



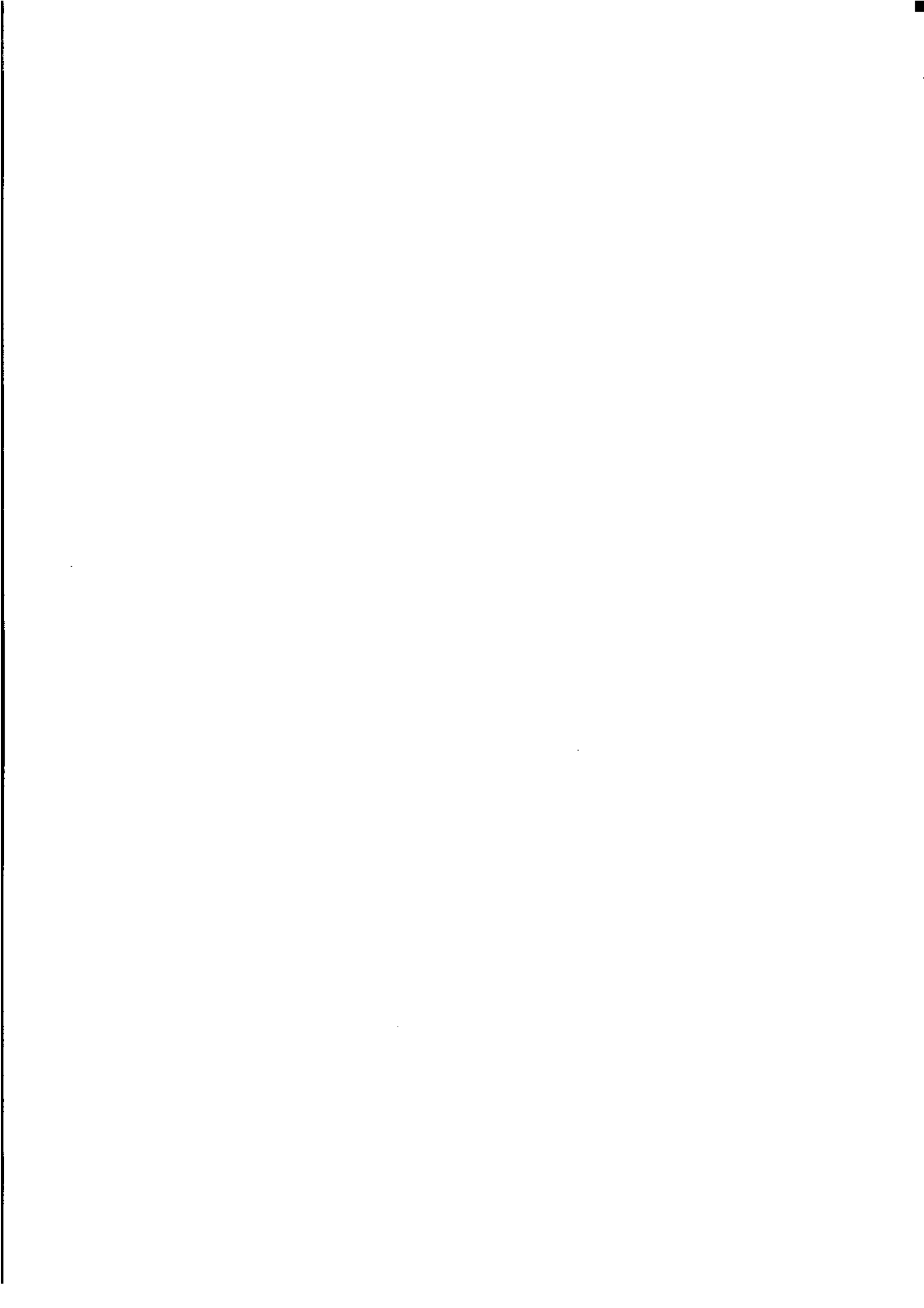
30 June 1995 and 1996

EMBARGOED UNTIL 11:30 AM MON 4 NOVEMBER 1996

Public Sector Financial Assets and Liabilities

Australia

Statistics



**PUBLIC SECTOR FINANCIAL ASSETS
AND LIABILITIES, AUSTRALIA
30 JUNE 1995 and 1996**

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Australian Statistician**

AUSTRALIAN BUREAU OF STATISTICS

CATALOGUE NO. 5513.0

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CONTENTS

	Page
	1
Summary of findings	1
TABLES	
Financial assets and liabilities as at 30 June 1995 and 1996	
1 Commonwealth, State, Territory and Local Governments	4
2 State, Territory and Local Governments	5
3 Commonwealth Government	6
4 New South Wales Governments	7
5 Victorian Governments	8
6 Queensland Governments	9
7 South Australian Governments	10
8 Western Australian Governments	11
9 Tasmanian Governments	12
10 Northern Territory Governments	13
11 Australian Capital Territory Government	14
Explanatory notes	15

INQUIRIES

- *for further information about statistics in this publication and related unpublished statistics, contact Anthony Krauss on Canberra (06) 252 5739 or Donna Nicholson on (06) 252 7143 or any ABS State office.*
 - *for information about other ABS statistics and services please refer to the back of this publication.*
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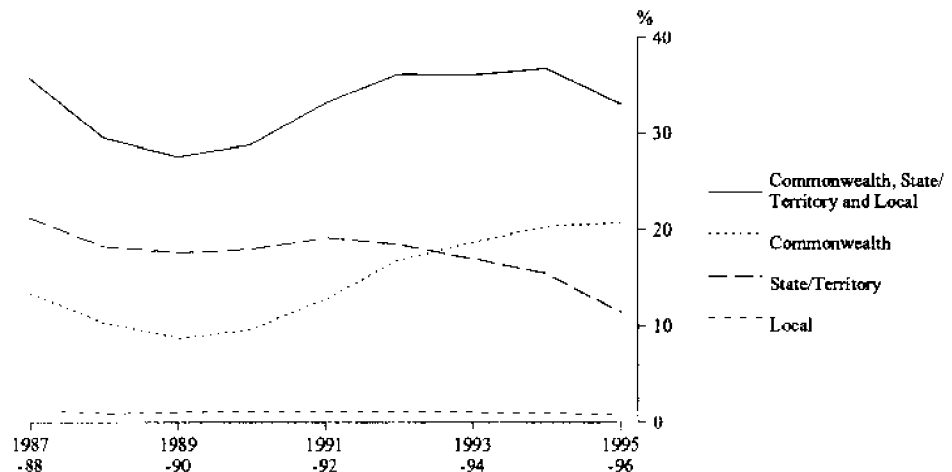
SUMMARY OF FINDINGS

NET DEBT

Net debt (liabilities less financial assets) of the Australian non-financial public sector was \$160,816 million at 30 June 1996, a decrease of \$7,018 million (4.2%) on the level of net debt at 30 June 1995 which stood at \$167,834 million. The ratio of the net debt to gross domestic product (GDP) fell from 36.8% at 30 June 1995 to 33.1% at 30 June 1996.

The following graph shows movements in net debt over recent years as a percentage of GDP for the Commonwealth Government, State/Territory Governments and local governments.

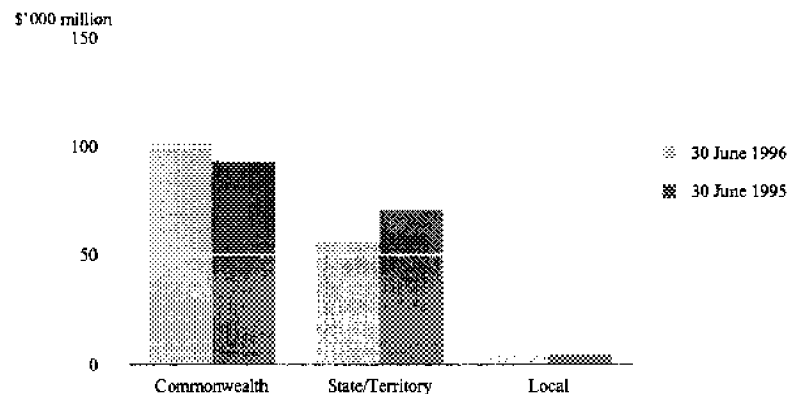
NET DEBT AS A PERCENTAGE OF GDP BY LEVEL OF GOVERNMENT



The Commonwealth Government share of the total net debt increased from 55.2% at 30 June 1995 to 62.7% at 30 June 1996.

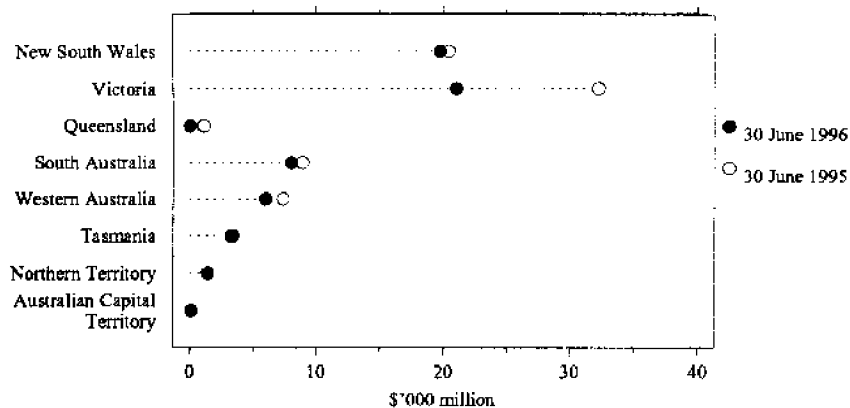
The State/Territory Governments' share of total net debt decreased from 42.0% to 34.6%, while the local governments' share dropped slightly from 2.8% to 2.6%.

NET DEBT OF COMMONWEALTH STATE/TERRITORY AND LOCAL GOVERNMENTS



Net debt levels declined for State/Territory and local governments in all jurisdictions except for the Australian Capital Territory where it increased by 31.3%. The large decrease in net debt for Victoria and smaller decreases in net debt for South Australia and Western Australia were primarily due to assets sales.

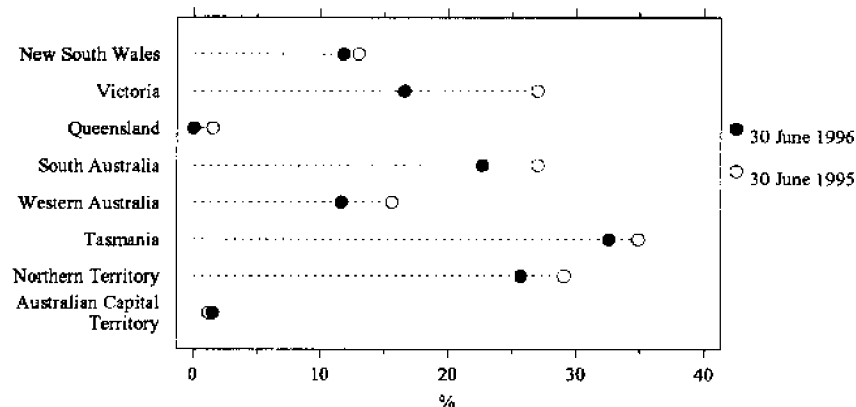
NET DEBT OF STATE/TERRITORY AND LOCAL GOVERNMENTS



Note: Where values are the same or very close, only one 'dot' appears in the graph.

There was a reduction in levels of net debt as a percentage of gross state product (GSP) for each State and Territory between June 1995 and June 1996 except for the Australian Capital Territory where there was an increase of 0.3%.

NET DEBT AS A PERCENTAGE OF GROSS STATE PRODUCT (GSP)



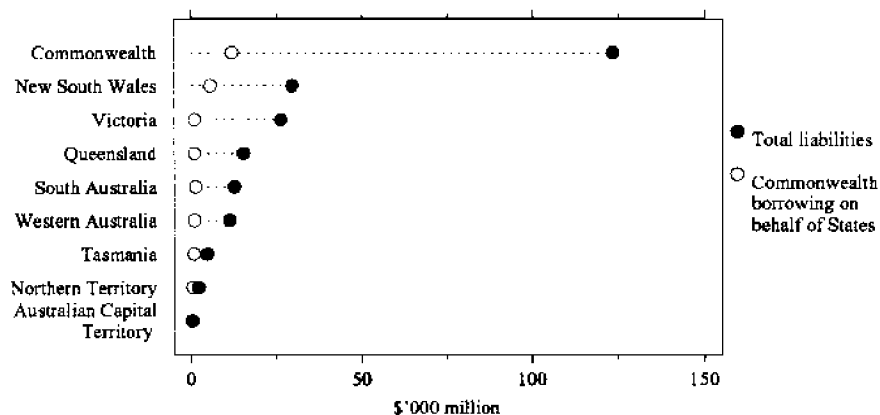
Note: Where values are the same or very close, only one 'dot' appears in the graph.

COMMONWEALTH
ADVANCES

Commonwealth Government liabilities at 30 June 1996 included \$11,965 million borrowed on behalf of the State/Territory and local governments. This comprised 9.7% of Commonwealth liabilities, compared to 11.4% at 30 June 1995.

Amounts outstanding on advances received by State/Territory and local governments from the Commonwealth as a percentage of total State/Territory and local government liabilities, increased slightly from 11.9% at 30 June 1995 to 12.0% at 30 June 1996.

COMMONWEALTH BORROWING ON BEHALF OF STATE/TERRITORY
AND LOCAL GOVERNMENT AND TOTAL LIABILITIES AT 30 JUNE 1996



Note: Where values are the same or very close, only one 'dot' appears in the graph.

1

FINANCIAL ASSETS AND LIABILITIES OF COMMONWEALTH GOVERNMENT, STATE/TERRITORY AND LOCAL GOVERNMENTS(a)

Item	Commonwealth Government and State/Territory Governments				
	General government	Public trading enterprises	Commonwealth Government and State/Territory Governments	Local governments	Commonwealth Government State/Territory and local governments
	\$m	\$m	\$m	\$m	\$m
AT 30 JUNE 1995					
Liabilities					
Deposits held	4 877	448	2 796	103	2 353
Advances received	—	10 051	—	116	—
Other borrowings(b)	180 960	48 822	209 153	6 255	215 255
Gross debt	165 837	59 321	211 949	6 474	217 608
Financial assets					
Cash and deposits	7 601	4 061	9 524	1 777	10 755
Advances paid	13 396	1 179	6 211	53	6 147
Other lending(c)	27 913	7 797	32 996	28	32 871
Total cash, deposits and lending	48 909	13 037	48 731	1 858	49 773
Net debt(d)	116 928	46 284	163 218	4 616	167 834
Unfunded employee entitlements	118 341	7 113	125 454	n.a.	n.a.
AT 30 JUNE 1996					
Liabilities					
Deposits held	5 302	518	3 690	182	3 344
Advances received	—	8 354	—	147	—
Other borrowings(b)	155 667	41 783	198 551	5 818	204 326
Gross debt	160 969	50 654	202 242	6 148	207 671
Financial assets					
Cash and deposits	6 659	4 430	8 960	1 943	10 375
Advances paid	11 438	1 186	6 601	49	6 503
Other lending(c)	26 431	4 791	29 991	29	29 976
Total cash, deposits and lending	44 529	10 406	45 552	2 021	46 855
Net debt(d)	116 440	40 248	156 689	4 127	160 816
Unfunded employee entitlements	122 596	6 784	129 380	n.a.	n.a.
<p>(a) Totals down and across do not always add because holdings of assets and liabilities between categories/sectors cancel out (see paragraphs 23 to 26 of the Explanatory Notes).</p> <p>(b) Includes finance leases, loans and debt securities and derivatives in a net liability position. Excludes accounts payable and prepayments.</p> <p>(c) Includes loans and debt securities and derivatives in a net asset position. Excludes accounts receivable, prepayments and equities.</p> <p>(d) Gross debt less Total cash, deposits and lending.</p>					

2 FINANCIAL ASSETS AND LIABILITIES OF STATE/TERRITORY AND LOCAL GOVERNMENTS(a)

Item	State/Territory Governments				State/Territory and local governments
	General government	Public trading enterprises	State/Territory Governments	Local governments	
	\$m	\$m	\$m	\$m	\$m
AT 30 JUNE 1995					
Liabilities					
Deposits held	4 587	448	2 906	1 027	2 463
Advances received	12 588	8 549	13 810	116	13 811
Other borrowings(b)	59 951	34 763	93 596	6 255	99 699
Gross debt	77 126	43 760	110 312	6 474	115 972
Financial assets					
Cash and deposits	5 151	3 408	6 821	1 777	8 052
Advances paid	8 920	1 179	2 692	53	2 630
Other lending(c)	29 329	2 387	30 279	28	30 155
Total cash, deposits and lending	43 400	6 974	39 793	1 858	40 837
Net debt(d)	33 726	36 786	70 519	4 616	75 135
Unfunded employee entitlements	50 835	6 418	57 252	n.a.	n.a.
AT 30 JUNE 1996					
Liabilities					
Deposits held	4 895	518	3 282	182	2 936
Advances received	9 419	7 419	11 964	147	11 965
Other borrowings(b)	48 068	31 558	78 478	5 818	84 253
Gross debt	62 382	39 495	93 724	6 148	99 154
Financial assets					
Cash and deposits	4 754	3 594	6 219	1 943	7 634
Advances paid	6 497	1 186	2 624	49	2 527
Other lending(c)	27 891	2 356	29 282	29	29 267
Total cash, deposits and lending	39 143	7 135	38 124	2 021	39 428
Net debt(d)	23 239	32 359	55 600	4 127	59 726
Unfunded employee entitlements	53 849	6 089	59 937	n.a.	n.a.
(a)	Totals down and across do not always add because holdings of assets and liabilities between categories/sectors cancel out (see paragraphs 23 to 26 of the Explanatory Notes).				
(b)	Includes finance leases, loans and debt securities and derivatives in a net liability position. Excludes accounts payable and prepayments.				
(c)	Includes loans and debt securities and derivatives in a net asset position. Excludes accounts receivable, prepayments and equities.				
(d)	Gross debt less Total cash, deposits and lending.				

3

FINANCIAL ASSETS AND LIABILITIES OF COMMONWEALTH GOVERNMENT(a)

Item	Commonwealth Government		
	General government	Public trading enterprises	Commonwealth Government
	\$m	\$m	\$m
AT 30 JUNE 1995			
Liabilities			
Deposits held	290	—	290
Advances received	—	1 501	—
Other borrowings(b)	107 209	14 070	121 239
Gross debt	107 499	15 572	121 529
Financial assets			
Cash and deposits	2 450	653	3 103
Advances paid	11 608	—	10 650
Other lending(c)	10 239	5 421	15 077
Total cash, deposits and lending	24 297	6 074	28 830
Net debt(d)	83 202	9 498	92 699
Unfunded employee entitlements	67 507	695	68 202
AT 30 JUNE 1996			
Liabilities			
Deposits held	411	—	411
Advances received	—	935	—
Other borrowings(b)	112 582	10 236	122 763
Gross debt	112 993	11 171	123 174
Financial assets			
Cash and deposits	1 908	836	2 744
Advances paid	11 940	—	10 977
Other lending(c)	5 943	2 446	8 364
Total cash, deposits and lending	19 792	3 282	22 085
Net debt(d)	93 201	7 889	101 090
Unfunded employee entitlements	68 748	695	69 443
(a) Totals down and across do not always add because holdings of assets and liabilities between categories/sectors cancel out (see paragraphs 23 to 26 of the Explanatory Notes).			
(b) Includes finance leases, loans and debt securities and derivatives in a net liability position. Excludes accounts payable and prepayments.			
(c) Includes loans and debt securities and derivatives in a net asset position. Excludes accounts receivable, prepayments and equities.			
(d) Gross debt less Total cash, deposits and lending.			

4

FINANCIAL ASSETS AND LIABILITIES OF NEW SOUTH WALES GOVERNMENTS(a)

Item	State/Territory Government				
	General government	Public trading enterprises	State Government	Local government	State and local government
	\$m	\$m	\$m	\$m	\$m
AT 30 JUNE 1995					
Liabilities					
Deposits held	757	126	619	24	643
Advances received	3 894	1 636	3 931	46	3 974
Other borrowings(b)	19 187	7 780	26 640	1 716	28 351
Gross debt	23 838	9 543	31 190	1 787	32 968
Financial assets					
Cash and deposits	3 777	1 163	4 676	548	5 224
Advances paid	1 900	0	301	—	298
Other lending(c)	6 083	1 208	6 964	—	6 958
Total cash, deposits and lending	11 760	2 371	11 941	548	12 480
Net debt(d)	12 078	7 172	19 249	1 239	20 489
Unfunded employee entitlements	14 816	3 205	18 021	n.a.	n.a.
AT 30 JUNE 1996					
Liabilities					
Deposits held	1 127	194	944	104	1 048
Advances received	4 090	1 500	5 586	44	5 629
Other borrowings(b)	12 219	9 294	21 324	1 697	23 017
Gross debt	17 436	10 989	27 854	1 845	29 694
Financial assets					
Cash and deposits	3 207	1 318	4 148	624	4 773
Advances paid	479	1	476	—	475
Other lending(c)	3 592	1 244	4 648	—	4 643
Total cash, deposits and lending	7 279	2 564	9 272	624	9 891
Net debt(d)	10 157	8 425	18 582	1 221	19 803
Unfunded employee entitlements	15 985	3 159	19 144	n.a.	n.a.

(a) Totals down and across do not always add because holdings of assets and liabilities between categories/sectors cancel out (see paragraphs 23 to 26 of the Explanatory Notes).

(b) Includes finance leases, loans and debt securities and derivatives in a net liability position. Excludes accounts payable and prepayments.

(c) Includes loans and debt securities and derivatives in a net asset position. Excludes accounts receivable, prepayments and equities.

(d) Gross debt less Total cash, deposits and lending.

<i>State/Territory Government</i>					
<i>Item</i>	<i>General government</i>	<i>Public trading enterprises</i>	<i>State Government</i>	<i>Local government</i>	<i>State and local government</i>
	\$m	\$m	\$m	\$m	\$m
AT 30 JUNE 1995					
Liabilities					
Deposits held	789	81	357	39	278
Advances received	2 726	1 606	2 844	1	2 845
Other borrowings(b)	20 375	12 348	32 308	752	33 043
<i>Gross debt</i>	<i>23 890</i>	<i>14 035</i>	<i>35 510</i>	<i>793</i>	<i>36 166</i>
Financial assets					
Cash and deposits	528	489	903	119	903
Advances paid	1 612	386	429	2	431
Other lending(c)	2 956	318	2 540	—	2 523
<i>Total cash, deposits and lending</i>	<i>5 096</i>	<i>1 192</i>	<i>3 873</i>	<i>121</i>	<i>3 857</i>
Net debt(d)	18 794	12 843	31 637	672	32 309
Unfunded employee entitlements	16 782	713	17 495	173	17 668
AT 30 JUNE 1996					
Liabilities					
Deposits held	675	59	285	36	206
Advances received	962	1 534	967	1	968
Other borrowings(b)	18 048	7 243	24 618	607	25 225
<i>Gross debt</i>	<i>19 684</i>	<i>8 837</i>	<i>25 870</i>	<i>644</i>	<i>26 398</i>
Financial assets					
Cash and deposits	614	767	935	116	935
Advances paid	1 738	421	445	1	446
Other lending(c)	4 070	293	3 874	—	3 874
<i>Total cash, deposits and lending</i>	<i>6 423</i>	<i>1 482</i>	<i>5 253</i>	<i>117</i>	<i>5 254</i>
Net debt(d)	13 261	7 355	20 617	527	21 144
Unfunded employee entitlements	16 988	527	17 515	170	17 685
<p>(a) Totals down and across do not always add because holdings of assets and liabilities between categories/sectors cancel out (see paragraphs 23 to 26 of the Explanatory Notes).</p> <p>(b) Includes finance leases, loans and debt securities and derivatives in a net liability position. Excludes accounts payable and prepayments.</p> <p>(c) Includes loans and debt securities and derivatives in a net asset position. Excludes accounts receivable, prepayments and equities.</p> <p>(d) Gross debt less Total cash, deposits and lending.</p>					

6

FINANCIAL ASSETS AND LIABILITIES OF QUEENSLAND GOVERNMENTS(a)

<i>State/Territory Government</i>					
<i>Item</i>	<i>General government</i>	<i>Public trading enterprises</i>	<i>State Government</i>	<i>Local government</i>	<i>State and local government</i>
	\$m	\$m	\$m	\$m	\$m
AT 30 JUNE 1995					
Liabilities					
Deposits held	1 379	187	1 058	—	843
Advances received	2 163	734	2 163	14	2 170
Other borrowings(b)	5 520	6 279	11 799	2 867	14 665
Gross debt	9 062	7 199	15 020	2 881	17 678
Financial assets					
Cash and deposits	224	750	466	412	663
Advances paid	901	274	442	—	435
Other lending(c)	15 136	307	15 442	—	15 442
Total cash, deposits and lending	16 261	1 331	16 350	412	16 540
Net debt(d)	-7 199	5 868	-1 331	2 468	1 137
Unfunded employee entitlements	7 351	452	7 803	n.a.	n.a.
AT 30 JUNE 1996					
Liabilities					
Deposits held	1 467	202	1 108	—	878
Advances received	1 095	738	1 095	13	1 102
Other borrowings(b)	4 474	6 139	10 613	2 853	13 467
Gross debt	7 036	7 079	12 816	2 867	15 447
Financial assets					
Cash and deposits	223	617	279	410	459
Advances paid	922	240	424	—	418
Other lending(c)	14 247	322	14 569	—	14 569
Total cash, deposits and lending	15 392	1 180	15 271	410	15 445
Net debt(d)	-8 355	5 900	-2 456	2 457	1
Unfunded employee entitlements	7 966	457	8 423	n.a.	n.a.

(a) Totals down and across do not always add because holdings of assets and liabilities between categories/sectors cancel out (see paragraphs 23 to 26 of the Explanatory Notes).

(b) Includes finance leases, loans and debt securities and derivatives in a net liability position. Excludes accounts payable and prepayments.

(c) Includes loans and debt securities and derivatives in a net asset position. Excludes accounts receivable, prepayments and equities.

(d) Gross debt less Total cash, deposits and lending.

<i>State/Territory Government</i>					
<i>Item</i>	<i>General government</i>	<i>Public trading enterprises</i>	<i>State Government</i>	<i>Local government</i>	<i>State and local government</i>
	\$m	\$m	\$m	\$m	\$m
AT 30 JUNE 1995					
Liabilities					
Deposits held	519	37	415	37	312
Advances received	1 498	2 144	1 503	52	1 553
Other borrowings(b)	10 815	1 094	11 907	571	12 414
Gross debt	12 833	3 275	13 825	659	14 279
Financial assets					
Cash and deposits	267	190	318	230	406
Advances paid	2 388	18	266	30	295
Other lending(c)	4 695	38	4 732	—	4 668
Total cash, deposits and lending	7 351	246	5 314	260	5 368
Net debt(d)	5 482	3 029	8 511	400	8 911
Unfunded employee entitlements	4 627	526	5 153	55	5 208
AT 30 JUNE 1996					
Liabilities					
Deposits held	700	51	587	39	473
Advances received	1 402	1 387	1 406	28	1 433
Other borrowings(b)	8 610	1 726	10 334	377	10 707
Gross debt	10 712	3 163	12 327	444	12 613
Financial assets					
Cash and deposits	288	187	311	188	346
Advances paid	1 645	8	270	26	295
Other lending(c)	3 946	49	3 993	—	3 989
Total cash, deposits and lending	5 879	243	4 574	214	4 630
Net debt(d)	4 833	2 920	7 753	230	7 983
Unfunded employee entitlements	4 821	520	5 341	60	5 401

(a) Totals down and across do not always add because holdings of assets and liabilities between categories/sectors cancel out (see paragraphs 23 to 26 of the Explanatory Notes).

(b) Includes finance leases, loans and debt securities and derivatives in a net liability position. Excludes accounts payable and prepayments.

(c) Includes loans and debt securities and derivatives in a net asset position. Excludes accounts receivable, prepayments and equities.

(d) Gross debt less Total cash, deposits and lending.

<i>State/Territory Government</i>					
<i>Item</i>	<i>General government</i>	<i>Public trading enterprises</i>	<i>State Government</i>	<i>Local government</i>	<i>State and local government</i>
	\$m	\$m	\$m	\$m	\$m
AT 30 JUNE 1995					
Liabilities					
Deposits held	858	8	122	—	122
Advances received	736	1 364	1 416	—	1 414
Other borrowings(b)	5 036	5 092	10 111	142	10 253
Gross debt	6 430	6 464	11 649	142	11 790
Financial assets					
Cash and deposits	131	594	181	343	524
Advances paid	1 063	313	692	18	708
Other lending(c)	2 771	417	3 171	—	3 171
Total cash, deposits and lending	3 965	1 324	4 044	361	4 404
Net debt(d)	2 465	5 140	7 605	-219	7 386
Unfunded employee entitlements	4 144	1 096	5 240	n.a.	n.a.
AT 30 JUNE 1996					
Liabilities					
Deposits held	469	6	67	—	67
Advances received	453	1 259	1 124	—	1 122
Other borrowings(b)	5 051	5 040	10 083	138	10 221
Gross debt	5 972	6 305	11 273	138	11 409
Financial assets					
Cash and deposits	150	476	218	477	695
Advances paid	763	322	496	18	512
Other lending(c)	3 894	350	4 236	—	4 236
Total cash, deposits and lending	4 807	1 148	4 951	495	5 444
Net debt(d)	1 165	5 157	6 323	-357	5 966
Unfunded employee entitlements	4 658	991	5 648	n.a.	n.a.

(a) Totals down and across do not always add because holdings of assets and liabilities between categories/sectors cancel out (see paragraphs 23 to 26 of the Explanatory Notes).

(b) Includes finance leases, loans and debt securities and derivatives in a net liability position. Excludes accounts payable and prepayments.

(c) Includes loans and debt securities and derivatives in a net asset position. Excludes accounts receivable, prepayments and equities.

(d) Gross debt less Total cash, deposits and lending.

Item	State/Territory Government				
	General government	Public trading enterprises	State Government	Local government	State and local government
	\$m	\$m	\$m	\$m	\$m
AT 30 JUNE 1995					
Liabilities					
Deposits held	411	8	309	2	274
Advances received	929	665	930	3	931
Other borrowings(b)	2 339	1 554	3 832	176	3 996
Gross debt	3 680	2 228	5 071	181	5 201
Financial assets					
Cash and deposits	17	147	53	120	137
Advances paid	808	26	170	3	171
Other lending(c)	1 494	88	1 520	—	1 509
Total cash, deposits and lending	2 319	261	1 743	123	1 816
Net debt(d)	1 361	1 966	3 327	57	3 385
Unfunded employee entitlements	1 468	335	1 803	n.a.	n.a.
AT 30 JUNE 1996					
Liabilities					
Deposits held	341	4	261	3	233
Advances received	852	615	853	4	854
Other borrowings(b)	2 099	1 493	3 553	167	3 710
Gross debt	3 292	2 111	4 667	174	4 797
Financial assets					
Cash and deposits	79	113	108	121	199
Advances paid	733	26	146	5	147
Other lending(c)	1 089	81	1 131	—	1 120
Total cash, deposits and lending	1 901	220	1 384	126	1 466
Net debt(d)	1 391	1 891	3 283	48	3 331
Unfunded employee entitlements	1 479	324	1 803	n.a.	n.a.

(a) Totals down and across do not always add because holdings of assets and liabilities between categories/sectors cancel out (see paragraphs 23 to 26 of the Explanatory Notes).

(b) Includes finance leases, loans and debt securities and derivatives in a net liability position. Excludes accounts payable and prepayments.

(c) Includes loans and debt securities and derivatives in a net asset position. Excludes accounts receivable, prepayments and equities.

(d) Gross debt less Total cash, deposits and lending.

10 FINANCIAL ASSETS AND LIABILITIES OF NORTHERN TERRITORY GOVERNMENTS(a)

<i>State/Territory Government</i>					
<i>Item</i>	<i>General government</i>	<i>Public trading enterprises</i>	<i>State Government</i>	<i>Local government</i>	<i>State and local government</i>
	\$m	\$m	\$m	\$m	\$m
AT 30 JUNE 1995					
Liabilities					
Deposits held	74	1	25	1	25
Advances received	615	—	598	18	598
Other borrowings(b)	878	611	1 488	13	1 501
Gross debt	1 566	612	2 111	32	2 124
Financial assets					
Cash and deposits	146	50	146	5	151
Advances paid	238	37	257	—	239
Other lending(c)	301	1	301	28	329
Total cash, deposits and lending	684	87	704	33	719
Net debt(d)	882	525	1 407	-1	1 406
Unfunded employee entitlements	951	5	956	3	959
AT 30 JUNE 1996					
Liabilities					
Deposits held	116	1	31	1	32
Advances received	551	—	534	18	527
Other borrowings(b)	964	619	1 582	17	1 600
Gross debt	1 631	620	2 148	36	2 159
Financial assets					
Cash and deposits	155	86	155	7	162
Advances paid	228	36	248	—	223
Other lending(c)	394	1	394	29	422
Total cash, deposits and lending	777	123	796	36	807
Net debt(d)	854	497	1 351	—	1 352
Unfunded employee entitlements	1 044	4	1 049	5	1 053
<p>(a) Totals down and across do not always add because holdings of assets and liabilities between categories/sectors cancel out (see paragraphs 23 to 26 of the Explanatory Notes).</p> <p>(b) Includes finance leases, loans and debt securities and derivatives in a net liability position. Excludes accounts payable and prepayments.</p> <p>(c) Includes loans and debt securities and derivatives in a net asset position. Excludes accounts receivable, prepayments and equities.</p> <p>(d) Gross debt less Total cash, deposits and lending.</p>					

11 FINANCIAL ASSETS AND LIABILITIES OF AUSTRALIAN CAPITAL TERRITORY GOVERNMENT(a)

Item	Territory Government		
	General government	Public trading enterprises	Territory government
	\$m	\$m	\$m
AT 30 JUNE 1995			
Liabilities			
Deposits held	—	—	—
Advances received	27	400	425
Other borrowings(b)	171	6	177
Gross debt	198	406	603
Financial assets			
Cash and deposits	63	25	80
Advances paid	9	125	134
Other lending(c)	265	12	277
Total cash, deposits and lending	337	162	491
Net debt(d)	-138	244	112
Unfunded employee entitlements	696	85	781
AT 30 JUNE 1996			
Liabilities			
Deposits held	—	—	—
Advances received	27	386	411
Other borrowings(b)	231	5	236
Gross debt	257	391	647
Financial assets			
Cash and deposits	38	28	65
Advances paid	—	132	132
Other lending(c)	285	17	303
Total cash, deposits and lending	324	178	500
Net debt(d)	-67	214	147
Unfunded employee entitlements	908	107	1 015

(a) Totals down and across do not always add because holdings of assets and liabilities between categories/sectors cancel out (see paragraphs 23 to 26 of the Explanatory Notes).

(b) Includes finance leases, loans and debt securities and derivatives in a net liability position. Excludes accounts payable and prepayments.

(c) Includes loans and debt securities and derivatives in a net asset position. Excludes accounts receivable, prepayments and equities.

(d) Gross debt less Total cash, deposits and lending.

EXPLANATORY NOTES

INTRODUCTION

1 This publication provides statistics on selected financial assets and liabilities of the Australian non-financial public sector. The sector comprises all bodies owned or controlled by the Commonwealth Government, State/Territory and local governments with the exception of government financial institutions (government banks and insurance offices). The statistics encompass all lending and borrowing undertaken by Australian governments, as well as all deposits they have made or held. The statistics exclude accounts payable/receivable, assets representing equity in other organisations and the equity of public trading enterprises. Statistics on unfunded employee entitlements are published as separate items and are not included in the calculation of gross or net debt.

2 Statistics are listed for deposits held, advances received, other borrowings, cash and deposits, advances paid, and other lending, and for the net debt of governments in relation to these categories, as at 30 June 1995 and 30 June 1996. Statistics are presented on a level of government basis and by Commonwealth or State/Territory and local jurisdiction. All tables also contain an institutional sector dissection (general government, public trading enterprises).

SCOPE

3 The statistics in this publication cover public trading enterprises and general government bodies owned or controlled by the Commonwealth Government, State and local governments. Public trading enterprises are undertakings which aim to recover a substantial proportion of their expenses by revenue from the sale of goods and services. General government bodies are all the agencies of government not classified as either public trading enterprises or financial enterprises (see paragraph 4), that is, all government departments, offices and other bodies engaged in providing services free of charge or at prices significantly below their cost of production. The central borrowing authorities (CBAs) of State Governments are included within general government.

4 Public financial enterprises are bodies primarily engaged in financial transactions in the market involving both the incurring of liabilities and the acquisition of financial assets. The Australian Bureau of Statistics (ABS) treats all State/Territory housing finance schemes as financial institutions. All public financial enterprises are excluded from the scope of public sector financial asset and liability statistics because a large part of their operations is considered to have little in common with the operations of the non-financial public sector.

INTERSTATE COMPARISONS

5 Comparisons of financial asset and liability statistics for State/Territory Governments may be significantly affected by differences between jurisdictions in the mix of operations undertaken by State Governments and local governments, with consequent differences in the distribution of debt between these two sectors. Statistics are provided for the combined State/Territory and local government sectors for each jurisdiction to eliminate this factor from interstate comparisons.

6 Some financial assets such as accounts receivable and equity are not included in the calculation of net debt (which is derived by subtracting financial assets from liabilities). As a consequence, differences between the net debt of State/Territory Governments may reflect differences in the extent to which governments have chosen to hold in-scope financial assets rather than non-financial assets, such as equity in public trading enterprises, other enterprises, building or equipment or other out-of-scope financial assets.

- REVISIONS** **7** Public sector financial asset and liability statistics are revised progressively as new or improved data become available. For this reason differences can occur between equivalent aggregates at different times.
- DATA SOURCES** **8** The statistics on Commonwealth Government and State/Territory Governments' financial assets and liabilities shown in this publication are based mostly on data supplied by Commonwealth Government and State/Territory Governments and used by them in compiling financial asset and liability statistics for inclusion in their budget documentation. Data for Commonwealth Public Trading Enterprises are collected by the ABS.
- 9** Estimates of local government debt were derived from data supplied by local government authorities.
- VALUATION** **10** The statistics are compiled on the basis of historical capital value which is defined as: '...the present value of the cash flows associated with the service and eventual payment of monetary assets and liabilities, such present value being determined by discounting the cash flows at the rate of interest implicit in the original contract or other arrangement'.
- 11** In some cases jurisdictions were not able to supply data on a strict 'historical capital value' basis, for example where financial assets and liabilities are only valued at market value. In such cases the closest valuation available to 'historical capital value' was used as a proxy for the correct valuation.
- 12** Note that where financial assets or liabilities were held in foreign currencies they have been converted to Australian currency using the published Reserve Bank exchange rate at 30 June for the relevant year.
- 13** Statistics for public sector debt for 1987 and 1988 were compiled on the basis of face value for liabilities and acquisition cost for financial assets. Face value is the value to be repaid or, in the case of securities, the nominal value shown on the security. Acquisition cost is the cost actually incurred in acquiring a financial asset. A link tabulation showing the relationship between financial assets and liabilities, and net debt compiled on a face value/acquisition cost versus a present value basis at 30 June 1989 and 30 June 1990 was published in the 30 June 1990 issue of *Public Sector Debt, Australia* (5513.0).
- CONCEPTS AND DEFINITIONS** **14** Liabilities included in this publication include all liabilities of the non-financial public sector except contingent liabilities, liabilities related to trade credit and other accounts payable. Liabilities include lease liabilities under finance leases or similar arrangements and repayable amounts held as security deposits. Moneys held on trust (excluding employee superannuation contributions) are included both as assets and liabilities of government. Coin on issue is not included as a liability of government. Liabilities due to unfunded employee entitlements are shown as separate items and not included in gross or net debt.
- 15** Financial assets cover the financial claims of the non-financial public sector on other organisations (including other government authorities and overseas organisations) and households, excluding shares and other equity and financial assets related to trade credit and accounts receivable. Financial assets are shown gross of provisions for doubtful debts.
- CLASSIFICATIONS** **16** Two types of classifications are used in this publication — unit classifications and classifications of financial assets and liabilities.

Unit classifications

17 Unit classifications apply to the organisations and enterprises reporting financial assets and liabilities. The classified units make up the various sub-sectors of the non-financial public sector for which statistics are presented. The unit classifications are:

- Level of government — Commonwealth, State/Territory or local;
- State of jurisdiction — Commonwealth Government or State/Territory Governments owning and controlling the unit, and State/Territory in which the local government authorities are located; and
- Institutional sector — distinguishes between public trading enterprises and general government bodies (see definitions in paragraph 3).

18 The unit classifications used in public sector financial asset and liability statistics are identical with the equivalent classifications used in government finance statistics.

Classifications of assets and liabilities

19 Financial assets and liabilities are classified into six categories (three each) according to the type of financial asset or liability. The types of financial assets and liabilities recognised in the statistics are:

- Liabilities
 - ♦ Deposits held — Liability resulting from the holding of deposits from other public sector or private bodies. Superannuation and other employee-related trust fund balances are excluded (from both financial assets and liabilities) but other trust fund balances and security deposits are included.
 - ♦ Advances received — Loans that have been motivated by policy rather than liquidity management considerations; as a general rule, all loans received from general government bodies, except some loans from central borrowing authorities, are deemed to be for policy purposes; loans received from central borrowing authorities as part of their function of providing financial services to other government authorities are treated as other loans and placements received.
 - ♦ Other borrowings — Loans and placements received, debt securities issued and finance lease liabilities.
 - ♦ Loans and placements received comprise non-negotiable, non-transferable borrowings other than advances; bank overdrafts, credit-foncier and repurchase agreements are included.
 - ♦ Debt securities issued are financial instruments or contracts, other than equity, issued by government authorities that can be transferred by assignment or delivery; certificates of deposit, bills of exchange, promissory notes, Treasury notes and bonds, debentures and long-term notes are included; accounts payable are excluded.
 - ♦ Finance leases are lease arrangements in which most of the risks and benefits of ownership rest with the lessee; all leases defined as finance leases under Australian Accounting Standard number 17 are included, but other leases not so defined are included where the economic effect is the same as a finance lease.

▪ Financial assets

- ♦ Cash and Deposits — Notes and coin on hand and funds held in the form of accounts with financial institutions, other government authorities, etc. which are recoverable or transferable on demand or at relatively short notice.
- ♦ Advances paid — Loans made that have been motivated by policy rather than liquidity management considerations; as a general rule, all loans made by general government to other government bodies, except some loans made by central borrowing authorities, are deemed to be for policy purposes; loans made by central borrowing authorities as part of their function of providing financial services to other government authorities are netted off their loan liabilities.
- ♦ Other lending — Loans and placements made and debt securities held
- ♦ Loans and placements made — Non-negotiable, non-transferable lending, other than advances; credit-foncier loans and repurchase agreements are included.
- ♦ Debt securities held — Financial instruments or contracts, other than equity, held by government authorities, that can be transferred by assignment or delivery; certificates of deposit, bills of exchange, promissory notes, Treasury notes and bonds, debentures and long-term trade credit are included; accounts receivable are excluded. Loans made by central borrowing authorities as part of their function of providing financial services to other government authorities are not included as financial assets but are netted off their loan liabilities.

UNFUNDED EMPLOYEE
ENTITLEMENTS

20 The May 1991 Premiers' Conference resolution on uniform presentation of government financial information requires each jurisdiction to include information on unfunded employee entitlements in their budget documents. The information available is reproduced without amendment in this publication. Information is also provided where available on unfunded employee entitlements for local governments. Liabilities for employee entitlements are the accrued liability of employers to pay future benefits to employees including superannuation, sick leave paid on resignation or retirement, recreation leave, long service leave, workers compensation (where the benefits are paid by the employer and not by a separate insurer) and accrued wages and salaries. Liabilities are 'unfunded' if money has not been paid into a separately constituted fund to provide for their future payment (provisions made, or funds otherwise set aside, that are nevertheless available for other uses by the employers do not constitute 'funding' of the liability).

21 Unfunded employee entitlements are generally valued at the present value of actuarially determined future benefit payments attributable to the employees' service to the reference date and discounted at a market interest rate.

22 The information reproduced in this publication on unfunded employee entitlements may not conform precisely with this definition due to insufficient information being available. The reader should refer to the budget documents of individual jurisdictions to determine the definitions applied.

CONSOLIDATION

23 To compile statistics about the financial assets and liabilities for a particular level of government, or any other grouping of public sector units, financial assets and liabilities held with other units within the chosen grouping have to be matched and eliminated to avoid double counting. The process of matching and eliminating the financial assets and liabilities within the chosen group is known as consolidation.

24 The consolidation process would ideally match an organisation's liabilities to the corresponding assets of other organisations in the same sector. In practice, organisations incurring liabilities do not always know the current holder of the claim against them (e.g. if the liabilities are marketed securities).

25 Therefore, only asset holders can reliably identify the other party to the financial transactions. They supply the names of other public sector organisations against which they hold claims so that the sector of the organisation against which the claims are held can be identified. The value of the assets concerned is omitted from consolidated totals of assets for each sector concerned. The same amount is then deducted in arriving at consolidated totals of liabilities for the sectors (i.e. without attempting to match the individual assets to individual liabilities). In this process, a correspondence is assumed between each of the three different types of financial asset and liability categories as follows:

- deposits held/cash and deposits;
- advances received/advances paid; and
- other lending/other borrowings.

26 In the case of lending by central borrowing authorities to other organisations within the government and local governments in the same State/Territory, normal consolidation rules are not applied. Instead, the value of amounts lent to such organisations is netted off against the amounts borrowed by the CBA. This is done because the jurisdictions consider that inclusion of the gross amounts borrowed and on-lent by the CBAs would give an exaggerated and inappropriate view of the value of assets and liabilities of the State general government sectors.

RELATIONSHIP TO GOVERNMENT FINANCE STATISTICS (GFS)

27 Public sector financial asset and liability statistics show the stock of financial assets and liabilities of the non-financial public sector at the end of the fiscal year, whereas government finance statistics show the transactions (flows) undertaken by the non-financial public sector during the year. The relationship between public sector debt categories and the GFS economic transaction framework (ETF) classification is as follows:

- Assets
 - ♦ Cash and deposits — ETF 46 Increase in currency and deposits
 - ♦ Advances paid — ETF 25 (part) Advances paid excluding purchases/sales of equity
 - ♦ Other lending — ETF 45 (part) Increase in investments excluding investments of employee superannuation funds and other employee related trust funds.

▪ Liabilities

- ♦ Deposits held — ETF 44 (part) Deposits received (net), excluding employee related trust funds.
- ♦ Advances received — ETF 41 (part) Advances received excluding increases/decreases in equity capital.
- ♦ Other borrowings — ETF 42 Domestic borrowing (net) and ETF 43 borrowing from abroad (net).

28 However, changes in the levels of financial assets and liabilities can also be affected by revaluations and debt transfers which do not appear in the transaction (flow) data. The valuation basis used for financial asset and liability statistics (historical capital value) is also different from the accounting basis of flow statistics for general government, namely cash accounting. For these reasons, full reconciliation between changes in financial asset and liability levels and corresponding flow statistics cannot be carried out.

RELATIONSHIP TO FOREIGN
DEBT STATISTICS

29 Public sector financial asset and liability statistics shown in this publication are not strictly comparable with foreign debt statistics shown in ABS international investment publications.

30 A significant conceptual difference exists between the treatment of debt of CBAs in financial asset and liability statistics and in international investment publications. The convention adopted in government finance statistics and in financial asset and liability statistics generally is to net off the on-lending of CBAs to other government authorities in the same State from CBA borrowing (see paragraphs 19 and 26). In international investment statistics the debt of CBAs includes the full amounts borrowed from non-residents, regardless of whether overseas funds have been on-lent to other government authorities or invested with organisations outside the public sector.

31 Public sector financial asset and liability statistics are compiled using valuations based on historical capital value for liabilities and financial assets. In contrast, international investment statistics are compiled using market valuations for both assets and liabilities.

32 Because of these differences, the financial asset and liability statistics provided in this publication are not fully consistent with debt statistics provided in international investment publications.

33 As well as these conceptual differences, financial asset and liability statistics exclude public financial enterprises whereas these enterprises are included within the public sector in international investment statistics. While separate information on public financial enterprises is available for many international investment series, such information is not available for Australian lending abroad and net foreign debt.

RELATIONSHIP TO FINANCIAL
ACCOUNTS STATISTICS

34 Statistics presented in this publication are broadly comparable to statistics published for the financial asset and liabilities of the non-financial public sector in *Australian National Accounts: Financial Accounts* (5232.0). In practice, comparison will produce different results due to different valuation practices, timing differences, and classification differences.

CHANGES IN THIS ISSUE

35 An additional column has been inserted in tables 1, 2, and 4–10 to present local government data separately.

RELATED PUBLICATIONS

36 The following publications contain related information:

Australian National Accounts: Financial Accounts (5232.0) — issued quarterly

Australian National Accounts: State Accounts (5220.0) — issued annually

Balance of Payments and International Investment Position, Australia (5363.0) — issued annually

Government Financial Estimates, Australia (5501.0) — issued annually

Government Finance Statistics, Australia (5512.0) — issued annually

Government Finance Statistics Australia: Concepts, Sources and Methods (5514.0) — issued January 1995

International Investment Position, Australia (5306.0) — issued quarterly

SYMBOLS AND OTHER
USAGES

n.a.	not available
...	not applicable
—	nil or rounded down to zero

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