



**SENATOR THE HON. MATHIAS CORMANN**  
**Minister for Finance and the Public Service**  
**Leader of the Government in the Senate**

Friday, 1 February 2019

**AUSTRALIAN GOVERNMENT GENERAL GOVERNMENT SECTOR**  
**MONTHLY FINANCIAL STATEMENTS**  
**December 2018**

**KEY POINTS**

- The underlying cash balance for the 2018-19 financial year to 31 December 2018 was a deficit of \$13,378 million.
- The fiscal balance for the 2018-19 financial year to 31 December 2018 was a deficit of \$4,998 million.

<b>AGGREGATES</b>	<b>ACTUAL 2018-2019 December \$m</b>	<b>ACTUAL 2018-2019 YTD December \$m</b>	<b>MYEFO Profile 2018-2019 YTD December \$m</b>	<b>MYEFO ESTIMATE* 2018-2019 FULL YEAR \$m</b>
<b>Revenue</b>	40,511	234,771	233,100	493,288
<b>Expenses</b>	40,803	238,370	239,770	488,363
<b>Net operating balance</b>	-292	-3,599	-6,670	4,926
Net capital investment	821	1,399	1,569	6,826
<b>Fiscal balance</b>	-1,113	-4,998	-8,239	-1,901
Receipts(a)	39,560	229,785	228,878	482,084
less Payments(b)	39,719	239,915	240,644	483,370
less Net Future Fund earnings	722	3,248	3,194	3,886
<b>Underlying cash balance(c)</b>	-881	-13,378	-14,960	-5,172
<b>Headline cash balance</b>	-1,527	-17,054	-19,357	-18,329
<b>Total assets</b>		557,635		580,554
<b>Total liabilities</b>		994,095		901,307
<b>Net worth(d)</b>		-436,460		-320,753
<b>Net debt(e)</b>		359,934		351,948

\*As published in the 2018-19 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 interest bearing liabilities (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 revenue and expenses vary from month to month.

Comparators for the December 2018 monthly financial statements are based on the 2018-19 Mid-Year Economic and Fiscal Outlook (MYEFO) published in December 2018.

## **FISCAL OUTCOMES**

### **Underlying Cash Balance**

The underlying cash balance for the financial year to 31 December 2018 was a deficit of \$13,378 million, which is \$1,581 million lower than the 2018-19 MYEFO profile deficit of \$14,960 million.

- **Receipts**

Total receipts were \$907 million higher than the 2018-19 MYEFO profile.

- **Payments**

Total payments were \$729 million lower than the 2018-19 MYEFO profile.

### **Net Operating Balance**

The net operating balance for the year to 31 December 2018 was a deficit of \$3,599 million, which is \$3,071 million better than the 2018-19 MYEFO profile deficit of \$6,670 million. The difference primarily results from higher than expected revenue and lower expenses.

### **Fiscal Balance**

The fiscal balance for the year to 31 December 2018 was a deficit of \$4,998 million, which is \$3,241 million better than the 2018-19 MYEFO profile deficit of \$8,239 million. As with the net operating balance, the difference primarily results from higher than expected revenue, lower expenses and lower net capital investments.

### **Assets and Liabilities**

As at 31 December 2018:

- net worth is negative \$436,460 million;
- net debt is \$359,934 million; and
- net financial liabilities are \$641,601 million.

Senator the Hon. Mathias Cormann  
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## Australian Government general government sector operating statement

		ACTUAL 2018-2019 December \$m	ACTUAL 2018-2019 YTD December \$m	MYEFO Profile 2018-2019 YTD December \$m	MYEFO ESTIMATE* 2018-2019 FULL YEAR \$m
<b>Revenue</b>					
Taxation revenue	1,2	37,580	217,765	216,297	457,997
Sales of goods and services		975	6,275	6,268	14,024
Interest income		367	2,192	2,127	4,810
Dividend income		659	3,192	3,189	4,648
Other		929	5,347	5,218	11,809
<b>Total revenue</b>		<b>40,511</b>	<b>234,771</b>	<b>233,100</b>	<b>493,288</b>
<b>Expenses</b>					
Gross operating expenses					
Wages and salaries(a)		1,626	9,918	10,085	20,551
Superannuation		586	3,633	3,863	9,291
Depreciation and amortisation		670	4,265	4,308	8,606
Supply of goods and services		10,890	57,548	57,787	118,012
Other operating expenses(a)		600	3,439	3,343	6,677
<i>Total gross operating expenses</i>		<i>14,371</i>	<i>78,803</i>	<i>79,386</i>	<i>163,136</i>
Superannuation interest expense		806	4,839	4,806	9,446
Interest expenses		1,665	9,057	9,070	18,498
Current transfers					
Current grants		11,895	73,049	72,800	149,036
Subsidy expenses		968	5,760	5,755	11,491
Personal benefits		10,719	64,645	64,582	125,837
<i>Total current transfers</i>		<i>23,582</i>	<i>143,454</i>	<i>143,137</i>	<i>286,364</i>
Capital transfers					
Mutually agreed write-downs		71	665	667	1,450
Other capital grants		306	1,553	2,703	9,469
<i>Total capital transfers</i>		<i>378</i>	<i>2,217</i>	<i>3,370</i>	<i>10,919</i>
<b>Total expenses</b>	3	<b>40,803</b>	<b>238,370</b>	<b>239,770</b>	<b>488,363</b>
<b>Net operating balance</b>		<b>-292</b>	<b>-3,599</b>	<b>-6,670</b>	<b>4,926</b>
<b>Other economic flows</b>					
- included in operating result					
Net write-downs of assets (including bad and doubtful debts)		253	-5,581	-4,128	-8,202
Assets recognised for the first time		23	166	100	200
Actuarial revaluations		6	35	35	70
Net foreign exchange gains		-1,452	-1,376	64	-269
Net swap interest received		-7	-362	-355	-218
Market valuation of debt		-9,150	-8,606	-3,555	-2,282
Other gains/(losses)		-281	263	-4,771	7,491
<b>Total other economic flows</b>		<b>-10,608</b>	<b>-15,462</b>	<b>-12,610</b>	<b>-3,211</b>
- included in operating result					
<b>Operating Result(b)</b>		<b>-10,900</b>	<b>-19,061</b>	<b>-19,280</b>	<b>1,715</b>
<b>Non-owner movements in equity</b>					
Revaluation of equity investments		0	1	265	-3,529
Actuarial revaluations		0	0	540	-5,794
Other economic revaluations		99	735	4,202	-76
<b>Total other economic flows - included in equity</b>		<b>99</b>	<b>736</b>	<b>5,007</b>	<b>-9,399</b>
<b>Comprehensive result</b>					
- Total change in net worth		<b>-10,801</b>	<b>-18,325</b>	<b>-14,273</b>	<b>-7,685</b>
<b>Net operating balance</b>		<b>-292</b>	<b>-3,599</b>	<b>-6,670</b>	<b>4,926</b>
<b>Net acquisition of non-financial assets</b>					
Purchases of non-financial assets		1,459	5,731	5,935	15,556
less Sales of non-financial assets		11	72	88	285
less Depreciation		670	4,265	4,308	8,606
plus Change in inventories		22	-47	10	159
plus Other movements in non-financial assets		21	52	20	2
<b>Total net acquisition of non-financial assets</b>		<b>821</b>	<b>1,399</b>	<b>1,569</b>	<b>6,826</b>
<b>Fiscal balance (Net lending/borrowing)(c)</b>		<b>-1,113</b>	<b>-4,998</b>	<b>-8,239</b>	<b>-1,901</b>

\*As published in the 2018-19 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) Operating result under Australian Accounting Standards.

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

## Australian Government general government sector balance sheet

	ACTUAL as at 31 December 2018 \$m	MYEFO ESTIMATE* as at 30 June 2019 \$m
<b>Assets</b>		
Financial assets		
Cash and deposits	8,420	5,849
Advances paid	62,010	72,662
Investments, loans and placements	176,912	174,371
Other receivables	55,613	54,623
Equity investments		
Investments in other public sector entities	59,040	56,251
Equity accounted investments	130	265
Investments - shares	49,409	66,355
<i>Total financial assets</i>	<i>411,533</i>	<i>430,375</i>
Non-financial assets		
Land	11,601	11,492
Buildings	26,421	27,078
Plant, equipment and infrastructure	79,591	81,751
Inventories	8,565	8,437
Intangibles	7,886	9,397
Investment properties	168	173
Biological assets	20	36
Heritage and cultural assets	11,602	11,599
Assets held for sale	162	181
Other non-financial assets	85	34
<i>Total non-financial assets</i>	<i>146,101</i>	<i>150,178</i>
<b>Total assets</b>	<b>557,635</b>	<b>580,554</b>
<b>Liabilities</b>		
Interest bearing liabilities		
Deposits held	376	381
Government securities	587,976	586,341
Loans	17,424	16,615
Other borrowing	1,501	1,493
<i>Total interest bearing liabilities</i>	<i>607,276</i>	<i>604,830</i>
Provisions and payables		
Superannuation liability(a)	317,685	223,589
Other employee liabilities	20,044	20,175
Suppliers payables	6,738	7,392
Personal benefits payables	2,911	3,359
Subsidies payables	385	508
Grants payables	1,913	3,710
Other payables	2,188	2,176
Provisions	34,954	35,568
<i>Total provisions and payables</i>	<i>386,819</i>	<i>296,477</i>
<b>Total liabilities</b>	<b>994,095</b>	<b>901,307</b>
<b>Net worth(b)</b>	<b>-436,460</b>	<b>-320,753</b>
<i>Net financial worth(c)</i>	<i>-582,561</i>	<i>-470,932</i>
<i>Net financial liabilities(d)</i>	<i>641,601</i>	<i>527,182</i>
<i>Net debt(e)</i>	<i>359,934</i>	<i>351,948</i>

\*As published in the 2018-19 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, that best matches each individual scheme's liability duration, is used to calculate the superannuation liability for the purpose of actuals reporting.

(b) Net worth equals 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 interest bearing liabilities (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<sup>(a)</sup>

	ACTUAL 2018-2019 December \$m	ACTUAL 2018-2019 YTD December \$m	MYEFO Profile 2018-2019 YTD December \$m	MYEFO ESTIMATE* 2018-2019 FULL YEAR \$m
<b>Cash receipts from operating activities</b>				
Taxes received	37,177	211,410	210,865	447,645
Receipts from sales of goods and services	948	6,077	5,966	14,180
Interest receipts	265	2,060	2,068	4,397
Dividends and income tax equivalents	698	3,937	3,761	4,390
Other receipts	462	6,239	6,131	10,751
<b>Total operating receipts</b>	<b>39,550</b>	<b>229,722</b>	<b>228,790</b>	<b>481,363</b>
<b>Cash payments for operating activities</b>				
Payments for employees	-1,990	-14,053	-14,660	-30,191
Payments for goods and services	-10,454	-58,262	-58,014	-117,058
Grants and subsidies paid	-13,559	-81,939	-82,658	-169,851
Interest paid	-949	-10,056	-10,084	-18,385
Personal benefit payments	-10,863	-66,573	-66,184	-126,483
Other payments	-419	-3,208	-3,300	-6,286
<b>Total operating payments</b>	<b>-38,235</b>	<b>-234,091</b>	<b>-234,901</b>	<b>-468,255</b>
<b>Net cash flows from operating activities</b>	<b>1,315</b>	<b>-4,369</b>	<b>-6,111</b>	<b>13,108</b>
<b>Cash flows from investments in non-financial assets</b>				
Sales of non-financial assets	10	63	88	720
Purchases of non-financial assets	-1,484	-5,822	-5,743	-15,115
<b>Net cash flows from investments in non-financial assets</b>	<b>-1,474</b>	<b>-5,759</b>	<b>-5,655</b>	<b>-14,395</b>
<b>Net cash flows from investments in financial assets for policy purposes</b>	<b>-1,368</b>	<b>-6,924</b>	<b>-7,592</b>	<b>-17,042</b>
<b>Cash flows from investments in financial assets for liquidity purposes</b>				
Increase in investments	-14	14,507	15,850	8,905
<b>Net cash flows from investments in financial assets for liquidity purposes</b>	<b>-14</b>	<b>14,507</b>	<b>15,850</b>	<b>8,905</b>
<b>Cash flows from financing activities</b>				
Borrowing (net)	1,056	5,836	7,600	11,254
Other financing (net)	436	-1,658	-1,728	-2,764
<b>Net cash flows from financing activities</b>	<b>1,492</b>	<b>4,178</b>	<b>5,873</b>	<b>8,490</b>
<b>Net increase/(decrease) in cash held</b>	<b>-49</b>	<b>1,634</b>	<b>2,365</b>	<b>-934</b>
<b>GFS cash surplus(+)/deficit(-)(b)</b>	<b>-159</b>	<b>-10,128</b>	<b>-11,765</b>	<b>-1,286</b>
<i>less</i> Finance leases and similar arrangements(c)	0	2	0	0
<i>less</i> Net Future Fund earnings	722	3,248	3,194	3,886
<b>Equals underlying cash balance(d)</b>	<b>-881</b>	<b>-13,378</b>	<b>-14,960</b>	<b>-5,172</b>
<i>plus</i> Net cash flows from investments in financial assets for policy purposes	-1,368	-6,924	-7,592	-17,042
<i>plus</i> Net Future Fund earnings	722	3,248	3,194	3,886
<b>Equals headline cash balance</b>	<b>-1,527</b>	<b>-17,054</b>	<b>-19,357</b>	<b>-18,329</b>

\*As published in the 2018-19 MYEFO.

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

(b) GFS cash surplus/deficit equals net cash flows from operating activities and investments in non-financial assets.

(c) The acquisition of assets under finance leases worsens the underlying cash balance. The disposal of assets previously held under finance leases improves the underlying cash balance.

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

## Note 1: Income Tax

	ACTUAL 2018-2019 December \$m	ACTUAL 2018-2019 YTD December \$m	MYEFO Profile 2018-2019 YTD December \$m	MYEFO ESTIMATE* 2018-2019 FULL YEAR \$m
Individuals and other w ithholding taxes				
Gross income tax w ithholding	16,739	102,513	102,336	207,600
Gross other individuals	1,458	20,833	20,767	49,500
/ess Refunds	1,036	22,113	22,203	30,000
Total individuals and other w ithholding taxation	17,160	101,233	100,899	227,100
Fringe benefits tax	50	1,849	1,774	3,930
Company tax	8,712	46,393	46,001	94,500
Superannuation fund taxes	2,129	7,576	7,514	10,670
Petroleum resource rent tax	-18	475	623	1,480
<b>Total income taxation revenue</b>	<b>28,034</b>	<b>157,527</b>	<b>156,813</b>	<b>337,680</b>

\*As published in the 2018-19 MYEFO.

## Note 2: Indirect Tax

	ACTUAL 2018-2019 December \$m	ACTUAL 2018-2019 YTD December \$m	MYEFO Profile 2018-2019 YTD December \$m	MYEFO ESTIMATE* 2018-2019 FULL YEAR \$m
Goods and services tax	4,921	35,339	34,397	69,180
Wine equalisation tax	97	485	503	1,050
Luxury car tax	49	335	341	700
Excise duty	2,395	12,298	12,215	23,385
Customs duty	1,463	7,208	7,591	16,750
Other indirect tax	622	4,572	4,437	9,252
<b>Total indirect taxation revenue</b>	<b>9,546</b>	<b>60,238</b>	<b>59,484</b>	<b>120,317</b>

\*As published in the 2018-19 MYEFO.

## Note 3: Total expenses by function

	ACTUAL 2018-2019 December \$m	ACTUAL 2018-2019 YTD December \$m	MYEFO ESTIMATE* 2018-2019 FULL YEAR \$m
<b>Expenses by function</b>			
General public services	1,249	13,328	26,193
Defence	3,405	15,733	30,594
Public order and safety	343	2,612	5,544
Education	2,635	17,246	35,170
Health	6,409	37,061	80,183
Social security and welfare	16,189	87,457	174,684
Housing and community amenities	469	2,102	5,647
Recreation and culture	273	1,724	3,949
Fuel and energy	609	3,671	7,716
Agriculture, forestry and fishing	150	1,079	3,196
Mining, manufacturing and construction	242	1,429	2,915
Transport and communication	379	1,991	8,455
Other economic affairs	796	4,694	10,039
Other purposes			
Public debt interest	1,457	8,670	17,235
Nominal superannuation interest	806	4,839	9,446
General purpose inter-government transactions	5,392	34,734	68,953
Natural disaster relief	0	0	153
Contingency reserve	0	0	-1,706
<b>Total expenses</b>	<b>40,803</b>	<b>238,370</b>	<b>488,363</b>

\*As published in the 2018-19 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/>.

### **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>.