

# Budget 2014-15

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# The Budget context

- The global outlook
- The Australian economy
- The longer-term
- Some questions to consider



# The global outlook

- The global economic recovery has strengthened
- The advanced economies have accounted for much of the pick-up in growth
- Downside risks have eased but remain significant
- Structural reforms are needed to sustain the recovery



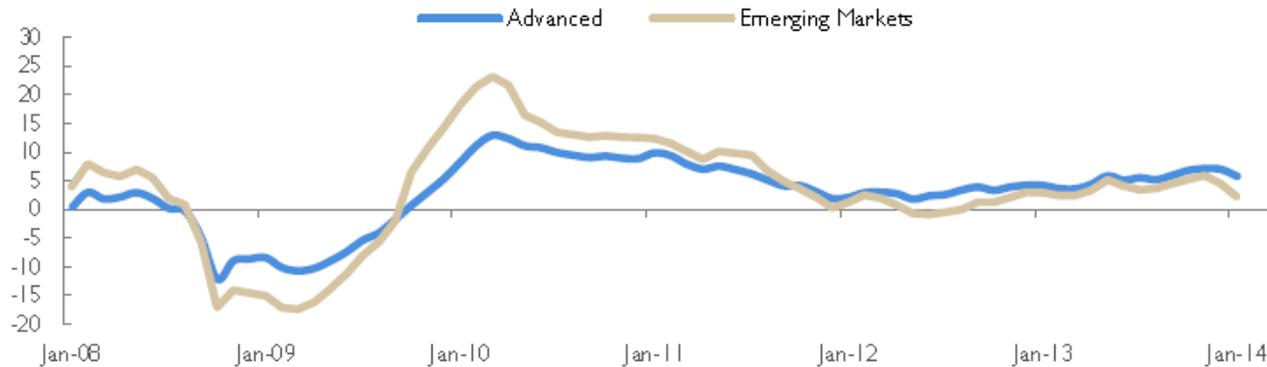
# The IMF & OECD's latest growth forecasts (percentage change)

		2012	2013	2014	2015
<b>World</b>	<b>IMF</b>	<b>3.2</b>	<b>3.0</b>	<b>3.6</b>	<b>3.9</b>
	<i>OECD</i>	<i>3.0</i>	<i>2.8</i>	<i>3.4</i>	<i>3.9</i>
United States	IMF	2.8	1.9	2.8	3.0
	<i>OECD</i>	<i>2.8</i>	<i>1.9</i>	<i>2.6</i>	<i>3.5</i>
Euro Area	IMF	-0.7	-0.5	1.2	1.5
	<i>OECD</i>	<i>-0.6</i>	<i>-0.4</i>	<i>1.2</i>	<i>1.7</i>
Japan	IMF	1.4	1.5	1.4	1.0
	<i>OECD</i>	<i>1.4</i>	<i>1.5</i>	<i>1.2</i>	<i>1.2</i>
China	IMF	7.7	7.7	7.5	7.3
	<i>OECD</i>	<i>7.7</i>	<i>7.7</i>	<i>7.4</i>	<i>7.3</i>
<b>Australia</b>	<b>IMF</b>	<b>3.6</b>	<b>2.4</b>	<b>2.6</b>	<b>2.7</b>
	<i>OECD</i>	<i>3.6</i>	<i>2.4</i>	<i>2.6</i>	<i>2.9</i>

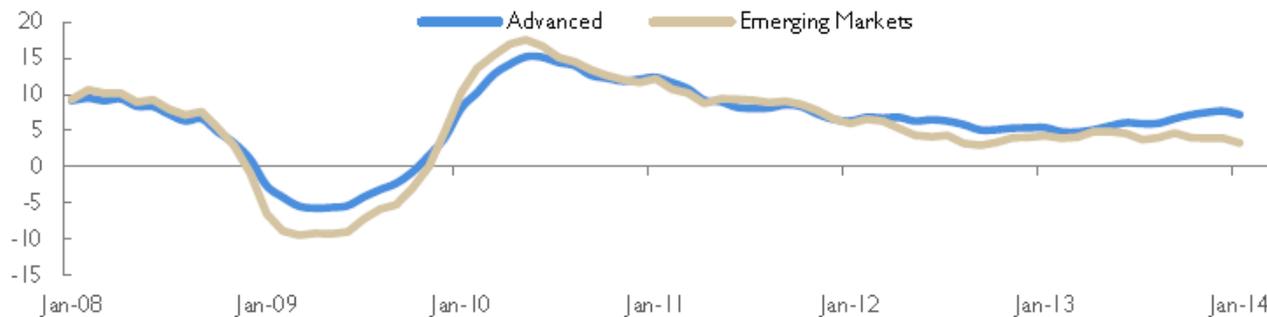


# Brookings-FT: TIGER

Overall Growth Index



Real Activity Index



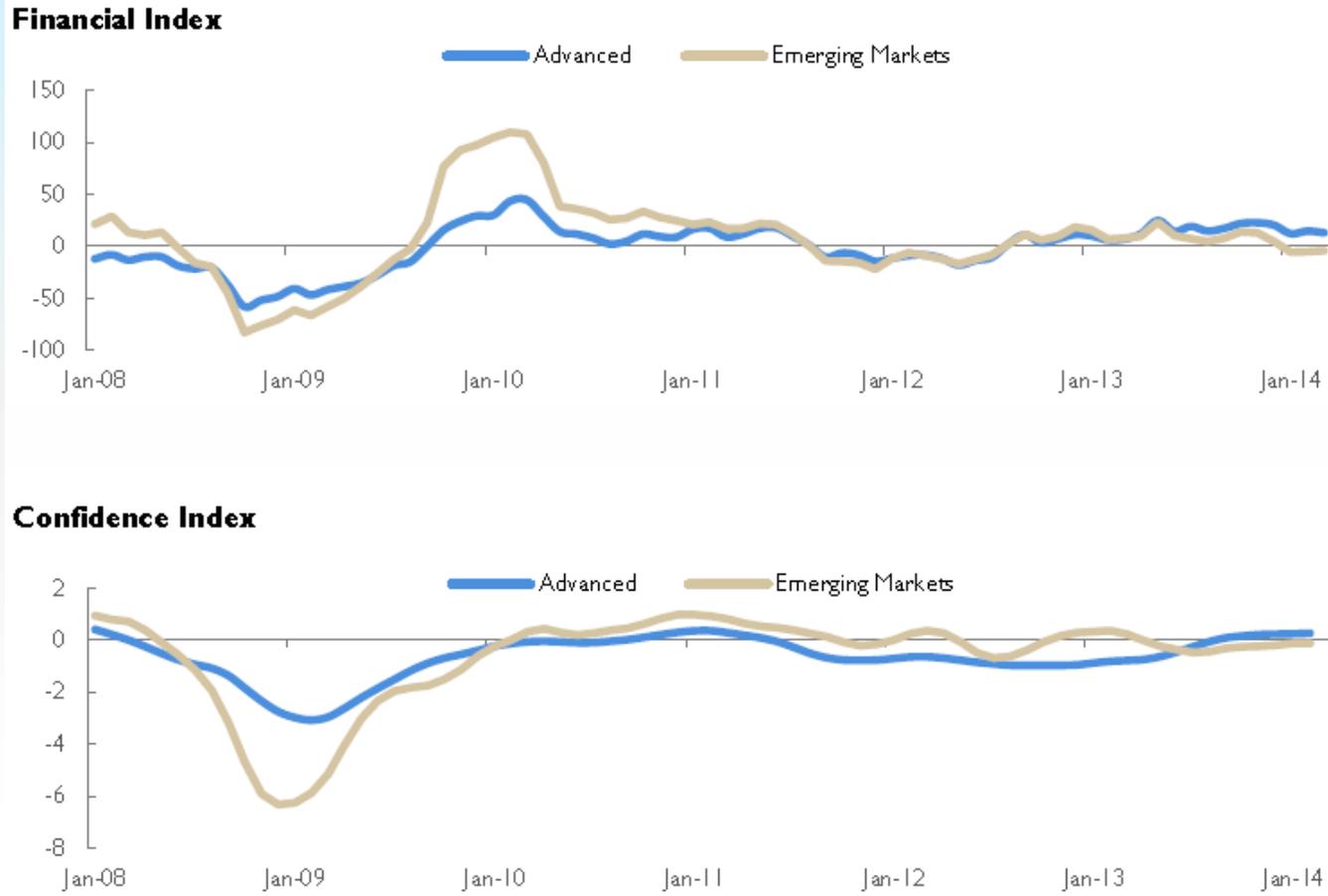
Source: [http://www.brookings.edu/research/reports/2014/04/~/\\_media/Research/Files/Reports/2014/04/global%20economic%20recovery%20prasad/0414\\_economic%20recovery\\_prasad\\_Total\\_Advanced\\_Emerging.pdf](http://www.brookings.edu/research/reports/2014/04/~/_media/Research/Files/Reports/2014/04/global%20economic%20recovery%20prasad/0414_economic%20recovery_prasad_Total_Advanced_Emerging.pdf)

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# Brookings-FT: TIGER



Source: [http://www.brookings.edu/research/reports/2014/04/~//media/Research/Files/Reports/2014/04/global%20economic%20recovery%20prasad/0414\\_economic%20recovery\\_prasad\\_Total\\_Advanced\\_Emerging.pdf](http://www.brookings.edu/research/reports/2014/04/~//media/Research/Files/Reports/2014/04/global%20economic%20recovery%20prasad/0414_economic%20recovery_prasad_Total_Advanced_Emerging.pdf)

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# The Australian economy

- Growth is solid but below trend
- A re-balancing of growth is underway
  - Resources sector investment is expected to decline sharply over the next few years
  - Lower government spending
  - Increased resource sector exports
  - Signs that retail spending and housing construction are strengthening
  - Non-resource business investment is still subdued
  - A stubbornly high Australian dollar is making the re-balancing more challenging
- There is a pressing need to lift Australia's productivity performance

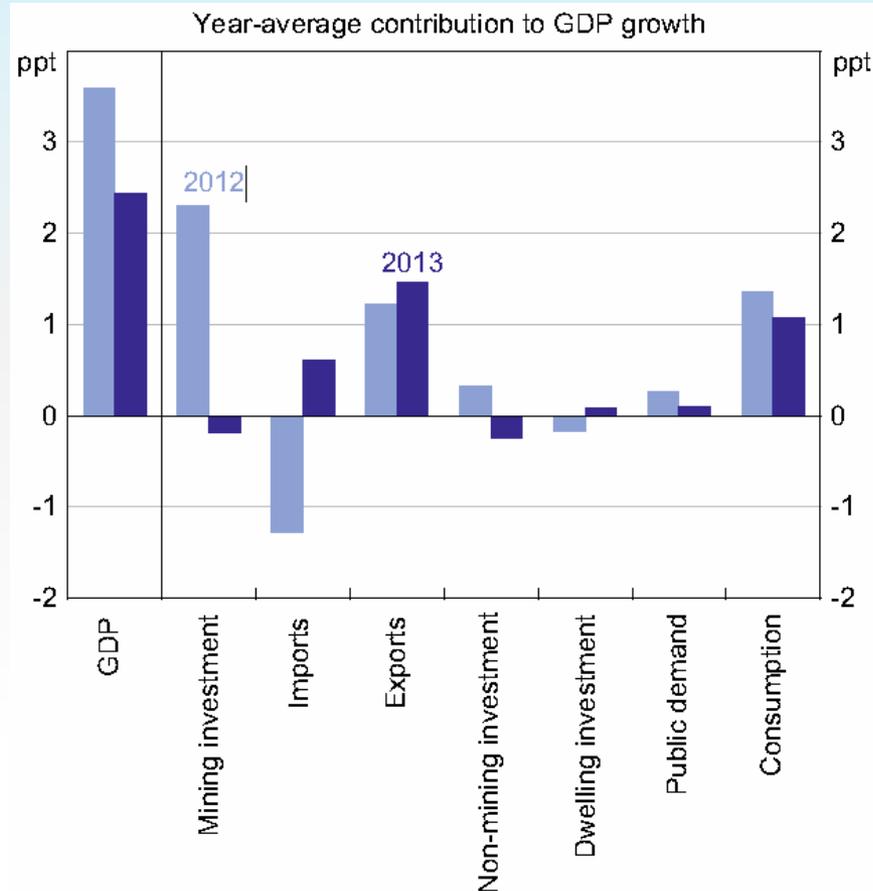


# Australia – GDP growth (percentage change)

		2012	2013	2014	2015
Australia	IMF	3.6	2.4	2.6	2.7
	OECD	3.6	2.4	2.6	2.9
	RBA		2.4	3.0	2.25 – 3.25



# GDP growth



Source: Reserve Bank of Australia, [Statement on Monetary Policy](#), May 2014, p.29.

# Productivity

## Summary productivity statistics, market sector (12)<sup>a</sup>

Per cent

	Long term growth rate	Last complete cycle	Period since the last cycle	Latest years	
	1973-74 to 2012-13	2003-04 to 2007-08	2007-08 to 2012-13	2011-12	2012-13
Output (GVA)	3.0	4.0	2.2	4.3	2.2
Total inputs	2.3	4.1	2.8	3.5	3.0
Labour input	0.8	2.5	0.3	0.4	0.2
Capital input	4.4	5.9	5.5	6.8	6.1
<b>MFP</b>	<b>0.7</b>	<b>-0.1</b>	<b>-0.6</b>	<b>0.8</b>	<b>-0.8</b>
Capital deepening <sup>b</sup>	1.5	1.6	2.5	3.0	2.8
<b>Labour productivity</b>	<b>2.2</b>	<b>1.5</b>	<b>1.9</b>	<b>3.9</b>	<b>2.0</b>
Capital labour ratio	3.6	3.4	5.3	6.3	5.9

<sup>a</sup> Annual growth rates or average annual growth rates in designated periods. <sup>b</sup> Capital deepening is the change in the ratio of capital to labour, weighted by the capital share of market sector income.

Source: Productivity Commission, [PC Productivity Update](#), April 2014.

# The longer-term

- An ageing population
- Climate change
- Natural resource depletion
- Economic rise of Asia
- External shocks to the economy
- Long-term structural change



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# Another 'big picture' issue

The GFC has sparked a rethink internationally about nature of economic growth

- The outlook for economic growth
  - Post GFC what's the potential pace of economic growth?
- The link between income inequality and social mobility and economic growth
  - What are the implications for growth of increasing inequality and declining social mobility?



# The outlook for economic growth

- What's the potential pace of future economic growth?
- The pessimists – relatively slow growth
  - Damage from the GFC will take time to unwind
  - Technological progress will slow
- The optimists – growth will bounce back
  - GFC has forced countries to undertake much needed reforms
  - A 'fourth industrial revolution' – intelligent machines

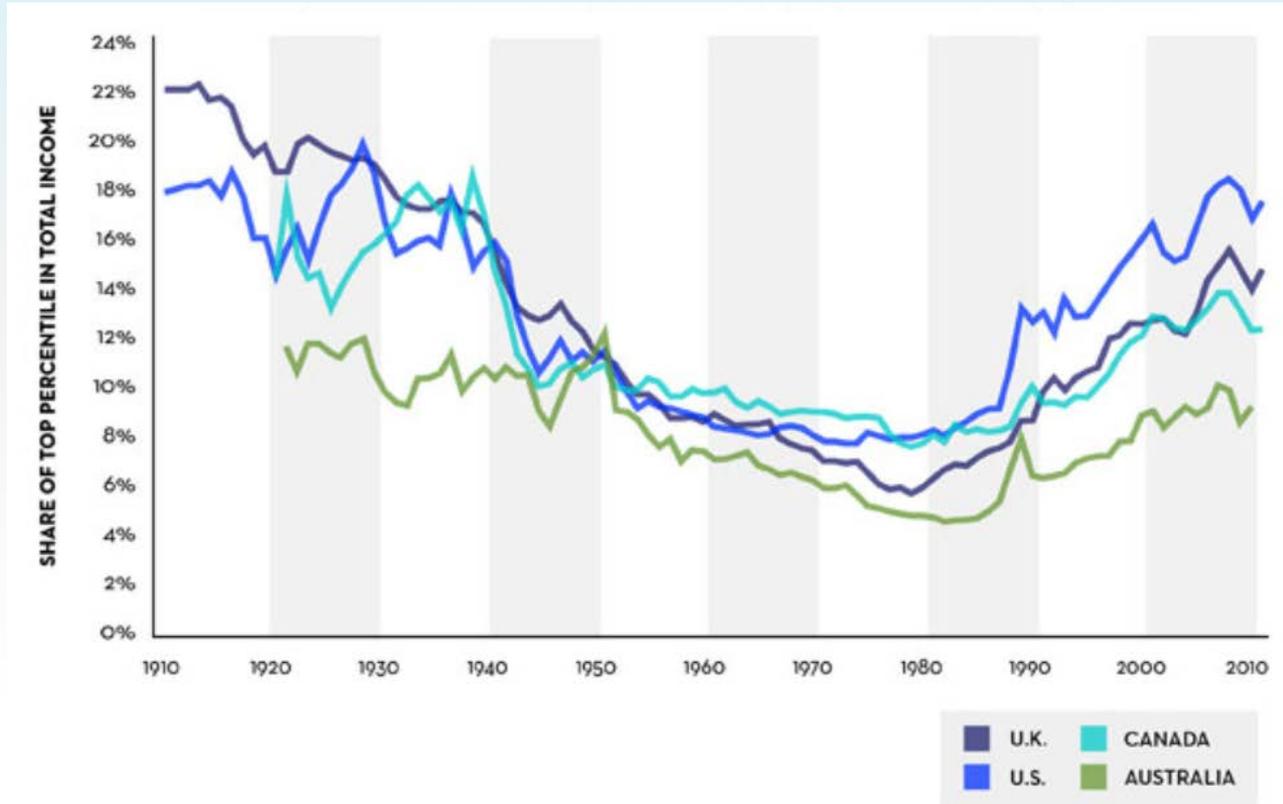


# Inequality & social mobility

- Concerns about global trends of growing inequality of incomes and wealth
- Concerns in some countries about declining social mobility
- Potential negative effects on the pace and sustainability of economic growth



# Income inequality, 1910-2010



Source: Thomas Piketty, [Technical appendix of the book - Capital in the 21st century](#).

# Given this context:

- How well does the Budget manage the risks and opportunities?
- What trade-offs have been made?
- What are the long-term implications for economic growth and living standards?
- What has been left for another day?



# Two views of the current fiscal context



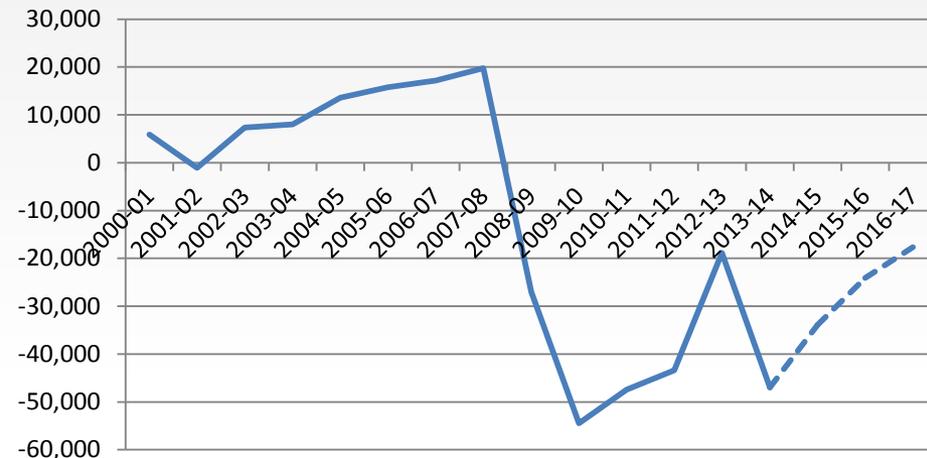
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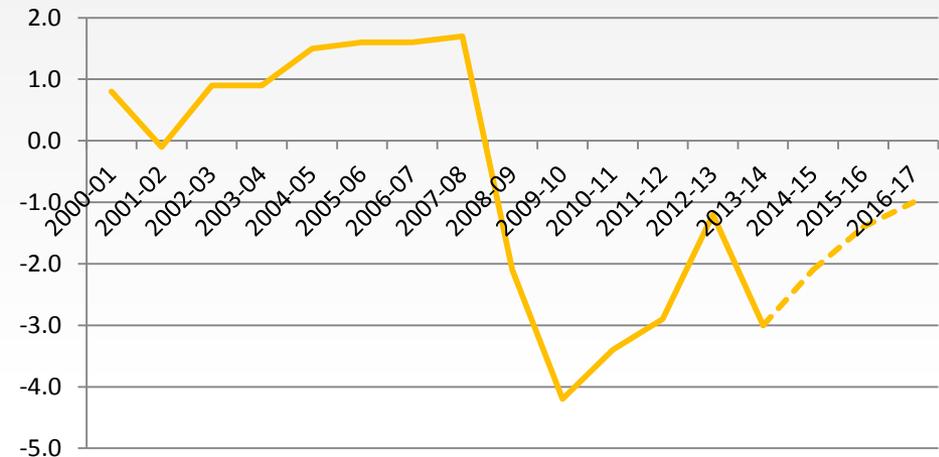
# The fiscal outlook

- Australia is forecast to experience continued budget deficits

Underlying Cash Balance (\$'b)



Underlying Cash Balance (% GDP)



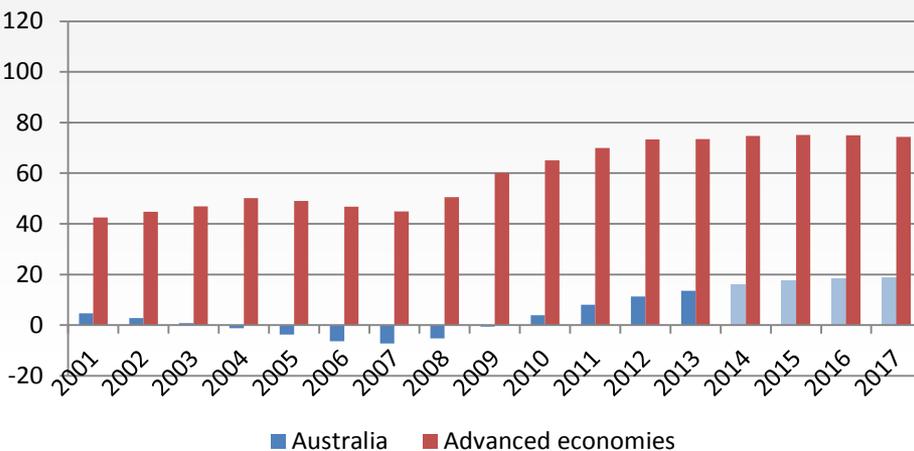
Source: Australian Government, [Mid-Year Economic and Fiscal Outlook](#), 2013-14, December 2013.



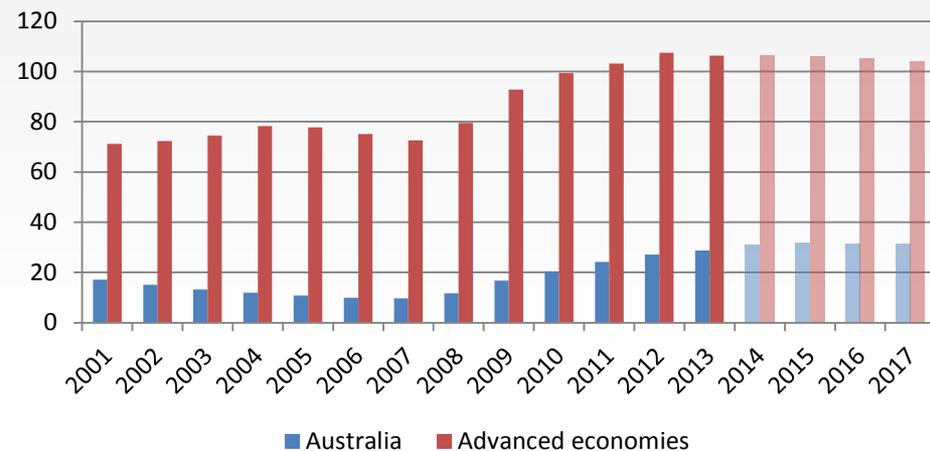
# The fiscal outlook

- Australia has relatively low debt levels

## Net debt (% GDP)



## Gross debt (% GDP)

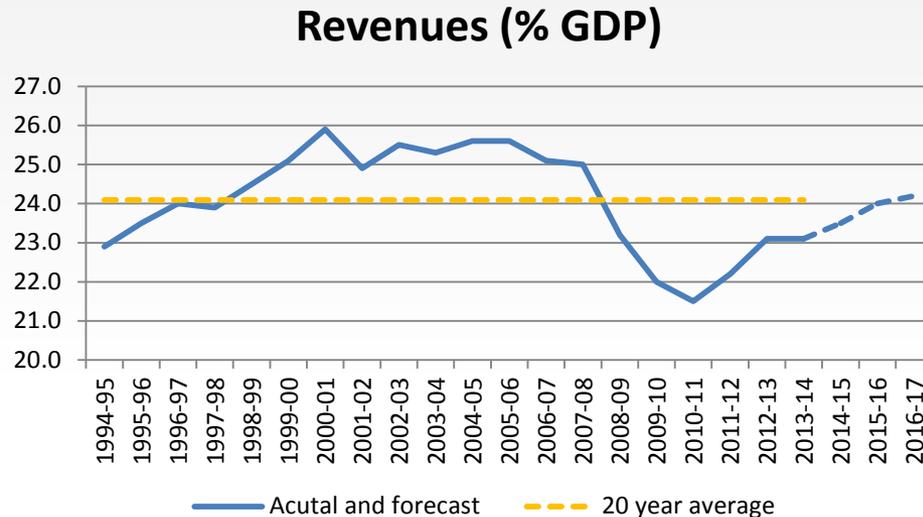


Source: International Monetary Fund, *World Economic Outlook Database*, April 2014.



# View one: declining revenues

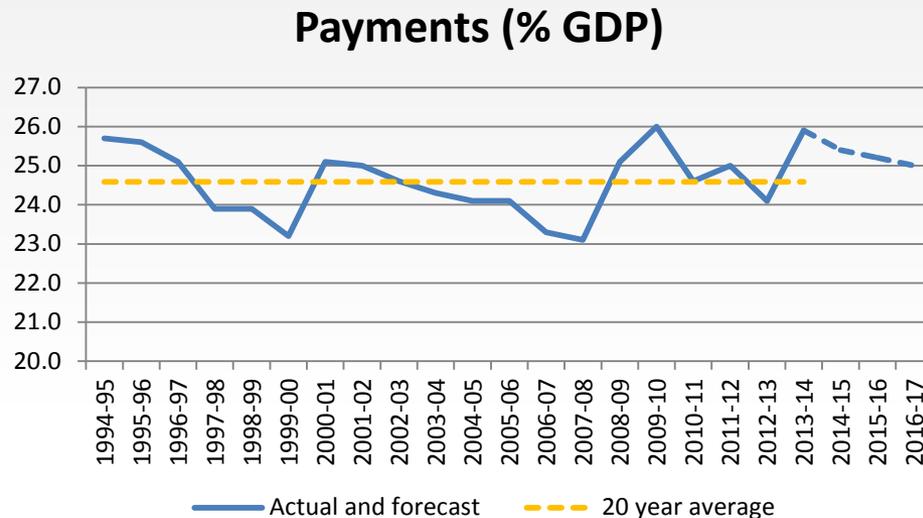
- Structural deficit a result of a decline in the Commonwealth's revenue receipts?



Source: Australian Government, [Mid-Year Economic and Fiscal Outlook](#), 2013-14, December 2013.

# View two: overspending

- Structural deficit a result of increased spending?



Source: Australian Government, [Mid-Year Economic and Fiscal Outlook](#), 2013-14, December 2013.



# Key concepts



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# 'Headline' fiscal position

- Headline cash
  - (cash)
- Fiscal balance
  - (accrual)
- Underlying cash balance
  - (a bit of both cash and accrual)

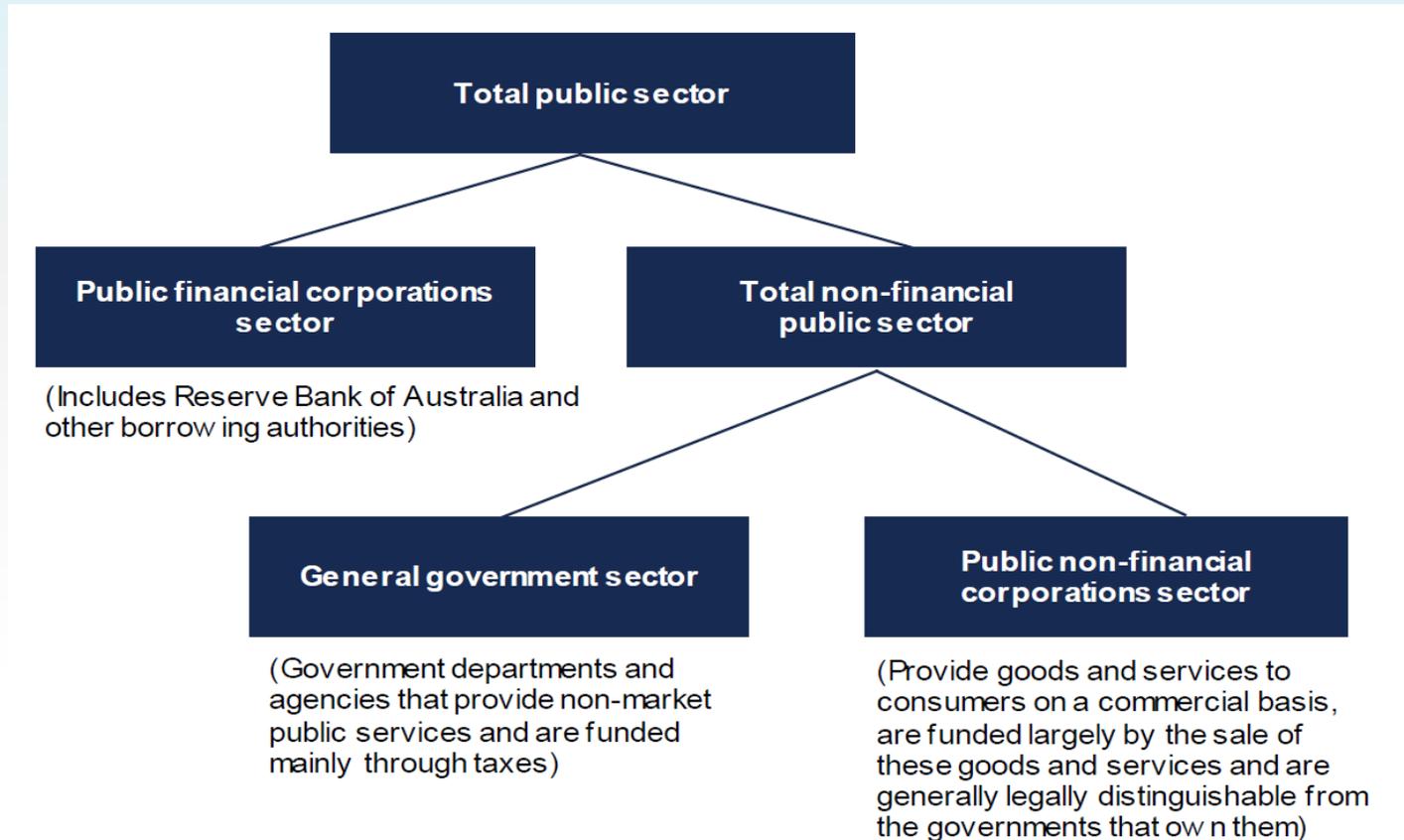


# Key concepts: parameter variations versus policy decisions

- Policy decisions
  - Government decisions, such as:
    - new expenditure
    - changing program eligibility
    - changed tax rules
- Parameter variations
  - Reflect the effect of :
    - Corporate profits
    - Employment
    - Unemployment benefits
    - Medicare claims



# Key concepts: Government Finance Statistics (GFS) sectors



# 'Administered' versus 'departmental'

- Administered
  - Social security payments
  - Health/education funding
  - Revenue receipts
- Departmental
  - Salaries
  - Office supplies
  - Some programs



# The Budget Papers



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# Budget Papers

- Appropriation Bills
- Ministerial Statements and ‘glossies’
- Budget Papers
  - Budget Speech
  - BP 1: Budget Strategy and Outlook
  - BP 2: Budget Measures
  - BP 3: Australia’s Federal Financial Relations
  - BP 4: Agency Resourcing
- Portfolio Budget Statements



# BP1: Budget Strategy and Outlook

- Statements 1-4:
  - Economic and fiscal outlook
  - The ‘narrative’
- Statement 5: Revenue
- Statement 6: Expenses and Net Capital Investment
- Statement 7: Assets and Liabilities
- Statement 8: Statement of Risks
- Statement 9: Budget Financial Statements
- Statement 10: Historical Australian Government Data
- Statement ?: Debt Statement



# BP1: Budget Strategy and Outlook

**Table 2: Major economic parameters<sup>(a)</sup>**

	Forecasts			Projections	
	2012-13	2013-14	2014-15	2015-16	2016-17
Real GDP	3	2 3/4	3	3	3
Employment	1 1/4	1 1/4	1 1/2	1 1/2	1 1/2
Unemployment rate	5 1/2	5 3/4	5 3/4	5	5
Consumer Price Index	2 1/2	2 1/4	2 1/4	2 1/2	2 1/2
Nominal GDP	3 1/4	5	5	5 1/4	5 1/4

(a) Real and nominal GDP are year-average growth. Employment and CPI are through-the-year growth to the June quarter. The unemployment rate is the rate for the June quarter.

Source: Treasury.



# BP1: Budget Strategy and Outlook

**Table 1: Budget aggregates**

	Actual	Estimates			Projections	
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
<b>Underlying cash balance (\$b)(a)</b>	<b>-43.4</b>	<b>-19.4</b>	<b>-18.0</b>	<b>-10.9</b>	<b>0.8</b>	<b>6.6</b>
Per cent of GDP	-2.9	-1.3	-1.1	-0.6	0.0	0.4
<b>Fiscal balance (\$b)</b>	<b>-44.5</b>	<b>-20.3</b>	<b>-13.5</b>	<b>-6.3</b>	<b>6.0</b>	<b>10.8</b>
Per cent of GDP	-3.0	-1.3	-0.8	-0.4	0.3	0.6

(a) Excludes net Future Fund earnings.



# BP1: Budget Strategy and Outlook

**Table 2: Effect of spending and savings decisions in the 2013-14 Budget<sup>(a)</sup>**

	Estimates			Projections		
	2012-13 \$m	2013-14 \$m	2014-15 \$m	2015-16 \$m	2016-17 \$m	Total \$m
<b>Effect of policy decisions since MYEFO</b>						
<b>Spends</b>	<b>-2,604</b>	<b>-2,470</b>	<b>-3,212</b>	<b>-2,853</b>	<b>-4,465</b>	<b>-15,604</b>
<i>Payments</i>	-2,474	-2,386	-3,172	-2,857	-4,437	-15,325
<i>Receipts</i>	-130	-83	-41	4	-28	-278
<b>Saves</b>	<b>246</b>	<b>1,750</b>	<b>9,400</b>	<b>15,176</b>	<b>16,471</b>	<b>43,043</b>
<i>Payments</i>	172	1,411	3,756	5,660	6,295	17,294
<i>Receipts</i>	75	338	5,644	9,517	10,175	25,749
<b>Total effect of policy decisions since MYEFO</b>	<b>-2,358</b>	<b>-720</b>	<b>6,188</b>	<b>12,324</b>	<b>12,005</b>	<b>27,439</b>
<i>Add Contingency Reserve offsets to policy decisions</i>	4	433	289	77	195	998
<b>Net budget impact of policy decisions</b>	<b>-2,354</b>	<b>-286</b>	<b>6,476</b>	<b>12,401</b>	<b>12,200</b>	<b>28,437</b>

(a) On an underlying cash basis.



# BP 2: Budget Measures

- What is a measure?
  - Revenue measures are defined as those measures that affect taxation or non-taxation revenues
  - Expense measures are defined as those measures that affect expenses
  - Capital measures are defined as those measures that affect net capital investment
- What is not a measure?
  - Parameter variations



# BP 2: Budget Measures

## Plant and Animal Health — reduced funding

Expense (\$m)

	2012-13	2013-14	2014-15	2015-16	2016-17
Department of Agriculture, Fisheries and Forestry	-	-0.5	-0.5	-0.5	-0.5

The Government will achieve savings of \$2.0 million over four years through efficiencies in the Plant and Animal Health program. The program supports access to overseas markets and protects the environment and economy from plant and animal disease threats. The savings will be achieved with minimal impact on the delivery of the program's core activities. Funding of \$194.3 million over four years will remain available under the program to support the delivery of the program's objectives.



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# BP 2: Budget Measures

## Bureau of Meteorology — website advertising

### Revenue (\$m)

	2012-13	2013-14	2014-15	2015-16	2016-17
Bureau of Meteorology	nfp	nfp	nfp	nfp	nfp
<i>Related expense (\$m)</i>					
Bureau of Meteorology	-	0.5	0.3	0.3	0.3

The Government will provide \$1.4 million over four years to enable the Bureau of Meteorology to host commercial advertising on its website on an ongoing basis. This measure follows the previously announced advertising trial. The introduction of website advertising was one of the options identified in the *Review of the Bureau of Meteorology's capacity to respond to future extreme weather and natural disaster events and to provide seasonal forecasting services*. Revenue from this measure will partially offset the costs of the services provided by the Bureau.

In order to protect the Bureau's position in any negotiations with potential advertisers, the estimated revenue from this measure is not for publication.



# BP 2: Budget Measures

## Tax laws — miscellaneous amendments

Revenue (\$m)

	2012-13	2013-14	2014-15	2015-16	2016-17
Australian Taxation Office	..	..	..	..	..

The Government will make a series of minor amendments to the tax laws to correct technical defects, remove anomalies and address unintended outcomes which have been recently identified in the tax legislation. This measure is estimated to have a negligible impact on revenue over the forward estimates period.

The amendments will address minor technical issues identified in the tax laws, including income tax, fringe benefits tax and resource rent taxes.



# BP 2: Budget Measures

## Parliament House Safety Works

### Capital (\$m)

	2012-13	2013-14	2014-15	2015-16	2016-17
Department of Parliamentary Services	-	6.9	-	-	-
<i>Related expense (\$m)</i>					
<i>Department of Parliamentary Services</i>	-	0.7	-	-	-

The Government will provide \$7.6 million to the Department of Parliamentary Services for capital works to address safety issues including commencing work on balustrade rectification and to identify an engineering solution to remediate deterioration of the main skylight of Parliament House.



# BP 3: Australia's Federal Relations

- Part 2: Payments for Specific Purposes
  - Healthcare
  - Education
  - Disability Services
  - Infrastructure and road funding
  - Contingent funding



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# BP 3: Australia's Federal Relations

**Table 3.23: Total payments for specific purposes by category, 2013-14 to 2016-17**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
<b>2013-14</b>									
National Specific Purpose Payments	3,295	2,574	2,149	1,098	685	194	182	109	10,285
National Health Reform funding(b)	4,457	3,459	2,816	1,529	1,005	308	232	144	13,949
Students First – A fairer funding agreement for schools	2,082	1,682	1,434	713	515	165	118	118	6,827
National Partnership payments(c)	2,127	2,900	1,749	1,082	660	267	140	492	13,992
<b>Total payments for specific purposes</b>	<b>11,962</b>	<b>10,614</b>	<b>8,148</b>	<b>4,422</b>	<b>2,864</b>	<b>934</b>	<b>671</b>	<b>863</b>	<b>45,053</b>
<b>2014-15</b>									
National Specific Purpose Payments	1,315	1,024	844	459	224	64	71	26	4,028
National Health Reform funding(d)	4,873	3,794	3,102	1,730	1,115	333	267	168	15,383
Students First – A fairer funding agreement for schools	4,333	3,537	3,049	1,518	1,062	342	244	247	14,331
National Partnership payments(c)	2,094	2,248	1,491	844	616	205	205	479	14,143
<b>Total payments for specific purposes</b>	<b>12,615</b>	<b>10,603</b>	<b>8,486</b>	<b>4,551</b>	<b>3,018</b>	<b>944</b>	<b>787</b>	<b>920</b>	<b>47,885</b>
<b>2015-16</b>									
National Specific Purpose Payments	1,341	1,049	866	477	228	65	73	26	4,125
National Health Reform funding(d)	5,351	4,159	3,429	1,962	1,242	361	308	196	17,009
Students First – A fairer funding agreement for schools	4,671	3,850	3,404	1,686	1,126	370	258	268	15,633
National Partnership payments(c)	1,988	1,689	1,231	747	843	236	105	438	12,019
<b>Total payments for specific purposes</b>	<b>13,351</b>	<b>10,747</b>	<b>8,930</b>	<b>4,872</b>	<b>3,439</b>	<b>1,032</b>	<b>743</b>	<b>928</b>	<b>48,786</b>
<b>2016-17</b>									

# BP 3: Australia's Federal Relations

**Table 3.24: Payments for specific purposes by sector, 2013-14 to 2016-17**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
<b>2013-14</b>									
Health	4,980	3,950	3,217	1,769	1,142	382	261	229	15,997
Education	4,444	3,536	2,968	1,489	1,081	328	245	299	14,391
Skills and workforce development	566	443	352	187	128	40	29	19	1,764
Community services	596	802	408	342	108	12	34	104	2,407
Affordable housing	534	346	475	351	146	37	28	162	2,080
Infrastructure	198	1,010	126	81	51	15	28	21	6,038
Environment	151	208	79	15	85	42	4	6	590
Contingent payments	17	3	135	2	..	..	..	-	158
Other(b)	475	315	387	185	124	76	41	24	1,628
<b>Total payments for specific purposes</b>	<b>11,962</b>	<b>10,614</b>	<b>8,148</b>	<b>4,422</b>	<b>2,864</b>	<b>934</b>	<b>671</b>	<b>863</b>	<b>45,053</b>
<b>2014-15</b>									
Health	5,315	4,188	3,353	1,891	1,186	375	285	294	16,886
Education	4,458	3,639	3,132	1,562	1,090	350	253	307	14,791
Skills and workforce development	587	460	374	202	133	41	30	19	1,847
Community services	625	443	391	198	139	23	32	100	1,951
Affordable housing	476	326	420	311	121	31	22	140	1,846
Infrastructure	169	723	100	66	49	14	102	14	7,199
Environment	180	219	51	9	124	30	2	7	621
Contingent payments	4	1	88	..	..	-	..	-	93
Other(b)	802	604	577	313	175	81	60	40	2,652
<b>Total payments for specific purposes</b>	<b>12,615</b>	<b>10,603</b>	<b>8,486</b>	<b>4,551</b>	<b>3,018</b>	<b>944</b>	<b>787</b>	<b>920</b>	<b>47,885</b>
<b>2015-16</b>									



# BP 3: Australia's Federal Relations

- Part 3: General Revenue Assistance
  - GST revenue pool
  - GST relativities
  - Some other payments



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# BP 3: Australia's Federal Relations

- Appendix B: Total Payments to the States by GFS function

**Table B.1: Total payments to the States by GFS function**

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
<b>2012-13</b>									
General public services	26,638	6,883	17,194	2,891	6,105	1,874	1,610	860	64,055
Public order and safety	69,232	48,055	52,872	21,389	16,846	6,174	13,032	27,125	254,725
Education	4,799,368	3,722,905	3,069,315	1,542,034	1,153,800	346,766	258,276	246,389	15,138,853
Health	4,780,339	3,733,411	3,101,420	1,538,687	1,133,127	351,293	232,339	214,878	15,085,494
Social security and welfare	602,934	744,828	350,967	311,209	175,393	58,562	25,140	46,624	2,315,657
Housing and community amenities	536,149	380,237	435,087	244,153	133,376	56,005	29,204	193,955	2,008,166
Recreation and culture	-	-	-	-	-	6,000	2,040	-	8,040
Fuel and energy	4,882	1,230	5,661	1,310	3,619	1,252	1,194	1,704	20,852
Agriculture, forestry and fishing	77,044	60,506	28,855	20,493	89,288	83,468	991	13,081	373,726
Mining, manufacturing and construction	-	-	-	-	-	-	-	-	-
Transport and communication	1,102,577	875,512	790,954	519,430	175,883	71,513	3,829	80,772	3,620,470
Other economic affairs	824	3,478	4,153	2,729	1,397	252	474	693	14,000
Other purposes	15,438,199	11,515,577	11,651,596	3,178,830	4,628,855	1,781,382	1,030,922	2,766,327	53,052,403
<b>Total payments to the States</b>	<b>27,438,186</b>	<b>21,092,622</b>	<b>19,508,074</b>	<b>7,383,155</b>	<b>7,517,689</b>	<b>2,764,541</b>	<b>1,599,051</b>	<b>3,592,408</b>	<b>91,956,441</b>

# BP 4: Agency Resourcing

- Introduction
  - Explanation of Appropriations
- Special Appropriations
  - Also known as ‘standing appropriations’
- Special Accounts
  - Money hypothecated to particular outcomes / programs



# BP 4: Agency Resourcing

- Special Appropriations

	Estimated Actual 2012-2013 (\$'000)	Budget Estimate 2013-2014 (\$'000)
<b>INDUSTRY, INNOVATION, CLIMATE CHANGE, SCIENCE, RESEARCH AND TERTIARY EDUCATION PORTFOLIO</b>		
<b>Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education</b>		
<i>Automotive Transformation Scheme Act 2009</i>	280,709	324,151
<i>Higher Education Support Act 2003</i>	9,520,388	10,034,370
<i>Indigenous Education (Targeted Assistance) Act 2000</i>	41,343	20,890
<i>Skilling Australia's Workforce Act 2005</i>	-	-
<i>Social Security (Administration) Act 1999</i>	3,069,806	3,136,478
<i>Steel Transformation Plan Act 2011</i>	-	-
<i>Textile, Clothing and Footwear Strategic Investment Program Act 1999</i>	25,977	25,000
<b>Total: Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education</b>	<b>12,938,223</b>	<b>13,540,889</b>

# BP 4: Agency Resourcing

- Agency Resourcing

PARLIAMENT										
Agency Resourcing—2013-2014										
<i>Estimated Actual—2012-2013</i>										
Department/Outcome/ Non-operating	Departmental					Administered				Total \$'000
	Operating \$'000	Non- operating \$'000	Agency receipts (a) \$'000	Special Appropriation \$'000	Special Accounts (b) \$'000	Operating \$'000	SPPs \$'000	Non- operating \$'000	Special Appropriation \$'000	
<b>Department of the Senate</b>										
Outcome 1	21,905	-	600	-	-	-	-	-	-	22,505
	21,141	-	600	-	-	-	-	-	-	21,741
<b>Total</b>	<b>21,905</b>	<b>-</b>	<b>600</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,505</b>
	21,141	-	600	-	-	-	-	-	-	21,741
<b>Department of the House of Representatives</b>										
Outcome 1	22,893	-	970	-	-	325	-	-	-	24,188
	22,691	-	1,060	-	104	-	-	-	-	23,855
<b>Total</b>	<b>22,893</b>	<b>-</b>	<b>970</b>	<b>-</b>	<b>-</b>	<b>325</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,188</b>
	22,691	-	1,060	-	104	-	-	-	-	23,855
<b>Department of Parliamentary Services</b>										
Outcome 1	111,513	-	6,858	-	-	-	-	-	-	118,371
	110,822	-	6,723	-	-	-	-	-	-	117,545
Administered Assets and Liabilities	-	-	-	-	-	-	-	20,437	-	20,437
	-	-	-	-	-	-	-	12,896	-	12,896
<b>Total</b>	<b>111,513</b>	<b>-</b>	<b>6,858</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,437</b>	<b>-</b>	<b>138,808</b>
	110,822	-	6,723	-	-	-	-	12,896	-	130,441

# Portfolio Budget Statements

**Table 1.2.1: PHIO Resource Statement – Budget Estimates for 2013-14 as at Budget May 2013**

	Estimate of prior year amounts available in 2013-14 \$'000	Proposed at Budget 2013-14 \$'000	Total estimate 2013-14 \$'000	Estimated available appropriation 2012-13 \$'000
<b>Ordinary annual services<sup>1</sup></b>				
<b>Departmental appropriation</b>				
Prior year departmental appropriation <sup>2</sup>	1,974	-	1,974	1,974
Departmental appropriation <sup>3</sup>	-	2,263	2,263	2,112
s31 Relevant agency receipts	-	10	10	10
<b>Total</b>	<b>1,974</b>	<b>2,273</b>	<b>4,247</b>	<b>4,096</b>
<b>Total ordinary annual services</b>	<b>1,974</b>	<b>2,273</b>	<b>4,247</b>	<b>4,096</b>
<b>Other services - Bill 2<sup>4</sup></b>				
<b>Departmental non-operating</b>				
Equity injections	-	-	-	-
Previous years' programs	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total other services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total available annual appropriations</b>	<b>1,974</b>	<b>2,273</b>	<b>4,247</b>	<b>4,096</b>
<b>Total appropriations excluding Special Accounts</b>	<b>1,974</b>	<b>2,273</b>	<b>4,247</b>	<b>4,096</b>

# Portfolio Budget Statements

- Outcomes
  - Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government agencies achieve the intended results of their outcome statements.
  - An agency may have one or more outcomes, and each outcome may have one or more programs



# Portfolio Budget Statements

**Table 2.1: Budgeted Expenses for Outcome 1**

	2012-13 Estimated actual expenses \$'000	2013-14 Estimated expenses \$'000
<b>Outcome 1: The performance of the Governor-General's role is facilitated through the organisation and management of official duties, management and maintenance of the official household and property and administration of the Australian Honours and Awards system</b>		
<b>Program 1.1: Support for the Governor-General and Official Functions</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	1,976	2,071
Special appropriations	394	394
Departmental expenses		
Departmental appropriation <sup>1</sup>	11,174	11,192
Expenses not requiring appropriation in the Budget year <sup>2</sup>	443	416
<b>Total for Program 1.1</b>	<b>13,987</b>	<b>14,073</b>
<b>Outcome 1 Totals by appropriation type</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	1,976	2,071
Special appropriations	394	394
Departmental expenses		
Departmental appropriation <sup>1</sup>	11,174	11,192
Expenses not requiring appropriation in the Budget year <sup>2</sup>	443	416
<b>Total expenses for Outcome 1</b>	<b>13,987</b>	<b>14,073</b>
<b>Average Staffing Level (number)</b>	<b>86</b>	<b>86</b>

<sup>1</sup> Departmental appropriation combines "Ordinary annual services (Appropriation Bill No. 1)" and "Revenue from independent sources (s31)".

<sup>2</sup> Expenses not requiring appropriation in the Budget year is made up of depreciation expense, amortisation expense, makegood expense and audit fees.

# Questions?



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