



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

MEDIA RELEASE

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AUSTRALIAN GOVERNMENT GENERAL GOVERNMENT SECTOR
MONTHLY FINANCIAL STATEMENTS
FEBRUARY 2017

KEY POINTS

- The underlying cash balance for the 2016-17 financial year to 28 February 2017 was a deficit of \$36,642 million.
- The fiscal balance for the 2016-17 financial year to 28 February 2017 was a deficit of \$36,467 million.

AGGREGATES	ACTUAL 2016-2017 February \$m	ACTUAL 2016-2017 YTD February \$m	MYEFO Profile 2016-2017 YTD February \$m	MYEFO ESTIMATE* 2016-2017 Full Year \$m
Revenue	39,880	261,329	259,287	411,112
Expenses	33,743	296,595	299,758	448,642
Net operating balance	6,137	-35,266	-40,471	-37,530
Net capital investment	13	1,200	1,084	3,953
Fiscal balance	6,124	-36,467	-41,555	-41,482
Receipts(a)	37,886	255,434	254,442	407,350
less Payments(b)	30,372	289,700	292,448	441,063
less Net Future Fund earnings	128	2,376	2,149	2,801
Underlying cash balance(c)	7,387	-36,642	-40,155	-36,514
Headline cash balance	6,235	-43,700	-50,157	-52,505
Total assets		493,092		522,675
Total liabilities		916,959		803,396
Net worth(d)		-423,866		-280,721
Net debt(e)		317,425		317,193

*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.

FISCAL OUTCOMES

Underlying Cash Balance

The underlying cash balance for the financial year to 28 February 2017 was a deficit of \$36,642 million, which is \$3,513 million lower than the 2016-17 Mid-Year Economic and Fiscal Outlook (MYEFO) profile deficit of \$40,155 million.

- **Receipts**

Total receipts were \$992 million higher than the 2016-17 MYEFO profile.

- **Payments**

Total payments were \$2,748 million lower than the 2016-17 MYEFO profile.

Fiscal Balance

The fiscal balance for the year to 28 February 2017 was a deficit of \$36,467 million, which is \$5,088 million lower than the 2016-17 MYEFO profile deficit of \$41,555 million. The difference results from higher than expected revenue and lower than expected expenses.

Assets and Liabilities

As at 28 February 2017:

- Net worth is negative \$423,866 million;
- Net debt is \$317,425 million; and
- Net financial liabilities are \$611,283 million.

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Australian Government general government sector operating statement

	ACTUAL 2016-2017 February Note	ACTUAL 2016-2017 YTD February \$m	MYEFO Profile 2016-2017 YTD February \$m	MYEFO ESTIMATE* 2016-2017 Full Year \$m	
Revenue					
Taxation revenue	1, 2	37,941	244,214	243,497	386,345
Sales of goods and services		712	5,621	5,556	8,905
Interest income		279	2,384	2,410	3,771
Dividend income		216	2,124	1,838	2,687
Other		731	6,985	5,987	9,404
Total revenue		39,880	261,329	259,287	411,112
Expenses					
Gross operating expenses					
Wages and salaries(a)		1,519	12,601	13,012	20,060
Superannuation		814	6,586	6,567	9,720
Depreciation and amortisation		800	5,359	5,242	7,855
Supply of goods and services		6,927	57,265	57,399	87,762
Other operating expenses(a)		460	3,740	3,838	5,572
<i>Total gross operating expenses</i>		<i>10,520</i>	<i>85,550</i>	<i>86,057</i>	<i>130,969</i>
Superannuation interest expense		633	5,971	5,745	8,446
Interest expenses		1,319	11,201	11,234	17,637
Current transfers					
Current grants		10,104	92,969	92,662	135,615
Subsidy expenses		1,066	8,714	8,715	13,509
Personal benefits		9,640	87,501	88,452	129,749
<i>Total current transfers</i>		<i>20,810</i>	<i>189,183</i>	<i>189,829</i>	<i>278,873</i>
Capital transfers					
Mutually agreed write-downs		70	828	964	1,479
Other capital grants		392	3,861	5,930	11,239
<i>Total capital transfers</i>		<i>461</i>	<i>4,689</i>	<i>6,894</i>	<i>12,718</i>
Total expenses	3	33,743	296,595	299,758	448,642
Net operating balance		6,137	-35,266	-40,471	-37,530
Other economic flows					
- included in operating result					
Net write-downs of assets (including bad and doubtful debts)		-348	-6,446	-4,954	-8,178
Assets recognised for the first time		28	208	238	328
Liabilities recognised for the first time		0	0	0	0
Actuarial revaluations		0	0	0	-8
Net foreign exchange gains		662	1,921	1	-187
Net swap interest received		13	25	45	45
Market valuation of debt		457	21,723	23,593	24,243
Other gains/(losses)		39	1,643	2,592	4,558
Total other economic flows		851	19,073	21,514	20,801
Operating result (b)		6,988	-16,193	-18,956	-16,728
Non-owner movements in equity					
Revaluation of equity investments(c)		5	2	0	-4,846
Actuarial revaluations		0	0	1	1,665
Other economic revaluations(d)		55	10,889	12,249	175
Total other economic flows - included in equity		60	10,891	12,250	-3,006
Comprehensive result - Total change in net worth		7,047	-5,302	-6,706	-19,734
Net operating balance		6,137	-35,266	-40,471	-37,530
Net acquisition of non-financial assets					
Purchases of non-financial assets		623	6,329	6,459	12,284
less Sales of non-financial assets		20	116	139	897
less Depreciation		800	5,359	5,242	7,855
plus Change in inventories		205	271	-23	421
plus Other movements in non-financial assets		5	74	28	0
Total net acquisition of non-financial assets		13	1,200	1,084	3,953
Fiscal balance (Net lending/borrowing)(e)		6,124	-36,467	-41,555	-41,482

*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 28 February 2017 \$m	MYEFO ESTIMATE* as at 30 June 2017 \$m
Assets		
Financial assets		
Cash and deposits	6,223	2,942
Advances paid	55,102	59,987
Investments, loans and placements	150,226	177,400
Other receivables	51,969	47,959
Equity investments		
Investments in other public sector entities	52,173	51,944
Equity accounted investments	288	299
Investments - shares	41,867	43,343
<i>Total financial assets</i>	357,848	383,874
Non-financial assets		
Land	10,597	10,613
Buildings	25,436	25,982
Plant, equipment and infrastructure	71,496	73,645
Inventories	8,392	8,499
Intangibles	7,220	8,097
Investment properties	138	164
Biological assets	42	49
Heritage and cultural assets	11,505	11,413
Assets held for sale	241	227
Other non-financial assets	177	112
<i>Total non-financial assets</i>	135,244	138,801
Total assets	493,092	522,675
Liabilities		
Interest bearing liabilities		
Deposits held	221	217
Government securities	511,016	540,184
Loans	16,062	15,455
Other borrowing	1,676	1,666
<i>Total interest bearing liabilities</i>	528,975	557,522
Provisions and payables		
Superannuation liability(a)	321,597	175,047
Other employee liabilities	18,312	18,638
Suppliers payable	3,653	6,358
Personal benefits provisions and payable	13,250	12,677
Subsidies provisions and payable	400	931
Grants provisions and payable	11,100	11,710
Other provisions and payables	19,673	20,513
<i>Total provisions and payables</i>	387,983	245,874
Total liabilities	916,959	803,396
Net worth(b)	-423,866	-280,721
<i>Net financial worth(c)</i>	-559,110	-419,522
<i>Net financial liabilities(d)</i>	611,283	471,466
<i>Net debt(e)</i>	317,425	317,193

*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 ^(a)

	ACTUAL 2016-2017 February \$m	ACTUAL 2016-2017 YTD February \$m	MYEFO Profile 2016-2017 YTD February \$m	MYEFO ESTIMATE* 2016-2017 Full Year \$m
Cash receipts from operating activities				
Taxes received	36,541	236,221	235,777	378,756
Receipts from sales of goods and services	714	5,520	5,263	8,766
Interest receipts	248	2,057	1,949	2,990
Dividends and income tax equivalents	105	5,379	5,121	5,828
Other receipts	259	6,142	6,240	8,673
Total operating receipts	37,867	255,318	254,350	405,013
Cash payments for operating activities				
Payments for employees	-2,174	-17,599	-18,419	-28,259
Payments for goods and services	-6,714	-58,328	-57,965	-87,328
Grants and subsidies paid	-11,464	-105,686	-106,961	-159,698
Interest paid	-430	-8,894	-8,870	-15,377
Personal benefit payments	-8,547	-89,188	-90,061	-132,884
Other payments	-424	-4,078	-3,582	-5,235
Total operating payments	-29,752	-283,773	-285,858	-428,781
Net cash flows from operating activities	8,115	-28,454	-31,508	-23,768
Cash flows from investments in non-financial assets				
Sales of non-financial assets	20	116	92	2,337
Purchases of non-financial assets	-620	-5,918	-6,587	-12,282
Net cash flows from investments in non-financial assets	-600	-5,803	-6,495	-9,945
Net cash flows from investments in financial assets for policy purposes	-1,280	-9,434	-12,151	-18,792
Cash flows from investments in financial assets for liquidity purposes				
Increase in investments	3,958	-1,016	937	-27,724
Net cash flows from investments in financial assets for liquidity purposes	3,958	-1,016	937	-27,724
Cash flows from financing activities				
Borrowing (net)	-8,186	49,199	53,875	82,682
Other financing (net)	-101	-1,907	-1,898	-3,149
Net cash flows from financing activities	-8,286	47,292	51,977	79,533
Net increase/(decrease) in cash held	1,907	2,585	2,761	-696
Net cash flows from operating activities and investments in non-financial assets (surplus(+)/deficit(-))	7,515	-34,257	-38,003	-33,713
Finance leases and similar arrangements(b)	0	-9	-3	0
GFS cash surplus(+)/deficit(-)	7,515	-34,266	-38,006	-33,713
less Net Future Fund earnings	128	2,376	2,149	2,801
Equals underlying cash balance(c)	7,387	-36,642	-40,155	-36,514
plus Net cash flows from investments in financial assets for policy purposes	-1,280	-9,434	-12,151	-18,792
plus Net Future Fund earnings	128	2,376	2,149	2,801
Equals headline cash balance	6,235	-43,700	-50,157	-52,505

*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 February \$m	ACTUAL 2016-2017 YTD February \$m	MYEFO Profile 2016-2017 YTD February \$m	MYEFO ESTIMATE* 2016-2017 Full Year \$m
Individuals and other withholding taxes				
Gross income tax withholding	16,654	118,845	119,377	180,680
Gross other individuals	4,171	24,407	24,598	46,700
less Refunds	995	23,432	23,920	28,900
Total individuals and other withholding taxation	19,830	119,820	120,054	198,480
Fringe benefits tax	183	3,020	3,120	4,540
Company tax	5,059	43,200	42,350	68,700
Superannuation funds	555	5,961	6,070	8,080
Resource rent taxes	1	739	731	920
Total income taxation revenue	25,626	172,739	172,325	280,720

*As published in the 2016-17 MYEFO.

Note 2: Indirect Tax

	ACTUAL 2016-2017 February \$m	ACTUAL 2016-2017 YTD February \$m	MYEFO Profile 2016-2017 YTD February \$m	MYEFO ESTIMATE* 2016-2017 Full Year \$m
Goods and services tax	8,906	42,795	42,994	62,410
Wine equalisation tax	84	583	635	910
Luxury car tax	49	436	419	640
Excise duty	1,665	14,591	14,401	21,410
Customs duty	1,127	8,981	8,875	14,260
Other indirect tax	483	4,090	3,847	5,995
Total indirect taxation revenue	12,315	71,475	71,172	105,625

*As published in the 2016-17 MYEFO.

Note 3: Total expenses by function

	ACTUAL 2016-2017 February \$m	ACTUAL 2016-2017 YTD February \$m	MYEFO ESTIMATE* 2016-2017 Full Year \$m
Expenses by function			
General public services	1,468	14,513	26,991
Defence	2,616	20,201	26,816
Public order and safety	354	3,191	5,117
Education	1,834	25,089	33,339
Health	5,745	47,913	72,842
Social security and welfare	11,391	103,818	155,792
Housing and community amenities	338	2,742	5,131
Recreation and culture	274	2,158	3,532
Fuel and energy	559	4,456	6,874
Agriculture, forestry and fishing	307	1,550	2,914
Mining, manufacturing and construction	283	2,341	4,052
Transport and communication	390	3,993	10,296
Other economic affairs	745	5,997	9,866
Other purposes			
Public debt interest	1,265	10,417	15,984
Nominal superannuation interest	633	5,971	8,446
General purpose inter-government transactions	5,541	42,246	62,696
Natural disaster relief	0	0	32
Contingency reserve	0	0	-2,077
Total expenses	33,743	296,595	448,642

*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>.