

2015-16 STATE BUDGET

Final Budget Outcome

2015-16 Budget



Government of
South Australia



2015–16

BUDGET

PAPERS

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**Government
of South Australia**

**Final Budget Outcome
2015–16**

General enquiries regarding financial information
papers should be directed to:

Chief Executive
Department of Treasury and Finance
State Administration Centre
200 Victoria Square
Adelaide SA 5000

Copies may be obtained from:

SERVICE SA
Government Legislation Outlet
Ground Floor
EDS Centre
108 North Terrace
Adelaide SA 5000

Website: www.treasury.sa.gov.au

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Introduction

The Final Budget Outcome reports the 2015–16 financial results for the Government of South Australia’s key fiscal targets and provides an analysis of these results against earlier estimates.

Chapter 1 provides an overview of the 2015–16 final outcomes with a focus on the general government sector financial outcomes and financial liabilities. The chapter includes:

- a discussion of variations between the 2015–16 final outcome for revenues and expenses of the general government sector and 2015–16 estimates included in the 2016–17 Budget
- public sector net debt and superannuation liability levels as at 30 June 2016.

Chapter 2 provides an assessment of the performance of the South Australian economy in 2015–16.

The appendices to this document provide the following information.

- **Appendix A** contains the Uniform Presentation Framework reporting for the general government sector, the public non-financial corporations sector, the non-financial public sector and the public financial corporations sector. Further information is also provided on general government sector taxation revenue, grant revenue and expenses, and expenses and capital expenditure by function. This appendix also details the Loan Council Allocation for 2015–16.
- **Appendix B** summarises the receipts and payments of the Consolidated Account.
- **Appendix C** provides a time series of financial statistics.

Chapter 1: 2015–16 Final Budget Outcome

Overview

The Government of South Australia recorded a net operating surplus of \$300 million for 2015–16 for the general government sector. This represents an improvement of \$42 million from the \$258 million surplus estimated at the time of the 2016–17 Budget. It is the first net operating surplus since 2009–10.

The improvement in 2015–16 compared with the estimate at the time of the 2016–17 Budget reflects a combination of higher than expected revenue (\$67 million), partly offset by higher than expected expenditure (\$26 million).

The net operating surplus of \$300 million follows a deficit of \$189 million in 2014–15.

General government expenses increased by 1.9 per cent in nominal terms from 2014–15, a real increase of 1.1 per cent. General government revenue increased by 4.9 per cent in nominal terms, a real increase of 4.0 per cent. Growth in revenues largely reflected growth in GST grants, with South Australia's share of the national GST pool increasing in 2015–16 after being reduced in previous years as a result of an above average share of other Commonwealth Government funding.

The net lending surplus was \$96 million in 2015–16, an improvement of \$93 million over the estimate at the time of the 2016–17 Budget. The improvement primarily reflects the better than expected net operating surplus and lower than expected investment spending.

Net debt for the general government sector at 30 June 2016 was \$4.4 billion, \$322 million higher than estimated at the time of the 2016–17 Budget. Notwithstanding a better than expected net operating surplus and net lending position, net debt has been impacted by a delay in cash receipts, predominantly for land tax, which will boost cash inflows during 2016–17 and will not flow through to an increase in net debt at 30 June 2017.

The net debt to revenue ratio at 30 June 2016 was 25.3 per cent. The outcome is consistent with the government's fiscal target of maintaining a net debt to revenue ratio below 35 per cent.

Table 1.1 shows the 2015–16 outcomes for key general government financial indicators compared with earlier estimates and the 2014–15 outcomes.

Table 1.1: General government sector aggregates (\$million)

		2015–16 Estimate at 2015–16 Budget	2015–16 Estimate at 2016–17 Budget	2015–16 Outcome
Revenue	16 549	17 097	17 295	17 362
Expenses	-16 738	-17 055	-17 036	-17 062
Net operating balance	- 189	43	258	300
Net acquisition of non-financial assets	- 78	72	256	204
Net lending	- 111	- 29	3	96
Memorandum items:				
Net debt	3 929	4 238	4 071	4 393
Net debt to revenue	23.7	24.8	23.5	25.3

Note: Totals may not add due to rounding.

General government sector operating results

The major items contributing to the variations in the general government sector financial outcome compared with previous estimates are discussed below.

Operating revenue

Operating revenues for the general government sector for 2015–16 were \$67 million higher than estimated at the time of the 2016–17 Budget.

Table 1.2: Operating revenue (\$million)

	2015–16 Estimate at 2015–16 Budget	2015–16 Estimate at 2016–17 Budget	2015–16 Outcome
Revenue			
Taxation revenue	4 543	4 406	4 409
Grants	9 162	9 051	8 997
Sales of goods and services	2 329	2 416	2 455
Interest income	29	24	24
Dividend and income tax equivalent income	314	775	792
Other	720	622	686
Total revenue	17 097	17 295	17 362

Note: Totals may not add due to rounding.

Taxation revenue

Taxation revenue was \$3 million higher than the estimated result primarily due to higher than expected revenue from insurance taxes, partially offset by lower than expected revenues from payroll tax and taxes on property. Table 1.3 summarises variations in actual tax receipts for 2015–16 relative to the estimated outcome at the time of the 2016–17 Budget.

Table 1.3: Taxation variations (\$million)

	Variations in actual tax collections for 2015–16 against the estimated result in the 2016–17 Budget
Payroll tax	-6
Taxes on property	-16
Insurance taxes	24
Gambling taxes	-2
Motor vehicle taxes	2
Total taxation	3

Note: Totals may not add due to rounding.

Payroll tax revenue was \$6 million lower than estimated mainly due to lower than projected average hours worked, compositional factors including the impact of firms moving above and below the payroll tax threshold and varying growth in taxable payrolls across different sized employers.

Property tax revenues were \$16 million lower than anticipated. This reflected lower than expected revenues from land tax, combined with lower than expected emergency services levy collections on fixed property.

Insurance duty revenue was \$24 million higher than estimated largely due to higher than expected growth in general insurance premiums, combined with higher than expected back payments following the resolution of a court case associated with the treatment of some insurance policies.

Gambling tax revenue was \$2 million lower than estimated reflecting weaker than expected growth in net gambling revenue from gaming machines in hotels and clubs as well as the Lotteries Commission of South Australia.

Motor vehicle tax revenues were \$2 million higher than estimated. This was due to higher than expected revenue from stamp duty on the transfer of motor vehicle registrations, partially offset by lower than expected vehicle registration revenue.

Grant revenue

Total grant revenue was \$54 million lower than estimated in the 2016–17 Budget.

GST revenue grants were \$13 million lower than expected primarily due to lower than anticipated growth in the total GST pool available for distribution in 2015–16 and a lower than estimated population share.

National Partnership payments were \$20 million lower than expected mainly due to the timing of payments from the Commonwealth Government. A proportion of the grants relating to a number of projects including the South Coast Primary Health Care Precinct, Heavy Vehicle Safety and Productivity Program, National Disability Insurance Scheme (NDIS) and the Riverine Recovery Project were budgeted to be received in 2015–16 but are now expected to be received in 2016–17.

Specific Purpose payments were \$5 million higher than estimated mainly due to higher than projected enrolments in non-government schools resulting in higher grants from the Commonwealth Government.

Total other contributions and grants were around \$25 million lower than expected mainly due to the reclassification of education and health-related revenue, now reported in the other revenue category.

Sales of goods and services

Revenue from sales of goods and services was \$39 million higher than estimated mainly due to higher revenue from Commonwealth Government contributions, primarily related to Pharmaceutical Benefits

Scheme (PBS) revenue, and other user charges. This is partially offset by lower than expected health unit fees, TAFE fees and regulatory fees.

Dividend and income tax equivalent income

Dividend and income tax equivalent revenue was \$17 million higher than estimated primarily due to higher than expected income tax equivalent revenue from SA Water. This was partially offset by lower than expected income tax equivalent revenue from the South Australian Government Financing Authority (SAFA).

Other revenue

Other revenue was \$64 million higher than estimated primarily due to the recognition of contributed assets including works donated to the South Australian Art Gallery, higher than expected fines and penalties revenue and increases in a number of agency revenues. This was partially offset by lower than expected royalties revenue due to lower than anticipated mineral and petroleum production volumes.

Operating expenses

Table 1.4: Operating expenses (\$million)

	2015–16 Estimate at 2015–16 Budget	2015–16 Estimate at 2016–17 Budget	2015–16 Outcome
Expenses			
Employee expenses	7 512	7 749	7 721
Superannuation expenses			
Superannuation interest cost	378	402	402
Other superannuation expenses	812	840	744
Depreciation and amortisation	916	889	890
Interest expenses	198	233	210
Other property expenses	—	—	—
Other operating expenses	4 583	4 155	4 398
Grants	2 656	2 768	2 698
Total expenses	17 055	17 036	17 062

Note: Totals may not add due to rounding.

The final outcome for total operating expenses in 2015–16 was \$26 million higher than the estimate reported in the 2016–17 Budget. The final expenses outcome was in line with the original 2015–16 Budget estimate.

Employee expenses were \$28 million lower than the estimated result. When combined with superannuation expenses, total employee related expenses were \$124 million lower than the estimated result. This is a reflection of a lower than budgeted level of full-time equivalents during the year in addition to some classifications of expenses into other operating expenses.

Other operating expenses were \$243 million above the estimated result. This in part reflects a lower level of underspending in 2015–16 by agencies than was estimated at the time of the 2016–17 Budget. It also reflects some reclassifications of expenses into this category from other expense categories.

Grant expenses were \$70 million lower than estimated due to the timing of grant payments as well as some grant expenditure being reclassified to the other operating expenses category. The Department of State Development's grant expenses were around \$13 million lower than estimated mainly due to some grants being paid in 2016–17 rather than 2015–16. The Department of Primary Industries and

Regions' grant expenses were around \$12 million lower than the estimated result due to slower than budgeted implementation of the South Australian River Murray Sustainability Program and lower than expected take up in 2015–16 of the Pinery Bushfire recovery grants.

Net acquisition of non-financial assets

Table 1.5: Net acquisition of non-financial assets (\$million)

	2015–16 Estimate at 2015–16 Budget	2015–16 Estimate at 2016–17 Budget	2015–16 Outcome
Net acquisition of non-financial assets			
Purchases of non-financial assets	1 327	1 236	1 162
<i>less</i> Sales of non-financial assets	339	91	66
<i>less</i> Depreciation	916	889	890
<i>plus</i> Change in inventories	—	—	- 3
<i>plus</i> Other movements in non-financial assets	—	—	—
equals Total net acquisition of non-financial assets	72	256	204

Note: Totals may not add due to rounding.

Purchases of non-financial assets were \$74 million lower than the estimate at the time of the 2016–17 Budget, reflecting changes in timing of expenditure on some major road and hospital infrastructure projects, with this expenditure now to occur in later years.

Disposals of assets were \$25 million lower than expected at the time of the 2016–17 Budget principally due to delays in the sale of Department of Education and Child Development sites. The sales are now anticipated to occur in future years.

Table 1.6: Net operating balance — policy and parameter variations (\$million)

	2015–16
Estimate at 2015–16 Budget	43
Parameter and other variations	
Revenue — taxation	- 122
Revenue — other	279
Operating expenses	291
Net effect of parameter and other variations	448
Policy measures up to the budget	
Revenue measures — taxation	- 15
Revenue measures — other	- 12
Revenue — offsets	67
Operating expenses	- 88
Net effect of policy measures up to the 2016–17 budget	- 48
Policy measures in the Budget	
Revenue — taxation	—
Revenue — other	—
Revenue offsets	—
Operating expenses	- 184
Net effect of policy measures in the 2016–17 Budget	- 184
Estimate at 2016–17 Budget	258
Parameter and other variations	
Revenue — taxation	3
Revenue — other	64
Operating expenses	- 26
Net effect of parameter and other variations	42
Final outcome	300

Note: Totals may not add due to rounding.

Table 1.7: Net lending — policy and parameter variations (\$million)

	2015–16
Estimate at 2015–16 Budget	- 29
Net effect of operating variations	216
Investing variations^(a)	
Net effect of parameter variations	- 86
Policy variations up to the 2016–17 Budget	- 98
Policy variations in the 2016–17 Budget	—
Use of specific provisions to offset policy variations	—
Total investing variations	- 184
Estimate at 2016–17 Budget	3
Net effect of operating variations after the 2016-17 Budget	42
Investing variations^(a)	
Net effect of parameter variations	52
Final outcome	96

Note: Totals may not add due to rounding.

(a) Investing variations relate to the movements in the net acquisition of non-financial assets.

Balance sheet indicators

The following sections provide key balance sheet indicators and associated commentary for both the general government sector and the non-financial public sector.

General government sector

Table 1.8: General government sector — key balance sheet indicators

	June 2015 Outcome	June 2016 Estimate at 2015–16 Budget	June 2016 Estimate at 2016–17 Budget	June 2016 Outcome
Net debt				
\$m	3 929	4 238	4 071	4 393
% of total revenue	23.7	24.8	23.5	25.3
Unfunded superannuation liability				
\$m	11 358	12 520	12 483	14 029
% of total revenue	68.6	73.2	72.2	80.8
Net financial liabilities				
\$m	18 296	19 732	19 796	21 372
% of total revenue	110.6	115.4	114.5	123.1
Net financial worth				
\$m	1 374	810	179	- 2 049
% of total revenue	8.3	4.7	1.0	- 11.8
Net worth				
\$m	40 121	39 485	39 195	37 741
% of total revenue	242.4	230.9	226.6	217.4

Net debt

Net debt is \$322 million higher as at 30 June 2016 than projected in the 2016–17 Budget. Notwithstanding a better than expected net operating surplus and net lending position, net debt has been impacted by a delay in cash receipts, predominantly for land tax, which will boost cash inflows during 2016–17 and will not flow through to an increase in net debt at 30 June 2017.

The increase in net debt from 30 June 2015 to 30 June 2016 is \$464 million, which is driven by an increase in equity contributions, predominantly to Renewal SA to fund part of the acquisition of TAFE SA properties during 2016–17, in addition to the cash timing issues.

Unfunded superannuation liability

The unfunded superannuation liability is \$14.0 billion at 30 June 2016. Changes in the liability are the direct result of changes in the discount rate used to value the liability, along with differences between expected and actual earnings on investments and other factors such as demographic changes.

Table 1.9 provides details of the movements in the unfunded superannuation liability in 2015–16.

Table 1.9: Unfunded superannuation liability (\$million)

Unfunded superannuation liability as at 30 June 2015	11 358
Nominal superannuation interest expense ^(a)	402
Past service payments	- 414
Impact of change in discount rate from 3.6% to 3.2%	940
Lower than expected returns on investments ^(b)	314
Other movements	- 118
Estimate of 30 June 2016 unfunded superannuation liability as at 2016–17 Budget	12 483
Impact of change in discount rate from 3.2% to 2.5%	1 854
Higher than expected returns on investments in 2015–16 ^(c)	- 113
Other movements	- 195
Unfunded superannuation liability as at 30 June 2016	14 029

Note: Totals may not add due to rounding.

- (a) The nominal superannuation interest expense represents the increase during the year in the present value of the defined benefit obligation because the benefits are one period closer to settlement.
- (b) The forecast 2015–16 earnings rate at the time of the 2016–17 Budget was 2.1 per cent compared with the long-term earnings assumption of 7.0 per cent.
- (c) The 2015–16 earnings rate at 30 June 2016 was 3.8 per cent compared to 2.1 per cent forecast at the time of the 2016–17 Budget.

The accounting standard for employee entitlements requires that superannuation benefits are valued at the net present value of future obligations. This is calculated by discounting the gross liability using market yields on government bonds. Small changes in the long-term bond rate can have a significant impact on the reported liability, irrespective of whether the underlying nature of the liability has changed.

In the period between the date of estimates used in the 2016–17 Budget and 30 June 2016, further material changes impacting on the value of the unfunded liability at 30 June 2016 included:

- a reduction in the discount rate used to value the liability (which is based on a composite of prevailing long-dated Commonwealth Government bond rates) from 3.2 per cent to 2.5 per cent, which resulted in a \$1.9 billion increase in the liability, and
- a higher than previously expected return on superannuation assets of 3.8 per cent, a 1.7 percentage point increase, decreasing the liability by \$113 million.

The last of the government's defined benefit superannuation schemes closed to new members in 1994. These schemes create a liability for the government to pay future benefits to members in accordance

with the terms of the schemes. Since 1994–95, the government has had a target to fully fund the superannuation liability by 2034. In 2015–16, a \$414 million payment was made by the government to the superannuation schemes as part of meeting this target.

Net financial liabilities

In addition to net debt and unfunded superannuation liabilities, net financial liabilities include other financial liabilities and financial assets (excluding equity held in public non-financial corporations and public financial corporations).

Net financial liabilities amounted to \$21.4 billion at 30 June 2016, which is \$1.6 billion higher than the estimate at the time of the 2016–17 Budget. This increase is the result of the previously discussed movements in the unfunded superannuation liability and net debt.

Aside from net debt and unfunded superannuation liabilities, other employee benefits liabilities are the next largest contributor to net financial liabilities. Other employee benefits, predominantly long service leave, totalled \$2.8 billion at 30 June 2016 compared to the estimate of \$2.7 billion at the time of the 2016–17 Budget.

Net financial worth

Between June 2015 and June 2016, general government sector net financial worth decreased by \$3.4 billion to negative \$2.0 billion as at 30 June 2016, driven by the revaluation of the unfunded superannuation liability as outlined earlier. This negative net financial worth position reflects larger total liabilities compared to financial assets, and ignores the impact of non-financial assets, which have been growing in recent years' in line with the government's infrastructure program.

Net worth

Table 1.10 shows movements in net worth attributable to operating transactions and other items during 2015–16.

Table 1.10: General government sector net worth (\$million)

	2015–16 Estimated Result	2015–16 Outcome
Net worth at 30 June 2015	40 121	40 121
Total prior period adjustments	—	- 60
Restated net worth at beginning of year	40 121	40 062
Change in net worth from operating transactions:		
Net operating balance	258	300
Change in net worth from other economic flows:		
Movement in net assets of PNFCs	199	- 9
Movement in net assets of PFCs	9	- 491
First-time recognition of Crown Land assets	—	554
Non-financial asset revaluations	—	401
Writedown of non-financial assets	—	- 84
Revaluation of unfunded superannuation liability	-1 137	-2 683
Revaluation of annual leave liability	- 15	- 15
Revaluation of long service leave liability	- 91	- 208
Revaluation of workers compensation liability	- 181	- 8
Other revaluation adjustments	30	- 78
<i>Subtotal</i>		
Total other economic flows	-1 185	-2 621
Net worth at 30 June 2016	39 195	37 741

Note: Totals may not add due to rounding.

General government sector net worth decreased by \$2.4 billion in 2015–16, primarily due to the revaluation of the unfunded superannuation liability (\$2.7 billion). This figure represents the movement in the unfunded liability not attributable to past service payments or nominal superannuation interest expense, but rather items such as the effect of changes in the discount rate, returns on investments and items such as changes in demographic and member data, as discussed earlier.

Non-financial public sector

Table 1.11 sets out the key balance sheet indicators for the non-financial public sector, which is comprised of the general government sector and the public non-financial corporations sector.

Table 1.11: Non-financial public sector — key balance sheet indicators

	June 2015 Outcome	June 2016 Estimate at 2015–16 Budget	June 2016 Estimate at 2016–17 Budget	June 2016 Outcome
Net debt				
\$m	10 676	11 274	10 911	10 912
% of total revenue	60.5	61.8	59.5	59.1
Unfunded superannuation liability				
\$m	11 358	12 520	12 483	14 029
% of total revenue	64.3	68.6	68.1	76.0
Net financial liabilities				
\$m	25 167	26 903	26 744	28 281
% of total revenue	142.6	147.5	145.9	153.2
Net financial worth				
\$m	-23 750	-25 568	-25 379	-27 355
% of total revenue	- 134.6	- 140.2	- 138.4	- 148.2
Net worth				
\$m	40 121	39 485	39 195	37 741
% of total revenue	227.3	216.5	213.8	204.4

Net debt for the non-financial public sector at 30 June 2016 was \$1 million higher than the estimate included in the 2016–17 Budget.

Between June 2015 and June 2016, non-financial public sector net debt increased by \$236 million to \$10.9 billion. While there was an increase in general government sector net debt over this period, the public non-financial corporation component of net debt of \$6.5 billion at 30 June 2016 was \$229 million lower than at 30 June 2015. This is largely as a result of additional equity contributions from the general government sector, predominantly to Renewal SA, and accrued land tax liabilities, predominantly in South Australian Housing Trust.

The negative net financial worth position of the non-financial public sector of \$27.4 billion contrasts with the negative net financial worth of the general government sector of \$2.0 billion. This variation largely reflects equity in the public non-financial corporations sector held by the general government sector and recognised as a financial asset of that sector. This asset is eliminated in the consolidation of the non-financial public sector.

The non-financial public sector net financial liabilities increase (\$3.1 billion) and net worth decrease (\$2.4 billion) in 2015–16 are driven by the revaluation of the unfunded superannuation liability in the general government sector as discussed earlier.

Chapter 2: Economic performance

The international and national economic context for the year 2015–16

The global economy continued to expand in 2015–16, growing by 3.1 per cent in 2015. As widely anticipated, growth in China slowed to 6.9 per cent in 2015 following growth of 7.3 per cent a year earlier.

The Australian economy performed solidly in 2015–16, with much of this growth attributed to strong export growth resulting from increased production capacity arising from the mining boom; as well as strong growth in household and government consumption and dwelling investment. Overall growth in the national economy (as measured by Gross Domestic Product) in 2015–16 was a little stronger than anticipated, increasing by 2.7 per cent in real terms—above the Commonwealth Government’s estimate for 2½ per cent growth and stronger than the 2.4 per cent growth in the previous financial year.

Non-mining activity nationally picked up over the course of 2015–16. Low interest rates and the depreciation of the exchange rate since early 2013 have supported this rebalancing, with solid growth evident in consumption and dwelling investment. Public demand has also grown at a solid pace. However, non-mining business investment has declined, detracting from growth.

As is the case globally, inflationary pressures were subdued in 2015–16. In year average terms the CPI rose 1.4 per cent nationally during 2015–16 (and by 0.9 per cent for Adelaide).

With the national economy continuing to grow at near trend and inflation well contained, but with concerns remaining around the global economic environment, the Reserve Bank of Australia has maintained an accommodative stance on monetary policy, reducing the cash rate by 25 basis points in 2015–16 (in May 2016) and by a further 25 basis points in August 2016, bringing it to 1.5 per cent.

South Australian economic performance for the year 2015–16

The South Australian economy grew by 1.9 per cent in 2015–16. Similar to the national economy, the pattern of economic growth in South Australia has been uneven across the various sectors of the economy.

State Final Demand (SFD), which measures total spending by households, business and governments in the South Australian economy, rose by 1.2 per cent in real terms in 2015–16. The rise largely reflected growth in household and public consumption (both up 2.7 per cent).

In volume terms, South Australia’s overseas goods exports in 2015–16 were 11 per cent higher than in the previous financial year.

Services exports also showed strong trends, with the volume of services exports rising by 12 per cent in 2015–16, boosted by increased international tourism and education. Assisted by the depreciation of the Australian dollar, international student enrolments were up 7.5 per cent during 2015–16. Similarly, international tourist numbers were also up in the year to June 2016 (9.5 per cent), with spending by international tourists up by 22 per cent over the same period.

The state's 2015–16 winter crop production is estimated to be 7.2 million tonnes — below the 2014–15 season production of 7.4 million tonnes (down 3.6 per cent).

The state's labour market improved over the course of 2015–16, with employment rising by 0.5 per cent in year average terms. South Australia's unemployment rate fell to 6.8 per cent in June 2016 from 7.7 per cent a year earlier (trend estimates).

Table 2.1: Economic Parameters — Australia and South Australia growth rates (% per annum), 2015–16

	2015–16 Forecast at 2015–16 Budget	2015–16 Forecast at 2016–17 Budget	Outcome
Australia			
Gross Domestic Product (real terms)	2¾	2½	2.7
South Australia			
Gross State Product (real terms)	2	1½	1.9
State Final Demand (real terms)	2	1½	1.2
Employment	1	½	0.5
Consumer Price Index	2½	¾	0.9

Source: 2015–16 and 2016–17 Commonwealth Budgets and South Australian Budgets, and the Australian Bureau of Statistics.

Appendix A: Uniform presentation framework tables

UNIFORM PRESENTATION FRAMEWORK TABLES

Table A.1: General government sector operating statement (\$million)

	2015–16 Estimate at 2016–17 Budget	2015–16 Outcome
Revenue		
Taxation revenue	4 406	4 409
Grants	9 051	8 997
Sales of goods and services	2 416	2 455
Interest income	24	24
Dividend and income tax equivalent income	775	792
Other	622	686
Total revenue	17 295	17 362
<i>less</i>		
Expenses		
Employee expenses	7 749	7 721
Superannuation expenses		
Superannuation interest cost	402	402
Other superannuation expenses	840	744
Depreciation and amortisation	889	890
Interest expenses	233	210
Other property expenses	—	—
Other operating expenses	4 155	4 398
Grants	2 768	2 698
Total expenses	17 036	17 062
<i>equals</i>		
Net operating balance	258	300
<i>plus</i>		
Other economic flows	-1 185	-2 621
<i>equals</i>		
Comprehensive result – total change in net worth	-927	-2 321
Net operating balance	258	300
<i>less</i>		
Net acquisition of non-financial assets		
Purchases of non-financial assets	1 236	1 162
less Sales of non-financial assets	91	66
less Depreciation	889	890
plus Change in inventories	—	-3
plus Other movements in non-financial assets	—	—
<i>equals</i> Total net acquisition of non-financial assets	256	204
<i>equals</i>		
Net lending / borrowing	3	96

Note: Totals may not add due to rounding.

Table A.2: Public non-financial corporations (public trading enterprises) sector operating statement (\$million)

	2015–16 Estimate at 2016–17 Budget	2015–16 Outcome
Revenue		
Taxation revenue	—	—
Grants	369	361
Sales of goods and services	1 726	1 876
Interest income	11	13
Dividend and income tax equivalent income	3	4
Other	151	66
Total revenue	2 259	2 320
<i>less</i>		
Expenses		
Employee expenses	199	192
Superannuation expenses		
Superannuation interest cost	—	—
Other superannuation expenses	24	27
Depreciation and amortisation	431	431
Interest expenses	284	277
Other property expenses	314	333
Other operating expenses	1 153	1 167
Grants	49	41
Total expenses	2 453	2 468
<i>equals</i>		
Net operating balance	-194	-149
<i>plus</i>		
Other economic flows	551	292
<i>equals</i>		
Comprehensive result – total change in net worth	356	144
Net operating balance	-194	-149
<i>less</i>		
Net acquisition of non-financial assets		
Purchases of non-financial assets	619	544
less Sales of non-financial assets	174	130
less Depreciation	431	431
plus Change in inventories	-126	20
plus Other movements in non-financial assets	—	—
<i>equals</i> Total net acquisition of non-financial assets	-113	2
<i>equals</i>		
Net lending / borrowing	-82	-150

Note: Totals may not add due to rounding.

Table A.3: Non-financial public sector operating statement (\$million)

	2015–16 Estimate at 2016–17 Budget	2015–16 Outcome
Revenue		
Taxation revenue	4 073	4 083
Grants	9 050	8 996
Sales of goods and services	3 946	4 138
Interest income	28	33
Dividend and income tax equivalent income	467	466
Other	770	746
Total revenue	18 334	18 461
<i>less</i>		
Expenses		
Employee expenses	7 948	7 913
Superannuation expenses		
Superannuation interest cost	402	402
Other superannuation expenses	864	771
Depreciation and amortisation	1 321	1 321
Interest expenses	510	483
Other property expenses	—	—
Other operating expenses	4 778	5 045
Grants	2 446	2 376
Total expenses	18 270	18 310
<i>equals</i>		
Net operating balance	64	151
<i>plus</i>		
Other economic flows	-991	-2 472
<i>equals</i>		
Comprehensive result – total change in net worth	-927	-2 321
Net operating balance	64	151
<i>less</i>		
Net acquisition of non-financial assets		
Purchases of non-financial assets	1 851	1 704
less Sales of non-financial assets	260	195
less Depreciation	1 321	1 321
plus Change in inventories	-126	17
plus Other movements in non-financial assets	—	—
<i>equals</i> Total net acquisition of non-financial assets	143	205
<i>equals</i>		
Net lending / borrowing	-79	-54

Note: Totals may not add due to rounding.

Table A.4: Public financial corporations sector operating statement (\$million)

	2015–16 Outcome
Revenue	
Taxation revenue	—
Grants	6
Sales of goods and services	1 288
Interest income	992
Dividend and income tax equivalent income	45
Other	15
Total revenue	2 347
<i>less</i>	
Expenses	
Employee expenses	47
Superannuation expenses	
Superannuation interest cost	—
Other superannuation expenses	4
Depreciation and amortisation	47
Interest expenses	899
Other property expenses	464
Other operating expenses	1 095
Grants	86
Total expenses	2 641
<i>equals</i>	
Net operating balance	-294
<i>plus</i>	
Other economic flows	-196
<i>equals</i>	
Comprehensive result – total change in net worth	-491
Net operating balance	-294
<i>less</i>	
Net acquisition of non-financial assets	
Purchases of non-financial assets	87
less Sales of non-financial assets	53
less Depreciation	47
plus Change in inventories	—
plus Other movements in non-financial assets	—
<i>equals</i> Total net acquisition of non-financial assets	-13
<i>equals</i>	
Net lending / borrowing	-281

Note: Totals may not add due to rounding.

Table A.5: General government sector balance sheet (\$million)

	2015–16 Estimate at 2016–17 Budget	2015–16 Outcome
Assets		
Financial assets		
Cash and deposits	1 099	1 088
Advances paid	57	57
Investments, loans and placements	283	292
Receivables	598	896
Equity		
Investments in other public sector entities	19 975	19 322
Investments — other	865	890
Other financial assets	55	86
Total financial assets	22 932	22 632
Non-financial assets		
Land and other fixed assets	39 015	39 781
Other non-financial assets	1	9
Total non-financial assets	39 016	39 790
Total assets	61 948	62 422
Liabilities		
Deposits held	432	478
Advances received	234	234
Borrowing	4 844	5 119
Superannuation	12 483	14 029
Other employee benefits	2 667	2 829
Payables	1 098	1 089
Other liabilities	996	904
Total liabilities	22 753	24 681
Net Worth	39 195	37 741
Net financial worth ^(a)	179	-2 049
Net financial liabilities	19 796	21 372
Net debt ^(b)	4 071	4 393

Note: Totals may not add due to rounding.

(a) Net financial worth equals total financial assets minus total liabilities

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

Table A.6: Public non-financial corporations (public trading enterprises) sector balance sheet (\$million)

	2015–16 Estimate at 2016–17 Budget	2015–16 Outcome
Assets		
Financial assets		
Cash and deposits	433	709
Advances paid	—	—
Investments, loans and placements	47	48
Receivables	266	270
Equity		
Investments in other public sector entities	—	—
Investments — other	18	14
Other financial assets	7	6
Total financial assets	771	1 047
Non-financial assets		
Land and other fixed assets	25 554	25 303
Other non-financial assets	3	6
Total non-financial assets	25 557	25 309
Total assets	26 328	26 356
Liabilities		
Deposits held	—	39
Advances received	33	33
Borrowing	7 287	7 203
Superannuation	—	—
Other employee benefits	73	73
Payables	257	437
Other liabilities	69	175
Total liabilities	7 719	7 960
Net Worth	18 609	18 396
Net financial worth ^(a)	-6 948	-6 912
Net financial liabilities	6 948	6 912
Net debt ^(b)	6 841	6 518

Note: Totals may not add due to rounding.

(a) Net financial worth equals total financial assets minus total liabilities

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

Table A.7: Non-financial public sector balance sheet (\$million)

	2015–16 Estimate at 2016–17 Budget	2015–16 Outcome
Assets		
Financial assets		
Cash and deposits	1 303	1 506
Advances paid	24	24
Investments, loans and placements	330	340
Receivables	835	951
Equity		
Investments in other public sector entities	1 365	926
Investments — other	883	905
Other financial assets	59	92
Total financial assets	4 799	4 743
Non-financial assets		
Land and other fixed assets	64 570	65 084
Other non-financial assets	4	13
Total non-financial assets	64 574	65 096
Total assets	69 373	69 839
Liabilities		
Deposits held	204	226
Advances received	234	234
Borrowing	12 131	12 322
Superannuation	12 483	14 029
Other employee benefits	2 740	2 902
Payables	1 315	1 320
Other liabilities	1 072	1 066
Total liabilities	30 178	32 099
Net Worth	39 195	37 741
Net financial worth ^(a)	-25 379	-27 355
Net financial liabilities	26 744	28 281
Net debt ^(b)	10 911	10 912

Note: Totals may not add due to rounding.

(a) Net financial worth equals total financial assets minus total liabilities

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

Table A.8: Public financial corporations sector balance sheet (\$million)

	2015–16 Outcome
Assets	
Financial assets	
Cash and deposits	512
Advances paid	14 459
Investments, loans and placements	5 494
Receivables	450
Equity	
Investments in other public sector entities	—
Investments — other	2 556
Other financial assets	6
Total financial assets	23 477
Non-financial assets	
Land and other fixed assets	794
Other non-financial assets	3
Total non-financial assets	797
Total assets	24 274
Liabilities	
Deposits held	479
Advances received	—
Borrowing	17 756
Superannuation	—
Other employee benefits	26
Payables	165
Other liabilities	4 923
Total liabilities	23 348
Net Worth	926
Net financial worth ^(a)	129
Net financial liabilities	-129
Net debt ^(b)	-2 230

Note: Totals may not add due to rounding.

(a) Net financial worth equals total financial assets minus total liabilities

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

Table A.9: General government sector cash flow statement (\$million)

	2015–16 Estimate at 2016–17 Budget	2015–16 Outcome
Cash receipts from operating activities		
Taxes received	4 403	4 196
Receipts from sales of goods and services	2 387	2 476
Grants and subsidies received	9 040	9 001
Interest receipts	24	24
Dividends and income tax equivalents	789	788
Other receipts	638	596
Total operating receipts	17 281	17 081
Cash payments for operating activities		
Payments for employees	-9 055	-8 896
Payments for goods and services	-3 873	-4 113
Grants and subsidies paid	-2 897	-2 829
Interest paid	-233	-212
Other payments	-94	-153
Total operating payments	-16 153	-16 202
Net cash flows from operating activities	1 128	879
Net cash flows from investments in non-financial assets		
Sales of non-financial assets	90	63
Purchases of non-financial assets ^(a)	-1 223	-1 153
Net cash flows from investments in non-financial assets	-1 133	-1 090
Net cash flows from investments in financial assets for policy purposes ^(b)	-97	-92
Net cash flows from investments in financial assets for liquidity purposes	-12	-36
Net cash flows from financing activities		
Advances received (net)	-5	-5
Borrowing (net)	64	261
Deposits received (net)	55	101
Dividends paid	—	—
Other financing (net)	1	1
Net cash flows from financing activities	114	357
Net increase/(decrease) in cash held	1	19
Net cash flows from operating activities	1 128	879
Net cash flows from investments in non-financial assets	-1 133	-1 090
Dividends paid	—	—
Cash surplus / (deficit)	-4	-211

Note: Totals may not add due to rounding.

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

(b) Includes equity acquisitions and disposals.

Table A.10: Public non-financial corporations (public trading enterprises) sector cash flow statement (\$million)

	2015–16 Estimate at 2016–17 Budget	2015–16 Outcome
Cash receipts from operating activities		
Taxes received	—	—
Receipts from sales of goods and services	1 693	1 832
Grants and subsidies received	369	360
Interest receipts	11	12
Dividends and income tax equivalents	3	4
Other receipts	128	43
Total operating receipts	2 203	2 252
Cash payments for operating activities		
Payments for employees	-235	-236
Payments for goods and services	-793	-790
Grants and subsidies paid	-43	-40
Interest paid	-285	-276
Other payments	-448	-259
Total operating payments	-1 805	-1 601
Net cash flows from operating activities	399	652
Net cash flows from investments in non-financial assets		
Sales of non-financial assets	168	130
Purchases of non-financial assets ^(a)	-584	-491
Net cash flows from investments in non-financial assets	-416	-361
Net cash flows from investments in financial assets for policy purposes ^(b)	—	—
Net cash flows from investments in financial assets for liquidity purposes	-1	—
Net cash flows from financing activities		
Advances received (net)	158	152
Borrowing (net)	137	53
Deposits received (net)	—	39
Dividends paid	-218	-216
Other financing (net)	—	—
Net cash flows from financing activities	78	29
Net increase/(decrease) in cash held	60	320
Net cash flows from operating activities	399	652
Net cash flows from investments in non-financial assets	-416	-361
Dividends paid	-218	-216
Cash surplus / (deficit)	-235	75

Note: Totals may not add due to rounding.

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

(b) Includes equity acquisitions and disposals.

Table A.11: Non-financial public sector cash flow statement (\$million)

	2015–16 Estimate at 2016–17 Budget	2015–16 Outcome
Cash receipts from operating activities		
Taxes received	4 070	4 017
Receipts from sales of goods and services	3 888	4 137
Grants and subsidies received	9 039	9 000
Interest receipts	28	33
Dividends and income tax equivalents	467	468
Other receipts	760	638
Total operating receipts	18 252	18 292
Cash payments for operating activities		
Payments for employees	-9 278	-9 115
Payments for goods and services	-4 486	-4 754
Grants and subsidies paid	-2 571	-2 508
Interest paid	-512	-484
Other payments	-97	-116
Total operating payments	-16 942	-16 978
Net cash flows from operating activities	1 309	1 315
Net cash flows from investments in non-financial assets		
Sales of non-financial assets	254	193
Purchases of non-financial assets ^(a)	-1 802	-1 644
Net cash flows from investments in non-financial assets	-1 548	-1 451
Net cash flows from investments in financial assets for policy purposes ^(b)	61	61
Net cash flows from investments in financial assets for liquidity purposes	-13	-36
Net cash flows from financing activities		
Advances received (net)	-5	-5
Borrowing (net)	201	314
Deposits received (net)	—	22
Dividends paid	—	—
Other financing (net)	1	1
Net cash flows from financing activities	197	332
Net increase/(decrease) in cash held	6	221
Net cash flows from operating activities	1 309	1 315
Net cash flows from investments in non-financial assets	-1 548	-1 451
Dividends paid	—	—
Cash surplus / (deficit)	-239	-136

Note: Totals may not add due to rounding.

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

(b) Includes equity acquisitions and disposals.

Table A.12: Public financial corporations sector cash flow statement (\$million)

	2015–16 Outcome
Cash receipts from operating activities	
Taxes received	—
Receipts from sales of goods and services	1 251
Grants and subsidies received	6
Interest receipts	995
Dividends and income tax equivalents	49
Other receipts	36
Total operating receipts	2 338
Cash payments for operating activities	
Payments for employees	-50
Payments for goods and services	-168
Grants and subsidies paid	-86
Interest paid	-899
Other payments	-1 056
Total operating payments	-2 259
Net cash flows from operating activities	79
Net cash flows from investments in non-financial assets	
Sales of non-financial assets	53
Purchases of non-financial assets ^(a)	-87
Net cash flows from investments in non-financial assets	-34
Net cash flows from investments in financial assets for policy purposes ^(b)	-386
Net cash flows from investments in financial assets for liquidity purposes	935
Net cash flows from financing activities	
Advances received (net)	—
Borrowing (net)	-642
Deposits received (net)	195
Dividends paid	-514
Other financing (net)	—
Net cash flows from financing activities	-961
Net increase/(decrease) in cash held	-368
Net cash flows from operating activities	79
Net cash flows from investments in non-financial assets	-34
Dividends paid	-454
Cash surplus / (deficit)	-409

Note: Totals may not add due to rounding.

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

(b) Includes equity acquisitions and disposals.

Table A.13: General government sector derivation of ABS GFS cash surplus/deficit (\$million)

	2015–16 Estimate at 2016–17 Budget	2015–16 Outcome
Cash surplus / (deficit)	-4	-211
Acquisitions under finance leases and similar arrangements ^(a)	-2	-2
ABS GFS Surplus (+)/deficit (-)including finance leases and similar arrangements	-6	-213

Table A.14: Public non-financial corporations (public trading enterprises) sector derivation of ABS GFS cash surplus/deficit (\$million)

Cash surplus / (deficit)	-235	75
Acquisitions under finance leases and similar arrangements ^(a)	—	—
ABS GFS Surplus (+)/deficit (-)including finance leases and similar arrangements	-235	75

Table A.15: Non-financial public sector derivation of ABS GFS cash surplus/deficit (\$million)

Cash surplus / (deficit)	-239	-136
Acquisitions under finance leases and similar arrangements ^(a)	-2	-2
ABS GFS Surplus (+)/deficit (-)including finance leases and similar arrangements	-241	-138

Table A.16: Public financial corporations sector derivation of ABS GFS cash surplus/deficit (\$million) ^(b)

Cash surplus / (deficit)	-409
Acquisitions under finance leases and similar arrangements ^(a)	—
ABS GFS Surplus (+)/deficit (-)including finance leases and similar arrangements	-409

Note: Totals may not add due to rounding.

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

(b) Forward estimates are not collected for public financial corporations

Table A.17: General government sector taxes (\$million) ^(a)

	2015–16 Estimate at 2016–17 Budget	2015–16 Outcome
Taxes on employers' payroll and labour force	1 117	1 111
Taxes on property		
Land taxes	578	570
Stamp duties on financial and capital transactions	1 007	1 007
Financial institutions' transaction taxes	—	—
Other	266	259
Total	1 851	1 835
Taxes on the provision of goods and services		
Excises and levies	—	—
Taxes on gambling	386	385
Taxes on insurance	438	462
Total	824	846
Taxes on use of goods and performance of activities		
Motor vehicle taxes	614	616
Total	614	616
Total GFS taxation revenue	4 406	4 409

Note: Totals may not add due to rounding.

(a) Excludes taxes paid by general government entities.

Table A.18(a): General government sector grant revenue (\$million)

	2015–16 Estimate at 2016–17 Budget	2015–16 Outcome
Current grant revenue		
Current grants from the Commonwealth		
General purpose grants	5 573	5 560
National partnership grants	316	305
National partnership grants for on-passing	91	91
Specific purpose grants	1 822	1 822
Specific purpose grants for on-passing	797	802
Total current grants from the Commonwealth	8 599	8 579
Other contributions and grants	125	97
Total current grant revenue	8 724	8 675
Capital grant revenue		
Capital grants from the Commonwealth		
General purpose grants	—	—
National partnership grants	207	198
Specific purpose grants	94	94
Specific purpose grants for on-passing	—	—
Other capital grants	17	16
Total capital grants from the Commonwealth	318	309
Other contributions and grants	9	12
Total capital grant revenue	327	321
Total grant revenue	9 051	8 997

Table A.18(b): General government sector grant expense (\$million)

	2015–16 Estimate at 2016–17 Budget	2015–16 Outcome
Current grant expense		
State/territory government	3	15
Local government	60	47
Local government on-passing	88	83
Private and not-for-profit sector	1 179	1 160
Private and not-for-profit sector on-passing	799	809
Grants to other sectors of government	371	348
Other	210	173
Total current grant expense	2 710	2 634
Capital grant expense		
State/territory government	—	4
Local government	16	13
Local government on-passing	—	—
Private and not-for-profit sector	42	47
Private and not-for-profit sector on-passing	—	—
Grants to other sectors of government	—	—
Other	—	—
Total capital grant expense	58	64
Total grant expense	2 768	2 698

Note: Totals may not add due to rounding.

Table A.19: General government sector dividend and tax equivalent income (\$million)

	2015–16 Estimate at 2016–17 Budget	2015–16 Outcome
Dividend and Income tax equivalent income from PNFC sector	311	331
Dividend and Income tax equivalent income from PFC sector	463	460
Other dividend income	1	1
Total dividend and income tax equivalent income	775	792

Note: Totals may not add due to rounding.

Table A.20: General government sector expenses by function (\$million)^{(a)(b)}

	2015–16 Estimate at 2016–17 Budget	2015–16 Outcome
General public services	364	327
Government superannuation benefits	—	—
Other general public services	364	327
Defence^(c)	—	—
Public order and safety	1 679	1 754
Police and fire protection services	962	1 023
Law courts and legal services	320	328
Prisons and corrective services	307	324
Other public order and safety	90	79
Education	4 263	4 353
Primary and secondary education	3 441	3 561
Tertiary education	565	516
Pre-school education and education not definable by level	225	218
Transportation of students	27	55
Education n.e.c. ^(d)	5	3
Health	5 343	5 529
Acute care institutions	4 597	4 758
Mental health institutions	n.a.	n.a.
Nursing homes for the aged	n.a.	n.a.
Community health services	439	461
Public health services	133	127
Pharmaceuticals, medical aids and appliances	16	16
Health research	7	13
Health administration n.e.c. ^(d)	150	155
Social security and welfare	1 356	1 501
Social security	114	123
Welfare services	1 222	1 358
Social security and welfare services n.e.c. ^(d)	20	20
Housing and community amenities	1 144	954
Housing and community development	487	456
Water supply	256	161
Sanitation and protection of the environment	396	337
Other community amenities	5	—
Recreation and culture	401	399
Recreation facilities and services	183	177
Cultural facilities and services	203	205
Broadcasting and film production	7	7
Recreation and culture n.e.c. ^(d)	7	10

Table A.20: General government sector expenses by function (\$million)^{(a)(b)} (continued)

	2015–16 Estimate at 2016–17 Budget	2015–16 Outcome
Fuel and energy	75	32
Fuel affairs and services	21	15
Electricity and other energy	32	3
Fuel and energy n.e.c. ^(d)	23	13
Agriculture, forestry, fishing and hunting	205	169
Agriculture	155	142
Forestry, fishing and hunting	51	27
Mining and mineral resources other than fuels; manufacturing; and construction	95	53
Mining and mineral resources other than fuels	55	41
Manufacturing	—	—
Construction	40	11
Transport and communications	1 096	1 033
Road transport	458	446
Water transport	16	19
Rail transport	37	49
Air transport	2	6
Pipelines	n.a.	n.a.
Other transport	498	501
Communications	86	12
Other economic affairs	327	280
Storage, saleyards and markets	n.a.	n.a.
Tourism and area promotion	115	110
Labour and employment affairs	48	60
Other economic affairs	164	111
Other purposes	687	678
Public debt transactions	233	210
General purpose inter-government transactions	—	64
Natural disaster relief	12	3
Nominal superannuation interest expense	402	402
Other purposes n.e.c. ^(d)	40	—
Total GFS expenses	17 036	17 062

Note: Totals may not add due to rounding.

- (a) Expenses by function data are derived from information submitted by government agencies. The processes for deriving this data are subject to ongoing refinements. Consequently the data may be subject to future revisions.
- (b) Some functional classifications are not readily distinguishable at agency level. Those instances are denoted as not available (n.a.).
- (c) The ABS defines 'defence' as expenditure on military and civil defence affairs, foreign military aid and defence research. The expenditure of DefenceSA is included in other economic affairs.
- (d) Not elsewhere classified.

Table A.21: General government sector capital expenditure by function (\$million)^(a)

	2015–16 Estimate at 2016–17 Budget	2015–16 Outcome
General public services	13	18
Defence ^(b)	—	—
Public order and safety	101	84
Education	96	91
Health	285	247
Social security and welfare	9	9
Housing and community amenities	21	8
Recreation and culture	68	50
Fuel and energy	2	1
Agriculture, forestry, fishing and hunting	25	22
Mining and mineral resources other than fuels; manufacturing; and construction	19	17
Transport and communications	592	613
Other economic affairs	4	1
Other purposes	—	—
Total capital expenditure	1 236	1 162

Note: Totals may not add due to rounding.

- (a) Expenses by function data are derived from information submitted by government agencies. The processes for deriving this data are subject to ongoing refinements. Consequently the data may be subject to future revisions.
- (b) The ABS defines 'defence' as expenditure on military and civil defence affairs, foreign military aid and defence research. The expenditure of DefenceSA is included in other economic affairs.

Loan Council allocation report

The Australian Loan Council — a ministerial body established in 1927 comprising Commonwealth, state and territory Treasurers — requires all jurisdictions to nominate a Loan Council Allocation (LCA) for consideration at its annual meeting.

LCA nominations, prepared in February, are intended to provide an indication of each government's probable call on financial markets over the forthcoming financial year. The Loan Council, having regard to each jurisdiction's fiscal position and reasonable infrastructure requirements, along with the macroeconomic implications of the aggregate figure, then considers the nominations.

Following the endorsement of LCA nominations, jurisdictions are further required to update their nominated LCAs at budget time for changes in economic parameters and policy decisions, and also provide an LCA outcome at the end of the financial year. A tolerance limit of 2 per cent of total public sector revenue, set at nomination time, applies between both the nomination and budget, and the budget and outcome LCAs.

Nominated LCAs for 2015–16, for all jurisdictions and in aggregate, were reviewed and endorsed at the meeting of the Australian Loan Council held in April 2015.

South Australia's Budget and outcome LCAs for 2015–16 are shown in Table A.22. This table is prepared in accordance with the requirements of the accrual UPF, endorsed by the Loan Council in March 2000 and revised in April 2008 to recognise acquisitions under finance leases and similar arrangements.

As Table A.22 indicates, South Australia recorded an LCA surplus of \$125 million for 2015–16. This differs from the 2015–16 Budget (June 2015) estimated deficit of \$2 million, reflecting the receipt of a large dividend and return of capital from the Motor Accident Commission and an improvement in the non-financial public sector cash balance. This was partially offset by lower than expected earnings on superannuation assets.

As a result of these movements, South Australia's 2015–16 LCA outcome will not exceed the 2 per cent of total revenue tolerance limit included in the 2015–16 LCA nomination.

Table A.22 Loan Council Allocation 2015–16 (\$million)^(a)

	2015–16 Estimate at 2015–16 Budget	2015–16 Outcome
General government sector cash deficit/surplus	124	211
PNFC sector cash deficit/surplus	272	-75
Non-financial public sector cash deficit/surplus ^(b)	396	136
Acquisitions under finance leases and similar arrangements	—	2
ABS Government Finance Statistics cash surplus	396	138
Less: Net cash flows from investments in financial assets for policy purposes	6	61
Adjusted total non-financial public sector deficit/surplus	390	77
Memorandum items ^(c)		
Operating leases ^(d)	-116	-141
Recourse asset sales	—	—
Superannuation ^(e)	-394	-123
Local government	64	16
Home finance schemes	59	46
Total memorandum items	-388	-202
LCA deficit/surplus ^{(f)(g)}	2	-125

Note: Totals may not add due to rounding.

- (a) For the purposes of this table a surplus amount is represented as a negative number while a deficit is shown as a positive number.
- (b) The sum of the deficits of the general government and PNFC sectors may not equal the non-financial public sector deficit due to intersectoral transfers, which are netted out in the calculation of the total figure. The figures exclude statutory marketing authorities.
- (c) Excludes universities.
- (d) Increase/decrease in the net present value (NPV) of operating leases with a NPV of \$5 million or greater.
- (e) Includes both 'payments in excess of emerging costs of superannuation' and 'interest earnings on employer balances'.
- (f) The 2 per cent of total revenue tolerance limit for South Australia's 2015–16 LCA nomination was \$365 million.
- (g) South Australia had two infrastructure projects with private sector involvement that met the recognition criteria for 2015–16 — the upgrade of the Adelaide Festival Centre Precinct and the construction of a bail accommodation facility.

Appendix B: Consolidated Account

Table B.1: Summary of receipts and payments (\$000)

	2015–16 Budget	2015–16 Outcome
Receipts		
Taxation	3 960 661	3 661 564
Commonwealth general purpose grants	5 517 500	5 613 934
Commonwealth specific purpose grants	277 270	300 908
Commonwealth National Partnership payments	24 584	35 330
Contributions from state undertakings	315 859	387 727
Fees and charges	525 551	482 281
Recoveries	53 737	319 309
Royalties	289 734	201 395
Other receipts	141 165	139 638
Total receipts	11 106 061	11 142 086
Payments		
Appropriation Act	12 037 405	12 188 922
Specific appropriation authorised in various Acts	109 349	107 195
Total payments	12 146 754	12 296 116
Consolidated Account Financing Requirement(+)/surplus(-)	1 040 693	1 154 030

Note: Totals may not add due to rounding.

The deficit for 2015–16 has been funded by borrowings from the South Australian Government Financing Authority (SAFA), pursuant to section 16(2) of the *Public Finance and Audit Act 1987*, increasing the level of debt serviced from the Consolidated Account.

Table B.2: Receipts (\$000)

	2015–16 Budget	2015–16 Outcome
Taxation		
Payroll tax	1 418 278	1 340 958
Commonwealth places mirror payroll tax ^(a)	24 800	23 442
Stamp duties	1 526 117	1 557 715
Commonwealth places mirror stamp duties ^(a)	300	284
Land tax	580 331	348 988
Commonwealth places mirror land tax ^(a)	1 400	1 409
Other taxes on property	—	25
Gaming machines tax	303 641	284 176
Contribution from SA Lotteries	78 502	78 178
Contribution from casino operations	20 750	20 193
Contribution from South Australian Totalizator Agency Board	3 900	3 558
Contribution from on-course totalizators, bookmakers and small lotteries	2 642	2 637
Total taxation receipts	3 960 661	3 661 564
Commonwealth general purpose payments		
GST revenue grants	5 517 500	5 613 934
Total Commonwealth general purpose payments	5 517 500	5 613 934
Commonwealth specific purpose payments^(b)		
Council of Australian Governments funding arrangements	276 770	300 908
Natural disaster relief and recovery arrangements	500	—
Total Commonwealth specific purpose payments	277 270	300 908
Commonwealth National Partnership payments^(c)		
Council of Australian Governments funding arrangements	24 584	35 330
Total Commonwealth National Partnership payments	24 584	35 330

Note: Totals may not add due to rounding.

- (a) Taxes akin to state taxes are levied on activities conducted on Commonwealth places under the authority of Commonwealth mirror tax legislation. Revenue is retained by the state.
- (b) Refers only to those Commonwealth specific purpose payments paid to the Consolidated Account.
- (c) Refers only to National Partnership payments that are paid to Consolidated Account. The remainder of National Partnership payments are paid into the Intergovernmental Agreement on Federal Financial Relations special deposit account for subsequent disbursement to the relevant line agencies.

Table B.2: Receipts (\$000) (continued)

	2015–16 Budget	2015–16 Outcome
Contributions from state undertakings		
Adelaide Venue Management Corporation ^(d)		
Dividend	—	1 583
Income tax equivalent	—	448
Arrangements with private electricity entities		
Local government rate equivalent	239	235
Department of Planning, Transport and Infrastructure		
Income tax equivalent	2 614	1 400
Local government rate equivalent	991	—
Flinders Ports		
Payment of lieu of other taxes	2 498	2 349
Funds SA		
Local government rate equivalent	221	—
HomeStart Finance		
Dividend	10 862	11 466
Income tax equivalent	4 623	4 864
Public Trustee Office		
Dividend	464	227
Income tax equivalent	6	315
Renewal SA		
Dividend	5 272	7 199
Local government rate equivalent	1 312	—
SA Water Corporation		
Dividend	163 873	204 918
Income tax equivalent	66 970	107 273
Local government rate equivalent	1 564	—
Scope Global Pty Ltd (formerly Austraining Pty Ltd)		
Income tax equivalent	600	336
South Australian Government Employee Residential Properties		
Dividend	1 706	1 706
Income tax equivalent	465	675
South Australian Government Financing Authority		
Dividend	38 350	38 864
Income tax equivalent	13 200	3 870
West Beach Trust		
Income tax equivalent	29	—
Total contributions from state undertakings	315 859	387 727

Note: Totals may not add due to rounding.

(d) The Adelaide Entertainments Corporation and Adelaide Convention Centre merged to form Adelaide Venue Management Corporation effective 1 August 2015.

Table B.2: Receipts (\$000) (continued)

	2015–16 Budget	2015–16 Outcome
Fees and charges^(e)		
Auditor-General's Department — fees for audit and other sundry receipts	14 341	14 860
Court fines	55 211	52 952
Court regulatory fees	38 048	34 665
Guarantee fees	133 191	124 011
Infringement notice schemes — expiation fees	88 227	70 472
Land and business regulations	1 789	1 991
Land Services regulatory fees	194 546	183 225
Small lotteries	163	—
Sundry fees	35	105
Total fees and charges	525 551	482 281
Recoveries		
Department of Planning, Transport and Infrastructure — indentured ports	10 266	11 919
Department of Environment, Water and Natural Resources — Qualco Sunlands	250	—
Essential Services Commission of South Australia	7 529	7 529
Helicopter service — recovery of costs and sponsorships	1 085	2 037
Independent Gaming Corporation contribution to Gamblers		
Rehabilitation Fund	2 000	2 000
Metropolitan Drainage Fund	7	15
NRM Levy — Treasurer's Water Licences	—	353
National Tax Equivalent Program	50	—
Return of cash to Consolidated Account — cash alignment policy	—	291 790
Return of deposit account balances	—	544
Return of deposit account balances — superannuation	30 000	—
Sale of government publications and subscriptions	200	7
Sundry recoupment	151	—
Unclaimed monies and personal property	2 199	3 116
Total recoveries	53 737	319 309
Royalties		
Department of State Development	289 734	201 395
Total royalties	289 734	201 395

Note: Totals may not add due to rounding.

(e) Refers only to those fees and charges paid to the Consolidated Account.

Table B.2: Receipts (\$000) (continued)

	2015–16 Budget	2015–16 Outcome
Other receipts		
Interest		
Interest on investments	78 959	74 096
Interest recoveries from general government entities	3 146	1 592
Interest recoveries from non-commercial public trading enterprises	—	62
Interest recoveries from the private sector	218	113
Repayment of advances		
Administered items for the Department of Planning, Transport and Infrastructure	209	297
Department for Health and Ageing	2 681	2 569
Department of Primary Industries and Regions	3 300	23 008
Renmark Irrigation Trust	75	72
Royal Zoological Society of South Australia	240	240
Repayment of equity		
HomeStart Finance	15 610	15 610
Other		
Other recoveries	2 587	11 822
Sale of land and buildings	34 140	10 158
Total other receipts	141 165	139 638
Total Consolidated Account receipts	11 106 061	11 142 086

Note: Totals may not add due to rounding.

Table B.3: Payments (\$000)

	2015–16 Budget	2015–16 Outcome
Payments from Appropriation Act		
Attorney-General's Department	109 678	112 356
Administered items for the Attorney-General's Department	98 533	59 822
Auditor-General's Department	16 598	16 598
Courts Administration Authority	94 361	94 361
Defence SA	18 636	18 636
Department for Communities and Social Inclusion	1 015 896	1 050 235
Administered items for the Department for Communities and Social Inclusion	190 374	187 611
Department for Correctional Services	280 964	280 964
Department for Education and Child Development	2 654 287	2 679 876
Administered items for the Department for Education and Child Development	244 596	244 596
Department for Health and Ageing	3 184 564	3 184 564
Department of Environment, Water and Natural Resources	155 185	155 185
Administered items for the Department of Environment, Water and Natural Resources	19 083	18 861
Department of Planning, Transport and Infrastructure	560 412	683 252
Administered items for the Department of Planning, Transport and Infrastructure	7 928	8 393
Department of Primary Industries and Regions	105 085	122 293
Administered items for the Department of Primary Industries and Regions	4 099	4 099
Department of the Premier and Cabinet	75 551	75 551
Administered items for the Department of the Premier and Cabinet	1 879	1 879
Department of State Development	674 320	637 737
Administered items for the Department of State Development	7 629	8 700
Department of Treasury and Finance	55 722	64 792
Administered items for the Department of Treasury and Finance	1 592 537	1 613 581
Electoral Commission of South Australia	5 819	4 800
Administered items for Electoral Commission of South Australia	45	38
House of Assembly	9 103	7 096
Independent Gambling Authority	1 769	1 769
Joint Parliamentary Services	11 572	10 781
Legislative Council	6 102	4 930
Minister for Tourism	4 796	4 796
South Australia Police	757 567	757 567
Administered items for South Australia Police	177	177
South Australian Tourism Commission	69 007	69 495
State Governor's Establishment	3 531	3 531
Total payments appropriated for administrative units, statutory authorities and ministers	12 037 405	12 188 922
Payments for which specific appropriation is authorised in various Acts	109 349	107 195
Total Consolidated Account payments	12 146 754	12 296 116

Note: Totals may not add due to rounding.

Table B.4: Appropriation authorised in various Acts (\$000)

	2015–16 Budget	2015–16 Outcome
Payments for which specific appropriation is authorised in various Acts		
Salaries and allowances		
Agent-General — pursuant to <i>Agent-General Act 1901</i>	108	136
Auditor-General — pursuant to <i>Public Finance and Audit Act 1987</i>	315	317
Commissioners of Environment, Resource and Development Court — pursuant to <i>Remuneration Act 1990</i>	1 245	1 192
Commissioner of Police — pursuant to <i>Police Act 1998</i>	441	1 045
State Coroner and Deputy Coroner — pursuant to <i>Remuneration Act 1990</i>	881	910
Electoral Commissioner and Deputy Electoral Commissioner — pursuant to <i>Electoral Act 1985</i>	391	386
Electoral District Boundaries Commission — pursuant to <i>Constitution Act 1934</i>	570	290
Governor — pursuant to <i>Constitution Act 1934</i>	339	325
Health and Community Services Complaints Commissioner — pursuant to <i>Remuneration Act 1990</i>	123	109
Judges — pursuant to <i>Remuneration Act 1990</i>		
Chief Justice	706	722
Judges and Masters	21 856	22 314
Magistrates — pursuant to <i>Remuneration Act 1990</i>	15 277	15 220
Members of various standing committees — pursuant to <i>Parliamentary Remuneration Act 1990 and Parliamentary Committees Act 1991</i>	853	503
Ombudsman — pursuant to <i>Ombudsman Act 1972</i>	392	374
Parliamentary salaries and electorate other allowances — pursuant to <i>Parliamentary Remuneration Act 1990</i>		
Ministers, Officers and Members of Parliament	14 994	16 255
Senior Judge and judges of the Industrial Relations Court and Commission — pursuant to <i>Remuneration Act 1990</i>	2 493	2 300
Solicitor-General — pursuant to <i>Solicitor-General Act 1972</i>	639	792
South Australian Civil and Administrative Tribunal — pursuant to <i>Remuneration Act 1990</i>	534	445
Valuer-General — pursuant to <i>Valuation of Land Act 1971</i>	137	157
Total salaries and allowances	62 294	63 792
Other		
Compensation for injuries resulting from criminal acts — pursuant to <i>Victims of Crime Act 2001</i>	8 222	8 222
First Home Owner Grant — pursuant to <i>First Home and Housing Construction Grants Act 2000 (formerly First Home Owner Grant Act 2000)</i>	38 833	35 181
Total other	47 055	43 403
Total payments for which specific appropriation is authorised in various Acts	109 349	107 195

Note: Totals may not add due to rounding.

Appendix C: General government and non-financial public sector financial statistics time series

The following tables provide historical data on key fiscal aggregates. Data provided (excluding the unfunded superannuation liability) are sourced for 1998–99 from *Australian Bureau of Statistics Government Finance Statistics 2007–08* (catalogue number 5512.0) and 1999–2000 to 2014–15 from Budget Outcome publications for South Australia.

Data is provided from 1998–99, the first year for which information is available in the accrual format. Before 1998–99, government finances were measured using a cash-based methodology.

Gross State Product (GSP) and Consumer Price Index (for real-growth calculations) data is sourced from the latest Australian Bureau of Statistics (ABS) publications.

As historical data in this time series has not been back-cast to reflect classification and accounting changes, care must be taken in interpreting the data.

General government

Table C.1: General government key operating statement aggregates

	Revenue			Expenses			Net operating balance	Net acquisition of non-financial assets	Net lending
	\$m	% real growth	% GSP	\$m	% real growth	% GSP	\$m	\$m	\$m
1998–99	7 290		17.0	7 505		17.5	- 215	19	- 233
1999–2000	7 644	2.3	16.9	7 974	3.6	17.6	- 330	140	- 471
2000–01	8 108	3.0	16.8	8 406	2.4	17.4	- 297	102	- 399
2001–02	8 538	2.1	16.3	8 713	0.5	16.6	- 174	- 50	- 124
2002–03	9 346	5.2	16.8	8 898	-1.8	16.0	448	34	414
2003–04	9 955	3.4	16.8	9 570	4.4	16.2	385	- 38	424
2004–05	10 592	3.9	17.2	10 368	5.8	16.8	224	105	119
2005–06	11 242	2.9	17.2	11 040	3.3	16.9	202	119	83
2006–07	11 757	1.9	16.7	11 547	1.9	16.4	209	139	71
2007–08	12 879	6.1	16.8	12 414	4.1	16.2	464	242	222
2008–09	13 531	1.9	17.0	13 764	7.5	17.2	- 233	639	- 872
2009–10 ^(a)	15 534	12.3	18.6	15 347	9.1	18.4	187	1 279	-1 092
2010–11 ^(a)	15 017	-6.3	16.8	15 069	-4.9	16.8	- 53	1 370	-1 422
2011–12	15 905	3.2	17.4	16 164	4.5	17.7	- 258	839	-1 098
2012–13	15 333	-5.5	16.3	16 282	-1.3	17.3	- 948	55	-1 003
2013–14 ^(b)	15 343	-2.4	15.8	16 415	-1.7	16.9	-1 071	661	-1 733
2014–15	16 549	6.2	16.7	16 738	0.4	16.9	- 189	- 78	- 111
2015–16	17 362	4.0	17.2	17 062	1.1	16.9	300	204	96

Note: Table may not add due to rounding.

(a) In 2009–10 and 2010–11 revenue, expenses and net acquisition of non-financial assets are impacted by the Commonwealth Government's Nation Building — Economic Stimulus Plan.

(b) There is a structural break in 2013–14 in the presentation of interest income and interest expense. Interest income earned on cash and deposits is offset with interest expense on the borrowings the Treasurer has with the South Australian Government Financing Authority (SAFA). This results in a reduction to interest income and interest expense accordingly.

Table C.2: General government key balance sheet aggregates (\$million)

As at 30 June	Net debt ^(a)			^(b) Unfunded superannuation \$m	Net financial liabilities \$m	Net financial worth \$m	Net worth \$m
	\$m	% of revenue	% of GSP				
1989	694						
1990	854						
1991	1 817						
1992	4 610						
1993	7 884						
1994	7 113						
1995	5 815						
1996	5 512						
1997	4 983						
1998	4 762						
1999	4 779	65.6	11.1	3 909	9 733	1 894	10 624
2000	1 920	25.1	4.2	3 543	6 911	2 986	12 445
2001	1 246	15.4	2.6	3 249	6 093	4 091	14 816
2002	1 303	15.3	2.5	3 998	6 907	3 559	14 721
2003	666	7.1	1.2	4 445	6 974	3 500	15 288
2004	224	2.3	0.4	5 668	7 858	3 842	15 760
2005	144	1.4	0.2	7 227	9 393	3 853	16 359
2006	- 119	-1.1	-0.2	6 146	8 171	5 846	19 703
2007 ^(c)	- 24	-0.2	0.0	5 075	7 254	8 110	22 128
2008 ^{(d)(e)(f)}	- 276	-2.1	-0.4	6 468	8 078	7 580	23 741
2009	475	3.5	0.6	8 939	11 562	5 551	24 146
2010	1 402	9.0	1.7	9 478	13 182	6 551	36 231
2011	2 930	19.5	3.3	9 096	14 313	7 299	40 958
2012 ^(g)	4 165	26.2	4.6	13 523	20 332	1 413	37 199
2013	5 227	34.1	5.5	11 085	19 079	1 742	39 363
2014 ^(h)	7 071	46.1	7.3	10 877	20 761	1 056	39 654
2015 ⁽ⁱ⁾	3 929	23.7	4.0	11 358	18 296	1 374	40 121
2016 ^(j)	4 393	25.3	4.3	14 029	21 372	-2 049	37 741

(a) Net debt data for the years before 1999 are sourced from ABS, Government Financial Estimates 2003–04 (catalogue number 5501).

(b) There is a structural break in the methodology used to calculate superannuation liabilities between June 2003 and June 2004. This accounting change, which involved the adoption of the Commonwealth Government bond rate for valuation purposes in line with AASB 119, *Employee Benefits*, resulted in a significant increase in superannuation liabilities.

(c) There is a structural break in 2007 reflecting the amalgamation of SAFA and SAICORP on 1 July 2006. The transfer of SAICORP's assets and liabilities from the general government sector to the public financial corporations sector resulted in an increase in general government net debt of \$99 million at 1 July 2006 and an increase in net financial liabilities of \$90 million at 1 July 2006.

(d) There is a structural break in 2008 reflecting the transfer of rail assets from TransAdelaide to the general government sector. This resulted in an increase in net debt and net financial liabilities of \$66 million in 2007–08, and a reduction in net financial worth of \$591 million, with no impact on net worth.

(e) There is a structural break in 2008 reflecting the transfer of assets from the Adelaide Festival Centre Trust to the general government sector. This resulted in an increase in net debt and net financial liabilities of \$28 million in 2007–08, and a reduction in net financial worth of \$76 million, with no impact on net worth.

(f) There is a structural break in 2008 reflecting the first time recognition on the general government balance sheet of South Australia's share of the net assets of the Murray-Darling Basin Commission. This had no impact on net debt, however resulted in a reduction in net financial liabilities of \$615 million in 2007–08, and an increase in net financial worth and net worth of \$615 million.

(g) There is a structural break in 2012 reflecting the transfer of the Rail Commissioner to the general government sector. This resulted in a reduction in net debt of \$6 million, an increase in net financial liabilities of \$37 million, and a reduction in net financial worth of \$144 million in 2011–12, with no impact on net worth.

(h) There is a structural break in 2014 reflecting the transfer of the Lotteries Commission of South Australia (SA Lotteries) to the general government sector. This resulted in a reduction in net debt of \$46 million, a reduction in net financial liabilities of \$1 million in 2013–14, with no impact on net worth.

(i) There is a structural break in 2015 reflecting the government's decision to reduce its equity in SA Water. This resulted in a once-off \$2.7 billion return of capital to the Consolidated Account in 2014–15. The restructure resulted in a reduction in distributions paid to government partially offset by increased guarantee fees payable and lower borrowing costs.

(j) There is a structural break in 2016 reflecting the transfer of the South Australia Motor Sport Board to the general government sector. This resulted in an increase in net financial liabilities of \$3 million, and a reduction in net financial worth of \$12 million in 2015–16, with no impact on net worth.

Table C.3: General government receipts, payments and surplus^(a) (\$million)

	Receipts	Payments	ABS Cash Surplus
1979–80	1 891	1 671	220
1980–81	2 065	1 917	148
1981–82	2 210	2 122	87
1982–83	2 664	2 507	156
1983–84	2 988	2 734	255
1984–85	3 380	3 057	324
1985–86	3 634	3 161	474
1986–87	3 956	3 416	540
1987–88	4 307	3 858	449
1988–89	4 630	3 977	653
1989–90	4 973	4 370	603
1990–91	5 260	4 796	463
1991–92	5 387	5 396	- 10
1992–93	5 967	5 456	512
1993–94	6 087	6 024	63
1994–95	6 155	6 220	- 66
1995–96	6 405	6 164	241
1996–97	6 379	6 282	97
1997–98	6 988	6 724	264
1998–99	7 165	7 041	123
1999–2000	7 676	7 915	- 239
2000–01	8 278	8 387	- 108
2001–02	8 698	8 748	- 50
2002–03	9 522	8 864	658
2003–04	10 023	9 502	522
2004–05	11 252	11 059	193
2005–06	11 480	11 293	187
2006–07	12 090	12 116	- 26
2007–08	12 932	12 552	379
2008–09	13 579	14 299	- 721
2009–10	15 837	16 991	-1 154
2010–11	15 331	16 851	-1 520
2011–12	16 556	17 594	-1 038
2012–13	16 489	17 655	-1 166
2013–14	15 434	17 232	-1 797
2014–15	16 768	16 652	116
2015–16	17 144	17 357	- 213

Note: Table may not add due to rounding.

- (a) There is a break in the series between 1998–99 and 1999–2000. Data for the years before 1999–2000 are sourced from the ABS and are consistent with ABS Government Finance Statistics (GFS) reporting requirements on a cash basis. Capital receipts and payments, including payments associated with the provision of financial support for state owned financial institutions (which were treated by the ABS then as an 'investment in financial assets for policy purposes') are not included in the series before 1999–2000. After 1998–99, data is derived from an accrual ABS GFS reporting framework, with receipts proxied by receipts from operating activities and sales of non-financial assets, and payments proxied by payments for operating activities, purchases of non-financial assets and net acquisition of assets under finance leases and similar arrangements. Due to the associated methodological and data-source changes, time series data that encompass measures derived under both cash and accrual accounting should be used with caution.

Table C.4: General government sector operating statement (\$million)

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Revenue										
Taxation revenue	3 250	3 570	3 537	3 649	3 831	3 854	4 104	4 085	4 376	4 409
Grants	5 969	6 616	7 249	8 881	8 185	8 668	7 669	7 804	8 350	8 997
Sales of goods and services	1 464	1 572	1 697	1 936	1 879	2 015	2 115	2 265	2 329	2 455
Interest income ^(a)	167	203	150	138	168	172	134	40	28	24
Dividend and income tax equivalent income	450	429	382	433	403	385	446	398	791	792
Other	456	490	517	497	550	811	865	752	674	686
Total revenue	11 757	12 879	13 531	15 534	15 017	15 905	15 333	15 343	16 549	17 362
less Expenses										
Employee expenses	4 933	5 268	5 749	6 221	6 400	6 770	7 105	7 353	7 493	7 721
Superannuation expenses										
Superannuation interest cost	316	276	383	455	427	407	314	468	438	402
Other superannuation expenses	506	546	580	600	621	666	675	736	738	744
Depreciation and amortisation	498	525	566	633	670	718	762	812	853	890
Interest expenses ^(a)	204	218	180	204	308	427	386	300	254	210
Other property expenses	—	—	—	—	—	—	—	—	—	—
Other operating expenses	3 021	3 246	3 624	3 695	3 824	3 993	4 313	4 169	4 173	4 398
Grants	2 069	2 337	2 682	3 540	2 819	3 183	2 726	2 577	2 790	2 698
Total expenses	11 547	12 414	13 764	15 347	15 069	16 164	16 282	16 415	16 738	17 062
<i>equals</i> Net operating balance	209	464	- 233	187	- 53	- 258	- 948	-1 071	- 189	300
<i>plus</i> Other economic flows	2 215	1 149	708	11 830	2 905	-3 556	3 113	1 362	628	-2 621
<i>equals</i> Comprehensive result - total change in net worth	2 424	1 613	475	12 017	2 852	-3 814	2 164	291	439	-2 321
Net operating balance	209	464	- 233	187	- 53	- 258	- 948	-1 071	- 189	300
less Net acquisition of non-financial assets										
Purchases of non-financial assets	771	875	1 305	2 144	2 122	1 876	2 008	1 590	937	1 162
less Sales of non-financial assets	134	108	108	29	82	322	1 197	117	166	66
less Depreciation	498	525	566	633	670	718	762	812	853	890
<i>plus</i> Change in inventories	—	—	7	3	—	3	7	1	4	- 3
<i>plus</i> Other movements in non-financial assets	—	—	—	-206	—	—	—	—	—	—
<i>equals</i> Total net acquisition of non-financial assets	139	242	639	1 279	1 370	839	55	661	- 78	204
<i>equals</i> Net lending / borrowing	71	222	- 872	-1 092	-1 422	-1 098	-1 003	-1 733	- 111	96

Note: Totals may not add due to rounding.

(a) There is a structural break in 2013-14 in the presentation of interest income and interest expense. Interest income earned on cash and deposits is offset with interest expense on the borrowings the Treasurer has with SAFA. This results in a reduction to interest income and interest expense accordingly.

Table C.5: General government sector balance sheet (\$million)

As at 30 June	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Assets										
Financial assets										
Cash and deposits ^(a)	2 384	2 760	3 084	3 277	3 675	916	1 113	1 104	1 110	1 088
Advances paid	905	782	752	676	642	550	176	66	57	57
Investments, loans and placements	119	134	140	163	189	200	226	247	271	292
Receivables	471	498	610	713	575	539	730	671	610	896
Equity										
Investments in other public sector entities	15 364	15 658	17 113	19 734	21 612	21 745	20 821	21 816	19 669	19 322
Investments - other	30	668	707	752	743	836	831	836	865	890
Other financial assets	39	38	43	47	80	125	56	39	79	86
Total financial assets	19 311	20 539	22 449	25 363	27 516	24 912	23 954	24 779	22 661	22 632
Non-financial assets										
Land and fixed assets	14 013	16 138	18 590	29 677	33 657	35 779	37 616	38 593	38 747	39 781
Other non-financial assets	4	23	5	3	2	6	5	5	1	9
Total non-financial assets	14 018	16 161	18 595	29 680	33 658	35 785	37 621	38 599	38 748	39 790
Total assets	33 329	36 700	41 045	55 043	61 175	60 698	61 575	63 378	61 409	62 422
Liabilities										
Deposits held	331	328	335	387	354	397	392	356	377	478
Advances received	659	644	628	610	592	590	232	214	252	234
Borrowing ^(a)	2 394	2 427	3 488	4 522	6 491	4 843	6 118	7 918	4 737	5 119
Superannuation	5 075	6 468	8 939	9 478	9 096	13 523	11 085	10 877	11 358	14 029
Other employee benefits	1 492	1 646	1 867	1 922	2 022	2 408	2 457	2 452	2 622	2 829
Payables	553	665	760	1 004	810	898	1 019	936	1 089	1 089
Other liabilities	699	779	881	888	853	840	908	970	852	904
Total liabilities	11 201	12 959	16 898	18 811	20 217	23 499	22 212	23 723	21 288	24 681
Net worth	22 128	23 741	24 146	36 231	40 958	37 199	39 363	39 654	40 121	37 741
Net financial worth ^{(b)(e)}	8 110	7 580	5 551	6 551	7 299	1 413	1 742	1 056	1 374	-2 049
Net financial liabilities ^{(b)(c)(e)}	7 254	8 078	11 562	13 182	14 313	20 332	19 079	20 761	18 296	21 372
Net debt ^{(b)(c)(d)}	- 24	- 276	475	1 402	2 930	4 165	5 227	7 071	3 929	4 393

Note: Totals may not add due to rounding.

(a) There is a structural break in 2012 reflecting that cash and deposits held by the Treasurer are offset with borrowings the Treasurer has with SAFA. This resulted in a reduction in cash and deposits, and borrowings of \$3.134 billion in 2011–12, with no impact on both net worth and net debt.

(b) There is a structural break in 2012 reflecting the transfer of the Rail Commissioner to the general government sector. This resulted in a reduction in net debt of \$6 million, an increase in net financial liabilities of \$37 million, and a reduction in net financial worth of \$144 million in 2011–12, with no impact on net worth.

(c) There is a structural break in 2014 reflecting the transfer of the Lotteries Commission of South Australia (SA Lotteries) to the general government sector. This resulted in a reduction in net debt of \$46 million, a reduction in net financial liabilities of \$1 million in 2013–14, with no impact on net worth.

(d) There is a structural break in 2015 reflecting the government's decision to reduce its equity in SA Water. This resulted in a once-off \$2.7 billion return of capital to the Consolidated Account in 2014–15. The restructure resulted in a reduction in distributions paid to government partially offset by increased guarantee fees payable and lower borrowing costs.

(e) There is a structural break in 2016 reflecting the transfer of the South Australian Motor Sport Board to the general government sector. This resulted in an increase in net financial liabilities of \$3 million, and a reduction in net financial worth of \$12 million in 2015–16, with no impact on net worth.

Non-financial public sector

Table C.6: Non-financial public sector key operating statement aggregates

	Revenue			Expenses			Net operating balance	Net acquisition of non- financial assets	Net lending
	\$m	% real growth	% GSP	\$m	% real growth	% GSP	\$m	\$m	\$m
1998–99	9 468		22.0	9 597		22.3	- 129	- 115	- 14
1999–2000	9 206	-5.2	20.3	9 552	-2.9	21.1	- 346	-3 508	3 161
2000–01	9 051	-4.5	18.8	9 279	-5.7	19.3	- 228	-1 111	883
2001–02	9 367	0.3	17.9	9 487	-0.9	18.1	- 120	- 124	5
2002–03	10 172	4.4	18.2	9 696	-1.7	17.4	476	72	405
2003–04	10 707	2.2	18.1	10 294	3.1	17.4	413	33	379
2004–05	11 343	3.5	18.4	11 029	4.6	17.9	314	125	189
2005–06	11 807	0.9	18.1	11 634	2.3	17.8	172	53	119
2006–07	12 321	1.7	17.5	12 175	2.0	17.3	147	173	- 26
2007–08	13 634	7.1	17.8	13 065	3.9	17.0	569	303	266
2008–09	14 360	2.1	18.0	14 567	8.1	18.3	- 207	1 249	-1 456
2009–10 ^(a)	16 315	11.2	19.5	15 679	5.3	18.8	636	2 361	-1 725
2010–11 ^(a)	15 960	-5.2	17.8	15 939	-1.5	17.8	21	1 920	-1 898
2011–12	16 866	3.0	18.5	16 908	3.3	18.5	- 41	1 383	-1 424
2012–13	16 494	-4.1	17.5	17 152	-0.6	18.2	- 657	64	- 721
2013–14 ^(b)	16 399	-3.1	16.9	17 627	0.2	18.2	-1 229	715	-1 944
2014–15	17 651	6.0	17.8	17 965	0.4	18.1	- 314	- 198	- 116
2015–16	18 461	3.7	18.3	18 310	1.0	18.1	151	205	- 54

Note: Table may not add due to rounding.

- (a) In 2009–10 and 2010–11 revenue, expenses and net acquisition of non-financial assets are impacted by the Commonwealth Government's Nation Building — Economic Stimulus Plan.
- (b) There is a structural break in 2013–14 in the presentation of interest income and interest expense. Interest income earned on cash and deposits is offset with interest expense on the borrowings the Treasurer has with SAFA. This results in a reduction to interest income and interest expense accordingly.

Table C.7: Non-financial public sector key balance sheet aggregates (\$million)

As at 30 June	Net debt ^(a)			^(b) Unfunded superannuation \$m	Net financial liabilities \$m	Net financial worth \$m	Net worth \$m
	\$m	% of revenue	% of GSP				
1989	4 197						
1990	4 457						
1991	5 418						
1992	8 142						
1993	11 610						
1994	10 550						
1995	8 844						
1996	8 432						
1997	8 170						
1998	7 927						
1999	7 657	80.9	17.8	3 909	13 099	-12 256	10 624
2000	4 355	47.3	9.6	3 543	9 914	-8 986	12 445
2001	3 223	35.6	6.7	3 249	8 151	-7 109	14 816
2002	3 317	35.4	6.3	3 998	8 973	-7 902	14 721
2003	2 696	26.5	4.8	4 445	9 096	-8 811	15 288
2004	2 285	21.3	3.9	5 668	10 031	-9 550	15 760
2005	2 126	18.7	3.4	7 227	11 511	-11 004	16 359
2006	1 786	15.1	2.7	6 146	10 451	-9 889	19 703
2007 ^(c)	1 989	16.1	2.8	5 075	9 518	-8 795	22 128
2008 ^{(d)(e)}	1 611	11.8	2.1	6 468	10 208	-10 487	23 741
2009	2 872	20.0	3.6	8 939	14 302	-14 921	24 146
2010	4 487	27.5	5.4	9 478	16 626	-16 997	36 231
2011	6 541	41.0	7.3	9 096	18 273	-18 402	40 958
2012	7 996	47.4	8.8	13 523	24 500	-25 123	37 199
2013	8 949	54.3	9.5	11 085	23 064	-23 223	39 363
2014	10 964	66.9	11.3	10 877	24 811	-24 080	39 654
2015	10 676	60.5	10.8	11 358	25 167	-23 750	40 121
2016	10 912	59.1	10.8	14 029	28 281	-27 355	37 741

(a) Net debt data for the years before 1999 are sourced from the ABS, Government Financial Estimates 2003–04 (Catalogue number 5501).

(b) There is a structural break in the methodology used to calculate superannuation liabilities between June 2003 and June 2004. This accounting change, which involved the adoption of the Commonwealth Government bond rate for valuation purposes in line with AASB 119, *Employee Benefits*, resulted in a significant increase in superannuation liabilities.

(c) There is a structural break in 2007 reflecting the amalgamation of SAFA and SAICORP on 1 July 2006. The transfer of SAICORP's assets and liabilities from the general government sector to the public financial corporations sector resulted in an increase in non-financial public sector net debt of \$99 million at 1 July 2006 and an increase in net financial liabilities of \$90 million at 1 July 2006.

(d) There is a structural break in 2008 reflecting the amalgamation of South Australian Community Housing Authority (public financial corporation) with South Australian Housing Trust (public non-financial corporation). This resulted in an increase in net debt and net financial liabilities and a decrease in net financial worth of \$98 million in 2007–08, with no impact on net worth.

(e) There is a structural break in 2008 reflecting the first time recognition on the general government balance sheet of South Australia's share of the net assets of the Murray-Darling Basin Commission. This had no impact on net debt, however resulted in a reduction in net financial liabilities of \$615 million in 2007–08, and an increase in net financial worth and net worth of \$615 million.

Table C.8: Non-financial public sector receipts, payments and surplus^(a) (\$million)

	Receipts	Payments	ABS Cash Surplus
1979–80	2 681	2 388	292
1980–81	2 877	2 649	228
1981–82	3 145	2 963	182
1982–83	3 651	3 356	295
1983–84	4 383	4 014	369
1984–85	4 887	4 356	531
1985–86	5 172	4 415	757
1986–87	5 542	4 790	752
1987–88	6 078	5 299	780
1988–89	6 946	5 784	1 162
1989–90	7 517	6 465	1 052
1990–91	7 830	6 839	991
1991–92	8 352	7 969	383
1992–93	8 939	7 946	993
1993–94	8 761	8 119	642
1994–95	8 570	8 142	428
1995–96	8 985	8 654	331
1996–97	8 908	8 532	375
1997–98	9 426	8 895	532
1998–99	9 301	8 692	609
1999–2000	13 014	9 501	3 513
2000–01	10 572	9 414	1 158
2001–02	9 726	9 722	4
2002–03	10 439	9 805	634
2003–04	10 891	10 403	488
2004–05	12 051	11 786	265
2005–06	12 239	11 868	370
2006–07	12 684	12 809	- 125
2007–08	13 943	13 477	466
2008–09	14 563	15 806	-1 243
2009–10	16 847	18 695	-1 849
2010–11	16 548	18 553	-2 004
2011–12	17 431	18 863	-1 432
2012–13	17 814	19 133	-1 319
2013–14	16 640	18 647	-2 007
2014–15	17 841	17 896	- 55
2015–16	18 485	18 623	- 138

Note: Table may not add due to rounding.

- (a) There is a break in the series between 1998–99 and 1999–2000. Data for the years before 1999–2000 is sourced from the ABS and is consistent with ABS GFS reporting requirements on a cash basis. Capital receipts and payments, including payments associated with the provision of financial support for state owned financial institutions, which were treated by the ABS then as an investment in financial assets for policy purposes, are not included in this series before 1999–2000. After 1998–99, data is derived from an accrual ABS GFS reporting framework, with receipts proxied by receipts from operating activities and sales of non-financial assets, and payments proxied by payments for operating activities, purchases of non-financial assets and net acquisition of assets under finance leases and similar arrangements. Due to the associated methodological and data-source changes, time series data that encompass measures derived under both cash and accrual accounting should be used with caution.

Table C.9: Non-financial public sector operating statement (\$million)

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Revenue										
Taxation revenue	3 009	3 308	3 244	3 331	3 467	3 476	3 726	3 805	4 072	4 083
Grants	6 039	6 616	7 262	8 897	8 223	8 705	7 697	7 806	8 350	8 996
Sales of goods and services	2 610	2 926	3 082	3 311	3 366	3 589	3 949	3 844	3 968	4 138
Interest income ^(a)	155	188	125	123	163	163	131	46	34	33
Dividend and income tax equivalent income	42	24	36	58	91	51	56	81	504	466
Other	466	572	611	594	651	883	935	816	724	746
Total revenue	12 321	13 634	14 360	16 315	15 960	16 866	16 494	16 399	17 651	18 461
less Expenses										
Employee expenses	5 108	5 450	5 944	6 436	6 625	6 959	7 299	7 544	7 683	7 913
Superannuation expenses										
Superannuation interest cost	316	276	383	455	427	407	314	468	438	402
Other superannuation expenses	525	568	605	628	649	692	700	762	764	771
Depreciation and amortisation	755	798	852	958	1 024	1 078	1 166	1 236	1 275	1 321
Interest expenses ^(a)	290	322	290	344	493	639	599	509	519	483
Other property expenses	9	74	—	—	—	—	—	—	—	—
Other operating expenses	3 475	3 765	4 404	4 306	4 472	4 716	4 849	4 892	4 886	5 045
Grants	1 698	1 811	2 089	2 553	2 249	2 417	2 224	2 218	2 401	2 376
Total expenses	12 175	13 065	14 567	15 679	15 939	16 908	17 152	17 627	17 965	18 310
equals Net operating balance	147	569	- 207	636	21	- 41	- 657	- 1 229	- 314	151
plus Other economic flows	2 278	1 044	682	11 382	2 831	- 3 772	2 822	1 520	753	- 2 472
equals Comprehensive result - total change in net worth	2 424	1 613	475	12 017	2 852	- 3 814	2 164	291	439	- 2 321
Net operating balance	147	569	- 207	636	21	- 41	- 657	- 1 229	- 314	151
less Net acquisition of non-financial assets										
Purchases of non-financial assets	1 145	1 399	2 328	3 762	3 217	2 750	2 683	2 126	1 429	1 704
less Sales of non-financial assets	217	298	304	336	281	331	1 428	333	297	195
less Depreciation	755	798	852	958	1 024	1 078	1 166	1 236	1 275	1 321
plus Change in inventories	—	—	76	99	7	41	- 26	158	- 55	17
plus Other movements in non-financial assets	—	—	—	- 206	—	—	—	—	—	—
equals Total net acquisition of non-financial assets	1 73	303	1 249	2 361	1 920	1 383	64	715	- 198	205
equals Net lending / borrowing										
Net lending / borrowing	- 26	266	- 1 456	- 1 725	- 1 898	- 1 424	- 721	- 1 944	- 116	- 54

Note: Table may not add due to rounding.

(a) There is a structural break in 2013-14 in the presentation of interest income and interest expense. Interest income earned on cash and deposits is offset with interest expense on the borrowings the Treasurer has with SAFA. This resulted in a reduction to interest income and interest expense accordingly.

Table C.10: Non-financial public sector balance sheet (\$million)

As at 30 June	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Assets										
Financial assets										
Cash and deposits ^(a)	2 566	3 040	3 360	3 573	3 961	1 207	1 440	1 354	1 326	1 506
Advances paid	34	81	71	72	99	77	62	55	24	24
Investments, loans and placements	139	163	176	232	228	242	270	293	317	340
Receivables	522	521	520	766	635	662	877	803	837	951
Equity										
Investments in other public sector entities	723	- 279	- 619	- 371	- 128	- 623	- 159	731	1 416	926
Investments - other	58	693	727	766	761	852	848	853	883	905
Other financial assets	41	40	82	104	83	126	56	39	83	92
Total financial assets	4 084	4 259	4 316	5 143	5 638	2 543	3 394	4 129	4 887	4 743
Non-financial assets										
Land and fixed assets	30 917	34 202	39 059	53 224	59 302	62 311	62 574	63 726	63 868	65 084
Other non-financial assets	6	25	8	4	57	12	12	8	4	13
Total non-financial assets	30 922	34 227	39 067	53 228	59 359	62 322	62 586	63 734	63 872	65 096
Total assets	35 006	38 486	43 384	58 371	64 997	64 866	65 981	67 863	68 759	69 839
Liabilities										
Deposits held	159	166	174	171	171	177	172	183	204	226
Advances received	659	644	628	610	592	590	232	214	252	234
Borrowing ^(a)	3 910	4 084	5 677	7 583	10 065	8 755	10 318	12 270	11 888	12 322
Superannuation	5 075	6 468	8 939	9 478	9 096	13 523	11 085	10 877	11 358	14 029
Other employee benefits	1 560	1 719	1 944	2 003	2 106	2 486	2 531	2 525	2 695	2 902
Payables	715	801	907	1 319	1 077	1 204	1 215	1 102	1 304	1 320
Other liabilities	801	862	969	975	932	932	1 064	1 038	937	1 066
Total liabilities	12 878	14 745	19 237	22 140	24 040	27 667	26 617	28 209	28 637	32 099
Net worth	22 128	23 741	24 146	36 231	40 958	37 199	39 363	39 654	40 121	37 741
Net financial worth	-8 795	-10 487	-14 921	-16 997	-18 402	-25 123	-23 223	-24 080	-23 750	-27 355
Net financial liabilities	9 518	10 208	14 302	16 626	18 273	24 500	23 064	24 811	25 167	28 281
Net debt	1 989	1 611	2 872	4 487	6 541	7 996	8 949	10 964	10 676	10 912

Note: Totals may not add due to rounding.

(a) There is a structural break in 2012 reflecting that cash and deposits held by the Treasurer are offset with borrowings the Treasurer has with SAFA. This resulted in a reduction in cash and deposits, and borrowings of \$3.134 billion in 2011–12, with no impact on both net worth and net debt.

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Department of Treasury and Finance

State Administration Centre
200 Victoria Square, Adelaide
South Australia, 5000

GPO Box 1045, Adelaide
South Australia, 5001

Telephone: +61 (08) 8226 9500

www.treasury.sa.gov.au



Government of
South Australia