



# MEDIA RELEASE

## THE HON LINDSAY TANNER MP

Minister for Finance and Deregulation

18 June 2010

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### AUSTRALIAN GOVERNMENT MONTHLY FINANCIAL STATEMENTS

April 2010

#### KEY POINTS

- The underlying cash balance for the 2009-10 year to 30 April 2010 was a deficit of \$37,109 million.
- The fiscal balance for the 2009-10 year to 30 April 2010 was a deficit of \$27,685 million.

AGGREGATES	ACTUAL	ACTUAL	Revised	BUDGET
	2009-2010 April	2009-2010 YTD April	Budget 2009-2010 YTD April	ESTIMATE* 2009-2010 FULL YEAR
	\$m	\$m	\$m	\$m
Revenue	34,940	249,882	250,368	294,215
Expenses	26,639	273,578	275,062	343,122
Net operating balance	8,300	-23,695	-24,693	-48,907
Net capital investment	290	3,990	4,326	5,847
Fiscal balance	8,010	-27,685	-29,019	-54,753
Underlying cash balance	5,535	-37,109	-39,005	-57,079
Headline cash balance	5,573	-38,250	-40,881	-59,194
Total assets		328,137		317,569
Total liabilities		329,569		337,706
Net worth		-1,433		-20,137
Net debt		29,497		41,838

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.

The Australian Government has improved the transparency and accountability of the monthly financial statements by reporting against a profile of expected revenue and expenses. The outcomes of the monthly financial statements will be compared to this profile allowing for a more accurate commentary and account for seasonality or patterns of revenue and expenses. This improvement to the monthly financial statements is in response to the report titled '*Review of Operation Sunlight: Overhauling Budgetary Transparency*'.

The Government is committed to releasing the monthly financial statements in a timely fashion and will endeavour to do so in accordance with International Monetary Fund (IMF) Special Data Dissemination

18 June 2010

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Standards. Under these standards the timeframe for releasing the MFS is by the end of the following month. The exception is the July MFS, for which the IMF has given Australia special dispensation to release before 30 September.

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.

Note that the profile of expected revenue and expenses has been updated to reflect the revised 2009-10 estimate (Revised Budget) as detailed in the 2010-11 Budget.

## **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 2010 was a deficit of \$37,109 million. The difference to the Revised Budget profile estimate underlying cash balance deficit of \$39,005 million primarily reflects the timing of personal benefit payments and purchase of non-financial assets.

### **Fiscal Balance**

The fiscal balance for the year to 30 April 2010 was a deficit of \$27,685 million. The Revised Budget profile estimate of the fiscal balance for 2009-10 is a deficit of \$29,019 million.

## **FINANCIAL OUTCOMES**

### **Revenues and Expenses**

Revenues are \$486 million lower and expenses are \$1,484 million lower when compared with the Budget profile estimate for 2009-10.

The main driver of lower revenue is taxation revenue, while the main driver of lower expenses is goods and services expense.

### **Assets and Liabilities**

The net worth balance of the General Government sector is a negative net asset position of \$1,433 million at 30 April 2010.

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18 June 2010

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## Australian Government General Government Sector – INCOME STATEMENT

	ACTUAL 2009-2010 April	ACTUAL 2009-2010 YTD April	BUDGET ESTIMATE* 2009-2010 FULL YEAR
	\$m	\$m	\$m
<b>Revenue</b>			
Taxation revenue	33,283	228,265	269,529
Sales of goods and services	668	6,351	7,699
Interest income	393	3,649	4,569
Dividend income	173	7,388	7,426
Other	422	4,229	4,993
<b>Total revenue</b>	<b>34,940</b>	<b>249,882</b>	<b>294,215</b>
<b>Expenses</b>			
Gross operating expenses			
Wages and salaries(a)	1,400	13,529	17,691
Superannuation	170	2,774	3,586
Depreciation and amortisation	471	4,588	5,529
Payment for supply of goods and services	4,073	49,701	63,119
Other operating expenses	341	3,908	4,353
<i>Total gross operating expenses</i>	<i>6,455</i>	<i>74,500</i>	<i>94,279</i>
Superannuation interest expense	358	5,348	6,695
Interest expenses	845	5,977	7,985
Current transfers			
Current grants	5,107	78,027	102,152
Subsidy expenses	750	6,926	8,432
Personal benefits	8,088	82,816	99,235
<i>Total current transfers</i>	<i>13,946</i>	<i>167,769</i>	<i>209,820</i>
Capital transfers			
Mutually agreed w rite-dow ns	213	1,695	2,287
Other capital grants	4,822	18,289	22,055
<i>Total capital transfers</i>	<i>5,035</i>	<i>19,984</i>	<i>24,342</i>
<b>Total expenses</b>	<b>26,639</b>	<b>273,578</b>	<b>343,122</b>
<b>Net operating balance</b>	<b>8,300</b>	<b>-23,695</b>	<b>-48,907</b>
<b>Other economic flows</b>			
Revaluation of equity(b)	487	2,171	5,790
Net w rite-dow ns of assets (including bad and doubtful debts)	-202	-4,066	-5,190
Assets recognised for the first time	84	434	603
Actuarial revaluations	0	0	1,253
Net foreign exchange gains	513	3,180	482
Net sw ap interest received	1	41	41
Market valuation of debt	-301	706	633
Other economic revaluations(c)	-463	78	37
<b>Total other economic flows</b>	<b>119</b>	<b>2,542</b>	<b>3,649</b>
<b>Comprehensive result - Total change in net worth</b>	<b>8,419</b>	<b>-21,153</b>	<b>-45,258</b>
<b>Net operating balance</b>	<b>8,300</b>	<b>-23,695</b>	<b>-48,907</b>
<b>Net acquisition of non-financial assets</b>			
Purchases of non-financial assets	671	8,171	10,838
less Sales of non-financial assets	11	123	269
less Depreciation	471	4,588	5,529
plus Change in inventories	108	313	678
plus Other movements in non-financial assets	-6	217	129
<b>Total net acquisition of non-financial assets</b>	<b>290</b>	<b>3,990</b>	<b>5,847</b>
<b>Fiscal balance (Net lending/borrowing)(d)</b>	<b>8,010</b>	<b>-27,685</b>	<b>-54,753</b>

\*As published in the 2010-11 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 31 March 2010 \$m	ACTUAL as at 30 April 2010 \$m	BUDGET ESTIMATE* as at 30 June 2010 \$m
<b>Assets</b>			
Financial assets			
Cash and deposits	1,034	1,492	2,027
Advances paid	23,585	23,633	23,422
Investments, loans and placements	91,448	101,337	99,288
Other receivables	38,733	40,266	39,024
Equity investments			
Investments in other public sector entities	26,092	26,409	26,352
Equity accounted investments	205	205	262
Investments - shares	36,867	37,186	28,821
<i>Total financial assets</i>	<i>217,964</i>	<i>230,527</i>	<i>219,197</i>
Non-financial assets			
Land	8,540	8,570	8,349
Buildings	20,294	20,477	20,667
Plant, equipment and infrastructure	46,277	46,325	46,702
Inventories	6,176	6,285	6,613
Intangibles	3,841	3,846	4,123
Investment property	53	53	182
Biological assets	30	29	32
Heritage and cultural assets	9,081	9,089	9,091
Assets held for sale	111	88	158
Other non-financial assets	2,978	2,847	2,456
<i>Total non-financial assets</i>	<i>97,380</i>	<i>97,610</i>	<i>98,372</i>
<b>Total assets</b>	<b>315,343</b>	<b>328,137</b>	<b>317,569</b>
<b>Liabilities</b>			
Interest bearing liabilities			
Deposits held	238	238	230
Government securities	138,307	143,930	154,080
Loans	11,483	10,927	11,430
Other borrowing	846	864	835
<i>Total interest bearing liabilities</i>	<i>150,875</i>	<i>155,959</i>	<i>166,575</i>
Provisions and payables			
Superannuation liability	127,659	127,782	122,874
Other employee liabilities	9,736	9,557	9,874
Suppliers payable	3,233	3,044	4,363
Personal benefits payable	13,046	12,036	12,651
Subsidies payable	1,745	1,825	1,897
Grants payable	5,747	6,267	7,062
Other provisions and payables	13,154	13,098	12,410
<i>Total provisions and payables</i>	<i>174,321</i>	<i>173,611</i>	<i>171,131</i>
<b>Total liabilities</b>	<b>325,195</b>	<b>329,569</b>	<b>337,706</b>
<b>Net worth(a)</b>	<b>-9,852</b>	<b>-1,433</b>	<b>-20,137</b>
<i>Net financial worth(b)</i>	<i>-107,232</i>	<i>-99,042</i>	<i>-118,509</i>
<i>Net financial liabilities(c)</i>	<i>133,324</i>	<i>125,451</i>	<i>144,861</i>
<i>Net debt(d)(e)</i>	<i>34,808</i>	<i>29,497</i>	<i>41,838</i>

\*As published in the 2010-11 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, 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 April	ACTUAL 2009-2010 YTD April	BUDGET ESTIMATE* 2009-2010 FULL YEAR
	\$m	\$m	\$m
<b>Cash receipts from operating activities</b>			
Taxes received	31,463	219,514	260,959
Receipts from sales of goods and services	896	6,645	7,657
Interest receipts	311	2,959	4,507
Dividends and income tax equivalents	175	6,752	6,927
Other receipts	367	3,755	4,882
<b>Total operating receipts</b>	<b>33,212</b>	<b>239,625</b>	<b>284,932</b>
<b>Cash payments for operating activities</b>			
Payments for employees	-2,171	-18,557	-23,024
Payments for goods and services	-4,216	-51,129	-62,931
Grants and subsidies paid	-10,482	-103,343	-131,537
Interest paid	-728	-4,805	-6,493
Personal benefit payments	-9,077	-84,817	-100,620
Other payments	-329	-3,731	-4,047
<b>Total operating payments</b>	<b>-27,002</b>	<b>-266,382</b>	<b>-328,652</b>
<b>Net cash flows from operating activities</b>	<b>6,209</b>	<b>-26,756</b>	<b>-43,720</b>
<b>Cash flows from investments in non-financial assets</b>			
Sales of non-financial assets	11	123	269
Purchases of non-financial assets	-495	-8,244	-10,826
<b>Net cash flows from investments in non-financial assets</b>	<b>-484</b>	<b>-8,121</b>	<b>-10,557</b>
<b>Net cash flows from investments in financial assets for policy purposes</b>	<b>-153</b>	<b>-3,365</b>	<b>-4,916</b>
<b>Cash flows from investments in financial assets for liquidity purposes</b>			
Increase in investments	-10,671	-3,615	7,740
<b>Net cash flows from investments in financial assets for liquidity purposes</b>	<b>-10,671</b>	<b>-3,615</b>	<b>7,740</b>
<b>Cash flows from financing activities</b>			
Borrowing (net)	5,699	37,182	46,909
Other financing (net)	-142	4,514	4,918
<b>Net cash flows from financing activities</b>	<b>5,557</b>	<b>41,696</b>	<b>51,827</b>
<b>Net increase/(decrease) in cash held</b>	<b>458</b>	<b>-162</b>	<b>374</b>
<b>Net cash flows from operating activities and investments in non-financial assets (Surplus(+)/deficit(-))</b>	<b>5,725</b>	<b>-34,877</b>	<b>-54,277</b>
Finance leases and similar arrangements(b)	0	-8	-1
<b>GFS cash surplus(+)/deficit(-)</b>	<b>5,725</b>	<b>-34,885</b>	<b>-54,278</b>
less Future Fund earnings	190	2,224	2,802
<b>Equals underlying cash balance (c)</b>	<b>5,535</b>	<b>-37,109</b>	<b>-57,079</b>
plus net cash flows from investments in financial assets for policy purposes	-153	-3,365	-4,916
plus Future Fund earnings	190	2,224	2,802
<b>Equals headline cash balance</b>	<b>5,573</b>	<b>-38,250</b>	<b>-59,194</b>

\*As published in the 2010-11 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 April	ACTUAL 2009-2010 YTD April	BUDGET ESTIMATE* 2009-2010 FULL YEAR
	\$m	\$m	\$m
<b>Expenses by Purpose</b>			
General Public Services	1,466	14,535	18,864
Defence	1,718	15,879	20,620
Public Order and Safety	437	3,002	3,936
Education	2,998	31,158	34,895
Health	4,099	42,113	52,786
Social Security and Welfare	8,202	92,168	109,675
Housing and Community Amenities	692	6,027	9,270
Recreation and Culture	290	2,299	3,208
Fuel and Energy	456	7,038	8,971
Agriculture, Forestry and Fishing	359	2,158	3,330
Mining and Mineral Resources (other than fuels); Manufacturing and Construction	282	1,746	1,690
Transport and Communication	288	3,411	6,837
Other Economic Affairs	637	4,852	8,796
Other Purposes			
Public Debt Interest	598	5,044	6,514
Nominal Superannuation Interest	358	5,348	6,695
General Purpose Inter- Government Transactions	3,757	36,688	47,632
Natural Disaster Relief	4	112	402
Contingency Reserve (a)	0	0	-999
<b>Total Expenses</b>	<b>26,639</b>	<b>273,578</b>	<b>343,122</b>

\*As published in the 2010-11 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: 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 April \$m	ACTUAL 2009-2010 YTD April \$m	BUDGET ESTIMATE* 2009-2010 FULL YEAR \$m
INDIVIDUALS AND OTHER WITHHOLDING TAX			
Gross income tax w ithholding	10,330	99,630	119,970
Gross other individuals	3,602	21,669	28,500
Less refunds	1,250	21,909	25,120
<b>Total individuals and other withholding tax</b>	<b>12,682</b>	<b>99,390</b>	<b>123,350</b>
OTHER SOURCES			
Companies	10,989	50,244	53,650
Superannuation funds (a)	1,232	6,322	5,990
Resource Rent Tax	212	1,264	1,480
Fringe Benefits tax (b)	773	3,346	3,670
<b>Total income tax from other sources</b>	<b>13,206</b>	<b>61,175</b>	<b>64,790</b>
<b>Total income tax</b>	<b>25,888</b>	<b>160,565</b>	<b>188,140</b>

\*As published in the 2010-11 Budget.

(a) Includes superannuation contributions surcharge.

(b) Negative collections indicate refunds exceed collections.

### Note 2: Indirect Tax

	ACTUAL 2009-2010 April \$m	ACTUAL 2009-2010 YTD April \$m	BUDGET ESTIMATE* 2009-2010 FULL YEAR \$m
Excise duty	1,874	20,295	24,890
Customs duty	380	4,826	5,830
Goods and services tax	4,817	39,271	46,830
Wine equalisation tax	59	611	730
Luxury car tax	44	395	490
Other indirect tax	220	2,302	2,619
<b>Total indirect tax revenue</b>	<b>7,395</b>	<b>67,700</b>	<b>81,389</b>

\*As published in the 2010-11 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>.