



# MEDIA RELEASE

## THE HON LINDSAY TANNER MP

Minister for Finance and Deregulation

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27 February 2009

09/2009

### AUSTRALIAN GOVERNMENT MONTHLY FINANCIAL STATEMENTS

January 2009

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#### KEY POINTS

- The underlying cash balance for the 2008-09 year to 31 January 2009 was a deficit of \$14,248 million.
- The fiscal balance for the 2008-09 year to 31 January 2009 was a deficit of \$6,262 million.

AGGREGATES	ACTUAL 2008-2009 January	ACTUAL 2008-2009 YTD January	UEFO ESTIMATE 2008-2009 FULL YEAR
	\$m	\$m	\$m
<b>Revenue</b>	25,434	171,755	303,960
<b>Expenses</b>	26,586	177,448	322,317
Net operating balance	-1,153	-5,694	-18,357
Net capital investment	-384	569	3,996
<b>Fiscal balance</b>	<b>-769</b>	<b>-6,262</b>	<b>-22,353</b>
<b>Underlying cash balance</b>	<b>-285</b>	<b>-14,248</b>	<b>-22,487</b>
<b>Headline cash balance</b>	<b>-21</b>	<b>-12,319</b>	<b>-20,597</b>
<b>Total assets</b>	<b>268,487</b>	<b>268,487</b>	<b>289,782</b>
<b>Total liabilities</b>	<b>215,390</b>	<b>215,390</b>	<b>264,074</b>
<b>Net worth</b>	<b>53,097</b>	<b>53,097</b>	<b>25,708</b>
<b>Net debt</b>	<b>-20,821</b>	<b>-20,821</b>	<b>-16,162</b>

The Australian Government in the *Budget Strategy and Outlook Budget Paper No 1 2008-09* in May 2008 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 payments and policy decisions can have a large impact on fiscal aggregates from one year to the next and on year-to-date outcomes.

27 February 2009

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## **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 31 January 2009 was a deficit of \$14,248 million. The difference to the pro-rata UEFO estimate underlying cash deficit of \$13,118 million primarily reflects lower 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 31 January 2009 was a deficit of \$6,262 million. The pro rata UEFO estimate fiscal balance for 2008-09 is a deficit of \$13,039 million.

## **FINANCIAL OUTCOMES**

### **Revenues and Expenses**

Expenses are \$10,570 million lower and revenue is \$5,556 million lower when compared with the pro rata UEFO estimate for 2008-09.

### **Assets and Liabilities**

The net worth balance of the General Government sector is a positive net asset position of \$53,097 million at 31 January 2009.

Lindsay Tanner MP  
Minister for Finance and Deregulation

27 February 2009

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## Australian Government General Government Sector – INCOME STATEMENT

	ACTUAL 2008-2009 January \$m	ACTUAL 2008-2009 YTD January \$m
<b>Revenue</b>		
Taxation revenue	24,265	159,147
Sales of goods and services	516	3,300
Interest income	284	3,322
Dividend income	18	2,379
Other	351	3,606
<b>Total revenue</b>	<b>25,434</b>	<b>171,755</b>
<b>Expenses</b>		
Gross operating expenses		
Wages and salaries(a)	1,256	8,982
Superannuation	131	1,378
Depreciation and amortisation	466	3,115
Payment for supply of goods and services	4,032	30,848
Other operating expenses	333	2,737
<i>Total gross operating expenses</i>	<i>6,218</i>	<i>47,060</i>
Superannuation interest expense	525	3,673
Interest expenses	379	2,555
Current transfers		
Current grants	11,350	56,321
Subsidy expenses	654	4,554
Personal benefits	7,025	60,332
<i>Total current transfers</i>	<i>19,028</i>	<i>121,208</i>
Capital transfers		
Mutually agreed write-downs	-108	-778
Other capital grants	544	3,730
<i>Total capital transfers</i>	<i>437</i>	<i>2,952</i>
<b>Total expenses</b>	<b>26,586</b>	<b>177,448</b>
<b>Net operating balance</b>	<b>-1,153</b>	<b>-5,694</b>
<b>Other economic flows</b>		
Revaluation of equity(b)	782	1,075
Net write-downs of assets (including bad and doubtful debts)	-686	-6,941
Assets recognised for the first time	233	371
Actuarial revaluations	0	0
Net foreign exchange gains	-1,052	-2,441
Net swap interest received	7	-100
Market valuation of debt	-105	-4,179
Other economic revaluations(c)	-140	-159
<b>Total other economic flows</b>	<b>-962</b>	<b>-12,374</b>
<b>Comprehensive result - Total change in net worth</b>	<b>-2,114</b>	<b>-18,068</b>
<b>Net operating balance</b>	<b>-1,153</b>	<b>-5,694</b>
<b>Net acquisition of non-financial assets</b>		
Purchases of non-financial assets	45	3,654
less Sales of non-financial assets	2	229
less Depreciation	466	3,115
plus Change in inventories	33	181
plus Other movements in non-financial assets	5	77
<b>Total net acquisition of non-financial assets</b>	<b>-384</b>	<b>569</b>
<b>Fiscal balance (Net lending/borrowing)(d)</b>	<b>-769</b>	<b>-6,262</b>

(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

	<b>ACTUAL</b>
	<b>as at</b>
	<b>31 January 2009</b>
	<b>\$m</b>
<b>Assets</b>	
Financial assets	
Cash and deposits	974
Advances paid	21,367
Investments, loans and placements	75,907
Other receivables	34,520
Equity investments	
Investments in other public sector entities	20,908
Equity accounted investments	222
Investments - shares	24,482
<i>Total financial assets</i>	<i>178,380</i>
Non-financial assets	
Land	7,826
Buildings	18,091
Plant, equipment and infrastructure	42,570
Inventories	6,248
Intangibles	2,378
Investment property	191
Biological assets	26
Heritage and cultural assets	579
Assets held for sale	8,293
Other non-financial assets	3,904
<i>Total non-financial assets</i>	<i>90,107</i>
<b>Total assets</b>	<b>268,487</b>
<b>Liabilities</b>	
Interest bearing liabilities	
Deposits held	271
Government securities	69,375
Loans	6,955
Other borrowing	825
<i>Total interest bearing liabilities</i>	<i>77,427</i>
Provisions and payables	
Superannuation liability	102,183
Other employee liabilities	9,148
Suppliers payable	2,193
Personal benefits payable	9,262
Subsidies payable	1,275
Grants payable	4,826
Other provisions and payables	9,076
<i>Total provisions and payables</i>	<i>137,963</i>
<b>Total liabilities</b>	<b>215,390</b>
<b>Net worth(a)</b>	<b>53,097</b>
<i>Net financial worth(b)</i>	<i>-37,010</i>
<i>Net financial liabilities(c)</i>	<i>57,919</i>
<i>Net debt(d)(e)</i>	<i>-20,821</i>

(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

	ACTUAL 2008-2009 January  \$m	ACTUAL 2008-2009 YTD January \$m
<b>Cash receipts from operating activities</b>		
Taxes received	23,430	154,846
Receipts from sales of goods and services	475	3,508
Interest receipts	309	3,441
Dividends and income tax equivalents	38	2,515
Other receipts	336	3,292
<b>Total operating receipts</b>	<b>24,589</b>	<b>167,602</b>
<b>Cash payments for operating activities</b>		
Payments for employees	-1,509	-11,906
Payments for goods and services	-2,645	-31,616
Grants and subsidies paid	-10,955	-62,596
Interest paid	28	-2,034
Personal benefit payments	-7,341	-62,803
Other payments	-1,646	-3,705
<b>Total operating payments</b>	<b>-24,067</b>	<b>-174,661</b>
<b>Net cash flows from operating activities</b>	<b>522</b>	<b>-7,058</b>
<b>Cash flows from investments in non-financial assets</b>		
Sales of non-financial assets	2	229
Purchases of non-financial assets	-610	-4,476
<b>Net cash flows from investments in non-financial assets</b>	<b>-608</b>	<b>-4,247</b>
<b>Net cash flows from investments in financial assets for policy purposes</b>	<b>65</b>	<b>-604</b>
<b>Cash flows from investments in financial assets for liquidity purposes</b>		
Increase in investments	-2,166	6,849
<b>Net cash flows from investments in financial assets for liquidity purposes</b>	<b>-2,166</b>	<b>6,849</b>
<b>Cash flows from financing activities</b>		
Borrowing (net)	1,331	4,406
Other financing (net)	-239	-188
<b>Net cash flows from financing activities</b>	<b>1,093</b>	<b>4,218</b>
<b>Net increase/(decrease) in cash held</b>	<b>-1,095</b>	<b>-842</b>
<b>Net cash flows from operating activities and investments in non-financial assets (Surplus(+)/deficit(-))</b>	<b>-86</b>	<b>-11,305</b>
Finance leases and similar arrangements(b)	0	-409
<b>GFS cash surplus(+)/deficit(-)</b>	<b>-86</b>	<b>-11,714</b>
<i>less</i> Future Fund earnings	199	2,533
<b>Equals underlying cash balance (c)</b>	<b>-285</b>	<b>-14,248</b>
<i>plus</i> net cash flows from investments in financial assets for policy purposes	65	-604
<i>plus</i> Future Fund earnings	199	2,533
<b>Equals headline cash balance</b>	<b>-21</b>	<b>-12,319</b>

(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**

	ACTUAL 2008-2009 January	ACTUAL 2008-2009 YTD January
	\$m	\$m
<b>Expenses by Purpose</b>		
General Public Services	1,761	10,593
Defence	1,339	10,354
Public Order and Safety	229	1,336
Education	4,025	13,182
Health	3,217	26,771
Social Security and Welfare	8,152	66,865
Housing and Community Amenities	579	2,256
Recreation and Culture	143	1,172
Fuel and Energy	431	3,042
Agriculture, Forestry and Fishing	224	1,128
Mining and Mineral Resources (other than fuels); Manufacturing and Construction	92	895
Transport and Communication	403	2,570
Other Economic Affairs	464	3,279
Other Purposes		
Public Debt Interest	259	2,000
Nominal Superannuation Interest	525	3,673
General Purpose Inter- Government Transactions	4,741	28,305
Natural Disaster Relief	0	13
Contingency Reserve (a)	2	14
<b>Total Expenses</b>	<b>26,586</b>	<b>177,448</b>

(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 January \$m	ACTUAL 2008-2009 YTD January \$m
<b>INDIVIDUALS AND OTHER WITHHOLDING TAX</b>		
Gross income tax withholding	8,065	68,622
Gross other individuals	688	12,119
<i>Less refunds</i>	799	17,351
<b>Total individuals and other withholding tax</b>	<b>7,954</b>	<b>63,391</b>
<b>OTHER SOURCES</b>		
Companies	9,754	40,699
Superannuation funds (a)	468	7,071
Petroleum Resource Rent Tax	0	1,423
Fringe Benefits tax (b)	630	2,111
<b>Total income tax from other sources</b>	<b>10,852</b>	<b>51,304</b>
<b>Total income tax</b>	<b>18,806</b>	<b>114,695</b>

(a) Includes superannuation contributions surcharge.

(b) Negative collections indicate refunds exceed collections.

### Note 2: Indirect Tax

	ACTUAL 2008-2009 January \$m	ACTUAL 2008-2009 YTD January \$m
Excise duty	2,429	14,404
Customs duty	535	3,889
Goods and services tax	1,615	24,044
Other indirect tax	881	2,115
<b>Total indirect tax revenue</b>	<b>5,459</b>	<b>44,452</b>

**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>.