

DEPARTMENT OF THE TREASURY

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DEPARTMENT OF THE TREASURY

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1.2 AGENCY RESOURCE STATEMENT

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

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

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

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

	Estimate of prior year amounts available in 2010-11 \$'000	+	Proposed at Budget 2010-11 \$'000	=	Total estimate 2010-11 \$'000	Actual available appropriation 2009-10 \$'000
Special appropriations						
<i>Federal Financial Relations Act 2009</i>	-		66,424,219		66,424,219	61,917,722
<i>International Monetary Agreements Act 1947</i>	-		312,599		312,599	60,005
<i>Car Dealership Financing Guarantee Appropriation Act 2009</i>	-		4,500		4,500	-
<i>Asian Development Bank (Additional Subscription) Act 2009</i>	-		17,120		17,120	-
Total special appropriations	C		66,758,438		66,758,438	61,977,727
Total appropriations excluding special accounts (A+B+C)			76,438		67,207,725	62,210,775
Special accounts⁶						
Opening balance	1,858		-		1,858	-
Appropriation receipts	-		-		-	-
Non-appropriation receipts to special accounts	-		17,871,957		17,871,957	26,488,814
Total special account	D		17,871,957		17,873,815	26,488,814
Total resourcing (A+B+C+D)			78,296		85,081,540	88,699,589
Less receipts from other sources credited to special accounts	-		1,629		1,629	1,660
Total net resourcing for the Treasury			78,296		85,001,615	88,697,929

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

1.3 BUDGET MEASURES

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

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

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

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

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

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

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

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

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

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

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

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

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

Prepared on a Government Financial Statistics (fiscal) basis.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

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

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

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

Outcome 1 Strategy

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

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

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

Outcome 1 Budgeted Resources

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

Table 2.1: Budgeted Resources for Outcome 1

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

Table 2.1: Budgeted Resources for Outcome 1 (continued)

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

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

Contributions to Outcome 1

Program 1.1: Department of the Treasury

Program objective

The objectives of the Treasury are:

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

Program resources

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

Table 2.2: Program 1.1 resources

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

Program deliverables

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

Macroeconomic Group

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

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

Fiscal Group

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

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

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

Revenue Group

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

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

Markets Group

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

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

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

Program key performance indicators

The Treasury has the following key performance indicators:

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

Department of the Treasury Budget Statements

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

Program 1.2: Payments to International Financial Institutions

Program objective

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

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

Program resources

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

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

Table 2.3: Program 1.2 resources

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

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

Program deliverables

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

Program key performance indicators

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

Program 1.3: Support for Markets and Business

Program objective

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

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

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

Program resources

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

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

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

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

Table 2.4: Program 1.3 resources

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

Program deliverables

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

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

Program key performance indicators

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

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

Program 1.4: General Revenue Assistance

Program objective

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

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

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

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

Program resources

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

Table 2.5: Program 1.4 resources

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

Program deliverables

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

Program key performance indicators

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

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

Program 1.5: Assistance to the States for Healthcare Services

Program objective

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

Program resources

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

Table 2.6: Program 1.5 resources

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

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

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

Program deliverables

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

Program key performance indicators

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

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

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

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

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

Program 1.6: Assistance to the States for Schools

Program objective

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

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

Program resources

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

Table 2.7: Program 1.6 resources

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

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

Program deliverables

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

Program key performance indicators

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

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

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

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

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

Program objective

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

Program resources

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

Table 2.8: Program 1.7 resources

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

Program deliverables

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

Program key performance indicators

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

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

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

Program 1.8: Assistance to the States for Disability Services

Program objective

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

Program resources

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

Table 2.9: Program 1.8 resources

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

Program deliverables

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

Program key performance indicators

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

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

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

Program 1.9: Assistance to the States for Affordable Housing

Program objective

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

Program resources

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

Table 2.10: Program 1.9 resources

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

Program deliverables

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

Program key performance indicators

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

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

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

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

Program 1.10: National Partnership Payments to the States

Program objective

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

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

Program resources

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

Table 2.11: Program 1.10 resources

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

Table 2.11: Program 1.10 expenses (continued)

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

Table 2.11: Program 1.10 expenses (continued)

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

Table 2.11: Program 1.10 expenses (continued)

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

Table 2.11: Program 1.10 expenses (continued)

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

Table 2.11: Program 1.10 expenses (continued)

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

Table 2.11: Program 1.10 expenses (continued)

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

Table 2.11: Program 1.10 expenses (continued)

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

Table 2.11: Program 1.10 expenses (continued)

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

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

Program deliverables

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

Program key performance indicators

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

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

Section 3: Explanatory tables and budgeted financial statements

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

3.1 EXPLANATORY TABLES

3.1.1 Movement of administered funds between years

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

3.1.2 Special accounts

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

Table 3.1.2: Estimates of special account cash flows and balances

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

(A) Administered.
(D) Departmental.

3.1.3 Australian Government Indigenous Expenditure

The Treasury does not have any Australian Government Indigenous Expenditure.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

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

3.2.2 Analysis of budgeted financial statements

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

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

3.2.3 Budgeted financial statements tables

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

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

Prepared on Australian Accounting Standards basis.

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

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

Prepared on Australian Accounting Standards basis.

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

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

Prepared on Australian Accounting Standards basis.

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

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

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

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

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

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of asset movements — departmental

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

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

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

Prepared on Australian Accounting Standards basis.

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

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

Prepared on Australian Accounting Standards basis.

Table 3.2.10: Schedule of administered capital budget

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

Prepared on Australian Accounting Standards basis.

3.2.4 Notes to the financial statements

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

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

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

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

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

