

Part III: Government Finance Statistics Statements

The Commonwealth, states and territories have an agreed framework — *the Accrual Uniform Presentation Framework* (UPF) — for the presentation of government financial information on a basis consistent with the ABS Government Finance Statistics (GFS) publication. Data in this part are presented in accordance with this framework.

From 1999-2000 onwards, the ABS is compiling GFS data on an accrual accounting rather than a cash accounting basis. This accrual GFS framework reflects the principles contained in the international standards set out in the United Nations' (UN) *A System of National Accounts, 1993* (SNA93), and in the International Monetary Fund's (IMF) *A Manual on Government Finance Statistics* (currently under revision). The first presentation by the ABS of public finance statistics on an accrual accounting basis was in the April 2000 issue of *Government Financial Estimates, Australia for 1999-2000* (Cat. No. 5501.0).

Table 11: General government sector operating statement

	1999-00 Outcome \$m
GFS revenue	
Taxation revenue	152,576
Current grants and subsidies	0
Sales of goods and services	2,996
Interest income	967
Other	10,078
Total GFS revenue(a)	166,617
GFS expenses	
Gross operating expenses	
Depreciation	2,642
Superannuation	1,331
Other operating expenses	38,365
Total gross operating expenses	42,338
Nominal superannuation interest expense	3,448
Other interest expenses	6,878
Other property expenses	0
Current transfers	
Grant expenses	44,638
Subsidy expenses	5,501
Other current transfers	50,247
Total current transfers	100,386
Capital transfers	167
Total GFS expenses(b)	153,217
Net operating balance	13,400
Net acquisition of non-financial assets	
Gross fixed capital formation	4,168
<i>less</i> Depreciation	2,642
<i>plus</i> Change in inventories	16
<i>plus</i> Other movements in non-financial assets	-1,611
Total net acquisition of non-financial assets	-69
Net lending/fiscal balance(c)	13,469

- (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. Asset sales, which involve a transfer of a non-financial asset for a financial asset, are also excluded.
- (b) GFS expenses are not equal to AAS31 expenses. GFS expenses include all (mutually agreed) transactions that decrease net worth. Revaluations are not considered mutually agreed transactions, and so are excluded from GFS expenses.
- (c) 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.

Table 12: General government sector balance sheet

	1999-00 Outcome \$m
GFS assets	
Financial assets	
Cash and deposits	3,556
Advances paid	14,324
Investments, loans and placements	18,380
Other non-equity assets	14,387
Equity	61,811
Total financial assets	112,458
Non-financial assets	
Land and fixed assets	58,138
Other non-financial assets	1,852
Total non-financial assets	59,990
Total GFS assets	172,447
GFS liabilities	
Deposits held	233
Advances received	0
Borrowing	89,133
Superannuation liability	75,802
Other employee entitlements and provisions	6,014
Other non-equity liabilities	12,870
Total GFS liabilities	184,052
Net worth(a)	-11,604
Net financial worth(b)	-71,594
Net debt(c)	53,106

(a) Net worth is calculated as assets minus liabilities.

(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 deposits, advances paid and investments, loans and placements.

Table 13: General government sector cash flow statement^(a)

	1999-00 Outcome \$m
Cash receipts from operating activities	
Taxes received	150,695
Receipts from sales of goods and services	3,171
Grants/subsidies received	0
Other receipts	9,545
Total receipts	163,411
Cash payments for operating activities	
Payments for goods and services	-22,839
Grants and subsidies paid	-49,583
Interest paid	-7,321
Other payments for operating activities	-68,189
Total payments	-147,931
Net cash flows from operating activities	15,480
Cash flows from investments in non-financial assets	
Sales of non-financial assets	2,417
<i>Less</i> Purchases of new and secondhand non-financial assets	-5,226
Net cash flows from investments in non-financial assets	-2,809
Cash flows from investments in financial assets for policy purposes	
Net advances paid	9,500
Net equity acquisitions, disposals and privatisations	0
Net cash flows from investments in financial assets for policy purposes	9,500
Cash flows from investments in financial assets for liquidity purposes	
Increase in investments	-10,245
Net cash flows from investments in financial assets for liquidity purposes	-10,245
Cash flows from financing activities	
Advances received (net)	0
Borrowing (net)	-10,089
Deposits received (net)	-34
Other financing (net)	180
Net cash flows from financing activities	-9,943
Net increase/decrease in cash held	1,983
Net cash from operating activities and investments in non-financial assets	12,671
Finance leases and similar arrangements	0
Equals surplus(+)/deficit(-)(b)	12,671

(a) A positive number denotes a cash inflow; a negative sign denotes a cash outflow.

(b) Conceptually, the surplus/deficit aggregate contained in the cash flow statement is the same as the deficit measure obtained under the 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.

Table 14: Public non-financial corporations sector operating statement

	1999-00 Outcome \$m
GFS revenue	
Current grants and subsidies	251
Sales of goods and services	24,786
Interest income	96
Other	137
Total GFS revenue(a)	25,270
GFS expenses	
Gross operating expenses	
Depreciation	3,164
Other operating expenses	14,912
Total gross operating expenses	18,076
Interest expenses	837
Other property expenses	2,512
Current transfers	
Tax expenses	1,901
Other current transfers	0
Total current transfers	1,901
Capital transfers	0
Total GFS expenses(b)	23,327
Net operating balance	1,943
Net acquisition of non-financial assets	
Gross fixed capital formation	4,458
<i>less</i> Depreciation	3,164
<i>plus</i> Change in inventories	-30
<i>equals</i> Total net capital formation	1,265
<i>plus</i> Other movements in non-financial assets	-384
Total net acquisition of non-financial assets	881
Net lending/fiscal balance(c)	1,062

- (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. Asset sales, which involve a transfer of a non-financial for a financial asset, are also excluded.
- (b) GFS expenses are not equal to AAS31 expenses. GFS expenses include all (mutually agreed) transactions that decrease net worth. Revaluations are not considered mutually agreed transactions, and so are excluded from GFS expenses.
- (c) 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.

Table 15: Public non-financial corporations sector balance sheet

	1999-00 Outcome \$m
GFS assets	
Financial assets	
Cash and deposits	761
Advances paid	302
Investments, loans and placements	441
Other non-equity assets	4,002
Equity	603
Total financial assets	6,109
Non-financial assets	
Land and fixed assets	33,950
Other non-financial assets	1,706
Total non-financial assets	35,656
Total GFS assets	41,765
GFS liabilities	
Deposits held	0
Advances received	0
Borrowing	12,926
Provisions (other than depreciation and bad debts)	9,172
Other non-equity liabilities	2,072
Total GFS liabilities	24,171
Shares and other contributed capital	93,228
Net worth(a)	-75,634
Net financial worth(b)	-18,062
Net debt(c)	11,422

- (a) Net worth is calculated as assets minus liabilities minus shares and other contributed capital.
(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 deposits, advances paid and investments, loans and placements.

Table 16: Public non-financial corporations sector cash flow statement^(a)

	1999-00 Outcome \$m
Cash receipts from operating activities	
Receipts from sales of goods and services	24,155
Grants and subsidies received	251
Other receipts	608
Total receipts	25,014
Cash payments for operating activities	
Payment for goods and services	-9,320
Interest paid	-1,302
Other payments for operating activities	-7,032
Total payments	-17,654
Net cash flows from operating activities	7,360
Cash flows from investments in non-financial assets	
Sales of non-financial assets	356
<i>Less</i> Purchases of new and secondhand non-financial assets	-5,726
Net cash flows from investments in non-financial assets	-5,370
Cash flows from investments in financial assets for policy purposes	
Net advances paid	-28
Net equity acquisitions, disposals and privatisations	0
Net cash flows from investments in financial assets for policy purposes	-28
Cash flows from investments in financial assets for liquidity purposes	
Increase in investments	-462
Net cash flows from investments in financial assets for liquidity purposes	-462
Cash flows from financing activities	
Advances received (net)	0
Borrowing (net)	3,206
Deposits received (net)	0
Distributions paid (net)	-4,584
Other financing (net)	-44
Net cash flows from financing activities	-1,422
Net increase/decrease in cash held	78
Net cash from operations and investments in non-financial assets	1,990
<i>plus</i> Finance leases and similar arrangements	0
<i>plus</i> Distributions paid	-4,584
Equals surplus(+)/deficit(-)(b)	-2,594

(a) A positive number denotes a cash inflow; a negative sign denotes a cash outflow.

(b) Conceptually, the surplus/deficit aggregate contained in the cash flow statement is the same as the deficit measure obtained under the 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.

Table 17: Non-financial public sector operating statement

	1999-00 Outcome \$m
GFS revenue	
Taxation revenue	150,674
Current grants and subsidies	0
Sales of goods and services	27,782
Interest income	1,041
Other	8,871
Total GFS revenue(a)	188,368
GFS expenses	
Gross operating expenses	
Depreciation	5,806
Other operating expenses	54,609
Total gross operating expenses	60,414
Nominal superannuation interest expense	3,448
Other interest expenses	7,692
Other property expenses	1,169
Current transfers	
Grant expenses	44,638
Subsidy expenses	5,250
Other current transfers	50,247
Total current transfers	100,135
Capital transfers	167
Total GFS expenses(b)	173,026
Net operating balance	15,343
Net acquisition of non-financial assets	
Gross fixed capital formation	8,626
<i>less</i> Depreciation	5,806
<i>plus</i> Change in inventories	-14
<i>plus</i> Other movements in non-financial assets	-1,995
Total net acquisition of non-financial assets	812
Net lending/fiscal balance(c)	14,530

- (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. Asset sales, which involve a transfer of a non-financial for a financial asset, are also excluded.
- (b) GFS expenses are not equal to AAS31 expenses. GFS expenses include all (mutually agreed) transactions that decrease net worth. Revaluations are not considered mutually agreed transactions, and so are excluded from GFS expenses.
- (c) 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.

Table 18: Non-financial public sector balance sheet

	1999-00 Outcome \$m
GFS assets	
Financial assets	
Cash and deposits	4,317
Advances paid	14,626
Investments, loans and placements	18,821
Other non-equity assets	18,388
Equity	12,717
Total financial assets	68,869
Non-financial assets	
Land and fixed assets	92,088
Other non-financial assets	3,558
Total non-financial assets	95,646
Total GFS assets	164,515
GFS liabilities	
Deposits held	233
Advances received	0
Borrowing	102,059
Superannuation liability	75,802
Other employee entitlements and provisions	15,186
Other non-equity liabilities	14,942
Total GFS liabilities	208,223
Shares and other contributed capital	43,531
Net worth(a)	-87,238
Net financial worth(b)	-139,354
Net debt(c)	64,528

- (a) Net worth is calculated as assets minus liabilities minus shares and other contributed capital.
- (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 deposits, advances paid and investments, loans and placements.

Table 19: Non-financial public sector cash flow statement^(a)

	1999-00 Outcome \$m
Cash receipts from operating activities	
Taxes received	148,794
Receipts from sales of goods and services	27,326
Grants and subsidies received	0
Other receipts	8,021
Total receipts	184,141
Cash payments for operating activities	
Payments for goods and services	-24,141
Grants and subsidies paid	-49,332
Interest paid	-16,618
Other payments for operating activities	-73,320
Total payments	-163,410
Net cash flows from operating activities	20,731
Cash flows from investments in non-financial assets	
Sales of non-financial assets	2,773
<i>Less</i> Purchases of new and secondhand non-financial assets	-10,952
Net cash flows from investments in non-financial assets	-8,179
Cash flows from investments in financial	
Assets for policy purposes	
Net advances paid	9,500
Net equity acquisitions, disposals and privatisations	-28
Net cash flows from investments in financial assets for policy purposes	9,472
Cash flows from investments in financial assets for liquidity purposes	
Increase in investments	-10,707
Net cash flows from investments in financial assets for liquidity purposes	-10,707
Cash flows from financing activities	
Advances received (net)	0
Borrowing (net)	-6,883
Deposits received (net)	-34
Distributions paid (net)	-2,475
Other financing (net)	136
Net cash flows from financing activities	-9,257
Net increase/decrease in cash held	2,061
Net cash from operating activities and investments in non-financial assets	12,552
<i>plus</i> Finance leases and similar arrangements	0
<i>plus</i> Distributions paid	-2,475
Equals surplus(+)/deficit(-)(b)	10,077

(a) A positive number denotes a cash inflow; a negative sign denotes a cash outflow.

(b) Conceptually, the surplus/deficit aggregate contained in the cash flow statement is the same as the deficit measure obtained under the 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.

Table 20: Public financial corporations sector operating statement

	1999-00 Outcome \$m
GFS revenue	
Current grants and subsidies	111
Sales of goods and services	1,570
Interest income	2,730
Other	27
Total GFS revenue(a)	4,438
GFS expenses	
Gross operating expenses	
Depreciation	20
Other operating expenses	1,707
Total gross operating expenses	1,727
Interest expenses	1,003
Other property expenses	817
Current transfers	
Tax expenses	-21
Other current transfers	0
Total current transfers	-21
Capital transfers	0
Total GFS expenses(b)	3,527
Net operating balance	911
Net acquisition of non-financial assets	
Gross fixed capital formation	23
<i>less</i> Depreciation	20
<i>plus</i> Change in inventories	-3
<i>equals</i> Total net capital formation	0
<i>plus</i> Other movements in non-financial assets	144
Total net acquisition of non-financial assets	144
Net lending/fiscal balance(c)	767

- (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. Asset sales, which involve a transfer of a non-financial for a financial asset, are also excluded.
- (b) GFS expenses are not equal to AAS31 expenses. GFS expenses include all (mutually agreed) transactions that decrease net worth. Revaluations are not considered mutually agreed transactions, and so are excluded from GFS expenses.
- (c) 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.

Table 21: Public financial corporations sector balance sheet

	1999-00 Outcome \$m
GFS assets	
Financial assets	
Cash and deposits	904
Advances paid	2,947
Investments, loans and placements	56,587
Other non-equity assets	967
Equity	641
Total financial assets	62,047
Non-financial assets	
Land and fixed assets	332
Other non-financial assets	405
Total non-financial assets	737
Total GFS assets	62,784
GFS liabilities	
Deposits held	40,930
Advances received	0
Borrowing	9,850
Provisions (other than depreciation and bad debts)	2,278
Other non-equity liabilities	169
Total GFS liabilities	53,227
Shares and other contributed capital	9,557
Net worth(a)	0
Net financial worth(b)	8,820
Net debt(c)	-9,658

- (a) Net worth is calculated as assets minus liabilities minus shares and other contributed capital.
(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 deposits, advances paid and investments, loans and placements.

Table 22: Public financial corporations sector cash flow statement^(a)

	1999-00 Outcome \$m
Cash receipts from operating activities	
Receipts from sales of goods and services	1,603
Grants and subsidies received	107
Other receipts	2,706
Total receipts	4,416
Cash payments for operating activities	
Payment for goods and services	-231
Interest paid	-915
Other payments for operating activities	-1,461
Total payments	-2,607
Net cash flows from operating activities	1,809
Cash flows from investments in non-financial assets	
Sales of non-financial assets	1
<i>Less</i> Purchases of new and secondhand non-financial assets	-25
Net cash flows from investments in non-financial assets	-24
Cash flows from investments in financial assets for policy purposes	
Net advances paid	-240
Net equity acquisitions, disposals and privatisations	0
Net cash flows from investments in financial assets for policy purposes	-240
Cash flows from investments in financial assets for liquidity purposes	
Increase in investments	-4,840
Net cash flows from investments in financial assets for liquidity purposes	-4,840
Cash flows from financing activities	
Advances received (net)	0
Borrowing (net)	-271
Deposits received (net)	6,948
Distributions paid (net)	-3,013
Other financing (net)	-282
Net cash flows from financing activities	3,382
Net increase/decrease in cash held	87
Net cash from operations and investments in non-financial assets	1,785
<i>plus</i> Finance leases and similar arrangements	0
<i>plus</i> Distributions paid	-3,013
Equals surplus(+)/deficit(-)(b)	-1,228

(a) A positive number denotes a cash inflow; a negative sign denotes a cash outflow.

(b) Conceptually, the surplus / deficit aggregate contained in the cash flow statement is the same as the deficit measure obtained under the 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.

The UPF also requires publication of data on general government sector expenses by function. The data are not shown in this part as they have been published earlier, in Table 2 in Part I.

LOAN COUNCIL ALLOCATION

Under Loan Council arrangements, every year the Commonwealth and each state and territory nominate a Loan Council Allocation (LCA). A jurisdiction's LCA incorporates:

- the estimated non-financial public sector cash deficit (made up of the deficits from the general government and public non-financial corporations sectors);
- net cash flows from investments in financial assets for policy purposes. Such transactions involve the transfer or exchange of a financial asset and are not included within the cash deficit. However, the cash flow from investments in financial assets for policy purposes has implications for a government's call on financial markets; and
- memorandum items, such as transactions that, while not formally borrowings, have many of the transactions characteristic of borrowing.

LCA nominations are considered by the Loan Council, having regard to each jurisdiction's fiscal position and reasonable infrastructure requirements, as well as the macroeconomic implications of the aggregate figure.

The Commonwealth nominated, and the Loan Council endorsed, an LCA surplus for 1999-2000 of \$14.4 billion. In its May 1999 Budget the Commonwealth estimated an increased LCA surplus of \$22.3 billion. The difference between the two estimates reflected an improvement in the general government surplus, primarily due to changes in the proposed method and timing of the sale of Telstra.

As set out in Table 23, the Commonwealth's 1999-2000 LCA outcome is a \$21.5 billion surplus, compared with the 1999-2000 Budget estimate of \$22.3 billion. There has been a decrease in net cash flows from investments in financial assets for policy purposes. This change reflects a move in the timing of receipts from the sale of the second tranche of Telstra, with the final instalment of payments for Telstra 2 shares due in 2000-01 rather than 1999-2000 as anticipated in the 1999-2000 Budget.

Table 23: Commonwealth Loan Council Allocation for 1999-2000

	Estimate from 1999-00 Budget \$m	1999-00 Outcome \$m
General government sector cash deficit	-5,208	-12,671
PNFC sector cash deficit	748	2,594
Non-financial public sector cash deficit	-4,460	-10,077
<i>minus</i> Net cash flows from investments		
in financial assets for policy purposes(a)	17,827	9,472
<i>plus</i> Memorandum items(b)	34	-1,938
Loan Council Allocation	-22,253	-21,487

- (a) Such transactions involve the transfer or exchange of a financial asset and are not included within the cash deficit. However, the cash flow from investments in financial assets for policy purposes has implications for a government's call on financial markets.
- (b) For the Commonwealth, memorandum items comprise the change in net present value (NPV) of operating leases (with NPV greater than \$5 million), university borrowings, overfunding of superannuation and an adjustment to exclude the net financing requirements of statutory marketing authorities and Telstra from the LCA.

