

GOVERNMENT FINANCE STATISTICS

This appendix contains details of the operations of the ACT on a Government Finance Statistics basis (GFS), as required under the Accrual Uniform Presentation Framework. Information relates to the 2001-02 estimated outcome and budget estimates for 2002-03 and forward years.

Information on the components of these concepts and on the classification of entities is provided at Appendix A and B of this budget paper.

The GFS includes only those transactions over which a government exercises control under its legislative or policy framework.

GFS revenue differs from AAS31 revenue. GFS revenue includes all (mutually agreed) transactions that increase net worth. Revaluations, included in AAS31 revenue, are not considered mutually agreed transactions, so are excluded from GFS revenue. Included in this revaluations category are asset write-offs. Asset sales, which involve a transfer of a non-financial for a financial asset, are also excluded.

GFS expenses differ from AAS31 expenses. GFS expenses encompass all transactions that decrease net worth, including dividend and tax equivalent payments.

General Government Sector Operating Statement.

	-1 2001-02 Estimated Outcome \$'000	Budget 2002-03 Budget \$'000	1 2003-04 Estimate \$'000	2 2004-05 Estimate \$'000	3 2005-06 Estimate \$'000
GFS Revenue					
Taxation Revenue	594 037	590 722	598 990	616 135	619 983
Current grants and subsidies	943 176	964 656	1 003 653	1 040 315	1 089 748
Capital Grants	123 968	100 859	106 702	126 370	114 041
Sale of goods and services	270 109	234 949	235 932	233 937	239 015
Interest income	91 799	72 220	68 721	67 643	70 824
Other	176 102	176 949	186 656	197 695	205 402
Total revenue	2 199 191	2 140 355	2 200 654	2 282 095	2 339 013
<i>less</i> GFS Expenses					
Gross operating expenses	1 657 152	1 697 266	1 758 993	1 804 075	1 847 491
Nominal superannuation interest expense	10 828	11 020	11 785	12 520	13 449
Other interest expenses	58 105	50 292	50 039	49 022	47 878
Other property expenses	0	0	0	0	0
Current transfers	439 299	427 711	441 085	460 989	480 591
Capital transfers	19 589	22 780	20 585	17 407	13 267
Total expenses	2 184 973	2 209 069	2 282 487	2 344 013	2 402 676
<i>equals</i> GFS net operating balance	14 218	- 68 714	- 81 833	- 61 918	- 63 663
<i>less</i>					
Net acquisition of non financial assets					
Gross fixed capital formation	140 845	209 654	205 280	166 857	129 248
Depreciation	- 124 675	- 142 675	- 151 886	- 149 406	- 151 240
Change in inventories	0	0	0	0	0
Other movements in non financial assets	0	0	0	0	0
<i>Total net acquisitions of non financial assets</i>	16 170	66 979	53 394	17 451	- 21 992
Equals GFS Net Lending/Borrowing (Fiscal Bal)	- 1 952	- 135 693	- 135 227	- 79 369	- 41 671

Reconciliation to 2002-03 Budget Papers

AAS31 Operating Result as per Table 5.5.1	- 2 384	5 712	- 20 609	13 142	22 906
<i>Less</i> Gains/Losses on non-financial assets	57 479	51 087	33 578	41 734	47 526
Gains/Losses on financial assets	- 50 789	45 164	51 415	58 702	65 194
Revaluations	0	0	0	0	0
<i>plus</i> ACTEW - Income Tax Equivalent Revenue	23 292	21 825	23 769	25 376	26 151
Reconciles to GFS net operating balance	14 218	- 68 714	- 81 833	- 61 918	- 63 663

Public Non-Financial Corporation Sector Operating Statement

	-1 2001-02 Estimated Outcome \$'000	Budget 2002-03 Budget \$'000
GFS Revenue		
Taxation Revenue	0	0
Current grants and subsidies	112 930	92 417
Capital Grants	0	0
Sale of goods and services	258 426	265 206
Interest income	2 935	2 677
Other	13 364	9 314
Total revenue	387 655	369 614
<i>less</i> GFS Expenses		
Gross operating expenses	254 127	257 560
Nominal superannuation interest expense	0	0
Other interest expenses	33 063	31 475
Other property expenses	69 648	73 654
Current transfers	20 165	20 318
Capital transfers	0	0
Total expenses	377 003	383 007
<i>equals</i> GFS net operating balance	10 652	- 13 393
<i>less</i> Net acquisition of non financial assets		
Gross fixed capital formation	22 053	52 945
Depreciation	- 38 245	- 40 941
Change in inventories	0	0
Other movements in non financial assets	0	1
<i>Total net acquisition of non financial assets</i>	- 16 192	12 003
Equals GFS Net Lending/Borrowing (Fiscal Bal)	26 844	- 25 398

Reconciliation to 2002-03 Budget Papers

Operating Result as per Table 5.5.4	96 711	73 733
Less Gains/Losses on non-financial assets	16 711	13 791
Dividends Declared	46 056	51 510
Recognition of Income tax equivalent expense	23 292	21 825
Revaluations	0	0
Reconciles to GFS net operating balance	10 652	- 13 393

Non-Financial Public Sector Operating Statement.

	-1 2001-02 Estimated Outcome \$'000	Budget 2002-03 Budget \$'000
GFS Revenue		
Taxation Revenue	579 963	576 449
Current grants and subsidies	943 251	964 656
Capital Grants	123 968	100 859
Sale of goods and services	495 626	469 422
Interest income	60 508	42 530
Other	100 199	94 476
Total revenue	2 303 515	2 248 392
<i>less</i> GFS Expenses		
Gross operating expenses	1 864 770	1 911 936
Nominal superannuation interest expense	10 899	11 091
Other interest expenses	56 943	49 398
Other property expenses	0	0
Current transfers	326 444	335 294
Capital transfers	12 050	13 617
Total expenses	2 271 106	2 321 336
<i>equals</i> GFS net operating balance	32 409	- 72 944
<i>less</i> Net acquisition of non financial assets		
Gross fixed capital formation	162 898	262 599
Depreciation	- 162 920	- 183 616
Change in inventories	0	0
Other movements in non financial assets	0	0
<i>Total net acquisition of non financial assets</i>	- 22	78 983
Equals GFS Net Lending/Borrowing (Fiscal Bal)	32 431	- 151 927

Reconciliation to 2002-03 Budget Papers

Operating Result as per Table 5.5.7	48 271	27 935
Less Gains/Losses on non-financial assets	66 651	55 715
Gains/Losses on financial assets	- 50 789	45 164
Revaluations	0	0
Reconciles to GFS net operating balance	32 409	- 72 944

General Government Sector Balance Sheet

	-1	Budget	1	2	3
	2001-02	2002-03	2003-04	2004-05	2005-06
	Estimated	Budget	Estimate	Estimate	Estimate
	Outcome				
	\$'000	\$'000	\$'000	\$'000	\$'000
Assets					
Financial Assets					
Cash and deposits	78 183	57 079	51 334	49 609	46 991
Advances paid	400 951	377 518	358 545	341 486	326 299
Investments, loans and placements	1 097 332	674 830	604 065	673 096	773 610
Other non-equity assets	266 155	263 716	257 373	257 712	257 161
Equity	3 202 520	3 710 882	3 860 936	3 999 131	4 146 734
<i>Total financial assets</i>	5 045 141	5 084 025	5 132 253	5 321 034	5 550 795
Non Financial Assets					
Land and fixed assets	5 229 976	5 320 635	5 386 862	5 384 111	5 403 940
Other non financial assets	227 266	232 817	218 977	236 223	217 535
<i>Total non financial assets</i>	5 457 242	5 553 452	5 605 839	5 620 334	5 621 475
Total assets	10 502 383	10 637 477	10 738 092	10 941 368	11 172 270
Liabilities					
Deposits held	29 691	4 225	3 300	2 759	2 639
Advances received	282 793	272 204	261 345	250 209	238 784
Borrowing	617 021	612 300	601 799	590 032	583 013
Superannuation liability (a)	1 613 862	1 754 823	1 906 414	2 077 360	2 263 212
Other employee entitlements and provisions	214 146	223 325	193 892	202 811	211 588
Other non-equity liabilities	221 961	209 700	209 555	222 170	231 838
<i>Total liabilities</i>	2 979 474	3 076 577	3 176 305	3 345 341	3 531 074
Net Worth	7 522 909	7 560 900	7 561 787	7 596 027	7 641 196
Net Financial Worth (b)	2 065 667	2 007 448	1 955 948	1 975 693	2 019 721
Net Debt (c)	- 646 961	- 220 698	- 147 500	- 221 191	- 322 464

(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 2002-03 Budget Papers

Budgeted Net Assets as per Table 5.5.2	4 947 802	4 963 570	4 943 015	4 956 211	4 979 172
plus Inclusion of PTE Equity in GFS statements	2 551 815	2 575 505	2 595 003	2 614 440	2 635 873
plus Income tax equivalent receivable	23 292	21 825	23 769	25 376	26 151
Reconciles to GFS Net Worth	7 522 909	7 560 900	7 561 787	7 596 027	7 641 196

Public Non-Financial Corporation Sector Balance Sheet

	-1 2001-02 Estimated Outcome \$'000	Budget 2002-03 Budget \$'000
Assets		
Financial Assets		
Cash and deposits	44 275	18 517
Advances paid	0	0
Investments, loans and placements	3 533	9 334
Other non-equity assets	38 706	42 064
Equity	407 230	407 780
<i>Total financial assets</i>	493 744	477 695
Non Financial Assets		
Land and fixed assets	2 550 267	2 575 096
Other non financial assets	137 737	129 578
<i>Total non financial assets</i>	2 688 004	2 704 674
Total assets	3 181 748	3 182 369
Liabilities		
Deposits held	0	0
Advances received	500 325	485 791
Borrowing	3 181	3 902
Superannuation liability (a)	222	225
Other employee entitlements and provisions	71 509	61 206
Other non-equity liabilities	54 696	55 740
<i>Total liabilities</i>	629 933	606 864
<i>Shares and Contributed Assets</i>	2 551 815	2 575 505
Net Worth	0	0
Net Financial Worth (b)	- 136 189	- 129 169
Net Debt (c)	455 698	461 842

(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 2002-03 Budget Papers

Budgeted Net Assets as per Table 5.5.5	2 575 107	2 597 330
less Deferred Income tax equivalent provision	23 292	21 825
Shares and Contributed Assets	2 551 815	2 575 505
Reconciles to GFS Net Worth	0	0

Non-Financial Public Sector Balance Sheet

	-1 2001-02 Estimated Outcome \$'000	Budget 2002-03 Budget \$'000
Assets		
Financial Assets		
Cash and deposits	92 767	71 371
Advances paid	64 807	47 126
Investments, loans and placements	1 100 865	684 164
Other non-equity assets	249 185	248 213
Equity	893 734	1 387 738
<i>Total financial assets</i>	2 401 358	2 438 612
Non Financial Assets		
Land and fixed assets	7 778 580	7 894 068
Other non financial assets	346 462	352 854
<i>Total non financial assets</i>	8 125 042	8 246 922
Total assets	10 526 400	10 685 534
Liabilities		
Deposits held	0	0
Advances received	282 793	272 204
Borrowing	620 202	616 202
Superannuation liability (a)	1 614 084	1 755 048
Other employee entitlements and provisions	251 403	260 661
Other non-equity liabilities	236 672	222 182
<i>Total liabilities</i>	3 005 154	3 126 297
Net Worth	7 521 246	7 559 237
Net Financial Worth (b)	- 603 796	- 687 685
Net Debt (c)	- 355 444	85 745

(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 2002-03 Budget Papers

Budgeted Net Assets as per budget Table 5.5.8	7 521 246	7 559 237
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General Government Sector Cash Flow Statement

	-1 2001-02 Estimated Outcome \$'000	Budget 2002-03 Budget \$'000	1 2003-04 Estimate \$'000	2 2004-05 Estimate \$'000	3 2005-06 Estimate \$'000
Cash receipts from operating activities					
Taxes received	568 959	584 823	598 711	619 482	616 522
Receipts from sales of goods and services	258 297	243 399	242 233	250 305	258 262
Grants/subsidies received	1 004 431	1 010 733	1 042 377	1 078 772	1 124 645
Other receipts	375 942	330 364	351 917	368 098	381 163
<i>Total receipts</i>	2 207 629	2 169 319	2 235 238	2 316 657	2 380 592
Cash payments for operating activities					
Payments for goods and services	-1 272 132	-1 324 818	-1 410 021	-1 390 824	-1 440 060
Grants and subsidies paid	- 394 780	- 400 566	- 410 224	- 431 901	- 452 009
Interest paid	- 57 801	- 55 414	- 54 846	- 53 818	- 52 611
Other payments	- 167 709	- 173 294	- 158 840	- 162 930	- 167 611
<i>Total payments</i>	-1 892 422	-1 954 092	-2 033 931	-2 039 473	-2 112 291
Net cash flows from operating activities	315 207	215 227	201 307	277 184	268 301
Net cash flows from investments					
in non-financial assets					
sales of non-financial assets	8 156	220	191	90	90
<i>less</i> Purchases of non-financial assets (a)	- 151 641	- 209 874	- 205 471	- 166 947	- 129 338
Net cashflows from investments in non-financial assets	- 143 485	- 209 654	- 205 280	- 166 857	- 129 248
Net cash flows from investments in financial assets for policy purposes (b)	17 452	28 924	21 341	21 508	20 122
Net cash flows from investments in financial assets for liquidity purposes	- 29 188	- 261 789	- 78 984	- 48 069	- 45 608
Net cash flows from financing activities					
Advances received (net)	0	0	0	0	0
Borrowing (net)	29 036	36 290	35 091	34 632	33 794
Deposits received (net)	0	0	0	0	0
Other financing (net)	- 60 194	- 98 516	- 73 975	- 73 591	- 73 170
Net cash flows from financing activities	- 31 158	- 62 226	- 38 884	- 38 959	- 39 376
Net increase (decrease) in cash held	128 828	- 289 518	- 100 500	44 807	74 191
Net cash from operating activities and investments					
in non financial assets	171 722	5 573	- 3 973	110 327	139 053
<i>less</i> Finance leases and similar arrangements (c)	2 640	0	0	0	0
Surplus (+) / deficit (-) (d)	174 362	5 573	- 3 973	110 327	139 053

(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.

(c) Conceptually, the surplus/deficit aggregate contained in the cash flow statement is the same as the deficit measure obtained 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 2002-03 Budget Papers

Net Increase/(Decrease) in Cash as per Table 5.5.3	131 468	- 289 518	- 100 500	44 807	74 191
Add back items not included in calculation					
Cash flows from investments in financial assets (policy purposes) (a)	- 17 452	- 28 924	- 21 341	- 21 508	- 20 122
Cash flows from investments in financial assets (liquidity purposes)	29 188	261 789	78 984	48 069	45 608
Advances received (net)	0	0	0	0	0
Borrowing (net)	- 29 036	- 36 290	- 35 091	- 34 632	- 33 794
Deposits received (net)	0	0	0	0	0
Other financing (net)	60 194	98 516	73 975	73 591	73 170
Reconciles to GFS Surplus (+)/Deficit (-)	174 362	5 573	- 3 973	110 327	139 053

Public Non-Financial Corporation Sector Cash Flow Statement

	-1 2001-02 Estimated Outcome \$'000	Budget 2002-03 Budget \$'000
Cash receipts from operating activities		
Taxes received	0	0
Receipts from sales of goods and services	224 550	233 828
Grants/subsidies received	96 572	90 867
Other receipts	57 001	44 549
<i>Total receipts</i>	378 123	369 244
Cash payments for operating activities		
Payments for goods and services	- 217 963	- 222 164
Grants and subsidies paid	0	0
Interest paid	- 34 898	- 32 932
Other payments	- 79 235	- 69 656
<i>Total payments</i>	- 332 096	- 324 752
Net cash flows from operating activities	46 027	44 492
Net cash flows from investments		
in non-financial assets		
sales of non-financial assets	43 191	48 765
<i>less</i> Purchases of non-financial assets (a)	- 65 244	- 101 710
Net cashflows from investments in non-financial assets	- 22 053	- 52 945
Net cash flows from investments in financial		
assets for policy purposes (b)	0	188
Net cash flows from investments in financial		
assets for liquidity purposes	- 42 926	25 416
Net cash flows from financing activities		
Advances received (net)	16 275	1 550
Borrowing (net)	- 12 575	- 13 241
Deposits received (net)	0	0
Other financing (net)	0	0
Net cash flows from financing activities	3 700	- 11 691
Net increase (decrease) in cash held	- 15 252	5 460
Net cash from operating activities and investments		
in non financial assets	23 974	- 8 453
<i>less</i> Finance leases and similar arrangements (c)	0	0
Surplus (+) / deficit (-) (d)	23 974	- 8 453

- (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 obtained 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 2002-03 Budget Papers

Net Increase/(Decrease) in Cash as per Table 5.5.6	- 15 252	5 460
Add back items not included in calculation		
Cash flows from investments in financial assets (policy purposes) (a)	0	- 188
Cash flows from investments in financial assets (liquidity purposes)	42 926	- 25 416
Advances received (net)	- 16 275	- 1 550
Borrowing (net)	12 575	13 241
Deposits received (net)	0	0
Other financing (net)	0	0

Non-Financial Public Sector Cash Flow Statement

	-1 2001-02 Estimated Outcome \$'000	Budget 2002-03 Budget \$'000
Cash receipts from operating activities		
Taxes received	552 471	570 231
Receipts from sales of goods and services	446 143	442 135
Grants/subsidies received	1 004 431	1 010 733
Other receipts	324 836	273 542
<i>Total receipts</i>	2 327 881	2 296 641
Cash payments for operating activities		
Payments for goods and services	-1 440 164	-1 499 294
Grants and subsidies paid	- 342 718	- 348 922
Interest paid	- 58 250	- 55 538
Other payments	- 125 515	- 133 168
<i>Total payments</i>	-1 966 647	-2 036 922
Net cash flows from operating activities	361 234	259 719
Net cash flows from investments		
in non-financial assets		
sales of non-financial assets	51 347	48 985
<i>less</i> Purchases of non-financial assets (a)	- 216 885	- 311 584
Net cashflows from investments in non-financial assets	- 165 538	- 262 599
Net cash flows from investments in financial		
assets for policy purposes (b)	21 528	17 853
Net cash flows from investments in financial		
assets for liquidity purposes	- 55 748	- 261 839
Net cash flows from financing activities		
Advances received (net)	0	0
Borrowing (net)	- 44 390	- 37 192
Deposits received (net)	0	0
Other financing (net)	- 3 510	0
Net cash flows from financing activities	- 47 900	- 37 192
Net increase (decrease) in cash held	113 576	- 284 058
Net cash from operating activities and investments		
in non financial assets	195 696	- 2 880
<i>less</i> Finance leases and similar arrangements (c)	2 640	0
Surplus (+) / deficit (-) (d)	198 336	- 2 880

- (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 obtained 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 2002-03 Budget Papers

Net Increase/(Decrease) in Cash as per Table 5.5.9	116 214	- 284 058
Add back items not included in calculation		
Cash flows from investments in financial assets (policy purposes) (a)	- 21 528	- 17 853
Cash flows from investments in financial assets (liquidity purposes)	55 748	261 839
Advances received (net)	0	0
Borrowing (net)	44 390	37 192
Deposits received (net)	0	0
Other financing (net)	3 510	0
Reconciles to GFS Surplus (+)/Deficit (-)	198 334	- 2 880

General Government Sector Expenses by Function

	-1 2001-02 Estimated Outcome \$'000	Budget 2002-03 Budget \$'000
General public services	454 141	523 363
Defence	0	0
Public order and safety	172 536	178 994
Education	478 968	504 444
Health	445 294	459 259
Social security and welfare	108 748	112 671
Housing and community amenities	96 064	83 988
Recreation and culture	58 619	21 016
Fuel and energy	18 056	14 675
Agriculture, forestry, fishing and hunting	2 085	2 354
Mining, manufacturing and construction	552	927
Transport and communications	126 531	134 644
Other economic affairs	61 565	61 417
Other purposes	161 814	111 319
Total GFS Expenses	2 184 973	2 209 069

Commonwealth General Government Sector Taxes

	-1 2001-02 Estimated Outcome \$'000	Budget 2002-03 Budget \$'000
Taxes on income, profits and capital gains		
Income and capital gains levied on individuals	0	0
Income and capital gains levied on enterprises	0	0
Income taxes levied on non-residents	0	0
Total	0	0
Taxes on employers payroll and labour force	147 932	150 918
Taxes on property	295 454	282 331
Taxes on provision of goods and services		
Sales tax	0	0
Excises and levies	0	0
Taxes on international trade	0	0
Total	0	0
Taxes on use of goods and performance of activities	79 361	84 500
Total GFS taxation revenue	522 747	517 749

State and Territory General Government Sector Taxes

	-1 2001-02 Estimated Outcome \$'000	Budget 2002-03 Budget \$'000
Taxes on employers payroll and labour force	147 932	150 918
Taxes on property		
Land taxes	33 143	38 519
Stamp duties on financial and capital transactions	21 162	9 767
Financial institutions and capital transactions	6 885	4 885
Financial institutions transaction taxes	2 777	2 870
Other	231 487	226 290
Total	295 454	282 331
Taxes on provision of goods and services		
Excises and levies	0	0
Taxes on gambling	42 253	43 179
Taxes on insurance	29 337	30 113
Total	71 590	73 292
Taxes on use of goods and performance of activities		
Motor vehicles taxes	65 122	70 242
Franchise taxes	0	0
Other	14 239	14 258
Total	79 361	84 500
Total GFS taxation revenue	594 337	591 041

Reconciliation to GFS Taxation Revenue

	-1 2001-02 Estimated Outcome \$'000	Budget 2002-03 Budget \$'000
Operating GFS Taxation Revenue	594 037	590 722
<i>plus</i> Income Tax Equivalent	300	319
Reconciles to GFS General Government Sector Taxes	0	0

Loan Council Allocation

The ACT's Loan Council Allocation (LCA) agreed at the time of the 2002 Loan Council meeting was -\$28m, based on an accrual Government Finance Statistics surplus of \$17m.

The nomination established a tolerance limit for the Budget-time estimate of between -\$72m and \$16m (+/- 2% of total public sector receipts).

The Budget-time estimate has been revised to -\$21m, based on an accrual Government Finance Statistics net operating balance of -\$68.7m, which is within the LCA nomination tolerance limit.

Loan Council Allocation

	Loan Council Nomination \$m	Budget-time Estimate \$m
General government sector deficit/(surplus)	17	- 6
PNFC sector cash deficit/(surplus)	- 19	8
Non-financial public sector cash deficit/(surplus) (a)	- 3	3
Net cash flows from investments in financial assets for policy purposes (b)	19	18
Memorandum items (c)	- 6	- 6
Loan Council Allocation	- 28	- 21

- (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.

'Memorandum items' does not include the public infrastructure project relating the construction of the Belconnen indoor swimming complex. While the cost of this project is expected to be \$10m, the project will be completed in approximately sixteen months, therefore it does not meet the recognition criteria for public infrastructure projects.

Tolerance Limit

Nomination - 2% of public sector receipts (\$2.222billion) +/- \$44m.

Budget - 2% of public sector receipts (\$2.297billion) +/- \$46m.