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Minister for Finance

MEDIA RELEASE

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AUSTRALIAN GOVERNMENT GENERAL GOVERNMENT SECTOR
MONTHLY FINANCIAL STATEMENTS
DECEMBER 2015

KEY POINTS

- The underlying cash balance for the 2015-16 financial year to 31 December 2015 was a deficit of \$35,488 million.
- The fiscal balance for the 2015-16 financial year to 31 December 2015 was a deficit of \$28,529 million.

AGGREGATES	ACTUAL 2015-2016 December \$m	ACTUAL 2015-2016 YTD December \$m	MYEFO Profile 2015-2016 YTD December \$m	MYEFO ESTIMATE* 2015-2016 Full Year \$m
Revenue	30,737	183,826	182,069	400,953
Expenses	35,341	211,997	213,225	432,234
Net operating balance	-4,605	-28,171	-31,156	-31,281
Net capital investment	524	358	359	4,484
Fiscal balance	-5,129	-28,529	-31,515	-35,765
Receipts(a)	30,496	180,619	179,353	394,891
less Payments(b)	38,108	214,389	211,845	428,335
less Net Future Fund earnings	290	1,718	2,232	3,955
Underlying cash balance(c)	-7,903	-35,488	-34,725	-37,399
Headline cash balance	-8,745	-39,424	-38,118	-48,171
Total assets		431,847		475,317
Total liabilities		767,424		730,100
Net worth(d)		-335,577		-254,783
Net debt(e)		274,133		278,761

*As published in the 2015-16 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 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.

FISCAL OUTCOMES

Underlying Cash Balance

The underlying cash balance for the year to 31 December 2015 was a deficit of \$35,488 million, compared to the 2015-16 Mid-Year Economic and Fiscal Outlook (MYEFO) profile deficit of \$34,725 million. The difference of \$763 million primarily relates to higher than expected cash payments, partially offset by higher than expected cash receipts.

Fiscal Balance

The fiscal balance for the year to 31 December 2015 was a deficit of \$28,529 million, compared to the MYEFO profile deficit of \$31,515 million. The difference of \$2,986 million relates to higher than expected revenue and lower than expected expenses.

- **Revenues**

Total revenue was \$1,758 million higher than the MYEFO profile, primarily due to higher than expected taxation revenue.

- **Expenses**

Total expenses were \$1,228 million lower than the MYEFO profile, primarily due to lower supply of goods and services, and wages and salaries expenses.

Assets and Liabilities

As at 31 December 2015:

- Net worth is negative \$335,577 million;
- Net debt is \$274,133 million; and
- Net financial liabilities are \$497,890 million.

Senator the Hon Mathias Cormann
Minister for Finance

22 January 2016

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22 January 2016

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Australian Government general government sector operating statement

		ACTUAL 2015-2016 December \$m	ACTUAL 2015-2016 YTD December \$m	MYEFO Profile 2015-2016 YTD December \$m	MYEFO ESTIMATE* 2015-2016 Full Year \$m
Note					
Revenue					
	Taxation revenue	30,026	173,560	172,052	375,923
	Sales of goods and services	-245	3,869	3,769	7,956
	Interest income	289	1,734	1,749	4,519
	Dividend income	283	1,476	1,358	3,841
	Other	383	3,188	3,141	8,714
	Total revenue	30,737	183,826	182,069	400,953
Expenses					
	Gross operating expenses				
	Wages and salaries(a)	1,462	9,274	9,820	20,072
	Superannuation	491	3,047	2,932	5,930
	Depreciation and amortisation	551	3,433	3,462	7,129
	Supply of goods and services	6,740	40,715	41,390	82,423
	Other operating expenses(a)	355	2,874	2,823	5,439
	<i>Total gross operating expenses</i>	<i>9,598</i>	<i>59,343</i>	<i>60,428</i>	<i>120,992</i>
	Superannuation interest expense	770	4,617	4,616	9,231
	Interest expenses	1,421	8,183	8,271	17,260
	Current transfers				
	Current grants	10,124	60,302	60,331	127,737
	Subsidy expenses	1,123	6,201	6,308	12,944
	Personal benefits	11,423	68,150	68,318	133,402
	<i>Total current transfers</i>	<i>22,671</i>	<i>134,653</i>	<i>134,957</i>	<i>274,084</i>
	Capital transfers				
	Mutually agreed write-downs	237	1,182	1,023	1,887
	Other capital grants	645	4,019	3,931	8,780
	<i>Total capital transfers</i>	<i>882</i>	<i>5,201</i>	<i>4,954</i>	<i>10,667</i>
	Total expenses	35,341	211,997	213,225	432,234
	Net operating balance	-4,605	-28,171	-31,156	-31,281
Other economic flows					
- included in operating result(b)					
	Net write-downs of assets (including bad and doubtful debts)	-2,245	-5,626	-3,181	-8,037
	Assets recognised for the first time	-77	167	255	322
	Liabilities recognised for the first time	0	0	0	0
	Actuarial revaluations	0	0	0	0
	Net foreign exchange gains	-88	-777	-519	-518
	Net swap interest received	43	-410	-410	-410
	Market valuation of debt	-202	-651	-494	832
	Other gains/(losses)	693	3,422	3,124	5,195
	Total other economic flows	-1,876	-3,875	-1,226	-2,616
	Operating result	-6,481	-32,045	-32,382	-33,897
Non-owner movements in equity(b)					
	Revaluation of equity investments(c)	-11	4	-599	846
	Actuarial revaluations	0	0	47,075	-2,926
	Other economic revaluations(d)	-1,003	-1,186	-71,849	1
	Total other economic flows - included in equity	-1,014	-1,182	-25,373	-2,079
	Comprehensive result - Total change in net worth	-7,495	-33,228	-57,754	-35,976
	Net operating balance	-4,605	-28,171	-31,156	-31,281
Net acquisition of non-financial assets					
	Purchases of non-financial assets	1,209	3,982	3,969	11,661
	less Sales of non-financial assets	79	266	276	528
	less Depreciation	551	3,433	3,462	7,129
	plus Change in inventories	-71	-17	81	421
	plus Other movements in non-financial assets	16	92	47	59
	Total net acquisition of non-financial assets	524	358	359	4,484
	Fiscal balance (Net lending/borrowing)(e)	-5,129	-28,529	-31,515	-35,765

*As published in the 2015-16 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) 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 31 December 2015 \$m	MYEFO ESTIMATE* as at 30 June 2016 \$m
Assets		
Financial assets		
Cash and deposits	5,305	3,872
Advances paid	48,384	53,218
Investments, loans and placements	127,720	154,537
Other receivables	47,914	46,594
Equity investments		
Investments in other public sector entities	43,325	49,087
Equity accounted investments	314	315
Investments - shares	39,896	44,939
<i>Total financial assets</i>	<i>312,858</i>	<i>352,560</i>
Non-financial assets		
Land	9,935	9,780
Buildings	25,430	26,198
Plant, equipment and infrastructure	56,879	59,667
Inventories	8,241	8,351
Intangibles	6,605	6,835
Investment property	203	187
Biological assets	39	44
Heritage and cultural assets	11,276	11,344
Assets held for sale	92	87
Other non-financial assets	289	265
<i>Total non-financial assets</i>	<i>118,989</i>	<i>122,757</i>
Total assets	431,847	475,317
Liabilities		
Interest bearing liabilities		
Deposits held	217	218
Government securities	442,128	472,416
Loans	11,515	16,191
Other borrowing	1,682	1,562
<i>Total interest bearing liabilities</i>	<i>455,542</i>	<i>490,387</i>
Provisions and payables		
Superannuation liability(a)	252,043	173,958
Other employee liabilities	16,487	17,059
Suppliers payable	3,881	5,972
Personal benefits provisions and payable	10,304	13,304
Subsidies provisions and payable	4,441	5,035
Grants provisions and payable	11,015	9,397
Other provisions and payables	13,710	14,990
<i>Total provisions and payables</i>	<i>311,881</i>	<i>239,714</i>
Total liabilities	767,424	730,100
Net worth(b)	-335,577	-254,783
<i>Net financial worth(c)</i>	<i>-454,565</i>	<i>-377,540</i>
<i>Net financial liabilities(d)</i>	<i>497,890</i>	<i>426,627</i>
<i>Net debt(e)</i>	<i>274,133</i>	<i>278,761</i>

*As published in the 2015-16 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 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 December \$m	ACTUAL 2015-2016 YTD December \$m	MYEFO Profile 2015-2016 YTD December \$m	MYEFO ESTIMATE* 2015-2016 Full Year \$m
Cash receipts from operating activities				
Taxes received	29,970	169,021	168,177	368,230
Receipts from sales of goods and services	-220	3,443	3,681	7,870
Interest receipts	188	1,389	1,396	3,874
Dividends and income tax equivalents	217	3,144	2,849	4,516
Other receipts	323	3,449	2,847	8,505
Total operating receipts	30,477	180,446	178,950	392,995
Cash payments for operating activities				
Payments for employees	-2,581	-13,708	-13,698	-28,130
Payments for goods and services	-7,756	-42,511	-41,960	-82,104
Grants and subsidies paid	-11,995	-71,874	-71,075	-150,706
Interest paid	-667	-7,282	-7,289	-15,040
Personal benefit payments	-13,411	-72,555	-70,841	-135,228
Other payments	-617	-2,740	-2,917	-5,313
Total operating payments	-37,027	-210,671	-207,780	-416,521
Net cash flows from operating activities	-6,550	-30,225	-28,830	-23,526
Cash flows from investments in non-financial assets				
Sales of non-financial assets	20	172	403	1,896
Purchases of non-financial assets	-1,082	-3,660	-4,065	-11,812
Net cash flows from investments in non-financial assets	-1,062	-3,488	-3,662	-9,917
Net cash flows from investments in financial assets for policy purposes	-1,133	-5,654	-5,626	-14,727
Cash flows from investments in financial assets for liquidity purposes				
Increase in investments	11,792	10,411	-1,276	-13,132
Net cash flows from investments in financial assets for liquidity purposes	11,792	10,411	-1,276	-13,132
Cash flows from financing activities				
Borrowing (net)	-1,263	32,404	41,001	64,552
Other financing (net)	-93	-1,298	-1,252	-2,535
Net cash flows from financing activities	-1,356	31,106	39,749	62,017
Net increase/(decrease) in cash held	1,690	2,150	353	716
Net cash flows from operating activities and investments in non-financial assets (Surplus(+)/deficit(-))	-7,612	-33,713	-32,492	-33,443
Finance leases and similar arrangements(b)	0	-58	-1	-2
GFS cash surplus(+)/deficit(-)	-7,612	-33,770	-32,493	-33,444
less Net Future Fund earnings	290	1,718	2,232	3,955
Equals underlying cash balance(c)	-7,903	-35,488	-34,725	-37,399
plus Net cash flows from investments in financial assets for policy purposes	-1,133	-5,654	-5,626	-14,727
plus Net Future Fund earnings	290	1,718	2,232	3,955
Equals headline cash balance	-8,745	-39,424	-38,118	-48,171

*As published in the 2015-16 MYEFO.

(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 December \$m	ACTUAL 2015-2016 YTD December \$m	MYEFO Profile 2015-2016 YTD December \$m	MYEFO ESTIMATE* 2015-2016 Full Year \$m
Individuals and other w ithholding taxes				
Gross income tax w ithholding	15,058	87,612	88,099	176,550
Gross other individuals	1,497	18,141	17,735	44,310
/ess Refunds	1,323	20,998	20,940	27,500
Total individuals and other w ithholding taxation	15,233	84,754	84,894	193,360
Fringe benefits tax	20	2,079	2,086	4,610
Company tax	6,226	30,820	30,075	67,996
Superannuation funds	447	3,950	4,057	7,780
Resource rent taxes	0	416	416	960
Total income taxation revenue	21,926	122,019	121,529	274,706

*As published in the 2015-16 MYEFO.

Note 2: Indirect Tax

	ACTUAL 2015-2016 December \$m	ACTUAL 2015-2016 YTD December \$m	MYEFO Profile 2015-2016 YTD December \$m	MYEFO ESTIMATE* 2015-2016 Full Year \$m
Goods and services tax	3,101	29,754	29,686	59,790
Wine equalisation tax	95	422	395	850
Luxury car tax	48	293	294	520
Excise duty	1,774	11,019	10,867	21,393
Customs duty	1,577	6,818	6,390	12,910
Other indirect tax	1,505	3,233	2,891	5,754
Total indirect taxation revenue	8,100	51,541	50,523	101,217

*As published in the 2015-16 MYEFO.

Note 3: Total expenses by function

	ACTUAL 2015-2016 December \$m	ACTUAL 2015-2016 YTD December \$m	MYEFO ESTIMATE* 2015-2016 Full Year \$m
Expenses by function			
General public services	1,686	10,174	22,639
Defence	2,099	13,230	26,559
Public order and safety	426	2,446	4,958
Education	2,815	16,457	32,478
Health	4,844	33,185	68,686
Social security and w elfare	13,404	78,381	152,782
Housing and community amenities	349	2,233	5,434
Recreation and culture	285	1,579	3,440
Fuel and energy	574	3,286	6,773
Agriculture, Forestry and Fishing	170	962	3,119
Mining, manufacturing and construction	353	1,555	3,619
Transport and communication(a)	655	2,462	8,882
Other economic affairs	739	4,482	10,131
Other purposes			
Public debt interest	1,352	7,585	15,680
Nominal superannuation interest	770	4,617	9,231
General purpose inter-government transactions	4,822	29,364	59,239
Natural disaster relief	0	0	40
Contingency reserve	0	0	-1,456
Total expenses	35,341	211,997	432,234

*As published in the 2015-16 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/quarterley-data-december-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>.