



**Government  
of South Australia**

**Mid-Year Budget Review**

**2010-11**

*Presented by  
the Honourable Kevin Foley MP  
Deputy Premier and Treasurer of South Australia*

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# Chapter 1: 2010–11 budget position and fiscal outlook

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## Overview

The 2010–11 Budget outlined a plan to return the state budget to a sustainable position. A package of budget improvement measures was adopted to enable a return to net operating surpluses from 2011–12 and maintenance of a sustainable level of net debt across the forward estimates. The budget included funding for the government's election commitments and continuation of the significant infrastructure investment program.

The 2010–11 Mid-Year Budget Review (MYBR) shows that parameter variations have resulted in a small deterioration to the budget position since the 2010–11 Budget was released in September.

GST revenue has been revised downwards by in excess of \$170 million over four years, largely a result of the lower GST pool estimates included in the Commonwealth's Mid-Year Economic and Fiscal Outlook (MYEFO).

Taxation revenue has increased by \$43 million over four years, primarily reflecting higher payroll tax estimates and guarantee fees, partially offset by lower revenue from conveyances.

Over four years, distributions from government businesses have been revised downwards by \$63 million, primarily reflecting business conditions affecting SA Water and the Land Management Corporation.

Parameter variations have also resulted in upward revisions to expenditure since the 2010–11 Budget. Expenditure carried over from the 2009–10 financial year accounts for the deterioration in the net operating balance in 2010–11.

The 2010–11 MYBR contains a very modest level of new policy spending, with additional operating expenditure of \$29.5 million over four years.

Consistent with the 2010–11 Budget, the net operating balance is expected to return to surplus in 2011–12. While the expected net operating balances for 2010–11 and 2012–13 have deteriorated since the 2010–11 Budget, larger surpluses are forecast for 2011–12 and 2013–14.

Net lending variations since the 2010–11 Budget reflect operating variations and the revised timing of capital projects. While the timing of expenditure on some projects has been revised, the government remains committed to the significant capital program of \$7.2 billion over the next four years for the general government sector and \$10.9 billion for the non-financial public sector.

General government net debt is expected to be \$72 million higher than was estimated in the 2010–11 Budget by 2013–14.

Lower unfunded superannuation liabilities, arising from improved investment earnings for the financial year to date and an increase in the Commonwealth bond rate used to value the liability, contribute to a net financial liabilities to revenue ratio that is below 2010–11 Budget levels.

The fiscal outlook contained in the MYBR reinforces the importance of achieving the budget improvement measures that have been announced and the need for a significant period of expenditure restraint in order to maintain the state's triple-A credit rating.

Table 1.1 below provides a summary of changes in a number of general government sector key fiscal indicators since the 2010–11 Budget.

**Table 1.1: Fiscal Outlook — Budget and Mid-Year Budget Review (\$million)**

	2010-11	2011-12	2012-13	2013-14
<b>Net operating balance</b>				
Budget	- 389	55	216	370
<b>MYBR</b>	<b>- 493</b>	<b>81</b>	<b>127</b>	<b>382</b>
Change	- 104	26	- 89	12
<b>Net lending</b>				
Budget	-1 791	- 841	- 194	126
<b>MYBR</b>	<b>-1 879</b>	<b>- 973</b>	<b>- 208</b>	<b>49</b>
Change	- 88	- 132	- 14	- 77
<b>Net debt</b>				
Budget	3 335	3 633	3 864	3 847
<b>MYBR</b>	<b>3 209</b>	<b>3 622</b>	<b>3 859</b>	<b>3 919</b>
Change	- 126	- 11	- 5	72
<b>Unfunded superannuation</b>				
Budget	9 442	9 445	9 428	9 389
<b>MYBR</b>	<b>9 120</b>	<b>9 125</b>	<b>9 110</b>	<b>9 075</b>
Change	- 322	- 320	- 318	- 314
<b>Net financial liabilities to revenue ratio (%)</b>				
Budget	100.1	100.2	99.8	98.8
<b>MYBR</b>	<b>97.5</b>	<b>98.6</b>	<b>99.0</b>	<b>98.2</b>

The following tables and discussion provide further detail of the changes in the above indicators.

**Table 1.2: General government sector operating statement — 2010–11 to 2013–14 (\$million)**

	2010-11 Budget	2010-11 MYBR	2011-12 Estimate	2012-13 Estimate	2013-14 Estimate
<b>Revenue</b>					
Taxation revenue	3 858	3 846	4 191	4 446	4 687
Grants	8 319	8 322	8 157	8 177	8 102
Sales of goods and services	1 877	1 900	2 073	2 140	2 184
Interest income	143	156	146	148	156
Dividend and income tax equivalent income	353	373	391	379	505
Other	536	541	614	637	649
<b>Total revenue</b>	<b>15 086</b>	<b>15 138</b>	<b>15 572</b>	<b>15 927</b>	<b>16 283</b>
<i>less</i>					
<b>Expenses</b>					
Employee expenses	6 379	6 405	6 539	6 720	6 828
Superannuation expenses					
Superannuation interest cost	427	427	413	409	405
Other superannuation expenses	676	680	690	698	707
Depreciation and amortisation	681	668	752	820	863
Interest expenses	255	283	344	371	395
Other property expenses	—	—	—	—	—
Other operating expenses	3 983	4 034	3 893	3 976	4 096
Grants	3 073	3 134	2 859	2 806	2 606
<b>Total expenses</b>	<b>15 475</b>	<b>15 631</b>	<b>15 491</b>	<b>15 800</b>	<b>15 901</b>
<i>equals</i>					
<b>Net operating balance</b>	<b>- 389</b>	<b>- 493</b>	<b>81</b>	<b>127</b>	<b>382</b>
<i>plus</i>					
<b>Other economic flows</b>	<b>589</b>	<b>892</b>	<b>493</b>	<b>725</b>	<b>623</b>
<i>equals</i>					
<b>Comprehensive result - total change in net worth</b>	<b>200</b>	<b>399</b>	<b>574</b>	<b>852</b>	<b>1 006</b>
<b>Net operating balance</b>	<b>- 389</b>	<b>- 493</b>	<b>81</b>	<b>127</b>	<b>382</b>
<i>less</i>					
<b>Net acquisition of non-financial assets</b>					
Purchases of non-financial assets	2 283	2 234	2 099	1 529	1 300
<i>less</i> Sales of non-financial assets	201	180	293	374	104
<i>less</i> Depreciation	681	668	752	820	863
<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>1 402</b>	<b>1 386</b>	<b>1 054</b>	<b>335</b>	<b>333</b>
<i>equals</i>					
<b>Net lending / borrowing</b>	<b>-1 791</b>	<b>-1 879</b>	<b>- 973</b>	<b>- 208</b>	<b>49</b>

Note: Totals may not add due to rounding.

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 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 2010–11 Budget classified as policy or parameter items. Policy items are decisions taken by the government since the 2010–11 Budget. Parameter items are generally variations outside the government's control.

**Table 1.3: Net operating balance — policy and parameter variations since the 2010–11 Budget (\$million)**

	2010-11	2011-12	2012-13	2013-14
<b>Estimate at 2010-11 Budget</b>	<b>-389</b>	<b>55</b>	<b>216</b>	<b>370</b>
<b>Parameter and other variations</b>				
Revenue - taxation	-12	3	22	30
Revenue - other	63	42	-97	-39
Operating expenses	-163	-30	-19	17
<b>Net effect of parameter and other variations</b>	<b>-112</b>	<b>15</b>	<b>-95</b>	<b>8</b>
<b>Policy measures</b>				
Revenue - taxation	—	—	—	—
Revenue - other	1	—	-2	-2
Operating expenses	-9	-4	-8	-9
<b>Net effect of policy measures</b>	<b>-8</b>	<b>-4</b>	<b>-9</b>	<b>-10</b>
<b>Use of provisions set aside in the 2010-11 Budget</b>				
Operating expenses	15	16	16	16
<b>Estimate at the 2010-11 Mid-Year Budget Review</b>	<b>-493</b>	<b>81</b>	<b>127</b>	<b>382</b>

Note: Totals may not add due to rounding.

**Table 1.4: Net lending — policy and parameter variations since the 2010–11 Budget (\$million)**

	2010-11	2011-12	2012-13	2013-14
<b>Estimate at 2010-11 Budget</b>	<b>-1 791</b>	<b>- 841</b>	<b>- 194</b>	<b>126</b>
<b>Net effect of operating variations after the 2010-11 Budget</b>	<b>- 104</b>	<b>26</b>	<b>- 89</b>	<b>13</b>
<b>Investing variations - net acquisition of non-financial assets</b>				
Net effect of parameter variations	26	- 161	88	- 89
Net effect of policy variations	- 10	3	- 13	—
<b>Total investing variations</b>	<b>15</b>	<b>- 158</b>	<b>75</b>	<b>- 89</b>
<b>Use of provisions set aside in the 2010-11 Budget</b>				
Net capital investment expenditure	—	—	—	—
<b>Estimate at the 2010-11 Mid-Year Budget Review</b>	<b>-1 879</b>	<b>- 973</b>	<b>- 208</b>	<b>49</b>

Note: Totals may not add due to rounding.



**Table 1.5: Major revenue and expense variations (parameter and other only) since the 2010–11 Budget (\$million)**

	2010-11	2011-12	2012-13	2013-14
<b>Revenue - Taxation</b>				
Payroll tax	26	22	16	14
Conveyances	-59	-45	-25	-13
Land tax	4	4	4	4
Guarantee fees and other property taxes	14	18	21	19
Gambling tax	-1	-1	-1	-1
Insurance taxes	1	2	3	3
Motor vehicle taxes	4	4	4	4
<b>Total taxation revenue</b>	<b>-12</b>	<b>3</b>	<b>22</b>	<b>30</b>
<b>Revenue - Other</b>				
GST revenue grants	-32	-35	-61	-44
Commonwealth specific purpose and national partnership grants				
- Current grants	6	3	4	21
- Capital grants	14	22	-21	21
Other Commonwealth grants	9	-1	-1	-1
Other contributions and grants	5	4	4	3
Dividends and income tax equivalents	20	2	-41	-44
Sales of goods and services	23	33	34	39
Interest income	13	19	-4	-17
Royalties	-6	-7	-11	-17
Other revenue	11	1	1	—
<b>Total other revenue</b>	<b>63</b>	<b>42</b>	<b>-97</b>	<b>-39</b>
<b>Operating expenses</b>				
Nominal superannuation interest expense - variations in earnings rate and valuation of obligations	—	8	7	7
Depreciation expense	13	11	9	5
Interest expense	-28	-29	-6	13
Carryovers	-97	-2	-1	—
Other variations	-50	-18	-29	-9
<b>Total operating expenses</b>	<b>-163</b>	<b>-30</b>	<b>-19</b>	<b>17</b>
<b>Net capital investment expenditure</b>				
Carryovers	-35	-3	-1	-5
Depreciation expense	-13	-11	-9	-5
Other variations	73	-147	98	-79
<b>Total net capital investment expenditure</b>	<b>26</b>	<b>-161</b>	<b>88</b>	<b>-89</b>

Note: Totals may not add due to rounding.

## Operating revenue

### Taxation revenue

General government sector tax revenues have been revised down in 2010–11 and up across the forward years. The downward revision to conveyance duty revenue in 2010–11 has been partially offset by upward revisions to a range of other taxes, including payroll tax, guarantee fees and motor vehicle registrations. Across the forward years, downward revisions to conveyance duty are more than offset by upward revisions to other tax revenues.

Conveyance duty revenue has been revised down in all years. The property market has been softer than expected over the first few months of 2010–11. The flowthrough effects from the cessation of the Commonwealth Government's first home buyer stimulus measure and higher interest rates have contributed to lower than expected activity in the residential market. The non-residential market has also been softer than expected with both property transfers and transaction values below expectations, possibly reflecting changes in the mix of non-residential property sales.

It is anticipated that the property market will improve in the second half of the year as first home buyer numbers return to more normal levels and consumer and business confidence continues to improve. Conveyance duty transactions are assumed to return to long-term trend levels by the end of the forward estimates.

Revenue from payroll tax has been revised up in 2010–11 reflecting stronger than budgeted collections year to date. The 2010–11 Budget assumed that employment and wages growth would further improve in 2011–12 before reverting back to long-term trend growth rates from 2012–13. With payroll tax growth stronger than expected in 2010–11, growth in payroll tax collections is expected to be more moderate over the forward estimates compared with budget time forecasts.

Land tax revenue from public sector corporations has been revised up in all years reflecting updated advice on land tax liabilities for 2010–11.

Guarantee fee revenue has been revised up in all years mainly due to an increase in the guarantee fee for HomeStart Finance as well as an increase in HomeStart's expected debt levels over the forward estimates.

Updated assumptions in relation to the growth in the stock of motor vehicles as it relates to duty on Compulsory Third Party insurance premiums is the main factor contributing to the small increase in revenue from insurance taxes.

Revenue from motor vehicle registrations has been revised up in 2010–11 and across the forward years due to the flowthrough effect of a slightly higher than expected outcome in 2009–10 and changing renewal patterns, with more customers renewing their registrations for three months rather than for a 12 month period.

### GST revenue grants

GST revenue grants have been revised down in 2010–11 and across the forward estimates.

Downward revisions reflect revised estimates of the national GST pool available for distribution amongst the states consistent with GST forecasts set out in the Commonwealth Government's *2010–11 Mid-Year Economic and Fiscal Outlook* (MYEFO). A projected decrease in South Australia's GST grant share from revised specific purpose and national partnership funding levels contained in the MYEFO also contributes to the downward revisions.

The decrease is partially offset by revisions to South Australia's population share and an allowance for an anticipated gain from the Commonwealth Grants Commission's 2011 Relativity Update.

## Commonwealth specific purpose, national partnership and other grants

Specific purpose current grants have been revised up in all years reflecting updated grant revenue estimates for the five national Specific Purpose Payment (SPP) funding areas consistent with estimates in the Commonwealth MYEFO. The upward revision in 2010–11 also reflects revised estimates of local government grant funding which is on-passed to local government.

The upward revision to SPP current grants is partially offset by lower than expected national partnership current grants in 2010–11 due mainly to lower estimates of exceptional circumstances drought relief funding following the Commonwealth Government's decision to only support the existing declared drought affected areas in South Australia.

National partnership capital grants have been revised up in 2010–11, 2011–12 and 2013–14, and down in 2012–13. The revisions primarily reflect:

- the re-profiling of Commonwealth funding for the North-South Corridor project from 2010–11 to 2011–12 and from 2012–13 to 2013–14. The funding profile for the O-Bahn City Access Program has also been adjusted to retain consistency with expected investing expenditure;
- an adjustment of Commonwealth funding for the South Australian Health and Medical Research Institute (SAHMRI) project in 2010–11. In the budget, it was assumed that unspent grant funds would be returned to the Commonwealth and then transferred to SAHMRI. Now, the unspent grant funding will be paid directly to SAHMRI; and
- the receipt of 2009–10 funding for the National Black Spot Program in 2010–11.

Other Commonwealth grants have been revised up in 2010–11 due to the revised timing for the recognition of revenue associated with the Sturt Highway Upgrade project, in accordance with associated investing expenditure.

## Dividends and income tax equivalents

Distributions (dividends and income tax equivalents) from public non-financial corporations and public financial corporations have been revised up in 2010–11 and 2011–12 and down in the out years. This is mainly due to revised distribution estimates for SA Water and Land Management Corporation.

Distributions from SA Water have been revised up in 2010–11 and down across the forward estimates. The upwards revision to SA Water's distributions in 2010–11 is mainly due to a reduction in depreciation expense and a reduction in interest costs.

The downwards revision to SA Water's distributions in 2011–12 is mainly due to increases in operating costs and depreciation expenses, partly offset by lower interest costs.

SA Water's distributions across the forward estimates are impacted by higher expected depreciation expenses, partly offset by operational savings and a reduction in interest costs.

Distributions from Land Management Corporation have been revised down in 2010–11. The downward revision largely reflects the deferral of land sales for Blakeview and Evanston Gardens developments to 2011–12. Land Management Corporation's distributions have been revised across the forward estimates reflecting the revised timing of and net sales revenue from various developments, including Evanston Gardens, Seaford Heights and the Port Waterfront Redevelopment.

## **Sales of goods and services**

Revenue from sales of goods and services has been revised up in all years primarily reflecting upward revisions to revenue from regulatory fees, particularly land service fees. Revised estimates for land service fee revenue incorporates the flowthrough effects of the 2009–10 outcome as well as property value growth assumptions consistent with those adopted for property-related taxes.

Revenue from drivers' licence fees has been revised down slightly in 2010–11 and up over the forward estimates in accordance with updated modelling data, including in relation to drivers' licence renewal patterns.

Commonwealth contribution payments have been revised up in 2010–11 for various reasons, including to reflect funding for the National Reform Package on Organ and Tissue Donation for Transplantation, Natural Resource Management projects and also revised timing of contributions under the Better TAFE Facilities and Training Infrastructure Investment for Tomorrow programs. Downward revisions to Commonwealth contributions over the forward years are primarily due to lower than expected demand for health services for veterans.

## **Interest income**

Interest income is estimated using projections of interest rates applicable to government financial assets. Compared with the estimates in the 2010–11 Budget, interest income has been revised upwards in 2010–11 and 2011–12 as a result of higher than forecast agency cash balances. The estimates of interest income are lower in 2012–13 and 2013–14 compared to the estimates in the 2010–11 Budget, primarily reflecting lower than forecast interest rates on cash balances.

## **Royalties**

Royalty revenue has been revised down in all years. Factors contributing to the downward revision to royalty revenue include the impact of the strong Australian dollar on petroleum royalties, lower oil production in 2010–11 following the Moomba floods and delays in the anticipated commencement of production at a number of new mines.

Higher than forecast gold and copper production at the Prominent Hill mine partially offsets the downward revision to royalties in 2010–11.

## **Other revenue**

This residual category includes a variety of revenues in various agencies. In 2010–11, the upward revision largely relates to the transfer of land at Murray Bridge from the Australian Rail Track Corporation to the Department for Transport, Energy and Infrastructure which was previously expected to occur in 2009–10 as well as additional revenue associated with transport infrastructure works.

## Expenditure

### Policy measures

The 2010–11 Mid-Year Budget Review (MYBR) incorporates policy measures up to 25 November 2010.

The MYBR contains a number of operating policy measures totalling \$29.5 million over four years. These are summarised below.

**Table 1.6: General government expenditure initiatives (\$million)**

	2010-11 MYBR	2011-12 Estimate	2012-13 Estimate	2013-14 Estimate
Operating expenses <sup>(a)</sup>	- 8.7	- 4.3	- 7.8	- 8.7
Operating revenue	1.1	- 0.1	- 1.7	- 1.8
<b>Net operating balance impact</b>	<b>- 7.7</b>	<b>- 4.4</b>	<b>- 9.5</b>	<b>- 10.5</b>
Investing payments	- 10.3	12.5	—	—
Investing receipts	—	- 9.3	- 13.2	—
<b>Net lending impact</b>	<b>- 18.0</b>	<b>- 1.2</b>	<b>- 22.7</b>	<b>- 10.5</b>

Note: Totals may not add due to rounding.

(a) Excludes depreciation on investing initiatives.

An agency breakdown of the operating and investing initiatives in the MYBR is included below in tables 1.7 and 1.8. The initiatives identified include decisions taken by the government to reverse savings announced in the 2010-11 Budget for Parks Community Centre and procurement efficiencies. The reversed savings measures have not been replaced by alternative savings.

**Table 1.7: Operating initiatives (\$million)**

Portfolio	2010-11 MYBR	2011-12 Estimate	2012-13 Estimate	2013-14 Estimate
Legislature	—	—	—	—
Premier and Cabinet	- 0.7	- 1.0	- 1.1	- 1.1
Trade and Economic Development / Defence SA	—	0.2	0.1	—
Treasury and Finance	- 0.2	- 1.4	- 1.4	- 1.4
Administered items for the Department of Treasury and Finance	- 0.4	—	—	—
Planning and Local Government	—	—	—	—
Justice	- 0.4	—	—	—
Primary Industries and Resources	—	—	—	—
Transport, Energy and Infrastructure	- 4.7	- 0.3	- 0.3	- 0.3
Health	- 1.1	—	—	—
Education and Children's Services	—	—	—	—
Families and Communities	- 1.3	- 1.9	- 4.2	- 4.8
Environment	—	—	- 1.0	- 1.1
Water	—	—	—	—
Tourism	—	—	—	—
Further Education, Employment, Science and Technology	—	—	—	—
<b>Total Operating initiatives</b>	<b>- 8.7</b>	<b>- 4.3</b>	<b>- 7.8</b>	<b>- 8.7</b>

Note: Totals may not add due to rounding.

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

Portfolio	2010-11	2011-12	2012-13	2013-14
	MYBR	Estimate	Estimate	Estimate
Legislature	—	—	—	—
Premier and Cabinet	- 2.2	- 0.9	—	—
Trade and Economic Development / Defence SA	1.2	13.5	—	—
Treasury and Finance	—	—	—	—
Administered items for the Department of Treasury and Finance	—	—	—	—
Planning and Local Government	—	—	—	—
Justice	- 0.4	—	—	—
Primary Industries and Resources	—	—	—	—
Transport, Energy and Infrastructure	- 8.9	—	—	—
Health	—	—	—	—
Education and Children's Services	—	—	—	—
Families and Communities	—	—	—	—
Environment	—	—	—	—
Water	—	—	—	—
Tourism	—	—	—	—
Further Education, Employment, Science and Technology	—	—	—	—
<b>Total Investing initiatives</b>	<b>- 10.3</b>	<b>12.5</b>	<b>—</b>	<b>—</b>

Note: Totals may not add due to rounding.

Further detail on these policy measures is available in Appendix A.

## Parameter and other variations

A number of parameter changes contribute to the variations in projected expenses and investing payments in 2010–11 and across the forward estimates including:

- the carryover of expenditure from 2009–10 to 2010–11 and to a lesser extent forward years (over and above the carryovers already reflected in the 2010–11 Budget);
- revised timing of expenditure for a range of capital projects, predominantly relating to Transport, Health and Families and Communities;
- revision to estimates of depreciation expense reflecting latest asset values;
- revision to nominal superannuation interest expense reflecting the impact of revised assumptions and past investment returns;
- adjustments for enterprise bargaining outcomes and provisions;
- revision to provisions for service delivery costs such as latest projections for school enrolments;
- revision to interest expense reflecting latest estimates of interest rates and gross debt;
- variations to accounting treatment for some transactions that have no net budget impact but vary both expenses and revenue; and
- the reclassification of some transactions in accordance with accounting standards.

## Financial position

Tables 1.9 and 1.10 show the updated estimates for key balance sheet indicators for both the general government and non-financial public sectors.

**Table 1.9: Key balance sheet indicators — general government sector**

As at 30 June	2010 Outcome	2011 Budget	2011 MYBR	2012 Estimate	2013 Estimate	2014 Estimate
<b>Net debt</b>						
\$m	1 402	3 335	3 209	3 622	3 859	3 919
% of total revenue	9.0	22.1	21.2	23.3	24.2	24.1
<b>Unfunded superannuation</b>						
\$m	9 478	9 442	9 120	9 125	9 110	9 075
% of total revenue	61.0	62.6	60.2	58.6	57.2	55.7
<b>Net financial liabilities</b>						
\$m	13 182	15 096	14 754	15 347	15 771	15 985
% of total revenue	84.9	100.1	97.5	98.6	99.0	98.2
<b>Net financial worth</b>						
\$m	6 551	3 898	5 512	4 978	5 414	5 995
% of total revenue	42.2	25.8	36.4	32.0	34.0	36.8
<b>Net worth</b>						
\$m	36 231	25 392	36 630	37 204	38 056	39 061
% of total revenue	233.2	168.3	242.0	238.9	238.9	239.9

**Table 1.10: Key balance sheet indicators — non-financial public sector**

As at 30 June	2010 Outcome	2011 Budget	2011 MYBR	2012 Estimate	2013 Estimate	2014 Estimate
<b>Net debt</b>						
\$m	4 487	7 101	6 801	7 341	7 449	7 491
% of total revenue	27.5	44.1	42.3	44.0	43.8	43.0
<b>Unfunded superannuation</b>						
\$m	9 478	9 442	9 120	9 125	9 110	9 075
% of total revenue	58.1	58.6	56.8	54.7	53.6	52.1
<b>Net financial liabilities</b>						
\$m	16 626	19 253	18 726	19 414	19 694	19 908
% of total revenue	101.9	119.6	116.5	116.3	115.9	114.2
<b>Net financial worth</b>						
\$m	-16 997	-19 499	-19 023	-19 609	-19 709	-19 781
% of total revenue	-104.2	-121.1	-118.4	-117.5	-116.0	-113.5
<b>Net worth</b>						
\$m	36 231	25 392	36 630	37 204	38 056	39 061
% of total revenue	222.1	157.7	228.0	222.9	224.0	224.1

## Net debt

In absolute terms, general government net debt is forecast to be \$3209 million at 30 June 2011. This is a decrease of \$126 million from that estimated at the time of the 2010–11 Budget (\$3335 million). The forecast improvement largely reflects the better than expected opening net debt position at 30 June 2010 arising from carryovers and an increase in accruals.

Estimated net debt increases across the forward estimates, deteriorating slightly compared to 2010–11 Budget estimates. Estimated net debt at 30 June 2014 is \$72 million higher than previously forecast.

Non-financial public sector net debt as at 30 June 2011 is expected to be \$6.8 billion, \$300 million lower than estimated in the 2010–11 Budget. Net debt is expected to increase over the forward estimates in line with forecasts in the 2010–11 Budget, reaching \$7.5 billion by 30 June 2014.

Public non-financial corporations are estimated to contribute \$3.6 billion to the non-financial public sector net debt at 30 June 2011; \$174 million lower than forecast in the 2010–11 Budget.

## Unfunded superannuation

The estimated unfunded superannuation liability at 30 June 2011 and across the forward years has decreased since the 2010–11 Budget. The decrease is due to:

- an increase in the long-term Commonwealth Bond rate used as the discount rate to value the superannuation liability in accordance with Australian accounting standards. The discount rate used in the 2010–11 MYBR is based on the prevailing annualised bond rate of 5.4 per cent compared with 5.3 per cent at the time of the 2010–11 Budget. The higher discount rate results in a decrease in the present value of future superannuation obligations of \$174 million between the 2010–11 Budget and the 2010–11 MYBR; and
- higher than expected returns on superannuation assets in 2010–11 compared with 2010–11 Budget assumptions. Earnings on superannuation assets for 2010–11 are currently projected to be 11.5 per cent, compared with 8.3 per cent assumed at the time of the 2010–11 Budget. The impact of higher earnings on the estimated superannuation liability as at 30 June 2011 is a decrease in the liability of \$148 million. The assumed annual earnings rate beyond the 2010–11 year continues to be 7 per cent.

The net result of the variations in earnings and discount rates and other minor adjustments is a decrease of \$322 million in the estimated unfunded superannuation liability at 30 June 2011 compared with the estimate in the 2010–11 Budget. The unfunded superannuation liability is now expected to be \$9120 million at 30 June 2011, remaining relatively steady over the forward estimates.

The change in the book value of the liability resulting from the updated assumptions is reflected in the operating statement under other economic flows (refer to Table 1.2 earlier in this chapter and Table B.16 in Appendix B).

## Net financial liabilities to revenue ratio

Net financial liabilities as a percentage of revenue is a key measure of the strength of the state's balance sheet and the capacity of the state to meet its obligations from operating revenues.

The general government sector's net financial liabilities to revenue ratio at 30 June 2011 and across the forward estimates is estimated to be lower than forecast in the 2010–11 Budget. This primarily reflects the reduction in the unfunded superannuation liability.



The valuation of the unfunded superannuation liability is very sensitive to the discount rate used to discount benefit payments. Table 1.11 sets out the net financial liabilities to revenue ratio based on the different discount rate assumptions.

**Table 1.11: Sensitivity of GGS NFL to revenue ratio to discount rate (%)**

<b>Discount Rate (%)</b>	<b>2010-11 MYBR</b>	<b>2011-12 Estimate</b>	<b>2012-13 Estimate</b>	<b>2013-14 Estimate</b>
5.4	97.5	98.6	99.0	98.2
6.0	91.0	92.4	93.1	92.5
7.5	77.8	79.7	80.9	80.9

The net financial liabilities to revenue ratio is projected to remain steady over the forward estimates.

## **Net financial worth**

The estimate for net financial worth at 30 June 2011 and across the forward estimates has increased since the 2010–11 Budget due largely to an increase in the value of net assets of public financial corporations and public non-financial corporations, as well as a downwards revaluation of the state's unfunded superannuation liability and increased cash and deposits.

## **Net worth**

The estimate for net worth at 30 June 2011 and across the forward estimates has increased significantly since the 2010–11 Budget mainly due to an adjustment to the valuation of the road network. The 2009–10 financial statements for the Department for Transport, Energy and Infrastructure show the value of non-financial assets has increased by \$9.4 billion in the 2009–10 financial year.



## Chapter 2: The economic context

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The 2010–11 Budget was framed against a significant recovery from the global financial crisis, albeit with concerns about the sustainability of recovery in some developed countries. Since Budget time, the forecast for world growth in 2010 has been revised upwards slightly by the International Monetary Fund (IMF). It is still the case, however, that the pattern of growth is somewhat uneven with emerging and developing economies forecast to post faster rates of economic growth than developed economies.

Sovereign debt problems continue in the Euro area with Ireland recently requiring assistance from European partners and the IMF. Fiscal consolidation is occurring elsewhere throughout Europe and the United Kingdom and this is likely to have a moderating influence on economic activity in the short to medium term. The United States Federal Reserve has embarked on a second round of quantitative easing (money printing) in an attempt to shore up confidence and provide some impetus to its faltering economic recovery. Economic growth in China, although moderating to more sustainable levels, is still forecast to be very strong in 2010 and 2011.

Against this international backdrop, the Australian economy has performed well in recent times, boosted by fiscal and monetary stimulus. The withdrawal of fiscal stimulus is now taking place with business investment and commodity exports anticipated to be the key drivers of growth in the period immediately ahead. The tightening of monetary policy towards a more neutral setting and the prospect of further interest rate rises ahead has served to maintain a cautious stance on spending by the household sector.

In the Mid-Year Economic and Fiscal Outlook, Commonwealth Treasury left its forecast for Australian economic (GDP) growth for 2010–11 unchanged at 3¼ per cent. However, a number of partial indicators suggest private sector spending has been somewhat subdued going into the second half of 2010. GDP growth in the year to the September quarter was 2.7 per cent.

Spending growth in the South Australian economy has also moderated. State Final Demand (SFD) grew by 2.7 per cent through the year to the September quarter 2010, below the 4.4 per cent growth recorded nationally. Household consumption spending in South Australia has grown moderately as is the case nationally, but was flat in the September quarter. Reflecting the completion of some major mining projects, business investment has fallen over the past twelve months in South Australia but it remains at relatively high levels. Housing construction activity in South Australia has been maintained at good levels, although recent approvals data suggest there may be some softening over the coming year. Exports have strengthened considerably through 2010.

Farm sector production appears set to strengthen in 2010–11 in volume terms. Good winter rainfall and ideal weather conditions resulted in significant improvement in yield potential for most broadacre farming areas. Latest Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) estimates for South Australian winter crop production indicate a 2.5 per cent increase from the very high 2009–10 levels which were in turn up 53 per cent from 2008–09. If realised it would be the largest crop volume since 2001–02, although recent heavy rains may have affected harvesting and quality.

The South Australian population growth rate has increased over the past four years, recording growth of 1.3 per cent in the year to March 2010, the highest since the year to September 1975 (when there was a temporary boost following Cyclone Tracey). Net overseas migration has been the major driver of population growth in the past five years, reflecting a high-intake national immigration program, as well as the introduction in 2004 of the Skilled Regional Sponsored Visa (formerly called the Skilled

Independent Regional Visa). However, the impact of net overseas migration has been partly offset by continuing interstate migration losses. In addition, recent changes to some visa categories linked to permanent residency eligibility, along with changes to the federal skilled occupations list suggest there may be some moderation in overseas migration in prospect for South Australia.

South Australian employment growth has strengthened through the second half of 2010 with very solid growth in full-time employment. The increase in full-time employment reflects the reversal of the cuts to hours worked during the financial crisis of 2008–09. The outlook for the labour market is positive with solid levels of economic activity expected to underpin jobs growth in 2010–11.

For 2010–11, GSP growth has been revised up to 3½ per cent (from 2¾ per cent at Budget time) reflecting in part the strength in winter crop production levels. SFD growth is, however, forecast to be 2½ per cent, slightly lower than at Budget time as growth in household spending moderates as a result of rising interest rates. Employment growth is forecast to accelerate to 1¾ per cent in 2010–11, higher than expected at Budget time.

Forecasts and projections for South Australia from 2011–12 onwards take into consideration the expected performance of the national economy (as forecast by the Commonwealth Treasury) over the medium term, relative population growth rates and the impact of major known and approved projects. However, no allowance has been made for the impacts of the yet to be approved expansion of the Olympic Dam mine.

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

	2009–10 Actual	2010–11 Budget Forecast	2010–11 Revised Forecast	2011–12 Forecast	2012–13 Projection	2013–14 Projection
<b>Australia<sup>(a)</sup></b>						
Gross Domestic Product (GDP)	2.2	3¼	3¼	3¾	3	3
<b>South Australia</b>						
Gross State Product (GSP)	1.5	2¾	3½	3¼	2¾	2¾
State Final Demand (SFD)	2.9	2¾	2½	3¼	2¾	2¾
Employment	0.9	1¼	1¾	1¾	1¼	1
CPI	2.2	2¾	2¾	2¾	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 Treasury Mid-Year Economic and Fiscal Outlook 2010–11.

# Appendix A: Policy measures by portfolio and agency

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## Overview

This appendix reports policy initiatives approved since the 2010–11 Budget by portfolio according to the operational and administrative structure of the government.

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

## Department of the Premier and Cabinet

### 175th anniversary celebrations – support

*Budget Implications (\$000)*

	2010-11 MYBR	2011-12 Estimate	2012-13 Estimate	2013-14 Estimate
Operating Expenses	-175	—	—	—

This initiative provides \$175 000 in 2010–11 for the 175<sup>th</sup> anniversary of European settlement celebrations.

### Art gallery – upgrade

*Budget Implications (\$000)*

	2010-11 MYBR	2011-12 Estimate	2012-13 Estimate	2013-14 Estimate
Investing Payments	-416	—	—	—

This initiative provides \$416 000 in 2010–11 for the refurbishment of the Art Gallery, including refurbishment of the main entrance and the Elder Wing.

**Art Gallery lighting and air-conditioning upgrade project – additional support***Budget Implications (\$000)*

	2010-11 MYBR	2011-12 Estimate	2012-13 Estimate	2013-14 Estimate
Operating Revenue	596	—	—	—
Investing Payments	-678	—	—	—

This initiative provides \$678 000 in 2010–11 to complete the greening of the Art Gallery project which includes upgrades to lighting and air-conditioning. The upgrade will be partially funded from donations and private philanthropic foundations.

**Storage of official Government records – additional support***Budget Implications (\$000)*

	2010-11 MYBR	2011-12 Estimate	2012-13 Estimate	2013-14 Estimate
Operating Revenue	43	88	90	93
Operating Expenses	-522	-1,020	-1,059	-1,100
Investing Payments	-1,068	-943	—	—

This initiative provides \$2.0 million for the initial fit-out and \$1.0 million per annum (indexed) for operating costs associated with the lease of a new facility at Collinswood for the storage of permanent government records. The National Archives of Australia will store records at this location and contribute towards ongoing costs.

**Defence SA****Port Adelaide Industrial Precinct Development – no longer proceeding***Budget Implications (\$000)*

	2010-11 MYBR	2011-12 Estimate	2012-13 Estimate	2013-14 Estimate
Operating Revenue	—	415	426	437
Operating Expenses	—	180	120	—
Investing Payments	1,154	13,486	—	—
Investing Receipts	—	-9,289	-13,211	—

This initiative recognises that a proposed industrial precinct development at Port Adelaide will no longer proceed given changed commercial conditions. Expected land sale proceeds (\$22.5 million) and associated development costs (\$14.6 million) will not occur. Revenue benefits arise through the re-instatement of rental income given the industrial land will continue to be leased to existing tenants.

## Department of Treasury and Finance

### Casino task force – support

*Budget Implications (\$000)*

	2010-11 MYBR	2011-12 Estimate	2012-13 Estimate	2013-14 Estimate
Operating Expenses	-157	—	—	—

This initiative provides additional support of \$157 000 in 2010–11 for the appointment of a commercial advisor to work with the Adelaide Casino taskforce.

### Procurement efficiencies – reversal of saving

*Budget Implications (\$000)*

	2010-11 MYBR	2011-12 Estimate	2012-13 Estimate	2013-14 Estimate
Operating Expenses	—	-1,364	-1,395	-1,428

This reverses a 2010-11 Budget measure that was to save \$1.4 million per annum from efficiencies in procurement management and administration. In response to the Sustainable Budget Commission report, the government asked Treasury and Finance to consider ways to achieve a saving in the centralised procurement function. That review has not identified any further savings in this area.

## Administered items for the Department of Treasury and Finance

### Pakistan flood relief – donation

*Budget Implications (\$000)*

	2010-11 MYBR	2011-12 Estimate	2012-13 Estimate	2013-14 Estimate
Operating Expenses	-350	—	—	—

The government has provided \$350 000 to the Australian Red Cross to support flood relief efforts in Pakistan.

## Department for Correctional Services

### Infrastructure – upgrade

*Budget Implications (\$000)*

	2010-11 MYBR	2011-12 Estimate	2012-13 Estimate	2013-14 Estimate
Operating Expenses	-428	—	—	—
Investing Payments	-416	—	—	—

This initiative provides for the maintenance of current levels of television services across all prisons, in particular the upgrade of infrastructure in regional prisons to enable reception following the phasing out of analogue services.

## Department for Transport, Energy and Infrastructure

### Gillman land – transfer to the Australian Rail Track Corporation

*Budget Implications (\$000)*

	2010-11 MYBR	2011-12 Estimate	2012-13 Estimate	2013-14 Estimate
Operating Expenses	-4,400	—	—	—

The initiative reflects the transfer of approximately four hectares of land at Gillman to the Australian Rail Track Corporation.

### COAG Personal Securities Register – implementation

*Budget Implications (\$000)*

	2010-11 MYBR	2011-12 Estimate	2012-13 Estimate	2013-14 Estimate
Operating Revenue	-85	-577	-565	-583
Operating Expenses	-197	21	22	22

This initiative provides for the harmonisation of the recording of personal property securities in Australia under the Council of Australian Government's seamless national economy reform.



**Commercial vessel crew competency fees – cost recovery***Budget Implications (\$000)*

	2010-11 MYBR	2011-12 Estimate	2012-13 Estimate	2013-14 Estimate
Operating Revenue	2	5	5	5

This initiative provides for additional revenue of \$5000 per annum from an increase in the fee for the five yearly revalidation of certificates of competency from \$29.50 to \$118.00 to reflect the cost of providing the services.

**Overland passenger service – extension of operating subsidy***Budget Implications (\$000)*

	2010-11 MYBR	2011-12 Estimate	2012-13 Estimate	2013-14 Estimate
Operating Expenses	-150	-300	-300	-300

This initiative provides \$300 000 per annum to assist Great Southern Rail to continue to provide a minimum of three return trips weekly between Adelaide and Melbourne on the Overland passenger rail service.

**State Aquatic Centre – fit-out***Budget Implications (\$000)*

	2010-11 MYBR	2011-12 Estimate	2012-13 Estimate	2013-14 Estimate
Operating Revenue	500	—	—	—
Investing Payments	-8,908	—	—	—

This initiative provides \$8.9 million in 2010–11 for fit-out, equipment costs and landscaping for the State Aquatic Centre. These costs are partially offset by an additional \$500 000 earned as interest on Commonwealth grant revenue.

## Department of Health

### APY Lands (Amata) – temporary therapeutic services

*Budget Implications (\$000)*

	2010-11 MYBR	2011-12 Estimate	2012-13 Estimate	2013-14 Estimate
Operating Expenses	-1,050	—	—	—

This initiative provides additional support of \$1.05 million in 2010–11 for a once-off intensive intervention response to the Amata community, addressing the therapeutic needs of children.

## Department for Families and Communities

### Parks Community Centre – reversal of saving

*Budget Implications (\$000)*

	2010-11 MYBR	2011-12 Estimate	2012-13 Estimate	2013-14 Estimate
Operating Expenses	-1,318	-1,860	-4,157	-4,781

This reverses a 2010–11 Budget measure that was to provide ongoing savings rising to \$4.8 million per annum from 2013–14 through the replacement of ageing service centres at the Parks Community Centre with new and improved customer service centres. Subsequent to the 2010–11 Budget announcement, the government reversed the decision to close the Parks Community Centre, and appointed Monsignor David Cappo to conduct a review and make recommendations on the Centre's future.

## Department of Environment and Natural Resources

### Adelaide Living Beaches – additional support and lower cost recovery

*Budget Implications (\$000)*

	2010-11 MYBR	2011-12 Estimate	2012-13 Estimate	2013-14 Estimate
Operating Revenue	—	—	-1,676	-1,705
Operating Expenses	—	—	-1,000	-1,144

This initiative provides additional support of \$1.0 million per annum (indexed) and reduces cost recovery by \$1.7 million per annum from 2012–13 for the implementation of the Adelaide Living Beaches strategy. The strategy will construct pipelines totalling nine kilometres in length to transport sand to southern beaches to reduce the amount of truck and heavy equipment traffic on popular beaches.

# Appendix B: Uniform Presentation Framework

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## Overview

By agreement between the Commonwealth 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).

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

	2010-11 Budget	2010-11 MYBR	2011-12 Estimate	2012-13 Estimate	2013-14 Estimate
<b>Revenue</b>					
Taxation revenue	3 858	3 846	4 191	4 446	4 687
Grants	8 319	8 322	8 157	8 177	8 102
Sales of goods and services	1 877	1 900	2 073	2 140	2 184
Interest income	143	156	146	148	156
Dividend and income tax equivalent income	353	373	391	379	505
Other	536	541	614	637	649
<b>Total revenue</b>	<b>15 086</b>	<b>15 138</b>	<b>15 572</b>	<b>15 927</b>	<b>16 283</b>
<i>less</i>					
<b>Expenses</b>					
Employee expenses	6 379	6 405	6 539	6 720	6 828
Superannuation expenses					
Superannuation interest cost	427	427	413	409	405
Other superannuation expenses	676	680	690	698	707
Depreciation and amortisation	681	668	752	820	863
Interest expenses	255	283	344	371	395
Other property expenses	—	—	—	—	—
Other operating expenses	3 983	4 034	3 893	3 976	4 096
Grants	3 073	3 134	2 859	2 806	2 606
<b>Total expenses</b>	<b>15 475</b>	<b>15 631</b>	<b>15 491</b>	<b>15 800</b>	<b>15 901</b>
<i>equals</i>					
<b>Net operating balance</b>	<b>-389</b>	<b>-493</b>	<b>81</b>	<b>127</b>	<b>382</b>
<i>plus</i>					
<b>Other economic flows</b>	<b>589</b>	<b>892</b>	<b>493</b>	<b>725</b>	<b>623</b>
<i>equals</i>					
<b>Comprehensive result - total change in net worth</b>	<b>200</b>	<b>399</b>	<b>574</b>	<b>852</b>	<b>1 006</b>
<b>Net operating balance</b>	<b>-389</b>	<b>-493</b>	<b>81</b>	<b>127</b>	<b>382</b>
<i>less</i>					
<b>Net acquisition of non-financial assets</b>					
Purchases of non-financial assets	2 283	2 234	2 099	1 529	1 300
less Sales of non-financial assets	201	180	293	374	104
less Depreciation	681	668	752	820	863
plus Change in inventories	—	—	—	—	—
plus Other movements in non-financial assets	—	—	—	—	—
<i>equals</i> Total net acquisition of non-financial assets	<b>1 402</b>	<b>1 386</b>	<b>1 054</b>	<b>335</b>	<b>333</b>
<i>equals</i>					
<b>Net lending / borrowing</b>	<b>-1 791</b>	<b>-1 879</b>	<b>-973</b>	<b>-208</b>	<b>49</b>

Note: Totals may not add due to rounding.

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

	2010-11 Budget	2010-11 MYBR	2011-12 Estimate	2012-13 Estimate	2013-14 Estimate
<b>Revenue</b>					
Taxation revenue	—	—	—	—	—
Grants	771	785	693	584	485
Sales of goods and services	1 697	1 662	1 942	1 972	2 225
Interest income	15	15	18	19	19
Dividend and income tax equivalent income	5	4	6	1	1
Other	231	225	213	175	170
<b>Total revenue</b>	<b>2 720</b>	<b>2 691</b>	<b>2 872</b>	<b>2 751</b>	<b>2 900</b>
<i>less</i>					
<b>Expenses</b>					
Employee expenses	170	177	174	206	217
Superannuation expenses					
Superannuation interest cost	—	—	—	—	—
Other superannuation expenses	26	26	26	28	30
Depreciation and amortisation	368	340	395	419	448
Interest expenses	247	231	252	270	280
Other property expenses	270	295	346	354	481
Other operating expenses	1 581	1 574	1 567	1 378	1 423
Grants	83	100	84	95	78
<b>Total expenses</b>	<b>2 745</b>	<b>2 743</b>	<b>2 844</b>	<b>2 749</b>	<b>2 957</b>
<i>equals</i>					
<b>Net operating balance</b>	<b>-25</b>	<b>-52</b>	<b>28</b>	<b>2</b>	<b>-57</b>
<i>plus</i>					
<b>Other economic flows</b>	<b>573</b>	<b>510</b>	<b>-70</b>	<b>679</b>	<b>710</b>
<i>equals</i>					
<b>Comprehensive result - total change in net worth</b>	<b>548</b>	<b>458</b>	<b>-42</b>	<b>681</b>	<b>653</b>
<i>equals</i>					
<b>Net operating balance</b>	<b>-25</b>	<b>-52</b>	<b>28</b>	<b>2</b>	<b>-57</b>
<i>less</i>					
<b>Net acquisition of non-financial assets</b>					
Purchases of non-financial assets	1 361	1 319	1 080	665	672
less Sales of non-financial assets	512	516	978	298	130
less Depreciation	368	340	395	419	448
plus Change in inventories	4	-2	-81	-1	-13
plus Other movements in non-financial assets	—	—	—	—	—
<b>equals Total net acquisition of non-financial assets</b>	<b>485</b>	<b>461</b>	<b>-374</b>	<b>-52</b>	<b>80</b>
<i>equals</i>					
<b>Net lending / borrowing</b>	<b>-510</b>	<b>-513</b>	<b>402</b>	<b>54</b>	<b>-137</b>

Note: Totals may not add due to rounding.

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

	2010-11 Budget	2010-11 MYBR	2011-12 Estimate	2012-13 Estimate	2013-14 Estimate
<b>Revenue</b>					
Taxation revenue	3 509	3 494	3 809	4 055	4 286
Grants	8 317	8 319	8 156	8 176	8 102
Sales of goods and services	3 324	3 311	3 741	3 818	4 100
Interest income	117	130	133	122	119
Dividend and income tax equivalent income	84	78	46	21	20
Other	750	736	802	797	805
<b>Total revenue</b>	<b>16 101</b>	<b>16 068</b>	<b>16 687</b>	<b>16 989</b>	<b>17 431</b>
<i>less</i>					
<b>Expenses</b>					
Employee expenses	6 550	6 582	6 713	6 926	7 045
Superannuation expenses					
Superannuation interest cost	427	427	413	409	405
Other superannuation expenses	702	706	716	727	736
Depreciation and amortisation	1 049	1 008	1 147	1 239	1 311
Interest expenses	461	472	566	596	619
Other property expenses	—	—	—	—	—
Other operating expenses	4 943	4 971	4 773	4 649	4 789
Grants	2 383	2 446	2 250	2 315	2 200
<b>Total expenses</b>	<b>16 515</b>	<b>16 612</b>	<b>16 579</b>	<b>16 860</b>	<b>17 106</b>
<i>equals</i>					
<b>Net operating balance</b>	<b>-414</b>	<b>-545</b>	<b>109</b>	<b>129</b>	<b>326</b>
<i>plus</i>					
<b>Other economic flows</b>	<b>614</b>	<b>944</b>	<b>465</b>	<b>723</b>	<b>680</b>
<i>equals</i>					
<b>Comprehensive result - total change in net worth</b>	<b>200</b>	<b>399</b>	<b>574</b>	<b>852</b>	<b>1 006</b>
<b>Net operating balance</b>	<b>-414</b>	<b>-545</b>	<b>109</b>	<b>129</b>	<b>326</b>
<i>less</i>					
<b>Net acquisition of non-financial assets</b>					
Purchases of non-financial assets	3 641	3 550	3 179	2 192	1 972
less Sales of non-financial assets	710	693	1 271	670	234
less Depreciation	1 049	1 008	1 147	1 239	1 311
plus Change in inventories	4	-2	-81	-1	-13
plus Other movements in non-financial assets	—	—	—	—	—
<b>equals Total net acquisition of non-financial assets</b>	<b>1 887</b>	<b>1 847</b>	<b>680</b>	<b>283</b>	<b>413</b>
<i>equals</i>					
<b>Net lending / borrowing</b>	<b>-2 301</b>	<b>-2 392</b>	<b>-571</b>	<b>-154</b>	<b>-88</b>

Note: Totals may not add due to rounding.

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

	2010-11 Budget	2010-11 MYBR	2011-12 Estimate	2012-13 Estimate	2013-14 Estimate
<b>Assets</b>					
Financial assets					
Cash and deposits	2 182	2 402	2 466	2 394	2 547
Advances paid	480	489	192	57	57
Investments, loans and placements	163	176	189	202	215
Receivables	557	673	663	657	665
Equity					
Investments in other public sector entities	18 994	20 266	20 325	21 185	21 980
Investments - other	709	754	751	746	747
Other financial assets	42	49	47	46	44
Total financial assets	23 128	24 809	24 633	25 286	26 256
Non-financial assets					
Land and other fixed assets	21 488	31 116	32 223	32 638	33 063
Other non-financial assets	6	3	3	3	3
Total non-financial assets	21 494	31 119	32 226	32 641	33 067
Total assets	44 622	55 928	56 859	57 928	59 322
<b>Liabilities</b>					
Deposits held	329	278	252	223	246
Advances received	592	592	591	572	532
Borrowing	5 239	5 406	5 626	5 717	5 960
Superannuation	9 442	9 120	9 125	9 110	9 075
Other employee benefits	1 957	2 008	2 108	2 234	2 364
Payables	704	1 004	1 006	1 008	1 010
Other liabilities	967	889	947	1 009	1 074
Total liabilities	19 230	19 298	19 655	19 872	20 261
<b>Net worth</b>	25 392	36 630	37 204	38 056	39 061
Net financial worth	3 898	5 512	4 978	5 414	5 995
Net financial liabilities	15 096	14 754	15 347	15 771	15 985
Net debt	3 335	3 209	3 622	3 859	3 919

Note: Totals may not add due to rounding.

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

	2010-11 Budget	2010-11 MYBR	2011-12 Estimate	2012-13 Estimate	2013-14 Estimate
<b>Assets</b>					
Financial assets					
Cash and deposits	316	321	184	134	147
Advances paid	46	46	38	31	23
Investments, loans and placements	34	68	70	72	74
Receivables	288	272	269	281	296
Equity					
Investments in other public sector entities	—	—	—	—	—
Investments - other	13	11	9	6	3
Other financial assets	2	4	4	4	4
Total financial assets	700	722	573	527	547
Non-financial assets					
Land and other fixed assets	23 394	24 533	24 586	25 122	25 774
Other non-financial assets	3	1	2	2	2
Total non-financial assets	23 397	24 535	24 587	25 124	25 776
Total assets	24 097	25 256	25 160	25 651	26 323
<b>Liabilities</b>					
Deposits held	1	—	1	1	2
Advances received	466	464	168	34	34
Borrowing	3 697	3 563	3 842	3 792	3 781
Superannuation	—	—	—	—	—
Other employee benefits	79	82	79	80	82
Payables	455	449	445	454	462
Other liabilities	159	135	105	89	108
Total liabilities	4 857	4 694	4 640	4 450	4 469
<b>Net worth</b>	19 240	20 562	20 520	21 201	21 853
Net financial worth	-4 157	-3 972	-4 067	-3 923	-3 922
Net financial liabilities	4 157	3 972	4 067	3 923	3 922
Net debt	3 767	3 593	3 720	3 591	3 573

Note: Totals may not add due to rounding.



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

	2010-11 Budget	2010-11 MYBR	2011-12 Estimate	2012-13 Estimate	2013-14 Estimate
<b>Assets</b>					
Financial assets					
Cash and deposits	2 385	2 622	2 580	2 493	2 642
Advances paid	60	71	62	54	46
Investments, loans and placements	198	244	258	274	289
Receivables	703	774	777	785	796
Equity					
Investments in other public sector entities	-246	-297	-195	-16	126
Investments - other	722	765	760	752	750
Other financial assets	43	51	49	48	46
Total financial assets	3 866	4 230	4 292	4 390	4 697
Non-financial assets					
Land and other fixed assets	44 882	55 649	56 809	57 760	58 837
Other non-financial assets	9	5	5	5	5
Total non-financial assets	44 890	55 654	56 813	57 765	58 842
Total assets	48 756	59 884	61 105	62 155	63 539
<b>Liabilities</b>					
Deposits held	216	177	184	190	196
Advances received	592	592	591	572	532
Borrowing	8 936	8 969	9 467	9 508	9 740
Superannuation	9 442	9 120	9 125	9 110	9 075
Other employee benefits	2 036	2 090	2 187	2 314	2 446
Payables	1 053	1 325	1 325	1 334	1 344
Other liabilities	1 089	980	1 022	1 071	1 146
Total liabilities	23 364	23 253	23 901	24 099	24 478
<b>Net worth</b>					
Net financial worth	-19 499	-19 023	-19 609	-19 709	-19 781
Net financial liabilities	19 253	18 726	19 414	19 694	19 908
Net debt	7 101	6 801	7 341	7 449	7 491

Note: Totals may not add due to rounding.

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

	2010-11 Budget	2010-11 MYBR	2011-12 Estimate	2012-13 Estimate	2013-14 Estimate
<b>Cash receipts from operating activities</b>					
Taxes received	3 855	3 843	4 189	4 441	4 682
Receipts from sales of goods and services	1 867	1 881	2 043	2 119	2 163
Grants and subsidies received	8 277	8 280	8 155	8 175	8 100
Interest receipts	136	149	139	140	148
Dividends and income tax equivalents	379	392	406	382	495
Other receipts	559	556	638	663	674
<b>Total operating receipts</b>	<b>15 073</b>	<b>15 101</b>	<b>15 569</b>	<b>15 920</b>	<b>16 262</b>
<b>Cash payments for operating activities</b>					
Payments for employees	-7 458	-7 488	-7 618	-7 803	-7 933
Payments for goods and services	-3 789	-3 839	-3 719	-3 799	-3 917
Grants and subsidies paid	-3 133	-3 189	-2 916	-2 865	-2 666
Interest paid	-287	-271	-344	-371	-395
Other payments	-78	-77	-76	-74	-72
<b>Total operating payments</b>	<b>-14 746</b>	<b>-14 864</b>	<b>-14 674</b>	<b>-14 912</b>	<b>-14 983</b>
<b>Net cash flows from operating activities</b>	<b>328</b>	<b>237</b>	<b>895</b>	<b>1 008</b>	<b>1 279</b>
<b>Net cash flows from investments in non-financial assets</b>					
Sales of non-financial assets	186	159	293	374	104
Purchases of non-financial assets (a)	-2 091	-2 036	-2 097	-1 527	-1 298
<b>Net cash flows from investments in non-financial assets</b>	<b>-1 905</b>	<b>-1 877</b>	<b>-1 804</b>	<b>-1 153</b>	<b>-1 194</b>
<b>Net cash flows from investments in financial assets for policy purposes (b)</b>	<b>202</b>	<b>202</b>	<b>794</b>	<b>44</b>	<b>-138</b>
<b>Net cash flows from investments in financial assets for liquidity purposes</b>	<b>-13</b>	<b>-13</b>	<b>-10</b>	<b>-9</b>	<b>-16</b>
<b>Net cash flows from financing activities</b>					
Advances received (net)	-18	-18	-1	-19	-40
Borrowing (net)	1 195	709	222	93	245
Deposits received (net)	-149	-109	-27	-29	23
Dividends paid	—	—	—	—	—
Other financing (net)	—	—	-1	-1	-1
<b>Net cash flows from financing activities</b>	<b>1 027</b>	<b>582</b>	<b>194</b>	<b>44</b>	<b>228</b>
<b>Net increase / (decrease) in cash held</b>	<b>-361</b>	<b>-869</b>	<b>69</b>	<b>-66</b>	<b>160</b>
Net cash flows from operating activities	328	237	895	1 008	1 279
Net cash flows from investments in non-financial assets	-1 905	-1 877	-1 804	-1 153	-1 194
Dividends paid	—	—	—	—	—
<b>Cash surplus / (deficit)</b>	<b>-1 578</b>	<b>-1 640</b>	<b>-909</b>	<b>-145</b>	<b>86</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, disposals and privatisations (net).

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

	2010-11 Budget	2010-11 MYBR	2011-12 Estimate	2012-13 Estimate	2013-14 Estimate
<b>Cash receipts from operating activities</b>					
Taxes received	—	—	—	—	—
Receipts from sales of goods and services	1 672	1 617	1 930	1 947	2 196
Grants and subsidies received	771	785	693	584	485
Interest receipts	15	14	18	18	18
Dividends and income tax equivalents	5	4	6	1	1
Other receipts	210	194	188	150	145
<b>Total operating receipts</b>	<b>2 673</b>	<b>2 615</b>	<b>2 835</b>	<b>2 700</b>	<b>2 845</b>
<b>Cash payments for operating activities</b>					
Payments for employees	-210	-217	-221	-251	-264
Payments for goods and services	-792	-764	-734	-698	-713
Grants and subsidies paid	-83	-100	-84	-95	-78
Interest paid	-247	-231	-253	-271	-281
Other payments	-651	-670	-784	-776	-796
<b>Total operating payments</b>	<b>-1 983</b>	<b>-1 982</b>	<b>-2 077</b>	<b>-2 090</b>	<b>-2 132</b>
<b>Net cash flows from operating activities</b>	<b>690</b>	<b>633</b>	<b>758</b>	<b>610</b>	<b>713</b>
<b>Net cash flows from investments in non-financial assets</b>					
Sales of non-financial assets	350	354	891	298	130
Purchases of non-financial assets (a)	-1 331	-1 279	-1 048	-633	-638
<b>Net cash flows from investments in non-financial assets</b>	<b>-981</b>	<b>-926</b>	<b>-157</b>	<b>-334</b>	<b>-508</b>
<b>Net cash flows from investments in financial assets for policy purposes (b)</b>	<b>7</b>	<b>7</b>	<b>8</b>	<b>8</b>	<b>8</b>
<b>Net cash flows from investments in financial assets for liquidity purposes</b>	<b>3</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>1</b>
<b>Net cash flows from financing activities</b>					
Advances received (net)	-208	-208	-792	-43	138
Borrowing (net)	500	501	279	-50	-11
Deposits received (net)	—	—	—	—	—
Dividends paid	-187	-204	-235	-242	-329
Other financing (net)	—	—	—	—	—
<b>Net cash flows from financing activities</b>	<b>105</b>	<b>90</b>	<b>-748</b>	<b>-334</b>	<b>-201</b>
<b>Net increase / (decrease) in cash held</b>	<b>-175</b>	<b>-191</b>	<b>-137</b>	<b>-49</b>	<b>13</b>
Net cash flows from operating activities	690	633	758	610	713
Net cash flows from investments in non-financial assets	-981	-926	-157	-334	-508
Dividends paid	-187	-204	-235	-242	-329
<b>Cash surplus / (deficit)</b>	<b>-478</b>	<b>-496</b>	<b>366</b>	<b>34</b>	<b>-124</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, disposals and privatisations (net).

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

	2010-11 Budget	2010-11 MYBR	2011-12 Estimate	2012-13 Estimate	2013-14 Estimate
<b>Cash receipts from operating activities</b>					
Taxes received	3 505	3 490	3 805	4 051	4 282
Receipts from sales of goods and services	3 293	3 250	3 702	3 775	4 055
Grants and subsidies received	8 275	8 277	8 155	8 174	8 100
Interest receipts	110	123	126	114	110
Dividends and income tax equivalents	85	79	46	21	20
Other receipts	751	720	798	794	801
<b>Total operating receipts</b>	<b>16 019</b>	<b>15 940</b>	<b>16 631</b>	<b>16 930</b>	<b>17 367</b>
<b>Cash payments for operating activities</b>					
Payments for employees	-7 654	-7 691	-7 824	-8 038	-8 180
Payments for goods and services	-4 346	-4 367	-4 196	-4 221	-4 341
Grants and subsidies paid	-2 443	-2 501	-2 307	-2 374	-2 259
Interest paid	-494	-462	-567	-597	-620
Other payments	-251	-252	-320	-323	-304
<b>Total operating payments</b>	<b>-15 188</b>	<b>-15 273</b>	<b>-15 213</b>	<b>-15 553</b>	<b>-15 704</b>
<b>Net cash flows from operating activities</b>	<b>831</b>	<b>667</b>	<b>1 418</b>	<b>1 377</b>	<b>1 663</b>
<b>Net cash flows from investments in non-financial assets</b>					
Sales of non-financial assets	536	513	1 184	670	234
Purchases of non-financial assets (a)	-3 422	-3 315	-3 145	-2 157	-1 936
<b>Net cash flows from investments in non-financial assets</b>	<b>-2 886</b>	<b>-2 802</b>	<b>-1 961</b>	<b>-1 487</b>	<b>-1 702</b>
<b>Net cash flows from investments in financial assets for policy purposes (b)</b>	<b>1</b>	<b>1</b>	<b>10</b>	<b>8</b>	<b>8</b>
<b>Net cash flows from investments in financial assets for liquidity purposes</b>	<b>-10</b>	<b>-10</b>	<b>-9</b>	<b>-8</b>	<b>-15</b>
<b>Net cash flows from financing activities</b>					
Advances received (net)	-18	-18	-1	-19	-40
Borrowing (net)	1 695	1 210	502	43	235
Deposits received (net)	6	6	6	6	6
Dividends paid	—	—	—	—	—
Other financing (net)	—	—	-1	-1	-1
<b>Net cash flows from financing activities</b>	<b>1 683</b>	<b>1 198</b>	<b>506</b>	<b>29</b>	<b>200</b>
<b>Net increase / (decrease) in cash held</b>	<b>-382</b>	<b>-946</b>	<b>-36</b>	<b>-81</b>	<b>155</b>
Net cash flows from operating activities	831	667	1 418	1 377	1 663
Net cash flows from investments in non-financial assets	-2 886	-2 802	-1 961	-1 487	-1 702
Dividends paid	—	—	—	—	—
<b>Cash surplus / (deficit)</b>	<b>-2 055</b>	<b>-2 136</b>	<b>-543</b>	<b>-110</b>	<b>-39</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, disposals and privatisations (net).

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

	2010-11 Budget	2010-11 MYBR	2011-12 Estimate	2012-13 Estimate	2013-14 Estimate
<b>Cash surplus / (deficit)</b>	-1 578	-1 640	-909	-145	86
Acquisitions under finance leases and similar arrangements (a)	-196	-196	—	—	—
<b>ABS GFS Surplus (+) / deficit (-) including finance leases and similar arrangements</b>	-1 773	-1 835	-909	-145	86

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

<b>Cash surplus / (deficit)</b>	-478	-496	366	34	-124
Acquisitions under finance leases and similar arrangements (a)	—	—	—	—	—
<b>ABS GFS Surplus (+) / deficit (-) including finance leases and similar arrangements</b>	-478	-496	366	34	-124

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

<b>Cash surplus / (deficit)</b>	-2 055	-2 136	-543	-110	-39
Acquisitions under finance leases and similar arrangements (a)	-196	-196	—	—	—
<b>ABS GFS Surplus (+) / deficit (-) including finance leases and similar arrangements</b>	-2 251	-2 331	-543	-110	-39

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)**

	2010-11 Budget	2010-11 MYBR	2011-12 Estimate	2012-13 Estimate	2013-14 Estimate
<b>Taxes on employers' payroll and labour force</b>	930	956	1 049	1 110	1 176
<b>Taxes on property</b>					
Land taxes	573	577	600	632	659
Stamp duties on financial and capital transactions	955	910	1 053	1 156	1 242
Financial institutions' transaction taxes	—	—	—	—	—
Other	161	162	168	172	177
<b>Total</b>	<b>1 689</b>	<b>1 649</b>	<b>1 822</b>	<b>1 960</b>	<b>2 079</b>
<b>Taxes on the provision of goods and services</b>					
Excises and levies	—	—	—	—	—
Taxes on gambling	411	410	437	461	488
Taxes on insurance	352	352	378	392	405
<b>Total</b>	<b>763</b>	<b>763</b>	<b>815</b>	<b>853</b>	<b>892</b>
<b>Taxes on use of goods and performance of activities</b>					
Motor vehicle taxes	476	480	505	522	540
<b>Total</b>	<b>476</b>	<b>480</b>	<b>505</b>	<b>522</b>	<b>540</b>
<b>Total GFS taxation revenue</b>	<b>3 858</b>	<b>3 846</b>	<b>4 191</b>	<b>4 446</b>	<b>4 687</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)**

	2010-11 Budget	2010-11 MYBR	2011-12 Estimate	2012-13 Estimate	2013-14 Estimate
<b>Current grant revenue</b>					
Current grants from the Commonwealth					
General purpose grants	4 458	4 427	4 546	4 757	5 002
National partnership grants	606	601	656	562	404
Specific purpose grants	1 405	1 409	1 472	1 534	1 574
Specific purpose grants for on-passing	674	680	725	744	762
<b>Total current grants from the Commonwealth</b>	<b>7 143</b>	<b>7 117</b>	<b>7 399</b>	<b>7 596</b>	<b>7 742</b>
Other contributions and grants	114	118	118	118	120
<b>Total current grant revenue</b>	<b>7 257</b>	<b>7 235</b>	<b>7 517</b>	<b>7 714</b>	<b>7 862</b>
<b>Capital grant revenue</b>					
Capital grants from the Commonwealth					
General purpose grants	—	—	—	—	—
National partnership grants	881	895	488	310	88
Specific purpose grants	115	115	117	119	117
Specific purpose grants for on-passing	13	13	13	14	14
Other capital grants	12	22	3	2	2
<b>Total capital grants from the Commonwealth</b>	<b>1 022</b>	<b>1 045</b>	<b>622</b>	<b>445</b>	<b>221</b>
Other contributions and grants	41	41	18	18	19
<b>Total capital grant revenue</b>	<b>1 063</b>	<b>1 087</b>	<b>640</b>	<b>463</b>	<b>240</b>
<b>Total grant revenue</b>	<b>8 319</b>	<b>8 322</b>	<b>8 157</b>	<b>8 177</b>	<b>8 102</b>

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

	2010-11 Budget	2010-11 MYBR	2011-12 Estimate	2012-13 Estimate	2013-14 Estimate
<b>Current grant expense</b>					
State/territory government	7	3	3	3	3
Local government	58	66	59	58	63
Local government on-passing	127	135	163	167	171
Private and not-for-profit sector	892	954	873	881	895
Private and not-for-profit sector on-passing	547	546	563	577	591
Grants to other sectors of Government	642	656	671	586	486
Other	275	246	223	209	205
<b>Total current grant expense</b>	<b>2 548</b>	<b>2 606</b>	<b>2 554</b>	<b>2 481</b>	<b>2 415</b>
<b>Capital grant expense</b>					
State/territory government	—	—	—	—	—
Local government	19	19	28	32	1
Local government on-passing	—	—	—	—	—
Private and not-for-profit sector	357	340	239	278	174
Private and not-for-profit sector on-passing	13	13	13	14	14
Grants to other sectors of Government	131	131	23	—	—
Other	5	26	1	1	1
<b>Total capital grant expense</b>	<b>525</b>	<b>529</b>	<b>305</b>	<b>325</b>	<b>191</b>
<b>Total grant expense</b>	<b>3 073</b>	<b>3 134</b>	<b>2 859</b>	<b>2 806</b>	<b>2 606</b>

Note: Totals may not add due to rounding.

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

	2010-11 Budget	2010-11 MYBR	2011-12 Estimate	2012-13 Estimate	2013-14 Estimate
Dividend and income tax equivalent income from PNFC sector	274	299	351	360	487
Dividend and income tax equivalent income from PFC sector	78	74	40	19	19
Other dividend income	—	—	—	—	—
<b>Total dividend and income tax equivalent income</b>	<b>353</b>	<b>373</b>	<b>391</b>	<b>379</b>	<b>505</b>

Note: Totals may not add due to rounding.



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

	2010-11 Budget	2010-11 MYBR	2011-12 Estimate	2012-13 Estimate	2013-14 Estimate
<b>Net worth at beginning of year</b>	<b>25 192</b>	<b>36 231</b>	<b>36 630</b>	<b>37 204</b>	<b>38 056</b>
<b>Change in net worth from operating transactions:</b>					
Net operating balance	- 389	- 493	81	127	382
<b>Change in net worth from other economic flows:</b>					
Movement in net assets of PFCs	21	74	103	179	142
Movement in net assets of PNFCs <sup>(a)</sup>	563	479	454	590	515
Revaluation of unfunded superannuation liability	55	379	- 5	- 6	- 6
Revaluation of long service leave liability	- 66	- 66	- 70	- 74	- 75
Revaluation of annual leave liability	- 9	- 9	- 9	- 10	- 10
Other revaluation adjustments	24	35	20	46	58
Total other economic flows	589	892	493	725	623
<b>Net worth at year end</b>	<b>25 392</b>	<b>36 630</b>	<b>37 204</b>	<b>38 056</b>	<b>39 061</b>

Note: Totals may not add due to rounding.

(a) Net of the impact of the disposal of assets in the PNFC sector and the return of proceeds to the general government sector.

**Table B.17: Loan Council Allocation 2010–11<sup>(a)</sup> (\$million)**

	<b>2010-11 Budget</b>	<b>2010-11 MYBR</b>
General government sector cash deficit / (surplus)	1 578	1 640
PNFC sector cash deficit / (surplus)	478	496
<b>Total non-financial public sector cash deficit / (surplus)<sup>(b)</sup></b>	<b>2 055</b>	<b>2 136</b>
Acquisitions under finance leases and similar arrangements	196	196
<b>ABS Government Finance Statistics cash surplus</b>	<b>2 251</b>	<b>2 331</b>
Net cash flows from investments in financial assets for policy purposes <sup>(c)</sup>	- 1	- 1
<b>Adjusted total non-financial public sector cash deficit / (surplus)</b>	<b>2 250</b>	<b>2 330</b>
Memorandum items <sup>(d)</sup>		
Operating leases <sup>(e)</sup>	- 87	- 93
Recourse asset sales	—	—
Superannuation <sup>(f)</sup>	- 645	- 592
Local government	33	33
Home finance schemes	167	165
<b>Total memorandum items</b>	<b>- 531</b>	<b>- 487</b>
<b>LCA deficit / (surplus)<sup>(g)(h)</sup></b>	<b>1 719</b>	<b>1 843</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) This item is the negative of net advances paid under a cash accounting framework.
- (d) Excludes universities.
- (e) Increase/decrease in the net present value (NPV) of operating leases with an NPV of \$5 million or greater.
- (f) Includes both 'payments in excess of emerging costs of superannuation' and 'interest earnings on employer balances'.
- (g) The 2 per cent of total revenue tolerance limit around South Australia's 2010–11 LCA is \$315 million.
- (h) South Australia may have one infrastructure project with private sector involvement that meets the recognition criteria for 2010–11: the construction of the new Royal Adelaide Hospital.

# 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 2009–10 from Budget Outcome publications for South Australia.

Data is provided from 1998–99, the first year for which information is available in the accrual format. Before 1998–99, government finances were measured using a cash-based methodology.

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 \$m	Net acquisition of non-financial assets \$m	Net lending \$m
	\$m	% real growth	% GSP <sup>(a)</sup>	\$m	% real growth	% GSP <sup>(a)</sup>			
1998-99	7 290		17.4	7 505		17.9	- 215	19	- 233
1999-2000	7 644	2.3	17.3	7 974	3.7	18.0	- 330	140	- 471
2000-01	8 108	3.0	16.9	8 406	2.4	17.5	- 297	102	- 399
2001-02	8 538	2.0	16.5	8 713	0.5	16.9	- 174	- 50	- 124
2002-03	9 346	5.2	17.2	8 898	-1.8	16.4	448	34	414
2003-04	9 955	3.4	17.2	9 570	4.4	16.5	385	- 38	424
2004-05	10 592	4.0	17.6	10 368	5.9	17.2	224	105	119
2005-06	11 242	2.9	17.6	11 040	3.2	17.2	202	119	83
2006-07	11 757	1.9	17.0	11 547	2.0	16.7	209	139	71
2007-08	12 879	6.1	17.0	12 414	4.1	16.4	464	242	222
2008-09	13 531	1.8	17.5	13 764	7.4	17.8	- 233	639	- 872
2009-10 <sup>(b)</sup>	15 534	12.4	19.3	15 347	9.1	19.1	187	1 279	-1 092
2010-11 <sup>(b)</sup>	15 138	-5.3	17.7	15 631	-1.0	18.3	- 493	1 386	-1 879
2011-12	15 572	0.1	17.2	15 491	-3.5	17.2	81	1 054	- 973
2012-13	15 927	-0.3	16.7	15 800	-0.6	16.6	127	335	- 208
2013-14	16 283	-0.3	16.2	15 901	-1.8	15.8	382	333	49

Note: Totals may not add due to rounding.

(a) GSP numbers are sourced from Australian Bureau of Statistics, *Australian National Accounts: State Accounts, 2009-10* released on 19 November 2010.

(b) 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*.

**Table C.2: General government key balance sheet 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	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>(c)</sup>	- 24	5 075	7 254	8 110	22 128
2008 <sup>(d)(e)(f)</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	3 209	9 120	14 754	5 512	36 630
2012	3 622	9 125	15 347	4 978	37 204
2013	3 859	9 110	15 771	5 414	38 056
2014	3 919	9 075	15 985	5 995	39 061

(a) Net debt data for the years before 1999 are sourced from *Australian Bureau of Statistics, 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'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.

(d) 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.

(e) 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.

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

	<b>Receipts</b>	<b>Payments</b>	<b>ABS Cash Surplus</b>
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	15 260	17 096	-1 835
2011-12	15 863	16 771	- 909
2012-13	16 294	16 439	- 145
2013-14	16 366	16 281	86

(a) There is a break in the series between 1998–99 and 1999–2000. Data for the years before 1999–2000 are sourced from the Australian Bureau of Statistics (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 are 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)

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Revenue</b>												
Taxation revenue	2 431	2 806	2 941	2 979	3 250	3 570	3 537	3 649	3 846	4 191	4 446	4 687
Grants	4 795	5 073	5 406	5 766	5 969	6 616	7 249	8 881	8 322	8 157	8 177	8 102
Sales of goods and services	997	1 165	1 244	1 333	1 464	1 572	1 697	1 936	1 900	2 073	2 140	2 184
Interest income	146	172	161	147	167	203	150	138	156	146	148	156
Dividend and income tax equivalent income	631	468	455	575	450	429	382	433	373	391	379	505
Other	347	272	386	441	456	490	517	497	541	614	637	649
<b>Total revenue</b>	<b>9 346</b>	<b>9 955</b>	<b>10 592</b>	<b>11 242</b>	<b>11 757</b>	<b>12 879</b>	<b>13 531</b>	<b>15 534</b>	<b>15 138</b>	<b>15 572</b>	<b>15 927</b>	<b>16 283</b>
<i>less</i>												
<b>Expenses</b>												
Employee expenses	3 614	3 903	4 220	4 644	4 933	5 268	5 749	6 221	6 405	6 539	6 720	6 828
Superannuation expenses												
Superannuation interest cost	299	354	351	344	316	276	383	455	427	413	409	405
Other superannuation expenses	383	410	429	480	506	546	580	600	680	690	698	707
Depreciation and amortisation	401	435	453	454	498	525	566	633	668	752	820	863
Interest expenses	297	253	248	223	204	218	180	204	283	344	371	395
Other property expenses	—	—	—	—	—	—	—	—	—	—	—	—
Other operating expenses	2 164	2 348	2 742	2 874	3 021	3 246	3 624	3 695	4 034	3 893	3 976	4 096
Grants	1 741	1 866	1 925	2 021	2 069	2 337	2 682	3 540	3 134	2 859	2 806	2 606
<b>Total expenses</b>	<b>8 898</b>	<b>9 570</b>	<b>10 368</b>	<b>11 040</b>	<b>11 547</b>	<b>12 414</b>	<b>13 764</b>	<b>15 347</b>	<b>15 631</b>	<b>15 491</b>	<b>15 800</b>	<b>15 901</b>
<i>equals</i>												
<b>Net operating balance</b>	<b>448</b>	<b>385</b>	<b>224</b>	<b>202</b>	<b>209</b>	<b>464</b>	<b>- 233</b>	<b>187</b>	<b>- 493</b>	<b>81</b>	<b>127</b>	<b>382</b>
<i>plus</i>												
<b>Other economic flows</b>	<b>119</b>	<b>87</b>	<b>375</b>	<b>3 142</b>	<b>2 215</b>	<b>1 149</b>	<b>708</b>	<b>11 830</b>	<b>892</b>	<b>493</b>	<b>725</b>	<b>623</b>
<i>equals</i>												
<b>Comprehensive result - total change in net worth</b>	<b>567</b>	<b>472</b>	<b>599</b>	<b>3 344</b>	<b>2 424</b>	<b>1 613</b>	<b>475</b>	<b>12 017</b>	<b>399</b>	<b>574</b>	<b>852</b>	<b>1 006</b>
<i>less</i>												
<b>Net operating balance</b>	<b>448</b>	<b>385</b>	<b>224</b>	<b>202</b>	<b>209</b>	<b>464</b>	<b>- 233</b>	<b>187</b>	<b>- 493</b>	<b>81</b>	<b>127</b>	<b>382</b>
<b>Net acquisition of non-financial assets</b>												
Purchases of non-financial assets	474	530	695	717	771	875	1 305	2 144	2 234	2 099	1 529	1 300
<i>less</i> Sales of non-financial assets	41	124	119	144	134	108	108	29	180	293	374	104
<i>less</i> Depreciation	401	435	453	454	498	525	566	633	668	752	820	863
<i>plus</i> Change in inventories	2	- 10	- 18	—	—	—	7	3	—	—	—	—
<i>plus</i> Other movements in non-financial assets	—	—	—	—	—	—	—	- 206	—	—	—	—
<i>equals</i> Total net acquisition of non-financial assets	<b>34</b>	<b>- 38</b>	<b>105</b>	<b>119</b>	<b>139</b>	<b>242</b>	<b>639</b>	<b>1 279</b>	<b>1 386</b>	<b>1 054</b>	<b>335</b>	<b>333</b>
<b>Net lending / borrowing</b>	<b>414</b>	<b>424</b>	<b>119</b>	<b>83</b>	<b>71</b>	<b>222</b>	<b>- 872</b>	<b>- 1 092</b>	<b>- 1 879</b>	<b>- 973</b>	<b>- 208</b>	<b>49</b>

Note: Totals may not add due to rounding.

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

As at 30 June	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Assets</b>												
Financial assets												
Cash and deposits	2 052	2 178	1 960	2 210	2 384	2 760	3 084	3 277	2 402	2 466	2 394	2 547
Advances paid	1 167	1 133	959	902	905	782	752	676	489	192	57	57
Investments, loans and placements	170	154	170	180	119	134	140	163	176	189	202	215
Receivables	261	343	374	454	471	498	610	713	673	663	657	665
Equity												
Investments in other public sector entities	10 473	11 700	13 246	14 017	15 364	15 658	17 113	19 734	20 266	20 325	21 185	21 980
Investments - other	6	111	145	173	30	668	707	752	754	751	746	747
Other financial assets	28	43	60	44	39	38	43	47	49	47	46	44
Total financial assets	14 157	15 661	16 915	17 979	19 311	20 539	22 449	25 363	24 809	24 633	25 286	26 256
Non-financial assets												
Land and other fixed assets	11 710	11 835	12 411	13 840	14 013	16 138	18 590	29 677	31 116	32 223	32 638	33 063
Other non-financial assets	78	83	94	17	4	23	5	3	3	3	3	3
Total non-financial assets	11 788	11 917	12 505	13 857	14 018	16 161	18 595	29 680	31 119	32 226	32 641	33 067
Total assets	25 945	27 579	29 420	31 836	33 329	36 700	41 045	55 043	55 928	56 859	57 928	59 322
<b>Liabilities</b>												
Deposits held	329	309	283	282	331	328	335	387	278	252	223	246
Advances received	780	733	686	682	659	644	628	610	592	591	572	532
Borrowing	2 947	2 648	2 265	2 209	2 394	2 427	3 488	4 522	5 406	5 626	5 717	5 960
Superannuation	4 445	5 668	7 227	6 146	5 075	6 468	8 939	9 478	9 120	9 125	9 110	9 075
Other employee benefits	1 097	1 233	1 305	1 393	1 492	1 646	1 867	1 922	2 008	2 108	2 234	2 364
Payables	368	466	483	616	553	665	760	1 004	1 004	1 006	1 008	1 010
Other liabilities	693	763	812	805	699	779	881	888	889	947	1 009	1 074
Total liabilities	10 658	11 819	13 061	12 133	11 201	12 959	16 898	18 811	19 298	19 655	19 872	20 261
<b>Net worth<sup>(a)</sup></b>	15 288	15 760	16 359	19 703	22 128	23 741	24 146	36 231	36 630	37 204	38 056	39 061
Net financial worth <sup>(a)(b)(c)</sup>	3 500	3 842	3 853	5 846	8 110	7 580	5 551	6 551	5 512	4 978	5 414	5 995
Net financial liabilities <sup>(a)(b)(c)</sup>	6 974	7 858	9 393	8 171	7 254	8 078	11 562	13 182	14 754	15 347	15 771	15 985
Net debt <sup>(b)(c)(d)</sup>	666	224	144	- 119	- 24	- 276	475	1 402	3 209	3 622	3 859	3 919

Note: Totals may not add due to rounding.

(a) 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.

(b) 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.

(c) 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.

(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.

## 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 growth	% GSP <sup>(a)</sup>	\$m	% real growth	% GSP <sup>(a)</sup>	\$m	\$m	\$m
1998-99	9 468		22.6	9 597		22.9	- 129	- 115	- 14
1999-2000	9 206	-5.1	20.8	9 552	-2.9	21.6	- 346	-3 508	3 161
2000-01	9 051	-4.5	18.9	9 279	-5.7	19.3	- 228	-1 111	883
2001-02	9 367	0.3	18.1	9 487	-0.9	18.4	- 120	- 124	5
2002-03	10 172	4.4	18.8	9 696	-1.7	17.9	476	72	405
2003-04	10 707	2.2	18.5	10 294	3.1	17.8	413	33	379
2004-05	11 343	3.5	18.9	11 029	4.7	18.3	314	125	189
2005-06	11 807	0.9	18.4	11 634	2.3	18.2	172	53	119
2006-07	12 321	1.7	17.8	12 175	2.0	17.6	147	173	- 26
2007-08	13 634	7.1	18.0	13 065	3.9	17.3	569	303	266
2008-09	14 360	2.1	18.6	14 567	8.0	18.8	- 207	1 249	-1 456
2009-10 <sup>(b)</sup>	16 315	11.2	20.3	15 679	5.3	19.5	636	2 361	-1 725
2010-11 <sup>(b)</sup>	16 068	-4.3	18.8	16 612	3.0	19.5	- 545	1 847	-2 392
2011-12	16 687	1.1	18.5	16 579	-2.8	18.4	109	680	- 571
2012-13	16 989	-0.7	17.8	16 860	-0.9	17.7	129	283	- 154
2013-14	17 431	0.1	17.4	17 106	-1.0	17.0	326	413	- 88

Note: Totals may not add due to rounding.

- (a) GSP numbers are sourced from Australian Bureau of Statistics, *Australian National Accounts: State Accounts, 2009-10* released on 19 November 2010.
- (b) 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*.



**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	6 801	9 120	18 726	- 19 023	36 630
2012	7 341	9 125	19 414	- 19 609	37 204
2013	7 449	9 110	19 694	- 19 709	38 056
2014	7 491	9 075	19 908	- 19 781	39 061

(a) Net debt data for the years before 1999 are sourced from *Australian Bureau of Statistics, 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 South Australian Community Housing Authority (PFC) with the South Australian Housing Trust (PNFC). 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	16 453	18 784	-2 331
2011-12	17 815	18 358	- 543
2012-13	17 599	17 710	- 110
2013-14	17 601	17 640	- 39

(f) There is a break in the series between 1998–99 and 1999–2000. Data for the years before 1999–2000 are sourced from the Australian Bureau of Statistics (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 are 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)

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Revenue</b>												
Taxation revenue	2 272	2 629	2 731	2 749	3 009	3 308	3 244	3 331	3 494	3 809	4 055	4 286
Grants	4 798	5 078	5 405	5 849	6 039	6 616	7 262	8 897	8 319	8 156	8 176	8 102
Sales of goods and services	2 272	2 446	2 481	2 494	2 610	2 926	3 082	3 311	3 311	3 741	3 818	4 100
Interest income	103	125	135	113	155	188	125	123	130	133	122	119
Dividend and income tax equivalent income	338	103	143	126	42	24	36	58	78	46	21	20
Other	389	326	447	476	466	572	611	594	736	802	797	805
<b>Total revenue</b>	<b>10 172</b>	<b>10 707</b>	<b>11 343</b>	<b>11 807</b>	<b>12 321</b>	<b>13 634</b>	<b>14 360</b>	<b>16 315</b>	<b>16 068</b>	<b>16 687</b>	<b>16 989</b>	<b>17 431</b>
<b>less</b>												
<b>Expenses</b>												
Employee expenses	3 767	4 070	4 382	4 808	5 108	5 450	5 944	6 436	6 582	6 713	6 926	7 045
Superannuation expenses												
Superannuation interest cost	299	354	351	344	316	276	383	455	427	413	409	405
Other superannuation expenses	400	426	445	499	525	568	605	628	706	716	727	736
Depreciation and amortisation	603	651	682	692	755	798	852	958	1 008	1 147	1 239	1 311
Interest expenses	374	315	333	310	290	322	290	344	472	566	596	619
Other property expenses <sup>(a)</sup>	—	—	—	—	—	—	—	—	—	—	—	—
Other operating expenses <sup>(a)</sup>	2 965	3 150	3 273	3 325	3 483	3 839	4 404	4 306	4 971	4 773	4 649	4 789
Grants	1 288	1 328	1 563	1 655	1 698	1 811	2 089	2 553	2 446	2 250	2 315	2 200
<b>Total expenses</b>	<b>9 696</b>	<b>10 294</b>	<b>11 029</b>	<b>11 634</b>	<b>12 175</b>	<b>13 065</b>	<b>14 567</b>	<b>15 679</b>	<b>16 612</b>	<b>16 579</b>	<b>16 860</b>	<b>17 106</b>
<b>Net operating balance</b>	<b>476</b>	<b>413</b>	<b>314</b>	<b>172</b>	<b>147</b>	<b>569</b>	<b>- 207</b>	<b>636</b>	<b>- 545</b>	<b>109</b>	<b>129</b>	<b>326</b>
<b>plus</b>												
<b>Other economic flows</b>	91	59	286	3 172	2 278	1 044	682	11 382	944	465	723	680
<b>equals</b>												
<b>Comprehensive result - total change in net worth</b>	<b>567</b>	<b>472</b>	<b>599</b>	<b>3 344</b>	<b>2 424</b>	<b>1 613</b>	<b>475</b>	<b>12 017</b>	<b>399</b>	<b>574</b>	<b>852</b>	<b>1 006</b>
<b>Net operating balance</b>	<b>476</b>	<b>413</b>	<b>314</b>	<b>172</b>	<b>147</b>	<b>569</b>	<b>- 207</b>	<b>636</b>	<b>- 545</b>	<b>109</b>	<b>129</b>	<b>326</b>
<b>less</b>												
<b>Net acquisition of non-financial assets</b>												
Purchases of non-financial assets	783	898	1 040	1 127	1 145	1 399	2 328	3 762	3 550	3 179	2 192	1 972
less Sales of non-financial assets	117	211	234	381	217	298	304	336	693	1 271	670	234
less Depreciation	603	651	682	692	755	798	852	958	1 008	1 147	1 239	1 311
plus Change in inventories	9	- 3	1	—	—	—	76	99	- 2	- 81	- 1	- 13
plus Other movements in non-financial assets	—	—	—	—	—	—	—	- 206	—	—	—	—
<b>equals Total net acquisition of non-financial assets</b>	<b>72</b>	<b>33</b>	<b>125</b>	<b>53</b>	<b>173</b>	<b>303</b>	<b>1 249</b>	<b>2 361</b>	<b>1 847</b>	<b>680</b>	<b>283</b>	<b>413</b>
<b>equals</b>												
<b>Net lending / borrowing</b>	<b>405</b>	<b>379</b>	<b>189</b>	<b>119</b>	<b>- 26</b>	<b>266</b>	<b>- 1 456</b>	<b>- 1 725</b>	<b>- 2 392</b>	<b>- 571</b>	<b>- 154</b>	<b>- 88</b>

Note: Totals may not add due to rounding.

(a) This table reflects a revision to the treatment of "cost of sales" previously recognised as other property expenses. The "cost of sales" is now reflected under other operating expenses, consistent with the implementation of the revised UPF.

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

As at 30 June	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Assets</b>												
Financial assets												
Cash and deposits	2 124	2 250	2 129	2 372	2 566	3 040	3 360	3 573	2 622	2 580	2 493	2 642
Advances paid	192	186	80	83	34	81	71	72	71	62	54	46
Investments, loans and placements	182	164	180	204	139	163	176	232	244	258	274	289
Receivables	266	314	318	436	522	521	520	766	774	777	785	796
Equity												
Investments in other public sector entities	285	481	507	562	723	- 279	- 619	- 371	- 297	- 195	- 16	126
Investments - other	24	137	177	199	58	693	727	766	765	760	752	750
Other financial assets	28	42	58	46	41	40	82	104	51	49	48	46
Total financial assets	3 100	3 574	3 450	3 902	4 084	4 259	4 316	5 143	4 230	4 292	4 390	4 697
Non-financial assets												
Land and fixed assets	24 074	25 285	27 338	29 564	30 917	34 202	39 059	53 224	55 649	56 809	57 760	58 837
Other non-financial assets	24	24	25	28	6	25	8	4	5	5	5	5
Total non-financial assets	24 098	25 309	27 363	29 592	30 922	34 227	39 067	53 228	55 654	56 813	57 765	58 842
Total assets	27 199	28 883	30 813	33 494	35 006	38 486	43 384	58 371	59 884	61 105	62 155	63 539
<b>Liabilities</b>												
Deposits held	148	122	155	147	159	166	174	171	177	184	190	196
Advances received	780	733	719	715	659	644	628	610	592	591	572	532
Borrowing	4 267	4 030	3 642	3 583	3 910	4 084	5 677	7 583	8 969	9 467	9 508	9 740
Superannuation	4 445	5 668	7 227	6 146	5 075	6 468	8 939	9 478	9 120	9 125	9 110	9 075
Other employee benefits	1 150	1 310	1 384	1 473	1 560	1 719	1 944	2 003	2 090	2 187	2 314	2 446
Payables	404	472	492	706	715	801	907	1 319	1 325	1 325	1 334	1 344
Other liabilities	719	788	836	1 020	801	862	969	975	980	1 022	1 071	1 146
Total liabilities	11 911	13 124	14 454	13 790	12 878	14 745	19 237	22 140	23 253	23 901	24 099	24 478
<b>Net worth<sup>(a)</sup></b>	15 288	15 760	16 359	19 703	22 128	23 741	24 146	36 231	36 630	37 204	38 056	39 061
Net financial worth <sup>(a)(b)</sup>	-8 811	-9 550	-11 004	-9 889	-8 795	-10 487	-14 921	-16 997	-19 023	-19 609	-19 709	-19 781
Net financial liabilities <sup>(a)(b)</sup>	9 096	10 031	11 511	10 451	9 518	10 208	14 302	16 626	18 726	19 414	19 694	19 908
Net debt <sup>(b)(c)</sup>	2 696	2 285	2 126	1 786	1 989	1 611	2 872	4 487	6 801	7 341	7 449	7 491

Note: Totals may not add due to rounding.

(a) 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.

(b) There is a structural break in 2008 reflecting the amalgamation of the South Australian Community Housing Authority (PFC) with the South Australian Housing Trust (PNFC). 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.

(c) 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.