PART 1: AUSTRALIAN GOVERNMENT BUDGET OUTCOME

OVERVIEW

In 2002-03, the Australian Government general government sector recorded an underlying cash surplus of $7.5 billion, $3.6 billion higher than estimated at the time of the 2003-04 Budget. The 2002-03 accrual fiscal balance was a surplus of $6.0 billion, $4.5 billion higher than estimated at the time of the 2003-04 Budget.

Table 1: Australian Government general government sector budget aggregates[(a)]

	2001-02 Outcome	2002-03 Estimate at 2002-03 Budget	2002-03 Estimate at 2003-04 Budget	2002-03 Outcome
Revenue ($b)	**162.4**	**169.6**	**171.8**	**175.0**
Per cent of GDP	22.8	22.6	22.8	23.3
Expenses ($b)	**166.5**	**170.2**	**170.5**	**169.2**
Per cent of GDP	23.4	22.7	22.6	22.5
Net operating balance ($b)	-4.1	-0.5	1.3	5.8
Net capital investment ($b)	-0.4	-0.7	-0.2	-0.2
Fiscal balance ($b)	**-3.8**	**0.2**	**1.5**	**6.0**
Per cent of GDP	-0.5	0.0	0.2	0.8
Underlying cash balance ($b)	**-1.0**	**2.1**	**3.9**	**7.5**
Per cent of GDP	-0.1	0.3	0.5	1.0
Memorandum item:				
Headline cash balance ($b)	2.5	4.6	3.6	7.3

(a) All estimates are based on Government Finance Statistics (GFS) standards, but with goods and services tax (GST) revenue collected on behalf of the States and Territories netted off revenue and expenses.

In relation to revenue, total cash receipts were around $2.2 billion higher than expected at the 2003-04 Budget. This was predominantly due to higher than expected tax receipts from companies, indicating stronger company profits than anticipated at Budget. Total accrual revenue was $3.2 billion above the 2003-04 Budget estimates. The higher revenue outcome relative to cash was primarily driven by revenue recognised but not yet paid in relation to other individuals.

With respect to expenditure, total cash payments were around $1.3 billion lower than expected at the 2003-04 Budget. This largely reflects parameter variations in respect of family and community services and education programmes, along with delays in contracted health expenditure. Similarly, accrual expenses and net capital investment were $1.3 billion lower than expected at the 2003-04 Budget.

Australian Government general government sector net debt fell by $8.4 billion in 2002-03 to $29.7 billion (3.9 per cent of GDP), the lowest in 20 years. This reduction is $2.8 billion larger than expected at the 2003-04 Budget, primarily reflecting the stronger than expected underlying cash surplus.

REVENUE

Total accrual revenue of $175.0 billion was $3.2 billion (1.9 per cent) higher than expected at the 2003-04 Budget. The variation reflected higher than expected revenue from companies and other individuals.

- Revenue from companies in 2002-03 was $2.1 billion above the 2003-04 Budget estimate. The higher than expected outcome was largely due to stronger than anticipated profitability by early December and small June balancing companies[1].
- Revenue from other individuals was $1.0 billion higher than anticipated due to an upward revision to expected collections and a reclassification of revenue provisions between other individuals and fringe benefits tax (which has been revised down).

Abstracting from companies and other individuals, revenue was broadly in line with the Budget forecast. The outcome for income tax withholding was in line with the Budget forecast. Expected revenue from the superannuation surcharge and excise was stronger but offset by lower than expected revenue from fringe benefits tax and higher than expected refunds to individuals.

- Superannuation surcharge revenue was $299 million higher than forecast, largely due to a change in the accounting treatment of unfunded liabilities in defined benefit schemes.
- Revenue from total excise was $207 million higher than expected, largely reflecting higher revenue from petrol ($87 million) and stronger collections of tobacco excise ($72 million), as a result of the Australian Taxation Office enforcement and compliance programmes in relation to the payment of tobacco excise.
- Revenue from fringe benefits tax was $388 million below the Budget estimate, largely due to a reclassification of revenue provisions between fringe benefits tax and other individuals (which has been revised up).
- Refunds were $111 million above the Budget estimate as a result of higher than expected refunds in relation to prior income years.

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1 See page 2 of Final Budget Outcome 2000-01 for an explanation of the role of balancing payments in company tax payment arrangements.

Table 2: Australian Government general government sector revenue (accrual basis)

	2002-03 Estimate at 2003-04 Budget $m	2002-03 Outcome $m
Taxation revenue		
Income tax		
Individuals and other withholding(a)		
Gross income tax withholding(b)	84,590	84,640
Gross other individuals	17,300	18,314
less Refunds	11,540	11,651
Total individuals and other withholding	90,350	91,303
Companies	31,260	33,365
Superannuation funds		
Contributions and earnings	3,580	3,617
Superannuation surcharge	980	1,279
Total superannuation funds	4,560	4,896
Petroleum resource rent tax	1,720	1,715
Total income tax	**127,890**	**131,278**
Indirect tax		
Excise duty		
Petroleum and other fuel products and crude oil	13,250	13,337
Other excise	7,330	7,450
Total excise duty	20,580	20,787
Customs duty	5,630	5,573
Other indirect taxes(c)	900	896
Total indirect tax	**27,110**	**27,255**
Fringe benefits tax(d)	3,220	2,832
Agricultural levies	547	586
Other taxes	1,050	1,104
Total tax revenue	**159,817**	**163,055**
Non-tax revenue	**11,983**	**11,958**
Total revenue	**171,800**	**175,014**

(a) Includes Medicare levy revenue of $5,000 million in 2002-03.
(b) Previously reported as Pay As You Go (Withholding) and other withholding. Other withholding, previously reported under company and other income tax, includes amounts withheld for failure to quote a Tax File Number or an Australian 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 Government Finance Statistics (GFS) reporting standards, excludes fringe benefits tax collected from Australian Government agencies ($323 million in 2002-03).

EXPENSES

Total accrual expenses were $169.2 billion in 2002-03, a reduction of $1.3 billion (0.8 per cent) from the estimate provided in the 2003-04 Budget. This reduction was largely the result of:

- parameter variations relating to personal benefit expenses across a range of family and community services programmes (including lower than expected expenses for the Family Tax Benefit), in total leading to lower expenses of $315 million;

- a decrease in education grant expenses of $272 million, including lower than expected grants to non-government schools due to fewer than forecast enrolments, and lower than expected grants to universities, largely reflecting increases in enrolments and revisions to the student profile from that estimated in the 2003-04 Budget;

- slippage in health grant expenses of $249 million, reflecting delays in the finalisation of contracts and completion of milestones by grantees across a range of health programmes, including medical research grants and integrated and co-ordinated care strategies; and

- lower personal benefit expenses of $94 million largely associated with lower than anticipated take-up of interim income and farm household support under the drought assistance package.

Table 3 provides information on GFS general government expenses by function.

Table 3: Australian Government general government sector expenses by function

	2002-03 Estimate at 2003-04 Budget $m	2002-03 Outcome $m
General public services		
Legislative and executive affairs	781	732
Financial and fiscal affairs	3,187	3,476
Foreign affairs and economic aid	2,364	2,334
General research	1,830	1,790
General services	553	566
Government superannuation benefits	2,095	2,090
Defence	13,143	13,307
Public order and safety	2,104	1,968
Education	12,342	12,109
Health(a)	29,734	29,400
Social security and welfare(a)	71,763	71,263
Housing and community amenities	1,733	1,763
Recreation and culture	2,111	2,062
Fuel and energy(a)	3,474	3,395
Agriculture, forestry and fishing	1,945	1,772
Mining and mineral resources (other than fuels), manufacturing and construction	1,519	1,502
Transport and communications	2,268	2,174
Other economic affairs		
Tourism and area promotion	134	156
Labour and employment affairs	3,151	3,005
Other economic affairs	691	642
Other purposes		
Public debt interest	4,627	4,629
Nominal superannuation interest	5,350	5,409
General purpose intergovernmental transactions	3,638	3,598
Natural disaster relief	141	95
Contingency reserve(b)	-144	11
Total GFS expenses	**170,534**	**169,247**

(a) This table reflects the corrigendum numbers issued on 27 May 2003 due to a misclassification between expense functions in the 2003-04 Budget. The misclassification affected the Health, Social security and welfare, and Fuel and energy functions in this table, but did not affect the aggregate budget figures.
(b) Asset sale related expenses are treated as a component of the Contingency reserve.

NET CAPITAL INVESTMENT

Total net capital investment for 2002-03 was -$219 million, which is broadly in line with the estimate provided in the 2003-04 Budget. A large downward movement in defence inventories was offset by an increase in the purchase of defence non-financial assets.

Table 4: Australian Government general government sector net capital investment by function

	2002-03 Estimate at 2003-04 Budget $m	2002-03 Outcome $m
General public services	118	22
Defence	-555	-448
Public order and safety	107	115
Education	4	1
Health	23	29
Social security and welfare	78	56
Housing and community amenities	-190	-140
Recreation and culture	-4	45
Fuel and energy	1	0
Agriculture, forestry and fishing	0	15
Mining and mineral resources (other than fuels); manufacturing and construction	10	11
Transport and communications	85	15
Other economic affairs	83	63
Other purposes	3	-4
Net capital investment	**-235**	**-219**

CASH FLOWS

The 2002-03 underlying cash balance was a surplus of $7.5 billion, $3.6 billion higher than estimated at the 2003-04 Budget. The higher than anticipated outcome was the result of greater operating cash receipts of $2.2 billion and lower operating cash payments of $2.0 billion, which was partly offset by higher capital payments of $0.6 billion.

Table 5: Summary of Australian Government general government sector cash flows[(a)]

	2002-03 Estimate at 2003-04 Budget $b	2002-03 Outcome $b
Cash receipts		
Operating cash receipts	172.6	174.8
Capital cash receipts(b)	1.3	1.3
Total cash receipts	173.9	176.1
Cash payments		
Operating cash payments	167.3	165.3
Capital cash payments(c)	2.7	3.4
Total cash payments	170.0	168.7
Finance leases and similar arrangements(d)	0.0	0.0
Underlying cash balance	**3.9**	**7.5**
Per cent of GDP	0.5	1.0
Memorandum items:		
Net cash flows from investments in financial assets for policy purposes(e)		
Major asset sales	0.0	0.0
less Other net advances paid	-0.3	-0.3
Headline cash balance	**3.6**	**7.3**

(a) Cash flows are derived from the accrual GFS framework excluding GST.
(b) Equivalent to cash receipts from the sale of non-financial assets in the GFS cash flow statement.
(c) Equivalent to cash payments for purchases of new and second-hand non-financial assets in the GFS cash flow statement.
(d) The acquisition of assets under finance leases reduces the underlying cash balance. The disposal of assets previously held under finance leases improves the underlying cash balance.
(e) Under the cash budgeting framework, these cash flows were referred to as net advances.

Total Australian Government general government sector cash receipts were $176.1 billion in 2002-03, $2.2 billion (1.3 per cent) higher than estimated at the 2003-04 Budget.[2] In comparison, total accrual revenue was $3.2 billion (1.9 per cent) higher than estimated at the 2003-04 Budget. The higher revenue outcome relative to cash was primarily driven by revenue recognised but not yet paid in relation to revenue from other individuals.

The variation from the cash receipts outcome mainly reflects stronger than anticipated tax receipts from companies of $1.6 billion.

- Income tax withholding was broadly in line with Budget expectations, with final collections only $164 million higher than expected.

- Receipts from other individuals were $156 million higher than expected.

2 Australian Government receipts on a revenue head basis are provided in Table C3.

- Receipts from superannuation contributions and earnings were $155 million higher than expected.
- Excise was $153 million higher than expected.

Total Australian Government general government sector cash payments were $168.7 billion in 2002-03, $1.3 billion (0.8 per cent) lower than estimated at the 2003-04 Budget. In the main, the differences in accrual expenses since the 2003-04 Budget were also reflected in similar cash payment differences and are largely explained by the expense variations described earlier in this Part.

The 2002-03 headline cash balance was a surplus of $7.3 billion, $3.6 billion higher than estimated at the 2003-04 Budget, primarily due to the higher than expected underlying cash surplus outcome.

NET DEBT AND NET WORTH

The level of Australian Government general government sector net debt has continued to fall, from a peak of 19.1 per cent of GDP in 1995-96 to 3.9 per cent of GDP at the end of 2002-03. Since 1996-97, net debt has been reduced by $66.6 billion. The fall in net debt in 2002-03 was $2.8 billion greater than expected at the 2003-04 Budget, primarily reflecting the higher than expected cash surplus outcome.

Net interest payments in 2002-03 were in line with expectations at the 2003-04 Budget. Having peaked at $8.4 billion in 1996-97, net interest payments have declined to $3.6 billion in 2002-03, representing annual savings in interest payments of around $5 billion.

Over 2002-03, Australian Government general government sector net worth declined from -$47.6 billion to -$50.4 billion. This decline largely reflects an upward revision of the civilian superannuation liabilities following an actuarial review ($4.6 billion), a reduction in the Telstra share price over the year to 30 June 2003 ($2.3 billion) and recording, for the first time, net university superannuation liabilities following the introduction of a new Australian Accounting Standard ($2.3 billion). However, the Australian Government has no legal obligation to meet this latter liability. These reductions were partly offset by the net operating surplus for 2002-03 ($5.8 billion).

Table 6: Australian Government general government sector net worth, net debt and net interest payments

	2002-03 Estimate at 2003-04 Budget $b	2002-03 Outcome $b
Financial assets	102.4	103.2
Non-financial assets	36.1	36.2
Total assets	**138.5**	**139.4**
Total liabilities	**185.7**	**189.8**
GFS net worth	**-47.2**	**-50.4**
Net debt(a)	**32.4**	**29.7**
Per cent of GDP	4.3	3.9
Net interest payments(b)	**3.6**	**3.6**
Per cent of GDP	0.5	0.5

(a) 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.
(b) Australian Government cash interest payments less cash interest receipts.

Attachment A

REPORTING STANDARDS

The *Charter of Budget Honesty Act 1998* requires that the Final Budget Outcome be based on external reporting standards, and that departures from applicable external reporting standards be identified.

The major external standards used for Final Budget Outcome reporting purposes are the Australian Bureau of Statistics (ABS) accrual Government Finance Statistics (GFS) framework and Australian Accounting Standards (AAS), including Australian Accounting Standard No. 31 *Financial Reporting by Governments* (AAS31).

Departures from external reporting standards

Final Budget Outcome tables, with the exception of tables in Part 2, do not include goods and services tax (GST) collections and equivalent payments to the States. Under the *Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations*, all GST receipts are appropriated to the States and Territories and thus are not available for expenditure by the Australian Government. Because the Australian Taxation Office collects GST as an agent for the States and Territories, GST receipts are not shown as Australian Government revenue. Estimates of GST receipts are provided in Note 15 of Part 3.

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 Australian Government assets in the balance sheet (and would, therefore, be inconsistent with the market valuation principle).

The AAS31 financial statements currently record International Monetary Fund (IMF) Special Drawing Rights (SDRs) as a liability. The GFS statements also record SDRs as a liability. However, IMF SDRs are not treated as a liability in the IMF accrual GFS manual released in December 2001. The current accounting treatment will remain in place pending a review of all financial relationships with international organisations prior to the 2004-05 Budget.

Similarly, the GFS financial statements currently adopt the AAS31 financial statements' treatment for circulating coins, whereby revenue is recognised upon the issue of coins and no liability is recorded. However, in the IMF accrual GFS manual released in December 2001, coins on issue are treated as a liability and no revenue is recognised. The current accounting treatment will remain in place pending further discussions with the ABS prior to the 2004-05 Budget.

The ABS GFS publication also requires defence weapons be treated as expenses. Defence weapons inventories are recorded as capital investment rather than expenses until such inventories can be reliably identified and measured. This treatment does not affect the underlying cash or fiscal balances.

Public access communication assets, computer software and other intangibles are recorded at historic cost, as market value information, or suitable proxies for market value, are not readily observable for these items.

In order to ensure the reporting of reliable AAS and GFS budget estimates and outcomes, taxation revenue is recognised the earlier of when an assessment of a tax liability is made or cash payment is received by the Australian Tax Office or the Australian Customs Service. Accordingly, for most categories of taxation revenue, there is a short lag between the time at which the underlying economic activity giving rise to the tax liability occurs and when the revenue is recognised. Longer lags of up to a year occur for some elements of company and superannuation funds taxation.

Additional information on the reporting standards and budget concepts is provided in Appendix A.

Attachment B

BUDGET FINANCIAL STATEMENTS

The budget financial statements consist of an operating statement, balance sheet, cash flow statement and statement of other economic flows (reconciliation of net worth) for the Australian Government general government sector. The budget financial statements are based on GFS standards with the exception of the departures discussed in Attachment A.

Table B1: Australian Government general government sector operating statement

	2002-03 Estimate at 2003-04 Budget $m	2002-03 Outcome $m
Revenue		
Taxation revenue	159,817	163,055
Current grants and subsidies	0	0
Sales of goods and services	4,002	3,805
Interest income	1,208	1,185
Dividend income	3,960	3,958
Other	2,813	3,009
Total revenue	**171,800**	**175,014**
Expenses		
Gross operating expenses		
Depreciation	1,780	1,795
Superannuation	2,095	2,090
Salaries and wages	10,625	10,324
Payment for supply of goods and services	36,661	36,577
Other operating expenses	2,145	2,633
Total gross operating expenses	*53,305*	*53,420*
Nominal superannuation interest expense	5,350	5,409
Other interest expenses	4,843	4,884
Other property expenses	0	0
Current transfers		
Grant expenses	33,506	32,493
Subsidy expenses	5,147	5,217
Personal benefit payments in cash	65,252	64,670
Other current transfers	0	0
Total current transfers	*103,905*	*102,379*
Capital transfers	3,131	3,154
Total expenses	**170,534**	**169,247**
Net operating balance	**1,266**	**5,767**
Net acquisition of non-financial assets		
Purchases of non-financial assets	2,682	3,197
less Sales of non-financial assets	1,304	1,331
less Depreciation	1,780	1,795
plus Change in inventories	104	-443
plus Other movements in non-financial assets	63	153
Total net acquisition of non-financial assets	**-235**	**-219**
Net lending/fiscal balance(a)	**1,501**	**5,986**

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

Table B2: Australian Government general government sector balance sheet

	2002-03 Estimate at 2003-04 Budget $m	2002-03 Outcome $m
Assets		
Financial assets		
Cash and deposits	2,507	2,339
Advances paid	19,050	18,956
Investments, loans and placements	18,220	21,805
Other non-equity assets	13,136	15,701
Equity(a)	49,498	44,381
Total financial assets	*102,411*	*103,182*
Non-financial assets		
Land	4,416	4,799
Buildings (excluding heritage)	12,285	13,476
Plant, equipment and infrastructure(b)	12,471	7,555
Inventories	3,903	4,044
Heritage and cultural assets(b)	-	4,765
Other non-financial assets	3,006	1,579
Total non-financial assets	*36,082*	*36,218*
Total assets	**138,493**	**139,399**
Liabilities		
Deposits held	300	325
Advances received	0	0
Government securities	61,939	62,894
Loans	9,737	9,304
Other borrowing	221	241
Superannuation liability	89,040	89,386
Other employee entitlements and provisions	7,449	7,867
Other non-equity liabilities	17,056	19,823
Total liabilities	**185,742**	**189,842**
Net worth(a)(c)	**-47,249**	**-50,442**
Net debt(d)	32,420	29,665

(a) The 2002-03 Equity and Net worth outcomes include the Telstra shareholding valued at the closing share price on 30 June 2003.
(b) A separate class of assets, Heritage and cultural assets, was established for 2002-03 in the Finance Minister's Orders for the Preparation of Financial Statements. Heritage and cultural assets were previously included in Plant, equipment and infrastructure.
(c) Net worth is calculated as total 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 B3: Australian Government general government sector cash flow statement[(a)]

	2002-03 Estimate at 2003-04 Budget $m	2002-03 Outcome $m
Cash receipts from operating activities		
Taxes received	158,502	160,661
Receipts from sales of goods and services	4,240	3,920
Grants and subsidies received	0	0
Interest receipts	964	982
Dividends	3,960	3,961
GST input credits received by general government	2,277	2,406
Other receipts	2,652	2,903
Total receipts	**172,595**	**174,833**
Cash payments for operating activities		
Payments for goods and services	-39,484	-39,850
Grants and subsidies paid	-40,977	-40,358
Interest paid	-4,584	-4,623
Personal benefit payments	-65,248	-65,050
Salaries, wages and other entitlements	-14,739	-14,575
GST payments by general government to taxation authority	-145	-68
Other payments for operating activities	-2,084	-775
Total payments	**-167,261**	**-165,298**
Net cash flows from operating activities	**5,334**	**9,535**
Cash flows from investments in non-financial assets		
Sales of non-financial assets	1,312	1,314
Purchases of new and secondhand non-financial assets	-2,731	-3,362
Net cash flows from investments in non-financial assets	**-1,420**	**-2,048**
Net cash flows from investments in financial assets for policy purposes	**-288**	**-229**
Cash flows from investments in financial assets for liquidity purposes		
Increase in investments	2,037	-1,743
Net cash flows from investments in financial assets for liquidity purposes	**2,037**	**-1,743**
Cash flows from financing activities		
Advances received (net)	0	0
Borrowing (net)	-5,945	-6,012
Deposits received (net)	0	25
Other financing (net)	559	580
Net cash flows from financing activities	**-5,386**	**-5,406**
Net increase/decrease in cash held	**277**	**108**
Net cash from operating activities and investments in non-financial assets	**3,914**	**7,487**
Finance leases and similar arrangements(b)	4	-1
Equals underlying cash balance	**3,918**	**7,486**
plus net cash flows from investments in financial assets for policy purposes	-288	-229
Equals headline cash balance	**3,630**	**7,257**

(a) A positive number denotes a cash inflow; a negative sign denotes a cash outflow.
(b) The acquisition of assets under finance leases reduces the underlying cash balance. The disposal of assets previously held under finance leases improves the underlying cash balance.

Table B4: Australian Government general government sector statement of other economic flows (reconciliation of net worth)

	2002-03 Estimate at 2003-04 Budget $m	2002-03 Outcome $m
Opening net worth	**-46,985**	**-46,985**
Opening net worth adjustments(a)	**-2,454**	**-567**
Adjusted opening net worth	**-49,440**	**-47,553**
Change in net worth from operating transactions	**1,266**	**5,767**
Change in net worth from other economic flows		
Revaluation of equity(b)	5,373	-1,543
Net writedowns of assets (including bad and doubtful debts)	-2,104	-3,049
Assets recognised for the first time	821	1,173
Defence weapon platform adjustment(c)	393	-140
Liabilities recognised for the first time(d)	0	-1,900
Actuarial revaluations	-4,967	-5,654
Net foreign exchange gains	753	786
Net swap interest received	554	556
Market valuation of debt	101	-682
Other economic revaluations(e)	2	1,798
Total other economic flows	**924**	**-8,656**
Closing net worth	**-47,249**	**-50,442**

(a) Opening net worth adjustments for the 2002-03 outcome reflect the adoption of the market valuation of debt and the removal of dividends payable from the measurement of the general government sector's equity holding in the public financial corporations sector. Following advice from the ABS, these changes have been back-dated to 1999-00.

(b) Revaluations of equity for the 2002-03 outcome reflect changes in the market valuation of commercial entities, including a change in the value of the Telstra shareholding due to a change in the closing share price between 30 June 2002 and 30 June 2003. This line also reflects any equity revaluations at the point of disposal or sale.

(c) 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 and other movements.

(d) Includes the initial recording of a liability for net unfunded university superannuation in accordance with a new Australian Accounting Standard. However, the Australian Government has no legal obligation to meet this liability. The Australian Government and States and Territories will assess future costs and possible simplified arrangements. Negotiations on these simplified arrangements with the States and Territories are continuing. The recording of this as a liability is also being adopted for GFS.

(e) Largely reflects revaluations of Land and Buildings.