

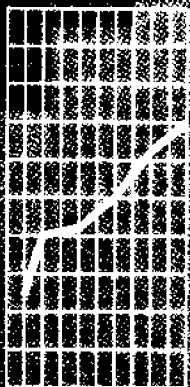


1997-98

EMBARGO: 11:30 AM (CANBERRA TIME) FRI 14 NOV 1997

Government Financial Estimates

Australia



NOTES

TERMINOLOGY

By convention, the consolidated total of transactions of general government and public trading enterprises is referred to as government throughout this publication (e.g. the term *Commonwealth Government* refers to the consolidated total of Commonwealth general government and public trading enterprises). It would be more precise to label this total 'non-financial public sector', as it excludes transactions of Government-owned financial institutions. See *Scope* in the Explanatory Notes for further explanation.

RECENT PUBLICATION

Information Paper: Developments in Government Finance Statistics (5516.0) — issued February 1997

This paper provides information on significant developments in Government Finance Statistics (GFS) which include:

- the planned adoption in GFS of accrual accounting principles;
- changes to the 'headline' deficit measures used in GFS;
- changes in the treatment of central borrowing authorities and universities;
- extension of the scope of GFS to include public financial enterprises;
- the harmonisation of GFS with the whole of government accounts; and
- joint collection of data by the ABS and the Commonwealth Grants Commission.

FORTHCOMING CHANGES

In the next issue of *Government Finance Statistics, Australia* (5512.0), due out in April 1998, net advances (covering loans and repayments of loans made for policy purposes and purchases/sales of equity) will be reclassified from capital outlays to financing transactions. This change will remove the necessity to calculate the deficit adjusted for net advances and will provide a more useful measure of total outlays.

In order to provide a more complete view of government activity the ABS intends to extend the scope of GFS statistics to include public financial enterprises (PFEs). This will bring into coverage of GFS a number of PFEs which carry out government social policies (e.g. home and rural finance schemes) as well as the Reserve Bank and State and Territory central borrowing authorities (CBAs). The reclassification of CBAs from the general government sector to the public financial sector will be made at the same time as inclusion of PFEs in GFS. This change will be implemented in the 1998-99 issue of *Government Financial Estimates, Australia* (5501.0). More information on changes to Government Finance Statistics is provided in the *Information Paper: Developments in Government Finance Statistics* (5516.0).

SYMBOLS AND OTHER
USAGES

Where figures have been rounded, discrepancies may occur between sums of the component items and totals.

AAS 31	Australian Accounting Standard 31, Financial Reporting by Government
ABS	Australian Bureau of Statistics
ETF	Economic Transactions Framework
GDP	Gross Domestic Product
GFS	Government Finance Statistics
GPC	Government Purpose Classification
IMF	International Monetary Fund
INST	Institutional Sector
PFE	Public Financial Enterprises
PTE	Public Trading Enterprises
SNA	A System of National Accounts
n.a.	not available
—	nil or less than half the final digit shown

INQUIRIES

For further information about statistics in this publication and related unpublished statistics, contact Graeme Richards on Canberra (02) 6252 5069 or Frances Pollard on Canberra (02) 6252 5834 or any ABS State Office.

For information about other ABS statistics and services, please refer to the back of this publication.

W. McLennan
Australian Statistician

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ANALYSIS OF RESULTS

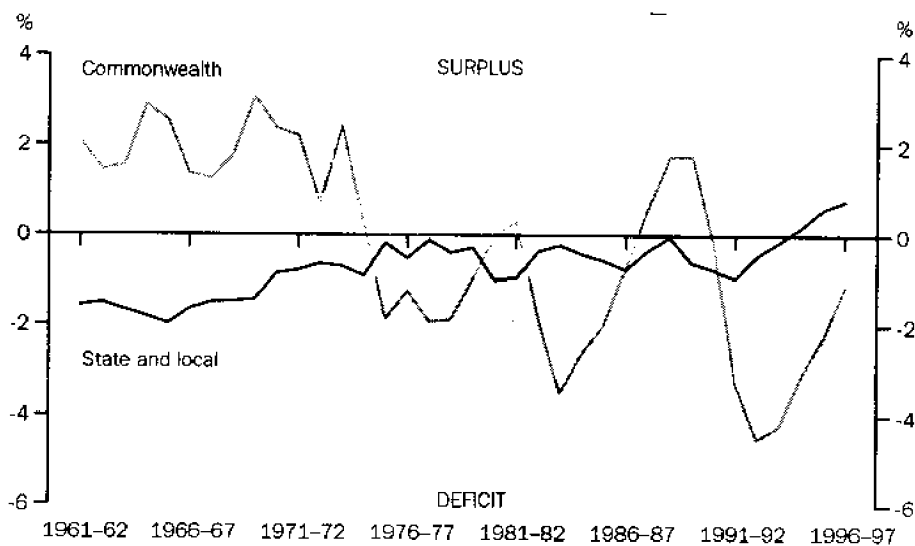
DEFICIT/SURPLUS

The deficit adjusted for net advances (hereafter referred to as the adjusted deficit) for all levels of government combined is expected to rise from \$403 million in 1996-97 to \$4,688 million in 1997-98. This increase reflects an expected rise of \$2,116 million in the general government sector deficit from \$2,056 million in 1996-97 to \$4,172 million in 1997-98 and a change in the public trading enterprise sector from a surplus of \$1,646 million in 1996-97 to a deficit of \$495 million in 1997-98.

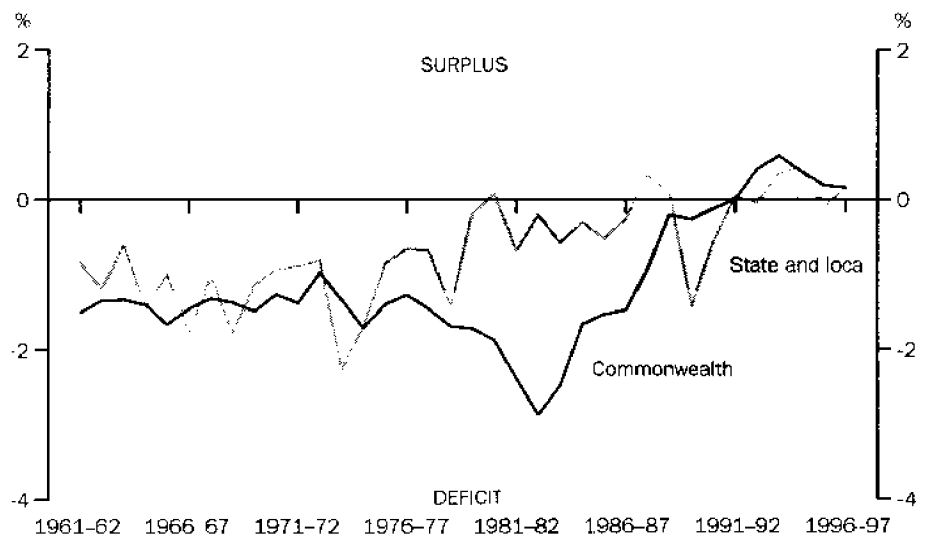
The increase in the expected total adjusted deficit for 1997-98 is due to the combined effect of the decrease in the adjusted surplus for State, Territory and local governments from \$4,787 million in 1996-97 to \$210 million in 1997-98 offset by a small decrease in the Commonwealth adjusted deficit from \$4,994 million to \$4,732 million.

The adjusted deficit for all levels of government combined was 0.1% of Gross Domestic Product (GDP) in 1996-97.

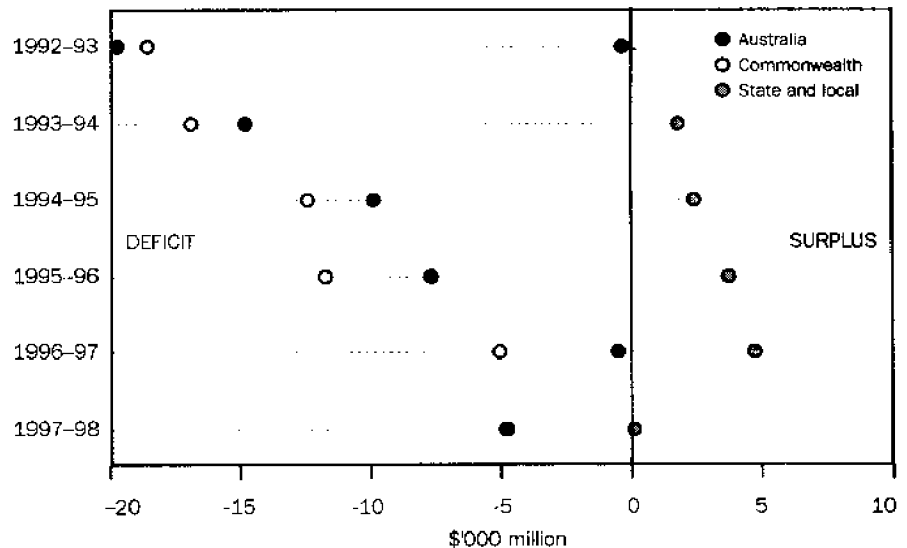
GENERAL GOVERNMENT ADJUSTED DEFICIT/SURPLUS AS A PERCENTAGE OF GDP



PUBLIC TRADING ENTERPRISES ADJUSTED DEFICIT/SURPLUS AS A PROPORTION OF GDP



ADJUSTED DEFICIT/SURPLUS BY LEVEL OF GOVERNMENT



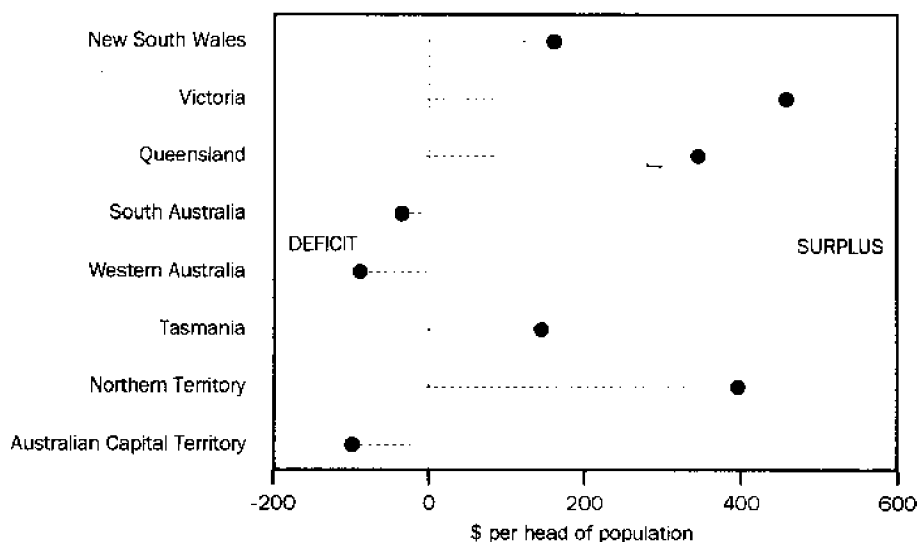
Note: Where values are the same or very close only one 'dot' appears in the graph.

The Commonwealth Government adjusted deficit is expected to decrease from \$4,994 million in 1996-97 to \$4,732 million in 1997-98, reflecting falls in the general government adjusted deficit from \$5,828 million to \$4,246 million offset by a change from a public trading enterprises adjusted surplus of \$835 million in 1996-97 to \$523 million adjusted deficit in 1997-98. The expected decrease in the adjusted deficit for the Commonwealth Government is due to lower growth in expenditure relative to revenue. Total revenue for the Commonwealth is expected to increase 3.0% and total outlays are expected to fall by 2.5%.

The adjusted surplus for combined State, Territory and local governments is expected to fall from \$4,787 million in 1996-97 to \$210 million in 1997-98. This estimated fall reflects a drop in the general government sector adjusted surplus from \$3,971 million in 1996-97 to \$241 million in 1997-98, due mainly to higher growth in expenditure (up 8.7%) relative to revenue (down 0.3%). The expected decrease in revenue is mainly due to a 10.2% fall in interest received, lower than expected growth in taxation (up 2.4%) and the effect of State fiscal contributions reducing the rate of increase in grants received from the Commonwealth (up 1.2%). The adjusted surplus for the public trading enterprise sector is expected to fall from \$811 million 1996-97 to \$28 million mainly due to falls in interest and capital grants received.

The graph below provides a comparison of adjusted deficit/surplus per head of population for each State and Territory for 1996-97.

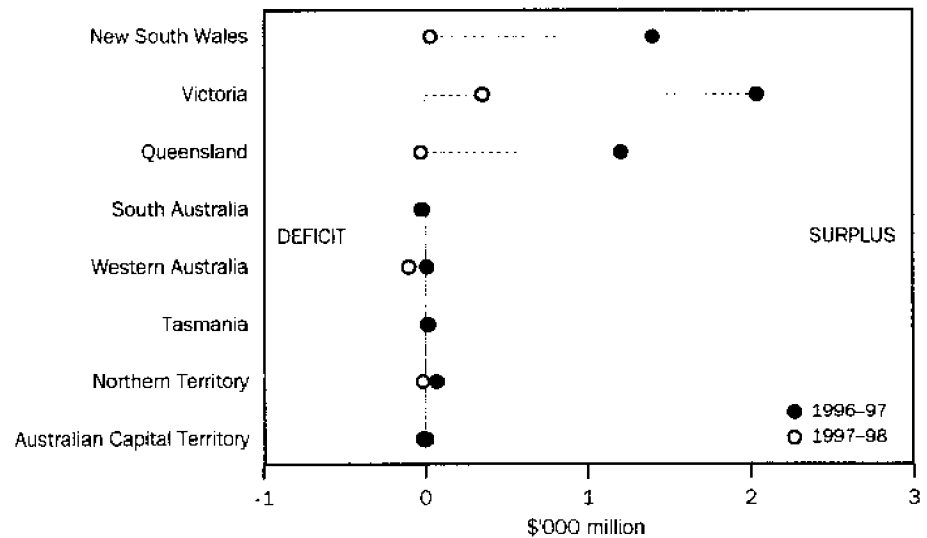
STATE AND TERRITORY GOVERNMENT ADJUSTED DEFICIT/SURPLUS 1996-97(a)



(a) Based on 31 December population figures published in Australian Demographic Statistics, March Quarter 1997 (3101.0).

The following graph shows the expected change in the adjusted deficit between 1996-97 and 1997-98.

STATE, TERRITORY AND LOCAL GOVERNMENT ADJUSTED DEFICIT/SURPLUS



Note: One black dot denotes the same or very close values for 1996-97 and 1997-98.

OUTLAYS

Total outlays for all levels of government combined are expected to rise 4.6% from \$182,305 million in 1996-97 to \$190,726 million in 1997-98.

Current outlays

Current outlays for all levels of government combined are expected to rise 3.6% from \$172,773 million in 1996-97 to \$179,079 million in 1997-98. General government current outlays are expected to increase 3.0% from \$168,756 million in 1996-97 to \$173,898 million in 1997-98. Public trading enterprises current outlays are expected to fall by 3.9% from \$12,337 million in 1996-97 to \$11,851 million in 1997-98, due to reductions in income transferred to general government and interest payments (\$1,437 million and \$287 million respectively). These expected reductions more than offset the \$1,239 million increase in other transfer payments in the general government sector.

Commonwealth general government current outlays are expected to rise 2.4% from \$131,782 million in 1996-97 to \$134,895 million in 1997-98 and State, Territory and local general government by 3.3% from \$66,730 million in 1996-97 to \$68,903 million in 1997-98.

Capital outlays

Capital outlays for all levels of government combined are expected to rise 22.2% from \$9,532 million in 1996-97 to \$11,647 million in 1997-98. The low capital outlays figure in 1996-97 is due to equity asset sales in that year which amounted to \$10,127 million. This is expected to fall marginally to \$9,854 million in 1997-98.

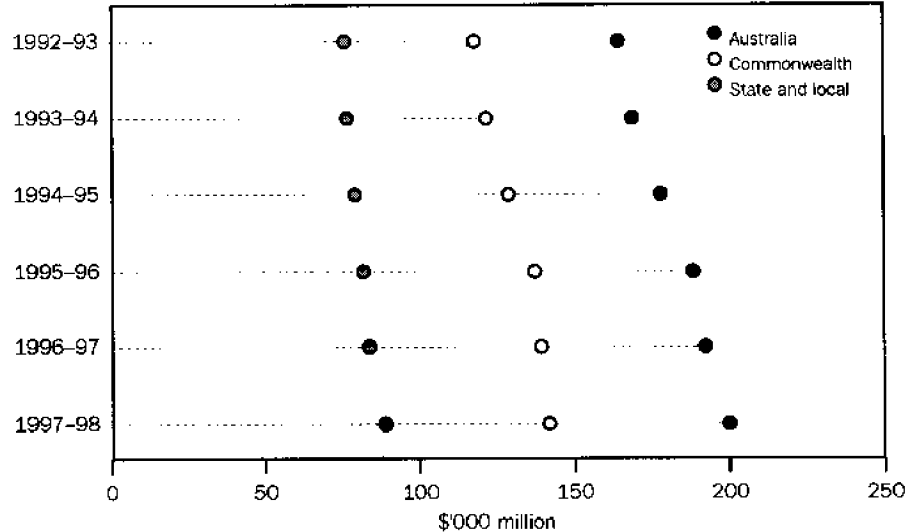
Capital outlays continued

Sales of equity assets are included as negative outlays (in the net advances paid category) resulting in substantially reduced capital outlays in 1995-96, 1996-97 and 1997-98. For this reason, the following analysis focuses on outlays adjusted to exclude net advances paid (hereafter referred to as adjusted outlays). Adjusted capital outlays are expected to rise 9.4% from \$19,659 million in 1996-97 to \$21,501 million in 1997-98.

Commonwealth Government adjusted capital outlays are expected to fall 22.0% from \$7,777 million in 1996-97 to \$6,069 million in 1997-98. This decrease reflects an expected drop in the general government sector from \$4,243 million in 1996-97 to \$1,844 million in 1997-98, mainly due to sales of second-hand assets, offset by an increase in the public trading enterprises sector from \$3,866 million 1996-97 to \$4,262 million 1997-98.

State, Territory and local government adjusted capital outlays are expected to increase 22.4% from \$14,053 million in 1996-97 to \$17,203 million in 1997-98. This increase reflects a rise in adjusted outlays in the general government sector from \$10,242 million in 1996-97 to \$11,827 million in 1997-98, plus a 26.2% increase in the public trading enterprises sector from \$5,468 million in 1996-97 to \$6,900 million in 1997-98.

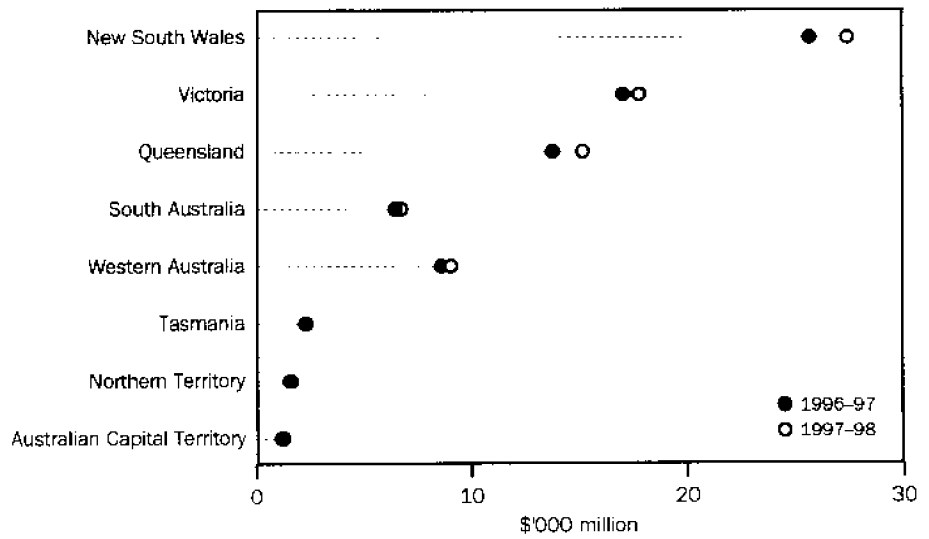
ADJUSTED OUTLAYS BY LEVEL OF GOVERNMENT



Note: Outlays are not additive across sectors.

During 1997-98 adjusted capital outlays are expected to rise in all States and Territories except the Australian Capital Territory.

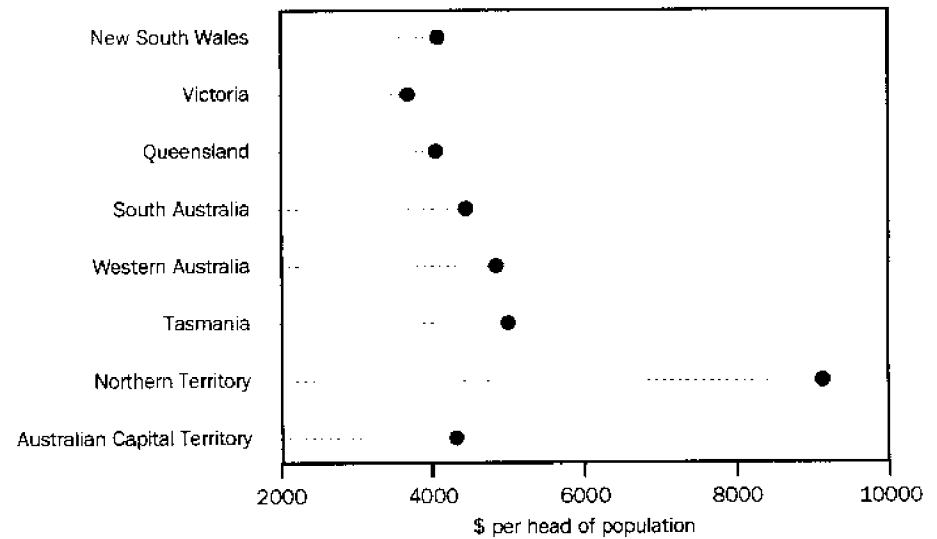
ADJUSTED OUTLAYS FOR STATE AND TERRITORY GOVERNMENTS



Note: One black dot denotes the same or very close values for 1996-97 and 1997-98.

A comparison of State and Territory adjusted outlays per head of population for 1996-97 is provided in the following graph. High outlays relative to the population size in the Northern Territory are the result of higher government costs involved in providing services.

ADJUSTED OUTLAYS FOR STATE AND TERRITORY GOVERNMENTS(a)

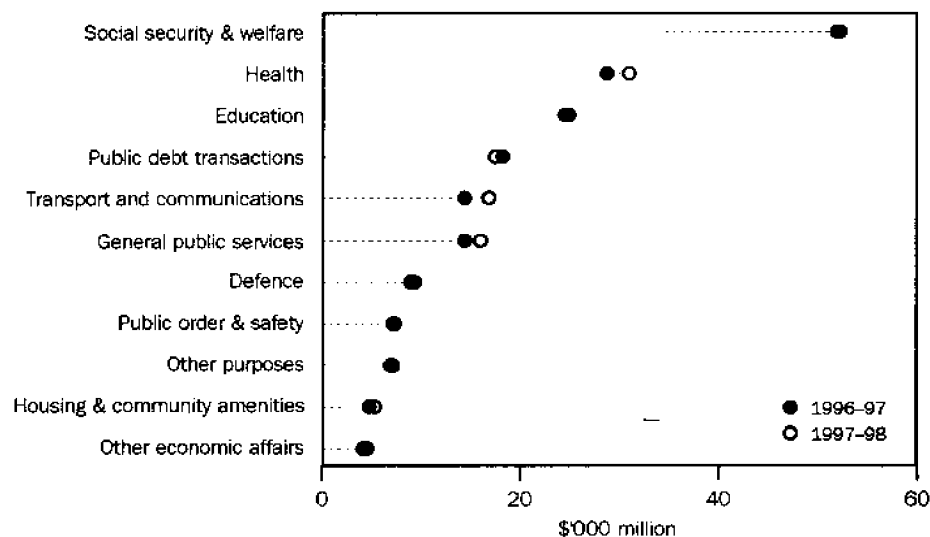


(a) Based on 31 December population figures published in Australian Demographic Statistics, March Quarter 1997 (3101.0).

Outlays by purpose

The graph below shows the main purposes served by government adjusted outlays for 1996–97 and 1997–98. For all levels of government combined, expenditure on health is expected to rise by \$2,390 million (8.3%) from \$28,898 million in 1996–97 to \$31,288 million in 1997–98 and to account for 15.6% of total adjusted outlays. Social security and welfare is expected to increase by 0.2% from \$52,217 million in 1996–97 to \$52,306 million in 1997–98 and to account for 26.1% of total adjusted outlays compared to 27.1% in 1996–97.

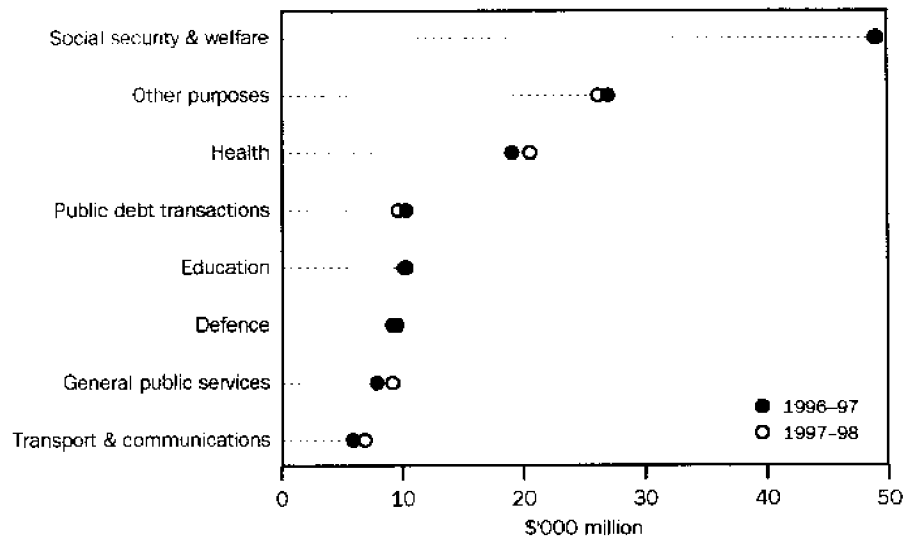
AUSTRALIA: ADJUSTED OUTLAYS BY PURPOSE



Note: One black dot denotes the same or very close values for 1996–97 and 1997–98.

Commonwealth adjusted outlays on social security and welfare are expected to fall by 0.4% from \$49,235 million 1996–97 to \$49,054 million in 1997–98 accounting for 34.4% of total Commonwealth adjusted outlays in 1997–98. Adjusted outlays on health are expected to rise 7.4% and to account for 14.5% of the total. Education adjusted outlays are expected to rise by 2.3% from \$10,812 million in 1996–97 to \$11,060 million in 1997–98 and to constitute 7.7% of total adjusted outlays.

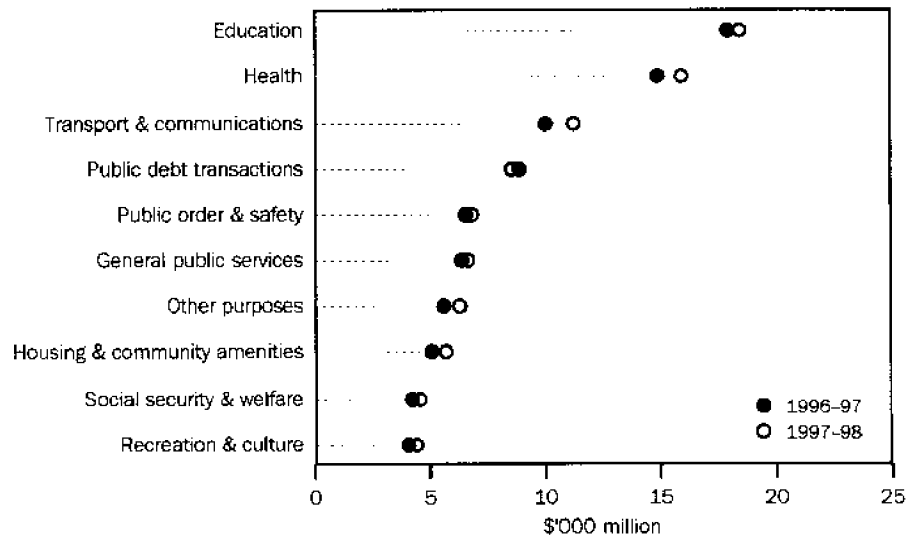
COMMONWEALTH GOVERNMENT: ADJUSTED OUTLAYS BY PURPOSE



Note: Includes specific purpose grants to State and local governments. One black dot denotes the same or very close values for 1996-97 and 1997-98.

State, Territory and local government adjusted outlays on education are expected to rise 2.7% from \$18,029 million in 1996-97 to \$18,508 million in 1997-98 and are expected to account for 20.7% of all State, Territory and local government adjusted outlays. Outlays on health are expected to rise 7.2% from \$14,957 million in 1996-97 to \$16,039 million in 1997-98 and to account for 17.9% of total adjusted outlays.

STATE AND LOCAL GOVERNMENT: ADJUSTED OUTLAYS BY PURPOSE



Note: One black dot denotes the same or very close values for 1996-97 and 1997-98.

General government own purpose outlays

General government outlays presented in the main tables of this publication for the Commonwealth Government and State and Territory Governments include payments made to or on behalf of other governments and public trading enterprises. A measure of own purpose outlays by general government sectors can be obtained by netting off payments to, or on behalf of, public trading enterprises or other governments from total outlays. Data for own purpose outlays from 1992-93 to 1997-98 are derived for Commonwealth and State and Territory general governments in the table below. Own purpose outlays exclude outlays which are carried out for, or on behalf of, other sectors. The outlays excluded are:

- current and capital grants paid to other governments;
- net advances paid to other governments;
- subsidies paid to public trading enterprises;
- capital grants paid to public trading enterprises;
- net advances paid to public trading enterprises;
- interest paid on borrowing undertaken on behalf of other governments; and
- interest paid on borrowing undertaken on behalf of public trading enterprises.

However, since interest paid on borrowing undertaken on behalf of other governments and public trading enterprises is not available directly, interest received on advances to them is used as a proxy measure.

OWN PURPOSE GENERAL GOVERNMENT OUTLAYS

Sector	1992-93		1993-94		1994-95		Actual	Preliminary	Estimate
	\$m	\$m	\$m	\$m	\$m	\$m	1995-96	1996-97	1997-98
Commonwealth	77 252	81 578	88 660	95 155	95 388	90 471			
State and Territory									
New South Wales(a)	17 521	19 511	19 743	12 821	21 630	23 095			
Victoria	13 492	11 824	13 678	14 355	14 715	15 002			
Queensland	8 546	8 610	8 676	10 022	10 872	11 804			
South Australia	5 432	5 340	5 583	4 782	5 518	5 766			
Western Australia	5 290	5 465	5 445	5 196	6 225	6 705			
Tasmania	1 713	1 642	1 869	1 884	1 965	1 984			
Northern Territory	1 307	1 303	1 376	1 459	1 544	1 580			
Australian Capital Territory	1 079	1 058	1 112	1 104	1 218	1 204			
<i>Total</i>	54 257	54 420	57 247	51 449	63 512	67 041			

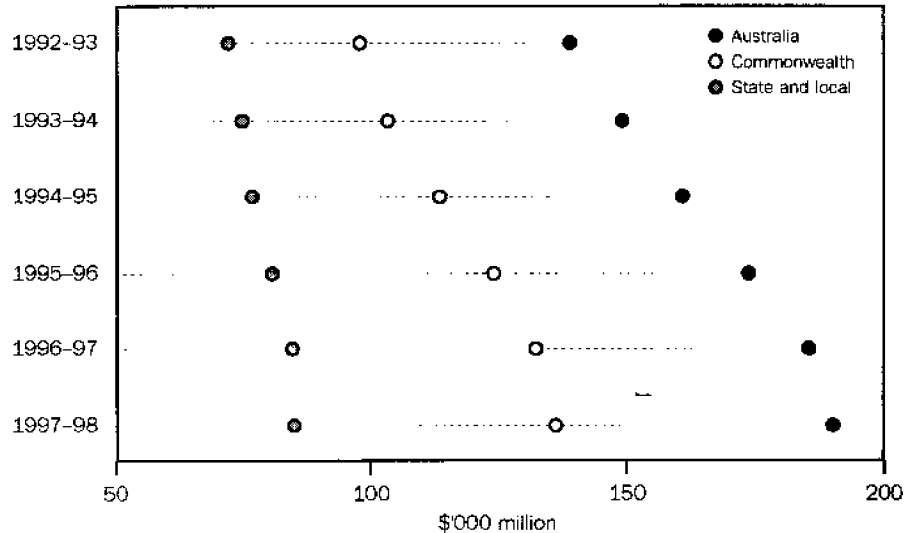
(a) The lower value in 1995-96 is due to the effect of the transfer of roads from the State government sector to the local government sector. This transfer resulted in an increase of \$8,021 million in grants to the local government sector (these are excluded from the table) and a corresponding increase in sales of land and second-hand fixed assets, which are included.

REVENUE

Total government revenue for Australia is expected to increase 2.4% from \$185,609 million in 1996-97 to \$190,119 million in 1997-98, reflecting a 1.1% increase in general government revenue from \$180,753 million to \$182,761 million offset by a 0.7% fall in public trading enterprise revenue from \$15,714 million in 1996-97 to \$15,602 million in 1997-98.

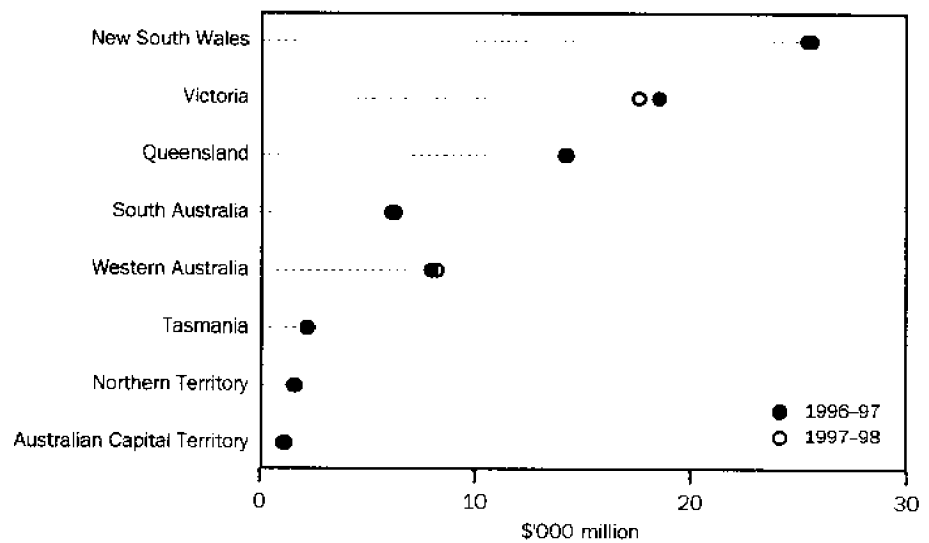
Note: General government and public trading enterprise revenues cannot be summed because transfers between the two sectors are eliminated on consolidation.

REVENUE BY LEVEL OF GOVERNMENT



Commonwealth government revenue is expected to rise 3.0% from \$132,508 million in 1996-97 to \$136,546 million in 1997-98 reflecting a 1.9% increase in general government revenue from \$131,163 million in 1996-97 to \$133,699 million in 1997-98. Revenue from public trading enterprises is also expected to rise by \$758 million from \$4,440 million in 1996-97 to \$5,198 million in 1997-98.

STATE AND TERRITORY GOVERNMENT REVENUE

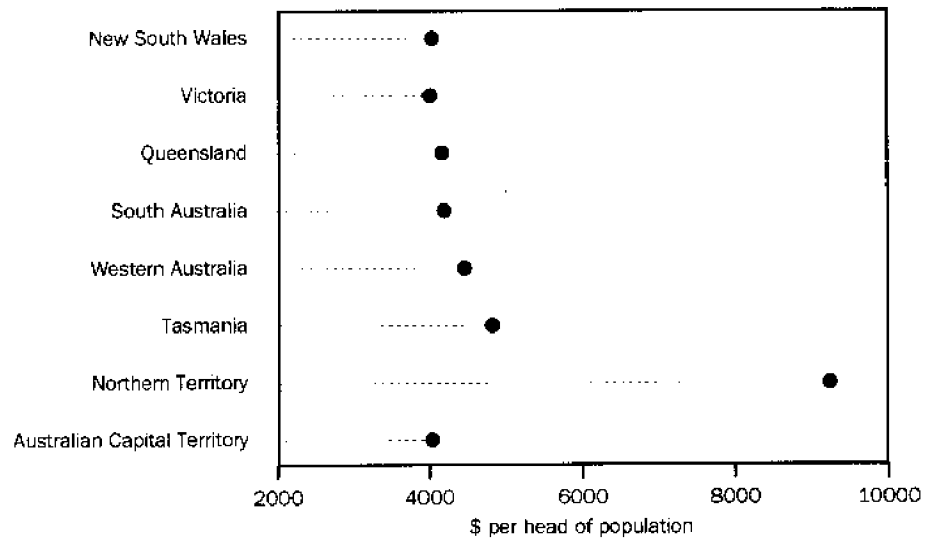


Note: One black dot denotes the same or very close values for 1996-97 and 1997-98.

New South Wales, Queensland, South Australia and Western Australia are expecting small increases in revenue from 1996-97 to 1997-98, while all other State and Territory Governments are forecasting falls in revenue. The forecast drop for 1997-98 for Victoria is due to the inclusion in 1996-97 of the receipt of a \$556 million grant from the Commonwealth to compensate for the loss of revenue due to the introduction of the Petroleum Resource Rent Tax regime. The continuation of lower interest rates is expected to result in reduced interest revenue during 1997-98 for all State and Territory governments.

The following graph shows revenue and grants per head of population for 1996-97 for each State and Territory Government. The high revenue relative to the population of the Northern Territory is due to Commonwealth Government grants to cover the higher cost of providing government services in the Territory.

STATE AND TERRITORY GOVERNMENT REVENUE, 1996-97(a)



(a) Based on 31 December population figures published in Australian Demographic Statistics, March Quarter 1997 (31.01.0).

NET ASSET SALES AND ADVANCES

Over recent years, governments have been rationalising their holdings of assets such as land, buildings, equipment and equity held in public trading and financial enterprises. Some governments have also provided capital support in the form of cash injections to their financial enterprises.

In government finance statistics, the gross proceeds from the sale of such assets are offset against outlays, which initially results in lower outlays and a lower deficit.

The ultimate impact on the deficit depends on the actual disposition of the proceeds — deficits in later years may be increased if productive assets have been sold and the proceeds used to finance current outlays.

Conversely, injections of cash to increase government equity in an enterprise will increase the deficit in the current period but may result in revenue flows (e.g. dividends, taxes or tax equivalents, etc.) which will reduce the deficit in later periods.

The following tables set out net asset sales or acquisitions for the general government and public trading enterprises sectors in each jurisdiction for the period 1992-93 to 1996-97, and expected net asset sales or acquisitions for 1997-98. Net asset sales are shown under three categories:

- sales of second-hand fixed assets;
- sales of land and intangible assets; and
- net advances repaid (i.e. sales of equity, repayment of advances less government policy lending).

NET ASSET SALES AND ADVANCES *continued*

The first two categories include the normal activity of disposal of surplus government assets. These estimates can also be used to assess whether major sales of physical assets and land and intangible assets have occurred in a period. The third category covers major equity sales or capital injections and redemptions of State debt to the Commonwealth Government. This can substantially impact on capital outlays (and the deficit/surplus) in the period in which they occur and can have significant effects on government revenue in later periods.

The estimates of net advances repaid in these tables have been used to adjust the deficit/surplus for the Commonwealth Government and State and Territory Governments. The deficit adjusted for net advances can be used to provide a guide to the size and movement of the structural deficit for each jurisdiction.

GENERAL GOVERNMENT NET RECEIPTS FROM ASSET SALES AND ADVANCES

Sector				Actual	Preliminary	Estimate
	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
	\$m	\$m	\$m	\$m	\$m	\$m
Commonwealth						
Second-hand fixed assets	184	428	504	397	407	1 463
Land and intangible assets	15	201	80	30	-39	666
Net advances repaid	2 504	3 409	1 479	5 187	7 240	10 194
<i>Total</i>	2 703	4 038	2 063	5 614	7 608	12 323
Total State and Territory						
Second-hand fixed assets	502	409	217	6 931	976	976
Land and intangible assets	357	433	487	2 054	68	321
Net advances repaid	1 282	2 703	1 801	7 368	4 244	1 348
<i>Total</i>	2 141	3 545	2 505	16 353	5 288	2 645
New South Wales						
Second-hand fixed assets	238	30	-47	6 363	300	343
Land and intangible assets	136	-35	393	1 829	-62	89
Net advances repaid	1 398	332	524	1 679	624	247
<i>Total</i>	1 772	327	870	9 871	862	679
Victoria						
Second-hand fixed assets	45	31	16	59	111	105
Land and intangible assets	31	275	54	30	11	-55
Net advances repaid	268	1 584	361	3 678	2 766	47
<i>Total</i>	344	1 890	431	3 767	2 888	97
Queensland						
Second-hand fixed assets	71	132	161	156	197	239
Land and intangible assets	121	83	53	159	47	115
Net advances repaid	123	32	320	-128	-170	687
<i>Total</i>	315	247	534	187	74	1 041
South Australia						
Second-hand fixed assets	68	96	15	130	85	85
Land and intangible assets	-27	5	-53	-10	-3	4
Net advances repaid	-601	411	456	1 036	732	116
<i>Total</i>	-560	512	418	1 156	814	205
Western Australia						
Second-hand fixed assets	44	74	19	138	209	139
Land and intangible assets	22	55	5	7	35	137
Net advances repaid	22	112	22	1 024	194	63
<i>Total</i>	88	241	46	1 169	438	339
Tasmania						
Second-hand fixed assets	9	35	37	41	50	46
Land and intangible assets	-3	-4	-3	-2	-3	—
Net advances repaid	31	183	100	63	87	46
<i>Total</i>	37	214	134	102	134	92
Northern Territory						
Second-hand fixed assets	28	10	14	18	19	19
Land and intangible assets	4	5	9	13	13	8
Net advances repaid	30	36	3	3	2	29
<i>Total</i>	62	51	26	34	34	56
Australian Capital Territory						
Second-hand fixed assets	—	2	2	27	3	—
Land and intangible assets	73	49	28	28	32	24
Net advances repaid	11	14	14	12	9	114
<i>Total</i>	84	65	44	67	44	138
Total Australia						
Second-hand fixed assets	1 012	1 159	1 128	1 641	1 926	2 976
Land and intangible assets	292	568	438	237	-20	959
Net advances repaid	1 091	4 801	1 246	8 949	10 465	10 637
<i>Total</i>	2 395	6 528	2 812	10 827	12 371	14 572

PUBLIC TRADING ENTERPRISES NET RECEIPTS FROM ASSET SALES AND ADVANCES

Sector	1992-93		1993-94		1994-95		Actual	Preliminary	Estimate
	\$m	\$m	\$m	\$m	\$m	\$m	1995-96	1996-97	1997-98
Commonwealth									
Second-hand fixed assets	304	413	262	149	270	287			
Land and intangible assets	-14	51	16	-28	86	1			
Net advances repaid	2	3	—	—	—	—			
<i>Total</i>	292	467	278	121	356	288			
Total State and Territory									
Second-hand fixed assets	1 188	1 378	578	886	2 099	732			
Land and intangible assets	-54	271	208	118	-722	390			
Net advances repaid	44	-257	68	10 002	6 953	146			
<i>Total</i>	1 178	1 392	854	11 006	8 330	1 268			
New South Wales									
Second-hand fixed assets	113	149	199	192	405	248			
Land and intangible assets	-11	152	70	105	165	302			
Net advances repaid	2	1	—	—	—	—			
<i>Total</i>	104	302	269	297	570	550			
Victoria									
Second-hand fixed assets	957	209	-74	142	1 301	72			
Land and intangible assets(a)	-1	49	61	39	-935	25			
Net advances repaid	-79	-359	130	9 949	6 913	111			
<i>Total</i>	877	-101	117	10 130	7 279	208			
Queensland									
Second-hand fixed assets	-44	745	49	88	34	50			
Land and intangible assets	-45	14	-23	-23	16	28			
Net advances repaid	109	88	-62	33	40	30			
<i>Total</i>	20	847	-36	98	90	108			
South Australia									
Second-hand fixed assets	75	118	189	192	112	128			
Land and intangible assets	3	3	42	10	4	-5			
Net advances repaid	6	11	-16	-6	3	6			
<i>Total</i>	84	132	215	196	119	129			
Western Australia									
Second-hand fixed assets	54	104	180	246	179	173			
Land and intangible assets	3	61	58	-15	27	41			
Net advances repaid	—	-5	18	29	7	—			
<i>Total</i>	57	160	256	260	213	214			
Tasmania									
Second-hand fixed assets	-1	24	3	1	5	-2			
Land and intangible assets	1	2	2	2	1	-2			
Net advances repaid	6	4	5	2	1	—			
<i>Total</i>	6	30	10	5	7	-4			
Northern Territory									
Second-hand fixed assets	21	14	9	10	33	9			
Land and intangible assets	-2	—	—	—	—	—			
Net advances repaid	-4	-2	-6	—	-3	1			
<i>Total</i>	15	12	3	10	30	10			
Australian Capital Territory									
Second-hand fixed assets	12	15	22	15	31	53			
Land and intangible assets	-1	-10	-1	—	—	—			
Net advances repaid	5	4	-2	-5	-8	-3			
<i>Total</i>	16	9	19	10	23	50			
Total Australia									
Second-hand fixed assets	1 521	1 795	850	1 048	2 382	1 033			
Land and intangible assets	-72	320	224	90	-637	390			
Net advances repaid	49	-254	68	10 002	6 953	146			
<i>Total</i>	1 498	1 861	1 142	11 140	8 698	1 569			

(a) The large value in 1996-97 relates to the purchase of 'take or pay' contracts by SECV from Edison Mission Energy (EME), following the purchase by EME of a 49% share in Loy Yang B. The purchase of these contracts for \$1,000 million was part of the complex sale agreement.

INTEREST TRANSACTIONS

The convention in government finance statistics is to record interest flows on a gross rather than a net basis except for interest relating to borrowing by central borrowing authorities on behalf of public trading enterprises. Thus, interest payments and interest received are reported as separate flows.

The reporting of interest on a gross basis provides more information than on a net basis alone, as the latter may conceal significant movements in the component flows. However, there are occasions when use of a net figure may be more appropriate, especially where different administrative or funding arrangements between governments hinder comparison of results.

Net interest paid can be derived from the gross flows presented in these statistics. Net interest paid may be considered a more appropriate measure of the overall cost of servicing debt. Net interest paid for Commonwealth and State and Territory government, expressed as a percentage of revenue (which incorporates only the net operating surpluses of public trading enterprises (PTEs)) and grants, is presented in the following table.

NET INTEREST PAID AS A PERCENTAGE OF REVENUE AND GRANTS(a)

Sector	1992-93		1993-94		1994-95		Actual	Preliminary	Estimate
	%	%	%	%	%	%	1995-96	1996-97	1997-98
Commonwealth Government(b)	5.0	6.1	6.8			7.0	7.0		6.5
State and Territory Governments(b)									
New South Wales	10.8	11.4	8.7			8.1	6.2		7.4
Victoria	22.5	20.2	18.4			16.3	10.6		9.1
Queensland	2.4	0.5	-0.1			-1.9	-3.6		-1.5
South Australia	14.7	13.7	16.2			14.8	13.8		13.0
Western Australia	15.9	13.3	11.8			10.4	7.4		7.9
Tasmania	18.8	19.1	18.1			16.0	15.5		15.0
Northern Territory	12.8	12.6	10.5			8.7	6.9		8.5
Australian Capital Territory	0.7	1.3	1.1			1.4	1.3		2.2
Total State and Territory	13.3	12.3	10.8			9.3	6.5		6.9

(a) Net interest paid equals interest payments minus interest received; revenue excludes interest received for the purposes of this calculation only.

(b) Consolidation of general government and public trading enterprises.

OPERATION OF PUBLIC TRADING ENTERPRISES

The concept of net operating surplus published in government finance statistics measures the imputed contribution of PTEs to government revenue. The term 'net' denotes that the operating surplus (or deficit) is net of depreciation of fixed assets and amortisation of assets acquired under finance leases.

The following table provides an alternative presentation which deducts subsidies from net operating surplus to provide a measure which can be regarded as more indicative of the commercial viability of public trading enterprises.

OPERATION OF PUBLIC TRADING ENTERPRISES *continued*

This presentation differs from that published in issues before 1992-93 because net interest paid has not been included in the calculation. This is because net interest paid is affected by transfers of debt to general government which have occurred in some jurisdictions in recent years.

TRADING SURPLUS/DEFICIT OF COMMONWEALTH AND STATE/TERRITORY PUBLIC TRADING ENTERPRISES

Sector	1992-93		1993-94		1994-95		Actual	Preliminary	Estimate
	\$m	\$m	\$m	\$m	\$m	\$m	1995-96	1996-97	1997-98
Commonwealth	3 589	4 412	4 285			4 024		3 442	4 660
State and Territory									
New South Wales	1 141	1 346	915			594		1 289	770
Victoria	1 073	1 459	1 554			1 444		801	1 089
Queensland	1 217	1 352	1 218			1 164		907	1 276
South Australia	287	154	319			276		273	266
Western Australia	620	583	414			521		679	710
Tasmania	188	201	211			223		237	240
Northern Territory	-16	27	22			37		23	22
Australian Capital Territory	-24	-23	-11			5		-2	39
<i>Total State and Territory</i>	<i>4 487</i>	<i>5 099</i>	<i>4 641</i>			<i>4 264</i>		<i>4 208</i>	<i>4 411</i>

REDEMPTION OF STATE AND TERRITORY DEBT TO THE COMMONWEALTH

Following the 1990 Premiers' Conference and Loan Council meeting, the States and Territories agreed to progressively take over the responsibility for management of debt previously raised on their behalf by the Commonwealth. Under this arrangement, the States and Territories redeem their maturing debt by borrowing the replacement or roll-over debt on their own account. In 1995-96 Victoria and Queensland also brought forward repayment of their debt to the Commonwealth.

Commonwealth borrowings previously undertaken on behalf of the States were treated as Commonwealth outlays when advanced to the States thus raising the Commonwealth deficit (Deficit — see *Glossary* on page 90). As repayments of these advances are offset within outlays, repayment by States and Territories of their debt reduces Commonwealth outlays and its deficit. The effect of refinancing of State and Territory debt is included in the net advances paid by the Commonwealth (see table on *General Government Net Receipts from Asset Sales and Advances* on page 20) and has been excluded in calculating the adjusted deficit for the Commonwealth.

The following tables show refinancing of repayments to the Commonwealth from State and Territory Governments for the period 1992-93 to 1997-98.

REDEMPTION OF STATE AND TERRITORY DEBT TO THE COMMONWEALTH *continued*

REFINANCING OF DEBT— STATE AND TERRITORY GOVERNMENTS(a)

Sector	1992-93		1993-94		1994-95		Actual		Preliminary		Estimate	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
New South Wales	1 171	393	673	389	459	429						
Victoria	536	300	476	2 100	108	27						
Queensland	312	214	238	1 087	54	67						
South Australia	199	138	177	289	171	96						
Western Australia	199	123	221	109	31	119						
Tasmania	150	116	146	79	116	94						
Northern Territory	90	28	69	64	63	42						
Australian Capital Territory	16	9	17	11	11	12						
Total State and Territory	2 673	1 321	2 017	4 128	1 013	886						

(a) Based on figures published in Commonwealth Budget Paper No. 3, and on Department of Finance collection of 'Final Budget Outcome'.

FISCAL CONTRIBUTION BY STATES

It was agreed at the 1996 Premiers' Conference that the States would make payments to the Commonwealth in 1996-97 and the following two years to contribute to the Commonwealth government's deficit reduction programme. The following table shows the estimated contribution of each State and Territory government for the three years to 1998-99.

FISCAL CONTRIBUTION BY THE STATE AND TERRITORY GOVERNMENTS(a)

Sector	1996-97		1997-98		1998-99	
	\$m	\$m	\$m	\$m	\$m	\$m
New South Wales	209.7	216.3	101.3			
Victoria	153.9	158.2	73.9			
Queensland	113.4	118.8	56.1			
South Australia	49.6	51.1	23.8			
Western Australia	59.9	62.2	29.3			
Tasmania	15.9	8.1	15.7			
Northern Territory	6.2	6.3	3.0			
Australian Capital Territory	10.4	5.4	10.4			
Total	619.0	626.4	313.5			

(a) Based on figures published in table 16, Commonwealth Budget Paper No. 3, 1997-98.

GENERAL GOVERNMENT OUTPUT AS A PERCENTAGE OF GDP

Despite the fact that most goods and services provided by general government bodies are not normally sold, their output is still regarded as part of production. The output of government is valued at cost and comprises total final consumption expenditure (principally wages and salaries paid to the employees of general government bodies and the cost of purchased goods and services used) plus an allowance for the consumption of fixed capital.

The table below shows the cost of general government production for the Commonwealth Government, the State, Territory and local governments and all governments combined as a percentage of GDP.

GENERAL GOVERNMENT OUTPUT AS A PERCENTAGE OF GDP *continued*

GENERAL GOVERNMENT OUTPUT AS A PERCENTAGE OF GROSS DOMESTIC PRODUCT(a)

Sector	1992-93	1993-94	1994-95	Actual 1995-96	Preliminary 1996-97
	%	%	%	%	%
Commonwealth	6.0	5.9	5.8	5.7	5.3
State, Territory and local	12.1	11.9	11.6	11.7	11.6
<i>Total</i>	18.2	18.1	17.8	17.5	17.3

(a) GDP(E) and consumption of fixed capital figures used in the above calculations are from *National Income, Expenditure and Product, 1995-96* (5204.0) and *National Income, Expenditure and Product, June Quarter 1997* (5206.0).

RELIABILITY AND INTERPRETATION OF FORWARD ESTIMATES

The forward estimates of government finance statistics for 1997-98 presented in this publication are a useful guide to the likely outcome of the operations of the non-financial public sector for that year. However, in using the statistics it needs to be remembered that the forward estimates may differ from the record of actual transactions in 1997-98 that will be presented in the next and subsequent issues of this publication. The differences exist because:

- forward estimates generally exclude the effects of expenditure decisions made by governments after their budgets have been brought down; and
- forward estimates (by their nature) are a measure of expected revenue and outlays and, as such, are rarely precisely realised.

The table below compares forward estimates for 1996-97 included in the previous issue of this publication with the record of actual transactions in 1996-97 provided in this issue. It is not possible to isolate the contribution of each of the factors described above to the differences evident in the table. Nevertheless, the table illustrates the magnitude of the differences which can occur and serves to emphasise the need for caution when using the forward estimates.

RELATIONSHIP BETWEEN STATISTICS ON FORWARD ESTIMATES AND ACTUAL TRANSACTIONS, 1996-97

Sector	Current outlays			Capital outlays		
	Forward estimates(a)	Actual transactions	Change	Forward estimates(a)	Actual transactions	Change
	\$m	\$m	%	\$m	\$m	%
Commonwealth	134 337	132 138	-1.6	3 046	3 627	19.1
State and Territory						
New South Wales	23 260	22 029	-5.3	4 416	3 468	-21.5
Victoria(b)	16 465	15 221	-7.6	314	-4 988	-1 688.5
Queensland	11 602	10 656	-8.2	3 779	3 430	-9.2
South Australia	6 277	5 916	-5.8	479	470	-1.9
Western Australia	7 459	7 060	-5.3	1 443	1 675	16.1
Tasmania	2 250	2 143	-4.8	269	235	-12.6
Northern Territory	1 499	1 506	0.5	251	192	-23.5
Australian Capital Territory	1 216	1 218	0.2	87	136	56.3
Total	69 996	65 563	-6.3	11 038	4 617	-58.2
State, Territory and local	74 012	70 404	-4.9	13 462	7 093	-47.3
Commonwealth, State, Territory and local government	174 483	172 773	-1.0	14 771	9 532	-35.5
Sector	Revenue and grants received			Deficit adjusted for net advances		
	Forward estimates(a)	Actual transactions	Change	Forward estimates(a)	Actual transactions	
	\$m	\$m	%	\$m	\$m	
Commonwealth	132 357	132 508	0.1	8 305	4 995	
State and Territory						
New South Wales	25 813	25 419	-1.5	305	-1 031	
Victoria(b)	18 589	18 591	0.0	-37	-2 109	
Queensland	14 740	14 214	-3.6	-379	-1 178	
South Australia	6 730	6 229	-7.4	14	54	
Western Australia	8 458	8 029	-5.1	-28	160	
Tasmania	2 423	2 301	-5.0	-51	-71	
Northern Territory	1 718	1 718	0.0	-7	-74	
Australian Capital Territory	1 235	1 262	2.2	22	31	
Total	79 672	77 576	-2.6	-160	-4 217	
State, Territory and local	86 772	85 236	-1.8	-965	-4 787	
Commonwealth, State, Territory and local government	182 654	185 608	1.6	7 258	404	

(a) As published in the 1996-97 issue of this publication.

(b) A large proportion of equity asset sales in Victoria which actually occurred in 1996-97 were not included in the forward estimates.

<i>Economic transactions</i>	Actual					
	1992-93	1993-94	1994-95	1995-96	Preliminary 1996-97	Estimate 1997-98
	\$m	\$m	\$m	\$m	\$m	\$m
OUTLAYS						
Current						
Gross expenditure on goods and services	77 498	80 958	84 063	88 922	92 438	95 955
Less Sales of goods and services(a)	10 506	11 815	12 577	13 348	13 823	13 709
<i>Equals</i> Final consumption expenditure	66 991	69 143	71 485	75 574	78 616	82 246
Interest payments	11 478	12 895	14 354	15 437	14 445	13 885
Subsidies to public trading enterprises	2 890	2 909	2 589	2 502	3 313	3 154
Personal benefit payments	46 300	49 921	52 047	55 945	58 782	60 936
Other transfer payments	10 470	11 311	12 210	13 215	13 600	13 677
<i>Total</i>	138 130	146 180	152 685	162 673	168 756	173 898
Capital						
Expenditure on new fixed assets	10 450	10 238	10 591	11 150	11 867	13 454
Plus Expenditure on secondhand assets (net)(b)	-1 012	-1 159	-1 128	-1 641	-1 926	-2 976
<i>Equals</i> Gross fixed capital expenditure	9 438	9 079	9 464	9 509	9 941	10 478
Expenditure on land and intangible assets (net)(b)	-292	-568	-438	-237	20	-959
Grants to public trading enterprises	2 022	2 141	2 073	1 967	2 493	1 553
Grants to other sectors	645	609	483	515	623	720
Advances to public financial enterprises(b)	-267	-1 663	12	-302	-309	-246
Advances to public trading enterprises(b)	-81	-676	-175	-6 143	-7 059	-989
Advances to foreign governments and organisations(b)	170	150	138	266	219	177
Other advances(b)	-913	-2 612	-1 223	-2 770	-3 316	-9 579
Other	2	-2	-16	34	22	48
<i>Total</i>	10 723	6 459	10 318	2 839	2 634	1 204
Total	148 853	152 639	163 003	165 513	171 389	175 101
REVENUE						
Taxes, fees and fines	118 725	126 112	139 286	152 582	164 163	168 913
Interest received from public trading enterprises	1 046	938	889	627	513	485
Interest received from other enterprises	3 392	3 243	3 682	4 057	3 818	3 393
Other	7 103	9 632	8 079	10 259	12 259	9 971
<i>Total</i>	130 265	139 925	151 937	167 525	180 753	182 761
FINANCING AND DEFICIT MEASURES						
Borrowing (net)	23 638	19 495	12 890	-5 412	-9 418	-4 549
Increase in provisions (net)	-1 333	-1 198	-1 118	-1 042	-954	-1 195
Other financing transactions (net)	-3 717	-5 583	-706	4 441	1 009	-1 915
<i>Total</i>	18 588	12 714	11 066	-2 012	-9 363	-7 660
Less Increase in provisions (net)	-1 333	-1 198	-1 118	-1 042	-954	-1 195
<i>Equals</i> Deficit	19 920	13 912	12 184	-970	-8 409	-6 465
Of which						
Current deficit	9 387	7 772	2 143	-3 283	-10 499	-6 907
Capital deficit	10 534	6 141	10 042	2 312	2 090	442
Less Advances	-1 091	-4 801	-1 248	-8 949	-10 465	-10 637
<i>Equals</i> Deficit adjusted for net advances	21 011	18 713	13 432	7 979	2 056	4 172

(a) This item provides an indication of the extent of government charges levied. The charges (excluding inter-agency charges) are offset against gross expenditure in calculating final consumption expenditure and mainly comprise sales to the private sector.

(b) See Net Asset Sales and Advances on page 18.

				<i>Actual</i>	<i>Preliminary</i>	<i>Estimate</i>
	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
<i>Economic transactions</i>	\$m	\$m	\$m	\$m	\$m	\$m
OUTLAYS						
Current						
Interest payments to general government	1 054	937	895	630	512	479
Interest payments to other enterprises	6 041	5 247	5 085	4 521	4 196	3 942
Income transferred to general government	1 918	3 403	3 560	5 251	6 650	5 213
Other transfer payments	1 672	1 460	1 329	1 735	978	2 217
<i>Total</i>	10 685	11 048	10 870	12 136	12 337	11 851
Capital						
Expenditure on new fixed assets	11 417	10 948	11 931	11 531	11 525	12 909
Plus Expenditure on second-hand assets (net)(a)	-1 521	-1 795	-850	-1 048	-2 382	-1 033
<i>Equals</i> Gross fixed capital expenditure	9 896	9 153	11 081	10 482	9 143	11 875
Expenditure on land and intangible assets (net)(a)	72	-320	-224	-90	637	-390
Grants to other levels of government	45	52	28	10	52	—
Grants to other sectors	38	45	59	56	—	85
Advances(a)	-49	254	-66	-10 003	-6 953	-146
Other	360	-588	-531	28	-499	-408
<i>Total</i>	10 363	8 596	10 346	483	2 380	11 016
Total	21 048	19 643	21 217	12 619	14 717	22 867
REVENUE						
Sales of goods and services	62 052	68 138	70 815	67 735	66 165	63 803
Plus Subsidies received	2 911	2 956	2 623	2 637	3 383	3 100
Less Operating expenditure	53 468	58 078	61 373	59 016	58 072	54 292
<i>Equals</i> Net operating surplus	11 495	13 016	12 065	11 357	11 476	12 611
Interest received	781	586	843	848	880	573
Grants received	2 063	2 177	2 100	1 977	2 517	1 568
Other	846	1 030	1 260	910	840	849
Total	15 185	16 810	16 269	15 092	15 714	15 602
FINANCING AND DEFICIT MEASURES						
Advances received (net)	-133	-674	-162	-6 135	-7 037	-971
Borrowing (net)	-429	-3 400	-3 368	-4 922	508	872
Increase in provisions for depreciation (net)	7 152	7 148	7 665	7 090	7 021	7 184
Other increase in provisions (net)	219	-544	1 037	842	582	-268
Other financing transactions (net)	-945	303	-225	653	-2 070	447
<i>Total</i>	5 863	2 833	4 948	-2 473	-997	7 265
Less Increase in provisions (net)	7 370	6 603	8 702	7 931	7 602	6 916
<i>Equals</i> Deficit	-1 508	-3 770	-3 755	-10 404	-8 599	349
Of which						
Current deficit	-9 088	-9 361	-10 972	-8 188	-7 793	-8 426
Capital deficit	7 581	5 591	7 217	-2 216	-806	8 774
Less Advances	-49	254	-66	-10 003	-6 953	-146
<i>Equals</i> Deficit adjusted for net advances	-1 459	-4 025	-3 686	-401	-1 646	495

(a) See Net Asset Sales and Advances on page 18.

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ALL AUSTRALIAN GOVERNMENTS AND UNIVERSITIES — Consolidated Government

				Actual	Preliminary	Estimate
	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
<i>Economic transactions</i>	\$m	\$m	\$m	\$m	\$m	\$m
OUTLAYS						
Current						
Gross expenditure on goods and services	77 498	80 958	84 063	88 922	92 438	95 955
Less Sales of goods and services	10 506	11 815	12 577	13 348	13 823	13 709
<i>Equals</i> Final consumption expenditure	66 991	69 143	71 485	75 574	78 616	82 246
Interest payments	17 461	18 381	19 494	19 896	18 602	17 780
Subsidies to public trading enterprises	2 890	2 909	2 589	2 502	3 313	3 154
Personal benefit payments	46 300	49 921	52 047	55 945	58 782	60 936
Other transfer payments	11 305	11 921	12 866	14 287	13 460	14 964
<i>Total</i>	144 948	152 276	158 481	168 203	172 773	179 079
Capital						
Expenditure on new fixed assets	21 867	21 186	22 522	22 681	23 391	26 363
<i>Plus</i> Expenditure on secondhand assets (net)	-2 534	-2 954	-1 978	-2 690	-4 308	-4 009
<i>Equals</i> Gross fixed capital expenditure	19 333	18 232	20 544	19 991	19 083	22 353
Expenditure on land and intangible assets (net)	-220	-888	-662	-327	656	-1 350
Grants to other sectors	683	654	541	571	623	805
Advances	-1 052	-3 870	-1 138	-12 803	-10 355	-9 802
Other	364	-590	-545	62	-475	-359
<i>Total</i>	19 108	13 538	18 740	7 494	9 532	11 647
Total	164 055	165 814	177 221	175 697	182 305	190 726
REVENUE						
Taxes, fees and fines	117 889	125 246	138 507	151 364	162 961	167 897
Net operating surplus of public trading enterprises	11 495	13 016	12 065	11 357	11 476	12 611
Interest received	4 115	4 069	4 581	4 843	4 656	3 918
Other	5 937	7 220	5 861	6 442	6 516	5 693
Total	139 434	149 551	161 014	174 005	185 609	190 119
FINANCING AND DEFICIT MEASURES						
Borrowing (net)	22 606	17 005	9 694	-9 852	-8 773	-3 669
Increase in provisions for depreciation	7 152	7 148	7 665	7 090	7 021	7 184
Other increase in provisions	-1 114	-1 743	-81	-200	-372	-1 463
Other financing transactions (net)	-4 022	-6 148	-1 071	4 654	-1 179	-1 445
<i>Total</i>	24 621	16 263	16 207	1 692	-3 304	607
Less Increase in provisions (net)	6 038	5 405	7 584	6 889	6 648	5 721
<i>Equals</i> Deficit	18 583	10 858	8 623	-5 197	-9 952	-5 114
Of which						
Current deficit	335	-1 589	-8 835	-11 452	-18 277	-15 327
Capital deficit	18 249	12 446	17 458	6 254	8 325	10 213
Less Advances	-1 052	-3 870	-1 138	-12 803	-10 355	-9 802
<i>Equals</i> Deficit adjusted for net advances	19 635	14 728	9 761	7 606	403	4 688

Outlays by purpose	1992-93		1993-94		1994-95		Actual	Preliminary	Estimate
	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98			
	\$m	\$m	\$m	\$m	\$m	\$m			
CURRENT									
General public services	11 687	12 755	12 772	13 377	13 965	16 217			
Defence	9 012	9 251	9 164	9 392	9 242	9 678			
Public order and safety	5 185	5 351	5 683	6 161	6 853	6 957			
Education	19 284	19 774	20 448	21 271	22 528	23 221			
Health	21 728	22 654	24 226	26 397	27 698	29 780			
Social security and welfare	40 716	44 109	45 751	48 927	51 879	52 052			
Housing and community amenities	1 696	1 681	2 007	2 218	2 654	2 645			
Recreation and culture	2 982	3 205	3 399	3 781	3 769	3 948			
Fuel and energy	896	797	1 112	1 562	1 222	1 237			
Agriculture, forestry and fishing	2 572	2 673	2 758	2 841	2 871	3 181			
Mining, manufacturing and construction	807	757	806	782	732	832			
Transport and communications	5 711	5 602	5 340	5 851	5 519	7 150			
Other economic affairs	4 683	4 571	4 838	5 176	4 470	4 213			
Other purposes	17 991	19 095	20 176	20 466	19 371	17 968			
Total	144 948	152 276	158 481	168 203	172 773	179 079			
CAPITAL									
General public services	1 811	1 330	1 207	-747	1 022	-52			
Defence	-2	-14	-17	2	73	7			
Public order and safety	456	414	500	533	528	737			
Education	2 431	2 330	2 279	2 486	2 678	2 447			
Health	947	990	973	949	1 200	1 509			
Social security and welfare	385	279	336	271	338	254			
Housing and community amenities	3 043	2 210	3 291	2 864	2 184	2 826			
Recreation and culture	1 035	729	19	1 043	1 500	1 679			
Fuel and energy	1 764	1 184	2 323	-8 779	-4 915	2 332			
Agriculture, forestry and fishing	800	-273	-707	288	-277	-217			
Mining, manufacturing and construction	-62	-62	-242	-10	-13	18			
Transport and communications	7 503	6 171	8 876	8 091	8 876	1 629			
Other economic affairs	111	305	326	415	153	356			
Other purposes	-1 113	-2 055	-427	88	-3 813	-1 878			
Total	19 108	13 538	18 740	7 494	9 532	11 647			
TOTAL									
General public services	13 497	14 085	13 980	12 631	14 987	16 164			
Defence	9 010	9 237	9 147	9 394	9 314	9 685			
Public order and safety	5 641	5 765	6 183	6 694	7 381	7 694			
Education	21 715	22 104	22 727	23 757	25 206	25 668			
Health	22 674	23 644	25 199	27 347	28 898	31 288			
Social security and welfare	41 100	44 388	46 088	49 198	52 217	52 306			
Housing and community amenities	4 739	3 891	5 298	5 082	4 837	5 471			
Recreation and culture	4 017	3 934	3 418	4 824	5 269	5 627			
Fuel and energy	2 660	1 981	3 436	-7 217	-3 693	3 569			
Agriculture, forestry and fishing	3 372	2 400	2 051	3 129	2 594	2 965			
Mining, manufacturing and construction	745	695	564	773	719	849			
Transport and communications	13 213	11 773	14 216	13 942	14 395	8 779			
Other economic affairs	4 793	4 877	5 165	5 591	4 623	4 568			
Other purposes	16 878	17 040	19 750	20 554	15 558	16 090			
Total	164 055	165 814	177 221	175 697	182 305	190 726			

	Actual					
	1992-93	1993-94	1994-95	1995-96	Preliminary 1996-97	Estimate 1997-98
<i>Economic transactions</i>	\$m	\$m	\$m	\$m	\$m	\$m
OUTLAYS						
Current						
Gross expenditure on goods and services	47 805	49 769	51 698	55 011	58 167	59 974
Less Sales of goods and services(a)	6 891	7 652	8 245	8 558	8 784	8 673
<i>Equals</i> Final consumption expenditure	40 913	42 117	43 452	46 454	49 383	51 301
Interest payments	8 026	7 887	7 682	7 357	5 685	5 564
Subsidies to public trading enterprises	2 410	2 445	2 127	1 975	2 886	2 777
Other transfer payments	6 881	7 319	7 900	8 227	8 776	9 261
<i>Total</i>	58 230	59 769	61 161	64 012	66 730	68 903
Capital						
Expenditure on new fixed assets	8 534	8 027	8 436	8 939	9 864	11 379
Plus Expenditure on secondhand assets (net)(b)	-811	-707	-574	-1 204	-1 437	-1 441
<i>Equals</i> Gross fixed capital expenditure	7 723	7 320	7 862	7 734	8 427	9 938
Expenditure on land and intangible assets (net)(b)	-273	-375	-402	-203	-54	-296
Grants to public trading enterprises	1 992	2 113	1 976	1 961	1 609	1 516
Grants to other sectors	330	395	294	351	451	573
Advances to public financial enterprises(b)	-267	-1 693	-33	-302	-245	-185
Advances to public trading enterprises(b)	-99	-252	-178	-5 538	-3 999	-1 091
Other advances(b)	-901	-759	-1 571	-2 040	7	-51
Other	-6	21	22	32	36	35
<i>Total</i>	8 499	6 770	7 970	1 995	6 232	10 440
Total	66 729	68 539	69 132	66 007	72 962	79 343
REVENUE						
Taxes, fees and fines(c)	29 064	31 917	33 405	35 815	38 323	39 237
Interest received from public trading enterprises	718	650	721	494	428	406
Interest received from other enterprises	3 004	2 875	3 343	3 728	3 445	3 071
Grants received(d)	29 842	28 624	29 391	30 722	31 112	31 480
Other	3 556	4 577	4 824	6 005	7 850	6 707
Total	66 184	68 643	71 684	76 764	81 159	80 900
FINANCING AND DEFICIT MEASURES						
Advances received (net)	-2 717	-1 387	-2 003	-4 120	-941	-898
Borrowing (net)	8 166	4 561	181	-9 557	-9 118	712
Increase in provisions (net)	-3	-25	39	8	11	11
Other financing transactions (net)	-4 902	-5 253	-769	2 911	1 851	-1 382
<i>Total</i>	545	-2 104	-2 553	-10 757	-8 197	-1 557
Less Increase in provisions (net)	-3	-25	39	8	11	11
<i>Equals</i> Deficit	548	-2 079	-2 591	-10 765	-8 208	-1 568
Of which						
Current deficit	-2 819	-4 904	-7 292	-9 322	-11 534	-8 811
Capital deficit	3 367	2 825	4 701	-1 443	3 325	7 242
Less Advances	-1 267	-2 704	-1 782	-7 880	-4 237	-1 327
Equals Deficit adjusted for net advances	1 815	625	-809	-2 885	-3 971	-241

(a) This item provides an indication of the extent of government charges levied. The charges (excluding inter-agency charges) are offset against gross expenditure in calculating final consumption expenditure and mainly comprise sales to the private sector.

(b) See Net Asset Sales and Advances on page 18.

(c) This category includes 'safety net' taxes on an 'agency' basis. See Appendix on the treatment of Commonwealth 'safety net' taxes for details.

(d) Includes planned fiscal contributions by the States towards the Commonwealth deficit reduction program to the total value of \$619.0 million for 1996-97 and \$626.5 million for 1997-98. See Fiscal Contribution table by State and Territory Governments on page 24.

<i>Economic transactions</i>	Actual					
	1992-93	1993-94	1994-95	1995-96	Preliminary 1996-97	Estimate 1997-98
	\$m	\$m	\$m	\$m	\$m	\$m
OUTLAYS						
Current						
Interest payments to general government	726	648	727	497	425	400
Interest payments to other enterprises	4 260	3 659	3 579	3 575	3 308	3 118
Income transferred to general government	1 578	2 286	2 641	3 880	5 176	3 890
Other transfer payments	422	421	371	385	313	341
<i>Total</i>	6 986	7 013	7 319	8 336	9 221	7 749
Capital						
Expenditure on new fixed assets	7 378	7 591	7 600	7 112	6 767	7 913
Plus Expenditure on second-hand assets (net)(a)	-1 217	-1 382	-588	-899	-2 112	-746
<i>Equals</i> Gross fixed capital expenditure	6 161	6 208	7 012	6 212	4 655	7 167
Expenditure on land and intangible assets (net)(a)	58	-269	-208	-118	723	-389
Grants to other levels of government	45	52	28	10	52	—
Grants to other sectors	38	45	59	56	—	85
Advances to public financial enterprises(a)	121	399	77	-30	-163	-111
Other advances(a)	-168	-142	-143	-9 974	-6 791	-35
Other	55	-59	-143	72	38	38
<i>Total</i>	6 310	6 234	6 681	-3 772	-1 485	6 754
Total	13 296	13 247	14 000	4 565	7 736	14 504
REVENUE						
Sales of goods and services	37 279	40 963	42 555	42 969	39 796	38 891
Plus Subsidies received	2 442	2 488	2 156	2 134	3 014	2 782
Less Operating expenditure	32 285	35 316	37 399	38 273	35 145	34 041
<i>Equals</i> Net operating surplus	7 436	8 136	7 312	6 829	7 665	7 632
Interest received	510	356	488	559	624	394
Grants received	2 065	2 206	2 066	1 981	2 185	1 568
Other	824	996	1 207	877	802	811
Total	10 835	11 694	11 073	10 246	11 276	10 405
FINANCING AND DEFICIT MEASURES						
Advances received (net)	-152	-248	-168	-5 531	-3 973	-1 073
Borrowing (net)	-1 380	-2 104	-1 632	-4 596	-1 614	1 087
Increase in provisions for depreciation (net)	4 289	4 250	4 656	4 512	4 205	4 292
Other increase in provisions (net)	-155	-427	34	747	20	-20
Other financing transactions (net)	-141	83	37	-813	-2 178	-188
<i>Total</i>	2 461	1 554	2 927	-5 681	-3 540	4 099
Less Increase in provisions (net)	4 133	3 823	4 691	5 259	4 224	4 273
<i>Equals</i> Deficit	-1 672	-2 269	-1 764	-10 940	-7 764	-174
Of which						
Current deficit	-5 198	-5 470	-5 349	-4 467	-3 425	-4 687
Capital deficit	3 526	3 200	3 586	-6 474	-4 339	4 513
Less Advances	-47	257	-66	-10 003	-6 953	-146
<i>Equals</i> Deficit adjusted for net advances	-1 626	-2 526	-1 696	-938	-811	-28

(a) See Net Asset Sales and Advances on page 18.

	1992-93	1993-94	1994-95	Actual 1995-96	Preliminary 1996-97	Estimate 1997-98
<i>Economic transactions</i>	\$m	\$m	\$m	\$m	\$m	\$m
OUTLAYS						
Current						
Current expenditure	47 805	49 769	51 698	55 011	58 167	59 974
Less Sales of goods and services	6 891	7 652	8 245	8 558	8 784	8 673
<i>Equals</i> Final consumption expenditure	40 913	42 117	43 452	46 454	49 383	51 301
Interest payments	12 262	11 789	11 329	10 880	8 963	8 638
Subsidies to public trading enterprises	2 410	2 445	2 127	1 975	2 886	2 777
Other transfer payments	7 302	7 756	8 377	9 167	9 172	9 621
<i>Total</i>	62 887	64 107	65 285	68 475	70 404	72 337
Capital						
Expenditure on new fixed assets	15 912	15 617	16 036	16 050	16 630	19 293
<i>Plus</i> Expenditure on secondhand assets (net)	-2 028	-2 089	-1 162	-2 104	-3 549	-2 188
<i>Equals</i> Gross fixed capital expenditure	13 883	13 528	14 874	13 947	13 081	17 105
Expenditure on land and intangible assets (net)	-215	-645	-610	-321	668	-686
Capital grants to other sectors	369	440	353	407	451	658
Advances	-1 207	-2 195	-1 671	-12 339	-7 188	-391
Other	49	-36	-118	103	81	74
<i>Total</i>	12 879	11 092	12 828	1 797	7 093	16 760
Total	75 766	75 199	78 113	70 272	77 497	89 097
REVENUE						
Taxes, fees and fines	29 064	31 917	33 405	35 815	38 323	39 237
Net operating surplus of public trading enterprises	7 436	8 136	7 312	6 829	7 665	7 632
Interest received	3 490	3 475	3 899	4 236	4 037	3 418
Other	32 585	31 934	32 930	34 254	35 212	35 127
Total	72 575	75 461	77 547	81 134	85 236	85 414
FINANCING AND DEFICIT MEASURES						
Advances received (net)	-2 706	-1 389	-1 997	-4 115	-939	-897
Borrowing (net)	6 611	3 256	-1 553	-13 735	-10 651	1 806
Increase in provisions for depreciation (net)	4 289	4 250	4 656	4 512	4 205	4 292
Other increase in provisions (net)	-158	-453	73	756	31	-9
Other financing transactions (net)	-4 845	-5 927	-612	1 720	-384	-1 510
<i>Total</i>	3 191	-262	567	-10 862	-7 739	3 683
Less Increase in provisions (net)	4 130	3 797	4 729	5 267	4 236	4 283
<i>Equals</i> Deficit	-940	-4 060	-4 162	-16 130	-11 974	-601
Of which						
Current deficit	-7 981	-10 372	-12 647	-13 770	-14 942	-13 490
Capital deficit	7 041	6 312	8 484	-2 360	2 967	12 890
Less Advances	-1 207	-2 195	-1 671	-12 339	-7 188	-391
<i>Equals</i> Deficit adjusted for net advances	267	-1 865	-2 491	-3 791	-4 786	-210

<i>Outlays by purpose</i>	<i>Actual</i> <i>Preliminary</i> <i>Estimate</i>					
	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
	\$m	\$m	\$m	\$m	\$m	\$m
CURRENT						
General public services	5 174	5 753	5 613	5 753	6 084	6 285
Public order and safety	4 523	4 683	4 988	5 434	6 165	6 215
Education	14 231	14 656	14 996	15 774	16 749	17 321
Health	11 295	11 384	12 042	13 178	13 809	14 567
Social security and welfare	3 150	3 461	3 721	3 971	4 191	4 488
Housing and community amenities	1 714	1 682	1 975	2 163	2 653	2 630
Recreation and culture	2 055	2 210	2 364	2 666	2 760	2 891
Fuel and energy	243	129	273	675	295	290
Agriculture, forestry and fishing	1 145	1 211	1 251	1 217	1 346	1 467
Mining, manufacturing and construction	356	325	399	396	367	427
Transport and communications	4 710	4 908	4 551	5 123	5 453	5 456
Other economic affairs	1 843	1 576	1 566	1 214	1 284	1 420
Other purposes	12 448	12 127	11 546	10 910	9 249	8 881
Total	62 887	64 107	65 285	68 475	70 404	72 337
CAPITAL						
General public services	1 168	730	656	-1 406	622	264
Public order and safety	369	372	459	503	501	697
Education	1 116	902	1 040	1 111	1 280	1 187
Health	858	1 020	1 126	908	1 147	1 472
Social security and welfare	152	109	105	119	164	169
Housing and community amenities	2 894	2 100	3 206	2 807	2 278	2 967
Recreation and culture	884	760	-60	903	1 399	1 629
Fuel and energy	1 741	1 184	2 329	-8 816	-4 999	2 264
Agriculture, forestry and fishing	382	201	-107	339	196	200
Mining, manufacturing and construction	-141	144	-165	-15	-47	52
Transport and communications	4 637	3 741	4 475	5 009	4 529	5 848
Other economic affairs	-53	211	210	273	56	216
Other purposes	-1 129	-382	-446	61	-33	-204
Total	12 879	11 092	12 828	1 797	7 093	16 760
TOTAL						
General public services	6 341	6 484	6 269	4 347	6 706	6 549
Public order and safety	4 892	5 055	5 447	5 937	6 666	6 912
Education	15 348	15 558	16 036	16 886	18 029	18 508
Health	12 153	12 404	13 168	14 086	14 957	16 039
Social security and welfare	3 301	3 570	3 826	4 090	4 354	4 657
Housing and community amenities	4 608	3 783	5 181	4 970	4 931	5 597
Recreation and culture	2 939	2 970	2 304	3 570	4 159	4 520
Fuel and energy	1 984	1 313	2 602	-8 141	-4 704	2 553
Agriculture, forestry and fishing	1 527	1 412	1 144	1 556	1 542	1 667
Mining, manufacturing and construction	215	470	234	381	320	479
Transport and communications	9 347	8 649	9 025	10 132	9 982	11 303
Other economic affairs	1 790	1 787	1 776	1 488	1 341	1 636
Other purposes	11 319	11 745	11 100	10 971	9 215	8 677
Total	75 766	75 199	78 113	70 272	77 497	89 097

	Actual					
	1992-93	1993-94	1994-95	1995-96	Preliminary 1996-97	Estimate 1997-98
<i>Economic transactions</i>	\$m	\$m	\$m	\$m	\$m	\$m
OUTLAYS						
Current						
Gross expenditure on goods and services	40 802	42 424	44 208	47 035	49 886	51 405
Less Sales of goods and services(a)	4 485	4 913	5 455	6 116	6 256	6 059
<i>Equals</i> Final consumption expenditure	36 318	37 511	38 753	40 920	43 630	45 346
Interest payments	7 535	7 531	7 384	7 068	5 384	5 287
Subsidies to public trading enterprises	2 405	2 440	2 121	1 975	2 886	2 777
Grants to other governments	1 958	1 403	1 400	1 511	1 611	1 613
Other transfer payments	6 871	7 306	7 881	8 207	8 755	9 236
<i>Total</i>	55 086	56 192	57 540	59 681	62 266	64 259
Capital						
Expenditure on new fixed assets	5 934	5 597	5 944	6 177	7 012	8 522
Plus Expenditure on second-hand assets (net)(b)	-503	-409	-217	-6 931	-976	-976
<i>Equals</i> Gross fixed capital expenditure	5 432	5 187	5 727	-754	6 036	7 547
Expenditure on land and intangible assets (net)(b)	-357	-433	-487	-2 054	-68	-321
Grants to public trading enterprises	1 935	2 051	1 913	1 893	1 545	1 472
Grants to other levels of government	369	340	311	8 398	411	404
Grants to other sectors	330	391	294	351	450	573
Advances to public financial enterprises(b)	-267	-1 693	-33	-302	-245	-185
Advances to public trading enterprises(b)	-98	-251	-178	-5 538	-3 999	-1 091
Other advances(b)	-917	-759	-1 590	-1 528	—	-72
Other	-6	21	20	30	35	32
<i>Total</i>	6 421	4 855	5 977	495	4 165	8 358
Total	61 507	61 047	63 517	60 176	66 430	72 617
REVENUE						
Taxes, fees and fines(c)	24 095	26 784	28 161	30 304	32 618	33 337
Interest received from public trading enterprises	716	650	721	494	428	406
Interest received from other enterprises	2 679	2 590	3 047	3 374	3 063	2 671
Grants received for own use(d)	25 440	25 860	26 365	27 532	27 770	27 977
Grants received for onpassing	4 156	2 650	2 875	3 024	3 193	3 317
Other	3 492	4 348	4 613	5 489	7 313	6 150
Total	60 578	62 882	65 782	70 217	74 386	73 858
FINANCING AND DEFICIT MEASURES						
Advances received (net)	-2 721	-1 398	-2 014	-4 123	-938	-896
Borrowing (net)	8 325	4 855	332	-9 254	-8 939	872
Increase in provisions (net)	-3	-25	39	8	11	11
Other financing transactions (net)	-4 673	-5 267	-622	3 327	1 910	-1 227
<i>Total</i>	929	-1 835	-2 265	-10 041	-7 956	-1 240
Less Increase in provisions (net)	-3	-25	39	8	11	11
<i>Equals</i> Deficit	932	-1 809	-2 304	-10 049	-7 967	-1 251
Of which						
Current deficit	-606	-2 969	-5 238	-7 602	-9 728	-6 928
Capital deficit	1 538	1 159	2 934	-2 448	1 761	5 677
Less Advances	-1 282	-2 703	-1 801	-7 368	-4 244	-1 348
Equals Deficit adjusted for net advances	2 214	894	-503	-2 681	-3 723	97

(a) This item provides an indication of the extent of government charges levied. The charges (excluding inter-agency charges) are offset against gross expenditure in calculating final consumption expenditure and mainly comprise sales to the private sector.

(b) See Net Asset Sales and Advances on page 18.

(c) This category includes 'safety net' taxes on an 'agency' basis. See Appendix on the treatment of Commonwealth 'safety net' taxes for details.

(d) Includes planned fiscal contributions by the States towards the Commonwealth deficit reduction program to the total value of \$619.0 million for 1996-97 and \$626.5 million for 1997-98. See Fiscal Contribution table by State and Territory Governments on page 24.

	1992-93	1993-94	1994-95	Actual 1995-96	Preliminary 1996-97	Estimate 1997-98
<i>Economic transactions</i>	\$m	\$m	\$m	\$m	\$m	\$m
OUTLAYS						
Current						
Interest payments to general government	717	646	727	497	425	400
Interest payments to other enterprises	3 979	3 440	3 376	3 378	3 092	2 911
Income transferred to general government	1 493	2 281	2 634	3 880	5 176	3 890
Other transfer payments	422	421	371	385	313	341
<i>Total</i>	6 610	6 788	7 107	8 140	9 005	7 542
Capital						
Expenditure on new fixed assets	6 649	7 123	7 105	6 600	6 238	7 345
Plus Expenditure on second-hand assets (net)(a)	-1 188	-1 378	-578	-886	-2 099	-732
<i>Equals</i> Gross fixed capital expenditure	5 461	5 745	6 527	5 714	4 139	6 612
Expenditure on land and intangible assets (net)(a)	54	-271	-208	-118	722	-390
Grants to other levels of government	45	52	28	10	52	—
Grants to other sectors	38	45	59	56	—	85
Advances to the private sector	-157	-142	-141	-9 968	-6 787	-35
Other advances(a)	113	399	73	-34	-167	-111
Other	52	-59	141	71	38	38
<i>Total</i>	5 606	5 769	6 196	-4 270	-2 001	6 199
Total	12 216	12 556	13 304	3 870	7 004	13 741
REVENUE						
Sales of goods and services	33 010	39 059	41 029	41 415	38 195	37 238
Plus Subsidies received	2 404	2 456	2 122	2 101	2 984	2 752
Less Operating expenditure	28 524	33 960	36 388	37 152	33 986	32 826
<i>Equals</i> Net operating surplus	6 891	7 555	6 763	6 365	7 192	7 163
Interest received	456	326	452	528	593	362
Grants received	1 985	2 119	1 981	1 894	2 098	1 468
Other	627	803	1 009	650	579	585
Total	9 959	10 803	10 205	9 436	10 462	9 578
FINANCING AND DEFICIT MEASURES						
Advances received (net)	-133	-248	-168	-5 531	-3 972	-1 073
Borrowing (net)	-1 326	-1 949	-1 526	-4 479	-1 501	1 213
Increase in provisions for depreciation (net)	3 915	4 148	4 554	4 300	3 985	4 041
Other increase in provisions (net)	-155	427	34	747	20	-20
Other financing transactions (net)	-43	230	204	-605	-1 990	1
<i>Total</i>	2 257	1 753	3 098	-5 567	-3 459	4 163
Less Increase in provisions (net)	3 760	3 721	4 588	5 048	4 004	4 021
<i>Equals</i> Deficit	-1 502	-1 968	-1 490	-10 615	-7 463	142
Of which						
Current deficit	-4 602	-4 970	-4 858	-3 941	-2 902	-4 126
Capital deficit	3 100	3 002	3 368	-6 673	-4 561	4 268
Less Advances	-44	257	-68	-10 002	-6 953	-146
Equals Deficit adjusted for net advances	-1 459	-2 225	-1 422	-612	-510	288

(a) See Net Asset Sales and Advances on page 18.

				Actual	Preliminary	Estimate
	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
<i>Economic transactions</i>	\$m	\$m	\$m	\$m	\$m	\$m
OUTLAYS						
Current						
Gross expenditure on goods and services	40 802	42 424	44 208	47 035	49 886	51 405
Less Sales of goods and services	4 485	4 913	5 455	6 116	6 256	6 059
<i>Equals</i> Final consumption expenditure	36 318	37 511	38 753	40 920	43 630	45 346
Interest payments	11 327	10 836	10 554	10 222	8 285	8 074
Subsidies to public trading enterprises	2 405	2 440	2 121	1 975	2 886	2 777
Grants to other governments	1 958	1 403	1 400	1 511	1 610	1 613
Other transfer payments	7 292	7 743	8 359	9 147	9 151	9 596
<i>Total</i>	59 299	59 934	61 187	63 775	65 563	67 406
Capital						
Expenditure on new fixed assets	12 583	12 719	13 049	12 777	13 250	15 867
Plus Expenditure on second-hand assets (net)	-1 690	-1 787	-795	-7 817	-3 074	-1 708
<i>Equals</i> Gross fixed capital expenditure	10 893	10 932	12 254	4 960	10 175	14 159
Expenditure on land and intangible assets (net)	-303	-704	-695	-2 172	654	-711
Grants to other levels of government	369	340	315	8 398	459	404
Grants to other sectors	369	436	353	407	451	658
Advances	-1 220	-2 195	-1 690	-11 827	-7 195	-412
Other	46	-37	-121	101	73	70
<i>Total</i>	10 153	8 772	10 416	-134	4 617	14 167
Total	69 452	68 706	71 603	63 641	70 180	81 573
REVENUE						
Taxes, fees and fines	24 095	26 784	28 161	30 304	32 618	33 337
Net operating surplus of public trading enterprises	6 891	7 555	6 763	6 365	7 192	7 163
Interest received	2 949	2 781	3 293	3 678	3 462	2 907
Grants received for own use	25 429	25 865	26 408	27 529	28 321	27 977
Grants received for onpassing	4 156	2 650	2 875	3 024	3 193	3 317
Other	2 631	2 886	3 092	2 792	2 789	2 864
Total	66 151	68 521	70 592	73 692	77 576	77 565
FINANCING AND DEFICIT MEASURES						
Advances received (net)	-2 711	-1 401	-2 008	-4 117	-937	-895
Borrowing (net)	6 752	3 366	-1 323	-13 248	-10 382	2 093
Increase in provisions for depreciation (net)	3 915	4 148	4 554	4 300	3 985	4 041
Other increase in provisions (net)	-158	-452	73	755	31	-9
Other financing transactions (net)	-4 497	-5 477	-284	2 259	-93	-1 222
<i>Total</i>	3 301	184	1 011	-10 051	-7 395	4 008
Less Increase in provisions (net)	3 757	3 696	4 626	5 056	4 016	4 032
<i>Equals</i> Deficit	-456	-3 511	-3 615	-15 107	-11 411	-24
Of which						
Current deficit	-5 219	-7 935	-10 099	-11 523	-12 613	-11 047
Capital deficit	4 763	4 424	6 484	-3 583	1 202	11 023
Less Advances	-1 220	-2 195	-1 690	-11 827	-7 195	-412
<i>Equals</i> Deficit adjusted for net advances	764	-1 316	-1 925	-3 280	-4 217	388

<i>Outlays by purpose</i>	Actual					
	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
	\$m	\$m	\$m	\$m	\$m	\$m
CURRENT						
General public services	3 974	4 697	4 541	4 639	4 920	5 092
Public order and safety	4 462	4 587	4 870	5 281	5 982	6 027
Education	14 838	14 698	14 990	15 764	16 745	17 322
Health	11 154	11 226	11 876	13 014	13 638	14 378
Social security and welfare	2 896	3 170	3 383	3 535	3 809	4 101
Housing and community amenities	1 003	1 048	1 260	1 132	1 589	1 536
Recreation and culture	1 228	1 292	1 353	1 490	1 531	1 623
Fuel and energy	242	133	296	688	295	290
Agriculture, forestry and fishing	1 153	1 224	1 254	1 223	1 350	1 472
Mining, manufacturing and construction	251	231	276	294	262	319
Transport and communications	3 906	4 119	3 921	4 408	4 674	4 636
Other economic affairs	1 791	1 537	1 588	1 238	1 304	1 438
Other purposes	12 401	11 971	11 579	11 067	9 463	9 172
<i>Total</i>	59 299	59 934	61 187	63 775	65 563	67 406
CAPITAL						
General public services	887	314	284	-1 769	275	-102
Public order and safety	375	367	456	511	512	710
Education	1 171	898	1 040	1 131	1 321	1 202
Health	854	1 012	1 095	899	1 137	1 462
Social Security and welfare	117	76	61	79	124	130
Housing and community amenities	2 348	1 534	2 583	2 162	1 617	2 263
Recreation and culture	488	351	503	487	968	1 203
Fuel and energy	1 418	1 154	2 326	-8 275	-4 995	2 267
Agriculture, forestry and fishing	384	206	-103	340	192	200
Mining, manufacturing and construction	-145	145	-166	-16	-49	51
Transport and communications	3 728	2 917	3 628	4 020	3 529	4 816
Other economic affairs	-71	180	183	254	37	192
Other purposes	-1 401	-385	-469	41	-50	-228
<i>Total</i>	10 153	8 772	10 416	-134	4 617	14 167
TOTAL						
General public services	4 861	5 011	4 825	2 870	5 195	4 990
Public order and safety	4 837	4 955	5 326	5 793	6 495	6 736
Education	16 009	15 596	16 030	16 895	18 066	18 524
Health	12 007	12 237	12 972	13 913	14 774	15 840
Social security and welfare	3 014	3 246	3 443	3 615	3 933	4 231
Housing and community amenities	3 351	2 582	3 844	3 294	3 206	3 799
Recreation and culture	1 716	1 644	851	1 978	2 499	2 826
Fuel and energy	1 661	1 287	2 622	-7 587	-4 700	2 558
Agriculture, forestry and fishing	1 537	1 430	1 152	1 564	1 542	1 672
Mining, manufacturing and construction	105	376	110	278	214	370
Transport and communications	7 634	7 037	7 549	8 428	8 203	9 452
Other economic affairs	1 720	1 717	1 771	1 493	1 340	1 631
Other purposes	11 000	11 586	11 109	11 108	9 413	8 944
Total	69 452	68 706	71 603	63 641	70 180	81 573

	Actual					
	1992-93	1993-94	1994-95	1995-96	Preliminary 1996-97	Estimate 1997-98
<i>Economic transactions</i>	\$m	\$m	\$m	\$m	\$m	\$m
OUTLAYS						
Current						
Gross expenditure on goods and services	24 558	25 682	26 376	27 571	27 442	28 940
Less Sales of goods and services(a)	1 833	2 083	2 050	2 195	2 193	2 081
<i>Equals</i> Final consumption expenditure	22 725	23 599	24 327	25 376	25 250	26 859
Interest payments	5 413	6 630	8 162	9 292	9 621	9 114
Subsidies to public trading enterprises	480	464	462	528	427	377
Personal benefit payments	44 747	48 320	50 267	54 089	56 873	58 837
Grants to State governments(b)	21 480	22 326	23 483	24 706	25 411	25 634
Grants onpassed through State governments	(c)3 848	2 524	2 764	2 908	3 089	3 230
Grants to private sector	3 097	3 267	3 772	4 399	4 021	3 942
Grants to universities	(c)1 748	3 657	4 003	4 129	4 115	4 057
Grants to local governments	190	186	196	211	210	237
Other transfer payments	2 062	2 339	2 344	2 489	2 765	2 608
<i>Total</i>	105 789	113 313	119 779	128 127	131 782	134 895
Capital						
Expenditure on new fixed assets	1 174	1 342	1 287	1 323	1 068	1 255
Plus Expenditure on second-hand assets (net)(d)	-184	-428	-504	-397	-407	-1 463
<i>Equals</i> Gross fixed capital expenditure	990	914	783	927	661	-208
Expenditure on land and intangible assets (net)(d)	-15	-201	-80	-30	39	-666
Grants to public trading enterprises	30	29	97	6	333	37
Grants to other levels of government(b)	5 236	3 791	3 108	3 029	3 049	2 520
Grants to other sectors	312	214	189	164	172	147
Advances to public trading enterprises(d)	19	-434	-11	-629	-3 091	102
Advances to foreign governments and organisations(d)	170	150	138	266	219	177
Advances to other levels of government(d)	-2 669	-1 314	-2 017	-4 128	-1 012	-885
Other advances(d)	-23	-1 812	412	-696	-3 356	-9 588
Other	3	-25	-34	4	-11	14
<i>Total</i>	4 053	1 313	2 583	-1 088	-2 997	-8 350
Total	109 841	114 627	122 363	127 039	128 785	126 545
REVENUE						
Taxes, fees and fines(e)	89 661	94 195	105 881	116 767	125 840	129 676
Interest received from public trading enterprises	306	243	159	129	85	79
Interest received from other enterprises	2 195	1 838	1 693	1 335	1 062	948
Other	3 212	4 711	2 970	3 988	4 175	2 996
Total	95 374	100 987	110 703	122 220	131 163	133 699
FINANCING AND DEFICIT MEASURES						
Borrowing (net)	16 206	14 829	12 775	4 172	-470	-5 326
Increase in provisions (net)	-1 330	-1 173	-1 157	-1 050	-966	-1 206
Other financing transactions (net)	-409	-17	42	1 698	-942	-622
<i>Total</i>	14 468	13 640	11 660	4 819	-2 378	-7 154
Less Increase in provisions (net)	-1 330	-1 173	-1 157	-1 050	-966	-1 206
<i>Equals</i> Deficit	15 797	14 813	12 817	5 869	-1 412	-5 948
Of which						
Current deficit	11 746	13 500	10 233	6 958	1 585	2 403
Capital deficit	4 051	1 313	2 583	-1 088	-2 997	-8 350
Less Advances	-2 504	-3 409	-1 479	-5 187	-7 240	-10 194
Equals Deficit adjusted for net advances	18 301	18 222	14 295	11 057	5 828	4 246

(a) This item provides an indication of the extent of government charges levied. The charges (excluding inter-agency charges) are offset against gross expenditure in calculating final consumption expenditure and mainly comprise sales to the private sector.

(b) Includes fiscal contributions by the States towards the Commonwealth deficit reduction program to the total value of \$619.0 million for 1996-97 and \$626.5 million for 1997-98. See Fiscal Contribution table by State and Territory Governments on page 24.

(c) Before 1 January 1993 Commonwealth grants to universities were paid via State governments and then onpassed to the universities.

(d) See Net Asset Sales and Advances on page 18.

(e) This category excludes 'safety net' taxes on an 'agency' basis. See Appendix on the treatment of Commonwealth 'safety net' taxes for details.

				Actual	Preliminary	Estimate
	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
<i>Economic transactions</i>	\$m	\$m	\$m	\$m	\$m	\$m
OUTLAYS						
Current						
Interest payments to general government	306	243	159	129	85	79
Interest payments to other enterprises	1 807	1 639	1 518	952	892	825
Income transferred to general government	339	1 117	919	1 371	1 475	1 323
Other transfer payments	1 251	1 040	958	1 350	666	1 876
<i>Total</i>	3 703	4 038	3 554	3 802	3 117	4 103
Capital						
Expenditure on new fixed assets	4 039	3 357	4 331	4 419	4 758	4 995
Plus Expenditure on second-hand assets (net)(a)	-304	-413	-262	-149	-270	-287
<i>Equals</i> Gross fixed capital expenditure	3 735	2 945	4 069	4 270	4 488	4 708
Expenditure on land and intangible assets (net)(a)	14	-51	-16	28	-86	-1
Grants to other levels of government	61	74	81	15	—	—
Advances(a)	-2	-3	—	—	—	—
Other	305	-530	-388	-43	-537	-446
<i>Total</i>	4 114	2 436	3 746	4 269	3 866	4 262
Total	7 817	6 474	7 300	8 071	6 983	8 365
REVENUE						
Sales of goods and services	24 773	27 174	28 259	24 767	26 369	24 912
Plus Subsidies received	469	468	468	503	369	319
Less Operating expenditure	21 184	22 762	23 974	20 743	22 927	20 251
<i>Equals</i> Net operating surplus	4 058	4 880	4 753	4 527	3 811	4 979
Interest received	274	234	359	292	258	181
Grants received	30	29	97	6	333	—
Other	23	34	53	33	38	38
Total	4 385	5 178	5 262	4 857	4 440	5 198
FINANCING AND DEFICIT MEASURES						
Advances received (net)	19	-422	15	-593	-3 053	102
Borrowing (net)	955	-1 318	-1 734	-328	2 119	-217
Increase in provisions for depreciation (net)	2 863	2 898	3 009	2 578	2 816	2 892
Other increase in provisions (net)	374	-117	1 003	94	562	-248
Other financing transactions (net)	-780	256	-255	1 463	99	638
<i>Total</i>	3 431	1 296	2 038	3 214	2 543	3 166
Less Increase in provisions (net)	3 237	2 781	4 012	2 672	3 378	2 644
<i>Equals</i> Deficit	194	-1 484	-1 974	542	-835	523
Of which						
Current deficit	-3 890	-3 891	-5 622	-3 722	-4 368	-3 739
Capital deficit	4 084	2 407	3 648	4 264	3 533	4 262
Less Advances	-2	-3	—	—	—	—
Equals Deficit adjusted for net advances	196	-1 482	-1 974	542	-835	523

(a) See Net Asset Sales and Advances on page 18.

	Actual					
	1992-93	1993-94	1994-95	1995-96	Preliminary 1996-97	Estimate 1997-98
<i>Economic transactions</i>	\$m	\$m	\$m	\$m	\$m	\$m
OUTLAYS						
Current						
Gross expenditure on goods and services	24 558	25 682	26 376	27 571	27 442	28 940
Less Sales of goods and services	1 833	2 083	2 050	2 195	2 193	2 081
<i>Equals</i> Final consumption expenditure	22 725	23 599	24 327	25 376	25 250	26 859
Interest payments	7 220	8 269	9 680	10 244	10 513	9 939
Subsidies to public trading enterprises	480	464	462	528	427	377
Personal benefit payments	44 747	48 320	50 267	54 089	56 873	58 837
Grants to State governments	21 480	22 326	23 483	24 706	25 411	25 634
Grants onpassed through State governments	3 848	2 524	2 764	2 908	3 089	3 230
Grants to private sector	3 097	3 267	3 772	4 399	4 021	3 942
Grants to universities	1 748	3 657	4 003	4 129	4 115	4 057
Grants to local governments	190	186	196	211	210	237
Other transfer payments	2 482	2 513	2 530	2 627	2 229	3 535
<i>Total</i>	108 015	115 126	121 484	129 218	132 138	136 647
Capital						
Expenditure on new fixed assets	5 214	4 700	5 618	5 742	5 826	6 251
<i>Plus</i> Expenditure on second-hand assets (net)	-488	-841	-766	-546	-676	-1 750
<i>Equals</i> Gross fixed capital expenditure	4 725	3 859	4 851	5 197	5 149	4 501
Expenditure on land and intangible assets (net)	—	-251	-96	-2	-46	-667
Grants to other sectors	312	214	189	164	172	147
Grants to other levels of government	5 297	3 865	3 188	3 044	3 049	2 520
Advances	-2 524	-2 978	-1 468	-4 559	-4 150	-10 296
Other	308	-555	-422	-39	-547	-432
<i>Total</i>	8 118	4 154	6 243	3 804	3 627	-4 227
Total	116 133	119 280	127 727	133 022	135 765	132 420
REVENUE						
Taxes, fees and fines	88 830	93 329	105 109	115 556	124 638	128 660
Net operating surplus of public trading enterprises	4 058	4 880	4 753	4 527	3 811	4 979
Interest received	2 469	2 073	2 052	1 627	1 320	1 129
Other	2 895	3 627	2 104	2 650	2 739	1 778
<i>Total</i>	98 253	103 910	114 018	124 360	132 508	136 546
FINANCING AND DEFICIT MEASURES						
Borrowing (net)	17 162	13 511	11 041	3 844	1 650	-5 543
Increase in provisions for depreciation (net)	2 863	2 898	3 009	2 578	2 816	2 892
Other increase in provisions (net)	-956	-1 290	-154	-956	-403	-1 454
Other financing transactions (net)	-1 189	251	-187	3 196	-806	-21
<i>Total</i>	17 880	15 370	13 709	8 662	3 256	-4 126
Less Increase in provisions (net)	1 907	1 608	2 855	1 622	2 412	1 438
<i>Equals</i> Deficit	15 973	13 763	10 854	7 040	844	-5 564
Of which						
Current deficit	7 856	9 609	4 611	3 236	-2 783	-1 336
Capital deficit	8 117	4 154	6 243	3 804	3 627	4 227
Less Advances	-2 524	-2 978	-1 468	-4 559	-4 150	-10 296
<i>Equals</i> Deficit adjusted for net advances	18 497	16 741	12 322	11 599	4 994	4 732

Outlays by purpose				Actual	Preliminary	Estimate
	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
	\$m	\$m	\$m	\$m	\$m	\$m
CURRENT						
General public services	6 513	6 915	7 076	7 497	7 788	9 838
Defence	9 012	9 251	9 164	9 392	9 242	9 678
Public order and safety	796	809	842	884	1 167	999
Education	7 696	8 484	9 167	9 518	9 750	9 980
Health	14 641	15 969	17 118	18 438	19 236	20 688
Social security and welfare	38 390	41 794	43 220	46 269	48 999	48 909
Housing and community amenities	6	23	49	75	20	35
Recreation and culture	946	1 006	1 053	1 127	1 025	1 068
Fuel and energy	694	671	841	888	929	948
Agriculture, forestry and fishing	1 667	1 587	1 718	1 823	1 695	1 842
Mining, manufacturing and construction	472	436	413	400	369	412
Transport and communications	1 401	1 226	1 504	1 495	847	2 082
Other economic affairs	2 930	3 060	3 334	4 042	3 213	2 824
Other purposes	22 851	23 895	25 983	27 371	27 856	27 345
Total	108 015	115 126	121 484	129 218	132 138	136 647
CAPITAL						
General public services	643	600	551	659	401	-316
Defence	-3	-15	-18	1	71	6
Public order and safety	87	42	42	30	27	40
Education	1 500	1 300	981	1 127	1 062	1 080
Health	144	80	-17	46	58	39
Social security and welfare	262	219	284	213	236	145
Housing and community amenities	1 347	1 057	1 008	974	647	719
Recreation and culture	160	28	142	223	113	54
Fuel and energy	19	-62	-6	38	85	69
Agriculture, forestry and fishing	411	-499	-599	-58	-470	-401
Mining, manufacturing and construction	78	-206	-77	5	34	-34
Transport and communications	4 794	3 547	5 313	3 943	5 198	-3 359
Other economic affairs	163	94	116	144	98	144
Other purposes	-1 489	-2 031	-1 479	-3 540	-3 935	-2 413
Total	8 118	4 154	6 243	3 804	3 627	-4 227
TOTAL						
General public services	7 156	7 515	7 627	8 156	8 189	9 522
Defence	9 009	9 236	9 146	9 393	9 313	9 684
Public order and safety	883	851	884	914	1 194	1 040
Education	9 197	9 784	10 149	10 645	10 812	11 060
Health	14 785	16 049	17 101	18 485	19 295	20 727
Social security and welfare	38 653	42 013	43 504	46 482	49 235	49 054
Housing and community amenities	1 353	1 080	1 057	1 049	667	754
Recreation and culture	1 106	1 035	1 195	1 350	1 138	1 121
Fuel and energy	712	609	836	926	1 014	1 016
Agriculture, forestry and fishing	2 078	1 088	1 119	1 765	1 226	1 441
Mining, manufacturing and construction	551	230	336	405	403	377
Transport and communications	6 195	4 773	6 818	5 438	6 045	-1 277
Other economic affairs	3 093	3 154	3 451	4 186	3 312	2 969
Other purposes	21 362	21 864	24 505	23 830	23 921	24 931
Total	116 133	119 280	127 727	133 022	135 765	132 420

	Actual					
	1992-93	1993-94	1994-95	1995-96	Preliminary 1996-97	Estimate 1997-98
<i>Economic transactions</i>	\$m	\$m	\$m	\$m	\$m	\$m
OUTLAYS						
Current						
Gross expenditure on goods and services	13 204	13 860	14 599	15 473	16 580	17 197
Less Sales of goods and services(a)	1 343	1 482	1 388	1 547	1 561	1 473
<i>Equals</i> Final consumption expenditure	11 861	12 378	13 210	13 925	15 018	15 724
Interest payments	2 399	2 362	2 264	2 111	1 579	1 515
Subsidies to public trading enterprises	724	646	582	494	926	885
Grants to other governments	402	431	404	430	445	454
Other transfer payments	2 914	2 979	3 108	3 000	3 132	3 304
<i>Total</i>	18 300	18 796	19 568	19 961	21 101	21 883
Capital						
Expenditure on new fixed assets	2 050	2 022	2 041	1 953	2 382	2 864
<i>Plus</i> Expenditure on second-hand assets (net)(b)	-238	-30	47	-6 363	-300	-343
<i>Equals</i> Gross fixed capital expenditure	1 812	1 992	2 088	-4 410	2 082	2 521
Expenditure on land and intangible assets (net)(b)	-136	35	-393	-1 829	62	-89
Grants to public trading enterprises	1 020	1 086	1 052	1 151	736	847
Grants to other levels of government(c)	152	157	132	8 181	147	163
Grants to other sectors	68	64	77	99	104	124
Advances to public financial enterprises(b)	55	-12	1	-1	-100	-1
Advances to public trading enterprises(b)	-83	-123	-5	-1 701	-365	-304
Other advances(b)	-1 371	-197	-519	22	-158	58
Other	-9	1	3	3	6	5
<i>Total</i>	1 509	3 002	2 436	1 516	2 513	3 325
Total	19 808	21 797	22 004	21 477	23 614	25 207
REVENUE						
Taxes, fees and fines(c)	9 312	10 177	10 534	11 230	12 313	13 000
Interest received from public trading enterprises	89	83	82	78	67	66
Interest received from other enterprises	1 002	753	1 065	932	735	369
Grants received for own use(d)	7 112	7 719	7 916	8 258	8 317	8 490
Grants received for onpassing	1 421	876	949	993	1 043	1 089
Other	1 275	1 451	1 519	1 535	1 809	2 020
Total	20 212	21 060	22 065	23 026	24 285	25 034
FINANCING AND DEFICIT MEASURES						
Advances received (net)	-1 171	-394	-673	-388	-464	-434
Borrowing (net)	-71	2 890	1 675	-4 727	-118	607
Increase in provisions (net)	—	—	—	—	—	—
Other financing transactions (net)	839	-1 759	-1 063	3 566	-89	—
<i>Total</i>	-403	738	-61	-1 549	-671	173
Less Increase in provisions (net)	—	—	—	—	—	—
<i>Equals</i> Deficit	-403	738	-61	-1 549	-671	173
Of which						
Current deficit	-169	-916	-1 413	-2 091	-2 298	-2 024
Capital deficit	-234	1 653	1 352	541	1 626	2 197
Less Advances	-1 398	-332	-524	-1 679	-624	-247
Equals Deficit adjusted for net advances	995	1 070	463	130	-47	420

(a) This item provides an indication of the extent of government charges levied. The charges (excluding inter-agency charges) are offset against gross expenditure in calculating final consumption expenditure and mainly comprise sales to the private sector.

(b) See Net Asset Sales and Advances on page 18.

(c) This category includes 'safety net' taxes on an 'agency' basis. See Appendix on the treatment of Commonwealth 'safety net' taxes for details.

(d) Includes planned fiscal contributions by the States towards the Commonwealth deficit reduction program to the total value of \$209.7 million for 1996-97 and \$216.3 million for 1997-98. See Fiscal Contribution table by State and Territory Governments on page 24.

			Actual	Preliminary	Estimate	
	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
<i>Economic transactions</i>	\$m	\$m	\$m	\$m	\$m	\$m
OUTLAYS						
Current						
Interest payments to general government	89	84	82	79	68	67
Interest payments to other enterprises	975	929	884	844	892	855
Income transferred to general government	735	998	1 024	1 003	1 353	1 281
Other transfer payments	123	132	154	149	135	144
<i>Total</i>	1 923	2 143	2 144	2 075	2 447	2 346
Capital						
Expenditure on new fixed assets	2 377	2 652	2 671	2 401	1 910	2 428
Plus Expenditure on second-hand assets (net)(a)	113	-149	-199	-192	-405	-248
<i>Equals</i> Gross fixed capital expenditure	2 264	2 503	2 472	2 208	1 505	2 180
Expenditure on land and intangible assets (net)(a)	11	-152	-70	-105	-165	-302
Grants to other levels of government	45	52	15	—	4	—
Grants to other sectors	21	23	21	27	—	—
Advances to the private sector(a)	—	—	—	—	—	—
Other advances(a)	-2	-1	—	—	—	—
Other	-23	12	15	-58	-14	44
<i>Total</i>	2 317	2 437	2 453	2 072	1 330	1 921
Total	4 239	4 580	4 597	4 146	3 777	4 268
REVENUE						
Sales of goods and services	9 405	11 731	11 705	11 618	12 909	12 405
Plus Subsidies received	732	648	570	495	927	891
Less Operating expenditure	8 264	10 385	10 791	11 025	11 620	11 634
<i>Equals</i> Net operating surplus	1 873	1 994	1 485	1 089	2 216	1 661
Interest received	168	90	186	200	207	133
Grants received	1 033	1 147	1 122	1 160	740	850
Other	206	283	434	262	235	266
Total	3 280	3 514	3 227	2 711	3 398	2 911
FINANCING AND DEFICIT MEASURES						
Advances received (net)	-115	-123	-5	-1 698	-363	-304
Borrowing (net)	-551	-112	-412	1 487	-487	73
Increase in provisions for depreciation (net)	1 485	1 682	1 868	1 753	1 425	1 479
Other increase in provisions (net)	-76	-172	-185	192	-58	-36
Other financing transactions (net)	216	-210	104	-299	-138	145
<i>Total</i>	959	1 066	1 370	1 435	379	1 357
Less increase in provisions (net)	1 409	1 510	1 683	1 945	1 368	1 443
<i>Equals</i> Deficit	-450	-445	-313	-510	-988	-86
Of which						
Current deficit	-1 613	-1 546	-1 313	-1 260	-1 440	-1 000
Capital deficit	1 163	1 101	1 000	749	451	914
Less Advances	-2	-1	—	—	—	—
<i>Equals</i> Deficit adjusted for net advances	-448	-443	-313	-510	-988	-86

(a) See Net Asset Sales and Advances on page 18.

	1992-93	1993-94	1994-95	Actual 1995-96	Preliminary 1996-97	Estimate 1997-98
<i>Economic transactions</i>	\$m	\$m	\$m	\$m	\$m	\$m
OUTLAYS						
Current						
Gross expenditure on goods and services	13 204	13 860	14 599	15 473	16 580	17 197
Less Sales of goods and services	1 343	1 482	1 388	1 547	1 561	1 473
<i>Equals</i> Final consumption expenditure	11 861	12 378	13 210	13 925	15 018	15 724
Interest payments	3 307	3 248	3 068	2 859	2 373	2 302
Subsidies to public trading enterprises	724	646	582	494	926	885
Grants to other governments	402	431	404	430	445	454
Other transfer payments	3 037	3 111	3 262	3 150	3 267	3 448
<i>Total</i>	19 331	19 813	20 527	20 858	22 029	22 814
Capital						
Expenditure on new fixed assets	4 427	4 675	4 713	4 354	4 292	5 292
Plus Expenditure on second-hand assets (net)	-351	-179	-153	-6 555	-705	-592
<i>Equals</i> Gross fixed capital expenditure	4 077	4 495	4 560	-2 201	3 587	4 701
Expenditure on land and intangible assets (net)	-125	-117	-463	-1 934	-103	-391
Grants to other levels of government	152	157	136	8 181	147	163
Grants to other sectors	89	87	98	126	104	124
Advances	-1 316	-209	-519	22	-259	57
Other	-31	13	18	-56	-9	49
<i>Total</i>	2 845	4 425	3 831	4 137	3 468	4 703
Total	22 176	24 239	24 358	24 995	25 497	27 516
REVENUE						
Taxes, fees and fines	9 312	10 177	10 534	11 230	12 313	13 000
Net operating surplus of public trading enterprises	1 873	1 994	1 485	1 089	2 216	1 661
Interest received	1 103	800	1 172	1 037	842	433
Grants received for own use	7 069	7 723	7 969	8 268	8 313	8 490
Grants received for onpassing	1 421	876	949	993	1 043	1 089
Other	756	740	920	789	692	1 005
Total	21 534	22 310	23 028	23 406	25 419	25 679
FINANCING AND DEFICIT MEASURES						
Advances received (net)	-1 170	-394	-673	-389	-464	-434
Borrowing (net)	-615	2 725	1 217	-3 274	-608	688
Increase in provisions for depreciation (net)	1 485	1 682	1 868	1 753	1 425	1 479
Other increase in provisions (net)	-76	-172	-185	192	-58	-36
Other financing transactions (net)	1 017	-1 912	-898	3 308	-217	141
<i>Total</i>	641	1 929	1 330	1 589	78	1 838
Less Increase in provisions (net)	1 409	1 510	1 683	1 945	1 368	1 443
<i>Equals</i> Deficit	-768	418	-353	-356	-1 290	394
Of which						
Current deficit	-1 797	-2 467	-2 717	-3 347	-3 736	-3 023
Capital deficit	1 029	2 885	2 364	2 991	2 447	3 417
Less Advances	-1 316	-209	-519	22	-259	57
<i>Equals</i> Deficit adjusted for net advances	548	627	166	-377	-1 031	337

Outlays by purpose	Actual				Preliminary	Estimate
	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
	\$m	\$m	\$m	\$m	\$m	\$m
CURRENT						
General public services	1 050	1 232	1 273	1 422	1 624	1 705
Public order and safety	1 557	1 582	1 717	1 840	1 996	2 012
Education	4 774	4 947	5 235	5 457	5 837	6 046
Health	3 700	3 756	4 157	4 428	4 711	4 952
Social security and welfare	1 019	1 182	1 281	1 368	1 535	1 555
Housing and community amenities	392	374	452	451	409	426
Recreation and culture	345	382	412	452	508	507
Fuel and energy	83	56	52	54	73	79
Agriculture, forestry and fishing	384	423	398	395	358	386
Mining, manufacturing and construction	55	64	61	62	62	63
Transport and communications	1 395	1 362	1 308	1 278	1 745	1 683
Other economic affairs	1 001	867	793	487	492	478
Other purposes	3 576	3 587	3 390	3 165	2 680	2 922
Total	19 331	19 813	20 527	20 858	22 029	22 814
CAPITAL						
General public services	7	41	25	-64	133	-97
Public order and safety	161	152	140	187	178	187
Education	371	303	321	297	253	239
Health	323	486	420	452	419	440
Social security and welfare	42	37	20	26	56	38
Housing and community amenities	923	703	1 149	735	564	678
Recreation and culture	231	272	-155	192	580	674
Fuel and energy	478	657	692	503	216	579
Agriculture, forestry and fishing	83	56	70	68	43	116
Mining, manufacturing and construction	-5	—	6	9	2	7
Transport and communications	1 478	1 769	1 607	1 605	1 296	1 754
Other economic affairs	8	-46	52	113	-175	130
Other purposes	-1 254	-6	-514	15	-98	-43
Total	2 845	4 425	3 831	4 137	3 468	4 703
TOTAL						
General public services	1 057	1 272	1 298	1 358	1 758	1 609
Public order and safety	1 717	1 735	1 856	2 027	2 174	2 199
Education	5 145	5 250	5 556	5 753	6 090	6 285
Health	4 023	4 243	4 576	4 880	5 130	5 392
Social security and welfare	1 060	1 220	1 300	1 393	1 590	1 593
Housing and community amenities	1 315	1 078	1 600	1 186	974	1 104
Recreation and culture	576	653	256	644	1 088	1 182
Fuel and energy	561	713	745	557	289	657
Agriculture, forestry and fishing	467	479	467	463	401	502
Mining, manufacturing and construction	50	65	67	71	64	69
Transport and communications	2 873	3 131	2 915	2 883	3 041	3 437
Other economic affairs	1 009	821	845	599	317	608
Other purposes	2 322	3 581	2 876	3 180	2 581	2 879
Total	22 176	24 239	24 358	24 995	25 497	27 516

	1992-93	1993-94	1994-95	Actual 1995-96	Preliminary 1996-97	Estimate 1997-98
<i>Economic transactions</i>	\$m	\$m	\$m	\$m	\$m	\$m
OUTLAYS						
Current						
Gross expenditure on goods and services	10 274	10 016	10 198	10 670	11 290	11 612
Less Sales of goods and services(a)	1 160	1 227	1 224	1 481	1 381	1 386
<i>Equals</i> Final consumption expenditure	9 114	8 789	8 973	9 189	9 909	10 226
Interest payments	2 148	2 308	2 082	2 161	1 503	1 262
Subsidies to public trading enterprises	1 011	905	564	354	295	252
Grants to other governments	426	412	457	480	496	508
Other transfer payments	1 710	1 841	2 021	2 143	2 171	2 282
Total	14 410	14 256	14 097	14 327	14 373	14 530
Capital						
Expenditure on new fixed assets	935	837	1 135	1 071	1 250	1 493
Plus Expenditure on second-hand assets (net)(b)	-45	-31	-16	-59	-111	-105
<i>Equals</i> Gross fixed capital expenditure	890	806	1 119	1 012	1 138	1 389
Expenditure on land and intangible assets (net)(b)	-31	-275	-54	-30	-11	55
Grants to public trading enterprises	266	256	192	227	292	294
Grants to other levels of government	27	36	22	13	10	16
Grants to other sectors	75	87	69	68	90	69
Advances to public trading enterprises(b)	68	70	96	-3 562	-2 757	159
Advances to public financial enterprises(b)	-339	-1 645	-4	-3	-139	-181
Other advances(b)	3	-9	-453	-112	130	-26
Other	-1	-4	-4	—	-1	-5
Total	958	-679	984	-2 387	-1 248	1 770
Total	15 368	13 577	15 081	11 940	13 126	16 300
REVENUE						
Taxes, fees and fines(c)	6 502	7 397	7 756	8 615	9 174	8 822
Interest received from public trading enterprises	106	93	95	94	69	69
Interest received from other enterprises	112	110	138	258	216	181
Grants for own use(d)	5 472	5 508	5 675	5 865	6 101	5 998
Grants for onpassing	1 075	692	753	785	821	878
Other	702	939	900	1 516	2 061	772
Total	13 970	14 739	15 316	17 133	18 442	16 719
FINANCING AND DEFICIT MEASURES						
Advances received (net)	-589	-303	-476	-2 100	-36	-27
Borrowing (net)	3 793	-2 229	255	-2 202	-5 571	-222
Increase in provisions (net)	-12	-3	31	—	—	—
Other financing transactions (net)	-1 795	1 371	-45	-891	291	-171
Total	1 397	-1 162	-235	-5 193	-5 316	-419
Less Increase in provisions (net)	-12	-3	31	—	—	—
<i>Equals</i> Deficit	1 409	-1 160	-266	-5 193	-5 316	-419
Of which						
Current deficit	1 408	251	-579	-2 228	-3 541	-1 728
Capital deficit	—	-1 410	313	-2 965	-1 775	1 309
Less Advances	-268	-1 584	-361	-3 678	-2 766	-47
Equals Deficit adjusted for net advances	1 677	424	95	-1 515	-2 550	-372

(a) This item provides an indication of the extent of government charges levied. The charges (excluding inter-agency charges) are offset against gross expenditure in calculating final consumption expenditure and mainly comprise sales to the private sector.

(b) See Net Asset Sales and Advances on page 18.

(c) This category includes 'safety net' taxes on an 'agency' basis. See Appendix on the treatment of Commonwealth 'safety net' taxes for details.

(d) Includes planned fiscal contributions by the States towards the Commonwealth deficit reduction program to the total value of \$153.9 million for 1996-97 and \$158.2 million for 1997-98. See Fiscal Contribution table by State and Territory Governments on page 24.

	Actual					
	1992-93	1993-94	1994-95	1995-96	Preliminary 1996-97	Estimate 1997-98
<i>Economic transactions</i>	\$m	\$m	\$m	\$m	\$m	\$m
OUTLAYS						
Current						
Interest payments to general government	106	93	101	92	69	68
Interest payments to other enterprises	1 572	1 219	1 248	1 072	826	588
Income transferred to general government	444	714	583	1 243	1 752	549
Other transfer payments	156	144	74	56	32	24
<i>Total</i>	2 278	2 170	2 007	2 463	2 679	1 229
Capital						
Expenditure on new fixed assets	1 458	1 487	1 468	1 199	1 087	1 287
Plus Expenditure on second-hand assets (net)(a)	-957	-209	74	-142	1 301	-72
<i>Equals</i> Gross fixed capital expenditure	500	1 278	1 542	1 057	-214	1 214
Expenditure on land and intangible assets (net)(a)	1	49	-61	39	935	-25
Grants to other levels of government	—	—	—	—	—	—
Grants to other sectors	—	—	—	—	—	—
Advances to the private sector(a)(b)	-35	-40	-100	-9 929	-6 750	—
Other advances(a)	114	399	-31	-20	-163	-111
Other	-46	-54	-6	-18	-14	6
<i>Total</i>	535	1 534	1 345	-8 949	-6 206	1 084
Total	2 813	3 704	3 352	-6 486	-3 527	2 312
REVENUE						
Sales of goods and services	7 621	10 329	10 194	8 684	6 921	5 622
Plus Subsidies received	1 033	930	605	365	290	251
Less Operating expenditure	6 548	8 870	8 640	7 240	6 120	4 533
<i>Equals</i> Net operating surplus	2 106	2 389	2 158	1 809	1 091	1 340
Interest received	98	95	80	122	191	89
Grants received	267	268	191	226	844	290
Other	197	214	220	158	146	117
Total	2 668	2 966	2 649	2 316	2 272	1 836
FINANCING AND DEFICIT MEASURES						
Advances received (net)	66	66	101	-3 561	-2 736	167
Borrowing (net)	-538	-578	-929	-5 671	-2 535	-315
Increase in provisions for depreciation (net)	992	1 003	991	797	719	600
Other increase in provisions (net)	-71	-202	127	-42	-46	-16
Other financing transactions (net)	-304	450	414	-325	-1 201	40
<i>Total</i>	145	738	703	-8 802	-5 798	476
Less Increase in provisions (net)	921	801	1 118	756	673	584
<i>Equals</i> Deficit	-776	-62	-415	-9 557	-6 472	-108
Of which						
Current deficit	-860	-1 171	-1 400	250	720	-787
Capital deficit	84	1 108	985	-9 307	-7 191	679
Less Advances	79	359	-130	-9 949	-6 913	-111
Equals Deficit adjusted for net advances	-855	-421	-285	392	441	3

(a) See Net Asset Sales and Advances on page 18.

(b) The large offsets to capital outlays in 1995-96 and 1996-97 are due to privatisation within the Victorian electricity industry.

<i>Economic transactions</i>				<i>Actual</i>	<i>Preliminary</i>	<i>Estimate</i>
	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
	\$m	\$m	\$m	\$m	\$m	\$m
OUTLAYS						
Current						
Gross expenditure on goods and services	10 274	10 016	10 198	10 670	11 290	11 612
Less Sales of goods and services	1 160	1 227	1 224	1 481	1 381	1 386
<i>Equals</i> Final consumption expenditure	9 114	8 789	8 973	9 189	9 909	10 226
Interest payments	3 717	3 524	3 330	3 205	2 319	1 849
Subsidies to public trading enterprises	1 011	905	564	354	295	252
Grants to other governments	426	412	457	480	496	508
Other transfer payments	1 866	1 985	2 095	2 199	2 203	2 306
<i>Total</i>	16 134	15 616	15 419	15 428	15 221	15 140
Capital						
Expenditure on new fixed assets	2 392	2 324	2 604	2 270	2 336	2 780
<i>Plus</i> Expenditure on second-hand assets (net)	-1 002	-240	58	-201	-1 412	-177
<i>Equals</i> Gross fixed capital expenditure	1 390	2 084	2 661	2 069	924	2 603
Expenditure on land and intangible assets (net)	-30	-324	-115	-69	924	29
Grants to other levels of government	27	36	23	13	10	16
Grants to other sectors	75	87	69	68	90	69
Advances	-251	-1 295	-587	-10 064	-6 922	-318
Other	-46	-59	-10	-18	-15	1
<i>Total</i>	1 165	528	2 041	-8 001	-4 988	2 401
Total	17 298	16 144	17 460	7 426	10 233	17 541
REVENUE						
Taxes, fees and fines	6 502	7 397	7 756	8 615	9 174	8 822
Net operating surplus of public trading enterprises	2 106	2 389	2 158	1 809	1 091	1 340
Interest received	206	201	218	352	397	268
Grants received for own use	5 472	5 508	5 675	5 866	6 655	5 998
Grants received for onpassing	1 075	692	753	785	821	878
Other	451	440	539	430	452	340
Total	15 813	16 629	17 098	17 857	18 591	17 646
FINANCING AND DEFICIT MEASURES						
Advances received (net)	-583	-303	-476	-2 100	-36	-27
Borrowing (net)	3 219	-2 521	-786	-7 562	-8 106	-537
Increase in provisions for depreciation (net)	992	1 003	991	797	719	600
Other increase in provisions (net)	-83	-205	158	-42	-46	-16
Other financing transactions (net)	-2 060	1 542	476	-1 524	-888	-125
<i>Total</i>	1 486	-485	362	-10 431	-8 358	-105
Less Increase in provisions (net)	909	798	1 149	756	673	584
<i>Equals</i> Deficit	576	-1 283	-786	-11 186	-9 031	-689
Of which						
Current deficit	553	-922	-1 987	-2 475	-2 819	-2 514
Capital deficit	23	-361	1 200	-8 711	-6 212	1 825
Less Advances	-251	-1 295	-587	-10 064	-6 922	-318
<i>Equals</i> Deficit adjusted for net advances	827	13	-199	-1 122	-2 109	-371

Outlays by purpose	1992-93		1993-94		1994-95		Actual	Preliminary	Estimate
	\$m	\$m	\$m	\$m	\$m	\$m	1995-96	1996-97	1997-98
CURRENT									
General public services	1 664	1 684	1 614	1 364	1 588	1 641			
Public order and safety	993	1 004	1 037	1 133	1 334	1 304			
Education	3 471	3 433	3 437	3 618	3 758	3 823			
Health	2 764	2 659	2 666	3 021	3 069	3 308			
Social security and welfare	829	843	956	909	1 019	1 113			
Housing and community amenities	280	280	388	266	282	253			
Recreation and culture	294	253	205	204	204	242			
Fuel and energy	77	29	54	206	18	4			
Agriculture, forestry and fishing	197	198	220	213	229	248			
Mining, manufacturing and construction	42	23	43	59	40	63			
Transport and communications	1 093	1 075	872	920	840	796			
Other economic affairs	277	170	242	132	113	110			
Other purposes	4 152	3 965	3 686	3 382	2 727	2 236			
Total	16 134	15 616	15 419	15 428	15 221	15 140			
CAPITAL									
General public services	-39	26	160	-6	188	-64			
Public order and safety	48	52	98	50	36	79			
Education	213	121	149	198	305	260			
Health	169	119	210	95	190	222			
Social security and welfare	30	18	16	28	47	40			
Housing and community amenities	600	398	563	647	362	781			
Recreation and culture	149	-59	-525	123	132	250			
Fuel and energy	-95	836	741	-9 742	-6 576	155			
Agriculture, forestry and fishing	22	29	25	52	11	-2			
Mining, manufacturing and construction	163	123	8	25	2	14			
Transport and communications	553	-659	634	534	331	697			
Other economic affairs	125	17	43	7	-26	22			
Other purposes	-198	-442	6	-12	8	-52			
Total	1 165	528	2 041	-8 001	-4 988	2 401			
TOTAL									
General public services	1 625	1 658	1 774	1 358	1 776	1 577			
Public order and safety	1 041	1 056	1 134	1 183	1 370	1 383			
Education	3 684	3 554	3 587	3 816	4 063	4 082			
Health	2 933	2 778	2 876	3 117	3 259	3 530			
Social security and welfare	859	861	972	937	1 066	1 154			
Housing and community amenities	881	678	951	913	644	1 034			
Recreation and culture	443	194	-320	328	336	491			
Fuel and energy	-18	866	794	-9 536	-6 558	158			
Agriculture, forestry and fishing	219	227	245	265	239	246			
Mining, manufacturing and construction	-121	146	50	84	43	77			
Transport and communications	1 647	417	1 506	1 454	1 172	1 493			
Other economic affairs	152	187	199	139	87	132			
Other purposes	3 954	3 523	3 692	3 369	2 735	2 185			
Total	17 298	16 144	17 460	7 426	10 233	17 541			

				Actual	Preliminary	Estimate
	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
<i>Economic transactions</i>	\$m	\$m	\$m	\$m	\$m	\$m
OUTLAYS						
Current						
Gross expenditure on goods and services	6 405	6 648	6 991	7 797	8 298	8 662
Less Sales of goods and services(a)	811	897	991	1 069	1 203	1 148
<i>Equals</i> Final consumption expenditure	5 593	5 751	5 999	6 728	7 095	7 514
Interest payments	858	745	693	721	412	518
Subsidies paid to public trading enterprises	41	238	324	584	854	699
Grants to other governments	497	248	237	268	299	273
Other transfer payments	932	1 030	1 131	1 249	1 456	1 494
<i>Total</i>	7 921	8 011	8 384	9 549	10 116	10 498
Capital						
Expenditure on new fixed assets	1 380	1 299	1 355	1 470	1 744	2 347
Plus Expenditure on second-hand assets (net)(b)	-71	-132	-161	-156	-197	-239
<i>Equals</i> Gross fixed capital expenditure	1 309	1 167	1 194	1 314	1 547	2 108
Expenditure on land and intangible assets (net)(b)	-121	-83	-53	-159	-47	-115
Grants to public trading enterprises	264	339	437	285	348	165
Grants to other levels of government	114	77	88	113	149	139
Grants to other sectors	117	55	68	98	143	273
Advances to public financial enterprises(b)	-48	-31	-39	—	—	—
Advances to public trading enterprises(b)	-19	2	-50	46	-92	-690
Other advances(b)	-56	-3	-231	82	262	3
Other	3	22	20	26	31	32
<i>Total</i>	1 564	1 544	1 435	1 805	2 341	1 915
Total	9 485	9 555	9 819	11 354	12 457	12 413
REVENUE						
Taxes, fees and fines(c)	3 292	3 634	3 964	4 214	4 554	4 642
Interest received from public trading enterprises	37	40	122	36	25	24
Interest received from other enterprises	1 046	1 112	1 077	1 445	1 313	1 308
Grants for own use(d)	4 775	4 765	4 793	5 034	5 199	5 234
Grants for onpassing	704	458	500	534	571	577
Other	576	799	1 052	1 134	1 846	1 489
Total	10 432	10 807	11 508	12 396	13 509	13 274
FINANCING AND DEFICIT MEASURES						
Advances received (net)	-311	-290	-242	-1 087	-54	-69
Borrowing (net)	2 034	-752	1 874	-1 490	-811	235
Increase in provisions (net)	—	—	—	—	—	—
Other financing transactions (net)	-2 671	-210	-3 321	1 535	-186	-1 028
<i>Total</i>	-947	-1 252	-1 689	-1 042	-1 052	-862
Less Increase in provisions (net)	—	—	—	—	—	—
<i>Equals</i> Deficit	-947	-1 252	-1 689	-1 042	-1 052	-862
Of which						
Current deficit	-1 685	-2 152	-2 606	-2 313	-2 950	-2 253
Capital deficit	738	899	917	1 271	1 899	1 392
Less Advances	-123	-32	-320	128	170	-687
Equals Deficit adjusted for net advances	-825	-1 220	-1 369	-1 170	-1 221	-175

(a) This item provides an indication of the extent of government charges levied. The charges (excluding inter-agency charges) are offset against gross expenditure in calculating final consumption expenditure and mainly comprise sales to the private sector.

(b) See Net Asset Sales and Advances on page 18.

(c) This category includes 'safety net' taxes on an 'agency' basis. See Appendix on the treatment of Commonwealth 'safety net' taxes for details.

(d) Includes planned fiscal contributions by the States towards the Commonwealth deficit reduction program to the total value of \$113.4 million for 1996-97 and \$118.8 million for 1997-98. See Fiscal Contribution table by State and Territory Governments on page 24.

	Actual					
	1992-93	1993-94	1994-95	1995-96	Preliminary 1996-97	Estimate 1997-98
<i>Economic transactions</i>	\$m	\$m	\$m	\$m	\$m	\$m
OUTLAYS						
Current						
Interest payments to general government	38	39	122	35	25	24
Interest payments to other enterprises	529	490	459	583	514	658
Income transferred to general government	80	350	619	1 161	1 166	932
Other transfer payments	44	61	50	66	63	58
<i>Total</i>	690	941	1 250	1 846	1 768	1 673
Capital						
Expenditure on new fixed assets	1 227	1 472	1 609	1 460	1 432	1 705
Plus Expenditure on second-hand assets (net)(a)	44	-745	-49	-88	-34	-50
<i>Equals</i> Gross fixed capital expenditure	1 271	727	1 559	1 372	1 398	1 655
Expenditure on land and intangible assets (net)(a)	45	-14	23	23	-16	-28
Grants to other levels of government	—	—	12	9	—	—
Grants to other sectors	17	19	33	23	—	85
Advances to the private sector(a)	-109	-89	-43	-33	-40	-30
Other advances(a)	—	1	105	—	—	—
Other	40	74	-32	-19	3	-57
<i>Total</i>	1 265	717	1 657	1 376	1 345	1 624
Total	1 955	1 658	2 907	3 222	3 113	3 297
REVENUE						
Sales of goods and services	7 342	7 962	8 646	8 684	8 787	9 357
Plus Subsidies received	15	232	298	702	886	676
Less Operating expenditure	6 125	6 610	7 428	7 516	7 880	8 081
<i>Equals</i> Net operating surplus	1 232	1 584	1 516	1 867	1 793	1 952
Interest received	82	63	82	95	77	58
Grants received	296	340	438	279	348	164
Other	63	74	80	69	62	61
Total	1 673	2 060	2 116	2 310	2 279	2 235
FINANCING AND DEFICIT MEASURES						
Advances received (net)	-20	2	-46	46	-92	-690
Borrowing (net)	-392	-1 048	94	-58	907	1 239
Increase in provisions for depreciation (net)	622	654	725	757	780	876
Other increase in provisions (net)	-3	8	155	556	48	-60
Other financing transactions (net)	75	-18	-136	390	-809	-303
<i>Total</i>	282	-402	791	912	834	1 062
Less Increase in provisions (net)	619	662	880	1 313	828	816
<i>Equals</i> Deficit	-337	-1 063	-89	-401	6	246
Of which						
Current deficit	-1 244	-1 368	-1 229	-1 430	-934	-1 154
Capital deficit	908	305	1 141	1 029	940	1 400
Less Advances	-109	-88	62	-33	-40	-30
Equals Deficit adjusted for net advances	-228	-976	-151	-368	46	277

(a) See Net Asset Sales and Advances on page 18.

<i>Economic transactions</i>	<i>Actual</i>					
	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
	\$m	\$m	\$m	\$m	\$m	\$m
OUTLAYS						
Current						
Gross expenditure on goods and services	6 405	6 648	6 991	7 797	8 298	8 662
Less Sales of goods and services	811	897	991	1 069	1 203	1 148
<i>Equals</i> Final consumption expenditure	5 593	5 751	5 999	6 728	7 095	7 514
Interest payments	1 351	1 217	1 112	1 257	889	1 147
Subsidies to public trading enterprises	41	238	324	584	854	699
Grants to other governments	497	248	237	268	299	273
Other transfer payments	976	1 108	1 288	1 870	1 519	1 535
<i>Total</i>	8 458	8 561	8 960	10 706	10 656	11 168
Capital						
Expenditure on new fixed assets	2 607	2 771	2 964	2 930	3 176	4 052
Plus Expenditure on second-hand assets (net)	-27	-877	-211	-244	-231	-289
<i>Equals</i> Gross fixed capital expenditure	2 580	1 894	2 753	2 686	2 945	3 763
Expenditure on land and intangible assets (net)	-76	-97	-29	-136	-63	-143
Grants to other levels of government	115	77	88	113	149	139
Grants to other sectors	133	73	102	121	143	358
Advances	-212	-123	-208	49	222	-28
Other	43	96	-13	7	34	-26
<i>Total</i>	2 584	1 919	2 693	2 840	3 430	4 064
Total	11 043	10 481	11 653	13 547	14 086	15 232
REVENUE						
Taxes, fees and fines	3 292	3 634	3 964	4 214	4 554	4 642
Net operating surplus of public trading enterprises	1 232	1 584	1 516	1 867	1 793	1 952
Interest received	1 094	1 157	1 118	1 492	1 353	1 337
Grants received for own use	4 806	4 765	4 782	5 025	5 199	5 234
Grants received for onpassing	704	458	500	534	571	577
Other	559	540	627	591	744	601
Total	11 686	12 137	12 508	13 724	14 214	14 343
FINANCING AND DEFICIT MEASURES						
Advances received (net)	-311	-291	-238	-1 087	-54	-68
Borrowing (net)	1 636	-1 800	1 974	-1 536	96	1 474
Increase in provisions for depreciation (net)	622	654	725	757	780	876
Other increase in provisions (net)	-3	8	155	556	48	-60
Other financing transactions (net)	-2 588	-226	-3 471	1 133	-997	-1 333
<i>Total</i>	-644	-1 656	-854	-177	-128	889
Less Increase in provisions (net)	619	662	880	1 313	828	816
<i>Equals</i> Deficit	-1 263	-2 318	-1 734	-1 490	-956	73
Of which						
Current deficit	-2 930	-3 520	-3 843	-3 738	-3 887	-3 408
Capital deficit	1 668	1 202	2 108	2 248	2 931	3 481
Less Advances	-212	-123	-208	49	222	-28
<i>Equals</i> Deficit adjusted for net advances	-1 051	-2 195	-1 526	-1 539	-1 178	101

Outlays by purpose	1992-93		1993-94		1994-95		Actual	Preliminary	Estimate
	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98			
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
CURRENT									
General public services	371	360	234	332	329	540			
Public order and safety	729	738	793	887	1 018	1 041			
Education	2 673	2 527	2 528	2 800	2 915	3 017			
Health	1 718	1 770	1 949	2 200	2 300	2 417			
Social security and welfare	310	345	375	419	460	583			
Housing and community amenities	31	49	52	62	185	60			
Recreation and culture	205	236	263	315	285	309			
Fuel and energy	19	9	153	378	93	101			
Agriculture, forestry and fishing	239	241	326	324	449	490			
Mining, manufacturing and construction	47	49	57	70	49	56			
Transport and communications	439	685	760	1 235	1 166	1 138			
Other economic affairs	168	194	211	261	306	411			
Other purposes	1 509	1 357	1 262	1 423	1 102	1 004			
Total	8 458	8 561	8 960	10 706	10 656	11 168			
CAPITAL									
General public services	175	155	80	78	119	65			
Public order and safety	58	65	105	146	165	301			
Education	300	233	268	281	382	344			
Health	123	176	188	198	315	584			
Social security and welfare	21	14	11	15	12	35			
Housing and community amenities	242	154	323	179	241	319			
Recreation and culture	44	66	90	80	145	146			
Fuel and energy	559	-215	492	394	527	586			
Agriculture, forestry and fishing	127	143	-34	73	101	109			
Mining, manufacturing and construction	15	-7	-208	-30	18	30			
Transport and communications	858	1 022	1 186	1 248	1 193	1 603			
Other economic affairs	18	69	147	132	161	35			
Other purposes	45	45	44	46	53	-93			
Total	2 584	1 919	2 693	2 840	3 430	4 064			
TOTAL									
General public services	545	515	314	410	448	605			
Public order and safety	787	803	898	1 033	1 183	1 342			
Education	2 974	2 760	2 796	3 081	3 297	3 361			
Health	1 842	1 946	2 137	2 398	2 615	3 001			
Social security and welfare	331	359	385	434	472	618			
Housing and community amenities	273	202	375	241	426	379			
Recreation and culture	249	302	352	395	429	455			
Fuel and energy	578	-206	645	772	620	687			
Agriculture, forestry and fishing	366	384	292	397	550	599			
Mining, manufacturing and construction	61	42	-152	40	66	86			
Transport and communications	1 297	1 708	1 946	2 483	2 359	2 742			
Other economic affairs	186	263	358	393	467	446			
Other purposes	1 554	1 402	1 306	1 470	1 155	912			
Total	11 043	10 481	11 653	13 547	14 086	15 232			

	Actual					
	1992-93	1993-94	1994-95	1995-96	Preliminary 1996-97	Estimate 1997-98
<i>Economic transactions</i>	\$m	\$m	\$m	\$m	\$m	\$m
OUTLAYS						
Current						
Gross expenditure on goods and services	3 521	4 113	4 167	4 189	4 242	4 207
Less Sales of goods and services(a)	375	387	423	508	527	501
<i>Equals</i> Final consumption expenditure	3 147	3 727	3 744	3 682	3 715	3 706
Interest payments	1 036	1 269	1 391	1 108	996	922
Subsidies to public trading enterprises	246	285	277	252	285	383
Grants to other governments	245	104	96	100	104	106
Other transfer payments	425	503	509	530	640	690
<i>Total</i>	5 098	5 889	6 017	5 670	5 740	5 807
Capital						
Expenditure on new fixed assets	471	459	441	515	529	649
Plus Expenditure on second-hand assets (net)(b)	-68	-96	-15	-130	-85	-85
<i>Equals</i> Gross fixed capital expenditure	403	363	426	386	444	564
Expenditure on land and intangible assets (net)(b)	27	-5	53	10	3	-4
Grants to public trading enterprises	73	59	22	23	7	22
Grants to other levels of government	25	17	13	11	13	8
Grants to other sectors	12	24	49	29	37	33
Advances to public financial enterprises(b)	68	4	9	-2	-2	-1
Advances to public trading enterprises(b)	1	-53	-67	-160	-509	-53
Other advances(b)	531	-361	-398	-874	-221	-62
Other	1	—	—	—	—	—
<i>Total</i>	1 142	48	107	-577	-228	508
Total	6 240	5 937	6 123	5 093	5 512	6 314
REVENUE						
Taxes, fees and fines(c)	1 751	1 869	1 950	2 100	2 234	2 336
Interest received from public trading enterprises	210	181	196	93	91	85
Interest received from other enterprises	359	621	566	445	354	327
Grants received for own use(d)	2 785	2 639	2 705	2 669	2 587	2 661
Grants received for onpassing	329	189	205	218	233	243
Other	312	554	469	476	505	650
Total	5 746	6 053	6 091	6 001	6 004	6 301
FINANCING AND DEFICIT MEASURES						
Advances received (net)	-193	-122	-218	-107	-169	-95
Borrowing (net)	4 089	4 156	-4 369	-1 718	-1 601	74
Increase in provisions (net)	1	-31	—	—	—	—
Other financing transactions (net)	-3 403	-4 119	4 619	917	1 278	35
<i>Total</i>	494	-116	32	-908	-492	13
Less Increase in provisions (net)	1	-31	—	—	—	—
<i>Equals</i> Deficit	493	-85	32	-908	-492	13
Of which						
Current deficit	-103	213	261	-112	-141	-329
Capital deficit	596	-299	-229	-796	-352	342
Less Advances	601	-411	-456	-1 036	-732	-116
Equals Deficit adjusted for net advances	-108	325	488	128	239	129

(a) This item provides an indication of the extent of government charges levied. The charges (excluding inter-agency charges) are offset against gross expenditure in calculating final consumption expenditure and mainly comprise sales to the private sector.

(b) See Net Asset Sales and Advances on page 18.

(c) This category includes 'safety net' taxes on an 'agency' basis. See Appendix on the treatment of Commonwealth 'safety net' taxes for details.

(d) Includes planned fiscal contributions by the States towards the Commonwealth deficit reduction program to the total value of \$49.6 million for 1996-97 and \$51.1 million for 1997-98. See Fiscal Contribution table by State and Territory Governments on page 24.

<i>Economic transactions</i>				<i>Actual</i>	<i>Preliminary</i>	<i>Estimate</i>
	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
	\$m	\$m	\$m	\$m	\$m	\$m
OUTLAYS						
Current						
Interest to general government	209	181	196	93	91	83
Interest to other enterprises	181	138	112	207	188	209
Income transferred to general government	128	147	329	296	354	484
Other transfer payments	27	15	16	17	—	—
<i>Total</i>	545	481	654	614	633	777
Capital						
Expenditure on new fixed assets	489	381	377	295	267	359
Plus Expenditure on second-hand assets (net)(a)	-75	-118	-189	-192	-112	-128
<i>Equals</i> Gross fixed capital expenditure	414	264	188	103	156	231
Expenditure on land and intangible assets (net)(a)	-3	-3	-42	-10	-4	5
Grants to other levels of government	—	—	—	—	—	—
Grants to other sectors	—	—	—	—	—	—
Advances to the private sector(a)	-6	-11	16	4	-3	-6
Other advances(a)	—	—	—	1	—	—
Other	105	-86	-180	149	46	—
<i>Total</i>	509	163	-18	247	195	230
Total	1 054	644	636	861	828	1 007
REVENUE						
Sales of goods and services	3 055	2 770	2 959	3 036	2 998	3 039
Plus Subsidies received	247	285	276	251	356	379
Less Operating expenditure	2 768	2 616	2 640	2 761	2 725	2 773
<i>Equals</i> Net operating surplus	534	439	595	526	629	645
Interest received	33	19	23	20	20	16
Grants received	73	59	22	26	7	22
Other	27	55	44	37	36	32
Total	667	573	683	609	693	715
FINANCING AND DEFICIT MEASURES						
Advances received (net)	2	-53	-67	-160	-506	-52
Borrowing (net)	-35	-150	-203	-28	384	-34
Increase in provisions for depreciation (net)	327	296	285	289	346	344
Other increase in provisions (net)	26	-9	6	-36	-19	43
Other financing transactions (net)	67	-13	-69	187	-70	-9
<i>Total</i>	387	72	-47	252	135	292
Less Increase in provisions (net)	353	286	291	253	328	387
<i>Equals</i> Deficit	34	-215	-339	-1	-192	-95
Of which						
Current deficit	-376	-265	-255	-189	-348	-272
Capital deficit	410	50	-84	187	156	177
Less Advances	-6	11	16	6	-3	-6
Equals Deficit adjusted for net advances	40	-204	-354	-7	-190	-89

(a) See Net Asset Sales and Advances on page 18.

	Actual					
	1992-93	1993-94	1994-95	1995-96	Preliminary 1996-97	Estimate 1997-98
<i>Economic transactions</i>	\$m	\$m	\$m	\$m	\$m	\$m
OUTLAYS						
Current						
Gross expenditure on goods and services	3 521	4 113	4 167	4 189	4 242	4 207
Less Sales of goods and services	375	387	423	508	527	501
<i>Equals</i> Final consumption expenditure	3 147	3 727	3 744	3 682	3 715	3 706
Interest payments	1 204	1 395	1 490	1 303	1 172	1 124
Subsidies to public trading enterprises	246	285	277	252	285	383
Grants to other governments	245	104	96	100	104	106
Other transfer payments	451	518	525	547	641	690
<i>Total</i>	5 294	6 030	6 131	5 883	5 916	6 009
Capital						
Expenditure on new fixed assets	960	840	819	810	796	1 008
<i>Plus</i> Expenditure on second-hand assets (net)	-143	-213	-204	-322	-197	-213
<i>Equals</i> Gross fixed capital expenditure	816	627	614	488	599	796
Expenditure on land and intangible assets (net)	24	-8	11	—	-1	1
Grants to other levels of government	25	17	13	11	13	8
Grants to other sectors	12	24	49	29	37	33
Advances	593	-369	-374	-870	-225	-70
Other	106	-87	-180	149	46	—
<i>Total</i>	1 577	205	134	-193	470	768
Total	6 871	6 235	6 265	5 690	6 386	6 778
REVENUE						
Taxes, fees and fines	1 751	1 869	1 950	2 100	2 234	2 336
Net operating surplus of public trading enterprises	534	439	595	526	629	645
Interest received	380	628	575	453	362	336
Grants received for own use	2 785	2 639	2 705	2 669	2 587	2 661
Grants received for onpassing	329	189	205	218	233	243
Other	211	462	184	213	183	197
Total	5 990	6 227	6 214	6 180	6 229	6 417
FINANCING AND DEFICIT MEASURES						
Advances received (net)	-193	-122	-218	-107	-169	-95
Borrowing (net)	4 054	4 006	-4 572	-1 747	-1 217	40
Increase in provisions for depreciation (net)	327	296	285	289	346	344
Other increase in provisions (net)	28	-40	6	-36	-19	43
Other financing transactions (net)	-3 334	-4 132	4 550	1 112	1 216	29
<i>Total</i>	881	8	51	-490	157	360
Less Increase in provisions (net)	355	256	291	253	328	387
<i>Equals</i> Deficit	527	-248	-240	-742	-170	-27
Of which						
Current deficit	-478	-52	6	-297	-485	-598
Capital deficit	1 004	-196	-246	-445	314	572
Less Advances	593	-369	-374	-870	-225	-70
<i>Equals</i> Deficit adjusted for net advances	-66	121	133	128	54	43

Outlays by purpose	Actual				Preliminary	Estimate
	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
	\$m	\$m	\$m	\$m	\$m	\$m
CURRENT						
General public services	211	617	621	636	491	286
Public order and safety	389	414	430	451	504	514
Education	1 374	1 339	1 305	1 246	1 330	1 439
Health	1 011	1 058	1 085	1 075	1 198	1 259
Social security and welfare	247	276	277	291	238	250
Housing and community amenities	155	181	156	126	186	302
Recreation and culture	127	148	158	164	169	178
Fuel and energy	20	7	9	11	11	25
Agriculture, forestry and fishing	77	104	80	67	89	97
Mining, manufacturing and construction	19	29	33	31	37	59
Transport and communications	303	327	334	319	297	281
Other economic affairs	94	72	89	97	106	107
Other purposes	1 268	1 457	1 552	1 368	1 261	1 214
Total	5 294	6 030	6 131	5 883	5 916	6 009
CAPITAL						
General public services	607	116	-61	-873	-123	-65
Public order and safety	48	40	26	35	46	49
Education	103	76	87	120	139	118
Health	62	77	113	47	115	111
Social security and welfare	15	8	11	5	7	6
Housing and community amenities	198	107	138	116	73	150
Recreation and culture	24	18	34	25	24	60
Fuel and energy	192	-353	71	93	103	143
Agriculture, forestry and fishing	138	-47	-159	137	41	19
Mining, manufacturing and construction	5	14	29	-16	-87	-2
Transport and communications	184	149	-158	139	115	189
Other economic affairs	-3	—	3	-23	12	-15
Other purposes	4	—	—	3	3	3
Total	1 577	205	134	-193	470	768
TOTAL						
General public services	818	733	560	-237	369	221
Public order and safety	437	454	456	486	550	563
Education	1 477	1 415	1 392	1 365	1 469	1 557
Health	1 073	1 135	1 198	1 122	1 312	1 370
Social security and welfare	262	284	288	295	245	256
Housing and community amenities	354	287	294	242	259	452
Recreation and culture	151	166	192	189	194	238
Fuel and energy	211	-345	80	104	114	168
Agriculture, forestry and fishing	214	57	-79	204	130	116
Mining, manufacturing and construction	24	44	62	15	-50	57
Transport and communications	486	476	175	458	412	470
Other economic affairs	91	72	93	75	118	92
Other purposes	1 272	1 457	1 553	1 371	1 264	1 217
Total	6 871	6 235	6 265	5 690	6 386	6 778

				Actual	Preliminary	Estimate
	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
<i>Economic transactions</i>	\$m	\$m	\$m	\$m	\$m	\$m
OUTLAYS						
Current						
Gross expenditure on goods and services	4 231	4 519	4 855	5 348	5 663	5 850
Less Sales of goods and services(a)	529	592	1 063	1 118	1 143	1 097
<i>Equals</i> Final consumption expenditure	3 703	3 927	3 792	4 231	4 520	4 753
Interest payments	620	516	545	553	497	609
Subsidies to public trading enterprises	235	248	268	192	413	445
Grants to other governments	281	137	152	175	178	181
Other transfer payments	506	545	666	791	800	922
<i>Total</i>	5 344	5 374	5 424	5 942	6 408	6 911
Capital						
Expenditure on new fixed assets	602	553	526	739	686	726
Plus Expenditure on second-hand assets (net)(b)	-44	-74	-19	-138	-209	-139
<i>Equals</i> Gross fixed capital expenditure	558	479	507	602	476	588
Expenditure on land and intangible assets (net)(b)	-22	-55	-5	-7	-35	-137
Grants to public trading enterprises	203	166	118	116	103	86
Grants to other levels of government	47	49	48	75	91	77
Grants to other sectors	39	143	14	16	32	24
Advances to public financial enterprises(b)	6	-2	—	-295	—	-2
Advances to public trading enterprises(b)	-22	-116	-34	-104	-183	-57
Other advances(b)	-6	6	11	-626	-10	-4
Other	—	3	1	—	—	—
<i>Total</i>	803	673	660	-222	473	575
Total	6 147	6 047	6 084	5 720	6 881	7 486
REVENUE						
Taxes, fees and fines(c)	2 010	2 376	2 535	2 659	2 751	2 948
Interest received from public trading enterprises	112	98	86	70	54	48
Interest received from other enterprises	99	92	189	244	392	395
Grants received for own use(d)	2 647	2 686	2 725	3 032	2 841	2 894
Grants received for onpassing	414	270	291	311	332	335
Other	505	461	510	656	857	934
Total	5 786	5 982	6 335	6 972	7 228	7 554
FINANCING AND DEFICIT MEASURES						
Advances received (net)	-199	-133	-180	-285	-23	-124
Borrowing (net)	599	60	91	325	-83	13
Increase in provisions (net)	—	—	—	—	—	—
Other financing transactions (net)	-40	138	-163	-1 292	-241	42
<i>Total</i>	361	64	-252	-1 252	-347	-69
Less increase in provisions (net)	—	—	—	—	—	—
<i>Equals</i> Deficit	361	64	-252	-1 252	-347	-69
Of which						
Current deficit	-14	-291	-654	-591	-576	-421
Capital deficit	375	355	402	-661	229	352
Less Advances	-22	-112	-22	-1 024	-194	-63
Equals Deficit adjusted for net advances(b)	382	176	-229	-227	-154	-6

(a) This item provides an indication of the extent of government charges levied. The charges (excluding inter-agency charges) are offset against gross expenditure in calculating final consumption expenditure and mainly comprise sales to the private sector.

(b) See Net Asset Sales and Advances on page 18.

(c) This category includes 'safety net' taxes on an 'agency' basis. See Appendix on the treatment of Commonwealth 'safety net' taxes for details.

(d) Includes planned fiscal contributions by the States towards the Commonwealth deficit reduction program to the total value of \$59.9 million for 1996-97 and \$62.2 million for 1997-98. See Fiscal Contribution table by State and Territory Governments on page 24.

				Actual	Preliminary	Estimate
	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
<i>Economic transactions</i>	\$m	\$m	\$m	\$m	\$m	\$m
OUTLAYS						
Current						
Interest payments to general government	113	95	85	73	51	45
Interest payments to other enterprises	550	506	516	519	512	456
Income transferred to general government	68	25	18	121	446	472
Other transfer payments	67	64	71	90	81	112
<i>Total</i>	798	690	690	802	1 090	1 084
Capital						
Expenditure on new fixed assets	815	704	692	972	1 265	1 247
Plus Expenditure on second-hand assets (net)(a)	-54	-104	-180	-246	179	-173
<i>Equals</i> Gross fixed capital expenditure	761	600	513	726	1 086	1 074
Expenditure on land and intangible assets (net)(a)	-3	-61	-58	15	-27	-41
Grants to other levels of government	—	—	—	—	48	—
Grants to other sectors	—	—	—	—	—	—
Advances to the private sector(a)	—	4	-17	-14	-3	—
Other advances(a)	—	—	-1	-15	-4	—
Other	-20	-8	63	16	18	46
<i>Total</i>	738	535	500	728	1 118	1 079
Total	1 536	1 225	1 190	1 530	2 207	2 163
REVENUE						
Sales of goods and services(b)	4 159	4 783	5 980	7 803	4 924	5 156
Plus Subsidies received	233	245	265	191	413	445
Less Operating expenditure(b)	3 539	4 200	5 566	7 281	4 245	4 445
<i>Equals</i> Net operating surplus	853	828	679	712	1 092	1 155
Interest received	38	32	53	62	54	40
Grants received	204	159	114	112	103	82
Other	130	174	213	110	94	104
Total	1 225	1 193	1 059	995	1 344	1 381
FINANCING AND DEFICIT MEASURES						
Advances received (net)	-24	-116	-28	-96	-185	-47
Borrowing (net)	176	-106	-126	-157	221	261
Increase in provisions for depreciation (net)	293	318	460	486	491	513
Other increase in provisions (net)	-42	-31	-72	65	68	37
Other financing transactions (net)	-91	-32	-102	236	268	17
<i>Total</i>	311	32	131	534	863	782
Less Increase in provisions (net)	251	286	388	552	559	551
<i>Equals</i> Deficit	61	-254	-257	-17	304	231
Of which						
Current deficit	-348	-460	-437	-532	624	-668
Capital deficit	409	205	180	515	929	899
Less Advances	—	5	-18	-29	-7	—
Equals Deficit adjusted for net advances	61	-259	-239	12	311	231

(a) See Net Asset Sales and Advances on page 18.

(b) Prior to 1996-97 the inclusion of gross sales (or purchases) of metal location swaps by Gold Corporation resulted in some significant increases. From 1996-97 only the margins earned on swap transactions are included.

	1992-93	1993-94	1994-95	Actual 1995-96	Preliminary 1996-97	Estimate 1997-98
<i>Economic transactions</i>	\$m	\$m	\$m	\$m	\$m	\$m
OUTLAYS						
Current						
Gross expenditure on goods and services	4 231	4 519	4 855	5 348	5 663	5 850
Less Sales of goods and services	529	592	1 063	1 118	1 143	1 097
<i>Equals</i> Final consumption expenditure	3 703	3 927	3 792	4 231	4 520	4 753
Interest payments	1 151	1 005	1 025	1 041	985	1 050
Subsidies to public trading enterprises	235	248	268	192	413	445
Grants to other governments	281	137	152	175	178	181
Other transfer payments	573	609	738	880	965	1 071
<i>Total</i>	5 942	5 927	5 976	6 520	7 060	7 500
Capital						
Expenditure on new fixed assets	1 417	1 257	1 218	1 711	1 951	1 973
Plus Expenditure on second-hand assets (net)	-98	-178	-199	-384	-388	-312
<i>Equals</i> Gross fixed capital expenditure	1 319	1 079	1 020	1 327	1 563	1 661
Expenditure on land and intangible assets (net)	-25	-116	-63	8	-62	-178
Grants to other levels of government	47	49	48	75	139	77
Grants to other sectors	39	143	14	16	32	24
Advances	1	8	-5	-945	-13	-14
Other	-20	-5	64	16	17	46
<i>Total</i>	1 360	1 158	1 077	498	1 675	1 616
Total	7 302	7 084	7 053	7 018	8 736	9 116
REVENUE						
Taxes, fees and fines	2 010	2 376	2 535	2 659	2 751	2 948
Net operating surplus of public trading enterprises	853	828	679	712	1 092	1 155
Interest received	118	107	207	275	422	421
Grants received for own use	2 647	2 686	2 725	3 032	2 841	2 894
Grants received for onpassing	414	270	291	311	332	335
Other	570	607	703	653	590	602
Total	6 611	6 874	7 140	7 642	8 029	8 355
FINANCING AND DEFICIT MEASURES						
Advances received (net)	-197	-135	-179	-280	-22	-123
Borrowing (net)	775	-51	-36	173	138	274
Increase in provisions for depreciation (net)	293	318	460	486	491	513
Other increase in provisions (net)	-42	-31	-72	65	68	37
Other financing transactions (net)	-137	110	-261	-1 069	32	59
<i>Total</i>	691	211	-88	-624	707	760
Less Increase in provisions (net)	251	286	388	552	559	551
<i>Equals</i> Deficit	440	-75	-475	-1 176	148	210
Of which						
Current deficit	-367	-745	-1 088	-1 134	-1 197	-1 086
Capital deficit	807	670	612	-42	1 345	1 296
Less Advances	1	8	-5	-945	-13	-14
<i>Equals</i> Deficit adjusted for net advances	440	-84	-470	-231	161	224

Outlays by purpose				Actual	Preliminary	Estimate
	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
	\$m	\$m	\$m	\$m	\$m	\$m
CURRENT						
General public services	324	420	402	487	518	543
Public order and safety	472	515	535	593	687	707
Education	1 535	1 440	1 456	1 576	1 731	1 812
Health	1 172	1 214	1 204	1 386	1 440	1 505
Social security and welfare	334	339	296	335	334	369
Housing and community amenities	46	55	87	105	339	313
Recreation and culture	103	120	135	157	153	179
Fuel and energy	10	12	14	24	77	60
Agriculture, forestry and fishing	149	158	120	114	121	146
Mining, manufacturing and construction	38	45	58	49	51	53
Transport and communications	409	405	432	423	378	479
Other economic affairs	128	128	136	144	156	202
Other purposes	1 221	1 076	1 101	1 127	1 075	1 133
Total	5 942	5 927	5 976	6 520	7 060	7 500
CAPITAL						
General public services	62	13	18	911	-91	-3
Public order and safety	38	26	39	49	61	68
Education	112	102	129	161	150	143
Health	75	87	109	45	55	59
Social security and welfare	15	3	5	5	—	10
Housing and community amenities	345	249	323	384	371	311
Recreation and culture	21	20	20	28	43	28
Fuel and energy	145	107	201	344	578	622
Agriculture, forestry and fishing	5	15	-10	—	-14	-68
Mining, manufacturing and construction	4	12	-1	4	6	9
Transport and communications	495	348	241	381	472	436
Other economic affairs	42	162	12	15	53	12
Other purposes	—	13	-8	-7	-8	-11
Total	1 360	1 158	1 077	498	1 675	1 616
TOTAL						
General public services	386	433	420	-424	427	540
Public order and safety	510	541	573	642	748	774
Education	1 647	1 542	1 585	1 737	1 882	1 955
Health	1 248	1 302	1 313	1 430	1 495	1 564
Social security and welfare	349	342	302	340	335	379
Housing and community amenities	391	304	410	489	710	624
Recreation and culture	124	140	155	186	196	207
Fuel and energy	155	119	214	368	654	682
Agriculture, forestry and fishing	154	173	110	114	107	78
Mining, manufacturing and construction	43	56	57	54	57	62
Transport and communications	904	753	673	804	850	915
Other economic affairs	170	290	148	158	210	214
Other purposes	1 221	1 089	1 092	1 119	1 066	1 122
Total	7 302	7 084	7 053	7 018	8 736	9 116

	Actual					
	1992-93	1993-94	1994-95	1995-96	Preliminary 1996-97	Estimate 1997-98
<i>Economic transactions</i>	\$m	\$m	\$m	\$m	\$m	\$m
OUTLAYS						
Current						
Gross expenditure on goods and services	1 341	1 400	1 422	1 497	1 571	1 613
Less Sales of goods and services(a)	153	162	154	182	182	190
<i>Equals</i> Final consumption expenditure	1 188	1 237	1 269	1 314	1 389	1 423
Interest payments	327	393	384	331	318	312
Subsidies to public trading enterprises	45	45	43	40	36	42
Grants to other governments	80	42	42	45	49	49
Other transfer payments	135	141	163	175	195	175
<i>Total</i>	1 776	1 859	1 901	1 906	1 986	2 001
Capital						
Expenditure on new fixed assets	161	144	152	175	155	170
Plus Expenditure on second-hand assets (net)(b)	-9	-35	-37	-41	-50	-46
<i>Equals</i> Gross fixed capital expenditure	152	109	115	134	104	123
Expenditure on land and intangible assets (net)(b)	3	4	3	2	3	—
Grants to public trading enterprises	50	77	21	32	32	24
Grants to other levels of government	2	3	2	4	—	—
Grants to other sectors	—	—	—	—	5	—
Advances to public financial enterprises(b)	—	—	—	—	—	—
Advances to public trading enterprises(b)	-13	-13	-104	-45	-82	-34
Advances to other levels of government(b)	—	—	—	—	—	—
Other advances(b)	-18	-170	4	-18	-4	-12
Other	—	—	—	—	—	—
<i>Total</i>	177	9	41	109	58	101
Total	1 952	1 868	1 943	2 015	2 044	2 103
REVENUE						
Taxes, fees and fines(c)	561	599	645	659	672	686
Interest received from public trading enterprises	72	71	67	55	47	39
Interest received from other enterprises	109	166	162	138	131	128
Grants received for own use(d)	1 002	963	958	1 034	1 038	1 034
Grants received for onpassing	110	75	80	81	86	88
Other	81	86	100	108	144	146
Total	1 935	1 959	2 011	2 076	2 118	2 121
FINANCING AND DEFICIT MEASURES						
Advances received (net)	-149	-120	-142	-82	-116	-94
Borrowing (net)	43	959	253	-60	78	82
Increase in provisions (net)	—	—	—	—	—	—
Other financing transactions (net)	124	-930	326	81	-36	-6
<i>Total</i>	17	-91	-69	-61	-74	-18
Less Increase in provisions (net)	—	—	—	—	—	—
<i>Equals</i> Deficit	17	-91	-69	-61	-74	-18
Of which						
Current deficit	13	20	-41	-86	-64	-48
Capital deficit	4	-111	-28	25	-10	30
Less Advances	-31	-183	-100	-63	-87	-46
Equals Deficit adjusted for net advances	48	92	31	2	13	27

(a) This item provides an indication of the extent of government charges levied. The charges (excluding inter-agency charges) are offset against gross expenditure in calculating final consumption expenditure and mainly comprise sales to the private sector.

(b) See Net Asset Sales and Advances on page 18.

(c) This category includes 'safety net' taxes on an agency basis. See Appendix on the treatment of Commonwealth 'safety net' taxes for details.

(d) Includes planned fiscal contributions by the States towards the Commonwealth deficit reduction program to the total value of \$15.9 million for 1996-97 and \$8.1 million for 1997-98. See Fiscal Contribution table by State and Territory Governments on page 24.

<i>Economic transactions</i>				<i>Actual</i>	<i>Preliminary</i>	<i>Estimate</i>
	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
	\$m	\$m	\$m	\$m	\$m	\$m
OUTLAYS						
Current						
Interest payments to general government	71	70	67	55	47	39
Interest payments to other enterprises	169	156	153	154	158	144
Income transferred to general government	18	23	30	31	58	78
Other transfer payments	—	—	—	—	—	—
<i>Total</i>	258	249	249	240	263	260
Capital						
Expenditure on new fixed assets	145	297	109	151	135	155
Plus Expenditure on second-hand assets (net)(a)	1	-24	-3	-1	-5	2
<i>Equals</i> Gross fixed capital expenditure	147	273	106	150	130	157
Expenditure on land and intangible assets (net)(a)	-1	-2	-2	-2	-1	2
Grants to other levels of government	—	—	1	1	1	—
Grants to other sectors	1	2	2	5	—	—
Advances to the private sector(a)	-6	-4	-5	-2	-1	—
Other advances(a)	—	—	—	—	—	—
Other	-5	3	-1	-1	-1	—
<i>Total</i>	136	271	100	150	127	158
Total	394	520	349	390	390	419
REVENUE						
Sales of goods and services	703	732	766	789	791	797
Plus Subsidies received	41	44	45	38	35	38
Less Operating expenditure	515	532	555	566	554	557
<i>Equals</i> Net operating surplus	229	245	256	261	272	278
Interest received	16	12	10	9	11	4
Grants received	53	77	23	30	30	24
Other	4	5	5	5	6	4
Total	302	338	294	305	318	311
FINANCING AND DEFICIT MEASURES						
Advances received (net)	-13	-13	-109	-51	-82	-33
Borrowing (net)	16	56	29	43	-2	-19
Increase in provisions for depreciation (net)	122	123	135	143	131	131
Other increase in provisions (net)	9	-24	1	12	23	11
Other financing transactions (net)	-43	41	—	25	2	18
<i>Total</i>	92	182	55	85	71	108
Less Increase in provisions (net)	131	99	135	154	154	142
<i>Equals</i> Deficit	-39	84	-80	-69	-83	-34
Of which						
Current deficit	-118	-106	-153	-184	-175	-164
Capital deficit	79	190	72	116	92	130
Less Advances	-6	-4	-5	-2	-1	—
<i>Equals</i> Deficit adjusted for net advances	-34	88	-75	-67	-81	-34

(a) See Net Asset Sales and Advances on page 18.

	Actual					
	1992-93	1993-94	1994-95	1995-96	Preliminary 1996-97	Estimate 1997-98
<i>Economic transactions</i>	\$m	\$m	\$m	\$m	\$m	\$m
OUTLAYS						
Current						
Gross expenditure on goods and services	1 341	1 400	1 422	1 497	1 571	1 613
Less Sales of goods and services	153	162	154	182	182	190
<i>Equals</i> Final consumption expenditure	1 188	1 237	1 269	1 314	1 389	1 423
Interest payments	494	547	534	483	475	456
Subsidies to public trading enterprises	45	45	43	40	36	42
Grants to other governments	80	42	42	45	49	49
Other transfer payments	135	141	163	175	195	175
<i>Total</i>	1 942	2 012	2 051	2 058	2 143	2 145
Capital						
Expenditure on new fixed assets	306	442	261	326	289	325
Plus Expenditure on second-hand assets (net)	-7	-59	-40	-42	-55	-44
<i>Equals</i> Gross fixed capital expenditure	299	382	221	284	234	281
Expenditure on land and intangible assets (net)	2	2	—	-1	2	2
Grants to other levels of government	2	3	2	4	—	—
Grants to other sectors	1	2	2	5	5	—
Advances	-24	-175	-1	-20	-6	-12
Other	-5	3	-1	-1	-1	—
<i>Total</i>	274	217	224	272	235	270
Total	2 216	2 229	2 275	2 330	2 378	2 415
REVENUE						
Taxes, fees and fines	561	599	645	659	672	686
Net operating surplus of public trading enterprises	229	245	256	261	272	278
Interest received	123	175	169	145	141	132
Grants received for own use	1 004	963	960	1 030	1 038	1 034
Grants received for onpassing	110	75	80	81	86	88
Other	65	63	75	78	91	74
Total	2 093	2 121	2 184	2 255	2 301	2 292
FINANCING AND DEFICIT MEASURES						
Advances received (net)	-149	-120	-141	-81	-116	-94
Borrowing (net)	60	1 015	-224	-103	101	63
Increase in provisions for depreciation (net)	122	123	135	143	131	131
Other increase in provisions (net)	9	-24	1	12	23	11
Other financing transactions (net)	83	-885	320	104	-62	12
<i>Total</i>	124	108	90	75	77	123
Less Increase in provisions (net)	131	99	135	154	154	142
<i>Equals</i> Deficit	-7	10	-45	-79	-77	-19
Of which						
Current deficit	-102	-81	-193	-266	-239	-213
Capital deficit	96	91	148	187	162	194
Less Advances	-24	-175	-1	-20	-6	-12
<i>Equals</i> Deficit adjusted for net advances	17	184	-44	-59	-72	-7

Outlays by purpose				Actual	Preliminary	Estimate
	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
	\$m	\$m	\$m	\$m	\$m	\$m
CURRENT						
General public services	126	151	173	166	155	178
Public order and safety	110	114	118	124	158	156
Education	441	429	438	454	473	480
Health	361	329	339	375	377	380
Social security and welfare	56	89	105	118	120	124
Housing and community amenities	35	37	38	32	32	30
Recreation and culture	52	47	50	55	72	67
Fuel and energy	—	—	—	—	—	1
Agriculture, forestry and fishing	66	65	67	68	65	65
Mining, manufacturing and construction	9	6	10	8	9	9
Transport and communications	85	90	92	99	108	109
Other economic affairs	57	52	55	55	57	53
Other purposes	545	603	567	503	517	492
Total	1 942	2 012	2 051	2 058	2 143	2 145
CAPITAL						
General public services	3	-41	-10	-12	-21	-12
Public order and safety	13	12	16	16	12	9
Education	24	23	33	33	38	31
Health	36	16	17	26	15	16
Social security and welfare	-5	-4	-6	-2	1	—
Housing and community amenities	11	-90	35	40	5	23
Recreation and culture	13	11	12	9	14	16
Fuel and energy	91	73	58	95	106	113
Agriculture, forestry and fishing	6	9	6	9	7	24
Mining, manufacturing and construction	-2	3	—	-8	10	-6
Transport and communications	89	208	62	61	45	53
Other economic affairs	-2	—	-1	5	5	4
Other purposes	-1	-1	1	—	—	—
Total	274	217	224	272	235	270
TOTAL						
General public services	129	109	163	154	134	166
Public order and safety	123	126	134	140	170	165
Education	465	453	471	487	510	512
Health	398	344	356	401	392	396
Social security and welfare	51	85	100	116	121	124
Housing and community amenities	46	-53	73	72	37	53
Recreation and culture	64	58	62	65	86	83
Fuel and energy	91	74	58	95	106	114
Agriculture, forestry and fishing	71	74	73	78	72	89
Mining, manufacturing and construction	6	8	10	—	19	3
Transport and communications	173	298	154	160	153	162
Other economic affairs	55	52	53	60	62	57
Other purposes	543	601	567	502	517	492
Total	2 216	2 229	2 275	2 330	2 378	2 415

	Actual					
	1992-93	1993-94	1994-95	1995-96	Preliminary 1996-97	Estimate 1997-98
<i>Economic transactions</i>	\$m	\$m	\$m	\$m	\$m	\$m
OUTLAYS						
Current						
Gross expenditure on goods and services	918	939	1 027	1 073	1 157	1 202
Less Sales of goods and services(a)	33	42	87	81	90	91
<i>Equals</i> Final consumption expenditure	885	897	940	992	1 068	1 111
Interest payments	224	214	211	205	195	195
Subsidies to public trading enterprises	42	11	8	6	33	30
Grants to other governments	26	28	12	13	40	40
Other transfer payments	119	129	136	161	167	172
<i>Total</i>	1 297	1 280	1 307	1 376	1 502	1 548
Capital						
Expenditure on new fixed assets	168	152	148	144	155	163
Plus Expenditure on second-hand assets (net)(b)	-28	-10	-14	-18	-19	-19
<i>Equals</i> Gross fixed capital expenditure	140	142	135	126	136	144
Expenditure on land and intangible assets (net)(b)	-4	-5	-9	-13	-13	-8
Grants to public trading enterprises	27	32	27	22	—	—
Grants to other levels of government	—	3	5	1	—	1
Grants to other sectors	12	14	13	36	40	44
Advances to public financial enterprises(b)	-9	-5	—	-1	-5	-1
Advances to public trading enterprises(b)	-20	-4	—	—	—	—
Other advances(b)	-2	-26	-3	-3	3	-29
Other	—	—	—	—	—	—
<i>Total</i>	145	149	166	168	161	153
Total outlays	1 442	1 429	1 474	1 544	1 664	1 701
REVENUE						
Taxes, fees and fines(c)	183	210	237	278	308	323
Interest received from public trading enterprises	57	53	44	43	42	47
Interest received from other enterprises	52	41	64	66	78	53
Grants received for own use(d)	1 050	1 067	1 087	1 162	1 202	1 204
Grants received for onpassing	45	29	31	33	35	33
Other	20	34	42	34	60	55
Total	1 406	1 433	1 504	1 617	1 725	1 715
FINANCING AND DEFICIT MEASURES						
Advances received (net)	-89	-26	-68	-63	-62	-41
Borrowing (net)	133	95	96	104	-31	-18
Increase in provisions (net)	—	—	—	—	—	—
Other financing transactions (net)	-8	-73	-59	-114	31	45
<i>Total</i>	36	-4	-31	-73	-62	-14
Less Increase in provisions (net)	—	—	—	—	—	—
<i>Equals</i> Deficit	36	-4	-31	-73	-62	-14
Of which						
Current deficit	36	-34	-123	-161	-140	-82
Capital deficit	—	29	92	89	78	68
Less Advances	-30	-36	-3	-3	-2	-29
<i>Equals</i> Deficit adjusted for net advances	66	31	-27	-70	-59	15

(a) This item provides an indication of the extent of government charges levied. The charges (excluding inter-agency charges) are offset against gross expenditure in calculating final consumption expenditure and mainly comprise sales to the private sector.

(b) See Net Asset Sales and Advances on page 18.

(c) This category includes 'safety net' taxes on an agency basis. See Appendix on the treatment of Commonwealth 'safety net' taxes for details.

(d) Includes planned fiscal contributions by the States towards the Commonwealth deficit reduction program to the total value of \$6.2 million for 1996-97 and \$6.3 million for 1997-98. See Fiscal Contribution table by State and Territory Governments on page 24.

<i>Economic transactions</i>				<i>Actual</i>	<i>Preliminary</i>	<i>Estimate</i>
	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
	\$m	\$m	\$m	\$m	\$m	\$m
OUTLAYS						
Current						
Interest payments to general government	57	53	44	43	42	47
Interest payments to other enterprises	1	1	4	—	2	—
Income transferred to general government	—	—	10	6	27	21
Other transfer payments	2	1	1	—	2	—
<i>Total</i>	59	54	58	50	73	68
Capital						
Expenditure on new fixed assets	60	53	85	38	60	80
Plus Expenditure on second-hand assets (net)(a)	-21	-14	-9	-10	-33	-9
<i>Equals</i> Gross fixed capital expenditure	39	40	76	28	27	71
Expenditure on land and intangible assets (net)(a)	2	—	—	—	—	—
Grants to other levels of government	—	—	—	—	—	—
Grants to other sectors	—	1	1	—	—	—
Advances to the private sectors(a)	4	2	6	—	3	-1
Other advances(a)	—	—	—	—	—	—
Other	—	—	—	—	—	—
<i>Total</i>	45	43	83	28	31	70
Total	105	97	141	78	103	138
REVENUE						
Sales of goods and services	313	324	348	368	408	401
Plus Subsidies received	42	11	8	6	33	30
Less Operating expenditure	330	297	325	332	385	379
<i>Equals</i> Net operating surplus	26	38	30	43	56	52
Interest received	4	1	3	5	5	4
Capital grants received	27	32	28	24	—	—
Other	—	—	—	—	—	—
Total	56	71	62	71	62	55
FINANCING AND DEFICIT MEASURES						
Advances received (net)	-20	—	—	—	—	—
Borrowing (net)	—	-4	27	-9	11	9
Increase in provisions for depreciation (net)	37	33	48	33	50	50
Other increase in provisions (net)	1	1	—	—	3	1
Other financing transactions (net)	31	-2	5	-17	-23	23
<i>Total</i>	48	27	80	8	42	83
Less increase in provisions (net)	37	34	48	34	53	51
<i>Equals</i> Deficit	11	-7	32	-26	-11	32
Of which						
Current deficit	-7	-19	-23	-30	-42	-37
Capital deficit	19	12	55	5	31	70
Less Advances	4	2	6	—	3	-1
Equals Deficit adjusted for net advances	7	-9	26	-26	-15	33

(a) See Net Asset Sales and Advances on page 18.

<i>Economic transactions</i>	Actual					
	1992-93	1993-94	1994-95	1995-96	Preliminary 1996-97	Estimate 1997-98
	\$m	\$m	\$m	\$m	\$m	\$m
OUTLAYS						
Current						
Gross expenditure on goods and services	918	939	1 027	1 073	1 157	1 202
Less Sales of goods and services	33	42	87	81	90	91
<i>Equals</i> Final consumption expenditure	885	897	940	992	1 068	1 111
Interest payments	224	214	214	205	196	196
Subsidies to public trading enterprises	42	11	8	6	33	30
Grants to other governments	26	28	12	13	40	40
Other transfer payments	121	130	137	161	169	172
<i>Total</i>	1 299	1 280	1 310	1 377	1 506	1 549
Capital						
Expenditure on new fixed assets	228	205	233	181	216	243
Plus Expenditure on second-hand assets (net)	-49	23	-23	-28	-52	-28
<i>Equals</i> Gross fixed capital expenditure	179	181	211	154	164	215
Expenditure on land and intangible assets (net)	2	-5	-9	-13	-13	-8
Grants to other levels of government	—	3	5	1	—	1
Grants to other sectors	12	15	13	36	40	44
Advances	-6	-29	3	-3	1	-30
Other	—	—	—	—	—	—
<i>Total</i>	183	165	222	175	192	222
Total	1 482	1 445	1 532	1 551	1 697	1 771
REVENUE						
Taxes, fees and fines	183	210	237	278	308	323
Net operating surplus of public trading enterprises	26	38	30	43	56	52
Interest received	55	41	66	70	83	56
Grants received for own use	1 050	1 067	1 087	1 162	1 202	1 204
Grants received for onpassing	45	29	31	33	35	33
Other	19	34	32	28	33	35
Total	1 377	1 419	1 482	1 614	1 718	1 702
FINANCING AND DEFICIT MEASURES						
Advances received (net)	-89	-26	-68	-63	-62	-41
Borrowing (net)	133	90	123	95	-19	-9
Increase in provisions for depreciation (net)	37	33	48	33	50	50
Other increase in provisions (net)	1	1	—	—	3	1
Other financing transactions (net)	24	-71	-53	-129	8	68
<i>Total</i>	105	26	50	-63	-20	68
Less Increase in provisions (net)	37	34	48	34	53	51
<i>Equals</i> Deficit	68	-7	2	-97	-73	18
Of which						
Current deficit	30	-52	-146	-192	-182	-120
Capital deficit	38	45	148	95	109	137
Less Advances	-6	-29	3	-3	1	-30
Equals Deficit adjusted for net advances	74	22	-1	-93	-74	48

Outlays by purpose				Actual	Preliminary	Estimate
	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
	\$m	\$m	\$m	\$m	\$m	\$m
CURRENT						
General public services	112	119	134	132	150	148
Public order and safety	117	119	127	139	158	166
Education	268	262	259	268	318	326
Health	198	231	245	277	291	309
Social security and welfare	48	36	37	39	42	44
Housing and community amenities	30	36	28	29	51	51
Recreation and culture	46	50	60	71	74	71
Fuel and energy	36	20	14	14	19	21
Agriculture, forestry and fishing	41	35	44	41	41	40
Mining, manufacturing and construction	15	14	15	14	14	16
Transport and communications	86	76	58	72	67	75
Other economic affairs	52	44	47	50	56	60
Other purposes	250	239	240	230	226	222
Total	1 299	1 280	1 310	1 377	1 506	1 549
CAPITAL						
General public services	58	32	33	21	19	23
Public order and safety	5	11	17	12	9	10
Education	18	19	22	16	27	36
Health	9	12	8	18	14	17
Social security and welfare	—	—	1	—	1	1
Housing and community amenities	29	19	22	24	3	19
Recreation and culture	7	14	14	24	17	15
Fuel and energy	12	13	40	7	32	52
Agriculture, forestry and fishing	4	2	-1	1	2	2
Mining, manufacturing and construction	1	—	—	—	—	—
Transport and communications	46	61	49	49	69	75
Other economic affairs	-9	-23	15	4	6	5
Other purposes	4	7	1	-3	-7	-33
Total	183	165	222	175	192	222
TOTAL						
General public services	169	151	167	153	168	170
Public order and safety	122	130	145	151	167	177
Education	287	281	281	284	345	362
Health	207	242	253	295	305	326
Social security and welfare	48	36	38	40	43	45
Housing and community amenities	59	55	50	53	54	70
Recreation and culture	53	64	74	95	91	86
Fuel and energy	48	33	54	21	50	72
Agriculture, forestry and fishing	45	36	43	42	43	42
Mining, manufacturing and construction	16	15	15	15	15	16
Transport and communications	131	137	108	121	136	149
Other economic affairs	44	21	62	54	62	65
Other purposes	254	246	242	227	218	189
Total	1 482	1 445	1 532	1 551	1 697	1 771

	Actual					
	1992-93	1993-94	1994-95	1995-96	Preliminary 1996-97	Estimate 1997-98
<i>Economic transactions</i>	\$m	\$m	\$m	\$m	\$m	\$m
OUTLAYS						
Current						
Gross expenditure on goods and services	908	930	949	988	1 086	1 061
Less Sales of goods and services(a)	81	124	124	129	168	172
<i>Equals</i> Final consumption expenditure	827	805	825	859	917	889
Interest payments	55	58	52	53	63	55
Subsidies to public trading enterprises	61	61	56	53	45	42
Grants to other governments	—	—	—	—	—	—
Other transfer payments	129	138	147	159	194	198
<i>Total</i>	1 072	1 063	1 080	1 124	1 218	1 183
Capital						
Expenditure on new fixed assets	168	131	145	109	112	110
Plus Expenditure on second-hand assets (net)(b)	—	-2	-2	-27	-3	—
<i>Equals</i> Gross fixed capital expenditure	168	129	143	83	109	109
Expenditure on land and intangible assets (net)(b)	-73	-49	-28	-28	-32	-24
Grants to public trading enterprises	33	37	43	37	27	35
Grants to other sectors	8	5	4	5	—	5
Advances(b)	-11	-14	-14	-12	-9	-114
<i>Total</i>	125	109	148	84	95	12
Total	1 196	1 172	1 228	1 207	1 313	1 194
REVENUE						
Taxes, fees and fines(c)	483	522	540	548	611	579
Interest received from public trading enterprises	33	31	30	26	32	27
Interest received from other enterprises	32	31	25	20	23	12
Grants received for own use(d)	597	513	506	477	485	463
Grants received for onpassing	58	61	66	69	72	74
Other	20	25	21	30	31	83
Total	1 222	1 182	1 189	1 171	1 255	1 239
FINANCING AND DEFICIT MEASURES						
Advances received (net)	-20	-9	-16	-11	-13	-12
Borrowing (net)	-3	9	53	58	43	-4
Increase in provisions (net)	7	8	8	8	11	11
Other financing transactions (net)	-11	-18	-5	-18	17	-39
<i>Total</i>	-26	-10	39	37	58	-44
Less Increase in provisions (net)	7	8	8	8	11	11
<i>Equals</i> Deficit	-33	-18	32	28	47	-55
Of which						
Current deficit	-92	-61	-83	-20	-19	-43
Capital deficit	59	43	115	49	66	-12
Less Advances	-11	-14	-14	-12	-9	-114
Equals Deficit adjusted for net advances	-22	-4	46	41	57	59

(a) This item provides an indication of the extent of government charges levied. The charges (excluding inter-agency charges) are offset against gross expenditure in calculating final consumption expenditure and comprise mainly sales to the private sector.

(b) See Net Sales and Advances on page 18.

(c) This category includes 'safety net' taxes on an 'agency' basis. See Appendix on the treatment of Commonwealth 'safety net' taxes for details.

(d) Includes planned fiscal contributions by the States towards the Commonwealth deficit reduction program to the total value of \$10.4 million for 1996-97 and \$5.4 million for 1997-98. See Fiscal Contribution table by State and Territory Governments on page 24.

				Actual	Preliminary	Estimate
	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
<i>Economic transactions</i>	\$m	\$m	\$m	\$m	\$m	\$m
OUTLAYS						
Current						
Interest payments to general government	33	30	30	27	32	27
Interest payments to other enterprises	2	2	—	—	—	—
Income transferred to general government	20	25	21	16	21	74
Other transfer payments	3	3	4	6	—	3
<i>Total</i>	58	60	56	49	53	104
Capital						
Expenditure on new fixed assets	78	76	93	85	82	84
Plus Expenditure on second-hand assets (net)(a)	-12	-15	-22	-15	-31	-53
<i>Equals</i> Gross fixed capital expenditure	66	61	71	70	51	31
Expenditure on land and intangible assets (net)(a)	1	10	1	—	—	—
Grants to other levels of governments	—	—	—	—	—	—
Grants to other sectors	—	—	2	1	—	—
Advances(a)	-5	-4	2	5	8	3
Other	-1	2	1	2	—	—
<i>Total</i>	62	68	76	78	58	33
Total	119	128	131	128	111	138
REVENUE						
Sales of goods and services	412	428	432	436	456	462
Plus Subsidies received	61	61	56	53	45	42
Less Operating expenditure	436	450	443	431	458	424
<i>Equals</i> Net operating surplus	37	38	45	58	43	81
Interest received	17	14	15	16	27	19
Grants received	33	37	43	37	27	35
Other	—	—	13	9	—	—
Total	67	89	115	119	97	135
FINANCING AND DEFICIT MEASURES						
Advances received (net)	-10	-12	-13	-11	-9	-114
Borrowing (net)	-2	-8	-4	-1	—	—
Increase in provisions for depreciation (net)	38	40	42	42	42	48
Other increase in provisions (net)	1	3	3	—	—	—
Other financing transactions (net)	5	15	-13	-21	-19	69
<i>Total</i>	32	39	16	9	15	3
Less Increase in provisions (net)	39	43	45	42	42	48
<i>Equals</i> Deficit	-7	-4	-29	-33	-27	-44
Of which						
Current deficit	-36	-36	-49	-66	-59	-43
Capital deficit	29	31	20	33	32	-2
Less Advances	-5	-4	2	5	8	3
<i>Equals</i> Deficit adjusted for net advances	-2	-1	-31	-38	-35	-47

(a) See Net Asset Sales and Advances on page 18.

<i>Economic transactions</i>	<div style="display: flex; justify-content: space-between;"> Actual Preliminary Estimate </div>					
	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
	\$m	\$m	\$m	\$m	\$m	\$m
OUTLAYS						
Current						
Gross expenditure on goods and services	908	930	949	988	1 086	1 061
Less Sales of goods and services	81	124	124	129	168	172
<i>Equals</i> Final consumption expenditure	827	805	825	859	917	889
Interest payments	56	59	52	51	63	55
Subsidies to public trading enterprises	61	61	56	53	45	42
Other transfer payments	132	142	151	165	194	201
<i>Total</i>	1 076	1 067	1 084	1 128	1 218	1 186
Capital						
Expenditure on new fixed assets	246	207	237	194	194	194
Plus Expenditure on second-hand assets (net)	-12	-17	-24	-41	-34	-54
<i>Equals</i> Gross fixed capital expenditure	234	190	214	153	160	140
Expenditure on land and intangible assets (net)	-72	-39	-27	-28	-32	-24
Grants	8	5	6	6	—	5
Advances	-5	-4	2	5	8	3
Other	-1	2	1	2	—	—
<i>Total</i>	164	154	195	138	136	124
Total	1 240	1 221	1 279	1 266	1 354	1 309
REVENUE						
Taxes, fees and fines	483	522	540	548	611	579
Net operating surplus of public trading enterprises	37	38	45	58	43	81
Interest received	48	44	39	35	47	29
Grants received for own use	597	513	506	477	485	463
Grants received for onpassing	58	61	66	69	72	74
Other	—	—	13	9	4	10
Total	1 224	1 178	1 209	1 196	1 262	1 235
FINANCING AND DEFICIT MEASURES						
Advances received (net)	-20	-9	-16	-11	-13	-12
Borrowing (net)	-5	1	49	57	43	-4
Increase in provisions for depreciation (net)	38	40	42	42	42	48
Other increase in provisions (net)	8	11	11	8	11	11
Other financing transactions (net)	-5	-1	-16	-26	8	32
<i>Total</i>	16	43	70	70	91	74
Less Increase in provisions (net)	46	51	53	50	53	58
<i>Equals</i> Deficit	-30	-8	17	20	38	16
Of which						
Current deficit	-128	-96	-132	-75	-69	-84
Capital deficit	98	88	150	94	107	100
Less Advances	-5	-4	2	5	8	3
<i>Equals</i> Deficit adjusted for net advances	-25	-5	15	15	31	13

Outlays by purpose	1992-93	1993-94	1994-95	Actual 1995-96	Preliminary 1996-97	Estimate 1997-98
	\$m	\$m	\$m	\$m	\$m	\$m
CURRENT						
General public services	116	115	90	99	64	52
Public order and safety	96	99	113	114	127	128
Education	302	321	332	346	384	379
Health	229	209	232	253	253	248
Social security and welfare	53	60	55	57	62	62
Housing and community amenities	33	36	59	60	104	100
Recreation and culture	57	57	71	71	67	69
Fuel and energy	—	—	—	—	5	1
Mining, manufacturing and construction	26	—	—	—	—	—
Transport and communications	96	99	65	63	73	76
Other economic affairs	12	11	14	12	17	17
Other purposes	56	59	52	51	63	55
Total	1 076	1 067	1 084	1 128	1 218	1 186
CAPITAL						
General public services	15	24	39	-3	51	52
Public order and safety	4	10	15	17	5	5
Education	29	22	31	26	27	30
Health	56	38	30	16	13	13
Social security and welfare	—	—	4	2	—	—
Housing and community amenities	—	-5	31	37	-1	-17
Recreation and culture	-1	10	9	7	13	13
Fuel and energy	34	35	32	31	19	19
Mining, manufacturing and construction	1	—	—	—	—	—
Transport and communications	26	19	6	2	8	8
Other economic affairs	—	—	-2	2	—	—
Other purposes	—	—	—	—	—	—
Total	164	154	195	138	136	124
TOTAL						
General public services	132	140	129	97	114	103
Public order and safety	100	109	128	131	133	133
Education	331	343	363	372	410	409
Health	285	247	262	270	267	261
Social security and welfare	53	60	59	59	62	62
Housing and community amenities	32	31	90	98	103	83
Recreation and culture	56	67	79	78	80	82
Fuel and energy	34	35	33	32	24	20
Mining, manufacturing and construction	27	—	—	—	—	—
Transport and communications	122	119	72	65	81	84
Other economic affairs	13	11	13	14	17	17
Other purposes	56	59	52	51	63	55
Total	1 240	1 221	1 279	1 266	1 354	1 309

<i>Economic transactions</i>			<i>Actual</i>	<i>Preliminary</i>	<i>Estimate</i>	
	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
	\$m	\$m	\$m	\$m	\$m	\$m
OUTLAYS						
Current						
Gross expenditure on goods and services	5 135	5 507	5 989	6 339	6 829	7 041
Less Sales of goods and services(a)	1 782	2 080	2 282	2 595	2 846	2 955
<i>Equals</i> Final consumption expenditure	3 353	3 426	3 706	3 744	3 983	4 086
Interest payments	9	10	12	16	20	21
Other transfer payments	165	179	187	210	215	216
<i>Total</i>	3 527	3 615	3 905	3 970	4 217	4 324
Capital						
Expenditure on new fixed assets	742	869	868	888	935	819
Plus Expenditure on second-hand assets (net)	-17	-24	-49	-40	-83	-71
<i>Equals</i> Gross fixed capital expenditure	725	845	819	848	853	748
Expenditure on land and intangible assets (net)	-5	7	44	-4	34	3
Grants	2	—	—	1	1	1
Advances	9	-2	-2	-9	1	—
Other	6	1	-7	-2	-4	-1
<i>Total</i>	737	852	854	833	885	750
Total	4 264	4 468	4 760	4 803	5 102	5 074
REVENUE						
Interest received	209	225	199	253	235	235
Grants received	3 880	4 189	4 290	4 472	4 662	4 533
Other	331	334	325	350	329	356
Total	4 421	4 748	4 815	5 075	5 225	5 124
FINANCING AND DEFICIT MEASURES						
Advances received (net)	-2	-1	—	4	4	—
Borrowing (net)	25	11	44	17	67	56
Other financing transactions (net)	-180	-292	-99	-292	-194	-106
<i>Total</i>	-156	-281	-55	-271	-123	-50
<i>Equals</i> Deficit	-156	-281	-55	-271	-123	-50
Of which						
Current deficit	-490	-950	-851	-1 042	-961	-729
Capital deficit	334	669	796	771	838	679
Less Advances	9	-2	-2	-9	1	—
<i>Equals</i> Deficit adjusted for net advances	-165	-279	-53	-262	-124	-50

(a) This item provides an indication of the extent of government charges levied. The charges (excluding inter-agency charges) are offset against gross expenditure in calculating final consumption expenditure and comprise mainly sales to the private sector.

EXPLANATORY NOTES

INTRODUCTION

1 The system of government finance statistics (GFS) is designed to provide statistics about all public sector entities such as government departments, statutory authorities and local government authorities in Australia except those regarded as financial institutions (e.g. government banks and insurance offices). The system is based on international standards set out in the *International Monetary Fund's A Manual on Government Finance Statistics* (IMF) and the *United Nations' A System of National Accounts* (SNA). The statistics show, for the non-financial public sector:

- consolidated transactions of the various public authorities presented so that their economic impact can be assessed;
- the roles of the different levels of government in the undertaking and financing of their expenditure programs; and
- the transactions of individual State, Territory and local governments, so that they may be used to indicate the comparative standing of each government in relation to its expenditure, its sources of revenue, and its financing transactions.

2 This publication contains forward estimates of outlays and revenue in respect of the Commonwealth Government, State, Territory and local governments and their public trading enterprises for 1997–98. Actual outlays and revenue for the years 1992–93 to 1996–97 are also presented. The figures for 1996–97 are preliminary.

3 All preliminary and forward annual data are based on a full enumeration of units using collected data supplemented by clerical estimates where data are not available. However, data for local governments have been fully enumerated for the years 1992–93 to 1995–96, and have been estimated for the years 1996–97 and 1997–98. This allows for the presentation of consolidated accounts for State, Territory and local governments and for all levels of government.

4 Summary tables presenting data classified by institutional sector (see *Scope and Concepts and Definitions* below) in respect of State and Territory Governments, State, Territory and local governments combined, and all levels of government combined are provided. Separate tables classified by institutional sector are also provided showing data for the Commonwealth Government, each State Government, the Northern Territory, the Australian Capital Territory and the universities sector (see *Changes in this Issue*).

CHANGES IN THIS ISSUE

5 The treatment of universities has been changed in this issue. Previously, universities were classified to the government jurisdiction under which they were established. Therefore most university transactions were included in the State and Territory General Government sectors. From this issue, universities have been classified to a separate multi-jurisdictional universities sector to reflect the role that both State or Territory and Commonwealth Governments have in their financing and control. For more details on this change refer to *Information Paper: Developments in Government Finance Statistics (5516.0)*.

SCOPE

6 This publication gives details of outlays, revenue and financing of the non-financial public sector in Australia. This sector comprises units which are owned and/or controlled by the Commonwealth Government, State, Territory and local governments. These units are grouped into two institutional sectors as follows:

- public trading enterprises — undertakings which aim at covering most of their expenses by revenue from sales of goods and services (note that major commodity marketing authorities established under Commonwealth or State legislation are included as public trading enterprises in the statistics shown in this publication); and
- general government — all of the agencies of government not classified as either public trading or financial enterprises, i.e. all government departments, offices and other bodies engaged in providing services free of charge or at prices significantly below their cost of production; central borrowing authorities of State Governments are also classified as general government.

7 Public financial enterprises (bodies primarily engaged in financial transactions in the market involving both the incurring of liabilities and the acquisition of financial assets) are currently excluded from the scope of government finance statistics and included with private financial institutions in a separate sector. This is because they have a separate and distinct role in the economy. Home lending schemes are also classified as public financial enterprises.

CONCEPTS AND DEFINITIONS

8 To assist users in understanding the statistics presented in this and related publications, a separate manual, *Government Finance Statistics, Australia — Concepts, Sources and Methods (5514.0)* has been published. An electronic version of this manual is also included in the *Statistical Concepts Reference Library (1361.0)*. This manual replaces the *Classifications Manual for Government Finance Statistics, Australia (1217.0)* which was issued in 1989.

9 The figures presented here are essentially a reclassification of the conventional accounts of public authorities that appear in budget documents or annual reports. The classification schemes used to reclassify the transactions in the conventional accounts into a government finance statistics presentation are the:

- *Economic Transactions Framework (ETF)* for Government Finance Statistics, which is used to:
 - categorise outlays, revenue and grants received and financing transactions according to their economic character to facilitate study of the macro-economic effect of government activity on the economy;
 - provide the basic building blocks for grouping transactions which need to be incorporated into the Australian National Accounts;
- *Government Purpose Classification (GPC)*, which is used to group outlays with similar functions to facilitate the:
 - study of the broad purposes of public sector spending;
 - assessment of the effectiveness of outlays in meeting government policy objectives; and
- *Institutional Sector Classification (INST)*, which classifies units into the general government or public trading enterprise sectors.

SOURCES OF DATA

10 The statistics shown in this publication are based on information given in, or underlying, the published accounting statements and reports of governments and their authorities plus additional dissections of reported transactions and balances.

11 For the Commonwealth Government and State and Territory Governments, the sources for final data are:

- public accounts and budget management systems of State and Territory Treasuries and the Commonwealth Department of Finance;
- annual reports of departments and authorities;
- budget papers; and
- reports of Auditors-General.

12 For the preliminary and forward estimates the data sources vary as follows:

- Commonwealth, State and Territory general government budget units — the various Commonwealth, State and Territory Governments' budgets which were brought down between May and September 1997; and

SOURCES OF DATA *continued*

- Commonwealth, State and Territory general government non-budget units and public trading enterprises — special questionnaires.

13 For local government, the main data sources are annual statements of accounts and questionnaires completed by local authorities.

MEASURES OF GOVERNMENT FINANCING

14 Three main measures of government financing are presented in this publication — financing, deficit/surplus and deficit/surplus adjusted for net advances.

Financing

15 Financing is a measure of the means by which governments finance net outlays or invest net surpluses. It is the difference between total outlays and revenue and grants received. Financing comprises:

- net intra-sector advances received;
- net domestic borrowing;
- net borrowing from abroad;
- net deposits received;
- increase in investments;
- increase in currency and deposits;
- increase in provisions; and
- other funds available (net).

16 In this publication, data for net intra-sector advances received and increase in provisions are presented separately, net domestic borrowing and borrowing from abroad are combined to form net borrowing, and a total is presented for the other items. This total is called other financing and is calculated as a residual.

Deficit/surplus

17 Deficit/surplus comprises financing less increase in provisions. The deficit/surplus excludes increase in provisions because these financing transactions involve funds generated within the sector itself (e.g. depreciation charges). As such, deficit/surplus is the broadest measure of the financing requirement for each sector involving funds from outside that sector.

18 In this publication the deficit/surplus is subdivided into current and capital components. The capital deficit/surplus is made up of capital outlays less capital grants received and other capital revenue. The current deficit/surplus is calculated by subtracting the capital deficit/surplus from the total deficit/surplus. It is equal to current outlays less current revenues and current grants received less increase in provisions.

Deficit adjusted for net advances

19 An additional measure, the deficit adjusted for net advances (which excludes the effects of most asset sales and debt refinancing), has been provided in this publication. This deficit measure can be used to provide an indicator of the structural deficit, although it should be used with some caution as the ABS is unable, at this time, to remove the effects of the economic cycle from the adjusted deficit.

Calculation as a residual

20 It should be noted that although data are provided for items comprising government's financing transactions, this information is generally less reliable than for outlay and revenue items. For this reason, the overall measures of government financing i.e. total financing transactions, deficit/surplus, adjusted deficit/surplus are calculated as a residual of outlay less revenue items. These measures, therefore, reflect any errors or omissions contained in the data items used to derive them. This should be borne in mind when interpreting or using these measures.

Relationship to other terms and measures

21 Another measure of public sector financing transactions is net lending, which is published in the Australian National Accounts in tables for the general government and public trading enterprise sectors. Net lending is defined as the difference between the funds available to finance gross capital accumulation (e.g. provisions for consumption of fixed capital, surplus on current transactions) and the accumulation that has taken place (e.g. gross fixed capital expenditure, increase in stocks). A negative result indicates that capital accumulation has exceeded the funds available and, therefore, the sector has had to borrow.

22 This measure reflects national accounting concepts and practices which differ in several important respects from those applying in government finance statistics. The most important conceptual difference is that general government expenditures and receipts are recorded on an accruals basis (i.e. when goods are actually delivered or produced or when income is earned) in the Australian National Accounts, whereas in government finance statistics they are recorded on a cash basis.

23 In practice, a number of specific adjustments are made in the Australian National Accounts to convert data to an approximate accruals basis but these adjustments generally do not substantially affect the comparison between the deficit and net lending measures. Also, advances are recorded as outlays of the lender (when made) or offsets to outlays (when repaid) in government finance statistics. The Australian National Accounts treat them as financing transactions. Since the deficit adjusted for net advances excludes the effect of advances, this measure is in approximate agreement with net lending for the State and Territory jurisdictions.

24 However, for the Commonwealth Government, a further difference arises because of the treatment of general government provisions. These are transactions carried out by general government in respect of superannuation for employees and past employees of Commonwealth public trading enterprises. In GFS these transactions add to, or reduce, the deficit depending on whether they result in a net cash outflow or inflow for the general government sector. However, they are not presently included as transactions of general government in the Australian National Accounts, and are therefore excluded from the measurement of net lending. This has caused the deficit adjusted for net advances to be approximately \$1,000 million higher than net lending for the Commonwealth Government since 1992-93.

CONSOLIDATION

25 To compile statistics about the financial activities of a particular level of government, or any other grouping of public sector units, the receipts and payments for certain types of transactions between units within the chosen grouping (sub-sector) have to be matched and eliminated to avoid double counting. The process of matching and eliminating receipts and payments within the chosen sub-sector is known as consolidation.

26 Only certain types of transactions (transfer payments, borrowing and lending) between units within the non-financial public sector are eliminated on consolidation. Transactions which, in the Australian National Accounts are part of the gross product or final demand (i.e. final consumption or investment), are not eliminated. This is because these national accounting aggregates are unduplicated measures, and to eliminate transactions which are components of them would result in their understatement. For example, purchases by general government of capital equipment produced by a public trading enterprise are not eliminated in the consolidation of general government with public trading enterprises. To do so would understate the net operating surplus of public trading enterprises (a component of gross product) and the gross fixed capital expenditure of general government (a component of final demand).

27 Consolidation is particularly important at the State government level where approximately 40% of total outlays are financed by Commonwealth government grants and advances. Similarly, an appreciable part of the expenditure undertaken by State and Territory public trading enterprises is financed by advances and grants made to them from State and Territory general government. These transactions have been eliminated in the tables in this publication where consolidation has occurred.

INTERSTATE COMPARISONS

28 As mentioned earlier, government financial estimates applies standard definitions, classifications and treatment of government financial transactions to facilitate comparisons between levels of government and between States and Territories within a level of government.

29 However, the statistics also reflect real differences between the administrative and accounting arrangements of the various governments and these differences need to be taken into account when making interstate comparisons. For example, in the Australian Capital Territory only a State level of government exists and a number of functions performed by it are undertaken by local government authorities in other jurisdictions.

30 Interstate comparisons of data for public trading enterprises may be significantly affected by differences between States and Territories in the mix of operations undertaken by State and Territory Governments and local governments. For example:

- water and sewerage undertakings in Victoria, Western Australia and South Australia are operated exclusively by State authorities, but are run by local governments in other jurisdictions; and
- government transport undertakings are operated exclusively by State authorities in all States except Queensland.

RELATIONSHIP TO AUSTRALIAN NATIONAL ACCOUNTS

31 Government final consumption in the publication *Australian National Accounts: National Income, Expenditure and Product, 1996-97* (5204.0) is higher than in this publication because national account statistics include estimates of consumption of fixed capital (i.e. the economic equivalent of depreciation) for the general government sector.

32 Statistics for government final consumption expenditure, advances paid and indirect taxes and subsidies in Australian National Accounts publications contain adjustments to account for timing differences arising from different bases of recording in the public and private sectors. An explanation of these adjustments is given in *Australian National Accounts: Concepts, Sources and Methods* (5216.0).

33 In determining a government's outlays, the statistics in *Government Financial Estimates, Australia* (5501.0) follow IMF standards and group net advances paid with capital outlays. The assumption is that this type of acquisition of financial claims on others by general government is, like other government expenditure, actuated by motives of public policy rather than for reasons of profit or liquidity management. The advance liability is recorded as financing by the debtor entity. This differs from the treatment in the Australian National Accounts which follows the SNA standard and groups (in financing) all transactions affecting financial claims, including all lending by governments.

34 Following a resolution of the May, 1991 Premiers' Conference, Commonwealth and State and Territory Governments have, since budget year 1992-93, presented information in their budget documents on the ABS' GFS basis. The information presented in the budget documents of each jurisdiction is compiled with the advice and assistance of ABS officers and generally conforms with the standards applied by the ABS. Jurisdictions may present the information based on their interpretation of the GFS classifications, but must provide a reconciliation of this information with information reflecting the ABS decision on these issues.

35 The main purpose of the Premiers' Conference resolution was to introduce uniformity into the presentation of budget information so that users of the information could make valid comparisons of information presented by each jurisdiction. The compilation of information on a GFS basis by jurisdictions has enabled the ABS to use this information relating to the forward and immediate past year in preparing this publication, with the result that much more timely release of the publication has been achieved.

36 The application of the agreement on uniform presentation has been modified to take account of the decision by several jurisdictions to move forward the date of their budgets. The data available for inclusion in time for early budgets is less comprehensive and accurate than that available for later budgets and this has resulted in greater differences between ABS statistics, which are based on data supplied on or about 15 September 1997, and those included in early budget presentations. However, ABS statistics remain consistent with GFS presentations included in the later budgets or, for those jurisdictions with early budgets, with post-budget GFS presentations. Variations still remain between ABS statistics and those presented by the jurisdictions because ABS analysis can identify classification treatments with which ABS disagrees and because some errors do not become apparent until ABS consolidates data for all jurisdictions and compares annual data with quarterly data used in compiling the Australian National Accounts. These differences are generally minor. Also, occasionally ABS includes in this publication data not available when a jurisdiction's GFS presentations were published (e.g. major asset sales) and this can lead to major differences.

UNPUBLISHED STATISTICS

37 In some cases, the ABS can make available information which is not published. This includes data for the years 1961–62 to 1991–92 prepared on a basis consistent with the data in this publication. This information may be made available in one or more of the following forms: photocopy; computer printout; floppy disk; CD-ROM and clerically-extracted tabulation. Generally, a charge is made for providing unpublished information. Inquiries should be made to the officer whose name appears in the Inquiries section of the publication, or to Information Services in the nearest ABS Office.

RELATED PUBLICATIONS

38 Users may wish to refer to the following products which contain related information:

Australian National Accounts: Financial Accounts (5232.0) — issued quarterly

Australian National Accounts: National Income, Expenditure and Product (5204.0) — issued annually

Australian National Accounts: National Income, Expenditure and Product (5206.0) — issued quarterly

Australian National Accounts: State Accounts (5220.0) — issued annually

Classifications Manual for Government Finance Statistics, Australia (1217.0) — last issued 1989

Government Finance Statistics, Australia (5512.0) — issued annually

Government Finance Statistics — Concepts, Sources and Methods (5514.0) — issued January 1995

Information Paper: Developments in Government Finance Statistics (5516.0) — issued February 1997

Public Sector Financial Assets and Liabilities, Australia (5513.0) — issued annually

Statistical Concepts Reference Library (1361.0) — issued annually on CD-ROM

Taxation Revenue, Australia (5506.0) — issued annually

APPENDIX — TREATMENT OF COMMONWEALTH 'SAFETY NET' TAX ARRANGEMENTS

INTRODUCTION

A High Court decision of 5 August 1997 has established State and Territory tobacco franchise taxes to be constitutionally invalid and other State and Territory franchise taxes to be of doubtful constitutional validity. As a result, the Commonwealth will collect replacement excise taxes on a uniform basis and return this revenue to the States and Territories after allowing for administration costs. Any overpayment of taxes resulting from different rates in different jurisdictions will be refunded to producers or wholesalers by the States and Territories. These 'safety net' arrangements are intended to be temporary and will be reviewed within six months.

The ABS has recognised two possible treatments of Commonwealth 'safety net' tax arrangements in GFS. One reflects a 'constitutional' approach and the other an 'agency' approach.

'CONSTITUTIONAL' APPROACH

Under the 'constitutional' approach the replacement taxes are considered to be Commonwealth taxes collected under Commonwealth legislation at rates determined by the Commonwealth. Consequently, payments to the States are treated as Commonwealth grants and any imbalances paid by the States to producers or wholesalers are treated as subsidies.

This approach would result in a definite break in certain GFS time series aggregates. It would result in an increase in Commonwealth tax receipts and a corresponding decrease in State tax receipts, and an increase in both Commonwealth grants paid and State subsidies paid. Thus, the 'constitutional' approach will change the economic position by changing the nature of the underlying transactions.

'AGENCY' APPROACH

Under the 'agency' approach the Commonwealth is considered to be acting in an agency capacity on behalf of State governments in the collection of State taxes. Receipts by the Commonwealth are treated as taxes received and payments to the States are treated as negative taxes received. Receipts by the States are treated as taxes received and any payments by the States to producers or wholesalers are considered to be corrective transactions and are treated as negative taxes received.

This approach would have a neutral impact on GFS. Netting procedures in the 'agency' approach would ensure that no changes occur in GFS except those due to timing differences or differences in the amounts of tax collected. Thus, this approach will preserve the existing economic position despite the shift in constitutional basis.

The ABS has been guided in its treatment of 'safety net' tax arrangements by the International Monetary Fund's *A Manual on Government Finance Statistics* (1986). Section II.G. of this manual states that:

"Tax revenues may be attributed to non-collecting beneficiary governments when they have participated in determining the tax or the distribution of its proceeds or receive revenues based on the tax collected or arising in their territory, or under a tax law leaving no discretion to the collecting government. Taxes attributed to beneficiary governments involve only agency transactions by the collecting government and are not shown in the statistics except as memorandum items."

A non-collecting beneficiary government is one which receives some or all of the proceeds from taxes collected by another government.

The same section of the manual also outlines a number of specific rules that can be used as guidelines for the attribution of tax collections among collecting and beneficiary governments. These rules specify that tax revenues:

- not distributed to any government other than the government collecting them should be shown as revenue of the collecting government;
- which a government collects and unilaterally earmarks at its discretion for distribution to another government should be shown as revenue of the collecting government and an inter-governmental transfer to the beneficiary government;
- that a government collects on behalf of another government, with the beneficiary government unilaterally determining the amount of the taxes and distribution of their proceeds, should be shown as revenue of the beneficiary government: they may be shown by the collecting government only as a memorandum item for agency transactions; and
- collected by one government and transferred to another with the amount or distribution decided upon jointly by both governments, or on the basis of the tax collected or arising in the territory of the beneficiary government, are to be shown as revenues of the ultimate beneficiary government, and by the collecting government only as a memorandum item for agency transactions.

Note that the existence of an agency arrangement between a non-collecting beneficiary government and a collecting government is not dependent on which government has the constitutional power to levy the taxes.

The ABS has taken the view that while the High Court's decision has clarified the constitutional status of State and Territory franchise taxes, the subsequent introduction of the 'safety net' arrangements has ensured that the economic position has not changed substantially.

TREATMENT OF 'SAFETY NET' TAXES *continued*

There should therefore be no resultant impact on GFS. For GFS purposes, the Commonwealth government is considered to be acting as an agent on behalf of the State and Territory governments in the collection of State and Territory taxes.

The reasons for this view are that the:

- Commonwealth Treasurer and the State and Territory Premiers/Chief Ministers or Treasurers have recognised in writing that the Commonwealth is acting at the request and on behalf of the States in imposing and collecting State and Territory taxes;
- Commonwealth allows for administration costs in its arrangements with the States;
- Commonwealth does not receive additional tax revenue;
- existing State and Territory tax revenue basis is protected by the arrangements and the amount of revenue each State and Territory will receive will still be substantially the same;
- net tax rate on producers in each State and Territory will still be the same; and
- intention of the arrangements is to maintain existing consumer price levels through the refund arrangements.

These considerations, taken together with the IMF guidelines outlined above, have led the ABS to decide that the Commonwealth excise taxes introduced to replace the State and Territory franchise taxes invalidated by the High Court should be treated as State and Territory taxes for the purposes of GFS.

The ABS has therefore adopted the 'agency' approach. That is, receipts of 'safety net' taxes by the Commonwealth are treated as taxes received and payments to the States are treated as negative taxes received. Receipts by the States and Territories of Commonwealth payments are treated as taxes received and any payments by the States to producers or wholesalers are treated as negative taxes received.

TREATMENT OF ADMINISTRATION COSTS

Commonwealth receipts of 'safety net' administration costs are treated as general government charges for goods and services, and State and Territory payments of 'safety net' administration costs are treated as purchases of goods and services.

RECONSIDERATION OF TREATMENT

The ABS will reconsider the above treatment if the circumstances surrounding the Commonwealth 'safety net' arrangements change as a result of their review which is to be conducted within six months.

PRESENTATION ON A CONSTITUTIONAL BASIS

The ABS is unable, at this time, to provide a tabulation showing the effect of treating 'safety net' taxes on a constitutional basis (i.e. as Commonwealth taxes and grants to the States and Territories). However such a tabulation will be included in the 1998-99 issue of this publication, once data is available on the collection and application of these taxes during 1997-98.

GLOSSARY

The major economic transaction categories used in this publication are defined below.

Advances paid (net)	Lending by public authorities with the aim of achieving government policy objectives less repayment of past lending. This category includes the purchase of shares or other increases in equity in enterprises for the purposes of funding the activities of those enterprises. Conversely, sales of shares or a reduction of government equity in public or private enterprises are recorded as a reduction in advances paid. Most major asset sales involve sale of equity in government business undertakings and result in reductions in advances paid.
Advances received (net)	Borrowing, net of repayments, from other public authorities. The bulk of this item relates to borrowings formerly carried out by the Commonwealth on behalf of State and Territory Governments and passed on to those governments as advances from the Commonwealth. The Commonwealth Government no longer borrows on behalf of other governments and State and Territory Governments are repaying past advances giving rise to negative values for advances received in recent years.
Borrowing (net)	Borrowing, net of repayments, from both domestic and overseas sources.
Capital deficit	Capital outlays <i>less</i> capital revenues and capital grants received (see <i>Deficit</i> below).
Capital grants	Unrequited payments (see definition below) intended to contribute towards the cost of capital expenditure of the recipients.
Capital outlays	Expenditure on new fixed assets <i>plus</i> net purchases of other capital assets <i>plus</i> increase in stocks <i>plus</i> transfers to other bodies to fund capital expenditure.
Current deficit	Current outlays <i>less</i> current revenues and current grants received <i>less</i> increase in provisions (see <i>Deficit</i> below).
Current expenditure	Non-capitalised expenditure on wages, salaries and supplements <i>plus</i> purchases of goods and services <i>plus</i> employer contributions to superannuation schemes.
Current grants paid	Unrequited payments (see definition below) intended to finance the current operations of the recipients, except trading enterprises where all such transfers to finance current operations are classified as subsidies or negative income transfers. This category mainly comprises grants to non-profit institutions (e.g. non-government schools), foreign governments and other general government authorities (e.g. universities).
Current outlays	Net current expenditure on goods and services <i>plus</i> current transfer payments.

Current expenditure on goods and services is expenditure by general government authorities which does not result in the creation of fixed assets or acquisition of land, buildings, intangible assets or second-hand plant and equipment. Sales of goods and services are offset against gross expenditure in calculating current outlays.

Current transfer payments include payments for property rights (e.g. interest payments) and unrequited transfers for which there is no return for payment, such as subsidies, personal benefit payments and current grants.

Commonwealth current grants are split to show whether the grants are to the private or public sector. Grants to State Governments are split further to show whether they were retained by the State Government or were onpassed to other recipients.

Deficit

The sum of all outlays *less* revenue *less* increases (decreases) in provisions.

In essence the deficit measures the extent to which each government, or its sub-sectors, is increasing or decreasing its debt-related financial position (i.e. net financial assets and liabilities excluding equity) with units outside that government or sub-sector. Increases in provisions are excluded because they are generated within the sub-sector.

Deficits are subdivided into current and capital deficits. The current deficit is equal to current outlays *less* current revenues *less* current grants received *less* increase in provisions. The capital deficit is made up of capital outlays *less* capital revenues and capital grants received.

Deficit adjusted for net advances

This measure is the deficit *less* net advances paid (which includes net injections/acquisitions or sales of equity as well as other government lending for policy purposes).

Expenditure on land and intangible assets (net)

Purchases *less* sales of land and intangible assets such as patents and copyrights.

Expenditure on new fixed assets

Expenditure on tangible assets which are intended to be used in the production process for longer than a year. Such assets cover construction work and equipment (including transport equipment) but exclude defence equipment (which is classified by convention as current), land, mineral deposits and expenditure on goods or buildings which are intended for sale.

Expenditure on second-hand assets (net)

Purchase of second-hand assets *less* sales of used capital assets.

It generally comprises the acquisition and disposal of non-residential buildings, previously rented dwellings and used plant and equipment.

A negative value indicates that sales exceed purchases.

Final consumption expenditure	General government's expenditure on provision of goods and services <i>less</i> the value of its output sold to others.
Financing	The sum of transactions by which governments finance their deficits or invest their surpluses. Financing represents the difference between revenue and grants and total outlays.
Grants received	Current and capital unrequited payments (see definition below) received from other units in the non-financial public sector. This category is further sub-classified for State and Territory Governments to indicate whether grants received are used to fund those governments operations or are Commonwealth grants to be onpassed to designated government authorities (e.g. universities) or other bodies (e.g. non-government schools).
Gross Domestic Product (GDP)	Unless otherwise stated, the GDP measure used in this publication is the current price measure GDP(I) which is the sum of factor incomes, consumption of fixed capital (depreciation) and indirect taxes.
Gross fixed capital expenditure	Expenditure on new fixed assets <i>less</i> net sales of second-hand assets. The term <i>gross</i> in the title indicates that no depreciation allowances have been deducted in this category.
Income transferred to general government	That part of the income of public trading enterprises which is paid to their parent bodies or governments in the nature of dividends, transfers of profit or similar transactions <i>less</i> amounts received to cover current deficits other than amounts received to offset recurring losses (which are classified as subsidies — see definition below). Amounts received to cover current but non-recurring losses are included as offsets to income transferred to general government because they are regarded as negative income transfers.
Increase in provisions	Increase in public trading enterprise provisions for depreciation and increase in provisions for superannuation, long service leave and the like.
Increase in stocks	Increase (if negative, a decrease) in stocks of materials, stores, goods for sale (e.g. wool stocks) and spare parts.
Interest payments	Payments for the use of borrowed money. Interest payments include discounts and premiums incorporated into the sale price of securities. Interest payments by PTEs to the general government sector are identified separately.
Interest received	Current receipts from government bank balances, investments and advances.
Net operating surplus	The excess of the value of a public trading enterprise's sales receipts over costs incurred in producing its output. These costs include depreciation charges and indirect taxes <i>less</i> subsidies but exclude interest, dividends, land rent, royalties and direct taxes.

Other capital outlays	This category includes capital outlays not shown elsewhere. It mainly comprises unrequited capital transfers and the net increase in stocks.
Other financing transactions	Net changes in balances of financial assets and liabilities other than borrowing, advances received and provisions.
Other revenue	This category includes revenue not shown elsewhere. It mainly comprises dividends from public trading and financial enterprises, land rent and royalties received, dividends from investments and reimbursements for work done on behalf of private bodies.
Other transfer payments	Unrequited payments (see definition below) not already included in current outlay categories. These include land rent and royalty payments, income transfers from trading enterprises to general government and taxes and levies paid by government authorities.
Outlays	Total of current and capital outlays.
Personal benefit payments	Unrequited payments (see definition below) from general government for the benefit of individuals or households. These include aged and disability pensions, medical and pharmaceutical benefits, unemployment benefits, family allowances and the like.
Revenue	The non-repayable receipts available to finance the outlays of public authorities. Revenue consists mainly of taxes, grants, interest, royalties and dividends and the operating surpluses of public trading enterprises.
Sales of goods and services	The value of current general government output sold to other public and private bodies.
Subsidies paid to PTEs	Grants paid by general government to public trading enterprises to offset recurring losses. Recurring losses are those losses that are a consequence of government policy to maintain prices at a level that does not cover the cost of production.
Subsidies received	Unrequited payments (see definition below) made by public authorities to public enterprises to allow them to provide goods or services at reduced cost.
Taxes, fees and fines	Taxes are compulsory levies imposed by government to raise revenue. There is usually no clear and direct link between payment of taxes and the provision of goods and services. Fees are levies which are related to the regulation of an activity or where payment is associated with provision of goods and services but which do not correspond to the sale of goods and services. Fines are civil and criminal penalties imposed on law breakers (other than tax penalties which are included with taxes).
Unrequited payments	Payments made for which nothing is received directly in return.



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