

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 2002-03 estimated outcome and budget estimates for 2003-04 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 2002-03 Estimated Outcome \$'000	Budget 2003-04 Budget \$'000	1 2004-05 Estimate \$'000	2 2005-06 Estimate \$'000	3 2006-07 Estimate \$'000
GFS Revenue					
Taxation Revenue	632 656	645 709	679 238	680 876	705 490
Current grants and subsidies	981 087	990 551	1 020 046	1 070 573	1 102 391
Capital Grants	35 559	30 301	29 421	27 383	25 301
Sale of goods and services	243 738	249 948	254 414	262 565	268 624
Interest income	121 451	116 800	120 441	128 104	136 372
Other	474 299	344 500	304 080	327 240	312 911
Total revenue	2 488 790	2 377 809	2 407 640	2 496 741	2 551 089
<i>less</i> GFS Expenses					
Gross operating expenses	1 813 015	1 846 404	1 894 544	1 952 188	1 983 782
Nominal superannuation interest expense	11 317	12 028	12 781	13 636	14 562
Other interest expenses	57 096	55 989	54 427	53 321	51 441
Other property expenses	0	0	0	0	0
Current transfers	436 325	448 242	446 287	462 475	471 867
Capital transfers	15 542	20 226	14 834	15 140	14 018
Total expenses	2 333 295	2 382 889	2 422 873	2 496 760	2 535 670
<i>equals</i> GFS net operating balance	155 495	-5 080	-15 233	-19	15 419
<i>less</i>					
Net acquisition of non financial assets					
Purchases of non-financial assets	188 054	210 373	260 443	150 745	116 398
Sales of non-financial assets	-483	-4 320	-90	-90	-90
Depreciation	-142 892	-150 052	-151 792	-159 482	-155 667
Change in inventories	0	0	0	0	0
Other movements in non financial assets	-9 905	0	0	0	0
<i>Total net acquisitions of non financial assets</i>	34 774	56 001	108 561	-8 827	-39 359
Equals GFS Net Lending/Borrowing (Fiscal Bal)	120 721	-61 081	-123 794	8 808	54 778

Reconciliation to 2003-04 Budget Papers

AAS31 Operating Result as per Table 5.5.1	60 609	-7 667	1 671	11 023	26 242
<i>Less</i> Gains/Losses on non-financial assets	-18 840	9 510	19 135	15 168	13 634
Gains/Losses on financial assets	-55 593	9 375	23 327	23 686	26 496
Revaluations	0	0	0	0	0
<i>plus</i> ACTEW - Income Tax Equivalent Revenue	20 453	21 472	25 558	27 812	29 307
Reconciles to GFS net operating balance	155 495	-5 080	-15 233	-19	15 419

Public Non-Financial Corporation Sector Operating Statement

	-1 2002-03 Estimated Outcome \$'000	Budget 2003-04 Budget \$'000
GFS Revenue		
Taxation Revenue	0	0
Current grants and subsidies	98 647	109 289
Capital Grants	8 460	26 023
Sale of goods and services	270 808	275 823
Interest income	4 299	5 643
Other	76 732	7 264
Total revenue	458 946	424 042
<i>less</i>		
GFS Expenses		
Gross operating expenses	264 036	294 593
Nominal superannuation interest expense	0	0
Other interest expenses	32 269	30 321
Other property expenses	69 959	72 974
Current transfers	20 688	28 427
Capital transfers	0	500
Total expenses	386 952	426 815
<i>equals</i>		
GFS net operating balance	71 994	-2 773
<i>less</i>		
Net acquisition of non financial assets		
Purchases of non-financial assets	96 235	114 020
Sales of non-financial assets	-36 958	-54 600
Depreciation	-40 207	-42 131
Change in inventories	0	0
Other movements in non financial assets	0	0
<i>Total net acquisition of non financial assets</i>	19 070	17 289
Equals GFS Net Lending/Borrowing (Fiscal Bal)	52 924	-20 062

Reconciliation to 2003-04 Budget Papers

Operating Result as per Table 5.5.4	85 589	75 646
<i>Less</i>		
Gains/Losses on non-financial assets	-55 949	5 800
Dividends Declared	49 091	51 147
Recognition of Income tax equivalent expense	20 453	21 472
Revaluations	0	0
Reconciles to GFS net operating balance	71 994	-2 773

Non-Financial Public Sector Operating Statement.

	-1 2002-03 Estimated Outcome \$'000	Budget 2003-04 Budget \$'000
GFS Revenue		
Taxation Revenue	617 982	630 979
Current grants and subsidies	981 212	990 551
Capital Grants	171 101	184 376
Sale of goods and services	489 618	499 295
Interest income	91 141	88 481
Other	256 444	105 131
Total revenue	2 607 498	2 498 813
<i>less</i>		
GFS Expenses		
Gross operating expenses	1 969 051	2 082 194
Nominal superannuation interest expense	11 317	12 028
Other interest expenses	54 756	52 348
Other property expenses	0	0
Current transfers	337 803	346 675
Capital transfers	7 082	13 421
Total expenses	2 380 009	2 506 666
<i>equals</i>		
GFS net operating balance	227 489	- 7 853
<i>less</i>		
Net acquisition of non financial assets		
Purchases of non-financial assets	284 289	324 393
Sales of non-financial assets	-37 441	-58 920
Depreciation	-182 709	-191 769
Change in inventories	0	0
Other movements in non financial assets	-9 905	0
<i>Total net acquisition of non financial assets</i>	54 234	132 624
Equals GFS Net Lending/Borrowing (Fiscal Bal)	173 255	-140 477

Reconciliation to 2003-04 Budget Papers

Operating Result as per Table 5.5.7	97 107	16 832
Less		
Gains/Losses on non-financial assets	-74 789	15 310
Gains/Losses on financial assets	-55 593	9 375
Revaluations	0	0
Reconciles to GFS net operating balance	227 489	-7 853

General Government Sector Balance Sheet

	-1 2002-03 Estimated Outcome \$'000	Budget 2003-04 Budget \$'000	1 2004-05 Estimate \$'000	2 2005-06 Estimate \$'000	3 2006-07 Estimate \$'000
Assets					
Financial Assets					
Cash and deposits	90 870	48 033	41 017	40 578	46 716
Advances paid	521 142	496 410	467 350	449 935	430 014
Investments, loans and placements	1 357 880	1 467 587	1 469 853	1 593 365	1 778 537
Other non-equity assets	333 180	234 267	244 805	246 919	248 215
Equity	3 499 204	3 582 777	3 651 514	3 730 786	3 813 714
<i>Total financial assets</i>	5 802 276	5 829 074	5 874 539	6 061 583	6 317 196
Non Financial Assets					
Land and fixed assets	5 273 169	5 378 240	5 537 037	5 569 231	5 590 739
Other non financial assets	274 378	323 655	267 037	254 420	217 789
<i>Total non financial assets</i>	5 547 547	5 701 895	5 804 074	5 823 651	5 808 528
Total assets	11 349 823	11 530 969	11 678 613	11 885 234	12 125 724
Liabilities					
Deposits held	20 192	58 995	55 121	50 696	48 335
Advances received	268 372	257 514	246 377	234 953	223 238
Borrowing	621 503	610 345	597 556	589 906	580 558
Superannuation liability (a)	1 761 182	1 917 298	2 082 128	2 269 267	2 468 461
Other employee entitlements and provisions	234 809	221 686	232 656	244 380	254 200
Other non-equity liabilities	264 498	224 622	205 564	206 219	215 038
<i>Total liabilities</i>	3 170 556	3 290 460	3 419 402	3 595 421	3 789 830
Net Worth	8 179 267	8 240 509	8 259 211	8 289 813	8 335 894
 Net Financial Worth (b)	 2 631 720	 2 538 614	 2 455 137	 2 466 162	 2 527 366
Net Debt					
(including superannuation related investments) (c)	-1 059 825	-1 085 176	-1 079 166	-1 208 323	-1 403 136
Net Debt					
(excluding superannuation related investments) (c)	-309 863	-207 842	-97 223	-110 229	-183 947

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

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

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

Reconciliation to 2003-04 Budget Papers

Budgeted Net Assets as per Table 5.5.2	5 067 358	5 104 171	5 105 842	5 116 865	5 143 107
plus Inclusion of PTE Equity in GFS statements	3 091 456	3 114 866	3 127 811	3 145 136	3 163 480
plus Income tax equivalent receivable	20 453	21 472	25 558	27 812	29 307
Reconciles to GFS Net Worth	8 179 267	8 240 509	8 259 211	8 289 813	8 335 894

Public Non-Financial Corporation Sector Balance Sheet

	-1 2002-03 Estimated Outcome \$'000	Budget 2003-04 Budget \$'000
Assets		
Financial Assets		
Cash and deposits	32 828	71 483
Advances paid	0	0
Investments, loans and placements	30 505	38 379
Other non-equity assets	100 775	33 160
Equity	393 669	394 219
<i>Total financial assets</i>	557 777	537 241
Non Financial Assets		
Land and fixed assets	3 074 352	3 108 585
Other non financial assets	69 698	69 375
<i>Total non financial assets</i>	3 144 050	3 177 960
Total assets	3 701 827	3 715 201
Liabilities		
Deposits held	0	0
Advances received	483 616	475 876
Borrowing	2 353	993
Superannuation liability (a)	58	53
Other employee entitlements and provisions	71 429	79 452
Other non-equity liabilities	52 915	43 961
<i>Total liabilities</i>	610 371	600 335
<i>Shares and Contributed Assets</i>	3 091 456	3 114 866
Net Worth	0	0
Net Financial Worth (b)	-52 594	-63 094
Net Debt (c)	422 636	367 007

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

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

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

Reconciliation to 2003-04 Budget Papers

Budgeted Net Assets as per Table 5.5.5	3 111 909	3 136 338
less Deferred Income tax equivalent provision	20 453	21 472
Shares and Contributed Assets	3 091 456	3 114 866
Reconciles to GFS Net Worth	0	0

Non-Financial Public Sector Balance Sheet

	-1 2002-03 Estimated Outcome \$'000	Budget 2003-04 Budget \$'000
Assets		
Financial Assets		
Cash and deposits	103 506	60 521
Advances paid	37 526	20 534
Investments, loans and placements	1 388 385	1 505 966
Other non-equity assets	314 454	222 320
Equity	801 417	862 130
<i>Total financial assets</i>	2 645 288	2 671 471
Non Financial Assets		
Land and fixed assets	8 346 704	8 486 008
Other non financial assets	333 183	382 637
<i>Total non financial assets</i>	8 679 887	8 868 645
Total assets	11 325 175	11 540 116
Liabilities		
Deposits held	0	0
Advances received	268 372	257 514
Borrowing	623 856	611 338
Superannuation liability (a)	1 761 240	1 917 351
Other employee entitlements and provisions	281 992	269 594
Other non-equity liabilities	211 265	244 627
<i>Total liabilities</i>	3 146 725	3 300 424
Net Worth	8 178 450	8 239 692
Net Financial Worth (b)	-501 437	-628 953
Net Debt		
(including superannuation related investments) (c)	-637 189	-718 169
Net Debt		
(excluding superannuation related investments) (c)	112 773	159 165

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

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

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

Reconciliation to 2003-04 Budget Papers

Budgeted Net Assets as per budget Table 5.5.8	8 178 450	8 239 692
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General Government Sector Cash Flow Statement

	-1 2002-03 Estimated Outcome \$'000	Budget 2003-04 Budget \$'000	1 2004-05 Estimate \$'000	2 2005-06 Estimate \$'000	3 2006-07 Estimate \$'000
Cash receipts from operating activities					
Taxes received	628 223	648 056	681 755	683 728	708 502
Receipts from sales of goods and services	269 296	269 519	283 028	293 119	299 125
Grants/subsidies received	1 024 608	1 029 344	1 058 526	1 107 623	1 137 595
Other receipts	457 887	561 120	406 693	431 831	417 059
<i>Total receipts</i>	2 380 014	2 508 039	2 430 002	2 516 301	2 562 281
Cash payments for operating activities					
Payments for goods and services	-1 404 049	-1 592 976	-1 594 748	-1 637 161	-1 651 233
Grants and subsidies paid	-352 371	-359 960	-369 628	-386 968	-396 249
Interest paid	-60 025	-56 782	-55 198	-54 068	-52 216
Other payments	-234 123	-234 388	-164 965	-163 809	-166 563
<i>Total payments</i>	-2 050 568	-2 244 106	-2 184 539	-2 242 006	-2 266 261
Net cash flows from operating activities	329 446	263 933	245 463	274 295	296 020
Net cash flows from investments					
in non-financial assets					
sales of non-financial assets	483	4 320	90	90	90
less Purchases of non-financial assets (a)	-188 054	-210 373	-260 443	-150 745	-116 398
<i>Net cashflows from investments in non-financial assets</i>	-187 571	-206 053	-260 353	-150 655	-116 308
Net cash flows from investments in financial assets for policy purposes (b)	28 102	11 094	25 747	14 114	16 433
Net cash flows from investments in financial assets for liquidity purposes	433 880	74 225	85 545	80 186	74 908
Net cash flows from financing activities					
Advances received (net)	0	0	0	0	0
Borrowing (net)	-34 695	2 142	-38 259	-40 290	-40 778
Deposits received (net)	0	0	0	0	0
Other financing (net)	-24 308	-1 401	-3 874	-4 425	-2 361
<i>Net cash flows from financing activities</i>	-59 003	741	-42 133	-44 715	-43 139
Net increase (decrease) in cash held	544 854	143 940	54 269	173 225	227 914
Net cash from operating activities and investments					
in non financial assets					
less Finance leases and similar arrangements (c)	9 905	0	0	0	0
Surplus (+) / deficit (-) (d)	151 780	57 880	-14 890	123 640	179 712

(a) The ABS disaggregates this item into new and second-hand 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 2003-04 Budget Papers

Net Increase/(Decrease) in Cash as per Table 5.5.3	-313 001	-4 510	-116 821	12 853	78 098
Add back items not included in calculation					
Cash flows from investments in financial assets (policy purposes) (a)	-28 102	-11 094	-25 747	-14 114	-16 433
Cash flows from investments in financial assets (liquidity purposes)	433 880	74 225	85 545	80 186	74 908
Advances received (net)	0	0	0	0	0
Borrowing (net)	34 695	-2 142	38 259	40 290	40 778
Deposits received (net)	0	0	0	0	0
Other financing (net)	24 308	1 401	3 874	4 425	2 361
Reconciles to GFS Surplus (+)/Deficit (-)	151 780	57 880	-14 890	123 640	179 712

Public Non-Financial Corporation Sector Cash Flow Statement

	-1 2002-03 Estimated Outcome \$'000	Budget 2003-04 Budget \$'000
Cash receipts from operating activities		
Taxes received	0	0
Receipts from sales of goods and services	234 166	237 766
Grants/subsidies received	93 734	113 842
Other receipts	55 465	118 112
Total receipts	383 365	469 720
Cash payments for operating activities		
Payments for goods and services	-225 564	-241 652
Grants and subsidies paid	0	-8 222
Interest paid	-35 413	-31 387
Other payments	-69 951	-88 856
Total payments	-330 928	-370 117
Net cash flows from operating activities	52 437	99 603
Net cash flows from investments in non-financial assets		
sales of non-financial assets	36 958	54 600
less Purchases of non-financial assets (a)	-96 235	-114 020
Net cashflows from investments in non-financial assets	-59 277	-59 420
Net cash flows from investments in financial assets for policy purposes (b)	0	0
Net cash flows from investments in financial assets for liquidity purposes	29 635	-38 284
Net cash flows from financing activities		
Advances received (net)	5 950	11 849
Borrowing (net)	-14 883	-7 504
Deposits received (net)	0	0
Other financing (net)	0	1 401
Net cash flows from financing activities	-8 933	5 746
Net increase (decrease) in cash held	13 862	7 645
Net cash from operating activities and investments in non financial assets		
less Finance leases and similar arrangements (c)	0	0
Surplus (+) / deficit (-) (d)	-6 840	40 183

- (a) The ABS disaggregates this item into new and second-hand 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 2003-04 Budget Papers

Net Increase/(Decrease) in Cash as per Table 5.5.6	13 862	7 645
Add back items not included in calculation		
Cash flows from investments in financial assets (policy purposes) (a)	0	0
Cash flows from investments in financial assets (liquidity purposes)	-29 635	38 284
Advances received (net)	-5 950	-11 849
Borrowing (net)	14 883	7 504
Deposits received (net)	0	0
Other financing (net)	0	-1 401
Reconciles to GFS Surplus (+)/Deficit (-)	-6 840	40 183

Non-Financial Public Sector Cash Flow Statement

	-1 2002-03 Estimated Outcome \$'000	Budget 2003-04 Budget \$'000
Cash receipts from operating activities		
Taxes received	613 143	631 927
Receipts from sales of goods and services	473 902	472 752
Grants/subsidies received	1 024 733	1 029 344
Other receipts	401 684	508 079
<i>Total receipts</i>	2 513 462	2 642 102
Cash payments for operating activities		
Payments for goods and services	-1 606 713	-1 754 617
Grants and subsidies paid	-344 766	-360 604
Interest paid	-57 335	-53 141
Other payments	-122 765	-110 204
<i>Total payments</i>	-2 131 579	-2 278 566
Net cash flows from operating activities	381 883	363 536
Net cash flows from investments		
in non-financial assets		
sales of non-financial assets	37 441	58 920
less Purchases of non-financial assets (a)	-284 289	-324 393
<i>Net cashflows from investments in non-financial assets</i>	-246 848	-265 473
Net cash flows from investments in financial assets for policy purposes (b)	20 177	17 065
Net cash flows from investments in financial assets for liquidity purposes	-428 553	-73 706
Net cash flows from financing activities		
Advances received (net)	0	0
Borrowing (net)	-35 703	-38 287
Deposits received (net)	0	0
Other financing (net)	0	0
<i>Net cash flows from financing activities</i>	-35 703	-38 287
Net increase (decrease) in cash held	-309 044	3 135
Net cash from operating activities and investments in non financial assets	135 035	98 063
less Finance leases and similar arrangements (c)	9 905	0
Surplus (+) / deficit (-) (d)	144 940	98 063

(a) The ABS disaggregates this item into new and second-hand 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 2003-04 Budget Papers

Net Increase/(Decrease) in Cash as per Table 5.5.9	-299 139	3 135
Add back items not included in calculation		
Cash flows from investments in financial assets (policy purposes) (a)	-20 177	-17 065
Cash flows from investments in financial assets (liquidity purposes)	428 553	73 706
Advances received (net)	0	0
Borrowing (net)	35 703	38 287
Deposits received (net)	0	0
Other financing (net)	0	0
Reconciles to GFS Surplus (+)/Deficit (-)	144 940	98 063

General Government Sector Expenses by Function

	-1 2002-03 Estimated Outcome \$'000	Budget 2003-04 Budget \$'000
General public services	547 528	582 020
Defence	0	0
Public order and safety	187 081	188 510
Education	498 480	518 171
Health	465 743	509 810
Social security and welfare	151 775	144 923
Housing and community amenities	104 934	82 700
Recreation and culture	29 006	32 089
Fuel and energy	15 776	17 116
Agriculture, forestry, fishing and hunting	2 436	2 294
Mining, manufacturing and construction	855	844
Transport and communications	113 023	110 628
Other economic affairs	53 057	52 895
Other purposes	163 599	140 889
Total GFS Expenses	2 333 295	2 382 889

Commonwealth General Government Sector Taxes

	-1 2002-03 Estimated Outcome \$'000	Budget 2003-04 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	155 813	160 054
Taxes on property	322 316	320 921
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	77 002	81 789
Total GFS taxation revenue	555 131	562 764

State and Territory General Government Sector Taxes

	-1 2002-03 Estimated Outcome \$'000	Budget 2003-04 Budget \$'000
Taxes on employers payroll and labour force	155 813	160 054
Taxes on property		
Land taxes	40 045	47 557
Stamp duties on financial and capital transactions	2 553	3 117
Financial institutions and capital transactions	9 000	4 621
Financial institutions transaction taxes	16 807	16 905
Other	153 911	248 721
Total	322 316	320 921
Taxes on provision of goods and services		
Excises and levies	0	0
Taxes on gambling	44 694	48 983
Taxes on insurance	32 831	33 962
Total	77 525	82 945
Taxes on use of goods and performance of activities		
Motor vehicles taxes	77 002	76 399
Franchise taxes	0	0
Other	0	5 390
Total	77 002	81 789
Total GFS taxation revenue	632 656	645 709

Loan Council Allocation

The ACT's Loan Council Allocation (LCA) agreed to at the time of the 2003 Loan Council meeting was -\$32m, based on an accrual Government Finance Statistics surplus of \$1m.

The nomination established a tolerance limit for the Budget-time estimate of between -\$79m and \$15m (+/- 2% of total public sector receipts).

The Budget-time estimate has been revised to -\$120m, based on an accrual Government Finance Statistics net operating balance of -\$5m, which is within the LCA nomination tolerance limit.

Loan Council Allocation

	Loan Council Nomination	Budget-time Estimate
	\$m	\$m
General government sector deficit/(surplus)	1	-58
PNFC sector cash deficit/(surplus)	-12	-40
Non-financial public sector cash deficit/(surplus) (a)	-10	-98
Net cash flows from investments in financial assets for policy purposes (b)	-16	-17
Memorandum items (c)	-6	-5
Loan Council Allocation	-32	-120

- (a) The sum of the deficits of the general government and PNFC sector does not equal the non-financial public sector deficit due to inter-sectoral 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.

Tolerance Limit

Nomination - 2% of public sector receipts (\$2.369billion) +/- \$47m.

Budget - 2% of public sector receipts (\$2.642billion) +/- \$53m.