

NEW SOUTH WALES

**GOVERNMENT FINANCE
STATISTICS ESTIMATES
1993-94**

BUDGET PAPER No. 6



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1 INTRODUCTION¹

In recent years attention has been focused on the performance of the public sector. To assist in this process, this Budget Paper provides a presentation of the State's finances according to internationally recognised standards. In addition, the information presented serves a number of other purposes:

- * presents information on the overall State sector, not just the Budget Sector and therefore allows an assessment of State finances in total; and
- * provides information to allow an assessment to be made of the impact of NSW public sector transactions on the economy generally.

While the adoption by New South Wales of a Government Finance Statistics presentation in the Budget in 1991-92 has assisted in making intergovernmental comparisons, there remain substantial differences between the Australian Governments in the scope and approach to the presentation of their Budgets. Recognising the need to address the lack of comparability, the May 1991 Premiers' Conference endorsed a proposal for all Governments to include in their Budget Papers supplementary information on a Government Finance Statistics basis that fully reflects the approach of the Australian Bureau of Statistics (ABS).

While the prime focus of the Budget Papers is on the Budget Sector, this Budget paper presents information on the outlays and revenues of the general government sector, the public trading enterprise sector and the total State sector.

There are two dimensions of coverage in the presentation of financial information. One is by organisation and the other is by type of transaction. The coverage of organisations in this Budget Paper follows a standard Australian Bureau of Statistics classification. The general government sector is comparable but slightly broader than the Budget Sector which is the organisational basis of the other Budget Papers.

In terms of the coverage of transactions the information in this Budget Paper is provided on two separate bases. The coverage in Chapter 2 is on a modified Australian Bureau of Statistics basis reflecting the NSW Treasury's assessment of the most appropriate and informative way of presenting the data. This differs in a number of ways from the Australian Bureau of Statistics presentation. However, in Chapter 4 (and in more detail in Appendix C) the standard Australian Bureau of Statistics presentation is provided.

While the differences between the general government sector presentation in this Budget Paper and the presentation of the State Budget have reduced markedly in recent years, nevertheless there remain two significant differences.

Firstly, the classification of public sector entities between the Budget and Non Budget Sectors differs from the distinction between general government enterprises and public trading enterprises. While the Budget Sector represents the majority of the general government sector, transactions within the Non Budget (general government)

¹ New South Wales Treasury acknowledges the assistance of the Sydney and Canberra offices of the Australian Bureau of Statistics in the preparation of this Budget Paper.

sector (e.g. Darling Harbour Authority, Motor Accidents Authority, etc.) can have a significant impact on the deficit. In addition to the exclusion of certain government authorities, selected Treasury special deposit accounts, such as the Salaries Adjustment Suspense Account, have been excluded from the Budget Sector. In the case of this account it was considered that an accrual concept for wage payments within the Budget Sector should be maintained even within a Government Finance Statistics presentation. Appendix D provides a listing of public sector entities classified into general government enterprises (Budget and Non Budget) or public trading enterprises.

Secondly, the presentation in this Budget Paper is based on the economic classification of transactions and, in particular, applies a strict distinction between current and capital outlays. While the Budget is largely based on the same economic classification of transactions, there is not the same strict application of the criteria for distinguishing current and capital outlays.

As in previous years the main tables in this Budget Paper do not cover the operations of the NSW Treasury Corporation. The exclusion of Treasury Corporation is considered to provide a more accurate presentation of public sector finances. Chapter 4 presents a discussion of this issue.

In line with the commitment at the 1991 Premiers' Conference to phase in a uniform presentation of information on State finances, beginning with this Budget Paper, Appendix C includes a Government Finance Statistics breakdown of current and capital outlays by purpose.

2 STATE PUBLIC SECTOR OUTLAYS AND REVENUES FOR 1993-94

Overview

Table 2.1 presents estimates of NSW public sector outlays, revenues and financing transactions in 1993-94. The definition of terms used are explained in Chapter 5 and Appendix A. More detailed tabulations are provided in Appendix B.

Table 2.1: Summary of Estimates 1993-94 ⁽¹⁾

	General Government ⁽²⁾		Public Trading Enterprise		Total State Sector ⁽³⁾	
	1993-94 \$m	% Increase	1993-94 \$m	% Increase	1993-94 \$m	% Increase
Current Outlays	17,352	1.1	2,195	2.5	18,451	0.8
. Final Consumption Expenditure	12,830	2.4	...	n.a.	12,830	2.4
. Current Transfer Payments	4,522	(-)2.1	2,195	2.5	5,621	(-)2.5
Capital Outlays	3,048	133.4	2,123	(-)5.4	3,916	45.3
. Gross Fixed Capital Expenditure and Net Purchase of Land	1,923	50.0	2,076	(-)7.5	3,999	48.4
. Other Capital Outlays	1,125		47		(-)83	
Total Outlays	20,400	10.5	4,318	(-)1.6	22,367	6.5
Revenue and Grants Received	19,036	1.6	3,286	0.2	20,013	(-)0.9
. Taxes, Fees and Fines	9,683	4.2	...	n.a.	9,683	4.2
. Other Own Source Revenues	1,830	1.3	2,051	(-)14.0	2,858	(-)13.5
. Grants Received	7,522	(-)1.6	1,235	38.0	7,472	(-)1.6
Financial Result ⁽⁴⁾⁽⁵⁾	1,364	n.a.	(-)433	1.2	889	n.a.
- Operating Result	(-)546	n.a.	(-)1,176	(-)29.2	(-)1,794	8.3
- Capital Result	1,910	n.a.	743	(-)39.7	2,683	191.0

(1) Items may not add to totals due to rounding.

(2) Where aggregates switch between positive and negative amounts in successive years n.a. (not applicable) is recorded in the % increase columns.

(3) Does not represent the sum of the general government and public trading enterprise sectors due to the existence of intra-sector transactions.

(4) Total outlays less both revenue and grants received and increases in provisions. A positive number represents a deficit, while a negative number represents a surplus.

(5) The equivalent Table in the 1992-93 Budget Paper 6 adjusted the Financing Transaction and Deficit data for the impact of the GIO privatisation.

n.a. Not applicable

... Nil or Less than \$500,000.

Overall the financial result of the State sector is projected to be an \$889 million deficit in 1993-94. This compares with a surplus of \$735 million in 1992-93. As discussed below, this change largely reflects the one off impacts of privatisation in 1992-93.

The overall result reflects a deficit for the general government sector and a small surplus for the public trading enterprise sector. The financial result for the general government sector in 1993-94 is projected to be a deficit of \$1,364 million compared to a surplus of \$283 million in 1992-93. This change reflects, in large part, the impact of the GIO privatisation in 1992-93. After adjusting the 1992-93 result for the sale receipts (\$1,200 million) and the related tax compensation payments from the Commonwealth (\$402 million) the general government deficit increased by \$45 million in 1993-94.

The impact of the GIO transaction is also reflected in the very large increase in capital outlays recorded in 1993-94 and the reductions in grants received. The receipts from the 1992-93 sale of GIO are treated as a \$1,200 million offset to capital outlays while the tax compensation payment is reflected in a \$402 million addition to Commonwealth capital grants. The impact of these transactions are more apparent in the time series data in Appendix B.

The surplus in the public trading enterprise sector is projected to increase marginally in 1993-94. Total revenue and grants received for this sector is effectively the same level as 1992-93 with a small rise in current outlays being more than offset by a reduction in capital outlays.

It should be noted that the total state financial result in 1993-94 will remain significantly less than that recorded in the mid 1980s. Up until 1989-90 the trend in the total state financial result had been downwards. Since then, the downturn in the economy has resulted in an increase in the financial result.

General Government Sector

OUTLAYS

In 1993-94 total current outlays by the general government sector are expected to increase by 1.1 per cent. This increase is made up of a 2.4 per cent increase in final consumption expenditure and a 2.1 per cent reduction in current transfer payments.

Subsidies to public trading enterprises are projected to fall by \$115 million reflecting lower payments to the State Transit Authority and the Department of Housing which is classified as a trading enterprise. The reduction in housing subsidy payments has been more than offset by an increase in capital grants to the Department of Housing.

Subsidies paid to public trading enterprises have reduced from \$1,140 million in 1988-89 to \$718 million in 1993-94, a nominal reduction of 37 percent. The real reduction in the level of these payments is, of course, much larger.

Interest payments by the general government sector are expected to decrease marginally in 1993-94 reflecting the impact of lower interest rates. When comparing interest payments in 1993-94 with 1988-89 it should be taken into account that the general government sector has taken over the debts of both the State Rail Authority

and the Grain Corporation, resulting in a sharp increase in interest payments by the general government sector in 1989-90. The corollary of this is that interest payments by the public trading enterprise sector are reduced substantially compared with 1988-89.

The other major change in transfer payments is an increase of approximately \$100 million in payments to non-profit charitable organisations. This change reflects the takeover of Commonwealth funding programs.

Capital outlays by the general government sector in 1993-94 are projected to increase by 133.4 per cent. As noted above this largely reflects the GIO privatisation in 1992-93. Another transaction which impacts on the change in capital outlays is the implementation of the recommendations of a number of independent inquiries into the Government's housing related activities. Inquiries into housing related customer services (eg the Rental Bond Board, the Real Estate Services Council and the Building Services Corporation) identified surplus funds available for housing related expenditures. These funds are to be transferred from these bodies to the Department of Housing in 1993-94 and used for approved housing related purposes. The transfer of these funds is treated as a capital grant from the general government sector to the public trading enterprise sector in 1993-94. An upper limit estimate of the funds available for transfer is \$218 million with the exact amount subject to further review.

Overall, total outlays, current and capital, are projected to increase by 10.5 per cent in 1993-94 (3.8 after excluding the impact of the GIO).

REVENUE AND GRANTS RECEIVED

In 1993-94 revenues (including grants) are projected to increase by 1.6 per cent. This consists of a 4.2 per cent increase in taxation revenue, a 1.3 per cent increase in property income and other revenue and a 1.6 per cent reduction in grants received (principally grants from the Commonwealth).

The real growth in taxation revenue reflects a number of partly offsetting factors. On the one hand, taxation revenue will be boosted by increases in contracts and conveyancing revenue, duty from share market transactions and the full year effects of tax increases introduced in 1992-93. There are no general tax increases in 1993-94. On the other hand, land tax is projected to decline in nominal dollar terms by around \$70 million due to the impact of declining property values on the tax base. This follows a reduction in land tax revenue of over \$270 million in 1992-93.

The marginal increase in property income reflects the offsetting impact of an increase in dividends from public trading enterprises and a 16.7 per cent decrease in interest earnings.

The reduction in grants received reflects the reduction in Commonwealth Specific Purpose Capital Payments. As noted above, the high level of capital grants in 1992-93 reflected \$402 million in tax compensation payments from the Commonwealth.

Commonwealth current grants in 1993-94 increased by 7.6 per cent reflecting, in part, an increase in New South Wales' share of the pool of financial assistance grants and increased funding under the new Medicare Agreement.

FINANCIAL RESULT

The financial result for the general government sector is projected to be \$1,364 million. This compares with a surplus of \$283 million in 1992-93. Abstracting from the impact of the GIO transaction, the general government financial result in 1992-93 was \$1,319 million.

The financial result can be dissected into an operating and capital component. In 1993-94 the general government sector is expected to return to a significant operating surplus (\$546 million) after the recession induced deficits of the past two years. In 1993-94 a capital deficit of \$1,910 million is projected.

The financial result for the general government sector compares with a Budget financial result of \$890 million. The difference is due to the broader coverage of the general government sector (See Appendix D). The main items within the general government sector adding to the deficit of the Budget Sector are the transfer of surplus housing funds and the funding of accumulated third party insurance liabilities.

Public Trading Enterprises

OUTLAYS

In 1993-94 total outlays by the public trading enterprise sector are expected to decline by 1.6 per cent to \$4,318 million. Current outlays are expected to increase by 2.5 per cent in 1993-94, reflecting among other factors higher dividend payments. Interest payments in 1993-94 are expected to fall \$71 million to \$988 million. This compares with interest payments of \$1,785 million in 1988-89. The reduction in debt servicing costs reflect debt reductions since 1988-89 including the takeover by the general government sector of the debt of both the Grain Handling Corporation and the non-commercial operations of the State Rail Authority. Lower interest rates in 1992-93 and 1993-94 have also reduced debt servicing costs.

Capital outlays by the public trading enterprise sector are expected to decline by 5.4 per cent. Expenditure on new fixed assets is projected to increase by \$38 million but this has been more than offset by a \$82 million reduction in expenditure on land purchases.

REVENUE AND GRANTS RECEIVED

Total revenue and grants received by the public trading enterprise sector are expected to be largely unchanged in 1993-94. Operating revenue of public trading enterprises is expected to reduce by 1.4 per cent as a result of the government's policy to restrain the growth in charges, the impact of the depressed condition of the economy on such areas as SRA freight revenue and sales of electricity to industry, and reduced subsidy payments to the STA.

Operating expenditure of public trading enterprises will increase by 1.8 per cent in 1993-94.

The trend in the operating performance of the State's public trading enterprises is shown in Table 2.2. Between 1988-89 and 1993-94 gross operating surplus (defined as net operating surplus less subsidies received) is expected to increase by some 290 per cent, though there is expected to be a deterioration in 1993-94 compared

with the previous year. It should be noted that the gross operating result differs from the operating result component of the deficit in that it does not take into account interest paid and other current outlays and subsidies received and other current income.

Table 2.2: Gross Operating Surplus of Public Trading Enterprises

	\$Mill
1988-89	274
1989-90	711
1990-91	1,042
1991-92	1,058
1992-93	1,247
1993-94 (f)	1,073

FINANCIAL RESULT

Overall, the public trading enterprise sector is projected to record a surplus of \$433 million, largely unchanged from 1992-93.

Like the general government sector, public trading enterprises show a significant surplus on their operating accounts. In 1993-94 the operating result of the public trading enterprise sector is projected as a surplus of \$1,176 million with the capital result being a deficit of \$743 million. Subsidies from the general government sector form part of the revenue of the public trading enterprise sector and therefore increase the surplus.

Total State Sector

OUTLAYS

In 1993-94 total state outlays are expected to increase by 6.5 per cent. This follows a reduction of 2.4 per cent in 1992-93 as a result of the GIO privatisation. The increase in outlays after adjusting for the GIO sale is 0.8 per cent.

The increase in total outlays in 1993-94 is made up of a 0.8 per cent increase in current outlays and a 45.3 per cent increase in capital outlays. The increase in capital outlays is 0.5 per cent after adjusting for the GIO sale.

Sales of fixed assets and land will total \$673 million in 1993-94 (reflecting the Government's program to dispose of surplus assets and reduce debt). This compares with asset sales of \$814 million in 1992-93 and \$1,364 million in 1988-89.

REVENUE AND GRANTS RECEIVED

Total state revenues (including grants received) are expected to decline by 0.9 per cent in 1993-94. This follows an increase of 6.6 per cent in 1992-93. Own source revenues are expected to decline by 0.5 per cent with revenue from grants declining by 1.6 per cent.

FINANCIAL RESULT

In 1993-94 the financial result for the state sector is expected to total \$889 million. This compares with a surplus of \$735 million in 1992-93 and a deficit of \$1,313 million in 1991-92. The operating result for the total state sector in 1993-94 is expected to remain in a substantial surplus of \$1.8 billion, with the overall deficit reflecting a deficit of \$2.7 billion on the capital account.

3 COMPARISON OF ESTIMATED AND ACTUAL STATE PUBLIC SECTOR OUTLAYS AND REVENUES FOR 1992-93

Variations between actual and projected outlays, revenues and financings for 1992-93 reflect the net product of three factors -

- a minor expansion in the coverage of organisations included in the data. The impact of this is to increase outlays and revenue and the deficit;
- refinement of data to correct for errors and the misclassification of transactions; and
- errors in projections of revenue and outlays.

General Government Sector

In terms of variation between estimated and actual results for 1992-93, the surplus increased from \$162 million to \$283 million. The major variations were as follows:

- Current outlays were higher than budget reflecting the inclusion of the Insurance Ministerial Corporation within the scope of this Budget Paper offset, in part, by lower wage costs and other recurrent expenditures.
- Capital outlays were \$164 million below the estimate reflecting much lower tender prices than allowed for in the estimates and delays in approvals by the Commonwealth in a number of capital works projects. Lower tender prices were a result of the massive decline in activity in the non-residential construction sector during the recession.
- On the revenue side, tax receipts were marginally lower but this was more than offset by higher interest payments and other current revenue.

Public Trading Enterprise and Total State Sectors

The surplus for the public trading enterprise sector, at \$428 million, was \$400 million above projection. This was primarily due to a higher net operating surplus (\$341 million above estimate).

Reflecting the better than projected results for both the general government and public trading enterprise sectors the total state sector surplus was approximately \$700 million better than projected.

Table 3.1: Summary of Estimated and Actual Results for the General Government Sector in 1992-93 ⁽¹⁾

	1992-93 est. \$m	1992-93 actual \$m	% change
Current Outlays	17,013	17,155	0.8
. Final Consumption Expenditure	12,339	12,534	1.6
. Current Transfer Payments	4,674	4,621	(-)1.1
Capital Outlays	1,470	1,306	(-)11.2
. Gross Fixed Capital Expenditure	1,911	1,740	(-)8.9
. Other Capital Outlays	(-)441	(-)434	(-)1.6
Total Outlays	18,483	18,461	(-)0.1
Revenue and Grants Received	18,645	18,744	0.5
. Taxes, Fees and Fines	9,313	9,295	(-)0.2
. Other Own Source Revenues	1,714	1,807	5.4
. Grants Received	7,618	7,642	0.3
Financial Result ⁽²⁾	(162)	(283)	74.7
- Operating Result	72	117	62.5
- Capital Result	(234)	(400)	70.9

(1) Items may not add to totals due to rounding.

(2) Total outlays less revenue and grants received. A positive number represents a deficit, while a negative number represents a surplus.

Table 3.2: Summary of Estimated and Actual Results for the Public Trading Enterprise Sector in 1992-93 ⁽¹⁾

	1992-93 est. \$m	1992-93 actual \$m	% change
Current Outlays	2,047	2,141	4.6
. Interest Payments	1,092	1,059	(-)3.0
. Current Transfer Payments	955	1,081	13.2
Capital Outlays	2,337	2,245	(-)3.9
. Gross Fixed Capital Expenditure	2,398	2,218	(-)3.9
. Other Capital Outlays	(-)61	27	n.a.
Total Outlays	4,384	4,386	Nil
Revenue and Grants Received	2,984	3,280	9.9
. Net Operating Surplus	1,759	2,100	19.4
. Other Own Source Revenues	320	285	-10.9
. Grants Received	906	895	(-)1.2
Financial Result ⁽²⁾⁽³⁾	(-)28	(-)428	1,428.6
- Operating Result	(-)1,319	(-)1,660	25.9
- Capital Result	1,291	1,232	3.2

(1) Items may not add to totals due to rounding.

(2) Total outlays less both revenue and grants received an increases in provisions. A positive number represents a deficit, while a negative number represents a surplus.

Table 3.3: Summary of Estimated and Actual Results for the Total State Sector in 1992-93 ⁽¹⁾

	1992-93 est. \$m	1992-93 actual \$m	% change
Current Outlays	18,154	18,297	0.8
. Final Consumption Expenditure	12,339	12,534	1.6
. Current Transfer Payments	5,815	5,764	(-)0.9
Capital Outlays	3,049	2,696	(-)11.6
. Gross Fixed Capital Expenditure	4,309	3,958	(-)8.1
. Other Capital Outlays	(-)1,260	(-)1,262	0.2
Total Outlays	21,203	20,993	(-)1.0
Revenue and Grants Received	19,814	20,196	1.9
. Taxes, Fees and Fines	9,313	9,295	(-)0.2
. Other Own Source Revenues	2,884	3,304	14.6
. Grants Received	7,617	7,597	(-)0.3
Financial Result ⁽²⁾⁽³⁾	(-)38	(-)735	1,837.2
- Operating Result	(-)1,248	(-)1,657	32.8
- Capital Result	1,210	922	(-)23.8

(1) Items may not add to totals due to rounding.

(2) Total outlays less both revenue and grants received and increases in provisions. A positive number represents a deficit, while a negative number represents a surplus.

4 COMPARISONS ESTIMATES WITH ABS PUBLICATIONS

While in general this Budget Paper adopts the same approach to that used by the ABS in its Government Financial Estimates publication, there are two areas where classification of transactions in this Budget Paper differs from that used in the Australian Bureau of Statistics Government Financial Estimates publication. These areas are -

- the treatment of certain Commonwealth payments where the State acts merely as an agent; and
- the inclusion of Treasury Corporation in the general government sector.

To assist the reader Appendix C provides estimates on a strictly comparable basis to that published by the ABS. It should be noted that the basis of inclusion of Treasury Corporation in the ABS tables has changed from previous years (See discussion below).

Treatment of Certain Commonwealth Payments

For certain Commonwealth payments (higher education, non-government schools and local government tax sharing and road funding) the State essentially acts as an agent of the Commonwealth. In addition to this, the Commonwealth makes direct payments to local government. In the case of these payments the State has no control over the spending nor is it involved in any negotiations concerning funding. Given this, it has been decided to treat these items as trust funds in the tables presented in this publication to avoid any distortions of the State sector.

By contrast, the ABS treats these payments as being undertaken by the State on its own behalf.

Inclusion of Treasury Corporation

Most public sector borrowing in New South Wales is carried out through the Treasury Corporation. For a number of years the ABS classified the State's central borrowing as a public financial enterprise. In 1989 the ABS reclassified Treasury Corporation as a general government authority on the basis that its predominant purpose was to serve the State Government sector.

The detailed estimates provided in this Budget Paper exclude Treasury Corporation from the General Government sector. The decision to adopt this position is based on a number of considerations.

- The activities of Treasury Corporation essentially represent financial intermediation while the rest of the general government sector is composed mainly of core public services. This position has recently been confirmed by the exclusion of central borrowing authorities from Loan

Council controls with only their on lending to other public authorities being included within global limits.

- The inclusion of Treasury Corporation on a cash basis in the general government sector seriously distorts intergovernmental and time series comparison. Given that the main purpose of the government finance statistics is to facilitate these comparisons the inclusion of central borrowing authorities serious impacts on the usefulness of these statistics.

For example, Government Finance Statistic standards require that the discount on loans be recorded as an interest payment at the time of maturity. Given the prevalence of zero coupon securities as well as deeply discounted bonds, cash interest payments each year can vary significantly from year to year, distorting the growth in current outlays and the deficit. While the removal of central borrowing authorities from the general government sector will not completely remove this problem, it will substantially diminish it.

- The application of Government Finance Statistics standards requires that realised gains and losses on debt management transactions should be treated as an adjustment to principal repayments. Given that these gains and losses are offset in present value terms by higher or lower future interest payments (which will be treated as above the line items), the adoption of this approach can seriously distort the recorded deficit.
- The forward estimates of central borrowing authorities are highly influenced by the assumptions made. In fact, differing assumptions can greatly affect the recorded growth in General Government and Total State aggregates.

With the above factors in mind, it is considered inappropriate to include Treasury Corporation in the main estimates contained in this publication. However, Appendix C provides estimates comparable to those published by the ABS. It should be noted that Treasury Corporation has been included in the Appendix C on an accruals basis in line with the treatment adopted by the ABS for other State central borrowing authorities.

Other Differences

Consideration has been given to also departing from the ABS approach of treating asset sales as an offset against capital outlays. Various commentators have argued in the past that asset sales are analogous in economic impact to the sale of financial assets in that there is a transfer of savings from the private sector to the public sector.

While there may be some merit in this argument, it ignores the need to treat transactions in a consistent manner both within the public sector and between the private and public sectors. For example, if asset sales were treated as a financing transaction it would also be necessary to maintain symmetry to treat asset purchases as a financing transaction. Such an approach would produce an anomalous situation whereby the purchase of an asset is treated differently from the construction of an asset.

Given the reasons outlined above the ABS approach of treating asset sales as an offset to capital outlays has been adopted. In previous editions of this Budget Paper large one-off transactions, such as the privatisation of the GIO, have been treated as extraordinary items and excluded from the data so as not to distort the underlying financial trends. Historical data in this publication include these transactions.

5 ECONOMIC TYPE CLASSIFICATION

The economic type classification adopted in this Budget Paper closely follows international conventions as outlined in the ABS publication, "Classification of Government Finance Statistics", Catalogue Number 1217.0.

Classification of Public Sector Entities

Public sector entities in New South Wales can be classified as either General Government Enterprises (GGEs), Public Trading Enterprises (PTEs) or Public Financial Enterprises (PFEs).

GGEs consist of those public sector entities which 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 and transfers 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 (for example, Darling Harbour and Board of Fire Commissioners) fit into this category.

In contrast, public trading enterprises charge for services provided and hence have a broadly commercial orientation. They do not, however, necessarily operate in competitive markets. While public trading enterprises are not required to be fully self funding, a substantial portion of their costs must be met by user charges. The major public trading enterprises in New South Wales are the Electricity Commission, the Water Board and the State Rail Authority.

PFEs are the third category of authorities in the ABS framework. The Government Insurance Office and the State Bank are the major entities in New South Wales operating in this sector. Public financial enterprises are not included in this publication as they operate in competitive markets and at arms length from Government.

The classification of government organisations as between general government enterprises and public trading and public financial enterprises is broadly similar to the distinction between budget and Non Budget Sectors as applied in Budget Papers 2 and 3.

Economic Type Classification

Transactions of public entities can be placed into one of four major economic categories, these categories being subdivided into approximately 150 groups. The four major categories are current outlays, capital outlays, revenue and grants received and financing transactions.

CURRENT OUTLAYS

Current outlays consist of final consumption expenditure and current transfer payments.

Final consumption expenditure is recorded only for the general government sector. This is due to the convention of valuing the services produced by general government on the basis of the costs incurred in providing these services, less any revenues from sales. In effect the general government sector is treated as both a producer and a consumer of publicly provided goods and services on behalf of the community. For other sectors of the economy, consumption expenditure is allocated to the real end user. In the case of the public trading enterprise sector, net receipts from the purchases and sales of goods and services are classified within the revenue and grants received category. The placement of these transactions in this category reflects the fact that these authorities are considered to be producers of goods and services, with consumption of these services recorded in the private sector.

Transfer payments cover transactions such as interest payments, subsidies, personal benefits payments and grants. In these cases there is no exchange of ownership of goods and services. While transfer payments are a very important part of Commonwealth Government current outlays, this is not the case at the State level.

CAPITAL OUTLAYS

Capital outlays can be divided into capital expenditure and capital transfer payments.

Capital expenditure represents expenditure on durable goods intended to be employed in the production process and providing services for longer than one year, net purchases of land and intangible assets and increases in stocks. The sale of fixed assets is offset against new expenditure.

Capital transfer payments can be either in the form of a grant or advance. Advances represent the provision of repayable financial assistance with the intention of furthering a policy objective. Advances are distinguished from investments which are motivated by liquidity management purposes and the need to earn a commercial rate of return.

REVENUE AND GRANTS

Within the revenue and grants category, an important distinction needs to be made between taxes, fees and fines and other forms of revenue.

Taxes are compulsory levies imposed by government in order to raise general revenue. As such there is no linkage between the payment of tax and the provision of goods and services. Taxes should be distinguished from user charges in which there is a clear linkage between the provision of goods and services and the payment of the charge. Examples of user charges include electricity, water and public transport charges.

A major sub-category within revenue and grants received is the net operating surplus of public trading enterprises. It should be noted that, within the economic type framework, interest paid is classified as a current outlay while interest received is classified to its own sub-category within revenue and grants received. Interest paid

exceeds interest received, with the result that the net operating surplus of public trading enterprises, as indicated in this Budget Paper, is substantially higher than that recorded by the authorities concerned in their annual reports. Furthermore subsidies received by public trading enterprises are recorded in this publication as operating revenue.

FINANCING TRANSACTIONS

In contrast to outlays and revenue, which can be termed 'above the line' items, financing transactions involve changes in financial assets and liabilities and, as such, can be considered 'below the line' items. Total financing transactions is defined as current and capital outlays less revenue and grants received.

Within this Budget Paper financing transactions have been divided into five categories -

- net advances received;
- net borrowings;
- increases in investment, currency and deposits;
- increases in provisions; and
- other financing transactions.

The deficit is defined as the difference between cash outlays and cash receipts. That is, it represents total financing transactions less any increases in provisions. It represents the call on savings by the State public sector (including the call on the savings of the Commonwealth).

The Net Financing Requirement (NFR) is defined as total financing transactions less both net advances received and increases in provisions. The NFR represents the direct call of the New South Wales public sector on the savings of the private economy. Net advances received are deducted when calculating the NFR to avoid double counting, since they form an outlay of the sector making the advance.

Within both the deficit and the NFR a distinction can be made between that part which results from current outlays and revenues and that part which results from capital outlays and revenues. The operating deficit and NFR are calculated as current outlays less both current revenue and increases in provisions. The capital deficit is calculated as capital outlays less capital revenue with the capital NFR also taking into account net advances received.

Appendix A provides further details of the terms used in this Budget Paper.

APPENDIX A - DEFINITION OF KEY TERMS

Sectors

GENERAL GOVERNMENT SECTOR

The general government sector comprises enterprises which are principally engaged in the production of goods and services outside the normal market mechanism. Goods and services are produced for consumption by governments and the general public, with the cost of production being financed from public revenue and/or charges which are below the cost of production.

PUBLIC TRADING ENTERPRISE SECTOR

The public trading enterprise sector comprises enterprises which are principally engaged in the production of goods and services for sale in the market with the intention of maximising profits and financial returns to their owners or, at least, recovering all or a significant proportion of their operating costs.

STATE GOVERNMENT SECTOR

This sector combines the operations of general government and public trading enterprises. It should be noted that when combining these two sectors most intra-sector transactions are eliminated or consolidated.

Outlays

GENERAL GOVERNMENT FINAL CONSUMPTION EXPENDITURE

Represents the value of output produced by the general government sector, measured in terms of the cost of goods and services, less revenue from the sale of output.

CURRENT TRANSFER PAYMENTS

Represents current payments where there is no exchange of goods and services. This category includes interest payments, subsidies, personal benefit payments and grants.

GROSS FIXED CAPITAL EXPENDITURE

Represents net expenditure on durable goods intended to be employed in the production process for longer than one year. This item excludes expenditure on land and intangible assets (e.g. patents and copyrights) which is classified to Purchase of Land and Intangible Assets respectively.

SALES OF FIXED ASSETS AND PREVIOUSLY RENTED DWELLINGS

Represents the proceeds from the sale of fixed assets and previously rented dwellings. This item does not include proceeds from the sale of land and intangible assets which is classified to Sale of Land and Intangible Assets.

INCREASE IN STOCKS

Represents the net increase in stocks of materials, stores etc.

EXPENDITURE ON LAND AND INTANGIBLE ASSETS

Represents purchases less sales of land and intangible assets such as patents and copyrights. It should be noted that the profit associated with land development which forms an integral part of the operations of an authority is classified as an offset to general government final consumption expenditure or as part of the net operating surplus of public trading enterprises.

PURCHASE OF LAND AND INTANGIBLE ASSETS

Represents the purchase of vacant land, and land with improvements where the improvements can be identified separately or have no value to the purchaser (e.g. for road construction), and the outright purchase of intangible assets. The purchase of land and buildings as a package is normally classified as a purchase of fixed assets unless the land can be valued separately.

SALES OF LAND AND INTANGIBLE ASSETS

Represents the proceeds from the sale of land and intangible assets (e.g. patents, copyrights etc). The land value of land and buildings sold is normally classified to Sales of Fixed Assets unless a separate value for the land component can be identified.

CAPITAL TRANSFER PAYMENTS

Represents capital grants made by public authorities with the aim of meeting part of the cost of capital expenditure of the recipient and other transfers which are not solely associated with operations of a particular year.

ADVANCES

Represents the net creation of financial assets (i.e. an increase in the indebtedness to government units) with the aim of furthering a policy objective. It is distinguished from investments which are motivated for reasons of liquidity management and the need to earn a return.

Revenue and Grants Received

TAXES, FEES AND FINES

Taxes represent compulsory levies imposed by government designed mainly to raise revenue. There is usually no clear and direct link between payment of taxes and the provision of goods and services. Taxes are classified as follows:

- . Taxes on employers' payroll and labour forces - represents payroll tax.
- . Taxes on property - covers taxes on the use or ownership of property, and taxes on property transfers.
- . Taxes on provision of goods and services - covers taxes on the production, sale, transfer, leasing or delivery of goods and rendering of services.
- . Taxes on use of goods and performance of activities - covers taxes levied as part of authorising the performance of particular activities, for example licences and permits.

Fees represent levies which are not designed primarily to raise general revenue and which are associated with the granting of a permit or privilege or regulation of activity.

Fines represent civil and criminal penalties imposed on law breakers, other than penalties imposed by taxing authorities which are classified as taxes.

NET OPERATING SURPLUS

Represents the net operating surplus of public trading enterprises, being the excess of the value of output over costs incurred in producing that output. The costs incurred in producing output include depreciation charges but exclude interest, dividends, land rent, royalties and direct taxes.

PROPERTY INCOME AND OTHER NET REVENUE

Represents public sector revenue other than operating surpluses of public trading enterprises and taxes, fees and fines.

GRANTS RECEIVED

Represents current and capital grants received from other units in the non-financial public sector.

Financing Transactions

NET ADVANCES RECEIVED

Represents advances (net of repayments) received from other authorities of the non-financial public sector (see above for definition of Advances).

NET DOMESTIC AND OVERSEAS BORROWING

Represents gross borrowing less the repayment of past borrowing. Gross borrowing is the creation of liabilities through the sale of bonds and bills in the capital markets or by raising loans through direct agreements with lenders. Gross borrowing excludes the receipt of advances from other government units which are classified to Net Advances Received.

INCREASE IN INVESTMENTS, CURRENCY AND DEPOSITS

Investments represent the creation of financial assets (through lending money) for the purpose of earning a return and managing liquidity. They are distinct from advances which are motivated by specific policy objectives (see above for the definition of Advances).

Currency and deposits represents notes and coins on hand and funds held in the form of an account with financial institutions which is recoverable on demand or at relatively short notice.

INCREASE IN PROVISIONS

Represents increased provisions for depreciation, employee entitlements, deferred maintenance and doubtful debts.

OTHER FINANCING TRANSACTIONS

Represents the balance of financing transactions including movements in deposits received as well as debtors and creditors.

DEFICIT

Represents the difference between cash outlays and cash revenue and grants received, and is the amount of public sector expenditure which is required to be financed. It is calculated as total financing transactions less increases in provisions.

NET FINANCING REQUIREMENT

Represents the direct call of the state public sector on the saving of the economy and is calculated as total financing transactions less both net advances received, which form part of the financing requirement of another sector, and increases in provisions.

The operating Financing Requirement is defined as current outlays less both current revenue and increases in provisions. The capital Net Financing Requirement is defined as capital outlays less both Capital Revenue, Capital Grants Received and Net Advances Received.

**APPENDIX B - DETAILED GOVERNMENT FINANCE STATISTICS ESTIMATES
- 1988-89 TO 1993-94.**

Table 1: General Government Sector - Outlays, Revenue and Financing Transactions

ECONOMIC TYPE CLASSIFICATION	1988-89	1989-90	1990-91	1991-92	1992-93 prelim	1993-94 est
	\$m	\$m	\$m	\$m	\$m	\$m
Current Outlays	12,786	14,114	15,200	16,558	17,155	17,352
General government final consumption expenditure	9,091	9,965	10,808	11,635	12,534	12,830
Current transfer payments	3,695	4,149	4,392	4,922	4,621	4,522
Interest payments	1,317	1,970	1,905	2,014	1,906	1,793
- On Commonwealth advances	789	818	809	739	621	497
- Other	528	1,152	1,096	1,275	1,285	1,296
Subsidies paid to enterprises	1,317	986	985	1,387	1,096	970
- Subsidies paid to public trading enterprises	1,140	809	841	917	833	718
- Subsidies paid to other enterprises	176	177	143	469	263	252
Personal benefit payments	526	612	840	863	857	851
Current grants to local government	141	132	148	61	56	53
Other current transfer payments	394	449	515	598	707	856
Capital Outlays	1,454	2,615	2,361	2,202	1,306	3,048
Gross fixed capital expenditure	1,475	1,753	1,772	1,551	1,740	1,953
Expenditure on new and secondhand fixed assets	1,574	1,942	1,972	1,696	2,100	2,071
Sales of fixed assets and previously rented dwellings	99	189	200	145	360	118
Increase in stocks	30	32	28	(-1)	...	12
Expenditure on land and intangible assets (net)	(-333)	(-31)	61	(-59)	(-26)	(-30)
Purchase of land and intangible assets	159	262	211	99	137	109
Sales of land and intangible assets	492	293	150	158	164	139
Capital transfer payments	386	737	961	1,032	1,036	1,411
Capital grants to local government	90	117	137	111	132	130
Capital grants to state public trading enterprises	284	617	783	839	877	1,230
Other capital grants and transfer payments	12	3	41	83	27	52
Advances paid (net)	(-103)	124	(-460)	(-321)	(-1,444)	(-298)
Advances to local government (net)	11	152	1	(-37)	(-13)	(-118)
Advances to state public trading enterprises (net)	(-116)	(-144)	(-477)	(-264)	(-66)	(-24)
Other advances (net)	(-98)	17	16	(-20)	(-1,365)	(-157)

Table 1: General Government Sector - Outlays, Revenue and Financing Transactions (Cont.)

ECONOMIC TYPE CLASSIFICATION	1988-89	1989-90	1990-91	1991-92	1992-93 prelim	1993-94 est
	\$m	\$m	\$m	\$m	\$m	\$m
Revenue and Grants Received	14,805	15,972	16,682	17,382	18,744	19036
Taxes, fees and fines	7,503	7,977	8,270	8,827	9,295	9,683
Property income and other revenue (net)	1,095	1,493	1,530	1,674	1,807	1,830
Income from public trading enterprises (net)	100	147	430	690	792	938
Income from public financial enterprises	167	148	114	107	65	77
Interest received	500	599	585	435	406	338
Other property income and other current revenue	313	443	387	429	523	456
Capital revenue	15	157	14	14	20	21
Grants received	6,207	6,502	6,883	6,881	7,642	7,522
Current grants received	5,340	5,470	5,667	5,844	5,956	6,406
- From Commonwealth	5,339	5,468	5,644	5,844	5,956	6,406
- Other	1	2	23	1	...	...
Capital grants received	867	1,032	1,216	1,036	1,686	1,116
- From Commonwealth	858	1,006	1,206	1,035	1,641	1,065
- Other	9	26	10	1	45	51
Financing Transactions	(-)565	758	879	1,377	(-)283	1,364
Net advances received	(-)53	(-)107	(-)400	(-)935	(-)1,171	(-)391
- From Commonwealth	(-)62	(-)112	(-)400	(-)910	(-)1,169	(-)390
- Other	10	4	1	(-)25	(-)2	(-)1
Net domestic and overseas borrowings	138	508	1,168	1,440	1,305	1,275
Increases in investments, currency and deposits	1,192	363	29	376	(-)514	(-)469
Other financing transactions (net)	541	720	139	1,248	(-)931	11
Deficit(a)	(-)565	757	879	1,377	(-)283	1,364
Operating result	(-)1,137	(-)669	(-)252	225	117	(-)546
Capital result	572	1,426	1,131	1,152	(-)400	1,910

For footnotes see Table 3.

Table 2: Public Trading Enterprises Sector - Outlays, Revenue and Financing Transactions

ECONOMIC TYPE CLASSIFICATION	1988-89	1989-90	1990-91	1991-92	1992-93 prelim	1993-94 est
	\$m	\$m	\$m	\$m	\$m	\$m
Current Outlays	1,987	1,668	1,911	2,013	2,141	2,195
Current transfer payments	1,987	1,668	1,911	2,013	2,141	2,195
Interest payments	1,785	1,393	1,351	1,181	1,059	988
Income transferred by public trading enterprises	127	165	425	665	909	1,012
Other current transfer payments	76	110	135	167	172	195
Capital Outlays	1,016	994	1,750	2,070	2,245	2,123
Gross fixed capital expenditure	1,495	1,178	1,800	2,040	2,218	2,256
Expenditure on new and secondhand fixed assets	1,750	1,781	2,031	2,624	2,377	2,417
Sales of fixed assets and previously rented dwellings	254	603	231	584	160	161
Increase in stocks	(-)103	(-)3	(-)6	32	(-)42	(-)1
Expenditure on land and intangible assets (net)	(-)393	(-)169	(-)55	22	26	(-)180
Purchase of land and intangible assets	126	104	96	153	156	74
Sales of land and intangible assets	519	272	151	131	130	254
Capital transfer payments	17	23	16	1	45	50
Capital grants to local government	...	...	4	...	...	...
Other capital grants and transfer payments	17	23	12	1	45	50
Advances paid (net)	...	(-)35	(-)4	(-)25	(-)2	(-)1
Advances to local government (net)	...	...	...	...	...	...
Other advances (net)	...	(-)35	(-)4	(-)25	(-)2	(-)1

Table 2: Public Trading Enterprises Sector - Outlays, Revenue and Financing Transactions (Cont.)

ECONOMIC TYPE CLASSIFICATION	1988-89	1989-90	1990-91	1991-92	1992-93 prelim	1993-94 est
	\$m	\$m	\$m	\$m	\$m	\$m
Revenue and Grants Received	2,081	2,585	3,100	3,219	3,280	3,286
Net operating surplus of PTEs	1,422	1,526	1,873	1,965	2,100	1,790
Operating revenue	8,114	8,429	10,522	10,876	10,907	10,753
- Charges for goods and services	6,967	7,614	9,691	9,969	10,054	10,036
- Subsidies received	1,148	815	831	907	853	717
Operating expenditure	6,693	6,903	8,649	8,911	8,807	8,963
- Depreciation charges	928	940	1,132	1,359	1,437	1,374
- Other operating expenditure	5,764	5,963	7,517	7,552	7,370	7,589
Property income and other revenue (net)	366	429	432	402	285	261
Interest received	215	327	318	263	166	114
Other property income and other current revenue	15	10	4	14	2	2
Capital revenue	135	92	109	125	117	146
Grants received	294	631	795	853	895	1,235
Capital grants received	294	631	795	853	895	1,235
- From state general government sector	292	628	795	853	895	1,235
- Other	2	2	...	...	...	...
Financing Transactions	922	77	561	863	1,106	1,032
Net advances received	(-20)	(-34)	(-455)	(-292)	(-96)	(-23)
- From state general government sector	(-20)	(-34)	(-455)	(-292)	(-95)	(-23)
- Other	...	...	...	...	...	...
Net domestic and overseas borrowings	317	(-879)	(-33)	52	(-553)	(-322)
Increases in investments, currency and deposits	518	157	(-40)	141	(-119)	84
Increase in provisions	1,239	1,122	998	1,259	1,533	1,465
Other financing transactions (net)	(-97)	25	11	(-15)	102	(-4)
Deficit^(a)	(-317)	(-1,045)	(-437)	(-396)	(-428)	(-433)
Operating result	(-904)	(-1,316)	(-1,282)	(-1,488)	(-1,660)	(-1,176)
Capital result	587	271	846	1,092	1,232	743

For footnotes see Table 3.

Table 3: Total State Sector - Outlays, Revenue and Financing Transactions

ECONOMIC TYPE CLASSIFICATION	1988-89	1989-90	1990-91	1991-92	1992-93 prelim	1993-94 est
	\$m	\$m	\$m	\$m	\$m	\$m
Current Outlays	14,461	15,431	16,528	17,793	18,297	18,457
General government final consumption expenditure	9,091	9,965	10,808	11,635	12,534	12,836
Current transfer payments	5,370	5,466	5,720	6,158	5,764	5,621
Interest payments	2,916	3,177	3,098	3,083	2,876	2,697
- On Commonwealth advances	789	818	809	739	621	497
- Other	2,127	2,359	2,289	2,344	2,255	2,199
Subsidies paid to enterprises	1,317	986	985	1,387	1,096	990
Personal benefit payments	526	612	840	863	857	851
Current grants to local government	141	132	148	61	56	53
Other current transfer payments	470	559	650	764	879	1,031
Capital Outlays	2,189	3,014	3,799	3,721	2,696	3,916
Gross fixed capital expenditure	2,970	2,930	3,572	3,592	3,958	4,209
Expenditure on new and secondhand fixed assets	3,323	3,723	4,003	4,320	4,478	4,488
Sales of fixed assets and previously rented dwellings	353	792	431	728	520	279
Increase in stocks	(-73)	29	21	32	(-42)	10
Expenditure on land and intangible assets (net)	(-726)	(-200)	6	(-38)	(-1)	(-210)
Purchase of land and intangible assets	285	365	307	252	293	184
Sales of land and intangible assets	1,011	565	301	290	294	394
Capital transfer payments	105	121	184	194	159	181
Capital grants to local government	90	117	141	111	132	130
Other capital grants and transfer payments	14	4	43	83	27	52
Advances paid (net)	(-87)	133	16	(-58)	(-1,378)	(-275)
Advances to local government (net)	11	152	1	(-37)	(-13)	(-118)
Other advances (net)	(-98)	(-19)	16	(-21)	(-1,366)	(-157)

Table 3: Total State Sector - Outlays, Revenue and Financing Transactions (Cont.)

ECONOMIC TYPE CLASSIFICATION	1988-89	1989-90	1990-91	1991-92	1992-93 prelim	1993-94 est
	\$m	\$m	\$m	\$m	\$m	\$m
Revenue and Grants Received	16,348	17,620	18,380	18,942	20,196	20,019
Taxes, fees and fines	7,503	7,977	8,270	8,827	9,295	9,689
Net operating surplus	1,422	1,526	1,873	1,965	2,100	1,790
Property income and other revenue (net)	1,223	1,634	1,364	1,270	1,204	1,068
Income from public financial enterprises	167	148	114	107	65	77
Interest received	578	785	737	581	479	367
Other property income and other current revenue	328	453	391	443	525	457
Capital revenue	150	248	123	139	134	167
Grants received	6,200	6,483	6,873	6,881	7,597	7,472
Current grants received	5,340	5,470	5,667	5,844	5,956	6,406
- From Commonwealth	5,339	5,468	5,644	5,844	5,956	6,406
- Other	1	2	23	1	...	...
Capital grants received	861	1,013	1,206	1,036	1,641	1,066
- From Commonwealth	858	1,008	1,206	1,035	1,641	1,065
- Other	2	6	...	1	...	1
Financing Transactions	302	825	1,947	2,572	798	2,354
Net advances received	(-)53	(-)108	(-)400	(-)910	(-)1,170	(-)390
- From Commonwealth	(-)63	(-)112	(-)400	(-)910	(-)1,170	(-)390
- Other	10	4	1	...	...	...
Net domestic and overseas borrowings	456	(-)371	1,141	1,492	752	953
Increases in investments, currency and deposits	1,690	547	(-)7	414	(-)604	(-)390
Increase in provisions	1,239	1,122	998	1,259	1,533	1,465
Other financing transactions (net)	349	728	201	1,145	(-)922	(-)64
Deficit^(a)	(-)938	(-)297	949	1,313	(-)735	889
Operating result	(-)2,115	(-)2,049	(-)1,520	(-)1,233	(-)1,657	(-)1,794
Capital result	1,178	1,753	2,469	2,546	922	2,683

(a) Financing Transactions minus Increase in Provisions.
 ... Nil or less than \$500,000.

APPENDIX C - DETAILED ESTIMATES FOR 1992-93 AND 1993-94 - AUSTRALIAN BUREAU OF STATISTICS BASIS

**Table 1: General Government Sector - Outlays, Revenue and Financing
Transactions (ABS basis)**

ECONOMIC TYPE CLASSIFICATION	1992-93 prelim. \$m	1993-94 est. \$m
Current Outlays	19,753	19,798
General government final consumption expenditure	13,526	13,935
Interest payments	2,615	2,208
Other current payments	3,611	3,655
Capital Outlays	1,619	3,203
Gross fixed capital expenditure	1,846	2,012
Capital grants	1,179	1,508
Advances	(-)1,377	(-)298
Other capital outlays	(-)29	(-)19
Revenue and Grants Received	21,561	21,698
Taxes, fees and fines	9,295	9,683
Property income and other revenue (net)	2,498	2,303
Grants received	9,768	9,711
Financing Transactions	(-)189	1,303
Net advances received	(-)1,171	(-)391
Net domestic and overseas borrowings	(-)113	1,525
Other financing transactions (net)	1,095	169
Deficit (a)	(-)189	1,303
Net Financing Requirement (b)	982	1,694

- (a) For the general government sector this equals Financing Transactions.
(b) Financing Transactions minus Net Advances Received.

Table 2: Public Trading Enterprises - Outlays, Revenue and Financing Transactions (ABS basis)

ECONOMIC TYPE CLASSIFICATION	1992-93 prelim. \$m	1993-94 est. \$m
Current Outlays	2,141	2,195
Interest payments	1,059	988
Other current transfer payments	1,082	1,207
Capital Outlays	2,245	2,123
Gross fixed capital expenditure	2,218	2,256
Capital grants	45	50
Advances	(-)2	(-)1
Other capital outlays	(-)16	(-)181
Revenue and Grants Received	3,280	3,286
Net operating surpluses of PTEs	2,100	1,790
Property income and other revenue (net)	285	261
Grants received	895	1,235
Financing Transactions	1,106	1,032
Net advances received	(-)96	(-)23
Net domestic and overseas borrowings	(-)553	(-)322
Increase in provisions	1,533	1,465
Other financing transactions (net)	222	(-)88
Deficit (a)	(-)428	(-)433
Net Financing Requirement (b)	(-)332	(-)410

(a) Financing Transactions minus Increase in Provisions.

(b) Financing Transactions minus both Net Advances Received and Increase in Provisions.

Table 3: State Government Sector - Outlays, Revenue and Financing Transactions (ABS basis)

ECONOMIC TYPE CLASSIFICATION	1992-93 prelim. \$m	1993-94 est. \$m
Current Outlays	20,895	20,896
General government final consumption expenditure	13,526	13,935
Interest payments	3,585	3,112
Other current transfer payments	3,783	3,850
Capital Outlays	3,009	4,072
Gross fixed capital expenditure	4,064	4,268
Capital grants	302	278
Advances	(-)1311	(-)275
Other capital outlays	(-)45	(-)200
Revenue and Grants Received	22,953	22,625
Taxes, fees and fines	9,295	9,683
Net operating surpluses of PTEs	2,100	1,790
Property income and other revenue (net)	1,835	1,491
Grants received	9,723	9,661
Financing Transactions	951	2,343
Net advances received	(-)1170	(-)390
Net domestic and overseas borrowings	(-)666	1,204
Increase in provisions	1,533	1,465
Other financing transactions (net)	1,207	4
Deficit (a)	(-)582	878
Net Financing Requirement (b)	588	1268

(a) Financing Transactions minus Increase in Provisions.

(b) Financing Transactions minus both Net Advances Received and Increase in Provisions.

**Table 5: Current Outlays of the Total State Sector by Function,
1992-93 and 1993-94 - ABS Basis**

FUNCTION	1992-93	1993-94
	prelim.	est.
	\$m	\$m
General Public Services	1,533	1,587
Public Order and Safety	1,577	1,642
Education	5,755	6,083
Health	3,683	3,801
Social Security and Welfare	1,007	1,092
Housing and Community amenities	567	497
Recreation and Culture	337	349
Fuel an Energy	112	94
Agriculture, Foresrty and Fishing	447	455
Mining, Manufacturing and Construction	19	17
Transport and Communications	1,787	1,499
Other Economic Affairs	489	592
Other Purposes	3,582	3,188
TOTAL CURRENT OUTLAYS	20,895	20,896

**Table 6: Capital Outlays of the Total State Sector by Function,
1992-93 and 1993-94 - ABS Basis**

FUNCTION	1992-93	1993-94
	prelim.	est.
	\$m	\$m
General Public Services	37	78
Public Order and Safety	149	93
Education	475	426
Health	321	315
Social Security and Welfare	42	31
Housing and Community amenities	882	881
Recreation and Culture	216	334
Fuel an Energy	480	310
Agriculture, Foresrty and Fishing	113	113
Mining, Manufacturing and Construction	(-)-8	-
Transport and Communications	1,533	1,553
Other Economic Affairs	4	-66
Other Purposes	(-)-1,236	3
TOTAL CAPITAL OUTLAYS	3,009	4,072

**Table 6: Total Outlays of the Total State Sector by Function,
1992-93 and 1993-94 - ABS Basis**

FUNCTION	1992-93 prelim.	1993-94 est.
	\$m	\$m
General Public Services	1,570	1,665
Public Order and Safety	1,726	1,735
Education	6,231	6,509
Health	4,004	4,116
Social Security and Welfare	1,049	1,123
Housing and Community amenities	1,449	1,379
Recreation and Culture	553	683
Fuel and Energy	592	404
Agriculture, Forestry and Fishing	560	568
Mining, Manufacturing and Construction	11	17
Transport and Communications	3,320	3,052
Other Economic Affairs	493	526
Other Purposes	2,347	3,191
TOTAL OUTLAYS	23,904	24,968

Table 7: Taxes, Fees and Fines - ABS Basis

TAXES, FEES AND FINES CLASSIFICATION	1992-93 prelim. \$m	1993-94 est. \$m
Taxes on Employers' Payroll and Labour Forces	2,329	2,426
Taxes on Property	2,611	2,686
Land Tax	549	477
Other Taxes on Immovable Property	122	74
Estate, Inheritance and Gift Taxes	...	...
Stamp Duties on Financial and Capital Transactions	1,476	1,663
Financial Institutions Transaction Taxes	449	457
Government Borrowing Levies	16	15
Taxes on Provision of Goods and Services	1,489	1,500
Levies on Statutory Authorities	12	14
Taxes on Gambling	834	847
Taxes on Insurance	643	693
Taxes on the Use of Goods and the Performance of Activities	2,309	2,479
Motor Vehicle Taxes	997	1,063
Franchise Taxes	1,294	1,396
Other Taxes on the Use of Goods and the Performance of Activities	20	21
Fees and Fines	555	592
Other Fees	360	394
Fines	194	198
TOTAL TAXES, FEES AND FINES	9,294	9,863

Note: Items may not add to totals due to rounding.

APPENDIX E - PUBLIC SECTOR ENTITIES CLASSIFIED BY SECTOR

General Government Sector

BUDGET SECTOR AGENCIES

Aboriginal Affairs, Office of
 Agriculture, Department of
 Archives Authority of New South Wales
 Art Gallery of New South Wales
 Arts, Ministry for the
 Attorney General's Department
 Australian Museum
 Bush Fire Services, Department of
 Business and Regional Development, Department of
 Cabinet Office
 Casino Control Authority
 Chief Secretary's Department
 Chief Secretary and Minister for Administrative Services, Office of
 Coal Compensation Board
 Community Services, Department of (includes Home Care Service)
 Conservation and Land Management, Department of
 Consumer Affairs, Department of
 Corrective Services, Department of
 Courts Administration, Department of
 Crime Commission, New South Wales
 Crown Transactions
 Education and Youth Affairs, Ministry of
 Energy, Office of
 Environment Protection Authority of New South Wales
 Ethnic Affairs Commission
 Film and Television Office, New South Wales
 Fire Brigades, New South Wales
 Fisheries, New South Wales
 Government Actuary
 Government Pricing Tribunal
 Health, Department of
 Historic Houses Trust
 Home Fund Commissioner's Office
 Independent Commission Against Corruption
 Industrial Relations, Employment, Training and Further Education,
 Department of
 Judicial Commission of New South Wales
 Justice Planning and Co-ordination, Office of
 Juvenile Justice, Office of
 Legal Aid Commission of New South Wales
 Legislature, The
 Local Government and Co-operatives, Department of
 Mineral Resources, Department of
 Museum of Applied Arts and Sciences
 National Parks and Wildlife Service
 Ombudsman's Office

BUDGET SECTOR AGENCIES (cont)

Parliamentary Counsel's Office
 Planning, Department of
 Police and Emergency Services, Ministry for
 Police Service, The New South Wales
 Premier's Department
 Public Prosecutions, Office of the Director of
 Public Works and Roads, Office of Minister for
 Roads and Traffic Authority
 Royal Botanic Gardens and Domain Trust
 Rural Assistance Authority
 School Education, Department of
 Sport, Recreation and Racing, Department of
 Social Policy Directorate
 State Electoral Office
 State Emergency Service
 Status and Advancement of Women, Office of
 State Library
 TAFE Commission, New South Wales
 Tourism Commission
 Transport, Department of
 Treasury, New South Wales
 Urban Parks Authority
 Water Resources, Department of

NON BUDGET SECTOR**Commercial Activities of Budget Sector Agencies**

Adult Migrant Education Services
 Archives Authority of New South Wales, Government Records Repository
 Conservation and Land Management, Department of, SoilBusiness
 School Education, Department of, School Furniture Complex
 State Electoral Office, Statutory and Industrial Ballots and Local Government
 Elections
 Treasury, New South Wales, Internal Audit Bureau
 Department of Courts Administration, State Compensation Court
 Conservation and Land Management, Department of, Land Titles Office
 Conservation and Land Management, Department of, Valuer General's Office
 Consumer Affairs, Department of, Registrar of Encumbered Vehicles

Non Budget Sector Agencies

Aboriginal Land Council, New South Wales
 Aboriginal Land Councils, Regional
 Agricultural Scientific Collections Trust
 Air Transport Council
 Albury-Wodonga (NSW) Corporation
 Anzac Memorial Building, Trustees of
 Architects of New South Wales, Board of
 Auditor-General's Office
 Banana Industry Committee
 Barristers and Solicitors Admission Board

Non Budget Sector Agencies (cont)

Building and Construction Industry Long Service Leave Payments Corporation
 Building Services Corporation
 Cancer Council of New South Wales
 Capital Works Financing Corporation
 Chipping Norton Lake Authority
 City West Development Corporation
 Coal and Oil Shale Mine Workers Superannuation Tribunal
 Coal Miners Superannuation Fund
 Coal Mining Industry Long Service Leave Trust Fund
 Coastal Council of New South Wales
 Commercial Services Group, All business units
 Darling Harbour Authority
 Dairy Industry Conference
 Dental Board
 Dried Fruits Board
 Dumaresq-Barwon Border Rivers Commission
 Education and Training Foundation, NSW
 Election Funding Authority
 Entertainment Industry Interim Council
 Financial Institutions Commission, New South Wales
 Forestry Commission
 Geological and Mining Museum Trust
 Grain Handling Ministerial Corporation
 Greyhound Racing Control Board
 Harness Racing Authority of New South Wales
 Health Professional Registration Boards
 Heritage Conservation Fund
 Home Purchase Assistance Fund
 Homebush Bay Development Corporation
 Honeysuckle Development Corporation
 Housing, Department of
 Hunter Valley Conservation Trust
 Insurers Contribution Fund
 Insurers Guarantee Fund
 Jenolan Caves Reserve Trust
 Law Reporting, Council of
 Lake Illawarra Authority
 Lord Howe Island Board
 Meat Industry Authority NSW
 Medical Board, New South Wales
 Mines Subsidence Board
 Mines Rescue Board
 Ministerial Development Corporation
 Motor Accidents Authority
 Motor Vehicle Repair Industry Council
 Newcastle Showground and Exhibition Centre Trust
 Newcastle International Sports Centre Trust
 Pharmacy Board
 Premiums Adjustment Fund
 Protective Commissioner
 Property Services Group (includes Office of Economic Development)
 Public Trustee
 Public Works Department

General Government Non Budget Sector Agencies (cont)

Real Estate Services Council
 Registrar of Births, Deaths and Marriages
 Rental Bond Board
 Somersby Park Pty Ltd
 State Compensation Court
 State Sports Centre
 State Superannuation, Investment and Management Corporation
 Suitors Fund
 Surveyors, Board of
 Sydney Cove Redevelopment Authority
 Sydney Regional Development Fund
 Tick Control, Board of
 Tow Truck Industry Council of New South Wales
 Upper Parramatta River Catchment Trust
 Veterinary Surgeons Board of New South Wales
 Wild Dog Destruction Board
 Wollongong Sportsground Trust
 WorkCover Authority
 Workmen's Compensation (Broken Hill) Act Joint Committee
 Worker's Compensation (Dust Diseases) Board

Public Trading Enterprises

Broken Hill Water Board
 Cobar Water Board
 Dairy Corporation, NSW
 Eastern Creek Paceway
 ENC Management Pty Limited
 Elcom Collieries
 Fish Marketing Authority, NSW
 Fish River Water Supply Authority
 Grain Corporation of NSW (privatised)
 Homebush Bay Ministerial Corporation
 Hunter Water Corporation
 Huntley Collieries
 Land and Housing Corporation
 Lotteries, NSW
 Maritime Services Board of New South Wales
 Newcom Collieries
 Pacific Power
 Parramatta Stadium Trust
 Public Servant Housing Authority of NSW
 South-West Tablelands Water Supply Authority
 State Rail Authority
 State Transit Authority

Public Trading Enterprises (cont)

Sydney Cricket and Sports Ground Trust

Sydney Electricity

Sydney Market Authority

Sydney Opera House Trust

Teacher Housing Authority

Totalisator Agency Board of NSW

Water Resources, Department of, Lachlan Region Irrigation District

Water Resources, Department of, Lower Murray/Darling Region Irrigation Areas

Water Resources, Department of, Murray Region Irrigation Area and Districts

Water Resources, Department of, Murrumbi

