

**STATEMENT 9: GOVERNMENT FINANCE STATISTICS
STATEMENTS**

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STATEMENT 9: GOVERNMENT FINANCE STATISTICS STATEMENTS

The financial tables presented in this Statement are prepared in accordance with the Australian Bureau of Statistics (ABS) accrual Government Finance Statistics (GFS) framework.

Under the *Uniform Presentation Framework* (UPF) — an agreement between the Commonwealth, States and Territories — all jurisdictions are required to publish a common core of GFS consistent financial information in their budget papers. This Statement presents Commonwealth data on a GFS basis, as required by the UPF.

The statistical tables that are presented below include an operating statement, balance sheet and cash flow statement for the Commonwealth general government, public non-financial sector corporations (PNFC) and total non-financial public sectors.

The clear policy intent of the *Intergovernmental Agreement on Commonwealth-State Financial Arrangements* is that GST is collected by the Commonwealth, as an agent for the States and Territories, and appropriated to the States. As such, it is not shown as Commonwealth revenue elsewhere throughout this Budget paper. However, the tables in this Statement are presented consistent with ABS standards, on an accrual UPF reporting basis, and show GST as revenue in and expenses out.

Consistent with ABS practice, transactions between the Commonwealth general government and PNFC sectors are included in the tables produced for these sectors, but are removed from the total non-financial sector tables as they are transactions internal to that sector.

Transactions between the Commonwealth public financial corporations (PFC) sector and the general government and PNFC sectors are included in the relevant tables. These transactions include income transfers such as dividends paid to general government, net advances paid by general government to PFCs and taxes paid by PFCs.

Statement 11 provides reconciliations between key GFS aggregates and their Australian Accounting Standard No. 31 (AAS31) counterparts.

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Table 1: General government sector operating statement

	General Government				
	2000-01	2001-02	2002-03	2003-04	2004-05
	\$m	\$m	\$m	\$m	\$m
GFS revenue					
Taxation revenue	174,572	174,248	183,713	195,834	207,435
Current grants and subsidies	0	0	0	0	0
Sales of goods and services	2,711	2,844	2,884	2,904	2,931
Interest income	1,173	996	972	1,195	1,951
Dividend income	2,215	4,698	3,169	3,067	2,613
Other	4,238	3,534	3,335	3,379	3,327
Total GFS revenue	184,909	186,320	194,073	206,378	218,257
GFS expenses					
Gross operating expenses					
Depreciation	1,418	1,441	1,513	1,578	1,581
Superannuation	1,477	1,558	1,488	1,553	1,505
Salaries and wages	9,038	9,380	9,357	9,489	9,856
Payment for supply of goods and services	34,143	35,721	37,190	38,998	40,657
Other operating expenses	1,892	2,077	2,217	2,271	2,184
Total gross operating expenses	47,968	50,177	51,765	53,890	55,782
Nominal superannuation interest expense	4,480	4,287	4,454	4,609	4,594
Other interest expenses	5,984	5,385	5,169	4,674	4,292
Other property expenses	0	0	0	0	0
Current transfers					
Grant expenses	55,481	59,878	62,027	64,392	66,660
Subsidy expenses	3,579	3,902	4,102	4,186	4,257
Direct personal benefit payments	61,036	61,412	65,450	69,354	73,117
Other current transfers	0	0	0	0	0
Total current transfers	120,096	125,193	131,579	137,932	144,033
Capital transfers(a)	2,925	3,314	3,017	2,842	2,858
Total GFS expenses	181,453	188,355	195,983	203,947	211,559
Net operating balance	3,456	-2,035	-1,910	2,431	6,699
Net acquisition of non-financial assets					
Gross fixed capital formation	960	231	1,251	1,298	1,169
<i>less</i> Depreciation	1,418	1,441	1,513	1,578	1,581
<i>plus</i> Change in inventories	118	86	56	363	311
<i>plus</i> Other movements in non-financial assets	-1,628	-76	-158	-348	-135
Total net acquisition of non-financial assets	-1,968	-1,201	-364	-266	-236
Net lending/fiscal balance(b)	5,424	-834	-1,546	2,697	6,935

(a) Grants that are ultimately used for capital projects. This is the first Budget where all such grants have been identified and separated from current grants.

(b) 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: General government sector balance sheet

	General Government				
	2000-01	2001-02	2002-03	2003-04	2004-05
	\$m	\$m	\$m	\$m	\$m
GFS assets					
Financial assets					
Cash and deposits	1,400	785	594	424	190
Advances paid	18,300	18,352	19,144	19,696	21,020
Investments, loans and placements	9,140	9,335	9,575	9,773	9,910
Other non-equity assets	13,024	11,702	10,533	10,301	10,170
Equity	63,422	60,607	60,626	45,585	30,544
Total financial assets	105,285	100,782	100,472	85,779	71,833
Non-financial assets					
Land	4,241	3,849	3,733	3,673	3,614
Buildings	11,250	10,579	10,576	10,532	10,452
Plant, equipment and infrastructure	9,926	10,075	10,489	10,434	10,356
Inventories	2,995	3,080	3,136	3,498	3,809
Other non-financial assets	2,865	3,103	2,962	2,889	2,857
Total non-financial assets	31,277	30,686	30,896	31,026	31,088
Total GFS assets	136,562	131,468	131,368	116,805	102,921
GFS liabilities					
Deposits held	11	10	10	10	10
Advances received	0	0	0	0	0
Government securities	56,938	52,426	52,673	35,485	14,266
Loans	14,359	13,506	13,050	12,182	12,073
Other borrowing	317	191	152	129	110
Superannuation liability	77,905	79,458	80,846	82,290	83,542
Other employee entitlements and provisions	5,789	5,860	5,948	6,024	5,994
Other non-equity liabilities	13,904	13,932	14,056	13,974	14,044
Total GFS liabilities	169,222	165,383	166,735	150,093	130,039
Net worth(a)	-32,659	-33,915	-35,367	-33,288	-27,118
Net financial worth(b)	-63,937	-64,601	-66,262	-64,314	-58,206
Net debt(c)	42,785	37,660	36,571	17,912	-4,660

(a) Net worth is calculated as assets less liabilities.

(b) Net financial worth equals total financial assets less total liabilities.

(c) Net debt equals the sum of deposits held, advances received and borrowing, less the sum of cash and deposits, advances paid, and investments, loans and placements.

Table 3: General government sector cash flow statement^(a)

	General government				
	2000-01	2001-02	2002-03	2003-04	2004-05
	\$m	\$m	\$m	\$m	\$m
Cash receipts from operating activities					
Taxes received	168,851	175,038	184,381	195,564	207,114
Receipts from sales of goods and services	2,679	2,750	2,998	3,012	2,947
Grants/subsidies received	0	0	0	0	0
Interest receipts	1,245	925	898	1,065	1,849
Dividends	2,891	4,698	3,169	3,067	2,613
GST receipts related to purchases/sales	1,702	1,956	1,953	1,940	1,961
Other receipts	3,439	3,196	3,011	2,973	2,910
Total receipts	180,809	188,563	196,409	207,620	219,393
Cash payments for operating activities					
Payments for goods and services	-29,557	-30,988	-32,151	-33,896	-35,457
Grants and subsidies paid	-61,283	-66,908	-68,713	-71,192	-73,346
Interest paid	-6,153	-5,437	-5,120	-4,770	-4,452
Direct personal benefit payments	-60,629	-61,264	-65,294	-69,199	-73,610
Salaries, wages and other entitlements	-15,401	-15,813	-16,181	-16,545	-17,063
GST receipts related to purchases/sales	-1,836	-1,943	-1,954	-1,936	-1,958
Other payments for operating activities	-4,403	-4,698	-4,758	-4,957	-5,050
Total payments	-179,262	-187,050	-194,171	-202,494	-210,935
Cash flows from operating activities	1,547	1,513	2,238	5,126	8,458
Cash flows from investments in non-financial assets					
Sales of non-financial assets	2,489	1,740	658	705	581
/less Purchases of new and secondhand non-financial assets	-1,787	-1,821	-1,845	-1,728	-1,636
Net cash flows from investments in non-financial assets	702	-81	-1,187	-1,023	-1,055
Net cash flows from investments in financial assets for policy purposes	6,228	3,154	-1,127	13,459	13,293
Cash flows from investments in financial assets for liquidity purposes					
Increase in investments	8,780	-261	-270	-444	-352
Net cash flows from investments in financial assets for liquidity purposes	8,780	-261	-270	-444	-352
Cash flows from financing activities					
Advances received (net)	0	0	0	0	0
Borrowing (net)	-19,012	-4,535	203	-17,236	-21,221
Deposits received (net)	1	-1	0	0	0
Other financing (net)	-401	-404	-48	-52	644
Net cash flows from financing activities	-19,413	-4,939	155	-17,288	-20,577
Net increase/decrease in cash held	-2,156	-615	-191	-170	-234
Net cash from operating activities and investments in non-financial assets	2,249	1,432	1,051	4,103	7,403
/less Finance leases & similar arrangements(b)	-4	-88	-12	0	0
Equals surplus(+)/deficit(-)	2,253	1,520	1,063	4,103	7,403

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

(b) Finance leases are deducted in compiling the surplus/deficit.

Table 4: Public non-financial corporations sector operating statement^(a)

	Public non-financial corporations	
	2000-01	2001-02
	\$m	\$m
GFS revenue		
Current grants and subsidies	227	228
Sales of goods and services	27,136	27,332
Interest income	87	81
Other	36	40
Total GFS revenue	27,486	27,680
GFS expenses		
Gross operating expenses		
Depreciation	3,646	4,264
Other operating expenses	13,978	14,033
Total gross operating expenses	17,625	18,298
Interest expenses	1,053	1,086
Other property expenses	1,156	1,284
Current transfers		
Tax expenses	2,593	2,128
Other current transfers	0	0
Total current transfers	2,594	2,128
Capital transfers	0	0
Total GFS expenses	22,427	22,795
Net operating balance	5,059	4,885
Net acquisition of non-financial assets		
Gross fixed capital formation	5,142	4,843
<i>less</i> Depreciation	3,646	4,264
<i>plus</i> Change in inventories	50	-4
<i>equals</i> Total net capital formation	1,546	576
<i>plus</i> Other movements in non-financial assets	337	-30
Total net acquisition of non-financial assets	1,882	546
Net lending/fiscal balance(b)	3,177	4,339

(a) For a list of major PNFCs, see Statement 11.

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

Table 5: Public non-financial corporations sector balance sheet

	Public non-financial corporations	
	2000-01	2001-02
	\$m	\$m
GFS assets		
Financial assets		
Cash and deposits	1,350	1,317
Advances paid	3	3
Investments, loans and placements	9,124	9,115
Other non-equity assets	3,438	3,598
Equity	0	0
Total financial assets	13,915	14,033
Non-financial assets		
Land and fixed assets	36,903	34,549
Other non-financial assets	1,966	1,854
Total non-financial assets	38,869	36,403
Total GFS assets	52,784	50,436
GFS liabilities		
Deposits held	0	0
Advances received	56	0
Borrowing	17,226	15,078
Provisions (other than depreciation and bad debts)	6,633	7,134
Other non-equity liabilities	4,471	3,999
Total GFS liabilities	28,386	26,211
Shares and contributed capital	96,372	94,349
Net worth(a)	-71,974	-70,124
Net financial worth(b)	-110,842	-106,527
Net debt(c)	6,805	4,643

(a) Net worth is calculated as assets less liabilities less shares and other contributed capital. The negative net worth recorded for this sector reflects a higher valuation of listed Commonwealth corporations by the sharemarket than the value of net assets recorded by these corporations.

(b) Net financial worth equals total financial assets less total liabilities less shares and other contributed capital.

(c) Net debt equals the sum of deposits held, advances received and borrowing, less the sum of cash and deposits, advances paid, and investments, loans and placements.

Table 6: Public non-financial corporations sector cash flow statement^(a)

	Public non-financial corporations	
	2000-01	2001-02
	\$m	\$m
Cash receipts from operating activities		
Receipts from sales of goods and services	26,872	27,307
Grants and subsidies received	228	228
Other receipts	110	111
Total receipts	27,210	27,646
Cash payments for operating activities		
Payment for goods and services	-16,230	-16,202
Interest paid	-1,060	-1,086
Other payments for operating activities(b)	-3,094	-3,090
Total payments	-20,384	-20,377
Net cash flows from operating activities	6,826	7,270
Cash flows from investments in non-financial assets		
Sales of non-financial assets	1,123	314
<i>less</i> Purchases of new and secondhand non-financial assets	-6,265	-5,158
Net cash flows from investments in non-financial assets	-5,142	-4,843
Cash flows from investments in financial assets for policy purposes		
Net advances paid	0	0
Net equity acquisitions, disposals and privatisations	0	0
Net cash flows from investments in financial assets for policy purposes	0	0
Cash flows from investments in financial assets for liquidity purposes		
Increase in investments	-5,031	0
Net cash flows from investments in financial assets for liquidity purposes	-5,031	0
Cash flows from financing activities		
Advances received (net)	-40	-30
Borrowing (net)	4,687	-829
Deposits received (net)	0	0
Distributions paid (net)(c)	-1,156	-1,284
Other financing (net)	-323	-319
Net cash flows from financing activities	3,168	-2,462
Net increase/decrease in cash held	-179	-36
Net cash from operations and investments in non-financial assets	1,683	2,426
<i>less</i> Finance leases and similar arrangements(d)	0	0
<i>plus</i> Distributions paid	1,156	1,284
Equals surplus(+)/deficit(-)	2,839	3,710

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

(b) 'Other payments for operating activities' includes the cash flow to the general government sector from PNFC distributions paid.

(c) 'Distributions paid' comprise PNFC dividends to external shareholders.

(d) Finance leases are deducted in compiling the surplus/deficit.

Table 7: Total non-financial public sector operating statement

	Total non-financial public sector	
	2000-01	2001-02
	\$m	\$m
GFS revenue		
Taxation revenue	171,978	172,120
Current grants and subsidies	0	0
Sales of goods and services	29,847	30,176
Interest income	1,205	1,021
Dividend income	805	3,196
Other	4,274	3,574
Total GFS revenue	208,109	210,087
GFS expenses		
Gross operating expenses		
Depreciation	5,064	5,705
Superannuation	1,480	1,559
Salaries and wages	9,038	9,380
Payment for supply of goods and services	34,143	35,721
Other operating expenses	14,457	14,607
Total gross operating expenses	64,182	66,972
Nominal superannuation interest expense	4,480	4,287
Other interest expenses	6,981	6,415
Other property expenses	1,156	1,284
Current transfers		
Grant expenses	55,481	59,878
Subsidy expenses	3,351	3,674
Personal benefit payments in cash	61,036	61,412
Other current transfers	0	0
Total current transfers	119,869	124,964
Capital transfers	2,925	3,314
Total GFS expenses	199,594	207,237
Net operating balance	8,515	2,850
Net acquisition of non-financial assets		
Gross fixed capital formation	6,103	5,074
<i>less</i> Depreciation	5,064	5,705
<i>plus</i> Change in inventories	168	82
<i>plus</i> Other movements in non-financial assets	-1,292	-106
Total increase in net non-financial assets	-86	-655
Net lending/fiscal balance(a)	8,600	3,505

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

Table 8: Total non-financial public sector balance sheet

	Total Non-financial	Public Sector
	2000-01	2001-02
	\$m	\$m
GFS assets		
Financial assets		
Cash and deposits	2,750	2,102
Advances paid	18,343	18,385
Investments, loans and placements	18,264	18,451
Other non-equity assets	16,462	15,300
Equity	11,992	11,201
Total financial assets	67,812	65,438
Non-financial assets		
Land and fixed assets	65,315	62,132
Other non-financial assets	4,831	4,957
Total non-financial assets	70,146	67,089
Total GFS assets	137,958	132,528
GFS liabilities		
Deposits held	11	10
Advances received	96	30
Government securities	56,938	52,426
Loans	14,359	13,506
Other borrowing	17,543	15,269
Superannuation liability	77,905	79,458
Other employee entitlements and provisions	12,421	12,995
Other non-equity liabilities	18,374	17,931
Total GFS liabilities	197,648	191,624
Shares and other contributed capital	44,943	44,943
Net worth(a)	-104,633	-104,039
Net financial worth(b)	-174,779	-171,129
Net debt(c)	49,590	42,303

(a) Net worth is calculated as assets less liabilities less shares and other contributed capital.

(b) Net financial worth equals total financial assets less total liabilities less shares and other contributed capital.

(c) Net debt equals the sum of deposits held, advances received and borrowing, less the sum of cash and deposits, advances paid, and investments, loans and placements.

Table 9: Total non-financial public sector cash flow statement^(a)

	Total non-financial public sector	
	2000-01	2001-02
	\$m	\$m
Cash receipts from operating activities		
Taxes received	166,258	172,910
Receipts from sales of goods and services	29,551	30,057
Grants and subsidies received	0	0
Interest receipts	1,190	925
Dividends	1,481	3,196
GST receipts related to purchases/sales	1,702	1,956
Other receipts	3,549	3,252
Total receipts	203,731	212,296
Cash payments for operating activities		
Payments for goods and services	-45,787	-47,190
Grants and subsidies paid	-61,055	-66,680
Interest paid	-7,158	-6,468
Personal benefit payments	-60,629	-61,264
Salaries, wages and other entitlements	-15,401	-15,813
GST receipts related to purchases/sales	-1,836	-1,943
Other payments for operating activities	-3,493	-4,157
Total payments	-195,359	-203,514
Net cash flows from operating activities	8,373	8,782
Cash flows from investments in non-financial assets		
Sales of non-financial assets	3,612	2,054
<i>less</i> purchases of new and secondhand non-financial assets	-8,053	-6,978
Net cash flows from investments in non-financial assets	-4,440	-4,924
Net cash flows from investments in financial assets for policy purposes	6,188	3,124
Cash flows from investments in financial assets for liquidity purposes		
Increase in investments	3,749	-261
Net cash flows from investments in financial assets for liquidity purposes	3,749	-261
Cash flows from financing activities		
Advances received (net)	0	0
Borrowing (net)	-14,325	-5,364
Deposits received (net)	1	-1
Distributions paid (net)(b)	-1,156	-1,284
Other financing (net)	-725	-723
Net cash flows from financing activities	-16,204	-7,371
Net increase/decrease in cash held	-2,335	-651
Net cash from operating activities and investments in non-financial assets	3,932	3,858
<i>less</i> Finance leases and similar arrangements(c)	-4	-88
<i>plus</i> Distributions paid	1,156	1,284
Equals surplus(+)/deficit(-)	5,091	5,231

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

(b) 'Distributions paid' comprise PNFC dividends to external shareholders.

(c) Finance leases are deducted in compiling the surplus/deficit.

Table 10: General government sector taxation revenue by source

	General government sector	
	2000-01	2001-02
	\$m	\$m
Taxes on income, profits and capital gains		
Income and capital gains levied on individuals	77,017	83,025
Income and capital gains levied on enterprises	42,291	32,951
Income taxes levied on non-residents	1,220	1,277
Total	120,528	117,252
Taxes on employers' payroll and labour force	3,290	3,500
Taxes on property	12	13
Taxes on the provision of goods and services		
Sales/goods and services tax	25,889	28,290
Excises and levies	19,523	19,623
Taxes on international trade	4,671	4,885
Other	0	0
Total	50,083	52,798
Taxes on use of goods and performance of activities	659	685
Total GFS taxation revenue	174,572	174,248

The UPF also requires the publication of data on general government sector expenses by function. The data are not shown in this Statement, as they have been published earlier, in Statement 6. However, the data in Statement 6 treat the GST as a State tax, and hence exclude GST payments to the States.

