

# **UNIFORM PRESENTATION FRAMEWORK**

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For the Presentation of Uniform Financial  
Information by Commonwealth, State and  
Territory Governments

**FEBRUARY 2019**

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## FOREWORD

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This publication incorporates revisions to the 2008 Uniform Presentation Framework (UPF) agreed by the Council on Federal Financial Relations in February 2019.

The 2019 UPF incorporates revisions to the framework as a result of the 2015 update to the Australian System of Government Financial Statistics (GFS)<sup>1</sup> framework. The update of the Australian GFS aims to better align with the International Monetary Fund's (IMF) GFS 2014 framework and the System of National Accounts 2008 (SNA08).

The previous review to the UPF in 2008 was prompted by the release of the Australian Accounting Standards Board new accounting standard AASB 1049 *Whole of Government and General Government Sector Financial Reporting* (AASB 1049). AASB 1049 aims to harmonise GFS and Generally Accepted Accounting Principles (GAAP) with the objective of improving clarity and transparency of government financial statements. This accounting standard, therefore, is the basis for the UPF requirements.

Consistent with previous reviews of the UPF, revisions to the 2008 UPF were considered by representatives from Australian, State and Territory Treasuries and the Australian Government Department of Finance. The Australian Bureau of Statistics (ABS) and Commonwealth Grants Commission were also consulted.

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1 This document refers to the ABS accrual GFS publication, *Australian System of Government Finance Statistics: Concepts, Sources and Methods cat. No. 5514.0*, released in December 2015 which is based on the International Monetary Fund (IMF) accrual GFS framework.

# INTRODUCTION

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## THE UNIFORM PRESENTATION FRAMEWORK

The May 1991 Premiers' Conference agreed to the introduction of the UPF. There have been subsequent revisions to the UPF in 1997, 2000 and 2008.

The primary objective of the UPF is to ensure that the Commonwealth, State and Territory governments provide a common 'core' of financial information in their budget papers. It was recognised that a more uniform approach to the presentation of financial data would facilitate a better understanding of individual governments' budget papers and provide for more meaningful comparisons of each government's financial results and projections.

Subsequent chapters provide a summary of the key financial statements used, measures available to assess the fiscal position of governments and set out the framework for the uniform reporting of government financial information throughout the budget year.

The UPF framework sets out the minimum information to be reported by governments. Governments should continue to publish additional information they consider relevant for users assessing their fiscal position. The order that key financial statements are presented is up to individual jurisdictions.

# REVISIONS TO THE UNIFORM PRESENTATION FRAMEWORK

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The UPF updates certain reporting requirements to align with the most recent version of the Australian GFS framework. The update of the Australian GFS, released in 2015 and effective from 1 July 2017, aims to better align with the IMF's GFS 2014 framework and the SNA08.

The key reporting changes in this UPF include:

- The Classifications of Functions of Government - Australia (COFOG-A), a system for classifying expenditures by functions of government, has been introduced under the updated Australian GFS. The requirements on reporting expenses by function (budget and outcomes), and purchases of non-financial assets by function under this system are at tables 16, 17 and 18.
- The ABS GFS cash surplus/(deficit) definition has been updated to align with the previous cash surplus/(deficit) definition under the 2008 UPF as it no longer includes finance leases. This has removed the requirement to report a separate figure for the ABS GFS cash surplus/(deficit).<sup>2</sup>
- 'Taxes on financial institutions transactions' and 'Stamp duties on financial and capital transactions' in the State and Territory tax classifications have moved from the category 'Taxes on Property' to 'Taxes on provision of goods and services.' See table 13(b).
- The Australian Loan Council unanimously agreed to remove the Commonwealth, State and Territory governments' reporting requirements from the UPF and transfer the administration of the UPF to the Council on Federal Financial Relations in January 2018. All reporting requirements for the Loan Council Allocation have been removed from the UPF to reflect this decision.
- Minor changes to the structure and names of line items on the General Government Sector balance sheet, separating out 'equity investments – other' into 'equity accounted investments' and 'investments – shares'. See table 5.

The UPF maintains the definition of net debt published in the 2008 UPF, based on GAAP and as agreed by the Heads of Treasuries, rather than adopting the updated Australian GFS presentation of net debt.

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<sup>2</sup> Definitions for Australian GFS measures in AASB 1049 have not been updated for the 2015 update to the Australian GFS framework. The definitions in the 2015 ABS GFS Manual apply.

# UPF REPORTING

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This chapter outlines the key features of the UPF. It explains the institutional sectors into which the entities controlled by the Commonwealth, State and Territory governments are classified. This is followed by a discussion of the major differences between the AASB 1049 and GFS methodologies.

## THE UPF PRESENTATION

Details of public sector estimates and outcomes are presented on an accrual basis within three primary statements: the operating statement, including other economic flows; the balance sheet; and the cash flow statement. These statements form the core reporting requirements of the UPF.

### Operating statement

The operating statement presents information on transactions (revenue and expenses) and other economic flows (revaluations and adjustments). This statement is designed to capture the composition of revenues and expenses and the net cost of a government's activities within a fiscal year. It shows the full cost of resources consumed by the government in achieving its objectives, and how these costs are met from various revenue sources. In addition to the net result from transactions (net operating balance), the operating statement also includes total other economic flows which are the total change in net worth driven by economic flows other than through transactions. The total of the net operating balance and other economic flows equal the comprehensive result (total change in net worth).

The operating statement reports three major fiscal measures — the net operating balance, net lending/borrowing (also known as fiscal balance) and the total change in net worth (comprehensive result). The net operating balance is calculated as revenue minus expenses, while net lending (fiscal balance) includes net capital expenditure but excludes depreciation, thereby giving a better measure of a jurisdiction's call on financial markets.

### Balance sheet

The balance sheet records a government's stocks of financial and non-financial assets and liabilities, taken at the end of each financial year. It provides the user with information on the resources at the government's disposal and the type and valuation of its liabilities.

The balance sheet also includes information on the make-up of a government's financial assets, on its holdings of fixed assets, and on the extent of liabilities such as borrowing and unfunded superannuation. This allows for intertemporal and interjurisdictional comparisons of asset and liability levels.

The fiscal aggregates in the balance sheet include net worth, net financial worth, net debt and net financial liabilities.

## Cash flow statement

The cash flow statement records a government's cash inflows and outflows, allocated between various activities, and their net impact on cash held. The statement reveals how a government obtains and expends cash.

This statement requires cash flows to be categorised into operating, investing and financing activities. Operating activities are those which relate to the collection of taxes, the distribution of grants, and the provision of goods and services. Investing activities are those which relate to the acquisition and disposal of financial and non-financial assets. Financing activities are those which relate to changing the size and composition of a government's financial structure.

The signing convention within the cash flow statement is that all inflows carry a positive sign and all outflows carry a negative sign (regardless of whether they are gross or net cash flows).

The cash flow statement reports two fiscal measures — net increase in cash held and cash surplus/deficit. Net increase in cash held is the sum of net cash flows from all operating, investing and financing activities. The cash surplus/deficit comprises only net cash from operating activities, plus net cash from transactions in non-financial assets (less dividends paid for the PNFC and PFC sectors).

Under the previous UPF, the cash flow statement included the ABS GFS cash surplus/deficit which was calculated by deducting financing leases from the AASB 1049 cash surplus/deficit for all sectors. Under the new Australian GFS framework finance leases are no longer included in the GFS cash surplus/deficit.<sup>3</sup> This aligns the definition of the AASB 1049 cash surplus/deficit and GFS cash surplus/deficit.

## INSTITUTIONAL SECTORS

The coverage of the UPF extends to the entire Australian public sector (excluding local government entities and universities) comprising units which are owned and/or controlled by the Commonwealth Government, State and Territory governments. These units (such as government departments, authorities and businesses) are grouped into three institutional subsectors: GGS; the PNFC sector; and the PFC sector (refer Figure 1). In addition, the UPF also includes tables for the consolidated Non-Financial Public Sector (NFPS).

### General Government Sector (GGS)

The GGS comprises all government departments, offices and other bodies that fulfil the functions of government as their primary activity. General government services include those which are mainly non-market in nature and are largely for collective consumption by the community, or which involve the transfer or redistribution of income. These services are financed mainly through taxes, other compulsory levies and user charges.

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3 Ibid.



## Public Non-Financial Corporations (PNFC) sector<sup>4</sup>

The PNFC sector comprises bodies mainly engaged in the production of goods and services (of a non-financial nature) for sale in the market place at economically significant prices (for example, Australia Post, port authorities and railways). In general, PNFCs are legally distinguishable from the governments which own them.

## Non-Financial Public Sector (NFPS)

The NFPS represents the consolidated transactions and assets and liabilities of the GGS and PNFC sector. In compiling statistics for the NFPS, transactions and debtor-creditor relationships between subsectors are eliminated to avoid double counting as part of a process known as consolidation.

## Public Financial Corporations (PFC) sector<sup>5</sup>

PFCs are bodies primarily engaged in the provision of financial intermediation services or auxiliary financial services. They are able to incur financial liabilities on their own account (e.g. taking deposits, issuing securities or providing insurance services). Central borrowing authorities, including the Reserve Bank of Australia, are part of the PFC sector.

## Total public sector

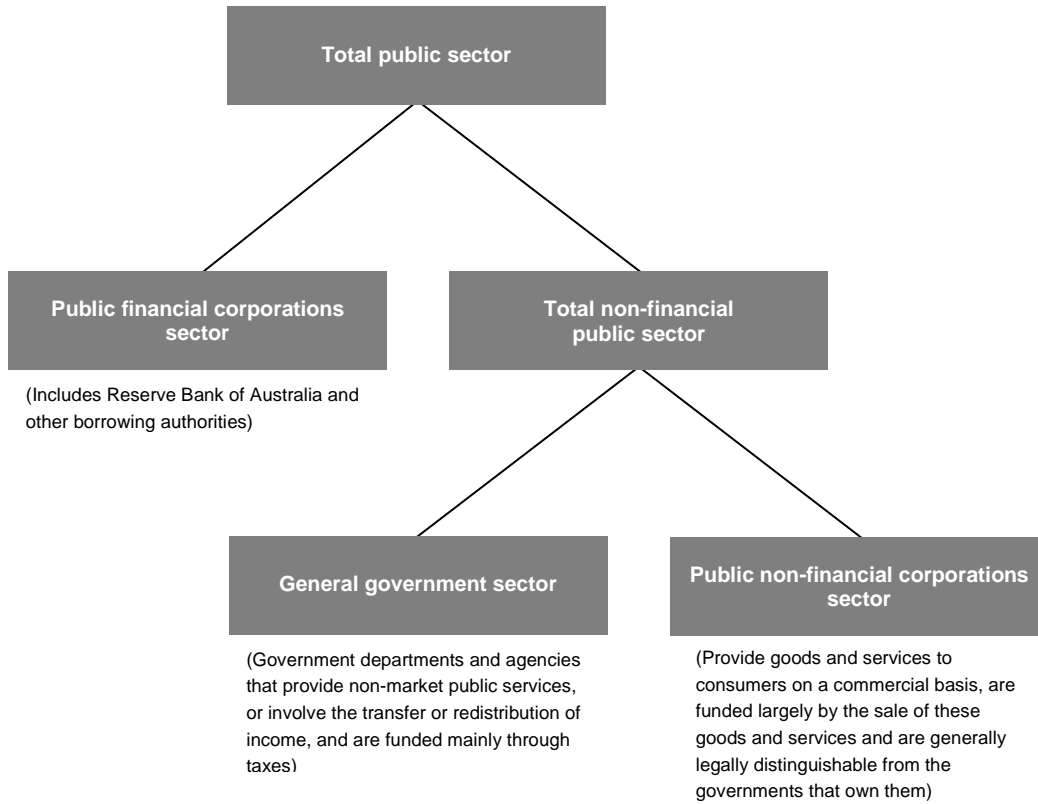
The total public sector consolidates the transactions of all sectors of government — the GGS, the PNFC and PFC sectors (eliminating intersectoral transfers). Total public sector reporting is also known as ‘whole of government’ reporting. The UPF does not prescribe reporting requirements for the total public sector.

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4 The PNFC sector was formerly known as the public trading enterprises or PTE sector.

5 The PFC sector was formerly known as the public financial enterprises or PFE sector.

**Figure 1: Institutional structure of the public sector**



## FISCAL MEASURES

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UPF reporting provides a number of measures for evaluating the soundness of a government's fiscal position and the effect of fiscal policy on economic conditions. These include measures on both a stock and flow basis.

Stock measures (including net worth, net debt, net financial worth and net financial liabilities) highlight the fiscal position of a government at a point in time, providing information on the results of past decisions. Stocks reflect holdings of assets and liabilities. Stocks at the beginning of a period plus the cumulative result of flows in the period are equal to stocks at the end of the period.

Flow measures (including the net operating balance, net lending/borrowing (fiscal balance), cash surplus/deficit and change in net worth) show changes in the fiscal position during the reporting period, reflecting the impact of government decisions and actions, and re-measurement impacts during that time. Flows represent the creation, transformation, exchange, transfer or extinction of economic value.

The fiscal measures in the UPF framework are: net operating balance, net lending/borrowing (fiscal balance), change in net worth (comprehensive result), net worth, net debt, net financial worth, net financial liabilities and the cash surplus/deficit.

However, governments need to be able to define a fiscal strategy around fiscal aggregates that suit their particular economic circumstances. Therefore governments may elect to provide additional fiscal aggregates and disclose them in the UPF financial statements. These additional fiscal aggregates must be based on information disclosed in the financial statements.

### NET OPERATING BALANCE

The net operating balance is the excess of revenue from transactions over expenses from transactions. The net operating balance excludes expenditure on the acquisition of capital assets, but includes non-cash costs such as accruing superannuation entitlements and the consumption of capital (depreciation). By including all accruing costs, including depreciation, the net operating balance encompasses the full cost of providing government services. This makes it a good measure of the sustainability of the government's fiscal position over time and provides an indication of the sustainability of the existing level of government services.

The net operating balance can also be defined as the change in net worth arising from economic transactions, and therefore excludes the effect of revaluations and other changes in the volume of assets and liabilities. Because revaluations are largely outside a government's control, the net operating balance is a better measure of a government's financial activity in a given period than the change in net worth (described below).

The net operating balance is a flow measure in the operating statement.

## NET LENDING/BORROWING (FISCAL BALANCE)

Net lending/borrowing, or fiscal balance<sup>6</sup>, measures a government's investment-saving balance. A fiscal surplus indicates that a government is saving more than is required to finance all of its investment spending and is therefore not contributing directly to the current account deficit.

The fiscal balance (which is recorded in the operating statement) differs from the net operating balance in its treatment of capital expenditure. Unlike the net operating balance, the fiscal balance includes net capital expenditure, so the use of capital (that is, depreciation) is removed from its calculation. In a year in which a government undertakes major infrastructure works, other things being equal, a fiscal surplus will be significantly lower (or a fiscal deficit significantly larger) compared with the net operating balance. Because it includes the full amount of investment by a government in a particular period, the fiscal balance is a better measure of the impact of a government's budget on the economy in a given period.

The fiscal balance is the accrual counterpart of the cash surplus/deficit in the cash flow statement. Both measures provide estimates of a government's investment-saving balance and hence their contribution to the current account deficit. However, the two measures are unlikely to coincide because of the differences arising when transactions are recorded in cash and accrual terms. The fiscal balance has the advantage of aligning more closely with the accrual-based Australian National Accounts. The equivalent of the cash surplus/deficit continues to be available in the accrual framework from the cash flow statement (see below).

## CHANGE IN NET WORTH

Change in net worth (comprehensive result) measures the variation in a government's accumulated assets and liabilities, and is the most inclusive measure of the change in a government's financial position over a given period.

Change in net worth comprises two flows: change in net worth due to transactions (that is, the net operating balance), and change in net worth due to revaluations and other factors (where revaluations include changes in the volume of assets which result from discoveries, depletion and destruction of assets). Changes in net worth due to revaluations and other factors (other economic flows) also encompass changes in liabilities (for example, revaluations of liabilities due to changes in the exchange rate or from actuarial reassessments).

A problem with the change in net worth measure is that changes in asset and liability values generally reflect factors external to a government's control. Thus favourable changes in asset or liability valuations arising from external factors could obscure deterioration in a government's fiscal position resulting from policy decisions.

The total change in net worth can be measured by comparing successive end-of-year balance sheets. That part of change in net worth due to transactions can also be seen in the operating statement, as the net operating balance.

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<sup>6</sup> The term 'fiscal balance' is not used by the ABS.

## NET WORTH

The net worth measure provides a more comprehensive picture of a government's overall financial position than the net debt measure. It is calculated as total assets (both financial and non-financial) less total liabilities. Net worth incorporates a government's non-financial assets such as land, buildings and other fixed assets, as well as certain financial assets and liabilities not captured by the net debt measure, most notably accrued employee superannuation liabilities, accrued long service leave benefits, debtors and creditors.

The sale of physical assets impacts on net debt as an increase in financial assets, and hence a fall in net debt. Net worth incorporates both sides of the story, showing the decrease in non-financial assets and the increase in financial assets. Net worth also shows asset acquisitions over time, giving an indication of the extent to which borrowings are used to finance asset purchases, rather than only current expenditure.

However, the net worth measure is not without limitations. For example, the ability to reliably value government assets (such as national parks and government buildings) is an issue. Also, a government may not necessarily be in a position to sell non-financial assets on its balance sheet to meet liabilities (for example, for policy reasons), or might find that to do so may involve selling at prices below the balance sheet valuation.

The net worth measure can be obtained from the balance sheet.

## NET DEBT

Net debt comprises the stock of selected gross financial liabilities less selected financial assets. The stock of net debt is a common measure used to assess the overall strength of a jurisdiction's fiscal position. High levels of net debt impose a call on future revenue flows to service that debt and can therefore limit government flexibility to adjust expenditure. Excessive net debt can call into question the ability of government to service that debt.

The net debt measure is limited in that it does not include certain financial assets or provisions such as accrued employee liabilities or outstanding claims associated with insurance type activities, which can be substantial. In addition, net debt does not provide information on whether this debt has been incurred to finance fixed asset accumulation or current expenditure. This additional information is important in gauging the strength of a government's fiscal position as well as the sustainability of policy.

Despite these limitations, net debt provides useful information for examining the soundness of a government's fiscal position.

Net debt is reported in the balance sheet and is the sum of deposits held, advances received and borrowing, less the sum of cash and deposits, advances paid, and investments, loans and placements.

## NET FINANCIAL WORTH

Net financial worth measures a government's net holdings of financial assets. It is calculated from the balance sheet as financial assets less liabilities.

Net financial worth is a broader measure than net debt, in that it incorporates provisions made (such as superannuation) as well as holdings of equity. Net financial worth includes all classes of financial assets and liabilities, only some of which are included in net debt.

As non-financial assets are excluded from net financial worth, this is a narrower measure than net worth. However, it avoids the concerns inherent with the net worth measure relating to the valuation of non-financial assets and their availability to offset liabilities.

## NET FINANCIAL LIABILITIES

Net financial liabilities comprises total liabilities less financial assets but excludes equity investments in the other sectors of the government. For the GGS, its investment in the PNFC and PFC sectors are excluded. For the PNFC and PFC sectors, net financial liabilities is equal to negative net financial worth.

Net financial liabilities is a more accurate indicator than net debt of a jurisdiction's fiscal position as it includes substantial non-debt liabilities (for example, accrued employee liabilities such as superannuation and long service leave entitlements). Excluding the net worth of other sectors of government results in a purer measure of financial worth than net financial worth as, in general, the net worth of other sectors of government, in particular the PNFC sector, is backed up by physical assets.

## CASH SURPLUS/DEFICIT

The cash surplus/deficit has two components. The first is the net cash flows from operating activities (operating receipts less operating payments). The second is the net cash flows from transactions (cash inflows from sales and cash outflows from purchases) in non-financial assets (less dividends paid for the PNFC and PFC sectors).

Recording of cash transactions remains important for cash management purposes. In addition, cash measures provide the most useful indication of a government's need to call on financial markets to meet its budget obligations.

## USE OF UNDERLYING BUDGET RESULTS

As agreed by the Australian Loan Council in 2003, in exceptional circumstances jurisdictions may believe that it assists readers and analysts if their Budget targets or outcomes are discussed in 'underlying' or 'adjusted' terms. If this happens, it is important to preserve the intent of the UPF agreement. Jurisdictions that choose to discuss Budget outcomes in 'underlying' or 'adjusted' terms agree to implement the following protocols:

- To avoid confusion, the modifiers 'underlying', 'adjusted' or similar will be used in conjunction with the non-standard aggregate to the maximum extent practicable;
- To the maximum extent practicable, jurisdictions will footnote non-standard aggregates to indicate how the non-standard aggregate can be reconciled to the standard aggregate;
- The use of non-standard aggregates should be avoided in the standard UPF tables, but it is permissible to include footnotes to indicate the impact of the exceptional item;

- In the section of the budget papers or other documents used for publishing UPF data, there will be included in textual or tabular format a reconciliation of the standard and non-standard aggregate, including where practicable the item(s) comprising the difference and the dollar amount of each item. Jurisdictions are permitted to exclude from this reconciliation the dollar amount of pending asset sales or similar transactions where such disclosure could prejudice ongoing negotiations. The intent of this reconciliation is to allow a user of the data to readily relate the standard and non-standard aggregate; and
- Accompanying the reconciliation outlined above, jurisdictions will include an explanation of the reasons for using the non-standard aggregate.

# DETAILS OF THE REPORTING FRAMEWORK

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This chapter outlines the information to be presented under the UPF.

No distinction is made between the information required from governments presenting early budgets (that is, those brought down before the start of the budget year), and that required from governments with late budgets.

Jurisdictions should provide full explanations for any departures from the UPF in the presentation of their data.

As was the case with the previous UPF, the focus remains on the GGS, with most tables requiring jurisdictions to provide GGS information for the budget year, the preceding year and for three forward years. This allows users to make assessments of the fiscal soundness and economic impact of a government's policies by providing information on the future impact of those policies. PNFC and NFPS reporting is required for the past year and budget year. Jurisdictions are required to report on the outcome for the PFC sector only.

## BUDGET REPORTING

All governments are required to present, as part of their budget documentation, tables 1 to 3, 5 to 7, 9 to 11, and 13((a) or (b)) to 17.

## OUTCOMES REPORT

Governments producing early budgets, and other governments unable to present outcomes information in their budget documentation, should publish a separate outcomes report presenting tables 1 to 18 but only provide information for the financial year just completed.

Table 18 is not prescribing disclosure lines and jurisdictions opting to present it based on COFOG-A may suppress the disclosure of lines to the extent that they are not applicable (for example, where there is a null balance).

Governments should provide this information by the end of October each year.

## MID-YEAR REPORT

Each government is required to publish a mid-year report including tables 1 to 3, 5 to 7, and 9 to 11. Governments are required to publish this information for the budget year and forward estimates period.

Governments should provide this information by the end of February each year.



## GLOSSARY OF TERMS

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The UPF allows jurisdictions flexibility in the naming but not the data relating to items listed in the UPF, as long as they explain the differences within their jurisdiction's UPF glossary of terms.

<b>ABS GFS Manual (or Australian GFS)</b>	The ABS publication <i>Australian System of Government Finance Statistics: Concepts, Sources and Methods</i> (ABS cat no 5514.0) as updated from time to time. This manual explains terms used in the UPF and a selection of these terms are explained in this glossary.
<b>Advances paid</b>	Loans acquired for policy rather than liquidity management purposes. Included are long and short term loans, non-marketable debentures and long and short term promissory agreements (bond and bills) issued to public sector units for achieving government policy objectives.
<b>Capital grants</b>	Transactions in which the ownership of an asset (other than cash and inventories) is transferred from one institutional unit to another, in which cash is transferred to enable the recipient to acquire another asset or in which the funds realised by the disposal of another asset are transferred for which no economic benefits of equal value are receivable or payable in return.
<b>Cash and deposits</b>	A record of the current market value of currency and deposits in the context of financial assets or liabilities. Included are cash and deposits, Special Drawing Rights, monetary gold and bullion.
<b>Cash surplus/deficit</b>	Net cash flows from operating activities plus net cash flows from acquisition and disposal of non-financial assets (less distributions paid for the PNFC and PFC sectors).
<b>Change in net worth</b>	Change in net worth (comprehensive result) is revenue from transactions less expenses from transactions plus other economic flows and measures the variation in a government's accumulated assets and liabilities. In the UPF liabilities do not include equity or other contributed capital (unlike the Australian GFS which includes equity and other contributed capital as part of liabilities).
<b>Current grants</b>	Amounts payable or receivable for current purposes for which no economic benefits of equal value are receivable or payable in return.
<b>Fiscal aggregates</b>	Analytical balances that are useful for macroeconomic analysis purposes, including assessing the impact of a government and its sectors on the economy. AASB 1049 prescribes: net operating balance, net lending/borrowing (fiscal balance), change in net worth (comprehensive result), net worth, and cash surplus/deficit. The UPF prescribes additional fiscal aggregates not included in AASB 1049: these are net debt, net financial worth and net financial liabilities.
<b>General Government Sector (GGS)</b>	Institutional sector comprising all government units and non-profit institutions controlled and mainly financed by government that fulfil the functions of government as their primary activity.

<b>Grants</b>	<p>Transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving an economic benefit in return. Grants can either be of a current or capital nature (see <i>current grants</i> and <i>capital grants</i>).</p> <p>Grants can be paid as <i>general purpose grants</i> which refers to grants which are not subject to conditions regarding their use. Alternatively, they may be paid as <i>specific purpose grants</i> which are paid for a particular purpose and/or have conditions attached regarding their use.</p>
<b>Grants for on-passing</b>	All grants paid to one institutional sector (for example, a State general government) to be passed on to another institutional sector (for example, local government or a non-profit institution).
<b>Interest expense</b>	Costs incurred in connection with the borrowing of funds. It includes interest on advances, loans, overdrafts, bonds and bills, deposits, interest components of finance lease repayments, and amortisation of discounts or premiums in relation to borrowings. Refer to Appendix C for the differences in the recognition of interest expense under the Australian GFS (valued from the perspective of the holder) and the AASB (valued from the perspective of the debtor). Jurisdictions have opted to continue to disclose interest expenses under the AASB standard, rather than adopt the Australian GFS approach.
<b>Net acquisition of non-financial assets</b>	<p>Purchases (or acquisitions) of non-financial assets less sales (or disposals) of non-financial assets less depreciation plus changes in inventories and other movements in non-financial assets.</p> <p>Purchases and sales (or net acquisitions) of non-financial assets generally include accrued expenses and payables for capital items. Purchases exclude non-produced assets and valuables which are included in other movements in non-financial assets.</p>
<b>Net debt</b>	Net debt equals sum of deposits held, advances received, government securities, loans and other borrowing less the sum of cash and deposits, advances paid and investments, loans and placements. The presentation of net debt has been broadened under the Australian GFS to incorporate a range of measures presented in a matrix format with expanding sector and instrument coverage. Jurisdictions will be maintaining the narrower definition of net debt outlined above.
<b>Net financial liabilities</b>	Total liabilities less financial assets, other than equity in PNFCs and PFCs. This measure is broader than net debt as it includes significant liabilities, other than borrowings (for example, accrued employee liabilities such as superannuation and long service leave entitlements). For the PNFC and PFC sectors, it is equal to negative net financial worth.
<b>Net lending/borrowing</b>	The financing requirement of government, calculated as the net operating balance less the net acquisition of non-financial assets. It also equals transactions in financial assets less transactions in liabilities. A positive result reflects a net lending position and a negative result reflects a net borrowing position.

<b>Net operating balance</b>	This is calculated as revenue from transactions less expenses from transactions.
<b>Net worth</b>	Assets less liabilities. It is an economic measure of wealth and reflects the contribution of jurisdictions to the wealth of Australia. Refer to Appendix C for the difference in the definition of net worth under the Australian GFS and the AASB frameworks. Jurisdictions have opted to continue to use the definition of liabilities under the AASB framework. Liabilities in the UPF do not include equity or other contributed capital (unlike the Australian GFS which defines liabilities as including equity and other contributed capital).
<b>Non-Financial Public Sector (NFPS)</b>	The NFPS is a subsector formed by the consolidation of the GGS and PNFC sector.
<b>Non-profit institution</b>	A legal or social entity that is created for the purpose of producing or distributing goods and services but is not permitted to be a source of income, profit or other financial gain for the units that establish, control or finance it.
<b>Other economic flows</b>	Changes in the volume or value of an asset or liability that do not result from transactions (that is, revaluations and other changes in the volume of assets).
<b>Other superannuation expense</b>	Includes all superannuation expenses from transactions except superannuation interest cost; generally includes current service cost, which is the increase in entitlements associated with the employment services provided by employees in the current period. Superannuation actuarial gains/losses are excluded as they are considered other economic flows.
<b>Payables</b>	Includes short and long term trade debt and accounts payable, grants and interest payable.
<b>Public Financial Corporations (PFC) sector</b>	Institutional sector comprising resident government controlled corporations and quasi-corporations mainly engaged in financial intermediation or provision of auxiliary financial services, that charge economically significant prices.
<b>Public Non-Financial Corporations (PNFC) sector</b>	Institutional sector comprising resident government controlled corporations and quasi-corporations mainly engaged in the production of market goods and/or non-financial services and charge economically significant prices.
<b>Quasi-corporation</b>	An unincorporated enterprise that functions as if it were a corporation, has the same relationship with its owner as a corporation, and keeps a separate set of accounts.
<b>Receivables</b>	Includes short and long term trade credit and accounts receivable, grants, taxes and interest receivable.
<b>Sale of goods and services</b>	Refers to revenue from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services, work done as an agent for private enterprises. It also includes rental income under operating leases and on produced assets such as buildings and entertainment, but excludes rent income from the use of non-produced assets such as land. User charges includes sale of goods and services revenue.

<b>Superannuation interest cost</b>	Superannuation interest costs are recorded when there are unfunded or partially funded defined benefit superannuation schemes. It is the expense resulting from the increase in the liability due to the fact that, for all participants in the scheme, retirement (and death) is one year nearer, and so one fewer discount factors must be used to calculate the present value of the benefits for each future year. Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement, as per the relevant accounting standard. The cost is measured net of the actuarial return on plan assets of defined benefit schemes calculated using an actuarially determined long term rate of return.
<b>Transactions</b>	Interactions between two institutional units by mutual agreement or actions within a unit that it is analytically useful to treat as transactions.
<b>Whole of government financial report</b>	A financial report prepared by a government that is prepared in accordance with Australian Accounting Standards, including AASB 10 <i>Consolidated Financial Statements</i> , and thereby separately recognises assets, liabilities, income, expenses and cash flows of all entities under the control of the government, on a line-by-line basis.

## Appendix A

## UNIFORM PRESENTATION FRAMEWORK TABLES

TABLE 1: GENERAL GOVERNMENT SECTOR OPERATING STATEMENT

	-1	Budget	Forward Estimates		
	\$m	\$m	\$m	\$m	\$m
<b>Revenue</b>					
Taxation revenue	x	x	x	x	x
Grant revenue	x	x	x	x	x
Sales of goods and services	x	x	x	x	x
Interest income	x	x	x	x	x
Dividend and income tax equivalent income	x	x	x	x	x
Other revenue	x	x	x	x	x
<b>Total revenue</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>
<b>less Expenses</b>					
Employee expenses	x	x	x	x	x
Superannuation expenses					
Superannuation interest cost	x	x	x	x	x
Other superannuation expenses	x	x	x	x	x
Depreciation and amortisation	x	x	x	x	x
Interest expenses	x	x	x	x	x
Other property expenses	x	x	x	x	x
Other operating expenses	x	x	x	x	x
Grant expenses	x	x	x	x	x
<b>Total expenses</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>
<b>equals Net operating balance</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>
<b>plus Other economic flows</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>
<b>equals Comprehensive result - total change in net worth</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>
<b>Net operating balance</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>
<b>less Net acquisition of non-financial assets (a)</b>					
Purchases of non-financial assets	x	x	x	x	x
less Sales of non-financial assets	x	x	x	x	x
less Depreciation	x	x	x	x	x
plus Change in inventories	x	x	x	x	x
plus Other movements in non-financial assets	x	x	x	x	x
<b>equals Total net acquisition of non-financial assets</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>
<b>equals Net lending / borrowing (fiscal balance)</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>

(a) The break-up of net acquisition of non-financial assets can be shown on the face of the operating statement or in a separate table.

**TABLE 2: PUBLIC NON-FINANCIAL CORPORATIONS SECTOR OPERATING STATEMENT**

	-1	Budget
	\$m	\$m
<b>Revenue</b>		
Grant revenue	x	x
Sales of goods and services	x	x
Interest income	x	x
Other revenue	x	x
<b>Total revenue</b>	<b>x</b>	<b>x</b>
<b>less Expenses</b>		
Employee expenses	x	x
Superannuation expenses	x	x
Depreciation and amortisation expenses	x	x
Interest expenses	x	x
Other property expenses	x	x
Other operating expenses	x	x
Grant expenses	x	x
<b>Total expenses</b>	<b>x</b>	<b>x</b>
<b>equals Net operating balance</b>	<b>x</b>	<b>x</b>
<b>plus Other economic flows</b>	<b>x</b>	<b>x</b>
<b>equals Comprehensive result - total change in net worth</b>	<b>x</b>	<b>x</b>
<b>Net operating balance</b>	<b>x</b>	<b>x</b>
<b>less Net acquisition of non-financial assets (a)</b>		
Purchases of non-financial assets	x	x
less Sales of non-financial assets	x	x
less Depreciation	x	x
plus Change in inventories	x	x
plus Other movements in non-financial assets	x	x
<b>equals Total net acquisition of non-financial assets</b>	<b>x</b>	<b>x</b>
<b>equals Net lending / borrowing (fiscal balance)</b>	<b>x</b>	<b>x</b>

(a) The break-up of net acquisition of non-financial assets can be shown on the face of the operating statement or in a separate table.

**TABLE 3: NON-FINANCIAL PUBLIC SECTOR OPERATING STATEMENT**

		-1	Budget
		\$m	\$m
	<b>Revenue</b>		
	Taxation revenue	x	x
	Grant revenue	x	x
	Sales of goods and services	x	x
	Interest income	x	x
	Dividend and income tax equivalent income	x	x
	Other revenue	x	x
	<b>Total revenue</b>	<b>x</b>	<b>x</b>
<b>less</b>	<b>Expenses</b>		
	Employee expenses	x	x
	Superannuation expenses		
	Superannuation interest cost	x	x
	Other superannuation expenses	x	x
	Depreciation and amortisation	x	x
	Interest expenses	x	x
	Other property expenses	x	x
	Other operating expenses	x	x
	Grant expenses	x	x
	<b>Total expenses</b>	<b>x</b>	<b>x</b>
<b>equals</b>	<b>Net operating balance</b>	<b>x</b>	<b>x</b>
<b>plus</b>	<b>Other economic flows</b>	<b>x</b>	<b>x</b>
<b>equals</b>	<b>Comprehensive result - total change in net worth</b>	<b>x</b>	<b>x</b>
	<b>Net operating balance</b>	<b>x</b>	<b>x</b>
<b>less</b>	<b>Net acquisition of non-financial assets (a)</b>		
	Purchases of non-financial assets	x	x
	less Sales of non-financial assets	x	x
	less Depreciation	x	x
	plus Change in inventories	x	x
	plus Other movements in non-financial assets	x	x
	<b>equals Total net acquisition of non-financial assets</b>	<b>x</b>	<b>x</b>
<b>equals</b>	<b>Net lending / borrowing (fiscal balance)</b>	<b>x</b>	<b>x</b>

(a) The break-up of net acquisition of non-financial assets can be shown on the face of the operating statement or in a separate table.

**TABLE 4: PUBLIC FINANCIAL CORPORATIONS SECTOR OPERATING STATEMENT**

		Outcome \$m
	<b>Revenue</b>	
	Grant revenue	x
	Sales of goods and services	x
	Interest income	x
	Other revenue	x
	<b>Total revenue</b>	<b>x</b>
<b>less</b>	<b>Expenses</b>	
	Employee expenses	x
	Superannuation expenses	x
	Depreciation and amortisation	x
	Interest expenses	x
	Other property expenses	x
	Other operating expenses	x
	Grant expenses	x
	<b>Total expenses</b>	<b>x</b>
<b>equals</b>	<b>Net operating balance</b>	<b>x</b>
<b>plus</b>	<b>Other economic flows</b>	<b>x</b>
<b>equals</b>	<b>Comprehensive results - total change in net worth</b>	<b>x</b>
	<b>Net operating balance</b>	<b>x</b>
	<b>Net acquisition of non-financial assets (a)</b>	
	Purchases of non-financial assets	x
	<i>less</i> Sales of non-financial assets	x
	<i>less</i> Depreciation	x
	<i>plus</i> Change in inventories	x
	<i>plus</i> Other movements in non-financial assets	x
	<i>equals</i> Total net acquisition of non-financial assets	x
<b>equals</b>	<b>Net lending / borrowing (fiscal balance)</b>	<b>x</b>

(a) The break-up of net acquisition of non-financial assets can be shown on the face of the operating statement or in a separate table.



**TABLE 5: GENERAL GOVERNMENT SECTOR BALANCE SHEET**

	-1	Budget	Forward Estimates		
	\$m	\$m	\$m	\$m	\$m
<b>Assets</b>					
Financial assets					
Cash and deposits	x	x	x	x	x
Advances paid	x	x	x	x	x
Investments, loans and placements	x	x	x	x	x
Receivables	x	x	x	x	x
Equity investments					
Investment in other public sector entities	x	x	x	x	x
Equity accounted investments	x	x	x	x	x
Investments - shares	x	x	x	x	x
Other financial assets	x	x	x	x	x
<i>Total financial assets</i>	x	x	x	x	x
Non-financial assets					
Land and other fixed assets	x	x	x	x	x
Other non-financial assets	x	x	x	x	x
<i>Total non-financial assets</i>	x	x	x	x	x
<b>Total assets</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>
<b>Liabilities</b>	x	x	x	x	x
Deposits held	x	x	x	x	x
Advances received	x	x	x	x	x
Borrowing	x	x	x	x	x
Superannuation	x	x	x	x	x
Other employee benefits	x	x	x	x	x
Payables	x	x	x	x	x
Other liabilities	x	x	x	x	x
<b>Total liabilities</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>
<b>Net worth</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>
<i>Net financial worth</i>	x	x	x	x	x
<i>Net financial liabilities</i>	x	x	x	x	x
<i>Net debt</i>	x	x	x	x	x

**TABLE 6: PUBLIC NON-FINANCIAL CORPORATIONS SECTOR BALANCE SHEET**

	-1	Budget
	\$m	\$m
<b>Assets</b>		
Financial assets		
Cash and deposits	x	x
Advances paid	x	x
Investments, loans and placements	x	x
Receivables	x	x
Equity investments	x	x
Other financial assets	x	x
<i>Total financial assets</i>	x	x
Non-financial assets		
Land and other fixed assets	x	x
Other non-financial assets	x	x
<i>Total non-financial assets</i>	x	x
<b>Total assets</b>	<b>x</b>	<b>x</b>
<b>Liabilities</b>		
Deposits held	x	x
Advances received	x	x
Borrowing	x	x
Superannuation	x	x
Other employee benefits	x	x
Payables	x	x
Other liabilities	x	x
<b>Total liabilities</b>	<b>x</b>	<b>x</b>
<b>Net worth</b>	<b>x</b>	<b>x</b>
<i>Net financial worth</i>	x	x
<i>Net debt</i>	x	x

**TABLE 7: NON-FINANCIAL PUBLIC SECTOR BALANCE SHEET**

	-1 \$m	Budget \$m
<b>Assets</b>		
Financial assets		
Cash and deposits	x	x
Advances paid	x	x
Investments, loans and placements	x	x
Receivables	x	x
Equity investments	x	x
Other financial assets	x	x
<i>Total financial assets</i>	x	x
Non-financial assets		
Land and other fixed assets	x	x
Other non-financial assets	x	x
<i>Total non-financial assets</i>	x	x
<b>Total assets</b>	<b>x</b>	<b>x</b>
<b>Liabilities</b>		
Deposits held	x	x
Advances received	x	x
Borrowing	x	x
Superannuation	x	x
Other employee benefits	x	x
Payables	x	x
Other liabilities	x	x
<b>Total liabilities</b>	<b>x</b>	<b>x</b>
<b>Net worth</b>	<b>x</b>	<b>x</b>
<i>Net financial worth</i>	x	x
<i>Net financial liabilities</i>	x	x
<i>Net debt</i>	x	x

**TABLE 8: PUBLIC FINANCIAL CORPORATIONS BALANCE SHEET**

	Outcome \$m
<b>Assets</b>	
Financial assets	
Cash and deposits	x
Advances	x
Investments, loans and placements	x
Receivables	x
Equity investments	x
Other financial assets	x
<i>Total financial assets</i>	x
Non-financial assets	
Land and other fixed assets	x
Other non-financial assets	x
<i>Total non-financial assets</i>	x
<b>Total assets</b>	<b>x</b>
<b>Liabilities</b>	
Deposits held	x
Advances received	x
Borrowing	x
Superannuation	x
Other employee benefits	x
Payables	x
Other liabilities	x
<b>Total liabilities</b>	<b>x</b>
<b>Net worth</b>	<b>x</b>
Net financial worth	x
Net debt	x

**TABLE 9: GENERAL GOVERNMENT SECTOR CASH FLOW STATEMENT<sup>(a)</sup>**

	-1	Budget	Forward Estimates		
	\$m	\$m	\$m	\$m	\$m
<b>Cash receipts from operating activities</b>					
Taxes received	x	x	x	x	x
Receipts from sales of goods and services	x	x	x	x	x
Grants received	x	x	x	x	x
Interest receipts	x	x	x	x	x
Dividends and income tax equivalents	x	x	x	x	x
Other receipts	x	x	x	x	x
<b>Total operating receipts</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>
<b>Cash payments for operating activities</b>					
Payments for employees	x	x	x	x	x
Payments for goods and services	x	x	x	x	x
Grants paid	x	x	x	x	x
Interest paid	x	x	x	x	x
Other payments	x	x	x	x	x
<b>Total operating payments</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>
<b>Net cash flows from operating activities</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>
<b>Cash flows from investments in non-financial assets</b>					
Sales of non-financial assets	x	x	x	x	x
Purchases of non-financial assets	x	x	x	x	x
<b>Net cash flows from investments in non-financial assets</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>
<b>Net cash flows from investments in financial assets for policy purposes</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>
<b>Net cash flows from investments in financial assets for liquidity purposes</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>
<b>Net cash flows from financing activities</b>					
Advances received (net)	x	x	x	x	x
Borrowing (net)	x	x	x	x	x
Deposits received (net)	x	x	x	x	x
Other financing (net)	x	x	x	x	x
<b>Net cash flows from financing activities</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>
<b>Net increase/decrease in cash held</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>
Net cash flows from operating activities	x	x	x	x	x
Net cash flows from investments in non-financial assets	x	x	x	x	x
<b>Cash surplus(+)/deficit(-)</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>

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

**TABLE 10: PUBLIC NON-FINANCIAL CORPORATIONS SECTOR CASH FLOW STATEMENT<sup>(a)</sup>**

	-1	Budget
	\$m	\$m
<b>Cash receipts from operating activities</b>		
Receipts from sales of goods and services	x	x
Grants received	x	x
Interest receipts	x	x
Dividends and income tax equivalents	x	x
Other receipts	x	x
<b>Total operating receipts</b>	<b>x</b>	<b>x</b>
<b>Cash payments for operating activities</b>		
Payments for employees	x	x
Payments for goods and services	x	x
Grants paid	x	x
Interest paid	x	x
Other payments	x	x
<b>Total operating payments</b>	<b>x</b>	<b>x</b>
<b>Net cash flows from operating activities</b>	<b>x</b>	<b>x</b>
<b>Cash flows from investments in non-financial assets</b>		
Sales of non-financial assets	x	x
Purchases of non-financial assets	x	x
<b>Net cash flows from investments in non-financial assets</b>	<b>x</b>	<b>x</b>
<b>Net cash flows from investments in financial assets for policy purposes</b>	<b>x</b>	<b>x</b>
<b>Net cash flows from investments in financial assets for liquidity purposes</b>	<b>x</b>	<b>x</b>
<b>Net cash flows from financing activities</b>		
Advances received (net)	x	x
Borrowing (net)	x	x
Dividends paid	x	x
Deposits received (net)	x	x
Other financing (net)	x	x
<b>Net cash flows from financing activities</b>	<b>x</b>	<b>x</b>
<b>Net increase/decrease in cash held</b>	<b>x</b>	<b>x</b>
Net cash flows from operating activities	x	x
Net cash flows from investments in non-financial assets	x	x
Dividends paid	x	x
<b>Cash surplus(+)/deficit(-)</b>	<b>x</b>	<b>x</b>

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

**TABLE 11: NON-FINANCIAL PUBLIC SECTOR CASH FLOW STATEMENT<sup>(a)</sup>**

	-1	Budget
	\$m	\$m
<b>Cash receipts from operating activities</b>		
Taxes received	x	x
Receipts from sales of goods and services	x	x
Grants received	x	x
Interest receipts	x	x
Dividends and income tax equivalents	x	x
Other receipts	x	x
<b>Total operating receipts</b>	<b>x</b>	<b>x</b>
<b>Cash payments for operating activities</b>		
Payments for employees	x	x
Payments for goods and services	x	x
Grants paid	x	x
Interest paid	x	x
Other payments	x	x
<b>Total operating payments</b>	<b>x</b>	<b>x</b>
<b>Net cash flows from operating activities</b>	<b>x</b>	<b>x</b>
<b>Cash flows from investments in non-financial assets</b>		
Sales of non-financial assets	x	x
Purchases of non-financial assets	x	x
<b>Net cash flows from investments in non-financial assets</b>	<b>x</b>	<b>x</b>
<b>Net cash flows from investments in financial assets for policy purposes</b>	<b>x</b>	<b>x</b>
<b>Net cash flows from investments in financial assets for liquidity purposes</b>	<b>x</b>	<b>x</b>
<b>Net cash flows from financing activities</b>		
Advances received (net)	x	x
Borrowing (net)	x	x
Dividends paid	x	x
Deposits received (net)	x	x
Other financing (net)	x	x
<b>Net cash flows from financing activities</b>	<b>x</b>	<b>x</b>
<b>Net increase/decrease in cash held</b>	<b>x</b>	<b>x</b>
Net cash flows from operating activities	x	x
Net cash flows from investments in non-financial assets	x	x
Dividends paid	x	x
<b>Cash surplus(+)/deficit(-)</b>	<b>x</b>	<b>x</b>

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

**TABLE 12: PUBLIC FINANCIAL CORPORATIONS CASH FLOW STATEMENT<sup>(A)</sup>**

	Outcome \$m
<b>Cash receipts from operating activities</b>	
Receipts from sales of goods and services	X
Grants received	X
Interest receipts	X
Other receipts	X
<b>Total operating receipts</b>	<b>X</b>
<b>Cash payments for operating activities</b>	
Payments for employees	X
Payments for goods and services	X
Interest paid	X
Other payments	X
<b>Total operating payments</b>	<b>X</b>
<b>Net cash flows from operating activities</b>	<b>X</b>
<b>Cash flows from investments in non-financial assets</b>	
Sales of non-financial assets	X
Purchases of non-financial assets	X
<b>Net cash flows from investments in non-financial assets</b>	<b>X</b>
<b>Net cash flows from investments in financial assets for policy purposes</b>	<b>X</b>
<b>Net cash flows from investments in financial assets for liquidity purposes</b>	<b>X</b>
<b>Net cash flows from financing activities</b>	
Advances received (net)	X
Borrowing (net)	X
Dividends paid	X
Deposits received (net)	X
Other financing (net)	X
<b>Net cash flows from financing activities</b>	<b>X</b>
<b>Net increase/decrease in cash held</b>	<b>X</b>
Net cash flows from operating activities	X
Net cash flows from investments in non-financial assets	X
Dividends paid	X
<b>Cash surplus(+)/deficit(-)</b>	<b>X</b>

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



**TABLE 13(A): COMMONWEALTH GOVERNMENT GENERAL GOVERNMENT SECTOR TAXES**

	-1	Budget
	\$m	\$m
Taxes on income, profits and capital gains		
Income and capital gains levied on individuals	x	x
Income and capital gains levied on enterprises	x	x
Income taxes levied on non-residents	x	x
<i>Total</i>	x	x
Taxes on employers' payroll and labour force	x	x
Taxes on property	x	x
Taxes on provision of goods and services		
Excises and levies	x	x
Taxes on international trade	x	x
<i>Total</i>	x	x
Taxes on use of goods and performance of activities	x	x
<b>Total taxation revenue</b>	<b>x</b>	<b>x</b>

**TABLE 13(B): STATE AND TERRITORY GENERAL GOVERNMENT SECTOR TAXES**

	-1	Budget
	\$m	\$m
Taxes on employers' payroll and labour force	x	x
Taxes on property		
Land taxes	x	x
Other	x	x
<i>Total</i>	x	x
Taxes on the provision of goods and services		
Excises and levies	x	x
Taxes on gambling	x	x
Taxes on insurance	x	x
Financial institutions' transactions taxes	x	x
Stamp duties on financial and capital transactions	x	x
<i>Total</i>	x	x
Taxes on use of goods and performance of activities		
Motor vehicle taxes	x	x
Franchise taxes	x	x
Other	x	x
<i>Total</i>	x	x
<b>Total taxation revenue</b>	<b>x</b>	<b>x</b>

**TABLE 14(A): STATE AND TERRITORY GENERAL GOVERNMENT SECTOR GRANT REVENUE**

	-1	Budget
	\$m	\$m
<b>Current grant revenue</b>		
Current grants from the Commonwealth	x	x
General purpose grants	x	x
Specific purpose grants	x	x
Speciic purpose grants for on-passing	x	x
<i>Total</i>	x	x
Other contributions and grants	x	x
<b>Total current grant revenue</b>	<b>x</b>	<b>x</b>
<b>Capital grant revenue</b>		
Capital grants from the Commonwealth	x	x
General purpose grants	x	x
Specific purpose grants	x	x
Specific purpose grants for on-passing	x	x
<i>Total</i>	x	x
Other contributions and grants		
<b>Total capital grant revenue</b>	<b>x</b>	<b>x</b>
<b>Total grant revenue</b>	<b>x</b>	<b>x</b>

**TABLE 14(B): GENERAL GOVERNMENT SECTOR GRANT EXPENSE**

	-1	Budget
	\$m	\$m
<b>Current grant expense</b>		
State/Territory Government	x	x
Local Government	x	x
Local Government for on-passing	x	x
Private and Not-for-profit sector	x	x
Private and Not-for-profit sector for on-passing	x	x
Grants to other sectors of Government	x	x
Other	x	x
<b>Total current grant expense</b>	<b>x</b>	<b>x</b>
<b>Capital grant expense</b>		
State/Territory Government	x	x
Local Government	x	x
Local Government for on-passing	x	x
Private and Not-for-profit sector	x	x
Private and Not-for-profit sector for on-passing	x	x
Grants to other sectors of Government	x	x
Other	x	x
<b>Total capital grant expense</b>	<b>x</b>	<b>x</b>
<b>Total grant expenses</b>	<b>x</b>	<b>x</b>

**TABLE 15: GENERAL GOVERNMENT SECTOR DIVIDEND AND INCOME TAX EQUIVALENT INCOME**

	-1	Budget
	\$m	\$m
Dividend and income tax equivalent income from PNFC sector	x	x
Dividend and income tax equivalent income from PFC sector	x	x
Other dividend income	x	x
<b>Total dividend and income tax equivalent income</b>	<b>x</b>	<b>x</b>

**TABLE 16: GENERAL GOVERNMENT SECTOR EXPENSES BY FUNCTION (BUDGET PRESENTATION)<sup>(a)</sup>**

	-1	Budget
	\$m	\$m
General public services	x	x
Defence	x	x
Public order and safety	x	x
Economic affairs	x	x
Environmental protection	x	x
Housing and community amenities	x	x
Health	x	x
Recreation, culture and religion	x	x
Education	x	x
Social protection	x	x
Transport	x	x
<b>Total expenses</b>	<b>x</b>	<b>x</b>

(a) Refer Appendix D for alternative functional reporting requirement.

**TABLE 17: GENERAL GOVERNMENT SECTOR PURCHASES OF NON-FINANCIAL ASSETS BY FUNCTION<sup>(a)</sup>**

	-1	Budget
	\$m	\$m
General public services	x	x
Defence	x	x
Public order and safety	x	x
Education	x	x
Health	x	x
Social security and welfare	x	x
Housing and community amenities	x	x
Recreation and culture	x	x
Fuel and energy	x	x
Agriculture, forestry and fishing	x	x
Mining, manufacturing and construction	x	x
Transport and communication	x	x
Other economic affairs	x	x
Other purposes	x	x
<b>Total purchases</b>	<b>x</b>	<b>x</b>

(a) Refer Appendix D for alternative functional reporting requirement.

**TABLE 18: GENERAL GOVERNMENT SECTOR EXPENSES BY FUNCTION (OUTCOME PRESENTATION)<sup>(a)</sup>**

	Outcome \$m
<b>General public services</b>	
Executive and legislative organs, financial and fiscal affairs, external affairs	x
General services	x
Public debt transactions	x
Transfers of a general character between different levels of government	x
General public services n.e.c.	x
<b>Defence</b>	<b>x</b>
<b>Public order and safety</b>	
Police services	x
Civil and fire protection services	x
Law courts	x
Prisons	x
Public order and safety n.e.c.	x
<b>Economic affairs</b>	
General economic, commercial and labour affairs	x
Economic affairs n.e.c.	x
Agriculture, forestry, fishing and hunting	x
Fuel and energy	x
Mining, manufacturing and construction	x
Communication	x
Other industries	x
<b>Environmental protection</b>	
Waste management	x
Waste water management	x
Pollution abatement	x
Protection of biodiversity and landscape	x
Environmental protection n.e.c.	x
<b>Housing and community amenities</b>	
Housing development	x
Community development	x
Water supply	x
Street lighting	x
Housing and community amenities n.e.c.	x

(a) Refer Appendix D for alternative functional reporting requirement.

**TABLE 18: GENERAL GOVERNMENT SECTOR EXPENSES BY FUNCTION (OUTCOME PRESENTATION)  
(CONTINUED)<sup>(a)</sup>**

	Outcome \$m
<b>Health</b>	
Medical products, appliances and equipment	x
Outpatient services	x
Hospital services	x
Mental health institutions	x
Community health services	x
Public health services	x
Health n.e.c.	x
<b>Recreation, culture and religion</b>	
Recreation and sporting services	x
Cultural services	x
Broadcasting and publishing services	x
Religious and other community services	x
Recreation, culture and religion n.e.c.	x
<b>Education</b>	
Pre-primary and primary education	x
Secondary education	x
Tertiary education	x
Education not definable by level	x
Subsidiary services to education	x
Education n.e.c.	x
<b>Social protection</b>	
Sickness and disability	x
Old age	x
Survivors	x
Family and children	x
Unemployment	x
Housing	x
Social protection n.e.c.	x
<b>Transport</b>	
Road transport	x
Bus transport	x
Water transport	x
Railway transport	x
Air transport	x
Multi-mode urban transport	x
Pipeline and other transport	x
Transport n.e.c.	x
<b>Total expenses</b>	<b>x</b>

(b) Refer Appendix D for alternative functional reporting requirement.

## TIMETABLE FOR THE UPF

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**April**

**Early Budgets**

*(before start of budget year)*

**May**

Accrual tables information  
for upcoming Budget year

**June**

**July**

**Late Budgets**

*(after start of budget year)*

**August**

**Outcomes Reports**

*(by end of October)*

Accrual tables information  
for current budget year

**September**

Accrual tables  
information for the past  
Budget year

**October**

**November**

**December**

**Mid-year Reports**

*(by end of February)*

**January**

Updated accrual tables  
information for current  
Budget year

**February**

**March**

## Appendix C

# COMPARISON OF GFS AND AASB 1049

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The AASB 1049 was issued in 2007. It replaced the former whole of government accounting standard AAS 31 and is the relevant accounting standard for financial reporting by governments, and it requires the adoption of a full accrual basis of accounting.

There is a general consistency between the AASB 1049 accounting standard and the GFS economic reporting standard. GFS and AASB 1049 definitions of the scope of the public sector agree in most cases, and both standards allow for the division of the public sector into the institutional sectors of general government, PNFCs and PFCs.

Nevertheless, there are differences between GFS and AASB 1049 with regard to the treatment of a number of items. Consequently, the fiscal aggregates measured in accordance with GFS and those measured in accordance with AASB 1049 can be expected to diverge. Examples of differences between the two reporting standards as at December 2018 are set out in the table below.

Previously there was a difference reported in the fiscal aggregates for finance leases. Under AASB 1049 treatment of finance leases are not deducted in the derivation of the cash surplus/deficit whereas the previous GFS treatment deducted finance leases in the derivation of the cash surplus/deficit. This difference no longer exists as finance leases are not deducted under the GFS treatment and there is only a requirement to report the AASB 1049 measure of the cash surplus/deficit.

**EXAMPLES OF DIFFERENCES BETWEEN AASB AND ABS GFS AS AT DECEMBER 2018**

ISSUE	AASB TREATMENT	ABS GFS TREATMENT
<b>MEASUREMENT DIFFERENCES</b>		
Circulating coins – seigniorage	The profit between the cost and sale of circulating coins (seigniorage) is treated as revenue.	Circulating coins is treated as a liability, and the cost of producing the coins is treated as an expense.
Valuation of loans	Changes in the valuation of loans are treated as revenues or expenses. In some circumstances, recognition as a revenue/expense is delayed until the loan ends or is transferred.	Changes in the valuation of loans (excluding mutually agreed write downs) are treated as an other economic flow.
Concessional loans	Concessional elements are treated as an expense on initial recognition and unwound over the loan term.	Concessional elements are treated as an other economic flow.
Investment in other public sector entities	Valued at fair value in the balance sheet as long as it can be reliably measured, otherwise net assets is permissible.	Unlisted entities valued based on their net assets in the balance sheet.
Provision for restoration, decommissioning and make-good	Capitalised when the asset is acquired.	Capitalised when make-good activity takes place.
Dividends paid by public corporations	Treated as an equity distribution. Equity distributions are treated as a distribution of profits, as opposed to an expense.	Dividends are treated as an expense.
Dividends paid by the Reserve Bank of Australia	Dividends are recognised in the year profit was earned.	Dividends are recognised when the Treasurer makes a determination.
<b>FISCAL AGGREGATES DIFFERENCES</b>		
Net worth of PNFC and PFC sectors	Calculated as assets less liabilities.	Assets less liabilities less shares and other contributed capital.
Net financial worth of PNFC and PFC sectors	Calculated as financial assets less total liabilities.	Financial assets less total liabilities less shares and contributed capital.
<b>CLASSIFICATION DIFFERENCES</b>		
Prepayments	Treated as a non-financial asset.	Treated as a financial asset.
Spectrum sales	Recognise non-financial asset sales for fiscal balance when payment is made and the licences take effect, which may be after the auction of licences, as this is regarded as the point at which control is transferred. Recognise cash at the time of receipt.	Recognise non-financial asset sales for fiscal balance at time of auction as this is regarded as the point at which control is transferred. Recognise cash at the time of receipt.



## Appendix D

## ALTERNATIVE FUNCTIONAL REPORTING REQUIREMENTS

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The Classifications of Functions of Government - Australia (COFOG-A), a system for classifying expenditures by functions of government, has been introduced under the updated 2015 Australian GFS. The requirements on reporting expenses by function (budget and outcome) and purchases of non-financial assets by function under this system are at tables 16, 17 and 18.

The alternate reporting presentation relates to Government Purpose Classification (GPC) which is now obsolete with the implementation of COFOG-A. If jurisdictions continue to report under the GPC hierarchy, they must reference the previous ABS GFS manual (AGFS05) as the rationale for their alternate presentation.

The table below provides alternative functional reporting details aligned with AGFS05.

FUNCTIONAL INFORMATION	COFOG-A CLASSIFICATION (PAGES 31-33 OF UPF)	GPC (PAGES 38-44 OF UPF)
1. General Government Sector expenses by function (Budget presentation)	Table 16	Table 20
2. General Government Sector expenses by function (Outcome presentation). Formerly: <ul style="list-style-type: none"> <li>• Commonwealth Government General Government Sector expenses by function (Outcome presentation)</li> <li>• State and Territory General Government Sector expenses by function (Outcome presentation)</li> </ul>	Table 18	Table 20(a) and Table 20(b)
3. General Government Sector purchases of non-financial assets by function	Table 17	Table 21

**TABLE 20: GENERAL GOVERNMENT SECTOR EXPENSES BY FUNCTION (BUDGET PRESENTATION)**

	-1	Budget
	\$m	\$m
General public services	x	x
Defence	x	x
Public order and safety	x	x
Economic affairs	x	x
Environmental protection	x	x
Housing and community amenities	x	x
Health	x	x
Recreation, culture and religion	x	x
Education	x	x
Social protection	x	x
Transport	x	x
<b>Total expenses</b>	<b>x</b>	<b>x</b>

**TABLE 20(A): COMMONWEALTH GOVERNMENT GENERAL GOVERNMENT SECTOR EXPENSES BY FUNCTION (OUTCOME PRESENTATION)**

	Outcome \$m
<b>General public services</b>	
Legislative and executive affairs	x
Financial and fiscal affairs	x
Foreign affairs and economic aid	x
General research	x
General services	x
Government superannuation benefits	x
<b>Defence</b>	<b>x</b>
<b>Public order and safety</b>	
Courts and legal services	x
Other public order and safety	x
<b>Education</b>	
Higher education	x
Vocational and other education	x
Schools - Non-government schools	x
Schools - Government schools	x
Student assistance	x
General administration - Education	x
School education - specific funding	x
<b>Health</b>	
Medical services and benefits	x
Hospital services	x
Assistance to States for public hospitals	x
Pharmaceutical benefits and services	x
Aboriginal and Torres Strait Islander health	x
Health services	x
Other health services	x
General administration - Health	x
<b>Social security and welfare</b>	
Social welfare - Assistance to the aged	x
Assistance to veterans and dependants	x
Assistance to people with disabilities	x
Assistance to families with children	x
Assistance to the unemployed	x
Other welfare programs	x
Assistance for Indigenous Australians n.e.c.	x
General administration - Social security and welfare	x
<b>Housing and community amenities</b>	
Housing	x
Urban and regional development	x
Environment protection	x

**TABLE 20(A): COMMONWEALTH GOVERNMENT GENERAL GOVERNMENT SECTOR EXPENSES BY FUNCTION (OUTCOME PRESENTATION) (CONTINUED)**

	Outcome \$m
<b>Recreation and culture</b>	
Broadcasting	x
Arts and cultural heritage	x
Sport and recreation	x
National estate and parks	x
<b>Fuel and energy</b>	<b>x</b>
<b>Agriculture, forestry and fishing</b>	
Wool industry	x
Grains industry	x
Dairy industry	x
Cattle, sheep and pig industry	x
Fishing, horticulture and other agriculture	x
General assistance not allocated to specific industries	x
Rural assistance	x
Natural resources development	x
General administration	x
<b>Mining, manufacturing and construction</b>	<b>x</b>
<b>Transport and communication</b>	
Communication	x
Rail transport	x
Air transport	x
Road transport	x
Sea transport	x
Other transport and communication	x
<b>Other economic affairs</b>	
Tourism and area promotion	x
Vocational and industry training	x
Labour market assistance to job seekers and industry	x
Industrial relations	x
Immigration	x
Other economic affairs n.e.c.	x
<b>Other purposes</b>	
Interest on Australian Government's behalf	x
Interest on behalf of states and territories	x
Interest received on Australian Government stock	x
Nominal superannuation interest	x
General revenue assistance - states and territories	x
Local government assistance	x
Revenue assistance to the states and territories	x
Assistance to other governments	x
Natural disaster relief	x
Contingency reserve	x
<b>Total expenses</b>	<b>x</b>

**TABLE 20(B): STATE AND TERRITORY GENERAL GOVERNMENT SECTOR EXPENSES BY FUNCTION  
(OUTCOME PRESENTATION)**

	Outcome \$m
<b>General public services</b>	
Government superannuation benefits	x
Other general public services	x
<b>Defence</b>	x
<b>Public order and safety</b>	
Police and fire protection services	x
<i>Police services</i>	x
<i>Fire protection services</i>	x
Law courts and legal services	x
Prisons and corrective services	x
Other public order and safety	x
<b>Education</b>	
Primary and secondary education	x
<i>Primary education</i>	x
<i>Secondary education</i>	x
<i>Primary and secondary education n.e.c.</i>	x
Tertiary education	x
<i>University education</i>	x
<i>Technical and further education</i>	x
<i>Tertiary education n.e.c.</i>	x
Preschool education and education not definable by level	x
<i>Preschool education</i>	x
<i>Special education</i>	x
<i>Other education not definable by level</i>	x
Transportation of students	x
<i>Transportation of non-urban school children</i>	x
<i>Transportation of other students</i>	x
Education n.e.c.	x
<b>Health</b>	x
Acute care insitutions	x
<i>Admitted patient services in acute care institutions</i>	x
<i>Non-admitted patient services in acute care institutions</i>	x
Mental health institutions	x
Nurising homes for the aged	x
Community health services	x
<i>Community mental health services</i>	x
<i>Patient transport</i>	x
<i>Other community health services</i>	x
Public health services	x
Pharamceuticals, medical aids and appliances	x
Health research	x
Health administration n.e.c.	x

**TABLE 20(B): STATE AND TERRITORY GENERAL GOVERNMENT SECTOR EXPENSES BY FUNCTION  
(OUTCOME PRESENTATION) (CONTINUED)**

	Outcome \$m
<b>Social security and welfare</b>	
Social security	x
Welfare services	x
<i>Family and child welfare services</i>	x
<i>Welfare services for the aged</i>	x
<i>Welfare services for people with a disability</i>	x
<i>Welfare services n.e.c.</i>	x
Social security and welfare services n.e.c.	x
<b>Housing and community amenities</b>	
Housing and community development	x
<i>Housing</i>	x
<i>Aboriginal community development</i>	x
<i>Other community development</i>	x
Water supply	x
<i>Aboriginal water supply</i>	x
<i>Other water supply</i>	x
Sanitation and protection of the environment	
<i>Aboriginal community sanitation services</i>	x
<i>Other sanitation and protection of the environment</i>	x
Other community amenities	
<i>Aboriginal community amenities</i>	x
<i>Other community amenities</i>	x
<b>Recreation and culture</b>	
Recreation facilities and services	x
<i>National parks and wildlife</i>	x
<i>Recreation facilities and services n.e.c.</i>	x
Cultural facilities	x
Broadcasting and film production	x
Recreation and culture n.e.c.	x
<b>Fuel and energy</b>	
Fuel affairs and services	x
<i>Gas</i>	x
<i>Fuel affairs and services n.e.c.</i>	x
Electricity and other energy	x
<i>Aboriginal community electricity services</i>	x
<i>Other electricity</i>	x
<i>Other energy</i>	x
Fuel and energy n.e.c.	x
<b>Agriculture, forestry and fishing</b>	
Agriculture	x
Forestry, fishing and hunting	x
<b>Mining, manufacturing and construction</b>	
Mining and mineral resources other than fuels	x
Manufacturing	x
Construction	x

**TABLE 20(B): STATE AND TERRITORY GENERAL GOVERNMENT SECTOR EXPENSES BY FUNCTION  
(OUTCOME PRESENTATION) (CONTINUED)**

	Outcome \$m
<b>Transport</b>	
Road transport	x
Aboriginal community road transport services	x
<i>Road maintenance</i>	x
<i>Road rehabilitation</i>	x
<i>Road construction</i>	x
<i>Road transport n.e.c</i>	x
Water transport	x
Aboriginal community water transport services	
<i>Urban water transport services</i>	x
<i>Non-urban water transport services</i>	x
Rail transport	
<i>Urban railway transport service</i>	x
<i>Non-urban railway transport freight services</i>	x
<i>Non-urban railway transport passenger services</i>	x
Air transport	
<i>Aboriginal community air transport services</i>	x
<i>Other air transport</i>	x
Pipelines	x
Other transport	
<i>Multi-mode urban transit systems</i>	x
<i>Other transport n.e.c.</i>	x
Communications	x
<b>Other purposes</b>	
Public debt transactions	x
General purpose inter-government transactions	x
Natural disaster relief	x
Other purposes n.e.c.	x
<b>Total expenses</b>	<b>x</b>

**TABLE 21: GENERAL GOVERNMENT SECTOR PURCHASES OF NON-FINANCIAL ASSETS BY FUNCTION**

	-1	Budget
	\$m	\$m
General public services	x	x
Defence	x	x
Public order and safety	x	x
Education	x	x
Health	x	x
Social security and welfare	x	x
Housing and community amenities	x	x
Recreation and culture	x	x
Fuel and energy	x	x
Agriculture, forestry and fishing	x	x
Mining, manufacturing and construction	x	x
Transport and communication	x	x
Other economic affairs	x	x
Other purposes	x	x
<b>Total purchases</b>	<b>x</b>	<b>x</b>



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