

# DEPARTMENT OF THE TREASURY

|  |           |
|--|-----------|
| <b>Section 1: Agency overview and resources</b> .....                        | <b>15</b> |
| 1.1 Strategic direction .....  | 15        |
| 1.2 Agency resource statement .....  | 18        |
| 1.3 Budget measures.....   | 20        |
| <b>Section 2: Outcomes and planned performance</b> .....                     | <b>24</b> |
| 2.1 Outcomes and performance information .....                               | 24        |
| <b>Section 3: Explanatory tables and budgeted financial statements</b> ..... | <b>53</b> |
| 3.1 Explanatory tables .....   | 53        |
| 3.2 Budgeted financial statements .....                                      | 54        |



# DEPARTMENT OF THE TREASURY

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION

The mission of the Department of the Treasury (the Treasury) is to improve the wellbeing of the Australian people by providing sound and timely advice to the Government, based on objective and thorough analysis of options, and by assisting Treasury ministers in the administration of their responsibilities and the implementation of government decisions.

The Treasury seeks to promote informed decisions on the development and implementation of policies to improve the wellbeing of the Australian people, including by achieving strong, sustainable economic growth, through the provision of advice to government and the efficient administration of federal financial relations.

The Australian economy has grown faster than expected during the global financial crisis, through a combination of domestic monetary and fiscal stimulatory responses, Australia's robust institutional and regulatory systems, and our economic link to the solidly performing Asian region. As the economy strengthens, the policy priority will shift towards improving the productive capacity of the economy, particularly through investment in infrastructure and skills development, and the delivery of longer term tax and health reforms.

The Treasury will continue to support the Government to implement its fiscal strategy. This will involve advice on effective government spending and effective taxation and retirement income arrangements, as well as debt management policy. Underpinning the provision of policy advice on fiscal policy are timely and high quality assessments of domestic and international economic conditions.

The *2010 Intergenerational Report* identified a number of long-term challenges for the Australian economy on which the Treasury will continue to provide policy advice, including an ageing and growing population, environmental and social sustainability, and escalating pressures on the health system. Since the release of the Intergenerational Report, the Treasury has been given responsibility of supporting the new Minister for Population with the task of developing Australia's first comprehensive population strategy.

The Treasury will continue to provide policy advice on federal financial relations arrangements, including working with the states and territories to implement the

*National Health and Hospitals Network* reforms. These reforms will provide a secure funding base for health and hospitals in the future.

In 2010-11, the Treasury will have the primary role in assisting the Government to implement its tax reform agenda following the release on 2 May 2010 of the Government's response to the final report on Australia's Future Tax System. Key reforms will ensure Australia can meet both challenges and opportunities that arise over the coming decades.

The existing tax law continues to require regular maintenance to ensure that it operates in accordance with government policy and meets the challenges of a globalised Australian economy. To this end the Treasury will be actively engaging with the community in consulting on proposed law changes. The Treasury will also support Australia's role as Chair of the Global Forum on Transparency and Exchange of Information on Tax Matters. The Forum is working with the G-20 to promote enhanced global tax transparency and reducing international tax evasion.

The Treasury will continue to pursue sound regulatory and structural reforms aimed at improving Australia's productivity and international competitiveness, and to deepen the supply potential of the economy. This includes enhancing frameworks for competition and consumer policy, modernisation of credit regulation, and removing impediments to the efficient operation of the housing market.

In addition, the Treasury will provide advice with the aim of ensuring that the financial system remains robust, competitive and dynamic in order to promote macroeconomic stability and market confidence. The Treasury will continue to monitor prudential frameworks applying to the banking sector, insurers and superannuation funds. It will also contribute to and implement agreed recommendations from the Review into the Governance, Efficiency, Structure and Operation of Australia's Superannuation System (the Cooper Review), which is scheduled to report to the Government by 30 June 2010.

Standard Business Reporting (SBR), a multi-agency initiative led by the Treasury, will be implemented progressively from July 2010. SBR aims to reduce the compliance reporting burden experienced by business in reporting to government. Ongoing SBR functions include the operation, maintenance and governance of the SBR solution and achievement of the expected take-up targets. The Treasury will continue to lead the ongoing design and extension of the SBR capabilities, and administrative arrangements involving reporting to government.

As the economy recovers from the global financial crisis there is an ongoing need to further our understanding of the vulnerabilities in the global financial system and the implications for the real economy. The G-20 Framework for Strong, Sustainable and Balanced Growth will require the Treasury to develop a better understanding of the common policy challenges facing G-20 countries and evaluate whether the policy responses are collectively consistent with more sustainable and balanced growth. This

will involve building on the department's knowledge of international financial markets and analysis of structural changes occurring in the global economy.

In terms of regional architecture, the Treasury will focus on ensuring that regional forums remain strong despite ongoing global economic challenges. Key elements of the Treasury's strategy include linking the Asia-Pacific Economic Cooperation's (APEC's) structural reform agenda to the G-20 'rebalancing growth' priority and leveraging the active capacity building programs in both APEC and the East Asia Summit. The Treasury will devote more resources to the development of its relationship with China, and will also maintain its unique relationship with the Indonesian Ministry of Finance.

Australia's foreign investment policy remains consistent with the G-20 agreements to avoid protectionism in recognition of the importance of foreign investment for the development of the domestic economy. The Treasury will continue to work with the Foreign Investment Review Board to ensure that foreign investment is consistent with Australia's national interest.

The Treasury's policy advice is underpinned by its ability to analyse and anticipate economic issues. Over the period ahead, the Treasury will draw on the depth of expertise across all areas of the organisation to continue to manage the economic recovery and meet the long-term policy challenges facing Australia.

## 1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and by administered and departmental classification.

**Table 1.1: Department of the Treasury resource statement — Budget estimates for 2010-11 as at Budget May 2010**

|  | Estimate<br>of prior <sup>+</sup><br>year amounts<br>available in<br>2010-11<br>\$'000 | Proposed<br>at Budget <sup>=</sup><br>2010-11<br>\$'000 | Total<br>estimate<br>2010-11<br>\$'000 | Actual<br>available<br>appropriation<br>2009-10<br>\$'000 |
|--|--|---|--|---|
| <b>Ordinary annual services</b>                      |  |   |  |   |
| <b>Departmental</b>                                  |  |   |  |   |
| Prior year departmental<br>carried forward           | 76,438 <sup>5</sup>  | -   | 76,438                                 | -   |
| Departmental appropriation <sup>3</sup>              | -  | 168,506 <sup>1</sup>                                    | 168,506                                | 162,512   |
| Receipts from other sources (s31)                    | -  | 9,398 <sup>4</sup>                                      | 9,398                                  | 14,530  |
| <b>Total departmental</b>                            | <b>76,438</b>  | <b>177,904</b>  | <b>254,342</b>                         | <b>177,042</b>  |
| <b>Administered expenses</b>                         |  |   |  |   |
| Outcome 1  | -  | 31,285 <sup>1</sup>                                     | 31,285                                 | 30,675 <sup>7</sup>                                       |
| <b>Total administered expenses</b>                   | <b>-</b>   | <b>31,285</b>   | <b>31,285</b>                          | <b>30,675</b>   |
| <b>Total ordinary annual services</b>                | <b>A 76,438</b>  | <b>209,189</b>  | <b>285,627</b>                         | <b>207,717</b>  |
| <b>Other services</b>                                |  |   |  |   |
| <b>Departmental non-operating</b>                    |  |   |  |   |
| Equity injections                                    | -  | 1,395 <sup>2</sup>                                      | 1,395                                  | 4,521   |
| Previous years' outputs                              | -  | -   | -                                      | 1,800   |
| <b>Total</b>   | <b>-</b>   | <b>1,395</b>  | <b>1,395</b>                           | <b>6,321</b>  |
| <b>Administered non-operating</b>                    |  |   |  |   |
| Administered assets and liabilities                  |  |   |  |   |
| Outcome 1  | -  | 162,265 <sup>2</sup>                                    | 162,265                                | 19,010  |
| <b>Total</b>   | <b>-</b>   | <b>162,265</b>  | <b>162,265</b>                         | <b>19,010</b>   |
| <b>Total other services</b>                          | <b>B -</b>   | <b>163,660</b>  | <b>163,660</b>                         | <b>25,331</b>   |
| <b>Total available annual appropriations (A + B)</b> | <b>76,438</b>  | <b>372,849</b>  | <b>449,287</b>                         | <b>233,048</b>  |

**Table 1.1: Department of the Treasury resource statement — Budget estimates for 2010-11 as at Budget May 2010 (continued)**

|  | Estimate<br>of prior<br>year amounts<br>available in<br>2010-11<br>\$'000 | + | Proposed<br>at Budget<br>2010-11<br>\$'000 | = | Total<br>estimate<br>2010-11<br>\$'000 | Actual<br>available<br>appropriation<br>2009-10<br>\$'000 |
|--|---|---|--|---|--|---|
| <b>Special appropriations</b>                                    |   |   |  |   |  |   |
| <i>Federal Financial Relations Act 2009</i>                      | -   |   | 66,424,219                                 |   | 66,424,219                             | 61,917,722  |
| <i>International Monetary Agreements Act 1947</i>                | -   |   | 312,599                                    |   | 312,599                                | 60,005  |
| <i>Car Dealership Financing Guarantee Appropriation Act 2009</i> | -   |   | 4,500                                      |   | 4,500                                  | -   |
| <i>Asian Development Bank (Additional Subscription) Act 2009</i> | -   |   | 17,120                                     |   | 17,120                                 | -   |
| <b>Total special appropriations</b>                              | <b>C</b>  |   | 66,758,438                                 |   | 66,758,438                             | 61,977,727  |
| <b>Total appropriations excluding special accounts (A+B+C)</b>   |   |   | 76,438                                     |   | 67,207,725                             | 62,210,775  |
| <b>Special accounts<sup>6</sup></b>                              |   |   |  |   |  |   |
| Opening balance  | 1,858   |   | -  |   | 1,858                                  | -   |
| Appropriation receipts   | -   |   | -  |   | -                                      | -   |
| Non-appropriation receipts to special accounts                   | -   |   | 17,871,957                                 |   | 17,871,957                             | 26,488,814  |
| <b>Total special account</b>                                     | <b>D</b>  |   | 17,871,957                                 |   | 17,873,815                             | 26,488,814  |
| <b>Total resourcing (A+B+C+D)</b>                                |   |   | 78,296                                     |   | 85,081,540                             | 88,699,589  |
| Less receipts from other sources credited to special accounts    | -   |   | 1,629                                      |   | 1,629                                  | 1,660   |
| <b>Total net resourcing for the Treasury</b>                     |   |   | <b>78,296</b>                              |   | <b>85,001,615</b>                      | <b>88,697,929</b>   |

1. Appropriation Bill (No. 1) 2010-11.
2. Appropriation Bill (No. 2) 2010-11.
3. Includes \$6.5 million in 2010-11 for the Departmental Capital Budget (also refer to Table 3.2.5).
4. Receipts received under section 31 of the *Financial Management and Accountability Act 1997*.
5. Estimated adjusted balance carried forward from previous year for annual appropriations.
6. Estimated opening balance for special accounts. For further detail on special accounts see Table 3.1.2.
7. Does not include \$5.1 million estimated to be paid in 2009-10 for the Stronger, fairer, simpler tax reform – development and implementation measure.

### 1.3 BUDGET MEASURES

Budget measures relating to the Treasury are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.2: Department of the Treasury 2010-11 Budget measures**

|  | Program | 2009-10<br>\$'000 | 2010-11<br>\$'000 | 2011-12<br>\$'000 | 2012-13<br>\$'000 | 2013-14<br>\$'000 |
|--|---------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Expense measures</b>  |         |                   |                   |                   |                   |                   |
| Council of Australian Governments reform agenda  |         |                   |                   |                   |                   |                   |
| - additional funding   | 1.1     | -                 | 1,500             | -                 | -                 | -                 |
| Population Strategy  | 1.1     | -                 | 1,250             | -                 | -                 | -                 |
| St James Ethics Centre - additional funding  |         |                   |                   |                   |                   |                   |
|  | 1.1     | -                 | 590               | -                 | -                 | -                 |
| Standard Business Reporting - ongoing funding  |         |                   |                   |                   |                   |                   |
| Departmental expenses  | 1.1     | (3,158)           | 1,315             | 4,275             | 4,509             | 4,452             |
| Administered expenses  | 1.10    | -                 | 2,572             | -                 | -                 | -                 |
| Stronger, fairer, simpler tax reform - development and implementation  |         |                   |                   |                   |                   |                   |
| Departmental expenses  | 1.1     | 2,998             | 10,846            | 10,276            | 5,174             | -                 |
| Administered expenses  | 1.1     | 5,070             | 30,610            | -                 | -                 | -                 |
| Overseas development assistance - World Bank - increased capital for the International Bank for Reconstruction and Development (IBRD)(a) |         |                   |                   |                   |                   |                   |
|  | 1.2     | -                 | -                 | -                 | -                 | -                 |
| ATO compliance program - dealing with the cash economy(b)  |         |                   |                   |                   |                   |                   |
|  | 1.4     | -                 | 5,700             | 24,100            | 48,900            | 68,000            |
| GST  |         |                   |                   |                   |                   |                   |
| - Government response to Board of Taxation report: GST cross-border transactions(b)  |         |                   |                   |                   |                   |                   |
|  | 1.4     | -                 | -                 | -                 | *                 | *                 |
| - Government response to Board of Taxation report: minor changes(b)  |         |                   |                   |                   |                   |                   |
|  | 1.4     | *                 | *                 | *                 | *                 | *                 |
| - Reform to the arrangement for exempting taxes, fees and charges from the GST(b)  |         |                   |                   |                   |                   |                   |
|  | 1.4     | -                 | *                 | *                 | *                 | *                 |
| - Reforms to the GST financial supply provisions(b)  |         |                   |                   |                   |                   |                   |
|  | 1.4     | -                 | -                 | -                 | 1,000             | 7,000             |
| - Reforms to the GST margin scheme(b)  |         |                   |                   |                   |                   |                   |
|  | 1.4     | -                 | -                 | -                 | -                 | -                 |

**Table 1.2: Department of the Treasury 2010-11 Budget measures (continued)**

|   | Program | 2009-10<br>\$'000 | 2010-11<br>\$'000 | 2011-12<br>\$'000 | 2012-13<br>\$'000 | 2013-14<br>\$'000 |
|---|---------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Expense measures<br/>(continued)</b>   |         |                   |                   |                   |                   |                   |
| GST (continued)   |         |                   |                   |                   |                   |                   |
| - Sale of boats for export within 12 months of delivery(b)  | 1.4     | -                 | -                 | *                 | *                 | *                 |
| GST and cross-border transport supplies(b)  | 1.4     | -                 | ..                | ..                | ..                | ..                |
| GST compliance program - working together to improve voluntary compliance(b)  | 1.4     | -                 | 216,900           | 391,900           | 478,200           | 474,300           |
| Improvements to the Tax Running Balance Account Provisions(b)   | 1.4     | -                 | -                 | *                 | *                 | *                 |
| National Health and Hospitals Network - Prevention - increasing the excise and excise-equivalent customs duty on tobacco products |         |                   |                   |                   |                   |                   |
|   | 1.4     | 25,000            | 115,000           | 115,000           | 120,000           | 130,000           |
| Stronger, fairer, simpler tax - growth dividend(b)  |         |                   |                   |                   |                   |                   |
|   | 1.4     | -                 | -                 | -                 | 32,000            | 62,000            |
| Work and Holiday visa (Subclass 462) - addition of new participant countries(b)   |         |                   |                   |                   |                   |                   |
|   | 1.4     | -                 | 2,000             | 2,800             | 2,900             | 3,700             |
| Aged care assessment teams - continuation of funding  |         |                   |                   |                   |                   |                   |
|   | 1.10    | -                 | -                 | -                 | -                 | -                 |
| Building the Education Revolution - Implementation Taskforce  |         |                   |                   |                   |                   |                   |
|   | 1.10    | -                 | (9,434)           | (3,784)           | -                 | -                 |
| Commonwealth Heads of Government Meeting 2011   |         |                   |                   |                   |                   |                   |
|   | 1.10    | -                 | nfp               | nfp               | -                 | -                 |
| Drought assistance  |         |                   |                   |                   |                   |                   |
| - Exceptional Circumstances assistance for primary producers  |         |                   |                   |                   |                   |                   |
|   | 1.10    | 51,385            | 156,184           | -                 | -                 | -                 |
| - Exceptional Circumstances assistance for small business   |         |                   |                   |                   |                   |                   |
|   | 1.10    | 3,175             | 9,590             | -                 | -                 | -                 |
| Drought policy reform - pilot of new measures in Western Australia  |         |                   |                   |                   |                   |                   |
|   | 1.10    | -                 | 1,055             | 3,382             | 1,072             | 1,157             |
| Health Workforce - supporting nurses back into the workforce - redirection of funding   |         |                   |                   |                   |                   |                   |
|   | 1.10    | -                 | (6,643)           | (8,839)           | (9,808)           | (6,300)           |
| Improving Access to Justice   |         |                   |                   |                   |                   |                   |
|   | 1.10    | -                 | 21,950            | 23,061            | 23,274            | 23,410            |
| Moorebank Intermodal Terminal - implementation strategy   |         |                   |                   |                   |                   |                   |
|   | 1.10    | -                 | (35,225)          | (35,431)          | -                 | -                 |

**Table 1.2: Department of the Treasury 2010-11 Budget measures (continued)**

|  | Program | 2009-10<br>\$'000 | 2010-11<br>\$'000 | 2011-12<br>\$'000 | 2012-13<br>\$'000 | 2013-14<br>\$'000 |
|--|---------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Expense measures<br/>(continued)</b>  |         |                   |                   |                   |                   |                   |
| Nation Building Program  |         |                   |                   |                   |                   |                   |
| - road infrastructure -<br>Anthony's Cutting and<br>Western Ring Road<br>(continued)                                   | 1.10    | 150,000           | (150,000)         | -                 | -                 | -                 |
| - road infrastructure -<br>Douglas Arterial Road   | 1.10    | 44,000            | (14,000)          | (15,000)          | (15,000)          | -                 |
| - road infrastructure -<br>Holbrook Bypass   | 1.10    | 201,540           | (55,000)          | (55,000)          | (55,000)          | (36,540)          |
| - road infrastructure -<br>Ipswich Motorway  | 1.10    | 500,000           | (391,800)         | (108,200)         | -                 | -                 |
| - road infrastructure -<br>Superway and<br>Northern Expressway   | 1.10    | 56,010            | (56,010)          | -                 | -                 | -                 |
| - road infrastructure -<br>Tiger Brennan Drive   | 1.10    | 25,100            | (25,100)          | -                 | -                 | -                 |
| National Health and Hospitals<br>Network   |         |                   |                   |                   |                   |                   |
| - Aged care - supporting<br>long stay older patients   | 1.10    | -                 | -                 | -                 | -                 | -                 |
| - Hospitals - flexible funding<br>for emergency departments,<br>elective surgery and<br>sub-acute care                 | 1.10    | 125,000           | 25,000            | 25,000            | 25,000            | -                 |
| - Hospitals - four hour<br>national access target<br>for emergency departments -<br>facilitation and reward<br>funding | 1.10    | -                 | 150,000           | 100,000           | 100,000           | 150,000           |
| - Hospitals - four hour<br>national access target<br>for emergency departments -<br>capital funding                    | 1.10    | 100,000           | 50,000            | 50,000            | 50,000            | -                 |
| - Hospitals - improving access<br>to elective surgery - capital<br>funding   | 1.10    | 75,000            | 50,000            | 25,000            | -                 | -                 |
| - Hospitals - improving access<br>to elective surgery -<br>facilitation and reward<br>funding                          | 1.10    | -                 | 300,000           | 118,000           | 116,000           | 116,000           |
| - Hospitals - new sub-acute<br>hospital beds   | 1.10    | -                 | 233,600           | 317,600           | 446,600           | 625,500           |
| - Mental health - expanding<br>the Early Psychosis<br>Prevention and Intervention<br>Centre model                      | 1.10    | -                 | 5,885             | 5,885             | 5,885             | 5,885             |
| - rebalancing financial<br>responsibility in the<br>federation   | 1.10    | -                 | -                 | (38,110)          | (61,695)          | (77,023)          |

**Table 1.2: Department of the Treasury 2010-11 Budget measures (continued)**

|   | Program | 2009-10<br>\$'000 | 2010-11<br>\$'000 | 2011-12<br>\$'000 | 2012-13<br>\$'000 | 2013-14<br>\$'000 |
|---|---------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Expense measures</b>   |         |                   |                   |                   |                   |                   |
| <b>(continued)</b>  |         |                   |                   |                   |                   |                   |
| National Quality Agenda for<br>Early Childhood Education<br>and Care - National<br>Partnership transition support                                       | 1.10    | -                 | 7,747             | 13,093            | 21,328            | 19,080            |
| Queensland Premier's Disaster<br>Relief Appeal -<br>Commonwealth contribution   | 1.10    | 500               | -                 | -                 | -                 | -                 |
| Skills for Sustainable Growth -<br>Productivity Places Program<br>National Partnership -<br>redirection of funding                                      | 1.10    | -                 | -                 | -                 | -                 | (375,863)         |
| Stronger, fairer, simpler tax<br>reform - Infrastructure Fund   | 1.10    | -                 | -                 | -                 | 700,000           | 735,000           |
| <b>Capital measures</b>   |         |                   |                   |                   |                   |                   |
| Standard Business Reporting -<br>ongoing funding(c)   | 1.1     | (6,438)           | 500               | 583               | 500               | 583               |
| Overseas development<br>assistance - World Bank -<br>increased capital for the<br>International Bank for<br>Reconstruction and<br>Development (IBRD)(a) | 1.2     | -                 | -                 | -                 | -                 | -                 |
| James Hardie Asbestos<br>Compensation Fund(d)   | 1.3     | -                 | -                 | -                 | -                 | -                 |
| <b>Revenue measures</b>   |         |                   |                   |                   |                   |                   |
| James Hardie Asbestos<br>Compensation Fund(d)   | 1.3     | -                 | 9,362             | 9,910             | 10,490            | 11,104            |
| GST compliance program -<br>working together to improve<br>voluntary compliance   | 1.4     | -                 | 68,900            | 86,783            | 90,740            | 91,084            |

(a) This is a capital measure with an expense component.

(b) This is a revenue measure with an expense component.

(c) This is an expense measure with a capital component.

(d) This is a capital measure with a revenue component.

Prepared on a Government Financial Statistics (fiscal) basis.

## Section 2: Outcomes and planned performance

### 2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Agencies deliver programs which are the Government actions taken to deliver the stated outcomes. Agencies are required to identify the programs which contribute to government outcomes over the Budget and forward years.

The Treasury's outcome is described below together with its related programs, specifying the objectives, deliverables and key performance indicators used to assess and monitor the performance of the Treasury.

**Outcome 1: Informed decisions on the development and implementation of policies to improve the wellbeing of the Australian people, including by achieving strong, sustainable economic growth, through the provision of advice to government and the efficient administration of federal financial relations**

#### **Outcome 1 Strategy**

The Treasury contributes to this outcome by providing a range of policy advice to Treasury ministers and government. More specifically the Treasury will provide advice on:

- macroeconomic policy, based on careful monitoring and analysis of economic conditions in Australia and overseas;
- fiscal strategy, budget priorities and measures, and debt and balance sheet management, as well as a budget coordination role;
- Commonwealth-State financial policy, industry, environment and defence policy and housing, social and income support policy;
- Australia's first comprehensive population strategy;
- taxation and retirement income arrangements consistent with the Government's reform priorities;
- policies that promote competitive, efficient markets and that work to enhance consumer wellbeing, a secure financial system and sound corporate practices, and foreign investment consistent with Australia's national interest;

- policies that promote well regulated, competitive and efficient infrastructure and address supply constraints in the housing market that impact on housing affordability;
- a range of international economic policy issues, including strengthening multilateral regimes underpinning open trade and capital flows, supporting developing countries' development aspirations, and shaping the evolution of regional economic architecture; and
- the administration of a range of payments which are reported in Programs 1.2 to 1.10.

## Outcome 1 Budgeted Resources

Table 2.1 provides an overview of the total resources for Outcome 1 by program.

**Table 2.1: Budgeted Resources for Outcome 1**

| <b>Outcome 1:</b> Informed decisions on the development and implementation of policies to improve the wellbeing of the Australian people, including by achieving strong, sustainable economic growth, through the provision of advice to government and the efficient administration of federal financial relations | 2009-10<br>Estimated<br>actual<br>resources<br>\$'000 | 2010-11<br>Estimated<br>resources<br>\$'000 |
|---|---|---|
| <b>Program 1.1: Department of the Treasury</b>  |   |   |
| Departmental resources  |   |   |
| Ordinary annual services (Appropriation Bill No. 1)   | 162,512   | 168,506                                     |
| Equity injections (Appropriation Bill No. 2)  | 4,521   | 1,395                                       |
| Previous years' outputs   | 1,800   | -   |
| Revenues from independent sources (s31)   | 14,530  | 9,398                                       |
| Special accounts  | 1,660   | 1,629                                       |
| Administered expenses   |   |   |
| Other services (Appropriation Bill No. 1)   | 5,070   | 30,610                                      |
| <b>Total for Program 1.1</b>  | <b>190,093</b>  | <b>211,538</b>                              |
| <b>Program 1.2: Payments to International Financial Institutions</b>  |   |   |
| Administered expenses   |   |   |
| Other services (Appropriation Bill No. 1)   | 30,000  | -   |
| Special appropriations  | 9,907   | 12,599                                      |
| Administered capital  |   |   |
| Special appropriations  | 50,098  | 317,120                                     |
| <b>Total for Program 1.2</b>  | <b>90,005</b>   | <b>329,719</b>                              |
| <b>Program 1.3: Support for Markets and Business</b>  |   |   |
| Administered expenses   |   |   |
| Other services (Appropriation Bill No. 1)   | 675   | 675   |
| Special appropriations  | -   | 4,500                                       |
| Administered capital  |   |   |
| Administered assets and liabilities   | 19,010  | 162,265                                     |
| <b>Total for Program 1.3</b>  | <b>19,685</b>   | <b>167,440</b>                              |
| <b>Program 1.4: General Revenue Assistance</b>  |   |   |
| Administered expenses   |   |   |
| Special appropriations  | 44,528,506  | 47,930,000                                  |
| Special accounts  | 717,492   | 707,284                                     |
| <b>Total for Program 1.4</b>  | <b>45,245,998</b>                                     | <b>48,637,284</b>                           |
| <b>Program 1.5: Assistance to the States for Healthcare Services</b>  |   |   |
| Administered expenses   |   |   |
| Special appropriations  | 11,224,185  | 12,036,472                                  |
| <b>Total for Program 1.5</b>  | <b>11,224,185</b>                                     | <b>12,036,472</b>                           |
| <b>Program 1.6: Assistance to the States for Government Schools</b>   |   |   |
| Administered expenses   |   |   |
| Special appropriations  | 3,286,594   | 3,507,087                                   |
| <b>Total for Program 1.6</b>  | <b>3,286,594</b>                                      | <b>3,507,087</b>                            |

**Table 2.1: Budgeted Resources for Outcome 1 (continued)**

| Outcome 1 (continued)   | 2009-10<br>Estimated<br>actual<br>resources<br>\$'000 | 2010-11<br>Estimated<br>resources<br>\$'000 |
|---|---|---|
| <b>Program 1.7: Assistance to the States for Skills and Workforce Development</b> |   |   |
| Administered expenses   |   |   |
| Special appropriations  | 1,317,877   | 1,339,358                                   |
| <b>Total for Program 1.7</b>  | <b>1,317,877</b>                                      | <b>1,339,358</b>                            |
| <b>Program 1.8: Assistance to the States for Disabilities Services</b>            |   |   |
| Administered expenses   |   |   |
| Special appropriations  | 903,686   | 1,052,025                                   |
| <b>Total for Program 1.8</b>  | <b>903,686</b>  | <b>1,052,025</b>                            |
| <b>Program 1.9: Assistance to the States for Affordable Housing</b>               |   |   |
| Administered expenses   |   |   |
| Special appropriations  | 1,202,590   | 1,221,831                                   |
| <b>Total for Program 1.9</b>  | <b>1,202,590</b>                                      | <b>1,221,831</b>                            |
| <b>Program 1.10: National Partnership Payments to the States</b>                  |   |   |
| Administered expenses   |   |   |
| Special accounts  | 25,911,224  | 17,008,773                                  |
| <b>Total for Program 1.10</b>   | <b>25,911,224</b>                                     | <b>17,008,773</b>                           |
| <b>Outcome 1 Totals by appropriation type</b>                                     |   |   |
| Administered expenses   |   |   |
| Other services (Appropriation Bill No. 1)   | 35,745  | 31,285                                      |
| Special appropriations  | 62,463,438  | 67,103,872                                  |
| Special accounts  | 26,638,623  | 17,716,057                                  |
| Administered capital  |   |   |
| Administered assets and liabilities   | 19,010  | 162,265                                     |
| Special appropriations  | 50,098  | 317,120                                     |
| Departmental expenses   |   |   |
| Ordinary annual services (Appropriation Bill No. 1)                               | 162,512   | 168,506                                     |
| Equity injections (Appropriation Bill No. 2)                                      | 4,521   | 1,395                                       |
| Previous years' outputs   | 1,800   | -   |
| Revenues from independent sources (s31)   | 14,530  | 9,398                                       |
| Special accounts  | 1,660   | 1,629                                       |
| <b>Total resources for Outcome 1</b>  | <b>89,391,937</b>                                     | <b>85,511,527</b>                           |
|   | 2009-10   | 2010-11                                     |
| <b>Average staffing level (number)</b>  | <b>1,005</b>  | <b>1,010</b>                                |

Note: Total resources for Outcome 1 reflects non-cash expenses of \$662.6 million for the GST administration fee offset by accrual expenses of \$147.3 million associated with the COAG Reform Fund Special Account.

## Contributions to Outcome 1

### Program 1.1: Department of the Treasury

#### Program objective

The objectives of the Treasury are:

- promoting a sound macroeconomic environment by monitoring and assessing economic conditions and prospects both in Australia and overseas, and providing advice on macroeconomic policy including fiscal and monetary policy;
- promoting effective government spending arrangements that contribute to the overall fiscal outcomes, influence strong sustainable economic growth and improve the wellbeing of Australians;
- developing effective taxation and retirement income arrangements consistent with the Government's reform priorities; and
- ensuring well functioning markets by providing advice on policies that promote competitive, efficient markets and that work to enhance consumer and investor wellbeing, a secure financial system and sound corporate practices, and foreign investment consistent with Australia's national interest.

#### Program resources

Changes in estimates for the forward years predominantly reflect the impact of budget measures.

**Table 2.2: Program 1.1 resources**

|  | 2009-10<br>Revised<br>budget<br>\$'000 | 2010-11<br>Budget<br>\$'000 | 2011-12<br>Forward<br>year 1<br>\$'000 | 2012-13<br>Forward<br>year 2<br>\$'000 | 2013-14<br>Forward<br>year 3<br>\$'000 |
|--|--|-----------------------------|--|--|--|
| Departmental items                                     |  |                             |  |  |  |
| Ordinary annual services<br>(Appropriation Bill No. 1) | 162,512                                | 168,506                     | 152,874                                | 149,476                                | 145,617                                |
| Equity injections                                      | 4,521                                  | 1,395                       | 583                                    | 500                                    | 583                                    |
| Previous years' outputs                                | 1,800                                  | -                           | -                                      | -                                      | -                                      |
| Receipts from other sources (s31)                      | 14,530                                 | 9,398                       | 9,398                                  | 9,398                                  | 9,398                                  |
| Special accounts                                       | 1,660                                  | 1,629                       | 1,629                                  | 1,629                                  | 1,629                                  |
| Total departmental items                               | 185,023                                | 180,928                     | 164,484                                | 161,003                                | 157,227                                |
| Administered items                                     |  |                             |  |  |  |
| Tax Reform Communications                              | 5,070                                  | 30,610                      | -                                      | -                                      | -                                      |
| Total administered items                               | 5,070                                  | 30,610                      | -                                      | -                                      | -                                      |
| <b>Total program resources</b>                         | <b>190,093</b>                         | <b>211,538</b>              | <b>164,484</b>                         | <b>161,003</b>                         | <b>157,227</b>                         |

### **Program deliverables**

The Treasury has four groups that contribute to the achievement of its outcome.

#### **Macroeconomic Group**

In 2010-11, Macroeconomic Group will provide advice on:

- domestic and international developments affecting the Australian economy and forecasts of the direction of the Australian and international economies;
- the setting of sound macroeconomic policies in the current environment;
- Australia's involvement in the G-20 processes, particularly in regard to the G-20 Framework for Strong, Sustainable and Balanced Growth, to develop a better understanding of the common international policy challenges;
- supporting and reforming the international financial institutions, particularly the International Monetary Fund and World Bank;
- ongoing work with the Indonesian Government through the Australia-Indonesia Partnership for Reconstruction and Development;
- improving the linkages between the priorities of the G-20, APEC, Asia-Europe Meeting and East Asia Summit processes;
- ongoing deeper economic engagement strategies with China and India, reflecting the importance of these countries in the international economy; and
- the role the Treasury plays in government initiatives to develop well-functioning economic ministries in the south-west Pacific.

#### **Fiscal Group**

In 2010-11, Fiscal Group will provide advice on:

- fiscal strategy which aims to ensure fiscal sustainability over the economic cycle;
- effective government spending arrangements which contribute to improving the wellbeing of Australians;
- strategies that address intergenerational challenges, including social, fiscal and environmental sustainability;
- Australia's first comprehensive population strategy; and
- Commonwealth-State financial relations, including the progress of the COAG reform agenda.

Fiscal Group will also coordinate the preparation of the Commonwealth Budget and other documents required under the *Charter of Budget Honesty Act 1998* and support Commonwealth-State relationships through the coordination and delivery of various Commonwealth-State forums.

### **Revenue Group**

In 2010-11, Revenue Group will provide advice on:

- implementation of the Government's taxation and retirement income reform agenda including introduction of a resource super profits tax, improving retirement incomes and simplifying the tax system;
- the costs and impacts of tax and retirement income proposals, measures and expenditures, including their distributional impact and overall efficiency; and
- Australia's role as Chair of the Global Forum on Transparency and Exchange of Information on Tax Matters, a modernised tax treaty network and revised international tax rules which enhance Australia's international attractiveness but address risks from harmful tax jurisdictions while furthering Australia's interests in the Pacific and Asia.

### **Markets Group**

In 2010-11, Markets Group will provide advice on:

- measures to promote competition, macroeconomic stability and market confidence, including advice on prudential frameworks applying to the banking sector, insurers and superannuation funds;
- the Review into the Governance, Efficiency, Structure and Operation of Australia's Superannuation System (the Cooper Review) which is scheduled to report to the Government by 30 June 2010;
- Australia's participation in international forums, including the G-20, the Financial Stability Board and the International Organization of Securities Commissions, in relation to financial system regulation, corporate governance, financial reporting and corporate insolvency;
- financial services and corporate reform matters which address emerging issues in investor protection, corporate governance and financial reporting, and market integrity;
- initiatives arising from the Australian Financial Centre Forum to strengthen Australia as a regional financial services centre;
- measures to promote the efficient use of national infrastructure, including in transport, communication and energy markets;

- a range of initiatives that will improve the responsiveness of the supply side of the housing market;
- implementing a package of amendments to the national access regime, and building the nation's infrastructure, including a national broadband network;
- implementing the Australian Consumer Law and the National Consumer Credit Law, and continuing to develop the Phase 2 reforms of national consumer credit law;
- implementing measures to support and enhance compliance with Australia's foreign investment policy framework and responding to major foreign investment proposals by ensuring that proposed investment is not contrary to Australia's national interest;
- representing Australia's interests on investment and financial service issues in negotiating free trade agreements and the Doha Round, and, in relation to investment, in multilateral forums such as the Organisation for Economic Co-operation and Development and APEC;
- Standard Business Reporting (SBR), and lead the design and ongoing governance of SBR, including strategic directions and stakeholder take-up, international leadership, architectural and technical leadership and support, the future evolution of SBR services to support future policies and administrative arrangements, support and priority being maintained for SBR within participating agencies, and program monitoring and reporting to COAG and the Business Regulation and Competition Working Group; and
- actuarial matters through the Australian Government Actuary which provides actuarial services to the Government, the Treasury and other agencies.

#### **Program key performance indicators**

The Treasury has the following key performance indicators:

- Advice meets the Government's needs in administering its responsibilities and making and implementing decisions. Advice is timely, of high quality, and is based on an objective and thorough understanding of issues and a whole-of-government perspective. The degree of client satisfaction with the quality and timeliness of the advice provided is assessed through formal and informal feedback mechanisms.
- Aimely, high-quality, accurate and transparent Budget, Mid-Year Economic and Fiscal Outlook, Pre-election Economic and Fiscal Outlook and Final Budget Outcome documents that meet the expectations of the Government, the Parliament and the public. The budget preparation and coordination process is subject to an annual evaluation.

*Department of the Treasury Budget Statements*

- Published reports and other information stimulate and inform government and public debate through robust analysis, modelling and research. Publications are timely, high quality and widely available to the public.
- Legislation progressed by the Treasury is in accordance with the principles of good law design and is delivered according to government priorities,
  - the majority of prospective tax and retirement income legislation is ready to be introduced into Parliament within 12 months, and the majority of retrospective tax and retirement income legislation within six months, of the Government announcing it, and
  - at least one tax or retirement income legislative measure is the subject of a post-implementation review annually.

## Program 1.2: Payments to International Financial Institutions

### Program objective

Payments are made to the International Monetary Fund (IMF), under the *International Monetary Agreements Act 1947*, to promote international monetary cooperation, exchange stability and orderly exchange arrangements; to foster economic growth and high levels of employment; and to provide temporary financial assistance to countries to help ease balance of payments adjustments.

Payments are made to other international financial institutions, as required, to facilitate the achievement of government objectives in international forums, including strengthening the international financial system, support for development objectives through the multilateral development banks, and multilateral debt relief.

### Program resources

In 2009-10, Australia provided \$30 million to the IMF Poverty Reduction and Growth Trust interest subsidy account to support increased IMF concessional lending to low-income countries.

Australia will provide a total of US\$51.6 million as a paid-in contribution to a general capital increase of the International Bank from Reconstruction and Development.

**Table 2.3: Program 1.2 resources**

|   | 2009-10<br>Revised<br>budget<br>\$'000 | 2010-11<br>Budget<br>\$'000 | 2011-12<br>Forward<br>year 1<br>\$'000 | 2012-13<br>Forward<br>year 2<br>\$'000 | 2013-14<br>Forward<br>year 3<br>\$'000 |
|---|--|-----------------------------|--|--|--|
| Administered expenses   |  |                             |  |  |  |
| Annual appropriations   |  |                             |  |  |  |
| Contributions to the IMF Poverty<br>Reduction and Growth Trust                              | 30,000                                 | -                           | -                                      | -                                      | -                                      |
| Special appropriations  |  |                             |  |  |  |
| <i>International Monetary agreements<br/>    Act 1947</i>                                   | 9,907                                  | 12,599                      | 12,506                                 | 12,506                                 | 12,506                                 |
| Administered capital  |  |                             |  |  |  |
| Special appropriations  |  |                             |  |  |  |
| <i>Asian Development Bank<br/>    (Additional Subscription)<br/>    Act 2009</i>            | -                                      | 17,120                      | 17,120                                 | 17,120                                 | 17,120                                 |
| <i>International Monetary agreements<br/>    Act 1947</i>                                   | 50,098                                 | 300,000                     | 150,000                                | -                                      | -                                      |
| International Bank for<br>Reconstruction and<br>Development - Capital increase <sup>1</sup> | -                                      | -                           | 14,110                                 | 10,440                                 | 10,440                                 |
| <b>Total program resources</b>  | <b>90,005</b>                          | <b>329,719</b>              | <b>193,736</b>                         | <b>40,066</b>                          | <b>40,066</b>                          |

1. Legislation is expected to be introduced into parliament during the Spring sittings.

**Program deliverables**

Payments of subscriptions to international financial institutions, including the IMF, are made with due regard to minimising cost and risk for Australia.

**Program key performance indicators**

Financial transactions with the international financial institutions, including the IMF, are timely and accurate.

**Program 1.3: Support for Markets and Business**

**Program objective**

Payments are made in respect of insurance claims arising from the residual Housing Loans Insurance Company Limited portfolio. The Housing Loans Insurance Company Limited pre-transfer contract portfolio will be managed to ensure all liabilities arising from claims under this portfolio are met and any related debts are recovered.

Payments of assistance are made to eligible HIH insurance policy holders under the HIH Claims Support Scheme. The HIH Claims Support Scheme is now focused on finalising remaining claims so assistance can be paid, and the claims portfolio wound-up.

Loan payments will be made to New South Wales to assist it to provide funding to the Asbestos Injuries Compensation Fund if required, to address an expected funding shortfall. This will assist the Asbestos Injuries Compensation Fund to continue to make upfront compensation payments to victims of asbestos related diseases.

**Program resources**

There are no changes to estimates across the forward years for the Housing Loans Insurance Company Limited.

The HIH Claims Support Scheme is finalising remaining claims so estimates are mainly reducing into the forward years.

The Government has agreed to provide up to \$160 million to New South Wales to support a New South Wales Government loan facility to the Asbestos Injuries Compensation Fund.

It is expected that when the car dealership financing special purpose vehicle (SPV) is wound-up, a call on the Government guarantee of all non AAA-rated securities issued by the SPV will be required, in the order of \$4.5 million.

**Table 2.4: Program 1.3 resources**

|   | 2009-10<br>Revised<br>budget<br>\$'000 | 2010-11<br>Budget<br>\$'000 | 2011-12<br>Forward<br>year 1<br>\$'000 | 2012-13<br>Forward<br>year 2<br>\$'000 | 2013-14<br>Forward<br>year 3<br>\$'000 |
|---|--|-----------------------------|--|--|--|
| Administered expenses   |  |                             |  |  |  |
| Annual appropriations   |  |                             |  |  |  |
| Housing Loan Insurance Company<br>Limited - payments in respect of<br>insurance claims  | 675                                    | 675                         | 675                                    | 675                                    | 675                                    |
| Special appropriations  |  |                             |  |  |  |
| <i>Car Dealership Financing<br/>    Guarantee Appropriation Act 2009</i>                | -                                      | 4,500                       | -                                      | -                                      | -                                      |
| Administered capital  |  |                             |  |  |  |
| Annual appropriations   |  |                             |  |  |  |
| Loan to NSW for the James Hardie<br>Asbestos Compensation Fund<br>payment of assistance | -                                      | 160,000                     | -                                      | -                                      | -                                      |
| HIH Claims Support Scheme -<br>payment of assistance                                    | 19,010                                 | 2,265                       | 12,708                                 | 4,244                                  | -                                      |
| <b>Total program resources</b>  | <b>19,685</b>                          | <b>167,440</b>              | <b>13,383</b>                          | <b>4,919</b>                           | <b>675</b>                             |

### Program deliverables

Payments of claims arising from the Housing Loans Insurance Company Limited old book and assistance under the HIH Claims Support Scheme are made according to agreed schedules.

Payments to New South Wales under the loan arrangements are expected to be made according to agreed schedules.

### Program key performance indicators

Payments of claims arising from the Housing Loans Insurance Company Limited old book and assistance under the HIH Claims Support Scheme are accurately determined and are made according to agreed schedules.

The loan facility to New South Wales is a temporary contingency measure for the provision of financing to the Asbestos Injuries Compensation Fund, where the Fund is not able to obtain financing in the short term from James Hardie under the Amended and Restated Final Funding Agreement. The facility will assist the Fund in the short-term to avoid entering into the rationing of payments to claimants.

## **Program 1.4: General Revenue Assistance**

### **Program objective**

The Government will make general revenue assistance payments to the States and Territories. General revenue assistance payments consist of:

- payments of revenue received from the GST, which in accordance with the Intergovernmental Agreement, the Commonwealth administers on behalf of the States, which for 2010-11 are provided without conditions for each State and Territory to spend according to their own budget priorities,
  - COAG, with the exception of Western Australia, on 20 April 2010 agreed upon significant reforms to the funding arrangements for health and hospital services through the *National Health and Hospitals Network* agreement. Under that agreement, from 1 July 2011 an agreed portion of GST payments to each State will be dedicated to health and hospital services in that State. The balance of GST payments to each State will continue to be general revenue assistance. The GST dedicated to health and hospital services is reported under program 1.5: *Assistance to the States for Healthcare Services* from 2011-12 onwards as part of *National Health and Hospitals Network* funding.
- payments to the Australian Capital Territory to assist in meeting the additional municipal costs which arise from Canberra's role as the national capital and to compensate for the additional costs resulting from the national capital planning influences on the provision of water and sewerage services;
- payments to compensate for the deferral of GST revenue collected from small businesses and non-profit organisations which registered to pay and report on an annual rather than monthly or quarterly basis;
- payments for residual adjustment amounts are associated with the budget balancing assistance payments for the 2008-09 financial year (2008-09 was the final year of budget balancing assistance payments);
- payments to Western Australia to compensate for the loss of royalty revenue resulting from the removal in the 2008-09 Budget of the exemption of condensate from crude oil excise;
- payments to Western Australia as a share of royalties collected by the Commonwealth under the *Offshore Petroleum (Royalty) Act 2006* in respect of the North West Shelf oil and gas project off the coast of Western Australia;
- payments to the Northern Territory in lieu of royalties on uranium mining in the Ranger Project Area due to the Commonwealth's ownership of uranium in the Northern Territory; and

- payments to New South Wales and Victoria to compensate for Commonwealth taxes paid by snowy Hydro Ltd in proportion to the States' shareholdings.

Elements of this program are linked to the Resources, Energy and Tourism portfolio. Also refer to Budget Paper No. 3, *Australia's Federal Relations 2010-11*.

### Program resources

Explanation of changes to program estimates across the forward years can be found in Budget Paper No. 3, *Australia's Federal Relations 2010-11*.

**Table 2.5: Program 1.4 resources**

|   | 2009-10<br>Revised<br>budget<br>\$'000 | 2010-11<br>Budget<br>\$'000 | 2011-12<br>Forward<br>year 1<br>\$'000 | 2012-13<br>Forward<br>year 2<br>\$'000 | 2013-14<br>Forward<br>year 3<br>\$'000 |
|---|--|-----------------------------|--|--|--|
| Special appropriations  |  |                             |  |  |  |
| GST Revenue Payments -<br><i>Federal Financial Relations<br/>    Act 2009</i> | 44,528,506                             | 47,930,000                  | 37,497,026                             | 39,439,028                             | 41,258,731                             |
| Special accounts  |  |                             |  |  |  |
| COAG Reform Fund  |  |                             |  |  |  |
| ACT Municipal Services  | 35,016                                 | 35,576                      | 36,181                                 | 36,832                                 | 37,532                                 |
| GST Compensation for Small<br>Business Concession                             | (241,913)                              | -                           | -                                      | -                                      | -                                      |
| Residual Adjustment Amounts   | 67,828                                 | -                           | -                                      | -                                      | -                                      |
| Reduced Royalties   | 50,548                                 | 44,030                      | 43,677                                 | 58,109                                 | 49,295                                 |
| Royalties   | 775,412                                | 580,993                     | 520,906                                | 508,637                                | 470,280                                |
| Taxation Compensation in Respect<br>of Snowy Hydro Limited                    | 30,601                                 | 46,685                      | 46,685                                 | 46,685                                 | 46,685                                 |
| <b>Total program expenses</b>   | <b>45,245,998</b>                      | <b>48,637,284</b>           | <b>38,144,475</b>                      | <b>40,089,291</b>                      | <b>41,862,523</b>                      |

### Program deliverables

General revenue assistance payments to the States and Territories are made according to the payment arrangements specified in the *Intergovernmental Agreement on Federal Financial Relations*.

### Program key performance indicators

The Commonwealth Treasury will make general revenue assistance payments to the States and Territories that reflect the requirements, the amounts and timeframes specified in the *Intergovernmental Agreement on Federal Financial Relations*.

The Commonwealth Treasury will provide GST revenue data on a monthly, quarterly and annual basis, and will maintain a schedule of estimates of annual net GST receipts, in accordance with the requirements of the *Intergovernmental Agreement on Federal Financial Relations*.

**Program 1.5: Assistance to the States for Healthcare Services**

**Program objective**

The Government provides financial support for the States and Territories to be spent in the delivery of healthcare services.

**Program resources**

Explanation of changes to program estimates across the forward years can be found in Budget Paper No. 3, *Australia's Federal Relations 2010-11*.

**Table 2.6: Program 1.5 resources**

|  | 2009-10<br>Revised<br>budget<br>\$'000 | 2010-11<br>Budget<br>\$'000 | 2011-12<br>Forward<br>year 1<br>\$'000 | 2012-13<br>Forward<br>year 2<br>\$'000 | 2013-14<br>Forward<br>year 3<br>\$'000 |
|--|--|-----------------------------|--|--|--|
| Special appropriations   |  |                             |  |  |  |
| National Healthcare SPP -<br><i>Federal Financial Relations<br/>Act 2009</i>                           | 11,224,185                             | 12,036,472                  | 1,314,800                              | 1,416,053                              | 1,529,328                              |
| National Health and Hospitals Network<br>funding - <i>Federal Financial<br/>Relations Act 2009 (a)</i> | -                                      | -                           | 25,260,660                             | 27,279,306                             | 29,429,387                             |
| <b>Total program expenses</b>  | <b>11,224,185</b>                      | <b>12,036,472</b>           | <b>26,575,460</b>                      | <b>28,695,359</b>                      | <b>30,958,715</b>                      |

(a) Sourced from the National Healthcare SPP and GST dedicated to health and hospital services, other than for Western Australia.

Note: *The Federal Financial Relations Act 2009* will be amended to implement the *National Health and Hospitals Network*.

**Program deliverables**

Payments to the States and Territories are made according to the payment arrangements specified in the *Intergovernmental Agreement on Federal Financial Relations*.

**Program key performance indicators**

For 2010-11, the Commonwealth Treasury will transfer to each State and Territory the amounts of their monthly and annual entitlements under the National Healthcare Specific Purpose Payment (SPP) and will make the payments on the dates specified in the *Intergovernmental Agreement on Federal Financial Relations*.

The Commonwealth Treasury will provide advice to the States and Territories on the components of each payment prior to each payment being made.

The States and Territories are required to spend the National Healthcare SPP in the healthcare sector. Each State and Territory Treasurer will provide a report to demonstrate expenditure of the National Healthcare SPP within the healthcare sector in accordance with the *Intergovernmental Agreement on Federal Financial Relations*. The

Commonwealth Treasury will review these reports provided by the States and Territories.

From 1 July 2011, the National Healthcare SPP and an agreed portion of GST revenue will be dedicated to health and hospital services and will be paid into the *National Health and Hospital Network* fund. The *Intergovernmental Agreement on Federal Financial Relations* will be amended to reflect the changed payment arrangements for healthcare.

### Program 1.6: Assistance to the States for Schools

#### Program objective

The Government provides financial support for the States and Territories to be spent in the delivery of government and non-government school services.

This program was previously titled Assistance to the States for Government Schools. Although the Treasury makes payments for non-government schools the funding and expense for the non-government schools component is in the Education, Employment and Workplace Relations portfolio.

#### Program resources

Explanation of changes to program estimates across the forward years can be found in Budget Paper No. 3, *Australia's Federal Relations 2010-11*.

**Table 2.7: Program 1.6 resources**

|   | 2009-10<br>Revised<br>budget<br>\$'000 | 2010-11<br>Budget<br>\$'000 | 2011-12<br>Forward<br>year 1<br>\$'000 | 2012-13<br>Forward<br>year 2<br>\$'000 | 2013-14<br>Forward<br>year 3<br>\$'000 |
|---|--|-----------------------------|--|--|--|
| Special appropriations  |  |                             |  |  |  |
| National Schools SPP -<br>Government schools<br><i>Federal Financial Relations<br/>    Act 2009</i> | 3,286,594                              | 3,507,087                   | 3,739,709                              | 3,995,333                              | 4,284,979                              |
| <b>Total program expenses</b>   | <b>3,286,594</b>                       | <b>3,507,087</b>            | <b>3,739,709</b>                       | <b>3,995,333</b>                       | <b>4,284,979</b>                       |

Note: The non-government schools component appears in the Education, Employment and Workplace Relations portfolio and in Budget Paper No. 3, *Australia's Federal Relations 2010-11*.

#### Program deliverables

Payments to the States and Territories are made according to the payment arrangements specified in the *Intergovernmental Agreement on Federal Financial Relations*.

#### Program key performance indicators

The Commonwealth Treasury will transfer to each State and Territory the amounts of their monthly and annual entitlements under the National Schools SPP (government

and non-government schools component) and will make the payments on the dates specified in the *Intergovernmental Agreement on Federal Financial Relations*.

The Commonwealth Treasury will provide advice to the States and Territories on the components of each payment prior to each payment being made.

The States and Territories are required to spend the National Schools SPP in the schools sector. Each State and Territory Treasurer will provide a report to demonstrate expenditure of the National Schools SPP within the schools sector in accordance with the *Intergovernmental Agreement on Federal Financial Relations*. The Commonwealth Treasury will review these reports provided by the States and Territories.

### Program 1.7: Assistance to the States for Skills and Workforce Development

#### Program objective

The Government provides financial support for the States and Territories to be spent in the delivery of skills and workforce development services.

#### Program resources

Explanation of changes to program estimates across the forward years can be found in Budget Paper No. 3, *Australia's Federal Relations 2010-11*.

**Table 2.8: Program 1.7 resources**

|   | 2009-10<br>Revised<br>budget<br>\$'000 | 2010-11<br>Budget<br>\$'000 | 2011-12<br>Forward<br>year 1<br>\$'000 | 2012-13<br>Forward<br>year 2<br>\$'000 | 2013-14<br>Forward<br>year 3<br>\$'000 |
|---|--|-----------------------------|--|--|--|
| Special appropriations  |  |                             |  |  |  |
| National Skills and Workforce<br>Development SPP -<br><i>Federal Financial Relations<br/>    Act 2009</i> | 1,317,877                              | 1,339,358                   | 1,363,132                              | 1,388,691                              | 1,416,326                              |
| <b>Total program expenses</b>   | <b>1,317,877</b>                       | <b>1,339,358</b>            | <b>1,363,132</b>                       | <b>1,388,691</b>                       | <b>1,416,326</b>                       |

#### Program deliverables

Payments to the States and Territories are made according to the payment arrangements specified in the *Intergovernmental Agreement on Federal Financial Relations*.

#### Program key performance indicators

The Commonwealth Treasury will transfer to each State and Territory the amounts of their monthly and annual entitlements under the National Skills and Workforce Development SPP and will make the payments on the dates specified in the *Intergovernmental Agreement on Federal Financial Relations*.

The Commonwealth Treasury will provide advice to the States and Territories on the components of each payment prior to each payment being made.

The States and Territories are required to spend the National Skills and Workforce Development SPP in the skills and workforce sector. Each State and Territory Treasurer will provide a report to demonstrate expenditure of the National Skills and Workforce Development SPP within the skills and workforce sector in accordance with the *Intergovernmental Agreement on Federal Financial Relations*. The Commonwealth Treasury will review these reports provided by the States and Territories.

### Program 1.8: Assistance to the States for Disability Services

#### Program objective

The Government provides financial support for the States and Territories to be spent in the delivery of disability services.

#### Program resources

Explanation of changes to program estimates across the forward years can be found in Budget Paper No. 3, *Australia's Federal Relations 2010-11*.

**Table 2.9: Program 1.8 resources**

|   | 2009-10<br>Revised<br>budget<br>\$'000 | 2010-11<br>Budget<br>\$'000 | 2011-12<br>Forward<br>year 1<br>\$'000 | 2012-13<br>Forward<br>year 2<br>\$'000 | 2013-14<br>Forward<br>year 3<br>\$'000 |
|---|--|-----------------------------|--|--|--|
| Special appropriations  |  |                             |  |  |  |
| National Disability Services SPP -<br><i>Federal Financial Relations<br/>        Act 2009</i> | 903,686                                | 1,052,025                   | 1,208,021                              | 1,279,656                              | 1,353,620                              |
| <b>Total program expenses</b>   | <b>903,686</b>                         | <b>1,052,025</b>            | <b>1,208,021</b>                       | <b>1,279,656</b>                       | <b>1,353,620</b>                       |

#### Program deliverables

Payments to the States and Territories are made according to the payment arrangements specified in the *Intergovernmental Agreement on Federal Financial Relations*.

#### Program key performance indicators

The Commonwealth Treasury will transfer to each State and Territory the amounts of their monthly and annual entitlements under the National Disability Services SPP and will make the payments on the dates specified in the *Intergovernmental Agreement on Federal Financial Relations*.

The Commonwealth Treasury will provide advice to the States and Territories on the components of each payment prior to each payment being made.

The States and Territories are required to spend the National Disability Services SPP in the disability services sector. Each State and Territory Treasurer will provide a report to demonstrate expenditure of the National Disability Services SPP within the disability services sector in accordance with the *Intergovernmental Agreement on Federal Financial Relations*. The Commonwealth Treasury will review these reports provided by the States and Territories.

### Program 1.9: Assistance to the States for Affordable Housing

#### Program objective

The Government provides financial support for the States and Territories to be spent in the delivery of affordable housing services.

#### Program resources

Explanation of changes to program estimates across the forward years can be found in Budget Paper No. 3, *Australia's Federal Relations 2010-11*.

**Table 2.10: Program 1.9 resources**

|  | 2009-10<br>Revised<br>budget<br>\$'000 | 2010-11<br>Budget<br>\$'000 | 2011-12<br>Forward<br>year 1<br>\$'000 | 2012-13<br>Forward<br>year 2<br>\$'000 | 2013-14<br>Forward<br>year 3<br>\$'000 |
|--|--|-----------------------------|--|--|--|
| Special appropriations   |  |                             |  |  |  |
| National Affordable Housing SPP -<br><i>Federal Financial Relations</i><br><i>Act 2009</i> | 1,202,590                              | 1,221,831                   | 1,242,603                              | 1,264,969                              | 1,289,004                              |
| <b>Total program expenses</b>  | <b>1,202,590</b>                       | <b>1,221,831</b>            | <b>1,242,603</b>                       | <b>1,264,969</b>                       | <b>1,289,004</b>                       |

#### Program deliverables

Payments to the States and Territories are made according to the payment arrangements specified in the *Intergovernmental Agreement on Federal Financial Relations*.

#### Program key performance indicators

The Commonwealth Treasury will transfer to each State and Territory the amounts of their monthly and annual entitlements under the National Affordable Housing SPP and will make the payments on the dates specified in the *Intergovernmental Agreement on Federal Financial Relations*.

The Commonwealth Treasury will provide advice to the States and Territories on the components of each payment prior to each payment being made.

The States and Territories are required to spend the National Affordable Housing SPP in the affordable housing sector. Each State and Territory Treasurer will provide a

report to demonstrate expenditure of the National Affordable Housing SPP within the affordable housing sector in accordance with the *Intergovernmental Agreement on Federal Financial Relations*. The Commonwealth Treasury will review these reports provided by the States and Territories.

### Program 1.10: National Partnership Payments to the States

#### Program objective

The Government provides financial support for the States and Territories to be spent on improving outcomes in the areas specified in each of the National Partnership agreements. These payments support the delivery of specified outputs or projects, facilitate reforms or reward those jurisdictions that deliver on nationally significant reforms.

This program is linked to the Agriculture, Fisheries and Forestry portfolio, Attorney-General's portfolio, Broadband, Communications and the Digital Economy portfolio, Climate Change and Energy Efficiency portfolio, Defence portfolio, Defence portfolio (Department of Veteran's Affairs), Education, Employment and Workplace Relations portfolio, Environment, Water, Heritage and the Arts portfolio, Families, Housing, Community Services and Indigenous Affairs portfolio, Health and Ageing portfolio, Infrastructure, Transport, Regional Development and Local Government portfolio, Prime Minister and Cabinet portfolio and the Resources, Energy and Tourism portfolio. Also refer to Budget Paper No. 3, *Australia's Federal Relations 2010-11*.

#### Program resources

Explanation of changes to program estimates across the forward years can be found in Budget Paper No. 3, *Australia's Federal Relations 2010-11*.

**Table 2.11: Program 1.10 resources**

|   | Agency<br>PBS<br>Program | 2009-10<br>Revised<br>budget<br>\$'000 | 2010-11<br>Budget<br>\$'000 | 2011-12<br>Forward<br>year 1<br>\$'000 | 2012-13<br>Forward<br>year 2<br>\$'000 | 2013-14<br>Forward<br>year 3<br>\$'000 |
|---|--------------------------|--|-----------------------------|--|--|--|
| Special accounts                                      |                          |  |                             |  |  |  |
| COAG Reform Fund                                      |                          |  |                             |  |  |  |
| <b>Agriculture, Fisheries and Forestry portfolio</b>  |                          |  |                             |  |  |  |
| Exceptional Circumstances                             |                          |  |                             |  |  |  |
| Assistance  | 1.11                     | 349,375                                | 168,235                     | -                                      | -                                      | -                                      |
| Pilot of Drought Reform Measures in Western Australia | 1.11                     | -                                      | 1,055                       | 3,382                                  | 1,072                                  | 1,157                                  |
| Exotic Disease Preparedness                           | 2.2                      | 373                                    | 392                         | 400                                    | 414                                    | 422                                    |
| Plant Disease and Eradication                         | 2.2                      | 4,464                                  | -                           | -                                      | -                                      | -                                      |
| <b>Total</b>  |                          | <b>354,212</b>                         | <b>169,682</b>              | <b>3,782</b>                           | <b>1,486</b>                           | <b>1,579</b>                           |

**Table 2.11: Program 1.10 expenses (continued)**

|   | Agency<br>PBS<br>Program | 2009-10<br>Revised<br>budget<br>\$'000 | 2010-11<br>Budget<br>\$'000 | 2011-12<br>Forward<br>year 1<br>\$'000 | 2012-13<br>Forward<br>year 2<br>\$'000 | 2013-14<br>Forward<br>year 3<br>\$'000 |
|---|--------------------------|--|-----------------------------|--|--|--|
| <b>Attorney-General's portfolio</b>                                 |                          |  |                             |  |  |  |
| Queensland Premier's  |                          |  |                             |  |  |  |
| Distaster Relief Appeal -<br>Commonwealth Contribution              | 1.2                      | 500                                    | -                           | -                                      | -                                      | -                                      |
| Film and Literature   |                          |  |                             |  |  |  |
| Classifications   | 1.3                      | 5,262                                  | -                           | -                                      | -                                      | -                                      |
| Legal Aid   | 1.3                      | 172,619                                | 190,797                     | 194,784                                | 198,083                                | 201,540                                |
| National Disaster Resilience  |                          |  |                             |  |  |  |
| Program   | 1.6                      | 47,316                                 | 25,256                      | 25,671                                 | 26,120                                 | 26,611                                 |
| National Emergency Warning  |                          |  |                             |  |  |  |
| System  | 1.6                      | 15,650                                 | -                           | -                                      | -                                      | -                                      |
| Natural Disaster Relief   | 1.6                      | 371,395                                | 576,912                     | 80,041                                 | 80,041                                 | 80,041                                 |
| Secure Schools Program<br>(Government Schools)                      |                          |  |                             |  |  |  |
|   | 1.6                      | 1,025                                  | -                           | -                                      | -                                      | -                                      |
| Restoration of Albert Hall -<br>Canberra                            |                          |  |                             |  |  |  |
|   | 2.2                      | 500                                    | -                           | -                                      | -                                      | -                                      |
| <b>Total</b>  |                          | 614,267                                | 792,965                     | 300,496                                | 304,244                                | 308,192                                |
| <b>Broadband, Communications and the Digital Economy portfolio</b>  |                          |  |                             |  |  |  |
| Digital Regions Initiative  | 1.2                      | 1,612                                  | 14,531                      | 8,707                                  | 5,575                                  | -                                      |
| Remote Indigenous Public  |                          |  |                             |  |  |  |
| Internet Access   | 1.2                      | 630                                    | 2,277                       | 2,013                                  | 2,066                                  | 2,118                                  |
| Digital Regions Initiative -<br>Local Government                    |                          |  |                             |  |  |  |
|   | 1.2                      | 1,244                                  | 12,234                      | 5,098                                  | 4,366                                  | -                                      |
| <b>Total</b>  |                          | 3,486                                  | 29,042                      | 15,818                                 | 12,007                                 | 2,118                                  |
| <b>Department of Climate Change and Energy Efficiency portfolio</b> |                          |  |                             |  |  |  |
| National Solar Schools Plan<br>(Government Schools)                 |                          |  |                             |  |  |  |
|   | 1.1                      | 44,514                                 | 27,970                      | 27,339                                 | 45,950                                 | 46,550                                 |
| Renewable Remote Power<br>Generation                                |                          |  |                             |  |  |  |
|   | 1.1                      | 54,142                                 | 14,055                      | -                                      | -                                      | -                                      |
| <b>Total</b>  |                          | 98,656                                 | 42,025                      | 27,339                                 | 45,950                                 | 46,550                                 |
| <b>Defence portfolio</b>  |                          |  |                             |  |  |  |
| School Pathways Program   | 1.3                      | 2,290                                  | 943                         | 1,855                                  | 1,704                                  | 1,286                                  |
| <b>Total</b>  |                          | 2,290                                  | 943                         | 1,855                                  | 1,704                                  | 1,286                                  |
| <b>Defence portfolio<br/>(Department of<br/>Veterans' Affairs)</b>  |                          |  |                             |  |  |  |
| Repatriation General Hospitals                                      |                          |  |                             |  |  |  |
|   | 2.1                      | 14,258                                 | -                           | -                                      | -                                      | -                                      |
| Home and community care -<br>services for veterans                  |                          |  |                             |  |  |  |
|   | 2.4                      | 17,935                                 | 18,349                      | 7,457                                  | 7,110                                  | 6,770                                  |
| <b>Total</b>  |                          | 32,193                                 | 18,349                      | 7,457                                  | 7,110                                  | 6,770                                  |

**Table 2.11: Program 1.10 expenses (continued)**

|   | Agency<br>PBS<br>Program | 2009-10<br>Revised<br>budget<br>\$'000 | 2010-11<br>Budget<br>\$'000 | 2011-12<br>Forward<br>year 1<br>\$'000 | 2012-13<br>Forward<br>year 2<br>\$'000 | 2013-14<br>Forward<br>year 3<br>\$'000 |
|---|--------------------------|--|-----------------------------|--|--|--|
| <b>Education, Employment and Workplace Relations portfolio</b>  |                          |  |                             |  |  |  |
| Early Childhood Education - Universal Access to Early Education   | 1.3                      | 88,498                                 | 97,000                      | 297,000                                | 447,000                                | 460,410                                |
| Indigenous early childhood development - children and family centres  | 1.3                      | 67,832                                 | 43,914                      | 71,168                                 | 45,094                                 | 47,146                                 |
| National Quality Agenda for Early Childhood Education and Care  | 1.3                      | -                                      | 7,747                       | 13,093                                 | 21,328                                 | 19,080                                 |
| TAFE Fee Waivers for Childcare Qualifications   | 1.3                      | 15,185                                 | 25,022                      | 21,546                                 | 22,029                                 | 22,741                                 |
| Youth Attainment and Transitions Maximising Engagement, Attainment and Successful Transitions               | 2.1                      | 18,751                                 | 37,502                      | 37,502                                 | 37,502                                 | 18,751                                 |
| Youth Attainment and Transitions Year 12 Attainment and Transition  | 2.1                      | -                                      | -                           | 50,000                                 | -                                      | 50,000                                 |
| Closing the Gap - Northern Territory - Supporting Remote Schools - Additional Teachers (Government Schools) | 2.2                      | 17,700                                 | 29,200                      | 32,300                                 | 12,400                                 | -                                      |
| Closing the Gap - Northern Territory - Quality Teaching, Accelerated Literacy                               | 2.3                      | 15,715                                 | 16,290                      | 12,289                                 | -                                      | -                                      |
| Closing the Gap - Northern Territory - Teacher Housing  | 2.3                      | 11,000                                 | -                           | -                                      | -                                      | -                                      |
| Trade training centres in schools (Government)  | 2.4                      | 371,061                                | 100,196                     | 158,220                                | 164,880                                | 171,780                                |
| Trade training centres in schools (Non-Government)  | 2.4                      | 105,880                                | 42,941                      | 105,480                                | 109,920                                | 114,520                                |
| Digital Education Revolution (Government Schools)   | 2.5                      | 161,342                                | 63,000                      | 126,000                                | 126,000                                | 126,000                                |
| Digital Education Revolution (Non-Government Schools)   | 2.5                      | 74,970                                 | 37,000                      | 74,000                                 | 74,000                                 | 74,000                                 |
| Smarter Schools - Literacy and Numeracy   | 2.6                      | 91,000                                 | 175,000                     | 175,000                                | -                                      | -                                      |
| Building the Education Revolution - National school pride (Government Schools)                              | 2.7                      | 626,386                                | -                           | -                                      | -                                      | -                                      |
| Building the Education Revolution - National school pride (Non-Government Schools)                          | 2.7                      | 276,086                                | -                           | -                                      | -                                      | -                                      |

**Table 2.11: Program 1.10 expenses (continued)**

|  | Agency<br>PBS<br>Program | 2009-10<br>Revised<br>budget<br>\$'000 | 2010-11<br>Budget<br>\$'000 | 2011-12<br>Forward<br>year 1<br>\$'000 | 2012-13<br>Forward<br>year 2<br>\$'000 | 2013-14<br>Forward<br>year 3<br>\$'000 |
|--|--------------------------|--|-----------------------------|--|--|--|
| <b>Education, Employment and Workplace Relations portfolio (continued)</b>                       |                          |  |                             |  |  |  |
| Building the Education Revolution - Primary schools for the 21st century (Government Schools)    | 2.7                      | 5,077,782                              | 3,690,576                   | 340,592                                | -                                      | -                                      |
| Building the Education Revolution - Primary School for the 21st century (Non-Government Schools) | 2.7                      | 2,319,712                              | 1,686,097                   | 155,623                                | -                                      | -                                      |
| Building the Education Revolution - Science and language centres (Government Schools)            | 2.7                      | 580,231                                | -                           | -                                      | -                                      | -                                      |
| Building the Education Revolution - Science and language centres (Non-Government Schools)        | 2.7                      | 241,602                                | -                           | -                                      | -                                      | -                                      |
| Smarter Schools - Low SES School Communities   | 2.8                      | 151,818                                | 203,258                     | 371,032                                | 362,908                                | 225,771                                |
| Smarter Schools - Improving Teacher Quality  | 2.9                      | 13,000                                 | 34,000                      | 216,000                                | 175,000                                | -                                      |
| Pre-apprentice training  | 3.5                      | 4,000                                  | 16,000                      | -                                      | -                                      | -                                      |
| Better TAFE Facilities   | 3.5                      | 200,000                                | -                           | -                                      | -                                      | -                                      |
| Productivity Places Program  | 3.5                      | 208,214                                | 319,424                     | 375,863                                | 375,863                                | -                                      |
| <b>Total</b>   |                          | <b>10,737,765</b>                      | <b>6,624,167</b>            | <b>2,632,708</b>                       | <b>1,973,924</b>                       | <b>1,330,199</b>                       |
| <b>Environment, Water, Heritage and the Arts portfolio</b>                                       |                          |  |                             |  |  |  |
| Caring for our Country Bioremediation and Revegetation   | 1.1                      | 107,836                                | 138,000                     | 138,000                                | 138,000                                | -                                      |
| Great Artesian Basin Sustainability Initiative   | 4.1                      | 7,465                                  | 1,931                       | -                                      | -                                      | -                                      |
| The Living Murray  | 4.1                      | 11,817                                 | 15,800                      | 16,800                                 | 15,085                                 | 15,085                                 |
| Water for the Future   | 4.1                      | 28,126                                 | -                           | -                                      | -                                      | -                                      |
| <b>Total</b>   |                          | <b>253,051</b>                         | <b>97,212</b>               | <b>6,500</b>                           | <b>-</b>                               | <b>-</b>                               |
| <b>Families, Housing, Community Services and Indigenous Affairs portfolio</b>                    |                          |  |                             |  |  |  |
| Homelessness   | 2.2                      | 98,835                                 | 130,501                     | 131,501                                | 156,501                                | -                                      |
| Nation Building and Jobs Plan - Social Housing - First Stage Construction                        | 2.2                      | 545,544                                | -                           | -                                      | -                                      | -                                      |
| Nation Building and Jobs Plan - Social Housing - Repairs and Maintenance                         | 2.2                      | 186,658                                | -                           | -                                      | -                                      | -                                      |



**Table 2.11: Program 1.10 expenses (continued)**

|   | Agency<br>PBS<br>Program | 2009-10<br>Revised<br>budget<br>\$'000 | 2010-11<br>Budget<br>\$'000 | 2011-12<br>Forward<br>year 1<br>\$'000 | 2012-13<br>Forward<br>year 2<br>\$'000 | 2013-14<br>Forward<br>year 3<br>\$'000 |
|---|--------------------------|--|-----------------------------|--|--|--|
| <b>Health and Ageing<br/>portfolio (continued)</b>                                      |                          |  |                             |  |  |  |
| PET Scanner at the Westmead<br>Hospital, Sydney   | 3.3                      | 1,300                                  | 1,300                       | 1,300                                  | 1,300                                  | 1,300                                  |
| PET Scanner for Calvary<br>Mater Hospital, Newcastle                                    | 3.3                      | 1,115                                  | -                           | -                                      | -                                      | -                                      |
| Tasmanian Health Package -<br>PET Scanner for the Royal<br>Hobart Hospital              | 3.3                      | 3,500                                  | -                           | -                                      | -                                      | -                                      |
| Cairns base hospital<br>chemotherapy cancer initiative                                  | 3.5                      | 500                                    | -                           | -                                      | -                                      | -                                      |
| Cairns Integrated Cancer<br>Centre  | 3.5                      | 3,300                                  | 2,000                       | 2,000                                  | -                                      | -                                      |
| Lismore Integrated Cancer<br>Centre   | 3.5                      | 3,500                                  | -                           | -                                      | -                                      | -                                      |
| Tasmanian Package -<br>Radiation Oncology Services<br>in North / North West<br>Tasmania | 3.5                      | 3,236                                  | 2,664                       | 430                                    | 400                                    | -                                      |
| Upgrading Patient<br>Accommodation for<br>Launceston                                    | 3.5                      | 500                                    | 500                         | -                                      | -                                      | -                                      |
| Aged Care Assessment  | 4.1                      | 75,567                                 | 80,809                      | 86,861                                 | -                                      | -                                      |
| Home and Community Care   | 4.4                      | 1,199,129                              | 1,283,410                   | 325,171                                | 351,089                                | 385,263                                |
| Healthy Kids Health Checks  | 5.2                      | 1,725                                  | 1,804                       | 1,887                                  | 1,972                                  | 1,972                                  |
| Tasmanian Package -<br>Launceston Integrated<br>Cancer Care Centre                      | 5.2                      | 5,000                                  | -                           | -                                      | -                                      | -                                      |
| Closing the Gap in<br>Indigenous Health Outcomes  | 8.1                      | 8,948                                  | 4,858                       | 4,949                                  | -                                      | -                                      |
| Indigenous Early Childhood<br>Development Program<br>Maternal and Teenage               | 8.1                      | 13,946                                 | 20,287                      | 23,014                                 | 24,046                                 | 25,707                                 |
| Reducing Rheumatic Heart<br>Fever for Indigenous<br>Children                            | 8.1                      | 2,334                                  | 2,370                       | 2,415                                  | 2,523                                  | 2,565                                  |
| Satellite Renal Dialysis<br>Facilities in Remote NT<br>Communities                      | 8.1                      | 976                                    | 272                         | 131                                    | -                                      | -                                      |
| Sexual Assault Counselling in<br>Remote NT Areas  | 8.1                      | 1,386                                  | 1,386                       | 1,536                                  | -                                      | -                                      |
| Children's Cancer Centre,<br>Adelaide   | 10.1                     | 2,500                                  | 8,000                       | 1,500                                  | -                                      | -                                      |
| Olivia Newton-John Cancer<br>Centre   | 10.1                     | 10,000                                 | -                           | -                                      | -                                      | -                                      |
| Project funded under the<br>Health and Hospitals Fund -<br>national cancer system       | 10.1                     | 29,175                                 | 246,397                     | 350,236                                | 292,281                                | 21,726                                 |

**Table 2.11: Program 1.10 expenses (continued)**

|  | Agency<br>PBS<br>Program | 2009-10<br>Revised<br>budget<br>\$'000 | 2010-11<br>Budget<br>\$'000 | 2011-12<br>Forward<br>year 1<br>\$'000 | 2012-13<br>Forward<br>year 2<br>\$'000 | 2013-14<br>Forward<br>year 3<br>\$'000 |
|--|--------------------------|--|-----------------------------|--|--|--|
| <b>Health and Ageing<br/>portfolio (continued)</b>   |                          |  |                             |  |  |  |
| Project funded under the<br>Health and Hospitals Fund -<br>translational research and<br>workforce training                                | 10.6                     | 6,100                                  | 16,900                      | 38,000                                 | 10,000                                 | -                                      |
| Project funded under the<br>Health and Hospitals Fund -<br>hospital infrastructure and<br>other projects of significance                   | 10.7                     | 220,700                                | 280,700                     | 320,400                                | 141,400                                | 77,600                                 |
| National Health and Hospitals<br>Network - Mental Health -<br>Expanding the Early Psychosis<br>Prevention and Intervention<br>Centre model | 11.1                     | -                                      | 5,885                       | 5,885                                  | 5,885                                  | 5,885                                  |
| National Perinatal Depression<br>Initiative  | 11.1                     | 3,600                                  | 6,400                       | 9,500                                  | 8,700                                  | 8,700                                  |
| Northern Territory Medical<br>School Funding contribution  | 12.2                     | -                                      | 532                         | 1,628                                  | 2,212                                  | 2,250                                  |
| Supporting Nurses Back into<br>the Workforce - Incentive<br>Payments   | 12.2                     | 5,100                                  | 707                         | -                                      | -                                      | -                                      |
| Supporting Nurses Back into<br>the Workforce - Training<br>Payments  | 12.2                     | 1,081                                  | -                           | -                                      | -                                      | -                                      |
| Hepatitis C Settlement Fund  | 13.1                     | 1,400                                  | 1,400                       | 1,400                                  | -                                      | -                                      |
| Organ Transplantation<br>Services  | 13.1                     | 16,197                                 | -                           | -                                      | -                                      | -                                      |
| Organ Transplantation<br>Services - Capital  | 13.1                     | 2,030                                  | -                           | -                                      | -                                      | -                                      |
| Helping public patients in public<br>hospitals waiting for nursing<br>homes  | 13.3                     | 37,500                                 | 37,500                      | 37,500                                 | 37,500                                 | 37,500                                 |
| Commonwealth Dental Health<br>Program  | 13.3                     | -                                      | 94,300                      | 96,700                                 | 99,000                                 | -                                      |
| Health Care Grants for the<br>Torres Strait  | 13.3                     | 3,791                                  | 3,969                       | 4,166                                  | 4,365                                  | 4,365                                  |
| Hospital and Health Workforce<br>Reform - Activity Based<br>Funding  | 13.3                     | -                                      | -                           | 41,400                                 | 55,520                                 | -                                      |
| National Health and Hospitals<br>Network - improving access<br>to elective surgery -<br>capital funding                                    | 13.3                     | 75,000                                 | 50,000                      | 25,000                                 | -                                      | -                                      |
| National Health and Hospitals<br>Network - improving access<br>to elective surgery -<br>facilitation and reward<br>funding                 | 13.3                     | -                                      | 300,000                     | 118,000                                | 116,000                                | 116,000                                |
| National Health and Hospitals<br>Network - elective surgery<br>waiting list reduction plan   | 13.3                     | 102,000                                | 268,000                     | -                                      | -                                      | -                                      |

**Table 2.11: Program 1.10 expenses (continued)**

|  | Agency<br>PBS<br>Program | 2009-10<br>Revised<br>budget<br>\$'000 | 2010-11<br>Budget<br>\$'000 | 2011-12<br>Forward<br>year 1<br>\$'000 | 2012-13<br>Forward<br>year 2<br>\$'000 | 2013-14<br>Forward<br>year 3<br>\$'000 |
|--|--------------------------|--|-----------------------------|--|--|--|
| <b>Health and Ageing<br/>portfolio (continued)</b>   |                          |  |                             |  |  |  |
| National Health and Hospitals<br>Network - new sub-acute<br>hospital beds  | 13.3                     | -                                      | 233,600                     | 317,600                                | 446,600                                | 625,500                                |
| National Health and Hospitals<br>Network - Flexible Funding<br>for Emergency<br>Departments, Elective<br>Surgery and Sub-Acute<br>Care           | 13.3                     | 125,000                                | 25,000                      | 25,000                                 | 25,000                                 | -                                      |
| National Health and Hospitals<br>Network - four hour national<br>access target for Emergency<br>Departments - capital<br>funding                 | 13.3                     | 100,000                                | 50,000                      | 50,000                                 | 50,000                                 | -                                      |
| National Health and Hospitals<br>Network - four hour national<br>access target for Emergency<br>Departments - facilitation and<br>reward funding | 13.3                     | -                                      | 150,000                     | 100,000                                | 100,000                                | 150,000                                |
| Tasmanian Health Package -<br>Patient Transport<br>and Accommodation<br>Services   | 13.3                     | 2,300                                  | 2,300                       | 1,150                                  | -                                      | -                                      |
| Upgrading Chemotherapy and<br>cancer facilities in North West<br>Tasmania  | 13.3                     | 400                                    | 400                         | 600                                    | -                                      | -                                      |
| Royal Darwin Hospital -<br>Equipped, Prepared, and<br>Ready  | 14.1                     | 13,974                                 | 14,212                      | 14,481                                 | 14,756                                 | 14,992                                 |
| Human Quarantine Services  | 14.2                     | 104                                    | 106                         | 108                                    | 110                                    | 112                                    |
| OzFoodNet  | 14.2                     | 1,563                                  | 1,598                       | 1,628                                  | 1,644                                  | 1,671                                  |
| Pneumococcal Disease<br>Surveillance   | 14.2                     | 158                                    | 160                         | 164                                    | 166                                    | 169                                    |
| Torres Strait Islander Health<br>Protection Strategy   | 14.2                     | 878                                    | 895                         | 913                                    | 929                                    | 944                                    |
| Vaccine-Preventable Diseases<br>Surveillance   | 14.2                     | 569                                    | 586                         | 602                                    | 619                                    | 629                                    |
| World Sailing<br>Championships   | 15.1                     | 3,000                                  | 2,000                       | 3,600                                  | -                                      | -                                      |
| <b>Total</b>   |                          | <b>2,425,225</b>                       | <b>3,560,134</b>            | <b>2,441,536</b>                       | <b>2,288,537</b>                       | <b>2,035,695</b>                       |
| <b>Infrastructure, Transport,<br/>Regional Development<br/>and Local Government<br/>portfolio</b>  |                          |  |                             |  |  |  |
| Building Australia fund - Rail<br>Projects   | 1.1                      | 411,000                                | 500,100                     | 918,200                                | 1,175,400                              | 938,000                                |
| Building Australia Fund - Road<br>Projects   | 1.1                      | -                                      | 312,000                     | 615,000                                | 1,055,000                              | 229,000                                |
| Federation Fund Projects   | 1.1                      | 1,000                                  | -                           | -                                      | -                                      | -                                      |

**Table 2.11: Program 1.10 expenses (continued)**

|   | Agency<br>PBS<br>Program | 2009-10<br>Revised<br>budget<br>\$'000 | 2010-11<br>Budget<br>\$'000 | 2011-12<br>Forward<br>year 1<br>\$'000 | 2012-13<br>Forward<br>year 2<br>\$'000 | 2013-14<br>Forward<br>year 3<br>\$'000 |
|---|--------------------------|--|-----------------------------|--|--|--|
| <b>Infrastructure, Transport,<br/>Regional Development<br/>and Local Government<br/>portfolio (continued)</b> |                          |  |                             |  |  |  |
| Nation Building Plan for the<br>Future - Major Cities - Rail  | 1.1                      | 27,000                                 | 30,200                      | 60,600                                 | 101,200                                | 37,000                                 |
| Nation Building Plan for the<br>Future - Major Cities - Road  | 1.1                      | 5,000                                  | 27,100                      | 28,900                                 | -                                      | -                                      |
| Nation Building Program -<br>Black Spot Projects  | 1.1                      | 119,500                                | 59,500                      | 59,500                                 | 59,500                                 | 59,500                                 |
| Nation Building Program -<br>Boom Gates for Rail<br>Crossings   | 1.1                      | 66,865                                 | -                           | -                                      | -                                      | -                                      |
| Nation Building Program -<br>Heavy Vehicle Safety   | 1.1                      | 20,000                                 | 20,000                      | 20,000                                 | -                                      | -                                      |
| Nation Building Program -<br>Improving the National<br>Network  | 1.1                      | 247,148                                | -                           | -                                      | -                                      | -                                      |
| Nation Building Program -<br>Off-Network Projects   | 1.1                      | 250,548                                | 135,494                     | 126,388                                | 135,624                                | 108,308                                |
| Nation Building Program -<br>Off-Network Supplementary  | 1.1                      | 6,457                                  | -                           | -                                      | -                                      | -                                      |
| Nation Building Program<br>Investment - Rail  | 1.1                      | 52,452                                 | 100,863                     | 62,185                                 | 58,159                                 | 57,992                                 |
| Nation Building Program<br>Investment - Road  | 1.1                      | 3,727,494                              | 1,896,478                   | 2,803,804                              | 2,966,173                              | 2,798,704                              |
| Interstate Road Transport<br>Fort Street High School -<br>Noise Insulation                                    | 2.2<br>2.4               | 60,015<br>4,000                        | 68,835<br>6,000             | 71,588<br>4,500                        | 74,451<br>-                            | 77,428<br>-                            |
| Jobs Fund - Infrastructure<br>Employment Projects   | 3.1                      | 14,500                                 | 27,000                      | -                                      | -                                      | -                                      |
| East Kimberley Development -<br>Education Related payments  | 3.2                      | 26,700                                 | 27,490                      | 4,210                                  | -                                      | -                                      |
| East Kimberley Development -<br>Health Related payments   | 3.2                      | 19,940                                 | 20,330                      | 3,330                                  | -                                      | -                                      |
| East Kimberley Development -<br>Indigenous Housing  | 3.2                      | 25,000                                 | 20,640                      | 4,360                                  | -                                      | -                                      |
| East Kimberley Development -<br>Package - Infrastructure<br>Related payments                                  | 3.2                      | 2,250                                  | 5,800                       | 1,450                                  | -                                      | -                                      |
| Local Government Reform<br>Fund   | 3.2                      | 12,000                                 | 12,000                      | -                                      | -                                      | -                                      |
| <b>Total</b>  |                          | <b>5,098,869</b>                       | <b>3,269,830</b>            | <b>4,784,015</b>                       | <b>5,625,507</b>                       | <b>4,305,932</b>                       |
| <b>Prime Minister and Cabinet<br/>portfolio</b>   |                          |  |                             |  |  |  |
| Commonwealth Heads of<br>Government Meeting 2011<br>Perth   | 1.5                      | -                                      | nfp                         | nfp                                    | -                                      | -                                      |
| <b>Total</b>  |                          | <b>-</b>                               | <b>nfp</b>                  | <b>nfp</b>                             | <b>-</b>                               | <b>-</b>                               |

**Table 2.11: Program 1.10 expenses (continued)**

|   | Agency<br>PBS<br>Program | 2009-10<br>Revised<br>budget<br>\$'000 | 2010-11<br>Budget<br>\$'000 | 2011-12<br>Forward<br>year 1<br>\$'000 | 2012-13<br>Forward<br>year 2<br>\$'000 | 2013-14<br>Forward<br>year 3<br>\$'000 |
|---|--------------------------|--|-----------------------------|--|--|--|
| <b>Resources, Energy and<br/>Tourism portfolio</b>              |                          |  |                             |  |  |  |
| Environment Management of<br>the Former Rum Jungle<br>mine site | 2.0                      | 1,974                                  | 1,200                       | 3,528                                  | 346                                    | -                                      |
| <b>Total</b>  |                          | 1,974                                  | 1,200                       | 3,528                                  | 346                                    | -                                      |
| <b>Treasury portfolio</b>                                       |                          |  |                             |  |  |  |
| First Home Owners Boost   | 1.10                     | 1,120,717                              | 78,724                      | 9,700                                  | -                                      | -                                      |
| Infrastructure Fund   | 1.10                     | -                                      | -                           | -                                      | 700,000                                | 735,000                                |
| Seamless National Economy                                       | 1.10                     | -                                      | -                           | 200,000                                | 250,000                                | -                                      |
| Standard Business Reporting                                     | 1.10                     | 7,823                                  | 5,907                       | -                                      | -                                      | -                                      |
| <b>Total</b>  |                          | 1,128,540                              | 84,631                      | 209,700                                | 950,000                                | 735,000                                |
| <b>Total program expenses</b>                                   |                          | 25,911,224                             | 17,008,773                  | 11,676,091                             | 12,271,934                             | 9,817,350                              |

Note: These items can also be found in Budget Paper No. 3, *Australia's Federal Relations 2010-11*.

### Program deliverables

Payments to the States and Territories will be made on the basis set out in each of the National Partnership agreements and any related agreements.

### Program key performance indicators

The Commonwealth Treasury will make payments to the States and Territories that reflect the requirements, the amounts and timeframes set out in each of the National Partnership agreements and any related agreements. These payments will only be made upon the Commonwealth Treasury's receipt of any authorisations in respect of performance benchmarks or payment schedules set out in each of the National Partnership agreements.

The Commonwealth Treasury will provide advice to the States and Territories on the components of each payment prior to each payment being made.

## Section 3: Explanatory tables and budgeted financial statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of the Treasury's finances for 2010-11. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, special accounts and government indigenous expenditure.

### **3.1 EXPLANATORY TABLES**

#### **3.1.1 Movement of administered funds between years**

The Treasury does not have any movement of annual administered appropriations between years.

#### **3.1.2 Special accounts**

Special accounts provide a means to set aside and record amounts used for specified purposes. Special accounts can be created by a Finance Minister's Determination under the *Financial Management and Accountability Act 1997* or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by the Treasury.

**Table 3.1.2: Estimates of special account cash flows and balances**

|  |         | Opening<br>balance | Receipts<br>non-<br>appropriated | Receipts<br>appropriated | Payments          | Closing<br>balance |
|--|---------|--------------------|----------------------------------|--------------------------|-------------------|--------------------|
|  |         | <b>2010-11</b>     | <b>2010-11</b>                   | <b>2010-11</b>           | <b>2010-11</b>    | <b>2010-11</b>     |
|  |         | <i>2009-10</i>     | <i>2009-10</i>                   | <i>2009-10</i>           | <i>2009-10</i>    | <i>2009-10</i>     |
|  | Outcome | \$'000             | \$'000                           | \$'000                   | \$'000            | \$'000             |
| Actuarial Services Special Account(D)                            | 1       | <b>1,858</b>       | <b>1,629</b>                     | -                        | <b>1,629</b>      | <b>1,858</b>       |
|  |         | 1,858              | 1,660                            | -                        | 1,660             | 1,858              |
| COAG Reform Fund Special Account(A)                              | 1       | -                  | <b>17,870,328</b>                | -                        | <b>17,870,328</b> | -                  |
|  |         | -                  | 26,487,154                       | -                        | 26,487,154        | -                  |
| Financial System Stability Special Account(A)                    | 1       | -                  | -                                | -                        | -                 | -                  |
| Other Trust Moneys Account(D)                                    | 1       | -                  | -                                | -                        | -                 | -                  |
| Services for other Governments and Non-agency Bodies Account(DI) | 1       | -                  | -                                | -                        | -                 | -                  |
|  |         | -                  | -                                | -                        | -                 | -                  |
| <b>Total special accounts</b>                                    |         |                    |                                  |                          |                   |                    |
| <b>2010-11 Budget estimate</b>                                   |         | <b>1,858</b>       | <b>17,871,957</b>                | -                        | <b>17,871,957</b> | <b>1,858</b>       |
| Total special accounts 2009-10 estimate actual                   |         | 1,858              | 26,488,814                       | -                        | 26,488,814        | 1,858              |

(A) Administered.  
(D) Departmental.

### 3.1.3 Australian Government Indigenous Expenditure

The Treasury does not have any Australian Government Indigenous Expenditure.

## 3.2 BUDGETED FINANCIAL STATEMENTS

### 3.2.1 Differences in agency resourcing and financial statements

There are no material differences between the resource information presented in the Budget Papers and Portfolio Budget Statements as a result of differences between Australian Accounting Standards and Government Finance Statistics.

### 3.2.2 Analysis of budgeted financial statements

The Treasury is budgeting towards a departmental breakeven operating result for 2010-11.

The Treasury has a sound financial position and currently has sufficient cash reserves to fund provisions and payables, and asset replacement, as they fall due.

### 3.2.3 Budgeted financial statements tables

**Table 3.2.1: Budgeted departmental comprehensive income statement  
(for the period ended 30 June)**

|   | Estimated<br>actual<br>2009-10<br>\$'000 | Budget<br>estimate<br>2010-11<br>\$'000 | Forward<br>estimate<br>2011-12<br>\$'000 | Forward<br>estimate<br>2012-13<br>\$'000 | Forward<br>estimate<br>2013-14<br>\$'000 |
|---|--|---|--|--|--|
| <b>EXPENSES</b>   |  |   |  |  |  |
| Employee benefits   | 119,471                                  | 116,716                                 | 108,530                                  | 106,039                                  | 103,170                                  |
| Supplier  | 42,769                                   | 40,965                                  | 37,908                                   | 37,012                                   | 35,984                                   |
| Grants  | 2,330                                    | 2,420                                   | 1,080                                    | 1,080                                    | 1,080                                    |
| Depreciation and amortisation   | 8,154                                    | 9,075                                   | 9,036                                    | 9,035                                    | 9,031                                    |
| Finance costs   | 45                                       | -                                       | -  | -  | -  |
| Other   | 8,873                                    | 8,873                                   | 8,822                                    | 8,811                                    | 8,811                                    |
| <b>Total expenses</b>   | <b>181,642</b>                           | <b>178,049</b>                          | <b>165,376</b>                           | <b>161,977</b>                           | <b>158,076</b>                           |
| <b>LESS:</b>  |  |   |  |  |  |
| <b>OWN-SOURCE INCOME</b>  |  |   |  |  |  |
| <b>Revenue</b>  |  |   |  |  |  |
| Sale of goods and rendering of<br>services                                  | 14,240                                   | 9,108                                   | 9,108                                    | 9,108                                    | 9,108                                    |
| Other revenue   | 290                                      | 290                                     | 290                                      | 290                                      | 290                                      |
| <b>Total revenue</b>  | <b>14,530</b>                            | <b>9,398</b>                            | <b>9,398</b>                             | <b>9,398</b>                             | <b>9,398</b>                             |
| <b>Gains</b>  |  |   |  |  |  |
| Other gains   | 530                                      | 530                                     | 530                                      | 530                                      | 530                                      |
| <b>Total gains</b>  | <b>530</b>                               | <b>530</b>                              | <b>530</b>                               | <b>530</b>                               | <b>530</b>                               |
| <b>Total own-source income</b>  | <b>15,060</b>                            | <b>9,928</b>                            | <b>9,928</b>                             | <b>9,928</b>                             | <b>9,928</b>                             |
| <b>Net cost of (contribution by)<br/>services</b>                           | <b>166,582</b>                           | <b>168,121</b>                          | <b>155,448</b>                           | <b>152,049</b>                           | <b>148,148</b>                           |
| Appropriation revenue   | 165,939                                  | 159,046                                 | 146,412                                  | 143,014                                  | 139,117                                  |
| <b>Surplus (deficit) attributable to<br/>the Australian Government</b>      | <b>(643)</b>                             | <b>(9,075)</b>                          | <b>(9,036)</b>                           | <b>(9,035)</b>                           | <b>(9,031)</b>                           |
| <b>Note: Reconciliation of operating result attributable to the agency</b>  |  |   |  |  |  |
|   | 2009-10<br>\$'000                        | 2010-11<br>\$'000                       | 2011-12<br>\$'000                        | 2012-13<br>\$'000                        | 2013-14<br>\$'000                        |
| <b>Operating result attributable to the<br/>Australian Government</b>       | <b>(643)</b>                             | <b>(9,075)</b>                          | <b>(9,036)</b>                           | <b>(9,035)</b>                           | <b>(9,031)</b>                           |
| Plus non-appropriated expenses<br>depreciation and amortisation<br>expenses | 643                                      | 9,075                                   | 9,036                                    | 9,035                                    | 9,031                                    |
| <b>Operating result attributable to the<br/>Treasury</b>                    | <b>-</b>                                 | <b>-</b>                                | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |

Prepared on Australian Accounting Standards basis.

**Table 3.2.2: Budgeted departmental balance sheet  
(as at 30 June)**

|   | Estimated<br>actual<br>2009-10<br>\$'000 | Budget<br>estimate<br>2010-11<br>\$'000 | Forward<br>estimate<br>2011-12<br>\$'000 | Forward<br>estimate<br>2012-13<br>\$'000 | Forward<br>estimate<br>2013-14<br>\$'000 |
|---|--|---|--|--|--|
| <b>ASSETS</b>                                 |  |   |  |  |  |
| <b>Financial assets</b>                       |  |   |  |  |  |
| Cash and equivalents                          | 724                                      | 724                                     | 724                                      | 724                                      | 724                                      |
| Trade and other receivables                   | 79,460                                   | 81,460                                  | 83,460                                   | 85,460                                   | 87,460                                   |
| <b>Total financial assets</b>                 | <b>80,184</b>                            | <b>82,184</b>                           | <b>84,184</b>                            | <b>86,184</b>                            | <b>88,184</b>                            |
| <b>Non-financial assets</b>                   |  |   |  |  |  |
| Land and buildings                            | 9,408                                    | 8,384                                   | 7,360                                    | 6,336                                    | 5,312                                    |
| Infrastructure, plant and equipment           | 9,809                                    | 12,019                                  | 12,268                                   | 14,518                                   | 16,772                                   |
| Intangibles                                   | 22,610                                   | 20,206                                  | 18,990                                   | 15,691                                   | 12,513                                   |
| Other   | 1,042                                    | 1,042                                   | 1,042                                    | 1,042                                    | 1,042                                    |
| <b>Total non-financial assets</b>             | <b>42,869</b>                            | <b>41,651</b>                           | <b>39,660</b>                            | <b>37,587</b>                            | <b>35,639</b>                            |
| <b>Total assets</b>                           | <b>123,053</b>                           | <b>123,835</b>                          | <b>123,844</b>                           | <b>123,771</b>                           | <b>123,823</b>                           |
| <b>LIABILITIES</b>                            |  |   |  |  |  |
| <b>Interest bearing liabilities</b>           |  |   |  |  |  |
| Leases  | 233                                      | 233                                     | 233                                      | 233                                      | 233                                      |
| <b>Total interest bearing liabilities</b>     | <b>233</b>                               | <b>233</b>                              | <b>233</b>                               | <b>233</b>                               | <b>233</b>                               |
| <b>Provisions</b>                             |  |   |  |  |  |
| Employees                                     | 39,687                                   | 41,687                                  | 43,687                                   | 45,687                                   | 47,687                                   |
| <b>Total provisions</b>                       | <b>39,687</b>                            | <b>41,687</b>                           | <b>43,687</b>                            | <b>45,687</b>                            | <b>47,687</b>                            |
| <b>Payables</b>                               |  |   |  |  |  |
| Suppliers                                     | 3,853                                    | 3,853                                   | 3,853                                    | 3,853                                    | 3,853                                    |
| Other   | 4,991                                    | 4,991                                   | 4,991                                    | 4,991                                    | 4,991                                    |
| <b>Total payables</b>                         | <b>8,844</b>                             | <b>8,844</b>                            | <b>8,844</b>                             | <b>8,844</b>                             | <b>8,844</b>                             |
| <b>Total liabilities</b>                      | <b>48,764</b>                            | <b>50,764</b>                           | <b>52,764</b>                            | <b>54,764</b>                            | <b>56,764</b>                            |
| <b>Net assets</b>                             | <b>74,289</b>                            | <b>73,071</b>                           | <b>71,080</b>                            | <b>69,007</b>                            | <b>67,059</b>                            |
| <b>EQUITY</b>                                 |  |   |  |  |  |
| <b>Parent entity interest</b>                 |  |   |  |  |  |
| Contributed equity                            | 38,764                                   | 46,621                                  | 53,666                                   | 60,628                                   | 67,711                                   |
| Reserves                                      | 5,246                                    | 5,246                                   | 5,246                                    | 5,246                                    | 5,246                                    |
| Retained surpluses or<br>accumulated deficits | 30,279                                   | 21,204                                  | 12,168                                   | 3,133                                    | (5,898)                                  |
| <b>Total equity</b>                           | <b>74,289</b>                            | <b>73,071</b>                           | <b>71,080</b>                            | <b>69,007</b>                            | <b>67,059</b>                            |
| <b>Current assets</b>                         | <b>81,226</b>                            | <b>83,226</b>                           | <b>85,226</b>                            | <b>87,226</b>                            | <b>89,226</b>                            |
| <b>Non-current assets</b>                     | <b>41,827</b>                            | <b>40,609</b>                           | <b>38,618</b>                            | <b>36,545</b>                            | <b>34,597</b>                            |
| <b>Current liabilities</b>                    | <b>44,863</b>                            | <b>46,703</b>                           | <b>48,543</b>                            | <b>50,383</b>                            | <b>52,223</b>                            |
| <b>Non-current liabilities</b>                | <b>3,901</b>                             | <b>4,061</b>                            | <b>4,221</b>                             | <b>4,381</b>                             | <b>4,541</b>                             |

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Budgeted departmental statement of cash flows  
(for the period ended 30 June)**

|  | Estimated<br>actual<br>2009-10<br>\$'000 | Budget<br>estimate<br>2010-11<br>\$'000 | Forward<br>estimate<br>2011-12<br>\$'000 | Forward<br>estimate<br>2012-13<br>\$'000 | Forward<br>estimate<br>2013-14<br>\$'000 |
|--|--|---|--|--|--|
| <b>OPERATING ACTIVITIES</b>                                |  |   |  |  |  |
| <b>Cash received</b>                                       |  |   |  |  |  |
| Goods and services   | 14,240                                   | 9,108                                   | 9,108                                    | 9,108                                    | 9,108                                    |
| Appropriations   | 163,272                                  | 157,046                                 | 144,412                                  | 141,014                                  | 137,117                                  |
| Other  | 290                                      | 290                                     | 290                                      | 290                                      | 290                                      |
| <b>Total cash received</b>                                 | <b>177,802</b>                           | <b>166,444</b>                          | <b>153,810</b>                           | <b>150,412</b>                           | <b>146,515</b>                           |
| <b>Cash used</b>   |  |   |  |  |  |
| Employees  | 117,471                                  | 114,716                                 | 106,530                                  | 104,039                                  | 101,170                                  |
| Suppliers  | 51,112                                   | 49,308                                  | 46,200                                   | 45,293                                   | 44,265                                   |
| Grants   | 2,330                                    | 2,420                                   | 1,080                                    | 1,080                                    | 1,080                                    |
| Borrowing costs  | 45                                       | -                                       | -  | -  | -  |
| <b>Total cash used</b>                                     | <b>170,958</b>                           | <b>166,444</b>                          | <b>153,810</b>                           | <b>150,412</b>                           | <b>146,515</b>                           |
| <b>Net cash from or (used by)<br/>operating activities</b> | <b>6,844</b>                             | <b>-</b>                                | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |
| <b>INVESTING ACTIVITIES</b>                                |  |   |  |  |  |
| <b>Cash used</b>   |  |   |  |  |  |
| Purchase of property, plant<br>and equipment               | 12,008                                   | 7,857                                   | 7,045                                    | 6,962                                    | 7,083                                    |
| <b>Total cash used</b>                                     | <b>12,008</b>                            | <b>7,857</b>                            | <b>7,045</b>                             | <b>6,962</b>                             | <b>7,083</b>                             |
| <b>Net cash from or (used by)<br/>investing activities</b> | <b>(12,008)</b>                          | <b>(7,857)</b>                          | <b>(7,045)</b>                           | <b>(6,962)</b>                           | <b>(7,083)</b>                           |
| <b>FINANCING ACTIVITIES</b>                                |  |   |  |  |  |
| <b>Cash received</b>                                       |  |   |  |  |  |
| Appropriations - contributed equity                        | 4,521                                    | 7,857                                   | 7,045                                    | 6,962                                    | 7,083                                    |
| <b>Total cash received</b>                                 | <b>4,521</b>                             | <b>7,857</b>                            | <b>7,045</b>                             | <b>6,962</b>                             | <b>7,083</b>                             |
| <b>Net cash from or (used by)<br/>financing activities</b> | <b>4,521</b>                             | <b>7,857</b>                            | <b>7,045</b>                             | <b>6,962</b>                             | <b>7,083</b>                             |
| <b>Net increase or (decrease)<br/>in cash held</b>         | <b>(643)</b>                             | <b>-</b>                                | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |
| Cash at the beginning of<br>the reporting period           | 1,367                                    | 724                                     | 724                                      | 724                                      | 724                                      |
| <b>Cash at the end of the<br/>reporting period</b>         | <b>724</b>                               | <b>724</b>                              | <b>724</b>                               | <b>724</b>                               | <b>724</b>                               |

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget year 2010-11)**

|   | Retained<br>surpluses<br>\$'000 | Asset<br>revaluation<br>reserve<br>\$'000 | Other<br>reserves<br>\$'000 | Contributed<br>equity/<br>capital<br>\$'000 | Total<br>equity<br>\$'000 |
|---|---------------------------------|---|-----------------------------|---|---------------------------|
| <b>Opening balance as at 1 July 2010</b>                        |                                 |   |                             |   |                           |
| Balance carried forward from previous period                    | 30,279                          | 5,246                                     | -                           | 38,764                                      | 74,289                    |
| <b>Adjusted opening balance</b>                                 | 30,279                          | 5,246                                     | -                           | 38,764                                      | 74,289                    |
| <b>Comprehensive income</b>                                     |                                 |   |                             |   |                           |
| Surplus (deficit) for the period                                | (9,075)                         | -   | -                           | -   | (9,075)                   |
| <b>Total comprehensive income recognised directly in equity</b> | (9,075)                         | -   | -                           | -   | (9,075)                   |
| <b>Transactions with owners</b>                                 |                                 |   |                             |   |                           |
| <i>Contribution by owners</i>                                   |                                 |   |                             |   |                           |
| Appropriation (equity injection)                                | -                               | -   | -                           | 1,395                                       | 1,395                     |
| Appropriation (departmental capital budget)                     | -                               | -   | -                           | 6,462                                       | 6,462                     |
| <b>Total transactions with owners</b>                           | -                               | -   | -                           | 7,857                                       | 7,857                     |
| <b>Estimated closing balance as at 30 June 2011</b>             | 21,204                          | 5,246                                     | -                           | 46,621                                      | 73,071                    |

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Departmental capital budget statement**

|   | Estimated<br>actual<br>2009-10<br>\$'000 | Budget<br>estimate<br>2010-11<br>\$'000 | Forward<br>estimate<br>2011-12<br>\$'000 | Forward<br>estimate<br>2012-13<br>\$'000 | Forward<br>estimate<br>2013-14<br>\$'000 |
|---|--|---|--|--|--|
| <b>CAPITAL APPROPRIATIONS</b>                 |  |   |  |  |  |
| Capital budget - Bill 1 - DCB                 | -  | 6,462                                   | 6,462                                    | 6,462                                    | 6,500                                    |
| Total equity injections                       | 4,521                                    | 1,395                                   | 583                                      | 500                                      | 583                                      |
| Previous years' outputs                       | 1,800                                    | -                                       | -  | -  | -  |
| <b>Total capital appropriations</b>           | 6,321                                    | 7,857                                   | 7,045                                    | 6,962                                    | 7,083                                    |
| <b>Represented by:</b>                        |  |   |  |  |  |
| Purchase of non-financial assets              | 4,521                                    | 7,857                                   | 7,045                                    | 6,962                                    | 7,083                                    |
| Other   | 1,800                                    | -                                       | -  | -  | -  |
| <b>Total represented by</b>                   | 6,321                                    | 7,857                                   | 7,045                                    | 6,962                                    | 7,083                                    |
| <b>ACQUISITION OF NON-FINANCIAL ASSETS</b>    |  |   |  |  |  |
| Funded by capital appropriations              | 4,521                                    | 1,395                                   | 583                                      | 500                                      | 583                                      |
| Funded by capital appropriation - DCB         | -  | 6,462                                   | 6,462                                    | 6,462                                    | 6,500                                    |
| Funded internally from departmental resources | 7,487                                    | -                                       | -  | -  | -  |
| <b>TOTAL</b>                                  | 12,008                                   | 7,857                                   | 7,045                                    | 6,962                                    | 7,083                                    |

Note: Under the net cash appropriation arrangements implemented as part of Operation Sunlight, agencies are no longer funded for depreciation, amortisation or make good expenses. Funding for these expenses have been replaced with a Departmental Capital Budget (DCB).

Prepared on Australian Accounting Standards basis.

**Table 3.2.6: Statement of asset movements — departmental**

|  | Buildings      | Other<br>infrastructure,<br>plant and<br>equipment | Intangibles    | Total          |
|--|----------------|--|----------------|----------------|
|  | \$'000         | \$'000   | \$'000         | \$'000         |
| <b>As at 1 July 2010</b>                   |                |  |                |                |
| Gross book value                           | 19,067         | 16,408   | 29,800         | 65,275         |
| less Accumulated depreciation/amortisation | 9,659          | 6,599  | 7,190          | -              |
| <b>Opening net book balance</b>            | <b>9,408</b>   | <b>9,809</b>                                       | <b>22,610</b>  | <b>65,275</b>  |
| <b>Asset movements</b>                     |                |  |                |                |
| Additions                                  | 500            | 4,000  | 3,357          | 7,857          |
| less Depreciation/amortisation expense     | 1,524          | 1,790  | 5,761          | 9,075          |
| <b>Total asset movements</b>               | <b>(1,024)</b> | <b>2,210</b>                                       | <b>(2,404)</b> | <b>(1,218)</b> |
| <b>As at 30 June 2011</b>                  |                |  |                |                |
| Gross book value                           | 19,567         | 20,408   | 33,157         | 73,132         |
| less Accumulated depreciation/amortisation | 11,183         | 8,389  | 12,951         | 32,523         |
| <b>Closing net book balance</b>            | <b>8,384</b>   | <b>12,019</b>                                      | <b>20,206</b>  | <b>40,609</b>  |

Prepared on Australian Accounting Standards basis.

**Table 3.2.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)**

|  | Estimated<br>actual<br>2009-10<br>\$'000 | Budget<br>estimate<br>2010-11<br>\$'000 | Forward<br>estimate<br>2011-12<br>\$'000 | Forward<br>estimate<br>2012-13<br>\$'000 | Forward<br>estimate<br>2013-14<br>\$'000 |
|--|--|---|--|--|--|
| <b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>         |  |   |  |  |  |
| <b>Revenue</b>   |  |   |  |  |  |
| <b>Non-taxation</b>  |  |   |  |  |  |
| Goods and services   | 1,963,067                                | 2,143,106                               | 1,865,997                                | 1,536,492                                | 1,295,367                                |
| Interest   | 2,474                                    | 12,875                                  | 13,959                                   | 14,704                                   | 15,264                                   |
| Dividends  | 5,977,000                                | -                                       | -  | -  | 771,000                                  |
| Nation Building and COAG transfers                         | 3,745,240                                | 3,190,970                               | 2,648,527                                | 2,932,452                                | 1,532,274                                |
| Other sources of non-taxation revenues                     | 242,666                                  | 18,100                                  | 18,100                                   | 2,500                                    | 2,500                                    |
| <b>Total non-taxation</b>                                  | <b>11,930,447</b>                        | <b>5,365,051</b>                        | <b>4,546,583</b>                         | <b>4,486,148</b>                         | <b>3,616,405</b>                         |
| <b>Total revenue administered on behalf of government</b>  | <b>11,930,447</b>                        | <b>5,365,051</b>                        | <b>4,546,583</b>                         | <b>4,486,148</b>                         | <b>3,616,405</b>                         |
| <b>Gains</b>   |  |   |  |  |  |
| Foreign exchange   | 481,955                                  | -                                       | -  | -  | -  |
| <b>Total gains administered on behalf of government</b>    | <b>481,955</b>                           | <b>-</b>                                | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |
| <b>Total income administered on behalf of government</b>   | <b>12,412,402</b>                        | <b>5,365,051</b>                        | <b>4,546,583</b>                         | <b>4,486,148</b>                         | <b>3,616,405</b>                         |
| <b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>       |  |   |  |  |  |
| Grants   | 89,172,154                               | 84,859,830                              | 84,057,491                               | 89,085,233                               | 91,082,517                               |
| Interest   | 9,851                                    | 14,146                                  | 12,444                                   | 12,506                                   | 12,506                                   |
| Other  | 10,245                                   | 31,285                                  | 675                                      | 675                                      | 675                                      |
| <b>Losses</b>  |  |   |  |  |  |
| Foreign exchange losses                                    | -  | 9,768                                   | -  | -  | -  |
| <b>Total expenses administered on behalf of government</b> | <b>89,192,250</b>                        | <b>84,915,029</b>                       | <b>84,070,610</b>                        | <b>89,098,414</b>                        | <b>91,095,698</b>                        |

Prepared on Australian Accounting Standards basis.

**Table 3.2.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)**

|   | Estimated<br>actual<br>2009-10<br>\$'000 | Budget<br>estimate<br>2010-11<br>\$'000 | Forward<br>estimate<br>2011-12<br>\$'000 | Forward<br>estimate<br>2012-13<br>\$'000 | Forward<br>estimate<br>2013-14<br>\$'000 |
|---|--|---|--|--|--|
| <b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>            |  |   |  |  |  |
| <b>Financial assets</b>                                       |  |   |  |  |  |
| Cash and cash equivalents                                     | 8,230                                    | 8,230                                   | 8,230                                    | 8,230                                    | 8,230                                    |
| Advances and loans  | -  | 169,362                                 | 179,272                                  | 189,762                                  | 200,866                                  |
| Receivables   | 5,286,948                                | 2,510,693                               | 1,482,969                                | 797,946                                  | 310,362                                  |
| Investments   | 25,422,988                               | 25,225,140                              | 25,282,051                               | 25,335,292                               | 25,388,533                               |
| <b>Total financial assets</b>                                 | <b>30,718,166</b>                        | <b>27,913,425</b>                       | <b>26,952,522</b>                        | <b>26,331,230</b>                        | <b>25,907,991</b>                        |
| <b>Total assets administered on behalf of government</b>      | <b>30,718,166</b>                        | <b>27,913,425</b>                       | <b>26,952,522</b>                        | <b>26,331,230</b>                        | <b>25,907,991</b>                        |
| <b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>       |  |   |  |  |  |
| <b>Interest bearing liabilities</b>                           |  |   |  |  |  |
| Loans   | 4,830,521                                | 3,906,415                               | 3,782,096                                | 3,807,777                                | 3,833,458                                |
| Other   | 5,391,102                                | 5,161,847                               | 5,161,847                                | 5,161,847                                | 5,161,847                                |
| <b>Total interest bearing liabilities</b>                     | <b>10,221,623</b>                        | <b>9,068,262</b>                        | <b>8,943,943</b>                         | <b>8,969,624</b>                         | <b>8,995,305</b>                         |
| <b>Provisions</b>   |  |   |  |  |  |
| Other provisions  | 79                                       | 79                                      | 79                                       | 79                                       | 79                                       |
| <b>Total provisions</b>                                       | <b>79</b>                                | <b>79</b>                               | <b>79</b>                                | <b>79</b>                                | <b>79</b>                                |
| <b>Payables</b>   |  |   |  |  |  |
| Grants and subsidies  | 515,446                                  | 413,618                                 | 422,371                                  | 420,739                                  | 373,640                                  |
| Other payables  | 3,766,708                                | 2,402,992                               | 1,403,365                                | 734,453                                  | 282,276                                  |
| <b>Total payables</b>   | <b>4,282,154</b>                         | <b>2,816,610</b>                        | <b>1,825,736</b>                         | <b>1,155,192</b>                         | <b>655,916</b>                           |
| <b>Total liabilities administered on behalf of government</b> | <b>14,503,856</b>                        | <b>11,884,951</b>                       | <b>10,769,758</b>                        | <b>10,124,895</b>                        | <b>9,651,300</b>                         |

Prepared on Australian Accounting Standards basis.

**Table 3.2.9: Schedule of budgeted administered cash flows  
(for the period ended 30 June)**

|  | Estimated<br>actual<br>2009-10<br>\$'000 | Budget<br>estimate<br>2010-11<br>\$'000 | Forward<br>estimate<br>2011-12<br>\$'000 | Forward<br>estimate<br>2012-13<br>\$'000 | Forward<br>estimate<br>2013-14<br>\$'000 |
|--|--|---|--|--|--|
| <b>OPERATING ACTIVITIES</b>                                |  |   |  |  |  |
| <b>Cash received</b>                                       |  |   |  |  |  |
| Sales of goods and rendering<br>of services                | 1,355,899                                | 1,497,942                               | 1,209,776                                | 859,554                                  | 632,617                                  |
| Interest   | 2,516                                    | 3,454                                   | 3,957                                    | 4,160                                    | 4,160                                    |
| Dividends  | 5,227,000                                | 750,000                                 | -  | -  | 771,000                                  |
| Nation Building and COAG transfers                         | 10,218,847                               | 10,132,032                              | 10,128,344                               | 11,004,222                               | 10,247,908                               |
| Other  | 242,695                                  | 18,100                                  | 18,100                                   | 2,500                                    | 2,500                                    |
| <b>Total cash received</b>                                 | <b>17,046,957</b>                        | <b>12,401,528</b>                       | <b>11,360,177</b>                        | <b>11,870,436</b>                        | <b>11,658,185</b>                        |
| <b>Cash used</b>   |  |   |  |  |  |
| Grant payments   | 94,890,622                               | 91,237,901                              | 90,831,375                               | 96,461,288                               | 99,147,093                               |
| Interest paid  | 9,907                                    | 12,599                                  | 12,506                                   | 12,506                                   | 12,506                                   |
| Other  | 24,755                                   | 33,550                                  | 13,383                                   | 4,919                                    | 675                                      |
| <b>Total cash used</b>                                     | <b>94,925,284</b>                        | <b>91,284,050</b>                       | <b>90,857,264</b>                        | <b>96,478,713</b>                        | <b>99,160,274</b>                        |
| <b>Net cash from or (used by)<br/>operating activities</b> | <b>(77,878,327)</b>                      | <b>(78,882,522)</b>                     | <b>(79,497,087)</b>                      | <b>(84,608,277)</b>                      | <b>(87,502,089)</b>                      |
| <b>INVESTING ACTIVITIES</b>                                |  |   |  |  |  |
| <b>Cash used</b>   |  |   |  |  |  |
| Purchase of equity instruments                             | 50,098                                   | 317,120                                 | 181,230                                  | 27,560                                   | 27,560                                   |
| Advances and loans   | -  | 160,000                                 | -  | -  | -  |
| Other  | -  | 4,500                                   | -  | -  | -  |
| <b>Total cash used</b>                                     | <b>50,098</b>                            | <b>481,620</b>                          | <b>181,230</b>                           | <b>27,560</b>                            | <b>27,560</b>                            |
| <b>Net cash from or (used by)<br/>investing activities</b> | <b>(50,098)</b>                          | <b>(481,620)</b>                        | <b>(181,230)</b>                         | <b>(27,560)</b>                          | <b>(27,560)</b>                          |
| <b>FINANCING ACTIVITIES</b>                                |  |   |  |  |  |
| <b>Cash received</b>                                       |  |   |  |  |  |
| Other  | 4,845,258                                | -                                       | -  | -  | -  |
| <b>Total cash received</b>                                 | <b>4,845,258</b>                         | <b>-</b>                                | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |
| <b>Net cash from or (used by)<br/>financing activities</b> | <b>4,845,258</b>                         | <b>-</b>                                | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |
| <b>Net increase or (decrease) in<br/>cash held</b>         | <b>(73,083,167)</b>                      | <b>(79,364,142)</b>                     | <b>(79,678,317)</b>                      | <b>(84,635,837)</b>                      | <b>(87,529,649)</b>                      |
| Cash at beginning of reporting period                      | 8,230                                    | 8,230                                   | 8,230                                    | 8,230                                    | 8,230                                    |
| Cash from Official Public<br>Account - appropriations      | 88,501,760                               | 84,824,593                              | 83,558,662                               | 88,434,488                               | 90,472,185                               |
| Cash to Official Public Account                            | 15,418,593                               | 5,460,451                               | 3,880,345                                | 3,798,651                                | 2,942,536                                |
| <b>Cash at end of reporting period</b>                     | <b>8,230</b>                             | <b>8,230</b>                            | <b>8,230</b>                             | <b>8,230</b>                             | <b>8,230</b>                             |

Prepared on Australian Accounting Standards basis.

**Table 3.2.10: Schedule of administered capital budget**

|                                      | Estimated<br>actual<br>2009-10<br>\$'000 | Budget<br>estimate<br>2010-11<br>\$'000 | Forward<br>estimate<br>2011-12<br>\$'000 | Forward<br>estimate<br>2012-13<br>\$'000 | Forward<br>estimate<br>2013-14<br>\$'000 |
|--------------------------------------|--|---|--|--|--|
| <b>CAPITAL APPROPRIATIONS</b>        |  |   |  |  |  |
| Administered assets and liabilities  | 19,010                                   | 162,265                                 | 12,708                                   | 4,244                                    | -  |
| Special appropriations               | 50,098                                   | 317,120                                 | 181,230                                  | 27,560                                   | 27,560                                   |
| <b>Total capital appropriations</b>  | <b>69,108</b>                            | <b>479,385</b>                          | <b>193,938</b>                           | <b>31,804</b>                            | <b>27,560</b>                            |
| <b>Represented by:</b>               |  |   |  |  |  |
| International Financial Institutions | 50,098                                   | 477,120                                 | 181,230                                  | 27,560                                   | 27,560                                   |
| Other                                | 19,010                                   | 2,265                                   | 12,708                                   | 4,244                                    | -  |
| <b>Total represented by</b>          | <b>69,108</b>                            | <b>479,385</b>                          | <b>193,938</b>                           | <b>31,804</b>                            | <b>27,560</b>                            |

Prepared on Australian Accounting Standards basis.

### 3.2.4 Notes to the financial statements

The Treasury's budgeted statements are prepared on an accrual basis in accordance with:

- the Government's financial budgeting and reporting framework; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board.

Under the Government's accrual budgeting framework, and consistent with Australian Accounting Standards, transactions that departments control (departmental transactions) are separately budgeted for, and reported on, from transactions departments do not have control over (administered transactions). This ensures that departments are only held accountable for the transactions over which they have control.

Departmental assets, liabilities, revenues and expenses are controlled by the department. Departmental expenses include employee and supplier expenses and other administrative costs, which are incurred by the department in providing goods and services.

Administered items are revenues, expenses, assets or liabilities which are managed by the department on behalf of the Government according to set government directions. Administered expenses include subsidies, grants and personal benefit payments, and administered revenues include taxes, fines and excises.

