

# **APPENDIX E**

## **GOVERNMENT FINANCE STATISTICS**



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This appendix contains details of the operations of the ACT on a Government Finance Statistics presentation basis, as required under the Accrual Uniform Presentation Framework. The information relates to the 2005-06 estimated outcome and budget estimates for 2006-07 and the forward estimates.

Information on the components of these concepts and on the classification of entities is provided at Appendix A 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 AAS revenue. GFS revenue includes all (mutually agreed) transactions that increase net worth. Revaluations, included in AAS 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 AAS expenses. GFS expenses encompass all transactions that decrease net worth, including dividend and tax equivalent payments.

### **Classification changes**

Since the 2005-06 Mid Year Review there have been two significant classification changes.

Firstly, the Land Development Agency has been reclassified from the general government sector to the public non-financial corporations sector from 2005-06. This revised classification recognises that the LDA operates commercially to earn profits on its land development activities. Consistent with this treatment, the LDA is now required to purchase land from the general government sector at market prices.

This classification is consistent with the classification of similar land development agencies in state government jurisdictions. The effect of the reclassification is to remove expenses incurred by the LDA from the general government sector. It also means that dividends and tax equivalents paid by the LDA are now recognised as GFS revenues.

However, land sales from the general government sector to the LDA are not classified as GFS revenues, but continue to be treated as asset sales.

This change in the sectoral classification of the LDA has the effect of improving the general government sector net operating balance by around \$90 million per annum relative to the estimates published in the 2005-06 Mid Year Review.

The second classification change involves the treatment of underlying interest and dividends earnings on the Territory's superannuation investments held in unit structures.

Previously, the ACT has treated these interest and dividends as other economic flows. However, these flows are in fact economic transactions and should therefore be classified as GFS revenues.

This classification change increases GFS revenues and improves the general government sector operating result by around \$35 million per annum relative to the estimates published in the 2005-06 Mid Year Review.

Finally, there has been a reclassification of some employee expenses to nominal superannuation expenses. This change does not have a net effect on the general government sector net operating balance. However, it does increase the estimated nominal superannuation expense by around \$110 million in 2006-07.

## **Comparison with state governments**

As outlined in Chapter 1, caution should be exercised in comparing the estimates presented in this appendix with the GFS financial statements prepared by other jurisdictions. This is because there is an important difference in the way the ACT accounts for superannuation investment returns in its UPF statements relative to state governments.

In particular, Australian Accounting Standard 119, *Employee Benefits*, allows the expected property income on superannuation plan assets (assets held by an autonomous superannuation fund) to be treated as an offset when calculating the superannuation expense to be recognised in the income statement.

This treatment is widely adopted by Australian governments in preparing their GFS statements. It ensures that the general government sector net operating balance implicitly incorporates the expected rate of return on assets held in superannuation funds to meet accumulated liabilities.

However, the ACT Government is precluded from holding assets in the defined benefit schemes applying to its employees and former employees (the PSS and CSS schemes). Instead, these assets are held in a separate statutory fund, the Superannuation Provision Account (SPA). The SPA is classified as part of the general government sector.

Consequently, the ACT does not account for these assets in the same way as governments that have partially funded superannuation schemes. While the ACT only records interest and dividend on its superannuation assets, state governments (which are able to invest assets in the actual superannuation schemes themselves) subtract the expected rate of return on their superannuation assets in the calculation of superannuation expenses.

As a result of this different treatment, the ACT's net operating balance in the UPF statements presented in this appendix appears weaker than the corresponding results for state governments.

If the ACT was to apply the treatment provided for in AAS119, the general government sector net operating balance would improve by \$70 million to \$90 million per annum.

As discussed in Chapter 1, the ACT's net operating balance must therefore be adjusted by this amount to provide a "like with like" comparison with state governments.

The ABS is currently reviewing the GFS accounting for superannuation by governments. The ACT will further consider its treatment of superannuation assets in the UPF statements following the completion of the ABS review.

## General Government Sector Operating Statement

	-1 2005-06 Est. Outc. \$'000	Budget 2006-07 Budget \$'000	1 2007-08 Estimate \$'000	2 2008-09 Estimate \$'000	3 2009-10 Estimate \$'000
<b>GFS Revenue</b>					
Taxation Revenue	768,963	817,500	870,230	925,761	977,476
Current grants and subsidies	1,106,839	1,162,843	1,216,044	1,271,562	1,323,485
Capital Grants	61,838	78,568	71,052	71,091	80,370
Sale of goods and services	303,625	327,528	349,802	362,869	376,214
Interest income	106,193	98,282	84,877	83,707	95,603
Other	253,449	246,927	251,514	285,444	309,149
<b>Total revenue</b>	<b>2,600,907</b>	<b>2,731,648</b>	<b>2,843,519</b>	<b>3,000,434</b>	<b>3,162,297</b>
<b>less GFS Expenses</b>					
Employee expenses	1,182,466	1,190,625	1,204,126	1,241,561	1,278,526
Depreciation and amortisation	168,736	179,702	188,897	190,009	189,875
Other operating expenses	733,041	760,650	796,250	836,992	887,349
Nominal superannuation interest expense	143,882	168,176	182,935	197,426	212,041
Other interest expenses	53,509	52,718	52,919	53,959	55,985
Other property expenses	0		0	0	0
Current transfers	500,486	538,469	532,296	542,376	558,106
Capital transfers	14,773	-11,188	9,817	18,440	20,118
<b>Total expenses</b>	<b>2,796,893</b>	<b>2,879,152</b>	<b>2,967,240</b>	<b>3,080,763</b>	<b>3,202,000</b>
<b>equals GFS net operating balance</b>	<b>-195,986</b>	<b>-147,504</b>	<b>-123,721</b>	<b>-80,329</b>	<b>-39,703</b>
<b>less</b>					
<b>Net acquisition of non-financial assets</b>					
Purchases of non-financial assets	232,124	420,919	311,219	185,903	163,456
Sales of non financial assets	-2,644	-2,645	-2,645	-2,645	-2,645
Land Revenue (accrual item)	-79,335	-72,450	-73,500	-75,200	-83,350
Depreciation	-168,736	-179,702	-188,897	-190,009	-189,875
Change in inventories					
Other movements in non-financial assets					
<i>Total net acquisition of non-financial assets</i>	-18,591	166,122	46,177	-81,951	-112,414
<b>equals GFS Net Lending/Borrowing (Fiscal Balance)</b>	<b>-177,395</b>	<b>-313,626</b>	<b>-169,898</b>	<b>1,622</b>	<b>72,711</b>

### Reconciliation to 2006-07 Budget Papers

	120,491	-16,359	-11,662	73,167	147,384
<b>AAS Operating Result</b>					
Less Land Revenue (accrual item)	79,335	72,450	73,500	75,200	83,350
Gains/Losses on non-financial assets	51,257	-13,086	-49,331	-25,566	-9,184
Gains/Losses on financial assets	185,884	71,780	87,889	103,862	112,921
<b>Reconciles to GFS net operating balance</b>	<b>-195,986</b>	<b>-147,504</b>	<b>-123,721</b>	<b>-80,329</b>	<b>-39,703</b>

## Public Non-Financial Corporation Sector Operating Statement

	-1 2005-06 Est. Outc. \$'000	Budget 2006-07 Budget \$'000
<b>GFS Revenue</b>		
Taxation Revenue	0	0
Current grants and subsidies	86,227	75,996
Capital Grants	40,978	37,924
Sale of goods and services	269,070	294,421
Interest income	7,414	6,783
Other	11,715	4,949
Total revenue	415,404	420,073
<b>less GFS Expenses</b>		
Employee expenses	96,644	92,433
Depreciation and amortisation	42,386	43,115
Other operating expenses	258,837	287,913
Nominal superannuation interest expense	0	0
Other interest expenses	30,593	30,928
Other property expenses	154,572	114,710
Current transfers	15,706	29,362
Capital transfers	49,261	56,873
Total expenses	647,999	655,334
<b>equals GFS net operating balance</b>	<b>-232,595</b>	<b>-235,261</b>
<b>less</b>		
<b>Net acquisition of non-financial assets</b>		
Purchases of non-financial assets	83,391	96,443
Sales of non financial assets	-215,875	-204,096
Depreciation	-42,386	-43,115
Change in inventories	0	0
Other movements in non-financial assets	0	0
Total net acquisition of non-financial assets	-174,870	-150,768
<b>equals GFS Net Lending/Borrowing (Fiscal Balance)</b>	<b>-57,725</b>	<b>-84,493</b>

### Reconciliation to 2006-07 Budget Papers

	122,026	79,284
<b>AAS Operating Result</b>		
Less Gains/Losses on non-financial assets	210,205	224,137
Gains/Losses on financial assets	3,213	0
Dividends Declared	141,203	90,408
<b>Reconciles to GFS net operating balance</b>	<b>-232,595</b>	<b>-235,261</b>

## Non-Financial Public Sector Operating Statement

	-1 2005-06 Est. Outc. \$'000	Budget 2006-07 Budget \$'000
<b>GFS Revenue</b>		
Taxation Revenue	750,163	801,505
Current grants and subsidies	1,107,276	1,163,481
Capital Grants	31,166	40,657
Sale of goods and services	545,233	579,552
Interest income	79,129	70,731
Other	127,154	116,971
Total revenue	2,640,121	2,772,897
<i>less</i> <b>GFS Expenses</b>		
Employee expenses	1,267,121	1,268,574
Depreciation and amortisation	211,122	222,817
Other operating expenses	824,631	886,373
Nominal superannuation interest expense	143,887	168,181
Other interest expenses	57,801	56,363
Other property expenses		
Current transfers	431,448	475,638
Capital transfers	16,367	5,265
Total expenses	2,952,377	3,083,211
<b><i>equals</i> GFS net operating balance</b>	<b>-312,256</b>	<b>-310,314</b>
<i>less</i> <b>Net acquisition of non-financial assets</b>		
Purchases of non-financial assets	315,515	517,362
Sales of non financial assets	-218,519	-206,741
Land Revenue (cash item) (a)		
Depreciation	-211,122	-222,817
Change in inventories		
Other movements in non-financial assets		
<i>Total net acquisition of non-financial assets</i>	-114,126	87,804
<b><i>equals</i> GFS Net Lending/Borrowing (Fiscal Balance)</b>	<b>-198,130</b>	<b>-398,118</b>

### Reconciliation to 2006-07 Budget Papers

<b>AAS Operating Result</b>	<b>101,314</b>	<b>-27,483</b>
Less Land Revenue (accrual item) (a)		
Gains/Losses on non-financial assets	224,473	211,051
Gains/Losses on financial assets	189,097	71,780
<b>Reconciles to GFS net operating balance</b>	<b>-312,256</b>	<b>-310,314</b>



## General Government Sector Balance Sheet

	-1 2005-06 Est. Outc. \$'000	Budget 2006-07 Budget \$'000	1 2007-08 Estimate \$'000	2 2008-09 Estimate \$'000	3 2009-10 Estimate \$'000
<b>Assets</b>					
Financial Assets					
Cash and deposits	76,379	71,909	71,179	75,896	77,830
Advances paid	514,573	507,044	528,223	558,136	571,711
Investments, loans and placements	2,545,144	2,472,685	2,599,476	2,936,138	3,340,662
Other non-equity assets	176,657	229,958	234,328	234,504	251,280
Equity	4,296,132	4,434,631	4,691,420	4,958,811	5,239,893
<i>Total financial assets</i>	7,608,885	7,716,227	8,124,626	8,763,485	9,481,376
Non Financial Assets					
Land and fixed assets	6,143,081	6,418,784	6,515,932	6,534,764	6,547,628
Other non financial assets	108,694	143,774	144,466	145,557	154,934
<i>Total non financial assets</i>	6,251,775	6,562,558	6,660,398	6,680,321	6,702,562
<b>Total assets</b>	<b>13,860,660</b>	<b>14,278,785</b>	<b>14,785,024</b>	<b>15,443,806</b>	<b>16,183,938</b>
<b>Liabilities</b>					
Deposits held	47,320	35,717	42,210	63,540	77,293
Advances received	239,744	228,537	217,122	205,449	193,544
Borrowing	703,347	681,148	691,784	731,432	759,695
Superannuation liability (a)	2,924,800	3,181,475	3,433,495	3,687,666	3,950,620
Other employee entitlements and provisions	278,740	295,484	314,148	333,982	353,979
Other non-equity liabilities	299,128	297,343	294,326	298,240	301,852
<b>Total liabilities</b>	<b>4,493,079</b>	<b>4,719,704</b>	<b>4,993,085</b>	<b>5,320,309</b>	<b>5,636,983</b>
<b>Net Worth</b>	<b>9,367,581</b>	<b>9,559,081</b>	<b>9,791,939</b>	<b>10,123,497</b>	<b>10,546,955</b>
Net Financial Worth (b)	3,115,806	2,996,523	3,131,541	3,443,176	3,844,393
Net Debt					
(including superannuation related investments) (c)	-2,145,685	-2,106,236	-2,247,762	-2,569,749	-2,959,671
Net Debt					
(excluding superannuation related investments) (c)	-343,930	-108,715	-61,902	-185,654	-368,134

(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 2006-07 Budget Papers

<b>Budgeted Net Assets</b>	<b>5,071,471</b>	<b>5,124,470</b>	<b>5,103,148</b>	<b>5,167,315</b>	<b>5,309,699</b>
plus Inclusion of PTE Equity in GFS Statements	4,296,110	4,434,611	4,688,791	4,956,182	5,237,256
<b>Reconciles to GFS Net Worth</b>	<b>9,367,581</b>	<b>9,559,081</b>	<b>9,791,939</b>	<b>10,123,497</b>	<b>10,546,955</b>

## Public Non-Financial Corporation Sector Balance Sheet

	-1 2005-06 Est. Outc. \$'000	Budget 2006-07 Budget \$'000
<b>Assets</b>		
Financial Assets		
Cash and deposits	69,028	57,107
Advances paid	0	0
Investments, loans and placements	34,875	19,761
Other non-equity assets	58,416	31,694
Equity	386,278	414,317
<i>Total financial assets</i>	548,597	522,879
Non Financial Assets		
Land and fixed assets	4,332,468	4,512,555
Other non financial assets	100,945	60,932
<i>Total non financial assets</i>	4,433,413	4,573,487
<b>Total assets</b>	<b>4,982,010</b>	<b>5,096,366</b>
<b>Liabilities</b>		
Deposits held	0	0
Advances received	496,137	490,209
Borrowing	1,500	102
Superannuation liability (a)	0	0
Other employee entitlements and provisions	102,695	81,372
Other non-equity liabilities	85,568	90,072
<b>Total liabilities</b>	<b>685,900</b>	<b>661,755</b>
<b>Shares and Contributed Assets</b>	<b>4,296,110</b>	<b>4,434,611</b>
<b>Net Worth</b>	<b>0</b>	<b>0</b>
Net Financial Worth (b)	-137,303	-138,876
Net Debt (c)	393,734	413,443

- (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 2006-07 Budget Papers

<b>Budgeted Net Assets</b>	<b>4,296,110</b>	<b>4,434,611</b>
less Shares and Contributed Assets	4,296,110	4,434,611
<b>Reconciles to GFS Net Worth</b>	<b>0</b>	<b>0</b>

## Non-Financial Public Sector Balance Sheet

	-1 2005-06 Est. Outc. \$'000	Budget 2006-07 Budget \$'000
<b>Assets</b>		
Financial Assets		
Cash and deposits	98,087	93,299
Advances paid	18,436	16,835
Investments, loans and placements	2,580,019	2,492,446
Other non-equity assets	166,667	192,374
Equity	386,278	414,317
<i>Total financial assets</i>	3,249,487	3,209,271
Non Financial Assets		
Land and fixed assets	10,448,169	10,912,414
Other non financial assets	181,314	176,381
<i>Total non financial assets</i>	10,629,483	11,088,795
<b>Total assets</b>	<b>13,878,970</b>	<b>14,298,066</b>
<b>Liabilities</b>		
Deposits held		
Advances received	239,744	228,537
Borrowing	704,847	681,250
Superannuation liability (a)	2,924,885	3,181,558
Other employee entitlements and provisions	345,237	349,340
Other non-equity liabilities	296,676	298,300
<b>Total liabilities</b>	<b>4,511,389</b>	<b>4,738,985</b>
<b>Net Worth</b>	<b>9,367,580</b>	<b>9,559,080</b>
Net Financial Worth (b)	-1,261,902	-1,529,714
Net Debt		
(including superannuation related investments) (c)	-1,751,951	-1,692,793
Net Debt		
(excluding superannuation related investments) (c)	49,804	304,728

(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 2006-07 Budget Papers

<b>Budgeted Net Assets</b>	<b>9,367,580</b>	<b>9,559,080</b>
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## General Government Sector Cash Flow Statement

	-1 2005-06 Est. Outc. \$'000	Budget 2006-07 Budget \$'000	1 2007-08 Estimate \$'000	2 2008-09 Estimate \$'000	3 2009-10 Estimate \$'000
<b>Cash receipts from operating activities</b>					
Taxes received	756,765	775,810	831,567	878,175	943,108
Receipts from sales of goods and services	316,639	340,296	364,020	377,719	391,616
Grants/subsidies received	1,166,586	1,234,346	1,282,613	1,336,892	1,383,929
Interest	84,174	71,311	61,232	64,785	74,875
Other receipts	342,423	307,773	314,073	336,881	354,086
<b>Total receipts</b>	<b>2,666,587</b>	<b>2,729,536</b>	<b>2,853,505</b>	<b>2,994,452</b>	<b>3,147,614</b>
<b>Cash payments for operating activities</b>					
Payments for goods and services	-1,626,077	-1,669,082	-1,703,027	-1,778,234	-1,880,805
Grants and subsidies paid	-537,945	-553,947	-569,192	-587,859	-605,468
Interest paid	-70,074	-67,744	-65,668	-65,394	-68,568
Other payments	-256,400	-252,046	-273,909	-276,802	-285,011
<b>Total payments</b>	<b>-2,490,496</b>	<b>-2,542,819</b>	<b>-2,611,796</b>	<b>-2,708,289</b>	<b>-2,839,852</b>
<b>Net cash flows from operating activities</b>	<b>176,091</b>	<b>186,717</b>	<b>241,709</b>	<b>286,163</b>	<b>307,762</b>
<b>Net cash flows from investments</b>					
<b>in non-financial assets</b>					
Sales of non-financial assets	40,644	75,095	76,145	77,845	85,995
less Purchases of non-financial assets (a)	-232,124	-420,919	-311,219	-185,903	-163,456
<b>Net cashflows from investments in non-financial assets</b>	<b>-191,480</b>	<b>-345,824</b>	<b>-235,074</b>	<b>-108,058</b>	<b>-77,461</b>
<b>Net cash flows from investments in financial assets for policy purposes (b)</b>	<b>-19,096</b>	<b>-8,737</b>	<b>-30,841</b>	<b>-38,912</b>	<b>-18,576</b>
<b>Net cash flows from investments in financial assets for liquidity purposes</b>	<b>-51,668</b>	<b>-13,493</b>	<b>-16,208</b>	<b>-13,047</b>	<b>-14,472</b>
<b>Net cash flows from financing activities</b>					
Advances received (net)	-11,036	-11,207	-11,415	-11,672	-11,904
Borrowing (net)	-161	-27,062	8,965	29,398	14,662
Deposits received (net)					
Other financing (net)	-33,442	2,382			
<b>Net cash flows from financing activities</b>	<b>-44,639</b>	<b>-35,887</b>	<b>-2,450</b>	<b>17,726</b>	<b>2,758</b>
<b>Net increase (decrease) in cash held</b>	<b>-130,792</b>	<b>-217,224</b>	<b>-42,864</b>	<b>143,872</b>	<b>200,011</b>
<b>Net cash from operating activities and investments in non financial assets less Finance leases and similar arrangements (c)</b>	<b>-15,389</b>	<b>-159,107</b>	<b>6,635</b>	<b>178,105</b>	<b>230,301</b>
<b>Surplus (+) / deficit (-) (d)</b>	<b>-15,389</b>	<b>-159,107</b>	<b>6,635</b>	<b>178,105</b>	<b>230,301</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 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 2006-07 Budget Papers

Net Increase/(Decrease) in Cash	-130,792	-217,224	-42,864	143,872	200,011
Add back items not included in calculation					
Cash flows from investments in financial assets (policy purposes) (a)	19,096	8,737	30,841	38,912	18,576
Cash flows from investments in financial assets (liquidity purposes)	51,668	13,493	16,208	13,047	14,472
Advances received (net)	11,036	11,207	11,415	11,672	11,904
Borrowing (net)	161	27,062	-8,965	-29,398	-14,662
Deposits received (net)	0	0	0	0	0
Other financing (net)	33,442	-2,382	0	0	0
Reconciles to GFS Surplus (+)/Deficit (-)	-15,389	-159,107	6,635	178,105	230,301

(a) The ABS disaggregates this item into new and secondhand non-financial assets.

## Public Non-Financial Corporation Sector Cash Flow Statement

	-1 2005-06 Est. Outc. \$'000	Budget 2006-07 Budget \$'000
<b>Cash receipts from operating activities</b>		
Taxes received	0	0
Receipts from sales of goods and services	278,598	299,626
Grants/subsidies received	121,022	113,920
Interest	7,014	6,510
Other receipts	70,094	54,770
<i>Total receipts</i>	<b>476,728</b>	<b>474,826</b>
<b>Cash payments for operating activities</b>		
Payments for goods and services	-367,668	-407,517
Grants and subsidies paid	-26,865	-23,652
Interest paid	-30,991	-31,288
Other payments	-42,349	-51,960
<i>Total payments</i>	<b>-467,873</b>	<b>-514,417</b>
<b>Net cash flows from operating activities</b>	<b>8,855</b>	<b>-39,591</b>
<b>Net cash flows from investments</b>		
<b>in non-financial assets</b>		
Sales of non-financial assets	215,875	204,096
<i>less</i> Purchases of non-financial assets (a)	-83,391	-96,443
<i>Net cash flows from investments in non-financial assets</i>	<i>132,484</i>	<i>107,653</i>
<b>Net cash flows from investments in financial assets for policy purposes (b)</b>	<b>10,615</b>	<b>16,269</b>
<b>Net cash flows from investments in financial assets for liquidity purposes</b>	<b>-9,904</b>	<b>13,128</b>
<b>Net cash flows from financing activities</b>		
Advances received (net)	-14,659	-15,930
Borrowing (net)	24,288	9,409
Deposits received (net)	0	0
Distribution paid	-165,647	-104,339
Other financing (net)	33,442	-2,382
<i>Net cash flows from financing activities</i>	<i>-122,576</i>	<i>-113,242</i>
<b>Net increase (decrease) in cash held</b>	<b>-113,010</b>	<b>-123,436</b>
<b>Net cash from operating activities and investments in non financial assets</b>	<b>-24,308</b>	<b>-36,277</b>
<i>less</i> Finance leases and similar arrangements (c)		
<b>Surplus (+) / deficit (-) (d)</b>	<b>-24,308</b>	<b>-36,277</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.

## Reconciliation to 2006-07 Budget Papers

<b>Net Increase/(Decrease) in Cash</b>	<b>19,474</b>	<b>-15,783</b>
Add back items not included in calculation		
Cash flows from investments in financial assets (policy purposes) (a)	-10,615	-16,269
Cash flows from investments in financial assets (liquidity purposes)	9,904	-13,128
Advances received (net)	14,659	15,930
Borrowing (net)	-24,288	-9,409
Deposits received (net)	0	0
Other financing (net)	-33,442	2,382
<b>Reconciles to GFS Surplus (+)/Deficit (-)</b>	<b>-24,308</b>	<b>-36,277</b>

(a) The ABS disaggregates this item into new and secondhand non-financial assets.

## Non-Financial Public Sector Cash Flow Statement

	-1 2005-06 Est. Outc. \$'000	Budget 2006-07 Budget \$'000
<b>Cash receipts from operating activities</b>		
Taxes received	756,931	775,548
Receipts from sales of goods and services	553,207	599,057
Grants/subsidies received	1,148,434	1,215,734
Interest	56,710	42,564
Other receipts	232,732	236,674
<i>Total receipts</i>	<i>2,748,014</i>	<i>2,869,577</i>
<b>Cash payments for operating activities</b>		
Payments for goods and services	-1,877,828	-1,908,852
Grants and subsidies paid	-444,225	-464,173
Interest paid	-58,410	-56,724
Other payments	-310,252	-324,591
<i>Total payments</i>	<i>-2,690,715</i>	<i>-2,754,340</i>
<b>Net cash flows from operating activities</b>	<b>57,299</b>	<b>115,237</b>
<b>Net cash flows from investments</b>		
<b>in non-financial assets</b>		
Sales of non-financial assets	218,519	206,741
<i>less</i> Purchases of non-financial assets (a)	-315,515	-517,362
<i>Net cash flows from investments in non-financial assets</i>	<i>-96,996</i>	<i>-310,621</i>
<b>Net cash flows from investments in financial assets for policy purposes (b)</b>	<b>1,860</b>	<b>1,602</b>
<b>Net cash flows from investments in financial assets for liquidity purposes</b>	<b>-61,572</b>	<b>-365</b>
<b>Net cash flows from financing activities</b>		
Advances received (net)	-11,036	-11,207
Borrowing (net)	-873	-27,653
Deposits received (net)		
Other financing (net)		
<i>Net cash flows from financing activities</i>	<i>-11,909</i>	<i>-38,860</i>
<b>Net increase (decrease) in cash held</b>	<b>-111,318</b>	<b>-233,007</b>
<b>Net cash from operating activities and investments in non financial assets</b>	<b>-39,697</b>	<b>-195,384</b>
<i>less</i> Finance leases and similar arrangements (c)		
<b>Surplus (+) / deficit (-) (d)</b>	<b>-39,697</b>	<b>-195,384</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 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 2006-07 Budget Papers

<b>Net Increase/(Decrease) in Cash</b>	<b>-111,318</b>	<b>-233,007</b>
Add back items not included in calculation		
Cash flows from investments in financial assets (policy purposes) (a)	-1,860	-1,602
Cash flows from investments in financial assets (liquidity purposes)	61,572	365
Advances received (net)	11,036	11,207
Borrowing (net)	873	27,653
Deposits received (net)	0	0
Other financing (net)	0	0
<b>Reconciles to GFS Surplus (+)/Deficit (-)</b>	<b>-39,697</b>	<b>-195,384</b>

(a) The ABS disaggregates this item into new and secondhand non-financial assets.

## General Government Sector Expenses by Function

	-1	Budget	1	2	3
	2005-06	2006-07	2007-08	2008-09	2009-10
	Est. Outc.	Budget	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
General public services	571,172	605,840	651,014	695,805	752,626
Defence	0	0	0	0	0
Public order and Safety	233,556	258,173	263,413	266,454	267,722
Education	605,682	618,194	596,085	641,920	670,376
Health	648,673	661,601	694,320	735,969	780,110
Social security and welfare	185,483	185,633	189,094	192,799	198,051
Housing and community amenities	97,273	99,133	92,839	92,810	89,811
Recreation and culture	99,506	97,149	96,325	95,896	96,933
Fuel and energy	0	0	0	0	0
Agriculture, forestry, fishing and hunting	668	546	534	544	552
Mining, manufacturing and construction	0	0	0	0	0
Transport and communication	159,665	172,295	169,161	165,595	166,758
Other economic affairs	43,384	24,619	24,126	25,301	25,941
Other purposes	151,831	155,971	190,330	167,669	153,121
<b>Total GFS Expenses</b>	<b>2,796,893</b>	<b>2,879,152</b>	<b>2,967,240</b>	<b>3,080,763</b>	<b>3,202,000</b>

## General Government Sector Expenses by Function

	-1	Budget	1	2	3	
	2005-06	2006-07	2007-08	2008-09	2009-10	
	Est. Outc.	Budget	Estimate	Estimate	Estimate	
	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>01</b>	<b>General Public services</b>	<b>571,172</b>	<b>605,840</b>	<b>651,014</b>	<b>695,805</b>	<b>752,626</b>
011	Government superannuation benefits	350,620	365,994	378,109	400,128	421,373
019	Other general public services	220,552	239,846	272,905	295,677	331,253
<b>03</b>	<b>Public Order and safety</b>	<b>233,556</b>	<b>258,173</b>	<b>263,413</b>	<b>266,454</b>	<b>267,722</b>
031	Police and fire protection services	140,175	99,513	105,640	107,122	107,122
0311	Police services	95,733	99,513	105,640	107,122	107,122
0312	Fire protection services	44,442	0	0	0	0
032	Law courts and legal services	52,318	93,453	93,744	94,391	95,079
033	Prisons and corrective services	34,902	56,621	55,618	56,384	56,873
039	Other public order and safety	6,161	8,586	8,411	8,557	8,648
<b>04</b>	<b>Education</b>	<b>605,682</b>	<b>618,194</b>	<b>596,085</b>	<b>641,920</b>	<b>670,376</b>
041	Primary and secondary education	478,224	508,029	516,320	534,347	543,964
0411	Primary education	234,074	248,593	252,543	261,343	266,037
0412	Primary and secondary education n.e.c.	244,150	259,436	263,777	273,004	277,927
0419	Secondary education	0	0	0	0	0
042	Tertiary education	95,705	78,378	48,055	74,915	93,226
0421	University education	22,381	14,003	14,777	15,657	16,587
0422	Technical and further education	73,324	64,375	33,278	59,258	76,639
0429	Tertiary education n.e.c.	0	0	0	0	0
043	Pre-school education and education not definable by level	30,959	31,139	31,064	32,009	32,536
0431	Pre-school education	14,532	14,617	14,582	15,025	15,273
0432	Special education	16,426	16,522	16,482	16,983	17,263
0439	Other education not definable by level	0	0	0	0	0
044	Transportation of students	794	648	646	649	649
0441	Transportation of non-urban school children	214	175	174	175	175
0449	Transportation of other students	580	473	472	474	474
049	Education n.e.c.	0	0	0	0	0
<b>05</b>	<b>Health</b>	<b>648,673</b>	<b>661,601</b>	<b>694,320</b>	<b>735,969</b>	<b>780,110</b>
251	Acute care institutions	399,425	416,173	435,264	461,266	488,806
0511	Admitted patient services in acute care institutions	322,063	332,479	346,809	367,522	389,458
0512	Non-admitted patient services in acute care institutions	77,362	83,694	88,455	93,744	99,347
052	Mental health institutions	3,436	3,671	3,857	4,094	4,347
053	Nursing homes for the aged	0	0	0	0	0
054	Community health services	122,238	112,938	119,001	126,212	133,867
0541	Community health services (excluding community mental health)	83,458	89,726	94,598	100,324	106,402
0542	Community mental health	20,707	22,292	23,431	24,858	26,374
0549	Patient transport	18,072	920	972	1,030	1,091
055	Public health services	25,804	25,013	26,519	28,125	29,833
056	Pharmaceutical, medical aids and appliances	7,489	8,024	8,474	8,979	9,513
057	Health research	7,821	8,376	8,841	9,368	9,925
059	Health administration n.e.c.	82,461	87,405	92,364	97,924	103,819

## General Government Sector Expenses by Function

	-1	Budget	1	2	3	
	2005-06	2006-07	2007-08	2008-09	2009-10	
	Est. Outc.	Budget	Estimate	Estimate	Estimate	
	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>06</b>	<b>Social Security</b>	<b>185,483</b>	<b>185,633</b>	<b>189,094</b>	<b>192,799</b>	<b>198,051</b>
061	Social Security	0	0	0	0	0
062	Welfare services	177,270	185,633	189,094	192,799	198,051
0621	<i>Family and children services</i>	75,888	30,827	31,629	32,668	33,612
0622	<i>Welfare services for the aged</i>	21,014	22,750	23,871	25,050	26,295
0623	<i>Welfare services for people with a disability</i>	55,455	90,155	90,893	90,116	92,219
0629	<i>Welfare services n.e.c.</i>	24,914	41,901	42,702	44,965	45,925
069	Social security and welfare n.e.c.	8,213	0	0	0	0
<b>07</b>	<b>Housing and Community Amenities</b>	<b>97,273</b>	<b>99,133</b>	<b>92,839</b>	<b>92,810</b>	<b>89,811</b>
071	Housing and community development	69,288	81,465	75,318	75,227	71,990
0711	<i>Housing</i>	37,109	42,732	41,470	41,245	37,733
0712	<i>Community development</i>	32,179	38,733	33,848	33,982	34,257
072	Water supply	1,063	84	80	82	83
073	Sanitation and protection of the environment	23,502	13,565	13,377	13,404	13,571
079	Other community amenities	3,421	4,019	4,063	4,098	4,168
<b>08</b>	<b>Recreation and Culture</b>	<b>99,506</b>	<b>97,149</b>	<b>96,325</b>	<b>95,896</b>	<b>96,933</b>
081	Recreation facilities and services	69,967	60,404	59,923	59,101	59,844
0811	<i>National parks and wildlife</i>	19,660	10,686	10,088	9,092	9,136
0819	<i>Recreation facilities and services n.e.c.</i>	50,307	49,719	49,835	50,009	50,707
082	Cultural facilities and services	26,591	22,061	21,779	21,983	22,327
083	Broadcasting and film production	0	0	0	0	0
089	Recreation and culture n.e.c.	2,949	14,683	14,623	14,811	14,763
<b>09</b>	<b>Fuel and Energy</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
091	Fuel affairs and services	0	0	0	0	0
0919	<i>Coal/Petroleum/Nuclear affairs/Fuel affairs and services n.e.c.</i>	0	0	0	0	0
0911	<i>Gas</i>	0	0	0	0	0
092	Electricity and other energy	0	0	0	0	0
0921	<i>Electricity</i>	0	0	0	0	0
0929	<i>Other energy</i>	0	0	0	0	0
099	Fuel and energy n.e.c.	0	0	0	0	0
<b>10</b>	<b>Agriculture, Forestry, Fishing and Hunting</b>	<b>668</b>	<b>546</b>	<b>534</b>	<b>544</b>	<b>552</b>
101	Agriculture	212	97	79	83	83
102	Forestry, Fishing and Hunting	456	449	455	461	468

## General Government Sector Expenses by Function

	-1 2005-06 Est. Outc. \$'000	Budget 2006-07 Budget \$'000	1 2007-08 Estimate \$'000	2 2008-09 Estimate \$'000	3 2009-10 Estimate \$'000
<b>11</b>	<b>Mining and mineral resources other than fuels, manufacturing and construction</b>				
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
111	0	0	0	0	0
112	0	0	0	0	0
113	0	0	0	0	0
<b>12</b>	<b>Transport and Communications</b>				
	<b>159,665</b>	<b>172,295</b>	<b>169,161</b>	<b>165,595</b>	<b>166,758</b>
121	147,664	160,650	159,790	159,293	160,404
1212	22,363	23,640	24,465	23,898	23,787
1211	26,721	33,402	33,582	33,553	33,993
1213	33,873	36,052	37,274	36,443	36,304
1219	64,708	67,556	64,469	65,400	66,320
122	0	0	0	0	0
1222	0	0	0	0	0
1221	0	0	0	0	0
123	0	0	0	0	0
1231	0	0	0	0	0
1232	0	0	0	0	0
1233	0	0	0	0	0
124	0	0	0	0	0
125	0	0	0	0	0
128	0	0	0	0	0
1281	0	0	0	0	0
1289	0	0	0	0	0
129	12,001	11,645	9,371	6,302	6,355
<b>13</b>	<b>Other Economic Affairs</b>				
	<b>43,384</b>	<b>24,619</b>	<b>24,126</b>	<b>25,301</b>	<b>25,941</b>
131	0	0	0	0	0
132	20,222	0	0	0	0
133	23,162	24,619	24,126	25,301	25,941
1331	23,162	24,619	24,126	25,301	25,941
1339	0	0	0	0	0
139	0	0	0	0	0
<b>14</b>	<b>Other Purposes</b>				
	<b>151,831</b>	<b>155,971</b>	<b>190,330</b>	<b>167,669</b>	<b>153,121</b>
141	59,670	59,769	59,306	59,677	61,026
142	4,541	3,452	3,199	3,282	3,158
143	10,062	4,678	4,798	4,919	5,042
149	77,558	88,072	123,027	99,791	83,895
<b>Total General Government Expenses</b>					
	<b>2,796,893</b>	<b>2,879,152</b>	<b>2,967,240</b>	<b>3,080,763</b>	<b>3,202,000</b>

## Commonwealth General Government Sector Taxes

	-1	Budget	1	2	3
	2005-06	2006-07	2007-08	2008-09	2009-10
	Est. Outc.	Budget	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Taxes on income, profits and capital gains	0	0	0	0	0
Income and capital gains levied on individuals	0	0	0	0	0
Income and capital gains levied on enterprises	0	0	0	0	0
Income taxes levied on non-residents	0	0	0	0	0
Total	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Taxes on employers payroll and labour force	<b>201,760</b>	<b>220,025</b>	<b>2,238,188</b>	<b>260,421</b>	<b>281,471</b>
Taxes on property	<b>389,635</b>	<b>394,341</b>	<b>418,353</b>	<b>443,718</b>	<b>466,511</b>
Taxes on provision of goods and services					
Sales tax	0	0	0	0	0
Excises and levies	0	0	0	0	0
Taxes on international trade	0	0	0	0	0
Total	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Taxes on use of goods and performance of activities	<b>88,874</b>	<b>111,877</b>	<b>115,742</b>	<b>119,770</b>	<b>123,942</b>
<b>Total GFS Taxation Revenue</b>	<b>680,269</b>	<b>726,243</b>	<b>2,772,283</b>	<b>823,909</b>	<b>871,924</b>

## State and Territory General Government Sector Taxes

	-1 2005-06 Est. Outc. \$'000	Budget 2006-07 Budget \$'000	1 2007-08 Estimate \$'000	2 2008-09 Estimate \$'000	3 2009-10 Estimate \$'000
Taxes on employers payroll and labour force	201,760	220,025	238,188	260,421	281,471
Taxes on property					
Land taxes	58,098	63,776	65,966	68,211	70,512
Stamp duties on financial and capital transactions	216	822	1,427	1,433	1,438
financial institutions and capital transactions	2,814	2,986	3,168	3,362	3,567
Financial institutions transaction taxes	3,105	3,209	0	0	0
Other	325,402	323,548	347,792	370,712	390,994
Total	<b>389,635</b>	<b>394,341</b>	<b>418,353</b>	<b>443,718</b>	<b>466,511</b>
Taxes on provision of goods and services					
Excises and levies	0	0	0	0	0
Taxes on gambling	47,689	46,552	51,567	53,735	55,631
Taxes on insurance	41,005	44,705	46,380	48,117	49,921
Total	<b>88,694</b>	<b>91,257</b>	<b>97,947</b>	<b>101,852</b>	<b>105,552</b>
Taxes on use of goods and performance of activities					
Motor vehicles taxes	88,874	91,877	95,002	98,263	101,639
Franchise taxes	0	0	0	0	0
Other	0	20,000	20,740	21,507	22,303
Total	<b>88,874</b>	<b>111,877</b>	<b>115,742</b>	<b>119,770</b>	<b>123,942</b>
<b>Total GFS Taxation Revenue</b>	<b>768,963</b>	<b>817,500</b>	<b>870,230</b>	<b>925,761</b>	<b>977,476</b>

## Loan Council Allocation

The ACT's Loan Council Allocation (LCA) agreed to at the 2006 Loan Council meeting was \$159 million, based on an accrual Government Finance Statistics deficit of \$163 million.

The nomination established a tolerance limit for the Budget-time estimate of between \$103 million and \$215 million (+/- 2 per cent of total public sector receipts).

The Budget-time estimate has been revised to \$191 million, which is within the LCA nomination tolerance limit.

	<b>Loan Council Nomination</b>	<b>Budget-time Estimate</b>
	<b>\$m</b>	<b>\$m</b>
General government sector deficit/(surplus)	179	159
PNFC sector cash deficit/(surplus)	-16	36
Non-financial public sector cash deficit/(surplus) (a)	163	195
Net cash flows from investments in financial assets for policy purposes (b)	-2	-2
Memorandum items (c)	-6	-6
<b>Loan Council Allocation</b>	<b>159</b>	<b>191</b>

## Tolerance Limit

Nomination – 2 per cent of public sector receipts (\$2.685 billion) +/- \$56 million.

Budget – 2 per cent of public sector receipts (\$2.870 billion) +/- \$57 million.