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Minister for Finance

MEDIA RELEASE

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AUSTRALIAN GOVERNMENT GENERAL GOVERNMENT SECTOR
MONTHLY FINANCIAL STATEMENTS
SEPTEMBER 2015

KEY POINTS

- The underlying cash balance for the 2015-16 financial year to 30 September 2015 was a deficit of \$21,312 million.
- The fiscal balance for the 2015-16 financial year to 30 September 2015 was a deficit of \$21,408 million.

AGGREGATES	ACTUAL 2015-2016 September \$m	ACTUAL 2015-2016 YTD September \$m	Budget Profile 2015-2016 YTD September \$m	BUDGET ESTIMATE* 2015-2016 Full Year \$m
Revenue	23,492	84,605	85,494	405,350
Expenses	33,192	106,686	107,468	434,469
Net operating balance	-9,700	-22,081	-21,974	-29,118
Net capital investment	65	-673	644	3,854
Fiscal balance	-9,765	-21,408	-22,618	-32,972
Receipts(a)	24,604	84,963	84,362	397,980
less Payments(b)	32,002	105,389	107,329	429,836
less Net Future Fund earnings	380	887	1,377	3,258
Underlying cash balance(c)	-7,778	-21,312	-24,344	-35,115
Headline cash balance	-8,050	-22,898	-25,626	-44,764
Total assets		438,656		454,695
Total liabilities		770,823		716,135
Net worth(d)		-332,168		-261,440
Net debt(e)		264,787		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 30 September 2015 was a deficit of \$21,312 million, compared to the 2015-16 Budget profile deficit of \$24,344 million. The difference of \$3,032 million relates to higher than expected cash receipts and lower than expected cash payments.

Fiscal Balance

The fiscal balance for the year to 30 September 2015 was a deficit of \$21,408 million, compared to the Budget profile deficit of \$22,618 million. The difference of \$1,210 million relates to lower than expected expenses and net capital investment, partially offset by lower than expected revenue.

- **Revenues**

Total revenue was \$889 million lower than the Budget profile, primarily due to lower than expected taxation revenue, partially offset by higher dividend income.

- **Expenses**

Total expenses were \$781 million lower than the Budget profile, primarily due to lower than expected current grants, wages and salaries and supply of goods and services expenses, partially offset by higher than expected personal benefit and superannuation expenses.

Assets and Liabilities

As at 30 September 2015:

- Net worth is negative \$332,168 million;
- Net debt is \$264,787 million; and
- Net financial liabilities are \$770,823 million.

Senator the Hon Mathias Cormann
Minister for Finance

23 October 2015

Jane Halton
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23 October 2015

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Australian Government general government sector operating statement

		ACTUAL 2015-2016 September	ACTUAL 2015-2016 YTD September	Budget Profile 2015-2016 YTD September	BUDGET ESTIMATE* 2015-2016 Full Year
	Note	\$m	\$m	\$m	\$m
Revenue					
Taxation revenue	1, 2	19,838	77,506	79,193	380,074
Sales of goods and services		835	2,510	2,281	9,542
Interest income		296	863	1,160	4,083
Dividend income		1,884	2,327	1,326	3,143
Other		639	1,399	1,534	8,508
Total revenue		23,492	84,605	85,494	405,350
Expenses					
Gross operating expenses					
Wages and salaries(a)		1,571	4,699	5,026	19,801
Superannuation		526	1,515	1,182	4,760
Depreciation and amortisation		550	1,803	1,780	7,182
Supply of goods and services		6,795	20,666	20,994	85,046
Other operating expenses(a)		442	1,487	1,350	5,510
<i>Total gross operating expenses</i>		<i>9,884</i>	<i>30,170</i>	<i>30,332</i>	<i>122,298</i>
Superannuation interest expense		771	2,312	2,467	9,869
Interest expenses		1,304	4,007	4,119	17,270
Current transfers					
Current grants		8,435	29,176	29,768	128,415
Subsidy expenses		1,052	3,075	3,118	12,654
Personal benefits		10,909	35,620	35,161	133,123
<i>Total current transfers</i>		<i>20,397</i>	<i>67,871</i>	<i>68,046</i>	<i>274,191</i>
Capital transfers					
Mutually agreed write-downs		129	467	477	2,199
Other capital grants		708	1,861	2,026	8,641
<i>Total capital transfers</i>		<i>837</i>	<i>2,328</i>	<i>2,503</i>	<i>10,840</i>
Total expenses	3	33,192	106,686	107,468	434,469
Net operating balance		-9,700	-22,081	-21,974	-29,118
Other economic flows					
- included in operating result(b)					
Net write-downs of assets (including bad and doubtful debts)		-630	-1,615	-2,142	-8,638
Assets recognised for the first time		69	123	83	335
Liabilities recognised for the first time		0	0	0	0
Actuarial revaluations		0	0	0	0
Net foreign exchange gains		8	-2,203	46	46
Net swap interest received		-149	-381	0	0
Market valuation of debt		-37	-6,544	942	3,625
Other gains/(losses)		-955	2,676	2,197	5,604
Total other economic flows		-1,694	-7,943	1,126	972
Operating result		-11,393	-30,024	-20,847	-28,147
Non-owner movements in equity(b)					
Revaluation of equity investments(c)		4	16	643	-2,221
Actuarial revaluations		0	0	19	105
Other economic revaluations(d)		-224	190	-155	135
Total other economic flows - included in equity		-220	207	507	-1,981
Comprehensive result - Total change in net worth		-11,614	-29,818	-20,340	-30,128
Net operating balance		-9,700	-22,081	-21,974	-29,118
Net acquisition of non-financial assets					
Purchases of non-financial assets		618	1,394	2,535	11,408
less Sales of non-financial assets		10	120	166	491
less Depreciation		550	1,803	1,780	7,182
plus Change in inventories		-9	-198	66	352
plus Other movements in non-financial assets		16	53	-10	-234
Total net acquisition of non-financial assets		65	-673	644	3,854
Fiscal balance (Net lending/borrowing)(e)		-9,765	-21,408	-22,618	-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 30 September 2015 \$m	BUDGET ESTIMATE* as at 30 June 2016 \$m
Assets		
Financial assets		
Cash and deposits	3,277	3,435
Advances paid	47,782	52,901
Investments, loans and placements	141,274	137,947
Other receivables	45,955	45,980
Equity investments		
Investments in other public sector entities	41,513	45,471
Equity accounted investments	306	326
Investments - shares	40,687	46,537
Total financial assets	320,794	332,597
Non-financial assets		
Land	9,963	9,144
Buildings	25,559	26,927
Plant, equipment and infrastructure	55,793	59,766
Inventories	8,142	8,211
Intangibles	6,529	6,547
Investment property	189	195
Biological assets	41	36
Heritage and cultural assets	11,301	10,852
Assets held for sale	92	72
Other non-financial assets	251	348
Total non-financial assets	117,862	122,098
Total assets	438,656	454,695
Liabilities		
Interest bearing liabilities		
Deposits held	218	211
Government securities	443,195	464,298
Loans	12,062	14,148
Other borrowing	1,645	1,428
Total interest bearing liabilities	457,120	480,084
Provisions and payables		
Superannuation liability(a)	250,085	173,921
Other employee liabilities	16,895	16,105
Suppliers payable	4,500	4,914
Personal benefits provisions and payable	12,577	12,826
Subsidies provisions and payable	4,589	4,854
Grants provisions and payable	10,462	8,472
Other provisions and payables	14,596	14,959
Total provisions and payables	313,703	236,051
Total liabilities	770,823	716,135
Net worth(b)	-332,168	-261,440
<i>Net financial worth(c)</i>	-450,029	-383,538
<i>Net financial liabilities(d)</i>	491,542	429,009
<i>Net debt(e)</i>	264,787	285,802

*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 September \$m	ACTUAL 2015-2016 YTD September \$m	Budget Profile 2015-2016 YTD September \$m	BUDGET ESTIMATE* 2015-2016 Full Year \$m
Cash receipts from operating activities				
Taxes received	21,300	77,741	76,881	370,140
Receipts from sales of goods and services	721	2,291	2,353	9,475
Interest receipts	216	715	986	3,334
Dividends and income tax equivalents	2,034	2,491	2,736	4,623
Other receipts	302	1,631	997	8,549
Total operating receipts	24,574	84,870	83,953	396,121
Cash payments for operating activities				
Payments for employees	-2,240	-6,922	-7,178	-27,891
Payments for goods and services	-7,447	-20,994	-21,002	-85,076
Grants and subsidies paid	-10,030	-34,990	-36,537	-150,792
Interest paid	-800	-2,550	-2,691	-14,953
Personal benefit payments	-11,456	-36,916	-36,452	-134,744
Other payments	149	-1,293	-924	-5,218
Total operating payments	-31,823	-103,666	-104,785	-418,674
Net cash flows from operating activities	-7,250	-18,796	-20,832	-22,553
Cash flows from investments in non-financial assets				
Sales of non-financial assets	30	94	409	1,859
Purchases of non-financial assets	-176	-1,720	-2,544	-11,161
Net cash flows from investments in non-financial assets	-145	-1,626	-2,135	-9,302
Net cash flows from investments in financial assets for policy purposes	-652	-2,473	-2,659	-12,908
Cash flows from investments in financial assets for liquidity purposes				
Increase in investments	-2,168	-2,515	5,111	-3,129
Net cash flows from investments in financial assets for liquidity purposes	-2,168	-2,515	5,111	-3,129
Cash flows from financing activities				
Borrowing (net)	10,661	26,027	20,335	50,790
Other financing (net)	-30	-495	-495	-2,608
Net cash flows from financing activities	10,630	25,532	19,840	48,182
Net increase/(decrease) in cash held	416	121	-674	291
Net cash flows from operating activities and investments in non-financial assets (Surplus+)/deficit(-)	-7,395	-20,422	-22,967	-31,855
Finance leases and similar arrangements(b)	-3	-3	0	-2
GFS cash surplus(+)/deficit(-)	-7,398	-20,425	-22,967	-31,856
less Net Future Fund earnings	380	887	1,377	3,258
Equals underlying cash balance(c)	-7,778	-21,312	-24,344	-35,115
plus Net cash flows from investments in financial assets for policy purposes	-652	-2,473	-2,659	-12,908
plus Net Future Fund earnings	380	887	1,377	3,258
Equals headline cash balance	-8,050	-22,898	-25,626	-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 September \$m	ACTUAL 2015-2016 YTD September \$m	Budget Profile 2015-2016 YTD September \$m	BUDGET ESTIMATE* 2015-2016 Full Year \$m
Individuals and other w ithholding taxes				
Gross income tax w ithholding	14,239	43,588	44,355	178,460
Gross other individuals	1,251	8,637	8,843	43,800
/ess Refunds	3,792	14,332	14,220	28,000
Total individuals and other w ithholding taxation	11,699	37,894	38,978	194,260
Company tax	1,948	12,924	13,516	69,800
Superannuation funds	-162	1,631	2,113	9,180
Resource rent taxes	-60	126	401	1,420
Fringe benefits tax	-14	956	1,056	5,020
Total income taxation revenue	13,412	53,531	56,064	279,680

*As published in the 2015-16 Budget.

Note 2: Indirect Tax

	ACTUAL 2015-2016 September \$m	ACTUAL 2015-2016 YTD September \$m	Budget Profile 2015-2016 YTD September \$m	BUDGET ESTIMATE* 2015-2016 Full Year \$m
Goods and services tax	3,632	14,057	13,743	60,330
Wine equalisation tax	63	194	166	840
Luxury car tax	42	143	120	450
Excise duty	1,657	5,459	6,156	24,920
Customs duty	775	3,240	2,077	9,480
Other indirect tax	258	882	867	4,374
Total indirect taxation revenue	6,426	23,975	23,129	100,394

*As published in the 2015-16 Budget.

Note 3: Total expenses by function

	ACTUAL 2015-2016 September \$m	ACTUAL 2015-2016 YTD September \$m	BUDGET ESTIMATE* 2015-2016 Full Year \$m
Expenses by function			
General public services	1,521	4,891	22,162
Defence	2,156	6,853	26,348
Public order and safety	411	1,261	4,885
Education	1,691	7,875	31,854
Health	5,532	17,066	69,381
Social security and w elfare	12,472	40,870	154,000
Housing and community amenities	313	927	5,329
Recreation and culture	258	775	3,530
Fuel and energy	545	1,639	6,706
Agriculture, Forestry and Fishing	168	438	3,063
Mining, manufacturing and construction	289	741	3,142
Transport and communication(a)	221	673	8,575
Other economic affairs	806	2,392	9,792
Other purposes			
Public debt interest	1,210	3,691	15,561
Nominal superannuation interest	771	2,312	9,869
General purpose inter-government transactions	4,829	14,283	60,038
Natural disaster relief	0	0	33
Contingency reserve	0	0	201
Total expenses	33,192	106,686	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>.