



MEDIA RELEASE

THE HON LINDSAY TANNER MP

Minister for Finance and Deregulation

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AUSTRALIAN GOVERNMENT MONTHLY FINANCIAL STATEMENTS

September 2009

KEY POINTS

- The underlying cash balance for the 2009-10 year to 30 September 2009 was a deficit of \$16,642 million.
- The fiscal balance for the 2009-10 year to 30 September 2009 was a deficit of \$12,350 million.

AGGREGATES	ACTUAL 2009-2010 September	ACTUAL 2009-2010 YTD September	BUDGET ESTIMATE* 2009-2010 FULL YEAR
	\$m	\$m	\$m
Revenue	13,410	66,431	290,612
Expenses	25,775	78,646	338,213
Net operating balance	-12,364	-12,215	-47,601
Net capital investment	-304	136	5,545
Fiscal balance	-12,061	-12,350	-53,145
Underlying cash balance	-13,061	-16,642	-57,593
Headline cash balance	-13,152	-16,738	-59,751
Total assets		304,768	304,864
Total liabilities		296,332	343,541
Net worth		8,436	-38,676
Net debt		2,592	53,700

*As published in the 2009-10 Budget .

The Australian Government monthly financial statements for 2009-10 have been prepared on a basis consistent with 2009-10 Budget as required under section 54 of the *Financial Management and Accountability Act 1997*. The statements are 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.

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.

30 October 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 30 September 2009 was a deficit of \$16,642 million. The difference between the pro rata Budget estimate underlying cash balance deficit of \$14,398 million primarily reflects the timing of taxation receipts offset by dividends received and the timing of grant payments.

Fiscal Balance

The fiscal balance for the year to 30 September 2009 was a deficit of \$12,350 million. The pro rata Budget estimate of the fiscal balance for 2009-10 is a deficit of \$13,286 million.

FINANCIAL OUTCOMES

Revenues and Expenses

Revenues are \$6,222 million lower and expenses are \$5,907 million lower when compared with the pro rata Budget estimate for 2009-10.

The main driver of lower expenses is grants, whilst lower revenues are primarily due to the timing of taxation revenue offset by dividends received.

Assets and Liabilities

The net worth balance of the General Government sector is a positive net asset position of \$8,436 million at 30 September 2009.

Lindsay Tanner MP
Minister for Finance and Deregulation

30 October 2009

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Australian Government General Government Sector – INCOME STATEMENT

	ACTUAL 2009-2010 September	ACTUAL 2009-2010 YTD September	BUDGET ESTIMATE* 2009-2010 FULL YEAR
	\$m	\$m	\$m
Revenue			
Taxation revenue	11,983	55,671	267,727
Sales of goods and services	624	1,842	7,483
Interest income	364	1,056	4,697
Dividend income	68	6,418	6,413
Other	372	1,442	4,292
Total revenue	13,410	66,431	290,612
Expenses			
Gross operating expenses			
Wages and salaries(a)	1,361	4,075	17,069
Superannuation	366	849	3,384
Depreciation and amortisation	438	1,355	5,634
Payment for supply of goods and services	4,938	15,031	63,229
Other operating expenses	354	1,231	4,571
<i>Total gross operating expenses</i>	<i>7,456</i>	<i>22,542</i>	<i>93,887</i>
Superannuation interest expense	904	1,663	6,792
Interest expenses	539	1,635	7,556
Current transfers			
Current grants	6,548	20,412	102,185
Subsidy expenses	779	2,194	8,121
Personal benefits	7,978	25,338	99,579
<i>Total current transfers</i>	<i>15,304</i>	<i>47,943</i>	<i>209,885</i>
Capital transfers			
Mutually agreed write-downs	140	481	1,657
Other capital grants	1,431	4,383	18,434
<i>Total capital transfers</i>	<i>1,571</i>	<i>4,864</i>	<i>20,091</i>
Total expenses	25,775	78,646	338,213
Net operating balance	-12,364	-12,215	-47,601
Other economic flows			
Revaluation of equity(b)	-2,954	1,203	2,044
Net write-downs of assets (including bad and doubtful debts)	-600	-1,216	-3,903
Assets recognised for the first time	18	88	293
Actuarial revaluations	0	0	-1
Net foreign exchange gains	614	1,227	-5
Net swap interest received	6	21	187
Market valuation of debt	-209	12	147
Other economic revaluations(c)	-136	-406	-595
Total other economic flows	-3,261	930	-1,832
Comprehensive result -			
Total change in net worth	-15,626	-11,285	-49,432
Net operating balance	-12,364	-12,215	-47,601
Net acquisition of non-financial assets			
Purchases of non-financial assets	-48	1,531	11,305
less Sales of non-financial assets	14	46	619
less Depreciation	438	1,355	5,634
plus Change in inventories	53	-144	425
plus Other movements in non-financial assets	143	149	68
Total net acquisition of non-financial assets	-304	136	5,545
Fiscal balance (Net lending/borrowing)(d)	-12,061	-12,350	-53,145

*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	BUDGET ESTIMATE*
	as at 30 September 2009 \$m	as at 30 June 2010 \$m
Assets		
Financial assets		
Cash and deposits	1,395	1,282
Advances paid	21,542	23,873
Investments, loans and placements	99,027	100,415
Other receivables	36,254	36,626
Equity investments		
Investments in other public sector entities	26,381	20,177
Equity accounted investments	217	224
Investments - shares	26,092	24,976
<i>Total financial assets</i>	<i>210,908</i>	<i>207,572</i>
Non-financial assets		
Land	8,409	7,568
Buildings	19,447	20,227
Plant, equipment and infrastructure	44,207	47,856
Inventories	6,011	6,921
Intangibles	3,308	3,752
Investment property	54	143
Biological assets	31	30
Heritage and cultural assets	9,052	8,376
Assets held for sale	105	545
Other non-financial assets	3,235	1,874
<i>Total non-financial assets</i>	<i>93,860</i>	<i>97,292</i>
Total assets	304,768	304,864
Liabilities		
Interest bearing liabilities		
Deposits held	281	339
Government securities	111,273	169,907
Loans	12,109	8,173
Other borrowing	892	851
<i>Total interest bearing liabilities</i>	<i>124,556</i>	<i>179,270</i>
Provisions and payables		
Superannuation liability	125,562	122,423
Other employee liabilities	9,716	9,725
Suppliers payable	3,223	3,639
Personal benefits payable	12,833	12,490
Subsidies payable	1,708	1,659
Grants payable	5,568	6,511
Other provisions and payables	13,167	7,824
<i>Total provisions and payables</i>	<i>171,776</i>	<i>164,271</i>
Total liabilities	296,332	343,541
Net worth(a)	8,436	-38,676
<i>Net financial worth(b)</i>	<i>-85,424</i>	<i>-135,968</i>
<i>Net financial liabilities(c)</i>	<i>111,805</i>	<i>156,145</i>
<i>Net debt(d)(e)</i>	<i>2,592</i>	<i>53,700</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 2009-2010 September	ACTUAL 2009-2010 YTD September	BUDGET ESTIMATE* 2009-2010 FULL YEAR
	\$m	\$m	\$m
Cash receipts from operating activities			
Taxes received	11,683	54,083	259,436
Receipts from sales of goods and services	832	2,092	7,480
Interest receipts	346	1,006	4,426
Dividends and income tax equivalents	245	5,873	5,663
Other receipts	-323	1,473	4,360
Total operating receipts	12,783	64,527	281,364
Cash payments for operating activities			
Payments for employees	-1,485	-5,425	-23,127
Payments for goods and services	-5,118	-16,091	-62,201
Grants and subsidies paid	-8,055	-27,948	-127,722
Interest paid	-400	-812	-5,890
Personal benefit payments	-8,692	-26,777	-102,368
Other payments	-679	-1,170	-4,305
Total operating payments	-24,428	-78,223	-325,613
Net cash flows from operating activities	-11,646	-13,696	-44,249
Cash flows from investments in non-financial assets			
Sales of non-financial assets	13	46	619
Purchases of non-financial assets	-1,065	-2,062	-11,030
Net cash flows from investments in non-financial assets	-1,052	-2,016	-10,411
Net cash flows from investments in financial assets for policy purposes	-455	-1,026	-5,089
Cash flows from investments in financial assets for liquidity purposes			
Increase in investments	17,487	8,334	1,761
Net cash flows from investments in financial assets for liquidity purposes	17,487	8,334	1,761
Cash flows from financing activities			
Borrowing (net)	-4,201	3,436	58,424
Other financing (net)	179	4,709	-693
Net cash flows from financing activities	-4,022	8,145	57,731
Net increase/(decrease) in cash held	312	-258	-257
Net cash flows from operating activities and investments in non-financial assets (Surplus(+)/deficit(-))	-12,698	-15,712	-54,660
Finance leases and similar arrangements(b)	0	0	-1
GFS cash surplus(+)/deficit(-)	-12,698	-15,712	-54,661
less Future Fund earnings	363	930	2,931
Equals underlying cash balance (c)	-13,061	-16,642	-57,593
plus net cash flows from investments in financial assets for policy purposes	-455	-1,026	-5,089
plus Future Fund earnings	363	930	2,931
Equals headline cash balance	-13,152	-16,738	-59,751

*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

	ACTUAL 2009-2010 September	ACTUAL 2009-2010 YTD September	BUDGET ESTIMATE* 2009-2010 FULL YEAR
	\$m	\$m	\$m
Expenses by Purpose			
General Public Services	2,058	6,259	17,755
Defence	1,443	4,969	20,952
Public Order and Safety	353	846	3,901
Education	1,518	4,634	35,222
Health	4,001	12,516	51,223
Social Security and Welfare	8,999	28,347	110,994
Housing and Community Amenities	597	1,400	9,089
Recreation and Culture	483	951	3,099
Fuel and Energy	503	1,772	8,403
Agriculture, Forestry and Fishing	236	535	3,407
Mining and Mineral Resources (other than fuels); Manufacturing and Construction	132	460	1,681
Transport and Communication	421	1,026	5,482
Other Economic Affairs	305	1,243	8,183
Other Purposes			
Public Debt Interest	446	1,330	6,264
Nominal Superannuation Interest	904	1,663	6,792
General Purpose Inter- Government Transactions	3,375	10,601	44,086
Natural Disaster Relief	0	91	91
Contingency Reserve (a)	0	0	1,589
Total Expenses	25,775	78,646	338,213

*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 2009-2010 September \$m	ACTUAL 2009-2010 YTD September \$m	BUDGET ESTIMATE* 2009-2010 FULL YEAR* \$m
INDIVIDUALS AND OTHER WITHHOLDING TAX			
Gross income tax w ithholding	9,472	29,431	119,000
Gross other individuals	338	7,121	28,350
Less refunds	2,470	12,749	24,640
Total individuals and other withholding tax	7,340	23,804	122,710
OTHER SOURCES			
Companies	-143	10,534	54,980
Superannuation funds (a)	-34	1,549	7,990
Petroleum Resource Rent Tax	72	286	1,720
Fringe Benefits tax (b)	-48	769	3,460
Total income tax from other sources	-154	13,138	68,150
Total income tax	7,186	36,942	190,860

*As published in the 2009-10 Budget .

(a) Includes superannuation contributions surcharge.

(b) Negative collections indicate refunds exceed collections.

Note 2: Indirect Tax

	ACTUAL 2009-2010 September \$m	ACTUAL 2009-2010 YTD September \$m	BUDGET ESTIMATE* 2009-2010 FULL YEAR* \$m
Excise duty	1,807	5,876	23,850
Customs duty	506	1,496	5,770
Goods and services tax	2,169	10,399	43,630
Other indirect tax	315	959	3,617
Total indirect tax revenue	4,796	18,730	76,867

*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 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>.