

B. UNIFORM FINANCIAL REPORTING

B.1 Uniform Presentation Tables

The Uniform Presentation Framework (UPF) for financial aggregates has been agreed by the Australian Loan Council. As part of the Framework, each jurisdiction is to publish a mid-year report, i.e. a half-yearly review of the budget, by the end of February each year.

The UPF tables have been prepared consistent with the 2017-18 Budget, in accordance with Australian Accounting Standard AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. This standard adopts a harmonised GFS-GAAP reporting basis. The main differences in reporting on an AASB 1049 basis compared with a GFS basis are outlined on pages A1-1 to A1-6 of 2017-18 Budget Paper No.1 *Budget Statement*.

This UPF report includes operating statements, balance sheets and cash flow statements for the NSW general government sector (GGS), public non-financial corporation (PNFC) sector and non-financial public sector (NFPS).

The UPF and Loan Council reporting obligations are currently under review following the Australian Bureau of Statistics (ABS) release of their revised GFS publication. Whilst the presentation requirements of the current UPF have been reflected in this chapter, the tables that previously showed the derivation of the GFS cash surplus/ (deficit) have been omitted. This treatment mirrors the presentation of each sector's cash flow statement at Budget time.

The Half-Yearly Review presents revised fiscal estimates for the current Budget year and the three following years for the GGS. In addition, revised estimates are presented for the PNFC sector and the NFPS (i.e. a consolidation of the GGS and the PNFC sector). These revised estimates take into account fiscal and economic developments since the Budget.

Table B.1: General government sector operating statement

	2017-18 Budget	2017-18 Revised	2018-19	2019-20	2020-21
	Forward Estimates				
	\$m	\$m	\$m	\$m	\$m
Revenue from Transactions					
Taxation	31,560	31,411	32,940	34,680	36,090
Grants and Subsidies					
- Commonwealth General Purpose	17,592	17,700	17,724	17,714	18,428
- Commonwealth Specific Purpose Payments	9,824	9,719	9,713	10,240	10,782
- Commonwealth National Partnership Payments	3,470	3,580	2,594	1,847	1,252
- Other Commonwealth Payments	251	253	245	256	268
- Other Grants and Subsidies	723	336	352	607	588
Sale of Goods and Services	8,976	9,012	9,593	9,478	9,015
Interest	413	366	292	283	269
Dividend and Income Tax Equivalents from Other Sectors	1,620	1,703	1,378	1,595	1,468
Other Dividends and Distributions	1,016	1,142	1,263	1,300	1,411
Fines, Regulatory Fees and Other	4,439	4,620	4,660	5,143	5,023
Total Revenue from Transactions	79,885	79,842	80,755	83,142	84,594
Expenses from Transactions					
Employee	31,483	31,165	33,728	35,226	36,072
Superannuation					
- Superannuation Interest Cost	1,465	1,480	1,486	1,478	1,452
- Other Superannuation	3,009	3,018	2,777	2,797	2,814
Depreciation and Amortisation	4,937	4,946	5,185	5,569	5,784
Interest	2,094	2,028	2,141	2,471	2,556
Other Operating	19,627	19,469	19,103	19,015	18,882
Grants, Subsidies and Other Transfer Expenses	14,571	14,403	14,241	15,145	15,475
Total Expenses from Transactions	77,186	76,510	78,661	81,699	83,036
Transactions from Discontinuing Operations	...	...	...	...	...
BUDGET RESULT - SURPLUS/(DEFICIT) [Net Operating Balance]	2,698	3,332	2,093	1,442	1,558

Table B.1: General government sector operating statement (cont)

	2017-18 Budget	2017-18 Revised	2018-19	2019-20	2020-21
	Forward Estimates				
	\$m	\$m	\$m	\$m	\$m
Other Economic Flows - Included in the Operating Result					
Gain/(Loss) from Other Liabilities	159	166	152	151	(8)
Other Net Gains/(Losses)	236	229	328	393	251
Share of Earnings from Associates (excluding Dividends)	6	69	45	(18)	(0)
Dividends from Asset Sale Proceeds	193	137	19	...	...
Allowance for Impairment of Receivables	(38)	(37)	(38)	(38)	(38)
Deferred Income Tax from Other Sectors	(11)	(1)	(10)	(3)	6
Others	81	83	81	81	81
Discontinuing Operations - Other Economic Flows	...	...	...	...	...
Other Economic Flows - included in Operating Result	627	646	577	566	292
Operating Result	3,326	3,978	2,670	2,008	1,850
Other Economic Flows - Other Comprehensive Income					
Items that will not be Reclassified to Operating Result					
Revaluations	4,054	7,156	4,321	4,052	4,087
Share of Earnings from Associates from Revaluations	...	(2)	...	...	...
Superannuation Actuarial Gain/(Loss)	4,316	7,466	4,227	3,843	1,527
Deferred Tax Adjustment through Equity	83	183	68	105	119
Items that may be Reclassified Subsequently to Operating Result					
Net Gain/(Loss) on Equity Investments in Other Sectors	1,194	2,672	1,753	982	2,548
Net Gain/(Loss) on Financial Instruments at Fair Value	(0)	...	...	...	...
Other	(33)	(337)	(627)	93	(18)
Other Economic Flows - Other Comprehensive Income	9,613	17,137	9,743	9,075	8,264
Comprehensive Result - Total Change in Net Worth ^(a)	12,939	21,116	12,413	11,084	10,114
Key Fiscal Aggregates					
Comprehensive Result - Total Change in Net Worth ^(a)	12,939	21,116	12,413	11,084	10,114
Less: Net Other Economic Flows	(10,240)	(17,783)	(10,320)	(9,642)	(8,556)
Equals: Budget Result - Net Operating Balance	2,698	3,332	2,093	1,442	1,558
Less: Net Acquisition of Non-Financial Assets					
Purchases of Non-Financial Assets	14,325	14,195	15,125	11,986	9,826
Sales of Non-Financial Assets	(526)	(536)	(580)	(285)	(163)
Less: Depreciation	(4,937)	(4,946)	(5,185)	(5,569)	(5,784)
Plus: Change in Inventories	(22)	(19)	(13)	4	9
Plus: Other Movements in Non-Financial Assets					
- Assets Acquired Using Finance Leases	190	130	3,526	915	906
- Other	116	103	73	375	369
Equals: Total Net Acquisition of Non-Financial Assets	9,146	8,929	12,946	7,427	5,163
Equals: Net Lending/(Borrowing) [Fiscal Balance]	(6,447)	(5,597)	(10,853)	(5,985)	(3,605)

OTHER FISCAL AGGREGATES

Capital Expenditure ^(b)	14,515	14,325	18,651	12,902	10,732
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(a) 'Total change in net worth' is before transactions with owners as owners, and before revisions to equity from changes to accounting policies. Therefore, it may not equal the movement in balance sheet net worth.

(b) Capital expenditure comprises purchases of non-financial assets plus assets acquired utilising finance leases.

Table B.2: General government sector balance sheet

	June 2018 Budget	June 2018 Revised	June 2019	June 2020	June 2021
	Forward Estimates				
	\$m	\$m	\$m	\$m	\$m
Assets					
Financial Assets					
Cash and Cash Equivalents	2,494	1,104	907	1,003	1,021
Receivables	5,544	6,602	6,378	6,748	7,202
Tax Equivalents Receivable	109	52	54	43	61
Investments, Loans and Placements					
Financial Assets at Fair Value	27,254	31,240	25,696	20,157	16,718
Other Financial Assets	2,972	2,985	1,629	1,755	1,416
Advances Paid	1,054	1,039	1,127	1,241	1,436
Deferred Tax Equivalent Assets	2,216	2,264	2,310	2,408	2,529
Equity					
Investments in Other Public Sector Entities	109,535	110,480	113,759	116,840	120,766
Investments in Associates	9,438	5,870	5,870	5,870	5,870
Other Equity Investments	674	4,939	4,984	5,043	5,127
Total Financial Assets	161,289	166,575	162,716	161,109	162,147
Non- Financial Assets					
Inventories	263	279	266	270	279
Forestry Stock and Other Biological Assets	11	10	10	10	10
Assets Classified as Held for Sale	228	343	134	109	114
Property, Plant and Equipment					
Land and Buildings	77,158	77,332	80,466	82,867	85,109
Plant and Equipment	12,599	11,458	11,459	11,362	11,398
Infrastructure Systems	96,240	102,102	118,300	124,917	131,260
Intangibles	3,495	3,761	3,539	3,239	2,902
Other Non-Financial Assets	6,242	6,925	5,679	9,580	11,747
Total Non- Financial Assets	196,235	202,209	219,852	232,354	242,818
Total Assets	357,525	368,783	382,569	393,462	404,965
Liabilities					
Deposits Held	104	91	77	78	82
Payables	5,309	6,355	6,578	6,984	7,386
Tax Equivalents Payable	3	...	2	2	2
Borrowings and Derivatives at Fair Value	5	5	3	2	2
Borrowings at Amortised Cost	32,566	32,578	37,988	41,129	43,301
Advances Received	578	758	736	784	918
Employee Provisions	16,806	16,890	17,068	17,289	17,622
Superannuation Provision ^(a)	49,491	49,080	44,895	40,961	39,238
Deferred Tax Equivalent Provision	105	102	101	100	99
Other Provisions	8,620	8,898	8,779	8,882	9,056
Other Liabilities	6,079	6,436	6,340	6,163	6,054
Total Liabilities	119,665	121,192	122,567	122,374	123,759
NET ASSETS	237,859	247,591	260,002	271,088	281,206
NET WORTH					
Accumulated Funds	44,106	81,669	85,735	89,579	91,521
Reserves	193,754	165,922	174,266	181,509	189,684
TOTAL NET WORTH	237,859	247,591	260,002	271,088	281,206
OTHER FISCAL AGGREGATES					
Net Debt^(b)	(521)	(2,935)	9,444	17,838	23,712
Net Financial Liabilities^(c)	67,910	65,097	73,610	78,106	82,378
Net Financial Worth^(d)	41,624	45,383	40,149	38,734	38,388

(a) Superannuation liabilities are reported net of prepaid superannuation contribution assets.

(b) Net debt comprises the sum of deposits held, borrowings and advances received, minus the sum of cash and cash equivalents, investments, loans and placements and advances paid.

(c) Net financial liabilities equals total liabilities less financial assets excluding equity investments in other public sector entities.

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

Table B.3: General government sector cash flow statement

	2017-18 Budget	2017-18 Revised	2018-19	2019-20	2020-21
	Forward Estimates				
	\$m	\$m	\$m	\$m	\$m
Cash Receipts from Operating Activities					
Taxes Received	31,538	31,657	32,931	34,660	36,086
Receipts from Sales of Goods and Services	9,743	9,591	9,941	9,877	9,285
Grant and Subsidies Received	31,860	31,573	30,624	30,661	31,317
Interest Receipts	404	335	261	310	306
Dividends and Income Tax Equivalents	1,037	943	1,750	1,431	1,299
Other Receipts	8,822	7,160	8,942	9,041	8,028
Total Cash Receipts from Operating Activities	83,403	81,259	84,447	85,980	86,321
Cash Payments from Operating Activities					
Payments for Employees	(31,401)	(31,108)	(33,344)	(34,804)	(35,757)
Payments for Superannuation	(4,518)	(4,358)	(4,257)	(4,453)	(4,612)
Payments for Goods and Services	(20,478)	(20,870)	(20,320)	(20,300)	(20,687)
Grants and Subsidies Paid	(12,943)	(12,742)	(12,594)	(13,525)	(13,792)
Interest Paid	(1,518)	(1,509)	(1,526)	(1,813)	(1,874)
Other Payments	(5,315)	(3,438)	(5,284)	(5,045)	(3,904)
Total Cash Payments from Operating Activities	(76,174)	(74,023)	(77,324)	(79,940)	(80,626)
Net Cash Flows from Operating Activities	7,229	7,236	7,123	6,040	5,695
Net Cash Flows from Investments in Non-Financial Assets					
Sales of Non-Financial Assets	601	617	661	366	238
Purchases of Non-Financial Assets	(14,358)	(13,982)	(15,257)	(13,089)	(10,873)
Net Cash Flows from Investments in Non-Financial Assets	(13,757)	(13,365)	(14,597)	(12,723)	(10,635)
Cash Flows from Investments in Financial Assets for Policy Purposes					
Receipts	818	1,006	250	19	...
Payments	(2,535)	(1,907)	(2,516)	(2,264)	(1,610)
Net Cash Flows from Investments in Financial Assets for Policy Purposes	(1,717)	(901)	(2,266)	(2,245)	(1,610)
Net Cash Flows from Investments in Financial Assets for Liquidity Purposes					
Receipts from Sale/Maturity of Investments	11,527	6,214	8,920	7,616	5,423
Payments for the Purchase of Investments	(5,856)	(6,300)	(1,266)	(1,627)	(1,050)
Net Cash Flows from Investments in Financial Assets for Liquidity Purposes	5,671	(86)	7,654	5,989	4,373
Net Cash Flows from Investing Activities	(9,803)	(14,353)	(9,208)	(8,979)	(7,872)
Cash Flows from Financing Activities					
Advances Received	12	70	9	115	146
Advances Repaid	(58)	(70)	(73)	(75)	(73)
Proceeds from Borrowings	1,002	1,087	2,551	3,581	2,341
Repayment of Borrowings	(1,699)	(1,739)	(654)	(701)	(363)
Deposits Received - Net	(12)	(15)	(14)	1	4
Other Financing Receipts/ (Payments)	230	191	66	105	121
Net Cash Flows from Financing Activities	(525)	(476)	1,884	3,026	2,175
Net Increase/(Decrease) in Cash Held	(3,098)	(7,593)	(201)	87	(2)

Table B.3: General government sector cash flow statement (cont)

	2017-18 Budget	2017-18 Revised	2018-19	2019-20	2020-21
	\$m	\$m	\$m	\$m	\$m
Derivation of Cash Result					
Net Cash Flows From Operating Activities	7,229	7,236	7,123	6,040	5,695
Net Cash Flows from Investments in Non-Financial Assets	(13,757)	(13,365)	(14,597)	(12,723)	(10,635)
Cash Surplus/(Deficit)	(6,527)	(6,129)	(7,473)	(6,683)	(4,940)

Table B.4: Public non-financial corporation sector operating statement

	2017-18 Budget	2017-18 Revised	2018-19	2019-20	2020-21
	Forward Estimates				
	\$m	\$m	\$m	\$m	\$m
Revenue from Transactions					
Grants and Subsidies					
- Other Grants and Subsidies	3,073	2,809	2,831	3,045	3,458
Sale of Goods and Services	8,188	8,082	8,031	8,364	8,684
Interest	82	87	79	72	63
Fines, Regulatory Fees and Other	735	763	729	774	736
Total Revenue from Transactions	12,078	11,741	11,670	12,254	12,941
Expenses from Transactions					
Employee	3,001	2,874	2,948	2,948	2,960
Superannuation					
- Superannuation Interest Cost	55	57	59	56	53
- Other Superannuation	176	173	163	158	155
Depreciation and Amortisation	2,766	2,754	2,949	3,266	3,445
Interest	1,167	1,155	1,258	1,329	1,335
Income Tax Expense	339	333	286	327	312
Other Operating	5,869	5,950	5,514	5,461	5,755
Grants, Subsidies and Other Transfer Expenses	147	140	67	65	64
Total Expenses from Transactions	13,520	13,435	13,243	13,611	14,079
Transactions from Discontinuing Operations	...	...	...	...	...
NET OPERATING BALANCE - SURPLUS AFTER TAX	(1,442)	(1,694)	(1,574)	(1,356)	(1,138)

Table B.4: Public non-financial corporation sector operating statement (cont)

	2017-18 Budget	2017-18 Revised	2018-19	2019-20	2020-21
	Forward Estimates				
	\$m	\$m	\$m	\$m	\$m
Other Economic Flows - Included in the Operating Result					
Gain/(Loss) from Other Liabilities	...	1	1	1	1
Other Net Gains/(Losses)	411	560	129	64	114
Allowance for Impairment of Receivables	(2)	(2)	(2)	(2)	(2)
Deferred Income Tax	14	1	10	3	(6)
Discontinuing Operations - Other Economic Flows	...	...	...	...	...
Other Economic Flows - included in Operating Result	423	560	138	65	107
Operating Result	(1,019)	(1,134)	(1,435)	(1,291)	(1,031)
Other Economic Flows - Other Comprehensive Income					
Items that will not be Reclassified to Operating Result					
Revaluations	2,299	3,263	2,389	3,162	4,177
Superannuation Actuarial Gain/(Loss)	292	753	273	259	95
Deferred Tax Adjustment through Equity	(148)	(183)	(68)	(105)	(119)
Items that may be Reclassified Subsequently to Operating Result	(1,977)	(20)	1,159	904	176
Net Gain/(Loss) on Financial Instruments at Fair Value	1	29	...	...	...
Other	(1,978)	(49)	1,159	904	176
Other Economic Flows - Other Comprehensive Income	466	3,813	3,753	4,220	4,329
Comprehensive Result - Total Change in Net Worth ^(a)	(553)	2,679	2,318	2,929	3,297
Key Fiscal Aggregates					
Comprehensive Result - Total Change in Net Worth ^(a)	(553)	2,679	2,318	2,929	3,297
Less: Net Other Economic Flows	(889)	(4,373)	(3,891)	(4,286)	(4,435)
Equals: Budget Result - Net Operating Balance	(1,442)	(1,694)	(1,574)	(1,356)	(1,138)
Less: Net Acquisition of Non-Financials Assets					
Purchases of Non-Financials Assets	7,748	7,318	6,489	5,360	4,202
Sales of Non-Financial Assets	(931)	(740)	(664)	(715)	(591)
Less: Depreciation	(2,766)	(2,754)	(2,949)	(3,266)	(3,445)
Plus: Change in Inventories	(155)	(156)	153	194	(60)
Plus: Other Movements in Non-Financials Assets					
- Assets Acquired Using Finance Leases	11	11	110	...	...
- Other	225	220	282	286	293
Equals: Total Net Acquisition of Non-Financial Assets	4,132	3,899	3,421	1,860	398
Equals: Net Lending/(Borrowing) [Fiscal Balance]	(5,574)	(5,594)	(4,995)	(3,216)	(1,536)
OTHER FISCAL AGGREGATES					
Capital Expenditure ^(b)	7,759	7,329	6,598	5,360	4,202
Dividends Accrued ^(c)	954	1,038	608	679	714

(a) 'Total change in net worth' is before transactions with owners as owners, and before revisions to accounting policies. The actual movement in balance sheet net worth may therefore differ.

(b) Capital expenditure comprises purchases of non-financial assets plus assets acquired utilising finance leases.

(c) Net borrowing for the PNFC sector excludes the impact of dividends accrued, and so may not fully reflect the sector's call on the financial markets.

Table B.5: Public non-financial corporation sector balance sheet

	June 2018 Budget	June 2018 Revised	June 2019	June 2020 Forward Estimates	June 2021
	\$m	\$m	\$m	\$m	\$m
Assets					
Financial Assets					
Cash and Cash Equivalents	2,742	2,940	2,140	1,663	2,057
Receivables	1,004	1,034	1,032	1,053	1,082
Tax Equivalents Receivable	3	...	2	2	2
Investments, Loans and Placements					
Financial Assets at Fair Value	14	101	101	100	100
Other Financial Assets	961	887	790	755	762
Advances Paid	...	...	...	...	...
Deferred Tax Equivalent Assets	105	102	101	100	99
Equity					
Other Equity Investments	...	...	...	...	...
Total Financial Assets	4,828	5,064	4,165	3,673	4,102
Non- Financial Assets					
Inventories	332	359	479	599	531
Forestry Stock and Other Biological Assets	992	992	992	992	1,017
Assets Classified as Held for Sale	52	74	76	76	76
Investment Properties	447	453	464	476	488
Property, Plant and Equipment					
Land and Buildings	71,219	72,776	74,210	76,163	77,574
Plant and Equipment	6,217	6,063	6,643	7,091	7,832
Infrastructure Systems	61,369	59,201	62,689	64,950	67,147
Intangibles	999	1,100	1,139	1,126	1,121
Other Non-Financial Assets	146	166	169	174	180
Total Non- Financial Assets	141,774	141,185	146,862	151,648	155,966
Total Assets	146,602	146,249	151,027	155,321	160,068
Liabilities					
Deposits Held	13	40	41	42	42
Payables	2,134	2,213	2,130	2,119	2,171
Tax Equivalents Payable	102	47	48	36	54
Borrowings and Derivatives at Fair Value	2,329	2,306	3,090	3,282	3,282
Borrowings at Amortised Cost	24,613	24,292	26,732	28,019	29,346
Advanced Received	374	374	358	343	328
Employee Provisions	1,132	1,083	1,090	1,091	1,091
Superannuation Provision ^(a)	2,027	1,603	1,361	1,125	1,042
Deferred Tax Equivalent Provision	2,216	2,264	2,310	2,408	2,529
Other Provisions	1,464	1,528	1,075	1,134	1,161
Other Liabilities	320	260	225	219	213
Total Liabilities	36,725	36,009	38,461	39,818	41,260
NET ASSETS	109,878	110,240	112,566	115,503	118,808
NET WORTH					
Accumulated Funds	33,637	38,630	36,607	34,612	32,640
Reserves	76,241	71,609	75,958	80,891	86,169
TOTAL NET WORTH	109,878	110,240	112,566	115,503	118,808
OTHER FISCAL AGGREGATES					
Net Debt ^(b)	23,612	23,084	27,190	29,167	30,078
Net Financial Liabilities ^(c)	31,897	30,945	34,296	36,145	37,157
Net Financial Worth ^(d)	(31,897)	(30,945)	(34,296)	(36,145)	(37,157)

(a) Superannuation liabilities are reported net of prepaid superannuation contribution assets.

(b) Net debt comprises the sum of deposits held, borrowings and advances received, minus the sum of cash and cash equivalents, investments, loans and placements and advances paid.

(c) Net financial liabilities equals total liabilities less financial assets excluding equity investments in other public sector entities.

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

Table B.6: Public non-financial corporation sector cash flow statement

	2017-18 Budget \$m	2017-18 Revised \$m	2018-19 \$m	2019-20 Forward Estimates \$m	2020-21 \$m
Cash Receipts from Operating Activities					
Receipts from Sales of Goods and Services	8,786	9,010	8,280	8,613	9,135
Grant and Subsidies Received	3,058	2,791	2,809	3,023	3,436
Interest Receipts	76	82	60	53	56
Other Receipts	1,027	1,122	1,025	1,078	1,037
Total Cash Receipts from Operating Activities	12,947	13,005	12,174	12,766	13,664
Cash Payments from Operating Activities					
Payments for Employees	(3,096)	(2,995)	(3,054)	(3,063)	(3,077)
Payments for Superannuation	(194)	(189)	(189)	(191)	(193)
Payments for Goods and Services	(5,777)	(5,618)	(5,614)	(5,486)	(5,564)
Grants and Subsidies Paid	(75)	(67)	(67)	(65)	(64)
Interest Paid	(973)	(1,006)	(1,109)	(1,191)	(1,222)
Other Payments	(671)	(835)	(593)	(558)	(575)
Total Cash Payments from Operating Activities	(10,787)	(10,709)	(10,625)	(10,553)	(10,695)
Net Cash Flows from Operating Activities	2,161	2,295	1,549	2,213	2,969
Net Cash Flows from Investments in Non-Financial Assets					
Sales of Non-Financial Assets	931	748	664	715	591
Purchases of Non-Financial Assets	(7,798)	(7,286)	(6,468)	(5,355)	(4,198)
Net Cash Flows from Investments in Non-Financial Assets	(6,867)	(6,539)	(5,804)	(4,640)	(3,606)
Cash Flows from Investments in Financial Assets for Policy Purposes					
Receipts	...	...	...	...	...
Net Cash Flows from Investments in Financial Assets for Policy Purposes	...	(0)	(0)	(0)	(0)
Net Cash Flows from Investments in Financial Assets for Liquidity Purposes					
Receipts from Sale/Maturity of Investments	83	340	169	111	63
Payments for Purchase of Investments	(37)	(53)	(55)	(56)	(52)
Net Cash Flows from Investments in Financial Assets for Liquidity Purposes	46	287	114	55	10
Net Cash Flows from Investing Activities	(6,821)	(6,252)	(5,690)	(4,585)	(3,596)
Cash Flows from Financing Activities					
Advances Received	2,459	1,724	2,201	2,147	1,494
Advances Repaid	(31)	(879)	(50)	(31)	(31)
Proceeds from Borrowings	4,303	4,293	4,098	1,588	1,295
Repayment of Borrowings	(973)	(142)	(1,165)	(302)	(152)
Dividends Paid	(784)	(784)	(1,538)	(1,208)	(1,276)
Deposits Received (net)	(1)	(0)	1	1	1
Other Financing Receipts/ (Payments)	(398)	(63)	(205)	(298)	(296)
Net Cash Flows from Financing Activities	4,575	4,150	3,342	1,897	1,035
Net Increase/(Decrease) in Cash Held	(85)	193	(799)	(475)	407

Table B.6: Public non-financial corporation sector cash flow statement (cont)

	2017-18 Budget	2017-18 Revised	2018-19	2019-20	2020-21
	\$m	\$m	\$m	\$m	\$m
Derivation of Cash Result					
Net Cash Flows from Operating Activities	2,161	2,295	1,549	2,213	2,969
Net Cash Flows from Investments in Non-Financial Assets	(6,867)	(6,539)	(5,804)	(4,640)	(3,606)
Dividends Paid	(784)	(784)	(1,538)	(1,208)	(1,276)
Cash Surplus/(Deficit)	(5,490)	(5,027)	(5,793)	(3,634)	(1,913)

Table B.7: Non-financial public sector operating statement

	2017-18 Budget	2017-18 Revised	2018-19	2019-20	2020-21
	Forward Estimates				
	\$m	\$m	\$m	\$m	\$m
Revenue from Transactions					
Taxation	31,086	30,942	32,439	34,136	35,532
Grants and Subsidies					
- Commonwealth General Purpose	17,592	17,700	17,724	17,714	18,428
- Commonwealth Specific Purpose Payments	9,824	9,719	9,713	10,240	10,782
- Commonwealth National Partnership Payments	3,470	3,580	2,594	1,847	1,252
- Other Commonwealth Payments	251	257	248	260	272
- Other Grants and Subsidies	654	231	169	192	428
Sale of Goods and Services	13,402	13,899	13,871	14,563	15,116
Interest	423	360	307	298	271
Dividend and Income Tax Equivalents from Other Sectors	77	82	84	89	90
Other Dividends and Distributions	1,016	1,142	1,263	1,300	1,411
Fines, Regulatory Fees and Other	5,107	5,345	5,359	5,887	5,729
Total Revenue from Transactions	82,902	83,256	83,772	86,526	89,312
Expenses from Transactions					
Employee	33,863	33,442	36,060	37,551	38,399
Superannuation					
- Superannuation Interest Cost	1,520	1,537	1,545	1,534	1,505
- Other Superannuation	3,185	3,191	2,938	2,953	2,967
Depreciation and Amortisation	7,703	7,699	8,134	8,835	9,229
Interest	3,188	3,089	3,336	3,743	3,830
Other Operating	21,876	22,348	20,972	21,272	22,128
Grants, Subsidies and Other Transfer Expenses	11,543	11,597	11,273	11,728	11,898
Total Expenses from Transactions	82,878	82,904	84,257	87,616	89,955
Transactions from Discontinuing Operations	...	...	...	...	...
NET OPERATING BALANCE - SURPLUS/(DEFICIT)	23	352	(485)	(1,090)	(644)

Table B.7: Non-financial public sector operating statement (cont)

	2017-18 Budget	2017-18 Revised	2018-19	2019-20	2020-21
	Forward Estimates				
	\$m	\$m	\$m	\$m	\$m
Other Economic Flows - Included in the Operating Result					
Gain/(Loss) from Other Liabilities	159	167	153	152	(7)
Other Net Gains/(Losses)	647	789	457	457	365
Share of Earnings from Associates (excluding Dividends)	6	69	45	(18)	(0)
Allowance for Impairment of Receivables	(40)	(39)	(40)	(40)	(40)
Others	81	83	81	81	81
Discontinuing Operations - Other Economic Flows	...	...	...	...	...
Other Economic Flows - included in Operating Result	854	1,069	696	632	399
Operating Result	877	1,421	211	(458)	(245)
Other Economic Flows - Other Comprehensive Income					
Items that will not be Reclassified to Operating Result					
Revaluations	6,384	10,624	6,703	7,205	8,253
Share of Earnings from Associates from Revaluations	...	(2)	...	...	...
Superannuation Actuarial Gain/(Loss)	4,608	8,219	4,499	4,101	1,623
Deferred Tax Adjustment through Equity	(65)	...	...	(0)	...
Items that may be Reclassified Subsequently to Operating Result	826	1,310	1,083	273	476
Net Gain/(Loss) on Equity Investments in Other Sectors	2,694	1,168	1,046	187	621
Net Gain/(Loss) on Financial Instruments at Fair Value	0	29	...	...	...
Other	(1,868)	112	36	86	(145)
Other Economic Flows - Other Comprehensive Income	11,753	20,150	12,285	11,579	10,351
Comprehensive Result - Total Change in Net Worth ^(a)	12,631	21,572	12,496	11,121	10,107
Key Fiscal Aggregates					
Comprehensive Result - Total Change in Net Worth ^(a)	12,631	21,572	12,496	11,121	10,107
Less: Net Other Economic Flows	(12,607)	(21,219)	(12,981)	(12,211)	(10,750)
Equals: Budget Result - Net Operating Balance	23	352	(485)	(1,090)	(644)
Less: Net Acquisition of Non-Financials Assets					
Purchases of Non-Financials Assets	22,074	21,513	21,614	17,346	14,028
Sales of Non-Financial Assets	(1,435)	(1,253)	(1,244)	(1,000)	(754)
Less: Depreciation	(7,703)	(7,699)	(8,134)	(8,835)	(9,229)
Plus: Change in Inventories	(177)	(175)	140	198	(51)
Plus: Other Movements in Non-Financials Assets					
- Assets Acquired Using Finance Leases	200	141	3,636	915	906
- Other	294	306	344	651	652
Equals: Total Net Acquisition of Non-Financial Assets	13,252	12,833	16,356	9,276	5,551
Equals: Net Lending/(Borrowing) [Fiscal Balance]	(13,229)	(12,481)	(16,841)	(10,366)	(6,195)
OTHER FISCAL AGGREGATES					
Capital Expenditure ^(b)	22,274	21,654	25,249	18,262	14,933
Dividends Accrued	200	...	...	...	...

(a) 'Total change in net worth' is before transactions with owners as owners, and before revisions to accounting policies. The actual movement in balance sheet net worth may therefore differ.

(b) Capital expenditure comprises purchases of non-financial assets plus assets acquired utilising finance leases.

Table B.8: Non-financial public sector balance sheet

	June 2018 Budget	June 2018 Revised	June 2019 Forward Estimates	June 2020 Forward Estimates	June 2021 Forward Estimates
	\$m	\$m	\$m	\$m	\$m
Assets					
Financial Assets					
Cash and Cash Equivalents	5,236	4,044	3,047	2,666	3,079
Receivables	4,789	5,763	5,820	5,842	6,008
Tax Equivalents Receivable	6	6	6	7	7
Investments, Loans and Placements					
Financial Assets at Fair Value	27,215	31,288	25,744	20,205	16,766
Other Financial Assets	3,499	3,535	2,084	2,175	1,843
Advances Paid	680	665	768	898	1,108
Deferred Tax Equivalent Assets	0	...	...	0	...
Equity					
Investments in Other Public Sector Entities	2,708	3,317	4,363	4,550	5,171
Investments in Associates	9,438	5,870	5,870	5,870	5,870
Other Equity Investments	674	4,939	4,984	5,043	5,127
Total Financial Assets	54,245	59,425	52,688	47,254	44,979
Non-Financial Assets					
Inventories	595	638	745	869	810
Forestry Stock and Other Biological Assets	1,003	1,002	1,002	1,002	1,027
Assets Classified as Held for Sale	280	417	209	185	191
Investment Properties	447	453	464	476	488
Property, Plant and Equipment					
Land and Buildings	148,407	150,688	155,282	159,661	163,339
Plant and Equipment	18,817	17,521	18,102	18,453	19,229
Infrastructure Systems	157,609	161,303	180,989	189,867	198,407
Intangibles	4,494	4,861	4,678	4,365	4,023
Other Non-Financial Assets	6,347	6,702	5,427	9,297	11,433
Total Non-Financial Assets	337,999	343,584	366,898	384,175	398,946
Total Assets	392,244	403,009	419,585	431,430	443,924
Liabilities					
Deposits Held	117	131	118	120	124
Payables	7,033	8,029	7,919	8,015	8,191
Borrowings and Derivatives at Fair Value	2,281	2,258	3,040	3,231	3,231
Borrowings at Amortised Cost	56,745	56,532	64,385	68,812	72,313
Advanced Received	578	758	736	784	918
Employee Provisions	17,921	17,955	18,141	18,364	18,697
Superannuation Provision ^(a)	51,518	50,683	46,257	42,086	40,280
Deferred Tax Equivalent Provision	...	...	...	...	...
Other Provisions	8,805	9,092	8,947	9,037	9,199
Other Liabilities	6,332	6,696	6,671	6,488	6,372
Total Liabilities	151,332	152,134	156,214	156,937	159,326
NET ASSETS	240,913	250,875	263,371	274,492	284,599
NET WORTH					
Accumulated Funds	78,307	93,855	95,321	97,124	97,094
Reserves	162,605	157,020	168,050	177,368	187,505
TOTAL NET WORTH	240,913	250,875	263,371	274,492	284,599
OTHER FISCAL AGGREGATES					
Net Debt ^(b)	23,092	20,149	36,635	47,005	53,791
Net Financial Liabilities ^(c)	99,795	96,026	107,889	114,233	119,518
Net Financial Worth ^(d)	(97,087)	(92,709)	(103,526)	(109,683)	(114,347)

(a) Superannuation liabilities are reported net of prepaid superannuation contribution assets.

(b) Net debt comprises the sum of deposits held, borrowings and advances received, minus the sum of cash and cash equivalents, investments, loans and placements and advances paid.

(c) Net financial liabilities equals total liabilities less financial assets excluding equity investments in other public sector entities.

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

Table B.9: Non-financial public sector cash flow statement

	2017-18 Budget	2017-18 Revised	2018-19	2019-20	2020-21
	Forward Estimates				
	\$m	\$m	\$m	\$m	\$m
Cash Receipts from Operating Activities					
Taxes Received	31,072	31,199	32,458	34,152	35,545
Receipts from Sales of Goods and Services	12,571	14,761	14,470	15,235	15,917
Grant and Subsidies Received	31,760	31,439	30,418	30,224	31,135
Interest Receipts	422	329	263	324	319
Dividends and Income Tax Equivalents	103	108	83	85	89
Other Receipts	9,842	8,191	9,956	10,114	9,060
Total Cash Receipts from Operating Activities	85,770	86,025	87,648	90,135	92,066
Cash Payments from Operating Activities					
Payments for Employees	(33,754)	(33,386)	(35,665)	(37,125)	(38,082)
Payments for Superannuation	(4,712)	(4,546)	(4,446)	(4,644)	(4,805)
Payments for Goods and Services	(20,596)	(22,818)	(22,446)	(22,775)	(23,974)
Grants and Subsidies Paid	(9,842)	(9,863)	(9,625)	(10,108)	(10,214)
Interest Paid	(2,433)	(2,426)	(2,577)	(2,965)	(3,053)
Other Payments	(5,978)	(4,272)	(5,885)	(5,609)	(4,483)
Total Cash Payments from Operating Activities	(77,315)	(77,313)	(80,645)	(83,227)	(84,611)
Net Cash Flows from Operating Activities	8,455	8,713	7,004	6,908	7,454
Net Cash Flows from Investments in Non-Financial Assets					
Sales of Non-Financial Assets	1,510	1,342	1,325	1,081	829
Purchases of Non-Financial Assets	(22,256)	(21,260)	(25,141)	(18,602)	(15,084)
Net Cash Flows from Investments in Non-Financial Assets	(20,746)	(19,918)	(23,816)	(17,522)	(14,255)
Cash Flows from Investments in Financial Assets for Policy Purposes					
Receipts	(94)	127	231	19	...
Payments	(320)	(270)	(270)	(117)	(117)
Net Cash Flows from Investments in Financial Assets for Policy Purposes	(414)	(144)	(39)	(98)	(116)
Net Cash Flows from Investments in Financial Assets for Liquidity Purposes					
Receipts from Sale/Maturity of Investments	11,662	6,511	12,318	7,668	5,447
Payments for Purchase of Investments	(5,857)	(6,314)	(1,266)	(1,627)	(1,050)
Net Cash Flows from Investments in Financial Assets for Liquidity Purposes	5,805	197	11,052	6,041	4,397
Net Cash Flows from Investing Activities	(15,355)	(19,865)	(12,803)	(11,578)	(9,974)
Cash Flows from Financing Activities					
Advances Received	1,019	70	78	84	115
Advances Repaid	(58)	(70)	(73)	(75)	(73)
Proceeds from Borrowings	5,306	5,380	6,648	5,169	3,635
Repayment of Borrowings	(1,740)	(1,776)	(1,733)	(842)	(515)
Dividends Paid	(100)	(100)	(100)	(100)	(245)
Deposits Received (net)	(13)	(15)	(13)	2	5
Other Financing Receipts/ (Payments)	(696)	263	(8)	45	3
Net Cash Flows from Financing Activities	3,717	3,752	4,799	4,282	2,925
Net Increase/(Decrease) in Cash Held	(3,183)	(7,400)	(1,000)	(389)	405

Table B.9: Non-financial public sector cash flow statement (cont)

	2017-18 Budget	2017-18 Revised	2018-19	2019-20	2020-21
	Forward Estimates				
	\$m	\$m	\$m	\$m	\$m
Derivation of Cash Result					
Net Cash Flows from Operating Activities	8,455	8,713	7,004	6,908	7,454
Net Cash Flows from Investments in Non-Financial Assets	(20,746)	(19,918)	(23,816)	(17,522)	(14,255)
Dividends Paid	(100)	(100)	(100)	(100)	(245)
Cash Surplus/(Deficit)	(12,391)	(11,306)	(16,912)	(10,714)	(7,046)

B.2 Loan Council Allocation

Table B.10 presents the Budget estimates of the State's Loan Council Allocation (LCA) for 2017-18 and a revised estimate taking into account recent fiscal and economic developments.

Overall, the LCA for 2017-18 is estimated to be a \$12.6 billion deficit. This is an improvement of \$2.3 billion on the Budget estimate of a \$14.9 billion deficit. The variance is outside the tolerance limit of \$1.8 billion set by the Loan Council. This tolerance limit is calculated as 2 per cent of cash receipts from operating activities for the NFPC.

The variance is largely due to:

- an improvement in GGS and PNFC cash deficit related to the changes in the timing of expenditure payments
- an improvement in the cash flows from investments in financial assets for policy purpose associated with changes in the timing of capital expenditure payments on infrastructure
- the memorandum items included in the LCA which were impacted by an increase in the value of financial assets of \$0.8 billion from the Budget estimate. This is driven by the State Super Scheme earnings that are now estimated to be 8.6 per cent in 2017-18, which is 0.8 per cent higher than the 7.8 per cent estimate at the Budget.

Table B.10: Loan Council Allocation estimates^(a)

	2016-17 Actual \$m	2017-18 Budget-time Estimate \$m	2017-18 Half-Yearly Estimate \$m
General Government Sector Cash Deficit/(Surplus)	(3,573)	6,527	6,129
Public Non-Financial Corporations Sector Cash Deficit/(Surplus)	4,407	5,490	5,027
Non-Financial Public Sector Cash Deficit/(Surplus)^(b)	2,311	12,391	11,306
Minus: Net Cash Flows From Investments in Financial Assets For Policy Purposes ^(c)	28,002	(414)	(144)
Plus: Memorandum Items ^(d)	1,467	2,066	1,128
Loan Council Allocation	(24,225)	14,871	12,577

(a) Cash surplus/deficits and finance leases are displayed with the opposite sign to that under which they are reported in cash flow statements. That is, a surplus is displayed as a negative number.

(b) The non-financial public sector cash surplus/(deficit) may not directly equate to the sum of the general government and public non-financial corporation sectors' cash deficits due to intersectoral transfers which are netted out.

(c) Net cash flows from investments in financial assets for policy purposes are displayed with the same sign as reported in cash flow statements.

(d) Memorandum items are used to adjust the ABS deficit to include in LCAs certain transactions, such as operating leases, that have many of the characteristics of public sector borrowings but do not constitute formal borrowings. They are also used, where appropriate, to deduct from the ABS deficit certain transactions that the Loan Council has agreed should not be included in LCAs – for example, the funding of more than an employers' emerging costs under public sector superannuation schemes, or borrowings by entities such as universities.

Public private partnerships

As approved at the 1997 Loan Council Meeting, states are to report their full contingent exposure to public private partnerships (PPPs) for new contracts entered into, that have not previously been reported. Exposure is to be measured by the Government's termination liabilities in a case of private sector default, and disclosed as a footnote to, rather than a component of, Loan Council Allocations.

Information on social infrastructure PPPs and other capital expenditure which is generally reported on the State's balance sheet is reported within the Loan Council Allocation.

Therefore, only new toll road PPP's, which are generally outside of key balance sheet metrics, are reported below as Memo items.

Contracts expected to be entered into in 2017-18

Stage 3 of WestConnex is being progressed by the NSW Government together with the Sydney Motorway Corporation Pty Ltd and its subsidiaries. Stage 3, the M4-M5 Link, comprises a tunnel (three lanes in each direction) which will connect Stages 1 and 2 of WestConnex from Haberfield to St Peters with an interchange at Rozelle to Iron Cove. This Stage is expected to be completed in 2023 (pending planning approval).

Expected Government Contingent Liability	Nil
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