

2.1 BUDGET AND FINANCIAL PROJECTIONS

2008-09 Budget Net Operating Balance and Forward Estimates

The forecast surpluses are in line with the Government's fiscal strategy to deliver Net Operating Surpluses across the Budget and forward estimates, reflecting responsible and prudent financial management. These surpluses reflect the Government's strategy of making strategic investments in initiatives to increase the productive capacity of the economy, reduce future costs and support economic growth.

Table 2.1.1 below provides the Net Operating Balance for the 2007-08 estimated outcome, the 2008-09 Budget and the forward estimates.

Table 2.1.1
Budget Operating Surplus / Deficit

	2007-08	2008-09	2009-10	2010-11	2011-12
	\$'m	\$'m	\$'m	\$'m	\$'m
Revenue	3,278.4	3,318.1	3,455.6	3,591.7	3,738.8
Expenses	3,141.8	3,323.7	3,490.2	3,653.7	3,830.2
UPF Net Operating Balance	136.6	-5.6	-34.6	-62.0	-91.4
Expected Long Term Capital Gains on Superannuation Investments	55.5	90.5	105.8	115.7	125.1
Net Operating Balance	192.2	84.9	71.2	53.7	33.7

*Numbers may not add due to rounding.

GFS/GAAP Harmonisation and Financial Statement Presentation

As part of the Government Finance Statistics (GFS)/Generally Accepted Accounting Principles (GAAP) harmonisation project, the Australian Accounting Standards Board (AASB) has issued a new standard 'AASB 1049, *Whole of Government and General Government Sector Financial Reporting*'. This harmonisation project aims to achieve a single set of Government reports that are auditable and comparable between jurisdictions.

The Uniform Presentation Framework (UPF), which specifies a common 'core' of financial information on which all Australian jurisdictions must report, has also been changed to align with the new harmonised presentation.

For the 2008-09 Budget, the Government presents a single set of harmonised financial statements that meet the requirements of both AASB and UPF. The single set of statements replaces the separate GFS and GAAP statements that were reported in the past. The statements are presented in Appendix E - GFS/GAAP Harmonised Financial Statements, of this Budget Paper.

It should be noted, however, that although the harmonised numbers are substantially the same as the Australian Bureau Statistics (ABS) GFS, they are not identical. One of the key differences for the Territory between harmonised numbers and ABS GFS numbers is the treatment of dividend payments in the Public Trading Enterprise sector. Under the ABS GFS, a dividend payment is an expense, whereas under harmonisation, a dividend payment is an equity transaction.

