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# GOVERNMENT FINANCE STATISTICS

AUSTRALIA

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## INQUIRIES

For further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070 or Mark Patton on Canberra (02) 6252 7589.

# NOTES

## ABOUT THIS PUBLICATION

This publication presents government finance statistics (GFS) on an accrual accounting basis for each jurisdiction for general government, the non-financial public sector and the total public sector as follows:

- Operating statements for 2005-06;
- Cash flow statements for 2005-06; and
- Balance sheets at 30 June 2006.

Data for public non-financial corporations and public financial corporations are available on the ABS web site along with other time series tables.

Users interested in quarterly GFS data for the current financial year should refer to *Government Finance Statistics, Australia, Quarterly* (Cat. no. 5519.0.55.001).

Information presented by the ABS in this release may differ from that published by the various jurisdictions for a variety of reasons. For further information please see paragraphs 47 to 49 in the Explanatory Notes.

## ABOUT THIS ISSUE

The new Australian equivalents to International Financial Reporting Standards (AIFRS) began to be progressively implemented in Australia from 1 January 2005. All Australian governments adopted AIFRS for financial reporting for the financial year 2005-06. As GFS data is sourced primarily from the same underlying accounting and budgetary systems that each jurisdiction uses for financial reporting, some impacts have observed mainly in the accrual-based GFS statements. Details of the changes and the impacts on GFS are further discussed in Technical Note - Impact of AIFRS on GFS on page 49.

## TERMINOLOGY

Within GFS the consolidated total of the general government and the public non-financial corporations sectors is referred to as the 'non-financial public sector'. The consolidated total of the general government, the public non-financial corporations and the public financial corporations sectors is referred to as the 'total public sector'

In this publication, the term 'state' includes the two territories. Therefore 'state' refers to 'state and territory' and 'state and local' refers to 'state, territory and local'.



## ABBREVIATIONS

ABS	Australian Bureau of Statistics
ASNA	Australian System of National Accounts
GDP	gross domestic product
GFS	Government Finance Statistics
n.e.c.	not elsewhere classified
SNA93	System of National Accounts 1993

Brian Pink  
Australian Statistician

## SUMMARY OF FINDINGS

### ACCRUAL OPERATING RESULTS

The GFS net operating balance for all levels of government in 2005-06 was \$29,141 million for the general government sector and \$30,090 million for the total public sector.

GFS net lending in 2005-06 was \$19,872 million for the general government sector and \$12,629 million for the total public sector.

The following table shows 2005-06 GFS operating statement aggregates by sector across the various levels of government.

### OPERATING RESULTS—2005-06

	<i>General Government</i>	<i>Non-Financial Public Sector</i>	<i>Total public Sector</i>
	\$m	\$m	\$m
<b>All Levels of Government</b>			
GFS Revenue	363 701	410 662	421 703
GFS Expenses	334 560	382 152	391 613
GFS Net Operating Balance	29 141	28 510	30 090
Net acquisition of non-financial assets	9 268	17 490	17 461
GFS Net Lending(+)/Borrowing(-)	19 872	11 021	12 629
<b>Commonwealth Government</b>			
GFS Revenue	260 592	281 960	285 749
GFS Expenses	242 600	265 413	269 005
GFS Net Operating Balance	17 992	16 546	16 744
Net acquisition of non-financial assets	1 434	2 051	2 089
GFS Net Lending(+)/Borrowing(-)	16 558	14 496	14 655
<b>State and Local Government</b>			
GFS Revenue	162 255	187 788	195 074
GFS Expenses	151 443	176 205	182 109
GFS Net Operating Balance	10 812	11 583	12 965
Net acquisition of non-financial assets	7 254	14 820	14 753
GFS Net Lending(+)/Borrowing(-)	3 559	-3 237	-1 788
<b>Multi-jurisdictional(a)</b>			
GFS Revenue	15 366	15 858	15 858
GFS Expenses	14 017	14 463	14 463
GFS Net Operating Balance	1 349	1 395	1 395
Net acquisition of non-financial assets	581	619	619
GFS Net Lending(+)/Borrowing(-)	768	775	775

(a) The multi-jurisdictional sector contains units where jurisdiction is shared between two or more governments, or classification of a unit to a jurisdiction is otherwise unclear. The main types of units currently falling into this category are the public universities.

### CASH OPERATING RESULTS

In 2005-06 the general government sector and total public sector, for all levels of government, recorded surpluses of \$24,577 million and \$19,661 million respectively.

The following table presents the 2005-06 surplus/deficit results by sector for each jurisdiction.

## SUMMARY OF FINDINGS *continued*

### CASH OPERATING RESULTS *continued*

### CASH OPERATING RESULTS—2005-06

	General Government	Non-Financial Public Sector	Total Public Sector
	\$m	\$m	\$m
SURPLUS (+)/DEFICIT (-)			
Commonwealth Government	15 720	14 712	14 655
State and Local Governments			
New South Wales	1 788	776	1 578
Victoria	-221	-1 094	-475
Queensland	4 563	2 199	2 060
South Australia	132	315	481
Western Australia	2 418	986	1 187
Tasmania	211	67	158
Northern Territory	-37	-41	6
Australian Capital Territory	76	85	85
Total	8 931	3 303	5 088
Multi-jurisdictional	1 013	1 003	1 003
<b>Total</b>	<b>24 577</b>	<b>17 933</b>	<b>19 661</b>

### BALANCE SHEET RESULTS

GFS net worth reflects the contribution of governments to the wealth of Australia. The consolidated net worth as at 30 June 2006 for the general government sector for all levels of government was \$628,413 million. The consolidated net worth for the total public sector was \$595,580 million.

The following table presents 30 June 2006 balance sheet aggregates by sector for the various levels of government.

## SUMMARY OF FINDINGS *continued*

### BALANCE SHEET RESULTS *continued*

### BALANCE SHEET RESULTS—AT 30 JUNE 2006

	General Government	Non-Financial Public Sector	Total Public Sector
	\$m	\$m	\$m
<b>All Levels of Government</b>			
Total assets	992 465	1 070 836	1 194 619
Total liabilities	364 053	453 068	577 016
Shares and other contributed capital	—	22 189	22 022
<b>GFS Net worth</b>	<b>628 413</b>	<b>595 580</b>	<b>595 580</b>
<b>Commonwealth Government</b>			
Total assets	196 662	208 159	293 734
Total liabilities	206 849	229 591	315 217
Shares and other contributed capital	—	22 068	22 018
<b>GFS Net worth</b>	<b>-10 187</b>	<b>-43 501</b>	<b>-43 501</b>
<b>State and Local Governments</b>			
Total assets	764 414	829 756	873 354
Total liabilities	154 849	220 189	263 789
<b>GFS Net worth</b>	<b>609 565</b>	<b>609 565</b>	<b>609 565</b>
<b>Multi-jurisdictional(a)</b>			
Total assets	37 609	39 886	39 886
Total liabilities	8 574	9 554	9 554
<b>GFS Net worth</b>	<b>29 035</b>	<b>29 516</b>	<b>29 516</b>

— nil or rounded to zero (including null cells)

(a) The multi-jurisdictional sector contains units where jurisdiction is shared between two or more governments, or classification of a unit to a jurisdiction is otherwise unclear. The main types of units currently falling into this category are public universities.

### TIME SERIES

GFS revenue for the general government sector across all levels of government increased from \$256,822 million in 2000-01 to \$363,701 million in 2005-06. Over the same period GFS expenses have increased from \$249,324 million to \$334,560 million resulting in an increase in the GFS net operating balance from \$7,498 million to \$29,141 million.

Between 30 June 2001 and 30 June 2006 GFS net worth for all levels of government increased by \$245,399 million (64.1%) from \$383,014 million to \$628,413 million.

The following tables show a time series of major aggregates for the general government across different levels of government.

### MAJOR AGGREGATES: GENERAL GOVERNMENT, ALL LEVELS OF GOVERNMENT

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
	\$m	\$m	\$m	\$m	\$m	\$m
GFS Revenue	256 822	262 922	286 303	310 482	336 263	363 701
GFS Expenses	249 324	262 883	274 865	295 052	316 046	334 560
GFS Net Operating Balance	7 498	39	11 437	15 430	20 217	29 141
Net acquisition of non-financial assets	2 994	4 094	3 564	5 531	5 941	9 268
GFS Net Lending(+)/Borrowing(-)	4 504	-4 055	7 874	9 899	14 276	19 872
Cash Surplus (+)/Deficit (-)	8 286	3 402	11 305	14 618	20 803	24 577
Total assets	683 444	714 197	769 732	831 537	911 146	992 465
Total liabilities	300 430	308 333	323 580	321 520	336 384	364 053
GFS Net worth	383 014	405 864	446 152	510 017	574 762	628 413

## SUMMARY OF FINDINGS *continued*

TIME SERIES *continued*

### MAJOR AGGREGATES: GENERAL GOVERNMENT, COMMONWEALTH

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
	\$m	\$m	\$m	\$m	\$m	\$m
GFS Revenue	185 716	190 156	206 620	221 910	241 885	260 592
GFS Expenses	181 054	194 042	200 448	214 357	229 957	242 600
GFS Net Operating Balance	4 662	-3 886	6 173	7 553	11 928	17 992
Net acquisition of non-financial assets	-1 174	-371	-218	726	154	1 434
GFS Net Lending(+)/Borrowing(-)	5 836	-3 515	6 391	6 827	11 773	16 558
Cash Surplus (+)/Deficit (-)	5 906	-1 112	7 404	7 971	13 505	15 720
Total assets	145 678	142 173	146 075	159 484	174 544	196 662
Total liabilities	188 342	186 542	193 237	189 386	199 358	206 849
GFS Net worth	-42 664	-44 369	-47 162	-29 901	-24 814	-10 187

### MAJOR AGGREGATES: GENERAL GOVERNMENT, State Governments

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
	\$m	\$m	\$m	\$m	\$m	\$m
GFS Revenue	101 391	106 800	113 826	124 033	131 923	142 574
GFS Expenses	99 637	104 233	109 606	117 315	125 164	134 344
GFS Net Operating Balance	1 753	2 567	4 220	6 717	6 760	8 230
New South Wales	1 545	1 569	1 801	1 126	695	1 033
Victoria	1 252	1 673	1 584	1 035	877	980
Queensland	-861	-901	12	3 335	3 919	3 716
South Australia	-298	-97	448	387	156	219
Western Australia	200	198	253	807	1 191	2 265
Tasmania	102	143	170	315	242	119
Northern Territory	-104	24	-45	-85	-30	29
Australian Capital Territory	-77	-40	-1	-202	-297	-134
Net acquisition of non-financial assets	3 034	3 086	2 357	2 712	2 830	4 858
GFS Net Lending(+)/Borrowing(-)	-1 280	-520	1 862	4 005	3 930	3 372
New South Wales	667	569	639	6	-202	-484
Victoria	559	754	590	-117	319	-414
Queensland	-1 673	-1 608	-144	2 835	2 866	2 480
South Australia	-385	-125	413	425	51	87
Western Australia	-387	-25	130	570	898	1 846
Tasmania	130	167	212	379	212	83
Northern Territory	-213	-279	-116	-67	-57	-62
Australian Capital Territory	28	31	142	-27	-163	-167
Cash Surplus (+)/Deficit (-)	2 846	4 279	4 513	6 939	7 816	9 783
New South Wales	1 825	2 551	2 327	1 444	1 253	2 113
Victoria	592	1 404	27	210	550	206
Queensland	353	196	646	3 492	4 629	4 649
South Australia	-106	-44	659	522	191	188
Western Australia	-127	-31	259	554	859	2 301
Tasmania	147	213	300	370	244	209
Northern Territory	-80	-273	34	47	53	37
Australian Capital Territory	241	263	257	299	35	76
Total assets	363 315	386 219	429 396	465 013	514 058	552 607
Total liabilities	105 338	113 446	121 784	122 737	126 721	144 444
GFS Net worth	257 977	272 773	307 611	342 276	387 337	408 163
New South Wales	91 810	98 431	121 039	124 283	128 690	127 818
Victoria	43 343	48 812	50 619	61 187	75 018	76 389
Queensland	57 619	58 087	64 896	77 722	96 433	105 033
South Australia	14 789	14 564	15 306	15 793	16 357	19 703
Western Australia	32 198	36 016	38 012	43 741	50 212	57 941
Tasmania	6 473	6 883	7 200	8 004	9 008	9 107
Northern Territory	4 407	2 165	1 910	2 166	2 353	2 727
Australian Capital Territory	7 338	7 815	8 629	9 380	9 265	9 445

## SUMMARY OF FINDINGS *continued*

### TIME SERIES *continued*

For the total public sector across all levels of government GFS revenue increased from \$311,716 million in 2000-01 to \$421,703 million in 2005-06 and GFS expenses increased from \$299,611 million to \$391,613 million. As a result GFS net operating balance increased from \$12,105 million in 2000-01 to \$30,090 million in 2005-06

Between 30 June 2001 and 30 June 2006 GFS net worth across the total public sector increased by \$270,773 million or 83.4% from \$324,807 million to \$595,580 million.

The following tables show a time series of major aggregates for the total public sector across different levels of government.

### MAJOR AGGREGATES: TOTAL PUBLIC SECTOR, ALL LEVELS OF GOVERNMENT

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
	\$m	\$m	\$m	\$m	\$m	\$m
GFS Revenue	311 716	313 514	336 818	361 583	392 143	421 703
GFS Expenses	299 611	310 864	323 382	342 256	366 701	391 613
GFS Net Operating Balance	12 105	2 650	13 435	19 327	25 441	30 090
Net acquisition of non-financial assets	4 331	6 738	6 166	8 390	11 543	17 461
GFS Net Lending(+)/Borrowing(-)	7 774	-4 088	7 269	10 937	13 898	12 629
Cash Surplus (+)/Deficit (-)	10 745	3 795	12 270	16 212	21 064	19 661
Total assets	824 226	851 304	908 456	971 492	1 076 927	1 194 619
Total liabilities	462 740	464 457	475 548	478 680	519 887	577 016
GFS Net worth	324 807	356 995	403 631	460 943	525 959	595 580

### MAJOR AGGREGATES: TOTAL PUBLIC SECTOR, COMMONWEALTH GOVERNMENT

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
	\$m	\$m	\$m	\$m	\$m	\$m
GFS Revenue	208 880	212 292	228 038	243 115	266 649	285 749
GFS Expenses	201 906	216 167	220 967	234 865	252 291	269 005
GFS Net Operating Balance	6 975	-3 875	7 071	8 250	14 358	16 744
Net acquisition of non-financial assets	-566	-636	-741	606	466	2 089
GFS Net Lending(+)/Borrowing(-)	7 541	-3 239	7 812	7 645	13 892	14 655
Cash Surplus (+)/Deficit (-)	7 524	-1 291	7 893	9 091	15 171	14 655
Total assets	203 364	202 128	200 031	215 322	245 242	293 734
Total liabilities	267 305	265 217	261 147	263 271	288 702	315 217
GFS Net worth	-100 871	-93 238	-89 801	-79 125	-73 804	-43 501

## SUMMARY OF FINDINGS *continued*

TIME SERIES *continued*

### MAJOR AGGREGATES: TOTAL PUBLIC SECTOR, State Governments

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
	\$m	\$m	\$m	\$m	\$m	\$m
GFS Revenue	133 757	136 077	143 348	154 474	163 612	175 925
GFS Expenses	129 897	130 946	138 195	144 616	154 133	165 513
GFS Net Operating Balance	3 860	5 131	5 153	9 858	9 479	10 411
New South Wales	1 886	2 243	1 606	1 312	1 000	1 688
Victoria	1 087	2 414	1 730	2 714	1 636	1 144
Queensland	-543	-765	152	3 499	4 279	4 138
South Australia	-149	-116	169	496	253	170
Western Australia	466	406	406	1 183	1 725	2 666
Tasmania	131	213	214	322	278	129
Northern Territory	-72	-14	-54	-45	22	75
Australian Capital Territory	-88	-57	86	-232	-386	-335
Net acquisition of non-financial assets	3 410	5 980	5 466	5 702	7 950	12 332
GFS Net Lending(+)/Borrowing(-)	450	-849	-313	4 156	1 529	-1 921
New South Wales	873	-52	-672	-945	-1 500	-1 998
Victoria	-67	819	-114	96	59	-1 336
Queensland	-2 027	-1 835	-870	3 387	1 732	162
South Australia	959	8	88	468	93	111
Western Australia	-458	-305	110	433	681	692
Tasmania	190	-35	176	250	186	-78
Northern Territory	-232	-308	-115	-60	-98	-69
Australian Capital Territory	17	43	226	-119	-313	-201
Cash Surplus (+)/Deficit (-)	3 768	4 849	4 818	7 340	6 565	5 930
New South Wales	1 284	2 165	1 542	884	103	1 267
Victoria	824	1 976	324	632	750	-46
Queensland	-316	13	387	3 710	4 422	2 140
South Australia	1 468	152	392	613	406	537
Western Australia	-649	-131	23	149	37	1 069
Tasmania	147	42	396	315	229	153
Northern Territory	-198	-282	101	50	2	80
Australian Capital Territory	181	238	290	250	-88	85
Total assets	451 300	468 070	520 799	556 652	615 933	664 164
Total liabilities	193 324	195 296	213 188	214 372	228 594	256 000
GFS Net worth	257 976	272 773	307 610	342 278	387 337	408 163
New South Wales	91 811	98 429	121 038	124 281	128 690	127 818
Victoria	43 343	48 812	50 619	61 187	75 018	76 390
Queensland	57 619	58 087	64 896	77 722	96 433	105 032
South Australia	14 788	14 564	15 306	15 793	16 357	19 703
Western Australia	32 197	36 017	38 011	43 741	50 213	57 941
Tasmania	6 473	6 883	7 200	8 004	9 008	9 107
Northern Territory	4 407	2 165	1 910	2 166	2 354	2 727
Australian Capital Territory	7 338	7 815	8 629	9 380	9 265	9 445



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	Commonwealth	Multi-jurisdictional(a)	State	Local	All levels of government(b)
	\$m	\$m	\$m	\$m	\$m
<b>GFS Revenue</b>					
Taxation revenue	245 223	—	44 235	8 920	297 942
Current grants and subsidies	—	6 033	63 627	2 117	1 229
Sales of goods and services	5 086	7 642	12 742	6 977	30 601
Interest from public non-financial corporations	—	—	147	—	147
Interest from public financial corporations	1 416	15	1 448	78	2 956
Interest from other	1 019	363	3 945	559	5 706
Dividend income	4 387	226	3 682	33	8 328
Other	3 462	1 086	12 749	4 399	16 792
<i>Total</i>	260 592	15 366	142 574	23 085	363 701
<b>less</b>					
<b>GFS Expenses</b>					
<b>Gross operating expenses</b>					
Depreciation	2 190	837	6 446	4 253	13 726
Employee expenses	17 874	7 876	59 937	7 624	93 310
Other operating expenses	47 300	5 198	33 839	7 922	91 986
<i>Total</i>	67 364	13 911	100 221	19 799	199 022
Nominal superannuation interest expenses	5 582	—	2 903	—	8 485
Other interest expenses	4 047	51	2 353	375	6 642
Other property expenses	—	—	1	—	1
<b>Current transfers</b>					
Grant expenses to state governments	61 394	2	1 031	—	1 031
Grant expenses to the private sector	9 772	23	13 128	138	23 062
Grant expenses to universities	5 556	—	410	—	—
Grant expenses to local governments	100	—	2 007	—	—
Grant expenses n.e.c.	—	—	2	—	—
Subsidy expenses to public corporations	360	—	5 305	—	5 666
Subsidy expenses to other	6 090	—	1 473	—	7 556
Other current transfers	77 336	11	1 021	113	78 381
<b>Capital transfers</b>					
Grant expenses to public non-financial corporations	287	—	1 699	—	1 986
Grant expenses to public financial corporations	—	—	—	—	—
Grant expenses to other levels of government	3 994	—	798	—	—
Grant expenses n.e.c.	719	—	1 806	3	2 528
Other capital transfers	—	18	186	74	201
<i>Total</i>	242 600	14 017	134 344	20 505	334 560
<b>equals</b>					
<b>GFS Net Operating Balance</b>	<b>17 992</b>	<b>1 349</b>	<b>8 230</b>	<b>2 580</b>	<b>29 141</b>
<b>less</b>					
<b>Net acquisition of non-financial assets</b>					
Gross fixed capital formation	3 244	1 420	10 754	6 401	21 823
less Depreciation	2 190	837	6 446	4 253	13 726
plus Change in inventories	305	4	46	13	368
plus Other transactions in non-financial assets	74	-5	504	228	803
<i>Total</i>	1 434	581	4 858	2 390	9 268
<b>equals</b>					
<b>GFS Net Lending(+)/Borrowing(-)</b>	<b>16 558</b>	<b>768</b>	<b>3 372</b>	<b>190</b>	<b>19 872</b>

— nil or rounded to zero (including null cells)

(a) The multi-jurisdictional sector contains units where jurisdiction is shared between two or more governments, or classification of a unit to a jurisdiction is otherwise unclear. The main types of units currently falling into this category are the public universities.

(b) The sum of individual levels of government may not agree with total All levels of government figures due to transfers between levels of government.

	Commonwealth	Multi-jurisdictional(a)	State	Local	All levels of government(b)
	\$m	\$m	\$m	\$m	\$m
GFS Revenue					
Taxation revenue	242 931	—	42 633	8 920	293 620
Current grants and subsidies	—	6 033	63 357	2 117	959
Sales of goods and services	31 586	8 132	42 430	7 000	87 169
Interest income	2 594	378	5 840	644	9 276
Other	4 848	1 314	14 084	4 410	19 638
<i>Total</i>	<i>281 960</i>	<i>15 858</i>	<i>168 343</i>	<i>23 090</i>	<i>410 662</i>
less					
GFS Expenses					
Gross operating expenses					
Depreciation	6 056	884	12 038	4 280	23 259
Employee expenses	24 750	7 939	66 917	7 642	107 248
Other operating expenses	56 586	5 355	50 779	7 888	117 839
<i>Total</i>	<i>87 392</i>	<i>14 178</i>	<i>129 734</i>	<i>19 810</i>	<i>248 346</i>
Property expenses					
Nominal superannuation interest expenses	5 582	—	2 903	—	8 485
Other interest expenses	4 921	94	5 020	401	10 253
Dividend expenses	2 392	70	—	—	2 392
Income tax equivalent expenses	—	—	11	3	11
Other property expenses	—	—	14	—	14
<i>Total</i>	<i>12 895</i>	<i>165</i>	<i>7 949</i>	<i>403</i>	<i>21 155</i>
Current transfers					
Grant expenses	76 822	25	16 207	138	23 721
Subsidy expenses	6 239	—	1 490	3	7 721
Tax expenses	—	71	—	—	—
Other current transfers	77 336	6	1 082	113	78 418
Capital transfers					
Grant expenses	4 434	—	1 947	3	2 574
Grants to local governments	296	—	702	—	—
Other capital transfers	—	18	202	74	217
<i>Total</i>	<i>265 413</i>	<i>14 463</i>	<i>159 312</i>	<i>20 545</i>	<i>382 152</i>
equals					
<b>GFS Net Operating Balance</b>	<b>16 546</b>	<b>1 395</b>	<b>9 031</b>	<b>2 545</b>	<b>28 510</b>
less					
Net acquisition of non-financial assets					
Gross fixed capital formation	7 655	1 506	23 244	6 455	38 863
less Depreciation	6 056	884	12 038	4 280	23 259
plus Change in inventories	348	5	523	13	889
plus Other transactions in non-financial assets	103	-7	669	228	996
<i>Total</i>	<i>2 051</i>	<i>619</i>	<i>12 398</i>	<i>2 416</i>	<i>17 490</i>
equals					
<b>GFS Net Lending(+)/Borrowing(-)</b>	<b>14 496</b>	<b>775</b>	<b>-3 367</b>	<b>130</b>	<b>11 021</b>

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	Commonwealth	Multi-jurisdictional(a)	State	Local	All levels of government(b)
	\$m	\$m	\$m	\$m	\$m
GFS Revenue					
Taxation revenue	242 931	—	42 604	8 920	293 591
Current grants and subsidies	—	6 033	63 354	2 117	957
Sales of goods and services	34 698	8 132	47 880	7 000	95 731
Interest income	4 601	378	8 507	644	13 623
Other	3 519	1 314	13 580	4 407	17 802
<i>Total</i>	<i>285 749</i>	<i>15 858</i>	<i>175 925</i>	<i>23 088</i>	<i>421 703</i>
less					
GFS Expenses					
Gross operating expenses					
Depreciation	6 094	884	12 092	4 280	23 351
Employee expenses	25 161	7 939	67 352	7 642	108 093
Other operating expenses	59 391	5 355	55 268	7 888	125 134
<i>Total</i>	<i>90 646</i>	<i>14 178</i>	<i>134 713</i>	<i>19 810</i>	<i>256 579</i>
Property expenses					
Nominal superannuation interest expenses	5 582	—	2 903	—	8 485
Other interest expenses	5 408	94	5 839	401	11 227
Dividend expenses	2 392	70	—	—	2 392
Income tax equivalent expenses	—	—	11	3	11
Other property expenses	—	—	17	—	17
<i>Total</i>	<i>13 381</i>	<i>165</i>	<i>8 770</i>	<i>403</i>	<i>22 131</i>
Current transfers					
Grant expenses	76 822	25	16 183	138	23 698
Subsidy expenses	6 090	—	1 473	3	7 556
Tax expenses	—	71	—	—	—
Other current transfers	77 336	6	1 523	113	78 859
Capital transfers					
Grant expenses	4 730	—	1 947	3	2 574
Grants to local governments	—	—	702	—	—
Other capital transfers	—	18	202	74	217
<i>Total</i>	<i>269 005</i>	<i>14 463</i>	<i>165 513</i>	<i>20 545</i>	<i>391 613</i>
equals					
<b>GFS Net Operating Balance</b>	<b>16 744</b>	<b>1 395</b>	<b>10 411</b>	<b>2 543</b>	<b>30 090</b>
less					
Net acquisition of non-financial assets					
Gross fixed capital formation	7 727	1 506	23 231	6 455	38 923
less Depreciation	6 094	884	12 092	4 280	23 351
plus Change in inventories	353	5	523	13	894
plus Other transactions in non-financial assets	103	-7	670	228	996
<i>Total</i>	<i>2 089</i>	<i>619</i>	<i>12 332</i>	<i>2 416</i>	<i>17 461</i>
equals					
<b>GFS Net Lending(+)/Borrowing(-)</b>	<b>14 655</b>	<b>775</b>	<b>-1 921</b>	<b>127</b>	<b>12 629</b>

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	Commonwealth	Multi-jurisdictional(a)	State	Local	All levels of government(b)
	\$m	\$m	\$m	\$m	\$m
<b>CASH FLOW STATEMENT</b>					
Cash receipts from operating activities					
Taxes received	240 722	—	44 222	8 831	293 398
Receipts from sales of goods and services	5 336	8 038	13 944	6 526	32 172
Grants and subsidies received	—	6 673	68 720	3 044	1 658
Interest received from public non-financial corporations	—	—	186	—	186
Interest received from public financial corporations	1 416	14	1 607	81	3 118
Interest received from other	906	262	3 943	541	5 466
Other receipts	7 120	689	16 033	2 216	25 971
<i>Total</i>	<i>255 501</i>	<i>15 676</i>	<i>148 655</i>	<i>21 239</i>	<i>361 969</i>
Cash payments for operating activities					
Payments for goods and services	-63 980	-12 733	-92 374	-15 908	-183 320
Grants and subsidies paid to state governments	-66 003	-2	-2	—	—
Grants and subsidies paid to the private sector	-15 696	—	-16 637	-120	-32 453
Grants and subsidies paid to universities	-6 100	—	-522	—	—
Grants and subsidies paid to local governments	-403	—	-2 641	-46	-46
Grants and subsidies paid to public corporations	-504	—	-8 190	—	-8 694
Interest paid	-4 590	-60	-2 207	-383	-7 050
Other payments	-79 290	-454	-5 267	-325	-84 863
<i>Total</i>	<i>-236 566</i>	<i>-13 249</i>	<i>-127 840</i>	<i>-16 781</i>	<i>-316 425</i>
<i>Net cash flows from operating activities</i>	<i>18 935</i>	<i>2 427</i>	<i>20 815</i>	<i>4 458</i>	<i>45 544</i>
Net cash flows from investments in non-financial assets					
Sales of non-financial assets	179	173	1 409	666	2 427
Purchases of new non-financial assets	-3 371	-1 585	-11 917	-5 977	-22 850
Purchases of secondhand non-financial assets	—	—	-31	—	-31
<i>Total</i>	<i>-3 192</i>	<i>-1 412</i>	<i>-10 539</i>	<i>-5 311</i>	<i>-20 454</i>
Net cash flows from investments in financial assets for policy purposes	-1 647	-4	-1 165	-7	-3 051
Net cash flows from investments in financial assets for liquidity purposes	-12 684	-352	-5 491	-301	-18 827
Net cash flows from financing activities					
Advances received (net)	—	-2	-174	21	73
Borrowing (net)	-1 314	159	-864	186	-1 814
Deposits received (net)	33	-1	192	21	165
Other financing (net)	298	-5	-125	1 134	2 456
<i>Total</i>	<i>-982</i>	<i>152</i>	<i>-971</i>	<i>1 362</i>	<i>880</i>
<b>Net Increase(+)/Decrease(-) in Cash Held</b>	<b>430</b>	<b>811</b>	<b>2 649</b>	<b>201</b>	<b>4 091</b>

**SURPLUS (+)/DEFICIT (-)**

Net cash flows from operating activities and net cash flow from investments in non-financial assets	15 743	1 015	10 276	-854	25 090
Acquisitions of assets under finance leases and similar arrangements	-24	-2	-494	6	-513
<b>Surplus(+)/Deficit(-)</b>	<b>15 720</b>	<b>1 013</b>	<b>9 783</b>	<b>-848</b>	<b>24 577</b>

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Note: Negative figures denote outflows.

	Commonwealth	Multi-jurisdictional(a)	State	Local	All levels of government(b)
	\$m	\$m	\$m	\$m	\$m
<b>CASH FLOW STATEMENT</b>					
Cash receipts from operating activities					
Taxes received	238 582	—	42 746	8 831	289 451
Receipts from sales of goods and services	33 974	8 579	44 398	6 550	91 620
Grants and subsidies received	—	6 673	68 473	3 047	1 392
Interest received	2 345	276	5 988	628	9 051
Other receipts	2 588	689	16 037	2 257	21 395
<i>Total</i>	<i>277 488</i>	<i>16 218</i>	<i>177 642</i>	<i>21 312</i>	<i>412 909</i>
Cash payments for operating activities					
Payments for goods and services	-80 005	-12 999	-116 927	-15 949	-223 998
Grants and subsidies paid	-88 368	-1	-20 598	-120	-33 398
Interest paid	-5 093	-112	-4 856	-408	-10 279
Other payments	-79 321	-534	-7 805	-325	-87 156
<i>Total</i>	<i>-252 787</i>	<i>-13 647</i>	<i>-150 186</i>	<i>-16 803</i>	<i>-354 831</i>
<i>Net cash flows from operating activities</i>	<i>24 701</i>	<i>2 571</i>	<i>27 456</i>	<i>4 510</i>	<i>58 079</i>
Net cash flows from investments in non-financial assets					
Sales of non-financial assets	286	180	2 772	668	3 906
Purchases of new non-financial assets	-7 877	-1 677	-25 533	-6 024	-41 110
Purchases of secondhand non-financial assets	—	—	-31	—	-31
<i>Total</i>	<i>-7 591</i>	<i>-1 497</i>	<i>-22 792</i>	<i>-5 357</i>	<i>-37 236</i>
Net cash flows from investments in financial assets for policy purposes					
	-1 630	-4	818	-2	-1 045
Net cash flows from investments in financial assets for liquidity purposes					
	-12 731	-594	-5 132	-310	-18 801
Net cash flows from financing activities					
Advances received (net)	—	-2	-187	21	60
Borrowing (net)	-383	415	3 776	158	4 017
Deposits received (net)	33	-1	124	21	97
Distributions paid	-2 366	-70	-11	—	-2 377
Other financing (net)	-186	-5	-545	1 115	1 529
<i>Total</i>	<i>-2 902</i>	<i>337</i>	<i>3 157</i>	<i>1 314</i>	<i>3 326</i>
<b>Net Increase(+)/Decrease(-) in Cash Held</b>	<b>-152</b>	<b>813</b>	<b>3 507</b>	<b>156</b>	<b>4 323</b>
<b>SURPLUS(+)/DEFICIT(-)</b>					
Net cash flows from operating activities, net cash flows from investments in non-financial assets and distributions paid					
	14 745	1 004	4 653	-847	18 466
Acquisitions of assets under finance leases and similar arrangements					
	-33	-2	-505	6	-534
<b>Surplus(+)/Deficit(-)</b>	<b>14 712</b>	<b>1 003</b>	<b>4 148</b>	<b>-841</b>	<b>17 933</b>

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Note: Negative figures denote outflows.

	Commonwealth	Multi-jurisdictional(a)	State	Local	All levels of government(b)
	\$m	\$m	\$m	\$m	\$m
<b>CASH FLOW STATEMENT</b>					
Cash receipts from operating activities					
Taxes received	238 582	—	42 681	8 831	289 386
Receipts from sales of goods and services	37 062	8 579	50 130	6 550	100 437
Grants and subsidies received	—	6 673	68 399	3 047	1 318
Interest received	3 650	276	8 034	628	12 077
Other receipts	1 246	689	15 843	2 257	19 859
<i>Total</i>	<i>280 540</i>	<i>16 218</i>	<i>185 086</i>	<i>21 312</i>	<i>423 077</i>
Cash payments for operating activities					
Payments for goods and services	-82 983	-12 999	-120 909	-15 949	-230 956
Grants and subsidies paid	-88 218	-1	-20 563	-120	-33 213
Interest paid	-5 312	-112	-5 491	-408	-10 805
Other payments	-79 309	-534	-8 897	-325	-88 236
<i>Total</i>	<i>-255 822</i>	<i>-13 647</i>	<i>-155 861</i>	<i>-16 803</i>	<i>-363 209</i>
<i>Net cash flows from operating activities</i>	<i>24 718</i>	<i>2 571</i>	<i>29 226</i>	<i>4 510</i>	<i>59 866</i>
Net cash flows from investments in non-financial assets					
Sales of non-financial assets	286	180	2 795	668	3 931
Purchases of new non-financial assets	-7 949	-1 677	-25 544	-6 024	-41 194
Purchases of secondhand non-financial assets	—	—	-31	—	-31
<i>Total</i>	<i>-7 663</i>	<i>-1 497</i>	<i>-22 780</i>	<i>-5 357</i>	<i>-37 294</i>
Net cash flows from investments in financial assets for policy purposes	-1 223	-4	179	-2	-1 282
Net cash flows from investments in financial assets for liquidity purposes	-29 779	-594	-2 487	-310	-33 103
Net cash flows from financing activities					
Advances received (net)	—	-2	-731	21	-484
Borrowing (net)	-670	415	-2 350	158	-2 202
Deposits received (net)	16 443	-1	1 044	21	17 229
Distributions paid	-2 366	-70	-11	—	-2 377
Other financing (net)	90	-5	-602	1 115	1 580
<i>Total</i>	<i>13 497</i>	<i>337</i>	<i>-2 649</i>	<i>1 314</i>	<i>13 746</i>
<b>Net Increase(+)/Decrease(-) in Cash Held</b>	<b>-451</b>	<b>813</b>	<b>1 489</b>	<b>156</b>	<b>1 933</b>
<b>SURPLUS(+)/DEFICIT(-)</b>					
Net cash flows from operating activities, net cash flows from investments in non-financial assets and distributions paid	14 688	1 004	6 435	-847	20 195
Acquisitions of assets under finance leases and similar arrangements	-33	-2	-505	6	-534
<b>Surplus(+)/Deficit(-)</b>	<b>14 655</b>	<b>1 003</b>	<b>5 930</b>	<b>-841</b>	<b>19 661</b>

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	Commonwealth	Multi-jurisdictional(a)	State	Local	All levels of government(b)
	\$m	\$m	\$m	\$m	\$m
<b>Assets</b>					
Financial Assets					
Cash and deposits	2 177	1 412	10 045	5 052	18 685
Advances paid	25 502	—	3 534	7	25 910
Investments, loans and placements	47 313	5 901	46 778	5 428	105 392
Other non-equity assets	31 444	4 425	17 754	1 914	52 423
Equity	44 626	649	172 275	1 126	218 676
<i>Total</i>	151 063	12 387	250 386	13 526	421 087
Non-financial Assets					
Land and fixed assets	45 379	25 038	298 213	196 808	565 438
Other non-financial assets	220	184	4 009	1 529	5 941
<i>Total</i>	45 599	25 222	302 221	198 337	571 379
<i>Total</i>	196 662	37 609	552 607	211 863	992 465
<b>Liabilities</b>					
Deposits held	2 836	19	1 553	398	4 806
Advances received	—	6	3 110	42	—
Borrowing	63 415	956	25 886	5 471	95 724
Unfunded superannuation liability and other employee entitlements	105 983	5 833	88 930	1 990	202 736
Other provisions	6 421	44	9 316	340	16 122
Other non-equity liabilities	28 193	1 716	15 649	2 220	44 665
<i>Total</i>	206 849	8 574	144 444	10 461	364 053
<b>GFS Net Worth</b>	<b>-10 187</b>	<b>29 035</b>	<b>408 163</b>	<b>201 402</b>	<b>628 413</b>
Net debt	-8 742	-6 333	-29 807	-4 575	-49 456
Net financial worth	-55 786	3 813	105 942	3 065	57 034

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	Commonwealth	Multi-jurisdictional (a)	State	Local	All Levels of government (b)
	\$m	\$m	\$m	\$m	\$m
<b>Assets</b>					
Financial Assets					
Cash and deposits	4 216	1 416	14 345	5 140	25 117
Advances paid	25 733	—	1 453	6	24 060
Investments, loans and placements	50 371	5 919	52 859	5 474	114 580
Other non-equity assets	36 307	4 543	15 373	1 943	55 014
Equity	16 701	649	11 313	40	28 005
<i>Total</i>	133 330	12 527	95 343	12 603	246 776
Non-financial Assets					
Land and fixed assets	71 957	26 791	516 821	198 223	813 793
Other non-financial assets	2 872	568	5 299	1 529	10 267
<i>Total</i>	74 829	27 359	522 120	199 752	824 060
<i>Total</i>	208 159	39 886	617 463	212 356	1 070 836
<b>Liabilities</b>					
Currency on issue	2 518	—	—	—	2 518
Deposits held	318	19	1 423	398	2 157
Advances received	—	6	3 486	42	—
Borrowing	77 190	1 873	74 402	5 839	159 662
Unfunded superannuation liability and other employee entitlements	108 241	5 863	92 876	2 001	208 980
Other provisions	11 552	44	19 811	362	31 769
Other non-equity liabilities	29 772	1 749	17 299	2 313	47 981
<i>Total</i>	229 591	9 554	209 298	10 954	453 068
Shares and other contributed capital	22 068	816	—	—	22 189
<b>GFS Net worth</b>	<b>-43 501</b>	<b>29 516</b>	<b>408 163</b>	<b>201 402</b>	<b>595 580</b>
Net debt	-295	-5 437	10 654	-4 342	581
Net financial worth	-118 330	2 157	-113 958	1 650	-228 481

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	Commonwealth	Multi-jurisdictional(a)	State	Local	All Australian government(b)
	\$m	\$m	\$m	\$m	\$m
<b>Assets</b>					
Financial Assets					
Cash and deposits	5 783	1 416	6 303	5 140	18 231
Advances paid	25 733	—	5 165	6	27 382
Investments, loans and placements	147 693	5 919	105 091	5 474	256 554
Other non-equity assets	36 068	4 543	18 009	1 943	57 412
Equity	3 187	649	6 049	40	9 113
<i>Total</i>	<i>218 464</i>	<i>12 527</i>	<i>140 617</i>	<i>12 603</i>	<i>368 692</i>
Non-financial Assets					
Land and fixed assets	72 396	26 791	518 185	198 223	815 595
Other non-financial assets	2 873	568	5 362	1 529	10 332
<i>Total</i>	<i>75 269</i>	<i>27 359</i>	<i>523 547</i>	<i>199 752</i>	<i>825 927</i>
<i>Total</i>	<i>293 734</i>	<i>39 886</i>	<i>664 164</i>	<i>212 356</i>	<i>1 194 619</i>
<b>Liabilities</b>					
Currency on issue	40 584	—	—	—	40 584
Deposits held	43 353	19	3 872	398	47 231
Advances received	—	6	5 741	42	—
Borrowing	80 345	1 873	91 926	5 839	174 627
Unfunded superannuation liability and other employee entitlements	108 882	5 863	93 011	2 001	209 757
Other provisions	12 350	44	37 309	362	50 065
Other non-equity liabilities	29 702	1 749	24 141	2 313	54 752
<i>Total</i>	<i>315 217</i>	<i>9 554</i>	<i>256 000</i>	<i>10 954</i>	<i>577 016</i>
Shares and other contributed capital	22 018	816	—	—	22 022
<b>GFS Net Worth</b>	<b>-43 501</b>	<b>29 516</b>	<b>408 163</b>	<b>201 402</b>	<b>595 580</b>
Net debt	-14 927	-5 437	-15 020	-4 342	-39 725
Net financial worth	-118 770	2 157	-115 384	1 650	-230 347

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	NSW	Vic	Qld	SA	WA	Tas	NT	ACT	Total(a)
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
GFS Revenue									
Taxation revenue	18 512	13 404	9 187	3 765	6 123	907	439	782	53 118
Current grants and subsidies	18 818	13 944	12 972	5 560	6 894	2 172	2 255	1 118	63 726
Sales of goods and services	5 706	4 663	4 825	1 587	1 580	553	172	310	19 235
Interest income	1 587	444	3 545	168	244	50	27	111	6 176
Other	5 494	3 794	5 086	1 324	3 188	456	294	373	20 000
<i>Total</i>	<i>50 117</i>	<i>36 250</i>	<i>35 613</i>	<i>12 404</i>	<i>18 029</i>	<i>4 137</i>	<i>3 187</i>	<i>2 694</i>	<i>162 255</i>
less									
GFS Expenses									
Gross operating expenses									
Depreciation	3 290	1 921	2 971	725	1 063	357	214	158	10 699
Employee expenses	21 778	14 806	13 948	5 542	7 151	1 793	1 333	1 209	67 561
Other operating expenses	12 209	12 308	7 161	3 366	3 675	1 151	819	716	41 241
<i>Total</i>	<i>37 277</i>	<i>29 035</i>	<i>24 080</i>	<i>9 633</i>	<i>11 888</i>	<i>3 301</i>	<i>2 367</i>	<i>2 083</i>	<i>119 500</i>
Nominal superannuation interest expenses	934	480	526	344	242	138	96	144	2 903
Other interest expenses	1 287	493	343	251	138	39	117	59	2 726
Other property expenses	—	—	—	—	—	—	—	—	1
Current transfers									
Grant expenses	4 236	2 563	3 341	1 225	2 106	391	455	399	14 709
Subsidy expenses	2 574	1 242	1 674	555	467	86	89	85	6 772
Other current transfers	505	56	166	38	259	—	21	—	1 045
Capital transfers									
Grant expenses	1 425	1 035	594	73	326	19	88	52	3 603
Other capital transfers	32	75	28	29	3	6	2	8	183
<i>Total</i>	<i>48 269</i>	<i>34 979</i>	<i>30 753</i>	<i>12 148</i>	<i>15 429</i>	<i>3 979</i>	<i>3 236</i>	<i>2 828</i>	<i>151 443</i>
equals									
<b>GFS Net Operating Balance</b>	<b>1 848</b>	<b>1 270</b>	<b>4 861</b>	<b>256</b>	<b>2 600</b>	<b>158</b>	<b>-49</b>	<b>-134</b>	<b>10 812</b>
Net acquisition of non-financial assets									
Gross fixed capital formation	5 218	3 458	4 922	907	1 709	417	291	237	17 159
less Depreciation	3 290	1 921	2 971	725	1 063	357	214	158	10 699
plus Change in inventories	10	7	43	7	-9	—	—	—	59
plus Other transactions in non-financial assets	196	363	297	10	-84	—	-2	-46	734
<i>Total</i>	<i>2 134</i>	<i>1 907</i>	<i>2 290</i>	<i>199</i>	<i>554</i>	<i>61</i>	<i>76</i>	<i>33</i>	<i>7 254</i>
equals									
<b>GFS Net Lending(+)/Borrowing(-)</b>	<b>-286</b>	<b>-637</b>	<b>2 571</b>	<b>57</b>	<b>2 046</b>	<b>97</b>	<b>-125</b>	<b>-167</b>	<b>3 559</b>

— nil or rounded to zero (including null cells)

(a) The sum of all individual jurisdictions may not agree with total state figures, due to transfers between jurisdictions.

	NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT	Total(a)
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
GFS Revenue									
Taxation revenue	17 735	13 296	8 833	3 534	5 933	883	434	757	51 405
Current grants and subsidies	18 725	13 935	12 789	5 563	6 905	2 171	2 255	1 119	63 456
Sales of goods and services	15 912	7 233	12 120	2 748	7 678	2 192	509	609	48 839
Interest income	1 643	520	3 637	134	357	66	41	85	6 483
Other	4 478	3 890	4 769	987	2 655	365	297	173	17 605
<i>Total</i>	<i>58 492</i>	<i>38 874</i>	<i>42 148</i>	<i>12 966</i>	<i>23 528</i>	<i>5 677</i>	<i>3 535</i>	<i>2 744</i>	<i>187 788</i>
less									
GFS Expenses									
Gross operating expenses									
Depreciation	5 357	2 762	4 407	963	1 744	593	292	200	16 319
Employee expenses	25 106	15 456	15 718	5 772	7 720	2 105	1 393	1 290	74 559
Other operating expenses	16 943	14 544	10 618	3 777	8 045	2 079	1 144	945	57 929
<i>Total</i>	<i>47 406</i>	<i>32 762</i>	<i>30 743</i>	<i>10 512</i>	<i>17 509</i>	<i>4 778</i>	<i>2 829</i>	<i>2 435</i>	<i>148 807</i>
Property expenses									
Nominal superannuation interest expenses	934	480	526	344	242	138	96	144	2 903
Other interest expenses	2 069	798	1 202	339	627	162	167	55	5 419
Dividend expenses	—	—	—	—	—	—	—	—	—
Income tax equivalent expenses	—	—	—	—	11	—	—	—	11
Other property expenses	—	—	—	14	—	—	—	—	14
<i>Total</i>	<i>3 003</i>	<i>1 277</i>	<i>1 729</i>	<i>697</i>	<i>880</i>	<i>299</i>	<i>264</i>	<i>199</i>	<i>8 347</i>
Current transfers									
Grant expenses	4 327	2 617	3 281	1 038	1 939	347	391	403	14 338
Subsidy expenses	425	42	517	396	5	77	14	8	1 482
Tax expenses	—	—	—	—	—	—	—	—	—
Other current transfers	481	56	166	50	308	—	21	—	1 082
Capital transfers									
Grant expenses	461	590	560	76	165	18	56	33	1 951
Other capital transfers	28	94	28	35	7	4	2	—	199
<i>Total</i>	<i>56 130</i>	<i>37 438</i>	<i>37 023</i>	<i>12 804</i>	<i>20 812</i>	<i>5 523</i>	<i>3 578</i>	<i>3 078</i>	<i>176 205</i>
equals									
<b>GFS Net Operating Balance</b>	<b>2 362</b>	<b>1 436</b>	<b>5 125</b>	<b>162</b>	<b>2 716</b>	<b>154</b>	<b>-42</b>	<b>-335</b>	<b>11 583</b>
less									
Net acquisition of non-financial assets									
Gross fixed capital formation	9 360	5 200	8 779	1 138	3 749	809	416	251	29 703
less Depreciation	5 357	2 762	4 407	963	1 744	593	292	200	16 319
plus Change in inventories	15	9	138	7	365	—	2	—	536
plus Other transactions in non-financial assets	285	541	552	-48	-257	13	-2	-185	899
<i>Total</i>	<i>4 303</i>	<i>2 988</i>	<i>5 062</i>	<i>134</i>	<i>2 112</i>	<i>229</i>	<i>125</i>	<i>-133</i>	<i>14 820</i>
equals									
<b>GFS Net Lending(+)/Borrowing(-)</b>	<b>-1 940</b>	<b>-1 552</b>	<b>63</b>	<b>28</b>	<b>604</b>	<b>-76</b>	<b>-167</b>	<b>-201</b>	<b>-3 237</b>

— nil or rounded to zero (including null cells)

(a) The sum of all individual state jurisdictions may not agree with total state figures, due to transfers between jurisdictions.

	NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT	Total(a)
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
GFS Revenue									
Taxation revenue	17 735	13 286	8 828	3 523	5 932	883	433	757	51 376
Current grants and subsidies	18 725	13 935	12 789	5 562	6 905	2 170	2 255	1 119	63 453
Sales of goods and services	15 919	9 900	13 034	3 677	8 363	2 306	643	609	54 289
Interest income	1 764	1 109	4 329	602	601	274	103	85	8 857
Other	4 452	3 757	4 534	936	2 639	342	275	173	17 098
<i>Total</i>	<i>58 595</i>	<i>41 987</i>	<i>43 514</i>	<i>14 299</i>	<i>24 440</i>	<i>5 974</i>	<i>3 708</i>	<i>2 744</i>	<i>195 074</i>
less									
GFS Expenses									
Gross operating expenses									
Depreciation	5 358	2 777	4 428	971	1 752	594	293	200	16 373
Employee expenses	25 117	15 656	15 861	5 810	7 742	2 109	1 410	1 290	74 994
Other operating expenses	16 932	17 184	11 374	4 245	8 463	2 185	1 257	945	62 418
<i>Total</i>	<i>47 407</i>	<i>35 617</i>	<i>31 663</i>	<i>11 026</i>	<i>17 957</i>	<i>4 888</i>	<i>2 961</i>	<i>2 435</i>	<i>153 786</i>
Property expenses									
Nominal superannuation interest expenses	934	480	526	344	242	138	96	144	2 903
Other interest expenses	1 308	1 055	1 515	707	809	336	165	55	5 940
Dividend expenses	—	—	—	—	—	—	—	—	—
Income tax equivalent expenses	—	—	—	—	11	—	—	—	11
Other property expenses	—	—	—	14	—	—	3	—	17
<i>Total</i>	<i>2 242</i>	<i>1 535</i>	<i>2 041</i>	<i>1 065</i>	<i>1 063</i>	<i>474</i>	<i>264</i>	<i>199</i>	<i>8 871</i>
Current transfers									
Grant expenses	4 327	2 624	3 281	1 005	1 939	347	394	403	14 314
Subsidy expenses	415	36	517	396	5	77	14	8	1 466
Tax expenses	—	—	—	—	—	—	—	—	—
Other current transfers	481	56	166	491	308	—	21	—	1 523
Capital transfers									
Grant expenses	461	590	560	76	165	18	56	33	1 950
Other capital transfers	28	94	28	35	7	4	2	—	199
<i>Total</i>	<i>55 359</i>	<i>40 552</i>	<i>38 256</i>	<i>14 093</i>	<i>21 443</i>	<i>5 808</i>	<i>3 712</i>	<i>3 078</i>	<i>182 109</i>
equals									
<b>GFS Net Operating Balance</b>	<b>3 236</b>	<b>1 435</b>	<b>5 258</b>	<b>206</b>	<b>2 997</b>	<b>166</b>	<b>-4</b>	<b>-335</b>	<b>12 965</b>
less									
Net acquisition of non-financial assets									
Gross fixed capital formation	9 302	5 219	8 796	1 137	3 754	810	422	251	29 690
less Depreciation	5 358	2 777	4 428	971	1 752	594	293	200	16 373
plus Change in inventories	15	9	138	7	365	—	2	—	536
plus Other transactions in non-financial assets	285	542	552	-48	-257	13	-2	-185	900
<i>Total</i>	<i>4 243</i>	<i>2 993</i>	<i>5 058</i>	<i>125</i>	<i>2 109</i>	<i>229</i>	<i>128</i>	<i>-133</i>	<i>14 753</i>
equals									
<b>GFS Net Lending(+)/Borrowing(-)</b>	<b>-1 007</b>	<b>-1 558</b>	<b>200</b>	<b>81</b>	<b>888</b>	<b>-63</b>	<b>-132</b>	<b>-201</b>	<b>-1 788</b>

— nil or rounded to zero (including null cells)

(a) The sum of all individual state jurisdictions may not agree with the total state figures, due to transfers between jurisdictions.

	NSW	Vic	Qld	SA	WA	Tas	NT	ACT	Total(a)
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>CASH FLOW STATEMENT</b>									
Cash receipts from operating activities									
Taxes received	18 645	13 353	9 142	3 723	6 032	911	435	782	53 022
Receipts from sales of goods and services	5 306	5 550	5 021	1 525	1 682	517	154	338	19 879
Grants and subsidies received	21 063	14 718	14 166	5 754	7 627	2 276	2 346	1 184	69 122
Other receipts	7 553	3 100	7 898	1 400	3 380	506	246	439	24 523
<i>Total</i>	<i>52 566</i>	<i>36 722</i>	<i>36 227</i>	<i>12 402</i>	<i>18 720</i>	<i>4 209</i>	<i>3 180</i>	<i>2 743</i>	<i>166 546</i>
Cash payments for operating activities									
Payments for goods and services	-33 627	-27 579	-20 142	-8 972	-10 947	-2 874	-2 116	-1 648	-107 690
Grants and subsidies paid	-8 334	-4 933	-5 670	-1 966	-2 918	-556	-617	-534	-25 517
Interest paid	-1 097	-524	-346	-259	-139	-43	-117	-60	-2 585
Other payments	-2 587	-420	-930	-201	-871	-140	-77	-260	-5 485
<i>Total</i>	<i>-45 645</i>	<i>-33 456</i>	<i>-27 088</i>	<i>-11 399</i>	<i>-14 875</i>	<i>-3 612</i>	<i>-2 927</i>	<i>-2 502</i>	<i>-141 277</i>
<i>Net cash flows from operating activities</i>	<i>6 921</i>	<i>3 266</i>	<i>9 139</i>	<i>1 004</i>	<i>3 845</i>	<i>597</i>	<i>253</i>	<i>241</i>	<i>25 269</i>
Net cash flow from investments in non-financial assets									
Sales of non-financial assets	678	258	488	191	313	67	28	51	2 075
Purchases of new non-financial assets	-5 731	-3 379	-5 065	-1 069	-1 740	-391	-302	-217	-17 894
Purchases of secondhand non-financial assets	—	—	—	—	—	-31	—	—	-31
<i>Total</i>	<i>-5 053</i>	<i>-3 120</i>	<i>-4 576</i>	<i>-878</i>	<i>-1 428</i>	<i>-355</i>	<i>-275</i>	<i>-165</i>	<i>-15 850</i>
Net cash flows from investments in financial assets for policy purposes									
	40	42	-940	160	-489	4	2	9	-1 172
Net cash flows from investments in financial assets for liquidity purposes									
	-2 247	469	-3 934	-8	16	11	-148	48	-5 792
Net cash flow from financing activities									
Advances received (net)	-133	-1	-14	—	16	-13	1	-11	-154
Borrowing (net)	807	-178	-702	-62	-275	-250	-2	-16	-677
Deposits received (net)	-4	83	2	—	5	—	127	—	213
Other financing (net)	382	433	-87	85	121	15	98	-31	1 013
<i>Total</i>	<i>1 052</i>	<i>338</i>	<i>-801</i>	<i>23</i>	<i>-133</i>	<i>-247</i>	<i>224</i>	<i>-58</i>	<i>395</i>
<b>Net Increase(+)/Decrease(-) in Cash Held</b>	<b>713</b>	<b>994</b>	<b>-1 112</b>	<b>301</b>	<b>1 812</b>	<b>10</b>	<b>57</b>	<b>74</b>	<b>2 850</b>
<b>SURPLUS(+)/DEFICIT(-)</b>									
Net cash flows from operating activities and net cash flows from investments in non-financial assets									
	1 868	145	4 563	126	2 418	242	-22	76	9 419
Acquisitions of assets under finance leases and similar arrangements									
	-81	-367	—	6	—	-31	-15	—	-488
<b>Surplus(+)/Deficit(-)</b>	<b>1 788</b>	<b>-221</b>	<b>4 563</b>	<b>132</b>	<b>2 418</b>	<b>211</b>	<b>-37</b>	<b>76</b>	<b>8 931</b>

— nil or rounded to zero (including null cells)

Note: Negative figures denote outflows.

(a) The sum of all individual state jurisdictions may not agree with the total state figures, due to transfers between jurisdictions.

	NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT	Total(a)
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>CASH FLOW STATEMENT</b>									
Cash receipts from operating activities									
Taxes received	18 018	13 303	8 791	3 514	5 840	887	430	763	51 546
Receipts from sales of goods and services	15 194	8 292	12 921	2 640	7 893	2 313	533	591	50 164
Grants and subsidies received	20 970	14 655	14 056	5 758	7 638	2 276	2 349	1 184	68 875
Other receipts	8 419	3 027	8 085	1 012	3 100	626	238	293	24 799
<i>Total</i>	<b>62 600</b>	<b>39 277</b>	<b>43 854</b>	<b>12 924</b>	<b>24 471</b>	<b>6 102</b>	<b>3 551</b>	<b>2 831</b>	<b>195 384</b>
Cash payments for operating activities									
Payments for goods and services	-41 719	-30 662	-25 788	-9 411	-15 876	-4 450	-2 486	-1 921	-132 091
Grants and subsidies paid	-5 321	-3 216	-4 364	-1 559	-2 248	-486	-457	-438	-18 077
Interest paid	-1 921	-824	-1 202	-348	-577	-165	-168	-56	-5 260
Other payments	-3 652	-439	-1 637	-312	-1 470	-144	-77	-266	-7 996
<i>Total</i>	<b>-52 613</b>	<b>-35 141</b>	<b>-32 991</b>	<b>-11 630</b>	<b>-20 170</b>	<b>-5 245</b>	<b>-3 187</b>	<b>-2 680</b>	<b>-163 424</b>
<i>Net cash flows from operating activities</i>	<b>9 987</b>	<b>4 135</b>	<b>10 863</b>	<b>1 294</b>	<b>4 300</b>	<b>857</b>	<b>364</b>	<b>151</b>	<b>31 961</b>
Net cash flows from investments in non-financial assets									
Sales of non-financial assets	963	326	523	429	833	74	64	228	3 440
Purchases of new non-financial assets	-10 093	-5 189	-9 176	-1 413	-4 136	-802	-453	-294	-31 557
Purchases of secondhand non-financial assets	—	—	—	—	—	-31	—	—	-31
<i>Total</i>	<b>-9 130</b>	<b>-4 862</b>	<b>-8 654</b>	<b>-985</b>	<b>-3 303</b>	<b>-759</b>	<b>-389</b>	<b>-66</b>	<b>-28 148</b>
Net cash flows from investments in financial assets for policy purposes									
	665	605	-454	35	—	-45	5	5	817
Net cash flows from investments in financial assets for liquidity purposes									
	-2 328	798	-3 755	-11	-7	-4	-148	12	-5 442
Net cash flows from financing activities									
Advances received (net)	-136	-13	-13	—	4	-13	14	-11	-167
Borrowing (net)	2 088	-170	1 524	-80	805	-273	33	8	3 935
Deposits received (net)	-20	81	5	—	5	—	75	—	145
Distributions paid	—	—	—	—	-11	—	—	—	-11
Other financing (net)	-203	434	-111	83	205	84	100	-9	574
<i>Total</i>	<b>1 729</b>	<b>332</b>	<b>1 405</b>	<b>4</b>	<b>1 008</b>	<b>-203</b>	<b>222</b>	<b>-12</b>	<b>4 475</b>
<b>Net Increase(+)/Decrease(-) in Cash Held</b>	<b>923</b>	<b>1 008</b>	<b>-594</b>	<b>338</b>	<b>1 997</b>	<b>-154</b>	<b>54</b>	<b>89</b>	<b>3 662</b>

## SURPLUS (+)/DEFICIT (-)

Net cash flows from operating activities, net cash flows from investments in non-financial assets and distributions paid									
	857	-727	2 210	309	986	98	-25	85	3 801
Acquisitions of assets under finance leases and similar arrangements									
	-81	-367	-11	6	—	-31	-15	—	-499
<b>Surplus(+)/Deficit(-)</b>	<b>776</b>	<b>-1 094</b>	<b>2 199</b>	<b>315</b>	<b>986</b>	<b>67</b>	<b>-41</b>	<b>85</b>	<b>3 303</b>

— nil or rounded to zero (including null cells)

Note: Negative figures denote outflows.

(a) The sum of all individual state jurisdictions may not agree with total state figures, due to transfers between jurisdictions

	NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT	Total(a)
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>CASH FLOW STATEMENT</b>									
Cash receipts from operating activities									
Taxes received	18 017	13 293	8 786	3 503	5 803	887	429	763	51 481
Receipts from sales of goods and services	15 201	11 511	13 822	3 467	8 402	2 440	672	591	55 893
Grants and subsidies received	20 970	14 582	14 056	5 758	7 638	2 275	2 350	1 184	68 801
Other receipts	8 304	3 339	8 295	1 517	3 477	869	276	293	26 358
<i>Total</i>	62 492	42 724	44 960	14 245	25 320	6 471	3 726	2 831	202 533
Cash payments for operating activities									
Payments for goods and services	-41 742	-33 253	-25 757	-10 178	-16 306	-4 527	-2 606	-1 921	-136 070
Grants and subsidies paid	-5 310	-3 218	-4 364	-1 530	-2 248	-486	-460	-438	-18 042
Interest paid	-1 035	-1 063	-1 572	-645	-715	-359	-167	-56	-5 599
Other payments	-3 675	-417	-2 526	-433	-1 544	-151	-78	-266	-9 088
<i>Total</i>	-51 762	-37 951	-34 219	-12 786	-20 815	-5 523	-3 310	-2 680	-168 800
<i>Net cash flows from operating activities</i>	10 730	4 773	10 742	1 459	4 506	948	416	151	33 734
Net cash flows from investments in non-financial assets									
Sales of non-financial assets	963	327	524	448	833	74	64	228	3 463
Purchases of new non-financial assets	-10 035	-5 209	-9 195	-1 432	-4 141	-803	-458	-294	-31 568
Purchases of secondhand non-financial assets	—	—	—	—	—	-31	—	—	-31
<i>Total</i>	-9 072	-4 882	-8 670	-984	-3 308	-760	-394	-66	-28 136
Net cash flows from investments in financial assets for policy purposes	769	-170	-455	36	—	-1	-7	5	178
Net cash flows from investments in financial assets for liquidity purposes	1 592	396	-5 591	115	106	869	-201	12	-2 704
Net cash flows from financing activities									
Advances received (net)	-136	-563	-13	—	4	-13	21	-11	-711
Borrowing (net)	-1 308	481	544	-29	-575	-1 142	42	8	-1 979
Deposits received (net)	18	85	721	—	5	—	113	—	942
Distributions paid	—	—	—	—	-11	—	—	—	-11
Other financing (net)	-3 264	621	2 818	46	234	-197	88	-9	328
<i>Total</i>	-4 690	623	4 070	18	-343	-1 351	265	-12	-1 430
<b>Net Increase(+)/Decrease(-) in Cash Held</b>	<b>-672</b>	<b>740</b>	<b>96</b>	<b>644</b>	<b>960</b>	<b>-295</b>	<b>78</b>	<b>89</b>	<b>1 642</b>
<b>SURPLUS(+)/DEFICIT(-)</b>									
Net cash flows from operating activities, net cash flows from investments in non-financial assets and distributions paid	1 658	-109	2 071	475	1 187	189	21	85	5 586
Acquisitions of assets under finance leases and similar arrangements	-81	-367	-11	6	—	-31	-15	—	-499
<b>Surplus(+)/Deficit(-)</b>	<b>1 578</b>	<b>-475</b>	<b>2 060</b>	<b>481</b>	<b>1 187</b>	<b>158</b>	<b>6</b>	<b>85</b>	<b>5 088</b>

— nil or rounded to zero (including null cells)

Note: Negative figures denote outflows.

(a) The sum of all individual state jurisdictions may not agree with total state figures, due to transfers between jurisdictions.



AT 30 JUNE 2006

	NSW	Vic.	Qld.	SA	WA	Tas.	NT	ACT	Total(a)
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>Assets</b>									
Financial assets									
Cash and deposits	4 103	3 378	3 642	2 251	753	743	153	73	15 097
Advances paid	853	58	215	902	912	59	39	511	3 548
Investments, loans and placements	17 426	2 871	24 250	203	4 095	146	717	2 657	52 204
Other non-equity assets	10 098	2 905	3 382	585	1 291	1 072	142	170	19 606
Equity	65 446	39 216	22 815	14 210	21 870	3 385	2 240	4 219	173 401
<i>Total</i>	97 926	48 428	54 304	18 150	28 921	5 405	3 292	7 630	263 856
Non-financial assets									
Land and fixed assets	159 915	97 172	133 620	25 336	53 957	13 986	4 842	6 192	495 021
Other non-financial assets	2 011	2 940	196	19	229	17	23	103	5 537
<i>Total</i>	161 927	100 112	133 816	25 354	54 185	14 003	4 865	6 295	500 558
<i>Total</i>	259 852	148 541	188 120	43 505	83 106	19 407	8 156	13 925	764 414
<b>Liabilities</b>									
Deposits held	251	617	4	394	390	6	215	74	1 951
Advances received	941	14	472	682	545	248	17	240	3 159
Borrowing	13 708	6 796	4 751	2 303	1 314	286	1 659	699	31 356
Unfunded superannuation liability and other employee entitlements	30 026	16 689	20 242	7 933	7 128	3 600	2 147	3 156	90 920
Other provisions	7 375	825	1 367	20	6	18	17	28	9 656
Other non-equity liabilities	6 566	3 520	4 293	1 262	1 405	382	132	283	17 806
<i>Total</i>	58 867	28 462	31 129	12 593	10 789	4 541	4 187	4 480	154 849
<b>GFS Net Worth</b>	<b>200 985</b>	<b>120 079</b>	<b>156 991</b>	<b>30 912</b>	<b>72 317</b>	<b>14 867</b>	<b>3 970</b>	<b>9 445</b>	<b>609 565</b>
Net debt	-7 482	1 121	-22 880	23	-3 511	-406	982	-2 228	-34 382
Net financial worth	39 058	19 966	23 175	5 557	18 132	864	-895	3 150	109 007

(a) The sum of individual state jurisdictions may not agree with total state figures, due to assets and liabilities held between jurisdictions.

AT 30 JUNE 2006

	NSW	Vic.	Qld.	SA	WA	Tas.	NT	ACT	Total(a)
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>Assets</b>									
<b>Financial assets</b>									
Cash and deposits	5 815	3 910	5 211	2 414	1 054	831	155	95	19 485
Advances paid	249	193	215	83	426	58	228	15	1 467
Investments, loans and placements	17 982	3 936	26 517	226	6 154	274	717	2 698	58 330
Other non-equity assets	5 788	3 403	4 209	569	2 409	600	185	127	17 249
Equity	1 264	5 070	2 280	780	1 065	355	150	388	11 353
<i>Total</i>	<i>31 098</i>	<i>16 512</i>	<i>38 432</i>	<i>4 072</i>	<i>11 109</i>	<i>2 118</i>	<i>1 435</i>	<i>3 323</i>	<i>107 884</i>
<b>Non-financial assets</b>									
Land and fixed assets	246 481	136 506	168 690	41 060	83 261	21 162	7 439	10 445	715 045
Other non-financial assets	2 748	3 109	258	30	482	17	23	162	6 828
<i>Total</i>	<i>249 229</i>	<i>139 615</i>	<i>168 948</i>	<i>41 089</i>	<i>83 743</i>	<i>21 178</i>	<i>7 462</i>	<i>10 608</i>	<i>721 872</i>
<i>Total</i>	<i>280 327</i>	<i>156 128</i>	<i>207 380</i>	<i>45 161</i>	<i>94 852</i>	<i>23 297</i>	<i>8 897</i>	<i>13 931</i>	<i>829 756</i>
<b>Liabilities</b>									
Deposits held	428	702	51	259	227	6	136	12	1 821
Advances received	936	12	473	715	545	248	366	240	3 536
Borrowing	29 073	11 427	20 905	3 675	10 330	2 273	2 029	701	80 238
Unfunded superannuation liability and other employee entitlements	32 131	16 925	20 880	8 026	7 470	4 080	2 170	3 195	94 877
Other provisions	14 259	3 282	2 038	20	339	90	34	110	20 172
Other non-equity liabilities	2 515	3 701	6 041	1 552	3 624	1 733	192	227	19 545
<i>Total</i>	<i>79 341</i>	<i>36 049</i>	<i>50 389</i>	<i>14 248</i>	<i>22 535</i>	<i>8 430</i>	<i>4 927</i>	<i>4 486</i>	<i>220 189</i>
Shares and other contributed capital	—	—	—	—	—	—	—	—	—
<b>GFS Net Worth</b>	<b>200 985</b>	<b>120 079</b>	<b>156 990</b>	<b>30 911</b>	<b>72 317</b>	<b>14 867</b>	<b>3 970</b>	<b>9 445</b>	<b>609 565</b>
Net debt	6 391	4 102	-10 514	1 928	3 467	1 363	1 431	-1 855	6 313
Net financial worth	-48 244	-19 536	-11 957	-10 178	-11 426	-6 312	-3 492	-1 162	-112 308

— nil or rounded to zero (including null cells)

(a) The sum of all individual state jurisdictions may not agree with total state figures, due to assets and liabilities held between jurisdictions.

AT 30 JUNE 2006

	NSW	Vic.	Qld.	SA	WA	Tas.	NT	ACT	Total(a)
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>Assets</b>									
<b>Financial assets</b>									
Cash and deposits	2 946	3 375	2 831	596	1 077	180	294	95	11 384
Advances paid	249	986	215	1 263	2 027	69	210	15	5 034
Investments, loans and placements	8 031	35 888	43 050	4 825	8 312	3 516	1 525	2 698	107 663
Other non-equity assets	6 254	5 175	4 033	787	2 670	628	252	127	19 885
Equity	1 497	1 050	485	846	1 124	699	—	388	6 089
<i>Total</i>	18 977	46 474	50 615	8 317	15 209	5 092	2 281	3 323	150 055
<b>Non-financial assets</b>									
Land and fixed assets	246 484	136 550	168 795	41 799	83 683	21 175	7 476	10 445	716 408
Other non-financial assets	2 748	3 150	257	39	496	17	23	162	6 891
<i>Total</i>	249 232	139 699	169 053	41 838	84 179	21 192	7 499	10 608	723 299
<i>Total</i>	268 209	186 174	219 667	50 155	99 387	26 284	9 780	13 931	873 354
<b>Liabilities</b>									
Deposits held	-1 101	768	3 071	637	226	6	602	12	4 211
Advances received	936	2 287	473	715	545	103	346	240	5 646
Borrowing	18 107	23 446	28 533	4 615	13 050	4 594	1 998	701	94 863
Unfunded superannuation liability and other employee entitlements	32 134	16 976	20 922	8 040	7 487	4 083	2 174	3 195	95 012
Other provisions	14 305	18 301	3 508	20	339	680	408	110	37 671
Other non-equity liabilities	2 843	4 316	6 170	5 216	5 423	1 951	281	227	26 386
<i>Total</i>	67 224	66 095	62 677	19 243	27 070	11 417	5 811	4 486	263 789
Shares and other contributed capital	—	—	—	—	—	—	—	—	—
<b>GFS Net Worth</b>	<b>200 985</b>	<b>120 079</b>	<b>156 990</b>	<b>30 911</b>	<b>72 317</b>	<b>14 867</b>	<b>3 970</b>	<b>9 445</b>	<b>609 565</b>
Net debt	6 716	-13 748	-14 019	-717	2 406	939	917	-1 855	-19 361
Net financial worth	-48 247	-19 620	-12 062	-10 927	-11 861	-6 325	-3 529	-1 162	-113 734

— nil or rounded to zero (including null cells)

(a) The sum of all individual state jurisdictions may not agree with total state figures, due to assets and liabilities held between jurisdictions.

	NSW	Vic.	Qld.	SA	WA	Tas.	NT	ACT	Total(a)
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
GFS Revenue									
Taxation revenue	15 917	10 885	7 396	2 979	5 195	703	377	782	44 235
Current grants and subsidies	18 777	13 920	12 955	5 557	6 890	2 167	2 249	1 118	63 627
Sales of goods and services	3 380	3 731	2 586	1 369	1 115	299	113	310	12 742
Interest income	1 268	376	3 414	147	170	33	21	111	5 540
Other	4 614	3 045	3 732	1 226	2 837	370	243	373	16 431
<i>Total</i>	43 956	31 957	30 084	11 279	16 207	3 572	3 002	2 694	142 574
less									
GFS Expenses									
Gross operating expenses									
Depreciation	2 121	1 109	1 679	439	591	206	142	158	6 446
Employee expenses	19 200	13 128	11 977	5 123	6 476	1 615	1 209	1 209	59 937
Other operating expenses	10 021	10 286	5 537	2 844	3 018	903	679	716	33 839
<i>Total</i>	31 341	24 523	19 192	8 407	10 085	2 725	2 030	2 083	100 221
Nominal superannuation interest expenses	934	480	526	344	242	138	96	144	2 903
Other interest expenses	1 183	452	173	223	120	27	117	59	2 353
Other property expenses	—	—	—	—	—	—	—	—	1
Current transfers									
Grant expenses	4 799	3 085	3 707	1 352	2 284	454	505	399	16 578
Subsidy expenses	2 573	1 242	1 674	565	464	86	89	85	6 779
Other current transfers	481	56	166	38	259	—	21	—	1 021
Capital transfers									
Grants to local governments	154	30	308	30	157	—	24	—	702
Other capital transfers	1 458	1 110	622	102	330	23	89	60	3 786
<i>Total</i>	42 923	30 977	26 368	11 060	13 942	3 452	2 973	2 828	134 344
equals									
<b>GFS Net Operating Balance</b>	<b>1 033</b>	<b>980</b>	<b>3 716</b>	<b>219</b>	<b>2 265</b>	<b>119</b>	<b>29</b>	<b>-134</b>	<b>8 230</b>
less									
Net acquisition of non-financial assets									
Gross fixed capital formation	3 557	2 119	2 723	566	1 078	239	234	237	10 754
less Depreciation	2 121	1 109	1 679	439	591	206	142	158	6 446
plus Change in inventories	10	7	28	—	—	—	1	—	46
plus Other transactions in non-financial assets	71	377	164	5	-69	3	-1	-46	504
<i>Total</i>	1 517	1 394	1 236	132	418	36	91	33	4 858
equals									
<b>GFS Net Lending(+)/Borrowing(-)</b>	<b>-484</b>	<b>-414</b>	<b>2 480</b>	<b>87</b>	<b>1 846</b>	<b>83</b>	<b>-62</b>	<b>-167</b>	<b>3 372</b>

— nil or rounded to zero (including null cells)

(a) The sum of all state jurisdictions may not agree with the total state figures, due to transfers between jurisdictions.

	NSW	Vic.	Qld.	SA	WA	Tas.	NT	ACT	Total(a)
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
GFS Revenue									
Taxation revenue	15 243	10 777	7 044	2 749	5 005	679	372	757	42 633
Current grants and subsidies	18 648	13 911	12 772	5 560	6 901	2 167	2 249	1 119	63 357
Sales of goods and services	13 616	6 301	9 934	2 531	7 240	1 938	449	609	42 430
Interest income	1 324	451	3 503	113	283	47	34	85	5 840
Other	3 665	3 141	3 431	889	2 305	286	246	173	14 084
<i>Total</i>	<i>52 496</i>	<i>34 581</i>	<i>36 684</i>	<i>11 841</i>	<i>21 735</i>	<i>5 116</i>	<i>3 350</i>	<i>2 744</i>	<i>168 343</i>
less									
GFS Expenses									
Gross operating expenses									
Depreciation	4 188	1 951	3 097	677	1 273	433	220	200	12 038
Employee expenses	22 538	13 777	13 736	5 354	7 045	1 920	1 269	1 290	66 917
Other operating expenses	14 875	12 521	9 083	3 255	7 416	1 852	1 004	945	50 779
<i>Total</i>	<i>41 602</i>	<i>28 249</i>	<i>25 916</i>	<i>9 286</i>	<i>15 734</i>	<i>4 205</i>	<i>2 492</i>	<i>2 435</i>	<i>129 734</i>
Property expenses									
Nominal superannuation interest expenses	892	480	526	344	242	138	96	144	2 903
Other interest expenses	2 006	756	1 012	311	609	144	167	55	5 020
Dividend expenses	—	—	—	—	—	—	—	—	—
Income tax equivalent expenses	—	—	—	—	11	—	—	—	11
Other property expenses	—	—	—	14	—	—	—	—	14
<i>Total</i>	<i>2 899</i>	<i>1 236</i>	<i>1 539</i>	<i>668</i>	<i>863</i>	<i>282</i>	<i>263</i>	<i>199</i>	<i>7 949</i>
Current transfers									
Grant expenses	4 899	3 140	3 646	1 165	2 117	410	442	403	16 207
Subsidy expenses	436	42	517	406	2	77	14	8	1 490
Tax expenses	—	—	—	—	—	—	—	—	—
Other current transfers	475	56	166	50	308	—	21	—	1 082
Capital transfers									
Grants to local governments	154	30	308	30	157	—	24	—	702
Other capital transfers	485	684	589	111	173	21	57	33	2 149
<i>Total</i>	<i>50 950</i>	<i>33 437</i>	<i>32 679</i>	<i>11 715</i>	<i>19 353</i>	<i>4 995</i>	<i>3 314</i>	<i>3 078</i>	<i>159 312</i>
equals									
<b>GFS Net Operating Balance</b>	<b>1 545</b>	<b>1 145</b>	<b>4 005</b>	<b>126</b>	<b>2 382</b>	<b>121</b>	<b>36</b>	<b>-335</b>	<b>9 031</b>
less									
Net acquisition of non-financial assets									
Gross fixed capital formation	7 699	3 861	6 533	797	3 119	624	360	251	23 244
less Depreciation	4 188	1 951	3 097	677	1 273	433	220	200	12 038
plus Change in inventories	15	9	123	—	374	—	2	—	523
plus Other transactions in non-financial assets	159	556	419	-53	-242	16	-2	-185	669
<i>Total</i>	<i>3 686</i>	<i>2 475</i>	<i>3 979</i>	<i>67</i>	<i>1 977</i>	<i>207</i>	<i>140</i>	<i>-133</i>	<i>12 398</i>
equals									
<b>GFS Net Lending(+)/Borrowing(-)</b>	<b>-2 140</b>	<b>-1 330</b>	<b>25</b>	<b>58</b>	<b>404</b>	<b>-86</b>	<b>-104</b>	<b>-201</b>	<b>-3 367</b>

— nil or rounded to zero (including null cells)

(a) The sum of individual state jurisdictions may not agree with total state figures, due to transfers between jurisdictions.

	NSW	Vic.	Qld.	SA	WA	Tas.	NT	ACT	Total(a)
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
GFS Revenue									
Taxation revenue	15 244	10 767	7 039	2 738	5 004	679	371	757	42 604
Current grants and subsidies	18 648	13 911	12 772	5 559	6 901	2 166	2 249	1 119	63 354
Sales of goods and services	13 638	8 968	10 848	3 460	7 925	2 051	583	609	47 880
Interest income	1 669	1 040	4 473	581	527	269	96	85	8 507
Other	3 639	3 008	3 196	838	2 292	263	223	173	13 580
<i>Total</i>	<i>52 838</i>	<i>37 694</i>	<i>38 328</i>	<i>13 175</i>	<i>22 650</i>	<i>5 427</i>	<i>3 522</i>	<i>2 744</i>	<i>175 925</i>
less									
GFS Expenses									
Gross operating expenses									
Depreciation	4 189	1 966	3 117	686	1 280	433	222	200	12 092
Employee expenses	22 549	13 978	13 879	5 392	7 067	1 924	1 285	1 290	67 352
Other operating expenses	14 878	15 161	9 840	3 723	7 835	1 958	1 117	945	55 268
<i>Total</i>	<i>41 617</i>	<i>31 105</i>	<i>26 836</i>	<i>9 800</i>	<i>16 182</i>	<i>4 315</i>	<i>2 624</i>	<i>2 435</i>	<i>134 713</i>
Property expenses									
Nominal superannuation interest expenses	892	480	526	344	242	138	96	144	2 903
Other interest expenses	2 203	1 014	1 604	679	792	338	165	55	5 839
Dividend expenses	—	—	—	—	—	—	—	—	—
Income tax equivalent expenses	—	—	—	—	11	—	—	—	11
Other property expenses	—	—	—	14	—	—	3	—	17
<i>Total</i>	<i>3 095</i>	<i>1 493</i>	<i>2 130</i>	<i>1 037</i>	<i>1 045</i>	<i>475</i>	<i>263</i>	<i>199</i>	<i>8 770</i>
Current transfers									
Grant expenses	4 899	3 147	3 646	1 132	2 117	410	444	403	16 183
Subsidy expenses	426	36	517	406	2	77	14	8	1 473
Tax expenses	—	—	—	—	—	—	—	—	—
Other current transfers	475	56	166	491	308	—	21	—	1 523
Capital transfers									
Grants to local governments	154	30	308	30	157	—	24	—	702
Other capital transfers	484	684	589	111	173	21	57	33	2 149
<i>Total</i>	<i>51 151</i>	<i>36 551</i>	<i>34 191</i>	<i>13 005</i>	<i>19 983</i>	<i>5 298</i>	<i>3 448</i>	<i>3 078</i>	<i>165 513</i>
equals									
<b>GFS Net Operating Balance</b>	<b>1 688</b>	<b>1 144</b>	<b>4 138</b>	<b>170</b>	<b>2 666</b>	<b>129</b>	<b>75</b>	<b>-335</b>	<b>10 411</b>
less									
Net acquisition of non-financial assets									
Gross fixed capital formation	7 700	3 880	6 550	797	3 123	625	365	251	23 231
less Depreciation	4 189	1 966	3 117	686	1 280	433	222	200	12 092
plus Change in inventories	15	9	123	—	374	—	2	—	523
plus Other transactions in non-financial assets	160	556	419	-53	-242	16	-2	-185	670
<i>Total</i>	<i>3 685</i>	<i>2 480</i>	<i>3 976</i>	<i>58</i>	<i>1 974</i>	<i>207</i>	<i>144</i>	<i>-133</i>	<i>12 332</i>
equals									
<b>GFS Net Lending(+)/Borrowing(-)</b>	<b>-1 998</b>	<b>-1 336</b>	<b>162</b>	<b>111</b>	<b>692</b>	<b>-78</b>	<b>-69</b>	<b>-201</b>	<b>-1 921</b>

— nil or rounded to zero (including null cells)

(a) The sum of all individual state jurisdictions may not agree with the total state figures, due to transfers between jurisdictions.

	NSW	Vic	Qld	SA	WA	Tas	NT	ACT	Total(a)
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>CASH FLOW STATEMENT</b>									
Cash receipts from operating activities									
Taxes received	15 970	10 974	7 362	2 940	5 119	699	375	782	44 222
Receipts from sales of goods and services	3 398	4 484	3 093	1 283	1 194	268	98	338	13 944
Grants and subsidies received	20 939	14 628	14 076	5 728	7 583	2 258	2 335	1 184	68 720
Other receipts	6 395	2 820	6 997	1 390	3 094	455	179	439	21 769
<i>Total</i>	<i>46 703</i>	<i>32 907</i>	<i>31 527</i>	<i>11 342</i>	<i>16 990</i>	<i>3 680</i>	<i>2 988</i>	<i>2 743</i>	<i>148 655</i>
Cash payments for operating activities									
Payments for goods and services	-28 414	-23 856	-16 751	-8 055	-9 538	-2 443	-1 885	-1 648	-92 374
Grants and subsidies paid	-9 051	-5 450	-6 352	-2 103	-3 207	-615	-692	-534	-27 993
Interest paid	-1 005	-469	-173	-227	-122	-34	-117	-60	-2 207
Other payments	-2 561	-420	-802	-202	-864	-136	-22	-260	-5 267
<i>Total</i>	<i>-41 031</i>	<i>-30 194</i>	<i>-24 078</i>	<i>-10 587</i>	<i>-13 730</i>	<i>-3 229</i>	<i>-2 716</i>	<i>-2 502</i>	<i>-127 840</i>
<i>Net cash flows from operating activities</i>	<i>5 672</i>	<i>2 713</i>	<i>7 449</i>	<i>755</i>	<i>3 260</i>	<i>452</i>	<i>271</i>	<i>241</i>	<i>20 815</i>
Net cash flows from investments in non-financial assets									
Sales of non-financial assets	396	159	386	138	203	50	26	51	1 409
Purchases of new non-financial assets	-3 875	-2 298	-3 186	-705	-1 161	-231	-244	-217	-11 917
Purchases of secondhand non-financial assets	—	—	—	—	—	-31	—	—	-31
<i>Total</i>	<i>-3 479</i>	<i>-2 140</i>	<i>-2 799</i>	<i>-567</i>	<i>-958</i>	<i>-212</i>	<i>-218</i>	<i>-165</i>	<i>-10 539</i>
Net cash flows from investments in financial assets for policy purposes									
	45	41	-935	158	-488	5	—	9	-1 165
Net cash flows from investments in financial assets for liquidity purposes									
	-1 994	469	-3 936	-8	74	8	-151	48	-5 491
Net cash flows from financing activities									
Advances received (net)	-135	-1	-14	—	-1	-13	1	-11	-174
Borrowing (net)	653	-155	-750	-54	-286	-254	-1	-16	-864
Deposits received (net)	-5	71	1	-1	—	—	127	—	192
Other financing (net)	56	-120	-2	1	-12	-17	3	-31	-125
<i>Total</i>	<i>569</i>	<i>-205</i>	<i>-765</i>	<i>-54</i>	<i>-300</i>	<i>-284</i>	<i>129</i>	<i>-58</i>	<i>-971</i>
<b>Net Increase (+)/Decrease(-) in Cash Held</b>	<b>813</b>	<b>878</b>	<b>-987</b>	<b>284</b>	<b>1 587</b>	<b>-31</b>	<b>31</b>	<b>74</b>	<b>2 649</b>
<b>SURPLUS (+)/DEFICIT (-)</b>									
Net cash flows from operating activities and net cash flows from investments in non-financial assets									
	2 193	573	4 650	188	2 301	240	53	76	10 276
Acquisitions of assets under finance leases and similar arrangements									
	-81	-367	—	—	—	-31	-15	—	-494
<b>Surplus (+)/Deficit (-)</b>	<b>2 113</b>	<b>206</b>	<b>4 649</b>	<b>188</b>	<b>2 301</b>	<b>209</b>	<b>37</b>	<b>76</b>	<b>9 783</b>

— nil or rounded to zero (including null cells)

Note: Negative figures denote outflows.

(a) The sum of all individual state jurisdictions may not agree with total state figures, due to transfers between jurisdictions.

	NSW	Vic	Qld	SA	WA	Tas	NT	ACT	Total(a)
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>CASH FLOW STATEMENT</b>									
Cash receipts from operating activities									
Taxes received	15 284	10 924	7 012	2 731	4 927	675	370	763	42 746
Receipts from sales of goods and services	13 842	7 225	11 049	2 398	7 407	2 064	478	591	44 398
Grants and subsidies received	20 805	14 565	13 966	5 733	7 594	2 258	2 338	1 184	68 473
Other receipts	7 340	2 748	7 134	1 001	2 813	579	172	293	22 025
<i>Total</i>	<i>57 270</i>	<i>35 463</i>	<i>39 161</i>	<i>11 864</i>	<i>22 741</i>	<i>5 575</i>	<i>3 358</i>	<i>2 831</i>	<i>177 642</i>
Cash payments for operating activities									
Payments for goods and services	-36 560	-26 938	-22 419	-8 494	-14 469	-4 033	-2 254	-1 921	-116 927
Grants and subsidies paid	-6 037	-3 733	-5 091	-1 696	-2 537	-546	-532	-438	-20 598
Interest paid	-1 830	-768	-1 009	-316	-560	-150	-167	-56	-4 856
Other payments	-4 104	-439	-1 513	-312	-1 463	-139	-22	-266	-7 805
<i>Total</i>	<i>-48 531</i>	<i>-31 879</i>	<i>-30 033</i>	<i>-10 818</i>	<i>-19 028</i>	<i>-4 869</i>	<i>-2 976</i>	<i>-2 680</i>	<i>-150 186</i>
<i>Net cash flows from operating activities</i>	<i>8 739</i>	<i>3 583</i>	<i>9 128</i>	<i>1 046</i>	<i>3 713</i>	<i>706</i>	<i>382</i>	<i>151</i>	<i>27 456</i>
Net cash flows from investments in non-financial assets									
Sales of non-financial assets	681	227	419	375	723	57	62	228	2 772
Purchases of new non-financial assets	-8 237	-4 108	-7 257	-1 049	-3 557	-635	-395	-294	-25 533
Purchases of secondhand non-financial assets	—	—	—	—	—	-31	—	—	-31
<i>Total</i>	<i>-7 556</i>	<i>-3 882</i>	<i>-6 838</i>	<i>-674</i>	<i>-2 834</i>	<i>-609</i>	<i>-333</i>	<i>-66</i>	<i>-22 792</i>
Net cash flows from investments in financial assets for policy purposes									
	-22	605	-454	34	—	-45	4	5	818
Net cash flows from investments in financial assets for liquidity purposes									
	-2 075	798	-3 748	-11	51	-7	-151	12	-5 132
Net cash flows from financing activities									
Advances received (net)	-127	-13	-13	—	-14	-13	14	-11	-187
Borrowing (net)	1 933	-147	1 502	-72	794	-277	33	8	3 776
Deposits received (net)	-21	68	3	-1	—	—	75	—	124
Distributions paid	—	—	—	—	-11	—	—	—	-11
Other financing (net)	183	-121	-3	-1	74	48	4	-9	-545
<i>Total</i>	<i>1 968</i>	<i>-213</i>	<i>1 490</i>	<i>-74</i>	<i>843</i>	<i>-241</i>	<i>126</i>	<i>-12</i>	<i>3 157</i>
<b>Net Increase(+)/Decrease(-) in Cash Held</b>	<b>1 053</b>	<b>892</b>	<b>-423</b>	<b>321</b>	<b>1 772</b>	<b>-196</b>	<b>28</b>	<b>89</b>	<b>3 507</b>
<b>SURPLUS(+)/DEFICIT(-)</b>									
Net cash flows from operating activities, net cash flows from investments in non-financial assets and distributions paid									
	1 183	-298	2 290	372	868	97	49	85	4 653
Acquisitions of assets under finance leases and similar arrangements									
	-81	-367	-11	—	—	-31	-15	—	-505
<b>Surplus(+)/Deficit(-)</b>	<b>1 102</b>	<b>-665</b>	<b>2 279</b>	<b>372</b>	<b>868</b>	<b>66</b>	<b>34</b>	<b>85</b>	<b>4 148</b>

— nil or rounded to zero (including null cells)

Note: Negative figures denote outflows.

(a) The sum of all individual state jurisdictions may not agree with the total state figures, due to transfers between jurisdictions.



	NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT	Total(a)
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>CASH FLOW STATEMENT</b>									
Cash receipts from operating activities									
Taxes received	15 285	10 914	7 007	2 720	4 890	675	369	763	42 681
Receipts from sales of goods and services	13 860	10 444	11 953	3 225	7 916	2 190	616	591	50 130
Grants and subsidies received	20 805	14 492	13 966	5 733	7 594	2 257	2 339	1 184	68 399
Other receipts	7 667	3 060	7 623	1 506	3 191	836	209	293	23 877
<i>Total</i>	<i>57 618</i>	<i>38 911</i>	<i>40 548</i>	<i>13 185</i>	<i>23 591</i>	<i>5 958</i>	<i>3 533</i>	<i>2 831</i>	<i>185 086</i>
Cash payments for operating activities									
Payments for goods and services	-36 595	-29 530	-22 391	-9 262	-14 900	-4 111	-2 375	-1 921	-120 909
Grants and subsidies paid	-6 027	-3 735	-5 091	-1 667	-2 537	-546	-535	-438	-20 563
Interest paid	-1 956	-1 008	-1 658	-613	-698	-361	-167	-56	-5 491
Other payments	-4 135	-417	-2 402	-433	-1 537	-146	-23	-266	-8 897
<i>Total</i>	<i>-48 713</i>	<i>-34 689</i>	<i>-31 542</i>	<i>-11 974</i>	<i>-19 672</i>	<i>-5 165</i>	<i>-3 099</i>	<i>-2 680</i>	<i>-155 861</i>
<i>Net cash flows from operating activities</i>	<i>8 905</i>	<i>4 222</i>	<i>9 006</i>	<i>1 211</i>	<i>3 918</i>	<i>794</i>	<i>434</i>	<i>151</i>	<i>29 226</i>
Net cash flows from investments in non-financial assets									
Sales of non-financial assets	681	228	421	395	724	57	62	228	2 795
Purchases of new non-financial assets	-8 238	-4 129	-7 276	-1 068	-3 562	-636	-400	-294	-25 544
Purchases of secondhand non-financial assets	—	—	—	—	—	-31	—	—	-31
<i>Total</i>	<i>-7 557</i>	<i>-3 901</i>	<i>-6 855</i>	<i>-673</i>	<i>-2 838</i>	<i>-610</i>	<i>-338</i>	<i>-66</i>	<i>-22 780</i>
Net cash flows from investments in financial assets for policy purposes	-22	-171	-455	35	—	-1	-8	5	179
Net cash flows from investments in financial assets for liquidity purposes	429	396	-5 709	115	163	897	-205	12	-2 487
Net cash flows from financing activities									
Advances received (net)	-127	-563	-13	—	-14	-13	21	-11	-731
Borrowing (net)	-1 148	503	593	-21	-556	-1 450	43	8	-2 350
Deposits received (net)	17	72	843	-1	—	—	113	—	1 044
Distributions paid	—	—	—	—	-11	—	—	—	-11
Other financing (net)	179	66	2 857	-38	73	48	-8	-9	-602
<i>Total</i>	<i>-1 079</i>	<i>79</i>	<i>4 281</i>	<i>-60</i>	<i>-508</i>	<i>-1 415</i>	<i>169</i>	<i>-12</i>	<i>-2 649</i>
<b>Net Increase(+)/Decrease(-) in Cash Held</b>	<b>675</b>	<b>625</b>	<b>268</b>	<b>627</b>	<b>735</b>	<b>-335</b>	<b>52</b>	<b>89</b>	<b>1 489</b>
<b>SURPLUS (+)/DEFICIT (-)</b>									
Net cash flows from operating activities, net cash flows from investments in non-financial assets and distributions paid	1 348	320	2 152	537	1 069	184	96	85	6 435
Acquisitions of assets under finance leases and similar arrangements	-81	-367	-11	—	—	-31	-15	—	-505
<b>Surplus(+)/Deficit(-)</b>	<b>1 267</b>	<b>-46</b>	<b>2 140</b>	<b>537</b>	<b>1 069</b>	<b>153</b>	<b>80</b>	<b>85</b>	<b>5 930</b>

— nil or rounded to zero (including null cells)

Note: Negative figures denote outflows.

(a) The sum of individual state jurisdictions may not agree with total state figures, due to transfers between jurisdictions.

AT 30 JUNE 2006

	NSW	Vic	Qld	SA	WA	Tas	NT	ACT	Total(a)
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>Assets</b>									
<b>Financial Assets</b>									
Cash and deposits	2 395	2 698	1 629	2 210	378	607	56	73	10 045
Advances paid	852	56	215	902	910	56	31	511	3 534
Investments, loans and placements	13 959	2 162	23 955	180	3 380	2	643	2 657	46 778
Other non-equity assets	9 479	2 483	2 881	498	1 117	1 039	127	170	17 754
Equity	65 446	39 196	22 066	14 190	21 870	3 049	2 240	4 219	172 275
<i>Total</i>	92 131	46 595	50 746	17 979	27 655	4 752	3 097	7 630	250 386
<b>Non-financial Assets</b>									
Land and fixed assets	89 752	54 185	81 672	13 840	40 187	8 642	3 742	6 192	298 213
Other non-financial assets	1 214	2 463	—	17	211	—	—	103	4 009
<i>Total</i>	90 966	56 648	81 672	13 857	40 398	8 642	3 742	6 295	302 221
<i>Total</i>	183 097	103 243	132 417	31 837	68 053	13 394	6 840	13 925	552 607
<b>Liabilities</b>									
Deposits held	93	520	1	282	369	—	215	74	1 553
Advances received	919	4	472	682	536	248	8	240	3 110
Borrowing	12 045	6 175	2 084	2 209	1 026	157	1 652	699	25 886
Unfunded superannuation liability and other employee entitlements	29 116	16 326	19 786	7 847	7 009	3 555	2 135	3 156	88 930
Other provisions	7 178	741	1 353	—	1	—	15	28	9 316
Other non-equity liabilities	5 928	3 088	3 689	1 113	1 171	327	87	283	15 649
<i>Total</i>	55 279	26 854	27 385	12 134	10 112	4 287	4 112	4 480	144 444
<b>GFS Net Worth</b>	<b>127 818</b>	<b>76 389</b>	<b>105 033</b>	<b>19 703</b>	<b>57 941</b>	<b>9 107</b>	<b>2 727</b>	<b>9 445</b>	<b>408 163</b>
Net debt	-4 149	1 783	-23 243	-119	-2 737	-259	1 145	-2 228	-29 807
Net financial worth	36 852	19 741	23 361	5 846	17 542	465	-1 015	3 150	105 942

— nil or rounded to zero (including null cells)

(a) The sum of all individual state jurisdictions may not agree with the total state figures, due to assets and liabilities held between jurisdictions.

AT 30 JUNE 2006

	NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT	Total(a)
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>Assets</b>									
<b>Financial Assets</b>									
Cash and deposits	4 107	3 230	3 123	2 372	679	681	57	95	14 345
Advances paid	257	191	215	83	425	56	220	15	1 453
Investments, loans and placements	14 516	3 228	26 179	204	5 439	129	643	2 698	52 859
Other non-equity assets	5 198	2 980	3 689	482	2 234	556	174	127	15 373
Equity	1 264	5 050	2 280	761	1 065	355	150	388	11 313
<i>Total</i>	<i>25 340</i>	<i>14 679</i>	<i>35 487</i>	<i>3 902</i>	<i>9 843</i>	<i>1 776</i>	<i>1 244</i>	<i>3 323</i>	<i>95 343</i>
<b>Non-financial Assets</b>									
Land and fixed assets	176 318	93 518	115 710	29 564	69 492	15 434	6 339	10 445	516 821
Other non-financial assets	1 943	2 632	62	28	465	—	—	162	5 299
<i>Total</i>	<i>178 261</i>	<i>96 151</i>	<i>115 771</i>	<i>29 592</i>	<i>69 956</i>	<i>15 434</i>	<i>6 339</i>	<i>10 608</i>	<i>522 120</i>
<i>Total</i>	<i>203 602</i>	<i>110 830</i>	<i>151 258</i>	<i>33 494</i>	<i>79 799</i>	<i>17 211</i>	<i>7 583</i>	<i>13 931</i>	<i>617 463</i>
<b>Liabilities</b>									
Deposits held	269	604	48	147	206	—	135	12	1 423
Advances received	923	3	474	715	536	248	357	240	3 486
Borrowing	27 410	10 806	17 926	3 583	10 041	2 088	2 023	701	74 402
Unfunded superannuation liability and other employee entitlements	31 194	16 562	20 422	7 941	7 351	4 026	2 158	3 195	92 876
Other provisions	7 915	3 197	2 002	—	334	73	33	110	19 811
Other non-equity liabilities	8 072	3 269	5 354	1 403	3 390	1 669	150	227	17 299
<i>Total</i>	<i>75 784</i>	<i>34 441</i>	<i>46 225</i>	<i>13 790</i>	<i>21 858</i>	<i>8 103</i>	<i>4 856</i>	<i>4 486</i>	<i>209 298</i>
Shares and other contributed capital	—	—	—	—	—	—	—	—	—
<b>GFS Net Worth</b>	<b>127 818</b>	<b>76 389</b>	<b>105 032</b>	<b>19 703</b>	<b>57 941</b>	<b>9 107</b>	<b>2 727</b>	<b>9 445</b>	<b>408 163</b>
Net debt	9 724	4 764	-11 070	1 786	4 240	1 470	1 594	-1 855	10 654
Net financial worth	-50 444	-19 762	-10 739	-9 889	-12 016	-6 327	-3 612	-1 162	-113 958

— nil or rounded to zero (including null cells)

(a) The sum of all individual state jurisdictions may not agree with total state figures, due to assets and liabilities held between jurisdictions.

AT 30 JUNE 2006

	NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT	Total(a)
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>Assets</b>									
<b>Financial assets</b>									
Cash and deposits	4 160	2 696	803	555	702	30	197	95	6 303
Advances paid	257	985	215	1 263	2 025	212	202	15	5 165
Investments, loans and placements	16 984	35 179	45 547	4 804	7 606	3 396	1 451	2 698	105 091
Other non-equity assets	5 674	4 752	3 514	701	2 495	584	240	127	18 009
Equity	1 497	1 030	486	826	1 124	699	—	388	6 049
<i>Total</i>	<i>28 571</i>	<i>44 641</i>	<i>50 565</i>	<i>8 148</i>	<i>13 952</i>	<i>4 920</i>	<i>2 091</i>	<i>3 323</i>	<i>140 617</i>
<b>Non-financial assets</b>									
Land and fixed assets	176 321	93 562	115 815	30 304	69 913	15 448	6 377	10 445	518 185
Other non-financial assets	1 940	2 673	62	37	478	—	—	162	5 362
<i>Total</i>	<i>178 261</i>	<i>96 235</i>	<i>115 877</i>	<i>30 341</i>	<i>70 392</i>	<i>15 448</i>	<i>6 377</i>	<i>10 608</i>	<i>523 547</i>
<i>Total</i>	<i>206 832</i>	<i>140 876</i>	<i>166 442</i>	<i>38 488</i>	<i>84 344</i>	<i>20 368</i>	<i>8 468</i>	<i>13 931</i>	<i>664 164</i>
<b>Liabilities</b>									
Deposits held	1 140	671	3 128	525	205	—	602	12	3 872
Advances received	923	2 277	474	715	536	248	337	240	5 741
Borrowing	29 386	22 825	28 390	4 522	12 771	4 435	1 993	701	91 926
Unfunded superannuation liability and other employee entitlements	31 197	16 613	20 464	7 954	7 368	4 030	2 163	3 195	93 011
Other provisions	7 947	18 217	3 471	—	334	662	407	110	37 309
Other non-equity liabilities	8 422	3 884	5 483	5 067	5 189	1 886	239	227	24 141
<i>Total</i>	<i>79 014</i>	<i>64 487</i>	<i>61 409</i>	<i>18 785</i>	<i>26 403</i>	<i>11 261</i>	<i>5 740</i>	<i>4 486</i>	<i>256 000</i>
Shares and other contributed capital	—	—	—	—	—	—	—	—	—
<b>GFS Net Worth</b>	<b>127 818</b>	<b>76 390</b>	<b>105 032</b>	<b>19 703</b>	<b>57 941</b>	<b>9 107</b>	<b>2 727</b>	<b>9 445</b>	<b>408 163</b>
Net debt	10 048	-13 086	-14 575	-858	3 179	1 046	1 081	-1 855	-15 020
Net financial worth	-50 443	-19 845	-10 844	-10 638	-12 451	-6 340	-3 649	-1 162	-115 384

— nil or rounded to zero (including null cells)

(a) The sum of all individual state jurisdictions may not agree with total state figures, due to assets and liabilities held between jurisdictions.

	NSW	Vic.	Qld	SA(a)	WA	Tas.	NT	ACT	Total(b)
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
GFS Revenue									
Taxation revenue	2 613	2 519	1 807	785	928	207	62	..	8 920
Current grants and subsidies	635	547	464	154	190	69	56	..	2 117
Sales of goods and services	2 447	943	2 597	217	478	258	60	..	7 000
Interest income	319	69	134	21	74	20	7	..	644
Other	1 124	779	1 656	128	564	81	76	..	4 407
<i>Total</i>	<i>7 138</i>	<i>4 856</i>	<i>6 659</i>	<i>1 305</i>	<i>2 234</i>	<i>635</i>	<i>260</i>	<i>..</i>	<i>23 088</i>
less									
GFS Expenses									
Gross operating expenses									
Depreciation	1 169	812	1 311	286	472	160	72	..	4 280
Employee expenses	2 579	1 678	1 982	419	675	185	124	..	7 642
Other operating expenses	2 327	2 033	1 963	522	670	232	141	..	7 888
<i>Total</i>	<i>6 074</i>	<i>4 523</i>	<i>5 256</i>	<i>1 226</i>	<i>1 816</i>	<i>577</i>	<i>337</i>	<i>..</i>	<i>19 810</i>
Property expenses									
Nominal superannuation interest expenses	—	—	—	—	—	—	—	..	—
Other interest expenses	106	41	190	28	18	17	—	..	401
Dividend expenses	—	—	—	—	—	—	—	..	—
Income tax equivalent expenses	—	—	—	—	—	3	—	..	3
Other property expenses	—	—	—	—	—	—	—	..	—
<i>Total</i>	<i>106</i>	<i>41</i>	<i>190</i>	<i>28</i>	<i>18</i>	<i>20</i>	<i>—</i>	<i>..</i>	<i>403</i>
Current transfers									
Grant expenses	32	—	82	15	8	2	—	..	138
Subsidy expenses	—	—	—	—	3	—	—	..	3
Tax expenses	—	—	—	—	—	—	—	..	—
Other current transfers	109	—	—	4	—	—	—	..	113
Capital transfers									
Grant expenses	—	—	—	—	2	—	1	..	3
Other capital transfers	3	—	10	—	59	2	1	..	74
<i>Total</i>	<i>6 324</i>	<i>4 565</i>	<i>5 538</i>	<i>1 273</i>	<i>1 905</i>	<i>602</i>	<i>339</i>	<i>..</i>	<i>20 545</i>
equals									
<b>GFS Net Operating Balance</b>	<b>814</b>	<b>291</b>	<b>1 121</b>	<b>33</b>	<b>330</b>	<b>33</b>	<b>-78</b>	<b>..</b>	<b>2 543</b>
less									
Net acquisition of non-financial assets									
Gross fixed capital formation	1 663	1 339	2 246	340	625	185	57	..	6 455
less Depreciation	1 169	812	1 311	286	472	160	72	..	4 280
plus Change in inventories	—	1	15	7	-9	—	—	..	13
plus Other transactions in non-financial assets	124	-15	133	4	-15	-3	—	..	228
<i>Total</i>	<i>617</i>	<i>513</i>	<i>1 083</i>	<i>67</i>	<i>129</i>	<i>22</i>	<i>-16</i>	<i>..</i>	<i>2 416</i>
equals									
<b>GFS Net Lending(+)/Borrowing(-)</b>	<b>197</b>	<b>-222</b>	<b>38</b>	<b>-34</b>	<b>200</b>	<b>11</b>	<b>-63</b>	<b>..</b>	<b>127</b>

.. not applicable

— nil or rounded to zero (including null cells)

(a) SA local government data may be affected by the classification of the SA Local Government Financing Authority to the general government sector (refer to Explanatory Note 44).

(b) The sum of all individual state jurisdictions may not agree with total state figures, due to transfers between jurisdictions

	NSW	Vic.	Qld	SA(a)	WA	Tas.	NT	ACT	Total(b)
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>CASH FLOW STATEMENT</b>									
Cash receipts from operating activities									
Taxes received	2 696	2 379	1 780	783	919	214	60	..	8 831
Receipts from sales of goods and services	2 101	1 077	2 328	242	494	252	55	..	6 550
Grants and subsidies received	872	642	848	177	342	80	86	..	3 047
Other receipts	1 245	279	946	11	287	50	67	..	2 885
<i>Total</i>	<b>6 915</b>	<b>4 377</b>	<b>5 901</b>	<b>1 212</b>	<b>2 043</b>	<b>596</b>	<b>268</b>	<b>..</b>	<b>21 312</b>
Cash payments for operating activities									
Payments for goods and services	-5 407	-3 735	-3 824	-917	-1 417	-419	-231	..	-15 949
Grants and subsidies paid	-33	-35	-27	-15	-9	-2	—	..	-120
Interest paid	-95	-55	-193	-33	-17	-15	-1	..	-408
Other payments	-131	—	-119	-2	-9	-10	-54	..	-325
<i>Total</i>	<b>-5 666</b>	<b>-3 825</b>	<b>-4 163</b>	<b>-966</b>	<b>-1 451</b>	<b>-445</b>	<b>-287</b>	<b>..</b>	<b>-16 803</b>
<i>Net cash flows from operating activities</i>	<b>1 249</b>	<b>552</b>	<b>1 738</b>	<b>246</b>	<b>592</b>	<b>151</b>	<b>-18</b>	<b>..</b>	<b>4 510</b>
Net cash flows from investments in non-financial assets									
Sales of non-financial assets	282	100	103	54	110	17	2	..	668
Purchases of new non-financial assets	-1 856	-1 080	-1 919	-364	-579	-168	-58	..	-6 024
Purchases of secondhand non-financial assets	—	—	—	—	—	—	—	..	—
<i>Total</i>	<b>-1 574</b>	<b>-981</b>	<b>-1 815</b>	<b>-311</b>	<b>-470</b>	<b>-150</b>	<b>-56</b>	<b>..</b>	<b>-5 357</b>
Net cash flows from investments in financial assets for policy purposes									
	-5	1	—	2	—	—	1	..	-2
Net cash flows from investments in financial assets for liquidity purposes									
	-253	—	-7	—	-57	3	4	..	-310
Net cash flows from financing activities									
Advances received (net)	2	—	—	—	18	—	1	..	21
Borrowing (net)	154	-23	21	-8	11	3	-1	..	158
Deposits received (net)	1	12	1	1	5	—	—	..	21
Distributions paid	—	—	—	—	—	—	—	..	—
Other financing (net)	325	554	-110	87	127	35	96	..	1 115
<i>Total</i>	<b>482</b>	<b>544</b>	<b>-88</b>	<b>80</b>	<b>161</b>	<b>38</b>	<b>97</b>	<b>..</b>	<b>1 314</b>
<b>Net Increase(+)/Decrease(-) in Cash Held</b>	<b>-100</b>	<b>116</b>	<b>-171</b>	<b>17</b>	<b>225</b>	<b>42</b>	<b>26</b>	<b>..</b>	<b>156</b>
<b>SURPLUS (+)/DEFICIT (-)</b>									
Net cash flows from operating activities, net cash flows from investments in non-financial assets and distributions paid									
	-325	-429	-77	-65	122	1	-74	..	-847
Acquisitions of assets under finance leases and similar arrangements									
	—	—	—	6	—	—	—	..	6
<b>Surplus(+)/Deficit(-)</b>	<b>-325</b>	<b>-429</b>	<b>-77</b>	<b>-59</b>	<b>122</b>	<b>1</b>	<b>-74</b>	<b>..</b>	<b>-841</b>

.. not applicable

— nil or rounded to zero (including null cells)

(a) SA local government data may be affected by the classification of the SA Local Government Financing Authority to the general government sector (refer to Explanatory Note 44).

(b) The sum of all individual state jurisdictions may not agree with total state figures, due to transfers between jurisdictions.

Note: Negative figures denote outflows.

AT 30 JUNE 2006

	NSW	Vic.	Qld	SA(a)	WA	Tas.	NT	ACT	Total(b)
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>Assets</b>									
Financial assets									
Cash and deposits	1 708	680	2 088	42	375	151	97	..	5 140
Advances paid	1	2	—	—	1	2	—	..	6
Investments, loans and placements	3 467	708	340	23	715	146	74	..	5 474
Other non-equity assets	619	423	574	87	182	44	15	..	1 943
Equity	—	20	—	20	—	—	—	..	40
<i>Total</i>	5 795	1 833	3 002	171	1 273	342	186	..	12 603
Non-financial assets									
Land and fixed assets	70 163	42 988	52 980	11 496	13 770	5 727	1 100	..	198 223
Other non-financial assets	798	477	196	2	17	17	23	..	1 529
<i>Total</i>	70 961	43 464	53 176	11 497	13 787	5 744	1 123	..	199 752
<i>Total</i>	76 756	45 297	56 178	11 668	15 060	6 086	1 309	..	212 356
<b>Liabilities</b>									
Deposits held	158	98	3	112	21	7	—	..	398
Advances received	22	10	—	—	9	—	1	..	42
Borrowing	1 663	621	2 981	94	289	185	7	..	5 839
Unfunded superannuation liability and other employee entitlements	910	363	459	85	119	53	12	..	2 001
Other provisions	197	84	37	20	5	18	1	..	362
Other non-equity liabilities	639	432	742	149	241	65	45	..	2 313
<i>Total</i>	3 589	1 608	4 221	460	684	327	66	..	10 954
Shares and other contributed capital	—	—	—	—	—	—	—	..	—
<b>GFS Net Worth</b>	<b>73 167</b>	<b>43 690</b>	<b>51 958</b>	<b>11 208</b>	<b>14 377</b>	<b>5 759</b>	<b>1 243</b>	<b>..</b>	<b>201 402</b>
Net debt	-3 333	-662	555	141	-773	-107	-164	..	-4 342
Net financial worth	2 206	225	-1 218	-289	590	15	120	..	1 650

.. not applicable

— nil or rounded to zero (including null cells)

(a) SA local government data may be affected by the classification of the SA Local Government Financing Authority to the general government sector (refer to Explanatory Note 44).

(b) The sum of all individual state jurisdictions may not agree with total state figures, due to assets and liabilities held between jurisdictions.

## GENERAL GOVERNMENT EXPENSES BY PURPOSE, Commonwealth and State

	<i>Cwlth</i>	<i>NSW</i>	<i>Vic.</i>	<i>Qld</i>	<i>SA(a)</i>	<i>WA</i>	<i>Tas.</i>	<i>NT</i>	<i>ACT</i>	<i>Total(b)</i>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
General public services	11 365	1 394	729	1 622	224	281	247	112	462	19 266
Defence	15 779	—	—	—	—	—	—	—	—	15 779
Public order and safety	2 556	4 394	3 165	2 378	1 036	1 598	295	341	226	16 328
Education										
Primary and secondary	7 815	8 677	6 225	5 112	2 284	3 179	740	495	483	27 477
University	5 820	—	228	9	30	56	9	—	21	13 685
Technical and further education	1 506	1 472	1 446	632	370	345	108	83	74	4 703
Other tertiary	—	—	—	—	—	—	—	30	—	27
Other	665	1 266	614	888	162	235	63	33	45	3 848
<i>Total</i>	15 807	11 415	8 513	6 641	2 846	3 815	920	640	623	49 741
Health										
Acute care institutions	10 204	8 027	6 426	4 023	2 507	2 269	563	379	400	25 551
Other health institutions	—	337	34	184	100	116	15	8	5	798
Community health services	14 652	2 017	1 186	1 420	309	593	217	149	133	20 659
Pharmaceutical	7 130	—	80	—	—	245	47	19	9	7 001
Other	5 562	609	556	502	147	305	37	39	108	7 664
<i>Total</i>	37 549	10 990	8 282	6 129	3 063	3 527	879	593	655	61 673
Social security and welfare										
Social security	75 571	258	—	—	128	—	—	—	—	75 917
Welfare services	8 554	2 603	2 421	1 279	484	634	209	161	180	15 360
Other	2 095	203	—	24	62	—	—	—	—	2 830
<i>Total</i>	86 221	3 065	2 421	1 303	674	634	209	161	180	94 107
Housing and community amenities										
Housing and community development	1 668	980	1 007	812	470	545	131	201	92	5 519
Water supply	525	90	165	6	189	376	—	12	1	1 412
Sanitation and protection of the environment	575	413	238	80	250	83	12	49	26	3 409
Other community amenities	—	—	535	—	24	63	—	—	38	1 920
<i>Total</i>	2 768	1 482	1 945	898	933	1 067	143	262	156	12 260
Recreation and culture										
Recreational facilities and services	523	558	550	386	143	275	11	53	29	4 200
Cultural facilities and services	808	459	277	189	147	122	72	97	22	3 315
Broadcasting and film production	1 319	7	—	—	5	—	—	—	—	1 332
Other recreation and culture	—	—	—	—	4	—	19	2	1	107
<i>Total</i>	2 650	1 025	827	574	299	397	102	152	51	8 954
Fuel and energy	4 045	68	63	976	44	107	1	130	—	5 290
Agriculture, forestry and fishing	2 762	636	267	826	207	388	69	42	3	4 711
Mining, manufacturing and construction	1 906	144	91	154	84	145	6	23	—	2 807
Transport and communications										
Road transport	1 642	2 589	1 375	1 319	346	798	221	158	152	10 378
Water transport	199	98	12	75	48	18	1	4	—	482
Rail transport	278	1 706	1 619	751	16	100	5	4	—	4 449
Air transport	155	—	—	4	—	4	—	5	—	175
Communications and other transport	642	603	164	629	325	378	—	21	12	2 971
<i>Total</i>	2 916	4 996	3 169	2 778	735	1 298	227	191	164	18 455
Other economic affairs	4 872	753	394	711	176	318	135	98	48	8 191
Nominal interest on superannuation	5 582	934	480	526	344	242	138	96	144	8 485
Public debt transactions	4 047	1 188	452	206	274	120	22	117	60	6 728
Other	41 776	438	180	647	121	4	59	13	57	1 785
<b>Total</b>	<b>242 600</b>	<b>42 923</b>	<b>30 977</b>	<b>26 368</b>	<b>11 060</b>	<b>13 942</b>	<b>3 452</b>	<b>2 973</b>	<b>2 828</b>	<b>334 560</b>

— nil or rounded to zero (including null cells)

(a) SA GPC data may be subject to revision in the future as GPC methodologies between the ABS and SA Treasury are more closely aligned.

(b) Includes multi-jurisdictional sector and local government expenses by purpose.



## GENERAL GOVERNMENT EXPENSES BY PURPOSE, Local

	NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
General public services	1 307	556	1 258	174	187	90	82	..	3 655
Public order and safety	310	98	81	19	63	6	3	..	579
Education	19	45	3	—	8	—	2	..	77
Health	74	61	40	28	35	12	7	..	257
Social security and welfare	308	733	58	65	87	22	10	..	1 283
Housing and community amenities	1 430	883	1 700	256	301	219	87	..	4 875
Recreation and culture	950	813	559	230	427	64	29	..	3 073
Fuel and energy	1	—	3	10	—	—	1	..	15
Agriculture, forestry and fishing	3	2	26	14	3	—	2	..	51
Mining, manufacturing and construction	141	—	86	21	32	—	1	..	281
Transport and communications	1 215	925	1 334	284	629	132	37	..	4 555
Other economic affairs	247	206	127	63	37	16	77	..	774
Public debt transactions	106	41	171	28	18	12	—	..	375
Other	212	200	59	82	78	23	—	..	654
<b>Total</b>	<b>6 324</b>	<b>4 565</b>	<b>5 504</b>	<b>1 273</b>	<b>1 905</b>	<b>596</b>	<b>339</b>	<b>..</b>	<b>20 505</b>

.. not applicable

— nil or rounded to zero (including null cells)

## EXPLANATORY NOTES

### INTRODUCTION

**1** The main functions of government are the provision of non-market services, the regulation of economic and social conditions, and the redistribution of income between sections of the community. These activities are primarily financed by taxation and are carried out by entities in the general government sector. In addition to this core activity, governments can also own or control enterprises that sell goods or services to the public and which operate largely on a market basis (public non-financial corporations) or engage in financial intermediation (public financial corporations).

**2** The term 'Government Finance Statistics' refers to statistics that measure the financial activities of governments and reflect the impact of those activities on other sectors of the economy. The Australian system of Government Finance Statistics (GFS), which is used to derive the statistics presented here, is designed to provide statistical information on public sector entities in Australia classified in a uniform and systematic way.

**3** GFS enables policy makers and users to analyse the financial operations and financial position of the public sector at either the level of a specific government, institutional sector or set of transactions. The system is based on international standards set out in the *System of National Accounts 1993 (SNA93)* and the *International Monetary Fund's Government Finance Statistics Manual 2001 (GFSM2001)*.

**4** Detailed information on the concepts, sources and methods used in compiling GFS can be found in *Australian System of Government Finance Statistics: Concepts, Sources and Methods* (cat. no. 5514.0.55.001) electronic version or (cat. no. 5514.0) PDF version .

### SCOPE

**5** The system of GFS provides details of revenues, expenses, cash flows and assets and liabilities of the Australian public sector which includes all units owned and/or controlled by the Commonwealth, state governments and local governments. These units are grouped as follows:

- General government
- Public non-financial corporations
- Non-financial public sector
- Public financial corporations
- Total public sector.

#### *General Government*

**6** The principal function of general government entities is to provide non-market goods and services (e.g. roads, hospitals, libraries) primarily financed by taxes, to regulate and influence economic activity, to maintain law and order, and to redistribute income by means of transfer payments.

**7** This institutional sector covers the departments of the Commonwealth Government, state governments and local government municipalities. It also includes agencies and government authorities under departmental administration which are engaged in the provision of public administration, defence, law enforcement, welfare, public education, and health. Also included are non-departmental bodies which independently perform the government functions of regulation (e.g. Nurses Registration Boards and the Maritime Safety Authority), provision of non-market services (e.g. the Australian Broadcasting Corporation), and redistribution of income. Some of these bodies may be called 'corporations', but they are still considered part of the general government sector if they perform general government functions. Public universities are also considered part of the general government sector.

**8** Unincorporated government enterprises which provide goods and services to their governments and to the public at prices that are not economically significant are also included in this sector. In addition, government quasi-corporations which sell their output exclusively to other government units, while not in open competition with other producers, are also classified as general government units.

## EXPLANATORY NOTES *continued*

### *Public Non-Financial Corporations*

**9** The main function of public non-financial corporations (PNFCs) is to provide goods and services which are predominantly market, non-regulatory and non-financial in nature, and mostly financed through sales to consumers.

**10** Enterprises in the PNFC sector differ from those in the general government sector in that all or most of their production costs are recovered from consumers, rather than being financed from the general taxation revenue of government. Some enterprises, however, do receive subsidies to make up for shortfalls incurred as a result of government policy, for example, in the provision of 'community service obligations' at concessional rates.

**11** PNFCs vary in their degree of 'commercialisation', from those which are quite heavily reliant on parent governments for subsidies, such as rail and bus transport undertakings, to those which are net contributors to government revenue. Governments may exercise control over PNFCs by either owning more than 50% of the voting stock or otherwise controlling more than half the shareholders' voting power, or through legislation, decree or regulation which empowers the government to determine corporate policy or to appoint the directors. Examples of PNFCs are Telstra, Australia Post, state rail authorities, and local bus and transport operations.

### *Non-financial Public Sector*

**12** The non-financial public sector is a subsector formed by the consolidation of the general government and public non-financial corporations sectors.

### *Public Financial Corporations*

**13** Public financial corporations (PFCs) are government-owned or controlled enterprises which engage in financial intermediation (i.e. trade in financial assets and liabilities), such as the Reserve Bank of Australia, government-owned borrowing authorities and insurance offices and home lending schemes.

### *Total Public Sector*

**14** The total public sector is the consolidated total of the general government, public non-financial corporations and public financial corporations sectors.

## LEVELS OF GOVERNMENT

**15** The public sector comprises all organisations owned or controlled by any of the three levels of government within the Australian political system; national (which includes Commonwealth and multi-jurisdictional), state and local.

### *Commonwealth Government*

**16** The Commonwealth Government has exclusive responsibility under the Constitution for the administration of a wide range of functions including defence, foreign affairs and trade, and immigration. A distinctive feature of the Australian federal system is that the Commonwealth Government levies and collects all income tax, from individuals as well as from enterprises. It also collects a significant portion of other taxes, including taxes on the provision of goods and services. The Commonwealth distributes part of this revenue to other levels of government, principally the states.

### *State Governments*

**17** State and territory governments (referred to as 'state' governments) perform the full range of government functions, other than those the Constitution deems the exclusive domain of the Commonwealth Government. The functions mainly administered by state governments include public order, health, education, administration, transport and maintenance of infrastructure. The revenue base of state governments consists of taxes on property, on employers' payrolls, and on the provision and use of goods and services. This revenue base is supplemented by grants from the Commonwealth Government, which includes an allocation of Goods and Services Tax (GST) revenue.

### *Local Governments*

**18** Local government authorities govern areas typically described as cities, towns, shires, boroughs, municipalities and district councils. Although the range of functions undertaken by local governments varies between the different jurisdictions, their powers and responsibilities are generally similar and cover such matters as:

- the construction and maintenance of roads, streets and bridges;

## EXPLANATORY NOTES *continued*

### *Local Governments continued*

- water, sewerage and drainage systems;
- health and sanitary services;
- the regulation of building standards; and
- the administration of regulations relating to items such as slaughtering, weights and measures, and registration of dogs.

**19** Local governments also provide transport facilities, hospitals, charitable institutions, recreation grounds, parks, swimming pools, libraries, museums and other business undertakings. Local governments' own-source revenue is derived mainly from property taxes. They also rely on grants from the Commonwealth Government and their parent state governments. The Australian Capital Territory has no separate local government.

### *Multi-jurisdictional*

**20** The multi-jurisdictional sector contains units where jurisdiction is shared between two or more governments, or the classification of a unit to a jurisdiction is otherwise unclear. The main type of units currently falling into this category are the public universities.

## CLASSIFICATIONS

**21** The main GFS classifications are:

- Economic Type Framework
- Type of Asset Classification
- Government Purpose Classification
- Taxes Classification
- Source/Destination Classification.

### *Economic Type Framework*

**22** The *Economic Type Framework* is the main classification of stocks and flows. Stocks refer to the holdings of assets and liabilities at a point in time, ideally valued at current market prices. Flows are economic events and other occurrences, recorded in the period in which they occur, that cause changes in the value of stocks through the creation, transformation, exchange, transfer or extinction of value. Thus, the stock of assets and liabilities recorded at the beginning of a period changes as a result of flows during the period, moving to new levels at the end of the period.

**23** The *Economic Type Framework* resembles a set of financial statements, with sections for an operating statement, a cash flow statement and a balance sheet. In addition, there are sections to cater for the reconciliation of accounting net operating result measures with cash flows from operating activities and to capture items like assets acquired under finance leases, intra-unit transfers, revaluations and other changes in the volume of assets.

### *Type of Asset Classification*

**24** The *Type of Asset Classification* is used to identify whether expenditure on non-financial assets (net) was on produced assets (e.g. dwellings and transport equipment) or non-produced assets (e.g. land).

### *Government Purpose Classification*

**25** The *Government Purpose Classification* is used to group operating expenses and expenditure by purpose (education, health, etc.) with similar functions to facilitate the study of the broad function of public sector spending and the effectiveness of this spending in meeting government policy objectives.

### *Taxes Classification*

**26** The *Taxes Classification* dissects this major form of government revenue according to type of tax collected.

### *Source/Destination Classification*

**27** The *Source/Destination Classification* identifies the source or destination of selected flows and stocks between units within and outside the public sector. It is used in compiling consolidated statistics.

## EXPLANATORY NOTES *continued*

### SOURCES AND METHODS

#### *Data sources*

**28** The statistics shown in this publication are based on information provided in, or underlying, the published accounting statements and reports of governments and their authorities. The valuation of stocks and flows in source data are generally in accordance with requirements of market values specified in statistical standards. For the most part, the divergences between the accounting values and market values are not materially significant.

**29** For the Commonwealth and state governments the primary data sources are:

- public accounts and budget management systems of state treasuries and the Commonwealth Department of Finance and Administration;
- annual reports of departments and authorities;
- budget papers; and
- reports of the Auditors-General.

**30** For local government, the main data sources are annual statements of accounts completed by local authorities.

#### *Consolidation*

**31** To compile statistics about the financial activities of a particular level of government, or any other grouping of public sector units, transactions and debtor/creditor relationships between units within the chosen grouping (sector or subsector) have to be matched and eliminated to avoid double counting. The process of matching and eliminating these items within the chosen group is known as 'consolidation'.

**32** Consolidation is particularly important at the state government level where a significant proportion of total expenses/payments are financed by Commonwealth Government grants. Similarly, an appreciable part of the expenditure undertaken by state public non-financial corporations is financed by grants from state governments.

#### *Revisions*

**33** GFS data are revised on an annual basis. For this reason differences can occur between equivalent aggregates published in earlier years.

### UNDERSTANDING THE STATEMENTS

#### *Operating Statement*

**34** The GFS conceptual framework is divided into a number of separate statements, each of which is designed to draw out analytical aggregates or balances of particular economic significance and which, taken together, provide for a thorough understanding of the financial positions of jurisdictions individually and collectively. These published statements are the operating statement, the cash flow statement, and the balance sheet.

**35** The operating statement presents details of transactions in GFS revenues, GFS expenses and the net acquisition of non-financial assets for an accounting period. GFS revenues are broadly defined as transactions that increase net worth and GFS expenses as transactions that decrease net worth. Net acquisition of non-financial assets equals gross fixed capital formation, less depreciation, plus changes in inventories plus other transactions in non-financial assets. Two key GFS analytical balances in the operating statement are GFS net operating balance (NOB) and GFS net lending(+)/borrowing(-).

**36** GFS NOB is the difference between GFS revenues and GFS expenses. It reflects the sustainability of government operations. GFS net lending(+)/borrowing(-) is equal to NOB minus the total net acquisition of non-financial assets. A positive result reflects a net lending position while a negative result reflects a net borrowing position.

#### *Cash Flow Statement*

**37** The cash flow statement identifies how cash is generated and applied in a single accounting period. 'Cash' means cash on hand (notes and coins held and deposits held at call with a bank or other financial institution) and cash equivalents (highly liquid investments which are readily convertible to cash on hand at the investor's option and overdrafts considered integral to the cash management function).

## EXPLANATORY NOTES *continued*

### *Cash Flow Statement continued*

**38** The cash flow statement reflects a cash basis of recording (the other statements are on an accrual accounting basis) where the information has been derived indirectly from underlying accrued transactions and movements in balances. In effect, the transactions are captured when cash is received or when cash payments are made. Cash transactions are specifically identified because they allow the compilation of the cash-based surplus(+)/deficit(-) measure and because the management of cash is considered an integral function of accrual accounting.

**39** The surplus(+)/deficit(-) is a broad indicator of a sector's cash flow requirements. When it is positive (i.e. in surplus), it reflects the extent to which cash is available to government to either increase its financial assets or decrease its liabilities (assuming that no revaluations or other volume changes occur). When it is negative (i.e. in deficit), it is a measure of the extent to which government requires cash, either by running down its financial assets or by drawing on the cash reserves of the domestic economy, or from overseas.

### *Balance Sheet*

**40** The balance sheet is the statement of financial position at a specific point in time. It shows the stock of assets and liabilities and the GFS net worth. GFS net worth is an economic measure of 'wealth' calculated as assets less liabilities for the general government sector and as assets less liabilities less shares and other contributed capital for the PNFCs and PFCs sectors.

**41** The net debt measure is included as a memorandum item in the balance sheet presentation together with net financial worth, which is the difference between total financial assets and total liabilities. In GFS balance sheets, shares and other contributed capital are treated as liabilities by convention.

### INTERSTATE COMPARISONS

**42** The statistics in this publication have been compiled using standard definitions, classifications and treatment of government financial transactions to facilitate comparisons between levels of government and between states within a level of government.

**43** However, the statistics also reflect real differences between the administrative and accounting arrangements of the various governments and these differences need to be taken into account when making interstate comparisons. For example, only a state level of government exists in the Australian Capital Territory and a number of functions performed by it are undertaken by local government authorities in other jurisdictions.

**44** Interstate comparisons of data may also be significantly affected by differences in the mix of operations undertaken by state governments and local governments. For example:

- water and sewerage undertakings in Victoria, Western Australia and South Australia are operated exclusively by State authorities, but are run by local governments in other jurisdictions; and
- government transport undertakings are operated exclusively by state authorities in all states except Queensland where bus transport is operated by the local government sector.
- The SA Local Government Financing Authority (SA LGFA) is classified as a general government sector unit. As a result, transactions between other local government units and the SA LGFA will be eliminated by applying the principles of consolidation.

### RELATIONSHIP TO OTHER INFORMATION

#### *Uniform Presentation Framework*

**45** Following the May 1991 Premiers' Conference, the Commonwealth Government and the state governments resolved to implement a uniform presentation framework in their budget documents. The purpose of the uniform presentation framework was to introduce uniformity into the presentation of GFS so that users of the information could make valid comparisons between jurisdictions.

## EXPLANATORY NOTES *continued*

Uniform Presentation  
Framework *continued*

**46** Since budget year 1992-93 the Commonwealth and state governments have presented information in their budget documents on the ABS GFS basis. The information presented in the budget documents of each jurisdiction is compiled with the advice and assistance of ABS officers and generally conforms with the standards applied by the ABS. Jurisdictions may present the information based on their interpretation of the GFS classifications, but must provide a reconciliation of this information with information reflecting the ABS treatment on these issues. In 1999, the uniform presentation framework was revised from a cash to an accruals basis and the accrual uniform presentation framework was to be implemented beginning with most jurisdictions' Budgets for 2000-01.

**47** Variations between ABS statistics and those presented by the jurisdictions can exist because the ABS may:

- disagree with classification treatments applied by jurisdictions;
- employ a different consolidation methodology to those used in jurisdiction Treasuries;
- apply reconciliation adjustments when it consolidates data for all jurisdictions and compares annual data with quarterly data used in compiling the national accounts; and
- include data which were not available when a jurisdiction's GFS presentations were published (e.g. major asset sales).

**48** Differences caused as a result of the first three points above are generally minor. However, differences attributable to the last point can be significant.

AAS31

**49** The Australian Accounting Standard AAS31 *'Financial Reporting by Governments'* has been adopted by all Australian governments in the preparation of their financial statements. Accounting reports prepared under AAS31 and statistical reports prepared on a GFS basis serve different purposes and are aimed at different sets of users. Thus, differences between GFS and AAS31 analytical measures (GFS net operating balance and AAS31 operating surplus/deficit for example) can be expected. Descriptions of GFS/AAS31 reconciliations are outlined in Chapter 7 of *Australian System of Government Finance Statistics: Concepts, Sources and Methods* (cat. no. 5514.0).

Australian System of National  
Accounts (ASNA)

**50** While GFS and ASNA share the same conceptual framework (SNA93), there are methodological differences between GFS and ASNA analytical measures (GFS and ASNA net worth and net lending/borrowing for example). Descriptions of GFS/ASNA reconciliations are outlined in Chapter 7 of *Australian System of Government Finance Statistics: Concepts, Sources and Methods* (cat. no. 5514.0).

DATA AVAILABLE ON  
REQUEST

**51** Accruals GFS data for the PNFC and PFC sectors are available from the ABS Web site.

**52** Some GFS data are available back to 1961-62. Prior to 1998-99, however, GFS were compiled on a cash basis. Cash data prior to 1998-99 are not directly comparable with data for 1998-99 onwards due to the different data sources adopted by some jurisdictions. The ABS has not established a quantitative measure of this break in series because the existing data sources do not permit this.

**53** Generally, a charge is made for providing data available on request. Inquiries should be made to the officer whose name appears in the Inquiries section of the publication, or to the ABS National Information Service.

RELATED PUBLICATIONS

**54** Users may refer to the following publications which contain related information:  
■ *Australian National Accounts: Financial Accounts* (cat. no. 5232.0) - issued quarterly

## EXPLANATORY NOTES *continued*

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### RELATED PUBLICATIONS

*continued*

- *Australian National Accounts: National Income, Expenditure and Product* (cat. no. 5206.0) - issued quarterly
- *Australian System of Government Finance Statistics: Concepts, Sources and Methods* (cat. no. 5514.0) - issued September 2005
- *Australian System of National Accounts* (cat. no. 5204.0) - issued annually
- *Government Finance Statistics: Australia, Quarterly* (cat. no. 5519.0.55.001) - issued quarterly
- *Government Finance Statistics, Education, Australia* (cat. no. 5518.0.55.0010) - issued annually
- *Government Financial Estimates* (cat. no. 5501.0.55.001) - issued annually
- *Information Paper: Accruals-based Government Finance Statistics* (cat. no. 5517.0) - issued March 2000
- *Information Paper: Developments in Government Finance Statistics* (cat. no. 5516.0) - issued February 1997
- *Taxation Revenue, Australia* (cat. no. 5506.0) - issued annually



## TECHNICAL NOTE 1 IMPACT OF AIFRS ON GFS

### IMPACT OF AIFRS ON GFS

#### Background

**1** In 2005 the ABS published an Information Paper entitled *Impact of the Implementation of International Financial Reporting Standards on ABS Statistics* (cat no 1279.0). This paper outlined the possible impacts on ABS economic statistics arising from the adoption of the *Australian equivalents to International Financial Reporting Standards* (AIFRS). These standards became operational for financial reporting periods beginning on or after 1 January 2005. Accordingly, all Australian governments were required to implement the standards with respect to financial reports compiled for financial year 2005-06.

**2** While the accounting standards underpinning financial reporting changed as above, those underlying government finance statistics (GFS) have remained unchanged. Ideally then, there should not be any impact on the data included in this publication from the change in accounting standards. However, as the GFS data is sourced primarily from the same underlying accounting and budgetary systems that each jurisdiction uses for financial reporting, some impacts have been observed. This article discusses the key areas where impacts have been noted, based on information required to be disclosed under the new standards. It should be noted that the main impacts affect the accrual-based GFS statements, with only very minor impacts on the GFS cashflow statements.

**3** In their first AIFRS-based financial report entities (including governments) were required to restate their 2004-05 results on an AIFRS basis, along with reconciliations demonstrating the impact of the conversion to the new standard on their results for that year. These reconciliations can be found in all Australian governments' 2005-06 year-end accounts.

**4** ABS used these published reconciliations in attempting to quantify the impact of AIFRS on the GFS time series. Owing to the different ways in which Treasuries restated their 2004-05 results on an AIFRS basis, ABS was not able to collect comparable information from all jurisdictions. However, enough information was available to identify significant impacts in the following two areas:

- Post employment (superannuation) benefits; and
- Recognition of non-financial assets at fair value.

#### Post-employment (superannuation) benefits

**5** Under AASB 119, entities operating defined benefit superannuation schemes are obliged to recognise the net surplus or deficit of these schemes on their balance sheets, based on the actuarial valuation of the gross liability towards employees less the fair value of any plan assets. Reviews are to be undertaken annually, with future benefits ideally discounted using market yields on government bonds consistent with the expected profile of their superannuation obligations.

**6** In their consolidated financial statements all Australian governments now use 10-year Commonwealth bond rates, the longest available Commonwealth bond rate, or some average of Commonwealth bond rates to discount their defined benefit superannuation obligations. Previously most jurisdictions used average long-term earnings rates on fund assets to discount their future defined benefit superannuation liabilities. Consequently, the adoption of AASB 119 has resulted in a significant increase in provisions for unfunded superannuation for most jurisdictions. Based on information published by the Commonwealth and the States in 2004-05 accounts, the combined level of unfunded superannuation liabilities for 2004-05 is assessed as \$170 billion under AIFRS compared with \$152 billion under previous financial reporting standards. The majority of this \$18 billion increase relates to State governments.

**7** The calculation of the discounted value of defined benefit obligations also depends on a range of demographic and economic assumptions which may be modified whenever an actuarial review is undertaken in the light of the latest experience. Any changes arising from movements in discount rates and demographic or economic

## TECHNICAL NOTE 1 IMPACT OF AIFRS ON GFS *continued*

*Post-employment  
(superannuation) benefits  
continued*

assumptions are recognised as revenues or expenses for accounting purposes, but are treated as other economic flows in GFS.

**8** Ongoing superannuation expenses to be recognised each year in operating statements reflect the cost of providing future benefits under the plan in respect of service rendered in the current and past periods. This comprises a number of elements including: current service cost, interest cost, expected return on fund assets (to be deducted) and actuarial gains and losses. The measurement of these items has been affected to varying degrees by the adoption of AIFRS.

**9** Current service cost (or unfunded superannuation expenses) is reflected in GFS as part of employee expenses. Measurement of this item for financial reporting purposes has been affected by changes in measurement of the actual unfunded liability as well as adoption of a discount rate derived from Commonwealth long-term bond rates. Previous reporting arrangements were somewhat less prescriptive with most jurisdictions using long-term fund earnings rates rather than long-term bond rates for discounting purposes.

**10** Interest cost less the expected return on fund assets is recorded in GFS as nominal interest on unfunded superannuation<sup>1</sup>. For most jurisdictions nominal interest on unfunded superannuation for each defined benefit scheme was previously calculated on the net outstanding liability multiplied by the long-term earnings rate for the related superannuation fund. Under AIFRS the calculation is based on the gross liability multiplied by the discount rate derived from Commonwealth bond rates, less the expected return on fund assets. Consequently, nominal interest flows are affected by both the use of a different discount rate and the use of gross liabilities in the calculation.

**11** Actuarial gains and losses are treated as other economic flows and are therefore excluded from the GFS operating statement. However, changes in the recording of these items due to the adoption of AIFRS are reflected in the GFS Statement of Stocks and Flows (see Technical Note 2 on page 52)

**12** Based on information published by jurisdictions, the overall effects on current service costs and nominal interest cost have been in opposite directions, with current service costs generally higher and nominal interest costs generally lower. The impact of the adoption of AIFRS on total GFS expenses in 2004-05 for the Commonwealth and State governments arising from superannuation has been an increase of approximately \$400 million, equal to 0.12% of total GFS expenses for the general government sector.

*Recognition of non-financial  
assets at 'fair value'*

**13** Under AASB 116, entities are obliged to reflect their 'property, plant and equipment' on the balance sheet at 'fair value'. Wherever possible, fair values are based on market-based evidence and are determined by professionally qualified valuers. Where market conditions do not exist (generally because of the specialised nature of the asset and/or the fact that the asset is rarely or never sold) 'fair value' may be estimated using some other approach.

**14** The concept of 'fair value' can be thought of as the closest possible approximation to market value, given the characteristics of each asset and the market conditions (or lack thereof) surrounding each class of asset. Those items experiencing significant and volatile changes in 'fair value' are to be revalued annually, but other items with insignificant changes to 'fair value' can be revalued less frequently (every three or five years).

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<sup>1</sup> Ideally, in GFS, nominal interest on unfunded superannuation should be calculated by taking account of the actual, rather than the expected, return on fund assets, with the difference between the two deducted from the AIFRS measure of actuarial gains and losses to derive the GFS measure of other economic flows. However, it has not been possible to do this for the 2005-06 estimates.

## TECHNICAL NOTE 1 IMPACT OF AIFRS ON GFS *continued*

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### *Recognition of non-financial assets at 'fair value' continued*

**15** While the adoption of 'fair value' for 'property, plant and equipment' has had an impact on balance sheet entries, the ABS does not have the data that would be required to remove the discontinuity from the GFS balance sheet time series on a consistent basis across all jurisdictions. However, this change to standards has had no impact on GFS transactions series, such as the operating statement.

**16** The principles of 'fair value' underpinning AASB 116 also underpin AASB 139, which deals with measurement of financial assets and liabilities. Since most Australian governments were reporting a significant portion of their financial assets and liabilities at fair value already, the AIFRS-related impact on financial assets and liabilities (other than provisions for unfunded superannuation discussed above) is considered to be minor.

### *Conclusion*

**17** The ABS has not been able to collect enough reliable information with which to eliminate the impact of the adoption of AIFRS from the GFS time series. However, it is clear that the main effects on GFS occur on the balance sheet and to other economic flows. The effects on transactions accounts have been relatively small overall. In addition to the changes to superannuation-related items discussed above, some other transactions items have also been affected but to a lesser extent.

**18** It should be noted that the international standard for the compilation of the national accounts, the System of National Accounts 1993 (SNA93), is in the final stages of a revision process with SNA93 Rev1 expected to be published in 2008. SNA93 Rev1 will include revised recommendations for the treatment of defined benefit superannuation schemes. It is expected that these recommendations will subsequently be incorporated in the International Monetary Fund's Government Finance Statistics Manual (GFSM2001). Consequently, some further changes may be necessary to the treatment of public sector defined benefit superannuation schemes in both GFS and national accounts statistics when ABS implements these updated international standards. These changes will be announced in relevant publications at an appropriate time.

## TECHNICAL NOTE 2 STATEMENT OF STOCKS AND FLOWS

### STATEMENT OF STOCKS AND FLOWS

**1** The international GFS standard as promulgated by the International Monetary Fund recommends that opening and closing 'stock' values be reconciled with all 'flows' occurring throughout the year. The standard is based on an analytical framework in which all changes in the values of stocks from one year to the next can be fully explained by the flows that have occurred during that year.

**2** Institutional units hold assets (financial and non-financial) and incur liabilities (which by definition are financial). The level of these assets and liabilities at any point in time is the stock. The difference between assets and liabilities is net worth, which is a measure of the 'wealth' of units or of government. Anything which causes a change in these stocks of assets and liabilities is a flow. Flows are disaggregated into transactions and 'other economic flows'. A transaction is, for the most part, an interaction between two units by mutual agreement, whereas an 'other economic flow' is a change in the volume or value of a stock of a unit not resulting from a transaction.

**3** By definition, the value of a stock at the end of a period is the sum of the stock at the beginning of the period and all the flows affecting that stock which took place during the period, i.e.  $S_1 = S_0 + F_1$ , where  $S_0$  and  $S_1$  represent the values of a specific stock at the beginning and end of an accounting period, and  $F_1$  represents the net value of all flows during the period relevant to that particular stock.

**4** Statistics on transactions giving rise to revenues and expenses are currently published as part of the GFS operating statement. Revenues are defined as transactions which increase net worth whereas expenses are transactions which decrease net worth. The difference between revenues and expenses, therefore, represents the change in net worth due to transactions. This equates to the GFS net operating balance.

**5** Other economic flows can be further disaggregated into movements in asset/liability values resulting from price changes ('revaluations') and those resulting from volume changes ('other volume changes').

**6** Revaluations result from changes to the value of the assets and liabilities whilst held. Revaluations can accrue to financial assets such as bonds and bills, shares and other forms of equity, as well as non-financial assets such as land and buildings.

**7** Other volume changes refer to events that include:

- the recognition or de-recognition of assets or liabilities on the balance sheet - e.g. when resources become economically exploitable, or when an asset is no longer providing an economic benefit, and so is removed from the balance sheet.
- changes in the quantity or quality of the existing asset - these typically result from catastrophic losses through natural disasters, changes in the volume of natural assets such as fish or forest stocks, creation, discovery, cancellation or seizure of assets, or quality differences arising from events such as a change in the expected life of the asset.
- changes in the classification of assets - these usually arise when the use of an asset changes, e.g. if the use of a parcel of public land changes from recreational use to industrial use.

**8** The net effect of all revaluations and other volume changes occurring through the year represents the change in net worth due to other economic flows.

**9** Since the values of stocks at the end of a year must be equal to their values at the start of a year, plus all transactions and other economic flows affecting them during the year, it follows that the total change in net worth during a given year is equal to the change in net worth due to transactions, plus the change in net worth arising from other economic flows.

STATEMENT OF STOCKS AND FLOWS *continued*

**10** When working with actual reported data, it is often assumed that the difference between opening and closing net worth and the change in net worth due to transactions is attributable to the change in net worth due to other economic flows (i.e. other economic flows is effectively used as a balancing item). However, to ensure data quality it is necessary to independently collect and calculate the change in net worth due to other economic flows. In situations where the reported data do not add through, it is not necessarily the case that the data quality issue is in the other economic flows component of the framework. Where data quality is high throughout the reported data set, the three independently reported components (i.e. change in net worth as derived via the balance sheet, change in net worth due to transactions, and change in net worth due to other economic flows) will be consistent with each other.

**11** The Commonwealth government publishes a statement of other economic flows for the general government sector. This statement outlines all revaluations and other volume changes occurring throughout the year, which allows a full reconciliation of stocks and flows. This information allows the ABS to disaggregate other economic flows into price and volume effects. While some states also publish a statement of other economic flows, the majority currently do not. For local government, information on the components of other economic flows are also generally unavailable. Accordingly, the ABS does not have enough information on which to disaggregate other economic flows into its two components across the state and local levels of government.

**12** Users should be aware that Australian equivalents of International Financial Reporting Standards (AIFRS) were adopted by all Australian governments in 2005-06. Ideally, all source data in a statement of stocks and flows would be compiled according to a common financial reporting framework; however opening balance sheet data in the tables below was compiled under the previous financial reporting standards, Australian Generally Accepted Accounting Principles (AGAAP). As a result, some AIFRS-related events are reflected in these tables as other economic flows. For further information on the impact of AIFRS on GFS, see Technical Note 1 on page 49 of this publication.

*Commonwealth General Government - Statement of Stocks and Flows*

**13** During 2005-06 the net worth of the Commonwealth general government sector increased by \$14,627 million. However, GFS net operating balance (which reflects the change in net worth due to transactions) was \$17,992 million. There was therefore -\$3,365 million of other economic flows which are explicitly shown in the statement of stocks and flows. This -\$3,365 million change in net worth arising from other economic flows can be disaggregated further. The vast majority of this -\$3,365 million was due to revaluations: -\$3,372 million. The key driver on the liability side is unfunded superannuation and other employee entitlements (\$6,648 million). On the asset side, significant impacts relate to other non-equity assets (\$10,808 million) and equity (-\$5,574 million). Only \$7 million is explained by other volume changes; specifically, assets recognised for the first time in 2005-06.

## TECHNICAL NOTE 2 STATEMENT OF STOCKS AND FLOWS *continued*

### COMMONWEALTH, General Government—Statement of Stocks and Flows

	<i>Opening Stocks as at June 2005</i>	<i>Transactions</i>	<i>Revaluations</i>	<i>Other Volume changes</i>	<i>Closing Stock as at June 2006</i>
	\$m	\$m	\$m	\$m	\$m
<b>Assets</b>					
<b>Financial Assets</b>					
Cash and deposits	1 793	430	-46	—	2 177
Advances paid	24 539	1 647	-684	—	25 502
Investments, loans and placements	35 012	12 684	-383	—	47 313
Other non-equity assets	20 636	—	10 808	—	31 444
Equity	50 200	—	-5 574	—	44 626
<b>Total</b>	<b>132 180</b>	<b>14 761</b>	<b>4 122</b>	<b>—</b>	<b>151 063</b>
<b>Non-financial Assets</b>					
Land and fixed assets	42 175	596	2 601	7	45 379
Other non-financial assets	189	838	-807	—	220
<b>Total</b>	<b>42 364</b>	<b>1 434</b>	<b>1 794</b>	<b>7</b>	<b>45 599</b>
<b>Total</b>	<b>174 544</b>	<b>16 195</b>	<b>5 916</b>	<b>7</b>	<b>196 662</b>
<b>Liabilities</b>					
Deposits held	2 771	33	32	—	2 836
Advances received	—	—	—	—	—
Borrowing	67 262	-1 314	-2 533	—	63 415
Unfunded superannuation and other employee entitlements	99 335	—	6 648	—	105 983
Other provisions	4 313	—	2 108	—	6 421
Other non-equity liabilities	25 677	-516	3 032	—	28 193
<b>Total</b>	<b>199 358</b>	<b>-1 797</b>	<b>9 288</b>	<b>—</b>	<b>206 849</b>
<b>GFS Net worth</b>	<b>-24 814</b>	<b>17 992</b>	<b>-3 372</b>	<b>7</b>	<b>-10 187</b>
<b>Net debt</b>	<b>8 688</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>-8 742</b>
<b>Net financial worth</b>	<b>-67 177</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>-55 786</b>

— nil or rounded to zero (including null cells)

*State and Local General  
Government - Statement of  
Stocks and Flows*

**14** Both the state and local tables highlight the significance of other economic flows. Though the net worth of state governments increased by \$20,826 million during 2005-06, only \$8,230 million of this increase can be attributed to transactions. The remainder (\$12,596 million) derives from other economic flows. The largest impacts are reflected against land and fixed assets (\$18,404 million) and unfunded superannuation liabilities (\$14,898 million). Both of these impacts partially result from the implementation of AIFRS. The net worth of local government increased by \$15,455 million during 2005-06. Only \$2,580 million of this increase derives from transactions. \$12,875 million of this increase comes from other economic flows, which is almost solely driven by increases in land and fixed assets.

## TECHNICAL NOTE 2 STATEMENT OF STOCKS AND FLOWS *continued*

### STATE, General Government—Statement of Stocks and Flows

	Opening Stock as at June 2005	Transactions	Other Economic Flows	Closing Stock as at June 2006
	\$m	\$m	\$m	\$m
<b>Assets</b>				
<b>Financial Assets</b>				
Cash and deposits	8 889	2 649	-1 493	10 045
Advances paid	4 081	-251	-296	3 534
Investments, loans and placements	39 258	5 491	2 029	46 778
Other non-equity assets	15 815	141	1 798	17 754
Equity	166 606	1 416	4 253	172 275
<b>Total</b>	<b>234 650</b>	<b>9 447</b>	<b>6 289</b>	<b>250 386</b>
<b>Non-financial</b>				
Land and fixed assets	275 633	4 176	18 404	298 213
Other non-financial assets	3 775	495	-261	4 009
<b>Total</b>	<b>279 409</b>	<b>4 671</b>	<b>18 141</b>	<b>302 221</b>
<b>Total</b>	<b>514 058</b>	<b>14 118</b>	<b>24 431</b>	<b>552 607</b>
<b>Liabilities</b>				
Deposits held	1 265	192	96	1 553
Advances received	3 901	-174	-617	3 110
Borrowing	25 720	-768	934	25 886
Unfunded superannuation and other employee entitlements	74 130	-98	14 898	88 930
Other provisions	9 299	—	17	9 316
Other non-equity liabilities	12 407	6 735	-3 493	15 649
<b>Total</b>	<b>126 721</b>	<b>5 887</b>	<b>11 836</b>	<b>144 444</b>
<b>GFS Net worth</b>	<b>387 337</b>	<b>8 230</b>	<b>12 596</b>	<b>408 163</b>
<b>Net debt</b>	<b>-21 342</b>	<b>—</b>	<b>—</b>	<b>-29 807</b>
<b>Net financial worth</b>	<b>107 929</b>	<b>—</b>	<b>—</b>	<b>105 942</b>

— nil or rounded to zero (including null cells)

## TECHNICAL NOTE 2 STATEMENT OF STOCKS AND FLOWS *continued*

### LOCAL, General Government—Statement of Stocks and Flows

	Opening Stocks as at June 2005	Transactions	Other Economic Flows	Closing Stocks as at June 2006
	\$m	\$m	\$m	\$m
<b>Assets</b>				
Financial Assets				
Cash and deposits	4 510	201	341	5 052
Advances paid	8	-3	2	7
Investments, loans and placements	4 897	301	230	5 428
Other non-equity assets	1 824	11	79	1 914
Equity	1 072	10	44	1 126
Total	12 311	520	695	13 526
Non-financial Assets				
Land and fixed assets	182 041	2 153	12 614	196 808
Other non-financial assets	1 439	237	-147	1 529
Total	183 479	2 390	12 468	198 337
Total	195 790	2 910	13 163	211 863
<b>Liabilities</b>				
Deposits held	389	21	-12	398
Advances received	46	21	-25	42
Borrowing	5 327	192	-48	5 471
Unfunded superannuation and other employee entitlements	1 813	33	144	1 990
Other provisions	306	—	34	340
Other non-equity liabilities	1 962	64	194	2 220
Total	9 843	330	288	10 461
GFS Net worth	185 947	2 580	12 875	201 402
Net debt	-3 652	..	..	-4 575
Net financial worth	2 468	..	..	3 065

.. not applicable

— nil or rounded to zero (including null cells)

#### *Further information*

**15** For more information on the statement of stocks and flows, refer to Table 2.1 in *Australian System of Government Finance Statistics: Concepts, Sources and Methods (cat no 5514.0)* and Chapter 4 of the *International Monetary Fund's Government Finance Statistics Manual 2001*



## GLOSSARY

<b>AAS31</b>	Australian Accounting Standard 31 (Financial reporting by governments) is the principal accounting standard applicable to the Commonwealth and State governments.
<b>AIFRS</b>	Australian equivalents to International Financial Reporting Statements
<b>Accrual recording</b>	A recording method in which revenues, expenses, lending and borrowing are recorded as they are earned, accrued or incurred regardless of when payment is made or received.
<b>Advances paid (net)</b>	Lending by public authorities with the aim of achieving government policy objectives less repayment of past lending.
<b>Advances received (net)</b>	Borrowing, net of repayments, from other public authorities.
<b>Assets</b>	Instruments or entities over which ownership rights are enforced by institutional units and from which economic benefits may be derived by holding them, or using them, over a period of time. Assets are distinguished between non-financial and financial.
<b>Balance sheet</b>	A statement of an entity's financial position at a specific point in time. Contains information on assets, liabilities and owners' equity at a specific date.
<b>Borrowing (net)</b>	Net borrowing by public authorities from public and private bodies and individuals within Australia and from abroad. Net borrowing is gross borrowing less the repayment of past borrowing.
<b>Capital grant expenses</b>	Unrequited payments by government to finance the acquisition of non-financial capital assets by the recipient, or compensate the recipient for damage or destruction of capital assets, or increase the financial capital of the recipient.
<b>Change in net worth</b>	Change in net worth due to transactions is also equivalent to the net operating balance and excludes the impact of revaluations and other changes in volume of assets and liabilities.
<b>Current grant expenses</b>	Voluntary transfers intended to finance the current activities of the recipient. Includes grants for current purposes to private non-profit organisations serving households, grants made to foreign governments and organisations including grants made for aid projects, and current grants from one level of government to another (e.g. Commonwealth to State) and between units within the same level of government.
<b>Deposits received (net)</b>	Net increase in cash held by a government unit as a result of a net change to its liabilities generated by taking deposits from a private body or other government unit.
<b>Depreciation</b>	The accounting process of systematically allocating the cost less estimated residual value of an asset over its expected life.
<b>Distributions paid</b>	Cash transfers by public enterprises to their parent entities and other shareholders in the form of dividends, transfer of profits or other similar distributions.
<b>Expenditure on non-financial assets (NLB)</b>	Net expenditure on new and second-hand fixed assets, land and intangible assets excluding capitalised interest. Fixed assets are durable goods intended to be employed in the production process for longer than a year.
<b>Finance leases</b>	Leases and other arrangements which effectively transfer most of the risks and benefits associated with ownership of the leased property from the lessor to the lessee.
<b>GFS net lending/borrowing (NLB)</b>	The financing requirement of government, calculated as the GFS net operating balance less the net acquisition of non-financial assets. A positive result reflects a net lending position and a negative result reflects a net borrowing position.
<b>GFS net worth (NW)</b>	Assets less liabilities and shares/contributed capital. For the general government sector, net worth is assets less liabilities since shares and contributed capital is zero. It is an economic measure of wealth and reflects the contribution of governments to the wealth of Australia.
<b>Grants and subsidies received</b>	Cash received from voluntary transfers by government and other entities.

## GLOSSARY *continued*

<i>Gross domestic product (GDP)</i>	Total market value of goods and services produced in Australia within a given period after deducting the cost of goods and services used up in the process of production, but before deducting allowances for the consumption of fixed capital (depreciation).
<i>Interest expense</i>	Nominal interest on unfunded superannuation and other interest payable. Nominal interest on unfunded superannuation is the imputed interest accrued during the period on unfunded superannuation liabilities. See 'Superannuation expense' below.
<i>Interest income</i>	Income accrued by owners of financial assets such as deposits, securities other than shares, loans and accounts receivable in return for providing funds to other entities.
<i>Liabilities</i>	Legal obligations to make payments to other institutional units.
<i>Net debt</i>	Net debt is included in the balance sheet presentation for information. It is equal to (deposits held plus proceeds from advances plus borrowing) minus (cash and deposits plus investments plus advances outstanding).
<i>Net financial worth</i>	Net financial worth is equal to financial assets minus liabilities. It is a broader measure than net debt in that it incorporates provisions made (such as superannuation, but excluding depreciation and bad debts) as well as holdings of equity. Net financial worth includes all classes of financial assets and liabilities, only some of which are included in net debt.
<i>Net operating balance (NOB)</i>	This is calculated as GFS revenue minus GFS expenses. It is equivalent to the change in net worth arising from transactions.
<i>Other financing transactions</i>	Total financing less advances received (net), less borrowing (net), less deposits received (net) plus distributions paid. This is a residual calculation within cash flow statements and hence encompasses any errors and omissions in the components used to derive it.
<i>Sales of goods and services</i>	Revenue from the direct provision of goods and services by general government and public corporations..
<i>Superannuation expense</i>	Superannuation expense is a component of 'compensation of employees'. Superannuation expense in a period represents the increase in superannuation liabilities due to services provided by employees in that period.
<i>Surplus(+)/Deficit(-)</i>	Net cash flows from operating activities plus net cash flows from investments in non-financial assets, less distributions paid, less assets acquired under finance leases and similar arrangements.



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