

Part 2: Australian Government Financial Statements

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

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

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

The financial statements for the Final Budget Outcome for 2023–24 have been prepared on a basis consistent with the 2024–25 Budget. This enables comparison of the 2023–24 revised estimates published at the 2024–25 Budget and the outcome.

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

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

Australian Government Financial Statements

Table 2.1: Australian Government general government sector operating statement

		2023-24 Estimate at 2024-25 Budget	Month of June 2024 (a)	2023-24 Outcome	Change on 2024-25 Budget
	Note	\$m	\$m	\$m	\$m
Revenue					
Taxation revenue	3	656,039	54,159	650,365	-5,674
Sales of goods and services	4	20,274	326	19,698	-576
Interest income	5	11,131	3,579	12,206	1,075
Dividend and distribution income	5	5,798	927	6,455	657
Other	6	13,635	2,269	15,780	2,144
Total revenue		706,877	61,261	704,503	-2,374
Expenses					
Gross operating expenses					
Wages and salaries(b)	7	27,326	2,283	26,571	-754
Superannuation	7	9,042	778	9,146	105
Depreciation and amortisation	8	12,889	1,639	13,654	765
Supply of goods and services	9	194,974	19,461	191,720	-3,253
Other operating expenses(b)	7	9,248	4,279	13,392	4,144
<i>Total gross operating expenses</i>		<i>253,478</i>	<i>28,440</i>	<i>254,484</i>	<i>1,006</i>
Superannuation interest expense	7	13,374	1,116	13,375	1
Interest expenses	10	27,667	3,377	28,260	593
Current transfers					
Current grants	11	203,194	19,308	197,665	-5,529
Subsidy expenses		19,613	2,042	19,420	-194
Personal benefits	12	152,866	12,400	153,237	370
<i>Total current transfers</i>		<i>375,674</i>	<i>33,751</i>	<i>370,322</i>	<i>-5,353</i>
Capital transfers					
Mutually agreed write-downs	11	3,039	-170	2,283	-755
Other capital grants		17,838	8,626	17,132	-707
<i>Total capital transfers</i>		<i>20,877</i>	<i>8,456</i>	<i>19,415</i>	<i>-1,462</i>
Total expenses		691,070	75,138	685,857	-5,214
Net operating balance		15,807	-13,878	18,647	2,840
Other economic flows – included in operating result					
Net write-downs of assets		-10,994	-1,931	-14,036	-3,042
Assets recognised for the first time		298	74	438	140
Actuarial revaluations		652	-28,824	-28,857	-29,509
Net foreign exchange gains		188	-153	-160	-348
Net swap interest received		-347	-480	-660	-313
Market valuation of debt		-10,639	-3,844	-4,178	6,461
Other gains/(losses)		9,262	3,751	16,566	7,303
Total other economic flows – included in operating result		-11,578	-31,407	-30,887	-19,309
Operating result(c)		4,228	-45,285	-12,240	-16,468

Table 2.1: Australian Government general government sector operating statement (continued)

	2023-24 Estimate at 2024-25 Budget	Month of June 2024 (a)	2023-24 Outcome	Change on 2024-25 Budget
Note	\$m	\$m	\$m	\$m
Non-owner movements in equity				
Revaluation of equity investments	-785	801	802	1,587
Actuarial revaluations	-1,002	-7,520	-7,520	-6,518
Other economic revaluations	736	2,225	6,275	5,539
Total other economic flows – included in equity	-1,051	-4,494	-444	608
Comprehensive result –				
Total change in net worth	3,177	-49,779	-12,684	-15,861
Net operating balance	15,807	-13,878	18,647	2,840
Net acquisition of non-financial assets				
Purchases of non-financial assets	21,771	2,530	20,518	-1,253
<i>less</i> Sales of non-financial assets	777	4	896	119
<i>less</i> Depreciation	12,889	1,639	13,654	765
<i>plus</i> Change in inventories	-351	428	691	1,042
<i>plus</i> Other movements in non-financial assets	-1	-4	-9	-9
Total net acquisition of non-financial assets	7,754	1,311	6,650	-1,103
Fiscal balance				
(Net lending/borrowing)(d)	8,053	-15,189	11,996	3,944

- a) The month of June is derived by deducting May year-to-date published data from the annual outcome. Statistically, June movements in some series relate to earlier published months that are not reissued; this can result in negative movements.
- b) Consistent with the ABS GFS classification, other employee related expenses are classified separately from wages and salaries under other operating expenses. Total employee expenses equal wages and salaries plus other operating expenses.
- c) Operating result under AAS.
- d) The term fiscal balance is not used by the ABS.

Table 2.2: Australian Government general government sector balance sheet

		2023-24 Estimate at 2024-25 Budget	2023-24 Outcome	Change on 2024-25 Budget
	Note	\$m	\$m	\$m
Assets				
Financial assets				
Cash and deposits		89,311	97,295	7,985
Advances paid	13	67,539	73,147	5,608
Investments, loans and placements	14	242,528	233,468	-9,061
Other receivables	13	79,105	88,831	9,726
Equity investments				
Investments in other public sector entities		44,934	45,595	660
Equity accounted investments		5,894	5,990	96
Investments – shares		84,931	93,624	8,693
<i>Total financial assets</i>		<i>614,242</i>	<i>637,949</i>	<i>23,708</i>
Non-financial assets				
	15			
Land		13,506	14,634	1,128
Buildings		50,673	51,006	333
Plant, equipment and infrastructure		110,044	111,831	1,787
Inventories		11,763	11,747	-16
Intangibles		12,697	12,360	-338
Investment properties		220	228	8
Biological assets		5	5	0
Heritage and cultural assets		12,664	12,767	103
Assets held for sale		102	96	-6
Other non-financial assets		14	6	-9
<i>Total non-financial assets</i>		<i>211,687</i>	<i>214,680</i>	<i>2,993</i>
Total assets		825,929	852,629	26,700
Liabilities				
Interest bearing liabilities				
Deposits held		415	418	3
Government securities		847,774	844,238	-3,535
Loans	16	31,772	31,381	-391
Lease liabilities		19,302	19,341	39
<i>Total interest bearing liabilities</i>		<i>899,263</i>	<i>895,379</i>	<i>-3,884</i>

Table 2.2: Australian Government general government sector balance sheet (continued)

		2023-24 Estimate at 2024-25 Budget \$m	2023-24 Outcome \$m	Change on 2024-25 Budget \$m
Provisions and payables	Note			
Superannuation liability	17	294,654	308,462	13,807
Other employee liabilities	17	42,228	60,803	18,575
Suppliers payables	18	13,305	14,065	760
Personal benefits payables	18	3,991	4,172	182
Subsidies payables	18	550	695	145
Grants payables	18	3,658	4,339	681
Other payables	18	7,115	9,072	1,957
Provisions	18	69,787	87,278	17,492
<i>Total provisions and payables</i>		<i>435,287</i>	<i>488,885</i>	<i>53,598</i>
Total liabilities		1,334,550	1,384,264	49,714
Net worth(a)		-508,621	-531,635	-23,014
<i>Net financial worth(b)</i>		<i>-720,309</i>	<i>-746,315</i>	<i>-26,006</i>
<i>Net financial liabilities(c)</i>		<i>765,243</i>	<i>791,910</i>	<i>26,667</i>
<i>Net debt(d)</i>		<i>499,886</i>	<i>491,469</i>	<i>-8,417</i>

a) Net worth equals total assets minus total liabilities.

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

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

d) Net debt is the sum of interest bearing liabilities less the sum of selected financial assets (cash and deposits, advances paid and investments, loans and placements).

Table 2.3: Australian Government general government sector cash flow statement^(a)

	2023-24 Estimate at 2024-25 Budget \$m	Month of June 2024 (b) \$m	2023-24 Outcome \$m	Change on 2024-25 Budget \$m
Cash receipts from operating activities				
Taxes received	638,750	57,502	633,400	-5,350
Receipts from sales of goods and services	19,938	943	19,867	-71
Interest receipts	10,404	581	10,509	105
Dividends, distributions and income tax equivalents	5,918	770	6,412	494
Other receipts	14,298	1,897	15,396	1,098
Total operating receipts	689,309	61,692	685,585	-3,724
Cash payments for operating activities				
Payments to employees(c)	-43,641	-3,375	-43,010	631
Payments for goods and services	-192,077	-18,237	-190,635	1,442
Grants and subsidies paid	-239,842	-28,343	-232,626	7,216
Interest paid	-22,685	-1,754	-22,774	-89
Personal benefit payments	-152,828	-11,853	-152,770	59
Other payments(c)	-9,923	-710	-10,403	-479
Total operating payments	-660,997	-64,272	-652,217	8,780
Net cash flows from operating activities	28,312	-2,580	33,368	5,056
Cash flows from investments in non-financial assets				
Sales of non-financial assets	2,999	2,070	3,001	2
Purchases of non-financial assets	-19,450	-1,605	-17,850	1,599
Net cash flows from investments in non-financial assets	-16,451	464	-14,850	1,601
Net cash flows from investments in financial assets for policy purposes	-2,879	5,098	-1,816	1,063
Net cash flows from investments in financial assets for liquidity purposes	-16,684	-3,102	-18,779	-2,095
Cash receipts from financing activities				
Borrowing	168,884	18,653	145,705	-23,179
Other financing	6,487	627	11,637	5,150
Total cash receipts from financing activities	175,371	19,280	157,342	-18,029
Cash payments for financing activities				
Borrowing	-156,674	-7,989	-130,611	26,063
Other financing	-11,397	-1,419	-17,071	-5,674
Total cash payments for financing activities	-168,072	-9,408	-147,682	20,389
Net cash flows from financing activities	7,300	9,872	9,659	2,360
Net increase/(decrease) in cash held	-402	9,752	7,583	7,985

Table 2.3: Australian Government general government sector cash flow statement (continued)^(a)

	2023-24 Estimate at 2024-25 Budget \$m	Month of June 2024 (b) \$m	2023-24 Outcome \$m	Change on 2024-25 Budget \$m
GFS cash surplus(+)/deficit(-)(d)	11,861	-2,116	18,518	6,657
<i>plus</i> Principal payments of lease liabilities(e)	-2,515	-324	-2,739	-224
Equals underlying cash balance(f)	9,346	-2,440	15,779	6,433
<i>plus</i> Net cash flows from investments in financial assets for policy purposes	-2,879	5,098	-1,816	1,063
Equals headline cash balance	6,467	2,658	13,963	7,496

- a) A positive number denotes a cash inflow; a negative number denotes a cash outflow.
- b) The month of June is derived by deducting May year-to-date published data from the annual outcome. Statistically, June movements in some series relate to earlier published months that are not reissued; this can result in negative movements.
- c) Consistent with the ABS GFS classification, other employee related payments are classified separately from wages and salaries under other payments.
- d) GFS cash surplus/deficit equals net cash flows from operating activities and investments in non-financial assets.
- e) Principal payments of lease liabilities, which are financing cash payments, are deducted in the calculation of the underlying cash balance to maintain consistency of measure following the implementation of AASB 16.
- f) The term underlying cash balance is not used by the ABS.

Table 2.4: Australian Government public non-financial corporations sector operating statement

	2023-24 Estimate at 2024-25 Budget \$m	2023-24 Outcome \$m	Change on 2024-25 Budget \$m
Revenue			
Grants and subsidies	183	157	-27
Sales of goods and services	21,221	21,919	697
Interest income	50	95	45
Other	96	113	18
Total revenue	21,551	22,284	734
Expenses			
Gross operating expenses			
Wages and salaries(a)	4,898	4,784	-114
Superannuation	526	544	18
Depreciation and amortisation	4,532	4,987	454
Supply of goods and services	10,233	10,434	201
Other operating expenses(a)	773	948	175
<i>Total gross operating expenses</i>	<i>20,963</i>	<i>21,696</i>	<i>733</i>
Interest expenses	2,037	2,057	20
Other property expenses	249	247	-2
Current transfers			
Tax expenses	213	127	-86
<i>Total current transfers</i>	<i>213</i>	<i>127</i>	<i>-86</i>
Total expenses	23,461	24,127	666
Net operating balance	-1,910	-1,842	68
Other economic flows	-1,250	810	2,060
Comprehensive result – Total change in net worth excluding contribution from owners	-3,161	-1,033	2,128
Net acquisition of non-financial assets			
Purchases of non-financial assets	11,308	11,065	-243
<i>less</i> Sales of non-financial assets	<i>82</i>	<i>120</i>	<i>38</i>
<i>less</i> Depreciation	<i>4,532</i>	<i>4,987</i>	<i>454</i>
<i>plus</i> Change in inventories	<i>-24</i>	<i>-22</i>	<i>2</i>
<i>plus</i> Other movements in non-financial assets	<i>0</i>	<i>0</i>	<i>0</i>
Total net acquisition of non-financial assets	6,670	5,936	-734
Fiscal balance (Net lending/borrowing)(b)	-8,580	-7,779	802

a) Consistent with the ABS GFS classification, other employee related expenses are classified separately from wages and salaries under other operating expenses. Total employee expenses equal wages and salaries plus other operating expenses.

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

Table 2.5: Australian Government public non-financial corporations sector balance sheet

	2023-24 Estimate at 2024-25 Budget \$m	2023-24 Outcome \$m	Change on 2024-25 Budget \$m
Assets			
Financial assets			
Cash and deposits	1,335	1,851	515
Investments, loans and placements	743	941	198
Other receivables	6,163	5,571	-591
Equity investments	324	344	19
<i>Total financial assets</i>	<i>8,566</i>	<i>8,707</i>	<i>141</i>
Non-financial assets			
Land and other fixed assets	72,134	74,136	2,002
Other non-financial assets(a)	3,940	3,882	-59
<i>Total non-financial assets</i>	<i>76,074</i>	<i>78,018</i>	<i>1,944</i>
Total assets	84,640	86,724	2,085
Liabilities			
Interest bearing liabilities			
Deposits held	7	12	5
Advances received and loans	34,563	35,200	637
Lease liabilities	13,547	13,423	-124
<i>Total interest bearing liabilities</i>	<i>48,117</i>	<i>48,635</i>	<i>518</i>
Provisions and payables			
Superannuation liability	10	9	-1
Other employee liabilities	1,919	2,042	123
Other payables	6,450	6,342	-108
Other provisions(a)	1,223	1,098	-125
<i>Total provisions and payables</i>	<i>9,601</i>	<i>9,490</i>	<i>-111</i>
Total liabilities	57,718	58,125	407
Shares and other contributed capital	26,921	28,599	1,677
Net worth(b)	26,921	28,599	1,677
<i>Net financial worth(c)</i>	<i>-49,152</i>	<i>-49,419</i>	<i>-266</i>
<i>Net debt(d)</i>	<i>46,038</i>	<i>45,844</i>	<i>-194</i>

a) Excludes the impact of commercial taxation adjustments.

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

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

d) Net debt is the sum of interest bearing liabilities less the sum of selected financial assets (cash and deposits and investments, loans and placements).

Table 2.6: Australian Government public non-financial corporations sector cash flow statement^(a)

	2023-24 Estimate at 2024-25 Budget \$m	2023-24 Outcome \$m	Change on 2024-25 Budget \$m
Cash receipts from operating activities			
Receipts from sales of goods and services	22,509	23,075	566
Grants and subsidies received	76	84	8
GST input credit receipts	1,180	185	-995
Other receipts	127	193	67
Total operating receipts	23,892	23,537	-354
Cash payments for operating activities			
Payments to employees(b)	-5,431	-5,209	221
Payment for goods and services	-11,786	-11,592	194
Interest paid	-2,311	-2,052	259
GST payments to taxation authority	-981	-357	624
Distributions paid	-249	-247	2
Other payments(b)	-880	-1,036	-156
Total operating payments	-21,637	-20,493	1,144
Net cash flows from operating activities	2,255	3,044	789
Cash flows from investments in non-financial assets			
Sales of non-financial assets	64	108	44
Purchases of non-financial assets	-9,469	-9,863	-394
Net cash flows from investments in non-financial assets	-9,405	-9,755	-350
Net cash flows from investments in financial assets for policy purposes	-8	-23	-14
Net cash flows from investments in financial assets for liquidity purposes	71	11	-61
Net cash flows from financing activities			
Borrowing (net)	3,308	3,697	389
Other financing (net)	3,011	2,773	-238
Net cash flows from financing activities	6,319	6,470	151
Net increase/(decrease) in cash held	-767	-252	515
Cash at the beginning of the year	2,103	2,103	0
Cash at the end of the year	1,335	1,851	515
GFS cash surplus(+)/deficit(-)(c)	-7,150	-6,711	439
<i>plus</i> Principal payments of lease liabilities(d)	-555	-623	-68
Adjusted GFS cash surplus(+)/deficit(-)(d)	-7,706	-7,334	372

- a) A positive number denotes a cash inflow; a negative number denotes a cash outflow.
- b) Consistent with the ABS GFS classification, other employee related payments are classified separately from wages and salaries under other payments.
- c) GFS cash surplus/deficit equals net cash flows from operating activities and investments in non-financial assets.
- d) Principal payments of lease liabilities, which are financing cash payments, are deducted in the calculation of the GFS cash surplus/deficit to maintain consistency of measure following the implementation of AASB 16.

Table 2.7: Australian Government total non-financial public sector operating statement

	2023-24 Estimate at 2024-25 Budget \$m	2023-24 Outcome \$m	Change on 2024-25 Budget \$m
Revenue			
Taxation revenue	655,293	649,449	-5,844
Sales of goods and services	40,429	40,294	-135
Interest income	10,947	12,072	1,124
Dividend and distribution income	5,549	6,208	659
Other	13,734	15,907	2,173
Total revenue	725,953	723,930	-2,023
Expenses			
Gross operating expenses			
Wages and salaries(a)	32,224	31,355	-869
Superannuation	9,568	9,687	119
Depreciation and amortisation	17,421	18,640	1,219
Supply of goods and services	204,123	200,815	-3,308
Other operating expenses(a)	10,021	14,340	4,319
<i>Total gross operating expenses</i>	<i>273,357</i>	<i>274,838</i>	<i>1,481</i>
Superannuation interest expense	13,374	13,375	1
Interest expenses	29,470	30,087	617
Current transfers			
Current grants	203,194	197,665	-5,529
Subsidy expenses	18,822	18,586	-236
Personal benefits	152,866	153,237	370
<i>Total current transfers</i>	<i>374,883</i>	<i>369,488</i>	<i>-5,395</i>
Capital transfers	20,742	19,321	-1,422
Total expenses	711,826	707,109	-4,717
Net operating balance	14,126	16,821	2,694
Other economic flows	-12,716	-29,720	-17,004
Comprehensive result – Total change in net worth	1,410	-12,899	-14,310
Net acquisition of non-financial assets			
Purchases of non-financial assets	33,087	31,591	-1,496
<i>less</i> Sales of non-financial assets	<i>859</i>	<i>1,016</i>	<i>157</i>
<i>less</i> Depreciation	<i>17,421</i>	<i>18,640</i>	<i>1,219</i>
<i>plus</i> Change in inventories	<i>-375</i>	<i>669</i>	<i>1,044</i>
<i>plus</i> Other movements in non-financial assets	<i>-1</i>	<i>-9</i>	<i>-9</i>
Total net acquisition of non-financial assets	14,431	12,594	-1,837
Fiscal balance (Net lending/borrowing)(b)	-305	4,226	4,531

- a) Consistent with the ABS GFS classification, other employee related expenses are classified separately from wages and salaries under other operating expenses. Total employee expenses equal wages and salaries plus other operating expenses.
- b) The term fiscal balance is not used by the ABS.

Table 2.8: Australian Government total non-financial public sector balance sheet

	2023-24 Estimate at 2024-25 Budget \$m	2023-24 Outcome \$m	Change on 2024-25 Budget \$m
Assets			
Financial assets			
Cash and deposits	90,646	99,146	8,500
Advances paid	67,240	72,867	5,627
Investments, loans and placements	243,235	234,362	-8,872
Other receivables	84,198	93,301	9,103
Equity investments	93,415	102,859	9,444
<i>Total financial assets</i>	<i>578,734</i>	<i>602,535</i>	<i>23,801</i>
Non-financial assets			
Land and other fixed assets	270,781	276,120	5,339
Other non-financial assets	17,028	16,626	-402
<i>Total non-financial assets</i>	<i>287,810</i>	<i>292,746</i>	<i>4,936</i>
Total assets	866,544	895,282	28,738
Liabilities			
Interest bearing liabilities			
Deposits held	421	430	9
Government securities	847,774	844,238	-3,535
Advances received and loans	66,000	66,255	255
Lease liabilities	32,849	32,764	-85
<i>Total interest bearing liabilities</i>	<i>947,044</i>	<i>943,688</i>	<i>-3,356</i>
Provisions and payables			
Superannuation liability	294,664	308,470	13,806
Other employee liabilities	44,146	62,845	18,698
Other payables	34,919	38,500	3,581
Other provisions	69,934	87,404	17,470
<i>Total provisions and payables</i>	<i>443,663</i>	<i>497,219</i>	<i>53,556</i>
Total liabilities	1,390,707	1,440,907	50,200
Net worth(a)	-524,163	-545,626	-21,462
<i>Net financial worth(b)</i>	<i>-811,973</i>	<i>-838,372</i>	<i>-26,399</i>
<i>Net debt(c)</i>	<i>545,924</i>	<i>537,313</i>	<i>-8,611</i>

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

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

c) Net debt is the sum of interest bearing liabilities less the sum of selected financial assets (cash and deposits, advances paid and investments, loans and placements).

Table 2.9: Australian Government total non-financial public sector cash flow statement^(a)

	2023-24 Estimate at 2024-25 Budget \$m	2023-24 Outcome \$m	Change on 2024-25 Budget \$m
Cash receipts from operating activities			
Taxes received	638,801	633,315	-5,485
Receipts from sales of goods and services	39,381	39,620	240
Interest receipts	10,236	10,381	146
Dividends, distributions and income tax equivalents	5,670	6,161	491
Other receipts	14,256	15,403	1,147
Total operating receipts	708,343	704,881	-3,462
Cash payments for operating activities			
Payments to employees(b)	-49,072	-48,216	856
Payments for goods and services	-200,587	-199,045	1,542
Grants and subsidies paid	-239,706	-232,494	7,212
Interest paid	-24,776	-24,596	180
Personal benefit payments	-152,828	-152,770	59
Other payments(b)	-10,819	-11,333	-514
Total operating payments	-677,788	-668,454	9,334
Net cash flows from operating activities	30,555	36,427	5,873
Cash flows from investments in non-financial assets			
Sales of non-financial assets	3,063	3,109	46
Purchases of non-financial assets	-28,907	-27,713	1,194
Net cash flows from investments in non-financial assets	-25,844	-24,605	1,239
Net cash flows from investments in financial assets for policy purposes	-4,870	-4,279	591
Net cash flows from investments in financial assets for liquidity purposes	-16,613	-18,768	-2,155
Net cash flows from financing activities			
Borrowing (net)	21,038	24,273	3,234
Other financing (net)	-5,437	-5,718	-281
Net cash flows from financing activities	15,602	18,555	2,953
Net increase/(decrease) in cash held	-1,170	7,331	8,500
Cash at the beginning of the year	91,816	91,816	0
Cash at the end of the year	90,646	99,146	8,500

Table 2.9: Australian Government total non-financial public sector cash flow statement (continued)^(a)

	2023-24 Estimate at 2024-25 Budget \$m	2023-24 Outcome \$m	Change on 2024-25 Budget \$m
GFS cash surplus(+)/deficit(-)(c)	4,711	11,823	7,112
<i>plus</i> Principal payments of lease liabilities(d)	-3,070	-3,362	-291
Adjusted GFS cash surplus(+)/deficit(-)(d)	1,641	8,461	6,820

- a) A positive number denotes a cash inflow; a negative number denotes a cash outflow.
- b) Consistent with the ABS GFS classification, other employee related payments are classified separately from wages and salaries under other payments.
- c) GFS cash surplus/deficit equals net cash flows from operating activities and investments in non-financial assets.
- d) Principal payments of lease liabilities, which are financing cash payments, are deducted in the calculation of the GFS cash surplus/deficit to maintain consistency of measure following the implementation of AASB 16.

Table 2.10: Australian Government public financial corporations sector operating statement

	2023-24 Estimate at 2024-25 Budget \$m	2023-24 Outcome \$m	Change on 2024-25 Budget \$m
Revenue			
Grants and subsidies	233	240	7
Sales of goods and services	1,580	1,406	-174
Interest income	11,116	11,027	-89
Other	5	68	63
Total revenue	12,934	12,741	-193
Expenses			
Gross operating expenses			
Wages and salaries(a)	320	351	32
Superannuation	51	59	8
Depreciation and amortisation	61	75	13
Supply of goods and services	995	682	-313
Other operating expenses(a)	76	76	0
<i>Total gross operating expenses</i>	<i>1,503</i>	<i>1,243</i>	<i>-261</i>
Interest expenses	18,324	18,628	303
Other property expenses	9	9	0
Current transfers			
Tax expenses	9	20	11
<i>Total current transfers</i>	<i>9</i>	<i>20</i>	<i>11</i>
Total expenses	19,845	19,899	54
Net operating balance	-6,911	-7,157	-247
Other economic flows	9,952	5,239	-4,713
Comprehensive result – Total change in net worth excluding contribution from owners	3,042	-1,918	-4,960
Net acquisition of non-financial assets			
Purchases of non-financial assets	29	144	115
<i>less</i> Sales of non-financial assets	<i>0</i>	<i>1</i>	<i>0</i>
<i>less</i> Depreciation	<i>61</i>	<i>75</i>	<i>13</i>
<i>plus</i> Change in inventories	<i>-56</i>	<i>29</i>	<i>85</i>
<i>plus</i> Other movements in non-financial assets	<i>0</i>	<i>0</i>	<i>0</i>
Total net acquisition of non-financial assets	-88	97	185
Fiscal balance (Net lending/borrowing)(b)	-6,823	-7,255	-432

a) Consistent with the ABS GFS classification, other employee related expenses are classified separately from wages and salaries under other operating expenses. Total employee expenses equal wages and salaries plus other operating expenses.

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

Table 2.11: Australian Government public financial corporations sector balance sheet

	2023-24 Estimate at 2024-25 Budget \$m	2023-24 Outcome \$m	Change on 2024-25 Budget \$m
Assets			
Financial assets			
Cash and deposits	1,203	1,362	159
Investments, loans and placements	533,029	421,093	-111,936
Other receivables	371	483	112
Equity investments	1,466	1,410	-56
<i>Total financial assets</i>	<i>536,068</i>	<i>424,348</i>	<i>-111,720</i>
Non-financial assets			
Land and other fixed assets	906	870	-36
Other non-financial assets(a)	66	64	-2
<i>Total non-financial assets</i>	<i>973</i>	<i>934</i>	<i>-38</i>
Total assets	537,041	425,282	-111,759
Liabilities			
Interest bearing liabilities			
Deposits held	525,312	419,075	-106,236
Borrowing	11,063	8,220	-2,842
<i>Total interest bearing liabilities</i>	<i>536,375</i>	<i>427,296</i>	<i>-109,079</i>
Provisions and payables			
Superannuation liability	0	0	0
Other employee liabilities	194	201	7
Other payables	10,088	12,778	2,690
Other provisions(a)	2,586	2,189	-397
<i>Total provisions and payables</i>	<i>12,868</i>	<i>15,168</i>	<i>2,300</i>
Total liabilities	549,243	442,464	-106,779
Shares and other contributed capital	-12,202	-17,181	-4,979
Net worth(b)	-12,202	-17,181	-4,979
<i>Net financial worth(c)</i>	<i>-13,175</i>	<i>-18,116</i>	<i>-4,941</i>
<i>Net debt(d)</i>	<i>2,143</i>	<i>4,840</i>	<i>2,698</i>

a) Excludes the impact of commercial taxation adjustments.

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

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

d) Net debt is the sum of interest bearing liabilities less the sum of selected financial assets (cash and deposits and investments, loans and placements).

Table 2.12: Australian Government public financial corporations sector cash flow statement^(a)

	2023-24 Estimate at 2024-25 Budget \$m	2023-24 Outcome \$m	Change on 2024-25 Budget \$m
Cash receipts from operating activities			
Receipts from sales of goods and services	1,591	1,464	-126
Grants and subsidies received	233	234	0
GST input credit receipts	3	40	38
Interest receipts	10,684	11,603	918
Other receipts	265	16	-249
Total operating receipts	12,776	13,357	581
Cash payments for operating activities			
Payments to employees(b)	-367	-393	-26
Payments for goods and services	-1,133	-625	508
Interest paid	-18,452	-18,776	-323
GST payment to taxation authority	-3	-96	-93
Distributions paid	-19	-19	0
Other payments(b)	-87	-80	7
Total operating payments	-20,062	-19,988	73
Net cash flows from operating activities	-7,286	-6,631	655
Cash flows from investments in non-financial assets			
Sales of non-financial assets	0	0	0
Purchases of non-financial assets	-6	-30	-24
Net cash flows from investments in non-financial assets	-6	-30	-24
Net cash flows from investments in financial assets for policy purposes	-748	-695	53
Net cash flows from investments in financial assets for liquidity purposes	87,655	187,029	99,374
Net cash flows from financing activities			
Borrowing and deposits received (net)	-73,217	-179,194	-105,977
Other financing (net)	-6,558	-479	6,079
Net cash flows from financing activities	-79,775	-179,673	-99,898
Net increase/(decrease) in cash held	-159	0	159
Cash at the beginning of the year	1,362	1,362	0
Cash at the end of the year	1,203	1,362	159
GFS cash surplus(+)/deficit(-)(c)	-7,291	-6,661	630
<i>plus</i> Principal payments of lease liabilities(d)	-18	-24	-6
Adjusted GFS cash surplus(+)/deficit(-)(d)	-7,309	-6,685	624

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

b) Consistent with the ABS GFS classification, other employee related payments are classified separately from wages and salaries under other payments.

c) GFS cash surplus/deficit equals net cash flows from operating activities and investments in non-financial assets.

d) Principal payments of lease liabilities, which are financing cash payments, are deducted in the calculation of the GFS cash surplus/deficit to maintain consistency of measure following the implementation of AASB 16.

Notes to the general government sector financial statements

Note 1: External reporting standards and accounting policies

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

The external standards used for the FBO reporting purposes are:

- the Australian Bureau of Statistics' (ABS) accrual Government Finance Statistics (GFS) publication, *Australian System of Government Finance Statistics: Concepts, Sources and Methods, 2015* (cat. no. 5514.0), which is based on the International Monetary Fund (IMF) accrual GFS framework
- the Australian Accounting Standards (AAS), issued by the Australian Accounting Standards Board (AASB), which includes International Financial Reporting Standards as adopted in Australia for use by the not-for-profit sector and specific standards such as AASB 1049 *Whole of Government and General Government Sector Financial Reporting* (AASB 1049).

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

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

The statements for the GGS are based on audit cleared financial statements for material entities, with the exception of the Department of Defence, the Department of Health and Aged Care, the Department of Social Services, the Department of Veterans' Affairs and the National Disability Insurance Agency.

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

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

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

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

AASB 1055 *Budgetary Reporting* requires major variances between original budget estimates and outcomes to be explained in the financial statements. Explanations of variances in fiscal balance, revenue, expenses, net capital investment, cash flows, net debt, net financial worth and net worth for the 2023–24 year from the 2023–24 Budget to the *Mid-Year Economic and Fiscal Outlook 2023–24* (MYEFO) are disclosed in the 2023–24 MYEFO. Explanations of variances for the 2023–24 year from the 2023–24 MYEFO to the 2024–25 Budget are disclosed in Statement 3 of 2024–25 Budget Paper No.1, *Budget Strategy and Outlook*. Explanations of variances from the 2024–25 Budget to the Final Budget Outcome for 2023–24 are disclosed in Part 1.

Note 2: Departures from external reporting standards

The Charter requires that departures from applicable external reporting standards be identified. The major differences between AAS and the ABS GFS treatments of transactions are outlined in Table 2.13.

AASB 1049 requires AAS measurement of items to be disclosed on the face of the financial statements with reconciliation to the ABS GFS measurement of key fiscal aggregates, where different, in notes to the financial statements. Only one measure of each aggregate has been included on the face statements to avoid confusion.

Further information on the differences between the two systems is provided in the ABS publication *Australian System of Government Finance Statistics: Concepts, Sources and Methods, 2015* (cat. no. 5514.0).

Table 2.13: Major differences between AAS and ABS GFS

Issue	AAS treatment	ABS GFS treatment	Treatment adopted
Circulating coins – seigniorage	The profit between the cost and sale of circulating coins (seigniorage) is treated as revenue.	Circulating coins is treated as a liability, and the cost of producing the coins is treated as an expense.	AAS
Valuation of loans	Changes in the valuation of loans are treated as a revenue or an expense. In some circumstances recognition as a revenue or an expense is delayed until the loan ends or is transferred.	Changes in the valuation of loans (excluding mutually agreed write-downs) are treated as an 'other economic flow'.	ABS GFS
Timing recognition of Boosting Cash Flow for Employers	Expense recognition is based on underlying economic activity that gives rise to the Cash Flow Boost payment.	Recognised when the businesses receive payments after submitting their activity statements and having met all requirements.	AAS
Leases	AASB 16 introduced a single lease accounting framework for lessees, which replaced the distinction between operating and finance leases. Right of use assets and lease liabilities are recognised on the balance sheets for leases that were previously accounted for as operating expense.	The distinction between operating leases and finance leases is continued for lessees.	AAS
Concessional loans	Concessional elements are treated as an expense on initial recognition and unwound over the loan term.	Concessional elements are treated as an 'other economic flow'.	AAS
Investment in other public sector entities	Valued at fair value in the balance sheet as long as it can be reliably measured, otherwise net assets is permissible.	Unlisted entities are valued based on their net assets in the balance sheet.	AAS
Provision for restoration, decommissioning and make-good	Capitalised when the asset is acquired.	Capitalised when make-good activity takes place.	AAS
Renewable Energy Certificates (RECs)	Recognise revenue from the surrender of RECs and expenses associated with the refund of the shortfall charges.	The issuance and registration of RECs are considered to be government financial transactions resulting in the recognition of assets, liabilities, revenue and expenses.	AAS
Dividends paid by public corporations	Treated as an equity distribution. Equity distributions are treated as a distribution of profits, as opposed to an expense.	Dividends are treated as an expense.	ABS GFS
Dividends paid by the Reserve Bank of Australia	Dividends are recognised in the year profit was earned.	Dividends are recognised when the Treasurer makes a determination.	AAS

Table 2.13: Major differences between AAS and ABS GFS (continued)

Issue	AAS treatment	ABS GFS treatment	Treatment adopted
National Disability Insurance Scheme (NDIS) revenue	Funding contributions by the state and territory governments to NDIS are treated as sales of goods and services revenue. In-kind disability services provided by the state and territory governments are treated as other revenue.	Funding contributions by the state and territory governments to NDIS are treated as grants revenue. In-kind disability services provided by the state and territory governments are treated as sales of goods and services revenue.	AAS
Commercial tax effect accounting assets and liabilities	Corporations in the PNFC and PFC sectors record tax expenses on a commercial basis.	Deferred tax assets and liabilities are reversed so that corporations record tax expenses on a consistent basis to the Australian Taxation Office.	ABS GFS
Timing recognition of vaccine expense	Recognised when vaccines are delivered to the states and territories.	Recognised when the vaccine doses are administered. Vaccine wastage after distributions are recognised as an 'other economic flow'.	AAS
Regional Broadband Scheme	The revenue from the levy on internet service providers (ISPs) and the associated subsidy expense to NBN Co for the provision of regional broadband services are recorded separately on a gross basis.	The revenue from the levy on ISPs and the associated subsidy expense to NBN Co are recorded on a net basis.	AAS
Fiscal aggregates differences			
Net worth of PNFC and PFC sectors	Calculated as assets less liabilities.	Calculated as assets less liabilities less shares and other contributed capital.	AAS
Net financial worth of PNFC and PFC sectors	Calculated as financial assets less total liabilities.	Calculated as financial assets less total liabilities less shares and contributed capital.	AAS
Classification differences			
Prepayments	Treated as a non-financial asset.	Treated as a financial asset.	ABS GFS
Spectrum sales	Recognise non-financial asset sale for fiscal balance when licences take effect, which may be after the auction of licences, as this is regarded as the point at which control is transferred. Recognise cash at the time of receipt.	Recognise non-financial asset sale for fiscal balance at time of auction as this is regarded as the point at which control is transferred. Recognise cash at the time of receipt.	AAS
Classification of Australian Government funding of non-government schools	Direct grants to states and territories made in accordance with bilateral agreements with the Commonwealth and consistent with section 96 of the Constitution.	Personal benefit payments – indirect included in goods and services expenses.	AAS

Note 3: Taxation revenue by type

	2023-24 Estimate at 2024-25 Budget \$m	2023-24 Outcome \$m	Change on 2024-25 Budget \$m
Individuals and other withholding taxes			
Gross income tax withholding	299,400	298,328	-1,072
Gross other individuals	81,500	78,160	-3,340
<i>less: Refunds</i>	37,500	37,635	135
Total individuals and other withholding tax	343,400	338,853	-4,547
Fringe benefits tax	4,280	4,856	576
Company tax	144,900	142,945	-1,955
Superannuation fund taxes	11,780	12,668	888
Petroleum resource rent tax	1,430	1,276	-154
Income taxation revenue	505,790	500,598	-5,192
Goods and services tax	90,180	90,329	149
Wine equalisation tax	1,090	1,102	12
Luxury car tax	1,290	1,230	-60
Excise and customs duty			
Petrol	6,950	6,953	3
Diesel	16,210	16,098	-112
Other fuel products	2,120	2,006	-114
Tobacco	10,500	9,812	-688
Beer	2,650	2,660	10
Spirits	3,370	3,226	-144
Other alcoholic beverages(a)	1,680	1,719	39
Other customs duty			
Textiles, clothing and footwear	160	159	-1
Passenger motor vehicles	380	391	11
Other imports	1,490	1,501	11
<i>less: Refunds and drawbacks</i>	850	791	-59
Total excise and customs duty	44,660	43,735	-925
Major bank levy	1,660	1,656	-4
Agricultural levies	618	624	6
Visa application charges	3,290	3,385	95
Other taxes	7,461	7,706	245
Mirror taxes	838	903	65
<i>less: Transfers to states in relation to mirror tax revenue</i>	838	903	65
Mirror tax revenue	0	0	0
Indirect taxation revenue	150,249	149,766	-483
Taxation revenue	656,039	650,365	-5,674
<i>Memorandum:</i>			
Total excise	30,020	29,899	-121
Total customs duty	14,640	13,836	-804

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

Note 3(a): Taxation revenue by source

	2023-24 Estimate at 2024-25 Budget \$m	2023-24 Outcome \$m	Change on 2024-25 Budget \$m
Taxes on income, profits and capital gains			
Income and capital gains levied on individuals	347,680	343,713	-3,967
Income and capital gains levied on enterprises	158,110	156,886	-1,224
Total taxes on income, profits and capital gains	505,790	500,598	-5,192
Taxes on employers' payroll and labour force	1,943	1,912	-31
Taxes on the provision of goods and services			
Sales/goods and services tax	92,560	92,661	101
Excises and levies	30,638	30,523	-115
Taxes on international trade	14,640	13,836	-804
Total taxes on the provision of goods and services	137,838	137,019	-819
Taxes on the use of goods and performance of activities	10,468	10,835	367
Total taxation revenue	656,039	650,365	-5,674

Note 4: Sales of goods and services revenue

	2023-24 Estimate at 2024-25 Budget \$m	2023-24 Outcome \$m	Change on 2024-25 Budget \$m
Sales of goods	1,487	1,406	-81
Rendering of services	15,596	15,302	-295
Lease rental	397	428	31
Fees from regulatory services	2,793	2,562	-231
Total sales of goods and services revenue	20,274	19,698	-576

Note 5: Interest and dividend and distribution revenue

	2023-24 Estimate at 2024-25 Budget \$m	2023-24 Outcome \$m	Change on 2024-25 Budget \$m
Interest from other governments			
State and territory debt	15	14	-1
Housing agreements	67	67	0
Total interest from other governments	82	81	-1
Interest from other sources			
Advances	821	941	120
Deposits	3,654	4,137	483
Indexation of HELP receivable and other student loans	2,139	2,399	260
Other	4,435	4,648	213
Total interest from other sources	11,049	12,125	1,076
Total interest	11,131	12,206	1,075
Dividends and distributions			
Dividends from other public sector entities	266	278	12
Other dividends and distributions	5,532	6,177	646
Total dividends and distributions	5,798	6,455	657
Total interest and dividend and distribution revenue	16,929	18,661	1,732

Note 6: Other sources of non-taxation revenue

	2023-24 Estimate at 2024-25 Budget \$m	2023-24 Outcome \$m	Change on 2024-25 Budget \$m
Industry contributions	84	100	17
Royalties	1,056	1,057	1
Seigniorage	62	40	-22
Other	12,433	14,581	2,148
Total other sources of non-taxation revenue	13,635	15,780	2,144

Note 7: Employee and superannuation expense

	2023-24 Estimate at 2024-25 Budget \$m	2023-24 Outcome \$m	Change on 2024-25 Budget \$m
Wages and salaries expenses	27,326	26,571	-754
Other operating expenses			
Leave and other entitlements	3,362	4,084	722
Separations and redundancies	58	97	39
Workers compensation premiums and claims	2,765	6,240	3,475
Other	3,063	2,972	-91
Total other operating expenses	9,248	13,392	4,144
Superannuation expenses			
Superannuation	9,042	9,146	105
Superannuation interest cost	13,374	13,375	1
Total superannuation expenses	22,416	22,521	106
Total employee and superannuation expense	58,989	62,485	3,496

Note 8: Depreciation and amortisation expense

	2023-24 Estimate at 2024-25 Budget \$m	2023-24 Outcome \$m	Change on 2024-25 Budget \$m
Depreciation			
Specialist military equipment	5,020	5,141	121
Buildings	4,011	4,391	380
Other infrastructure, plant and equipment	2,622	2,777	155
Heritage and cultural assets	65	67	2
Other	5	4	-2
Total depreciation(a)	11,725	12,380	656
Total amortisation	1,165	1,273	109
Total depreciation and amortisation expense	12,889	13,654	765
<i>Memorandum:</i>			
Depreciation relating to right of use assets			
Specialist military equipment	31	39	9
Buildings	2,354	2,595	241
Other infrastructure, plant and equipment	279	343	64
Other	5	4	-2
Total depreciation of right of use assets	2,670	2,981	312

a) Includes depreciation of right of use (leased) assets, resulting from implementation of AASB 16.

Note 9: Supply of goods and services expense

	2023-24 Estimate at 2024-25 Budget \$m	2023-24 Outcome \$m	Change on 2024-25 Budget \$m
Supply of goods and services	50,641	47,918	-2,723
Lease expenses	196	220	23
Personal benefits – indirect	135,652	134,252	-1,400
Health care payments	5,506	6,390	884
Other	2,978	2,941	-37
Total supply of goods and services expense	194,974	191,720	-3,253

Note 10: Interest expense

	2023-24 Estimate at 2024-25 Budget \$m	2023-24 Outcome \$m	Change on 2024-25 Budget \$m
Interest on debt			
Government securities	22,533	22,488	-46
Loans	146	153	7
Other	1,133	1,280	147
Total interest on debt	23,813	23,921	108
Interest on lease liabilities	422	493	71
Other financing costs	3,433	3,847	414
Total interest expense	27,667	28,260	593

Note 11: Current and capital grants expense

	2023-24 Estimate at 2024-25 Budget \$m	2023-24 Outcome \$m	Change on 2024-25 Budget \$m
Current grants expense			
State and territory governments	159,102	158,719	-383
Private sector	6,193	4,943	-1,250
Overseas	4,342	4,206	-136
Non-profit organisations	14,194	14,116	-78
Multi-jurisdictional sector	12,778	12,364	-414
Other	6,586	3,317	-3,268
Total current grants expense	203,194	197,665	-5,529
Capital grants expense			
Mutually agreed write-downs	3,039	2,283	-755
Other capital grants			
State and territory governments	15,598	15,406	-192
Local governments	1,372	1,090	-282
Non-profit organisations	647	439	-207
Private sector	50	45	-5
Multi-jurisdictional sector	0	6	6
Overseas	3	0	-3
Other	168	145	-23
Total capital grants expense	20,877	19,415	-1,462
Total grants expense	224,072	217,080	-6,991

Note 12: Personal benefits expense

	2023-24 Estimate at 2024-25 Budget \$m	2023-24 Outcome \$m	Change on 2024-25 Budget \$m
Social welfare – assistance to the aged	59,160	59,168	8
Assistance to veterans and dependants	4,498	4,511	13
Assistance to people with disabilities	32,306	32,683	377
Assistance to families with children	29,369	29,479	111
Assistance to the unemployed	14,737	14,859	122
Student assistance	2,729	2,585	-144
Other welfare programs	833	868	35
Financial and fiscal affairs	1,118	1,082	-36
Vocational and industry training	213	121	-92
Other	7,906	7,881	-25
Total personal benefits expense	152,866	153,237	370

Note 13: Advances paid and other receivables

	2023-24 Estimate at 2024-25 Budget \$m	2023-24 Outcome \$m	Change on 2024-25 Budget \$m
Advances paid			
Loans to state and territory governments	1,544	1,495	-49
Student loans	48,623	54,825	6,202
Other	18,018	17,621	-397
less Impairment allowance	646	794	147
Total advances paid	67,539	73,147	5,608
Other receivables			
Goods and services receivable	1,518	1,604	86
Recoveries of benefit payments	6,379	6,463	84
Taxes receivable	44,026	40,699	-3,327
Prepayments	6,278	6,447	169
Other	25,123	37,176	12,052
less Impairment allowance	4,219	3,558	-661
Total other receivables	79,105	88,831	9,726

Note 14: Investments, loans and placements

	2023-24 Estimate at 2024-25 Budget \$m	2023-24 Outcome \$m	Change on 2024-25 Budget \$m
Investments – deposits	6,318	6,277	-42
IMF quota and SDR holdings	23,638	23,105	-533
Structured finance securities	416	322	-94
Collective investment vehicles	120,469	117,329	-3,141
Other interest bearing securities	62,414	58,883	-3,531
Other	29,272	27,551	-1,721
Total investments, loans and placements	242,528	233,468	-9,061

Note 15: Non-financial assets

	2023-24 Estimate at 2024-25 Budget \$m	2023-24 Outcome \$m	Change on 2024-25 Budget \$m
Land and buildings			
Land	13,506	14,634	1,128
Buildings	50,673	51,006	333
Total land and buildings	64,178	65,640	1,462
Plant, equipment and infrastructure			
Specialist military equipment	89,424	89,485	61
Other plant, equipment and infrastructure	20,620	22,346	1,726
Total plant, equipment and infrastructure	110,044	111,831	1,787
Inventories			
Inventories held for sale	409	416	7
Inventories not held for sale	11,354	11,331	-23
Total inventories	11,763	11,747	-16
Intangibles			
Computer software	6,721	6,523	-197
Other	5,977	5,836	-140
Total intangibles	12,697	12,360	-338
Total investment properties	220	228	8
Total biological assets	5	5	0
Total heritage and cultural assets	12,664	12,767	103
Total assets held for sale	102	96	-6
Total other non-financial assets	14	6	-9
Total non-financial assets(a)	211,687	214,680	2,993
<i>Memorandum:</i>			
Total relating to right of use assets			
Land	150	156	5
Buildings	15,789	15,825	37
Specialist military equipment	279	207	-72
Other plant, equipment and infrastructure	1,236	1,392	157
Total right of use assets	17,454	17,580	127

a) Includes right of use (leased) assets, resulting from implementation of AASB 16.

Note 16: Loans

	2023-24 Estimate at 2024-25 Budget \$m	2023-24 Outcome \$m	Change on 2024-25 Budget \$m
Promissory notes	9,444	9,632	188
Special drawing rights	19,047	18,624	-423
Other	3,282	3,126	-156
Total loans	31,772	31,381	-391

Note 17: Employee and superannuation liabilities

	2023-24 Estimate at 2024-25 Budget \$m	2023-24 Outcome \$m	Change on 2024-25 Budget \$m
Total superannuation liability(a)	294,654	308,462	13,807
Other employee liabilities			
Leave and other entitlements	9,900	10,162	262
Accrued salaries and wages	845	952	107
Workers compensation claims	1,984	2,045	61
Military compensation	28,873	46,962	18,089
Other	625	682	57
Total other employee liabilities	42,228	60,803	18,575
Total employee and superannuation liabilities	336,882	369,265	32,383

a) For budget reporting purposes, a discount rate of 5.0 per cent determined by actuaries in preparing the 2020 Long Term Cost Reports is used to value the superannuation liability. This reflects the average annual rate estimated to apply over the term of the liability and it reduces the volatility in reported liabilities that would occur from year to year if the spot rates on long-term government bonds were used. Consistent with AAS, the superannuation liability for the 2023–24 FBO was calculated using the spot rates on long-term government bonds as at 30 June 2024 that best matched each individual scheme's liability duration. These rates were between 4.2 and 4.8 per cent per annum.

Note 18: Provisions and payables

	2023-24 Estimate at 2024-25 Budget \$m	2023-24 Outcome \$m	Change on 2024-25 Budget \$m
Suppliers payables			
Trade creditors	8,424	8,009	-415
Lease rental payable	1	0	0
Personal benefits payables – indirect	1,948	1,524	-424
Other creditors	2,933	4,532	1,599
Total suppliers payables	13,305	14,065	760
Total personal benefits payables – direct	3,991	4,172	182
Total subsidies payable	550	695	145
Grants payables			
State and territory governments	325	1,259	935
Non-profit organisations	556	722	166
Private sector	253	398	144
Overseas	1,521	1,528	7
Local governments	0	64	63
Other	1,003	367	-636
Total grants payables	3,658	4,339	681
Total other payables	7,115	9,072	1,957
Provisions			
Provisions for tax refunds	2,214	2,220	6
Grants provisions	14,134	15,217	1,083
Personal benefits provisions – direct	6,704	6,859	155
Personal benefits provisions – indirect	4,257	3,983	-274
Provisions for subsidies	7,621	7,585	-36
Other	34,856	51,414	16,558
Total provisions	69,787	87,278	17,492

Note 19: Reconciliation of cash

	2023-24 Estimate at 2024-25 Budget \$m	2023-24 Outcome \$m	Change on 2024-25 Budget \$m
Net operating balance (revenues less expenses)	15,807	18,647	2,840
<i>less</i> Revenues not providing cash			
Other	3,004	3,272	268
Total revenues not providing cash	3,004	3,272	268
<i>plus</i> Expenses not requiring cash			
Increase/(decrease) in employee entitlements	9,100	-1,112	-10,212
Depreciation/amortisation expense	12,889	13,654	765
Mutually agreed write-downs	3,039	2,283	-755
Other	4,057	3,775	-282
Total expenses not requiring cash	29,085	18,600	-10,484
<i>plus</i> Cash provided/(used) by working capital items			
Decrease/(increase) in inventories	-563	-465	98
Decrease/(increase) in receivables	-13,654	-15,982	-2,328
Decrease/(increase) in other financial assets	-587	-2,019	-1,432
Decrease/(increase) in other non-financial assets	596	-942	-1,538
Increase/(decrease) in benefits, subsidies and grants payable	2,017	2,901	884
Increase/(decrease) in suppliers' liabilities	146	123	-23
Increase/(decrease) in other provisions and payables	-1,532	15,777	17,309
Net cash provided/(used) by working capital	-13,577	-607	12,970
<i>equals</i> (Net cash from/(to) operating activities)	28,312	33,368	5,056
<i>plus</i> (Net cash from/(to) investing activities)	-36,014	-35,444	569
Net cash from operating activities and investment	-7,702	-2,077	5,625
<i>plus</i> (Net cash from/(to) financing activities)	7,300	9,659	2,360
<i>equals</i> Net increase/(decrease) in cash	-402	7,583	7,985
Cash at the beginning of the year	89,713	89,713	0
Net increase/(decrease) in cash	-402	7,583	7,985
Cash at the end of the year	89,311	97,295	7,985

Attachment A

Financial reporting standards and budget concepts

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

AASB 1049 Conceptual framework

AASB 1049 seeks to 'harmonise' the ABS GFS and AAS.

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

AASB 1049 has adopted the AAS conceptual framework and principles for the recognition of assets, liabilities, revenues and expenses and their presentation, measurement and disclosure. In addition, AASB 1049 has broadly adopted the ABS GFS conceptual framework for presenting government financial statements. In particular, AASB 1049 requires the GGS to prepare a separate set of financial statements, overriding AASB 10 *Consolidated Financial Statements*. AASB 1049 also follows the ABS GFS by requiring changes in net worth to be split into either transactions or 'other economic flows' and for this to be presented in a single operating statement. AASB 1049 is therefore broadly consistent with international statistical standards and the International Monetary Fund's (IMF) *Government Finance Statistics Manual 2014*.¹

1 Additional information on the Australian accrual GFS framework is available in the ABS publication *Australian System of Government Finance Statistics: Concepts, Sources and Methods, 2015* (cat. no. 5514.0).

All financial data presented in the financial statements are recorded as either stocks (assets and liabilities) or flows (classified as either transactions or ‘other economic flows’). Transactions result from a mutually agreed interaction between economic entities. Despite their compulsory nature, taxes are transactions deemed to occur by mutual agreement between the government and the taxpayer. Transactions that increase or decrease net worth (assets less liabilities) are reported as revenues and expenses respectively in the operating statement.²

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

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

Operating statement

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

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

The net acquisition of non-financial assets (net capital investment) equals gross fixed capital formation, less depreciation, plus changes (investment) in inventories, plus other transactions in non-financial assets.

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

² Not all transactions impact net worth. For example, transactions in financial assets and liabilities do not impact net worth as they represent the swapping of assets and liabilities on the balance sheet.

Net operating balance

The net operating balance is the excess of revenue from transactions over expenses from transactions. The net operating balance excludes expenditure on the acquisition of capital assets but includes non-cash costs such as accruing superannuation entitlements and the consumption of capital (depreciation). By including all accruing costs, including depreciation, the net operating balance encompasses the full current cost of providing government services. This makes it a measure of the sustainability of the government's fiscal position over time and provides an indication of the sustainability of the existing level of government services.

Fiscal balance

The fiscal balance (or net lending/borrowing) is the net operating balance less net capital investment. The fiscal balance includes the impact of net expenditure (effectively purchases less sales) on non-financial assets rather than consumption (depreciation) of non-financial assets.³

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

Balance sheet

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

Net worth

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

3 The net operating balance includes consumption of non-financial assets because depreciation is an expense. Depreciation is deducted in the calculation of net capital investment as the full investment in non-financial assets is included in the calculation of fiscal balance.

Net financial worth

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

Net financial liabilities

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

Net debt

Net debt is the sum of interest bearing liabilities less the sum of selected financial assets (cash and deposits, advances paid and investments, loans and placements). Financial assets include the Future Fund's investments in interest bearing securities and collective investment vehicles (CIVs). CIVs enable investors to pool their money and invest the pooled funds, rather than buying securities directly. Net debt does not include superannuation related liabilities. Net debt is a common measure of the strength of a government's financial position. High levels of net debt impose a call on future revenue flows to service that debt.

The 2015 ABS GFS Manual presents debt in a matrix format, with no single net debt aggregate identified. The Australian Government continues to report net debt in accordance with the UPF as described above.

Cash flow statement

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

Underlying cash balance

The underlying cash balance is the cash counterpart of the fiscal balance, reflecting the Australian Government's cash investment-saving balance.

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

Net cash flows from operating activities
<i>plus</i>
Net cash flows from investments in non-financial assets
<i>equals</i>
ABS GFS cash surplus/deficit
<i>plus</i>
Principal payments of lease liabilities
<i>equals</i>
Underlying cash balance

Under *the Future Fund Act 2006*, earnings are required to be reinvested to meet the Government's future public sector superannuation liabilities. The Government excluded net Future Fund cash earnings from the calculation of the underlying cash balance between 2005–06 and 2019–20. From 2020–21 onwards, net Future Fund cash earnings have been included in the calculation of the underlying cash balance because the Future Fund became available to meet the Government's superannuation liabilities from this year.

In contrast, net Future Fund earnings have been included in the net operating balance and fiscal balance for all years because superannuation expenses relating to future cash payments are recorded in the net operating balance and fiscal balance.

Net Future Fund earnings are separately identified in the historical tables in Appendix B.

Headline cash balance

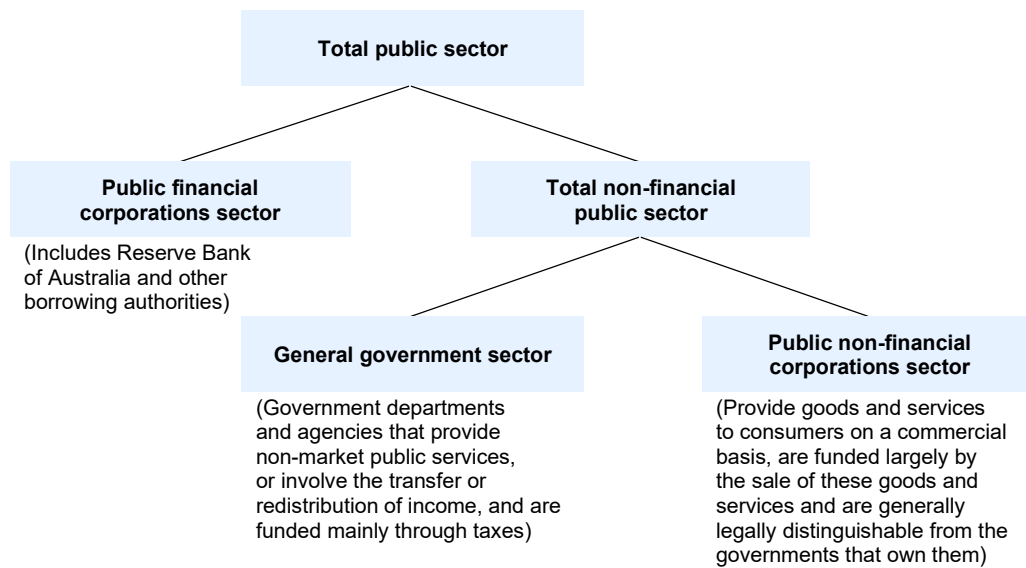
The headline cash balance is calculated by adding net cash flows from investments in financial assets for policy purposes to the underlying cash balance.

Net cash flows from investments in financial assets for policy purposes include equity transactions and advances paid. Equity transactions include equity injections into controlled businesses and privatisations of government businesses. Advances paid include net loans to the states and net loans to students.

Sectoral classifications

To assist in analysing the public sector, data are presented by institutional sector as shown in Figure 2.1. The ABS GFS defines the GGS, PNFC and PFC sectors. AASB 1049 has also adopted this sectoral reporting.

Figure 2.1: Institutional structure of the public sector



All entities are classified as GGS entities except for the following list of portfolio entities that are classified as PFC or PNFC (Table 2.14).

A table which provides a full list of public sector principal entities under the current portfolio structure is available on the Department of Finance website at <https://www.finance.gov.au/government/managing-commonwealth-resources/structure-australian-government-public-sector/pgpa-act-flipchart-and-list>.

Table 2.14: Entities outside of the general government sector – 2023–24

Public financial corporations
<p>Employment and Workplace Relations Portfolio</p> <ul style="list-style-type: none"> • Coal Mining Industry (Long Service Leave Funding) Corporation
<p>Foreign Affairs and Trade Portfolio</p> <ul style="list-style-type: none"> • Export Finance and Insurance Corporation (Export Finance Australia)
<p>Industry, Science and Resources Portfolio</p> <ul style="list-style-type: none"> • CSIRO Coinvestment Fund Pty Ltd • CSIRO FollowOn Services Pty Ltd • CSIRO FollowOn Services 2 Pty Ltd • CSIRO General Partner Pty Ltd • CSIRO General Partner 2 Pty Ltd • CSIROGP Fund 2 Pty Ltd • MS GP Fund 3 Pty Ltd • MS NGS Pty Ltd • MS Opportunity Fund Pty Ltd • MS Parallel Fund Pty Ltd
<p>Treasury Portfolio</p> <ul style="list-style-type: none"> • Australian Reinsurance Pool Corporation • Housing Australia – Australian Housing Bond Aggregator (AHBA)* • Reserve Bank of Australia

Table 2.14: Entities outside of the general government sector – 2023–24 (continued)

Public non-financial corporations
<p>Climate Change, Energy, the Environment and Water Portfolio</p> <ul style="list-style-type: none"> • Snowy Hydro Limited
<p>Finance Portfolio[†]</p> <ul style="list-style-type: none"> • ASC Pty Ltd • Australian Naval Infrastructure Pty Ltd
<p>Industry, Science and Resources Portfolio</p> <ul style="list-style-type: none"> • ANSTO Nuclear Medicine Pty Ltd[‡]
<p>Infrastructure, Transport, Regional Development, Communications and the Arts Portfolio</p> <ul style="list-style-type: none"> • Airservices Australia • Australian Postal Corporation (Australia Post) • Australian Rail Track Corporation Limited • National Intermodal Corporation Limited • NBN Co Limited • WSA Co Ltd
<p>Prime Minister and Cabinet Portfolio</p> <ul style="list-style-type: none"> • Voyages Indigenous Tourism Australia Pty Ltd
<p>Social Services Portfolio</p> <ul style="list-style-type: none"> • Australian Hearing Services (Hearing Australia)

* In October 2023, the National Housing Finance and Investment Corporation was renamed Housing Australia. Housing Australia, a corporate Commonwealth entity, operates an affordable housing bond aggregator to encourage greater private and institutional investment and provide cheaper and longer term finance to registered providers of affordable housing. The Housing Australia Bond Aggregator is a PFC. Other Housing Australia programs, including the National Housing Infrastructure Facility, are included in the GGS.

† On 28 July 2023, the Australian Government acquired a non-controlling (minority) ownership interest in CEA Technologies Pty Limited (CEA). The Australian Government's ownership interest in CEA will increase in 2024–25, and CEA will become majority owned Commonwealth company from 2024–25.

‡ ANSTO Nuclear Medicine Pty Ltd ceased on 21 May 2024.