



SENATOR THE HON MATHIAS CORMANN
Minister for Finance

MEDIA RELEASE

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AUSTRALIAN GOVERNMENT GENERAL GOVERNMENT SECTOR
MONTHLY FINANCIAL STATEMENTS
DECEMBER 2013

KEY POINTS

- The underlying cash balance for the 2013-14 financial year to 31 December 2013 was a deficit of \$30,376 million.
- The fiscal balance for the 2013-14 financial year to 31 December 2013 was a deficit of \$24,528 million.

AGGREGATES	ACTUAL 2013-2014 December \$m	ACTUAL 2013-2014 YTD December \$m	MYEFO PROFILE 2013-2014 YTD December \$m	MYEFO ESTIMATE* 2013-2014 Full Year \$m
Revenue	24,900	173,869	172,157	373,922
Expenses	32,505	197,558	198,575	412,060
Net operating balance	-7,605	-23,690	-26,418	-38,137
Net capital investment	220	839	386	3,706
Fiscal balance	-7,825	-24,528	-26,804	-41,843
Receipts(a)	23,869	165,775	165,029	364,930
Payments(b)	30,939	194,871	192,177	409,049
Net Future Fund earnings	325	1,280	1,722	2,871
Underlying cash balance(c)	-7,395	-30,376	-28,870	-46,989
Headline cash balance	-7,988	-32,515	-33,016	-51,640
Total assets		377,838		386,331
Total liabilities		597,224		562,980
Net worth(d)		-219,386		-176,649
Net debt(e)		177,739		191,520

*As published in the 2013-14 Mid-Year Economic and Fiscal Outlook (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 the 2013-14 Budget, 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 2013 was a deficit of \$30,376 million, compared to the Mid-Year Economic and Fiscal Outlook (MYEFO) profile deficit of \$28,870 million. The difference of \$1,506 million relates to higher than expected cash payments, partially offset by higher than expected cash receipts excluding net Future Fund earnings.

Fiscal Balance

The fiscal balance for the year to 31 December 2013 was a deficit of \$24,528 million, compared to the MYEFO profile deficit of \$26,804 million. The difference of \$2,276 million relates to higher than expected revenue and lower than expected expenses, partially offset by higher net capital investment.

- **Revenues**

Total revenue was \$1,712 million higher than the MYEFO profile, primarily due to higher than expected taxation revenue. The gain in revenue in December is in part attributable to stronger than expected receivables growth. The movement in receivables is historically volatile and as such the December outcome may not be reflective of outcomes over the remainder of the financial year.

- **Expenses**

Total expenses were \$1,017 million lower than the MYEFO profile due to lower gross operating expenses and lower subsidies expenses, partially offset by higher personal benefits expenses.

Assets and Liabilities

The net worth of the Australian Government general government sector is a negative net asset position of \$219,386 million as at 31 December 2013. The net debt of the Australian Government general government sector is \$177,739 million as at 31 December 2013.

Senator the Hon Mathias Cormann
Minister for Finance

28 February 2014

David Tune
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28 February 2014

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Australian Government general government sector operating statement

		ACTUAL 2013-2014 December	ACTUAL 2013-2014 YTD December	MYEFO PROFILE 2013-2014 YTD December	MYEFO ESTIMATE* 2013-2014 Full Year
	Note	\$m	\$m	\$m	\$m
Revenue					
Taxation revenue	1, 2	23,247	162,993	161,239	351,434
Sales of goods and services		703	4,453	4,323	8,680
Interest income		268	1,617	1,938	3,730
Dividend income		255	1,232	1,370	3,792
Other		427	3,572	3,288	6,286
Total revenue		24,900	173,869	172,157	373,922
Expenses					
Gross operating expenses					
Wages and salaries(a)		1,576	9,640	9,807	19,815
Superannuation		414	2,754	2,715	5,304
Depreciation and amortisation		480	3,117	3,159	6,426
Supply of goods and services		6,047	37,145	37,581	74,514
Other operating expenses(a)		296	2,600	2,842	5,647
<i>Total gross operating expenses</i>		<i>8,812</i>	<i>55,256</i>	<i>56,104</i>	<i>111,706</i>
Superannuation interest expense		684	4,101	4,099	8,197
Interest expenses		1,122	6,781	6,936	14,926
Current transfers					
Current grants		8,572	54,382	54,559	118,955
Subsidy expenses		1,269	8,374	8,950	15,345
Personal benefits		10,828	63,379	62,717	122,784
<i>Total current transfers</i>		<i>20,669</i>	<i>126,135</i>	<i>126,226</i>	<i>257,085</i>
Capital transfers					
Mutually agreed write-downs		237	1,282	1,176	2,382
Other capital grants		982	4,003	4,035	17,764
<i>Total capital transfers</i>		<i>1,218</i>	<i>5,286</i>	<i>5,211</i>	<i>20,146</i>
Total expenses	3	32,505	197,558	198,575	412,060
Net operating balance		-7,605	-23,690	-26,418	-38,137
Other economic flows					
- included in operating result(b)					
Net write-downs of assets (including bad and doubtful debts)		-1,356	-3,901	-2,987	-6,016
Assets recognised for the first time		48	308	210	456
Liabilities recognised for the first time		0	0	0	0
Actuarial revaluations		0	0	0	0
Net foreign exchange gains		-649	-1,000	58	60
Net swap interest received		-92	-431	-299	-499
Market valuation of debt		-525	4,729	7,385	7,371
Other gains/(losses)		1,863	7,725	2,960	5,672
Total other economic flows		-712	7,430	7,327	7,043
Operating result		-8,318	-16,260	-19,091	-31,094
Non-owner movements in equity(b)					
Revaluation of equity investments(c)		0	0	59	6,430
Actuarial revaluations		0	0	0	10
Other economic revaluations(d)		-565	-476	27	865
Total other economic flows - included in equity		-565	-476	86	7,305
Comprehensive result - Total change in net worth		-8,883	-16,735	-19,005	-23,789
Net operating balance		-7,605	-23,690	-26,418	-38,137
Net acquisition of non-financial assets					
Purchases of non-financial assets		609	4,054	3,638	10,154
less Sales of non-financial assets		30	175	141	452
less Depreciation		480	3,117	3,159	6,426
plus Change in inventories		114	19	-27	280
plus Other movements in non-financial assets		7	58	74	150
Total net acquisition of non-financial assets		220	839	386	3,706
Fiscal balance (Net lending/borrowing)(e)		-7,825	-24,528	-26,804	-41,843

*As published in the 2013-14 Mid-Year Economic and Fiscal Outlook (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 2013 \$m	MYEFO ESTIMATE* as at 30 June 2014 \$m
Assets		
Financial assets		
Cash and deposits	4,962	2,720
Advances paid	37,371	39,807
Investments, loans and placements	112,289	115,405
Other receivables(a)	49,026	44,744
Equity investments		
Investments in other public sector entities	26,336	35,557
Equity accounted investments	293	300
Investments - shares	37,015	34,753
<i>Total financial assets</i>	267,293	273,286
Non-financial assets		
Land	8,906	8,981
Buildings	24,168	24,601
Plant, equipment and infrastructure	52,890	54,485
Inventories	7,696	7,820
Intangibles	5,650	5,828
Investment property	230	198
Biological assets	31	33
Heritage and cultural assets	10,552	10,561
Assets held for sale	80	95
Other non-financial assets(a)	341	442
<i>Total non-financial assets</i>	110,545	113,045
Total assets	377,838	386,331
Liabilities		
Interest bearing liabilities		
Deposits held	229	182
Government securities	321,022	335,066
Loans	9,645	12,708
Other borrowing	1,465	1,496
<i>Total interest bearing liabilities</i>	332,361	349,452
Provisions and payables		
Superannuation liability(b)	196,520	149,786
Other employee liabilities	14,461	14,963
Suppliers payable	3,327	4,830
Personal benefits provisions and payable	14,081	12,147
Subsidies provisions and payable	6,018	3,986
Grants provisions and payable	15,832	14,154
Other provisions and payables	14,624	13,661
<i>Total provisions and payables</i>	264,862	213,527
Total liabilities	597,224	562,980
Net worth(c)	-219,386	-176,649
<i>Net financial worth(d)</i>	-329,931	-289,693
<i>Net financial liabilities(e)</i>	356,267	325,251
<i>Net debt(f)</i>	177,739	191,520

*As published in the 2013-14 Mid-Year Economic and Fiscal Outlook (MYEFO).

(a) As a result of the 2013-14 Budget there has been a reclassification between other non-financial assets and other receivables.

(b) 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.

(c) Net worth is calculated as 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 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 2013-2014 December \$m	ACTUAL 2013-2014 YTD December \$m	MYEFO PROFILE 2013-2014 YTD December \$m	MYEFO ESTIMATE* 2013-2014 Full Year \$m
Cash receipts from operating activities				
Taxes received	22,139	153,996	153,508	343,480
Receipts from sales of goods and services	712	4,409	4,255	8,626
Interest receipts	208	1,413	1,887	3,591
Dividends and income tax equivalents	283	1,607	1,727	2,883
Other receipts	497	4,175	3,511	5,941
Total operating receipts	23,839	165,600	164,888	364,521
Cash payments for operating activities				
Payments for employees	-2,111	-13,384	-13,402	-27,037
Payments for goods and services	-7,706	-38,790	-37,794	-74,464
Grants and subsidies paid	-9,169	-64,920	-64,269	-153,845
Interest paid	-1,121	-6,050	-5,983	-12,419
Personal benefit payments	-9,715	-64,448	-64,227	-125,082
Other payments	-494	-3,022	-2,765	-5,873
Total operating payments	-30,317	-190,613	-188,440	-398,719
Net cash flows from operating activities	-6,478	-25,014	-23,552	-34,198
Cash flows from investments in non-financial assets				
Sales of non-financial assets	30	175	141	409
Purchases of non-financial assets	-621	-4,178	-3,685	-9,861
Net cash flows from investments in non-financial assets	-591	-4,003	-3,544	-9,451
Net cash flows from investments in financial assets for policy purposes	-917	-3,418	-5,869	-7,522
Cash flows from investments in financial assets for liquidity purposes				
Increase in investments	11,607	-3,996	-6,270	-2,968
Net cash flows from investments in financial assets for liquidity purposes	11,607	-3,996	-6,270	-2,968
Cash flows from financing activities				
Borrowing (net)	-2,274	40,218	40,129	56,850
Other financing (net)	-130	-900	-910	-2,065
Net cash flows from financing activities	-2,405	39,318	39,218	54,785
Net increase/(decrease) in cash held	1,216	2,886	-16	645
Net cash flows from operating activities and investments in non-financial assets (Surplus(+)/deficit(-))	-7,069	-29,017	-27,096	-43,650
Finance leases and similar arrangements(b)	-2	-80	-52	-469
GFS cash surplus(+)/deficit(-)	-7,070	-29,097	-27,147	-44,118
<i>less</i> Net Future Fund earnings	325	1,280	1,722	2,871
Equals underlying cash balance(c)	-7,395	-30,376	-28,870	-46,989
<i>plus</i> Net cash flows from investments in financial assets for policy purposes	-917	-3,418	-5,869	-7,522
<i>plus</i> Net Future Fund earnings	325	1,280	1,722	2,871
Equals headline cash balance	-7,988	-32,515	-33,016	-51,640

*As published in the 2013-14 Mid-Year Economic and Fiscal Outlook (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 2013-2014 December \$m	ACTUAL 2013-2014 YTD December \$m	MYEFO PROFILE 2013-2014 YTD December \$m	MYEFO ESTIMATE* 2013-2014 Full Year \$m
Individuals and other w ithholding taxes				
Gross income tax w ithholding	13,414	79,422	78,904	158,510
Gross other individuals	1,172	15,918	15,849	36,650
/ess Refunds	1,217	20,645	20,699	27,200
Total individuals and other w ithholding taxation	13,370	74,695	74,054	167,960
Company tax	1,518	30,180	29,228	70,400
Superannuation funds	1,136	4,449	4,160	6,990
Petroleum resource rent tax	-103	387	564	1,900
Minerals resource rent tax	-22	232	253	500
Fringe benefits tax	25	1,906	1,902	4,140
Total income taxation revenue	15,924	111,849	110,161	251,890

*As published in the 2013-14 Mid-Year Economic and Fiscal Outlook (MYEFO).

Note 2: Indirect Tax

	ACTUAL 2013-2014 December \$m	ACTUAL 2013-2014 YTD December \$m	MYEFO PROFILE 2013-2014 YTD December \$m	MYEFO ESTIMATE* 2013-2014 Full Year \$m
Goods and services tax	3,062	26,801	26,913	52,680
Wine equalisation tax	81	387	378	750
Luxury car tax	35	216	219	400
Excise duty	2,575	13,542	13,484	25,900
Customs duty	834	4,644	4,605	8,930
Carbon pricing mechanism (a)	387	3,717	3,670	7,340
Other indirect tax	350	1,837	1,808	3,545
Total indirect taxation revenue	7,323	51,144	51,077	99,545

*As published in the 2013-14 Mid-Year Economic and Fiscal Outlook (MYEFO).

(a) Revenue from the carbon pricing mechanism has been estimated based on expected annual results.

Note 3: Total expenses by function

	ACTUAL 2013-2014 December \$m	ACTUAL 2013-2014 YTD December \$m	MYEFO ESTIMATE* 2013-2014 Full Year \$m
Expenses by function			
General public services	443	9,837	33,362
Defence	1,521	10,454	22,646
Public order and safety	364	2,095	4,415
Education	2,789	14,938	30,174
Health	4,696	31,294	64,685
Social security and w elfare	12,696	71,767	138,667
Housing and community amenities	342	5,136	8,622
Recreation and culture	249	1,358	3,835
Fuel and energy	250	3,423	7,256
Agriculture, Forestry and Fishing	209	1,104	2,632
Mining, manufacturing and construction	552	1,235	2,870
Transport and communication	701	1,838	7,398
Other economic affairs	1,555	6,166	11,793
Other purposes			
Public debt interest	1,157	6,361	13,467
Nominal superannuation interest	684	4,101	8,197
General purpose inter-government transactions	4,297	26,451	52,379
Natural disaster relief	0	0	157
Contingency reserve	0	0	-497
Total expenses	32,505	197,558	412,060

*As published in the 2013-14 Mid-Year Economic and Fiscal Outlook (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 54 of the *Financial Management and Accountability Act 1997*. 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 thus 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. The standard IMF requirement is that monthly data is released at 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 AOFM website at <http://www.aofm.gov.au/content/borrowing/commonwealth.asp?NavID=32>.