



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

**MEDIA RELEASE**

Friday, 03 February 2017

**AUSTRALIAN GOVERNMENT GENERAL GOVERNMENT SECTOR**  
**MONTHLY FINANCIAL STATEMENTS**  
**DECEMBER 2016**

**KEY POINTS**

- The underlying cash balance for the 2016-17 financial year to 31 December 2016 was a deficit of \$33,025 million.
- The fiscal balance for the 2016-17 financial year to 31 December 2016 was a deficit of \$31,143 million.

<b>AGGREGATES</b>	<b>ACTUAL 2016-2017 December \$m</b>	<b>ACTUAL 2016-2017 YTD December \$m</b>	<b>MYEFO Profile 2016-2017 YTD December \$m</b>	<b>MYEFO ESTIMATE* 2016-2017 Full Year \$m</b>
<b>Revenue</b>	34,053	193,255	190,647	411,112
<b>Expenses</b>	38,057	222,970	223,816	448,642
Net operating balance	-4,004	-29,715	-33,169	-37,530
Net capital investment	993	1,427	1,120	3,953
<b>Fiscal balance</b>	<b>-4,997</b>	<b>-31,143</b>	<b>-34,289</b>	<b>-41,482</b>
Receipts(a)	32,950	191,007	189,424	407,350
less Payments(b)	38,392	222,120	221,171	441,063
less Net Future Fund earnings	349	1,911	1,798	2,801
<b>Underlying cash balance(c)</b>	<b>-5,791</b>	<b>-33,025</b>	<b>-33,544</b>	<b>-36,514</b>
<b>Headline cash balance</b>	<b>-7,155</b>	<b>-38,054</b>	<b>-42,148</b>	<b>-52,505</b>
<b>Total assets</b>		<b>495,121</b>		<b>522,675</b>
<b>Total liabilities</b>		<b>911,197</b>		<b>803,396</b>
<b>Net worth(d)</b>		<b>-416,076</b>		<b>-280,721</b>
<b>Net debt(e)</b>		<b>309,399</b>		<b>317,193</b>

\*As published in the 2016-17 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 2016 monthly financial statements are based on the 2016-17 Mid-Year Economic and Fiscal Outlook (MYEFO) published on 19 December 2016.

## **FISCAL OUTCOMES**

### **Underlying Cash Balance**

The underlying cash balance for the year to 31 December 2016 was a deficit of \$33,025 million, which is \$520 million lower than the 2016-17 MYEFO profile deficit of \$33,544 million.

- **Receipts**

Total receipts were \$1,582 million higher than the 2016-17 MYEFO profile.

- **Payments**

Total payments were \$949 million higher than the 2016-17 MYEFO profile.

### **Fiscal Balance**

The fiscal balance for the year to 31 December 2016 was a deficit of \$31,143 million, which is \$3,147 million lower than the 2016-17 MYEFO profile deficit of \$34,289 million. The difference results from higher than expected revenue and lower than expected expenses.

### **Assets and Liabilities**

As at 31 December 2016:

- Net worth is negative \$416,076 million;
- Net debt is \$309,399 million; and
- Net financial liabilities are \$602,805 million.

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

		ACTUAL 2016-2017 December \$m	ACTUAL 2016-2017 YTD December \$m	MYEFO Profile 2016-2017 YTD December \$m	MYEFO ESTIMATE* 2016-2017 Full Year \$m
<b>Revenue</b>					
Taxation revenue	1, 2	31,664	180,292	178,438	386,345
Sales of goods and services		735	4,239	4,145	8,905
Interest income		306	1,838	1,799	3,771
Dividend income		356	1,740	1,541	2,687
Other		992	5,146	4,723	9,404
<b>Total revenue</b>		<b>34,053</b>	<b>193,255</b>	<b>190,647</b>	<b>411,112</b>
<b>Expenses</b>					
Gross operating expenses					
Wages and salaries(a)		1,476	9,594	9,807	20,060
Superannuation		800	3,829	3,784	9,720
Depreciation and amortisation		594	3,811	3,962	7,855
Supply of goods and services		8,324	44,722	44,670	87,762
Other operating expenses(a)		325	2,829	3,046	5,572
<i>Total gross operating expenses</i>		<i>11,520</i>	<i>64,785</i>	<i>65,268</i>	<i>130,969</i>
Superannuation interest expense		746	4,592	4,337	8,446
Interest expenses		1,469	8,392	8,398	17,637
Current transfers					
Current grants		10,723	67,193	66,764	135,615
Subsidy expenses		1,319	6,674	6,653	13,509
Personal benefits		10,932	67,756	68,142	129,749
<i>Total current transfers</i>		<i>22,975</i>	<i>141,623</i>	<i>141,559</i>	<i>278,873</i>
Capital transfers					
Mutually agreed write-downs		56	679	755	1,479
Other capital grants		1,291	2,898	3,499	11,239
<i>Total capital transfers</i>		<i>1,347</i>	<i>3,577</i>	<i>4,254</i>	<i>12,718</i>
<b>Total expenses</b>	3	<b>38,057</b>	<b>222,970</b>	<b>223,816</b>	<b>448,642</b>
<b>Net operating balance</b>		<b>-4,004</b>	<b>-29,715</b>	<b>-33,169</b>	<b>-37,530</b>
<b>Other economic flows</b>					
<b>- included in operating result</b>					
Net write-downs of assets (including bad and doubtful debts)		-428	-4,476	-3,624	-8,178
Assets recognised for the first time		35	156	193	328
Liabilities recognised for the first time		0	0	0	0
Actuarial revaluations		0	0	0	-8
Net foreign exchange gains		-335	110	1	-187
Net swap interest received		-18	47	45	45
Market valuation of debt		1,992	22,652	23,450	24,243
Other gains/(losses)		1,666	2,658	1,777	4,558
<b>Total other economic flows</b>		<b>2,913</b>	<b>21,145</b>	<b>21,842</b>	<b>20,801</b>
<b>Operating result (b)</b>		<b>-1,091</b>	<b>-8,570</b>	<b>-11,327</b>	<b>-16,728</b>
<b>Non-owner movements in equity</b>					
Revaluation of equity investments(c)		14	11	0	-4,846
Actuarial revaluations		0	0	1	1,665
Other economic revaluations(d)		-51	11,048	12,073	175
<b>Total other economic flows - included in equity</b>		<b>-38</b>	<b>11,059</b>	<b>12,073</b>	<b>-3,006</b>
<b>Comprehensive result - Total change in net worth</b>		<b>-1,129</b>	<b>2,489</b>	<b>746</b>	<b>-19,734</b>
<b>Net operating balance</b>		<b>-4,004</b>	<b>-29,715</b>	<b>-33,169</b>	<b>-37,530</b>
<b>Net acquisition of non-financial assets</b>					
Purchases of non-financial assets		1,480	5,213	5,200	12,284
less Sales of non-financial assets		7	90	126	897
less Depreciation		594	3,811	3,962	7,855
plus Change in inventories		113	51	-16	421
plus Other movements in non-financial assets		1	64	24	0
<b>Total net acquisition of non-financial assets</b>		<b>993</b>	<b>1,427</b>	<b>1,120</b>	<b>3,953</b>
<b>Fiscal balance (Net lending/borrowing)(e)</b>		<b>-4,997</b>	<b>-31,143</b>	<b>-34,289</b>	<b>-41,482</b>

\*As published in the 2016-17 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 2016 \$m	MYEFO ESTIMATE* as at 30 June 2017 \$m
<b>Assets</b>		
Financial assets		
Cash and deposits	8,539	2,942
Advances paid	54,773	59,987
Investments, loans and placements	153,479	177,400
Other receivables	49,929	47,959
Equity investments		
Investments in other public sector entities	50,777	51,944
Equity accounted investments	253	299
Investments - shares	41,419	43,343
<i>Total financial assets</i>	<b>359,169</b>	<b>383,874</b>
Non-financial assets		
Land	10,624	10,613
Buildings	25,503	25,982
Plant, equipment and infrastructure	72,266	73,645
Inventories	8,287	8,499
Intangibles	7,206	8,097
Investment properties	137	164
Biological assets	42	49
Heritage and cultural assets	11,516	11,413
Assets held for sale	202	227
Other non-financial assets	169	112
<i>Total non-financial assets</i>	<b>135,952</b>	<b>138,801</b>
<b>Total assets</b>	<b>495,121</b>	<b>522,675</b>
<b>Liabilities</b>		
Interest bearing liabilities		
Deposits held	230	217
Government securities	508,010	540,184
Loans	16,277	15,455
Other borrowing	1,673	1,666
<i>Total interest bearing liabilities</i>	<b>526,190</b>	<b>557,522</b>
Provisions and payables		
Superannuation liability(a)	318,670	175,047
Other employee liabilities	18,191	18,638
Suppliers payable	4,934	6,358
Personal benefits provisions and payable	12,164	12,677
Subsidies provisions and payable	427	931
Grants provisions and payable	11,157	11,710
Other provisions and payables	19,465	20,513
<i>Total provisions and payables</i>	<b>385,007</b>	<b>245,874</b>
<b>Total liabilities</b>	<b>911,197</b>	<b>803,396</b>
<b>Net worth(b)</b>	<b>-416,076</b>	<b>-280,721</b>
<i>Net financial worth(c)</i>	<b>-552,028</b>	<b>-419,522</b>
<i>Net financial liabilities(d)</i>	<b>602,805</b>	<b>471,466</b>
<i>Net debt(e)</i>	<b>309,399</b>	<b>317,193</b>

\*As published in the 2016-17 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 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 2016-2017 December \$m	ACTUAL 2016-2017 YTD December \$m	MYEFO Profile 2016-2017 YTD December \$m	MYEFO ESTIMATE* 2016-2017 Full Year \$m
<b>Cash receipts from operating activities</b>				
Taxes received	30,959	175,358	173,745	378,756
Receipts from sales of goods and services	597	4,131	3,913	8,766
Interest receipts	245	1,570	1,447	2,990
Dividends and income tax equivalents	379	5,045	4,823	5,828
Other receipts	780	4,813	5,421	8,673
<b>Total operating receipts</b>	<b>32,960</b>	<b>190,917</b>	<b>189,350</b>	<b>405,013</b>
<b>Cash payments for operating activities</b>				
Payments for employees	-2,294	-13,524	-14,082	-28,259
Payments for goods and services	-8,910	-46,076	-45,525	-87,328
Grants and subsidies paid	-11,726	-75,353	-76,381	-159,698
Interest paid	-80	-7,384	-7,377	-15,377
Personal benefit payments	-13,126	-71,828	-69,612	-132,884
Other payments	-797	-3,136	-2,871	-5,235
<b>Total operating payments</b>	<b>-36,934</b>	<b>-217,301</b>	<b>-215,848</b>	<b>-428,781</b>
<b>Net cash flows from operating activities</b>	<b>-3,974</b>	<b>-26,384</b>	<b>-26,499</b>	<b>-23,768</b>
<b>Cash flows from investments in non-financial assets</b>				
Sales of non-financial assets	-10	90	75	2,337
Purchases of non-financial assets	-1,456	-4,810	-5,320	-12,282
<b>Net cash flows from investments in non-financial assets</b>	<b>-1,466</b>	<b>-4,720</b>	<b>-5,246</b>	<b>-9,945</b>
<b>Net cash flows from investments in financial assets for policy purposes</b>	<b>-1,714</b>	<b>-6,941</b>	<b>-10,401</b>	<b>-18,792</b>
<b>Cash flows from investments in financial assets for liquidity purposes</b>				
Increase in investments	7,699	-3,711	-16,807	-27,724
<b>Net cash flows from investments in financial assets for liquidity purposes</b>	<b>7,699</b>	<b>-3,711</b>	<b>-16,807</b>	<b>-27,724</b>
<b>Cash flows from financing activities</b>				
Borrowing (net)	3,766	48,083	51,279	82,682
Other financing (net)	-18	-1,426	-1,409	-3,149
<b>Net cash flows from financing activities</b>	<b>3,749</b>	<b>46,656</b>	<b>49,870</b>	<b>79,533</b>
<b>Net increase/(decrease) in cash held</b>	<b>4,294</b>	<b>4,901</b>	<b>-9,082</b>	<b>-696</b>
<b>Net cash flows from operating activities and investments in non-financial assets (surplus+)/deficit(-)</b>	<b>-5,440</b>	<b>-31,104</b>	<b>-31,744</b>	<b>-33,713</b>
Finance leases and similar arrangements(b)	-1	-9	-3	0
<b>GFS cash surplus(+)/deficit(-)</b>	<b>-5,442</b>	<b>-31,113</b>	<b>-31,747</b>	<b>-33,713</b>
less Net Future Fund earnings	349	1,911	1,798	2,801
<b>Equals underlying cash balance(c)</b>	<b>-5,791</b>	<b>-33,025</b>	<b>-33,544</b>	<b>-36,514</b>
plus Net cash flows from investments in financial assets for policy purposes	-1,714	-6,941	-10,401	-18,792
plus Net Future Fund earnings	349	1,911	1,798	2,801
<b>Equals headline cash balance</b>	<b>-7,155</b>	<b>-38,054</b>	<b>-42,148</b>	<b>-52,505</b>

\*As published in the 2016-17 MYEFO.

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

(b) The acquisition of assets under finance leases decreases the underlying cash balance. The disposal of assets previously held under finance leases increases the underlying cash.

(c) The term underlying cash balance is not used by the Australian Bureau of Statistics.

## Note 1: Income Tax

	ACTUAL 2016-2017 December \$m	ACTUAL 2016-2017 YTD December \$m	MYEFO Profile 2016-2017 YTD December \$m	MYEFO ESTIMATE* 2016-2017 Full Year \$m
Individuals and other withholding taxes				
Gross income tax withholding	15,219	89,748	89,903	180,680
Gross other individuals	1,295	18,585	18,330	46,700
less Refunds	976	21,114	21,570	28,900
Total individuals and other withholding taxation	15,538	87,219	86,662	198,480
Fringe benefits tax	27	1,997	2,002	4,540
Company tax	7,125	32,904	32,262	68,700
Superannuation funds	1,415	5,346	5,175	8,080
Resource rent taxes	16	523	527	920
<b>Total income taxation revenue</b>	<b>24,120</b>	<b>127,988</b>	<b>126,630</b>	<b>280,720</b>

\*As published in the 2016-17 MYEFO.

## Note 2: Indirect Tax

	ACTUAL 2016-2017 December \$m	ACTUAL 2016-2017 YTD December \$m	MYEFO Profile 2016-2017 YTD December \$m	MYEFO ESTIMATE* 2016-2017 Full Year \$m
Goods and services tax	3,403	30,811	30,915	62,410
Wine equalisation tax	93	407	425	910
Luxury car tax	55	329	321	640
Excise duty	1,872	10,973	10,562	21,410
Customs duty	1,580	6,620	6,554	14,260
Other indirect tax	541	3,164	3,031	5,995
<b>Total indirect taxation revenue</b>	<b>7,543</b>	<b>52,304</b>	<b>51,809</b>	<b>105,625</b>

\*As published in the 2016-17 MYEFO.

## Note 3: Total expenses by function

	ACTUAL 2016-2017 December \$m	ACTUAL 2016-2017 YTD December \$m	MYEFO ESTIMATE* 2016-2017 Full Year \$m
<b>Expenses by function</b>			
General public services	1,601	10,451	26,991
Defence	2,346	13,944	26,816
Public order and safety	381	2,376	5,117
Education	2,535	17,019	33,339
Health	5,707	36,813	72,842
Social security and welfare	14,273	80,888	155,792
Housing and community amenities	339	2,021	5,131
Recreation and culture	280	1,576	3,532
Fuel and energy	554	3,320	6,874
Agriculture, Forestry and Fishing	218	1,046	2,914
Mining, manufacturing and construction	325	1,765	4,052
Transport and communication	1,466	3,148	10,296
Other economic affairs	789	4,539	9,866
Other purposes			
Public debt interest	1,381	7,732	15,984
Nominal superannuation interest	746	4,592	8,446
General purpose inter-government transactions	5,116	31,739	62,696
Natural disaster relief	0	0	32
Contingency reserve	0	0	-2,077
<b>Total expenses</b>	<b>38,057</b>	<b>222,970</b>	<b>448,642</b>

\*As published in the 2016-17 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/quarterly-data-december-2016/>.

### **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>.