climate Change program, largely reflecting the timing of invoices in relation to Energy Bill Relief payments (\$0.5 billion).
- National Partnership Payments – School Education program, largely reflecting a delay in payments to states in relation to the Preschool Reform Agreement (\$0.4 billion).
- Aged Care Quality program, largely reflecting lower-than-anticipated demand for a range of activities within the program, including translating and interpreting services and dementia aged care services (\$0.3 billion).
- National Partnership Payments – Housing program, largely reflecting delays in states meeting payment milestones for Remote Housing and lower-than-expected take up for Homebuilder (\$0.3 billion).
- Growing Innovative and Competitive Businesses, Industries and Regions program, largely reflecting project delays and delays in the execution of agreements for the Modern Manufacturing Initiative grants programs (\$0.3 billion).
- National Partnership Payments – General Health Services program, largely reflecting delays in states meeting payment milestones for both the Community Health and Hospitals program and lower-than-anticipated demand for the COVID-19 public health response (\$0.3 billion).
- Health Protection, Emergency Response and Regulation program, largely reflecting lower-than-estimated payments for COVID-19 vaccinations, following changes to the Novavax contract to supply COVID-19 vaccines (\$0.3 billion).

- Indigenous Advancement – Jobs, Land and the Economy program, largely reflecting lower-than-expected grant payments (\$0.3 billion).
- Onshore Compliance and Detention – Administered program, largely reflecting lower-than-expected costs in the detention network (\$0.3 billion).
- National Partnership Payments – Environment Protection program, largely reflecting delays in states meeting payment milestones in National Water Grid Fund and Recycling Infrastructure projects (\$0.2 billion).
- Research and Development Tax Incentive program, reflecting lower-than-estimated claims (\$0.2 billion).
- Digital Technologies and Communication Services program, largely reflecting delays in industry delivering projects under the Better Connectivity Plan for Regional and Rural Australia (\$0.2 billion).
- National Partnership Payments – Water and Natural Resources program, largely reflecting delays in states meeting payment milestones for the Sustainable Rural Water Use and Infrastructure Program and delays in finalising contracts for funding from the Water for the Environment Special Account (\$0.2 billion).
- Support Reliable, Secure and Affordable Energy program, largely reflecting project delays and delays in the execution of agreements for a range of sub-programs (\$0.2 billion).

Primary balance

The primary balance, which excludes interest payments and interest receipts related to the existing stock of debt and financial assets from the underlying cash balance, was \$28.0 billion (1.1 per cent of GDP) in 2023–24, improving on the \$21.6 billion surplus (0.8 per cent of GDP) estimated at the 2024–25 Budget.

Net operating balance and fiscal balance

The 2023–24 net operating surplus was \$18.6 billion, compared with an estimated surplus of \$15.8 billion in the 2024–25 Budget. The 2023–24 fiscal balance was a surplus of \$12.0 billion, compared with an estimated surplus of \$8.1 billion in the 2024–25 Budget.

Revenue

Revenue is the accrual accounting equivalent of cash-based receipts. The differences between receipts and revenue generally reflect timing differences between the recognition of receipts when cash is received and revenue at the time it is earned.

Total revenue was \$704.5 billion in 2023–24, \$2.4 billion lower than estimated in the Budget. Total cash receipts were \$688.6 billion, \$3.7 billion lower than estimated in the Budget.

Tax revenue was \$650.4 billion in 2023–24, \$5.7 billion lower than estimated in the Budget. Total tax receipts were \$633.4 billion in 2023–24, \$5.3 billion lower than estimated in the Budget. Changes in taxation revenue were generally driven by the same factors as receipts.

Total non-tax revenue was \$54.1 billion in 2023–24, \$3.3 billion higher than estimated in the 2024–25 Budget. Non-tax receipts were \$55.2 billion in 2023–24, \$1.6 billion higher than estimated in the 2024–25 Budget.

Table 1.4: Australian Government general government sector (accrual) revenue

	2023-24 Estimate at 2024-25 Budget \$m	2023-24 Outcome \$m	Change on 2024-25 Budget \$m
Individuals and other withholding taxes			
Gross income tax withholding	299,400	298,328	-1,072
Gross other individuals	81,500	78,160	-3,340
less: Refunds	37,500	37,635	135
Total individuals and other withholding tax	343,400	338,853	-4,547
Fringe benefits tax	4,280	4,856	576
Company tax	144,900	142,945	-1,955
Superannuation fund taxes	11,780	12,668	888
Petroleum resource rent tax	1,430	1,276	-154
Income taxation revenue	505,790	500,598	-5,192
Goods and services tax	90,180	90,329	149
Wine equalisation tax	1,090	1,102	12
Luxury car tax	1,290	1,230	-60
Excise and customs duty			
Petrol	6,950	6,953	3
Diesel	16,210	16,098	-112
Other fuel products	2,120	2,006	-114
Tobacco	10,500	9,812	-688
Beer	2,650	2,660	10
Spirits	3,370	3,226	-144
Other alcoholic beverages(a)	1,680	1,719	39
Other customs duty			
Textiles, clothing and footwear	160	159	-1
Passenger motor vehicles	380	391	11
Other imports	1,490	1,501	11
less: Refunds and drawbacks	850	791	-59
Total excise and customs duty	44,660	43,735	-925
Major bank levy	1,660	1,656	-4
Agricultural levies	618	624	6
Visa application charges	3,290	3,385	95
Other taxes	7,461	7,706	245
Indirect taxation revenue	150,249	149,766	-483
Taxation revenue	656,039	650,365	-5,674
Sales of goods and services	20,274	19,698	-576
Interest	11,131	12,206	1,075
Dividends and distributions	5,798	6,455	657
Other non-taxation revenue	13,635	15,780	2,144
Non-taxation revenue	50,838	54,139	3,301
Total revenue	706,877	704,503	-2,374
<i>Memorandum:</i>			
Total excise	30,020	29,899	-121
Total customs duty	14,640	13,836	-804

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

Expenses and net capital investment

Total expenses were \$685.9 billion in 2023–24, \$5.2 billion lower than estimated in the 2024–25 Budget. Total net capital investment for 2023–24 was \$6.7 billion, \$1.1 billion lower than estimated in the Budget. This results in a net outcome for expenses and net capital investment of \$692.5 billion, which is \$6.3 billion lower than the \$698.8 billion estimated at the 2024–25 Budget.

In comparison, cash payments in 2023–24 were \$672.8 billion, \$10.2 billion lower than estimated in the 2024–25 Budget.

The difference of \$19.7 billion between the net outcome for expenses and net capital investment, and the outcome for cash payments, generally reflects timing differences between the recognition of incurred expenses and the finalisation of corresponding payments.

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

Table 1.5: Australian Government general government sector expenses by function

	2023-24 Estimate at 2024-25 Budget \$m	2023-24 Outcome \$m	Change on 2024-25 Budget \$m
General public services			
Legislative and executive affairs	2,052	2,125	73
Financial and fiscal affairs	10,378	10,666	288
Foreign affairs and economic aid	7,282	7,141	-141
General research	4,063	3,947	-116
General services	1,260	1,359	99
Government superannuation benefits	6,407	6,325	-82
Defence	45,128	45,103	-25
Public order and safety	7,960	7,739	-221
Education	49,099	48,011	-1,087
Health	107,416	106,589	-827
Social security and welfare	252,342	253,184	842
Housing and community amenities	7,955	6,982	-973
Recreation and culture	5,050	5,088	38
Fuel and energy	13,273	12,988	-284
Agriculture, forestry and fishing	4,068	3,554	-514
Mining, manufacturing and construction	5,968	5,123	-844
Transport and communication	14,928	14,041	-887
Other economic affairs			
Tourism and area promotion	198	192	-6
Labour and employment affairs	6,308	6,094	-214
Immigration	3,836	3,367	-470
Other economic affairs nec	3,669	3,838	169
Other purposes			
Public debt interest	22,547	22,504	-43
Nominal superannuation interest	13,374	13,375	1
General purpose inter-government transactions	92,917	94,607	1,690
Natural disaster relief	1,392	1,913	521
Contingency reserve	2,200	0	-2,200
Total expenses	691,070	685,857	-5,214

Table 1.6: Australian Government general government sector net capital investment by function

	2023-24 Estimate at 2024-25 Budget	2023-24 Outcome	Change on 2024-25 Budget
	\$m	\$m	\$m
General public services	346	-96	-442
Defence	7,409	7,863	455
Public order and safety	78	-237	-315
Education	34	23	-11
Health	-123	-435	-312
Social security and welfare	13	74	61
Housing and community amenities	68	156	88
Recreation and culture	385	196	-189
Fuel and energy	-1	-2	-1
Agriculture, forestry and fishing	212	107	-105
Mining, manufacturing and construction	-15	34	49
Transport and communication	-625	-704	-79
Other economic affairs	-34	-337	-303
Other purposes	8	8	1
Total net capital investment	7,754	6,650	-1,103

Table 1.7: Australian Government general government sector purchases of non-financial assets by function

	2023-24 Estimate at 2024-25 Budget	2023-24 Outcome	Change on 2024-25 Budget
	\$m	\$m	\$m
General public services	1,888	1,506	-382
Defence	14,805	14,473	-332
Public order and safety	944	753	-191
Education	51	39	-12
Health	395	239	-156
Social security and welfare	919	1,056	137
Housing and community amenities	507	643	135
Recreation and culture	849	718	-131
Fuel and energy	9	7	-2
Agriculture, forestry and fishing	320	235	-85
Mining, manufacturing and construction	25	75	49
Transport and communication	221	150	-71
Other economic affairs	823	610	-213
Other purposes	13	14	1
Total Government purchases of non-financial assets	21,771	20,518	-1,253

Headline cash balance

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 Clean Energy Finance Corporation loans and equity investments).

In 2023–24, the headline cash surplus was \$14.0 billion compared with an estimated surplus of \$6.5 billion in the 2024–25 Budget. The improvement in the headline cash balance of \$7.5 billion was primarily driven by the improvement in the underlying cash balance.

Net cash flows from investments in financial assets for policy purposes also improved by \$1.1 billion since estimated in the 2024–25 Budget. This is primarily driven by lower-than-estimated drawdowns by the Clean Energy Finance Corporation, the Northern Australia Infrastructure Facility, and various National Interest Account loan facilities.

Table 1.8 provides further detail between the underlying and headline cash balance estimates of the Australian Government general government sector in 2023–24.

Table 1.8: Australian Government general government sector reconciliation of underlying and headline cash balance

	2023-24 Estimate at 2024-25 Budget \$m	2023-24 Outcome \$m	Change on 2024-25 Budget \$m
2023-24 Underlying cash balance	9,346	15,779	6,433
plus Net cash flows from investments in financial assets for policy purposes(a)			
Student loans	-1,626	-1,669	-43
NBN loan(b)	5,500	5,500	0
NBN investment	-771	-771	0
Snowy Hydro Limited investment	-277	-277	0
Australian apprenticeship support loans(c)	-112	-36	76
CEFC loans and investments	-799	-606	193
Northern Australia Infrastructure Facility	-762	-586	176
NRFC loans and investments	-50	0	50
Australian Business Securitisation Fund	63	142	79
Structured Finance Support Fund	178	194	16
Drought and rural assistance loans	-161	-44	117
Official Development Assistance – Multilateral Replenishment	-135	-135	0
Home Equity Access Scheme	-141	-118	23
Housing Australia(d)	-134	-282	-148
National Interest Account loans and investments	-469	-306	163
COVID-19 Support for Indonesia – loan	100	100	0
Financial Assistance to Papua New Guinea – loan	-474	-474	0
Net other(e)	-2,808	-2,448	360
Total net cash flows from investments in financial assets for policy purposes	-2,879	-1,816	1,063
2023-24 Headline cash balance	6,467	13,963	7,496

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

b) The loan from the Government to NBN Co was fully repaid as of 30 June 2024.

c) In January 2024, trade support loans were renamed Australian apprenticeship support loans.

d) In October 2023, the National Housing Finance and Investment Corporation was renamed Housing Australia.

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

Gross debt, net debt, net financial worth and net worth

At the end of 2023–24, gross debt was \$906.9 billion (34.0 per cent of GDP). While there has been a significant improvement in the underlying cash balance, the gross debt outcome is broadly in line with the estimate in the Budget. This reflects the Australian Office of Financial Management’s (AOFM) decision not to deviate from the issuance guidance provided to the market following the Budget for the remainder of 2023–24. The combination of the improved underlying cash balance and AOFM’s adherence to announced issuance plans effectively pre-funds some of the Government’s financing requirement for 2024–25.

At the end of 2023–24, net debt was \$491.5 billion (18.4 per cent of GDP), \$8.4 billion lower than estimated in the 2024–25 Budget. Net debt is measured by the market value of

Australian Government Securities on issue (whereas gross debt is measured by face value) and also includes selected financial assets and other interest-bearing liabilities.

Since the 2024–25 Budget, net debt has benefited from the fall in the market value of Australian Government Securities, higher-than-estimated cash reserves and advances paid. This has been partially offset by lower-than-estimated investment, loan and placement assets when compared to the 2024–25 Budget.

Net financial worth was $-\$746.3$ billion at the end of 2023–24, compared to $-\$720.3$ billion estimated in the Budget. Net worth was $-\$531.6$ billion at the end of 2023–24, compared to $-\$508.6$ billion estimated in the Budget. The changes in net financial worth and net worth since the Budget primarily reflect greater-than-expected superannuation and other employee liabilities, and other provisions for payable items, partially offset by the improvement in the value of financial assets. The reported increase in the superannuation liability is the result of the difference between the discount rates used to value the Government's defined benefit superannuation liability at the Budget and the Final Budget Outcome.

At the 2024–25 Budget, the unfunded superannuation liabilities were estimated using an actuarially determined long-term discount rate of 5.0 per cent per annum. This rate reflected the average annual rate estimated to apply over the remainder of the term to maturity of the liability and the actuaries' views that short term deviations are expected to be smoothed out in the longer term. This approach also reduces the volatility in reported liabilities that would occur from year to year if the market long-term government bond rate was used.

For the Final Budget Outcome, the Australian Accounting Standards (AAS) require the use of the long-term government bond rate as at 30 June 2024 that best matches each individual scheme's liability duration. This results in differences in the superannuation liability between Final Budget Outcomes, and between Budgets and Final Budget Outcomes. For the 2023–24 Final Budget Outcome, the bond rates used were between 4.2 and 4.8 per cent per annum depending on the defined benefit scheme.

The variance in the reported superannuation liability between the 2024–25 Budget and 2023–24 Final Budget Outcome was an increase of $\$13.8$ billion. By way of comparison, the variance between the 2023–24 Budget and the 2022–23 Final Budget Outcome was an increase of $\$37.3$ billion.

Table 1.9: Australian Government general government sector balance sheet aggregates

	2023-24 Estimate at 2024-25 Budget	2023-24 Outcome	Change on 2024-25 Budget
	\$b	\$b	\$b
Financial assets	614.2	637.9	23.7
Per cent of GDP	22.9	23.9	
Non-financial assets	211.7	214.7	3.0
Per cent of GDP	7.9	8.0	
Total assets	825.9	852.6	26.7
Per cent of GDP	30.8	31.9	
Total liabilities	1,334.6	1,384.3	49.7
Per cent of GDP	49.7	51.8	
Net worth	-508.6	-531.6	-23.0
Per cent of GDP	-18.9	-19.9	
Net financial worth(a)	-720.3	-746.3	-26.0
Per cent of GDP	-26.8	-27.9	
Gross debt(b)	904.0	906.9	2.9
Per cent of GDP	33.7	34.0	
Net debt(c)	499.9	491.5	-8.4
Per cent of GDP	18.6	18.4	
Total interest payments	22.7	22.8	0.1
Per cent of GDP	0.8	0.9	
Net interest payments(d)	12.3	12.3	0.0
Per cent of GDP	0.5	0.5	

- a) Net financial worth equals total financial assets minus total liabilities.
- b) Gross debt measures the face value of Australian Government Securities (AGS) on issue.
- c) Net debt is 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).
- d) Net interest payments are equal to the difference between interest payments and interest receipts. Net interest payments are largely tied to the existing stock of Australian Government Securities, meaning there was little change from the 2024–25 Budget estimates.