



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

**MEDIA RELEASE**

Thursday, 24 March 2016

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

**KEY POINTS**

- The underlying cash balance for the 2015-16 financial year to 29 February 2016 was a deficit of \$38,719 million.
- The fiscal balance for the 2015-16 financial year to 29 February 2016 was a deficit of \$35,292 million.

<b>AGGREGATES</b>	<b>ACTUAL 2015-2016 February \$m</b>	<b>ACTUAL 2015-2016 YTD February \$m</b>	<b>MYEFO Profile 2015-2016 YTD February \$m</b>	<b>MYEFO ESTIMATE* 2015-2016 Full Year \$m</b>
<b>Revenue</b>	<b>39,662</b>	<b>248,964</b>	<b>250,187</b>	<b>400,953</b>
<b>Expenses</b>	<b>33,315</b>	<b>283,021</b>	<b>285,852</b>	<b>432,234</b>
Net operating balance	6,347	-34,057	-35,665	-31,281
Net capital investment	113	1,235	1,054	4,484
<b>Fiscal balance</b>	<b>6,234</b>	<b>-35,292</b>	<b>-36,719</b>	<b>-35,765</b>
Receipts(a)	37,312	242,313	244,703	394,891
less Payments(b)	30,670	279,036	281,312	428,335
less Net Future Fund earnings	68	1,996	2,853	3,955
<b>Underlying cash balance(c)</b>	<b>6,574</b>	<b>-38,719</b>	<b>-39,462</b>	<b>-37,399</b>
<b>Headline cash balance</b>	<b>5,522</b>	<b>-44,809</b>	<b>-47,444</b>	<b>-48,171</b>
<b>Total assets</b>		<b>440,323</b>		<b>475,317</b>
<b>Total liabilities</b>		<b>792,746</b>		<b>730,100</b>
<b>Net worth(d)</b>		<b>-352,423</b>		<b>-254,783</b>
<b>Net debt(e)</b>		<b>287,920</b>		<b>278,761</b>

\*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 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 year to 29 February 2016 was a deficit of \$38,719 million, compared to the 2015-16 Mid-Year Economic and Fiscal Outlook (MYEFO) profile deficit of \$39,462 million. The difference of \$743 million primarily relates to lower than expected cash payments and net future fund earnings, partially offset by lower than expected cash receipts.

### **Fiscal Balance**

The fiscal balance for the year to 29 February 2016 was a deficit of \$35,292 million, compared to the MYEFO profile deficit of \$36,719 million. The difference of \$1,427 million primarily relates to lower than expected expenses, partially offset by lower than expected revenue.

- **Revenues**

Total revenue was \$1,223 million lower than the MYEFO profile, primarily due to lower than expected taxation revenue and dividend income.

- **Expenses**

Total expenses were \$2,831 million lower than the MYEFO profile, primarily due to lower than expected supply of goods and services, wages and salaries and grants expenses.

### **Assets and Liabilities**

As at 29 February 2016:

- Net worth is negative \$352,423 million;
- Net debt is \$287,920 million; and
- Net financial liabilities are \$516,561 million.

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

		ACTUAL 2015-2016 February \$m	ACTUAL 2015-2016 YTD February \$m	MYEFO Profile 2015-2016 YTD February \$m	MYEFO ESTIMATE* 2015-2016 Full Year \$m
<b>Revenue</b>					
Taxation revenue	1, 2	38,099	235,797	236,638	375,923
Sales of goods and services		620	5,037	5,057	7,956
Interest income		256	2,268	2,344	4,519
Dividend income		171	1,740	1,984	3,841
Other		516	4,122	4,163	8,714
<b>Total revenue</b>		<b>39,662</b>	<b>248,964</b>	<b>250,187</b>	<b>400,953</b>
<b>Expenses</b>					
Gross operating expenses					
Wages and salaries(a)		1,545	12,203	12,970	20,072
Superannuation		514	4,065	3,894	5,930
Depreciation and amortisation		520	4,555	4,654	7,129
Supply of goods and services		6,571	53,570	54,768	82,423
Other operating expenses(a)		481	3,812	3,619	5,439
<i>Total gross operating expenses</i>		<i>9,630</i>	<i>78,205</i>	<i>79,905</i>	<i>120,992</i>
Superannuation interest expense		769	6,156	6,154	9,231
Interest expenses		1,357	10,986	11,125	17,260
Current transfers					
Current grants		9,359	83,842	84,403	127,737
Subsidy expenses		1,071	8,320	8,533	12,944
Personal benefits		10,043	88,685	88,899	133,402
<i>Total current transfers</i>		<i>20,473</i>	<i>180,847</i>	<i>181,836</i>	<i>274,084</i>
Capital transfers					
Mutually agreed write-downs		163	1,186	1,265	1,887
Other capital grants		923	5,642	5,567	8,780
<i>Total capital transfers</i>		<i>1,086</i>	<i>6,828</i>	<i>6,832</i>	<i>10,667</i>
<b>Total expenses</b>	3	<b>33,315</b>	<b>283,021</b>	<b>285,852</b>	<b>432,234</b>
<b>Net operating balance</b>		<b>6,347</b>	<b>-34,057</b>	<b>-35,665</b>	<b>-31,281</b>
<b>Other economic flows</b>					
- included in operating result(b)					
Net write-downs of assets (including bad and doubtful debts)		-2,965	-10,509	-4,575	-8,037
Assets recognised for the first time		27	223	278	322
Liabilities recognised for the first time		0	0	0	0
Actuarial revaluations		0	0	0	0
Net foreign exchange gains		231	-1,086	-520	-518
Net swap interest received		5	-437	-410	-410
Market valuation of debt		-4,373	-9,633	-51	832
Other gains/(losses)		1,708	6,447	4,309	5,195
<b>Total other economic flows</b>		<b>-5,367</b>	<b>-14,994</b>	<b>-970</b>	<b>-2,616</b>
- included in operating result					
<b>Operating result</b>		<b>980</b>	<b>-49,051</b>	<b>-36,635</b>	<b>-33,897</b>
<b>Non-owner movements in equity(b)</b>					
Revaluation of equity investments(c)		0	3	-599	846
Actuarial revaluations		0	0	0	-2,926
Other economic revaluations(d)		6	-1,025	-530	1
<b>Total other economic flows - included in equity</b>		<b>5</b>	<b>-1,022</b>	<b>-1,128</b>	<b>-2,079</b>
<b>Comprehensive result - Total change in net worth</b>		<b>985</b>	<b>-50,074</b>	<b>-37,763</b>	<b>-35,976</b>
<b>Net operating balance</b>		<b>6,347</b>	<b>-34,057</b>	<b>-35,665</b>	<b>-31,281</b>
<b>Net acquisition of non-financial assets</b>					
Purchases of non-financial assets		672	5,916	5,853	11,661
less Sales of non-financial assets		14	302	341	528
less Depreciation		520	4,555	4,654	7,129
plus Change in inventories		-32	53	138	421
plus Other movements in non-financial assets		6	122	57	59
<b>Total net acquisition of non-financial assets</b>		<b>113</b>	<b>1,235</b>	<b>1,054</b>	<b>4,484</b>
<b>Fiscal balance (Net lending/borrowing)(e)</b>		<b>6,234</b>	<b>-35,292</b>	<b>-36,719</b>	<b>-35,765</b>

\*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 under other 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 29 February 2016 \$m	MYEFO ESTIMATE* as at 30 June 2016 \$m
<b>Assets</b>		
Financial assets		
Cash and deposits	5,577	3,872
Advances paid	49,400	53,218
Investments, loans and placements	133,374	154,537
Other receivables	49,128	46,594
Equity investments		
Investments in other public sector entities	44,698	49,087
Equity accounted investments	304	315
Investments - shares	38,402	44,939
<i>Total financial assets</i>	<i>320,884</i>	<i>352,560</i>
Non-financial assets		
Land	9,918	9,780
Buildings	25,460	26,198
Plant, equipment and infrastructure	57,309	59,667
Inventories	8,209	8,351
Intangibles	6,625	6,835
Investment property	203	187
Biological assets	42	44
Heritage and cultural assets	11,267	11,344
Assets held for sale	87	87
Other non-financial assets	320	265
<i>Total non-financial assets</i>	<i>119,440</i>	<i>122,757</i>
<b>Total assets</b>	<b>440,323</b>	<b>475,317</b>
<b>Liabilities</b>		
Interest bearing liabilities		
Deposits held	216	218
Government securities	462,859	472,416
Loans	11,521	16,191
Other borrowing	1,674	1,562
<i>Total interest bearing liabilities</i>	<i>476,270</i>	<i>490,387</i>
Provisions and payables		
Superannuation liability(a)	253,400	173,958
Other employee liabilities	16,621	17,059
Suppliers payable	5,202	5,972
Personal benefits provisions and payable	11,816	13,304
Subsidies provisions and payable	4,874	5,035
Grants provisions and payable	10,430	9,397
Other provisions and payables	14,133	14,990
<i>Total provisions and payables</i>	<i>316,476</i>	<i>239,714</i>
<b>Total liabilities</b>	<b>792,746</b>	<b>730,100</b>
<b>Net worth(b)</b>	<b>-352,423</b>	<b>-254,783</b>
<i>Net financial worth(c)</i>	<i>-471,863</i>	<i>-377,540</i>
<i>Net financial liabilities(d)</i>	<i>516,561</i>	<i>426,627</i>
<i>Net debt(e)</i>	<i>287,920</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 February \$m	ACTUAL 2015-2016 YTD February \$m	MYEFO Profile 2015-2016 YTD February \$m	MYEFO ESTIMATE* 2015-2016 Full Year \$m
<b>Cash receipts from operating activities</b>				
Taxes received	35,985	228,022	229,652	368,230
Receipts from sales of goods and services	662	4,651	4,729	7,870
Interest receipts	128	1,756	1,893	3,874
Dividends and income tax equivalents	102	3,346	3,466	4,516
Other receipts	425	4,338	4,466	8,505
<b>Total operating receipts</b>	<b>37,302</b>	<b>242,114</b>	<b>244,206</b>	<b>392,995</b>
<b>Cash payments for operating activities</b>				
Payments for employees	-2,075	-17,694	-18,095	-28,130
Payments for goods and services	-6,218	-53,438	-54,802	-82,104
Grants and subsidies paid	-11,220	-98,480	-98,132	-150,706
Interest paid	-631	-9,075	-9,106	-15,040
Personal benefit payments	-9,533	-91,085	-91,479	-135,228
Other payments	-413	-3,786	-3,721	-5,313
<b>Total operating payments</b>	<b>-30,090</b>	<b>-273,558</b>	<b>-275,336</b>	<b>-416,521</b>
<b>Net cash flows from operating activities</b>	<b>7,212</b>	<b>-31,444</b>	<b>-31,130</b>	<b>-23,526</b>
<b>Cash flows from investments in non-financial assets</b>				
Sales of non-financial assets	10	199	497	1,896
Purchases of non-financial assets	-579	-5,419	-5,975	-11,812
<b>Net cash flows from investments in non-financial assets</b>	<b>-569</b>	<b>-5,220</b>	<b>-5,478</b>	<b>-9,917</b>
<b>Net cash flows from investments in financial assets for policy purposes</b>	<b>-1,120</b>	<b>-8,086</b>	<b>-10,835</b>	<b>-14,727</b>
<b>Cash flows from investments in financial assets for liquidity purposes</b>				
Increase in investments	-5,197	5,215	-6,334	-13,132
<b>Net cash flows from investments in financial assets for liquidity purposes</b>	<b>-5,197</b>	<b>5,215</b>	<b>-6,334</b>	<b>-13,132</b>
<b>Cash flows from financing activities</b>				
Borrowing (net)	2,428	43,733	56,205	64,552
Other financing (net)	-120	-1,775	-1,752	-2,535
<b>Net cash flows from financing activities</b>	<b>2,308</b>	<b>41,958</b>	<b>54,453</b>	<b>62,017</b>
<b>Net increase/(decrease) in cash held</b>	<b>2,633</b>	<b>2,421</b>	<b>675</b>	<b>716</b>
<b>Net cash flows from operating activities and investments in non-financial assets (Surplus(+)/deficit(-))</b>	<b>6,643</b>	<b>-36,665</b>	<b>-36,608</b>	<b>-33,443</b>
Finance leases and similar arrangements(b)	-1	-58	-1	-2
<b>GFS cash surplus(+)/deficit(-)</b>	<b>6,642</b>	<b>-36,723</b>	<b>-36,609</b>	<b>-33,444</b>
less Net Future Fund earnings	68	1,996	2,853	3,955
<b>Equals underlying cash balance(c)</b>	<b>6,574</b>	<b>-38,719</b>	<b>-39,462</b>	<b>-37,399</b>
plus Net cash flows from investments in financial assets for policy purposes	-1,120	-8,086	-10,835	-14,727
plus Net Future Fund earnings	68	1,996	2,853	3,955
<b>Equals headline cash balance</b>	<b>5,522</b>	<b>-44,809</b>	<b>-47,444</b>	<b>-48,171</b>

\*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 February \$m	ACTUAL 2015-2016 YTD February \$m	MYEFO Profile 2015-2016 YTD February \$m	MYEFO ESTIMATE* 2015-2016 Full Year \$m
Individuals and other w ithholding taxes				
Gross income tax w ithholding	16,126	115,592	116,363	176,550
Gross other individuals	4,242	23,793	23,429	44,310
<i>less</i> Refunds	1,119	23,189	22,879	27,500
Total individuals and other w ithholding taxation	19,249	116,196	116,914	193,360
Fringe benefits tax	211	3,143	3,142	4,610
Company tax	5,847	40,848	41,590	67,996
Superannuation funds	543	5,224	5,938	7,780
Resource rent taxes	0	558	760	960
<b>Total income taxation revenue</b>	<b>25,850</b>	<b>165,969</b>	<b>168,344</b>	<b>274,706</b>

\*As published in the 2015-16 MYEFO.

## Note 2: Indirect Tax

	ACTUAL 2015-2016 February \$m	ACTUAL 2015-2016 YTD February \$m	MYEFO Profile 2015-2016 YTD February \$m	MYEFO ESTIMATE* 2015-2016 Full Year \$m
Goods and services tax	8,497	41,367	40,734	59,790
Wine equalisation tax	86	610	579	850
Luxury car tax	47	393	371	520
Excise duty	1,960	14,532	14,474	21,393
Customs duty	1,246	9,133	8,466	12,910
Other indirect tax	412	3,792	3,669	5,754
<b>Total indirect taxation revenue</b>	<b>12,248</b>	<b>69,827</b>	<b>68,294</b>	<b>101,217</b>

\*As published in the 2015-16 MYEFO.

## Note 3: Total expenses by function

	ACTUAL 2015-2016 February \$m	ACTUAL 2015-2016 YTD February \$m	MYEFO ESTIMATE* 2015-2016 Full Year \$m
<b>Expenses by function</b>			
General public services	1,848	13,872	22,639
Defence	2,085	17,437	26,559
Public order and safety	342	3,202	4,958
Education	1,812	24,208	32,478
Health	5,552	44,063	68,686
Social security and w elfare	11,360	102,186	152,782
Housing and community amenities	325	2,858	5,434
Recreation and culture	370	2,219	3,440
Fuel and energy	559	4,391	6,773
Agriculture, Forestry and Fishing	173	1,273	3,119
Mining, manufacturing and construction	295	2,144	3,619
Transport and communication(a)	682	3,565	8,882
Other economic affairs	729	5,910	10,131
Other purposes			
Public debt interest	1,275	10,184	15,680
Nominal superannuation interest	769	6,156	9,231
General purpose inter-government transactions	5,138	39,353	59,239
Natural disaster relief	0	0	40
Contingency reserve	0	0	-1,456
<b>Total expenses</b>	<b>33,315</b>	<b>283,021</b>	<b>432,234</b>

\*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-december-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>.