

STATEMENT 8: TRENDS IN PUBLIC SECTOR FINANCES

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STATEMENT 8: TRENDS IN PUBLIC SECTOR FINANCES

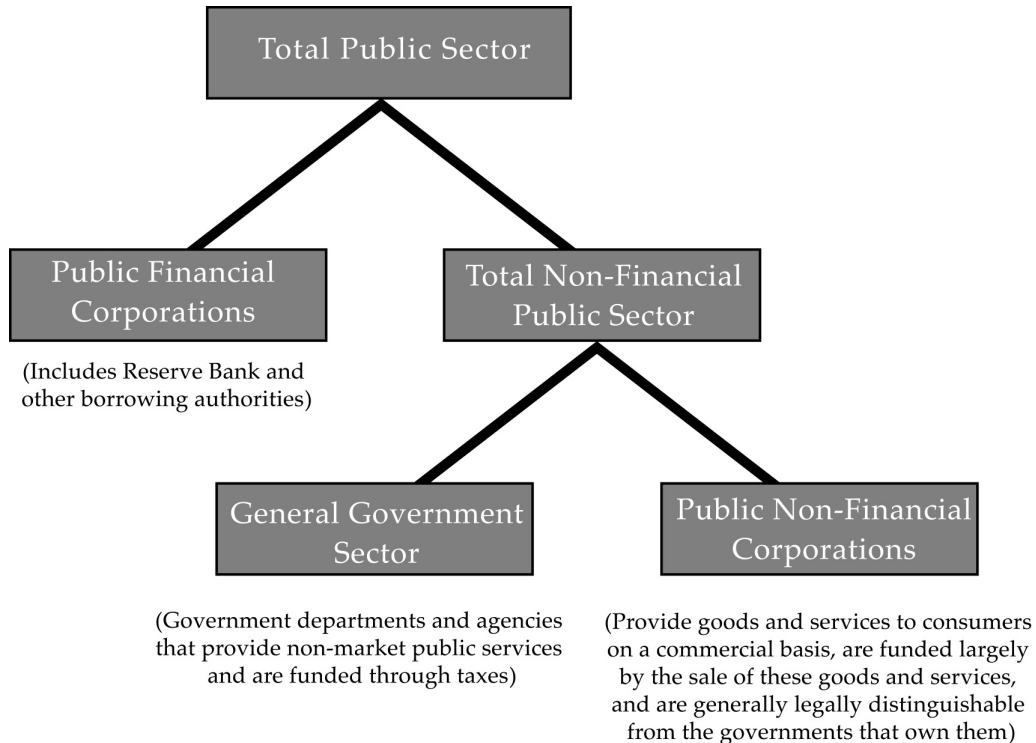
This statement examines trends in finances for the Commonwealth, State/local levels of government and the consolidated public sector and therefore provides a broader context in which to consider developments in the Commonwealth's Budget.

Introduction

The information in this statement is presented in line with the Australian Bureau of Statistics (ABS) Government Finance Statistics (GFS) reporting framework for the public sector.

Data are presented both by level of government and institutional sector. 'Level of government' refers to the distinction between the Commonwealth and State/local governments. When combined the Commonwealth, State/local governments and universities are referred to as the 'consolidated government'. Figure 1 shows the institutional structure of the public sector.

Figure 1: Institutional structure of the Public Sector



The **non-financial public sector** is comprised of the **general government sector** and the **public non-financial corporations** sector.

The **general government sector**, through government departments and agencies, 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, although user charging and external funding have increased in recent years.

The **public non-financial corporations (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.

Public financial corporations (PFCs) are public sector bodies that engage in financial intermediation services or auxiliary financial services. They are able to incur financial liabilities on their own account (such as taking deposits, issuing securities or providing insurance services). This sector includes the Reserve Bank of Australia (RBA) and other central borrowing authorities. Information on PFCs is not included in this statement as PFCs undertake financial intermediation, which is a fundamentally different function from that performed by other public entities. Jurisdictions are only required to report PFC information in their outcome statements.

Commonwealth, State and Territory governments present common fiscal information in their budget reports as required by the *Accrual Uniform Presentation Framework (UPF)*, agreed by the Australian Loan Council in March 2000. The majority of States and Territories now report on an accrual UPF basis, while the remaining jurisdictions have until the 2002-03 budget year to make the transition from cash UPF reporting.

The Commonwealth revenue, outlays and expenses measures included in this Statement differ from ABS GFS measures in treating goods and services tax (GST) collections by the Australian Taxation Office (ATO) as State tax revenue rather than Commonwealth tax revenue paid to the States as grants. This approach reflects the clear policy intent of the *Intergovernmental Agreement on Commonwealth-State Financial Arrangements*, which is that the GST is a State tax collected by the Commonwealth in an agency capacity. The Commonwealth has no discretion as to the expenditure of GST collections, with all revenue passed to the States. However, because the GST is levied by the Commonwealth for constitutional reasons, the ABS, on a technical view, regards it as Commonwealth revenue. The Commonwealth accrual UPF tables presented in Statement 9 are presented on a basis that is consistent with the ABS GFS standards, including the classification of GST revenue.

This Statement looks at recent trends in Commonwealth and State/local accrual measures (including revenue, expenses and fiscal balance), cash measures (such as outlays, revenue and cash surplus), and balance sheet measures (such as net debt and net worth).

Appendix A of this statement outlines the size and structure of the non-financial public sector, including the relative contributions of the Commonwealth and State/local governments. Appendix B provides Commonwealth and State/local historical data on revenue, outlays, cash surplus, net interest outlays and net debt.

Fiscal balance

This section looks at fiscal balance data for the Commonwealth and State/local non-financial public sectors, including medium term projections for the Commonwealth general government sector.

Concept

Fiscal balance, or GFS net lending, represents the gap between government savings and investment. It measures a government's net call on other sectors of the economy, and approximates a government's contribution to the current account deficit.

Fiscal balance includes net capital expenditure, but not the use of capital (depreciation). The fiscal balance is a good measure of the impact of a government's budget on the economy because it includes the full amount of investment by a government in a given period.

Data

As not all States and Territories have made the transition to accrual accounting, fiscal balance data for the consolidated public non-financial corporations and non-financial public sector are currently available for 1998-99 through 2000-01, while consolidated general government data is available through 2001-02. Tables 1, 2 and 3 show general government, public non-financial corporations and non-financial public fiscal balance data respectively by level of government.

Trends

The Commonwealth general government fiscal balance is expected to move from a surplus of 0.8 per cent of gross domestic product (GDP) in 2000-01 to a deficit of 0.1 per cent of GDP in 2001-02, and to return to surplus in 2003-04. This is largely the result of transitional issues associated with the move to the Pay As You Go (PAYG) system which recognises some revenue as accruing in 2000-01 even though payments by companies can be spread over 2½ to 5 years.

The State/local general government sector is expected to have a small fiscal deficit in 2000-01 and 2001-02 (although the latter estimate should be treated with some caution as the majority of States and Territories have yet to bring down their 2001-02 budgets).

The consolidated PNFC sector is expected to be in a fiscal surplus position in 1999-2000 and 2000-01. The decrease in consolidated PNFC revenue and expenses as a share of GDP in recent years is partly attributable to the privatisation of PNFCs by both the Commonwealth and State/local governments.

Table 1: General government fiscal balance by level of government (per cent of GDP)^(a)

	Commonwealth			State/local			Consolidated ^(b)		
	Revenue	Expenses	Fiscal balance ^(c)	Revenue	Expenses	Fiscal balance ^(c)	Revenue	Expenses	Fiscal balance ^(c)
1996-97	26.6	27.4	-0.8	na	na	na	na	na	na
1997-98	26.0	26.3	-0.3	na	na	na	na	na	na
1998-99	25.5	24.6	0.6	18.3	17.4	0.4	38.1	36.2	1.0
1999-2000	26.3	24.4	2.1	17.8	16.9	0.3	38.5	35.5	2.4
2000-01 ^(e)	24.0	23.4	0.8	17.4	17.0	-0.1	38.2	37.2	0.7
2001-02^(e)	22.6	22.9	-0.1	16.8	16.4	-0.1	36.2	36.1	-0.2
2002-03 ^(p)	22.1	22.4	-0.2	na	na	na	na	na	na
2003-04 ^(p)	22.2	21.9	0.3	na	na	na	na	na	na
2004-05 ^(p)	22.1	21.4	0.8	na	na	na	na	na	na

(a) Data are sourced from the ABS *2000-01 Government Financial Estimates* and Treasury estimates.

(b) Consolidated government includes Commonwealth and State/local governments and universities.

(c) The fiscal balance is equal to revenue less expenses less net capital investment which is not shown in this table.

(e) Estimates.

(p) Projections.

na Data not available.

Table 2: Public non-financial corporations fiscal balance by level of government (per cent of GDP)^(a)

	Commonwealth			State/local			Consolidated(b)		
	Revenue	Expenses	Fiscal balance(c)	Revenue	Expenses	Fiscal balance(c)	Revenue	Expenses	Fiscal balance(c)
1996-97	5.2	4.9	-0.1	na	na	na	na	na	na
1997-98	5.2	4.8	0.4	na	na	na	na	na	na
1998-99	4.7	4.4	-0.1	6.1	6.3	-0.6	10.8	10.7	-0.7
1999-2000	4.0	3.7	0.2	5.5	5.3	0.4	9.5	9.0	0.6
2000-01(e)	4.1	3.3	0.5	5.0	4.9	0.0	9.1	8.3	0.5
2001-02(e)	3.9	3.2	0.6	na	na	na	na	na	na

(a) Data are sourced from the ABS *2000-01 Government Financial Estimates* and Treasury estimates.

(b) Consolidated government includes Commonwealth and State/local governments and universities.

(c) The fiscal balance is equal to revenue less expenses less net capital investment which is not shown in this table.

(e) Estimates.

na Data not available.

Table 3: Non-financial public sector fiscal balance by level of government (per cent of GDP)^(a)

	Commonwealth			State/local			Consolidated(b)		
	Revenue	Expenses	Fiscal balance(c)	Revenue	Expenses	Fiscal balance(c)	Revenue	Expenses	Fiscal balance(c)
1996-97	na	na	-0.9	na	na	na	na	na	na
1997-98	na	na	0.1	na	na	na	na	na	na
1998-99	29.5	28.4	0.5	22.1	21.4	-0.2	45.9	44.0	0.3
1999-2000	29.8	27.4	2.3	21.4	20.2	0.7	45.4	41.7	3.0
2000-01(e)	27.4	26.1	1.3	20.6	20.1	-0.1	44.8	43.0	1.2
2001-02(e)	26.0	25.6	0.5	na	na	na	na	na	na

(a) Data are sourced from the ABS *2000-01 Government Financial Estimates* and Treasury estimates.

(b) Consolidated government includes Commonwealth and State/local governments and universities.

(c) The fiscal balance is equal to revenue less expenses less net capital investment which is not shown in this table.

(e) Estimates.

na Data not available.

Cash surplus

This section reviews trends in Commonwealth and State/local cash measures of revenue, outlays and cash surplus.

Concept

The cash surplus is conceptually equivalent under a cash and an accrual framework and provides a useful indication of a government's need to call on financial markets to meet its budget obligations. Under a cash GFS framework, a government's cash surplus is calculated as revenue less outlays, adjusted for net increase in provisions. Under an accrual GFS framework, the cash surplus is calculated as net cash received from operating activities plus net cash inflow from sales and purchases of non-financial assets, adjusted for finance leases and similar arrangements.

There is more historical cash data available, hence this section provides a longer term perspective than the previous section. Due to methodological and data-source changes associated with the move to an accrual accounting framework, the surplus figures contained in the cash flow statement are not directly comparable with the surplus measures obtained under the cash GFS. In this section cash surpluses are calculated on a cash GFS basis until 1997-98 and on a accrual GFS basis for 1998-99 onwards, except where jurisdictions have yet to make the transition to accrual accounting.

Data

Data is sourced from the ABS *1997-98 Government Finance Statistics* (Cat. No. 5512.0), *2000-01 Government Financial Estimates* (Cat. No. 5501.0), jurisdictions' 1999-2000 budget outcomes, 2000-01 mid year reports and 2001-02 budgets where available. For those jurisdictions that have moved to accrual budget reporting, cash surplus data from their cash flow statements are used. For these jurisdictions, cash revenues are proxied by receipts from operating activities and sales of non-financial assets, and outlays are proxied by payments for operating activities and purchases of non-financial assets.

Following changes to the Australian National Accounts standards, the general government surplus measures in this statement, from 1998-99 onwards, incorporate net payments by the Commonwealth general government sector in respect of accumulated PNFC superannuation liabilities. Payments prior to 1998-99 do not incorporate these payments.

Trends in total non-financial public sector

The general government sector comprises the majority of the non-financial public sector. The PNFC sector tends to be more important at the State/local level, where most PNFCs are concentrated.

Chart 1 shows movements in the consolidated non-financial public sector surplus as a share of GDP, and the relative contributions of the general government and PNFC

sectors. Data for the consolidated public non-financial corporations and non-financial public sector are only available through 2000-01, while general government data is available through 2003-04.

Chart 1 illustrates that the non-financial public sector was generally in a deficit position during the late 1980s and most of the 1990s. The deficit peaked at 4.3 per cent of GDP in 1992-93 before moving into a surplus position in 1997-98. The deficit in 1998-99 is the result of one-off increases in State funding of superannuation liabilities.

Chart 1 also shows the declining importance of PNFCs to the non-financial public sector surplus, with the privatisation of government businesses since the late 1980s.

Chart 1: Consolidated non-financial public sector cash surplus by sector

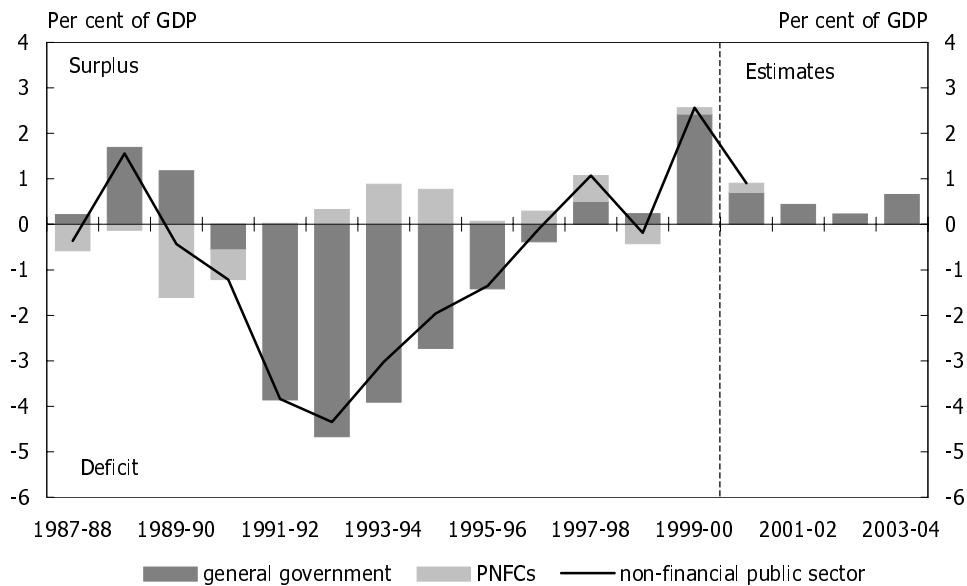
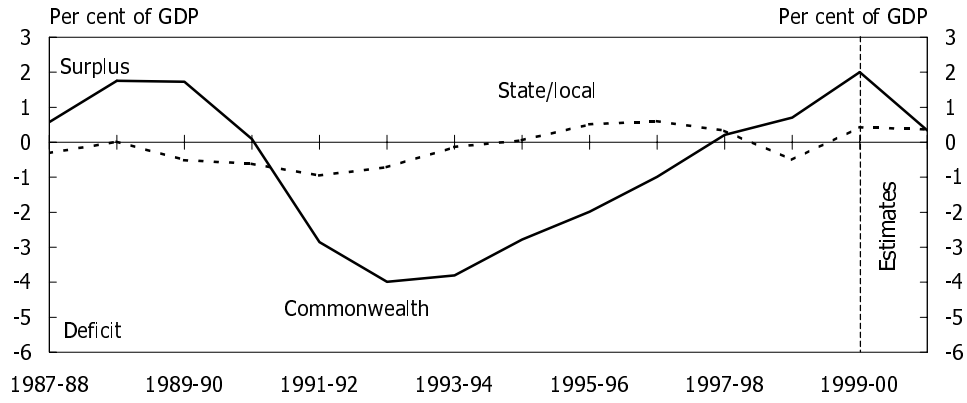


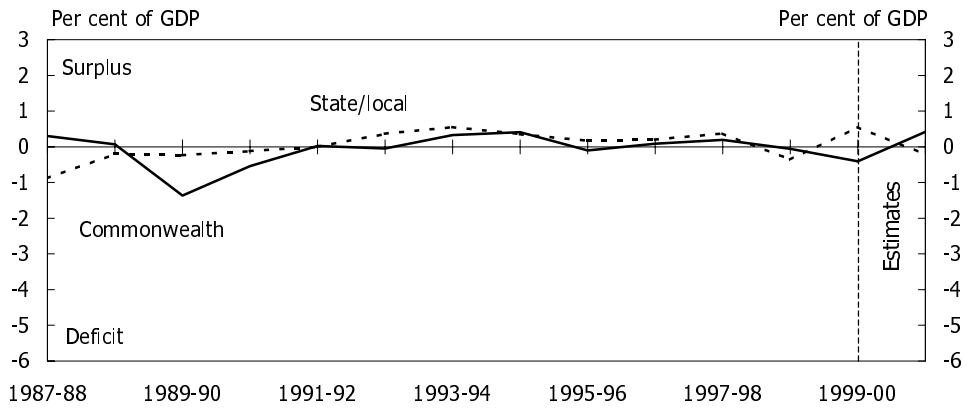
Chart 2 disaggregates by level of government the sectoral surpluses presented in Chart 1. It shows the large contribution of past Commonwealth general government cash deficits to the non-financial public sector cash deficit. It also illustrates the improvement in the Commonwealth general government sector balance since 1992-93.

Chart 2: Cash surplus by sector and level of government

A: General government



B: Public non-financial corporations



C: Non-financial public sector

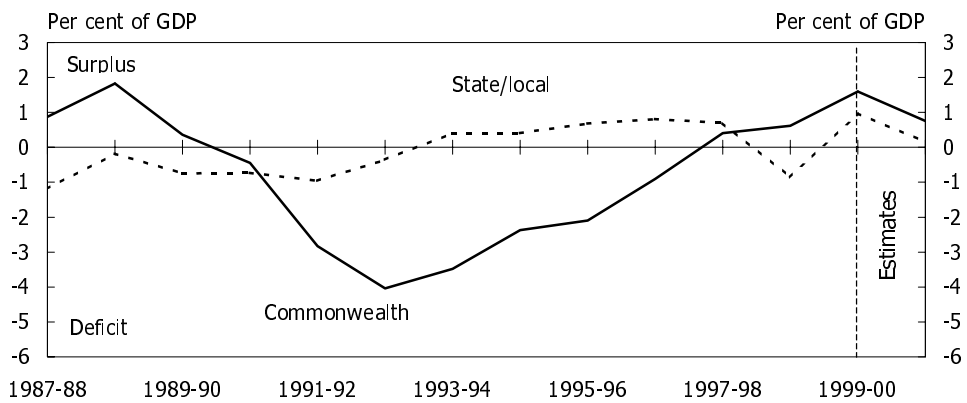


Chart 2 also shows the consolidated PNFC sector is close to balance in 1999-2000, and likely to remain so in 2000-01 (the latest year for which data is currently available for this sector). The State/local general government sector fell into deficit in 1998-99, primarily because of several jurisdictions taking steps to fund previously unfunded superannuation liabilities in this year.

Trends in general government sector

Due to its size, the general government sector is the appropriate focus for an assessment of public sector revenues and outlays and is the sector through which governments primarily affect the level of private sector activity.

Chart 3 shows trends in general government cash outlays and revenue at the Commonwealth and State/local levels through 2000-01. Panel A shows the countercyclical relationship between Commonwealth outlays and cash revenues. During economic downturns, such as in the early 1990s, outlays on transfer payments rise and taxation revenues fall, with the reverse happening during periods of strong economic growth. However, during the cyclical upturn following the early 1990s, Commonwealth outlays were maintained at a high level of GDP while the low inflation environment depressed the growth in revenue receipts, resulting in significant deficits.

As shown in Panel A of Chart 2, the Commonwealth general government sector has been in surplus since 1997-98, with a cash surplus of 0.3 per cent of GDP expected in 2000-01. Commonwealth outlays and revenue estimates in Chart 3 are net of GST revenue, and show a decline in 2000-01 with the introduction of *The New Tax System*.

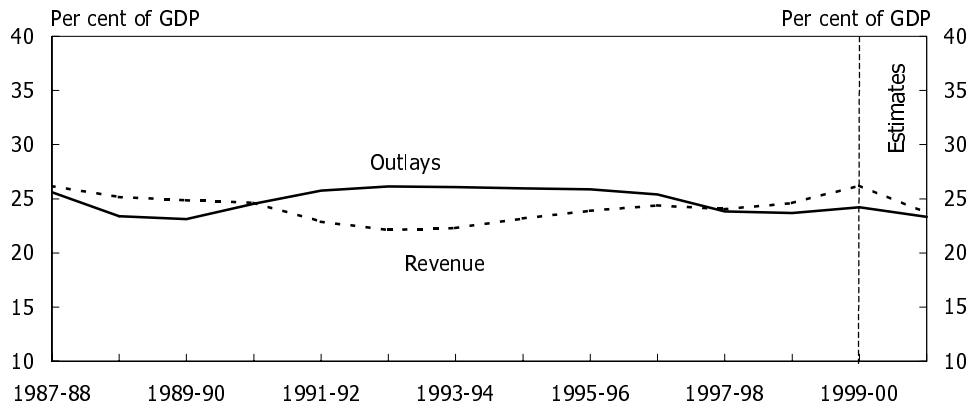
State/local governments predominantly provide outlays in the form of services (such as health and education) rather than income support, and are less sensitive to the economic cycle than Commonwealth finances. Panel A of Chart 2 shows the sustained improvement in State/local general government balances over the period 1991-92 to 1996-97, from a deficit of 1.0 per cent of GDP to a cash surplus of 0.6 per cent of GDP. As shown in Panel B of Chart 3, this improvement largely reflected outlays' restraint, helped by lower debt servicing charges, with State/local revenue broadly stable as a share of GDP.

In 1998-99 the State/local general government sector recorded a cash deficit of 0.5 per cent of GDP. This reflected the allocation by New South Wales and Victoria of an additional \$3.3 billion and \$2.6 billion, respectively, to meeting their unfunded superannuation liabilities. These augmented superannuation contributions increased the States' levels of current expenditure (and thus decreased their budget surpluses for the year) by a corresponding amount. Without these one-off superannuation payments, the State/local general government cash balance for 1998-99 would have been a surplus of around 0.5 per cent of GDP.

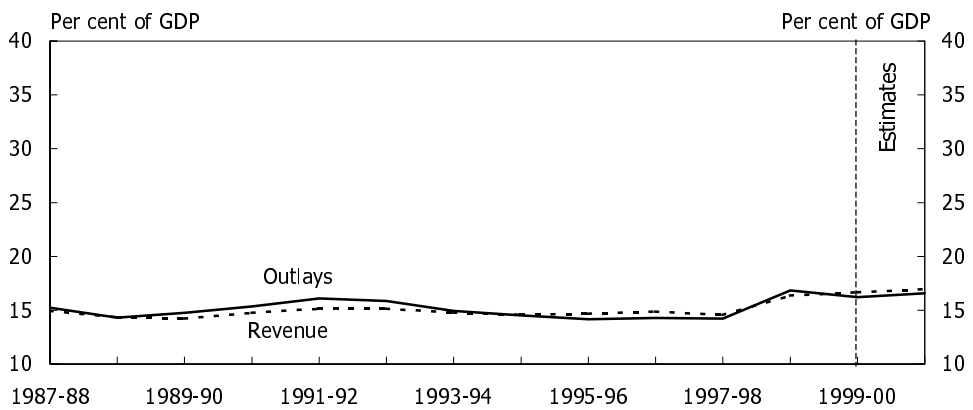
The State/local general government sector is expected to be in surplus in 2000-01.

Chart 3: General government revenue and outlays by level of government

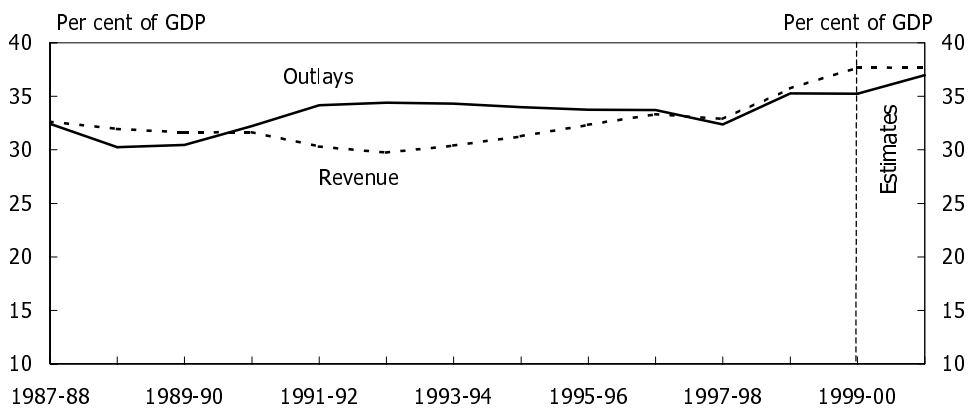
A: Commonwealth



B: State/local



C: Consolidated general government^(a)



(a) Consolidated government includes Commonwealth and State/local governments and universities.

Trends in public non-financial corporations

The PNFC sector is an important provider of economic infrastructure and contributes significant revenue to the general government sector, mainly in the form of dividends. State/local governments account for around 60 per cent of total PNFC sector outlays, reflecting State responsibility for infrastructure and service provision in areas such as electricity, gas, water and public transport.

During the 1980s the PNFC sector incurred significant deficits, with associated growth in debt levels and interest costs. However, since the late 1980s there has been greater emphasis on PNFC operating efficiency, profitability and market orientation and governments have re-evaluated the appropriateness of continued public ownership of many business enterprises.

PNFC privatisations over the last decade have occurred in two main sectors — electricity and gas (such as Victoria's and South Australia's electricity assets), and transport and communications (such as the partial sale of Telstra). Proceeds of asset sales have largely been used to reduce, or contain the growth of, government net debt, resulting in ongoing savings in public debt interest.

As shown in Chart 1 of this Statement, the PNFC sector has maintained a cash surplus position through much of the 1990s. Following a small cash deficit in 1998-99, the sector is projected to return to surplus in 1999-2000 and 2000-01.

Net debt and net worth

NET DEBT

Concept

The concept of net debt is the same under cash and accrual-based financial reporting. Net debt comprises the stock of selected gross financial liabilities less financial assets. The stock of net debt is a common measure used to help judge the overall strength of a jurisdiction's fiscal position. High levels of net debt impose a call on future revenue flows to service that debt.

A limitation of the net debt measure is that it does not include accrued employee liabilities. In addition, net debt does not provide information on whether debt has been incurred to finance fixed asset accumulation or current expenditure. This additional information is important in gauging the strength of a government's fiscal position as well as the sustainability of policy.

Despite these limitations, net debt still provides useful information for examining the soundness of a government's fiscal position.

Data

In this section, net debt data prior to 1994-95 are sourced from the ABS *1998 Public Sector Financial Assets and Liabilities* publication (ABS Cat. No. 5513.0), data from 1994-95 to 1997-98 are from the ABS *1999-2000 Government Financial Estimates* publication (ABS Cat. No. 5501.0) and data for 1998-99 is from the ABS *2000-01 Government Financial Estimates*. Net debt numbers for 1999-2000 are from jurisdictions final budget outcomes, data for 2000-01 onwards are derived from jurisdictions' 2000-01 mid year reports and 2001-02 budgets where available.

Trends

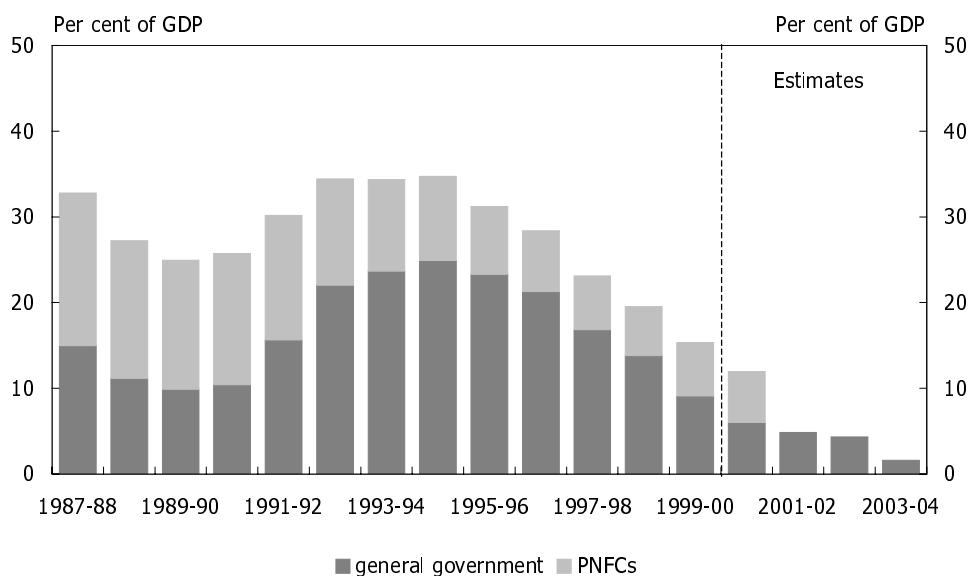
Chart 4 shows non-financial public sector net debt as a percentage of GDP, and the respective contributions of the general government and PNFC sectors, since the late 1980s. Data for the consolidated public non-financial corporations and non-financial public sector are only available through 2000-01, while general government data is available through 2004-05 (general government data for 2001-02 to 2004-05 is provided in Table B4 in Appendix B).

Looking at Charts 1 and 4 together indicates the broad relationship between cash deficits and net debt levels. The financing of Commonwealth cash deficits resulted in a substantial increase in general government net debt as a share of GDP over the early 1990s. Chart 4 also shows the decline in PNFC sector net debt as a share of GDP since the late 1980s, reflecting lower levels of capital expenditure, improved efficiency and

privatisations. This decline moderated the increase in non-financial public sector net debt as a share of GDP in the first half of the 1990s.

The subsequent improvement in non-financial public sector net debt mainly reflects lower net borrowing requirements for the Commonwealth and the application of privatisation proceeds to debt retirement at both the Commonwealth and State/local levels.

Chart 4: Consolidated government non-financial public sector net debt by sector (as at end of financial year)



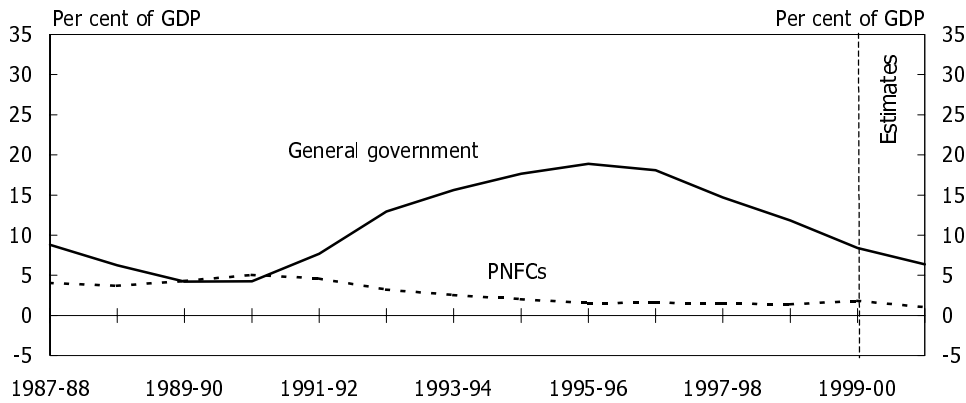
General government net debt as a share of GDP is expected to decline further over the projection period. Consolidated non-financial public sector net debt is estimated to be 12 per cent of GDP in 2000-01, compared with the most recent peak of 34.7 per cent in 1994-95.

Chart 5 shows trends in net debt by sector and level of government. Most Commonwealth net debt is held by the general government sector whereas almost all State/local net debt is held in the PNFC sector.

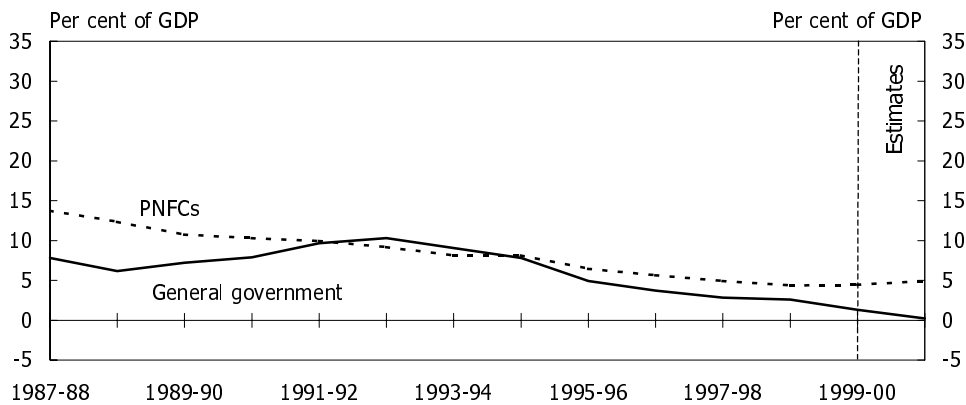
As shown in Panel A of Chart 5, Commonwealth general government net debt as a share of GDP grew from low levels in the late 1980s to a peak of 18.9 per cent in 1995-96. Successive cash surpluses and asset sales (most notably the partial sale of Telstra) have reduced Commonwealth general government sector net debt to an expected 6.4 per cent of GDP in 2000-01.

Chart 5: Non-financial public sector net debt by level of government and sector (outstanding stock as at end of financial year)

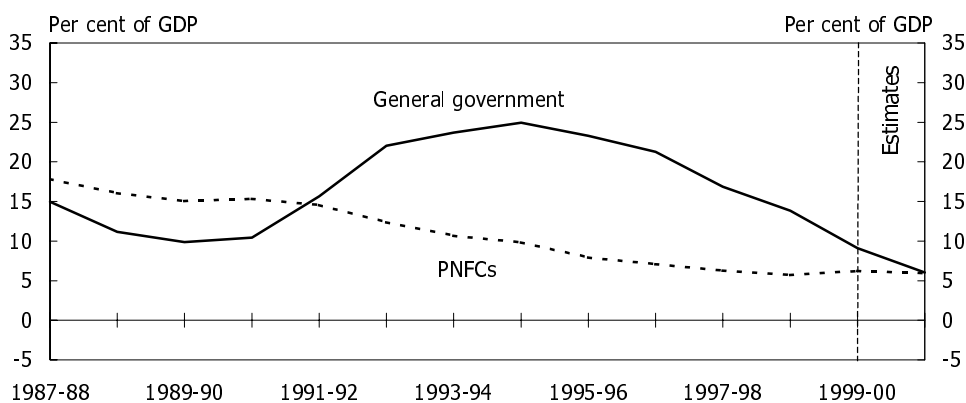
A: Commonwealth



B: State/local



C: Consolidated non-financial public sector^(a)



(a) Consolidated government includes Commonwealth and State/local governments and universities.

In contrast, State/local general government net debt grew only modestly in the early 1990s, and has since declined from a peak of 10.3 per cent in 1992-93 to around 0.2 per cent in 2000-01, as shown in Panel B. This improvement within the State/local general government sector reflects both the impact of asset sales, and fiscal consolidation during the second half of the 1990s. However, some individual States continue to face substantial net debt burdens (see Budget Paper No. 3 — Federal Financial Relations for more information).

NET WORTH

Concept

The net worth measure provides a more comprehensive picture of a government's overall financial position than the net debt measure. Net worth incorporates a government's non-financial assets such as land and other fixed assets, as well as certain financial assets and liabilities not captured by the net debt measure, most notably accrued employee superannuation liabilities.

A limitation of the net debt measure is that the sale of physical assets decreases net debt, with proceeds from sales increasing financial assets. Net worth recognises that the increase in financial assets has been funded by a decrease in physical assets.

Data

As there are unresolved methodological issues involved in consolidating non-financial public sector data and with some jurisdictions yet to make the transition to accrual accounting this section presents consolidated general government net worth data through 2001-02. Table 4 shows general government net worth data by level of government.

Trends

The State/local general government sector has an estimated positive net worth of 55.4 per cent of GDP in 2001-02. The Commonwealth general government sector has historically recorded negative net worth. This difference primarily reflects the significant funding provided by the Commonwealth to the States for capital works, with the resultant assets recorded in the States' balance sheets.

Table 4: General government net worth by level of government (as at end of financial year)^(a)

	Commonwealth		State/local		Consolidated ^(b)	
	\$m	Per cent of GDP	\$m	Per cent of GDP	\$m	Per cent of GDP
1996-97	-74,354	-14.0	na	na	na	na
1997-98	-68,544	-12.1	na	na	na	na
1998-99	-76,150	-12.8	362,682	60.9	286,532	48.1
1999-2000	-39,922	-6.3	376,498	59.5	336,576	53.2
2000-01(e)	-32,659	-4.9	382,851	57.0	350,191	52.1
2001-02(e)	-33,915	-4.8	389,178	55.4	355,262	50.5
2002-03(p)	-35,367	-4.7	na	na	na	na
2003-04(p)	-33,288	-4.2	na	na	na	na
2004-05(p)	-27,118	-3.2	na	na	na	na

(a) Data are sourced from the ABS *2000-01 Government Financial Estimates*, State and Territory 1999-2000 budget outcomes, 2000-01 mid year updates and 2001-02 budgets where available, and Treasury estimates.

(b) Consolidated government includes Commonwealth and State/local governments and universities.

(e) Estimates.

(p) Projections.

na Data not available.

NET INTEREST OUTLAYS

Concept

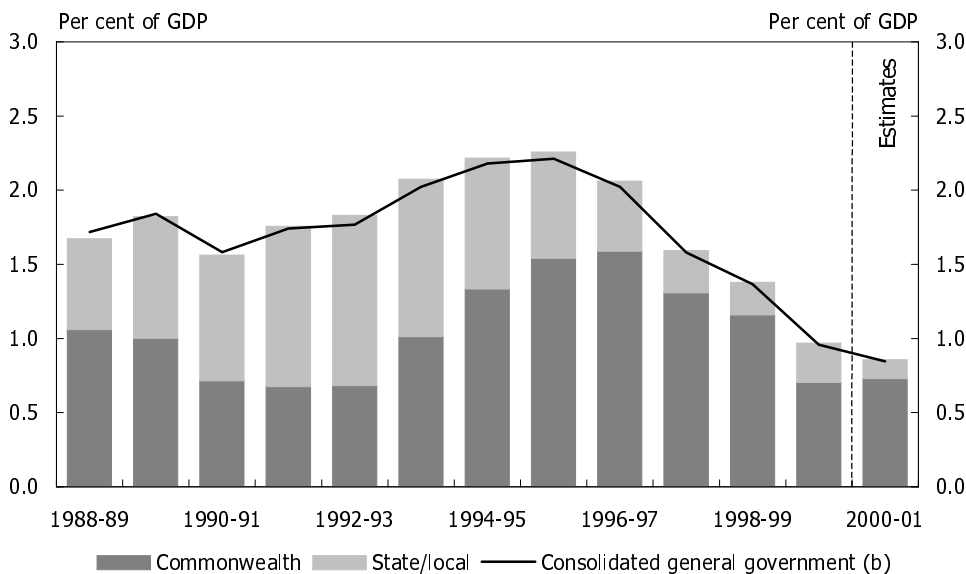
Net interest outlays is a cash measure that is defined as interest payments on gross debt less interest received on loans and advances, and is affected by the volume of net debt on issue and by interest rates.

Trends

Chart 6 shows the trend in general government net interest payments by level of government. Total general government net interest outlays peaked in 1995-96 at 2.2 per cent of GDP due to the increased level of Commonwealth general government net debt. Net interest outlays have since decreased to an expected 0.8 per cent in 2000-01 due to lower interest rates and reduced Commonwealth and State/local general government net debt.

The contribution of the PNFC sector to non-financial public sector net interest outlays has decreased significantly in recent years, as reduced capital outlays, improved PNFC performance and privatisations have reduced PNFC sector net debt as a share of GDP.

Chart 6: General government net interest outlays^(a)

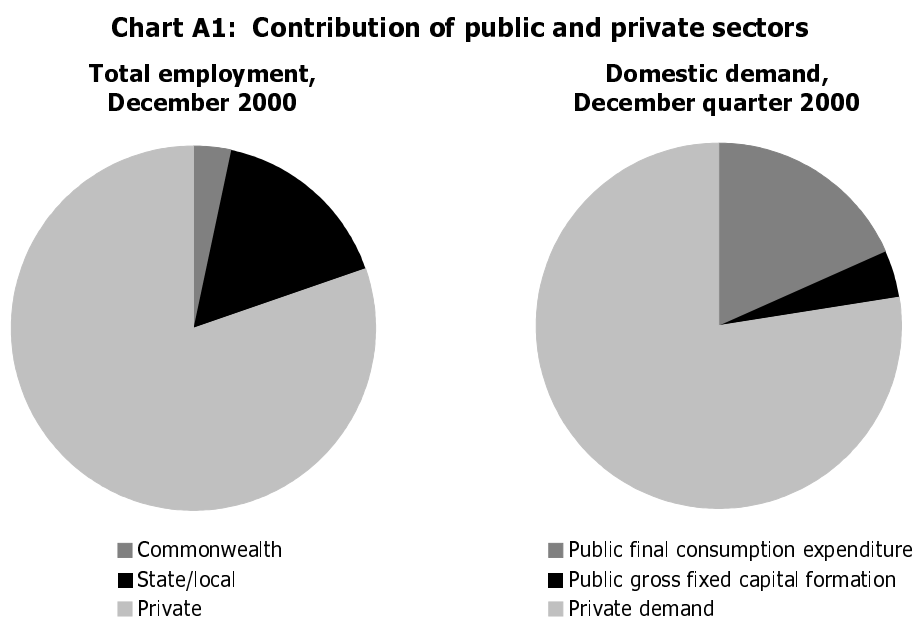


(a) Data are sourced from the ABS *1997-98 Government Finance Statistics*, *2000-01 ABS Government Finance Estimates* and Treasury estimates.

(b) Consolidated government includes Commonwealth and State/local governments and universities.

Appendix A: Size and structure of the public sector

This Appendix provides an overview of the size and structure of Australia's public sector to assist in interpreting the trends discussed elsewhere in this statement.



As shown in Chart A1, the public sector directly accounts for around 20 per cent of civilian employment and 23 per cent of final domestic demand.¹ The State/local level accounts for 83 per cent of total public sector civilian employment and 17 per cent of total employment, reflecting its major responsibilities for service delivery in the areas of education, health, transport, and public order and safety.

There are significant differences in the roles and responsibilities of the two main levels of government. Major Commonwealth expenses include transfer payments in relation to social security, welfare, health and defence expenditure. The Commonwealth also has an important role in funding education and health services provided by the States and the private sector.

¹ Transfer payments by the Commonwealth — for example, income support — are not included in public final demand.

Appendix B: Non-financial public sector — supplementary cash tables

Table B1: Consolidated cash revenue, outlays and cash surplus by institutional sector as a percentage of GDP^(a)

	General government(b)			Public non-financial corporations			Non-financial public sector		
	Revenue	Outlays	Cash surplus	Revenue	Outlays	Cash surplus	Revenue	Outlays	Cash surplus
1987-88	32.7	32.4	0.2	4.0	5.9	-0.6	35.6	37.2	-0.4
1988-89	31.9	30.3	1.7	3.8	5.4	-0.1	34.8	34.7	1.6
1989-90	31.6	30.4	1.2	3.7	6.7	-1.6	34.2	36.0	-0.4
1990-91	31.7	32.2	-0.6	3.8	5.9	-0.7	34.3	36.9	-1.2
1991-92	30.3	34.2	-3.9	3.6	5.5	0.0	32.5	38.2	-3.8
1992-93	29.7	34.4	-4.7	3.6	5.0	0.3	32.0	38.1	-4.3
1993-94	30.4	34.3	-3.9	3.7	4.3	-0.9	32.5	37.1	-3.0
1994-95	31.3	34.0	-2.7	3.4	4.5	0.8	33.2	37.0	-2.0
1995-96	32.3	33.8	-1.4	3.0	4.5	0.1	33.6	36.6	-1.4
1996-97	33.3	33.7	-0.4	3.1	4.1	0.3	34.3	35.8	-0.1
1997-98	32.9	32.4	0.5	2.9	3.6	0.6	34.2	34.5	1.1
1998-99	35.7	35.3	0.2	na	na	-0.4	na	na	-0.2
1999-00	37.7	35.3	2.4	na	na	0.1	na	na	2.6
2000-01(e)	37.7	37.0	0.7	na	na	0.2	na	na	0.9
2001-02(e)	36.5	36.0	0.4	na	na	na	na	na	na
2002-03(p)	35.6	35.4	0.2	na	na	na	na	na	na
2003-04(p)	35.2	34.6	0.7	na	na	na	na	na	na

(a) Data are sourced from the ABS *1997-98 Government Finance Statistics, 2000-01 Government Financial Estimates*, State and Territory 1999-2000 budget outcomes, 2000-01 mid year updates and 2001-02 budgets where available, and Treasury estimates.

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

(e) Estimates.

(p) Projections.

na Data not available.

Table B2: Non-financial public sector cash surplus by level of government as a percentage of GDP^(a)

	Commonwealth	State/local	Consolidated(b)
1987-88	0.9	-1.2	-0.4
1988-89	1.8	-0.2	1.6
1989-90	0.4	-0.8	-0.4
1990-91	-0.4	-0.7	-1.2
1991-92	-2.8	-1.0	-3.8
1992-93	-4.0	-0.4	-4.3
1993-94	-3.5	0.4	-3.0
1994-95	-2.4	0.4	-2.0
1995-96	-2.1	0.7	-1.4
1996-97	-0.9	0.8	-0.1
1997-98	0.4	0.7	1.1
1998-99	0.6	-0.9	-0.2
1999-00	1.6	1.0	2.6
2000-01(e)	0.8	0.2	0.9
2001-02(e)	0.7	na	na

(a) Data are sourced from the ABS *1997-98 Government Finance Statistics, 2000-01 Government Financial Estimates*, State and Territory 1999-2000 budget outcomes, 2000-01 mid year updates and 2001-02 budgets where available, and Treasury estimates.

(b) Consolidated government includes Commonwealth and State/local governments and universities.

(e) Estimates.

na Data not available.

Table B3: General government net interest outlays by level of government^(a)

	Commonwealth		State/local	
	\$m	Per cent of GDP	\$m	Per cent of GDP
1972-73	-266	-0.6	449	1.0
1973-74	-306	-0.5	451	0.8
1974-75	-267	-0.4	474	0.7
1975-76	-389	-0.5	526	0.7
1976-77	-161	-0.2	555	0.6
1977-78	-106	-0.1	582	0.6
1978-79	126	0.1	609	0.5
1979-80	290	0.2	634	0.5
1980-81	444	0.3	801	0.6
1981-82	475	0.3	785	0.5
1982-83	654	0.4	1,034	0.6
1983-84	1,327	0.7	1,347	0.7
1984-85	2,462	1.1	1,405	0.6
1985-86	3,626	1.5	1,159	0.5
1986-87	4,387	1.6	1,493	0.5
1987-88	4,019	1.3	2,127	0.7
1988-89	3,722	1.1	2,158	0.6
1989-90	3,848	1.0	3,153	0.8
1990-91	2,834	0.7	3,364	0.8
1991-92	2,739	0.7	4,397	1.1
1992-93	2,912	0.7	4,901	1.1
1993-94	4,549	1.0	4,771	1.1
1994-95	6,310	1.3	4,182	0.9
1995-96	7,812	1.5	3,636	0.7
1996-97	8,449	1.6	2,515	0.5
1997-98	7,381	1.3	1,617	0.3
1998-99	6,901	1.2	1,307	0.2
1999-00	4,454	0.7	1,675	0.3
2000-01(e)	4,908	0.7	851	0.1
2001-02(e)	4,512	0.6	na	na
2002-03(p)	4,223	0.6	na	na
2003-04(p)	3,704	0.5	na	na
2004-05(p)	2,603	0.3	na	na

(a) Data are sourced from the ABS *1997-98 Government Finance Statistics* and *2000-01 Government Financial Estimates*.

(e) Estimates.

(p) Projections.

Table B4: Non-financial public sector net debt^(a)

	General government						PNFCs		Non-financial public sector	
	Commonwealth		State/local		Consolidated(b)		Consolidated(b)		Consolidated(b)	
	\$m	Per cent of GDP	\$m	Per cent of GDP	\$m	Per cent of GDP	\$m	Per cent of GDP	\$m	Per cent of GDP
1987-88	27,359	8.8	24,201	7.8	46,410	15.0	55,293	17.8	101,703	32.8
1988-89	21,982	6.3	21,683	6.2	39,232	11.2	56,363	16.0	95,595	27.2
1989-90	16,121	4.2	27,672	7.2	37,989	9.9	57,794	15.0	95,783	24.9
1990-91	16,936	4.3	31,322	7.9	41,380	10.4	60,745	15.3	102,125	25.7
1991-92	31,132	7.7	39,167	9.6	63,525	15.6	59,011	14.5	122,536	30.2
1992-93	55,218	12.9	44,020	10.3	94,048	22.0	52,878	12.4	146,926	34.4
1993-94	70,223	15.6	40,693	9.1	106,439	23.7	48,021	10.7	154,460	34.4
1994-95	83,492	17.6	37,039	7.8	117,973	24.9	46,482	9.8	164,455	34.7
1995-96	95,831	18.9	24,981	4.9	118,053	23.3	40,135	7.9	158,188	31.2
1996-97	96,281	18.1	19,757	3.7	113,236	21.3	37,748	7.1	150,984	28.4
1997-98	82,935	14.7	15,937	2.8	95,122	16.8	35,371	6.3	130,493	23.1
1998-99	70,402	11.8	15,441	2.6	82,293	13.8	34,074	5.7	116,367	19.5
1999-00	53,106	8.4	8,284	1.3	57,625	9.1	39,410	6.2	97,034	15.3
2000-01(e)	42,785	6.4	1,394	0.2	40,441	6.0	39,895	5.9	80,336	12.0
2001-02(e)	37,660	5.4	39	0.0	34,097	4.9	na	na	na	na
2002-03(p)	36,571	4.9	-803	-0.1	32,349	4.3	na	na	na	na
2003-04(p)	17,912	2.3	-2,179	-0.3	12,578	1.6	na	na	na	na
2004-05(p)	-4,660	-0.6	na	na	na	na	na	na	na	na

(a) Data are sourced from the ABS *1998 Public Sector Financial Assets and Liabilities, 1997-98 Government Finance Statistics, 1999-2000 and 2000-01 Government Financial Estimates*, State and Territory 1999-2000 budget outcomes, 2000-01 mid year updates and 2001-02 budgets where available, and Treasury estimates.

(b) Consolidated government includes Commonwealth and State/local governments and universities.

(e) Estimates.

(q) Projections.

na Data not available.

