



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

Friday, 22 February 2019

AUSTRALIAN GOVERNMENT GENERAL GOVERNMENT SECTOR
MONTHLY FINANCIAL STATEMENTS
January 2019

KEY POINTS

- The underlying cash balance for the 2018-19 financial year to 31 January 2019 was a deficit of \$21,856 million.
- The fiscal balance for the 2018-19 financial year to 31 January 2019 was a deficit of \$13,625 million.

| AGGREGATES | ACTUAL 2018-2019 January \$m | ACTUAL 2018-2019 YTD January \$m | MYEFO Profile 2018-2019 YTD January \$m | MYEFO ESTIMATE* 2018-2019 FULL YEAR \$m |
|-----------------------------------|---|---|--|--|
| Revenue | 34,744 | 269,515 | 268,099 | 493,288 |
| Expenses | 42,952 | 281,322 | 283,330 | 488,363 |
| Net operating balance | -8,208 | -11,807 | -15,231 | 4,926 |
| Net capital investment | 419 | 1,819 | 2,029 | 6,826 |
| Fiscal balance | -8,627 | -13,625 | -17,260 | -1,901 |
| Receipts(a) | 32,254 | 262,039 | 261,911 | 482,084 |
| less Payments(b) | 39,334 | 279,249 | 282,141 | 483,370 |
| less Net Future Fund earnings | 1,398 | 4,646 | 4,581 | 3,886 |
| Underlying cash balance(c) | -8,478 | -21,856 | -24,811 | -5,172 |
| Headline cash balance | -8,531 | -25,584 | -29,310 | -18,329 |
| Total assets | | 553,162 | | 580,554 |
| Total liabilities | | 999,910 | | 901,307 |
| Net worth(d) | | -446,748 | | -320,753 |
| Net debt(e) | | 373,417 | | 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 January 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 31 January 2019 was a deficit of \$21,856 million, which is \$2,955 million lower than the 2018-19 MYEFO profile deficit of \$24,811 million.

- **Receipts**

Total receipts were \$128 million higher than the 2018-19 MYEFO profile.

- **Payments**

Total payments were \$2,892 million lower than the 2018-19 MYEFO profile.

Net Operating Balance

The net operating balance for the year to 31 January 2019 was a deficit of \$11,807 million, which is \$3,424 million better than the 2018-19 MYEFO profile deficit of \$15,231 million. The difference primarily results from higher than expected revenue and lower expenses.

Fiscal Balance

The fiscal balance for the year to 31 January 2019 was a deficit of \$13,625 million, which is \$3,634 million better than the 2018-19 MYEFO profile deficit of \$17,260 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 January 2019:

- net worth is negative \$446,748 million;
- net debt is \$373,417 million; and
- net financial liabilities are \$652,528 million.

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Australian Government general government sector operating statement

| | | ACTUAL 2018-2019 January \$m | ACTUAL 2018-2019 YTD January \$m | MYEFO Profile 2018-2019 YTD January \$m | MYEFO ESTIMATE* 2018-2019 FULL YEAR \$m |
|--|-----|---------------------------------------|---|--|---|
| Revenue | | | | | |
| Taxation revenue | 1,2 | 31,008 | 248,773 | 247,686 | 457,997 |
| Sales of goods and services | | 1,119 | 7,395 | 7,377 | 14,024 |
| Interest income | | 369 | 2,561 | 2,508 | 4,810 |
| Dividend income | | 1,339 | 4,531 | 4,509 | 4,648 |
| Other | | 908 | 6,255 | 6,018 | 11,809 |
| Total revenue | | 34,744 | 269,515 | 268,099 | 493,288 |
| Expenses | | | | | |
| Gross operating expenses | | | | | |
| Wages and salaries(a) | | 1,436 | 11,354 | 11,729 | 20,551 |
| Superannuation | | 1,750 | 5,383 | 4,755 | 9,291 |
| Depreciation and amortisation | | 662 | 4,927 | 5,037 | 8,606 |
| Supply of goods and services | | 6,940 | 64,488 | 64,912 | 118,012 |
| Other operating expenses(a) | | 421 | 3,860 | 3,866 | 6,677 |
| <i>Total gross operating expenses</i> | | <i>11,209</i> | <i>90,012</i> | <i>90,299</i> | <i>163,136</i> |
| Superannuation interest expense | | 671 | 5,510 | 5,579 | 9,446 |
| Interest expenses | | 1,502 | 10,559 | 10,624 | 18,498 |
| Current transfers | | | | | |
| Current grants | | 17,623 | 90,672 | 90,817 | 149,036 |
| Subsidy expenses | | 977 | 6,737 | 6,713 | 11,491 |
| Personal benefits | | 10,058 | 74,703 | 75,132 | 125,837 |
| <i>Total current transfers</i> | | <i>28,658</i> | <i>172,112</i> | <i>172,662</i> | <i>286,364</i> |
| Capital transfers | | | | | |
| Mutually agreed write-downs | | 88 | 753 | 773 | 1,450 |
| Other capital grants | | 823 | 2,376 | 3,393 | 9,469 |
| <i>Total capital transfers</i> | | <i>911</i> | <i>3,129</i> | <i>4,166</i> | <i>10,919</i> |
| Total expenses | 3 | 42,952 | 281,322 | 283,330 | 488,363 |
| Net operating balance | | -8,208 | -11,807 | -15,231 | 4,926 |
| Other economic flows | | | | | |
| - included in operating result | | | | | |
| Net write-downs of assets (including bad and doubtful debts) | | -1,178 | -6,925 | -5,389 | -8,202 |
| Assets recognised for the first time | | -61 | 105 | 117 | 200 |
| Actuarial revaluations | | 6 | 41 | 41 | 70 |
| Net foreign exchange gains | | 1,185 | -192 | 64 | -269 |
| Net swap interest received | | 7 | -356 | -355 | -218 |
| Market valuation of debt | | -2,983 | -11,589 | -3,319 | -2,282 |
| Other gains/(losses) | | 972 | 1,235 | -1,402 | 7,491 |
| Total other economic flows | | -2,053 | -17,681 | -10,243 | -3,211 |
| - included in operating result | | | | | |
| Operating Result(b) | | -10,261 | -29,488 | -25,474 | 1,715 |
| Non-owner movements in equity | | | | | |
| Revaluation of equity investments | | 0 | 1 | 256 | -3,529 |
| Actuarial revaluations | | 0 | 0 | 0 | -5,794 |
| Other economic revaluations | | 139 | 874 | 772 | -76 |
| Total other economic flows - included in equity | | 139 | 875 | 1,028 | -9,399 |
| Comprehensive result | | | | | |
| - Total change in net worth | | -10,122 | -28,613 | -24,446 | -7,685 |
| Net operating balance | | -8,208 | -11,807 | -15,231 | 4,926 |
| Net acquisition of non-financial assets | | | | | |
| Purchases of non-financial assets | | 1,097 | 6,828 | 7,120 | 15,556 |
| less Sales of non-financial assets | | 4 | 75 | 101 | 285 |
| less Depreciation | | 662 | 4,927 | 5,037 | 8,606 |
| plus Change in inventories | | -14 | -60 | 25 | 159 |
| plus Other movements in non-financial assets | | 1 | 54 | 21 | 2 |
| Total net acquisition of non-financial assets | | 419 | 1,819 | 2,029 | 6,826 |
| Fiscal balance (Net lending/borrowing)(c) | | -8,627 | -13,625 | -17,260 | -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 31 January 2019 \$m | MYEFO ESTIMATE* as at 30 June 2019 \$m |
|---|---|---|
| Assets | | |
| Financial assets | | |
| Cash and deposits | 7,507 | 5,849 |
| Advances paid | 62,540 | 72,662 |
| Investments, loans and placements | 168,053 | 174,371 |
| Other receivables | 56,951 | 54,623 |
| Equity investments | | |
| Investments in other public sector entities | 59,302 | 56,251 |
| Equity accounted investments | 117 | 265 |
| Investments - shares | 52,214 | 66,355 |
| <i>Total financial assets</i> | <i>406,684</i> | <i>430,375</i> |
| Non-financial assets | | |
| Land | 11,668 | 11,492 |
| Buildings | 26,443 | 27,078 |
| Plant, equipment and infrastructure | 79,914 | 81,751 |
| Inventories | 8,525 | 8,437 |
| Intangibles | 7,890 | 9,397 |
| Investment properties | 169 | 173 |
| Biological assets | 20 | 36 |
| Heritage and cultural assets | 11,600 | 11,599 |
| Assets held for sale | 164 | 181 |
| Other non-financial assets | 86 | 34 |
| <i>Total non-financial assets</i> | <i>146,477</i> | <i>150,178</i> |
| Total assets | 553,162 | 580,554 |
| Liabilities | | |
| Interest bearing liabilities | | |
| Deposits held | 386 | 381 |
| Government securities | 593,202 | 586,341 |
| Loans | 16,391 | 16,615 |
| Other borrowing | 1,538 | 1,493 |
| <i>Total interest bearing liabilities</i> | <i>611,517</i> | <i>604,830</i> |
| Provisions and payables | | |
| Superannuation liability(a) | 319,081 | 223,589 |
| Other employee liabilities | 19,908 | 20,175 |
| Suppliers payables | 5,570 | 7,392 |
| Personal benefits payables | 2,767 | 3,359 |
| Subsidies payables | 436 | 508 |
| Grants payables | 2,568 | 3,710 |
| Other payables | 2,278 | 2,176 |
| Provisions | 35,786 | 35,568 |
| <i>Total provisions and payables</i> | <i>388,393</i> | <i>296,477</i> |
| Total liabilities | 999,910 | 901,307 |
| Net worth(b) | -446,748 | -320,753 |
| <i>Net financial worth(c)</i> | <i>-593,226</i> | <i>-470,932</i> |
| <i>Net financial liabilities(d)</i> | <i>652,528</i> | <i>527,182</i> |
| <i>Net debt(e)</i> | <i>373,417</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 January \$m | ACTUAL 2018-2019 YTD January \$m | MYEFO Profile 2018-2019 YTD January \$m | MYEFO ESTIMATE* 2018-2019 FULL YEAR \$m |
|---|---------------------------------------|---|--|---|
| Cash receipts from operating activities | | | | |
| Taxes received | 28,551 | 239,960 | 239,913 | 447,645 |
| Receipts from sales of goods and services | 875 | 6,952 | 7,098 | 14,180 |
| Interest receipts | 339 | 2,399 | 2,350 | 4,397 |
| Dividends and income tax equivalents | 1,320 | 5,256 | 5,103 | 4,390 |
| Other receipts | 734 | 6,973 | 6,913 | 10,751 |
| Total operating receipts | 31,818 | 261,540 | 261,378 | 481,363 |
| Cash payments for operating activities | | | | |
| Payments for employees | -2,412 | -16,465 | -17,118 | -30,191 |
| Payments for goods and services | -7,026 | -65,288 | -65,448 | -117,058 |
| Grants and subsidies paid | -18,678 | -100,617 | -101,840 | -169,851 |
| Interest paid | -568 | -10,624 | -10,659 | -18,385 |
| Personal benefit payments | -9,302 | -75,875 | -76,447 | -126,483 |
| Other payments | -705 | -3,913 | -3,838 | -6,286 |
| Total operating payments | -38,690 | -272,781 | -275,349 | -468,255 |
| Net cash flows from operating activities | -6,872 | -11,240 | -13,971 | 13,108 |
| Cash flows from investments in non-financial assets | | | | |
| Sales of non-financial assets | 436 | 499 | 534 | 720 |
| Purchases of non-financial assets | -644 | -6,466 | -6,792 | -15,115 |
| Net cash flows from investments in non-financial assets | -208 | -5,967 | -6,258 | -14,395 |
| Net cash flows from investments in financial assets for policy purposes | -1,451 | -8,375 | -9,080 | -17,042 |
| Cash flows from investments in financial assets for liquidity purposes | | | | |
| Increase in investments | 6,275 | 20,782 | 23,032 | 8,905 |
| Net cash flows from investments in financial assets for liquidity purposes | 6,275 | 20,782 | 23,032 | 8,905 |
| Cash flows from financing activities | | | | |
| Borrowing (net) | 1,466 | 7,303 | 10,411 | 11,254 |
| Other financing (net) | -121 | -1,779 | -1,905 | -2,764 |
| Net cash flows from financing activities | 1,345 | 5,524 | 8,506 | 8,490 |
| Net increase/(decrease) in cash held | -910 | 723 | 2,228 | -934 |
| GFS cash surplus(+)/deficit-(b) | -7,080 | -17,208 | -20,230 | -1,286 |
| <i>less</i> Finance leases and similar arrangements(c) | 0 | 2 | 0 | 0 |
| <i>less</i> Net Future Fund earnings | 1,398 | 4,646 | 4,581 | 3,886 |
| Equals underlying cash balance(d) | -8,478 | -21,856 | -24,811 | -5,172 |
| <i>plus</i> Net cash flows from investments in financial assets for policy purposes | -1,451 | -8,375 | -9,080 | -17,042 |
| <i>plus</i> Net Future Fund earnings | 1,398 | 4,646 | 4,581 | 3,886 |
| Equals headline cash balance | -8,531 | -25,584 | -29,310 | -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 January \$m | ACTUAL 2018-2019 YTD January \$m | MYEFO Profile 2018-2019 YTD January \$m | MYEFO ESTIMATE* 2018-2019 FULL YEAR \$m |
|--|---------------------------------------|---|--|---|
| Individuals and other withholding taxes | | | | |
| Gross income tax withholding | 15,824 | 118,337 | 117,851 | 207,600 |
| Gross other individuals | 2,182 | 23,015 | 22,431 | 49,500 |
| less Refunds | 1,256 | 23,370 | 23,431 | 30,000 |
| Total individuals and other withholding taxation | 16,749 | 117,983 | 116,852 | 227,100 |
| Fringe benefits tax | 699 | 2,548 | 2,526 | 3,930 |
| Company tax | 5,901 | 52,294 | 52,907 | 94,500 |
| Superannuation fund taxes | 529 | 8,105 | 7,435 | 10,670 |
| Petroleum resource rent tax | 279 | 754 | 1,020 | 1,480 |
| Total income taxation revenue | 24,157 | 181,683 | 180,739 | 337,680 |

*As published in the 2018-19 MYEFO.

Note 2: Indirect Tax

| | ACTUAL 2018-2019 January \$m | ACTUAL 2018-2019 YTD January \$m | MYEFO Profile 2018-2019 YTD January \$m | MYEFO ESTIMATE* 2018-2019 FULL YEAR \$m |
|--|---------------------------------------|---|--|---|
| Goods and services tax | 2,974 | 38,313 | 37,867 | 69,180 |
| Wine equalisation tax | 117 | 602 | 614 | 1,050 |
| Luxury car tax | 53 | 388 | 401 | 700 |
| Excise duty | 1,812 | 14,111 | 13,950 | 23,385 |
| Customs duty | 1,359 | 8,567 | 9,028 | 16,750 |
| Other indirect tax | 536 | 5,109 | 5,086 | 9,252 |
| Total indirect taxation revenue | 6,852 | 67,090 | 66,946 | 120,317 |

*As published in the 2018-19 MYEFO.

Note 3: Total expenses by function

| | ACTUAL 2018-2019 January \$m | ACTUAL 2018-2019 YTD January \$m | MYEFO ESTIMATE* 2018-2019 FULL YEAR \$m |
|---|---------------------------------------|---|---|
| Expenses by function | | | |
| General public services | 3,459 | 16,787 | 26,193 |
| Defence | 1,669 | 17,403 | 30,594 |
| Public order and safety | 577 | 3,189 | 5,544 |
| Education | 8,307 | 25,553 | 35,170 |
| Health | 5,912 | 42,973 | 80,183 |
| Social security and welfare | 12,015 | 99,472 | 174,684 |
| Housing and community amenities | 337 | 2,439 | 5,647 |
| Recreation and culture | 306 | 2,030 | 3,949 |
| Fuel and energy | 600 | 4,271 | 7,716 |
| Agriculture, forestry and fishing | 179 | 1,257 | 3,196 |
| Mining, manufacturing and construction | 227 | 1,656 | 2,915 |
| Transport and communication | 906 | 2,896 | 8,455 |
| Other economic affairs | 752 | 5,447 | 10,039 |
| Other purposes | | | |
| Public debt interest | 1,461 | 10,132 | 17,235 |
| Nominal superannuation interest | 671 | 5,510 | 9,446 |
| General purpose inter-government transactions | 5,573 | 40,306 | 68,953 |
| Natural disaster relief | 0 | 0 | 153 |
| Contingency reserve | 0 | 0 | -1,706 |
| Total expenses | 42,952 | 281,322 | 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>.