



SENATOR THE HON MATHIAS CORMANN
Minister for Finance

MEDIA RELEASE

10 January 2014

AUSTRALIAN GOVERNMENT GENERAL GOVERNMENT SECTOR
MONTHLY FINANCIAL STATEMENTS
NOVEMBER 2013

KEY POINTS

- The underlying cash balance for the 2013-14 financial year to 30 November 2013 was a deficit of \$22,981 million.
- The fiscal balance for the 2013-14 financial year to 30 November 2013 was a deficit of \$16,703 million.

| AGGREGATES | ACTUAL 2013-2014 November \$m | ACTUAL 2013-2014 YTD November \$m | BUDGET PROFILE 2013-2014 YTD November \$m | BUDGET ESTIMATE* 2013-2014 Full Year \$m |
|-----------------------------------|--|--|--|---|
| Revenue | 27,710 | 148,969 | 154,988 | 387,749 |
| Expenses | 30,826 | 165,053 | 169,037 | 398,301 |
| Net operating balance | -3,116 | -16,085 | -14,049 | -10,552 |
| Net capital investment | 469 | 619 | 701 | 2,945 |
| Fiscal balance | -3,585 | -16,703 | -14,750 | -13,497 |
| Receipts(a) | 25,169 | 141,906 | 145,986 | 375,993 |
| Payments(b) | 29,783 | 163,932 | 164,773 | 391,198 |
| Net Future Fund earnings | -109 | 955 | 1,305 | 2,838 |
| Underlying cash balance(c) | -4,506 | -22,981 | -20,093 | -18,043 |
| Headline cash balance | -5,044 | -24,527 | -22,642 | -25,278 |
| Total assets | | 386,234 | | 376,601 |
| Total liabilities | | 596,737 | | 550,059 |
| Net worth(d) | | -210,503 | | -173,458 |
| Net debt(e) | | 168,970 | | 178,104 |

*As published in the 2013-14 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 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.

Comparators for the November 2013 Monthly Financial Statements are based on the 2013-14 Budget published in May 2013. The 2013-14 Mid-Year Economic and Fiscal Outlook profiles will be available from the December 2013 Monthly Financial Statements onwards.

FISCAL OUTCOMES

Underlying Cash Balance

The underlying cash balance for the year to 30 November 2013 was a deficit of \$22,981 million, compared to the Budget profile deficit of \$20,093 million. The difference of \$2,888 million relates to lower than expected cash receipts partially offset by lower than expected cash payments.

Fiscal Balance

The fiscal balance for the year to 30 November 2013 was a deficit of \$16,703 million, compared to the Budget profile deficit of \$14,750 million. The difference of \$1,953 million relates to lower than expected revenue, partially offset by lower than expected expenses.

- **Revenues**

Total revenue was \$6,020 million lower than the Budget profile primarily due to lower than expected taxation revenue. This reflects lower wages growth, company profitability and resource rent taxes.

- **Expenses**

Total expenses were \$3,984 million lower than the Budget profile primarily due to lower than expected grants, subsidies and personal benefits. This is in part consistent with reduced expenditure during the election caretaker period and subsequent timing differences, particularly for grants and subsidies.

Assets and Liabilities

The net worth of the Australian Government general government sector is a negative net asset position of \$210,503 million as at 30 November 2013. The net debt of the Australian Government general government sector is \$168,970 million as at 30 November 2013.

Senator the Hon Mathias Cormann
Minister for Finance

10 January 2014

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10 January 2014

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Australian Government general government sector operating statement

| | ACTUAL 2013-2014 November \$m | ACTUAL 2013-2014 YTD November \$m | BUDGET PROFILE 2013-2014 YTD November \$m | BUDGET ESTIMATE* 2013-2014 Full Year \$m |
|--|--|--|---|--|
| Revenue | | | | |
| Taxation revenue | 25,612 | 139,746 | 146,123 | 366,664 |
| Sales of goods and services | 790 | 3,751 | 3,498 | 8,577 |
| Interest income | 316 | 1,349 | 1,830 | 4,313 |
| Dividend income | 197 | 978 | 1,206 | 2,426 |
| Other | 795 | 3,145 | 2,331 | 5,768 |
| Total revenue | 27,710 | 148,969 | 154,988 | 387,749 |
| Expenses | | | | |
| Gross operating expenses | | | | |
| Wages and salaries (a) | 1,570 | 8,065 | 8,321 | 19,772 |
| Superannuation | 511 | 2,340 | 1,706 | 4,039 |
| Depreciation and amortisation | 577 | 2,637 | 2,415 | 5,813 |
| Supply of goods and services | 5,986 | 31,098 | 31,864 | 75,918 |
| Other operating expenses (a) | 448 | 2,305 | 2,324 | 5,467 |
| <i>Total gross operating expenses</i> | <i>9,093</i> | <i>46,444</i> | <i>46,630</i> | <i>111,009</i> |
| Superannuation interest expense | 684 | 3,418 | 3,526 | 8,462 |
| Interest expenses | 1,140 | 5,659 | 5,696 | 14,008 |
| Current transfers | | | | |
| Current grants | 8,799 | 45,809 | 48,155 | 118,137 |
| Subsidy expenses | 1,311 | 7,105 | 7,735 | 14,944 |
| Personal benefits | 8,927 | 52,551 | 53,113 | 121,699 |
| <i>Total current transfers</i> | <i>19,036</i> | <i>105,465</i> | <i>109,003</i> | <i>254,780</i> |
| Capital transfers | | | | |
| Mutually agreed write-downs | 217 | 1,046 | 974 | 2,137 |
| Other capital grants | 655 | 3,022 | 3,208 | 7,905 |
| <i>Total capital transfers</i> | <i>872</i> | <i>4,067</i> | <i>4,182</i> | <i>10,042</i> |
| Total expenses | 30,826 | 165,053 | 169,037 | 398,301 |
| Net operating balance | -3,116 | -16,085 | -14,049 | -10,552 |
| Other economic flows | | | | |
| - included in operating result (b) | | | | |
| Net write-downs of assets (including bad and doubtful debts) | -721 | -2,545 | -3,664 | -7,488 |
| Assets recognised for the first time | 47 | 260 | 233 | 559 |
| Net foreign exchange gains | -1,182 | -350 | 73 | 73 |
| Net swap interest received | 70 | -338 | 0 | 0 |
| Market valuation of debt | 2,290 | 5,254 | 1,270 | 2,924 |
| Other gains/(losses) | 2,684 | 5,862 | 1,676 | 3,655 |
| Total other economic flows | | | | |
| - included in operating result | 3,187 | 8,143 | -14,461 | -278 |
| Operating result | 70 | -7,942 | -14,461 | -10,830 |
| Non-owner movements in equity (b) | | | | |
| Revaluation of equity investments (c) | -50 | 0 | 0 | -2,223 |
| Actuarial revaluations | 0 | 0 | 0 | 140 |
| Other economic revaluations (d) | 16 | 89 | 67 | 567 |
| Total other economic flows - included in equity | -35 | 89 | 67 | -1,517 |
| Comprehensive result - Total change in net worth | 36 | -7,853 | -14,394 | -12,347 |
| Net operating balance | -3,116 | -16,085 | -14,049 | -10,552 |
| Net acquisition of non-financial assets | | | | |
| Purchases of non-financial assets | 1,045 | 3,445 | 2,976 | 8,755 |
| less Sales of non-financial assets | 50 | 145 | 117 | 346 |
| less Depreciation | 577 | 2,637 | 2,415 | 5,813 |
| plus Change in inventories | 24 | -95 | 117 | 270 |
| plus Other movements in non-financial assets | 28 | 51 | 140 | 78 |
| Total net acquisition of non-financial assets | 469 | 619 | 701 | 2,945 |
| Fiscal balance (Net lending/borrowing)(e) | -3,585 | -16,703 | -14,750 | -13,497 |

*As published in the 2013-14 Budget.

(a) Consistent with ABS 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 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 2013 \$m | BUDGET ESTIMATE* as at 30 June 2014 \$m |
|---|--|--|
| Assets | | |
| Financial assets | | |
| Cash and deposits | 3,777 | 2,679 |
| Advances paid | 36,225 | 41,017 |
| Investments, loans and placements | 124,891 | 112,965 |
| Other receivables(a) | 48,085 | 46,756 |
| Equity investments | | |
| Investments in other public sector entities | 26,333 | 26,208 |
| Equity accounted investments | 297 | 331 |
| Investments - shares | 36,276 | 34,026 |
| <i>Total financial assets</i> | <i>275,885</i> | <i>263,982</i> |
| Non-financial assets | | |
| Land | 8,911 | 8,719 |
| Buildings | 24,063 | 24,454 |
| Plant, equipment and infrastructure | 52,896 | 54,888 |
| Inventories | 7,624 | 7,206 |
| Intangibles | 5,651 | 5,712 |
| Investment property | 206 | 182 |
| Biological assets | 31 | 37 |
| Heritage and cultural assets | 10,548 | 10,465 |
| Assets held for sale | 85 | 83 |
| Other non-financial assets(a) | 334 | 873 |
| <i>Total non-financial assets</i> | <i>110,349</i> | <i>112,619</i> |
| Total assets | 386,234 | 376,601 |
| Liabilities | | |
| Interest bearing liabilities | | |
| Deposits held | 232 | 192 |
| Government securities | 322,773 | 321,252 |
| Loans | 9,383 | 11,851 |
| Other borrowing | 1,476 | 1,470 |
| <i>Total interest bearing liabilities</i> | <i>333,864</i> | <i>334,765</i> |
| Provisions and payables | | |
| Superannuation liability(b) | 195,967 | 148,710 |
| Other employee liabilities | 14,663 | 14,829 |
| Suppliers payable | 4,638 | 4,259 |
| Personal benefits provisions and payable | 13,020 | 13,952 |
| Subsidies provisions and payable | 5,577 | 3,475 |
| Grants provisions and payable | 14,248 | 15,892 |
| Other provisions and payables | 14,759 | 14,178 |
| <i>Total provisions and payables</i> | <i>262,873</i> | <i>215,294</i> |
| Total liabilities | 596,737 | 550,059 |
| Net worth(c) | -210,503 | -173,458 |
| <i>Net financial worth(d)</i> | <i>-320,852</i> | <i>-286,077</i> |
| <i>Net financial liabilities(e)</i> | <i>347,185</i> | <i>312,285</i> |
| <i>Net debt(f)</i> | <i>168,970</i> | <i>178,104</i> |

*As published in the 2013-14 Budget.

(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 November \$m | ACTUAL 2013-2014 YTD November \$m | BUDGET PROFILE 2013-2014 YTD November \$m | BUDGET ESTIMATE* 2013-2014 Full Year \$m |
|---|--|--|---|--|
| Cash receipts from operating activities | | | | |
| Taxes received | 23,829 | 131,857 | 136,530 | 354,854 |
| Receipts from sales of goods and services | 769 | 3,697 | 3,650 | 8,639 |
| Interest receipts | 296 | 1,205 | 1,720 | 4,074 |
| Dividends and income tax equivalents | -114 | 1,323 | 1,218 | 2,526 |
| Other receipts | 338 | 3,678 | 2,691 | 5,496 |
| Total operating receipts | 25,118 | 141,761 | 145,810 | 375,589 |
| Cash payments for operating activities | | | | |
| Payments for employees | -1,949 | -11,273 | -11,310 | -26,909 |
| Payments for goods and services | -5,134 | -31,083 | -32,514 | -76,293 |
| Grants and subsidies paid | -10,624 | -55,751 | -57,095 | -139,740 |
| Interest paid | -595 | -4,929 | -4,868 | -11,909 |
| Personal benefit payments | -10,230 | -54,733 | -53,777 | -122,319 |
| Other payments | -191 | -2,528 | -2,098 | -5,271 |
| Total operating payments | -28,723 | -160,297 | -161,663 | -382,442 |
| Net cash flows from operating activities | -3,605 | -18,536 | -15,853 | -6,853 |
| Cash flows from investments in non-financial assets | | | | |
| Sales of non-financial assets | 50 | 145 | 176 | 405 |
| Purchases of non-financial assets | -1,059 | -3,557 | -2,939 | -8,288 |
| Net cash flows from investments in non-financial assets | -1,009 | -3,413 | -2,762 | -7,883 |
| Net cash flows from investments in financial assets for policy purposes | -429 | -2,501 | -3,855 | -10,073 |
| Cash flows from investments in financial assets for liquidity purposes | | | | |
| Increase in investments | -8,853 | -15,603 | -377 | -4,919 |
| Net cash flows from investments in financial assets for liquidity purposes | -8,853 | -15,603 | -377 | -4,919 |
| Cash flows from financing activities | | | | |
| Borrowing (net) | 14,009 | 42,493 | 22,865 | 31,996 |
| Other financing (net) | -67 | -770 | -808 | -2,059 |
| Net cash flows from financing activities | 13,943 | 41,723 | 22,056 | 29,937 |
| Net increase/(decrease) in cash held | 47 | 1,670 | -791 | 209 |
| Net cash flows from operating activities and investments in non-financial assets (Surplus(+)/deficit(-)) | -4,614 | -21,948 | -18,615 | -14,736 |
| Finance leases and similar arrangements(b) | -1 | -78 | -172 | -469 |
| GFS cash surplus(+)/deficit(-) | -4,615 | -22,026 | -18,788 | -15,205 |
| less Net Future Fund earnings | -109 | 955 | 1,305 | 2,838 |
| Equals underlying cash balance(c) | -4,506 | -22,981 | -20,093 | -18,043 |
| plus Net cash flows from investments in financial assets for policy purposes | -429 | -2,501 | -3,855 | -10,073 |
| plus Net Future Fund earnings | -109 | 955 | 1,305 | 2,838 |
| Equals headline cash balance | -5,044 | -24,527 | -22,642 | -25,278 |

*As published in the 2013-14 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 ABS.

Australian Government general government sector expenses by function

| | ACTUAL 2013-2014 November \$m | ACTUAL 2013-2014 YTD November \$m | BUDGET ESTIMATE* 2013-2014 Full Year \$m |
|---|--|--|--|
| Expenses by function | | | |
| General public services | 1,581 | 9,394 | 23,023 |
| Defence | 1,884 | 8,933 | 22,045 |
| Public order and safety | 271 | 1,732 | 4,272 |
| Education | 1,288 | 12,149 | 29,742 |
| Health | 5,369 | 26,597 | 64,636 |
| Social security and welfare | 10,232 | 59,071 | 138,145 |
| Housing and community amenities | 1,355 | 4,794 | 8,775 |
| Recreation and culture | 39 | 1,109 | 3,696 |
| Fuel and energy | 723 | 3,173 | 7,586 |
| Agriculture, Forestry and Fishing | 171 | 895 | 2,654 |
| Mining, manufacturing and construction | 36 | 683 | 2,431 |
| Transport and communication | 347 | 1,137 | 6,453 |
| Other economic affairs | 864 | 4,611 | 11,283 |
| Other purposes | | | |
| Public debt interest | 1,082 | 5,204 | 12,456 |
| Nominal superannuation interest | 684 | 3,418 | 8,462 |
| General purpose inter-government transactions | 4,901 | 22,155 | 52,397 |
| Natural disaster relief | 0 | 0 | 147 |
| Contingency reserve | 0 | 0 | 98 |
| Total expenses | 30,826 | 165,053 | 398,301 |

* As published in the 2013-14 Budget.

NOTES:

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.

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 exception is the June and July Monthly Financial Statements, for which the IMF has given Australia special dispensation to release before 30 November.

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 Taxation Commissioner, and subject to revision. The taxation revenue items not affected are: petroleum resource rent tax, excise duty, customs duty, other taxes and individuals refunds.

The sum of the revenue accrued in the month and the revisions to prior periods equals the revenue reported in the operating statement.

Note 1: Income Tax

| | ACTUAL 2013-2014 November \$m | ACTUAL 2013-2014 YTD November \$m | BUDGET PROFILE 2013-2014 YTD November \$m | BUDGET ESTIMATE* 2013-2014 Full Year \$m |
|--|--|--|---|--|
| Individuals and other withholding taxes | | | | |
| Gross income tax w ithholding | 13,155 | 66,008 | 68,579 | 164,660 |
| Gross other individuals | 2,363 | 14,745 | 14,859 | 37,490 |
| less Refunds | 2,271 | 19,428 | 19,120 | 26,800 |
| Total individuals and other withholding taxation | 13,248 | 61,325 | 64,317 | 175,350 |
| Company tax | 2,242 | 28,662 | 29,757 | 73,969 |
| Superannuation funds | 676 | 3,313 | 4,483 | 8,480 |
| Petroleum resource rent tax | -7 | 490 | 1,152 | 2,520 |
| Minerals resource rent tax | -6 | 254 | 450 | 900 |
| Fringe benefits tax | 67 | 1,881 | 1,969 | 4,320 |
| Total income taxation revenue | 16,220 | 95,925 | 102,129 | 265,539 |

*As published in the 2013-14 Budget.

Note 2: Indirect Tax

| | ACTUAL 2013-2014 November \$m | ACTUAL 2013-2014 YTD November \$m | BUDGET PROFILE 2013-2014 YTD November \$m | BUDGET ESTIMATE* 2013-2014 Full Year \$m |
|--|--|--|---|--|
| Goods and services tax | 5,330 | 23,739 | 23,719 | 53,080 |
| Wine equalisation tax | 88 | 305 | 280 | 780 |
| Luxury car tax | 32 | 181 | 170 | 400 |
| Excise duty | 2,204 | 10,967 | 11,084 | 26,050 |
| Customs duty | 797 | 3,810 | 3,796 | 8,830 |
| Carbon pricing mechanism (a) | 670 | 3,330 | 3,475 | 8,340 |
| Other indirect tax | 270 | 1,488 | 1,470 | 3,646 |
| Total indirect taxation revenue | 9,392 | 43,821 | 43,994 | 101,126 |

*As published in the 2013-14 Budget.

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

NOTES:

Style Conventions

- (1) 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)

- (2) In accordance with the IMF's SDDS, quarter ahead notice of the date of release of the data on central government operations, which is contained in the Australian Government Financial Statements, is given on the IMF's Dissemination Standards Bulletin Board at <http://dsbb.imf.org>.
- (3) 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>.