



SENATOR THE HON. MATHIAS CORMANN
Minister for Finance and the Public Service
Leader of the Government in the Senate

Friday, 22 March 2019

AUSTRALIAN GOVERNMENT GENERAL GOVERNMENT SECTOR
MONTHLY FINANCIAL STATEMENTS
February 2019

KEY POINTS

- The underlying cash balance for the 2018-19 financial year to 28 February 2019 was a deficit of \$10,657 million.
- The fiscal balance for the 2018-19 financial year to 28 February 2019 was a deficit of \$2,825 million.

AGGREGATES				
	ACTUAL 2018-2019 February \$m	ACTUAL 2018-2019 YTD February \$m	MYEFO Profile 2018-2019 YTD February \$m	MYEFO ESTIMATE* 2018-2019 FULL YEAR \$m
Revenue	47,646	317,161	314,630	493,288
Expenses	36,922	318,244	320,511	488,363
Net operating balance	10,724	-1,082	-5,881	4,926
Net capital investment	-76	1,742	2,410	6,826
Fiscal balance	10,801	-2,825	-8,291	-1,901
Receipts (a)	45,950	307,990	308,153	482,084
/ess Payments (b)	34,520	313,769	316,642	483,370
/ess Net Future Fund earnings	231	4,877	4,971	3,886
Underlying cash balance (c)	11,199	-10,657	-13,460	-5,172
Headline cash balance	9,705	-15,879	-19,406	-18,329
Total assets		569,084		580,554
Total liabilities		1,010,598		901,307
Net worth (d)		-441,514		-320,753
Net debt (e)		370,901		351,948

*As published in the 2018-19 MYEFO.

(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 interest bearing liabilities (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 revenue and expenses vary from month to month.

Comparators for the February 2019 monthly financial statements are based on the 2018-19 Mid-Year Economic and Fiscal Outlook (MYEFO) published in December 2018.

FISCAL OUTCOMES

Underlying Cash Balance

The underlying cash balance for the financial year to 28 February 2019 was a deficit of \$10,657 million, which is \$2,804 million lower than the 2018-19 MYEFO profile deficit of \$13,460 million.

- **Receipts**

Total receipts were \$163 million lower than the 2018-19 MYEFO profile.

- **Payments**

Total payments were \$2,873 million lower than the 2018-19 MYEFO profile.

Net Operating Balance

The net operating balance for the year to 28 February 2019 was a deficit of \$1,082 million, which is \$4,798 million lower than the 2018-19 MYEFO profile deficit of \$5,881 million. The difference primarily results from higher than expected revenue and lower expenses.

Fiscal Balance

The fiscal balance for the year to 28 February 2019 was a deficit of \$2,825 million, which is \$5,466 million lower than the 2018-19 MYEFO profile deficit of \$8,291 million. As with the net operating balance, the difference primarily results from higher than expected revenue, lower expenses and lower net capital investments.

Assets and Liabilities

As at 28 February 2019:

- net worth is negative \$441,514 million;
- net debt is \$370,901 million; and
- net financial liabilities are \$646,947 million.

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Australian Government general government sector operating statement

		ACTUAL 2018-2019 February \$m	ACTUAL 2018-2019 YTD February \$m	MYEFO Profile 2018-2019 YTD February \$m	MYEFO ESTIMATE* 2018-2019 FULL YEAR \$m
Note					
Revenue					
Taxation revenue	1,2	45,091	293,865	291,594	457,997
Sales of goods and services		1,053	8,448	8,388	14,024
Interest income		350	2,911	2,891	4,810
Dividend income		310	4,840	4,833	4,648
Other		842	7,097	6,924	11,809
Total revenue		47,646	317,161	314,630	493,288
Expenses					
Gross operating expenses					
Wages and salaries(a)		1,594	12,948	13,354	20,551
Superannuation		731	6,114	5,639	9,291
Depreciation and amortisation		834	5,761	5,764	8,606
Supply of goods and services		9,198	73,686	74,252	118,012
Other operating expenses(a)		623	4,483	4,449	6,677
Total gross operating expenses		12,980	102,991	103,458	163,136
Superannuation interest expense		787	6,297	6,352	9,446
Interest expenses		1,382	11,941	12,033	18,498
Current transfers					
Current grants		10,743	101,415	101,553	149,036
Subsidy expenses		956	7,694	7,667	11,491
Personal benefits		9,380	84,083	84,508	125,837
Total current transfers		21,079	193,192	193,728	286,364
Capital transfers					
Mutually agreed write-downs		101	854	898	1,450
Other capital grants		592	2,968	4,042	9,469
Total capital transfers		694	3,822	4,940	10,919
Total expenses	3	36,922	318,244	320,511	488,363
Net operating balance		10,724	-1,082	-5,881	4,926
Other economic flows					
- included in operating result					
Net write-downs of assets (including bad and doubtful debts)		1,984	-4,941	-5,071	-8,202
Assets recognised for the first time		7	112	134	200
Actuarial revaluations		6	46	46	70
Net foreign exchange gains		-782	-974	64	-269
Net swap interest received		-34	-390	-355	-218
Market valuation of debt		-4,610	-16,199	-3,102	-2,282
Other gains/(losses)		43	1,278	-1,506	7,491
Total other economic flows		-3,387	-21,068	-9,790	-3,211
- included in operating result					
Operating Result(b)		7,338	-22,150	-15,671	1,715
Non-owner movements in equity					
Revaluation of equity investments		-1	1	254	-3,529
Actuarial revaluations		0	0	0	-5,794
Other economic revaluations		-2,103	-1,229	796	-76
Total other economic flows - included in equity		-2,104	-1,229	1,050	-9,399
Comprehensive result					
- Total change in net worth					
Net operating balance		10,724	-1,082	-5,881	4,926
Net acquisition of non-financial assets					
Purchases of non-financial assets		704	7,532	8,228	15,556
less Sales of non-financial assets		39	114	115	285
less Depreciation		834	5,761	5,764	8,606
plus Change in inventories		92	31	40	159
plus Other movements in non-financial assets		0	54	20	2
Total net acquisition of non-financial assets		-76	1,742	2,410	6,826
Fiscal balance (Net lending/borrowing)(c)		10,801	-2,825	-8,291	-1,901

*As published in the 2018-19 MYEFO.

(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) Operating result under Australian Accounting Standards.

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

Australian Government general government sector balance sheet

	ACTUAL as at 28 February 2019 \$m	MYEFO ESTIMATE* as at 30 June 2019 \$m
Assets		
Financial assets		
Cash and deposits	7,972	5,849
Advances paid	64,257	72,662
Investments, loans and placements	178,226	174,371
Other receivables	56,778	54,623
Equity investments		
Investments in other public sector entities	59,210	56,251
Equity accounted investments	119	265
Investments - shares	56,298	66,355
<i>Total financial assets</i>	<i>422,861</i>	<i>430,375</i>
Non-financial assets		
Land	11,669	11,492
Buildings	26,423	27,078
Plant, equipment and infrastructure	79,634	81,751
Inventories	8,547	8,437
Intangibles	7,919	9,397
Investment properties	170	173
Biological assets	19	36
Heritage and cultural assets	11,596	11,599
Assets held for sale	160	181
Other non-financial assets	86	34
<i>Total non-financial assets</i>	<i>146,223</i>	<i>150,178</i>
Total assets	569,084	580,554
Liabilities		
Interest bearing liabilities		
Deposits held	326	381
Government securities	602,556	586,341
Loans	16,936	16,615
Other borrowing	1,540	1,493
<i>Total interest bearing liabilities</i>	<i>621,357</i>	<i>604,830</i>
Provisions and payables		
Superannuation liability(a)	319,905	223,589
Other employee liabilities	20,002	20,175
Suppliers payables	5,683	7,392
Personal benefits payables	2,729	3,359
Subsidies payables	461	508
Grants payables	2,565	3,710
Other payables	2,093	2,176
Provisions	35,802	35,568
<i>Total provisions and payables</i>	<i>389,241</i>	<i>296,477</i>
Total liabilities	1,010,598	901,307
Net worth(b)	-441,514	-320,753
<i>Net financial worth(c)</i>	<i>-587,737</i>	<i>-470,932</i>
<i>Net financial liabilities(d)</i>	<i>646,947</i>	<i>527,182</i>
<i>Net debt(e)</i>	<i>370,901</i>	<i>351,948</i>

*As published in the 2018-19 MYEFO.

(a) 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, that best matches each individual scheme's liability duration, is used to calculate the superannuation liability for the purpose of actuals reporting.

(b) Net worth equals total assets minus total liabilities.

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

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

(e) Net debt equals the sum of interest bearing liabilities (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^(a)

	ACTUAL 2018-2019 February \$m	ACTUAL 2018-2019 YTD February \$m	MYEFO Profile 2018-2019 YTD February \$m	MYEFO ESTIMATE* 2018-2019 FULL YEAR \$m
Cash receipts from operating activities				
Taxes received	43,491	283,451	283,795	447,645
Receipts from sales of goods and services	993	7,946	8,148	14,180
Interest receipts	251	2,650	2,615	4,397
Dividends and income tax equivalents	496	5,752	5,448	4,390
Other receipts	685	7,658	7,599	10,751
Total operating receipts	45,917	307,457	307,605	481,363
Cash payments for operating activities				
Payments for employees	-2,224	-18,689	-19,121	-30,191
Payments for goods and services	-8,983	-74,271	-74,646	-117,058
Grants and subsidies paid	-12,448	-113,065	-113,995	-169,851
Interest paid	-183	-10,807	-10,861	-18,385
Personal benefit payments	-9,379	-85,254	-85,838	-126,483
Other payments	-667	-4,580	-4,381	-6,286
Total operating payments	-33,885	-306,666	-308,843	-468,255
Net cash flows from operating activities	12,031	791	-1,238	13,108
Cash flows from investments in non-financial assets				
Sales of non-financial assets	34	532	548	720
Purchases of non-financial assets	-635	-7,101	-7,799	-15,115
Net cash flows from investments in non-financial assets	-601	-6,569	-7,251	-14,395
Net cash flows from investments in financial assets for policy purposes	-1,725	-10,100	-10,917	-17,042
Cash flows from investments in financial assets for liquidity purposes				
Increase in investments	-12,819	7,963	12,228	8,905
Net cash flows from investments in financial assets for liquidity purposes	-12,819	7,963	12,228	8,905
Cash flows from financing activities				
Borrowing (net)	3,604	10,907	13,238	11,254
Other financing (net)	-25	-1,804	-1,878	-2,764
Net cash flows from financing activities	3,579	9,103	11,360	8,490
Net increase/(decrease) in cash held	465	1,189	4,183	-934
GFS cash surplus(+)/deficit(-)(b)	11,430	-5,778	-8,489	-1,286
<i>less</i> Finance leases and similar arrangements(c)	0	2	0	0
<i>less</i> Net Future Fund earnings	231	4,877	4,971	3,886
Equals underlying cash balance(d)	11,199	-10,657	-13,460	-5,172
<i>plus</i> Net cash flows from investments in financial assets for policy purposes	-1,725	-10,100	-10,917	-17,042
<i>plus</i> Net Future Fund earnings	231	4,877	4,971	3,886
Equals headline cash balance	9,705	-15,879	-19,406	-18,329

*As published in the 2018-19 MYEFO.

(a) A positive number denotes a cash inflow; a negative number denotes a cash outflow.

(b) GFS cash surplus/deficit equals net cash flows from operating activities and investments in non-financial assets.

(c) The acquisition of assets under finance leases worsens the underlying cash balance. The disposal of assets previously held under finance leases improves the underlying cash balance.

(d) The term underlying cash balance is not used by the Australian Bureau of Statistics.

Note 1: Income Tax

	ACTUAL 2018-2019 February \$m	ACTUAL 2018-2019 YTD February \$m	MYEFO Profile 2018-2019 YTD February \$m	MYEFO ESTIMATE* 2018-2019 FULL YEAR \$m
Individuals and other withholding taxes				
Gross income tax w ithholding	18,996	137,333	136,637	207,600
Gross other individuals	4,542	27,557	26,882	49,500
less Refunds	994	24,363	24,484	30,000
Total individuals and other w ithholding taxation	22,544	140,527	139,035	227,100
Fringe benefits tax	195	2,743	2,710	3,930
Company tax	7,855	60,149	59,600	94,500
Superannuation fund taxes	865	8,970	8,270	10,670
Petroleum resource rent tax	71	825	1,020	1,480
Total income taxation revenue	31,530	213,214	210,634	337,680

*As published in the 2018- 19 MYEFO.

Note 2: Indirect Tax

	ACTUAL 2018-2019 February \$m	ACTUAL 2018-2019 YTD February \$m	MYEFO Profile 2018-2019 YTD February \$m	MYEFO ESTIMATE* 2018-2019 FULL YEAR \$m
Goods and services tax	8,614	46,927	47,428	69,180
Wine equalisation tax	99	701	716	1,050
Luxury car tax	48	437	458	700
Excise duty	1,735	15,845	15,703	23,385
Customs duty	1,926	10,493	10,581	16,750
Other indirect tax	1,140	6,248	6,075	9,252
Total indirect taxation revenue	13,561	80,651	80,960	120,317

*As published in the 2018- 19 MYEFO.

Note 3: Total expenses by function

	ACTUAL 2018-2019 February \$m	ACTUAL 2018-2019 YTD February \$m	MYEFO ESTIMATE* 2018-2019 FULL YEAR \$m
Expenses by function			
General public services	1,976	18,763	26,193
Defence	2,745	20,148	30,594
Public order and safety	520	3,709	5,544
Education	1,669	27,222	35,170
Health	6,554	49,527	80,183
Social security and welfare	12,494	111,966	174,684
Housing and community amenities	446	2,885	5,647
Recreation and culture	323	2,353	3,949
Fuel and energy	660	4,932	7,716
Agriculture, forestry and fishing	224	1,481	3,196
Mining, manufacturing and construction	161	1,817	2,915
Transport and communication	391	3,287	8,455
Other economic affairs	743	6,190	10,039
Other purposes			
Public debt interest	1,330	11,462	17,235
Nominal superannuation interest	787	6,297	9,446
General purpose inter-government transactions	5,899	46,206	68,953
Natural disaster relief	0	0	153
Contingency reserve	0	0	-1,706
Total expenses	36,922	318,244	488,363

*As published in the 2018- 19 MYEFO.

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 47 of the *Public Governance, Performance and Accountability Act 2013*. 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 therefore 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, 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 Special Data Dissemination Standards

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 (SDDS). 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://aofm.gov.au/cgs-quarterly/>.

Electronic access to monthly financial statements

The Australian Government general government sector monthly financial statements and the historical series are available in electronic format at:

<http://data.gov.au/dataset/australian-government-general-government-sector-monthly-financial-statements-tables-and-data>.