

# **FINAL BUDGET OUTCOME**

2010-11

## **CIRCULATED BY**

**THE HONOURABLE WAYNE SWAN MP**  
DEPUTY PRIME MINISTER AND TREASURER  
OF THE COMMONWEALTH OF AUSTRALIA

AND

**SENATOR THE HONOURABLE PENNY WONG**  
MINISTER FOR FINANCE AND DEREGULATION  
OF THE COMMONWEALTH OF AUSTRALIA

FOR THE INFORMATION OF HONOURABLE MEMBERS

© Commonwealth of Australia 2011  
ISBN 978-0-642-74736-5

### **Ownership of intellectual property rights in this publication**

Unless otherwise noted, copyright (and any other intellectual property rights, if any) in this publication is owned by the Commonwealth of Australia (referred to below as the **Commonwealth**).

### **Creative Commons licence**

With the exception of the Commonwealth Coat of Arms (see below), all material in this publication is licensed under a Creative Commons Attribution 3.0 Australia Licence.



Creative Commons Attribution 3.0 Australia Licence is a standard form licence agreement that allows you to copy, distribute, transmit and adapt this publication provided that you attribute the work. A summary of the licence terms is available from <http://creativecommons.org/licenses/by/3.0/au/deed.en>. The full licence terms are available from <http://creativecommons.org/licenses/by/3.0/au/legalcode>.

The Commonwealth's preference is that you attribute this publication (and any material sourced from it) using the following wording:

*Publication Title: Final Budget Outcome 2010-11.*

*Source: Licensed from the Australian Government Department of the Treasury under a Creative Commons Attribution 3.0 Australia Licence.*

### **Use of the Coat of Arms**

The terms under which the Coat of Arms can be used are set out on the It's an Honour website (see [www.itsanhonour.gov.au](http://www.itsanhonour.gov.au)).

### **Contact us**

Inquiries regarding the licence and any use of this document are welcome at:

The Manager  
Communications Unit  
Ministerial and Communications Division  
Treasury  
Langton Crescent  
PARKES ACT 2600  
Email: [medialiaison@treasury.gov.au](mailto:medialiaison@treasury.gov.au)

### **Internet**

A copy of this document is available on the central Budget website at: [www.budget.gov.au](http://www.budget.gov.au)

**Purchasing copies**

Over the counter at:  
16 Nyrang Street, Fyshwick ACT

CanPrint Telesales:  
Toll Free 1300 889 873  
(Operator service available between 8 am and 5 pm AEST weekdays.  
Message facility available for after hours calls.)

CanPrint Mail Order Sales:  
PO Box 7456  
Canberra ACT 2610

By email at:  
[Sales@infoservices.com.au](mailto:Sales@infoservices.com.au)

Printed by CanPrint Communications Pty Ltd



## FOREWORD

The *Final Budget Outcome 2010-11* has been prepared in a manner consistent with the *Charter of Budget Honesty Act 1998* (the Charter). The Charter requires that, inter alia, the Government provide a final budget outcome report no later than three months after the end of the financial year. Consistent with these requirements, this report encompasses Australian Government general government sector fiscal outcomes for the 2010-11 financial year and is based on external reporting standards.

- **Part 1** provides the general government sector budget aggregates for 2010-11 together with an analysis of the 2010-11 final budget outcome. This includes summary analysis of cash flows, revenue, expenses, net capital investment and the balance sheet (net debt, net financial worth and net worth).
- **Part 2** presents the Australian Government financial statements for 2010-11 with the Australian Bureau of Statistics' (ABS) accrual Government Finance Statistics (GFS) as the basis for accounting policy, except for where the Government has decided to depart because Australian Accounting Standards provide a better conceptual treatment for presenting information of relevance to users of public sector financial reports. This data covers the general government sector as well as the Australian Government public corporations sectors.
- **Part 3** provides details for 2010-11 on Australia's Federal Relations, updated from that contained in the 2011-12 Budget Paper No. 3, *Australia's Federal Relations*.

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



# CONTENTS

<b>FOREWORD</b> .....	<b>v</b>
<b>PART 1: AUSTRALIAN GOVERNMENT BUDGET OUTCOME</b> .....	<b>1</b>
Overview .....	1
Underlying cash balance .....	2
Receipts .....	3
Payments .....	6
Fiscal balance .....	8
Revenue .....	8
Expenses and net capital investment .....	10
Net debt, net financial worth and net worth.....	12
<b>PART 2: AUSTRALIAN GOVERNMENT FINANCIAL STATEMENTS</b> .....	<b>15</b>
Australian Government Financial Statements.....	16
Financial reporting standards and budget concepts .....	45
Australian Loan Council Allocation.....	60
<b>PART 3: AUSTRALIA'S FEDERAL RELATIONS</b> .....	<b>63</b>
Overview of payments to the States .....	63
Payments for specific purposes .....	64
General revenue assistance .....	67
Payments to the States .....	72
<b>APPENDIX A: EXPENSES BY FUNCTION AND SUB-FUNCTION</b> .....	<b>91</b>
<b>APPENDIX B: HISTORICAL AUSTRALIAN GOVERNMENT DATA</b> .....	<b>95</b>

## List of tables

### Part 1

Table 1: Australian Government general government sector budget aggregates .....	2
Table 2: Summary of Australian Government general government sector cash flows .....	3
Table 3: Australian Government general government sector receipts .....	5
Table 4: Australian Government general government sector revenue .....	9
Table 5: Australian Government general government sector expenses by function .....	11
Table 6: Australian Government general government sector net capital investment by function .....	12
Table 7: Australian Government general government sector net financial worth, net worth, net debt and net interest payments .....	13

### Part 2

Table 8: Australian Government general government sector operating statement .....	16
Table 9: Australian Government general government sector balance sheet .....	17
Table 10: Australian Government general government sector cash flow statement .....	18
Table 11: Australian Government public non-financial corporations sector operating statement .....	20
Table 12: Australian Government public non-financial corporations sector balance sheet .....	21
Table 13: Australian Government public non-financial corporations sector cash flow statement .....	22
Table 14: Australian Government total non-financial public sector operating statement .....	23
Table 15: Australian Government total non-financial public sector balance sheet .....	24
Table 16: Australian Government total non-financial public sector cash flow statement .....	25
Table 17: Australian Government public financial corporations sector operating statement .....	26
Table 18: Australian Government public financial corporations sector balance sheet .....	27
Table 19: Australian Government public financial corporations sector cash flow statement .....	28

Table 20: Australian Government general government sector purchase of non-financial assets by function.....	29
Table 21: Entities within the sectoral classifications.....	52
Table 22: Major differences between AAS and ABS GFS.....	58
Table 23: Australian Government Loan Council Allocation .....	61

**Part 3**

Table 24: Commonwealth payments to the States, 2010-11.....	63
Table 25: Total payments for specific purposes by category, 2010-11 .....	66
Table 26: Total payments for specific purposes by sector, 2010-11 .....	66
Table 27: Financial assistance grants to local government, 2010-11 .....	67
Table 28: General revenue assistance, 2010-11.....	67
Table 29: GST revenue and GST payable to the States, 2010-11.....	68
Table 30: GST payable and GST payments to the States, 2010-11 .....	69
Table 31: GST relativities, 2010-11 .....	69
Table 32: Distribution of the 2010-11 estimated GST revenue .....	70
Table 33: Summary of advances made in 2010-11 and distribution of following year adjustment across States .....	70
Table 34: GST administration, 2010-11.....	70
Table 35: Payments for specific purposes to support state health services, 2010-11.....	73
Table 36: Payments for specific purposes to support state education services, 2010-11 .....	77
Table 37: Payments for specific purposes to support skills services, 2010-11 .....	79
Table 38: Payments for specific purposes to support community services, 2010-11.....	80
Table 39: Payments for specific purposes to support affordable housing services, 2010-11 .....	81
Table 40: Payments for specific purposes to support state infrastructure services, 2010-11 .....	82
Table 41: Payments for specific purposes to support state environmental services, 2010-11 .....	84
Table 42: Contingent payments to the States, 2010-11 .....	85
Table 43: Payments to support other state services, 2010-11 .....	86
Table 44: General revenue assistance payments to the States and Territories, 2010-11 .....	87
Table 45: Other financial flows — estimated advances, repayment of advances and interest payments, 2010-11.....	88

*Contents*

Table 46: Total payments to the States by GFS function, 2010-11..... 90

**Appendix A**

Table A1: Australian Government general government sector expenses by function and sub-function..... 92

**Appendix B**

Table B1: Australian Government general government sector receipts, payments and underlying cash balance ..... 98

Table B2: Australian Government general government sector taxation receipts, non-taxation receipts and total receipts ..... 99

Table B3: Australian Government general government sector net debt and net interest payments ..... 100

Table B4: Australian Government general government sector revenue, expenses, net capital investment and fiscal balance ..... 101

Table B5: Australian Government general government sector net worth and net financial worth..... 102

Table B6: Australian Government general government sector accrual taxation revenue, non-taxation revenue and total revenue ..... 103

Table B7: Australian Government cash receipts, payments and surplus by institutional sector (\$m)..... 104

Table B8: Australian Government accrual revenue, expenses and fiscal balance by institutional sector (\$m)..... 105

## Notes

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

*Contents*

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

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

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

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