



MEDIA RELEASE

THE HON LINDSAY TANNER MP

Minister for Finance and Deregulation

8 May 2009

25/2009

AUSTRALIAN GOVERNMENT MONTHLY FINANCIAL STATEMENTS

March 2009

KEY POINTS

- The underlying cash balance for the 2008-09 year to 31 March 2009 was a deficit of \$20,407 million.
- The fiscal balance for the 2008-09 year to 31 March 2009 was a deficit of \$14,044 million.

AGGREGATES	ACTUAL 2008-2009 March	ACTUAL 2008-2009 YTD March	UEFO ESTIMATE 2008-2009 FULL YEAR
	\$m	\$m	\$m
Revenue	24,378	215,393	303,960
Expenses	27,506	227,761	322,317
Net operating balance	-3,128	-12,369	-18,357
Net capital investment	528	1,675	3,996
Fiscal balance	-3,656	-14,044	-22,353
Underlying cash balance	-1,710	-20,407	-22,487
Headline cash balance	-1,108	-18,780	-20,597
Total assets		273,520	289,782
Total liabilities		227,806	264,074
Net worth		45,715	25,708
Net debt		-15,709	-16,162

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 31 March 2009 was a deficit of \$20,407 million. The difference to the pro-rata UEFO estimate underlying cash deficit of \$16,865 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 March 2009 was a deficit of \$14,044 million. The pro rata UEFO estimate fiscal balance for 2008-09 is a deficit of \$16,764 million.

FINANCIAL OUTCOMES

Revenues and Expenses

Expenses are \$13,976 million lower and revenue is \$12,577 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 \$45,715 million at 31 March 2009.

Lindsay Tanner MP
Minister for Finance and Deregulation

8 May 2009

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Australian Government General Government Sector – INCOME STATEMENT

	ACTUAL 2008-2009 March \$m	ACTUAL 2008-2009 YTD March \$m
Revenue		
Taxation revenue	22,585	199,520
Sales of goods and services	695	4,542
Interest income	408	4,201
Dividend income	478	2,952
Other	212	4,178
Total revenue	24,378	215,393
Expenses		
Gross operating expenses		
Wages and salaries(a)	1,326	11,493
Superannuation	308	2,008
Depreciation and amortisation	343	3,904
Payment for supply of goods and services	4,572	39,890
Other operating expenses	328	3,436
<i>Total gross operating expenses</i>	<i>6,878</i>	<i>60,731</i>
Superannuation interest expense	525	4,722
Interest expenses	477	3,772
Current transfers		
Current grants	6,726	67,245
Subsidy expenses	710	6,048
Personal benefits	11,421	78,588
<i>Total current transfers</i>	<i>18,857</i>	<i>151,882</i>
Capital transfers		
Mutually agreed write-downs	155	1,088
Other capital grants	615	5,566
<i>Total capital transfers</i>	<i>770</i>	<i>6,654</i>
Total expenses	27,506	227,761
Net operating balance	-3,128	-12,369
Other economic flows		
Revaluation of equity(b)	-1,029	-6,631
Net write-downs of assets (including bad and doubtful debts)	-376	-2,842
Assets recognised for the first time	-10	353
Actuarial revaluations	-1	-1
Net foreign exchange gains	973	-1,381
Net swap interest received	20	-65
Market valuation of debt	68	-3,492
Other economic revaluations(c)	1,009	978
Total other economic flows	654	-13,081
Comprehensive result - Total change in net worth	-2,474	-25,450
Net operating balance	-3,128	-12,369
Net acquisition of non-financial assets		
Purchases of non-financial assets	749	5,366
less Sales of non-financial assets	6	238
less Depreciation	343	3,904
plus Change in inventories	73	306
plus Other movements in non-financial assets	55	145
Total net acquisition of non-financial assets	528	1,675
Fiscal balance (Net lending/borrowing)(d)	-3,656	-14,044

(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
	31 March 2009
	\$m
Assets	
Financial assets	
Cash and deposits	1,454
Advances paid	21,948
Investments, loans and placements	80,799
Other receivables	33,733
Equity investments	
Investments in other public sector entities	20,989
Equity accounted investments	222
Investments - shares	22,394
<i>Total financial assets</i>	<i>181,540</i>
Non-financial assets	
Land	8,125
Buildings	18,703
Plant, equipment and infrastructure	43,562
Inventories	6,306
Intangibles	2,451
Investment property	191
Biological assets	31
Heritage and cultural assets	379
Assets held for sale	8,410
Other non-financial assets	3,823
<i>Total non-financial assets</i>	<i>91,980</i>
Total assets	273,520
Liabilities	
Interest bearing liabilities	
Deposits held	313
Government securities	80,495
Loans	6,802
Other borrowing	883
<i>Total interest bearing liabilities</i>	<i>88,492</i>
Provisions and payables	
Superannuation liability	102,847
Other employee liabilities	9,365
Suppliers payable	2,428
Personal benefits payable	10,009
Subsidies payable	1,472
Grants payable	4,534
Other provisions and payables	8,658
<i>Total provisions and payables</i>	<i>139,313</i>
Total liabilities	227,806
Net worth(a)	45,715
<i>Net financial worth(b)</i>	<i>-46,266</i>
<i>Net financial liabilities(c)</i>	<i>67,255</i>
<i>Net debt(d)(e)</i>	<i>-15,709</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 (a)

	ACTUAL 2008-2009 March	ACTUAL 2008-2009 YTD March
	\$m	\$m
Cash receipts from operating activities		
Taxes received	24,759	194,820
Receipts from sales of goods and services	731	4,836
Interest receipts	-213	3,856
Dividends and income tax equivalents	75	2,621
Other receipts	450	4,375
Total operating receipts	25,802	210,508
Cash payments for operating activities		
Payments for employees	-1,715	-15,370
Payments for goods and services	-4,533	-39,929
Grants and subsidies paid	-8,009	-78,113
Interest paid	-327	-2,747
Personal benefit payments	-11,099	-80,463
Other payments	-602	-5,043
Total operating payments	-26,285	-221,665
Net cash flows from operating activities	-483	-11,158
Cash flows from investments in non-financial assets		
Sales of non-financial assets	46	278
Purchases of non-financial assets	-1,003	-6,139
Net cash flows from investments in non-financial assets	-958	-5,860
Net cash flows from investments in financial assets for policy purposes	395	-1,285
Cash flows from investments in financial assets for liquidity purposes		
Increase in investments	-8,662	1,393
Net cash flows from investments in financial assets for liquidity purposes	-8,662	1,393
Cash flows from financing activities		
Borrowing (net)	9,102	16,827
Other financing (net)	-52	-278
Net cash flows from financing activities	9,050	16,548
Net increase/(decrease) in cash held	-657	-361
Net cash flows from operating activities and investments in non-financial assets (Surplus(+)/deficit(-))	-1,440	-17,018
Finance leases and similar arrangements(b)	-63	-477
GFS cash surplus(+)/deficit(-)	-1,503	-17,495
less Future Fund earnings	207	2,912
Equals underlying cash balance (c)	-1,710	-20,407
plus net cash flows from investments in financial assets for policy purposes	395	-1,285
plus Future Fund earnings	207	2,912
Equals headline cash balance	-1,108	-18,780

(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 March	ACTUAL 2008-2009 YTD March
	\$m	\$m
Expenses by Purpose		
General Public Services	1,401	13,469
Defence	1,493	13,325
Public Order and Safety	243	2,006
Education	712	14,598
Health	4,009	34,769
Social Security and Welfare	12,413	86,723
Housing and Community Amenities	517	3,293
Recreation and Culture	82	1,295
Fuel and Energy	506	4,060
Agriculture, Forestry and Fishing	120	1,422
Mining and Mineral Resources (other than fuels); Manufacturing and Construction	107	1,226
Transport and Communication	394	3,183
Other Economic Affairs	577	4,341
Other Purposes		
Public Debt Interest	108	2,204
Nominal Superannuation Interest	525	4,722
General Purpose Inter- Government Transactions	4,293	37,047
Natural Disaster Relief	0	59
Contingency Reserve (a)	6	20
Total Expenses	27,506	227,761

(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 March \$m	ACTUAL 2008-2009 YTD March \$m
INDIVIDUALS AND OTHER WITHHOLDING TAX		
Gross income tax withholding	10,367	88,362
Gross other individuals	3,428	18,808
<i>Less refunds</i>	1,179	20,180
Total individuals and other withholding tax	12,616	86,990
OTHER SOURCES		
Companies	1,547	43,043
Superannuation funds (a)	435	7,656
Petroleum Resource Rent Tax	-37	1,719
Fringe Benefits tax (b)	129	2,351
Total income tax from other sources	2,074	54,770
Total income tax	14,690	141,760

(a) Includes superannuation contributions surcharge.

(b) Negative collections indicate refunds exceed collections.

Note 2: Indirect Tax

	ACTUAL 2008-2009 March \$m	ACTUAL 2008-2009 YTD March \$m
Excise duty	2,160	18,220
Customs duty	485	4,806
Goods and services tax	4,990	32,118
Other indirect tax	260	2,616
Total indirect tax revenue	7,895	57,761

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 Calendar <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>.