

APPENDIX A: GOVERNMENT FINANCE STATISTICS STATEMENTS

Financial tables presented in this Appendix are prepared in accordance with the Australian Bureau of Statistics' (ABS) accrual Government Finance Statistics (GFS) framework.

The tables include an operating statement, balance sheet, cash flow statement and statement of other economic flows for the Australian Government general government sector.

The Australian, State and Territory Governments have an agreed framework – the *Accrual Uniform Presentation Framework* – for the presentation of government financial information on a basis consistent with the ABS GFS publication. This Appendix presents Australian Government data on an ABS GFS basis, as required by the *Accrual Uniform Presentation Framework*, except for the departures (other than in relation to the treatment of goods and services tax (GST)) detailed in Attachment A.

The only difference between the Australian Government general government sector statements in Attachment B and this Appendix is the treatment of the GST. The tables in this Appendix show GST as taxation revenue and payments to the States and Territories (the States) as grant expenses.

As a result of the different treatments of GST related transactions, fiscal balance, net operating balance and net worth estimates in this Appendix differ from those reported elsewhere in this document. This difference represents the effect of GST revenue accrued but not yet received and, therefore, not yet paid or payable to the States (as GST obligations to the States are on a cash basis).¹ The cash flows presented in this Appendix include GST (except in respect to GST flows internal to the general government sector), whereas the cash flows presented elsewhere in this document do not. The GFS cash surplus/deficit is not affected and provides identical results under both treatments of GST receipts.

Tables A5 and A6 of this Appendix provide reconciliations between key GFS aggregates and their Australian Accounting Standards counterparts.

¹ Table A6 shows the difference in the net operating and fiscal balance estimates resulting from the two treatments. The change in expenses when moving between the two GFS presentations of the estimates is less than the change in revenue.

Table A1: Australian Government general government sector operating statement

	Estimates		Projections	
	2007-08	2008-09	2009-10	2010-11
	\$m	\$m	\$m	\$m
GFS revenue				
Taxation revenue	279,399	293,440	309,060	318,885
Current grants and subsidies	0	0	0	0
Sales of goods and services	5,191	5,322	5,452	5,567
Interest income	4,656	4,440	5,570	6,502
Dividend income	2,707	4,017	4,003	4,384
Other	3,447	3,467	3,609	3,751
Total GFS revenue	295,401	310,685	327,693	339,089
GFS expenses				
Gross operating expenses				
Depreciation	2,483	2,651	2,762	2,767
Superannuation	2,675	2,724	2,805	2,945
Salaries and wages	15,122	15,005	15,430	15,830
Payment for supply of goods and services	58,111	61,784	64,930	66,881
Other operating expenses	3,314	3,537	3,678	3,882
<i>Total gross operating expenses</i>	<i>81,705</i>	<i>85,701</i>	<i>89,605</i>	<i>92,304</i>
Nominal superannuation interest expense	6,276	6,319	6,470	6,723
Other interest expenses	3,992	3,911	3,886	3,737
Other property expenses	0	0	0	0
Current transfers				
Grant expenses	87,464	93,128	97,005	100,636
Subsidy expenses	7,317	7,552	7,836	8,148
Personal benefit payments in cash	84,500	89,795	94,957	100,934
Other current transfers	0	0	0	0
<i>Total current transfers</i>	<i>179,280</i>	<i>190,475</i>	<i>199,799</i>	<i>209,718</i>
Capital transfers	7,035	7,793	7,496	7,350
Total GFS expenses	278,290	294,200	307,256	319,832
Net operating balance(a)	17,111	16,485	20,437	19,257
Net acquisition of non-financial assets				
Purchases of non-financial assets	3,720	4,333	3,670	3,449
<i>less</i> Sales of non-financial assets	<i>256</i>	<i>252</i>	<i>250</i>	<i>92</i>
<i>less</i> Depreciation	<i>2,483</i>	<i>2,651</i>	<i>2,762</i>	<i>2,767</i>
<i>plus</i> Change in inventories	<i>238</i>	<i>221</i>	<i>188</i>	<i>212</i>
<i>plus</i> Other movements in non-financial assets	<i>378</i>	<i>116</i>	<i>115</i>	<i>148</i>
Total net acquisition of non-financial assets	1,597	1,766	961	950
Net lending/fiscal balance(a)(b)	15,515	14,719	19,476	18,307

(a) The fiscal balance and net operating balance estimates in this table differ from those presented elsewhere in the PEFO reflecting the treatment of the GST as an Australian Government tax.

(b) The term fiscal balance is not used by the ABS.

Table A2: Australian Government general government sector balance sheet

	Estimates		Projections	
	2007-08	2008-09	2009-10	2010-11
	\$m	\$m	\$m	\$m
GFS assets				
Financial assets				
Cash and deposits	577	592	457	791
Advances paid	25,013	26,132	27,062	28,197
Investments, loans and placements	57,039	74,542	91,902	100,089
Other non-equity assets	30,646	30,578	31,363	32,756
Equity(a)	72,191	74,229	77,567	81,154
<i>Total financial assets</i>	<i>185,466</i>	<i>206,072</i>	<i>228,350</i>	<i>242,986</i>
Non-financial assets				
Land	6,940	6,972	6,900	7,016
Buildings	16,981	18,258	19,122	20,062
Plant, equipment and infrastructure	10,932	11,085	11,049	10,785
Inventories	3,486	3,610	3,788	3,971
Heritage and cultural assets	8,245	8,258	8,280	8,294
Other non-financial assets	3,094	3,213	3,256	3,311
<i>Total non-financial assets</i>	<i>49,678</i>	<i>51,395</i>	<i>52,395</i>	<i>53,438</i>
Total GFS assets	235,143	257,467	280,746	296,424
GFS liabilities				
Deposits held	263	263	263	263
Advances received	0	0	0	0
Government securities	59,288	59,469	58,917	50,947
Loans	7,085	6,801	6,556	6,610
Other borrowing	365	824	784	741
Superannuation liability	106,879	110,654	114,379	118,158
Other employee entitlements and provisions	8,479	8,829	9,204	9,645
Other non-equity liabilities	26,383	26,726	26,863	27,405
Total GFS liabilities	208,741	213,565	216,966	213,768
Net worth(b)(c)	26,402	43,902	63,780	82,656
Net financial worth(d)	-23,275	-7,493	11,385	29,218
Net debt(e)(f)	-15,628	-33,908	-52,901	-70,516

(a) Equity includes share holdings of the Future Fund.

(b) The net worth estimates in this table differ from those presented elsewhere in the PEFO reflecting the treatment of GST as an Australian Government tax.

(c) Net worth is calculated as total assets minus total liabilities.

(d) Net financial worth equals total financial assets minus total liabilities. That is, it excludes non-financial assets.

(e) Net debt equals the sum of deposits held, advances received, government securities, loans and other borrowing, minus the sum of cash and deposits, advances paid, and investments, loans and placements.

(f) Includes the impact of the sale of the Government's holding in Telstra. The net debt estimate in 2007-08 assumes that the Future Fund will be increasingly invested in equities, which are not included in the calculation of net debt.

Table A3: Australian Government general government sector cash flow statement^(a)

	Estimates		Projections	
	2007-08 \$m	2008-09 \$m	2009-10 \$m	2010-11 \$m
Cash receipts from operating activities				
Taxes received(b)	274,113	287,563	303,088	312,665
Receipts from sales of goods and services(c)	5,188	5,338	5,448	5,560
Grants and subsidies received	0	0	0	0
Interest receipts	4,476	4,158	5,279	6,205
Dividends	2,692	4,017	3,983	4,434
GST input credits received by general government(c)	0	0	0	0
Other receipts	3,146	3,352	3,505	3,650
Total operating receipts	289,615	304,428	321,302	332,514
Cash payments for operating activities				
Payments for goods and services(c)	-58,032	-61,565	-64,702	-66,783
Grants and subsidies paid(d)	-99,202	-104,670	-109,621	-113,657
Interest paid	-3,646	-3,594	-3,472	-4,472
Personal benefit payments	-83,994	-89,530	-94,803	-100,636
Salaries, wages and other entitlements	-20,074	-20,222	-20,888	-21,663
GST payments by general government to taxation authority(c)	0	0	0	0
Other payments for operating activities	-3,272	-3,517	-3,577	-3,682
Total operating payments	-268,220	-283,097	-297,063	-310,892
Net cash flows from operating activities	21,395	21,331	24,239	21,622
Cash flows from investments in non-financial assets				
Sales of non-financial assets	301	258	254	88
Purchases of non-financial assets	-3,943	-3,702	-3,568	-3,371
Net cash flows from investments in non-financial assets	-3,642	-3,443	-3,313	-3,283
Net cash flows from investments in financial assets for policy purposes	4,550	891	-1,806	-2,008
Cash flows from investments in financial assets for liquidity purposes				
Increase in investments	-24,884	-18,415	-18,010	-8,773
Net cash flows from investments in financial assets for liquidity purposes	-24,884	-18,415	-18,010	-8,773
Cash flows from financing activities				
Advances received (net)	0	0	0	0
Borrowing (net)	2,542	167	-699	-6,995
Deposits received (net)	0	0	0	0
Other financing (net)	-540	-516	-546	-229
Net cash flows from financing activities	2,002	-349	-1,245	-7,224
Net increase/decrease in cash held	-579	15	-135	334

Table A3: Australian Government general government sector cash flow statement^(a) (continued)

	Estimates		Projections	
	2007-08	2008-09	2009-10	2010-11
	\$m	\$m	\$m	\$m
Net cash from operating activities and investments in non-financial assets	17,753	17,887	20,926	18,339
Finance leases and similar arrangements(e)	-4	-502	-6	0
Equals surplus(+)/deficit(-)	17,749	17,386	20,920	18,338

(a) A positive number denotes a cash inflow; a negative sign denotes a cash outflow.

(b) Includes GST cash receipts on an Australian Government tax basis, which is \$47 million higher in 2007-08 than GST cash receipts measured on a State tax basis.

(c) GST flows are excluded from these categories.

(d) Includes GST cash payments on an Australian Government tax basis.

(e) The acquisition of assets under finance leases decreases the surplus or increases the deficit. The disposal of assets previously held under finance leases increases the surplus or decreases the deficit.

Table A4: Australian Government general government sector statement of other economic flows (reconciliation of net worth)

	Estimates		Projections	
	2007-08	2008-09	2009-10	2010-11
	\$m	\$m	\$m	\$m
Opening net worth	2,689	26,402	43,902	63,780
Opening net worth adjustments(a)	8,291	0	0	0
Adjusted opening net worth	10,980	26,402	43,902	63,780
Change in net worth from operating transactions	17,111	16,485	20,437	19,257
Change in net worth from other economic flows				
Revaluation of equity(b)	608	3,866	2,627	2,917
Net writedowns of assets (including bad and doubtful debts)	-2,229	-2,338	-2,595	-2,704
Assets recognised for the first time	7	4	19	12
Liabilities recognised for the first time	0	0	0	0
Actuarial revaluations	0	0	0	0
Net foreign exchange gains	0	0	0	0
Net swap interest received	-113	-127	-109	-99
Market valuation of debt	-381	152	117	125
Other economic revaluations(c)	419	-543	-619	-632
Total other economic flows	-1,689	1,014	-559	-381
Closing net worth	26,402	43,902	63,780	82,656

(a) Adjustment to net worth arising mainly from a change in accounting policy for education grants. For further details refer to the 2007-08 MYEFO.

(b) Revaluations of equity reflect changes in the market valuation of investments. This line also reflects any revaluations at the point of disposal or sale.

(c) Largely reflects revaluation of assets and liabilities.

Table A5: Reconciliation of GFS and AAS revenue and expenses

	Estimates		Projections	
	2007-08 \$m	2008-09 \$m	2009-10 \$m	2010-11 \$m
GFS revenue (Appendix A)	295,401	310,685	327,693	339,089
<i>less GST revenue for States and Territories</i>	43,530	46,650	48,990	51,620
GFS revenue (Attachment B)	251,871	264,035	278,703	287,469
<i>plus asset revenue recognised for the first time</i>	207	104	119	112
<i>plus foreign exchange gains</i>	0	0	0	0
<i>plus other economic revaluations</i>	451	2,938	3,686	3,948
<i>plus proceeds from the sale of assets</i>	36	1,529	5	7
<i>plus swap interest revenue</i>	1,620	1,275	1,029	785
AAS income (Appendix B)	254,186	269,881	283,542	292,322
GFS expenses (Appendix A)	278,290	294,200	307,256	319,832
<i>less GST grants to States and Territories</i>	42,250	45,270	47,670	50,130
<i>less GST mutually agreed write-downs</i>	200	215	230	240
GFS expenses (Attachment B)	235,840	248,715	259,356	269,462
<i>plus actuarial revaluations</i>	-1	-1	-1	0
<i>plus net write-down of assets/bad and doubtful debts</i>	2,250	1,963	2,190	2,274
<i>plus foreign exchange losses</i>	0	0	0	0
<i>plus other economic adjustments</i>	220	300	322	220
<i>plus value of assets sold</i>	0	0	0	0
<i>plus swap interest expense</i>	1,734	1,402	1,137	884
<i>plus defence weapons platforms depreciation</i>	2,738	2,740	2,597	2,476
<i>less defence weapons platforms investment</i>	4,217	5,787	6,581	6,441
AAS expenses (Appendix B)	238,563	249,332	259,021	268,874

Table A6: Reconciliation of AAS net operating result and fiscal balance

	Estimates		Projections	
	2007-08 \$m	2008-09 \$m	2009-10 \$m	2010-11 \$m
AAS operating result (Appendix B)	15,623	20,549	24,522	23,448
Net differences from revenue and expense definitions	1,488	-4,064	-4,084	-4,190
GFS net operating balance (Appendix A)	17,111	16,485	20,437	19,257
<i>less</i> purchase of property, plant and equipment and intangibles	7,933	9,617	10,245	9,890
<i>less</i> assets acquired under finance leases	4	502	6	0
<i>less</i> other non-financial assets	423	121	120	143
<i>less</i> increase in inventories	238	221	188	212
<i>plus</i> defence weapons platforms investment	4,217	5,787	6,581	6,441
<i>plus</i> proceeds from sales of property, plant and equipment and intangibles	301	257	254	88
<i>plus</i> depreciation and amortisation	5,221	5,391	5,359	5,242
<i>less</i> weapons depreciation	2,738	2,740	2,597	2,476
Fiscal balance (GFS net lending) (Appendix A)(a)	15,515	14,719	19,476	18,307
<i>Impact of GST</i>	-1,080	-1,165	-1,090	-1,250
Fiscal balance (GFS net lending) (Attachment B)(a)	14,435	13,554	18,386	17,057

(a) The fiscal balance estimates in Appendix A are higher than those presented elsewhere in this document, as explained in the introduction to this Appendix.

