

DEPARTMENT OF THE TREASURY

Section 1: Agency overview and resources	15
1.1 Strategic direction	15
1.2 Agency resource statement	15
1.3 Budget measures	18
Section 2: Outcomes and planned performance	22
2.1 Outcomes and performance information	22
Section 3: Explanatory tables and budgeted financial statements	50
3.1 Explanatory tables	50
3.2 Budgeted financial statements	51

DEPARTMENT OF THE TREASURY

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

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

The Treasury provides macroeconomic policy advice based on careful monitoring and analysis of economic conditions and prospects both in Australia and overseas, including assessment of key risks to the outlook as discussed in detail in Budget Paper No. 1, *Budget Strategy and Outlook 2014-15*.

Australia's 2014 G20 Presidency allows the Treasury to help shape the international economic agenda. The G20 accounts for 85 per cent of global GDP, and includes all of Australia's major trading and investment partners. The Treasury has expanded bilateral engagement and multilateral outreach in order to advocate Australia's G20 agenda. Under Australia's Presidency, the G20 is focusing on: promoting ambitious growth strategies for G20 members; developing strategies to promote long-term investment (including infrastructure); collectively addressing the integrity of national tax systems through initiatives around base erosion and profit shifting; working towards substantially completing the core financial regulatory reforms identified from the global financial crisis; and progressing International Monetary Fund governance reform.

The Treasury supports ongoing reform of international financial institutions (IFIs) and engagement between the IFIs, the Government and the G20 on issues of mutual interest, such as investment and infrastructure. The Treasury continues to deepen its bilateral cooperation with key strategic partners in the Asia-Pacific-Indian Ocean region.

The Treasury is implementing the Government's deregulation agenda by focusing on eliminating inefficient or unnecessary regulation that imposes unwarranted burdens on business, individuals and the community. The Treasury has established a Deregulation Division with the role of driving deregulation activity and managing the Treasury portfolio's contribution towards the Government's red tape reduction target.

Department of the Treasury Budget Statements

The Treasury will continue to support the Government's fiscal strategy through advice on effective government spending, taxation and retirement income arrangements, as well as debt management policy.

The Treasury will continue to advise the Government on infrastructure, industry, regional, agriculture, environment, defence and national security issues, and social policy including income support, disability support, education, health, aged care, skills, employment, labour market, social services, Indigenous and immigration matters. The Treasury will also advise on federal financial relations arrangements, including working with state and territory governments.

As a result of the Administrative Arrangements Orders of 18 September 2013, the Treasury has taken the lead in advising Government on whole-of-government policy settings to support the efficient operation of the Australian small business sector.

In 2014-15, the Treasury will assist the Government to implement its tax agenda. This will involve consulting with stakeholders, analysing the regulatory impact as well as the economic and social effects of taxation policy proposals, and providing revenue forecasts and costings of taxation policies. The Treasury will also instruct parliamentary counsel on the design of taxation laws and support the passage of legislation through Parliament.

The Treasury will support the Government in its preparation of a tax White Paper. The Treasury will also continue to support the work on improvements to the international tax framework as part of the G20.

Continued support for Australia's productivity and international competitiveness, including through sound deregulatory and competition reforms will remain a priority. This includes maintaining the Australian Consumer Law; maintaining Australia's corporation and competition law frameworks; promoting efficient use of national infrastructure in transport, communication and energy markets; and implementing the National Broadband Network.

Advice will be provided on the financial system to ensure it remains robust, competitive and dynamic while contributing to macroeconomic stability and market confidence. The Treasury will continue to monitor international developments and prudential frameworks applying to banks, insurers and superannuation funds. Advice will also be provided on appropriate regulatory frameworks for securities markets, financial advice, disclosure requirements, corporate governance and funds management arrangements. In particular, the Treasury will support the Government to identify and implement appropriate recommendations from the Financial System Inquiry expected to report in November 2014.

The Treasury will work with the Government and the Foreign Investment Review Board to maintain the right balance between protecting Australia's national interest and ensuring that Australia remains an attractive destination for foreign capital.

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

The Treasury will also continue with its ongoing programme of organisational reform through its response to the Australian Public Service Commission Capability Review, as well as ongoing work with respect to both the Strategic Review and Progressing Women.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources for the Treasury.

Table 1.1: Department of the Treasury resource statement — Budget estimates for 2014-15 as at Budget May 2015

	Estimate of prior year amounts available in 2014-15 \$'000	Proposed at Budget 2014-15 \$'000	=	Total estimate 2014-15 \$'000	Actual available appropriation 2013-14 \$'000
Ordinary annual services					
Departmental					
Prior year departmental appropriation	60,384 ⁵	-		60,384	-
Departmental appropriation ³	-	177,780 ¹		177,780	176,769
Receipts from other sources (s31)	-	8,488 ⁴		8,488	8,266
Total departmental	60,384	186,268		246,652	185,035
Administered expenses					
Outcome 1	-	38,804 ¹		38,804	8,805,808
Payment to CAC bodies	-	-		-	8,000
Total administered expenses	-	38,804		38,804	8,813,808
Total ordinary annual services	A 60,384	225,072		285,456	8,998,843
Other services					
Departmental non-operating					
Equity injections	-	2,613 ²		2,613	1,775
Total	-	2,613		2,613	1,775
Administered non-operating					
Administered assets and liabilities					
Outcome 1	-	-		-	47,518
Total	-	-		-	47,518
Total other services	B -	2,613		2,613	49,293
Total available annual appropriations (A+B)	60,384	227,685		288,069	9,048,136
Special appropriations					
Asian Development Bank (Additional Subscription) Act 2009	-	17,499		17,499	16,510
Federal Financial Relations Act 2009	-	72,271,989		72,271,989	70,344,924
International Monetary Agreements Act 1947	-	1,950,856		1,950,856	270,338
Total special appropriations	C -	74,240,344		74,240,344	70,631,772
Total appropriations excluding special accounts (A+B+C)	60,384	74,468,029		74,528,413	79,679,908

Table 1.1: Department of the Treasury resource statement — Budget estimates for 2014-15 as at Budget May 2014 (continued)

	Estimate of prior year amounts available in 2014-15 \$'000	+	Proposed at Budget 2014-15 \$'000	=	Total estimate 2014-15 \$'000	Actual available appropriation 2013-14 \$'000
Special accounts						
Opening balance ⁶	871,219		-		871,219	-
Appropriation receipts to special accounts	-		-		-	2,000,000
Non-appropriation receipts to special accounts	-		14,290,084		14,290,084	16,013,713
Total special account	D 871,219		14,290,084		15,161,303	18,013,713
Total resourcing (A+B+C+D)	931,603		88,758,113		89,689,716	97,693,621
Less appropriation drawn from annual or special appropriations and/or CAC Act bodies through annual appropriations credited to special accounts	-		-		-	2,008,000
Total net resourcing for the Treasury	931,603		88,758,113		89,689,716	95,685,621

1. Appropriation Bill (No. 1) 2014-15.
2. Appropriation Bill (No. 2) 2014-15.
3. Includes \$5.4 million in 2014-15 for the departmental capital budget (refer to Table 3.2.5).
4. Receipts received under section 31 (s31) of the *Financial Management and Accountability Act 1997*.
5. Estimated adjusted balance carried forward from previous year.
6. Estimated opening balance for special accounts (refer to Table 3.1.2).

1.3 BUDGET MEASURES

Budget measures relating to the Treasury are detailed in Budget Paper No. 2, *Budget Measures 2014-15* and are summarised below.

Table 1.2: Department of the Treasury 2014-15 Budget measures

	2013-14 Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
Expense measures						
Addressing insurance costs in North Queensland - establishment of an insurance comparison website	1.1	-	nfp	nfp	nfp	nfp
Australian Reinsurance Pool Corporation - assess future options	1.1	-	1,204	-	-	-
Efficiency Dividend - a further temporary increase of 0.25 per cent	1.1	-	(443)	(765)	(1,115)	(1,125)
Brisbane Cross River Rail and Melbourne Metro Projects Advisory Board - cessation	1.1	-	(1,600)	-	-	-

Table 1.2: Department of the Treasury 2014-15 Budget measures (continued)

	2013-14	2014-15	2015-16	2016-17	2017-18	
Programme	\$'000	\$'000	\$'000	\$'000	\$'000	
Expense measures (continued)						
Official Development Assistance - reprioritised funding	1.1	(163)	(183)	(260)	(260)	(260)
Small Business and Family Enterprise Ombudsman	1.1	-	2,000	2,000	2,000	2,000
Migration Programme - allocation of places for 2014-15	1.4	(1,763)	(5,998)	(11,306)	(16,967)	(22,818)
Reintroduction of fuel excise indexation	1.4	-	10,000	20,000	40,000	60,000
Addressing insurance costs in North Queensland	1.10	(37,165)	(32,447)	6,250	3,125	-
Adelaide Festival Centre - support for Asian cultural activities - cessation	1.10	(460)	(460)	(460)	(460)	-
Australian Government Commonwealth Games Funding Commitment	1.10	156,000	-	-	-	-
Certain Concessions for Pensioners and Seniors Card Holders	1.10	-	(303,571)	(314,422)	(326,560)	(337,574)
Child Care: Neighbourhood Model Occasional Care - reinstatement	1.10	-	3,075	3,124	3,174	3,228
Commonwealth Public Hospitals - change to funding arrangements	1.10	-	(217,254)	(260,468)	(133,375)	(1,162,768)
Disaster relief - New South Wales and Victorian bushfires	1.10	1,000	-	-	-	-
Exotic Disease Preparedness Programme - cessation	1.10	-	(430)	(438)	(438)	(447)
Full implementation of National Bowel Cancer Screening	1.10	-	-	235	4,747	6,352
Improving local access to health care on Phillip Island	1.10	-	2,500	-	-	-
Indigenous teenage sexual and reproductive health and young parent support - continuation	1.10	-	25,500	-	-	-
Industry Skills Fund - establishment	1.10	7,909	(26,668)	-	-	-

Table 1.2: Department of the Treasury 2014-15 Budget measures (continued)

		2013-14	2014-15	2015-16	2016-17	2017-18
	Programme	\$'000	\$'000	\$'000	\$'000	\$'000
Expense measures (continued)						
Infrastructure Growth Package						
- addition to the Infrastructure Investment Programme for new investments	1.10	1,000,000	201,700	660,300	969,200	519,300
- Asset Recycling initiative - establishment	1.10	-	335,000	1,278,000	1,285,000	1,007,000
- Western Sydney Infrastructure Plan - Road Funding	1.10	-	103,000	210,200	351,600	530,900
International Tourism - Demand Driver Infrastructure	1.10	-	11,029	10,675	10,675	10,675
National Bushfire Mitigation Programme	1.10	-	5,000	5,000	5,000	-
National Partnership Agreement for adult public dental services - deferral	1.10	-	(200,000)	(95,000)	(95,000)	-
National Partnership Agreement on Homelessness - extension	1.10	-	115,000	-	-	-
National Partnership Agreement on Improving Public Hospital Services - cessation	1.10	-	-	(99,489)	(99,489)	(2,039)
National Partnership Agreement on Preventive Health - cessation	1.10	-	(53,512)	(53,512)	(130,412)	(130,512)
National Rental Affordability Scheme - discontinue incentive allocations	1.10	-	-	-	-	-
Northern Territory Medical Programme - continuation	1.10	-	(2,286)	(2,323)	(2,365)	(2,409)
Pharmaceutical Benefits Scheme - price amendments	1.10	140	579	591	623	630
Port Arthur Penitentiary restoration - contribution	1.10	-	1,500	-	-	-
Schools Security Programme	1.10	-	-	-	-	-
Smaller Government - Department of Infrastructure and Regional Development - savings	1.10	(61,551)	(24,540)	(51,860)	(2,500)	-
Support to Drought Affected Farmers	1.10	5,000	17,000	-	-	-
Whale and Dolphin Protection Plan - establishment	1.10	-	276	84	224	-

Table 1.2: Department of the Treasury 2014-15 Budget measures (continued)

	2013-14	2014-15	2015-16	2016-17	2017-18
Programme	\$'000	\$'000	\$'000	\$'000	\$'000
Related capital					
Addressing insurance costs in					
North Queensland -					
establishment of an					
insurance comparison					
website	1.1	-	nfp	nfp	nfp
Efficiency Dividend - a further					
temporary increase of					
0.25 per cent	1.1	-	(14)	(27)	(41)
					(42)
Revenue measures					
Australian Reinsurance Pool					
Corporation - assess future					
options	1.1	-	37,500	37,500	37,500
					112,500

Prepared on a Government Finance Statistics (fiscal) basis.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

Outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programmes are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programmes which contribute to Government outcomes over the budget and forward years.

The Treasury's outcome is described below, specifying the strategy, programme objectives, programme deliverables and key performance indicators used to assess and monitor the performance of the Treasury.

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

Outcome 1 strategy

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

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

- policy settings to support the efficient operation of the Australian small business sector;
- policies that help to improve Australia's productivity by reducing the regulatory burden imposed on businesses, individuals and the community;
- a range of international economic policy issues, including strengthening multilateral regimes underpinning open trade and capital flows, supporting developing countries' development aspirations, and shaping the evolution of the international and regional economic architecture; and
- the administration of a range of payments which are reported in Programmes 1.2 to 1.10.

Outcome 1 Budgeted expenses

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

Table 2.1: Budgeted expenses for Outcome 1

Outcome 1: Informed decisions on the development and implementation of policies to improve the wellbeing of the Australian people, including by achieving strong, sustainable economic growth, through the provision of advice to government and the efficient administration of federal financial relations	2013-14 Estimated actual expenses \$'000	2014-15 Estimated expenses \$'000
Programme 1.1: Department of the Treasury		
Departmental expenses		
Departmental appropriations	175,468	179,266
Special accounts	1,269	1,629
Expenses not requiring appropriation	8,786	9,797
Administered expenses		
Other services (Appropriation Bill No. 1)	8,801,133	465
Expenses not requiring appropriation	150,000	-
Total for Programme 1.1	9,136,656	191,157
Programme 1.2: Payments to International Financial Institutions		
Administered expenses		
Other services (Appropriation Bill No. 1)	-	36,664
Special appropriations	453,007	6,849
Total for Programme 1.2	453,007	43,513
Programme 1.3: Support for Markets and Business		
Administered expenses		
Other services (Appropriation Bill No. 1)	4,675	1,675
Payment to CAC bodies	8,000	-
Total for Programme 1.3	12,675	1,675
Programme 1.4: General Revenue Assistance		
Administered expenses		
Special appropriations	50,720,000	53,710,000
Special accounts	1,335,790	1,151,386
Total for Programme 1.4	52,055,790	54,861,386

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2013-14 Estimated actual expenses \$'000	2014-15 Estimated expenses \$'000
Outcome 1: Informed decisions on the development and implementation of policies to improve the wellbeing of the Australian people, including by achieving strong, sustainable economic growth, through the provision of advice to government and the efficient administration of federal financial relations		
Programme 1.5: Assistance to the States for Healthcare Services		
Administered expenses		
Special appropriations	13,844,523	15,115,544
Total for Programme 1.5	13,844,523	15,115,544
Programme 1.6: Assistance to the States for Government Schools		
Administered expenses		
Special appropriations	2,080,342	-
Total for Programme 1.6	2,080,342	-
Programme 1.7: Assistance to the States for Skills and Workforce Development		
Administered expenses		
Special appropriations	1,408,969	1,435,176
Total for Programme 1.7	1,408,969	1,435,176
Programme 1.8: Assistance to the States for Disabilities Services		
Administered expenses		
Special appropriations	1,333,917	1,398,198
Total for Programme 1.8	1,333,917	1,398,198
Programme 1.9: Assistance to the States for Affordable Housing		
Administered expenses		
Special appropriations	1,282,683	1,305,771
Total for Programme 1.9	1,282,683	1,305,771
Programme 1.10: National Partnership Payments to the States		
Administered expenses		
Special accounts	12,673,649	9,764,387
Total for Programme 1.10	12,673,649	9,764,387
Outcome 1 Totals by appropriation type		
Administered expenses		
Other services (Appropriation Bill No. 1)	8,805,808	38,804
Special appropriations	71,123,441	72,971,538
Special accounts	14,009,439	10,915,773
Payment to CAC bodies	8,000	-
Expenses not requiring appropriation	150,000	-
Departmental expenses		
Departmental appropriations	175,468	179,266
Special accounts	1,269	1,629
Expenses not requiring appropriation	8,786	9,797
Total expenses for Outcome 1	94,282,211	84,116,807
	2013-14	2014-15
Average staffing level (number)¹	899	884

1. The 2014-15 ASL figure reflects the full year impact of the small business policy function that was transferred to the Treasury following the 2013 election (48 ASL).

Contributions to Outcome 1

Programme 1.1: Department of the Treasury

Programme objective

The objectives of the Treasury are:

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

Programme expenses

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

Table 2.2: Programme 1.1 expenses

	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Departmental expenses					
Departmental items	156,622	163,995	156,930	153,501	154,854
Australia to host the Group of 20 in 2014	20,115	16,900	768	-	-
Expenses not requiring appropriation	8,786	9,797	8,217	6,886	7,478
Total departmental expenses	185,523	190,692	165,915	160,387	162,332
Administered expenses					
Grant to the Reserve Bank of Australia	8,800,000	-	-	-	-
Other	1,133	465	486	601	1,078
Expenses not requiring appropriation	150,000	-	-	-	-
Total administered expenses	8,951,133	465	486	601	1,078
Total programme expenses	9,136,656	191,157	166,401	160,988	163,410

Programme deliverables

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

Macroeconomic Group

In 2014-15, Macroeconomic Group will provide advice on:

- domestic and international developments affecting the Australian economy and forecasts of the direction of the Australian and international economies; and
- the setting of sound macroeconomic policies and assessments of government policies.

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

Macroeconomic Group will continue its bilateral cooperation with a number of strategically important regional partners in the Asia-Pacific-Indian Ocean region.

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

Fiscal Group

In 2014-15, Fiscal Group will provide advice on:

- fiscal strategy, with the aim of ensuring fiscal sustainability over the economic cycle;
- effective government spending arrangements which contribute to improving the wellbeing of Australians;
- strategies that address intergenerational challenges, including social, fiscal and environmental sustainability;
- a range of policy issues including disability support, education funding, health, aged care, skills, employment and policies to support regional industry structural adjustment; and
- Commonwealth-State financial relations.

Fiscal Group will also coordinate the preparation of the Commonwealth Budget and other documents required under the *Charter of Budget Honesty Act 1998* and support

Commonwealth-State relationships through the coordination and delivery of various Commonwealth-State forums.

Revenue Group

In 2014-15, Revenue Group will provide advice on:

- the regulatory effects and costs of taxation policy proposals;
- implementation of the Government's taxation and retirement income reform agenda including decisions in the Government's 2014-15 Budget;
- supporting the Government's deliberations on the longer term reform direction for Australia's tax system, including through commencing preparation of a tax White Paper;
- Australia's participation in international forums, including the Organisation for Economic Co-operation and Development, G20 and the Global Forum in relation to the base erosion and profit shifting project and international standards of tax information and transparency; and
- the impacts of the tax system and retirement income proposals, measures and expenditures, including on government finances, economic growth, and their distributional impact and overall efficiency and effectiveness.

Markets Group

In 2014-15, Markets Group will provide advice on:

- implementation of the Government's election commitments in relation to the small business sector (including the establishment of the Small Business and Family Enterprise Ombudsman) and the Government's deregulation and competition reform agendas;
- Australia's financial system and services regulatory policy framework including: measures to promote competition and efficiency in the financial system; availability and access of financial services; prudential and other regulatory (governance, disclosure, conduct and licencing) frameworks applying to authorised deposit-taking institutions, capital market operators, insurance and superannuation entities; managed investment schemes; financial service providers; the payments system; all aspects of regional integration for financial services, including the Asia Region Funds Passport; agency problems in corporations; and reforms arising from the Government's Financial System Inquiry;
- a range of policy issues that support the efficient allocation of capital and management of risk including advice on international developments, corporate

Department of the Treasury Budget Statements

governance, and financial market infrastructure and prudential frameworks applying to the banking sector, insurers, and superannuation and managed funds;

- the competition and consumer policy framework;
- foreign investment issues including assessing foreign investment proposals; and
- actuarial matters through the Australian Government Actuary which provides actuarial services to the Government, the Treasury and other agencies.

Markets Group will also provide secretariat support to the Financial System Inquiry and the Competition Policy Review.

Corporate Services and Strategy Group

In 2014-15, Corporate Services and Strategy Group will:

- continue to deliver high quality and valued corporate advice and services to the department and to Treasury Ministers;
- assist in setting and delivering the corporate strategic direction; and
- continue to improve behavioural and organisational change through the Australian Public Service Commission Capability Review and Progressing Women agendas.

Programme key performance indicators

The Treasury has the following key performance indicators:

- advice meets the Government's needs in administering its responsibilities and making and implementing decisions. Advice is timely, of high quality, and is based on an objective and thorough understanding of issues and a whole-of-government perspective. The degree of client satisfaction with the quality and timeliness of the advice provided is assessed through formal and informal feedback mechanisms;
- timely, high-quality, accurate and transparent Budget, Mid-Year Economic and Fiscal Outlook and Final Budget Outcome documents that meet the expectations of the Government, the Parliament and the public. The budget preparation and coordination process is subject to an annual evaluation;
- published reports and other information stimulate and inform government and public debate through robust analysis, modelling and research. Publications are timely, high quality and widely available to the public; and
- legislation progressed by the Treasury is in accordance with the principles of good law design and is delivered according to government priorities.

Programme 1.2: Payments to International Financial Institutions

Programme objective

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

Payments are also made to multilateral development banks to which Australia is a member, specifically the World Bank Group, the Asian Development Bank and the European Bank for Reconstruction and Development, as required, to facilitate the achievement of government objectives in international forums, including support for development objectives through the multilateral development banks, and multilateral debt relief.

Programme expenses

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

Table 2.3: Programme 1.2 expenses

	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Administered expenses					
Annual appropriations					
Contribution to the Poverty Reduction and Growth Trust	-	36,664	-	-	-
Special appropriations					
<i>International Monetary Agreements Act 1947</i>	453,007	6,849	6,915	6,958	7,082
Total programme expenses	453,007	43,513	6,915	6,958	7,082

Programme deliverables

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

Programme key performance indicators

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

Programme 1.3: Support for Markets and Business

Programme objective

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

- The Centre for International Finance and Regulation's focus is to put Australia at the forefront of regional and global examination of financial sector developments and the design of regulatory responses. The Centre comprises a consortium of Australian and international universities, research centres and financial organisations and is led by the University of New South Wales.
- Payments are made in respect of insurance claims arising from the residual Housing Loans Insurance Company Limited portfolio. The Housing Loans Insurance Company Limited pre-transfer contract portfolio will be managed to ensure all liabilities arising from claims under this portfolio are met and any related debts are recovered.
- Payments of assistance are also made to eligible HIH insurance policy holders under the HIH Claims Support Scheme. Payments are not classified as expenses and therefore do not appear in Table 2.4. The HIH Claims Support Scheme is now focused on winding-up the claims portfolio.

Programme expenses

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

Table 2.4: Programme 1.3 expenses

	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Administered expenses					
Annual appropriations					
Centre for International Finance and Regulation	4,000	1,000	-	-	-
Housing Loan Insurance Company Limited - payments in respect of insurance claims	675	675	675	675	-
Payment to CAC Act bodies - CEFC	8,000	-	-	-	-
Total administered expenses	12,675	1,675	675	675	-
Total programme expenses	12,675	1,675	675	675	-

Programme deliverables

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

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

Programme key performance indicators

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

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

Programme 1.4: General revenue assistance

Programme objective

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

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

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

- payments to the Australian Capital Territory to assist in meeting the additional municipal costs which arise from Canberra's role as the National Capital and to compensate for the additional costs resulting from the national capital planning influences on the provision of water and sewerage services;
- payments to Western Australia to compensate for the loss of royalty revenue resulting from the removal in the 2008-09 Budget of the exemption of condensate from crude oil excise;
- payments to Western Australia as a share of royalties collected by the Commonwealth under the *Offshore Petroleum (Royalty) Act 2006* in respect of the North West Shelf oil and gas project off the coast of Western Australia;

- payments to the Northern Territory in lieu of royalties on uranium mining in the Ranger Project Area due to the Commonwealth's ownership of uranium in the Northern Territory; and
- payments to New South Wales and Victoria to compensate for Commonwealth taxes paid by Snowy Hydro Ltd in proportion to the States' shareholdings.

Elements of this programme are linked to the Industry portfolio. Also refer to Budget Paper No. 3, *Federal Financial Relations 2014-15*.

Programme expenses

Explanation of changes to programme estimates across the forward years can be found in Budget Paper No. 3, *Federal Financial Relations 2014-15*.

Table 2.5: Programme 1.4 expenses

	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Special appropriations					
GST Revenue Entitlements - <i>Federal Financial Relations Act 2009</i>	50,720,000	53,710,000	57,020,000	60,440,000	63,810,000
Special accounts					
COAG Reform Fund					
ACT Municipal Services	37,311	37,983	38,629	39,324	40,032
Reduced Royalties	72,814	54,871	56,915	61,488	56,156
Royalties	1,149,656	983,532	974,533	981,777	928,202
Taxation Compensation in Respect of Snowy Hydro Limited	76,009	75,000	75,000	75,000	75,000
Total programme expenses	52,055,790	54,861,386	58,165,077	61,597,589	64,909,390

Programme deliverables

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

Programme key performance indicators

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

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

Programme 1.5: Assistance to the States for healthcare services

Programme objective

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

In 2013-14, National Health Reform funding is set to the amount that would have been previously payable through the former National Healthcare SPP.

From July 2014 to June 2017, National Health Reform funding will be linked to the level of services delivered by public hospitals as provided under the *National Health Reform Agreement*. During this period, each State and Territory's entitlement will be directly linked to the activity level of services provided in a jurisdiction. The Australian Government has announced that from 2014-15 the funding guarantees under the *National Health Reform Agreement* will cease.

National Health Reform funding is paid into a National Health Funding Pool. The Administrator of the National Health Funding Pool, jointly established by the Commonwealth and the States, is responsible for: calculating the Commonwealth funding amount for public hospitals and advising the Treasurer of this amount; and making payments from the National Health Funding Pool.

From 1 July 2017, the Commonwealth will index its public hospitals funding by the Consumer Price Index and population growth.

Programme expenses

Explanation of changes to programme estimates across the forward years can be found in Budget Paper No. 3, *Federal Financial Relations 2014-15*.

Table 2.6: Programme 1.5 expenses

	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Special appropriations					
National Health Reform funding - <i>Federal Financial Relations Act 2009</i>	13,844,523	15,115,544	16,551,316	18,094,856	-
Public hospitals funding - <i>Federal Financial Relations Act 2009</i>	-	-	-	-	18,872,141
Total programme expenses	13,844,523	15,115,544	16,551,316	18,094,856	18,872,141

Programme deliverables

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

Programme key performance indicators

The Commonwealth Treasury will transfer to the National Health Funding Pool the amount of Commonwealth funding to which each State and Territory (including Local Hospital Networks in each jurisdiction) is entitled, and will make the payments on the dates specified in the *Intergovernmental Agreement on Federal Financial Relations*.

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

The States and Territories are required to spend National Health Reform funding in the healthcare sector. Each State and Territory Treasurer will provide a report to the *Council on Federal Financial Relations* demonstrating expenditure of National Health Reform funding within the sector is in accordance with the *Intergovernmental Agreement on Federal Financial Relations* and the *National Health Reform Agreement*.

Programme 1.6: Assistance to the States for schools

Programme objective

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

From January 2014, the National Schools SPP was replaced by Students First funding, which is provided for under the *Australian Education Act 2013* and is reported in the Education portfolio. The non-government schools component of the National Schools SPP to December 2013 also appears in the Education portfolio.

Programme expenses

Explanation of changes to programme estimates across the forward years can be found in Budget Paper No. 3, *Federal Financial Relations 2014-15*.

Table 2.7: Programme 1.6 expenses

	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Special appropriations					
National Schools SPP - Government schools <i>Federal Financial Relations Act 2009</i>	2,080,342	-	-	-	-
Total programme expenses	2,080,342	-	-	-	-

Programme deliverables

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

Programme key performance indicators

The Commonwealth Treasury will transfer to each State and Territory the amounts of their monthly and annual entitlements under the National Schools SPP (government and non-government schools components) and will make the payments on the dates specified in the *Intergovernmental Agreement on Federal Financial Relations*.

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

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

Programme 1.7: Assistance to the States for skills and workforce development

Programme objective

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

Programme expenses

Explanation of changes to programme estimates across the forward years can be found in Budget Paper No. 3, *Federal Financial Relations 2014-15*.

Table 2.8: Programme 1.7 expenses

	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Special appropriations					
National Skills and Workforce Development SPP - <i>Federal Financial Relations Act 2009</i>	1,408,969	1,435,176	1,460,005	1,487,161	1,514,599
Total programme expenses	1,408,969	1,435,176	1,460,005	1,487,161	1,514,599

Programme deliverables

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

Programme key performance indicators

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

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

The States and Territories are required to spend the National Skills and Workforce Development SPP in the skills and workforce sector. Each State and Territory Treasurer will provide a report to the *Council on Federal Financial Relations* demonstrating expenditure of the National Skills and Workforce Development SPP within the sector in accordance with the *Intergovernmental Agreement on Federal Financial Relations*.

Programme 1.8: Assistance to the States for disability services

Programme objective

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

Since 2011-12, an adjustment has been made to the National Disability SPP to ensure that the changes to Commonwealth and State roles and responsibilities for aged care and disability services, as part of the *National Health Reform* arrangements, are budget neutral. Estimates of this are not published below as negotiations are still being finalised.

Programme expenses

Explanation of changes to programme estimates across the forward years can be found in Budget Paper No. 3, *Federal Financial Relations 2014-15*.

Table 2.9: Programme 1.8 expenses

	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Special appropriations					
National Disability Services SPP - <i>Federal Financial Relations Act 2009</i>	1,333,917	1,398,198	1,454,901	1,513,751	1,580,338
Changed roles and responsibilities - adjustment to achieve budget neutrality	nfp	nfp	nfp	nfp	nfp
Total programme expenses	1,333,917	1,398,198	1,454,901	1,513,751	1,580,338

Programme deliverables

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

Programme key performance indicators

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

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

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

Programme 1.9: Assistance to the States for affordable housing

Programme objective

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

Programme expenses

Explanation of changes to programme estimates across the forward years can be found in Budget Paper No. 3, *Federal Financial Relations 2014-15*.

Table 2.10: Programme 1.9 expenses

	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Special appropriations					
National Affordable Housing SPP - <i>Federal Financial Relations Act 2009</i>	1,282,683	1,305,771	1,327,969	1,351,873	1,376,206
Total programme expenses	1,282,683	1,305,771	1,327,969	1,351,873	1,376,206

Programme deliverables

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

Programme key performance indicators

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

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

The States and Territories are required to spend the National Affordable Housing SPP in the affordable housing sector. Each State and Territory Treasurer will provide a report to the *Council on Federal Financial Relations* demonstrating expenditure of the

National Affordable Housing SPP within the sector in accordance with the *Intergovernmental Agreement on Federal Financial Relations*.

Programme 1.10: National Partnership Payments to the States

Programme objective

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

This programme is linked to the Agriculture portfolio; Attorney-General’s portfolio; Defence portfolio; Education portfolio; Environment portfolio; Finance portfolio; Foreign Affairs and Trade portfolio; Health portfolio; Industry portfolio; Infrastructure and Regional Development portfolio; Prime Minister and Cabinet portfolio; and Social Services portfolio. Also refer to Budget Paper No. 3, *Federal Financial Relations 2014-15*.

Programme expenses

Explanation of changes to programme estimates across the forward years can be found in Budget Paper No. 3, *Federal Financial Relations 2014-15*.

Table 2.11: Programme 1.10 expenses

	Agency PBS Programme	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Special accounts						
COAG Reform Fund						
Agriculture portfolio						
Assistance for water infrastructure and pest management in drought-affected areas	1.2	5,000	17,000	-	-	-
Assistance to farm businesses for water-related infrastructure	1.2	10,128	-	-	-	-
Pest and disease preparedness and response programmes						
- Animal and plant pest and disease eradication	2.2	17,927	10,897	11,369	11,653	13,117
- Exotic disease preparedness	2.2	423	-	-	-	-

Table 2.11: Programme 1.10 expenses (continued)

	Agency PBS Programme	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Agriculture portfolio (continued)						
Pilot of drought reform measures in Western Australia	1.11	1,157	-	-	-	-
South Australian River Murray Sustainability Programme - irrigation industry assistance component	1.2	9,000	17,000	28,000	39,500	16,500
Total		43,635	44,897	39,369	51,153	29,617
Attorney-General's portfolio						
Australian Capital Territory emergency services	1.6	4,000	-	-	-	-
Bushfire mitigation	1.6	-	5,000	5,000	5,000	-
Legal assistance services	1.3	200,550	204,362	207,838	211,578	214,963
Natural Disaster Relief and Recovery Arrangements	1.6	182,943	97,845	18,024	-	-
Natural disaster resilience	1.6	17,618	39,150	26,100	26,100	nfp
Total		405,111	346,357	256,962	242,678	214,963
Defence portfolio						
School Pathways Programme	1.3	1,287	1,287	-	-	-
Total		1,287	1,287	-	-	-
Education portfolio						
Assistance to Tasmania to implement national policy reforms	2.1	30,000	-	-	-	-
Improving literacy and numeracy - Government Schools	2.1	62,645	-	-	-	-
Improving literacy and numeracy - Non-Government Schools	2.2	18,129	-	-	-	-
Independent Public Schools	2.1	10,000	20,000	20,000	20,000	-
More support for students with disabilities - Government Schools	2.6	61,620	46,357	-	-	-
National Occasional Care Programme	1.4	-	3,075	3,124	3,174	3,228
National quality agenda for early childhood education and care	1.4	19,080	19,080	nfp	nfp	nfp

Table 2.11: Programme 1.10 expenses (continued)

	Agency PBS Programme	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Education portfolio (continued)						
Smarter schools						
- Improving teacher quality	2.1	173,814	-	-	-	-
- Low socio-economic status school communities	2.8	140,888	-	-	-	-
TAFE fee waivers for childcare qualifications	1.4	21,213	11,496	-	-	-
Trade training centres in schools - government schools	2.4	69,115	69,131	52,218	-	-
Universal access to early childhood education	1.4	407,000	234,900	nfp	-	-
Youth attainment and transitions						
- Maximising engagement, attainment and successful transitions	2.7	18,751	-	-	-	-
- Year 12 attainment and transitions	2.7	28,231	-	-	-	-
Total		1,060,486	404,039	75,342	23,174	3,228
Environment portfolio						
Coal seam gas and large coal mining development	4.1	19,700	-	-	-	-
Great Artesian Basin Sustainability Initiative	4.1	15,832	-	-	-	-
Implementation of the Tasmanian Forests Intergovernmental Agreement	1.1	12,479	13,020	12,769	10,002	10,253
Implementing water reform in the Murray-Darling Basin	4.1	13,500	20,000	20,000	20,000	20,000
National Urban Water and Desalination Plan	4.1	5,590	1,550	-	-	-
National Water Security Plan for Cities and Towns	4.1	18,839	10,110	2,945	-	-
Port Arthur Penitentiary restoration	1.4	-	1,500	-	-	-
South Australian River Murray Sustainability Programme - irrigation efficiency and water purchase components	4.1	14,000	29,000	45,000	23,500	8,500

Table 2.11: Programme 1.10 expenses (continued)

	Agency PBS Programme	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Environment portfolio (continued)						
Sustainable Rural Water Use and Infrastructure Programme	4.1	363,800	453,006	530,919	388,291	147,899
Whale and dolphin entanglements	1.4	-	276	84	224	-
Total		463,740	528,462	611,717	442,017	186,652
Finance portfolio						
Provision of fire services		18,352	18,995	19,660	20,347	21,059
Total		18,352	18,995	19,660	20,347	21,059
Foreign Affairs and Trade portfolio						
Developing demand-driver infrastructure for tourism industry	1.14	-	11,029	10,675	10,675	10,675
Total		-	11,029	10,675	10,675	10,675
Health portfolio						
2018 Gold Coast						
Commonwealth Games	10.1	156,000	-	-	-	-
Adult public dental services	3.6	-	-	200,000	295,000	390,000
Albury-Wodonga Cardiac Catheterisation Laboratory	7.5	-	5,000	-	-	-
Bright Hospital - feasibility study	7.5	-	100	50	-	-
Canberra Hospital - dedicated paediatric emergency care	7.5	-	5,000	-	-	-
Cancer Support Clinic in Katherine	7.5	-	500	-	-	-
Construction of Palmerston Hospital	7.5	-	20,000	20,000	-	-
Essential vaccines	1.3	249,520	235,773	234,429	241,450	238,668
Expansion of the BreastScreen Australia programme	1.1	5,463	11,862	13,467	15,641	-
Financial assistance for long stay older patients	4.1	78,231	-	-	-	-
Health and Hospitals Fund						
- Hospital infrastructure and other projects of national significance	7.5	98,180	66,400	600	-	-
- National cancer system	7.5	125,259	117,515	55,391	-	4,600
- Regional priority round	7.5	235,483	494,149	251,660	52,410	4,769

Table 2.11: Programme 1.10 expenses (continued)

	Agency PBS Programme	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Health portfolio (continued)						
Health care grants for the Torres Strait Health Services	4.1	4,459	4,519	4,600	4,671	-
- National antimicrobial utilisation surveillance programme	7.4	150	-	-	-	-
- Northern Territory medical school - funding contribution	8.2	2,250	-	-	-	-
Hepatitis C settlement fund	7.6	713	726	740	-	-
Improving ear health services for Indigenous Australian children	5.3	677	-	-	-	-
Improving Health Services in Tasmania						
- Better access to community based palliative care services component	4.1	1,790	1,700	1,700	-	-
- Cradle Coast Connected Care clinical repository component	7.1	250	250	250	-	-
- Improving Patient Pathways through clinical and system redesign component	4.1	6,936	5,087	5,135	-	-
- Innovative flexible funding for mental health component	5.4	1,050	1,025	1,025	-	-
- Reducing elective surgery waiting lists in Tasmania component	4.1	8,345	7,119	6,228	-	-
Improving local access to health care on Phillip Island	7.5	-	2,500	-	-	-
Improving Public Hospital Services						
- Flexible funding pool for emergency departments, elective surgery and subacute care	4.1	1,073	-	-	-	-
- National elective surgery target						
- Capital funding	4.1	1,244	-	-	-	-
- Facilitation and reward funding	4.1	20,637	nfp	-	-	-

Table 2.11: Programme 1.10 expenses (continued)

	Agency PBS Programme	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Health portfolio (continued)						
Improving Public Hospital Services (continued)						
- National emergency access target						
- Capital funding	4.1	1,941	-	-	-	-
- Facilitation and reward funding						
	4.1	10,095	nfp	-	-	-
- New subacute beds guarantee funding						
	4.1	632,500	-	-	-	-
Improving trachoma control services for Indigenous Australians						
	5.3	4,392	4,079	4,161	4,244	4,329
Indigenous early childhood development - antenatal and reproductive health						
	5.3	24,363	31,454	-	-	-
National Bowel Cancer Screening Programme - participant follow-up function						
	1.1	1,832	1,866	2,420	4,747	6,352
National Coronial Information System						
	1.2	424	440	-	-	-
National Perinatal Depression Initiative						
	5.4	10,810	8,200	8,200	8,200	-
Oncology Day Treatment Centre at Frankston Hospital						
	7.5	-	350	300	-	-
OzFoodNet						
	9.1	1,664	1,693	1,723	1,756	-
Preventive health Healthy children and workers						
	1.1	53,512	-	-	-	-
Public hospital system - additional funding						
	4.1	170,501	-	-	-	-
Redevelopment of the Royal Victorian Eye and Ear Hospital						
	7.5	-	50,000	50,000	-	-
Reducing acute rheumatic heart fever among Indigenous children						
	5.3	2,938	3,036	3,074	2,724	-
Renal dialysis services in Central Australia						
	5.3	1,700	1,700	-	-	-
Royal Darwin Hospital - equipped, prepared and ready						
	9.1	15,007	15,307	15,476	15,771	-
Stronger Futures in the Northern Territory - Hearing health services component						
	5.3	2,816	3,184	3,114	3,255	3,402
- Oral health services component						
	5.3	2,564	2,604	2,535	2,650	2,769

Table 2.11: Programme 1.10 expenses (continued)

	Agency PBS Programme	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Health portfolio						
(continued)						
Supporting National Mental Health Reform	5.4	50,603	51,560	45,251	-	-
Torres Strait health protection strategy - mosquito control	9.1	942	958	973	992	-
Torres Strait health protection strategy - Saibai Island health clinic	5.3	500	500	-	-	-
Treating more public dental patients	3.6	155,200	119,600	-	-	-
Upgrade of Ballina Hospital	7.5	-	1,900	2,600	-	-
Upgrade of the Casino and District Memorial Hospital	7.5	-	3,000	-	-	-
Vaccine-preventable diseases surveillance	7.4	795	814	830	845	-
Victorian cytology service	1.1	8,472	8,897	9,350	9,819	-
Warrnambool Integrated Cancer Care Centre	7.5	-	10,000	-	-	-
Total		2,151,281	1,300,367	945,282	664,175	654,889
Industry portfolio						
Building Australia's Future Workforce						
- Skills reform	1.4	238,351	377,212	377,439	516,328	-
- Training places for single and teenage parents	1.4	26,668	-	-	-	-
Environmental management of the former Rum Jungle Mine site	3.4	3,355	3,911	4,295	-	-
Industry and Indigenous Skills Centres	1.4	879	-	-	-	-
Commonwealth/State and Territory joint group training programme	1.4	10,511	-	-	-	-
National Solar Schools Programme	3.5	17,951	-	-	-	-
Total		297,715	381,123	381,734	516,328	-
Infrastructure and Regional Development portfolio						
Building Australia Fund						
- Rail	1.1	1,128,000	331,000	232,100	-	-
- Road	1.1	70,990	48,100	-	-	-
Centenary of Canberra 2013						
- A gift to the national capital	4.1	-	10,000	-	-	-
- Joint national programme	4.1	991	-	-	-	-

Table 2.11: Programme 1.10 expenses (continued)

	Agency PBS Programme	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Infrastructure and Regional Development portfolio (continued)						
Community Infrastructure						
Grants - Glenbrook precinct upgrade	3.1	820	-	-	-	-
Infrastructure Growth						
Package - Asset Recycling Fund						
- New investments	1.1	-	201,700	660,300	969,200	519,300
- Western Sydney Infrastructure Plan	1.1	-	103,000	210,200	351,600	530,900
Infrastructure Investment Programme						
- Black spot projects	1.1	64,500	60,000	60,000	60,000	60,000
- Heavy vehicle safety and productivity	1.1	40,000	48,000	40,000	40,000	40,000
- Improving the national network	1.1	773	-	-	-	-
- Investment						
- Rail	1.1	332,661	353,734	124,200	23,500	24,600
- Road	1.1	4,279,583	3,005,930	3,973,430	5,311,550	2,779,950
- Off-network projects						
- Rail	1.1	87,121	115,890	219,000	160,100	3,000
- Road	1.1	104,780	442,400	354,329	395,383	222,600
Interstate road transport	2.2	77,004	77,004	77,004	77,004	77,004
Latrobe Valley economic diversification	3.1	1,400	1,300	650	-	-
Liveable communities	1.1	5,020	-	-	-	-
Managed motorways	1.1	20,800	9,420	-	-	-
Murray-Darling Basin regional economic diversification programme	3.1	10,000	32,493	30,519	24,683	-
South Australian River Murray Sustainability Programme Regional economic development component	3.1	7,000	9,000	7,000	2,000	-
Total		6,231,443	4,848,971	5,988,732	7,415,020	4,257,354
Prime Minister and Cabinet portfolio						
2014 G20 leaders' summit security	1.1	83,500	65,000	-	-	-
Indigenous early childhood development - children and family centres	2.2	78,024	-	-	-	-
Remote Indigenous Housing	2.5	541,078	485,600	368,176	411,729	447,627

Table 2.11: Programme 1.10 expenses (continued)

	Agency PBS Programme	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Prime Minister and Cabinet portfolio (continued)						
Remote Indigenous public internet access	2.4	2,105	2,150	2,191	2,237	2,284
Seamless National Economy	1.1	41,847	-	-	-	-
Stronger Futures in the Northern Territory						
- Alice Springs Transformation Plan	2.3	4,653	4,179	1,800	-	-
- Building a quality school workforce						
- Additional teachers	2.2	11,249	22,925	23,360	17,924	18,264
- Quality teaching	2.2	6,275	12,550	12,550	12,550	12,550
- Teacher housing	2.2	2,392	3,813	4,467	5,724	5,867
- Child, youth, family and community wellbeing	2.3	13,644	11,326	11,629	11,930	3,118
- Community safety and justice	2.3	40,346	35,017	35,788	34,797	35,569
- Expansion of the school enrolment and attendance measure	2.2	2,338	2,304	2,191	2,255	2,128
- Housing	2.3	51,194	55,873	52,292	46,196	47,421
- Mobile Outreach Service Plus	2.5	4,386	4,474	4,563	4,770	4,985
- Municipal and essential services	2.5	15,360	20,879	21,360	21,851	22,332
- Remote engagement and coordination	2.4	4,214	4,181	3,715	3,513	3,533
- Tackling alcohol abuse	2.3	3,773	3,970	3,973	3,973	4,081
Total		906,378	734,241	548,055	579,449	609,759
Social Services portfolio						
Assisting preparation towards the trial of the National Disability Insurance Scheme	5.2	7,128	4,316	616	-	-
Certain concessions for pensioners and senior card holders						
- Certain concessions for pensioners	1.7	279,685	-	-	-	-
- National reciprocal transport concessions	1.5	12,500	-	-	-	-

Table 2.11: Programme 1.10 expenses (continued)

	Agency PBS Programme	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Social Services portfolio (continued)						
Home and Community Care	3.2	540,979	586,445	nfp	nfp	nfp
Homelessness	4.1	154,913	115,000	-	-	-
Pay equity for the social and community services sector	2.3	82,373	84,863	107,716	158,400	197,714
Component of perinatal depression initiative	2.3	61	-	-	-	-
Payments from the DisabilityCare Australia Fund	5.2	-	-	73,900	188,500	298,000
Transitioning responsibilities for aged care and disability services - Specialist disability services	3.3	nfp	nfp	nfp	nfp	nfp
Trial of My Way sites	5.2	-	11,842	43,172	-	-
Total		1,077,639	802,466	229,512	346,900	495,714
Treasury portfolio						
Addressing insurance costs in North Queensland	1.1	-	3,125	6,250	3,125	-
First Home Owners Boost	1.1	357	-	-	-	-
Implementation of the National Insurance Affordability Initiative	1.1	7,000	3,000	7,000	-	-
Infrastructure Growth Package - Asset Recycling Fund - Asset Recycling Initiative	1.1	-	335,000	1,278,000	1,285,000	1,007,000
MoneySmart Teaching	1.1	1,088	1,028	1,125	1,310	-
Total		8,445	342,153	1,292,375	1,289,435	1,007,000
Veterans' Affairs portfolio						
Home and Community Care - services for veterans	2.4	8,137	-	-	-	-
Total		8,137	-	-	-	-
Total programme expenses		12,673,649	9,764,387	10,399,415	11,601,351	7,490,910

Note: These items can also be found in Budget Paper No. 3, *Australia's Federal Relations 2014-15*.

Programme deliverables

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

Programme key performance indicators

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

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

Section 3: Explanatory tables and budgeted financial statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of the Treasury's finances for 2014-15. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and government Indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Movement of administered funds between years

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

3.1.2 Special accounts

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

Table 3.1.1: Estimates of special account cash flows and balances

		Opening balance 2014-15 2013-14	Receipts non- appropriated 2014-15 2013-14	Receipts appropriated 2014-15 2013-14	Payments 2014-15 2013-14	Closing balance 2014-15 2013-14
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Actuarial Services Special Account(D)	1	2,819 2,819	1,629 1,269	- -	1,629 1,269	2,819 2,819
Clean Energy Finance Corporation Special Account(A)	1	868,400 -	474,710 -	- 2,000,000	- 1,131,600	1,343,110 868,400
COAG Reform Fund Special Account(A)	1	- -	13,813,745 16,012,444	- -	13,813,745 16,012,444	- -
Financial System Stability Special Account(A)	1	- -	- -	- -	- -	- -
Services for Other Entities and Trust Moneys Special Account - Department of the Treasury(A/D)	1	- -	- -	- -	- -	- -
Total special accounts						
2014-15 Budget estimate		871,219	14,290,084	-	13,815,374	1,345,929
Total special accounts 2013-14 estimated actual		2,819	16,013,713	2,000,000	17,145,313	871,219

(A) Administered.

(D) Departmental.

3.1.3 Australian Government Indigenous expenditure

The Treasury does not have any Australian Government Indigenous expenditure.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

There are no material differences between agency resourcing and financial statements.

3.2.2 Analysis of budgeted financial statements

The Treasury is budgeting for a break-even operating result, after non-appropriated expenses such as depreciation are removed, in 2014-15 and the forward estimates.

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

3.2.3 Budgeted financial statements tables

**Table 3.2.1: Comprehensive income statement (showing net cost for services)
(for the period ended 30 June)**

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
EXPENSES					
Employee benefits	129,431	126,603	120,494	119,061	119,235
Supplier	46,693	52,618	35,507	33,806	34,974
Grants	1,163	2,224	2,247	1,184	1,195
Depreciation and amortisation	8,236	9,247	7,667	6,336	6,928
Total expenses	185,523	190,692	165,915	160,387	162,332
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	7,416	7,638	7,868	8,104	8,104
Other revenue	850	850	850	850	850
Total revenue	8,266	8,488	8,718	8,954	8,954
Gains					
Other gains	550	550	550	550	550
Total gains	550	550	550	550	550
Total own-source income	8,816	9,038	9,268	9,504	9,504
Net cost of (contribution by) services	176,707	181,654	156,647	150,883	152,828
Appropriation revenue	168,471	172,407	148,980	144,547	145,900
Surplus (deficit) attributable to the Australian Government	(8,236)	(9,247)	(7,667)	(6,336)	(6,928)
Note: Impact of Net Cash Appropriation Arrangements					
	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
Total Comprehensive Income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
plus depreciation/amortisation expenses previously funded through revenue appropriations	(8,236)	(9,247)	(7,667)	(6,336)	(6,928)
Total Comprehensive Income (loss) - as per the Statement of Comprehensive Income	(8,236)	(9,247)	(7,667)	(6,336)	(6,928)

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
ASSETS					
Financial assets					
Cash and equivalents	1,223	1,223	1,223	1,223	1,223
Trade and other receivables	65,592	67,592	69,586	71,566	73,545
Total financial assets	66,815	68,815	70,809	72,789	74,768
Non-financial assets					
Land and buildings	4,870	3,351	3,000	2,500	2,000
Infrastructure, plant and equipment	9,520	9,347	7,955	6,856	6,026
Intangibles	7,809	8,240	7,649	8,266	8,090
Other	2,665	2,665	2,665	2,665	2,665
Total non-financial assets	24,864	23,603	21,269	20,287	18,781
Total assets	91,679	92,418	92,078	93,076	93,549
LIABILITIES					
Provisions					
Employees	49,415	51,415	53,415	55,415	57,415
Total provisions	49,415	51,415	53,415	55,415	57,415
Payables					
Suppliers	2,516	2,516	2,516	2,516	2,516
Other	5,536	5,536	5,536	5,536	5,536
Total payables	8,052	8,052	8,052	8,052	8,052
Total liabilities	57,467	59,467	61,467	63,467	65,467
Net assets	34,212	32,951	30,611	29,609	28,082
EQUITY					
Parent entity interest					
Contributed equity	46,153	54,139	59,466	64,800	70,201
Reserves	5,186	5,186	5,186	5,186	5,186
Retained surpluses or accumulated deficits	(17,127)	(26,374)	(34,041)	(40,377)	(47,305)
Total equity	34,212	32,951	30,611	29,609	28,082
Current assets	69,480	71,480	73,474	75,454	77,433
Non-current assets	22,199	20,938	18,604	17,622	16,116
Current liabilities	52,870	54,710	56,550	58,390	60,230
Non-current liabilities	4,597	4,757	4,917	5,077	5,237

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	7,416	7,638	7,868	8,104	8,104
Appropriations	166,273	168,571	146,986	142,567	143,921
Other	850	850	850	850	850
Total cash received	174,539	177,059	155,704	151,521	152,875
Cash used					
Employees	127,399	124,603	118,494	117,061	117,235
Suppliers	45,977	50,232	34,963	33,276	34,445
Grants	1,163	2,224	2,247	1,184	1,195
Total cash used	174,539	177,059	155,704	151,521	152,875
Net cash from or (used by) operating activities	-	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	5,446	7,986	5,327	5,334	5,401
Total cash used	5,446	7,986	5,327	5,334	5,401
Net cash from or (used by) investing activities	(5,446)	(7,986)	(5,327)	(5,334)	(5,401)
FINANCING ACTIVITIES					
Cash received					
Appropriations - equity injections	180	2,613	-	-	-
Appropriations - DCB	5,266	5,373	5,327	5,334	5,401
Total cash received	5,446	7,986	5,327	5,334	5,401
Net cash from or (used by) financing activities	5,446	7,986	5,327	5,334	5,401
Net increase or (decrease) in cash held	-	-	-	-	-
Cash at the beginning of the reporting period	1,223	1,223	1,223	1,223	1,223
Cash at the end of the reporting period	1,223	1,223	1,223	1,223	1,223

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget year 2014-15)

	Retained surpluses \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2014					
Balance carried forward from previous period	(17,127)	5,186	-	46,153	34,212
Adjusted opening balance	(17,127)	5,186	-	46,153	34,212
Comprehensive income					
Surplus (deficit) for the period	(9,247)	-	-	-	(9,247)
Total comprehensive income recognised directly in equity	(9,247)	-	-	-	(9,247)
Transactions with owners					
<i>Distributions to owners</i>					
Restructuring	-	-	-	-	-
<i>Contributions by owners</i>					
Appropriation (equity injection)	-	-	-	2,613	2,613
Appropriation (departmental capital budget)	-	-	-	5,373	5,373
Total transactions with owners	-	-	-	7,986	7,986
Estimated closing balance as at 30 June 2015	(26,374)	5,186	-	54,139	32,951

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget (DCB) statement

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 - DCB	5,266	5,373	5,327	5,334	5,401
Total equity injections	1,775	2,613	-	-	-
Total new capital appropriations	7,041	7,986	5,327	5,334	5,401
Provided for:					
Purchase of non-financial assets	5,446	7,986	5,327	5,334	5,401
Other	1,595	-	-	-	-
Total Items	7,041	7,986	5,327	5,334	5,401
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	180	2,613	-	-	-
Funded by capital appropriation - DCB	5,266	5,373	5,327	5,334	5,401
TOTAL	5,446	7,986	5,327	5,334	5,401
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	5,446	7,986	5,327	5,334	5,401
Total cash used to acquire assets	5,446	7,986	5,327	5,334	5,401

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of asset movements — departmental

	Buildings \$'000	Other infrastructure, plant and equipment \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2014				
Gross book value	13,697	16,484	16,070	46,251
Accumulated depreciation/amortisation and impairment	8,827	6,964	8,261	24,052
Opening net book balance	4,870	9,520	7,809	22,199
Capital asset additions				
By purchase - equity injection	-	-	2,613	2,613
By purchase - appropriation DCB	1,324	3,002	1,047	5,373
Total additions	1,324	3,002	3,660	7,986
Other movements				
Depreciation/amortisation expense	2,843	3,175	3,229	9,247
Total other movements	2,843	3,175	3,229	9,247
As at 30 June 2015				
Gross book value	15,021	19,486	19,730	54,237
Accumulated depreciation/amortisation and impairment	11,670	10,139	11,490	33,299
Closing net book balance	3,351	9,347	8,240	20,938

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants	93,491,873	83,918,126	89,358,683	95,646,581	95,743,584
Interest	5,693	6,849	6,915	6,958	7,082
Other	599,122	1,140	1,161	1,276	1,078
Total expenses administered on behalf of government	94,096,688	83,926,115	89,366,759	95,654,815	95,751,744
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Goods and services	1,005,840	877,092	838,562	701,843	700,796
Levies	-	-	400,000	450,000	450,000
Interest	4,282	7,386	15,979	30,335	45,832
Dividends	1,768,000	-	33,000	898,000	-
Nation Building and COAG transfers	1,815,639	1,858,731	2,946,871	3,082,114	2,639,287
Other sources of non-taxation revenues	4,581	4,000	4,000	4,000	4,000
Total non-taxation revenue	4,598,342	2,747,209	4,238,412	5,166,292	3,839,915
Total own-source revenues administered on behalf of Government	4,598,342	2,747,209	4,238,412	5,166,292	3,839,915
Gains					
Foreign exchange	-	62,221	104,952	153,312	18,001
Fair value gain on NDRRA provision	340,472	-	-	-	-
Total gains administered on behalf of government	340,472	62,221	104,952	153,312	18,001
Total own-sourced income administered on behalf of Government	4,938,814	2,809,430	4,343,364	5,319,604	3,857,916
Net Cost of (contribution by) services	89,157,874	81,116,685	85,023,395	90,335,211	91,893,828
Surplus (Deficit)	(89,157,874)	(81,116,685)	(85,023,395)	(90,335,211)	(91,893,828)

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	3,719	3,719	3,719	3,719	3,719
Advances and loans	1,005,088	1,113,070	1,048,642	962,848	855,832
Receivables	1,898,247	135,869	138,586	976,499	59,096
Investments	26,755,162	32,109,096	32,676,248	33,341,637	33,701,309
Total financial assets	29,662,216	33,361,754	33,867,195	35,284,703	34,619,956
Total assets administered on behalf of government	29,662,216	33,361,754	33,867,195	35,284,703	34,619,956
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Interest bearing liabilities					
Loans	3,709,351	7,670,732	7,107,086	7,107,826	7,108,822
Other	5,085,875	5,085,875	5,165,796	5,272,314	5,272,314
Total interest bearing liabilities	8,795,226	12,756,607	12,272,882	12,380,140	12,381,136
Payables					
Grants and subsidies	3,643,587	745,613	96,530	96,140	90,004
Other payables	171,109	111,009	81,300	54,459	35,488
Total payables	3,814,696	856,622	177,830	150,599	125,492
Total liabilities administered on behalf of government	12,609,922	13,613,229	12,450,712	12,530,739	12,506,628
Net assets/(liabilities)	17,052,294	19,748,525	21,416,483	22,753,964	22,113,328

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	318,581	193,694	145,236	142,511	136,156
Levies	-	-	400,000	450,000	450,000
Interest	2,209	2,798	9,115	22,984	38,134
Dividends	150,000	1,693,000	-	33,000	898,000
COAG receipts from agencies	12,902,267	16,203,909	18,582,170	20,124,882	20,810,797
Other	4,581	4,000	4,000	4,000	4,000
Total cash received	13,377,638	18,097,401	19,140,521	20,777,377	22,337,087
Cash used					
Grant payments	106,253,904	100,467,578	104,949,165	112,130,139	113,356,130
Interest paid	4,991	6,868	6,915	6,975	7,105
Other	5,826	2,140	1,161	1,276	1,078
Total cash used	106,264,721	100,476,586	104,957,241	112,138,390	113,364,313
Net cash from or (used by) operating activities	(92,887,083)	(82,379,185)	(85,816,720)	(91,361,013)	(91,027,226)
INVESTING ACTIVITIES					
Cash received					
Advances and loans	144,379	99,376	110,798	112,474	114,709
Other investing activities	-	511,374	59,041	89,168	186,697
Total cash received	144,379	610,750	169,839	201,642	301,406
Cash used					
Purchase of investments	1,231,149	1,808,712	980,595	469,833	484,606
Advances and loans	220,108	202,775	25,000	-	-
Total cash used	1,451,257	2,011,487	1,005,595	469,833	484,606
Net cash from or (used by) investing activities	(1,306,878)	(1,400,737)	(835,756)	(268,191)	(183,200)
Net increase or (decrease) in cash held	(94,193,961)	(83,779,922)	(86,652,476)	(91,629,204)	(91,210,426)
Cash at beginning of reporting period	3,719	3,719	3,719	3,719	3,719
Cash from Official Public Account - appropriations	96,629,348	88,142,893	89,921,093	95,095,019	95,191,723
Cash to Official Public Account	2,435,387	4,362,971	3,268,617	3,465,815	3,981,297
Cash at end of reporting period	3,719	3,719	3,719	3,719	3,719

Prepared on Australian Accounting Standards basis.

Table 3.2.10: Schedule of administered capital budget

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
NEW CAPITAL APPROPRIATIONS					
Administered assets and liabilities	47,518	-	-	-	-
Special appropriations	281,857	1,961,487	574,321	-	-
Total new capital appropriations	329,375	1,961,487	574,321	-	-
Provided for:					
International Financial Institutions	281,857	1,961,487	574,321	-	-
Other	47,518	-	-	-	-
Total items	329,375	1,961,487	574,321	-	-

Prepared on Australian Accounting Standards basis.

3.2.4 Notes to the financial statements

The Treasury's budgeted statements are prepared on an accrual basis.

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

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

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