**Gross operating surplus**

The operating surplus accruing to all enterprises, except unincorporated enterprises, from their operations in Australia. It is the excess of gross output over the sum of intermediate consumption, compensation of employees, and taxes less subsidies on production and imports. It is calculated before deduction of consumption of fixed capital, dividends, interest, royalties and land rent, and direct taxes payable, but after deducting the inventory valuation adjustment. Gross operating surplus is also calculated for general government and it equals general government's consumption of fixed capital.

**Taxes on products** are taxes payable on goods and services when they are produced, delivered, sold, transferred or otherwise disposed of by their producers; they include taxes and duties on imports that become payable when goods enter the economic territory or when services are delivered by non-resident units.

**Other taxes on production** consist mainly of taxes on the ownership or use of land, buildings or other assets used in production or on the labour employed, or compensation of employees paid.

**Capital transfers** are those entries required to offset transactions recorded for forgiveness of a liability by a creditor, the provision of cash when linked to a change in ownership of fixed assets, or the transfer in kind of ownership of a fixed asset without a quid pro quo, i.e. where no specific recompense in the form of goods, services, income or financial items is provided in exchange. Unlike current transfers, they are not directly related to the processes of production and consumption