

NEW SOUTH WALES

**GOVERNMENT FINANCE
STATISTICS AND LOAN
COUNCIL REPORTING
1994-95**

Budget Paper No. 6

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1 INTRODUCTION¹

In recent years attention has been focused on the performance of the public sector. To assist in this process, this Budget Paper presents financial aggregates for the combined Budget and Non-Budget Sectors according to internationally recognised statistical standards. In addition to information in Chapters 2 and 3 dealing with outlays and revenues and financial assets and liabilities, Chapter 4 provides details of the State's Loan Council Allocation (LCA) as required under the arrangements agreed in 1993.

The financial aggregates presented in this Budget Paper serve a number of purposes:

- * Allow interstate financial comparisons on a consistent basis;
- * Facilitate time series comparisons of financial aggregates since they are relatively unaffected by changes in public sector administrative structures; and
- * Permit an assessment of the impact of NSW public sector transactions on the economy by providing data classified into economic type.

Outlays and revenue data presented in this Budget Paper are provided on two separate bases. Section 2.1 provides information which excludes both the operations of the NSW Treasury Corporation (which is considered to distort the financial aggregates) and selected Commonwealth payments (which simply pass through the State's accounts). However, in accordance with the requirements of the Premiers' Conference resolution dealing with uniform presentation of financial data, Section 2.3 provides information on a standard Australian Bureau of Statistics (ABS) basis.

Chapter 3 presents estimates of the State's financial assets and liabilities based on ABS standards. It is not felt necessary to make similar adjustments to the aggregates as in Chapter 2 since the statistical standards applied are considered appropriate. In particular, the inclusion of Treasury Corporation in these aggregates has only a marginal impact on the level of net debt.

Finally, while the differences between the general government sector aggregates in this Budget Paper and the presentation of the State Budget have reduced markedly in recent years, significant differences do remain. These differences can be gauged from the appendix which classifies organisations by both administrative unit and ABS sector.

¹ New South Wales Treasury acknowledges the assistance of the Sydney and Canberra

2 OUTLAYS AND REVENUES OF THE NSW PUBLIC SECTOR

2.1 ESTIMATES OF OUTLAYS AND REVENUES FOR 1994-95

2.1.1 Overview

Table 2.1 presents estimates of NSW public sector outlays, revenues and financing transactions in 1994-95. Overall the financial result of the State sector is projected to be a \$652 million deficit in 1994-95. This compares with an estimated deficit of \$138 million in 1993-94.

The projected overall result reflects a deficit for the general government sector of \$523 million with the public trading enterprise (PTE) sector also projecting a deficit of \$24 million. Compared with the estimated outcome for 1993-94, there has been a small increase in the deficit of the general government sector and a significant turnaround in the PTE sector from a substantial surplus to a small deficit.

It should be noted that the projected result for the PTE sector is heavily influenced by an expected reduction in the surplus of Pacific Power of around \$300 million. This reduction is due to the full year impact of a 3 per cent cut in the Bulk Supply Tariff from 1 February 1994 and a further 8 per cent cut from 1 July 1994. In addition to this, there is an apparent conservative bias in estimates provided by the State's trading enterprises which results in actual outcomes generally being better than projected. This is discussed in more detail in section 2.1.3.

Table 2.1: Estimated Total Public Sector Outlays and Revenues 1994-95

	General Government \$m	Public Trading Enterprises \$m	Total State ⁽¹⁾⁽²⁾ \$m
Current Outlays	18,017	1,918	19,026
- % increase	4.9	(-)11.5	4.4
Capital Outlays	2,871	2,733	4,548
- % increase	(-)5.4	16.3	5.4
Revenue and Grants Received	20,365	3,247	21,542
- % increase	3.3	(-)7.1	2.9
Financial Result⁽³⁾	523	24	652
- % increase	4.8	n.a.	372.5

(1) Items may not add to totals due to rounding.

(2) Does not represent the sum of the general government and public trading enterprise sectors due to the existence of intra-sector transactions and differences between cash and accruals estimates.

(3) Total outlays less both revenue and grants received and increases in provisions. A positive number represents a deficit, while a negative number represents a surplus.

n.a. Not applicable.

The increase in the projected general government deficit reflects a slightly higher growth in outlays compared with revenues. In 1994-95 both outlays and revenues are expected to increase by around 0.8 per cent in real terms. In the PTE sector, a reduction in current outlays is more than offset by an significant increase in capital outlays and a reduction in the net operating surplus of the sector. Overall, total State outlays are projected to increase by 4.6 per cent or 6.3 per cent after adjusting for the up front casino licence fee.

2.1.2 General Government Sector

A summary of aggregates for the general government sector are presented in the table below.

Table 2.2: Summary of General Government Estimates 1994-95 ⁽¹⁾

	1993-94 \$ m	1994-95 \$ m	% Increase
Current Outlays			
- <i>Final Consumption Expenditure</i>	12,299	13,377	8.8
- <i>Interest</i>	1,727	1,641	(-)5.0
- <i>Other Current Transfer Payments</i>	3,148	2,999	(-)4.7
Total Current Outlays	17,174	18,017	4.9
Capital Outlays			
- <i>Gross Fixed Capital Expenditure and Net Purchase of Land</i>	2,025	2,096	3.5
- <i>Other Capital Outlays</i>	1,009	775	(-)23.2
Total Capital Outlays	3,034	2,871	(-)5.4
Revenue and Grants Received			
- <i>Taxes, Fees and Fines</i>	10,128	10,637	5.0
- <i>Grants Received</i>	7,673	7,916	3.2
- <i>Other Revenue</i>	1,906	1,813	-4.9
Total Revenue and Grants Received	19,708	20,365	3.3
Deficit ⁽¹⁾	499	523	4.8

(1) Total outlays less both revenue and grants received and increases in provisions. A positive number represents a deficit, while a negative number represents a surplus.
n.a. Not applicable.

- **Outlays**

In 1994-95 total current outlays of the general government sector are expected to increase by 4.9 per cent. This increase is made up of an 8.8 per cent increase in final consumption expenditure and a 4.8 per cent reduction in current transfer payments. The increase in consumption expenditure is concentrated in the areas of police, health, protection of the environment and recreation and culture.

Interest payments are expected to fall by \$86 million reflecting the rollover of higher coupon securities while subsidies to public trading enterprises are projected to fall by \$88 million reflecting a reduction in general purpose subsidies to the State Rail Authority and State Transit Authority. Subsidies paid to public trading enterprises have reduced from \$785 million in 1989-90 to \$514 million in 1994-95, a reduction in real terms of 42 per cent. This results from a progressive improvement in the efficiency of these enterprises. It should be noted that the increase in subsidies in 1990-91 and 1991-92 related to the funding of redundancies by the Budget Sector.

Subsidy payments to industry have also fallen substantially for the second successive year reflecting the declining call on state funds associated with the closure of the third party motor accident claims scheme. The need to fund these liabilities once the cash reserves of the scheme were exhausted resulted in a sharp increase in outlays both in 1991-92 and 1992-93.

Capital outlays of the general government sector in 1994-95 are projected to fall 5.4 per cent. The reduction reflects the treatment of the casino licence fee (\$375 million) as a sale of an intangible asset. Excluding this factor, capital outlays are projected to increase by 7.0 per cent.

Gross fixed capital expenditure along with net land purchases is expected to increase by 3.5 per cent in line with the low growth in budget sector capital expenditure. The main areas of growth are expected to be in health and housing.

Overall, total outlays, current and capital, are projected to increase by 3.4 per cent in 1994-95.

- **Revenue and Grants Received**

In 1994-95 revenues (including grants) are projected to increase by 3.3 per cent. This consists of a 5.0 per cent increase in taxation revenue, a 3.2 per cent increase in grants received and a 4.9 per cent reduction in other revenue.

The low real growth in taxation revenue in spite of the upturn in economic activity reflects the peaking of share market activity in 1993-94 as well as more subdued growth in other stamp duties following the upturn in the property market in 1993-94.

The reduction in other revenue results from a drop off in dividends from both PTE's as well as Treasury Corporation. Public trading enterprise dividends are expected to fall following the substantial one off payment of \$118 million from Prospect Electricity in 1993-94.

Grants received will rise by 3.2 per cent following a 6.3 per cent increase in general revenue grants after adjusting for the further untying of road funds. This is offset by the abolition of the general purpose capital grants and a small increase of 1.4 per cent in specific purpose payments. The increase in general revenue grants results from the implementation of the Grants Commission's 1994 Update report which increased the State's share of financial assistance grants by around \$130 million.

• **Financial Result**

The financial result for the general government sector is projected to be a \$423 million deficit. This compares with an estimated deficit of \$499 million in 1993-94. A reconciliation between the Budget result and the general government result is shown below.

Table 2.3: Reconciliation of Budget and General Government Results

	1993-94 \$m	1994-95 \$m
Budget Result	430	353
plus		
* Housing Authorities	(104)	(77)
* Ministerial Insurance Corporation	204	234
* Workcover Authority	55	30
* Crown Commercial Operations	(15)	59
* Environmental Trusts	(16)	(14)
* Commercial Services Group	(1)	(47)
* Darling Harbour Authority	(9)	28
* Sydney Cove Authority	21	11
* Other	(66)	(54)
General Government Result	499	523

The financial result can be dissected into an operating and capital component. In 1994-95 the general government sector is expected to show similar operating and capital results to the previous financial year. The operating result is projected to be a surplus of \$1,319 million while a capital deficit of \$1,841 million is forecast.

2.1.3 Public Trading Enterprises

A summary of aggregates for the public trading enterprise sector is presented in the table below.

Table 2.4: Summary of Public Trading Enterprise Estimates 1994-95 ⁽¹⁾

	1993-94 \$m	1994-95 \$ m	% Increase
Current Outlays			
- <i>Interest Payments</i>	1,003	934	(-)6.9
- <i>Other Current Transfer Payments</i>	1,165	984	(-)15.5
Total Current Outlays	2,168	1,918	(-)11.5
Capital Outlays			
- <i>Gross Fixed Capital Expenditure and Net Purchase of Land</i>	2,289	2,710	18.4
- <i>Other Capital Outlays</i>	60	23	(-)61.7
Total Capital Outlays	2,349	2,733	16.3
Revenue and Grants Received (\$ mill)			
- <i>Net Operating Surplus</i>	2,111	1,766	(-)16.3
- <i>Grants Received</i>	1,150	1,058	(-)8.0
- <i>Other Revenue</i>	235	423	80.0
Total Revenue and Grants Received	3,496	3,247	(-)7.1
Deficit ⁽¹⁾	(-)443	24	n.a.

(1) Total outlays less both revenue and grants received and increases in provisions. A positive number represents a deficit, while a negative number represents a surplus.
n.a. Not applicable.

• Outlays

In 1994-95 total outlays by the public trading enterprise sector are expected to increase by 3.0 per cent to \$4,651 million. Current outlays are expected to decline by 11.5 per cent while capital outlays are expected to increase strongly by 16.3 per cent.

The drop in current outlays reflects both lower interest costs and dividend provisions. Interest payments in 1994-95 are expected to fall by \$69 million to \$934 million. This compares with interest payments of \$1,782 million in 1988-89. The fall in debt servicing costs reflects both significant reductions in the debt of Pacific Power and other authorities as well as the takeover by the general government sector of the debt of both the former Grain Handling Corporation and

Expenditure on new fixed assets is projected to increase by \$294 million mainly as a result of increases in the areas of housing and water supply offset by reductions in the transport area. The significant increase in the water supply expenditure results from the transfer by the private sector of the Rouse Hill development project to the Sydney Water Board. The impact of this project on the deficit is mitigated somewhat by associated developer contributions.

• **Revenues and Grants Received**

The total revenue and grants received of the public trading enterprise sector is expected to fall in 1994-95 reflecting, in the main, reductions in bulk electricity prices. Operating revenue is expected to fall by 3.0 per cent as a result of the above factor combined with the impact of lower subsidy payments. On the other hand, operating expenditure will remain virtually unchanged.

It should be noted that electricity county councils have been included in the state PTE sector for the first time in 1993-94 resulting in a significant increase in the components of the net operating surplus in that year relative to 1992-93.

The trend in the operating performance of the State's public trading enterprises is shown in Table 2.5. Between 1988-89 and 1994-95 the operating cost recovery level (defined as charges for goods and services less operating expenditure net of depreciation) has increased significantly in real terms, though there is expected to be a deterioration in 1994-95 compared with the previous year due to the cut in bulk electricity prices. The cost recovery level differs from the operating result component of the deficit in that it does not take into account a number of items including interest paid and received, dividend payments and subsidies received.

**Table 2.5: Public Trading Enterprises
Operating Cost Recovery***

	Surplus \$m	Recovery Ratio
1988-89	1,204	1.21
1989-90	1,653	1.28
1990-91	2,175	1.29
1991-92	2,418	1.32
1992-93	2,668	1.36
1993-94	2,846	1.39
1994-95 (f)	2,542	1.34

* Excludes impact of electricity county councils previously in Local Government sector

• **Financial Result**

Overall, the public trading enterprise sector is projected to record a deficit of \$24 million compared with a surplus of \$443 million in 1993-94. As outlined earlier, this result is heavily influenced by the cut in Pacific Power's Bulk Supply Tariff. The turnaround is also likely to be affected by an apparent conservative bias in the forward estimates provided by the individual authorities.

Table 2.6 indicates that the net operating surplus of PTE's has been under forecast by an average of 4.5 per cent over the past 5 years.

Table 2.6: Comparison of Estimated and Actual Net Operating Surplus

	Estimated \$m	Actual \$m	Forecast Error %
1988-89	1,855	1,422	(-)30.5 ⁽¹⁾
1989-90	1,690	1,503	(-)12.4
1990-91	1,542	1,841	16.2
1991-92	1,955	1,886	(-)3.7
1992-93	1,759	1,944	9.5
1993-94	1,790	2,020	12.8
Average Forecast Error (%) ⁽²⁾			4.5

(1) Excludes electricity county council previously in Local Government sector

(2) The 1988-89 estimate was affected by post budget decisions concerning debt transfers and therefore is excluded from average percentage error.

Like the general government sector, public trading enterprises show a significant surplus on their operating accounts. In 1994-95 the operating result of the public trading enterprise sector is projected as a surplus of \$1,344 million with the capital result being a deficit of \$1,368 million. It should be recognised that subsidies from the general government sector form part of the revenue of the public trading enterprise sector and therefore increase the operating surplus.

2.1.4 Total State Sector

A summary of aggregates for the total state sector is presented in the table below.

Table 2.7: Summary of Total State Estimates 1994-95⁽¹⁾

	1993-94 \$ m	1994-95 \$ m	% Increase
Current Outlays			
- <i>Final Consumption Expenditure</i>	12,299	13,377	8.8
- <i>Current Transfer Payments</i>	5,920	5,649	(-)4.6
Total Current Outlays	18,219	19,026	4.4
Capital Outlays			
- <i>Gross Fixed Capital Expenditure and Net Purchase of Land</i>	4,314	4,807	11.4
- <i>Other Capital Outlays</i>	1	(-)259	n.a.
Total Capital Outlays	4,315	4,548	5.4
Revenue and Grants Received			
- <i>Taxes, Fees and Fines</i>	10,128	10,637	5.0
- <i>Grants Received</i>	7,620	7,887	3.5
- <i>Other Revenue</i>	3,181	3,019	(-)5.1
Total Revenue and Grants Received	20,930	21,542	2.9
Deficit⁽¹⁾	138	652	372.5

(1) Total outlays less both revenue and grants received and increases in provisions. A positive number represents a deficit, while a negative number represents a surplus.
n.a. Not applicable.

- **Outlays**

In 1994-95 total state outlays are expected to increase by 4.6 per cent. This follows a reduction of 2.4 per cent in 1993-94 after adjusting for the GIO privatisation. The increase in total outlays in 1994-95 is made up of a 4.4 per cent increase in current outlays and a 5.4 per cent increase in capital outlays.

- **Revenue and Grants Received**

Total state revenues (including grants received) are expected to increase by 2.9 per cent in 1994-95. This follows an increase of 6.2 per cent in 1993-94 after adjusting for the tax compensation payment associated with the GIO privatisation. Own source revenues are expected to increase by 2.6 per cent with revenue from grants increasing by 3.5 per cent.

- **Financial Result**

In 1994-95 the financial result for the state sector is expected to total \$652 million. This compares with a deficit of \$138 million in 1993-94. As outlined earlier, the increase in the deficit results mainly from the turnaround in the expected result for the public trading enterprise sector. The operating result for the total state sector in 1994-95 is expected to remain in a substantial surplus of \$2.6 billion, with the overall deficit resulting from a \$3.2 billion deficit on the capital account.

DETAILED GOVERNMENT FINANCE STATISTICS ESTIMATES - 1988-89 TO 1994-95

Table 1: General Government Sector - Outlays, Revenue and Financing Transactions

ECONOMIC TYPE CLASSIFICATION	1988-89 \$m	1989-90 \$m	1990-91 \$m	1991-92 \$m	1992-93 \$m	1993-94 prelim \$m	1994-95 est \$m
Current Outlays	12,778	14,194	15,266	16,551	16,974	17,174	18,017
General government final consumption expenditure	9,113	9,985	10,825	11,619	11,964	12,299	13,377
Current transfer payments	3,666	4,209	4,441	4,932	5,009	4,875	4,640
Interest payments	1,289	1,945	1,872	1,985	1,898	1,727	1,641
On Commonwealth advances	789	818	809	739	647	507	463
Other	500	1,127	1,063	1,246	1,251	1,220	1,178
Subsidies paid to enterprises	1,316	1,070	1,067	1,425	1,561	1,317	1,114
Subsidies paid to public trading enterprises	1,140	785	808	839	710	602	514
Subsidies paid to other enterprises	176	286	259	586	851	714	600
Personal benefit payments	526	612	840	863	809	865	872
Current grants to local government	141	132	148	61	50	76	53
Other current transfer payments	394	449	515	598	691	891	960
Capital Outlays	1,456	2,638	2,396	2,279	1,454	3,034	2,871
Gross fixed capital expenditure	1,476	1,753	1,772	1,550	1,833	2,055	2,121
Expenditure on new fixed assets	1,574	1,942	1,972	1,337	2,092	2,167	2,318
Net expenditure on secondhand fixed assets	(-)99	(-)189	(-)200	213	(-)259	(-)112	(-)197
Increase in stocks	30	32	28	(-)1	2	12	23
Net expenditure on land and intangible assets	(-)333	(-)31	61	(-)59	(-)134	(-)30	(-)400
Purchase of land and intangible assets	159	262	211	99	129	104	126
Sales of land and intangible assets	492	293	150	158	263	134	526
Capital transfer payments	387	762	995	1,110	1,200	1,313	1,230
Capital grants to local government	90	117	137	112	152	151	153
Capital grant to state public trading enterprises	285	642	817	919	1,021	1,131	1,045
Other capital grants and transfer payments	12	3	41	80	27	31	31
Advances paid (net)	(-)103	122	(-)460	(-)321	(-)1,447	(-)317	(-)103
Advances to local government (net)	11	152	1	(-)37	(-)13	(-)3	(-)1
Advances to state public trading enterprises (net)	(-)16	(-)47	(-)477	(-)264	(-)66	(-)111	(-)14
Other advances (net)	(-)98	17	16	(-)20	(-)1,368	(-)202	(-)88

Table 1: General Government Sector - Outlays, Revenue and Financing Transactions (Cont.)

ECONOMIC TYPE CLASSIFICATION	1988-89 \$m	1989-90 \$m	1990-91 \$m	1991-92 \$m	1992-93 \$m	1993-94 prelim \$m	1994-95 est \$m
Revenue and Grants Received	14,838	16,113	16,825	17,489	18,761	19,708	20,365
Taxes, fees and fines	7,522	8,100	8,398	8,922	9,308	10,128	10,637
Property income and other revenue (net)	1,109	1,511	1,544	1,686	1,809	1,907	1,813
Income from public trading enterprises (net)	100	147	430	690	717	986	900
Income from public financial enterprises	167	148	114	107	65	71	22
Interest received	514	617	600	447	409	302	345
Other property income and other current revenue	313	443	387	429	598	532	519
Capital revenue	15	157	14	14	20	16	26
Grants received	6,207	6,502	6,883	6,881	7,643	7,673	7,916
Current grants received	5,340	5,470	5,667	5,844	5,955	6,464	6,912
* From Commonwealth	5,339	5,468	5,644	5,844	5,955	6,464	6,912
* Other	1	2	23	1	...	...	...
Capital grants received	867	1,032	1,216	1,036	1,688	1,209	1,004
* From Commonwealth	858	1,006	1,206	1,035	1,643	1,156	975
* Other	9	26	10	1	45	52	29
Financing Transactions	(-)603	718	837	1,340	(-)333	499	523
Net advances received	(-)53	(-)107	(-)400	(-)935	(-)1,171	(-)394	(-)672
From Commonwealth	(-)62	(-)112	(-)400	(-)910	(-)1,169	(-)394	(-)673
Other	10	4	1	(-)25	(-)2	(-)1	1
Net domestic and overseas borrowings	138	508	1,168	1,440	1,372	1,179	1,001
Other financing transactions (net)	(-)688	318	68	834	(-)533	(-)285	194
Deficit (a)	(-)603	718	837	1,340	(-)333	499	523
Operating result	(-)1,178	(-)730	(-)329	111	(-)79	(-)1,309	(-)1,319
Capital result	574	1,449	1,166	1,228	(-)254	1,809	1,841

Table 2: Public Trading Enterprises Sector - Outlays, Revenue and Financing Transactions

ECONOMIC TYPE CLASSIFICATION	1988-89 \$m	1989-90 \$m	1990-91 \$m	1991-92 \$m	1992-93 \$m	1993-94 prelim \$m	1994-95 est \$m
Current Outlays	1,985	1,666	1,910	2,012	2,072	2,168	1,918
Interest payments	1,782	1,390	1,350	1,180	1,058	1,003	934
Income transferred by public trading enterprises	127	165	425	665	892	1,038	826
Other current transfer payments	76	110	135	167	122	127	159
Capital Outlays	1,016	994	1,750	2,070	2,294	2,349	2,733
Gross fixed capital expenditure	1,495	1,178	1,800	2,040	2,247	2,321	2,690
Expenditure on new fixed assets	1,750	1,781	2,031	2,624	2,354	2,537	2,831
Net expenditure on secondhand fixed assets	(-254)	(-603)	(-231)	(-584)	(-107)	(-215)	(-141)
Increase in stocks	(-103)	(-3)	(-6)	32	(-42)	(-11)	(-2)
Expenditure on land and intangible assets (net)	(-393)	(-169)	(-55)	22	25	(-32)	20
Purchase of land and intangible assets	126	104	96	153	155	72	92
Sales of land and intangible assets	519	272	151	131	130	105	73
Capital transfer payments	17	23	16	1	66	73	25
Capital grants to local government	...	...	4	...	...	...	...
Other capital grants and transfer payments	17	23	12	1	66	73	25
Advances paid (net)	...	(-35)	(-4)	(-25)	(-2)	(-1)	...
Advances to local government (net)	...	...	...	...	...	...	...
Other advances (net)	...	(-35)	(4)	(-25)	(-2)	(-1)	...

Table 2: Public Trading Enterprises Sector - Outlays, Revenue and Financing Transaction (Cont.)

ECONOMIC TYPE CLASSIFICATION	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94 prelim	1994-95 est
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Revenue and Grants Received	2,083	2,587	3,102	3,221	3,257	3,496	3,247
Net operating surplus of PTEs	1,422	1,503	1,841	1,886	1,944	2,111	1,766
Operating revenue	8,114	8,406	10,489	10,797	10,770	12,455	12,109
Charges for goods and services	6,968	7,616	9,692	9,970	10,058	11,839	11,601
Subsidies received	1,146	790	797	827	712	617	508
Operating expenditure	6,693	6,903	8,649	8,911	8,826	10,345	10,343
Depreciation charges	928	940	1,132	1,359	1,436	1,573	1,525
Other operating expenditure	5,764	5,963	7,517	7,552	7,390	8,771	8,817
Property income and other revenue (net)	366	429	432	402	284	235	422
Interest received	215	327	318	263	165	85	114
Other property income and other current revenue	15	10	4	14	3	2	1
Capital revenue	135	92	109	125	117	148	307
Grants received	295	656	829	933	1,029	1,150	1,058
Capital grants received	295	656	829	933	1,029	1,150	1,058
From state general government sector	293	653	829	933	1,029	1,150	1,058
Other	2	2	...	...	...	...	...
Financing Transactions	918	72	559	860	1,109	1,022	1,405
Net advances received	(-20)	(-34)	(-455)	(-292)	(-98)	(-117)	(-15)
From state general government sector	(-20)	(-34)	(-455)	(-292)	(-98)	(-115)	(-14)
Other	...	...	...	...	...	(-1)	(-1)
Net domestic and overseas borrowings	317	(-879)	(-33)	52	(-550)	(-182)	(-107)
Increase in provisions	1,239	1,122	998	1,259	1,525	1,465	1,380
Other financing transactions (net)	(-618)	(-137)	48	(-158)	233	(-144)	147
Deficit^(a)	(-321)	(-1,050)	(-440)	(-399)	(-416)	(-443)	24
Operating result	(-906)	(-1,296)	(-1,251)	(-1,410)	(-1,565)	(-1,493)	(-1,344)
Capital result	586	246	811	1,012	1,149	1,051	1,368

Footnotes see Table 3.

Table 3: Total State Sector - Outlay, Revenue and Financing Transactions

ECONOMIC TYPE CLASSIFICATION	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Current Outlays	14,443	15,501	16,588	17,781	18,061	18,219	19,026
General government final consumption expenditure	9,113	9,985	10,825	11,619	11,964	12,299	13,377
Current transfer payments	5,330	5,516	5,763	6,162	6,097	5,920	5,649
Interest payments	2,877	3,142	3,058	3,048	2,864	2,644	2,491
On Commonwealth advances	789	818	809	739	647	507	463
Other	2,088	2,324	2,249	2,309	2,216	2,137	2,029
Subsidies paid to enterprises	1,316	1,070	1,067	1,425	1,561	1,317	1,114
Personal benefit payments	526	612	840	863	809	865	872
Current grants to local government	141	132	148	61	50	76	53
Other current transfer payments	470	559	650	765	813	1,018	1,118
Capital Outlays	2,189	3,014	3,799	3,718	2,749	4,315	4,548
Gross fixed capital expenditure	2,971	2,931	3,572	3,590	4,080	4,376	4,812
Expenditure on new fixed assets	3,324	3,723	4,003	3,961	4,447	4,704	5,149
Net expenditure on secondhand fixed assets	(-353)	(-792)	(-431)	(-371)	(-367)	(-327)	(-338)
Increase in stocks	(-73)	29	21	32	(-40)	1	21
Expenditure on land and intangible assets (net)	(-726)	(-200)	6	(-38)	(-109)	(-62)	(-380)
Purchase of land and intangible assets	285	365	307	252	285	177	218
Sales of land and intangible assets	1,011	565	301	290	394	239	598
Capital transfer payments	105	121	184	192	199	205	185
Capital grants to local government	90	117	141	112	152	151	153
Other capital grants and transfer payments	14	4	43	81	47	54	31
Advances paid (net)	(-87)	133	16	(-58)	(-1,381)	(-206)	(-89)
Advances to local government (net)	11	152	1	(-37)	(-13)	(-3)	(-1)
Other advances (net)	(-98)	(-19)	16	(-21)	(-1,368)	(-202)	(-88)

Table 3: Total State Sector - Outlays, Revenue and Financing Transactions (Cont)

ECONOMIC TYPE CLASSIFICATION	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94 prelim \$m	1994-95 EST \$m
	\$m	\$m	\$m	\$m	\$m		
Revenue and Grants Received	16,380	17,738	18,491	18,971	20,138	20,930	21,542
Taxes, fees and fines	7,522	8,100	8,398	8,922	9,308	10,128	10,637
Net operating surplus	1,422	1,503	1,841	1,886	1,944	2,111	1,766
Property income and other revenue (net)	1,236	1,652	1,379	1,282	1,287	1,071	1,252
Income from public financial enterprises	167	148	114	107	65	71	22
Interest received	591	803	751	593	488	301	376
Other property income and other current revenue	328	453	391	443	601	534	521
Capital revenue	150	248	123	139	133	164	333
Grants received	6,200	6,483	6,873	6,881	7,598	7,620	7,887
Current grants received	5,340	5,470	5,667	5,844	5,955	6,464	6,912
From Commonwealth	5,339	5,468	5,644	5,844	5,955	6,464	6,912
Other	1	2	23	1	...	...	...
Capital Grants Received	861	1,013	1,206	1,036	1,643	1,156	975
From Commonwealth	858	1,008	1,206	1,035	1,643	1,156	975
Other	2	6	...	1	...	...	...
Financing Transactions	252	777	1,897	2,528	674	1,603	2,032
Net advances received	(-)53	(-)108	(-)400	(-)910	(-)1,170	(-)395	(-)674
From Commonwealth	(-)63	(-)112	(-)400	(-)910	(-)1,170	(-)394	(-)674
Other	10	4	1	...	...	(-)1	1
Net domestic and overseas borrowings	456	(-)371	1,141	1,492	822	996	893
Increase in provisions	1,239	1,122	998	1,259	1,525	1,465	1,380
Other financing transactions (net)	(-)1,391	133	157	687	(-)504	(-)463	432
Deficit (a)	(-)987	(-)345	899	1,269	(-)852	138	652
Operating result	(-)2,165	(-)2,098	(-)1,571	(-)1,244	(-)1,826	(-)2,856	(-)2,588
Capital result	1,178	1,753	2,470	2,543	974	2,994	3,240

Financing Transactions minus Increase in Provisions.

Nil or less than \$500,000.

2.2 ESTIMATED AND ACTUAL OUTCOME FOR 1994-95

2.2.1 Introduction

Variations between actual and projected outlays, revenues and financings for 1993-4 reflect the net product of three factors-

- a changes in the coverage of organisations included in the data. For example, the ABS has reclassified electricity county councils from the Local to State PTE sector as from 1993-94.;
- refinement of data to correct for errors and the misclassification of transactions; and
- errors in projections of revenue and outlays.

2.2.2 General Government Sector

In terms of variation between estimated and actual results for 1993-94, the deficit fell from an estimated \$1,364 million to \$499 million. The major variations were as follows:

- Current outlays were lower mainly reflecting the reclassification of payments to the Land and Housing Corporation as a capital grant rather than as an operating subsidy. In addition to this, following a ruling by the ABS, around \$500 million of outlays associated with the Ministerial Insurance Corporation were reclassified as a current transfer payment (subsidy to industry) rather than as consumption expenditure.
- Capital outlays were close to projected as a result of a number of offsetting factors. Firstly, Budget Sector capital payments were over \$200 million higher than projected. Against this, it was assumed last year that \$218 million of surplus housing funds would be transferred to the PTE sector. In the end these funds remained within the general government sector.
- On the revenue side, tax receipts were \$468 million higher than projected reflecting the unanticipated upturn in the property and stock markets. In addition to this, dividends from PTE were higher than expected as were Commonwealth grants.

2.2.3 Public Trading Enterprise and Total State Sectors

The surplus for the public trading enterprise sector (after removing the impact of the inclusion of all county councils) was higher than expected at \$511 million. This was primarily due to greater than expected revenues particularly in connection with their operating activities. Current outlays were less than expected reflecting lower dividend provisions although this factor does not impact on the deficit for the sector.

The higher level of revenues for the PTE sector may well be related to the a conservative bias in PTE estimates which is discussed in section 2.1.3.

Reflecting the better than projected results for both the general government and public trading enterprise sectors the total state sector surplus was \$751 million better than projected.

Table 2.4: Summary of Estimated and Actual Results for the General Government Sector in 1992-93 ⁽¹⁾

	1993-94 est \$m	1993-94 actual \$m	Variation \$m
Current Outlays	17,352	17,174	(-)178
. Final Consumption Expenditure	12,830	12,299	(-)531
. Current Transfer Payments	4,522	4,875	353
Capital Outlays	3,048	3,034	(-)14
. Gross Fixed Capital Expenditure	1,953	2,055	102
. Other Capital Outlays	1,095	979	(-)116
Total Outlays	20,400	20,208	(-)192
Revenue and Grants Received	19,036	19,730	694
. Taxes, Fees and Fines	9,683	10,151	468
. Other Own Source Revenue	1,831	1,906	75
. Grants Received	7,522	7,673	151
Financial Result ⁽²⁾	1,364	477	(-)887
- Operating Result	(-)546	(-)1,331	(-)785
- Capital Result	1,910	1,809	(-)101

(1) Items may not add to totals due to rounding.

(2) Total outlays less revenue and grants received. A positive number represents a deficit, while a negative number represents a surplus.

Table 2.5: Summary of Estimated and Actual Results for the Public Trading Enterprise Sector in 1993-94 ^{(1) (2)}

	1993-94 est \$m	1993-94 actual \$m	Variation \$m
Current Outlays	2,195	1,965	(-)230
. Interest Payments	988	983	(-)5
. Current Transfer Payments	1,207	982	(-)225
Capital Outlays	2,123	2,156	33
. Gross Fixed Capital Expenditure	2,256	2,128	(-)128
. Other Capital Outlays	(-)133	28	161
Total Outlays	4,318	4,121	(-)197
Revenue and Grants Received	3,286	3,349	63
. Net Operating Surplus	1,790	2,020	230
. Grants Received	1,235	1,150	(-)85
. Other Own Source Revenue	261	179	(-)82
Financial Result ⁽²⁾⁽³⁾	(-)433	(-)511	(-)78
- Operating Result	(-)1,176	(-)1,416	(-)240
- Capital Result	743	906	163

- (1) The outcome for 1993-94 has been adjusted to remove the impact of the transfer of county councils to the State sector.
- (2) Items may not add to totals due to rounding.
- (3) Total outlays less both revenue and grants received an increases in provisions. A positive number represents a deficit, while a negative number represents a surplus.

2.3 UNIFORM REPORTING REQUIREMENTS

2.3.1 Introduction

The standards applied to produce estimates of outlays and revenues in sections 2.1 and 2.2 are the same as those used by the ABS in its Government Financial Estimates publication (Catalogue No. 5501.0), except in two areas:

- * the treatment of certain Commonwealth payments where the State acts merely as an agent; and
- * the sectoral classification of Treasury Corporation.

In accordance with the resolutions on uniform presentation of financial information passed by Premiers' Conference in 1991, Tables 1 through to 7 of this section provide estimates on a comparable basis to that published by the ABS. The following sections outline the differences between the estimates in this Section and Section 2.2 and the reasons for these variations.

2.3.2 Treatment of Certain Commonwealth Payments

For certain Commonwealth payments (higher education, non-government schools and local government tax sharing, road funding and) the State essentially acts as an agent of the Commonwealth. In addition to this, the Commonwealth makes direct payments to local government.

Despite the fact that the State has no control over these all payments and is not involved in any negotiations concerning them, GFS conventions require their inclusion in the State sector.

While such an inclusion does not necessary distort the underlying financial position, the fact is that the growth in expenditure in these areas has been significantly higher than for the remainder of the State sector. Given the significance of the amounts involved, this differential impacts on ABS state sector growth rates. For example, the growth in current outlays between 1988-89 and 1994-95 in real terms for these excluded Commonwealth payments is 36.4 per cent while the corresponding figure for the growth in current outlays on a Treasury basis is only 8.0 per cent.

In light of these considerations, the Commonwealth payments outlined above have been excluded from the tables in section 2.1 and 2.2.

2.3.3 Inclusion of Treasury Corporation

Most public sector borrowing in New South Wales is carried out through the Treasury Corporation. The ABS classifies Treasury Corporation as a general government authority on the basis that its predominant purpose is to serve the State Government sector.

The detailed estimates in Chapter 2 of this Budget Paper exclude Treasury Corporation from the general government sector. The decision to adopt this position is based on a number of considerations.

- The activities of Treasury Corporation essentially represent financial intermediation while the rest of the general government sector is mainly involved in the provision of core public services. This position was confirmed by the exclusion of central borrowing authorities from Loan Council controls.
- The inclusion of Treasury Corporation in the general government sector seriously distorts intergovernmental and time series comparisons. Given that the main purpose of the government finance statistics is to facilitate these comparisons, the inclusion of central borrowing authorities serious impacts on the usefulness of the statistics. For example, in 1993-94 the inclusion of Treasury Corporation within the general government sector adds around \$150 million to the State deficit despite the fact that that it records an accounting profit before dividends and tax of \$30.7 million.

The application of Government Finance Statistic standards require that realised and unrealised gains and losses on financial instruments not be recognised as a revenue or outlay. Given that these gains and losses are offset in present value terms by higher or lower future interest payments and receipts, (which impact on the recorded deficit) the adoption of this approach can seriously distort underlying trends. This is particularly a problem with active debt management during periods of significant interest rate movement.

- The forward estimates of central borrowing authorities are highly influenced by the assumptions made. In fact, differing assumptions can greatly affect the projected growth in general government and total state aggregates. As an example of this, last year's Budget Paper estimated that the inclusion of Treasury Corporation in the general government sector would reduce the State deficit in 1993-4 by around \$230 million despite the fact that the forecast profit before dividends and tax was \$36.0 million. As outlined above, the actual result was to increase the deficit by around \$150 million despite the fact that its accounting profit was close to forecast.

With the above factors in mind, it is considered appropriate to exclude Treasury Corporation from the estimates contained sections 2.1 and 2.2.

2.3.4. Other Differences

Consideration has been given to departing from the ABS approach of treating asset sales as an offset against capital outlays. Various commentators have argued in the past that asset sales are analogous in economic impact to the sale of financial assets in that there is a transfer of savings from the private sector to the public sector.

While there may be some merit in this argument, it ignores the need to treat transactions in a consistent manner both within the public sector and between the private and public sectors. For example, if asset sales were treated as a financing transaction it would also be necessary to maintain symmetry to treat asset purchases as a financing transaction. Such an approach would produce an anomalous situation where by the purchase of an asset is treated differently from the construction of an asset.

Given the reasons outlined above, the ABS approach of treating asset sales as an offset to capital outlays has been adopted.

Table 1: General Government Sector - Outlays, Revenue and Financing Transactions (ABS basis)

ECONOMIC TYPE CLASSIFICATION	1993-94 prelim \$m	1994-95 est \$m
Current Outlays	19,832	20,867
General government final consumption expenditure	13,473	14,644
Interest payments	2,314	2,285
Other current payments	4,045	3,938
Capital Outlays	3,191	2,981
Gross fixed capital expenditure	2,152	2,154
Capital grants	1,374	1,287
Advances	(-)317	(-)83
Other Capital Outlays	(-)18	(-)377
Revenue and Grants Received	22,340	23,275
Taxes, fees and fines	10,128	10,637
Property income and other revenue (net)	2,362	2,463
Grants received	9,850	10,176
Financing Transactions	683	572
Net advances received	(-)394	(-)672
Net domestic and overseas borrowings	2,825	1,551
Other financing transactions (net)	(-)1,748	(-)306
Deficit ^(a)	683	572

(a) For the general government sector this equals Financing Transactions.

Table 2: Public Trading Enterprises - Outlays, Revenue and Financing Transactions (ABS basis)

ECONOMIC TYPE CLASSIFICATION	1993-94 prelim \$m	1994-95 est \$m
Current Outlays	2,168	1,918
Interest payments	1,003	934
Other current transfer payments	1,165	984
Capital Outlays	2,349	2,733
Gross fixed capital expenditure	2,321	2,690
Capital grants	73	25
Advances	(-)1	...
Other Capital Outlays	(-)44	18
Revenue and Grants Received	3,496	3,247
Net operating surpluses of PTEs	2,111	1,766
Property income and other revenue (net)	235	422
Grants received	1,150	1,058
Financing Transactions	1,022	1,405
Net advances received	(-)117	(-)15
Net domestic and overseas borrowings	(-)182	(-)107
Increase in provisions	1,465	1,380
Other financing transactions (net)	(-)144	147
Deficit ^(a)	(-)443	24

(a) Financing Transactions minus increase in Provisions.

**Table 3: State Government Sector - Outlays, Revenue and Financing Transactions
(ABS basis)**

ECONOMIC TYPE CLASSIFICATION	1993-94 prelim \$m	1994-95 est \$m
Current Outlays	20,839	21,833
General government final consumption expenditure	13,473	14,644
Interest payments	3,193	3,092
Other current payments	4,173	4,097
Capital Outlays	4,472	4,658
Gross fixed capital expenditure	4,473	4,844
Capital grants	266	242
Advances	(-)206	(-)69
Other Capital Outlays	(-)61	(-)359
Revenue and Grants Received	23,524	24,409
Taxes, fees and fines	10,128	10,637
Net operating surpluses of PTEs	2,111	1,766
Property income and other revenue (net)	1,488	1,859
Grants received	9,798	10,147
Financing Transactions	1,786	2,082
Net advances received	(-)395	(-)674
Net domestic and overseas borrowings	2,643	1,444
Increase in provisions	1,465	1,381
Other financing transactions (net)	(-)1,926	(-)69
Deficit ^(a)	321	701

(a) Financing Transactions minus Increase in Provisions.

Table 4: Current Outlays of the Total State Sector by Function, 1992-93 and 1994-95 - ABS Basis

FUNCTION	1993-94 prelim \$m	1994-95 est \$m
General Public Services	1,235	1,307
Public Order and Safety	1,587	1,733
Education	5,997	6,360
Health	3,648	3,897
Social Security and Welfare	1,342	1,474
Housing and Community amenities	407	349
Recreation and Culture	355	395
Fuel and Energy	87	92
Agriculture, Forestry and Fishing	388	395
Mining, Manufacturing and Construction	23	33
Transport and Communication	1,677	1,648
Other Economic Affairs	795	699
Other Purposes	3,298	3,451*
TOTAL CURRENT OUTLAYS	20,839	21,833

* Treasurer's Advance is included in this item in 1994-95

Table 5: Capital Outlays of the Total State Sector by Function, 1992-93 and 1994-95 - ABS Basis

FUNCTION	1993-94 prelim \$m	1994-95 est \$m
General Public Services	44	(-)1
Public Order and Safety	157	139
Education	465	373
Health	383	454
Social Security and Welfare	40	36
Housing and Community amenities	740	1,267
Recreation and Culture	265	(-)85
Fuel and Energy	558	598
Agriculture, Forestry and Fishing	97	122
Mining, Manufacturing and Construction	...	...
Transport and Communication	1,758	1,640
Other Economic Affairs	(-)53	29
Other Purposes	18	85
TOTAL CAPITAL OUTLAYS	4,472	4,658

**Table 6: Total Outlays of the Total State Sector by Function,
1992-93 and 1994-95 - ABS Basis**

FUNCTION	1993-94 prelim \$m	1994-95 est \$m
Current Public Services	1,279	1,306
Public Order and Safety	1,744	1,872
Education	6,462	6,733
Health	4,031	4,351
Social Security and Welfare	1,382	1,510
Housing and Community amenities	1,147	1,616
Recreation and Culture	620	310
Fuel and Energy	645	690
Agriculture, Forestry and Fishing	485	517
Mining, Manufacturing and Construction	23	33
Transport and Communication	3,435	3,288
Other Economic Affairs	742	728
Other Purposes	3,316	3,537
TOTAL OUTLAYS	25,311	26,491

Table 7: Taxes, Fees and Fines - ABS Basis

TAXES, FEES AND FINES CLASSIFICATION	1993-94 prelim \$m	1994-95 est \$m
Payroll Tax	2,425	2,556
Taxes on Property	3,073	3,099
Land Tax	519	538
Other Taxes on Immovable Property	75	24
Estate, Inheritance and Gift Taxes	...	...
Stamp Duties on Financial and Capital Transactions	1,694	1,709
Financial Institutions Transaction Taxes	772	816
Government Borrowing Levies	13	13
Taxes on Provision of Goods and Services	1,598	1,759
Levies on Statutory Authorities	15	14
Taxes on Gambling	905	986
Taxes on Insurance	677	759
Taxes on the Use of Goods and the Performance of Activities	2,540	2,724
Motor Vehicle Taxes	1,111	1,226
Franchise Taxes	1,397	1,465
Other Taxes on the Use of Goods and the Performance of Activities	32	32
Fees and Fines	491	499
Fees	309	305
Fines	182	194
TOTAL TAXES, FEES AND FINES	10,128	10,637

Note: Items may not add to totals due to rounding.

2.4 CLASSIFICATION FRAMEWORK

2.4.1 Introduction

The economic type classification adopted in this Budget Paper closely follows international conventions as outlined in the ABS publication, "Classification of Government Finance Statistics", Catalogue Number 1217.0.

2.4.2 Economic Type Classification

Transactions of public entities can be placed into one of four major economic categories, these categories being subdivided into approximately 150 groups. The four major categories are current outlays, capital outlays, revenue and grants received and financing transactions.

- **Current Outlays**

Current outlays consist of final consumption expenditure and current transfer payments.

Final consumption expenditure is recorded only for the general government sector. This is due to the convention of valuing the services produced by general government on the basis of the costs incurred in providing these services, less any revenues from sales. In effect the general government sector is treated as both a producer and a consumer of publicly provided goods and services on behalf of the community. For other sectors of the economy, consumption expenditure is allocated to the end user. In the case of the public trading enterprise sector, net receipts from the purchases and sales of goods and services are classified within the revenue and grants received category. The placement of these transactions in this category reflects the fact that these authorities are considered to be producers of goods and services, with consumption of these services recorded in the private sector.

Transfer payments cover transactions such as interest payments, subsidies, personal benefits payments and grants. In these cases there is no exchange of ownership of goods and services. While transfer payments are a very important part of Commonwealth Government current outlays, this is not the case at the State level.

- **Capital Outlays**

Capital outlays can be divided into capital expenditure and capital transfer payments.

Capital expenditure represents expenditure on durable goods intended to be employed in the production process and providing services for longer than one year, net purchases of land and intangible assets and increases in stocks. The sale of fixed assets is offset against expenditure.

Capital transfer payments can be either in the form of a grant or advance. Advances represent the provision of repayable financial assistance with the intention of furthering a policy objective. Advances are distinguished from investments which are motivated by liquidity management purposes and the need to earn a commercial rate of return.

- **Revenue and Grants Received**

Within the revenue and grants category, an important distinction needs to be made between taxes, fees and fines and other forms of revenue.

Taxes are compulsory levies imposed by government in order to raise general revenue. As such there is no linkage between the payment of tax and the provision of goods and services. Taxes should be distinguished from user charges in which there is a clear linkage between the provision of goods and services and the payment of the charge. Examples of user charges include electricity, water and public transport charges.

A major sub-category within revenue and grants received is the net operating surplus of public trading enterprises. It should be noted that interest paid is classified as a current outlay while interest received is classified to its own sub-category within revenue and grants received. As interest paid generally exceeds interest received, the net operating surplus of public trading enterprises is substantially higher than the operating surplus recorded by the authorities concerned in their annual reports. Furthermore subsidies received by public trading enterprises are recorded in this publication as operating revenue.

- **Financing Transactions**

In contrast to outlays and revenue, which can be termed 'above the line' items, financing transactions involve changes in financial assets and liabilities and, as such, can be considered 'below the line' items. Total financing transactions is defined as current and capital outlays less revenue and grants received.

Within this Budget Paper financing transactions have been divided into five categories -

- net advances received;
- net borrowings;
- increases in investment, currency and deposits;
- increases in provisions; and
- other financing transactions.

The deficit is defined as the difference between outlays and revenues after deducting any increases in provisions. It represents the call on savings by the public sector (including the call on the savings of the Commonwealth).

The Net Financing Requirement (NFR) is defined as total financing transactions less both net advances received and increases in provisions. The NFR represents the direct call of the New South Wales public sector on the savings of the private economy. Net advances received are deducted when calculating the NFR to avoid double counting, since they form an outlay of the sector making the advance.

Within both the deficit and the NFR a distinction can be made between that part which results from current outlays and revenues and that part which results from capital outlays and revenues. The operating deficit and NFR are calculated as current outlays less both current revenue and increases in provisions. The capital deficit is calculated as capital outlays less capital revenue with the capital NFR also taking into account net advances received.

3 SELECTED FINANCIAL ASSETS AND LIABILITIES OF THE NSW PUBLIC SECTOR

3.1 INTRODUCTION

In May 1991, the Premiers' Conference endorsed the recommendations contained in the Report on Uniform Presentation of Government Financial Information. New South Wales strongly supports the concept of uniformity and consistency in the reporting of State financial asset and debt positions. Indeed the State has based its reporting of financial assets and debts on the Australian Bureau of Statistics (ABS) concepts, since their formulation in 1988.

The ABS and jurisdictions agreed, in June 1993, that public sector financial asset and liability data would be presented according to the methodology set out in the paper "Uniform Presentation Of Information On Financial Assets And Liabilities".

This chapter provides information on selected financial assets and liabilities in accordance with the agreed short-form presentation format.

The short form presentation of table 3.1 includes liquid assets (ie cash and cash equivalents) and liabilities which result from cash transactions.

The full version of the uniform presentation of financial assets and liabilities also includes other items such as trade debtors and creditors, accruals (such as accrued interest) and equity of the General Government sector in Public Trading Enterprises. Conversely, this equity will be treated as a liability of the Public Trading Enterprise sector to the General Government sector.

The comprehensive format of the financial asset and liability information will be published as part of the NSW Public Sector Consolidated Financial Statements for the year ended 30 June 1994 and subsequent years.

3.2 ESTIMATES OF FINANCIAL ASSETS AND LIABILITIES - UNIFORM PRESENTATION

Given the time available, data collection for this purpose has been limited to agencies which have borrowings and is on "a best estimate basis" particularly in respect of unfunded employee entitlements.

Table 3.1 sets out major components of the State's total liabilities and assets based on the scope and definitions adopted by the ABS. On this basis, the net debt of the State as at 30 June 1994 was estimated at \$21.8 billion with unfunded employee entitlements estimated at \$17.7 billion. Net debt is gross debt net of the State's holdings of financial assets.

The total Non-Financial Public Sector net debt rose by 4.9 per cent at June 1994 compared with June 1993. The net debt of the General Government Sector increased by 5.0 per cent in 1993-94. This was primarily due to an increase in net borrowings to fund the Budget deficit and the continued financial support of the Transport Accident Compensation Fund. The net debt of the Public Trading Enterprises Sector declined by 6.1 per cent reflecting the improvement in the financial position of these enterprises.

There are minor differences in the net debt figures shown in Table 3.1 and those derived in Chapter 2, i.e. General Government Sector, \$30 million and Public Trading Enterprises, \$21 million. One of the reasons for the differences is the exclusion of the financial assets of some agencies which have no borrowings and which are therefore out of scope for this financial asset and liability survey.

Table 9.2 of Budget Paper 2 discloses financial assets and liabilities and the net debt position of the State for the past 5 years. The net debt positions for the two years 1993 and 1994 as shown in table 9.2 are the same as those disclosed in this chapter as they are calculated using the definitions and scope adopted by the ABS and jurisdictions. The two tables are necessary as they are used for different purposes : table 9.2 analyses the data into Budget/Non Budget sectors whilst table 3.1 breaks down the information into General Government/Public Trading Enterprises sectors.

TABLE 3.1 PRESENTATION OF INFORMATION ON SELECTED FINANCIAL ASSETS AND LIABILITIES
AS AT 30 JUNE
(\$ million)

	<u>General Government</u>		<u>Public Trading Enterprises</u>		<u>Total Non-financial Public Sector</u>	
	1993	1994	1993	1994	1993	1994
Gross Debt						
Deposits Held	2,551	3,631	117	115	677	1,135
Advances Received	5,564	5,164	1,655	1,634	5,565	5,166
Other Borrowings	13,889	16,702	7,943	7,818	22,219	24,519
Total Gross Debt	22,004	25,497	9,715	9,567	28,461	30,820
Financial Assets - Cash, Deposits and Lending						
Cash and Deposits	804	2,612	1,173	1,234	1,978	3,846
Advances Paid	1,836	1,866	19	148	201	381
Other Lending	5,372	6,329	887	1,013	4,525	4,730
Total Cash, Deposits and Lending	8,012	10,807	2,079	2,395	6,704	8,957
Net Debt	13,992	14,690	7,636	7,172	21,757	21,863
Unfunded Employee Entitlements	14,798	14,636	3,206	3,044	18,004	17,680

Note: Totals across do not necessarily add because holdings of financial assets and liabilities between sectors cancel out.

3.3 CLASSIFICATION FRAMEWORK

3.3.1 Scope

The information presented in this chapter relates to entities comprising the non-financial public sector, as defined in ABS government finance statistics. For the purpose of these Budget Papers only, the scope is limited to major agencies which have borrowings and given the time frame, the data for inclusion is based on a 'best estimate basis', particularly in respect of unfunded employee entitlements.

The general basis of valuation reported is historic capital value (See section "Valuation Bases").

The following points on the data under Uniform Presentation should be noted:

- Uniform Presentation includes information on non debt liabilities, namely unfunded employee entitlements which covers superannuation and leave entitlements.
- Uniform Presentation is based on the ABS classification of General Government Sector and Public Trading Enterprises.
- All Budget Sector and Non-Budget Sector agencies other than Public Trading Enterprises agencies fall under the General Government Sector.
- NSW Treasury Corporation, a financial intermediary, is classified as a General Government Sector agency.
- Under Uniform Presentation, local government councils are excluded.

3.3.2 Definitions

As defined by the ABS, the following generic definitions of financial assets, liabilities and equity are applied:

For each entity in the non-financial public sector its financial assets are the claims it has on other entities, including currency, deposits and shares or units in other entities, and equity in other entities that have not issued shares or units, measured as their "net worth", that is the value of their assets less the value of their liabilities.

The liabilities of each entity in the non-financial public sector are the claims of other entities on that entity.

The equity of each public trading enterprise is equal to the market value of its shares on issue if it issues shares that are traded, or the value of its assets less the value of its liabilities, if it does not issue marketed shares. The concept of equity is not applied to general government.

- **Liabilities**

Deposits Held - holdings of deposits from other public sector or private sector bodies; *includes* special deposits and trusts balances held on behalf of entities outside of the sector.

Advances Received - loans received that have been motivated by policy rather than liquidity management considerations; as a general rule, all loans received from general government bodies, except some loans from central borrowing authorities, are deemed to be for policy purposes; loans received from central borrowing authorities as part of their function of providing financial services to other government authorities are treated as other loans and placements received.

Finance Leases - lease arrangements in which most of the risks and benefits of ownership rest with the lessee, *includes* all leases defined as finance leases under AAS 17 but can include others where the economic effect is the same as a finance lease.

Other Loans and Placements Received - non-negotiable, non-transferable borrowings, other than advances; *includes* bank overdrafts, credit foncier loans, repurchase agreements.

Debt Securities Issued - financial instruments or contracts, other than equity, that can be transferred by assignment or delivery; *includes* certificates of deposits, bills of exchange, promissory notes, Treasury notes and bonds, debentures and long term notes; *excludes* accounts payable.

Unfunded Accrued Liability for Employee Entitlements - employers' liability to pay future benefits to employees *less* amounts paid into separately constituted funds not able to be used by government and established to pay these benefits as they arise; *includes* liability for superannuation, sick leave paid on resignation or retirement (if material), recreation leave, long service leave, workers' compensation (where benefits paid by employer and not a separate insurer) and accrued wages and salaries. **Note:** the liability to be reported relates only to employer contributions; however, where the component of entitlements to be funded by employer contributions cannot be distinguished from that to be funded by employee contributions (eg. as in some defined benefit schemes), it will be necessary in the calculation of the unfunded component to deduct funds derived from both employer and employee contributions.

Other Liabilities - all other liabilities (including accrued expenses) not elsewhere included; *includes* accounts payable, prepayments received, accrued interest due but not paid and the net value of any derivatives (see definition at end of list) in a net liability position.

- **Financial Assets**

Cash and Deposits - notes and coin on hand, cheques held but not yet deposited and deposits at all banks, non-bank financiers and other deposit taking institutions; *includes* units issued by cash management trusts and withdrawable share capital of building societies; *excludes* bank certificates of deposit.

Advances Paid - loans made that have been motivated by policy rather than liquidity management considerations; as a general rule, all loans made by general government to other government bodies, except some loans made by central borrowing authorities, are deemed to be for policy purposes; loans made by central borrowing authorities as part of their function of providing financial services to other government authorities are treated as other loans and placements.

Other Loans and Placements - non-negotiable, non-transferable lending, other than advances; *includes* credit foncier loans, repurchase agreements.

Debt Securities - financial instruments or contracts held, other than equity, that can be transferred by assignment or delivery; *includes* certificates of deposit, bills of exchange, promissory notes, Treasury notes and bonds, debentures, redeemable preference shares and long term notes; *excludes* accounts receivable.

Other Non-equity Financial Claims - all financial assets (including accrued income) not elsewhere included other than equity (see below); *includes* accounts receivable, prepayments made, accrued interest due but not paid and net value of derivatives (see definition at end of list) in a net asset position.

Provision for Doubtful Debts - balance at reference date of account to which amounts have been credited from an expense account to allow for debts that are considered likely to have to be written off.

Equity in Listed Entities - non-repayable claims on entities listed on a stock exchange entitling the holder to a share of the income of the equity and a right to a share of the residual assets of the entity should it be wound up; *includes* shares in listed companies, preference shares, convertible notes after conversion; *excludes* convertible notes before conversion. Equity in unlisted entities which is in the form of defined capital return capital instruments may be included if a market value can be attributed to it.

Residual Equity - book value of assets (real and financial) less liabilities of entities owned or partly owned that are not listed on a stock exchange; for partly owned entities the value to be reported is the residual value multiplied by the ownership share.

- **Valuation Bases**

The general basis of valuation to be reported is "historic capital value". This is the same as "present value" as defined in the Australian Accounting Research

Foundation's "Accounting Guidance Release 10: Measurement of Monetary Assets and Liabilities" (AAG 10). The definition in that standard is as follows:

"Monetary assets and liabilities are to be measured at the present value of the cash flows associated with their service and eventual payment, such present value being determined by discounting the cash flows at the rate of interest implicit in the original contract or other arrangement".

Certain items are to be reported on bases other than "historic capital value" namely:

- *Equity in Listed Entities*: this is to be reported at market value;
- *Residual Value of Unlisted Entities*: this is to be reported on the basis used to value assets and liabilities in the books of the entities whose residual value is being reported;
- *Unfunded employee entitlements*: two components have to be valued: the employee entitlements and any assets set aside to fund the liabilities. Employee entitlements are generally to be valued at the present value of actuarially determined future benefits attributable to service to the reference date and discounted at a market interest rate. This valuation basis is mandatory for defined benefit superannuation schemes. Accumulation (defined contribution) schemes are to be valued at the aggregate of balances to the credit of employees at the reporting date. Alternative valuations can be applied to other (non-superannuation) benefits if the discounted present value method is not feasible; where an alternative valuation method is used this must be reported in a note. Any assets offsetting the employee entitlements liability are to be valued at market value. Assets offsetting employee entitlements should not be reported anywhere else in the presentation.

Where the specified valuation basis is not available for any item agencies are permitted to use another basis for that item provided the alternative used is reported as a note.

4 LOAN COUNCIL REPORTING REQUIREMENTS

As agreed by Loan Council, Table 4.1 presents estimates of the State's Loan Council Allocation for 1993-94 and 1994-95. Following Table 4.1 are details concerning private sector infrastructure projects in which contracts were signed in 1993-94.

Table 4.1: Budget Time Loan Council Allocation Estimates

	1993-94 Actual	1994-95 Budget Estimate
	\$m	\$m
Total State Sector Deficit (ABS Basis)	321	701
Memorandum Items		
• Operating leases	(-)23	200
• Private sector infrastructure	91	189
• Recourse asset sales	...	...
• Local government financing requirement	179	188
• Superannuation	(-)549	(-)561
• Net financing requirement for statutory marketing authorities	...	(-) 1
• Treasury Corporation	(-)148	(-)30
LOAN COUNCIL ALLOCATION	(-)129	686
<i>University Borrowings*</i>	35	20

* University borrowings are included in the general government sector deficit. This item is for information only and is not additive.

LIVERPOOL HOSPITAL CAR PARK

Project Description:

The project involves the funding, construction and operation of a \$6 million, 600 bay multi-story car park by the private sector on the grounds of Liverpool Hospital. The private sector has been given an exclusive 20 year licence.

The private sector manager makes 65% of spaces available to staff at prescribed rates (able to be escalated by CPI). Visitor parking rates are determined by the private sector manager.

The private sector manager is responsible for all aspects of design, construction and operation as well as insurance cover for replacement of the car park, workers compensation and comprehensive public liability insurance.

Under termination provisions, default by the private sector would result in the transfer of the car park to the Health Department for a price based on establishment costs.

Project Risk Weighting

Project Parameter	Comment	Value
Asset Value	Equal to construction cost based on an analysis of the financial feasibility study carried out for the project.	\$6m
Project Liability	The project is fully debt funded.	\$6m
Volatility	Assumed to be average.	20%
Term	Given the payment arrangements and nature of the service agreement the term of the project is 20 years.	20 yrs
Project Risk Weighting	A function of project gearing (1), volatility (20%) and project term (20 yrs).	35.0%

LCA Impact

LCA Parameter	Comment	Value
Government Liability	Based on termination clauses the government liability is the value of total debt carried on the hospital.	\$6m
LCA Impact	Project risk weighting is applied to the government liability and rounded.	\$2m
Interim LCA Impact	Actual construction expenditure 1993-94.	\$5m
Carry-over 1994-95 LCA	Risk weighted LCA less interim LCA impact.	\$0m

WATER BOARD SEWERAGE TUNNEL

Project Description:

Private sector participants will construct a \$79.6 million tunnel and transfer sewerage for the Water Board. The agreement is for 35 years with the option of a further 15 years. If the option is not taken up the water authority can cease using the tunnel (with no penalty). The tunnel is fully debt financed.

The Water Board will pay availability payments to the private sector owner for making the tunnel available for the transfer of sewerage. The availability payments over the 35 year contract are set to amortise the private sector's capital investment.

Under termination arrangements (operator default) the Government is liable for the capitalised value of the availability payments, that is, the bank debt on the project.

Project Risk Weighting

Project Parameter	Comment	Value
Asset Value	Equal to construction cost based on a project analysis that found the tunnel to be the most cost effective scheme.	\$80m
Project Liability	The tunnel construction is 100% debt funded.	\$80m
Volatility	The sewerage sector has a very low volatility rating.	10%
Term	The initial agreement and associated availability payments are for 35 years.	35 yrs
Project Risk Weighting	A function of project gearing (1.0), volatility (10%) and project term (35 yrs).	23%

LCA Impact

LCA Parameter	Comment	Value
Government Liability	Based on termination clauses the government's maximum liability is the project's bank debt.	\$80m
LCA Impact	Project risk weighting is applied to the government liability and rounded.	\$18m
Interim LCA Impact	Actual construction expenditure 1993-94.	\$20m
Carry-over 1994-95 LCA	Risk weighted LCA less interim LCA impact.	\$0m

HYDRO SCHEMES (3)

Project Description:

The project involves the construction, financing and operation by the private sector of 3 hydro-electric plants on State government owned dams. The operator has an initial 30 year term supply agreement with 3 County Councils to take or pay for electricity supplied in bulk from the hydro-plants.

The total cost of construction is expected to be \$52 million with financing arrangements as follows:

- private sector bank debt of \$40 million;
- private sector equity of \$12 million;

Given that the State Government through the County Councils is underwriting the electricity sales it has been taken that the electricity authorities are effectively liable for the private sector's debt.

Project Risk Weighting

Project Parameter	Comment	Value
Asset Value	Equal to construction cost based on the results of the economic/financial appraisal carried out for the project.	\$52m
Project Liability	Project liability is equal to construction costs less equity contribution.	\$40m
Volatility	The electricity sector has an average volatility rating.	20%
Term	The term is 30 years	30 yrs
Project Risk Weighting	A function of project gearing (1.25), volatility (20%) and project term (30 yrs).	35%

LCA Impact

LCA Parameter	Comment	Value
Government Liability	Based on the supply agreements entered into the government liability is equal to private sector debt.	\$40m
LCA Impact	Project risk weighting is applied to the government liability and rounded.	\$14m
Interim LCA Impact	Actual construction expenditure 1993-94.	\$0m
Carry-over 1994-95 LCA	Risk weighted LCA less interim LCA impact.	\$14m

M5 CASULA MOTORWAY

Project Description:

The project involved the extension of the existing M5 Motorway westwards from the Casula access to Preston's Corner. The project involves the construction, financing and operation of the Motorway section by the private sector for a period of 30 years. The operator is entitled to levy a toll on road users for the 30 year franchise period. The project cost \$65 million to construct and was completed in June 1994. The project was completely debt financed using infrastructure bonds.

Under termination provisions, default by the private sector would not require the Government to compensate or intervene contractually.

Project Risk Weighting

Project Parameter	Comment	Value
Asset Value	Equal to construction cost based on an analysis of project appraisals undertaken for the project.	\$65m
Project Liability	The project is fully debt funded.	\$65m
Volatility	The transport sector has a high volatility rating.	25%
Term	The term is 30 years	30 yrs
Project Risk Weighting	A function of project gearing (1.0), volatility (20%) and project term (30 yrs).	51%

LCA Impact

LCA Parameter	Comment	Value
Government Liability	Based on termination clauses the government liability is zero.	\$0m
LCA Impact	Project risk weighting is applied to the government liability and rounded.	\$0m
Interim LCA Impact	Actual construction expenditure 1993-94.	\$65m
Carry-over 1994-95 LCA	Risk weighted LCA less interim LCA impact.	\$0m

APPENDIX A: CLASSIFICATION OF PUBLIC SECTOR AGENCIES

Public sector entities can be classified by either institutional or administrative sector. The classification of entities into institutional sectors involves determining whether a public sector body is either a General Government authority, a Public Trading Enterprises or a Public Financial Enterprises.

General Government authorities consist of those public sector entities which provide, in the main, goods and services outside the market mechanism as well as providing for the transfer of income for public policy purposes. The major form of financing of these goods and services and transfers is by taxation, imposed by the State or by the Commonwealth and subsequently on passed to the State. In New South Wales most government departments and a number of statutory authorities (for example, Darling Harbour and Workcover) fit into this category.

In contrast, public trading enterprises charge for services provided and hence have a broadly commercial orientation. They do not, however, necessarily operate in competitive markets. While public trading enterprises are not required to be fully self funding, a substantial portion of their costs must be met by user charges. The major public trading enterprises in New South Wales are the Pacific Power, the Hunter Water Corporation and the State Rail Authority.

The third category of public sector authorities are Public Financial Enterprises. The State Bank is the major entity operating in this sector. Public financial enterprises are not included in this publication as they operate in competitive markets and at arms length from Government.

In contrast to an institutional classification, the State separates public sector bodies as belonging to either in the Budget or Non Budget sectors. The Budget Sector is essentially defined as those bodies which rely for more than half their income on general purpose taxation. In addition to this funding criteria, consideration is also given to the extent to which an organisations financial operations should be controlled through the Budget process.

Table 1A classifies organisations within both an institutional and administrative framework.

Classification of Agencies

Agency/Activity	ABS Category		Budget Category	
	General Government	Public Trading Enterprise	Budget Sector	Non Budget Sector
Aboriginal Affairs, Office of	*		*	
Aboriginal Land Council, New South Wales	*			*
Adult Migrant English Service	*			*
Agricultural Scientific Collections Trust	*			*
Agriculture, Department of	*		*	
Air Transport Council	*			*
Albury-Wodonga (NSW) Corporation (a)	*			*
Anzac Memorial Building, Trustees of	*			*
Architects of New South Wales, Board of	*			*
Archives Authority of New South Wales	*		*	
- Government Records Repository	*			*
Art Gallery of New South Wales	*		*	
Arts, Ministry for the	*		*	
Attorney General's Department (incl Victims Compensation Fund)	*		*	
Audit Office, NSW	*			*
Australian Museum	*		*	
Banana Industry Committee	*			*
Barristers Admission Board	*			*
Broken Hill Water Board		*		*
Building and Construction Industry Long Service Leave Payments Corporation	*			*
Building Services Corporation (b)	*			*
Bush Fire Services, Department of	*		*	
Business and Regional Development, Department of	*		*	
Cabinet Office	*		*	
Cancer Council of New South Wales	*			*
Capital Works Financing Corporation	*			*
Casino Control Authority	*		*	
Chief Secretary's Department	*		*	
Chief Secretary and Minister for Administrative Services, Office of	*		*	
Chipping Norton Lake Authority	*			*
City West Development Corporation	*			*
Coal and Oil Shale Mine Workers Superannuation Tribunal	*			*
Coal Compensation Board	*		*	
Coal Mining Industry Long Service Leave Trust Fund	*			*
Coal Miners Superannuation Fund (c)	*			*
Coastal Council of New South Wales	*			*
Cobar Water Board		*		*
Commercial Fishing Advisory Council	*			*
Commercial Services Group, all business units	*			*
- NSW Government Telecommunications Authority	*			*

Classification of Agencies (cont)

Agency/Activity	ABS Category		Budget Category	
	General Government	Public Trading Enterprise	Budget Sector	Non Budget Sector
Community Services Commission	*		*	
Community Services, Department of (incl Home Care Service of NSW)	*		*	
Conservation and Land Management, Department of	*		*	
- Land Titles Office	*			*
- Soil Business	*			*
- Surveyors Board	*			*
- Valuer General's Office	*			*
Consumer Affairs, Department of	*		*	
- Registrar of Encumbered Vehicles	*			*
- Financial Counselling Trust Fund	*			*
Corrective Services, Department of	*		*	
Courts Administration, Department of	*		*	
Crime Commission, New South Wales	*		*	
Crown Transactions	*		*	
Dairy Corporation	*			*
Dairy Industry Conference	*			*
Dam Safety Committee	*			*
Darling Harbour Authority	*			*
Dental Board	*			*
Dumaresq-Barwon Border Rivers Commission	*			*
Eastern Creek Raceway	*			*
Education and Youth Affairs, Ministry of	*		*	
Electricity Distribution Authorities -				
Central West Electricity		*		*
Illawarra Electricity		*		*
Monaro Electricity		*		*
Murray River Electricity		*		*
Murrumbidgee Electricity		*		*
Namoi Valley Electricity		*		*
New England Electricity		*		*
North West Electricity		*		*
Northern Riverina Electricity		*		*
Northern Rivers Electricity		*		*
Ophir Electricity		*		*
Oxley Electricity		*		*
Peel Cunningham Electricity		*		*
Prospect Electricity		*		*
Shortland Electricity		*		*
Southern Tablelands Electricity		*		*
Southern Mitchell Electricity		*		*
Southern Riverina Electricity		*		*
Sydney Electricity		*		*
South West Slopes Electricity		*		*
Tumut River Electricity		*		*

Classification of Agencies (cont)

Agency/Activity	ABS Category		Budget Category	
	General Government	Public Trading Enterprise	Budget Sector	Non Budget Sector
Electricity Distribution Authorities - (cont)				
Ulan Electricity		*		*
Western Power - Macquarie		*		*
Energy, Office of	*		*	
- Electricity Council of NSW	*			*
- Gas Council of NSW	*			*
Environment Protection Authority	*		*	
Ethnic Affairs Commission	*		*	
Film and Television Office, New South Wales	*		*	
Financial Institutions Commission, New South Wales	*			*
Fire Brigades, New South Wales	*		*	
Fisheries, New South Wales	*		*	
Fish Marketing Authority, NSW		*		*
Fish River Water Supply Authority		*		*
Geological and Mining Museum Trust	*			*
Government Actuary	*			*
Government Pricing Tribunal	*		*	
Greyhound Racing Control Board	*			*
Harness Racing Authority of New South Wales	*			*
Health Care Complaints Commission	*		*	
Health, Department of (including Area Health Services, Public Hospitals, Ambulance Services)	*		*	
Health Professionals Registration Boards	*			*
Heritage Conservation Fund	*			*
Historic Houses Trust	*		*	
Homebush Bay Development Corporation	*		*	
HomeFund Commissioner's Office	*		*	
Home Purchase Assistance Authority	*			*
Honeysuckle Development Corporation	*			*
Housing, Department of	*			*
Housing, Planning and Urban Affairs, Ministry of	*			*
Hunter Water Corporation		*		*
Hunter Catchment Management Trust	*			*
Independent Commission Against Corruption	*		*	
Industrial Relations, Employment, Training and Further Education, Department of (includes Board of Adult and Community Education, Board of Vocational Education and Vocational and Training Accreditation Board)	*		*	
Insurance Ministerial Corporation	*			*
Insurers Contribution Fund	*			*
Insurers Guarantee Fund	*			*

Classification of Agencies (cont)

Agency/Activity	ABS Category		Budget Category	
	General Government	Public Trading Enterprise	Budget Sector	Non Budget Sector
Internal Audit Bureau	*			*
Jenolan Caves Reserve Trust		*		*
Judicial Commission of New South Wales	*		*	
Juvenile Justice, Department of	*		*	
Lake Illawarra Authority	*			*
Law Reporting, Council of	*			*
Legal Aid Commission of New South Wales	*		*	
Legislature, The	*		*	
Local Government and Co-operatives, Department of	*		*	
Lord Howe Island Board	*			*
Lotteries, NSW		*		*
Marketing Boards -				
Central Coast Citrus	*			*
Dried Fruits	*			
NSW Grains	*			*
Tobacco Leaf	*			*
Wine Grapes	*			*
Yellow Maize	*			*
Marketing Committees -				
Kiwifruit	*			*
MIA Citrus Fruit	*			*
Processing Tomato	*			*
Maritime Services Board		*		*
Meat Industry Authority NSW	*			*
Mineral Resources, Department of	*		*	
Mines Rescue Board	*			*
Mines Subsidence Board	*			*
Ministerial Development Corporation	*			*
Motor Accidents Authority	*			*
Motor Vehicle Repair Industry Council	*			*
Museum of Applied Arts and Sciences	*		*	
National Parks and Wildlife Service	*		*	
Newcastle International Sports Centre Trust		*		*
Newcastle Showground and Exhibition Centre Trust		*		*
Ombudsman's Office	*		*	
Pacific Power		*		*
Parliamentary Counsel's Office	*		*	
Parramatta Stadium Trust		*		*
Planning, Department of	*		*	
- Sydney Regional Development Fund	*			*
Police and Emergency Services, Ministry for	*		*	
Police Service, The New South Wales	*		*	
Premier's Department	*		*	
Premiums Adjustment Fund	*			*
Property Services Group		*		*
Protective Commissioner	*			*

Classification of Agencies (cont)

Agency/Activity	ABS Category		Budget Category	
	General Government	Public Trading Enterprise	Budget Sector	Non Budget Sector
Public Trustee	*			*
Public Prosecutions, Office of the Director of	*		*	
Public Works and Ports, Office of Minister for	*		*	
Public Works NSW	*			*
Real Estate Services, Office of (incl Rental Bond Board)	*			*
Registry of Births, Deaths and Marriages	*			*
Roads and Traffic Authority	*		*	
Royal Botanic Gardens and Domain Trust	*		*	
Rural Assistance Authority	*		*	
School Education, Department of	*		*	
Social Policy Directorate	*		*	
Solicitors Admission Board	*			*
Somersby Park Pty Ltd	*			*
South-West Tablelands Water Supply Authority		*		*
Sport, Recreation and Racing, Department of	*		*	
State Bank of New South Wales Limited (c)				*
State Electoral Office (includes Election Funding Authority of NSW)	*		*	
- Statutory and Industrial Ballots and Local Government Elections	*			*
State Emergency Service	*		*	
State Forests of NSW	*			*
State Library of NSW	*		*	
State Rail Authority		*		*
State Sports Centre	*			*
State Superannuation Investment and Management Corporation (c)				*
State Transit Authority		*		*
Status and Advancement of Women, Ministry for the	*		*	
Sydney Cove Redevelopment Authority	*			*
Sydney Cricket and Sports Ground Trust		*		*
Sydney Market Authority		*		*
Sydney Opera House Trust		*		*
Sydney Organising Committee for the Olympic Games	*			*
TAFE Commission, New South Wales	*		*	
Teacher Housing Authority of NSW		*		*
Tick Control, Board of	*			*
Totalisator Agency Board of NSW		*		*
Tourism New South Wales	*		*	
Tow Truck Industry Council of New South Wales	*			*
Transport, Department of	*		*	
Treasury	*		*	

Classification of Agencies (cont)

Agency/Activity	ABS Category		Budget Category	
	General Government	Public Trading Enterprise	Budget Sector	Non Budget Sector
Treasury Corporation of New South Wales	*			*
Upper Parramatta River Catchment Trust	*			*
Urban Parks Agency	*		*	
Veterinary Surgeons Board NSW	*			*
Waste Recycling and Processing Service		*		*
Water Board, The		*		*
Water Resources, Department of	*		*	
- Lachlan Region Irrigation District		*		*
- Lower Murray/Darling Region Irrigation Areas		*		*
- Murray Region Irrigation Area and Districts		*		*
- Murrumbidgee Region Irrigation Areas and Districts		*		*
Wild Dog Destruction Board	*			*
Wollongong Sportsground Trust		*		*
WorkCover Authority (includes Sporting Injuries Committee)	*			*
Worker's Compensation (Dust Diseases) Board	*			*
Workmen's Compensation (Broken Hill) Act Joint Committee	*			*
Zoological Parks Board		*		*

- (a) Classified as Commonwealth General Government Authority by the Australian Bureau of Statistics.
- (b) Insurance Activities treated as a Public Financial Enterprise.
- (c) Classified as Public Financial Enterprise by the Australian Bureau of Statistics.

