



SENATOR THE HON MATHIAS CORMANN
Minister for Finance

MEDIA RELEASE

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AUSTRALIAN GOVERNMENT GENERAL GOVERNMENT SECTOR
MONTHLY FINANCIAL STATEMENTS
OCTOBER 2015

KEY POINTS

- The underlying cash balance for the 2015-16 financial year to 31 October 2015 was a deficit of \$25,882 million.
- The fiscal balance for the 2015-16 financial year to 31 October 2015 was a deficit of \$20,068 million.

AGGREGATES	ACTUAL 2015-2016 October \$m	ACTUAL 2015-2016 YTD October \$m	Budget Profile 2015-2016 YTD October \$m	BUDGET ESTIMATE* 2015-2016 Full Year \$m
Revenue	37,295	121,900	123,194	405,350
Expenses	35,810	142,496	144,076	434,469
Net operating balance	1,485	-20,596	-20,882	-29,118
Net capital investment	145	-528	791	3,854
Fiscal balance	1,339	-20,068	-21,673	-32,972
Receipts(a)	33,960	118,923	118,839	397,980
less Payments(b)	38,042	143,430	145,044	429,836
less Net Future Fund earnings	488	1,375	1,299	3,258
Underlying cash balance(c)	-4,569	-25,882	-27,504	-35,115
Headline cash balance	-4,991	-27,889	-29,238	-44,764
Total assets		437,032		454,695
Total liabilities		766,961		716,135
Net worth(d)		-329,929		-261,440
Net debt(e)		267,822		285,802

*As published in the 2015-16 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.

FISCAL OUTCOMES

Underlying Cash Balance

The underlying cash balance for the year to 31 October 2015 was a deficit of \$25,882 million, compared to the 2015-16 Budget profile deficit of \$27,504 million. The difference of \$1,622 million primarily relates to lower than expected cash payments.

Fiscal Balance

The fiscal balance for the year to 31 October 2015 was a deficit of \$20,068 million, compared to the Budget profile deficit of \$21,673 million. The difference of \$1,605 million relates to lower than expected expenses and net capital investment, partially offset by lower than expected revenue.

- **Revenues**

Total revenue was \$1,294 million lower than the Budget profile, primarily due to lower than expected taxation revenue, partially offset by higher dividend income.

- **Expenses**

Total expenses were \$1,580 million lower than the Budget profile, primarily due to lower than expected grants, supply of goods and services, and wages and salaries expenses, partially offset by higher than expected superannuation expenses.

Assets and Liabilities

As at 31 October 2015:

- Net worth is negative \$329,929 million;
- Net debt is \$267,822 million; and
- Net financial liabilities are \$490,255 million.

Senator the Hon Mathias Cormann
Minister for Finance

20 November 2015

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20 November 2015

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Australian Government general government sector operating statement

		ACTUAL 2015-2016 October \$m	ACTUAL 2015-2016 YTD October \$m	Budget Profile 2015-2016 YTD October \$m	BUDGET ESTIMATE* 2015-2016 Full Year \$m
Revenue					
Taxation revenue	1, 2	35,051	112,557	114,831	380,074
Sales of goods and services		883	3,393	3,160	9,542
Interest income		311	1,175	1,463	4,083
Dividend income		418	2,745	1,538	3,143
Other		631	2,031	2,201	8,508
Total revenue		37,295	121,900	123,194	405,350
Expenses					
Gross operating expenses					
Wages and salaries(a)		1,563	6,262	6,618	19,801
Superannuation		526	2,040	1,573	4,760
Depreciation and amortisation		545	2,348	2,373	7,182
Supply of goods and services		6,726	27,392	27,911	85,046
Other operating expenses(a)		521	2,008	1,864	5,510
<i>Total gross operating expenses</i>		<i>9,880</i>	<i>40,050</i>	<i>40,339</i>	<i>122,298</i>
Superannuation interest expense		767	3,078	3,290	9,869
Interest expenses		1,400	5,407	5,544	17,270
Current transfers					
Current grants		11,435	40,611	40,911	128,415
Subsidy expenses		1,011	4,085	4,140	12,654
Personal benefits		10,540	46,160	46,416	133,123
<i>Total current transfers</i>		<i>22,986</i>	<i>90,856</i>	<i>91,466</i>	<i>274,191</i>
Capital transfers					
Mutually agreed write-downs		139	606	683	2,199
Other capital grants		639	2,499	2,755	8,641
<i>Total capital transfers</i>		<i>778</i>	<i>3,105</i>	<i>3,438</i>	<i>10,840</i>
Total expenses	3	35,810	142,496	144,076	434,469
Net operating balance		1,485	-20,596	-20,882	-29,118
Other economic flows					
- included in operating result(b)					
Net write-downs of assets (including bad and doubtful debts)		-397	-2,012	-3,721	-8,638
Assets recognised for the first time		-12	112	111	335
Net foreign exchange gains		621	-1,582	46	46
Net swap interest received		-29	-410	0	0
Market valuation of debt		161	-6,383	1,251	3,625
Other gains/(losses)		1,238	3,914	2,576	5,604
Total other economic flows		1,582	-6,362	263	972
Operating result		3,066	-26,958	-20,619	-28,147
Non-owner movements in equity(b)					
Revaluation of equity investments(c)		-3	13	643	-2,221
Actuarial revaluations		0	0	36	105
Other economic revaluations(d)		-825	-634	-118	135
Total other economic flows - included in equity		-828	-621	562	-1,981
Comprehensive result - Total change in net worth		2,239	-27,579	-20,057	-30,128
Net operating balance		1,485	-20,596	-20,882	-29,118
Net acquisition of non-financial assets					
Purchases of non-financial assets		606	2,000	3,270	11,408
less Sales of non-financial assets		6	126	178	491
less Depreciation		545	2,348	2,373	7,182
plus Change in inventories		84	-114	80	352
plus Other movements in non-financial assets		6	60	-8	-234
Total net acquisition of non-financial assets		145	-528	791	3,854
Fiscal balance (Net lending/borrowing)(e)		1,339	-20,068	-21,673	-32,972

*As published in the 2015-16 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 31 October 2015 \$m	BUDGET ESTIMATE* as at 30 June 2016 \$m
Assets		
Financial assets		
Cash and deposits	3,173	3,435
Advances paid	47,963	52,901
Investments, loans and placements	133,001	137,947
Other receivables	49,702	45,980
Equity investments		
Investments in other public sector entities	42,097	45,471
Equity accounted investments	306	326
Investments - shares	42,563	46,537
Total financial assets	318,803	332,597
Non-financial assets		
Land	9,944	9,144
Buildings	25,524	26,927
Plant, equipment and infrastructure	56,091	59,766
Inventories	8,198	8,211
Intangibles	6,577	6,547
Investment property	188	195
Biological assets	40	36
Heritage and cultural assets	11,298	10,852
Assets held for sale	111	72
Other non-financial assets	257	348
Total non-financial assets	118,229	122,098
Total assets	437,032	454,695
Liabilities		
Interest bearing liabilities		
Deposits held	217	211
Government securities	438,154	464,298
Loans	11,945	14,148
Other borrowing	1,642	1,428
Total interest bearing liabilities	451,958	480,084
Provisions and payables		
Superannuation liability(a)	250,749	173,921
Other employee liabilities	17,046	16,105
Suppliers payable	5,285	4,914
Personal benefits provisions and payable	11,982	12,826
Subsidies provisions and payable	4,606	4,854
Grants provisions and payable	10,485	8,472
Other provisions and payables	14,850	14,959
Total provisions and payables	315,003	236,051
Total liabilities	766,961	716,135
Net worth(b)	-329,929	-261,440
<i>Net financial worth(c)</i>	<i>-448,157</i>	<i>-383,538</i>
<i>Net financial liabilities(d)</i>	<i>490,255</i>	<i>429,009</i>
<i>Net debt(e)</i>	<i>267,822</i>	<i>285,802</i>

*As published in the 2015-16 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, advances paid, and investments, loans and placements.

Australian Government general government sector cash flow statement

	ACTUAL 2015-2016 October \$m	ACTUAL 2015-2016 YTD October \$m	Budget Profile 2015-2016 YTD October \$m	BUDGET ESTIMATE* 2015-2016 Full Year \$m
Cash receipts from operating activities				
Taxes received	31,582	109,323	109,343	370,140
Receipts from sales of goods and services	703	2,994	3,222	9,475
Interest receipts	304	1,019	1,234	3,334
Dividends and income tax equivalents	516	3,007	2,961	4,623
Other receipts	833	2,464	1,527	8,549
Total operating receipts	33,938	118,807	118,287	396,121
Cash payments for operating activities				
Payments for employees	-2,054	-8,976	-9,407	-27,891
Payments for goods and services	-7,252	-28,245	-27,597	-85,076
Grants and subsidies paid	-13,241	-48,232	-49,439	-150,792
Interest paid	-3,367	-5,917	-5,981	-14,953
Personal benefit payments	-11,238	-48,154	-47,799	-134,744
Other payments	-529	-1,822	-1,541	-5,218
Total operating payments	-37,681	-141,347	-141,763	-418,674
Net cash flows from operating activities	-3,743	-22,540	-23,476	-22,553
Cash flows from investments in non-financial assets				
Sales of non-financial assets	22	116	552	1,859
Purchases of non-financial assets	-360	-2,080	-3,280	-11,161
Net cash flows from investments in non-financial assets	-338	-1,964	-2,728	-9,302
Net cash flows from investments in financial assets for policy purposes	-909	-3,382	-3,033	-12,908
Cash flows from investments in financial assets for liquidity purposes				
Increase in investments	7,734	5,219	16,125	-3,129
Net cash flows from investments in financial assets for liquidity purposes	7,734	5,219	16,125	-3,129
Cash flows from financing activities				
Borrowing (net)	-2,296	23,731	13,807	50,790
Other financing (net)	-552	-1,047	-1,053	-2,608
Net cash flows from financing activities	-2,847	22,684	12,754	48,182
Net increase/(decrease) in cash held	-104	17	-358	291
Net cash flows from operating activities and investments in non-financial assets (Surplus+)/deficit(-)	-4,082	-24,504	-26,204	-31,855
Finance leases and similar arrangements(b)	0	-3	-1	-2
GFS cash surplus(+)/deficit(-)	-4,082	-24,507	-26,205	-31,856
less Net Future Fund earnings	488	1,375	1,299	3,258
Equals underlying cash balance(c)	-4,569	-25,882	-27,504	-35,115
plus Net cash flows from investments in financial assets for policy purposes	-909	-3,382	-3,033	-12,908
plus Net Future Fund earnings	488	1,375	1,299	3,258
Equals headline cash balance	-4,991	-27,889	-29,238	-44,764

*As published in the 2015-16 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 2015-2016 October \$m	ACTUAL 2015-2016 YTD October \$m	Budget Profile 2015-2016 YTD October \$m	BUDGET ESTIMATE* 2015-2016 Full Year \$m
Individuals and other w ithholding taxes				
Gross income tax w ithholding	14,325	57,914	58,976	178,460
Gross other individuals	5,018	13,656	14,094	43,800
/ess Refunds	3,021	17,352	17,370	28,000
Total individuals and other w ithholding taxation	16,323	54,217	55,700	194,260
Fringe benefits tax	1,068	2,023	2,150	5,020
Company tax	6,612	19,537	19,376	69,800
Superannuation funds	1,176	2,807	3,706	9,180
Resource rent taxes	301	427	829	1,420
Total income taxation revenue	25,481	79,012	81,761	279,680

*As published in the 2015-16 Budget.

Note 2: Indirect Tax

	ACTUAL 2015-2016 October \$m	ACTUAL 2015-2016 YTD October \$m	Budget Profile 2015-2016 YTD October \$m	BUDGET ESTIMATE* 2015-2016 Full Year \$m
Goods and services tax	6,413	20,469	20,376	60,330
Wine equalisation tax	53	247	209	840
Luxury car tax	52	195	159	450
Excise duty	1,845	7,304	8,027	24,920
Customs duty	866	4,107	2,867	9,480
Other indirect tax	340	1,222	1,432	4,374
Total indirect taxation revenue	9,570	33,545	33,070	100,394

*As published in the 2015-16 Budget.

Note 3: Total expenses by function

	ACTUAL 2015-2016 October \$m	ACTUAL 2015-2016 YTD October \$m	BUDGET ESTIMATE* 2015-2016 Full Year \$m
Expenses by function			
General public services	1,877	6,768	22,162
Defence	2,201	9,053	26,348
Public order and safety	352	1,613	4,885
Education	4,231	12,106	31,854
Health	5,672	22,738	69,381
Social security and w elfare	11,797	52,667	154,000
Housing and community amenities	608	1,535	5,329
Recreation and culture	338	1,113	3,530
Fuel and energy	537	2,176	6,706
Agriculture, Forestry and Fishing	158	596	3,063
Mining, manufacturing and construction	234	975	3,142
Transport and communication(a)	262	934	8,575
Other economic affairs	656	3,048	9,792
Other purposes			
Public debt interest	1,294	4,985	15,561
Nominal superannuation interest	767	3,078	9,869
General purpose inter-government transactions	4,828	19,111	60,038
Natural disaster relief	0	0	33
Contingency reserve	0	0	201
Total expenses	35,810	142,496	434,469

*As published in the 2015-16 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://aofm.gov.au/cgs-quarterly/quarterly-data-september-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>.