



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

**MEDIA RELEASE**

Friday, 24 February 2017

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

**KEY POINTS**

- The underlying cash balance for the 2016-17 financial year to 31 January 2017 was a deficit of \$44,029 million.
- The fiscal balance for the 2016-17 financial year to 31 January 2017 was a deficit of \$42,591 million.

<b>AGGREGATES</b>	<b>ACTUAL 2016-2017 January \$m</b>	<b>ACTUAL 2016-2017 YTD January \$m</b>	<b>MYEFO Profile 2016-2017 YTD January \$m</b>	<b>MYEFO ESTIMATE* 2016-2017 Full Year \$m</b>
<b>Revenue</b>	28,194	221,449	218,335	411,112
<b>Expenses</b>	39,882	262,852	264,082	448,642
Net operating balance	-11,688	-41,404	-45,747	-37,530
Net capital investment	-240	1,188	1,107	3,953
<b>Fiscal balance</b>	<b>-11,449</b>	<b>-42,591</b>	<b>-46,854</b>	<b>-41,482</b>
Receipts(a)	26,541	217,547	215,605	407,350
less Payments(b)	37,208	259,328	259,084	441,063
less Net Future Fund earnings	337	2,248	1,972	2,801
<b>Underlying cash balance(c)</b>	<b>-11,004</b>	<b>-44,029</b>	<b>-45,451</b>	<b>-36,514</b>
<b>Headline cash balance</b>	<b>-11,881</b>	<b>-49,935</b>	<b>-54,585</b>	<b>-52,505</b>
<b>Total assets</b>		<b>492,323</b>		<b>522,675</b>
<b>Total liabilities</b>		<b>923,237</b>		<b>803,396</b>
<b>Net worth(d)</b>		<b>-430,914</b>		<b>-280,721</b>
<b>Net debt(e)</b>		<b>323,821</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.

## **FISCAL OUTCOMES**

### **Underlying Cash Balance**

The underlying cash balance for the financial year to 31 January 2017 was a deficit of \$44,029 million, which is \$1,422 million lower than the 2016-17 Mid-Year Economic and Fiscal Outlook (MYEFO) profile deficit of \$45,451 million.

- **Receipts**

Total receipts were \$1,942 million higher than the 2016-17 MYEFO profile.

- **Payments**

Total payments were \$245 million higher than the 2016-17 MYEFO profile.

### **Fiscal Balance**

The fiscal balance for the year to 31 January 2017 was a deficit of \$42,591 million, which is \$4,263 million lower than the 2016-17 MYEFO profile deficit of \$46,854 million. The difference results from higher than expected revenue and lower than expected expenses.

### **Assets and Liabilities**

As at 31 January 2017:

- Net worth is negative \$430,914 million;
- Net debt is \$323,821 million; and
- Net financial liabilities are \$617,955 million.

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## Australian Government general government sector operating statement

		ACTUAL 2016-2017 January \$m	ACTUAL 2016-2017 YTD January \$m	MYEFO Profile 2016-2017 YTD January \$m	MYEFO ESTIMATE* 2016-2017 Full Year \$m
<b>Revenue</b>					
Taxation revenue	1, 2	25,981	206,273	204,369	386,345
Sales of goods and services		670	4,909	4,872	8,905
Interest income		267	2,105	2,112	3,771
Dividend income		168	1,908	1,689	2,687
Other		1,108	6,254	5,292	9,404
<b>Total revenue</b>		<b>28,194</b>	<b>221,449</b>	<b>218,335</b>	<b>411,112</b>
<b>Expenses</b>					
Gross operating expenses					
Wages and salaries(a)		1,488	11,082	11,391	20,060
Superannuation		1,943	5,772	5,749	9,720
Depreciation and amortisation		747	4,559	4,601	7,855
Supply of goods and services		5,616	50,338	50,361	87,762
Other operating expenses(a)		451	3,280	3,466	5,572
<i>Total gross operating expenses</i>		<i>10,245</i>	<i>75,030</i>	<i>75,567</i>	<i>130,969</i>
Superannuation interest expense		746	5,338	5,040	8,446
Interest expenses		1,490	9,882	9,888	17,637
Current transfers					
Current grants		15,672	82,865	82,599	135,615
Subsidy expenses		974	7,648	7,622	13,509
Personal benefits		10,105	77,861	78,642	129,749
<i>Total current transfers</i>		<i>26,751</i>	<i>168,374</i>	<i>168,864</i>	<i>278,873</i>
Capital transfers					
Mutually agreed write-downs		79	758	854	1,479
Other capital grants		571	3,469	3,869	11,239
<i>Total capital transfers</i>		<i>650</i>	<i>4,227</i>	<i>4,723</i>	<i>12,718</i>
<b>Total expenses</b>	3	<b>39,882</b>	<b>262,852</b>	<b>264,082</b>	<b>448,642</b>
<b>Net operating balance</b>		<b>-11,688</b>	<b>-41,404</b>	<b>-45,747</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)		-1,621	-6,098	-4,294	-8,178
Assets recognised for the first time		24	180	215	328
Liabilities recognised for the first time		0	0	0	0
Actuarial revaluations		0	0	0	-8
Net foreign exchange gains		1,149	1,259	1	-187
Net swap interest received		-34	12	45	45
Market valuation of debt		-1,386	21,266	23,700	24,243
Other gains/(losses)		-1,054	1,604	2,206	4,558
<b>Total other economic flows</b>					
<b>- included in operating result</b>		<b>-2,922</b>	<b>18,223</b>	<b>21,873</b>	<b>20,801</b>
<b>Operating result (b)</b>		<b>-14,610</b>	<b>-23,181</b>	<b>-23,874</b>	<b>-16,728</b>
<b>Non-owner movements in equity</b>					
Revaluation of equity investments(c)		-14	-3	0	-4,846
Actuarial revaluations		0	0	1	1,665
Other economic revaluations(d)		-213	10,835	12,130	175
<b>Total other economic flows - included in equity</b>		<b>-227</b>	<b>10,832</b>	<b>12,130</b>	<b>-3,006</b>
<b>Comprehensive result - Total change in net worth</b>		<b>-14,838</b>	<b>-12,349</b>	<b>-11,744</b>	<b>-19,734</b>
<b>Net operating balance</b>		<b>-11,688</b>	<b>-41,404</b>	<b>-45,747</b>	<b>-37,530</b>
<b>Net acquisition of non-financial assets</b>					
Purchases of non-financial assets		493	5,706	5,817	12,284
less Sales of non-financial assets		6	96	132	897
less Depreciation		747	4,559	4,601	7,855
plus Change in inventories		15	66	-2	421
plus Other movements in non-financial assets		6	70	24	0
<b>Total net acquisition of non-financial assets</b>		<b>-240</b>	<b>1,188</b>	<b>1,107</b>	<b>3,953</b>
<b>Fiscal balance (Net lending/borrowing)(e)</b>		<b>-11,449</b>	<b>-42,591</b>	<b>-46,854</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 January 2017 \$m	MYEFO ESTIMATE* as at 30 June 2017 \$m
<b>Assets</b>		
Financial assets		
Cash and deposits	4,316	2,942
Advances paid	54,807	59,987
Investments, loans and placements	153,919	177,400
Other receivables	50,321	47,959
Equity investments		
Investments in other public sector entities	51,563	51,944
Equity accounted investments	287	299
Investments - shares	41,632	43,343
<i>Total financial assets</i>	<i>356,845</i>	<i>383,874</i>
Non-financial assets		
Land	10,623	10,613
Buildings	25,499	25,982
Plant, equipment and infrastructure	71,855	73,645
Inventories	8,248	8,499
Intangibles	7,174	8,097
Investment properties	136	164
Biological assets	42	49
Heritage and cultural assets	11,511	11,413
Assets held for sale	217	227
Other non-financial assets	173	112
<i>Total non-financial assets</i>	<i>135,478</i>	<i>138,801</i>
<b>Total assets</b>	<b>492,323</b>	<b>522,675</b>
<b>Liabilities</b>		
Interest bearing liabilities		
Deposits held	246	217
Government securities	518,847	540,184
Loans	16,097	15,455
Other borrowing	1,674	1,666
<i>Total interest bearing liabilities</i>	<i>536,863</i>	<i>557,522</i>
Provisions and payables		
Superannuation liability(a)	320,817	175,047
Other employee liabilities	18,273	18,638
Suppliers payable	3,164	6,358
Personal benefits provisions and payable	13,055	12,677
Subsidies provisions and payable	367	931
Grants provisions and payable	11,254	11,710
Other provisions and payables	19,445	20,513
<i>Total provisions and payables</i>	<i>386,374</i>	<i>245,874</i>
<b>Total liabilities</b>	<b>923,237</b>	<b>803,396</b>
<b>Net worth(b)</b>	<b>-430,914</b>	<b>-280,721</b>
<i>Net financial worth(c)</i>	<i>-566,392</i>	<i>-419,522</i>
<i>Net financial liabilities(d)</i>	<i>617,955</i>	<i>471,466</i>
<i>Net debt(e)</i>	<i>323,821</i>	<i>317,193</i>

\*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 January \$m	ACTUAL 2016-2017 YTD January \$m	MYEFO Profile 2016-2017 YTD January \$m	MYEFO ESTIMATE* 2016-2017 Full Year \$m
<b>Cash receipts from operating activities</b>				
Taxes received	24,323	199,680	198,451	378,756
Receipts from sales of goods and services	674	4,806	4,570	8,766
Interest receipts	239	1,809	1,713	2,990
Dividends and income tax equivalents	229	5,273	4,973	5,828
Other receipts	1,069	5,883	5,815	8,673
<b>Total operating receipts</b>	<b>26,534</b>	<b>217,452</b>	<b>215,523</b>	<b>405,013</b>
<b>Cash payments for operating activities</b>				
Payments for employees	-1,901	-15,425	-16,157	-28,259
Payments for goods and services	-5,538	-51,614	-51,136	-87,328
Grants and subsidies paid	-18,869	-94,222	-94,003	-159,698
Interest paid	-1,081	-8,465	-8,462	-15,377
Personal benefit payments	-8,813	-80,641	-80,119	-132,884
Other payments	-518	-3,654	-3,263	-5,235
<b>Total operating payments</b>	<b>-36,720</b>	<b>-254,021</b>	<b>-253,141</b>	<b>-428,781</b>
<b>Net cash flows from operating activities</b>	<b>-10,186</b>	<b>-36,569</b>	<b>-37,619</b>	<b>-23,768</b>
<b>Cash flows from investments in non-financial assets</b>				
Sales of non-financial assets	6	96	83	2,337
Purchases of non-financial assets	-488	-5,298	-5,940	-12,282
<b>Net cash flows from investments in non-financial assets</b>	<b>-482</b>	<b>-5,202</b>	<b>-5,858</b>	<b>-9,945</b>
<b>Net cash flows from investments in financial assets for policy purposes</b>	<b>-1,214</b>	<b>-8,154</b>	<b>-11,106</b>	<b>-18,792</b>
<b>Cash flows from investments in financial assets for liquidity purposes</b>				
Increase in investments	-1,263	-4,974	-19	-27,724
<b>Net cash flows from investments in financial assets for liquidity purposes</b>	<b>-1,263</b>	<b>-4,974</b>	<b>-19</b>	<b>-27,724</b>
<b>Cash flows from financing activities</b>				
Borrowing (net)	9,302	57,384	58,494	82,682
Other financing (net)	-380	-1,806	-1,813	-3,149
<b>Net cash flows from financing activities</b>	<b>8,922</b>	<b>55,578</b>	<b>56,682</b>	<b>79,533</b>
<b>Net increase/(decrease) in cash held</b>	<b>-4,223</b>	<b>678</b>	<b>2,081</b>	<b>-696</b>
<b>Net cash flows from operating activities and investments in non-financial assets (surplus(+)/deficit(-))</b>	<b>-10,668</b>	<b>-41,772</b>	<b>-43,476</b>	<b>-33,713</b>
Finance leases and similar arrangements(b)	0	-9	-3	0
<b>GFS cash surplus(+)/deficit(-)</b>	<b>-10,668</b>	<b>-41,781</b>	<b>-43,479</b>	<b>-33,713</b>
less Net Future Fund earnings	337	2,248	1,972	2,801
<b>Equals underlying cash balance(c)</b>	<b>-11,004</b>	<b>-44,029</b>	<b>-45,451</b>	<b>-36,514</b>
plus Net cash flows from investments in financial assets for policy purposes	-1,214	-8,154	-11,106	-18,792
plus Net Future Fund earnings	337	2,248	1,972	2,801
<b>Equals headline cash balance</b>	<b>-11,881</b>	<b>-49,935</b>	<b>-54,585</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 January \$m	ACTUAL 2016-2017 YTD January \$m	MYEFO Profile 2016-2017 YTD January \$m	MYEFO ESTIMATE* 2016-2017 Full Year \$m
Individuals and other withholding taxes				
Gross income tax withholding	12,442	102,191	102,565	180,680
Gross other individuals	1,652	20,237	20,023	46,700
less Refunds	1,323	22,437	22,790	28,900
Total individuals and other withholding taxation	12,771	99,991	99,797	198,480
Fringe benefits tax	841	2,837	2,857	4,540
Company tax	5,238	38,141	36,821	68,700
Superannuation funds	60	5,406	5,354	8,080
Resource rent taxes	215	738	731	920
<b>Total income taxation revenue</b>	<b>19,125</b>	<b>147,113</b>	<b>145,561</b>	<b>280,720</b>

\*As published in the 2016-17 MYEFO.

## Note 2: Indirect Tax

	ACTUAL 2016-2017 January \$m	ACTUAL 2016-2017 YTD January \$m	MYEFO Profile 2016-2017 YTD January \$m	MYEFO ESTIMATE* 2016-2017 Full Year \$m
Goods and services tax	3,078	33,889	33,878	62,410
Wine equalisation tax	92	499	512	910
Luxury car tax	58	387	370	640
Excise duty	1,953	12,926	12,913	21,410
Customs duty	1,234	7,853	7,712	14,260
Other indirect tax	442	3,606	3,425	5,995
<b>Total indirect taxation revenue</b>	<b>6,856</b>	<b>59,160</b>	<b>58,809</b>	<b>105,625</b>

\*As published in the 2016-17 MYEFO.

## Note 3: Total expenses by function

	ACTUAL 2016-2017 January \$m	ACTUAL 2016-2017 YTD January \$m	MYEFO ESTIMATE* 2016-2017 Full Year \$m
<b>Expenses by function</b>			
General public services	3,747	14,199	26,991
Defence	2,486	16,430	26,816
Public order and safety	460	2,837	5,117
Education	6,236	23,255	33,339
Health	5,355	42,168	72,842
Social security and welfare	11,539	92,427	155,792
Housing and community amenities	383	2,404	5,131
Recreation and culture	308	1,884	3,532
Fuel and energy	577	3,897	6,874
Agriculture, forestry and fishing	197	1,243	2,914
Mining, manufacturing and construction	292	2,057	4,052
Transport and communication	455	3,603	10,296
Other economic affairs	714	5,253	9,866
Other purposes			
Public debt interest	1,420	9,152	15,984
Nominal superannuation interest	746	5,338	8,446
General purpose inter-government transactions	4,966	36,705	62,696
Natural disaster relief	0	0	32
Contingency reserve	0	0	-2,077
<b>Total expenses</b>	<b>39,882</b>	<b>262,852</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>.