



SENATOR THE HON MATHIAS CORMANN
Minister for Finance

MEDIA RELEASE

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AUSTRALIAN GOVERNMENT GENERAL GOVERNMENT SECTOR
MONTHLY FINANCIAL STATEMENTS
November 2014

KEY POINTS

- The underlying cash balance for the 2014-15 financial year to 30 November 2014 was a deficit of \$24,782 million.
- The fiscal balance for the 2014-15 financial year to 30 November 2014 was a deficit of \$21,270 million.

AGGREGATES	ACTUAL 2014-2015 November \$m	ACTUAL 2014-2015 YTD November \$m	Budget Profile 2014-2015 YTD November \$m	BUDGET ESTIMATE* 2014-2015 Full Year \$m
Revenue	30,536	150,953	151,757	391,348
Expenses	33,155	171,550	173,362	414,845
Net operating balance	-2,620	-20,597	-21,606	-23,497
Net capital investment	135	674	956	2,359
Fiscal balance	-2,755	-21,270	-22,562	-25,855
Receipts (a)	28,863	148,966	149,467	385,778
Payments (b)	31,414	171,962	173,134	412,484
Net Future Fund earnings	-103	1,786	1,380	3,068
Underlying cash balance (c)	-2,447	-24,782	-25,047	-29,773
Headline cash balance	1,727	-20,676	-25,806	-33,524
Total assets		410,996		414,620
Total liabilities		692,744		626,631
Net worth (d)		-281,749		-212,010
Net debt (e)		224,345		226,388

*As published in the 2014-15 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 2014 Monthly Financial Statements are based on the 2014-15 Budget published in May 2014. The 2014-15 Mid-Year Economic and Fiscal Outlook profiles will be available from the December 2014 Monthly Financial Statements onwards.

FISCAL OUTCOMES

Underlying Cash Balance

The underlying cash balance for the year to 30 November 2014 was a deficit of \$24,782 million, compared to the Budget profile deficit of \$25,047 million. The difference of \$266 million relates to lower than expected cash payments and cash receipts.

Fiscal Balance

The fiscal balance for the year to 30 November 2014 was a deficit of \$21,270 million, compared to the Budget profile deficit of \$22,562 million. The difference of \$1,292 million is largely due to lower than expected expenses and revenue.

- **Revenues**

Total revenue was \$803 million lower than the Budget profile, primarily due to lower than expected taxation revenue.

- **Expenses**

Total expenses were \$1,812 million lower than the Budget profile, due to lower than expected supply of goods and services, wages and salaries and grants expenses, partially offset by higher personal benefits and superannuation expense.

Assets and Liabilities

The net worth of the Australian Government general government sector is a negative net asset position of \$281,749 million as at 30 November 2014. The net debt of the Australian Government general government sector is \$224,345 million as at 30 November 2014. Net financial liabilities of the Australian Government general government sector are \$430,368 million as at 30 November 2014.

Senator the Hon Mathias Cormann
Minister for Finance

19 December 2014

Rosemary Huxtable
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19 December 2014

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Australian Government general government sector operating statement

		ACTUAL 2014-2015 November	ACTUAL 2014-2015 YTD November	Budget Profile 2014-2015 YTD November	BUDGET ESTIMATE* 2014-2015 Full Year
	Note	\$m	\$m	\$m	\$m
Revenue					
Taxation revenue	1, 2	28,313	140,832	142,782	368,814
Sales of goods and services		765	3,711	3,301	8,928
Interest income		288	1,423	1,818	4,229
Dividend income		338	2,033	1,118	2,570
Other		832	2,954	2,738	6,807
Total revenue		30,536	150,953	151,757	391,348
Expenses					
Gross operating expenses					
Wages and salaries(a)		1,480	7,790	8,163	19,638
Superannuation		479	2,439	1,778	4,291
Depreciation and amortisation		577	2,733	2,734	6,644
Supply of goods and services		6,955	32,818	33,350	79,875
Other operating expenses(a)		446	2,430	2,702	6,111
<i>Total gross operating expenses</i>		<i>9,937</i>	<i>48,211</i>	<i>48,727</i>	<i>116,559</i>
Superannuation interest expense		747	3,734	3,865	9,275
Interest expenses		1,240	6,266	6,379	15,551
Current transfers					
Current grants		9,680	48,756	50,329	124,121
Subsidy expenses		971	5,147	5,021	12,184
Personal benefits		9,836	55,404	54,671	126,336
<i>Total current transfers</i>		<i>20,487</i>	<i>109,307</i>	<i>110,021</i>	<i>262,641</i>
Capital transfers					
Mutually agreed write-downs		70	969	1,123	2,662
Other capital grants		674	3,062	3,247	8,156
<i>Total capital transfers</i>		<i>744</i>	<i>4,031</i>	<i>4,370</i>	<i>10,818</i>
Total expenses	3	33,155	171,550	173,362	414,845
Net operating balance		-2,620	-20,597	-21,606	-23,497
Other economic flows					
- included in operating result(b)					
Net write-downs of assets (including bad and doubtful debts)		-579	-2,780	-3,417	-7,037
Assets recognised for the first time		-82	163	144	346
Liabilities recognised for the first time		0	0	0	0
Actuarial revaluations		0	0	0	0
Net foreign exchange gains		-731	-1,425	62	63
Net swap interest received		-63	-232	0	0
Market valuation of debt		-4,781	-8,020	192	372
Other gains/(losses)		8,099	11,407	1,996	6,259
Total other economic flows		1,863	-888	-1,023	1
- included in operating result					
Operating result		-757	-21,484	-22,628	-23,495
Non-owner movements in equity(b)					
Revaluation of equity investments(c)		-11	-13	0	-2,237
Actuarial revaluations		0	0	0	17
Other economic revaluations(d)		-4,027	-4,206	145	124
Total other economic flows - included in equity		-4,038	-4,219	145	-2,096
Comprehensive result - Total change in net worth		-4,795	-25,704	-22,483	-25,591
Net operating balance		-2,620	-20,597	-21,606	-23,497
Net acquisition of non-financial assets					
Purchases of non-financial assets		719	3,355	3,763	10,679
less Sales of non-financial assets		33	265	219	2,370
less Depreciation		577	2,733	2,734	6,644
plus Change in inventories		5	182	74	492
plus Other movements in non-financial assets		21	134	71	201
Total net acquisition of non-financial assets		135	674	956	2,359
Fiscal balance (Net lending/borrowing)(e)		-2,755	-21,270	-22,562	-25,855

*As published in the 2014-15 Budget.

(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 2014 \$m	BUDGET ESTIMATE* as at 30 June 2015 \$m
Assets		
Financial assets		
Cash and deposits	3,571	2,480
Advances paid	41,367	45,145
Investments, loans and placements	129,142	128,753
Other receivables	46,864	45,489
Equity investments		
Investments in other public sector entities	33,821	35,506
Equity accounted investments	315	303
Investments - shares	41,117	39,715
<i>Total financial assets</i>	<i>296,197</i>	<i>297,392</i>
Non-financial assets		
Land	9,315	8,875
Buildings	24,879	25,425
Plant, equipment and infrastructure	54,450	57,347
Inventories	8,291	7,987
Intangibles	6,134	5,988
Investment property	269	211
Biological assets	31	35
Heritage and cultural assets	10,841	10,588
Assets held for sale	57	174
Other non-financial assets	533	598
<i>Total non-financial assets</i>	<i>114,798</i>	<i>117,229</i>
Total assets	410,996	414,620
Liabilities		
Interest bearing liabilities		
Deposits held	222	182
Government securities	386,104	387,772
Loans	10,423	13,436
Other borrowing	1,676	1,376
<i>Total interest bearing liabilities</i>	<i>398,425</i>	<i>402,766</i>
Provisions and payables		
Superannuation liability(a)	225,099	163,228
Other employee liabilities	15,593	15,291
Suppliers payable	5,055	4,705
Personal benefits provisions and payable	11,637	11,659
Subsidies provisions and payable	4,376	3,937
Grants provisions and payable	13,181	11,154
Other provisions and payables	19,378	13,891
<i>Total provisions and payables</i>	<i>294,319</i>	<i>223,865</i>
Total liabilities	692,744	626,631
Net worth(b)	-281,749	-212,010
<i>Net financial worth(c)</i>	<i>-396,547</i>	<i>-329,239</i>
<i>Net financial liabilities(d)</i>	<i>430,368</i>	<i>364,745</i>
<i>Net debt(e)</i>	<i>224,345</i>	<i>226,388</i>

*As published in the 2014-15 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,

Australian Government general government sector cash flow statement

	ACTUAL 2014-2015 November \$m	ACTUAL 2014-2015 YTD November \$m	Budget Profile 2014-2015 YTD November \$m	BUDGET ESTIMATE* 2014-2015 Full Year \$m
Cash receipts from operating activities				
Taxes received	27,563	136,187	136,801	360,372
Receipts from sales of goods and services	692	3,660	3,323	8,910
Interest receipts	222	1,198	1,590	3,657
Dividends and income tax equivalents	-204	2,590	2,807	4,257
Other receipts	570	3,238	2,890	6,339
Total operating receipts	28,841	146,873	147,411	383,534
Cash payments for operating activities				
Payments for employees	-1,995	-10,887	-11,278	-27,022
Payments for goods and services	-6,333	-33,111	-33,919	-79,807
Grants and subsidies paid	-11,188	-58,120	-59,265	-147,617
Interest paid	-664	-6,294	-6,440	-14,174
Personal benefit payments	-9,983	-57,383	-56,343	-127,221
Other payments	-510	-2,564	-2,103	-5,890
Total operating payments	-30,672	-168,359	-169,350	-401,730
Net cash flows from operating activities	-1,831	-21,486	-21,939	-18,196
Cash flows from investments in non-financial assets				
Sales of non-financial assets	22	2,093	2,056	2,244
Purchases of non-financial assets	-737	-3,590	-3,785	-10,753
Net cash flows from investments in non-financial assets	-715	-1,497	-1,728	-8,509
Net cash flows from investments in financial assets for policy purposes	4,277	2,320	-2,139	-6,819
Cash flows from investments in financial assets for liquidity purposes				
Increase in investments	-8,643	-6,599	9,799	-7,017
Net cash flows from investments in financial assets for liquidity purposes	-8,643	-6,599	9,799	-7,017
Cash flows from financing activities				
Borrowing (net)	6,788	27,866	16,776	42,308
Other financing (net)	-117	-877	-919	-2,289
Net cash flows from financing activities	6,671	26,989	15,857	40,018
Net increase/(decrease) in cash held	-241	-273	-149	-523
Net cash flows from operating activities and investments in non-financial assets (Surplus+)/deficit(-)	-2,546	-22,983	-23,667	-26,705
Finance leases and similar arrangements(b)	-4	-13	0	0
GFS cash surplus(+)/deficit(-)	-2,551	-22,996	-23,667	-26,705
less Net Future Fund earnings	-103	1,786	1,380	3,068
Equals underlying cash balance(c)	-2,447	-24,782	-25,047	-29,773
plus Net cash flows from investments in financial assets for policy purposes	4,277	2,320	-2,139	-6,819
plus Net Future Fund earnings	-103	1,786	1,380	3,068
Equals headline cash balance	1,727	-20,676	-25,806	-33,524

*As published in the 2014-15 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 2014-2015 November \$m	ACTUAL 2014-2015 YTD November \$m	Budget Profile 2014-2015 YTD November \$m	BUDGET ESTIMATE* 2014-2015 Full Year \$m
Individuals and other withholding taxes				
Gross income tax withholding	13,635	69,992	71,192	171,170
Gross other individuals	2,788	15,688	15,974	40,120
Less Refunds	2,174	19,212	19,459	27,700
Total individuals and other withholding taxation	14,248	66,468	67,707	183,590
Company tax	4,322	26,530	26,389	73,230
Superannuation funds	608	3,390	3,839	7,870
Resource rent taxes	0	1,097	972	2,060
Fringe benefits tax	67	2,074	1,975	4,440
Total income taxation revenue	19,244	99,559	100,882	271,190

*As published in the 2014-15 Budget.

Note 2: Indirect Tax

	ACTUAL 2014-2015 November \$m	ACTUAL 2014-2015 YTD November \$m	Budget Profile 2014-2015 YTD November \$m	BUDGET ESTIMATE* 2014-2015 Full Year \$m
Goods and services tax	5,793	25,267	25,179	56,970
Wine equalisation tax	82	309	285	790
Luxury car tax	43	220	152	360
Excise duty	1,920	9,790	10,588	26,470
Customs duty	949	3,932	3,992	9,270
Other indirect tax	285	1,759	1,704	3,764
Total indirect taxation revenue	9,069	41,274	41,900	97,624

*As published in the 2014-15 Budget.

Note 3: Total expenses by function

	ACTUAL 2014-2015 November \$m	ACTUAL 2014-2015 YTD November \$m	BUDGET ESTIMATE* 2014-2015 Full Year \$m
Expenses by function			
General public services	1,626	8,609	23,185
Defence	2,104	10,232	24,197
Public order and safety	325	1,812	4,389
Education	1,543	12,823	29,553
Health	5,489	27,576	66,892
Social security and welfare	11,564	62,941	145,773
Housing and community amenities	528	1,993	4,835
Recreation and culture	254	1,321	3,512
Fuel and energy	433	2,756	7,058
Agriculture, Forestry and Fishing	318	910	2,752
Mining, manufacturing and construction	194	1,081	2,740
Transport and communication(a)	380	919	7,286
Other economic affairs	927	4,875	10,670
Other purposes			
Public debt interest	1,198	6,053	14,708
Nominal superannuation interest	747	3,734	9,275
General purpose inter-government transactions	5,526	23,913	57,148
Natural disaster relief	0	0	98
Contingency reserve	0	0	773
Total expenses	33,155	171,550	414,845

*As published in the 2014-15 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://www.aofm.gov.au/content/borrowing/commonwealth.asp?NavID=32>.