



AUSTRALIAN CAPITAL TERRITORY

2004-05
Uniform Presentation
Framework
Loan Council Outcome



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Overview

The 2004-05 Outcome Report contains the 2004-05 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 2004-05.

The report provides an analysis of movements between the 2004-05 Budget estimates and the 2004-05 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 gains on financial investments and asset write-offs. Asset sales (land revenue), 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 release program.

A summary of the GFS operating result and net lending / borrowing as at the 2004-05 Budget and the 2004-05 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 – 2004-05 – Budget to Actual

Sector	Budget 2004-05 \$'000	Actual 2004-05 \$'000	Variance \$'000
<i>General Government Sector</i>			
- Net Operating Balance	- 16 622	- 292 920	- 276 298
- Net Lending / Borrowing	- 128 223	- 169 014	- 40 791
<i>Public Non-Financial Corporate Sector #</i>			
- Net Operating Balance	- 69 347	- 86 792	- 17 445
- Net Lending / Borrowing	- 81 841	- 137 566	- 55 725

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

The GFS net operating balance for 2004-05 was a deficit of \$293m. This compares to the AAS31 surplus of \$26m 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 revenue), gain or loss in the market value of investments within the superannuation provision account and revaluations.

Variances from Budget – Net Operating Balance

Within the GGS, the variance between budgets and actuals for 2004-05 of -\$276m is broadly the result of:

- Accounting treatment changes:
 - a change in the treatment of land lease sales, removing \$163m of land revenue from the calculation of net operating balance. This treatment has been adopted since the revised treatment was published in the 2005-06 Budget in compliance with the Australian Bureau of Statistics (ABS). Land lease sales in the ACT had traditionally been recorded as revenue in both AAS31 and GFS. Consequently, this change of treatment has the effect of reducing the GFS net operating balance;
 - a decrease of \$44m in income tax equivalent revenue. In the past, the statements reflected a deferred income tax revenue to provide consistency with other jurisdictions. As ACTEW has started to make actual tax payments which are recorded under taxation revenue, the treatment of recognising a deferred amount has been abolished instead to recognise the actual payment (a lower amount) since the publication of the GFS figures in 2005-06 Budget; and
 - a change in the calculation of the nominal interest unfunded superannuation which results in an increase of \$37m of interest expense. The purpose of this calculation is to estimate the liability for holding the superannuation payment as a nominal cost of borrowing from employees. Formerly the calculation was taken from the 5% of the total superannuation expenses. To reflect a more accurate estimation, the calculation is now based on 5% of the net unfunded balanced superannuation liabilities. An equal but opposite effect is shown under superannuation expense.

- Other variances:
 - a decrease of \$32m in taxation revenue which is primarily attributable to a decrease in stamp duties and associated conveyance revenue as a result of the softening in the property market in the ACT.

Variances from Budget – Net Lending / Borrowing

Within the GGS, the variance between budgets and actuals for 2004-05 of -\$41m 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 (\$12m net decrease from budgeted amount); and
- a change in the classification of the proceeds from finance lease which is now allocated under the other operating receipts, from the other movements in non-financial assets (\$30m net impact).

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 2004-05 Budget and the 2004-05 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 2004-05 \$'000	Actual 2004-05 \$'000	Variance \$'000
<i>General Government Sector</i>	9 436 718	9 264 936	- 171 782

Variances from Budget – Net Worth

The GFS net worth result for 2004-05 was \$9,265m. This compares to a net worth forecast in the 2004-05 Budget of \$9,437m. The variance of -\$172m is largely the result of:

- an actuarial adjustment to superannuation liabilities of \$214m in 2004-05 and the net increase in superannuation liabilities of \$122m in 2003-04, from the estimated outcome published in the 2004-05 Budget Papers;
- a change in accounting treatment for land held for sale (inventory), removing the notional value of the land (\$165m) from the estimated outcome published in the 2004-05 Budget Papers; offset by
- an improvement in the value of superannuation related assets of \$131m, which includes a \$45m improvement in the value of superannuation assets in 2003-04, from the estimated outcome published in the 2004-05 Budget Papers; and
- an improvement in the equity value of the Public Trading Sector of \$205m, which includes a \$33m reduction in the equity value of Public Trading Sector in 2003-04, from the estimated outcome published in the 2004-05 Budget Papers. This is shown as an equity investment in the General Government Sector.

Net Debt

Net debt is calculated by subtracting selected financial assets from selected financial liabilities. Net debt is a measure used by ratings agencies and other analysts 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 2004-05 Budget and the 2004-05 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 2004-05 \$'000	Actual 2004-05 \$'000	Variance \$'000
<i>General Government Sector</i>			
- Including Superannuation Assets	-1 723 141	-1 988 413	- 265 272
- Excluding Superannuation Assets	- 362 535	- 514 268	- 151 733
<i>Public Non-Financial Corporate Sector</i>			
	438 422	414 168	- 24 254

Variances from Budget – Net Debt

The 2004-05 GFS net debt result (including superannuation assets) for GGS was -\$1,988m. This compares to a net debt forecast in the 2004-05 Budget of -\$1,723m. The variance of -\$265m is broadly the result of:

- an improvement in the value of superannuation related assets of \$131m, which includes a \$45m improvement in the value of superannuation assets in 2003-04, from the estimated outcome in the 2004-05 Budget Papers; and
- an underspend in infrastructure payments of \$124m, which includes a \$14m underspend in 2003-04, from the estimated outcome in the 2004-05 Budget Papers. The underspend affects net debt, because the assets used to finance infrastructure purchases (cash and investments) are included in the net debt calculation.

Loan Council Allocation

The ACT is required to advise the Australian Loan Council of the Loan Council Allocation (LCA) outcome for the 2004-05 financial year, as part of the Annual Outcome Report.

The 2004-05 Budget established a LCA Budget-time estimate of \$71m. The budget established a tolerance limit for the Budget-time estimate of between \$126m and \$16m (+/- 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 cash deficit/(surplus)	20	- 52
	PNFC sector cash deficit/(surplus)	54	129
	Non-financial public sector cash deficit/(surplus) (a)	74	77
minus	Net cash flows from investments in financial assets for policy purposes (b)	- 3	- 7
plus	Memorandum items (c)	- 6	- 6
	Loan Council Allocation	71	78

- (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 2004-05 was \$78m. A positive result indicates that the Territory is in a net borrowing position. That is the Territory draws from the financial market, 'rather than contributes to the financial market'.

The 2004-05 outcome does not breach both the upper and lower tolerance limit.

Attachment A

**Uniform
Presentation
Tables**

AUSTRALIAN CAPITAL TERRITORY

2004-05 Outcome

**Uniform Presentation
Framework and
Loan Council Outcome**



Australian Capital Territory Government

Table 1: General Government Sector Operating Statement

	2004-05 Budget	2004-05 Aud. Outcome
	\$'000	\$'000
GFS Revenue (a)		
Taxation Revenue	744 016	711 683
Current grants and subsidies	1 037 723	1 076 246
Capital Grants	29 471	50 452
Sale of goods and services	255 856	273 754
Interest income	82 729	85 959
Other	416 125	192 715
Total revenue	2 565 920	2 390 808
<i>less</i> GFS Expenses (b)		
Gross operating expenses		
Depreciation and Amortisation	153 064	151 488
Superannuation	255 721	237 287
Employee Expenses	874 998	926 994
Non-Employee Expenses	726 483	748 811
Nominal superannuation interest expense	13 460	50 598
Other interest expenses	54 173	53 565
Other property expenses	0	0
Current transfers (c)	491 210	500 028
Capital transfers (c)	13 433	14 958
Total expenses	2 582 542	2 683 728
<i>equals</i> GFS net operating balance	- 16 622	- 292 920
<i>less</i> Net acquisition of non-financial assets		
Purchases of non-financial assets	299 224	188 518
<i>plus</i> Sales of non-financial assets	- 4 639	- 2 077
Land Revenue (cash item)		- 158 860
Depreciation	- 153 064	- 151 488
Change in inventories	0	0
Other movements in non-financial assets	- 29 920	0
<i>equals</i> Total net acquisition of non-financial assets	111 601	- 123 907
<i>equals</i> GFS net lending/Borrowing (Fiscal Balance) (d)	- 128 223	- 169 014

(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 2004-05 Audited Result

AAS31 Operating Result	7 863	25 790
Less Land Revenue (accrual item)		162 636
Gains/Losses on non-financial assets	- 5 253	2 072
Gains/Losses on financial assets	61 446	154 002
plus ACTEW - Income Tax Equivalents	31 708	0
Reconciles to GFS Operating Result	- 16 622	- 292 920
Variance	0	- 0

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

	2004-05 Budget	2004-05 Aud. Outcome
	\$'000	\$'000
GFS Revenue (a)		
Taxation Revenue	0	0
Current grants and subsidies	105 347	101 308
Capital Grants	18 733	18 586
Sale of goods and services	293 110	247 089
Interest income	4 442	6 468
Other	25 271	16 454
Total revenue	446 903	389 905
less GFS Expenses (b)		
Gross operating expenses		
Depreciation and Amortisation	43 656	40 235
Superannuation	9 350	8 353
Employee Expenses	70 268	73 588
Non-Employee Expenses	187 323	194 968
Nominal superannuation interest expense	0	0
Other interest expenses	29 791	29 178
Other property expenses	142 217	101 113
Current transfers (c)	33 645	10 676
Capital transfers (c)	0	18 586
Total expenses	516 250	476 696
equals GFS net operating balance	- 69 347	- 86 792
less Net acquisition of non-financial assets		
Purchases of non-financial assets	121 615	117 974
<i>plus</i> Sales of non-financial assets	- 65 465	- 26 966
Depreciation	- 43 656	- 40 235
Change in inventories	0	0
Other movements in non-financial assets	0	0
<i>equals</i> Total net acquisition of non-financial assets	12 494	50 774
equals GFS net lending/Borrowing (Fiscal Balance) (d)	- 81 841	- 137 566

(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 2004-05 Audited Result

AAS31 Operating Result	60 732	62 079
Less Gains/Losses on non-financial assets	1 650	49 432
Dividends Declared	96 721	99 439
Recognition of Income tax equivalent expense	31 708	0
Reconciles to GFS Operating Result	- 69 347	- 86 792
Variance	0	0

Table 3: Non-Financial Public Sector Operating Statement.

	2004-05 Budget	2004-05 Aud. Outcome
	\$'000	\$'000
GFS Revenue (a)		
Taxation Revenue	727 786	696 012
Current grants and subsidies	1 037 723	1 076 937
Capital Grants	29 471	31 866
Sale of goods and services	508 014	490 613
Interest income	56 684	61 932
Other	266 003	103 068
Total revenue	2 625 681	2 460 428
less GFS Expenses (b)		
Gross operating expenses		
Depreciation and Amortisation	196 516	191 722
Superannuation	257 372	239 624
Employee Expenses	944 470	999 659
Non-Employee Expenses	836 176	897 159
Nominal superannuation interest expense	13 460	50 598
Other interest expenses	53 477	52 248
Other property expenses	0	0
Current transfers (c)	396 746	404 153
Capital transfers (c)	13 433	4 978
Total expenses	2 711 650	2 840 140
equals GFS net operating balance	- 85 969	- 379 712
less Net acquisition of non-financial assets		
Purchases of non-financial assets	420 839	306 492
<i>plus</i> Sales of non-financial assets	- 70 104	- 29 042
Land Revenue (cash item)		- 158 860
Depreciation	- 196 516	- 191 722
Change in inventories	0	0
Other movements in non-financial assets	- 29 920	0
<i>equals</i> Total net acquisition of non-financial assets	124 299	- 73 133
equals GFS net lending/Borrowing (Fiscal Balance) (d)	- 210 268	- 306 580

(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 2004-05 Audited Result

AAS31 Operating Result	- 28 126	- 11 570
Less Land Revenue (accrual item)		162 636
Gains/Losses on non-financial assets	- 3 603	51 504
Gains/Losses on financial assets	61 446	154 002
Reconciles to GFS Operating Result	- 85 969	- 379 712
Variance	0	0

Table 5: General Government Sector Balance Sheet

	2004-05 Budget	2004-05 Aud. Outcome
	\$'000	\$'000
Assets		
Financial Assets		
Cash and deposits	62 194	65 315
Advances paid	512 213	506 093
Investments, loans and placements	2 051 614	2 361 990
Other non-equity assets	250 507	145 643
Equity	3 763 612	4 009 886
<i>Total financial assets</i>	6 640 140	7 088 926
Non Financial Assets		
Land and fixed assets	6 001 498	6 013 433
Other non financial assets	383 834	193 672
<i>Total non financial assets</i>	6 385 332	6 207 105
Total assets	13 025 472	13 296 031
Liabilities		
Deposits held	8 895	27 395
Advances received	246 690	250 781
Borrowing	647 295	666 809
Superannuation liability (a)	2 167 157	2 502 301
Other employee entitlements and provisions	253 913	290 309
Other non-equity liabilities	264 804	293 500
Total liabilities	3 588 754	4 031 095
Net Worth	9 436 718	9 264 936
Net Financial Worth (b)	3 051 386	3 057 831
Net Debt (c)	-1 723 141	-1 988 413
Net Debt (excluding superannuation related investments) (c)	- 362 535	- 514 268
Reconciliation to 2004-05 Audited Result		
Budgeted Net Assets	5 660 668	5 284 060
plus Inclusion of PTE Equity in GFS statements	3 744 342	3 980 875
plus Income tax equivalent	31 708	0
Total	9 436 718	9 264 936
Variance	0	0

(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

Table 6: Public Non-Financial Corporation Sector Balance Sheet

	2004-05 Budget	2004-05 Aud. Outcome
	\$'000	\$'000
Assets		
Financial Assets		
Cash and deposits	23 560	38 449
Advances paid	0	0
Investments, loans and placements	23 538	35 416
Other non-equity assets	65 124	73 683
Equity	348 558	352 221
<i>Total financial assets</i>	460 780	499 769
Non Financial Assets		
Land and fixed assets	3 831 065	4 031 318
Other non financial assets	78 698	59 080
<i>Total non financial assets</i>	3 909 763	4 090 398
Total assets	4 370 543	4 590 167
Liabilities		
Deposits held	0	0
Advances received	481 083	485 797
Borrowing	4 437	2 236
Superannuation liability (a)	165	84
Other employee entitlements and provisions	97 053	63 787
Other non-equity liabilities	43 463	57 387
Total liabilities	626 201	609 291
Shares and Contributed Assets	3 744 342	3 980 875
Net Worth	0	0
Net Financial Worth (b)	- 165 421	- 109 522
Net Debt (c)	438 422	414 168

(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 2004-05 Audited Result

Budgeted Net Assets	3 776 050	3 980 875
less Income tax equivalent	31 708	0
Shares and Contributed Assets	3 744 342	3 980 875
Variance	0	0

Table 7: Non-Financial Public Sector Balance Sheet

	2004-05 Budget	2004-05 Aud. Outcome
	\$'000	\$'000
Assets		
Financial Assets		
Cash and deposits	76 859	87 714
Advances paid	31 130	20 296
Investments, loans and placements	2 075 152	2 397 406
Other non-equity assets	237 114	130 764
Equity	367 808	381 212
<i>Total financial assets</i>	2 788 063	3 017 391
Non Financial Assets		
Land and fixed assets	9 832 563	10 044 751
Other non financial assets	449 947	240 595
<i>Total non financial assets</i>	10 282 510	10 285 346
Total assets	13 070 573	13 302 737
Liabilities		
Deposits held	0	11 345
Advances received	246 690	250 781
Borrowing	651 732	669 045
Superannuation liability (a)	2 167 322	2 502 385
Other employee entitlements and provisions	314 507	322 390
Other non-equity liabilities	253 604	281 855
Total liabilities	3 633 855	4 037 801
Net Worth	9 436 718	9 264 936
Net Financial Worth (b)	- 845 792	-1 020 410
Net Debt (c)	-1 284 719	-1 574 245
Net Debt (excluding superannuation related investments) (c)	75 887	- 100 100
Reconciliation to 2004-05 Audited Result		
Budgeted Net Assets	9 436 718	9 264 936
Variance	0	0

(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

Table 9: General Government Sector Cash Flow Statement

	2004-05 Budget \$'000	2004-05 Aud. Outcome \$'000
Cash receipts from operating activities		
Taxes received	768 884	738 455
Receipts from sales of goods and services	281 819	317 777
Grants/subsidies received	1 076 218	1 135 631
Other receipts	526 123	405 153
<i>Total receipts</i>	2 653 044	2 597 016
Cash payments for operating activities		
Payments for goods and services	-1 741 987	-1 694 432
Grants and subsidies paid	- 408 303	- 507 449
Interest paid	- 53 667	- 54 581
Other payments	- 204 666	- 261 051
<i>Total payments</i>	-2 408 623	-2 517 513
Net cash flows from operating activities	244 421	79 503
Net cash flows from investments		
in non-financial assets		
Sales of non-financial assets	4 639	160 937
<i>less</i> Purchases of non-financial assets (a)	- 299 224	- 188 518
Net cashflows from investments in non-financial assets	- 294 585	- 27 581
Net cash flows from investments in financial assets for policy purposes (b)	- 16 323	- 12 646
Net cash flows from investments in financial assets for liquidity purposes	- 93 556	- 127 460
Net cash flows from financing activities		
Advances received (net)	0	- 11 027
Borrowing (net)	- 41 046	- 37 520
Deposits received (net)	0	0
Other financing (net)	- 12 605	- 0
Net cash flows from financing activities	- 53 651	- 48 548
Net increase (decrease) in cash held	- 213 694	- 136 732
Net cash from operating activities and investments in non financial assets	- 50 164	51 922
<i>less</i> Finance leases and similar arrangements (c)	29 920	0
Surplus (+) / deficit (-) (d)	- 20 244	51 922
(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 2004-05 Audited Result		
Audited Net Increase/(Decrease) in Cash	- 183 774	- 136 732
Add back items not included in calculation		
Cash flows from investments in financial assets (policy purposes) (a)	16 323	12 646
Cash flows from investments in financial assets (liquidity purposes)	93 556	127 460
Advances received (net)	0	11 027
Borrowing (net)	41 046	37 520
Deposits received (net)	0	0
Other financing (net)	12 605	0
Total	- 20 244	51 922
Variance	0	0

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

	2004-05 Budget \$'000	2004-05 Aud. Outcome \$'000
Cash receipts from operating activities		
Taxes received	0	0
Receipts from sales of goods and services	250 788	253 233
Grants/subsidies received	113 134	119 750
Other receipts	62 751	23 263
<i>Total receipts</i>	426 673	396 246
Cash payments for operating activities		
Payments for goods and services	- 257 644	- 264 664
Grants and subsidies paid	- 10 882	- 23 294
Interest paid	- 29 791	- 29 675
Other payments	- 126 345	- 116 628
<i>Total payments</i>	- 424 662	- 434 261
Net cash flows from operating activities	2 011	- 38 015
Net cash flows from investments in non-financial assets		
Sales of non-financial assets	65 465	26 966
<i>less</i> Purchases of non-financial assets (a)	- 121 615	- 117 974
Net cashflows from investments in non-financial assets	- 56 150	- 91 009
Net cash flows from investments in financial assets for policy purposes (b)	0	8 945
Net cash flows from investments in financial assets for liquidity purposes	13 311	74 251
Net cash flows from financing activities		
Advances received (net)	8 945	- 14 145
Borrowing (net)	9 078	23 854
Deposits received (net)	0	0
Other financing (net)	0	0
Net cash flows from financing activities	18 023	9 709
Net increase (decrease) in cash held	- 22 805	- 36 118
Net cash from operating activities and investments in non financial assets	- 54 139	- 129 024
<i>less</i> Finance leases and similar arrangements (c)	0	0
Surplus (+) / deficit (-) (d)	- 54 139	- 129 024
<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 2004-05 Audited Result		
Audited Net Increase/(Decrease) in Cash	- 22 805	- 36 118
Add back items not included in calculation		
Cash flows from investments in financial assets (policy purposes) (a)	0	- 8 945
Cash flows from investments in financial assets (liquidity purposes)	- 13 311	- 74 251
Advances received (net)	- 8 945	14 145
Borrowing (net)	- 9 078	- 23 854
Deposits received (net)	0	0
Other financing (net)	0	0
Total	- 54 139	- 129 024
Variance	0	0

Table 11: Non-Financial Public Sector Cash Flow Statement

	2004-05 Budget \$'000	2004-05 Aud. Outcome \$'000
Cash receipts from operating activities		
Taxes received	739 842	707 509
Receipts from sales of goods and services	495 394	530 474
Grants/subsidies received	1 076 218	1 117 756
Other receipts	452 353	312 328
<i>Total receipts</i>	2 763 807	2 668 067
Cash payments for operating activities		
Payments for goods and services	-1 923 994	-1 910 850
Grants and subsidies paid	- 411 509	- 411 434
Interest paid	- 52 972	- 52 831
Other payments	- 128 900	- 251 464
<i>Total payments</i>	-2 517 375	-2 626 578
Net cash flows from operating activities	246 432	41 488
Net cash flows from investments		
in non-financial assets		
Sales of non-financial assets	70 104	187 903
<i>less</i> Purchases of non-financial assets (a)	- 420 839	- 306 492
Net cashflows from investments in non-financial assets	- 350 735	- 118 589
Net cash flows from investments in financial assets for policy purposes (b)	2 852	7 154
Net cash flows from investments in financial assets for liquidity purposes	- 92 850	- 53 209
Net cash flows from financing activities		
Advances received (net)	0	- 11 027
Borrowing (net)	- 42 198	- 38 666
Deposits received (net)	0	0
Other financing (net)	0	0
Net cash flows from financing activities	- 42 198	- 49 693
Net increase (decrease) in cash held	- 236 499	- 172 850
Net cash from operating activities and investments in non financial assets	- 104 303	- 77 101
<i>less</i> Finance leases and similar arrangements (c)	29 920	0
Surplus (+) / deficit (-) (d)	- 74 383	- 77 101
(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 2004-05 Audited Result		
Audited Net Increase/(Decrease) in Cash	- 206 579	- 172 850
Add back items not included in calculation		
Cash flows from investments in financial assets (policy purposes) (a)	- 2 852	- 7 154
Cash flows from investments in financial assets (liquidity purposes)	92 850	53 209
Advances received (net)	0	11 027
Borrowing (net)	42 198	38 666
Deposits received (net)	0	0
Other financing (net)	0	0
Total	- 74 383	- 77 101
Variance	0	- 0

Table 13: General Government Sector Expenses by Function

	2004-05 Aud. Outcome
	<u>\$'000</u>
General public Services	491 034
Defence	0
Public order and Safety	222 421
Education	600 242
Health	590 163
Social security and welfare	169 280
Housing and community amenities	132 053
Recreation and culture	95 426
Fuel and energy	0
Agriculture, forestry, fishing and hunting	2 792
Mining, manufacturing and construction	0
Transport and communication	160 742
Other economic affairs	42 368
Other purposes	177 207
Total GFS Expenses	2 683 728

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

		2004-05 Aud. Outcome
		\$'000
01	General Public services	491 034
011	Government superannuation benefits	287 885
019	Other general public services	203 149
03	Public Order and safety	222 421
031	Police and fire protection services	128 521
0311	Police services	89 958
0312	Fire protection services	38 562
032	Law courts and legal services	49 504
033	Prisons and corrective services	38 748
039	Other public order and safety	5 648
04	Education	600 242
041	Primary and secondary education	471 343
0411	Primary education	230 957
0412	Secondary education	240 386
0419	Primary and secondary education n.e.c.	0
042	Tertiary education	98 350
0421	University education	26 684
0422	Technical and further education	71 666
0429	Tertiary education n.e.c.	0
043	Pre-school education and education not definable by level	30 091
0431	Pre-school education	14 125
0432	Special education	15 966
0439	Other education not definable by level	0
044	Transportation of students	457
0441	Transportation of non-urban school children	195
0449	Transportation of other students	263
049	Education n.e.c.	0
05	Health	590 163
251	Acute care institutions	359 007
0511	Admitted patient services in acute care institutions	359 007
0512	Non-admitted patient services in acute care institutions	0
052	Mental health institutions	3 211
053	Nursing homes for the aged	0
054	Community health services	112 730
0541	Community health services (excluding community mental health)	77 698
0542	Community mental health	19 313
0549	Patient transport	15 718
055	Public health services	24 492
056	Pharmaceutical, medical aids and appliances	6 967
057	Health research	7 278
059	Health administration n.e.c.	76 478

Table 13a: General Government Sector Expenses by Function

2004-05
Aud. Outcome

\$'000

		2004-05 Aud. Outcome
		\$'000
06	Social Security	169 280
061	Social Security	0
062	Welfare services	169 280
0621	<i>Family and children services</i>	74 657
0622	<i>Welfare services for the aged</i>	19 530
0623	<i>Welfare services for people with a disability</i>	52 259
0629	<i>Welfare services n.e.c.</i>	22 834
069	Social security and welfare n.e.c.	0
07	Housing and Community Amenities	132 053
071	Housing and community development	105 186
0711	<i>Housing</i>	35 238
0712	<i>Community development</i>	69 948
072	Water supply	969
073	Sanitation and protection of the environment	22 298
079	Other community amenities	3 601
08	Recreation and Culture	95 426
081	Recreation facilities and services	65 345
0811	<i>National parks and wildlife</i>	18 211
0819	<i>Recreation facilities and services n.e.c.</i>	47 135
082	Cultural facilities and services	23 186
083	Broadcasting and film production	0
089	Recreation and culture n.e.c.	6 895
09	Fuel and Energy	0
091	Fuel affairs and services	0
0919	<i>Coal/Petroleum/Nuclear affairs/Fuel affairs and services n.e.c.</i>	0
0911	<i>Gas</i>	0
092	Electricity and other energy	0
0921	<i>Electricity</i>	0
0929	<i>Other energy</i>	0
099	Fuel and energy n.e.c.	0
10	Agriculture, Forestry, Fishing and Hunting	2 792
101	Agriculture	222
102	Forestry, Fishing and Hunting	2 570
11	Mining and mineral resources other than fuels; manufacturing; and con	0
111	Mining and mineral resources other than fuels	0
112	Manufacturing	0
113	Construction	0

Table 13a: General Government Sector Expenses by Function

2004-05
Aud. Outcome

\$'000

12 Transport and Communications		160 742
121	Road Transport	148 717
1212	Road rehabilitation	22 783
1211	Road maintenance	28 060
1213	Road construction	34 591
1219	Road Transport n.e.c.	63 283
122	Water transport	0
1222	Non-urban water transport services	0
1221	Urban water transport services	0
123	Rail transport	0
1231	Urban rail transport services	0
1232	Non-urban rail transport freight services	0
1233	Non-urban rail transport passengers services	0
124	Air transport	0
125	Pipelines	0
128	Other transport	0
1281	Multi-mode urban transport	0
1289	Other transport n.e.c.	0
129	Communication	12 025
13	Other Economic Affairs	42 368
131	Storage, saleyards and markets	0
132	Tourism and area promotion	19 918
133	Labour and employment affairs	22 451
1331	Vocational training	22 451
1339	Other labour and employment affairs	0
139	Other Economic Affairs	0
14	Other Purposes	177 207
141	Public debt transactions	53 626
142	General purpose inter-government transactions	45 150
143	Natural disaster and drought relief	8 764
149	Other Purposes n.e.c.	69 667
TOTAL		2 683 728

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

Table 16: Loan Council Allocation

		Budget-time Estimate	Outcome
		\$'m	\$'m
	General government sector cash deficit/(surplus)	20	- 52
	PNFC sector cash deficit/(surplus)	54	129
	Non-financial public sector cash deficit/(surplus) (a)	74	77
minus	Net cash flows from investments in financial assets for policy purposes (b)	- 3	- 7
plus	Memorandum items (c)	- 6	- 6
	Loan Council Allocation	71	78

(a) The sum of the deficits of the general government and PNFC sector does not equal the non-financial public sector deficit 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 LCA's 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