

# APPENDIX F: GENERAL GOVERNMENT SECTOR FINANCIAL STATEMENTS (ACCOUNTING)

Refer to Chapter 9 (Section 9.2) for an explanation of the differences in treatment and disclosure between the following financial statements which are prepared in accordance with Australian Accounting Standards, and the accrual uniform presentation tables reported in Chapter 9 which follow the government finance statistics convention.

**Table F1: General Government Sector Operating Statement**

	Actual	Budget	Revised	Budget	Estimate		
	2005-06	2006-07	2006-07	2007-08	2008-09	2009-10	2010-11
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>State Revenues</b>							
Taxation	15,902	16,711	17,767	17,554	18,346	19,272	20,435
Commonwealth Grants	18,040	17,625	17,826	18,780	19,293	20,275	21,243
Financial Distributions	2,020	1,595	1,741	1,766	1,867	1,915	2,014
Fines, Regulatory Fees & Other	1,278	1,167	1,206	1,190	1,167	1,245	1,304
<b>Total State Revenues</b>	<b>37,240</b>	<b>37,098</b>	<b>38,540</b>	<b>39,290</b>	<b>40,673</b>	<b>42,707</b>	<b>44,996</b>
<b>Operating Revenues</b>							
Sale of Goods and Services	3,021	3,014	3,314	3,414	3,559	3,648	3,762
Investment Income	1,365	1,001	1,407	807	829	874	914
Grants and Contributions	810	827	784	817	1,191	872	884
Other	419	272	362	331	336	300	283
<b>Total Operating Revenues</b>	<b>5,615</b>	<b>5,114</b>	<b>5,867</b>	<b>5,369</b>	<b>5,915</b>	<b>5,694</b>	<b>5,843</b>
<b>Expenses</b>							
Employee Related							
- Superannuation	2,704	2,388	2,629	2,384	2,425	2,458	2,488
- Other	18,017	18,196	18,876	20,000	20,811	21,405	22,174
Other Operating	8,268	9,982	8,856	9,272	9,641	10,062	10,543
Depreciation and Amortisation	2,127	2,245	2,276	2,429	2,564	2,685	2,796
Current Grants and Subsidies	6,799	7,281	7,455	7,538	7,591	7,741	7,967
Capital Grants	1,612	1,661	2,700	1,641	1,818	2,092	2,694
Borrowing Costs	1,210	995	1,250	1,346	1,515	1,682	1,785
<b>Total Expenses</b>	<b>40,737</b>	<b>42,748</b>	<b>44,042</b>	<b>44,610</b>	<b>46,365</b>	<b>48,125</b>	<b>50,447</b>
Gains/(losses) on disposal of Physical Assets	(22)	(20)	1	72	84	170	172
Other Gains/(losses) <sup>(a)</sup>	3,815	834	1,166	(226)	(230)	(229)	(200)
Share of Earnings in Equity Investments	173	113	81	69	85	96	91
<b>Net Cost of Services</b>	<b>(31,156)</b>	<b>(36,707)</b>	<b>(36,927)</b>	<b>(39,326)</b>	<b>(40,511)</b>	<b>(42,394)</b>	<b>(44,541)</b>
<b>Surplus/(Deficit) for the Year <sup>(b)</sup></b>	<b>6,084</b>	<b>391</b>	<b>1,613</b>	<b>(36)</b>	<b>162</b>	<b>313</b>	<b>455</b>

(a) In applying accounting standards, the calculation of other gains/(losses) has been significantly impacted in 2005-06 due to an increase in the superannuation liability discount rate, and in 2005-06 and 2006-07 by higher superannuation investment earnings than the average long-term earnings rate.

(b) The accounting surplus/deficit differs from the GFS based budget result as GFS excludes both asset revaluations and actuarially assessed gains/losses to superannuation liabilities. Further, GFS recognises Commonwealth road transport grants on an accrual basis, whereas accounting recognises all grant revenues on a cash basis.

**Table F2: General Government Sector Statement of Changes in Equity**

	<i>Actual</i>	<i>Budget</i>	<i>Revised</i>	<i>Budget</i>	<i>Estimate</i>		
	<i>2005-06</i>	<i>2006-07</i>	<i>2006-07</i>	<i>2007-08</i>	<i>2008-09</i>	<i>2009-10</i>	<i>2010-11</i>
	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
<b>STATEMENT OF CHANGES IN EQUITY</b>							
Net Asset Valuation							
Increments/(Decrements)	3,990	827	1,524	814	926	946	1,041
Movements in NSW's Share of Equity Investments taken Directly to Equity	122	...	...	...	...	...	...
Adjustments for Changes in Accounting Policies and Corrections of Errors	39	...	...	...	...	...	...
Adjustments from the initial adoption of AASB 139 <i>Financial Instruments</i>	294	...	...	...	...	...	...
AASB 112 Income Tax Adjustment to Reserves	(363)	(44)	101	8	(95)	328	(37)
Contributions by Owners Made to Wholly Owned Public Sector Agencies (Interpretation 1038)							
- Equity Restructure Payments from Public Trading Enterprises	49	184	184	73	50	...	30
- Transfers of Net Assets on Administrative Restructure	...	(3)	(78)	(78)	(23)	(27)	(1)
<b>Net income and expense recognised directly in equity</b>	<b>4,131</b>	<b>964</b>	<b>1,731</b>	<b>817</b>	<b>858</b>	<b>1,247</b>	<b>1,033</b>
Operating Surplus/ (Deficit)	6,084	391	1,613	(36)	162	313	455
<b>Total recognised income and expense for the period</b>	<b>10,215</b>	<b>1,355</b>	<b>3,344</b>	<b>781</b>	<b>1,020</b>	<b>1,560</b>	<b>1,488</b>
Opening Balance Equity	54,257	59,609	64,472	67,816	68,597	69,617	71,177
<b>Closing Balance Equity</b>	<b>64,472</b>	<b>60,964</b>	<b>67,816</b>	<b>68,597</b>	<b>69,617</b>	<b>71,177</b>	<b>72,665</b>

**Table F3: General Government Sector Balance Sheet  
as at 30 June, 2006-2011**

	<i>Actual</i>	<i>Budget</i>	<i>Revised</i>	<i>Budget</i>	<i>Estimate</i>		
	<i>2006</i>	<i>2007</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>
	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
<b>Current Assets</b>							
Cash and Cash Equivalent Assets	2,461	1,036	2,210	2,933	3,049	3,136	2,968
Receivables	3,441	2,983	3,781	3,916	3,567	3,650	3,736
Other Financial Assets	2,175	1,418	655	668	704	708	700
Inventories	119	113	120	123	121	125	130
Other	3	98	2	2	2	2	2
Non Current Assets Held for Sale	231	162	216	176	145	153	125
<b>Total Current Assets</b>	<b>8,430</b>	<b>5,810</b>	<b>6,984</b>	<b>7,818</b>	<b>7,588</b>	<b>7,774</b>	<b>7,661</b>
<b>Non-Current Assets</b>							
Receivables	6,709	7,349	6,850	6,901	6,821	7,130	7,029
Other Financial Assets	11,863	7,041	6,591	6,465	6,910	7,416	7,961
Equity Investments	1,486	692	1,565	1,662	1,776	1,843	1,892
Inventories	37	37	38	34	33	30	26
Investment Properties	373	304	351	398	398	398	398
Property, Plant and Equipment							
Land and Buildings	45,313	44,699	47,103	48,323	49,588	50,671	51,216
Plant and Equipment	6,360	6,116	6,493	6,613	6,547	6,286	6,440
Infrastructure Systems	36,617	36,732	37,734	39,224	41,054	42,720	44,135
Intangibles	537	454	544	568	581	578	577
Other	1,036	1,601	1,122	1,213	1,308	1,407	1,491
<b>Total Non-Current Assets</b>	<b>110,331</b>	<b>105,025</b>	<b>108,391</b>	<b>111,401</b>	<b>115,016</b>	<b>118,479</b>	<b>121,165</b>
<b>Total Assets</b>	<b>118,761</b>	<b>110,835</b>	<b>115,375</b>	<b>119,219</b>	<b>122,604</b>	<b>126,253</b>	<b>128,826</b>
<b>Current Liabilities</b>							
Payables	2,585	2,131	2,402	2,270	2,312	2,371	2,333
Borrowings at Amortised Cost	2,630	4,112	3,094	4,112	4,210	4,739	4,693
Borrowings and Derivatives at Fair Value	41	201	4	2	1	1	...
Employee Entitlements and Other Provisions	6,609	5,278	6,786	7,843	7,994	8,078	8,221
Other	530	646	364	345	326	308	280
<b>Total Current Liabilities</b>	<b>12,395</b>	<b>12,368</b>	<b>12,650</b>	<b>14,572</b>	<b>14,843</b>	<b>15,497</b>	<b>15,527</b>
<b>Non-Current Liabilities</b>							
Borrowings at Amortised Cost	10,284	12,455	10,422	12,048	13,622	14,598	15,193
Employee Entitlements and Other Provisions	29,721	22,897	22,734	22,353	22,892	23,380	23,861
Other	1,889	2,151	1,753	1,649	1,630	1,601	1,580
<b>Total Non-Current Liabilities</b>	<b>41,894</b>	<b>37,503</b>	<b>34,909</b>	<b>36,050</b>	<b>38,144</b>	<b>39,579</b>	<b>40,634</b>
<b>Total Liabilities</b>	<b>54,289</b>	<b>49,871</b>	<b>47,559</b>	<b>50,622</b>	<b>52,987</b>	<b>55,076</b>	<b>56,161</b>
<b>NET ASSETS</b>	<b>64,472</b>	<b>60,964</b>	<b>67,816</b>	<b>68,597</b>	<b>69,617</b>	<b>71,177</b>	<b>72,665</b>
<b>Equity</b>							
Reserves	34,210	31,540	35,778	36,255	37,086	38,360	39,364
Equity of Assets classified as Held for Sale	71	21	47	47	47	47	47
Accumulated Funds	30,191	29,403	31,991	32,295	32,484	32,770	33,254
<b>TOTAL EQUITY</b>	<b>64,472</b>	<b>60,964</b>	<b>67,816</b>	<b>68,597</b>	<b>69,617</b>	<b>71,177</b>	<b>72,665</b>

**Table F4: General Government Sector Cash Flow Statement**

	<i>Actual</i>	<i>Budget</i>	<i>Revised</i>	<i>Budget</i>	<i>Estimate</i>		
	2005-06	2006-07	2006-07	2007-08	2008-09	2009-10	2010-11
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>Cash Flows from Operating Activities</b>							
<b>Receipts</b>							
Taxation	15,962	16,557	17,239	17,558	18,779	19,291	20,479
Commonwealth Grants	18,992	17,525	17,772	18,444	18,987	20,019	21,243
Financial Distributions	1,357	1,680	1,855	1,497	1,760	1,840	1,973
Sale of Goods and Services	2,921	2,998	3,294	3,416	3,556	3,642	3,756
Investment Income	409	580	414	346	339	408	426
Other	3,810	4,015	4,288	4,564	4,544	4,540	4,365
<b>Total Receipts</b>	<b>43,451</b>	<b>43,355</b>	<b>44,862</b>	<b>45,825</b>	<b>47,965</b>	<b>49,740</b>	<b>52,242</b>
<b>Payments</b>							
Employee Related	(18,783)	(19,208)	(20,217)	(22,025)	(23,009)	(23,752)	(24,534)
Special Superannuation Contribution <sup>(a)</sup>	...	(8,700)	(7,176)	...	...	...	...
Grants and Subsidies	(8,254)	(8,777)	(10,028)	(8,987)	(9,197)	(9,660)	(10,495)
Finance	(823)	(977)	(871)	(983)	(1,057)	(1,200)	(1,281)
Other	(10,723)	(12,098)	(11,507)	(11,823)	(11,955)	(12,395)	(12,863)
<b>Total Payments</b>	<b>(38,583)</b>	<b>(49,760)</b>	<b>(49,799)</b>	<b>(43,818)</b>	<b>(45,218)</b>	<b>(47,007)</b>	<b>(49,173)</b>
<b>Net Cash Flows from Operating Activities</b>	<b>4,868</b>	<b>(6,405)</b>	<b>(4,937)</b>	<b>2,007</b>	<b>2,747</b>	<b>2,733</b>	<b>3,069</b>
<b>Cash Flows from Investing Activities</b>							
Proceeds from Sale of Property,							
Plant and Equipment	429	476	467	487	408	484	519
Proceeds from Sale of Investments <sup>(a)</sup>	2,087	9,019	8,278	663	167	175	192
Equity Restructure	49	184	184	73	50	...	30
Advance Repayments Received	77	99	56	69	75	86	92
Purchases of Property, Plant & Equipment	(3,730)	(4,267)	(4,025)	(4,564)	(4,233)	(4,389)	(4,103)
Purchase of Investments	(2,933)	(2,284)	(486)	(109)	(179)	(179)	(195)
Advances Made	(78)	(58)	(57)	(62)	(61)	(61)	(61)
Other	(135)	(119)	(172)	(208)	(137)	(132)	(101)
<b>Net Cash Flows from Investing Activities</b>	<b>(4,234)</b>	<b>3,050</b>	<b>4,245</b>	<b>(3,651)</b>	<b>(3,910)</b>	<b>(4,016)</b>	<b>(3,627)</b>
<b>Cash Flows from Financing Activities</b>							
Proceeds from Borrowings and Advances	1,554	3,573	613	2,588	1,528	1,657	643
Repayments of Borrowings and Advances	(1,212)	(280)	(169)	(221)	(257)	(286)	(253)
<b>Net Cash Flows From Financing Activities</b>	<b>342</b>	<b>3,293</b>	<b>444</b>	<b>2,367</b>	<b>1,271</b>	<b>1,371</b>	<b>390</b>
Net Increase/(Decrease) in Cash	<b>976</b>	<b>(62)</b>	<b>(248)</b>	<b>723</b>	<b>108</b>	<b>88</b>	<b>(168)</b>
Opening Cash and Cash Equivalents	1,482	1,073	2,458	2,210	2,933	3,041	3,129
<b>CLOSING CASH AND CASH EQUIVALENTS BALANCE</b>	<b>2,458</b>	<b>1,011</b>	<b>2,210</b>	<b>2,933</b>	<b>3,041</b>	<b>3,129</b>	<b>2,961</b>

(a) In 2006-07, the Government is contributing \$7.2 billion from the General Government Liability Management Fund to reduce its superannuation liabilities. Refer to Section 4.6 of Chapter 4 for further details.