



D E P A R T M E N T O F
T R E A S U R Y A N D F I N A N C E

MONTHLY
REPORT OF
**GENERAL
GOVERNMENT
FINANCES**

Statement for the Month Ended
30 November 2002

MONTHLY REPORT OF GENERAL GOVERNMENT FINANCES

NOVEMBER 2002

Operating Statement

A net operating surplus of \$9.6 million was recorded by the general government sector in November 2002, following an operating surplus of \$76.3 million in the previous month.

Revenue collected in November 2002 totalled \$870.9 million, down from \$1,132.1 million in October 2002, with the main variations being:

- a \$112.4 million reduction in Commonwealth grants, mainly reflecting the timing of GST grants and grants for on-passing to non-government schools and local government authorities;
- an \$88.6 million decline in revenue from the sale of goods and services, primarily due to higher than expected collections in October 2002;
- a \$45.5 million decrease in taxation revenue, primarily due to reductions in revenue from land tax (with the vast majority of annual land tax revenue recognised in September and October), insurance taxes (reflecting the timing of insurance companies' contributions to fire brigades) and payroll tax; and
- a \$24.2 million reduction in royalty revenue with gold, alumina, nickel and on-shore petroleum royalties recognised in October 2002, partially offset by November diamond royalties (up \$29.2 million).

Expenses in November 2002 totalled \$861.3 million, \$194.5 million lower than October 2002. Lower expenses in November were primarily the result of:

- a \$101.9 million reduction in current transfers due to the timing of Commonwealth grants received and on-passed to non-government schools and local government authorities;
- lower depreciation charges for the month (down \$27.9 million);
- a \$27.3 million decrease in "other" gross operating expenses due to a reduction in expenditure on items such as consumables, rent, contracts and other day-to-day operating costs across the general government sector; and
- a \$26.9 million decrease in salaries.

Cash Flow Statement

A cash surplus of \$153.3 million was recorded in November 2002, comprising a net cash inflow from operating activities of \$197.5 million and a net cash outflow from capital investments of \$44.3 million. Cash balances increased by \$95.0 million in November 2002.

Five Months Ending 30 November 2002

A net operating surplus of \$227.4 million was recorded for the first five months of 2002-03, slightly lower than the \$299.3 million surplus for the same period last year. Revenue and expenses were up \$233.0 million and \$305.1 million respectively in the first five months of 2002-03 compared with the same period the previous year.

Cash outflows exceeded inflows by \$40.1 million for the five months ending 30 November 2002, comprising of a net cash inflow from operating activities of \$251.3 million and a net cash outflow from capital investment of \$291.4 million.

GENERAL GOVERNMENT
Operating Statement

	2002-03				2001-02		
	Month of Oct \$m	Month of Nov \$m	Five Months to 30 Nov \$m	Annual Estimate ^(a) \$m	Month of Nov \$m	Five Months to 30 Nov \$m	Actual ^(b) \$m
REVENUE							
Taxation	296.1	250.6	1,525.0	3,179.2	228.8	1,347.1	2,941.0
Current grants and subsidies	546.9	454.4	2,295.2	5,365.8	489.5	2,327.9	5,280.1
Capital grants	38.2	18.3	125.0	305.7	13.9	82.8	268.8
Sales of goods and services	114.5	25.9	385.1	914.3	64.4	298.1	881.7
Interest income	6.5	10.6	44.3	103.5	7.2	56.3	122.0
Revenue from public corporations							
- Dividends	36.6	26.0	152.4	373.8	35.7	175.8	407.6
- Tax equivalent payments	11.7	28.7	103.1	225.1	21.8	102.8	241.0
Royalty income	61.2	37.0	252.3	672.1	32.0	242.5	635.9
Other	20.4	19.4	104.2	205.7	19.5	120.3	243.8
Total	1,132.1	870.9	4,986.6	11,345.3	912.7	4,753.6	11,021.9
EXPENSES							
Gross operating expenses							
- Salaries	384.7	357.8	1,839.5	4,383.1	339.9	1,719.6	4,182.9
- Depreciation & amortisation	63.8	35.9	232.2	618.1	40.1	205.2	518.2
- Superannuation	33.0	33.0	164.9	400.5	55.7	215.2	389.6
- Other	260.2	232.9	1,175.1	2,785.4	178.3	1,045.1	2,712.8
Nominal superannuation interest	23.4	23.4	117.2	276.2	22.9	114.3	277.6
Other interest	18.9	13.1	77.5	253.1	14.2	74.1	218.0
Current transfers	240.6	138.7	990.5	2,321.2	229.6	996.6	2,238.0
Capital transfers	31.3	26.5	162.4	254.7	16.3	84.0	275.8
Total	1,055.8	861.3	4,759.3	11,292.4	897.0	4,454.2	10,812.9
NET OPERATING BALANCE	76.3	9.6	227.4	52.9	15.7	299.3	208.9

(a) Estimate for 2002-03 published in the 2002-03 Government Mid-Year Financial Projections Statement, released 20 December 2002.

(b) Consistent with the 2001-02 Government Financial Results Report, released 25 September 2002.

Columns may not add due to rounding.

GENERAL GOVERNMENT
Cash Flow Statement

	2002-03				2001-02		
	Month of Oct \$m	Month of Nov \$m	Five Months to 30 Nov \$m	Annual Estimate ^(a) \$m	Month of Nov \$m	Five Months to 30 Nov \$m	Actual ^(b) \$m
RECEIPTS FROM OPERATING ACTIVITIES							
Taxes received	346.4	357.2	1,331.1	3,183.4	292.6	1,099.4	2,973.9
Receipts from sales of goods and services	107.7	35.8	469.2	910.2	90.2	497.6	871.9
Grants and subsidies received	584.6	449.5	2,398.3	5,645.5	507.7	2,419.4	5,555.3
Other receipts	281.5	82.3	771.0	2,165.6	104.1	768.1	2,151.6
<i>Total</i>	<i>1,320.2</i>	<i>924.8</i>	<i>4,969.5</i>	<i>11,904.7</i>	<i>994.6</i>	<i>4,784.6</i>	<i>11,552.6</i>
PAYMENTS FOR OPERATING ACTIVITIES							
Payments for goods & services	-716.6	-584.8	-3,331.8	-7,780.5	-513.2	-3,185.5	-7,397.1
Grants and subsidies paid	-247.1	-103.5	-976.4	-2,519.3	-207.0	-974.1	-2,317.1
Interest paid	-37.2	-2.7	-80.0	-248.6	-10.4	-85.9	-223.3
Other payments	-85.0	-36.3	-330.0	-785.2	-65.6	-328.7	-855.5
<i>Total</i>	<i>-1,085.9</i>	<i>-727.3</i>	<i>-4,718.2</i>	<i>-11,333.6</i>	<i>-796.2</i>	<i>-4,574.3</i>	<i>-10,793.0</i>
Net Cash Flow from Operating Activities	234.4	197.5	251.3	571.1	198.4	210.3	759.6
INVESTMENT IN NON-FINANCIAL ASSETS							
Purchase of non-financial assets	-104.0	-56.4	-326.3	-958.7	-77.3	-358.9	-860.2
Sales of non-financial assets	10.3	12.1	35.0	123.8	3.0	20.7	100.0
<i>Total</i>	<i>-93.7</i>	<i>-44.3</i>	<i>-291.4</i>	<i>-834.9</i>	<i>-74.3</i>	<i>-338.2</i>	<i>-760.2</i>
INVESTMENT IN FINANCIAL ASSETS							
Policy purposes	-15.2	17.3	-9.0	-116.8	-0.6	3.0	-92.9
Liquidity purposes	-2.7	-12.2	-1.6	50.3	-39.1	-32.4	-11.5
<i>Total</i>	<i>-17.9</i>	<i>5.1</i>	<i>-10.6</i>	<i>-66.5</i>	<i>-39.6</i>	<i>-29.3</i>	<i>-104.4</i>
Net Cash Flow from Investing Activities	-111.6	-39.2	-302.0	-901.4	-113.9	-367.6	-864.6
FINANCING ACTIVITIES							
Advances received (net)	-	-	-	-	-19.8	-32.6	-421.2
Borrowings (net)	25.6	-64.7	-16.7	228.6	-132.9	-14.4	443.0
Deposits received (net)	-1.8	-4.8	-4.8	-	-17.7	-101.7	-91.9
Other financing	11.4	6.2	11.7	-44.2	8.7	-12.6	-57.1
<i>Total</i>	<i>35.2</i>	<i>-63.3</i>	<i>-9.8</i>	<i>184.3</i>	<i>-161.7</i>	<i>-161.3</i>	<i>-127.2</i>
Opening cash balance	621.1	779.0	934.5	934.5	925.3	1,166.8	1,166.8
NET INCREASE IN CASH HELD	157.9	95.0	-60.5	-146.0	-77.2	-318.6	-232.3
Closing cash balance	779.0	874.0	-874.0	788.5	848.2	848.2	934.5
Net cash from operating activities and investments in non-financial assets	140.6	153.3	-40.1	-263.9	124.1	-128.0	-0.7
less finance leases and similar arrangements	-	-	-	-	-	-	-
GFS Cash Surplus	140.6	153.3	-40.1	-263.9	124.1	-128.0	-0.7

(a) Estimate for 2002-03 published in the 2002-03 Government Mid-Year Financial Projections Statement, released 20 December 2002.

(b) Consistent with the 2001-02 Government Financial Results Report, released 25 September 2002.

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