



AUSTRALIAN CAPITAL TERRITORY

2005-06

Uniform Presentation  
Framework  
Loan Council Outcome

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## Overview

The 2005-06 Outcome Report contains the 2005-06 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 2005-06.

The report provides an analysis of movements between the 2005-06 Budget estimates and the 2005-06 actual results, for the General Government Sector (GGS).

A summary of the GFS operating result and net lending / borrowing as at the 2005-06 Budget and the 2005-06 actual results for the GGS and the Public Non-Financial Corporation (PNFC) sector, is presented in Table A. A breakdown is provided in **Attachment A**.

**Table A: Operating Result and Net Lending / Borrowing – 2005-06 – Budget to Actual**

Sector	Budget 2005-06 \$'000	Actual 2005-06 \$'000	Variance \$'000
<i>General Government Sector</i>			
- Net Operating Balance	- 356 020	- 171 814	184 206
- Net Lending / Borrowing	- 366 575	- 178 935	187 640
<i>Public Non-Financial Corporate Sector #</i>			
- Net Operating Balance	- 20 049	- 246 274	- 226 225
- Net Lending / Borrowing	- 11 355	- 57 918	- 46 563

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

## Net Operating Balance

GFS revenue includes all mutually agreed transactions that increase net worth. Asset revaluations are not considered mutually agreed transactions and are therefore excluded from GFS revenue. This includes gains on financial investments and asset write-offs. Asset sales (such as land), 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.

The GFS net operating balance for 2005-06 was a deficit of \$172 million. Within the GGS, the improvement between the original budget and actual for 2005-06 of \$184 million (or 52 per cent) is broadly the result of:

- Accounting treatment changes:
  - o During the 2005-06 financial year the Land Development Agency's (LDA) status was changed from a General Government Sector (GGS) entity to one within the Public Non-Financial Corporation (PNFC) sector. Accordingly, the acquisition of unleased land from the Territory was conducted on a commercial basis and at market prices. LDA carried out development and sale of the land in order to achieve a commercial return, which was delivered to the Government by way of a dividend to the General Government Sector.

This change has been reflected in the actual outcome for 2005-06, but has not been backcast to be reflected in the annual budget.

Generally, the impact on the GGS from this change is the removal of costs associated with the development of land, the inclusion of a dividend return from the PTE sector of \$43 million, and the impact of the transfer of completed infrastructure assets to the GGS from the PTE sector of \$33 million.

- o Prior to 2005-06, the Superannuation Unit classified all investment income earned from its investment manager as capital gains or losses.

For the Territory's 2005-06 outcome, the interest and dividend investment income have been classified as revenue. Changes in the unit price remains classified as gains on investments. This change in the classification better reflects the nature of these earnings.

This treatment change has contributed to an improvement of \$50 million, as budgeted investment returns were classified as investment gains, and not included in the GFS Net Operating Balance.

- Other variances include:
  - o a \$17 million increase in cross border health revenue reflecting the acquittal of prior year activities and partial prepayment of funds for 2006-07;
  - o a \$10 million increase in interest due to higher than expected average interest rates and balances;
  - o an \$18 million decrease in current transfers, primarily reflecting a revision to on-passed expenditure for non-government schools (\$10 million), delays in finalising of several community and housing grant projects (\$4 million) and lower concession payments for electricity and gas services (\$1 million); and
  - o a \$23 million decrease in non-employee expenses;

partially offset by:

- o a \$69 million increase in superannuation expenses. The triennial review of superannuation liabilities identified increased numbers of retirees taking PSS superannuation benefits as a pension rather than as a lump sum, an increase in the average rate of personal superannuation contributions by PSS members and lower discount rate assumptions. The discount rate used to value superannuation liabilities is the annualised 10-year bond rate. The annualised 10-year bond rate decreased from the last actuarial review completed at 30 June 2005, which was used as the basis for budget estimates.

### 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 sale of land to the Land Development Agency and private developers.

The GFS net lending / borrowing balance for 2005-06 was a deficit of \$179 million. Within the GGS, the variance between the original budget and actual for 2005-06 of \$188 million (or 51 per cent) is broadly the result of:

- the variations to the net operating balance, as outlined above; and
- a decrease in purchases of non-financial assets (\$144 million) resulting largely from capital works rollovers associated with the correctional facility (\$37 million), the convention centre (\$19 million), the Gungahlin Drive Extension (\$7 million), Dragway (\$8 million) and Canberra Glassworks (\$4 million) projects;

offset by:

- a decrease in GGS land revenue (\$134 million) resulting from the transfer of the LDA to the PNFC sector; and
- a decrease in the sale of non-financial assets (\$5 million), largely associated with the transfer of the LDA to the PNFC sector.

### 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 2005-06 Budget and the 2005-06 actual result is presented in Table B. A breakdown is provided in **Attachment A**.

**Table B: Net Worth of the GGS**

<b>Sector</b>	<b>Budget 2005-06 \$'000</b>	<b>Actual 2005-06 \$'000</b>	<b>Variance \$'000</b>
<i>General Government Sector</i>	9 334 950	9 445 351	110 401

The GFS net worth result for 2005-06 was \$9,445 million. This compares to a net worth forecast in the 2005-06 Budget of \$9,335 million. The improvement of \$110 million is largely the result of the improvement in the net operating balance, fixed asset revaluations and an improvement in the market values of financial assets. The variation is also affected by an improvement in the equity value of the PNFC sector offset by a revaluation to superannuation liabilities.

### 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 includes 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 2005-06 Budget and the 2005-06 actual result is presented in Table C. A breakdown is provided in **Attachment A**.

**Table C: Net Debt of the GGS and PNFC sectors**

<b>Sector</b>	<b>Budget 2005-06 \$'000</b>	<b>Actual 2005-06 \$'000</b>	<b>Variance \$'000</b>
<i>General Government Sector</i>			
- Including Superannuation Assets	-1 772 606	-2 227 764	- 455 158
- Excluding Superannuation Assets	- 144 205	- 434 552	- 290 347
<i>Public Non-Financial Corporate Sector</i>			
	432 017	372 867	- 59 150

The 2005-06 GFS net debt result (including superannuation assets) for GGS was -\$2,228 million. This compares to a net debt forecast in the 2005-06 Budget of -\$1,773 million.

The variance of -\$290 million (excluding superannuation assets) is broadly the result of the reduction in expenditure on fixed assets of \$144 million and additional dividends from the PNFC sector of \$82 million.

### Loan Council Allocation

The ACT is required to advise the Australian Loan Council of the Loan Council Allocation (LCA) outcome for the 2005-06 financial year, as part of the Annual Outcome Report.

The 2005-06 Budget established a LCA Budget-time estimate of \$197 million. The budget established a tolerance limit for the Budget-time estimate of between \$251 million and \$143 million (+/- 2 per cent 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)	171	- 78
PNFC sector cash deficit/(surplus)	30	3
Non-financial public sector cash deficit/(surplus) (a)	201	- 75
Net cash flows from investments in financial assets for policy purposes (b)	- 2	- 5
Memorandum items (c)	- 6	- 6
<b>Loan Council Allocation</b>	<b>197</b>	<b>- 76</b>

- (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 2005-06 was -\$76 million. A negative result indicates that the Territory is in a net lending position. That is the Territory contributes to the financial market, rather than drawing from the financial market.

The 2005-06 outcome breaches the lower tolerance limit by \$219 million.

The principal reasons for breaching the tolerance limit include:

- an increase in the sale of goods and services of \$46 million due largely to an increase in cross border health receipts of \$17 million, reflecting the acquittal of prior year activities and partial prepayment of funds for 2006-07, and service receipts (for example, high cost drugs, billable non-hospital based and private patient activities) of \$11 million;
- a decrease in grants paid of \$24 million, primarily relating to a revision to on-passed expenditure for non-government schools (\$10 million), delays in the finalisation of several community and housing grant projects (\$4 million) and lower concessions payments for electricity and gas services (\$1 million); and
- a reduction in expenditure on capital works of \$154 million resulting from rollovers associated with the correctional facility (\$37 million), the convention centre (\$19 million), the Gungahlin Drive Extension (\$7 million), Dragway (\$8 million) and Canberra Glassworks (\$4 million) projects.

**Attachment A**

**Uniform  
Presentation  
Tables**

**AUSTRALIAN CAPITAL TERRITORY**

**2005-06 Outcome**

**Uniform Presentation  
Framework and  
Loan Council Outcome**



Australian Capital Territory Government

Table 1: General Government Sector Operating Statement

	2005-06 Budget	2005-06 Actual
	\$'000	\$'000
<b>GFS Revenue (a)</b>		
Taxation Revenue	775 771	781 838
Current grants and subsidies	1 115 358	1 118 145
Capital Grants	51 598	37 807
Sale of goods and services	289 497	310 161
Interest income	77 425	111 475
Other	149 617	297 935
<b>Total revenue</b>	<b>2 459 266</b>	<b>2 657 361</b>
<b>less GFS Expenses (b)</b>		
Gross operating expenses		
Depreciation and Amortisation	159 286	158 024
Superannuation (e)	299 220	239 716
Employee Expenses	974 102	968 807
Non-Employee Expenses	738 694	715 284
Nominal superannuation interest expense (e)	15 747	143 882
Other interest expenses	57 806	60 506
Other property expenses	0	0
Current transfers (c)	517 948	500 123
Capital transfers (c)	52 483	42 834
<b>Total expenses</b>	<b>2 815 286</b>	<b>2 829 175</b>
<b>equals GFS net operating balance</b>	<b>- 356 020</b>	<b>- 171 814</b>
<b>less Net acquisition of non-financial assets</b>		
Purchases of non-financial assets	360 775	216 536
<i>plus</i> Sales of non-financial assets	- 8 453	- 3 491
Land Revenue (cash item)	- 182 481	- 47 900
Depreciation	- 159 286	- 158 024
Change in inventories	0	0
Other movements in non-financial assets	0	0
<i>equals</i> Total net acquisition of non-financial assets	10 555	7 121
<b>equals GFS net lending/Borrowing (Fiscal Balance) (d)</b>	<b>- 366 575</b>	<b>- 178 935</b>

(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.

(e) The increase of Nominal Superannuation Interest Expense represents a change in the calculation methodology to reflect a more accurate treatment. The Nominal Superannuation Interest Expense is now calculated at 5.75 per cent of total Superannuation Liabilities at the end of prior financial year. The offsetting impact is reflected in the Superannuation Expenses line item.

**Reconciliation to 2005-06 AAS31 Audited Result**

AAS31 Operating Surplus/(Deficit)	- 91 493	136 606
Less Land Revenue (accrual item)	173 982	89 555
Gains/Losses on non-financial assets	4 705	45 984
Gains/Losses on financial assets	85 840	172 881
Reconciles to GFS Operating Result	- 356 020	- 171 814
Variance	0	0

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

	2005-06 Budget	2005-06 Actual
	\$'000	\$'000
<b>GFS Revenue (a)</b>		
Taxation Revenue	0	0
Current grants and subsidies	102 976	85 905
Capital Grants	34 061	37 178
Sale of goods and services	298 201	272 013
Interest income	3 322	8 298
Other	5 955	17 274
<b>Total revenue</b>	<b>444 515</b>	<b>420 668</b>
<b>less GFS Expenses (b)</b>		
Gross operating expenses		
Depreciation and Amortisation	44 524	41 732
Superannuation	10 044	9 531
Employee Expenses	73 693	79 965
Non-Employee Expenses	197 135	286 225
Nominal superannuation interest expense	0	0
Other interest expenses	30 593	30 788
Other property expenses	74 637	154 364
Current transfers (c)	15 153	12 295
Capital transfers (c)	18 785	52 042
<b>Total expenses</b>	<b>464 564</b>	<b>666 942</b>
<b>equals GFS net operating balance</b>	<b>- 20 049</b>	<b>- 246 274</b>
<b>less Net acquisition of non-financial assets</b>		
Purchases of non-financial assets	86 791	77 514
<i>plus</i> Sales of non-financial assets	- 50 961	- 224 137
Depreciation	- 44 524	- 41 732
Change in inventories	0	0
Other movements in non-financial assets	0	0
<i>equals</i> Total net acquisition of non-financial assets	- 8 694	- 188 355
<b>equals GFS net lending/Borrowing (Fiscal Balance) (d)</b>	<b>- 11 355</b>	<b>- 57 918</b>

(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 2005-06 AAS31 Audited Result

AAS31 Operating Surplus/(Deficit)	39 318	112 658
Less Gains/Losses on non-financial assets	- 951	216 258
Dividends Declared	60 318	142 673
Reconciles to GFS Operating Result	- 20 049	- 246 274
Variance	0	0

Table 3: Non-Financial Public Sector Operating Statement.

	2005-06 Budget	2005-06 Actual
	\$'000	\$'000
<b>GFS Revenue (a)</b>		
Taxation Revenue	758 146	761 973
Current grants and subsidies	1 115 358	1 118 661
Capital Grants	32 813	37 807
Sale of goods and services	548 574	548 051
Interest income	49 852	85 592
Other	84 851	134 994
<b>Total revenue</b>	<b>2 589 594</b>	<b>2 687 078</b>
<b>less GFS Expenses (b)</b>		
Gross operating expenses		
Depreciation and Amortisation	203 273	199 756
Superannuation (e)	301 406	242 722
Employee Expenses	1 047 020	1 047 101
Non-Employee Expenses	879 719	960 807
Nominal superannuation interest expense (e)	15 747	143 882
Other interest expenses	57 504	55 592
Other property expenses	0	0
Current transfers (c)	442 572	428 135
Capital transfers (c)	18 422	16 367
<b>Total expenses</b>	<b>2 965 663</b>	<b>3 094 363</b>
<b>equals GFS net operating balance</b>	<b>- 376 069</b>	<b>- 407 286</b>
<b>less Net acquisition of non-financial assets</b>		
Purchases of non-financial assets	447 566	294 051
<i>plus</i> Sales of non-financial assets	- 241 895	- 227 629
Depreciation	- 203 273	- 199 756
Change in inventories	0	0
Other movements in non-financial assets	0	0
<i>equals</i> Total net acquisition of non-financial assets	2 398	- 133 334
<b>equals GFS net lending/Borrowing (Fiscal Balance) (d)</b>	<b>- 378 467</b>	<b>- 273 951</b>

(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.

(e) The increase of Nominal Superannuation Interest Expense represents a change in the calculation methodology to reflect a more accurate treatment.

The Nominal Superannuation Interest Expense is now calculated at 5.75 per cent of total Superannuation Liabilities at the end of prior financial year.

The offsetting impact is reflected in the Superannuation Expenses line item.

#### Reconciliation to 2005-06 AAS31 Audited Result

AAS31 Operating Surplus/(Deficit)	- 112 493	80 404
Less Land Revenue (accrual item)	173 982	0
Gains/Losses on non-financial assets	3 754	314 808
Gains/Losses on financial assets	85 840	172 881
Reconciles to GFS Operating Result	- 376 069	- 407 286
Variance	0	0

Table 5: General Government Sector Balance Sheet

	2005-06 Budget	2005-06 Actual
	\$'000	\$'000
<b>Assets</b>		
Financial Assets		
Cash and deposits	71 558	72 876
Advances paid	488 445	510 662
Investments, loans and placements	2 181 621	2 657 110
Other non-equity assets	207 161	169 959
Equity	4 180 998	4 219 186
<i>Total financial assets</i>	7 129 783	7 629 793
Non Financial Assets		
Land and fixed assets	5 888 859	6 181 439
Other non financial assets	562 796	113 888
<i>Total non financial assets</i>	6 451 655	6 295 327
<b>Total assets</b>	<b>13 581 438</b>	<b>13 925 120</b>
<b>Liabilities</b>		
Deposits held	17 981	74 163
Advances received	235 654	239 746
Borrowing	715 383	698 975
Superannuation liability (a)	2 728 402	2 891 184
Other employee entitlements and provisions	282 805	292 344
Other non-equity liabilities	266 263	283 357
<b>Total liabilities</b>	<b>4 246 488</b>	<b>4 479 769</b>
<b>Net Worth</b>	<b>9 334 950</b>	<b>9 445 351</b>
Net Financial Worth (b)	2 883 295	3 150 023
Net Debt (c)	-1 772 606	-2 227 764
Net Debt (excluding superannuation related investments) (c)	- 144 205	- 434 552

(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 2005-06 AAS31 Audited Result**

Audited Net Assets	5 185 872	5 226 184
plus Inclusion of PTE Equity in GFS statements	4 149 078	4 219 166
Total	9 334 950	9 445 351
Variance	0	0

Table 6: Public Non-Financial Corporation Sector Balance Sheet

	2005-06 Budget	2005-06 Actual
	\$'000	\$'000
<b>Assets</b>		
Financial Assets		
Cash and deposits	31 254	84 115
Advances paid	0	0
Investments, loans and placements	9 279	40 962
Other non-equity assets	65 047	76 244
Equity	390 731	388 270
<i>Total financial assets</i>	496 311	589 592
Non Financial Assets		
Land and fixed assets	4 170 878	4 163 325
Other non financial assets	80 838	181 054
<i>Total non financial assets</i>	4 251 716	4 344 380
<b>Total assets</b>	<b>4 748 027</b>	<b>4 933 971</b>
<b>Liabilities</b>		
Deposits held	0	0
Advances received	465 565	495 664
Borrowing	6 985	2 280
Superannuation liability (a)	87	72
Other employee entitlements and provisions	56 027	115 220
Other non-equity liabilities	70 285	101 568
<b>Total liabilities</b>	<b>598 949</b>	<b>714 805</b>
<b>Shares and Contributed Assets</b>	<b>4 149 078</b>	<b>4 219 166</b>
<b>Net Worth</b>	<b>0</b>	<b>0</b>
Net Financial Worth (b)	- 102 638	- 125 213
Net Debt (c)	432 017	372 867

(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 2005-06 AAS31 Audited Result

Audited Net Assets	4 149 078	4 219 166
<i>less</i> Shares and Contributed Assets	4 149 078	4 219 166
Variance	0	0

Table 7: Non-Financial Public Sector Balance Sheet

	2005-06 Budget	2005-06 Actual
	\$'000	\$'000
<b>Assets</b>		
Financial Assets		
Cash and deposits	84 831	95 321
Advances paid	22 880	14 997
Investments, loans and placements	2 190 900	2 698 072
Other non-equity assets	225 960	126 623
Equity	422 631	388 270
<i>Total financial assets</i>	2 947 202	3 323 282
Non Financial Assets		
Land and fixed assets	10 059 737	10 340 863
Other non financial assets	630 074	262 843
<i>Total non financial assets</i>	10 689 811	10 603 706
<b>Total assets</b>	<b>13 637 013</b>	<b>13 926 988</b>
<b>Liabilities</b>		
Deposits held	0	12 492
Advances received	235 654	239 746
Borrowing	722 368	701 255
Superannuation liability (a)	2 728 489	2 891 256
Other employee entitlements and provisions	337 432	368 882
Other non-equity liabilities	278 120	294 193
<b>Total liabilities</b>	<b>4 302 063</b>	<b>4 507 825</b>
<b>Net Worth</b>	<b>9 334 950</b>	<b>9 419 164</b>
Net Financial Worth (b)	-1 354 861	-1 184 542
Net Debt (c)	-1 340 589	-1 854 896
Net Debt (excluding superannuation related investments) (c)	287 812	- 61 685

(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 2005-06 AAS31 Audited Result**

Audited Net Assets	9 334 950	9 419 164
Variance	0	0

Table 9: General Government Sector Cash Flow Statement

	2005-06 Budget \$'000	2005-06 Actual \$'000
<b>Cash receipts from operating activities</b>		
Taxes received	801 325	782 184
Receipts from sales of goods and services	319 424	338 076
Grants/subsidies received	1 178 096	1 183 552
Interest	76 396	97 521
Other receipts	223 968	341 724
<i>Total receipts</i>	2 599 209	2 743 058
<b>Cash payments for operating activities</b>		
Payments for goods and services	-1 723 676	-1 647 827
Grants and subsidies paid	- 553 417	- 534 056
Interest paid	- 57 578	- 57 628
Other payments	- 265 688	- 260 454
<i>Total payments</i>	-2 600 359	-2 499 964
<b>Net cash flows from operating activities</b>	<b>- 1 150</b>	<b>243 094</b>
<b>Net cash flows from investments in non-financial assets</b>		
Sales of non-financial assets	190 934	51 391
<i>less</i> Purchases of non-financial assets (a)	- 360 775	- 216 536
Net cashflows from investments in non-financial assets	<b>- 169 841</b>	<b>- 165 145</b>
<b>Net cash flows from investments in financial assets for policy purposes (b)</b>	<b>- 4 910</b>	<b>- 15 755</b>
<b>Net cash flows from investments in financial assets for liquidity purposes</b>	<b>- 105 223</b>	<b>47 696</b>
<b>Net cash flows from financing activities</b>		
Advances received (net)	- 2 587	- 11 036
Borrowing (net)	- 15 180	8 704
Deposits received (net)	0	0
Other financing (net)	0	- 33 441
Net cash flows from financing activities	- 17 767	- 35 774
<b>Net increase (decrease) in cash held</b>	<b>- 298 891</b>	<b>74 116</b>
<b>Net cash from operating activities and investments in non financial assets</b>	<b>- 170 991</b>	<b>77 948</b>
<i>less</i> Finance leases and similar arrangements (c)	0	0
<b>Surplus (+) / deficit (-) (d)</b>	<b>- 170 991</b>	<b>77 948</b>

(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.

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**Accrual Uniform Presentation Framework Tables**


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	<b>2005-06 Budget \$'000</b>	<b>2005-06 Actual \$'000</b>
<b>Reconciliation to 2005-06 AAS31 Audited Result</b>		
Audited Net Increase/(Decrease) in Cash	- 298 888	74 116
Add back items not included in calculation		
Cash flows from investments in financial assets (policy purposes) (a)	4 910	15 755
Cash flows from investments in financial assets (liquidity purposes)	105 223	- 47 696
Advances received (net)	2 587	11 036
Borrowing (net)	15 180	- 8 704
Deposits received (net)	0	0
Other financing (net)	0	33 441
Total	<u>- 170 988</u>	<u>77 948</u>
Variance	<u>0</u>	<u>0</u>

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

	2005-06 Budget \$'000	2005-06 Actual \$'000
<b>Cash receipts from operating activities</b>		
Taxes received	0	0
Receipts from sales of goods and services	256 975	289 507
Grants/subsidies received	119 378	120 241
Interest	3 322	8 034
Other receipts	56 656	65 976
<i>Total receipts</i>	<b>436 331</b>	<b>483 758</b>
<b>Cash payments for operating activities</b>		
Payments for goods and services	- 265 929	- 363 936
Grants and subsidies paid	- 27 600	- 23 210
Interest paid	- 30 593	- 30 314
Other payments	- 106 044	- 129 462
<i>Total payments</i>	- 430 166	- 546 922
<b>Net cash flows from operating activities</b>	<b>6 165</b>	<b>- 63 164</b>
<b>Net cash flows from investments in non-financial assets</b>		
Sales of non-financial assets	50 961	224 137
<i>less</i> Purchases of non-financial assets (a)	- 86 791	- 77 514
Net cashflows from investments in non-financial assets	<b>- 35 830</b>	<b>146 623</b>
<b>Net cash flows from investments in financial assets for policy purposes (b)</b>	<b>14 020</b>	<b>10 615</b>
<b>Net cash flows from investments in financial assets for liquidity purposes</b>	<b>5 302</b>	<b>- 35 936</b>
<b>Net cash flows from financing activities</b>		
Advances received (net)	- 15 442	- 14 659
Borrowing (net)	- 712	24 320
Deposits received (net)	0	0
Distribution paid	0	- 85 964
Other financing (net)	0	33 441
Net cash flows from financing activities	- 16 154	- 42 862
<b>Net increase (decrease) in cash held</b>	<b>- 26 497</b>	<b>15 277</b>
<b>Net cash from operating activities and investments in non financial assets</b>	<b>- 29 665</b>	<b>- 2 504</b>
<i>less</i> Finance leases and similar arrangements (c)	0	0
<b>Surplus (+) / deficit (-) (d)</b>	<b>- 29 665</b>	<b>- 2 504</b>

(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.

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**Accrual Uniform Presentation Framework Tables**


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	<b>2005-06 Budget \$'000</b>	<b>2005-06 Actual \$'000</b>
<b>Reconciliation to 2005-06 AAS31 Audited Result</b>		
Audited Net Increase/(Decrease) in Cash	- 26 497	15 277
Add back items not included in calculation		
Cash flows from investments in financial assets (policy purposes) (a)	- 14 020	- 10 615
Cash flows from investments in financial assets (liquidity purposes)	- 5 302	35 936
Advances received (net)	15 442	14 659
Borrowing (net)	712	- 24 320
Deposits received (net)	0	0
Other financing (net)	0	- 33 441
Total	- 29 665	- 2 504
Variance	0	0

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Table 11: Non-Financial Public Sector Cash Flow Statement

	2005-06 Budget \$'000	2005-06 Actual \$'000
<b>Cash receipts from operating activities</b>		
Taxes received	770 290	763 042
Receipts from sales of goods and services	533 802	580 676
Grants/subsidies received	1 159 311	1 165 441
Interest	48 823	71 286
Other receipts	203 240	228 346
<i>Total receipts</i>	2 715 466	2 808 792
<b>Cash payments for operating activities</b>		
Payments for goods and services	-1 938 599	-1 915 188
Grants and subsidies paid	- 461 639	- 437 503
Interest paid	- 57 276	- 53 672
Other payments	- 252 935	- 260 563
<i>Total payments</i>	-2 710 449	-2 666 926
<b>Net cash flows from operating activities</b>	<b>5 017</b>	<b>141 866</b>
<b>Net cash flows from investments in non-financial assets</b>		
Sales of non-financial assets	241 895	227 629
<i>less</i> Purchases of non-financial assets (a)	- 447 566	- 294 051
Net cashflows from investments in non-financial assets	- 205 671	- 66 422
<b>Net cash flows from investments in financial assets for policy purposes (b)</b>	<b>2 117</b>	<b>5 201</b>
<b>Net cash flows from investments in financial assets for liquidity purposes</b>	<b>- 99 921</b>	<b>11 760</b>
<b>Net cash flows from financing activities</b>		
Advances received (net)	- 11 036	- 11 036
Borrowing (net)	- 15 892	8 023
Deposits received (net)	0	0
Other financing (net)	0	0
Net cash flows from financing activities	- 26 928	- 3 013
<b>Net increase (decrease) in cash held</b>	<b>- 325 386</b>	<b>89 392</b>
<b>Net cash from operating activities and investments in non financial assets</b>	<b>- 200 653</b>	<b>75 444</b>
<i>less</i> Finance leases and similar arrangements (c)	0	0
<b>Surplus (+) / deficit (-) (d)</b>	<b>- 200 653</b>	<b>75 444</b>

(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.

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**Accrual Uniform Presentation Framework Tables**


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	<b>2005-06 Budget \$'000</b>	<b>2005-06 Actual \$'000</b>
<b>Reconciliation to 2005-06 AAS31 Audited Result</b>		
Audited Net Increase/(Decrease) in Cash	- 325 385	89 392
Add back items not included in calculation		
Cash flows from investments in financial assets (policy purposes) (a)	- 2 117	- 5 201
Cash flows from investments in financial assets (liquidity purposes)	99 921	- 11 760
Advances received (net)	11 036	11 036
Borrowing (net)	15 892	- 8 023
Deposits received (net)	0	0
Other financing (net)	0	0
Total	<u>- 200 653</u>	<u>75 444</u>
Variance	<u>0</u>	<u>0</u>

Table 13: General Government Sector Expenses by Function

	2005-06 Actual
	<u>\$'000</u>
General public Services	553 030
Defence	0
Public order and Safety	225 872
Education	617 995
Health	654 573
Social security and welfare	180 129
Housing and community amenities	139 656
Recreation and culture	50 888
Fuel and energy	0
Agriculture, forestry, fishing and hunting	2 536
Mining, manufacturing and construction	0
Transport and communication	164 368
Other economic affairs	47 916
Other purposes	192 212
<b>Total GFS Expenses</b>	<b>2 829 175</b>

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

		2005-06 Actual
		\$'000
<b>01</b>	<b>General Public services</b>	<b>553 030</b>
011	Government superannuation benefits	316 432
019	Other general public services	236 598
<b>03</b>	<b>Public Order and safety</b>	<b>225 872</b>
031	Police and fire protection services	128 401
0311	Police services	94 545
0312	Fire protection services	33 856
032	Law courts and legal services	49 386
033	Prisons and corrective services	41 360
039	Other public order and safety	6 725
<b>04</b>	<b>Education</b>	<b>617 995</b>
041	Primary and secondary education	482 682
0411	Primary education	232 069
0412	Secondary education	250 613
0419	Primary and secondary education n.e.c.	0
042	Tertiary education	90 199
0421	University education	15 845
0422	Technical and further education	74 354
0429	Tertiary education n.e.c.	0
043	Pre-school education and education not definable by level	30 317
0431	Pre-school education	15 902
0432	Special education	14 415
0439	Other education not definable by level	0
044	Transportation of students	14 797
0441	Transportation of non-urban school children	800
0449	Transportation of other students	13 997
049	Education n.e.c.	0
<b>05</b>	<b>Health</b>	<b>654 573</b>
251	Acute care institutions	400 112
0511	Admitted patient services in acute care institutions	400 112
0512	Non-admitted patient services in acute care institutions	0
052	Mental health institutions	5 049
053	Nursing homes for the aged	0
054	Community health services	132 746
0541	Community health services (excluding community mental health)	93 254
0542	Community mental health	21 508
0549	Patient transport	17 984
055	Public health services	20 595
056	Pharmaceutical, medical aids and appliances	8 828
057	Health research	7 345
059	Health administration n.e.c.	79 899
<b>06</b>	<b>Social Security</b>	<b>180 129</b>
061	Social Security	0
062	Welfare services	180 129
0621	Family and children services	79 177
0622	Welfare services for the aged	19 150
0623	Welfare services for people with a disability	59 533

Table 13a: General Government Sector Expenses by Function

		2005-06 Actual
		\$'000
0629	Welfare services n.e.c.	22 269
069	Social security and welfare n.e.c.	0
<b>07</b>	<b>Housing and Community Amenities</b>	<b>139 656</b>
071	Housing and community development	75 228
0711	Housing	32 141
0712	Community development	43 087
072	Water supply	925
073	Sanitation and protection of the environment	25 875
079	Other community amenities	37 628
<b>08</b>	<b>Recreation and Culture</b>	<b>50 888</b>
081	Recreation facilities and services	28 723
0811	National parks and wildlife	20 970
0819	Recreation facilities and services n.e.c.	7 753
082	Cultural facilities and services	21 565
083	Broadcasting and film production	0
089	Recreation and culture n.e.c.	600
<b>09</b>	<b>Fuel and Energy</b>	<b>0</b>
091	Fuel affairs and services	0
0919	Coal/Petroleum/Nuclear affairs/Fuel affairs and services n.e.c.	0
0911	Gas	0
092	Electricity and other energy	0
0921	Electricity	0
0929	Other energy	0
099	Fuel and energy n.e.c.	0
<b>10</b>	<b>Agriculture, Forestry, Fishing and Hunting</b>	<b>2 536</b>
101	Agriculture	174
102	Forestry, Fishing and Hunting	2 362
<b>11</b>	<b>Mining and mineral resources other than fuels; manufacturing; and con</b>	<b>0</b>
111	Mining and mineral resources other than fuels	0
112	Manufacturing	0
113	Construction	0
<b>12</b>	<b>Transport and Communications</b>	<b>164 368</b>
121	Road Transport	105 808
1212	Road rehabilitation	27 153
1211	Road maintenance	69 057
1213	Road construction	0
1219	Road Transport n.e.c.	9 598
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

Table 13a: General Government Sector Expenses by Function

		2005-06 Actual
		<u>\$'000</u>
125	Pipelines	0
128	Other transport	46 520
1281	Multi-mode urban transport	46 520
1289	Other transport n.e.c.	0
129	Communication	12 040
<b>13</b>	<b>Other Economic Affairs</b>	<b>47 916</b>
131	Storage, saleyards and markets	0
132	Tourism and area promotion	20 244
133	Labour and employment affairs	22 750
1331	Vocational training	22 750
1339	Other labour and employment affairs	0
139	Other Economic Affairs	4 923
<b>14</b>	<b>Other Purposes</b>	<b>192 212</b>
141	Public debt transactions	59 792
142	General purpose inter-government transactions	77 422
143	Natural disaster and drought relief	15 249
149	Other Purposes n.e.c	39 749
<b>TOTAL</b>		<b>2 829 175</b>

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)	171	- 78
	PNFC sector cash deficit/(surplus)	30	3
	Non-financial public sector cash deficit/(surplus) (a)	201	- 75
minus	Net cash flows from investments in financial assets for policy purposes (b)	- 2	- 5
plus	Memorandum items (c)	- 6	- 6
	<b>Loan Council Allocation</b>	<b>197</b>	<b>- 76</b>

(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