



# MEDIA RELEASE

## THE HON LINDSAY TANNER MP

Minister for Finance and Deregulation

5 June 2009

32/2009

### AUSTRALIAN GOVERNMENT MONTHLY FINANCIAL STATEMENTS

April 2009

#### KEY POINTS

- The underlying cash balance for the 2008-09 year to 30 April 2009 was a deficit of \$16,496 million.
- The fiscal balance for the 2008-09 year to 30 April 2009 was a deficit of \$9,139 million.

AGGREGATES	ACTUAL 2008-2009 April	ACTUAL 2008-2009 YTD April	BUDGET ESTIMATE* 2008-2009 FULL YEAR
	\$m	\$m	\$m
<b>Revenue</b>	<b>35,522</b>	<b>250,915</b>	<b>295,939</b>
<b>Expenses</b>	<b>30,502</b>	<b>258,264</b>	<b>324,443</b>
Net operating balance	5,020	-7,349	-28,504
Net capital investment	115	1,790	4,347
<b>Fiscal balance</b>	<b>4,905</b>	<b>-9,139</b>	<b>-32,851</b>
<b>Underlying cash balance</b>	<b>3,911</b>	<b>-16,496</b>	<b>-32,114</b>
<b>Headline cash balance</b>	<b>-302</b>	<b>-19,082</b>	<b>-35,939</b>
<b>Total assets</b>		<b>289,280</b>	<b>293,738</b>
<b>Total liabilities</b>		<b>236,284</b>	<b>282,981</b>
<b>Net worth</b>		<b>52,996</b>	<b>10,756</b>
<b>Net debt</b>		<b>-21,702</b>	<b>-4,697</b>

\*As published in the 2009-10 Budget .

The Australian Government in the *Budget Strategy and Outlook Budget Paper No 1 2008-09* initiated major accounting policy reforms that improved the transparency, reliability and understanding of the government's financial statements. The government decided that the Budget statements will continue to be based on the Australian Bureau of Statistics (ABS) Government Finance Statistics (GFS) except where Australian Accounting Standards (AAS) provide a better conceptual treatment for specific items. Departures will be limited to complying with either ABS GFS or AAS.

The Australian Government monthly financial statements for 2008-09 have been re-designed to provide information consistent with Budget papers as required under section 54 of the *Financial Management and Accountability Act 1997*.

Care needs to be taken when comparing monthly or cumulative data across years and to full year estimates. Revenues and expenses vary from month-to-month. The accrual framework, including the timing of

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payments and policy decisions can have a large impact on fiscal aggregates from one year to the next and on year-to-date outcomes.

## **FISCAL OUTCOMES**

### **Underlying Cash Balance**

The underlying cash balance includes cash from operations and net cash provided by investing activities in non-financial assets but excludes the cash earnings for the Future Fund.

The underlying cash balance for the year to 30 April 2009 was a deficit of \$16,496 million. The difference to the pro-rata Budget estimate of the underlying cash deficit of \$26,762 million primarily reflects:

- higher taxation receipts; and
- the timing of the one-off payments announced in the *Economic Security Strategy* and *Nation Building and Jobs Plan* packages.

### **Fiscal Balance**

The fiscal balance for the year to 30 April 2009 was a deficit of \$9,139 million. The pro rata Budget estimate of the fiscal balance for 2008-09 is a deficit of \$27,375 million.

## **FINANCIAL OUTCOMES**

### **Revenues and Expenses**

Expenses are \$12,105 million lower and revenue is \$4,299 million higher when compared with the pro rata Budget estimate for 2008-09.

### **Assets and Liabilities**

The net worth balance of the General Government sector is a positive net asset position of \$52,996 million at 30 April 2009.

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Minister for Finance and Deregulation

5 June 2009

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## Australian Government General Government Sector – INCOME STATEMENT

	ACTUAL 2008-2009 April	ACTUAL 2008-2009 YTD April	BUDGET ESTIMATE* 2008-2009 FULL YEAR
	\$m	\$m	\$m
<b>Revenue</b>			
Taxation revenue	34,109	233,630	275,751
Sales of goods and services	637	5,178	6,373
Interest income	251	4,452	5,454
Dividend income	134	3,086	3,194
Other	391	4,569	5,166
<b>Total revenue</b>	<b>35,522</b>	<b>250,915</b>	<b>295,939</b>
<b>Expenses</b>			
Gross operating expenses			
Wages and salaries(a)	1,301	12,794	15,691
Superannuation	169	2,177	2,945
Depreciation and amortisation	554	4,458	5,520
Payment for supply of goods and services	5,318	45,208	57,925
Other operating expenses	466	3,902	4,694
<i>Total gross operating expenses</i>	<i>7,807</i>	<i>68,539</i>	<i>86,774</i>
Superannuation interest expense	598	5,320	6,432
Interest expenses	464	4,236	5,358
Current transfers			
Current grants	5,606	72,851	94,804
Subsidy expenses	634	6,682	8,088
Personal benefits	12,803	91,391	111,556
<i>Total current transfers</i>	<i>19,043</i>	<i>170,925</i>	<i>214,448</i>
Capital transfers			
Mutually agreed write-downs	118	1,207	1,717
Other capital grants	2,472	8,038	9,712
<i>Total capital transfers</i>	<i>2,590</i>	<i>9,244</i>	<i>11,430</i>
<b>Total expenses</b>	<b>30,502</b>	<b>258,264</b>	<b>324,443</b>
<b>Net operating balance</b>	<b>5,020</b>	<b>-7,349</b>	<b>-28,504</b>
<b>Other economic flows</b>			
Revaluation of equity(b)	292	-6,339	-8,490
Net write-downs of assets (including bad and doubtful debts)	-520	-3,362	-4,089
Assets recognised for the first time	208	561	316
Actuarial revaluations	0	-1	-1,866
Net foreign exchange gains	863	-518	-143
Net swap interest received	19	-46	-25
Market valuation of debt	234	-3,258	-3,245
Other economic revaluations(c)	1,166	2,145	-112
<b>Total other economic flows</b>	<b>2,262</b>	<b>-10,819</b>	<b>-17,653</b>
<b>Comprehensive result - Total change in net worth</b>	<b>7,282</b>	<b>-18,168</b>	<b>-46,157</b>
<b>Net operating balance</b>	<b>5,020</b>	<b>-7,349</b>	<b>-28,504</b>
<b>Net acquisition of non-financial assets</b>			
Purchases of non-financial assets	768	6,134	9,910
less Sales of non-financial assets	28	266	516
less Depreciation	554	4,458	5,520
plus Change in inventories	-84	222	417
plus Other movements in non-financial assets	14	159	56
<b>Total net acquisition of non-financial assets</b>	<b>115</b>	<b>1,790</b>	<b>4,347</b>
<b>Fiscal balance (Net lending/borrowing)(d)</b>	<b>4,905</b>	<b>-9,139</b>	<b>-32,851</b>

\*As published in the 2009-10 Budget .

(a) Consistent with ABS GFS classification, other employee related expenses are reported under other operating expenses.

(b) Revaluations of equity reflects changes in the market valuation of investments. This line also reflects any equity revaluations at the point of disposal or sale.

(c) Largely reflects other revaluation of assets and liabilities.

(d) The term fiscal balance is not used by the ABS.

## Australian Government General Government Sector – BALANCE SHEET

	ACTUAL as at 30 April 2009 \$m	BUDGET ESTIMATE* as at 30 June 2009 \$m
<b>Assets</b>		
Financial assets		
Cash and deposits	472	1,538
Advances paid	21,940	21,948
Investments, loans and placements	95,480	102,506
Other receivables	35,302	32,708
Equity investments		
Investments in other public sector entities	20,108	18,870
Equity accounted investments	223	224
Investments - shares	23,556	22,856
<i>Total financial assets</i>	<i>197,081</i>	<i>200,650</i>
Non-financial assets		
Land	8,205	7,994
Buildings	18,637	18,967
Plant, equipment and infrastructure	44,147	44,465
Inventories	6,160	6,523
Intangibles	2,534	3,101
Investment property	224	168
Biological assets	31	29
Heritage and cultural assets	404	8,286
Assets held for sale	8,397	552
Other non-financial assets	3,461	3,003
<i>Total non-financial assets</i>	<i>92,199</i>	<i>93,088</i>
<b>Total assets</b>	<b>289,280</b>	<b>293,738</b>
<b>Liabilities</b>		
Interest bearing liabilities		
Deposits held	284	339
Government securities	88,328	111,867
Loans	6,703	8,170
Other borrowing	875	919
<i>Total interest bearing liabilities</i>	<i>96,189</i>	<i>121,296</i>
Provisions and payables		
Superannuation liability	103,218	118,401
Other employee liabilities	8,963	9,419
Suppliers payable	2,591	3,658
Personal benefits payable	9,313	14,222
Subsidies payable	1,480	1,586
Grants payable	4,696	6,746
Other provisions and payables	9,834	7,653
<i>Total provisions and payables</i>	<i>140,095</i>	<i>161,686</i>
<b>Total liabilities</b>	<b>236,284</b>	<b>282,981</b>
<b>Net worth(a)</b>	<b>52,996</b>	<b>10,756</b>
<i>Net financial worth(b)</i>	<i>-39,203</i>	<i>-82,331</i>
<i>Net financial liabilities(c)</i>	<i>59,311</i>	<i>101,201</i>
<i>Net debt(d)(e)</i>	<i>-21,702</i>	<i>-4,697</i>

\*As published in the 2009-10 Budget .

(a) Net worth is calculated as total assets minus total liabilities.

(b) Net financial worth equals total financial assets minus total liabilities. That is, it excludes non-financial assets.

(c) Net financial liabilities equals total liabilities less financial assets other than investments in other public sector entities.

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

(e) The net debt estimates include the expected impact of the Future Fund rebalancing its portfolio allocation by increasing its holding of equities, which are not included in the calculation of net debt.

**Australian Government General Government Sector – CASH FLOW STATEMENT (a)**

	ACTUAL 2008-2009 April	ACTUAL 2008-2009 YTD April	BUDGET ESTIMATE* 2008-2009 FULL YEAR
	\$m	\$m	\$m
<b>Cash receipts from operating activities</b>			
Taxes received	33,095	227,915	269,377
Receipts from sales of goods and services	591	5,427	6,356
Interest receipts	196	4,051	5,014
Dividends and income tax equivalents	440	3,061	3,152
Other receipts	345	4,720	5,328
<b>Total operating receipts</b>	<b>34,665</b>	<b>245,173</b>	<b>289,228</b>
<b>Cash payments for operating activities</b>			
Payments for employees	-2,131	-17,501	-21,412
Payments for goods and services	-3,850	-43,779	-56,813
Grants and subsidies paid	-8,445	-86,559	-111,812
Interest paid	-275	-3,023	-4,078
Personal benefit payments	-14,295	-94,758	-110,393
Other payments	-555	-5,599	-3,810
<b>Total operating payments</b>	<b>-29,552</b>	<b>-251,218</b>	<b>-308,319</b>
<b>Net cash flows from operating activities</b>	<b>5,113</b>	<b>-6,044</b>	<b>-19,090</b>
<b>Cash flows from investments in non-financial assets</b>			
Sales of non-financial assets	28	306	555
Purchases of non-financial assets	-767	-6,905	-9,469
<b>Net cash flows from investments in non-financial assets</b>	<b>-739</b>	<b>-6,599</b>	<b>-8,914</b>
<b>Net cash flows from investments in financial assets for policy purposes</b>	<b>-4,658</b>	<b>-5,943</b>	<b>-7,428</b>
<b>Cash flows from investments in financial assets for liquidity purposes</b>			
Increase in investments	-8,854	-7,461	-12,483
<b>Net cash flows from investments in financial assets for liquidity purposes</b>	<b>-8,854</b>	<b>-7,461</b>	<b>-12,483</b>
<b>Cash flows from financing activities</b>			
Borrowing (net)	8,331	25,158	48,124
Other financing (net)	-176	-454	-710
<b>Net cash flows from financing activities</b>	<b>8,155</b>	<b>24,704</b>	<b>47,414</b>
<b>Net increase/(decrease) in cash held</b>	<b>-982</b>	<b>-1,344</b>	<b>-501</b>
<b>Net cash flows from operating activities and investments in non-financial assets (Surplus(+)/deficit(-))</b>	<b>4,374</b>	<b>-12,644</b>	<b>-28,004</b>
Finance leases and similar arrangements(b)	-19	-495	-507
<b>GFS cash surplus(+)/deficit(-)</b>	<b>4,356</b>	<b>-13,139</b>	<b>-28,511</b>
less Future Fund earnings	444	3,357	3,603
<b>Equals underlying cash balance (c)</b>	<b>3,911</b>	<b>-16,496</b>	<b>-32,114</b>
plus net cash flows from investments in financial assets for policy purposes	-4,658	-5,943	-7,428
plus Future Fund earnings	444	3,357	3,603
<b>Equals headline cash balance</b>	<b>-302</b>	<b>-19,082</b>	<b>-35,939</b>

\*As published in the 2009-10 Budget .

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

(b) The acquisition of assets under finance leases decreases the underlying cash balance. The disposal of assets previously held under finance leases increases the underlying cash.

(c) The term underlying cash balance is not used by the ABS.

**Australian Government General Government Sector –**

**EXPENSES BY FUNCTION**

	<b>ACTUAL 2008-2009 April</b>	<b>ACTUAL 2008-2009 YTD April</b>	<b>BUDGET ESTIMATE* 2008-2009 FULL YEAR</b>
	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>
<b>Expenses by Purpose</b>			
General Public Services	1,803	15,272	17,910
Defence	1,625	14,951	18,745
Public Order and Safety	14	2,020	3,687
Education	1,133	15,731	21,502
Health	4,286	39,055	49,373
Social Security and Welfare	14,165	100,888	124,915
Housing and Community Amenities	306	3,599	4,410
Recreation and Culture	10	1,305	2,997
Fuel and Energy	454	4,513	6,280
Agriculture, Forestry and Fishing	116	1,538	3,267
Mining and Mineral Resources (other than fuels); Manufacturing and Construction	71	1,296	1,921
Transport and Communication	616	3,799	6,989
Other Economic Affairs	518	4,859	7,037
Other Purposes			
Public Debt Interest	139	2,343	3,938
Nominal Superannuation Interest	598	5,320	6,432
General Purpose Inter- Government Transactions	4,648	41,695	45,433
Natural Disaster Relief	0	59	398
Contingency Reserve (a)	0	20	-793
<b>Total Expenses</b>	<b>30,502</b>	<b>258,264</b>	<b>324,443</b>

\*As published in *the 2009-10 Budget* .

(a) Asset sale related expenses are treated as a component of the contingency reserve.

## NOTES:

The framework used as a basis for these statements and notes is generally consistent with the requirements of ABS GFS. The *Financial Management and Accountability Act 1997* requires monthly financial statements to be consistent with the Budget estimates, accordingly, and pursuant to the *Charter of Budget Honesty Act 1998*, this presentation covers the general government sector based on the same conceptual framework as the Budget i.e. the Australian Government's interpretation of AASB 1049.

While total tax collections are known with certainty at the end of each month, the distribution across the relevant heads of revenue cannot be finalised until all Business Activity Statements are received and processed. The outcomes for some revenue items provided in this statement are thus estimates, in accordance with the best judgement of the Taxation Commissioner, and subject to revision. The taxation revenue items not affected are: Petroleum Resource Rent Tax, Excise duty, Customs duty, Other Taxes and Individuals Refunds.

The sum of the revenue accrued in the month and the revisions to prior periods equals the revenue reported in the Income Statement.

### Note 1: Income Tax

	ACTUAL 2008-2009 April \$m	ACTUAL 2008-2009 YTD April \$m	BUDGET ESTIMATE* 2008-2009 FULL YEAR* \$m
<b>INDIVIDUALS AND OTHER WITHHOLDING TAX</b>			
Gross income tax withholding	10,082	98,443	117,680
Gross other individuals	5,592	24,400	31,210
Less refunds	1,214	21,394	23,200
<b>Total individuals and other withholding tax</b>	<b>14,459</b>	<b>101,449</b>	<b>125,690</b>
<b>OTHER SOURCES</b>			
Companies	9,686	52,729	57,950
Superannuation funds (a)	1,141	8,796	9,160
Petroleum Resource Rent Tax	220	1,939	1,600
Fringe Benefits tax (b)	892	3,243	3,470
<b>Total income tax from other sources</b>	<b>11,939</b>	<b>66,708</b>	<b>72,180</b>
<b>Total income tax</b>	<b>26,398</b>	<b>168,157</b>	<b>197,870</b>

\*As published in *the 2009-10 Budget* .

(a) Includes superannuation contributions surcharge.

(b) Negative collections indicate refunds exceed collections.

### Note 2: Indirect Tax

	ACTUAL 2008-2009 April \$m	ACTUAL 2008-2009 YTD April \$m	BUDGET ESTIMATE* 2008-2009 FULL YEAR* \$m
Excise duty	2,055	20,276	24,520
Customs duty	487	5,293	6,440
Goods and services tax	4,797	36,915	43,130
Other indirect tax	372	2,988	3,791
<b>Total indirect tax revenue</b>	<b>7,712</b>	<b>65,472</b>	<b>77,881</b>

\*As published in *the 2009-10 Budget* .

**NOTE:**

**Style Conventions**

- (1) Figures in tables and generally in the text have been rounded. Discrepancies in tables between totals and sums of components are due to rounding.

**International Monetary Fund (IMF) Special Data Dissemination Standards (SDDS)**

- (2) In accordance with the IMF's SDDS, quarter ahead notice of the date of release of the data on central government operations, which is contained in the Australian Government Financial Statements, is given on the IMF's Data Dissemination Bulletin Board at <http://dsbb.imf.org>.
- (3) In accordance with the IMF SDDS, the approximate date of release of the data on debt guaranteed by the Australian Government (central government), is given on the IMF's Data Dissemination Advance Release Calender <http://dsbb.imf.org>. Monthly and quarterly data on debt guaranteed by the Australian Government (central government) that meet the coverage and timeliness requirements of the SDDS are published on the AOFM website at <http://www.aofm.gov.au/content/borrowing/commonwealth.asp?NavID=32>.