



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
JANUARY 2016

KEY POINTS

- The underlying cash balance for the 2015-16 financial year to 31 January 2016 was a deficit of \$45,294 million.
- The fiscal balance for the 2015-16 financial year to 31 January 2016 was a deficit of \$41,526 million.

AGGREGATES	ACTUAL 2015-2016 January \$m	ACTUAL 2015-2016 YTD January \$m	MYEFO Profile 2015-2016 YTD January \$m	MYEFO ESTIMATE* 2015-2016 Full Year \$m
Revenue	25,476	209,302	208,692	400,953
Expenses	37,709	249,706	252,357	432,234
Net operating balance	-12,234	-40,404	-43,666	-31,281
Net capital investment	764	1,121	833	4,484
Fiscal balance	-12,997	-41,526	-44,499	-35,765
Receipts (a)	24,383	205,001	204,847	394,891
less Payments (b)	33,977	248,366	249,295	428,335
less Net Future Fund earnings	211	1,928	2,546	3,955
Underlying cash balance (c)	-9,806	-45,294	-46,994	-37,399
Headline cash balance	-10,907	-50,331	-53,820	-48,171
Total assets		430,654		475,317
Total liabilities		784,062		730,100
Net worth (d)		-353,408		-254,783
Net debt (e)		288,767		278,761

*As published in the 2015-16 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 separate

(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, 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 year to 31 January 2016 was a deficit of \$45,294 million, compared to the 2015-16 Mid-Year Economic and Fiscal Outlook (MYEFO) profile deficit of \$46,994 million. The difference of \$1,701 million primarily relates to lower than expected cash payments and higher than expected cash receipts.

Fiscal Balance

The fiscal balance for the year to 31 January 2016 was a deficit of \$41,526 million, compared to the MYEFO profile deficit of \$44,499 million. The difference of \$2,973 million primarily relates to lower than expected expenses and higher than expected revenue.

- **Revenues**

Total revenue was \$610 million higher than the MYEFO profile, primarily due to higher than expected taxation revenue.

- **Expenses**

Total expenses were \$2,651 million lower than the MYEFO profile, primarily due to lower than expected grants, wages and salaries, supply of goods and services, and personal benefits expenses.

Assets and Liabilities

As at 31 January 2016:

- Net worth is negative \$353,408 million;
- Net debt is \$288,767 million; and
- Net financial liabilities are \$516,815 million.

Senator the Hon Mathias Cormann
Minister for Finance

26 February 2016

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26 February 2016

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Australian Government general government sector operating statement

		ACTUAL 2015-2016 January \$m	ACTUAL 2015-2016 YTD January \$m	MYEFO Profile 2015-2016 YTD January \$m	MYEFO ESTIMATE* 2015-2016 Full Year \$m
	Note				
Revenue					
Taxation revenue	1, 2	24,139	197,698	196,913	375,923
Sales of goods and services		549	4,418	4,436	7,956
Interest income		278	2,012	2,044	4,519
Dividend income		92	1,568	1,669	3,841
Other		417	3,606	3,629	8,714
Total revenue		25,476	209,302	208,692	400,953
Expenses					
Gross operating expenses					
Wages and salaries(a)		1,384	10,658	11,354	20,072
Superannuation		505	3,551	3,406	5,930
Depreciation and amortisation		602	4,035	4,057	7,129
Supply of goods and services		6,284	46,999	47,566	82,423
Other operating expenses(a)		458	3,332	3,274	5,439
<i>Total gross operating expenses</i>		<i>9,232</i>	<i>68,575</i>	<i>69,657</i>	<i>120,992</i>
Superannuation interest expense		769	5,387	5,385	9,231
Interest expenses		1,445	9,629	9,732	17,260
Current transfers					
Current grants		14,182	74,484	75,229	127,737
Subsidy expenses		1,048	7,249	7,425	12,944
Personal benefits		10,491	78,641	78,936	133,402
<i>Total current transfers</i>		<i>25,721</i>	<i>160,374</i>	<i>161,590</i>	<i>274,084</i>
Capital transfers					
Mutually agreed write-downs		-159	1,023	1,137	1,887
Other capital grants		701	4,720	4,857	8,780
<i>Total capital transfers</i>		<i>542</i>	<i>5,743</i>	<i>5,994</i>	<i>10,667</i>
Total expenses	3	37,709	249,706	252,357	432,234
Net operating balance		-12,234	-40,404	-43,666	-31,281
Other economic flows					
- included in operating result(b)					
Net write-downs of assets (including bad and doubtful debts)		-1,918	-7,544	-3,892	-8,037
Assets recognised for the first time		28	195	266	322
Liabilities recognised for the first time		0	0	0	0
Actuarial revaluations		0	0	0	0
Net foreign exchange gains		-540	-1,317	-520	-518
Net swap interest received		-31	-441	-410	-410
Market valuation of debt		-4,609	-5,260	-266	832
Other gains/(losses)		1,318	4,740	3,722	5,195
Total other economic flows		-5,752	-9,627	-1,099	-2,616
- included in operating result		-17,986	-50,031	-44,765	-33,897
Operating result		-17,986	-50,031	-44,765	-33,897
Non-owner movements in equity(b)					
Revaluation of equity investments(c)		-1	3	-599	846
Actuarial revaluations		0	0	0	-2,926
Other economic revaluations(d)		155	-1,031	-535	1
Total other economic flows - included in equity		154	-1,028	-1,134	-2,079
Comprehensive result - Total change in net worth		-17,832	-51,059	-45,899	-35,976
Net operating balance		-12,234	-40,404	-43,666	-31,281
Net acquisition of non-financial assets					
Purchases of non-financial assets		1,263	5,244	5,027	11,661
less Sales of non-financial assets		23	288	314	528
less Depreciation		602	4,035	4,057	7,129
plus Change in inventories		101	84	125	421
plus Other movements in non-financial assets		25	116	52	59
Total net acquisition of non-financial assets		764	1,121	833	4,484
Fiscal balance (Net lending/borrowing)(e)		-12,997	-41,526	-44,499	-35,765

*As published in the 2015-16 MYEFO.

(a) Consistent with Australian Bureau of Statistics' (ABS) Government Finance Statistics (GFS) classification, other employee related expenses are reported unc operating expenses. Total employee expenses equal wages and salaries plus other operating expenses.

(b) The presentation of other economic flows has changed to align more closely with Australian Accounting Standard AASB 1049.

(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 2016 \$m	MYEFO ESTIMATE* as at 30 June 2016 \$m
Assets		
Financial assets		
Cash and deposits	2,944	3,872
Advances paid	48,943	53,218
Investments, loans and placements	128,267	154,537
Other receivables	47,999	46,594
Equity investments		
Investments in other public sector entities	44,088	49,087
Equity accounted investments	314	315
Investments - shares	38,780	44,939
<i>Total financial assets</i>	<i>311,336</i>	<i>352,560</i>
Non-financial assets		
Land	9,938	9,780
Buildings	25,482	26,198
Plant, equipment and infrastructure	57,079	59,667
Inventories	8,313	8,351
Intangibles	6,601	6,835
Investment property	203	187
Biological assets	38	44
Heritage and cultural assets	11,269	11,344
Assets held for sale	80	87
Other non-financial assets	314	265
<i>Total non-financial assets</i>	<i>119,318</i>	<i>122,757</i>
Total assets	430,654	475,317
Liabilities		
Interest bearing liabilities		
Deposits held	216	218
Government securities	455,465	472,416
Loans	11,560	16,191
Other borrowing	1,680	1,562
<i>Total interest bearing liabilities</i>	<i>468,921</i>	<i>490,387</i>
Provisions and payables		
Superannuation liability (a)	252,732	173,958
Other employee liabilities	16,489	17,059
Suppliers payable	5,204	5,972
Personal benefits provisions and payable	11,052	13,304
Subsidies provisions and payable	4,711	5,035
Grants provisions and payable	10,489	9,397
Other provisions and payables	14,466	14,990
<i>Total provisions and payables</i>	<i>315,142</i>	<i>239,714</i>
Total liabilities	784,062	730,100
Net worth (b)	-353,408	-254,783
<i>Net financial worth (c)</i>	<i>-472,726</i>	<i>-377,540</i>
<i>Net financial liabilities (d)</i>	<i>516,815</i>	<i>426,627</i>
<i>Net debt (e)</i>	<i>288,767</i>	<i>278,761</i>

*As published in the 2015-16 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

	ACTUAL 2015-2016 January \$m	ACTUAL 2015-2016 YTD January \$m	MYEFO Profile 2015-2016 YTD January \$m	MYEFO ESTIMATE* 2015-2016 Full Year \$m
Cash receipts from operating activities				
Taxes received	23,016	192,037	191,488	368,230
Receipts from sales of goods and services	546	3,989	4,364	7,870
Interest receipts	239	1,628	1,645	3,874
Dividends and income tax equivalents	101	3,244	3,157	4,516
Other receipts	464	3,913	3,716	8,505
Total operating receipts	24,366	204,812	204,370	392,995
Cash payments for operating activities				
Payments for employees	-1,911	-15,619	-15,825	-28,130
Payments for goods and services	-4,709	-47,220	-47,950	-82,104
Grants and subsidies paid	-15,385	-87,260	-87,199	-150,706
Interest paid	-1,162	-8,444	-8,452	-15,040
Personal benefit payments	-8,997	-81,552	-81,326	-135,228
Other payments	-633	-3,373	-3,406	-5,313
Total operating payments	-32,797	-243,468	-244,159	-416,521
Net cash flows from operating activities	-8,432	-38,656	-39,789	-23,526
Cash flows from investments in non-financial assets				
Sales of non-financial assets	17	189	477	1,896
Purchases of non-financial assets	-1,180	-4,840	-5,136	-11,812
Net cash flows from investments in non-financial assets	-1,163	-4,651	-4,659	-9,917
Net cash flows from investments in financial assets for policy purposes	-1,312	-6,966	-9,371	-14,727
Cash flows from investments in financial assets for liquidity purposes				
Increase in investments	2	10,412	7,841	-13,132
Net cash flows from investments in financial assets for liquidity purposes	2	10,412	7,841	-13,132
Cash flows from financing activities				
Borrowing (net)	8,900	41,305	48,584	64,552
Other financing (net)	-357	-1,655	-1,632	-2,535
Net cash flows from financing activities	8,544	39,650	46,952	62,017
Net increase/(decrease) in cash held	-2,361	-212	973	716
Net cash flows from operating activities and investments in non-financial assets (Surplus(+)/deficit(-))	-9,595	-43,307	-44,448	-33,443
Finance leases and similar arrangements(b)	0	-58	-1	-2
GFS cash surplus(+)/deficit(-)	-9,595	-43,365	-44,449	-33,444
less Net Future Fund earnings	211	1,928	2,546	3,955
Equals underlying cash balance(c)	-9,806	-45,294	-46,994	-37,399
plus Net cash flows from investments in financial assets for policy purposes	-1,312	-6,966	-9,371	-14,727
plus Net Future Fund earnings	211	1,928	2,546	3,955
Equals headline cash balance	-10,907	-50,331	-53,820	-48,171

*As published in the 2015-16 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 2015-2016 January \$m	ACTUAL 2015-2016 YTD January \$m	MYEFO Profile 2015-2016 YTD January \$m	MYEFO ESTIMATE* 2015-2016 Full Year \$m
Individuals and other w ithholding taxes				
Gross income tax w ithholding	11,855	99,467	99,638	176,550
Gross other individuals	1,410	19,551	19,147	44,310
Less Refunds	1,072	22,070	21,916	27,500
Total individuals and other w ithholding taxation	12,193	96,947	96,869	193,360
Fringe benefits tax	853	2,932	2,882	4,610
Company tax	4,181	35,000	35,198	67,996
Superannuation funds	732	4,682	4,901	7,780
Resource rent taxes	142	558	760	960
Total income taxation revenue	18,100	140,119	140,610	274,706

*As published in the 2015-16 MYEFO.

Note 2: Indirect Tax

	ACTUAL 2015-2016 January \$m	ACTUAL 2015-2016 YTD January \$m	MYEFO Profile 2015-2016 YTD January \$m	MYEFO ESTIMATE* 2015-2016 Full Year \$m
Goods and services tax	3,115	32,870	32,248	59,790
Wine equalisation tax	101	524	487	850
Luxury car tax	53	346	332	520
Excise duty	1,553	12,572	12,495	21,393
Customs duty	1,069	7,887	7,466	12,910
Other indirect tax	147	3,380	3,275	5,754
Total indirect taxation revenue	6,039	57,579	56,303	101,217

*As published in the 2015-16 MYEFO.

Note 3: Total expenses by function

	ACTUAL 2015-2016 January \$m	ACTUAL 2015-2016 YTD January \$m	MYEFO ESTIMATE* 2015-2016 Full Year \$m
Expenses by function			
General public services	1,851	12,025	22,639
Defence	2,127	15,358	26,559
Public order and safety	414	2,860	4,958
Education	5,938	22,395	32,478
Health	5,326	38,511	68,686
Social security and w elfare	12,446	90,827	152,782
Housing and community amenities	300	2,533	5,434
Recreation and culture	270	1,849	3,440
Fuel and energy	546	3,833	6,773
Agriculture, Forestry and Fishing	139	1,101	3,119
Mining, manufacturing and construction	294	1,849	3,619
Transport and communication(a)	420	2,882	8,882
Other economic affairs	699	5,181	10,131
Other purposes			
Public debt interest	1,324	8,909	15,680
Nominal superannuation interest	769	5,387	9,231
General purpose inter-government transactions □	4,843	34,207	59,239
Natural disaster relief	0	0	40
Contingency reserve	0	0	-1,456
Total expenses	37,709	249,706	432,234

*As published in the 2015-16 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/quarterley-data-January-2015/>.

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>.