

STATEMENT 11: BUDGET CONCEPTS AND HISTORICAL DATA

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Statement 11: Budget Concepts and Historical Data

The 2001-02 Budget has been prepared in accordance with the Australian Bureau of Statistics (ABS) accrual Government Finance Statistics (GFS) framework. Financial statements and additional agency statistics conforming with Australian Accounting Standard No. 31 (AAS31) are also provided, as required under the Charter of Budget Honesty Act 1998. The GFS accrual framework provides the basis on which the major budget aggregates — the fiscal and underlying cash balances — are calculated.

Part I: Budget concepts

EXTERNAL REPORTING STANDARDS

The Commonwealth *Charter of Budget Honesty Act 1998* requires that the budget be based on external reporting standards. In accordance with the Charter, the major external standards used in the budget are the Australian Bureau of Statistics (ABS) accrual Government Finance Statistics (GFS) framework and Australian accounting standards, including Australian Accounting Standard No. 31 *Financial Reporting by Governments* (AAS31). The Charter also requires that departures from applicable external reporting standards be identified.

The major budget aggregates (including the fiscal and underlying cash balances) are based on the accrual GFS framework. The next section of this statement provides an overview of the operation of the GFS framework and a discussion of the GFS financial statements, including the major fiscal aggregates. It also includes some brief information on AAS31.

ACCRUAL GFS FRAMEWORK

The GFS reporting framework is a specialised statistical system designed to support economic analysis of the public sector. It allows comprehensive assessments to be made of the economic impact of government and is consistent with international statistical standards (the *System of National Accounts 1993* (SNA93) and the draft accrual version of the IMF's *A Manual on Government Finance Statistics*). Additional information on the Australian accrual GFS framework is available in the ABS publication *Information Paper: Accruals-based Government Finance Statistics, 2000* (Cat. No. 5517.0).

Nature of the GFS framework

The accrual GFS framework is based on an integrated recording of flows and stocks. Flows reflect the creation, transformation, exchange, transfer or extinction of economic value. They involve changes in the volume, composition or value of a unit's assets,

liabilities and net worth. Stocks refer to a unit's holdings of assets, liabilities and net worth at a point in time.

Two types of flows are distinguished: transactions and other economic flows.

- **Transactions** represent flows that come about as a result of mutually agreed interactions between units or within a single unit. Despite their compulsory nature, taxes are transactions that are deemed to occur by mutual agreement between the government and the taxpayer.
- **Other economic flows** represent changes to stocks that do not result from a transaction. Other economic flows arise from changes to stocks caused by price movements (revaluations), including interest and exchange rate movements, and phenomena such as discoveries, depletion and destruction.

The GFS conceptual framework is divided into a number of separate statements, each of which is designed to draw out analytical aggregates or balances of particular economic significance. Taken together, these aggregates provide for a thorough understanding of the financial position of the public sector entities. The GFS statements reported in the budget are the operating statement, balance sheet and the cash flow statement. A discussion of each of these statements follows.

GFS operating statement

The operating statement presents details of transactions in GFS revenues, GFS expenses and the net acquisition of non-financial assets (net capital investment) for an accounting period.

GFS **revenues** are broadly defined as transactions that increase net worth (effectively inflows) and GFS **expenses** as transactions that decrease net worth (effectively outflows) — net worth is defined in the balance sheet section below.

GFS revenues less GFS expenses gives the GFS **net operating balance**. Conceptually, the net operating balance measures government saving plus capital transfers.

The net acquisition of non-financial assets (**net capital investment**) measures the change in non-financial assets owned by the government. As such, it measures the net effect of purchases, sales and consumption (eg depreciation of fixed assets and use of inventory) of non-financial assets during an accounting period.

Net acquisition of non-financial assets equals gross fixed capital formation, *less* depreciation, *plus* changes (investment) in inventories, *plus* other transactions in non-financial assets. Each of these items is briefly expanded upon below:

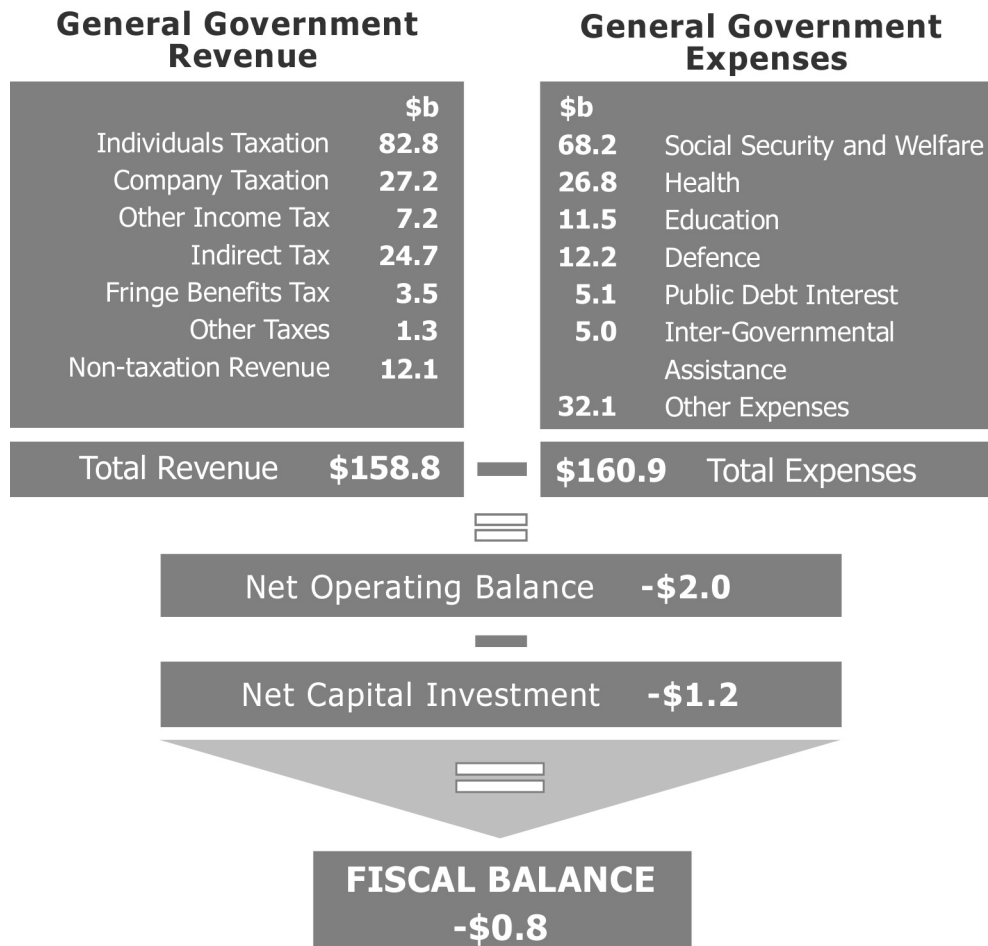
- Gross fixed capital formation comprises purchases *less* sales of fixed assets (such as buildings).
- Depreciation measures consumption of fixed assets, such as through physical deterioration or normal obsolescence, as they are used in production.

- Changes in inventories measures investment in new inventory stocks *less* use of current inventories.
- Other transactions in non-financial assets mainly comprises (for the Commonwealth general government sector) changes in the value of work-in-progress and software assets and transactions in non-reproducible, intangible assets (such as telecommunications spectrum).

Fiscal balance

The fiscal balance (or GFS net lending/borrowing) is the net operating balance *minus* net capital investment. The diagram in Figure 1 shows a pictorial calculation of the 2001-02 fiscal balance and the relationship between the operating balance components.

Figure 1: Calculation of the fiscal balance (2001-02 Budget)



The fiscal balance measures, in accrual terms, the gap between government savings plus net capital transfers and investment in non-financial assets. As such, it approximates the contribution of the Commonwealth general government sector to the balance on the current account in the balance of payments.

A fiscal balance **surplus** indicates that the Commonwealth is placing financial resources at the disposal of other sectors (that is, the Commonwealth is lending to other sectors). A fiscal balance **deficit** indicates that the Commonwealth is utilising the financial resources of other sectors. Thus, fiscal balance can be viewed as a global indicator of the financial impact of Commonwealth Government operations on the rest of the economy.

Balance sheet

The balance sheet shows stocks of assets, liabilities and GFS net worth. Net debt is also reported in the balance sheet.

Assets represent instruments or entities over which ownership rights are enforced by a unit, from which economic benefits may be derived by holding them, or using them, over a period of time. **Liabilities** represent obligations to provide economic value to other institutional units.

The **net worth** of the general government sector is defined as assets less liabilities. For the public financial corporations and public non-financial corporations sectors, the formula becomes assets *less* liabilities *less* shares and other contributed capital. Net worth is an economic measure of wealth. It reflects the contribution of the Commonwealth to the wealth of Australia.

Net debt is defined as the sum of selected financial liabilities (deposits held; advances received; and borrowing) *minus* the sum of selected financial assets (cash and deposits; advances paid; and investments, loans and placements). Net debt is a common measure of the strength of a government's financial position.

Cash flow statement

The cash flow statement identifies how cash is generated and applied in a single accounting period. 'Cash' means cash on hand (notes and coins held and deposits held at call with a bank or other financial institution) and cash equivalents (highly liquid investments that are readily convertible to cash on hand at the investor's option and overdrafts considered integral to the cash management function).

The cash flow statement reflects a cash basis of recording (rather than an accrual basis) where the information has been derived indirectly from underlying accrual transactions and movements in balances. This, in effect, means that transactions are captured when cash is received or when cash payments are made. Cash transactions are specifically identified because cash management is considered an integral function of accrual budgeting.

Underlying cash balance

The underlying cash balance (GFS surplus/deficit) is the cash counterpart of the fiscal balance. For the general government sector it is calculated as shown below.

Net cash flows from operating activities
<i>plus</i>
Net cash flows from investments in non-financial assets
<i>less</i>
Acquisitions of assets acquired under finance leases and similar arrangements
<i>equals</i>
Underlying cash balance

The underlying cash balance is a broad indicator of the Commonwealth's cash flow requirements. An underlying cash **surplus** reflects the extent to which cash is available to the Commonwealth to either increase its financial assets or decrease its liabilities (assuming no revaluations and other changes occur). An underlying cash **deficit** is a measure of the extent to which the Commonwealth requires cash, either by running down its financial assets or by drawing on the cash reserves of other sectors.

Headline cash balance

The headline cash balance is calculated by adding 'cash flows from investments in financial assets for policy purposes' to the underlying cash balance.

Cash flows from investments in financial assets for policy purposes¹ include equity transactions (such as privatisations of government businesses) and net advances (major examples for the Commonwealth relate to cash flows from loans to the States, loans to students under the Higher Education Contribution Scheme (HECS), and contributions to international organisations that increase the Commonwealth's financial assets).

SECTORAL CLASSIFICATIONS

GFS data are presented by institutional sector, distinguishing between the general government sector, the public non-financial corporations (PNFC) sector and the public financial corporations (PFCs) sector.

Budget reporting focuses on the general government sector. This sector provides public services that are mainly non-market in nature, and for the collective consumption of the community, or involve the transfer or redistribution of income. These services are largely financed through taxes and other compulsory levies,

¹ These cash flows used to be known as net advances under the cash budgeting framework.

although user charging and external funding have increased in recent years. This sector comprises all government departments, offices and some other bodies.

The PNFC sector comprises bodies that provide goods and services that are mainly market, non-regulatory and non-financial in nature, financed predominantly through sales to the consumers of these goods and services. In general, PNFCs are legally distinguishable from the governments that own them. A list of major Commonwealth PNFCs is provided in Box 1 below.

Box 1: List of major Commonwealth public non-financial corporations at May 2001

Airservices Australia	Albury-Wodonga Development Corporation
Australian Dairy Corporation	Australian Government Solicitor
Australian Hearing Services	Australian Postal Commission
Australian Rail Track Corporation	Australian Submarine Corporation
Employment National	Essendon Airport Limited
National Rail Corporation Limited	Snowy Mountains Hydro Electric Authority
Sydney Airports Corporation Limited	Telstra Corporation Limited

Together the general government sector and the PNFC sector comprise the non-financial public sector.

The GFS coverage of the public sector also includes PFCs. Information on PFCs is not included in the budget as the Commonwealth only reports PFC information in its Final Budget Outcome, as required under the *Accrual Uniform Presentation Framework*.

PFC bodies are engaged in financial intermediation services or auxiliary financial services. They are able to incur financial liabilities on their own account. This sector includes the Reserve Bank of Australia.

The total public sector comprises all sectors of government — general government, the PNFC sector and the PFC sector.

AUSTRALIAN ACCOUNTING STANDARD NO. 31 (AAS31) REPORTING FRAMEWORK

Australian Accounting Standard No. 31 — Financial Reporting by Governments (AAS31) requires governments to prepare accrual-based general purpose financial reports, including in relation to the assets they control and any liabilities incurred, their revenues and expenses, and cash flows. Reporting under this framework is intended to provide a consolidated overview of the financial performance and position of government, including in the area of financing and investing activities.

There are three main general purpose statements that must be prepared in accordance with the AAS31 framework. These are:

- a statement of revenue and expenses;
- a balance sheet; and
- a statement of cash flows.

In addition to these general purpose statements, the standard requires notes to the financial statements to be prepared which report disaggregated information in relation to the financial performance and financial position of the government. The notes should also include other information seen as relevant to users.

While AAS31 provides a general framework for accrual budgeting and financial reporting by governments, compliance with all other applicable accounting standards is required. Exceptions to this rule are explicitly stated in AAS31.

A full set of AAS31 financial statements and accompanying notes prepared for the general government sector can be found in Statement 10.

RECONCILIATION OF GFS AND AAS31 AGGREGATES

There is a general consistency of treatment between GFS and accounting standards. The GFS and AAS31 definitions of the scope of the public sector agree in almost all cases, with AAS31 recommending the same segmentation of the public sector into general government, public non-financial corporations (PNFC) and public financial corporations (PFC) sectors.

Transactions are generally treated in a similar manner by GFS and accounting standards; however, where GFS is a framework designed to facilitate macro-economic analysis, AAS31 is designed as a standard for general purpose financial reporting. The different objectives of the two systems lead to some variation in the treatment of certain items.

In particular, revaluations of assets and liabilities are classified differently under the AAS31 and GFS standards. Major revaluations include: writedowns of bad and doubtful debts (excluding those that are mutually agreed); changes in the valuation of superannuation liabilities; and foreign exchange gains and losses.

Under AAS31 reporting, valuation changes may affect revenues or expenses. However, under GFS reporting revaluations are not considered to be transactions (that is, they are considered to be other economic flows) and accordingly do not form part of revenues or expenses. Therefore, most revaluations are not taken into account in the calculation of the GFS net operating balance or fiscal balance.

Some of the major differences between the GFS and AAS31 treatments of transactions are outlined in Table 1. Further information on the differences between the two

systems is provided in the ABS publication *Information Paper: Accruals-based Government Finance Statistics* (Cat. No. 5517.0).

Table 1: Selected differences between AAS31 and GFS reporting standards

Issue	AAS31 Treatment	GFS Treatment
Provisions for bad and doubtful debts and asset writedowns	Treated as part of operating expenses.	Treated as revaluations, except for mutually agreed writedowns, and therefore removed from expenses.
Gains and losses on assets	Treated as part of operating revenues/expenses.	Treated as revaluations and therefore removed from revenues/expenses.
Interest flows related to swaps and other financial derivatives	Treated as operating revenues and expenses.	Treated as financing transactions and so not included in revenues and expenses.
Acquisition of defence weapons platforms	Treated as capital expenditure. Defence weapons platforms appear as an asset on the balance sheet. Depreciation expense on assets is recorded in the operating statement.	Treated as an expense. Defence weapons platforms do not appear as an asset on the balance sheet and no depreciation is recorded in the operating statement.
Commonwealth general government sector investments in public corporations	Investments in public corporations are valued at historic cost in the balance sheet.	Investments in public corporations are valued at current market value. For publicly listed corporations, the share price is used to calculate market value. For non-listed corporations, the current value of net assets is used.
Public debt net interest	Premiums and discounts on the repurchase of debt are included in public debt net interest expenses at the time of repurchase, regardless of whether the stock is cancelled at that time. Issue premiums and discounts are amortised over the life of the stock.	Repurchase premiums and discounts are treated as economic revaluations at the time the debt is repurchased (provided it is valued at historical cost). The GFS cash flow statement includes repurchase premiums or discounts in the year that the repurchased stock is cancelled or matures.
Finance leases	Treats finance leases as if an asset were purchased from borrowings. That is, the lease payment is split into an interest component (which is shown as an operating expense) and a principal component. The asset and the liability are recorded on the balance sheet. However, this convention does not apply to the cash flow statement, which does not record the acquisition of the asset or the liability.	As per the accounting standard, except that the GFS cash flow statement includes the acquisition of the asset and the liability.

Table 2 reconciles GFS revenue and expenses with their AAS31 counterparts.

Table 2: Reconciliation of GFS and AAS31 revenue and expenses

	Estimates		Projections		
	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m	2004-05 \$m
GFS revenue (Statement 9)	184,909	186,320	194,073	206,378	218,257
<i>less</i> GST revenue for States and Territories	-23,880	-27,480	-29,170	-30,830	-32,600
GFS revenue (Statements 1, 2, 5, 8, 11)	161,029	158,840	164,903	175,548	185,657
<i>plus</i> foreign exchange gains	0	41	0	0	0
<i>plus</i> other economic revaluations	0	0	0	0	0
<i>plus</i> profit on the sale of assets	1,640	179	70	296	133
<i>plus</i> swap interest received	2,357	2,418	2,371	2,189	2,115
<i>plus</i> revenue allocated to GFS expenses	140	135	141	143	147
AAS31 revenue (Statement 10)	165,167	161,613	167,486	178,176	188,052
GFS expenses (Statement 9)	181,453	188,355	195,983	203,947	211,559
<i>less</i> GST Grants to States and Territories	-23,880	-27,480	-29,170	-30,830	-32,600
GFS expenses (Statement 1, 2, 6, 8, 11)	157,573	160,875	166,813	173,117	178,959
<i>plus</i> revaluations/writedowns from superannuation	241	0	0	0	0
<i>plus</i> net writedown of assets/bad and doubtful debts	1,722	990	950	965	958
<i>plus</i> foreign exchange losses	1,896	0	0	0	0
<i>plus</i> other economic revaluations	395	0	0	0	0
<i>plus</i> loss on the sale of assets	48	7	2	2	0
<i>less</i> costs of asset sales	0	0	0	218	218
<i>less</i> other property expenses	0	0	0	0	0
<i>plus</i> swap interest paid	2,430	2,042	1,972	1,806	1,756
<i>plus</i> defence weapons platforms depreciation	1,653	1,980	2,182	2,312	2,370
<i>less</i> defence weapons platforms investment	2,865	2,821	3,506	3,923	4,145
<i>plus</i> revenue allocated to GFS expenses	140	135	141	143	147
<i>plus</i> AusAid IDA/ADF expenses	291	350	0	0	575
AAS31 expenses (Statement 10)	163,526	163,559	168,554	174,203	180,402

Table 3 reconciles the accounting operating result to the GFS net operating balance and the fiscal balance (GFS net lending).

The reconciliation can be divided into two parts. The first part shows classification differences between the AAS31 operating result before extraordinary items and the GFS net operating balance (these classification differences are simply the sum of those shown in Table 2 above).

The second part of the reconciliation shows the adjustment for net capital investment required to derive the fiscal balance from the GFS net operating balance.

Table 3: Reconciliation of AAS31 net operating result and fiscal balance

	Estimates		Projections		
	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m	2004-05 \$m
AAS31 operating result before extraordinary items (Statement 10)	1,641	-1,946	-1,068	3,973	7,650
Net classification differences	1,815	-89	-842	-1,541	-952
GFS net operating balance (Statement 9)	3,456	-2,035	-1,910	2,431	6,699
<i>less</i> purchase of property, plant and equipment and intangibles	4,654	4,641	5,351	5,651	5,782
<i>less</i> assets acquired under finance leases	-4	-88	-12	0	0
<i>less</i> other non-financial assets	-28	89	-118	-83	-35
<i>less</i> increase in inventories	118	86	56	363	311
<i>plus</i> defence weapons platforms investment	2,865	2,821	3,506	3,923	4,145
<i>plus</i> proceeds from sales of property, plant and equipment and intangibles	2,426	1,666	622	695	568
<i>plus</i> depreciation and amortisation	1,418	1,441	1,513	1,578	1,581
Fiscal balance (GFS net lending) (Statement 9)	5,424	-834	-1,546	2,697	6,935

Part II: Historical general government data

Table A1: Commonwealth general government sector cash revenue, outlays and surplus^(a)

	Revenue			Outlays			Cash surplus(b)	
	\$m	% Real Growth	Per cent of GDP	\$m	% Real Growth	Per cent of GDP	\$m	Per cent of GDP
1969-70	7,097	8.8	21.1	6,131	2.3	18.2	966	2.9
1970-71	8,000	6.1	21.5	7,176	10.1	19.3	824	2.2
1971-72	8,827	3.5	21.5	7,987	4.4	19.4	840	2.0
1972-73	9,414	0.2	20.3	9,120	7.2	19.7	294	0.6
1973-74	11,890	10.5	21.3	10,829	3.9	19.4	1,061	1.9
1974-75	15,325	5.3	22.9	15,275	15.2	22.9	50	0.1
1975-76	18,316	3.3	23.2	19,876	12.5	25.2	-1,560	-2.0
1976-77	21,418	4.4	23.6	22,657	1.8	24.9	-1,239	-1.4
1977-78	23,491	0.9	23.7	25,489	3.5	25.7	-1,998	-2.0
1978-79	25,666	3.2	22.8	27,753	2.8	24.7	-2,087	-1.9
1979-80	29,780	5.6	23.3	31,041	1.8	24.3	-1,261	-1.0
1980-81	35,148	6.7	24.2	35,260	2.7	24.3	-112	-0.1
1981-82	40,831	3.5	24.6	40,394	2.1	24.3	437	0.3
1982-83	44,675	-1.8	24.9	47,907	6.4	26.7	-3,232	-1.8
1983-84	49,102	3.3	24.3	55,966	9.7	27.6	-6,864	-3.4
1984-85	57,758	11.2	25.7	63,639	7.5	28.4	-5,881	-2.6
1985-86	64,845	5.6	26.2	69,838	3.2	28.2	-4,993	-2.0
1986-87	73,145	5.6	26.9	75,392	1.0	27.7	-2,247	-0.8
1987-88	81,217	3.2	26.2	79,440	-2.1	25.6	1,777	0.6
1988-89	88,369	0.6	25.2	82,202	-4.3	23.4	6,167	1.8
1989-90	95,517	1.6	24.9	88,882	1.7	23.1	6,635	1.7
1990-91	97,705	-2.1	24.6	97,333	4.8	24.5	372	0.1
1991-92	92,966	-6.8	22.9	104,551	5.2	25.8	-11,585	-2.9
1992-93	94,448	0.1	22.1	111,484	5.0	26.1	-17,036	-4.0
1993-94	100,142	4.8	22.3	117,252	4.0	26.1	-17,110	-3.8
1994-95	109,720	9.2	23.2	122,901	4.4	26.0	-13,181	-2.8
1995-96	121,105	7.3	23.9	131,182	3.8	25.9	-10,077	-2.0
1996-97	129,845	5.3	24.4	135,126	1.2	25.4	-5,281	-1.0
1997-98	135,779	3.2	24.0	134,608	-1.7	23.8	1,171	0.2
1998-99	146,521	7.6	24.6	141,033	4.5	23.7	4,190	0.7
1999-00	165,828	na	26.2	153,157	na	24.2	12,671	2.0
2000-01(e)	159,118	-7.7	23.7	156,869	-1.4	23.3	2,253	0.3
2001-02(e)	162,823	0.9	23.2	161,391	1.4	23.0	1,520	0.2
2002-03(p)	167,897	0.6	22.5	166,846	0.9	22.4	1,063	0.1
2003-04(p)	177,495	3.2	22.5	173,392	1.4	21.9	4,103	0.5
2004-05(p)	187,374	3.0	22.4	179,972	1.3	21.5	7,403	0.9

(a) There is a break in the series between 1998-99 and 1999-00. Data for the years up to and including 1998-99 are consistent with the cash ABS GFS reporting requirements. From 1999-00 onwards, data are derived from an accrual ABS GFS reporting framework, with revenues proxied by receipts from operating activities and sales of non-financial assets, and outlays proxied by payments for operating activities and purchases of non-financial assets. Due to methodological and data-source changes associated with the change, time series data which encompasses measures derived under both cash and accrual accounting should be used with caution.

(b) Following recent changes to the Australian National Accounts standards, the surplus measures in this table, from 1998-99 onwards, incorporate payments by the general government sector in respect of accumulated PNFC superannuation liabilities. These payments are not incorporated prior to 1998-99.

(e) Estimates.

(p) Projections.

Table A2: Commonwealth general government sector cash taxation revenue, non-taxation revenue and total revenue^(a)

	Taxation revenue			Non-taxation revenue			Total revenue		
	\$m	% Real Growth	Per cent of GDP	\$m	% Real Growth	Per cent of GDP	\$m	% Real Growth	Per cent of GDP
1969-70	6,341	9.3	18.8	756	4.9	2.2	7,097	8.8	21.1
1970-71	7,148	6.1	19.2	852	6.1	2.3	8,000	6.1	21.5
1971-72	7,887	3.5	19.2	940	3.4	2.3	8,827	3.5	21.5
1972-73	8,411	0.1	18.2	1,003	0.2	2.2	9,414	0.2	20.3
1973-74	10,832	12.7	19.4	1,058	-7.7	1.9	11,890	10.5	21.3
1974-75	14,141	6.6	21.2	1,184	-8.6	1.8	15,325	5.3	22.9
1975-76	16,920	3.4	21.5	1,396	1.9	1.8	18,316	3.3	23.2
1976-77	19,714	4.1	21.7	1,704	9.0	1.9	21,418	4.4	23.6
1977-78	21,428	0.0	21.6	2,063	11.4	2.1	23,491	0.9	23.7
1978-79	23,409	3.1	20.8	2,257	3.3	2.0	25,666	3.2	22.8
1979-80	27,473	6.8	21.5	2,307	-6.9	1.8	29,780	5.6	23.3
1980-81	32,641	7.4	22.5	2,507	-1.7	1.7	35,148	6.7	24.2
1981-82	37,880	3.4	22.8	2,951	4.9	1.8	40,831	3.5	24.6
1982-83	41,025	-2.8	22.9	3,650	11.0	2.0	44,675	-1.8	24.9
1983-84	44,849	2.7	22.2	4,253	9.5	2.1	49,102	3.3	24.3
1984-85	52,970	11.6	23.6	4,788	6.4	2.1	57,758	11.2	25.7
1985-86	58,841	4.5	23.7	6,004	18.0	2.4	64,845	5.6	26.2
1986-87	66,467	5.7	24.4	6,678	4.1	2.5	73,145	5.6	26.9
1987-88	75,076	5.0	24.2	6,141	-14.5	2.0	81,217	3.2	26.2
1988-89	83,452	2.8	23.8	4,917	-26.0	1.4	88,369	0.6	25.2
1989-90	90,773	2.3	23.6	4,744	-9.3	1.2	95,517	1.6	24.9
1990-91	92,739	-2.2	23.4	4,966	0.2	1.3	97,705	-2.1	24.6
1991-92	87,364	-7.7	21.5	5,602	10.5	1.4	92,966	-6.8	22.9
1992-93	88,760	0.1	20.8	5,688	0.0	1.3	94,448	0.1	22.1
1993-94	93,362	4.0	20.8	6,780	17.9	1.5	100,142	4.8	22.3
1994-95	104,921	12.0	22.2	4,799	-29.5	1.0	109,720	9.2	23.2
1995-96	115,700	7.2	22.8	5,405	9.5	1.1	121,105	7.3	23.9
1996-97	124,559	5.8	23.4	5,286	-3.9	1.0	129,845	5.3	24.4
1997-98	130,984	3.8	23.2	4,795	-10.4	0.8	135,779	3.2	24.0
1998-99	141,105	7.4	23.7	5,416	12.6	0.9	146,521	7.6	24.6
1999-00	150,695	na	23.8	15,133	na	2.4	165,828	na	26.2
2000-01(e)	144,671	-7.6	21.5	14,447	-8.1	2.1	159,118	-7.7	23.7
2001-02(e)	147,558	0.5	21.0	15,265	4.2	2.2	162,823	0.9	23.2
2002-03(p)	155,211	2.6	20.8	12,686	-18.9	1.7	167,897	0.6	22.5
2003-04(p)	164,734	3.6	20.8	12,761	-1.8	1.6	177,495	3.2	22.5
2004-05(p)	174,514	3.4	20.8	12,860	-1.6	1.5	187,374	3.0	22.4

(a) There is a break in the series between 1998-99 and 1999-00. Data for the years up to and including 1999-99 are consistent with the cash ABS GFS reporting requirements. From 1999-00 onwards, data are derived from an accrual ABS GFS reporting framework, with total revenue proxied by receipts from operating activities and sales of non-financial assets. Due to methodological and data-source changes associated with the change, time series data which encompasses measures derived under both cash and accrual accounting should be used with caution.

(e) Estimates.

(p) Projections.

**Table A3: Commonwealth general government sector net debt
(as at end of financial year)^(a)**

	\$billion	Per cent of GDP
1974-75	-1.9	-2.8
1975-76	-0.3	-0.4
1976-77	0.9	1.0
1977-78	2.9	2.9
1978-79	5.0	4.4
1979-80	6.2	4.9
1980-81	6.4	4.4
1981-82	5.9	3.6
1982-83	9.2	5.1
1983-84	16.0	7.9
1984-85	21.9	9.8
1985-86	26.9	10.8
1986-87	29.1	10.7
1987-88	27.4	8.8
1988-89	22.0	6.3
1989-90	16.1	4.2
1990-91	16.9	4.3
1991-92	31.1	7.7
1992-93	55.2	12.9
1993-94	70.2	15.6
1994-95	83.5	17.6
1995-96	95.8	18.9
1996-97	96.3	18.1
1997-98	82.9	14.7
1998-99	70.4	11.8
1999-00	53.1	8.4
2000-01(e)	42.8	6.4
2001-02(e)	37.7	5.4
2002-03(p)	36.6	4.9
2003-04(p)	17.9	2.3
2004-05(p)	-4.7	-0.6

(a) The net debt series used in this table incorporates Treasury estimates for the period 1974-75 to 1986-87 and published ABS data for the period 1987-88 to 1999-2000 (*Public Sector Financial Assets and Liabilities*, Cat. No. 5513.0). Comparable net debt data have been collected by the ABS only since 1988. Treasury estimates were constructed by deducting annual net borrowing — defined as the ABS cash deficit — from the ABS measure of the stock of net debt at end June 1988.

(e) Estimates.

(p) Projections.

Table A4: Commonwealth general government sector revenue, expenses, net capital investment, fiscal balance and net worth

	GFS Revenue		GFS Expenses		Net Capital Investment		Fiscal balance		Net Worth	
		Per cent		Per cent		Per cent		Per cent		Per cent
	\$m	of GDP	\$m	of GDP	\$m	of GDP	\$m	of GDP	\$m	of GDP
1996-97	141,688	26.6	145,809	27.4	90	0.0	-4,211	-0.8	-74,354	-14.0
1997-98	146,820	26.0	148,646	26.3	147	0.0	-1,973	-0.3	-68,544	-12.1
1998-99	151,922	25.5	146,620	24.6	1,433	0.2	3,869	0.6	-76,150	-12.8
1999-00	166,617	26.3	154,373	24.4	-1,225	-0.2	13,469	2.1	-39,922	-6.3
2000-01(e)	161,029	24.0	157,573	23.4	-1,968	-0.3	5,424	0.8	-32,659	-4.9
2001-02(e)	158,840	22.6	160,875	22.9	-1,201	-0.2	-834	-0.1	-33,915	-4.8
2002-03(p)	164,903	22.1	166,813	22.4	-364	0.0	-1,546	-0.2	-35,367	-4.7
2003-04(p)	175,548	22.2	173,117	21.9	-266	0.0	2,697	0.3	-33,288	-4.2
2004-05(p)	185,657	22.1	178,959	21.4	-236	0.0	6,935	0.8	-27,118	-3.2

(e) Estimates.

(p) Projections.

