

DEPARTMENT OF THE TREASURY

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DEPARTMENT OF THE TREASURY

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

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 administration of government decisions.

The Australian economy is forecast to grow at a solid rate, close to trend in 2013-14 and increasing in 2014-15 to trend growth. The economy is expected to continue to outperform most other advanced economies over the forecast period.

Global financial market sentiment has improved noticeably since late 2012, although global economic conditions remain challenging, particularly in the major advanced economies. World growth continues to be driven by emerging market economies, with the weight of economic activity increasingly shifting towards Asia.

The Australian economy continues to benefit from this shift. Strong demand from Asia has underpinned Australia's economic growth, supporting historically high commodity prices. Resources investment is expected to reach record levels in 2013-14, driving new business investment as a share of GDP to the highest level on record. Growth over the forecast period will increasingly be supported by rising export volumes and rising investment outside the resources sector. For example, strong growth in emerging Asia will create opportunities for Australia's services sector.

A continuing focus for the Treasury will be key risks facing the global economy, including any re-escalation of the crisis in the euro area, uncertainty over fiscal policy in the United States and the potential for oil price shocks. Particular focus will be on assessing the implications for Australia of economic developments in China and other emerging Asian countries, and broadening and deepening regional engagement.

Australia's G20 Presidency in 2014 will allow us to help shape the international economic agenda. The G20 is the world's pre-eminent forum for global economic cooperation. It accounts for some 85 per cent of global GDP, and all of Australia's major trading and investment partners. In the lead up to 2014, the Treasury will boost bilateral engagement and multilateral outreach in order to advocate for Australia's values and interests. In 2013 and 2014, Australia will continue to support the G20's focus on growth and jobs, financing for investment (including infrastructure), and

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International Monetary Fund (IMF) governance and quota reform. The Treasury will support ongoing reform of international financial institutions, and, in response to the Australia in the Asian Century White Paper, will deepen its bilateral cooperation with key strategic partners including China, India, Indonesia, Vietnam and the Philippines, while continuing to support counterpart agencies in Papua New Guinea and the Solomon Islands.

The Treasury will continue to support the Government's fiscal strategy, through timely and high-quality assessments of domestic and international economic conditions, and advice on effective government spending, effective taxation and retirement income arrangements, as well as debt management policy.

The Treasury will continue to advise the Government on social policy, including disability support, education funding, health, aged care, skills, climate change and clean energy, structural adjustment, Indigenous policy, border and national security, and water reform. The Treasury will also advise on federal financial relations arrangements, including working with state and territory governments.

In 2013-14, the Treasury will assist the Government to implement tax reform. As well as providing revenue forecasts and costings of taxation policies, analysing the economic and social effects of taxation policy proposals, and undertaking consultations with stakeholders, the Treasury will also instruct parliamentary counsel on the design of taxation laws and support the passage of legislation through Parliament.

The Treasury will assist the Government to ensure that any improvements to the international tax framework, as part of the G20's response to the Organisation for Economic Co-operation and Development's (OECD) report on Addressing Base Erosion and Profit Shifting, are consistent with Australia's national interest.

The Treasury will continue to support Australia's productivity and international competitiveness through sound regulatory and competition reforms. This includes maintaining the Australian Consumer Law; maintaining Australia's corporation and competition law frameworks; promoting efficient use of national infrastructure in transport, communication and energy markets; and implementing the National Broadband Network. It also includes advising on regulatory reform of securities markets, financial advice, corporate governance and consumer credit.

The Treasury will provide advice on the financial system to ensure it remains robust, competitive and dynamic while contributing to macroeconomic stability and market confidence. The Treasury will continue to monitor prudential frameworks applying to banks, insurers and superannuation funds, and continue to implement the Government's Stronger Super reforms.

The Treasury will continue to work with the Government and the Foreign Investment Review Board to maintain the right balance between protecting Australia's national

interest and ensuring that Australia remains an attractive destination for foreign capital.

Over the period ahead, the Treasury will draw on expertise across the organisation to help the Government meet Australia's long-term policy challenges.

The Treasury will also continue to improve its organisational capabilities through the Strategic Review and Progressing Women initiatives.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources for the Treasury.

Table 1.1: Department of the Treasury resource statement — Budget estimates for 2013-14 as at Budget May 2013

	Estimate of prior year amounts available in + 2013-14 \$'000	Proposed at Budget = 2013-14 \$'000	Total estimate 2013-14 \$'000	Actual available appropriation 2012-13 \$'000
Ordinary annual services				
Departmental				
Prior year departmental appropriation	53,933 ⁵	-	53,933	-
Departmental appropriation ³	-	169,296 ¹	169,296	178,149
Receipts from other sources (s31)	-	8,266 ⁴	8,266	10,652
Total departmental	53,933	177,562	231,495	188,801
Administered expenses				
Outcome 1	-	6,675 ¹	6,675	20,103
Payment to CAC bodies	-	18,062	18,062	-
Total administered expenses	-	24,737	24,737	20,103
Total ordinary annual services	A 53,933	202,299	256,232	208,904
Other services				
Departmental non-operating				
Equity injections	-	-	-	1,631
Total	-	-	-	1,631
Administered non-operating				
Administered assets and liabilities				
Outcome 1	-	47,500 ²	47,500	57,000
Total	-	47,500	47,500	57,000
Total other services	B -	47,500	47,500	58,631
Total available annual appropriations (A+B)	53,933	249,799	303,732	267,535

Table 1.1: Department of the Treasury resource statement — Budget estimates for 2013-14 as at Budget May 2013 (continued)

	Estimate of prior year amounts available in 2013-14 \$'000	Proposed at Budget 2013-14 \$'000	Total estimate 2013-14 \$'000	Actual available appropriation 2012-13 \$'000
Special appropriations				
<i>Asian Development Bank (Additional Subscription) Act 2009</i>	-	15,412	15,412	15,278
<i>Federal Financial Relations Act 2009</i>	-	69,632,911	69,632,911	68,403,140
<i>International Monetary Agreements Act 1947</i>	-	1,882,295	1,882,295	251,666
<i>Clean Energy Act 2011</i>	-	122,137	122,137	-
<i>Superannuation Industry (Supervision) Act 1993</i>	-	-	-	16,720
Total special appropriations	C	71,652,755	71,652,755	68,686,804
Total appropriations excluding special accounts (A+B+C)	53,933	71,902,554	71,956,487	68,954,339
Special accounts				
Opening balance ⁶	2,282	-	2,282	-
Appropriation receipts to special accounts	-	2,000,000	2,000,000	-
Non-appropriation receipts to special accounts	-	13,824,014	13,824,014	10,853,944
Total special account	D	15,824,014	15,826,296	10,853,944
Total resourcing (A+B+C+D)	56,215	87,726,568	87,782,783	79,808,283
Less appropriation drawn from annual or special appropriations and/or CAC Act bodies through annual appropriations credited to special accounts	-	2,018,062	2,018,062	-
Total net resourcing for the Treasury	56,215	85,708,506	85,764,721	79,808,283

1. Appropriation Bill (No. 1) 2013-14.
2. Appropriation Bill (No. 2) 2013-14.
3. Includes \$5.3 million in 2013-14 for the departmental capital budget (refer to Table 3.2.5).
4. Receipts received under section 31 (s31) of the *Financial Management and Accountability Act 1997*.
5. Estimated adjusted balance carried forward from previous year.
6. Estimated opening balance for special accounts (refer to Table 3.1.2).

1.3 BUDGET MEASURES

Budget measures relating to the Treasury are detailed in Budget Paper No. 2, *Budget Measures 2013-14* and are summarised below.

Table 1.2: Department of the Treasury 2013-14 Budget measures

	Program	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Expense measures						
Australia in the Asian Century - Strengthening engagement in the Asian region ¹	1.1	-	-	-	-	-
Brisbane Cross River Rail and Melbourne Metro Projects - Advisory Board	1.1	-	1,600	1,600	-	-
Economic modelling capacity - continuation	1.1	-	2,902	2,926	2,955	2,983
Superannuation reforms - Charter of Superannuation Adequacy and Sustainability and Council of Superannuation Custodians - Charter Group	1.1	162	-	-	-	-
Targeted savings - public service efficiencies ²	1.1	-	(400)	(409)	(390)	(338)
Tax Studies Institute - establishment	1.1	2,000	(1,000)	(1,000)	-	-
Treasury legal expenses	1.1	nfp	nfp	-	-	-
Official development assistance - Australian Membership of the African Development Bank Group	1.2	-	-	nfp	nfp	nfp
- support for low income countries through the Poverty Reduction and Growth Trust - Stage 1 and Stage 2	1.2	13,928	-	36,664	-	-
Superannuation - further financial assistance grants to compensate fund members for the failure of Trio ¹	1.3	-	-	-	-	-
Better targeting of tax concessions - later start date and conclusion of transitional arrangements	1.4	(1,000)	(1,000)	9,000	29,000	30,000
Excise and excise-equivalent customs duty - index tobacco excise to average weekly ordinary time earnings	1.4	-	nfp	nfp	nfp	nfp
GST - allowing businesses in a net refund position to continue to use the GST instalments system	1.4	-	-	-	-	-

Table 1.2: Department of the Treasury 2013-14 Budget measures (continued)

	Program	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Expense measures (continued)						
Tax laws - privileges and immunities for the International Committee of the Red Cross						
	1.4	-
Abt Railway - Contribution						
	1.10	6,000	-	-	-	-
Advancing Payments to the States and Territories						
	1.10	-	-	-	-	-
Better Schools						
- National Plan for School Improvement - Low Socio-Economic Status School Communities - redirection						
	1.10	-	(84,485)	(173,964)	-	-
- National Plan for School Improvement - continued support for students with disabilities						
	1.10	-	30,905	46,357	-	-
- National Plan for School Improvement - Empowering Local Schools - redirection						
	1.10	-	-	-	(287,977)	-
- National Plan for School Improvement - Rewards for Great Teachers - redirection						
	1.10	-	(26,035)	(81,384)	(162,768)	(162,768)
- National Plan for School Improvement - Rewards for School Improvement redirection						
	1.10	(10,000)	(8,988)	(19,725)	(39,550)	(39,550)
Canberra Hospital - dedicated paediatric emergency care						
	1.10	-	-	5,000	-	-
DisabilityCare Australia - Transition to Full Scheme						
	1.10	1,096	7,128	4,316	616	-
Early Childhood Education - National Partnership Agreement - continuation						
	1.10	14,700	406,000	234,900	-	-
Financial Literacy - additional funding						
	1.10	-	1,280	1,210	1,324	1,542
Great Artesian Basin Sustainability Initiative - reduced funding						
	1.10	-	(22,900)	-	-	-
Group of 20 meeting in 2014 - Queensland Government security costs						
	1.10	8,500	35,000	54,000	-	-

Table 1.2: Department of the Treasury 2013-14 Budget measures (continued)

	Program	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Expense measures (continued)						
Health and Hospitals Fund - Katherine and Gove District Hospitals - not proceed with funding	1.10	(3,448)	(5,852)	(1,500)	-	-
Healthy Kids Check - redirection of promotional funding	1.10	(1,976)	(1,990)	(1,990)	(2,038)	(2,073)
Improving trachoma control for Indigenous Australians - continuation	1.10	-	-	-	-	-
Indigenous Communications Program - remote Indigenous public internet access - continuation	1.10	-	-	-	-	-
Mosquito control and cross border liaison in the Torres Strait - continuation	1.10	-	-	-	-	-
Murray-Darling Basin Plan - additional support	1.10	-	17,250	10,350	6,900	-
Nation Building Program - Heavy Vehicle Safety and Productivity Program - additional funding	1.10	-	-	-	-	-
- next phase	1.10	-	(150,001)	(50,000)	-	(677,989)
- re-direction	1.10	-	(6,812)	(22,130)	(3,404)	-
National Insurance Affordability Initiative - commencement and initial projects	1.10	-	50,000	50,000	-	-
National Partnership Agreement on Homelessness	1.10	-	154,970	-	-	-
National Partnership on Home and Community Care Services to Veterans - redirection	1.10	-	-	(8,272)	(8,386)	(8,394)
National Perinatal Depression Initiative - continuation	1.10	-	(500)	(500)	(500)	(500)
Natural Disaster Recovery and Rebuilding - assistance for communities affected by the 2012-13 Queensland floods	1.10	6,591	28,325	22,244	-	-
- donation to the Queensland Floods Appeal 2013	1.10	900	-	-	-	-
Parliament House Walk - contribution	1.10	-	-	-	-	-

Table 1.2: Department of the Treasury 2013-14 Budget measures (continued)

	Program	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Expense measures (continued)						
Personal income tax - increase in the Medicare Levy - DisabilityCare Australia	1.10	-	-	-	73,900	188,500
Reef rescue - continuation	1.10	-	(2,000)	(2,000)	(2,000)	(2,000)
Tasmanian Forests Agreement - implementation package	1.10	30,500	4,000	5,500	5,050	2,101
Vaccine Preventable Diseases Surveillance Program - continuation	1.10	-	-	-	-	-
Victorian Local Hospital Networks - additional funding	1.10	(55,060)	-	-	-	-
World Leading Cancer Care - additional funding for BreastScreen Australia program - expand the target age range	1.10	-	9,845	10,402	12,005	14,181
Related capital						
Official Development Assistance - Australian Membership of the African Development Bank Group	1.2	-	-	-	-	-
Related revenue						
Australian Reinsurance Pool Corporation - dividend	1.3	-	75,000	75,000	75,000	75,000

1. This measure was also included in the Treasury *Portfolio Additional Estimates Statements 2012-13*.
 2. This measure was included as a cross portfolio measure in the *Mid-Year Economic and Fiscal Outlook 2012-13*. The fiscal impact reported for this measure is in addition to the impact previously reported for this measure in the Treasury *Portfolio Additional Estimates Statements 2012-13*.
- Prepared on a Government Finance Statistics (fiscal) basis.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

Outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government agencies achieve the intended results of their outcome statements. 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, specifying the strategy, program objectives, program 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;
- 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 the international and regional economic architecture; and
- the administration of a range of payments which are reported in Programs 1.2 to 1.10.

Outcome 1 Budgeted expenses

Table 2.1 provides an overview of the total expenses for Outcome 1.

Table 2.1: Budgeted expenses for Outcome 1

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	2012-13 Estimated actual expenses \$'000	2013-14 Estimated expenses \$'000
Program 1.1: Department of the Treasury		
Departmental expenses		
Departmental appropriations ¹	182,727	167,995
Special accounts	1,629	1,269
Expenses not requiring appropriation ²	13,018	9,175
Administered expenses		
Expenses not requiring appropriation	74,043	-
Total for Program 1.1	271,417	178,439
Program 1.2: Payments to International Financial Institutions		
Administered expenses		
Other services (Appropriation Bill No. 1)	13,928	-
Special appropriations	4,670	3,678
Total for Program 1.2	18,598	3,678
Program 1.3: Support for Markets and Business		
Administered expenses		
Other services (Appropriation Bill No. 1)	6,175	6,675
Special appropriations	16,720	-
Payment to CAC bodies	-	18,062
Total for Program 1.3	22,895	24,737
Program 1.4: General Revenue Assistance		
Administered expenses		
Special appropriations	47,700,000	50,250,000
Special accounts	1,235,036	983,846
Total for Program 1.4	48,935,036	51,233,846

Table 2.1: Budgeted expenses for Outcome 1 (continued)

Outcome 1 (continued)	2012-13 Estimated actual expenses \$'000	2013-14 Estimated expenses \$'000
Program 1.5: Assistance to the States for Healthcare Services		
Administered expenses		
Special appropriations	13,280,449	14,040,015
Total for Program 1.5	13,280,449	14,040,015
Program 1.6: Assistance to the States for Government Schools		
Administered expenses		
Special appropriations	3,944,991	2,112,164
Total for Program 1.6	3,944,991	2,112,164
Program 1.7: Assistance to the States for Skills and Workforce Development		
Administered expenses		
Special appropriations	1,387,532	1,408,969
Total for Program 1.7	1,387,532	1,408,969
Program 1.8: Assistance to the States for Disabilities Services		
Administered expenses		
Special appropriations	1,244,118	1,237,636
Total for Program 1.8	1,244,118	1,237,636
Program 1.9: Assistance to the States for Affordable Housing		
Administered expenses		
Special appropriations	1,263,727	1,282,683
Total for Program 1.9	1,263,727	1,282,683
Program 1.10: National Partnership Payments to the States		
Administered expenses		
Special accounts	10,966,356	11,079,773
Total for Program 1.10	10,966,356	11,079,773
Outcome 1 Totals by appropriation type		
Administered expenses		
Other services (Appropriation Bill No. 1)	20,103	6,675
Special appropriations	68,842,207	70,335,145
Special accounts	12,201,392	12,063,619
Payment to CAC bodies	-	18,062
Expenses not requiring appropriation	74,043	-
Departmental expenses		
Departmental appropriations ¹	182,727	167,995
Special accounts	1,629	1,269
Expenses not requiring appropriation ²	13,018	9,175
Total expenses for Outcome 1	81,335,119	82,601,940
	2012-13	2013-14
Average staffing level (number)	937	886

1. Departmental appropriations combine ordinary annual services (Appropriation Bill No. 1) and revenue from independent sources (s31).
2. Expenses not requiring appropriation includes depreciation and resources received free of charge, such as audit fees.

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 expenses

There are no significant changes to estimates across the forward years.

Table 2.2: Program 1.1 expenses

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Departmental expenses					
Departmental items	160,675	149,144	154,680	154,181	152,942
Australia to host the Group of 20 in 2014	5,298	20,120	17,184	795	-
Clean Energy					
Finance Corporation	18,383	-	-	-	-
Expenses not requiring appropriation	13,018	9,175	8,312	7,537	6,711
Total departmental expenses	197,374	178,439	180,176	162,513	159,653
Administered expenses					
Expenses not requiring appropriation ¹	74,043	-	-	-	-
Total administered expenses	74,043	-	-	-	-
Total program expenses	271,417	178,439	180,176	162,513	159,653

1. Reflects the upward revision of the estimated cost of natural disasters that occurred prior to 2012-13.

Program deliverables

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

Macroeconomic Group

In 2013-14, 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; and
- the setting of sound macroeconomic policies and assessments of government policies.

Macroeconomic Group will also undertake preparations for hosting G20 Finance Ministers' and Central Bank Governors' Meetings as part of Australia's host year in 2014. Macroeconomic Group will also maintain its close engagement with the G20, Financial Stability Board, regional financial forums and support reform of the international financial institutions.

In response to the *Australia in the Asian Century* White Paper, Macroeconomic Group will deepen its bilateral cooperation with a number of strategically important regional partners including China, India, Indonesia, Vietnam and the Philippines.

Macroeconomic Group will also maintain an economic modelling capacity to provide modelling in support of the development of government policy, and to support other departments, where necessary, in the development and assessment of various policy initiatives.

Fiscal Group

In 2013-14, 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;
- a range of policy issues including disability support, education funding, health, aged care, skills, employment, climate change mitigation and adaptation, and policies to support regional industry structural adjustment; and
- Commonwealth-State financial relations.

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 2013-14, Revenue Group will provide advice on:

- implementation of the Government's taxation and retirement income reform agenda including decisions in the Government's 2013-14 Budget;
- Australia's participation in international forums, including the OECD, G20 and the Global Forum in relation to the base erosion and profit shifting project and international standards of tax information and transparency; and
- the impacts of the tax system and retirement income proposals, measures and expenditures, including on government finances, economic growth, and their distributional impact and overall efficiency and effectiveness.

Markets Group

In 2013-14, 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, and implementation of the Government's Stronger Super reforms;
- measures to enhance protection of retail investors and consumers through establishing improved regulation and transparency of insurance contracts;
- initiatives arising from the Australian Financial Centre Forum to strengthen Australia as a regional financial services centre;
- measures to promote the efficient allocation of capital and management of risk through effective corporate governance and financial market infrastructure frameworks including implementation of the Government's insolvency reforms and other commitments to address financial instrument risks;
- measures to promote the efficient use and development of national infrastructure, including in transport, communication and energy markets, and improve the responsiveness of the supply side of the housing market;
- Australia's competition and consumer policy framework including competition and regulatory reforms to improve Australia's productivity;

- foreign investment initiatives to ensure that they are not contrary to Australia's national interest, the development and implementation of a national foreign ownership register for agricultural land, and representing Australia's interests on investment, competition and financial service issues in free trade agreements and international fora; 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.
- Timely, 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.
- 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 expenses

Only expense items are recorded in Table 2.3. Substantial payments are also made to the international financial institutions as administered capital. These payments are shown in Tables 1.1 and 3.2.10.

Table 2.3: Program 1.2 expenses

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Administered expenses					
Annual appropriations					
Contribution to the Poverty Reduction and Growth Trust	13,928	-	36,664	-	-
Special appropriations					
<i>International Monetary Agreements Act 1947</i>	4,670	3,678	3,686	3,711	3,735
Total program expenses	18,598	3,678	40,350	3,711	3,735

Program deliverables

Payments 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

To provide funding to support markets and business as outlined below.

- The Centre for International Finance and Regulation's focus is to put Australia at the forefront of regional and global examination of financial sector developments and the design of regulatory responses. The Centre comprises a consortium of Australian and international universities, research centres and financial organisations and is led by the University of New South Wales.
- 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 also made to eligible HIH insurance policy holders under the HIH Claims Support Scheme under this program. Payments are not classified as expenses and therefore do not appear in Table 2.4. The HIH Claims Support Scheme is now focused on finalising remaining claims so assistance can be paid, and the claims portfolio wound-up.
- The Superannuation Consumer Centre (SCC) will be a non-profit organisation with a primary focus on superannuation policy research and related consumer advocacy. The Government will contribute \$10 million over three years to a non-government investment fund, the earnings of which will be used to fund the ongoing costs of the SCC. This contribution will be contingent upon matching funds being provided by industry.
- The Treasury will make payments to the Clean Energy Finance Corporation (CEFC) in 2013-14 and 2014-15. These payments represent the annual appropriation provided to the CEFC to support its operating costs. The CEFC is a body under the *Commonwealth Authorities and Companies Act 1997* (CAC Act). CAC Act bodies are separate, legally, from the Commonwealth and so do not debit appropriations directly or make payments from the Consolidated Revenue Fund. Therefore the responsible portfolio department receives the appropriation and pays it to the CAC Act body.
- To provide further financial assistance to four Australian Prudential Regulation Authority (APRA) regulated superannuation funds in accordance with the Minister's Determination of 2 September 2012.

Program expenses

There are no significant changes to estimates across the forward years.

Table 2.4: Program 1.3 expenses

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Administered expenses					
Annual appropriations					
Centre for International Finance and Regulation	4,500	4,000	1,000	-	-
Housing Loan Insurance Company Limited - payments in respect of insurance claims	675	675	675	675	675
Contribution to the Superannuation Consumer Centre	1,000	2,000	7,000	-	-
Payment to CAC Act bodies - CEFC	-	18,062	18,190	-	-
Special appropriations					
<i>Superannuation Industry (Supervision) Act 1993</i> - financial assistance grant to compensate fund members for the collapse of Trio	16,720	-	-	-	-
Total administered expenses	22,895	24,737	26,865	675	675
Total program expenses	22,895	24,737	26,865	675	675

Program deliverables

The Centre for International Finance and Regulation was established in 2011-12, with the consortium led by the University of New South Wales selected through a competitive tender process.

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.

The contribution to the SCC has been made according to the agreed funding schedule.

Payments of further financial assistance to compensate members of four APRA regulated superannuation funds that invested in Trio have been made in accordance with the Minister's Determination of 2 September 2012.

Program key performance indicators

Payments for the Centre for International Finance and Regulation will be made according to the agreed funding schedule.

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 contribution to the SCC is made according to the agreed funding schedule.

Payments of further financial assistance to compensate members of four APRA regulated superannuation funds that invested in Trio are made in accordance with the Minister's Determination of 2 September 2012.

Program 1.4: General Revenue Assistance

Program objective

The Government will make general revenue assistance payments to the States and Territories.

Under the *Intergovernmental Agreement on Federal Financial Relations*, the States are entitled to receive payments from the Commonwealth equivalent to the revenue received from the GST. This funding is provided to the States without conditions, to spend according to their own budget priorities.

In addition, the Government will make payments of other general revenue assistance to the States, to spend without conditions, consisting of:

- 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 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 2013-14*.

Program expenses

Explanation of changes to program estimates across the forward years can be found in Budget Paper No. 3, *Australia's Federal Relations 2013-14*.

Table 2.5: Program 1.4 expenses

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Special appropriations					
GST Revenue Entitlements - <i>Federal Financial Relations Act 2009</i>	47,700,000	50,250,000	52,820,000	55,800,000	58,670,000
Special accounts					
COAG Reform Fund					
ACT Municipal Services	36,832	37,495	38,208	38,934	39,634
Reduced Royalties	63,088	41,743	45,594	49,304	46,153
Royalties	1,060,715	830,207	826,288	815,472	816,606
Taxation Compensation in Respect of Snowy Hydro Limited	74,401	74,401	74,401	74,401	74,401
Total program expenses	48,935,036	51,233,846	53,804,491	56,778,111	59,646,794

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 to the States and Territories to be spent in the delivery of healthcare services.

On 2 August 2011, COAG agreed to the *National Health Reform Agreement*, a nationally significant agreement to improve health outcomes for all Australian's and the financial sustainability of the Australian health system.

Under this Agreement, National Health Reform funding comprises two elements: National Health Reform base funding to be provided from 1 July 2012 sourced from the existing National Healthcare SPP; and efficient growth funding to be provided from 2014-15. National Health Reform funding is paid into a National Health Funding Pool to support public hospital services.

Program expenses

Explanation of changes to program estimates across the forward years can be found in Budget Paper No. 3, *Australia's Federal Relations 2013-14*.

Table 2.6: Program 1.5 expenses

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Special appropriations					
National Health Reform funding - <i>Federal Financial Relations Act 2009</i>	13,280,449	14,040,015	15,531,098	17,164,138	18,956,073
Total program expenses	13,280,449	14,040,015	15,531,098	17,164,138	18,956,073

Note: The *Federal Financial Relations Act 2009* has been amended to implement the *National Health Reform Agreement*.

Program deliverables

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

Program key performance indicators

As of 1 July 2012, National Health Reform funding has replaced the National Healthcare SPP, with funding paid into a National Health Funding Pool.

An Administrator has been jointly established by the Commonwealth and the States, and is responsible for calculating the Commonwealth funding amount for public hospitals, and advising the Treasurer of the level of Commonwealth funding.

The Administrator is also responsible for making payments from the National Health Funding Pool of Commonwealth and State funding to Local Hospital Networks on an activity basis. The Administrator transparently reports monthly on the amounts paid through the National Health Funding Pool to Local Hospital Networks, the basis on which payments were made and the number of services provided.

Program 1.6: Assistance to the States for Schools

Program objective

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

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 expenses

Explanation of changes to program estimates across the forward years can be found in Budget Paper No. 3, *Australia's Federal Relations 2013-14*.

Table 2.7: Program 1.6 expenses

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Special appropriations					
National Schools SPP - Government schools <i>Federal Financial Relations Act 2009</i>	3,944,991	2,112,164	-	-	-
Total program expenses	3,944,991	2,112,164	-	-	-

Note: The 2013-14 amount includes funding to 31 December 2013. From 1 January 2014 and across the forward estimates, the National Schools SPP will be appropriated under the proposed Australian Education Act and be reported in the Education, Employment and Workplace Relations portfolio. The non-government schools component of the National Schools SPP for 2012-13, and to 31 December 2013, appears in the Education, Employment and Workplace Relations portfolio and in Budget Paper No. 3, *Australia's Federal Relations 2013-14*.

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 the *Standing Council for Federal Financial Relations* demonstrating expenditure of the National Schools SPP within the sector in accordance with the *Intergovernmental Agreement on Federal Financial Relations*.

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

Program objective

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

Program expenses

Explanation of changes to program estimates across the forward years can be found in Budget Paper No. 3, *Australia's Federal Relations 2013-14*.

Table 2.8: Program 1.7 expenses

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Special appropriations					
National Skills and Workforce Development SPP - <i>Federal Financial Relations Act 2009</i>	1,387,532	1,408,969	1,436,163	1,462,660	1,489,646
Total program expenses	1,387,532	1,408,969	1,436,163	1,462,660	1,489,646

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 the *Standing Council for Federal Financial Relations* demonstrating expenditure of the National Skills and Workforce Development SPP within the sector in accordance with the *Intergovernmental Agreement on Federal Financial Relations*.

Program 1.8: Assistance to the States for Disability Services

Program objective

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

From 2011-12, an adjustment is made to the National Disability SPP to ensure that the changes to Commonwealth and State roles and responsibilities for aged care and disability services, as part of the *National Health Reform* arrangements, are budget neutral.

Program expenses

Explanation of changes to program estimates across the forward years can be found in Budget Paper No. 3, *Australia's Federal Relations 2013-14*.

Table 2.9: Program 1.8 expenses

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Special appropriations					
National Disability Services SPP - <i>Federal Financial Relations Act 2009</i>	1,272,943	1,336,322	1,408,119	1,474,593	1,545,181
Changed roles and responsibilities - adjustment to achieve budget neutrality	(28,825)	(98,686)	(99,123)	(103,649)	(106,797)
Total program expenses	1,244,118	1,237,636	1,308,996	1,370,944	1,438,384

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 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 SPP in the disability services sector. Each State and Territory Treasurer will provide a report to the *Standing Council for Federal Financial Relations* demonstrating expenditure of the National Disability SPP within the sector in accordance with the *Intergovernmental Agreement on Federal Financial Relations*

Program 1.9: Assistance to the States for Affordable Housing

Program objective

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

Program expenses

Explanation of changes to program estimates across the forward years can be found in Budget Paper No. 3, *Australia's Federal Relations 2013-14*.

Table 2.10: Program 1.9 expenses

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Special appropriations					
National Affordable Housing SPP - <i>Federal Financial Relations Act 2009</i>	1,263,727	1,282,683	1,307,054	1,330,581	1,354,531
Total program expenses	1,263,727	1,282,683	1,307,054	1,330,581	1,354,531

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 the *Standing Council for Federal Financial Relations* demonstrating expenditure of the National Affordable Housing SPP within the sector in accordance with the *Intergovernmental Agreement on Federal Financial Relations*.

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; Defence portfolio; Education, Employment and Workplace Relations portfolio; Families, Housing, Community Services and Indigenous Affairs portfolio; Finance and Deregulation portfolio; Health and Ageing portfolio; Industry, Innovation, Climate Change, Science, Research and Tertiary Education portfolio; Infrastructure and Transport portfolio; Prime Minister and Cabinet portfolio; Regional Australia, Local Government, Arts and Sport portfolio; Resources, Energy and Tourism portfolio; and Sustainability, Environment, Water, Population and Communities portfolio. Also refer to Budget Paper No. 3, *Australia's Federal Relations 2013-14*.

Program expenses

Explanation of changes to program estimates across the forward years can be found in Budget Paper No. 3, *Australia's Federal Relations 2013-14*.

Table 2.11: Program 1.10 expenses

	2012-13	2013-14	2014-15	2015-16	2016-17
Agency PBS Program	Revised budget \$'000	Budget \$'000	Forward year 1 \$'000	Forward year 2 \$'000	Forward year 3 \$'000
Special accounts					
COAG Reform Fund					
Agriculture, Fisheries and Forestry portfolio					
Pilot of drought reform measures in Western Australia	1.11	7,772	1,157	-	-
Exotic Disease Preparedness Program	2.2	414	423	430	439
Animal and plant pest and disease eradication	2.2	10,000	12,927	12,897	12,883
Total		18,186	14,507	13,327	13,322
Attorney-General's portfolio					
Legal assistance services	1.3	198,087	200,550	204,562	208,245
ACT Emergency Services	1.6	4,000	4,000	-	-
Secure Schools Program	1.6	2,188	-	-	-
Natural disaster resilience	1.7	24,032	30,668	26,100	26,100
Natural disaster recovery and rebuilding relief appeals – Commonwealth contributions	1.7	1,000	-	-	-
Natural Disaster Relief and Recovery Arrangements	1.7	1,893,305	146,809	96,679	22,409
Total		2,122,612	382,027	327,341	256,754
Broadband, Communications and the Digital Economy portfolio					
Digital Regions Initiative	1.2	12,114	-	-	-
Digital Regions Initiative - Local Government	1.2	4	-	-	-
Remote Indigenous public internet access	1.2	2,760	2,105	2,150	2,191
Total		14,878	2,105	2,150	2,191
Defence portfolio					
School Pathways Program	1.3	1,705	1,287	-	-
Total		1,705	1,287	-	-
Education, Employment and Workplace Relations portfolio					
Stronger Futures in the Northern Territory - Building a Quality School Workforce - Quality Teaching	1.1	-	6,275	12,550	12,550
Stronger Futures in the Northern Territory - Building a quality teachers' workforce - Additional Teachers	1.1	-	10,315	22,925	23,360
					17,924

Table 2.11: Program 1.10 expenses (continued)

	Agency PBS Program	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Education, Employment and Workplace Relations portfolio (continued)						
Stronger Futures in the Northern Territory - Building a quality teachers' workforce -Teacher housing	1.1	-	2,392	3,813	4,467	5,724
Early childhood education – universal access to early childhood education	1.3	461,700	406,000	234,900	-	-
Indigenous early childhood development – children and family centres	1.3	56,535	78,024	-	-	-
National quality agenda for early childhood education and care	1.3	21,328	19,080	nfp	nfp	nfp
TAFE fee waivers for childcare qualifications	1.3	15,991	15,382	10,528	-	-
More support for students with disabilities	2.1	61,658	61,620	46,357	-	-
Closing the Gap in the Northern Territory - Supporting remote schools - additional teachers	2.2	12,400	-	-	-	-
Stronger Futures in the Northern Territory - Expansion of the school enrolment and attendance measure	2.3	1,870	2,238	2,302	2,187	2,251
Trade training centres in schools	2.4	130,013	69,115	82,143	87,630	227,124
Digital education revolution	2.5	126,000	-	-	-	-
Improving Literacy and Numeracy - Government Schools	2.6	125,020	62,645	-	-	-
Improving Literacy and Numeracy - Non-Government Schools	2.6	36,177	18,129	-	-	-
Smarter schools - Low socio-economic status school communities	2.8	362,911	141,285	-	-	-
Improving teacher quality - Reward funding	2.9	-	175,000	-	-	-
Improving teacher quality - Project and facilitation funding	2.9	18,000	-	-	-	-

Table 2.11: Program 1.10 expenses (continued)

	2012-13	2013-14	2014-15	2015-16	2016-17
Agency PBS Program	Revised budget \$'000	Budget \$'000	Forward year 1 \$'000	Forward year 2 \$'000	Forward year 3 \$'000
Education, Employment and Workplace Relations portfolio (continue)					
Youth attainment and transitions					
- Maximising engagement, attainment and successful transitions	2.11	37,502	18,751	-	-
- Year 12 attainment and transitions	2.11	-	53,332	-	-
Rewards for great teachers	2.15	8,241	-	-	-
Total		1,475,346	1,139,583	415,518	130,194
Families, Housing, Community Services and Indigenous Affairs portfolio					
Assistance to States for DisabilityCare Australia	1.1	-	-	73,900	188,500
Pay equity for the Social and Community Services Sector	3.6	24,541	55,499	85,087	150,541
Assist Preparation Towards the Launch of the National Disability Insurance Scheme	5.6	1,096	7,128	4,316	616
Homelessness	2.2	156,501	154,970	-	-
Certain concessions for pensioners and senior card holders					
- Certain concessions for pensioners	3.5	270,509	279,685	291,178	303,231
- National reciprocal transport concessions	4.2	12,500	12,500	12,500	12,500
Remote Indigenous housing	7.2	303,208	541,078	485,600	368,176
Stronger Futures in the Northern Territory					
- Tackling alcohol abuse	7.5	3,411	3,621	3,590	3,718
- Remote engagement and coordination	7.5	3,305	4,214	4,169	3,700
- Municipal and essential services	7.5	5,000	20,480	20,931	21,391
- Housing	7.5	27,335	51,194	55,824	52,249
- Community safety and justice	7.5	21,406	40,346	34,914	35,648
- Child, youth, family and community wellbeing	7.5	13,363	13,644	11,293	11,584
- Alice Springs Transformation plan	7.5	2,247	4,653	4,175	1,796
Total		844,422	1,189,012	1,013,577	1,005,092

Table 2.11: Program 1.10 expenses (continued)

	2012-13	2013-14	2014-15	2015-16	2016-17	
Agency PBS Program	Revised budget \$'000	Budget \$'000	Forward year 1 \$'000	Forward year 2 \$'000	Forward year 3 \$'000	
Finance and Deregulation portfolio						
Provision of Fire Services	1.1	17,732	18,352	18,995	19,660	20,347
Seamless national economy	1.1	64,055	130,885	-	-	-
Total		81,787	149,237	18,995	19,660	20,347
Health and Ageing portfolio						
National bowel cancer screening program - participant follow-up function	1.1	1,398	1,832	1,866	2,185	-
Expansion of the BreastScreen Australia Program	1.1	-	9,845	10,402	12,005	14,181
Health Services						
- Victorian cytology service	1.1	8,085	8,472	8,905	9,350	9,818
- Early intervention pilot program	1.3	222	-	-	-	-
- Reducing acute rheumatic heart fever among Indigenous children	8.1	2,523	2,571	2,622	2,682	2,727
- Sexual assault counselling in remote Northern Territory areas	8.1	1,290	-	-	-	-
Health Services						
- National antimicrobial utilisation – surveillance program	10.5	150	150	-	-	-
- Vaccine-preventable diseases surveillance	10.5	781	795	814	830	845
- National perinatal depression initiative	11.1	6,090	10,810	8,200	8,200	8,200
- Northern Territory medical school – funding contribution	12.2	2,212	2,250	2,288	2,329	2,371
- Torres Strait health protection strategy – mosquito control	14.1	929	942	960	977	995
National Coronial Information System	1.3	407	424	440	-	-
Essential vaccines	1.5	227,569	259,868	252,972	251,912	259,612
BreastScreen Australia radiography workforce initiatives	1.6	204	-	-	-	-
Preventive health						
- Enabling infrastructure	1.6	2,500	-	-	-	-
- Healthy children	1.6	23,850	28,860	28,860	28,860	105,760
- Healthy workers	1.6	21,150	24,652	24,652	24,652	24,652
- Social marketing	1.6	6,000	-	-	-	-

Table 2.11: Program 1.10 expenses (continued)

	2012-13	2013-14	2014-15	2015-16	2016-17
Agency PBS Program	Revised budget \$'000	Budget \$'000	Forward year 1 \$'000	Forward year 2 \$'000	Forward year 3 \$'000
Health and Ageing portfolio (continued)					
Other Health infrastructure payments					
- Tasmanian health package - Radiation oncology services in North/North West Tasmania	3.5	400	-	-	-
- Funding for Grafton Hospital	13.3	2,000	-	-	-
Aged care assessment	4.1	8,687	-	-	-
Transitioning responsibilities for aged care and disability services					
- Basic Community care maintenance and support services	4.2	500,757	542,383	nfp	nfp
- Specialist disability services	4.4	116,128	165,336	184,862	206,939
Home and Community Care - services for veterans	4.4	8,307	8,137	-	-
Financial assistance for long stay older patients	4.4	92,429	78,231	-	-
Closing the Gap in the Northern Territory - Indigenous health and related services	8.1	437	-	-	-
Indigenous early childhood development - antenatal and reproductive health	8.1	24,257	24,363	5,954	-
Improving ear health services for Indigenous Australian children	8.1	6,531	677	-	-
Improving trachoma control services for Indigenous Australians	8.1	3,925	4,392	4,079	4,161
Accommodation related to renal services for Aboriginal and Torres Strait Islander peoples in the Northern Territory	8.1	-	10,000	-	-
Torres Strait health protection strategy - Saibai Island Health Clinic	8.1	1,500	500	500	-
Renal dialysis services in Central Australia	8.1	1,600	1,700	1,700	-

Table 2.11: Program 1.10 expenses (continued)

	Agency PBS Program	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Health and Ageing portfolio (continued)						
Stronger Futures in the Northern Territory						
- Oral health services component	8.1	2,343	2,564	2,604	2,535	2,650
- Mobile Outreach Service plus component	8.1	4,300	4,386	4,474	4,563	4,770
- Hearing health services component	8.1	2,416	2,816	3,184	3,114	3,255
Health and Hospitals fund	10.1	463,072	509,058	562,135	393,415	38,236
Improving Health Services in Tasmania						
- Cradle Coast Connected Care Clinical Repository	10.2	250	250	250	250	-
- Innovative flexible funding for mental health	11.1	1,050	1,050	1,025	1,025	-
- Better access to community based palliative care services	13.3	5,810	1,790	1,700	1,700	-
- Reducing Elective Surgery Waiting Lists in Tasmania	13.3	8,831	8,345	7,119	6,228	-
- Walk-in centres in Hobart and Launceston	13.3	4,744	6,936	5,087	5,135	-
Canberra Hospital - dedicated paediatric emergency care	10.6	-	-	5,000	-	-
Supporting National Mental Health Reform	11.1	43,298	50,604	51,560	45,251	-
Expanding the Early Psychosis Prevention and Intervention Centre model	11.1	28,200	50,200	70,200	80,200	80,200
Hepatitis C settlement fund	13.1	700	713	726	740	-
Public dental waiting list program	13.3	69,200	155,200	119,600	-	-
Adult Public Dental Services	13.3	-	-	200,000	295,000	390,000
Health care grants for the Torres Strait	13.3	5,289	4,449	4,515	4,596	4,679
Hospital and health workforce reform - activity based funding	13.3	42,970	-	-	-	-

Table 2.11: Program 1.10 expenses (continued)

	2012-13	2013-14	2014-15	2015-16	2016-17
Agency PBS Program	Revised budget \$'000	Budget \$'000	Forward year 1 \$'000	Forward year 2 \$'000	Forward year 3 \$'000
Health and Ageing portfolio (continued)					
Improving Public Hospital Services					
- Flexible funding for emergency departments, elective surgery and subacute care	13.3	25,000	1,073	-	-
- National elective surgery target					
- Facilitation and Reward funding	13.3	-	51,747	49,490	49,490
- Capital funding	13.3	-	1,244	-	-
Improving Public Hospital Services					
- National emergency access target for emergency departments					
- Facilitation and Reward funding	13.3	50,002	51,717	49,999	49,999
- Capital funding	13.3	50,000	1,941	-	-
- New subacute beds guarantee funding	13.3	446,500	632,500	-	-
OzFoodNet	14.1	1,644	1,664	1,696	1,727
Royal Darwin hospital - equipped, prepared, and ready	14.1	14,756	14,949	15,247	15,521
Total		2,342,693	2,742,386	1,695,687	1,515,571
Infrastructure and Transport portfolio					
Nation Building Plan for the Future					
- Building Australia Fund	1.1	323,000	58,000	64,500	20,000
- Major Cities	1.1	101,200	-	-	-
Managed motorways	1.1	10,046	24,444	-	-
Nation Building Program					
- Black spot projects	1.1	63,799	64,502	60,000	60,000
- Heavy vehicle safety and productivity	1.1	2,344	40,000	48,000	40,000
- Improving the national network	1.1	750	760	-	-
- Investment	1.1	110,398	297,808	387,700	133,000
- Off-network projects	1.1	137,238	112,134	423,800	11,500
- Road	1.1	1,520,275	2,722,712	2,147,500	2,079,200
Liveable cities	1.1	3,900	3,180	nfp	nfp
Regional Infrastructure Fund - Stream 1 and 2					
Building Australia fund - Rail Projects	1.1	105,300	163,300	613,800	648,600
	1.1	567,400	891,000	500,000	775,400
				732,100	-

Table 2.11: Program 1.10 expenses (continued)

		2012-13		2014-15	2015-16	2016-17
	Agency	Revised	2013-14	Forward	Forward	Forward
	PBS	budget	Budget	year 1	year 2	year 3
	Program	\$'000	\$'000	\$'000	\$'000	\$'000
Infrastructure and Transport portfolio (continued)						
Nation Building Off-Network Projects - Rail	1.1	197,976	168,357	458,100	470,400	288,000
Local Government and Regional Development - Infrastructure employment projects	1.1	2,000	-	-	-	-
National transport regulator reforms						
- National Heavy Vehicles Transport Regulator	2.2	998	-	-	-	-
- National Rail Safety Regulator	2.2	602	-	-	-	-
Interstate road transport	2.2	77,730	80,839	84,072	87,435	90,934
Abt Railway	2.2	6,000	-	-	-	-
National Transport Regulators						
- Establishment Costs - Heavy Vehicles	2.2	13,867	-	-	-	-
- Establishment Costs - Rail	2.2	7,383	-	-	-	-
Total		3,252,206	4,627,036	4,787,472	4,282,235	3,588,834
Industry, Innovation, Climate Change, Science Research and Tertiary Education						
National Solar Schools Program	1.2	20,852	17,951	-	-	-
Industry and Indigenous Skills Centres	3.5	2,931	-	-	-	-
Education Investment Fund	3.5	3,769	-	-	-	-
Building Australia's Future Workforce						
- Training places for single and teen parents	3.5	20,000	26,668	26,668	-	-
- Skills Reform	3.5	238,351	238,351	377,212	377,439	516,328
Joint Group Training Program	3.5	11,069	-	-	-	-
Total		296,972	282,970	403,880	377,439	516,328
Prime Minister and Cabinet portfolio						
2014 G20 Leaders' Summit Security	1.1	8,500	35,000	54,000	-	-
Total		8,500	35,000	54,000	-	-

Table 2.11: Program 1.10 expenses (continued)

	Agency PBS Program	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Sustainability, Environment, Water, Population and Communities portfolio (continued)						
Water for the Future	4.1					
- National Urban Water and Desalination Plan	4.1	50,960	5,590	1,550	-	-
- National Water Security Plan for Cities and Towns	4.1	30,176	20,565	8,910	2,945	-
- Sustainable Rural Water Use and Infrastructure	4.1	199,512	373,800	427,914	343,038	262,560
Coal seam gas and large coal mining development	4.1	6,500	20,000	-	-	-
Implementing Water Reform in the Murray-Darling Basin	4.1	6,000	13,500	20,000	20,000	20,000
Total		485,567	461,532	471,369	378,716	292,543
Treasury portfolio						
Moneysmart Teaching Implementation of the National Insurance Affordability Initiative	1.1	705	1,280	1,210	1,324	1,542
First Home Owners Boost	1.1	-	50,000	50,000	-	-
Total		3,754	51,280	51,210	1,324	1,542
Total program expenses		10,966,356	11,079,773	9,264,526	7,982,498	7,445,385

Note: These items can also be found in Budget Paper No. 3, *Australia's Federal Relations 2013-14*.

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 authorisations from the relevant agency 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 2012-13. 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 movements 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 balance 2013-14 2012-13	Receipts non- appropriated 2013-14 2012-13	Receipts appropriated 2013-14 2012-13	Payments 2013-14 2012-13	Closing balance 2013-14 2012-13
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Actuarial Services Special Account(D)	1	2,282 2,282	1,269 1,629	- -	1,269 1,629	2,282 2,282
Clean Energy Finance Corporation Special Account(A)	1	- -	5,158 -	2,000,000 -	1,034,398 -	970,760 -
COAG Reform Fund Special Account(A)	1	- -	13,817,587 10,852,315	- -	13,817,587 10,852,315	- -
Financial System Stability Special Account(A)	1	- -	- -	- -	- -	- -
Services for Other Entities and Trust Moneys Special Account - Department of the Treasury(A/D)	1	- -	- -	- -	- -	- -
Total special accounts 2013-14 Budget estimate		2,282	13,824,014	2,000,000	14,853,254	973,042
Total special accounts 2012-13 estimate actual		2,282	10,853,944	-	10,853,944	2,282

(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 agency resourcing and financial statements.

3.2.2 Analysis of budgeted financial statements

The Treasury is budgeting for a break-even operating result, after non-appropriated expenses such as depreciation are removed, in 2013-14 and the forward estimates.

The Treasury has a sound financial position and 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: Comprehensive income statement (Showing Net Cost for Services)
(for the period ended 30 June)**

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
EXPENSES					
Employee benefits	124,211	121,033	120,098	116,812	115,213
Supplier	37,675	47,280	49,810	36,233	36,798
Grants	4,637	1,501	2,506	2,481	1,481
Payment to CAC Act body	18,383	-	-	-	-
Depreciation and amortisation	12,468	8,625	7,762	6,987	6,161
Total expenses	197,374	178,439	180,176	162,513	159,653
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	9,802	7,416	7,638	7,868	8,104
Other revenue	850	850	850	850	850
Total revenue	10,652	8,266	8,488	8,718	8,954
Gains					
Other gains	550	550	550	550	550
Total gains	550	550	550	550	550
Total own-source income	11,202	8,816	9,038	9,268	9,504
Net cost of (contribution by) services	186,172	169,623	171,138	153,245	150,149
Appropriation revenue	173,704	160,998	163,376	146,258	143,988
Surplus (deficit) attributable to the Australian Government	(12,468)	(8,625)	(7,762)	(6,987)	(6,161)
Note: Impact of Net Cash Appropriation Arrangements					
	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Total Comprehensive Income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
plus depreciation/amortisation expenses previously funded through revenue appropriations	(12,468)	(8,625)	(7,762)	(6,987)	(6,161)
Total Comprehensive Income (loss) - as per the Statement of Comprehensive Income	(12,468)	(8,625)	(7,762)	(6,987)	(6,161)

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
ASSETS					
Financial assets					
Cash and equivalents	1,108	1,108	1,108	1,108	1,108
Trade and other receivables	57,141	59,141	61,141	63,141	65,141
Total financial assets	58,249	60,249	62,249	64,249	66,249
Non-financial assets					
Land and buildings	8,217	7,318	6,159	5,215	4,466
Infrastructure, plant and equipment	8,825	6,678	5,648	5,057	5,047
Intangibles	8,114	7,801	7,670	7,702	7,881
Other	2,502	2,502	2,502	2,502	2,502
Total non-financial assets	27,658	24,299	21,979	20,476	19,896
Total assets	85,907	84,548	84,228	84,725	86,145
LIABILITIES					
Provisions					
Employees	46,600	48,600	50,600	52,600	54,600
Total provisions	46,600	48,600	50,600	52,600	54,600
Payables					
Suppliers	311	311	311	311	311
Other	4,554	4,554	4,554	4,554	4,554
Total payables	4,865	4,865	4,865	4,865	4,865
Total liabilities	51,465	53,465	55,465	57,465	59,465
Net assets	34,442	31,083	28,763	27,260	26,680
EQUITY					
Parent entity interest					
Contributed equity	39,917	45,183	50,625	56,109	61,690
Reserves	5,186	5,186	5,186	5,186	5,186
Retained surpluses or accumulated deficits	(10,661)	(19,286)	(27,048)	(34,035)	(40,196)
Total equity	34,442	31,083	28,763	27,260	26,680
Current assets	60,751	62,751	64,751	66,751	68,751
Non-current assets	25,156	21,797	19,477	17,974	17,394
Current liabilities	47,348	49,188	51,028	52,868	54,708
Non-current liabilities	4,117	4,277	4,437	4,597	4,757

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	9,802	7,416	7,638	7,868	8,104
Appropriations	171,704	158,998	161,376	144,258	141,988
Other	850	850	850	850	850
Total cash received	182,356	167,264	169,864	152,976	150,942
Cash used					
Employees	122,211	119,033	118,098	114,812	113,213
Suppliers	37,125	46,730	49,260	35,683	36,248
Grants	23,020	1,501	2,506	2,481	1,481
Total cash used	182,356	167,264	169,864	152,976	150,942
Net cash from or (used by) operating activities	-	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	6,849	5,266	5,442	5,484	5,581
Total cash used	6,849	5,266	5,442	5,484	5,581
Net cash from or (used by) investing activities	(6,849)	(5,266)	(5,442)	(5,484)	(5,581)
FINANCING ACTIVITIES					
Cash received					
Appropriations - equity injections	1,631	-	-	-	-
Appropriations - DCB	5,218	5,266	5,442	5,484	5,581
Total cash received	6,849	5,266	5,442	5,484	5,581
Net cash from or (used by) financing activities	6,849	5,266	5,442	5,484	5,581
Net increase or (decrease) in cash held	-	-	-	-	-
Cash at the beginning of the reporting period	1,108	1,108	1,108	1,108	1,108
Cash at the end of the reporting period	1,108	1,108	1,108	1,108	1,108

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget year 2013-14)

	Retained surpluses \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2013					
Balance carried forward from previous period	(10,661)	5,186	-	39,917	34,442
Adjusted opening balance	(10,661)	5,186	-	39,917	34,442
Comprehensive income					
Surplus (deficit) for the period	(8,625)	-	-	-	(8,625)
Total comprehensive income recognised directly in equity	(8,625)	-	-	-	(8,625)
Transactions with owners					
<i>Distributions to owners</i>					
Restructuring	-	-	-	-	-
<i>Contributions by owners</i>					
Appropriation (equity injection)	-	-	-	-	-
Appropriation (departmental capital budget)	-	-	-	5,266	5,266
Total transactions with owners	-	-	-	5,266	5,266
Estimated closing balance as at 30 June 2014	(19,286)	5,186	-	45,183	31,083

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget (DCB) statement

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 - DCB	5,218	5,266	5,442	5,484	5,581
Total equity injections	1,631	-	-	-	-
Total new capital appropriations	6,849	5,266	5,442	5,484	5,581
Provided for:					
Purchase of non-financial assets	6,849	5,266	5,442	5,484	5,581
Total Items	6,849	5,266	5,442	5,484	5,581
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	1,631	-	-	-	-
Funded by capital appropriation - DCB	5,218	5,266	5,442	5,484	5,581
TOTAL	6,849	5,266	5,442	5,484	5,581
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	6,849	5,266	5,442	5,484	5,581
Total cash used to acquire assets	6,849	5,266	5,442	5,484	5,581

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of asset movements — departmental

	Buildings \$'000	Other infrastructure, plant and equipment \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2013				
Gross book value	12,681	16,717	11,575	40,973
Accumulated depreciation/amortisation and impairment	4,464	7,892	3,461	15,817
Opening net book balance	8,217	8,825	8,114	25,156
Capital asset additions				
By purchase - appropriation DCB	1,500	2,266	1,500	5,266
Total additions	1,500	2,266	1,500	5,266
Other movements				
Depreciation/amortisation expense	2,399	4,413	1,813	8,625
Total other movements	2,399	4,413	1,813	8,625
As at 30 June 2014				
Gross book value	14,181	18,983	13,075	46,239
Accumulated depreciation/amortisation and impairment	6,863	12,305	5,274	24,442
Closing net book balance	7,318	6,678	7,801	21,797

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 actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants	81,058,357	82,419,148	82,725,182	86,098,932	90,340,813
Interest	4,670	3,678	3,686	3,711	3,735
Other	675	675	675	675	675
Fair value loss on NDRRA provision	74,043	-	-	-	-
Total expenses administered on behalf of government	81,137,745	82,423,501	82,729,543	86,103,318	90,345,223
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Goods and services	1,306,604	1,086,208	814,044	764,141	628,139
Interest	2,690	11,015	27,066	45,489	50,407
Dividends	-	75,000	75,000	75,000	75,000
Nation Building and COAG transfers	1,459,512	1,594,396	1,295,794	1,423,433	468,211
Other sources of non-taxation revenues	4,160	4,000	4,000	4,000	4,000
Total non-taxation revenue	2,772,966	2,770,619	2,215,904	2,312,063	1,225,757
Total own-source revenues administered on behalf of Government	2,772,966	2,770,619	2,215,904	2,312,063	1,225,757
Gains					
Foreign exchange	80,813	72,456	99,799	54,488	7,398
Total gains administered on behalf of government	80,813	72,456	99,799	54,488	7,398
Total own-sourced income administered on behalf of Government	2,853,779	2,843,075	2,315,703	2,366,551	1,233,155
Net Cost of (contribution by) services	78,283,966	79,580,426	80,413,840	83,736,767	89,112,068
Surplus (Deficit)	(78,283,966)	(79,580,426)	(80,413,840)	(83,736,767)	(89,112,068)

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 actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	1,735	1,735	1,735	1,735	1,735
Advances and loans	866,931	1,251,570	1,466,370	1,466,593	901,439
Receivables	973,689	652,740	269,683	113,760	81,758
Investments	12,731,042	18,542,645	20,088,128	21,871,844	23,542,636
Total financial assets	14,573,397	20,448,690	21,825,916	23,453,932	24,527,568
Non financial assets					
Prepayments	209,342	59,849	59,849	59,849	59,849
Total non financial assets	209,342	59,849	59,849	59,849	59,849
Total assets administered on behalf of government	14,782,739	20,508,539	21,885,765	23,513,781	24,587,417
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Interest bearing liabilities					
Loans	3,175,916	6,452,750	5,978,102	5,956,182	5,933,871
Other	4,585,807	4,626,724	4,667,495	4,708,304	4,708,304
Total interest bearing liabilities	7,761,723	11,079,474	10,645,597	10,664,486	10,642,175
Payables					
Grants and subsidies	5,673,974	3,770,509	954,224	115,481	114,791
Other payables	690,031	466,674	173,267	92,982	61,296
Total payables	6,364,005	4,237,183	1,127,491	208,463	176,087
Total liabilities administered on behalf of government	14,125,728	15,316,657	11,773,088	10,872,949	10,818,262
Net assets/(liabilities)	657,011	5,191,882	10,112,677	12,640,832	13,769,155

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	623,187	410,245	113,654	39,381	36,082
Interest	1,743	1,741	1,742	1,759	41,210
Dividends	675,000	150,000	150,000	150,000	75,000
COAG receipts from agencies	9,634,402	10,424,402	10,837,241	11,727,915	468,209
Other	4,160	4,000	4,000	4,000	4,000
Total cash received	10,938,492	10,990,388	11,106,637	11,923,055	624,501
Cash used					
Grant payments	87,444,275	92,298,568	94,359,874	96,516,752	89,749,121
Interest paid	3,875	3,680	3,686	3,717	3,740
Other	32,895	6,675	8,675	675	675
Total cash used	87,481,045	92,308,923	94,372,235	96,521,144	89,753,536
Net cash from or (used by) operating activities	(76,542,553)	(81,318,535)	(83,265,598)	(84,598,089)	(89,129,035)
INVESTING ACTIVITIES					
Cash received					
Other investing activities	42,592	5,158	141,538	493,008	961,228
Total cash received	42,592	5,158	141,538	493,008	961,228
Cash used					
Purchase of investments	59,949	2,731,137	2,251,579	2,101,215	2,060,950
Advances and loans	215,623	369,447	182,350	174,384	-
Other	-	-	-	-	-
Total cash used	275,572	3,100,584	2,433,929	2,275,599	2,060,950
Net cash from or (used by) investing activities	(232,980)	(3,095,426)	(2,292,391)	(1,782,591)	(1,099,722)
FINANCING ACTIVITIES					
Cash received					
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Net cash from or (used by) financing activities					
Net increase or (decrease) in cash held	(76,775,533)	(84,413,961)	(85,557,989)	(86,380,680)	(90,228,757)
Cash at beginning of reporting period	1,735	1,735	1,735	1,735	1,735
Cash from Official Public Account - appropriations	79,581,725	86,579,499	87,264,715	88,492,259	91,814,486
Cash to Official Public Account	2,806,192	2,165,538	1,706,726	2,111,579	1,585,729
Cash at end of reporting period	1,735	1,735	1,735	1,735	1,735

Prepared on Australian Accounting Standards basis.

Table 3.2.10: Schedule of administered capital budget

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
NEW CAPITAL APPROPRIATIONS					
Administered assets and liabilities	56,500	47,500	-	-	-
Special appropriations	263,072	2,016,186	684,073	216,287	51,865
Total new capital appropriations	319,572	2,063,686	684,073	216,287	51,865
Provided for:					
International Financial Institutions	263,072	2,016,186	684,073	216,287	51,865
Other	56,500	47,500	-	-	-
Total items	319,572	2,063,686	684,073	216,287	51,865

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.

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.

