



**STRONG GOVERNMENT  
STRONG BUSINESS  
STRONG COMMUNITY**

2013-14 MID-YEAR BUDGET REVIEW



**Government of  
South Australia**



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**Government  
of South Australia**

## **Mid-Year Budget Review**

**2013–14**

*Presented by  
the Honourable Jay Weatherill MP  
Premier and Treasurer of South Australia*

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# Chapter 1: 2013–14 budget position and fiscal outlook

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## Overview

The Mid-Year Budget Review (MYBR) outlook achieves the government's fiscal target of a general government net operating surplus by the end of the forward estimates. The budget returns to a net operating surplus in 2015–16. The government has a fiscal target that operating expenditure growth will be limited to trend growth in household income in years where there is a net operating surplus. The MYBR outlook achieves this target with growth in operating expenditure being below trend growth in household income.

General government sector net debt is estimated to be \$6.6 billion in 2013–14, \$310 million lower than was forecast in the 2013–14 Budget. Net debt is expected to peak in 2015–16, when the new Royal Adelaide Hospital is first recognised on the balance sheet. Net debt is then forecast to decline in 2016–17 consistent with the expected net lending surplus.

The net debt to revenue ratio will temporarily increase above the government's fiscal target of 50.0 per cent to 53.9 per cent in 2015–16, before falling back to 47.3 per cent in 2016–17.

The unfunded superannuation liability has reduced across all years of the forward estimates when compared to forecasts in the 2013–14 Budget. This is mainly due to an increase in the discount rate used to value the liability. The liability also decreases over the forward estimates as the government continues its policy of fully funding the liability by 2034.

Since the 2013–14 Budget weaker international and national economic conditions have meant local employment conditions remain subdued with economic, employment and inflation growth forecasts being revised down in 2013–14 and 2014–15. Current forecasts assume that state economic growth will pick up from 2014–15 onwards and resume trend growth from 2015–16.

While taxation revenues have been revised up in 2013–14, mainly due to large once-off conveyance duty transactions, taxation revenues have been revised down in all years from 2014–15. This is mainly the result of downward revisions to payroll tax revenue and gaming machine revenue across the forward estimates as well as downward revisions to conveyance duty revenue from 2015–16.

GST grant revenue has been revised up in 2013–14 and 2014–15 but revised down from 2015–16 onwards. These revisions reflect updated GST pool and population estimates included in the Commonwealth's 2013 Pre-Election Economic and Fiscal Outlook and the 2012–13 Final Budget Outcome.

Decreases in the general purpose revenue sources have been offset by increases in revenues that are tied to new expenditures (largely Commonwealth Government funding). Total revenues across the forward estimates are slightly higher than reflected in the 2013–14 Budget.

Notwithstanding taxation and GST pressures, the net operating balance is projected to be in surplus in 2015–16.

## **Building a Stronger South Australia**

A number of initiatives have been announced to support the Government of South Australia's Plan for Building a Stronger South Australia.

- A future fund will be established so that a proportion of our mining royalties and other funds can be invested into infrastructure and initiatives that boost the economy.
- The jobs and skills policy will ensure that South Australians are supported to find, prepare for and keep meaningful jobs.
- New incentives will encourage greater use of public transport by making it easier and more affordable.
- New laws and increased support for police will make our communities safer.
- A smart, user-focused transport system will allow South Australia to grow and prosper while remaining one of the most liveable places in the world.
- A new vision for inner-city living.
- Measures to support sustainable and internationally competitive food and agribusiness sectors.
- Helping our children to develop healthier lifestyle habits and a stronger awareness of the natural environment.
- New actions to help our children experience the benefits of the online world while keeping them safe from harm.
- A suite of new measures that will strengthen the South Australian public education system.

Table 1.1 lists the individual initiatives, which will have a total budget impact of \$32.9 million over four years. Further detail on these initiatives can be found in Appendix A.



**Table 1.1: Building a Stronger South Australia initiatives — budget impacts (\$000)**

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
<b>Future Fund</b>	—	—	—	—
<b>Jobs and Skills</b>				
Local government stimulus package for minor works	-7 500	3 500	—	—
Employment Strategy	-3 940	-4 030	-4 030	—
<b>Public Transport</b>				
Adelaide Metro — ticketing initiatives	- 449	- 135	- 139	- 144
<b>Safer Communities. Safer Policing</b>				
Mobile data entry terminals	—	- 515	—	—
<b>Transport Plan</b>	—	—	—	—
<b>Housing in the City</b>				
Stamp duty concession for off-the-plan apartment purchases — extension to inner metropolitan area	- 200	-1 100	-2 200	-2 400
<b>Premium Food and Wine</b>				
Establishment of a Sterile Insect Technology Facility in South Australia	145	-1 892	151	156
Phylloxera and other disease and pest testing technology	—	- 120	- 130	- 250
Economic growth in agriculture	- 852	- 100	- 50	—
<b>Healthy and Strong Children</b>				
Healthy Children — Stephanie Alexander Kitchen Garden Program	- 229	- 210	—	—
Nature Play SA	—	- 114	—	—
<b>Children, Technology and Gambling</b>				
Children, technology and gambling initiative	- 393	- 101	- 62	- 41
<b>High-Quality Education</b>				
Quality education initiative	- 400	-1 600	-1 700	-1 800
<b>Total</b>	<b>-13 818</b>	<b>-6 417</b>	<b>-8 160</b>	<b>-4 479</b>

Note: Totals may not add due to rounding.

## Fiscal outlook

Table 1.2 shows the movement in the key fiscal indicators for the general government sector since the 2013–14 Budget.

**Table 1.2: Fiscal Outlook — Budget and Mid-Year Budget Review (\$million)**

	2013–14	2014–15	2015–16	2016–17
<b>Net operating balance</b>				
Budget	- 911	- 431	375	661
<b>MYBR</b>	<b>- 955</b>	<b>- 511</b>	<b>303</b>	<b>614</b>
Change	- 44	- 80	- 72	- 47
<b>Net lending</b>				
Budget	-1 455	- 118	-2 306	744
<b>MYBR</b>	<b>-1 505</b>	<b>- 249</b>	<b>-2 514</b>	<b>660</b>
Change	- 50	- 131	- 208	- 84
<b>Net debt</b>				
Budget	6 951	7 064	9 446	8 751
<b>MYBR</b>	<b>6 640</b>	<b>6 842</b>	<b>9 394</b>	<b>8 744</b>
Change	- 310	- 222	- 52	- 7
<b>Net debt to revenue ratio (%)</b>				
Budget	45.5	44.1	54.2	47.4
<b>MYBR</b>	<b>43.1</b>	<b>42.5</b>	<b>53.9</b>	<b>47.3</b>
<b>Unfunded superannuation</b>				
Budget	11 802	11 635	11 438	11 210
<b>MYBR</b>	<b>10 264</b>	<b>10 133</b>	<b>9 976</b>	<b>9 792</b>
Change	-1 538	-1 502	-1 462	-1 418

Note: Totals may not add due to rounding.

The net operating balance in 2013–14 has only slightly deteriorated since estimates at the time of the 2013–14 Budget. The net operating balance returns to surplus in 2015–16.

Net lending deficits continue over the forward estimates until 2016–17 when a net lending surplus is projected. The net lending deficits are mainly driven by the state's infrastructure program and the new Royal Adelaide Hospital, which is first recognised in 2015–16.

The improvement in general government sector net lending across the forward estimates (excluding the 2015–16 once-off impact of \$2.8 billion for the new Royal Adelaide Hospital) reflects both an improvement in the net operating balance and an easing in the level of infrastructure investment.

The following table provides operating statement details for the general government sector for 2013–14 and the following three forward years.

**Table 1.3: General government sector operating statement — 2013–14 to 2016–17 (\$million)**

	2013–14 Budget	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
<b>Revenue</b>					
Taxation revenue	4 206	4 218	4 452	4 747	4 992
Grants	7 883	7 925	8 274	9 191	9 841
Sales of goods and services	2 077	2 129	2 192	2 257	2 342
Interest income	102	102	114	152	183
Dividend and income tax equivalent income	328	355	368	376	373
Other	669	679	698	716	737
<b>Total revenue</b>	<b>15 265</b>	<b>15 407</b>	<b>16 097</b>	<b>17 439</b>	<b>18 469</b>
<i>less</i>					
<b>Expenses</b>					
Employee expenses	7 155	7 173	7 249	7 365	7 497
Superannuation expenses					
Superannuation interest cost	434	468	452	446	439
Other superannuation expenses	754	763	768	774	784
Depreciation and amortisation	895	899	979	1 043	1 116
Interest expenses	379	377	423	568	767
Other property expenses	—	—	—	—	—
Other operating expenses	3 975	4 003	4 163	4 282	4 477
Grants	2 585	2 680	2 575	2 658	2 774
<b>Total expenses</b>	<b>16 176</b>	<b>16 363</b>	<b>16 609</b>	<b>17 135</b>	<b>17 855</b>
<i>equals</i>					
<b>Net operating balance</b>	<b>- 911</b>	<b>- 955</b>	<b>- 511</b>	<b>303</b>	<b>614</b>
<i>plus</i>					
<b>Other economic flows</b>	<b>337</b>	<b>953</b>	<b>349</b>	<b>362</b>	<b>391</b>
<i>equals</i>					
<b>Comprehensive result — total change in net worth</b>	<b>- 574</b>	<b>- 2</b>	<b>- 163</b>	<b>665</b>	<b>1 006</b>
<b>Net operating balance</b>	<b>- 911</b>	<b>- 955</b>	<b>- 511</b>	<b>303</b>	<b>614</b>
<i>less</i>					
<b>Net acquisition of non-financial assets</b>					
Purchases of non-financial assets	1 858	1 668	1 081	3 958	1 102
<i>less</i> Sales of non-financial assets	419	220	364	98	31
<i>less</i> Depreciation	895	899	979	1 043	1 116
<i>plus</i> Change in inventories	—	—	—	—	—
<i>plus</i> Other movements in non-financial assets	—	—	—	—	—
<i>equals</i> Total net acquisition of non-financial assets	<b>544</b>	<b>550</b>	<b>- 262</b>	<b>2 817</b>	<b>- 46</b>
<i>equals</i>					
<b>Net lending / borrowing</b>	<b>-1 455</b>	<b>-1 505</b>	<b>- 249</b>	<b>-2 514</b>	<b>660</b>

Note: Totals may not add due to rounding.

In addition to the net operating balance, the major contributors to the comprehensive result (total change in net worth) are the movement in the value of net assets of public financial corporations and public non-financial corporations, and the revaluation of the state's unfunded superannuation liability. Under the Government Finance Statistics (GFS) accounting framework, these variations are not recorded as operating revenues or expenses, rather they are classified as other economic flows. A more detailed reconciliation of other economic flows appears in table B.16 of Appendix B. A detailed discussion on the updated revenue and expenditure budget estimates is included later in this chapter.

The following tables outline changes to the net operating balance and net lending since the 2013–14 Budget classified as policy or parameter items. Policy items are decisions taken by the Government of South Australia since the 2013–14 Budget. Parameter items are generally variations outside the government's control.

**Table 1.4: Net operating balance — policy and parameter variations since the 2013–14 Budget (\$million)**

	2013–14	2014–15	2015–16	2016–17
<b>Estimate at 2013–14 Budget</b>	<b>- 911</b>	<b>- 431</b>	<b>375</b>	<b>661</b>
<b>Parameter and other variations</b>				
Revenue — taxation	12	- 25	- 63	- 114
Revenue — other	114	46	7	31
Operating expenses	- 59	- 38	33	34
<b>Net effect of parameter and other variations</b>	<b>68</b>	<b>- 17</b>	<b>- 22</b>	<b>- 49</b>
<b>Policy measures</b>				
Revenue — taxation	—	- 1	- 2	- 2
Revenue — other	- 1	—	—	—
Revenue offsets	16	51	78	100
Operating expenses	- 173	- 153	- 156	- 127
<b>Net effect of policy measures</b>	<b>- 157</b>	<b>- 103</b>	<b>- 81</b>	<b>- 30</b>
<b>Use of provisions set aside in the 2013–14 Budget</b>				
Operating expenses	45	40	31	31
<b>Estimate at the 2013–14 Mid-Year Budget Review</b>	<b>- 955</b>	<b>- 511</b>	<b>303</b>	<b>614</b>

Note: Totals may not add due to rounding.

**Table 1.5: Net lending — policy and parameter variations since the 2013–14 Budget (\$million)**

	2013–14	2014–15	2015–16	2016–17
<b>Estimate at 2013–14 Budget</b>	<b>-1 455</b>	<b>- 118</b>	<b>-2 306</b>	<b>744</b>
<b>Net effect of operating variations since the 2013–14 Budget</b>	<b>- 44</b>	<b>- 80</b>	<b>- 72</b>	<b>- 47</b>
<b>Investing variations — net acquisition of non-financial assets</b>				
Net effect of parameter variations	- 53	- 162	- 167	- 32
Net effect of policy variations	36	107	31	- 5
<b>Total investing variations</b>	<b>- 17</b>	<b>- 55</b>	<b>- 136</b>	<b>- 37</b>
<b>Use of provisions set aside in the 2013–14 Budget</b>				
Net capital investment expenditure	11	4	—	—
<b>Estimate at the 2013–14 Mid-Year Budget Review</b>	<b>-1 505</b>	<b>- 249</b>	<b>-2 514</b>	<b>660</b>

Note: Totals may not add due to rounding.

**Table 1.6: Major revenue and expense variations (parameter and other only) since the 2013–14 Budget (\$million)**

	2013–14	2014–15	2015–16	2016–17
<b>Revenue — Taxation</b>				
Payroll tax	-19	-22	-25	-28
Conveyances	52	15	-19	-55
Land tax	-4	-4	-5	-12
Transport Development Levy	—	3	3	4
Other property taxes	-4	1	1	1
Insurance taxes	-9	-9	-4	-4
Gambling tax	-3	-8	-13	-19
Motor vehicle taxes	-1	-1	-1	-1
<b>Total taxation revenue</b>	<b>12</b>	<b>-25</b>	<b>-63</b>	<b>-114</b>
<b>Revenue — Other</b>				
GST revenue grants	12	9	-19	-25
Commonwealth specific purpose and national partnership and other grants				
SPP grants	26	3	-8	-32
NP grants	-9	-17	-6	61
Other contributions and grants	—	-2	-2	-2
Royalties	5	22	24	38
Sales of goods and services	50	38	25	16
Interest income	-1	-11	-11	-22
Dividends and income tax equivalents	27	-1	—	-6
Other revenue	4	6	4	3
<b>Total other revenue</b>	<b>114</b>	<b>46</b>	<b>7</b>	<b>31</b>
<b>Operating expenses</b>				
Nominal superannuation interest expense	-34	-24	-24	-24
Interest expense	2	7	-12	-25
Depreciation	-4	-4	-1	14
Carryovers (net of provision for slippage)	55	-2	-1	-24
Other variations	-78	-15	72	94
<b>Total operating expenses</b>	<b>-59</b>	<b>-38</b>	<b>33</b>	<b>34</b>
<b>Net capital investment expenditure</b>				
Depreciation	4	4	1	-14
Carryovers (net of provision for slippage)	76	-133	—	-19
Other variations	-133	-34	-168	1
<b>Total net capital investment expenditure</b>	<b>-53</b>	<b>-162</b>	<b>-167</b>	<b>-32</b>

Note: Totals may not add due to rounding.

## Operating revenue

### Policy measures

A summary of total revenue measures is shown in table 1.7.

**Table 1.7: Revenue measures (\$million)<sup>(a)</sup>**

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
<b>Revenue measures — taxation</b>				
Stamp duty concession for off-the-plan apartment purchases — extension	-0.2	-1.1	-2.2	-2.4
<b>Total revenue measures — taxation</b>	<b>-0.2</b>	<b>-1.1</b>	<b>-2.2</b>	<b>-2.4</b>
<b>Agency revenue measures</b>				
<b>Primary Industries and Regions</b>				
Biosecurity animal health cost recovery	-0.5	—	—	—
<b>Total agency revenue measures</b>	<b>-0.5</b>	<b>—</b>	<b>—</b>	<b>—</b>

Note: Totals may not add due to rounding.

(a) Excludes revenue offsets.

On 28 October 2013, the government announced the stamp duty concession for eligible off-the-plan apartments would be extended to the inner metropolitan area. The concession is available for eligible inner metropolitan off-the-plan contracts entered into from 28 October 2013 to 30 June 2016.

Further detail on policy measures is provided in Appendix A.

### Parameter and other variations

#### Taxation revenue

Total taxation revenues have been revised up in 2013–14 and down across the forward years, mainly due to revisions to property tax, payroll tax and gambling tax revenues.

Conveyance duty revenue estimates have been revised up in 2013–14 and 2014–15 and down across the forward years.

The upward revision to conveyance duty in 2013–14 reflects stronger than anticipated growth in residential property transfers and higher than expected revenue from a number of large once-off conveyance duty transactions that have occurred in the early part of the year. Total real property transfers are still expected to return to trend in 2016–17 consistent with budget expectations.

Additional revenue associated with higher levels of expected property transfers to 2015–16 is partially offset in 2014–15, and more than offset from 2015–16, by downward revisions to expected property value growth from 2014–15.

The 2013–14 Budget assumed that property values would grow by 2.5 per cent in 2013–14 and broadly in line with long-term trend nominal household income over the forward years. While the growth assumption for 2013–14 remains unchanged, a range of domestic and international economic factors are expected to mean that household income growth and property values will grow more modestly than budget projections, with property values now expected to grow by 4.5 per cent in 2014–15 and by 3.5 per cent per annum from 2015–16.

Land tax revenue estimates have been revised down to reflect updated advice on property owners' land tax liabilities in 2013–14, which flows through as a base effect to future years. The revised property value growth outlook also impacts upon land tax revenue estimates across the forward years.

Payroll tax revenue estimates have been revised down due to a lower than budgeted outcome in 2012–13, which flows through as a base effect to future years. Total hours worked has also been revised down across the forward estimates reflecting a more moderate growth outlook for employment over the forward years.

The downward revision to gambling tax revenue estimates in all years reflects lower expected annual growth in net gaming revenue consistent with more restrained household income growth and the more mature nature of the gaming machine market.

Insurance duty revenue has been revised down in all years mainly due to the flow through effects of a slightly softer than expected outcome in 2012–13. The larger downward revision in 2013–14 is due to the timing of back payments associated with a recent court case, with some back payments expected to be paid in 2013–14 received in late 2012–13.

Revenue from the Transport Development Levy has been revised up to reflect more detailed information on the likely number of liable car parking spaces.

#### **GST revenue grants**

GST revenue grants have been revised up in 2013–14 and 2014–15, then down from 2015–16.

GST pool estimates used in the MYBR, which are based on estimates provided in the Commonwealth's 2013 Pre-Election Economic and Fiscal Outlook, are higher than estimates published in the Commonwealth Government's 2013–14 Budget. The upward revisions had regard to emerging GST collection information and Commonwealth Government policy decisions taken since the Commonwealth Budget.

Increases to South Australia's GST revenue grants from revised GST pool estimates are partially offset in 2013–14 and 2014–15, and more than offset from 2015–16, due to downward revisions to South Australia's estimated GST grant shares.

South Australia's estimated GST grant shares have been revised down in all years to reflect a lower population share for 2012–13, which flows through as a base effect to future years. Revised estimates of states and territories' relative fiscal needs for mining and payroll tax revenues as well as revised needs from the investment assessment also contribute to the downward revision to South Australia's estimated GST grant share from 2014–15.

#### **Commonwealth specific purpose and national partnership grants**

Commonwealth Government specific purpose (SPP) grants have been revised up in 2013–14 and 2014–15 and down from 2015–16. These revisions are predominantly due to changes to funding for both government and non-government schools following the finalisation of funding arrangements associated with the National Education Reform Agreement (NERA) and revised assumptions about the indexation of education funding due to recent growth in government schools' recurrent costs being lower than experienced historically.

The Commonwealth Government's national partnership (NP) grants have been revised down in all years to 2015–16 and revised up in 2016–17. The downward revision to NP funding is primarily due to the removal of various education related NP grants that will not be continued under the NERA, as well as the removal of a provision for funding associated with early psychosis prevention, as the NP will not be proceeding.

These downward revisions are partially offset in the years to 2015–16 and more than offset in 2016–17 by revised funding arrangements for the River Murray and for Nation Building projects, including the South Road upgrade.

### **Other contributions and grants**

Other contributions and grants have been revised down from 2014–15 onwards, mainly reflecting lower revenue recovery by Medical Panels SA having regard to activity levels in recent years.

### **Royalties**

Royalty revenue estimates have been revised up in all years mainly due to higher petroleum production projections reflecting additional petroleum fields coming on line, revised petroleum forecast pricing and lower Australian dollar forecasts over the forward estimates.

### **Sales of goods and services**

Revenue from sales of goods and services has been revised up in all years. This is mainly due to higher land services regulatory fee revenue arising from higher expected property transfers and upward revisions to Commonwealth Government contributions. Commonwealth Government contributions have been revised up for various reasons, including for programs relating to natural resource management and aged care support as well as for the reimbursement of natural disaster relief costs from claims made in recent years.

These revisions are partially offset by the reclassification of some rental related income to the other revenue line and a downward revision to drivers' licence fee revenue in 2013–14 due to more licences being renewed for one year rather than 10 years.

### **Interest income**

Interest income is estimated using projections of interest rates applicable to government financial assets. Compared with the estimates in the 2013–14 Budget, interest income has been revised downwards from 2014–15 to 2016–17 reflecting lower interest revenue on advances paid, resulting from revised projections of total advances.

### **Dividend and income tax equivalent income**

Distributions from public non-financial corporations and public financial corporations have been revised up in 2013–14, with minor downward adjustments over the forward years. This is mainly due to revised distribution estimates for the South Australian Government Financing Authority (SAFA), SA Water and the Renewal SA.

Distributions from SAFA have been revised up in 2013–14 mainly to reflect higher expected income tax equivalent payments relating to actual results in 2012–13 as well as revised profit expectations for 2013–14.

SA Water's total distributions are largely unchanged to 2015–16 but have been revised down in 2016–17. The downward revision in 2016–17 is mainly due to revised interest rate and borrowing forecasts.

Distributions from Renewal SA have been revised up in all years except for 2014–15. The upward revision is mainly due to increased net sales across a number of projects, higher special dividends associated with the sale of commercial properties and the return of net revenue relating to ownership of the Adelaide Station Environment Re-development Site, transferred from the Department for Planning, Transport and Infrastructure to Renewal SA in June 2013. In 2014–15, the upward revision is more than offset by the impact of slower sales at various sites and a reduction in rental income.



### **Other revenue**

Other revenue has been revised up across the forward estimates primarily reflecting an increase in Port Bonython Cargo and Harbour charges revenue due to larger ships and increased cargo volumes as well as revised native title production revenues reflecting increased royalty revenue expectations. Native title production revenues are on-passed to native title holders. The upward revisions to other revenue are partially offset by downward revisions to expiation revenue arising from a continued change in driver behaviour.

## Expenditure

### Policy measures

This section provides a summary of expenditure initiatives announced since the 2013–14 Budget. No new savings measures have been introduced in the 2013–14 Mid-Year Budget Review (MYBR). Full details of all policy measures and associated revenue offsets are shown in Appendix A.

**Table 1.8: Expenditure initiatives (\$million)**

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating expenditure initiatives <sup>(a)</sup>	- 172.8	- 153.2	- 156.1	- 127.4
Revenue offsets	51.0	77.6	103.5	100.1
Operating savings	—	—	—	—
Use of specific provisions	18.5	7.7	5.5	5.6
<b>Total operating initiatives net of provisions</b>	<b>- 103.4</b>	<b>- 67.9</b>	<b>- 47.1</b>	<b>- 21.7</b>
Investing expenditure initiatives	36.5	94.3	27.8	- 6.6
Revenue offsets	- 34.7	- 26.6	- 25.8	—
Investing savings	—	—	—	—
Asset sales	—	13.0	3.5	1.3
Use of specific provisions	0.8	0.7	—	—
<b>Total investing initiatives net of provisions</b>	<b>2.6</b>	<b>81.4</b>	<b>5.4</b>	<b>- 5.3</b>

Note: Totals may not add due to rounding.

(a) Excludes depreciation on investing initiatives.

### Operating initiatives

The MYBR contains new operating initiatives in the general government sector of \$609.6 million over four years. A summary by agency is shown in table 1.9. Major operating initiatives include:

- \$223.9 million (in addition to \$6.7 million in investing expenditure) over the next four years to assist in securing the health and sustainability of the River Murray and its industries and communities. The program will be fully funded by the Commonwealth Government, with \$230.0 million in revenue offsets recognised over the next four years. This is part of a six year \$265.0 million South Australian River Murray Sustainability Program, commencing in 2013–14 and concluding in 2018–19
- \$128.4 million over four years for the National School Funding Reform, with \$90.7 million in government schools and \$37.8 million in non-government schools. Under the NERA additional funding will be provided by both the state and Commonwealth Government to implement the reform directions in the Better Schools Plan
- \$103.6 million over three years to reprofile the Department for Health and Ageing's savings targets to provide for more even growth in savings across the forward estimates
- \$45.0 million over four years in additional funding to support people living with a disability and for carers of people living with a disability. The additional support will be directed towards people considered to be in urgent need of assistance including people with disabilities who are ready for discharge from hospital to home or supported accommodation
- \$32.9 million over four years for a number of initiatives to support the Government of South Australia's Plan for Building a Stronger South Australia
- \$21.8 million over two years to provide additional resources to help manage increased service demands within the public health system

- \$15.8 million in 2013–14 (in addition to \$1.4 million in 2012–13) to be transferred from the Health and Medical Research Fund to a health trust managed by the Health Services Charitable Gifts Board for the benefit of the South Australian Health and Medical Research Institute. The fund is to be used to support translational research, which transforms basic research into practical applications that enhance human health and wellbeing
- \$15.1 million (in addition to \$0.4 million in investing expenditure) over four years for an additional 34 paramedics, four new ambulance vehicles and associated medical supplies, to be funded by additional revenues associated with increased service activity
- \$8.4 million over four years in additional Community Service Obligation Payments to SA Water for the delivery of water and wastewater services in South Australia's remote and regional Aboriginal communities.

The proposed reversal of the carbon tax announced by the Commonwealth Government will result in reduced operating costs of \$10.0 million in 2014–15 and \$11.2 million per annum (indexed) thereafter, as additional agency expenses resulting from the tax will no longer be incurred.

**Table 1.9: Operating initiatives (\$million)<sup>(a)</sup>**

Agency	2013–14	2014–15	2015–16	2016–17
	MYBR	Estimate	Estimate	Estimate
Attorney-General	- 1.6	- 1.7	- 1.1	- 1.1
Auditor-General	- 0.5	- 0.9	- 1.0	- 1.0
Communities and Social Inclusion	- 20.8	- 11.7	- 12.1	- 12.7
Correctional Services	- 0.8	- 0.5	- 0.5	- 0.5
Courts	—	—	—	—
Defence SA	—	—	—	—
Education and Child Development	- 15.8	- 33.1	- 40.5	- 49.4
Electoral Commission	—	—	—	—
Emergency Services — CFS	—	—	—	—
Emergency Services — MFS	—	—	—	—
Emergency Services — SAFECOM	- 1.1	—	—	—
Emergency Services — SES	—	—	—	—
Environment, Water and Natural Resources	- 3.0	- 1.9	- 0.8	—
Environment Protection Authority	—	—	—	—
Further Education, Employment, Science and Technology	- 8.9	- 4.0	- 4.0	—
Health and Ageing	- 78.6	- 52.9	- 21.0	- 4.1
Legislature	- 0.1	- 0.2	- 0.2	- 0.2
Manufacturing, Innovation, Trade, Resources and Energy	- 1.2	- 2.5	- 2.6	- 2.6
Planning, Transport and Infrastructure	- 8.9	2.9	0.5	0.5
Police	—	- 0.5	—	—
Premier and Cabinet	- 1.2	- 2.0	- 0.1	—
Primary Industries and Regions	- 28.5	- 50.9	- 80.6	- 65.4
Tourism	—	- 1.0	- 1.0	—
Treasury and Finance	- 0.3	—	—	—
Zero Waste	—	—	—	—
Across Government				
Carbon tax cost — removal	—	10.0	11.2	11.5
Remote communities — delivery of water and wastewater services	- 1.5	- 2.3	- 2.3	- 2.4
<b>Total operating initiatives</b>	<b>- 172.8</b>	<b>- 153.2</b>	<b>- 156.1</b>	<b>- 127.4</b>
Use of provisions	18.5	7.7	5.5	5.6
<b>Total operating initiatives net of provisions</b>	<b>- 154.4</b>	<b>- 145.5</b>	<b>- 150.6</b>	<b>- 121.8</b>

Note: Totals may not add due to rounding.

(a) Excludes depreciation on investing initiatives.

## Investing initiatives

Decisions since the 2013–14 Budget reduce investing expenditure in the general government sector by \$151.9 million over the next four years. A summary by agency is shown in table 1.10. Major investing decisions include:

- \$197.0 million reduction over the next three years associated with the removal of budget impacts for the:
  - electrification of the Gawler rail line between Adelaide and Dry Creek (\$152.2 million)
  - stage 3 and 4 of the Tonsley Park Public Transport Project (\$44.8 million), including redevelopment of the Tonsley station to service a bus interchange, a new bus interchange at the intersection of Sturt Road and South Road and extension of Flinders Drive from South Road to Sturt Road

This follows the removal of Commonwealth Government funding for these projects. The revenue offsets line in table 1.8 reflects the removal of \$98.6 million in Commonwealth Government funding over the next four years. Negotiations are continuing with the Commonwealth Government to determine how these projects could be progressed and the associated funds disbursed

- \$19.4 million in new expenditure over three years from 2014–15, as part of an ongoing program of \$6.3 million per annum (indexed), for the replacement of plant and equipment fleet used for road infrastructure development and maintenance, such as trucks and graders. This will be partially offset by investing receipts of \$1.2 million per annum (indexed) from the sale of ageing plant and equipment
- \$6.7 million over the next three years for the Commonwealth Government funded South Australian River Murray Sustainability Program, to assist in securing the health and sustainability of the River Murray and its industries and communities
- \$6.5 million over the next two years to upgrade the TAFE SA Elizabeth campus to accommodate students and staff to be relocated from the Para West Adult Campus to strengthen the links between the Department for Education and Child Development adult and South Australian Certificate of Education programs and adult vocational education. The Para West Adult Campus will be sold to support the relocation.

**Table 1.10: Investing initiatives (\$million)**

<b>Agency</b>	<b>2013–14 MYBR</b>	<b>2014–15 Estimate</b>	<b>2015–16 Estimate</b>	<b>2016–17 Estimate</b>
Attorney-General	- 0.8	- 0.7	—	—
Auditor-General	—	—	—	—
Communities and Social Inclusion	- 0.8	- 0.2	—	—
Correctional Services	—	—	—	—
Courts	—	—	—	—
Defence SA	—	—	—	—
Education and Child Development	- 4.0	- 2.5	—	—
Electoral Commission	—	—	—	—
Emergency Services — CFS	—	—	—	—
Emergency Services — MFS	—	—	—	—
Emergency Services — SAFECOM	—	—	—	—
Emergency Services — SES	—	—	—	—
Environment, Water and Natural Resources	—	—	—	—
Environment Protection Authority	—	—	—	—
Further Education, Employment, Science and Technology	—	—	—	—
Health and Ageing	- 0.5	- 1.8	—	—
Legislature	—	—	—	—
Manufacturing, Innovation, Trade, Resources and Energy	—	—	—	—
Planning, Transport and Infrastructure	42.9	102.2	33.6	- 6.6
Police	—	—	—	—
Premier and Cabinet	—	—	—	—
Primary Industries and Regions	- 0.3	- 2.7	- 5.9	—
Tourism	—	—	—	—
Treasury and Finance	—	—	—	—
Zero Waste	—	—	—	—
Across Government	—	—	—	—
<b>Total investing initiatives</b>	<b>36.5</b>	<b>94.3</b>	<b>27.8</b>	<b>- 6.6</b>
Use of provisions	0.8	0.7	—	—
<b>Total investing initiatives net of provisions</b>	<b>37.3</b>	<b>94.9</b>	<b>27.8</b>	<b>- 6.6</b>

Note: Totals may not add due to rounding.

## Parameter and other variations

A number of parameter variations since the 2013–14 Budget contribute to the change in projected expenses and investing payments in 2013–14 and across the forward estimates, including:

- adjustments to expenditure provisions held for the increase in the superannuation guarantee to reflect the proposed delay of further increases by two years as announced by the Commonwealth Government
- higher projections for school enrolments in government schools and an increase in students with special needs
- revision to estimates of depreciation expense reflecting latest asset values
- revision to interest expense reflecting latest estimates of interest rates and gross debt
- revision to nominal superannuation interest expense reflecting revised assumptions and investment returns
- variations to accounting treatment for some transactions that have no net budget impact but both expenses and revenue vary
- the reclassification of some transactions in accordance with accounting standards.

The MYBR also includes a provision for operating slippage of \$310.0 million and investing slippage of \$280.0 million in 2013–14, to reflect the tendency, on a whole of government basis, for underspending against approved programs and initiatives in the current financial year.

## General government operating expenditure

Forward estimates of general government expenses are shown in table 1.11.

**Table 1.11: General government expenditure — forward estimates (\$million)**

	2013–14 Budget	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Employee expenses	7 155	7 173	7 249	7 365	7 497
Superannuation expenses					
Superannuation interest cost	434	468	452	446	439
Other superannuation expenses	754	763	768	774	784
Depreciation and amortisation	895	899	979	1 043	1 116
Interest expenses	379	377	423	568	767
Other property expenses	—	—	—	—	—
Other operating expenses	3 975	4 003	4 163	4 282	4 477
Grants	2 585	2 680	2 575	2 658	2 774
<b>Total expenses</b>	<b>16 176</b>	<b>16 363</b>	<b>16 609</b>	<b>17 135</b>	<b>17 855</b>
<b>Total expenses % change on previous year</b>					
Total expenses nominal growth (%)		0.5%	1.5%	3.2%	4.2%
Total expenses real growth (%)		-1.5%	-0.7%	0.7%	1.7%

Note: Totals may not add due to rounding.

Operating expenses are projected to decline by 1.5 per cent (in real terms) in 2013–14, followed by real growth of 1.6 per cent from 2013–14 to 2016–17. The decline in 2013–14 and constrained growth over the forward estimates is largely driven by the savings measures that the government has introduced since the 2008–09 MYBR. Expenditure growth in 2015–16 and 2016–17 is influenced by amortisation and interest expenses for the new Royal Adelaide Hospital, which commence in the last part of 2015–16 with the first full year impact recognised in 2016–17.

No new savings measures have been introduced in the 2013–14 Mid-Year Budget Review. The size of the savings and revenue measures that are yet to be introduced is set out in table 1.12.

**Table 1.12: Savings and revenue measures since the 2008–09 MYBR**

	\$million
Delivered in 2009–10	37
Delivered in 2010–11	200
Delivered in 2011–12	352
Delivered in 2012–13	122
Commencing in 2013–14	282
To commence in 2014–15	207
To commence in 2015–16	144
To commence in 2016–17	100

Since the 2013–14 Budget, the level of savings commencing in 2013–14 has reduced by around \$46 million, reflecting the revision to the Department for Health and Ageing's savings target and the delay in the implementation of the biosecurity animal health cost recovery measure by the Department of Primary Industries and Regions.

The savings commencing in each year from 2014–15 then increases compared to the estimates presented in the 2013–14 Budget, as the reduction in the Department for Health and Ageing's savings target in 2013–14 is re-profiled over the forward estimates and delivered in full by 2016–17.

## Full-time equivalents (FTEs)

The net impact of policy decisions reflected in the 2013–14 MYBR on general government sector FTEs over the forward estimates period is shown in table 1.13.

**Table 1.13: Full-time equivalent impacts of policy decisions in the 2013–14 MYBR (FTEs as at 30 June)**

Agency	2014	2015	2016	2017
	MYBR	Estimate	Estimate	Estimate
Attorney-General	1	- 3	- 1	- 1
Auditor-General	9	9	9	9
Communities and Social Inclusion	—	—	2	2
Correctional Services	5	—	—	—
Courts	—	—	—	—
Defence SA	—	—	—	—
Education and Child Development	7	6	1	—
Electoral Commission	—	—	—	—
Emergency Services — CFS	—	—	—	—
Emergency Services — MFS	—	—	—	—
Emergency Services — SAFECOM	—	—	—	—
Emergency Services — SES	—	—	—	—
Environment, Water and Natural Resources	3	3	1	—
Environment Protection Authority	1	—	—	—
Further Education, Employment, Science and Technology	—	—	—	—
Health and Ageing	452	374	151	36
Legislature	1	1	1	1
Manufacturing, Innovation, Trade, Resources and Energy	—	—	—	—
Planning, Transport and Infrastructure	1	1	1	1
Police	—	8	8	8
Premier and Cabinet	—	—	—	—
Primary Industries and Regions	19	16	16	16
Tourism	—	—	—	—
Treasury and Finance	—	—	—	—
Zero Waste	—	—	—	—
Across Government	—	—	—	—
<b>Total</b>	<b>498</b>	<b>414</b>	<b>190</b>	<b>73</b>

Note: Totals may not add due to rounding.

The Department for Health and Ageing's workforce numbers have been increased by 452 FTEs in 2014, 374 FTEs in 2015, 151 FTEs in 2016 and 36 FTEs in 2017, largely due to the decision to re-profile the department's savings targets over the forward estimates and to help manage increased service demands within the public health system.

The Department of Primary Industries and Regions has been provided with an additional 19 FTEs in 2014 and 16 FTEs across the forward estimates, mainly to support the South Australian River Murray Sustainability Program, to assist in securing the health and sustainability of the River Murray.

The reduction in FTEs in the Attorney-General's Department is largely due to legislation to address property related crime through improved regulation of the second-hand dealers and pawnbroker industry not being supported by the Legislative Council. Revenue and expenditure associated with this initiative have been removed from the budget.

The estimated aggregate workforce levels in the general government sector across the forward estimates as at the 2013–14 MYBR are shown in table 1.14.

**Table 1.14: General government sector employment numbers (FTEs as at 30 June)**

	Full-time equivalent employees as at 30 June				
	2013	2014	2015	2016	2017
	Actual	Estimate	Estimate	Estimate	Estimate
As at 2013–14 Budget		79 484	77 643	76 995	76 554
As at 2013–14 Mid-Year Budget Review	81 724	81 473	79 591	78 317	77 909

General government sector FTE levels over the forward estimates are higher than those forecast at the time of the 2013–14 Budget. The reasons for this increase are detailed below, but the major influence is a correction in the Department for Health and Ageing’s FTE cap reflecting improved information on staffing levels. There is no increase to the department’s wages or other expenses associated with this change.

Since the 2013–14 Budget the Department for Health and Ageing’s FTE cap has been reviewed to ensure it remains consistent with the level of agency expenses. This resulted in a parameter increase of around 620 FTEs in 2014, rising to around 760 FTEs in 2017. There is no adjustment to employee expenses associated with this correction to the FTE cap. The department has also had its cap revised up by around 180 FTEs in 2014, reducing to around 70 FTEs from 2017, associated with the continuation of programs covered by National Partnership Agreements.

The FTE cap of the Department for Education and Child Development has been revised upwards by 274 FTEs in 2014, 366 FTEs in 2015 and 34 FTEs ongoing, to reflect a shift to in-house provision of Families SA children in care services for a period of up to four years (including 2012–13). During this period the department will investigate options for longer term contracts with non-government organisations for the majority of these services, while some residential care sites will be retained in-house on an ongoing basis.

In addition, FTE caps have been revised upwards for:

- Education and Child Development to reflect enrolment growth and mix (around 120 FTEs in 2014 and 2015)
- Planning, Transport and Infrastructure to reflect FTEs associated with infrastructure projects (145 FTEs in 2014 and 110 FTEs in 2015)
- Environment, Water and Natural Resources following the Commonwealth Government’s continuation of funding under the Caring for Our Country Regional Delivery program (70 FTEs per annum from 2014)
- Communities and Social Inclusion associated with longer term employment agency staff being replaced by lower cost permanent staff (32 FTEs per annum from 2014).

FTEs in the general government sector are estimated to decrease by 3815 between 30 June 2013 and 30 June 2017. While this decrease is lower than that forecast at the time of the 2013–14 Budget, the savings measures, while re-profiled over the forward estimates, remain in place to be delivered by 30 June 2017.

The lower reduction compared to that forecast at the time of the 2013–14 Budget is largely a result of the review of the Department for Health and Ageing’s FTE cap, the continuation of programs covered by National Partnership Agreements, including the Caring for our Country and Aged Care programs, and the return to some in-house provision of services by the Department for Education and Child Development and the Department for Communities and Social Inclusion.



## General government investing expenditure

Forward estimates of general government investing expenditure are shown in table 1.15.

**Table 1.15: General government sector investing expenditure — forward estimates (\$million)**

	2013–14 Budget	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
General government investing expenditure	1 858	1 668	1 081	3 958	1 102

Purchases of non-financial assets are expected to be \$1.7 billion in 2013–14. The forward estimates contain a major infrastructure investment program of \$7.8 billion in the general government sector over four years. The large increase in 2015–16 is due to the recognition of a \$2.8 billion finance lease liability for the new Royal Adelaide Hospital (RAH) due to be completed in 2016.

The SA Health Partnership has been commissioned to design and construct the hospital at a fixed price to meet the state's service specifications, under a 35 year public private contract, which includes the provision of maintenance and non-clinical support services. Table 1.16 outlines the estimated profile of construction costs (\$1.8 billion) in the non-government sector. The public private contract is recorded as a finance lease liability in the general government sector in 2015–16 (\$2.8 billion) comprising the net present value of design and construction costs, lifecycle payments, interest and other project costs.

**Table 1.16: Estimated non-government investing expenditure — new RAH (\$million)**

	2010–11	2011–12	2012–13	2013–14	2014–15	2015–16
Non-government investing expenditure	25.1	288.0	467.7	551.0	462.6	55.4

Table 1.17 shows general government investing expenditure excluding the recognition of the finance lease liability for the new RAH but including the estimated profile of construction costs of the hospital (\$1.8 billion) in the non-government sector.

**Table 1.17: Investing expenditure including new RAH construction costs (\$million)**

	2013–14 Budget	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Investing expenditure	2 409	2 219	1 544	1 194	1 102

## Financial position

Tables 1.18 and 1.19 show the updated estimates for key balance sheet indicators for both the general government and non-financial public sectors.

**Table 1.18: Key balance sheet indicators — general government sector**

<b>As at 30 June</b>	<b>2013 Outcome</b>	<b>2014 Budget</b>	<b>2014 MYBR</b>	<b>2015 Estimate</b>	<b>2016 Estimate</b>	<b>2017 Estimate</b>
<b>Net debt</b>						
\$m	5 227	6 951	6 640	6 842	9 394	8 744
% of total revenue	34.1	45.5	43.1	42.5	53.9	47.3
<b>Unfunded superannuation</b>						
\$m	11 085	11 802	10 264	10 133	9 976	9 792
% of total revenue	72.3	77.3	66.6	62.9	57.2	53.0
<b>Net financial liabilities</b>						
\$m	19 079	21 792	19 970	20 218	22 723	22 050
% of total revenue	124.4	142.8	129.6	125.6	130.3	119.4
<b>Net financial worth</b>						
\$m	1 742	- 108	1 106	1 162	-1 038	- 28
% of total revenue	11.4	-0.7	7.2	7.2	-6.0	-0.2
<b>Net worth</b>						
\$m	39 363	37 888	39 361	39 198	39 864	40 869
% of total revenue	256.7	248.2	255.5	243.5	228.6	221.3

**Table 1.19: Key balance sheet indicators — non-financial public sector**

<b>As at 30 June</b>	<b>2013 Outcome</b>	<b>2014 Budget</b>	<b>2014 MYBR</b>	<b>2015 Estimate</b>	<b>2016 Estimate</b>	<b>2017 Estimate</b>
<b>Net debt</b>						
\$m	8 949	11 128	10 779	11 129	13 697	13 103
% of total revenue	54.3	68.0	65.3	64.5	73.6	66.5
<b>Unfunded superannuation</b>						
\$m	11 085	11 802	10 264	10 133	9 976	9 792
% of total revenue	67.2	72.1	62.2	58.7	53.6	49.7
<b>Net financial liabilities</b>						
\$m	23 064	26 256	24 327	24 734	27 251	26 630
% of total revenue	139.8	160.4	147.4	143.4	146.4	135.1
<b>Net financial worth</b>						
\$m	-23 223	-26 820	-24 554	-25 118	-27 788	-27 317
% of total revenue	-140.8	-163.9	-148.7	-145.6	-149.3	-138.5
<b>Net worth</b>						
\$m	39 363	37 888	39 361	39 198	39 864	40 869
% of total revenue	238.6	231.5	238.4	227.3	214.1	207.3

## Net debt

General government net debt is forecast to be \$6.6 billion at 30 June 2014. This is a \$310 million improvement from that estimated at the time of the 2013–14 Budget (\$6951 million). The forecast improvement largely reflects the impact of the better than expected 2012–13 outcome.

Net debt has also improved across the forward estimates compared to projections at the time of the 2013–14 Budget. Net debt at 30 June 2017 is now estimated to be \$7 million lower than previously forecast.

The general government net debt to revenue ratio at 30 June 2014 is estimated to be 43.1 per cent, compared to 45.5 per cent at the time of the 2013–14 Budget. Net debt to revenue projections across the forward estimates are slightly lower than forecast in the 2013–14 Budget. Net debt is forecast to reach 53.9 per cent of revenue in 2016 before dropping back to 47.3 per cent by 30 June 2017. The increase in 2016 reflects the first time recognition of the new Royal Adelaide Hospital.

Non-financial public sector (NFPS) net debt as at 30 June 2014 is expected to be \$10.8 billion, \$349 million lower than estimated at the time of the 2013–14 Budget. NFPS net debt is expected to increase over the forward estimates, reaching \$13.1 billion in 2017, consistent with expected increases in general government sector net debt.

Public non-financial corporations (PNFC) are estimated to contribute \$4.1 billion to the non-financial public sector net debt at 30 June 2014, slightly lower than forecast in the 2013–14 Budget. The PNFC sector includes SA Water, which makes up the largest component (approximately 90.0 per cent) of net debt for that sector.

## Unfunded superannuation

The estimated unfunded superannuation liability at 30 June 2014 and across the forward estimates has decreased since the 2013–14 Budget. This is partly due to an increase in the long-term Commonwealth Government bond rate used as the discount rate to value the superannuation liability in accordance with Australian accounting standards. The discount rate used in the 2013–14 MYBR is based on the prevailing annualised bond rate of 4.5 per cent compared with 3.7 per cent at the time of the 2013–14 Budget. The higher discount rate results in a decrease in the present value of future superannuation obligations.

Further contributing to the decrease in the present value of future superannuation obligations is the flow-through impact of higher than expected returns on superannuation assets in 2013–14 compared with 2013–14 Budget assumptions. Earnings on superannuation assets for 2013–14 are currently projected to be 12.3 per cent, compared with 7.0 per cent at the time of the 2013–14 Budget. The assumed annual earnings rate beyond the 2013–14 year is still expected to be 7.0 per cent.

The net result of variations in earnings and discount rates and other minor adjustments is a decrease of \$1.5 billion in the estimated unfunded superannuation liability at 30 June 2014 compared with the estimate in the 2013–14 Budget. The unfunded superannuation liability is now expected to be \$10.3 billion at 30 June 2014, reducing over the forward estimates to \$9.8 billion in 2016–17.

It should be noted that the unfunded superannuation liability is a long-term liability. While financial market volatility in the recent past has resulted in multi-billion dollar revisions to the value of the liability recorded on the balance sheet, there has been no material change in the actual expected payments to beneficiaries underlying liability.

The change in book value of the liability resulting from the updated assumptions is reflected in the operating statement under other economic flows (refer to table 1.3 in this chapter and table B.16 in Appendix B).

The government remains committed to its target of fully funding the defined benefit unfunded superannuation liability by 2034.

### **Net financial liabilities**

The general government sector's net financial liabilities as a percentage of revenue at 30 June 2014 and across the forward estimates is expected to be lower than forecast in the 2013–14 Budget. There is expected to be a slight increase in 2016 when the new Royal Adelaide Hospital is recognised, before the ratio decreases again in 2017. These movements primarily reflect decreases in net debt and the unfunded superannuation liability.

### **Net financial worth**

The estimate for net financial worth at 30 June 2014 and across the forward estimates has increased since the 2013–14 Budget largely due to downward revaluations of the state's unfunded superannuation liability.

### **Net worth**

The estimate for net worth at 30 June 2014 and across the forward estimates has increased compared to the forecasts in the 2013–14 Budget. Again, this is primarily due to revaluations of the unfunded superannuation liability.

## Chapter 2: The economic context

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The economic backdrop facing the state has continued to be challenging. Forecasts of international and national economic growth over the next 12 to 18 months are lower than they were when the 2013–14 State Budget was framed. The performance of the South Australian economy has been affected by the slowing in global and national growth.

International forecasts of the rate of global growth have been lowered for both 2013 and 2014 since the 2013–14 State Budget was delivered — the International Monetary Fund’s latest forecasts are 0.4 percentage points lower than they were in April. Notwithstanding this, prospects for a pick-up in global economic activity over the course of the next year appear quite reasonable. Economic activity in China has continued at around its recent pace of 7.5 per cent and the recovery in the United States of America has continued at a modest pace. Euro area conditions, albeit still soft, have shown tentative signs of improvement. Most developed countries have accommodative monetary policy settings but nonetheless well contained inflation.

Similarly, forecasts of Australian economic growth have been revised lower since the 2013–14 State Budget. In the Pre-Election Economic and Fiscal Outlook released in August, Commonwealth Treasury lowered their 2013–14 Gross Domestic Product (GDP) growth forecast by a  $\frac{1}{4}$  of a percentage point from budget to  $2\frac{1}{2}$  per cent. National employment is expected to increase by 1 per cent through the year to the June quarter 2014, while the unemployment rate is forecast to increase to  $6\frac{1}{4}$  per cent and remain at around that level through 2014–15. Inflation remains subdued. For 2014–15 the Reserve Bank of Australia’s (RBA) latest GDP growth forecast range is  $\frac{1}{2}$  of a percentage point lower than it was in the May Statement on Monetary Policy (now 2–3 per cent).

Although the national forecasts are softer than at budget time and below trend, growth prospects in comparison to other developed economies remain solid.

Demand for Australian mineral resources remains strong and capacity expansions in recent years are facilitating increased production levels. However, the fall in some resource commodity prices, particularly in iron ore and coal, has resulted in a downward revision to forecast growth in nominal GDP in the Commonwealth’s 2013 Pre-Election Economic and Fiscal Outlook. These recent price falls have also led to a downward revision in forecasts for national terms of trade which are now expected to fall  $5\frac{3}{4}$  per cent in 2013–14, although commodity prices still remain relatively high in historical terms.

Disparities across sectors remain. While the resource-related sector continues to perform strongly, retail and non-mining trade-exposed sectors continue to be challenged by the relatively high Australian dollar and subdued consumer activity. The RBA has cut official interest rates to decade lows to encourage activity in the non-resources sector of the economy. While there appear to be tentative signs that activity is picking up in some sectors, the transition is occurring less than seamlessly.

Residential dwelling construction and business investment weakened during 2012. Recognising the challenges facing the residential construction sector, the government decided in the budget to extend the \$8500 Housing Construction Grant to the end of 2013 for all buyers of new homes. Both dwelling commencements and approvals have continued to rise in recent months, providing some consolidation to the tentative recovery evident at budget time. Recent state final demand statistics confirm an improvement in housing construction is now underway, stimulated by lower interest rates and the government’s Housing Construction Grant. Surveys in recent months also point to an improvement in business and consumer sentiment.

Mining and agriculture remain strong performers. The state's 2013–14 winter crop is forecast by the Australian Bureau of Agricultural and Resource Economics and Sciences to be the third largest on record. Production in the mining sector remains solid, reflective of the commencement of operations at newly approved mines, with employment in the industry being maintained at relatively high levels. Exploration spending is above levels of a year ago, driven by strong trends in petroleum exploration spending.

For 2013–14, GSP growth is forecast to be 2¼ per cent. Growth in the South Australian economy is expected to improve over the forward estimates period towards its underlying trend growth rate of 2¾ per cent per annum.

Forecasts and projections for South Australia from 2014–15 onwards take into consideration the expected performance of the national economy over the medium term and relative population growth rates.

**Table 2.1: Key economic indicators — Australia and South Australia real growth rates (% per annum)**

	2013–14 Budget Forecast	2013–14 Revised Forecast	2014–15 Forecast	2015–16 Projection	2016–17 Projection
<b>Australia<sup>(a)</sup></b>					
Gross Domestic Product (GDP)	2¾	2½	3	3	3
<b>South Australia</b>					
Gross State Product (GSP)	2½	2¼	2½	2¾	2¾
State Final Demand (SFD)	2¼	2¼	2½	2¾	2¾
Employment <sup>(b)</sup>	1	¼	1	1½	1½
Adelaide Consumer Price Index (CPI)	2½	2	2¼	2½	2½

Note: Forecasts and projections are based largely on underlying national economic and state population trends, climatic conditions impacting on farm sector production and emerging major projects.

(a) Australian forecasts from Commonwealth's Pre-Election Economic and Fiscal Outlook 2013.

(b) Employment growth forecasts and projections reflect full year averages. Through the year employment growth (June quarter compared to the June quarter of the previous year) in 2013–14 and 2014–15 is 0.5 per cent and 0.5 per cent respectively.

# Appendix A: Policy measures by agency

## Overview

This appendix describes the revenue measures and expenditure initiatives in the general government sector since the 2013–14 Budget.

Expenditures are recorded as negative ( - ) items, while revenues are recorded as positive ( + ) items.

Revenue offsets in this section include revenues received from external parties, including the Commonwealth Government, for the specific purpose of, and incidental to, an expenditure initiative.

Initiatives are typically ongoing in nature unless an explicit Cabinet decision is made to the contrary.

**Table A.1: Policy measures (\$million)**

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Revenue measures — taxation	- 0.2	- 1.1	- 2.2	- 2.4
Revenue measures — other	- 0.5	—	—	—
Operating expenditure initiatives <sup>(a)</sup>	- 172.8	- 153.2	- 156.1	- 127.4
Revenue offsets	51.0	77.6	103.5	100.1
Operating savings	—	—	—	—
Use of specific provisions	18.5	7.7	5.5	5.6
<b>Total operating initiatives net of provisions</b>	<b>- 104.1</b>	<b>- 69.0</b>	<b>- 49.3</b>	<b>- 24.1</b>
Investing expenditure initiatives	36.5	94.3	27.8	- 6.6
Revenue offsets	- 34.7	- 26.6	- 25.8	—
Investing savings	—	—	—	—
Asset sales	—	13.0	3.5	1.3
Use of specific provisions	0.8	0.7	—	—
<b>Total investing initiatives net of provisions</b>	<b>2.6</b>	<b>81.4</b>	<b>5.4</b>	<b>- 5.3</b>

Note: Totals may not add due to rounding.

(a) Excludes depreciation on investing initiatives.

Details of these items are included in the following tables.

## Policy measures by agency

### Across Government

#### Carbon tax cost — removal

*Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating expenses	—	10 000	11 200	11 480

Removal of the additional costs for agencies that are no longer required given the Commonwealth Government's intended removal of the carbon tax.

#### Remote communities — delivery of water and wastewater services

*Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating expenses	-1 485	-2 261	-2 318	-2 376

This initiative provides \$1.5 million in 2013–14 and \$2.3 million per annum (indexed) from 2014–15 for the delivery of water and wastewater services in South Australia's remote and regional Aboriginal communities.

#### Stamp duty concession for off-the-plan apartment purchases — extension to inner metropolitan area

*Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating revenue	-200	-1 100	-2 200	-2 400

On 29 October 2013, the government announced that the off-the-plan stamp duty concession would be available on eligible off-the-plan apartment purchases in the inner metropolitan area. The concession is available for eligible inner metropolitan off-the-plan contracts entered into from 28 October 2013 to 30 June 2016.

The concession provides a full stamp duty concession for eligible contracts entered into to 30 June 2014 (capped at stamp duty payable on a \$500 000 apartment) and a partial concession for the next two years.

The inner metropolitan area is defined as the area bounded by Regency Road, Kilkenny Road, East Avenue, Holbrooks Road, Marion Road, Cross Road, Portrush Road and Hampstead Road.



## Attorney-General's Department

### Safety in the city

*Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating expenses	-1 127	-1 105	-830	-845

This initiative provides \$3.9 million over four years for initiatives to improve safety in the city. This is consistent with the government's vibrant city strategic priority.

### Forensic Science SA

*Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating expenses	-110	-113	-116	-118

The initiative provides \$110 000 per annum (indexed) from 2013–14 for higher activity levels in relation to oral fluid sample tests as requested by South Australia Police.

### National occupational licensing system

*Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating expenses	-83	-675	—	—
Investing payments	-837	-30	—	—

This initiative provides \$1.6 million over two years to enable the Attorney-General's Department to meet milestones for the Council of Australian Governments' Seamless National Economy reform to implement a national occupational licensing system.

**Political party funding reforms***Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating expenses	-90	-618	-777	-793
Investing payments	—	-650	—	—

This initiative provides funding to implement and administer reforms to South Australia's electoral laws. The reforms are intended to ensure integrity, accountability and confidence in the electoral process.

A regulatory disclosure scheme will be established, requiring political parties to disclose loans and gifts of \$5000 or more. Additional funding of \$708 000 operating and \$650 000 investing will be provided to implement the reforms, and ongoing funding of \$777 000 per annum (indexed) from 2015–16 to administer the disclosure scheme.

The reforms will come into effect from July 2015.

**Second-hand dealers and pawnbrokers***Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating revenue	-1 251	-730	-753	-777
Operating expenses	887	799	629	642

Legislation to address property related crime through improved regulation of the second-hand dealers and pawnbroker industry was not supported by the Legislative Council. Revenue and expenditure associated with this initiative have been reversed from the anticipated commencement in January 2014.

**Administered Items for the Attorney-General's Department****Royal Commission into Institutional Responses to Child Sexual Abuse***Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating expenses	-1 050	—	—	—

This initiative provides \$1.1 million in 2013–14 to establish a dedicated team within the Attorney-General's Department to lead the state's response to the Royal Commission into Institutional Responses to Child Sexual Abuse.

The key tasks and responsibilities include acting as a central contact point for the state, liaising with the Royal Commission in relation to the South Australian equivalent to the Letters Patent and legislation, and coordinating legal advice and representation.

## Auditor-General's Department

### Increased legislative review requirements

*Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating expenses	-455	-933	-952	-971

This initiative provides \$455 000 in 2013–14 and \$933 000 per annum (indexed) from 2014–15 for the increase in statutory audit activity as a consequence of the establishment of the Office of the Independent Commissioner Against Corruption and the new statutory audit responsibility for the local government sector.

## Department for Communities and Social Inclusion

### Additional disability services support

*Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating expenses	-10 411	-10 944	-11 510	-12 101

This initiative provides additional funding to support people living with a disability and for carers of people living with a disability. The additional support will be directed towards people considered to be in urgent need of assistance including people with disabilities who are ready for discharge from hospital to home or supported accommodation.

### Care management system for Disability SA and Disability Services

*Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating expenses	-120	-775	-580	-584
Investing payments	-750	-205	—	—

This initiative provides for the development and implementation of a new care management system for Disability SA and Disability Services. This will allow Disability SA to meet the requirements of the National Disability Insurance Agency, support the implementation of the Individualised Funding initiative and provide improved levels of care to clients.

The project expenditure includes \$1.4 million over the two years to 2014–15 for deployment of the new system and staff training, and ongoing expenditure of \$120 000 in 2013–14 rising to \$580 000 per annum (indexed) from 2015–16 for licensing, hosting and support.

**Equipment services***Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating expenses	-3 534	—	—	—

This initiative provides additional funding to address the immediate demand for disability equipment.

**Homelessness — accommodation***Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating revenue	6 750	—	—	—
Operating expenses	-6 750	—	—	—

Homelessness support services in the Adelaide CBD will be expanded, with a new apartment building to be constructed in Mellor Street for people who are homeless or at risk of becoming homeless.

The housing complex will be part of the successful Common Ground accommodation service, which is already operating in Franklin Street and Light Square in the Adelaide CBD — and also in Port Augusta.

The Commonwealth Government will contribute \$6.8 million in funding through the Transitional National Partnership on Homelessness. In addition the South Australian Housing Trust will provide \$2.8 million (including land purchase), Santos will contribute \$800 000 and Common Ground will provide significant funding.

**Department for Correctional Services****Additional prisoner costs***Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating expenses	-421	—	—	—

This initiative provides \$421 000 in 2013–14 to meet the operating costs of an additional 12 prisoner beds at the Adelaide Women's Prison, for the period August to December 2013.

The 2013–14 Budget included ongoing funding for an additional 20 beds at the Adelaide Women's Prison, to be commissioned from 1 January 2014.

**Mount Gambier Prison***Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating expenses	-375	-482	-500	-470

This initiative provides \$375 000 in 2013–14 and \$482 000 per annum (indexed) from 2014–15 for additional operating costs at the Mount Gambier Prison, including for the delivery of a prisoner drug rehabilitation program.

**Department for Education and Child Development****Better Pathways***Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating expenses	-423	-423	—	—

This initiative provides \$846 000 over two financial years to continue the Better Pathways — Choices and Connections program for an additional 12 months.

The aim of the program is to improve engagement, transition and post-school outcomes for young people with disabilities and mental health issues.

**Healthy Children — Stephanie Alexander Kitchen Garden Program***Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating expenses	-229	-210	—	—

This initiative provides \$439 000 over two years to increase the number of South Australian schools participating in the Stephanie Alexander Kitchen Garden Program from 41 to 82 by early 2015.

**National School Funding Reform — government schools***Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating revenue	5 480	13 197	18 160	23 129
Operating expenses	-8 284	-19 950	-27 453	-34 964

Under the National Education Reform Agreement (NERA) additional funding will be provided to government schools by both the state and Commonwealth Government to implement the reform directions in the Better Schools Plan.

The NERA provides for new policy directions through the National Plan for School Improvement aimed at improving student outcomes, improving teacher quality and increasing transparency in education.

Under the NERA, the Commonwealth Government will allocate Better Schools funding to the Department for Education and Child Development using the school resource standard that allocates a base amount of funding for each student and additional loadings to provide extra funding for six categories of educational disadvantage (disability, low socioeconomic status, non-English speaking background, Indigenous background, small schools, and remote schools). The Government of South Australia will determine how the Better Schools funding is allocated to individual government schools following consultation with the Principal Associations and the Australian Education Union.

**National Teacher Quality Reforms***Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating revenue	16	17	—	—
Operating expenses	-1 872	-1 388	-282	—

The Commonwealth Government has provided \$3.6 million towards national certification that recognises highly accomplished and lead teachers in South Australian schools from 2014. Accreditation fee revenue of \$33 000 is estimated to be received from applicants for certification.

Funding from the Commonwealth Government was received prior to 2013–14. Expenditure of \$59 000 occurred in 2012–13.

**Para West Adult Campus***Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Investing payments	-4 000	-2 500	—	—

The Para West Adult Campus (PWAC) will be sold to support the relocation of the PWAC to the TAFE SA Elizabeth campus. The TAFE SA campus will undergo a \$6.5 million upgrade to accommodate PWAC students and staff.

This initiative will strengthen the links between Department for Education and Child Development adult and South Australian Certificate of Education (SACE) programs and adult vocational education.

**Quality education initiative***Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating expenses	-400	-1 600	-1 700	-1 800

This initiative provides \$5.5 million over four years for a suite of new measures that will strengthen the South Australian public education system.

Commencing in 2015, 40 Master's degree scholarships and 20 grants for post-graduate qualifications in management will be provided to public school teachers and leaders to increase qualification levels (\$2.4 million over four years).

The Government of South Australia will undertake two feasibility studies at a total cost of \$400 000 into a second high school in the central business district of Adelaide and the viability of a new education and teaching precinct at Magill.

The Government of South Australia will also provide grants to public schools towards developing a specialisation in an area of academic excellence (\$2.7 million over three years).

**Administered Items for the Department for Education and Child Development****National School Funding Reform — non-government schools***Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating revenue	2 825	5 914	6 864	7 820
Operating expenses	-4 567	-9 553	-11 065	-12 589

Under the National Education Reform Agreement (NERA) additional funding will be provided to government schools by both the state and Commonwealth Government to implement the reform directions in the Better Schools Plan.

The NERA provides for new policy directions through the National Plan for School Improvement aimed at improving student outcomes, improving teacher quality and increasing transparency in education.

Funding will be allocated by both Commonwealth Government and state government using the school resource standard that includes a base amount of funding for each student and additional loadings to provide extra funding for six categories of educational disadvantage (disability, low socioeconomic status, non-English speaking background, Indigenous background, small schools, and remote schools).

## South Australian Fire and Emergency Services Commission

### Natural disaster resilience

*Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating expenses	-1 086	—	—	—

This initiative provides \$1.1 million in 2013–14 to support statewide projects that strengthen community resilience to natural disasters.

## Department of Environment, Water and Natural Resources

### Botanic Gardens of Adelaide

*Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating expenses	-350	-350	—	—

Once-off support of \$700 000 over two years to support the operations and maintenance of the Botanic Gardens First Creek Wetland project.

### Great Artesian Basin Sustainability initiative

*Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating revenue	2 117	—	—	—
Operating expenses	-1 678	—	—	—

The Commonwealth Government is providing \$2.1 million in 2013–14 under the third phase of the Great Artesian Basin Sustainability initiative following agreement to an implementation plan in June 2013. The funding will assist in rehabilitating and capping Great Artesian Basin bores that have been operating in an uncontrolled manner. The implementation plan includes funding for works that were initially agreed under the 2009–10 implementation plan which have not been finalised. Expenditure of \$1.7 million will be incurred in 2013–14. Expenditure of \$439 000 occurred in previous years.



**Murray Futures Riverine Recovery project — weir pool manipulation***Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating revenue	1 281	561	656	440
Operating expenses	-943	-1 512	-810	—

This initiative provides \$3.3 million over four years for the phase 2 enhanced river operations and weir pool manipulation element of the Riverine Recovery project. The Commonwealth Government is providing 90 per cent of the funding and the state government 10 per cent. The Riverine Recovery project aims to achieve measurable long-term improvements in the health of the riverine environment between Wellington and the South Australian border. This element seeks to undertake weir pool manipulations to return some of the natural variations in water level and enhance the environmental benefits from small to medium flows.

**Nature Play SA***Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating revenue	—	-114	—	—

Nature Play SA will support activities and programs that encourage kids to play more outside and capture the mental and physical benefits associated with these outdoor activities. This initiative will cost \$2 million and be met from the existing resources of the Department of Environment, Water and Natural Resources, the Department for Education and Child Development, the Department for Health and Ageing and the Adelaide and Mount Lofty Ranges Natural Resources Management Board over four years (2013–14 to 2016–17).

In addition, to support the launch of Nature Play SA, one free pass (free vehicle entry) to one of the 13 iconic South Australian parks will be available to every family in 2014–15 as part of the Nature Play SA Passport to an Amazing Childhood program. This is estimated to cost \$114 000 in reduced parks revenue.

## Environment Protection Authority

### Licensing of desalination plants

*Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating revenue	15	15	-7	4
Operating expenses	-35	—	—	—

This initiative reforms licensing requirements for desalination plants under the *Environment Protection Act 1993*. The reforms include a new licence fee structure that provides financial incentives for improved environmental performance and increases the licensing threshold to focus on plants that pose the greatest environmental risk.

This revenue adjustment reflects the changes to the licence fee structure compared to previous revenue estimates and also take into account varying production levels at plants and the commissioning of new plants. Operating expenses are for implementation costs.

## Department of Further Education, Employment, Science and Technology

### Skills training — additional resources

*Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating expenses	-5 000	—	—	—

The Skills for All initiative has been designed to ensure industry training needs are met while supporting the state's economic priorities, and has resulted in a significant increase in the number of South Australians enrolled in training courses.

This initiative provides additional funding in 2013–14 to help more South Australians undertake training to improve employment outcomes across the state.

### Employment Strategy

*Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating expenses	-3 940	-4 030	-4 030	—

This initiative provides \$12 million over three years for the implementation of an employment and training strategy. This initiative expands the Skills for Jobs in Regions program (\$5 million), provides funding for a new SA Retrenched Workers program (\$5 million) and continues funding for the Building Family Opportunities program (\$2 million).

## Department for Health and Ageing

### Activity related funding

*Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating expenses	-14 800	-7 000	—	—

This initiative provides additional resources to help manage increased service demands within the public health system.

### Disposal of surplus properties

*Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Investing receipts	—	11 126	—	—

Recognition of surplus properties in the Health and Ageing portfolio that the department intends to sell.

### Establishment of new dental clinic in the western suburbs

*Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating revenue	182	1 970	73	19
Operating expenses	-107	-124	-73	-19
Investing payments	-100	-1 821	—	—

This initiative provides \$1.9 million in investing expenditure over 2013–14 and 2014–15, funded by the Commonwealth Government, for the fit-out of a new five chair dental clinic in the western suburbs.

Funding has also been provided by the Commonwealth Government for the employment of an additional graduate dentist until 31 December 2015, under the Voluntary Dental Graduate Year program.

The fit-out will generate additional patient fee revenue from 2014–15 (approximately \$19 000 per annum by 2016–17), offset by an increase in expenditure reflecting the net additional cost of staff and goods and services.

The new clinic will consolidate and expand government provided dental services in the western suburbs.

**Health and Medical Research Fund***Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating expenses	-15 801	—	—	—

The transfer of \$15.8 million from the Health and Medical Research Fund to a health trust managed by the Health Services Charitable Gifts Board for the benefit of the South Australian Health and Medical Research Institute, as per the terms of the Trust Deed. The deed specified the transfer of \$17.2 million; the remaining \$1.4 million was transferred in 2012–13. The fund is to be used to support translational research which transforms basic research into practical applications that enhance human health and wellbeing.

**Health services additional resources***Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating expenses	-44 600	-41 986	-17 030	—

This initiative reprofiles the Department for Health and Ageing's savings targets. The same level of savings is achieved by 2016–17, but it provides a more even profile in savings growth across the forward estimates as shown in the following table. The department achieved its \$46 million savings target in 2012–13 and is on track to achieve its savings target of \$116 million in 2013–14.

	\$ million
Commencing in 2013–14	116
To commence in 2014–15	100
To commence in 2015–16	106
To commence in 2016–17	57

**South Australian Ambulance Service — additional 34 paramedics***Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating revenue	3 695	3 809	3 927	4 049
Operating expenses	-3 265	-3 809	-3 927	-4 049
Investing payments	-430	—	—	—

This initiative provides for an additional 34 paramedics and four new ambulance vehicles with associated medical supplies.

This is funded through additional revenue of \$3.7 million per annum (indexed) resulting from an increase in activity.

## Legislature

### Crime and Public Integrity Policy Committee

*Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating expenses	-98	-177	-181	-185

This initiative provides \$98 000 in 2013–14 and \$177 000 per annum (indexed) from 2014–15 for the establishment and operation of the Crime and Public Integrity Policy Committee as a committee of the parliament.

The committee is required to be established under the *Parliamentary Committees Act 1991* to examine reports laid before both Houses of Parliament prepared by the Independent Commissioner Against Corruption, the Commissioner of Police, the Ombudsman or the Police Ombudsman and other reports, and inquire into the *Serious and Organised Crime (Control) Act 2008* and related Acts.

## Department for Manufacturing, Innovation, Trade, Resources and Energy

### Remote area energy supplies Aboriginal communities — electricity infrastructure

*Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating revenue	600	600	600	600
Operating expenses	-975	-2 262	-2 318	-2 377

This initiative provides \$975 000 in 2013–14 and \$2.3 million per annum (indexed) from 2014–15 for essential energy infrastructure upgrades and maintenance costs in remote Aboriginal communities. The works include the expansion and upgrade of the Central Powerhouse to meet increasing demand.

The costs of this initiative are partially offset by revenue of \$600 000 per annum from the generation levy applied to new connections.

### Rental assistance for New Castalloy

*Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating expenses	-250	-250	-250	-250

An amount of \$2 million over four years has been provided for the waiver of rent for the New Castalloy site, to enable manufacturing operations in Adelaide to be maintained. This initiative provides \$1 million over four years and the remaining \$1 million will be sourced from the Strategic Industry Development Fund.

## Department of Planning, Transport and Infrastructure

### Across-government facilities management arrangements

*Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating expenses	-645	-305	772	772
Investing payments	-1 508	-1 402	—	—

This initiative provides \$3.9 million for the Department of Planning, Transport and Infrastructure to procure new facilities management service contracts by June 2015 and to upgrade the existing ICT system. The procurement and system upgrade costs are being recovered through a levy on agencies. This levy will recover \$772 000 per annum over a five year period commencing in 2015–16 and will be met from agencies existing resources.

### Adelaide Metro — ticketing initiatives

*Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating revenue	-55	-135	-139	-144
Operating expenses	-394	—	—	—

This initiative provides for a range of new products to encourage public transport use including:

- cheap Sunday and public holiday fares — Sunday and public holiday trips on Adelaide Metro buses, rail or trams will be almost halved to match the existing inter-peak fare. The current \$3.29 regular Metrocard weekend fare will be reduced to \$1.80 — saving the commuter \$1.49 per trip
- 28-day pass — provides Metrocard holders with an option to purchase a 28-day pass for unlimited travel on all Adelaide Metro services, saving daily commuters up to \$17.60 per month. This is based on a 12 per cent discount on Monday to Friday return trips, with all additional peak, off peak and weekend trips free
- commuter club — businesses joining the club can provide employees with the 28-day unlimited travel pass for an additional 5 per cent discount — saving daily commuters up to \$23.30 per month. Commuter club workplaces will also receive tailored route advice to promote public transport to and from work
- visitor pass — tourists will be able to buy a one, three, or five-day pass with unlimited travel on Adelaide Metro services.

The products above are estimated to be revenue neutral as any decrease in revenue is anticipated to be offset by an increase in patronage.

The free travel for seniors for all times other than morning and afternoon peak periods will have a small negative impact on revenue — as shown above.

Operating expenses of \$394 000 are for marketing, communication and testing of the Metrocard system changes.

**Ashwin Parade, Torrensville — upgrade***Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating revenue	800	1 570	—	—
Investing payments	-800	-1 570	—	—

This initiative is for a \$2.4 million upgrade of Ashwin Parade to facilitate access to the new Woolworths development at the Brickworks Markets. The works are fully funded by Woolworths.

**Creative Arts Hub***Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating expenses	-409	-303	-312	-319
Investing payments	-220	—	—	—

This initiative provides \$629 000 in 2013–14 and \$303 000 per annum (indexed) from 2014–15 for the establishment of the Creative Arts Hub in the CBD. The hub will assist emerging artists and creative industry members to develop and enhance their commercial and creative capabilities through collaboration, mentoring, industry workshops and shared programs.

**Plant fleet replacement program — extension***Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Investing payments	—	-6 300	-6 457	-6 618
Investing receipts	—	1 240	1 271	1 303

This initiative provides \$6.3 million per annum (indexed) from 2014–15 for replacement of the plant and equipment fleet used for road infrastructure development and maintenance. This includes equipment such as trucks, graders and front end loaders. The expenditure is partly offset by investing receipts of \$1.2 million per annum (indexed) from the sale of ageing plant and equipment.

**Rail revitalisation — Gawler rail line electrification (Adelaide to Dry Creek)***Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating revenue	-36 200	-20 000	-20 000	—
Investing payments	45 400	90 000	16 759	—

The budget impact of the electrification of the Gawler rail line between Adelaide and Dry Creek has been removed following the Commonwealth Government's removal of funding for this project. Negotiations are continuing with the Commonwealth Government to determine how this project could be progressed and the associated funds disbursed.

**Tonsley Park public transport project***Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating revenue	—	-10 740	-11 660	—
Investing payments	—	21 480	23 316	—

The budget impact of stage 3 and 4 of the Tonsley Park public transport project, including redevelopment of the Tonsley station to service a bus interchange, a new bus interchange at the intersection of Sturt Road and South Road, and extension of Flinders Drive from South Road to Sturt Road has been removed following the Commonwealth Government's removal of funding for this project. Negotiations are continuing with the Commonwealth Government to determine how this project could be progressed and the associated funds disbursed.

**Administered Items for the Department of Planning, Transport and Infrastructure****Local government stimulus package for minor works***Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating expenses	-7 500	3 500	—	—

This initiative provides \$7.5 million in 2013–14 for grant funding to local councils to bring forward minor infrastructure works. Works will be funded through a 50 per cent state contribution and a 50 per cent contribution from councils.

This initiative is partly funded by a \$3.5 million bring forward of expenditure from 2014–15 from the Planning and Development Fund.

**South Australia Police****Mobile data entry terminals***Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating expenses	—	-515	—	—

This initiative provides \$515 000 in 2014–15 to support a trial of 350 mobile data entry terminals within South Australia Police's Elizabeth Local Service Area and provide police with mobile based functions to improve operational efficiency. The 18 month trial will cost \$1.7 million and commence in 2013–14. South Australia Police (SAPOL) will meet the 2013–14 cost of \$1.2 million from its existing resources.

At the conclusion of the trial SAPOL will prepare a report to Cabinet on the outcomes.



## Department of the Premier and Cabinet

### Art Gallery of South Australia — international exhibition

*Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating expenses	-150	-1 850	—	—

This initiative provides \$2 million over two years for the Art Gallery of South Australia to stage a major international exhibition in 2014.

### Automotive manufacturing industry awareness campaign — More than Cars

*Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating expenses	-700	—	—	—

This initiative provides \$700 000 in 2013–14 for the More than Cars public awareness campaign informing the public on the importance of the automotive manufacturing industry within South Australia.

### Children technology and gambling initiative

*Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating expenses	-393	-101	-62	-41

This initiative implements a number of new actions to reduce the exposure of young South Australians to digital games that simulate gambling or contain simulated gambling elements.

The actions include the launch of a public awareness campaign and development of an online watch list of gambling-like games that gives parents and carers the information they need to make informed decisions about children's access to simulated gambling games. A competition will also be held for the local technology industry to develop a free tool advising how to minimise simulated gambling risks.

## Department of Primary Industries and Regions

### Biosecurity animal health cost recovery

*Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating revenue	-534	—	—	—

This revenue measure will not be fully achieved in 2013–14 due to delays in the required changes to legislation for the proposed biosecurity fee.

**Economic growth in agriculture***Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating expenses	-852	-100	-50	—

Fast tracking of applied research activities to increase food production across the state by increasing soil fertility and therefore the productivity of existing low fertility sandy soils and poorly structured clay sub-soils.

**Establishment of a Sterile Insect Technology Facility in South Australia***Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating expenses	285	144	151	156
Investing payments	-140	-2 036	—	—

The Department of Primary Industries and Regions (PIRSA) is partnering with Horticulture Australia Ltd, the CSIRO Biosecurity Flagship and Plant and Food Research Australia to develop a sterile male-only line of Queensland fruit fly. PIRSA will fund the construction of the facility in the Upper Spencer Gulf. PIRSA is offsetting \$824 000 of the \$3 million facility in 2014–15 through its annual investing program and another \$736 000 by reducing its operating expenditure.

**National eradication programs***Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating expenses	-621	—	—	—

This initiative provides for a state contribution of \$621 000 for the funding of national eradication programs for Red Imported Fire Ants, Electric Ants and Avian Influenza.

**Phylloxera and other disease and pest testing technology***Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating expenses	—	-120	-130	-250

This initiative provides \$500 000 over three years to develop and trial new phylloxera detection tests, establish a commercial service to provide phylloxera testing and certification, and explore opportunities to expand DNA testing to pests and diseases affecting other horticultural industries.

**Sale of surplus land***Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating expenses	—	—	-250	—
Investing receipts	—	680	2 212	—

The Department of Primary Industries and Regions will identify a number of surplus properties for sale but will incur a cost of \$250 000 to realise these sales.

**South Australian River Murray Sustainability program***Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating revenue	30 000	55 000	80 000	65 000
Operating expenses	-27 355	-50 855	-80 355	-65 355
Investing payments	-150	-700	-5 850	—

This initiative provides \$265 million over six years funded by the Commonwealth Government to assist in securing the health and sustainability of the River Murray, its industries and communities in South Australia through water recovery and industry regeneration projects. The program includes \$240 million for irrigation industry improvement measures and \$25 million for regional economic development measures including redeveloping the Loxton Research Centre. The program will return 40 gegalitres of water to the River Murray.

**South Australian Tourism Commission****Convention bid fund***Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating expenses	—	-1 000	-1 000	—

This initiative provides additional funding of \$1 million per annum in 2014–15 and 2015–16 to enable the state to bid for convention business at the expanded Adelaide Convention Centre.

**Administered Items for the Department of Treasury and Finance****New South Wales bushfire appeal — donation***Budget implications (\$000)*

	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
Operating expenses	-250	—	—	—

This initiative recognises \$250 000 to assist individuals, families and communities directly affected by the October 2013 New South Wales bushfires.



# Appendix B: Uniform presentation framework

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## Overview

By agreement between the Commonwealth Government and the states and territories, each jurisdiction presents financial information on a Uniform Presentation Framework (UPF) basis in their budget papers, mid-year budget update and budget outcome reporting. The tables in this appendix present information for South Australia on the UPF basis.

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-related papers to enable direct comparisons of each government’s budget and financial results.

In October 2007, the Australian Accounting Standards Board (AASB) issued a new standard AASB 1049 *Whole of Government and General Government Sector Financial Reporting* applicable from 1 July 2008. Consistent with the disclosure requirements of AASB 1049, the Australian Loan Council approved a revised UPF in March 2008. The tables in this appendix reflect the requirements of the 2008 revision to the UPF.

The *Australian System of Government Finance Statistics: Concepts, Sources and Methods*, published by the Australian Bureau of Statistics (ABS), requires that provisions for doubtful debts be excluded from the balance sheet. Consistent with the Commonwealth Government’s methodology, South Australia has not adopted this treatment in the UPF reports because excluding such provisions would overstate the value of assets in the balance sheet (and would therefore be inconsistent with the market valuation principle).

## UNIFORM PRESENTATION FRAMEWORK TABLES

Table B.1: General government sector operating statement (\$million)

	2013–14 Budget	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
<b>Revenue</b>					
Taxation revenue	4 206	4 218	4 452	4 747	4 992
Grants	7 883	7 925	8 274	9 191	9 841
Sales of goods and services	2 077	2 129	2 192	2 257	2 342
Interest income	102	102	114	152	183
Dividend and income tax equivalent income	328	355	368	376	373
Other	669	679	698	716	737
<b>Total revenue</b>	<b>15 265</b>	<b>15 407</b>	<b>16 097</b>	<b>17 439</b>	<b>18 469</b>
<i>less</i>					
<b>Expenses</b>					
Employee expenses	7 155	7 173	7 249	7 365	7 497
Superannuation expenses					
Superannuation interest cost	434	468	452	446	439
Other superannuation expenses	754	763	768	774	784
Depreciation and amortisation	895	899	979	1 043	1 116
Interest expenses	379	377	423	568	767
Other property expenses	—	—	—	—	—
Other operating expenses	3 975	4 003	4 163	4 282	4 477
Grants	2 585	2 680	2 575	2 658	2 774
<b>Total expenses</b>	<b>16 176</b>	<b>16 363</b>	<b>16 609</b>	<b>17 135</b>	<b>17 855</b>
<i>equals</i>					
<b>Net operating balance</b>	<b>-911</b>	<b>-955</b>	<b>-511</b>	<b>303</b>	<b>614</b>
<i>plus</i>					
<b>Other economic flows</b>	<b>337</b>	<b>953</b>	<b>349</b>	<b>362</b>	<b>391</b>
<i>equals</i>					
<b>Comprehensive result - total change in net worth</b>	<b>-574</b>	<b>-2</b>	<b>-163</b>	<b>665</b>	<b>1 006</b>
<b>Net operating balance</b>	<b>-911</b>	<b>-955</b>	<b>-511</b>	<b>303</b>	<b>614</b>
<i>less</i>					
<b>Net acquisition of non-financial assets</b>					
Purchases of non-financial assets	1 858	1 668	1 081	3 958	1 102
less Sales of non-financial assets	419	220	364	98	31
less Depreciation	895	899	979	1 043	1 116
plus Change in inventories	—	—	—	—	—
plus Other movements in non-financial assets	—	—	—	—	—
<b>equals Total net acquisition of non-financial assets</b>	<b>544</b>	<b>550</b>	<b>-262</b>	<b>2 817</b>	<b>-46</b>
<i>equals</i>					
<b>Net lending / borrowing</b>	<b>-1 455</b>	<b>-1 505</b>	<b>-249</b>	<b>-2 514</b>	<b>660</b>

Note: Totals may not add due to rounding.

**Table B.2: Public non-financial corporations (public trading enterprises) sector operating statement (\$million)**

	2013–14 Budget	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
<b>Revenue</b>					
Taxation revenue	—	—	—	—	—
Grants	455	471	436	444	484
Sales of goods and services	1 710	1 686	1 769	1 844	1 919
Interest income	13	13	9	7	7
Dividend and income tax equivalent income	5	4	4	4	4
Other	142	167	200	176	180
<b>Total revenue</b>	<b>2 324</b>	<b>2 341</b>	<b>2 418</b>	<b>2 475</b>	<b>2 594</b>
<i>less</i>					
<b>Expenses</b>					
Employee expenses	202	200	205	209	215
Superannuation expenses					
Superannuation interest cost	—	—	—	—	—
Other superannuation expenses	24	24	25	27	28
Depreciation and amortisation	445	444	464	481	507
Interest expenses	236	231	227	230	242
Other property expenses	285	289	345	352	349
Other operating expenses	1 205	1 227	1 224	1 259	1 302
Grants	164	187	74	74	77
<b>Total expenses</b>	<b>2 561</b>	<b>2 601</b>	<b>2 563</b>	<b>2 632</b>	<b>2 719</b>
<i>equals</i>					
<b>Net operating balance</b>	<b>-237</b>	<b>-260</b>	<b>-146</b>	<b>-156</b>	<b>-126</b>
<i>plus</i>					
<b>Other economic flows</b>	<b>610</b>	<b>583</b>	<b>607</b>	<b>614</b>	<b>613</b>
<i>equals</i>					
<b>Comprehensive result - total change in net worth</b>	<b>373</b>	<b>323</b>	<b>461</b>	<b>458</b>	<b>487</b>
<hr/>					
<b>Net operating balance</b>	<b>-237</b>	<b>-260</b>	<b>-146</b>	<b>-156</b>	<b>-126</b>
<i>less</i>					
<b>Net acquisition of non-financial assets</b>					
Purchases of non-financial assets	729	777	635	567	601
less Sales of non-financial assets	247	241	144	172	126
less Depreciation	445	444	464	481	507
plus Change in inventories	42	44	14	-39	-27
plus Other movements in non-financial assets	—	—	—	—	—
<b>equals Total net acquisition of non-financial assets</b>	<b>79</b>	<b>136</b>	<b>41</b>	<b>-125</b>	<b>-59</b>
<i>equals</i>					
<b>Net lending / borrowing</b>	<b>-316</b>	<b>-396</b>	<b>-187</b>	<b>-31</b>	<b>-66</b>

Note: Totals may not add due to rounding.

**Table B.3: Non-financial public sector operating statement (\$million)**

	2013–14 Budget	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
<b>Revenue</b>					
Taxation revenue	3 927	3 935	4 161	4 445	4 679
Grants	7 879	7 924	8 274	9 191	9 841
Sales of goods and services	3 607	3 631	3 776	3 913	4 070
Interest income	96	104	112	150	182
Dividend and income tax equivalent income	51	73	30	30	30
Other	807	842	894	887	914
<b>Total revenue</b>	<b>16 367</b>	<b>16 508</b>	<b>17 248</b>	<b>18 617</b>	<b>19 717</b>
<i>less</i>					
<b>Expenses</b>					
Employee expenses	7 357	7 373	7 454	7 574	7 712
Superannuation expenses					
Superannuation interest cost	434	468	452	446	439
Other superannuation expenses	778	787	793	801	812
Depreciation and amortisation	1 340	1 342	1 442	1 524	1 623
Interest expenses	595	596	639	788	1 001
Other property expenses	—	—	—	—	—
Other operating expenses	4 722	4 763	4 911	5 050	5 275
Grants	2 290	2 395	2 213	2 288	2 367
<b>Total expenses</b>	<b>17 515</b>	<b>17 724</b>	<b>17 905</b>	<b>18 470</b>	<b>19 229</b>
<i>equals</i>					
<b>Net operating balance</b>	<b>-1 148</b>	<b>-1 215</b>	<b>-657</b>	<b>147</b>	<b>488</b>
<i>plus</i>					
<b>Other economic flows</b>	<b>574</b>	<b>1 213</b>	<b>495</b>	<b>518</b>	<b>517</b>
<i>equals</i>					
<b>Comprehensive result - total change in net worth</b>	<b>-574</b>	<b>-2</b>	<b>-163</b>	<b>665</b>	<b>1 006</b>
<b>Net operating balance</b>	<b>-1 148</b>	<b>-1 215</b>	<b>-657</b>	<b>147</b>	<b>488</b>
<i>less</i>					
<b>Net acquisition of non-financial assets</b>					
Purchases of non-financial assets	2 587	2 440	1 715	4 525	1 703
less Sales of non-financial assets	667	456	507	270	158
less Depreciation	1 340	1 342	1 442	1 524	1 623
plus Change in inventories	42	44	14	-39	-27
plus Other movements in non-financial assets	—	—	—	—	—
<i>equals</i> Total net acquisition of non-financial assets	<b>623</b>	<b>685</b>	<b>-221</b>	<b>2 692</b>	<b>-105</b>
<i>equals</i>					
<b>Net lending / borrowing</b>	<b>-1 771</b>	<b>-1 901</b>	<b>-436</b>	<b>-2 545</b>	<b>593</b>

Note: Totals may not add due to rounding.



**Table B.4: General government sector balance sheet (\$million)**

	2013–14 Budget	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
<b>Assets</b>					
Financial assets					
Cash and deposits	909	1 144	1 171	1 195	1 217
Advances paid	366	169	146	99	65
Investments, loans and placements	221	238	251	263	275
Receivables	625	678	678	673	674
Equity					
Investments in other public sector entities	21 684	21 076	21 381	21 685	22 022
Investments - other	832	820	812	812	812
Other financial assets	89	21	20	20	20
<b>Total financial assets</b>	<b>24 727</b>	<b>24 147</b>	<b>24 459</b>	<b>24 747</b>	<b>25 084</b>
Non-financial assets					
Land and other fixed assets	37 991	38 249	38 031	40 896	40 892
Other non-financial assets	6	5	5	5	5
<b>Total non-financial assets</b>	<b>37 997</b>	<b>38 255</b>	<b>38 036</b>	<b>40 902</b>	<b>40 897</b>
<b>Total assets</b>	<b>62 724</b>	<b>62 402</b>	<b>62 495</b>	<b>65 648</b>	<b>65 982</b>
<b>Liabilities</b>					
Deposits held	294	420	465	477	512
Advances received	211	214	197	179	162
Borrowing	7 941	7 558	7 748	10 294	9 627
Superannuation	11 802	10 264	10 133	9 976	9 792
Other employee benefits	2 580	2 493	2 625	2 691	2 815
Payables	927	972	978	984	990
Other liabilities	1 079	1 121	1 151	1 183	1 215
<b>Total liabilities</b>	<b>24 835</b>	<b>23 041</b>	<b>23 296</b>	<b>25 785</b>	<b>25 113</b>
<b>Net worth</b>	<b>37 888</b>	<b>39 361</b>	<b>39 198</b>	<b>39 864</b>	<b>40 869</b>
Net financial worth (a)	-108	1 106	1 162	-1 038	-28
Net financial liabilities	21 792	19 970	20 218	22 723	22 050
Net debt (b)	6 951	6 640	6 842	9 394	8 744

Note: Totals may not add due to rounding.

(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.

**Table B.5: Public non-financial corporations (public trading enterprises) sector balance sheet (\$million)**

	2013–14 Budget	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
<b>Assets</b>					
Financial assets					
Cash and deposits	225	388	406	406	415
Advances paid	25	22	15	9	2
Investments, loans and placements	46	46	47	49	51
Receivables	230	280	283	287	294
Equity					
Investments in other public sector entities	—	—	—	—	—
Investments - other	14	17	17	17	17
Other financial assets	4	1	1	1	1
<b>Total financial assets</b>	<b>544</b>	<b>753</b>	<b>769</b>	<b>768</b>	<b>779</b>
Non-financial assets					
Land and other fixed assets	26 706	25 653	26 273	26 743	27 281
Other non-financial assets	6	7	7	7	7
<b>Total non-financial assets</b>	<b>26 712</b>	<b>25 660</b>	<b>26 280</b>	<b>26 750</b>	<b>27 289</b>
<b>Total assets</b>	<b>27 256</b>	<b>26 413</b>	<b>27 049</b>	<b>27 518</b>	<b>28 067</b>
<b>Liabilities</b>					
Deposits held	1	—	1	1	2
Advances received	325	132	111	68	37
Borrowing	4 149	4 462	4 644	4 697	4 787
Superannuation	—	—	—	—	—
Other employee benefits	75	73	74	75	75
Payables	339	285	287	284	279
Other liabilities	119	158	169	171	178
<b>Total liabilities</b>	<b>5 008</b>	<b>5 110</b>	<b>5 285</b>	<b>5 296</b>	<b>5 359</b>
<b>Net worth</b>	<b>22 249</b>	<b>21 303</b>	<b>21 764</b>	<b>22 222</b>	<b>22 709</b>
Net financial worth (a)	-4 463	-4 357	-4 516	-4 528	-4 580
Net financial liabilities	4 463	4 357	4 516	4 528	4 580
Net debt (b)	4 178	4 138	4 288	4 303	4 359

Note: Totals may not add due to rounding.

(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.

**Table B.6: Non-financial public sector balance sheet (\$million)**

	2013–14 Budget	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
<b>Assets</b>					
Financial assets					
Cash and deposits	1 018	1 284	1 285	1 296	1 292
Advances paid	67	60	50	39	29
Investments, loans and placements	267	284	298	311	326
Receivables	755	837	835	835	838
Equity					
Investments in other public sector entities	-564	-227	-383	-537	-686
Investments - other	846	837	829	829	829
Other financial assets	91	21	21	21	21
<b>Total financial assets</b>	<b>2 479</b>	<b>3 097</b>	<b>2 934</b>	<b>2 795</b>	<b>2 649</b>
Non-financial assets					
Land and other fixed assets	64 697	63 903	64 304	67 639	68 173
Other non-financial assets	12	12	12	12	13
<b>Total non-financial assets</b>	<b>64 709</b>	<b>63 915</b>	<b>64 316</b>	<b>67 652</b>	<b>68 186</b>
<b>Total assets</b>	<b>67 188</b>	<b>67 012</b>	<b>67 250</b>	<b>70 446</b>	<b>70 835</b>
<b>Liabilities</b>					
Deposits held	179	173	173	174	174
Advances received	211	214	197	179	162
Borrowing	12 090	12 020	12 392	14 991	14 414
Superannuation	11 802	10 264	10 133	9 976	9 792
Other employee benefits	2 655	2 566	2 699	2 767	2 891
Payables	1 184	1 159	1 166	1 168	1 169
Other liabilities	1 177	1 256	1 292	1 328	1 364
<b>Total liabilities</b>	<b>29 299</b>	<b>27 651</b>	<b>28 051</b>	<b>30 583</b>	<b>29 965</b>
<b>Net worth</b>	<b>37 888</b>	<b>39 361</b>	<b>39 198</b>	<b>39 864</b>	<b>40 869</b>
Net financial worth (a)	-26 820	-24 554	-25 118	-27 788	-27 317
Net financial liabilities	26 256	24 327	24 734	27 251	26 630
Net debt (b)	11 128	10 779	11 129	13 697	13 103

Note: Totals may not add due to rounding.

(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.

**Table B.7: General government sector cash flow statement (\$million)**

	2013–14 Budget	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
<b>Cash receipts from operating activities</b>					
Taxes received	4 210	4 235	4 451	4 744	4 988
Receipts from sales of goods and services	2 058	2 118	2 180	2 245	2 330
Grants and subsidies received	7 882	7 953	8 273	9 190	9 840
Interest receipts	102	102	114	152	183
Dividends and income tax equivalents	335	371	363	378	370
Other receipts	684	701	703	721	743
<b>Total operating receipts</b>	<b>15 273</b>	<b>15 480</b>	<b>16 083</b>	<b>17 430</b>	<b>18 455</b>
<b>Cash payments for operating activities</b>					
Payments for employees	-8 288	-8 448	-8 406	-8 614	-8 718
Payments for goods and services	-3 720	-3 816	-3 961	-4 078	-4 271
Grants and subsidies paid	-2 702	-2 786	-2 695	-2 781	-2 898
Interest paid	-379	-377	-423	-568	-767
Other payments	-111	-67	-56	-56	-57
<b>Total operating payments</b>	<b>-15 199</b>	<b>-15 492</b>	<b>-15 542</b>	<b>-16 096</b>	<b>-16 711</b>
<b>Net cash flows from operating activities</b>	<b>74</b>	<b>-12</b>	<b>541</b>	<b>1 334</b>	<b>1 743</b>
<b>Net cash flows from investments in non-financial assets</b>					
Sales of non-financial assets	414	203	363	98	31
Purchases of non-financial assets (a)	-1 820	-1 631	-1 078	-1 136	-1 100
<b>Net cash flows from investments in non-financial assets</b>	<b>-1 406</b>	<b>-1 428</b>	<b>-715</b>	<b>-1 037</b>	<b>-1 068</b>
<b>Net cash flows from investments in financial assets for policy purposes (b)</b>	<b>-71</b>	<b>-18</b>	<b>-4</b>	<b>28</b>	<b>20</b>
<b>Net cash flows from investments in financial assets for liquidity purposes</b>	<b>-12</b>	<b>-2</b>	<b>-4</b>	<b>-12</b>	<b>-12</b>
<b>Net cash flows from financing activities</b>					
Advances received (net)	-21	-18	-18	-17	-17
Borrowing (net)	1 496	1 443	193	-270	-664
Deposits received (net)	-13	27	45	12	35
Dividends paid	—	—	—	—	—
Other financing (net)	—	—	—	—	—
<b>Net cash flows from financing activities</b>	<b>1 462</b>	<b>1 452</b>	<b>221</b>	<b>-275</b>	<b>-646</b>
<b>Net Increase/(decrease) in cash held</b>	<b>46</b>	<b>-8</b>	<b>40</b>	<b>38</b>	<b>36</b>
Net cash flows from operating activities	74	-12	541	1 334	1 743
Net cash flows from investments in non-financial assets	-1 406	-1 428	-715	-1 037	-1 068
Dividends paid	—	—	—	—	—
<b>Cash surplus / (deficit)</b>	<b>-1 332</b>	<b>-1 440</b>	<b>-173</b>	<b>296</b>	<b>675</b>

Note: Totals may not add due to rounding.

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

(b) Includes equity acquisitions and disposals.

**Table B.8: Public non-financial corporations (public trading enterprises) sector cash flow statement (\$million)**

	2013–14 Budget	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
<b>Cash receipts from operating activities</b>					
Taxes received	—	—	—	—	—
Receipts from sales of goods and services	1 693	1 662	1 739	1 813	1 889
Grants and subsidies received	459	471	436	444	484
Interest receipts	13	13	9	7	7
Dividends and income tax equivalents	5	4	4	4	4
Other receipts	121	149	153	159	158
<b>Total operating receipts</b>	<b>2 290</b>	<b>2 300</b>	<b>2 341</b>	<b>2 427</b>	<b>2 541</b>
<b>Cash payments for operating activities</b>					
Payments for employees	-237	-234	-242	-248	-257
Payments for goods and services	-943	-960	-921	-895	-940
Grants and subsidies paid	-162	-183	-74	-74	-77
Interest paid	-237	-232	-228	-231	-242
Other payments	-371	-382	-391	-411	-419
<b>Total operating payments</b>	<b>-1 949</b>	<b>-1 991</b>	<b>-1 856</b>	<b>-1 858</b>	<b>-1 936</b>
<b>Net cash flows from operating activities</b>	<b>341</b>	<b>309</b>	<b>484</b>	<b>569</b>	<b>606</b>
<b>Net cash flows from investments in non-financial assets</b>					
Sales of non-financial assets	245	238	144	172	126
Purchases of non-financial assets (a)	-696	-743	-571	-531	-565
<b>Net cash flows from investments in non-financial assets</b>	<b>-451</b>	<b>-505</b>	<b>-426</b>	<b>-360</b>	<b>-438</b>
<b>Net cash flows from investments in financial assets for policy purposes (b)</b>					
	8	8	7	6	7
<b>Net cash flows from investments in financial assets for liquidity purposes</b>					
	-4	-2	-1	-1	-1
<b>Net cash flows from financing activities</b>					
Advances received (net)	75	13	7	-24	-16
Borrowing (net)	105	262	183	53	91
Deposits received (net)	—	—	—	—	—
Dividends paid	-198	-204	-236	-244	-239
Other financing (net)	—	—	—	—	—
<b>Net cash flows from financing activities</b>	<b>-17</b>	<b>71</b>	<b>-46</b>	<b>-215</b>	<b>-164</b>
<b>Net Increase/(decrease) in cash held</b>	<b>-124</b>	<b>-119</b>	<b>18</b>	<b>—</b>	<b>9</b>
Net cash flows from operating activities	341	309	484	569	606
Net cash flows from investments in non-financial assets	-451	-505	-426	-360	-438
Dividends paid	-198	-204	-236	-244	-239
<b>Cash surplus / (deficit)</b>	<b>-307</b>	<b>-400</b>	<b>-178</b>	<b>-35</b>	<b>-71</b>

Note: Totals may not add due to rounding.

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

(b) Includes equity acquisitions and disposals.

**Table B.9: Non-financial public sector cash flow statement (\$million)**

	2013–14 Budget	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
<b>Cash receipts from operating activities</b>					
Taxes received	3 925	3 948	4 160	4 442	4 676
Receipts from sales of goods and services	3 576	3 601	3 739	3 876	4 033
Grants and subsidies received	7 883	7 952	8 273	9 191	9 840
Interest receipts	96	104	112	150	182
Dividends and income tax equivalents	51	73	30	30	30
Other receipts	798	842	848	871	893
<b>Total operating receipts</b>	<b>16 328</b>	<b>16 520</b>	<b>17 163</b>	<b>18 559</b>	<b>19 655</b>
<b>Cash payments for operating activities</b>					
Payments for employees	-8 513	-8 670	-8 635	-8 848	-8 961
Payments for goods and services	-4 500	-4 612	-4 719	-4 807	-5 043
Grants and subsidies paid	-2 405	-2 497	-2 334	-2 411	-2 492
Interest paid	-596	-597	-640	-788	-1 002
Other payments	-97	-51	-45	-45	-47
<b>Total operating payments</b>	<b>-16 111</b>	<b>-16 428</b>	<b>-16 373</b>	<b>-16 900</b>	<b>-17 545</b>
<b>Net cash flows from operating activities</b>	<b>217</b>	<b>93</b>	<b>790</b>	<b>1 659</b>	<b>2 110</b>
<b>Net cash flows from investments in non-financial assets</b>					
Sales of non-financial assets	659	436	506	270	158
Purchases of non-financial assets (a)	-2 516	-2 369	-1 647	-1 667	-1 664
<b>Net cash flows from investments in non-financial assets</b>	<b>-1 857</b>	<b>-1 933</b>	<b>-1 141</b>	<b>-1 397</b>	<b>-1 507</b>
<b>Net cash flows from investments in financial assets for policy purposes (b)</b>	<b>11</b>	<b>2</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Net cash flows from investments in financial assets for liquidity purposes</b>	<b>-16</b>	<b>-4</b>	<b>-5</b>	<b>-13</b>	<b>-14</b>
<b>Net cash flows from financing activities</b>					
Advances received (net)	-21	-18	-18	-17	-17
Borrowing (net)	1 601	1 705	376	-218	-574
Deposits received (net)	—	—	—	—	—
Dividends paid	—	—	—	—	—
Other financing (net)	—	—	—	—	—
<b>Net cash flows from financing activities</b>	<b>1 581</b>	<b>1 688</b>	<b>359</b>	<b>-234</b>	<b>-589</b>
<b>Net Increase/(decrease) in cash held</b>	<b>-64</b>	<b>-154</b>	<b>13</b>	<b>25</b>	<b>11</b>
Net cash flows from operating activities	217	93	790	1 659	2 110
Net cash flows from investments in non-financial assets	-1 857	-1 933	-1 141	-1 397	-1 507
Dividends paid	—	—	—	—	—
<b>Cash surplus / (deficit)</b>	<b>-1 640</b>	<b>-1 840</b>	<b>-351</b>	<b>262</b>	<b>604</b>

Note: Totals may not add due to rounding.

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

(b) Includes equity acquisitions and disposals.

**Table B.10: General government sector derivation of ABS GFS cash surplus/deficit (\$million)**

	2013–14 Budget	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
<b>Cash surplus / (deficit)</b>	-1 332	-1 440	-173	296	675
Acquisitions under finance leases and similar arrangements (a)	—	—	—	-2 820	—
<b>ABS GFS Surplus (+) / deficit (-) including finance leases and similar arrangements</b>	-1 332	-1 440	-173	-2 524	675

**Table B.11: Public non-financial corporations (public trading enterprises) sector derivation of ABS GFS cash surplus/deficit (\$million)**

<b>Cash surplus / (deficit)</b>	-307	-400	-178	-35	-71
Acquisitions under finance leases and similar arrangements (a)	—	—	—	—	—
<b>ABS GFS Surplus (+) / deficit (-) including finance leases and similar arrangements</b>	-307	-400	-178	-35	-71

**Table B.12: Non-financial public sector derivation of ABS GFS cash surplus/deficit (\$million)**

<b>Cash surplus / (deficit)</b>	-1 640	-1 840	-351	262	604
Acquisitions under finance leases and similar arrangements (a)	—	—	—	-2 820	—
<b>ABS GFS Surplus (+) / deficit (-) including finance leases and similar arrangements</b>	-1 640	-1 840	-351	-2 558	604

Note: Totals may not add due to rounding.

(a) Finance leases are shown with a negative sign as they are deducted in compiling the ABS GFS cash surplus/deficit.

**Table B.13: General government sector taxes (\$million) (a)**

	2013–14 Budget	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
<b>Taxes on employers' payroll and labour force</b>	1 158	1 139	1 220	1 313	1 398
<b>Taxes on property</b>					
Land taxes	576	572	581	600	624
Stamp duties on financial and capital transactions	886	936	1 024	1 139	1 222
Financial institutions' transaction taxes	—	—	—	—	—
Other	180	178	214	219	224
<b>Total</b>	<b>1 643</b>	<b>1 687</b>	<b>1 818</b>	<b>1 958</b>	<b>2 070</b>
<b>Taxes on the provision of goods and services</b>					
Excises and levies	—	—	—	—	—
Taxes on gambling	402	399	411	430	440
Taxes on insurance	449	439	419	441	459
<b>Total</b>	<b>853</b>	<b>838</b>	<b>830</b>	<b>871</b>	<b>898</b>
<b>Taxes on use of goods and performance of activities</b>					
Motor vehicle taxes	554	554	585	605	626
<b>Total</b>	<b>554</b>	<b>554</b>	<b>585</b>	<b>605</b>	<b>626</b>
<b>Total GFS taxation revenue</b>	<b>4 206</b>	<b>4 218</b>	<b>4 452</b>	<b>4 747</b>	<b>4 992</b>

Note: Totals may not add due to rounding.

(a) Excludes taxes paid by general government entities.



**Table B.14(a): General government sector grant revenue (\$million)**

	2013–14 Budget	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
<b>Current grant revenue</b>					
Current grants from the Commonwealth					
General purpose grants	4 595	4 607	4 949	5 321	5 855
National partnership grants	439	488	375	392	414
National partnership grants for on-passing	115	113	169	174	181
Specific purpose grants	1 476	1 521	1 686	1 833	1 994
Specific purpose grants for on-passing	718	726	744	790	839
<b>Total current grants from the Commonwealth</b>	<b>7 343</b>	<b>7 455</b>	<b>7 923</b>	<b>8 510</b>	<b>9 282</b>
Other contributions and grants	247	247	144	144	145
<b>Total current grant revenue</b>	<b>7 590</b>	<b>7 702</b>	<b>8 066</b>	<b>8 654</b>	<b>9 427</b>
<b>Capital grant revenue</b>					
Capital grants from the Commonwealth					
General purpose grants	—	—	—	—	—
National partnership grants	133	82	93	423	299
Specific purpose grants	117	104	92	93	94
Specific purpose grants for on-passing	14	7	—	—	—
Other capital grants	5	4	5	3	3
<b>Total capital grants from the Commonwealth</b>	<b>268</b>	<b>197</b>	<b>191</b>	<b>520</b>	<b>397</b>
Other contributions and grants	25	25	16	17	17
<b>Total capital grant revenue</b>	<b>293</b>	<b>223</b>	<b>207</b>	<b>537</b>	<b>414</b>
<b>Total grant revenue</b>	<b>7 883</b>	<b>7 925</b>	<b>8 274</b>	<b>9 191</b>	<b>9 841</b>

**Table B.14(b): General government sector grant expense (\$million)**

	2013–14 Budget	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
<b>Current grant expense</b>					
State/territory government	4	5	4	5	5
Local government	42	50	44	50	51
Local government on-passing	101	101	164	170	177
Private and not-for-profit sector	900	966	931	964	976
Private and not-for-profit sector on-passing	732	738	748	794	843
Grants to other sectors of government	453	465	438	446	486
Other	216	206	185	192	198
<b>Total current grant expense</b>	<b>2 449</b>	<b>2 532</b>	<b>2 516</b>	<b>2 620</b>	<b>2 736</b>
<b>Capital grant expense</b>					
State/territory government	—	—	—	—	—
Local government	1	3	—	—	—
Local government on-passing	—	—	—	—	—
Private and not-for-profit sector	119	138	59	38	38
Private and not-for-profit sector on-passing	14	7	—	—	—
Grants to other sectors of government	—	—	—	—	—
Other	1	1	—	—	—
<b>Total capital grant expense</b>	<b>136</b>	<b>149</b>	<b>59</b>	<b>38</b>	<b>38</b>
<b>Total grant expense</b>	<b>2 585</b>	<b>2 680</b>	<b>2 575</b>	<b>2 658</b>	<b>2 774</b>

Note: Totals may not add due to rounding.

**Table B.15: General government sector dividend and income tax equivalent income (\$million)**

	<b>2013–14 Budget</b>	<b>2013–14 MYBR</b>	<b>2014–15 Estimate</b>	<b>2015–16 Estimate</b>	<b>2016–17 Estimate</b>
Dividend and income tax equivalent income from PNFC sector	282	287	342	349	346
Dividend and income tax equivalent income from PFC sector	45	68	25	25	25
Other dividend income	1	1	1	1	1
<b>Total dividend and income tax equivalent income</b>	<b>328</b>	<b>355</b>	<b>368</b>	<b>375</b>	<b>372</b>

Note: Totals may not add due to rounding.

**Table B.16: Movement in general government net worth (\$million)**

	2013–14 Budget	2013–14 MYBR	2014–15 Estimate	2015–16 Estimate	2016–17 Estimate
<b>Net worth at beginning of year</b>	<b>38 463</b>	<b>39 363</b>	<b>39 361</b>	<b>39 198</b>	<b>39 864</b>
<b>Change in net worth from operating transactions:</b>					
Net operating balance	- 911	- 955	- 511	303	614
<b>Change in net worth from other economic flows:</b>					
Movement in net assets of PFCs	- 140	- 68	- 157	- 153	- 149
Movement in net assets of PNFCs <sup>(a)</sup>	378	298	433	439	472
Revaluation of unfunded superannuation liability	- 12	424	7	6	6
Expected returns on superannuation assets in excess of 4.5% <sup>(b)</sup>	163	443	152	155	158
Revaluation of long service leave liability	- 79	- 79	- 83	- 85	- 87
Revaluation of annual leave liability	- 10	- 10	- 10	- 10	- 10
Other revaluation adjustments	37	- 56	7	11	3
<b>Total other economic flows</b>	<b>337</b>	<b>953</b>	<b>349</b>	<b>362</b>	<b>391</b>
<b>Net worth at year end</b>	<b>37 888</b>	<b>39 361</b>	<b>39 198</b>	<b>39 864</b>	<b>40 869</b>

Note: Totals may not add due to rounding.

- (a) Net of equity injections from and the return of equity to the general government sector.
- (b) 2013–14 Budget represents expected returns on superannuation assets in excess of 3.7 per cent, which was the Commonwealth Government bond rate at the time of the 2013–14 Budget.

**Table B.17: Loan Council Allocation 2013–14<sup>(a)</sup> (\$million)**

	<b>2013–14 Budget</b>	<b>2013–14 MYBR</b>
General government sector cash deficit/surplus	1332	1440
PNFC sector cash deficit/surplus	307	400
<b>Total non-financial public sector cash deficit/(surplus)<sup>(b)</sup></b>	<b>1640</b>	<b>1840</b>
Acquisitions under finance leases and similar arrangements	—	—
<b>ABS Government Finance Statistics cash deficit/(surplus)</b>	<b>1640</b>	<b>1840</b>
Less: Net cash flows from investments in financial assets for policy purposes	11	2
<b>Adjusted total non-financial public sector cash deficit/(surplus)</b>	<b>1629</b>	<b>1838</b>
Memorandum items <sup>(c)</sup>		
Operating leases <sup>(d)</sup>	-106	-95
Recourse asset sales	—	—
Superannuation <sup>(e)</sup>	-496	-716
Local government	60	23
Home finance schemes	62	10
<b>Total memorandum items</b>	<b>-480</b>	<b>-778</b>
<b>LCA deficit/(surplus)<sup>(f)(g)</sup></b>	<b>1149</b>	<b>1060</b>

Note: Totals may not add due to rounding.

- (a) For the purposes of this table a surplus is represented as a negative, while a deficit is represented as a positive.
- (b) The sum 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. These figures exclude statutory marketing authorities.
- (c) Excludes universities.
- (d) Increase/decrease in the net present value (NPV) of operating leases with an NPV of \$5 million or greater.
- (e) Includes both payments in excess of emerging costs of superannuation' and 'interest earnings on employer balances'.
- (f) The 2.0 per cent of total revenue tolerance limit around South Australia's 2013–14 LCA is \$330 million.
- (g) South Australia is not expected to have an infrastructure project with private sector involvement that meets the recognition criteria for 2013–14.

# Appendix C: General government and non-financial public sector financial statistics time series

The following tables provide historical data on key fiscal aggregates. Data provided (excluding the unfunded superannuation liability) is sourced for 1998–99 from *Australian Bureau of Statistics Government Finance Statistics 2007–08* (catalogue number 5512.0) and for 1999–2000 to 2012–13 from budget outcome publications for South Australia.

Gross State Product (GSP) and Consumer Price Index (CPI), for real-growth calculations, data up to 2011–12 is sourced from the latest Australian Bureau of Statistics (ABS) publications. Department of Treasury and Finance forecasts are used for the forward estimates.

As historical data in this time series has not been back-cast to reflect classification and accounting changes, care must be taken in interpreting the data.

## General government sector

**Table C.1: General government key operating statement aggregates**

	Revenue		Expenses			Net operating balance	Net acquisition of non-financial assets	Net lending	
	\$m	% real growth	% GSP	\$m	% real growth	% GSP	\$m	\$m	
1998–99	7 290		16.7	7 505		17.2	- 215	19	- 233
1999–2000	7 644	2.3	16.8	7 974	3.6	17.5	- 330	140	- 471
2000–01	8 108	3.0	16.6	8 406	2.4	17.2	- 297	102	- 399
2001–02	8 538	2.1	16.2	8 713	0.5	16.5	- 174	- 50	- 124
2002–03	9 346	5.2	16.7	8 898	-1.8	15.9	448	34	414
2003–04	9 955	3.4	16.7	9 570	4.4	16.0	385	- 38	424
2004–05	10 592	3.9	17.0	10 368	5.8	16.6	224	105	119
2005–06	11 242	2.9	17.0	11 040	3.3	16.7	202	119	83
2006–07	11 757	1.9	16.5	11 547	1.9	16.2	209	139	71
2007–08	12 879	6.1	16.6	12 414	4.1	16.0	464	242	222
2008–09	13 531	1.9	16.9	13 764	7.5	17.2	- 233	639	- 872
2009–10 <sup>(a)</sup>	15 534	12.3	18.6	15 347	9.1	18.4	187	1 279	-1 092
2010–11 <sup>(a)</sup>	15 017	-6.3	16.8	15 069	-4.9	16.9	- 53	1 370	-1 422
2011–12	15 905	3.2	17.3	16 164	4.5	17.6	- 258	839	-1 098
2012–13 <sup>(b)</sup>	15 333	-5.5	16.3	16 282	-1.3	17.3	- 948	55	-1 003
2013–14 <sup>(c)</sup>	15 407	-1.5	15.7	16 363	-1.5	16.7	- 955	550	-1 505
2014–15	16 097	2.2	15.6	16 609	-0.7	16.1	- 511	- 262	- 249
2015–16	17 439	5.7	16.1	17 135	0.7	15.8	303	2 817	-2 514
2016–17	18 469	3.3	16.2	17 855	1.7	15.6	614	- 46	660

Note: Totals may not add due to rounding.

- (a) In 2009–10 and 2010–11 revenue, expenses and net acquisition of non-financial assets are impacted by the Commonwealth Government's Nation Building — Economic Stimulus Plan.
- (b) Revenue and expenditure as a percentage of Gross State Product (GSP) are calculated using the estimated 2012–13 GSP result.
- (c) There is a structural break in 2013–14 in the methodology used to calculate the nominal superannuation interest expense. This accounting change is in accordance with AASB 119 Employee Benefits and results in deterioration to the net operating balance and net lending.

**Table C.2: General government key balance sheet aggregates (\$million)(a)**

As at 30 June	Net debt <sup>(b)</sup>	Unfunded superannuation <sup>(c)</sup>	Net financial liabilities	Net financial worth	Net worth
1988	859				
1989	694				
1990	854				
1991	1 817				
1992	4 610				
1993	7 884				
1994	7 113				
1995	5 815				
1996	5 512				
1997	4 983				
1998	4 762				
1999	4 779	3 909	9 733	1 894	10 624
2000	1 920	3 543	6 911	2 986	12 445
2001	1 246	3 249	6 093	4 091	14 816
2002	1 303	3 998	6 907	3 559	14 721
2003	666	4 445	6 974	3 500	15 288
2004	224	5 668	7 858	3 842	15 760
2005	144	7 227	9 393	3 853	16 359
2006	- 119	6 146	8 171	5 846	19 703
2007 <sup>(d)</sup>	- 24	5 075	7 254	8 110	22 128
2008 <sup>(e)(f)(g)</sup>	- 276	6 468	8 078	7 580	23 741
2009	475	8 939	11 562	5 551	24 146
2010	1 402	9 478	13 182	6 551	36 231
2011	2 930	9 096	14 313	7 299	40 958
2012 <sup>(h)</sup>	4 165	13 523	20 332	1 413	37 199
2013	5 227	11 085	19 079	1 742	39 363
2014 <sup>(i)</sup>	6 640	10 264	19 970	1 106	39 361
2015	6 842	10 133	20 218	1 162	39 198
2016	9 394	9 976	22 723	-1 038	39 864
2017	8 744	9 792	22 050	- 28	40 869

- (a) During the implementation of the 2008 revised uniform presentation framework (UPF), minor variances in some aggregates compared with earlier budget publications were discovered. This table reflects minor revisions resulting from the back-casting of budget aggregates associated with implementing the revised UPF.
- (b) Net debt data for the years before 1999 are sourced from ABS, *Government Financial Estimates 2003–04* (catalogue number 5501).
- (c) There is a structural break in the methodology used to calculate superannuation liabilities between June 2003 and June 2004. This accounting change, which involved the adoption of Commonwealth Government bond rate for valuation purposes in line with AASB119 *Employee Benefits*, resulted in a significant increase in superannuation liabilities.
- (d) There is a structural break in 2007 reflecting the amalgamation of SAFA and SAICORP on 1 July 2006. The transfer of SAICORP's assets and liabilities from the general government sector to the public financial corporations sector resulted in an increase in general government net debt of \$99 million at 1 July 2006 and an increase in net financial liabilities of \$90 million at 1 July 2006.
- (e) There is a structural break in 2008 reflecting the transfer of rail assets from TransAdelaide to the general government sector. This results in an increase in net debt and net financial liabilities of \$66 million in 2007–08 and a reduction in net financial worth of \$591 million, with no impact on net worth.
- (f) There is a structural break in 2008 reflecting the transfer of assets from the Adelaide Festival Centre Trust to the general government sector. This results in an increase in net debt and net financial liabilities of \$28 million in 2007–08, and a reduction in net financial worth of \$76 million, with no impact on net worth.
- (g) There is a structural break in 2008 reflecting the first time recognition on the general government balance sheet of South Australia's share of the net assets of the Murray-Darling Basin Commission. This has no impact on net debt, however results in a reduction in net financial liabilities of \$615 million in 2007–08, and increases in net financial worth and net worth of \$615 million.
- (h) There is a structural break in 2012 reflecting the transfer of the Rail Commissioner to the general government sector. This results in a reduction in net debt of \$6 million, an increase in net financial liabilities of \$37 million, and a reduction in net financial worth of \$144 million in 2011–12, with no impact on net worth.
- (i) There is a structural break in 2014 reflecting the transfer of Lotteries Commission of South Australia (SA Lotteries) to the general government sector. This results in a reduction in net debt of \$48 million, a reduction in net financial liabilities of \$1 million, with no impact on net worth. The 2013–14 Budget reflected a reduction in net debt of \$7.8 million, a reduction in net financial liabilities of \$2.6 million, with no impact on net worth.

**Table C.3: General government sector receipts, payments and surplus (\$million)<sup>(a)</sup>**

	Receipts	Payments	ABS Cash Surplus
1979–80	1 891	1 671	220
1980–81	2 065	1 917	148
1981–82	2 210	2 122	87
1982–83	2 664	2 507	156
1983–84	2 988	2 734	255
1984–85	3 380	3 057	324
1985–86	3 634	3 161	474
1986–87	3 956	3 416	540
1987–88	4 307	3 858	449
1988–89	4 630	3 977	653
1989–90	4 973	4 370	603
1990–91	5 260	4 796	463
1991–92	5 387	5 396	-10
1992–93	5 967	5 456	512
1993–94	6 087	6 024	63
1994–95	6 155	6 220	-66
1995–96	6 405	6 164	241
1996–97	6 379	6 282	97
1997–98	6 988	6 724	264
1998–99	7 165	7 041	123
1999–2000	7 676	7 915	- 239
2000–01	8 278	8 387	-108
2001–02	8 698	8 748	-50
2002–03	9 522	8 864	658
2003–04	10 023	9 502	522
2004–05	11 252	11 059	193
2005–06	11 480	11 293	187
2006–07	12 090	12 116	- 26
2007–08	12 932	12 552	379
2008–09	13 579	14 299	- 721
2009–10	15 837	16 991	-1 154
2010–11	15 331	16 851	-1 520
2011–12	16 556	17 594	-1 038
2012–13	16 489	17 655	-1 166
2013–14	15 683	17 123	-1 440
2014–15	16 446	16 620	- 173
2015–16	17 528	20 052	-2 524
2016–17	18 486	17 811	675

Note: Totals may not add due to rounding.

- (a) There is a break in the series between 1998–99 and 1999–2000. Data for the years before 1999–2000 is sourced from the ABS and are consistent with ABS GFS reporting requirements on a cash basis. Capital receipts and payments, including payments associated with the provision of financial support for state owned financial institutions (which were treated by the ABS as an 'investment in financial assets for policy purposes') are not included in the series before 1999–2000. After 1998–99, data is derived from an accrual ABS GFS reporting framework, with receipts proxied by receipts from operating activities and sales of non-financial assets, and payments proxied by payments for operating activities, purchases of non-financial assets and net acquisition of assets under finance leases and similar arrangements. Due to the associated methodological and data-source changes, time series data that encompass measures derived under both cash and accrual accounting should be used with caution.

Table C.4: General government sector operating statement (\$million)

	2007–08	2008–09	2009–10	2010–11	2011–12	2012–13	2013–14	2014–15	2015–16	2016–17
<b>Revenue</b>										
Taxation revenue	3 570	3 537	3 649	3 831	3 854	4 104	4 218	4 452	4 747	4 992
Grants	6 616	7 249	8 881	8 185	8 668	7 669	7 925	8 274	9 191	9 841
Sales of goods and services	1 572	1 697	1 936	1 879	2 015	2 115	2 129	2 192	2 257	2 342
Interest income	203	150	138	168	172	134	102	114	152	183
Dividend and income tax equivalent income	429	382	433	403	385	446	355	368	376	373
Other	490	517	497	550	811	865	679	698	716	737
Total revenue	12 879	13 531	15 534	15 017	15 905	15 333	15 407	16 097	17 439	18 469
<i>less</i>										
<b>Expenses</b>										
Employee expenses	5 268	5 749	6 221	6 400	6 770	7 105	7 173	7 249	7 365	7 497
Superannuation expenses										
Superannuation interest cost <sup>(a)</sup>	276	383	455	427	407	314	468	452	446	439
Other superannuation expenses	546	580	600	621	666	675	763	768	774	784
Depreciation and amortisation	525	566	633	670	718	762	899	979	1 043	1 116
Interest expenses	218	180	204	308	427	386	377	423	568	767
Other property expenses	—	—	—	—	—	—	—	—	—	—
Other operating expenses	3 246	3 624	3 695	3 824	3 993	4 313	4 003	4 163	4 282	4 477
Grants	2 337	2 682	3 540	2 819	3 183	2 726	2 680	2 575	2 658	2 774
Total expenses	12 414	13 764	15 347	15 069	16 164	16 282	16 363	16 609	17 135	17 855
<i>equals</i>										
<b>Net operating balance<sup>(a)</sup></b>	464	-233	187	-53	-258	-948	-955	-511	303	614
<i>plus</i>										
<b>Other economic flows</b>	1 149	708	11 830	2 905	-3 556	3 113	953	349	362	391
<i>equals</i>										
<b>Comprehensive result — total change in net worth</b>	1 613	475	12 017	2 852	-3 814	2 164	-2	-163	665	1 006
<i>less</i>										
<b>Net operating balance</b>	464	-233	187	-53	-258	-948	-955	-511	303	614
<b>Net acquisition of non-financial assets</b>										
Purchases of non-financial assets	875	1 305	2 144	2 122	1 876	2 008	1 668	1 081	3 958	1 102
<i>less</i> Sales of non-financial assets	108	108	29	82	322	1 197	220	364	98	31
<i>less</i> Depreciation	525	566	633	670	718	762	899	979	1 043	1 116
<i>plus</i> Change in inventories	—	7	3	—	3	7	—	—	—	—
<i>plus</i> Other movements in non-financial assets	—	—	-206	—	—	—	—	—	—	—
<i>equals</i> Total net acquisition of non-financial assets	242	639	1 279	1 370	839	55	550	-262	2 817	-46
<b>Net lending / borrowing<sup>(a)</sup></b>	222	-872	-1 092	-1 422	-1 098	-1 003	-1 505	-249	-2 514	660

Note: Totals may not add due to rounding.

(a) There is a structural break in 2013–14 in the methodology used to calculate the nominal superannuation interest expense. This accounting change is in accordance with AASB 119 *Employee Benefits* and results in deterioration to the net operating balance and net lending.



Table C.5: General government sector balance sheet (\$million)

As at 30 June	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Assets</b>										
Financial assets										
Cash and deposits <sup>(a)</sup>	2 760	3 084	3 277	3 675	916	1 113	1 144	1 171	1 195	1 217
Advances paid	782	752	676	642	550	176	169	146	99	65
Investments, loans and placements	134	140	163	189	200	226	238	251	263	275
Receivables	498	610	713	575	539	730	678	678	673	674
Equity										
Investments in other public sector entities	15 658	17 113	19 734	21 612	21 745	20 821	21 076	21 381	21 685	22 022
Investments - other	668	707	752	743	836	831	820	812	812	812
Other financial assets	38	43	47	80	125	56	21	20	20	20
Total financial assets	20 539	22 449	25 363	27 516	24 912	23 954	24 147	24 459	24 747	25 084
Non-financial assets										
Land and other fixed assets	16 138	18 590	29 677	33 657	35 779	37 616	38 249	38 031	40 896	40 892
Other non-financial assets	23	5	3	2	6	5	5	5	5	5
Total non-financial assets	16 161	18 595	29 680	33 658	35 785	37 621	38 255	38 036	40 902	40 897
Total assets	36 700	41 045	55 043	61 175	60 698	61 575	62 402	62 495	65 648	65 982
<b>Liabilities</b>										
Deposits held	328	335	387	354	397	392	420	465	477	512
Advances received	644	628	610	592	590	232	214	197	179	162
Borrowing <sup>(b)</sup>	2 427	3 488	4 522	6 491	4 843	6 118	7 558	7 748	10 294	9 627
Superannuation	6 468	8 939	9 478	9 096	13 523	11 085	10 264	10 133	9 976	9 792
Other employee benefits	1 646	1 867	1 922	2 022	2 408	2 457	2 493	2 625	2 691	2 815
Payables	665	760	1 004	810	898	1 019	972	978	984	990
Other liabilities	779	881	888	853	840	908	1 121	1 151	1 183	1 215
Total liabilities	12 959	16 898	18 811	20 217	23 499	22 212	23 041	23 296	25 785	25 113
<b>Net worth<sup>(b)</sup></b>	23 741	24 146	36 231	40 958	37 199	39 363	39 361	39 198	39 864	40 869
Net financial worth <sup>(b)(c)(d)(e)</sup>	7 580	5 551	6 551	7 299	1 413	1 742	1 106	1 162	-1 038	-28
Net financial liabilities <sup>(b)(c)(d)(e)(f)</sup>	8 078	11 562	13 182	14 313	20 332	19 079	19 970	20 218	22 723	22 050
Net debt <sup>(c)(d)(e)(f)(g)</sup>	-276	475	1 402	2 930	4 165	5 227	6 640	6 842	9 394	8 744

Note: Totals may not add due to rounding.

- (a) There is a structural break in 2012 reflecting that cash and deposits held by the Treasurer are offset with borrowings the Treasurer has with SAFA. This results in a reduction in cash and deposits, and borrowings of \$3.134 billion, with no impact on both net worth and net debt.
- (b) There is a structural break in 2008 reflecting the first time recognition on the general government balance sheet of South Australia's share of the net assets of the Murray-Darling Basin Commission. This has no impact on net debt, however results in a reduction in net financial liabilities of \$615 million in 2007-08, and increases in net financial worth and net worth of \$615 million.
- (c) There is a structural break in 2008 reflecting the transfer of rail assets from TransAdelaide to the general government sector. This results in an increase in net debt and net financial liability of \$66 million in 2007-08, and a reduction in net financial worth of \$591 million, with no impact on net worth.
- (d) There is a structural break in 2008 reflecting the transfer of assets from the Adelaide Festival Centre Trust to the general government sector. This results in an increase in net debt and net financial liabilities of \$28 million in 2007-08, and a reduction in net financial worth of \$76 million, with no impact on net worth.
- (e) There is a structural break in 2012 reflecting the transfer of the Rail Commissioner to the general government sector. This results in a reduction in net debt of \$6 million, an increase in net financial liabilities of \$37 million, and a reduction in net financial worth of \$144 million in 2011-12, with no impact on net worth.
- (f) There is a structural break in 2014 reflecting the transfer of Lotteries Commission of South Australia (SA Lotteries) to the general government sector. This results in a reduction in net debt of \$48 million, a reduction in net financial liabilities of \$1 million, with no impact on net worth. The 2013-14 Budget reflected a reduction in net debt of \$7.8 million, a reduction in net financial liabilities of \$2.6 million, with no impact on net worth.
- (g) There is a structural break in 2007 reflecting the amalgamation of SAFA and SAICORP on 1 July 2006. The transfer of SAICORP's assets and liabilities from the general government sector to the public financial corporations sector resulted in an increase in general government net debt of \$99 million at 1 July 2006.

## Non-financial public sector

**Table C.6: Non-financial public sector key operating statement aggregates**

	Revenue			Expenses			Net operating balance	Net acquisition of non-financial assets	Net lending
	\$m	% real		\$m	% real				
		growth	% GSP		growth	% GSP			
1998–99	9 468		21.7	9 597		22.0	- 129	- 115	- 14
1999–2000	9 206	-5.2	20.2	9 552	-2.9	20.9	- 346	-3 508	3 161
2000–01	9 051	-4.5	18.6	9 279	-5.7	19.0	- 228	-1 111	883
2001–02	9 367	0.3	17.8	9 487	-0.9	18.0	- 120	- 124	5
2002–03	10 172	4.4	18.2	9 696	-1.7	17.4	476	72	405
2003–04	10 707	2.2	17.9	10 294	3.1	17.2	413	33	379
2004–05	11 343	3.5	18.2	11 029	4.6	17.7	314	125	189
2005–06	11 807	0.9	17.8	11 634	2.3	17.6	172	53	119
2006–07	12 321	1.7	17.3	12 175	2.0	17.1	147	173	- 26
2007–08	13 634	7.1	17.5	13 065	3.9	16.8	569	303	266
2008–09	14 360	2.1	18.0	14 567	8.1	18.2	- 207	1 249	-1 456
2009–10 <sup>(a)</sup>	16 315	11.2	19.6	15 679	5.3	18.8	636	2 361	-1 725
2010–11 <sup>(a)</sup>	15 960	-5.2	17.9	15 939	-1.5	17.8	21	1 920	-1 898
2011–12	16 866	3.0	18.3	16 908	3.3	18.4	- 41	1 383	-1 424
2012–13 <sup>(b)</sup>	16 494	-4.1	17.5	17 152	-0.6	18.2	- 657	64	- 721
2013–14 <sup>(c)</sup>	16 508	-1.9	16.8	17 724	1.3	18.0	-1 215	685	-1 901
2014–15	17 248	2.2	16.7	17 905	-1.2	17.4	- 657	- 221	- 436
2015–16	18 617	5.3	17.1	18 470	0.6	17.0	147	2 692	-2 545
2016–17	19 717	3.3	17.3	19 229	1.6	16.8	488	- 105	593

Note: Totals may not add due to rounding.

- (a) In 2009–10 and 2010–11 revenue, expenses and net acquisition of non-financial assets are impacted by the Commonwealth Government's Nation Building—Economic Stimulus Plan.
- (b) Revenue and expenditure as a percentage of Gross State Product (GSP) are calculated using the estimated 2012–13 GSP result.
- (c) There is a structural break in 2013–14 in the methodology used to calculate the nominal superannuation interest expense. This accounting change is in accordance with AASB 119 *Employee Benefits* and results in deterioration to the net operating balance and net lending.

**Table C.7: Non-financial public sector key balance sheet and aggregates (\$million)**

As at 30 June	Net debt <sup>(a)</sup>	Unfunded superannuation <sup>(b)</sup>	Net financial liabilities	Net financial worth	Net worth
1988	4 397				
1989	4 197				
1990	4 457				
1991	5 418				
1992	8 142				
1993	11 610				
1994	10 550				
1995	8 844				
1996	8 432				
1997	8 170				
1998	7 927				
1999	7 657	3 909	13 099	-12 256	10 624
2000	4 355	3 543	9 914	-8 986	12 445
2001	3 223	3 249	8 151	-7 109	14 816
2002	3 317	3 998	8 973	-7 902	14 721
2003	2 696	4 445	9 096	-8 811	15 288
2004	2 285	5 668	10 031	-9 550	15 760
2005	2 126	7 227	11 511	-11 004	16 359
2006	1 786	6 146	10 451	-9 889	19 703
2007 <sup>(c)</sup>	1 989	5 075	9 518	-8 795	22 128
2008 <sup>(d)(e)</sup>	1 611	6 468	10 208	-10 487	23 741
2009	2 872	8 939	14 302	-14 921	24 146
2010	4 487	9 478	16 626	-16 997	36 231
2011	6 541	9 096	18 273	-18 402	40 958
2012	7 996	13 523	24 500	-25 123	37 199
2013	8 949	11 085	23 064	-23 223	39 363
2014	10 779	10 264	24 327	-24 554	39 361
2015	11 129	10 133	24 734	-25 118	39 198
2016	13 697	9 976	27 251	-27 788	39 864
2017	13 103	9 792	26 630	-27 317	40 869

- (a) Net debt data for the years before 1999 are sourced from ABS, *Government Financial Estimates 2003–04* (catalogue number 5501).
- (b) There is a structural break in the methodology used to calculate superannuation liabilities between June 2003 and June 2004. This accounting change, which involved the adoption of Commonwealth Government bond rate for valuation purposes in line with AASB119 *Employee Benefits*, resulted in a significant increase in superannuation liabilities.
- (c) There is a structural break in 2007 reflecting the amalgamation of SAFA and SAICORP on 1 July 2006. The transfer of SAICORP assets and liabilities from the general government sector to the public financial corporations sector resulted in an increase in non-financial public sector net debt of \$99 million at 1 July 2006 and an increase in net financial liabilities of \$90 million at 1 July 2006.
- (d) There is a structural break in 2008 reflecting the amalgamation of the public financial corporation, South Australian Community Housing Authority, with the public non-financial corporation, South Australian Housing Trust. This results in an increase in net debt and net financial liabilities and a decrease in net financial worth of \$98 million in 2007–08, with no impact on net worth.
- (e) There is a structural break in 2008 reflecting the first time recognition on the general government balance sheet of South Australia's share of the net assets of the Murray-Darling Basin Commission. This has no impact on net debt, however results in a reduction in net financial liabilities of \$615 million in 2007–08, and increases in net financial worth and net worth of \$615 million.

**Table C.8: Non-financial public sector receipts, payments and surplus (\$million)<sup>(a)</sup>**

	Receipts	Payments	ABS Cash surplus
1979–80	2 681	2 388	292
1980–81	2 877	2 649	228
1981–82	3 145	2 963	182
1982–83	3 651	3 356	295
1983–84	4 383	4 014	369
1984–85	4 887	4 356	531
1985–86	5 172	4 415	757
1986–87	5 542	4 790	752
1987–88	6 078	5 299	780
1988–89	6 946	5 784	1 162
1989–90	7 517	6 465	1 052
1990–91	7 830	6 839	991
1991–92	8 352	7 969	383
1992–93	8 939	7 946	993
1993–94	8 761	8 119	642
1994–95	8 570	8 142	428
1995–96	8 985	8 654	331
1996–97	8 908	8 532	375
1997–98	9 426	8 895	532
1998–99	9 301	8 692	609
1999–2000	13 014	9 501	3 513
2000–01	10 572	9 414	1 158
2001–02	9 726	9 722	4
2002–03	10 439	9 805	634
2003–04	10 891	10 403	488
2004–05	12 051	11 786	265
2005–06	12 239	11 868	370
2006–07	12 684	12 809	- 125
2007–08	13 943	13 477	466
2008–09	14 563	15 806	-1 243
2009–10	16 847	18 695	-1 849
2010–11	16 548	18 553	-2 004
2011–12	17 431	18 863	-1 432
2012–13	17 814	19 133	-1 319
2013–14	16 956	18 796	-1 840
2014–15	17 669	18 020	- 351
2015–16	18 829	21 388	-2 558
2016–17	19 812	19 209	604

Note: Totals may not add due to rounding.

- (a) There is a break in the series between 1998–99 and 1999–2000. Data for the years before 1999–2000 is sourced from the ABS and are consistent with ABS GFS reporting requirements on a cash basis. Capital receipts and payments, including payments associated with the provision of financial support for state owned financial institutions, which were treated by the ABS then as an 'investment in financial assets for policy purposes, are not included in this series before 1999–2000. After 1998–99, data is derived from an accrual ABS GFS reporting framework, with receipts proxied by receipts from operating activities and sales of non-financial assets, and payments proxied by payments for operating activities, purchases of non-financial assets and net acquisition of assets under finance leases and similar arrangements. Due to the associated methodological and data-source changes, time series data that encompass measures derived under both cash and accrual accounting should be used with caution.

Table C.9: Non-financial public sector operating statement (\$million)

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
<b>Revenue</b>										
Taxation revenue	3 308	3 244	3 331	3 467	3 476	3 726	3 935	4 161	4 445	4 679
Grants	6 616	7 262	8 897	8 223	8 705	7 697	7 924	8 274	9 191	9 841
Sales of goods and services	2 926	3 082	3 311	3 366	3 589	3 949	3 631	3 776	3 913	4 070
Interest income	188	125	123	163	163	131	104	112	150	182
Dividend and income tax equivalent income	24	36	58	91	51	56	73	30	30	30
Other	572	611	594	651	883	935	842	894	887	914
Total revenue	13 634	14 360	16 315	15 960	16 866	16 494	16 508	17 248	18 617	19 717
/less										
<b>Expenses</b>										
Employee expenses	5 450	5 944	6 436	6 625	6 959	7 299	7 373	7 454	7 574	7 712
Superannuation expenses										
Superannuation interest cost <sup>(a)</sup>	276	383	455	427	407	314	468	452	446	439
Other superannuation expenses	568	605	628	649	692	700	787	793	801	812
Depreciation and amortisation	798	852	958	1 024	1 078	1 166	1 342	1 442	1 524	1 623
Interest expenses	322	290	344	493	639	599	596	639	788	1 001
Other property expenses	—	—	—	—	—	—	—	—	—	—
Other operating expenses	3 840	4 404	4 306	4 472	4 716	4 849	4 763	4 911	5 050	5 275
Grants	1 811	2 089	2 553	2 249	2 417	2 224	2 395	2 213	2 288	2 367
Total expenses	13 065	14 567	15 679	15 939	16 908	17 152	17 724	17 905	18 470	19 229
equals										
<b>Net operating balance<sup>(a)</sup></b>	569	- 207	636	21	- 41	- 657	- 1 215	- 657	147	488
plus										
<b>Other economic flows</b>	1 044	682	11 382	2 831	- 3 772	2 822	1 213	495	518	517
equals										
<b>Comprehensive result — total change in net worth</b>	1 613	475	12 017	2 852	- 3 814	2 164	- 2	- 163	665	1 006
<b>Net operating balance</b>	569	- 207	636	21	- 41	- 657	- 1 215	- 657	147	488
/less										
<b>Net acquisition of non-financial assets</b>										
Purchases of non-financial assets	1 399	2 328	3 762	3 217	2 750	2 683	2 440	1 715	4 525	1 703
less Sales of non-financial assets	298	304	336	281	331	1 428	456	507	270	158
less Depreciation	798	852	958	1 024	1 078	1 166	1 342	1 442	1 524	1 623
plus Change in inventories	—	76	99	7	41	- 26	44	14	- 39	- 27
plus Other movements in non-financial assets	—	—	- 206	—	—	—	—	—	—	—
equals Total net acquisition of non-financial assets	303	1 249	2 361	1 920	1 383	64	685	- 221	2 692	- 105
equals										
<b>Net lending / borrowing<sup>(a)</sup></b>	266	- 1 456	- 1 725	- 1 898	- 1 424	- 721	- 1 901	- 436	- 2 545	593

Note: Totals may not add due to rounding.

(a) There is a structural break in 2013-14 in the methodology used to calculate the nominal superannuation interest expense. This accounting change is in accordance with AASB 119 Employee Benefits and results in deterioration to the net operating balance and net lending.

Table C.10: Non-financial public sector balance sheet (\$million)

As at 30 June	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Assets</b>										
Financial assets										
Cash and deposits <sup>(a)</sup>	3 040	3 360	3 573	3 961	1 207	1 440	1 284	1 285	1 296	1 292
Advances paid	81	71	72	99	77	62	60	50	39	29
Investments, loans and placements	163	176	232	228	242	270	284	298	311	326
Receivables	521	520	766	635	662	877	837	835	835	838
Equity										
Investments in other public sector entities	- 279	- 619	- 371	- 128	- 623	- 159	- 227	- 383	- 537	- 686
Investments - other	693	727	766	761	852	848	837	829	829	829
Other financial assets	40	82	104	83	126	56	21	21	21	21
Total financial assets	4 259	4 316	5 143	5 638	2 543	3 394	3 097	2 934	2 795	2 649
Non-financial assets										
Land and fixed assets	34 202	39 059	53 224	59 302	62 311	62 574	63 903	64 304	67 639	68 173
Other non-financial assets	25	8	4	57	12	12	12	12	12	13
Total non-financial assets	34 227	39 067	53 228	59 359	62 322	62 586	63 915	64 316	67 652	68 186
Total assets	38 486	43 384	58 371	64 997	64 866	65 981	67 012	67 250	70 446	70 835
<b>Liabilities</b>										
Deposits held	166	174	171	171	177	172	173	173	174	174
Advances received	644	628	610	592	590	232	214	197	179	162
Borrowing <sup>(a)</sup>	4 084	5 677	7 583	10 065	8 755	10 318	12 020	12 392	14 991	14 414
Superannuation	6 468	8 939	9 478	9 096	13 523	11 085	10 264	10 133	9 976	9 792
Other employee benefits	1 719	1 944	2 003	2 106	2 486	2 531	2 566	2 699	2 767	2 891
Payables	801	907	1 319	1 077	1 204	1 215	1 159	1 166	1 168	1 169
Other liabilities	862	969	975	932	932	1 064	1 256	1 292	1 328	1 364
Total liabilities	14 745	19 237	22 140	24 040	27 667	26 617	27 651	28 051	30 583	29 965
<b>Net worth<sup>(b)</sup></b>	23 741	24 146	36 231	40 958	37 199	39 363	39 361	39 198	39 864	40 869
Net financial worth <sup>(b)(c)</sup>	-10 487	-14 921	-16 997	-18 402	-25 123	-23 223	-24 554	-25 118	-27 788	-27 317
Net financial liabilities <sup>(b)(c)</sup>	10 208	14 302	16 626	18 273	24 500	23 064	24 327	24 734	27 251	26 630
Net debt <sup>(c)(d)</sup>	1 611	2 872	4 487	6 541	7 996	8 949	10 779	11 129	13 697	13 103

Note: Totals may not add due to rounding.

- (a) There is a structural break in 2012 reflecting that cash and deposits held by the Treasurer are offset with borrowings the Treasurer has with SAFA. This results in a reduction in cash and deposits, and borrowings of \$3.134 billion, with no impact on both net worth and net debt.
- (b) There is a structural break in 2008 reflecting the first time recognition on the general government balance sheet of South Australia's share of the net assets of the Murray-Darling Basin Commission. This has no impact on net debt, however results in a reduction in net financial liabilities of \$615 million in 2007-08, and increases in net financial worth and net worth of \$615 million.
- (c) There is a structural break in 2008 reflecting the amalgamation of the public financial corporation, South Australian Community Housing Authority, with the public non-financial corporation, South Australian Housing Trust. This results in an increase in net debt and net financial liabilities and a decrease in net financial worth of \$98 million in 2007-08, with no impact on net worth.
- (d) There is a structural break in 2007 reflecting on the amalgamation of SAFA and SAICORP on 1 July 2006. The transfer of SAICORP's assets and liabilities from the general government sector to the public financial corporation sector resulted in an increase in non-financial public sector net debt of \$99 million at 1 July 2006.

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