



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

Friday, 2 February 2018

**AUSTRALIAN GOVERNMENT GENERAL GOVERNMENT SECTOR**  
**MONTHLY FINANCIAL STATEMENTS**  
**DECEMBER 2017**

**KEY POINTS**

- The underlying cash balance for the 2017-18 financial year to 31 December 2017 was a deficit of \$21,948 million.
- The fiscal balance for the 2017-18 financial year to 31 December 2017 was a deficit of \$15,993 million.

<b>AGGREGATES</b>	<b>ACTUAL 2017-2018 December \$m</b>	<b>ACTUAL 2017-2018 YTD December \$m</b>	<b>MYEFO Profile 2017-2018 YTD December \$m</b>	<b>MYEFO ESTIMATE* 2017-2018 FULL YEAR \$m</b>
<b>Revenue</b>	37,215	212,630	211,302	448,702
<b>Expenses</b>	38,221	228,815	230,072	466,937
<b>Net operating balance</b>	-1,006	-16,185	-18,769	-18,235
Net capital investment	693	-193	-657	193
<b>Fiscal balance</b>	-1,699	-15,993	-18,113	-18,428
Receipts(a)	38,189	209,089	207,046	437,075
less Payments(b)	38,846	228,644	228,836	457,606
less Net Future Fund earnings	471	2,393	2,073	3,076
<b>Underlying cash balance(c)</b>	-1,128	-21,948	-23,864	-23,608
<b>Headline cash balance</b>	-459	-25,058	-27,990	-39,573
<b>Total assets</b>		522,383		537,962
<b>Total liabilities</b>		926,931		848,622
<b>Net worth(d)</b>		-404,547		-310,660
<b>Net debt(e)</b>		350,245		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 revenues and expenses vary from month to month.

Comparators for the December 2017 monthly financial statements are based on the 2017-18 Mid-Year Economic and Fiscal Outlook published in December 2017.

## **FISCAL OUTCOMES**

### **Underlying Cash Balance**

The underlying cash balance for the financial year to 31 December 2017 was a deficit of \$21,948 million, which is \$1,916 million lower than the 2017-18 MYEFO profile deficit of \$23,864 million.

- **Receipts**

Total receipts were \$2,043 million higher than the 2017-18 MYEFO profile.

- **Payments**

Total payments were \$192 million lower than the 2017-18 MYEFO profile.

### **Net Operating Balance**

The net operating balance for the year to 31 December 2017 was a deficit of \$16,185 million, which is \$2,584 million lower than the 2017-18 MYEFO profile deficit of \$18,769 million. The difference primarily results from higher than expected revenue and lower expenses.

### **Fiscal Balance**

The fiscal balance for the year to 31 December 2017 was a deficit of \$15,993 million, which is \$2,120 million lower than the 2017-18 MYEFO profile deficit of \$18,113 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 December 2017:

- Net worth is negative \$404,547 million;
- Net debt is \$350,245 million; and
- Net financial liabilities are \$596,245 million.

Senator the Hon Mathias Cormann  
Minister for Finance

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## Australian Government general government sector operating statement

		ACTUAL 2017-2018 December	ACTUAL 2017-2018 YTD December	MYEFO Profile 2017-2018 YTD December	MYEFO ESTIMATE* 2017-2018 FULL YEAR
	Note	\$m	\$m	\$m	\$m
<b>Revenue</b>					
Taxation revenue	1,2	35,620	199,149	197,692	421,508
Sales of goods and services		703	4,753	4,811	10,491
Interest income		83	1,841	1,792	3,580
Dividend income		449	2,163	1,822	3,112
Other		359	4,724	5,186	10,012
<b>Total revenue</b>		<b>37,215</b>	<b>212,630</b>	<b>211,302</b>	<b>448,702</b>
<b>Expenses</b>					
Gross operating expenses					
Wages and salaries(a)		1,510	9,611	9,874	20,083
Superannuation		289	3,336	3,639	7,748
Depreciation and amortisation		706	4,284	4,780	9,507
Supply of goods and services		9,153	50,589	50,962	104,308
Other operating expenses(a)		427	3,209	2,986	5,832
<i>Total gross operating expenses</i>		<i>12,085</i>	<i>71,030</i>	<i>72,241</i>	<i>147,478</i>
Superannuation interest expense		837	4,992	4,882	9,240
Interest expenses		1,446	8,799	8,834	18,027
Current transfers					
Current grants		11,399	68,535	68,820	140,142
Subsidy expenses		1,022	5,838	5,801	11,869
Personal benefits		10,976	66,393	66,390	128,483
<i>Total current transfers</i>		<i>23,397</i>	<i>140,766</i>	<i>141,011</i>	<i>280,495</i>
Capital transfers					
Mutually agreed write-downs		95	1,383	1,377	1,913
Other capital grants		360	1,845	1,728	9,784
<i>Total capital transfers</i>		<i>455</i>	<i>3,228</i>	<i>3,105</i>	<i>11,697</i>
<b>Total expenses</b>	3	<b>38,221</b>	<b>228,815</b>	<b>230,072</b>	<b>466,937</b>
<b>Net operating balance</b>		<b>-1,006</b>	<b>-16,185</b>	<b>-18,769</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)		-478	-3,692	-3,149	-7,852
Assets recognised for the first time		22	144	102	204
Actuarial revaluations		1	4	-5	8
Net foreign exchange gains		1,081	530	2	-64
Net swap interest received		-46	158	204	250
Market valuation of debt		3,322	2,004	-2,476	-1,303
Other gains/(losses)		3,683	3,814	2,241	7,443
<b>Total other economic flows - included in operating result</b>		<b>7,586</b>	<b>2,962</b>	<b>-3,081</b>	<b>-1,314</b>
<b>Operating Result (b)</b>		<b>6,580</b>	<b>-13,223</b>	<b>-21,851</b>	<b>-19,549</b>
<b>Non-owner movements in equity</b>					
Revaluation of equity investments(c)		-273	-395	-72	-6,231
Actuarial revaluations		0	0	0	-2,274
Other economic revaluations(d)		138	-812	-952	-302
<b>Total other economic flows - included in equity</b>		<b>-135</b>	<b>-1,207</b>	<b>-1,024</b>	<b>-8,807</b>
<b>Comprehensive result - Total change in net worth</b>		<b>6,445</b>	<b>-14,430</b>	<b>-22,874</b>	<b>-28,355</b>
<b>Net operating balance</b>		<b>-1,006</b>	<b>-16,185</b>	<b>-18,769</b>	<b>-18,235</b>
<b>Net acquisition of non-financial assets</b>					
Purchases of non-financial assets		1,377	6,116	5,751	12,993
less Sales of non-financial assets		96	1,851	1,743	3,699
less Depreciation		706	4,284	4,780	9,507
plus Change in inventories		113	-164	130	405
plus Other movements in non-financial assets		4	-10	-15	1
<b>Total net acquisition of non-financial assets</b>		<b>693</b>	<b>-193</b>	<b>-657</b>	<b>193</b>
<b>Fiscal balance (Net lending/borrowing)(e)</b>		<b>-1,699</b>	<b>-15,993</b>	<b>-18,113</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 31 December 2017 \$m	MYEFO ESTIMATE* as at 30 June 2018 \$m
<b>Assets</b>		
Financial assets		
Cash and deposits	6,429	4,400
Advances paid	48,987	63,049
Investments, loans and placements	171,984	186,430
Other receivables	51,730	53,945
Equity investments		
Investments in other public sector entities	51,757	46,725
Equity accounted investments	66	200
Investments - shares	51,490	42,546
<i>Total financial assets</i>	<b>382,442</b>	<b>397,295</b>
Non-financial assets		
Land	11,045	10,882
Buildings	25,475	26,280
Plant, equipment and infrastructure	75,449	74,670
Inventories	8,336	8,538
Intangibles	7,565	8,381
Investment property	159	113
Biological assets	48	54
Heritage and cultural assets	11,617	11,601
Assets held for sale	196	86
Other non-financial assets	50	61
<i>Total non-financial assets</i>	<b>139,941</b>	<b>140,666</b>
<b>Total assets</b>	<b>522,383</b>	<b>537,962</b>
<b>Liabilities</b>		
Interest bearing liabilities		
Deposits held	214	218
Government securities	560,001	580,340
Loans	15,756	15,518
Other borrowing	1,673	1,582
<i>Total interest bearing liabilities</i>	<b>577,645</b>	<b>597,658</b>
Provisions and payables		
Superannuation liability(a)	283,703	181,257
Other employee liabilities	18,437	18,600
Suppliers payables	5,189	8,015
Personal benefits payables	2,931	2,993
Subsidies payables	436	554
Grants payables	2,415	3,350
Other payables	3,017	2,183
Provisions	33,157	34,012
<i>Total provisions and payables</i>	<b>349,286</b>	<b>250,964</b>
<b>Total liabilities</b>	<b>926,931</b>	<b>848,622</b>
<b>Net worth(b)</b>	<b>-404,547</b>	<b>-310,660</b>
<i>Net financial worth(c)</i>	<b>-544,488</b>	<b>-451,326</b>
<i>Net financial liabilities(d)</i>	<b>596,245</b>	<b>498,052</b>
<i>Net debt(e)</i>	<b>350,245</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 December \$m	ACTUAL 2017-2018 YTD December \$m	MYEFO Profile 2017-2018 YTD December \$m	MYEFO ESTIMATE* 2017-2018 FULL YEAR \$m
<b>Cash receipts from operating activities</b>				
Taxes received	35,814	194,355	192,794	409,350
Receipts from sales of goods and services	730	4,629	4,625	10,609
Interest receipts	258	1,869	1,715	3,249
Dividends and income tax equivalents	395	3,268	2,898	4,174
Other receipts	897	4,829	4,961	8,305
<b>Total operating receipts</b>	<b>38,094</b>	<b>208,950</b>	<b>206,992</b>	<b>435,686</b>
<b>Cash payments for operating activities</b>				
Payments for employees	-1,413	-13,234	-13,531	-28,917
Payments for goods and services	-9,870	-51,343	-51,515	-101,030
Grants and subsidies paid	-12,845	-77,749	-77,851	-162,144
Interest paid	-464	-8,211	-8,420	-16,623
Personal benefit payments	-11,839	-68,786	-68,642	-130,231
Other payments	-1,046	-3,549	-3,332	-5,498
<b>Total operating payments</b>	<b>-37,477</b>	<b>-222,872</b>	<b>-223,291</b>	<b>-444,443</b>
<b>Net cash flows from operating activities</b>	<b>617</b>	<b>-13,922</b>	<b>-16,299</b>	<b>-8,757</b>
<b>Cash flows from investments in non-financial assets</b>				
Sales of non-financial assets	95	139	54	1,389
Purchases of non-financial assets	-1,369	-5,681	-5,545	-13,163
<b>Net cash flows from investments in non-financial assets</b>	<b>-1,274</b>	<b>-5,542</b>	<b>-5,492</b>	<b>-11,774</b>
<b>Net cash flows from investments in financial assets for policy purposes</b>	<b>198</b>	<b>-5,503</b>	<b>-6,200</b>	<b>-19,042</b>
<b>Cash flows from investments in financial assets for liquidity purposes</b>				
Increase in investments	-1,996	12,556	10,889	8,165
<b>Net cash flows from investments in financial assets for liquidity purposes</b>	<b>-1,996</b>	<b>12,556</b>	<b>10,889</b>	<b>8,165</b>
<b>Cash flows from financing activities</b>				
Borrowing (net)	2,904	15,710	17,474	33,746
Other financing (net)	-645	-1,490	-1,112	-3,076
<b>Net cash flows from financing activities</b>	<b>2,259</b>	<b>14,220</b>	<b>16,363</b>	<b>30,669</b>
<b>Net increase/(decrease) in cash held</b>	<b>-196</b>	<b>1,809</b>	<b>-739</b>	<b>-739</b>
<b>GFS cash surplus(+)/deficit(-)(b)(c)</b>	<b>-657</b>	<b>-19,464</b>	<b>-21,791</b>	<b>-20,531</b>
<i>less</i> Finance leases and similar arrangements(d)	0	91	0	0
<i>less</i> Net Future Fund earnings	471	2,393	2,073	3,076
<b>Equals underlying cash balance(e)</b>	<b>-1,128</b>	<b>-21,948</b>	<b>-23,864</b>	<b>-23,608</b>
<i>plus</i> Net cash flows from investments in financial assets for policy purposes	198	-5,503	-6,200	-19,042
<i>plus</i> Net Future Fund earnings	471	2,393	2,073	3,076
<b>Equals headline cash balance</b>	<b>-459</b>	<b>-25,058</b>	<b>-27,990</b>	<b>-39,573</b>

\*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 December \$m	ACTUAL 2017-2018 YTD December \$m	MYEFO Profile 2017-2018 YTD December \$m	MYEFO ESTIMATE* 2017-2018 FULL YEAR \$m
Individuals and other withholding taxes				
Gross income tax withholding	15,801	95,826	95,672	190,600
Gross other individuals	1,248	19,195	19,131	47,800
less Refunds	1,109	21,903	21,994	29,200
Total individuals and other withholding taxation	15,940	93,118	92,809	209,200
Fringe benefits tax	21	1,922	1,906	4,080
Company tax	9,094	39,990	39,974	83,800
Superannuation fund taxes	2,342	7,730	7,381	10,570
Petroleum resource rent tax	24	599	570	1,030
<b>Total income taxation revenue</b>	<b>27,422</b>	<b>143,358</b>	<b>142,640</b>	<b>308,680</b>

\*As published in the 2017-18 MYEFO.

## Note 2: Indirect Tax

	ACTUAL 2017-2018 December \$m	ACTUAL 2017-2018 YTD December \$m	MYEFO Profile 2017-2018 YTD December \$m	MYEFO ESTIMATE* 2017-2018 FULL YEAR \$m
Goods and services tax	3,863	33,046	32,554	65,560
Wine equalisation tax	106	435	427	920
Luxury car tax	89	383	344	680
Excise duty	1,960	11,504	11,352	22,350
Customs duty	1,620	6,882	6,848	14,800
Other indirect tax	560	3,540	3,527	8,518
<b>Total indirect taxation revenue</b>	<b>8,199</b>	<b>55,791</b>	<b>55,052</b>	<b>112,828</b>

\*As published in the 2017-18 MYEFO.

## Note 3: Total expenses by function

	ACTUAL 2017-2018 December \$m	ACTUAL 2017-2018 YTD December \$m	MYEFO ESTIMATE* 2017-2018 FULL YEAR \$m
<b>Expenses by function</b>			
General public services	1,388	10,922	24,371
Defence	2,362	14,397	31,022
Public order and safety	284	2,431	5,249
Education	1,800	16,160	33,793
Health	5,890	37,890	75,942
Social security and welfare	15,253	83,627	163,953
Housing and community amenities	335	2,089	5,383
Recreation and culture	289	1,727	3,731
Fuel and energy	630	3,395	7,393
Agriculture, forestry and fishing	118	1,083	3,027
Mining, manufacturing and construction	291	1,769	3,557
Transport and communication	1,350	2,890	9,389
Other economic affairs	699	4,971	10,106
Other purposes			
Public debt interest	1,441	8,432	16,959
Nominal superannuation interest	837	4,992	9,240
General purpose inter-government transactions	5,253	32,040	64,347
Natural disaster relief	0	0	12
Contingency reserve	0	0	-538
<b>Total expenses</b>	<b>38,221</b>	<b>228,815</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>.