

# Government Finance Statistics 2015 – Update to AASB

Paul Mahoney

Program Manager, International and Government Finance  
Accounts Branch, Macroeconomic Statistics Division





- Government Finance Statistics (GFS) goals and their linkage to the Australian Accounting Standards and the wider macro-economic agenda
- stocktake of current ABS activities related to the GFS (IMF and Australian) framework changes and implementation
- spotlight on some key conceptual changes as outlined in the July 2015 ABS publication of the AGFS Concepts, Sources and Methods Manual
- linkages with AASB areas of interest, such as the AASB 1049 and other exposure draft content
- pathways forward to facilitate a smooth transition for the AGFS framework implementation



- What is the ABS role in GFS?
  - Collect, compile and disseminate GFS data based on input from State/Territory Dept of Treasuries and Dept of Finance
  - ABS is responsible for the application of the Australian GFS system, which includes the conceptual framework
- Standards set by IMF, reviewed infrequently (2005, 2014)
- Unique linkage to Accounting standards through AASB 1049
- Coherence with macroeconomic statistical frameworks (SNA, BoP) to ensure quality information available for decision making on the Australian economy



- GFS – measure the financial activity of government(s) and reflect their impact on other parts of the economy
- Whole of Government accounts – to provide information on the stewardship of government and accountability for the resources entrusted to it.

## AGFS15 key objectives

- Strengthen and modernise the AGFS framework
  - Enable closer alignment with recent updates to other macroeconomic frameworks
  - Incorporate new/updated international reporting requirements
- Recognise the importance of the GFS-GAAP harmonisation
  - Build on previous effort to align as closely as possible with the generally accepted Australian accounting standards with fewer reconciliation differences
  - Minimise the tensions between audit and GFS requirements
  - Minimise provider burden by using complementary standards



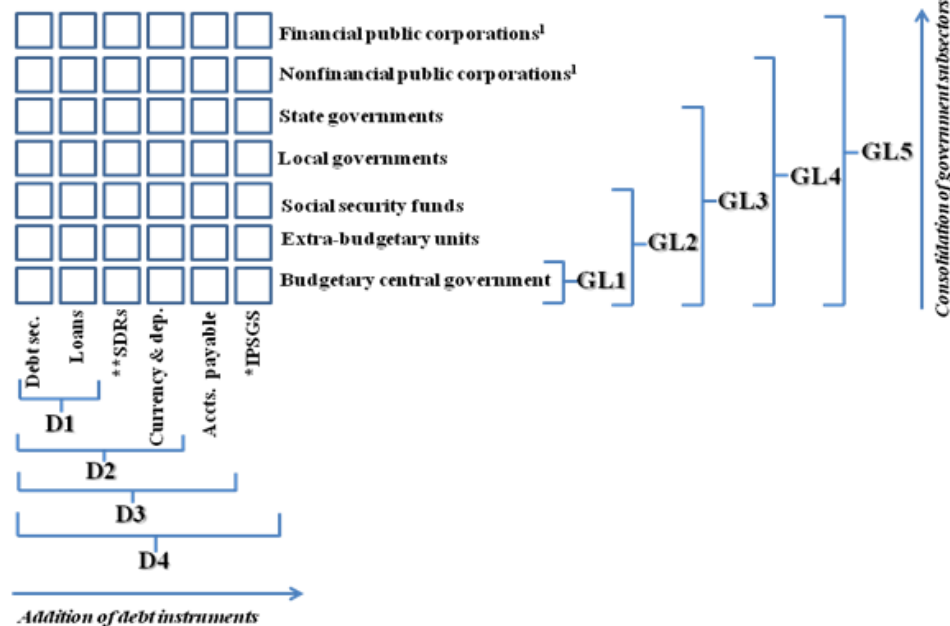
- Changes to classifications
- Changes to output/reporting requirements
- Amendments to definitions/treatments for some items
- Spotlight on some significant changes:
  - Financial Assets and Liabilities Classification (FALC) and Non-Financial Assets Classification (NFAC)
  - Valuation method for assets - only require fair value
  - Debt measurement and presentation

## Impact on GFS GAAP harmonisation – Debt

Example of changes related to debt presentation in AGFS15

- All debt valued on a market basis (not multiple valuation methods).
- Interest flows calculated using the creditor approach.
- Debt statistics presented using a 'matrix' approach (sectors by instruments)

Figure 2. Codifying Debt Based on Level of Government and Debt Instruments



<sup>1</sup> Currently not included in GFSY.

<sup>\*</sup> Insurance, pension, and standardized guarantee schemes

<sup>\*\*</sup> Special Drawing Rights



- IMF GFS manual update: Mar 2014 pre-pub draft, 2015 final
- Australian GFS manual update
  - Research commenced 2013
  - Community consultation (conferences and discussion papers) 2013-2015
  - Preliminary draft published on ABS Website: 31 July 2015  
*Government Finance Statistics: Sources, Concepts and Methods, 2015 Preliminary Draft (ABS 5514.0)*
  - Stakeholder consultation: Aug-Oct
  - GFS conference to discuss feedback: Nov
  - Final publication: December 2015



# GFS Review: Implementation project - Objectives

Transition to new AGFS15 standards



- Increased partnerships with external stakeholders
  - understanding their concerns and issues and partnering to deliver a smooth transition
- Updates to systems that meet new AGFS15 requirements
- Updates to processes / procedures to transition to AGFS15 processing
- New outputs based on AGFS15 standards
- Improved data quality (at source) whilst balancing pragmatic collection of the new information requirements
  - Considerations of where modelling may be required eg subsoil assets, Defence weapons platform inventories



- Stakeholder needs analysis: August 2015
- Stakeholder engagement plan development: from October 2015
- GFS conference – Nov 2015 – primary need to discuss conceptual concerns and pragmatic implementation issues
- AGFS standards ‘locked down’ by end 2015 – enable data providers to make implementation arrangements based on a non-changing codeset
- Ongoing communication with partners (Treasuries, Finance, AASB)
- AGFS15 goes ‘live’: July 2017
- First AGFS15 based input data received from providers: October 2017
- First AGFS15 based outputs published: December 2017

## GFS Community Portal launched April 2015



- Online portal supporting collaboration and communication
- A dedicated space for GFS community members to discuss:
  - GFS information needs and uses
  - broad-level coding, processing and systems issues
  - conceptual and classification issues
  - upcoming events and training
  - AGFS15 manual and GFSR Implementation project



- Potential 1049 update
  - review of the impacts of the AGFS content changes
  - review opportunities to make compiling GFS more implementable for data providers
  - any updates needed by 30 June of financial year prior to implementation (ie 30 June 2016)
- Exposure Draft comments
  - harmonisation where possible with AGFS content
- Other project work on common content
  - eg valuation methods for Public Sector assets
- Partnership opportunities
  - Engagement with Treasury stakeholders
  - Information sessions



## Key contacts

- Paul Mahoney: Program Manager (IGFAB, includes GFS work program)
  - [paul.mahoney@abs.gov.au](mailto:paul.mahoney@abs.gov.au)
  - 02 62525469
- Jonathon Khoo: Director Public Finance - AGFS15 manual content
  - [j.khoo@abs.gov.au](mailto:j.khoo@abs.gov.au)
  - 07 32226142
- Rebecca Farrow: A/g Director GFS Review implementation project
  - [rebecca.farrow@abs.gov.au](mailto:rebecca.farrow@abs.gov.au)
  - 07 32226045