



**UNIFORM FINANCIAL INFORMATION**  
**SOUTH AUSTRALIA**  
**2000-2001**

*Presented by the  
Honourable Rob Lucas MLC  
Treasurer of South Australia  
on the Occasion of the Budget  
for 2000-2001*



# UNIFORM STATISTICAL PRESENTATION

## 1. INTRODUCTION

The presentation of South Australian Government financial information must serve the needs of many users, including the Parliament, the Government, individual government agencies, external analysts and commentators, and the general public.

No single budget presentation can serve all these needs. A variety of different budget presentations, based essentially on the same body of budget data, is therefore necessary.

The three main types of reporting requirements for public sector entities, and governments as a whole, are:

- general purpose financial reports
- modified Government Financial Statistics (GFS) based cash reporting
- uniform presentation framework reporting.

Each reporting type plays an important role in ensuring the accountability of the Government and its agencies to the Parliament and the public of South Australia, and in providing information to other users of government financial information. The following discussion provides an overview of each reporting type including the coverage of public sector entities. This is followed by an analysis of the differences in the treatment of certain transactions between the three types of reporting.

## 2. GENERAL PURPOSE FINANCIAL REPORTS

Consolidated general purpose financial reports are produced annually on an accrual accounting basis. Reporting frameworks for individual agencies are based on Australian Accounting Standards and in particular AAS29 *Financial Reporting by Government Departments*, while whole of government financial reporting is subject to AAS31 *Financial Reporting by Government*.

### Scope

#### *Budget Reporting*

The Portfolio Statements present budget information for each portfolio on an accrual basis, in accordance with these standards. The accrual position outlook and forward estimates of the non commercial sector is presented in Chapter 3 of the Budget Statement. The non commercial sector includes all general government agencies and non commercial public sector trading enterprises.

#### *Actual Reporting*

To meet reporting requirements of AAS31, actual results for the preceding financial year are presented for the whole of government in the *Consolidated Financial Statements* publication, comprising all public sector entities that are controlled by the Government of South Australia. This coverage is wider than the non commercial sector and includes commercial sector entities and financial sector entities. A summary of the actual outcome for 1998-99 is presented in Chapter 7 of the Budget Statement.

### **3. MODIFIED GFS BASED CASH REPORTING**

The 2000-01 Budget is the third year of a four-year plan announced in the 1998-99 Budget. Following the recommendations of the Commission of Audit (1994), the fiscal measure adopted by the Government was the non commercial deficit, based on GFS principles as defined by the Australian Bureau of Statistics at that time. The non commercial sector continues to be the focus of the 2000-01 Budget despite the introduction of accrual-based GFS by the Australian Bureau of Statistics, in April 2000 (discussed in the following section).

#### **Scope**

##### ***Budget Reporting***

The 2000-01 Budget outlook and forward estimates for the non commercial sector deficit are presented in Chapter 2 of the Budget Statement.

##### ***Actual Reporting***

Actual outcomes are presented on the modified GFS cash basis in the *Budget Outcome* document for the non commercial sector. This document is released in September/October each year.

#### **Modified GFS**

Under GFS cash based reporting, net advances are included below the line as a financing transaction and thus excluded from the deficit figure. The South Australian underlying non commercial sector deficit measure includes net advances, but excludes asset sales and items considered abnormal, for example TVSP payments.

### **4. UNIFORM PRESENTATION FRAMEWORK (UPF)**

By agreement between the Commonwealth and the States, each jurisdiction presents financial information on a uniform presentation framework basis with their budget papers, as well as a mid-year update for Loan Council purposes. The ABS also publishes annual government financial information for all Australian government jurisdictions on this basis each year. This document presents South Australian budget information on a uniform presentation framework basis, reflecting the scope and presentation outlined below.

The primary objective of the UPF is to ensure that Commonwealth, State and Territory governments provide a common “core” of financial information in their budget papers to enable more meaningful comparisons of each government’s budget papers and financial results.

The UPF is based on the reporting standards of the Australian Bureau of Statistics GFS framework. ABS format and standards are in turn derived from international GFS frameworks such as the International Monetary Fund draft manual of *Government Financial Statistics* and the *United Nations System of National Accounts 1993* (SNA93). The UPF has been revised in April 2000 to adopt accrual reporting consistent with changes at the international level and is presented within the three primary statements: operating statement, balance sheet and cash flow statement.

## **Scope**

The UPF groups the Australian public sector into three institutional sub-sectors: the general government sector, the public non-financial corporations sector; and the public financial corporations sector.

General government comprises all government departments, offices and other bodies engaged in providing services free of charge or at prices significantly below their cost of production.

Public non-financial corporations comprises bodies mainly engaged in the production of goods and services for sale in the market place at prices that aim to recover most of the costs involved. It includes some trading enterprises, including Passenger Transport Board and SA Housing Trust, classified as non commercial in the South Australian Budget Papers.

Public financial corporations are bodies primarily engaged in the provision of financial intermediation services and are able to incur financial liabilities on their own account.

### ***Budget Reporting***

Under the new UPF agreement, all governments are required to present as part of their budget documentation an operating statement, balance sheet and cash flow statement for the general government sector, public non-financial corporations sector and the non-financial public sector. The non-financial public sector is the consolidation of the general government and the public non-financial corporations sectors. In addition, information is also presented on taxes, general government sector expenses by function and Loan Council Allocations.

This information is presented in the tables at the end of this document.

### ***Actual Reporting***

In addition to the tables presented at budget time, actual reporting contains the accrual financial statements for the public financial corporations and the total public sector. The total public sector consolidates the general government, the public non-financial corporations sector and the public financial corporations sector. Total public sector reporting is also known as the whole of government reporting.

## **5. RECONCILIATION OF REPORTING TYPES**

The following table describes the differences in the treatment of transactions between the different types of reporting discussed above.

<b>Accruals Based AAS 31 Operating Surplus/(Deficit)</b>		
<i>minus</i>	Capitalised interest	In reports prepared under AAS 31, capitalised interest forms part of capital expenditure and is not included in the Operating Surplus (Deficit). In GFS, capitalised interest is not considered to be conceptually part of capital formation. It is reflected as an interest expense in GFS output and is therefore included in the Net Operating Balance.
<i>minus</i>	Dividends paid	In GFS, distributions paid refers to transfers by public enterprises to their parent entities and other shareholders in the form of dividends, transfers of profits or other similar distributions. These are regarded as expenses and included in GFS Net Operating Balance to generate, as closely as possible, the SNA Savings plus Capital Transfers aggregate. Under AAS1 (Profit and Loss or other Operating Statements), distributions paid do not form part of operating expenses. They are disclosed after the operating result less income tax in the operating statement.
<i>plus/minus</i>	Adjustment for abnormal/ extraordinary items	All abnormal items recorded in the period are included in the measure of AAS 31 Operating Surplus (Deficit) for that period. They are, however, disclosed separately because of their unusual impact on the operating result. In GFS, only abnormal items that represent revenue and expense transactions relevant to the period are included in the Net Operating Balance for that period. Those abnormal items that represent revaluations of assets or economic transactions relevant to other periods are not included in the Net Operating Balance for the period.
<i>plus/minus</i>	Gains/losses on assets	Gains and losses on assets are excluded from GFS Net Operating Balance but included in AAS 31 Operating Surplus (Deficit). Such gains and losses, recorded as revenue in the AAS 31 operating statement, include profit and loss on the sale of assets, realised and unrealised gains and losses on derivative financial instruments, and realised and unrealised gains and losses on securities valued at historic cost. These items are treated as revaluations in GFS output.  In relation to superannuation, all "revaluation" items other than a nominal interest expense on unfunded liability are removed.
<i>minus</i>	Bad debts written off	An adjustment for those bad debts written off from provisions and treated as capital transfers in GFS is required when reconciling AAS 31 Operating Surplus (Deficit) with GFS Net Operating Balance.
<i>Plus</i>	Provisions for bad and doubtful debts	Provisions for doubtful debts accounts for anticipated doubtful debts expensed during the period. Provisions are excluded from GFS Net Operating Balance as they do not meet the definition of transactions but are included in AAS 31 Operating Surplus (Deficit). In GFS, bad debts written off are treated as capital transfers (if mutually agreed between debtor and creditor) or as other changes in the volume of assets (if unilaterally written off by the creditor).

<b><i>Equals</i></b>	<b>GFE Accruals Net Operating Balance</b>	
<i>Minus</i>	Capital expenditure	The net acquisition of non financial assets is deducted from the net operating balance in order to arrive at a measure known as net lending/borrowing, or Fiscal Balance. This aggregate is then conceptually similar to the cash based surplus (deficit), which was the result of both operating and capital cash flows.
<i>plus</i>	Depreciation	
<i>plus/minus</i>	Change in inventories	
<i>plus/minus</i>	Other movements in non-financial assets	
<b><i>equals</i></b>	<b>Accrual Based GFE Fiscal Balance</b>	
<i>plus/minus</i>	Timing adjustments	The main difference between the Fiscal Balance and the cash based surplus (deficit) are timing differences relating to the recognition of income and expenditure items.  In addition, the cash based surplus (deficit) includes all cash payments relating to funding of superannuation, whereas the Fiscal Balance includes only expense items relating to new service superannuation and a nominal superannuation interest expense.
<i>plus/minus</i>	Adjustments to reflect cash payments relating to funding superannuation (nominal interest expenses on unfunded superannuation liability is included in Fiscal Balance).	
<b><i>equals</i></b>	<b>Cash Based GFE Surplus/(Deficit)</b>	

Source: ABS, Information Paper (draft for comment): Government Financial Statistics, Catalogue 5517.0

## 6. UNIFORM PRESENTATION FRAMEWORK TABLES

**Table 1 General Government Sector Operating Statement**

	1999-2000 Estimated Result \$m	2000-01 Budget \$m	2001-02 Estimate \$m	2002-03 Estimate \$m	2003-04 Estimate \$m
<b>GFS Revenue <sup>(a)</sup></b>					
Taxation Revenue	2 682	2 025	1 970	2 040	2 111
Current Grants and Subsidies	3 308	4 090	4 352	4 512	4 600
Capital Grants	2	2	2	2	1
Sales of goods and services	863	828	842	844	850
Interest	236	215	176	173	177
Other Revenue	3 441	692	630	590	662
<i>Total Revenue</i>	<u>10 532</u>	<u>7 852</u>	<u>7 972</u>	<u>8 161</u>	<u>8 401</u>
<i>less</i> <b>GFS Expenses <sup>(b)</sup></b>					
Gross operating expenses <sup>(c)</sup>	5 463	5 308	5 457	5 665	5 891
Nominal superannuation interest expense	281	293	301	309	316
Other interest expenses	618	502	384	370	366
Other property expenses	188	227	228	229	229
Current transfers <sup>(c)</sup>	1 558	1 503	1 525	1 529	1 534
Capital transfers <sup>(c)</sup>	85	121	102	96	72
<i>Total expenses</i>	<u>8 193</u>	<u>7 954</u>	<u>7 997</u>	<u>8 198</u>	<u>8 408</u>
<i>equals</i> <b>GFS net operating balance</b>	<u>2 339</u>	<u>(102)</u>	<u>(25)</u>	<u>(37)</u>	<u>(7)</u>
<i>less</i> <b>Net acquisition of non-financial assets</b>					
Gross fixed capital formation	518	503	535	516	517
less Depreciation	(342)	(355)	(356)	(361)	(368)
plus Change in inventories	2	2	1	2	2
plus Other movements in non-financial assets	-	-	-	-	-
<i>equals</i> Total net acquisition of non-financial assets	<u>178</u>	<u>150</u>	<u>180</u>	<u>157</u>	<u>151</u>
<i>equals</i> <b>GFS Net lending / Borrowing (Fiscal balance) <sup>(d)</sup></b>	<u>2 161</u>	<u>(252)</u>	<u>(205)</u>	<u>(194)</u>	<u>(158)</u>

(a) GFS revenue is not equal to AAS31 revenue. GFS revenue includes all (mutually agreed) transactions that increase net worth. Revaluations are not considered mutually agreed transactions, and so are excluded from GFS revenue.

(b) GFS expenses is not equal to AAS31 expenses. AAS31 expenses include all transactions that decrease net worth.

(c) These lines are disaggregated further in ABS GFS reporting.

(d) GFS net lending also equals net transactions in financial assets less net transactions in liabilities. The term 'fiscal balance' is not used by the ABS.

**Table 2 Public Non-financial Corporation Sector Operating Statement**

	1999-2000 Estimated Result \$m	2000-01 Budget \$m
<b>GFS Revenue</b> <sup>(a)</sup>		
Taxation Revenue	-	-
Current Grants and Subsidies	424	394
Capital Grants	44	42
Sales of goods and services	2 261	1 344
Interest	11	10
Other Revenue	59	65
<i>Total Revenue</i>	<u>2 799</u>	<u>1 855</u>
<b>less GFS Expenses</b> <sup>(b)</sup>		
Gross operating expenses <sup>(c)</sup>	1 879	1 181
Nominal superannuation interest expense	1	1
Other interest expenses	170	186
Other property expenses	42	45
Current transfers <sup>(c)</sup>	242	250
Capital transfers <sup>(c)</sup>	3	4
<i>Total expenses</i>	<u>2 337</u>	<u>1 667</u>
<i>equals</i> <b>GFS net operating balance</b>	<u>462</u>	<u>188</u>
<b>less Net acquisition of non-financial assets</b>		
Gross fixed capital formation	253	177
less Depreciation	(233)	(231)
plus Change in inventories	-	-
plus Other movements in non-financial assets	-	-
<i>equals</i> Total net acquisition of non-financial assets	<u>20</u>	<u>(54)</u>
<i>equals</i> <b>GFS Net lending / Borrowing (Fiscal balance)</b> <sup>(d)</sup>	<u>442</u>	<u>242</u>

(a) GFS revenue is not equal to AAS31 revenue. GFS revenue includes all (mutually agreed) transactions that increase net worth. Revaluations are not considered mutually agreed transactions, and so are excluded from GFS revenue.

(b) GFS expenses is not equal to AAS31 expenses. AAS31 expenses include all transactions that decrease net worth.

(c) These lines are disaggregated further in ABS GFS reporting.

(d) GFS net lending also equals net transactions in financial assets less net transactions in liabilities. The term 'fiscal balance' is not used by the ABS.

**Table 3 Non-financial Public Sector Operating Statement**

	1999-2000 Estimated Result \$m	2000-01 Budget \$m
<b>GFS Revenue</b> <sup>(a)</sup>		
Taxation Revenue	2 559	2 016
Current Grants and Subsidies	3 303	4 087
Capital Grants	31	27
Sales of goods and services	2 684	1 763
Interest	178	159
Other Revenue	409	574
<i>Total Revenue</i>	<u>9 164</u>	<u>8 626</u>
<b>less GFS Expenses</b> <sup>(b)</sup>		
Gross operating expenses <sup>(c)</sup>	6 958	5 931
Nominal superannuation interest expense	282	294
Other interest expenses	711	612
Other property expenses	211	229
Current transfers <sup>(c)</sup>	1 304	1 434
Capital transfers <sup>(c)</sup>	48	97
<i>Total expenses</i>	<u>9 514</u>	<u>8 597</u>
<i>equals</i> <b>GFS net operating balance</b>	<u>(350)</u>	<u>29</u>
<b>less Net acquisition of non-financial assets</b>		
Gross fixed capital formation	(2360)	721
less Depreciation	(575)	(586)
plus Change in inventories	2	2
plus Other movements in non-financial assets	-	-
<i>equals</i> Total net acquisition of non-financial assets	<u>(2933)</u>	<u>137</u>
<i>equals</i> <b>GFS Net lending / Borrowing (Fiscal balance)</b> <sup>(d)</sup>	<u>2 583</u>	<u>(108)</u>

(a) GFS revenue is not equal to AAS31 revenue. GFS revenue includes all (mutually agreed) transactions that increase net worth. Revaluations are not considered mutually agreed transactions, and so are excluded from GFS revenue.

(b) GFS expenses is not equal to AAS31 expenses. AAS31 expenses include all transactions that decrease net worth.

(c) These lines are disaggregated further in ABS GFS reporting.

(d) GFS net lending also equals net transactions in financial assets less net transactions in liabilities. The term 'fiscal balance' is not used by the ABS.

**Table 4 General Government Sector Balance Sheet**

	1999-2000 Estimated Result \$m	2000-01 Budget \$m	2001-02 Estimate \$m	2002-03 Estimate \$m	2003-04 Estimate \$m
<b>Assets</b>					
Financial Assets					
Cash and deposits	2 438	1 469	1 563	1 684	1 759
Advances paid	-	-	-	-	-
Investments, loans and placements	1 184	1 150	1 091	1 060	1 030
Other non-equity assets	316	321	300	263	241
Equity	626	606	602	597	591
<b>Total financial assets</b>	<b>4 564</b>	<b>3 546</b>	<b>3 556</b>	<b>3 604</b>	<b>3 621</b>
Non-financial assets					
Land and fixed assets	8 656	8 802	8 978	9 134	9 275
Other non-financial assets	283	282	281	277	281
<b>Total non-financial assets</b>	<b>8 939</b>	<b>9 084</b>	<b>9 259</b>	<b>9 411</b>	<b>9 556</b>
<b>Total assets</b>	<b>13 503</b>	<b>12 630</b>	<b>12 815</b>	<b>13 015</b>	<b>13 177</b>
<b>Liabilities</b>					
Deposits held	287	303	312	413	218
Advances received	-	-	-	-	-
Borrowing	5 370	4 390	4 415	4 533	4 605
Superannuation liability <sup>(a)</sup>	4 114	4 229	4 359	4 463	4 532
Other employee entitlements and provisions	780	788	814	835	861
Other non-equity liabilities	1 172	1 242	1 262	1 155	1 352
<b>Total liabilities</b>	<b>11 723</b>	<b>10 952</b>	<b>11 162</b>	<b>11 399</b>	<b>11 568</b>
<b>Net worth</b>	<b>1 780</b>	<b>1 678</b>	<b>1 653</b>	<b>1 616</b>	<b>1 609</b>
Net financial worth <sup>(b)</sup>	(7159)	(7406)	(7606)	(7795)	(7947)
Net debt <sup>(c)</sup>	2 035	2 074	2 073	2 202	2 034

(a) This line includes unfunded superannuation.

(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 5 Public Non-financial Corporation Sector Balance Sheet**

	1999-2000 Estimated Result \$m	2000-01 Budget \$m
<b>Assets</b>		
Financial Assets		
Cash and deposits	181	171
Advances paid	-	-
Investments, loans and placements	9	16
Other non-equity assets	130	150
Equity	16	16
Assets to be classified		
Total financial assets	<u>336</u>	<u>353</u>
Non-financial assets		
Land and fixed assets	11 704	11 650
Other non-financial assets	796	796
Total non-financial assets	<u>12 500</u>	<u>12 446</u>
Total assets	<u>12 836</u>	<u>12 799</u>
<b>Liabilities</b>		
Deposits held	45	44
Advances received	-	-
Borrowing	2 335	2 371
Superannuation liability <sup>(a)</sup>	27	25
Other employee entitlements and provisions	68	52
Other non-equity liabilities	549	307
Total liabilities	<u>3 024</u>	<u>2 799</u>
<b>Net worth</b>	<u>9 812</u>	<u>10 000</u>
Net financial worth <sup>(b)</sup>	(2688)	(2446)
Net debt <sup>(c)</sup>	<u>2 190</u>	<u>2 228</u>

(a) This line includes unfunded superannuation.

(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 6 Non-financial Public Sector Balance Sheet**

	1999-2000 Estimated Result \$m	2000-01 Budget \$m
<b>Assets</b>		
Financial Assets		
Cash and deposits	2 547	1 583
Advances paid	-	-
Investments, loans and placements	218	232
Other non-equity assets	286	228
Equity	166	147
Total financial assets	<u>3 217</u>	<u>2 190</u>
Non-financial assets		
Land and fixed assets	20 360	20 452
Other non-financial assets	1 015	1 076
Total non-financial assets	<u>21 375</u>	<u>21 528</u>
Total assets	<u>24 592</u>	<u>23 718</u>
<b>Liabilities</b>		
Deposits held	181	194
Advances received	-	-
Borrowing	6 809	5 922
Superannuation liability <sup>(a)</sup>	4 142	4 254
Other employee entitlements and provisions	846	840
Other non-equity liabilities	1 540	1 384
Total liabilities	<u>13 518</u>	<u>12 594</u>
<b>Net worth</b>	11 074	11 123
Net financial worth <sup>(b)</sup>	(10301)	(10405)
Net debt <sup>(c)</sup>	4 226	4 302

(a) This line includes unfunded superannuation.

(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 7 General Government Sector Cash Flow Statement**

	1999-2000 Estimated Result \$m	2000-01 Budget \$m	2001-02 Estimate \$m	2002-03 Estimate \$m	2003-04 Estimate \$m
<b>Cash receipts from operating activities</b>					
Taxes received	2 682	2 025	1 970	2 040	2 111
Receipts from sales of goods and services	883	829	845	852	855
Grants/subsidies received	3 310	4 092	4 354	4 514	4 601
Other receipts	4 145	1 097	947	900	1 004
<i>Total receipts</i>	<u>11 020</u>	<u>8 043</u>	<u>8 116</u>	<u>8 306</u>	<u>8 571</u>
<b>Cash payments for operating activities</b>					
Payment for goods and services	5 292	5 274	5 499	5 721	5 981
Grants and subsidies paid	682	754	667	638	628
Interest paid	616	497	379	367	365
Other payments	989	1 032	1 025	1 050	1 071
<i>Total payments</i>	<u>7 579</u>	<u>7 557</u>	<u>7 570</u>	<u>7 776</u>	<u>8 045</u>
<i>Net cash flows from operating activities</i>	<u>3 441</u>	<u>486</u>	<u>546</u>	<u>530</u>	<u>526</u>
<b>Net cash flows from investments in non-financial assets</b>					
Sales of non-financial assets	50	35	30	25	29
less Purchases of non-financial assets <sup>(a)</sup>	565	535	561	538	542
<i>Net cash flows from investments in non-financial assets</i>	<u>(515)</u>	<u>(500)</u>	<u>(531)</u>	<u>(513)</u>	<u>(513)</u>
<b>Net cash flows from investments in financial assets for policy purposes <sup>(b)</sup></b>	396	40	19	25	33
<b>Net cash flows from investments in financial assets for liquidity purposes</b>	183	1	10	(7)	(8)
<b>Net cash flows from financing activities</b>					
Advances received (net)	-	-	-	-	-
Borrowing (net)	(2491)	(963)	63	121	65
Deposits received (net)	(273)	7	-	1	3
Other financing (net)	(20)	(22)	(17)	(17)	(18)
<i>Net cash flows from financing activities</i>	<u>(2784)</u>	<u>(978)</u>	<u>46</u>	<u>105</u>	<u>50</u>
<b>Net increase (decrease) in cash held</b>	<u>721</u>	<u>(951)</u>	<u>90</u>	<u>140</u>	<u>88</u>
<b>Net cash from operating activities and investments in non-financial assets</b>	2 926	(14)	15	17	13
less Finance leases and similar arrangements	-	-	-	-	-
<b>Surplus (+) / deficit (-) <sup>(c)</sup></b>	<u>2 926</u>	<u>(14)</u>	<u>15</u>	<u>17</u>	<u>13</u>

(a) The ABS disaggregates this item into new and secondhand non-financial assets.

(b) Includes equity acquisitions, disposals and privatisations (net).

(c) Conceptually, the surplus/deficit aggregate contained in the cash flow statement is the same as the deficit measure obtained under the cash UPF. However, in practice, the process of deriving these aggregates differs so that the measures are not directly comparable. Time-series data created by splicing these measures together should therefore be used with caution.

**Table 8 Public Non-financial Corporation Sector Cash Flow Statement**

	1999-2000 Estimated Result \$m	2000-01 Budget \$m
<b>Cash receipts from operating activities</b>		
Taxes received	-	-
Receipts from sales of goods and services	2 543	1 369
Grants/subsidies received	468	436
Other receipts	48	30
<i>Total receipts</i>	<u>3 059</u>	<u>1 835</u>
<b>Cash payments for operating activities</b>		
Payment for goods and services	1 825	942
Grants and subsidies paid	3	35
Interest paid	195	158
Other payments	211	244
<i>Total payments</i>	<u>2 234</u>	<u>1 379</u>
<i>Net cash flows from operating activities</i>	<u>825</u>	<u>456</u>
<b>Net cash flows from investments in non-financial assets</b>		
Sales of non-financial assets	77	82
less Purchases of non-financial assets <sup>(a)</sup>	330	259
<i>Net cash flows from investments in non-financial assets</i>	<u>(253)</u>	<u>(177)</u>
<b>Net cash flows from investments in financial assets for policy purposes <sup>(b)</sup></b>	-	-
<b>Net cash flows from investments in financial assets for liquidity purposes</b>	(2)	(1)
<b>Net cash flows from financing activities</b>		
Advances received (net)	-	4
Borrowing (net)	(6)	37
Deposits received (net)	-	-
Other financing (net)	(577)	(329)
<i>Net cash flows from financing activities</i>	<u>(583)</u>	<u>(288)</u>
<b>Net increase (decrease) in cash held</b>	<u>(13)</u>	<u>(10)</u>
<b>Net cash from operating activities and investments in non-financial assets</b>	572	279
less Finance leases and similar arrangements	-	-
<b>Surplus (+) / deficit (-) <sup>(c)</sup></b>	<u>572</u>	<u>279</u>

(a) The ABS disaggregates this item into new and secondhand non-financial assets.

(b) Includes equity acquisitions, disposals and privatisations (net).

(c) Conceptually, the surplus/deficit aggregate contained in the cash flow statement is the same as the deficit measure obtained under the cash UPF. However, in practice, the process of deriving these aggregates differs so that the measures are not directly comparable. Time-series data created by splicing these measures together should therefore be used with caution.

**Table 9 Non-financial Public Sector Cash Flow Statement**

	1999-2000 Estimated Result \$m	2000-01 Budget \$m
<b>Cash receipts from operating activities</b>		
Taxes received	2 682	2 025
Receipts from sales of goods and services	3 018	1 841
Grants/subsidies received	3 310	4 092
Other receipts	539	550
<i>Total receipts</i>	<u>9 549</u>	<u>8 508</u>
<b>Cash payments for operating activities</b>		
Payment for goods and services	6 813	5 877
Grants and subsidies paid	170	315
Interest paid	734	582
Other payments	1 144	1 158
<i>Total payments</i>	<u>8 861</u>	<u>7 932</u>
<i>Net cash flows from operating activities</i>	<u>688</u>	<u>576</u>
<b>Net cash flows from investments in non-financial assets</b>		
Sales of non-financial assets	3 257	111
less Purchases of non-financial assets <sup>(a)</sup>	894	829
<i>Net cash flows from investments in non-financial assets</i>	<u>2 363</u>	<u>(718)</u>
<b>Net cash flows from investments in financial assets for policy purposes <sup>(b)</sup></b>	315	33
<b>Net cash flows from investments in financial assets for liquidity purposes</b>	182	(1)
<b>Net cash flows from financing activities</b>		
Advances received (net)	-	-
Borrowing (net)	(2497)	(906)
Deposits received (net)	(254)	-
Other financing (net)	(95)	52
<i>Net cash flows from financing activities</i>	<u>(2846)</u>	<u>(854)</u>
<b>Net increase (decrease) in cash held</b>	<u>702</u>	<u>(964)</u>
<b>Net cash from operating activities and investments in non-financial assets</b>	3 051	(142)
less Finance leases and similar arrangements	-	1
<b>Surplus (+) / deficit (-) <sup>(c)</sup></b>	<u>3 051</u>	<u>(141)</u>

(a) The ABS disaggregates this item into new and secondhand non-financial assets.

(b) Includes equity acquisitions, disposals and privatisations (net).

(c) Conceptually, the surplus/deficit aggregate contained in the cash flow statement is the same as the deficit measure obtained under the cash UPF. However, in practice, the process of deriving these aggregates differs so that the measures are not directly comparable. Time-series data created by splicing these measures together should therefore be used with caution.

**Table 10 General Government Sector Expenses by Function**

	1999-2000 Estimated Result \$m	2000-01 Budget \$m
General public services	855	709
Defence	-	-
Public order and safety	766	804
Education	1 630	1 672
Health	1 876	1 922
Social security and welfare	382	397
Housing and community amenities	454	507
Recreation and culture	164	143
Fuel and energy	351	207
Agriculture, forestry, fishing and hunting	124	142
Mining, manufacturing and construction	79	90
Transport and communications	354	354
Other economic affairs	255	316
Other purposes	903	692
<b>Total GFS Expenses</b>	<b>8 193</b>	<b>7 954</b>

**Table 11 General Government Sector Taxes**

	1999-2000 Estimated Result \$m	2000-01 Budget \$m
Taxes on employers' payroll and labour force	547	580
Taxes on property		
Land taxes <sup>(a)</sup>	82	84
Stamp duty on financial and other capital transactions	429	308
Financial institutions' transaction taxes	149	153
Other <sup>(b)</sup>	98	79
Total	757	623
Taxes on the provision of goods and services		
Excises and levies	1	1
Taxes on gambling <sup>(c)</sup>	373	293
Taxes on insurance	177	182
Total	550	475
Taxes on use of goods and performance of activities		
Motor vehicle taxes	309	317
Franchise taxes	517	29
Other	1	1
Total	827	347
<b>Total GFS taxation revenue</b>	<b>2 682</b>	<b>2 025</b>

(a) Excludes land tax paid by SA Housing Trust

(b) Excludes taxes paid by general government units

(c) Includes total distributions from Lotteries Commission and TAB

## 7. OTHER RELATED TABLES

**Table 12 Financial Assets and Liabilities**

	General Government		Public Non-Financial Corporations		Total Non-Financial Sector	
	2000 Estimated Result \$m	2001 Budget \$m	2000 Estimated Result \$m	2001 Budget \$m	2000 Estimated Result \$m	2001 Budget \$m
<b>Assets</b>						
Financial Assets						
Cash and deposits	2 438	1 469	181	171	2 547	1 583
Advances paid	-	-	-	-	-	-
Investments, loans and placements	1 184	1 150	9	16	218	232
Other non-equity assets	316	321	130	150	286	228
Equity	626	606	16	16	166	147
<b>Total financial assets</b>	<b>4 564</b>	<b>3 546</b>	<b>336</b>	<b>353</b>	<b>3 217</b>	<b>2 190</b>
Non-financial assets						
Land and fixed assets	8 656	8 802	11 704	11 650	20 360	20 452
Other non-financial assets	283	282	796	796	1 015	1 076
<b>Total non-financial assets</b>	<b>8 939</b>	<b>9 084</b>	<b>12 500</b>	<b>12 446</b>	<b>21 375</b>	<b>21 528</b>
<b>Total assets</b>	<b>13 503</b>	<b>12 630</b>	<b>12 836</b>	<b>12 799</b>	<b>24 592</b>	<b>23 718</b>
<b>Liabilities</b>						
Deposits held	287	303	45	44	181	194
Advances received	-	-	-	-	-	-
Borrowing	5 370	4 390	2 335	2 371	6 809	5 922
Unfunded Superannuation liability	4 114	4 229	27	25	4 142	4 254
Other employee entitlements and provisions	780	788	68	52	846	840
Other non-equity liabilities	1 172	1 242	549	307	1 540	1 384
<b>Total liabilities</b>	<b>11 723</b>	<b>10 952</b>	<b>3 024</b>	<b>2 799</b>	<b>13 518</b>	<b>12 594</b>
<b>Net worth</b>	<b>1 780</b>	<b>1 678</b>	<b>9 812</b>	<b>10 000</b>	<b>11 074</b>	<b>11 123</b>
Net financial worth <sup>(a)</sup>	(7159)	(7406)	(2688)	(2446)	(10301)	(10405)
Net debt <sup>(b)</sup>	2 035	2 074	2 190	2 228	4 226	4 302

(a) Net financial worth equals total financial assets minus total liabilities.

(b) 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.

## 7.1 LOAN COUNCIL ARRANGEMENTS

The Australian Loan Council—a ministerial council established in 1927 comprising the Commonwealth, State and Territory Treasurers—requires all jurisdictions to nominate a Loan Council Allocation (LCA) for consideration at its annual meeting.

LCA nominations, prepared each February, are intended to provide an indication of each government's probable call on financial markets over the forthcoming financial year. The Loan Council, having regard to each jurisdiction's fiscal position and reasonable infrastructure requirements, along with the macroeconomic implications of the aggregate figure, then considers the nominations.

Following the endorsement of LCA nominations, jurisdictions are further required to update their nominated LCAs at budget time, for changes in economic parameters and policy decisions, and also provide an LCA outcome at the end of the financial year. A tolerance limit of 2 per cent of total public sector revenue, set at nomination time, applies between both the nomination and budget, and the budget and outcome LCAs. If the tolerance limit is exceeded, the Loan Council must be notified and a report detailing the reasons for change released publicly.

Nominated LCAs for 2000-01, for all jurisdictions and in aggregate, were reviewed and endorsed by the 139th meeting of the Australian Loan Council on 17 March 2000.

South Australia's nomination, budget and estimated outcome LCAs for 1999-2000 are shown in Table 13, with nomination and budget-time LCAs for 2000-01 shown in Table 14. These tables are prepared in accordance with the requirements of the Accrual Uniform Presentation Framework, endorsed by Loan Council in March 2000.

As Table 13 indicates, South Australia is expecting an LCA surplus of \$3.4 billion during 1999-2000. This is a significant increase over the 1999-2000 Budget (May 1999) estimated surplus of \$294 million, due primarily to the inclusion of proceeds received from the sale of South Australia's electricity retail operations, and lease of electricity distribution assets. On the basis of these estimates, South Australia's 1999-2000 LCA outcome will exceed the lower bound of the 2 per cent of total revenue tolerance limit applied to the May 1999 budget-time LCA.

Excluding the effects of the ETSA proceeds, the estimated LCA outcome for 1999-2000 is a \$4 million surplus, primarily reflecting revisions to the superannuation, operating leases and home finance schemes memorandum items.

**Table 13 Loan Council Allocation 1999-2000**

	Nomination (Feb 1999)	Budget (May 1999)	Estimated Result (May 2000)
	\$m	\$m	\$m
General Government Sector Cash Deficit/(Surplus)	156	277	(2 926)
PNFC Sector Cash Deficit/(Surplus)	(76)	(15)	(572)
Total Non-financial Public Sector Cash Deficit/(Surplus) <sup>(a)</sup>	80	263	(3 051)
Net cash flows from Investments in Financial Assets for policy purposes <sup>(b)</sup>	(22)	(203)	(315)
Adjusted Total Non-financial Public Sector Deficit/(Surplus)	58	60	(3 366)
Memorandum Items			
Operating Leases <sup>(c)</sup>	(37)	(37)	7
Recourse Asset Sales	0	0	0
Superannuation <sup>(d)</sup>	(340)	(268)	(88)
University Borrowings <sup>(e)</sup>	n.a.	n.a.	n.a.
Local Government	12	12	12
Home Finance Schemes	(61)	(61)	0
Total Memorandum Items <sup>(f)</sup>	(427)	(354)	(69)
Loan Council Allocation (LCA) deficit/(surplus) <sup>(g)</sup>	(369)	(294)	(3 435)
LCA excluding ETSA Proceeds	(369)	(294)	(4)

- (a) The sum of the deficits of the general government and PNFC Sector may not equal the non financial public sector deficit due to intersectoral transfers, which are netted out in the calculation of the total figure.
- (b) This item is the negative of net advances paid under a cash accounting framework.
- (c) Increase/(decrease) in the net present value (NPV) of operating leases with an NPV of \$5 million or greater.
- (d) Includes both "payments in excess of emerging costs of superannuation" and "interest earnings on employer balances".
- (e) Data on universities are no longer available.
- (f) South Australia has no infrastructure projects with private sector involvement that meet the recognition criteria for 1999-2000.
- (g) The 2 per cent of total revenue tolerance limit around South Australia's 1999-2000 LCA is \$130 million.

South Australia's 2000-01 Budget LCA is a \$122 million surplus, detailed in Table 14, which represents a rise from the LCA nomination surplus of \$53 million. This movement is within the \$138 million tolerance limit applied to the nomination LCA and is primarily a result of an improvement in the commercial sector.

**Table 14 Loan Council Allocation 2000-01**

	Nomination (Feb 2000)	Budget (May 2000)
	\$m	\$m
General Government Sector Cash Deficit/(Surplus)	137	14
PNFC Sector Cash Deficit/(Surplus)	116	(279)
Total Non-financial Public Sector Cash Deficit/(Surplus) <sup>(a)</sup>	253	141
Net cash flows from Investments in Financial Assets for policy purposes <sup>(b)</sup>	(59)	(33)
Adjusted Total Non-financial Public Sector Deficit/(Surplus)	194	108
Memorandum Items		
Operating Leases <sup>(c)</sup>	(48)	(48)
Recourse Asset Sales	0	0
Superannuation <sup>(d)</sup>	(212)	(195)
University Borrowings <sup>(e)</sup>	n.a.	n.a.
Local Government	13	13
Home Finance Schemes	0	0
Total Memorandum Items <sup>(f)</sup>	(247)	(230)
Loan Council Allocation (LCA) deficit/(surplus) <sup>(g)</sup>	(53)	(122)

(a) The sum of the deficits of the general government and PNFC Sector may not equal the non financial public sector deficit due to intersectoral transfers, which are netted out in the calculation of the total figure.

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

(c) Increase/(decrease) in the net present value (NPV) of operating leases with an NPV of \$5 million or greater.

(d) Includes both "payments in excess of emerging costs of superannuation" and "interest earnings on employer balances".

(e) Data on universities are no longer available.

(f) South Australia has one infrastructure project with private sector involvement that meets the recognition criteria for 2000-01. The Adelaide-Darwin Rail Link Project is a joint venture involving the South Australian and Northern Territory governments, and the private sector, to construct approximately 1400 km of rail line between Alice Springs and Darwin. The project has an estimated asset value between \$1 and \$1.2 billion which is to be financed with grants of \$165 million each from the Commonwealth and Northern Territory, a \$150 million grant from South Australia (including a \$25 million loan guarantee provision), with the remainder to be provided by the successful private sector consortium. A development agreement is expected to be signed during 2000 and it is envisaged that the project will operate on a 50-year Build Own Operate Transfer (BOOT) type arrangement. The terms of the agreement are yet to be finalised, but it is expected that the Government would be required to meet termination liabilities only in certain very limited circumstances.

(g) The 2 per cent of total revenue tolerance limit around South Australia's 2000-01 LCA is \$138 million.