



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

Friday, 24 April 2020

MEDIA RELEASE

AUSTRALIAN GOVERNMENT GENERAL GOVERNMENT SECTOR
MONTHLY FINANCIAL STATEMENTS
March 2020

KEY POINTS

- The Monthly Financial Statements for March 2020 report the budget position against the expected monthly profile for the 2019-20 financial year through to 31 March 2020, based on the 2019-20 Mid-Year Economic and Fiscal Outlook (MYEFO) estimates published in December 2019.
- The underlying cash balance for the 2019-20 financial year to 31 March 2020 was a deficit of \$22,359 million against the 2019-20 MYEFO profile deficit of \$12,454 million.
- The fiscal balance for the 2019-20 financial year to 31 March 2020 was a deficit of \$21,972 million against the 2019-20 MYEFO profile deficit of \$13,764 million.

AGGREGATES^(a)	ACTUAL 2019-2020 March \$m	ACTUAL 2019-2020 YTD March \$m	MYEFO Profile 2019-2020 YTD March \$m	MYEFO ESTIMATE* 2019-2020 FULL YEAR \$m
Revenue	37,753	359,497	364,237	511,148
Expenses	47,567	379,932	375,898	503,180
Net operating balance	-9,814	-20,435	-11,662	7,968
Net capital investment	714	1,537	2,102	4,161
Fiscal balance	-10,528	-21,972	-13,764	3,807
Receipts(b)	35,264	348,610	359,917	502,472
less Payments(c)	40,832	366,772	368,208	491,976
less Net Future Fund earnings	522	4,197	4,163	5,468
Underlying cash balance(d)	-6,090	-22,359	-12,454	5,028
Headline cash balance	-6,357	-26,768	-17,748	-2,841
Total assets		655,900		655,554
Total liabilities		1,240,797		1,001,597
Net worth(e)		-584,897		-346,042
Net debt(f)		429,646		392,305

*As published in the 2019-20 MYEFO.

(a) Includes impacts resulting from the implementation of AASB 16 Leases .

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

(c) Cash payments for operating activities, purchases of non-financial assets and net cash flows from financing activities for leases.

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

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

(f) 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.

Monthly results are generally volatile due to timing differences between revenue and receipts, and expenses and payments. Care needs to be taken when comparing monthly or cumulative data across years and to full-year estimates, as revenue and receipts and expenses and payments vary from month to month.

FISCAL OUTCOMES

Underlying Cash Balance

The underlying cash balance for the financial year to 31 March 2020 was a deficit of \$22,359 million, which is \$9,906 million higher than the 2019-20 MYEFO profile deficit of \$12,454 million.

- **Receipts**

Total receipts were \$11,307 million lower than the 2019-20 MYEFO profile.

- **Payments**

Total payments were \$1,436 million lower than the 2019-20 MYEFO profile.

Net Operating Balance

The net operating balance for the year to 31 March 2020 was a deficit of \$20,435 million, which is \$8,773 million higher than the 2019-20 MYEFO profile deficit of \$11,662 million. The difference results from lower than expected revenue and higher expenses.

Fiscal Balance

The fiscal balance for the year to 31 March 2020 was a deficit of \$21,972 million, which is \$8,208 million higher than the 2019-20 MYEFO profile deficit of \$13,764 million. The difference results from lower than expected revenue, higher expenses and lower net capital investment.

Assets and Liabilities

As at 31 March 2020:

- net worth is negative \$584,897 million;
- net debt is \$429,646 million; and
- net financial liabilities are \$814,952 million.

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Australian Government general government sector operating statement

		ACTUAL 2019-2020 March \$m	ACTUAL 2019-2020 YTD March \$m	MYEFO Profile 2019-2020 YTD March \$m	MYEFO ESTIMATE* 2019-2020 FULL YEAR \$m
Note					
Revenue					
	1,2	34,191	331,610	337,435	472,815
		1,278	11,394	11,134	14,980
		346	2,927	3,474	5,247
		560	4,256	3,956	6,383
		1,379	9,310	8,238	11,723
		37,753	359,497	364,237	511,148
Expenses					
Gross operating expenses					
		1,807	15,228	15,684	21,366
		980	9,259	9,071	12,357
		1,041	8,695	8,958	11,446
		11,354	91,586	90,554	124,029
		768	5,596	5,314	7,236
		15,950	130,364	129,581	176,434
		640	5,757	5,791	7,715
		1,536	13,097	13,170	18,215
Current transfers					
		11,056	115,086	115,951	149,813
		1,060	9,017	8,960	12,136
		15,989	101,857	96,854	128,282
		28,105	225,960	221,764	290,232
Capital transfers					
		582	1,687	1,133	1,416
		755	3,067	4,460	9,168
		1,337	4,754	5,593	10,584
		47,567	379,932	375,898	503,180
	3	-9,814	-20,435	-11,662	7,968
Other economic flows					
- included in operating result					
		-1,969	-6,281	-5,479	-6,933
		-4	102	270	201
		0	0	61	81
		-3,744	-8,082	-1	-92
		-349	-642	-268	-210
		2,765	-12,756	-3,216	-1,129
		-3,442	4,547	4,444	5,131
		-6,744	-23,112	-4,189	-2,950
		-16,558	-43,547	-15,851	5,018
Operating Result(c)					
Non-owner movements in equity					
		7	21	-6	-3,928
		0	0	0	1,879
		-86	1,793	964	195
		-79	1,814	958	-1,853
		-16,637	-41,733	-14,893	3,164
		-9,814	-20,435	-11,662	7,968
Net acquisition of non-financial assets (b)					
		1,182	10,749	12,020	16,868
		30	1,177	1,050	1,219
		1,041	8,695	8,958	11,446
		602	624	70	-40
		1	35	21	-3
		714	1,537	2,102	4,161
		-10,528	-21,972	-13,764	3,807

*As published in the 2019-20 MYEFO.

(a) Consistent with the 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) Includes impacts resulting from the implementation of AASB 16 Leases.

(c) Operating result under Australian Accounting Standards.

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

Australian Government general government sector balance sheet

	ACTUAL as at 31 March 2020 \$m	MYEFO ESTIMATE* as at 30 June 2020 \$m
Assets		
Financial assets		
Cash and deposits	9,216	7,204
Advances paid	81,933	85,155
Investments, loans and placements	206,849	198,528
Other receivables	64,552	58,577
Equity investments		
Investments in other public sector entities	58,093	55,640
Equity accounted investments	3,539	3,677
Investments - shares	59,756	73,969
<i>Total financial assets</i>	483,938	482,751
Non-financial assets		
Land	11,759	11,824
Buildings	42,791	43,415
Plant, equipment and infrastructure	86,816	87,832
Inventories	9,413	8,488
Intangibles	8,822	9,105
Investment properties	199	160
Biological assets	20	21
Heritage and cultural assets	11,816	11,695
Assets held for sale	256	231
Other non-financial assets	70	32
<i>Total non-financial assets(a)</i>	171,962	172,803
Total assets	655,900	655,554
Liabilities		
Interest bearing liabilities		
Deposits held	313	388
Government securities	682,947	645,907
Loans	25,220	17,759
Lease liabilities(a)	19,165	19,139
<i>Total interest bearing liabilities</i>	727,645	683,193
Provisions and payables		
Superannuation liability(b)	423,096	230,774
Other employee liabilities	27,183	26,663
Suppliers payables	5,838	7,579
Personal benefits payables	3,212	3,753
Subsidies payables	815	645
Grants payables	2,425	4,051
Other payables	3,778	2,186
Provisions	46,806	42,752
<i>Total provisions and payables</i>	513,152	318,404
Total liabilities	1,240,797	1,001,597
Net worth(c)	-584,897	-346,042
<i>Net financial worth(d)</i>	-756,859	-518,845
<i>Net financial liabilities(e)</i>	814,952	574,486
<i>Net debt(f)</i>	429,646	392,305

*As published in the 2019-20 MYEFO.

(a) Includes impacts from implementation of AASB 16 *Leases*.

(b) For budget reporting purposes, a discount rate of 5 per cent determined by actuaries in preparing the 2017 Long Term Cost Reports is used to value the superannuation liability. This reflects the average annual rate estimated to apply over the term of the liability and it reduces the volatility in reported liabilities that would occur from year to year if the spot rates on long-term government bonds were used. Consistent with AAS, the superannuation liability for the 2019-20 Monthly Financial Statements was calculated using the spot rates on long-term government bonds as at 30 June 2019 that best matched each individual scheme's liability duration. These rates were between 1.4 and 1.9 per cent per annum.

(c) Net worth equals 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 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 2019-2020 March \$m	ACTUAL 2019-2020 YTD March \$m	MYEFO Profile 2019-2020 YTD March \$m	MYEFO ESTIMATE* 2019-2020 FULL YEAR \$m
Cash receipts from operating activities				
Taxes received	31,473	316,955	328,336	463,791
Receipts from sales of goods and services	880	11,196	11,565	15,142
Interest receipts	196	2,772	3,480	5,134
Dividends and income tax equivalents	526	5,963	5,632	6,792
Other receipts	1,209	10,116	9,437	9,949
Total operating receipts	34,284	347,002	358,450	500,809
Cash payments for operating activities				
Payments for employees(b)	-2,320	-22,353	-22,093	-31,152
Payments for goods and services(c)	-12,084	-94,564	-92,962	-122,024
Grants and subsidies paid	-12,705	-127,241	-129,408	-170,400
Interest paid(c)	-369	-9,217	-9,327	-16,564
Personal benefit payments	-10,823	-97,463	-97,753	-128,416
Other payments(b)	-685	-5,109	-5,541	-6,768
Total operating payments	-38,985	-355,947	-357,085	-475,325
Net cash flows from operating activities	-4,701	-8,945	1,365	25,483
Cash flows from investments in non-financial assets				
Sales of non-financial assets	980	1,608	1,468	1,663
Purchases of non-financial assets	-1,553	-9,163	-9,392	-14,304
Net cash flows from investments in non-financial assets	-573	-7,554	-7,925	-12,641
Net cash flows from investments in financial assets for policy purposes	-788	-8,606	-9,457	-13,336
Net cash flows from investments in financial assets for liquidity purposes	-1,486	-11,963	-14,760	-15,923
Cash flows from financing activities				
Borrowing (net)	7,895	41,755	29,560	20,271
Other financing (net)(c)	-803	-4,075	-3,638	-5,257
Net cash flows from financing activities	7,092	37,680	25,922	15,014
Net increase/(decrease) in cash held	-455	612	-4,855	-1,403
GFS cash surplus (+)/deficit(-)(d)	-5,274	-16,499	-6,560	12,842
<i>plus</i> Net cash flows from financing activities for leases(e)	-294	-1,663	-1,731	-2,347
<i>less</i> Net Future Fund earnings	522	4,197	4,163	5,468
Equals underlying cash balance(f)	-6,090	-22,359	-12,454	5,028
<i>plus</i> Net cash flows from investments in financial assets for policy purposes	-788	-8,606	-9,457	-13,336
<i>plus</i> Net Future Fund earnings	522	4,197	4,163	5,468
Equals headline cash balance	-6,357	-26,768	-17,748	-2,841

*As published in the 2019-20 MYEFO.

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

(b) Consistent with the ABS GFS classification, other employee related payments are reported under other payments.

(c) Include impacts from implementation of AASB 16 Leases .

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

(e) Principal payments on lease liabilities, which are cash flows from financing activities, are deducted in the calculation of the underlying cash balance to maintain consistency of measure following the implementation of AASB 16 Leases .

(f) The term underlying cash balance is not used by the ABS.

Note 1: Income Tax

	ACTUAL 2019-2020 March \$m	ACTUAL 2019-2020 YTD March \$m	MYEFO Profile 2019-2020 YTD March \$m	MYEFO ESTIMATE* 2019-2020 FULL YEAR \$m
Individuals and other w ithholding taxes				
Gross income tax w ithholding	18,000	163,195	163,944	220,300
Gross other individuals	5,249	33,317	33,627	52,900
less Refunds	1,381	32,022	32,045	36,800
Total individuals and other w ithholding taxation	21,867	164,489	165,526	236,400
Fringe benefits tax	16	2,884	2,880	4,040
Company tax	4,319	64,942	68,869	99,800
Superannuation fund taxes	234	5,647	6,369	8,460
Petroleum resource rent tax	-5	850	880	1,130
Total income taxation revenue	26,432	238,812	244,524	349,830

*As published in the 2019-20 MYEFO.

Note 2: Indirect Tax

	ACTUAL 2019-2020 March \$m	ACTUAL 2019-2020 YTD March \$m	MYEFO Profile 2019-2020 YTD March \$m	MYEFO ESTIMATE* 2019-2020 FULL YEAR \$m
Goods and services tax	3,287	51,464	50,581	67,230
Wine equalisation tax	59	807	825	1,110
Luxury car tax	57	492	497	670
Excise duty	2,155	18,059	18,294	23,900
Customs duty	1,629	14,809	15,902	20,800
Other indirect tax	572	7,168	6,812	9,275
Total indirect taxation revenue	7,759	92,798	92,911	122,985

*As published in the 2019-20 MYEFO.

Note 3: Total expenses by function

	ACTUAL 2019-2020 March \$m	ACTUAL 2019-2020 YTD March \$m	MYEFO ESTIMATE* 2019-2020 FULL YEAR \$m
Expenses by function			
General public services	2,587	21,944	30,157
Defence	2,873	22,991	32,783
Public order and safety	586	4,637	5,966
Education	2,667	30,306	35,846
Health	7,187	61,779	83,425
Social security and w elfare	20,344	140,786	180,782
Housing and community amenities	741	3,699	5,715
Recreation and culture	338	2,798	3,989
Fuel and energy	712	5,977	8,161
Agriculture, forestry and fishing	228	1,753	3,025
Mining, manufacturing and construction	251	2,072	3,073
Transport and communication	813	3,430	8,671
Other economic affairs	762	7,168	10,250
Other purposes			
Public debt interest	1,458	12,715	16,746
Nominal superannuation interest	640	5,757	7,715
General purpose inter-government transactions	5,379	52,047	68,547
Natural disaster relief	1	74	38
Contingency reserve	0	0	-1,707
Total expenses	47,567	379,932	503,180

*As published in the 2019-20 MYEFO.

NOTES:

AASB 1049 *Whole of Government and General Government Sector Financial Reporting* (AASB 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 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.

AASB 16 *Leases* (AASB 16)

The new Australian Accounting Standard, AASB 16, applied to all Australian Government entities from 1 July 2019. AASB 16 introduced a single lease accounting framework for lessees and removed the distinction between operating and finance leases. As a result, new assets and liabilities have been recognised on the balance sheet for leases that were previously accounted for as operating expenses. The reduction in operating lease expenses is replaced with the depreciation charge for the right-of-use assets and interest expense on the lease liabilities.

The implementation of AASB 16 has implications for a number of budget aggregates, in particular, net debt and net financial worth due to the recognition of the new lease liabilities. To maintain consistency in the measurement of the underlying cash balance, the principal payments on lease liabilities which are recognised as cash flows from financing activities, have been included in the calculation following the implementation of AASB 16.

For General Government Sector financial reporting, the implementation of AASB 16 has been reflected in the 2019-20 MYEFO estimates and in the Australian Government General Government Sector Monthly Financial Statements from the December 2019 reporting period.

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>.