

APPENDIX A: GENERAL GOVERNMENT SECTOR ACCOUNTING FINANCIAL STATEMENTS

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.

Refer to Appendix F for information on the impact of Australian Equivalent to International Financial Reporting Standards which are effective from 2005-06.

Table A.1: General Government Sector Operating Statement

	<i>Actual</i>	<i>Budget</i>	<i>Revised</i>	<i>Budget</i>	<i>Estimate</i>		
	<i>2003-04</i>	<i>2004-05</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>
State Revenues							
Taxation	15,002	15,513	15,298	16,260	17,310	18,238	19,195
Commonwealth Grants	15,494	15,760	16,002	16,796	17,289	17,950	18,747
Financial Distributions	1,480	1,612	1,588	1,848	1,817	1,857	1,912
Fines, Regulatory Fees & Other	901	969	1,058	1,083	1,009	995	1,048
Total State Revenues	32,877	33,854	33,946	35,987	37,425	39,040	40,902
Operating Revenues							
Sale of Goods and Services	2,619	2,751	2,653	2,818	2,998	3,092	3,220
Investment Income	964	873	1,002	1,076	1,032	937	1,058
Grants and Contributions	599	583	659	644	663	596	625
Other	347	227	356	338	364	397	396
Total Operating Revenues	4,529	4,434	4,670	4,876	5,057	5,022	5,299
Expenses							
Employee Related							
- Superannuation ^(b)	1,474	2,711	2,102	2,857	2,800	2,713	2,868
- Other	15,415	16,255	16,429	17,143	17,800	18,549	19,282
Other Operating	10,362	7,665	7,651	8,060	8,467	9,159	9,860
Maintenance	1,381	1,350	1,380	1,442	1,448	1,482	1,535
Depreciation and Amortisation	1,924	1,861	1,991	2,087	2,138	2,183	2,222
Current Grants and Subsidies	5,945	5,799	5,947	6,505	6,736	6,987	7,148
Capital Grants	1,213	1,327	1,371	1,400	1,542	1,359	1,280
Borrowing Costs	784	790	822	898	852	832	818
Total Expenses	38,498	37,758	37,693	40,392	41,783	43,264	45,013
Net Cost of Services	(33,969)	(33,324)	(33,023)	(35,516)	(36,726)	(38,242)	(39,714)
Surplus/(Deficit) for the Year^(c)	(1,092)	530	923	471	699	798	1,188

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) The Superannuation expense is significantly lower in 2003-04, largely due to a higher than budgeted return on underlying fund assets, and a revision to the discount rate applied to calculate the gross fund liabilities.

(c) The accounting based surplus/deficit differs from the GFS based net operating result, as GFS excludes valuation adjustments.

**Table A.2: General Government Sector
Statement of Changes in Equity**

	<i>Actual</i>	<i>Budget</i>	<i>Revised</i>	<i>Budget</i>	<i>Estimate</i>		
	<i>2003-04</i>	<i>2004-05</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>
STATEMENT OF CHANGES IN EQUITY							
Net Asset Valuation							
Increments/(Decrements)	7,219	38	189	(86)	182	109	323
Adjustments from the adoption of Australian Equivalents to International Financial Reporting Standards (refer Appendix F)	...	...	...	(1,434)	...	...	...
AASB 112 Income Tax Adjustment to Asset Revaluation Reserve	...	...	...	268	44	10	18
Recognition of Unearned Income arising from Public Private Partnership Schemes associated with a change in accounting policy	...	...	...	(370)	...	...	...
Contributions by Owners Made to Wholly Owned Public Sector Agencies (Urgent Issues Group UIG Interpretation 1038)							
- Equity Restructure Payments from Public Trading Enterprises	137	16	76	160	160	121	15
- Transfers of Net Assets on Administrative Restructure ^(b)	...	(2,028)	(264)	...	...	...	...
Net income and expense recognised directly in equity	7,356	(1,974)	1	(1,462)	386	240	356
Operating Surplus/ (Deficit)	(1,092)	530	923	471	699	798	1,188
Total recognised income and expense for the period	6,264	(1,444)	924	(991)	1,085	1,038	1,544
Opening Balance Equity	50,337	56,990	56,601	57,525	56,534	57,619	58,657
Closing Balance Equity	56,601	55,546	57,525	56,534	57,619	58,657	60,201

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) Includes the transfer of net assets to a new PTE, State Water, and the transfer of net assets to the General Government Sector for Redfern-Waterloo Authority and NSW Businesslink.

**Table A.3: General Government Sector Balance Sheet
as at 30 June, 2004-2009**

	Actual 2004	Budget 2005	Revised 2005	Budget 2006 ^(a)	Estimate		
	\$m	\$m	\$m	\$m	2007 ^(a) \$m	2008 ^(a) \$m	2009 ^(a) \$m
Current Assets							
Cash Assets	1,820	739	1,413	953	1,150	1,302	1,012
Receivables	2,947	2,889	2,936	3,338	3,217	3,317	3,366
Other Financial Assets	1,088	3,491	1,020	1,018	1,043	1,055	1,095
Inventories	135	115	129	129	128	126	126
Other	106	76	92	90	89	91	91
Non Current Assets Held for Sale	...	...	...	60	40	42	26
Total Current Assets	6,096	7,310	5,590	5,588	5,667	5,933	5,716
Non-Current Assets							
Receivables	3,899	3,999	4,077	7,810	7,875	7,888	7,926
Other Financial Assets	9,320	7,680	11,434	12,310	6,771	7,759	9,289
Inventories	39	38	38	36	30	26	21
Investment Properties	...	...	...	643	649	657	655
Property, Plant and Equipment							
Land and Buildings	40,541	39,389	41,236	41,018	41,715	42,157	42,802
Plant and Equipment	5,805	5,859	5,998	6,033	6,093	6,077	5,962
Infrastructure Systems	33,667	33,757	33,857	34,272	35,196	36,326	37,660
Intangibles	...	...	...	205	188	171	155
Other	1,196	1,216	1,455	1,520	1,615	1,737	1,867
Total Non-Current Assets	94,467	91,938	98,095	103,847	100,132	102,798	106,337
Total Assets	100,563	99,248	103,685	109,435	105,799	108,731	112,053
Current Liabilities							
Payables	2,333	1,832	2,208	2,218	2,216	2,238	2,295
Interest Bearing	2,426	3,917	4,317	1,722	3,140	1,731	1,681
Employee Entitlements and Other Provisions	2,320	2,375	2,366	2,566	2,604	2,667	2,749
Other	607	350	249	196	202	202	200
Total Current Liabilities	7,686	8,474	9,140	6,702	8,162	6,838	6,925
Non-Current Liabilities							
Interest Bearing	10,045	7,739	9,294	11,531	9,976	11,362	11,195
Employee Entitlements and Other Provisions	25,252	26,538	26,773	33,313	28,739	30,615	32,515
Other	979	951	953	1,355	1,303	1,259	1,217
Total Non-Current Liabilities	36,276	35,228	37,020	46,199	40,018	43,236	44,927
Total Liabilities	43,962	43,702	46,160	52,901	48,180	50,074	51,852
NET ASSETS	56,601	55,546	57,525	56,534	57,619	58,657	60,201
Equity							
Asset Revaluation Reserves	24,916	21,947	25,129	28,235	28,459	28,577	28,918
Accumulated Funds	31,685	33,599	32,396	28,299	29,160	30,080	31,283
TOTAL EQUITY	56,601	55,546	57,525	56,534	57,619	58,657	60,201

Note:

(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

Table A.4: General Government Sector Statement of Cash Flows

	Actual	Budget	Revised	Budget	Estimate		
	2003-04	2004-05	2004-05	2005-06 ^(a)	2006-07 ^(a)	2007-08 ^(a)	2008-09 ^(a)
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Cash Flows from Operating Activities							
Receipts							
Taxation	14,886	15,534	15,291	16,235	17,274	18,224	19,179
Commonwealth Grants	15,494	15,489	15,754	16,796	17,289	17,950	18,747
Financial Distributions	1,157	1,360	1,342	1,497	1,916	1,846	1,911
Sale of Goods and Services	2,632	2,785	2,839	2,864	3,041	3,132	3,252
Investment Income	347	307	498	566	544	322	387
Other	3,473	2,775	3,246	3,208	3,187	3,109	3,196
Total Receipts	37,989	38,250	38,970	41,166	43,251	44,583	46,672
Payments							
Employee Related ^(b)	(15,749)	(17,082)	(17,214)	(18,002)	(25,365)	(19,679)	(20,552)
Grants and Subsidies	(6,964)	(6,971)	(7,136)	(7,742)	(8,134)	(8,204)	(8,285)
Finance	(774)	(747)	(781)	(885)	(849)	(863)	(799)
Other	(10,485)	(10,202)	(10,836)	(11,144)	(11,355)	(11,896)	(12,658)
Total Payments	(33,972)	(35,002)	(35,967)	(37,773)	(45,703)	(40,642)	(42,294)
Net Cash Flows from Operating Activities	4,017	3,248	3,003	3,393	(2,452)	3,941	4,378
Cash Flows from Investing Activities							
Proceeds from Sale of Property, Plant and Equipment	447	615	513	563	472	481	454
Proceeds from Sale of Investments ^(b)	2,538	1,200	255	1,230	7,757	1,076	662
Equity Restructure	...	16	76	160	160	121	15
Advance Repayments Received	87	73	69	77	86	91	94
Purchases of Property, Plant & Equipment	(2,932)	(3,474)	(3,284)	(3,702)	(3,843)	(3,889)	(4,047)
Purchase of Investments	(3,561)	(1,469)	(2,000)	(1,616)	(1,713)	(1,474)	(1,573)
Advances Made	(38)	(54)	(59)	(70)	(61)	(62)	(64)
Other	2	2	(55)	(8)	(8)	(3)	(3)
Net Cash Flows from Investing Activities	(3,457)	(3,091)	(4,485)	(3,366)	2,850	(3,659)	(4,462)
Cash Flows from Financing Activities							
Proceeds from Borrowings and Advances	998	190	1,518	1,286	80	57	61
Repayments of Borrowings and Advances	(853)	(392)	(419)	(1,774)	(281)	(187)	(268)
Net Cash Flows From Financing Activities	145	(202)	1,099	(488)	(201)	(130)	(207)
Net Increase/(Decrease) in Cash	705	(45)	(383)	(461)	197	152	(291)
Opening Cash and Cash Equivalents	1,056	761	1,761	1,378	917	1,114	1,266
Reclassification of Cash Equivalents	...	(9)	...	...	...	...	...
CLOSING CASH AND CASH EQUIVALENTS BALANCE	1,761	707	1,378	917	1,114	1,266	975

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