# Part II: Government Finance Statistics Statements

The financial tables presented in this Part are prepared in accordance with the Australian Bureau of Statistics (ABS) accrual Government Finance Statistics (GFS) framework.

The statistical tables that are presented below include an operating statement, balance sheet and cash flow statement for the Commonwealth general government, public non-financial corporations (PNFC), total non-financial public, and public financial corporations (PFC) sectors. The 2001-02 Final Budget Outcome also includes a statement of other economic flows for the Commonwealth general government sector. This primarily outlines how 'other economic flows' (that is, those flows not accounted for in the GFS operating statement) impact on the net worth of the Commonwealth general government sector.

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. This Part presents Commonwealth data on an ABS GFS basis, as required by the UPF. An exception to this is the treatment of provisions for bad and doubtful debts. The draft ABS GFS publication (*Australian System of Government Finance Statistics: Concepts, Sources and Methods* Cat. No. 5514.0) requires that provisions for bad and doubtful debts be excluded from the balance sheet. This treatment has not been adopted because excluding such provisions would overstate the value of Commonwealth assets and net worth in the balance sheet (and would therefore be inconsistent with the market valuation principle).

The clear policy intent of the *Intergovernmental Agreement on Commonwealth-State Financial Arrangements* is that GST is collected by the Commonwealth, as an agent for the States and Territories, and appropriated to the States. As such, it is not shown as Commonwealth revenue in Parts I and III and Appendices B and C. However, the tables in this Part are presented on an accrual UPF reporting basis, and show GST as taxation revenue in and payments to the States as grant expenses out.

Consistent with ABS practice, transactions between the Commonwealth general government and PNFC sectors are included in the tables produced for these sectors, but are removed from the total non-financial public sector tables as they are transactions internal to that sector.

Transactions between the Commonwealth PFC sector and the general government and PNFC sectors are included in the relevant tables. These transactions include income transfers such as dividends paid to general government, net advances paid by general government to PFCs and taxes paid by PFCs.

Appendix A provides reconciliations between key GFS aggregates and their Australian Accounting Standard No. 31 (AAS31) counterparts.

## Table 7: General government sector operating statement

| | 2001-02 Estimate at 2002-03 Budget $m | 2001-02 Outcome $m |
|---|---|---|
| **GFS revenue** | | |
| Taxation revenue | 178,386 | 177,237 |
| Current grants and subsidies | 0 | 0 |
| Sales of goods and services | 3,908 | 3,802 |
| Interest income | 1,223 | 1,188 |
| Dividend income | 4,760 | 4,766 |
| Other | 2,515 | 2,785 |
| **Total GFS revenue** | **190,791** | **189,777** |
| **GFS expenses** | | |
| Gross operating expenses | | |
| Depreciation | 1,759 | 1,667 |
| Superannuation | 1,789 | 1,497 |
| Salaries and wages | 10,262 | 10,275 |
| Payment for supply of goods and services | 34,986 | 34,154 |
| Other operating expenses | 1,498 | 1,911 |
| *Total gross operating expenses* | *50,294* | *49,504* |
| Nominal superannuation interest expense | 5,239 | 4,987 |
| Other interest expenses | 5,266 | 5,511 |
| Other property expenses | 0 | 0 |
| Current transfers | | |
| Grant expenses | 61,884 | 61,443 |
| Subsidy expenses | 4,524 | 4,634 |
| Personal benefit payments in cash | 63,359 | 63,035 |
| Other current transfers | 0 | 0 |
| *Total current transfers* | *129,767* | *129,113* |
| Capital transfers | 3,640 | 4,291 |
| **Total GFS expenses** | **194,206** | **193,406** |
| **Net operating balance** | **-3,415** | **-3,629** |
| **Net acquisition of non-financial assets** | | |
| Gross fixed capital formation | 1,532 | 1,172 |
| *less* Depreciation | 1,759 | 1,667 |
| *plus* Change in inventories | -140 | 185 |
| *plus* Other movements in non-financial assets | -182 | -59 |
| **Total net acquisition of non-financial assets** | **-550** | **-369** |
| **Net lending/fiscal balance(a)(b)** | **-2,865** | **-3,260** |

(a) The fiscal balance and net operating balance outcomes in this table are $466 million greater than the fiscal balance and net operating balance outcomes elsewhere in the Final Budget Outcome. Appendix A provides an explanation.

(b) The term ‘fiscal balance’ is not used by the ABS.

## Table 8: General government sector balance sheet

| | 2001-02 Estimate at 2002-03 Budget $m | 2001-02 Outcome $m |
|---|---|---|
| **GFS assets** | | |
| Financial assets | | |
| Cash and deposits | 1,780 | 2,231 |
| Advances paid | 19,945 | 19,044 |
| Investments, loans and placements | 17,075 | 19,649 |
| Other non-equity assets | 15,741 | 13,881 |
| Equity | 51,427 | 44,870 |
| *Total financial assets* | *105,967* | *99,674* |
| Non-financial assets | | |
| Land | 3,568 | 4,625 |
| Buildings | 12,852 | 12,392 |
| Plant, equipment and infrastructure | 10,955 | 11,765 |
| Inventories | 3,350 | 3,856 |
| Other non-financial assets | 2,868 | 3,002 |
| *Total non-financial assets* | *33,593* | *35,640* |
| **Total GFS assets** | **139,561** | **135,314** |
| **GFS liabilities** | | |
| Deposits held | 293 | 300 |
| Advances received | 0 | 0 |
| Government securities | 64,045 | 63,821 |
| Loans | 13,037 | 12,089 |
| Other borrowing | 268 | 281 |
| Superannuation liability | 81,967 | 81,596 |
| Other employee entitlements and provisions | 6,542 | 6,819 |
| Other non-equity liabilities | 15,695 | 16,888 |
| **Total GFS liabilities** | **181,848** | **181,794** |
| **Net worth(a)(b)** | **-42,288** | **-46,480** |
| Net financial worth(c) | -75,881 | -82,121 |
| Net debt(d) | 38,845 | 35,568 |

(a) The net worth outcome in this table is $505 million greater than the net worth outcomes elsewhere in the Final Budget Outcome. Appendix A provides an explanation.
(b) Net worth is calculated as total assets minus total liabilities.
(c) Net financial worth equals total financial assets minus total liabilities.
(d) Net debt equals the sum of deposits held, advances received, government securities, loans and other borrowings, minus the sum of cash and deposits, advances paid, and investments, loans and placements.

## Table 9: General government sector cash flow statement[(a)]

| | 2001-02 Estimate at 2002-03 Budget $m | 2001-02 Outcome $m |
|---|---|---|
| **Cash receipts from operating activities** | | |
| Taxes received(b) | 176,269 | 174,308 |
| Receipts from sales of goods and services | 3,785 | 3,727 |
| Grants/subsidies received | 0 | 0 |
| Interest receipts | 992 | 918 |
| Dividends | 4,760 | 4,770 |
| GST input credits received by general government(c) | 0 | 0 |
| Other receipts | 2,335 | 2,519 |
| **Total receipts** | **188,141** | **186,241** |
| **Cash payments for operating activities** | | |
| Payments for goods and services | -35,260 | -34,258 |
| Grants and subsidies paid | -68,579 | -68,123 |
| Interest paid | -5,204 | -5,273 |
| Personal benefit payments | -63,086 | -62,873 |
| Salaries, wages and other entitlements | -14,670 | -14,169 |
| GST payments by general government to taxation authority(c) | 0 | 0 |
| Other payments for operating activities | -1,187 | -1,689 |
| **Total payments** | **-187,985** | **-186,385** |
| **Net cash flows from operating activities** | **156** | **-144** |
| **Cash flows from investments in non-financial assets** | | |
| Sales of non-financial assets | 853 | 914 |
| *less* Purchases of new and secondhand non-financial assets | -2,284 | -2,107 |
| **Net cash flows from investments in non-financial assets** | **-1,431** | **-1,193** |
| **Net cash flows from investments in financial assets for policy purposes(d)** | **-626** | **3,422** |
| **Cash flows from investments in financial assets for liquidity purposes** | | |
| Increase in investments | 6,311 | 3,097 |
| **Net cash flows from investments in financial assets for liquidity purposes** | **6,311** | **3,097** |
| **Cash flows from financing activities** | | |
| Advances received (net) | 0 | 0 |
| Borrowing (net) | -3,440 | -3,903 |
| Deposits received (net) | 0 | 7 |
| Other financing (net) | -303 | -234 |
| **Net cash flows from financing activities** | **-3,743** | **-4,130** |
| **Net increase/decrease in cash held** | **666** | **1,052** |
| **Net cash from operating activities and investments in non-financial assets** | **-1,276** | **-1,337** |
| *plus* Finance leases and similar arrangements(e) | 83 | 78 |
| **Equals surplus(+)/deficit(-)** | **-1,193** | **-1,259** |

(a) A positive number denotes a cash inflow, a negative sign denotes a cash outflow.
(b) Includes GST cash receipts on a Commonwealth tax basis, which is $133 million less than GST cash receipts measured on a State tax basis (as shown in Part III, Note 15).
(c) Where GST is accounted for as a Commonwealth revenue, GST flows between general government entities and the taxation authority are treated as transfers within the general government sector. Therefore, the general government as a whole does not receive any GST input credit receipts or make any GST payments to taxation authorities.
(d) Includes net cash flows from loans, advances and HECS of $1.1 billion, as shown in Table 6.
(e) The acquisition of assets under finance leases reduces the surplus/deficit. The disposal of assets previously held under finance leases improves the surplus/deficit.

## Table 10: General government sector statement of other economic flows (reconciliation of net worth)

| | 2001-02 Estimate at 2002-03 Budget $m | 2001-02 Outcome $m |
|---|---|---|
| **Opening net worth** | -41,147 | -41,147 |
| **Change in net worth from operating transactions** | -3,415 | -3,628 |
| **Change in net worth from other economic flows** | | |
| Net profit on sale of assets | 2,416 | 3,521 |
| Cost of asset sales included in net profit on sale of assets(a) | 29 | 48 |
| Revaluations of investments in commercial entities | 2,584 | -4,304 |
| *Total revaluation and profit on asset sales(b)* | *5,029* | *-735* |
| Net foreign exchange gains | 646 | 1,139 |
| Net writedowns of assets (including bad and doubtful debts) | -4,115 | -6,398 |
| Revaluation of superannuation liability | -652 | -611 |
| Net swap interest received | 673 | 678 |
| Reversal of previous year's grant recognition(c) | 334 | 392 |
| Revaluation of defence weapon platforms including writedowns(d) | 425 | 1,104 |
| Asset revaluations taken to reserves | 203 | 1,622 |
| Assets recognised for the first time | 8 | 1,204 |
| Other economic revaluations(e) | -276 | -98 |
| **Total other economic flows** | **2,275** | **-1,705** |
| **Closing net worth** | **-42,288** | **-46,480** |

(a) This component of profit on the sale of assets impacts on net worth as an operating transaction (rather than an other economic flow) and is therefore added back to the net profit on sales of assets.

(b) Revaluations and profit on sale of assets are derived from Australian Accounting Standards data. Revaluations reflect the difference between the GFS valuation of commercial entities at market value and the AAS valuation at historic cost.

(c) Total grants to be paid over a multi-year health programme were previously recognised as an expense and liability in the year that the programme began. This treatment has been reversed and the grants will now be recognised as expenses in the year they are paid, leading to the removal of the previous liability, consistent with external reporting standards.

(d) Defence weapons are treated as expenses rather than assets under the GFS framework, hence, changes in value do not contribute to net worth and are not included in other economic flows. This component represents the removal of defence weapons included in net writedowns, assets recognised for the first time and asset revaluations taken to reserves and other movements.

(e) Includes net repurchase premia and other revaluations not recorded elsewhere.

## Table 11: Supplementary table — Commonwealth general government revenue (accrual basis)

| | 2001-02 Estimate at 2002-03 Budget $m | 2001-02 Outcome $m |
|---|---|---|
| **Taxation revenue** | | |
| Income tax | | |
| Individuals and other withholding(a) | | |
| Gross income tax withholding(b) | 80,940 | 79,822 |
| Gross other individuals | 16,725 | 17,237 |
| *less* Refunds | 10,350 | 10,637 |
| Total Individuals and other withholding | 87,315 | 86,422 |
| Companies | 27,480 | 27,133 |
| Superannuation funds | | |
| Contributions and earnings | 3,460 | 3,341 |
| Surcharge | 820 | 830 |
| Total Superannuation funds | 4,280 | 4,171 |
| Petroleum resource rent tax | 1,360 | 1,306 |
| **Total income tax** | **120,435** | **119,032** |
| Indirect tax | | |
| Excise duty | | |
| Petroleum products and crude oil | 12,690 | 12,793 |
| Other excise | 6,810 | 6,837 |
| Total excise duty | 19,500 | 19,630 |
| Customs duty | 5,004 | 5,214 |
| Other indirect taxes(c) | 760 | 791 |
| **Total indirect tax** | **25,264** | **25,634** |
| GST | 27,630 | 27,389 |
| Fringe benefits tax(d) | 3,630 | 3,675 |
| Agricultural levies and other taxes | 1,426 | 1,506 |
| **Total tax revenue** | **178,386** | **177,237** |
| **Non-tax revenue** | **12,406** | **12,540** |
| **Total revenue** | **190,791** | **189,777** |

(a) Includes Medicare levy revenue of $4,970 million.
(b) Previously reported as Pay As You Go (Withholding) and other withholding. Other withholding was previously reported under company and other income tax, and includes amounts withheld for failure to quote a Tax File Number or an Australia Business Number, interest, dividends and royalty payments to non-residents, and payments to aboriginal groups for the use of land for mineral exploration and mining.
(c) Includes the wine equalisation tax, luxury car tax and the final wholesale sales tax liability.
(d) Consistent with GFS reporting standards, excludes fringe benefits tax collected from Commonwealth government agencies ($360 million in 2001-02).

### Table 12: Supplementary table — Commonwealth general government indirect tax (accrual basis)

| | 2001-02 Estimate at 2002-03 Budget $m | 2001-02 Outcome $m |
|---|---|---|
| Excise duty | | |
| Petroleum products | | |
| Petrol(a) | 7,016 | 7,053 |
| Diesel | 5,175 | 5,231 |
| Other(b) | 119 | 116 |
| Total petroleum products | 12,310 | 12,400 |
| Crude oil | 380 | 393 |
| Other excise | | |
| Beer | 1,650 | 1,651 |
| Potable spirits | 330 | 339 |
| Tobacco products | 4,830 | 4,847 |
| Total other excise | 6,810 | 6,837 |
| Total excise duty revenue | 19,500 | 19,630 |
| Customs duty revenue(c) | 5,004 | 5,214 |
| Other indirect tax revenue | | |
| Wine equalisation tax(d) | 630 | 648 |
| Luxury car tax | 200 | 220 |
| Wholesale sales tax(e) | -70 | -77 |
| Total other indirect taxes | 760 | 791 |
| **Total** | **25,264** | **25,634** |

(a) Includes unleaded petrol and lead replacement petrol.
(b) Includes aviation gasoline, aviation turbine fuel, fuel oil, heating oil and kerosene.
(c) Customs duty includes duties imposed on imported petroleum products, tobacco, beer and spirits, which are analogous to excise duty on these items.
(d) Includes the offsetting revenue effects of the WET rebate for cellar door and other sales.
(e) WST was abolished on 1 July 2000; however, final liabilities, net of refunds, were recognised in 2001-02.

### Table 13: Public non-financial corporations sector operating statement

| | 2001-02 Estimate at 2002-03 Budget $m | 2001-02 Outcome $m |
|---|---|---|
| **GFS revenue** | | |
| Current grants and subsidies | 201 | 342 |
| Sales of goods and services | 26,601 | 25,935 |
| Interest income | 184 | 166 |
| Other | 6 | 18 |
| **Total GFS revenue** | **26,991** | **26,461** |
| **GFS expenses** | | |
| Gross operating expenses | | |
| Depreciation | 3,626 | 3,505 |
| Other operating expenses | 14,220 | 15,357 |
| *Total gross operating expenses* | *17,847* | *18,862* |
| Interest expenses | 1,194 | 1,033 |
| Other property expenses | 1,889 | 3,292 |
| Current transfers | | |
| Tax expenses | 1,964 | 1,978 |
| Other current transfers | 0 | 0 |
| *Total current transfers* | *1,964* | *1,978* |
| Capital transfers | 0 | 0 |
| **Total GFS expenses** | **22,893** | **25,164** |
| **Net operating balance** | **4,098** | **1,297** |
| **Net acquisition of non-financial assets** | | |
| Gross fixed capital formation | 4,048 | 3,633 |
| *less* Depreciation | 3,626 | 3,505 |
| *plus* Change in inventories | -6 | 300 |
| *plus* Other movements in non-financial assets | 61 | 76 |
| **Total net acquisition of non-financial assets** | **477** | **504** |
| **Net lending/fiscal balance(a)** | **3,621** | **793** |

(a) The term ‘fiscal balance’ is not used by the ABS.

## Table 14: Public non-financial corporations sector balance sheet

| | 2001-02 Estimate at 2002-03 Budget $m | 2001-02 Outcome $m |
|---|---|---|
| **GFS assets** | | |
| Financial assets | | |
| Cash and deposits | 2,076 | 1,195 |
| Advances paid | 0 | 231 |
| Investments, loans and placements | 3,187 | 1,488 |
| Other non-equity assets | 3,594 | 4,457 |
| Equity | 0 | 1,319 |
| *Total financial assets* | *8,858* | *8,689* |
| Non-financial assets | | |
| Land and fixed assets | 30,652 | 31,646 |
| Other non-financial assets | 2,761 | 1,466 |
| *Total non-financial assets* | *33,412* | *33,112* |
| **Total GFS assets** | **42,270** | **41,800** |
| **GFS liabilities** | | |
| Deposits held | 0 | 0 |
| Advances received | 55 | 0 |
| Borrowing | 13,587 | 14,595 |
| Provisions (other than depreciation and bad debts) | 6,555 | 10,046 |
| Other non-equity liabilities | 5,308 | 1,648 |
| **Total GFS liabilities** | **25,505** | **26,289** |
| **Shares and contributed capital** | **75,774** | **62,521** |
| **Net worth(a)** | **-59,009** | **-47,010** |
| Net financial worth(b) | -92,421 | -80,122 |
| Net debt(c) | 8,378 | 11,682 |

(a) Net worth is calculated as total assets minus total liabilities minus shares and other contributed capital. The negative net worth recorded for the PNFC sector is caused by the different methodologies used to value these components. Assets and liabilities are valued according to entities' accounting policies and may not reflect the market valuation. In contrast, in the case of listed companies the value of shares and other contributed capital reflects the total market capitalisation, which generally exceeds the entities' book values.

(b) Net financial worth equals total financial assets minus total liabilities minus shares and other contributed capital.

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

## Table 15: Public non-financial corporations sector cash flow statement[(a)]

| | 2001-02 Estimate at 2002-03 Budget $m | 2001-02 Outcome $m |
|---|---|---|
| **Cash receipts from operating activities** | | |
| Receipts from sales of goods and services | 28,495 | 27,288 |
| Grants and subsidies received | 201 | 342 |
| Other receipts | 192 | 145 |
| **Total receipts** | **28,888** | **27,775** |
| **Cash payments for operating activities** | | |
| Payment for goods and services | -16,723 | -15,613 |
| Interest paid | -1,194 | -1,019 |
| GST payments to taxation authority | -1,154 | -1,259 |
| Other payments for operating activities | -3,209 | -1,749 |
| **Total payments** | **-22,279** | **-19,640** |
| **Net cash flows from operating activities** | **6,609** | **8,135** |
| **Cash flows from investments in non-financial assets** | | |
| Sales of non-financial assets | 226 | 314 |
| *less* Purchases of new and secondhand non-financial assets | -4,274 | -3,947 |
| **Net cash flows from investments in non-financial assets** | **-4,047** | **-3,633** |
| **Cash flows from investments in financial assets for policy purposes** | | |
| Net advances paid | 0 | 45 |
| Net equity acquisitions, disposals and privatisations | 0 | 0 |
| **Net cash flows from investments in financial assets for policy purposes** | **0** | **45** |
| **Cash flows from investments in financial assets for liquidity purposes** | | |
| Increase in investments | -18 | -180 |
| **Net cash flows from investments in financial assets for liquidity purposes** | **-18** | **-180** |
| **Cash flows from financing activities** | | |
| Advances received (net) | -70 | 0 |
| Borrowing (net) | -487 | -481 |
| Deposits received (net) | 0 | 0 |
| Distributions paid (net) | -1,413 | -3,292 |
| Other financing (net) | -441 | -99 |
| **Net cash flows from financing activities** | **-2,411** | **-3,872** |
| **Net increase/decrease in cash held** | **133** | **495** |
| **Net cash from operations and investments in non-financial assets** | **2,562** | **4,502** |
| *plus* Finance leases and similar arrangements(b) | 0 | 0 |
| *plus* Distributions paid | -1,413 | -3,292 |
| **Equals surplus(+)/deficit(-)** | **1,148** | **1,210** |

(a) A positive sign denotes a cash inflow, a negative sign denotes a cash outflow.
(b) The acquisition of assets under finance leases reduces the surplus/deficit. The disposal of assets previously held under finance leases improves the surplus/deficit.

## Table 16: Total non-financial public sector operating statement

| | 2001-02 Estimate at 2002-03 Budget $m | 2001-02 Outcome $m |
|---|---|---|
| **GFS revenue** | | |
| Taxation revenue | 176,422 | 175,259 |
| Current grants and subsidies | 0 | 0 |
| Sales of goods and services | 30,509 | 29,737 |
| Interest income | 1,357 | 1,299 |
| Dividend income | 2,917 | 2,886 |
| Other | 2,521 | 2,803 |
| **Total GFS revenue** | **213,726** | **211,984** |
| **GFS expenses** | | |
| Gross operating expenses | | |
| Depreciation | 5,386 | 5,172 |
| Superannuation | 1,791 | 1,497 |
| Salaries and wages | 10,262 | 10,275 |
| Payment for supply of goods and services | 34,986 | 34,154 |
| Other operating expenses | 14,298 | 17,268 |
| *Total gross operating expenses* | *66,723* | *68,366* |
| Nominal superannuation interest expense | 5,239 | 4,987 |
| Other interest expenses | 6,410 | 6,489 |
| Other property expenses | 1,464 | 1,412 |
| Current transfers | | |
| Grant expenses | 61,884 | 61,443 |
| Subsidy expenses | 4,323 | 4,293 |
| Personal benefit payments in cash | 63,359 | 63,035 |
| Other current transfers | 0 | 0 |
| *Total current transfers* | *129,567* | *128,772* |
| Capital transfers | 3,640 | 4,291 |
| **Total GFS expenses** | **213,043** | **214,316** |
| **Net operating balance** | **683** | **-2,332** |
| **Net acquisition of non-financial assets** | | |
| Gross fixed capital formation | 5,579 | 4,805 |
| *less* Depreciation | 5,386 | 5,172 |
| *plus* Change in inventories | -146 | 485 |
| *plus* Other movements in non-financial assets | -120 | 17 |
| **Total increase in net non-financial assets** | **-73** | **135** |
| **Net lending/fiscal balance(a)(b)** | **756** | **-2,467** |

(a) The fiscal balance and net operating balance outcomes for the total non-financial public sector in this table are $466 million greater than the fiscal balance and net operating balance outcomes for this sector in Appendix C. Appendix A provides an explanation.

(b) The term 'fiscal balance' is not used by the ABS.

## Table 17: Total non-financial public sector balance sheet

| | 2001-02 Estimate at 2002-03 Budget $m | 2001-02 Outcome $m |
|---|---|---|
| **GFS assets** | | |
| Financial assets | | |
| Cash and deposits | 3,856 | 3,426 |
| Advances paid | 20,015 | 19,274 |
| Investments, loans and placements | 20,262 | 21,136 |
| Other non-equity assets | 19,335 | 18,338 |
| Equity | 12,571 | 14,164 |
| *Total financial assets* | *76,039* | *76,338* |
| Non-financial assets | | |
| Land and fixed assets | 61,377 | 64,284 |
| Other non-financial assets | 5,629 | 4,468 |
| *Total non-financial assets* | *67,006* | *68,752* |
| **Total GFS assets** | **143,044** | **145,090** |
| **GFS liabilities** | | |
| Deposits held | 293 | 300 |
| Advances received | 125 | 0 |
| Government securities | 64,045 | 63,821 |
| Loans | 13,037 | 12,089 |
| Other borrowing | 13,855 | 14,876 |
| Superannuation liability | 81,967 | 81,596 |
| Other employee entitlements and provisions | 13,097 | 16,865 |
| Other non-equity liabilities | 21,003 | 18,536 |
| **Total GFS liabilities** | **207,423** | **208,084** |
| **Shares and other contributed capital** | **36,918** | **30,497** |
| **Net worth(a)(b)** | **-101,297** | **-93,490** |
| Net financial worth(c) | -168,302 | -162,242 |
| Net debt(d) | 47,223 | 47,250 |

(a) Net worth is calculated as total assets minus total liabilities minus shares and other contributed capital.
(b) The net worth outcome for the total non-financial public sector in this table is $505 million greater than the net worth outcomes in Appendix C. Appendix A provides an explanation.
(c) Net financial worth equals total financial assets minus total liabilities minus shares and other contributed capital.
(d) Net debt equals the sum of deposits held, advances received, government securities, loans and other borrowings, minus the sum of cash and deposits, advances paid, and investments, loans and placements.

## Table 18: Total non-financial public sector cash flow statement[a]

| | 2001-02 Estimate at 2002-03 Budget $m | 2001-02 Outcome $m |
|---|---|---|
| **Cash receipts from operating activities** | | |
| Taxes received | 174,306 | 171,171 |
| Receipts from sales of goods and services(b) | 30,082 | 31,015 |
| Grants and subsidies received | 0 | 0 |
| Interest receipts | 992 | 863 |
| Dividends | 2,917 | 2,891 |
| GST input credit receipts(b) | 0 | 0 |
| Other receipts | 2,477 | 2,664 |
| **Total receipts** | **210,774** | **208,603** |
| **Cash payments for operating activities** | | |
| Payments for goods and services(b) | -50,938 | -49,674 |
| Grants and subsidies paid | -68,378 | -67,781 |
| Interest paid | -6,348 | -6,237 |
| Personal benefit payments | -63,086 | -62,873 |
| Salaries, wages and other entitlements | -14,670 | -14,169 |
| GST payments to taxation authority(b) | 0 | 0 |
| Other payments for operating activities | -590 | -1,756 |
| **Total payments** | **-204,009** | **-202,491** |
| **Net cash flows from operating activities** | **6,764** | **6,112** |
| **Cash flows from investments in non-financial assets** | | |
| Sales of non-financial assets | 1,079 | 1,228 |
| *less* Purchases of new and secondhand non-financial assets | -6,558 | -6,054 |
| **Net cash flows from investments in non-financial assets** | **-5,479** | **-4,826** |
| **Net cash flows from investments in financial assets for policy purposes** | **-696** | **3,467** |
| **Cash flows from investments in financial assets for liquidity purposes** | | |
| Increase in investments | 6,293 | 2,917 |
| **Net cash flows from investments in financial assets for liquidity purposes** | **6,293** | **2,917** |
| **Cash flows from financing activities** | | |
| Advances received (net) | 0 | 0 |
| Borrowing (net) | -3,928 | -4,384 |
| Deposits received (net) | 0 | 7 |
| Distributions paid (net)(c) | -1,413 | -1,412 |
| Other financing (net) | -743 | -332 |
| **Net cash flows from financing activities** | **-6,084** | **-6,122** |
| **Net increase/decrease in cash held** | **799** | **1,547** |
| **Net cash from operating activities and investments in non-financial assets** | **1,286** | **1,286** |
| *plus* Finance leases and similar arrangements(d) | 83 | 78 |
| *plus* Distributions paid(c) | -1,413 | -1,412 |
| **Equals surplus(+)/deficit(-)** | **-45** | **-49** |

(a) A positive sign denotes a cash inflow, a negative sign denotes a cash outflow.
(b) GST flows are excluded from these categories as they are intra-sector transactions.
(c) 'Distributions paid' comprise Non-Financial Public Sector (NFPS) dividends to external shareholders.
(d) The acquisition of assets under finance leases reduces the surplus/deficit. The disposal of assets previously held under finance leases improves the surplus/deficit.

## Table 19: Public financial corporations sector operating statement

| | 2001-02 Outcome $m |
|---|---|
| **GFS revenue** | |
| Current grants and subsidies | 115 |
| Sales of goods and services | 2,117 |
| Interest income | 2,571 |
| Other | 15 |
| **Total GFS revenue** | **4,817** |
| **GFS expenses** | |
| Gross operating expenses | |
| Depreciation | 22 |
| Other operating expenses | 2,430 |
| *Total gross operating expenses* | *2,452* |
| Interest expenses | 963 |
| Other property expenses | 2,838 |
| Current transfers | |
| Tax expenses | 0 |
| Other current transfers | 0 |
| *Total current transfers* | *0* |
| Capital transfers | 0 |
| **Total GFS expenses** | **6,254** |
| **Net operating balance** | **-1,437** |
| **Net acquisition of non-financial assets** | |
| Gross fixed capital formation | 14 |
| *less* Depreciation | 22 |
| *plus* Change in inventories | 1 |
| *plus* Other movements in non-financial assets | 5 |
| **Total net acquisition of non-financial assets** | **-2** |
| **Net lending/fiscal balance(a)** | **-1,435** |

(a) The term 'fiscal balance' is not used by the ABS.

## Table 20: Public financial corporations sector balance sheet

| | 2001-02 Outcome $m |
|---|---:|
| **GFS assets** | |
| Financial assets | |
| Cash and deposits | 1,423 |
| Advances paid | 3,013 |
| Investments, loans and placements | 61,060 |
| Other non-equity assets | 144 |
| Equity | 316 |
| *Total financial assets* | *65,955* |
| Non-financial assets | |
| Land and fixed assets | 340 |
| Other non-financial assets | 594 |
| *Total non-financial assets* | *935* |
| **Total GFS assets** | **66,890** |
| **GFS liabilities** | |
| Deposits held | 45,923 |
| Advances received | 0 |
| Borrowing | 7,842 |
| Provisions (other than depreciation and bad debts) | 2,987 |
| Other non-equity liabilities | 54 |
| **Total GFS liabilities** | **56,806** |
| **Shares and contributed capital** | **10,084** |
| **Net worth(a)** | **0** |
| Net financial worth(b) | -935 |
| Net debt(c) | -11,730 |

(a) Net worth is calculated as total assets minus total liabilities minus shares and other contributed capital.
(b) Net financial worth equals total financial assets minus total liabilities minus shares and other contributed capital.
(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.

## Table 21: Public financial corporations sector cash flow statement[a]

| | 2001-02 Outcome $m |
|---|---|
| **Cash receipts from operating activities** | |
| Receipts from sales of goods and services | 2,143 |
| Grants and subsidies received | 114 |
| GST input credit receipts | 0 |
| Other receipts | 2,411 |
| **Total receipts** | **4,667** |
| **Cash payments for operating activities** | |
| Payment for goods and services | -476 |
| Interest paid | -883 |
| GST payments to taxation authority | -1 |
| Other payments for operating activities | -1,938 |
| **Total payments** | **-3,297** |
| **Net cash flows from operating activities** | **1,371** |
| **Cash flows from investments in non-financial assets** | |
| Sales of non-financial assets | 23 |
| *less* Purchases of new and secondhand non-financial assets | -39 |
| **Net cash flows from investments in non-financial assets** | **-15** |
| **Cash flows from investments in financial assets for policy purposes** | |
| Net advances paid | 265 |
| Net equity acquisitions, disposals and privatisations | 0 |
| **Net cash flows from investments in financial assets for policy purposes** | **265** |
| **Cash flows from investments in financial assets for liquidity purposes** | |
| Increase in investments | 180 |
| **Net cash flows from investments in financial assets for liquidity purposes** | **180** |
| **Cash flows from financing activities** | |
| Advances received (net) | 0 |
| Borrowing (net) | -268 |
| Deposits received (net) | 1,890 |
| Distributions paid (net)(b) | -2,838 |
| Other financing (net) | 27 |
| **Net cash flows from financing activities** | **-1,189** |
| **Net increase/decrease in cash held** | **610** |
| **Net cash from operations and investments in non-financial assets** | **1,355** |
| *plus* Finance leases and similar arrangements(c) | 0 |
| *plus* Distributions paid | -2,838 |
| **Equals surplus(+)/deficit(-)** | **-1,483** |

(a) A positive sign denotes a cash inflow, a negative sign denotes a cash outflow.
(b) 'Distributions paid' comprise PFC dividends to external shareholders.
(c) The acquisition of assets under finance leases reduces the surplus/deficit. The disposal of assets previously held under finance leases improves the surplus/deficit.

## 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 from the general government and public non-financial corporations sector deficits);
- net cash flows from investments in financial assets for policy purposes; and
- memorandum items. These transactions, though not formally borrowings, have many of the characteristics 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.

As set out in Table 22, the Commonwealth's 2001-02 LCA outcome is a $2.4 billion surplus, compared with the last published estimate in the 2001-02 Mid-Year Economic and Fiscal Outlook of $3.8 billion and the 2001–02 Budget estimate of $7.8 billion. The LCA outcome exceeds the lower bound of the LCA Budget estimate by more than the 2 per cent tolerance limit. A tolerance limit of 2 per cent of non-financial public sector revenue applies between the LCA Budget update and the outcome. Tolerance limits recognise that LCAs are nominated at an early stage of the budget process and may change as a result of policy and parameter changes.

**Table 22: Commonwealth Loan Council Allocation for 2001-02**

| | 2001-02 Budget Estimate $m | 2001-02 MYEFO Estimate $m | 2001-02 Outcome $m |
|---|---|---|---|
| General government sector cash deficit(+)/surplus(-) | -1,520 | -502 | 1,259 |
| PNFC sector cash deficit(+)/surplus(-) | -3,710 | -99 | -1,210 |
| Non-financial public sector cash deficit(+)/surplus(-) | -5,231 | -602 | 49 |
| *minus* Net cash flows from investments in financial assets for policy purposes(a) | 3,124 | 2,985 | 3,467 |
| *plus* Memorandum items(b) | 586 | -190 | 1,044 |
| **Loan Council Allocation** | **-7,768** | **-3,777** | **-2,374** |

(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.