



SENATOR THE HON MATHIAS CORMANN
Minister for Finance

MEDIA RELEASE

Friday, 18 December 2015

AUSTRALIAN GOVERNMENT GENERAL GOVERNMENT SECTOR
MONTHLY FINANCIAL STATEMENTS
NOVEMBER 2015

KEY POINTS

- The underlying cash balance for the 2015-16 financial year to 30 November 2015 was a deficit of \$27,585 million.
- The fiscal balance for the 2015-16 financial year to 30 November 2015 was a deficit of \$23,400 million.

AGGREGATES	ACTUAL 2015-2016 November \$m	ACTUAL 2015-2016 YTD November \$m	Budget Profile 2015-2016 YTD November \$m	BUDGET ESTIMATE* 2015-2016 Full Year \$m
Revenue	31,190	153,090	156,320	405,350
Expenses	34,159	176,656	178,356	434,469
Net operating balance	-2,970	-23,566	-22,036	-29,118
Net capital investment	362	-166	1,025	3,854
Fiscal balance	-3,332	-23,400	-23,061	-32,972
Receipts(a)	31,199	150,122	150,754	397,980
less Payments(b)	32,850	176,280	178,232	429,836
less Net Future Fund earnings	53	1,427	1,988	3,258
Underlying cash balance(c)	-1,704	-27,585	-29,466	-35,115
Headline cash balance	-2,790	-30,679	-31,252	-44,764
Total assets		442,343		454,695
Total liabilities		771,064		716,135
Net worth(d)		-328,722		-261,440
Net debt(e)		264,172		285,802

*As published in the 2015-16 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 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 revenues and expenses vary from month to month.

Comparators for the November 2015 Monthly Financial Statements are based on the 2015-16 Budget published in May 2015. The 2015-16 Mid-Year Economic and Fiscal Outlook profiles will be available from the December 2015 Monthly Financial Statements onwards.

FISCAL OUTCOMES

Underlying Cash Balance

The underlying cash balance for the year to 30 November 2015 was a deficit of \$27,585 million, compared to the 2015-16 Budget profile deficit of \$29,466 million. The difference of \$1,881 million primarily relates to lower than expected cash payments.

Fiscal Balance

The fiscal balance for the year to 30 November 2015 was a deficit of \$23,400 million, compared to the Budget profile deficit of \$23,061 million. The difference of \$339 million relates to lower than expected revenue, partially offset by lower than expected expenses and net capital investment.

- **Revenues**

Total revenue was \$3,230 million lower than the Budget profile, primarily due to lower than expected taxation revenue, dividend income and interest income, partially offset by sales of goods and services.

- **Expenses**

Total expenses were \$1,700 million lower than the Budget profile, primarily due to lower than expected supply of goods and services, grants, personal benefits, and wages and salaries expenses, partially offset by higher than expected superannuation expenses.

Assets and Liabilities

As at 30 November 2015:

- Net worth is negative \$328,722 million;
- Net debt is \$264,172 million; and
- Net financial liabilities are \$490,043 million.

Senator the Hon Mathias Cormann
Minister for Finance

18 December 2015

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18 December 2015

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Australian Government general government sector operating statement

		ACTUAL 2015-2016 November	ACTUAL 2015-2016 YTD November	Budget Profile 2015-2016 YTD November	BUDGET ESTIMATE* 2015-2016 Full Year
	Note	\$m	\$m	\$m	\$m
Revenue					
Taxation revenue	1, 2	30,977	143,534	146,004	380,074
Sales of goods and services		720	4,113	3,890	9,542
Interest income		270	1,444	1,783	4,083
Dividend income [^]		-1,552	1,193	1,767	3,143
Other		775	2,806	2,875	8,508
Total revenue		31,190	153,090	156,320	405,350
Expenses					
Gross operating expenses					
Wages and salaries(a)		1,551	7,813	8,201	19,801
Superannuation		516	2,556	1,958	4,760
Depreciation and amortisation		535	2,882	2,964	7,182
Supply of goods and services		6,583	33,975	34,642	85,046
Other operating expenses(a)		511	2,519	2,257	5,510
<i>Total gross operating expenses</i>		<i>9,695</i>	<i>49,745</i>	<i>50,022</i>	<i>122,298</i>
Superannuation interest expense		770	3,848	4,112	9,869
Interest expenses		1,356	6,763	6,919	17,270
Current transfers					
Current grants		9,566	50,177	50,563	128,415
Subsidy expenses		992	5,077	5,159	12,654
Personal benefits		10,567	56,727	57,191	133,123
<i>Total current transfers</i>		<i>21,125</i>	<i>111,982</i>	<i>112,914</i>	<i>274,191</i>
Capital transfers					
Mutually agreed write-downs		339	945	852	2,199
Other capital grants		874	3,374	3,536	8,641
<i>Total capital transfers</i>		<i>1,213</i>	<i>4,319</i>	<i>4,389</i>	<i>10,840</i>
Total expenses	3	34,159	176,656	178,356	434,469
Net operating balance		-2,970	-23,566	-22,036	-29,118
Other economic flows					
- included in operating result(b)					
Net write-downs of assets (including bad and doubtful debts)		-1,369	-3,381	-4,529	-8,638
Assets recognised for the first time		133	245	139	335
Liabilities recognised for the first time		0	0	0	0
Actuarial revaluations		0	0	0	0
Net foreign exchange gains		892	-689	46	46
Net swap interest received		-43	-453	0	0
Market valuation of debt		5,934	-449	1,544	3,625
Other gains/(losses)		-1,185	2,729	3,063	5,604
Total other economic flows		4,363	-1,998	263	972
Operating result		1,394	-25,564	-21,773	-28,147
Non-owner movements in equity(b)					
Revaluation of equity investments(c)		1	15	643	-2,221
Actuarial revaluations		0	0	42	105
Other economic revaluations(d)		451	-183	-71	135
Total other economic flows - included in equity		453	-168	615	-1,981
Comprehensive result - Total change in net worth		1,206	-26,373	-21,158	-30,128
Net operating balance		-2,970	-23,566	-22,036	-29,118
Net acquisition of non-financial assets					
Purchases of non-financial assets		773	2,773	4,092	11,408
less Sales of non-financial assets		61	187	190	491
less Depreciation		535	2,882	2,964	7,182
plus Change in inventories		169	54	97	352
plus Other movements in non-financial assets		16	76	-10	-234
Total net acquisition of non-financial assets		362	-166	1,025	3,854
Fiscal balance (Net lending/borrowing)(e)		-3,332	-23,400	-23,061	-32,972

*As published in the 2015-16 Budget.

[^]This movement in November relates to an adjustment made to the year-to-date *Dividend income* from that previously reported in September and October 2015. This amount should have been reported as a reduction in *Other receivables* in the balance sheet for these months. This adjustment does not impact the Government's underlying cash balance.

(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) The presentation of other economic flows has changed to align more closely with Australian Accounting Standard AASB 1049.

(c) Reflects changes in the market valuation of investments and any revaluations at the point of disposal or sale.

(d) Largely reflects other revaluation of assets and liabilities.

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

Australian Government general government sector balance sheet

	ACTUAL as at 30 November 2015 \$m	BUDGET ESTIMATE* as at 30 June 2016 \$m
Assets		
Financial assets		
Cash and deposits	3,615	3,435
Advances paid	48,404	52,901
Investments, loans and placements	140,186	137,947
Other receivables	47,537	45,980
Equity investments		
Investments in other public sector entities	42,685	45,471
Equity accounted investments	304	326
Investments - shares	40,975	46,537
<i>Total financial assets</i>	<i>323,707</i>	<i>332,597</i>
Non-financial assets		
Land	9,936	9,144
Buildings	25,465	26,927
Plant, equipment and infrastructure	56,440	59,766
Inventories	8,336	8,211
Intangibles	6,585	6,547
Investment property	190	195
Biological assets	39	36
Heritage and cultural assets	11,273	10,852
Assets held for sale	99	72
Other non-financial assets	274	348
<i>Total non-financial assets</i>	<i>118,636</i>	<i>122,098</i>
Total assets	442,343	454,695
Liabilities		
Interest bearing liabilities		
Deposits held	217	211
Government securities	442,590	464,298
Loans	11,877	14,148
Other borrowing	1,693	1,428
<i>Total interest bearing liabilities</i>	<i>456,377</i>	<i>480,084</i>
Provisions and payables		
Superannuation liability(a)	251,339	173,921
Other employee liabilities	17,322	16,105
Suppliers payable	4,694	4,914
Personal benefits provisions and payable	11,789	12,826
Subsidies provisions and payable	4,646	4,854
Grants provisions and payable	10,166	8,472
Other provisions and payables	14,732	14,959
<i>Total provisions and payables</i>	<i>314,688</i>	<i>236,051</i>
Total liabilities	771,064	716,135
Net worth(b)	-328,722	-261,440
<i>Net financial worth(c)</i>	<i>-447,358</i>	<i>-383,538</i>
<i>Net financial liabilities(d)</i>	<i>490,043</i>	<i>429,009</i>
<i>Net debt(e)</i>	<i>264,172</i>	<i>285,802</i>

*As published in the 2015-16 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 is used to calculate the superannuation liability for the purpose of actuals reporting.

(b) Net worth is calculated as 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 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

	ACTUAL 2015-2016 November \$m	ACTUAL 2015-2016 YTD November \$m	Budget Profile 2015-2016 YTD November \$m	BUDGET ESTIMATE* 2015-2016 Full Year \$m
Cash receipts from operating activities				
Taxes received	29,728	139,051	139,321	370,140
Receipts from sales of goods and services	669	3,663	3,957	9,475
Interest receipts	183	1,202	1,496	3,334
Dividends and income tax equivalents	-81	2,927	3,200	4,623
Other receipts	662	3,127	2,093	8,549
Total operating receipts	31,162	149,970	150,068	396,121
Cash payments for operating activities				
Payments for employees	-2,152	-11,128	-11,574	-27,891
Payments for goods and services	-6,510	-34,756	-34,160	-85,076
Grants and subsidies paid	-11,648	-59,879	-60,978	-150,792
Interest paid	-698	-6,615	-6,731	-14,953
Personal benefit payments	-10,989	-59,144	-58,754	-134,744
Other payments	-301	-2,123	-1,935	-5,218
Total operating payments	-32,297	-173,644	-174,132	-418,674
Net cash flows from operating activities	-1,135	-23,675	-24,064	-22,553
Cash flows from investments in non-financial assets				
Sales of non-financial assets	37	153	687	1,859
Purchases of non-financial assets	-498	-2,578	-4,100	-11,161
Net cash flows from investments in non-financial assets	-461	-2,426	-3,413	-9,302
Net cash flows from investments in financial assets for policy purposes	-1,139	-4,521	-3,774	-12,908
Cash flows from investments in financial assets for liquidity purposes				
Increase in investments	-6,600	-1,381	10,891	-3,129
Net cash flows from investments in financial assets for liquidity purposes	-6,600	-1,381	10,891	-3,129
Cash flows from financing activities				
Borrowing (net)	9,937	33,668	21,177	50,790
Other financing (net)	-159	-1,206	-1,199	-2,608
Net cash flows from financing activities	9,778	32,462	19,979	48,182
Net increase/(decrease) in cash held	442	459	-382	291
Net cash flows from operating activities and investments in non-financial assets (Surplus(+)/deficit(-))	-1,596	-26,100	-27,477	-31,855
Finance leases and similar arrangements(b)	-55	-58	-1	-2
GFS cash surplus(+)/deficit(-)	-1,651	-26,158	-27,478	-31,856
less Net Future Fund earnings	53	1,427	1,988	3,258
Equals underlying cash balance(c)	-1,704	-27,585	-29,466	-35,115
plus Net cash flows from investments in financial assets for policy purposes	-1,139	-4,521	-3,774	-12,908
plus Net Future Fund earnings	53	1,427	1,988	3,258
Equals headline cash balance	-2,790	-30,679	-31,252	-44,764

*As published in the 2015-16 Budget.

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

(b) The acquisition of assets under finance leases decreases the underlying cash balance. The disposal of assets previously held under finance leases increases the underlying cash.

(c) The term underlying cash balance is not used by the Australian Bureau of Statistics.

Note 1: Income Tax

	ACTUAL 2015-2016 November \$m	ACTUAL 2015-2016 YTD November \$m	Budget Profile 2015-2016 YTD November \$m	BUDGET ESTIMATE* 2015-2016 Full Year \$m
Individuals and other w ithholding taxes				
Gross income tax w ithholding	14,640	72,553	73,674	178,460
Gross other individuals	2,988	16,643	16,589	43,800
/ess Refunds	2,323	19,675	19,650	28,000
Total individuals and other w ithholding taxation	15,304	69,521	70,613	194,260
Fringe benefits tax	36	2,059	2,221	5,020
Company tax	5,057	24,593	24,696	69,800
Superannuation funds	695	3,502	4,637	9,180
Resource rent taxes	-11	416	829	1,420
Total income taxation revenue	21,081	100,093	102,996	279,680

*As published in the 2015-16 Budget.

Note 2: Indirect Tax

	ACTUAL 2015-2016 November \$m	ACTUAL 2015-2016 YTD November \$m	Budget Profile 2015-2016 YTD November \$m	BUDGET ESTIMATE* 2015-2016 Full Year \$m
Goods and services tax	6,184	26,654	26,513	60,330
Wine equalisation tax	80	327	296	840
Luxury car tax	50	245	191	450
Excise duty	1,941	9,245	10,538	24,920
Customs duty	1,134	5,241	3,747	9,480
Other indirect tax	506	1,729	1,724	4,374
Total indirect taxation revenue	9,896	43,441	43,009	100,394

*As published in the 2015-16 Budget.

Note 3: Total expenses by function

	ACTUAL 2015-2016 November \$m	ACTUAL 2015-2016 YTD November \$m	BUDGET ESTIMATE* 2015-2016 Full Year \$m
Expenses by function			
General public services	1,720	8,488	22,162
Defence	2,078	11,131	26,348
Public order and safety	407	2,019	4,885
Education	1,536	13,642	31,854
Health	5,603	28,341	69,381
Social security and w elfare	12,311	64,978	154,000
Housing and community amenities	349	1,884	5,329
Recreation and culture	180	1,293	3,530
Fuel and energy	536	2,713	6,706
Agriculture, Forestry and Fishing	196	792	3,063
Mining, manufacturing and construction	226	1,202	3,142
Transport and communication(a)	873	1,807	8,575
Other economic affairs	695	3,743	9,792
Other purposes			
Public debt interest	1,248	6,233	15,561
Nominal superannuation interest	770	3,848	9,869
General purpose inter-government transactions	5,432	24,542	60,038
Natural disaster relief	0	0	33
Contingency reserve	0	0	201
Total expenses	34,159	176,656	434,469

*As published in the 2015-16 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 (IMF) Special Data Dissemination Standards (SDDS)

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. 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/quarterly-data-september-2015/>.

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>.