



**SENATOR THE HON MATHIAS CORMANN**  
Minister for Finance

**MEDIA RELEASE**

Friday, 27 June 2014

**AUSTRALIAN GOVERNMENT GENERAL GOVERNMENT SECTOR**  
**MONTHLY FINANCIAL STATEMENTS**  
**MAY 2014**

**KEY POINTS**

- The underlying cash balance for the 2013-14 financial year to 31 May 2014 was a deficit of \$37,747 million.
- The fiscal balance for the 2013-14 financial year to 31 May 2014 was a deficit of \$28,543 million.

<b>AGGREGATES</b>	<b>ACTUAL 2013-2014 May \$m</b>	<b>ACTUAL 2013-2014 YTD May \$m</b>	<b>Revised Monthly Profile^ 2013-2014 YTD May \$m</b>	<b>REVISED BUDGET ESTIMATE* 2013-2014 Full Year \$m</b>
<b>Revenue</b>	<b>34,966</b>	<b>344,435</b>	<b>345,425</b>	<b>374,267</b>
<b>Expenses</b>	<b>41,768</b>	<b>370,304</b>	<b>374,197</b>	<b>415,294</b>
Net operating balance	-6,802	-25,869	-28,771	-41,027
Net capital investment	612	2,673	2,218	4,027
<b>Fiscal balance</b>	<b>-7,415</b>	<b>-28,543</b>	<b>-30,989</b>	<b>-45,055</b>
Receipts(a)	33,927	328,183	327,110	363,496
Payments(b)	39,997	363,623	367,075	410,662
Net Future Fund earnings	223	2,307	2,532	2,689
<b>Underlying cash balance(c)</b>	<b>-6,293</b>	<b>-37,747</b>	<b>-42,498</b>	<b>-49,855</b>
<b>Headline cash balance</b>	<b>-7,126</b>	<b>-41,835</b>	<b>-50,116</b>	<b>-53,741</b>
<b>Total assets</b>		<b>404,143</b>		<b>393,020</b>
<b>Total liabilities</b>		<b>632,350</b>		<b>579,439</b>
<b>Net worth(d)</b>		<b>-228,208</b>		<b>-186,419</b>
<b>Net debt(e)</b>		<b>190,232</b>		<b>197,851</b>

\*As published in the 2014-15 Budget.

^Based on the previous profile, adjusted for material changes in the 2014-15 Budget.

(a) Cash receipts for operating activities and sales of non-financial assets.

(b) Cash payments for operating activities, purchases of non-financial assets and net acquisition of assets under finance leases.

(c) Excludes net Future Fund earnings. Consistent with Budget documents, the net adjustment for the Future Fund is shown separately.

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

(e) 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 as revenues and expenses vary from month to month.

## **FISCAL OUTCOMES**

### **Underlying Cash Balance**

The underlying cash balance for the year to 31 May 2014 was a deficit of \$37,747 million, compared to the Revised Monthly profile deficit of \$42,498 million. The difference of \$4,751 million relates to lower than expected cash payments and higher than expected cash receipts, excluding net Future Fund earnings.

### **Fiscal Balance**

The fiscal balance for the year to 31 May 2014 was a deficit of \$28,543 million, compared to the Revised Monthly profile deficit of \$30,989 million. The difference of \$2,447 million is largely due to lower than expected expenses, partially offset by lower than expected revenue and higher net capital investment.

- **Revenues**

Total revenue was \$991 million lower than the Revised Monthly profile primarily due to lower than expected taxation revenue.

- **Expenses**

Total expenses were \$3,893 million lower than the Revised Monthly profile, due to lower than expected supply of goods and services expenses, wages and salaries expenses, and grants and subsidies expenses, partially offset by higher personal benefits.

### **Assets and Liabilities**

The net worth of the Australian Government general government sector is a negative net asset position of \$228,208 million as at 31 May 2014. The net debt of the Australian Government general government sector is \$190,232 million as at 31 May 2014. Net financial liabilities of the Australian Government general government sector are \$367,893 million as at 31 May 2014.

Senator the Hon Mathias Cormann  
Minister for Finance

27 June 2014

David Tune  
Secretary of the  
Department of Finance  
27 June 2014

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## Australian Government general government sector operating statement

		ACTUAL 2013-2014 May \$m	ACTUAL 2013-2014 YTD May \$m	Revised Monthly Profile^ 2013-2014 YTD May \$m	REVISED BUDGET ESTIMATE* 2013-2014 Full Year \$m
	Note				
<b>Revenue</b>					
Taxation revenue	1, 2	33,055	324,930	326,127	350,956
Sales of goods and services		892	8,104	7,900	8,853
Interest income		303	2,865	3,077	3,445
Dividend income		395	2,553	2,413	4,288
Other		321	5,983	5,909	6,724
<b>Total revenue</b>		<b>34,966</b>	<b>344,435</b>	<b>345,425</b>	<b>374,267</b>
<b>Expenses</b>					
Gross operating expenses					
Wages and salaries(a)		1,606	17,298	17,822	19,532
Superannuation		441	5,017	5,337	6,235
Depreciation and amortisation		465	5,662	5,898	6,474
Supply of goods and services		6,344	67,476	68,819	74,552
Other operating expenses(a)		586	5,000	4,873	6,039
<i>Total gross operating expenses</i>		<i>9,443</i>	<i>100,453</i>	<i>102,750</i>	<i>112,833</i>
Superannuation interest expense		683	7,514	7,576	8,320
Interest expenses		1,314	13,047	13,053	14,396
Current transfers					
Current grants		8,598	100,380	103,187	117,437
Subsidy expenses		936	13,313	14,056	15,534
Personal benefits		10,585	115,158	114,231	124,944
<i>Total current transfers</i>		<i>20,118</i>	<i>228,851</i>	<i>231,475</i>	<i>257,915</i>
Capital transfers					
Mutually agreed w rite-dow ns		305	2,856	2,782	3,094
Other capital grants		9,904	17,583	16,561	18,736
<i>Total capital transfers</i>		<i>10,210</i>	<i>20,439</i>	<i>19,343</i>	<i>21,830</i>
<b>Total expenses</b>	3	<b>41,768</b>	<b>370,304</b>	<b>374,197</b>	<b>415,294</b>
<b>Net operating balance</b>		<b>-6,802</b>	<b>-25,869</b>	<b>-28,771</b>	<b>-41,027</b>
<b>Other economic flows</b>					
<b>- included in operating result(b)</b>					
Net w rite-dow ns of assets (including bad and doubtful debts)		192	-6,731	-5,694	-5,278
Assets recognised for the first time		-3	488	314	330
Net foreign exchange gains		298	156	-434	-447
Net sw ap interest received		68	-420	-469	-663
Market valuation of debt		-3,959	-1,404	2,369	2,410
Other gains/(losses)		1,022	8,747	9,643	9,302
<b>Total other economic flows</b>		<b>-2,383</b>	<b>835</b>	<b>5,730</b>	<b>5,655</b>
<b>- included in operating result</b>		<b>-2,383</b>	<b>835</b>	<b>5,730</b>	<b>5,655</b>
<b>Operating result</b>		<b>-9,185</b>	<b>-25,034</b>	<b>-28,771</b>	<b>-35,372</b>
<b>Non-owner movements in equity(b)</b>					
Revaluation of equity investments(c)		4	-1,093	66	7,185
Actuarial revaluations		0	0	-822	-6,720
Other economic revaluations(d)		413	569	-1,478	704
<b>Total other economic flows - included in equity</b>		<b>418</b>	<b>-524</b>	<b>-2,234</b>	<b>1,168</b>
<b>Comprehensive result - Total change in net worth</b>		<b>-8,768</b>	<b>-25,558</b>	<b>-25,276</b>	<b>-34,204</b>
<b>Net operating balance</b>		<b>-6,802</b>	<b>-25,869</b>	<b>-28,771</b>	<b>-41,027</b>
<b>Net acquisition of non-financial assets</b>					
Purchases of non-financial assets		1,056	7,830	7,862	10,240
<i>less</i> Sales of non-financial assets		<i>37</i>	<i>186</i>	<i>188</i>	<i>273</i>
<i>less</i> Depreciation		<i>465</i>	<i>5,662</i>	<i>5,918</i>	<i>6,474</i>
<i>plus</i> Change in inventories		<i>59</i>	<i>541</i>	<i>367</i>	<i>430</i>
<i>plus</i> Other movements in non-financial assets		<i>0</i>	<i>150</i>	<i>95</i>	<i>105</i>
<b>Total net acquisition of non-financial assets</b>		<b>612</b>	<b>2,673</b>	<b>2,218</b>	<b>4,027</b>
<b>Fiscal balance (Net lending/borrowing)(e)</b>		<b>-7,415</b>	<b>-28,543</b>	<b>-30,989</b>	<b>-45,055</b>

\*As published in the 2014-15 Budget.

^Based on the previous profile, adjusted for material changes in the 2014-15 Budget.

(a) Consistent with Australian Bureau of Statistics' (ABS) Government Finance Statistics (GFS) classification, other employee related expenses are reported under other operating expenses. Total employee expenses equal wages and salaries plus other operating expenses.

(b) The presentation of other economic flows has changed to align more closely with Australian Accounting Standard AASB 1049.

(c) Reflects changes in the market valuation of investments and any revaluations at the point of disposal or sale.

(d) Largely reflects other revaluation of assets and liabilities.

(e) The term fiscal balance is not used by the ABS.

## Australian Government general government sector balance sheet

	ACTUAL as at 31 May 2014 \$m	REVISED BUDGET ESTIMATE* as at 30 June 2014 \$m
<b>Assets</b>		
Financial assets		
Cash and deposits	2,874	3,004
Advances paid	39,011	39,737
Investments, loans and placements	134,342	117,371
Other receivables(a)	50,018	46,051
Equity investments		
Investments in other public sector entities	27,000	35,781
Equity accounted investments	292	300
Investments - shares	37,920	37,549
<b>Total financial assets</b>	<b>291,457</b>	<b>279,792</b>
Non-financial assets		
Land	9,251	8,929
Buildings	24,728	24,335
Plant, equipment and infrastructure	53,388	54,875
Inventories	8,310	7,942
Intangibles	5,694	5,810
Investment property	215	196
Biological assets	28	35
Heritage and cultural assets	10,538	10,573
Assets held for sale	100	136
Other non-financial assets(a)	434	397
<b>Total non-financial assets</b>	<b>112,685</b>	<b>113,228</b>
<b>Total assets</b>	<b>404,143</b>	<b>393,020</b>
<b>Liabilities</b>		
Interest bearing liabilities		
Deposits held	220	182
Government securities	355,216	346,648
Loans	9,334	9,608
Other borrowing	1,689	1,524
<b>Total interest bearing liabilities</b>	<b>366,459</b>	<b>357,963</b>
Provisions and payables		
Superannuation liability(b)	199,196	157,067
Other employee liabilities	14,785	15,102
Suppliers payable	4,984	4,632
Personal benefits provisions and payable	12,758	12,384
Subsidies provisions and payable	6,318	4,242
Grants provisions and payable	14,305	14,170
Other provisions and payables	13,545	13,879
<b>Total provisions and payables</b>	<b>265,892</b>	<b>221,477</b>
<b>Total liabilities</b>	<b>632,350</b>	<b>579,439</b>
<b>Net worth(c)</b>	<b>-228,208</b>	<b>-186,419</b>
<i>Net financial worth(d)</i>	-340,893	-299,647
<i>Net financial liabilities(e)</i>	367,893	335,428
<i>Net debt(f)</i>	190,232	197,851

\*As published in the 2014-15 Budget.

(a) As a result of the 2013-14 Budget there has been a reclassification between *other non-financial assets* and *other receivables*.

(b) For budget reporting purposes, a discount rate applied by actuaries in preparing Long Term Cost Reports is used to value the superannuation liability. This reduces the volatility in reported liabilities that would occur from year to year if the long-term government bond rate were used. Consistent with Australian Accounting Standards, the long-term government bond rate as at 30 June is used to calculate the superannuation liability for the purpose of actuals reporting.

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

(d) Net financial worth equals total financial assets minus total liabilities.

(e) Net financial liabilities equals total liabilities less financial assets other than investments in other public sector entities.

(f) 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 2013-2014 May \$m	ACTUAL 2013-2014 YTD May \$m	Revised Monthly Profile^ 2013-2014 YTD May \$m	REVISED BUDGET ESTIMATE* 2013-2014 Full Year \$m
<b>Cash receipts from operating activities</b>				
Taxes received	32,123	308,253	307,521	341,643
Receipts from sales of goods and services	894	8,108	7,770	8,764
Interest receipts	287	2,633	2,916	3,210
Dividends and income tax equivalents	313	2,871	2,905	3,040
Other receipts	274	6,132	5,657	6,376
<b>Total operating receipts</b>	<b>33,890</b>	<b>327,998</b>	<b>326,770</b>	<b>363,032</b>
<b>Cash payments for operating activities</b>				
Payments for employees	-1,901	-24,153	-24,397	-26,587
Payments for goods and services	-6,466	-67,567	-69,406	-74,438
Grants and subsidies paid	-19,735	-130,539	-131,446	-152,953
Interest paid	-680	-11,564	-11,714	-13,935
Personal benefit payments	-10,023	-117,028	-117,582	-126,398
Other payments	-214	-4,741	-4,584	-6,056
<b>Total operating payments</b>	<b>-39,019</b>	<b>-355,592</b>	<b>-359,130</b>	<b>-400,366</b>
<b>Net cash flows from operating activities</b>	<b>-5,129</b>	<b>-27,594</b>	<b>-32,361</b>	<b>-37,334</b>
<b>Cash flows from investments in non-financial assets</b>				
Sales of non-financial assets	37	186	340	464
Purchases of non-financial assets	-978	-7,462	-7,609	-9,827
<b>Net cash flows from investments in non-financial assets</b>	<b>-941</b>	<b>-7,276</b>	<b>-7,269</b>	<b>-9,363</b>
<b>Net cash flows from investments in financial assets for policy purposes</b>	<b>-1,056</b>	<b>-6,395</b>	<b>-10,150</b>	<b>-6,575</b>
<b>Cash flows from investments in financial assets for liquidity purposes</b>				
Increase in investments	-1,938	-24,611	-22,586	-8,592
<b>Net cash flows from investments in financial assets for liquidity purposes</b>	<b>-1,938</b>	<b>-24,611</b>	<b>-22,586</b>	<b>-8,592</b>
<b>Cash flows from financing activities</b>				
Borrowing (net)	8,691	68,469	67,297	64,689
Other financing (net)	-84	-1,858	-1,888	-1,897
<b>Net cash flows from financing activities</b>	<b>8,607</b>	<b>66,611</b>	<b>65,409</b>	<b>62,792</b>
<b>Net increase/(decrease) in cash held</b>	<b>-456</b>	<b>734</b>	<b>-6,957</b>	<b>928</b>
<b>Net cash flows from operating activities and investments in non-financial assets (Surplus(+)/deficit(-))</b>	<b>-6,070</b>	<b>-34,871</b>	<b>-39,629</b>	<b>-46,698</b>
Finance leases and similar arrangements(b)	0	-569	-336	-469
<b>GFS cash surplus(+)/deficit(-)</b>	<b>-6,070</b>	<b>-35,440</b>	<b>-39,966</b>	<b>-47,166</b>
less Net Future Fund earnings	223	2,307	2,532	2,689
<b>Equals underlying cash balance(c)</b>	<b>-6,293</b>	<b>-37,747</b>	<b>-42,498</b>	<b>-49,855</b>
plus Net cash flows from investments in financial assets for policy purposes	-1,056	-6,395	-10,150	-6,575
plus Net Future Fund earnings	223	2,307	2,532	2,689
<b>Equals headline cash balance</b>	<b>-7,126</b>	<b>-41,835</b>	<b>-50,116</b>	<b>-53,741</b>

\*As published in the 2014-15 Budget.

^Based on the previous profile, adjusted for material changes in the 2014-15 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 Australian Bureau of Statistics.

## Note 1: Income Tax

	ACTUAL 2013-2014 May \$m	ACTUAL 2013-2014 YTD May \$m	Revised Monthly Profile^ 2013-2014 YTD May \$m	REVISED BUDGET ESTIMATE* 2013-2014 Full Year \$m
Individuals and other withholding taxes				
Gross income tax witholding	14,246	145,600	145,641	158,300
Gross other individuals	5,411	35,703	36,160	37,180
less Refunds	1,548	26,429	26,206	27,100
Total individuals and other withholding taxation	18,109	154,873	155,596	168,380
Company tax	4,639	63,338	64,646	69,400
Superannuation funds	531	6,266	6,562	6,580
Petroleum resource rent tax	1	1,322	1,400	1,470
Minerals resource rent tax	-5	164	170	170
Fringe benefits tax	460	4,215	4,069	4,140
<b>Total income taxation revenue</b>	<b>23,736</b>	<b>230,179</b>	<b>232,443</b>	<b>250,140</b>

\*As published in the 2014-15 Budget.

^Based on the previous profile, adjusted for material changes in the 2014-15 Budget.

## Note 2: Indirect Tax

	ACTUAL 2013-2014 May \$m	ACTUAL 2013-2014 YTD May \$m	Revised Monthly Profile^ 2013-2014 YTD May \$m	REVISED BUDGET ESTIMATE* 2013-2014 Full Year \$m
Goods and services tax	5,213	51,433	51,093	54,321
Wine equalisation tax	80	762	742	810
Luxury car tax	44	426	412	430
Excise duty	1,951	23,437	23,267	25,230
Customs duty	902	8,467	8,144	9,020
Carbon pricing mechanism (a)	705	6,886	6,728	7,340
Other indirect tax	423	3,339	3,299	3,666
<b>Total indirect taxation revenue</b>	<b>9,319</b>	<b>94,751</b>	<b>93,684</b>	<b>100,817</b>

\*As published in the 2014-15 Budget.

^Based on the previous profile, adjusted for material changes in the 2014-15 Budget.

(a) Revenue from the carbon pricing mechanism has been estimated based on expected annual results.

## Note 3: Total expenses by function

	ACTUAL 2013-2014 May \$m	ACTUAL 2013-2014 YTD May \$m	REVISED BUDGET ESTIMATE* 2013-2014 Full Year \$m
<b>Expenses by function</b>			
General public services	10,756	28,141	34,151
Defence	1,594	20,582	22,840
Public order and safety	340	3,848	4,446
Education	1,608	27,178	29,707
Health	5,302	57,802	64,511
Social security and welfare	11,869	128,595	140,569
Housing and community amenities	416	7,088	8,383
Recreation and culture	339	2,852	3,725
Fuel and energy	514	5,917	7,047
Agriculture, Forestry and Fishing	196	1,931	2,629
Mining, manufacturing and construction	227	2,382	3,139
Transport and communication	423	3,866	8,495
Other economic affairs	1,125	11,241	11,263
Other purposes			
Public debt interest	1,439	12,443	13,454
Nominal superannuation interest	683	7,514	8,320
General purpose inter-government transactions	4,937	48,924	53,224
Natural disaster relief	0	0	183
Contingency reserve	0	0	-793
<b>Total expenses</b>	<b>41,768</b>	<b>370,304</b>	<b>415,294</b>

\*As published in the 2014-15 Budget.

## **NOTES:**

### **Australian Accounting Standard 1049**

The Australian Government Monthly Financial Statements have been prepared on a basis consistent with the Budget as required under section 54 of the *Financial Management and Accountability Act 1997*. The statements are prepared in accordance with the Australian Accounting Standards Board 1049 – *Whole of Government and General Government Sector Financial Reporting* (AASB 1049), which require treatment 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.

### **Taxation Revenue**

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 Commissioner of Taxation, and subject to revision. The taxation revenue items not affected are: petroleum resource rent tax, minerals resource rent tax, excise duty, customs duty, other taxes and individuals refunds.

### **Style Conventions**

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)**

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 Standards. Under these standards the timeframe for releasing the Monthly Financial Statements is by the end of the following month. Australia applies a special flexibility option which allows it to publish late the last and first month of a financial year.

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 Australian Office of Financial Management website at <http://www.aofm.gov.au/content/borrowing/commonwealth.asp?NavID=32>.