



AUSTRALIAN CAPITAL TERRITORY

2003-04
Uniform Presentation
Framework
Loan Council Outcome



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Overview

The 2003-04 Outcome Report contains 2003-04 financial statements of the ACT on a Government Finance Statistics (GFS) basis, as required under the Uniform Presentation Framework. The report also includes the Loan Council Allocation outcome for 2003-04.

The report provides an analysis of movements between the 2003-04 Budget estimates and the 2003-04 actual results, for the General Government Sector (GGS).

Net Operating Balance and Net Lending / Borrowing

Net Operating Balance

Both the definition of GFS revenues and GFS expenses differ from the Australian Accounting Standard - AAS31 definitions.

GFS revenue includes all mutually agreed transactions that increase net worth. Asset revaluations, included as revenue in AAS31, are not considered mutually agreed transactions and thus are excluded from GFS revenue. This includes asset write-offs. Asset sales, which involve a transfer of a non-financial for a financial asset, are also excluded.

GFS expenses encompass all transactions that decrease net worth, including dividend and tax equivalent payments. Again transactions that are not mutually agreed are also excluded, for example revaluation losses.

Net Lending / Borrowing

The net lending / borrowing position provides an indication of the economic impact of government policy. The calculation includes the net operating balance adjusted for the net acquisition of non-financial assets. This includes all cash returns relating to the ACT's land lease sales program.

A summary of the GFS operating result and net lending / borrowing as at the 2003-04 Budget and the 2003-04 actual results for the GGS and the Public Non-Financial Corporation (PNFC) sector, is presented in Table A. The breakdown of the summary level information is provided in **Attachment A**.

Table A: Operating Result and Net Lending / Borrowing – 2003-04 – Budget to Actual

| Sector | Budget 2003-04 \$'000 | Actual 2003-04 \$'000 | Variance \$'000 |
|--|-----------------------------|-----------------------------|--------------------|
| <i>General Government Sector</i> | | | |
| - Net Operating Balance | - 5 080 | - 202 702 | - 197 622 |
| - Net Lending / Borrowing | - 61 081 | - 24 823 | 36 257 |
| <i>Public Non-Financial Corporate Sector #</i> | | | |
| - Net Operating Balance | - 2 773 | 45 587 | 48 360 |
| - Net Lending / Borrowing | - 20 062 | - 16 239 | 3 823 |

The PNFC sector represents all Public Trading Enterprise (PTE) agencies.

General Government Sector

The GFS net operating balance for 2003-04 was a deficit of \$203m. This compares to the AAS31 surplus of \$70m for the GGS. The difference exists between the two measurements because the AAS31 measure includes the gain or loss from the sale of assets (including land lease sales); gain or loss in the market value of investments within the superannuation provision account; revaluations, such as the recognition of stormwater assets and the actuarial review of superannuation liabilities; and the inclusion of deferred income tax from ACT Electricity and Water (ACTEW).

Since the publication of the GFS figures in the 2003-04 Budget, the ACT has changed the presentation of land sales revenue in the GFS operating statement. Land lease sales in the ACT have traditionally been recorded as revenue in both AAS31 and GFS results. The Australian Bureau of Statistics (ABS) has recently advised a change in treatment which removes all land lease sales from the net operating balance. This has the effect of reducing the GFS net operating balance.

Land lease sales are now presented in the calculation of the net lending position, on a cash basis. This treatment will be employed in future budget papers.

Variances from Budget – Net Operating Balance

Within the GGS, the variance between budgets and actuals for 2003-04 of -\$198m is broadly the result of an:

- increase in superannuation expenses of \$40m including increases in emerging costs (\$12m) and superannuation expenses for Totalcare (\$17m);
- increase in employee and other expenses of \$103m, largely associated with the 2003-04 Appropriation Act (No.2) and 2003-04 Appropriation Act (No.3) for items such as:
 - the Government's immediate response to the McLeod Inquiry and other bushfire initiatives;
 - Enterprise Bargaining Agreements; and
 - initiatives under the Social, Spatial and Economic Plans.

- a change in the treatment of land lease sales removing \$189m of land lease sales from the calculation of net operating balance.

These adjustments were offset by increases in:

- taxes, fees and fines of \$108m; and
- grants from the Commonwealth \$42m.

Variances from Budget – Net Lending / Borrowing

Within the GGS, the variance between budgets and actuals for 2003-04 of \$36m is broadly the result of:

- a change in the treatment of revenue for land lease sales, which now recognises the cash receipts within net lending, rather than accrual revenue within the net operating balance (\$17m net improvement from budget);
- a \$47m decrease in the purchase of non-financial assets relating to property, plant and equipment; capital works; and land and intangibles; and
- decrease of depreciation expenses of \$16m.

Net Worth

Net worth is calculated by subtracting all liabilities, including accrued superannuation liabilities, from the financial and non-financial assets.

A summary of the GFS net worth as at the 2003-04 Budget and the 2003-04 actual result is presented in Table B. The breakdown of the summary level information is provided in **Attachment A**.

Table B: Net Worth of the GGS

| Sector | Budget 2003-04 \$'000 | Actual 2003-04 \$'000 | Variance \$'000 |
|---------------------------|-----------------------------|-----------------------------|--------------------|
| General Government Sector | 8 240 509 | 9 380 048 | 1 139 539 |

General Government Sector

Variances from Budget – Net Worth

The GFS net worth result for 2003-04 was \$9,380m. This compares to a net worth forecast in the 2003-04 Budget of \$8,241m. The variance of \$1,140m is largely the result of:

- improvements to GGS equity in the PTE sector, resulting from:
 - a \$622m increase in the land value held by Housing ACT; and
 - a \$107m increase in the building value of property held by Housing ACT.
- an increase in non-superannuation investment balances of \$248m;
- an increase in investment balances of the superannuation provision account of \$68m; and
- an increase in the revaluations of land and fixed assets within the GGS of \$277m.

These adjustments were offset by:

- an increase in superannuation liabilities of \$171m resulting from the latest actuarial assessment of liability and the recognition of superannuation liabilities within Totalcare.

Net Debt

Net debt is calculated by subtracting selected financial liabilities from financial assets. Net debt is a measure used by ratings agencies to assess the fiscal position of the Territory and provides an indication of the call on future revenue flows required to service the debt.

The net debt calculation excludes accrued employee liabilities, such as the superannuation liabilities of the Territory, but include assets held within the Territory's superannuation provision account. For that reason, the net debt figures presented within this outcome report are presented with and without superannuation assets.

A negative net debt position indicates that financial assets exceed financial liabilities.

A summary of the GFS net debt at the 2003-04 Budget and the 2003-04 actual result is presented in Table C. The breakdown of the summary level information is provided in **Attachment A**.

Table C: Net Debt of the GGS and PNFC sectors

| Sector | Budget 2003-04 \$'000 | Actual 2003-04 \$'000 | Variance \$'000 |
|--|-----------------------------|-----------------------------|--------------------|
| <i>General Government Sector</i> | | | |
| - Including Superannuation Assets | -1 085 176 | -1 869 168 | - 783 992 |
| - Excluding Superannuation Assets | 85 603 | - 630 649 | - 716 252 |
| <i>Public Non-Financial Corporate Sector</i> | | | |
| | 367 007 | 341 924 | - 25 083 |

General Government Sector

Variances from Budget – Net Debt

The GFS net debt result (including superannuation assets) for 2003-04 was -\$1,869m. This compares to a net debt forecast in the 2003-04 Budget of -\$1,085m. The variance of -\$784m is broadly the result of improvements in ‘investments, loans and placements’ resulting from:

- the reclassification of \$468m of equity investments as securities, better reflecting the nature of the investment held within the superannuation provision account;
- an increase in non-superannuation investment balances of \$248m; and
- an increase in investment balances of the superannuation provision account of \$68m.

Loan Council Allocation

The ACT is required to advise the Australian Loan Council of the Loan Council Allocation (LCA) outcome for the 2003-04 financial year, as part of the Annual Outcome Report.

The 2003-04 Budget established a LCA Budget-time estimate of -\$120m. The budget established a tolerance limit for the Budget-time estimate of between -\$67m and -\$173m (+/- 2% of total public sector receipts).

The LCA, while based on the GFS framework, uses information from the cashflow as it relates to the call on the financial markets. The LCA outcome is set out in Table D.

Table D: Loan Council Allocation

| | Budget-time Estimate | Outcome |
|---|-------------------------|--------------|
| | \$'m | \$'m |
| General government sector deficit/(surplus) | - 58 | - 299 |
| PNFC sector cash deficit/(surplus) | - 40 | 52 |
| Non-financial public sector cash deficit/(surplus) (a) | - 98 | - 247 |
| Net cash flows from investments in financial assets for policy purposes (b) | 17 | 10 |
| Memorandum items (c) | - 5 | - 6 |
| Loan Council Allocation | - 120 | - 263 |

- (a) The sum of the deficits / surplus of the general government and PNFC sector does not equal the non-financial public sector deficit / surplus due to intersectoral transfers, which are netted out in the calculation of the non-financial public sector figure.
- (b) This item is the negative of net advances paid under a cash accounting framework.
- (c) Memorandum items are used to adjust the ABS deficit to include in LCAs certain transactions - such as operating leases – that have many of the characteristics of public sector borrowings but do not constitute formal borrowings. They are also used, where appropriate, to deduct from the ABS deficit certain transactions that loan council has agreed should not be included in LCAs for example, the funding of more than employers emerging costs under public sector superannuation schemes, or borrowings by entities such as statutory marketing authorities

The LCA outcome for 2003-04 was -\$263m. A negative result indicates that the Territory is in a net lending position. That is the Territory contributes to the financial market, rather than draws from the financial market, which is considered a positive indicator.

The 2003-04 outcome breaches the lower tolerance limit of -\$173m.

The movement in LCA surplus of \$143m is largely due to:

- an increase in tax receipts of \$103m, due to increases in conveyancing and payroll tax;
- an increase in land lease receipts of \$28m;
- an increase in grants receipts of \$24m (offset by payments), due to increases in Goods and Services Tax (GST) grants;
- an increase in finance lease revenue of \$8m (offset by payments), due to increases in novated lease receipts of Totalcare; and
- the deferral of capital works projects of \$47m.

These adjustments were offset by increases in:

- payments for goods and services of \$35m, associated with expenditure resulting from Appropriation Act 2003-04 (No.2) and Appropriation Act 2003-04 (No.3).

Since the publication of the GFS figures in the 2003-04 Budget, the ACT has changed the presentation of land lease sale receipts in the GFS cash flow statement. Land lease sale receipts have traditionally been recorded as 'other receipts'. The ABS has recently advised of a change in treatment and now these receipts are treated as 'sale of non-financial assets' within the cash flow statement. This does not impact on the LCA.

Attachment A

**Uniform
Presentation
Tables**

Table 1: General Government Sector Operating Statement

| | 2003-04 Budget | 2003-04 Aud. Outcome |
|--|-------------------|-------------------------|
| | \$'000 | \$'000 |
| GFS Revenue (a) | | |
| Taxation Revenue | 645 709 | 753 271 |
| Current grants and subsidies | 990 551 | 1 032 542 |
| Capital Grants | 30 301 | 30 316 |
| Sale of goods and services | 249 948 | 259 981 |
| Interest income | 116 800 | 99 046 |
| Other | 344 500 | 187 918 |
| Total revenue | 2 377 809 | 2 363 074 |
| less GFS Expenses (b) | | |
| Gross operating expenses | | |
| Depreciation and Amortisation | 150 052 | 134 203 |
| Superannuation | 228 534 | 268 474 |
| Employee Expenses | 788 832 | 828 153 |
| Non-Employee Expenses | 678 986 | 742 153 |
| Nominal superannuation interest expense | 12 028 | 20 438 |
| Other interest expenses | 55 989 | 53 569 |
| Other property expenses | 0 | 0 |
| Current transfers (c) | 448 242 | 500 820 |
| Capital transfers (c) | 20 226 | 17 967 |
| Total expenses | 2 382 889 | 2 565 776 |
| equals GFS net operating balance | - 5 080 | - 202 702 |
| less Net acquisition of non-financial assets | | |
| Purchases of non-financial assets | 210 373 | 163 875 |
| <i>plus</i> Sales of non-financial assets | - 4 320 | - 2 295 |
| Land Revenue (cash item) | 0 | - 205 256 |
| Depreciation | - 150 052 | - 134 203 |
| Change in inventories | 0 | 0 |
| Other movements in non-financial assets | 0 | 0 |
| <i>equals</i> Total net acquisition of non-financial assets | 56 001 | - 177 879 |
| equals GFS net lending/Borrowing (Fiscal Balance) (d) | - 61 081 | - 24 823 |

(a) GFS revenue is not equal to AAS31 revenue. GFS revenue includes all (mutually agreed) transactions that increase net worth. Revaluations are not considered mutually agreed transactions, and so are excluded from GFS revenue.

(b) GFS expenses is not equal to AAS31 expenses. AAS31 expenses include all transactions that decrease net worth.

(c) These line items are disaggregated further in ABS GFS reporting.

(d) GFS net lending also equals net transactions in financial assets less net transactions in liabilities. The term 'fiscal balance' is not used by the ABS.

Reconciliation to 2003-04 Audited Result

| | | |
|--------------------------------------|---------|-----------|
| AAS31 Operating Result | - 7 667 | 70 454 |
| Less Land Revenue (accrual item) | 0 | 249 968 |
| Gains/Losses on non-financial assets | 9 510 | - 49 090 |
| Gains/Losses on financial assets | 9 375 | 102 125 |
| plus ACTEW - Income Tax Equivalents | 21 472 | 29 847 |
| Reconciles to GFS Operating Result | - 5 080 | - 202 702 |
| Variance | - 0 | 0 |

Table 2: Public Non-Financial Corporation Sector Operating Statement.

| | 2003-04 Budget | 2003-04 Aud. Outcome |
|--|-------------------|-------------------------|
| | \$'000 | \$'000 |
| GFS Revenue (a) | | |
| Taxation Revenue | 0 | 0 |
| Current grants and subsidies | 109 289 | 145 023 |
| Capital Grants | 26 023 | 26 767 |
| Sale of goods and services | 275 823 | 289 254 |
| Interest income | 5 643 | 5 881 |
| Other | 7 264 | 7 096 |
| Total revenue | 424 042 | 474 020 |
| less GFS Expenses (b) | | |
| Gross operating expenses | | |
| Depreciation and Amortisation | 42 131 | 39 893 |
| Superannuation | 8 479 | 7 127 |
| Employee Expenses | 65 497 | 69 722 |
| Non-Employee Expenses | 178 486 | 197 206 |
| Nominal superannuation interest expense | 0 | 0 |
| Other interest expenses | 30 321 | 29 784 |
| Other property expenses | 72 974 | 59 253 |
| Current transfers (c) | 28 427 | 25 449 |
| Capital transfers (c) | 500 | 0 |
| Total expenses | 426 815 | 428 433 |
| equals GFS net operating balance | - 2 773 | 45 587 |
| less Net acquisition of non-financial assets | | |
| Purchases of non-financial assets | 114 020 | 144 725 |
| <i>plus</i> Sales of non-financial assets | - 54 600 | - 43 006 |
| Depreciation | - 42 131 | - 39 893 |
| Change in inventories | 0 | 0 |
| Other movements in non-financial assets | 0 | 0 |
| <i>equals</i> Total net acquisition of non-financial assets | 17 289 | 61 826 |
| equals GFS net lending/Borrowing (Fiscal Balance) (d) | - 20 062 | - 16 239 |

(a) GFS revenue is not equal to AAS31 revenue. GFS revenue includes all (mutually agreed) transactions that increase net worth. Revaluations are not considered mutually agreed transactions, and so are excluded from GFS revenue.

(b) GFS expense is not equal to AAS31 expenses. AAS31 expenses include all transactions that decrease net worth.

(c) These line items are disaggregated further in ABS GFS reporting.

(d) GFS net lending also equals net transactions in financial assets less net transactions in liabilities. The term 'fiscal balance' is not used by the ABS.

Reconciliation to 2003-04 Audited Result

| | | |
|--|---------|----------|
| AAS31 Operating Result | 75 646 | 39 752 |
| Less Gains/Losses on non-financial assets | 5 800 | - 36 455 |
| Dividends Declared | 51 147 | 773 |
| Recognition of Income tax equivalent expense | 21 472 | 29 847 |
| Reconciles to GFS Operating Result | - 2 773 | 45 587 |
| Variance | 0 | 0 |

Table 3: Non-Financial Public Sector Operating Statement.

| | 2003-04 Budget | 2003-04 Aud. Outcome |
|--|-------------------|-------------------------|
| | \$'000 | \$'000 |
| GFS Revenue (a) | | |
| Taxation Revenue | 630 979 | 738 448 |
| Current grants and subsidies | 990 551 | 1 033 439 |
| Capital Grants | 30 301 | 30 316 |
| Sale of goods and services | 499 295 | 520 290 |
| Interest income | 88 481 | 73 998 |
| Other | 259 206 | 123 528 |
| Total revenue | 2 498 813 | 2 520 019 |
| less GFS Expenses (b) | | |
| Gross operating expenses | | |
| Depreciation and Amortisation | 191 769 | 271 050 |
| Superannuation | 230 026 | 172 688 |
| Employee Expenses | 853 251 | 896 510 |
| Non-Employee Expenses | 807 148 | 892 086 |
| Nominal superannuation interest expense | 12 028 | 20 438 |
| Other interest expenses | 52 348 | 52 423 |
| Other property expenses | 0 | 0 |
| Current transfers (c) | 346 675 | 360 630 |
| Capital transfers (c) | 13 421 | 11 309 |
| Total expenses | 2 506 666 | 2 677 134 |
| equals GFS net operating balance | - 7 853 | - 157 115 |
| less Net acquisition of non-financial assets | | |
| Purchases of non-financial assets | 324 393 | 308 599 |
| <i>plus</i> Sales of non-financial assets | - 58 920 | - 45 301 |
| Land Revenue (cash item) | 0 | - 205 256 |
| Depreciation | - 191 769 | - 172 688 |
| Change in inventories | 0 | 0 |
| Other movements in non-financial assets | 0 | 0 |
| <i>equals</i> Total net acquisition of non-financial assets | 73 704 | - 114 645 |
| equals GFS net lending/Borrowing (Fiscal Balance) (d) | - 81 557 | - 42 470 |

(a) GFS revenue is not equal to AAS31 revenue. GFS revenue includes all (mutually agreed) transactions that increase net worth. Revaluations are not considered mutually agreed transactions, and so are excluded from GFS revenue.

(b) GFS expense is not equal to AAS31 expenses. AAS31 expenses include all transactions that decrease net worth.

(c) These line items are disaggregated further in ABS GFS reporting.

(d) GFS net lending also equals net transactions in financial assets less net transactions in liabilities. The term 'fiscal balance' is not used by the ABS.

Reconciliation to 2003-04 Audited Result

| | | |
|--------------------------------------|---------|-----------|
| AAS31 Operating Result | 16 832 | 109 434 |
| Less Land Revenue (accrual item) | 0 | 249 968 |
| Gains/Losses on non-financial assets | 15 310 | - 85 544 |
| Gains/Losses on financial assets | 9 375 | 102 125 |
| Reconciles to GFS Operating Result | - 7 853 | - 157 115 |
| Variance | 0 | - 0 |

Table 5: General Government Sector Balance Sheet

| | 2003-04 Budget | 2003-04 Aud. Outcome |
|---|-------------------|-------------------------|
| | \$'000 | \$'000 |
| Assets | | |
| Financial Assets | | |
| Cash and deposits | 48 033 | 63 988 |
| Advances paid | 496 410 | 501 918 |
| Investments, loans and placements | 1 467 587 | 2 253 907 |
| Other non-equity assets | 234 267 | 257 796 |
| Equity | 3 582 777 | 3 894 534 |
| <i>Total financial assets</i> | 5 829 074 | 6 972 143 |
| Non Financial Assets | | |
| Land and fixed assets | 5 378 240 | 5 614 992 |
| Other non financial assets | 323 655 | 393 022 |
| <i>Total non financial assets</i> | 5 701 895 | 6 008 014 |
| Total assets | 11 530 969 | 12 980 157 |
| Liabilities | | |
| Deposits held | 58 995 | 55 935 |
| Advances received | 257 514 | 261 652 |
| Borrowing | 610 345 | 633 058 |
| Superannuation liability (a) | 1 917 298 | 2 088 278 |
| Other employee entitlements and provisions | 221 686 | 271 860 |
| Other non-equity liabilities | 224 622 | 289 326 |
| Total liabilities | 3 290 460 | 3 600 109 |
| Net Worth | 8 240 509 | 9 380 048 |
| Net Financial Worth (b) | 2 538 614 | 3 372 034 |
| Net Debt (c) | -1 085 176 | -1 869 168 |
| Net Debt (excluding superannuation related investments) (c) | 85 603 | - 630 649 |

(a) This line item consists of the total superannuation liability.

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

(c) Net debt equals the sum of, deposits held, advances received and borrowing, minus the sum of cash and deposits, advances paid and investments, loans and placements

Reconciliation to 2003-04 Audited Result

| | | |
|--|-----------|-----------|
| Budgeted Net Assets | 5 104 171 | 5 463 935 |
| plus Inclusion of PTE Equity in GFS statements | 3 114 866 | 3 886 264 |
| plus Income tax equivalent | 21 472 | 29 847 |
| Total | 8 240 509 | 9 380 048 |
| Variance | 0 | 0 |

Table 6: Public Non-Financial Corporation Sector Balance Sheet

| | 2003-04 Budget | 2003-04 Aud. Outcome |
|--|-------------------|-------------------------|
| | \$'000 | \$'000 |
| Assets | | |
| Financial Assets | | |
| Cash and deposits | 71 483 | 70 273 |
| Advances paid | 0 | 0 |
| Investments, loans and placements | 38 379 | 65 461 |
| Other non-equity assets | 33 160 | 85 928 |
| Equity | 394 219 | 348 735 |
| <i>Total financial assets</i> | 537 241 | 570 397 |
| Non Financial Assets | | |
| Land and fixed assets | 3 108 585 | 3 811 889 |
| Other non financial assets | 69 375 | 133 742 |
| <i>Total non financial assets</i> | 3 177 960 | 3 945 631 |
| Total assets | 3 715 201 | 4 516 029 |
| Liabilities | | |
| Deposits held | 0 | 0 |
| Advances received | 475 876 | 474 468 |
| Borrowing | 993 | 3 191 |
| Superannuation liability (a) | 53 | 139 |
| Other employee entitlements and provisions | 79 452 | 73 724 |
| Other non-equity liabilities | 43 961 | 78 242 |
| Total liabilities | 600 335 | 629 764 |
| Shares and Contributed Assets | 3 114 866 | 3 886 264 |
| Net Worth | 0 | 0 |
| Net Financial Worth (b) | - 63 094 | - 59 367 |
| Net Debt (c) | 367 007 | 341 924 |

(a) This line item consists of the total superannuation liability.

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

(c) Net debt equals the sum of, deposits held, advances received and borrowing, minus the sum of cash and deposits, advances paid and investments, loans and placements

Reconciliation to 2003-04 Audited Result

| | | |
|-----------------------------------|-----------|-----------|
| Budgeted Net Assets | 3 136 338 | 3 916 112 |
| <i>less</i> Income tax equivalent | 21 472 | 29 847 |
| Shares and Contributed Assets | 3 114 866 | 3 886 264 |
| Variance | 0 | 0 |

Table 7: Non-Financial Public Sector Balance Sheet

| | 2003-04 Budget | 2003-04 Aud. Outcome |
|---|-------------------|-------------------------|
| | \$'000 | \$'000 |
| Assets | | |
| Financial Assets | | |
| Cash and deposits | 60 521 | 87 762 |
| Advances paid | 20 534 | 27 450 |
| Investments, loans and placements | 1 505 966 | 2 319 368 |
| Other non-equity assets | 222 320 | 230 585 |
| Equity | 862 130 | 356 985 |
| <i>Total financial assets</i> | 2 671 471 | 3 022 149 |
| Non Financial Assets | | |
| Land and fixed assets | 8 486 008 | 9 426 882 |
| Other non financial assets | 382 637 | 513 204 |
| <i>Total non financial assets</i> | 8 868 645 | 9 940 085 |
| Total assets | 11 540 116 | 12 962 234 |
| Liabilities | | |
| Deposits held | 0 | 9 435 |
| Advances received | 257 514 | 261 652 |
| Borrowing | 611 338 | 636 248 |
| Superannuation liability (a) | 1 917 351 | 2 088 417 |
| Other employee entitlements and provisions | 269 594 | 315 184 |
| Other non-equity liabilities | 244 627 | 271 249 |
| Total liabilities | 3 300 424 | 3 582 186 |
| Net Worth | 8 239 692 | 9 380 048 |
| Net Financial Worth (b) | - 628 953 | - 560 038 |
| Net Debt (c) | - 718 169 | -1 527 244 |
| Net Debt (excluding superannuation related investments) (c) | 452 610 | - 288 725 |

(a) This line item consists of the total superannuation liability.

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

(c) Net debt equals the sum of, deposits held, advances received and borrowing, minus the sum of cash and deposits, advances paid and investments, loans and placements

Reconciliation to 2003-04 Audited Result

| | | |
|---------------------|-----------|-----------|
| Budgeted Net Assets | 8 239 692 | 9 380 048 |
| Variance | 0 | 0 |

Table 9: General Government Sector Cash Flow Statement

| | 2003-04 Budget \$'000 | 2003-04 Aud. Outcome \$'000 |
|--|-----------------------------|-----------------------------------|
| Cash receipts from operating activities | | |
| Taxes received | 648 056 | 762 714 |
| Receipts from sales of goods and services | 269 519 | 289 699 |
| Grants/subsidies received | 1 029 344 | 1 044 533 |
| Other receipts | 561 120 | 413 931 |
| <i>Total receipts</i> | 2 508 039 | 2 510 877 |
| Cash payments for operating activities | | |
| Payments for goods and services | -1 592 976 | -1 572 162 |
| Grants and subsidies paid | - 359 960 | - 464 891 |
| Interest paid | - 56 782 | - 54 278 |
| Other payments | - 234 388 | - 164 290 |
| <i>Total payments</i> | -2 244 106 | -2 255 621 |
| Net cash flows from operating activities | 263 933 | 255 256 |
| Net cash flows from investments | | |
| in non-financial assets | | |
| sales of non-financial assets | 4 320 | 207 550 |
| <i>less</i> Purchases of non-financial assets (a) | - 210 373 | - 163 875 |
| Net cashflows from investments in non-financial assets | - 206 053 | 43 676 |
| Net cash flows from investments in financial assets for policy purposes (b) | 11 094 | - 25 924 |
| Net cash flows from investments in financial assets for liquidity purposes | - 74 225 | - 94 655 |
| Net cash flows from financing activities | | |
| Advances received (net) | 0 | - 10 691 |
| Borrowing (net) | 2 142 | - 56 357 |
| Deposits received (net) | 0 | 0 |
| Other financing (net) | - 1 401 | - 2 373 |
| Net cash flows from financing activities | 741 | - 69 421 |
| Net increase (decrease) in cash held | - 4 510 | 108 931 |
| Net cash from operating activities and investments in non financial assets | 57 880 | 298 932 |
| <i>less</i> Finance leases and similar arrangements (c) | 0 | 0 |
| Surplus (+) / deficit (-) (d) | 57 880 | 298 932 |
| (a) The ABS disaggregates this item into new and secondhand non-financial assets. | | |
| (b) Includes equity acquisitions, disposals and privatisations (net). | | |
| (c) Finance leases are shown with a negative sign as they are deducted in compiling the surplus/deficit. | | |
| (d) Conceptually, the surplus/deficit aggregate contained in the cash flow statement is the same as the deficit measure obtains under the cash UPF. However, in practice, the process of deriving these aggregates differs so that the measures are not directly comparable. Time series data created by splicing these measures together should therefore be used with caution. | | |
| Reconciliation to 2003-04 Audited Result | | |
| Audited Net Increase/(Decrease) in Cash | - 4 510 | 108 931 |
| Add back items not included in calculation | | |
| Cash flows from investments in financial assets (policy purposes) (a) | - 11 094 | 25 924 |
| Cash flows from investments in financial assets (liquidity purposes) | 74 225 | 94 655 |
| Advances received (net) | 0 | 10 691 |
| Borrowing (net) | - 2 142 | 56 357 |
| Deposits received (net) | 0 | 0 |
| Other financing (net) | 1 401 | 2 373 |
| Total | 57 880 | 298 932 |
| Variance | 0 | 0 |

Table 10: Public Non-Financial Corporation Sector Cash Flow Statement

| | 2003-04 Budget \$'000 | 2003-04 Aud. Outcome \$'000 |
|---|-----------------------------|-----------------------------------|
| Cash receipts from operating activities | | |
| Taxes received | 0 | 0 |
| Receipts from sales of goods and services | 237 766 | 243 686 |
| Grants/subsidies received | 113 842 | 117 163 |
| Other receipts | 118 112 | 42 919 |
| <i>Total receipts</i> | 469 720 | 403 768 |
| Cash payments for operating activities | | |
| Payments for goods and services | - 241 652 | - 269 018 |
| Grants and subsidies paid | - 8 222 | - 3 787 |
| Interest paid | - 31 387 | - 30 280 |
| Other payments | - 88 856 | - 50 889 |
| <i>Total payments</i> | - 370 117 | - 353 973 |
| Net cash flows from operating activities | 99 603 | 49 795 |
| Net cash flows from investments | | |
| in non-financial assets | | |
| sales of non-financial assets | 54 600 | 43 006 |
| less Purchases of non-financial assets (a) | - 114 020 | - 144 725 |
| Net cashflows from investments in non-financial assets | - 59 420 | - 101 719 |
| Net cash flows from investments in financial assets for policy purposes (b) | 0 | 0 |
| Net cash flows from investments in financial assets for liquidity purposes | - 38 284 | 35 551 |
| Net cash flows from financing activities | | |
| Advances received (net) | 11 849 | 49 313 |
| Borrowing (net) | - 7 504 | - 15 085 |
| Deposits received (net) | 0 | 0 |
| Other financing (net) | 1 401 | 2 373 |
| Net cash flows from financing activities | 5 746 | 36 602 |
| Net increase (decrease) in cash held | 7 645 | 20 229 |
| Net cash from operating activities and investments in non financial assets | 40 183 | - 51 924 |
| less Finance leases and similar arrangements (c) | 0 | 0 |
| Surplus (+) / deficit (-) (d) | 40 183 | - 51 924 |
| <p>(a) The ABS disaggregates this item into new and secondhand non-financial assets.</p> <p>(b) Includes equity acquisitions, disposals and privatisations (net).</p> <p>(c) Finance leases are shown with a negative sign as they are deducted in compiling the surplus/deficit.</p> <p>(d) Conceptually, the surplus/deficit aggregate contained in the cash flow statement is the same as the deficit measure obtains under the cash UPF. However, in practice, the process of deriving these aggregates differs so that the measures are not directly comparable. Time series data created by splicing these measures together should therefore be used with caution.</p> | | |
| Reconciliation to 2003-04 Audited Result | | |
| Audited Net Increase/(Decrease) in Cash | 7 645 | 20 229 |
| Add back items not included in calculation | | |
| Cash flows from investments in financial assets (policy purposes) (a) | 0 | 0 |
| Cash flows from investments in financial assets (liquidity purposes) | 38 284 | - 35 551 |
| Advances received (net) | - 11 849 | - 49 313 |
| Borrowing (net) | 7 504 | 15 085 |
| Deposits received (net) | 0 | 0 |
| Other financing (net) | - 1 401 | - 2 373 |
| Total | 40 183 | - 51 924 |
| Variance | 40 183 | - 51 924 |

Table11: Non-Financial Public Sector Cash Flow Statement

| | 2003-04 Budget \$'000 | 2003-04 Aud. Outcome \$'000 |
|--|-----------------------------|-----------------------------------|
| Cash receipts from operating activities | | |
| Taxes received | 631 927 | 734 545 |
| Receipts from sales of goods and services | 472 752 | 497 453 |
| Grants/subsidies received | 1 029 344 | 1 063 976 |
| Other receipts | 508 079 | 351 787 |
| <i>Total receipts</i> | 2 642 102 | 2 647 760 |
| Cash payments for operating activities | | |
| Payments for goods and services | -1 754 617 | -1 788 621 |
| Grants and subsidies paid | - 360 604 | - 370 927 |
| Interest paid | - 53 141 | - 52 654 |
| Other payments | - 110 204 | - 130 508 |
| <i>Total payments</i> | -2 278 566 | -2 342 710 |
| Net cash flows from operating activities | 363 536 | 305 051 |
| Net cash flows from investments | | |
| in non-financial assets | | |
| sales of non-financial assets | 58 920 | 250 557 |
| less Purchases of non-financial assets (a) | - 324 393 | - 308 599 |
| Net cashflows from investments in non-financial assets | - 265 473 | - 58 043 |
| Net cash flows from investments in financial assets for policy purposes (b) | 17 065 | 10 046 |
| Net cash flows from investments in financial assets for liquidity purposes | - 73 706 | - 59 104 |
| Net cash flows from financing activities | | |
| Advances received (net) | 0 | - 10 691 |
| Borrowing (net) | - 38 287 | - 58 099 |
| Deposits received (net) | 0 | 0 |
| Other financing (net) | 0 | 0 |
| Net cash flows from financing activities | - 38 287 | - 68 790 |
| Net increase (decrease) in cash held | 3 135 | 129 160 |
| Net cash from operating activities and investments in non financial assets | 98 063 | 247 008 |
| less Finance leases and similar arrangements (c) | 0 | 0 |
| Surplus (+) / deficit (-) (d) | 98 063 | 247 008 |
| (a) The ABS disaggregates this item into new and secondhand non-financial assets. | | |
| (b) Includes equity acquisitions, disposals and privatisations (net). | | |
| (c) Finance leases are shown with a negative sign as they are deducted in compiling the surplus/deficit. | | |
| (d) Conceptually, the surplus/deficit aggregate contained in the cash flow statement is the same as the deficit measure obtains under the cash UPF. However, in practice, the process of deriving these aggregates differs so that the measures are not directly comparable. Time series data created by splicing these measures together should therefore be used with caution. | | |
| Reconciliation to 2003-04 Audited Result | | |
| Audited Net Increase/(Decrease) in Cash | 3 135 | 129 160 |
| Add back items not included in calculation | | |
| Cash flows from investments in financial assets (policy purposes) (a) | - 17 065 | - 10 046 |
| Cash flows from investments in financial assets (liquidity purposes) | 73 706 | 59 104 |
| Advances received (net) | 0 | 10 691 |
| Borrowing (net) | 38 287 | 58 099 |
| Deposits received (net) | 0 | 0 |
| Other financing (net) | 0 | 0 |
| Total | 98 063 | 247 008 |
| Variance | 0 | 0 |

Table 13: General Government Sector Expenses by Function

| | 2003-04 Aud. Outcome |
|--|---------------------------------|
| | \$'000 |
| General public Services | 489 814 |
| Defence | 0 |
| Public order and Safety | 218 683 |
| Education | 577 714 |
| Health | 523 384 |
| Social security and welfare | 138 478 |
| Housing and community amenities | 161 418 |
| Recreation and culture | 95 050 |
| Fuel and energy | 0 |
| Agriculture, forestry, fishing and hunting | 2 487 |
| Mining, manufacturing and construction | 0 |
| Transport and communication | 160 564 |
| Other economic affairs | 33 290 |
| Other purposes | 164 895 |
| Total GFS Expenses | 2 565 776 |

This is based on preliminary results, and will be confirmed after consultation with the Commonwealth Grants Commission, and the ABS

Table 13a: General Government Sector Expenses by Function

| | | 2003-04 |
|------------|---|----------------|
| | | Aud. Outcome |
| | | \$'000 |
| 21 | General Public services | 489 814 |
| 211 | Government superannuation benefits | 285 754 |
| 219 | Other general public services | 204 059 |
| 23 | Public Order and safety | 218 683 |
| 231 | Police and fire protection services | 118 362 |
| 2311 | Police services | 86 319 |
| 2312 | Fire protection services | 32 043 |
| 232 | Law courts and legal services | 54 458 |
| 233 | Prisons and corrective services | 39 579 |
| 239 | Other public order and safety | 6 283 |
| 24 | Education | 577 714 |
| 241 | Primary and secondary education | 450 167 |
| 2411 | Primary education | 218 064 |
| 2412 | Secondary education | 232 103 |
| 2419 | Primary and secondary education n.e.c. | 0 |
| 242 | Tertiary education | 102 467 |
| 2421 | University education | 30 590 |
| 2422 | Technical and further education | 71 877 |
| 2429 | Tertiary education n.e.c. | 0 |
| 243 | Pre-school education and education not definable by level | 24 018 |
| 2431 | Pre-school education | 13 104 |
| 2432 | Special education | 10 913 |
| 2439 | Other education not definable by level | 0 |
| 244 | Transportation of students | 1 062 |
| 2441 | Transportation of non-urban school children | 258 |
| 2449 | Transportation of other students | 804 |
| 249 | Education n.e.c. | 0 |
| 25 | Health | 523 384 |
| 251 | Acute care institutions | 321 798 |
| 2511/2/3/9 | Admitted patient services in acute care institutions | 321 798 |
| 2514 | Non-admitted patient services in acute care institutions | 0 |
| 252 | Mental health institutions | 3 987 |
| 253 | Nursing homes for the aged | 0 |
| 254 | Community health services | 98 189 |
| 2541 | Community health services (excluding community mental health) | 67 633 |
| 2542 | Community mental health | 16 676 |
| 2543 | Patient transport | 13 880 |
| 255 | Public health services | 23 243 |
| 256 | Pharmaceutical, medical aids and appliances | 8 606 |
| 257 | Health research | 7 054 |
| 259 | Health administration n.e.c. | 60 507 |
| 26 | Social Security | 138 478 |
| 26 | Social Security | 0 |
| 262 | Welfare services | 138 478 |
| 2621 | Family and children services | 52 244 |
| 2622 | Welfare services for the aged | 20 075 |
| 2623 | Welfare services for people with a disability | 47 462 |
| 2629 | Welfare services n.e.c. | 18 698 |
| 269 | Social security and welfare n.e.c. | 0 |

Table 13a: General Government Sector Expenses by Function

| | | 2003-04 Aud. Outcome |
|------------|---|-------------------------|
| | | \$'000 |
| 27 | Housing and Community Amenities | 161 418 |
| 271 | Housing and community development | 136 697 |
| 2711 | <i>Housing</i> | 65 987 |
| 2712/9 | <i>Community development</i> | 70 710 |
| 272 | Water supply | 9 122 |
| 273 | Sanitation and protection of the environment | 12 317 |
| 279 | Other community amenities | 3 283 |
| 28 | Recreation and Culture | 95 050 |
| 281 | Recreation facilities and services | 68 615 |
| 2811 | <i>National parks and wildlife</i> | 19 037 |
| 2819 | <i>Recreation facilities and services n.e.c.</i> | 49 578 |
| 282 | Cultural facilities and services | 18 399 |
| 283 | Broadcasting and film production | 180 |
| 289 | Recreation and culture n.e.c. | 7 855 |
| 29 | Fuel and Energy | 0 |
| 291 | Fuel affairs and services | 0 |
| 2911/2/4/9 | <i>Coal/Petroleum/Nuclear affairs/Fuel affairs and services n.e.c.</i> | 0 |
| 2913 | <i>Gas</i> | 0 |
| 292 | Electricity and other energy | 0 |
| 2921/2 | <i>Electricity</i> | 0 |
| 2929 | <i>Other energy</i> | 0 |
| 299 | Fuel and energy n.e.c. | 0 |
| 30 | Agriculture, Forestry, Fishing and Hunting | 2 487 |
| 301 | Agriculture | 149 |
| 302 | Forestry, Fishing and Hunting | 2 338 |
| 31 | Mining and mineral resources other than fuels; manufacturing; and co | 0 |
| 311 | Mining and mineral resources other than fuels | 0 |
| 312 | Manufacturing | 0 |
| 313 | Construction | 0 |
| 32 | Transport and Communications | 160 564 |
| 321 | Road Transport | 155 271 |
| 3211/3 | <i>Aboriginal community road transport services/Road rehabilitation</i> | 21 767 |
| 3212 | <i>Road maintenance</i> | 22 746 |
| 3214 | <i>Road construction</i> | 33 803 |
| 3219 | <i>Road Transport n.e.c.</i> | 76 955 |
| 322 | Water transport | 0 |
| 3221 | <i>Other water transport services</i> | 0 |
| 3222 | <i>Urban water transport services</i> | 0 |
| 323 | Rail transport | 0 |
| 3231 | <i>Urban rail transport services</i> | 0 |
| 3232 | <i>Non-urban rail transport freight services</i> | 0 |
| 3233 | <i>Non-urban rail transport passengers services</i> | 0 |
| 324 | Air transport | 0 |
| 325 | Pipelines | 0 |
| 328 | Other transport | 0 |
| 3281 | <i>Multi-mode urban transport</i> | 0 |
| 3289 | <i>Other transport n.e.c.</i> | 0 |
| 329 | Communication | 5 293 |

Table 13a: General Government Sector Expenses by Function

| | | 2003-04 Aud. Outcome |
|--------------|---|-------------------------|
| | | \$'000 |
| 33 | Other Economic Affairs | 33 290 |
| 331 | Storage, saleyards and markets | 0 |
| 332 | Tourism and area promotion | 15 512 |
| 333 | Labour and employment affairs | 17 669 |
| 3331 | <i>Vocational training</i> | 17 669 |
| 3339 | <i>Other labour and employment affairs</i> | 0 |
| 339 | Other Economic Affairs | 109 |
| 34 | Other Purposes | 164 895 |
| 341 | Public debt transactions | 74 027 |
| 342 | General purpose inter-government transactions | 4 256 |
| 343 | Natural disaster and drought relief | 30 387 |
| 349 | Other Purposes n.e.c | 56 225 |
| TOTAL | | 2 565 776 |

This is based on preliminary results, and will be confirmed after consultation with the Commonwealth Grants Commission, and the ABS