



SENATOR THE HON MATHIAS CORMANN
Minister for Finance
Leader of the Government in the Senate

MEDIA RELEASE

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AUSTRALIAN GOVERNMENT GENERAL GOVERNMENT SECTOR
MONTHLY FINANCIAL STATEMENTS
May 2019

KEY POINTS

- The underlying cash balance for the 2018-19 financial year to 31 May 2019 was a deficit of \$115 million.
- The fiscal balance for the 2018-19 financial year to 31 May 2019 was a surplus of \$13,707 million.

AGGREGATES	ACTUAL 2018-2019 May \$m	ACTUAL 2018-2019 YTD May \$m	Revised Budget Profile 2018-2019 YTD May \$m	Revised Budget ESTIMATE* 2018-2019 FULL YEAR \$m
Revenue	53,576	454,523	451,032	495,796
Expenses	40,251	436,829	439,783	487,343
Net operating balance	13,326	17,694	11,249	8,452
Net capital investment	1,434	3,987	4,737	6,490
Fiscal balance	11,891	13,707	6,512	1,962
Receipts(a)	49,810	440,781	439,388	485,165
/ess Payments(b)	43,711	433,671	435,400	482,734
/ess Net Future Fund earnings	1,301	7,225	6,352	6,592
Underlying cash balance(c)	4,799	-115	-2,365	-4,162
Headline cash balance	4,652	-6,719	-9,151	-12,719
Total assets		591,229		581,668
Total liabilities		1,033,345		922,557
Net worth(d)		-442,116		-340,889
Net debt(e)		375,608		373,473

*As published in the 2019-20 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 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 May 2019 monthly financial statements are based on the 2018-19 estimates that were revised as part of the 2019-20 Budget (released on 2 April 2019).

FISCAL OUTCOMES

Underlying Cash Balance

The underlying cash balance for the financial year to 31 May 2019 was a deficit of \$115 million, which is \$2,249 million lower than the 2018-19 Revised Budget profile deficit of \$2,365 million.

- **Receipts**

Total receipts were \$1,394 million higher than the 2018-19 Revised Budget profile.

- **Payments**

Total payments were \$1,729 million lower than the 2018-19 Revised Budget profile.

Net Operating Balance

The net operating balance for the year to 31 May 2019 was a surplus of \$17,694 million, which is \$6,445 million higher than the 2018-19 Revised Budget profile surplus of \$11,249 million. The difference results from higher than expected revenue and lower expenses.

Fiscal Balance

The fiscal balance for the year to 31 May 2019 was a surplus of \$13,707 million, which is \$7,195 million higher than the 2018-19 Revised Budget profile surplus of \$6,512 million. The difference results from higher than expected revenue, lower expenses and lower net capital investments.

Assets and Liabilities

As at 31 May 2019:

- net worth is negative \$442,116 million;
- net debt is \$375,608 million; and
- net financial liabilities are \$647,813 million.

Senator the Hon. Mathias Cormann
Minister for Finance

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Australian Government general government sector operating statement

		ACTUAL 2018-2019 May \$m	ACTUAL 2018-2019 YTD May \$m	Revised Budget Profile 2018-2019 YTD May \$m	Revised Budget ESTIMATE* 2018-2019 FULL YEAR \$m
Note					
Revenue					
	1,2	49,580	421,689	419,975	459,085
		1,001	11,719	11,351	13,455
		378	4,108	4,013	4,837
		1,389	7,291	6,085	7,718
		1,229	9,715	9,608	10,701
		53,576	454,523	451,032	495,796
Expenses					
Gross operating expenses					
		1,859	18,178	18,794	20,693
		754	8,411	8,200	9,043
		697	7,913	7,990	8,742
		10,461	104,229	105,906	117,709
		694	6,431	6,263	6,693
		14,465	145,162	147,153	162,881
		787	8,659	8,659	9,447
		1,403	16,382	16,407	18,375
Current transfers					
		10,656	134,039	134,656	148,852
		929	10,511	10,373	11,367
		10,712	115,658	115,448	125,230
		22,298	260,207	260,478	285,449
Capital transfers					
		153	1,156	1,211	1,317
		1,146	5,263	5,876	9,875
		1,299	6,418	7,086	11,192
	3	40,251	436,829	439,783	487,343
		13,326	17,694	11,249	8,452
Other economic flows					
- included in operating result					
		-756	-7,069	-6,596	-8,049
		28	144	173	189
		13	165	170	30
		-425	-1,636	-69	-208
		-108	-550	-445	-356
		-11,804	-38,862	-21,875	-21,460
		-1,240	3,800	410	2,584
		-14,292	-44,007	-28,232	-27,269
		-967	-26,313	-16,983	-18,816
Operating Result(b)					
Non-owner movements in equity					
		0	-8	-12	-3,499
		0	0	0	1,441
		-444	2,340	1,785	25
		-444	2,332	1,773	-2,033
Comprehensive result					
		-1,410	-23,980	-15,211	-20,849
		13,326	17,694	11,249	8,452
Net acquisition of non-financial assets					
		1,943	11,761	11,888	15,306
		8	165	215	194
		697	7,913	7,990	8,742
		200	277	1,034	118
		-3	26	19	2
		1,434	3,987	4,737	6,490
		11,891	13,707	6,512	1,962

*As published in the 2019-20 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) 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 May 2019 \$m	Revised Budget ESTIMATE* as at 30 June 2019 \$m
Assets		
Financial assets		
Cash and deposits	7,104	7,563
Advances paid	67,430	71,008
Investments, loans and placements	189,501	175,216
Other receivables	59,631	55,700
Equity investments		
Investments in other public sector entities	56,370	52,907
Equity accounted investments	3,309	3,405
Investments - shares	58,557	66,000
<i>Total financial assets</i>	441,902	431,799
Non-financial assets		
Land	11,603	11,586
Buildings	26,595	27,072
Plant, equipment and infrastructure	81,608	81,742
Inventories	8,466	8,397
Intangibles	8,502	9,039
Investment properties	176	193
Biological assets	18	20
Heritage and cultural assets	11,602	11,604
Assets held for sale	699	183
Other non-financial assets	58	34
<i>Total non-financial assets</i>	149,327	149,869
Total assets	591,229	581,668
Liabilities		
Interest bearing liabilities		
Deposits held	310	381
Government securities	620,626	608,637
Loans	17,228	16,742
Other borrowing	1,480	1,499
<i>Total interest bearing liabilities</i>	639,644	627,260
Provisions and payables		
Superannuation liability(a)	322,324	223,720
Other employee liabilities	20,050	20,166
Suppliers payables	8,507	6,027
Personal benefits payables	2,659	3,389
Subsidies payables	495	519
Grants payables	2,180	3,539
Other payables	1,804	2,316
Provisions	35,682	35,622
<i>Total provisions and payables</i>	393,701	295,297
Total liabilities	1,033,345	922,557
Net worth(b)	-442,116	-340,889
<i>Net financial worth(c)</i>	-591,443	-490,758
<i>Net financial liabilities(d)</i>	647,813	543,665
<i>Net debt(e)</i>	375,608	373,473

*As published in the 2019-20 Budget.

(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 May \$m	ACTUAL 2018-2019 YTD May \$m	Revised Budget Profile 2018-2019 YTD May \$m	Revised Budget ESTIMATE* 2018-2019 FULL YEAR \$m
Cash receipts from operating activities				
Taxes received	46,084	407,334	406,971	448,821
Receipts from sales of goods and services	1,349	11,484	11,149	13,467
Interest receipts	325	3,706	3,803	4,412
Dividends and income tax equivalents	1,294	8,207	7,037	7,175
Other receipts	751	9,469	9,768	10,643
Total operating receipts	49,803	440,201	438,728	484,518
Cash payments for operating activities				
Payments for employees	-3,280	-26,606	-26,923	-29,603
Payments for goods and services	-10,141	-102,944	-103,886	-116,831
Grants and subsidies paid	-13,178	-151,186	-151,700	-170,609
Interest paid	-2,612	-17,829	-17,982	-18,491
Personal benefit payments	-11,683	-117,321	-117,524	-125,961
Other payments	-584	-5,962	-6,018	-6,358
Total operating payments	-41,477	-421,848	-424,033	-467,853
Net cash flows from operating activities	8,327	18,353	14,695	16,665
Cash flows from investments in non-financial assets				
Sales of non-financial assets	7	580	660	647
Purchases of non-financial assets	-2,234	-11,821	-11,367	-14,881
Net cash flows from investments in non-financial assets	-2,227	-11,241	-10,708	-14,234
Net cash flows from investments in financial assets for policy purposes	-1,448	-13,829	-13,139	-15,149
Cash flows from investments in financial assets for liquidity purposes				
Increase in investments	-10,577	465	1,854	1,979
Net cash flows from investments in financial assets for liquidity purposes	-10,577	465	1,854	1,979
Cash flows from financing activities				
Borrowing (net)	7,112	9,774	10,232	14,401
Other financing (net)	-627	-3,210	-3,175	-2,878
Net cash flows from financing activities	6,485	6,564	7,058	11,523
Net increase/(decrease) in cash held	560	313	-239	783
GFS cash surplus(+)/deficit(-)(b)	6,100	7,112	3,988	2,430
<i>less</i> Finance leases and similar arrangements(c)	0	2	0	0
<i>less</i> Net Future Fund earnings	1,301	7,225	6,352	6,592
Equals underlying cash balance(d)	4,799	-115	-2,365	-4,162
<i>plus</i> Net cash flows from investments in financial assets for policy purposes	-1,448	-13,829	-13,139	-15,149
<i>plus</i> Net Future Fund earnings	1,301	7,225	6,352	6,592
Equals headline cash balance	4,652	-6,719	-9,151	-12,719

*As published in the 2019-20 Budget.

(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 May \$m	ACTUAL 2018-2019 YTD May \$m	Revised Budget Profile 2018-2019 YTD May \$m	Revised Budget ESTIMATE* 2018-2019 FULL YEAR \$m
Individuals and other w ithholding taxes				
Gross income tax w ithholding	19,974	190,958	190,950	207,600
Gross other individuals	8,651	48,543	46,090	50,200
less Refunds	1,839	28,504	28,416	29,500
Total individuals and other w ithholding taxation	26,786	210,997	208,624	228,300
Fringe benefits tax	194	3,830	3,912	3,870
Company tax	10,885	85,153	84,513	95,600
Superannuation fund taxes	575	10,738	10,898	11,320
Petroleum resource rent tax	2	1,249	1,234	1,250
Total income taxation revenue	38,441	311,967	309,180	340,340

*As published in the 2019-20 Budget.

Note 2: Indirect Tax

	ACTUAL 2018-2019 May \$m	ACTUAL 2018-2019 YTD May \$m	Revised Budget Profile 2018-2019 YTD May \$m	Revised Budget ESTIMATE* 2018-2019 FULL YEAR \$m
Goods and services tax	6,898	63,734	64,354	68,065
Wine equalisation tax	93	915	921	1,030
Luxury car tax	53	628	600	640
Excise duty	1,792	21,597	21,580	23,370
Customs duty	1,216	14,331	14,826	16,520
Other indirect tax	1,087	8,518	8,515	9,120
Total indirect taxation revenue	11,139	109,723	110,795	118,745

*As published in the 2019-20 Budget.

Note 3: Total expenses by function

	ACTUAL 2018-2019 May \$m	ACTUAL 2018-2019 YTD May \$m	Revised Budget ESTIMATE* 2018-2019 FULL YEAR \$m
Expenses by function			
General public services	2,302	24,883	26,048
Defence	3,021	29,075	31,014
Public order and safety	505	5,128	5,760
Education	2,136	32,861	34,773
Health	6,777	70,099	80,569
Social security and w elfare	14,025	154,194	172,749
Housing and community amenities	432	4,094	5,278
Recreation and culture	377	3,399	3,988
Fuel and energy	692	6,986	7,956
Agriculture, forestry and fishing	192	2,160	3,149
Mining, manufacturing and construction	140	2,316	2,592
Transport and communication	758	5,071	8,105
Other economic affairs	848	8,637	10,281
Other purposes			
Public debt interest	1,423	15,748	17,154
Nominal superannuation interest	787	8,659	9,447
General purpose inter-government transactions	5,530	62,982	69,698
Natural disaster relief	305	537	775
Contingency reserve	0	0	-1,993
Total expenses	40,251	436,829	487,343

*As published in the 2019-20 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 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 <https://www.aofm.gov.au/data-hub>.

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>.