

BP #1: Budget Strategy and Outlook

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- Statement 1: Budget Overview

Table 1: Major economic parameters^(a)

	Forecasts			Projections	
	2008-09	2009-10	2010-11	2011-12	2012-13
Real GDP	0	- 1/2	2 1/4	4 1/2	4 1/2
Employment	- 1/4	-1 1/2	1/2	2 1/2	2 1/2
Unemployment rate	6	8 1/4	8 1/2	7 1/2	6 1/2
CPI	1 3/4	1 3/4	1 1/2	2	2 1/2
Nominal GDP	5 3/4	-1 1/2	3 3/4	6 1/4	6 3/4

(a) Real and nominal GDP parameters are year average. CPI and employment are through the year growth to the June quarter. The unemployment rate is the rate in the June quarter.

Source: Treasury.

Table 2: Budget aggregates

	Actual	Estimates			Projections	
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Underlying cash balance (\$b)(a)	19.7	-32.1	-57.6	-57.1	-44.5	-28.2
Per cent of GDP	1.7	-2.7	-4.9	-4.7	-3.4	-2.0
Fiscal balance (\$b)	21.0	-32.9	-53.1	-56.0	-41.8	-30.3
Per cent of GDP	1.9	-2.7	-4.5	-4.6	-3.2	-2.2

(a) Excludes expected Future Fund earnings.

- Statement 2: Economic Outlook

Table 1: Domestic economy forecasts^(a)

	Outcomes(b)	Estimates	Forecasts	
	2007-08	2008-09	2009-10	2010-11
Panel A - Demand and output(c)				
Household consumption	3.7	1	- 1/4	1 3/4
Private investment				
Dwellings	1.6	2 1/2	0	11 1/2
Total business investment(d)	14.2	2 1/2	-18 1/2	3 1/2
Non-dwelling construction(d)	11.4	1/2	-26	3
Machinery and equipment(d)	16.0	3	-16 1/2	4
Private final demand(d)	5.5	1/2	-4	2 3/4
Public final demand(d)	4.6	5	7 3/4	- 1/2
Total final demand	5.3	1 1/2	-1 1/4	2
Change in inventories(e)	0.2	-1 1/2	1/4	3/4
Gross national expenditure	5.5	1/4	-1 1/4	2 1/2
Exports of goods and services	4.3	- 1/2	-4	4 1/2
Imports of goods and services	12.9	-1 1/2	-6 1/2	6 1/2
Net exports(e)	-1.9	1/4	3/4	- 1/2
Gross domestic product	3.6	0	- 1/2	2 1/4
Non-farm product	3.6	- 1/4	- 1/2	2 1/4
Farm product	4.5	13	1	0
Nominal gross domestic product	8.2	5 3/4	-1 1/2	3 3/4
Panel B - Other selected economic measures				
External accounts				
Terms of trade	5.2	8 3/4	-13 1/4	0
Current account balance (per cent of GDP)	-6.2	-3	-5 1/4	-5 3/4
Labour market				
Employment (labour force survey basis)(f)	2.4	- 1/4	-1 1/2	1/2
Unemployment rate (per cent)(g)	4.2	6	8 1/4	8 1/2
Participation rate (per cent)(g)	65.5	65 1/4	64 3/4	64 1/4
Prices and wages				
Consumer Price Index(f)	4.5	1 3/4	1 3/4	1 1/2
Gross non-farm product deflator	4.3	5 3/4	-1	1 1/2
Wage Price Index(f)	4.1	4 1/4	3 1/4	3 1/4

(a) Percentage change on previous year unless otherwise indicated.

(b) Calculated using original data.

(c) Chain volume measures except for nominal gross domestic product which is in current prices.

(d) Excluding second-hand asset sales from the public sector to the private sector.

(e) Percentage point contribution to growth in GDP.

(f) Through the year growth rate to the June quarter.

(g) Estimate for the June quarter.

Note: The forecasts are based on several technical assumptions. The exchange rate is assumed to remain around its recent average level — a trade-weighted index of around 59 and a United States dollar exchange rate of around 72 US cents. Interest rates are assumed to move broadly in line with market expectations. World oil prices (Malaysian Tapis) are assumed to remain around US\$56 per barrel. The farm sector forecasts are based on an assumption of average seasonal conditions in the future, but account for current low water storage levels.

Source: Australian Bureau of Statistics (ABS) cat. no. 5206.0, 5302.0, 6202.0, 6345.0, 6401.0, unpublished ABS data and Treasury.

Table 2: International GDP growth forecasts^(a)

	Actual	Forecasts		
	2008	2009	2010	2011
United States	1.1	-3	1/4	1 3/4
Euro area	0.7	-4	0	1 1/4
Japan	-0.7	-6	1/2	3/4
China(b)	9.0	6 1/4	8	8 1/2
NIEs(c)	1.6	-4 3/4	2 3/4	3 1/4
ASEAN-5(d)	4.6	-1 1/4	2 1/2	3 3/4
India(b)	7.4	4	4 3/4	5 3/4
Major trading partners	2.7	-2	2 1/2	3 1/4
Advanced economies(e)	0.9	-3 3/4	1/2	1 3/4
World	3.2	-1 1/2	2 1/4	3 1/2

(a) World, euro area and advanced economies growth rates are calculated using GDP weights based on purchasing power parity (PPP), while growth rates for major trading partners, NIEs and ASEAN-5 are calculated using export trade weights.

(b) Production-based measures of GDP.

(c) The Newly Industrialised Economies (NIEs) are Hong Kong, South Korea, Singapore and Taiwan.

(d) The Association of Southeast Asian Nations group of five (ASEAN-5) comprises Indonesia, Malaysia, the Philippines, Thailand and Vietnam.

(e) Composed of the 33 industrialised economies classified as advanced by the IMF.

Source: National statistical publications, IMF and Treasury.

- Statement 3: Fiscal Strategy and Outlook

Table 3: Australian Government general government sector budget aggregates

	Actual	Estimates			Projections	
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Revenue (\$b)	303.7	295.9	290.6	294.8	320.8	349.7
Per cent of GDP	26.8	24.7	24.7	24.1	24.7	25.2
Expenses (\$b)	280.1	324.4	338.2	344.5	356.4	375.0
Per cent of GDP	24.8	27.1	28.7	28.2	27.4	27.0
Net operating balance (\$b)	23.6	-28.5	-47.6	-49.7	-35.6	-25.3
Net capital investment (\$b)	2.6	4.3	5.5	6.3	6.1	5.0
Fiscal balance (\$b)	21.0	-32.9	-53.1	-56.0	-41.8	-30.3
Per cent of GDP	1.9	-2.7	-4.5	-4.6	-3.2	-2.2
Underlying cash balance (\$b)(a)	19.7	-32.1	-57.6	-57.1	-44.5	-28.2
Per cent of GDP	1.7	-2.7	-4.9	-4.7	-3.4	-2.0
<i>Memorandum item:</i>						
Headline cash balance (\$b)	28.2	-35.9	-59.8	-58.9	-48.5	-25.1

(a) Excludes expected Future Fund earnings.

Table 5: Reconciliation of 2008-09 Budget, 2008-09 MYEFO, UEFO and 2009-10 Budget underlying cash balance estimates

	Estimates			Projections
	2008-09 \$m	2009-10 \$m	2010-11 \$m	2011-12 \$m
2008-09 Budget underlying cash balance(b)	21,703	19,669	18,996	18,870
Per cent of GDP	1.8	1.5	1.4	1.3
Changes between 2008-09 Budget and MYEFO				
Effect of policy decisions(a)	-11,093	-1,634	-966	-810
Effect of parameter and other variations	-5,244	-14,440	-15,390	-11,371
Total variations	-16,337	-16,074	-16,357	-12,181
2008-09 MYEFO underlying cash balance(b)	5,365	3,595	2,640	6,689
Per cent of GDP	0.4	0.3	0.2	0.5
Changes between MYEFO and UEFO				
Effect of policy decisions(a)	-18,037	-18,365	-11,655	-5,435
Effect of parameter and other variations	-9,816	-20,753	-25,314	-26,937
Total variations	-27,853	-39,118	-36,969	-32,372
2009 UEFO underlying cash balance(b)	-22,487	-35,524	-34,330	-25,683
Per cent of GDP	-1.9	-2.9	-2.7	-1.9
Changes from UEFO to 2009-10 Budget				
Effect of policy decisions(a)	-4,254	-11,961	-5,993	-6,952
Effect of parameter and other variations	-5,373	-10,108	-16,727	-11,901
Total variations	-9,627	-22,069	-22,721	-18,853
2009-10 Budget underlying cash balance(b)	-32,114	-57,593	-57,051	-44,535

(a) Excludes the public debt net interest effect of policy measures, and offsets from the contingency reserve for decisions taken. Includes the revised implementation arrangements for the Carbon Pollution Reduction Scheme.

(b) Excludes expected Future Fund earnings.

Table 6: Reconciliation of 2008-09 Budget, 2008-09 MYEFO, UEFO and 2009-10 Budget fiscal balance estimates^(a)

	Estimates			Projections
	2008-09 \$m	2009-10 \$m	2010-11 \$m	2011-12 \$m
2008-09 Budget fiscal balance	23,122	22,357	23,316	22,587
Per cent of GDP	1.9	1.7	1.7	1.6
Changes between 2008-09 Budget and MYEFO				
Effect of policy decisions(b)	-11,514	-1,350	-842	-821
Effect of parameter and other variations	-5,766	-13,884	-15,761	-11,682
Total variations	-17,280	-15,234	-16,603	-12,503
2008-09 MYEFO fiscal balance	5,842	7,123	6,713	10,085
Per cent of GDP	0.5	0.6	0.5	0.7
Changes between MYEFO and UEFO				
Effect of policy decisions(b)	-19,643	-19,747	-11,459	-5,338
Effect of parameter and other variations	-3,552	-20,675	-26,710	-28,666
Total variations	-28,195	-40,422	-38,169	-34,004
2009 UEFO fiscal balance	-22,353	-33,299	-31,456	-23,920
Per cent of GDP	-1.9	-2.8	-2.5	-1.8
Changes between UEFO and 2009-10 Budget				
Effect of policy decisions(b)				
Revenue	-2	-256	-4,990	-631
Expenses	4,164	8,123	2,054	4,941
Net capital investment	246	438	70	52
Total policy decisions impact on fiscal balance	-4,411	-8,817	-7,114	-5,623
Effect of parameter and other variations				
Revenue	-3,019	-13,133	-19,159	-15,214
Expenses	-2,038	-1,958	-2,167	-3,415
Net capital investment	105	-146	393	409
Total parameter and other variations impact on fiscal balance	-6,087	-11,029	-17,385	-12,208
2009-10 Budget fiscal balance	-32,851	-53,145	-55,956	-41,751
Per cent of GDP	-2.7	-4.5	-4.6	-3.2

(a) A positive number for revenue indicates an increase in the fiscal balance, while a positive number for expenses and net capital investment indicates a decrease in the fiscal balance.

(b) Excludes the public debt net interest effect of policy measures.

Table 7: Australian Government general government sector net financial worth, net worth, net debt and net interest payments

	Estimates			Projections	
	2008-09 \$b	2009-10 \$b	2010-11 \$b	2011-12 \$b	2012-13 \$b
Financial assets	200.6	207.6	209.4	225.1	238.0
Non-financial assets	93.1	97.3	103.1	108.9	113.7
Total assets	293.7	304.9	312.5	334.0	351.7
Total liabilities	283.0	343.5	402.5	461.6	506.7
Net worth	10.8	-38.7	-90.0	-127.6	-155.0
Net financial worth(a)	-82.3	-136.0	-193.1	-236.5	-268.7
Per cent of GDP	-6.9	-11.5	-15.8	-18.2	-19.4
Net debt(b)	-4.7	53.7	112.2	161.7	188.2
Per cent of GDP	-0.4	4.6	9.2	12.4	13.6
Net interest payments	-0.9	1.5	4.7	6.0	7.6
Per cent of GDP	-0.1	0.1	0.4	0.5	0.6

(a) Net financial worth equals total financial assets minus total liabilities. That is, it excludes non-financial assets.

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

Table A1: Illustrative impact of a permanent non-rural commodity price rise consistent with a 1 per cent rise in nominal GDP in Year 2 (per cent deviation from the baseline level)

	Year 1 per cent	Year 2 per cent
Real GDP	0	¼
Non-farm GDP deflator	¾	¾
Employment	¼	½
Wages	0	¼
CPI	0	¼
Company profits	3	3
Consumption	¼	½

Table A2: Illustrative sensitivity of the budget balance to a 1 per cent increase in nominal GDP due to a rise in the terms of trade

	Year 1 \$b	Year 2 \$b
Receipts		
Individuals and other withholding taxation	0.5	1.6
Superannuation taxation	0.0	0.1
Company tax	1.1	3.0
Goods and services tax	0.1	0.2
Excise and customs duty	0.1	0.2
Other taxation	0.0	0.0
Total receipts	1.8	5.1
Payments		
Income support	-0.1	-0.2
Other payments	0.0	0.1
GST payments	0.1	0.2
Total payments	0.0	0.1
Interest change on deficit change	0.0	0.2
Underlying cash balance impact	1.9	5.2

- Statement 5: Revenue

Table 1: Australian Government general government revenue

	Actual	Estimates			Projections	
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Total taxation revenue (\$b)	286.2	275.8	267.7	276.0	301.9	331.0
Growth on						
previous year (%)	9.0	-3.7	-2.9	3.1	9.4	9.6
Per cent of GDP	25.3	23.1	22.7	22.6	23.2	23.9
Non-taxation revenue (\$b)	17.5	20.2	22.9	18.9	18.9	18.7
Growth on						
previous year (%)	12.8	15.5	13.4	-17.6	0.2	-1.2
Per cent of GDP	1.5	1.7	1.9	1.5	1.5	1.3
Total revenue (\$b)	303.7	295.9	290.6	294.8	320.8	349.7
Growth on						
previous year (%)	9.2	-2.6	-1.8	1.5	8.8	9.0
Per cent of GDP	26.8	24.7	24.7	24.1	24.7	25.2

Table 2: Reconciliation of Australian Government general government revenue estimates from the 2008-09 Budget

	Estimates			Projections
	2008-09 \$m	2009-10 \$m	2010-11 \$m	2011-12 \$m
Revenue at 2008-09 Budget	319,464	336,920	350,862	366,922
Changes between 2008-09 Budget and MYEFO				
Effect of policy decisions	-100	-87	-23	0
Effect of parameter and other variations	-6,114	-12,488	-14,286	-11,382
Total variations	-6,214	-12,575	-14,309	-11,382
Revenue at 2008-09 MYEFO	313,250	324,345	336,552	355,540
Changes between MYEFO and UEFO				
Effect of policy decisions	-449	-1,102	5,611	5,437
Effect of parameter and other variations	-8,840	-19,241	-23,172	-24,354
Total variations	-9,289	-20,343	-17,561	-18,918
Revenue at 2009 UEFO	303,960	304,001	318,991	336,621
Changes between UEFO and 2009-10 Budget				
Effect of policy decisions	-2	-256	-4,990	-631
Effect of parameter and other variations	-8,019	-13,133	-19,159	-15,214
Total variations	-8,021	-13,389	-24,149	-15,845
Revenue at 2009-10 Budget	295,939	290,612	294,841	320,776

- Statement 6: Expenses and Net Capital Investment

Table 1: Estimates of general government sector expenses

	UEFO(a)	Revised	Estimate		Projections	
	2008-09	2008-09	2009-10	2010-11	2011-12	2012-13
Total expenses (\$b)	322.3	324.4	338.2	344.5	356.4	375.0
Real growth on previous year (%) ^(b)	11.5	12.2	2.4	0.3	1.5	2.7
Per cent of GDP	24.8	27.1	28.7	28.2	27.4	27.0

(a) As estimated at the February 2009 Updated Economic and Fiscal Outlook.

(b) Real growth is calculated using the Consumer Price Index.

Table 2: Reconciliation of expense estimates

	Estimates			Projections
	2008-09 \$m	2009-10 \$m	2010-11 \$m	2011-12 \$m
2008-09 Budget expenses	292,470	310,513	323,083	339,241
Changes between 2008-09 Budget and MYEFO				
Effect of policy decisions(a)	11,413	1,172	743	842
Effect of parameter and other variations	-258	58	456	-297
Total variations	11,154	1,230	1,200	544
2008-09 MYEFO expenses	303,624	311,742	324,283	339,785
Changes between MYEFO and UEFO				
Effect of policy decisions(a)	19,158	18,618	17,071	10,775
Effect of parameter and other variations	-464	1,688	3,288	4,303
Total variations	18,694	20,306	20,360	15,078
2009 UEFO expenses	322,317	332,047	344,641	354,862
Changes between UEFO and 2009-10 Budget				
Effect of policy decisions(a)	4,164	8,123	2,054	4,941
Effect of economic parameter variations				
Total economic parameter variations	-39	1,495	2,214	-40
<i>Unemployment benefits</i>	-285	1,067	2,551	1,494
<i>Prices and wages</i>	141	313	-460	-1,663
<i>Interest and exchange rates</i>	104	114	122	129
Public debt interest	177	1,038	1,907	3,205
Program specific parameter variations	3,546	5,708	3,438	2,333
Slippage in 2008-09 Budget decisions	0	1	1	1
Other variations	-5,722	-10,199	-9,727	-8,914
Total variations	2,126	6,165	-113	1,525
2009-10 Budget expenses	324,443	338,213	344,528	356,388

(a) Excludes the public debt net interest effect of policy measures.

- Statement 9: Budget Financial Statements

Table 1: Australian Government general government sector operating statement

	Note	Estimates			Projections	
		2008-09 \$m	2009-10 \$m	2010-11 \$m	2011-12 \$m	2012-13 \$m
Revenue						
Taxation revenue	3	275,751	267,727	275,981	301,876	331,002
Sales of goods and services	4	6,373	7,483	7,746	7,918	7,706
Interest income	5	5,454	4,697	4,586	4,512	4,484
Dividend income	5	3,194	6,413	2,562	2,566	2,406
Other	6	5,166	4,292	3,967	3,905	4,085
Total revenue		295,939	290,612	294,841	320,776	349,684
Expenses						
Gross operating expenses						
Wages and salaries(a)	7	15,691	17,069	16,993	17,023	17,085
Superannuation	7	2,945	3,384	3,490	3,556	3,631
Depreciation and amortisation	8	5,520	5,634	5,570	5,343	5,430
Payment for supply of goods and services	9	57,925	63,229	63,155	65,855	67,177
Other operating expenses(a)	7	4,694	4,571	4,806	4,995	5,177
<i>Total gross operating expenses</i>		<i>86,774</i>	<i>93,887</i>	<i>94,013</i>	<i>96,772</i>	<i>98,500</i>
Superannuation interest expense	7	6,432	6,792	7,016	7,245	7,489
Interest expenses	10	5,358	7,556	9,664	12,036	13,864
Current transfers						
Current grants	11	94,804	102,185	105,371	110,451	113,529
Subsidy expenses		8,088	8,121	8,569	10,072	13,727
Personal benefits	12	111,556	99,579	106,406	111,960	120,085
<i>Total current transfers</i>		<i>214,448</i>	<i>209,885</i>	<i>220,345</i>	<i>232,483</i>	<i>247,342</i>
Capital transfers						
Mutually agreed write-downs		1,717	1,657	1,738	1,846	1,932
Other capital grants		9,712	18,434	11,752	6,006	5,865
<i>Total capital transfers</i>		<i>11,430</i>	<i>20,091</i>	<i>13,490</i>	<i>7,852</i>	<i>7,796</i>
Total expenses		324,443	338,213	344,528	356,388	374,990
Net operating balance		-28,504	-47,601	-49,687	-35,612	-25,306
Other economic flows						
Revaluation of equity(b)		-8,490	2,044	2,012	2,481	2,887
Net write-downs of assets (including bad and doubtful debts)		-4,089	-3,903	-4,069	-4,268	-4,608
Assets recognised for the first time		316	293	272	228	218
Actuarial revaluations		-1,866	-1	0	0	0
Net foreign exchange gains		-143	-5	0	0	0
Net swap interest received		-25	187	93	48	39
Market valuation of debt		-3,245	147	-56	-372	-447
Other economic revaluations(c)		-112	-595	110	-98	-173
Total other economic flows		-17,653	-1,832	-1,638	-1,981	-2,084
Comprehensive result -						
Total change in net worth	13	-46,157	-49,432	-51,325	-37,593	-27,391
Net operating balance		-28,504	-47,601	-49,687	-35,612	-25,306
Net acquisition of non-financial assets						
Purchases of non-financial assets		9,910	11,305	11,639	11,300	10,163
less Sales of non-financial assets		516	619	258	154	161
less Depreciation		5,520	5,634	5,570	5,343	5,430
plus Change in inventories		417	425	216	171	468
plus Other movements in non-financial assets		56	68	241	165	-24
Total net acquisition of non-financial assets		4,347	5,545	6,269	6,139	5,016
Fiscal balance (Net lending/borrowing)(d)		-32,851	-53,145	-55,956	-41,751	-30,323

(a) Consistent with ABS GFS classification, other employee related expenses are reported under other operating expenses. Total employee expenses equal wages and salaries plus other operating expenses.

(b) Revaluation of equity reflects changes in the market valuation of investments. This line also reflects any equity revaluations at the point of disposal or sale.

(c) Largely reflects other revaluation of assets and liabilities.

(d) The term fiscal balance is not used by the ABS.

Table 2: Australian Government general government sector balance sheet

	Note	Estimates			Projections	
		2008-09 \$m	2009-10 \$m	2010-11 \$m	2011-12 \$m	2012-13 \$m
Assets						
Financial assets						
Cash and deposits	20(a)	1,538	1,282	1,769	2,353	2,679
Advances paid	14	21,948	23,873	25,538	25,818	25,148
Investments, loans and placements	15	102,506	100,415	92,308	92,496	93,927
Other receivables	14	32,708	36,626	38,975	45,944	56,747
Equity investments						
Investments in other public sector entities		18,870	20,177	23,848	30,073	30,098
Equity accounted investments		224	224	224	224	224
Investments - shares		22,856	24,976	26,753	28,206	29,138
Total financial assets		200,650	207,572	209,414	225,113	237,961
Non-financial assets						
Land	16	7,994	7,568	7,579	7,624	7,570
Buildings		18,967	20,227	21,139	22,375	22,791
Plant, equipment and infrastructure		44,465	47,856	52,175	56,475	60,084
Inventories		6,523	6,921	7,108	7,213	7,614
Intangibles		3,101	3,752	4,179	4,561	4,885
Investment property		168	143	125	109	422
Biological assets		29	30	31	32	32
Heritage and cultural assets		8,286	8,376	8,419	8,460	8,500
Assets held for sale		552	545	530	522	513
Other non-financial assets		3,003	1,874	1,804	1,485	1,304
Total non-financial assets		93,088	97,292	103,090	108,857	113,716
Total assets		293,738	304,864	312,504	333,970	351,677
Liabilities						
Interest bearing liabilities						
Deposits held		339	339	339	339	339
Advances received		0	0	0	0	0
Government securities		111,867	169,907	222,487	273,318	300,814
Loans	17	8,170	8,173	8,243	7,956	8,071
Other borrowing		919	851	791	754	706
Total interest bearing liabilities		121,296	179,270	231,860	282,366	309,929
Provisions and payables						
Superannuation liability	18	118,401	122,423	126,499	130,575	134,672
Other employee liabilities	18	9,419	9,725	10,127	10,580	11,085
Suppliers payable	19	3,658	3,639	3,736	3,819	3,861
Personal benefits payable	19	14,222	12,490	12,995	13,900	14,977
Subsidies payable	19	1,586	1,659	1,937	1,991	2,076
Grants payable	19	6,746	6,511	6,481	6,377	6,384
Other provisions and payables	19	7,653	7,824	8,870	11,955	23,679
Total provisions and payables		161,686	164,271	170,646	179,198	196,733
Total liabilities		282,981	343,541	402,505	461,564	506,662
Net worth(a)		10,756	-38,676	-90,001	-127,594	-154,985
<i>Net financial worth(b)</i>		<i>-82,331</i>	<i>-135,968</i>	<i>-193,091</i>	<i>-236,451</i>	<i>-268,701</i>
<i>Net financial liabilities(c)</i>		<i>101,201</i>	<i>156,145</i>	<i>216,939</i>	<i>266,524</i>	<i>298,799</i>
<i>Net debt(d)</i>		<i>-4,697</i>	<i>53,700</i>	<i>112,245</i>	<i>161,699</i>	<i>188,175</i>

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

(b) Net financial worth equals total financial assets minus total liabilities. That is, it excludes non-financial assets.

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

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

Table 3: Australian Government general government sector cash flow statement^(a)

	Estimates			Projections	
	2008-09 \$m	2009-10 \$m	2010-11 \$m	2011-12 \$m	2012-13 \$m
Cash receipts from operating activities					
Taxes received	269,377	259,436	268,600	291,329	321,374
Receipts from sales of goods and services	6,356	7,480	7,723	7,898	7,668
Interest receipts	5,014	4,426	4,345	4,291	4,341
Dividends and income tax equivalents	3,152	5,663	3,362	2,616	2,456
Other receipts	5,328	4,360	3,979	3,937	4,094
Total operating receipts	289,228	281,364	288,008	310,071	339,932
Cash payments for operating activities					
Payments for employees	-21,412	-23,127	-23,457	-23,778	-24,140
Payments for goods and services	-56,813	-62,201	-61,828	-64,487	-66,303
Grants and subsidies paid	-111,812	-127,722	-125,240	-125,660	-128,485
Interest paid	-4,078	-5,890	-9,061	-10,257	-11,975
Personal benefit payments	-110,393	-102,368	-107,059	-112,216	-120,230
Other payments	-3,810	-4,305	-4,268	-4,416	-4,469
Total operating payments	-308,319	-325,613	-330,914	-340,813	-355,601
Net cash flows from operating activities	-19,090	-44,249	-42,906	-30,743	-15,668
Cash flows from investments in non-financial assets					
Sales of non-financial assets	555	619	258	154	161
Purchases of non-financial assets	-9,469	-11,030	-11,503	-11,138	-9,860
Net cash flows from investments in non-financial assets	-8,914	-10,411	-11,245	-10,984	-9,699
Net cash flows from investments in financial assets for policy purposes	-7,428	-5,089	-4,761	-6,762	300
Cash flows from investments in financial assets for liquidity purposes					
Increase in investments	-12,483	1,761	6,645	-442	-604
Net cash flows from investments in financial assets for liquidity purposes	-12,483	1,761	6,645	-442	-604
Cash receipts from financing activities					
Borrowing	48,124	58,424	54,199	51,601	28,341
Other financing	1,127	411	203	104	82
Total cash receipts from financing activities	49,250	58,835	54,402	51,705	28,423
Cash payments for financing activities					
Borrowing	0	0	0	0	0
Other financing	-1,836	-1,104	-1,648	-2,190	-2,426
Total cash payments for financing activities	-1,836	-1,104	-1,648	-2,190	-2,426
Net cash flows from financing activities	47,414	57,731	52,754	49,515	25,997
Net increase/(decrease) in cash held	-501	-257	487	584	326

Table 3: Australian Government general government sector cash flow statement (continued)^(a)

	Estimates			Projections	
	2008-09 \$m	2009-10 \$m	2010-11 \$m	2011-12 \$m	2012-13 \$m
Net cash flows from operating activities and investments in non-financial assets (Surplus+)/deficit(-)	-28,004	-54,660	-54,150	-41,727	-25,368
Finance leases and similar arrangements(b)	-507	-1	-31	-31	-20
GFS cash surplus(+)/deficit(-)	-28,511	-54,661	-54,182	-41,758	-25,387
<i>less</i> Future Fund earnings	3,603	2,931	2,869	2,777	2,763
Equals underlying cash balance(c)	-32,114	-57,593	-57,051	-44,535	-28,150
<i>plus</i> Net cash flows from investments in financial assets for policy purposes	-7,428	-5,089	-4,761	-6,762	300
<i>plus</i> Future Fund earnings	3,603	2,931	2,869	2,777	2,763
Equals headline cash balance	-35,939	-59,751	-58,943	-48,520	-25,087

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

(b) The acquisition of assets under finance leases decreases the underlying cash balance. The disposal of assets previously held under finance leases increases the underlying cash balance.

(c) The term underlying cash balance is not used by the ABS.