



# Australian Government

## Department of Finance

### MEDIA RELEASE

Tuesday, 23 April 2019

## AUSTRALIAN GOVERNMENT GENERAL GOVERNMENT SECTOR MONTHLY FINANCIAL STATEMENTS March 2019

### KEY POINTS

- The underlying cash balance for the 2018-19 financial year to 31 March 2019 was a deficit of \$8,073 million.
- The fiscal balance for the 2018-19 financial year to 31 March 2019 was a deficit of \$4,574 million.

AGGREGATES	ACTUAL 2018-2019 March \$m	ACTUAL 2018-2019 YTD March \$m	MYEFO Profile 2018-2019 YTD March \$m	MYEFO ESTIMATE* 2018-2019 FULL YEAR \$m
Revenue	37,332	354,493	353,625	493,288
Expenses	38,902	357,145	359,786	488,363
Net operating balance	-1,569	-2,652	-6,160	4,926
Net capital investment	180	1,922	3,283	6,826
Fiscal balance	-1,749	-4,574	-9,443	-1,901
Receipts(a)	38,530	346,519	345,975	482,084
less Payments(b)	35,356	349,125	353,290	483,370
less Net Future Fund earnings	590	5,468	5,362	3,886
Underlying cash balance(c)	2,583	-8,073	-12,677	-5,172
Headline cash balance	2,451	-13,429	-19,519	-18,329
Total assets		565,361		580,554
Total liabilities		1,015,917		901,307
Net worth(d)		-450,556		-320,753
Net debt(e)		376,718		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 March 2019 monthly financial statements are based on the 2018-19 Mid-Year Economic and Fiscal Outlook (MYEFO) published in December 2018. The 2018-19 estimates that were revised as part of the 2019-20 Budget (released on 2 April 2019) will be used as the basis for comparison for the April and May 2019 monthly financial statements.

## **FISCAL OUTCOMES**

### **Underlying Cash Balance**

The underlying cash balance for the financial year to 31 March 2019 was a deficit of \$8,073 million, which is \$4,604 million lower than the 2018-19 MYEFO profile deficit of \$12,677 million.

- **Receipts**

Total receipts were \$544 million higher than the 2018-19 MYEFO profile.

- **Payments**

Total payments were \$4,165 million lower than the 2018-19 MYEFO profile.

### **Net Operating Balance**

The net operating balance for the year to 31 March 2019 was a deficit of \$2,652 million, which is \$3,509 million lower than the 2018-19 MYEFO profile deficit of \$6,160 million. The difference primarily results from higher than expected revenue and lower expenses.

### **Fiscal Balance**

The fiscal balance for the year to 31 March 2019 was a deficit of \$4,574 million, which is \$4,869 million lower than the 2018-19 MYEFO profile deficit of \$9,443 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 31 March 2019:

- net worth is negative \$450,556 million;
- net debt is \$376,718 million; and
- net financial liabilities are \$656,411 million.

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Secretary

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# Australian Government general government sector operating statement

		ACTUAL 2018-2019 March	ACTUAL 2018-2019 YTD March	MYEFO Profile 2018-2019 YTD March	MYEFO ESTIMATE* 2018-2019 FULL YEAR
	Note	\$m	\$m	\$m	\$m
<b>Revenue</b>					
Taxation revenue	1,2	34,365	328,230	327,939	457,997
Sales of goods and services		1,111	9,559	9,450	14,024
Interest income		379	3,290	3,276	4,810
Dividend income		594	5,435	5,155	4,648
Other		882	7,980	7,805	11,809
<b>Total revenue</b>		<b>37,332</b>	<b>354,493</b>	<b>353,625</b>	<b>493,288</b>
<b>Expenses</b>					
Gross operating expenses					
Wages and salaries(a)		1,674	14,622	15,054	20,551
Superannuation		785	6,899	6,542	9,291
Depreciation and amortisation		820	6,581	6,485	8,606
Supply of goods and services		10,205	83,892	84,245	118,012
Other operating expenses(a)		610	5,093	4,927	6,677
<b>Total gross operating expenses</b>		<b>14,095</b>	<b>117,086</b>	<b>117,252</b>	<b>163,136</b>
Superannuation interest expense		787	7,084	7,126	9,446
Interest expenses		1,516	13,457	13,595	18,498
Current transfers					
Current grants		10,543	111,958	112,504	149,036
Subsidy expenses		982	8,676	8,635	11,491
Personal benefits		10,326	94,409	94,989	125,837
<b>Total current transfers</b>		<b>21,852</b>	<b>215,043</b>	<b>216,127</b>	<b>286,364</b>
Capital transfers					
Mutually agreed write-downs		61	915	1,051	1,450
Other capital grants		591	3,560	4,635	9,469
<b>Total capital transfers</b>		<b>653</b>	<b>4,475</b>	<b>5,686</b>	<b>10,919</b>
<b>Total expenses</b>	3	<b>38,902</b>	<b>357,145</b>	<b>359,786</b>	<b>488,363</b>
<b>Net operating balance</b>		<b>-1,569</b>	<b>-2,652</b>	<b>-6,160</b>	<b>4,926</b>
<b>Other economic flows</b>					
<b>- included in operating result</b>					
Net write-downs of assets (including bad and doubtful debts)		-374	-5,315	-5,736	-8,202
Assets recognised for the first time		6	117	150	200
Actuarial revaluations		-46	0	52	70
Net foreign exchange gains		28	-946	64	-269
Net swap interest received		-55	-445	-355	-218
Market valuation of debt		-10,925	-27,124	-2,876	-2,282
Other gains/(losses)		1,561	2,839	-751	7,491
<b>Total other economic flows</b>		<b>-9,806</b>	<b>-30,874</b>	<b>-9,451</b>	<b>-3,211</b>
<b>- included in operating result</b>					
<b>Operating Result(b)</b>		<b>-11,376</b>	<b>-33,526</b>	<b>-15,612</b>	<b>1,715</b>
<b>Non-owner movements in equity</b>					
Revaluation of equity investments		-7	-6	235	-3,529
Actuarial revaluations		0	0	0	-5,794
Other economic revaluations		2,341	1,111	72	-76
<b>Total other economic flows - included in equity</b>		<b>2,334</b>	<b>1,105</b>	<b>307</b>	<b>-9,399</b>
<b>Comprehensive result</b>					
<b>- Total change in net worth</b>		<b>-9,042</b>	<b>-32,421</b>	<b>-15,305</b>	<b>-7,685</b>
<b>Net operating balance</b>		<b>-1,569</b>	<b>-2,652</b>	<b>-6,160</b>	<b>4,926</b>
<b>Net acquisition of non-financial assets</b>					
Purchases of non-financial assets		1,083	8,615	9,849	15,556
less Sales of non-financial assets		45	159	155	285
less Depreciation		820	6,581	6,485	8,606
plus Change in inventories		-39	-8	55	159
plus Other movements in non-financial assets		1	54	18	2
<b>Total net acquisition of non-financial assets</b>		<b>180</b>	<b>1,922</b>	<b>3,283</b>	<b>6,826</b>
<b>Fiscal balance (Net lending/borrowing)(c)</b>		<b>-1,749</b>	<b>-4,574</b>	<b>-9,443</b>	<b>-1,901</b>

\*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 31 March 2019 \$m	MYEFO ESTIMATE* as at 30 June 2019 \$m
<b>Assets</b>		
Financial assets		
Cash and deposits	6,420	5,849
Advances paid	64,933	72,662
Investments, loans and placements	176,455	174,371
Other receivables	54,807	54,623
Equity investments		
Investments in other public sector entities	59,258	56,251
Equity accounted investments	120	265
Investments - shares	56,771	66,355
<i>Total financial assets</i>	<i>418,764</i>	<i>430,375</i>
Non-financial assets		
Land	11,590	11,492
Buildings	26,736	27,078
Plant, equipment and infrastructure	79,847	81,751
Inventories	8,429	8,437
Intangibles	7,931	9,397
Investment properties	171	173
Biological assets	18	36
Heritage and cultural assets	11,618	11,599
Assets held for sale	170	181
Other non-financial assets	87	34
<i>Total non-financial assets</i>	<i>146,597</i>	<i>150,178</i>
<b>Total assets</b>	<b>565,361</b>	<b>580,554</b>
<b>Liabilities</b>		
Interest bearing liabilities		
Deposits held	317	381
Government securities	606,019	586,341
Loans	16,658	16,615
Other borrowing	1,532	1,493
<i>Total interest bearing liabilities</i>	<i>624,526</i>	<i>604,830</i>
Provisions and payables		
Superannuation liability(a)	320,814	223,589
Other employee liabilities	20,255	20,175
Suppliers payables	6,093	7,392
Personal benefits payables	3,257	3,359
Subsidies payables	502	508
Grants payables	2,613	3,710
Other payables	1,961	2,176
Provisions	35,894	35,568
<i>Total provisions and payables</i>	<i>391,391</i>	<i>296,477</i>
<b>Total liabilities</b>	<b>1,015,917</b>	<b>901,307</b>
<b>Net worth(b)</b>	<b>-450,556</b>	<b>-320,753</b>
<i>Net financial worth(c)</i>	<i>-597,153</i>	<i>-470,932</i>
<i>Net financial liabilities(d)</i>	<i>656,411</i>	<i>527,182</i>
<i>Net debt(e)</i>	<i>376,718</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<sup>(a)</sup>

	ACTUAL 2018-2019 March \$m	ACTUAL 2018-2019 YTD March \$m	MYEFO Profile 2018-2019 YTD March \$m	MYEFO ESTIMATE* 2018-2019 FULL YEAR \$m
<b>Cash receipts from operating activities</b>				
Taxes received	36,033	319,485	319,634	447,645
Receipts from sales of goods and services	1,192	9,138	9,257	14,180
Interest receipts	290	2,940	2,903	4,397
Dividends and income tax equivalents	606	6,358	5,785	4,390
Other receipts	364	8,022	7,808	10,751
<b>Total operating receipts</b>	<b>38,486</b>	<b>345,943</b>	<b>345,386</b>	<b>481,363</b>
<b>Cash payments for operating activities</b>				
Payments for employees	-2,252	-20,941	-21,190	-30,191
Payments for goods and services	-9,187	-83,459	-84,317	-117,058
Grants and subsidies paid	-11,782	-124,847	-126,396	-169,851
Interest paid	-596	-11,403	-11,496	-18,385
Personal benefit payments	-9,762	-95,016	-95,906	-126,483
Other payments	-472	-5,052	-4,808	-6,286
<b>Total operating payments</b>	<b>-34,052</b>	<b>-340,718</b>	<b>-344,112</b>	<b>-468,255</b>
<b>Net cash flows from operating activities</b>	<b>4,433</b>	<b>5,225</b>	<b>1,274</b>	<b>13,108</b>
<b>Cash flows from investments in non-financial assets</b>				
Sales of non-financial assets	44	576	588	720
Purchases of non-financial assets	-1,303	-8,405	-9,178	-15,115
<b>Net cash flows from investments in non-financial assets</b>	<b>-1,260</b>	<b>-7,828</b>	<b>-8,590</b>	<b>-14,395</b>
<b>Net cash flows from investments in financial assets for policy purposes</b>	<b>-723</b>	<b>-10,823</b>	<b>-12,203</b>	<b>-17,042</b>
<b>Cash flows from investments in financial assets for liquidity purposes</b>				
Increase in investments	4,614	12,577	24,576	8,905
<b>Net cash flows from investments in financial assets for liquidity purposes</b>	<b>4,614</b>	<b>12,577</b>	<b>24,576</b>	<b>8,905</b>
<b>Cash flows from financing activities</b>				
Borrowing (net)	-8,511	2,395	2,839	11,254
Other financing (net)	-105	-1,909	-1,917	-2,764
<b>Net cash flows from financing activities</b>	<b>-8,616</b>	<b>487</b>	<b>922</b>	<b>8,490</b>
<b>Net increase/(decrease) in cash held</b>	<b>-1,551</b>	<b>-362</b>	<b>5,979</b>	<b>-934</b>
<b>GFS cash surplus(+)/deficit(-)(b)</b>	<b>3,174</b>	<b>-2,604</b>	<b>-7,316</b>	<b>-1,286</b>
<i>less</i> Finance leases and similar arrangements(c)	0	2	0	0
<i>less</i> Net Future Fund earnings	590	5,468	5,362	3,886
<b>Equals underlying cash balance(d)</b>	<b>2,583</b>	<b>-8,073</b>	<b>-12,677</b>	<b>-5,172</b>
<i>plus</i> Net cash flows from investments in financial assets for policy purposes	-723	-10,823	-12,203	-17,042
<i>plus</i> Net Future Fund earnings	590	5,468	5,362	3,886
<b>Equals headline cash balance</b>	<b>2,451</b>	<b>-13,429</b>	<b>-19,519</b>	<b>-18,329</b>

\*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 March \$m	ACTUAL 2018-2019 YTD March \$m	MYEFO Profile 2018-2019 YTD March \$m	MYEFO ESTIMATE* 2018-2019 FULL YEAR \$m
Individuals and other withholding taxes				
Gross income tax withholding	17,173	154,506	154,584	207,600
Gross other individuals	4,317	31,875	30,666	49,500
Less Refunds	1,091	25,455	25,668	30,000
Total individuals and other withholding taxation	20,399	160,926	159,582	227,100
Fringe benefits tax	28	2,771	2,717	3,930
Company tax	6,005	66,154	66,861	94,500
Superannuation fund taxes	705	9,674	8,645	10,670
Petroleum resource rent tax	75	900	1,020	1,480
<b>Total income taxation revenue</b>	<b>27,211</b>	<b>240,425</b>	<b>238,824</b>	<b>337,680</b>

\*As published in the 2018-19 MYEFO.

## Note 2: Indirect Tax

	ACTUAL 2018-2019 March \$m	ACTUAL 2018-2019 YTD March \$m	MYEFO Profile 2018-2019 YTD March \$m	MYEFO ESTIMATE* 2018-2019 FULL YEAR \$m
Goods and services tax	3,412	50,339	51,728	69,180
Wine equalisation tax	52	753	779	1,050
Luxury car tax	63	500	521	700
Excise duty	1,738	17,584	17,561	23,385
Customs duty	1,282	11,775	11,797	16,750
Other indirect tax	606	6,854	6,728	9,252
<b>Total indirect taxation revenue</b>	<b>7,154</b>	<b>87,805</b>	<b>89,115</b>	<b>120,317</b>

\*As published in the 2018-19 MYEFO.

## Note 3: Total expenses by function

	ACTUAL 2018-2019 March \$m	ACTUAL 2018-2019 YTD March \$m	MYEFO ESTIMATE* 2018-2019 FULL YEAR \$m
<b>Expenses by function</b>			
General public services	1,794	20,557	26,193
Defence	2,954	23,102	30,594
Public order and safety	576	4,285	5,544
Education	1,804	29,027	35,170
Health	6,898	56,425	80,183
Social security and welfare	13,851	125,817	174,684
Housing and community amenities	320	3,205	5,647
Recreation and culture	328	2,681	3,949
Fuel and energy	624	5,556	7,716
Agriculture, forestry and fishing	224	1,706	3,196
Mining, manufacturing and construction	225	2,042	2,915
Transport and communication	614	3,901	8,455
Other economic affairs	748	6,938	10,039
Other purposes			
Public debt interest	1,466	12,928	17,235
Nominal superannuation interest	787	7,084	9,446
General purpose inter-government transactions	5,575	51,780	68,953
Natural disaster relief	111	111	153
Contingency reserve	0	0	-1,706
<b>Total expenses</b>	<b>38,902</b>	<b>357,145</b>	<b>488,363</b>

\*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>.