

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 2024–25 have been prepared on a basis consistent with the 2025–26 Budget and the Pre-election Economic and Fiscal Outlook (PEFO) 2025. This enables comparison of the 2024–25 revised estimates published at the 2025–26 Budget, the 2025 PEFO 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

		2024-25 Estimate at 2025-26 Budget	Month of June 2025 (a)	2024-25 Outcome	Change on 2025-26 Budget
	Note	\$m	\$m	\$m	\$m
Revenue					
Taxation revenue	3	663,208	53,617	677,185	13,977
Sales of goods and services	4	21,166	259	20,596	-570
Interest income	5	10,532	2,686	11,518	986
Dividend and distribution income	5	7,205	1,146	7,495	290
Other	6	15,458	1,393	16,215	758
Total revenue		717,568	59,101	733,010	15,442
Expenses					
Gross operating expenses					
Wages and salaries(b)	7	29,439	2,670	29,376	-63
Superannuation	7	8,728	983	9,473	745
Depreciation and amortisation	8	14,092	1,621	13,902	-190
Supply of goods and services	9	214,656	36,154	226,010	11,354
Other operating expenses(b)	7	12,707	12,138	25,283	12,577
<i>Total gross operating expenses</i>		<i>279,622</i>	<i>53,565</i>	<i>304,045</i>	<i>24,423</i>
Superannuation interest expense	7	14,241	1,266	14,250	9
Interest expenses	10	31,157	3,895	30,127	-1,029
Current transfers					
Current grants	11	219,567	20,524	212,316	-7,250
Subsidy expenses		19,965	1,262	18,909	-1,055
Personal benefits	12	162,616	13,672	163,673	1,058
<i>Total current transfers</i>		<i>402,147</i>	<i>35,459</i>	<i>394,899</i>	<i>-7,248</i>
Capital transfers	11				
Mutually agreed write-downs		14,884	-388	2,790	-12,094
Other capital grants		20,706	11,676	23,961	3,255
<i>Total capital transfers</i>		<i>35,589</i>	<i>11,287</i>	<i>26,750</i>	<i>-8,839</i>
Total expenses		762,756	105,473	770,071	7,315
Net operating balance		-45,188	-46,372	-37,061	8,127
Other economic flows – included in operating result					
Net write-downs of assets		-13,186	-1,904	-14,899	-1,714
Assets recognised for the first time		368	57	348	-20
Actuarial revaluations		2,191	-29,594	-29,595	-31,786
Net foreign exchange gains		182	-98	-154	-336
Net swap interest received		-478	271	-1,132	-654
Market valuation of debt		-11,466	-4,765	-26,703	-15,238
Other gains/(losses)		13,430	5,174	24,247	10,817
Total other economic flows – included in operating result		-8,957	-30,860	-47,888	-38,931
Operating result(c)		-54,145	-77,232	-84,949	-30,804

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

	2024-25 Estimate at 2025-26 Budget	Month of June 2025 (a)	2024-25 Outcome	Change on 2025-26 Budget
Note	\$m	\$m	\$m	\$m
Non-owner movements in equity				
Revaluation of equity investments	-718	-3,680	-3,740	-3,022
Actuarial revaluations	-842	-630	-630	212
Other economic revaluations	707	-4,544	128	-579
Total other economic flows – included in equity	-853	-8,854	-4,242	-3,389
Comprehensive result –				
Total change in net worth	-54,998	-86,086	-89,191	-34,193
Net operating balance	-45,188	-46,372	-37,061	8,127
Net acquisition of non-financial assets				
Purchases of non-financial assets	22,133	3,322	22,016	-117
less Sales of non-financial assets	2,538	132	2,426	-112
less Depreciation	14,092	1,621	13,902	-190
plus Change in inventories	-43	1,238	2,056	2,100
plus Other movements in non-financial assets	0	-1	1	1
Total net acquisition of non-financial assets	5,459	2,807	7,745	2,286
Fiscal balance				
(Net lending/borrowing)(d)	-50,647	-49,179	-44,806	5,841
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

		2024-25 Estimate at 2025-26 Budget \$m	2024-25 Outcome \$m	Change on 2025-26 Budget \$m
	Note			
Assets				
Financial assets				
Cash and deposits		73,008	78,872	5,864
Advances paid	13	66,347	78,408	12,061
Investments, loans and placements	14	239,767	249,618	9,852
Other receivables	13	86,469	93,416	6,947
Equity investments				
Investments in other public sector entities		51,637	46,854	-4,783
Equity accounted investments		6,349	6,456	107
Investments – shares		113,455	111,795	-1,661
<i>Total financial assets</i>		<i>637,032</i>	<i>665,420</i>	<i>28,387</i>
Non-financial assets				
	15			
Land		14,647	15,697	1,050
Buildings		50,951	53,683	2,732
Plant, equipment and infrastructure		115,529	117,581	2,052
Inventories		11,604	13,125	1,521
Intangibles		14,723	13,882	-841
Investment properties		221	222	1
Biological assets		5	5	0
Heritage and cultural assets		12,800	13,170	370
Assets held for sale		86	48	-38
Other non-financial assets		6	6	1
<i>Total non-financial assets</i>		<i>220,572</i>	<i>227,420</i>	<i>6,848</i>
Total assets		857,604	892,840	35,236
Liabilities				
Interest bearing liabilities				
Deposits held		418	418	1
Government securities		883,713	887,021	3,308
Loans	16	32,385	32,407	22
Lease liabilities		18,584	19,399	814
<i>Total interest bearing liabilities</i>		<i>935,100</i>	<i>939,245</i>	<i>4,145</i>

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

		2024-25 Estimate at 2025-26 Budget \$m	2024-25 Outcome \$m	Change on 2025-26 Budget \$m
	Note			
Provisions and payables				
Superannuation liability	17	303,276	313,201	9,925
Other employee liabilities	17	60,944	95,263	34,319
Suppliers payables	18	15,268	12,227	-3,041
Personal benefits payables	18	4,299	4,364	65
Subsidies payables	18	680	793	112
Grants payables	18	5,998	4,108	-1,890
Other payables	18	6,144	10,629	4,485
Provisions	18	96,413	127,529	31,116
<i>Total provisions and payables</i>		<i>493,023</i>	<i>568,114</i>	<i>75,090</i>
Total liabilities		1,428,123	1,507,358	79,235
Net worth(a)		-570,519	-614,519	-44,000
<i>Net financial worth(b)</i>		<i>-791,091</i>	<i>-841,939</i>	<i>-50,848</i>
<i>Net financial liabilities(c)</i>		<i>842,728</i>	<i>888,792</i>	<i>46,064</i>
<i>Net debt(d)</i>		<i>555,978</i>	<i>532,346</i>	<i>-23,633</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)

	2024-25 Estimate at 2025-26 Budget \$m	Month of June 2025 (b) \$m	2024-25 Outcome \$m	Change on 2025-26 Budget \$m
Cash receipts from operating activities				
Taxes received	645,242	60,394	657,844	12,602
Receipts from sales of goods and services	21,796	791	22,024	228
Interest receipts	9,520	1,019	10,545	1,026
Dividends, distributions and income tax equivalents	7,380	811	7,262	-119
Other receipts	19,719	1,110	18,975	-744
Total operating receipts	703,657	64,125	716,649	12,993
Cash payments for operating activities				
Payments to employees(c)	-46,880	-4,155	-47,391	-512
Payments for goods and services	-211,495	-18,272	-207,282	4,212
Grants and subsidies paid	-251,076	-27,667	-249,080	1,996
Interest paid	-24,413	-2,523	-24,270	142
Personal benefit payments	-163,057	-13,150	-164,273	-1,216
Other payments(c)	-11,821	-901	-12,739	-918
Total operating payments	-708,740	-66,668	-705,035	3,705
Net cash flows from operating activities	-5,083	-2,543	11,614	16,698
Cash flows from investments in non-financial assets				
Sales of non-financial assets	265	12	302	36
Purchases of non-financial assets	-20,047	-1,590	-19,042	1,005
Net cash flows from investments in non-financial assets	-19,782	-1,578	-18,740	1,042
Net cash flows from investments in financial assets for policy purposes	-19,076	-898	-11,775	7,300
Net cash flows from investments in financial assets for liquidity purposes	-4,520	998	-10,159	-5,640
Cash receipts from financing activities				
Borrowing	286,822	17,827	211,173	-75,649
Other financing	12,461	865	20,161	7,700
Total cash receipts from financing activities	299,283	18,691	231,334	-67,949
Cash payments for financing activities				
Borrowing	-257,239	-16,397	-194,319	62,920
Other financing	-17,893	-1,063	-26,400	-8,507
Total cash payments for financing activities	-275,132	-17,461	-220,718	54,413
Net cash flows from financing activities	24,152	1,230	10,616	-13,536
Net increase/(decrease) in cash held	-24,310	-2,791	-18,445	5,864

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

	2024-25 Estimate at 2025-26 Budget \$m	Month of June 2025 (b) \$m	2024-25 Outcome \$m	Change on 2025-26 Budget \$m
GFS cash surplus(+)/deficit(-)(d)	-24,866	-4,121	-7,126	17,739
<i>plus</i> Principal payments of lease liabilities(e)	-2,740	-357	-2,864	-124
Equals underlying cash balance(f)	-27,605	-4,478	-9,990	17,615
<i>plus</i> Net cash flows from investments in financial assets for policy purposes	-19,076	-898	-11,775	7,300
Equals headline cash balance	-46,681	-5,376	-21,765	24,916

- 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

	2024-25 Estimate at 2025-26 Budget \$m	2024-25 Outcome \$m	Change on 2025-26 Budget \$m
Revenue			
Grants and subsidies	97	135	38
Sales of goods and services	23,212	23,654	442
Interest income	39	98	59
Other	74	84	9
Total revenue	23,422	23,971	548
Expenses			
Gross operating expenses			
Wages and salaries(a)	5,152	4,960	-192
Superannuation	564	620	56
Depreciation and amortisation	4,446	5,206	760
Supply of goods and services	11,036	11,636	600
Other operating expenses(a)	900	1,024	124
<i>Total gross operating expenses</i>	<i>22,098</i>	<i>23,445</i>	<i>1,348</i>
Interest expenses	2,190	2,232	42
Other property expenses	346	347	2
Current transfers			
Tax expenses	246	101	-144
<i>Total current transfers</i>	<i>246</i>	<i>101</i>	<i>-144</i>
Total expenses	24,879	26,126	1,247
Net operating balance	-1,456	-2,155	-698
Other economic flows	-530	1,129	1,658
Comprehensive result – Total change in net worth excluding contribution from owners	-1,986	-1,026	960
Net acquisition of non-financial assets			
Purchases of non-financial assets	11,292	10,896	-396
<i>less</i> Sales of non-financial assets	<i>52</i>	<i>71</i>	<i>20</i>
<i>less</i> Depreciation	<i>4,446</i>	<i>5,206</i>	<i>760</i>
<i>plus</i> Change in inventories	<i>3</i>	<i>3</i>	<i>0</i>
<i>plus</i> Other movements in non-financial assets	<i>5</i>	<i>14</i>	<i>9</i>
Total net acquisition of non-financial assets	6,802	5,635	-1,167
Fiscal balance (Net lending/borrowing)(b)	-8,258	-7,790	468

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

	2024-25 Estimate at 2025-26 Budget \$m	2024-25 Outcome \$m	Change on 2025-26 Budget \$m
Assets			
Financial assets			
Cash and deposits	1,329	2,368	1,039
Investments, loans and placements	926	1,070	144
Other receivables	5,806	6,806	1,000
Equity investments	356	379	23
<i>Total financial assets</i>	<i>8,417</i>	<i>10,623</i>	<i>2,206</i>
Non-financial assets			
Land and other fixed assets	80,471	81,061	591
Other non-financial assets(a)	4,202	4,015	-187
<i>Total non-financial assets</i>	<i>84,672</i>	<i>85,076</i>	<i>404</i>
Total assets	93,089	95,700	2,611
Liabilities			
Interest bearing liabilities			
Deposits held	13	14	1
Advances received and loans	36,412	39,762	3,350
Lease liabilities	13,770	13,610	-159
<i>Total interest bearing liabilities</i>	<i>50,195</i>	<i>53,387</i>	<i>3,191</i>
Provisions and payables			
Superannuation liability	6	9	3
Other employee liabilities	1,970	2,172	202
Other payables	6,833	6,729	-103
Other provisions(a)	1,090	937	-153
<i>Total provisions and payables</i>	<i>9,898</i>	<i>9,847</i>	<i>-51</i>
Total liabilities	60,094	63,234	3,140
Shares and other contributed capital	32,996	32,466	-530
Net worth(b)	32,996	32,466	-530
<i>Net financial worth(c)</i>	<i>-51,677</i>	<i>-52,610</i>	<i>-934</i>
<i>Net debt(d)</i>	<i>47,941</i>	<i>49,949</i>	<i>2,008</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)

	2024-25 Estimate at 2025-26 Budget \$m	2024-25 Outcome \$m	Change on 2025-26 Budget \$m
Cash receipts from operating activities			
Receipts from sales of goods and services	25,383	24,987	-395
Grants and subsidies received	92	74	-18
GST input credit receipts	195	177	-19
Other receipts	45	132	87
Total operating receipts	25,715	25,371	-345
Cash payments for operating activities			
Payments to employees(b)	-5,765	-5,433	331
Payment for goods and services	-12,279	-13,050	-770
Interest paid	-2,564	-2,356	208
GST payments to taxation authority	-540	-351	189
Distributions paid	-348	-343	5
Other payments(b)	-1,203	-1,126	78
Total operating payments	-22,699	-22,659	40
Net cash flows from operating activities	3,016	2,712	-304
Cash flows from investments in non-financial assets			
Sales of non-financial assets	50	71	21
Purchases of non-financial assets	-10,580	-9,578	1,002
Net cash flows from investments in non-financial assets	-10,530	-9,507	1,023
Net cash flows from investments in financial assets for policy purposes	0	-10	-10
Net cash flows from investments in financial assets for liquidity purposes	-147	-174	-27
Net cash flows from financing activities			
Borrowing (net)	1,460	3,315	1,856
Other financing (net)	5,680	4,181	-1,498
Net cash flows from financing activities	7,139	7,497	357
Net increase/(decrease) in cash held	-522	517	1,039
Cash at the beginning of the year	1,851	1,851	0
Cash at the end of the year	1,329	2,368	1,039
GFS cash surplus(+)/deficit(-)(c)	-7,514	-6,795	719
<i>plus</i> Principal payments of lease liabilities(d)	-633	-660	-27
Adjusted GFS cash surplus(+)/deficit(-)(d)	-8,148	-7,455	693

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

	2024-25 Estimate at 2025-26 Budget \$m	2024-25 Outcome \$m	Change on 2025-26 Budget \$m
Revenue			
Taxation revenue	662,105	676,099	13,994
Sales of goods and services	42,636	42,416	-220
Interest income	10,546	11,603	1,057
Dividend and distribution income	6,863	7,154	290
Other	15,525	16,296	771
Total revenue	737,675	753,568	15,893
Expenses			
Gross operating expenses			
Wages and salaries(a)	34,591	34,336	-255
Superannuation	9,292	10,089	797
Depreciation and amortisation	18,538	19,108	570
Supply of goods and services	223,928	235,789	11,861
Other operating expenses(a)	13,611	26,313	12,702
<i>Total gross operating expenses</i>	<i>299,960</i>	<i>325,636</i>	<i>25,676</i>
Superannuation interest expense	14,241	14,250	9
Interest expenses	33,321	32,346	-975
Current transfers			
Current grants	219,567	212,316	-7,250
Subsidy expenses	19,107	18,049	-1,058
Personal benefits	162,616	163,673	1,058
<i>Total current transfers</i>	<i>401,289</i>	<i>394,038</i>	<i>-7,251</i>
Capital transfers	35,539	26,666	-8,874
Total expenses	784,351	792,937	8,586
Net operating balance	-46,676	-39,369	7,307
Other economic flows	-9,566	-47,991	-38,425
Comprehensive result – Total change in net worth	-56,242	-87,360	-31,118
Net acquisition of non-financial assets			
Purchases of non-financial assets	33,424	32,911	-512
<i>less</i> Sales of non-financial assets	<i>2,590</i>	<i>2,498</i>	<i>-92</i>
<i>less</i> Depreciation	<i>18,538</i>	<i>19,108</i>	<i>570</i>
<i>plus</i> Change in inventories	<i>-41</i>	<i>2,059</i>	<i>2,100</i>
<i>plus</i> Other movements in non-financial assets	<i>5</i>	<i>15</i>	<i>10</i>
Total net acquisition of non-financial assets	12,260	13,380	1,120
Fiscal balance (Net lending/borrowing)(b)	-58,936	-52,749	6,187

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

	2024-25 Estimate at 2025-26 Budget \$m	2024-25 Outcome \$m	Change on 2025-26 Budget \$m
Assets			
Financial assets			
Cash and deposits	74,337	81,240	6,903
Advances paid	65,818	77,885	12,067
Investments, loans and placements	240,657	250,652	9,995
Other receivables	90,784	98,668	7,884
Equity investments	123,321	120,722	-2,599
<i>Total financial assets</i>	<i>594,917</i>	<i>629,167</i>	<i>34,250</i>
Non-financial assets			
Land and other fixed assets	285,999	294,315	8,317
Other non-financial assets	19,467	18,384	-1,083
<i>Total non-financial assets</i>	<i>305,466</i>	<i>312,699</i>	<i>7,233</i>
Total assets	900,383	941,866	41,484
Liabilities			
Interest bearing liabilities			
Deposits held	431	433	2
Government securities	883,713	887,021	3,308
Advances received and loans	68,233	71,609	3,377
Lease liabilities	32,354	33,009	655
<i>Total interest bearing liabilities</i>	<i>984,731</i>	<i>992,072</i>	<i>7,341</i>
Provisions and payables			
Superannuation liability	303,282	313,210	9,927
Other employee liabilities	62,914	97,435	34,521
Other payables	38,721	38,387	-334
Other provisions	96,489	127,442	30,952
<i>Total provisions and payables</i>	<i>501,406</i>	<i>576,473</i>	<i>75,066</i>
Total liabilities	1,486,137	1,568,544	82,408
Net worth(a)	-585,754	-626,678	-40,924
<i>Net financial worth(b)</i>	<i>-891,220</i>	<i>-939,377</i>	<i>-48,157</i>
<i>Net debt(c)</i>	<i>603,919</i>	<i>582,294</i>	<i>-21,624</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)

	2024-25 Estimate at 2025-26 Budget \$m	2024-25 Outcome \$m	Change on 2025-26 Budget \$m
Cash receipts from operating activities			
Taxes received	645,022	657,625	12,603
Receipts from sales of goods and services	43,285	42,908	-377
Interest receipts	9,534	10,628	1,094
Dividends, distributions and income tax equivalents	7,041	6,923	-118
Other receipts	19,662	18,952	-711
Total operating receipts	724,545	737,036	12,491
Cash payments for operating activities			
Payments to employees(b)	-52,644	-52,821	-177
Payments for goods and services	-220,196	-216,364	3,832
Grants and subsidies paid	-250,984	-248,977	2,007
Interest paid	-26,951	-26,615	336
Personal benefit payments	-163,057	-164,273	-1,216
Other payments(b)	-12,799	-13,650	-851
Total operating payments	-726,631	-722,700	3,931
Net cash flows from operating activities	-2,086	14,335	16,422
Cash flows from investments in non-financial assets			
Sales of non-financial assets	315	373	58
Purchases of non-financial assets	-30,608	-28,620	1,988
Net cash flows from investments in non-financial assets	-30,293	-28,247	2,046
Net cash flows from investments in financial assets for policy purposes	-12,468	-6,750	5,718
Net cash flows from investments in financial assets for liquidity purposes	-4,667	-10,333	-5,667
Net cash flows from financing activities			
Borrowing (net)	30,818	20,018	-10,800
Other financing (net)	-6,135	-6,950	-816
Net cash flows from financing activities	24,683	13,067	-11,616
Net increase/(decrease) in cash held	-24,831	-17,928	6,903
Cash at the beginning of the year	99,168	99,168	0
Cash at the end of the year	74,337	81,240	6,903
GFS cash surplus(+)/deficit(-)(c)	-32,380	-13,912	18,468
<i>plus</i> Principal payments of lease liabilities(d)	-3,373	-3,524	-151
Adjusted GFS cash surplus(+)/deficit(-)(d)	-35,753	-17,436	18,317

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

	2024-25 Estimate at 2025-26 Budget \$m	2024-25 Outcome \$m	Change on 2025-26 Budget \$m
Revenue			
Grants and subsidies	263	270	8
Sales of goods and services	1,379	1,573	194
Interest income	10,732	10,852	120
Other	5	144	139
Total revenue	12,379	12,839	460
Expenses			
Gross operating expenses			
Wages and salaries(a)	393	416	23
Superannuation	45	79	35
Depreciation and amortisation	64	77	13
Supply of goods and services	1,150	945	-206
Other operating expenses(a)	91	101	10
<i>Total gross operating expenses</i>	<i>1,743</i>	<i>1,618</i>	<i>-125</i>
Interest expenses	13,819	13,644	-175
Other property expenses	14	32	19
Current transfers			
Tax expenses	11	19	8
<i>Total current transfers</i>	<i>11</i>	<i>19</i>	<i>8</i>
Total expenses	15,587	15,313	-273
Net operating balance	-3,208	-2,474	734
Other economic flows	11,344	16,660	5,316
Comprehensive result – Total change in net worth excluding contribution from owners	8,136	14,185	6,050
Net acquisition of non-financial assets			
Purchases of non-financial assets	161	77	-84
<i>less</i> Sales of non-financial assets	<i>0</i>	<i>2</i>	<i>2</i>
<i>less</i> Depreciation	<i>64</i>	<i>77</i>	<i>13</i>
<i>plus</i> Change in inventories	<i>-85</i>	<i>18</i>	<i>103</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	12	15	3
Fiscal balance (Net lending/borrowing)(b)	-3,220	-2,490	730

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

	2024-25 Estimate at 2025-26 Budget \$m	2024-25 Outcome \$m	Change on 2025-26 Budget \$m
Assets			
Financial assets			
Cash and deposits	1,817	1,337	-480
Investments, loans and placements	426,220	412,070	-14,150
Other receivables	619	541	-77
Equity investments	1,484	1,601	116
<i>Total financial assets</i>	<i>430,141</i>	<i>415,549</i>	<i>-14,592</i>
Non-financial assets			
Land and other fixed assets	915	805	-110
Other non-financial assets(a)	59	51	-8
<i>Total non-financial assets</i>	<i>974</i>	<i>856</i>	<i>-118</i>
Total assets	431,114	416,404	-14,710
Liabilities			
Interest bearing liabilities			
Deposits held	415,098	392,854	-22,244
Borrowing	11,632	9,952	-1,681
<i>Total interest bearing liabilities</i>	<i>426,731</i>	<i>402,806</i>	<i>-23,925</i>
Provisions and payables			
Superannuation liability	0	0	0
Other employee liabilities	188	213	25
Other payables	10,587	12,134	1,548
Other provisions(a)	2,498	4,093	1,595
<i>Total provisions and payables</i>	<i>13,273</i>	<i>16,441</i>	<i>3,168</i>
Total liabilities	440,004	419,247	-20,756
Shares and other contributed capital	-8,889	-2,843	6,047
Net worth(b)	-8,889	-2,843	6,047
<i>Net financial worth(c)</i>	<i>-9,863</i>	<i>-3,699</i>	<i>6,164</i>
<i>Net debt(d)</i>	<i>-1,307</i>	<i>-10,600</i>	<i>-9,294</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)

	2024-25 Estimate at 2025-26 Budget \$m	2024-25 Outcome \$m	Change on 2025-26 Budget \$m
Cash receipts from operating activities			
Receipts from sales of goods and services	1,175	1,521	346
Grants and subsidies received	263	270	7
GST input credit receipts	4	34	30
Interest receipts	10,447	10,925	478
Other receipts	28	65	37
Total operating receipts	11,916	12,814	898
Cash payments for operating activities			
Payments to employees(b)	-437	-464	-27
Payments for goods and services	-1,402	-745	658
Interest paid	-14,222	-13,932	290
GST payment to taxation authority	0	-96	-96
Distributions paid	-29	-40	-11
Other payments(b)	-103	-101	2
Total operating payments	-16,193	-15,378	815
Net cash flows from operating activities	-4,277	-2,564	1,713
Cash flows from investments in non-financial assets			
Sales of non-financial assets	0	0	0
Purchases of non-financial assets	-107	-30	77
Net cash flows from investments in non-financial assets	-106	-30	76
Net cash flows from investments in financial assets for policy purposes	-1,018	-362	656
Net cash flows from investments in financial assets for liquidity purposes	8,630	28,034	19,405
Net cash flows from financing activities			
Borrowing and deposits received (net)	-4,727	-28,263	-23,536
Other financing (net)	1,954	3,160	1,206
Net cash flows from financing activities	-2,773	-25,103	-22,330
Net increase/(decrease) in cash held	455	-25	-480
Cash at the beginning of the year	1,362	1,362	0
Cash at the end of the year	1,817	1,337	-480
GFS cash surplus(+)/deficit(-)(c)	-4,383	-2,594	1,789
<i>plus</i> Principal payments of lease liabilities(d)	-23	-23	0
Adjusted GFS cash surplus(+)/deficit(-)(d)	-4,406	-2,617	1,789

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 and the National Archives of Australia.

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 2024–25 year from the 2024–25 Budget to the *Mid-Year Economic and Fiscal Outlook 2024–25* (MYEFO) are disclosed in the 2024–25 MYEFO. Explanations of variances for the 2024–25 year from the 2024–25 MYEFO to the 2025–26 Budget are disclosed in Statement 3 of 2025–26 Budget Paper No.1, *Budget Strategy and Outlook*. Explanations of variances from the 2025–26 Budget and the 2025 PEFO to the Final Budget Outcome for 2024–25 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 is considered to be government financial transactions resulting in the recognition of assets, liabilities, revenue and expenses.	AAS
Dividends paid by public corporations	Treated as an equity distribution. Equity distributions are treated as a distribution of profits, as opposed to an expense.	Dividends are treated as an expense.	ABS GFS
Dividends paid by the Reserve Bank of Australia	Dividends are recognised in the year profit was earned.	Dividends are recognised when the Treasurer makes a determination.	AAS

Table 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

	2024-25 Estimate at 2025-26 Budget \$m	2024-25 Outcome \$m	Change on 2025-26 Budget \$m
Individuals and other withholding taxes			
Gross income tax withholding	296,800	299,394	2,594
Gross other individuals	86,200	86,228	28
<i>less: Refunds</i>	39,200	39,223	23
Total individuals and other withholding tax	343,800	346,399	2,599
Fringe benefits tax	5,070	5,194	124
Company tax	136,500	142,159	5,659
Superannuation fund taxes	22,830	26,055	3,225
Petroleum resource rent tax	1,500	1,483	-17
Income taxation revenue	509,700	521,290	11,590
Goods and services tax	94,420	96,543	2,123
Wine equalisation tax	1,120	1,135	15
Luxury car tax	1,170	1,088	-82
Excise and customs duty			
Petrol	7,100	7,180	80
Diesel	16,990	17,106	116
Other fuel products	2,010	1,620	-390
Tobacco	7,400	7,841	441
Beer	2,650	2,707	57
Spirits	3,280	3,311	31
Other alcoholic beverages(a)	1,770	1,775	5
Other customs duty			
Textiles, clothing and footwear	160	153	-7
Passenger motor vehicles	380	339	-41
Other imports	1,560	1,505	-55
<i>less: Refunds and drawbacks</i>	870	711	-159
Total excise and customs duty	42,430	42,826	396
Major bank levy	1,790	1,809	19
Agricultural levies	739	671	-67
Visa application charges	4,129	4,154	26
Other taxes	7,710	7,669	-41
Mirror taxes	961	968	7
<i>less: Transfers to states in relation to mirror tax revenue</i>	961	968	7
Mirror tax revenue	0	0	0
Indirect taxation revenue	153,508	155,896	2,388
Taxation revenue	663,208	677,185	13,977
<i>Memorandum:</i>			
<i>Total excise</i>	<i>31,000</i>	<i>30,857</i>	<i>-143</i>
<i>Total customs duty</i>	<i>11,430</i>	<i>11,969</i>	<i>539</i>

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

	2024-25 Estimate at 2025-26 Budget \$m	2024-25 Outcome \$m	Change on 2025-26 Budget \$m
Taxes on income, profits and capital gains			
Income and capital gains levied on individuals	348,870	351,595	2,725
Income and capital gains levied on enterprises	160,830	169,694	8,864
Total taxes on income, profits and capital gains	509,700	521,290	11,590
Taxes on employers' payroll and labour force	2,087	1,725	-362
Taxes on the provision of goods and services			
Sales/goods and services tax	96,710	98,766	2,056
Excises and levies	31,739	31,529	-210
Taxes on international trade	11,430	11,969	539
Total taxes on the provision of goods and services	139,879	142,264	2,385
Taxes on the use of goods and performance of activities	11,542	11,907	365
Total taxation revenue	663,208	677,185	13,977

Note 4: Sales of goods and services revenue

	2024-25 Estimate at 2025-26 Budget \$m	2024-25 Outcome \$m	Change on 2025-26 Budget \$m
Sales of goods	1,543	1,640	97
Rendering of services	16,497	15,861	-636
Lease rental	340	460	120
Fees from regulatory services	2,786	2,635	-151
Total sales of goods and services revenue	21,166	20,596	-570

Note 5: Interest and dividend and distribution revenue

	2024-25 Estimate at 2025-26 Budget \$m	2024-25 Outcome \$m	Change on 2025-26 Budget \$m
Interest from other governments			
State and territory debt	10	5	-5
Housing agreements	62	62	0
Total interest from other governments	72	67	-5
Interest from other sources			
Advances	750	803	53
Deposits	3,652	4,502	850
Indexation of HELP receivable and other student loans	1,236	1,587	351
Other	4,822	4,560	-263
Total interest from other sources	10,460	11,451	991
Total interest	10,532	11,518	986
Dividends and distributions			
Dividends from other public sector entities	362	354	-9
Other dividends and distributions	6,842	7,141	299
Total dividends and distributions	7,205	7,495	290
Total interest and dividend and distribution revenue	17,737	19,013	1,276

Note 6: Other sources of non-taxation revenue

	2024-25 Estimate at 2025-26 Budget \$m	2024-25 Outcome \$m	Change on 2025-26 Budget \$m
Industry contributions	105	123	17
Royalties	918	933	16
Seigniorage	53	81	28
Other	14,382	15,078	696
Total other sources of non-taxation revenue	15,458	16,215	758

Note 7: Employee and superannuation expense

	2024-25 Estimate at 2025-26 Budget \$m	2024-25 Outcome \$m	Change on 2025-26 Budget \$m
Wages and salaries expenses	29,439	29,376	-63
Other operating expenses			
Leave and other entitlements	3,845	4,783	938
Separations and redundancies	121	161	40
Workers compensation premiums and claims	5,813	17,171	11,358
Other	2,928	3,169	241
Total other operating expenses	12,707	25,283	12,577
Superannuation expenses			
Superannuation	8,728	9,473	745
Superannuation interest cost	14,241	14,250	9
Total superannuation expenses	22,969	23,723	754
Total employee and superannuation expense	65,115	78,383	13,269

Note 8: Depreciation and amortisation expense

	2024-25 Estimate at 2025-26 Budget \$m	2024-25 Outcome \$m	Change on 2025-26 Budget \$m
Depreciation			
Specialist military equipment	5,639	5,159	-480
Buildings	4,322	4,458	136
Other infrastructure, plant and equipment	2,911	2,927	16
Heritage and cultural assets	65	69	4
Other	5	3	-2
Total depreciation(a)	12,942	12,616	-326
Total amortisation	1,150	1,286	136
Total depreciation and amortisation expense	14,092	13,902	-190
<i>Memorandum:</i>			
Depreciation relating to right of use assets			
Specialist military equipment	39	39	0
Buildings	2,513	2,594	81
Other infrastructure, plant and equipment	292	341	50
Other	5	3	-2
Total depreciation of right of use assets	2,850	2,978	128

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

Note 9: Supply of goods and services expense

	2024-25 Estimate at 2025-26 Budget \$m	2024-25 Outcome \$m	Change on 2025-26 Budget \$m
Supply of goods and services	55,123	50,521	-4,602
Lease expenses	169	226	57
Personal benefits – indirect	150,209	149,180	-1,028
Health care payments	6,784	23,220	16,436
Other	2,372	2,862	491
Total supply of goods and services expense	214,656	226,010	11,354

Note 10: Interest expense

	2024-25 Estimate at 2025-26 Budget \$m	2024-25 Outcome \$m	Change on 2025-26 Budget \$m
Interest on debt			
Government securities	23,914	23,844	-70
Loans	159	154	-5
Other	1,074	1,215	142
Total interest on debt	25,146	25,214	67
Interest on lease liabilities	489	517	27
Other financing costs	5,521	4,397	-1,124
Total interest expense	31,157	30,127	-1,029

Note 11: Current and capital grants expense

	2024-25 Estimate at 2025-26 Budget \$m	2024-25 Outcome \$m	Change on 2025-26 Budget \$m
Current grants expense			
State and territory governments	169,180	171,352	2,172
Private sector	6,208	4,737	-1,471
Overseas	5,095	4,464	-631
Non-profit organisations	20,712	14,852	-5,860
Multi-jurisdictional sector	13,927	13,424	-503
Other	4,445	3,488	-958
Total current grants expense	219,567	212,316	-7,250
Capital grants expense			
Mutually agreed write-downs	14,884	2,790	-12,094
Other capital grants			
State and territory governments	18,256	22,466	4,210
Local governments	1,188	882	-306
Non-profit organisations	1,035	374	-661
Private sector	115	51	-64
Multi-jurisdictional sector	0	6	6
Overseas	44	89	45
Other	68	93	25
Total capital grants expense	35,589	26,750	-8,839
Total grants expense	255,156	239,066	-16,090

Note 12: Personal benefits expense

	2024-25 Estimate at 2025-26 Budget \$m	2024-25 Outcome \$m	Change on 2025-26 Budget \$m
Social welfare – assistance to the aged	62,035	62,202	167
Assistance to veterans and dependants	4,411	4,469	58
Assistance to people with disabilities	35,087	35,065	-22
Assistance to families with children	31,603	31,434	-169
Assistance to the unemployed	16,458	16,728	270
Student assistance	2,720	2,739	19
Other welfare programs	810	775	-35
Financial and fiscal affairs	1,200	1,110	-90
Vocational and industry training	380	208	-171
Other	7,912	8,945	1,033
Total personal benefits expense	162,616	163,673	1,058

Note 13: Advances paid and other receivables

	2024-25 Estimate at 2025-26 Budget \$m	2024-25 Outcome \$m	Change on 2025-26 Budget \$m
Advances paid			
Loans to state and territory governments	1,390	1,363	-28
Student loans	42,299	57,397	15,099
Other	23,610	20,509	-3,101
less Impairment allowance	952	860	-91
Total advances paid	66,347	78,408	12,061
Other receivables			
Goods and services receivable	1,711	1,553	-158
Recoveries of benefit payments	6,452	6,885	433
Taxes receivable	44,553	43,908	-645
Prepayments	6,807	6,887	80
Other	30,604	38,468	7,864
less Impairment allowance	3,658	4,286	628
Total other receivables	86,469	93,416	6,947

Note 14: Investments, loans and placements

	2024-25 Estimate at 2025-26 Budget \$m	2024-25 Outcome \$m	Change on 2025-26 Budget \$m
Investments – deposits	6,188	10,860	4,672
IMF quota and SDR holdings	23,534	24,030	496
Structured finance securities	729	219	-510
Collective investment vehicles	118,420	133,273	14,853
Other interest bearing securities	54,908	53,601	-1,307
Other	35,988	27,635	-8,353
Total investments, loans and placements	239,767	249,618	9,852

Note 15: Non-financial assets

	2024-25 Estimate at 2025-26 Budget \$m	2024-25 Outcome \$m	Change on 2025-26 Budget \$m
Land and buildings			
Land	14,647	15,697	1,050
Buildings	50,951	53,683	2,732
Total land and buildings	65,598	69,380	3,782
Plant, equipment and infrastructure			
Specialist military equipment	91,659	93,639	1,980
Other plant, equipment and infrastructure	23,871	23,942	72
Total plant, equipment and infrastructure	115,529	117,581	2,052
Inventories			
Inventories held for sale	447	442	-5
Inventories not held for sale	11,157	12,683	1,526
Total inventories	11,604	13,125	1,521
Intangibles			
Computer software	7,521	6,586	-935
Other	7,203	7,296	93
Total intangibles	14,723	13,882	-841
Total investment properties	221	222	1
Total biological assets	5	5	0
Total heritage and cultural assets	12,800	13,170	370
Total assets held for sale	86	48	-38
Total other non-financial assets	6	6	1
Total non-financial assets(a)	220,572	227,420	6,848
<i>Memorandum:</i>			
Total relating to right of use assets			
Land	151	161	10
Buildings	15,145	15,700	555
Specialist military equipment	186	168	-19
Other plant, equipment and infrastructure	1,223	1,201	-22
Total right of use assets	16,705	17,229	525

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

Note 16: Loans

	2024-25 Estimate at 2025-26 Budget \$m	2024-25 Outcome \$m	Change on 2025-26 Budget \$m
Promissory notes	9,361	9,361	-1
Special drawing rights	19,086	19,674	588
Other	3,938	3,372	-566
Total loans	32,385	32,407	22

Note 17: Employee and superannuation liabilities

	2024-25 Estimate at 2025-26 Budget \$m	2024-25 Outcome \$m	Change on 2025-26 Budget \$m
Total superannuation liability(a)	303,276	313,201	9,925
Other employee liabilities			
Leave and other entitlements	10,577	11,109	532
Accrued salaries and wages	986	1,188	202
Workers compensation claims	2,061	2,046	-15
Military compensation	46,625	80,099	33,474
Other	696	821	125
Total other employee liabilities	60,944	95,263	34,319
Total employee and superannuation liabilities	364,220	408,464	44,244

a) For budget reporting purposes, a discount rate of 5.0 per cent determined by actuaries in preparing the 2023 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 2024–25 FBO was calculated using the spot rates on long-term government bonds as at 30 June 2025 that best matched each individual scheme's liability duration. These rates were between 3.8 and 5.0 per cent per annum.

Note 18: Provisions and payables

	2024-25 Estimate at 2025-26 Budget \$m	2024-25 Outcome \$m	Change on 2025-26 Budget \$m
Suppliers payables			
Trade creditors	7,873	8,541	668
Lease rental payable	0	11	11
Personal benefits payables – indirect	2,985	1,877	-1,108
Other creditors	4,410	1,799	-2,611
Total suppliers payables	15,268	12,227	-3,041
Total personal benefits payables – direct	4,299	4,364	65
Total subsidies payable	680	793	112
Grants payables			
State and territory governments	348	1,982	1,635
Non-profit organisations	492	186	-307
Private sector	382	351	-30
Overseas	2,185	1,240	-945
Local governments	64	1	-63
Other	2,528	349	-2,180
Total grants payables	5,998	4,108	-1,890
Total other payables	6,144	10,629	4,485
Provisions			
Provisions for tax refunds	2,225	1,851	-374
Grants provisions	21,412	21,257	-155
Personal benefits provisions – direct	6,994	7,041	47
Personal benefits provisions – indirect	4,504	4,083	-421
Provisions for subsidies	8,242	7,792	-451
Other	53,036	85,505	32,469
Total provisions	96,413	127,529	31,116

Note 19: Reconciliation of cash

	2024-25 Estimate at 2025-26 Budget \$m	2024-25 Outcome \$m	Change on 2025-26 Budget \$m
Net operating balance (revenues less expenses)	-45,188	-37,061	8,127
<i>less</i> Revenues not providing cash			
Other	2,451	3,407	956
Total revenues not providing cash	2,451	3,407	956
<i>plus</i> Expenses not requiring cash			
Increase/(decrease) in employee entitlements	12,509	9,743	-2,766
Depreciation/amortisation expense	14,092	13,902	-190
Mutually agreed write-downs	14,884	2,790	-12,094
Other	4,655	4,280	-375
Total expenses not requiring cash	46,140	30,715	-15,425
<i>plus</i> Cash provided/(used) by working capital items			
Decrease/(increase) in inventories	-805	-2,574	-1,769
Decrease/(increase) in receivables	-14,087	-16,910	-2,823
Decrease/(increase) in other financial assets	-715	-2,069	-1,354
Decrease/(increase) in other non-financial assets	572	1,497	925
Increase/(decrease) in benefits, subsidies and grants payable	10,497	5,551	-4,946
Increase/(decrease) in suppliers' liabilities	-454	533	987
Increase/(decrease) in other provisions and payables	1,406	35,340	33,934
Net cash provided/(used) by working capital	-3,586	21,368	24,954
<i>equals</i> (Net cash from/(to) operating activities)	-5,083	11,614	16,698
<i>plus</i> (Net cash from/(to) investing activities)	-43,378	-40,675	2,703
Net cash from operating activities and investment	-48,461	-29,061	19,400
<i>plus</i> (Net cash from/(to) financing activities)	24,152	10,616	-13,536
equals Net increase/(decrease) in cash	-24,310	-18,445	5,864
Cash at the beginning of the year	97,318	97,318	0
Net increase/(decrease) in cash	-24,310	-18,445	5,864
Cash at the end of the year	73,008	78,872	5,864

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

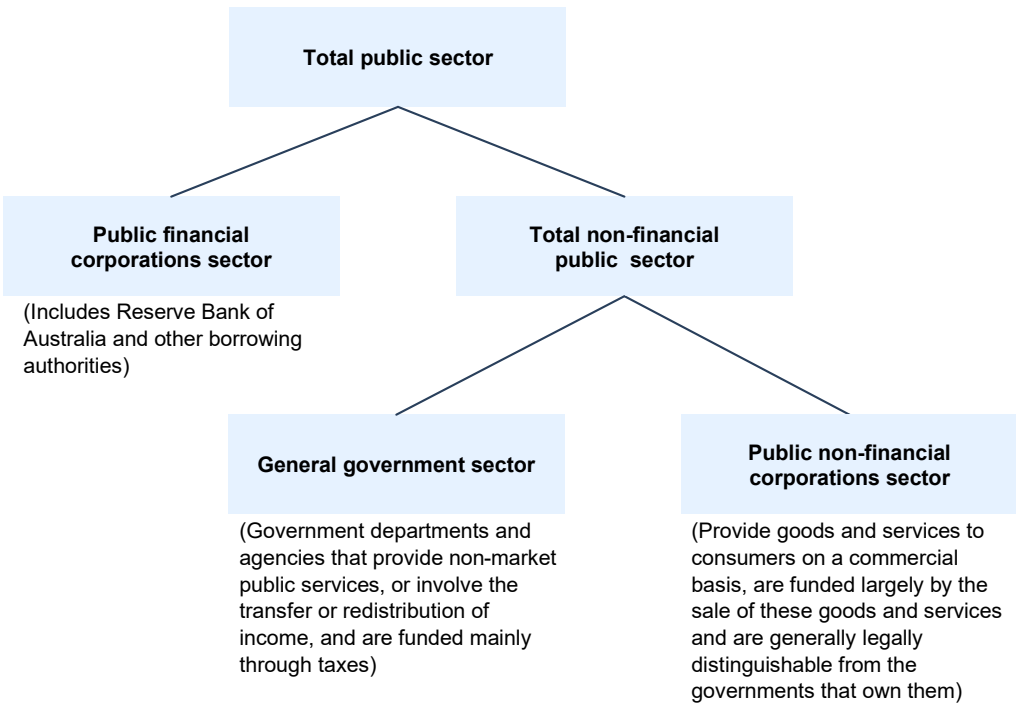
The headline cash balance is calculated by adding net cash flows from investments in financial assets for policy purposes to the underlying cash balance.

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 – 2024–25

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 – 2024–25
(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 • CEA Technologies Pty Limited[†] <p>Health, Disability and Ageing Portfolio</p> <ul style="list-style-type: none"> • Australian Hearing Services (Hearing Australia) <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>* 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.</p> <p>† On 28 January 2025, CEA Technologies Pty Limited became a majority owned Commonwealth company.</p>