

CHAPTER 2 – SUPPLEMENTARY UNIFORM PRESENTATION FRAMEWORK TABLES

THE UNIFORM PRESENTATION FRAMEWORK – GENERALLY ACCEPTED ACCOUNTING PRINCIPLES/ GOVERNMENT FINANCE STATISTICS (GAAP/GFS) HARMONISATION

In October 2007, the Australian Accounting Standards Board (AASB) issued a revised standard AASB 1049: Whole of Government and General Government Sector Financial Reporting which governs the financial reporting of the GG sector. The objective of the revised standard is ‘to achieve an Australian accounting standard for a single set of government reports which are auditable, comparable between jurisdictions, and in which the outcome statements are directly comparable with the relevant budget statements’.

AASB 1049, effective from 1 July 2008 requires that, in addition to complying with all other relevant Australian Accounting Standards (AAS), the financial report for the GG sector includes key fiscal aggregates determined in a manner consistent with the Australian Bureau of Statistics (ABS) GFS Manual.

The new Uniform Presentation Framework (UPF) was approved by Loan Council in March 2008. Chapter 1, *Estimated Financial Statements and Notes* provides the statements for the GG sector under this framework. This chapter provides additional information about sectoral financial statements for the public non-financial corporations sector and the non-financial public sector (the GG and public non-financial corporations sectors less inter-sector eliminations) plus the Loan Council Allocation table.

Comprehensive operating statement

The comprehensive operating statement is designed to capture the composition of revenues and expenses and the net cost of a government’s activities (net result from transactions) within a financial year. As well as the full cost of resources consumed by government in achieving its objectives, and how these costs are met from various revenue sources, it also shows the impact of other economic flows affecting the net assets of the sector.

The comprehensive operating statement reports three major fiscal measures: the net result from transactions (net operating balance), net lending/borrowing and total changes in net worth. The net result from transactions is calculated as revenue from transactions minus expenses from transactions. Net lending/borrowing includes net acquisition of non-financial assets from transactions but excludes depreciation, thereby giving a measure of a jurisdiction's call on financial markets. Total change in net worth is the comprehensive result from all items of income and expense recognised for the period, including other economic flows recognised in the net result as well as revaluations and other adjustments taken directly to equity.

Balance sheet

The balance sheet records a government's stocks of financial and non-financial assets and liabilities. This statement discloses the resources over which a government has control.

Major fiscal aggregates published in relation to the balance sheet include net financial worth, net financial liabilities and net debt. A description and definition of each of these aggregates is included in the glossary of terms in the preceding chapter.

Cash flow statement

The cash flow statement records a government's cash receipts and payments and shows how a government obtains and expends cash.

The cash flow statement reports the cash surplus/deficit as a fiscal aggregate. Unlike the GFS cash flow statement, the AAS-based cash surplus/deficit excludes finance leases and similar arrangements.

Statement of changes in equity

The estimated statement of changes in equity presents reconciliations of each non-owner and owner equity opening balance at the beginning of the year to the closing balance at the end of the year. It also shows separately, movements due to amounts recognised in the estimated comprehensive result and amounts recognised in equity related to estimated transactions with owners in their capacity as owners.

SUPPLEMENTARY UNIFORM PRESENTATION FRAMEWORK TABLES

Table 2.1: Public non-financial corporations sector comprehensive operating statement

	(\$ million)				
	2008-09 Revised	2009-10 Budget	2010-11 Estimate	2011-12 Estimate	2012-13 Estimate
Revenue					
Interest	87.2	55.5	47.2	47.5	48.6
Dividends	7.2	35.9	41.9	47.9	51.0
Sales of goods and services	4 039.9	4 148.6	4 514.2	4 980.3	5 351.6
Grants	2 198.0	2 851.7	2 516.4	2 376.2	2 385.5
Other current revenue	444.7	467.8	492.4	478.1	487.5
Total revenue	6 776.9	7 559.6	7 612.2	7 930.1	8 324.2
Expenses					
Employee expenses	783.8	803.4	831.2	854.9	875.5
Other superannuation	68.0	69.4	71.6	73.1	74.7
Depreciation and amortisation	1 007.5	1 055.4	1 110.1	1 175.0	1 215.1
Interest expense	532.4	700.7	883.1	1 025.3	1 095.3
Other operating expenses	3 949.0	3 865.9	3 911.5	4 057.5	4 221.9
Grants and other transfers	468.9	943.7	558.2	283.8	245.6
Other property expenses	54.5	90.3	116.4	134.2	173.1
Total expenses	6 864.1	7 528.7	7 482.0	7 604.0	7 901.1
Net result from transactions – Net operating balance	(87.2)	30.8	130.2	326.1	423.1
Other economic flows included in net result					
Net gain/(loss) on sale of non-financial assets	3.0	(14.9)	16.3	12.4	12.9
Net gain/(loss) on financial assets or liabilities at fair value	(924.3)	29.7	24.8	22.4	20.2
Net actuarial gains/(losses) of superannuation defined benefits plans	(29.5)	..	..	..	..
Other gains/(losses) from other economic flows	255.8	(22.4)	51.8	54.0	56.2
Total other economic flows included in net result	(695.0)	(7.6)	92.9	88.8	89.3
Net result	(782.2)	23.3	223.1	414.9	512.4
Other Economic Flows – Other Movements in Equity					
Net gain on financial assets at fair value	(1.0)	..	..	..	..
Revaluations of non-financial assets	548.8	(168.2)	(25.0)	(37.2)	(37.0)
Other movements in equity	(7.6)	23.0	(46.5)	(54.1)	(102.8)
Total other economic flows – Other movements in equity	540.1	(145.2)	(71.5)	(91.3)	(139.8)
Comprehensive result – Total change in net worth	(242.1)	(122.0)	151.6	323.6	372.5
FISCAL AGGREGATES					
Net operating balance	(87.2)	30.8	130.2	326.1	423.1
Less: net acquisition of non-financial assets	3 464.7	4 648.2	4 069.8	2 470.9	926.4
Net lending/ (borrowing)	(3 551.9)	(4 617.4)	(3 939.7)	(2 144.8)	(503.4)

Source: Department of Treasury and Finance

Table 2.2: Non-financial public sector comprehensive operating statement

	(\$ million)				
	2008-09	2009-10	2010-11	2011-12	2012-13
	Revised	Budget	Estimate	Estimate	Estimate
Revenue					
Taxation revenue	12 554.8	13 070.6	13 766.9	14 204.9	14 777.5
Interest	479.0	455.2	445.5	453.3	456.3
Dividends and income tax equivalents and rate equivalents	170.6	117.7	272.6	324.2	314.3
Sales of goods and services	7 994.4	7 957.5	8 496.8	9 025.8	9 451.0
Grants	18 651.2	21 475.8	20 647.5	20 482.7	21 152.3
Other current revenue	2 077.9	2 120.2	2 065.3	1 961.7	1 961.6
Total revenue	41 928.1	45 197.1	45 694.6	46 452.7	48 113.0
Expenses					
Employee expenses	15 116.0	16 042.9	16 721.0	17 447.6	18 085.0
Superannuation interest expense	609.7	659.2	677.8	699.9	722.9
Other superannuation	1 462.6	1 668.7	1 733.0	1 762.6	1 843.8
Depreciation and amortisation	2 564.9	2 701.8	2 895.9	3 106.2	3 229.4
Interest expense	1 087.0	1 379.7	1 808.0	2 099.3	2 198.7
Other operating expenses	15 987.2	16 342.0	16 195.1	16 212.8	16 460.5
Grants and other transfers	5 309.3	6 386.9	5 501.9	4 895.4	4 774.3
Total expenses	42 136.6	45 181.2	45 532.6	46 223.9	47 314.3
Net result from transactions – Net operating balance	(208.5)	15.9	162.1	228.8	798.6
Other economic flows included in net result					
Net gain on sale of non-financial assets	19.0	39.2	128.8	132.4	126.4
Net gain/(loss) on financial assets or liabilities at fair value	(950.4)	45.8	28.2	26.1	24.3
Net actuarial gains/(losses) of superannuation defined benefits plans	(11 346.2)	..	..	..	..
Other gains/(losses) from other economic flows	(697.2)	13.5	69.0	73.7	75.4
Total other economic flows included in net result	(12 974.8)	98.5	226.1	232.3	226.1
Net result	(13 183.3)	114.4	388.1	461.1	1 024.7
Other Economic Flows – Other Movements in Equity					
Net gain on financial assets at fair value	(1.0)	..	..	..	..
Revaluations of non-financial assets	1 051.9	3 000.0	3 209.2	4 578.0	2 626.3
Net gain on equity investments in other sector entities at proportional share of net assets	(3 511.8)	577.1	781.0	626.0	545.2
Other movements in equity	(45.0)	2.7	(61.2)	(68.5)	(127.2)
Total other economic flows – Other movements in equity	(2 505.9)	3 579.8	3 928.9	5 135.5	3 044.2
Comprehensive result – Total change in net worth	(15 689.1)	3 694.2	4 317.0	5 596.6	4 069.0
FISCAL AGGREGATES					
Net operating balance	(208.5)	15.9	162.1	228.8	798.6
Less Net acquisition of non-financial assets from transactions	5 131.4	8 138.6	6 869.9	4 960.1	1 786.5
Net lending/ (borrowing)	(5 339.9)	(8 122.7)	(6 707.8)	(4 731.3)	(987.8)

Source: Department of Treasury and Finance

Table 2.3: Public non-financial corporations balance sheet

	(\$ million)				
	2008-09 Revised	2009-10 Budget	2010-11 Estimate	2011-12 Estimate	2012-13 Estimate
Assets					
Financial assets					
Cash and deposits	597.3	518.7	519.7	305.3	383.8
Advances paid	89.1	75.3	69.1	61.4	58.0
Investments, loans and placements	1 716.1	1 589.8	1 453.7	1 309.5	1 170.5
Receivables	1 485.0	1 570.1	1 680.7	1 753.3	1 990.8
Investments accounted for using equity method	403.1	403.1	403.1	403.1	403.1
Total financial assets	4 290.6	4 157.0	4 126.2	3 832.5	4 006.1
Non-financial assets					
Inventories	623.9	624.3	567.6	541.9	474.7
Non-financial assets held for sale	5.2	37.4	39.2	33.7	20.4
Land, buildings, infrastructure, plant and equipment	49 999.7	54 406.4	58 439.2	60 854.7	61 783.2
Other non-financial assets	474.4	539.6	587.9	580.2	567.5
Total non-financial assets	51 103.2	55 607.7	59 634.0	62 010.5	62 845.8
Total assets	55 393.8	59 764.7	63 760.2	65 843.0	66 852.0
Liabilities					
Deposits held	84.2	83.9	81.6	83.5	73.1
Advances received	0.2	0.3	0.3	0.3	0.3
Borrowings	8 303.1	11 259.3	14 257.6	16 024.0	16 800.0
Payables	1 118.7	1 056.9	1 023.8	1 026.1	927.7
Superannuation	50.5	42.4	40.0	36.9	32.7
Other employee benefits	229.3	231.2	237.7	245.4	252.4
Other provisions	3 673.9	3 533.0	3 337.5	3 066.6	2 954.4
Total liabilities	13 459.9	16 206.9	18 978.5	20 482.7	21 040.6
Net assets	41 933.9	43 557.8	44 781.7	45 360.3	45 811.4
Accumulated surplus/(deficit)	5 690.8	5 551.3	5 556.1	5 528.2	5 751.2
Other reserves	36 243.1	38 006.5	39 225.6	39 832.1	40 060.2
Net worth	41 933.9	43 557.8	44 781.7	45 360.3	45 811.4
FISCAL AGGREGATES					
Net financial worth	(9 169.3)	(12 049.9)	(14 852.3)	(16 650.2)	(17 034.5)
Net financial liabilities	9 169.3	12 049.9	14 852.3	16 650.2	17 034.5
Net debt	5 985.0	9 159.6	12 297.0	14 431.5	15 261.2

Source: Department of Treasury and Finance

Table 2.4: Non-financial public sector balance sheet

	(\$ million)				
	2008-09 Revised	2009-10 Budget	2010-11 Estimate	2011-12 Estimate	2012-13 Estimate
Assets					
Financial assets					
Cash and deposits	3 603.1	3 262.3	3 411.5	3 568.5	4 076.8
Advances paid	171.0	156.1	149.2	140.9	136.8
Investments, loans and placements	4 193.5	4 158.2	4 021.9	3 891.4	3 765.9
Receivables	3 506.7	3 620.1	3 806.4	3 920.3	4 198.1
Investments accounted for using equity method – other	431.0	436.0	441.0	446.0	451.0
Investments in other sector entities	234.8	828.4	1 626.0	2 268.5	2 830.3
Total financial assets	12 140.0	12 461.2	13 456.0	14 235.7	15 458.8
Non-financial assets					
Inventories	857.8	858.3	801.3	775.4	708.1
Non-financial assets held for sale	42.8	68.4	63.6	51.4	31.6
Land, buildings, infrastructure, plant and equipment	117 824.3	128 973.7	139 147.8	148 835.5	153 416.7
Other non-financial assets	844.6	882.1	923.5	891.0	879.5
Total non-financial assets	119 569.5	130 782.4	140 936.2	150 553.3	155 035.9
Total assets	131 709.5	143 243.7	154 392.2	164 788.9	170 494.7
Liabilities					
Deposits held	470.7	470.4	468.1	470.0	459.6
Advances received	2.1	1.3	0.6	0.1	0.2
Borrowings	18 714.9	26 183.3	32 762.0	37 297.8	38 783.5
Payables	4 311.0	4 411.7	4 415.2	4 429.0	4 496.7
Superannuation	24 489.9	24 768.5	25 086.8	25 429.1	25 615.3
Other employee benefits	4 586.7	4 777.8	4 970.6	5 136.6	5 304.9
Other provisions	2 309.5	2 091.8	1 833.0	1 573.9	1 313.2
Total liabilities	54 884.9	62 704.8	69 536.3	74 336.6	75 973.3
Net assets	76 824.6	80 538.8	84 855.8	90 452.4	94 521.4
Accumulated surplus/(deficit)	32 765.4	32 884.6	33 211.5	33 604.1	34 501.6
Other reserves	44 007.3	47 582.2	51 572.3	56 776.3	59 947.7
Minority interest of contributed capital	52.0	72.0	72.0	72.0	72.0
Net worth	76 824.6	80 538.8	84 855.8	90 452.4	94 521.4
FISCAL AGGREGATES					
Net financial worth	(42 744.8)	(50 243.6)	(56 080.3)	(60 100.9)	(60 514.5)
Net financial liabilities	42 979.6	51 072.0	57 706.3	62 369.4	63 344.8
Net debt	11 220.1	19 078.4	25 648.1	30 167.1	31 263.9

Source: Department of Treasury and Finance

Table 2.5: Public non-financial corporations sector cash flow statement

	(\$ million)				
	2008-09	2009-10	2010-11	2011-12	2012-13
	Revised	Budget	Estimate	Estimate	Estimate
Cash flows from operating activities					
Receipts					
Grants	2 198.9	2 808.9	2 518.1	2 376.5	2 381.4
Sales of goods and services ^(a)	4 396.3	4 492.6	4 838.5	5 315.7	5 732.9
Interest	88.3	55.4	47.2	47.6	48.6
Dividends	7.3	36.0	41.9	47.9	51.0
Other receipts	248.2	248.1	303.3	380.1	223.0
Total receipts	6 939.0	7 641.0	7 749.0	8 167.6	8 436.9
Payments					
Payments for employees	(770.5)	(801.5)	(824.8)	(847.2)	(868.6)
Superannuation	(78.9)	(77.6)	(74.0)	(76.2)	(78.9)
Interest	(1 488.8)	(1 716.4)	(2 014.4)	(2 265.8)	(2 411.8)
Grants	(406.6)	(887.0)	(494.2)	(220.2)	(182.0)
Goods and services ^(a)	(3 371.7)	(3 254.7)	(3 105.5)	(3 165.0)	(3 406.0)
Other payments	(205.3)	(172.1)	(224.4)	(310.8)	(189.3)
Total payments	(6 321.9)	(6 909.2)	(6 737.2)	(6 885.2)	(7 136.6)
Net cash flows from operating activities	617.2	731.8	1 011.8	1 282.4	1 300.2
Cash flows from investing activities					
Non-financial assets					
Purchases of non-financial assets	(4 339.8)	(5 677.9)	(5 211.4)	(3 584.3)	(2 116.0)
Sales of non-financial assets	93.2	151.6	150.6	70.3	63.7
Cash flows from investments in non-financial assets	(4 246.6)	(5 526.3)	(5 060.9)	(3 514.0)	(2 052.4)
Net cash flows from investments in financial assets for policy purposes	1 278.7	1 944.9	1 250.4	651.3	268.6
Net cash flows from investments in financial assets for liquidity purposes	216.3	35.9	6.8	17.3	14.1
Net cash flows from investing activities	(2 751.5)	(3 545.4)	(3 803.7)	(2 845.3)	(1 769.7)
Cash flows from financing activities					
Advances received (net)	(0.1)	0.1	(0.1)	..	..
Net borrowings	2 049.3	2 923.1	2 967.0	1 735.0	744.8
Deposits received (net)	(31.6)	(0.3)	(2.3)	1.9	(10.4)
Other financing (net)	(207.6)	(187.9)	(171.8)	(388.7)	(186.6)
Net cash flows from financing activities	1 809.9	2 735.1	2 792.8	1 348.2	547.8
Net increase/(decrease) in cash and cash equivalents	(324.4)	(78.6)	0.8	(214.7)	78.4
Cash and cash equivalents at beginning of reporting period	921.7	597.3	518.7	519.5	304.9
Cash and cash equivalents at end of reporting period	597.3	518.7	519.5	304.9	383.2

**Table 2.5: Public non-financial corporations sector cash flow statement
(continued)**

	(\$ million)				
	2008-09 Revised	2009-10 Budget	2010-11 Estimate	2011-12 Estimate	2012-13 Estimate
FISCAL AGGREGATES					
Net cash flows from operating activities	617.2	731.8	1 011.8	1 282.4	1 300.2
Cash flows from investments in non-financial assets	(4 246.6)	(5 526.3)	(5 060.9)	(3 514.0)	(2 052.4)
Dividends paid	(207.6)	(187.9)	(171.8)	(388.7)	(186.6)
Cash surplus / (deficit)	(3 837.0)	(4 982.4)	(4 220.9)	(2 620.2)	(938.7)

Source: Department of Treasury and Finance

Note:

(a) These items are inclusive of goods and services tax.

Table 2.6: Non-financial public sector cash flow statement

	(\$ million)				
	2008-09	2009-10	2010-11	2011-12	2012-13
	Revised	Budget	Estimate	Estimate	Estimate
Cash flows from operating activities					
Receipts					
Taxes	12 690.4	13 228.5	13 866.7	14 304.7	14 877.3
Grants	18 652.7	21 432.3	20 647.5	20 481.7	21 146.9
Sales of goods and services ^(a)	8 822.0	8 831.2	9 278.2	9 829.8	10 330.6
Interest	468.4	423.0	413.5	422.3	425.4
Dividends and income tax equivalent and rate equivalents	217.8	117.0	271.9	323.9	314.0
Other receipts	1 484.3	1 713.5	1 684.5	1 725.2	1 560.2
Total receipts	42 335.7	45 745.5	46 162.3	47 087.7	48 654.4
Payments					
Payments for employees	(14 943.5)	(15 851.8)	(16 528.2)	(17 281.6)	(17 916.7)
Superannuation	(1 887.3)	(2 049.3)	(2 092.5)	(2 120.2)	(2 380.4)
Interest	(1 019.4)	(1 294.8)	(1 725.2)	(2 021.6)	(2 117.3)
Grants	(5 249.0)	(6 386.3)	(5 501.3)	(4 894.8)	(4 773.6)
Goods and services ^(a)	(16 538.2)	(16 932.1)	(16 727.2)	(16 790.9)	(17 055.2)
Other payments	(362.8)	(375.4)	(383.7)	(397.8)	(417.9)
Total payments	(40 000.3)	(42 889.7)	(42 958.0)	(43 506.8)	(44 661.1)
Net cash flows from operating activities	2 335.4	2 855.8	3 204.3	3 580.9	3 993.2
Cash flows from investing activities					
Non-financial assets					
Purchases of non-financial assets	(7 617.9)	(10 908.6)	(9 856.9)	(7 425.9)	(5 242.6)
Sales of non-financial assets	313.7	376.5	381.1	331.8	316.1
Cash flows from investments in non-financial assets	(7 304.2)	(10 532.1)	(9 475.8)	(7 094.1)	(4 926.5)
Net cash flows from investments in financial assets for policy purposes	(16.3)	(9.9)	(37.4)	(27.7)	(32.0)
Net cash flows from investments in financial assets for liquidity purposes	35.0	(39.1)	10.3	7.4	4.7
Net cash flows from investing activities	(7 285.5)	(10 581.1)	(9 503.0)	(7 114.4)	(4 953.8)
Cash flows from financing activities					
Advances received (net)	(0.8)	(0.7)	(0.8)	(0.5)	..
Net borrowings	4 787.0	7 385.4	6 450.8	3 688.9	1 479.0
Deposits received (net)	(16.6)	(0.3)	(2.3)	1.9	(10.4)
Other financing (net)	..	..	..	..	..
Net cash flows from financing activities	4 769.6	7 384.4	6 447.6	3 690.3	1 468.6
Net increase/(decrease) in cash and cash equivalents	(180.5)	(340.9)	149.0	156.8	508.0
Cash and cash equivalents at beginning of reporting period	3 781.0	3 600.5	3 259.7	3 408.6	3 565.5
Cash and cash equivalents at end of reporting period	3 600.5	3 259.7	3 408.6	3 565.5	4 073.5

Table 2.6: Non-financial public sector cash flow statement (continued)

	(\$ million)				
	2008-09	2009-10	2010-11	2011-12	2012-13
	Revised	Budget	Estimate	Estimate	Estimate
FISCAL AGGREGATES					
Net cash flows from operating activities	2 335.4	2 855.8	3 204.3	3 580.9	3 993.2
Net cash flows from investments in non-financial assets	(7 304.2)	(10 532.1)	(9 475.8)	(7 094.1)	(4 926.5)
Cash surplus / (deficit)	(4 968.8)	(7 676.3)	(6 271.5)	(3 513.2)	(933.3)

Source: Department of Treasury and Finance

Note:

(a) These items are inclusive of goods and services tax.

Table 2.7: Public non-financial corporations sector statement of changes in equity

	(\$ million)				
	Equity at 1 July	Total compre- hensive result	Transactions with owners in their capacity as owners	Dividends	Equity at 30 June
2008-09					
Accumulated surplus/(deficit)	6 684.7	(782.2)	..	(207.6)	5 694.8
Other movements in equity	..	(4.7)	..	..	( 4.7)
Adjustment for change in accounting policy	..	0.6	..	..	0.6
Contributed capital	20 904.9	..	1 291.3	..	22 196.3
Physical asset revaluation reserve	12 612.9	548.8	..	..	13 161.7
Net movements in other reserves	889.7	(4.6)	..	..	885.2
Total equity at end of the period	41 092.3	(242.1)	1 291.3	(207.6)	41 933.9
2009-10					
Accumulated surplus/(deficit)	5 690.1	23.3	..	(187.9)	5 525.6
Other movements in equity	..	25.3	..	..	25.3
Adjustment for change in accounting policy	0.6	(0.2)	..	..	0.4
Contributed capital	22 196.3	..	1 933.8	..	24 130.0
Physical asset revaluation reserve	13 161.7	(168.2)	..	..	12 993.5
Net movements in other reserves	885.2	(2.1)	..	..	883.0
Total equity at end of the period	41 933.9	(122.0)	1 933.8	(187.9)	43 557.8
2010-11					
Accumulated surplus/(deficit)	5 550.9	223.1	..	(171.8)	5 602.2
Other movements in equity	..	(46.5)	..	..	( 46.5)
Adjustment for change in accounting policy	0.4	..	..	..	0.4
Contributed capital	24 130.0	..	1 244.1	..	25 374.1
Physical asset revaluation reserve	12 993.5	(25.0)	..	..	12 968.5
Net movements in other reserves	883.0	..	..	..	883.0
Total equity at end of the period	43 557.8	151.6	1 244.1	(171.8)	44 781.7
2011-12					
Accumulated surplus/(deficit)	5 555.7	414.9	..	(388.7)	5 581.9
Other movements in equity	..	(54.1)	..	..	( 54.1)
Adjustment for change in accounting policy	0.4	..	..	..	0.4
Contributed capital	25 374.1	..	643.7	..	26 017.8
Physical asset revaluation reserve	12 968.5	(37.2)	..	..	12 931.3
Net movements in other reserves	883.0	..	..	..	883.0
Total equity at end of the period	44 781.7	323.6	643.7	(388.7)	45 360.3
2012-13					
Accumulated surplus/(deficit)	5 527.8	512.4	..	(186.6)	5 853.5
Other movements in equity	..	(102.8)	..	..	( 102.8)
Adjustment for change in accounting policy	0.4	..	..	..	0.4
Contributed capital	26 017.8	..	265.2	..	26 283.0
Physical asset revaluation reserve	12 931.3	(37.0)	..	..	12 894.2
Net movements in other reserves	883.0	..	..	..	883.0
Total equity at end of the period	45 360.3	372.5	265.2	(186.6)	45 811.4

Source: Department of Treasury and Finance

Table 2.8: Non-financial public sector statement of changes in equity

(\$ million)

	Equity at 1 July	Total compre- hensive result	Transactions with owners in their capacity as owners	Dividends	Equity at 30 June
2008-09					
Accumulated surplus/(deficit)	45 999.2	(13 183.3)	..	..	32 815.9
Other movements in equity	..	(51.2)	..	..	( 51.2)
Adjustment for change in accounting policy	..	0.6	..	..	0.6
Minority interest	32.0	..	20.0	..	52.0
Physical asset revaluation reserve	41 209.0	1 051.9	..	..	42 260.9
Net movements in other reserves	1 670.4	4.6	..	..	1 675.0
Accumulated net gain (loss) on equity investments in other sector entities	3 583.2	(3 511.8)	..	..	71.4
Total equity at end of the period	92 493.8	(15 689.1)	20.0	..	76 824.6
2009-10					
Accumulated surplus/(deficit)	32 764.7	114.4	..	..	32 879.2
Other movements in equity	..	5.1	..	..	5.1
Adjustment for change in accounting policy	0.6	(0.2)	..	..	0.4
Minority interest	52.0	..	20.0	..	72.0
Physical asset revaluation reserve	42 260.9	3 000.0	..	..	45 260.9
Net movements in other reserves	1 675.0	(2.1)	..	..	1 672.9
Accumulated net gain (loss) on equity investments in other sector entities	71.4	577.1	..	..	648.4
Total equity at end of the period	76 824.6	3 694.2	20.0	..	80 538.8
2010-11					
Accumulated surplus/(deficit)	32 884.2	388.1	..	..	33 272.4
Other movements in equity	..	(61.2)	..	..	( 61.2)
Adjustment for change in accounting policy	0.4	..	..	..	0.4
Minority interest	72.0	..	..	..	72.0
Physical asset revaluation reserve	45 260.9	3 209.2	..	..	48 470.1
Net movements in other reserves	1 672.9	..	..	..	1 672.9
Accumulated net gain (loss) on equity investments in other sector entities	648.4	781.0	..	..	1 429.4
Total equity at end of the period	80 538.8	4 317.0	..	..	84 855.8
2011-12					
Accumulated surplus/(deficit)	33 211.1	461.1	..	..	33 672.2
Other movements in equity	..	(68.5)	..	..	( 68.5)
Adjustment for change in accounting policy	0.4	..	..	..	0.4
Minority interest	72.0	..	..	..	72.0
Physical asset revaluation reserve	48 470.1	4 578.0	..	..	53 048.1
Net movements in other reserves	1 672.9	..	..	..	1 672.9
Accumulated net gain (loss) on equity investments in other sector entities	1 429.4	626.0	..	..	2 055.3
Total equity at end of the period	84 855.8	5 596.6	..	..	90 452.4

Table 2.8: Non-financial public sector statement of changes in equity (continued)

(\$ million)

	Equity at 1 July	Total compre- hensive result	Transactions with owners in their capacity as owners	Dividends	Equity at 30 June
2012-13					
Accumulated surplus/(deficit)	33 603.7	1 024.7	..	..	34 628.4
Other movements in equity	..	(127.2)	..	..	( 127.2)
Adjustment for change in accounting policy	0.4	..	..	..	0.4
Minority interest	72.0	..	..	..	72.0
Physical asset revaluation reserve	53 048.1	2 626.3	..	..	55 674.4
Net movements in other reserves	1 672.9	..	..	..	1 672.9
Accumulated net gain (loss) on equity investments in other sector entities	2 055.3	545.2	..	..	2 600.5
Total equity at end of the period	90 452.4	4 069.0	..	..	94 521.4

Source: Department of Treasury and Finance

Table 2.9: Derivation of public non-financial corporations sector GFS cash Surplus/(Deficit)

(\$ million)

	2008-09 Revised	2009-10 Budget	2010-11 Estimate	2011-12 Estimate	2012-13 Estimate
Cash surplus/(deficit)	(3 837.0)	(4 982.4)	(4 220.9)	(2 620.2)	(938.7)
Convergence differences:					
Acquisitions under finance leases and similar arrangements	..	(0.7)	..	..	..
GFS Cash surplus/ (deficit) ^(a)	(3 837.0)	(4 983.1)	(4 220.9)	(2 620.2)	(938.7)

Source: Department of Treasury and Finance

Note:

(a) Determined in accordance with ABS GFS manual.

Table 2.10: Derivation of non-financial public sector GFS cash surplus/(Deficit)

	(\$ million)				
	2008-09	2009-10	2010-11	2011-12	2012-13
	Revised	Budget	Estimate	Estimate	Estimate
Cash surplus/(deficit)	(4 968.8)	(7 676.3)	(6 271.5)	(3 513.2)	(933.3)
Acquisitions under finance leases and similar arrangements	..	(75.4)	(121.0)	(840.1)	..
GFS Cash surplus/ (deficit) ^(a)	(4 968.8)	(7 751.7)	(6 392.5)	(4 353.3)	(933.3)

Source: Department of Treasury and Finance

Note:

(a) Determined in accordance with ABS GFS manual.

Table 2.11: Net acquisition of non-financial assets – public non-financial corporations sector

	(\$ million)				
	2008-09	2009-10	2010-11	2011-12	2012-13
	Revised	Budget	Estimate	Estimate	Estimate
Purchases of non-financial assets	4 339.8	5 677.9	5 211.4	3 584.3	2 116.0
Less: Sales of non-financial assets	(93.2)	(151.6)	(150.6)	(70.3)	(63.7)
Less: Depreciation	(1 007.5)	(1 055.4)	(1 110.1)	(1 175.0)	(1 215.1)
Plus: Change in inventories	47.9	0.4	(56.7)	(25.7)	(67.3)
Plus: Other movements in non-financial assets	177.7	177.0	175.7	157.6	156.4
Total net acquisition of non-financial assets	3 464.7	4 648.2	4 069.8	2 470.9	926.4

Source: Department of Treasury and Finance

Table 2.12: Net acquisition of non-financial assets – non-financial public sector

	(\$ million)				
	2008-09	2009-10	2010-11	2011-12	2012-13
	Revised	Budget	Estimate	Estimate	Estimate
Purchases of non-financial assets	7 617.9	10 908.6	9 856.9	7 425.9	5 242.6
Less: Sales of non-financial assets	(313.7)	(376.5)	(381.1)	(331.8)	(316.1)
Less: Depreciation	(2 564.9)	(2 701.8)	(2 895.9)	(3 106.2)	(3 229.4)
Plus: Change in inventories	60.7	0.5	(57.0)	(25.8)	(67.3)
Plus: Other movements in non-financial assets	331.3	307.9	346.9	997.9	156.6
Total net acquisition of non-financial assets	5 131.4	8 138.6	6 869.9	4 960.1	1 786.5

Source: Department of Treasury and Finance

Victoria's 2009-10 Loan Council Allocation

As required under the UPF, Victoria is required to publish the Loan Council Allocation (LCA) estimates. The LCA is a measure of each government's net call on financial markets in a given financial year to meet its budget obligations. The method of public release is the responsibility of each individual jurisdiction. Victoria discloses its LCA information through the Financial Report for the State of Victoria, Budget Paper No. 4, *Statement of Finances* and Budget Update.

Table 2.13 compares Victoria's 2009-10 LCA based on the *2008-09 Budget Update* estimates and approved by the Loan Council in March 2009, with the revised LCA based on *2009-10 Budget* estimates.

Table 2.13: Loan Council Allocation

	(\$ million)	
	2009-10 Nomination	2009-10 Revised
General government cash deficit (+)/ surplus (-)	703.0	2 694.4
Public non-financial corporations sector cash deficit (+)/ surplus (-)	4 120.2	4 982.4
Non-financial public sector cash deficit (+)/ surplus (-) ^(a)	4 822.7	7 676.3
Acquisitions under finance leases and similar arrangements	..	75.4
ABS GFS cash deficit(+)/surplus(-)	4 822.7	7 751.7
Net cash flows from investments in financial assets for policy purposes ^(b)	(2.6)	(9.9)
Memorandum items ^(c)	328.0	332.7
Loan Council Allocation	5 153.3	8 094.3
Tolerance limit (2 per cent of non-financial public sector cash receipts from operating activities) ^(d)	858.6	858.6

Notes:

- (a) *The sum of the surplus/deficit of the general government and public non-financial corporation sectors does not directly equal the non-financial public sector surplus due to intersectoral transfers, which are netted out in the calculation of the non-financial public sector figure. Surplus (+)/deficit(-) excludes finance lease acquisitions.*
- (b) *The non-financial public sector surplus/deficit relating to 2009-10 includes net cash flows from investments in financial assets for policy purposes.*
- (c) *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 Loan Council has agreed should not be included in LCAs (e.g. the over/under funding of employers' emerging costs under public sector superannuation schemes, or borrowings by entities such as statutory marketing authorities).*
- (d) *A tolerance limit equal to 2 per cent of 'total non financial public sector cash receipts from operating activities' (2008-09 Budget Update) applies to jurisdictions' LCA nomination and revised LCA at budget time, and between the budget time LCA and LCA outcome. The tolerance limit applying to Victoria in 2009-10 is \$858.6 million (2 per cent of \$42 928.6 million – sourced from 2008-09 Budget Update).*

As part of the Loan Council arrangements, the Loan Council has agreed that if at any time a jurisdiction finds that it is likely to exceed its tolerance limit, in either direction, it is required to provide an explanation to the Loan Council and, in line with the emphasis of the increased transparency, to make the explanation public. The 2009-10 revised LCA (deficit of \$8 094.3 million) exceeded the tolerance limit estimated for Victoria at budget time. The change of \$2 941 million in the LCA between 2009-10 nomination and 2009-10 revised is due to:

- revision in the GG cash position from a \$703 million deficit to a \$2 694.4 million deficit due to a significant increase in net cash flows from investments in non-financial assets for additional funding of capital expenditure programs, as outlined in Budget Paper No. 2, *Strategy and Outlook*;
- change in the public non-financial corporation sector cash position from a \$4 120.2 million deficit to a \$4 982.4 million deficit, also mainly due to higher capital expenditure; and
- recognition of a finance lease of \$75.4 million for the Victorian Schools Public Private Partnerships Project.

In the interests of transparency, the State is required to disclose the details of infrastructure projects with private sector involvement and to report the full contingent exposure, if any. 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 LCAs. The amount payable will not exceed the fair market value of the project (which is usually calculated by an independent valuer) less any costs incurred by government as a result of the default.

Listed below are details of Public Private Partnerships (PPP) projects, which are expected to be contracted in the 2009-10 financial year.

Desalination Project

The Desalination Project was announced in June 2007, with a capital cost of \$3.1 billion, as part of *Our Water Our Future: The Next Stage of the Government's Water Plan*. A private sector consortium will be responsible for the design, construction, financing, operations and maintenance of the facility, which will be located in the Wonthaggi region.

In 2008, the project was put to the market and bids were received in March 2009, with contract execution expected to take place in the third quarter of 2009. The term of the contract is 30 years from the date of financial close. Construction is scheduled to commence in late 2009 with the first water due to be supplied by the end of 2011.

The project contract will most likely include an obligation for government to make a payment to the contractor should the Government terminate the contract for default. The quantum of the payment is not expected to exceed the remaining balance of the approved project funding at any time.

Ararat Prison

In July 2008 it was announced that the new 350-bed medium-security Ararat prison would be procured as a PPP, adjacent to the existing Ararat prison. The prison is a key part of the progressive upgrade of Victoria's correctional system and will meet future projected prisoner growth.

The private sector partner will design, construct, finance and maintain the facilities over the contract period, while core custodial services will be retained by the State. The project is a key component of the *Building confidence in corrections* initiative, which was allocated \$317 million for capital costs in the *2008-09 Budget*. Contract execution is expected to take place in the first quarter of 2010, with the prison expected to be completed in 2012.

The term of the contract is 25 years from the date of commercial acceptance. The project contract will include an obligation for government to make a payment to the contractor should the Government terminate the contract for default. The quantum of the payment is not expected to exceed the remaining balance of the approved project funding at any time.

Peninsula Link

In March 2009 the Peninsula Link road project was announced as a PPP using an availability model. Under this model there is no tolling of users. Payment to the private sector proponent is subject to the ongoing achievement of specific service standards.

The project is to build 25 kilometres of freeway standard road between the Frankston Freeway-EastLink interchange at Carrum Downs and the Mornington Peninsula Freeway at Mount Martha. The private sector partner will design, build, finance, operate and maintain the Peninsula Link at a budgeted cost of \$750 million under the *Victorian Transport Plan*. The State Government continues to work cooperatively with the Commonwealth Government to secure a funding contribution to deliver this initiative.

Contract execution is expected to take place in the last quarter of 2009, with the road expected to be completed in early 2013. The term of the contract is likely to be 25-30 years from the date of commercial acceptance. The project contract will include an obligation for government to make a payment to the contractor should the Government terminate the contract for default. The quantum of the payment is not expected to exceed the remaining balance of the approved project funding at any time.

