



SENATOR THE HON MATHIAS CORMANN
Minister for Finance
Leader of the Government in the Senate

Friday, 20 December 2019

MEDIA RELEASE

AUSTRALIAN GOVERNMENT GENERAL GOVERNMENT SECTOR
MONTHLY FINANCIAL STATEMENTS
November 2019

KEY POINTS

- The Monthly Financial Statements for November 2019 report the budget position against the expected monthly profile for the 2019-20 financial year through to 30 November 2019, based on the 2019-20 Budget published in April 2019.
- The 2019-20 Mid-Year Economic and Fiscal Outlook (MYEFO) released on Monday, 16 December 2019, includes updated estimates for the 2019-20 financial year. Commencing with the December 2019 monthly financial statements, which will be released in January 2020, the budget position will be reported against the expected monthly profile based on the updated estimates outlined in the 2019-20 MYEFO.
- The underlying cash balance for the 2019-20 financial year to 30 November 2019 was a deficit of \$13,848 million against the 2019-20 Budget profile deficit of \$13,130 million.
- The fiscal balance for the 2019-20 financial year to 30 November 2019 was a deficit of \$9,450 million against the 2019-20 Budget profile deficit of \$8,985 million.

AGGREGATES	ACTUAL	ACTUAL	Budget Profile	BUDGET
	2019-2020	2019-2020	2019-2020	ESTIMATE*
	November	YTD November	YTD November	2019-2020
	\$m	\$m	\$m	FULL YEAR
				\$m
Revenue	44,122	199,056	198,716	513,763
Expenses	39,373	207,839	205,737	500,872
Net operating balance	4,749	-8,783	-7,021	12,891
Net capital investment	418	666	1,964	4,749
Fiscal balance	4,331	-9,450	-8,985	8,142
Receipts(a)	42,318	195,501	197,165	505,521
less Payments(b)	40,911	206,946	208,166	493,327
less Net Future Fund earnings	531	2,403	2,129	5,140
Underlying cash balance(c)	875	-13,848	-13,130	7,054
Headline cash balance	330	-15,453	-17,796	-4,388
Total assets		616,556		611,012
Total liabilities		1,176,355		944,336
Net worth(d)		-559,799		-333,324
Net debt(e)		396,064		361,040

*As published in the 2019-20 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.

Monthly results are generally volatile due to timing differences between revenue and receipts, and expenses and payments. Historically, expenses and payments exceed revenue and receipts in the first half of the financial year. Therefore, care needs to be taken when comparing monthly or cumulative data across years and to full-year estimates, as revenue and receipts and expenses and payments vary from month to month.

Comparators for the November 2019 monthly financial statements are based on the 2019-20 Budget published in April 2019. From the December 2019 monthly financial statements, the comparators will be based on updated estimates from the 2019-20 MYEFO.

FISCAL OUTCOMES

Underlying Cash Balance

The underlying cash balance for the financial year to 30 November 2019 was a deficit of \$13,848 million, which is \$718 million higher than the 2019-20 Budget profile deficit of \$13,130 million.

- **Receipts**

Total receipts were \$1,664 million lower than the 2019-20 Budget profile.

- **Payments**

Total payments were \$1,220 million lower than the 2019-20 Budget profile.

Net Operating Balance

The net operating balance for the year to 30 November 2019 was a deficit of \$8,783 million, which is \$1,763 million higher than the 2019-20 Budget profile deficit of \$7,021 million. The difference results from higher than expected revenue and higher expenses.

Fiscal Balance

The fiscal balance for the year to 30 November 2019 was a deficit of \$9,450 million, which is \$465 million higher than the 2019-20 Budget profile deficit of \$8,985 million. The difference results from higher than expected revenue, higher expenses and lower net capital investment.

Assets and Liabilities

As at 30 November 2019:

- net worth is negative \$559,799 million;
- net debt is \$396,064 million; and
- net financial liabilities are \$770,419 million.

Senator the Hon. Mathias Cormann
Minister for Finance

Rosemary Huxtable PSM
Secretary
Department of Finance

Media Contacts

Karen Wu

0428 350 139

Australian Government general government sector operating statement

		ACTUAL 2019-2020 November	ACTUAL 2019-2020 YTD November	Budget Profile 2019-2020 YTD November	BUDGET ESTIMATE* 2019-2020 FULL YEAR
	Note	\$m	\$m	\$m	\$m
Revenue					
Taxation revenue	1,2	40,390	183,334	185,261	476,596
Sales of goods and services		1,576	6,056	5,789	15,757
Interest income		315	1,803	1,804	6,009
Dividend income		562	2,407	2,065	6,112
Other		1,279	5,457	3,797	9,290
Total revenue		44,122	199,056	198,716	513,763
Expenses					
Gross operating expenses					
Wages and salaries(a)		1,673	8,519	8,869	21,348
Superannuation		2,028	4,820	2,474	5,907
Depreciation and amortisation		943	3,785	3,451	8,505
Supply of goods and services		10,131	52,412	50,688	125,566
Other operating expenses(a)		694	3,184	2,910	6,873
Total gross operating expenses		15,471	72,721	68,392	168,199
Superannuation interest expense		401	3,277	4,636	11,127
Interest expenses		1,376	7,154	7,253	19,264
Current transfers					
Current grants		10,436	63,450	63,383	150,408
Subsidy expenses		997	4,987	5,156	12,661
Personal benefits		10,286	54,743	55,126	128,972
Total current transfers		21,719	123,180	123,665	292,040
Capital transfers					
Mutually agreed write-downs		58	612	637	1,368
Other capital grants		350	896	1,153	8,874
Total capital transfers		407	1,508	1,790	10,241
Total expenses	3	39,373	207,839	205,737	500,872
Net operating balance		4,749	-8,783	-7,021	12,891
Other economic flows					
- included in operating result					
Net write-downs of assets		-406	-2,317	-3,062	-7,996
Assets recognised for the first time		19	57	76	190
Actuarial revaluations		-27	0	23	54
Net foreign exchange gains		-786	-1,610	0	61
Net swap interest received		15	-268	0	0
Market valuation of debt		-4,705	-9,113	2,278	5,040
Other gains/(losses)		2,388	4,422	780	3,090
Total other economic flows		-3,503	-8,831	94	439
- included in operating result					
Operating Result(b)		1,246	-17,614	-6,926	13,330
Non-owner movements in equity					
Revaluation of equity investments		0	-3	0	-6,017
Actuarial revaluations		0	0	0	262
Other economic revaluations		331	1,276	193	-10
Total other economic flows - included in equity		331	1,273	193	-5,765
Comprehensive result					
- Total change in net worth		1,577	-16,341	-6,734	7,565
Net operating balance		4,749	-8,783	-7,021	12,891
Net acquisition of non-financial assets					
Purchases of non-financial assets		1,291	4,625	5,407	14,425
less Sales of non-financial assets		11	52	35	1,171
less Depreciation		943	3,785	3,451	8,505
plus Change in inventories		79	-151	23	3
plus Other movements in non-financial assets		2	29	19	-3
Total net acquisition of non-financial assets		418	666	1,964	4,749
Fiscal balance (Net lending/borrowing)(c)		4,331	-9,450	-8,985	8,142

*As published in the 2019-20 Budget.

(a) Consistent with the 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 2019 \$m	BUDGET ESTIMATE* as at 30 June 2020 \$m
Assets		
Financial assets		
Cash and deposits	8,731	5,342
Advances paid	78,049	83,302
Investments, loans and placements	187,062	188,358
Other receivables	60,047	57,430
Equity investments		
Investments in other public sector entities	57,882	48,324
Equity accounted investments	3,506	3,562
Investments - shares	68,541	70,034
<i>Total financial assets</i>	<i>463,818</i>	<i>456,352</i>
Non-financial assets		
Land	11,875	11,484
Buildings	27,148	27,589
Plant, equipment and infrastructure	83,901	86,178
Inventories	8,767	8,045
Intangibles	8,768	9,353
Investment properties	197	193
Biological assets	23	14
Heritage and cultural assets	11,685	11,594
Assets held for sale	309	179
Other non-financial assets	65	31
<i>Total non-financial assets</i>	<i>152,738</i>	<i>154,660</i>
Total assets	616,556	611,012
Liabilities		
Interest bearing liabilities		
Deposits held	290	381
Government securities	649,774	619,463
Loans	18,319	16,731
Other borrowing	1,522	1,466
<i>Total interest bearing liabilities</i>	<i>669,905</i>	<i>638,042</i>
Provisions and payables		
Superannuation liability(a)	419,385	230,748
Other employee liabilities	26,412	20,591
Suppliers payables	8,901	6,809
Personal benefits payables	2,791	3,746
Subsidies payables	4,345	1,210
Grants payables	2,018	3,927
Other payables	4,177	2,202
Provisions	38,421	37,060
<i>Total provisions and payables</i>	<i>506,450</i>	<i>306,294</i>
Total liabilities	1,176,355	944,336
Net worth(b)	-559,799	-333,324
<i>Net financial worth(c)</i>	<i>-712,537</i>	<i>-487,984</i>
<i>Net financial liabilities(d)</i>	<i>770,419</i>	<i>536,308</i>
<i>Net debt(e)</i>	<i>396,064</i>	<i>361,040</i>

*As published in the 2019-20 Budget.

(a) For budget reporting purposes, a discount rate of 5 per cent determined by actuaries in preparing the 2017 Long Term Cost Reports is used to value the superannuation liability. This reflects the average annual rate estimated to apply over the term of the liability and it reduces the volatility in reported liabilities that would occur from year to year if the spot rates on long-term government bonds were used. Consistent with AAS, the superannuation liability for the 2019-20 Monthly Financial Statements was calculated using the spot rates on long-term government bonds as at 30 June 2019 that best matched each individual scheme's liability duration. These rates were between 1.4 and 1.9 per cent per annum.

(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^(a)

	ACTUAL 2019-2020 November \$m	ACTUAL 2019-2020 YTD November \$m	Budget Profile 2019-2020 YTD November \$m	BUDGET ESTIMATE* 2019-2020 FULL YEAR \$m
Cash receipts from operating activities				
Taxes received	39,834	176,094	177,226	466,397
Receipts from sales of goods and services	669	6,890	5,849	15,745
Interest receipts	290	1,874	2,187	5,701
Dividends and income tax equivalents	523	4,184	2,058	6,165
Other receipts	996	6,421	9,801	9,897
Total operating receipts	42,313	195,462	197,121	503,906
Cash payments for operating activities				
Payments for employees(b)	-2,391	-12,545	-12,873	-31,101
Payments for goods and services	-12,808	-54,865	-53,120	-123,277
Grants and subsidies paid	-11,789	-69,831	-69,879	-171,775
Interest paid	-2,325	-7,137	-7,589	-16,638
Personal benefit payments	-9,936	-55,236	-56,559	-129,783
Other payments(b)	-437	-2,938	-2,931	-6,493
Total operating payments	-39,687	-202,552	-202,952	-479,066
Net cash flows from operating activities	2,626	-7,089	-5,831	24,840
Cash flows from investments in non-financial assets				
Sales of non-financial assets	4	38	44	1,615
Purchases of non-financial assets	-1,224	-4,394	-5,214	-14,261
Net cash flows from investments in non-financial assets	-1,220	-4,356	-5,170	-12,647
Net cash flows from investments in financial assets for policy purposes	-1,077	-4,008	-6,796	-16,581
Net cash flows from investments in financial assets for liquidity purposes	-4,695	1,391	8,486	-12,248
Cash flows from financing activities				
Borrowing (net)	4,346	16,312	7,165	16,945
Other financing (net)	-715	-2,041	-1,384	-2,531
Net cash flows from financing activities	3,631	14,271	5,781	14,414
Net increase/(decrease) in cash held	-735	209	-3,529	-2,222
GFS cash surplus(+)/deficit(-)(c)	1,406	-11,445	-11,001	12,193
<i>less</i> Finance leases and similar arrangements(d)	0	0	0	0
<i>less</i> Net Future Fund earnings	531	2,403	2,129	5,140
Equals underlying cash balance(e)	875	-13,848	-13,130	7,054
<i>plus</i> Net cash flows from investments in financial assets for policy purposes	-1,077	-4,008	-6,796	-16,581
<i>plus</i> Net Future Fund earnings	531	2,403	2,129	5,140
Equals headline cash balance	330	-15,453	-17,796	-4,388

*As published in the 2019-20 Budget.

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

(b) Consistent with the ABS GFS classification, other employee related payments are reported under other payments.

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

(d) 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.

(e) The term underlying cash balance is not used by the ABS.

Note 1: Income Tax

	ACTUAL 2019-2020 November \$m	ACTUAL 2019-2020 YTD November \$m	Budget Profile 2019-2020 YTD November \$m	BUDGET ESTIMATE* 2019-2020 FULL YEAR \$m
Individuals and other withholding taxes				
Gross income tax withholding	18,800	90,325	89,500	219,800
Gross other individuals	3,216	20,315	19,095	51,200
less Refunds	2,563	26,736	26,055	36,900
Total individuals and other withholding taxation	19,453	83,904	82,540	234,100
Fringe benefits tax	60	1,917	1,878	4,040
Company tax	8,459	37,977	39,933	100,600
Superannuation fund taxes	868	4,506	4,968	9,750
Petroleum resource rent tax	-2	594	804	1,290
Total income taxation revenue	28,838	128,898	130,123	349,780

*As published in the 2019-20 Budget.

Note 2: Indirect Tax

	ACTUAL 2019-2020 November \$m	ACTUAL 2019-2020 YTD November \$m	Budget Profile 2019-2020 YTD November \$m	BUDGET ESTIMATE* 2019-2020 FULL YEAR \$m
Goods and services tax	7,001	30,216	30,769	69,630
Wine equalisation tax	100	420	397	1,100
Luxury car tax	52	280	258	640
Excise duty	1,928	10,044	10,225	24,140
Customs duty	1,183	9,409	9,114	21,120
Other indirect tax	1,288	4,067	4,375	10,185
Total indirect taxation revenue	11,552	54,436	55,139	126,815

*As published in the 2019-20 Budget.

Note 3: Total expenses by function

	ACTUAL 2019-2020 November \$m	ACTUAL 2019-2020 YTD November \$m	BUDGET ESTIMATE* 2019-2020 FULL YEAR \$m
Expenses by function			
General public services	3,138	10,804	23,614
Defence	2,825	13,706	32,243
Public order and safety	438	2,450	5,919
Education	1,808	15,366	36,350
Health	7,095	35,111	81,777
Social security and welfare	13,985	76,399	180,125
Housing and community amenities	414	1,800	5,907
Recreation and culture	174	1,270	3,849
Fuel and energy	644	3,276	8,171
Agriculture, forestry and fishing	196	963	2,871
Mining, manufacturing and construction	236	1,118	3,422
Transport and communication	419	1,446	9,038
Other economic affairs	774	4,013	9,297
Other purposes			
Public debt interest	1,348	6,898	17,037
Nominal superannuation interest	402	3,278	11,127
General purpose inter-government transactions	5,477	29,941	70,328
Natural disaster relief	0	0	11
Contingency reserve	0	0	-216
Total expenses	39,373	207,839	500,872

*As published in the 2019-20 Budget.

NOTES:

AASB 1049 *Whole of Government and General Government Sector Financial Reporting* (AASB 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 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.

AASB 16 *Leases* (AASB 16)

The new Australian Accounting Standard, AASB 16, applied to all Australian Government entities from 1 July 2019. AASB 16 introduced a single lease accounting framework for lessees and removed the distinction between operating and finance leases. As a result, new assets and liabilities have been recognised on the balance sheet for leases that were previously accounted for as operating expenses. The reduction in operating lease expenses is replaced with the depreciation charge for the right-of-use assets and interest expense on the lease liabilities.

For whole of Government and General Government Sector Financial Reporting, the implementation of AASB 16 has been reflected in the 2019-20 MYEFO estimates and will be reflected in the Australian Government General Government Sector Monthly Financial Statements from the December 2019 reporting period.

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 <https://www.aofm.gov.au/data-hub>.

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>.