



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

Friday, 23 March 2018

**AUSTRALIAN GOVERNMENT GENERAL GOVERNMENT SECTOR**  
**MONTHLY FINANCIAL STATEMENTS**  
**FEBRUARY 2018**

**KEY POINTS**

- The underlying cash balance for the 2017-18 financial year to 28 February 2018 was a deficit of \$19,752 million.
- The fiscal balance for the 2017-18 financial year to 28 February 2018 was a deficit of \$15,554 million.

<b>AGGREGATES</b>	<b>ACTUAL 2017-2018 February \$m</b>	<b>ACTUAL 2017-2018 YTD February \$m</b>	<b>MYEFO Profile 2017-2018 YTD February \$m</b>	<b>MYEFO ESTIMATE* 2017-2018 FULL YEAR \$m</b>
<b>Revenue</b>	44,765	289,218	282,723	448,702
<b>Expenses</b>	35,373	304,521	307,821	466,937
<b>Net operating balance</b>	9,392	-15,303	-25,099	-18,235
Net capital investment	-33	251	-369	193
<b>Fiscal balance</b>	9,425	-15,554	-24,730	-18,428
Receipts(a)	40,839	280,533	275,026	437,075
less Payments(b)	32,237	297,342	300,335	457,606
less Net Future Fund earnings	275	2,943	2,459	3,076
<b>Underlying cash balance(c)</b>	8,327	-19,752	-27,768	-23,608
<b>Headline cash balance</b>	8,146	-25,082	-34,855	-39,573
<b>Total assets</b>		528,087		537,962
<b>Total liabilities</b>		927,839		848,622
<b>Net worth(d)</b>		-399,752		-310,660
<b>Net debt(e)</b>		344,876		343,778

\*As published in the 2017-18 MYEFO.

(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 revenue and expenses vary from month to month.

## **FISCAL OUTCOMES**

### **Underlying Cash Balance**

The underlying cash balance for the financial year to 28 February 2018 was a deficit of \$19,752 million, which is \$8,016 million lower than the 2017-18 MYEFO profile deficit of \$27,768 million.

- **Receipts**

Total receipts were \$5,507 million higher than the 2017-18 MYEFO profile.

- **Payments**

Total payments were \$2,993 million lower than the 2017-18 MYEFO profile.

### **Net Operating Balance**

The net operating balance for the year to 28 February 2018 was a deficit of \$15,303 million, which is \$9,796 million lower than the 2017-18 MYEFO profile deficit of \$25,099 million. The difference primarily results from higher than expected revenue and lower expenses.

### **Fiscal Balance**

The fiscal balance for the year to 28 February 2018 was a deficit of \$15,554 million, which is \$9,175 million lower than the 2017-18 MYEFO profile deficit of \$24,730 million. As with the net operating balance, the difference primarily results from higher than expected revenue and lower expenses.

### **Assets and Liabilities**

As at 28 February 2018:

- net worth is negative \$399,752 million;
- net debt is \$344,876 million; and
- net financial liabilities are \$592,413 million.

Senator the Hon Mathias Cormann  
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# Australian Government general government sector operating statement

		ACTUAL 2017-2018 February \$m	ACTUAL 2017-2018 YTD February \$m	MYEFO Profile 2017-2018 YTD February \$m	MYEFO ESTIMATE* 2017-2018 FULL YEAR \$m
<b>Revenue</b>					
Taxation revenue	1,2	42,803	271,796	265,828	421,508
Sales of goods and services		787	6,328	6,572	10,491
Interest income		135	2,280	2,176	3,580
Dividend income		375	2,737	2,083	3,112
Other		664	6,077	6,063	10,012
<b>Total revenue</b>		<b>44,765</b>	<b>289,218</b>	<b>282,723</b>	<b>448,702</b>
<b>Expenses</b>					
Gross operating expenses					
Wages and salaries(a)		1,543	12,630	13,088	20,083
Superannuation		582	4,975	4,867	7,748
Depreciation and amortisation		753	5,692	6,351	9,507
Supply of goods and services		8,174	64,983	66,238	104,308
Other operating expenses(a)		545	4,248	3,871	5,832
<i>Total gross operating expenses</i>		<i>11,597</i>	<i>92,527</i>	<i>94,415</i>	<i>147,478</i>
Superannuation interest expense		827	6,617	6,334	9,240
Interest expenses		1,364	11,701	11,725	18,027
Current transfers					
Current grants		10,162	94,185	95,144	140,142
Subsidy expenses		1,008	7,791	7,780	11,869
Personal benefits		9,512	85,943	86,419	128,483
<i>Total current transfers</i>		<i>20,682</i>	<i>187,920</i>	<i>189,343</i>	<i>280,495</i>
Capital transfers					
Mutually agreed write-downs		102	1,585	1,530	1,913
Other capital grants		801	4,170	4,473	9,784
<i>Total capital transfers</i>		<i>903</i>	<i>5,755</i>	<i>6,003</i>	<i>11,697</i>
<b>Total expenses</b>	3	<b>35,373</b>	<b>304,521</b>	<b>307,821</b>	<b>466,937</b>
<b>Net operating balance</b>		<b>9,392</b>	<b>-15,303</b>	<b>-25,099</b>	<b>-18,235</b>
<b>Other economic flows</b>					
<b>- included in operating result</b>					
Net write-downs of assets (including bad and doubtful debts)		-971	-4,816	-5,047	-7,852
Assets recognised for the first time		17	138	136	204
Actuarial revaluations		-27	0	5	8
Net foreign exchange gains		-1,216	186	0	-64
Net swap interest received		65	247	204	250
Market valuation of debt		-155	5,904	-2,071	-1,303
Other gains/(losses)		1,057	4,032	2,480	7,443
<b>Total other economic flows</b>		<b>-1,230</b>	<b>5,691</b>	<b>-4,292</b>	<b>-1,314</b>
<b>- included in operating result</b>					
<b>Operating Result (b)</b>		<b>8,162</b>	<b>-9,613</b>	<b>-29,391</b>	<b>-19,549</b>
<b>Non-owner movements in equity</b>					
Revaluation of equity investments(c)		0	-125	-2,047	-6,231
Actuarial revaluations		0	0	38	-2,274
Other economic revaluations(d)		-4	809	14	-302
<b>Total other economic flows - included in equity</b>		<b>-4</b>	<b>684</b>	<b>-1,995</b>	<b>-8,807</b>
<b>Comprehensive result - Total change in net worth</b>		<b>8,158</b>	<b>-8,929</b>	<b>-31,386</b>	<b>-28,355</b>
<b>Net operating balance</b>		<b>9,392</b>	<b>-15,303</b>	<b>-25,099</b>	<b>-18,235</b>
<b>Net acquisition of non-financial assets</b>					
Purchases of non-financial assets		674	7,852	7,463	12,993
less Sales of non-financial assets		5	1,941	1,640	3,699
less Depreciation		753	5,692	6,351	9,507
plus Change in inventories		50	-7	174	405
plus Other movements in non-financial assets		1	39	-15	1
<b>Total net acquisition of non-financial assets</b>		<b>-33</b>	<b>251</b>	<b>-369</b>	<b>193</b>
<b>Fiscal balance (Net lending/borrowing)(e)</b>		<b>9,425</b>	<b>-15,554</b>	<b>-24,730</b>	<b>-18,428</b>

\*As published in the 2017-18 MYEFO.

(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) 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 28 February 2018 \$m	MYEFO ESTIMATE* as at 30 June 2018 \$m
<b>Assets</b>		
Financial assets		
Cash and deposits	7,680	4,400
Advances paid	51,549	63,049
Investments, loans and placements	169,826	186,430
Other receivables	55,159	53,945
Equity investments		
Investments in other public sector entities	52,164	46,725
Equity accounted investments	84	200
Investments - shares	51,130	42,546
<i>Total financial assets</i>	<b>387,590</b>	<b>397,295</b>
Non-financial assets		
Land	11,062	10,882
Buildings	25,444	26,280
Plant, equipment and infrastructure	75,836	74,670
Inventories	8,397	8,538
Intangibles	7,585	8,381
Investment property	159	113
Biological assets	48	54
Heritage and cultural assets	11,671	11,601
Assets held for sale	196	86
Other non-financial assets	98	61
<i>Total non-financial assets</i>	<b>140,497</b>	<b>140,666</b>
<b>Total assets</b>	<b>528,087</b>	<b>537,962</b>
<b>Liabilities</b>		
Interest bearing liabilities		
Deposits held	214	218
Government securities	556,041	580,340
Loans	16,003	15,518
Other borrowing	1,672	1,582
<i>Total interest bearing liabilities</i>	<b>573,930</b>	<b>597,658</b>
Provisions and payables		
Superannuation liability(a)	285,328	181,257
Other employee liabilities	18,647	18,600
Suppliers payables	6,357	8,015
Personal benefits payables	2,984	2,993
Subsidies payables	393	554
Grants payables	2,920	3,350
Other payables	3,143	2,183
Provisions	34,138	34,012
<i>Total provisions and payables</i>	<b>353,909</b>	<b>250,964</b>
<b>Total liabilities</b>	<b>927,839</b>	<b>848,622</b>
<b>Net worth(b)</b>	<b>-399,752</b>	<b>-310,660</b>
<i>Net financial worth(c)</i>	<b>-540,249</b>	<b>-451,326</b>
<i>Net financial liabilities(d)</i>	<b>592,413</b>	<b>498,052</b>
<i>Net debt(e)</i>	<b>344,876</b>	<b>343,778</b>

\*As published in the 2017-18 MYEFO.

(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 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<sup>(a)</sup>

	ACTUAL 2017-2018 February \$m	ACTUAL 2017-2018 YTD February \$m	MYEFO Profile 2017-2018 YTD February \$m	MYEFO ESTIMATE* 2017-2018 FULL YEAR \$m
<b>Cash receipts from operating activities</b>				
Taxes received	39,866	261,040	256,246	409,350
Receipts from sales of goods and services	987	6,746	7,008	10,609
Interest receipts	130	2,234	1,979	3,249
Dividends and income tax equivalents	276	3,791	3,259	4,174
Other receipts	329	5,803	5,826	8,305
<b>Total operating receipts</b>	<b>41,588</b>	<b>279,614</b>	<b>274,318</b>	<b>435,686</b>
<b>Cash payments for operating activities</b>				
Payments for employees	-2,579	-18,056	-18,531	-28,917
Payments for goods and services	-7,125	-64,871	-65,184	-101,030
Grants and subsidies paid	-11,848	-106,967	-108,143	-162,144
Interest paid	-332	-9,277	-9,305	-16,623
Personal benefit payments	-9,556	-87,098	-87,929	-130,231
Other payments	-26	-4,021	-3,693	-5,498
<b>Total operating payments</b>	<b>-31,466</b>	<b>-290,290</b>	<b>-292,785</b>	<b>-444,443</b>
<b>Net cash flows from operating activities</b>	<b>10,122</b>	<b>-10,676</b>	<b>-18,467</b>	<b>-8,757</b>
<b>Cash flows from investments in non-financial assets</b>				
Sales of non-financial assets <sup>^</sup>	-749	919	708	1,389
Purchases of non-financial assets	-680	-6,961	-7,550	-13,163
<b>Net cash flows from investments in non-financial assets</b>	<b>-1,429</b>	<b>-6,042</b>	<b>-6,842</b>	<b>-11,774</b>
<b>Net cash flows from investments in financial assets for policy purposes</b>	<b>-456</b>	<b>-8,273</b>	<b>-9,546</b>	<b>-19,042</b>
<b>Cash flows from investments in financial assets for liquidity purposes</b>				
Increase in investments	-9,941	15,691	26,322	8,165
<b>Net cash flows from investments in financial assets for liquidity purposes</b>	<b>-9,941</b>	<b>15,691</b>	<b>26,322</b>	<b>8,165</b>
<b>Cash flows from financing activities</b>				
Borrowing (net)	2,370	14,079	15,001	33,746
Other financing (net)	-1,632	-1,632	-1,352	-3,076
<b>Net cash flows from financing activities</b>	<b>738</b>	<b>12,447</b>	<b>13,649</b>	<b>30,669</b>
<b>Net increase/(decrease) in cash held</b>	<b>-966</b>	<b>3,147</b>	<b>5,116</b>	<b>-739</b>
<b>GFS cash surplus(+)/deficit(-)(b)(c)</b>	<b>8,693</b>	<b>-16,718</b>	<b>-25,309</b>	<b>-20,531</b>
<i>less</i> Finance leases and similar arrangements(d)	91	91	0	0
<i>less</i> Net Future Fund earnings	275	2,943	2,459	3,076
<b>Equals underlying cash balance(e)</b>	<b>8,327</b>	<b>-19,752</b>	<b>-27,768</b>	<b>-23,608</b>
<i>plus</i> Net cash flows from investments in financial assets for policy purposes	-456	-8,273	-9,546	-19,042
<i>plus</i> Net Future Fund earnings	275	2,943	2,459	3,076
<b>Equals headline cash balance</b>	<b>8,146</b>	<b>-25,082</b>	<b>-34,855</b>	<b>-39,573</b>

\*As published in the 2017-18 MYEFO.

<sup>^</sup> This movement in February relates to an adjustment to year-to-date sales of non-financial assets from that previously reported in January 2018.

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

(b) Due to the implementation of the 2015 ABS GFS Manual in the 2017-18 Budget, finance leases are no longer deducted in the derivation of the GFS cash surplus/deficit.

(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 Australian Bureau of Statistics.

## Note 1: Income Tax

	ACTUAL 2017-2018 February \$m	ACTUAL 2017-2018 YTD February \$m	MYEFO Profile 2017-2018 YTD February \$m	MYEFO ESTIMATE* 2017-2018 FULL YEAR \$m
Individuals and other w ithholding taxes				
Gross income tax w ithholding	17,624	127,321	126,368	190,600
Gross other individuals	4,339	25,258	25,126	47,800
less Refunds	1,007	24,112	24,272	29,200
Total individuals and other w ithholding taxation	20,957	128,468	127,222	209,200
Fringe benefits tax	200	2,908	2,842	4,080
Company tax	7,202	54,243	51,219	83,800
Superannuation fund taxes	755	8,535	8,269	10,570
Petroleum resource rent tax	1	840	809	1,030
<b>Total income taxation revenue</b>	<b>29,115</b>	<b>194,994</b>	<b>190,362</b>	<b>308,680</b>

\*As published in the 2017-18 MYEFO.

## Note 2: Indirect Tax

	ACTUAL 2017-2018 February \$m	ACTUAL 2017-2018 YTD February \$m	MYEFO Profile 2017-2018 YTD February \$m	MYEFO ESTIMATE* 2017-2018 FULL YEAR \$m
Goods and services tax	8,849	45,249	44,779	65,560
Wine equalisation tax	94	612	617	920
Luxury car tax	58	498	453	680
Excise duty	1,740	15,184	15,044	22,350
Customs duty	1,565	9,768	9,252	14,800
Other indirect tax	1,382	5,491	5,321	8,518
<b>Total indirect taxation revenue</b>	<b>13,688</b>	<b>76,802</b>	<b>75,466</b>	<b>112,828</b>

\*As published in the 2017-18 MYEFO.

## Note 3: Total expenses by function

	ACTUAL 2017-2018 February \$m	ACTUAL 2017-2018 YTD February \$m	MYEFO ESTIMATE* 2017-2018 FULL YEAR \$m
<b>Expenses by function</b>			
General public services	1,775	15,680	24,371
Defence	2,392	18,537	31,022
Public order and safety	294	3,388	5,249
Education	1,820	25,696	33,793
Health	6,134	49,779	75,942
Social security and w elfare	12,011	106,763	163,953
Housing and community amenities	346	2,938	5,383
Recreation and culture	204	2,001	3,731
Fuel and energy	601	4,605	7,393
Agriculture, forestry and fishing	138	1,478	3,027
Mining, manufacturing and construction	254	2,260	3,557
Transport and communication	913	4,209	9,389
Other economic affairs	788	6,485	10,106
Other purposes			
Public debt interest	1,306	11,192	16,959
Nominal superannuation interest	827	6,617	9,240
General purpose inter-government transactions □	5,570	42,891	64,347
Natural disaster relief	0	0	12
Contingency reserve	0	0	-538
<b>Total expenses</b>	<b>35,373</b>	<b>304,521</b>	<b>466,937</b>

\*As published in the 2017-18 MYEFO.

## 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>.