



**SENATOR THE HON PENNY WONG**  
**MINISTER FOR FINANCE AND DEREGULATION**  
**MEDIA RELEASE**

29 October 2010

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**AUSTRALIAN GOVERNMENT MONTHLY FINANCIAL STATEMENTS**  
**September 2010**

**KEY POINTS**

- The underlying cash balance for the 2010-11 year to 30 September 2010 was a deficit of \$25,232 million.
- The fiscal balance for the 2010-11 year to 30 September 2010 was a deficit of \$23,744 million.

<b>AGGREGATES</b>	<b>ACTUAL 2010-2011 September \$m</b>	<b>ACTUAL 2010-2011 YTD September \$m</b>	<b>Budget Profile 2010-2011 YTD September \$m</b>	<b>BUDGET ESTIMATE* 2010-2011 FULL YEAR \$m</b>
<b>Revenue</b>	16,654	64,577	65,549	321,822
<b>Expenses</b>	28,149	88,199	89,385	354,644
Net operating balance	-11,495	-23,622	-23,836	-32,823
Net capital investment	-449	123	811	6,775
<b>Fiscal balance</b>	<b>-11,046</b>	<b>-23,744</b>	<b>-24,647</b>	<b>-39,598</b>
<b>Underlying cash balance (a)</b>	<b>-13,886</b>	<b>-25,232</b>	<b>-24,966</b>	<b>-40,756</b>
<b>Headline cash balance</b>	<b>-12,827</b>	<b>-22,426</b>	<b>-25,805</b>	<b>-48,007</b>
<b>Total assets</b>		<b>308,385</b>		<b>339,761</b>
<b>Total liabilities</b>		<b>375,974</b>		<b>396,231</b>
<b>Net worth (b)</b>		<b>-67,589</b>		<b>-56,470</b>
<b>Net debt (c)</b>		<b>64,689</b>		<b>78,520</b>

\*As published in the 2010-11 Budget.

(a) Excludes Future Fund earnings.

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

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

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.

## **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 2010 was a deficit of \$25,232 million, which is closely aligned with the Budget profile estimate underlying cash balance deficit of \$24,966.

### **Fiscal Balance**

The fiscal balance for the year to 30 September 2010 was a deficit of \$23,744 million. The Budget profile estimate of the fiscal balance for 2010-11 is a deficit of \$24,647 million. The difference of \$0.9 billion primarily relates to lower taxation revenue and lower expenses primarily driver by grants.

## **FINANCIAL OUTCOMES**

### **Revenues and Expenses**

Revenues are \$972 million lower and expenses are \$1,186 million lower when compared with the Budget profile estimate for 2010-11.

The main driver of lower revenue is taxation revenue, while the main driver of lower expenses is lower grant expenses.

### **Assets and Liabilities**

The net worth balance of the General Government sector is a negative net asset position of \$67,589 million at 30 September 2010.

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Minister for Finance and Deregulation

29 October 2010

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## Australian Government General Government Sector – INCOME STATEMENT

	ACTUAL 2010-2011 September	ACTUAL 2010-2011 YTD September	BUDGET ESTIMATE* 2010-2011 FULL YEAR
	\$m	\$m	\$m
<b>Revenue</b>			
Taxation revenue	15,252	59,912	302,456
Sales of goods and services	664	1,930	8,047
Interest income	337	1,085	5,155
Dividend income	93	505	1,326
Other	308	1,145	4,838
<b>Total revenue</b>	<b>16,654</b>	<b>64,577</b>	<b>321,822</b>
<b>Expenses</b>			
Gross operating expenses			
Wages and salaries(a)	1,437	4,347	18,180
Superannuation	286	1,006	3,741
Depreciation and amortisation	450	1,372	5,495
Supply of goods and services	5,216	15,796	66,108
Other operating expenses(a)	466	1,293	4,369
<i>Total gross operating expenses</i>	<i>7,854</i>	<i>23,814</i>	<i>97,893</i>
Superannuation interest expense	584	1,752	7,065
Interest expenses	901	2,512	11,385
Current transfers			
Current grants	8,089	25,666	110,067
Subsidy expenses	690	2,211	8,808
Personal benefits	8,525	28,176	104,869
<i>Total current transfers</i>	<i>17,303</i>	<i>56,053</i>	<i>223,745</i>
Capital transfers			
Mutually agreed w rite-dow ns	316	698	1,888
Other capital grants	1,190	3,368	12,668
<i>Total capital transfers</i>	<i>1,507</i>	<i>4,066</i>	<i>14,556</i>
<b>Total expenses</b>	<b>28,149</b>	<b>88,199</b>	<b>354,644</b>
<b>Net operating balance</b>	<b>-11,495</b>	<b>-23,622</b>	<b>-32,823</b>
<b>Other economic flows</b>			
Gain/loss on equity and on sale of assets(b)	-500	-1,929	1,923
Net w rite-dow ns of assets (including bad and doubtful debts)	-683	-755	-5,215
Assets recognised for the first time	6	16	626
Net foreign exchange gains	1,953	3,611	-10
Market valuation of debt	1,837	75	-499
Other economic revaluations(c)	-543	-137	-335
<b>Total other economic flows</b>	<b>2,070</b>	<b>882</b>	<b>-3,510</b>
<b>Comprehensive result - Total change in net worth</b>	<b>-9,425</b>	<b>-22,740</b>	<b>-36,333</b>
<b>Net operating balance</b>	<b>-11,495</b>	<b>-23,622</b>	<b>-32,823</b>
<b>Net acquisition of non-financial assets</b>			
Purchases of non-financial assets	401	1,651	11,600
less Sales of non-financial assets	23	83	399
less Depreciation	450	1,372	5,495
plus Change in inventories	102	-151	725
plus Other movements in non-financial assets	-479	77	344
<b>Total net acquisition of non-financial assets</b>	<b>-449</b>	<b>123</b>	<b>6,775</b>
<b>Fiscal balance (Net lending/borrowing)(d)</b>	<b>-11,046</b>	<b>-23,744</b>	<b>-39,598</b>

\*As published in the 2010-11 Budget.

(a) Consistent with ABS GFS classification, other employee related expenses are reported under other operating expenses. Total employee expenses equal wages and salaries plus other operating expenses.

(b) Reflects changes in the market valuation of investments and any 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 September 2010 \$m	BUDGET ESTIMATE* as at 30 June 2011 \$m
<b>Assets</b>		
Financial assets		
Cash and deposits	830	2,066
Advances paid	24,580	25,434
Investments, loans and placements	92,842	114,722
Other receivables	36,185	39,172
Equity investments		
Investments in other public sector entities	21,955	28,146
Equity accounted investments	307	260
Investments - shares	29,653	25,807
<i>Total financial assets</i>	<i>206,353</i>	<i>235,607</i>
Non-financial assets		
Land	8,554	8,326
Buildings	21,454	21,785
Plant, equipment and infrastructure	47,821	49,896
Inventories	6,393	7,015
Intangibles	4,208	5,068
Investment property	529	182
Biological assets	118	33
Heritage and cultural assets	9,389	9,106
Assets held for sale	140	106
Other non-financial assets	3,428	2,639
<i>Total non-financial assets</i>	<i>102,032</i>	<i>104,154</i>
<b>Total assets</b>	<b>308,385</b>	<b>339,761</b>
<b>Liabilities</b>		
Interest bearing liabilities		
Deposits held	247	230
Government securities	171,967	209,436
Loans	9,904	10,156
Other borrowing	823	919
<i>Total interest bearing liabilities</i>	<i>182,942</i>	<i>220,742</i>
Provisions and payables		
Superannuation liability	142,115	127,114
Other employee liabilities	10,306	10,183
Suppliers payable	3,699	4,303
Personal benefits provisions and payable	12,028	12,492
Subsidies provisions and payable	2,246	2,273
Grants provisions and payable	5,883	7,876
Other provisions and payables	16,755	11,249
<i>Total provisions and payables</i>	<i>193,032</i>	<i>175,489</i>
<b>Total liabilities</b>	<b>375,974</b>	<b>396,231</b>
<b>Net worth(a)</b>	<b>-67,589</b>	<b>-56,470</b>
<i>Net financial worth(b)</i>	<i>-169,621</i>	<i>-160,624</i>
<i>Net financial liabilities(c)</i>	<i>191,576</i>	<i>188,770</i>
<i>Net debt(d)</i>	<i>64,689</i>	<i>78,520</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.

(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, government securities, loans and other borrowing, minus the sum of cash and deposits, advances paid, and investments, loans and placements.

## Australian Government General Government Sector – CASH FLOW STATEMENT

	ACTUAL 2010-2011 September \$m	ACTUAL 2010-2011 YTD September \$m	BUDGET ESTIMATE* 2010-2011 FULL YEAR \$m
<b>Cash receipts from operating activities</b>			
Taxes received	13,465	59,153	294,338
Receipts from sales of goods and services	750	1,981	7,986
Interest receipts	219	675	4,976
Dividends and income tax equivalents	325	1,528	2,168
Other receipts	175	1,386	4,551
<b>Total operating receipts</b>	<b>14,934</b>	<b>64,724</b>	<b>314,019</b>
<b>Cash payments for operating activities</b>			
Payments for employees	-2,338	-6,176	-24,765
Payments for goods and services	-4,689	-16,706	-66,403
Grants and subsidies paid	-11,090	-32,791	-130,466
Interest paid	-420	-1,367	-9,609
Personal benefit payments	-9,374	-29,008	-105,040
Other payments	-461	-1,252	-4,092
<b>Total operating payments</b>	<b>-28,373</b>	<b>-87,300</b>	<b>-340,374</b>
<b>Net cash flows from operating activities</b>	<b>-13,439</b>	<b>-22,576</b>	<b>-26,355</b>
<b>Cash flows from investments in non-financial assets</b>			
Sales of non-financial assets	23	83	399
Purchases of non-financial assets	-190	-2,001	-11,715
<b>Net cash flows from investments in non-financial assets</b>	<b>-167</b>	<b>-1,919</b>	<b>-11,317</b>
<b>Net cash flows from investments in financial assets for policy purposes</b>	<b>779</b>	<b>2,069</b>	<b>-10,171</b>
<b>Cash flows from investments in financial assets for liquidity purposes</b>			
Increase in investments	1,998	7,325	-6,005
<b>Net cash flows from investments in financial assets for liquidity purposes</b>	<b>1,998</b>	<b>7,325</b>	<b>-6,005</b>
<b>Cash flows from financing activities</b>			
Borrowing (net)	9,971	13,516	54,161
Other financing (net)	62	551	-273
<b>Net cash flows from financing activities</b>	<b>10,032</b>	<b>14,066</b>	<b>53,887</b>
<b>Net increase/(decrease) in cash held</b>	<b>-797</b>	<b>-1,035</b>	<b>39</b>
<b>Net cash flows from operating activities and investments in non-financial assets (Surplus(+)/deficit(-))</b>	<b>-13,606</b>	<b>-24,495</b>	<b>-37,672</b>
Finance leases and similar arrangements(b)	0	0	-163
<b>GFS cash surplus(+)/deficit(-)</b>	<b>-13,606</b>	<b>-24,495</b>	<b>-37,836</b>
less Future Fund earnings	280	737	2,921
<b>Equals underlying cash balance(c)</b>	<b>-13,886</b>	<b>-25,232</b>	<b>-40,756</b>
plus net cash flows from investments in financial assets for policy purposes	779	2,069	-10,171
plus Future Fund earnings	280	737	2,921
<b>Equals headline cash balance</b>	<b>-12,827</b>	<b>-22,426</b>	<b>-48,007</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 2010-2011 September \$m	ACTUAL 2010-2011 YTD September \$m	BUDGET ESTIMATE* 2010-2011 FULL YEAR \$m
<b>Expenses by function</b>			
General public services	2,042	4,859	20,137
Defence	1,307	4,797	21,000
Public order and safety	262	850	3,878
Education	3,049	9,895	32,996
Health	4,379	13,455	56,880
Social security and welfare	9,396	31,137	114,961
Housing and community amenities	483	1,385	5,432
Recreation and culture	212	673	3,246
Fuel and energy	377	1,480	7,607
Agriculture, forestry and fishing	216	591	3,587
Mining, manufacturing and construction	123	478	1,990
Transport and communication	242	599	4,932
Other economic affairs	690	2,048	9,150
Other purposes			
Public debt interest	693	2,062	9,606
Nominal superannuation interest	584	1,752	7,065
General purpose inter-government transactions	4,094	12,138	50,403
Natural disaster relief	0	0	577
Contingency reserve	0	0	1,195
<b>Total expenses</b>	<b>28,149</b>	<b>88,199</b>	<b>354,644</b>

\*As published in the 2010-11 Budget.

### NOTES:

The Australian Government monthly financial statements for 2010-11 have been prepared on a basis consistent with the 2010-11 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 are limited to complying with either ABS GFS or AAS.

In response to the report titled '*Review of Operation Sunlight: Overhauling Budgetary Transparency*', the Australian Government has improved the transparency and accountability of the Monthly Financial Statements (MFS) by reporting against a profile of expected revenue and expenses. This allows for a more accurate commentary and account for seasonality or patterns of revenue and expenses.

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

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 2010-2011 September \$m	ACTUAL 2010-2011 YTD September \$m	BUDGET ESTIMATE* 2010-2011 FULL YEAR \$m
Individuals and other withholding taxes			
Gross income tax withholding	11,016	32,502	130,620
Gross other individuals	1,439	5,600	31,530
less Refunds	3,634	12,075	25,080
<b>Total individuals and other withholding taxation</b>	<b>8,821</b>	<b>26,028</b>	<b>137,070</b>
Company tax	1,195	11,811	66,520
Superannuation funds	31	1,412	7,170
Petroleum resource rent tax	-36	265	1,860
Fringe benefits tax	4	717	4,010
<b>Total income taxation revenue</b>	<b>10,015</b>	<b>40,233</b>	<b>216,630</b>

\*As published in the 2010-11 Budget.

## Note 2: Indirect Tax

	ACTUAL 2010-2011 September \$m	ACTUAL 2010-2011 YTD September \$m	BUDGET ESTIMATE* 2010-2011 FULL YEAR \$m
Goods and services tax	2,543	11,076	50,000
Wine equalisation tax	74	191	780
Luxury car tax	39	127	540
Excise duty	1,890	6,159	25,230
Customs duty	465	1,394	6,770
Other indirect tax	226	732	2,506
<b>Total indirect taxation revenue</b>	<b>5,237</b>	<b>19,679</b>	<b>85,826</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 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>.