



# TASMANIAN GOVERNMENT GAZETTE

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## 2011-12 MID-YEAR FINANCIAL REPORT

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# 1 INTRODUCTION

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The 2011-12 Mid-Year Financial Report has been prepared in accordance with Section 26 of the *Financial Management and Audit Act 1990*.

The 2011-12 Mid-Year Financial Report contains the following information:

- Section 2 provides an assessment of the Government's Fiscal Strategy Targets.
- Section 3 updates the Tasmanian economic aggregates and forecasts published in the 2011-12 Budget Papers.
- Section 4 presents General Government financial results for the six months ending 31 December 2011 and revised Budget estimates presented in accordance with the applicable Australian Accounting Standard AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. Commentary is provided on material changes between original and revised Budget estimates.
- Section 5 presents revised fiscal estimates for the General Government, Public Non-Financial Corporations, Public Financial Corporations, Total Non-Financial Public and Total State Sectors, in accordance with the Uniform Presentation Framework reporting requirements for a Loan Council Mid-Year Report.
- Section 6 summarises the receipts to and expenditure from the Consolidated Fund.
- Section 7 provides an overview of the key concepts and definitions used within this Report.

These statements reflect the results of the mid-year review of the 2011-12 Budget. The statements reflect policies and judgements made in the development of the 2011-12 Budget, modified by the latest trends in revenue and expenses, including the Australian Government estimates of GST.

## *Budget Savings Strategies*

Since the release of the 2011-12 Budget, the ongoing global economic downturn has continued to adversely impact Tasmania's revenue receipts. GST revenue from the Australian Government has continued to fall, with a further decline of \$13.4 million in 2011-12. State Tax receipts have also fallen by \$18.3 million in 2011-12, primarily due to reduced conveyance duty revenue resulting from a continued downturn in the Tasmanian property market.

In the face of falling revenue, the Government has continued to progress the Budget Savings Strategies detailed in the 2011-12 Budget, to reduce Government expenditure and ensure the State returns to a sustainable financial position over the medium-term.

The *Progress Report 2011-12 Budget Savings Strategies* for the December Quarter 2011 provides an assessment of progress that has been achieved by agencies towards the implementation of the Budget Savings Strategies announced in the 2011-12 Budget. The Progress Report notes that it is anticipated that additional funding of \$25 million will be allocated to the Department of Health and Human Services and \$2 million to the Department of Justice in 2011-12 to address Budget pressures currently being experienced by these Departments.

The *Progress Report 2011-12 Budget Savings Strategies* for the December Quarter 2011 is available on the Treasury website [www.treasury.tas.gov.au](http://www.treasury.tas.gov.au).



## 2 THE FISCAL STRATEGY

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In the 2011-12 Budget, the Government adopted a new Fiscal Strategy. The new Fiscal Strategy replaced the Interim Fiscal Strategy that was implemented in 2009-10 after the initial onset of the global economic downturn. Given the impact of the downturn was more prolonged than initially anticipated, it was appropriate for the Government to revise its Fiscal Strategy. The new Fiscal Strategy ensures strong financial accountability from the Government in the sustainable management of the State's finances, including the implementation of the Budget Savings Strategies.

The new Fiscal Strategy focuses on the following key aspects of financial management:

- the establishment of a sustainable Budget position;
- debt and liability reduction;
- maintaining a competitive business and tax environment; and
- ongoing infrastructure investment.

As at 31 December 2011, the Government has continued to maintain a competitive business and tax environment and maintain infrastructure investment at a sustainable level. However, there is further work to be undertaken during the 2012-13 Budget development process to ensure that Tasmania achieves the established Net Operating Balance and Net Debt targets.

The deterioration in the Ongoing Infrastructure Fiscal Strategy Target in 2014-15 reflects the timing of capital projects, including the Royal Hobart Hospital Redevelopment. In addition, negotiations with the Australian Government for the funding of Roads Program expenditure beyond 2013-14 are currently ongoing. It is anticipated that this matter will be resolved during the 2012-13 Budget development process.

Tasmania will not enter Net Debt over the period of the Fiscal Strategy. However, without remedial action the *2011-12 Mid-Year Financial Report* shows that Net Operating Surpluses will not be sufficient over the 2011-12 Budget and Forward Estimates period to enable the achievement of the established targets from 2013-14 onwards.

Table 2.1 provides an update on the progress of the Fiscal Strategy, based on the revised 2011-12 Budget and Forward Estimates.

Table 2.1: Fiscal Strategy Progress

	2011-12	2011-12	2012-13	2013-14	2014-15	2018-19	2022-23
		Revised	Forward	Forward	Forward		
Fiscal Strategy Achievement	Budget	Budget	Estimate	Estimate	Estimate	Target	Target
<b>A Sustainable Budget Position</b>							
<i>Net Operating Surplus<sup>1</sup></i>							
Target (\$m)	>(120)	>(120)	>50	>50	>50	>100	>200
Actual/Estimated (\$m)	(114)	(246)	(33)	(53)	(96)	-	-
<b>Debt and Liability Reduction</b>							
<i>Ratio of Net Financial Liabilities to Revenue for the Non-Financial Public Sector<sup>2</sup></i>							
Target (%)	<115	<115	<115	<115	<110	<110	<110
Actual/Estimated (%)	111	107	113	108	106	-	-
<i>General Government Net Debt<sup>3</sup></i>							
Target (\$m)	<0	<0	<0	<(150)	<(300)	<(900)	<(1 500)
Actual/Estimated (\$m)	(53)	(198)	(92)	(64)	(140)	-	-
<b>A Competitive Business and Taxation Environment</b>							
<i>Tasmania's Tax Severity<sup>4</sup></i>							
Target (Index)	<100	<100	<100	<100	<100	<100	<100
Actual/Estimated (index)	92	92	na	na	na	-	-
<b>Ongoing Infrastructure Investment</b>							
<i>Capital Expenditure in Excess of Depreciation</i>							
Target (\$m)	>0	>0	>0	>0	>0	>0	>0
Actual/Estimated (\$m)	286	207	187	113	12	-	-

Sources: Department of Treasury and Finance, Commonwealth Grants Commission (CGC) and the Australian Bureau of Statistics (ABS).

Notes:

1. The established targets represent a continuous improvement in the Net Operating Surplus from the achievement of a deficit of better than \$120 million to a surplus of better than \$200 million.
2. For the purposes of the Fiscal Strategy, Net Financial Liabilities represents Net Debt less Advances Paid plus the Superannuation liability. Net Financial Liabilities is divided by Revenue from Transactions to derive the Net Financial Liabilities to Revenue Ratio. This is in accordance with the methodology used by Standard & Poor's ratings agency.
3. The established targets represent a continuous improvement in the State's General Government Net Debt position from being Net Debt free to having negative Net Debt of more than \$1.5 billion.
4. In its most recent publication, the *Report on GST Revenue Sharing Relativities – 2011 Update*, the CGC has re-introduced a total taxation severity ratio, allowing a direct comparison of tax severity to be made between states and territories. Tasmania has been assessed as having the second lowest taxation severity of all states, and the third lowest of all states and territories, based on the taxation arrangements in place in each jurisdiction in 2009-10.



# 3 TASMANIAN ECONOMIC AGGREGATES AND FORECASTS

Table 3.1: Economic Forecasts

	2010-11	2011-12	2011-12	2012-13	2013-14	2014-15
		Budget	Revised			
	Actual	Forecast	Estimate	Forecast	Projection	Projection
Gross State Product (real, % change) <sup>1</sup>	....	1¾	1½	1¾	2¼	2¼
Employment (year-average, % change)	1.4	½	0	½	1	1
Level of Employment (year-average, '000s)	237.7	239	238	239	242	244
Participation Rate (year-average, %)	61.1	61	60½	60½	60½	60½
Unemployment Rate (year-average, %)	5.6	5¾	5¾	5¾	5¾	5¾
Consumer Price Index – Hobart (year-average, % change)	2.9	2¾	2¾	3	2¾	2¾
Population (year-average, % change)	0.7	0.7	0.6	0.6	0.6	0.6

Sources:

Data - Australian Bureau of Statistics; Estimates, Forecasts and Projections - Department of Treasury and Finance

Note:

1. This GSP estimate is not intended to be benchmarked against the GSP estimates produced by the ABS due to ongoing concerns over the reliability of the ABS estimates of year-on-year changes in Tasmania's GSP.

The global economic outlook is becoming increasingly uncertain with many advanced economies recording low growth and facing weak near-term economic prospects, including high unemployment. Most of these countries, including the United States, have limited opportunities through fiscal or monetary policy to stimulate economic growth. This situation is compounded by the sovereign debt problems in some European economies and concerns over the stability of the Euro-zone banking system and its increasing reliance on the European Central Bank.

The developing world has performed well in comparison, though growth rates in China and India have eased. Most developing economies are not immune to the weaker global economic conditions, particularly those that rely on international trade or capital flows from the more advanced economies.

Forecasts of global economic growth have recently been downgraded. In January 2012, both the World Bank and the IMF released more conservative forecasts for global growth. These downgrades were attributed to a further deterioration in financial conditions, weaker prospects for a near-term recovery in economic activity and an escalation of downside risks.

The Australian economy continues to perform well compared to other advanced economies, though growth has been below trend in recent quarters and employment growth has stalled. Investment in the mineral resources sector continues to boost the national economy. Those sectors closely associated with the minerals boom are also performing well, but most other sectors have weakened. Very strong demand for mineral resources and high commodity prices have maintained Australia's exchange rate and terms of trade at historically very high levels, negatively impacting on the competitiveness and profitability of many other export-oriented industries, particularly manufacturing. One consequence of this uneven performance between sectors of the economy has been the migration of workers and the shift of capital to the resource-rich jurisdictions, especially Western Australia.

The Tasmanian economy continues to be adversely affected by weak demand for its goods and services exposed to the strong Australian dollar, including in the tourism sector. The winding down of the Australian Government's fiscal stimulus measures and the low levels of consumer and business confidence have also constrained demand growth in 2011-12 to-date. In addition, the high national household saving rate has led to Tasmania's GST receipts being substantially lower than anticipated, which has resulted in State Government expenditure being restrained. Although ABS data suggest that some indicators have picked up in recent quarters, modest growth in the economy is expected over 2011-12 and 2012-13.

Private consumption in the State continues to grow slowly. An important component of private consumption is retail trade, which returned to growth in nominal terms in mid-2011 after easing in the previous 18 months. The ABS estimates that the share of private consumption recorded as retail spending is around one third, down from almost two thirds two decades ago. This reflects the increased prominence of expenditure on services in recent years, particularly health and education services which do not attract GST.

Business investment has grown in recent quarters, particularly investment in plant and equipment. However, it appears that the construction industry in Tasmania is yet to fully recover from the cessation of the Australian Government's *Nation Building – Economic Stimulus Plan*. The outlook for investment has improved since the 2011-12 Budget, primarily due to the progression of some large projects such as some dairy-related and irrigation-related investments and Hydro Tasmania's \$400 million Musselroe wind farm project. The near-term prospects for dwelling investment remain subdued, as indicated by sustained low levels of housing finance and a decline in new building approvals.

The value of Tasmanian international exports has been increasing in recent months in the face of the high Australian dollar but remains almost 10 per cent below its peak in early 2009. Mineral-related exports from Tasmania have been strong, over 90 per cent of which are sold to Asian countries. Exports of dairy and meat products have also grown in recent quarters, assisted by the return to more normal rainfall conditions following an extended period of drought. However, exporters of some other commodities, particularly manufactured goods, continue to struggle against the strong Australian dollar, while others face industry specific pressures, particularly in the forest products sector.

Tasmanian GSP growth in 2011-12 is now estimated to be 1½ per cent, marginally down from the 1¾ per cent forecast at the time of the 2011-12 Budget. Modest growth of 1¾ per cent is forecast for 2012-13 as the global and national economic outlook is likely to remain weak over the near-term. The Tasmanian economy is projected to grow by the long-term trend rate of 2¼ per cent in the out-years.

Employment has grown in the second half of 2011 from a low base in mid-2011, but remains below pre-economic downturn levels recorded in late 2008. Almost 2 000 additional jobs are now expected through the year to June 2012. In year-average terms, however, no growth in employment is now expected for 2011-12, down from the forecast ½ of one per cent growth in the 2011-12 Budget.

A return to employment growth is expected in 2012-13, though this is forecast to be modest at  $\frac{1}{2}$  of one per cent, reflecting likely weak global and national economic conditions and the need for trade-exposed businesses in Tasmania to implement efficiency measures to remain competitive against the high exchange rate.

Unemployment rate forecasts for 2011-12 and the out-years remain at  $5\frac{3}{4}$  per cent, unchanged from the 2011-12 Budget. While the employment growth forecasts are marginally lower than in the 2011-12 Budget, the impact on unemployment is offset by lower forecast participation rates.

Inflation is forecast to be within the Reserve Bank of Australia's target range of two and three per cent over the medium term. Since the economic downturn in late 2008, growth in Tasmanian wage rates has decreased due to weaker labour market conditions. In the year to June 2011, wage rates grew by 3.4 per cent, the lowest growth since 2003-04.

Tasmanian population growth is estimated to be 0.6 per cent in 2011-12, slightly below the forecast in the 2011-12 Budget but around the trend rate in recent years. It appears there has been some migration of workers from Tasmania to the resource-rich states in response to the more favourable employment prospects, with net interstate migration recorded as negative in the June 2011 quarter and a contraction in the working age population in the first half of 2011-12.

Despite the promising signs for some sectors of Tasmania's economy, the balance of risks to these economic forecasts is towards the downside. This is due to the potential impacts on Tasmania of the unfolding debt crisis in Europe. In a worse case, this could lead to a deep and prolonged recession in the European region and weaker global and national economic prospects.



# 4 GENERAL GOVERNMENT REVISED BUDGET OUTLOOK

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## Income Statement

The General Government Income Statement for 2011-12 is detailed in Table 4.1.

The revised 2011-12 Budget forecasts:

- a Net Operating Deficit of \$246.1 million, a \$132.3 million deterioration on the Budget estimate of a \$113.8 million deficit; and
- a Fiscal Deficit of \$413.0 million, a \$54.5 million deterioration on the Budget estimate of a \$358.5 million deficit.

The deterioration in the Net Operating Balance primarily reflects:

- the reduction in Australian Government grants and State-sourced receipts; and
- an increase in expenditure by agencies, including the utilisation of funds previously budgeted to be expended in 2010-11 and funding received from the Australian Government in prior years.

**Table 4.1: General Government Income Statement**

	2010-11 Dec YTD Actual \$m	2011-12 Original Budget \$m (a)	2011-12 Revised Budget \$m (b)	Variance \$m (b – a)	2011-12 Dec YTD Actual \$m
<b>Revenue from transactions</b>					
Grants	1 542.5	2 855.1	2 895.3	40.2	1 472.2
Taxation	453.0	906.7	888.4	(18.3)	466.6
Sales of goods and services	179.4	391.5	375.8	(15.7)	168.2
Fines and regulatory fees	34.6	89.6	95.8	6.2	39.9
Interest income	18.5	25.8	23.0	(2.8)	12.0
Dividend, tax and rate equivalent income	45.4	218.2	205.9	(12.3)	152.3
Other revenue	58.8	130.9	132.6	1.7	65.3
	<b>2 332.2</b>	<b>4 617.8</b>	<b>4 616.8</b>	<b>(1.1)</b>	<b>2 376.5</b>
<b>Less Expenses from transactions</b>					
Employee expenses	1 009.0	1 991.5	2 028.6	37.2	1 073.7
Superannuation	118.8	229.9	231.8	1.9	151.9
Depreciation	127.4	264.7	267.3	2.6	120.0
Supplies and consumables	460.6	961.5	1 016.6	55.1	457.5
Nominal superannuation interest expense	111.1	228.8	228.8	....	114.4
Borrowing costs	7.2	14.5	14.2	(0.3)	7.0
Grant and subsidy expenses	577.9	1 004.5	1 018.1	13.7	588.4
Other expenses	16.0	36.3	57.4	21.1	5.6
	<b>2 428.0</b>	<b>4 731.6</b>	<b>4 862.8</b>	<b>131.3</b>	<b>2 518.5</b>
<b>Equals NET OPERATING BALANCE</b>	<b>(95.8)</b>	<b>(113.8)</b>	<b>(246.1)</b>	<b>(132.3)</b>	<b>(142.0)</b>
<b>Plus Other economic flows – included in Operating Result</b>					
Gain/(loss) on sale of non-financial assets	8.7	4.7	99.5	94.8	2.5
Movement in equity investment in PNFC and PFC					
Sectors	....	316.5	(42.9)	(359.4)	....
Other gains/(losses)	(1.6)	(5.4)	1.5	7.0	(2.2)
	<b>7.1</b>	<b>315.7</b>	<b>58.1</b>	<b>(257.6)</b>	<b>0.3</b>
<b>Equals Operating Result</b>	<b>(88.7)</b>	<b>202.0</b>	<b>(188.0)</b>	<b>(389.9)</b>	<b>(141.7)</b>

Table 4.1: General Government Income Statement (continued)

	2010-11 Dec YTD Actual \$m	2011-12 Original Budget \$m (a)	2011-12 Revised Budget \$m (b)	Variance \$m (b – a)	2011-12 Dec YTD Actual \$m
<b>Plus Other economic flows – other movements in Equity</b>					
Revaluations of non-financial assets	104.6	237.5	235.2	(2.2)	118.7
Other non-owner movement in equity	2.6	(133.6)	(110.5)	23.2	32.3
	<b>107.2</b>	<b>103.8</b>	<b>124.7</b>	<b>20.9</b>	<b>151.1</b>
<b>Equals Comprehensive Result</b>	<b>18.5</b>	<b>305.8</b>	<b>(63.2)</b>	<b>(369.0)</b>	<b>9.3</b>
<b>KEY FISCAL AGGREGATES</b>					
<b>NET OPERATING BALANCE</b>	<b>(95.8)</b>	<b>(113.8)</b>	<b>(246.1)</b>	<b>(132.3)</b>	<b>(142.0)</b>
<b>Less Net acquisition/(disposal) of non-financial assets</b>					
Purchase of non-financial assets	384.0	551.0	474.7	(76.3)	192.1
Less Sale of non-financial assets	29.1	41.5	40.4	(1.1)	23.8
Less Depreciation	127.4	264.7	267.3	2.6	120.0
	<b>227.5</b>	<b>244.7</b>	<b>167.0</b>	<b>(77.8)</b>	<b>48.3</b>
<b>Equals FISCAL BALANCE - SURPLUS/(DEFICIT)</b>	<b>(323.3)</b>	<b>(358.5)</b>	<b>(413.0)</b>	<b>(54.5)</b>	<b>(190.4)</b>

## Major Revenue Variations

Revenue from transactions is estimated to be \$4 616.8 million in 2011-12, which is \$1.1 million lower than the 2011-12 Budget estimate of \$4 617.8 million. The main changes are:

Revenue Item	Variance from Budget	Reasons
Grants:	\$40.2 million higher	GST and Intergovernmental Agreements
<ul style="list-style-type: none"> <li>General purpose payments</li> </ul>	\$13.4 million lower	Anticipated 2011-12 GST revenue has been revised down by \$13.4 million. This represents a reduction of \$29.8 million to reflect revised estimates for the national GST pool published by the Australian Government, offset by an additional payment of \$16.4 million to adjust for an underpayment to the State in 2010-11.
<ul style="list-style-type: none"> <li>Tasmanian Forests Intergovernmental Agreement</li> </ul>	\$50.0 million higher	This additional revenue represents the Australian Government funding provided to the State in 2011-12 under the Tasmanian Forests Intergovernmental Agreement.
Taxation	\$18.3 million lower	The decrease in Taxation primarily reflects a reduction in Taxes on financial and capital transactions of \$26.6 million, due to the downward revision of duty on conveyances. This is partially offset by an increase in payroll tax receipts of \$9.8 million.
Dividend, tax and rate equivalent income	\$12.3 million lower	<p>The decrease in Government business returns primarily reflects decreases in income tax equivalents of \$15.4 million. This is partially offset by an increase of \$3.1 million in dividends.</p> <p>A decrease in income tax equivalents revenue is expected from Aurora Energy Pty Ltd (\$18.7 million); Motor Accidents Insurance Board (\$6.0 million); and Hydro Tasmania (\$3.9 million). This decrease is partially offset by an anticipated increase in payments from Transend Networks Pty Ltd (\$13.3 million).</p> <p>Increased dividend returns are anticipated from Transend Networks Pty Ltd (\$3.5 million); Hydro Tasmania (\$1.4 million); and Aurora Energy Pty Ltd (\$1.2 million).</p>

Further details relating to Grants and Taxation Revenue are provided in Tables 4.2 and 4.3.



**Table 4.2: General Government Grants**

	<b>2010-11</b>	<b>2011-12</b>	<b>2011-12</b>		<b>2011-12</b>
	<b>Dec YTD</b>	<b>Original</b>	<b>Revised</b>		<b>Dec YTD</b>
	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>Variance</b>	<b>Actual</b>
	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>
		<b>(a)</b>	<b>(b)</b>	<b>(b – a)</b>	
Australian Government sources:					
General purpose payments	866.3	1 743.0	1 729.6	(13.4)	869.6
Specific purpose payments	317.0	645.0	652.6	7.6	330.0
National partnership payments	313.1	407.1	451.2	44.2	217.8
Other grants and subsidies	46.2	60.0	61.9	1.9	54.8
	<b>1 542.5</b>	<b>2 855.1</b>	<b>2 895.3</b>	<b>40.2</b>	<b>1 472.2</b>

**Table 4.3: General Government Taxation**

	2010-11 Dec YTD Actual	2011-12 Original Budget	2011-12 Revised Budget	Variance	2011-12 Dec YTD Actual
	\$m	\$m (a)	\$m (b)	\$m (b – a)	\$m
<b>Payroll Tax</b>	135.5	292.6	302.4	9.8	141.9
<b>Taxes on property</b>					
Land tax	76.1	86.1	90.0	3.9	88.8
Fire service levies					
Fire service contribution	15.7	32.1	32.1	....	16.1
Insurance levy	7.5	16.2	16.2	....	7.8
Government guarantee fees	2.2	27.4	26.2	(1.2)	0.6
Taxes on financial and capital transactions	73.9	164.0	137.5	(26.6)	67.1
<b>Taxes on the provision of goods and services</b>					
Gambling taxes					
Casino tax and licence fees	29.5	58.5	58.5	....	29.2
Betting Exchange Taxes and Levies	2.4	2.0	2.0	....	1.0
Lottery Tax	12.4	25.5	25.5	....	12.7
Totalizator Wagering Levy	6.4	6.6	6.6	....	6.6
Insurance duty	25.9	51.6	51.6	....	26.9
<b>Taxes on the use of goods and services</b>					
Vehicle registration fees	16.1	34.0	33.3	(0.7)	16.6
Motor vehicle fees and taxes					
Motor vehicle duty	17.9	39.5	36.0	(3.5)	18.0
Motor tax	28.3	64.1	64.1	....	30.1
Motor vehicle fire levy	3.0	6.4	6.4	....	3.3
<b>TOTAL TAXATION</b>	<b>453.0</b>	<b>906.7</b>	<b>888.4</b>	<b>(18.3)</b>	<b>466.6</b>

## Major Expense Variations

Total Expenses from transactions is estimated to be \$4 862.8 million in 2011-12, which is \$131.3 million or 2.8 per cent higher than the 2011-12 Budget estimate of \$4 731.6 million. The main changes are:

Description	Variance from Budget	Reasons
Tasmanian Forests Intergovernmental Agreement	\$65.0 million higher	Expenditure in 2011-12 under the Tasmanian Forests Intergovernmental Agreement comprises a \$15 million State contribution and a \$50 million Australian Government contribution (offset by additional Australian Government receipts).
Department of Health and Human Services	\$43.7 million higher	<p>Additional expenditure for the Department of Health and Human Services represents:</p> <ul style="list-style-type: none"> <li>• delayed implementation of Budget savings strategies, and cost and demand pressures experienced by the Department in the delivery of Acute Health Services (\$25 million);</li> <li>• expenditure on Special Capital Investment Fund projects that was previously budgeted to be expended in 2010-11 (\$7.3 million); and</li> <li>• the utilisation of funds received from the Australian Government in prior years (\$10.7 million).</li> </ul>
Department of Justice	\$11.5 million higher	<p>Additional expenditure for the Department of Justice represents:</p> <ul style="list-style-type: none"> <li>• additional operating costs associated with the delivery of Corrective Services (\$2 million); and</li> <li>• expenditure of \$9 million from the Asbestos Compensation Fund, which is now administered by the Department.</li> </ul>

## Underlying Net Operating Balance

The Underlying Net Operating Balance is a measure which removes the distorting impact of one-off Australian Government funding for specific capital projects linked to the *Nation Building – Economic Stimulus Plan*, Nation Building (formerly AusLink), Water for the Future and the Royal Hobart Hospital Redevelopment.

**Table 4.4: Underlying Net Operating Balance**

	2011-12 Revised Budget	2012-13 Forward Estimate	2013-14 Forward Estimate	2014-15 Forward Estimate
	\$m	\$m	\$m	\$m
<b>Net Operating Balance</b>	<b>(246.1)</b>	<b>(33.0)</b>	<b>(52.5)</b>	<b>(96.4)</b>
<i>Less Impact of One-off Australian Government funding</i>				
<i>Nation Building - Economic Stimulus Plan</i>	14.3	....	....	....
Nation Building - Roads and Rail Funding	78.2	60.9	47.2	....
Royal Hobart Hospital Redevelopment <sup>1</sup>	20.0	....	....	....
Water for the Future Funding	28.4	56.0	32.2	....
	<b>140.9</b>	<b>116.9</b>	<b>79.4</b>	<b>....</b>
<b>Underlying Net Operating Balance</b>	<b>(387.0)</b>	<b>(149.8)</b>	<b>(131.9)</b>	<b>(96.4)</b>

Note:

1. The Australian Government funding profile for the Royal Hobart Hospital Redevelopment reflects the latest funding advice from the Australian Government. It is anticipated that the final balance of Australian Government funding (\$50 million) will be provided in 2015-16.

## Disclosures

### *Additional Funding for Agency Cost Pressures*

This Report identifies the allocation of additional funds to the Department of Health and Human Services (\$25 million) and the Department of Justice (\$2 million) in 2011-12 for Budget pressures being experienced by these Departments.

The allocation of additional funds over the Forward Estimates, if any, to these Departments will be considered as part of the 2012-13 Budget development process.

### *Carbon Tax Impact*

The estimates published in this Report do not include the potential impact of the Australian Government's carbon tax which will be implemented from 1 July 2012. Treasury is currently reviewing the potential impact of the carbon tax on the General Government Sector for the Budget and Forward Estimates period. The impact of these changes will be considered during the development of the 2012-13 Budget.

### *Community Sector Wage Parity*

On 1 February 2012, Fair Work Australia made an equal remuneration order to achieve pay equality for workers in the Social and Community Services Sector, noting that SACS workers are predominantly female and that remuneration in this sector is low in comparison to other sectors.

The Tasmanian Government is committed to increased wages for these workers, and is currently considering the best manner and timeframe to implement these wage increases, given the State's difficult financial position.

The impact of the agreement will be considered as part of the 2012-13 Budget development process.

### *Expert Panel Review of Tasmania's Electricity Supply Industry*

In December 2011, the independent Expert Panel reviewing Tasmania's Electricity Supply Industry released its Draft Report. The Draft Report outlined a number of structural reform options for Tasmania's wholesale Electricity Market.

The Government is currently considering the recommendations of the Draft Report, and a Final Report will be released before 31 March 2012.

Any budget implications that may arise from the review will be considered during the development of the 2012-13 Budget.

### *Forestry Tasmania*

#### *Changing Operational Environment and Strategic Review*

Forestry Tasmania continues to face significant challenges and risks given global market pressures and the industry environment in which it operates. This has impacted Forestry Tasmania's ongoing financial viability.

URS Australia is undertaking an independent Strategic Review of Forestry Tasmania including an examination of the structure, governance and business model under which the business will operate in the future.

The second stage of the URS review is currently underway. Once complete, the Government will consider the recommendations of the review. Implications for the budget will be considered as part of the 2012-13 Budget development process.

### *Sale of Softwood Plantations*

In December 2011, the Taswood Growers joint venture, of which Forestry Tasmania is a 50 per cent shareholder, agreed to sell the forestry rights to its 46 000 hectare plantation estate to New Forests Pty Ltd for \$156 million. Whilst there will be a return to the Budget in the form of increased income tax-equivalents payment relating to the sale proceeds, these will be returned to Forestry Tasmania to assist the business to retire debt and manage its declining operating revenues. Any budget receipts and expenditure will be reflected in the 2012-13 Budget, following finalisation of the sale.

### *Report on GST Revenue Sharing Relativities – 2012 Update*

In early March 2012, the Commonwealth Grants Commission will release its *Report on GST Revenue Sharing Relativities – 2012 Update*. The CGC Report will recommend to the Australian Government the distribution of GST revenue so that each State has the fiscal capacity to provide services and infrastructure of an equal standard.

In developing its recommendations, the Commission takes account of each State's revenue raising capacity and the costs of service provision, as well as the level of budgetary assistance provided to each State by the Australian Government.

In accordance with the Commission's methodology, the \$270 million received from the Australian Government in 2010-11 for the Royal Hobart Hospital Redevelopment will be considered budgetary support for a state function and will impact negatively on Tasmania's share of GST revenue over coming years.

In addition to the impact of Australian Government payments, the Commission will also re-assess the relative revenue raising capacity and service provision of all states and territories, which is dependent on a large number of factors, including population growth, wage growth and mineral royalty revenue.

Given the complexity of this assessment, it is not possible at this time to reliably predict any changes to Tasmania's GST share that may arise from the CGC Report. However, any change will impact Tasmania's financial position and outlook as presented in this Report. The impact of these changes will be reflected in the 2012-13 Budget and Forward Estimates.

### *Sale of TOTE Tasmania Pty Ltd*

On 1 December 2011, the Government entered into an agreement to sell TOTE Tasmania Pty Ltd to Tattsbet Limited, a wholly owned subsidiary of Tatts Group Limited at a price of \$103 million.

In accordance with AASB 1049 *Whole of Government and General Government Sector Financial Reporting*, proceeds from the sale of Government businesses are reported as an Other Economic Flow rather than as Operating Revenue. Accordingly, on the General Government Income Statement, the proceeds from sale are reflected in Gains on the Sale of Non-Financial Assets (\$103 million), whilst the write down of the book value of TOTE Tasmania to the Government (\$8.5 million) is included as a Movement in Equity.

The General Government Cash Flow Statement identifies the sale as an Equity Disposal (\$103 million).

Following completion of the sale transaction, there may be adjustment to reflect changes in TOTE Tasmania's adjusted net assets from 30 June 2011 to the date of completion.

In addition, TOTE Tasmania may be entitled to certain future GST benefits of up to \$43.6 million, which Tattsbet Limited has agreed to remit to the Government as and when they are utilised.

# Balance Sheet

Table 4.5: General Government Balance Sheet

	30 Jun 2011	30 Jun 2012	30 Jun 2012		31 Dec 2011
	Actual	Original Budget	Revised Budget	Variance	Actual
	\$m	\$m	\$m	\$m	\$m
		(a)	(b)	(b – a)	
<b>Assets</b>					
<b>Financial assets</b>					
Cash and deposits	628.3	259.1	391.5	132.4	494.7
Investments	56.3	63.0	60.2	(2.8)	51.9
Equity investments in PNFC and PFC Sectors	6 178.0	6 352.5	6 126.6	(225.9)	6 178.0
Other equity investments	3.7	4.3	5.0	0.8	3.9
Receivables	216.2	187.8	219.8	32.0	287.9
Other financial assets	1 030.8	1 010.7	1 009.3	(1.4)	1 077.1
	<b>8 113.3</b>	<b>7 877.4</b>	<b>7 812.4</b>	<b>(65.0)</b>	<b>8 093.5</b>
<b>Non-financial assets</b>					
Land and buildings	5 896.8	6 040.0	6 103.8	63.8	5 954.9
Infrastructure	3 787.3	5 263.4	3 994.1	(1 269.3)	3 869.0
Plant and equipment	223.8	217.8	206.6	(11.3)	249.8
Heritage and culture assets	441.6	575.2	454.5	(120.7)	440.7
Investment property	12.4	13.8	12.6	(1.2)	12.4
Intangible assets	34.3	29.1	29.9	0.9	34.7
Assets held for sale	28.2	20.0	26.3	6.3	27.1
Other non-financial assets	34.9	37.8	36.0	(1.9)	37.4
	<b>10 459.2</b>	<b>12 197.2</b>	<b>10 863.8</b>	<b>(1 333.4)</b>	<b>10 626.0</b>
<b>Total Assets</b>	<b>18 572.5</b>	<b>20 074.6</b>	<b>18 676.2</b>	<b>(1 398.4)</b>	<b>18 719.4</b>
<b>Liabilities</b>					
Borrowings	269.1	269.1	253.7	(15.4)	261.7
Superannuation	4 965.8	5 175.7	5 121.2	(54.4)	5 070.3
Employee entitlements	488.2	523.3	516.5	(6.8)	512.6
Payables	96.9	94.7	93.0	(1.7)	58.6
Other liabilities	260.8	256.8	262.4	5.6	348.7
<b>Total Liabilities</b>	<b>6 080.9</b>	<b>6 319.5</b>	<b>6 246.9</b>	<b>(72.6)</b>	<b>6 251.9</b>
<b>NET ASSETS</b>	<b>12 491.6</b>	<b>13 755.0</b>	<b>12 429.3</b>	<b>(1 325.8)</b>	<b>12 467.6</b>



Table 4.5: General Government Balance Sheet (continued)

	30 Jun 2011	30 Jun 2012	30 Jun 2012		31 Dec 2011
	Actual	Original Budget	Revised Budget	Variance	Actual
	\$m	\$m (a)	\$m (b)	\$m (b – a)	\$m
<b>Equity</b>					
Accumulated surplus	8 790.7	8 135.3	6 017.0	(2 118.3)	8 647.9
Asset revaluation reserve	3 701.0	5 007.9	3 936.2	(1 071.7)	3 819.7
Other reserves	....	611.8	2 476.1	1 864.3	....
<b>Total Equity</b>	<b>12 491.6</b>	<b>13 755.0</b>	<b>12 429.3</b>	<b>(1 325.8)</b>	<b>12 467.6</b>
<b>KEY FISCAL AGGREGATES</b>					
<b>NET WORTH<sup>1</sup></b>	<b>12 491.6</b>	<b>13 755.0</b>	<b>12 429.3</b>	<b>(1 325.8)</b>	<b>12 467.6</b>
<b>NET FINANCIAL WORTH<sup>2</sup></b>	<b>2 032.4</b>	<b>1 557.8</b>	<b>1 565.5</b>	<b>7.6</b>	<b>1 841.6</b>
<b>NET FINANCIAL LIABILITIES<sup>3</sup></b>	<b>4 145.6</b>	<b>4 794.7</b>	<b>4 561.1</b>	<b>(233.6)</b>	<b>4 336.4</b>
<b>NET DEBT<sup>4</sup></b>	<b>(415.5)</b>	<b>(53.0)</b>	<b>(198.0)</b>	<b>(145.0)</b>	<b>(284.9)</b>

## Notes:

1. Net Worth represents total assets minus total liabilities.
2. Net Financial Worth represents financial assets minus total liabilities.
3. Net Financial Liabilities represents total liabilities less financial assets, excluding equity investments in the PNFC and PFC Sectors.
4. Net Debt represents borrowings less cash and deposits and investments.

## Cash Flow Statement

The General Government Cash Flow Statement for 2011-12 is detailed in Table 4.6.

The Cash Deficit is estimated to be \$232.9 million in 2011-12 which is a decline of \$45.5 million from the Budget estimate of \$187.4 million.

**Table 4.6: General Government Cash Flow Statement**

	2010-11 Dec YTD Actual \$m	2011-12 Original Budget \$m (a)	2011-12 Revised Budget \$m (b)	Variance \$m (b – a)	2011-12 Dec YTD Actual \$m
<b>Cash flows from operating activities</b>					
<b>Cash received</b>					
Grants received	1 539.3	2 855.0	2 895.2	40.2	1 463.2
Taxation	420.0	906.7	888.4	(18.3)	413.4
Sales of goods and services	177.8	391.4	375.6	(15.7)	178.9
Fines and regulatory fees	32.4	87.9	94.1	6.2	36.8
Interest received	22.3	25.1	23.5	(1.5)	14.2
Dividend, tax and rate equivalents	45.4	218.2	205.9	(12.3)	127.8
Other receipts	176.6	303.6	312.8	9.2	204.0
	<b>2 413.8</b>	<b>4 787.8</b>	<b>4 795.6</b>	<b>7.8</b>	<b>2 438.4</b>
<b>Cash paid</b>					
Employee entitlements	(1 034.1)	(1 964.7)	(2 001.4)	(36.7)	(1 062.5)
Superannuation	(137.0)	(303.0)	(304.9)	(1.9)	(165.7)
Supplies and consumables	(462.3)	(975.6)	(1 030.9)	(55.4)	(418.1)
Borrowing costs	(2.2)	(13.9)	(13.9)	....	(2.1)
Grants and subsidies paid	(577.0)	(1 004.4)	(1 018.1)	(13.7)	(589.2)
Other payments	(124.7)	(204.1)	(225.2)	(21.1)	(134.1)
	<b>(2 337.3)</b>	<b>(4 465.7)</b>	<b>(4 594.4)</b>	<b>(128.7)</b>	<b>(2 371.8)</b>
<b>Net cash flows from operating activities</b>	<b>76.5</b>	<b>322.1</b>	<b>201.1</b>	<b>(121.0)</b>	<b>66.6</b>
<b>Cash flows from investing activities</b>					
<b>Non-financial assets</b>					
Purchase of non-financial assets	(384.0)	(551.0)	(474.4)	76.6	(192.1)
Sale of non-financial assets	29.1	41.5	40.4	(1.1)	23.8
	<b>(354.9)</b>	<b>(509.5)</b>	<b>(434.0)</b>	<b>75.4</b>	<b>(168.3)</b>
<b>Financial assets (policy purposes)</b>					
Equity injections	(36.8)	(99.0)	(84.3)	14.8	(33.4)
Equity disposals	....	....	103.0	103.0	....
Net advances paid	(6.2)	(7.6)	(7.5)	0.1	1.7
	<b>(43.0)</b>	<b>(106.6)</b>	<b>11.3</b>	<b>117.9</b>	<b>(31.7)</b>
<b>Financial assets (liquidity purposes)</b>					
Net purchase of investments	(2.0)	....	....	....	2.6
	<b>(2.0)</b>	<b>....</b>	<b>....</b>	<b>....</b>	<b>2.6</b>
<b>Net cash flows from investing activities</b>	<b>(400.0)</b>	<b>(616.0)</b>	<b>(422.7)</b>	<b>193.3</b>	<b>(197.4)</b>

Table 4.6: General Government Cash Flow Statement (continued)

	2010-11 Dec YTD Actual	2011-12 Original Budget	2011-12 Revised Budget	Variance	2011-12 Dec YTD Actual
	\$m	\$m (a)	\$m (b)	\$m (b – a)	\$m
<b>Cash flows from financing activities</b>					
Net borrowing	4.2	(14.3)	(15.1)	(0.8)	(7.5)
Other financing (Net)	....	....	....	....	4.6
<b>Net cash flows from financing activities</b>	<b>4.2</b>	<b>(14.3)</b>	<b>(15.1)</b>	<b>(0.8)</b>	<b>(2.8)</b>
<b>Net increase/(decrease) in cash held</b>	<b>(319.2)</b>	<b>(308.3)</b>	<b>(236.7)</b>	<b>71.5</b>	<b>(133.6)</b>
<b>Cash at beginning of the year</b>	<b>966.0</b>	<b>567.3</b>	<b>628.3</b>	<b>60.9</b>	<b>628.3</b>
<b>Cash at end of the period</b>	<b>646.8</b>	<b>259.1</b>	<b>391.5</b>	<b>132.4</b>	<b>494.7</b>
<b>KEY FISCAL AGGREGATES</b>					
Net cash flows from operating activities	76.5	322.1	201.1	(121.0)	66.6
Plus Net cash from investments in non-financial assets	(354.9)	(509.5)	(434.0)	75.4	(168.3)
<b>Equals CASH SURPLUS/(DEFICIT)</b>	<b>(278.4)</b>	<b>(187.4)</b>	<b>(232.9)</b>	<b>(45.5)</b>	<b>(101.7)</b>

## Policy and Parameter Statement

A Policy and Parameter Statement is a reconciliation of the major movements in the Net Operating Balance and the Fiscal Balance between two points in time. The movements reflect changes between the Budget and Forward Estimates reported in the 2011-12 Budget Papers and the revised estimates included in this Report.

The movements in the PPS are classified as revenue, expenses or net acquisition of non-financial assets, and then further categorised as a policy or parameter change. The classification of a variation as a policy or parameter change is a matter of judgment and it is recognised there may be some instances where part of a Government initiative may have both policy and parameter components.

### *Policy Variation*

For the purpose of the PPS, a policy variation reflects a specific decision by the Government that has an impact on the Budget and Forward Estimates and is related to a new policy or represents a change in the Government's existing policy position since the previous Budget. A decision to change a Budget or Forward Estimate aggregate, which is consistent with an existing policy, is not a policy decision.

### *Parameter Variation*

A parameter variation reflects changes to the Budget and Forward Estimates due to the economic environment, the agency operating environment or the timing of a transaction.

Parameter variations will reflect the impact of increased taxes, grants or other income that do not arise because of a Government decision; and demand and cost variations in agency service delivery, including the provision of indexation. Variations resulting from the rollover of a new Forward Estimate year and changes in accounting policies, such as a change in an agency depreciation policy, or where financial estimates are affected by a change in an Australian Accounting Standard are classified as parameter variations.

Table 4.7 provides a summary of the detailed policy and parameters changes listed in Table 4.8 that have impacted on the formulation of the revised 2011-12 Budget and Forward Estimates for inclusion in this Report.

**Table 4.7: Summary Policy and Parameter Statement**

	<b>2011-12 Revised Budget</b>	<b>2012-13 Forward Estimate</b>	<b>2013-14 Forward Estimate</b>	<b>2014-15 Forward Estimate</b>
	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>
<b>Forward Estimates (Net Operating Balance) as per the 2011-12 Budget (A)</b>	<b>(113.8)</b>	<b>48.4</b>	<b>(14.5)</b>	<b>1.9</b>
<b>Forward Estimates (Fiscal Balance) as per the 2011-12 Budget (B)</b>	<b>(358.5)</b>	<b>(67.5)</b>	<b>(32.3)</b>	<b>(27.5)</b>
<b>REVENUE</b>				
Parameter Adjustments	(1.1)	(49.8)	(22.3)	(50.1)
<b>TOTAL REVENUE VARIATIONS (C)</b>	<b>(1.1)</b>	<b>(49.8)</b>	<b>(22.3)</b>	<b>(50.1)</b>
<b>EXPENSES</b>				
Policy Decisions	28.4	1.6	....	....
Parameter Adjustments	102.9	29.9	15.7	48.1
<b>TOTAL EXPENSE VARIATIONS (D)</b>	<b>131.3</b>	<b>31.5</b>	<b>15.7</b>	<b>48.1</b>
<b>NET OPERATING BALANCE (A+C-D)</b>	<b>(246.1)</b>	<b>(33.0)</b>	<b>(52.5)</b>	<b>(96.4)</b>
<b>Less NET ACQUISITION OF NON-FINANCIAL ASSETS</b>				
<b>Purchases of Non-Financial Assets</b>				
Parameter Adjustments	(76.3)	30.9	54.8	(57.5)
	<b>(76.3)</b>	<b>30.9</b>	<b>54.8</b>	<b>(57.5)</b>
<b>Less Sales of Non-Financial Assets (F)</b>	<b>(1.1)</b>	<b>(6.4)</b>	<b>(7.3)</b>	<b>(9.1)</b>
<b>Less Depreciation - Total Parameter Adjustments (G)</b>	<b>2.6</b>	<b>1.4</b>	<b>1.6</b>	<b>2.0</b>
<b>NET ACQUISITION OF NON-FINANCIAL ASSETS VARIATIONS (E)</b>	<b>(77.8)</b>	<b>35.9</b>	<b>60.5</b>	<b>(50.5)</b>
<b>FISCAL BALANCE (B+C-D-E)</b>	<b>(413.0)</b>	<b>(184.7)</b>	<b>(130.8)</b>	<b>(75.3)</b>

Table 4.8: Policy and Parameter Statement

	2011-12 Revised Budget	2012-13 Forward Estimate	2013-14 Forward Estimate	2014-15 Forward Estimate
	\$m	\$m	\$m	\$m
<b>Forward Estimates (Net Operating Balance) as per the</b>				
2011-12 Budget (A)	(113.8)	48.4	(14.5)	1.9
<b>Forward Estimates (Fiscal Balance) as per the</b>				
2011-12 Budget (B)	(358.5)	(67.5)	(32.3)	(27.5)
<b>REVENUE</b>				
<b>Parameter Adjustments</b>				
<b>Taxation</b>				
Casino tax and licence fees	....	1.2	3.0	3.2
Duties <sup>1</sup>	(30.1)	(28.7)	(35.4)	(39.9)
Government guarantee fees	(1.2)	(5.5)	(9.7)	(13.0)
Land tax	3.9	2.7	2.4	2.2
Motor tax	....	0.6	0.6	0.6
Payroll tax <sup>2</sup>	9.8	10.0	10.3	10.6
Vehicle registration fees	(0.7)	(0.7)	(0.7)	(0.7)
<b>Total Taxation</b>	<b>(18.3)</b>	<b>(20.3)</b>	<b>(29.5)</b>	<b>(36.8)</b>
<b>Dividend, tax and rate equivalent income</b>				
<b>Dividend income</b>				
Aurora Energy Pty Ltd	1.2	....	....	....
Hydro Tasmania	1.4	....	....	....
Motor Accidents Insurance Board	(0.6)	(4.9)	(5.0)	(5.0)
TOTE Tasmania Pty Ltd <sup>3</sup>	(2.3)	(4.5)	(3.7)	(3.2)
Tasmanian Ports Corporation Pty Ltd	....	(0.9)	(0.4)	(1.1)
The Public Trustee	....	(0.2)	(0.2)	(0.2)
Transend Networks Pty Ltd	3.5	1.1	1.8	2.3
	<b>3.1</b>	<b>(9.3)</b>	<b>(7.5)</b>	<b>(7.1)</b>
<b>Income tax equivalents</b>				
Aurora Energy Pty Ltd	(18.7)	....	....	....
Hydro Tasmania	(3.9)	3.6	....	....
Motor Accidents Insurance Board	(6.0)	(26.1)	(0.9)	(6.3)
TOTE Tasmania Pty Ltd <sup>3</sup>	....	(3.8)	(3.1)	(2.8)
Tasmanian Ports Corporation Pty Ltd	(0.2)	(0.8)	0.1	(1.2)
The Public Trustee	0.1	....	....	....
Transend Networks Pty Ltd	13.3	11.3	9.2	10.7
	<b>(15.4)</b>	<b>(15.7)</b>	<b>5.3</b>	<b>0.5</b>
<b>Total Dividend, tax and rate equivalent income</b>	<b>(12.3)</b>	<b>(25.1)</b>	<b>(2.2)</b>	<b>(6.7)</b>

Table 4.8: Policy and Parameter Statement (continued)

	2011-12 Revised Budget	2012-13 Forward Estimate	2013-14 Forward Estimate	2014-15 Forward Estimate
	\$m	\$m	\$m	\$m
<b>Interest income</b>	<b>(2.8)</b>	<b>1.4</b>	<b>(5.3)</b>	<b>(11.3)</b>
<b>Australian Government Grants</b>				
<b>General purpose payments</b>				
GST Revenue	(13.4)	(26.8)	(20.7)	(22.8)
	<b>(13.4)</b>	<b>(26.8)</b>	<b>(20.7)</b>	<b>(22.8)</b>
<b>National partnership payments</b>				
Environmental Services	(14.8)	....	14.8	....
Schools	7.6	(2.5)	(0.7)	(0.6)
Skills and Workforce Development	1.9	....	....	....
Tasmanian Forests Agreement	50.0	7.2	7.4	7.6
Other	(0.5)	....	....	....
	<b>44.2</b>	<b>4.7</b>	<b>21.5</b>	<b>7.0</b>
<b>Specific purpose payments</b>				
National Schools	7.6	5.6	9.2	12.9
	<b>7.6</b>	<b>5.6</b>	<b>9.2</b>	<b>12.9</b>
<b>Other</b>	<b>1.9</b>	<b>(1.0)</b>	<b>(1.3)</b>	<b>(0.9)</b>
<b>Total Australian Government Grants</b>	<b>40.2</b>	<b>(17.5)</b>	<b>8.7</b>	<b>(3.7)</b>
<b>Agency Revenue</b>				
Education	....	....	....	1.4
Health and Human Services	(4.3)	3.4	4.4	2.6
Infrastructure, Energy and Resources	(2.9)	(5.9)	(6.2)	(4.6)
Justice <sup>4</sup>	4.5	9.9	10.3	10.7
Premier and Cabinet	(0.2)	(0.2)	(0.1)	....
Primary Industries, Parks, Water and Environment	(4.9)	4.4	(2.5)	(1.9)
<b>Total Agency Revenue</b>	<b>(7.9)</b>	<b>11.6</b>	<b>6.1</b>	<b>8.4</b>
<b>Total Parameter Adjustments</b>	<b>(1.1)</b>	<b>(49.8)</b>	<b>(22.3)</b>	<b>(50.1)</b>
<b>TOTAL REVENUE VARIATIONS (C)</b>	<b>(1.1)</b>	<b>(49.8)</b>	<b>(22.3)</b>	<b>(50.1)</b>

Table 4.8: Policy and Parameter Statement (continued)

	2011-12 Revised Budget	2012-13 Forward Estimate	2013-14 Forward Estimate	2014-15 Forward Estimate
	\$m	\$m	\$m	\$m
<b>EXPENSES</b>				
<b>Policy Decisions</b>				
<b>Agency Expenditure</b>				
<b>Health and Human Services</b>				
Additional funding for health <sup>5</sup>	25.0	....	....	....
<b>Justice</b>				
Additional funding for prison services	2.0	....	....	....
<b>Primary Industries, Parks, Water and Environment</b>				
Spatial Information Foundations Project	1.4	1.6	....	....
<b>Total Policy Decisions</b>	<b>28.4</b>	<b>1.6</b>	<b>....</b>	<b>....</b>
<b>Parameter Adjustments</b>				
<b>Depreciation</b>	<b>2.6</b>	<b>1.4</b>	<b>1.6</b>	<b>2.0</b>
<b>Borrowing costs</b>	<b>(0.3)</b>	<b>(0.3)</b>	<b>(0.5)</b>	<b>(0.5)</b>
<b>Agency Expenditure</b>				
Economic Development, Tourism and the Arts <sup>6</sup>	5.0	....	(0.4)	0.2
Education <sup>7</sup>	(2.7)	13.5	16.9	20.4
Finance-General <sup>8</sup>	49.5	5.3	(14.9)	9.2
Health and Human Services <sup>9</sup>	18.7	2.5	3.2	3.6
Infrastructure, Energy and Resources <sup>10</sup>	18.3	....	....	....
Justice <sup>4</sup>	9.5	9.7	10.3	11.1
Legislative Council	0.1	0.1	0.1	0.1
Police and Emergency Management	1.0	....	....	....
Premier and Cabinet	1.5	(1.1)	0.6	0.6
Primary Industries, Parks, Water and Environment	0.2	1.1	0.2	2.2
Treasury and Finance	0.5	....	....	....
Other	(0.9)	(2.5)	(1.6)	(1.0)
<b>Total Agency Expenditure</b>	<b>100.6</b>	<b>28.8</b>	<b>14.6</b>	<b>46.5</b>
<b>Total Parameter Adjustments</b>	<b>102.9</b>	<b>29.9</b>	<b>15.7</b>	<b>48.1</b>
<b>TOTAL EXPENSE VARIATIONS (D)</b>	<b>131.3</b>	<b>31.5</b>	<b>15.7</b>	<b>48.1</b>
<b>NET OPERATING BALANCE<sup>11</sup></b>	<b>(246.1)</b>	<b>(33.0)</b>	<b>(52.5)</b>	<b>(96.4)</b>



Table 4.8: Policy and Parameter Statement (continued)

	2011-12 Revised Budget	2012-13 Forward Estimate	2013-14 Forward Estimate	2014-15 Forward Estimate
	\$m	\$m	\$m	\$m
<b>less NET ACQUISITION OF NON-FINANCIAL ASSETS</b>				
<b>VARIATIONS</b>				
<b>Purchases of Non-Financial Assets</b>				
<b>Parameter Adjustments</b>				
Economic Development, Tourism and the Arts	1.2	0.3	0.2	0.2
Education	15.6	(1.2)	(1.5)	....
Finance-General <sup>12</sup>	(7.9)	(10.0)	(11.6)	(13.3)
Health and Human Services <sup>13</sup>	(61.2)	36.1	35.6	(14.2)
Infrastructure, Energy and Resources	3.8	....	....	....
Justice	(0.7)	1.5	....	....
Police and Emergency Management	0.5	....	....	....
Premier and Cabinet	2.0	0.4	0.3	(0.3)
Primary Industries, Parks, Water and Environment	(4.7)	(1.2)	6.8	....
Provision for Future Infrastructure Investment <sup>14</sup>	....	5.0	25.0	(30.0)
Whole-of-Government capital adjustment <sup>15</sup>	(25.0)	....	....	....
<b>Total Parameter Adjustments</b>	<b>(76.3)</b>	<b>30.9</b>	<b>54.8</b>	<b>(57.5)</b>
<b>Total Purchases of Non-Financial Assets (E)</b>	<b>(76.3)</b>	<b>30.9</b>	<b>54.8</b>	<b>(57.5)</b>
<b>Less Sales of Non-Financial Assets (F)</b>	<b>(1.1)</b>	<b>(6.4)</b>	<b>(7.3)</b>	<b>(9.1)</b>
<b>Less Depreciation - Total Parameter Adjustments (G)</b>	<b>2.6</b>	<b>1.4</b>	<b>1.6</b>	<b>2.0</b>
<b>TOTAL NET ACQUISITION OF NON-FINANCIAL ASSETS</b>				
<b>VARIATIONS (H)<sup>16</sup></b>	<b>(77.8)</b>	<b>35.9</b>	<b>60.5</b>	<b>(50.5)</b>
<b>FISCAL BALANCE<sup>17</sup></b>	<b>(413.0)</b>	<b>(184.7)</b>	<b>(130.8)</b>	<b>(75.3)</b>

## Notes:

1. The decrease in Duties primarily reflects a reduction in duty received from conveyances due to lower than anticipated activity in the property market.
2. The increase in Payroll tax primarily reflects higher than anticipated year-to-date receipts and continued growth in employment levels and average weekly earnings by those employers that are required to pay Payroll tax.
3. The decrease in Dividend and income tax equivalent receipts for TOTE Tasmania reflects the removal of estimates included in the 2011-12 Budget as a result of the sale of the business.
4. The increase in Justice primarily reflects revised revenue and expense estimates for the WorkCover Board and the inclusion of revenue and expenses for the Asbestos Compensation Board as part of the Department's estimates.
5. The increase in Health and Human Services in 2011-12 primarily reflects the provision of additional funds due to delayed implementation of Budget savings strategies and cost and demand pressures experienced by the Department.
6. The increase in Economic Development, Tourism and the Arts for 2011-12 primarily reflects grant funding provided to the University of Tasmania relating to the sale of Domain House to the University.
7. The increase in Education over the Forward Estimates period primarily reflects an increase in Australian and State Government Grants to Non-Government schools.

8. The increase in Finance-General in 2011-12 primarily reflects the expenditure of funds received from the Australian Government under the Tasmanian Forests Agreement and the required State Contribution under this Agreement.
9. The increase in Health and Human Services primarily reflects the expenditure of Australian Government funding that was received in previous years.
10. The increase in Infrastructure, Energy and Resources in 2011-12 primarily reflects expenditure of funds received from the Australian Government under the Tasmanian Forests Agreement.
11. Net Operating Balance is equal to  $A + C - D$ .
12. The decreases in Finance-General reflect the impact of savings to be achieved as a result of the Government's revised Motor Vehicle Fleet policy.
13. The movements in Health and Human Services primarily reflects cashflow changes to the Royal Hobart Hospital Redevelopment Project and various Special Capital Investment Fund projects administered by the Department.
14. The movement in the Provision for Future Infrastructure Investment reflects revised cashflows of the State's contribution to the Royal Hobart Hospital Redevelopment.
15. The movement in the Whole-of-Government capital adjustment reflects reduction of this provision since the 2011-12 Budget.
16. Net Acquisition/(Disposal) of Non-Financial Assets is equal to  $E - F - G$ .
17. Fiscal Balance is equal to  $B + C - D - H$ .

# 5 UNIFORM GOVERNMENT REPORTING

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In accordance with the Uniform Presentation Framework, agreed by the Australian Loan Council in March 2000, this Report presents revised fiscal estimates that take into account fiscal developments since the commencement of the Budget year.

Tables 5.1 to 5.15 present Income Statements, Balance Sheets and Cash Flow Statements for the General Government, Public Non-Financial Corporations, Public Financial Corporations, Total Non-Financial Public and Total State Sectors.

The revised Loan Council allocation is presented in Table 5.16.

# General Government Sector

Table 5.1: General Government Income Statement

	2011-12 Original Budget	2011-12 Revised Budget	2012-13 Forward Estimate	2013-14 Forward Estimate	2014-15 Forward Estimate
	\$m	\$m	\$m	\$m	\$m
<b>Revenue from transactions</b>					
Grants	2 855.1	2 895.3	2 918.9	2 878.9	2 810.9
Taxation	906.7	888.4	929.4	961.9	996.0
Sales of goods and services	391.5	375.8	385.5	393.4	398.7
Fines and regulatory fees	89.6	95.8	105.1	107.2	111.6
Interest income	25.8	23.0	16.1	12.6	13.4
Dividend, tax and rate equivalent income	218.2	205.9	228.9	243.3	271.5
Other revenue	130.9	132.6	134.0	128.8	130.9
	<b>4 617.8</b>	<b>4 616.8</b>	<b>4 717.9</b>	<b>4 726.1</b>	<b>4 732.8</b>
<b>Less Expenses from transactions</b>					
Employee expenses	1 991.5	2 028.6	2 040.0	2 082.9	2 107.8
Superannuation	229.9	231.8	230.1	234.7	237.6
Depreciation	264.7	267.3	274.1	279.6	276.5
Supplies and consumables	961.5	1 016.6	959.0	973.2	990.5
Nominal superannuation interest expense	228.8	228.8	230.3	223.0	223.0
Borrowing costs	14.5	14.2	12.8	11.7	11.6
Grant and subsidy expenses	1 004.5	1 018.1	963.3	933.1	946.1
Other expenses	36.3	57.4	41.0	40.3	36.0
	<b>4 731.6</b>	<b>4 862.8</b>	<b>4 750.8</b>	<b>4 778.6</b>	<b>4 829.2</b>
<b>Equals NET OPERATING BALANCE</b>	<b>(113.8)</b>	<b>(246.1)</b>	<b>(33.0)</b>	<b>(52.5)</b>	<b>(96.4)</b>
<b>Plus Other economic flows – included in Operating Result</b>					
Gain/(loss) on sale of non-financial assets	4.7	99.5	3.4	6.4	7.0
Movement in equity investment in PNFC and PFC Sectors	316.5	(42.9)	113.3	206.4	226.4
Other gains/(losses)	(5.4)	1.5	(15.1)	(13.8)	(11.1)
	<b>315.7</b>	<b>58.1</b>	<b>101.6</b>	<b>199.0</b>	<b>222.4</b>
<b>Equals Operating Result</b>	<b>202.0</b>	<b>(188.0)</b>	<b>68.6</b>	<b>146.5</b>	<b>126.0</b>

Table 5.1: General Government Income Statement (continued)

	2011-12 Original Budget	2011-12 Revised Budget	2012-13 Forward Estimate	2013-14 Forward Estimate	2014-15 Forward Estimate
	\$m	\$m	\$m	\$m	\$m
<b>Plus Other economic flows – other movements in equity</b>					
Revaluations of non-financial assets	237.5	235.2	331.0	336.1	324.2
Other non-owner movements in equity	(133.6)	(110.5)	(95.8)	(25.4)	19.1
	<b>103.8</b>	<b>124.7</b>	<b>235.2</b>	<b>310.7</b>	<b>343.3</b>
<b>Equals Comprehensive Result</b>	<b>305.8</b>	<b>(63.2)</b>	<b>303.9</b>	<b>457.1</b>	<b>469.3</b>
<b>KEY FISCAL AGGREGATES</b>					
<b>NET OPERATING BALANCE</b>	<b>(113.8)</b>	<b>(246.1)</b>	<b>(33.0)</b>	<b>(52.5)</b>	<b>(96.4)</b>
<b>Less Net acquisition/(disposal) of non-financial assets</b>					
Purchase of non-financial assets	551.0	474.7	461.4	392.7	289.0
Less Sale of non-financial assets	41.5	40.4	35.5	34.8	33.5
Less Depreciation	264.7	267.3	274.1	279.6	276.5
	<b>244.7</b>	<b>167.0</b>	<b>151.7</b>	<b>78.3</b>	<b>(21.0)</b>
<b>Equals FISCAL BALANCE - SURPLUS/(DEFICIT)</b>	<b>(358.5)</b>	<b>(413.0)</b>	<b>(184.7)</b>	<b>(130.8)</b>	<b>(75.3)</b>

**Table 5.2: General Government Balance Sheet as at 30 June**

	2012 Original Budget \$m	2012 Revised Budget \$m	2013 Forward Estimate \$m	2014 Forward Estimate \$m	2015 Forward Estimate \$m
<b>Assets</b>					
<b>Financial assets</b>					
Cash and deposits	259.1	391.5	274.2	253.7	333.4
Investments	63.0	60.2	59.1	54.1	49.2
Equity investments in PNFC and PFC					
Sectors	6 352.5	6 126.6	6 239.9	6 446.4	6 672.8
Other equity investments	4.3	5.0	8.0	14.0	17.0
Receivables	187.8	219.8	222.8	223.8	225.0
Other financial assets	1 010.7	1 009.3	993.1	1 016.6	1 032.6
	<b>7 877.4</b>	<b>7 812.4</b>	<b>7 797.1</b>	<b>8 008.6</b>	<b>8 330.1</b>
<b>Non-financial assets</b>					
Land and buildings	6 040.0	6 103.8	6 418.8	6 689.5	6 879.3
Infrastructure	5 263.4	3 994.1	4 175.5	4 338.6	4 472.8
Plant and equipment	217.8	206.6	191.1	173.2	153.0
Heritage and culture assets	575.2	454.5	466.3	478.2	490.3
Investment property	13.8	12.6	12.9	13.2	13.5
Intangible assets	29.1	29.9	25.0	20.0	17.3
Assets held for sale	20.0	26.3	24.1	23.9	22.9
Other non-financial assets	37.8	36.0	36.8	37.7	38.7
	<b>12 197.2</b>	<b>10 863.8</b>	<b>11 350.5</b>	<b>11 774.3</b>	<b>12 087.7</b>
<b>Total Assets</b>	<b>20 074.6</b>	<b>18 676.2</b>	<b>19 147.6</b>	<b>19 782.8</b>	<b>20 417.8</b>
<b>Liabilities</b>					
Borrowings	269.1	253.7	241.8	243.5	242.8
Superannuation	5 175.7	5 121.2	5 265.4	5 398.5	5 521.3
Employee entitlements	523.3	516.5	542.7	573.3	604.8
Payables	94.7	93.0	95.1	97.9	99.7
Other liabilities	256.8	262.4	269.5	279.4	289.6
<b>Total Liabilities</b>	<b>6 319.5</b>	<b>6 246.9</b>	<b>6 414.5</b>	<b>6 592.6</b>	<b>6 758.3</b>
<b>NET ASSETS</b>	<b>13 755.0</b>	<b>12 429.3</b>	<b>12 733.1</b>	<b>13 190.2</b>	<b>13 659.5</b>
<b>Equity</b>					
Accumulated surplus	8 135.3	6 017.0	5 989.9	6 112.2	6 258.1
Asset revaluation reserve	5 007.9	3 936.2	4 267.2	4 603.3	4 927.5
Other equity	611.8	2 476.1	2 476.0	2 474.8	2 474.0
<b>Total Equity</b>	<b>13 755.0</b>	<b>12 429.3</b>	<b>12 733.1</b>	<b>13 190.2</b>	<b>13 659.5</b>

**Table 5.2: General Government Balance Sheet as at 30 June (continued)**

	2012 Original Budget	2012 Revised Budget	2013 Forward Estimate	2014 Forward Estimate	2015 Forward Estimate
	\$m	\$m	\$m	\$m	\$m
<b>KEY FISCAL AGGREGATES</b>					
<b>NET WORTH<sup>1</sup></b>	<b>13 755.0</b>	<b>12 429.3</b>	<b>12 733.1</b>	<b>13 190.2</b>	<b>13 659.5</b>
<b>NET FINANCIAL WORTH<sup>2</sup></b>	<b>1 557.8</b>	<b>1 565.5</b>	<b>1 382.7</b>	<b>1 416.0</b>	<b>1 571.8</b>
<b>NET FINANCIAL LIABILITIES<sup>3</sup></b>	<b>4 794.7</b>	<b>4 561.1</b>	<b>4 857.3</b>	<b>5 030.4</b>	<b>5 101.0</b>
<b>NET DEBT<sup>4</sup></b>	<b>(53.0)</b>	<b>(198.0)</b>	<b>(91.5)</b>	<b>(64.4)</b>	<b>(139.8)</b>

**Notes:**

1. Net Worth represents total assets minus total liabilities.
2. Net Financial Worth represents financial assets minus total liabilities.
3. Net Financial Liabilities represents total liabilities less financial assets, excluding equity investment in the PNFC and PFC Sectors.
4. Net Debt represents borrowings less cash and deposits and investments.

**Table 5.3: General Government Cash Flow Statement**

	<b>2011-12 Original Budget</b>	<b>2011-12 Revised Budget</b>	<b>2012-13 Forward Estimate</b>	<b>2013-14 Forward Estimate</b>	<b>2014-15 Forward Estimate</b>
	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>
<b>Cash flows from operating activities</b>					
<b>Cash received</b>					
Grants received	2 855.0	2 895.2	2 918.9	2 878.8	2 810.9
Taxation	906.7	888.4	929.4	961.9	996.0
Sales of goods and services	391.4	375.6	384.6	394.5	402.8
Fines and regulatory fees	87.9	94.1	103.7	107.2	111.6
Interest received	25.1	23.5	16.8	12.0	12.7
Dividend, tax and rate equivalents	218.2	205.9	228.9	243.3	271.5
Other receipts	303.6	312.8	307.7	304.3	305.0
	<b>4 787.8</b>	<b>4 795.6</b>	<b>4 889.9</b>	<b>4 902.0</b>	<b>4 910.4</b>
<b>Cash paid</b>					
Employee entitlements	(1 964.7)	(2 001.4)	(2 010.2)	(2 049.0)	(2 075.4)
Superannuation	(303.0)	(304.9)	(315.4)	(323.5)	(337.1)
Supplies and consumables	(975.6)	(1 030.9)	(965.2)	(984.6)	(1 001.0)
Borrowing costs	(13.9)	(13.9)	(12.5)	(11.3)	(11.1)
Grants and subsidies paid	(1 004.4)	(1 018.1)	(963.1)	(932.9)	(945.9)
Other payments	(204.1)	(225.2)	(208.3)	(209.1)	(206.5)
	<b>(4 465.7)</b>	<b>(4 594.4)</b>	<b>(4 474.7)</b>	<b>(4 510.5)</b>	<b>(4 577.1)</b>
<b>Net cash flows from operating activities</b>	<b>322.1</b>	<b>201.1</b>	<b>415.3</b>	<b>391.5</b>	<b>333.3</b>
<b>Cash flows from investing activities</b>					
<b>Non-financial assets</b>					
Purchase of non-financial assets	(551.0)	(474.4)	(461.2)	(392.5)	(288.8)
Sale of non-financial assets	41.5	40.4	35.5	34.8	33.5
	<b>(509.5)</b>	<b>(434.0)</b>	<b>(425.6)</b>	<b>(357.6)</b>	<b>(255.2)</b>
<b>Financial assets (policy purposes)</b>					
Equity injections	(99.0)	(84.3)	(89.4)	(58.1)	(3.0)
Equity disposals	....	103.0	....	....	....
Net advances paid	(7.6)	(7.5)	(5.6)	2.0	5.3
	<b>(106.6)</b>	<b>11.3</b>	<b>(95.0)</b>	<b>(56.1)</b>	<b>2.3</b>
<b>Net cash flows from investing activities</b>	<b>(616.0)</b>	<b>(422.7)</b>	<b>(520.6)</b>	<b>(413.7)</b>	<b>(253.0)</b>



**Table 5.3: General Government Cash Flow Statement (continued)**

	2011-12 Original Budget	2011-12 Revised Budget	2012-13 Forward Estimate	2013-14 Forward Estimate	2014-15 Forward Estimate
	\$m	\$m	\$m	\$m	\$m
<b>Cash flows from financing activities</b>					
Net borrowing	(14.3)	(15.1)	(11.9)	1.7	(0.7)
<b>Net cash flows from financing activities</b>	<b>(14.3)</b>	<b>(15.1)</b>	<b>(11.9)</b>	<b>1.7</b>	<b>(0.7)</b>
<b>Net increase/(decrease) in cash held</b>	<b>(308.3)</b>	<b>(236.7)</b>	<b>(117.3)</b>	<b>(20.5)</b>	<b>79.7</b>
<b>Cash at beginning of the year</b>	<b>567.3</b>	<b>628.3</b>	<b>391.5</b>	<b>274.2</b>	<b>253.7</b>
<b>Cash at end of the year</b>	<b>259.1</b>	<b>391.5</b>	<b>274.2</b>	<b>253.7</b>	<b>333.4</b>
<b>KEY FISCAL AGGREGATES</b>					
Net cash flows from operating activities	322.1	201.1	415.3	391.5	333.3
Plus Net cash from investments in non-financial assets	(509.5)	(434.0)	(425.6)	(357.6)	(255.2)
<b>Equals CASH SURPLUS/(DEFICIT)</b>	<b>(187.4)</b>	<b>(232.9)</b>	<b>(10.3)</b>	<b>33.9</b>	<b>78.1</b>

## Public Non-Financial Corporations Sector

Table 5.4: Public Non-Financial Corporations Sector Income Statement

	2011-12 Original Budget	2011-12 Revised Budget	2012-13 Forward Estimate	2013-14 Forward Estimate	2014-15 Forward Estimate
	\$m	\$m	\$m	\$m	\$m
<b>Revenue from transactions</b>					
Grants	137.4	149.7	148.7	154.6	147.1
Sales of goods and services	3 221.6	3 319.5	3 504.5	3 850.0	4 177.5
Interest income	9.9	8.3	9.0	9.8	11.8
Other revenue	70.3	62.7	65.4	70.3	72.7
	<b>3 439.3</b>	<b>3 540.3</b>	<b>3 727.5</b>	<b>4 084.7</b>	<b>4 409.0</b>
<b>Less Expenses from transactions</b>					
Employee expenses	425.8	409.4	413.1	427.3	443.0
Superannuation	68.0	66.9	68.8	71.3	74.5
Depreciation	367.8	361.8	377.9	388.3	398.1
Supplies and consumables	1 999.1	2 142.7	2 226.3	2 468.6	2 744.3
Borrowing costs	210.5	223.1	242.5	267.6	276.6
Dividend, tax and rate equivalent expenses	205.5	195.6	232.5	242.8	267.8
Grant and subsidy expenses	25.0	36.1	37.0	37.9	38.8
Other expenses	24.1	24.2	24.3	25.0	26.1
	<b>3 325.8</b>	<b>3 459.8</b>	<b>3 622.3</b>	<b>3 928.7</b>	<b>4 269.2</b>
<b>Equals NET OPERATING BALANCE</b>	<b>113.5</b>	<b>80.5</b>	<b>105.3</b>	<b>156.0</b>	<b>139.8</b>
<b>Plus Other economic flows – included in Operating Result</b>					
Gain/(loss) on sale of non-financial assets	23.1	22.4	(0.2)	(0.2)	(0.2)
Movement in superannuation liability	....	(0.3)	(0.3)	(0.3)	(0.3)
Other gains/(losses)	(55.0)	(110.6)	(166.8)	(117.1)	(13.7)
	<b>(31.9)</b>	<b>(88.5)</b>	<b>(167.3)</b>	<b>(117.6)</b>	<b>(14.2)</b>
<b>Equals Operating Result</b>	<b>81.6</b>	<b>(8.1)</b>	<b>(62.0)</b>	<b>38.4</b>	<b>125.6</b>

**Table 5.4: Public Non-Financial Corporations Sector Income Statement (continued)**

	2011-12 Original Budget	2011-12 Revised Budget	2012-13 Forward Estimate	2013-14 Forward Estimate	2014-15 Forward Estimate
	\$m	\$m	\$m	\$m	\$m
<b>Plus Other economic flows – other movements in equity</b>					
Revaluations of non-financial assets	23.8	16.3	(2.1)	46.0	59.2
Other non-owner movements in equity	193.6	(21.2)	156.5	103.4	23.7
	<b>217.4</b>	<b>(4.8)</b>	<b>154.4</b>	<b>149.4</b>	<b>83.0</b>
<b>Equals Comprehensive Result</b>	<b>299.0</b>	<b>(12.9)</b>	<b>92.3</b>	<b>187.8</b>	<b>208.5</b>
<b>KEY FISCAL AGGREGATES</b>					
<b>NET OPERATING BALANCE</b>	<b>113.5</b>	<b>80.5</b>	<b>105.3</b>	<b>156.0</b>	<b>139.8</b>
<b>Less Net acquisition/(disposal) of non-financial assets</b>					
Purchase of non-financial assets	748.7	808.6	1 074.9	723.8	537.9
Less Sale of non-financial assets	174.6	248.9	1.5	356.1	2.7
Less Depreciation	367.8	361.8	377.9	388.3	398.1
	<b>206.2</b>	<b>197.8</b>	<b>695.5</b>	<b>(20.6)</b>	<b>137.1</b>
<b>Equals FISCAL BALANCE – SURPLUS/(DEFICIT)</b>	<b>(92.7)</b>	<b>(117.4)</b>	<b>(590.2)</b>	<b>176.6</b>	<b>2.7</b>

**Table 5.5: Public Non-Financial Corporations Sector Balance Sheet as at 30 June**

	2012 Original Budget	2012 Revised Budget	2013 Forward Estimate	2014 Forward Estimate	2015 Forward Estimate
	\$m	\$m	\$m	\$m	\$m
<b>Assets</b>					
<b>Financial assets</b>					
Cash and deposits	180.4	219.8	194.2	208.2	221.9
Investments	7.0	8.6	7.1	4.6	4.6
Other equity investments	79.5	70.1	82.9	114.9	226.8
Receivables	473.6	445.2	465.2	478.2	499.3
Other financial assets	871.2	739.1	745.5	741.6	739.1
	<b>1 611.7</b>	<b>1 482.8</b>	<b>1 494.9</b>	<b>1 547.5</b>	<b>1 691.7</b>
<b>Non-financial assets</b>					
Land, buildings and biological assets	687.3	481.2	498.1	497.1	497.7
Infrastructure	9 791.8	9 889.9	10 407.6	10 334.0	10 553.4
Plant and equipment	286.3	241.0	296.7	335.1	357.3
Investment property	0.6	0.6	0.6	0.6	0.6
Intangible assets	131.5	128.8	130.6	131.9	133.3
Assets held for sale	0.1	0.1	0.1	0.1	0.1
Other non-financial assets	137.3	176.9	179.6	179.5	181.7
	<b>11 034.7</b>	<b>10 918.4</b>	<b>11 513.3</b>	<b>11 478.3</b>	<b>11 724.2</b>
<b>Total Assets</b>	<b>12 646.4</b>	<b>12 401.2</b>	<b>13 008.2</b>	<b>13 025.8</b>	<b>13 415.8</b>
<b>Liabilities</b>					
Borrowings	2 848.5	2 882.0	3 389.1	3 202.2	3 356.4
Superannuation	652.2	644.6	647.3	645.3	634.5
Employee entitlements	104.5	122.3	131.4	139.8	147.9
Payables	359.1	337.9	331.0	355.0	359.0
Other liabilities	2 690.5	2 579.5	2 582.2	2 568.5	2 594.5
	<b>6 654.7</b>	<b>6 566.3</b>	<b>7 081.0</b>	<b>6 910.8</b>	<b>7 092.3</b>
<b>NET ASSETS</b>	<b>5 991.7</b>	<b>5 834.9</b>	<b>5 927.2</b>	<b>6 115.0</b>	<b>6 323.5</b>
<b>Equity</b>					
Accumulated surplus	1 972.9	1 780.9	1 751.2	1 828.7	1 942.4
Asset revaluation reserve	573.8	715.4	713.3	759.2	818.5
Other equity	3 445.0	3 338.5	3 462.7	3 527.0	3 562.6
<b>Total Equity</b>	<b>5 991.7</b>	<b>5 834.9</b>	<b>5 927.2</b>	<b>6 115.0</b>	<b>6 323.5</b>

**Table 5.5: Public Non-Financial Corporations Sector Balance Sheet as at 30 June (continued)**

	2012 Original Budget	2012 Revised Budget	2013 Forward Estimate	2014 Forward Estimate	2015 Forward Estimate
	\$m	\$m	\$m	\$m	\$m
<b>KEY FISCAL AGGREGATES</b>					
<b>NET WORTH<sup>1</sup></b>	<b>5 991.7</b>	<b>5 834.9</b>	<b>5 927.2</b>	<b>6 115.0</b>	<b>6 323.5</b>
<b>NET FINANCIAL WORTH<sup>2</sup></b>	<b>(5 043.0)</b>	<b>(5 083.5)</b>	<b>(5 586.1)</b>	<b>(5 363.3)</b>	<b>(5 400.6)</b>
<b>NET FINANCIAL LIABILITIES<sup>3</sup></b>	<b>5 043.0</b>	<b>5 083.5</b>	<b>5 586.1</b>	<b>5 363.3</b>	<b>5 400.6</b>
<b>NET DEBT<sup>4</sup></b>	<b>2 661.1</b>	<b>2 653.6</b>	<b>3 187.8</b>	<b>2 989.5</b>	<b>3 129.9</b>

Notes:

1. Net Worth represents total assets minus total liabilities.
2. Net Financial Worth represents financial assets minus total liabilities.
3. Net Financial Liabilities represents total liabilities less financial assets. For the PNFC Sector this is equivalent to negative Net Financial Worth.
4. Net Debt represents borrowings less cash and deposits and investments.

**Table 5.6: Public Non-Financial Corporations Sector Cash Flow Statement**

	2011-12 Original Budget	2011-12 Revised Budget	2012-13 Forward Estimate	2013-14 Forward Estimate	2014-15 Forward Estimate
	\$m	\$m	\$m	\$m	\$m
<b>Cash flows from operating activities</b>					
<b>Cash received</b>					
Grants received	139.9	149.3	145.9	151.8	149.3
Sales of goods and services	3 189.3	3 405.1	3 569.9	3 931.0	4 245.3
Interest received	8.4	7.3	11.6	10.2	10.6
Other receipts	248.6	241.1	244.2	257.9	254.4
	<b>3 586.2</b>	<b>3 802.8</b>	<b>3 971.6</b>	<b>4 351.0</b>	<b>4 659.6</b>
<b>Cash paid</b>					
Employee entitlements	(449.9)	(432.8)	(436.5)	(451.0)	(466.3)
Superannuation	(60.0)	(49.5)	(48.7)	(49.5)	(50.3)
Supplies and consumables	(1 938.7)	(2 287.6)	(2 343.7)	(2 578.9)	(2 885.2)
Borrowing costs	(207.4)	(203.6)	(224.3)	(246.9)	(252.8)
Grants and subsidies paid	(25.0)	(37.4)	(37.0)	(37.9)	(38.8)
Other payments	(179.6)	(174.9)	(180.5)	(188.4)	(192.8)
	<b>(2 860.5)</b>	<b>(3 185.8)</b>	<b>(3 270.6)</b>	<b>(3 552.5)</b>	<b>(3 886.3)</b>
<b>Net cash flows from operating activities</b>	<b>725.7</b>	<b>617.0</b>	<b>701.1</b>	<b>798.5</b>	<b>773.3</b>
<b>Cash flows from investing activities</b>					
<b>Non-financial assets</b>					
Purchase of non-financial assets	(748.7)	(808.6)	(1 074.9)	(723.8)	(537.9)
Sale of non-financial assets	174.6	248.9	1.5	356.1	2.7
	<b>(574.1)</b>	<b>(559.6)</b>	<b>(1 073.4)</b>	<b>(367.7)</b>	<b>(535.1)</b>
<b>Financial assets (policy purposes)</b>					
Equity injections	98.4	74.5	86.4	52.1	....
	<b>98.4</b>	<b>74.5</b>	<b>86.4</b>	<b>52.1</b>	<b>....</b>
<b>Financial assets (liquidity purposes)</b>					
Net purchase of investments	(60.8)	(41.7)	(12.4)	(38.2)	(113.4)
	<b>(60.8)</b>	<b>(41.7)</b>	<b>(12.4)</b>	<b>(38.2)</b>	<b>(113.4)</b>
<b>Net cash flows from investing activities</b>	<b>(536.5)</b>	<b>(526.8)</b>	<b>(999.4)</b>	<b>(353.8)</b>	<b>(648.5)</b>

**Table 5.6: Public Non-Financial Corporations Sector Cash Flow Statement (continued)**

	2011-12 Original Budget	2011-12 Revised Budget	2012-13 Forward Estimate	2013-14 Forward Estimate	2014-15 Forward Estimate
	\$m	\$m	\$m	\$m	\$m
<b>Cash flows from financing activities</b>					
Dividends and tax equivalents paid	(203.6)	(199.1)	(234.2)	(243.6)	(265.0)
Net borrowing	(1.1)	125.9	506.9	(187.1)	154.0
<b>Net cash flows from financing activities</b>	<b>(204.7)</b>	<b>(73.2)</b>	<b>272.8</b>	<b>(430.7)</b>	<b>(111.1)</b>
<b>Net increase/(decrease) in cash held</b>	<b>(15.5)</b>	<b>17.0</b>	<b>(25.6)</b>	<b>14.0</b>	<b>13.7</b>
<b>Cash at beginning of the year</b>	<b>195.8</b>	<b>202.8</b>	<b>219.8</b>	<b>194.2</b>	<b>208.2</b>
<b>Cash at end of the year</b>	<b>180.4</b>	<b>219.8</b>	<b>194.2</b>	<b>208.2</b>	<b>221.9</b>
<b>KEY FISCAL AGGREGATES</b>					
Net cash flows from operating activities	725.7	617.0	701.1	798.5	773.3
Plus Net cash flows from non-financial assets	(574.1)	(559.6)	(1 073.4)	(367.7)	(535.1)
Plus Dividends, tax and rate equivalents paid	(203.6)	(199.1)	(234.2)	(243.6)	(265.0)
<b>Equals CASH SURPLUS/(DEFICIT)</b>	<b>(52.0)</b>	<b>(141.7)</b>	<b>(606.5)</b>	<b>187.2</b>	<b>(26.9)</b>

# Total Non-Financial Public Sector

**Table 5.7: Total Non-Financial Public Sector Income Statement**

	2011-12 Original Budget	2011-12 Revised Budget	2012-13 Forward Estimate	2013-14 Forward Estimate	2014-15 Forward Estimate
	\$m	\$m	\$m	\$m	\$m
<b>Revenue from transactions</b>					
Grants	2 855.1	2 895.3	2 918.9	2 878.9	2 810.9
Taxation	855.2	835.4	863.1	894.3	928.4
Sales of goods and services	3 572.6	3 674.6	3 867.2	4 218.3	4 548.5
Fines and regulatory fees	89.6	95.8	105.1	107.2	111.6
Interest income	35.8	31.3	25.1	22.4	25.1
Dividend, tax and rate equivalent income	32.6	25.9	13.2	19.0	22.7
Other revenue	201.2	195.3	199.4	199.1	203.6
	<b>7 642.1</b>	<b>7 753.6</b>	<b>7 991.9</b>	<b>8 339.2</b>	<b>8 650.8</b>
<b>Less Expenses from transactions</b>					
Employee expenses	2 417.3	2 438.0	2 453.1	2 510.2	2 550.8
Superannuation	297.8	298.7	298.9	306.0	312.2
Depreciation	632.6	629.1	652.0	667.9	674.6
Supplies and consumables	2 920.1	3 138.6	3 162.5	3 416.7	3 707.2
Nominal superannuation interest expense	228.8	228.8	230.3	223.0	223.0
Borrowing costs	197.6	208.6	213.3	236.6	246.7
Dividend and income tax equivalent expenses	19.9	15.6	16.9	18.5	19.0
Grant and subsidy expenses	892.0	904.5	851.6	816.5	837.9
Other expenses	36.3	57.4	41.0	40.3	36.0
	<b>7 642.3</b>	<b>7 919.2</b>	<b>7 919.6</b>	<b>8 235.7</b>	<b>8 607.4</b>
<b>Equals NET OPERATING BALANCE</b>	<b>(0.2)</b>	<b>(165.6)</b>	<b>72.3</b>	<b>103.5</b>	<b>43.5</b>
<b>Plus Other economic flows – included in Operating Result</b>					
Gain/(loss) on sale of non-financial assets	27.8	121.9	3.2	6.2	6.8
Movement in equity investment in PFC Sector	17.4	(38.4)	21.0	18.6	17.9
Movement in superannuation liability	....	(0.3)	(0.3)	(0.3)	(0.3)
Other gains/(losses)	(60.4)	(100.7)	(181.9)	(130.9)	(24.8)
	<b>(15.2)</b>	<b>(17.5)</b>	<b>(158.0)</b>	<b>(106.4)</b>	<b>(0.4)</b>
<b>Equals Operating Result</b>	<b>(15.4)</b>	<b>(183.1)</b>	<b>(85.7)</b>	<b>(2.9)</b>	<b>43.0</b>



**Table 5.7: Total Non-Financial Public Sector Income Statement (continued)**

	2011-12 Original Budget	2011-12 Revised Budget	2012-13 Forward Estimate	2013-14 Forward Estimate	2014-15 Forward Estimate
	\$m	\$m	\$m	\$m	\$m
<b>Plus Other economic flows – other movements in equity</b>					
Revaluations of non-financial assets	261.3	251.6	328.9	382.1	383.4
Other non-owner movements in equity	59.9	(131.6)	60.7	78.0	42.8
	<b>321.2</b>	<b>119.9</b>	<b>389.6</b>	<b>460.0</b>	<b>426.3</b>
<b>Equals Comprehensive Result</b>	<b>305.8</b>	<b>(63.2)</b>	<b>303.9</b>	<b>457.1</b>	<b>469.3</b>
<b>KEY FISCAL AGGREGATES</b>					
<b>NET OPERATING BALANCE</b>	<b>(0.2)</b>	<b>(165.6)</b>	<b>72.3</b>	<b>103.5</b>	<b>43.5</b>
<b>Less Net acquisition/(disposal) of non-financial assets</b>					
Purchase of non-financial assets	1 299.6	1 283.2	1 536.3	1 116.5	826.9
Less Sale of non-financial assets	216.1	289.3	37.0	390.9	36.2
Less Depreciation	632.6	629.1	652.0	667.9	674.6
	<b>451.0</b>	<b>364.8</b>	<b>847.2</b>	<b>57.7</b>	<b>116.0</b>
<b>Equals FISCAL BALANCE – SURPLUS/(DEFICIT)</b>	<b>(451.2)</b>	<b>(530.4)</b>	<b>(774.9)</b>	<b>45.8</b>	<b>(72.6)</b>

**Table 5.8: Total Non-Financial Public Sector Balance Sheet as at 30 June**

	2012 Original Budget \$m	2012 Revised Budget \$m	2013 Forward Estimate \$m	2014 Forward Estimate \$m	2015 Forward Estimate \$m
<b>Assets</b>					
<b>Financial assets</b>					
Cash and deposits	439.4	611.3	468.4	461.9	555.3
Investments	70.0	68.8	66.2	58.7	53.8
Equity investment in PFC Sector	360.8	291.8	312.7	331.4	349.3
Other equity investments	83.8	75.2	90.9	128.9	243.8
Receivables	661.4	665.0	688.0	702.0	724.3
Other financial assets	540.0	416.6	420.1	423.1	423.5
	<b>2 155.5</b>	<b>2 128.5</b>	<b>2 046.2</b>	<b>2 106.1</b>	<b>2 350.0</b>
<b>Non-financial assets</b>					
Land, buildings and biological assets	6 727.3	6 585.0	6 916.9	7 186.6	7 377.0
Infrastructure	15 055.2	13 884.0	14 583.1	14 672.6	15 026.3
Plant and equipment	504.1	447.6	487.8	508.3	510.3
Heritage and cultural assets	575.2	454.5	466.3	478.2	490.3
Investment property	14.4	13.2	13.5	13.7	14.0
Intangible assets	160.5	158.7	155.7	151.9	150.6
Assets held for sale	20.1	26.4	24.2	24.0	23.0
Other non-financial assets	175.1	212.8	216.4	217.2	220.5
	<b>23 231.9</b>	<b>21 782.2</b>	<b>22 863.8</b>	<b>23 252.5</b>	<b>23 811.9</b>
<b>Total Assets</b>	<b>25 387.4</b>	<b>23 910.7</b>	<b>24 910.0</b>	<b>25 358.6</b>	<b>26 161.9</b>
<b>Liabilities</b>					
Borrowings	3 117.5	3 135.7	3 630.9	3 445.7	3 599.2
Superannuation	5 827.9	5 765.9	5 912.6	6 043.8	6 155.8
Employee entitlements	627.8	638.8	674.1	713.1	752.7
Payables	453.8	430.9	426.1	452.9	458.7
Other liabilities	1 605.4	1 510.1	1 533.1	1 512.8	1 536.0
<b>Total Liabilities</b>	<b>11 632.4</b>	<b>11 481.4</b>	<b>12 176.9</b>	<b>12 168.3</b>	<b>12 502.4</b>
<b>NET ASSETS</b>	<b>13 755.0</b>	<b>12 429.3</b>	<b>12 733.1</b>	<b>13 190.2</b>	<b>13 659.5</b>
<b>Equity</b>					
Accumulated surplus	7 561.5	5 301.5	5 276.6	5 352.9	5 439.6
Asset revaluation reserve	5 581.8	4 651.6	4 980.5	5 362.6	5 746.0
Other equity	611.8	2 476.1	2 476.0	2 474.8	2 474.0
<b>Total Equity</b>	<b>13 755.0</b>	<b>12 429.3</b>	<b>12 733.1</b>	<b>13 190.2</b>	<b>13 659.5</b>

**Table 5.8: Total Non-Financial Public Sector Balance Sheet as at 30 June (continued)**

	<b>2012</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
	<b>Original</b>	<b>Revised</b>	<b>Forward</b>	<b>Forward</b>	<b>Forward</b>
	<b>Budget</b>	<b>Budget</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>
<b>KEY FISCAL AGGREGATES</b>					
<b>NET WORTH<sup>1</sup></b>	<b>13 755.0</b>	<b>12 429.3</b>	<b>12 733.1</b>	<b>13 190.2</b>	<b>13 659.5</b>
<b>NET FINANCIAL WORTH<sup>2</sup></b>	<b>(9 476.9)</b>	<b>(9 352.9)</b>	<b>(10 130.7)</b>	<b>(10 062.3)</b>	<b>(10 152.4)</b>
<b>NET FINANCIAL LIABILITIES<sup>3</sup></b>	<b>9 837.8</b>	<b>9 644.7</b>	<b>10 443.4</b>	<b>10 393.6</b>	<b>10 501.6</b>
<b>NET DEBT<sup>4</sup></b>	<b>2 608.1</b>	<b>2 455.7</b>	<b>3 096.4</b>	<b>2 925.1</b>	<b>2 990.1</b>

Notes:

1. Net Worth represents total assets minus total liabilities.
2. Net Financial Worth represents financial assets minus total liabilities.
3. Net Financial Liabilities represents total liabilities less financial assets, excluding equity investment in the PFC Sector.
4. Net Debt represents borrowings less cash and deposits and investments.

**Table 5.9: Total Non-Financial Public Sector Cash Flow Statement**

	<b>2011-12 Original Budget</b>	<b>2011-12 Revised Budget</b>	<b>2012-13 Forward Estimate</b>	<b>2013-14 Forward Estimate</b>	<b>2014-15 Forward Estimate</b>
	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>
<b>Cash flows from operating activities</b>					
<b>Cash received</b>					
Grants received	2 857.5	2 894.8	2 916.1	2 876.0	2 813.1
Taxation	855.2	835.4	863.1	894.3	928.4
Sales of goods and services	3 540.1	3 760.0	3 931.7	4 300.4	4 620.4
Fines and regulatory fees	87.9	94.1	103.7	107.2	111.6
Interest received	33.4	30.8	28.4	22.3	23.3
Dividend, tax and rate equivalents	32.6	25.9	13.2	19.0	22.7
Other receipts	552.2	553.9	551.9	562.2	559.5
	<b>7 959.0</b>	<b>8 195.0</b>	<b>8 408.1</b>	<b>8 781.3</b>	<b>9 079.0</b>
<b>Cash paid</b>					
Employee entitlements	(2 414.6)	(2 434.2)	(2 446.7)	(2 500.0)	(2 541.7)
Superannuation	(363.0)	(354.4)	(364.0)	(373.0)	(387.4)
Supplies and consumables	(2 873.7)	(3 297.9)	(3 286.0)	(3 538.4)	(3 858.6)
Borrowing costs	(194.0)	(188.8)	(194.8)	(215.4)	(222.5)
Grants and subsidies paid	(891.9)	(905.8)	(851.4)	(816.3)	(837.7)
Other payments	(359.5)	(375.8)	(364.5)	(372.5)	(373.3)
	<b>(7 096.8)</b>	<b>(7 556.9)</b>	<b>(7 507.4)</b>	<b>(7 815.6)</b>	<b>(8 221.1)</b>
<b>Net cash flows from operating activities</b>	<b>862.2</b>	<b>638.1</b>	<b>900.7</b>	<b>965.7</b>	<b>857.8</b>
<b>Cash flows from investing activities</b>					
<b>Non-financial assets</b>					
Purchase of non-financial assets	(1 299.6)	(1 283.0)	(1 536.0)	(1 116.3)	(826.6)
Sale of non-financial assets	216.1	289.3	37.0	390.9	36.2
	<b>(1 083.5)</b>	<b>(993.6)</b>	<b>(1 499.0)</b>	<b>(725.3)</b>	<b>(790.4)</b>
<b>Financial assets (policy purposes)</b>					
Equity injections	(0.6)	(9.8)	(3.0)	(6.0)	(3.0)
Equity disposals	....	103.0	....	....	....
Net advances paid	(7.6)	(7.5)	(5.6)	2.0	5.3
	<b>(8.2)</b>	<b>85.7</b>	<b>(8.6)</b>	<b>(4.0)</b>	<b>2.3</b>
<b>Financial assets (liquidity purposes)</b>					
Net purchase of investments	(60.8)	(41.7)	(12.4)	(38.2)	(113.3)
	<b>(60.8)</b>	<b>(41.7)</b>	<b>(12.4)</b>	<b>(38.2)</b>	<b>(113.3)</b>
<b>Net cash flows from investing activities</b>	<b>(1 152.5)</b>	<b>(949.6)</b>	<b>(1 520.0)</b>	<b>(767.5)</b>	<b>(901.5)</b>

**Table 5.9: Total Non-Financial Public Sector Cash Flow Statement (continued)**

	<b>2011-12 Original Budget</b>	<b>2011-12 Revised Budget</b>	<b>2012-13 Forward Estimate</b>	<b>2013-14 Forward Estimate</b>	<b>2014-15 Forward Estimate</b>
	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>
<b>Cash flows from financing activities</b>					
Dividends and tax equivalents paid	(18.0)	(19.1)	(18.5)	(19.3)	(16.2)
Net borrowing	(15.4)	110.8	495.0	(185.4)	153.3
<b>Net cash flows from financing activities</b>	<b>(33.4)</b>	<b>91.7</b>	<b>476.5</b>	<b>(204.7)</b>	<b>137.1</b>
<b>Net increase/(decrease) in cash held</b>	<b>(323.7)</b>	<b>(219.8)</b>	<b>(142.9)</b>	<b>(6.5)</b>	<b>93.5</b>
<b>Cash at beginning of the year</b>	<b>763.1</b>	<b>831.1</b>	<b>611.3</b>	<b>468.4</b>	<b>461.9</b>
<b>Cash at end of the year</b>	<b>439.3</b>	<b>611.3</b>	<b>468.4</b>	<b>461.9</b>	<b>555.3</b>
<b>KEY FISCAL AGGREGATES</b>					
Net cash flows from operating activities	862.2	638.1	900.7	965.7	857.8
Plus Net cash flows from non-financial assets	(1 083.5)	(993.6)	(1 499.0)	(725.3)	(790.4)
Plus Dividends and tax equivalents paid	(18.0)	(19.1)	(18.5)	(19.3)	(16.2)
<b>Equals CASH SURPLUS/(DEFICIT)</b>	<b>(239.4)</b>	<b>(374.6)</b>	<b>(616.8)</b>	<b>221.0</b>	<b>51.2</b>

# Public Financial Corporations Sector

**Table 5.10: Public Financial Corporations Sector Income Statement**

	2011-12 Original Budget	2011-12 Revised Budget	2012-13 Forward Estimate	2013-14 Forward Estimate	2014-15 Forward Estimate
	\$m	\$m	\$m	\$m	\$m
<b>Revenue from transactions</b>					
Sales of goods and services	140.0	139.9	144.0	152.4	161.6
Interest income	354.5	335.8	335.9	342.1	342.1
Dividend, tax and rate equivalent income	53.4	38.5	53.1	63.5	75.2
Other revenue	9.9	3.2	20.1	14.1	14.0
	<b>557.9</b>	<b>517.5</b>	<b>553.0</b>	<b>572.0</b>	<b>593.0</b>
<b>Less Expenses from transactions</b>					
Employee expenses	5.4	5.2	5.4	5.6	5.7
Superannuation	0.5	0.5	0.4	0.4	0.4
Depreciation	0.5	0.4	0.3	0.4	0.4
Supplies and consumables	162.0	179.7	185.9	182.4	202.1
Borrowing costs	333.5	317.4	316.8	321.0	320.3
Dividend and income tax equivalent expenses	32.6	25.9	14.7	35.2	35.6
Grant expenses	....	4.7	4.9	5.2	5.4
Other expenses	2.6	2.6	3.3	3.1	3.1
	<b>537.0</b>	<b>536.5</b>	<b>531.7</b>	<b>553.4</b>	<b>573.1</b>
<b>Equals NET OPERATING BALANCE</b>	<b>20.8</b>	<b>(19.0)</b>	<b>21.4</b>	<b>18.6</b>	<b>19.9</b>
<b>Plus Other economic flows – included in Operating Result</b>					
Other gains/(losses)	5.7	(22.3)	....	....	....
	<b>5.7</b>	<b>(22.3)</b>	<b>....</b>	<b>....</b>	<b>....</b>
<b>Equals Operating Result</b>	<b>26.6</b>	<b>(41.3)</b>	<b>21.4</b>	<b>18.6</b>	<b>19.9</b>
<b>Plus Other economic flows – other movements in equity</b>					
Other non-owner movements in equity	(9.1)	2.9	(0.4)	....	(2.0)
	<b>(9.1)</b>	<b>2.9</b>	<b>(0.4)</b>	<b>....</b>	<b>(2.0)</b>
<b>Equals Comprehensive Result</b>	<b>17.4</b>	<b>(38.4)</b>	<b>21.0</b>	<b>18.6</b>	<b>17.9</b>

**Table 5.10: Public Financial Corporations Sector Income Statement (continued)**

	<b>2011-12 Original Budget</b>	<b>2011-12 Revised Budget</b>	<b>2012-13 Forward Estimate</b>	<b>2013-14 Forward Estimate</b>	<b>2014-15 Forward Estimate</b>
	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>
<b>KEY FISCAL AGGREGATES</b>					
<b>NET OPERATING BALANCE</b>	<b>20.8</b>	<b>(19.0)</b>	<b>21.4</b>	<b>18.6</b>	<b>19.9</b>
<b>Less Net acquisition/(disposal) of non-financial assets</b>					
Purchase of non-financial assets	0.2	0.2	0.3	0.2	0.2
Less sale of non-financial assets	0.1	0.1	0.1	0.1	0.1
Less Depreciation	0.5	0.4	0.3	0.4	0.4
	<b>(0.3)</b>	<b>(0.2)</b>	<b>(0.1)</b>	<b>(0.2)</b>	<b>(0.3)</b>
<b>Equals FISCAL BALANCE – SURPLUS/(DEFICIT)</b>	<b>21.1</b>	<b>(18.7)</b>	<b>21.5</b>	<b>18.8</b>	<b>20.1</b>

**Table 5.11: Public Financial Corporations Sector Balance Sheet as at 30 June**

	2012 Original Budget	2012 Revised Budget	2013 Forward Estimate	2014 Forward Estimate	2015 Forward Estimate
	\$m	\$m	\$m	\$m	\$m
<b>Assets</b>					
<b>Financial assets</b>					
Cash and deposits	0.3	0.4	0.4	0.4	0.4
Investments	7 311.4	7 946.5	8 506.7	8 513.2	8 760.3
Other equity investments	118.4	80.4	88.6	96.4	104.8
Receivables	17.9	28.3	28.5	28.7	28.9
Other financial assets	32.7	93.0	82.2	79.5	77.1
	<b>7 480.7</b>	<b>8 148.7</b>	<b>8 706.4</b>	<b>8 718.3</b>	<b>8 971.5</b>
<b>Non-financial assets</b>					
Plant and equipment	1.7	0.9	1.1	1.2	1.3
Investment property	16.0	15.3	15.3	15.3	15.3
Intangible assets	....	0.5	0.4	0.3	0.2
Other non-financial assets	1.3	....	....	....	....
	<b>19.0</b>	<b>16.7</b>	<b>16.8</b>	<b>16.8</b>	<b>16.8</b>
<b>Total Assets</b>	<b>7 499.7</b>	<b>8 165.5</b>	<b>8 723.2</b>	<b>8 735.1</b>	<b>8 988.3</b>
<b>Liabilities</b>					
Borrowings	6 221.2	6 824.8	7 281.4	7 187.7	7 330.1
Superannuation	3.7	3.5	3.6	3.7	3.9
Employee entitlements	0.5	0.6	0.6	0.6	0.6
Payables	2.5	3.1	3.2	3.3	3.3
Other liabilities	911.0	1 041.6	1 121.6	1 208.4	1 301.2
<b>Total Liabilities</b>	<b>7 138.9</b>	<b>7 873.7</b>	<b>8 410.5</b>	<b>8 403.7</b>	<b>8 639.1</b>
<b>NET ASSETS</b>	<b>360.8</b>	<b>291.8</b>	<b>312.7</b>	<b>331.4</b>	<b>349.3</b>
<b>Equity</b>					
Accumulated surplus	350.8	281.8	302.7	321.4	339.3
Other equity	10.0	10.0	10.0	10.0	10.0
<b>Total Equity</b>	<b>360.8</b>	<b>291.8</b>	<b>312.7</b>	<b>331.4</b>	<b>349.3</b>



**Table 5.11: Public Financial Corporations Sector Balance Sheet as at 30 June (continued)**

	2012 Original Budget	2012 Revised Budget	2013 Forward Estimate	2014 Forward Estimate	2015 Forward Estimate
	\$m	\$m	\$m	\$m	\$m
<b>KEY FISCAL AGGREGATES</b>					
<b>NET WORTH<sup>1</sup></b>	<b>360.8</b>	<b>291.8</b>	<b>312.7</b>	<b>331.4</b>	<b>349.3</b>
<b>NET FINANCIAL WORTH<sup>2</sup></b>	<b>341.8</b>	<b>275.0</b>	<b>296.0</b>	<b>314.6</b>	<b>332.4</b>
<b>NET FINANCIAL LIABILITIES<sup>3</sup></b>	<b>(341.8)</b>	<b>(275.0)</b>	<b>(296.0)</b>	<b>(314.6)</b>	<b>(332.4)</b>
<b>NET DEBT<sup>4</sup></b>	<b>(1 090.5)</b>	<b>(1 122.1)</b>	<b>(1 225.7)</b>	<b>(1 325.9)</b>	<b>(1 430.6)</b>

Notes:

1. Net Worth represents total assets minus total liabilities.
2. Net Financial Worth represents financial assets minus total liabilities.
3. Net Financial Liabilities represents total liabilities less financial assets. For the PFC Sector this is equivalent to negative Net Financial Worth.
4. Net Debt represents borrowings less cash and deposits and investments.

Table 5.12: Public Financial Corporations Sector Cash Flow Statement

	2011-12 Original Budget	2011-12 Revised Budget	2012-13 Forward Estimate	2013-14 Forward Estimate	2014-15 Forward Estimate
	\$m	\$m	\$m	\$m	\$m
<b>Cash flows from operating activities</b>					
<b>Cash received</b>					
Sales of goods and services	155.3	155.2	162.0	171.8	182.2
Interest received	354.5	335.8	335.9	342.1	342.1
Dividend, tax and rate equivalents	53.4	38.5	53.1	63.5	75.2
Other receipts	1.7	1.6	1.7	1.7	1.7
	<b>564.9</b>	<b>531.2</b>	<b>552.7</b>	<b>579.1</b>	<b>601.3</b>
<b>Cash paid</b>					
Employee entitlements	(5.4)	(5.3)	(5.5)	(5.7)	(5.8)
Superannuation	....	(0.3)	(0.3)	(0.3)	(0.3)
Supplies and consumables	(101.3)	(99.8)	(106.9)	(105.3)	(119.8)
Borrowing costs	(333.5)	(317.4)	(316.8)	(321.0)	(320.3)
Grants and subsidies Paid	....	(4.8)	(5.2)	(5.5)	(5.8)
Other payments	(11.4)	(11.3)	(9.5)	(10.1)	(12.7)
	<b>(451.6)</b>	<b>(439.0)</b>	<b>(444.2)</b>	<b>(447.8)</b>	<b>(464.7)</b>
<b>Net cash flows from operating activities</b>	<b>113.3</b>	<b>92.1</b>	<b>108.4</b>	<b>131.3</b>	<b>136.6</b>
<b>Cash flows from investing activities</b>					
<b>Non-financial assets</b>					
Purchase of non-financial assets	(0.2)	(0.2)	(0.3)	(0.2)	(0.2)
Sales of non-financial assets	0.1	0.1	0.1	0.1	0.1
	<b>(0.2)</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(0.2)</b>
<b>Financial assets (liquidity purposes)</b>					
Net purchase of investments	1.0	(72.6)	(550.1)	(2.1)	(243.3)
	<b>1.0</b>	<b>(72.6)</b>	<b>(550.1)</b>	<b>(2.1)</b>	<b>(243.3)</b>
<b>Net cash flows from investing activities</b>	<b>0.8</b>	<b>(72.7)</b>	<b>(550.3)</b>	<b>(2.3)</b>	<b>(243.5)</b>
<b>Cash flows from financing activities</b>					
Dividends and tax equivalents paid	(32.6)	(25.9)	(14.7)	(35.2)	(35.6)
Net borrowing	(81.7)	5.5	456.6	(93.7)	142.4
<b>Net cash flows from financing activities</b>	<b>(114.3)</b>	<b>(20.4)</b>	<b>441.9</b>	<b>(129.0)</b>	<b>106.8</b>
<b>Net increase/(decrease) in cash held</b>	<b>(0.2)</b>	<b>(1.0)</b>	<b>....</b>	<b>....</b>	<b>....</b>
<b>Cash at beginning of the year</b>	<b>0.5</b>	<b>1.4</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>
<b>Cash at end of the year</b>	<b>0.3</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>

**Table 5.12: Public Financial Corporations Sector Cash Flow Statement (continued)**

	<b>2011-12 Original Budget</b>	<b>2011-12 Revised Budget</b>	<b>2012-13 Forward Estimate</b>	<b>2013-14 Forward Estimate</b>	<b>2014-15 Forward Estimate</b>
	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>
<b>KEY FISCAL AGGREGATES</b>					
Net cash flows from operating activities	113.3	92.1	108.4	131.3	136.6
Plus Net cash from non-financial assets	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Plus Dividends and tax equivalents paid	(32.6)	(25.9)	(14.7)	(35.2)	(35.6)
<b>Equals CASH SURPLUS/(DEFICIT)</b>	<b>80.5</b>	<b>66.0</b>	<b>93.5</b>	<b>95.8</b>	<b>100.9</b>

# Total State Sector

Table 5.13: Total State Sector Income Statement

	2011-12 Original Budget	2011-12 Revised Budget	2012-13 Forward Estimate	2013-14 Forward Estimate	2014-15 Forward Estimate
	\$m	\$m	\$m	\$m	\$m
<b>Revenue from transactions</b>					
Grants	2 855.1	2 895.3	2 918.9	2 878.9	2 810.9
Taxation	855.1	835.4	863.1	894.3	928.4
Sales of goods and services	3 704.9	3 816.0	4 012.7	4 372.3	4 711.8
Fines and regulatory fees	89.6	95.8	105.1	107.2	111.6
Interest income	176.9	152.2	147.6	130.5	120.5
Dividend, tax and rate equivalent income	53.4	38.5	51.6	47.3	62.3
Other revenue	211.2	198.5	219.4	213.2	217.6
	<b>7 946.1</b>	<b>8 031.8</b>	<b>8 318.5</b>	<b>8 643.5</b>	<b>8 963.1</b>
<b>Less Expenses from transactions</b>					
Employee expenses	2 422.7	2 443.2	2 458.5	2 515.8	2 556.5
Superannuation	298.3	299.2	299.3	306.4	312.6
Depreciation	633.0	629.5	652.3	668.3	675.0
Supplies and consumables	3 074.3	3 319.8	3 350.0	3 600.8	3 910.9
Nominal superannuation interest expense	228.8	228.8	230.3	223.0	223.0
Borrowing costs	317.7	311.1	316.8	323.5	320.2
Dividend and income tax equivalent expenses	19.9	15.6	16.9	18.5	19.0
Grant and subsidy expenses	892.0	909.2	856.5	821.6	843.3
Other expenses	38.8	60.0	44.4	43.4	39.2
	<b>7 925.5</b>	<b>8 216.4</b>	<b>8 224.9</b>	<b>8 521.4</b>	<b>8 899.8</b>
<b>Equals NET OPERATING BALANCE</b>	<b>20.6</b>	<b>(184.6)</b>	<b>93.7</b>	<b>122.1</b>	<b>63.3</b>
<b>plus Other economic flows – included in Operating Result</b>					
Gain/(loss) on sale of non-financial assets	27.8	121.9	3.2	6.2	6.8
Movement in superannuation liability	....	(0.3)	(0.3)	(0.3)	(0.3)
Other gains/(losses)	(54.7)	(123.1)	(181.9)	(130.9)	(24.8)
	<b>(26.9)</b>	<b>(1.5)</b>	<b>(179.0)</b>	<b>(125.0)</b>	<b>(18.3)</b>
<b>Equals Operating Result</b>	<b>(6.3)</b>	<b>(186.1)</b>	<b>(85.4)</b>	<b>(2.9)</b>	<b>45.0</b>
<b>plus Other economic flows – other movements in equity</b>					
Revaluations of non-financial assets	261.3	251.6	328.9	382.1	383.4
Other non-owner movements in equity	50.8	(128.7)	60.4	78.0	40.9
	<b>312.1</b>	<b>122.8</b>	<b>389.2</b>	<b>460.0</b>	<b>424.3</b>
<b>Equals Comprehensive Result</b>	<b>305.8</b>	<b>(63.2)</b>	<b>303.9</b>	<b>457.1</b>	<b>469.3</b>

Table 5.13: Total State Sector Income Statement (continued)

	2011-12 Original Budget	2011-12 Revised Budget	2012-13 Forward Estimate	2013-14 Forward Estimate	2014-15 Forward Estimate
	\$m	\$m	\$m	\$m	\$m
<b>KEY FISCAL AGGREGATES</b>					
<b>NET OPERATING BALANCE</b>	<b>20.6</b>	<b>(184.6)</b>	<b>93.7</b>	<b>122.1</b>	<b>63.3</b>
<b>Less Net acquisition/(disposal) of non-financial assets</b>					
Purchase of non-financial assets	1 299.9	1 283.4	1 536.5	1 116.7	827.1
Less Sale of non-financial assets	216.2	289.4	37.1	391.0	36.3
Less Depreciation	633.0	629.5	652.3	668.3	675.0
	<b>450.7</b>	<b>364.5</b>	<b>847.1</b>	<b>57.4</b>	<b>115.8</b>
<b>Equals FISCAL BALANCE – SURPLUS/(DEFICIT)</b>	<b>(430.1)</b>	<b>(549.1)</b>	<b>(753.4)</b>	<b>64.6</b>	<b>(52.5)</b>

Table 5.14: Total State Sector Balance Sheet as at 30 June

	2012 Original Budget \$m	2012 Revised Budget \$m	2013 Forward Estimate \$m	2014 Forward Estimate \$m	2015 Forward Estimate \$m
<b>Assets</b>					
<b>Financial assets</b>					
Cash and deposits	174.0	158.0	153.0	156.0	160.0
Investments	4 420.1	5 253.2	5 323.2	5 511.9	5 601.5
Other equity investments	202.2	155.6	179.6	225.4	348.6
Receivables	679.3	693.4	716.5	730.7	753.2
Other financial assets	540.0	468.8	466.3	469.4	469.8
	<b>6 015.7</b>	<b>6 729.0</b>	<b>6 838.6</b>	<b>7 093.4</b>	<b>7 333.1</b>
<b>Non-financial assets</b>					
Land, buildings and biological assets	6 727.3	6 585.0	6 916.9	7 186.6	7 377.0
Infrastructure	15 055.2	13 884.0	14 583.1	14 672.6	15 026.3
Plant and equipment	505.9	448.5	488.9	509.5	511.6
Heritage and cultural assets	575.2	454.5	466.3	478.2	490.3
Investment property	30.4	28.5	28.8	29.0	29.3
Intangible assets	160.5	159.1	156.1	152.2	150.8
Assets held for sale	20.1	26.4	24.2	24.0	23.0
Other non-financial assets	176.4	212.8	216.4	217.2	220.5
	<b>23 251.0</b>	<b>21 798.9</b>	<b>22 880.6</b>	<b>23 269.3</b>	<b>23 828.7</b>
<b>Total Assets</b>	<b>29 266.7</b>	<b>28 527.9</b>	<b>29 719.1</b>	<b>30 362.7</b>	<b>31 161.8</b>
<b>Liabilities</b>					
Borrowings	6 111.8	6 744.8	7 346.9	7 267.1	7 321.0
Superannuation	5 831.6	5 769.4	5 916.3	6 047.5	6 159.7
Employee entitlements	628.2	639.4	674.7	713.7	753.3
Payables	456.3	434.1	429.3	456.2	462.0
Other liabilities	2 483.8	2 511.0	2 618.8	2 688.0	2 806.3
<b>Total Liabilities</b>	<b>15 511.6</b>	<b>16 098.6</b>	<b>16 986.0</b>	<b>17 172.5</b>	<b>17 502.3</b>
<b>NET ASSETS</b>	<b>13 755.0</b>	<b>12 429.3</b>	<b>12 733.1</b>	<b>13 190.2</b>	<b>13 659.5</b>
<b>Equity</b>					
Accumulated surplus	8 173.3	7 777.6	7 752.6	7 827.7	7 913.5
Asset revaluation reserve	5 581.8	4 651.6	4 980.5	5 362.6	5 746.0
<b>Total Equity</b>	<b>13 755.0</b>	<b>12 429.3</b>	<b>12 733.1</b>	<b>13 190.2</b>	<b>13 659.5</b>

**Table 5.14: Total State Sector Balance Sheet as at 30 June  
(continued)**

	2011-2012 Original Budget \$m	2011-2012 Revised Budget \$m	2012-2013 Forward Estimate \$m	2013-2014 Forward Estimate \$m	2014-2015 Forward Estimate \$m
<b>KEY FISCAL AGGREGATES</b>					
<b>NET WORTH<sup>1</sup></b>	<b>13 755.0</b>	<b>12 429.3</b>	<b>12 733.1</b>	<b>13 190.2</b>	<b>13 659.5</b>
<b>NET FINANCIAL WORTH<sup>2</sup></b>	<b>(9 495.9)</b>	<b>(9 369.6)</b>	<b>(10 147.4)</b>	<b>(10 079.1)</b>	<b>(10 169.2)</b>
<b>NET FINANCIAL LIABILITIES<sup>3</sup></b>	<b>9 495.9</b>	<b>9 369.6</b>	<b>10 147.4</b>	<b>10 079.1</b>	<b>10 169.2</b>
<b>NET DEBT<sup>4</sup></b>	<b>1 517.6</b>	<b>1 333.5</b>	<b>1 870.7</b>	<b>1 599.2</b>	<b>1 559.5</b>

Notes:

1. Net Worth represents total assets minus total liabilities.
2. Net Financial Worth represents financial assets minus total liabilities.
3. Net Financial Liabilities represents total liabilities less financial assets. For the Total State Sector this is equivalent to negative Net Financial Worth.
4. Net Debt represents borrowings less cash and deposits and investments.

**Table 5.15: Total State Sector Cash Flow Statement**

	<b>2011-12 Original Budget</b>	<b>2011-12 Revised Budget</b>	<b>2012-13 Forward Estimate</b>	<b>2013-14 Forward Estimate</b>	<b>2014-15 Forward Estimate</b>
	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>
<b>Cash flows from operating activities</b>					
<b>Cash received</b>					
Grants received	2 857.5	2 894.8	2 916.1	2 876.0	2 813.1
Taxation	855.1	835.4	863.1	894.3	928.4
Sales of goods and services	3 687.7	3 916.8	4 095.3	4 473.8	4 804.3
Fines and regulatory fees	87.9	94.1	103.7	107.2	111.6
Interest received	200.6	172.1	166.1	151.6	144.7
Dividend, tax and rate equivalents	53.4	38.5	51.6	47.3	62.3
Other receipts	553.9	555.5	553.5	563.9	561.2
	<b>8 296.0</b>	<b>8 507.1</b>	<b>8 749.5</b>	<b>9 114.1</b>	<b>9 425.6</b>
<b>Cash paid</b>					
Employee entitlements	(2 420.1)	(2 439.5)	(2 452.2)	(2 505.7)	(2 547.5)
Superannuation	(363.0)	(354.7)	(364.3)	(373.3)	(387.7)
Supplies and consumables	(2 967.3)	(3 399.2)	(3 394.5)	(3 645.3)	(3 980.0)
Borrowing costs	(340.0)	(311.6)	(313.4)	(323.7)	(322.1)
Grants and subsidies paid	(891.9)	(910.6)	(856.6)	(821.7)	(843.4)
Other payments	(370.8)	(387.2)	(374.0)	(382.6)	(385.9)
	<b>(7 353.2)</b>	<b>(7 802.8)</b>	<b>(7 755.0)</b>	<b>(8 052.3)</b>	<b>(8 466.7)</b>
<b>Net cash flows from operating activities</b>	<b>942.9</b>	<b>704.3</b>	<b>994.5</b>	<b>1 061.8</b>	<b>958.9</b>
<b>Cash flows from investing activities</b>					
<b>Non-financial assets</b>					
Purchase of non-financial assets	(1 299.9)	(1 283.2)	(1 536.3)	(1 116.5)	(826.9)
Sale of non-financial assets	216.2	289.4	37.1	391.0	36.3
	<b>(1 083.7)</b>	<b>(993.8)</b>	<b>(1 499.2)</b>	<b>(725.5)</b>	<b>(790.6)</b>
<b>Financial assets (policy purposes)</b>					
Equity injections	(0.6)	(9.8)	(3.0)	(6.0)	(3.0)
Equity disposal	....	103.0	....	....	....
Net advances paid	(7.6)	(7.5)	(5.6)	2.0	5.3
	<b>(8.2)</b>	<b>85.7</b>	<b>(8.6)</b>	<b>(4.0)</b>	<b>2.3</b>
<b>Financial assets (liquidity purposes)</b>					
Net purchase of investments	(57.8)	(148.9)	(75.1)	(230.1)	(204.2)
	<b>(57.8)</b>	<b>(148.9)</b>	<b>(75.1)</b>	<b>(230.1)</b>	<b>(204.2)</b>
<b>Net cash flows from investing activities</b>	<b>(1 149.7)</b>	<b>(1 057.0)</b>	<b>(1 583.0)</b>	<b>(959.6)</b>	<b>(992.5)</b>



**Table 5.15: Total State Sector Cash Flow Statement (continued)**

	2011-12 Original Budget	2011-12 Revised Budget	2012-13 Forward Estimate	2013-14 Forward Estimate	2014-15 Forward Estimate
	\$m	\$m	\$m	\$m	\$m
<b>Cash flows from financing activities</b>					
Dividends and tax equivalents paid	(18.0)	(19.1)	(18.5)	(19.3)	(16.2)
Net borrowings	241.9	390.8	602.1	(79.8)	53.8
<b>Net cash flows from financing activities</b>	<b>223.9</b>	<b>371.8</b>	<b>583.6</b>	<b>(99.1)</b>	<b>37.6</b>
<b>Net increase/(decrease) in cash held</b>	<b>17.0</b>	<b>19.0</b>	<b>(5.0)</b>	<b>3.0</b>	<b>4.0</b>
<b>Cash at beginning of the year</b>	<b>157.0</b>	<b>139.0</b>	<b>158.0</b>	<b>153.0</b>	<b>156.0</b>
<b>Cash at end of the year</b>	<b>174.0</b>	<b>158.0</b>	<b>153.0</b>	<b>156.0</b>	<b>160.0</b>
<b>KEY FISCAL AGGREGATES</b>					
Net cash flows from operating activities	942.9	704.3	994.5	1 061.8	958.9
Plus Net cash from investments in non-financial assets	(1 083.7)	(993.8)	(1 499.2)	(725.5)	(790.6)
Plus Dividends and tax equivalents paid	(18.0)	(19.1)	(18.5)	(19.3)	(16.2)
<b>Equals CASH SURPLUS/(DEFICIT)</b>	<b>(158.9)</b>	<b>(308.6)</b>	<b>(523.3)</b>	<b>316.9</b>	<b>152.1</b>

## Loan Council Allocation

Loan Council arrangements provide for each State and Territory to nominate a LCA based on the estimated combined General Government and PNFC Sector Cash Deficit, plus memorandum items. Memorandum items are other financing transactions, which for Loan Council purposes, are treated as analogous to borrowings. This measure of the level of financing, therefore, focuses on the call of the public sector on national savings.

A tolerance band calculated as two per cent of Total Non-Financial Public Sector Cash received from operating activities (estimated to be \$159.2 million for 2011-12) applies between the budgeted LCA and the LCA outcome. Applying this band to Tasmania's original Budget LCA for 2011-12 gives a tolerance band of \$444.0 million to \$125.6 million. The tolerance band recognises that LCAs are nominated at an early stage of the Budget process and that estimates may change as a result of policy and parameter changes outside of the Budget process.

Table 5.16 shows that the revised estimate of the 2011-12 LCA outcome is expected to remain within the tolerance limit. The 2011-12 mid-year revised estimate of a LCA deficit of \$326.1 million is a \$41.3 million change from the original Budget estimate. The variance is due to an increase in the General Government Sector Cash Deficit of \$45.5 million, an increase in the PNFC Sector Cash Deficit of \$89.7 million and a movement in Net cash flows from investments in financial assets for policy purposes of \$93.9 million.

The variance in the General Government Sector Cash Surplus is detailed in Section 4 of this Report. The decrease in the PNFC Sector Cash Deficit primarily reflects an estimated decrease in Net cash flows from operating activities across the Sector of \$108.7 million. The movement in TNFPS Net cash flows from investments in financial assets for policy purposes of \$93.9 million primarily reflects the expected proceeds on disposal of TOTE Tasmania Pty Ltd in 2011-12.

**Table 5.16: Loan Council Allocation for 2011-12**

	<b>2011-12 Original Budget</b>	<b>2011-12 Revised Estimate</b>
	<b>\$m</b>	<b>\$m</b>
General Government Sector Cash Deficit/(Surplus)	187.4	232.9
Public Non-Financial Corporations Sector Cash Deficit/(Surplus)	52.0	141.7
<b>Total Non-Financial Public Sector Cash Deficit/(Surplus)</b>	<b>239.4</b>	<b>374.6</b>
less Total Non-Financial Public Sector Net Cash Flows from Investments in Financial Assets for Policy Purposes	(8.2)	85.7
plus Local Government New Cash Borrowings	37.2	37.2
<b>Total LCA Deficit/(Surplus)</b>	<b>284.8</b>	<b>326.1</b>

# 6 CONSOLIDATED FUND

Table 6.1: Consolidated Fund Outcome

	2010-11 Dec YTD Actual \$m	2011-12 Original Budget \$m	2011-12 Revised Budget \$m	2011-12 Dec YTD Actual \$m
<b>Recurrent receipts</b>				
<b>Australian Government sources</b>				
General purpose payments	866.3	1 743.0	1 729.6	869.6
Specific purpose payments	313.1	645.0	652.6	330.0
National partnership payments	317.0	407.1	401.2	174.8
Other grants and subsidies	22.3	52.5	54.1	22.1
	<b>1 518.8</b>	<b>2 847.6</b>	<b>2 837.5</b>	<b>1 396.5</b>
<b>State sources</b>				
Taxation	447.6	914.2	899.7	446.9
Receipts from government businesses	47.2	245.6	232.2	129.7
Departmental fees and recoveries	39.5	93.1	87.5	42.7
Recoveries of State debt charges	0.3	0.8	0.9	0.4
Sale and rent of government property	....	6.4	10.9	....
Resource rents and royalties	27.4	51.8	51.0	25.7
Other recurrent receipts	39.3	116.9	128.7	22.6
	<b>601.5</b>	<b>1 428.8</b>	<b>1 410.8</b>	<b>668.0</b>
<b>Capital receipts</b>				
<b>State sources</b>				
Proceeds from sale of government assets	....	....	103.0	....
Other capital receipts	....	0.2	0.2	....
	<b>....</b>	<b>0.2</b>	<b>103.2</b>	<b>....</b>
<b>Total Receipts</b>	<b>2 120.2</b>	<b>4 276.5</b>	<b>4 351.5</b>	<b>2 064.5</b>
<b>Less Expenditure</b>				
<b>Recurrent services</b>				
Appropriation Act	2 050.8	3 926.9	3 993.1	2 085.1
Reserved by Law	71.6	157.2	144.8	79.2
	<b>2 122.4</b>	<b>4 084.2</b>	<b>4 138.0</b>	<b>2 164.3</b>
<b>Works and services</b>				
Capital Investment Program	302.1	335.1	302.8	143.0
Hospitals Capital Fund	....	26.9	26.9	....
	<b>302.1</b>	<b>362.0</b>	<b>329.7</b>	<b>143.0</b>
<b>Total Expenditure</b>	<b>2 424.6</b>	<b>4 446.2</b>	<b>4 467.7</b>	<b>2 307.2</b>
<b>CONSOLIDATED FUND SURPLUS/(DEFICIT)</b>	<b>(304.3)</b>	<b>(169.6)</b>	<b>(116.2)</b>	<b>(242.8)</b>

Table 6.2: Consolidated Fund Expenditure

	2010-11 Dec YTD Actual \$m	2011-12 Original Budget \$m	2011-12 Revised Budget \$m	2011-12 Dec YTD Actual \$m
<b>Economic Development, Tourism and the Arts</b>				
Recurrent services	48.8	100.9	104.4	46.6
	<b>48.8</b>	<b>100.9</b>	<b>104.4</b>	<b>46.6</b>
<b>Education</b>				
Recurrent services	628.4	1 165.3	1 161.4	638.8
Works and services	115.0	61.1	74.6	33.9
	<b>743.5</b>	<b>1 226.5</b>	<b>1 236.0</b>	<b>672.7</b>
<b>Finance-General</b>				
Recurrent services	143.1	406.8	438.8	142.8
Works and services	....	26.9	26.9	....
	<b>143.1</b>	<b>433.7</b>	<b>465.7</b>	<b>142.8</b>
<b>Health and Human Services</b>				
Recurrent services	834.4	1 513.0	1 549.7	859.5
Works and services	77.2	113.1	73.9	41.8
	<b>911.5</b>	<b>1 626.2</b>	<b>1 623.6</b>	<b>901.4</b>
<b>House of Assembly</b>				
Recurrent services	3.6	7.5	7.5	3.9
	<b>3.6</b>	<b>7.5</b>	<b>7.5</b>	<b>3.9</b>
<b>Infrastructure, Energy and Resources</b>				
Recurrent services	146.3	241.4	239.6	142.8
Works and services	107.9	140.2	140.2	65.6
	<b>254.3</b>	<b>381.5</b>	<b>379.7</b>	<b>208.4</b>
<b>Integrity Commission</b>				
Recurrent services	1.0	3.3	3.3	1.5
	<b>1.0</b>	<b>3.3</b>	<b>3.3</b>	<b>1.5</b>
<b>Justice</b>				
Recurrent services	68.8	128.1	128.5	70.3
Works and services	....	3.5	2.0	0.3
	<b>68.8</b>	<b>131.6</b>	<b>130.5</b>	<b>70.6</b>
<b>Legislative Council</b>				
Recurrent services	3.1	6.2	6.3	3.2
	<b>3.1</b>	<b>6.2</b>	<b>6.3</b>	<b>3.2</b>
<b>Legislature-General</b>				
Recurrent services	3.2	5.7	5.7	3.6
	<b>3.2</b>	<b>5.7</b>	<b>5.7</b>	<b>3.6</b>

Table 6.2: Consolidated Fund Expenditure (continued)

	2010-11 Dec YTD Actual	2011-12 Original Budget	2011-12 Revised Budget	2011-12 Dec YTD Actual
	\$m	\$m	\$m	\$m
<b>Ministerial and Parliamentary Support</b>				
Recurrent services	11.7	19.0	19.0	11.3
	<b>11.7</b>	<b>19.0</b>	<b>19.0</b>	<b>11.3</b>
<b>Office of the Director of Public Prosecutions</b>				
Recurrent services	2.6	6.4	6.4	2.9
	<b>2.6</b>	<b>6.4</b>	<b>6.4</b>	<b>2.9</b>
<b>Office of the Governor</b>				
Recurrent services	1.4	3.3	3.3	1.4
	<b>1.4</b>	<b>3.3</b>	<b>3.3</b>	<b>1.4</b>
<b>Office of the Ombudsman</b>				
Recurrent services	1.0	2.1	2.1	1.1
	<b>1.0</b>	<b>2.1</b>	<b>2.1</b>	<b>1.1</b>
<b>Police and Emergency Management</b>				
Recurrent services	97.9	187.5	188.1	99.5
Works and services	1.8	8.2	8.2	0.4
	<b>99.7</b>	<b>195.7</b>	<b>196.3</b>	<b>99.9</b>
<b>Premier and Cabinet</b>				
Recurrent services	28.7	57.1	58.1	30.0
Works and services	....	0.3	0.3	0.3
	<b>28.7</b>	<b>57.4</b>	<b>58.3</b>	<b>30.2</b>
<b>Primary Industries, Parks, Water and Environment</b>				
Recurrent services	77.4	187.7	172.5	82.8
Works and services	0.2	8.8	3.8	0.7
	<b>77.7</b>	<b>196.4</b>	<b>176.2</b>	<b>83.5</b>
<b>Tasmanian Audit Office</b>				
Recurrent services	1.2	2.6	2.6	1.5
	<b>1.2</b>	<b>2.6</b>	<b>2.6</b>	<b>1.5</b>
<b>Treasury and Finance</b>				
Recurrent services	19.8	40.3	40.6	20.8
	<b>19.8</b>	<b>40.3</b>	<b>40.6</b>	<b>20.8</b>
<b>TOTAL</b>	<b>2 424.6</b>	<b>4 446.2</b>	<b>4 467.7</b>	<b>2 307.2</b>

Table 6.3: Consolidated Fund Forward Estimates

	2011-12 Original Budget	2011-12 Revised Budget	2012-13 Forward Estimate	2013-14 Forward Estimate	2014-15 Forward Estimate
	\$m	\$m	\$m	\$m	\$m
<b>Recurrent receipts</b>					
<b>Australian Government sources</b>					
General purpose payments	1 743.0	1 729.6	1 818.3	1 844.3	1 905.3
Specific purpose payments	645.0	652.6	682.5	717.9	721.6
National partnership payments	407.1	401.2	355.2	266.3	133.0
Other grants and subsidies	52.5	54.1	48.5	35.6	36.0
	<b>2 847.6</b>	<b>2 837.5</b>	<b>2 904.5</b>	<b>2 864.1</b>	<b>2 795.8</b>
<b>State sources</b>					
Taxation	914.2	899.7	927.2	958.6	993.7
Receipts from government businesses	245.6	232.2	268.0	282.3	309.2
Departmental fees and recoveries	93.1	87.5	88.5	91.9	97.0
Recoveries of State debt charges	0.8	0.9	3.8	7.2	7.3
Sale and rent of government property	6.4	10.9	5.4	6.5	5.0
Resource rents and royalties	51.8	51.0	52.9	53.1	52.2
Other recurrent receipts	116.9	128.7	157.8	193.2	59.6
	<b>1 428.8</b>	<b>1 410.8</b>	<b>1 503.6</b>	<b>1 592.8</b>	<b>1 524.0</b>
<b>Capital receipts</b>					
<b>State sources</b>					
Proceeds from sale of government assets	....	103.0	....	....	....
Other capital receipts	0.2	0.2	0.2	0.3	0.2
	<b>0.2</b>	<b>103.2</b>	<b>0.2</b>	<b>0.3</b>	<b>0.2</b>
<b>Total Receipts</b>	<b>4 276.5</b>	<b>4 351.5</b>	<b>4 408.1</b>	<b>4 457.0</b>	<b>4 319.9</b>
<b>Less Expenditure</b>					
<b>Recurrent services</b>					
Appropriation Act	3 926.9	3 993.1	3 971.7	3 905.7	3 911.9
Reserved by Law	157.2	144.8	164.9	175.0	181.3
	<b>4 084.2</b>	<b>4 138.0</b>	<b>4 136.5</b>	<b>4 080.7</b>	<b>4 093.3</b>
<b>Works and services</b>					
Capital Investment Program	335.1	302.8	360.1	356.4	247.9
Hospitals Capital Fund	26.9	26.9	15.0	....	....
	<b>362.0</b>	<b>329.7</b>	<b>375.1</b>	<b>356.4</b>	<b>247.9</b>
<b>Total Expenditure</b>	<b>4 446.2</b>	<b>4 467.7</b>	<b>4 511.7</b>	<b>4 437.1</b>	<b>4 341.2</b>
<b>CONSOLIDATED FUND SURPLUS/(DEFICIT)</b>	<b>(169.6)</b>	<b>(116.2)</b>	<b>(103.4)</b>	<b>20.2</b>	<b>(21.3)</b>

# 7 CONCEPTS AND DEFINITIONS

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## Compliance Framework

The 2011-12 Mid-Year Financial Report has been prepared in accordance with the Australian Accounting Standards and, in particular, AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

AASB 1049 is based on the harmonised requirements of Generally Accepted Accounting Principles and Government Finance Statistics to improve the clarity and transparency of government financial statements. GFS is an accounting framework used by the Australian Bureau of Statistics in the preparation of public statistics. These, in turn, are based on international standards set out in the International Monetary Fund's *A Manual of Government Finance Statistics* and the United Nations' *A System of National Accounts*. GAAP is represented by the Australian Accounting Standards developed by the Australian Accounting Standards Board.

The GFS classification adopts a national format for presenting the financial transactions of governments and government trading enterprises. GFS is an accounting framework that facilitates comparison of financial performance across jurisdictions and is used by financial markets, credit rating agencies and other analysts and commentators.

Compliance with AASB 1049 means that the statements are also consistent with the reporting requirements of the Uniform Presentation Framework.

The AASB 1049 framework includes:

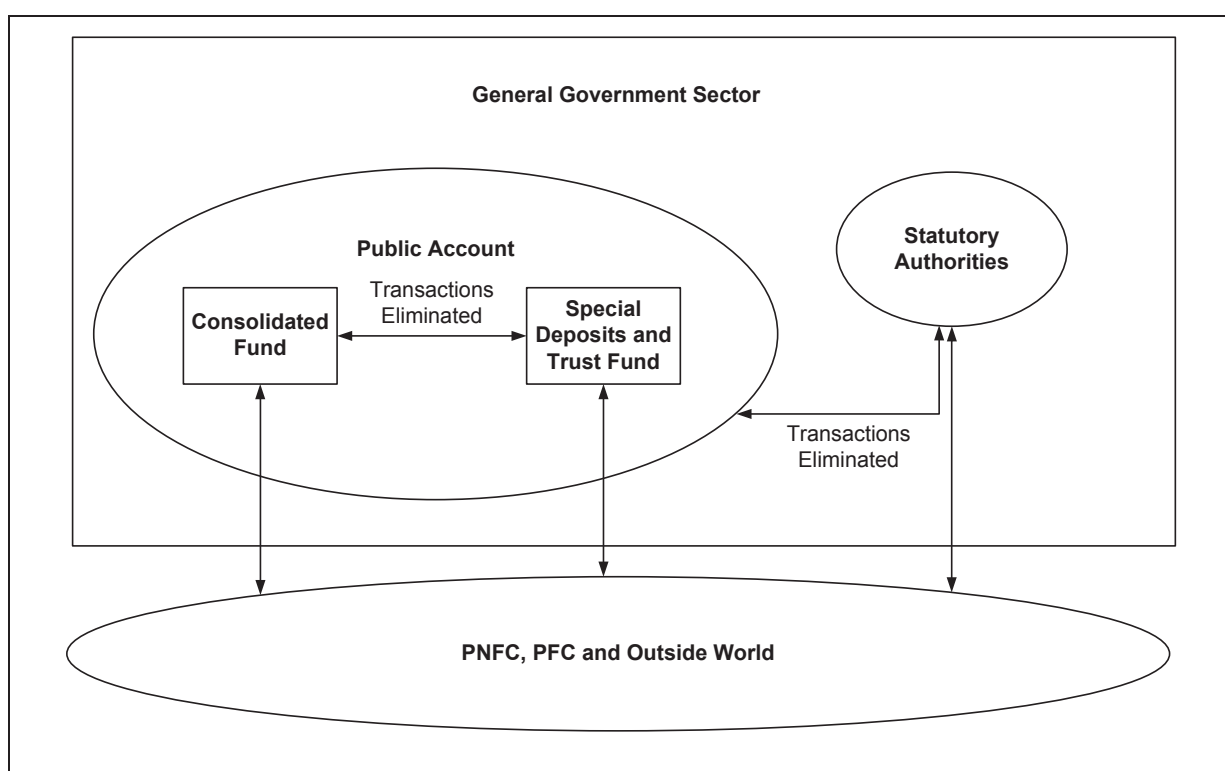
- the balances and transactions of both the Consolidated Fund and the Special Deposits and Trust Fund; and
- accrual transactions such as depreciation and nominal interest on superannuation.

The framework distinguishes between “transaction flows” and “other economic flows” in a manner that is consistent with the principles in the ABS GFS Manual. Transaction flows result directly from a mutually agreed interaction between two parties, for example, the sale of a good or service. The definition of a “transaction flow” also includes depreciation. This recognises that in the case of depreciation the one party is acting in two roles, as owner of the asset and consumer of the services provided by the asset.

An “other economic flow” is a change in the volume or value of an asset, or a liability, that does not result from a transaction. This includes a number of events such as the revaluation of assets (holding gains or losses) arising from changes in market prices, and changes in the volume of assets that result from discoveries, depletion and destruction of assets. The impact of all “other economic flows” are shown as gains or losses in the Income Statement. The combination of transaction flows and other economic flows reflects the total change in the value of net worth.

Diagram 7.1 illustrates the transactions included under AASB 1049 for the General Government Sector. Transactions included are only those with entities outside the General Government Sector, with intra-sector transactions eliminated.

**Diagram 7.1: Transactions included in the General Government Sector**



## Income Statement

The Income Statement presents information on revenue and expenses. This Statement is designed to capture the composition of revenues, expenses and the net cost of government activities within a fiscal year. It shows the full cost of resources consumed by a government in achieving its objectives, and how these costs are met from various revenue sources. The Income Statement reports two major Fiscal Strategy measures: the Net Operating Balance and the Fiscal Balance. In accordance with the requirements of Australian Accounting Standards and, more specifically, AASB 1049 *Whole of Government and General Government Sector Financial Reporting*, the Income Statement will now report two additional measures: the Operating Result and Comprehensive Result.



## *Net Operating Balance*

The Net Operating Balance is a measure of the on-going sustainability of the operations of government. It indicates whether a government is generating enough revenue to cover the cost of its operations. A Net Operating Surplus indicates that a government has sufficient revenue to fund its operations and contribute to an increase in its asset base.

## *Operating Result*

The Operating Result is similar to the Net Operating Balance because it measures the sustainability of the operations of government. However, this measure includes movements in asset and liability balances that result from movements in market values rather than government operations. These gains or losses on assets or liabilities are “unrealised” and are not available to fund government operations.

## *Comprehensive Result*

The Comprehensive Result represents the total change in value of the Net Worth during a year arising from revenues, expenses and movements in the valuation of assets and liabilities. As such, the Comprehensive Result is equivalent to the total increase or decrease in Net Assets during the year. The Comprehensive Result is similar to the Operating Result in that it includes unrealised movements in the value of assets and liabilities that impact on net assets. These movements are not available to fund operations and do not arise as a result of government decisions.

## *Fiscal Balance*

The Fiscal Balance indicates whether a sufficient surplus is being generated by the operations of government to fund its capital expenditure needs. It is the difference between revenue from transactions over expenses from transactions, after allowing for the net addition to non-financial assets such as buildings and infrastructure.

## **Balance Sheet**

The Balance Sheet is a financial snap-shot of assets and liabilities taken at the end of the financial year and discloses the resources which a government controls. By providing information on the type of assets and liabilities held by a government, the statement shows a government’s financial position at that point in time. The major Balance Sheet indicators are Net Debt, Net Financial Liabilities, Net Financial Worth and Net Worth.

### *Net Debt*

Net Debt is a measure used to assess the overall strength of a government’s fiscal position. Net Debt comprises borrowings less the sum of cash and deposits and investments.

### *Net Financial Liabilities*

Net Financial Liabilities comprises total liabilities less financial assets, excluding equity investments in Government Businesses. This is a broader measure than Net Debt, as it incorporates other liabilities such as superannuation.

## ***Net Financial Worth***

Net Financial Worth is calculated as financial assets less liabilities. This measure is broader than Net Debt, as it includes provisions made (such as superannuation, but not depreciation and bad debts) and ownership of equity.

## ***Net Worth***

Net Worth is calculated as total assets (both financial and non-financial) minus total liabilities. Net Worth incorporates non-financial assets such as land and other infrastructure assets, which may be sold and used to repay debt. It also incorporates certain financial assets and liabilities not captured by the Net Debt measure, including accrued employee superannuation liabilities, ownership of equities, debtors and creditors.

## **Cash Flow Statement**

The Cash Flow Statement records a government's cash receipts and payments, outlining how a government receives and spends cash.

This Statement categorises cash flows into operating, investing and financing activities. Operating activities include collection of taxes, the distribution of grants, and the provision of goods and services. Investing activities are related to the acquisition and disposal of financial and non-financial assets. Financing activities are related to changing the size and composition of a government's financial structure.

The convention is that all inflows carry a positive sign and all outflows carry a negative sign. The Cash Flow Statement reports two major fiscal measures: Net Increase in Cash Held and Cash Surplus/(Deficit).

### ***Net Increase in Cash Held***

Net Increase in Cash Held is the sum of net cash flows from all operating, investing and financing activities. This measure is consistent with the movement in cash and deposits reported in the Balance Sheet, and provides a mechanism for managing the cash position to ensure that sufficient cash is available to fund Government policy decisions.

### ***Cash Surplus/(Deficit)***

The Cash Surplus/(Deficit) comprises cash received from operating activities, and from sales and purchases of non-financial assets less finance leases and similar arrangements.

The Cash Surplus/(Deficit) is used for cash management purposes. It is important to note that a Cash Surplus does not necessarily imply that there is cash available for spending. This is because the Cash Surplus/(Deficit) includes funds allocated to provisions such as the Superannuation Provision Account.

It should be noted that the ABS does not include equity injections/withdrawals and the repayment of advances in the calculation of the surplus/(deficit). However, these items can have a major impact in any given year.

## Consolidation of Transactions

The AASB 1049 statements present a consolidated view of the financial transactions for all entities within the GGS. Receipts, payments, financial assets and liabilities held with other agencies within the Sector are matched and eliminated to avoid double counting. This process is known as consolidation.

For example, the rental payment by the Department of Justice to Treasury for the Department of Justice's occupation of a Government owned building will be matched and eliminated from the Income Statement as both agencies are classified within the General Government Sector.

## Consolidated Fund

The Consolidated Fund is the source of funding for appropriations and Reserved by Law payments.

Consolidated Fund appropriations are provided for two types of expenditure, Recurrent services and Works and services.

Recurrent services funding is provided by Parliament to meet the cost of the ordinary annual services of the Government. The major expenses are salaries and other departmental operating costs including building services and maintenance, minor works and furniture and equipment purchases. Reserved by Law funds are also made available to departments on a recurrent basis, where there is a legislative requirement for funding to be provided for specific purposes without the necessity for annual appropriation through the Consolidated Fund Appropriation Act. Examples of Reserved by Law expenditure include funding for the salary of the Auditor-General and pensions payable under the *Judges' Contributory Pensions Act 1968*.

Works and services funding is provided to meet construction costs and the purchase and maintenance of major capital assets such as roads, public housing, schools and hospitals.

Under the *Public Account Act 1986*, unless specifically excluded by that Act or any other Act, all revenue of the State is credited to the Consolidated Fund.

### *Consolidated Fund Surplus/(Deficit)*

The excess of Consolidated Fund receipts over the expenditure of these funds is the Consolidated Fund Surplus. A CFS represents funds that are available for the retirement of debt or the accumulation of financial assets. A Consolidated Fund Deficit indicates that Consolidated Fund expenditure exceeds receipts to the Fund.

## Rounding

All amounts in the financial statements have been rounded to the nearest \$100 000, unless otherwise stated. As a consequence, rounded figures may not add to totals. Amounts less than \$50 000 (or in Table 3.1, less than 1%) are indicated by "...".

## Classification of the Tasmanian Public Sector

The Tasmanian Public Sector comprises several different types of entities. These are classified according to the sectors comprising the UPF, namely General Government, Public Non-Financial Corporations or Public Financial Corporations Sectors.

The General Government Sector comprises those agencies of government, where the primary function is to provide public services. These services are mainly non-market in nature, for the collective consumption of the community, or involve the transfer or redistribution of income. GGS services are financed mainly through taxes and other compulsory levies. This Sector includes government departments and a number of entities that act outside the Public Account including the Inland Fisheries Service, Marine *and* Safety Tasmania, the Royal Tasmanian Botanical Gardens and the State Fire Commission.

The PNFC Sector comprises entities that cover the majority of their expenses from revenue by the sales of goods and services and which are mainly market, non-regulatory and non-financial in nature. This Sector are all the State-owned Companies and Government Business Enterprises. These entities have a variety of functions and responsibilities, are established in varying ways and also have different relationships with the Budget. The regional water and sewerage corporations, although owned by local government, are included in the PNFC Sector as a result of the classification decision of the Australian Bureau of Statistics.

The PFC Sector comprises two organisations in Tasmania, the Tasmanian Public Finance Corporation and the Motor Accidents Insurance Board. These entities perform central bank functions or have the authority to incur financial liabilities and acquire financial assets in the market on their own account.

The following provides a breakdown of the Tasmanian Public Sector entities by sector.

## General Government

Department of Economic Development, Tourism and the Arts

Department of Education

Department of Health and Human Services

Department of Infrastructure, Energy and Resources

Department of Justice

Department of Police and Emergency Management

Department of Premier and Cabinet

Department of Primary Industries, Parks, Water and Environment

Department of Treasury and Finance (including Finance-General)

House of Assembly

Inland Fisheries Service

Integrity Commission

Legislative Council

Legislature-General

Marine *and* Safety Tasmania

Office of the Director of Public Prosecutions

Office of the Governor

Office of the Ombudsman

Royal Tasmanian Botanical Gardens

State Fire Commission

Tasmanian Audit Office

Tasmanian Skills Institute

## Public Non-Financial Corporations

Aurora Energy Pty Ltd

Forestry Tasmania

Hydro Tasmania

Metro Tasmania Pty Ltd

Port Arthur Historic Site Management Authority

Private Forests Tasmania

Tasmanian Irrigation Pty Ltd

Tasmanian Ports Corporation Pty Ltd

Tasmanian Railway Pty Ltd

Tasmanian Water and Sewerage Corporation (Common Services) Pty Ltd

Tasmanian Water and Sewerage Corporation (Northern Region) Pty Ltd

Tasmanian Water and Sewerage Corporation (North-Western Region) Pty Ltd

Tasmanian Water and Sewerage Corporation (Southern Region) Pty Ltd

Tasracing Pty Ltd

The Public Trustee

TOTE Tasmania Pty Ltd

Transend Networks Pty Ltd

TT-Line Company Pty Ltd

## Public Financial Corporations

Motor Accidents Insurance Board

Tasmanian Public Finance Corporation

## Entities Not Consolidated

The Retirement Benefits Fund Board has not been included in this financial report because the assets are not available for the benefit of the State. Also, the University of Tasmania, certain professional, occupational and marketing boards and local government authorities are not included in this financial report because they are not controlled by the State.

Other Government bodies that are controlled but are not considered material, for whole-of-government purposes, are also excluded from this financial report.

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### *2011-12 Mid-Year Financial Report*

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