



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

Friday, 21 December 2018

AUSTRALIAN GOVERNMENT GENERAL GOVERNMENT SECTOR
MONTHLY FINANCIAL STATEMENTS
November 2018

KEY POINTS

- The underlying cash balance for the 2018-19 financial year to 30 November 2018 was a deficit of \$12,497 million.
- The fiscal balance for the 2018-19 financial year to 30 November 2018 was a deficit of \$3,885 million.

AGGREGATES	ACTUAL 2018-2019 November \$m	ACTUAL 2018-2019 YTD November \$m	Budget Profile 2018-2019 YTD November \$m	BUDGET ESTIMATE* 2018-2019 FULL YEAR \$m
Revenue	43,889	194,261	186,264	486,141
Expenses	37,820	197,567	200,980	488,584
Net operating balance	6,068	-3,307	-14,716	-2,443
Net capital investment	428	578	1,982	4,989
Fiscal balance	5,641	-3,885	-16,698	-7,431
Receipts(a)	43,505	190,225	182,315	473,745
less Payments(b)	40,185	200,196	201,767	484,648
less Net Future Fund earnings	481	2,527	1,486	3,559
Underlying cash balance(c)	2,839	-12,497	-20,938	-14,462
Headline cash balance	1,993	-15,527	-25,474	-27,562
Total assets		557,380		567,956
Total liabilities		983,062		905,565
Net worth(d)		-425,682		-337,609
Net debt(e)		349,452		349,851

*As published in the 2018-19 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 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 November 2018 monthly financial statements are based on the 2018-19 Budget published in May 2018. From the December 2018 monthly financial statements, the comparators will be based on updated estimates from the 2018-19 Mid-Year Economic and Fiscal Outlook.

FISCAL OUTCOMES

Underlying Cash Balance

The underlying cash balance for the financial year to 30 November 2018 was a deficit of \$12,497 million, which is \$8,441 million lower than the 2018-19 Budget profile deficit of \$20,938 million.

- **Receipts**

Total receipts were \$7,910 million higher than the 2018-19 Budget profile.

- **Payments**

Total payments were \$1,571 million lower than the 2018-19 Budget profile.

Net Operating Balance

The net operating balance for the year to 30 November 2018 was a deficit of \$3,307 million, which is \$11,410 million better than the 2018-19 Budget profile deficit of \$14,716 million. The difference primarily results from higher than expected revenue and lower expenses.

Fiscal Balance

The fiscal balance for the year to 30 November 2018 was a deficit of \$3,885 million, which is \$12,813 million better than the 2018-19 Budget profile deficit of \$16,698 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 30 November 2018:

- net worth is negative \$425,682 million;
- net debt is \$349,452 million; and
- net financial liabilities are \$629,910 million.

Senator the Hon. Mathias Cormann
Minister for Finance and the Public Service

Rosemary Huxtable PSM
Secretary
Department of Finance

Media Contacts

Karen Wu

0428 350 139

Australian Government general government sector operating statement

		ACTUAL 2018-2019 November	ACTUAL 2018-2019 YTD November	Budget Profile 2018-2019 YTD November	BUDGET ESTIMATE* 2018-2019 FULL YEAR
	Note	\$m	\$m	\$m	\$m
Revenue					
Taxation revenue	1,2	40,797	180,185	172,865	452,001
Sales of goods and services		1,043	5,300	5,962	14,490
Interest income		513	1,825	1,731	4,442
Dividend income		475	2,533	1,420	4,126
Other		1,062	4,418	4,285	11,082
Total revenue		43,889	194,261	186,264	486,141
Expenses					
Gross operating expenses					
Wages and salaries(a)		1,694	8,292	8,576	20,411
Superannuation		534	3,047	3,023	6,022
Depreciation and amortisation		676	3,596	3,765	9,023
Supply of goods and services		9,450	46,659	49,074	119,633
Other operating expenses(a)		645	2,839	2,571	6,045
<i>Total gross operating expenses</i>		<i>13,000</i>	<i>64,432</i>	<i>67,010</i>	<i>161,134</i>
Superannuation interest expense		806	4,032	4,076	10,648
Interest expenses		1,427	7,392	7,728	19,045
Current transfers					
Current grants		10,911	61,154	60,664	149,042
Subsidy expenses		965	4,792	4,879	12,055
Personal benefits		10,132	53,926	54,058	126,429
<i>Total current transfers</i>		<i>22,008</i>	<i>119,872</i>	<i>119,601</i>	<i>287,525</i>
Capital transfers					
Mutually agreed write-downs		124	593	650	1,494
Other capital grants		455	1,246	1,916	8,738
<i>Total capital transfers</i>		<i>579</i>	<i>1,840</i>	<i>2,566</i>	<i>10,232</i>
Total expenses	3	37,820	197,567	200,980	488,584
Net operating balance		6,068	-3,307	-14,716	-2,443
Other economic flows					
- included in operating result					
Net write-downs of assets (including bad and doubtful debt)		-2,633	-5,857	-3,966	-8,867
Assets recognised for the first time		77	143	83	200
Actuarial revaluations		6	29	17	41
Net foreign exchange gains		1,201	75	0	130
Net swap interest received		-44	-355	0	0
Market valuation of debt		-357	544	637	1,315
Other gains/(losses)		173	544	2,163	3,633
Total other economic flows		-1,575	-4,877	-1,065	-3,547
- included in operating result					
Operating Result(b)		4,493	-8,184	-15,781	-5,990
Non-owner movements in equity					
Revaluation of equity investments		0	1	-40	-6,091
Actuarial revaluations		0	0	0	81
Other economic revaluations		-234	636	4,236	-377
Total other economic flows - included in equity		-234	637	4,196	-6,387
Comprehensive result					
- Total change in net worth		4,259	-7,546	-11,586	-12,377
Net operating balance		6,068	-3,307	-14,716	-2,443
Net acquisition of non-financial assets					
Purchases of non-financial assets		1,137	4,271	5,305	14,222
less Sales of non-financial assets		19	60	89	287
less Depreciation		676	3,596	3,765	9,023
plus Change in inventories		3	-68	514	75
plus Other movements in non-financial assets		-17	31	17	1
Total net acquisition of non-financial assets		428	578	1,982	4,989
Fiscal balance (Net lending/borrowing)(c)		5,641	-3,885	-16,698	-7,431

*As published in the 2018-19 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) 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 30 November 2018 \$m	BUDGET ESTIMATE* as at 30 June 2019 \$m
Assets		
Financial assets		
Cash and deposits	8,468	5,875
Advances paid	60,675	73,041
Investments, loans and placements	176,442	183,513
Other receivables	57,175	55,983
Equity investments		
Investments in other public sector entities	58,708	51,976
Equity accounted investments	134	331
Investments - shares	50,260	51,928
<i>Total financial assets</i>	<i>411,860</i>	<i>422,648</i>
Non-financial assets		
Land	11,604	10,650
Buildings	26,528	26,622
Plant, equipment and infrastructure	79,010	78,346
Inventories	8,600	7,874
Intangibles	7,916	9,819
Investment property	15	159
Biological assets	21	54
Heritage and cultural assets	11,604	11,636
Assets held for sale	159	85
Other non-financial assets	64	62
<i>Total non-financial assets</i>	<i>145,521</i>	<i>145,308</i>
Total assets	557,380	567,956
Liabilities		
Interest bearing liabilities		
Deposits held	324	218
Government securities	576,795	594,437
Loans	16,404	16,090
Other borrowing	1,513	1,534
<i>Total interest bearing liabilities</i>	<i>595,036</i>	<i>612,280</i>
Provisions and payables		
Superannuation liability(a)	316,900	223,564
Other employee liabilities	19,971	18,902
Suppliers payables	8,472	8,203
Personal benefits payables	2,357	3,038
Subsidies payables	649	1,114
Grants payables	2,226	3,072
Other payables	2,205	2,236
Provisions	35,246	33,157
<i>Total provisions and payables</i>	<i>388,026</i>	<i>293,285</i>
Total liabilities	983,062	905,565
Net worth(b)	-425,682	-337,609
<i>Net financial worth(c)</i>	<i>-571,202</i>	<i>-482,917</i>
<i>Net financial liabilities(d)</i>	<i>629,910</i>	<i>534,893</i>
<i>Net debt(e)</i>	<i>349,452</i>	<i>349,851</i>

*As published in the 2018-19 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, 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 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 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^(a)

	ACTUAL 2018-2019 November \$m	ACTUAL 2018-2019 YTD November \$m	Budget Profile 2018-2019 YTD November \$m	BUDGET ESTIMATE* 2018-2019 FULL YEAR \$m
Cash receipts from operating activities				
Taxes received	40,496	174,232	167,578	440,480
Receipts from sales of goods and services	1,256	5,129	5,871	14,551
Interest receipts	256	1,796	1,944	4,257
Dividends and income tax equivalents	419	3,239	1,673	3,970
Other receipts	1,063	5,777	5,160	9,767
Total operating receipts	43,489	190,173	182,225	473,026
Cash payments for operating activities				
Payments for employees	-2,855	-12,063	-11,604	-29,718
Payments for goods and services	-10,120	-47,808	-49,024	-117,209
Grants and subsidies paid	-12,630	-68,380	-68,240	-169,900
Interest paid	-2,229	-9,106	-8,612	-18,749
Personal benefit payments	-10,705	-55,710	-56,528	-129,372
Other payments	-528	-2,789	-2,607	-5,717
Total operating payments	-39,068	-195,856	-196,614	-470,664
Net cash flows from operating activities	4,421	-5,683	-14,389	2,362
Cash flows from investments in non-financial assets				
Sales of non-financial assets	15	52	89	720
Purchases of non-financial assets	-1,117	-4,338	-5,153	-13,984
Net cash flows from investments in non-financial assets	-1,101	-4,285	-5,063	-13,265
Net cash flows from investments in financial assets for policy purposes	-1,327	-5,557	-6,022	-16,659
Cash flows from investments in financial assets for liquidity purposes				
Increase in investments	-3,862	14,521	14,432	1,359
Net cash flows from investments in financial assets for liquidity purposes	-3,862	14,521	14,432	1,359
Cash flows from financing activities				
Borrowing (net)	5,465	4,780	9,924	29,358
Other financing (net)	-681	-2,094	-1,472	-2,643
Net cash flows from financing activities	4,784	2,687	8,452	26,715
Net increase/(decrease) in cash held	2,915	1,683	-2,591	512
GFS cash surplus(+)/deficit(-)(b)	3,320	-9,969	-19,452	-10,903
<i>less</i> Finance leases and similar arrangements(c)	0	2	0	0
<i>less</i> Net Future Fund earnings	481	2,527	1,486	3,559
Equals underlying cash balance(d)	2,839	-12,497	-20,938	-14,462
<i>plus</i> Net cash flows from investments in financial assets for policy purposes	-1,327	-5,557	-6,022	-16,659
<i>plus</i> Net Future Fund earnings	481	2,527	1,486	3,559
Equals headline cash balance	1,993	-15,527	-25,474	-27,562

*As published in the 2018-19 Budget.

(a) A positive number denotes a cash inflow; a negative sign 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 November \$m	ACTUAL 2018-2019 YTD November \$m	Budget Profile 2018-2019 YTD November \$m	BUDGET ESTIMATE* 2018-2019 FULL YEAR \$m
Individuals and other w ithholding taxes				
Gross income tax w ithholding	18,649	85,775	83,798	203,800
Gross other individuals	3,363	19,376	18,741	49,600
/ess Refunds	2,289	21,077	21,898	30,500
Total individuals and other w ithholding taxation	19,723	84,073	80,642	222,900
Fringe benefits tax	62	1,799	1,954	4,310
Company tax	8,822	37,681	33,431	91,200
Superannuation fund taxes	1,428	5,446	5,096	10,360
Petroleum resource rent tax	-85	493	741	1,420
Total income taxation revenue	29,950	129,493	121,863	330,190

*As published in the 2018-19 Budget.

Note 2: Indirect Tax

	ACTUAL 2018-2019 November \$m	ACTUAL 2018-2019 YTD November \$m	Budget Profile 2018-2019 YTD November \$m	BUDGET ESTIMATE* 2018-2019 FULL YEAR \$m
Goods and services tax	6,705	30,418	30,797	70,310
Wine equalisation tax	95	388	376	1,010
Luxury car tax	56	286	302	740
Excise duty	1,899	9,904	9,740	23,120
Customs duty	950	5,744	5,631	16,500
Other indirect tax	1,141	3,951	4,157	10,131
Total indirect taxation revenue	10,847	50,692	51,002	121,811

*As published in the 2018-19 Budget.

Note 3: Total expenses by function

	ACTUAL 2018-2019 November \$m	ACTUAL 2018-2019 YTD November \$m	BUDGET ESTIMATE* 2018-2019 FULL YEAR \$m
Expenses by function			
General public services	1,706	12,079	23,065
Defence	2,466	12,328	31,215
Public order and safety	384	2,270	5,324
Education	1,732	14,611	34,736
Health	7,203	30,652	78,825
Social security and w elfare	13,109	71,268	175,971
Housing and community amenities	467	1,633	5,382
Recreation and culture	273	1,450	3,638
Fuel and energy	626	3,062	7,541
Agriculture, forestry and fishing	205	929	3,070
Mining, manufacturing and construction	243	1,188	3,260
Transport and communication	442	1,612	9,062
Other economic affairs	765	3,899	9,471
Other purposes			
Public debt interest	1,400	7,213	17,811
Nominal superannuation interest	806	4,032	10,648
General purpose inter-government transactions	5,993	29,342	69,446
Natural disaster relief	0	0	17
Contingency reserve	0	0	101
Total expenses	37,820	197,567	488,584

*As published in the 2018-19 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 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>.