

## CHAPTER 10: UNIFORM FINANCIAL REPORTING

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- ◆ Financial aggregates are prepared on an accrual basis in accordance with a revised Uniform Presentation Framework (UPF) endorsed by the Australian Loan Council.
- ◆ The UPF tables are no longer on a pure Government Finance Statistics (GFS) basis.
- ◆ The UPF tables have been prepared for the first time in accordance with Australian Accounting Standard AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. This standard adopts a harmonised GFS-GAAP reporting basis.
- ◆ A time series is provided from 2002-03 to 2011-12 for the general government, public trading enterprise and consolidated sectors.

### 10.1 INTRODUCTION

This chapter presents financial aggregates for the general government and public trading enterprise (PTE) sectors according to the revised Uniform Presentation Framework (UPF) agreed by the Australian Loan Council in March 2008.

The Australian Loan Council includes each state and territory Treasurer and the Commonwealth Treasurer. It monitors state finances, particularly the forecast cash surplus/(deficit) of Governments and their future financing/investing requirements. Accordingly, the objective of the UPF is to “facilitate a better understanding of individual Government’s budget papers and provide for more meaningful comparisons of each Government’s financial results and projections”<sup>1</sup>.

The Australian Loan Council has amended the UPF to adopt a harmonised GFS-GAAP reporting basis. The new framework is effective from the 2008-09 Budget. As such, the format of the aggregates is based on reporting standards set out by the Australian Accounting Standards Board – AASB1049 *Whole of Government and General Government Financial Reporting*.

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<sup>1</sup> *Uniform Presentation Framework: For the Presentation of Uniform Financial Information by Commonwealth, State and Territory Governments*, Australian Loan Council, April 2008, p. 1.

Previously the UPF was presented on a Government Finance Statistics (GFS) basis. The main differences in reporting on a AASB1049 basis compared with a GFS basis are outlined in this chapter within the section headed Primary Financial Statements.

The UPF financial aggregates serve a number of purposes including:

- ◆ allowing comparisons between the financial position of Australian Governments on a consistent basis
- ◆ facilitating time series comparisons since they are relatively unaffected by changes in public sector administrative structures and
- ◆ permitting an assessment of the impact of NSW public sector transactions on the economy by providing data classified by economic type.

The general government tables in this chapter are consistent with those reported in Chapter 1 but are repeated here for completeness.

## 10.2 UNIFORM PRESENTATION FRAMEWORK

The chapter provides the financial reports for the NSW Government to meet Loan Council obligations under the UPF<sup>2</sup>. Additional information is also provided to explain matters specific to New South Wales.

### KEY CHANGES

The UPF Tables are no longer prepared on a pure GFS basis but presented in accordance with AASB1049. In developing the standard, the Australian Accounting Standards Board:

- ◆ adopted generally accepted accounting principles (GAAP) definitions, including recognition and measurement principles in almost all cases
- ◆ amended presentation requirements to encompass a comprehensive result that retains the GAAP classification system but overlays it with a transactions and other economic flows classification system based on GFS and
- ◆ expanded the disclosure requirements to incorporate key fiscal aggregates required by GFS.

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<sup>2</sup> *The complete UPF manual is available on the Australian Treasury website [www.treasury.gov.au](http://www.treasury.gov.au). Extracts from the manual are included in this chapter to explain key concepts while the glossary to this budget paper also includes key UPF terms.*

There remain some convergence differences between GFS and GAAP financial aggregates. For this reason, GFS publications released by the Australian Bureau of Statistics for 2008-09, and in future, will differ from UPF aggregates. The differences are not generally material in size for New South Wales, aside from the impact on the timing of the recognition of a \$960 million road grant made to New South Wales in June 2006 under the Australian Road Transport grants program. Further information on other convergence differences is outlined in this chapter under the narrative for each of the primary statements. Details and amounts for the key convergence differences will be published in notes to the 2008-09 Outcomes Report.

In aligning the UPF with AASB 1049, there have been a number of key reporting changes.

### **Net worth**

Net worth for the public non-financial corporations (PNFC) and public financial corporations (PFC) sectors is now defined to be assets less liabilities<sup>3</sup>. Under the previous UPF, net worth for these sectors was defined as assets less both liabilities and shares and other contributed capital. In addition, recognition and measurement of assets and liabilities now follow GAAP and include items not previously recognised under the UPF, such as provisions for doubtful debts.

### **Cash surplus/(deficit)**

The cash surplus/(deficit) calculation for all sectors is now defined to exclude assets acquired under finance leases, although a new table is included to reconcile to the ABS GFS cash surplus by including the finance leases as part of asset acquisitions.

### **Operating Statement**

The operating statement combines the net result from transactions (net operating balance) and the impact of other economic flows to calculate the comprehensive result (total change in net worth). Neither other economic flows nor the comprehensive result were reported under the previous GFS based UPF.

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<sup>3</sup> *The ABS also refers to public trading enterprises (PTEs) as the public non-financial corporation or PNFC sector. Other chapters of this budget paper use the term "PTE".*

## Historical series

The shift from GFS to GAAP basis of reporting has resulted in a change in the recognition and measurement of fiscal aggregates. To ensure a consistent historical series of fiscal aggregates, all jurisdictions have agreed to back-cast these recognition and measurement differences for any published historical data on a best endeavours basis. The budget column has also been restated consistent with AASB 1049 principles.

In addition, there is a break in the UPF time series. From 2005-06, the underlying information has been recognised in accordance with Australian Equivalents to International Financial Reporting Standards (AEIFRS). The area significantly affected by the introduction of AEIFRS was the value of defined benefits superannuation liabilities. These liabilities grew as a result of a change in the liability discount rate from the long-term earnings rate, to a 30 June long-term government bond rate.

This break in the UPF series between 2004-05 and 2005-06 resulting from AEIFRS is denoted by a vertical dotted line in all relevant tables in this chapter.

## New disclosures

The Loan Council has agreed that jurisdictions must also provide the following additional information as part of UPF:

- ◆ Tables detailing grant revenue and expenses (Table 10.14).
- ◆ Estimates of net financial liabilities. Net financial liabilities comprise total liabilities less financial assets, excluding equity investments in the other sectors of the government. For the general government sector, this excludes the Government's investments in the PNFC/PFC sectors. For the PNFC and PFC sectors, net financial liabilities is equal to negative net financial worth.
- ◆ A table detailing dividends and income tax equivalents paid to the general government sector (Table 10.15). The table separately records dividend and income tax equivalent income of the general government sector from the PNFC and PFC sectors along with other dividends. Other dividends for New South Wales are mainly from the State's share in Snowy Hydro Limited.

## FISCAL MEASURES

UPF reporting provides a number of measures for evaluating the soundness of a Government's fiscal position and the effect of fiscal policy on economic conditions. The fiscal measures in the UPF framework are:

- ◆ net operating balance
- ◆ net lending/borrowing (fiscal balance)
- ◆ change in net worth (comprehensive result)
- ◆ net worth
- ◆ net debt
- ◆ net financial worth
- ◆ net financial liabilities
- ◆ cash surplus/(deficit) and
- ◆ ABS GFS cash surplus/(deficit).

Definitions of these measures are contained in the glossary to this budget paper.

Flow measures (net operating balance, net lending/borrowing and change in net worth) show changes in the fiscal position during the reporting period, reflecting the impact of government decisions and actions, and re-measurement impacts during that time. Flows represent the creation, transformation, exchange, transfer or extinction of economic value.

Stock measures (net worth, net debt, net financial worth and net financial liabilities) highlight the fiscal position of a government at a point in time, providing information on the results of past decisions.

New South Wales reports in its balance sheets and cash flow statements underlying net debt and underlying cash results respectively, to remove the distortionary impact of the operations of the General Government Liability Management Fund. These adjustments occur across the period 2002-03 to 2006-07.

## PRIMARY FINANCIAL STATEMENTS

### UPF presentation

Details of public sector estimates and outcomes are presented on an accrual basis within three primary statements: the operating statement, including other economic flows; the balance sheet; and the cash flow statement. Appendix B presents the underlying accounting principles and policies adopted by New South Wales. The following statements, along with the Loan Council Allocation statement, form the core reporting requirements of the UPF.

### Operating Statement

The operating statement presents information on transactions (revenue and expenses) and other economic flows (revaluations and adjustments). This statement is designed to capture the composition of revenues and expenses and the net cost of government activities within a fiscal year. It shows the full cost of resources consumed by the Government in achieving its objectives, and how these costs are met from various revenue sources.

The operating statement reports three major fiscal measures — the net operating balance, net lending/borrowing (also known as fiscal balance) and the total change in net worth (comprehensive result). The net operating balance is calculated as revenue minus expenses, while net lending (fiscal balance) includes net capital expenditure but excludes depreciation, thereby giving a better measure of a jurisdiction's call on financial markets. New South Wales recognises its headline budget result as the net operating balance for the general government sector.

Under the previous UPF, differences arose between the GFS and GAAP operating statement. However, AASB 1049 combines the operating statement and statement of changes in equity into a single format separating transactions and other economic flows according to GFS principles.

The main convergence differences in treatment between the GFS operating statement and the harmonised AASB 1049 operating statement presented in this revised UPF are:

- ◆ The harmonised aggregates exclude selected transfer payment revenues and expenses that pass through the State's bank accounts. The ABS requires such payments to be grossed up in GFS reports. However, they are excluded from the AASB 1049 UPF reports as the NSW Government has no control over them. (However, information on the gross value of these grants has been footnoted in the grants revenue and expense table to assist users).

- ◆ Grants are recognised when the State gains control over the assets. Control is normally obtained when the cash is received. A grant of \$960 million was received from the Commonwealth Government in late June 2006 dedicated for road works to be carried out over several years. This revenue is recognised in 2005-06 when the cash was received. However, in previous budget papers this revenue was recognised to match the timing of expenditure. This treatment was in accordance with a direction issued by the ABS.
- ◆ Dividends from the PNFC and PFC sectors are recognised as an expense in GFS (in the PNFC and PFC sector operating statements), whereas they are treated as an equity transaction for AASB 1049.

## **Balance Sheet**

The balance sheet records the value of financial and non-financial assets and liabilities of governments, as at the end of each financial year. It provides the user with information on the resources at the government's disposal and the type and valuation of its liabilities.

The balance sheet also includes information on the make-up of a government's financial assets, on its holdings of fixed assets, and on the extent of liabilities such as borrowing and unfunded superannuation. This allows for intertemporal and interjurisdictional comparisons of asset and liability levels.

The fiscal aggregates in the balance sheet include net worth, net financial worth and net debt. A new fiscal aggregate, net financial liabilities is also required by the UPF. This aggregate was not required by the previous UPF.

The main convergence differences in treatment between the GFS balance sheet and the harmonised AASB 1049 balance sheet presented in this revised UPF are:

- ◆ Allowance for doubtful debts is recognised and reported in the UPF balance sheet, but is excluded from the GFS balance sheet, as GFS does not recognise that an economic event has occurred.
- ◆ The GFS balance sheets for June 2006 through to June 2009 include a liability for deferred income in relation to a direction from the ABS to accrue a specific Australian road transport grant of \$960 million for GFS reporting purposes. No liability is recognised in the harmonised balance sheet as the revenue was recognised fully upon receipt in 2005-06, in accordance with accounting standards.

- ◆ GFS balance sheets exclude deferred tax assets and deferred tax liabilities, whereas they are reported in accounting balance sheets. The convergence difference only affects GGS, PNFC and PFC sector balance sheets, as the assets and liabilities are eliminated for the consolidated NFPS and Total Public Sector balance sheets.
- ◆ The net financial worth and net financial liabilities aggregates are affected by the differing treatments for prepayments. Prepayments are treated in GFS as a receivable (financial asset), whereas in the UPF they are classified as a non-financial asset as required by AASB 1049. However, as this is merely a classification difference, it does not impact net debt and net worth aggregates.
- ◆ GFS net debt for the general government sector will always be lower than (AASB 1049) net debt, as the ABS require that certain equity investments (in multi-jurisdictional agencies) be reclassified for GFS purposes from equity investments to advances, thereby reducing the value of GFS net debt. However, as this is merely a classification difference, it does not impact net financial liabilities and net worth aggregates.
- ◆ By definition, GFS net worth, for the PNFC and PFC sectors will always be zero as owner's equity is classified as equivalent to a liability. However, under the UPF, liabilities exclude owner's equity.

## **Cash Flow Statement**

The cash flow statement records a government's cash inflows and outflows, allocated between various activities, and their net impact on cash held. The cash flow statement reveals how a government obtains and expends cash.

This statement requires cash flows to be categorised into operating, investing and financing activities. Operating activities are those which relate to the collection of taxes, the distribution of grants, and the provision of goods and services. Investing activities are those which relate to the acquisition and disposal of financial and non-financial assets. Financing activities are those which relate to changing the size and composition of a government's financial structure.

The signing convention within the cash flow statement is that all inflows carry a positive sign and all outflows carry a negative sign (regardless of whether they are gross or net cash flows).

The cash flow statement reports two fiscal measures, net increase in cash held and cash surplus/(deficit). Net increase in cash held is the sum of net cash flows from all operating, investing and financing activities. The cash surplus/(deficit) comprises only net cash from operating activities, plus sales and less purchases of non-financial assets (less dividends paid for the PNFC and PFC sectors).

Under the previous UPF, the cash flow statement included the ABS GFS cash surplus/(deficit). This fiscal aggregate is still required by the UPF in a separate table following the cash flow statement. The ABS GFS cash surplus/(deficit) is obtained by deducting finance leases from the AASB 1049 cash surplus/(deficit) for all sectors.

The exclusion of non-cash finance leases is the only difference between the GFS cash result and the AASB 1049 result.

New South Wales uses the new AASB 1049 cash result (excluding the impact of finance leases) as its headline cash result.

### **Institutional sectors**

Appendix C lists the New South Wales controlled entities, and the institutional sectors to which they have been classified. The controlled entities have been classified according to their government sector, which are defined in the ABS GFS manual.

### **10.3 UNIFORM PRESENTATION TABLES**

The following UPF tables are presented in the sequence of operating statements, balance sheets and cash flow statements which are dissected by economic type.

In addition to the UPF minimum disclosure requirements, these reports also include a historical and forward year time series.

This is followed by tables of general government:

- ◆ tax revenues by type
- ◆ grants revenues and expense
- ◆ dividend and income tax equivalent income
- ◆ total expenses by function and
- ◆ purchases of non-financial assets by function.

**Table 10.1: NSW General Government Sector Operating Statement<sup>(a)</sup>**

	2002-03 Actual \$m	2003-04 Actual \$m	2004-05 Actual \$m	2005-06 Actual \$m	2006-07 Actual \$m	2007-08 Revised \$m	2008-09 Budget \$m	2009-10 Forward estimates \$m	2010-11 Forward estimates \$m	2011-12 Forward estimates \$m
<b>Revenue from Transactions</b>										
Taxation	14,146	15,018	15,324	15,902	17,697	18,466	18,533	19,194	20,034	20,923
Grant revenue										
- Commonwealth - general purpose	9,931	9,939	10,181	10,720	10,938	12,060	13,020	13,972	14,738	15,547
- Commonwealth - specific purpose	5,295	5,554	6,010	7,320	6,815	7,540	7,249	7,875	8,195	8,346
- Other grants and contributions	815	596	759	811	1,021	1,053	782	781	870	903
Sale of goods and services	2,685	2,714	2,805	3,026	3,303	3,474	3,620	3,739	3,852	3,953
Interest income	402	841	1,029	1,235	1,239	162	706	742	781	818
Dividend and income tax equivalent income from other sectors	1,277	1,533	1,537	1,800	1,925	1,820	1,796	1,957	2,002	2,121
Dividends from associates	...	81	64	41	29	...	...	58	70	81
Fines, regulatory fees and other revenue	1,474	1,338	1,508	1,774	1,760	1,821	2,176	2,347	2,681	2,494
<b>Total Revenue</b>	<b>36,025</b>	<b>37,614</b>	<b>39,217</b>	<b>42,629</b>	<b>44,727</b>	<b>46,396</b>	<b>47,882</b>	<b>50,665</b>	<b>53,223</b>	<b>55,186</b>
<b>Expenses from Transactions</b>										
Employee expenses	14,777	16,038	17,061	18,033	18,773	20,237	21,065	22,155	22,846	23,766
Superannuation expenses										
- Superannuation interest cost	745	860	919	933	749	420	598	601	524	513
- Other superannuation expenses	1,366	1,406	1,525	1,766	1,822	1,870	1,916	1,937	1,976	2,007
Depreciation and amortisation	1,779	1,927	1,994	2,127	2,308	2,478	2,603	2,791	2,940	3,067
Interest expenses	803	789	1,061	1,184	1,257	1,297	1,440	1,540	1,666	1,773
Other property expenses	...	...	...	...	2	2	3	3	3	3
Other operating expenses	8,013	8,289	8,530	8,240	8,724	9,160	10,064	10,205	10,650	10,885
Grant expenses										
- Current grants and subsidies	5,486	5,937	6,035	6,797	7,426	8,161	7,963	8,107	8,452	8,586
- Capital grants	1,304	1,215	1,368	1,621	2,839	2,071	1,962	2,534	3,391	3,807
<b>Total Expenses</b>	<b>34,273</b>	<b>36,461</b>	<b>38,493</b>	<b>40,701</b>	<b>43,900</b>	<b>45,696</b>	<b>47,614</b>	<b>49,873</b>	<b>52,448</b>	<b>54,407</b>
<b>BUDGET RESULT - SURPLUS/(DEFICIT)</b>										
<b>[Net Operating Balance]</b>	<b>1,752</b>	<b>1,153</b>	<b>724</b>	<b>1,928</b>	<b>827</b>	<b>700</b>	<b>268</b>	<b>792</b>	<b>775</b>	<b>779</b>

**Table 10.1: NSW General Government Sector Operating Statement<sup>(a)</sup> (cont)**

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Revised</i>	<i>Budget</i>	<i>Forward estimates</i>		
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>Other economic flows included in the operating result</b>										
Other revenue (dividends from asset sale proceeds)	188	12	...	...	...	...	...	147	...	...
Share of net profit/(loss) from associates excluding dividends	81	11	23	178	7	100	114	66	50	43
Net actuarial superannuation gains/(losses)	(2,030)	770	434	4,094	3,316	(2,710)	(79)	(2,418)	(121)	(126)
Other net gains/(losses)	66	(3,031)	(894)	(134)	(191)	(87)	(114)	40	125	152
<b>Operating result (accounting basis)</b>	<b>57</b>	<b>(1,085)</b>	<b>287</b>	<b>6,066</b>	<b>3,959</b>	<b>(1,997)</b>	<b>189</b>	<b>(1,373)</b>	<b>829</b>	<b>848</b>
<b>Other economic flows - other movements in equity</b>										
Revaluations	3,719	3,207	3,958	3,897	2,470	928	911	1,165	1,041	1,076
Net gain/(loss) on equity investments in other sectors	18,371	1,275	604	1,126	3,833	2,803	1,584	2,443	2,931	3,376
Net gain/(loss) on financial instruments at fair value	...	...	...	(6)	(590)	414	124	14	1	...
<b>Comprehensive result - total change in net worth<sup>(b)</sup></b>	<b>22,147</b>	<b>3,397</b>	<b>4,849</b>	<b>11,083</b>	<b>9,672</b>	<b>2,148</b>	<b>2,808</b>	<b>2,249</b>	<b>4,802</b>	<b>5,300</b>

**Table 10.1: NSW General Government Sector Operating Statement<sup>(a)</sup> (cont)**

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
	Actual	Actual	Actual	Actual	Actual	Revised	Budget	Forward estimates		
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>KEY FISCAL AGGREGATES</b>										
<b>Comprehensive result - total change in net worth<sup>(b)</sup></b>	<b>22,147</b>	<b>3,397</b>	<b>4,849</b>	<b>11,083</b>	<b>9,672</b>	<b>2,148</b>	<b>2,808</b>	<b>2,249</b>	<b>4,802</b>	<b>5,300</b>
Less: Net other economic flows	20,395	2,244	4,125	9,155	8,845	1,448	2,540	1,457	4,027	4,521
<b>equals: Budget Result - net operating balance</b>	<b>1,752</b>	<b>1,153</b>	<b>724</b>	<b>1,928</b>	<b>827</b>	<b>700</b>	<b>268</b>	<b>792</b>	<b>775</b>	<b>779</b>
less Net acquisition of non-financial assets										
Purchase of non-financial assets	3,004	3,019	3,144	3,869	4,140	4,541	5,158	5,227	5,182	4,847
Sales of non-financial assets	(366)	(406)	(491)	(396)	(499)	(527)	(594)	(632)	(685)	(657)
less Depreciation	(1,779)	(1,927)	(1,994)	(2,127)	(2,308)	(2,478)	(2,603)	(2,791)	(2,940)	(3,067)
plus Change in inventories	4	21	(26)	6	36	4	(2)	12	2	(2)
plus Other movements in non-financial assets										
- assets acquired utilising finance leases	345	312	187	80	132	324	319	125	293	129
- other	83	93	82	65	346	246	15	141	(111)	140
<b>equals Total Net acquisition of non-financial assets</b>	<b>1,291</b>	<b>1,112</b>	<b>902</b>	<b>1,497</b>	<b>1,847</b>	<b>2,110</b>	<b>2,293</b>	<b>2,082</b>	<b>1,741</b>	<b>1,390</b>
<b>equals Net Lending/(Borrowing) [Fiscal Balance]</b>	<b>461</b>	<b>41</b>	<b>(178)</b>	<b>431</b>	<b>(1,020)</b>	<b>(1,410)</b>	<b>(2,025)</b>	<b>(1,290)</b>	<b>(966)</b>	<b>(611)</b>
<b>OTHER AGGREGATES</b>										
Capital Expenditure <sup>(c)</sup>	3,349	3,331	3,331	3,949	4,272	4,865	5,477	5,352	5,475	4,976

*Notes:*

(a) AASB 1049 has been adopted for the first time for the 2008-09 Budget. Amounts prior to 2008-09 have been classified according to the new standard, where practicable. However, where some historic dissections have not been available, and particularly for the pre-AEIFRS period prior to 2005-06, the financial information has been reported on a best endeavours basis.

Data for 2005-06 and forward years has been recognised and measured in accordance with Australian Equivalents to International Financial Reporting Standards (AEIFRS). Prior to 2005-06, transactions were recorded in accordance with pre-AEIFRS Australian Accounting Standards.

(b) 'Total change in net worth' is before transactions with owners as owners and before revisions to accounting policies. The actual movement in balance sheet net worth may therefore differ.

(c) Capital expenditure comprises purchases of non-financial assets plus assets acquired utilising finance leases.

**Table 10.2: NSW Public Non-financial Corporation Sector Operating Statement<sup>(a)</sup>**

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Revised</i>	<i>Budget</i>	<i>Forward estimates</i>		
	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
<b>Revenue from Transactions</b>										
Grant revenue	2,458	2,662	2,836	3,485	4,647	3,820	3,774	4,709	5,694	6,115
Sale of goods and services	9,412	9,917	10,282	10,370	10,869	11,796	12,995	13,675	14,427	15,266
Interest income	62	59	51	94	108	97	61	61	62	65
Dividends from associates	...	...	...	...	...	...	2	5	9	11
Other revenue	399	480	369	485	508	459	468	479	448	472
<b>Total Revenue</b>	<b>12,331</b>	<b>13,118</b>	<b>13,538</b>	<b>14,434</b>	<b>16,132</b>	<b>16,172</b>	<b>17,300</b>	<b>18,929</b>	<b>20,640</b>	<b>21,929</b>
<b>Expenses from Transactions</b>										
Employee expenses	3,240	3,235	3,411	3,541	3,476	3,861	4,073	4,269	4,462	4,544
Superannuation expenses	250	264	268	221	154	257	322	329	337	346
Depreciation and amortisation	2,068	2,164	2,068	2,076	2,154	2,284	2,450	2,675	2,863	3,008
Interest expenses	934	927	1,016	985	1,049	1,207	1,456	1,884	2,363	2,718
Other property expenses	492	573	561	598	716	637	653	750	734	771
Other operating expenses	4,619	4,872	5,027	5,128	5,159	5,934	6,455	6,282	6,352	6,527
Grant expenses										
- Current grants and subsidies	84	104	104	185	193	196	216	222	217	209
- Capital grants	32	18	16	2	2	...	12	...	...	...
<b>Total Expenses</b>	<b>11,719</b>	<b>12,157</b>	<b>12,471</b>	<b>12,736</b>	<b>12,903</b>	<b>14,376</b>	<b>15,637</b>	<b>16,411</b>	<b>17,328</b>	<b>18,123</b>
<b>NET OPERATING BALANCE - SURPLUS</b>	<b>612</b>	<b>961</b>	<b>1,067</b>	<b>1,698</b>	<b>3,229</b>	<b>1,796</b>	<b>1,663</b>	<b>2,518</b>	<b>3,312</b>	<b>3,806</b>

**Table 10.2: NSW Public Non-financial Corporation Sector Operating Statement<sup>(a)</sup> (cont)**

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Revised</i>	<i>Budget</i>	<i>Forward estimates</i>		
	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
<b>Other economic flows included in the operating result</b>										
Share of net profit/(loss) from associates excluding dividends	11	1	...	6	33	...	...	...	...	...
Net actuarial superannuation gains/(losses)	(359)	96	196	649	184	(710)	(65)	(363)	(41)	(36)
Other net gains/(losses)	251	(2,913)	128	(183)	(161)	16	(15)	(120)	(21)	(66)
<b>Operating result (accounting basis)</b>	<b>515</b>	<b>(1,855)</b>	<b>1,391</b>	<b>2,170</b>	<b>3,285</b>	<b>1,102</b>	<b>1,583</b>	<b>2,035</b>	<b>3,250</b>	<b>3,704</b>
Revaluations	11,568	2,210	(184)	(415)	2,009	1,528	922	1,574	1,002	1,061
Net gain/(loss) on financial instruments at fair value	...	...	...	(55)	(1,337)	1,248	284	30	2	...
<b>Comprehensive result - total change in net worth<sup>(b)</sup></b>	<b>12,083</b>	<b>355</b>	<b>1,207</b>	<b>1,700</b>	<b>3,957</b>	<b>3,878</b>	<b>2,789</b>	<b>3,639</b>	<b>4,254</b>	<b>4,765</b>

**Table 10.2: NSW Public Non-financial Corporation Sector Operating Statement<sup>(a)</sup> (cont)**

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
	Actual	Actual	Actual	Actual	Actual	Revised	Budget	Forward estimates		
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>KEY FISCAL AGGREGATES</b>										
<b>Comprehensive result - total change in net worth<sup>(b)</sup></b>	<b>12,083</b>	<b>355</b>	<b>1,207</b>	<b>1,700</b>	<b>3,957</b>	<b>3,878</b>	<b>2,789</b>	<b>3,639</b>	<b>4,254</b>	<b>4,765</b>
Less: Net other economic flows	11,471	(606)	140	2	728	2,082	1,126	1,121	942	959
<b>equals: Net operating balance</b>	<b>612</b>	<b>961</b>	<b>1,067</b>	<b>1,698</b>	<b>3,229</b>	<b>1,796</b>	<b>1,663</b>	<b>2,518</b>	<b>3,312</b>	<b>3,806</b>
less Net acquisition of non-financial assets										
Purchase of non-financial assets	3,352	3,378	3,655	4,435	5,510	6,479	8,460	8,459	8,629	9,544
Sales of non-financial assets	(332)	(201)	(196)	(264)	(426)	(489)	(287)	(617)	(305)	(278)
less Depreciation	(2,068)	(2,165)	(2,087)	(2,076)	(2,155)	(2,284)	(2,450)	(2,675)	(2,863)	(3,008)
plus Change in inventories	47	47	95	(3)	63	70	152	85	(6)	(23)
plus Other movements in non-financial assets										
- assets acquired utilising finance leases	...	...	...	...	...	...	...	307	490	500
- other	119	78	130	148	240	239	260	244	494	258
<b>equals Total Net acquisition of non-financial assets</b>	<b>1,118</b>	<b>1,137</b>	<b>1,597</b>	<b>2,240</b>	<b>3,232</b>	<b>4,015</b>	<b>6,135</b>	<b>5,803</b>	<b>6,439</b>	<b>6,993</b>
<b>equals Net Lending/(Borrowing) [Fiscal Balance]</b>	<b>(506)</b>	<b>(176)</b>	<b>(530)</b>	<b>(542)</b>	<b>(3)</b>	<b>(2,219)</b>	<b>(4,472)</b>	<b>(3,285)</b>	<b>(3,127)</b>	<b>(3,187)</b>
<b>OTHER AGGREGATES</b>										
Capital Expenditure <sup>(c)</sup>	3,352	3,378	3,655	4,435	5,510	6,479	8,460	8,766	9,119	10,044
Dividends Accrued <sup>(d)</sup>	752	914	934	1,173	1,162	1,140	1,092	1,153	1,211	1,293

*Notes:*

- (a) AASB 1049 has been adopted for the first time for the 2008-09 Budget. Amounts prior to 2008-09 have been classified according to the new standard, where practicable. However, where some historic dissections have not been available, and particularly for the pre-AEIFRS period prior to 2005-06, the financial information has been reported on a best endeavours basis.
- Data for 2005-06 and forward years has been recognised and measured in accordance with Australian Equivalents to International Financial Reporting Standards (AEIFRS). Prior to 2005-06, transactions were recorded in accordance with pre-AEIFRS Australian Accounting Standards.
- (b) 'Total change in net worth' is before transactions with owners as owners and before revisions to accounting policies. The actual movement in balance sheet net worth may therefore differ.
- (c) Capital expenditure comprises purchases of non-financial assets plus assets acquired utilising finance leases.
- (d) Net borrowing for the PNFC sector excludes the impact of dividends accrued, and so may not fully reflect the sector's call on the financial markets.

**Table 10.3: NSW Non-financial Public Sector Operating Statement<sup>(a)</sup>**

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Revised</i>	<i>Budget</i>	<i>Forward estimates</i>		
	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
<b>Revenue from Transactions</b>										
Taxation	13,430	14,210	14,748	15,218	17,269	17,714	17,729	18,329	19,121	19,973
Grant revenue										
- Commonwealth - general purpose	9,931	9,939	10,181	10,720	10,938	12,060	13,020	13,972	14,738	15,547
- Commonwealth - specific purpose	5,295	5,554	6,010	7,320	6,815	7,549	7,274	7,875	8,195	8,346
- Other grants and contributions	1,125	864	1,083	1,097	1,313	1,353	1,001	1,091	1,188	1,213
Sale of goods and services	11,462	11,933	12,388	12,778	13,630	14,694	15,920	16,684	17,533	18,455
Interest income	411	848	1,029	1,280	1,318	209	714	746	781	817
Dividend and income tax equivalent income from the PFC sector	34	45	39	30	47	42	51	54	57	57
Dividends from associates	...	81	64	41	29	...	2	63	79	92
Fines, regulatory fees and other revenue	1,871	1,817	1,874	2,257	2,248	2,259	2,637	2,826	3,128	2,967
<b>Total Revenue</b>	<b>43,559</b>	<b>45,291</b>	<b>47,416</b>	<b>50,741</b>	<b>53,607</b>	<b>55,880</b>	<b>58,348</b>	<b>61,640</b>	<b>64,820</b>	<b>67,467</b>
<b>Expenses from Transactions</b>										
Employee expenses	17,847	19,111	20,320	21,415	22,032	23,851	24,877	26,155	27,030	28,021
Superannuation expenses										
- Superannuation interest cost	745	860	919	891	641	345	565	566	487	475
- Other superannuation expenses	1,616	1,670	1,793	2,029	2,084	2,203	2,272	2,300	2,349	2,391
Depreciation and amortisation	3,847	4,091	4,062	4,203	4,461	4,761	5,053	5,465	5,802	6,074
Interest expenses	1,572	1,527	1,917	2,014	2,179	2,335	2,705	3,194	3,764	4,199
Other property expenses	...	...	...	...	2	2	3	3	3	3
Other operating expenses	12,089	12,519	13,073	12,733	13,602	14,521	15,851	15,788	16,288	16,687
Grant expenses										
- Current grants and subsidies	3,624	3,773	3,855	4,361	4,976	5,658	5,381	5,323	5,548	5,664
- Capital grants	607	540	621	642	736	848	802	689	673	661
<b>Total Expenses</b>	<b>41,947</b>	<b>44,091</b>	<b>46,560</b>	<b>48,288</b>	<b>50,713</b>	<b>54,524</b>	<b>57,509</b>	<b>59,483</b>	<b>61,944</b>	<b>64,175</b>
<b>NET OPERATING BALANCE - SURPLUS</b>	<b>1,612</b>	<b>1,200</b>	<b>856</b>	<b>2,453</b>	<b>2,894</b>	<b>1,356</b>	<b>839</b>	<b>2,157</b>	<b>2,876</b>	<b>3,292</b>

**Table 10.3: NSW Non-financial Public Sector Operating Statement<sup>(a)</sup> (cont)**

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Revised</i>	<i>Budget</i>	<i>Forward estimates</i>		
	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
<b>Other economic flows included in the operating result</b>										
Share of net profit/(loss) from associates excluding dividends	92	12	23	184	41	100	114	66	50	43
Net actuarial superannuation gains/(losses)	(2,389)	866	630	4,743	3,500	(3,420)	(144)	(2,782)	(162)	(162)
Other net gains/(losses)	322	(5,932)	(761)	(308)	(352)	(71)	(129)	69	104	85
<b>Operating result (accounting basis)</b>	<b>(363)</b>	<b>(3,854)</b>	<b>748</b>	<b>7,072</b>	<b>6,083</b>	<b>(2,035)</b>	<b>680</b>	<b>(490)</b>	<b>2,868</b>	<b>3,258</b>
<b>Other economic flows - other movements in equity</b>										
Revaluations	15,286	5,419	3,775	3,482	4,478	2,455	1,834	2,739	2,043	2,138
Net gain/(loss) on equity investments in other sectors	(128)	(328)	(6)	430	653	71	(3)	(3)	1	8
Net gain/(loss) on financial instruments at fair value	...	...	...	(61)	(1,926)	1,663	407	42	2	...
<b>Comprehensive result - total change in net worth<sup>(b)</sup></b>	<b>14,795</b>	<b>1,237</b>	<b>4,517</b>	<b>10,923</b>	<b>9,288</b>	<b>2,154</b>	<b>2,918</b>	<b>2,288</b>	<b>4,914</b>	<b>5,404</b>

**Table 10.3: NSW Non-financial Public Sector Operating Statement<sup>(a)</sup> (cont)**

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
	Actual	Actual	Actual	Actual	Actual	Revised	Budget	Forward estimates		
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>KEY FISCAL AGGREGATES</b>										
<b>Comprehensive result - total change in net worth<sup>(b)</sup></b>	<b>14,795</b>	<b>1,237</b>	<b>4,517</b>	<b>10,923</b>	<b>9,288</b>	<b>2,154</b>	<b>2,918</b>	<b>2,288</b>	<b>4,914</b>	<b>5,404</b>
Less: Net other economic flows	13,183	37	3,661	8,470	6,394	798	2,079	131	2,038	2,112
<b>equals: Net operating balance</b>	<b>1,612</b>	<b>1,200</b>	<b>856</b>	<b>2,453</b>	<b>2,894</b>	<b>1,356</b>	<b>839</b>	<b>2,157</b>	<b>2,876</b>	<b>3,292</b>
less Net acquisition of non-financial assets										
Purchase of non-financial assets	6,352	6,394	6,795	8,298	9,644	11,014	13,611	13,679	13,804	14,384
Sales of non-financial assets	(698)	(607)	(686)	(660)	(926)	(1,016)	(881)	(1,249)	(989)	(935)
less Depreciation	(3,847)	(4,092)	(4,081)	(4,203)	(4,463)	(4,761)	(5,053)	(5,465)	(5,802)	(6,074)
plus Change in inventories	51	67	70	3	98	74	150	96	(4)	(25)
plus Other movements in non-financial assets										
- assets acquired utilising finance leases	345	311	187	81	132	324	319	432	783	629
- other	203	172	209	212	589	484	275	386	382	398
<b>equals Total Net acquisition of non-financial assets</b>	<b>2,406</b>	<b>2,245</b>	<b>2,494</b>	<b>3,731</b>	<b>5,074</b>	<b>6,119</b>	<b>8,421</b>	<b>7,879</b>	<b>8,174</b>	<b>8,377</b>
<b>equals Net Lending/(Borrowing) [Fiscal Balance]</b>	<b>(794)</b>	<b>(1,045)</b>	<b>(1,638)</b>	<b>(1,278)</b>	<b>(2,180)</b>	<b>(4,763)</b>	<b>(7,582)</b>	<b>(5,722)</b>	<b>(5,298)</b>	<b>(5,085)</b>
<b>OTHER AGGREGATES</b>										
Capital Expenditure <sup>(c)</sup>	6,697	6,705	6,982	8,379	9,776	11,338	13,930	14,111	14,587	15,013

*Notes:*

(a) AASB 1049 has been adopted for the first time for the 2008-09 Budget. Amounts prior to 2008-09 have been classified according to the new standard, where practicable. However, where some historic dissections have not been available, and particularly for the pre-AEIFRS period prior to 2005-06, the financial information has been reported on a best endeavours basis.

Data for 2005-06 and forward years has been recognised and measured in accordance with Australian Equivalents to International Financial Reporting Standards (AEIFRS). Prior to 2005-06, transactions were recorded in accordance with pre-AEIFRS Australian Accounting Standards.

(b) 'Total change in net worth' is before transactions with owners as owners and before revisions to accounting policies. The actual movement in balance sheet net worth may therefore differ.

(c) Capital expenditure comprises purchases of non-financial assets plus assets acquired utilising finance leases.

**Table 10.4: NSW General Government Sector Balance Sheet<sup>(a)</sup>**

	June 2003	June 2004	June 2005	June 2006	June 2007 <sup>(a)</sup>	June 2008 <sup>(a)</sup>	June 2009 <sup>(a)</sup>	June 2010 <sup>(a)</sup>	June 2011 <sup>(a)</sup>	June 2012 <sup>(a)</sup>
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Revised</i>	<i>Budget</i>	<i>Forward estimates</i>		
	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
<b>Assets</b>										
Financial assets										
Cash and deposits	1,091	1,869	1,465	2,458	2,421	2,451	2,681	2,985	3,371	3,818
Advances paid	1,381	1,337	1,258	837	795	861	908	912	924	922
Investments, loans and placements	7,939	9,573	12,041	13,928	7,165	6,417	7,014	7,517	8,063	8,661
Receivables	5,125	5,589	5,988	9,151	11,193	10,570	10,217	10,515	10,527	10,649
Equity										
- in other public sector entities	66,112	67,386	67,991	64,206	68,040	70,842	72,426	74,870	77,801	81,177
- accounted for using the equity meth	550	561	583	1,486	1,519	1,619	1,733	1,799	1,849	1,892
- other equity investments	14	11	6	4	4	4	4	4	4	4
<b>Total Financial Assets</b>	<b>82,212</b>	<b>86,326</b>	<b>89,332</b>	<b>92,070</b>	<b>91,137</b>	<b>92,764</b>	<b>94,983</b>	<b>98,602</b>	<b>102,539</b>	<b>107,123</b>
Non-financial assets										
Land and fixed assets										
- Inventories	154	174	149	157	173	177	176	187	189	188
- Property, plant and equipment	78,598	80,015	83,770	88,258	91,599	94,247	97,306	100,215	103,095	105,724
- Investment property	<sup>(b)</sup>	<sup>(b)</sup>	<sup>(b)</sup>	351	312	356	356	356	356	356
- Assets held for sale	177	204	278	231	208	170	133	179	153	106
- Biological assets	...	...	...	...	6	6	6	6	6	6
- Intangibles (produced)	<sup>(b)</sup>	<sup>(b)</sup>	<sup>(b)</sup>	521	545	723	960	1,145	1,193	1,167
Other non-financial assets										
- Intangibles (non-produced)	7	9	11	12	...	...	...	...	...	...
- Other	1,139	1,278	1,358	1,301	1,587	1,734	1,884	2,040	2,183	2,337
<b>Total Non-financial Assets</b>	<b>80,075</b>	<b>81,680</b>	<b>85,566</b>	<b>90,831</b>	<b>94,430</b>	<b>97,413</b>	<b>100,821</b>	<b>104,128</b>	<b>107,175</b>	<b>109,884</b>
<b>Total Assets</b>	<b>162,287</b>	<b>168,006</b>	<b>174,898</b>	<b>182,901</b>	<b>185,567</b>	<b>190,177</b>	<b>195,804</b>	<b>202,730</b>	<b>209,714</b>	<b>217,007</b>

**Table 10.4: NSW General Government Sector Balance Sheet<sup>(a)</sup> (cont)**

	<i>June 2003</i>	<i>June 2004</i>	<i>June 2005</i>	<i>June 2006</i>	<i>June 2007<sup>(a)</sup></i>	<i>June 2008<sup>(a)</sup></i>	<i>June 2009<sup>(a)</sup></i>	<i>June 2010<sup>(a)</sup></i>	<i>June 2011<sup>(a)</sup></i>	<i>June 2012<sup>(a)</sup></i>
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Revised</i>	<i>Budget</i>	<i>Forward estimates</i>		
	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
<b>Liabilities</b>										
Deposits held	21	28	50	75	92	67	77	76	76	76
Advances received	1,808	1,681	1,641	920	892	865	836	807	778	748
Borrowing	10,163	10,795	11,392	12,035	12,705	13,775	15,881	17,453	18,971	20,386
Superannuation liability <sup>(c)</sup>	14,720	15,460	16,462	23,129	14,363	17,126	17,389	19,921	20,016	20,024
Other employee benefits	6,440	7,041	7,550	8,116	8,402	8,814	8,995	9,301	9,506	9,699
Payables	2,143	2,346	2,350	2,508	3,013	2,415	2,457	2,546	2,634	2,738
Other provisions	4,707	5,077	5,539	5,209	5,071	4,807	4,959	5,168	5,391	5,618
Other liabilities	1,516	1,584	1,349	3,400	4,254	3,316	3,299	3,244	3,196	3,168
<b>Total Liabilities</b>	<b>41,518</b>	<b>44,012</b>	<b>46,333</b>	<b>55,392</b>	<b>48,792</b>	<b>51,185</b>	<b>53,893</b>	<b>58,516</b>	<b>60,568</b>	<b>62,457</b>
<b>NET ASSETS</b>	<b>120,769</b>	<b>123,994</b>	<b>128,565</b>	<b>127,509</b>	<b>136,775</b>	<b>138,992</b>	<b>141,911</b>	<b>144,214</b>	<b>149,146</b>	<b>154,550</b>

**Table 10.4: NSW General Government Sector Balance Sheet<sup>(a)</sup> (cont)**

	June 2003	June 2004	June 2005	June 2006	June 2007 <sup>(a)</sup>	June 2008 <sup>(a)</sup>	June 2009 <sup>(a)</sup>	June 2010 <sup>(a)</sup>	June 2011 <sup>(a)</sup>	June 2012 <sup>(a)</sup>
	Actual	Actual	Actual	Actual	Actual	Revised	Budget	Forward estimates		
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>Net Worth</b>										
Accumulated Funds	99,004	99,078	101,263	93,252	100,885	102,318	104,230	105,383	109,301	113,657
Reserves	21,765	24,916	27,302	34,257	35,890	36,674	37,681	38,831	39,845	40,893
<b>NET WORTH</b>	<b>120,769</b>	<b>123,994</b>	<b>128,565</b>	<b>127,509</b>	<b>136,775</b>	<b>138,992</b>	<b>141,911</b>	<b>144,214</b>	<b>149,146</b>	<b>154,550</b>
<b>Net Financial Worth</b>	<b>40,694</b>	<b>42,314</b>	<b>42,999</b>	<b>36,678</b>	<b>42,345</b>	<b>41,579</b>	<b>41,090</b>	<b>40,086</b>	<b>41,971</b>	<b>44,666</b>
<b>Net Financial Liabilities</b>	<b>25,418</b>	<b>25,072</b>	<b>24,992</b>	<b>27,528</b>	<b>25,695</b>	<b>29,263</b>	<b>31,336</b>	<b>34,784</b>	<b>35,830</b>	<b>36,511</b>
<b>Net Debt<sup>(d)</sup></b>	<b>1,581</b>	<b>(275)</b>	<b>(1,681)</b>	<b>(4,193)</b>	<b>3,308</b>	<b>4,978</b>	<b>6,191</b>	<b>6,922</b>	<b>7,467</b>	<b>7,809</b>

*Notes:*

(a) AASB 1049 has been adopted for the first time from the 2008-09 Budget. Amounts prior to 2008-09 have been classified according to the new standard, where practicable. However, where some historic dissections have not been available, and particularly for the pre-AEIFRS period prior to 2005-06, the financial information has been reported on a best endeavours basis.

Data for 2005-06 and forward years has been recognised and measured in accordance with Australian Equivalents to International Financial Reporting Standards (AEIFRS). Prior to 2005-06, transactions were recorded in accordance with pre-AEIFRS Australian Accounting Standards.

(b) The dissection of certain components of land and fixed assets is not available for the period prior to AEIFRS, and it has been reported under the category for property, plant and equipment.

(c) Superannuation liabilities are reported net of prepaid superannuation contribution assets.

(d) Derivation of Underlying Net Debt is as follows:

<b>Net Debt</b>	<b>1,581</b>	<b>(275)</b>	<b>(1,681)</b>	<b>(4,193)</b>	<b>3,308</b>	<b>4,978</b>	<b>6,191</b>	<b>6,922</b>	<b>7,467</b>	<b>7,809</b>
<i>Impact of deposits to the Liability</i>										
Management Fund	1,651	2,851	4,001	5,307	...	...	...	...	...	...
<b>Underlying Net Debt</b>	<b>3,232</b>	<b>2,576</b>	<b>2,320</b>	<b>1,114</b>	<b>3,308</b>	<b>4,978</b>	<b>6,191</b>	<b>6,922</b>	<b>7,467</b>	<b>7,809</b>

**Table 10.5: NSW Public Non-financial Corporation Sector Balance Sheet<sup>(a)</sup>**

	June 2003	June 2004	June 2005	June 2006	June 2007 <sup>(a)</sup>	June 2008 <sup>(a)</sup>	June 2009 <sup>(a)</sup>	June 2010 <sup>(a)</sup>	June 2011 <sup>(a)</sup>	June 2012 <sup>(a)</sup>
	Actual	Actual	Actual	Actual	Actual	Revised	Budget	Forward estimates		
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>Assets</b>										
Financial assets										
Cash and deposits	1,163	1,202	1,435	1,806	1,675	1,323	751	585	449	575
Advances paid	...	...	...	...	...	...	...	...	...	...
Investments, loans and placements	568	518	398	503	1,226	632	664	677	689	533
Receivables	1,679	1,975	2,003	2,085	2,886	2,230	2,313	2,629	2,862	3,063
Equity										
- accounted for using the equity method	19	6	5	16	...	3	18	23	47	37
- other equity investments	13	1	...	...	...	...	...	...	...	...
<b>Total Financial Assets</b>	<b>3,442</b>	<b>3,702</b>	<b>3,841</b>	<b>4,410</b>	<b>5,787</b>	<b>4,188</b>	<b>3,746</b>	<b>3,914</b>	<b>4,047</b>	<b>4,208</b>
Non-financial assets										
Land and fixed assets										
- Inventories	899	916	979	919	937	961	1,059	1,082	1,010	972
- Property, plant and equipment	80,415	82,232	83,720	82,477	88,131	93,665	100,359	107,688	114,787	121,879
- Investment property	<sup>(b)</sup>	<sup>(b)</sup>	<sup>(b)</sup>	1,162	1,162	1,196	1,235	1,259	1,433	2,232
- Assets held for sale	4	...	...	95	90	51	39	39	39	25
- Biological assets	1,573	1,609	1,595	1,559	1,404	1,429	1,465	1,507	1,550	1,593
- Intangibles (produced)	<sup>(b)</sup>	<sup>(b)</sup>	<sup>(b)</sup>	298	397	431	474	500	486	484
Other non-financial assets										
- Intangibles (non-produced)	30	48	52	588	631	626	648	678	756	841
- Other	690	744	765	870	2,239	1,234	1,145	1,142	1,163	1,184
<b>Total Non-financial Assets</b>	<b>83,611</b>	<b>85,549</b>	<b>87,111</b>	<b>87,968</b>	<b>94,991</b>	<b>99,593</b>	<b>106,424</b>	<b>113,895</b>	<b>121,224</b>	<b>129,210</b>
<b>Total Assets</b>	<b>87,053</b>	<b>89,251</b>	<b>90,952</b>	<b>92,378</b>	<b>100,778</b>	<b>103,781</b>	<b>110,170</b>	<b>117,809</b>	<b>125,271</b>	<b>133,418</b>

**Table 10.5: NSW Public Non-financial Corporation Sector Balance Sheet<sup>(a)</sup> (cont)**

	June 2003	June 2004	June 2005	June 2006	June 2007 <sup>(a)</sup>	June 2008 <sup>(a)</sup>	June 2009 <sup>(a)</sup>	June 2010 <sup>(a)</sup>	June 2011 <sup>(a)</sup>	June 2012 <sup>(a)</sup>
	Actual	Actual	Actual	Actual	Actual	Revised	Budget	Forward estimates		
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>Liabilities</b>										
Deposits held	66	82	84	98	131	102	102	102	103	104
Advances received	1,116	1,088	1,041	599	573	528	515	501	488	475
Borrowing	12,057	12,568	13,677	15,269	19,126	19,964	24,631	28,927	33,329	37,499
Superannuation liability <sup>(c)</sup>	736	391	29	427	(294)	404	444	784	808	826
Other employee benefits	1,634	1,729	1,830	2,078	1,917	1,924	1,894	1,946	2,006	2,068
Payables	1,882	2,168	2,229	2,389	2,973	2,412	2,474	2,722	2,777	2,805
Other provisions	1,072	1,272	1,245	1,517	1,519	1,543	1,485	1,485	1,500	1,579
Other liabilities	1,942	2,204	2,458	5,857	7,509	6,848	6,981	7,252	7,240	7,674
<b>Total Liabilities</b>	<b>20,505</b>	<b>21,502</b>	<b>22,593</b>	<b>28,234</b>	<b>33,454</b>	<b>33,725</b>	<b>38,526</b>	<b>43,719</b>	<b>48,251</b>	<b>53,030</b>
<b>NET ASSETS</b>	<b>66,548</b>	<b>67,749</b>	<b>68,359</b>	<b>64,144</b>	<b>67,324</b>	<b>70,056</b>	<b>71,644</b>	<b>74,090</b>	<b>77,020</b>	<b>80,388</b>
<b>Net Worth</b>										
Accumulated Funds	30,953	34,148	35,393	36,398	39,284	39,272	39,656	40,549	42,479	44,789
Reserves	35,595	33,601	32,966	27,746	28,040	30,784	31,988	33,541	34,541	35,599
<b>NET WORTH</b>	<b>66,548</b>	<b>67,749</b>	<b>68,359</b>	<b>64,144</b>	<b>67,324</b>	<b>70,056</b>	<b>71,644</b>	<b>74,090</b>	<b>77,020</b>	<b>80,388</b>
<b>Net Financial Worth</b>	<b>(17,063)</b>	<b>(17,800)</b>	<b>(18,752)</b>	<b>(23,824)</b>	<b>(27,667)</b>	<b>(29,537)</b>	<b>(34,780)</b>	<b>(39,805)</b>	<b>(44,204)</b>	<b>(48,822)</b>
<b>Net Financial Liabilities</b>	<b>17,063</b>	<b>17,800</b>	<b>18,752</b>	<b>23,824</b>	<b>27,667</b>	<b>29,537</b>	<b>34,780</b>	<b>39,805</b>	<b>44,204</b>	<b>48,822</b>
<b>Net Debt</b>	<b>11,508</b>	<b>12,018</b>	<b>12,969</b>	<b>13,657</b>	<b>16,929</b>	<b>18,639</b>	<b>23,833</b>	<b>28,268</b>	<b>32,782</b>	<b>36,970</b>

*Notes:*

- (a) AASB 1049 has been adopted for the first time from the 2008-09 Budget. Amounts prior to 2008-09 have been classified according to the new standard, where practicable. However, where some historic dissections have not been available, and particularly for the pre-AEIFRS period prior to 2005-06, the financial information has been reported on a best endeavours basis.
- Data for 2005-06 and forward years has been recognised and measured in accordance with Australian Equivalents to International Financial Reporting Standards (AEIFRS). Prior to 2005-06, transactions were recorded in accordance with pre-AEIFRS Australian Accounting Standards.
- (b) The dissection of certain components of land and fixed assets is not available for the period prior to AEIFRS, and it has been reported under the category for property, plant and equipment.
- (c) Superannuation liabilities are reported net of any prepaid superannuation contribution assets.

**Table 10.6: NSW Non-financial Public Sector Balance Sheet<sup>(a)</sup>**

	June 2003	June 2004	June 2005	June 2006	June 2007 <sup>(a)</sup>	June 2008 <sup>(a)</sup>	June 2009 <sup>(a)</sup>	June 2010 <sup>(a)</sup>	June 2011 <sup>(a)</sup>	June 2012 <sup>(a)</sup>
	Actual	Actual	Actual	Actual	Actual	Revised	Budget	Forward estimates		
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>Assets</b>										
Financial assets										
Cash and deposits	2,254	3,070	2,900	4,265	4,095	3,774	3,431	3,570	3,821	4,393
Advances paid	265	249	216	242	223	333	394	410	436	448
Investments, loans and placements	8,507	10,091	12,439	14,462	8,391	7,049	7,678	8,196	8,759	9,208
Receivables	4,199	4,452	4,702	4,752	5,901	5,423	4,993	5,192	5,303	5,369
Equity										
- in other public sector entities	(436)	(362)	(368)	62	715	787	783	780	782	789
- accounted for using the equity method	569	567	589	1,501	1,519	1,622	1,750	1,822	1,896	1,929
- other equity investments	26	12	6	5	4	4	4	4	4	4
<b>Total Financial Assets</b>	<b>15,384</b>	<b>18,079</b>	<b>20,484</b>	<b>25,289</b>	<b>20,848</b>	<b>18,992</b>	<b>19,033</b>	<b>19,974</b>	<b>21,001</b>	<b>22,140</b>
Non-financial assets										
Land and fixed assets										
- Inventories	1,053	1,090	1,129	1,076	1,111	1,139	1,235	1,270	1,199	1,160
- Property, plant and equipment	159,013	162,248	167,491	170,735	179,730	187,912	197,665	207,904	217,883	227,603
- Investment property	(b)	(b)	(b)	1,513	1,474	1,552	1,590	1,615	1,789	2,588
- Assets held for sale	182	204	278	326	298	220	172	219	192	131
- Biological assets	1,573	1,609	1,595	1,559	1,409	1,435	1,470	1,512	1,555	1,599
- Intangibles (produced)	(b)	(b)	(b)	819	942	1,153	1,434	1,645	1,679	1,651
Other non-financial assets										
- Intangibles (non-produced)	37	57	64	601	631	626	648	678	756	841
- Other	1,469	1,673	1,709	1,544	2,065	2,110	2,255	2,406	2,553	2,716
<b>Total Non-financial Assets</b>	<b>163,327</b>	<b>166,881</b>	<b>172,266</b>	<b>178,173</b>	<b>187,660</b>	<b>196,147</b>	<b>206,469</b>	<b>217,249</b>	<b>227,606</b>	<b>238,289</b>
<b>Total Assets</b>	<b>178,711</b>	<b>184,960</b>	<b>192,750</b>	<b>203,462</b>	<b>208,508</b>	<b>215,139</b>	<b>225,502</b>	<b>237,223</b>	<b>248,607</b>	<b>260,429</b>

**Table 10.6: NSW Non-financial Public Sector Balance Sheet<sup>(a)</sup> (cont)**

	<i>June 2003</i>	<i>June 2004</i>	<i>June 2005</i>	<i>June 2006</i>	<i>June 2007<sup>(a)</sup></i>	<i>June 2008<sup>(a)</sup></i>	<i>June 2009<sup>(a)</sup></i>	<i>June 2010<sup>(a)</sup></i>	<i>June 2011<sup>(a)</sup></i>	<i>June 2012<sup>(a)</sup></i>
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Revised</i>	<i>Budget</i>	<i>Forward estimates</i>		
	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
<b>Liabilities</b>										
Deposits held	87	110	134	173	222	170	178	179	179	180
Advances received	1,808	1,681	1,641	923	892	865	836	807	778	748
Borrowing	22,219	23,362	25,068	27,305	31,756	33,602	40,324	46,116	51,961	57,479
Superannuation liability <sup>(c)</sup>	15,456	15,851	16,491	23,556	14,068	17,531	17,833	20,705	20,824	20,850
Other employee benefits	8,047	8,744	9,347	10,169	10,265	10,691	10,842	11,199	11,462	11,716
Payables	3,837	4,269	4,394	4,706	5,340	4,615	4,711	5,017	5,130	5,240
Other provisions	5,119	5,435	5,857	5,533	5,405	5,196	5,335	5,536	5,754	5,978
Other liabilities	1,369	1,514	1,253	3,588	3,785	3,477	3,532	3,450	3,373	3,688
<b>Total Liabilities</b>	<b>57,942</b>	<b>60,966</b>	<b>64,185</b>	<b>75,953</b>	<b>71,733</b>	<b>76,147</b>	<b>83,591</b>	<b>93,009</b>	<b>99,461</b>	<b>105,879</b>
<b>NET ASSETS</b>	<b>120,769</b>	<b>123,994</b>	<b>128,565</b>	<b>127,509</b>	<b>136,775</b>	<b>138,992</b>	<b>141,911</b>	<b>144,214</b>	<b>149,146</b>	<b>154,550</b>

**Table 10.6: NSW Non-financial Public Sector Balance Sheet<sup>(a)</sup> (cont)**

	June 2003	June 2004	June 2005	June 2006	June 2007 <sup>(a)</sup>	June 2008 <sup>(a)</sup>	June 2009 <sup>(a)</sup>	June 2010 <sup>(a)</sup>	June 2011 <sup>(a)</sup>	June 2012 <sup>(a)</sup>
	Actual	Actual	Actual	Actual	Actual	Revised	Budget	Forward estimates		
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>Net Worth</b>										
Accumulated Funds	63,409	65,478	68,296	65,506	72,846	71,533	72,242	71,842	74,761	78,058
Reserves	57,360	58,516	60,269	62,003	63,929	67,459	69,669	72,372	74,385	76,492
<b>NET WORTH</b>	<b>120,769</b>	<b>123,994</b>	<b>128,565</b>	<b>127,509</b>	<b>136,775</b>	<b>138,992</b>	<b>141,911</b>	<b>144,214</b>	<b>149,146</b>	<b>154,550</b>
<b>Net Financial Worth</b>	<b>(42,558)</b>	<b>(42,887)</b>	<b>(43,701)</b>	<b>(50,664)</b>	<b>(50,885)</b>	<b>(57,155)</b>	<b>(64,558)</b>	<b>(73,035)</b>	<b>(78,460)</b>	<b>(83,739)</b>
<b>Net Financial Liabilities</b>	<b>42,122</b>	<b>42,525</b>	<b>43,333</b>	<b>50,726</b>	<b>51,600</b>	<b>57,942</b>	<b>65,341</b>	<b>73,815</b>	<b>79,242</b>	<b>84,528</b>
<b>Net Debt<sup>(d)</sup></b>	<b>13,088</b>	<b>11,743</b>	<b>11,288</b>	<b>9,432</b>	<b>20,161</b>	<b>23,481</b>	<b>29,835</b>	<b>34,926</b>	<b>39,902</b>	<b>44,358</b>

*Notes:*

(a) AASB 1049 has been adopted for the first time from the 2008-09 Budget. Amounts prior to 2008-09 have been classified according to the new standard, where practicable. However, where some historic dissections have not been available, and particularly for the pre-AEIFRS period prior to 2005-06, the financial information has been reported on a best endeavours basis.

Data for 2005-06 and forward years has been recognised and measured in accordance with Australian Equivalents to International Financial Reporting Standards (AEIFRS). Prior to 2005-06 transactions were recorded in accordance with pre-AEIFRS Australian Accounting Standards.

(b) The dissection of certain components of land and fixed assets is not available for the period prior to AEIFRS, and it has been reported under the category for property, plant and equipment.

(c) Superannuation liabilities are reported net of any prepaid superannuation contribution assets.

(d) Derivation of Underlying Net Debt is as follows:

<b>Net Debt<sup>(e)</sup></b>	<b>13,088</b>	<b>11,743</b>	<b>11,288</b>	<b>9,432</b>	<b>20,161</b>	<b>23,481</b>	<b>29,835</b>	<b>34,926</b>	<b>39,902</b>	<b>44,358</b>
Impact of deposits to the Liability Management Fund	1,651	2,851	4,001	5,307	...	...	...	...	...	...
<b>Underlying Net Debt<sup>(f)</sup></b>	<b>14,739</b>	<b>14,594</b>	<b>15,289</b>	<b>14,739</b>	<b>20,161</b>	<b>23,481</b>	<b>29,835</b>	<b>34,926</b>	<b>39,902</b>	<b>44,358</b>

**Table 10.7: NSW General Government Sector Cash Flow Statement**

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Revised</i>	<i>Budget</i>	<i>Forward estimates</i>		
	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
<b>Cash Receipts from Operating Activities</b>										
Taxes received	13,945	14,982	15,043	15,972	17,467	18,139	19,063	19,195	20,052	20,968
Receipts from sales of goods & services	2,997	2,859	3,196	3,396	3,420	3,820	3,921	4,069	4,221	4,258
Grants and subsidies received	15,858	15,856	16,376	18,588	18,158	20,060	20,716	22,304	23,396	24,359
Interest receipts	436	855	1,009	1,358	1,332	196	774	815	857	907
Dividends and income tax equivalents	1,126	997	1,370	1,412	1,697	1,870	1,710	1,872	1,997	2,005
Other Receipts	2,640	3,230	3,255	3,759	3,791	3,774	3,975	4,137	4,525	4,454
<b>Total Cash Receipts from Operating Activities</b>	<b>37,002</b>	<b>38,779</b>	<b>40,249</b>	<b>44,485</b>	<b>45,865</b>	<b>47,859</b>	<b>50,159</b>	<b>52,392</b>	<b>55,048</b>	<b>56,951</b>
<b>Cash Payments from Operating Activities</b>										
Payments for employees	(15,031)	(16,486)	(17,716)	(18,803)	(21,831)	(22,095)	(23,260)	(24,296)	(25,195)	(26,212)
Special contribution to superannuation	...	...	...	...	(5,308)	...	...	...	...	...
Payments for goods & services	(8,921)	(9,148)	(9,294)	(9,676)	(10,391)	(11,237)	(11,657)	(11,800)	(12,235)	(12,519)
Grants & subsidies paid	(5,152)	(5,502)	(5,807)	(6,770)	(8,494)	(8,317)	(7,904)	(8,702)	(9,621)	(10,367)
Interest paid	(818)	(863)	(777)	(1,005)	(859)	(962)	(1,004)	(1,077)	(1,173)	(1,248)
Other payments	(1,647)	(2,361)	(2,500)	(2,572)	(2,730)	(2,635)	(2,581)	(2,581)	(2,633)	(2,635)
<b>Total Cash Payments from Operating Activities</b>	<b>(31,569)</b>	<b>(34,360)</b>	<b>(36,094)</b>	<b>(38,826)</b>	<b>(49,613)</b>	<b>(45,246)</b>	<b>(46,406)</b>	<b>(48,456)</b>	<b>(50,857)</b>	<b>(52,981)</b>
<b>Net Cash Flows from Operating Activities</b>	<b>5,433</b>	<b>4,419</b>	<b>4,155</b>	<b>5,659</b>	<b>(3,748)</b>	<b>2,613</b>	<b>3,753</b>	<b>3,936</b>	<b>4,191</b>	<b>3,970</b>
<b>Cash Flows from Investments in Non-Financial Assets for Policy Purposes</b>										
Sales of Non-Financial Assets	498	407	484	430	524	547	595	633	686	658
Purchases of Non-Financial Assets	(3,078)	(2,915)	(3,097)	(3,859)	(4,116)	(4,551)	(5,159)	(5,230)	(5,185)	(4,850)
<b>Net Cash Flows from Investments in Non-Financial Assets</b>	<b>(2,580)</b>	<b>(2,508)</b>	<b>(2,613)</b>	<b>(3,429)</b>	<b>(3,592)</b>	<b>(4,004)</b>	<b>(4,564)</b>	<b>(4,597)</b>	<b>(4,499)</b>	<b>(4,192)</b>

**Table 10.7: NSW General Government Sector Cash Flow Statement (cont)**

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Revised</i>	<i>Budget</i>	<i>Forward estimates</i>		
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>Cash Flows from Investments in Financial Assets for Policy Purposes</b>										
Receipts	871	227	161	104	290	123	195	294	197	181
Payments	(33)	(41)	(31)	(48)	(51)	(111)	(251)	(156)	(64)	(62)
<b>Total Cash Flows from Investments in Financial Assets for Policy Purposes</b>	<b>838</b>	<b>186</b>	<b>130</b>	<b>56</b>	<b>239</b>	<b>12</b>	<b>(56)</b>	<b>138</b>	<b>133</b>	<b>119</b>
<b>Net Flows from Investments in Financial Assets for Liquidity Purposes</b>										
Receipts	504	2,592	393	2,102	8,431	802	121	146	185	162
Payments	(4,023)	(4,114)	(2,805)	(3,956)	(1,690)	(136)	(738)	(674)	(729)	(760)
<b>Net Cash Flows from Investments in Financial Assets for Liquidity Purposes</b>	<b>(3,519)</b>	<b>(1,522)</b>	<b>(2,412)</b>	<b>(1,854)</b>	<b>6,741</b>	<b>666</b>	<b>(617)</b>	<b>(528)</b>	<b>(544)</b>	<b>(598)</b>
<b>Cash Flows from Financing Activities</b>										
Advances received	23	3	19	5	...	...	...	...	...	...
Advances repaid	(54)	(143)	(47)	(140)	(46)	(49)	(51)	(51)	(56)	(55)
Proceeds from borrowings	12	988	1,148	1,516	537	1,540	2,237	1,866	1,707	1,766
Repayments of borrowings	(1,029)	(621)	(731)	(869)	(153)	(798)	(482)	(457)	(544)	(562)
Deposits received (net)	(8)	6	20	32	16	(26)	9	(2)	(1)	(1)
Other financing (net)	(1)	...	(18)	...	...	...	...	...	...	...
<b>Net Cash Flows from Financing Activities</b>	<b>(1,057)</b>	<b>233</b>	<b>391</b>	<b>544</b>	<b>354</b>	<b>667</b>	<b>1,713</b>	<b>1,356</b>	<b>1,106</b>	<b>1,148</b>

**Table 10.7: NSW General Government Sector Cash Flow Statement (cont)**

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Revised</i>	<i>Budget</i>	<i>Forward estimates</i>		
	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
<b>Net Increase/(Decrease) in Cash Held</b>	<b>(885)</b>	<b>808</b>	<b>(349)</b>	<b>976</b>	<b>(6)</b>	<b>(46)</b>	<b>229</b>	<b>305</b>	<b>387</b>	<b>447</b>
Cash and Cash Equivalents at beginning of year	1,946	1,061	1,810	1,441	2,449	2,421	2,451	2,681	2,985	3,371
reclassifications of cash and cash equivalents	...	(59)	(20)	32	(22)	76	1	(1)	(1)	...
<b>Cash and Cash Equivalents at end of year</b>	<b>1,061</b>	<b>1,810</b>	<b>1,441</b>	<b>2,449</b>	<b>2,421</b>	<b>2,451</b>	<b>2,681</b>	<b>2,985</b>	<b>3,371</b>	<b>3,818</b>
<b>Derivation of the Cash Result</b>										
Net cash flows from operating activities	5,433	4,419	4,155	5,659	(3,748)	2,613	3,753	3,936	4,191	3,970
Net Cash Flows from Investments in Non-Financial Assets	(2,580)	(2,508)	(2,613)	(3,429)	(3,592)	(4,004)	(4,564)	(4,597)	(4,499)	(4,192)
<b>Cash Surplus/(Deficit)</b>	<b>2,853</b>	<b>1,911</b>	<b>1,542</b>	<b>2,230</b>	<b>(7,340)</b>	<b>(1,391)</b>	<b>(811)</b>	<b>(661)</b>	<b>(308)</b>	<b>(222)</b>
<b><i>Derivation of Underlying Cash Surplus/(Deficit)</i></b>										
<b><i>Cash Surplus/(Deficit)</i></b>	<b>2,853</b>	<b>1,911</b>	<b>1,542</b>	<b>2,230</b>	<b>(7,340)</b>	<b>(1,391)</b>	<b>(811)</b>	<b>(661)</b>	<b>(308)</b>	<b>(222)</b>
<i>Impact of deposits to the Liability Management Fund</i>	(1,651)	(1,200)	(1,150)	(1,307)	5,308	...	...	...	...	...
<b><i>Underlying Cash Surplus/(Deficit)</i></b>	<b>1,202</b>	<b>711</b>	<b>392</b>	<b>923</b>	<b>(2,032)</b>	<b>(1,391)</b>	<b>(811)</b>	<b>(661)</b>	<b>(308)</b>	<b>(222)</b>

**Table 10.8: Derivation of ABS GFS General Government Sector Cash Surplus/(Deficit)**

<b>Cash Surplus/(Deficit)</b>	<b>2,853</b>	<b>1,911</b>	<b>1,542</b>	<b>2,230</b>	<b>(7,340)</b>	<b>(1,391)</b>	<b>(811)</b>	<b>(661)</b>	<b>(308)</b>	<b>(222)</b>
Assets acquired under finance leases	(345)	(311)	(187)	(81)	(132)	(324)	(319)	(125)	(293)	(129)
<b>ABS GFS Surplus/(Deficit)</b>	<b>2,508</b>	<b>1,600</b>	<b>1,355</b>	<b>2,149</b>	<b>(7,472)</b>	<b>(1,715)</b>	<b>(1,130)</b>	<b>(786)</b>	<b>(601)</b>	<b>(351)</b>

**Table 10.9: NSW Public Non-financial Corporation Sector Cash Flow Statement**

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Revised</i>	<i>Budget</i>	<i>Forward estimates</i>		
	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
<b>Cash Receipts from Operating Activities</b>										
Receipts from sales of goods & services	9,648	10,051	10,632	10,643	10,325	12,922	13,459	13,912	14,777	15,672
Grants and subsidies received	2,124	2,404	2,511	3,108	4,402	3,442	3,374	4,300	5,027	5,684
Interest receipts	86	82	73	113	125	113	80	78	77	78
Dividends and income tax equivalents	...	...	...	...	...	...	...	...	...	...
Other Receipts	2,063	2,212	2,193	2,170	2,156	2,187	2,029	2,244	2,300	2,824
<b>Total Cash Receipts from Operating Activities</b>	<b>13,921</b>	<b>14,749</b>	<b>15,409</b>	<b>16,034</b>	<b>17,008</b>	<b>18,664</b>	<b>18,942</b>	<b>20,534</b>	<b>22,181</b>	<b>24,258</b>
<b>Cash Payments from Operating Activities</b>										
Payments for employees	(3,400)	(3,425)	(3,488)	(3,558)	(3,787)	(4,130)	(4,446)	(4,573)	(4,772)	(4,844)
Payments for goods & services	(4,575)	(5,053)	(5,409)	(5,410)	(5,122)	(6,780)	(6,986)	(6,631)	(6,736)	(7,042)
Grants & subsidies paid	(99)	(120)	(103)	(185)	(193)	(196)	(216)	(222)	(217)	(209)
Interest payments	(809)	(814)	(888)	(873)	(966)	(1,080)	(1,287)	(1,676)	(2,115)	(2,439)
Income tax equivalents	(398)	(371)	(408)	(421)	(657)	(718)	(578)	(736)	(819)	(806)
Other payments	(1,401)	(1,527)	(1,739)	(1,578)	(1,402)	(1,987)	(1,571)	(1,756)	(1,808)	(1,906)
<b>Total Cash Payments from Operating Activities</b>	<b>(10,682)</b>	<b>(11,310)</b>	<b>(12,035)</b>	<b>(12,025)</b>	<b>(12,127)</b>	<b>(14,891)</b>	<b>(15,084)</b>	<b>(15,594)</b>	<b>(16,467)</b>	<b>(17,246)</b>
<b>Net Cash Flows from Operating Activities</b>	<b>3,239</b>	<b>3,439</b>	<b>3,374</b>	<b>4,009</b>	<b>4,881</b>	<b>3,773</b>	<b>3,858</b>	<b>4,940</b>	<b>5,714</b>	<b>7,012</b>
<b>Cash Flows from Investments in Non-Financial Assets for Policy Purposes</b>										
Sales of Non-Financial Assets	281	206	151	308	449	485	287	617	310	278
Purchases of Non-Financial Assets	(3,343)	(3,376)	(3,556)	(4,313)	(5,396)	(6,508)	(8,427)	(8,394)	(8,676)	(9,595)
<b>Net Cash Flows from Investments in Non-Financial Assets</b>	<b>(3,062)</b>	<b>(3,170)</b>	<b>(3,405)</b>	<b>(4,005)</b>	<b>(4,947)</b>	<b>(6,023)</b>	<b>(8,140)</b>	<b>(7,777)</b>	<b>(8,366)</b>	<b>(9,317)</b>

**Table 10.9: NSW Public Non-financial Corporation Sector Cash Flow Statement (cont)**

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Revised</i>	<i>Budget</i>	<i>Forward estimates</i>		
	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
<b>Cash Flows from Investments in Financial Assets for Policy Purposes</b>										
Receipts	140	4	...	1	...	...	...	...	...	...
Payments	(6)	(5)	(2)	...	(12)	(3)	(15)	(156)	(30)	(8)
<b>Total Cash Flows from Investments in Financial Assets for Policy Purposes</b>	<b>134</b>	<b>(1)</b>	<b>(2)</b>	<b>1</b>	<b>(12)</b>	<b>(3)</b>	<b>(15)</b>	<b>(156)</b>	<b>(30)</b>	<b>(8)</b>
<b>Net Flows from Investments in Financial Assets for Liquidity Purposes</b>										
Receipts	422	233	480	258	277	278	62	75	47	197
Payments	(149)	(179)	(173)	(198)	(179)	(109)	(92)	(109)	(124)	(115)
<b>Net Cash Flows from Investments in Financial Assets for Liquidity Purposes</b>	<b>273</b>	<b>54</b>	<b>307</b>	<b>60</b>	<b>98</b>	<b>169</b>	<b>(30)</b>	<b>(34)</b>	<b>(77)</b>	<b>82</b>
<b>Cash Flows from Financing Activities</b>										
Advances received	14	6	2	...	...	5	...	...	...	...
Advances repaid	(591)	(171)	(118)	(81)	(230)	(133)	(157)	(107)	(157)	(131)
Proceeds from borrowings	1,716	1,810	2,189	2,736	3,341	4,131	5,681	4,700	4,708	4,698
Repayments of borrowings	(1,125)	(1,304)	(1,081)	(1,455)	(2,125)	(1,058)	(628)	(642)	(777)	(1,011)
Dividends paid	(738)	(667)	(925)	(918)	(1,156)	(1,168)	(1,139)	(1,097)	(1,162)	(1,211)
Deposits received (net)	4	16	2	(17)	32	(29)	(1)	1	1	1
Other financing (net)	1	6	(14)	...	...	...	...	...	...	...
<b>Net Cash Flows from Financing Activities</b>	<b>(719)</b>	<b>(304)</b>	<b>55</b>	<b>265</b>	<b>(138)</b>	<b>1,748</b>	<b>3,756</b>	<b>2,855</b>	<b>2,613</b>	<b>2,346</b>

**Table 10.9: NSW Public Non-financial Corporation Sector Cash Flow Statement (cont)**

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Revised</i>	<i>Budget</i>	<i>Forward estimates</i>		
	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
<b>Net Increase/(Decrease) in Cash Held</b>	<b>(135)</b>	<b>18</b>	<b>329</b>	<b>330</b>	<b>(118)</b>	<b>(336)</b>	<b>(571)</b>	<b>(172)</b>	<b>(146)</b>	<b>115</b>
Cash and Cash Equivalents at beginning of year	1,228	1,143	1,170	1,401	1,801	1,651	1,316	745	574	429
reclassifications of cash and cash equivalents	50	9	(98)	70	(32)	1	...	1	1	1
<b>Cash and Cash Equivalents at end of year</b>	<b>1,143</b>	<b>1,170</b>	<b>1,401</b>	<b>1,801</b>	<b>1,651</b>	<b>1,316</b>	<b>745</b>	<b>574</b>	<b>429</b>	<b>545</b>
<b>Derivation of the Cash Result</b>										
Net cash flows from operating activities	3,239	3,439	3,374	4,009	4,881	3,773	3,858	4,940	5,714	7,012
Net Cash Flows from Investments in										
Non-Financial Assets	(3,062)	(3,170)	(3,405)	(4,005)	(4,947)	(6,023)	(8,140)	(7,777)	(8,366)	(9,317)
Dividends paid	(738)	(667)	(925)	(918)	(1,156)	(1,168)	(1,139)	(1,097)	(1,162)	(1,211)
<b>Cash Surplus/(Deficit)</b>	<b>(561)</b>	<b>(398)</b>	<b>(956)</b>	<b>(914)</b>	<b>(1,222)</b>	<b>(3,418)</b>	<b>(5,421)</b>	<b>(3,934)</b>	<b>(3,814)</b>	<b>(3,516)</b>

**Table 10.10: NSW Derivation of ABS GFS Public Non-financial Corporation Sector Cash Surplus/(Deficit)**

<b>Cash Surplus/(Deficit)</b>	<b>(561)</b>	<b>(398)</b>	<b>(956)</b>	<b>(914)</b>	<b>(1,222)</b>	<b>(3,418)</b>	<b>(5,421)</b>	<b>(3,934)</b>	<b>(3,814)</b>	<b>(3,516)</b>
Assets acquired under finance leases	...	...	...	...	...	...	...	(307)	(490)	(500)
<b>ABS GFS Surplus/(Deficit)</b>	<b>(561)</b>	<b>(398)</b>	<b>(956)</b>	<b>(914)</b>	<b>(1,222)</b>	<b>(3,418)</b>	<b>(5,421)</b>	<b>(4,241)</b>	<b>(4,304)</b>	<b>(4,016)</b>

**Table 10.11: NSW Non-financial Public Sector Cash Flow Statement**

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Revised</i>	<i>Budget</i>	<i>Forward estimates</i>		
	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
<b>Cash Receipts from Operating Activities</b>										
Taxes received	13,390	14,293	14,458	15,277	16,718	17,705	18,272	18,360	19,165	20,036
Receipts from sales of goods & services	12,489	12,720	13,655	13,805	14,036	16,241	17,085	17,687	18,712	19,636
Grants and subsidies received	15,828	15,780	16,337	18,495	18,000	19,928	20,613	22,175	23,269	24,237
Interest receipts	469	886	1,033	1,423	1,429	259	800	836	873	919
Dividends and income tax equivalents	(22)	35	49	101	24	42	44	49	52	54
Other Receipts	4,723	5,526	5,472	5,935	5,979	5,997	6,027	6,417	6,848	7,284
<b>Total Cash Receipts from Operating Activities</b>	<b>46,877</b>	<b>49,240</b>	<b>51,004</b>	<b>55,036</b>	<b>56,186</b>	<b>60,172</b>	<b>62,841</b>	<b>65,524</b>	<b>68,919</b>	<b>72,166</b>
<b>Cash Payments from Operating Activities</b>										
Payments for employees	(18,283)	(19,728)	(21,055)	(22,215)	(25,424)	(25,979)	(27,457)	(28,612)	(29,701)	(30,780)
Special contribution to superannuation	...	...	...	...	(5,308)	...	...	...	...	...
Payments for goods & services	(12,974)	(13,563)	(14,152)	(14,381)	(15,211)	(17,385)	(17,886)	(17,643)	(18,150)	(18,698)
Grants & subsidies paid	(3,138)	(3,226)	(3,404)	(3,757)	(4,339)	(4,994)	(4,687)	(4,538)	(4,711)	(4,777)
Interest paid	(1,575)	(1,626)	(1,615)	(1,830)	(1,796)	(1,991)	(2,237)	(2,696)	(3,226)	(3,621)
Other payments	(3,015)	(3,924)	(4,176)	(4,524)	(4,076)	(4,611)	(4,109)	(4,262)	(4,394)	(4,526)
<b>Total Cash Payments from Operating Activities</b>	<b>(38,985)</b>	<b>(42,067)</b>	<b>(44,402)</b>	<b>(46,707)</b>	<b>(56,154)</b>	<b>(54,960)</b>	<b>(56,376)</b>	<b>(57,751)</b>	<b>(60,182)</b>	<b>(62,402)</b>
<b>Net Cash Flows from Operating Activities</b>	<b>7,892</b>	<b>7,173</b>	<b>6,602</b>	<b>8,329</b>	<b>32</b>	<b>5,212</b>	<b>6,465</b>	<b>7,773</b>	<b>8,737</b>	<b>9,764</b>
<b>Cash Flows from Investments in Non-Financial Assets for Policy Purposes</b>										
Sales of Non-Financial Assets	778	614	635	738	974	1,032	883	1,250	996	936
Purchases of Non-Financial Assets	(6,416)	(6,288)	(6,648)	(8,167)	(9,507)	(11,053)	(13,580)	(13,618)	(13,855)	(14,438)
<b>Net Cash Flows from Investments in Non-Financial Assets</b>	<b>(5,638)</b>	<b>(5,674)</b>	<b>(6,013)</b>	<b>(7,429)</b>	<b>(8,533)</b>	<b>(10,021)</b>	<b>(12,697)</b>	<b>(12,368)</b>	<b>(12,859)</b>	<b>(13,502)</b>

**Table 10.11: NSW Non-financial Public Sector Cash Flow Statement (cont)**

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Revised</i>	<i>Budget</i>	<i>Forward estimates</i>		
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>Cash Flows from Investments in Financial Assets</b>										
<b>for Policy Purposes</b>										
Receipts	421	62	57	26	64	20	34	36	35	44
Payments	(26)	(40)	(31)	(48)	(50)	(114)	(266)	(165)	(94)	(70)
<b>Total Cash Flows from Investments in Financial Assets for Policy Purposes</b>	<b>395</b>	<b>22</b>	<b>26</b>	<b>(22)</b>	<b>14</b>	<b>(94)</b>	<b>(232)</b>	<b>(129)</b>	<b>(59)</b>	<b>(26)</b>
<b>Net Flows from Investments in Financial Assets for Liquidity Purposes</b>										
Receipts	926	2,825	873	2,360	8,708	1,080	182	221	232	359
Payments	(4,173)	(4,293)	(2,979)	(4,154)	(1,869)	(245)	(829)	(783)	(853)	(875)
<b>Net Cash Flows from Investments in Financial Assets for Liquidity Purposes</b>	<b>(3,247)</b>	<b>(1,468)</b>	<b>(2,106)</b>	<b>(1,794)</b>	<b>6,839</b>	<b>835</b>	<b>(647)</b>	<b>(562)</b>	<b>(621)</b>	<b>(516)</b>
<b>Cash Flows from Financing Activities</b>										
Advances received	23	3	19	6	...	5	...	...	...	...
Advances repaid	(93)	(138)	(47)	(131)	(46)	(49)	(51)	(51)	(56)	(55)
Proceeds from borrowings	1,768	2,792	3,324	4,250	3,860	5,641	7,922	6,570	6,420	6,470
Repayments of borrowings	(2,154)	(1,925)	(1,812)	(2,324)	(2,277)	(1,857)	(1,110)	(1,099)	(1,320)	(1,572)
Deposits received (net)	(4)	22	23	15	48	(54)	8	(1)	(1)	(1)
Other financing (net)	49	4	(34)	423	(65)	...	...	...	...	...
<b>Net Cash Flows from Financing Activities</b>	<b>(411)</b>	<b>758</b>	<b>1,473</b>	<b>2,239</b>	<b>1,520</b>	<b>3,686</b>	<b>6,769</b>	<b>5,419</b>	<b>5,043</b>	<b>4,842</b>

**Table 10.11: NSW Non-financial Public Sector Cash Flow Statement (cont)**

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Revised</i>	<i>Budget</i>	<i>Forward estimates</i>		
	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
<b>Net Increase/(Decrease) in Cash Held</b>	<b>(1,009)</b>	<b>811</b>	<b>(18)</b>	<b>1,323</b>	<b>(128)</b>	<b>(382)</b>	<b>(342)</b>	<b>133</b>	<b>241</b>	<b>562</b>
Cash and Cash Equivalents at beginning of year	3,163	2,204	2,979	2,843	4,251	4,071	3,767	3,425	3,559	3,801
reclassifications of cash and cash equivalents	50	(36)	(118)	85	(52)	78	...	1	1	
<b>Cash and Cash Equivalents at end of year</b>	<b>2,204</b>	<b>2,979</b>	<b>2,843</b>	<b>4,251</b>	<b>4,071</b>	<b>3,767</b>	<b>3,425</b>	<b>3,559</b>	<b>3,801</b>	<b>4,363</b>
<b>Derivation of the Cash Result</b>										
Net cash flows from operating activities	7,892	7,173	6,602	8,329	32	5,212	6,465	7,773	8,737	9,764
Net Cash Flows from Investments in Non-Financial Assets	(5,638)	(5,674)	(6,013)	(7,429)	(8,533)	(10,021)	(12,697)	(12,368)	(12,859)	(13,502)
<b>Cash Surplus/(Deficit)</b>	<b>2,254</b>	<b>1,499</b>	<b>589</b>	<b>900</b>	<b>(8,501)</b>	<b>(4,809)</b>	<b>(6,232)</b>	<b>(4,595)</b>	<b>(4,122)</b>	<b>(3,738)</b>
<b><i>Derivation of Underlying Cash Surplus/(Deficit)</i></b>										
<b><i>Cash Surplus/(Deficit)</i></b>	<b>2,254</b>	<b>1,499</b>	<b>589</b>	<b>900</b>	<b>(8,501)</b>	<b>(4,809)</b>	<b>(6,232)</b>	<b>(4,595)</b>	<b>(4,122)</b>	<b>(3,738)</b>
<i>Impact of deposits to the Liability Management Fund</i>	(1,651)	(1,200)	(1,150)	(1,307)	5,308	...	...	...	...	...
<b><i>Underlying Cash Surplus/(Deficit)</i></b>	<b>603</b>	<b>299</b>	<b>(561)</b>	<b>(407)</b>	<b>(3,193)</b>	<b>(4,809)</b>	<b>(6,232)</b>	<b>(4,595)</b>	<b>(4,122)</b>	<b>(3,738)</b>

**Table 10.12: Derivation of ABS GFS Non-financial Public Sector Cash Surplus/(Deficit)**

<b>Cash Surplus/(Deficit)</b>	2,254	1,499	589	900	(8,501)	(4,809)	(6,232)	(4,595)	(4,122)	(3,738)
Assets acquired under finance leases	(345)	(311)	(187)	(81)	(132)	(324)	(319)	(432)	(783)	(629)
<b>ABS GFS Surplus/(Deficit)</b>	<b>1,909</b>	<b>1,188</b>	<b>402</b>	<b>819</b>	<b>(8,633)</b>	<b>(5,133)</b>	<b>(6,551)</b>	<b>(5,027)</b>	<b>(4,905)</b>	<b>(4,367)</b>

**Table 10.13: NSW general government sector taxes**

	<i>2007-08 Revised \$m</i>	<i>2008-09 Budget \$m</i>
Taxes on employers' payroll and labour force	<b>6,150</b>	<b>6,410</b>
Taxes on property		
Land taxes	1,968	1,983
Stamp duties on financial and capital transactions	4,612	4,095
Financial institutions' transaction taxes	...	...
Other	66	69
<b>Total taxes on property</b>	<b>6,646</b>	<b>6,147</b>
Taxes on the provision of goods and services		
Excises and levies	...	...
Taxes on gambling	1,542	1,602
Taxes on insurance	1,628	1,703
<b>Total taxes on the provision of goods and services</b>	<b>3,170</b>	<b>3,305</b>
Taxes on use of goods and performance of activities		
Motor vehicle taxes	2,128	2,255
Franchise taxes	5	4
Other	367	412
<b>Total taxes on use of goods and performance of activities</b>	<b>2,500</b>	<b>2,671</b>
<b>Total GFS Taxation Revenue</b>	<b>18,466</b>	<b>18,533</b>

**Table 10.14: NSW general government sector grant revenue and expense**

	<i>2007-08 Revised \$m</i>	<i>2008-09 Budget \$m</i>
<b>Current grant revenue</b>		
Current grants from the Commonwealth		
General purpose grants	12,060	13,020
Specific purpose grants <sup>(a)</sup>	6,449	6,158
<b>Total</b>	<b>18,509</b>	<b>19,178</b>
Other contributions and grants	787	751
<b>Total current grant revenue</b>	<b>19,296</b>	<b>19,929</b>
<b>Capital grant revenue</b>		
General purpose grants	...	...
Specific purpose grants <sup>(a)</sup>	1,091	1,091
<b>Total</b>	<b>1,091</b>	<b>1,091</b>
Other contributions and grants	266	31
<b>Total capital grant revenue</b>	<b>1,357</b>	<b>1,122</b>
<b>Total grant revenue</b>	<b>20,653</b>	<b>21,051</b>

**Table 10.14: NSW general government sector grant revenue and expense (cont)**

	2007-08 <i>Revised</i> \$m	2008-09 <i>Budget</i> \$m
<b>Current grant expense</b>		
State/Territory Government	2	2
Local Government <sup>(a)</sup>	204	201
Private and not-for-profit sector <sup>(a)</sup>	5,351	5,081
Grants to other sectors of government	2,603	2,678
other	1	1
<b>Total current grant expense</b>	<b>8,161</b>	<b>7,963</b>
<b>Capital grant expense</b>		
State/Territory Government	...	...
Local Government <sup>(a)</sup>	296	305
Private and not-for-profit sector <sup>(a)</sup>	552	485
Grants to other sectors of government	1,223	1,172
other	...	...
<b>Total capital grant expense</b>	<b>2,071</b>	<b>1,962</b>
<i>Note:</i>		
<i>(a) Grant revenue and expenses above exclude the following transfer payments from the Commonwealth government that New South Wales on-passes to third parties. They are not recorded as New South Wales revenue and expense as the State has not control over the amounts that it on-passes.</i>		
<b>Transfer Receipts</b>		
<i>Current transfer receipts for specific purposes</i>	2,390	2,683
<i>Capital transfer receipts for specific purposes</i>	87	74
<b>Total Receipts</b>	<b>2,477</b>	<b>2,757</b>
<b>Current transfer payments to</b>		
<i>Local government</i>	562	587
<i>Private and not-for profit sector</i>	1,828	2,096
<b>Capital transfer payments to</b>		
<i>Local government</i>	...	...
<i>Private and not-for profit sector</i>	87	74
<b>Total Payments</b>	<b>2,477</b>	<b>2,757</b>

**Table 10.15: NSW general government sector dividend and income tax equivalent income**

	<i>Revised 2007-08 \$m</i>	<i>Budget 2008-09 \$m</i>
Dividend and income tax revenue from the PNFC sector	1,778	1,745
Dividend and income tax revenue from the PFC sector	42	51
Other dividend income	...	...
<b>Total dividend and income tax equivalent income</b>	<b>1,820</b>	<b>1,796</b>

**Table 10.16: NSW general government sector expenses by function**

	<i>2007-08 Revised \$m</i>	<i>2008-09 Budget \$m</i>
General public services	1,475	1,700
Defence	...	...
Public order and safety	4,941	5,041
Education	10,621	11,007
Health	12,419	12,980
Social security and welfare	3,529	3,747
Housing and community amenities	1,957	2,009
Recreation and culture	1,206	1,149
Fuel and energy	26	22
Agriculture, forestry, fishing and hunting	1,178	716
Mining, manufacturing and construction	140	147
Transport and communications	5,436	5,543
Other economic affairs	910	959
Other purposes <sup>(a)</sup>	1,858	2,594
<b>Total GFS Expenses</b>	<b>45,696</b>	<b>47,614</b>

*Note:*

(a) 2008-09 includes \$300 million *Advances to the Treasurer*, which will be allocated across functions as the funds are spent in the Budget Year.

**Table 10.17: NSW general government sector purchases of non-financial assets <sup>(a)</sup>**

	<i>2007-08</i> <i>Revised</i> <i>\$m</i>	<i>2008-09</i> <i>Budget</i> <i>\$m</i>
General public services	347	317
Defence	...	...
Public order and safety	404	410
Education	525	698
Health	580	613
Social security and welfare	103	149
Housing and community amenities	179	194
Recreation and culture	225	152
Fuel and energy	...	...
Agriculture, forestry, fishing and hunting	27	32
Mining, manufacturing and construction	8	10
Transport and communications	2,032	2,422
Other economic affairs	33	42
Other purposes <sup>(b)</sup>	78	119
<b>Total GFS Purchases of Non-Financial Assets</b>	<b>4,541</b>	<b>5,158</b>

*Notes:*

*(a) Non-financial assets include land and second hand assets, however exclude assets acquired under finance leases.*

*(b) 2008-09 includes \$100 million Advances to the Treasurer, which will be allocated across functions as the funds are spent in the Budget Year.*

## 10.4 LOAN COUNCIL ALLOCATION

The New South Wales Loan Council Allocation (LCA) for 2008-09 was approved at the March 2008 meeting of the Ministerial Council.

Table 10.18 presents estimates of the State's LCA. The 2008-09 estimated LCA is a deficit of \$6.8 billion compared to an original deficit allocation of \$5.3 billion. The variance of \$1.5 billion exceeds the tolerance limit set by Loan Council. The tolerance limit for 2008-09 is \$1.3 billion and is calculated as two per cent of cash receipts from operating activities for the non-financial public sector. The increase in the Loan Council Allocation requirement has occurred primarily due to higher capital expenditure by the general government sector. Details of increases in general government capital expenditure are contained in section 3 in Chapter 1.

**Table 10.18: NSW Loan Council allocation estimates**

	2007-08 Revised Estimate \$m	2008-09 Loan Council Allocation \$m	2008-09 Budget-time Estimate \$m
General government sector cash surplus/(deficit)	(1,391)	(245)	(811)
Public Non-financial Corporations sector cash surplus/(deficit)	(3,418)	(4,495)	(5,421)
<b>Non-financial public sector cash surplus/(deficit) <sup>(a)</sup></b>	<b>(4,809)</b>	<b>(4,739)</b>	<b>(6,232)</b>
Acquisitions under finance leases and similar arrangements <sup>(b)</sup>	(324)	(341)	(319)
<b>Equals: ABS GFS cash surplus/(deficit)</b>	<b>(5,133)</b>	<b>(5,080)</b>	<b>(6,551)</b>
Net cash flows from investments in financial assets for policy purposes	(94)	(81)	(232)
Memorandum items <sup>(c)</sup>	(4,098)	(130)	(54)
<b>Loan Council Allocation</b>	<b>(9,325)</b>	<b>(5,291)</b>	<b>(6,837)</b>

Notes:

- (a) Does not directly equate to the sum of the general government and PNFC cash deficits due to intersectoral transfers which are netted out.
- (b) Finance leases are shown as they are deducted from the AASB 1049 cash surplus to derive the ABS GFS cash surplus.
- (c) Memorandum items are used to adjust the ABS deficit to include in LCAs certain transactions, such as operating leases that have many of the characteristics of public sector borrowings but do not constitute formal borrowings. They are also used, where appropriate, to deduct from the ABS deficit certain transactions that Loan Council has agreed should not be included in LCAs - for example, the funding of more than employers' emerging costs under public sector superannuation schemes, or borrowings by entities such as universities.

## **PRIVATELY FINANCED PROJECTS**

As confirmed at the 1997 Loan Council meeting, States are to report their full contingent exposure to Privately Financed Projects. Exposure is to be measured by the Government's termination liabilities in a case of private sector default and disclosed as a footnote to, rather than a component of, Loan Council Allocations.

### **2007-08 Contracts**

None to be reported.

### **2008-09 Contracts**

None to be reported.