

**SUPPLEMENTARY GAZETTE**



**THE SOUTH AUSTRALIAN  
GOVERNMENT GAZETTE**

---

**PUBLISHED BY AUTHORITY**

---

**ALL PUBLIC ACTS appearing in this GAZETTE are to be considered official, and obeyed as such**

---

ADELAIDE, MONDAY, 4 FEBRUARY 2002

---

## Government of South Australia



# MID YEAR BUDGET REVIEW

2001-02

---

*Presented by  
The Honourable Rob Lucas MLC  
Treasurer of South Australia*

---

## **CONTENTS**

### **1. ECONOMIC CONTEXT**

### **2. 2001-02 BUDGET POSITION AND OUTLOOK**

### **3. UNIFORM PRESENTATION FRAMEWORK**

## 1 THE ECONOMIC CONTEXT

After strong economic growth in 1999-2000, the Australian economy slowed considerably in 2000-01. Employment growth held up well at the national level despite the lower than forecast economic growth. The South Australian economy experienced low growth in 2000-01, with Gross State Product (GSP) increasing by just 0.7 percent. Contributions to growth were mainly from a solid export performance, strong household consumption and the revitalised housing market.

Notwithstanding the somewhat disappointing economic results in 2000-01, recent economic data supports the proposition that some strength will be recorded in the South Australian economy in 2001-02. Economic growth (GSP) in 2001-02 is expected to be 2½ percent, slightly below the long-term projection of 3 percent, due primarily to the synchronised downturn in most of South Australia's trading partners. In particular, the well-publicised economic problems in the USA have significant direct and indirect impacts on the South Australian economy. On the upside, strong growth in the dwelling construction industry was recorded in the latter part of 2001 and it is anticipated that this will continue until at least mid-2002. Moreover, consumption spending has been strong and is expected to remain robust due to historically low interest rates and the flow-on impact of a high level of dwelling construction.

Economic growth is anticipated to strengthen to 3 percent in 2002-03 as international conditions improve mid-2002 and in line with Commonwealth Treasury expectations that national economic growth will improve in 2002-03. Most economic commentators, including the OECD, anticipate a recovery in the US economy by the middle of 2002. The boost to South Australia's export sector, and the subsequent flow-on effects to the domestic economy, should be more than enough to compensate for any slowdown in dwelling construction mid to late 2002. Projections for 2003-04 and 2004-05 have taken into consideration the expected performance of the national economy over the medium term and relative population growth rates, indicating a 3 per cent per annum economic growth rate for South Australia.

State employment growth is forecast to be lower than at Budget-time, continuing at ¾ of a percent in 2001-02 and 2002-03, before returning to the medium term projected level of 1½ per cent thereafter.

The CPI is estimated to increase by 2¼ percent in 2001-02. The marginally higher forecast for CPI growth than at Budget time reflects the flow-on effects of higher than expected June quarter 2001 growth in the CPI. Inflation is then expected to return to the mid-point of the Reserve Bank of Australia's (RBA) target range at 2½ percent.

Table 1 below provides a summary of key economic parameters in the next few years, for both South Australia and Australia.

**Table 1 Key Economic Assumptions – Australia and South Australia Real Growth Rates (% per annum)**

	2000-01 Actual	2001-02 Budget	2001-02 Revised	2002-03 Forecast	2003-04 Projection	2004-05 Projection
<b>Australia<sup>(a)</sup></b>						
GDP	1.8	3¼	3	3½	3½	3½
Domestic Final Demand	-0.1	3¼	3¾	n.a.	n.a.	n.a.
Employment	2.1	1	¾	1¼	2	2
CPI (exclusive of TNTS)	3.2	2½	n.a.	n.a.	n.a.	n.a.
CPI (as published)	6.0	2 <sup>(b)</sup>	2¾	2½	2½	2½
<b>South Australia</b>						
GSP	0.7	2½	2½	3	3	3
State Final Demand	1.1	2½	2½	3	3	3
Employment	0.7	1	¾	¾	1½	1½
CPI (exclusive of TNTS)	3.0	2½	2¾	n.a.	n.a.	n.a.
CPI (as published)	5.7	2 <sup>(b)</sup>	2¾	2½	2½	2½

(a) Commonwealth Treasury Mid-Year Economic and Fiscal Outlook (MYEFO)— published in November 2001

(b) Includes a reduction of approximately ½ of a percentage point due to the impact of the new tax system (TNTS).

Sources: Australian Bureau of Statistics, Commonwealth Treasury 'Mid-Year Economic and Fiscal Outlook', and South Australian Department of Treasury and Finance.

## 2 2001-02 BUDGET POSITION AND OUTLOOK

### Introduction

The Budget outlook and commentary presented in this section is focused on the underlying non commercial sector result which is the South Australian Government's primary fiscal measure. The medium term fiscal strategy of the Government over the four years to 2001-02 is to balance the budget of the non commercial sector.

The 2001-02 revised Budget position and outlook takes into account the impact of economic developments and other factors on revenue and interest expense. For expenditures other than interest the estimates published are the 2001-02 Budget estimates updated for Cabinet decisions since the presentation of that Budget.

### Overview

The revised estimates for the non commercial sector are presented in Table 2. The overall financial position remains consistent with budget forecasts. Although the underlying budget position across the forward estimates is largely unchanged, there are significant offsetting movements in revenues and outlays which include the impact of the disposal of the State's port assets and the sale of the South Australian Totalizator Agency Board (TAB).

The budget estimates presented in May 2001 did not include the impact of the disposal of port assets and the TAB as the outcome of these transactions had not been finalised. The disposal process for the port assets was completed in November 2001 and January 2002 for the TAB. The impact of the disposal of these assets on the underlying result is now reflected in the budget estimates.

### Outlays

Compared to the original estimate, total outlays have been revised up by \$281.3 million in 2001-02. This increase is mainly due to the carryover of portfolio expenditure that was budgeted to occur in 2000-01 and the application of \$90.0 million of proceeds from the sale of Ports Corporation to fund past service super liabilities as part of the funding process for the National Action Plan for Salinity and Water Quality. This has been partially offset by lower net interest payments as a result of prepaying \$30 million interest in 2000-01. Over the forward years outlays have been revised up by \$134.2 million reflecting the effect of a deterioration in the outlook for medium term interest rates and increased expenditure approved by Cabinet.

### Revenue

Revenue estimates for 2001-02 exceed Budget by \$121.3 million mainly on account of taxation revenue gains which are largely 'one off' reflecting the buoyancy in the property market. This component of the revenue gains is not expected to be sustained in the forward projection period.

### Taxation

Taxation receipts for 2001-02 have been revised up by \$101.0 million since Budget.

Upward revisions to stamp duty on conveyances, taxes on insurance, payroll tax and gaming machine tax are the main sources of revenue gain since Budget.

Nearly half of the upward revision to taxation receipts relates to conveyance duty. The strength of the property market in the first six months of 2001-02 has exceeded expectations reflecting continuing low interest rates and the additional First Home Owner Grant, which will continue to be available to the end of June 2002 (albeit at a lower level from 1 January 2002).

The strength in the property market is not expected to be sustained in the second half of 2001-02 or into 2002-03. Reflecting this revised outlook, conveyance duty receipts for 2002-03 have been revised down from the Budget time position.

Stamp duty on general insurance has exceeded expectations in the first six months of 2001-02 reflecting the combined impact of an industry-wide uplift in premium levels compounded by the collapse of HIH and, more recently, the acts of terrorism on 11 September, 2001. In light of these events the estimate for taxes on insurance has been revised upwards.

Taxation revenue from payroll tax and gaming machines has been a further source of revenue improvement in 2001-02. Underlying gaming machine expenditure growth has been stronger than budgeted.

Upward revisions to taxation revenue are more modest in the forward projection period reflecting lesser buoyancy in the property market and a downward revision to conveyance duty revenues in 2002-03. The main sources of ongoing revenue improvement relate to taxes on insurance and gambling (gaming machine tax increases being partially offset by lower taxation revenue resulting from the sale of the TAB).

***Net Operating Surplus of Non Commercial Public Trading Enterprises***

Forward estimates for the Net Operating Surplus of Non Commercial Public Trading Enterprises have not been revised since Budget other than for the effects of the sale of the TAB.

***Income from Commercial Public Trading Enterprises***

Income from Commercial Public Trading Enterprises has been revised down by \$9.2 million since Budget to reflect the loss of income following the sale of Ports Corporation.

***Other Revenue***

Other revenue has been revised down by \$16.7 million for 2001-02. Downward revisions to royalties, distributions from SAAMC and a number of other smaller categories more than offset increased distributions from SAFA.

Royalty revenue is expected to fall short of Budget as a result of the explosion and fire at Moomba in June 2001 and a subsequent fire at Olympic Dam in October 2001, both of these events will impact on production levels in 2001-02. Beyond 2001-02, royalty estimates are largely unchanged from Budget time projections.

Amendments to the timing of SAAMC and SAFA dividends have led to a downward revision to distributions from SAAMC and an upward revision to distributions from SAFA in 2001-02, and upward revisions to distributions from SAAMC for the forward estimate period beyond 2001-02.

***Commonwealth General Purpose Grants***

General purpose funding has been revised up by \$40.1 million for 2001-02.

General purpose funding under the Guaranteed Minimum Amount (GMA) arrangements accounts for \$39.9 million of the improvement; of this, \$10.1 million relates to higher than anticipated spending on the basic First Home Owner Grant and higher GST administration costs, neither of which have any net budgetary impact because the GMA provides for offsetting revenue grants to match these additional budget costs. The remaining improvement of \$29.8 million relates to higher estimates of tax and grant revenue forgone as part of national tax reform changes to funding arrangements with the States – mainly reflecting revised estimates of revenue forgone from financial assistance grants (due to higher CPI), petrol replacement revenue grants (due to revised Commonwealth estimates of petrol usage) and gambling taxes.

GMA revenue improvements impacting on the Budget result are lower in subsequent years because of projected losses from corrections to the Commonwealth Grants Commission's data set as part of the 2002 Relativity Update and further projected provisions for a reduced grant share from the 2004 Methodology Review.

Competition grants for 2001-02 have been revised up \$0.2 million since Budget.

***Specific Purpose Payments***

Specific purpose payments (SPPs) have been revised up by \$2.0 million for 2001-02 reflecting higher than anticipated spending relating to the additional First Home Owner Grant available for new homes. Funding for the additional grant from 2001-02 is provided by way of a specific grant whereas funding for the basic grant is provided through the GMA. There have been no revisions to forward estimates of SPPs beyond 2001-02.

**Table 2 Non Commercial Sector — 2001-02 Budget and Forward Estimates**  
(Excludes Net Proceeds of the Sale of Government Businesses)

	2001-02 Budget	2001-02 Revised	2002-03 Revised	2003-04 Revised	2004-05 Revised
	\$m	\$m	\$m	\$m	\$m
<b>Current outlays</b>					
General Govt final consumption expenditure	4 742	5 033	4 847	5 016	5 227
Net interest payments	159	142	190	189	196
Subsidies paid	733	736	670	665	652
Other <sup>(a)</sup>	1 131	1 137	1 119	1 133	1 124
<b>Total current outlays</b>	<b>6 764</b>	<b>7 048</b>	<b>6 825</b>	<b>7 003</b>	<b>7 199</b>
<b>Capital outlays</b>					
Gross fixed capital expenditure and other capital outlays	612	610	517	523	531
Grants	46	46	45	41	11
Advances	(20)	(20)	(10)	(9)	(13)
<b>Total capital outlays</b>	<b>638</b>	<b>635</b>	<b>552</b>	<b>555</b>	<b>529</b>
<b>Total outlays</b>	<b>7 402</b>	<b>7 684</b>	<b>7 377</b>	<b>7 558</b>	<b>7 729</b>
<b>Own-source revenues</b>					
Taxes	1 984	2 085	2 089	2 181	2 263
Net operating surplus of non commercial public trading enterprises	29	33	36	42	43
Income from commercial public trading enterprises	243	233	244	250	260
Other revenue	602	586	385	355	364
<b>Own-source revenues</b>	<b>2 858</b>	<b>2 937</b>	<b>2 754</b>	<b>2 827</b>	<b>2 930</b>
Grants received	4 415	4 457	4 543	4 644	4 718
<b>Total revenue and grants received</b>	<b>7 272</b>	<b>7 394</b>	<b>7 297</b>	<b>7 471</b>	<b>7 648</b>
<b>Financing transactions</b>					
Provisions	80	80	82	82	82
Deficit/(surplus)	50	210	(2)	4	(2)
<b>Abnormal items</b>					
Separation payments	(40)	(40)	—	—	—
Cost associated with asset sales	(12)	(82)	—	(6) <sup>(b)</sup>	—
Ports Corp sale proceeds to be spent on salinity <sup>(c)</sup>	—	(90)	—	—	—
<b>Underlying deficit/(surplus)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>

(a) Grants on-passed to local government, personal benefit payments etc.

(b) Payment in 2003-04 fully relates to the termination of a residual finance lease due in 2003-04, being a finance lease retained from disposal of Ports Corporation in 2001.

(c) The Government has committed \$100 million to expenditure on the National Action Plan for Salinity and Water Quality over the next seven years. Proceeds of the Ports Corp sale are to be used to fund that expenditure. As part of this process \$90 million has been paid to Funds SA in respect of past superannuation liabilities. This amount will be effectively drawn down to fund the National Action Plan for Salinity and Water Quality over the next seven years. This will be achieved by making lower annual contributions in respect of past superannuation liabilities. This mechanism allows the salinity expenditure to be funded over the seven-year period, while still maintaining the Government's commitment to eliminate all past superannuation liabilities by 2034.

### 3. UNIFORM PRESENTATION FRAMEWORK TABLES

**Table 1: General Government Sector Operating Statement**

	2001-02 Budget	2001-02 Revised Budget	2002-03 Estimate	2003-04 Estimate	2004-05 Estimate
	\$m	\$m	\$m	\$m	\$m
<b>GFS Revenue (a)</b>					
Taxation Revenue	1 984	2 085	2 089	2 181	2 265
Current Grants and Subsidies	4 242	4 282	4 366	4 465	4 539
Capital Grants	—	—	—	—	—
Sales of Goods and Services	759	770	775	774	789
Interest Income	148	133	155	154	158
Other	1 008	991	816	794	810
<i>Total Revenue</i>	<i>8 141</i>	<i>8 260</i>	<i>8 201</i>	<i>8 367</i>	<i>8 561</i>
<b>less GFS Expenses (b)</b>					
Gross Operating Expenses (c)	6 115	6 324	6 204	6 400	6 487
Nominal Superannuation Interest Expense	239	244	251	255	259
Other Interest Expenses	291	289	296	295	303
Other Property Expenses (c)	—	—	—	—	—
Current Transfers (c)	1 447	1 457	1 385	1 386	1 402
Capital Transfers (c)	88	88	82	67	60
<i>Total Expenses</i>	<i>8 179</i>	<i>8 402</i>	<i>8 218</i>	<i>8 403</i>	<i>8 511</i>
<b>equals GFS Net Operating Balance</b>	<b>(38)</b>	<b>(141)</b>	<b>(17)</b>	<b>(36)</b>	<b>50</b>
<b>less Net Acquisition of Non-financial Assets</b>					
Gross Fixed Capital Formation	519	505	469	481	496
less Depreciation	350	350	355	361	362
plus Change in Inventories	1	1	2	2	—
plus Other Movements in Non-financial Assets	—	—	—	—	—
<b>equals Total Net Acquisition of Non-financial Assets</b>	<b>171</b>	<b>157</b>	<b>116</b>	<b>122</b>	<b>134</b>
<b>equals GFS Net Lending / (Borrowing) (d)</b>	<b>(209)</b>	<b>(298)</b>	<b>(133)</b>	<b>(158)</b>	<b>(84)</b>

- (a) GFS revenue is not equal to AAS31 revenue. GFS revenue includes all (mutually agreed) transactions that increase net worth. Revaluations are not considered mutually agreed transactions, and so are excluded from GFS revenue.
- (b) GFS expenses are not equal to AAS31 expenses. AAS31 expenses include all transactions that decrease net worth, whereas GFS expenses exclude revaluations and other transactions not mutually agreed.
- (c) These line items are disaggregated further in ABS GFS reporting.
- (d) GFS net lending also equals net transactions in financial assets less net transactions in liabilities. Under accrual accounting principles asset sales expenses are brought to account as part of the general government operating statement, however, asset sale proceeds are not. Therefore, whilst \$70 million of expenses are included, \$43.5 million received from the TAB and the \$132.5 million received from the Ports Corporation sale are not included.

**Table 2: Public Non-financial Corporation (Trading Enterprises) Sector Operating Statement**

	<b>2001-02 Budget</b>	<b>2001-02 Revised Budget</b>
	<b>\$m</b>	<b>\$m</b>
<b>GFS Revenue (a)</b>		
Taxation Revenue	—	—
Current Grants and Subsidies	439	439
Capital Grants	—	—
Sales of Goods and Services	1 343	1 272
Interest Income	14	13
Other	89	94
<i>Total Revenue</i>	<u>1 885</u>	<u>1 819</u>
<b>less GFS Expenses (b)</b>		
Gross Operating Expenses (c)	1 438	1 400
Nominal Superannuation Interest Expense	—	—
Other Interest Expenses	153	152
Other Property Expenses (c)	263	255
Current Transfers (c)	48	27
Capital Transfers (c)	—	—
<i>Total Expenses</i>	<u>1 902</u>	<u>1 834</u>
<b>equals GFS Net Operating Balance</b>	<u>(17)</u>	<u>(16)</u>
<b>less Net Acquisition of Non-financial Assets</b>		
Gross Fixed Capital Formation	261	91
less Depreciation	188	186
plus Change in Inventories	—	—
plus Other Movements in Non-financial Assets	—	—
<i>equals Total Net Acquisition of Non-financial Assets</i>	<u>73</u>	<u>(96)</u>
<b>equals GFS Net Lending / (Borrowing) (d)</b>	<u>(90)</u>	<u>80</u>

- (a) GFS revenue is not equal to AAS31 revenue. GFS revenue includes all (mutually agreed) transactions that increase net worth. Revaluations are not considered mutually agreed transactions, and so are excluded from GFS revenue.
- (b) GFS expenses are not equal to AAS31 expenses. AAS31 expenses include all transactions that decrease net worth, whereas GFS expenses exclude revaluations and other transactions not mutually agreed.
- (c) These line items are disaggregated further in ABS GFS reporting.
- (d) GFS net lending also equals net transactions in financial assets less net transactions in liabilities.

**Table 3: Non-financial Public Sector Operating Statement**

	2001-02 Budget	2001-02 Revised Budget
	\$m	\$m
<b>GFS Revenue (a)</b>		
Taxation Revenue	1 815	1 921
Current Grants and Subsidies	4 243	4 283
Sales of Goods and Services	2 027	1 967
Interest Income	98	82
Other	830	826
<i>Total Revenue</i>	<u>9 013</u>	<u>9 080</u>
<b>less GFS Expenses (b)</b>		
Gross Operating Expenses (c)	7 301	7 479
Nominal Superannuation Interest Expense	239	244
Other Interest Expenses	381	377
Other Property Expenses (c)	8	8
Current Transfers (c)	1 051	1 040
Capital Transfers (c)	88	88
<i>Total Expenses</i>	<u>9 069</u>	<u>9 236</u>
<b>equals GFS Net Operating Balance</b>	<u>(55)</u>	<u>(157)</u>
<b>less Net Acquisition of Non-financial Assets</b>		
Gross Fixed Capital Formation	780	596
less Depreciation	538	536
plus Change in Inventories	1	1
plus Other Movements in Non-financial Assets	—	—
<i>equals Total Net Acquisition of Non-financial Assets</i>	<u>244</u>	<u>61</u>
<b>equals GFS Net Lending / (Borrowing) (d)</b>	<u>(299)</u>	<u>(218)</u>

- (a) GFS revenue is not equal to AAS31 revenue. GFS revenue includes all (mutually agreed) transactions that increase net worth. Revaluations are not considered mutually agreed transactions, and so are excluded from GFS revenue.
- (b) GFS expenses are not equal to AAS31 expenses. AAS31 expenses include all transactions that decrease net worth, whereas GFS expenses exclude revaluations and other transactions not mutually agreed.
- (c) These line items are disaggregated further in ABS GFS reporting.
- (d) GFS net lending also equals net transactions in financial assets less net transactions in liabilities.

**Table 4: General Government Sector Balance Sheet**

	2001-02 Budget	2001-02 Revised Budget	2002-03 Estimate	2003-04 Estimate	2004-05 Estimate
	\$m	\$m	\$m	\$m	\$m
<b>Assets</b>					
<b>Financial Assets</b>					
Cash and Deposits	1 947	1 707	1 723	1 882	2 017
Advances Paid (a)	—	1 258	1 258	1 258	1 258
Investments, Loans and Placements	1 416	115	77	61	50
Other Non-equity Assets	240	274	311	328	339
Equity	9 895	10 118	10 185	10 294	10 497
<i>Total Financial Assets</i>	<i>13 498</i>	<i>13 473</i>	<i>13 553</i>	<i>13 823</i>	<i>14 162</i>
<b>Non-financial Assets</b>					
Land and Fixed Assets	9 464	10 871	10 998	11 098	11 207
Other Non-financial Assets	248	74	92	113	90
<i>Total Non-financial Assets</i>	<i>9 712</i>	<i>10 945</i>	<i>11 090</i>	<i>11 211</i>	<i>11 297</i>
<i>Total Assets</i>	<i>23 210</i>	<i>24 418</i>	<i>24 644</i>	<i>25 034</i>	<i>25 459</i>
<b>Liabilities</b>					
Deposits Held	600	365	379	400	436
Advances Received (b)	—	844	844	844	844
Borrowing	4 027	3 090	3 245	3 425	3 583
Superannuation Liability (c)	3 429	3 297	3 370	3 441	3 508
Other Employee Entitlements and Provisions	928	1 010	1 039	1 067	1 098
Other Non-equity Liabilities	854	936	959	994	1 010
<i>Total Liabilities</i>	<i>9 837</i>	<i>9 543</i>	<i>9 836</i>	<i>10 170</i>	<i>10 479</i>
<b>Net Worth</b>	<b>13 373</b>	<b>14 875</b>	<b>14 808</b>	<b>14 864</b>	<b>14 980</b>
Net Financial Worth (d)	3 661	3 929	3 717	3 653	3 683
Net Debt (e)	1 265	1 219	1 411	1 468	1 538

- (a) Loans advanced to public corporations and other bodies, previously classified in investments, loans and placements.
- (b) Loans from the Commonwealth, previously classified in borrowings.
- (c) This line item includes unfunded superannuation.
- (d) Net financial worth equals total financial assets minus total liabilities.
- (e) Net debt equals the sum of deposits held, advances received and borrowing, minus the sum of cash and deposits, advances paid, and investments, loans and placements.

**Table 5: Public Non-financial Corporation (Trading Enterprises) Sector Balance Sheet**

	<b>2001-02 Budget</b>	<b>2001-02 Revised Budget</b>
	<b>\$m</b>	<b>\$m</b>
<b>Assets</b>		
Financial Assets		
Cash and Deposits	221	230
Advances Paid	—	—
Investments, Loans and Placements	36	21
Other Non-equity Assets	185	194
Equity	33	33
<i>Total Financial Assets</i>	<u>475</u>	<u>478</u>
Non-financial Assets		
Land and Fixed Assets	11 193	11 304
Other Non-financial Assets	76	48
<i>Total Non-financial Assets</i>	<u>11 269</u>	<u>11 353</u>
<i>Total Assets</i>	<u>11 744</u>	<u>11 831</u>
<b>Liabilities</b>		
Deposits Held	8	11
Advances Received (a)	—	1 075
Borrowing	2 377	1 292
Superannuation Liability (b)	23	17
Other Employee Entitlements and Provisions	47	67
Other Non-equity Liabilities	343	296
<i>Total Liabilities</i>	<u>2 797</u>	<u>2 759</u>
<b>Net Worth</b>	<u>8 947</u>	<u>9 072</u>
Net Financial Worth (c)	(2 322)	(2 281)
Net Debt (d)	2 127	2 127

(a) Loans from the general government sector, previously classified in borrowings.

(b) This line item includes unfunded superannuation.

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

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

**Table 6: Non-financial Public Sector Balance Sheet**

	<b>2001-02 Budget</b>	<b>2001-02 Revised Budget</b>
	<b>\$m</b>	<b>\$m</b>
<b>Assets</b>		
Financial Assets		
Cash and Deposits	2 026	1 813
Advances Paid (a)	—	184
Investments, Loans and Placements	436	161
Other Non-equity Assets	278	305
Equity	981	1 079
<i>Total Financial Assets</i>	<u>3 720</u>	<u>3 541</u>
Non-financial Assets		
Land and Fixed Assets	20 657	22 176
Other Non-financial Assets	225	21
<i>Total Non-financial Assets</i>	<u>20 882</u>	<u>22 197</u>
<i>Total Assets</i>	<u>24 602</u>	<u>25 738</u>
<b>Liabilities</b>		
Deposits Held	466	252
Advances Received (b)	—	844
Borrowing	5 388	4 408
Superannuation Liability (c)	3 452	3 314
Other Employee Entitlements and Provisions	944	1 078
Other Non-equity Liabilities	985	967
<i>Total Liabilities</i>	<u>11 235</u>	<u>10 863</u>
<b>Net Worth</b>	<u>13 366</u>	<u>14 876</u>
Net Financial Worth (d)	(7 515)	(7 321)
Net Debt (e)	3 392	3 346

- (a) Loans advanced by the general government sector to external entities, previously classified in investments, loans and placements.
- (b) Loans from the Commonwealth, previously classified in borrowings.
- (c) This line item includes unfunded superannuation.
- (d) Net financial worth equals total financial assets minus total liabilities.
- (e) Net debt equals the sum of deposits held, advances received and borrowing, minus the sum of cash and deposits, advances paid, and investments, loans and placements.

Table 7: General Government Sector Cash Flow Statement

	2001-02 Budget	2001-02 Revised Budget	2002-03 Estimate	2003-04 Estimate	2004-05 Estimate
	\$m	\$m	\$m	\$m	\$m
<b>Cash Receipts from Operating Activities</b>					
Taxes Received	1 984	2 085	2 089	2 181	2 263
Receipts from Sales of Goods and Services	744	754	765	761	781
Grants/Subsidies Received	4 429	4 471	4 553	4 653	4 724
Other Receipts	967	931	768	738	765
<i>Total Receipts</i>	<i>8 123</i>	<i>8 241</i>	<i>8 175</i>	<i>8 332</i>	<i>8 534</i>
<b>Cash Payments for Operating Activities</b>					
Payment for Goods and Services	(5 920)	(6 206)	(6 020)	(6 193)	(6 382)
Grants and Subsidies Paid	(1 458)	(1 461)	(1 404)	(1 403)	(1 399)
Interest Paid	(259)	(227)	(297)	(297)	(309)
Other Payments	(27)	(34)	(16)	(16)	(12)
<i>Total Payments</i>	<i>(7 664)</i>	<i>(7 928)</i>	<i>(7 737)</i>	<i>(7 908)</i>	<i>(8 101)</i>
<b>Net Cash Flows from Operating Activities</b>	<b>459</b>	<b>313</b>	<b>438</b>	<b>424</b>	<b>433</b>
<b>Net Cash Flows from Investments in Non-financial Assets</b>					
Sales of Non-financial Assets	40	40	17	21	12
Purchases of Non-financial Assets (a)	(557)	(544)	(485)	(501)	(507)
<i>Net Cash Flows from Investments in Non-financial Assets</i>	<i>(518)</i>	<i>(504)</i>	<i>(468)</i>	<i>(480)</i>	<i>(495)</i>
<b>Net Cash Flows from Investments in Financial Assets for Policy Purposes (b)</b>	<b>64</b>	<b>249</b>	<b>35</b>	<b>35</b>	<b>40</b>
<b>Net Cash Flows from Investments in Financial Assets for Liquidity Purposes</b>	<b>10</b>	<b>10</b>	<b>(7)</b>	<b>(8)</b>	<b>(14)</b>
<b>Net Cash Flows from Financing Activities</b>					
Advances Received (net)	—	—	—	—	—
Borrowing (net)	53	(43)	155	178	156
Deposits Received (net)	(73)	(105)	(17)	(9)	7
Dividends Paid	—	—	—	—	—
Other Financing (net)	(22)	(21)	(21)	(22)	(12)
<i>Net Cash Flows from Financing Activities</i>	<i>(42)</i>	<i>(168)</i>	<i>117</i>	<i>148</i>	<i>151</i>
<b>Net Increase (Decrease) in Cash Held</b>	<b>(27)</b>	<b>(100)</b>	<b>116</b>	<b>119</b>	<b>114</b>
<b>Net Cash from Operating Activities and Investments in Non-financial Assets</b>	<b>(59)</b>	<b>(191)</b>	<b>(30)</b>	<b>(56)</b>	<b>(62)</b>
Distributions Paid	—	—	—	—	—
Finance Leases and Similar Arrangements (c)	—	—	—	—	—
<b>Surplus (+) / Deficit (-)</b>	<b>(59)</b>	<b>(191)</b>	<b>(30)</b>	<b>(56)</b>	<b>(62)</b>

(a) The ABS disaggregates this item into new and secondhand non-financial assets.

(b) Includes equity acquisitions, disposals and privatisations (net).

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

**Table 8: Public Non-financial Corporation (Trading Enterprises) Sector Cash Flow Statement**

	2001-02 Budget	2001-02 Revised Budget
	\$m	\$m
<b>Cash Receipts from Operating Activities</b>		
Taxes Received	—	—
Receipts from Sales of Goods and Services	1 391	1 303
Grants/Subsidies Received	436	436
Other Receipts	47	46
<i>Total Receipts</i>	<u>1 873</u>	<u>1 784</u>
<b>Cash Payments for Operating Activities</b>		
Payment for Goods and Services	(1 174)	(1 139)
Grants and Subsidies Paid	(43)	(27)
Interest Paid	(143)	(142)
Other Payments	(94)	(89)
<i>Total Payments</i>	<u>(1 455)</u>	<u>(1 398)</u>
<b>Net Cash Flows from Operating Activities</b>	<u>419</u>	<u>387</u>
<b>Net Cash Flows from Investments in Non-financial Assets</b>		
Sales of Non-financial Assets	81	257
Purchases of Non-financial Assets (a)	(322)	(327)
<i>Net Cash Flows from Investments in Non-financial Assets</i>	<u>(241)</u>	<u>(70)</u>
<b>Net Cash Flows from Investments in Financial Assets for Policy Purposes (b)</b>	—	—
<b>Net Cash Flows from Investments in Financial Assets for Liquidity Purposes</b>	—	—
<b>Net Cash Flows from Financing Activities</b>		
Advances Received (net)	(59)	(244)
Borrowing (net)	64	64
Deposits Received (net)	4	4
Dividends Paid	(254)	(245)
Other Financing (net)	—	—
<i>Net Cash Flows from Financing Activities</i>	<u>(244)</u>	<u>(420)</u>
<b>Net Increase (Decrease) in Cash Held</b>	<u>(67)</u>	<u>(104)</u>
<b>Net Cash from Operating Activities and Investments in Non-financial Assets</b>	178	317
Distributions Paid	254	245
Finance Leases and Similar Arrangements (c)	—	—
<b>Surplus (+) / Deficit (-)</b>	<u>(76)</u>	<u>72</u>

(a) The ABS disaggregates this item into new and secondhand non-financial assets.

(b) Includes equity acquisitions, disposals and privatisations (net).

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

**Table 9: Non-financial Public Sector Cash Flow Statement**

	2001-02 Budget	2001-02 Revised Budget
	\$m	\$m
<b>Cash Receipts from Operating Activities</b>		
Taxes Received	1 815	1 921
Receipts from Sales of Goods and Services	2 061	1 984
Grants/Subsidies Received	4 429	4 471
Other Receipts	676	648
<i>Total Receipts</i>	<u>8 981</u>	<u>9 024</u>
<b>Cash Payments for Operating Activities</b>		
Payment for Goods and Services	(6 920)	(7 176)
Grants and Subsidies Paid	(1 066)	(1 053)
Interest Paid	(321)	(297)
Other Payments	(50)	(42)
<i>Total Payments</i>	<u>(8 357)</u>	<u>(8 569)</u>
<b>Net Cash Flows from Operating Activities</b>	<u>624</u>	<u>455</u>
<b>Net Cash Flows from Investments in Non-financial Assets</b>		
Sales of Non-financial Assets	121	297
Purchases of Non-financial Assets (a)	(879)	(871)
<i>Net Cash Flows from Investments in Non-financial Assets</i>	<u>(758)</u>	<u>(574)</u>
<b>Net Cash Flows from Investments in Financial Assets for Policy Purposes (b)</b>	6	6
<b>Net Cash Flows from Investments in Financial Assets for Liquidity Purposes</b>	10	10
<b>Net Cash Flows from Financing Activities</b>		
Advances Received (net)	—	—
Borrowing (net)	117	22
Deposits Received (net)	—	—
Dividends Paid	—	—
Other Financing (net)	(22)	(21)
<i>Net Cash Flows from Financing Activities</i>	<u>95</u>	<u>—</u>
<b>Net Increase (Decrease) in Cash Held</b>	<u>(24)</u>	<u>(103)</u>
<b>Net Cash from Operating Activities and Investments in Non-financial Assets</b>	(134)	(119)
Distributions Paid	—	—
Finance Leases and Similar Arrangements (c)	—	—
<b>Surplus (+) / Deficit (-)</b>	<u>(134)</u>	<u>(119)</u>

(a) The ABS disaggregates this item into new and secondhand non-financial assets.

(b) Includes equity acquisitions, disposals and privatisations (net).

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

**Table 10: General Government Sector Taxes**

	<b>2001-02 Budget</b>	<b>2001-02 Revised Budget</b>
	<b>\$m</b>	<b>\$m</b>
Taxes on Employers' Payroll and Labour Force	580	588
Taxes on Property		
Land Taxes	145	145
Stamp Duties on Financial and Capital Transactions	306	358
Financial Institutions' Transaction Taxes	68	67
Other (a)	90	93
<i>Total</i>	<i>608</i>	<i>663</i>
Taxes on the Provision of Goods and Services		
Excises and Levies	1	1
Taxes on Gambling	289	305
Taxes on Insurance	195	214
<i>Total</i>	<i>485</i>	<i>520</i>
Taxes on Use of Goods and Performance of Activities		
Motor Vehicle Taxes	311	314
Franchise Taxes	—	—
<i>Total</i>	<i>311</i>	<i>314</i>
<b>Total GFS Taxation Revenue</b>	<b>1 984</b>	<b>2 085</b>

(a) Excludes taxes paid by general government units.

**Table 11 : Loan Council Allocation 2001-02 - Total Non-Financial Public Sector**

	Budget \$m	Revised \$m
General government sector cash deficit/(surplus)	59	191
PNFC sector cash deficit/(surplus)	76	(72)
Total non-financial public sector cash deficit/(surplus) <sup>(a)</sup>	134	119
Net cash flows from investments in financial assets for policy purposes <sup>(b)</sup>	(6)	(6)
Adjusted total non-financial public sector cash deficit/(surplus)	128	113
Memorandum items <sup>(c)</sup>		
Operating leases <sup>(d)</sup>	(36)	(20)
Recourse asset sales	0	0
Superannuation <sup>(e)</sup>	(158)	(288)
Local government	19	17
Home finance schemes	23	51
Total memorandum items	(152)	(239)
Loan Council Allocation (LCA) <sup>(f)(g)</sup>	(24)	(126)

- (a) The sum of the general government and PNFC sector may not equal the non-financial public sector deficit due to intersectoral transfers, which are netted out in the calculation of the total figure. These figures exclude statutory marketing authorities.
- (b) This item is the negative of net advances paid under a cash accounting framework.
- (c) Excludes universities.
- (d) Increase/(decrease) in the net present value (NPV) of operating leases with an NPV of \$5 million or greater.
- (e) Includes both 'payments in excess of emerging costs of superannuation' and 'interest earnings on employer balances'.
- (f) The 2 per cent of total revenue tolerance limit around South Australia's 2001-02 LCA is \$172 million. The difference of \$102 million between budget and revised is within that tolerance limit.
- (g) South Australia has no infrastructure projects with private sector involvement that meets the LCA recognition criteria for 2001-02.

Dated 4 February 2002.

ROB LUCAS, Treasurer