

Final Budget Outcome

2015-16

September 2016

Statement by

The Honourable Scott Morrison MP

Treasurer of the Commonwealth of Australia

and

Senator the Honourable Mathias Cormann

Minister for Finance of the Commonwealth of Australia

For the information of honourable members

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FOREWORD

The *Final Budget Outcome 2015-16* has been prepared in a manner consistent with the *Charter of Budget Honesty Act 1998* (the Charter). The Charter requires that, inter alia, the Government provide a final budget outcome report no later than three months after the end of the financial year. Consistent with these requirements, this report encompasses Australian Government general government sector fiscal outcomes for the 2015-16 financial year and is based on external reporting standards.

- **Part 1** provides the general government sector budget aggregates for 2015-16 together with an analysis of the 2015-16 Final Budget Outcome. This includes summary analysis of cash flows, revenue, expenses, net capital investment and the balance sheet (net debt, net financial worth and net worth).
- **Part 2** presents the Australian Government financial statements for 2015-16 with the Australian Bureau of Statistics' (ABS) Government Finance Statistics (GFS) as the basis for accounting policy, except for where the Government has decided to depart because Australian Accounting Standards provide a better conceptual treatment for presenting information of relevance to users of public sector financial reports. This data covers the general government sector as well as the Australian Government public corporations sectors.
- **Part 3** provides details for 2015-16 on Australia's Federal Relations, updated from that contained in the 2016-17 Budget Paper No. 3, *Federal Financial Relations*.

Appendix A contains expenses data on a functional and sub-functional basis. Historical Australian Government data are presented in **Appendix B**.

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Notes

- (a) The following definitions are used in this Budget Paper:
- ‘real’ means adjusted for the effect of inflation;
 - real growth in expenses and payments is calculated using the Consumer Price Index (CPI) as the deflator; and
 - one billion is equal to one thousand million.
- (b) Figures in tables and generally in the text have been rounded. Discrepancies in tables between totals and sums of components are due to rounding:
- figures under \$100,000 are rounded to the nearest thousand;
 - figures \$100,000 and over are generally rounded to the nearest tenth of a million;
 - figures midway between rounding points are rounded up; and
 - the percentage changes in statistical tables are calculated using unrounded data.
- (c) For the budget balance, a negative sign indicates a deficit while no sign indicates a surplus.
- (d) The following notations are used:
- | | |
|---------|---------------------------------------------|
| - | nil |
| na | not applicable (unless otherwise specified) |
| .. | not zero, but rounded to zero |
| \$m | millions of dollars |
| \$b | billions of dollars |
| NEC/nec | not elsewhere classified |

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

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

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

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

PART 1: AUSTRALIAN GOVERNMENT BUDGET OUTCOME

OVERVIEW

In 2015-16, the Australian Government general government sector recorded an underlying cash deficit of \$39.6 billion (2.4 per cent of gross domestic product (GDP)). The fiscal balance was in deficit by \$37.5 billion (2.3 per cent of GDP).

In cash terms, the Final Budget Outcome for 2015-16 was a \$340 million improvement compared with the underlying cash deficit estimated at the time of the 2016-17 Budget. Total payments were \$1.6 billion lower than expected and total receipts were \$1.1 billion lower than expected. Net Future Fund earnings were \$190 million higher than expected at the time of the 2016-17 Budget.

In fiscal balance terms, the Final Budget Outcome for 2015-16 improved by \$2.0 billion compared with the fiscal balance deficit estimated at the time of the 2016-17 Budget, with revenue \$1.3 billion lower, expenses \$2.8 billion lower and net capital investment \$526 million lower than expected at the time of the 2016-17 Budget.

Real GDP grew at a rate slightly above trend in 2015-16 at 2.9 per cent, a stronger outcome than the 2½ per cent growth forecast in the 2016-17 Budget. The stronger growth was the result of larger than expected contributions from net exports, public final demand and dwelling investment. These factors, together with steady growth in household consumption, more than offset the impact on the economy of declining mining investment. Nominal GDP grew at a subdued rate in 2015-16 at 2.4 per cent, in line with the 2016-17 Budget forecast. Output prices declined as the terms of trade fell sharply and domestic price and wage growth remained soft.

Tax receipts for 2015-16 were \$362.0 billion, \$2.5 billion (0.7 per cent) lower than forecast at the 2016-17 Budget. Non-tax receipts were \$1.4 billion higher than forecast at the 2016-17 Budget.

Australian Government general government sector net debt was \$296.4 billion (18.0 per cent of GDP), which is \$10.7 billion higher than estimated at the time of the 2016-17 Budget. The increase in net debt was primarily driven by an increase in the market value of the existing stock of Commonwealth Government Securities (CGS) on issue, owing to lower-than-expected yields. Australian Government general government sector net financial worth was negative \$542.9 billion and net worth was negative \$418.6 billion at the end of 2015-16.

Table 1: Australian Government general government sector budget aggregates

	2015-16		2015-16 Outcome \$b	Change on 2016-17 Budget \$b
	2014-15 Outcome \$b	Estimate at 2016-17 Budget \$b		
Receipts	378.3	388.0	386.9	-1.1
Per cent of GDP	23.5	23.5	23.5	
Payments(a)	412.1	425.0	423.3	-1.6
Per cent of GDP	25.6	25.8	25.7	
Net Future Fund earnings	4.1	3.0	3.2	0.2
Underlying cash balance(b)	-37.9	-39.9	-39.6	0.3
Per cent of GDP	-2.4	-2.4	-2.4	
Revenue	380.7	396.4	395.1	-1.3
Per cent of GDP	23.7	24.0	23.9	
Expenses	417.9	431.5	428.7	-2.8
Per cent of GDP	26.0	26.1	26.0	
Net operating balance	-37.2	-35.1	-33.6	1.4
Net capital investment	2.7	4.4	3.8	-0.5
Fiscal balance	-39.9	-39.4	-37.5	2.0
Per cent of GDP	-2.5	-2.4	-2.3	
<i>Memorandum item:</i>				
Headline cash balance	-38.9	-51.5	-49.1	2.4

(a) Equivalent to cash payments for operating activities, purchases of non-financial assets and net acquisition of assets under finance leases.

(b) Excludes net Future Fund earnings.

UNDERLYING CASH BALANCE

The 2015-16 underlying cash deficit was \$39.6 billion, an improvement of \$340 million compared with the estimate at the time of the 2016-17 Budget. This was the result of lower payments of \$1.6 billion, partly offset by lower receipts of \$1.1 billion and higher net Future Fund earnings of \$190 million.

Table 2: Summary of Australian Government general government sector cash flows

	2015-16 Estimate at 2016-17 Budget \$b	2015-16 Outcome \$b	Change on 2016-17 Budget \$b
Cash receipts			
Operating cash receipts	387.7	386.5	-1.2
Capital cash receipts(a)	0.3	0.4	0.1
Total cash receipts	388.0	386.9	-1.1
Cash payments			
Operating cash payments	413.4	412.8	-0.6
Capital cash payments(b)	11.6	10.3	-1.2
Total cash payments	425.0	423.2	-1.8
Finance leases and similar arrangements(c)	0.0	0.2	0.2
GFS cash surplus(+)/deficit(-)	-36.9	-36.4	0.5
Per cent of GDP	-2.2	-2.2	
<i>less</i> Net Future Fund earnings	3.0	3.2	0.2
Underlying cash balance(d)	-39.9	-39.6	0.3
Per cent of GDP	-2.4	-2.4	
<i>Memorandum items:</i>			
Net cash flows from investments in financial assets for policy purposes	-14.6	-12.7	1.9
<i>plus</i> Net Future Fund earnings	3.0	3.2	0.2
Headline cash balance	-51.5	-49.1	2.4

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

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

(c) The acquisition of assets under finance leases decreases the underlying cash balance. The disposal of assets previously held under finance leases increases the underlying cash balance.

(d) Excludes net Future Fund earnings.

Receipts

Total receipts for 2015-16 were \$386.9 billion, \$1.1 billion lower than forecast in the 2016-17 Budget.

Tax receipts were \$362.0 billion, \$2.5 billion lower than in the Budget. Compared with the 2016-17 Budget, lower-than-expected company tax, individuals and other withholding tax, GST receipts and fringe benefits tax were partially offset by higher-than-expected excise and customs duty and superannuation fund tax receipts.

- Company tax receipts were \$1.8 billion (2.8 per cent) below the 2016-17 Budget estimate, consistent with continued subdued growth in company profits. In particular, receipts relating to the 2015 income year, mainly from the mining industry, were lower than expected.
- Receipts from total individuals and other withholding taxes were \$1.3 billion (0.7 per cent) below the 2016-17 Budget estimate. This primarily reflected weaker-than-expected tax withheld for employees of large companies late in the year. Lower-than-expected payments on assessment and higher-than-expected refunds related to 2014-15 income year returns also contributed to the outcome.
- Receipts from the GST were \$351 million (0.6 per cent) below the 2016-17 Budget estimate. Lower-than-expected GST receipts will be reflected in lower payments to the states.
- Fringe benefits tax receipts were \$132 million (2.9 per cent) below the 2016-17 Budget estimate, reflecting lower-than-expected on-assessment collections.
- Total excise and customs duty receipts were \$634 million (1.8 per cent) above the 2016-17 Budget estimate. This primarily reflected higher-than-anticipated receipts for tobacco excise and customs duty and diesel.
- Receipts from superannuation fund taxes were \$204 million (3.1 per cent) above the 2016-17 Budget estimate.

Non-tax receipts (excluding Future Fund receipts) were \$21.3 billion in 2015-16, \$1.2 billion higher than estimated at the time of the 2016-17 Budget. This increase largely relates to health programs, in particular greater-than-expected recoveries from the States and Territories in relation to aged care.

Table 3: Australian Government general government sector (cash) receipts

	2015-16 Estimate at 2016-17 Budget \$m	2015-16 Outcome \$m	Change on 2016-17 Budget \$m
Individuals and other withholding taxes			
Gross income tax withholding	174,200	173,436	-764
Gross other individuals	42,000	41,746	-254
<i>less: Refunds</i>	27,800	28,081	281
Total individuals and other withholding tax	188,400	187,101	-1,299
Fringe benefits tax	4,500	4,368	-132
Company tax	64,700	62,897	-1,803
Superannuation fund taxes	6,630	6,834	204
Petroleum resource rent tax	800	741	-59
Income taxation receipts	265,030	261,941	-3,089
Goods and services tax	57,808	57,457	-351
Wine equalisation tax	860	854	-6
Luxury car tax	580	602	22
Excise and customs duty			
Petrol	6,200	6,150	-50
Diesel	9,460	9,726	266
Other fuel products	2,240	2,115	-125
Tobacco	9,410	9,816	406
Beer	2,360	2,373	13
Spirits	2,040	2,068	28
Other alcoholic beverages(a)	910	912	2
Other customs duty			
Textiles, clothing and footwear	470	498	28
Passenger motor vehicles	570	614	44
Other imports	1,550	1,589	39
<i>less: Refunds and drawbacks</i>	420	436	16
Total excise and customs duty	34,790	35,424	634
Agricultural levies	514	517	3
Other taxes(b)	4,925	5,167	243
Indirect taxation receipts	99,477	100,021	544
Taxation receipts	364,507	361,962	-2,545

Table 3: Australian Government general government sector (cash) receipts (continued)

	2015-16 Estimate at 2016-17 Budget \$m	2015-16 Outcome \$m	Change on 2016-17 Budget \$m
Sales of goods and services(b)	7,686	7,592	-94
Interest received	2,842	2,936	94
Dividends	5,332	5,540	207
Other non-taxation receipts	7,660	8,895	1,234
Non-taxation receipts	23,520	24,962	1,442
Total receipts	388,027	386,924	-1,103
<i>Memorandum:</i>			
<i>Total excise</i>	<i>21,360</i>	<i>21,492</i>	<i>132</i>
<i>Total customs duty</i>	<i>13,430</i>	<i>13,932</i>	<i>502</i>
<i>Medicare and DisabilityCare Australia levy</i>	<i>14,970</i>	<i>15,000</i>	<i>30</i>

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

(b) Visa application charges were reclassified in 2015-16 MYEFO from non-taxation receipts to taxation receipts to reflect a sustained change in the nature of receipts. The back-casting relating to the reclassification is reflected in Appendix B — Historical Series from 2003-04.

Payments

Total cash payments were \$423.3 billion in 2015-16, \$1.6 billion lower than estimated at the time of the 2016-17 Budget. Total payments excluding Future Fund payments were \$422.9 billion, \$1.7 billion lower than estimated at the time of the 2016-17 Budget. The outcome reflects decreases in:

- payments to the states due to delays in the achievement of project milestones under a range of national partnership agreements, including the Asset Recycling Initiative (\$1.3 billion), the Sustainable Rural Water Use and Infrastructure program (\$285 million) and the Investment Road component of the Infrastructure Investment Programme (\$172 million);
- payments under the Building Skills and Capability program, largely reflecting lower than expected take-up of training across a range of sub-programs (\$353 million);
- payments made by the Department of Defence, largely reflecting lower than expected spending on major operations (\$165 million) and payments on capital purchases, resulting from fluctuations in the exchange rate (\$161 million);
- payments under the Child Care Benefit program, largely reflecting a reduction in child care usage following the introduction of measures to improve the integrity of the family day care sector (\$234 million);
- payments due to delays in the achievement of project milestones for the Residential and Flexible Care program (\$185 million), largely relating to flexible care — multipurpose services and the rural and remote building fund; and

- payments across a range of employment services programs (\$138 million), largely reflecting lower than expected demand for wage subsidies, employment outcome payments, Work for the Dole payments, the Employment Fund and Job Commitment Bonus.

The decreases were partially offset by the provision for underspends in the Contingency Reserve and higher than expected payments under Pharmaceuticals and Pharmaceutical Services (\$824 million), primarily as a result of greater than forecast demand for the newly listed Hepatitis C drugs.

Net Future Fund Earnings

The underlying cash balance excludes net Future Fund earnings. Net Future Fund earnings were \$3.2 billion in 2015-16, \$190 million higher than estimated at the time of the 2016-17 Budget, largely reflecting higher than estimated dividends received.

FISCAL BALANCE

The 2015-16 fiscal balance deficit was \$37.5 billion, a \$2.0 billion improvement on the deficit of \$39.4 billion estimated at the time of the 2016-17 Budget. The cash receipt and payment variations outlined previously have a similar impact on revenue and expenses since fiscal and cash variances are typically driven by the same factors. However, the improvement in the fiscal balance of \$2.0 billion, compared with the improvement in the underlying cash balance of \$340 million, is the result of additional factors, as outlined below.

Revenue

Total revenue was \$395.1 billion in 2015-16, \$1.3 billion lower than estimated at the time of the 2016-17 Budget. In comparison, total cash receipts were \$386.9 billion in 2015-16, \$1.1 billion lower than estimated at the time of the 2016-17 Budget.

Taxation revenue was \$368.9 billion in 2015-16, \$3.0 billion lower than the estimate at the 2016-17 Budget.

The shortfall in taxation revenue was mostly driven by lower-than-expected individuals and company tax revenue. Lower-than-expected revenue (of \$2.6 billion) for individuals and other withholding taxes reflect weaker-than-expected cash receipts, as well as significantly lower receivables. The company tax revenue shortfall totalled \$1.5 billion, consistent with continued subdued growth in company profits.

Total non-tax revenue was \$26.1 billion in 2015-16, \$1.6 billion higher than estimated at the 2016-17 Budget. Non-tax receipts were \$25.0 billion, \$1.4 billion higher than estimated at Budget.

The \$202 million difference in outcomes for non-tax revenue and non-tax receipts largely reflects increases in non-tax revenue, which did not have a corresponding non-tax receipt impact in 2015-16. This includes higher than expected dividend revenue compared to dividend receipts from the Reserve Bank of Australia.

Table 4: Australian Government general government sector (accrual) revenue

	2015-16 Estimate at 2016-17 Budget \$m	2015-16 Outcome \$m	Change on 2016-17 Budget \$m
Individuals and other withholding taxes			
Gross income tax withholding	175,510	174,815	-695
Gross other individuals	44,850	43,261	-1,589
<i>less: Refunds</i>	27,800	28,081	281
Total individuals and other withholding tax	192,560	189,996	-2,564
Fringe benefits tax	4,590	4,453	-137
Company tax	65,000	63,529	-1,471
Superannuation fund taxes	6,710	6,830	120
Petroleum resource rent tax(a)	840	876	36
Income taxation revenue	269,700	265,684	-4,016
Goods and services tax	60,040	60,312	272
Wine equalisation tax	880	883	3
Luxury car tax	590	620	30
Excise and customs duty			
Petrol	6,220	6,189	-31
Diesel	9,490	9,788	298
Other fuel products	2,243	2,125	-117
Tobacco	9,410	9,928	518
Beer	2,370	2,386	16
Spirits	2,040	2,071	31
Other alcoholic beverages(b)	910	917	7
Other customs duty			
Textiles, clothing and footwear	470	498	28
Passenger motor vehicles	570	614	44
Other imports	1,550	1,591	41
<i>less: Refunds and drawbacks</i>	420	436	16
Total excise and customs duty	34,853	35,671	818
Agricultural levies	514	522	8
Other taxes(c)	5,346	5,246	-100
Indirect taxation revenue	102,223	103,255	1,031
Taxation revenue	371,923	368,939	-2,984
Sales of goods and services(c)	7,697	7,619	-78
Interest	3,506	2,930	-575
Dividends	5,564	6,240	677
Other non-taxation revenue	7,706	9,326	1,620
Non-taxation revenue	24,472	26,116	1,644
Total revenue	396,396	395,055	-1,341
<i>Memorandum:</i>			
<i>Total excise</i>	21,423	21,625	202
<i>Total customs duty</i>	13,430	14,046	616
<i>Medicare and DisabilityCare Australia levy</i>	14,970	15,000	30

(a) This item includes a small amount of MRRT revenue relating to a pre-2013-14 income year which cannot be separately disclosed owing to taxpayer confidentiality. There is no corresponding cash impact for 2015-16.

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

(c) Visa application charges were reclassified in the 2015-16 MYEFO from non-taxation revenue to taxation revenue to reflect a sustained change in the nature of revenue. The back-casting relating to the reclassification is reflected in Appendix B — Historical Series from 2003-04.

Expenses and net capital investment

Total expenses were \$428.7 billion in 2015-16, \$2.8 billion lower than estimated at the time of the 2016-17 Budget. Total net capital investment for 2015-16 was \$3.8 billion, \$526 million lower than the estimate of \$4.4 billion. This results in a lower than estimated net outcome for expenses and net capital investment of \$3.3 billion.

In comparison, cash payments were \$423.3 billion in 2015-16, \$1.6 billion lower than estimated at the 2016-17 Budget.

The difference of \$1.7 billion between the lower than estimated net outcome for expenses and net capital investment of \$3.3 billion and the lower than estimated outcome for cash payments of \$1.6 billion includes: timing differences between when GST payments to the States and Territories are made and expenses accrued and a change in the discount rate used to calculate Defence superannuation.

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

Table 5: Australian Government general government sector expenses by function

	2015-16 Estimate at 2016-17 Budget \$m	2015-16 Outcome \$m	Change on 2016-17 Budget \$m
General public services			
Legislative and executive affairs	1,229	1,239	9
Financial and fiscal affairs	6,895	6,598	-297
Foreign affairs and economic aid	5,470	5,484	15
General research	2,866	2,711	-155
General services	977	731	-246
Government superannuation benefits	6,530	7,447	916
Defence	25,986	26,013	27
Public order and safety	4,958	4,823	-135
Education	32,515	32,121	-394
Health	69,172	69,301	129
Social security and welfare	152,838	152,124	-713
Housing and community amenities	4,865	4,742	-123
Recreation and culture	3,512	3,462	-50
Fuel and energy	6,528	6,423	-106
Agriculture, forestry and fishing	2,768	2,259	-509
Mining, manufacturing and construction	3,650	3,103	-547
Transport and communication	8,647	7,083	-1,564
Other economic affairs			
Tourism and area promotion	186	199	13
Total labour and employment affairs	3,528	3,078	-450
Immigration	3,792	3,741	-51
Other economic affairs nec	2,119	2,180	60
Other purposes			
Public debt interest	15,376	15,339	-37
Nominal superannuation interest	9,167	9,106	-62
General purpose inter-governmental transactions	59,380	59,160	-220
Natural disaster relief	49	224	175
Contingency reserve	-1,536	0	1,536
Total expenses	431,470	428,691	-2,779

Table 6: Australian Government general government sector net capital investment by function

	2015-16	2015-16	Change on
	Estimate at		2016-17
	2016-17	Outcome	Budget
	Budget		Budget
	\$m	\$m	\$m
General public services	458	210	-248
Defence	3,597	3,680	82
Public order and safety	101	-3	-104
Education	20	3	-17
Health	35	19	-17
Social security and welfare	65	18	-47
Housing and community amenities	1	-116	-117
Recreation and culture	87	-40	-127
Fuel and energy	-3	0	3
Agriculture, forestry and fishing	84	109	26
Mining, manufacturing and construction	-2	-4	-2
Transport and communication	-158	-176	-19
Other economic affairs	148	128	-20
Other purposes	-78	0	78
Total net capital investment	4,355	3,829	-526

Table 7: Australian Government general government sector purchases of non-financial assets by function

	2015-16	2015-16	Change on
	Estimate at		2016-17
	2016-17	Outcome	Budget
	Budget		Budget
	\$m	\$m	\$m
General public services	1,318	972	-347
Defence	7,969	7,797	-172
Public order and safety	536	435	-100
Education	47	30	-17
Health	125	117	-8
Social security and welfare	404	419	16
Housing and community amenities	56	75	19
Recreation and culture	379	416	37
Fuel and energy	2	4	1
Agriculture, forestry and fishing	131	167	35
Mining, manufacturing and construction	6	5	-2
Transport and communication	50	42	-7
Other economic affairs	612	621	9
Other purposes	-78	0	78
Total Government purchases of non-financial assets	11,559	11,100	-458

HEADLINE CASH BALANCE ESTIMATES

The headline cash balance consists of the underlying cash balance, net cash flows from investments in financial assets for policy purposes (for example, the equity funding of NBN Co), and net Future Fund earnings.

Table 8 provides further detail between the underlying and headline cash balance estimates of the Australian Government general government sector in 2015-16.

At the end of 2015-16, the headline cash deficit was \$49.1 billion, a \$2.4 billion improvement from the estimate at the time of the 2016-17 Budget. The improvement in the headline cash balance was primarily driven by lower than expected number of students accessing income contingent student loans and a revised payment schedule for a number of NBN contracts that have no impact on the rollout schedule.

Table 8: Details of the Australian Government general government sector items between the underlying and headline cash balance

	2015-16 Estimate at 2016-17 Budget \$m	2015-16 Outcome \$m	Change on 2016-17 Budget \$m
2015-16 Outcome underlying cash balance(a)	-39,946	-39,606	340
plus Net cash flows from investments in financial assets for policy purpose			
Student loans	-7,622	-6,612	1,010
NBN investment	-7,488	-7,096	392
Residential mortgage backed securities	1,471	1,448	-23
WestConnex	-38	0	38
Trade support loans	-372	-143	229
Asbestos removal in the ACT - Mr Fluffy loose fill asbestos remediation	-250	-250	0
Drought and rural assistance loans	-63	-13	50
Net other	-190	-17	172
Total net cash flows from investments in financial assets for policy purposes	-14,553	-12,684	1,869
plus Net Future Fund earnings	3,012	3,202	190
2015-16 Outcome headline cash balance	-51,487	-49,088	2,399

(a) Excludes net Future Fund earnings.

NET DEBT, NET FINANCIAL WORTH AND NET WORTH

At the end of 2015-16, the level of Australian Government net debt was \$296.4 billion (18.0 per cent of GDP), \$10.7 billion higher than estimated at the time of the 2016-17 Budget.

The increase in net debt compared with the level expected at the 2016-17 Budget was primarily driven by an increase in the market value of the existing stock of Commonwealth Government Securities (CGS) on issue, owing to lower-than-expected yields. CGS are reported in the general government sector balance sheet in market value terms, consistent with the Australian Accounting Standards.

Net financial worth was negative \$542.9 billion at the end of 2015-16, compared with negative \$387.9 billion estimated at the 2016-17 Budget.

Net worth was negative \$418.6 billion at the end of 2015-16, compared with negative \$265.0 billion estimated at the 2016-17 Budget.

The change in the market value of CGS described above impacts net financial worth and net worth. In addition to this, changes in net financial worth and net worth since the Budget report a significant increase in the Government's superannuation liability. This reported increase is the result of a large difference between the discount rates used to value the Government's defined benefit superannuation liability at Budget and at the Final Budget Outcome (FBO). The approach to valuing the superannuation liability has not changed from previous Budgets or FBOs.

At Budget time the actuaries determined the long-term discount rate to be 6.0 per cent per annum. This rate reflects the average annual rate estimated by the actuaries to apply over the remainder of the term to maturity of the liability, and the actuaries' view that short term deviations are expected to be smoothed out in the longer term. This approach also reduces the volatility in reported liabilities in the Budget that would occur from year to year if the long-term government bond rate were used.

For FBO, the Australian Accounting Standards require the long term government bond rate as at 30 June 2016 to be used, which was 2.7 per cent per annum. This requirement of the standards results in differences in superannuation liability between one FBO and another, and between Budget and FBO, that are due to the discount rate applied, not to changes in the accrued benefits of the defined benefit schemes. In particular, at the 2014-15 FBO, the long-term bond rate used was 3.7 per cent per annum.

Table 9: Australian Government general government sector net worth, net financial worth, net debt and net interest payments

	2015-16 Estimate at 2016-17 Budget \$b	2015-16 Outcome \$b	Change on 2016-17 Budget \$b
Financial assets	342.6	342.1	-0.4
Non-financial assets	122.9	124.4	1.5
Total assets	465.4	466.5	1.1
Total liabilities	730.4	885.0	154.6
Net worth	-265.0	-418.6	-153.5
Net financial worth(a)	-387.9	-542.9	-155.0
Per cent of GDP	-23.5	-32.9	
Net debt(b)	285.7	296.4	10.7
Per cent of GDP	17.3	18.0	
Net interest payments	12.0	12.0	0.1
Per cent of GDP	0.7	0.7	

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

(b) Net debt equals the sum of deposits held, government securities, loans and other borrowing, minus the sum of cash and deposits, advances paid and investments, loans and placements.

PART 2: AUSTRALIAN GOVERNMENT FINANCIAL STATEMENTS

Consistent with the *Charter of Budget Honesty Act 1998* (the Charter), the Government has produced a single set of financial statements for the Australian Government general government sector (GGs), the public non-financial corporations (PNFC) sector, the total non-financial public sector (NFPS) and the public financial corporations (PFC). The financial statements comply with both Australian Bureau of Statistics' (ABS) accrual Government Finance Statistics (GFS) and Australian Accounting Standards (AAS), with departures disclosed. These statements are:

- an operating statement, including other economic flows, which shows net operating balance and net lending/borrowing (fiscal balance);
- a balance sheet, which also shows net worth, net financial worth, net financial liabilities and net debt; and
- a cash flow statement, which includes the calculation of the underlying cash balance.

In addition to these general purpose statements, notes to the financial statements are required. These notes include a summary of accounting policies, disaggregated information and other disclosures required by AAS.

The financial statements for the *Final Budget Outcome 2015-16* have been prepared on a basis consistent with the 2016-17 Budget. This enables comparison of the 2015-16 revised estimates published at the 2016-17 Budget and the outcome.

The statements reflect the policy that ABS GFS remains the basis of budget accounting policy, except where the Government applies AAS because it provides a better conceptual basis for presenting information of relevance to users of public sector financial reports.

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

In accordance with the UPF requirements, this part also contains an update of the Australian Loan Council Allocation.

AUSTRALIAN GOVERNMENT FINANCIAL STATEMENTS

Table 10: Australian Government general government sector operating statement

		2015-16 Estimate at 2016-17 Budget \$m	Month of June 2016(d) \$m	2015-16 Outcome \$m	Change on 2016-17 Budget \$m
	Note				
Revenue					
Taxation revenue	3	371,923	28,073	368,939	-2,984
Sales of goods and services	4	7,697	477	7,619	-78
Interest income	5	3,506	-190	2,930	-575
Dividend income	5	5,564	3,603	6,240	677
Other	6	7,706	2,883	9,326	1,620
Total revenue		396,396	34,846	395,055	-1,341
Expenses					
Gross operating expenses					
Wages and salaries(a)	7	19,767	1,556	18,675	-1,092
Superannuation	7	7,052	2,195	7,854	801
Depreciation and amortisation	8	7,165	683	7,112	-53
Supply of goods and services	9	81,414	8,637	84,723	3,309
Other operating expenses(a)	7	5,483	817	6,333	850
<i>Total gross operating expenses</i>		<i>120,881</i>	<i>13,889</i>	<i>124,697</i>	<i>3,816</i>
Superannuation interest expense	7	9,167	642	9,106	-62
Interest expenses	10	16,774	1,390	16,672	-102
Current transfers					
Current grants	11	128,393	13,937	126,134	-2,259
Subsidy expenses		12,763	180	11,727	-1,036
Personal benefits	12	133,416	10,678	131,574	-1,841
<i>Total current transfers</i>		<i>274,572</i>	<i>24,794</i>	<i>269,435</i>	<i>-5,136</i>
Capital transfers					
Mutually agreed write-downs		1,722	-173	1,193	-530
Other capital grants		8,354	88	7,589	-765
<i>Total capital transfers</i>		<i>10,076</i>	<i>-85</i>	<i>8,781</i>	<i>-1,295</i>
Total expenses		431,470	40,630	428,691	-2,779
Net operating balance		-35,074	-5,784	-33,636	1,438
Other economic flows - included in operating result					
Net write-downs of assets					
(including bad and doubtful debts)		-7,106	-401	-9,969	-2,864
Assets recognised for the first time		296	34	323	27
Liabilities recognised for the first time		0	0	0	0
Actuarial revaluations		0	0	0	0
Net foreign exchange gains		-9	1,512	429	438
Net swap interest received		-437	-5	-205	231
Market valuation of debt		-4,673	-6,643	-17,604	-12,932
Other gains/(losses)		713	-2,829	2,976	2,263
Total other economic flows - included in operating result		-11,215	-8,332	-24,051	-12,836

Table 10: Australian Government general government sector operating statement (continued)

	2015-16 Estimate at 2016-17 Budget \$m	Month of June 2016(d) \$m	2015-16 Outcome \$m	Change on 2016-17 Budget \$m
Operating result(b)	-46,289	-14,116	-57,686	-11,397
Non-owner movements in equity				
Revaluation of equity investments	-3,026	-3,085	-2,979	48
Actuarial revaluations	1,032	787	787	-245
Other economic revaluations	371	436	2,360	1,989
Total other economic flows - included in equity	-1,623	-1,862	168	1,791
Comprehensive result - Total change in net worth	-47,912	-15,978	-57,518	-9,606
Net operating balance	-35,074	-5,784	-33,636	1,438
Net acquisition of non-financial assets				
Purchases of non-financial assets	11,559	1,899	11,100	-458
<i>less</i> Sales of non-financial assets	404	89	477	73
<i>less</i> Depreciation	7,165	683	7,112	-53
<i>plus</i> Change in inventories	310	187	413	103
<i>plus</i> Other movements in non-financial assets	56	-245	-95	-151
Total net acquisition of non-financial assets	4,355	1,069	3,829	-526
Fiscal balance (Net lending/borrowing)(c)	-39,429	-6,853	-37,464	1,965

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

(b) Operating result under AAS.

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

(d) The month of June is derived by deducting May year-to-date published data from the annual outcome. Statistically, June movements in some series relate to earlier published months that are not reissued; this can result in negative movements.

Table 11: Australian Government general government sector balance sheet

		2015-16 Estimate at 2016-17 Budget \$m	2015-16 Outcome \$m	Change on 2016-17 Budget \$m
Assets				
Financial assets				
Cash and deposits		3,512	3,638	126
Advances paid	13	52,782	52,007	-775
Investments, loans and placements	14	153,233	149,995	-3,238
Other receivables	13	48,492	49,261	770
Equity investments				
Investments in other public sector entities		44,798	47,223	2,425
Equity accounted investments		344	289	-55
Investments - shares		39,394	39,718	323
<i>Total financial assets</i>		<i>342,555</i>	<i>342,130</i>	<i>-424</i>
Non-financial assets	15			
Land		9,729	10,620	891
Buildings		25,992	25,547	-445
Plant, equipment and infrastructure		59,692	60,295	603
Inventories		8,195	8,567	372
Intangibles		6,881	7,281	401
Investment properties		200	164	-36
Biological assets		44	49	5
Heritage and cultural assets		11,697	11,462	-235
Assets held for sale		174	257	82
Other non-financial assets		262	113	-149
<i>Total non-financial assets</i>		<i>122,866</i>	<i>124,354</i>	<i>1,488</i>
Total assets		465,421	466,484	1,064
Liabilities				
Interest bearing liabilities				
Deposits held		218	217	0
Government securities		476,999	483,361	6,361
Loans	16	16,425	16,814	389
Other borrowing		1,569	1,619	50
<i>Total interest bearing liabilities</i>		<i>495,211</i>	<i>502,011</i>	<i>6,800</i>
Provisions and payables				
Superannuation liability	17	169,308	314,228	144,919
Other employee liabilities	17	17,004	18,302	1,297
Suppliers payable	18	5,868	5,656	-212
Personal benefits provisions and payables	18	14,446	13,765	-681
Subsidies provisions and payables	18	4,908	4,262	-646
Grants provisions and payables	18	10,466	11,984	1,518
Other provisions and payables	18	13,237	14,843	1,606
<i>Total provisions and payables</i>		<i>235,237</i>	<i>383,038</i>	<i>147,801</i>
Total liabilities		730,448	885,049	154,601

Table 11: Australian Government general government sector balance sheet (continued)

	2015-16 Estimate at 2016-17 Budget \$m	2015-16 Outcome \$m	Change on 2016-17 Budget \$m
Net worth(a)	-265,027	-418,565	-153,538
<i>Net financial worth(b)</i>	-387,893	-542,919	-155,026
<i>Net financial liabilities(c)</i>	432,691	590,142	157,451
<i>Net debt(d)</i>	285,684	296,371	10,687

(a) Net worth is calculated as total assets minus total liabilities.

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

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

(d) Net debt equals the sum of deposits held, government securities, loans and other borrowing, minus the sum of cash and deposits, advances paid and investments, loans and placements.

Table 12: Australian Government general government sector cash flow statement^(a)

	2015-16 Estimate at 2016-17 Budget \$m	Month of June 2016(d) \$m	2015-16 Outcome \$m	Change on 2016-17 Budget \$m
Cash receipts from operating activities				
Taxes received	364,507	32,362	361,962	-2,545
Receipts from sales of goods and services	7,686	987	7,592	-94
Interest receipts	2,842	555	2,936	94
Dividends and income tax equivalents	5,332	378	5,540	207
Other receipts	7,321	2,700	8,480	1,159
Total operating receipts	387,688	36,982	386,510	-1,178
Cash payments for operating activities				
Payments for employees	-27,893	-2,791	-27,122	771
Payments for goods and services	-80,834	-10,197	-85,109	-4,274
Grants and subsidies paid	-149,656	-14,183	-145,870	3,787
Interest paid	-14,822	-893	-14,977	-154
Personal benefit payments	-134,887	-10,708	-133,825	1,062
Other payments	-5,308	-716	-5,921	-613
Total operating payments	-413,400	-39,488	-412,822	578
Net cash flows from operating activities	-25,712	-2,505	-26,312	-600
Cash flows from investments in non-financial assets				
Sales of non-financial assets	339	82	414	75
Purchases of non-financial assets	-11,559	-1,894	-10,341	1,219
Net cash flows from investments in non-financial assets	-11,221	-1,812	-9,926	1,294
Net cash flows from investments in financial assets for policy purposes	-14,553	-1,199	-12,684	1,869
Cash flows from investments in financial assets for liquidity purposes				
Increase in investments	-9,396	22,494	-5,255	4,141
Net cash flows from investments in financial assets for liquidity purposes	-9,396	22,494	-5,255	4,141
Cash receipts from financing activities				
Borrowing	63,753	-17,045	57,101	-6,652
Other financing	6	100	97	91
Total cash receipts from financing activities	63,759	-16,946	57,198	-6,561
Cash payments for financing activities				
Borrowing	0	0	0	0
Other financing	-2,522	43	-2,539	-17
Total cash payments for financing activities	-2,522	43	-2,539	-17
Net cash flows from financing activities	61,238	-16,903	54,659	-6,578
Net increase/(decrease) in cash held	356	75	482	126

Table 12: Australian Government general government sector cash flow statement (continued)^(a)

	2015-16 Estimate at 2016-17 Budget \$m	Month of June 2016(d) \$m	2015-16 Outcome \$m	Change on 2016-17 Budget \$m
Net cash flows from operating activities and investments in non-financial assets (Surplus+)/deficit(-)	-36,933	-4,317	-36,239	694
Finance leases and similar arrangements(b)	-2	-42	-165	-164
GFS cash surplus(+)/deficit(-)	-36,934	-4,359	-36,404	530
<i>less</i> Net Future Fund earnings	3,012	388	3,202	190
Equals underlying cash balance(c)	-39,946	-4,746	-39,606	340
<i>plus</i> Net cash flows from investments in financial assets for policy purposes	-14,553	-1,199	-12,684	1,869
<i>plus</i> Net Future Fund earnings	3,012	388	3,202	190
Equals headline cash balance	-51,487	-5,557	-49,088	2,399

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

(b) The acquisition of assets under finance leases decreases the underlying cash balance. The disposal of assets previously held under finance leases increases the underlying cash balance.

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

(d) The month of June is derived by deducting May year-to-date published data from the annual outcome. Statistically, June movements in some series relate to earlier published months that are not reissued; this can result in negative movements.

Table 13: Australian Government public non-financial corporations sector operating statement

	2015-16 Estimate at 2016-17 Budget \$m	2015-16 Outcome \$m	Change on 2016-17 Budget \$m
Revenue			
Current grants and subsidies	80	78	-2
Sales of goods and services	9,889	9,873	-16
Interest income	49	55	6
Other	27	38	11
Total revenue	10,044	10,044	0
Expenses			
Gross operating expenses			
Wages and salaries(a)	4,093	3,882	-211
Superannuation	348	482	134
Depreciation and amortisation	1,532	1,567	35
Supply of goods and services	5,458	5,518	60
Other operating expenses(a)	471	778	308
<i>Total gross operating expenses</i>	<i>11,901</i>	<i>12,228</i>	<i>326</i>
Interest expenses	456	441	-16
Other property expenses	127	123	-4
Current transfers			
Tax expenses	24	19	-6
<i>Total current transfers</i>	<i>24</i>	<i>19</i>	<i>-6</i>
Total expenses	12,509	12,809	301
Net operating balance	-2,465	-2,766	-301
Other economic flows	-514	165	679
Comprehensive result - Total change in net worth excluding contribution from owners	-2,979	-2,601	378
Net acquisition of non-financial assets			
Purchases of non-financial assets	4,667	6,325	1,658
<i>less</i> Sales of non-financial assets	65	59	-6
<i>less</i> Depreciation	1,532	1,567	35
<i>plus</i> Change in inventories	33	20	-13
<i>plus</i> Other movements in non-financial assets	1,667	1	-1,667
Total net acquisition of non-financial assets	4,771	4,720	-51
Fiscal balance (Net lending/borrowing)(b)	-7,236	-7,486	-250

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

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

Table 14: Australian Government public non-financial corporations sector balance sheet

	2015-16 Estimate at 2016-17 Budget \$m	2015-16 Outcome \$m	Change on 2016-17 Budget \$m
Assets			
Financial assets			
Cash and deposits	2,524	2,558	34
Investments, loans and placements	817	534	-283
Other receivables	1,805	1,600	-205
Equity investments	3	2	-1
<i>Total financial assets</i>	<i>5,149</i>	<i>4,694</i>	<i>-455</i>
Non-financial assets			
Land and other fixed assets(a)	26,993	27,356	363
Other non-financial assets(a)(b)	228	253	25
<i>Total non-financial assets</i>	<i>27,221</i>	<i>27,609</i>	<i>388</i>
Total assets	32,370	32,303	-67
Liabilities			
Interest bearing liabilities			
Deposits held	0	4	4
Advances received	277	284	6
Loans	2,553	2,388	-165
Other borrowing	4,282	4,418	136
<i>Total interest bearing liabilities</i>	<i>7,112</i>	<i>7,094</i>	<i>-18</i>
Provisions and payables			
Superannuation liability	4	46	42
Other employee liabilities	1,567	1,797	230
Other provisions and payables(b)	3,933	3,650	-283
<i>Total provisions and payables</i>	<i>5,504</i>	<i>5,493</i>	<i>-11</i>
Total liabilities	12,616	12,587	-29
Shares and other contributed capital	19,754	19,717	-37
Net worth(c)	19,754	19,717	-37
<i>Net financial worth(d)</i>	<i>-7,467</i>	<i>-7,892</i>	<i>-425</i>
<i>Net debt(e)</i>	<i>3,772</i>	<i>4,002</i>	<i>231</i>

(a) The estimate for work-in-progress has been reclassified from 'Other non-financial assets' to 'Land and other fixed assets' to provide consistency in treatment of the assets with the actual outcome and with other sectors.

(b) Excludes the impact of commercial taxation adjustments.

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

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

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

Table 15: Australian Government public non-financial corporations sector cash flow statement^(a)

	2015-16 Estimate at 2016-17 Budget \$m	2015-16 Outcome \$m	Change on 2016-17 Budget \$m
Cash receipts from operating activities			
Receipts from sales of goods and services	11,357	10,882	-475
Grants and subsidies received	0	37	37
GST input credit receipts	376	576	199
Other receipts	167	60	-107
Total operating receipts	11,900	11,554	-346
Cash payments for operating activities			
Payments to employees	-4,930	-4,641	289
Payment for goods and services	-6,952	-6,737	215
Interest paid	-402	-56	346
GST payments to taxation authority	0	-414	-414
Other payments	-18	-16	2
Total operating payments	-12,302	-11,863	439
Net cash flows from operating activities	-402	-309	93
Cash flows from investments in non-financial assets			
Sales of non-financial assets	65	52	-13
Purchases of non-financial assets	-6,267	-5,770	497
Net cash flows from investments in non-financial assets	-6,203	-5,718	484
Net cash flows from investments in financial assets for policy purposes	0	0	0
Cash flows from investments in financial assets for liquidity purposes			
Increase in investments	-18	-146	-128
Net cash flows from investments in financial assets for liquidity purposes	-18	-146	-128
Net cash flows from financing activities			
Borrowing (net)	94	-3	-98
Other financing (net)	7,135	6,811	-323
Distributions paid (net)	-125	-120	5
Net cash flows from financing activities	7,104	6,688	-416
Net increase/(decrease) in cash held	482	515	34
Cash at the beginning of the year	2,042	2,042	0
Cash at the end of the year	2,524	2,558	34
Net cash from operating activities and investments in non-financial assets	-6,605	-6,027	578
Distributions paid	-125	-120	5
Equals surplus(+)/deficit(-)	-6,729	-6,147	582
Finance leases and similar arrangements(b)	-7	-528	-522
GFS cash surplus(+)/deficit(-)	-6,736	-6,675	61

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

(b) The acquisition of assets under finance leases decreases the surplus or increases the deficit. The disposal of assets previously held under finance leases increases the surplus or decreases the deficit.

Table 16: Australian Government total non-financial public sector operating statement

	2015-16 Estimate at 2016-17 Budget \$m	2015-16 Outcome \$m	Change on 2016-17 Budget \$m
Revenue			
Taxation revenue	371,899	368,921	-2,979
Sales of goods and services	16,636	16,497	-140
Interest income	3,536	2,969	-567
Dividend income	5,437	6,118	681
Other	7,733	9,364	1,631
Total revenue	405,241	403,868	-1,373
Expenses			
Gross operating expenses			
Wages and salaries(a)	23,860	22,557	-1,303
Superannuation	7,400	8,336	936
Depreciation and amortisation	8,697	8,679	-18
Supply of goods and services	85,923	89,246	3,323
Other operating expenses(a)	5,953	7,111	1,158
<i>Total gross operating expenses</i>	<i>131,833</i>	<i>135,929</i>	<i>4,096</i>
Superannuation interest expense	9,167	9,106	-62
Interest expenses	17,211	17,096	-115
Current transfers			
Current grants	128,393	126,134	-2,259
Subsidy expenses	12,684	11,649	-1,034
Personal benefits	133,416	131,574	-1,841
<i>Total current transfers</i>	<i>274,492</i>	<i>269,358</i>	<i>-5,134</i>
Capital transfers	10,076	8,781	-1,295
Total expenses	442,780	440,270	-2,510
Net operating balance	-37,539	-36,402	1,137
Other economic flows	-10,727	-21,862	-11,135
Comprehensive result - Total change in net worth	-48,266	-58,264	-9,997
Net acquisition of non-financial assets			
Purchases of non-financial assets	16,226	17,425	1,200
<i>less</i> Sales of non-financial assets	469	536	68
<i>less</i> Depreciation	8,697	8,679	-18
<i>plus</i> Change in inventories	343	433	90
<i>plus</i> Other movements in non-financial assets	1,723	-95	-1,818
Total net acquisition of non-financial assets	9,126	8,549	-577
Fiscal balance (Net lending/borrowing)(b)	-46,665	-44,950	1,714

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

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

Table 17: Australian Government total non-financial public sector balance sheet

	2015-16		Change on 2016-17 Budget \$m
	Estimate at 2016-17 Budget \$m	2015-16 Outcome \$m	
Assets			
Financial assets			
Cash and deposits	6,036	6,196	160
Advances paid	52,504	51,723	-781
Investments, loans and placements	154,050	150,245	-3,805
Other receivables	50,206	49,904	-303
Equity investments	64,849	67,239	2,391
<i>Total financial assets</i>	<i>327,645</i>	<i>325,307</i>	<i>-2,338</i>
Non-financial assets			
Land and other fixed assets(a)	142,299	143,846	1,548
Other non-financial assets(a)	7,788	8,117	328
<i>Total non-financial assets</i>	<i>150,087</i>	<i>151,963</i>	<i>1,876</i>
Total assets	477,732	477,270	-462
Liabilities			
Interest bearing liabilities			
Deposits held	218	222	4
Advances received	0	0	0
Government securities	476,999	483,361	6,361
Loans	18,978	18,918	-60
Other borrowing	5,851	6,037	186
<i>Total interest bearing liabilities</i>	<i>502,046</i>	<i>508,537</i>	<i>6,491</i>
Provisions and payables			
Superannuation liability	169,312	314,273	144,961
Other employee liabilities	18,571	20,099	1,527
Other provisions and payables	52,767	53,201	434
<i>Total provisions and payables</i>	<i>240,650</i>	<i>387,573</i>	<i>146,923</i>
Total liabilities	742,696	896,111	153,414
Shares and other contributed capital	19,754	19,717	-37
Net worth(b)	-264,964	-418,840	-153,876
<i>Net financial worth(c)</i>	<i>-415,051</i>	<i>-570,803</i>	<i>-155,752</i>
<i>Net debt(d)</i>	<i>289,456</i>	<i>300,373</i>	<i>10,917</i>

(a) The estimate for work-in-progress for the public non-financial corporations sector has been reclassified from 'Other non-financial assets' to 'Land and other fixed assets' to provide consistency in treatment of the assets with the actual outcome and with other sectors.

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

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

(d) Net debt equals the sum of deposits held, advances received, government securities, loans and other borrowing, minus the sum of cash and deposits, advances paid and investments, loans and placements.

Table 18: Australian Government total non-financial public sector cash flow statement^(a)

	2015-16 Estimate at 2016-17 Budget \$m	2015-16 Outcome \$m	Change on 2016-17 Budget \$m
Cash receipts from operating activities			
Taxes received	364,526	361,942	-2,584
Receipts from sales of goods and services	17,320	16,555	-765
Interest receipts	2,876	2,971	95
Dividends and income tax equivalents	5,207	5,420	212
Other receipts	7,436	8,489	1,053
Total operating receipts	397,365	395,376	-1,989
Cash payments for operating activities			
Payments to employees	-32,823	-31,763	1,061
Payments for goods and services	-85,687	-89,760	-4,073
Grants and subsidies paid	-149,656	-145,832	3,824
Interest paid	-15,206	-15,017	189
Personal benefit payments	-134,887	-133,825	1,062
Other payments	-5,345	-5,921	-577
Total operating payments	-423,604	-422,118	1,486
Net cash flows from operating activities	-26,239	-26,741	-502
Cash flows from investments in non-financial assets			
Sales of non-financial assets	404	466	62
Purchases of non-financial assets	-17,827	-16,110	1,716
Net cash flows from investments in non-financial assets	-17,423	-15,644	1,779
Net cash flows from investments in financial assets for policy purposes	-6,979	-5,526	1,453
Cash flows from investments in financial assets for liquidity purposes			
Increase in investments	-9,414	-5,400	4,014
Net cash flows from investments in financial assets for liquidity purposes	-9,414	-5,400	4,014
Net cash flows from financing activities			
Borrowing (net)	63,847	57,098	-6,750
Other financing (net)	-2,954	-2,788	166
Net cash flows from financing activities	60,893	54,310	-6,584
Net increase/(decrease) in cash held	838	998	160
Cash at the beginning of the year	5,198	5,198	0
Cash at the end of the year	6,036	6,196	160
Net cash from operating activities and investments in non-financial assets	-43,662	-42,386	1,276
Distributions paid	0	0	0
Equals surplus(+)/deficit(-)	-43,662	-42,386	1,276
Finance leases and similar arrangements(b)	-8	-693	-685
GFS cash surplus(+)/deficit(-)	-43,670	-43,079	591

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

(b) The acquisition of assets under finance leases decreases the surplus or increases the deficit. The disposal of assets previously held under finance leases increases the surplus or decreases the deficit.

Table 19: Australian Government public financial corporations sector operating statement

	2015-16 Estimate at 2016-17 Budget \$m	2015-16 Outcome \$m	Change on 2016-17 Budget \$m
Revenue			
Current grants and subsidies	150	147	-3
Sales of goods and services	679	725	45
Interest income	2,447	2,383	-63
Other	46	41	-5
Total revenue	3,322	3,296	-27
Expenses			
Gross operating expenses			
Wages and salaries(a)	149	174	25
Superannuation	50	73	23
Depreciation and amortisation	33	44	10
Supply of goods and services	400	350	-50
Other operating expenses(a)	247	277	31
<i>Total gross operating expenses</i>	<i>878</i>	<i>917</i>	<i>39</i>
Interest expenses	1,234	1,175	-59
Other property expenses	2,820	3,293	473
Current transfers			
Tax expenses	5	3	-2
<i>Total current transfers</i>	<i>5</i>	<i>3</i>	<i>-2</i>
Total expenses	4,938	5,389	451
Net operating balance	-1,616	-2,093	-477
Other economic flows	1,249	1,805	556
Comprehensive result - Total change in net worth excluding contribution from owners	-367	-288	79
Net acquisition of non-financial assets			
Purchases of non-financial assets	3	97	94
<i>less</i> Sales of non-financial assets	<i>51</i>	<i>0</i>	<i>-51</i>
<i>less</i> Depreciation	<i>33</i>	<i>44</i>	<i>10</i>
<i>plus</i> Change in inventories	<i>-9</i>	<i>17</i>	<i>26</i>
<i>plus</i> Other movements in non-financial assets	<i>0</i>	<i>0</i>	<i>0</i>
Total net acquisition of non-financial assets	-90	71	161
Fiscal balance (Net lending/borrowing)(b)	-1,525	-2,164	-638

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

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

Table 20: Australian Government public financial corporations sector balance sheet

	2015-16 Estimate at 2016-17 Budget \$m	2015-16 Outcome \$m	Change on 2016-17 Budget \$m
Assets			
Financial assets			
Cash and deposits	519	413	-106
Investments, loans and placements	161,902	171,051	9,149
Other receivables	262	259	-4
Equity investments	410	415	5
<i>Total financial assets</i>	<i>163,093</i>	<i>172,138</i>	<i>9,045</i>
Non-financial assets			
Land and other fixed assets	707	792	85
Other non-financial assets(a)	32	33	1
<i>Total non-financial assets</i>	<i>740</i>	<i>826</i>	<i>86</i>
Total assets	163,832	172,963	9,131
Liabilities			
Interest bearing liabilities			
Deposits held	124,634	131,419	6,786
Borrowing	10,074	11,170	1,096
<i>Total interest bearing liabilities</i>	<i>134,708</i>	<i>142,590</i>	<i>7,882</i>
Provisions and payables			
Superannuation liability	64	684	621
Other employee liabilities	1,423	1,458	34
Other provisions and payables(a)	2,940	3,456	515
<i>Total provisions and payables</i>	<i>4,427</i>	<i>5,598</i>	<i>1,170</i>
Total liabilities	139,135	148,187	9,052
Shares and other contributed capital	24,697	24,776	79
Net worth(b)	24,697	24,776	79
<i>Net financial worth(c)</i>	<i>23,958</i>	<i>23,950</i>	<i>-7</i>
<i>Net debt(d)</i>	<i>-27,713</i>	<i>-28,874</i>	<i>-1,161</i>

(a) Excludes the impact of commercial taxation adjustments.

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

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

(d) Net debt equals the sum of deposits held, advances received and borrowing, minus the sum of cash and deposits, advances paid and investments, loans and placements.

Table 21: Australian Government public financial corporations sector cash flow statement^(a)

	2015-16 Estimate at 2016-17 Budget \$m	2015-16 Outcome \$m	Change on 2016-17 Budget \$m
Cash receipts from operating activities			
Receipts from sales of goods and services	692	628	-63
Grants and subsidies received	0	147	147
GST input credit receipts	9	26	17
Interest receipts	2,516	2,453	-63
Other receipts	369	57	-312
Total operating receipts	3,585	3,311	-274
Cash payments for operating activities			
Payments to employees	-445	-266	179
Payment for goods and services	-417	-232	186
Interest paid	-1,269	-1,198	71
GST payments to taxation authority	0	-12	-12
Other payments	-21	-176	-155
Total operating payments	-2,152	-1,884	268
Net cash flows from operating activities	1,433	1,427	-5
Cash flows from investments in non-financial assets			
Sales of non-financial assets	51	0	-51
Purchases of non-financial assets	-3	-97	-94
Net cash flows from investments in non-financial assets	48	-97	-145
Net cash flows from investments in financial assets for policy purposes	0	-35	-35
Cash flows from investments in financial assets for liquidity purposes			
Increase in investments	-431	-4,406	-3,975
Net cash flows from investments in financial assets for liquidity purposes	-431	-4,406	-3,975
Net cash flows from financing activities			
Advances received (net)	0	0	0
Borrowing (net)	-3,494	887	4,382
Deposits received (net)	0	0	0
Other financing (net)	5,056	4,728	-328
Distributions paid (net)	-2,573	-2,572	0
Net cash flows from financing activities	-1,011	3,043	4,054
Net increase/(decrease) in cash held	39	-67	-106
Cash at the beginning of the year	480	480	0
Cash at the end of the year	519	413	-106

Table 21: Australian Government public financial corporations sector cash flow statement (continued)^(a)

	2015-16 Estimate at 2016-17 Budget \$m	2015-16 Outcome \$m	Change on 2016-17 Budget \$m
Net cash from operating activities and investments in non-financial assets	1,481	1,330	-150
Distributions paid	-2,573	-2,572	0
Equals surplus(+)/deficit(-)	-1,092	-1,242	-150
Finance leases and similar arrangements(b)	0	0	0
GFS cash surplus(+)/deficit(-)	-1,092	-1,242	-150

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

(b) The acquisition of assets under finance leases decreases the surplus or increases the deficit. The disposal of assets previously held under finance leases increases the surplus or decreases the deficit.

Notes to the general government sector financial statements

Note 1: External reporting standards and accounting policies

The *Charter of Budget Honesty Act 1998* (the Charter) requires that the final budget outcome be based on external reporting standards and that departures from applicable external reporting standards be identified.

The external standards used for final budget outcome reporting purposes are:

- the Australian Bureau of Statistics' (ABS) accrual Government Finance Statistics (GFS) publication, *Australian System of Government Finance Statistics: Concepts, Sources and Methods 2005*, (cat. no. 5514.0), which in turn is based on the International Monetary Fund (IMF) accrual GFS framework; and
- the Australian Accounting Standards (AAS), issued by the Australian Accounting Standards Board (AASB), which includes International Financial Reporting Standards (IFRS) as adopted in Australia and the public sector specific standard AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

The financial statements have been prepared on an accrual basis that complies with both ABS GFS and AAS, except for departures disclosed at Note 2. A more detailed description of the AAS and ABS GFS frameworks, in addition to definitions of key terms used in these frameworks, can be found in Attachment A. Detailed accounting policies, as well as a set of notes and other disclosures, as required by AAS, are disclosed in the annual Consolidated Financial Statements.

Fiscal reporting focuses on the general government sector (GGS). The GGS provides public services that are mainly non-market in nature and for the collective consumption of the community, or involve the transfer or redistribution of income. These services are largely financed through taxes and other compulsory levies, user charging and external funding. This sector comprises all government departments, offices and some other bodies. In preparing financial statements for the GGS, all material transactions and balances between entities within the GGS have been eliminated.

The statements for the GGS are based on audit-cleared financial statements for material entities with the exception of the Department of Defence (Defence). Special Military Equipment (SME) assets managed by Defence are measured on a cost basis in the Final Budget Outcome (FBO). This is consistent with the measurement method used in the 2016-17 Budget and prior years.¹

The Government's key fiscal aggregates are based on ABS GFS concepts and definitions, including the ABS GFS cash surplus/deficit and the derivation of the underlying cash balance and net financial worth. AASB 1049 requires the disclosure of other ABS GFS fiscal aggregates, including net operating balance, net lending/borrowing (fiscal balance) and net worth. In addition to these ABS GFS aggregates, the Uniform Presentation Framework (UPF) requires disclosure of net debt, net financial worth and net financial liabilities.

AASB 1049 and the UPF also provide a basis for reporting of the public non-financial corporations (PNFC) and public financial corporations (PFC) sectors and the total non-financial public sector (NFPS).

AASB 1049 requires disaggregated information, by ABS GFS function, for expenses and total assets to be disclosed where they are reliably attributable. ABS GFS does not require total assets to be attributed to functions. In accordance with ABS GFS, disaggregated information for expenses and net acquisition of non-financial assets by function is disclosed in Part 1. In accordance with the UPF, purchases of non-financial assets by function are also disclosed in Part 1.

AASB 1049 also requires the FBO and Consolidated Financial Statements (CFS) to be released at the same time. The Charter requires the FBO to be released before the end of three months after the end of the financial year, whereas the CFS is not released until it is audit cleared, generally around November each year.

AASB 1055 requires major variances between original budget estimates and outcomes to be explained in the financial statements. Explanations of major variances in fiscal balance, revenue, expenses, net capital investment, cash flows, net debt, net financial worth and net worth for the 2015-16 year from the 2015-16 Budget to the 2015-16 Mid-Year Economic and Fiscal Outlook (MYEFO) are discussed in Part 3 of the 2015-16 MYEFO. Explanations of variances for the 2015-16 year from MYEFO to the 2016-17 Budget are disclosed in Statement 3 of 2016-17 Budget Paper No. 1, Budget Strategy and Outlook. Explanations of variances from the 2016-17 Budget to the Final Budget Outcome 2015-16 are disclosed in Part 1.

1 In accordance with AASB 1049 *Whole of Government and General Government Sector Financial Reporting*, SME assets are required to be measured on a fair value basis, if fair value can be reliably measured (refer ABS GFS and AAS departures at Note 2). Valuation of SME assets at fair value is expected to be completed for reporting of the 2015-16 Consolidated Financial Statements.

Note 2: Departures from external reporting standards

The Charter requires that departures from applicable external reporting standards be identified. The major differences between AAS and the ABS GFS treatments of transactions are outlined in Table 22.

AASB 1049 requires AAS measurement of items to be disclosed on the face of the financial statements with reconciliation to ABS GFS measurement of key fiscal aggregates, where different, in notes to the financial statements. Differences from the AAS measurement of items outline above and reconciliation have not been included as they would effectively create different measures of the same aggregate.

Further information on the differences between the two systems is provided in the ABS publication *Australian System of Government Finance Statistics: Concepts, Sources and Methods, 2005* (cat. no. 5514.0).

Table 22: Major differences between AAS and ABS GFS

Issue	AAS treatment	ABS GFS treatment	Treatment adopted
Acquisition of defence weapons platforms (DWP)/specialist military equipment (SME)	AASB 1049 allows cost to be used where fair value of assets cannot be reliably measured.	ABS record SME on a market value basis using the perpetual inventory method.	AAS cost method
Circulating coins — seigniorage	The profit between the cost and sale of circulating coins (seigniorage) is treated as revenue.	Circulating coins is treated as a liability, and the cost of producing the coins is treated as an expense.	AAS
Provisions for bad and doubtful debts	Reported in the balance sheet as an offset to assets. Under AASB 1049, it is included in the operating statement as other economic flows.	Creating provisions for bad and doubtful debts is not considered an economic event and is therefore not considered to be an expense or reflected in the balance sheet.	AAS
Advances to the International Development Association and Asian Development Fund	Recorded at fair value in the balance sheet.	Recorded at nominal value in the balance sheet.	ABS GFS
Concessional loans	Discounts concessional loans by a market rate of a similar instrument.	Does not discount concessional loans as no secondary market is considered to exist.	AAS
Investment in other public sector entities	Valued at fair value in the balance sheet as long as it can be reliably measured, otherwise net assets is permissible.	Unlisted entities valued based on their net assets in the balance sheet.	AAS
Provision for restoration, decommissioning and make-good	Included in the fiscal balance capital adjustment.	Excluded from the calculation of net lending capital adjustment.	AAS
Renewable Energy Certificates (RECs)	The issuance and registration of RECs is considered to be an administrative function and does not result in the recognition of assets or liabilities and, consequently, no revenues or expenses are recognised.	The issuance and registration of RECs is considered to be government financial transactions resulting in the recognition of assets, liabilities, revenue and expenses.	AAS
Dividends paid by public corporations	Treated as an equity distribution. Equity distributions are treated as a distribution of profits, as opposed to an expense.	Dividends are treated as an expense.	ABS GFS
Dividends paid by the Reserve Bank of Australia	Dividends are recognised in the year profit was earned.	Dividends are recognised when the Treasurer makes a determination.	AAS

Table 22: Major differences between AAS and ABS GFS (continued)

Issue	AAS treatment	ABS GFS treatment	Treatment adopted
Commercial tax effect accounting assets and liabilities	Corporations in the PNFC and PFC sectors record tax expenses on a commercial basis.	Deferred tax assets and liabilities are reversed so that corporations record tax expenses on a consistent basis to the Australian Taxation Office.	ABS GFS
Fiscal aggregates differences			
Finance leases	Does not deduct finance leases in the derivation of the cash surplus/deficit.	Deducts finance leases in the derivation of the cash surplus/deficit.	Both are disclosed
Net worth of PNFC and PFC sectors	Calculated as assets less liabilities.	Calculated as assets less liabilities less shares and other contributed capital.	AAS
Net financial worth of PNFC and PFC sectors	Calculated as financial assets less total liabilities.	Calculated as financial assets less total liabilities less shares and contributed capital.	AAS
Classification difference			
Prepayments	Treated as a non-financial asset.	Treated as a financial asset.	ABS GFS
Spectrum sales	Recognise non-financial asset sales for fiscal balance when payment is made and the licences take effect, which may be after the auction of licences, as this is regarded as the point control is transferred. Recognise cash at the time of receipt.	Recognise non-financial asset sales for fiscal balance at time of auction as this is regarded as the point control is transferred. Recognise cash at the time of receipt.	AAS

Note 3: Taxation revenue by type

	2015-16 Estimate at 2016-17 Budget \$m	2015-16 Outcome \$m	Change on 2016-17 Budget \$m
Individuals and other withholding taxes			
Gross income tax withholding	175,510	174,815	-695
Gross other individuals	44,850	43,261	-1,589
less Refunds	27,800	28,081	281
Total individuals and other withholding taxation	192,560	189,996	-2,564
Fringe benefits tax	4,590	4,453	-137
Company tax	65,000	63,529	-1,471
Superannuation fund taxes	6,710	6,830	120
Petroleum resource rent tax(a)	840	876	36
Income taxation revenue	269,700	265,684	-4,016
Goods and services tax	60,040	60,312	272
Wine equalisation tax	880	883	3
Luxury car tax	590	620	30
Excise and customs duty			
Petrol	6,220	6,189	-31
Diesel	9,490	9,788	298
Other fuel products	2,243	2,125	-117
Tobacco	9,410	9,928	518
Beer	2,370	2,386	16
Spirits	2,040	2,071	31
Other alcoholic beverages(b)	910	917	7
Other customs duty			
Textiles, clothing and footwear	470	498	28
Passenger motor vehicles	570	614	44
Other imports	1,550	1,591	41
less Refunds and drawbacks	420	436	16
Total excise and customs duty	34,853	35,671	818
Agricultural levies	514	522	8
Other taxes(c)	5,346	5,246	-100
Mirror taxes	527	513	-13
less Transfers to States in relation to mirror tax revenue	527	513	-13
Mirror tax revenue	0	0	0
Indirect taxation revenue	102,223	103,255	1,031
Taxation revenue	371,923	368,939	-2,984
<i>Memorandum:</i>			
Total excise	21,423	21,625	202
Total customs duty	13,430	14,046	616
Medicare and DisabilityCare Australia levy	14,970	15,000	30

(a) This item includes a small amount of MRRRT revenue relating to a pre-2013-14 income year which cannot be separately disclosed owing to taxpayer confidentiality. There is no corresponding cash impact for 2015-16.

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

(c) Visa application charges were reclassified in the 2015-16 MYEFO from non-taxation revenue to taxation revenue to reflect a sustained change in the nature of revenue. The back-casting relating to the reclassification is reflected in Appendix B — Historical Series from 2003-04. See also Note 3(a), Taxation revenue by source and Note 4, Sales of goods and services revenue.

Note 3(a): Taxation revenue by source

	2015-16 Estimate at 2016-17 Budget \$m	2015-16 Outcome \$m	Change on 2016-17 Budget \$m
Taxes on income, profits and capital gains			
Income and capital gains levied on individuals	197,160	194,453	-2,707
Income and capital gains levied on enterprises	72,540	71,232	-1,308
Total taxes on income, profits and capital gains	269,700	265,684	-4,016
Taxes on employers' payroll and labour force	710	670	-40
Taxes on the provision of goods and services			
Sales/goods and services tax	61,510	61,815	305
Excises and levies	21,937	22,147	210
Taxes on international trade	13,430	14,046	616
Total taxes on the provision of goods and services	96,877	98,009	1,132
Other taxes(a)	4,636	4,576	-61
Total taxation revenue	371,923	368,939	-2,984
<i>Memorandum:</i>			
<i>Medicare and DisabilityCare Australia levy</i>	<i>14,970</i>	<i>15,000</i>	<i>30</i>

(a) Visa application charges were reclassified in the 2015-16 MYEFO from non-taxation revenue to taxation revenue to reflect a sustained change in the nature of revenue. The back-casting relating to the reclassification is reflected in Appendix B — Historical Series from 2003-04. See also Note 3, Taxation revenue by type and Note 4, Sales of goods and services revenue.

Note 4: Sales of goods and services revenue

	2015-16 Estimate at 2016-17 Budget \$m	2015-16 Outcome \$m	Change on 2016-17 Budget \$m
Sales of goods	1,680	1,618	-62
Rendering of services	4,123	4,101	-23
Operating lease rental	74	77	3
Fees from regulatory services(a)	1,820	1,823	3
Total sales of goods and services revenue	7,697	7,619	-78

(a) Visa application charges were reclassified in the 2015-16 MYEFO from non-taxation revenue to taxation revenue to reflect a sustained change in the nature of revenue. The back-casting relating to the reclassification is reflected in Appendix B — Historical Series from 2003-04. See also Note 3, Taxation revenue by type and Note 3(a), Taxation revenue by source.

Note 5: Interest and dividend revenue

	2015-16 Estimate at 2016-17 Budget \$m	2015-16 Outcome \$m	Change on 2016-17 Budget \$m
Interest from other governments			
State and Territory debt	54	49	-5
Housing agreements	129	112	-17
Total interest from other governments	183	161	-22
Interest from other sources			
Advances	47	47	1
Deposits	88	96	7
Bank deposits	144	166	22
Indexation of HELP receivable and other student loans	504	457	-47
Other	2,541	2,004	-537
Total interest from other sources	3,323	2,769	-554
Total interest	3,506	2,930	-575
Dividends			
Dividends from other public sector entities	2,955	3,442	487
Other dividends	2,609	2,798	189
Total dividends	5,564	6,240	677
Total interest and dividend revenue	9,069	9,171	101

Note 6: Other sources of non-taxation revenue

	2015-16 Estimate at 2016-17 Budget \$m	2015-16 Outcome \$m	Change on 2016-17 Budget \$m
Industry contributions	116	129	13
Royalties	1,065	1,005	-60
Seigniorage	132	145	13
Other	6,393	8,047	1,654
Total other sources of non-taxation revenue	7,706	9,326	1,620

Note 7: Employee and superannuation expense

	2015-16 Estimate at 2016-17 Budget \$m	2015-16 Outcome \$m	Change on 2016-17 Budget \$m
Wages and salaries expenses	19,767	18,675	-1,092
Other operating expenses			
Leave and other entitlements	2,146	3,083	937
Separations and redundancies	168	278	110
Workers compensation premiums and claims	892	642	-250
Other	2,277	2,330	53
Total other operating expenses	5,483	6,333	850
Superannuation expenses			
Superannuation	7,052	7,854	801
Superannuation interest cost	9,167	9,106	-62
Total superannuation expenses	16,220	16,960	740
Total employee and superannuation expense	41,469	41,967	498

Note 8: Depreciation and amortisation expense

	2015-16 Estimate at 2016-17 Budget \$m	2015-16 Outcome \$m	Change on 2016-17 Budget \$m
Depreciation			
Specialist military equipment	3,232	2,948	-284
Buildings	1,401	1,457	56
Other infrastructure, plant and equipment	1,454	1,619	166
Heritage and cultural assets	91	104	13
Total depreciation	6,178	6,129	-49
Total amortisation	988	984	-4
Total depreciation and amortisation expense	7,165	7,112	-53

Note 9: Supply of goods and services expense

	2015-16 Estimate at 2016-17 Budget \$m	2015-16 Outcome \$m	Change on 2016-17 Budget \$m
Supply of goods and services	26,337	27,729	1,392
Operating lease rental expenses	2,541	2,551	10
Personal benefits - indirect(a)	45,327	47,428	2,101
Health care payments	5,080	4,768	-312
Other	2,129	2,246	118
Total supply of goods and services expenses	81,414	84,723	3,309

(a) Reclassification since the 2016-17 Budget between Personal benefits expenses (Note 12) and Supply of goods and services expense — Personal benefits — indirect (Note 9) of \$0.9 billion reflecting more accurate information on the distinction between benefits provided to households directly in cash (direct personal benefits) and benefits provided in goods and services (indirect personal benefits).

Note 10: Interest expense

	2015-16 Estimate at 2016-17 Budget \$m	2015-16 Outcome \$m	Change on 2016-17 Budget \$m
Interest on debt			
Government securities	15,360	15,312	-47
Loans	10	9	-1
Other	258	202	-56
Total interest on debt	15,627	15,523	-104
Other financing costs	1,146	1,148	2
Total interest expense	16,774	16,672	-102

Note 11: Current and capital grants expense

	2015-16 Estimate at 2016-17 Budget \$m	2015-16 Outcome \$m	Change on 2016-17 Budget \$m
Current grants expense			
State and Territory governments	100,142	99,364	-778
Local governments	6	6	0
Private sector(a)	6,461	6,279	-182
Overseas	3,680	3,659	-21
Non-profit organisations(a)(b)	2,771	4,375	1,604
Multi-jurisdictional sector	10,527	10,319	-208
Other(b)	4,807	2,132	-2,674
Total current grants expense	128,393	126,134	-2,259
Capital grants expense			
Mutually agreed write-downs	1,722	1,193	-530
Other capital grants			
State and Territory governments	7,075	5,868	-1,208
Local governments	972	958	-14
Non-profit organisations(a)(b)	0	380	380
Private sector(a)	0	375	375
Multi-jurisdictional sector	106	0	-106
Other(b)	200	7	-193
Total capital grants expense	10,076	8,781	-1,295
Total grants expense	138,469	134,915	-3,554

(a) Includes reallocation of some programs between grants to private sector and grants to non-profit organisations since 2016-17 Budget.

(b) Includes reallocation of some programs between grants to non-profit organisations and grants to other since 2016-17 Budget.

Note 12: Personal benefits expense

	2015-16 Estimate at 2016-17 Budget \$m	2015-16 Outcome \$m	Change on 2016-17 Budget \$m
Social welfare - assistance to the aged	43,758	43,833	75
Assistance to veterans and dependants	5,730	5,621	-109
Assistance to people with disabilities	24,440	24,453	13
Assistance to families with children	35,825	35,080	-745
Assistance to the unemployed	10,896	11,031	136
Student assistance	3,440	3,400	-40
Other welfare programs	1,096	1,066	-30
Financial and fiscal affairs	364	511	147
Vocational and industry training	63	25	-38
Other(a)	7,803	6,553	-1,250
Total personal benefits expense	133,416	131,574	-1,841

(a) Reclassification since the 2016-17 Budget between Personal benefits expenses (Note 12) and Supply of goods and services expense — Personal benefits — indirect (Note 9) of \$0.9 billion reflecting more accurate information on the distinction between benefits provided to households directly in cash (direct personal benefits) and benefits provided in goods and services (indirect personal benefits).

Note 13: Advances paid and other receivables

	2015-16 Estimate at 2016-17 Budget \$m	2015-16 Outcome \$m	Change on 2016-17 Budget \$m
Advances paid			
Loans to State and Territory governments(a)	3,907	3,839	-69
Higher Education Loan Program	37,080	36,808	-272
Student Financial Supplement Scheme	483	411	-72
Other(a)	11,560	11,186	-374
/less Provision for doubtful debts	248	237	-12
Total advances paid	52,782	52,007	-775
Other receivables			
Goods and services receivable	882	1,045	163
Recoveries of benefit payments	4,767	5,346	579
Taxes receivable	19,514	19,494	-20
Prepayments	4,492	4,219	-273
Other	20,515	21,031	516
/less Provision for doubtful debts	1,678	1,874	196
Total other receivables	48,492	49,261	770

(a) Farm loans have been reclassified in the 2016-17 Budget from 'other' to 'loans to State and Territory governments' to reflect the actual circumstances of the loans.

Note 14: Investments, loans and placements

	2015-16 Estimate at 2016-17 Budget \$m	2015-16 Outcome \$m	Change on 2016-17 Budget \$m
Investments - deposits	40,954	35,788	-5,166
IMF quota	12,852	12,354	-498
Other	99,427	101,852	2,425
Total investments, loans and placements	153,233	149,995	-3,238

Note 15: Non-financial assets

	2015-16 Estimate at 2016-17 Budget \$m	2015-16 Outcome \$m	Change on 2016-17 Budget \$m
Land and buildings			
Land	9,729	10,620	891
Buildings	25,992	25,547	-445
Total land and buildings	35,721	36,166	445
Plant, equipment and infrastructure			
Specialist military equipment	45,580	46,014	434
Other	14,112	14,281	169
Total plant, equipment and infrastructure	59,692	60,295	603
Inventories			
Inventories held for sale	1,454	1,354	-101
Inventories not held for sale	6,741	7,212	472
Total inventories	8,195	8,567	372
Intangibles			
Computer software	3,914	3,905	-9
Other	2,967	3,376	409
Total intangibles	6,881	7,281	401
Total investment properties	200	164	-36
Total biological assets	44	49	5
Total heritage and cultural assets	11,697	11,462	-235
Total assets held for sale	174	257	82
Total other non-financial assets	262	113	-149
Non-financial assets	122,866	124,354	1,488

Note 16: Loans

	2015-16 Estimate at 2016-17 Budget \$m	2015-16 Outcome \$m	Change on 2016-17 Budget \$m
Promissory notes	10,010	9,651	-359
Special drawing rights	5,667	5,795	128
Other	747	1,367	620
Total loans	16,425	16,814	389

Note 17: Employee and superannuation liabilities

	2015-16 Estimate at 2016-17 Budget \$m	2015-16 Outcome \$m	Change on 2016-17 Budget \$m
Total superannuation liability(a)	169,308	314,228	144,919
Other employee liabilities			
Leave and other entitlements	7,323	7,753	430
Accrued salaries and wages	566	192	-374
Workers compensation claims	3,265	3,164	-102
Other	5,850	7,193	1,343
Total other employee liabilities	17,004	18,302	1,297
Total employee and superannuation liabilities	186,313	332,529	146,217

(a) For budget reporting purposes (including the Budget and Mid-Year Economic and Fiscal Outlook), a discount rate of 6 per cent used by actuaries in preparing Long-Term Cost Reports is used to value the superannuation liability. This reflects the average annual rate estimated to apply over the term of the liability and it reduces the volatility in reported liabilities that would occur from year to year if the long-term government bond rate were used. Consistent with AAS, the long-term government bond rate as at 30 June 2016 is used to calculate the superannuation liability for the Final Budget Outcome. This rate was 2.7 per cent.

Note 18: Provisions and payables

	2015-16 Estimate at 2016-17 Budget \$m	2015-16 Outcome \$m	Change on 2016-17 Budget \$m
Suppliers payable			
Trade creditors	4,670	3,932	-738
Operating lease rental payable	330	430	101
Other creditors	868	1,293	425
Total suppliers payable	5,868	5,656	-212
Total personal benefits provisions and payables	14,446	13,765	-681
Total subsidies provisions and payables	4,908	4,262	-646
Grants provisions and payables			
State and Territory governments	87	198	111
Non-profit organisations	146	191	46
Private sector	373	375	3
Overseas	1,166	1,455	289
Local governments	2	0	-2
Other	8,692	9,764	1,072
Total grants provisions and payables	10,466	11,984	1,518
Other provisions and payables			
Provisions for tax refunds	2,932	2,972	40
Other	10,305	11,871	1,566
Total other provisions and payables	13,237	14,843	1,606

Note 19: Reconciliation of cash

	2015-16 Estimate at 2016-17 Budget \$m	2015-16 Outcome \$m	Change on 2016-17 Budget \$m
Net Operating balance (revenues less expenses)	-35,074	-33,636	1,438
<i>less</i> Revenues not providing cash			
Other	1,862	4,551	2,689
Total revenues not providing cash	1,862	4,551	2,689
<i>plus</i> Expenses not requiring cash			
Increase/(decrease) in employee entitlements	8,261	10,106	1,845
Depreciation/amortisation expense	7,165	7,112	-53
Mutually agreed write-downs	1,722	1,193	-530
Other	1,146	1,031	-116
Total expenses not requiring cash	18,295	19,442	1,147
<i>plus</i> Cash provided / (used) by working capital items			
Decrease / (increase) in inventories	-135	-461	-325
Decrease / (increase) in receivables	-7,398	-8,074	-676
Decrease / (increase) in other financial assets	1,716	-787	-2,503
Decrease / (increase) in other non-financial assets	0	37	37
Increase / (decrease) in benefits, subsidies and grants payable	-298	-370	-72
Increase / (decrease) in suppliers' liabilities	690	257	-433
Increase / (decrease) in other provisions and payables	-1,646	1,830	3,476
Net cash provided / (used) by working capital	-7,072	-7,568	-496
<i>equals</i> (Net cash from/(to) operating activities)	-25,712	-26,312	-600
<i>plus</i> (Net cash from/(to) investing activities)	-35,169	-27,865	7,305
Net cash from operating activities and investment	-60,881	-54,177	6,704
<i>plus</i> (Net cash from/(to) financing activities)	61,238	54,659	-6,578
equals Net increase/(decrease) in cash	356	482	126
Cash at the beginning of the year	3,156	3,156	0
Net increase/(decrease) in cash	356	482	126
Cash at the end of the year	3,512	3,638	126

Attachment A

FINANCIAL REPORTING STANDARDS AND BUDGET CONCEPTS

The *Final Budget Outcome* primarily focuses on the financial performance and position of the general government sector (GGS). The GGS provides public services that are mainly non-market in nature and for the collective consumption of the community, or involve the transfer or redistribution of income. These services are largely financed through taxes and other compulsory levies, user charging and external funding. AASB 1049 recognises the GGS as a reporting entity.

AASB 1049 History and conceptual framework

The Australian Accounting Standards Board (AASB) released AASB 1049 for application from the 2008-09 financial year. AASB 1049 seeks to 'harmonise' ABS GFS and AAS.

The reporting framework for AASB 1049 requires the preparation of accrual-based general purpose financial reports, showing government assets, liabilities, revenue, expenses and cash flows. GGS reporting under AASB 1049 aims to provide users with information about the stewardship of each government in relation to its GGS and accountability for the resources entrusted to it; information about the financial position, performance and cash flows of each government's GGS; and information that facilitates assessments of the macroeconomic impact. While AASB 1049 provides a basis for whole-of-government (including the PNFC and PFC sectors) and GGS outcome reporting, budget reporting and budget outcome reporting focuses on the GGS.

AASB 1049 has adopted the AAS conceptual framework and principles for the recognition of assets, liabilities, revenues and expenses and their presentation, measurement and disclosure. In addition, AASB 1049 has broadly adopted the ABS GFS conceptual framework for presenting government financial statements. In particular, AASB 1049 requires the GGS to prepare a separate set of financial statements, overriding AASB 10 *Consolidated Financial Statements*. AASB 1049 also follows ABS GFS by requiring changes in net worth to be split into either transactions or 'other economic flows' and for this to be presented in a single operating statement. AASB 1049 is therefore broadly consistent with international statistical standards and the International Monetary Fund's (IMF) *Government Finance Statistics Manual 2014*.²

2 Additional information on the Australian accrual GFS framework is available in the ABS publication *Australian System of Government Finance Statistics: Concepts, Sources and Methods*, 2005 (cat. no. 5514.0).

All financial data presented in the financial statements are recorded as either stocks (assets and liabilities) or flows (classified as either transactions or 'other economic flows'). Transactions result from a mutually agreed interaction between economic entities. Despite their compulsory nature, taxes are transactions deemed to occur by mutual agreement between the government and the taxpayer. Transactions that increase or decrease net worth (assets less liabilities) are reported as revenues and expenses respectively in the operating statement.³

A change to the value or volume of an asset or liability that does not result from a transaction is an 'other economic flow'. This can include changes in values from market prices, most actuarial valuations and exchange rates, and changes in volumes from discoveries, depletion and destruction. All 'other economic flows' are reported in the operating statement.

Consistent with the ABS GFS framework, and in general AAS, the financial statements record flows in the period in which they occur. As a result, prior period outcomes may be revised for classification changes relating to information that could reasonably have been expected to be known in the past, is material in at least one of the affected periods and can be reliably assigned to the relevant period(s).

Operating statement

The operating statement presents details of transactions in revenues, expenses, the net acquisition of non-financial assets (net capital investment) and other economic flows for an accounting period.

Revenues arise from transactions that increase net worth and expenses arise from transactions that decrease net worth. Revenues less expenses gives the net operating balance. The net operating balance is similar to the National Accounts concept of government saving plus capital transfers.

The net acquisition of non-financial assets (net capital investment) equals gross fixed capital formation, less depreciation, plus changes (investment) in inventories, plus other transactions in non-financial assets. This measures the net effect of purchases, sales and consumption (for example, depreciation of fixed assets and use of inventory) of non-financial assets during an accounting period.

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

3 Not all transactions impact on net worth. For example, transactions in financial assets and liabilities do not impact on net worth as they represent the swapping of assets and liabilities on the balance sheet.

Fiscal balance

The fiscal balance (or net lending/borrowing) is the net operating balance less net capital investment. Thus, the fiscal balance includes the impact of net expenditure (effectively purchases less sales) on non-financial assets rather than consumption (depreciation) of non-financial assets.⁴

The fiscal balance measures the Australian Government's investment-saving balance. It measures in accrual terms the gap between government savings plus net capital transfers, and investment in non-financial assets. As such, it approximates the contribution of the Australian Government GGS to the balance on the current account in the balance of payments.

Balance sheet

The balance sheet shows stocks of assets, liabilities and net worth. In accordance with the UPF, net debt, net financial worth and net financial liabilities are also reported in the balance sheet.

Net worth

The net worth of the GGS, PNFC and PFC sectors is defined as assets less liabilities. This differs from the ABS GFS definition for the PNFC and PFC sectors where net worth is defined as assets less liabilities less shares and other contributed capital. Net worth is an economic measure of wealth, reflecting the Australian Government's contribution to the wealth of Australia.

Net financial worth

Net financial worth measures a government's net holdings of financial assets. It is calculated from the balance sheet as financial assets minus liabilities. This differs from the ABS GFS definition of net financial worth for the PNFC and PFC sectors, defined as financial assets, less liabilities, less shares and other contributed capital. Net financial worth is a broader measure than net debt, in that it incorporates provisions made (such as superannuation) as well as holdings of equity. Net financial worth includes all classes of financial assets and all liabilities, only some of which are included in net debt. As non-financial assets are excluded from net financial worth, this is a narrower measure than net worth. However, it avoids the concerns inherent with the net worth measure relating to the valuation of non-financial assets and their availability to offset liabilities.

4 The net operating balance includes consumption of non-financial assets because depreciation is an expense. Depreciation also forms part of net capital investment, which (in the calculation of fiscal balance) offsets the inclusion of depreciation in the net operating balance.

Net financial liabilities

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

Net debt

Net debt is the sum of selected financial liabilities (deposits held, advances received, government securities, loans and other borrowing) less the sum of selected financial assets⁵ (cash and deposits, advances paid, and investments, loans and placements). This includes financial assets held by the Future Fund which are invested in these asset classes, including term deposits and investments in collective investment vehicles. Net debt does not include superannuation related liabilities. Net debt is a common measure of the strength of a government's financial position. High levels of net debt impose a call on future revenue flows to service that debt.

Cash flow statement

The cash flow statement identifies how cash is generated and applied in a single accounting period. The cash flow statement reflects a cash basis of recording (rather than an accrual basis) where information is derived indirectly from underlying accrual transactions and movements in balances. This, in effect, means that transactions are captured when cash is received or when cash payments are made. Cash transactions are specifically identified because cash management is considered an integral function of accrual budgeting.

Underlying cash balance

The underlying cash balance plus net Future Fund earnings (ABS GFS cash surplus/deficit) is the cash counterpart of the fiscal balance, reflecting the Australian Government's cash investment-saving balance.

5 Financial assets are defined as cash, an equity instrument of another entity, a contractual right to receive cash or financial asset, and a contract that will or may be settled in the entity's own equity instruments.

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

Net cash flows from operating activities
<i>plus</i>
Net cash flows from investments in non-financial assets
<i>less</i>
Net acquisitions of assets acquired under finance leases and similar arrangements ⁶
<i>equals</i>
ABS GFS cash surplus/deficit
<i>less</i>
Net Future Fund earnings
<i>equals</i>
Underlying cash balance

The Government has excluded net Future Fund earnings from the calculations of the underlying cash balance. Prior to the 2012-13 MYEFO, the underlying cash balance only excluded the gross earnings of the Future Fund. Under the *Future Fund Act 2006*, earnings are required to be reinvested to meet the Government's future public sector superannuation liabilities. The Future Fund becomes available to meet the Government's superannuation liabilities from 2020. At this time, when drawdowns from the Future Fund are permitted under governing legislation, the Government's cash saving-investment balance would no longer be adjusted to reflect reinvestment of Future Fund earnings.

In contrast, net Future Fund earnings are included in the fiscal balance because superannuation expenses relating to future cash payments are recorded in the fiscal balance.

Net Future Fund earnings are separately identified in the Australian Government GGS cash flow statement in Table 12 of this statement and the historical tables in Appendix B.

6 The underlying cash balance treats the acquisition and disposal of non-financial assets in the same manner regardless of whether they occur by purchase/sale or finance lease – acquisitions reduce the underlying cash balance and disposals increase the underlying cash balance. However, finance leases do not generate cash flows at the time of acquisition or disposal equivalent to the value of the asset. As such, net acquisitions of assets under finance leases are not shown in the body of the cash flow statement but are reported as a supplementary item for the calculation of the underlying cash balance.

Headline cash balance

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

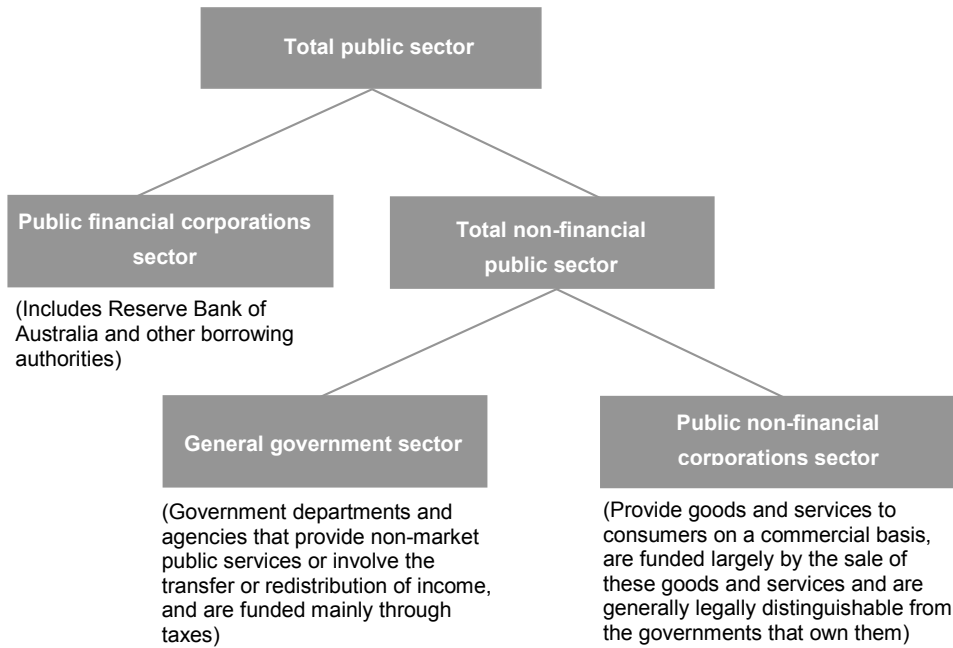
Cash flows from investments in financial assets for policy purposes include equity transactions and net advances.⁷ Equity transactions include equity injections into controlled businesses and privatisations of government businesses. Net advances include net loans to the states, net loans to students under the Higher Education Loan Program (HELP), and contributions to international organisations that increase the Australian Government's financial assets.

Sectoral classifications

To assist in analysing the public sector, data are presented by institutional sector as shown in Figure 1. ABS GFS defines the general government sector (GGS) and the public non-financial corporations (PNFC) and public financial corporations (PFC) sectors. AASB 1049 has also adopted this sectoral reporting.

7 Cash flows from investments in financial assets for policy purposes are often referred to as net advances.

Figure 1: Institutional structure of the public sector



All entities are classified as GGS entities except for the following list of portfolio entities that are classified as PFC or PNFC (Table 23).

A table which provides a full list of public sector principal entities is available on the Department of Finance website at:

http://www.finance.gov.au/sites/default/files/GGS_PNFC_%20and_PFC_entities_under_the_PGPA_Act_1_August_2016.pdf.

Table 23: Entities outside of the general government sector

Public financial corporations

Employment Portfolio

- Coal Mining Industry (Long Service Leave Funding) Corporation

Foreign Affairs and Trade Portfolio

- Export Finance and Insurance Corporation

Treasury Portfolio

- Australia Reinsurance Pool Corporation
- Reserve Bank of Australia

Public non-financial corporations

Communications and the Arts Portfolio

- Australian Postal Corporation
- NBN Co Ltd

Finance Portfolio

- ASC Pty Ltd

Industry, Innovation and Science Portfolio

- ANSTO Nuclear Medicine Pty Ltd

Infrastructure and Regional Development Portfolio

- Airservices Australia
- Australian Rail Track Corporation Ltd
- Moorebank Intermodal Company Ltd

Prime Minister and Cabinet Portfolio

- Voyages Indigenous Tourism Australia Pty Ltd

Social Services Portfolio

- Australian Hearing Services

AUSTRALIAN LOAN COUNCIL ALLOCATION

Under Loan Council arrangements, every year the Commonwealth and each State and Territory government nominates a Loan Council Allocation (LCA). A jurisdiction's LCA incorporates:

- the estimated non-financial public sector ABS GFS cash surplus/deficit (made up from the balances of the general government and public non-financial corporations sectors and total non-financial public sector acquisitions under finance leases and similar arrangements);
- net cash flows from investments in financial assets for policy purposes; and
- memorandum items, which involve transactions that are not formally borrowings but nevertheless have many of the characteristics of borrowings.

LCA nominations are considered by the Loan Council, having regard to each jurisdiction's fiscal position and infrastructure requirements, as well as the macroeconomic implications of the aggregate figure.

As set out in Table 24, the Commonwealth's 2015-16 LCA final budget outcome is a \$56.3 billion deficit. This compares with the Australian Government's 2015-16 LCA Budget estimate of a \$51.8 billion deficit.

A tolerance limit of 2 per cent of non-financial public sector receipts applies between the LCA Budget estimate and the outcome. Tolerance limits recognise that LCAs are nominated at an early stage of the Budget process and may change as a result of policy and parameter changes. The Australian Government's 2015-16 LCA final budget outcome does not exceed the 2 per cent tolerance limit.

Table 24: Australian Government Loan Council Allocation

	2015-16 Budget Estimate	2015-16 Outcome
	\$m	\$m
GGs cash surplus(-)/deficit(+)	31,855	36,239
PNFC sector cash surplus(-)/deficit(+)	8,026	6,147
NFPS cash surplus(-)/deficit(+)(a)	39,881	42,386
<i>plus</i> Acquisitions under finance leases and similar arrangements	2	693
<i>equals</i> ABS GFS cash surplus(-)/deficit(+)	39,882	43,079
<i>minus</i> Net cash flows from investments		
in financial assets for policy purposes(b)	-12,908	-12,684
<i>plus</i> Memorandum items(c)	-1,038	535
Loan Council Allocation	51,752	56,298

- (a) May not directly equate to the sum of the GGS and the PNFC sector due to intersectoral transfers which are netted out.
- (b) Net cash flows from investments in financial assets for policy purposes are displayed with the same sign as they are reported in cash flow statements. Such transactions involve the transfer or exchange of a financial asset and are not included within the cash surplus/deficit. However, the cash flow from investments in financial assets for policy purposes has implications for a government's call on financial markets.
- (c) For the Commonwealth's LCA outcome, memorandum items include the change in net present value (NPV) of operating leases (with NPV greater than \$5 million), the over-funding of superannuation and the net financing requirement of the Australian National University.

PART 3: AUSTRALIA'S FEDERAL RELATIONS

This part provides information on payments for specific purposes and general revenue assistance, including the GST entitlement, provided to the States and Territories (the States).

Commonwealth payments to the States are framed by the *Intergovernmental Agreement on Federal Financial Relations* (the Intergovernmental Agreement), which has been in place since 1 January 2009.

More detailed information on Australia's federal relations is provided in Budget Paper No. 3, *Federal Financial Relations 2016-17*, and on the Federal Financial Relations website at: www.federalfinancialrelations.gov.au.

OVERVIEW OF PAYMENTS TO THE STATES

The States receive substantial financial support from the Commonwealth. In 2015-16, the Commonwealth provided the States with payments totalling \$106.2 billion, comprising specific purpose payments of \$48.2 billion and general revenue assistance (including GST entitlements) of \$58.0 billion, as shown in Table 25. Total payments to the States constituted 24.8 per cent of total Commonwealth expenditure in 2015-16.

Table 25: Commonwealth payments to the States, 2015-16

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Payments for specific purposes	15,020	10,996	10,160	5,510	3,337	1,163	764	1,229	48,180
General revenue assistance	17,479	12,869	13,028	2,472	5,560	2,261	1,077	3,270	58,016
Total payments to the States	32,499	23,864	23,188	7,982	8,896	3,425	1,842	4,499	106,195

PAYMENTS FOR SPECIFIC PURPOSES

In 2015-16, the Commonwealth provided payments to the States for specific purposes in areas administered by the States. These payments cover most functional areas of State and local government activity including health, education, skills and workforce development, community services, housing, Indigenous affairs, infrastructure and the environment.

The Commonwealth provided the following types of specific purpose payments to the States:

- National Specific Purpose Payments (National SPPs) in respect of key service delivery sectors;
- National Health Reform funding for public hospitals;
- Students First funding for government and non-government schools; and
- National Partnership payments across a wide range of policy areas.

National SPPs, National Health Reform and Students First funding

In 2015-16, the Commonwealth continued to provide funding for key service delivery sectors through National SPPs, National Health Reform funding and Students First funding. The National SPPs are:

- the National Skills and Workforce Development SPP;
- the National Disability SPP; and
- the National Affordable Housing SPP.

The States are required to spend each National SPP in the relevant sector. The National SPPs are indexed each year by growth factors specified in the Intergovernmental Agreement.

Payments made throughout the year for National SPPs and Students First were made in advance based on Commonwealth estimates of the respective growth factors. A balancing adjustment is made after the end of the financial year (or calendar year, for Students First) once final growth factor data become available.

The National SPPs are distributed among the States in accordance with population shares based on the Australian Statistician's determination as at 31 December of that year.

Students First funding includes recurrent and capital funding for government and non-government schools, funding for non-government representative bodies, and other prescribed purpose funding. Students First funding is distributed among the States in accordance with the *Australian Education Act 2013* and agreements made under that Act.

Payments made throughout the year for National Health Reform were made in advance on the basis of advice from the Administrator of the National Health Funding Pool. This funding is calculated by reference to the level of estimated efficient growth in public hospital activity in each State. The amounts published are for payments made in respect of 2015-16 services. The Treasurer will determine the final amount and State allocations for 2015-16, following the Administrator's final reconciliation of activity data.

National Partnership payments

Under the Intergovernmental Agreement, National Partnership payments to the States are the key vehicle to support the delivery of specified projects, facilitate reforms or reward jurisdictions that deliver on nationally significant reforms.

National Partnerships are typically time-limited, reflecting the nature of the project or reform involved. National Partnership agreements are publicly available at: www.federalfinancialrelations.gov.au.

Total payments for specific purposes

In 2015-16, the States received \$48.2 billion in payments for specific purposes. This constituted 11.2 per cent of total Commonwealth expenditure in 2015-16.

Total payments for specific purposes, including National SPPs, National Health Reform funding, Students First funding and National Partnership payments are shown in Table 26.

Table 26: Total payments for specific purposes by category, 2015-16

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Specific Purpose									
Payments	1,352	1,057	847	459	300	91	69	43	4,218
National Health Reform funding(a)	5,509	4,180	3,531	1,843	1,224	375	325	199	17,185
Students First funding(b)	4,824	3,928	3,315	1,585	1,132	370	264	283	15,703
National Partnership payments(c)	3,335	1,830	2,466	1,624	680	327	106	704	11,073
Total payments for specific purposes	15,020	10,996	10,160	5,510	3,337	1,163	764	1,229	48,180

(a) The 2015-16 outcomes for National Health Reform funding will be finalised following reconciliation of activity data by the Administrator of the National Health Funding Pool and a subsequent Determination by the Treasurer.

(b) The 2015-16 outcomes for Students First funding will be finalised following a Determination by the Minister for Education.

(c) Includes financial assistance grants for local government.

Total payments for specific purposes by sector, including National SPPs, National Health Reform funding, Students First funding and National Partnership payments, are shown in Table 27.

Table 27: Total payments for specific purposes by sector, 2015-16

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Health	5,630	4,409	3,624	1,897	1,254	420	331	279	17,844
Education	4,935	4,075	3,396	1,645	1,173	382	273	343	16,221
Skills and workforce development	588	464	372	202	132	38	30	18	1,842
Community services	895	820	351	405	115	35	24	244	2,888
Affordable housing	502	355	439	270	122	31	23	139	1,881
Infrastructure	1,981	490	1,497	910	324	127	43	169	5,540
Environment	48	48	53	5	115	18	5	11	302
Contingent	3	3	144	4	3	65	-	2	224
Other(a)	437	332	284	173	99	49	36	26	1,437
Total payments for specific purposes	15,020	10,996	10,160	5,510	3,337	1,163	764	1,229	48,180

(a) Includes financial assistance grants for local government.

Total payments for specific purposes by sector and category, including National SPPs, National Health Reform funding, Students First funding and National Partnership payments, are shown in Table 28.

Table 28: Total payments for specific purposes by sector and category, 2015-16

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<i>Health</i>									
National Health Reform funding(a)	5,509	4,180	3,531	1,843	1,224	375	325	199	17,185
National Partnerships	121	229	93	55	30	45	7	80	659
Total health payments	5,630	4,409	3,624	1,897	1,254	420	331	279	17,844
<i>Education</i>									
Students First funding(b)	4,824	3,928	3,315	1,585	1,132	370	264	283	15,703
National Partnerships	111	147	81	60	41	12	8	59	518
Total education payments	4,935	4,075	3,396	1,645	1,173	382	273	343	16,221
<i>Skills and workforce development</i>									
National Skills and Workforce Development SPP	466	365	292	158	104	31	24	15	1,455
National Partnerships	122	99	79	43	28	6	6	3	386
Total skills and workforce development payments	588	464	372	202	132	38	30	18	1,842
<i>Community services</i>									
National Disability SPP	461	360	289	157	102	31	24	15	1,439
National Partnerships	434	460	62	249	13	3	..	229	1,449
Total community services payments	895	820	351	405	115	35	24	244	2,888
<i>Affordable housing</i>									
National Affordable Housing SPP	424	332	266	144	94	29	22	13	1,324
National Partnerships	78	23	173	126	28	3	2	126	557
Total affordable housing payments	502	355	439	270	122	31	23	139	1,881
<i>Infrastructure</i>									
National Partnerships	1,981	490	1,497	910	324	127	43	169	5,540
<i>Environment</i>									
National Partnerships	48	48	53	5	115	18	5	11	302
<i>Contingent payments</i>									
National Partnerships	3	3	144	4	3	65	-	2	224
<i>Other</i>									
National Partnerships(c)	437	332	284	173	99	49	36	26	1,437
Total payments for specific purposes	15,020	10,996	10,160	5,510	3,337	1,163	764	1,229	48,180

(a) The 2015-16 outcomes for National Health Reform funding will be finalised following reconciliation of activity data by the Administrator of the National Health Funding Pool and a subsequent Determination by the Treasurer.

(b) The 2015-16 outcomes for Students First funding will be finalised following a Determination by the Minister for Education.

(c) Includes financial assistance grants for local government.

Natural Disaster Relief and Recovery Arrangements

The Commonwealth provides funding under the Natural Disaster Relief and Recovery Arrangements (NDRRA) to assist the States in relief and recovery efforts following eligible natural disasters.

For accounting purposes, the Commonwealth recognises a liability equal to the present value of future payments expected to be made to the States under the NDRRA. This is regardless of whether a State has completed eligible disaster reconstruction work or submitted an eligible claim under the NDRRA. However, there were no cash payments made in 2015-16, as presented in Table 29 below. See Table 44 in Attachment A for the expense outcome.

Table 29: NDRRA cash payments, 2015-16

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
NDRRA	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

GENERAL REVENUE ASSISTANCE

General revenue assistance is provided to the States, without conditions, to spend according to their own budget priorities.

In 2015-16, the States received \$58.0 billion in general revenue assistance from the Commonwealth, comprising \$57.4 billion in GST entitlements and \$0.7 billion of other general revenue assistance, as shown in Table 30. Total general revenue assistance to the States constituted 13.5 per cent of total Commonwealth expenditure in 2015-16.

Table 30: General revenue assistance, 2015-16

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
GST entitlement(a)	17,461	12,860	13,028	1,877	5,560	2,261	1,039	3,266	57,352
Other general revenue assistance									
<i>ACT municipal services</i>	-	-	-	-	-	-	39	-	39
<i>Compensation for reduced royalties</i>	-	-	-	27	-	-	-	-	27
<i>Royalties</i>	-	-	-	568	-	-	-	4	572
<i>Snowy Hydro Ltd tax compensation</i>	18	9	-	-	-	-	-	-	27
Total other general revenue assistance	18	9	-	595	-	-	39	4	664
Total general revenue assistance	17,479	12,869	13,028	2,472	5,560	2,261	1,077	3,270	58,016

(a) The 2015-16 GST outcome will be finalised following a Determination by the Treasurer.

GST payments

Under the Intergovernmental Agreement, the States are entitled to receive payments from the Commonwealth broadly equivalent to the revenue received from the GST. Some adjustments are made to GST revenue in order to calculate the amount of GST paid to the States in any given year.

- Some GST revenue accrued during a financial year is not remitted to the Australian Taxation Office (ATO) by 30 June of that year, because it is not due to be paid until Business Activity Statements (BAS) are lodged the following financial year.

- Penalties owed to the ATO, other than general interest charge (GIC) penalties, are not included in the GST to be paid to the States, as defined in the *Federal Financial Relations Act 2009*.
- Some GST collected by Commonwealth agencies is not remitted to the ATO by 30 June in each financial year, because it is not due to be paid until the next BAS is lodged.

In 2015-16, GST revenue was \$60.3 billion. A reconciliation of GST revenue and the States' GST entitlement is provided in Table 31.

Table 31: Reconciliation of GST revenue and the States' GST entitlement, 2015-16

\$million	Total
GST revenue	60,312
<i>less</i> Change in GST receivables	2,855
GST receipts	57,457
<i>less</i> Non-GIC penalties collected	185
<i>less</i> Net GST collected by Commonwealth agencies but not yet remitted to the ATO	-79
States' GST entitlement(a)	57,352

(a) The 2015-16 GST outcome will be finalised following a Determination by the Treasurer.

The Commonwealth made monthly payments (advances) to the States throughout 2015-16 based on GST estimates as updated at the 2016-17 Budget. Estimates of the GST were used, as the actual amount of GST revenue for 2015-16 is not known until after the end of the financial year.

For 2015-16, the States' GST entitlement is expected to be \$57.4 billion. This is \$98.4 million lower than the advances paid during 2015-16. Once the Treasurer has made a Determination of the GST entitlement for 2015-16, a balancing adjustment will then be made to each State's payments to ensure the States receive the GST to which they are entitled. Table 32 provides a reconciliation of the States' GST entitlement and GST advances.

Table 32: States' GST entitlement and GST advances, 2015-16

\$million	Total
States' GST entitlement(a)	57,352
<i>less</i> Advances of GST made throughout 2015-16	57,450
<i>equals</i> Balancing adjustment	-98

(a) The 2015-16 GST outcome will be finalised following a Determination by the Treasurer.

Distribution of the GST among the States

The Commonwealth distributes GST among the States in accordance with the principle of horizontal fiscal equalisation, having regard to the recommendations of the Commonwealth Grants Commission (the Commission).

The Commission recommends GST revenue sharing relativities to be used in calculating each State's GST entitlement. The relativities determine how much GST each State receives compared with an equal per capita share and are determined such that, if each State made the same effort to raise revenue from its own sources and operated at the same level of efficiency, each State would have the capacity to provide services and the associated infrastructure at the same standard.

A Determination of the GST revenue sharing relativities for 2015-16 was made in May 2015. The relativities for 2015-16 are shown in Table 33.

Table 33: GST relativities, 2015-16

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT
2015-16	0.94737	0.89254	1.12753	0.29999	1.35883	1.81906	1.10012	5.57053

The GST relativities were applied to estimated State populations to determine an adjusted population for each State. The entitlements are allocated using the population as at 31 December 2015 as determined by the Australian Statistician. Each State receives its adjusted population share of the GST entitlement as shown in Table 34.

Table 34: Calculation of the 2015-16 GST entitlements^(a)

	Population as at 31 December 2015 (1)	GST revenue sharing relativities (2)	Adjusted population (1) x (2) (3)	Share of adjusted population per cent (4)	Share of GST pool \$million (5)
NSW	7,670,742	0.94737	7,267,031	30.4	17,461.0
VIC	5,996,385	0.89254	5,352,013	22.4	12,859.6
QLD	4,808,771	1.12753	5,422,034	22.7	13,027.9
WA	2,603,899	0.29999	781,144	3.3	1,876.9
SA	1,702,785	1.35883	2,313,795	9.7	5,559.5
TAS	517,404	1.81906	941,189	3.9	2,261.5
ACT	393,013	1.10012	432,361	1.8	1,038.9
NT	244,031	5.57053	1,359,382	5.7	3,266.3
Total	23,937,030	na	23,868,949	100.0	57,351.6

(a) The 2015-16 GST outcome will be finalised following a Determination by the Treasurer.

Table 35 provides a summary of advances made in 2015-16 against the States' estimated final entitlements shown in Table 34 above. The variance between advances paid in 2015-16 and the States' final entitlements will be included as an adjustment to payments in the 2016-17 financial year.

Table 35: Summary of GST advances made in 2015-16 and distribution of the balancing adjustment across States^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
GST entitlement	17,461.0	12,859.6	13,027.9	1,876.9	5,559.5	2,261.5	1,038.9	3,266.3	57,351.6
15-16 advances	17,496.7	12,872.0	13,044.0	1,882.6	5,573.2	2,265.7	1,041.8	3,274.0	57,450.0
Balancing adjustment	-35.7	-12.4	-16.1	-5.7	-13.7	-4.3	-2.9	-7.7	-98.4

(a) The 2015-16 GST outcome will be finalised following a Determination by the Treasurer.

GST administration

States compensate the Commonwealth for the agreed costs incurred by the ATO in administering the GST, including costs incurred by the Department of Immigration and Border Protection, as shown in Table 36.

Table 36: GST administration, 2015-16

\$million	Actual	
	2014-15	2015-16
Australian Taxation Office budget	688.5	679.6
<i>less</i> Prior year adjustment	8.2	7.4
<i>equals</i> State government administration payments	680.3	672.2
<i>less</i> Australian Taxation Office outcome(a)	681.1	679.6
<i>equals</i> Commonwealth budget impact	-0.8	-7.4
<i>plus</i> Prior year adjustment	8.2	7.4
<i>equals</i> Following year adjustment	7.4	0.0

(a) Estimated outcome for 2015-16 pending confirmation by the Australian National Audit Office.

The estimated outcome for the 2015-16 GST administration expense is \$679.6 million.

PAYMENTS TO THE STATES

This attachment provides information on Commonwealth payments to the States and local governments on an accruals basis. Details regarding Commonwealth advances (loans) to the States, including repayments of advances and interest on advances, are provided in Table 48. Most of these advances were funded from borrowings made on behalf of the States under previous Australian Loan Council arrangements.

The following tables detail payments and other financial flows to the States, for 2015-16:

Table 37 – health;

Table 38 – education;

Table 39 – skills and workforce development;

Table 40 – community services;

Table 41 – affordable housing;

Table 42 – infrastructure;

Table 43 – environment;

Table 44 – contingent liabilities;

Table 45 – other purposes;

Table 46 – general revenue assistance;

Table 47 – total payments, presented on the Australian Bureau of Statistics Government Finance Statistics (GFS) functional basis; and

Table 48 – estimated advances, repayment of advances and interest payments.

Table 37: Payments for specific purposes to support State health services, 2015-16

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Health Reform funding(a)									
Hospital services	5,396,445	4,091,943	3,459,897	1,804,243	1,198,890	367,337	318,901	195,188	16,832,844
Public health	112,990	88,327	70,833	38,355	25,082	7,621	5,789	3,595	352,592
National Partnership payments									
Health Infrastructure									
Health and Hospitals Fund									
Hospital infrastructure and other projects of national significance	-	-	-	600	-	-	-	-	600
National cancer system	-	51,000	440	2,361	-	6,320	-	-	60,121
Regional priority round	-	33,140	7,960	9,000	500	-	-	47,000	97,600
Albury-Wodonga Hospital Cardiac Catheterisation Laboratory	-	500	-	-	-	-	-	-	500
Bright Hospital — feasibility study	-	50	-	-	-	-	-	-	50
Improving Local Access to Healthcare on Phillip Island	-	500	-	-	-	-	-	-	500
Redevelopment of the Royal Victorian Eye and Ear Hospital	-	50,000	-	-	-	-	-	-	50,000

Table 37: Payments for specific purposes to support State health services, 2015-16 (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Health services									
Expansion of the BreastScreen Australia program	4,780	3,457	1,370	2,028	1,106	420	356	-	13,517
Health care grants for the Torres Strait Hummingbird House	-	-	4,600	-	-	-	-	-	4,600
Improving Health Services in Tasmania	-	-	800	-	-	-	-	-	800
Better access to community based palliative care services	-	-	-	-	-	1,700	-	-	1,700
Improving patient pathways through clinical and system redesign	-	-	-	-	-	7,890	-	-	7,890
Innovative flexible funding for mental health	-	-	-	-	-	1,025	-	-	1,025
Reducing elective surgery waiting lists in Tasmania	-	-	-	-	-	12,000	-	-	12,000
Subacute and acute projects	-	-	-	-	-	5,000	-	-	5,000
National Bowel Cancer Screening Program — participant follow-up function	-	811	654	335	258	150	118	94	2,420
OzFoodNet	346	254	254	199	199	184	139	144	1,719
Royal Darwin Hospital — equipped, prepared and ready	-	-	-	-	-	-	-	15,461	15,461
Torres Strait health protection strategy — mosquito control	-	-	973	-	-	-	-	-	973
Vaccine-preventable diseases surveillance	202	189	163	83	79	33	34	47	830
Victorian cytology service	-	9,332	-	-	-	-	-	-	9,332

Table 37: Payments for specific purposes to support State health services, 2015-16 (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Indigenous health									
Accommodation and infrastructure related to renal services for Aboriginal and Torres Strait Islander peoples in the Northern Territory	-	-	-	-	-	-	-	3,000	3,000
Improving trachoma control services for Indigenous Australians Northern Territory remote Aboriginal investment	-	-	50	1,367	971	-	-	1,559	3,947
Health component	-	-	-	-	-	-	-	5,649	5,649
Rheumatic fever strategy	-	-	893	893	395	-	-	893	3,074
Torres Strait Health Protection Strategy	-	-	-	-	-	-	-	-	-
Saibai Island Health Clinic	-	-	500	-	-	-	-	-	500
Other									
Adult Public Dental Services	49,948	38,457	30,324	12,041	12,481	5,534	2,365	2,864	154,014
Essential vaccines	58,824	33,722	32,710	18,780	10,417	3,214	2,896	2,650	163,213
Supporting National Mental Health Reform	6,780	7,608	10,428	7,004	3,446	1,699	620	444	38,029
Zika response teams	-	-	970	-	-	-	-	-	970
Total	5,630,315	4,409,290	3,623,819	1,897,289	1,253,824	420,127	331,218	278,588	17,844,470

(a) The 2015-16 outcomes for National Health Reform funding will be finalised following reconciliation of activity data by the Administrator of the National Health Funding Pool, and a subsequent Determination by the Treasurer. Amounts for the hospital services component relate to payments made for services in 2015-16.

Table 38: Payments for specific purposes to support State education services, 2015-16

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Students First funding(a)(b)	4,824,055	3,928,397	3,315,259	1,585,107	1,132,299	369,819	264,315	283,362	15,702,613
National Partnership payments									
Independent Public Schools	6,500	7,880	3,680	-	1,580	600	260	460	20,960
MoneySmart Teaching	273	257	206	140	134	-	-	115	1,125
National quality agenda for early childhood education and care	7,491	4,867	2,515	1,152	1,892	283	321	559	19,080
National School Chaplaincy Programme	11,113	12,614	18,102	7,627	7,489	2,192	808	483	60,428
National School for Travelling Show Children	200	-	-	-	-	-	-	-	200
Northern Territory remote Aboriginal investment(c)	-	-	-	-	-	-	-	-	-
Children and schooling component	-	-	-	-	-	-	-	48,951	48,951
Online safety programs in schools	410	-	229	142	-	35	-	23	839
School Pathways Programme	-	-	-	600	675	-	-	-	1,275
Schools Security Programme	2,348	1,426	329	570	48	-	38	67	4,826
Trade training centres in schools	3,571	21,098	4,359	4,314	1,758	-	103	3,628	38,831
Universal access to early childhood education	78,699	98,431	51,743	45,137	27,111	8,692	6,849	4,975	321,637
Total	4,934,660	4,074,970	3,396,422	1,644,789	1,172,986	381,621	272,694	342,623	16,220,765
<i>Memorandum item — payments for non-government schools included in payments above</i>									
Students First funding(a)(b)	3,066,531	2,570,505	2,036,038	1,025,790	728,666	205,842	182,982	141,374	9,957,728
National Partnership payments									
Online safety programs in schools	122	-	64	40	-	9	-	3	238
Schools Security Programme	2,348	1,426	-	570	48	-	38	-	4,430
Trade training centres in schools	-	233	771	-	-	-	-	-	1,004
Total	3,069,001	2,572,164	2,036,873	1,026,400	728,714	205,851	183,020	141,377	9,963,400

(a) Students First funding includes funding for non-government representative bodies and other prescribed purpose funding. The 2015-16 Students First funding outcome will be finalised following a Determination by the Minister for Education.

(b) Actual cash payments to non-government schools may be inclusive of GST. However, Final Budget Outcome figures are reported exclusive of GST.

(c) Includes payments for government and non-government schools. However, payments to non-government schools are not shown in the Memorandum item.

Table 39: Payments for specific purposes to support State skills and workforce development services, 2015-16

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Skills and Workforce Development SPP	466,418	364,608	292,396	158,329	103,537	31,461	23,897	14,838	1,455,484
National Partnership payments									
Building Australia's Future Workforce — skills reform	121,281	93,909	69,830	39,364	27,418	6,204	6,050	2,805	366,861
Joint group training programme	-	-	2,533	2,052	-	-	-	-	4,585
TAFE fee waivers for childcare qualifications	794	5,097	6,753	2,004	648	-112	-290	72	14,966
Total	588,493	463,614	371,512	201,749	131,603	37,553	29,657	17,715	1,841,896

Table 40: Payments for specific purposes to support State community services, 2015-16

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Disability SPP	461,079	360,435	289,050	156,517	102,352	31,101	23,624	14,668	1,438,826
National Partnership payments									
Assisting preparation towards the trial of the National Disability Insurance Scheme	-	-	-	-	-	616	-	-	616
Home and Community Care	-	430,570	-	182,392	-	-	-	-	612,962
National Occasional Care Programme	-	1,168	-	-	318	-	-	-	1,486
National Outcome Standards for Perpetrator Interventions	788	-	520	314	230	119	107	93	2,171
Northern Territory remote Aboriginal investment	-	-	-	-	-	-	-	70,258	70,258
Community safety component	-	-	-	-	-	-	-	-	-
Municipal and essential services component	-	-	-	-	-	-	-	154,821	154,821
Pay equity for the social and community services sector	16,770	27,939	61,012	19,562	12,406	2,679	-	2,119	142,487
Specialist disability services	416,194	-	-	-	-	-	-	1,832	418,026
Trial of My Way sites	-	-	-	46,246	-	-	-	-	46,246
Total	894,831	820,112	350,582	405,031	115,306	34,515	23,731	243,791	2,887,899

Table 41: Payments for specific purposes to support State affordable housing services, 2015-16

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Affordable Housing SPP	424,299	331,684	265,992	144,032	94,188	28,620	21,739	13,498	1,324,052
National Partnership payments									
First Home Owners Boost(a)	70	119	42	84	-	-	-	-	315
Homelessness	30,020	22,790	28,710	14,970	8,870	2,800	1,520	5,320	115,000
Northern Territory remote Aboriginal investment									
Remote Australia strategies component	-	-	-	-	-	-	-	-	55,953
Remote Indigenous Housing	48,043	-	144,184	110,758	18,722	-	-	64,280	385,987
Total	502,432	354,593	438,928	269,844	121,780	31,420	23,259	139,051	1,881,307

(a) This reflects total payments to the States for the First Home Owners Boost. Total recoveries from the States under the First Home Owners Boost amounted to \$474,000.

Table 42: Payments for specific purposes to support State infrastructure services, 2015-16

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Partnership payments									
Infrastructure Investment Programme									
Black spot projects	7,704	4,070	3,311	7,438	2,855	1,162	-	-	26,540
Bridges Renewal programme	6,597	2,832	16,000	5,870	285	3,625	492	-	35,701
Heavy Vehicle Safety and Productivity programme	2,623	1,760	1,285	3,962	2,331	-	-	1,900	13,861
Improving the national network(a)	-	-	-	-	11	-	-	-	11
Investment									
Rail	78,976	50	102,000	-	-	11,250	-	-	192,276
Road(b)	1,380,477	218,321	954,961	239,430	162,768	69,841	614	97,231	3,123,643
Roads to Recovery	182,876	130,715	133,273	90,947	60,024	21,604	11,517	21,433	652,389
Infrastructure Growth Package									
Asset Recycling Initiative	-	-	-	-	-	-	3,923	-	3,923
New Investments	132,812	99,268	271,489	69,302	87,625	18,711	11,064	47,810	738,081
Western Sydney Infrastructure Plan	141,691	-	-	-	-	-	-	-	141,691
Building Australia Fund									
Road	-	-	-	-	-	-	6,920	-	6,920
Centenary of Canberra —									
Constitution Avenue Upgrade	-	-	-	-	-	-	8,000	-	8,000
Infrastructure projects in Western Australia	-	-	-	490,000	-	-	-	-	490,000
Interstate road transport	32,299	18,794	6,655	2,781	8,469	350	350	350	70,048
Latrobe Valley economic diversification	-	6,050	-	-	-	-	-	-	6,050
Murray-Darling Basin regional economic diversification programme	15,000	7,815	4,704	-	-	-	-	-	27,519
Supporting drought-affected communities programme	248	-	3,434	-	-	-	-	-	3,682
Total	1,981,303	489,675	1,497,112	909,730	324,368	126,543	42,880	168,724	5,540,335

Table 42: Payments for specific purposes to support State infrastructure services, 2015-16 (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<i>Memorandum item — payments direct to local governments included in payments above</i>									
Infrastructure Investment Programme									
Roads to Recovery	181,514	130,649	133,273	90,947	46,540	21,604	-	13,097	617,624
Infrastructure Growth Package									
New Investments	96,800	71,200	71,200	51,200	24,140	11,400	-	5,600	331,540
Latrobe Valley economic diversification	-	5,400	-	-	-	-	-	-	5,400
Supporting drought-affected communities programme	248	-	3,434	-	-	-	-	-	3,682
Total	278,562	207,249	207,907	142,147	70,680	33,004	-	18,697	958,246

(a) Figures represent expenses incurred against prepayments made to the States in prior years.

(b) A portion of Commonwealth funding for road infrastructure is sourced from the additional net revenue received from the reintroduction of biannual indexation of excise and excise-equivalent customs duty for all fuels (except aviation fuels), as announced in the 2014-15 Budget.

Table 43: Payments for specific purposes to support State environment services, 2015-16

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Partnership payments									
Assistance for pest animal and weed management in drought-affected areas	3,000	500	10,000	500	1,000	-	-	-	15,000
Bushfire mitigation	1,440	900	300	300	450	450	300	300	4,440
Development of business cases for constraints measures	2,000	1,569	-	-	410	-	-	-	3,979
Environmental management of the former Rum Jungle Mine site	-	-	-	-	-	-	-	4,145	4,145
Established Pest and Weed Management Great Artesian Basin Sustainability Initiative	1,628	1,458	1,565	1,459	812	157	32	389	7,500
Implementing water reform in the Murray-Darling Basin	9,402	6,800	1,985	-	1,486	-	327	-	20,000
Management of the World Heritage Values of the Tasmanian Wilderness	-	-	-	-	-	5,170	-	-	5,170
Mechanical fuel load reduction trials National Urban Water and Desalination Plan	1,000	-	-	-	-	-	-	-	1,000
National Water Security Plan for Cities and Towns	-	-	-	-	5,500	-	-	-	5,500
Natural disaster resilience	2,945	-	-	-	-	-	-	-	2,945
Pest and disease preparedness and response programmes	3,393	2,088	3,002	1,566	2,088	653	653	-	13,443
South Australian River Murray Sustainability Programme	-63	1,286	15,817	213	462	-	-	5,465	23,180
Irrigation efficiency and water purchase	-	-	-	-	45,000	-	-	-	45,000
Irrigation industry assistance	-	-	-	-	28,000	-	-	-	28,000
Regional economic development	-	-	-	-	11,000	-	-	-	11,000

Table 43: Payments for specific purposes to support State environment services, 2015-16 (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Partnership payments									
Sustainable Rural Water Use and Infrastructure Programme	23,741	33,390	19,186	671	16,158	11,278	3,320	240	107,984
Whale and dolphin entanglements	12	12	12	-	12	12	-	12	72
Total	48,498	48,003	53,081	4,709	114,723	17,720	4,632	10,551	301,917
<i>Memorandum item — payments direct to local governments included in payments above</i>									
National Urban Water and Desalination Plan	-	-	-	-	5,500	-	-	-	5,500
Total	-	-	-	-	5,500	-	-	-	5,500

Table 44: Payments for specific purposes to support contingent State services, 2015-16

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Partnership payments									
Hepatitis C settlement fund	-	-	-	-	25	-	-	-	25
Natural Disaster Relief and Recovery Arrangements(a)	2,808	3,131	144,070	3,795	3,088	64,729	-	2,430	224,051
Total	2,808	3,131	144,070	3,795	3,113	64,729	-	2,430	224,076

(a) Figures reflect the expense outcome. Total cash payments made in 2015-16 are presented in Table 29.

Table 45: Payments for specific purposes to support other State services, 2015-16

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Partnership payments									
2014 G20 leaders' summit security	-	-	1,600	-	-	-	-	-	1,600
Developing demand-driver infrastructure for the tourism industry	380	1,660	2,632	1,020	989	775	775	775	9,006
Financial assistance to local governments — Financial Assistance Grant programme	355,954	270,096	225,302	140,137	76,109	35,933	24,292	16,401	1,144,224
Legal assistance services	74,648	57,579	50,060	29,021	19,483	7,274	5,787	7,090	250,942
National Register of Foreign Ownership of Land Titles	1,500	-	1,500	1,750	1,500	350	400	-	7,000
Provision of fire services	4,264	3,003	3,025	1,350	1,007	264	5,114	1,633	19,660
Sinking fund on state debt	20	..	-	-	-	-	-	-	20
Tasmanian horticulture market growth	-	-	-	-	-	50	-	-	50
Tasmanian Regional Tourism infrastructure and Innovation Fund	-	-	-	-	-	4,380	-	-	4,380
Total	436,766	332,338	284,119	173,278	99,088	49,026	36,368	25,899	1,436,882

Table 46: General revenue assistance payments to the States, 2015-16

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
GST entitlement(a)	17,460,994	12,859,649	13,027,891	1,876,907	5,559,515	2,261,459	1,038,864	3,266,280	57,351,559
Other payments									
ACT Municipal Services	-	-	-	-	-	-	38,515	-	38,515
Compensation for reduced royalties	-	-	-	27,439	-	-	-	-	27,439
Royalties	-	-	-	567,716	-	-	-	3,835	571,551
Snowy Hydro Ltd tax compensation	17,797	8,899	-	-	-	-	-	-	26,696
Total	17,478,791	12,868,548	13,027,891	2,472,062	5,559,515	2,261,459	1,077,379	3,270,115	58,015,760

(a) The 2015-16 GST outcome will be finalised following a Determination by the Treasurer.

Table 47: Total payments to the States by GFS function, 2015-16

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
General public services	1,500	-	1,500	1,750	1,500	350	400	-	7,000
Public order and safety	84,117	62,317	54,846	31,061	20,970	8,007	11,264	79,344	351,926
Education	5,513,314	4,532,291	3,762,557	1,842,764	1,302,649	418,891	301,992	352,123	18,026,581
Health	5,630,315	4,409,290	3,623,819	1,897,289	1,253,849	420,127	331,218	278,588	17,844,495
Social security and welfare	901,534	824,979	352,577	405,869	116,968	34,679	23,945	30,471	2,691,022
Housing and community amenities	521,085	370,558	450,080	271,410	134,880	32,085	31,912	294,325	2,106,335
Recreation and culture	-	-	-	-	-	5,170	-	-	5,170
Agriculture, forestry and fishing	42,653	45,003	49,767	2,843	101,173	11,485	3,679	6,094	262,697
Transport and communication	1,966,055	475,810	1,488,974	909,730	324,368	126,543	34,880	168,724	5,495,084
Other economic affairs	751	2,251	6,153	3,566	1,237	5,255	857	872	20,942
Other purposes(a)	17,837,573	13,141,775	13,397,263	2,615,994	5,638,712	2,362,121	1,101,671	3,288,946	59,384,055
Total payments to the States	32,498,897	23,864,274	23,187,536	7,982,276	8,896,306	3,424,713	1,841,818	4,499,487	106,195,307
less payments 'through' the States	3,194,701	2,719,693	2,176,359	1,102,557	803,770	222,211	209,509	170,694	10,599,494
less financial assistance grants for local government	355,954	270,096	225,302	140,137	76,109	35,933	24,292	16,401	1,144,224
less payments direct to local government	278,562	207,249	207,907	142,147	76,180	33,004	-	18,697	963,746
equals total payments 'to' the States for own-purpose expenses	28,669,680	20,667,236	20,577,968	6,597,435	7,940,247	3,133,565	1,608,017	4,293,695	93,487,843

(a) Payments for 'Other purposes' includes general revenue assistance to the States.

Table 48: Other financial flows — estimated advances, repayment of advances and interest payments, 2015-16

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Advances									
Agriculture									
Drought Concessional Loans Scheme	20,000	60,000	40,000	10,000	10,000	20,000	-	10,000	170,000
Drought Recovery Concessional Loans Scheme	25,000	-	20,000	-	10,000	-	-	-	55,000
Asbestos Removal in the ACT	-	-	-	-	-	-	250,000	-	250,000
Repayments									
Agriculture									
Drought Concessional Loans Scheme	-29,873	-9,172	-18,093	-7,858	-7,907	-	-	-10,000	-82,903
Drought Recovery Concessional Loans Scheme	-20,103	-	-26,742	-	-	-	-	-	-46,845
Farm Finance Concessional Loans	-16,175	-15,762	-19,971	-5,583	-10,000	-5,300	-	-9,742	-82,533
Contingent liabilities									
Natural disaster relief	-4,083	-	-17,286	-	-	-	-	-	-21,369
Environment									
Northern Territory — water and sewerage assistance	-	-	-	-	-	-	-	-136	-136
Housing									
Commonwealth-State Housing Agreement loans	-37,130	-	-9,955	-9,543	-2,596	-5,052	-	-828	-65,104
Housing for service personnel	-1,595	-	-976	-263	-57	-	-	-	-2,891
Other housing	-	-	-	-	-	-	-7,853	-2,839	-10,692
Payments to debt sinking funds	-101	-1	-	-	-	-	-	-	-102
Infrastructure									
Sewerage	-1,342	-	-1,015	-	-647	-	-	-	-3,004
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-554	-	-554
Loan Council — housing nominations	-8,967	-	-3,299	-5,719	-3,751	-2,404	-	-2,985	-27,125

Table 48: Other financial flows — estimated advances, repayment of advances and interest payments, 2015-16 (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Interest									
Agriculture									
Farm Finance Concessional Loans	-1,821	-1,229	-1,637	-518	-79	-418	-	-307	-6,008
Drought Concessional Loans Scheme	-2,334	-1,056	-3,435	-166	-177	-27	-	-56	-7,250
Drought Recovery Concessional Loans Scheme	-664	-	-999	-	-17	-	-	-	-1,680
Asbestos Removal in the ACT	-	-	-	-	-	-	-26,787	-	-26,787
Contingent liabilities									
Loan to NSW to assist beneficiaries of the Asbestos Injuries Compensation Fund	-2,036	-	-	-	-	-	-	-	-2,036
Natural disaster relief	-347	-	-1,381	-	-	-	-	-	-1,728
Environment									
Northern Territory — water and sewerage assistance	-	-	-	-	-	-	-	-548	-548
Housing									
Commonwealth-State Housing Agreement loans	-26,778	-2	-7,559	-7,215	-2,290	-3,686	-	-1,155	-48,685
Housing for service personnel	-1,881	-	-1,047	-189	-86	-	-	-	-3,203
Other housing	-	-	-	-	-	-	-6,621	-2,781	-9,402
Infrastructure									
Sewerage	-99	-	-29	-	-88	-	-	-	-216
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-677	-	-677
Loan Council — housing nominations	-17,744	-	-6,367	-10,869	-7,715	-4,702	-	-6,217	-53,614
Net Financial Flow	-128,073	32,778	-59,791	-37,923	-15,410	-1,589	207,508	-27,594	-30,092

APPENDIX A: EXPENSES BY FUNCTION AND SUB-FUNCTION

Table A1 sets out Australian Government general government sector expenses by function and sub-function for 2015-16.

Table A1: Australian Government general government sector expenses by function and sub-function

	2015-16		2015-16 Outcome \$m	Change on 2016-17 Budget \$m
	2014-15 Outcome \$m	Estimate at 2016-17 Budget \$m		
General public services				
Legislative and executive affairs	1,124	1,229	1,239	9
Financial and fiscal affairs	7,145	6,895	6,598	-297
Foreign affairs and economic aid	6,393	5,470	5,484	15
General research	2,766	2,866	2,711	-155
General services	720	977	731	-246
Government superannuation benefits	6,457	6,530	7,447	916
Total general public services	24,605	23,967	24,209	242
Defence	23,790	25,986	26,013	27
Public order and safety				
Courts and legal services	1,021	1,217	1,153	-64
Other public order and safety	3,422	3,741	3,670	-71
Total public order and safety	4,443	4,958	4,823	-135
Education				
Higher education	9,078	9,621	9,581	-40
Vocational and other education	1,823	1,848	1,837	-11
Schools	14,706	15,636	15,703	68
<i>Non-government schools</i>	9,474	9,869	9,958	89
<i>Government schools</i>	5,232	5,767	5,746	-21
School education - specific funding	886	712	618	-94
Student assistance	4,372	4,367	4,054	-313
General administration	235	331	328	-3
Total education	31,101	32,515	32,121	-394
Health				
Medical services and benefits	27,768	29,025	28,848	-177
Pharmaceutical benefits and services	10,322	11,022	12,032	1,010
Assistance to the States for public hospitals	15,466	17,196	17,185	-10
Hospital services	2,007	1,755	1,071	-684
Health services	6,335	6,322	6,488	166
General administration	3,103	3,106	2,952	-154
Aboriginal and Torres Strait Islander health	695	746	725	-21
Total health	65,696	69,172	69,301	129

Table A1: Australian Government general government sector expenses by function and sub-function (continued)

	2014-15 Outcome \$m	2015-16 Estimate at 2016-17 Budget \$m	2015-16 Outcome \$m	Change on 2016-17 Budget \$m
Social security and welfare				
Assistance to the aged	57,506	59,995	59,962	-33
Assistance to veterans and dependants	6,865	6,619	6,634	15
Assistance to people with disabilities	27,465	29,084	28,815	-269
Assistance to families with children	38,080	38,889	38,341	-548
Assistance to the unemployed and the sick	10,728	10,896	11,032	135
Other welfare programmes	1,441	1,508	1,504	-3
Assistance for Indigenous Australians nec	2,102	2,153	2,199	46
General administration	3,601	3,694	3,638	-56
Total social security and welfare	147,787	152,838	152,124	-713
Housing and community amenities				
Housing	3,269	3,267	3,192	-75
Urban and regional development	679	703	663	-40
Environment protection	887	895	886	-8
Total housing and community amenities	4,835	4,865	4,742	-123
Recreation and culture				
Broadcasting	1,555	1,496	1,483	-14
Arts and cultural heritage	1,175	1,287	1,228	-59
Sport and recreation	401	349	356	7
National estate and parks	402	380	395	15
Total recreation and culture	3,534	3,512	3,462	-50
Fuel and energy	6,799	6,528	6,423	-106
Agriculture, forestry and fishing				
Wool industry	61	69	64	-5
Grains industry	197	224	188	-35
Dairy industry	57	58	58	-1
Cattle, sheep and pig industry	205	212	202	-11
Fishing, horticulture and other agriculture	276	322	290	-32
General assistance not allocated to specific industries	27	26	28	2
Rural assistance	142	170	134	-36
Natural resources development	848	976	636	-340
General administration	599	712	661	-51
Total agriculture, forestry and fishing	2,411	2,768	2,259	-509
Mining, manufacturing and construction	3,550	3,650	3,103	-547
Transport and communication				
Communication	636	632	592	-40
Rail transport	724	1,555	267	-1,288
Air transport	205	222	218	-4
Road transport	4,207	5,501	5,321	-180
Sea transport	345	388	367	-21
Other transport and communication	315	350	318	-32
Total transport and communication	6,433	8,647	7,083	-1,564

Table A1: Australian Government general government sector expenses by function and sub-function (continued)

	2015-16		2015-16 Outcome \$m	Change on 2016-17 Budget \$m
	2014-15	Estimate at		
	Outcome \$m	2016-17 Budget \$m		
Other economic affairs				
Tourism and area promotion	186	186	199	13
Total labour and employment affairs	3,673	3,528	3,078	-450
<i>Vocational and industry training</i>	1,288	1,238	1,021	-217
<i>Labour market assistance to job seekers and industry</i>	1,573	1,477	1,275	-202
<i>Industrial relations</i>	811	813	782	-30
Immigration	4,036	3,792	3,741	-51
Other economic affairs nec	2,151	2,119	2,180	60
Total other economic affairs	10,046	9,626	9,199	-427
Other purposes				
Public debt interest	14,491	15,376	15,339	-37
<i>Interest on Australian Government's behalf</i>	14,491	15,376	15,339	-37
Nominal superannuation interest	8,999	9,167	9,106	-62
General purpose inter-government transactions	58,859	59,380	59,160	-220
<i>General revenue assistance - States and Territories</i>	55,425	58,236	58,016	-220
<i>Local government assistance</i>	3,433	1,144	1,144	0
Natural disaster relief	522	49	224	175
Contingency reserve	0	-1,536	0	1,536
Total other purposes	82,871	82,437	83,829	1,392
Total expenses	417,898	431,470	428,691	-2,779

APPENDIX B: HISTORICAL AUSTRALIAN GOVERNMENT DATA

This appendix reports historical data for the Australian Government fiscal aggregates across the general government, public non-financial corporations and non-financial public sectors.

DATA SOURCES

Data are sourced from Australian Government *Final Budget Outcomes*, the Australian Bureau of Statistics (ABS), the Australian Office of Financial Management (AOFM) and Australian Government *Consolidated Financial Statements*.

- Accrual data from 1996-97 onwards and cash data, net debt data, net financial worth data and net worth data from 1999-2000 onwards are sourced from Australian Government *Final Budget Outcomes*. Back-casting adjustments for accounting classification changes and other revisions have been made from 1998-99 onwards where applicable.
- Cash data prior to 1999-2000 are sourced from ABS data, which have been calculated using methodology consistent with that used for later years in ABS cat. no. 5512.0 *Government Finance Statistics*.
- Net debt data prior to 1999-2000 are from ABS cat. no. 5512.0 *Government Finance Statistics 2003-04* in 1998-99, ABS cat. no. 5501.0 *Government Financial Estimates 1999-2000* and ABS cat. no. 5513.0 *Public Sector Financial Assets and Liabilities 1998* in 1987-88 to 1997-98, and Treasury estimates (see Treasury's *Economic Roundup*, Spring 1996, pages 97-103) prior to 1987-88.

COMPARABILITY OF DATA ACROSS YEARS

The data set contains a number of structural breaks owing to accounting classification differences and changes to the structure of the budget which cannot be eliminated through back-casting because of data limitations. These breaks can affect the comparability of data across years, especially when the analysis is taken over a large number of years. Specific factors causing structural breaks include:

- from 2005-06 onwards, underlying Government Finance Statistics (GFS) data are provided by agencies in accordance with Australian Accounting Standards (AAS) which includes International Financial Reporting Standards (IFRS) as adopted in Australia. Prior to 2005-06, underlying GFS data are based on data provided by agencies applying AAS prior to the adoption of IFRS;

- most recent accounting classification changes that require revisions to the historical series have been back-cast (where applicable) to 1998-99, ensuring that data are consistent across the accrual period from 1998-99 onwards. However, because of data limitations, these changes have not been back-cast to earlier years;
- prior to 1999-2000, Australian Government general government sector debt instruments are valued at historic cost, whereas from 1999-2000 onwards they are valued at market prices (consistent with accrual GFS standards). This affects net debt and net interest payments;
- cash data up to and including 1997-98 are calculated under a cash accounting framework, while cash data from 1998-99 onwards are derived from an accrual accounting framework.¹ Although the major methodological differences associated with the move to the accrual framework have been eliminated through back-casting, comparisons across the break may still be affected by changes to some data sources and collection methodologies;
- adjustments in the coverage of agencies included in the accounts of the different sectors. These include the reclassification of Central Banking Authorities from the general government to the public financial corporations sector in 1998-99, and subsequent back-casting to account for this change;
- changes in arrangements for transfer payments, where tax concessions or rebates have been replaced by payments through the social security system. This has the effect of increasing both cash receipts and payments, as compared with earlier periods, but not changing cash balances. Changes in the opposite direction (tax expenditures replacing payments) reduce both cash payments and receipts; and
- classification differences in the data relating to the period prior to 1976-77 (which means that earlier data may not be entirely consistent with data for 1976-77 onwards).

REVISIONS TO PREVIOUSLY PUBLISHED DATA

Under the accrual GFS framework and generally under AAS, flows are recorded in the period in which they occurred. As a result, prior period outcomes may be revised for classification changes relating to information that could reasonably have been expected to be known in the past, is material in at least one of the affected periods, and can be reliably assigned to the relevant period(s).

1 Prior to the 2008-09 Budget, cash data calculated under the cash accounting framework were used up to and including 1998-99. In the 2008-09 Budget, cash data prior to 1998-99 have been replaced by ABS data derived from the accrual framework.

Table B1: Australian Government general government sector receipts, payments, net Future Fund earnings and underlying cash balance^(a)

	Receipts(b)		Payments(c)				Net Future Fund earnings	Underlying cash balance(d)	
	\$m	Per cent of GDP	\$m	Per cent real growth (CPI)	Per cent real growth (NFGDP deflator)(e)	Per cent of GDP	\$m	\$m	Per cent of GDP
1970-71	8,290	20.6	7,389	na	na	18.3	-	901	2.2
1971-72	9,135	20.6	8,249	4.1	4.7	18.6	-	886	2.0
1972-73	9,735	19.6	9,388	7.7	7.8	18.9	-	348	0.7
1973-74	12,228	20.3	11,078	4.2	3.6	18.4	-	1,150	1.9
1974-75	15,643	22.0	15,463	19.9	14.6	21.8	-	181	0.3
1975-76	18,727	22.5	20,225	15.7	13.5	24.3	-	-1,499	-1.8
1976-77	21,890	22.8	23,157	0.6	1.9	24.1	-	-1,266	-1.3
1977-78	24,019	22.9	26,057	2.7	3.3	24.9	-	-2,037	-1.9
1978-79	26,129	22.1	28,272	0.3	2.7	23.9	-	-2,142	-1.8
1979-80	30,321	22.6	31,642	1.5	2.1	23.6	-	-1,322	-1.0
1980-81	35,993	23.7	36,176	4.6	3.6	23.8	-	-184	-0.1
1981-82	41,499	23.6	41,151	2.9	0.5	23.4	-	348	0.2
1982-83	45,463	24.1	48,810	6.3	6.2	25.8	-	-3,348	-1.8
1983-84	49,981	23.4	56,990	9.4	9.6	26.7	-	-7,008	-3.3
1984-85	58,817	25.0	64,853	9.1	9.0	27.6	-	-6,037	-2.6
1985-86	66,206	25.4	71,328	1.5	3.7	27.4	-	-5,122	-2.0
1986-87	74,724	26.2	77,158	-1.1	0.7	27.0	-	-2,434	-0.9
1987-88	83,491	25.8	82,039	-0.9	0.0	25.3	-	1,452	0.4
1988-89	90,748	24.7	85,326	-3.1	-4.4	23.2	-	5,421	1.5
1989-90	98,625	24.4	92,684	0.6	1.7	22.9	-	5,942	1.5
1990-91	100,227	24.2	100,665	3.1	3.8	24.3	-	-438	-0.1
1991-92	95,840	22.7	108,472	5.7	5.9	25.6	-	-12,631	-3.0
1992-93	97,633	22.0	115,751	5.6	5.9	26.1	-	-18,118	-4.1
1993-94	103,824	22.3	122,009	3.5	4.4	26.1	-	-18,185	-3.9
1994-95	113,458	22.9	127,619	1.4	2.5	25.8	-	-14,160	-2.9
1995-96	124,429	23.5	135,538	1.9	3.2	25.6	-	-11,109	-2.1
1996-97	133,592	24.0	139,689	1.7	1.5	25.1	-	-6,099	-1.1
1997-98	140,736	23.9	140,587	0.6	-0.7	23.9	-	149	0.0
1998-99	152,063	24.5	148,175	4.1	4.9	23.9	-	3,889	0.6
1999-00	166,199	25.2	153,192	1.0	0.8	23.2	-	13,007	2.0
2000-01	182,996	25.9	177,123	9.1	10.8	25.1	-	5,872	0.8
2001-02	187,588	24.9	188,655	3.5	4.1	25.0	-	-1,067	-0.1
2002-03	204,613	25.6	197,243	1.4	1.4	24.6	-	7,370	0.9
2003-04	217,775	25.3	209,785	3.9	2.6	24.4	-	7,990	0.9
2004-05	235,984	25.6	222,407	3.5	2.0	24.1	-	13,577	1.5
2005-06	255,943	25.7	240,136	4.6	2.6	24.1	51	15,757	1.6
2006-07	272,637	25.1	253,321	2.5	0.5	23.3	2,127	17,190	1.6
2007-08	294,917	25.0	271,843	3.8	2.7	23.1	3,319	19,754	1.7
2008-09	292,600	23.3	316,046	12.7	10.4	25.1	3,566	-27,013	-2.1
2009-10	284,662	22.0	336,900	4.2	5.5	26.0	2,256	-54,494	-4.2

Table B1: Australian Government general government sector receipts, payments, net Future Fund earnings and underlying cash balance^(a) (continued)

	Receipts(b)		Payments(c)				Net Future Fund earnings	Underlying cash balance(d)	
	Per cent \$m of GDP	\$m	Per cent	Per cent	Per cent of GDP	\$m	\$m	Per cent of GDP	
			real growth (CPI)	real growth (NFGDP deflator)(e)					
2010-11	302,024	21.4	346,102	-0.4	-3.2	24.5	3,385	-47,463	-3.4
2011-12	329,874	22.1	371,032	4.8	5.1	24.9	2,203	-43,360	-2.9
2012-13	351,052	23.0	367,204	-3.2	-0.7	24.1	2,682	-18,834	-1.2
2013-14	360,322	22.7	406,430	7.8	9.1	25.6	2,348	-48,456	-3.1
2014-15	378,301	23.5	412,079	-0.3	2.3	25.6	4,089	-37,867	-2.4
2015-16	386,924	23.5	423,328	1.3	3.4	25.7	3,202	-39,606	-2.4

(a) Data have been revised in the 2015-16 Final Budget Outcome to improve accuracy and comparability through time.

(b) Receipts are equal to cash receipts from operating activities and sales of non-financial assets.

(c) Payments are equal to cash payments for operating activities, purchases of non-financial assets and net acquisition of assets under finance leases.

(d) Underlying cash balance is equal to receipts less payments, less net Future Fund earnings. For the purposes of consistent comparison with years prior to 2005-06, net Future Fund earnings should be added back to the underlying cash balance.

(e) Real spending growth is calculated using the Consumer Price Index as the deflator. Real spending growth using non-farm GDP deflator is included for comparative purposes only.

Table B2: Australian Government general government sector net cash flows from investments in financial assets for policy purposes and headline cash balance^(a)

	Receipts		Payments		Net cash flows from investments in financial assets for policy purposes(b)		Headline cash balance(c)	
	\$m	\$m	\$m	Per cent of GDP	\$m	Per cent of GDP	\$m	Per cent of GDP
1970-71	8,290	7,389	-851	-2.1	50	0.1		
1971-72	9,135	8,249	-987	-2.2	-101	-0.2		
1972-73	9,735	9,388	-977	-2.0	-629	-1.3		
1973-74	12,228	11,078	-1,275	-2.1	-125	-0.2		
1974-75	15,643	15,463	-2,648	-3.7	-2,467	-3.5		
1975-76	18,727	20,225	-2,040	-2.5	-3,539	-4.3		
1976-77	21,890	23,157	-1,530	-1.6	-2,796	-2.9		
1977-78	24,019	26,057	-1,324	-1.3	-3,361	-3.2		
1978-79	26,129	28,272	-1,074	-0.9	-3,216	-2.7		
1979-80	30,321	31,642	-702	-0.5	-2,024	-1.5		
1980-81	35,993	36,176	-962	-0.6	-1,146	-0.8		
1981-82	41,499	41,151	-1,008	-0.6	-660	-0.4		
1982-83	45,463	48,810	-1,363	-0.7	-4,711	-2.5		
1983-84	49,981	56,990	-1,136	-0.5	-8,144	-3.8		
1984-85	58,817	64,853	-922	-0.4	-6,959	-3.0		
1985-86	66,206	71,328	-810	-0.3	-5,932	-2.3		
1986-87	74,724	77,158	-545	-0.2	-2,979	-1.0		
1987-88	83,491	82,039	657	0.2	2,109	0.7		
1988-89	90,748	85,326	168	0.0	5,589	1.5		
1989-90	98,625	92,684	1,217	0.3	7,159	1.8		
1990-91	100,227	100,665	1,563	0.4	1,125	0.3		
1991-92	95,840	108,472	2,156	0.5	-10,475	-2.5		
1992-93	97,633	115,751	2,471	0.6	-15,647	-3.5		
1993-94	103,824	122,009	3,447	0.7	-14,738	-3.2		
1994-95	113,458	127,619	1,546	0.3	-12,614	-2.5		
1995-96	124,429	135,538	5,188	1.0	-5,921	-1.1		
1996-97	133,592	139,689	7,241	1.3	1,142	0.2		
1997-98	140,736	140,587	15,154	2.6	15,303	2.6		
1998-99	152,063	148,175	6,948	1.1	10,837	1.7		
1999-00	166,199	153,192	9,500	1.4	22,507	3.4		
2000-01	182,996	177,123	5,673	0.8	11,545	1.6		
2001-02	187,588	188,655	3,422	0.5	2,355	0.3		
2002-03	204,613	197,243	-229	0.0	7,141	0.9		
2003-04	217,775	209,785	-452	-0.1	7,538	0.9		
2004-05	235,984	222,407	-1,139	-0.1	12,438	1.3		
2005-06	255,943	240,136	-1,647	-0.2	14,160	1.4		
2006-07	272,637	253,321	7,403	0.7	26,720	2.5		
2007-08	294,917	271,843	5,108	0.4	28,181	2.4		
2008-09	292,600	316,046	-7,889	-0.6	-31,336	-2.5		
2009-10	284,662	336,900	-4,278	-0.3	-56,516	-4.4		

Table B2: Australian Government general government sector net cash flows from investments in financial assets for policy purposes and headline cash balance^(a) (continued)

	Receipts	Payments	Net cash flows from investments in financial assets for policy purposes(b)		Headline cash balance(c)	
	\$m	\$m	\$m	Per cent of GDP	\$m	Per cent of GDP
2010-11	302,024	346,102	-7,028	-0.5	-51,106	-3.6
2011-12	329,874	371,032	-5,866	-0.4	-47,023	-3.2
2012-13	351,052	367,204	-4,802	-0.3	-20,954	-1.4
2013-14	360,322	406,430	-6,371	-0.4	-52,479	-3.3
2014-15	378,301	412,079	-5,158	-0.3	-38,936	-2.4
2015-16	386,924	423,328	-12,684	-0.8	-49,088	-3.0

(a) Data have been revised in the 2015-16 Final Budget Outcome to improve accuracy and comparability through time.

(b) Prior to 1999-2000, net cash flows from investments in financial assets for policy purposes were referred to as 'net advances'. A negative number reflects a cash outflow, while a positive number reflects a cash inflow.

(c) Headline cash balance is equal to receipts less payments, plus net cash flows from investments in financial assets for policy purposes. Receipts and payments are identical to Table B1.

Table B3: Australian Government general government sector taxation receipts, non-taxation receipts and total receipts^(a)

	Taxation receipts(b)		Non-taxation receipts(b)		Total receipts(c)	
	\$m	Per cent of GDP	\$m	Per cent of GDP	\$m	Per cent of GDP
1970-71	7,193	17.9	1,097	2.7	8,290	20.6
1971-72	7,895	17.8	1,240	2.8	9,135	20.6
1972-73	8,411	16.9	1,324	2.7	9,735	19.6
1973-74	10,832	18.0	1,396	2.3	12,228	20.3
1974-75	14,141	19.9	1,502	2.1	15,643	22.0
1975-76	16,920	20.3	1,807	2.2	18,727	22.5
1976-77	19,714	20.5	2,176	2.3	21,890	22.8
1977-78	21,428	20.4	2,591	2.5	24,019	22.9
1978-79	23,409	19.8	2,720	2.3	26,129	22.1
1979-80	27,473	20.5	2,848	2.1	30,321	22.6
1980-81	32,641	21.5	3,352	2.2	35,993	23.7
1981-82	37,880	21.6	3,619	2.1	41,499	23.6
1982-83	41,025	21.7	4,438	2.3	45,463	24.1
1983-84	44,849	21.0	5,132	2.4	49,981	23.4
1984-85	52,970	22.5	5,847	2.5	58,817	25.0
1985-86	58,841	22.6	7,365	2.8	66,206	25.4
1986-87	66,467	23.3	8,257	2.9	74,724	26.2
1987-88	75,076	23.2	8,415	2.6	83,491	25.8
1988-89	83,452	22.7	7,296	2.0	90,748	24.7
1989-90	90,773	22.5	7,852	1.9	98,625	24.4
1990-91	92,739	22.4	7,488	1.8	100,227	24.2
1991-92	87,364	20.7	8,476	2.0	95,840	22.7
1992-93	88,760	20.0	8,873	2.0	97,633	22.0
1993-94	93,362	20.0	10,462	2.2	103,824	22.3
1994-95	104,921	21.2	8,537	1.7	113,458	22.9
1995-96	115,700	21.9	8,729	1.7	124,429	23.5
1996-97	124,559	22.4	9,033	1.6	133,592	24.0
1997-98	130,984	22.3	9,752	1.7	140,736	23.9
1998-99	138,420	22.3	13,643	2.2	152,063	24.5
1999-00	151,313	22.9	14,887	2.3	166,199	25.2
2000-01	170,354	24.2	12,641	1.8	182,996	25.9
2001-02	175,108	23.2	12,481	1.7	187,588	24.9
2002-03	192,131	24.0	12,482	1.6	204,613	25.6
2003-04	206,478	24.0	11,296	1.3	217,775	25.3
2004-05	223,723	24.3	12,262	1.3	235,984	25.6
2005-06	241,681	24.2	14,262	1.4	255,943	25.7
2006-07	257,973	23.7	14,665	1.3	272,637	25.1
2007-08	279,018	23.7	15,899	1.3	294,917	25.0
2008-09	273,379	21.7	19,221	1.5	292,600	23.3
2009-10	261,864	20.2	22,798	1.8	284,662	22.0

Table B3: Australian Government general government sector taxation receipts, non-taxation receipts and total receipts^(a) (continued)

	Taxation receipts(b)		Non-taxation receipts(b)		Total receipts(c)	
	\$m	Per cent of GDP	\$m	Per cent of GDP	\$m	Per cent of GDP
2010-11	281,767	20.0	20,257	1.4	302,024	21.4
2011-12	310,972	20.9	18,902	1.3	329,874	22.1
2012-13	327,589	21.5	23,464	1.5	351,052	23.0
2013-14	339,962	21.5	20,359	1.3	360,322	22.7
2014-15	353,494	21.9	24,807	1.5	378,301	23.5
2015-16	361,962	21.9	24,962	1.5	386,924	23.5

(a) Data have been revised in the 2015-16 Final Budget Outcome to improve accuracy and comparability through time.

(b) Visa application charges were reclassified in the 2015-16 MYEFO from non-taxation receipts to taxation receipts to reflect a sustained change in the nature of receipts. Back-casting occurs from 2003-04.

(c) Receipts are equal to cash receipts from operating activities and sales of non-financial assets. Receipts are identical to Table B1.

Table B4: Australian Government general government sector net debt and net interest payments^(a)

	Net debt(b)		Net interest payments(c)	
	\$m	Per cent of GDP	\$m	Per cent of GDP
1970-71	344	0.9	-189	-0.5
1971-72	-496	-1.1	-245	-0.6
1972-73	-790	-1.6	-252	-0.5
1973-74	-1,851	-3.1	-286	-0.5
1974-75	-1,901	-2.7	-242	-0.3
1975-76	-341	-0.4	-330	-0.4
1976-77	898	0.9	-62	-0.1
1977-78	2,896	2.8	4	0.0
1978-79	4,983	4.2	254	0.2
1979-80	6,244	4.6	440	0.3
1980-81	6,356	4.2	620	0.4
1981-82	5,919	3.4	680	0.4
1982-83	9,151	4.8	896	0.5
1983-84	16,015	7.5	1,621	0.8
1984-85	21,896	9.3	2,813	1.2
1985-86	26,889	10.3	3,952	1.5
1986-87	29,136	10.2	4,762	1.7
1987-88	27,344	8.4	4,503	1.4
1988-89	21,981	6.0	4,475	1.2
1989-90	16,123	4.0	4,549	1.1
1990-91	16,915	4.1	3,636	0.9
1991-92	31,041	7.3	3,810	0.9
1992-93	55,218	12.4	3,986	0.9
1993-94	70,223	15.0	5,628	1.2
1994-95	83,492	16.8	7,292	1.5
1995-96	95,831	18.1	8,861	1.7
1996-97	96,281	17.3	9,489	1.7
1997-98	82,935	14.1	8,279	1.4
1998-99	72,065	11.6	8,649	1.4
1999-00	53,869	8.2	7,514	1.1
2000-01	42,719	6.1	6,195	0.9
2001-02	38,180	5.1	5,352	0.7
2002-03	29,047	3.6	3,758	0.5
2003-04	22,639	2.6	3,040	0.4
2004-05	10,741	1.2	2,502	0.3
2005-06	-4,531	-0.5	2,303	0.2
2006-07	-29,150	-2.7	228	0.0
2007-08	-44,820	-3.8	-1,015	-0.1
2008-09	-16,148	-1.3	-1,196	-0.1
2009-10	42,283	3.3	2,386	0.2

Table B4: Australian Government general government sector net debt and net interest payments^(a) (continued)

	Net debt(b)		Net interest payments(c)	
	\$m	Per cent of GDP	\$m	Per cent of GDP
2010-11	84,551	6.0	4,608	0.3
2011-12	147,334	9.9	6,609	0.4
2012-13	152,982	10.0	8,285	0.5
2013-14	202,463	12.8	10,843	0.7
2014-15	238,721	14.8	10,868	0.7
2015-16	296,371	18.0	12,041	0.7

(a) Data have been revised in the 2015-16 Final Budget Outcome to improve accuracy and comparability through time.

(b) Net debt is equal to the sum of deposits held, government securities, loans and other borrowing, minus the sum of cash and deposits, advances paid and investments, loans and placements.

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

Table B5: Australian Government general government sector face value of Commonwealth Government Securities (CGS) on issue and interest paid^(a)

	Face value of CGS on issue					
	Total CGS on issue(b)		Subject to Treasurer's direction(c)		Interest Paid(d)	
	End of year \$m	Per cent of GDP	End of year \$m	Per cent of GDP	\$m	Per cent of GDP
1970-71	10,887	27.0	-	-	580	1.4
1971-72	11,490	25.8	-	-	614	1.4
1972-73	12,217	24.6	-	-	675	1.4
1973-74	12,809	21.3	-	-	712	1.2
1974-75	14,785	20.8	-	-	893	1.3
1975-76	17,940	21.6	-	-	1,001	1.2
1976-77	20,845	21.7	-	-	1,485	1.5
1977-78	23,957	22.9	-	-	1,740	1.7
1978-79	28,120	23.7	-	-	2,080	1.8
1979-80	29,321	21.8	-	-	2,356	1.8
1980-81	30,189	19.9	-	-	2,723	1.8
1981-82	31,060	17.7	-	-	3,058	1.7
1982-83	37,071	19.6	-	-	3,580	1.9
1983-84	45,437	21.3	-	-	4,558	2.1
1984-85	54,420	23.2	-	-	5,952	2.5
1985-86	63,089	24.2	-	-	7,394	2.8
1986-87	67,172	23.5	-	-	8,339	2.9
1987-88	62,794	19.4	-	-	8,139	2.5
1988-89	56,854	15.5	-	-	8,222	2.2
1989-90	48,399	12.0	-	-	8,064	2.0
1990-91	48,723	11.7	-	-	6,994	1.7
1991-92	58,826	13.9	-	-	6,819	1.6
1992-93	76,509	17.2	-	-	6,487	1.5
1993-94	90,889	19.5	-	-	7,709	1.7
1994-95	105,466	21.3	-	-	9,144	1.8
1995-96	110,166	20.8	-	-	10,325	2.0
1996-97	111,067	20.0	-	-	10,653	1.9
1997-98	93,664	15.9	-	-	9,453	1.6
1998-99	85,331	13.8	-	-	9,299	1.5
1999-00	75,536	11.4	-	-	8,509	1.3
2000-01	66,403	9.4	-	-	7,335	1.0
2001-02	63,004	8.4	-	-	6,270	0.8
2002-03	57,435	7.2	-	-	4,740	0.6
2003-04	54,750	6.4	-	-	4,096	0.5
2004-05	55,151	6.0	-	-	3,902	0.4
2005-06	54,070	5.4	-	-	4,628	0.5
2006-07	53,264	4.9	-	-	3,959	0.4
2007-08	55,442	4.7	-	-	3,754	0.3
2008-09	101,147	8.0	95,103	7.6	3,970	0.3
2009-10	147,133	11.3	141,806	10.9	6,411	0.5

Table B5: Australian Government general government sector face value of Commonwealth Government Securities (CGS) on issue and interest paid^(a) (continued)

	Face value of CGS on issue					
	Total CGS on issue(b)		Subject to Treasurer's direction(c)		Interest Paid(d)	
	End of year \$m	Per cent of GDP	End of year \$m	Per cent of GDP	\$m	Per cent of GDP
2010-11	191,292	13.6	186,704	13.2	9,551	0.7
2011-12	233,976	15.7	229,389	15.4	10,875	0.7
2012-13	257,378	16.9	252,791	16.6	11,846	0.8
2013-14	319,481	20.2	316,952	20.0	13,972	0.9
2014-15	368,738	22.9	366,202	22.7	13,924	0.9
2015-16	420,420	25.5	417,936	25.3	14,977	0.9

- (a) Data have been revised in the 2015-16 Final Budget Outcome to improve accuracy and comparability through time.
- (b) Total CGS on issue includes CGS held on behalf of the States and the Northern Territory, but excludes Commonwealth holdings of CGS.
- (c) The face value of CGS subject to the Treasurer's Direction excludes the stock and securities outlined in subsection 51JA(2A) of the *Commonwealth Inscribed Stock Act 1911*. These are the same stock and securities that were excluded from the previous legislative debt limit. CGS on issue subject to the Treasurer's Direction are not available prior to 2008-09 because the limit was first introduced in July 2008.
- (d) Interest paid consists of all cash interest payments of the general government sector, including those relating to CGS on issue.

Table B6: Australian Government general government sector revenue, expenses, net capital investment and fiscal balance^(a)

	Revenue		Expenses		Net capital investment		Fiscal balance ^(b)	
	\$m	Per cent of GDP	\$m	Per cent of GDP	\$m	Per cent of GDP	\$m	Per cent of GDP
1996-97	141,688	25.5	145,821	26.2	90	0.0	-4,223	-0.8
1997-98	146,820	24.9	148,652	25.3	147	0.0	-1,979	-0.3
1998-99	152,106	24.5	146,772	23.7	1,433	0.2	3,901	0.6
1999-00	167,304	25.3	155,558	23.5	-69	0.0	11,815	1.8
2000-01	186,106	26.4	180,090	25.5	8	0.0	6,007	0.9
2001-02	190,432	25.3	192,984	25.6	382	0.1	-2,935	-0.4
2002-03	206,778	25.8	201,113	25.1	287	0.0	5,377	0.7
2003-04	222,042	25.8	215,235	25.0	660	0.1	6,148	0.7
2004-05	242,354	26.3	229,092	24.8	1,034	0.1	12,228	1.3
2005-06	260,569	26.1	241,665	24.2	2,498	0.3	16,406	1.6
2006-07	277,895	25.6	258,761	23.8	2,333	0.2	16,801	1.5
2007-08	303,402	25.8	279,862	23.8	2,593	0.2	20,948	1.8
2008-09	298,508	23.7	324,188	25.8	4,064	0.3	-29,743	-2.4
2009-10	292,387	22.5	339,829	26.2	6,433	0.5	-53,875	-4.2
2010-11	309,204	21.9	355,667	25.2	5,297	0.4	-51,760	-3.7
2011-12	337,324	22.6	377,220	25.3	4,850	0.3	-44,746	-3.0
2012-13	359,496	23.6	381,980	25.1	987	0.1	-23,472	-1.5
2013-14	374,151	23.6	414,047	26.1	3,850	0.2	-43,746	-2.8
2014-15	380,746	23.6	417,898	25.9	2,706	0.2	-39,857	-2.5
2015-16	395,055	23.9	428,691	26.0	3,829	0.2	-37,464	-2.3

(a) Data have been revised in the 2015-16 Final Budget Outcome to improve accuracy and comparability through time.

(b) Fiscal balance is equal to revenue less expenses less net capital investment.

Table B7: Australian Government general government sector net worth and net financial worth^(a)

	Net worth(b)		Net financial worth(c)	
	\$m	Per cent of GDP	\$m	Per cent of GDP
1999-00	-7,046	-1.1	-67,036	-10.1
2000-01	-6,618	-0.9	-71,876	-10.2
2001-02	-11,655	-1.5	-78,032	-10.4
2002-03	-15,330	-1.9	-82,931	-10.4
2003-04	-1,152	-0.1	-72,389	-8.4
2004-05	14,556	1.6	-58,882	-6.4
2005-06	17,971	1.8	-59,763	-6.0
2006-07	46,351	4.3	-35,696	-3.3
2007-08	70,859	6.0	-14,690	-1.2
2008-09	19,427	1.5	-71,490	-5.7
2009-10	-45,938	-3.5	-144,485	-11.1
2010-11	-95,386	-6.8	-198,787	-14.1
2011-12	-247,208	-16.6	-355,834	-23.9
2012-13	-202,650	-13.3	-312,724	-20.5
2013-14	-256,045	-16.2	-370,331	-23.4
2014-15	-302,350	-18.8	-421,129	-26.1
2015-16	-418,565	-25.4	-542,919	-32.9

(a) Data have been revised in the 2015-16 Final Budget Outcome to improve accuracy and comparability through time.

(b) Net worth is equal to total assets less total liabilities.

(c) Net financial worth is equal to financial assets less total liabilities.

Table B8: Australian Government general government sector accrual taxation revenue, non-taxation revenue and total revenue^(a)

	Taxation revenue(b)		Non-taxation revenue(b)		Total revenue	
	\$m	Per cent of GDP	\$m	Per cent of GDP	\$m	Per cent of GDP
1999-00	153,409	23.2	13,895	2.1	167,304	25.3
2000-01	175,876	24.9	10,229	1.5	186,106	26.4
2001-02	178,154	23.6	12,278	1.6	190,432	25.3
2002-03	195,057	24.4	11,719	1.5	206,778	25.8
2003-04	210,220	24.4	11,822	1.4	222,042	25.8
2004-05	230,198	25.0	12,155	1.3	242,354	26.3
2005-06	245,512	24.6	15,056	1.5	260,569	26.1
2006-07	262,576	24.2	15,320	1.4	277,895	25.6
2007-08	286,544	24.3	16,858	1.4	303,402	25.8
2008-09	278,981	22.2	19,528	1.6	298,508	23.7
2009-10	268,512	20.7	23,875	1.8	292,387	22.5
2010-11	289,247	20.5	19,957	1.4	309,204	21.9
2011-12	317,023	21.3	20,301	1.4	337,324	22.6
2012-13	337,823	22.2	21,673	1.4	359,496	23.6
2013-14	352,884	22.3	21,267	1.3	374,151	23.6
2014-15	357,176	22.2	23,570	1.5	380,746	23.6
2015-16	368,939	22.4	26,116	1.6	395,055	23.9

(a) Data have been revised in the 2015-16 Final Budget Outcome to improve accuracy and comparability through time.

(b) Visa application charges were reclassified in the 2015-16 MYEFO from non-taxation revenue to taxation revenue to reflect a sustained change in the nature of revenue. Back-casting occurs from 2003-04.

Table B9: Australian Government cash receipts, payments and surplus by institutional sector (a)

	General government				Public non-financial corporations				Non-financial public sector						
	Underlying cash		Cash surplus		Receipts(b)		Payments(c)		Receipts(b)		Payments(c)		Cash surplus		
	Receipts(b)	Payments(c)	balance(d)		Receipts(b)	Payments(c)	Cash surplus		Receipts(b)	Payments(c)	Cash surplus		Receipts(b)	Payments(c)	Cash surplus
1988-89	90,748	85,326	5,421		4,177	6,035	257		93,923	90,312	5,678		93,923	90,312	5,678
1989-90	98,625	92,684	5,942		3,926	11,322	-5,261		101,495	102,883	681		101,495	102,883	681
1990-91	100,227	100,665	-438		4,804	9,351	-2,139		103,837	108,808	-2,577		103,837	108,808	-2,577
1991-92	95,840	108,472	-12,631		3,899	7,713	101		97,937	114,369	-12,530		97,937	114,369	-12,530
1992-93	97,633	115,751	-18,118		4,385	7,819	-196		100,512	122,042	-18,314		100,512	122,042	-18,314
1993-94	103,824	122,009	-18,185		5,178	6,476	1,482		106,747	126,214	-16,703		106,747	126,214	-16,703
1994-95	113,458	127,619	-14,160		5,262	7,318	1,956		116,751	132,965	-12,204		116,751	132,965	-12,204
1995-96	124,429	135,538	-11,109		4,927	8,190	-527		126,593	140,963	-11,636		126,593	140,963	-11,636
1996-97	133,592	139,689	-6,099		4,782	7,373	473		135,259	143,948	-5,626		135,259	143,948	-5,626
1997-98	140,736	140,587	149		6,238	7,923	1,119		144,517	145,985	1,268		144,517	145,985	1,268
1998-99	152,063	148,175	3,889		na	na	-353		na	na	3,536		na	na	3,536
1999-00	166,199	153,192	13,007		na	na	-2,594		na	na	10,413		na	na	10,413
2000-01	182,996	177,123	5,872		na	na	391		na	na	6,264		na	na	6,264
2001-02	187,588	188,655	-1,067		na	na	1,210		na	na	143		na	na	143
2002-03	204,613	197,243	7,370		27,386	26,105	1,280		na	na	8,650		na	na	8,650
2003-04	217,775	209,785	7,990		27,718	26,142	1,575		238,236	228,669	9,564		238,236	228,669	9,564
2004-05	235,984	222,407	13,577		29,621	28,071	1,550		257,946	242,818	15,128		257,946	242,818	15,128
2005-06	255,943	240,136	15,757		30,875	31,874	-999		278,254	263,445	14,809		278,254	263,445	14,809
2006-07	272,637	253,321	17,190		16,882	18,641	-1,759		285,336	267,778	17,566		285,336	267,778	17,566
2007-08	294,917	271,843	19,754		7,758	8,232	-473		300,503	277,903	22,651		300,503	277,903	22,651
2008-09	292,600	316,046	-27,013		7,987	8,960	-973		297,421	321,841	-24,352		297,421	321,841	-24,352
2009-10	284,662	336,900	-54,494		8,419	9,341	-922		290,681	343,841	-52,904		290,681	343,841	-52,904

Table B9: Australian Government cash receipts, payments and surplus by institutional sector (\$m)^(a) (Continued)

	General government				Public non-financial corporations				Non-financial public sector			
	Underlying cash		Cash surplus		Cash surplus		Cash surplus		Cash surplus		Cash surplus	
	Receipts(b)	Payments(c)	Receipts(b)	Payments(c)	Receipts(b)	Payments(c)	Receipts(b)	Payments(c)	Receipts(b)	Payments(c)	Receipts(b)	Payments(c)
2010-11	302,024	346,102	-47,463	8,558	9,733	-1,175	308,258	353,511	-44,970			
2011-12	329,874	371,032	-43,360	8,845	10,847	-2,002	336,122	379,282	-42,779			
2012-13	351,052	367,204	-18,834	9,766	14,135	-4,369	358,088	378,609	-20,521			
2013-14	360,322	406,430	-48,456	11,042	16,322	-5,280	368,521	419,910	-51,388			
2014-15	378,301	412,079	-37,867	11,256	15,544	-4,288	386,643	424,709	-38,067			
2015-16	386,924	423,328	-39,606	11,606	18,281	-6,675	395,842	438,921	-43,079			

(a) Data have been revised in the 2015-16 Final Budget Outcome to improve accuracy and comparability through time.

(b) Receipts are equal to receipts from operating activities and sales of non-financial assets.

(c) Payments are equal to payments for operating activities, purchases of non-financial assets and net acquisition of assets under finance leases.

(d) This item excludes net Future Fund earnings from 2005-06 onwards. Net Future Fund earnings are shown in Table B1.

na Data not available.

Table B10: Australian Government accrual revenue, expenses and fiscal balance by institutional sector (a)

	General government			Public non-financial corporations			Non-financial public sector		
	Revenue	Expenses	Fiscal balance(b)	Revenue	Expenses	Fiscal balance(b)	Revenue	Expenses	Fiscal balance(b)
1996-97	141,688	145,821	-4,223	27,431	26,015	-331	na	na	-4,554
1997-98	146,820	148,652	-1,979	29,618	26,999	2,360	na	na	387
1998-99	152,106	146,772	3,901	27,687	26,088	-816	175,891	168,958	3,085
1999-00	167,304	155,558	11,815	25,485	23,542	1,062	188,841	175,152	11,721
2000-01	186,106	180,090	6,007	25,869	24,762	-826	207,367	200,246	5,181
2001-02	190,432	192,984	-2,935	26,638	25,341	793	212,462	213,718	-2,142
2002-03	206,778	201,113	5,377	24,339	22,916	1,975	225,989	218,944	7,311
2003-04	222,042	215,235	6,148	25,449	23,444	2,143	241,746	232,934	8,291
2004-05	242,354	229,092	12,228	26,965	25,191	1,473	263,434	248,398	13,700
2005-06	260,569	241,665	16,406	28,143	29,531	-2,442	281,927	264,410	13,964
2006-07	277,895	258,761	16,801	15,443	16,360	-1,763	289,551	271,335	15,038
2007-08	303,402	279,862	20,948	6,854	6,686	-584	308,888	285,179	20,364
2008-09	298,508	324,188	-29,743	6,998	7,576	-1,495	303,309	329,566	-31,238
2009-10	292,387	339,829	-53,875	7,288	7,297	-1,079	298,033	345,483	-54,954
2010-11	309,204	355,667	-51,760	7,563	7,787	-1,446	315,001	361,689	-53,205
2011-12	337,324	377,220	-44,746	8,046	8,238	-2,158	343,722	383,810	-46,904
2012-13	359,496	381,980	-23,472	8,863	9,415	-4,189	366,642	389,678	-27,661
2013-14	374,151	414,047	-43,746	9,537	11,127	-6,070	381,971	423,457	-49,816
2014-15	380,746	417,898	-39,857	9,987	11,850	-4,856	389,011	428,025	-44,713
2015-16	395,055	428,691	-37,464	10,044	12,809	-7,486	403,868	440,270	-44,950

(a) Data have been revised in the 2015-16 Final Budget Outcome to improve accuracy and comparability through time.

(b) Fiscal balance is equal to revenue less expenses less net capital investment. Net capital investment is not shown in this table.

na Data not available.