



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

Friday, 27 April 2018

AUSTRALIAN GOVERNMENT GENERAL GOVERNMENT SECTOR
MONTHLY FINANCIAL STATEMENTS
MARCH 2018

KEY POINTS

- The underlying cash balance for the 2017-18 financial year to 31 March 2018 was a deficit of \$19,666 million.
- The fiscal balance for the 2017-18 financial year to 31 March 2018 was a deficit of \$17,382 million.

AGGREGATES	ACTUAL 2017-2018 March \$m	ACTUAL 2017-2018 YTD March \$m	MYEFO Profile 2017-2018 YTD March \$m	MYEFO ESTIMATE* 2017-2018 FULL YEAR \$m
Revenue	36,003	325,221	319,912	448,702
Expenses	38,052	342,572	346,328	466,937
Net operating balance	-2,049	-17,352	-26,417	-18,235
Net capital investment	-221	30	38	193
Fiscal balance	-1,828	-17,382	-26,455	-18,428
Receipts(a)	36,822	317,355	312,086	437,075
less Payments(b)	36,329	333,671	336,388	457,606
less Net Future Fund earnings	407	3,350	2,603	3,076
Underlying cash balance(c)	86	-19,666	-26,905	-23,608
Headline cash balance	-1,529	-26,611	-35,031	-39,573
Total assets		533,137		537,962
Total liabilities		940,479		848,622
Net worth(d)		-407,342		-310,660
Net debt(e)		350,717		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 31 March 2018 was a deficit of \$19,666 million, which is \$7,239 million lower than the 2017-18 MYEFO profile deficit of \$26,905 million.

- **Receipts**

Total receipts were \$5,269 million higher than the 2017-18 MYEFO profile.

- **Payments**

Total payments were \$2,717 million lower than the 2017-18 MYEFO profile.

Net Operating Balance

The net operating balance for the year to 31 March 2018 was a deficit of \$17,352 million, which is \$9,065 million lower than the 2017-18 MYEFO profile deficit of \$26,417 million. The difference primarily results from higher than expected revenue and lower expenses.

Fiscal Balance

The fiscal balance for the year to 31 March 2018 was a deficit of \$17,382 million, which is \$9,073 million lower than the 2017-18 MYEFO profile deficit of \$26,455 million. As with the net operating balance, the difference primarily results from higher than expected revenue and lower expenses.

Assets and Liabilities

As at 31 March 2018:

- net worth is negative \$407,342 million;
- net debt is \$350,717 million; and
- net financial liabilities are \$600,741 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 2017-2018 March	ACTUAL 2017-2018 YTD March	MYEFO Profile 2017-2018 YTD March	MYEFO ESTIMATE* 2017-2018 FULL YEAR
	Note	\$m	\$m	\$m	\$m
Revenue					
Taxation revenue	1,2	34,025	305,822	301,003	421,508
Sales of goods and services		787	7,114	7,442	10,491
Interest income		299	2,579	2,491	3,580
Dividend income		375	3,112	2,207	3,112
Other		517	6,594	6,769	10,012
Total revenue		36,003	325,221	319,912	448,702
Expenses					
Gross operating expenses					
Wages and salaries(a)		1,708	14,338	14,779	20,083
Superannuation		553	5,528	5,578	7,748
Depreciation and amortisation		763	6,455	7,142	9,507
Supply of goods and services		10,164	75,147	76,239	104,308
Other operating expenses(a)		413	4,661	4,291	5,832
Total gross operating expenses		13,601	106,128	108,029	147,478
Superannuation interest expense		827	7,445	7,061	9,240
Interest expenses		1,548	13,249	13,264	18,027
Current transfers					
Current grants		9,738	103,922	105,283	140,142
Subsidy expenses		1,042	8,834	8,807	11,869
Personal benefits		10,743	96,686	97,231	128,483
Total current transfers		21,523	209,443	211,320	280,495
Capital transfers					
Mutually agreed write-downs		145	1,730	1,630	1,913
Other capital grants		408	4,578	5,023	9,784
Total capital transfers		552	6,308	6,654	11,697
Total expenses	3	38,052	342,572	346,328	466,937
Net operating balance		-2,049	-17,352	-26,417	-18,235
Other economic flows					
- included in operating result					
Net write-downs of assets (including bad and doubtful debts)		-1,005	-5,821	-5,598	-7,852
Assets recognised for the first time		17	155	153	204
Actuarial revaluations		0	0	6	8
Net foreign exchange gains		-657	-471	0	-64
Net swap interest received		16	262	204	250
Market valuation of debt		-5,489	415	-1,869	-1,303
Other gains/(losses)		939	4,971	2,702	7,443
Total other economic flows		-6,179	-488	-4,403	-1,314
- included in operating result		-6,179	-488	-4,403	-1,314
Operating Result (b)		-8,227	-17,840	-30,820	-19,549
Non-owner movements in equity					
Revaluation of equity investments(c)		24	-101	-2,039	-6,231
Actuarial revaluations		0	0	38	-2,274
Other economic revaluations(d)		624	1,433	19	-302
Total other economic flows - included in equity		648	1,331	-1,982	-8,807
Comprehensive result - Total change in net worth		-7,580	-16,509	-32,801	-28,355
Net operating balance		-2,049	-17,352	-26,417	-18,235
Net acquisition of non-financial assets					
Purchases of non-financial assets		790	8,642	8,727	12,993
less Sales of non-financial assets		320	2,262	1,789	3,699
less Depreciation		763	6,455	7,142	9,507
plus Change in inventories		72	65	253	405
plus Other movements in non-financial assets		1	39	-11	1
Total net acquisition of non-financial assets		-221	30	38	193
Fiscal balance (Net lending/borrowing)(e)		-1,828	-17,382	-26,455	-18,428

*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 31 March 2018 \$m	MYEFO ESTIMATE* as at 30 June 2018 \$m
Assets		
Financial assets		
Cash and deposits	6,492	4,400
Advances paid	52,783	63,049
Investments, loans and placements	175,798	186,430
Other receivables	53,090	53,945
Equity investments		
Investments in other public sector entities	52,214	46,725
Equity accounted investments	83	200
Investments - shares	51,491	42,546
<i>Total financial assets</i>	391,951	397,295
Non-financial assets		
Land	11,171	10,882
Buildings	25,753	26,280
Plant, equipment and infrastructure	76,118	74,670
Inventories	8,443	8,538
Intangibles	7,626	8,381
Investment property	159	113
Biological assets	48	54
Heritage and cultural assets	11,675	11,601
Assets held for sale	94	86
Other non-financial assets	99	61
<i>Total non-financial assets</i>	141,186	140,666
Total assets	533,137	537,962
Liabilities		
Interest bearing liabilities		
Deposits held	214	218
Government securities	567,371	580,340
Loans	16,537	15,518
Other borrowing	1,670	1,582
<i>Total interest bearing liabilities</i>	585,791	597,658
Provisions and payables		
Superannuation liability(a)	286,174	181,257
Other employee liabilities	18,831	18,600
Suppliers payables	6,563	8,015
Personal benefits payables	3,081	2,993
Subsidies payables	415	554
Grants payables	2,759	3,350
Other payables	2,874	2,183
Provisions	33,991	34,012
<i>Total provisions and payables</i>	354,688	250,964
Total liabilities	940,479	848,622
Net worth(b)	-407,342	-310,660
<i>Net financial worth(c)</i>	-548,527	-451,326
<i>Net financial liabilities(d)</i>	600,741	498,052
<i>Net debt(e)</i>	350,717	343,778

*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^(a)

	ACTUAL 2017-2018 March \$m	ACTUAL 2017-2018 YTD March \$m	MYEFO Profile 2017-2018 YTD March \$m	MYEFO ESTIMATE* 2017-2018 FULL YEAR \$m
Cash receipts from operating activities				
Taxes received	34,726	295,766	291,193	409,350
Receipts from sales of goods and services	533	7,279	7,849	10,609
Interest receipts	187	2,421	2,198	3,249
Dividends and income tax equivalents	406	4,197	3,379	4,174
Other receipts	621	6,424	6,610	8,305
Total operating receipts	36,473	316,087	311,229	435,686
Cash payments for operating activities				
Payments for employees	-2,497	-20,553	-20,645	-28,917
Payments for goods and services	-9,536	-74,407	-73,745	-101,030
Grants and subsidies paid	-11,211	-118,178	-119,840	-162,144
Interest paid	-612	-9,889	-9,960	-16,623
Personal benefit payments	-10,618	-97,716	-99,184	-130,231
Other payments	-798	-4,819	-4,371	-5,498
Total operating payments	-35,272	-325,562	-327,745	-444,443
Net cash flows from operating activities	1,201	-9,475	-16,516	-8,757
Cash flows from investments in non-financial assets				
Sales of non-financial assets	349	1,268	857	1,389
Purchases of non-financial assets	-1,057	-8,018	-8,643	-13,163
Net cash flows from investments in non-financial assets	-708	-6,750	-7,786	-11,774
Net cash flows from investments in financial assets for policy purposes	-2,022	-10,295	-10,729	-19,042
Cash flows from investments in financial assets for liquidity purposes				
Increase in investments	-5,341	10,350	23,634	8,165
Net cash flows from investments in financial assets for liquidity purposes	-5,341	10,350	23,634	8,165
Cash flows from financing activities				
Borrowing (net)	5,001	19,080	19,527	33,746
Other financing (net)	123	-1,509	-1,386	-3,076
Net cash flows from financing activities	5,124	17,571	18,141	30,669
Net increase/(decrease) in cash held	-1,746	1,401	6,744	-739
GFS cash surplus(+)/deficit(-)(b)(c)	493	-16,225	-24,302	-20,531
<i>less</i> Finance leases and similar arrangements(d)	0	91	0	0
<i>less</i> Net Future Fund earnings	407	3,350	2,603	3,076
Equals underlying cash balance(e)	86	-19,666	-26,905	-23,608
<i>plus</i> Net cash flows from investments in financial assets for policy purposes	-2,022	-10,295	-10,729	-19,042
<i>plus</i> Net Future Fund earnings	407	3,350	2,603	3,076
Equals headline cash balance	-1,529	-26,611	-35,031	-39,573

*As published in the 2017-18 MYEFO.

(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 March \$m	ACTUAL 2017-2018 YTD March \$m	MYEFO Profile 2017-2018 YTD March \$m	MYEFO ESTIMATE* 2017-2018 FULL YEAR \$m
Individuals and other withholding taxes				
Gross income tax withholding	17,378	144,699	142,872	190,600
Gross other individuals	3,739	28,997	29,197	47,800
less Refunds	1,071	25,183	25,379	29,200
Total individuals and other withholding taxation	20,046	148,514	146,689	209,200
Fringe benefits tax	35	2,944	2,847	4,080
Company tax	6,049	60,292	59,372	83,800
Superannuation fund taxes	490	9,025	8,652	10,570
Petroleum resource rent tax	0	840	809	1,030
Total income taxation revenue	26,621	221,615	218,369	308,680

*As published in the 2017-18 MYEFO.

Note 2: Indirect Tax

	ACTUAL 2017-2018 March \$m	ACTUAL 2017-2018 YTD March \$m	MYEFO Profile 2017-2018 YTD March \$m	MYEFO ESTIMATE* 2017-2018 FULL YEAR \$m
Goods and services tax	3,779	49,028	48,333	65,560
Wine equalisation tax	49	662	677	920
Luxury car tax	55	553	507	680
Excise duty	1,827	17,011	16,841	22,350
Customs duty	1,117	10,885	10,358	14,800
Other indirect tax	577	6,069	5,917	8,518
Total indirect taxation revenue	7,405	84,207	82,633	112,828

*As published in the 2017-18 MYEFO.

Note 3: Total expenses by function

	ACTUAL 2017-2018 March \$m	ACTUAL 2017-2018 YTD March \$m	MYEFO ESTIMATE* 2017-2018 FULL YEAR \$m
Expenses by function			
General public services	1,814	17,494	24,371
Defence	2,664	21,201	31,022
Public order and safety	450	3,838	5,249
Education	1,842	27,538	33,793
Health	6,404	56,183	75,942
Social security and welfare	14,307	121,069	163,953
Housing and community amenities	366	3,304	5,383
Recreation and culture	169	2,169	3,731
Fuel and energy	655	5,260	7,393
Agriculture, forestry and fishing	192	1,670	3,027
Mining, manufacturing and construction	253	2,513	3,557
Transport and communication	577	4,785	9,389
Other economic affairs	788	7,273	10,106
Other purposes			
Public debt interest	1,479	12,671	16,959
Nominal superannuation interest	827	7,445	9,240
General purpose inter-government transactions	5,267	48,159	64,347
Natural disaster relief	0	0	12
Contingency reserve	0	0	-538
Total expenses	38,052	342,572	466,937

*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>.