

STATEMENT 8: THE PUBLIC SECTOR

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STATEMENT 8: THE PUBLIC SECTOR

Part I: Introduction

This statement examines trends in the finances of both the Commonwealth and State/local levels of government, providing a broader context in which to consider developments in the Commonwealth's budget.

The information in this statement is presented in line with the Australian Bureau of Statistics (ABS) Government Finance Statistics (GFS) reporting framework for the public sector. Data are presented both by level of government and institutional sector. Level of government refers to the distinction between the Commonwealth and State/local governments, together referred to as 'consolidated government'¹. Institutional sector distinguishes between the general government sector and the public non-financial corporations (PNFC) sector within each main level of government.

- The general government sector, through government departments and agencies, provides public services which are mainly non-market in nature, and for the collective consumption of the community, or involve the transfer or redistribution of income. These services are largely financed through taxes and other compulsory levies, although user charging and external funding have increased in recent years.
- The PNFC sector comprises bodies which provide goods and services that are mainly market, non-regulatory and non-financial in nature, financed predominantly through sales to the consumers of these goods and services. In general, PNFCs are legally distinguishable from the governments which own them.

Together the general government sector and the PNFC sector comprise the non-financial public sector, which is the focus of this statement. The GFS coverage of the public sector also includes public financial corporations (PFCs).

From 2000 onwards, the ABS is compiling GFS data on an accrual accounting rather than a cash accounting basis. The new GFS framework reflects the principles contained in the international standards set out in the United Nations' (UN) *A System of National Accounts, 1993* (SNA93), and in the International Monetary Fund's (IMF) *A Manual on Government Finance Statistics* (currently under revision). The first presentation by the ABS of public finance statistics on an accrual accounting basis was in the April 2000 issue of *Government Financial Estimates, Australia* for 1999-2000 (Cat. No. 5501.0).

The key difference between cash and accrual accounting is one of timing: cash accounting records a transaction when cash is exchanged, whereas accrual accounting records the outcome of the transaction when economic value is exchanged. As a result,

¹ Consolidated government encompasses the Commonwealth and State/local sectors, and also the multi-jurisdictional sector which comprises universities.

GFS accrual recording covers some financial items of significant size which are not included in cash-based statistics because they do not have an associated cash flow. These include increases in a government's unfunded superannuation liability and provisions for the depreciation of its capital assets.

The *Accrual Uniform Presentation Framework* (UPF), agreed to by the Australian Loan Council in March of this year, outlines the common fiscal information, consistent with the accrual GFS standards, that Commonwealth, State and Territory governments have agreed to include in their budget reports. Under this agreement, jurisdictions have until the 2002-03 budget year to fully implement reporting on an Accrual UPF basis. It is expected that most, but not all, jurisdictions will implement the Accrual UPF with the 2000-01 budget cycle. During this transition process Statement 8 will report both cash and accrual key budget aggregates. *Budget Paper No. 3* contains more information on the development of the new UPF.

The Commonwealth revenue, outlays and expenses measures included in Statement 8 (except in Appendix C) differ from ABS GFS measures in treating goods and services tax (GST) collections by the Australian Taxation Office (ATO) as State tax revenue rather than Commonwealth tax revenue paid to the States as grants. This approach reflects the clear policy intent of the *Intergovernmental Agreement on Commonwealth-State Financial Relations* (the IGA), which is that the GST is a State tax collected by the Commonwealth in an agency capacity. The Commonwealth has no discretion as to the expenditure of GST collections, with all revenue passed to the States. Nevertheless, because the GST is levied by the Commonwealth for constitutional reasons, the ABS, on a technical view, regards it as Commonwealth revenue. The Commonwealth Accrual UPF tables presented in Appendix C are therefore presented on a basis that is consistent with the ABS GFS standards, including the classification of GST revenue.

Part II of this Statement looks at recent trends in Commonwealth and State/local accrual measures, including expenses, revenue and fiscal balance. Part III reviews trends in Commonwealth and State/local cash measures, such as outlays, revenue and cash surplus, on a basis consistent with the cash ABS GFS. Part IV considers public sector liabilities, including net debt and net worth.

Appendix A of this statement outlines the size and structure of the non-financial public sector, including the relative contributions of the Commonwealth and State/local governments. Appendix B provides Commonwealth and State/local historical cash data on revenue, outlays, surpluses, net interest outlays and net debt. Appendix C presents accrual GFS estimates at the Commonwealth level, consistent with the UPF, and Appendix D provides time series data for the Commonwealth general government sector.

Part II: General Government Fiscal Balance

This part looks at recent accrual data for the Commonwealth and State/local non-financial public sectors, including medium term projections for the Commonwealth. The concepts contained in this part are outlined by the ABS in their *Accruals-based Government Finance Statistics* information paper (Cat. No. 5517.0).

FISCAL BALANCE

Fiscal balance, or GFS net lending, represents the gap between government savings and investment. It measures a government's net call on other sectors of the economy, and so corresponds to government's contribution to the current account deficit (CAD). Fiscal balance is the major accrual measure used by the Commonwealth to assess the impact of fiscal policy on the national economy. A fiscal surplus indicates that a government is saving more than enough to finance all of its investment spending and is therefore not contributing directly to the CAD.

Fiscal balance includes net capital expenditure, but not the use of capital (depreciation). Because it includes the full amount of investment by a government in a particular period, the fiscal balance is a good measure of the impact of a government's budget on the economy in a given period. For more information on the derivation of fiscal balance refer to the Commonwealth's information paper *Fiscal Policy under Accrual Accounting*, released April 1999.

With some jurisdictions yet to move to accrual GFS reporting, fiscal balance data for all Australian governments are currently only available on a general government sector basis. Table 1 shows general government revenue, expenses and fiscal balance by level of government.

Commonwealth revenue and expenses estimates in Table 1 are net of GST revenue, and show a decline in 2000-01 with the introduction of *The New Tax System*. The Commonwealth fiscal balance is expected to fall to 0.8 per cent of GDP in 2000-01, with continuing fiscal surpluses projected across the forecast period.

Preliminary ABS figures suggest that the State/local general government sector may move to a negative fiscal balance in 1999-2000, with revenue declining by more than expenses over the year.

Table 1: General Government Expenses, Revenue and Fiscal Balance by Level of Government (per cent of GDP)^(a)

	Commonwealth				State/Local				Consolidated(b)			
	GFS Revenue (c)	GFS Expenses (c)	Net Operating Balance(d)	Fiscal Balance (f)	GFS Revenue	GFS Expenses	Net Operating Balance(d)	Fiscal Balance (f)	GFS Revenue	GFS Expenses	Net Operating Balance(d)	Fiscal Balance (f)
1998-99(e)	25.6	24.7	0.9	0.7	17.5	16.6	0.9	0.4	37.8	35.9	1.9	1.0
1999-00(e)	26.2	24.7	1.5	1.5	16.2	15.9	0.3	-0.3	37.3	35.4	1.9	1.2
2000-01(e)	23.0	22.5	0.5	0.8	na	na	na	na	na	na	na	na
2001-02(p)	22.4	22.1	0.3	0.2	na	na	na	na	na	na	na	na
2002-03(p)	22.4	21.3	1.1	1.0	na	na	na	na	na	na	na	na
2003-04(p)	22.7	20.8	1.9	1.7	na	na	na	na	na	na	na	na

- (a) State/local data are sourced from the ABS *1999-2000 Government Financial Estimates* publication (ABS Cat. No. 5501.0). Commonwealth and Consolidated data are Treasury estimates, utilising information contained in the ABS *Government Financial Estimates (GFE)*.
- (b) Consolidated government includes Commonwealth and State/local governments, and universities.
- (c) Commonwealth revenue and expenses estimates are net of GST collections.
- (d) Net operating balance equals GFS revenue less GFS expenses.
- (f) Fiscal balance equals net operating balance less net acquisition of non-financial assets.
- (e) Estimates.
- (p) Projections.
- na Data not available.

Part III: Non-financial Public Sector Cash Surplus

This part reviews trends in Commonwealth and State/local cash measures, such as outlays, revenue and cash surplus. The concepts contained in this part are in line with those used by the ABS in calculating cash GFS data, as detailed in the 1994 edition of *Government Finance Statistics: Concepts, Sources and Methods* (Cat. No. 5514.0).

CASH SURPLUS

The cash balance provides a useful indication of a government's need to call on financial markets to meet its budget obligations. Under a cash GFS framework, a government's surplus is calculated as revenue less outlays, adjusted for net increase in provisions. The cash surplus is also recorded under an accrual GFS framework, in the cash flow statement.

Following recent changes to the Australian National Accounts standards, the general government surplus measures in this statement, from 1998-99 onwards, incorporate payments by the Commonwealth general government sector in respect of accumulated PNFC superannuation liabilities. Payments prior to 1998-99 do not incorporate these payments.

The cash surplus is conceptually equivalent under a cash and an accrual framework. However, due to methodological and data-source changes associated with the move to an accrual accounting framework, the surplus figures contained in the cash flow statement are not directly comparable with the surplus measures obtained under the cash GFS. Time series data which encompasses surpluses derived under both cash and accrual accounting should therefore be used with caution.

In this part, cash GFS data are used where available, based on information published in the ABS *1997-98 Government Finance Statistics* (Cat. No. 5512.0), and on jurisdictions' 1998-99 budget outcomes documentation and 1999-2000 Mid Year Reports. For those jurisdictions which have moved to accrual budget reporting, cash surplus data from their cash flow statements are used. In these cases, cash revenues are proxied by receipts from operating activities and sales of non-financial assets, and outlays by payments for operating activities and purchases of non-financial assets.

NON-FINANCIAL PUBLIC SECTOR

The Commonwealth government exerts the major influence on non-financial public sector balances in Australia, largely through its substantial general government sector. The PNFC sector has a smaller effect on the total and tends to be more important at the State/local level, where most PNFCs are concentrated.

Chart 1 shows movements in the consolidated non-financial public sector surplus as a share of GDP, and the relative contributions of the general government and PNFC

sectors. Chart 1 illustrates that the non-financial public sector was generally in a deficit position in the late 1980s and across most of the 1990s, apart from a small surplus in 1988-89. The deficit peaked at 4.3 per cent of GDP in 1992-93 before declining to 0.1 per cent in 1996-97. This succession of deficits added significantly to the government's net lending requirements, and hence to Australia's CAD.

However, Chart 1 shows that the non-financial public sector moved into a surplus position in 1997-98. The deficit in 1998-99 is the result of one-off increases in state funding of superannuation liabilities, with further surpluses projected in the period to 2002-03. This improvement largely reflects the fiscal consolidation measures adopted by the Commonwealth.

Chart 1 also shows the declining contribution of PNFCs to the non-financial public sector surplus, in line with the increasing privatisation of government businesses since the late 1980s. The PNFC sector is expected to contribute only modestly to non-financial public sector balances over the projection period.

Chart 1: Consolidated Non-financial Public Sector Cash Surplus by Sector

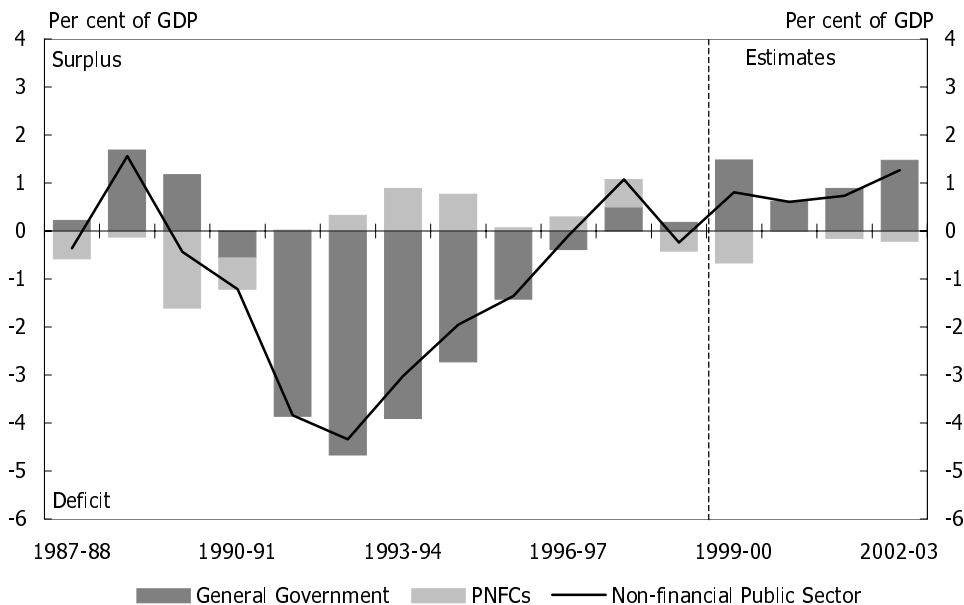
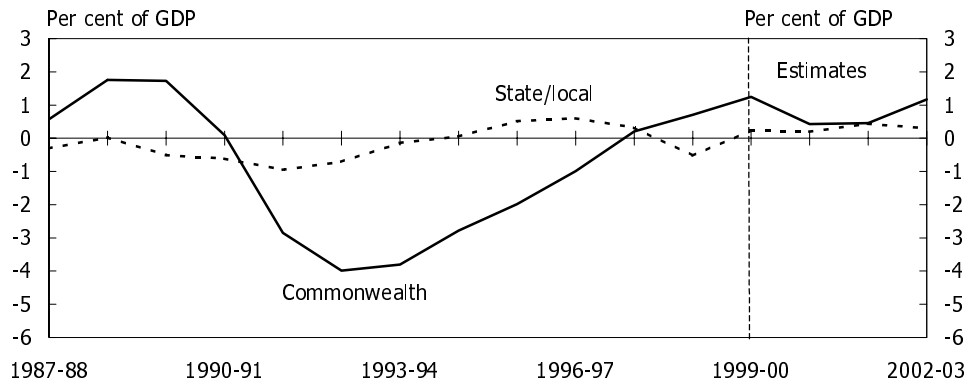


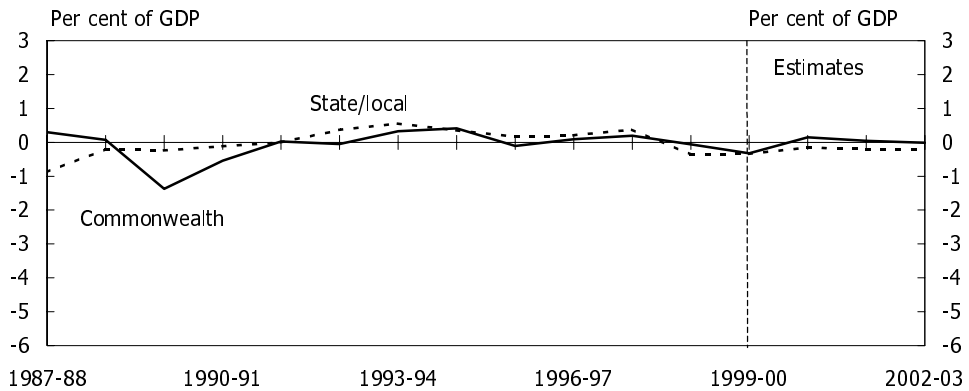
Chart 2 disaggregates, by level of government, the surpluses presented in Chart 1. It shows the large contribution of past Commonwealth general government cash deficits to the non-financial public sector cash deficit. It also illustrates the improvement in the Commonwealth general government sector balance since 1992-93.

Chart 2: Cash Surplus by Sector and Level of Government

A: General Government



B: Public Non-financial Corporations



C: Non-financial Public Sector

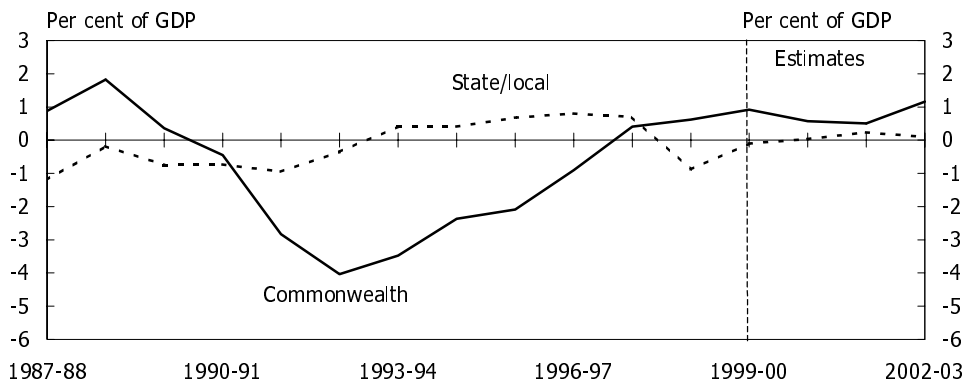


Chart 2 shows the consolidated PNFC sector is close to balance, and likely to remain so over the forecast period. The State/local general government sector fell into deficit in 1998-99, primarily because of several jurisdictions taking steps to fund previously unfunded superannuation liabilities in this year, but is expected to return to small surpluses in the next few years. The Commonwealth general government sector is the biggest contributor to the expected consolidated non-financial public sector surplus of 0.8 per cent of GDP in 1999-2000, increasing to 1.3 per cent of GDP in 2002-03.

GENERAL GOVERNMENT SECTOR

The general government sector is the appropriate primary focus for an assessment of the impact of the public sector on the national economy. It accounts for over 90 per cent of non-financial public sector revenues and outlays and is the sector through which the national government may seek to affect the level of private sector activity. The increased commercial orientation of the PNFC sector means that it operates more like the private sector. Its contribution to public sector balances in the past decade has been minor.

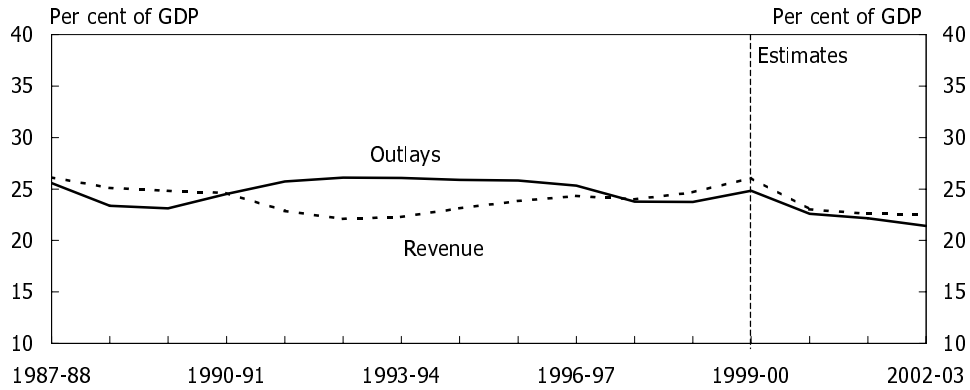
Chart 3 shows trends in general government cash outlays and revenue at the Commonwealth and State/local levels. Panel A shows the countercyclical relationship between the Commonwealth's outlays and cash revenues. Generally, during economic downturns, such as in the early 1990s, outlays on transfer payments rise and taxation revenues fall, with the reverse happening during periods of strong economic growth. However, during the cyclical upturn in the first half of the 1990s, Commonwealth outlays were maintained at a high level of GDP while the low inflation environment depressed the growth in revenue receipts, resulting in significant deficits.

As shown in Panel A of Chart 2, the Commonwealth general government sector is expected to move from a cash deficit of 4.0 per cent of GDP in 1992-93 to a cash surplus of 1.2 per cent of GDP in 1999-2000, with continuing surpluses out to 2002-03. Commonwealth outlays and revenue estimates in Chart 3 are net of GST revenue, and show a decline in 2000-01 with the introduction of *The New Tax System*.

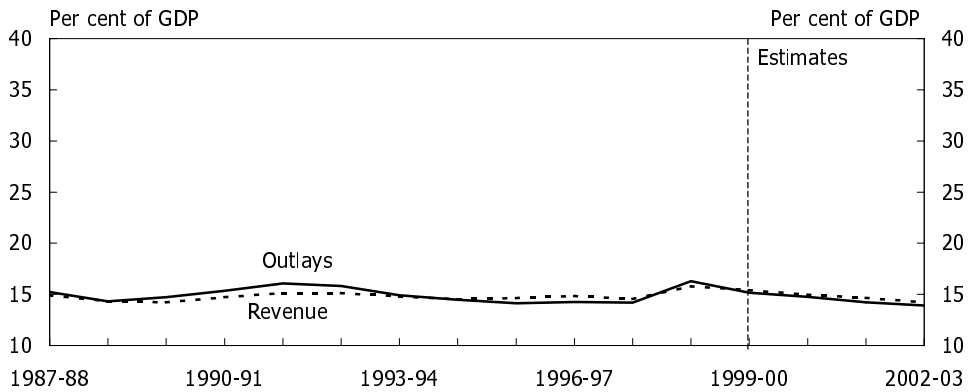
State/local revenue and outlays are less sensitive to the economic cycle than Commonwealth finances. Panel A of Chart 2 shows the sustained improvement in the State/local general government balances achieved over the period 1991-92 to 1996-97, from a deficit of 1.0 per cent of GDP to a cash surplus of 0.6 per cent of GDP. As shown in Panel B of Chart 3, this improvement has largely reflected outlays restraint, helped by lower debt servicing charges, with State/local revenue broadly stable as a share of GDP.

Chart 3: General Government Revenue and Cash Outlays by Level of Government

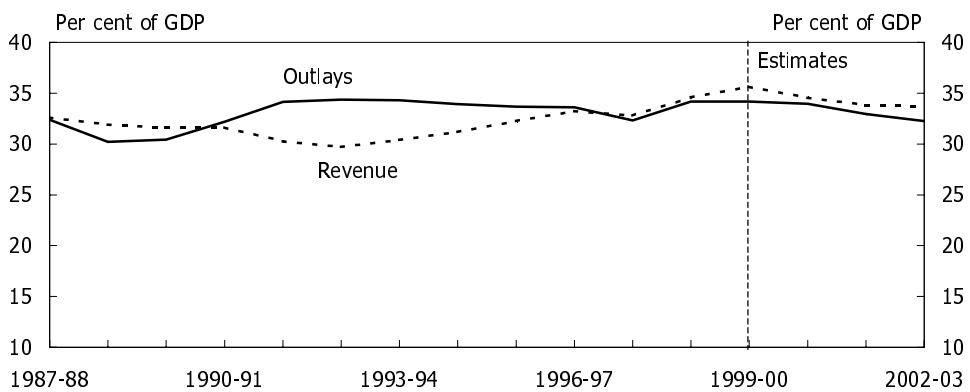
A: Commonwealth



B: State/local



C: Consolidated General Government^(a)



(a) Consolidated government includes Commonwealth and State/local governments, and universities.

However, in 1998-99 the State/local general government sector cash balance reversed its recent series of small surpluses and moved to a deficit of 0.5 per cent of GDP. This sharp turnaround in 1998-99 reflected the allocation by New South Wales (NSW) and Victoria of an additional \$3.3 billion and \$2.6 billion, respectively, to meeting their unfunded superannuation liabilities. These augmented superannuation contributions increased the States' levels of current expenditure (and thus decreased their budget surpluses for the year) by a corresponding amount. Without these one-off superannuation payments, the State/local general government cash balance for 1998-99 would have been a surplus of around 0.5 per cent of GDP.

Small State/local general government cash surpluses are expected to continue over the projection period. As shown in Panel B of Chart 3, outlays are projected to decline as a share of GDP. This is due mainly to restraint in current outlays resulting from improvements in public sector efficiency and interest savings associated with declining net debt.

All States and Territories have in place medium-term fiscal strategies aimed at improving their fiscal positions over the medium term. These are discussed further in *Budget Paper No. 3 — Federal Financial Relations*. While there remain significant fiscal and economic disparities between the States, any movement towards increased State/local general government cash surpluses will reinforce the positive effect of fiscal consolidation at the Commonwealth level, contributing to a lower CAD.

PUBLIC NON-FINANCIAL CORPORATIONS

The PNFC sector is an important provider of economic infrastructure and contributes significant revenue to general government, mainly in the form of dividends (as discussed in Part IV). Whereas the Commonwealth dominates the general government sector, State/local government activity is more significant within the PNFC sector. State/local PNFC outlays are around 60 per cent greater than Commonwealth PNFC outlays. This reflects State responsibility for infrastructure and service provision in areas such as electricity, gas and water and public transport.

During the 1980s, the PNFC sector engaged in high levels of capital accumulation (particularly the publicly-owned power providers), with associated growth in debt levels and interest costs. This added significantly to public sector deficits over this period. However, since the late 1980s, with the introduction of corporatisation and privatisation policies, the PNFC sector has recorded a series of small cash surpluses. There has been greater emphasis on PNFC operating efficiency, profitability and market orientation, often as a precursor to privatisation, and governments have re-evaluated the appropriateness of continued public ownership of many business enterprises.

PNFC privatisations over the last decade have occurred in two main sectors — electricity and gas (for example Victoria's electricity assets), and transport and communications (for example Qantas and the partial sale of Telstra). Proceeds of asset

sales have been used largely to reduce, or contain the growth of, government net debt, resulting in ongoing savings in public debt interest.

As shown in Chart 1, the PNFC sector has maintained a cash surplus position through much of the 1990s. Following small cash deficits, as a share of GDP, in 1998-99 and 1999-2000, projections indicate that the sector will run a series of small deficits over the remainder of the outlook period.

The 1998-99 PNFC sector cash deficit of 0.4 per cent of GDP was substantially attributable to the privatisation of the gas industry in the Victorian PNFC sector in 1998-99, proceeds from which went to the general government sector to retire debt and reduce the state's unfunded superannuation liability. This effectively created a once-off increase in the sector's expenses, pushing up the deficit.

The 0.7 per cent PNFC cash deficit in 1999-2000 is partly the result of a special dividend payment by Telstra, which pushed the Commonwealth's PNFC sector into deficit for the year.

Part IV: Non-financial Public Sector Liabilities

NON-FINANCIAL PUBLIC SECTOR LIABILITIES

This part examines trends in non-financial public sector net debt, net worth and net interest and dividend flows.

TRENDS IN NON-FINANCIAL PUBLIC SECTOR NET DEBT

The concept of net debt is the same under cash and accrual-based financial reporting. Net debt comprises the stock of selected gross financial liabilities less financial assets. The stock of net debt is a common measure used to help judge the overall strength of a jurisdiction's fiscal position. High levels of net debt impose a call on future revenue flows to service that debt.

The net debt measure is limited in that it does not include accrued employee liabilities or outstanding claims associated with insurance type activities, which can be substantial. In addition, net debt does not provide information on whether this debt has been incurred to finance fixed asset accumulation or current expenditure. This additional information is important in gauging the strength of a government's fiscal position as well as issues of the sustainability of fiscal policy.

Despite these limitations, net debt still provides useful information for examining the soundness of a government's fiscal position.

In this part, net debt data prior to 1994-95 are sourced from the ABS 1998 *Public Sector Financial Assets and Liabilities* publication (ABS Cat. No. 5513.0), and data from 1994-95 to 1997-98 are from the ABS 1999-2000 *Government Financial Estimates* publication (ABS Cat. No. 5501.0). Net debt numbers after 1997-98 are derived from jurisdictions' 1998-99 budget outcomes documentation, and 1999-2000 mid year reports.

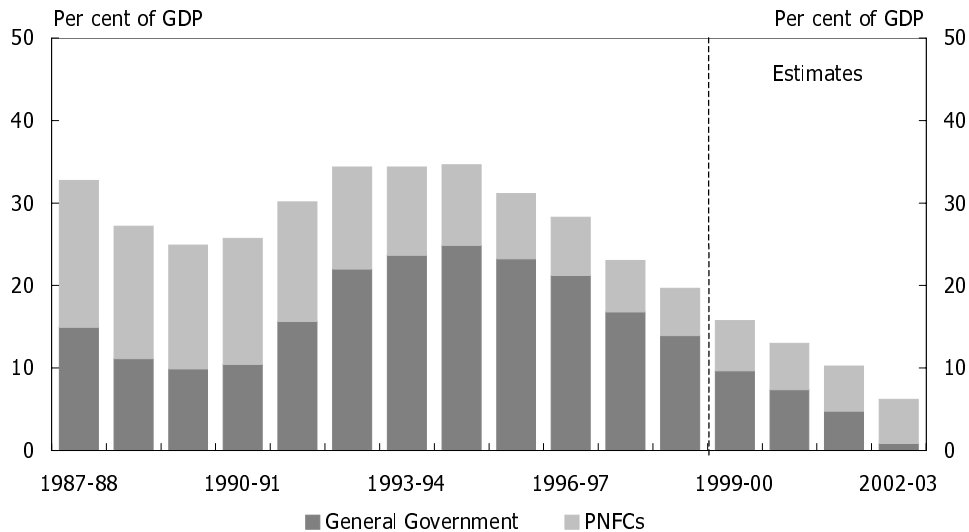
Chart 4 shows non-financial public sector net debt as a percentage of GDP, and the contribution of the general government and PNFC sectors, since the late 1980s.

Charts 1 and 4 together indicate the broad relationship between deficits and net debt levels.

Chart 4 shows the increase in general government net debt as a share of GDP following the last recession. This increase reflected the financing of Commonwealth cash budget deficits that continued into the cyclical upturn. Also evident from Chart 4 is the decline in PNFC sector net debt as a share of GDP since the late 1980s, reflecting lower levels of capital expenditure, improved efficiency and privatisations. This decline moderated the increase in non-financial public sector net debt as a share of GDP in the first half of the 1990s.

The subsequent improvement in total net debt mainly reflects lower net borrowing requirements for the Commonwealth and the application of privatisation proceeds to debt retirement at both the Commonwealth and State/local levels.

Chart 4: Consolidated Government Non-financial Public Sector Net Debt by Sector (as at end of financial year)



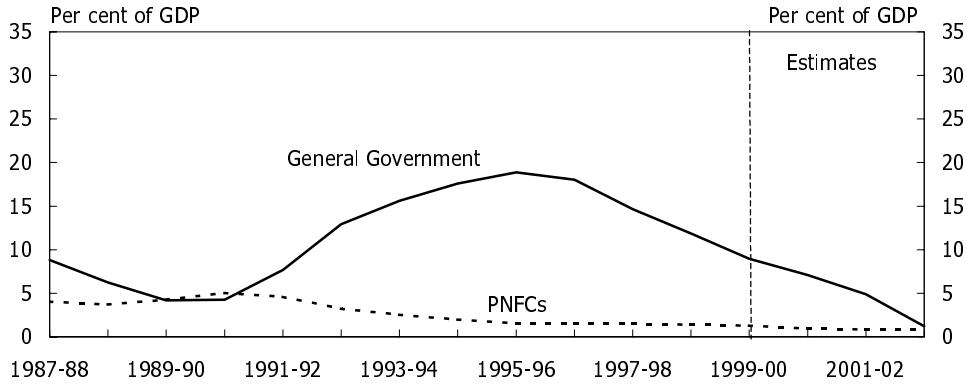
General government net debt as a share of GDP is expected to decline further over the projection period. PNFC sector net debt as a share of GDP is projected to decline slowly, in line with the expected pattern of small PNFC sector cash surpluses. Consolidated non-financial public sector net debt is projected to be only 6.2 per cent of GDP in 2002-03, compared with the most recent peak of 34.7 per cent in 1994-95.

Chart 5 shows trends in net debt by sector and level of government. Most Commonwealth net debt is owned by the general government sector whereas more than half of State/local net debt is owned by the PNFC sector.

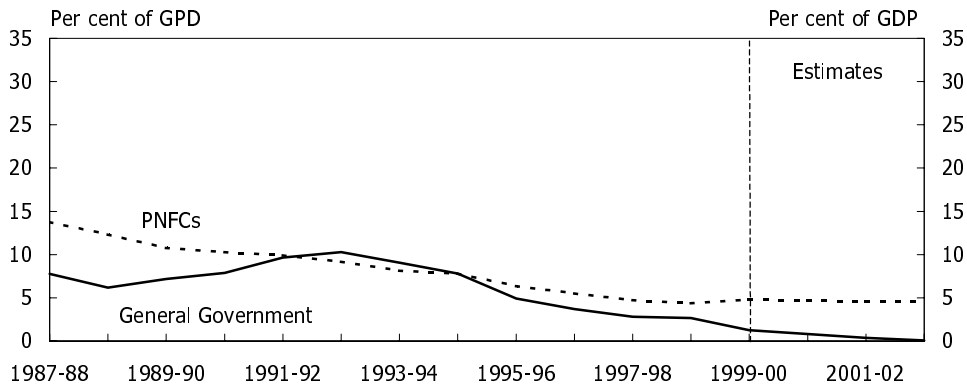
As shown in Panel A of Chart 5 Commonwealth general government net debt as a share of GDP grew from low levels in the late 1980s to a peak of 18.9 per cent in 1995-96, with large increases in the first half of the 1990s.

Chart 5: Non-financial Public Sector Net Debt by Level of Government and Sector (outstanding stock as at end of financial year)

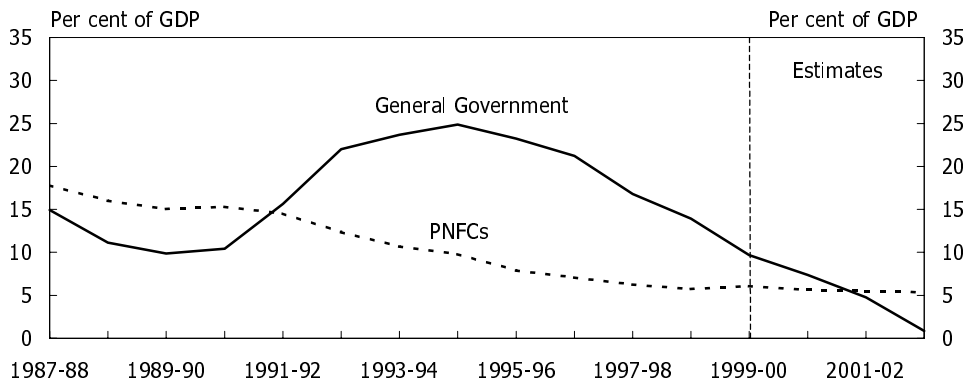
A: Commonwealth



B: State/local



C: Consolidated Non-financial Public Sector^(a)



(a) Consolidated government includes Commonwealth and State/local governments, and universities.

The projections for the Commonwealth in Panel A of Chart 5 include the expected impact of measures announced in this Budget. These projections show that Commonwealth general government sector net debt is projected to decline from a peak in 1995-96 to around 7.1 per cent in 2000-01, consistent with the Government's announced aim of halving the net debt to GDP ratio over this period.

In contrast, State/local general government net debt grew only modestly in the early 1990s, and has since declined from a peak of 10.3 per cent in 1992-93 to around 2.7 per cent in 1998-99, as shown in Panel B. This improvement within the State/local general government sector reflects both the impact of asset sales, and fiscal consolidation during the second half of the 1990s.

State/local general government net debt as a share of GDP should continue to fall in line with the debt reduction programmes being pursued by the States as part of their medium term fiscal strategies. State/local general government net debt is expected to be close to zero by the end of the projection period. However, some individual States continue to face substantial net debt burdens (see *Budget Paper No. 3 — Federal Financial Relations* for more information).

GOVERNMENT FINANCE STATISTICS NET WORTH

The net worth, or net assets, measure provides a more comprehensive picture of a government's overall financial position than the net debt measure. Net worth incorporates a government's non-financial assets such as land, other fixed assets etc, which may be sold and used to repay debt, as well as certain financial assets and liabilities not captured by the net debt measure, most notably accrued employee superannuation liabilities.

The sale of physical assets decreases net debt, with proceeds from sales increasing financial assets. Net worth incorporates both sides of the story, showing the increase in financial assets and how the sale decreases the stock of non-financial assets.

With many jurisdictions yet to move to accrual accounting, net worth data for all Australian governments are currently only available on a general government sector basis, with just one year's figures obtainable for the State/local and Consolidated levels of government. Table 2 shows general government net worth by level of government.

Table 2: General Government GFS Net Worth by Level of Government as a Percentage of GDP (as at end of financial year)^(a)

	Commonwealth	State/Local	Consolidated(b)
1998-99(e)	-12.8	59.0	46.2
1999-00(e)	-8.8	na	na
2000-01(e)	-7.6	na	na
2001-02(p)	-4.8	na	na
2002-03(p)	-1.6	na	na
2003-04(p)	0.4	na	na

(a) State/local data are sourced from the ABS *1999-2000 Government Financial Estimates* publication. Commonwealth and Consolidated data are Treasury estimates, utilising information contained in the ABS GFE.

(b) Consolidated government includes Commonwealth and State/local governments, and universities.

(e) Estimates.

(p) Projections.

na Data not available.

All State general governments have a positive net worth, ranging from 24 to 60 per cent of their gross state product. Local governments and universities also maintain a positive net worth. However, the Commonwealth general government has historically recorded negative net worth. The major difference between the levels of government lies in their stocks of land and fixed assets. At the State/local level, (as at 30 June 1999) general government land and fixed assets have an estimated value of \$305 billion, easily exceeding total liabilities of \$117 billion. At the Commonwealth level, general government land and fixed assets are valued at \$52 billion, as against total liabilities of \$187 billion. Part of this difference reflects the significant funding provided by the Commonwealth to the States for capital works, with the resultant assets recorded in the States' balance sheets. More information on capital grants to the States is available in *Budget Paper 3*.

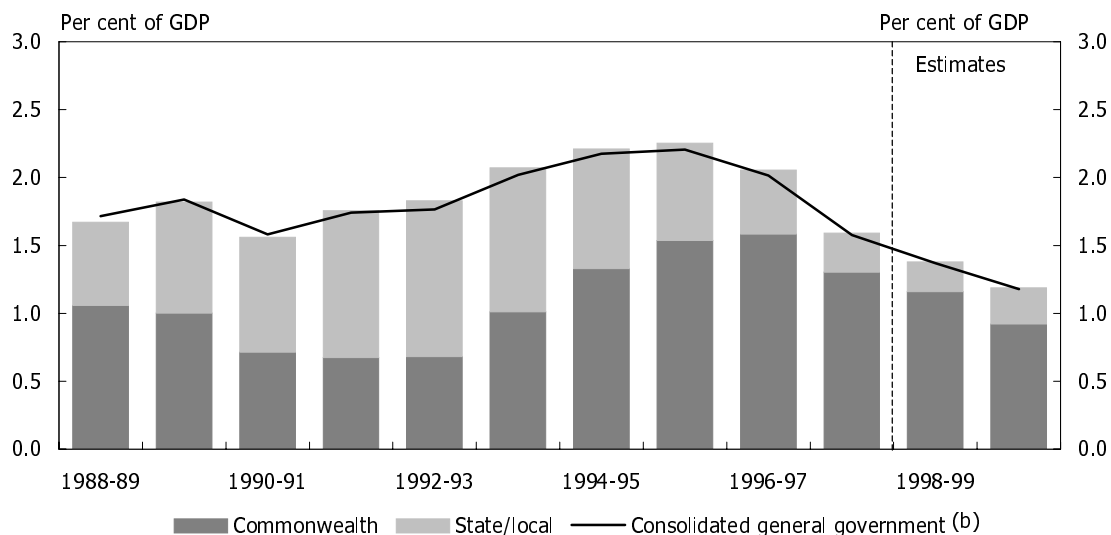
Table 2 shows that the Commonwealth government is meeting its fiscal objective of improving the general government net asset position over the medium to long term. For more information on changes in the Commonwealth's net worth (net asset) position, refer to Statement 1 and Statement 4.

NET INTEREST AND DIVIDEND FLOWS

Net interest outlays are defined as interest payments on gross debt less interest received on loans and advances, and are affected by the volume of net debt on issue and by interest rates.

Chart 6 shows the trend in general government net interest payments by level of government. As shown in Chart 6, total general government net interest outlays peaked in 1995-96 at 2.2 per cent of GDP. High net interest outlays during the mid-1990s climate of relatively lower interest rates, reflected ongoing Commonwealth budget cash deficits during the expansionary phase of the economic cycle.

Chart 6: General Government Net Interest Outlays^(a)



- (a) Data to 1997-98 is derived from 1997-98 ABS Government Finance Statistics (Cat. No. 5512.0), data for 1998-99 and 1999-2000 is from the 1999-2000 ABS Government Financial Estimates (Cat. No. 5501.0).
- (b) Consolidated government includes Commonwealth and State/local governments, and universities.

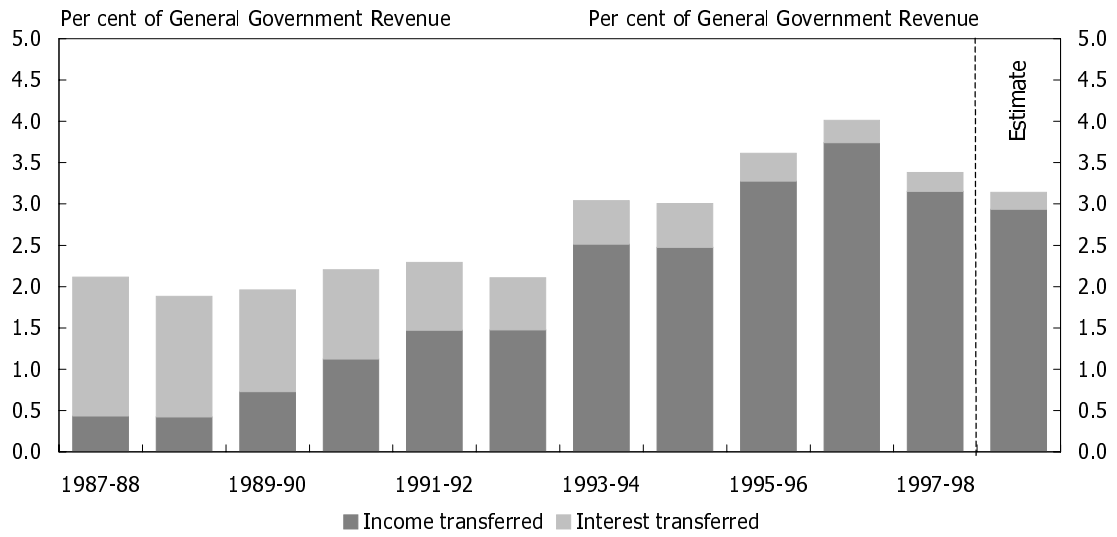
The contribution of the PNFC sector to non-financial public sector net interest outlays has decreased significantly over the last decade and a half, as reduced capital outlays, improved PNFC performance and privatisations have reduced PNFC sector net debt as a share of GDP.

The PNFC sector provides the general government sector (particularly at the State/local level) with significant revenue in the form of dividends and interest payments. Dividends correspond to general government equity holdings while interest payments reflect the stock of general government loans to the PNFC sector.

Chart 7 shows the effect of PNFC restructuring on these revenue sources. As PNFCs have become more commercial in focus, and less directly controlled by government, they have refinanced general government advances in the market and adopted capital structures and dividend policies more comparable with those applying in the private sector.

Notwithstanding the impact of privatisations, in recent years the PNFC sector has paid increasing dividends to its general government owners due to improved profitability and the adoption of commercial dividend policies. Income transferred to general government by PNFCs has increased from 0.4 per cent of general government revenue in 1988-89 to 2.9 per cent in 1998-99. There has been a corresponding decrease in interest paid by PNFCs to general government over the same period, but the magnitudes of the payments have been much smaller.

Chart 7: Income and Interest Transferred from PNFCs to General Government Sector^(a)

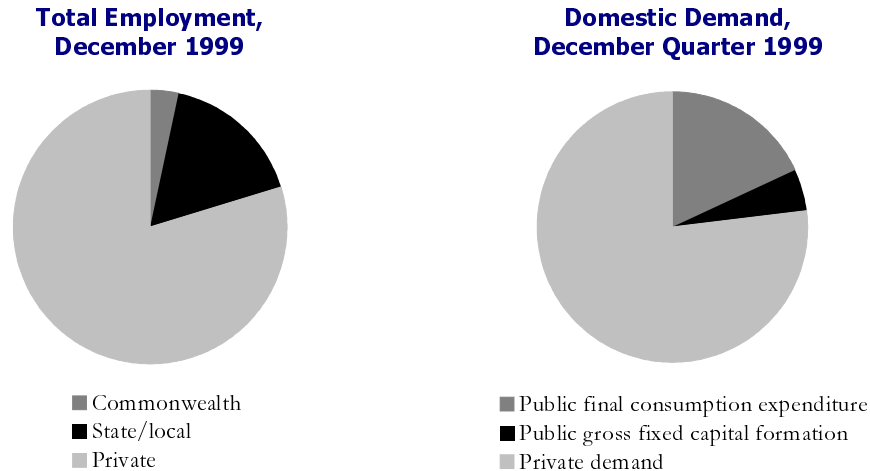


(a) Data to 1997-98 is derived from *1997-98 ABS Government Finance Statistics* (Cat. No. 5512.0), data for 1998-99 and 1999-2000 is from the *1999-2000 ABS Government Financial Estimates* (Cat. No. 5501.0).

Appendix A: Size and Structure of the Public Sector

This Appendix provides an overview of the size and structure of Australia's public sector, to assist in interpreting the trends discussed elsewhere in this statement.

Chart A1: Contribution of Public and Private Sectors



As shown in Chart A1, the public sector directly accounts for around 20 per cent of civilian employment and 23 per cent of final domestic demand². The State/local level accounts for 83 per cent of total public sector civilian employment, reflecting its major responsibilities for service delivery — for example in the areas of education and health — and for infrastructure.

There are significant differences in the roles and responsibilities of the two main levels of government. Major Commonwealth expenses include transfer payments in relation to social security, welfare, health and defence expenditure. The Commonwealth also has an important role in funding education and health services provided by the States and the private sector. Major State/local expenses are in the areas of education, health, transport, and public order and safety.

² Transfer payments by the Commonwealth — for example, income support — are not included in public final demand.

Appendix B: Non-financial Public Sector — Supplementary Cash Tables

Table B1: Consolidated Revenue, Outlays and Cash Surplus by Institutional Sector as a Percentage of GDP^(a)

	General Government (b)			Public Non-financial Corporations			Non-financial Public Sector		
	Revenue	Outlays	Cash Surplus	Revenue	Outlays	Cash Surplus	Revenue	Outlays	Cash Surplus
1987-88	32.6	32.4	0.2	4.0	5.9	-0.6	35.5	37.2	-0.4
1988-89	31.9	30.2	1.7	3.8	5.4	-0.1	34.8	34.6	1.6
1989-90	31.6	30.4	1.2	3.7	6.7	-1.6	34.2	36.0	-0.4
1990-91	31.6	32.2	-0.6	3.8	5.9	-0.7	34.2	36.9	-1.2
1991-92	30.3	34.1	-3.9	3.6	5.5	0.0	32.5	38.2	-3.8
1992-93	29.7	34.4	-4.7	3.6	5.0	0.3	31.9	38.0	-4.3
1993-94	30.4	34.3	-3.9	3.7	4.3	0.9	32.5	37.1	-3.0
1994-95	31.2	33.9	-2.7	3.4	4.5	0.8	33.1	36.9	-2.0
1995-96	32.3	33.7	-1.4	3.0	4.5	0.1	33.5	36.5	-1.4
1996-97	33.2	33.6	-0.4	3.0	4.1	0.3	34.2	35.7	-0.1
1997-98	32.8	32.3	0.5	2.9	3.6	0.6	34.1	34.4	1.1
1998-99	34.6	34.2	0.2	na	na	-0.4	na	na	-0.2
1999-00(e)	35.6	34.2	1.5	na	na	-0.7	na	na	0.8
2000-01(e)	34.5	34.0	0.6	na	na	0.0	na	na	0.6
2001-02(p)	33.8	33.0	0.9	na	na	-0.2	na	na	0.7
2002-03(p)	33.7	32.2	1.5	na	na	-0.2	na	na	1.3

(a) Numbers are based on the ABS 1997-98 *Government Finance Statistics* publication, and on jurisdictions' published budget data.

(b) Following recent changes to the Australian National Accounts standards, the general government surplus measures in this table, from 1998-99 onwards, incorporate payments by the Commonwealth general government sector in respect of accumulated PNFC superannuation liabilities. Payments prior to 1998-99 do not incorporate these payments.

(e) Estimates.

(p) Projections.

na Data not available.

Table B2: Non-financial Public Sector Cash Surplus by Level of Government as a Percentage of GDP^(a)

	Commonwealth	State/local	Consolidated(b)
1987-88	0.9	-1.2	-0.4
1988-89	1.8	-0.2	1.6
1989-90	0.4	-0.7	-0.4
1990-91	-0.4	-0.7	-1.2
1991-92	-2.8	-1.0	-3.8
1992-93	-4.0	-0.3	-4.3
1993-94	-3.5	0.4	-3.0
1994-95	-2.4	0.4	-2.0
1995-96	-2.1	0.7	-1.4
1996-97	-0.9	0.8	-0.1
1997-98	0.4	0.7	1.1
1998-99	0.6	-0.9	-0.2
1999-00(e)	0.9	-0.1	0.8
2000-01(e)	0.6	0.0	0.6
2001-02(p)	0.5	0.2	0.7
2002-03(p)	1.2	0.1	1.3

(a) Numbers are based on the ABS *1997-98 Government Finance Statistics* publication, and on jurisdictions' published budget data.

(b) Consolidated government includes Commonwealth and State/local governments, and universities.

(e) Estimates.

(p) Projections.

**Table B3: General Government Net Interest Outlays
by Level of Government^(a)**

	Commonwealth		State/local	
	\$m	Per cent of GDP	\$m	Per cent of GDP
1972-73	-266	-0.6	449	1.0
1973-74	-306	-0.5	451	0.8
1974-75	-267	-0.4	474	0.7
1975-76	-389	-0.5	526	0.7
1976-77	-161	-0.2	555	0.6
1977-78	-106	-0.1	582	0.6
1978-79	126	0.1	609	0.5
1979-80	290	0.2	634	0.5
1980-81	444	0.3	801	0.6
1981-82	475	0.3	785	0.5
1982-83	654	0.4	1034	0.6
1983-84	1327	0.7	1347	0.7
1984-85	2462	1.1	1405	0.6
1985-86	3626	1.5	1159	0.5
1986-87	4387	1.6	1493	0.5
1987-88	4019	1.3	2127	0.7
1988-89	3722	1.1	2158	0.6
1989-90	3848	1.0	3153	0.8
1990-91	2834	0.7	3364	0.8
1991-92	2739	0.7	4397	1.1
1992-93	2912	0.7	4901	1.1
1993-94	4549	1.0	4771	1.1
1994-95	6310	1.3	4182	0.9
1995-96	7812	1.5	3636	0.7
1996-97	8449	1.6	2515	0.5
1997-98	7381	1.3	1617	0.3
1998-99(e)	6885	1.2	1307	0.2
1999-00(e)	5782	0.9	1675	0.3

(a) Data to 1997-98 are derived from *1997-98 ABS Government Finance Statistics*, data for 1998-99 and 1999-2000 are from the *1999-2000 ABS Government Financial Estimates*.

(e) Estimates.

Table B4: Non-financial Public Sector Net Debt^(a)

	General Government						PNFC Sector		Non-financial Public Sector	
	Commonwealth		State/local		Consolidated(b)		\$m	Per cent of GDP	\$m	Per cent of GDP
	\$m	Per cent of GDP	\$m	Per cent of GDP	\$m	Per cent of GDP				
1987-88	27,359	8.8	24,201	7.8	46,410	14.9	55,293	17.8	101,703	32.7
1988-89	21,982	6.2	21,683	6.2	39,232	11.2	56,363	16.0	95,595	27.2
1989-90	16,121	4.2	27,672	7.2	37,989	9.9	57,794	15.0	95,783	24.9
1990-91	16,936	4.3	31,322	7.9	41,380	10.4	60,745	15.3	102,125	25.7
1991-92	31,132	7.7	39,167	9.6	63,525	15.6	59,011	14.5	122,536	30.2
1992-93	55,218	12.9	44,020	10.3	94,048	22.0	52,878	12.4	146,926	34.4
1993-94	70,223	15.6	40,693	9.0	106,439	23.7	48,021	10.7	154,460	34.3
1994-95	83,492	17.6	37,039	7.8	117,973	24.9	46,482	9.8	164,455	34.7
1995-96	95,831	18.9	24,981	4.9	118,053	23.2	40,135	7.9	158,188	31.1
1996-97	96,281	18.0	19,757	3.7	113,236	21.2	37,748	7.1	150,984	28.3
1997-98	82,935	14.7	15,937	2.8	95,122	16.8	35,371	6.3	130,493	23.1
1998-99	70,402	11.9	15,810	2.7	82,662	13.9	34,032	5.7	116,694	19.7
1999-00(e)	56,346	9.0	7,907	1.3	60,707	9.7	38,117	6.1	98,825	15.7
2000-01(e)	47,404	7.1	5,450	0.8	49,364	7.4	37,570	5.6	86,934	13.0
2001-02(p)	34,650	4.9	2,665	0.4	33,884	4.8	38,686	5.5	72,570	10.2
2002-03(p)	9,157	1.2	551	0.1	6,333	0.8	40,282	5.4	46,615	6.2

(a) Data are from ABS 1998 *Public Sector Financial Assets and Liabilities*, ABS 1999-2000 *Government Financial Estimates*, and jurisdictions' published budget data.

(b) Includes universities.

(e) Estimates.

(p) Projections.

Appendix C: Commonwealth Government Finance Statistics

The Commonwealth *Charter of Budget Honesty Act 1998* requires that the budget be based on external reporting standards, and that departures from applicable external reporting standards be identified. The major external standards used in this budget are Australian Accounting Standards (AAS31) and the ABS accrual GFS framework. Statement 1, Appendix A, provides a reconciliation between the Commonwealth's general government GFS and AAS31 revenue, expenses and operating results.

The Commonwealth, States and Territories also have an agreement — the *Accrual Uniform Presentation Framework* (UPF) — that all jurisdictions publish a common core of GFS-consistent financial information in their budget papers. More information on this agreement, which has recently been updated to an accrual format, is available in *Budget Paper No 3*.

This appendix presents Commonwealth data on a GFS basis, as required by the UPF. Statistical tables are presented below, showing an operating statement, cash flow statement and balance sheet for the Commonwealth general government, PNFC and consolidated non-financial public sectors. The tables were produced by the Department of Finance and Administration (DoFA) in consultation with the ABS.

As discussed in the introduction to this Statement, the Commonwealth considers the GST to be a State tax, with GST revenue collected by the Commonwealth in an agency capacity. This approach is reflected elsewhere throughout the 2000-01 Budget. However, the technical interpretation of the GFS standards by the ABS treats the GST as a Commonwealth tax, with the transfer of GST revenues to the States treated as Commonwealth grants. In keeping with the Accrual UPF reporting requirements, the tables in this appendix are presented consistent with ABS standards, with Commonwealth revenue, outlays and expenses including GST collections.

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

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

COMPARISON BETWEEN GFS AND ACCOUNTING STANDARDS

There is a general consistency of treatment between GFS and accounting standards. GFS and AAS31 definitions of the scope of the public sector agree in almost all cases. AAS31 also recommends the same segmentation of the public sector into general government, PNFC and PFC.

Transactions are generally treated in a similar manner by GFS and accounting standards, however, where GFS is a framework designed to facilitate macro-economic analysis, AAS31 is designed as a standard for general purpose financial reporting. The different objectives of the two systems lead to variance in the treatment of certain items. Some of the major differences between GFS and AAS31 treatment of transactions are included in Table C1. For further information on the differences between the two systems refer to the ABS information paper *Accruals-based Government Finance Statistics* (Cat. No. 5517.0).

Table C1: Selected Differences between AAS31 and GFS Reporting Standards

Issue	AAS31 Treatment	GFS Treatment
Provisions for bad and doubtful debts and asset writedowns	Treated as part of operating expenses.	Treated as revaluations, except for mutually agreed writedowns, and therefore removed from operating revenues/expenses.
Profit/loss on sale of assets	Treated as part of operating revenues/expenses, possibly as abnormal gains/losses.	Treated as revaluations and therefore removed from operating revenues/expenses.
Abnormal items	Most abnormal items will be recorded below the operating result, although some (eg changes to the outstanding superannuation liability due to revised assumptions) would be recorded above the line.	Abnormal items are considered on an individual basis to ascertain whether it is an economic transaction and in which period the transaction applies. If it is treated as an economic transaction, it impacts on GFS operating result, otherwise it is treated as a revaluation and removed from the GFS net operating balance.
Benefits to households in goods and services (social transfers in kind) component of personal benefits payments	All personal benefits payments are treated as transfers in operating expenses.	Personal benefits payments that are not paid as direct cash transfers are treated as part of other expenses in the operating statement.
Regulatory Fees	Included in non-taxation revenue.	Predominantly treated as user charges and included in the 'Sales of Goods and Services' component of non-taxation revenue.
Fines	Included in non-taxation revenue.	Treated as transfer income as part of non-taxation revenue.
Public debt net interest	Under accounting standards, premia and discounts on the repurchase of debt are included in public debt net interest at the time of repurchase, regardless of whether the stock is cancelled at that time. Issue premia and discounts are amortised over the life of the stock.	Repurchase premia and discounts are treated as economic revaluations at the time the debt is repurchased (provided it is valued at historical cost). The GFS cash flow statement includes repurchase premia or discounts in the year that the repurchased stock is cancelled or matures.
Finance Leases	Treat finance leases as if an asset were purchased from borrowings ie the lease payment is split into an interest component (which is shown as an operating expense) and a principal component. The asset and the liability are recorded on the balance sheet. However, this convention does not apply to the cash flow statement, which does not record the acquisition of the asset or the liability.	As per the accounting standard, except that the GFS cash flow statement includes the acquisition of the asset and the liability.

Table C2: General Government Sector Operating Statement

	General Government				
	1999-00 \$m	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
GFS revenue					
Taxation revenue	150620	167815	176085	185864	198846
Current grants and subsidies	0	0	0	0	0
Sales of goods and services	3095	2922	3012	3004	3033
Interest income	1084	1030	1566	2795	4161
Other	9865	5760	5936	5693	5162
Total GFS revenue(a)	164664	177528	186599	197356	211201
GFS expenses					
Gross operating expenses					
Depreciation	2533	2823	3160	3475	3654
Superannuation	1429	1476	1263	1289	1282
Other operating expenses	40502	42225	42620	43417	44701
Total gross operating expenses	44465	46523	47043	48181	49637
Nominal superannuation interest expense	3666	3695	3706	3669	3718
Other interest expenses	6724	6332	5780	5820	5623
Other property expenses	0	0	0	0	0
Current transfers	0	0	0	0	0
Grant expenses	45212	53766	61451	60919	62793
Subsidy expenses	5382	7000	7614	8001	8247
Other current transfers	49600	56815	58720	62383	65974
Total current transfers	100194	117581	127784	131303	137014
Capital transfers	200	200	200	200	200
Total GFS expenses(b)	155248	174332	184514	189172	196192
Net operating balance	9416	3196	2085	8183	15009
Net acquisition of non-financial assets					
Gross fixed capital formation	3498	3352	3846	3854	4099
<i>less</i> Depreciation	2533	2823	3160	3475	3654
<i>plus</i> Change in inventories	184	1	205	145	405
<i>plus</i> Other movements in non-financial assets	-1,437	-2,770	122	49	275
Total net acquisition of non-financial assets	-288	-2,240	1,013	574	1,125
Net lending/fiscal balance(c)	9704	5436	1072	7610	13884

- (a) GFS revenue is not equal to AAS31 revenue. GFS revenue includes all (mutually agreed) transactions that increase net worth. Revaluations are not considered mutually agreed transactions, and so are excluded from GFS revenue. Asset sales, which involve a transfer of a non-financial for a financial asset, are also excluded.
- (b) GFS expenses is not equal to AAS31 expenses. GFS expenses includes all (mutually agreed) transactions that decrease net worth. Revaluations are not considered mutually agreed transactions, and so are excluded from GFS expenses.
- (c) GFS net lending also equals net transactions in financial assets less net transactions in liabilities. The term 'fiscal balance' is not used by the ABS.

Table C3: Public Non-financial Corporations Sector Operating Statement

	Public Non-financial Corporations	
	1999-00 \$m	2000-01 \$m
GFS revenue		
Current grants and subsidies	171	21
Sales of goods and services	24606	25695
Interest income	72	89
Other	18	19
Total GFS revenue(a)	24866	25825
GFS expenses		
Gross operating expenses		
Depreciation	3080	3199
Other operating expenses	14878	15016
Total gross operating expenses	17958	18216
Interest expenses	798	696
Other property expenses	4570	2725
Current transfers		
Tax expenses	2258	2328
Other current transfers	0	0
Total current transfers	2258	2328
Capital transfers	0	0
Total GFS expenses(b)	25583	23964
Net operating balance	-717	1861
Net acquisition of non-financial assets		
Gross fixed capital formation	5363	4152
<i>less</i> Depreciation	3080	3199
<i>plus</i> Change in inventories	-12	-44
<i>equals</i> Total net capital formation	2272	908
<i>plus</i> Other movements in non-financial assets	0	0
Total net acquisition of non-financial assets	2272	908
Net lending/fiscal balance(c)	-2988	953

- (a) GFS revenue is not equal to AAS31 revenue. GFS revenue includes all (mutually agreed) transactions that increase net worth. Revaluations are not considered mutually agreed transactions, and so are excluded from GFS revenue.
- (b) GFS expenses is not equal to AAS31 expenses. GFS expenses includes all (mutually agreed) transactions that decrease net worth. Revaluations are not considered mutually agreed transactions, and so are excluded from GFS expenses.
- (c) GFS net lending also equals net transactions in financial assets less net transactions in liabilities. The term 'fiscal balance' is not used by the ABS.

Table C4: Non-financial Public Sector Operating Statement

	Total Non-financial Public Sector	
	1999-00 \$m	2000-01 \$m
GFS revenue		
Taxation revenue	149060	165484
Current grants and subsidies	0	0
Sales of goods and services	27701	28618
Interest income	1134	1096
Other	6770	3913
Total GFS revenue(a)	184665	199111
GFS expenses		
Gross operating expenses		
Depreciation	5613	6022
Other operating expenses	56809	58717
Total gross operating expenses	62423	64739
Nominal superannuation interest expense	3666	3695
Other interest expenses	7498	7005
Other property expenses	1458	858
Current transfers	0	0
Grant expenses	45212	53766
Subsidy expenses	5211	6979
Other current transfers	50298	56812
Total current transfers	100721	117557
Capital transfers	200	200
Total GFS expenses(b)	175966	194054
Net operating balance	8699	5057
Net acquisition of non-financial assets		
Gross fixed capital formation	8861	7504
<i>less</i> Depreciation	5613	6022
<i>plus</i> Change in inventories	173	-44
<i>plus</i> Other movements in non-financial assets	-1437	-2770
Total net acquisition of non-financial assets	1983	-1332
Net lending/fiscal balance(c)	6715	6389

- (a) GFS revenue is not equal to AAS31 revenue. GFS revenue includes all (mutually agreed) transactions that increase net worth. Revaluations are not considered mutually agreed transactions, and so are excluded from GFS revenue. Asset sales, which involve a transfer of a non-financial for a financial asset, are also excluded.
- (b) GFS expenses is not equal to AAS31 expenses. GFS expenses includes all (mutually agreed) transactions that decrease net worth. Revaluations are not considered mutually agreed transactions, and so are excluded from GFS expenses.
- (c) GFS net lending also equals net transactions in financial assets less net transactions in liabilities. The term 'fiscal balance' is not used by the ABS.

Table C5: General Government Sector Balance Sheet

	General Government				
	1999-00 \$m	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
GFS assets					
Financial Assets					
Cash and deposits	885	775	67	244	202
Advances paid	15354	16578	15599	16242	16524
Investments, loans and placements	17905	8453	8554	8740	8881
Other non-equity assets	14083	10762	15546	13717	6433
Equity	19322	19387	17766	16147	16147
Total financial assets	67549	55956	57532	55090	48186
Non-financial assets					
Land and fixed assets	53820	54007	54503	54975	55537
Other non-financial assets	1932	1834	2060	2228	2602
Total non-financial assets	55752	55840	56564	57202	58140
Total GFS assets	123302	111796	114095	112293	106326
GFS liabilities					
Deposits held	9	9	9	9	9
Advances received	0	0	0	0	0
Borrowing	90481	73201	58860	34374	13689
Superannuation liability	71350	71929	71970	71804	71822
Other employee entitlements and provisions	5431	5394	5415	5438	5477
Other non-equity liabilities	11562	11918	12159	12330	12536
Total GFS liabilities	178833	162451	148415	123955	103533
Net Worth (Net assets)(a)	-55532	-50655	-34319	-11663	2793
Net financial worth(b)	-111,284	-106,495	-90,883	-68,865	-55,347
Net debt(c)	56346	47404	34650	9157	-11908

(a) General government net worth equals assets minus liabilities.

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

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

Table C6: Public Non-financial Corporations Sector Balance Sheet

	Public Non-financial Corporations	
	1999-00 \$m	2000-01 \$m
GFS assets		
Financial assets		
Cash and deposits	1056	985
Advances paid	350	250
Investments, loans and placements	1171	1067
Other non-equity assets	2598	2929
Equity	0	0
Total financial assets	5175	5230
Non-financial assets		
Land and fixed assets	31293	29309
Other non-financial assets	1601	1576
Total non-financial assets	32894	30886
Total GFS assets	38069	36116
GFS liabilities		
Deposits held	0	0
Advances received	0	0
Borrowing	10549	8669
Provisions (other than depreciation and bad debts)	5744	6078
Other non-equity liabilities	3907	4102
Total GFS liabilities	20200	18850
Net Worth (Net assets)(a)	17869	17266
Net financial worth(b)	-15,025	-13,619
Net debt(c)	7972	6367

- (a) Net worth is calculated as assets minus liabilities.
(b) Net financial worth equals total financial assets minus total liabilities.
(c) Net debt equals the sum of deposits held, advances received and borrowing, minus the sum of cash and deposits, advances paid and investments, loans and placements.

Table C7: Non-financial Public Sector Balance Sheet

	Total Non-financial Public Sector	
	1999-00 \$m	2000-01 \$m
GFS assets		
Financial assets		
Cash and deposits	1,941	1,760
Advances paid	15,727	16,833
Investments, loans and placements	19,076	9,520
Other non-equity assets	16,261	13,321
Equity	11,377	11,426
Total financial assets	64,382	52,861
Non-financial assets		
Land and fixed assets	85,113	83,316
Other non-financial assets	3,533	3,410
Total non-financial assets	88,646	86,726
Total GFS Assets	153,029	139,587
GFS liabilities		
Deposits held	9	9
Advances received	23	5
Borrowing	101,030	81,870
Superannuation liability	71,350	71,929
Other employee entitlements and provisions	11,175	11,472
Other non-equity liabilities	14,403	15,009
Total GFS liabilities	197,991	180,294
Net Worth (Net assets)(a)	-44,962	-40,707
Net financial worth(b)	-133,608	-127,433
Net debt(c)	64,318	53,771

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

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

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

Table C8: General Government Sector Cash Flow Statement^(a)

	General Government				
	1999-00 \$m	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Cash receipts from operating activities					
Taxes received	148198	163000	177079	186747	198332
Receipts from sales of goods and services	3341	3130	3246	3193	3215
Grants/subsidies received	0	0	0	0	0
Other receipts	9963	7404	7124	7989	8811
Total receipts	161502	173535	187449	197929	210359
Cash payments for operating activities					
Payments for goods and services	-26259	-27964	-28395	-28972	-13218
Grants and subsidies paid	-50246	-60495	-68817	-68883	-71032
Interest paid	-7440	-6508	-5730	-6003	-5563
Other payments for operating activities	-67593	-75161	-77488	-81476	-102032
Total payments	-151537	-170127	-180431	-185334	-191845
Net cash flows from operating activities	9965	3407	7018	12595	18514
Cash Flows from investments in non-financial assets					
Sales of non-financial assets	2223	4321	785	752	511
Purchases of new & secondhand non-financial assets	-4393	-4884	-4592	-4567	-4596
Net cash flows from investments in non-financial assets	-2170	-563	-3806	-3814	-4084
Cash flows from investments in financial assets for policy purposes					
Net advances paid	9385	5168	10748	15942	6530
Net equity acquisitions, disposals & privatisations	0	0	0	0	0
Net cash flows from investments in financial assets for policy purposes	9385	5168	10748	15942	6530
Cash Flows from investments in financial assets for liquidity purposes					
Increase in investments	-10424	9320	-523	-534	-443
Net cash flows from investments in financial assets for liquidity purposes	-10424	9320	-523	-534	-443
Cash flows from financing activities					
Advances received (net)	0	0	0	0	0
Borrowing (net)	-8002	-16935	-13722	-24214	-20353
Deposits received (net)	0	0	0	0	0
Other financing (net)	341	-487	-502	76	-399
Net cash flows from financing activities	-7661	-17421	-14224	-24138	-20751
Net increase/decrease in cash held	-906	-89	-788	50	-237
Net cash from operating activities and investments in non-financial assets	7795	2844	3211	8781	14429
Finance leases and similar arrangements(b)	0	0	0	0	0
Equals Surplus(+)/Deficit(-)(c)	7795	2844	3211	8781	14429

- (a) A positive number denotes a cash inflow, a negative sign denotes a cash outflow.
- (b) Finance leases are shown with a negative sign as they are deducted in compiling the surplus/deficit.
- (c) Conceptually, the surplus/deficit aggregate contained in the cash flow statement is the same as the deficit measure obtained under the cash UFP. However, in practice, the process of deriving these aggregates differs so that the measures are not directly comparable. Time-series data created by splicing these measures together should therefore be used with caution.

Table C9: Public Non-financial Corporations Sector Cash Flow Statement^(a)

	Public Non-financial Corporations	
	1999-00 \$m	2000-01 \$m
Cash receipts from operating activities		
Receipts from sales of goods and services	24272	25237
Grants and subsidies received	163	20
Other receipts	113	121
Total receipts	24548	25378
Cash payments for operating activities		
Payment for goods and services	-14839	-14876
Interest paid	-696	-594
Other payments for operating activities(b)	-4237	-3910
Total payments	-19772	-19380
Net cash flows from operating activities	4775	5998
Cash flows from investments in non-financial assets		
Sales of non-financial assets	375	148
Purchases of new and secondhand non-financial assets	-5738	-4300
Net cash flows from investments in non-financial assets	-5363	-4152
Cash flows from investments in financial assets for policy purposes		
Net advances paid	0	0
Net equity acquisitions, disposals and privatisations	0	0
Net cash flows from investments in financial assets for policy purposes	0	0
Cash flows from investments in financial assets for liquidity purposes		
Increase in investments	-11	0
Net cash flows from investments in financial assets for liquidity purposes	-11	0
Cash flows from financing activities		
Advances received (net)	-23	-5
Borrowing (net)	1846	-966
Deposits received (net)	0	0
Distributions paid (net)(c)	-1458	-858
Other financing (net)	2897	1701
Net cash flows from financing activities	3262	-128
Net increase/decrease in cash held	2663	1718
Net cash from operating activities, distributions paid and investments in non-financial assets	-2046	988
Finance leases and similar arrangements(d)	0	0
Equals Surplus(+)/Deficit(-)(e)	-2046	988

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

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

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

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

(e) Conceptually, the surplus/deficit aggregate contained in the cash flow statement is the same as the deficit measure obtained under the cash UFP. However, in practice, the process of deriving these aggregates differs so that the measures are not directly comparable. Time-series data created by splicing these measures together should therefore be used with caution.

Table C10: Non-financial Public Sector Cash Flow Statement^(a)

	Total Non-financial Public Sector	
	1999-00 \$m	2000-01 \$m
Cash receipts from operating activities		
Taxes received	146638	160669
Receipts from sales of goods and services	27613	28367
Grants and subsidies received	0	0
Other receipts	6942	5635
Total receipts	181193	194671
Cash payments for operating activities		
Payments for goods and services	-41098	-42840
Grants and subsidies paid	-50083	-60474
Interest paid	-8113	-7078
Other payments for operating activities(b)	-67158	-74873
Total payments	-166453	-185266
Net cash flows from operating activities	14740	9406
Cash flows from investments in non-financial assets		
Sales of non-financial assets	2598	4469
Purchases of new and secondhand non-financial assets	-10131	-9185
Net cash flows from investments in non-financial assets	-7533	-4715
Cash flows from investments in financial assets for policy		
Net advances paid	9362	5163
Net equity acquisitions, disposals and privatisations	0	0
Net cash flows from investments in financial assets for policy purposes	9362	5163
Cash flows from investments in financial assets for liquidity purposes		
Increase in investments	-10436	9320
Net cash flows from investments in financial assets for liquidity purposes	-10436	9320
Cash flows from financing activities		
Advances received (net)	0	0
Borrowing (net)	-6156	-17901
Deposits received (net)	0	0
Distributions paid (net)(c)	-1458	-858
Other financing (net)	3237	1214
Net cash flows from financing activities	-4377	-17545
Net increase/decrease in cash held	1757	1629
Net cash from operating activities, distributions paid and investments in non-financial assets	5749	3832
Finance leases and similar arrangements(d)	0	0
Equals Surplus(+)/Deficit(-)(e)	5749	3832

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

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

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

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

- (e) Conceptually, the surplus/deficit aggregate contained in the cash flow statement is the same as the deficit measure obtained under the cash UFP. However, in practice, the process of deriving these aggregates differs so that the measures are not directly comparable. Time-series data created by splicing these measures together should therefore be used with caution.

Table C11: General Government Sector Expenses by Function^(a)

	General government sector	
	1999-00 \$m	2000-01 \$m
General public services	15486	16678
Defence	10440	10606
Public order and safety	1187	1168
Education	10390	10915
Health	23409	25035
Social security and welfare	57361	65327
Housing and community amenities	1858	2050
Recreation and culture	1484	1493
Fuel and energy	48	52
Agriculture, forestry, fishing and hunting	1852	1694
Mining, manufacturing and construction	888	850
Transport and communications	2177	2074
Other economic affairs	3432	3743
Other purposes	28381	12046
Total AAS31 Expenses	158392	153732
Reconciliation between AAS31 and GFS expenses	3144	-20600
Total GFS Expenses	155,248	174,332

(a) Inclusive of GST payments to States and Territories.

Table C12: General Government Sector Taxation Revenue by Source^(a)

	General government sector	
	1999-00 \$m	2000-01 \$m
Taxes on income, profits and capital gains		
Income and capital gains levied on individuals	82512	74123
Income and capital gains levied on enterprises	28694	37312
Income taxes levied on non-residents	1411	1346
<i>Total</i>	<i>112617</i>	<i>112781</i>
Taxes on employers' payroll and labour force	3340	3650
Taxes on property	5	5
Taxes on the provision of goods and services		
Sales tax	15497	26029
Excises and levies	14805	20364
Taxes on international trade	3770	4413
<i>Total</i>	<i>34071</i>	<i>50806</i>
Taxes on use of goods and performance of activities	587	574
Total GFS taxation revenue	150620	167815

(a) Inclusive of GST revenue.

Appendix D: Commonwealth Historical Budget Data

This appendix provides historical data and forward estimates for Commonwealth budget aggregates. Estimates of outlays, expenses and revenues are net of GST collections.

Table D1 provides details of the cash revenue, outlays and surplus for the period 1969-70 to 2003-04. Table D2 provides details of tax, non-tax and total cash revenue for the period 1969-70 to 2003-04.

Estimates to 1998-99 are on cash terms, and from 1999-2000 onwards are based on an accrual framework. Due to methodological and data-source changes associated with the move to an accrual accounting framework, time series data which encompasses measures derived under both cash and accrual accounting should be used with caution.

There are other structural breaks within the data set prior to the shift to accrual reporting. Classification differences and revisions, as well as changes to the structure of the budget, can impact on comparisons over such an extended period.

Following recent changes to the Australian National Accounts standards, the general government surplus measures in this appendix, from 1998-99 onwards, incorporate payments by the Commonwealth general government sector in respect of accumulated PNFC superannuation liabilities. Payments prior to 1998-99 do not incorporate these payments.

Other factors which affect the comparability of budget aggregates between years include:

- classification differences in the data relating to the period prior to 1976-77 mean that data for the earlier period may not be entirely consistent with that for 1976-77 and later years;
- adjustments in the coverage of agencies included in the accounts of the different sectors;
- the reclassification of Central Banking Authorities from the general government to the PFC sector in 1998-99, and subsequent backcasting to account for this change;
- the 1998-99 reclassification of fees and fines out of the broader taxes, fees and fines category used in previous years;
- transfers of taxing powers between the Commonwealth and the States;
- other changes in financial arrangements between the Commonwealth budget sector, Commonwealth non-budget sector agencies and the State/local government sector; and

- changes in arrangements for transfer payments where tax concessions or rebates are replaced by payments through the social security system. This has the effect of increasing both cash revenues and outlays as compared with earlier periods, but not changing cash balances. Changes in the opposite direction (tax expenditures replacing outlays) reduce both cash outlays and revenue.

While approximate adjustments can be made to identify trends in budget aggregates on a generally consistent basis, the further back this analysis is taken, the less manageable that task becomes.

Table D3 provides details of Commonwealth general government net debt. The net debt series used in this table incorporates:

- Treasury estimates for the period 1975 to 1987;
- Published ABS data for the period 1988 to 1998 (*Public Sector Financial Assets and Liabilities*, Cat. No. 5513.0); and
- Treasury estimates for the period 1999 to 2004.

Comparable net debt data have only been collected by the ABS since 1988. Treasury estimates for the period 1975 to 1987 were constructed by deducting annual net borrowing — defined as the ABS cash deficit — from the ABS measure of the stock of net debt at end June 1988.

Table D4 looks at Commonwealth net worth by sector, from 1996-97 to 2003-04.

Tables D5 to D7 provide details of Commonwealth accrual budget aggregates for the period 1996-97 to 2003-04, for the general government, PNFC and non-financial public sectors.

Table D1: Commonwealth General Government Sector Cash Revenue, Outlays and Surplus^(a)

	Revenue			Outlays			Cash Surplus(b)	
	Estimate \$m	% Real Growth	Per cent of GDP	Estimate \$m	% Real Growth	Per cent of GDP	Estimate \$m	Per cent of GDP
1969-70	7,097	8.6	21.1	6,131	2.1	18.2	966	2.9
1970-71	8,000	6.1	21.5	7,176	10.2	19.3	824	2.2
1971-72	8,827	3.6	21.4	7,987	4.5	19.4	840	2.0
1972-73	9,414	-0.1	20.3	9,120	7.0	19.7	294	0.6
1973-74	11,890	10.4	21.2	10,829	3.8	19.3	1,061	1.9
1974-75	15,325	5.6	22.9	15,275	15.5	22.8	50	0.1
1975-76	18,316	3.0	23.2	19,876	12.1	25.1	-1,560	-2.0
1976-77	21,418	4.7	23.5	22,657	2.0	24.9	-1,239	-1.4
1977-78	23,491	0.7	23.6	25,489	3.3	25.6	-1,998	-2.0
1978-79	25,666	3.2	22.8	27,753	2.9	24.6	-2,087	-1.9
1979-80	29,780	5.6	23.2	31,041	1.8	24.2	-1,261	-1.0
1980-81	35,148	6.8	24.2	35,260	2.8	24.3	-112	-0.1
1981-82	40,831	3.5	24.5	40,394	2.1	24.3	437	0.3
1982-83	44,675	-1.9	24.8	47,907	6.4	26.6	-3,232	-1.8
1983-84	49,102	3.4	24.2	55,966	9.9	27.6	-6,864	-3.4
1984-85	57,758	11.2	25.7	63,639	7.5	28.3	-5,881	-2.6
1985-86	64,845	5.6	26.1	69,838	3.3	28.1	-4,993	-2.0
1986-87	73,145	5.6	26.8	75,392	1.1	27.7	-2,247	-0.8
1987-88	81,217	3.8	26.1	79,440	-1.5	25.6	1,777	0.6
1988-89	88,369	0.8	25.1	82,202	-4.2	23.4	6,167	1.8
1989-90	95,517	1.7	24.8	88,882	1.8	23.1	6,635	1.7
1990-91	97,705	-2.0	24.6	97,333	4.9	24.5	372	0.1
1991-92	92,966	-6.5	22.9	104,551	5.5	25.7	-11,585	-2.9
1992-93	94,448	0.1	22.1	111,484	5.0	26.1	-17,036	-4.0
1993-94	100,142	5.0	22.3	117,252	4.2	26.1	-17,110	-3.8
1994-95	109,720	9.3	23.1	122,901	4.6	25.9	-13,181	-2.8
1995-96	121,105	7.5	23.8	131,182	4.0	25.8	-10,077	-2.0
1996-97	129,845	5.2	24.3	135,126	1.0	25.3	-5,281	-1.0
1997-98	135,779	3.3	24.0	134,608	-1.6	23.8	1,171	0.2
1998-99	146,521	7.2	24.7	141,033	4.0	23.8	4,190	0.7
1999-00(e)	163,726	na	26.1	155,930	na	24.8	7,795	1.2
2000-01(e)	153,803	-8.6	23.0	150,959	-5.8	22.6	2,844	0.4
2001-02(p)	160,205	1.7	22.6	156,994	1.6	22.2	3,211	0.5
2002-03(p)	169,598	3.4	22.6	160,817	0.0	21.4	8,781	1.2
2003-04(p)	180,133	3.7	22.6	165,704	0.6	20.8	14,429	1.8

(a) There is a break in the series between 1998-99 and 1999-2000. Data for the years up to and including 1998-99 are consistent with the cash ABS GFS reporting requirements. From 1999-2000 onwards, data are derived from an accrual ABS GFS reporting framework, with revenues proxied by receipts from operating activities and sales of non-financial assets, and outlays by payments for operating activities and purchases of non-financial assets. Due to methodological and data-source changes associated with the change, time series data which encompasses measures derived under both cash and accrual accounting should be used with caution.

(b) Following recent changes to the Australian National Accounts standards, the surplus measures in this table, from 1998-99 onwards, incorporate payments by the general government sector in respect of accumulated PNFC superannuation liabilities. Payments prior to 1998-99 do not incorporate these payments.

(e) Estimates.

(p) Projections.

Table D2: Commonwealth General Government Sector Cash Taxation Revenue, Non-taxation Revenue and Total Revenue^(a)

	Taxation revenue			Non-taxation revenue			Total revenue		
	Estimate \$m	% Real Growth	Per cent of GDP	Estimate \$m	% Real Growth	Per cent of GDP	Estimate \$m	% Real Growth	Per cent of GDP
1969-70	6,341	9.1	18.8	756	4.7	2.2	7,097	8.6	21.1
1970-71	7,148	6.1	19.2	852	6.1	2.3	8,000	6.1	21.5
1971-72	7,887	3.6	19.2	940	3.6	2.3	8,827	3.6	21.4
1972-73	8,411	-0.1	18.1	1,003	0.0	2.2	9,414	-0.1	20.3
1973-74	10,832	12.6	19.3	1,058	-7.8	1.9	11,890	10.4	21.2
1974-75	14,141	6.9	21.1	1,184	-8.4	1.8	15,325	5.6	22.9
1975-76	16,920	3.1	21.4	1,396	1.6	1.8	18,316	3.0	23.2
1976-77	19,714	4.3	21.6	1,704	9.3	1.9	21,418	4.7	23.5
1977-78	21,428	-0.2	21.6	2,063	11.2	2.1	23,491	0.7	23.6
1978-79	23,409	3.2	20.8	2,257	3.4	2.0	25,666	3.2	22.8
1979-80	27,473	6.8	21.4	2,307	-7.0	1.8	29,780	5.6	23.2
1980-81	32,641	7.5	22.4	2,507	-1.7	1.7	35,148	6.8	24.2
1981-82	37,880	3.4	22.7	2,951	4.9	1.8	40,831	3.5	24.5
1982-83	41,025	-2.9	22.8	3,650	10.9	2.0	44,675	-1.9	24.8
1983-84	44,849	2.8	22.1	4,253	9.6	2.1	49,102	3.4	24.2
1984-85	52,970	11.6	23.6	4,788	6.4	2.1	57,758	11.2	25.7
1985-86	58,841	4.5	23.7	6,004	18.0	2.4	64,845	5.6	26.1
1986-87	66,467	5.8	24.4	6,678	4.1	2.5	73,145	5.6	26.8
1987-88	75,076	5.6	24.2	6,141	-14.0	2.0	81,217	3.8	26.1
1988-89	83,452	3.0	23.7	4,917	-25.8	1.4	88,369	0.8	25.1
1989-90	90,773	2.4	23.6	4,744	-9.2	1.2	95,517	1.7	24.8
1990-91	92,739	-2.1	23.4	4,966	0.3	1.3	97,705	-2.0	24.6
1991-92	87,364	-7.4	21.5	5,602	10.8	1.4	92,966	-6.5	22.9
1992-93	88,760	0.1	20.8	5,688	0.0	1.3	94,448	0.1	22.1
1993-94	93,362	4.2	20.8	6,780	18.1	1.5	100,142	5.0	22.3
1994-95	104,921	12.1	22.1	4,799	-29.4	1.0	109,720	9.3	23.1
1995-96	115,700	7.4	22.8	5,405	9.7	1.1	121,105	7.5	23.8
1996-97	124,559	5.6	23.3	5,286	-4.1	1.0	129,845	5.2	24.3
1997-98	130,984	3.9	23.1	4,795	-10.4	0.8	135,779	3.3	24.0
1998-99	141,105	7.0	23.8	5,416	12.2	0.9	146,521	7.2	24.7
1999-00(e)	148,198	na	23.6	15,528	na	2.5	163,726	na	26.1
2000-01(e)	138,948	-8.7	20.8	14,855	-6.9	2.2	153,803	-8.6	23.0
2001-02(p)	149,050	4.8	21.0	11,155	-26.7	1.6	160,205	1.7	22.6
2002-03(p)	157,664	3.3	21.0	11,934	4.5	1.6	169,598	3.4	22.6
2003-04(p)	167,595	3.8	21.0	12,538	2.5	1.6	180,133	3.7	22.6

(a) There is a break in the series between 1998-99 and 1999-2000. Data for the years up to and including 1998-99 are consistent with the cash ABS GFS reporting requirements. From 1999-2000 onwards, data are derived from an accrual ABS GFS reporting framework, with revenues proxied by receipts from operating activities and sales of non-financial assets, and outlays by payments for operating activities and purchases of non-financial assets. Due to methodological and data-source changes associated with the change, time series data which encompasses measures derived under both cash and accrual accounting should be used with caution.

(e) Estimates.

(p) Projections.

Table D3: Commonwealth General Government Net Debt

	\$billion	Per cent of GDP
1974-75	-1.9	-2.8
1975-76	-0.3	-0.4
1976-77	0.9	1.0
1977-78	2.9	2.9
1978-79	5.0	4.4
1979-80	6.2	4.9
1980-81	6.4	4.4
1981-82	5.9	3.6
1982-83	9.2	5.1
1983-84	16.0	7.9
1984-85	21.9	9.7
1985-86	26.9	10.8
1986-87	29.1	10.7
1987-88	27.4	8.8
1988-89	22.0	6.2
1989-90	16.1	4.2
1990-91	16.9	4.3
1991-92	31.1	7.7
1992-93	55.2	12.9
1993-94	70.2	15.6
1994-95	83.5	17.6
1995-96	95.8	18.9
1996-97	96.3	18.0
1997-98	82.9	14.7
1998-99	70.4	11.9
1999-00(e)	56.3	9.0
2000-01(e)	47.4	7.1
2001-02(p)	34.7	4.9
2002-03(p)	9.2	1.2
2003-04(p)	-11.9	-1.5

(e) Estimates.

(p) Projections.

Table D4: Commonwealth Net Worth (Net Assets) by Sector^(a)

	General Government		PNFCs		Non-financial Public Sector	
	Estimate \$b	Per cent of GDP	Estimate \$b	Per cent of GDP	Estimate \$b	Per cent of GDP
1996-97	-74.4	-13.9	18.1	3.4	-56.3	-10.5
1997-98	-68.5	-12.1	18.1	3.2	-50.5	-8.9
1998-99	-76.2	-12.8	7.4	1.2	-81.0	-13.6
1999-00(e)	-55.5	-8.8	17.9	2.8	-45.0	-7.2
2000-01(e)	-50.7	-7.6	17.3	2.6	-40.7	-6.1
2001-02(p)	-34.3	-4.8	na	na	na	na
2002-03(p)	-11.7	-1.6	na	na	na	na
2003-04(p)	2.8	0.4	na	na	na	na

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

(e) Estimates.

(p) Projections.

Table D5: Commonwealth General Government Sector GFS Revenue, GFS Expenses and Fiscal Balance

	GFS Revenue			GFS Expenses			Fiscal balance(a)	
	Estimate \$m	% Real Growth	Per cent of GDP	Estimate \$m	% Real Growth	Per cent of GDP	Estimate \$m	Per cent of GDP
1996-97	143,108		26.8	146,964		27.5	-4,211	-0.8
1997-98	148,197	2.3	26.2	154,692	4.0	27.3	-1,973	-0.3
1998-99	151,922	1.8	25.6	146,620	-5.9	24.7	3,869	0.7
1999-00(e)	164,664	6.9	26.2	155,248	4.4	24.7	9,704	1.5
2000-01(e)	153,475	-9.3	23.0	150,279	-5.8	22.5	5,436	0.8
2001-02(p)	158,570	0.9	22.4	156,485	1.7	22.1	1,072	0.2
2002-03(p)	168,272	3.6	22.4	160,089	-0.1	21.3	7,610	1.0
2003-04(p)	180,464	4.7	22.7	165,455	0.9	20.8	13,884	1.7

- (a) Fiscal balance equals GFS revenue less GFS expenses less net acquisition of non-financial assets.
(e) Estimates.
(p) Projections.

Table D6: Commonwealth PNFC GFS Revenue, GFS Expenses and Fiscal Balance

	GFS Revenue			GFS Expenses			Fiscal balance(a)	
	Estimate \$m	% Real Growth	Per cent of GDP	Estimate \$m	% Real Growth	Per cent of GDP	Estimate \$m	Per cent of GDP
1996-97	27,431		5.1	26,015		4.9	-331	-0.1
1997-98	29,618	6.7	5.2	26,999	2.5	4.8	2,360	0.4
1998-99	27,687	-7.2	4.7	26,088	-4.0	4.4	-816	-0.1
1999-00(e)	24,866	-11.4	4.0	25,583	-3.3	4.1	-2,988	-0.5
2000-01(e)	25,825	1.1	3.9	23,964	-8.8	3.6	953	0.1

- (a) Fiscal balance equals GFS revenue less GFS expenses less net acquisition of non-financial assets.
(e) Estimates.

Table D7: Commonwealth NFPS GFS Revenue, GFS Expenses and Fiscal Balance

	GFS Revenue			GFS Expenses			Fiscal balance(a)	
	Estimate \$m	% Real Growth	Per cent of GDP	Estimate \$m	% Real Growth	Per cent of GDP	Estimate \$m	Per cent of GDP
1996-97	na	na	na	na	na	na	-4,542	-0.9
1997-98	na	na	na	na	na	na	387	0.1
1998-99	175,707	na	29.6	168,806	na	28.4	3,053	0.5
1999-00(e)	184,665	3.7	29.4	175,966	2.8	28.0	6,715	1.1
2000-01(e)	175,058	-7.7	26.2	170,001	-6.0	25.4	6,389	1.0

- (a) GFS net operating balance equals GFS revenue less GFS expenses.
(b) Fiscal balance equals GFS revenue less GFS expenses less net acquisition of non-financial assets.
(e) Estimates.
na Data not available.