



OUTCOMES REPORT

2000 2001
UNAUDITED REPORT



NSW 2000-01 FINANCIAL OUTCOMES REPORT

This Financial Outcomes Report compares for 2000-01 the published NSW Budget for that year with the actual outcome on an accruals basis. Only the actual outcome is presented for the NSW Public Financial Corporations Sector as budget data is not available. In addition to the reporting requirements, a consolidated NSW Total State Public Sector balance sheet by sector (Table 1) has been included. This assists in analysis of key State Sector balance sheet indicators.

The report has been prepared in accordance with the Australian Bureau of Statistics (ABS) Government Finance Statistics standards and the the accrual uniform presentation framework as agreed at the 1997 Premiers' Conference.

This is the first issue of the Financial Outcomes Report on an accruals basis and it incorporates some ABS renaming of sectors. The "Public Trading Enterprises" sector is now the "Public Non-financial Corporation" sector and the "Public Financial Enterprises" sector is now the "Public Financial Corporations" sector. These changes have not been adopted in other sections of this publication as the name changes do not add to clarity for users.

LOAN COUNCIL REPORTING REQUIREMENTS

Table 15 compares the NSW Loan Council Allocation (LCA) estimation at the time of the Budget with the actual result for 2000-01.

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 and disclosed as a footnote to, rather than a component of LCAs. No contracts were signed in 2000-01.

Table 15 shows a negative \$1,261 million (a surplus) outcome for the 2000-01 Loan Council Allocation. This exceeds the budget time estimate of negative \$82m Loan Council Allocation by more than the tolerance limit of two per cent of non-financial public sector cash receipts from operating activities. This improvement is principally explained by the \$1,360 million improvement in the operating result, driven by increased revenue in all areas with some offsetting increased payments. The improvement is in the General Government sector. The Public Non-financial Corporation sector produced an operating result in line with the budget projection. The taxation revenue increase was largely due to improved stamp duty receipts and the Commonwealth grants were higher than expected.



TABLE 1: NSW PUBLIC SECTOR BALANCE SHEETS (ABS BASIS) AT 30 JUNE 2001

	General Government	Public Non-financial Corporation	Total Non- financial ^(a)	Public Financial Corporations	Total State Sector
	\$m	\$m	\$m	\$m	\$m
Assets					
Financial assets					
Cash and deposits	1,035	952	1,987	111	1,846
Advances paid	1,440	...	284	...	284
Investments, loans and placements	3,951	928	4,879	29,687	6,964
Other non-equity assets	3,997	2,271	3,828	583	4,040
Equity	47,418	134	(254)	...	155
Total financial assets	57,841	4,285	10,724	30,381	13,289
Non-financial assets					
Land and fixed assets	65,796	61,866	127,661	4	127,666
Other non-financial assets	846	304	1,152	...	1,151
Total non-financial assets	66,642	62,170	128,813	4	128,817
Total assets	124,483	66,455	139,537	30,385	142,106
Liabilities					
Deposits held	61	37	98	5,811	741
Advances received	2,041	1,155	2,041	...	2,041
Borrowing	11,526	11,508	23,033	24,392	24,740
Superannuation liability ^(b)	8,127	(146)	7,981	...	7,981
Other employee entitlements and provisions	8,295	3,830	10,334	98	10,403
Other non-equity liabilities	2,769	2,195	4,316	422	4,395
Total liabilities	32,819	18,579	47,803	30,723	50,301
NET WORTH (ABS Basis)	91,664	47,876	91,734	(338)	91,805
Net Debt^(c)	7,202	10,820	18,022	405	18,428
Net Debt adjusted for prepayment of superannuation ^(d)	6,023	10,820	16,843	405	17,249
Net Financial Worth ^(e)	25,022	(14,294)	(37,079)	(342)	(37,012)
Net Financial Liabilities ^(f)	22,375	14,294	36,670	342	37,012

^(a) Amounts may not add across due to inter sector eliminations.

^(b) Comprises unfunded obligations.

^(c) 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.

^(d) Adjusted for the effect of borrowings to fund a special prepayment of superannuation.

^(e) Net financial worth equals total financial assets minus total liabilities.

^(f) Equals net financial worth excluding equity investments in the Public Non-financial and Financial Corporations Sectors.



TABLE 2: NSW GENERAL GOVERNMENT SECTOR OPERATING STATEMENT (ABS BASIS)

	00-01 \$m (Budget)	00-01 \$m (Actual)
GFS Revenue		
Taxation revenue	12,418	13,333
Current grants and subsidies	12,816	13,702
Capital grants	874	896
Sales of goods and services	2,443	2,605
Interest income	391	484
Other	2,194	2,588
Total revenue	31,136	33,608
less GFS Expenses		
Gross operating expenses	22,737	23,364
Nominal superannuation interest expense	412	438
Other interest expenses	1,010	992
Other property expenses	...	...
Current transfers	4,477	5,536
Capital transfers	1,426	1,576
Total expenses	30,062	31,906
equals GFS net operating balance	1,074	1,702
less Net acquisition of non-financial assets		
Gross fixed capital formation	2,305	2,365
less Depreciation	(995)	(1,332)
plus Change in inventories	(1)	6
plus Other movements in non-financial assets	(220)	(49)
equals Total net acquisition of non-financial assets	1,089	990
equals GFS Net lending / (Borrowing)^(a)	(15)	712
adjusted for budget balancing assistance advance ^(b)	674	...
Adjusted GFS Net lending / (Borrowing)^(b)	659	712

Notes:

^(a) Also known as Fiscal Balance.

^(b) Adjusted for effects of the budget balancing assistance advance from the Commonwealth.



TABLE 3: NSW PUBLIC NON-FINANCIAL CORPORATION SECTOR OPERATING STATEMENT (ABS BASIS)

	00-01 \$m (Budget)	00-01 \$m (Actual)
GFS Revenue		
Sales of goods and services	10,061	11,367
Current grants and subsidies	769	1,084
Capital grants	749	780
Interest income	75	141
Other	1,112	935
Total revenue	12,766	14,307
less GFS Expenses		
Gross operating expenses	9,901	11,665
Property expenses	2,011	1,811
Current transfers	580	18
Capital transfers	...	56
Total expenses	12,492	13,550
equals GFS net operating balance	274	757
less Net acquisition of non-financial assets		
Gross fixed capital formation	2,443	2,329
less Depreciation	(1,616)	(1,505)
plus Change in inventories	(629)	(569)
plus Other movements in non-financial assets	(98)	(55)
equals Total net acquisition of non-financial assets	100	200
equals GFS Net lending / (Borrowing) ^(a)	174	557

Notes:

^(a) Also known as Fiscal Balance.



TABLE 4: NSW NON-FINANCIAL PUBLIC SECTOR OPERATING STATEMENT (ABS BASIS)

	00-01 \$m (Budget)	00-01 \$m (Actual)
GFS Revenue		
Taxation revenue	12,066	12,646
Current grants and subsidies	12,776	13,738
Sales of goods and services	12,150	13,755
Capital grants	839	805
Interest income	403	562
Other	2,161	2,332
Total revenue	40,395	43,838
less GFS Expenses		
Gross operating expenses	31,967	34,098
Nominal superannuation interest expense	412	438
Property expenses	1,777	1,750
Current transfers	4,263	4,431
Capital transfers	628	849
Total expenses	39,047	41,566
equals GFS net operating balance	1,348	2,272
less Net acquisition of non-financial assets		
Gross fixed capital formation	4,748	4,735
less Depreciation	(2,611)	(2,837)
plus Change in inventories	(624)	(562)
plus Other movements in non-financial assets	(315)	(104)
equals Total net acquisition of non-financial assets	1,198	1,232
equals GFS Net lending / (Borrowing) ^(a)	150	1,040
adjusted for budget balancing assistance advance ^(b)	674	...
Adjusted GFS Net lending / (Borrowing) ^(b)	824	1,040

Notes:

^(a) Also known as Fiscal Balance.

^(b) Adjusted for effects of the budget balancing assistance advance from the Commonwealth.



TABLE 5: NSW PUBLIC FINANCIAL CORPORATIONS SECTOR OPERATING STATEMENT (ABS BASIS)

	00-01 \$m (Actual) ^(a)
GFS Revenue	
Sales of goods and services	11
Current grants and subsidies	15
Capital grants	...
Interest income	2,267
Other	
Total revenue	2,293
less GFS Expenses	
Gross operating expenses	24
Property expenses	2,203
Current transfers	...
Capital transfers	...
Total expenses	2,227
equals GFS net operating balance	66
less Net acquisition of non-financial assets	
Gross fixed capital formation	2
less Depreciation	(1)
plus Change in inventories	...
plus Other movements in non-financial assets	...
equals Total net acquisition of non-financial assets	1
equals GFS Net lending / (Borrowing) ^(b)	65

Notes:

^(a) *Not part of the Budget scope.*

^(b) *Also known as Fiscal Balance.*



TABLE 6: NSW GENERAL GOVERNMENT SECTOR BALANCE SHEET AT 30 JUNE (ABS BASIS)

	2001 \$m (Budget)	2001 \$m (Actual)
Assets		
Financial assets		
Cash and deposits	87	1,035
Advances paid	1,622	1,440
Investments, loans and placements	3,581	3,951
Other non-equity assets	3,192	3,997
Equity	43,251	47,418
Total financial assets	51,733	57,841
Non-financial assets		
Land and fixed assets	66,521	65,796
Other non-financial assets	849	846
Total non-financial assets	67,370	66,642
Total assets	119,103	124,483
Liabilities		
Deposits held	55	61
Advances received	2,756	2,041
Borrowing	11,587	11,526
Superannuation liability ^(a)	7,314	8,127
Other employee entitlements and provisions	3,688	8,295
Other non-equity liabilities	6,359	2,769
Total liabilities	31,759	32,819
NET WORTH	87,344	91,664
Net Financial Worth ^(b)	19,974	25,022
Net Financial Worth adjusted for budget balancing assistance advance ^{(b)(e)}	20,648	25,022
Net debt ^(d)	9,108	7,202
Net debt adjusted for prepayment of superannuation and budget balancing assistance advance ^{(c)(e)}	7,255	6,023

Notes:

^(a) *Comprises unfunded obligations.*

^(b) *Net financial worth equals total financial assets minus total liabilities.*

^(c) *Adjusted for the effect of borrowings to fund a special prepayment of superannuation.*

^(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 effects of the budget balancing assistance advance from the Commonwealth.*



**TABLE 7: NSW PUBLIC NON-FINANCIAL CORPORATION SECTOR BALANCE SHEET AT 30 JUNE
(ABS BASIS)**

	2001 \$m (Budget)	2001 \$m (Actual)
Assets		
Financial assets		
Cash and deposits	819	952
Investments, loans and placements	879	928
Other non-equity assets	2,272	2,271
Equity	27	134
Total financial assets	3,997	4,285
Non-financial assets		
Land and fixed assets	58,263	61,866
Other non-financial assets	107	304
Total non-financial assets	58,370	62,170
Total assets	62,367	66,455
Liabilities		
Deposits held	27	37
Advances received	1,350	1,155
Borrowing	11,380	11,508
Superannuation liability / (prepaid contributions) ^(a)	8	(146)
Other employee entitlements and provisions	3,781	3,830
Other non-equity liabilities	2,061	2,195
Total liabilities	18,607	18,579
Shares and other contributed capital	...	...
NET WORTH	43,760	47,876
Net financial worth ^(b)	(14,610)	(14,294)
Net debt ^(c)	11,059	10,820

Notes:

^(a) *Comprises unfunded obligations.*

^(b) *Net financial worth equals total financial assets minus total liabilities.*

^(c) *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 8: NSW NON-FINANCIAL PUBLIC SECTOR BALANCE SHEET AT 30 JUNE (ABS BASIS)

	2001 \$m (Budget)	2001 \$m (Actual)
Assets		
Financial assets		
Cash and deposits	906	1,987
Advances paid	270	284
Investments, loans and placements	4,462	4,879
Other non-equity assets	2,735	3,828
Equity	(481)	(254)
Total financial assets	7,892	10,724
Non-financial assets		
Land and fixed assets	124,784	127,661
Other non-financial assets	956	1,152
Total non-financial assets	125,740	128,813
Total assets	133,632	139,537
Liabilities		
Deposits held	82	98
Advances received	2,756	2,041
Borrowing	22,968	23,033
Superannuation liability ^(a)	7,322	7,981
Other employee entitlements and provisions	5,339	10,334
Other non-equity liabilities	7,821	4,316
Total liabilities	46,288	47,803
Shares and other contributed capital	...	...
NET WORTH	87,344	91,734
Net financial worth ^(b)	(38,396)	(37,079)
Net financial worth adjusted for budget balancing assistance advance ^(e)	(37,722)	(37,079)
Net debt ^(d)	20,168	18,022
Net debt adjusted for prepayment of superannuation and budget balancing assistance advance ^{(c) (e)}	18,315	16,843

Notes:

^(a) *Comprises unfunded obligations.*

^(b) *Net financial worth equals total financial assets minus total liabilities.*

^(c) *Adjusted for the effect of borrowings to fund a special prepayment of superannuation.*

^(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 effects of the budget balancing assistance advance from the Commonwealth.*



TABLE 9: NSW PUBLIC FINANCIAL CORPORATIONS BALANCE SHEET AT 30 JUNE (ABS BASIS)

	2001 \$m (Actual) ^(b)
Assets	
Financial assets	
Cash and deposits	111
Investments, loans and placements	29,687
Other non-equity assets	583
Equity	...
Total financial assets	30,381
Non-financial assets	
Land and fixed assets	4
Other non-financial assets	...
Total non-financial assets	4
Total assets	30,385
Liabilities	
Deposits held	5,811
Advances received	...
Borrowing	24,392
Superannuation liability / (prepaid contributions) ^(a)	...
Other employee entitlements and provisions	98
Other non-equity liabilities	422
Total liabilities	30,723
Shares and other contributed capital	...
NET WORTH	(338)
Net financial worth ^(c)	(342)
Net debt ^(d)	405

Notes:

^(a) *Comprises unfunded obligations.*

^(b) *Not part of the Budget scope.*

^(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.*



TABLE 10: NSW GENERAL GOVERNMENT SECTOR CASH FLOW STATEMENT (ABS BASIS)

CASH FLOW	00-01 \$m (Budget)	00-01 \$m (Actual)
Cash receipts from operating activities		
Taxes received	12,465	13,189
Receipts from sales of goods and services	2,545	2,451
Grants/subsidies received	13,690	14,632
Other receipts	2,821	3,916
Total receipts	31,521	34,188
Cash payments for operating activities		
Payment for goods and services	(21,424)	(21,323)
Grants and subsidies paid	(5,552)	(6,011)
Interest paid	(950)	(1,044)
Other payments	(733)	(1,584)
Total payments	(28,659)	(29,962)
Net cash flows from operating activities	2,862	4,226
Net cash flows from investments in non-financial assets		
Sales of non-financial assets	408	133
Purchases of non-financial assets	(2,493)	(2,536)
Net cash flows from investments in non-financial assets	(2,085)	(2,403)
Net cash flows from investments in financial assets for policy purposes	2,342	3,214
Net cash flows from investments in financial assets for liquidity purposes	6	(354)
Net cash flows from financing activities		
Advances received (net)	607	(85)
Borrowing (net)	(3,825)	(4,206)
Deposits received (net)	(1)	(24)
Other financing (net)	...	...
Net cash flows from financing activities	(3,219)	(4,315)
Net increase (decrease) in cash held	(94)	368
SURPLUS / (DEFICIT)		
Net cash from operating activities and investments in non-financial assets	777	1,823
Finance leases and similar arrangements	...	...
SURPLUS / (DEFICIT)	777	1,823
Impact of prepayment of superannuation ^(b)	(1,058)	(1,058)
Budget balancing assistance advance ^(c)	674	...
SURPLUS / (DEFICIT) after adjusting for the prepayment of superannuation and the budget balancing assistance advance	393	765

Notes:

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

^(b) Adjusted for the effect of borrowings to fund a special prepayment of superannuation.

^(c) Adjusted for effects of the budget balancing assistance advance from the Commonwealth.



TABLE 11: NSW PUBLIC NON-FINANCIAL CORPORATION SECTOR CASH FLOW STATEMENT (ABS BASIS)

CASH FLOW	00-01 \$m (Budget)	00-01 \$m (Actual)
Cash receipts from operating activities		
Receipts from sales of goods and services	9,111	10,754
Grants/subsidies received	1,495	1,954
Other receipts	1,699	1,876
Total receipts	12,305	14,584
Cash payments for operating activities		
Payment for goods and services	(8,105)	(9,537)
Grants and subsidies paid	(21)	(79)
Interest paid	(838)	(720)
Other payments	(863)	(1,773)
Total payments	(9,827)	(12,109)
Net cash flows from operating activities	2,478	2,475
Net cash flows from investments in non-financial assets		
Sales of non-financial assets	260	282
Purchases of non-financial assets	(2,605)	(2,316)
Net cash flows from investments in non-financial assets	(2,345)	(2,034)
Net cash flows from investments in financial assets for policy purposes	(2,394)	8
Net cash flows from investments in financial assets for liquidity purposes	(78)	(80)
Net cash flows from financing activities		
Advances received (net)	(29)	(3,230)
Borrowing (net)	2,880	3,253
Deposits received (net)	...	(2)
Distributions Paid	(758)	(762)
Other financing (net)	...	25
Net cash flows from financing activities	2,093	(716)
Net increase (decrease) in cash held	(246)	(347)
SURPLUS / (DEFICIT)		
Net cash from operating activities and investments in in non-financial assets	133	441
Distribution Paid	(758)	(762)
Finance leases and similar arrangements	...	...
SURPLUS / (DEFICIT)	(625)	(321)

Notes:

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



TABLE 12: NSW NON-FINANCIAL PUBLIC SECTOR CASH FLOW STATEMENT (ABS BASIS)

CASH FLOW	00-01 \$m (Budget)	00-01 \$m (Actual)
Cash receipts from operating activities		
Taxes received	12,112	12,555
Receipts from sales of goods and services	11,286	13,033
Grants/subsidies received	13,616	14,604
Other receipts	3,378	4,573
Total receipts	40,392	44,765
Cash payments for operating activities		
Payment for goods and services	(28,869)	(30,064)
Grants and subsidies paid	(4,001)	(4,133)
Interest paid	(1,725)	(1,698)
Other payments	(1,211)	(2,924)
Total payments	(35,806)	(38,819)
Net cash flows from operating activities	4,586	5,946
Net cash flows from investments in non-financial assets		
Sales of non-financial assets	664	415
Purchases of non-financial assets	(5,098)	(4,890)
Net cash flows from investments in non-financial assets	(4,434)	(4,475)
Net cash flows from investments in financial assets for policy purposes	(81)	(8)
Net cash flows from investments in financial assets for liquidity purposes	(72)	(433)
Net cash flows from financing activities		
Advances received (net)	607	(85)
Borrowing (net)	(945)	(953)
Deposits received (net)	(1)	(26)
Distributions Paid	...	...
Other financing (net)	...	24
Net cash flows from financing activities	(339)	(1,040)
Net increase (decrease) in cash held	(340)	(10)
SURPLUS / (DEFICIT)		
Net cash from operating activities and investments in non-financial assets	152	1,471
Distributions Paid	...	...
Finance leases and similar arrangements	...	...
SURPLUS / (DEFICIT)	152	1,471
Impact of prepayment of superannuation ^(b)	(1,058)	(1,058)
Budget balancing assistance advance ^(c)	674	...
SURPLUS / (DEFICIT) after adjusting for the prepayment of superannuation and budget balancing assistance advance	(232)	413

Notes:

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

^(b) Adjusted for the effect of borrowings to fund a special prepayment of superannuation.

^(c) Adjusted for effects of the budget balancing assistance advance from the Commonwealth.



TABLE 13: NSW PUBLIC FINANCIAL CORPORATIONS SECTOR CASH FLOW STATEMENT (ABS BASIS)

CASH FLOW	00-01 \$m (Actual) ^(b)
Cash receipts from operating activities	
Receipts from sales of goods and services	12
Grants/subsidies received	15
Other receipts	2,252
Total receipts	2,279
Cash payments for operating activities	
Payment for goods and services	(33)
Grants and subsidies paid	...
Interest paid	(2,066)
Other payments	(18)
Total payments	(2,117)
Net cash flows from operating activities	162
Net cash flows from investments in non-financial assets	
Sales of non-financial assets	...
Purchases of non-financial assets	(2)
Net cash flows from investments in non-financial assets	(2)
Net cash flows from investments in financial assets for policy purposes	...
Net cash flows from investments in financial assets for liquidity purposes	60
Net cash flows from financing activities	
Advances received (net)	(1,262)
Borrowing (net)	700
Deposits received (net)	(22)
Distributions Paid	...
Other financing (net)	...
Net cash flows from financing activities	(584)
Net increase (decrease) in cash held	(364)
SURPLUS / (DEFICIT)	
Net cash from operating activities and investments in non-financial assets	159
Distribution Paid	(22)
Finance leases and similar arrangements	...
SURPLUS / (DEFICIT)	137

Notes:

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

^(b) Not part of the Budget scope.



TABLE 14: NSW GENERAL GOVERNMENT SECTOR EXPENSES BY FUNCTION

	00-01 \$m (Budget)	00-01 \$m (Actual) ^(a)
General public services	2,099	2,375
Defence	...	...
Public order and safety	2,871	2,903
Education	7,409	7,681
Health	6,780	6,862
Social security and welfare	2,052	2,071
Housing and community amenities	1,302	1,424
Recreation and culture	927	1,094
Fuel and energy	44	87
Agriculture, forestry, fishing and hunting	523	471
Mining, manufacturing and construction	107	83
Transport and communications	2,482	3,501
Other economic affairs	1,477	1,559
Other purposes	1,989	1,795
Total GFS Expenses	30,062	31,906

^(a) 2000-01 actual includes \$600 million assumption of HIH liability (\$70 million housing and \$530 million transport).



TABLE 15: 2000-01 LOAN COUNCIL ALLOCATION ESTIMATES

	Budget-time Estimate 2000-01 \$m	Actual 2000-01 \$m
General government sector cash deficit / (surplus)	(777)	(1,823)
PNFC sector cash deficit / (surplus) ^(a)	625	321
Non-financial public sector cash deficit / (surplus) ^(b)	(152)	(1,471)
Minus Net cash flows from investments in financial asset for policy purposes ^(c)	81	85
Plus Memorandum items ^(d)	(11)	125
Loan Council Allocation	(82)	(1,261)

Notes:

^(a) Public Non-financial Corporation (PNFC) Sector.

^(b) Does not directly equate to the sum of the General Government and PNFC cash deficits due to intersectoral transfers which are netted out.

^(c) This item is the negative of net advances paid under a cash accounting framework.

^(d) 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 statutory marketing authorities.

END OF UNAUDITED OUTCOMES REPORT

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