

CHAPTER 9: GOVERNMENT FINANCE STATISTICS AND UNIFORM REPORTING FRAMEWORK

- ◆ Financial aggregates are prepared on an accrual basis in accordance with the uniform presentation framework (UPF).
- ◆ A time series is provided from 1999-2000 to 2008-09 for the general government, public trading enterprise and consolidated sectors.
- ◆ There has been a break in the time series denoted on the UPF tables by a vertical dotted line. Prior to 2005-06 transactions have been recognised and measured in accordance with Australian Accounting Standards. From 2005-06, they have been recognised in accordance with Australian Equivalents to International Financial Reporting Standards (AEIFRS).
- ◆ The Loan Council allocation estimate for 2005-06 is a deficit of \$2,282 million.
- ◆ The Government is entering into several important infrastructure projects with the participation of the private sector. Project details are outlined at the end of this chapter.

9.1 INTRODUCTION

This chapter presents financial aggregates for the general government and public trading enterprise (PTE)¹ sectors according to international statistical standards and in accordance with a uniform reporting framework agreed by the Australian Loan Council. The format of the aggregates is based on the reporting standards of the Australian Bureau of Statistics (ABS) accrual government finance statistics (GFS) framework.

¹ The PTE sector is also referred to by the Australian Bureau of Statistics as the public non-financial corporation or PNFC sector. Other chapters in this budget paper use the term "PTE".

The financial aggregates presented in this chapter 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.

Section 9.2 outlines the format of the accrual UPF statements, comparing and contrasting them to their equivalent accrual accounting reports. It also describes the main fiscal measures in the accrual GFS reports.

The classification of public sector entities is outlined in Section 9.3.

The accrual uniform presentation framework estimates are presented in Section 9.4. They 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 taxes by type, and expenses and purchases of non-financial assets by function. The functional reports are prepared according to the Australian Bureau of Statistics general purpose classifications.

Section 9.5 presents estimates of the State's Loan Council allocation (LCA) for 2005-06 and compares this to the original LCA bid provided to the March 2005 Treasurers' Conference. Information is also presented in Section 9.6 on new infrastructure projects for 2004-05 and 2005-06 in accordance with Loan Council reporting requirements.

Chapter 5 of Budget Paper No. 2 provides a brief commentary on the operations of the PTE sector.

9.2 ACCRUAL GFS REPORTING

THE ACCRUAL GFS PRESENTATION

Public sector estimates and outcomes are presented in the accrual GFS framework in three primary statements: operating statement, balance sheet, and cash flow statement. These statements form the core of the accrual UPF.

GFS includes only those transactions within the operating and cash flow statements over which a government exercises control under its legislative or policy framework. This means that, unlike the accounting viewpoint, the GFS excludes from the calculation of net operating balance both revaluations (holding gains or losses) arising from a change in market prices, and other changes in the volume of assets that result from discoveries, depletion and destruction of assets. This means that differences arise between the GFS and accounting frameworks, particularly within the operating statement.

Operating Statement

The operating statement presents information on GFS revenues² and GFS expenses³. 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 government in achieving its objectives, and how these costs are met from various revenue sources.

Unlike a standard accounting operating statement, the GFS operating statement reports two major fiscal measures – the GFS net operating balance, and GFS net lending. The *GFS net operating balance*⁴ is calculated as GFS revenue minus GFS expenses. *GFS net lending*⁵ is GFS revenues less GFS expenses (excluding depreciation), less net capital expenditure (i.e. after asset sales) and other selected asset movements/adjustments, thereby giving a measure of a jurisdiction's call on financial markets.

² *GFS revenue differs from accounting revenues. GFS revenues include all (mutually agreed) transactions that increase net worth. Revaluations, included in accounting revenues, are not considered mutually agreed transactions, and so are excluded from GFS revenues. Asset sales, which involve a transfer of a non-financial asset for a financial asset, are also excluded.*

³ *GFS expenses differ from accounting expenses. GFS expenses encompass all transactions that decrease net worth, including dividend and tax equivalent payments. Revaluations, included in accounting expenses, are not considered mutually agreed transactions, and so are excluded from GFS expenses. Included in this revaluations category are asset write-offs.*

⁴ *The net operating balance is equivalent to the budget result shown elsewhere in the budget papers.*

⁵ *Commonwealth Treasury has adopted the term "fiscal balance".*

Balance Sheet

The balance sheet records the stocks of financial and non-financial assets and liabilities. This statement, also referred to as a 'statement of assets and liabilities' or a 'statement of financial position', discloses the resources over which a government exercises control. The balance sheet is a financial snapshot taken at the end of each financial year. By providing information on the type of assets and liabilities held by a government, the statement gives an indication of financial liquidity.

The balance sheet includes data on the composition of financial assets, on the 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 GFS balance sheet differs from the standard accounting presentation:

- ◆ it provides information on financial and non-financial assets, and does not distinguish between current and non-current assets and liabilities;
- ◆ receivables are presented on a gross basis (i.e. excluding all allowances for doubtful debts) resulting in GFS net worth being greater than accounting net assets; and
- ◆ the general government sector under GFS discloses an equity investment in the public financial enterprise (PFE)⁶ and public trading enterprise (PTE)⁷ sectors. GFS recognises a holding company model for the general government's ownership of the PFE and PTE sectors.

Balance sheet indicators include net debt, net financial worth and net worth.

Net debt comprises borrowings and net advances received less cash and investments.

The net debt measure is limited in that it does not include employee liabilities such as superannuation or insurance claim obligations, which can be substantial and a substitute for debt obligations. In addition, net debt does not provide information on whether this debt has been incurred to finance capital expenditure or operations.

⁶ The PFE sector is also referred to by the Australian Bureau of Statistics as the public financial corporation or PFC sector. Other chapters in this budget paper use the term "PFE".

⁷ The PTE sector is also referred to by the Australian Bureau of Statistics as the public non-financial corporation or PNFC sector. Other chapters in this budget paper use the term "PTE".

Net financial worth measures net holdings of financial assets. It is calculated from the balance sheet as financial assets minus total liabilities (ie it includes superannuation and insurance liabilities). It is also commonly referred to as net financial assets. Net financial worth excludes physical assets such as property and infrastructure which can be subject to significant valuation movements. It is a useful indicator for examining the soundness of a government's fiscal position, particularly over the medium-to-long term.

Net worth, also known as net assets, provides a comprehensive picture of the financial position, as it is measured by total assets less total liabilities. Net worth shows the impact of asset acquisitions over time, giving an indication of the extent to which borrowings are used to finance asset purchases, rather than current expenditure. However, given that many public sector assets do not generate a financial return or are not saleable assets, net worth does not give a good indication of fiscal sustainability.

The difference between total assets and total liabilities for the PTE and PFE sector is deemed to be owner's equity (shares and other contributed capital). GFS treats owner's equity for the PTE and PFE sectors similar to a liability. Therefore the GFS net worth for the PTE and PFE sectors is always zero.

In addition to the UPF requirement to report net debt and net financial worth, *underlying net debt* is also reported after adjusting for the impact of a special prepayment of superannuation (1999-2000 to 2000-01), and the establishment of the General Government Liability Management Fund, which commenced operations in 2002-03. While the financial assets in the General Government Liability Management Fund accrue within the general government sector, they are dedicated to meet superannuation liabilities. Underlying net debt is published after adjustment to avoid the distorting impact of the superannuation transactions, which are basically temporary and reversing.

Cash Flow Statement

The cash flow statement records cash receipts and payments, revealing 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 the changing size and composition of a government's financial structure.

The 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 GFS cash flow statement reports two major fiscal measures – net increase in cash held, and cash surplus. *Net increase in cash held* is the sum of net cash flows from all operating, investing and financing activities. The *cash surplus* comprises net cash received from operating activities, and from sales and purchases of non-financial assets, minus distributions paid (in the case of public trading enterprises), minus finance leases and similar arrangements.

The cash surplus measure is broadly comparable with the old cash-GFS surplus measure, allowing for comparisons between the two frameworks.

An *underlying cash surplus/deficit* has also been published. The underlying result removes the distortionary impact of both the 2000 Olympic and Paralympic Games for the PTE sector, and the discretionary timing of general government defined benefit superannuation contributions.

COMPARISON TO ACCRUAL BASED ACCOUNTING REPORTS

Information reported in the accrual UPF tables is generally consistent with that reported elsewhere in Budget Paper No. 2. However, differences in treatment and disclosure can occur because the Australian Bureau of Statistics requires that:

- ◆ selected payments that pass through the State's accounts, e.g. for non-government schools, be included in the UPF tables. Reports in other chapters of the budget papers exclude these receipts and payments as the NSW Government has no control over them;
- ◆ the general government sector balance sheet in the UPF table reports an equity investment in the public financial and non-financial corporation sectors while the accounting based statement of financial position does not record this item. A residual entity model of the Crown is considered more appropriate under the accounting framework than a holding company model; and
- ◆ allowance for doubtful debts is excluded from balance sheets presented on a GFS basis.

BREAK IN TIME SERIES – INTRODUCTION OF AEIFRS

There has been a break in the UPF time series. Prior to 2005-06 transactions have been recognised and measured in accordance with Australian Accounting Standards. From 2005-06 the underlying information has been recognised in accordance with Australian Equivalents to International Financial Reporting Standards (AEIFRS).

This break in the UPF series between 2004-05 and 2005-06 is denoted by a vertical dotted line.

Refer to Appendix F in Budget Paper No.2 for further detail on the implementation strategies and financial impacts of AEIFRS on the NSW public sector.

APPLICATION OF GFS PRINCIPLES

The standards applied to produce the uniform presentation tables in this chapter are the same as those used by the ABS in its government finance statistics publication (Catalogue No. 5512.0).

Current ABS statistical standards require a premium on a loan to be classified as a negative interest payment in the year the loan is raised. New South Wales disagrees with this approach since it results in an asymmetric treatment with discounts on loans which are treated as a balloon interest payment on the maturity of the loan.

The ABS has recognised the accounting difficulties of their approach. Given this, a compromise has been reached and all jurisdictions and the ABS have departed from GFS principles on this matter and record the premium as a negative interest payment in the final year of the loan.

9.3 CLASSIFICATION FRAMEWORK

The economic type classification adopted in this budget paper follows international conventions as outlined in the ABS information paper, *Australian System of Government Finance Statistics: Concepts, Sources and Methods*, Catalogue Number 5514.0.55.001.

CLASSIFICATION OF PUBLIC SECTOR ENTITIES

Public sector entities in New South Wales can be classified as general government entities (GGEs), public trading enterprises (PTEs) or public financial enterprises (PFEs).

GGEs consist of those public sector entities that provide, in the main, goods and services outside the market mechanism as well as providing for the transfer of income for public policy purposes. The major form of financing of these goods and services is by taxation, imposed by the State or by the Commonwealth and subsequently on-passed to the State. In New South Wales, most government departments and a number of statutory authorities, e.g. WorkCover Authority, fit into this category.

In contrast, PTEs charge for services provided and hence have a broadly commercial orientation. They do not, however, necessarily operate in competitive markets. While PTEs are not required to be fully self-funding, a substantial portion of their costs must be met by user charges. The PTE sector in New South Wales includes for example Eraring Energy, TransGrid, Sydney Water Corporation and Rail Corporation New South Wales.

PFEs are the third category of authorities in the ABS framework. NSW Treasury Corporation is the major entity in New South Wales operating in this sector. PFEs are not included in this chapter as the Uniform Presentation Agreement only requires the publication of PFE data ex-post. Further, forward estimates of financial transactions in this sector are subject to considerable uncertainty.

Appendix C lists NSW public sector entities and their sector classifications.

The non-financial public (NFP) sector is a consolidation of GGEs and PTEs.

9.4 ACCRUAL UNIFORM PRESENTATION FRAMEWORK TABLES

In accordance with the revised uniform presentation framework agreed by the Australian Loan Council in March 2000 and subsequent meetings, Tables 9.1 through to 9.12 of this Section provide estimates on a comparable basis to those which the ABS will be publishing.

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Table 9.1: NSW General Government Sector Operating Statement (ABS Basis)

							<i>Forward Estimates</i>			
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Revised</i>	<i>Budget</i>			
	<i>1999-2000</i>	<i>2000-01</i>	<i>2001-02</i>	<i>2002-03</i>	<i>2003-04</i>	<i>2004-05</i>	<i>2005-06^(a)</i>	<i>2006-07^(a)</i>	<i>2007-08^(a)</i>	<i>2008-09^(a)</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>
GFS Revenue										
Taxation revenue ^(b)	15,191	13,343	13,216	14,153	15,026	15,306	16,269	17,319	18,248	19,205
Current grants and subsidies ^(b)	10,098	13,741	15,873	16,475	16,905	17,429	18,379	18,843	19,594	20,329
Capital grants	889	866	891	914	900	1,100	1,068	1,071	987	1,053
Sales of goods and services	2,792	2,659	2,699	2,914	3,006	3,022	3,134	3,257	3,342	3,511
Interest income	476	471	282	440	862	924	971	909	824	947
Other	2,452	2,545	2,558	2,865	2,961	3,085	3,365	3,328	3,323	3,430
Total Revenue	31,898	33,625	35,519	37,761	39,660	40,866	43,186	44,727	46,318	48,475
less GFS Expenses										
Employee expenses	12,824	13,283	13,877	15,313	16,486	17,758	18,762	19,510	20,336	21,128
Depreciation	1,472	1,402	1,638	1,779	1,927	1,991	2,087	2,138	2,183	2,222
Other operating expenses	8,296	8,757	9,667	10,085	10,313	10,481	10,907	11,303	12,097	12,902
Nominal superannuation interest expense	479	438	564	745	860	903	1,224	1,098	962	1,051
Other interest expenses	1,343	1,016	868	803	788	817	894	848	829	813
Other property expenses	...	...	...	...	...	...	...	...	...	...
Current transfers	4,488	4,955	5,475	5,942	6,882	6,905	7,523	7,720	7,921	8,026
Capital transfers	993	2,287	1,864	1,342	1,258	1,442	1,486	1,629	1,446	1,368
Total Expenses	29,895	32,138	33,953	36,009	38,514	40,297	42,883	44,246	45,774	47,510
equals GFS Net Operating Balance	2,003	1,487	1,566	1,752	1,146	569	303	481	544	965

Table 9.1: NSW General Government Sector Operating Statement (ABS Basis) (cont)

	Actual 1999-2000 \$m	Actual 2000-01 \$m	Actual 2001-02 \$m	Actual 2002-03 \$m	Actual 2003-04 \$m	Revised 2004-05 \$m	Budget 2005-06 ^(a) \$m	Forward Estimates		
								2006-07 ^(a) \$m	2007-08 ^(a) \$m	2008-09 ^(a) \$m
less Net Acquisition of Non-financial Assets										
Purchases of non-financial assets ^(c)	2,450	2,569	2,745	3,004	3,019	3,423	3,730	3,855	3,876	4,062
less Sales of non-financial assets	(681)	(372)	(596)	(366)	(406)	(479)	(547)	(454)	(463)	(454)
less Depreciation	(1,472)	(1,402)	(1,638)	(1,779)	(1,927)	(1,991)	(2,087)	(2,138)	(2,183)	(2,222)
plus Change in inventories	(3)	11	...	4	21	(8)	(2)	(8)	(5)	(5)
plus Other movements in non-financial assets										
- finance leases ^(c)	284	290	351	345	312	167	95	95	95	...
- other	103	(134)	125	81	88	69	93	108	121	134
equals Total Net Acquisition of Non-financial Assets	681	962	987	1,289	1,107	1,181	1,282	1,458	1,441	1,515
equals GFS Net Lending / (Borrowing)	1,322	525	579	463	39	(612)	(979)	(977)	(897)	(550)

Notes:

(a) 2005-06 and forward years are based on underlying data that 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 Australian Accounting Standards. Refer to Appendix F for further information on the financial impact of AEIFRS.

(b) Impacted by the introduction of the Goods and Services Tax (GST) and the processing arrangements from 2001-02.

(c) Elsewhere in the Budget Papers reference is made to Capital Expenditure, which comprise purchases of non-financial assets and assets acquired under finance lease arrangements.

Table 9.2: NSW Public Non-financial Corporation Sector Operating Statement^(a) (ABS Basis)

	<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>1999-2000</i>	<i>2000-01</i>	<i>2001-02</i>	<i>2002-03</i>	<i>2003-04</i>	<i>2004-05</i>	<i>2005-06^(b)</i>	<i>2006-07^(b)</i>	<i>2007-08^(b)</i>	<i>2008-09^(b)</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>
GFS Revenue										
Sales of goods and services	9,234	11,564	9,347	9,371	9,874	10,173	10,804	11,347	11,869	12,327
Current grants and subsidies	1,101	1,071	1,072	1,404	1,693	1,700	1,817	1,914	2,029	2,067
Capital grants	602	771	925	690	698	770	768	923	778	744
Interest income	97	142	78	85	83	68	48	42	40	46
Other	1,167	844	870	827	768	835	848	920	898	856
Total Revenue	12,201	14,392	12,292	12,377	13,116	13,546	14,285	15,146	15,614	16,040
less GFS Expenses										
Employee expenses	2,888	3,360	3,005	2,972	2,999	3,275	3,351	3,288	3,428	3,508
Depreciation	1,389	1,514	1,563	2,068	2,164	2,081	2,123	2,219	2,261	2,346
Other operating expenses	5,391	6,638	4,676	5,248	5,507	5,730	5,999	6,255	6,557	6,568
Interest expenses	692	825	813	823	787	850	919	1,057	1,203	1,332
Other property expenses	1,215	981	1,294	1,244	1,487	1,540	1,820	1,788	1,827	1,882
Current transfers	70	73	78	85	106	120	119	97	99	101
Capital transfers	63	56	92	32	18	12	...	...	8	...
Total Expenses	11,708	13,447	11,521	12,472	13,068	13,608	14,331	14,704	15,383	15,737
equals GFS Net Operating Balance	493	945	771	(95)	48	(62)	(46)	442	231	303

Table 9.2: NSW Public Non-financial Corporation Sector Operating Statement^(a) (ABS Basis) (cont)

	Actual 1999-2000 \$m	Actual 2000-01 \$m	Actual 2001-02 \$m	Actual 2002-03 \$m	Actual 2003-04 \$m	Revised 2004-05 \$m	Budget 2005-06 ^(b) \$m	Forward Estimates		
								2006-07 ^(b)	2007-08 ^(b)	2008-09 ^(b)
								\$m	\$m	\$m
less Net Acquisition of Non-financial Assets										
Purchases of non-financial assets	2,729	2,510	2,989	3,352	3,378	3,575	4,425	4,753	4,999	4,750
less Sales of non-financial assets	(388)	(315)	(302)	(332)	(201)	(150)	(211)	(346)	(338)	(374)
less Depreciation	(1,389)	(1,514)	(1,563)	(2,068)	(2,164)	(2,081)	(2,123)	(2,219)	(2,261)	(2,346)
plus Change in inventories	252	(651)	58	47	47	166	46	180	15	83
plus Other movements in non-financial assets										
- finance leases	...	...	...	...	...	...	...	...	...	...
- other	97	159	166	119	78	140	206	237	207	196
equals Total Net Acquisition of Non-financial Assets	1,301	189	1,348	1,118	1,138	1,650	2,343	2,605	2,622	2,309
equals GFS Net Lending / (Borrowing)	(808)	756	(577)	(1,213)	(1,090)	(1,712)	(2,389)	(2,163)	(2,391)	(2,006)

Notes:

(a) The public non-financial corporation (PNFC) sector is also referred to in these budget papers as the public trading enterprise (PTE) sector.

(b) 2005-06 and forward years are based on underlying data that 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 Australian Accounting Standards. Refer to Appendix F for further information on the financial impact of AEIFRS.

(c) The underlying Net Lending / (Borrowing) has been adjusted to exclude the impact of the 2000 Olympic and Paralympic Games on the results.

GFS Net Lending / (Borrowing)	(808)	756	(577)	(1,213)	(1,090)	(1,712)	(2,389)	(2,163)	(2,391)	(2,006)
adjustment to exclude SOCOG and SPOC	274	(974)	(11)	...	...	...	...	...	...	...
Underlying Net Lending/ (Borrowing)^(c)	(534)	(218)	(588)	(1,213)	(1,090)	(1,712)	(2,389)	(2,163)	(2,391)	(2,006)

Table 9.3: NSW Non-financial Public Sector Operating Statement (ABS Basis)

							<i>Forward Estimates</i>			
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Revised</i>	<i>Budget</i>			
	<i>1999-2000</i>	<i>2000-01</i>	<i>2001-02</i>	<i>2002-03</i>	<i>2003-04</i>	<i>2004-05</i>	<i>2005-06^(a)</i>	<i>2006-07^(a)</i>	<i>2007-08^(a)</i>	<i>2008-09^(a)</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>
GFS Revenue										
Taxation revenue ^(b)	14,547	12,656	12,597	13,437	14,218	14,635	15,570	16,601	17,506	18,443
Current grants and subsidies ^(b)	10,122	13,769	15,852	16,442	16,841	17,394	18,348	18,821	19,574	20,313
Sales of goods and services	11,900	14,007	11,933	12,179	12,728	13,046	13,789	14,452	15,054	15,676
Capital grants	833	805	886	908	900	1,093	1,066	1,069	986	1,051
Interest income	507	549	306	473	892	941	963	884	782	897
Other	2,362	2,174	2,092	2,426	2,296	2,384	2,375	2,415	2,358	2,388
Total Revenue	40,271	43,960	43,666	45,865	47,875	49,493	52,111	54,242	56,260	58,768
less GFS Expenses										
Employee expenses	15,709	16,640	16,892	18,292	19,509	20,929	22,111	22,795	23,762	24,635
Depreciation	2,860	2,916	3,201	3,847	4,091	4,072	4,210	4,357	4,443	4,567
Other operating expenses	12,894	14,481	13,607	14,502	14,856	15,378	16,037	16,634	17,727	18,538
Nominal superannuation interest expense	479	438	564	745	860	903	1,224	1,098	962	1,051
Other interest expenses	1,971	1,778	1,627	1,574	1,523	1,616	1,756	1,839	1,950	2,049
Other property expenses	...	...	...	...	...	...	...	...	...	...
Current transfers	3,607	3,919	4,467	4,611	5,267	5,420	5,822	5,909	5,992	6,068
Capital transfers	243	1,559	962	638	575	673	695	687	649	592
Total Expenses	37,763	41,731	41,320	44,209	46,681	48,991	51,855	53,319	55,485	57,500
equals GFS Net Operating Balance	2,508	2,229	2,346	1,656	1,194	502	256	923	775	1,268

Table 9.3: NSW Non-financial Public Sector Operating Statement (ABS Basis) (cont)

	Actual 1999-2000 \$m	Actual 2000-01 \$m	Actual 2001-02 \$m	Actual 2002-03 \$m	Actual 2003-04 \$m	Revised 2004-05 \$m	Forward Estimates			
							Budget 2005-06 ^(a) \$m	2006-07 ^(a) \$m	2007-08 ^(a) \$m	2008-09 ^(a) \$m
less Net Acquisition of Non-financial Assets										
Purchases of non-financial assets ^(c)	5,176	5,075	5,729	6,352	6,394	6,995	8,152	8,606	8,873	8,810
less Sales of non-financial assets	(1,063)	(687)	(898)	(698)	(607)	(629)	(758)	(801)	(801)	(828)
less Depreciation	(2,860)	(2,916)	(3,201)	(3,847)	(4,091)	(4,072)	(4,210)	(4,357)	(4,443)	(4,567)
plus Change in inventories	249	(641)	58	51	67	158	44	173	10	77
plus Other movements in non-financial assets - finance leases ^(c)	284	290	351	345	312	167	95	95	95	...
- other	199	27	291	200	167	210	299	345	328	329
equals Total Net Acquisition of Non-financial Assets	1,985	1,148	2,330	2,403	2,242	2,829	3,622	4,061	4,062	3,821
equals GFS Net Lending / (Borrowing)	523	1,081	16	(747)	(1,048)	(2,327)	(3,366)	(3,138)	(3,287)	(2,553)

Notes:

(a) 2005-06 and forward years are based on underlying data that 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 Australian Accounting Standards. Refer to Appendix F for further information on the financial impact of AEIFRS.

(b) Impacted by the introduction of the Goods and Services Tax (GST) and the processing arrangements from 2000-01.

(c) Elsewhere in the Budget Papers reference is made to Capital Expenditure which comprise purchases of non-financial assets and assets acquired under finance lease arrangements.

(d) The underlying Net Lending / (Borrowing) has been adjusted to exclude the impact of the 2000 Olympic and Paralympic Games on the results.

GFS Net Lending / (Borrowing)	523	1,081	16	(747)	(1,048)	(2,327)	(3,366)	(3,138)	(3,287)	(2,553)
adjustment to exclude SOCOG and SPOC	273	(975)	(12)	...	...	...	...	...	...	...
Underlying Net Lending/ (Borrowing)^(d)	796	106	4	(747)	(1,048)	(2,327)	(3,366)	(3,138)	(3,287)	(2,553)

Table 9.4: NSW General Government Sector Balance Sheet (ABS Basis)

	<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>June 2000</i>	<i>June 2001</i>	<i>June 2002</i>	<i>June 2003</i>	<i>June 2004</i>	<i>June 2005</i>	<i>June 2006^(a)</i>	<i>June 2007^(a)</i>	<i>June 2008^(a)</i>	<i>June 2009^(a)</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>
Assets										
Financial assets										
Cash and deposits	481	1,096	1,719	1,091	1,869	1,413	953	1,150	1,302	1,012
Advances paid	1,696	1,442	1,521	1,401	1,359	1,268	1,289	1,253	1,251	1,216
Investments, loans and placements	3,859	3,950	4,409	7,940	9,575	11,784	12,614	7,049	8,003	9,524
Other non-equity assets	4,525	4,854	5,172	5,358	5,840	6,099	10,219	10,207	10,331	10,467
Equity	46,596	47,501	48,337	66,780	68,067	68,367	63,588	64,091	64,373	64,947
Total Financial Assets	57,157	58,843	61,158	82,570	86,710	88,931	88,663	83,750	85,260	87,166
Non-financial assets										
Land and fixed assets	64,710	66,306	73,916	78,936	80,402	81,234	82,335	83,999	85,540	87,382
Other non-financial assets	754	847	952	1,047	1,175	1,475	1,577	1,650	1,775	1,887
Total Non-financial Assets	65,464	67,153	74,868	79,983	81,577	82,709	83,912	85,649	87,315	89,269
Total Assets	122,621	125,996	136,026	162,553	168,287	171,640	172,575	169,399	172,575	176,435

Table 9.4: NSW General Government Sector Balance Sheet (ABS Basis) (cont)

	Actual	Actual	Actual	Actual	Actual	Revised	Budget	Forward Estimates		
	June 2000	June 2001	June 2002	June 2003	June 2004	June 2005	June 2006 ^(a)	June 2007 ^(a)	June 2008 ^(a)	June 2009 ^(a)
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Liabilities										
Deposits held	90	61	65	53	68	67	67	68	69	68
Advances received	2,142	2,041	1,826	1,808	1,681	1,633	1,499	1,461	1,413	1,363
Borrowing	15,440	12,026	10,814	10,164	10,796	11,978	11,754	11,655	11,680	11,513
Superannuation liability ^(b)	5,686	8,127	11,398	14,720	15,460	16,461	23,209	18,254	19,630	21,058
Other employee entitlements and provisions	8,223	9,185	9,982	11,155	12,128	12,677	12,669	13,089	13,653	14,206
Other non-equity liabilities	3,203	3,055	3,511	3,611	3,871	3,344	3,703	3,654	3,629	3,644
Total Liabilities	34,784	34,495	37,596	41,511	44,004	46,160	52,901	48,181	50,074	51,852
NET WORTH	87,837	91,501	98,430	121,042	124,283	125,480	119,674	121,218	122,501	124,583
Net Financial Worth^(c)	22,373	24,348	23,562	41,059	42,706	42,771	35,762	35,569	35,186	35,314
Net Debt^(d)	11,636	7,640	5,056	1,593	(258)	(787)	(1,536)	3,732	2,606	1,192

Notes:

(a) June 2006 and forward years are based on underlying data that 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 Australian Accounting Standards. Refer to Appendix F for further information on the financial impact of AEIFRS.

(b) Comprises net unfunded obligations.

(c) Net financial worth equals total financial assets minus total liabilities.

(d) Net debt equals the sum of deposits held, advances received and borrowing, minus the sum of cash and deposits, advances paid, and investments, loans and placements.

(e) Adjusted for prepaid superannuation in the years 1999 to 2001, and Crown deposits to the Liability Management Fund and fund earnings in the years 2003 to 2009 inclusive.

GFS Net Debt^(d)	11,636	7,640	5,056	1,593	(258)	(787)	(1,536)	3,732	2,606	1,192
Impact of prepayment of superannuation	(2,251)	(1,179)	...	...	...	...	...	...	...	...
Impact of deposits to the Liability Management Fund	...	...	...	1,651	2,851	3,988	5,227	...	1,069	2,257
Underlying Net Debt^(e)	9,385	6,461	5,056	3,244	2,593	3,201	3,691	3,732	3,675	3,449

Table 9.5: NSW Public Non-financial Corporation Sector Balance Sheet^(a) (ABS Basis)

	<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>June 2000</i>	<i>June 2001</i>	<i>June 2002</i>	<i>June 2003</i>	<i>June 2004</i>	<i>June 2005</i>	<i>June 2006^(b)</i>	<i>June 2007^(b)</i>	<i>June 2008^(b)</i>	<i>June 2009^(b)</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>
Assets										
Financial assets										
Cash and deposits	1,324	960	1,289	1,163	1,202	1,003	963	1,026	1,094	1,035
Investments, loans and placements	875	920	900	568	518	300	321	297	352	418
Other non-equity assets	2,701	2,349	2,358	2,183	2,507	2,568	2,642	2,683	2,738	2,785
Equity	63	139	77	56	32	29	33	60	50	46
Total Financial Assets	4,963	4,368	4,624	3,970	4,259	3,900	3,959	4,066	4,234	4,284
Non-financial assets										
Land and fixed assets	58,883	61,720	62,616	82,892	84,777	86,599	87,939	90,622	93,321	95,725
Other non-financial assets	295	304	246	262	294	310	891	904	830	837
Total Non-financial Assets	59,178	62,024	62,862	83,154	85,071	86,909	88,830	91,526	94,151	96,562
Total Assets	64,141	66,392	67,486	87,124	89,330	90,809	92,789	95,592	98,385	100,846

Table 9.5: NSW Public Non-financial Corporation Sector Balance Sheet^(a) (ABS Basis) (cont)

	Actual	Actual	Actual	Actual	Actual	Revised	Budget	Forward Estimates		
	June 2000	June 2001	June 2002	June 2003	June 2004	June 2005	June 2006 ^(b)	June 2007 ^(b)	June 2008 ^(b)	June 2009 ^(b)
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Liabilities										
Deposits held	40	49	85	93	156	206	175	157	156	160
Advances received	1,379	1,155	1,153	1,116	1,088	1,045	1,009	983	956	930
Borrowing	8,254	11,309	11,522	12,056	12,568	13,699	15,843	18,186	20,731	22,547
Superannuation liability/ (prepaid contributions) ^(c)	(402)	(150)	325	736	391	429	1,039	1,054	1,061	1,061
Other employee entitlements & provisions	3,843	3,814	4,139	4,242	4,741	4,949	8,914	8,971	9,091	9,216
Other non-equity liabilities	3,859	2,397	2,144	2,262	2,558	2,394	2,572	2,577	2,512	2,546
Total Liabilities	16,973	18,574	19,368	20,505	21,502	22,722	29,552	31,928	34,507	36,460
Shares and other contributed capital ^(d)	47,168	47,818	48,118	66,619	67,828	68,087	63,237	63,664	63,878	64,386
NET WORTH^{(d)(e)}	...	...	...	...	...	...	...	...	...	...
Net Financial Worth^{(d)(f)}	(59,178)	(62,024)	(62,862)	(83,154)	(85,071)	(86,909)	(88,830)	(91,526)	(94,151)	(96,562)
Net Debt^(g)	7,474	10,633	10,571	11,534	12,092	13,647	15,743	18,003	20,397	22,184

Notes:

- (a) The public non-financial corporation (PNFC) sector is also referred to in these budget papers as the public trading enterprise (PTE) sector.
- (b) June 2006 and forward years are based on underlying data that 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 Australian Accounting Standards. Refer to Appendix F for further information on the financial impact of AEIFRS.
- (c) Comprises net unfunded obligations.
- (d) The Australian Bureau of Statistics treats 'shares and other contributed capital' as a liability to the general government sector and deducts it to calculate a zero GFS net worth and negative net financial worth. However, these shares and other contributed capital reflect the value of the government's cumulative equity and earnings over time for the PTE sector. The PTE sector equity has grown since 2000 from \$47.2 billion to a projected \$64.4 billion in 2009 reflecting an increase in the value of the Government's investment. This improvement is reflected in the equity investment line in the GFS general government sector balance sheet.
- (e) For entities whose equity is not traded on the market, the GFS net worth is zero as the equity (shares and other contributed capital) is recorded as an asset in the general government balance sheet.
- (f) Net financial worth equals total financial assets minus total liabilities, and minus shares and other contributed capital.
- (g) Net debt equals the sum of deposits held, advances received and borrowing, minus the sum of cash and deposits, advances paid, and investments, loans and placements.

Table 9.6: NSW Non-financial Public Sector Balance Sheet (ABS Basis)

	<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>June 2000</i>	<i>June 2001</i>	<i>June 2002</i>	<i>June 2003</i>	<i>June 2004</i>	<i>June 2005</i>	<i>June 2006^(a)</i>	<i>June 2007^(a)</i>	<i>June 2008^(a)</i>	<i>June 2009^(a)</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>
Assets										
Financial assets										
Cash and deposits	1,805	2,056	3,008	2,254	3,070	2,415	1,915	2,176	2,396	2,047
Advances paid	315	286	368	285	271	222	280	270	295	286
Investments, loans and placements	4,727	4,870	5,309	8,506	10,092	12,084	12,934	7,345	8,353	9,940
Other non-equity assets	4,578	4,725	4,666	4,566	4,872	4,928	5,030	5,044	5,132	5,222
Equity	(510)	(179)	296	218	271	310	385	487	545	608
Total Financial Assets	10,915	11,758	13,647	15,829	18,576	19,959	20,544	15,322	16,721	18,103
Non-financial assets										
Land and fixed assets	123,593	128,026	136,532	161,828	165,179	167,832	170,274	174,621	178,861	183,108
Other non-financial assets	1,053	1,151	1,198	1,318	1,474	1,803	2,484	2,568	2,617	2,734
Total Non-financial Assets	124,646	129,177	137,730	163,146	166,653	169,635	172,758	177,189	181,478	185,842
Total Assets	135,561	140,935	151,377	178,975	185,229	189,594	193,302	192,511	198,199	203,945

Table 9.6: NSW Non-financial Public Sector Balance Sheet (ABS Basis) (cont)

	Actual	Actual	Actual	Actual	Actual	Revised	Budget	Forward Estimates		
	June 2000	June 2001	June 2002	June 2003	June 2004	June 2005	June 2006 ^(a)	June 2007 ^(a)	June 2008 ^(a)	June 2009 ^(a)
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Liabilities										
Deposits held	121	110	149	146	224	272	243	225	225	228
Advances received	2,142	2,041	1,826	1,808	1,681	1,633	1,499	1,461	1,413	1,363
Borrowing	23,686	23,334	22,337	22,218	23,362	25,676	27,593	29,841	32,409	34,059
Superannuation liability ^(b)	5,284	7,978	11,723	15,456	15,851	16,891	24,247	19,308	20,691	22,119
Other employee entitlements & provisions	10,095	11,182	12,014	13,167	14,148	14,649	14,572	15,029	15,622	16,211
Other non-equity liabilities	6,396	4,789	4,898	5,138	5,680	4,993	5,474	5,429	5,338	5,382
Total Liabilities	47,724	49,434	52,947	57,933	60,946	64,114	73,628	71,293	75,698	79,362
Shares and other contributed capital	...	...	...	...	...	...	...	...	...	...
NET WORTH	87,837	91,501	98,430	121,042	124,283	125,480	119,674	121,218	122,501	124,583
Net Financial Worth^(c)	(36,809)	(37,676)	(39,300)	(42,104)	(42,370)	(44,155)	(53,084)	(55,971)	(58,977)	(61,259)
Net Debt^(d)	19,102	18,273	15,627	13,127	11,834	12,860	14,206	21,736	23,003	23,377

Notes:

(a) June 2006 and forward years are based on underlying data that 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 Australian Accounting Standards. Refer to Appendix F for further information on the financial impact of AEIFRS.

(b) Comprises net unfunded obligations.

(c) Net financial worth equals total financial assets minus total liabilities.

(d) Net debt equals the sum of deposits held, advances received and borrowing, minus the sum of cash and deposits, advances paid, and investments, loans and placements.

(e) Adjusted for prepaid superannuation in the years 1999 to 2001 and Crown deposits to the Liability Management Fund and fund earnings in the years ending June 2003 to 2009 inclusive.

GFS Net Debt^(d)	19,102	18,273	15,627	13,127	11,834	12,860	14,206	21,736	23,003	23,377
Impact of prepayment of superannuation	(2,251)	(1,179)	...	...	...	...	...	...	...	...
Impact of deposits to the Liability Management Fund	...	...	...	1,651	2,851	3,988	5,227	...	1,069	2,257
Underlying Net Debt^{(d)(e)}	16,851	17,094	15,627	14,778	14,685	16,848	19,433	21,736	24,072	25,634

Table 9.7: NSW General Government Sector Cash Flow Statement^(a) (ABS Basis)

	<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>1999-2000</i>	<i>2000-01</i>	<i>2001-02</i>	<i>2002-03</i>	<i>2003-04</i>	<i>2004-05</i>	<i>2005-06^(b)</i>	<i>2006-07^(b)</i>	<i>2007-08^(b)</i>	<i>2008-09^(b)</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>
Cash Receipts from Operating Activities										
Taxes received ^(c)	15,193	13,170	13,341	13,952	14,979	15,301	16,245	17,284	18,235	19,191
Receipts from sales of goods and services	2,845	2,516	2,638	3,032	2,836	3,063	3,097	3,249	3,332	3,505
Grants/subsidies received ^(c)	10,978	14,608	16,762	17,587	17,853	18,280	19,447	19,913	20,582	21,382
Other receipts	2,829	4,027	3,665	4,208	5,107	4,981	5,181	5,654	5,369	5,608
Total Receipts	31,845	34,321	36,406	38,779	40,775	41,625	43,970	46,100	47,518	49,686
Cash Payments for Operating Activities										
Payment for goods and services ^(d)	(20,969)	(21,242)	(21,768)	(23,966)	(25,645)	(27,435)	(28,748)	(36,347)	(31,331)	(33,006)
Grants and subsidies paid	(5,273)	(6,013)	(6,809)	(6,881)	(7,499)	(7,893)	(8,514)	(8,817)	(8,802)	(8,839)
Interest paid	(1,284)	(1,067)	(848)	(818)	(863)	(781)	(1,070)	(849)	(741)	(800)
Other payments	(272)	(1,672)	(1,868)	(1,697)	(2,360)	(2,025)	(1,978)	(2,042)	(2,028)	(2,056)
Total Payments	(27,798)	(29,994)	(31,293)	(33,362)	(36,367)	(38,134)	(40,310)	(48,055)	(42,902)	(44,701)
Net Cash Flows from Operating Activities	4,047	4,327	5,113	5,417	4,408	3,491	3,660	(1,955)	4,616	4,985
Net Cash Flows from Investments in Non-financial Assets										
Sales of non-financial assets	626	344	424	497	408	513	563	472	481	453
Purchases of non-financial assets	(2,510)	(2,590)	(2,787)	(3,052)	(2,902)	(3,314)	(3,713)	(3,854)	(3,896)	(4,053)
Net Cash Flows from Investments in Non-financial Assets	(1,884)	(2,246)	(2,363)	(2,555)	(2,494)	(2,801)	(3,150)	(3,382)	(3,415)	(3,600)
Net Cash Flows from Investments in Financial Assets for Policy Purposes										
	(42)	3,228	756	839	186	92	142	202	132	60

Table 9.7: NSW General Government Sector Cash Flow Statement^(a) (ABS Basis) (cont)

	Actual	Actual	Actual	Actual	Actual	Revised	Budget	Forward Estimates		
	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06 ^(b)	2006-07 ^(b)	2007-08 ^(b)	2008-09 ^(b)
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Net Cash Flows from Investments in Financial Assets for liquidity purposes^(d)	(257)	(354)	(575)	(1,115)	(1,542)	(2,207)	(836)	5,545	(951)	(1,521)
Net Cash Flows from Financing Activities										
Advances received (net)	(133)	(85)	(220)	(31)	(139)	(13)	(136)	(37)	(48)	(48)
Borrowing (net)	(2,279)	(4,480)	(2,122)	(1,017)	367	1,071	(141)	(176)	(184)	(168)
Deposits received (net)	28	(25)	(5)	(8)	6	(1)	...	...	(1)	(1)
Other financing (net)	...	...	...	...	(1)	...	...	...	...	...
Net Cash Flows from Financing Activities	(2,384)	(4,590)	(2,347)	(1,056)	233	1,057	(277)	(213)	(233)	(217)
Net Increase / (Decrease) in Cash Held	(520)	365	584	1,530	791	(368)	(461)	197	149	(293)
SURPLUS / (DEFICIT)										
Net Cash from Operating Activities and Investments in Non-financial Assets	2,163	2,081	2,750	2,862	1,914	690	510	(5,337)	1,201	1,385
Finance leases and similar arrangements	(284)	(290)	(351)	(345)	(312)	(167)	(95)	(95)	(95)	...
SURPLUS / (DEFICIT)	1,879	1,791	2,399	2,517	1,602	523	415	(5,432)	1,106	1,385

Notes:

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

(b) 2005-06 and forward years are based on underlying data that 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 Australian Accounting Standards. Refer to Appendix F for further information on the financial impact of AEIFRS.

(c) Impacted by the introduction in 2000-01 of the Goods and Services Tax (GST) and the processing arrangements.

(d) In 2006-07 the government will be contributing \$6,478 million from the Liability Management Fund to reduce its superannuation liabilities.

(e) Deposits by the Crown to the Liability Management Fund and the fund's earnings have been set aside to meet future superannuation contributions.

GFS SURPLUS / (DEFICIT)	1,879	1,791	2,399	2,517	1,602	523	415	(5,432)	1,106	1,385
Impact of prepayment of superannuation	(1,005)	(1,058)	(1,134)	...	...	...	...	...	...	...
Impact of deposits to the Liability Management Fund ^(e)	...	...	...	(1,651)	(1,200)	(1,137)	(1,239)	5,227	(1,069)	(1,188)
UNDERLYING SURPLUS / (DEFICIT) (after adjusting for the timing of superannuation contributions)	874	733	1,265	866	402	(614)	(824)	(205)	37	197

Table 9.8: NSW Public Non-financial Corporation Sector Cash Flow Statement^{(a) (b)} (ABS Basis)

	<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>1999-2000</i>	<i>2000-01</i>	<i>2001-02</i>	<i>2002-03</i>	<i>2003-04</i>	<i>2004-05</i>	<i>2005-06^(c)</i>	<i>2006-07^(c)</i>	<i>2007-08^(c)</i>	<i>2008-09^(c)</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>
Cash Receipts from Operating Activities										
Receipts from sales of goods and services	9,591	10,765	9,431	9,653	10,049	10,552	11,040	11,782	12,425	12,914
Grants/subsidies received	1,866	1,957	2,022	2,124	2,404	2,472	2,593	2,846	2,815	2,819
Other receipts	1,261	1,932	1,961	2,149	2,295	2,084	2,075	2,187	2,254	2,256
Total Receipts	12,718	14,654	13,414	13,926	14,748	15,108	15,708	16,815	17,494	17,989
Cash Payments for Operating Activities										
Payment for goods and services	(8,352)	(9,367)	(7,645)	(8,002)	(8,524)	(9,480)	(9,756)	(9,778)	(10,492)	(10,541)
Grants and subsidies paid	(70)	(144)	8	(99)	(120)	(119)	(118)	(96)	(98)	(100)
Interest paid	(711)	(722)	(820)	(809)	(814)	(835)	(913)	(1,052)	(1,198)	(1,328)
Other payments	(248)	(1,852)	(1,846)	(1,776)	(1,853)	(1,710)	(1,874)	(2,249)	(2,204)	(2,287)
Total Payments	(9,381)	(12,085)	(10,303)	(10,686)	(11,311)	(12,144)	(12,661)	(13,175)	(13,992)	(14,256)
Net Cash Flows from Operating Activities	3,337	2,569	3,111	3,240	3,437	2,964	3,047	3,640	3,502	3,733
Net Cash Flows from Investments in Non-financial Assets										
Sales of non-financial assets	391	282	358	280	207	117	242	350	343	379
Purchases of non-financial assets	(2,867)	(2,414)	(2,945)	(3,343)	(3,376)	(3,568)	(4,309)	(4,860)	(5,015)	(4,740)
Net Cash Flows from Investments in Non-financial Assets	(2,476)	(2,132)	(2,587)	(3,063)	(3,169)	(3,451)	(4,067)	(4,510)	(4,672)	(4,361)
Net Cash Flows from Investments in Financial Assets for Policy Purposes	(1)	(6)	579	134	(1)	(14)	(5)	(28)	(2)	(8)
Net Cash Flows from Investments in Assets for Liquidity Purposes	383	(69)	49	273	54	220	(18)	23	(55)	(66)

Table 9.8: NSW Public Non-financial Corporation Sector Cash Flow Statement^{(a) (b)} (ABS Basis) (cont)

	Actual	Actual	Actual	Actual	Actual	Revised	Budget	Forward Estimates		
	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06 ^(c)	2006-07 ^(c)	2007-08 ^(c)	2008-09 ^(c)
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Net Cash Flows from Financing Activities										
Advances received (net)	(22)	(3,230)	(798)	(578)	(165)	(116)	(196)	(187)	(148)	(42)
Borrowing (net)	(110)	3,253	640	591	505	1,099	2,134	2,348	2,547	1,818
Deposits received (net)	1	10	42	4	16	16	2	(3)	2	1
Distributions paid	(824)	(758)	(671)	(738)	(666)	(931)	(944)	(1,220)	(1,105)	(1,135)
Other financing (net)	(33)	25	(19)	3	5	(14)	...	...	...	...
Net Cash Flows from Financing Activities	(988)	(700)	(806)	(718)	(305)	54	996	938	1,296	642
Net Increase / (Decrease) in Cash Held	255	(338)	346	(134)	16	(227)	(47)	63	69	(60)
SURPLUS / (DEFICIT)										
Net Cash from Operating Activities and Investments in Non-financial Assets	861	437	524	177	268	(487)	(1,020)	(870)	(1,170)	(628)
Distribution paid	(824)	(758)	(671)	(738)	(666)	(931)	(944)	(1,220)	(1,105)	(1,135)
Finance leases and similar arrangements	...	...	...	...	...	...	...	...	...	...
SURPLUS / (DEFICIT)	37	(321)	(147)	(561)	(398)	(1,418)	(1,964)	(2,090)	(2,275)	(1,763)

Notes:

(a) The public non-financial corporation (PNFC) sector is also referred to in these budget papers as the public trading enterprise (PTE) sector.

(b) A positive number denotes a cash inflow; a negative (i.e. bracketed) sign denotes a cash outflow.

(c) 2005-06 and forward years are based on underlying data that 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 Australian Accounting Standards. Refer to Appendix F for further information on the financial impact of AEIFRS.

(d) The underlying surplus / (deficit) has been adjusted to exclude the impact of the 2000 Olympic and Paralympic Games on the results.

GFS SURPLUS / (DEFICIT)	37	(321)	(147)	(561)	(398)	(1,418)	(1,964)	(2,090)	(2,275)	(1,763)
Reversing the impact of SOCOG and SPOC operations	(343)	340	68	...	...	...	...	...	...	...
UNDERLYING SURPLUS / (DEFICIT) adjusted to exclude SOCOG & SPOC^(d)	(306)	19	(79)	(561)	(398)	(1,418)	(1,964)	(2,090)	(2,275)	(1,763)

Table 9.9: NSW Non-financial Public Sector Cash Flow Statement^(a) (ABS Basis)

								<i>Forward Estimates</i>		
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Revised</i>	<i>Budget</i>			
	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06 ^(b)	2006-07 ^(b)	2007-08 ^(b)	2008-09 ^(b)
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Cash Receipts from Operating Activities										
Taxes received ^(c)	14,543	12,569	12,522	13,397	14,291	14,610	15,543	16,568	17,494	18,429
Receipts from sales of goods and services	12,300	13,068	12,051	12,531	12,690	13,472	13,986	14,877	15,600	16,258
Grants/subsidies received ^(c)	11,027	14,602	16,738	17,557	17,777	18,240	19,415	19,890	20,560	21,364
Other receipts	2,969	4,714	4,712	5,162	6,479	5,750	5,797	5,920	5,758	5,939
Total Receipts	40,839	44,953	46,023	48,647	51,237	52,072	54,741	57,255	59,412	61,990
Cash Payments for Operating Activities										
Payment for goods and services ^(d)	(28,571)	(29,778)	(28,609)	(31,272)	(33,302)	(35,976)	(37,643)	(45,209)	(40,908)	(42,625)
Grants and subsidies paid	(3,494)	(4,199)	(4,897)	(4,867)	(5,223)	(5,634)	(6,027)	(6,070)	(6,074)	(6,106)
Interest paid	(1,931)	(1,723)	(1,614)	(1,575)	(1,626)	(1,564)	(1,927)	(1,834)	(1,858)	(2,031)
Other payments	(299)	(3,152)	(3,336)	(3,025)	(3,916)	(3,374)	(3,381)	(3,679)	(3,563)	(3,649)
Total Payments	(34,295)	(38,852)	(38,456)	(40,739)	(44,067)	(46,548)	(48,978)	(56,792)	(52,403)	(54,411)
Net Cash Flows from Operating Activities	6,544	6,101	7,567	7,908	7,170	5,524	5,763	463	7,009	7,579
Net Cash Flows from Investments in Non-financial Assets										
Sales of non-financial assets	1,011	626	781	778	615	630	806	822	823	833
Purchases of non-financial assets	(5,364)	(5,001)	(5,745)	(6,376)	(6,283)	(6,880)	(8,022)	(8,713)	(8,907)	(8,790)
Net Cash Flows from Investments in Non-financial Assets	(4,353)	(4,375)	(4,964)	(5,598)	(5,668)	(6,250)	(7,216)	(7,891)	(8,084)	(7,957)
Net Cash Flows from Investments in Financial Assets for Policy Purposes	(88)	(7)	537	395	22	(14)	(57)	(29)	(20)	6
Net Cash Flows from Investments in Financial Assets for liquidity purposes^(d)	126	(423)	(526)	(842)	(1,488)	(1,987)	(854)	5,568	(1,006)	(1,586)

Table 9.9: NSW Non-financial Public Sector Cash Flow Statement^(a) (ABS Basis) (cont)

	Actual	Actual	Actual	Actual	Actual	Revised	Budget	Forward Estimates		
	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06 ^(b)	2006-07 ^(b)	2007-08 ^(b)	2008-09 ^(b)
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Net Cash Flows from Financing Activities										
Advances received (net)	(110)	(85)	(230)	(70)	(135)	(25)	(136)	(37)	(48)	(48)
Borrowing (net)	(2,388)	(1,227)	(1,472)	(387)	867	2,159	1,991	2,188	2,366	1,654
Deposits received (net)	29	(14)	38	(4)	22	15	1	(3)	1	...
Distributions paid	...	...	...	...	...	...	...	...	...	...
Other financing (net)	(31)	25	(19)	3	4	(14)	...	...	...	...
Net Cash Flows from Financing Activities	(2,500)	(1,301)	(1,683)	(458)	758	2,135	1,856	2,148	2,319	1,606
Net Increase / (Decrease) in Cash Held	(271)	(5)	931	1,405	794	(592)	(508)	259	218	(352)
SURPLUS / (DEFICIT)										
Net Cash from Operating Activities and Investments in Non-financial Assets										
Distribution paid	...	...	...	...	...	...	...	...	...	...
Finance leases and similar arrangements	(284)	(290)	(351)	(345)	(312)	(167)	(95)	(95)	(95)	...
SURPLUS / (DEFICIT)	1,907	1,436	2,252	1,965	1,190	(893)	(1,548)	(7,523)	(1,170)	(378)
<i>Notes:</i>										
<i>(a) A positive number denotes a cash inflow, a negative (i.e. bracketed) sign denotes a cash outflow.</i>										
<i>(b) 2005-06 and forward years are based on underlying data that 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 Australian Accounting Standards. Refer to Appendix F for further information on the financial impact of AEIFRS.</i>										
<i>(c) Impacted by the introduction in 2000-01 of the Goods and Services Tax (GST) and the processing arrangements.</i>										
<i>(d) In 2006-07 the government will be contributing \$6,478 million from the Liability Management Fund towards reducing its superannuation liabilities.</i>										
<i>(e) Deposits by the Crown to the Liability Management Fund and the fund's earnings have been set aside to meet future superannuation contributions.</i>										
<i>(f) The underlying surplus / (deficit) has been adjusted to exclude the impact of the 2000 Olympic and Paralympic Games on the results.</i>										
GFS SURPLUS / (DEFICIT)	1,907	1,436	2,252	1,965	1,190	(893)	(1,548)	(7,523)	(1,170)	(378)
Impact of prepayment of superannuation	(1,005)	(1,058)	(1,134)	...	...	...	...	...	...	...
Impact of deposits to the Liability Management Fund ^{(d) (e)}	...	...	...	(1,651)	(1,200)	(1,137)	(1,239)	5,227	(1,069)	(1,188)
Impact of SOCOG and SPOC operations ^(f)	(200)	389	(12)	...	...	...	...	...	...	...
UNDERLYING SURPLUS / (DEFICIT) (after adjusting for the timing of superannuation contributions and excluding SOCOG and SPOC operations)	702	767	1,106	314	(10)	(2,030)	(2,787)	(2,296)	(2,239)	(1,566)

Table 9.10: NSW General Government Sector Taxes (ABS Basis)

	<i>Revised</i> 2004-05 \$m	<i>Budget</i> 2005-06 ^(a) \$m
Taxes on employers' payroll and labour force	4,852	5,114
Taxes on property		
Land taxes	1,591	1,633
Stamp duties on financial and capital transactions	4,030	4,313
Financial institutions' transaction taxes	...	...
Other	59	67
Total taxes on property	5,680	6,013
Taxes on the provision of goods and services		
Excises and levies	...	...
Taxes on gambling	1,438	1,549
Taxes on insurance	1,289	1,444
Total taxes on the provision of goods and services	2,727	2,993
Taxes on use of goods and performance of activities		
Motor vehicle taxes	1,846	1,940
Franchise taxes	7	7
Other	194	202
Total taxes on use of goods and performance of activities	2,047	2,149
Total GFS Taxation Revenue	15,306	16,269

Table 9.11: NSW General Government Sector Expenses by Function (ABS Basis)

	<i>Revised</i> 2004-05 \$m	<i>Budget</i> 2005-06 ^(a) \$m
General public services	1,387	1,441
Defence	...	...
Public order and safety	4,297	4,433
Education	10,941	11,458
Health	10,339	10,907
Social security and welfare	2,916	3,137
Housing and community amenities	1,414	1,581
Recreation and culture	914	903
Fuel and energy ^(b)	(15)	63
Agriculture, forestry, fishing and hunting	469	377
Mining, manufacturing and construction	158	129
Transport and communications	4,472	4,725
Other economic affairs	853	858
Other purposes ^(c)	2,152	2,871
Total GFS Expenses	40,297	42,883

(a) 2005-06 and forward years are based on underlying data that 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 Australian Accounting Standards. Refer to Appendix F for further information on the financial impact of AEIFRS.

(b) 2004-05 impacted by a \$64 million write back in provisions expense due to reduced coal compensation liabilities.

(c) 2005-06 includes \$160 million Advance to the Treasurer which will be allocated across functions as the funds are spent in the Budget Year; and \$321 million increase in nominal interest on superannuation mainly due to AEIFRS.

Table 9.12: NSW General Government Sector Purchases of Non-Financial Assets ^(a)

	<i>Revised 2004-05 \$m</i>	<i>Budget 2005-06 ^(b) \$m</i>
General public services	352	316
Defence	...	...
Public order and safety	380	467
Education ^(c)	411	482
Health	571	649
Social security and welfare	61	94
Housing and community amenities	68	152
Recreation and culture	115	135
Fuel and energy	1	...
Agriculture, forestry, fishing and hunting	33	34
Mining, manufacturing and construction	13	2
Transport and communications	1,307	1,245
Other economic affairs	45	23
Other purposes ^(d)	66	131
Total GFS Expenses	3,423	3,730

(a) Includes land and secondhand assets, however excludes assets acquired under finance leases.

(b) 2005-06 and forward years are based on underlying data that 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 Australian Accounting Standards. Refer to Appendix F for further information on the financial impact of AEIFRS.

(c) Excluded from Education is finance lease expenditure of \$58 million in 2004-05 (nil in 2005-06).

(d) 2005-06 includes \$95 million Advance to the Treasurer which will be allocated across functions as the funds are spent in the Budget Year.

9.5 LOAN COUNCIL REPORTING REQUIREMENTS

Table 9.13 presents estimates of the State's Loan Council allocation (LCA) for 2005-06.

The 2005-06 estimated NSW Loan Council allocation is a deficit of \$2,282 million compared to an original deficit allocation of \$1,932 million.

Table 9.13: 2005-06 Loan Council Allocation Estimates, NSW

	<i>Loan Council Allocation 2005-06 \$m</i>	<i>Budget-time Estimate 2005-06 \$m</i>
General government sector cash deficit / (surplus)	(691)	(415)
Public Non-financial Corporations sector cash deficit / (surplus)	2,060	1,964
Non-financial public sector cash deficit / (surplus) ^(a)	1,370	1,548
Minus Net cash flows from investments in financial assets for policy purposes ^(b)	46	57
Plus Memorandum items ^(c)	516	677
Loan Council Allocation	1,932	2,282

Notes:

- (a) Does not directly equate to the sum of the general government and PTE cash deficits due to intersectoral transfers which are netted out.
- (b) This item is the negative of net advances paid under a cash accounting framework
- (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.

9.6 PRIVATE SECTOR INFRASTRUCTURE PROJECTS

As confirmed at the 1997 Loan Council meeting, States are to report their full contingent exposure to infrastructure projects with private sector involvement. 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.

CONTRACTS EXPECTED TO BE ENTERED INTO IN 2004-05

Chatswood Transport Interchange

Project Description:

A new public transport interchange at Chatswood is to be developed, incorporating:

- ◆ Elevated twin "island" platforms for the North Shore and Epping-Chatswood lines;
- ◆ A rail concourse beneath the platforms; and
- ◆ A new bus and taxi interchange.

The concept design for the new interchange also incorporates adjacent retail and over-rail residential development opportunities.

A short list of pre-qualified construction contractors has been established. Detailed proposals from consortia to deliver the interchange and associated development have been invited. Closing date for the Detailed Proposals was 19 July 2004. Contracts are expected to be executed by June 2005.

The Government contribution to the project is limited to around \$64 million. At this stage no contingent liability is expected under the draft contract term.

Government Contingent Liability	To Be Determined
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Sunshine Electricity Co-Generation Joint Venture

Project Description:

The Sunshine Electricity Joint Venture will build 30MW electricity co-generation plants at the Broadwater and Condong sugar mills in the Northern Rivers Region of NSW. The project also includes an existing 8MW co-generation plant at the Broadwater sugar mill.

Each of the 30MW plants is expected to produce around 210 GWh of electricity and 210,000 Renewable Energy Certificates per annum for sale to electricity retailers to meet their obligations under the Renewable Energy (Electricity) Act 2000. Delta Electricity will sell the Electricity and Renewable Energy Certificates generated by the joint venture under a Power Purchase Agreement. The Power Purchase Agreement includes a minimum electricity charge.

Sunshine Electricity Joint Venture is an unincorporated joint venture between Delta Electricity Australia Pty Ltd, a subsidiary of Delta Electricity, and a subsidiary of the NSW Sugar Milling Co-operative. The project is planned to reach financial close in May 2005 and construction is expected to commence early in 2005-06. The total project cost of the joint venture is \$215 million. The project is funded by the sale of electricity and Renewable Energy Certificates under the Power Purchase Agreement.

Government Contingent Liability	NIL
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CONTRACTS EXPECTED TO BE ENTERED INTO IN 2005-06

Newcastle Multi-Purpose Terminal

Project Description:

This involves the construction of a Multi-Purpose Terminal (MPT) located on the former BHP Steelworks site, adjacent to the Hunter River in the Port of Newcastle, which currently totals 45 hectares in area.

The first stage of the project is to deliver a container terminal, which is compatible with an ultimate size capacity of at least 1 million TEU (Twenty Foot Equivalent Units) per annum. Future stages may include a general cargo handling facility and possible expansion of both container and general cargo operations across the site.

Expressions of Interest are being evaluated for the design, construction, financing, operation and maintenance of a container and general cargo terminal at the site.

Government Contingent Liability

To Be Determined

Royal Prince Alfred Hospital Car Park

Project Description:

Detailed proposals have been submitted by the private sector to finance and build a new 1,000 space car park on the Royal Prince Alfred Hospital campus. The total construction cost for the project is estimated to be \$13.5 million. The successful proponent will, under a 20 or 25 year licence, operate and collect user charges from around 1,300 campus car park spaces, including the 1,000 new spaces.

The form of the arrangement is expected to be similar to that for the Randwick and St George Hospital Car Parks. At this time no government liability is anticipated based on the termination provisions of the draft contract.

Government Contingent Liability

To Be Determined
