

## 10 UNIFORM PRESENTATION FRAMEWORK

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### INTRODUCTION

This chapter contains detailed financial statements for the Queensland Public Sector prepared under the Uniform Presentation Framework (UPF) of reporting as required under the Australian Loan Council arrangements.

The Framework was reviewed following the release in October 2007 of the Australian Accounting Standards Board's (AASB) new accounting standard, AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. The standard aims to harmonise Government Finance Statistics (GFS) and Generally Accepted Accounting Principles (GAAP) with the objective of improving the clarity and transparency of government financial statements.

In addition, the chapter provides:

- a reconciliation of the General Government sector net operating balance to the accounting operating result
- a time series for the General Government sector using the revised UPF
- details of General Government grant revenue and expenses
- details of General Government sector dividend and income tax equivalent income
- data on General Government expenses and purchases of non-financial assets by function
- details of taxation revenue collected by the General Government sector
- the State's revised Loan Council Budget allocation
- details of contingent liabilities
- background information on the revised UPF and disclosure differences arising from it, including the conceptual basis, sector definitions and a list of reporting entities.

This chapter also includes a discussion of the operations of the Public Non-Financial Corporations (PNFC) sector.

Under the UPF requirements, budgeted financial information for the Public Financial Corporations (PFC) sector is not included.

### GENERAL GOVERNMENT SECTOR

A detailed analysis of the General Government sector is provided in Chapter 6 – Revenue, Chapter 7 – Expenses and Chapter 8 – Balance Sheet and Cash Flows.

## **PUBLIC NON-FINANCIAL CORPORATIONS SECTOR**

The PNFC sector (which includes the GOCs, Queensland Motorways Limited and the SEQ Bulk Water entities including the Water Grid Manager) continues to perform well despite the impact of the global financial crisis. The PNFC sector has forecast total dividend payments of \$872 million in 2009-10, with current tax equivalent payments of \$247 million.

The Government is committed to ensuring that essential services such as electricity and public transport continue to be provided to Queenslanders at a reasonable cost through the provision of Community Service Obligation (CSO) payments. In 2009-10, a total of \$1.569 billion in CSO payments will be provided, mainly to QR Limited (QR) in respect of passenger rail travel and Ergon Energy in respect of the electricity uniform tariff.

Investment in PNFC infrastructure is required to ensure PNFC entities continue to provide essential services and an appropriate return to Government. Net additional funding of approximately \$307 million by way of equity injections has been budgeted for in 2009-10 to enable PNFCs to undertake such investments and remain financially sound. This includes \$566 million provided to QR for significant investment in rail infrastructure, partially offset by equity repatriations identified by the Queensland Treasury Corporation as part of the recent review of GOCs' capital structures.

### **PNFC operating statement**

The majority of revenue generated in the PNFC sector is received through the sale of goods and services, and the receipt of current grants and subsidies.

For PNFC entities, the majority of sales of goods and services are to customer markets. These revenues are therefore heavily linked to the performance of the Queensland economy and the ability of the sector to compete in increasingly competitive markets.

The major components of PNFC sector revenues include rail freight charges, electricity sales, electricity network and distribution charges, port charges and agricultural and bulk water delivery charges. Key determinants of changes in PNFC revenue in 2009-10 will be the impact of the global financial crisis on export markets, impacting on demand for rail and port services and energy demands, which drive electricity pool prices.

Across the PNFC sector, it is anticipated that sales of goods and services will generate revenues of \$8.855 billion in 2009-10, with total revenues forecast at \$11.196 billion. Total revenues generated by the sector are forecast to grow to \$15.757 billion in 2012-13. Again, major drivers include recovery from the global financial crisis among the PNFC sector's major trading partners, leading to increased demand for services related to exports as well as continued demand for PNFC services and supplies in the electricity, rail, water and port sectors.

PNFC revenues are also derived from CSO payments. CSOs are provided by the Government where PNFCs are required to provide non-commercial services or services at non-commercial prices for the benefit of the community. Major CSOs include the uniform electricity tariff and QR passenger rail services.

The PNFC sector distributes dividends to the Government as shareholder. Dividends from the PNFC sector are a function of net profits and the dividend payout ratio. In general, the dividend payout ratio for the 2009-10 Budget is based on 80% of net profit after tax. In some cases, forecast net profit after tax will be adjusted to exclude any net unrealised (i.e. non-cash) forecast gains, for example, from upward revaluation of non-current assets or financial instruments.

The dividend payout ratio does not affect a PNFC's capacity to carry out necessary maintenance and repairs, as dividends are paid after PNFCs have met their commitments to operating and maintenance expenses. Shareholding Ministers consider the circumstances of individual PNFCs and advice from their boards before arriving at a final determination of dividend payments. Dividends are forecast to increase over the forward estimates period, reaching \$1.423 billion in 2012-13, as demand across a range of services recovers from the global downturn.

The PNFC sector's performance has been negatively affected by the global financial crisis with the forecast estimated actual UPF net operating balance for the 2008-09 year being \$356 million compared to the 2008-09 Budget estimate of \$604 million.

### **PNFC balance sheet and cash flow statement**

The ability of PNFCs to efficiently and effectively service their customers is reliant upon the investment in and maintenance of underlying infrastructure.

In 2009-10, the PNFC sector is expected to invest approximately \$8.002 billion in capital projects. Investment in infrastructure is forecast to be \$24.131 billion over the four years to 2012-13, with the size of the program declining as several large projects underway, including the Gateway Bridge duplication and South East Queensland water grid, are completed.

PNFCs undertake infrastructure investment on a commercial basis and in response to the needs of the market sectors they service.

Investment in electricity infrastructure is driven by peak demand which continues to grow, largely as a result of Queensland's significant population and economic growth. The focus of capital expenditure in the sector during the year will be on ensuring ongoing generation plant reliability and efficiency, a secure and reliable transmission network across the State and the security and reliability of the extensive distribution network.

In 2009-10, capital works programs will contribute to the improved level of reliability of electricity transmission and distribution, with a focus on service quality, reliability, availability and capacity improvements. The combined capital network expenditure of Powerlink, Ergon Energy and ENERGEX in 2009-10 totals \$2.661 billion.

Powerlink will invest \$610 million on new transmission infrastructure and augmentation, while ENERGEX and Ergon Energy will similarly invest a total of \$2.05 billion on the distribution networks to maintain reliable and secure transmission and distribution electricity networks across the State.

As one of the State's largest industries, the coal industry continues to be a key economic driver. Proposed rail and port expansion programs reflect ongoing capital investment in coal supply chains. In 2009-10, QR is budgeting for a \$2.088 billion capital program to increase the capacity of its coal and passenger networks by acquiring new rollingstock and upgrading infrastructure with expenditure on the coal network in 2009-10 forecast to be \$862 million. The Ports Corporation of Queensland is continuing with the expansion of the coal export capacity of the Abbot Point terminal to 50 million tonnes per annum with investment of \$288 million budgeted for 2009-10.

The PNFC capital investment also includes key South East Queensland bulk water projects, including the Western Corridor Recycled Water project, the South East Queensland (Gold Coast) Desalination Plant, stage 2 of the Northern Pipeline Interconnector and the Hinze Dam Stage 3 project.

Financing of capital projects will differ according to the individual circumstances of the relevant PNFC and the specific nature of the project. There are a number of ways in which PNFCs fund these investments, including utilising cash flows from their business, borrowings, and equity injections from shareholding Ministers.

While total borrowings for the PNFC sector are forecast to increase from \$38.949 billion in 2009-10 to \$46.285 billion in 2012-13, the rate of new borrowings is forecast to decrease from \$5.335 billion in 2009-10 to \$1.348 billion in 2012-13. The impact on the gearing ratio [borrowing/(borrowing and net worth)] will be a marginal increase from 67 per cent in 2009-10 to 68 per cent in 2012-13.

The Government is committed to PNFCs being at all times able to fund viable projects whilst at the same time retaining a sound financial position, by ensuring that all PNFCs remain sufficiently well capitalised to ensure an investment grade credit rating as determined by independent credit ratings agencies.

Reflecting the level of support for capital investment within a sound financial framework, an estimated \$1.191 billion in net equity support is budgeted to be provided to the PNFC sector for the forward estimates period 2009-10 to 2012-13.

The Public Non-financial Corporations sector is discussed in more detail in Chapter 5.

## **UNIFORM PRESENTATION FRAMEWORK FINANCIAL INFORMATION**

The tables on the following pages present operating statements, balance sheets and cash flow statements prepared on a harmonised basis for the General Government, Public Non-financial Corporations and Non-financial Public sectors.

**Table 10.1**  
**General Government Sector Operating Statement <sup>1</sup>**

	2008-09 Budget <sup>2</sup> \$ million	2008-09 Est.Actual \$ million	2009-10 Budget \$ million	2010-11 Projection \$ million	2011-12 Projection \$ million	2012-13 Projection \$ million
<b>Revenue from Transactions</b>						
Taxation revenue	10,106	8,759	9,287	9,991	10,740	11,547
Grants revenue	15,687	17,272	18,735	17,389	17,090	17,725
Sales of goods and services	3,385	3,466	3,650	3,704	3,836	3,899
Interest income	2,199	1,261	2,017	2,115	2,218	2,282
Dividend and income tax equivalent income	1,051	1,098	1,150	1,462	1,652	2,270
Other revenue	4,154	4,017	2,354	2,368	2,564	2,708
<b>Total Revenue from Transactions</b>	<b>36,582</b>	<b>35,874</b>	<b>37,192</b>	<b>37,029</b>	<b>38,100</b>	<b>40,431</b>
<i>Less</i>						
<b>Expenses from Transactions</b>						
Employee expenses	13,896	14,249	15,006	15,868	16,717	17,241
Superannuation expenses						
Superannuation interest cost	1,219	760	1,468	1,551	1,630	1,704
Other superannuation expenses	1,959	2,012	2,093	2,125	2,162	2,165
Other operating expenses	6,782	7,446	7,776	8,001	8,399	8,635
Depreciation and amortisation	2,665	2,551	2,773	3,044	3,261	3,393
Other interest expenses	539	539	887	1,418	1,932	2,299
Grants expenses	8,713	8,889	9,143	8,481	8,090	8,282
<b>Total Expenses from Transactions</b>	<b>35,772</b>	<b>36,447</b>	<b>39,146</b>	<b>40,488</b>	<b>42,191</b>	<b>43,720</b>
<i>Equals</i>						
<b>Net Operating Balance</b>	<b>809</b>	<b>(574)</b>	<b>(1,954)</b>	<b>(3,459)</b>	<b>(4,090)</b>	<b>(3,290)</b>
<i>Plus</i>						
Other economic flows - included in operating result	579	301	66	(56)	(57)	(89)
<i>Equals</i>						
<b>Operating Result</b>	<b>1,388</b>	<b>(273)</b>	<b>(1,888)</b>	<b>(3,515)</b>	<b>(4,148)</b>	<b>(3,378)</b>
<i>Plus</i>						
Other economic flows - other movements in equity	4,080	(5,105)	3,232	3,167	3,560	3,837
<i>Equals</i>						
<b>Comprehensive Result - Total Change In Net Worth</b>	<b>5,468</b>	<b>(5,378)</b>	<b>1,344</b>	<b>(348)</b>	<b>(587)</b>	<b>459</b>
<b>KEY FISCAL AGGREGATES</b>						
<b>Net Operating Balance</b>	<b>809</b>	<b>(574)</b>	<b>(1,954)</b>	<b>(3,459)</b>	<b>(4,090)</b>	<b>(3,290)</b>
<i>Less</i>						
<b>Net Acquisition of Non-financial Assets</b>						
Purchases of non-financial assets	6,651	7,137	9,270	8,540	6,151	4,321
<i>Less</i> Sales of non-financial assets	340	343	251	266	207	359
<i>Less</i> Depreciation	2,665	2,551	2,773	3,044	3,261	3,393
<i>Plus</i> Change in inventories	97	81	63	60	40	42
<i>Plus</i> Other movements in non-financial assets	200	99	45	51	51	51
<b>Equals Total Net Acquisition of Non-financial Assets</b>	<b>3,944</b>	<b>4,422</b>	<b>6,354</b>	<b>5,341</b>	<b>2,773</b>	<b>661</b>
<i>Equals</i>						
<b>Net Lending / (Borrowing)</b>	<b>(3,134)</b>	<b>(4,996)</b>	<b>(8,308)</b>	<b>(8,800)</b>	<b>(6,864)</b>	<b>(3,951)</b>
Notes:						
1. Numbers may not add due to rounding.						
2. Numbers have been restated where subsequent changes in classification have occurred.						

**Table 10.2**  
**Public Non-financial Corporations Sector Operating Statement<sup>1</sup>**

	2008-09 Budget <sup>2</sup>	2008-09 Est. Actual	2009-10 Budget	2010-11 Projection	2011-12 Projection	2012-13 Projection	
	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	
<b>Revenue from Transactions</b>							
Grants revenue	1,905	1,877	1,858	1,794	1,699	1,768	
Sales of goods and services	8,308	8,307	8,855	10,998	12,188	13,482	
Interest income	96	139	82	82	83	90	
Other revenue	251	633	401	367	529	417	
<b>Total Revenue from Transactions</b>	<b>10,561</b>	<b>10,956</b>	<b>11,196</b>	<b>13,242</b>	<b>14,500</b>	<b>15,757</b>	
<i>Less</i>	<b>Expenses from Transactions</b>						
Employee expenses	2,569	2,342	2,310	2,398	2,511	2,529	
Superannuation expenses							
Other superannuation expenses	70	78	91	98	103	115	
Other operating expenses	3,088	4,086	3,773	4,815	5,045	5,107	
Depreciation and amortisation	1,897	1,856	2,211	2,521	2,720	2,939	
Other interest expenses	2,136	1,946	2,206	2,690	3,013	3,244	
Grants expenses	3	62	14	14	14	15	
Other property expenses	194	230	249	454	511	750	
<b>Total Expenses from Transactions</b>	<b>9,956</b>	<b>10,600</b>	<b>10,855</b>	<b>12,990</b>	<b>13,917</b>	<b>14,699</b>	
<i>Equals</i>	<b>Net Operating Balance</b>	<b>604</b>	<b>356</b>	<b>341</b>	<b>252</b>	<b>1,058</b>	
<i>Plus</i>	Other economic flows - included in operating result	429	(1,378)	(126)	37	85	139
<i>Equals</i>	<b>Operating Result</b>	<b>1,034</b>	<b>(1,022)</b>	<b>215</b>	<b>289</b>	<b>668</b>	<b>1,197</b>
<i>Plus</i>	Other economic flows - other movements in equity	(365)	17	253	154	(44)	(331)
<i>Equals</i>	<b>Comprehensive Result - Total Change In Net Worth</b>	<b>668</b>	<b>(1,006)</b>	<b>467</b>	<b>443</b>	<b>624</b>	<b>866</b>
<b>KEY FISCAL AGGREGATES</b>							
	<b>Net Operating Balance</b>	<b>604</b>	<b>356</b>	<b>341</b>	<b>252</b>	<b>1,058</b>	
<i>Less</i>	<b>Net Acquisition of Non-financial Assets</b>						
	Purchases of non-financial assets	9,985	9,059	8,002	6,092	5,276	4,761
<i>Less</i>	Sales of non-financial assets	92	142	35	12	14	41
<i>Less</i>	Depreciation	1,897	1,856	2,211	2,521	2,720	2,939
<i>Plus</i>	Change in inventories	24	12	(8)	5	8	15
<i>Plus</i>	Other movements in non-financial assets	23	(24)	25	28	30	33
<i>Equals</i>	<b>Total Net Acquisition of Non-financial Assets</b>	<b>8,045</b>	<b>7,049</b>	<b>5,773</b>	<b>3,592</b>	<b>2,581</b>	<b>1,829</b>
<i>Equals</i>	<b>Net Lending / (Borrowing)</b>	<b>(7,441)</b>	<b>(6,693)</b>	<b>(5,432)</b>	<b>(3,340)</b>	<b>(1,998)</b>	<b>(771)</b>
<b>Notes:</b>							
1. Numbers may not add due to rounding.							
2. Numbers have been restated where subsequent changes in classification have occurred.							

**Table 10.3**  
**Non-financial Public Sector Operating Statement <sup>1</sup>**

	2008-09 Budget <sup>2</sup> \$ million	2008-09 Est.Actual \$ million	2009-10 Budget \$ million	2010-11 Projection \$ million	2011-12 Projection \$ million	2012-13 Projection \$ million
<b>Revenue from Transactions</b>						
Taxation revenue	9,921	8,524	8,996	9,549	10,261	11,034
Grants revenue	15,755	17,350	18,836	17,492	17,162	17,801
Sales of goods and services	11,494	11,570	12,299	14,485	15,802	17,159
Interest income	2,295	1,397	2,098	2,196	2,301	2,370
Dividend and income tax equivalent income	28	26	31	40	44	100
Other revenue	4,398	4,644	2,748	2,728	3,087	3,118
<b>Total Revenue from Transactions</b>	<b>43,890</b>	<b>43,510</b>	<b>45,007</b>	<b>46,491</b>	<b>48,656</b>	<b>51,582</b>
<i>Less</i>						
<b>Expenses from Transactions</b>						
Employee expenses	16,373	16,504	17,212	18,154	19,111	19,640
Superannuation expenses						
Superannuation interest cost	1,219	760	1,468	1,551	1,630	1,704
Other superannuation expenses	2,029	2,090	2,185	2,223	2,265	2,281
Other operating expenses	9,658	11,305	11,319	12,575	13,195	13,493
Depreciation and amortisation	4,561	4,407	4,984	5,565	5,980	6,332
Other interest expenses	2,579	2,345	2,916	3,790	4,595	5,174
Grants expenses	6,889	7,161	7,409	6,812	6,487	6,614
<b>Total Expenses from Transactions</b>	<b>43,307</b>	<b>44,572</b>	<b>47,493</b>	<b>50,670</b>	<b>53,263</b>	<b>55,236</b>
<i>Equals</i>						
<b>Net Operating Balance</b>	<b>583</b>	<b>(1,062)</b>	<b>(2,485)</b>	<b>(4,179)</b>	<b>(4,607)</b>	<b>(3,655)</b>
<i>Plus</i>						
Other economic flows - included in operating result	625	(1,716)	(60)	(18)	28	51
<i>Equals</i>						
<b>Operating Result</b>	<b>1,207</b>	<b>(2,778)</b>	<b>(2,545)</b>	<b>(4,197)</b>	<b>(4,579)</b>	<b>(3,604)</b>
<i>Plus</i>						
Other economic flows - other movements in equity	4,261	(2,599)	3,890	3,850	3,992	4,063
<i>Equals</i>						
<b>Comprehensive Result - Total Change In Net Worth</b>	<b>5,469</b>	<b>(5,378)</b>	<b>1,344</b>	<b>(347)</b>	<b>(587)</b>	<b>459</b>
<b>KEY FISCAL AGGREGATES</b>						
<b>Net Operating Balance</b>	<b>583</b>	<b>(1,062)</b>	<b>(2,485)</b>	<b>(4,179)</b>	<b>(4,607)</b>	<b>(3,655)</b>
<i>Less</i>						
<b>Net Acquisition of Non-financial Assets</b>						
Purchases of non-financial assets	16,637	16,195	17,272	14,632	11,427	9,081
<i>Less</i> Sales of non-financial assets	432	486	286	278	221	399
<i>Less</i> Depreciation	4,561	4,407	4,984	5,565	5,980	6,332
<i>Plus</i> Change in inventories	121	93	55	65	48	57
<i>Plus</i> Other movements in non-financial assets	224	76	70	78	81	84
<b>Equals Total Net Acquisition of Non-financial Assets</b>	<b>11,989</b>	<b>11,471</b>	<b>12,127</b>	<b>8,933</b>	<b>5,354</b>	<b>2,491</b>
<i>Equals</i>						
<b>Net Lending / (Borrowing)</b>	<b>(11,406)</b>	<b>(12,533)</b>	<b>(14,612)</b>	<b>(13,112)</b>	<b>(9,961)</b>	<b>(6,145)</b>
Notes:						
1. Numbers may not add due to rounding.						
2. Numbers have been restated where subsequent changes in classification have occurred.						

**Table 10.4**  
**General Government Sector Balance Sheet <sup>1</sup>**

	2008-09 Budget <sup>2</sup>	2008-09 Est. Actual	2009-10 Budget	2010-11 Projection	2011-12 Projection	2012-13 Projection
	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
<b>Assets</b>						
<b>Financial Assets</b>						
Cash and deposits	2,204	2,298	1,751	1,473	1,254	1,255
Advances paid	816	564	635	701	742	754
Investments, loans and placements	28,218	26,195	27,532	28,979	30,410	31,761
Receivables	2,864	3,244	3,427	3,908	4,129	4,777
Equity						
Investments in other public sector entities	20,669	15,205	15,672	16,115	16,739	17,605
Investments - other	39	38	38	38	38	38
<b>Total Financial Assets</b>	<b>54,811</b>	<b>47,544</b>	<b>49,056</b>	<b>51,214</b>	<b>53,312</b>	<b>56,190</b>
<b>Non-financial Assets</b>						
Land and other fixed assets	107,569	140,766	149,888	157,562	162,962	166,285
Other non-financial assets	5,829	6,220	6,583	6,811	7,064	7,303
<b>Total Non-financial Assets</b>	<b>113,399</b>	<b>146,987</b>	<b>156,471</b>	<b>164,372</b>	<b>170,026</b>	<b>173,588</b>
<b>Total Assets</b>	<b>168,209</b>	<b>194,531</b>	<b>205,527</b>	<b>215,586</b>	<b>223,337</b>	<b>229,778</b>
<b>Liabilities</b>						
Payables	2,388	2,536	2,839	2,647	2,750	2,848
Superannuation liability	21,874	23,949	25,303	26,580	27,766	28,854
Other employee benefits	3,665	4,012	4,071	4,246	4,420	4,591
Advances received	530	485	471	459	447	436
Borrowing	8,781	10,765	18,775	27,898	34,707	39,234
Other liabilities	2,408	2,985	2,923	2,959	3,037	3,146
<b>Total Liabilities</b>	<b>39,646</b>	<b>44,731</b>	<b>54,382</b>	<b>64,789</b>	<b>73,128</b>	<b>79,110</b>
<b>Net Worth</b>	<b>128,563</b>	<b>149,800</b>	<b>151,144</b>	<b>150,797</b>	<b>150,209</b>	<b>150,668</b>
Net Financial Worth	15,164	2,814	(5,327)	(13,575)	(19,816)	(22,920)
Net Financial Liabilities	5,504	12,391	20,999	29,691	36,555	40,525
Net Debt	(21,928)	(17,808)	(10,672)	(2,796)	2,749	5,901

Notes:

1. Numbers may not add due to rounding.
2. Numbers have been restated where subsequent changes in classification have occurred.

**Table 10.5**  
**Public Non-financial Corporations Sector Balance Sheet <sup>1</sup>**

	2008-09 Budget <sup>2</sup>	2008-09 Est.Actual	2009-10 Budget	2010-11 Projection	2011-12 Projection	2012-13 Projection
	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
<b>Assets</b>						
<b>Financial Assets</b>						
Cash and deposits	1,461	1,216	869	975	852	896
Advances paid	253	288	261	237	214	187
Investments, loans and placements	321	442	466	456	459	459
Receivables	1,547	1,579	1,601	1,798	1,944	2,080
Equity						
Investments - other	80	81	80	98	119	129
<b>Total Financial Assets</b>	<b>3,662</b>	<b>3,606</b>	<b>3,277</b>	<b>3,564</b>	<b>3,587</b>	<b>3,752</b>
<b>Non-financial Assets</b>						
Land and other fixed assets	55,707	57,560	64,238	68,968	72,565	75,492
Other non-financial assets	2,087	1,576	1,503	1,482	1,485	1,535
<b>Total Non-financial Assets</b>	<b>57,794</b>	<b>59,135</b>	<b>65,741</b>	<b>70,450</b>	<b>74,050</b>	<b>77,027</b>
<b>Total Assets</b>	<b>61,456</b>	<b>62,741</b>	<b>69,018</b>	<b>74,014</b>	<b>77,637</b>	<b>80,779</b>
<b>Liabilities</b>						
Payables	2,234	2,159	2,167	2,736	2,913	3,449
Superannuation liability	(278)	(76)	(90)	(90)	(90)	(90)
Other employee benefits	729	904	973	1,037	1,133	1,218
Deposits held	58	26	26	26	26	26
Advances received	..	13	12	11	11	10
Borrowing	32,823	33,524	38,949	42,453	44,923	46,285
Other liabilities	7,082	7,208	7,531	7,950	8,205	8,498
<b>Total Liabilities</b>	<b>42,649</b>	<b>43,759</b>	<b>49,568</b>	<b>54,122</b>	<b>57,121</b>	<b>59,397</b>
<b>Net Worth</b>	<b>18,807</b>	<b>18,982</b>	<b>19,450</b>	<b>19,892</b>	<b>20,516</b>	<b>21,382</b>
Net Financial Worth	(38,987)	(40,153)	(46,291)	(50,557)	(53,533)	(55,644)
Net Debt	30,847	31,618	37,391	40,822	43,436	44,779
Notes:						
1. Numbers may not add due to rounding.						
2. Numbers have been restated where subsequent changes in classification have occurred.						

**Table 10.6**  
**Non-financial Public Sector Balance Sheet <sup>1</sup>**

	2008-09 Budget <sup>2</sup> \$ million	2008-09 Est.Actual \$ million	2009-10 Budget \$ million	2010-11 Projection \$ million	2011-12 Projection \$ million	2012-13 Projection \$ million
<b>Assets</b>						
<b>Financial Assets</b>						
Cash and deposits	3,665	3,514	2,621	2,448	2,106	2,151
Advances paid	1,051	838	883	926	944	931
Investments, loans and placements	28,539	26,637	27,998	29,435	30,869	32,220
Receivables	3,260	3,663	3,750	4,021	4,210	4,446
Equity						
Investments in other public sector entities	1,896	(3,713)	(3,713)	(3,713)	(3,713)	(3,714)
Investments - other	119	120	118	137	157	167
<b>Total Financial Assets</b>	<b>38,532</b>	<b>31,058</b>	<b>31,657</b>	<b>33,253</b>	<b>34,572</b>	<b>36,201</b>
<b>Non-financial Assets</b>						
Land and other fixed assets	163,242	198,262	214,061	226,465	235,462	241,712
Other non-financial assets	1,275	553	578	565	547	551
<b>Total Non-financial Assets</b>	<b>164,517</b>	<b>198,815</b>	<b>214,640</b>	<b>227,030</b>	<b>236,009</b>	<b>242,263</b>
<b>Total Assets</b>	<b>203,049</b>	<b>229,873</b>	<b>246,296</b>	<b>260,283</b>	<b>270,581</b>	<b>278,464</b>
<b>Liabilities</b>						
Payables	3,486	3,553	3,746	3,716	3,818	3,903
Superannuation liability	21,595	23,873	25,213	26,489	27,676	28,764
Other employee benefits	4,394	4,916	5,044	5,283	5,552	5,809
Deposits held	58	30	30	30	30	30
Advances received	530	481	467	455	443	432
Borrowing	41,587	44,288	57,723	70,350	79,630	85,519
Other liabilities	2,836	2,932	2,928	3,163	3,222	3,339
<b>Total Liabilities</b>	<b>74,486</b>	<b>80,072</b>	<b>95,152</b>	<b>109,486</b>	<b>120,371</b>	<b>127,796</b>
<b>Net Worth</b>	<b>128,563</b>	<b>149,800</b>	<b>151,144</b>	<b>150,797</b>	<b>150,209</b>	<b>150,668</b>
Net Financial Worth	(35,954)	(49,014)	(63,495)	(76,233)	(85,800)	(91,595)
Net Financial Liabilities	37,850	45,301	59,782	72,520	82,086	87,882
Net Debt	8,919	13,810	26,719	38,026	46,185	50,680
Notes:						
1. Numbers may not add due to rounding.						
2. Numbers have been restated where subsequent changes in classification have occurred.						

**Table 10.7**  
**General Government Sector Cash Flow Statement<sup>1</sup>**

	2008-09 Budget <sup>2</sup> \$ million	2008-09 Est. Actual \$ million	2009-10 Budget \$ million	2010-11 Projection \$ million	2011-12 Projection \$ million	2012-13 Projection \$ million
<b>Cash Receipts from Operating Activities</b>						
Taxes received	10,105	8,801	9,286	9,990	10,739	11,546
Grants and subsidies received	15,526	17,122	18,735	17,403	17,104	17,738
Sales of goods and services	3,749	3,910	4,050	4,067	4,213	4,271
Interest receipts	2,197	1,257	2,010	2,107	2,209	2,272
Dividends and income tax equivalents	1,012	1,145	1,042	1,065	1,505	1,742
Other receipts	4,707	4,665	3,219	3,212	3,347	3,496
<b>Total Operating Receipts</b>	<b>37,297</b>	<b>36,899</b>	<b>38,341</b>	<b>37,844</b>	<b>39,118</b>	<b>41,065</b>
<b>Cash Payments for Operating Activities</b>						
Payments for employees	(15,674)	(15,992)	(16,975)	(17,859)	(18,908)	(19,624)
Payments for goods and services	(7,246)	(8,067)	(8,442)	(8,623)	(8,995)	(9,235)
Grants and subsidies	(8,757)	(8,898)	(9,097)	(8,510)	(8,084)	(8,278)
Interest paid	(540)	(534)	(883)	(1,417)	(1,932)	(2,299)
Other payments	(739)	(759)	(762)	(677)	(590)	(591)
<b>Total Operating Payments</b>	<b>(32,955)</b>	<b>(34,250)</b>	<b>(36,160)</b>	<b>(37,086)</b>	<b>(38,509)</b>	<b>(40,027)</b>
<b>Net Cash Inflows from Operating Activities</b>	<b>4,341</b>	<b>2,649</b>	<b>2,181</b>	<b>758</b>	<b>609</b>	<b>1,038</b>
<b>Cash Flows from Investments in Non-Financial Assets</b>						
Purchases of non-financial assets	(6,651)	(7,137)	(9,270)	(8,540)	(6,151)	(4,321)
Sales of non-financial assets	340	343	251	266	207	359
<b>Net Cash Flows from Investments in Non-financial Assets</b>	<b>(6,311)</b>	<b>(6,793)</b>	<b>(9,020)</b>	<b>(8,274)</b>	<b>(5,944)</b>	<b>(3,962)</b>
<b>Net Cash Flows from Investments in Financial Assets for Policy Purposes</b>	<b>(389)</b>	<b>(229)</b>	<b>(307)</b>	<b>(387)</b>	<b>(239)</b>	<b>(258)</b>
<b>Net Cash Flows from Investments in Financial Assets for Liquidity Purposes</b>	<b>(1,086)</b>	<b>(436)</b>	<b>(1,338)</b>	<b>(1,438)</b>	<b>(1,423)</b>	<b>(1,343)</b>
<b>Receipts from Financing Activities</b>						
Advances received (net)	(18)	(24)	(17)	(16)	(15)	(15)
Borrowing (net)	2,915	4,014	7,954	9,079	6,792	4,540
Other financing (net)	..	(1)	..	..	..	..
<b>Net Cash Flows from Financing Activities</b>	<b>2,897</b>	<b>3,989</b>	<b>7,937</b>	<b>9,063</b>	<b>6,777</b>	<b>4,525</b>
<b>Net Increase/(Decrease) in Cash held</b>	<b>(548)</b>	<b>(821)</b>	<b>(546)</b>	<b>(278)</b>	<b>(219)</b>	<b>1</b>
Net cash from operating activities	4,341	2,649	2,181	758	609	1,038
Net cash flows from investments in non-financial assets	(6,311)	(6,793)	(9,020)	(8,274)	(5,944)	(3,962)
<b>Surplus/(Deficit)</b>	<b>(1,970)</b>	<b>(4,144)</b>	<b>(6,838)</b>	<b>(7,516)</b>	<b>(5,335)</b>	<b>(2,924)</b>
<b>Derivation of ABS GFS Cash Surplus/Deficit</b>						
Cash surplus/(deficit)	(1,970)	(4,144)	(6,838)	(7,516)	(5,335)	(2,924)
Acquisitions under finance leases and similar arrangements	(152)	..	..	..	..	..
<b>ABS GFS Cash Surplus/(Deficit) Including Finance Leases and Similar Arrangements</b>	<b>(2,122)</b>	<b>(4,144)</b>	<b>(6,838)</b>	<b>(7,516)</b>	<b>(5,335)</b>	<b>(2,924)</b>
Notes:						
1. Numbers may not add due to rounding.						
2. Numbers have been restated where subsequent changes in classification have occurred.						

**Table 10.8**  
**Public Non-financial Corporations Sector Cash Flow Statement<sup>1</sup>**

	2008-09 Budget <sup>2</sup> \$ million	2008-09 Est. Actual \$ million	2009-10 Budget \$ million	2010-11 Projection \$ million	2011-12 Projection \$ million	2012-13 Projection \$ million
<b>Cash Receipts from Operating Activities</b>						
Grants and subsidies received	1,904	1,889	1,806	1,793	1,699	1,768
Sales of goods and services	8,647	8,982	9,612	11,708	12,950	14,300
Interest receipts	93	135	78	77	78	84
Other receipts	702	871	621	625	730	644
<b>Total Operating Receipts</b>	<b>11,346</b>	<b>11,877</b>	<b>12,118</b>	<b>14,203</b>	<b>15,456</b>	<b>16,796</b>
<b>Cash Payments for Operating Activities</b>						
Payments for employees	(2,625)	(2,299)	(2,348)	(2,432)	(2,518)	(2,559)
Payments for goods and services	(3,944)	(4,778)	(4,488)	(5,129)	(5,405)	(5,437)
Grants and subsidies	..	(16)	(12)	(12)	(12)	(12)
Interest paid	(1,759)	(1,516)	(1,987)	(2,516)	(2,920)	(3,179)
Other payments	(731)	(885)	(668)	(842)	(1,159)	(1,343)
<b>Total Operating Payments</b>	<b>(9,059)</b>	<b>(9,494)</b>	<b>(9,502)</b>	<b>(10,930)</b>	<b>(12,014)</b>	<b>(12,528)</b>
<b>Net Cash Inflows from Operating Activities</b>	<b>2,286</b>	<b>2,382</b>	<b>2,616</b>	<b>3,272</b>	<b>3,442</b>	<b>4,268</b>
<b>Cash Flows from Investments in Non-Financial Assets</b>						
Purchases of non-financial assets	(9,985)	(9,059)	(8,002)	(6,092)	(5,276)	(4,761)
Sales of non-financial assets	92	142	35	12	14	41
<b>Net Cash Flows from Investments in Non-financial Assets</b>	<b>(9,894)</b>	<b>(8,916)</b>	<b>(7,967)</b>	<b>(6,080)</b>	<b>(5,262)</b>	<b>(4,720)</b>
<b>Net Cash Flows from Investments in Financial Assets for Policy Purposes</b>	<b>(324)</b>	<b>(824)</b>	<b>188</b>	<b>(18)</b>	<b>(20)</b>	<b>(10)</b>
<b>Net Cash Flows from Investments in Financial Assets for Liquidity Purposes</b>	<b>..</b>	<b>25</b>	<b>(33)</b>	<b>5</b>	<b>(7)</b>	<b>(1)</b>
<b>Receipts from Financing Activities</b>						
Borrowing (net)	8,007	7,208	5,335	3,422	2,455	1,348
Dividends paid	(861)	(924)	(819)	(873)	(971)	(1,100)
Deposits received (net)	1	26	..	..	..	..
Other financing (net)	388	327	332	378	242	258
<b>Net Cash Flows from Financing Activities</b>	<b>7,535</b>	<b>6,638</b>	<b>4,849</b>	<b>2,927</b>	<b>1,725</b>	<b>507</b>
<b>Net Increase/(Decrease) in Cash held</b>	<b>(396)</b>	<b>(696)</b>	<b>(347)</b>	<b>106</b>	<b>(123)</b>	<b>44</b>
Net cash from operating activities	2,286	2,382	2,616	3,272	3,442	4,268
Net cash flows from investments in non-financial assets	(9,894)	(8,916)	(7,967)	(6,080)	(5,262)	(4,720)
Dividends paid	(861)	(924)	(819)	(873)	(971)	(1,100)
<b>Surplus/(Deficit)</b>	<b>(8,468)</b>	<b>(7,458)</b>	<b>(6,169)</b>	<b>(3,681)</b>	<b>(2,792)</b>	<b>(1,552)</b>
<b>Derivation of ABS GFS Cash Surplus/Deficit</b>						
Cash surplus/(deficit)	(8,468)	(7,458)	(6,169)	(3,681)	(2,792)	(1,552)
<b>ABS GFS Cash Surplus/(Deficit) Including Finance Leases and Similar Arrangements</b>	<b>(8,468)</b>	<b>(7,458)</b>	<b>(6,169)</b>	<b>(3,681)</b>	<b>(2,792)</b>	<b>(1,552)</b>
Notes:						
1. Numbers may not add due to rounding.						
2. Numbers have been restated where subsequent changes in classification have occurred.						

**Table 10.9**  
**Non-financial Public Sector Cash Flow Statement<sup>1</sup>**

	2008-09 Budget <sup>2</sup> \$ million	2008-09 Est. Actual \$ million	2009-10 Budget \$ million	2010-11 Projection \$ million	2011-12 Projection \$ million	2012-13 Projection \$ million
<b>Cash Receipts from Operating Activities</b>						
Taxes received	9,920	8,566	8,995	9,548	10,260	11,033
Grants and subsidies received	15,592	17,199	18,836	17,504	17,175	17,814
Sales of goods and services	12,197	12,686	13,456	15,559	16,940	18,349
Interest receipts	2,290	1,389	2,087	2,183	2,286	2,354
Dividends and income tax equivalents	20	18	26	31	40	43
Other receipts	5,402	5,529	3,834	3,831	4,070	4,133
<b>Total Operating Receipts</b>	<b>45,421</b>	<b>45,387</b>	<b>47,234</b>	<b>48,656</b>	<b>50,772</b>	<b>53,727</b>
<b>Cash Payments for Operating Activities</b>						
Payments for employees	(18,207)	(18,204)	(19,218)	(20,179)	(21,309)	(22,052)
Payments for goods and services	(11,003)	(12,655)	(12,739)	(13,551)	(14,192)	(14,464)
Grants and subsidies	(6,930)	(7,109)	(7,411)	(6,838)	(6,477)	(6,606)
Interest paid	(2,203)	(1,910)	(2,693)	(3,615)	(4,501)	(5,109)
Other payments	(1,311)	(1,402)	(1,195)	(1,317)	(1,214)	(1,290)
<b>Total Operating Payments</b>	<b>(39,654)</b>	<b>(41,279)</b>	<b>(43,256)</b>	<b>(45,500)</b>	<b>(47,693)</b>	<b>(49,522)</b>
<b>Net Cash Inflows from Operating Activities</b>	<b>5,767</b>	<b>4,108</b>	<b>3,977</b>	<b>3,156</b>	<b>3,079</b>	<b>4,205</b>
<b>Cash Flows from Investments in Non-Financial Assets</b>						
Purchases of non-financial assets	(16,637)	(16,195)	(17,272)	(14,632)	(11,427)	(9,081)
Sales of non-financial assets	432	486	286	278	221	399
<b>Net Cash Flows from Investments in Non-financial Assets</b>	<b>(16,205)</b>	<b>(15,710)</b>	<b>(16,986)</b>	<b>(14,354)</b>	<b>(11,206)</b>	<b>(8,682)</b>
<b>Net Cash Flows from Investments in Financial Assets for Policy Purposes</b>	<b>(324)</b>	<b>(604)</b>	<b>188</b>	<b>(18)</b>	<b>(20)</b>	<b>(10)</b>
<b>Net Cash Flows from Investments in Financial Assets for Liquidity Purposes</b>	<b>(1,085)</b>	<b>(411)</b>	<b>(1,372)</b>	<b>(1,433)</b>	<b>(1,430)</b>	<b>(1,344)</b>
<b>Receipts from Financing Activities</b>						
Advances received (net)	(18)	(24)	(17)	(16)	(15)	(15)
Borrowing (net)	10,922	11,222	13,289	12,501	9,247	5,889
Deposits received (net)	1	26	..	..	..	..
Other financing (net)	(1)	(123)	25	(9)	2	..
<b>Net Cash Flows from Financing Activities</b>	<b>10,904</b>	<b>11,101</b>	<b>13,298</b>	<b>12,476</b>	<b>9,234</b>	<b>5,874</b>
<b>Net Increase/(Decrease) in Cash held</b>	<b>(943)</b>	<b>(1,517)</b>	<b>(895)</b>	<b>(174)</b>	<b>(344)</b>	<b>44</b>
Net cash from operating activities	5,767	4,108	3,977	3,156	3,079	4,205
Net cash flows from investments in non-financial assets	(16,205)	(15,710)	(16,986)	(14,354)	(11,206)	(8,682)
<b>Surplus/(Deficit)</b>	<b>(10,438)</b>	<b>(11,602)</b>	<b>(13,009)</b>	<b>(11,199)</b>	<b>(8,127)</b>	<b>(4,476)</b>
<b>Derivation of ABS GFS Cash Surplus/Deficit</b>						
Cash surplus/(deficit)	(10,438)	(11,602)	(13,009)	(11,199)	(8,127)	(4,476)
Acquisitions under finance leases and similar arrangements	(152)	..	..	..	..	..
<b>ABS GFS Cash Surplus/(Deficit) Including Finance Leases and Similar Arrangements</b>	<b>(10,590)</b>	<b>(11,602)</b>	<b>(13,009)</b>	<b>(11,199)</b>	<b>(8,127)</b>	<b>(4,476)</b>
Notes:						
1. Numbers may not add due to rounding.						
2. Numbers have been restated where subsequent changes in classification have occurred.						

## RECONCILIATION OF NET OPERATING BALANCE TO ACCOUNTING OPERATING RESULT

The primary difference between the net operating balance and the accounting operating result calculated under Australian Accounting Standards (AAS) is that valuation adjustments are excluded from the net operating balance.

Data presented in Table 10.10 provides a reconciliation of the General Government sector net operating balance to the accounting operating result.

<b>Table 10.10</b>			
<b>Reconciliation of UPF net operating balance to accounting surplus<sup>1</sup></b>			
	2008 09 Budget \$ million	2008 09 Est.Act. \$ million	2009 10 Budget \$ million
Net operating balance General Government sector (Table 10.1)	809	(574)	(1,954)
<i>Remeasurement/valuation adjustments</i>			
Bad debts and amortisation	(57)	(39)	(42)
Deferred tax equivalents	329	279	219
Dividends received on privatisation sales	384	609	..
Market value adjustments investments/loans	16	(399)	12
Revaluation of provisions	14	(11)	14
Decommissioned infrastructure assets and land under roads	(143)	(143)	(143)
Gain/(loss) on assets sold/written off	36	5	6
<b>AAS net surplus General Government sector</b>	<b>1,388</b>	<b>(273)</b>	<b>(1,889)</b>
Note:			
1. Numbers may not add due to rounding.			

## GENERAL GOVERNMENT TIME SERIES

Data presented in Table 10.11 provides a time series from 2001-02 to 2007-08 for the General Government sector on the key fiscal aggregates used by the Government to measure financial performance. These aggregates have been backcast (as far as is possible) to comply with AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

	2001-02 Actual \$ million	2002-03 Actual \$ million	2003-04 Actual \$ million	2004-05 Actual \$ million	2005-06 Actual \$ million	2006-07 Actual \$ million	2007-08 Actual \$ million
<b>Revenue from Transactions</b>							
Taxation revenue	4,815	5,598	6,676	6,952	7,396	8,484	9,546
Grant revenue	10,052	10,666	11,528	12,755	13,590	14,373	15,523
Sales of goods and services	1,837	1,964	2,105	2,381	2,586	2,889	3,341
Interest income	(464)	(128)	2,723	2,972	3,414	3,348	(275)
Dividend and income tax equivalent income	1,287	1,036	1,148	1,028	1,057	863	1,255
Other revenue	1,316	1,118	1,035	1,473	2,039	2,024	2,040
<b>Total Revenue</b>	<b>18,842</b>	<b>20,253</b>	<b>25,214</b>	<b>27,562</b>	<b>30,084</b>	<b>31,982</b>	<b>31,430</b>
<b>Expenses from Transactions</b>							
Employee expenses	7,969	8,431	8,972	9,595	10,615	11,731	13,171
Superannuation expenses							
Superannuation interest costs	626	630	1,040	1,009	826	1,154	816
Other superannuation expenses	851	892	1,061	1,182	1,367	1,513	1,865
Other operating expenses	3,398	3,794	3,948	4,392	5,227	6,109	6,612
Depreciation and amortisation	1,511	1,460	1,460	1,585	1,679	1,880	1,850
Other interest expenses	245	222	213	209	174	180	346
Grant expenses	5,100	4,813	5,180	5,647	6,482	7,558	8,328
<b>Total Expenses</b>	<b>19,701</b>	<b>20,241</b>	<b>21,874</b>	<b>23,619</b>	<b>26,370</b>	<b>30,128</b>	<b>32,989</b>
<b>Net Operating Balance</b>	<b>(858)</b>	<b>12</b>	<b>3,340</b>	<b>3,942</b>	<b>3,714</b>	<b>1,855</b>	<b>(1,559)</b>
<b>OTHER KEY AGGREGATES</b>							
Purchases of non-financial assets	2,416	2,232	2,415	2,843	3,186	4,418	5,716
Net acquisition of non-financial assets	708	155	503	1,053	1,236	2,067	3,668
Net lending / (borrowing)	(1,602)	(140)	2,838	2,873	2,478	(211)	(5,226)
Net Worth	58,093	64,894	77,723	96,433	105,035	117,831	155,178
Net Debt	(11,572)	(11,802)	(14,811)	(19,406)	(23,202)	(26,686)	(22,598)
Cash Surplus/Deficit	188	645	3,490	4,640	4,648	2,350	(4,922)
Note:							
1. Numbers may not add due to rounding.							
Source: <i>Budget Papers</i> and <i>Outcomes Reports for Queensland 2001-02 to 2007-08</i> . (Numbers have been recast for recent changes to UPF presentation.)							

## OTHER GENERAL GOVERNMENT UPF DATA

Data in the following table is presented in accordance with the Uniform Presentation Framework.

### Grants

Data presented in Tables 10.12 (a) and 10.12 (b) provides details of General Government current and capital grant revenue and expenses.

<b>Table 10.12(a)</b>		
<b>General Government Sector Grant Revenue <sup>1</sup></b>		
	2008-09	2009-10
	Est. Act.	Budget
	\$ million	\$ million
<b>Current grant revenue</b>		
Current grants from the Commonwealth		
General purpose grants	8,304	7,611
Specific purpose grants/National Partnership Payments	4,343	4,779
Specific purpose grants for on-passing	1,817	2,224
Total current grants from the Commonwealth	14,464	14,614
Other contributions and grants	467	411
<b>Total current grant revenue</b>	<b>14,931</b>	<b>15,025</b>
<b>Capital grant revenue</b>		
Capital grants from the Commonwealth		
General purpose grants	15	8
Specific purpose grants/National Partnership Payments	2,140	3,543
Specific purpose grants for on-passing	176	142
Total capital grants from the Commonwealth	2,331	3,693
Other contributions and grants	9	17
<b>Total capital grant revenue</b>	<b>2,340</b>	<b>3,710</b>
<b>Total grant revenue</b>	<b>17,272</b>	<b>18,735</b>
Note:		
1. Numbers may not add due to rounding.		

**Table 10.12(b)**  
**General Government Sector Grant Expense <sup>1</sup>**

	2008-09	2009-10
	Est. Act.	Budget
	\$ million	\$ million
<b>Current grant expense</b>		
Private and Not-for-profit sector	3,433	3,209
Private and Not-for-profit sector on-passing	1,419	1,845
Households sector on-passing	28	..
Local Government	209	190
Local Government on-passing	370	379
Grants to other sectors of Government	1,735	1,674
Other	383	202
<b>Total current grant expense</b>	<b>7,578</b>	<b>7,499</b>
<b>Capital grant expense</b>		
Private and Not-for-profit sector	176	421
Private and Not-for-profit sector on-passing	15	..
Households sector on-passing	161	142
Local Government	621	775
Grants to other sectors of Government	56	75
Other	282	231
<b>Total capital grant expense</b>	<b>1,312</b>	<b>1,645</b>
<b>Total grant expense</b>	<b>8,889</b>	<b>9,143</b>

Note:  
1. Numbers may not add due to rounding.

## Dividend and Income Tax Equivalent Income

Table 10.13 provides details of the source of Dividend and Income Tax Equivalent income in the General Government sector.

**Table 10.13**  
**General Government Sector Dividend and Income Tax Equivalent Income <sup>1</sup>**

	2008-09	2009-10
	Est. Act.	Budget
	\$ million	\$ million
Dividend and Income Tax Equivalent income from PNFC sector	1,072	1,119
Dividend and Income Tax Equivalent income from PFC sector	22	27
Other Dividend income	4	4
<b>Total Dividend and Income Tax Equivalent income</b>	<b>1,098</b>	<b>1,150</b>

Note:  
1. Numbers may not add due to rounding.

## Expenses by function

Data presented in Table 10.14 provides details of General Government sector expenses by function.

<b>Table 10.14</b>						
<b>General Government Sector Expenses by Function<sup>1</sup></b>						
	2008-09	2008-09	2009-10	2010-11	2011-12	2012-13
	Budget	Est. Act.	Budget	Projection	Projection	Projection
	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
General public services	1,428	1,536	1,411	1,367	1,409	1,432
Public order and safety	3,351	3,475	3,594	3,729	3,873	3,907
Education	8,241	8,326	9,332	9,573	9,644	9,723
Health	8,928	9,058	9,523	10,355	11,033	11,619
Social security and welfare	2,245	2,179	2,379	2,553	2,722	2,874
Housing and community amenities	1,247	1,778	2,217	1,760	1,613	1,680
Recreation and culture	823	814	711	712	719	708
Fuel and energy	1,084	1,126	487	394	339	373
Agriculture, forestry, fishing and hunting	943	981	801	759	800	813
Mining, manufacturing and construction	160	213	225	223	242	247
Transport and communications	3,953	4,266	4,511	4,619	4,855	4,992
Other economic affairs	688	660	798	789	778	754
Other purposes	2,681	2,035	3,156	3,657	4,164	4,602
<b>Total Expenses</b>	<b>35,772</b>	<b>36,447</b>	<b>39,146</b>	<b>40,488</b>	<b>42,191</b>	<b>43,720</b>
Notes:						
1. Numbers may not add due to rounding.						
2. Numbers have been restated where subsequent changes in classification have occurred.						

## Purchases of non-financial assets by function

Data presented in Table 10.15 provides details of General Government sector purchases of non-financial assets by function.

<b>Table 10.15</b>			
<b>General Government Sector Purchases of Non-financial Assets by Function<sup>1</sup></b>			
	2008-09 Budget \$ million	2008-09 Est. Act. \$ million	2009-10 Budget \$ million
General public services	424	450	522
Public order and safety	970	684	872
Education	527	627	1,323
Health	902	822	1,218
Social security and welfare	152	119	223
Housing and community amenities	340	410	1,037
Recreation and culture	164	139	129
Agriculture, forestry, fishing and hunting	67	71	85
Mining, manufacturing and construction	20	13	15
Transport and communications	2,947	3,648	3,614
Other economic affairs	138	153	231
<b>Total Purchases</b>	<b>6,651</b>	<b>7,137</b>	<b>9,270</b>
Note: 1. Numbers may not add due to rounding.			

## Taxes

Data presented in Table 10.16 provides details of taxation revenue collected by the General Government sector.

<b>Table 10.16</b>		
<b>General Government Sector Taxes <sup>1</sup></b>		
	2008 09	2009 10
	Est.Actual	Budget
	\$ million	\$ million
Taxes on employers' payroll and labour force	2,728	2,736
Taxes on property		
Land taxes	807	1,047
Stamp duties on financial and capital transactions	1,777	1,704
Other	441	492
Taxes on the provision of goods and services		
Taxes on gambling	931	1,006
Taxes on insurance	489	509
Taxes on use of goods and performance of activities		
Motor vehicle taxes	1,449	1,647
Other	138	145
<b>Total Taxation Revenue</b>	<b>8,759</b>	<b>9,287</b>
Note: 1. Numbers may not add due to rounding.		

## Loan Council Allocation

The Australian Loan Council requires all jurisdictions to prepare Loan Council Allocations (LCA) to provide an indication of each government's probable call on financial markets over the forthcoming financial year.

Table 10.17 presents the State's revised LCA Budget allocation and the Loan Council endorsed LCA for 2009-10.

<b>Table 10.17</b>			
<b>Loan Council Allocation <sup>1</sup></b>			
		2009 10	2009 10
		Nomination	Budget
		\$ million	\$ million
	General Government sector cash deficit/(surplus) <sup>2</sup>	6,134	6,838
	PNFC sector cash deficit/(surplus) <sup>2</sup>	5,617	6,169
	<b>Non Financial Public Sector cash deficit/(surplus) <sup>2</sup></b>	<b>11,751</b>	<b>13,009</b>
<i>Less</i>	Net cash flows from investments in financial assets for policy purposes	180	188
<i>Plus</i>	Memorandum items <sup>3</sup>	41	(1,411)
	<b>Loan Council Allocation</b>	<b>11,612</b>	<b>11,410</b>
Notes: 1. Numbers may not add due to rounding. 2. Figures in brackets represent surpluses. 3. Memorandum items include operating leases and local government borrowings.			

The State's Budget LCA allocation is a deficit of \$11.41 billion. This compares to the LCA nomination of \$11.612 billion.

## CONTINGENT LIABILITIES

Contingent liabilities represent items that are not included in the Budget as significant uncertainty exists as to whether the Government would sacrifice future economic benefits in respect of these items. Nevertheless, such contingencies need to be recognised and managed wherever possible in terms of their potential impact on the Government's financial position in the future.

The State's quantifiable and non-quantifiable contingent liabilities are detailed in the *2007-08 Report on State Finances – Consolidated Financial Statements* (Note 46).

A summary of the State's quantifiable contingent liabilities as at 30 June 2008 is provided below.

<b>Table 10.18</b>	
<b>Contingent liabilities</b>	
	2008 \$ million
<b>Nature of contingent liability</b>	
Guarantees and indemnities	6,057
QTC stock loans	124
Other	83
<b>Total</b>	<b>6,264</b>

## **BACKGROUND AND INTERPRETATION OF UNIFORM PRESENTATION FRAMEWORK**

As mentioned in the introduction to this chapter, the UPF has recently been reviewed following the release of the Australian Accounting Standards Board's (AASB) new accounting standard, AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

The new standard aims to harmonise Government Finance Statistics (GFS) and Generally Accepted Accounting Principles (GAAP) with the objective of improving the clarity and transparency of government financial statements.

### **Accrual GFS framework**

The GFS reporting framework, developed by the Australian Bureau of Statistics (ABS), is based on international statistical standards (the International Monetary Fund Manual on Government Finance Statistics and the United Nations System of National Accounts). This allows comprehensive assessments to be made of the economic impact of government.

The accrual GFS framework is based on an integrated recording of stocks and flows. Stocks refer to a unit's holdings of assets, liabilities and net worth at a point in time, whilst flows represent the movement in the stock of assets and liabilities between two points in time. Flows comprise two separate types, transactions and other economic flows. Transactions come about as a result of mutually agreed interactions between units or within a single unit. Other economic flows would include revaluations and destruction or discovery of assets that do not result from a transaction. In GFS operating statements, other economic flows, being outside of the control of government, are excluded and do not affect the net operating result.

### **Generally Accepted Accounting Principles**

In addition to the GFS framework, public sector entities have been required to report at year end against AAS 31 *Financial Reporting by Government*, which meant complying with the Accounting Standards issued by the AASB.

### **Harmonisation under AASB 1049**

This dual reporting regime caused confusion for financial report users and so the Financial Reporting Council asked the AASB to develop a framework harmonising GAAP and GFS to issue an Australian accounting standard for a single set of government reports.

In the development of AASB 1049, the AASB adopted the following approaches:

- Adoption of GAAP definition, recognition and measurement principles in almost all cases
- Amending presentation requirements to encompass a comprehensive result that retains GAAP classification system but overlays it with a transactions and other economic flows classification system based on GFS
- Expanding the disclosure requirements to incorporate key fiscal aggregates required by GFS.

## **Revisions to the Uniform Presentation Framework**

Following the introduction of AASB 1049, the Australian, state and territory governments consider that the UPF will continue to be an important framework for ensuring comparability of financial information across jurisdictions. There are a number of important areas where the UPF provides either additional information or clearer guidance on the preparation of government financial statements to that of AASB 1049. For example, the Australian, state and territory governments agree that net debt, a fiscal indicator not required by the new standard, continues to be an important indicator in transparent budget reporting and should continue to be presented on the face of the financial statements as a fiscal aggregate. Further, the UPF shall continue to apply to financial statements produced by government in budgets, mid-year budget updates and final budget outcome reports, whereas the new accounting standard applies only to outcome reports.

Therefore, rather than replacing the UPF with the new accounting standard, the framework was updated to align with AASB 1049. Australian, state and territory governments agreed that the updated framework would continue to provide a common core of comparable financial information in their budget papers and comparable data amongst jurisdictions while maintaining at least the current level of transparency.

Aligning the framework with AASB 1049 was not intended to create a UPF that complies with all the reporting requirements of AASB 1049. For example, the UPF does not include the same level of detail in relation to disclosure requirements as AASB 1049. Instead, the revised UPF allows jurisdictions to utilise the framework as the base set of statements and add additional relevant information in order to comply with AASB 1049.

Major disclosure differences arising from the adoption of the revised UPF are outlined in Box 10.1.

### Box 10.1

#### Major disclosure differences arising from the adoption of the revised Uniform Presentation Framework

##### ALL SECTORS

###### *Operating Statement*

- Current and capital grants revenue and expenses have been grouped together in the Operating statement.
- Dividend and income tax equivalent income has been split out from Other revenue.
- Superannuation expenses have been separately disclosed from Employee expenses.
- Other economic flows are now shown on the Operating statement, separated into those affecting the Operating result (or accounting profit) and those affecting equity or reserves.

###### *Balance Sheet*

- Deferred tax assets and liabilities are now recognised in the balance sheet in the categories Other non-financial assets and Other liabilities respectively.
- Prepayments are included in Other non-financial assets rather than with receivables, which reduces the Net financial worth.

###### *Cash Flow Statement*

- Interest receipts and Dividend and income tax equivalent receipts have been split out from Other receipts.
- Payments for employees have been separated from Payments for goods and services.

##### GENERAL GOVERNMENT SECTOR

###### *Operating Statement*

- Expanded grant revenue and expense information is supplied in two additional tables 10.12 (a) and (b).
- Additional information on Dividend and income tax equivalent income is supplied in Table 10.13.

###### *Balance Sheet*

- The recognition of deferred tax assets and liabilities in the balance sheet is offset exactly by a reduction in the Investment in other public sector entities.
- Net worth is therefore not impacted by this change but Net financial worth is, as the Deferred tax assets are disclosed as non-financial.

**Box 10.1 (cont.)**  
**Major disclosure differences arising from the adoption of the revised Uniform Presentation Framework**

**PUBLIC NON-FINANCIAL SECTOR**

***Operating Statement***

- Competitive neutrality fees, performance dividends and credit margin fees are now included in Other interest expenses rather than other operating expenses.
- The Net operating balance for the PNFC sector no longer includes dividends declared and paid, and these are now included in Other economic flows – other movements in equity.
- This also impacts on the Net lending aggregate which now excludes dividends.
- The Operating result for the PNFC sector is effectively accounting profit after tax.

***Balance Sheet***

- The overfunded defined benefit superannuation is classified as a negative liability rather than an asset.
- The net worth of the PNFC sector is reduced by the recognition of deferred tax assets and liabilities in the balance sheet.
- The Net financial worth is reduced by the amount of the deferred tax liabilities as well as the deferred tax asset which disclosed as non-financial.

***Cash Flow Statement***

- Income tax paid is included in Other payments in the cash flow statement rather than Distributions paid, which increases the Cash surplus/(deficit).

***Operating statement***

The operating statement combines the net result from transactions (net operating balance) and the impact of other economic flows to calculate the comprehensive result (total change in net worth). Neither other economic flows nor the comprehensive result were required under the former UPF.

Net operating balance is represented by revenues less expenses from transactions and excludes any other economic flows such as revaluations, gains or losses on asset disposals and allowances for doubtful debts.

In addition to the net result from transactions (net operating balance), the operating statement also includes other economic flows which are the total change in net worth driven by economic flows other than through transactions. Other economic flows are split between those that relate to the operating result (under GAAP) and those that relate to equity. The total of the net operating balance and all other economic flows equals the comprehensive result (total change in net worth).

Net lending is the net operating balance less net acquisition of non-financial assets. It is also referred to as the fiscal balance. It measures, in accrual terms, the gap between Government savings plus net capital transfers and investment in non-financial assets. A surplus indicates that the State Government is placing financial resources at the disposal of other sectors of the economy, whilst a deficit reflects the State utilising the financial resources of other sectors. Queensland's net lending is driven by the size of the State's capital program.

### ***Balance sheet***

The balance sheet shows stocks of financial and non-financial assets and liabilities. Key indicators in the balance sheet are net worth, net financial worth, net financial liabilities and net debt.

Net worth, also known as net assets, is defined as total assets less total liabilities. It provides a more comprehensive picture of a government's position as all assets and liabilities are taken into account.

Net financial worth, on the other hand, is calculated as financial assets minus total liabilities. It measures a government's net holdings of financial assets.

Net financial liabilities (a new key aggregate for the UPF) is calculated by deducting equity investments in the PNFC/PFC sectors from the net financial worth.

Net debt is represented by the sum of selected financial liabilities (such as deposits held, advances received and borrowings) minus the sum of selected financial assets (cash and deposits, loans and placements). It provides an indication of the strength of a government's financial position.

### ***Cash flow statement***

Cash means cash on hand (notes and coins held and deposits held at call with a bank or financial institution) and cash equivalents (highly liquid investments readily convertible to cash and overdrafts considered integral to the cash management functions).

The cash flow statement demonstrates how cash is generated and applied in a single accounting period.

The cash surplus/deficit is the cash counterpart of the fiscal balance as disclosed in the operating statement. A surplus reflects the availability of cash to increase the State's financial assets or decrease its liabilities, whilst a deficit reflects the requirement for cash either by running down the State's financial assets or by drawing on the cash reserves of other sectors of the economy. It comprises net cash received/paid from operating activities, from sales and purchases of non-financial assets and from financing activities.

## SECTOR CLASSIFICATION

GFS data is presented by institutional sector, distinguishing between the General Government sector and the Public Non-financial Corporations (PNFC) sector.

Budget reporting focuses on the General Government sector, which provides regulatory services and goods and services of a non-market nature that are provided at less than cost or at no cost. These services are largely financed by general revenue (Australian Government grants and state taxation). This sector comprises government departments, their commercialised business units/shared service providers and certain statutory bodies.

The PNFC sector comprises bodies that provide mainly market goods and services that are of a non-regulatory and non-financial nature. PNFCs are financed through sales to consumers of their goods and services and may be supplemented by explicit government subsidy to satisfy community service obligations. In general, PNFCs are legally distinguishable from the governments that own them. Examples of PNFCs include QR and the energy entities.

Together, the General Government sector and the PNFC sector comprise the Non-financial Public sector.

Further discussion of the GFS framework of reporting, including definitions of GFS terms, can be obtained from the webpage of the Australian Bureau of Statistics at [www.abs.gov.au](http://www.abs.gov.au).

## REPORTING ENTITIES

The reporting entities included in the General Government and PNFC sectors for the 2009-10 Budget are provided below.

### General Government

#### *Departments*

Communities  
Community Safety  
Education and Training  
Electoral Commission of Queensland  
Employment, Economic Development  
and Innovation  
Environment and Resource Management  
Forestry Plantations Queensland Office  
Health  
Infrastructure and Planning  
Justice and Attorney-General  
Legislative Assembly  
Office of the Governor  
Office of the Ombudsman  
Police  
Premier and Cabinet  
Public Service Commission  
Public Works  
Queensland Audit Office  
The Public Trustee of Queensland  
Transport and Main Roads  
Treasury

## ***Statutory Authorities***

Anti-Discrimination Commission  
Australian Agricultural College Corporation  
Board of the Queensland Museum  
City North Infrastructure Pty Ltd  
Commission for Children and Young People and Child Guardian  
Crime and Misconduct Commission  
Gold Coast Institute of TAFE  
Health Quality and Complaints Commission  
Legal Aid Queensland  
Library Board of Queensland  
Motor Accident Insurance Commission  
Nominal Defendant  
Office of the Information Commissioner  
Prostitution Licensing Authority  
Queensland Art Gallery Board of Trustees  
Queensland Building Services Authority  
Queensland Events Corporation Pty Ltd  
Queensland Future Growth Corporation  
Queensland Performing Arts Trust  
Queensland Rural Adjustment Authority (QRAA)  
Queensland Studies Authority  
Queensland Treasury Holdings Pty Ltd  
Residential Tenancies Authority  
South Bank Corporation  
Southbank Institute of Technology  
The Council of The Queensland Institute of Medical Research  
Tourism Queensland  
Translink Transit Authority  
Urban Land Development Authority  
Workers' Compensation Regulatory Authority (Q-Comp)

## ***Commercialised Business Units***

CITEC  
Goprint  
Main Roads – RoadTek  
Project Services  
Property Services Group  
QBuild  
QFleet  
SDS

## ***Shared Service Providers***

Corporate Administration Agency  
Corporate and Professional Services  
CorpTech  
Queensland Health Shared Service Provider  
Shared Service Agency

## Public Non-financial Corporations

Cairns Ports  
CS Energy Ltd  
DBCT Holdings Pty Ltd  
ENERGEX Ltd  
Ergon Energy Corporation Limited  
Forestry Plantations Queensland  
Gladstone Area Water Board  
Gladstone Ports Corporation  
Gold Coast Events Co Pty Ltd  
Mackay Ports  
Mount Isa Water Board  
Port of Brisbane Corporation Limited  
Port of Townsville  
Ports Corporation of Queensland Limited  
Powerlink Queensland  
Qld Airport Holdings (Cairns) Pty Ltd  
Qld Airport Holdings (Mackay) Pty Ltd  
Queensland Bulk Water Supply Authority  
Queensland Bulk Water Transport Authority  
Queensland Lottery Corporation Pty Ltd  
Queensland Manufactured Water Authority  
Queensland Motorways Limited  
QR Limited  
Queensland Water Infrastructure Pty Ltd  
SEQ Water Grid Manager  
South East Queensland (Gold Coast) Desalination Company Pty Ltd  
Southern Regional Water Pipeline Company Pty Ltd  
Stadiums Queensland  
Stanwell Corporation Ltd  
SunWater  
Tarong Energy Corporation Ltd  
The Trustees of Parklands Gold Coast  
Western Corridor Recycled Water Pty Ltd  
ZeroGen Pty Ltd