

# 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.

**Table A.1: General Government Sector Operating Statement<sup>(a)</sup>**

	Actual	Budget	Revised	Budget	Estimate		
	2004-05	2005-06	2005-06	2006-07	2007-08	2008-09	2009-10
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>State Revenues</b>							
Taxation	15,322	16,260	15,804	16,711	17,464	18,384	19,360
Commonwealth Grants	16,192	16,796	17,027	17,625	18,544	19,536	20,197
Financial Distributions	1,537	1,848	1,725	1,595	1,829	1,779	1,936
Fines, Regulatory Fees & Other	1,145	1,083	1,203	1,167	1,161	1,172	1,252
<b>Total State Revenues</b>	<b>34,196</b>	<b>35,987</b>	<b>35,759</b>	<b>37,098</b>	<b>38,998</b>	<b>40,871</b>	<b>42,745</b>
<b>Operating Revenues</b>							
Sale of Goods and Services	2,734	2,818	2,852	3,014	3,138	3,239	3,318
Investment Income	1,127	1,076	1,555	1,001	865	911	967
Grants and Contributions	753	644	784	827	794	823	817
Other	183	325	315	272	290	303	314
<b>Total Operating Revenues</b>	<b>4,797</b>	<b>4,863</b>	<b>5,506</b>	<b>5,114</b>	<b>5,087</b>	<b>5,276</b>	<b>5,416</b>
<b>Expenses</b>							
Employee Related							
- Superannuation	2,026	2,857	2,329	2,388	2,278	2,301	2,301
- Other	16,520	17,143	17,378	18,196	18,930	19,963	20,865
Other Operating	9,582	9,502	8,943	9,982	10,111	10,265	10,513
Depreciation and Amortisation	2,019	2,087	2,150	2,245	2,355	2,477	2,570
Current Grants and Subsidies	6,035	6,505	6,812	7,281	7,487	7,827	8,171
Capital Grants	1,372	1,400	1,736	1,661	1,353	1,281	1,217
Borrowing Costs	828	898	890	995	1,171	1,298	1,390
<b>Total Expenses</b>	<b>38,382</b>	<b>40,392</b>	<b>40,238</b>	<b>42,748</b>	<b>43,685</b>	<b>45,412</b>	<b>47,027</b>
Gains/(losses) on disposal of Physical Assets	(372)	13	14	(20)	56	63	143
Other Gains/(losses) <sup>(b)</sup>	...	...	3,538	947	(122)	(97)	(99)
<b>Net Cost of Services</b>	<b>(33,957)</b>	<b>(35,516)</b>	<b>(31,180)</b>	<b>(36,707)</b>	<b>(38,664)</b>	<b>(40,170)</b>	<b>(41,567)</b>
<b>Surplus/(Deficit) for the Year</b>	<b>239</b>	<b>471</b>	<b>4,579</b>	<b>391</b>	<b>334</b>	<b>701</b>	<b>1,178</b>

Notes:

(a) 2005-06 and forward years are based on 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 pre-AEIFRS.

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

**Table A.2: General Government Sector  
Statement of Changes in Equity<sup>(a)</sup>**

	<i>Actual</i>	<i>Budget</i>	<i>Revised</i>	<i>Budget</i>	<i>Estimate</i>		
	<i>2004-05</i>	<i>2005-06</i>	<i>2005-06</i>	<i>2006-07</i>	<i>2007-08</i>	<i>2008-09</i>	<i>2009-10</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)	4,044	(86)	926	827	943	850	827
Adjustments from the adoption of Australian Equivalents to International Financial Reporting Standards <sup>(b)</sup>	...	(1,804)	(6,397)	...	...	...	...
AASB 112 Income Tax Adjustment to Reserves	...	268	(84)	(44)	(29)	(40)	141
Other Net Adjustments	...	...	(25)	...	...	...	...
Contributions by Owners Made to Wholly Owned Public Sector Agencies (Urgent Issues Group UIG Interpretation 1038)							
- Equity Restructure Payments from Public Trading Enterprises	76	160	49	184	50	116	2
- Transfers of Net Assets on Administrative Restructure	(434)	...	35	(3)	(3)	...	...
<b>Net income and expense recognised directly in equity</b>	<b>3,686</b>	<b>(1,462)</b>	<b>(5,496)</b>	<b>964</b>	<b>961</b>	<b>926</b>	<b>970</b>
Operating Surplus/ (Deficit)	239	471	4,579	391	334	701	1,178
<b>Total recognised income and expense for the period</b>	<b>3,925</b>	<b>(991)</b>	<b>(917)</b>	<b>1,355</b>	<b>1,295</b>	<b>1,627</b>	<b>2,148</b>
Opening Balance Equity	56,601	57,525	60,526	59,609	60,964	62,259	63,886
<b>Closing Balance Equity</b>	<b>60,526</b>	<b>56,534</b>	<b>59,609</b>	<b>60,964</b>	<b>62,259</b>	<b>63,886</b>	<b>66,034</b>

Notes:

(a) 2005-06 and forward years are based on 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 pre-AEIFRS.

(b) The two main financial impacts of AEIFRS in 2005-06 include adjustment for the change in the discount rate for the Defined Benefit superannuation liability and the revaluation of the deferred income tax assets receivable.

**Table A.3: General Government Sector Balance Sheet  
as at 30 June, 2005-2010<sup>(a)</sup>**

	<i>Actual</i>	<i>Budget</i>	<i>Revised</i>	<i>Budget</i>	<i>Estimate</i>		
	2005	2006	2006	2007	2008	2009	2010
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>Current Assets</b>							
Cash Assets	1,477	953	1,098	1,036	1,010	807	1,051
Receivables	2,884	3,338	3,039	2,983	3,176	3,188	3,343
Other Financial Assets	1,002	1,018	8,021	1,418	1,538	1,654	1,498
Inventories	113	129	110	113	112	110	112
Other	94	90	94	98	98	95	95
Non Current Assets Held for Sale	...	60	184	162	147	139	122
<b>Total Current Assets</b>	<b>5,570</b>	<b>5,588</b>	<b>12,546</b>	<b>5,810</b>	<b>6,081</b>	<b>5,993</b>	<b>6,221</b>
<b>Non-Current Assets</b>							
Receivables	4,260	7,810	7,411	7,349	7,363	7,346	7,494
Other Financial Assets	11,980	12,310	7,413	7,733	8,233	8,812	9,499
Inventories	37	36	43	37	32	30	30
Investment Properties	...	643	303	304	305	440	332
Property, Plant and Equipment							
Land and Buildings	41,985	41,018	43,115	44,699	46,338	47,715	49,081
Plant and Equipment	6,569	6,033	6,075	6,116	6,013	5,783	5,318
Infrastructure Systems	35,197	34,272	35,901	36,732	37,854	39,297	40,946
Intangibles	...	205	493	454	431	405	382
Other	1,262	1,520	1,492	1,601	1,735	1,878	2,032
<b>Total Non-Current Assets</b>	<b>101,290</b>	<b>103,847</b>	<b>102,246</b>	<b>105,025</b>	<b>108,304</b>	<b>111,706</b>	<b>115,114</b>
<b>Total Assets</b>	<b>106,860</b>	<b>109,435</b>	<b>114,792</b>	<b>110,835</b>	<b>114,385</b>	<b>117,699</b>	<b>121,335</b>
<b>Current Liabilities</b>							
Payables	2,424	2,218	2,134	2,131	2,016	2,074	2,138
Borrowings	3,559	1,722	2,921	4,313	2,765	2,798	4,343
Employee Entitlements and Other Provisions	2,285	2,566	5,246	5,278	6,109	6,207	6,315
Other	322	196	477	646	727	467	290
<b>Total Current Liabilities</b>	<b>8,590</b>	<b>6,702</b>	<b>10,778</b>	<b>12,368</b>	<b>11,617</b>	<b>11,546</b>	<b>13,086</b>
<b>Non-Current Liabilities</b>							
Borrowings	9,470	11,531	10,681	12,455	16,098	17,473	16,964
Employee Entitlements and Other Provisions	27,255	33,313	31,178	22,897	22,711	23,298	23,792
Other	1,019	1,355	2,546	2,151	1,700	1,496	1,459
<b>Total Non-Current Liabilities</b>	<b>37,744</b>	<b>46,199</b>	<b>44,405</b>	<b>37,503</b>	<b>40,509</b>	<b>42,267</b>	<b>42,215</b>
<b>Total Liabilities</b>	<b>46,334</b>	<b>52,901</b>	<b>55,183</b>	<b>49,871</b>	<b>52,126</b>	<b>53,813</b>	<b>55,301</b>
<b>NET ASSETS</b>	<b>60,526</b>	<b>56,534</b>	<b>59,609</b>	<b>60,964</b>	<b>62,259</b>	<b>63,886</b>	<b>66,034</b>
<b>Equity</b>							
Asset Revaluation Reserves	27,512	28,233	30,760	31,540	32,449	33,254	34,218
Equity of Assets classified as Held for Sale	...	2	21	21	21	21	21
Accumulated Funds	33,014	28,299	28,828	29,403	29,789	30,611	31,795
<b>TOTAL EQUITY</b>	<b>60,526</b>	<b>56,534</b>	<b>59,609</b>	<b>60,964</b>	<b>62,259</b>	<b>63,886</b>	<b>66,034</b>

Note:

(a) 2005-06 and forward years are based on 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 pre-AEIFRS.

**Table A.4: General Government Sector Cash Flow Statement<sup>(a)</sup>**

	<i>Actual</i>	<i>Budget</i>	<i>Revised</i>	<i>Budget</i>	<i>Estimate</i>		
	<i>2004-05</i>	<i>2005-06</i>	<i>2005-06</i>	<i>2006-07</i>	<i>2007-08</i>	<i>2008-09</i>	<i>2009-10</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 Operating Activities</b>							
<b>Receipts</b>							
Taxation	15,025	16,235	15,821	16,557	17,412	18,349	19,314
Commonwealth Grants	16,192	16,796	17,987	17,525	18,244	19,136	20,037
Financial Distributions	1,400	1,497	1,394	1,680	1,607	1,820	1,845
Sale of Goods and Services	2,896	2,864	2,874	2,998	3,109	3,204	3,282
Investment Income	506	566	587	580	333	332	335
Other	3,696	3,208	4,196	4,015	3,962	3,970	4,051
<b>Total Receipts</b>	<b>39,715</b>	<b>41,166</b>	<b>42,859</b>	<b>43,355</b>	<b>44,667</b>	<b>46,811</b>	<b>48,864</b>
<b>Payments</b>							
Employee Related <sup>(b)</sup>	(17,251)	(18,002)	(18,134)	(27,908)	(20,952)	(21,993)	(22,951)
Grants and Subsidies	(7,249)	(7,742)	(8,388)	(8,777)	(8,669)	(8,924)	(9,195)
Finance	(778)	(885)	(853)	(977)	(1,183)	(1,244)	(1,339)
Other	(10,900)	(11,144)	(11,412)	(12,098)	(12,055)	(12,052)	(12,349)
<b>Total Payments</b>	<b>(36,178)</b>	<b>(37,773)</b>	<b>(38,787)</b>	<b>(49,760)</b>	<b>(42,859)</b>	<b>(44,213)</b>	<b>(45,834)</b>
<b>Net Cash Flows from Operating Activities</b>	<b>3,537</b>	<b>3,393</b>	<b>4,072</b>	<b>(6,405)</b>	<b>1,808</b>	<b>2,598</b>	<b>3,030</b>
<b>Cash Flows from Investing Activities</b>							
Proceeds from Sale of Property,							
Plant and Equipment	488	563	537	476	515	478	539
Proceeds from Sale of Investments <sup>(b)</sup>	395	1,230	2,024	9,019	256	246	246
Equity Restructure	76	160	49	184	50	116	2
Advance Repayments Received	66	77	77	99	87	96	98
Purchases of Property, Plant & Equipment	(3,011)	(3,702)	(3,703)	(4,267)	(4,334)	(4,451)	(4,529)
Purchase of Investments	(2,249)	(1,616)	(3,401)	(2,284)	(277)	(264)	(236)
Advances Made	(51)	(70)	(61)	(58)	(63)	(63)	(63)
Other	(45)	(8)	(140)	(119)	(71)	(59)	(59)
<b>Net Cash Flows from Investing Activities</b>	<b>(4,331)</b>	<b>(3,366)</b>	<b>(4,618)</b>	<b>3,050</b>	<b>(3,837)</b>	<b>(3,901)</b>	<b>(4,002)</b>
<b>Cash Flows from Financing Activities</b>							
Proceeds from Borrowings and Advances	1,177	1,286	1,234	3,573	2,073	1,457	1,411
Repayments of Borrowings and Advances	(764)	(1,774)	(1,013)	(280)	(71)	(359)	(201)
<b>Net Cash Flows From Financing Activities</b>	<b>413</b>	<b>(488)</b>	<b>221</b>	<b>3,293</b>	<b>2,002</b>	<b>1,098</b>	<b>1,210</b>
Net Increase/(Decrease) in Cash	(381)	(461)	(325)	(62)	(27)	(205)	238
Opening Cash and Cash Equivalents	1,779	1,378	1,398	1,073	1,011	984	779
<b>CLOSING CASH AND CASH EQUIVALENTS BALANCE</b>	<b>1,398</b>	<b>917</b>	<b>1,073</b>	<b>1,011</b>	<b>984</b>	<b>779</b>	<b>1,017</b>

*Notes:*

(a) *Australian Equivalents to International Financial Reporting Standards (AEIFRS) has not resulted in any significant differences between the 2004-05 (pre-AEIFRS) and the 2005-06 and forward years (AEIFRS based) Cash Flow Statement.*

(b) *In 2006-07 the government will be contributing \$8,700 million from the Liability Management Fund to reduce its superannuation liabilities. Refer to Section 4.6 of Chapter 4 for further details.*