



SENATOR THE HON SIMON BIRMINGHAM
Minister for Finance
Leader of the Government in the Senate

Wednesday, 23 December 2020

MEDIA RELEASE

AUSTRALIAN GOVERNMENT GENERAL GOVERNMENT SECTOR
MONTHLY FINANCIAL STATEMENTS
November 2020

KEY POINTS

- The Monthly Financial Statements for November 2020 report the budget position against the expected monthly profile for the 2020-21 financial year through to 30 November 2020, based on the 2020-21 Budget estimates published in October 2020.
- The 2020-21 Mid-Year Economic and Fiscal Outlook (MYEFO) was released on Thursday, 17 December 2020. Commencing with the December 2020 monthly financial statements, which will be released in January 2021, the budget position will be reported against the expected monthly profile based on the updated estimates outlined in the 2020-21 MYEFO.
- The November 2020 year to date results include the impact of the Australian Government's response to COVID-19.
- The underlying cash balance for the 2020-21 financial year to 30 November 2020 was a deficit of \$109.4 billion against the 2020-21 Budget profile deficit of \$122.3 billion.
- The fiscal balance for the 2020-21 financial year to 30 November 2020 was a deficit of \$109.2 billion against the 2020-21 Budget profile deficit of \$115.9 billion.

AGGREGATES	ACTUAL	ACTUAL	Budget Profile	BUDGET
	2020-2021	2020-2021	2020-2021	ESTIMATE*
	November	YTD November	YTD November	2020-2021
	\$b	\$b	\$b	FULL YEAR
				\$b
Revenue	45.4	197.4	194.0	472.4
Expenses	49.5	305.0	308.9	670.3
Net operating balance	-4.1	-107.6	-114.9	-197.9
Net capital investment	0.2	1.6	1.1	7.8
Fiscal balance	-4.3	-109.2	-115.9	-205.7
Receipts(a)	44.7	200.1	193.9	463.8
Payments(b)	50.1	309.5	316.2	677.4
Underlying cash balance	-5.4	-109.4	-122.3	-213.7
Headline cash balance	-6.4	-112.5	-125.7	-230.0
Total assets		722.5		696.0
Total liabilities		1,491.4		1,353.4
Net worth(c)		-768.9		-657.4
Net debt(d)		604.9		703.2

*As published in the 2020-21 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 cash flows from financing activities for leases.

(c) Net worth is calculated as total assets minus total liabilities.

(d) Net debt is the sum of interest bearing liabilities less the sum of selected financial assets (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. 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.

FISCAL OUTCOMES

Underlying Cash Balance

The underlying cash balance for the financial year to 30 November 2020 was a deficit of \$109.4 billion, which is \$12.9 billion lower than the 2020-21 Budget profile deficit of \$122.3 billion.

- **Receipts**

Total receipts were \$6.2 billion higher than the 2020-21 Budget profile.

- **Payments**

Total payments were \$6.7 billion lower than the 2020-21 Budget profile.

Net Operating Balance

The net operating balance for the year to 30 November 2020 was a deficit of \$107.6 billion, which is \$7.3 billion lower than the 2020-21 Budget profile deficit of \$114.9 billion. The difference results from higher than expected revenue and lower than expected expenses.

Fiscal Balance

The fiscal balance for the year to 30 November 2020 was a deficit of \$109.2 billion, which is \$6.7 billion lower than the 2020-21 Budget profile deficit of \$115.9 billion. The difference results from higher than expected revenue and net capital investment, and lower than expected expenses.

Assets and Liabilities

As at 30 November 2020:

- net worth is negative \$768.9 billion;
- net debt is \$604.9 billion; and
- net financial liabilities are \$1,009.7 billion.

Senator the Hon. Simon Birmingham
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Australian Government general government sector operating statement

		ACTUAL 2020-2021 November	ACTUAL 2020-2021 YTD November	Budget Profile 2020-2021 YTD November	BUDGET ESTIMATE* 2020-2021 FULL YEAR
Note		\$m	\$m	\$m	\$m
Revenue					
Taxation revenue	1,2	42,927	181,403	178,879	434,913
Sales of goods and services		1,259	6,676	6,642	15,874
Interest income		272	1,394	1,734	4,181
Dividend income		225	2,132	2,048	6,419
Other		715	5,818	4,730	11,054
Total revenue		45,399	197,423	194,034	472,442
Expenses					
Gross operating expenses					
Wages and salaries(a)		1,790	9,014	8,852	21,593
Superannuation		1,031	5,189	5,269	12,433
Depreciation and amortisation		1,018	4,713	4,986	12,037
Supply of goods and services		11,254	56,220	58,281	150,520
Other operating expenses(a)		728	3,694	3,650	8,342
Total gross operating expenses		15,821	78,830	81,038	204,925
Superannuation interest expense		584	2,918	2,949	7,004
Interest expenses(b)		1,462	7,555	7,489	19,821
Current transfers					
Current grants		10,378	66,814	67,513	157,257
Subsidy expenses		6,504	68,003	68,364	99,546
Personal benefits		13,808	77,381	78,871	165,845
Total current transfers		30,690	212,197	214,749	422,649
Capital transfers					
Mutually agreed write-downs		184	1,618	864	1,496
Other capital grants		763	1,880	1,798	14,435
Total capital transfers		947	3,498	2,662	15,931
Total expenses	3	49,504	304,998	308,886	670,330
Net operating balance		-4,105	-107,575	-114,852	-197,888
Other economic flows					
- included in operating result					
Net write-downs of assets		-506	-983	-2,007	-5,859
Assets recognised for the first time		20	93	72	173
Actuarial revaluations		0	0	0	111
Net foreign exchange gains		233	158	9	-59
Net swap interest received		26	730	473	0
Market valuation of debt		3,762	-473	1,525	5,815
Other gains/(losses)(b)		5,527	6,835	1,955	7,639
Total other economic flows		9,061	6,359	2,026	7,821
- included in operating result					
Operating Result(c)		4,956	-101,215	-112,825	-190,068
Non-owner movements in equity					
Revaluation of equity investments		2	0	0	-4,415
Actuarial revaluations		0	0	0	54
Other economic revaluations		2,341	-425	-484	-269
Total other economic flows - included in equity		2,343	-425	-483	-4,630
Comprehensive result					
- Total change in net worth		7,299	-101,641	-113,309	-194,698
Net operating balance		-4,105	-107,575	-114,852	-197,888
Net acquisition of non-financial assets					
Purchases of non-financial assets		1,386	5,444	5,918	18,904
less Sales of non-financial assets		27	66	58	467
less Depreciation		1,018	4,713	4,986	12,037
plus Change in inventories		-119	940	193	1,422
plus Other movements in non-financial assets		2	22	12	-4
Total net acquisition of non-financial assets		224	1,627	1,079	7,818
Fiscal balance (Net lending/borrowing)(d)		-4,329	-109,202	-115,931	-205,706

*As published in the 2020-21 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) From 2020-21, the value of Debt Not Expected to be Repaid on initial recognition of income contingent concessional loans is reported as *Other Financing costs* rather than as a valuation adjustment. This change is consistent with Australian Accounting Standards and brings the accounting treatment of income contingent concessional loans into line with other concessional loans.

(c) Operating result under Australian Accounting Standards.

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

Australian Government general government sector balance sheet

	ACTUAL as at 30 November 2020 \$m	BUDGET ESTIMATE* as at 30 June 2021 \$m
Assets		
Financial assets		
Cash and deposits	7,716	5,780
Advances paid	82,684	87,054
Investments, loans and placements	248,463	218,509
Other receivables	71,351	67,027
Equity investments		
Investments in other public sector entities	64,085	63,617
Equity accounted investments	3,442	3,547
Investments - shares	68,092	67,416
<i>Total financial assets</i>	<i>545,834</i>	<i>512,949</i>
Non-financial assets		
Land	11,735	11,742
Buildings	42,664	43,521
Plant, equipment and infrastructure	89,883	94,047
Inventories	10,632	11,047
Intangibles	9,196	10,135
Investment properties	218	218
Biological assets	28	28
Heritage and cultural assets	11,970	11,994
Assets held for sale	264	241
Other non-financial assets	60	34
<i>Total non-financial assets</i>	<i>176,650</i>	<i>183,007</i>
Total assets	722,484	695,956
Liabilities		
Interest bearing liabilities		
Deposits held	289	484
Government securities	907,110	978,283
Loans	16,918	16,928
Lease liabilities	19,473	18,893
<i>Total interest bearing liabilities</i>	<i>943,790</i>	<i>1,014,588</i>
Provisions and payables		
Superannuation liability(a)	433,929	236,690
Other employee liabilities	32,828	33,097
Suppliers payables	9,055	8,033
Personal benefits payables	3,721	3,146
Subsidies payables	1,008	998
Grants payables	2,089	2,908
Other payables	4,415	2,351
Provisions	60,568	51,575
<i>Total provisions and payables</i>	<i>547,614</i>	<i>338,798</i>
Total liabilities	1,491,404	1,353,385
Net worth(b)	-768,920	-657,429
<i>Net financial worth(c)</i>	<i>-945,569</i>	<i>-840,436</i>
<i>Net financial liabilities(d)</i>	<i>1,009,654</i>	<i>904,053</i>
<i>Net debt(e)</i>	<i>604,926</i>	<i>703,245</i>

*As published in the 2020-21 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 Australian Accounting Standards, the superannuation liability for the 2020-21 Monthly Financial Statements was calculated using the spot rates on long-term government bonds as at 30 June 2020 that best matched each individual scheme's liability duration. These rates were between 1.0 and 1.7 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 is the sum of interest bearing liabilities less the sum of selected financial assets (cash and deposits, advances paid, and investments, loans and placements).

Australian Government general government sector cash flow statement^(a)

	ACTUAL 2020-2021 November \$m	ACTUAL 2020-2021 YTD November \$m	Budget Profile 2020-2021 YTD November \$m	BUDGET ESTIMATE* 2020-2021 FULL YEAR \$m
Cash receipts from operating activities				
Taxes received	42,092	180,092	174,903	424,643
Receipts from sales of goods and services	701	7,897	7,635	16,538
Interest receipts	199	1,384	1,783	4,133
Dividends and income tax equivalents	239	4,704	4,628	6,837
Other receipts	1,496	5,949	4,899	11,140
Total operating receipts	44,726	200,025	193,848	463,291
Cash payments for operating activities				
Payments for employees(b)	-2,559	-13,930	-13,849	-32,530
Payments for goods and services	-11,176	-57,661	-58,958	-148,237
Grants and subsidies paid	-19,258	-144,049	-146,687	-285,970
Interest paid	-3,045	-7,747	-7,852	-17,230
Personal benefit payments	-12,407	-77,504	-79,350	-166,482
Other payments(b)	-498	-2,804	-3,265	-7,543
Total operating payments	-48,942	-303,696	-309,960	-657,992
Net cash flows from operating activities	-4,216	-103,671	-116,113	-194,701
Cash flows from investments in non-financial assets				
Sales of non-financial assets	8	64	58	473
Purchases of non-financial assets	-973	-4,790	-5,242	-17,075
Net cash flows from investments in non-financial assets	-965	-4,726	-5,184	-16,601
Net cash flows from investments in financial assets for policy purposes	-1,061	-3,054	-3,397	-16,375
Net cash flows from investments in financial assets for liquidity purposes	14,451	-11,895	25,561	27,799
Cash flows from financing activities				
Borrowing (net)	-10,645	124,107	100,551	203,311
Other financing (net)	-960	-2,498	-2,303	-7,105
Net cash flows from financing activities	-11,605	121,609	98,248	196,206
Net increase/(decrease) in cash held	-3,395	-1,737	-885	-3,673
GFS cash surplus(+)/deficit(-)(c)	-5,181	-108,397	-121,297	-211,303
<i>plus</i> Net cash flows from financing activities for leases(d)	-194	-1,031	-1,004	-2,351
Equals underlying cash balance(e)	-5,375	-109,427	-122,301	-213,654
<i>plus</i> Net cash flows from investments in financial assets for policy purposes	-1,061	-3,054	-3,397	-16,375
Equals headline cash balance	-6,436	-112,481	-125,698	-230,029

*As published in the 2020-21 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) Principal payments on lease liabilities, which are cash flows from financing activities, are deducted in the calculation of the underlying cash balance to maintain consistency of measure following the implementation of AASB 16 Leases.

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

Note 1: Income Tax

	ACTUAL 2020-2021 November \$m	ACTUAL 2020-2021 YTD November \$m	Budget Profile 2020-2021 YTD November \$m	BUDGET ESTIMATE* 2020-2021 FULL YEAR \$m
Individuals and other withholding taxes				
Gross income tax withholding	18,545	93,019	93,048	212,300
Gross other individuals	3,970	20,293	20,548	47,300
less Refunds	2,845	26,025	26,534	37,400
Total individuals and other withholding taxation	19,670	87,288	87,061	222,200
Fringe benefits tax	114	1,954	1,908	3,880
Company tax	8,685	35,161	35,925	86,200
Superannuation fund taxes	1,377	4,699	3,639	8,180
Petroleum resource rent tax	77	368	459	870
Total income taxation revenue	29,921	129,470	128,993	321,330

*As published in the 2020-21 Budget.

Note 2: Indirect Tax

	ACTUAL 2020-2021 November \$m	ACTUAL 2020-2021 YTD November \$m	Budget Profile 2020-2021 YTD November \$m	BUDGET ESTIMATE* 2020-2021 FULL YEAR \$m
Goods and services tax	7,495	30,088	28,866	62,970
Wine equalisation tax	108	423	407	1,060
Luxury car tax	59	283	247	540
Excise duty	2,416	10,100	9,797	22,760
Customs duty	1,859	7,573	7,461	18,840
Other indirect tax	1,069	3,466	3,109	7,413
Total indirect taxation revenue	13,006	51,933	49,887	113,583

*As published in the 2020-21 Budget.

Note 3: Total expenses by function

	ACTUAL 2020-2021 November \$m	ACTUAL 2020-2021 YTD November \$m	BUDGET ESTIMATE* 2020-2021 FULL YEAR \$m
Expenses by function			
General public services	2,457	12,180	31,764
Defence	2,698	12,845	34,415
Public order and safety	503	2,617	6,212
Education	2,015	18,345	41,742
Health	8,127	39,840	93,771
Social security and welfare	18,192	102,006	227,529
Housing and community amenities	320	1,858	7,086
Recreation and culture	288	1,527	4,364
Fuel and energy	699	3,448	8,771
Agriculture, forestry and fishing	226	1,107	3,913
Mining, manufacturing and construction	255	1,166	3,306
Transport and communication	917	2,278	13,060
Other economic affairs	6,006	65,529	97,948
Other purposes			
Public debt interest	1,292	6,817	16,804
Nominal superannuation interest	584	2,918	7,004
General purpose inter-government transactions	4,924	30,517	64,092
Natural disaster relief	0	0	482
Contingency reserve	0	0	8,068
Total expenses	49,504	304,998	670,330

*As published in the 2020-21 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.

The implementation of AASB 16 has implications for a number of budget aggregates, in particular, net debt and net financial worth due to the recognition of the new lease liabilities. To maintain consistency in the measurement of the underlying cash balance, the principal payments on lease liabilities which are recognised as cash flows from financing activities, have been included in the calculation following the implementation of AASB 16.

For General Government Sector financial reporting, the implementation of AASB 16 has been reflected in the 2019-20 MYEFO estimates and 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>.