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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
MARCH 2017

KEY POINTS

- The underlying cash balance for the 2016-17 financial year to 31 March 2017 was a deficit of \$38,907 million.
- The fiscal balance for the 2016-17 financial year to 31 March 2017 was a deficit of \$37,365 million.

AGGREGATES	ACTUAL 2016-2017 March \$m	ACTUAL 2016-2017 YTD March \$m	MYEFO Profile 2016-2017 YTD March \$m	MYEFO ESTIMATE* 2016-2017 Full Year \$m
Revenue	36,128	297,457	294,077	411,112
Expenses	37,250	333,845	336,305	448,642
Net operating balance	-1,122	-36,388	-42,227	-37,530
Net capital investment	-224	977	1,518	3,953
Fiscal balance	-898	-37,365	-43,746	-41,482
Receipts(a)	33,946	289,380	289,046	407,350
less Payments(b)	35,773	325,473	326,990	441,063
less Net Future Fund earnings	438	2,814	2,324	2,801
Underlying cash balance(c)	-2,265	-38,907	-40,267	-36,514
Headline cash balance	-2,558	-46,258	-50,758	-52,505
Total assets		511,664		522,675
Total liabilities		938,507		803,396
Net worth(d)		-426,842		-280,721
Net debt(e)		320,025		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 31 March 2017 was a deficit of \$38,907 million, which is \$1,361 million lower than the 2016-17 Mid-Year Economic and Fiscal Outlook (MYEFO) profile deficit of \$40,267 million.

- **Receipts**

Total receipts were \$334 million higher than the 2016-17 MYEFO profile.

- **Payments**

Total payments were \$1,516 million lower than the 2016-17 MYEFO profile.

Fiscal Balance

The fiscal balance for the year to 31 March 2017 was a deficit of \$37,365 million, which is \$6,381 million lower than the 2016-17 MYEFO profile deficit of \$43,746 million. The difference results from higher than expected revenue and lower than expected expenses.

Assets and Liabilities

As at 31 March 2017:

- Net worth is negative \$426,842 million;
- Net debt is \$320,025 million; and
- Net financial liabilities are \$614,994 million.

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Australian Government general government sector operating statement

		ACTUAL 2016-2017 March	ACTUAL 2016-2017 YTD March	MYEFO Profile 2016-2017 YTD March	MYEFO ESTIMATE* 2016-2017 Full Year
	Note	\$m	\$m	\$m	\$m
Revenue					
Taxation revenue	1, 2	33,899	278,113	276,268	386,345
Sales of goods and services		726	6,347	6,292	8,905
Interest income		305	2,689	2,714	3,771
Dividend income		403	2,528	1,986	2,687
Other		795	7,780	6,817	9,404
Total revenue		36,128	297,457	294,077	411,112
Expenses					
Gross operating expenses					
Wages and salaries(a)		1,722	14,323	14,670	20,060
Superannuation		858	7,444	7,390	9,720
Depreciation and amortisation		749	6,108	5,935	7,855
Supply of goods and services		7,855	65,119	65,197	87,762
Other operating expenses(a)		513	4,253	4,258	5,572
<i>Total gross operating expenses</i>		<i>11,696</i>	<i>97,247</i>	<i>97,451</i>	<i>130,969</i>
Superannuation interest expense		746	6,718	6,448	8,446
Interest expenses		1,513	12,714	12,716	17,637
Current transfers					
Current grants		10,431	103,400	102,599	135,615
Subsidy expenses		1,110	9,824	9,917	13,509
Personal benefits		10,865	98,366	99,214	129,749
<i>Total current transfers</i>		<i>22,407</i>	<i>211,590</i>	<i>211,730</i>	<i>278,873</i>
Capital transfers					
Mutually agreed write-downs		115	944	1,111	1,479
Other capital grants		772	4,633	6,849	11,239
<i>Total capital transfers</i>		<i>888</i>	<i>5,576</i>	<i>7,960</i>	<i>12,718</i>
Total expenses	3	37,250	333,845	336,305	448,642
Net operating balance		-1,122	-36,388	-42,227	-37,530
Other economic flows					
- included in operating result					
Net write-downs of assets (including bad and doubtful debts)		-1,197	-7,642	-6,395	-8,178
Assets recognised for the first time		25	232	260	328
Liabilities recognised for the first time		0	0	0	0
Actuarial revaluations		0	0	0	-8
Net foreign exchange gains		-9	1,912	1	-187
Net swap interest received		71	96	45	45
Market valuation of debt		-1,181	20,542	23,810	24,243
Other gains/(losses)		178	1,821	3,027	4,558
Total other economic flows		-2,113	16,960	20,747	20,801
Operating result (b)		-3,235	-19,428	-21,480	-16,728
Non-owner movements in equity					
Revaluation of equity investments(c)	3	3	5	0	-4,846
Actuarial revaluations		0	0	1	1,665
Other economic revaluations(d)		255	11,144	12,159	175
Total other economic flows - included in equity		259	11,150	12,159	-3,006
Comprehensive result - Total change in net worth		-2,976	-8,278	-9,321	-19,734
Net operating balance		-1,122	-36,388	-42,227	-37,530
Net acquisition of non-financial assets					
Purchases of non-financial assets		1,198	7,527	7,491	12,284
less Sales of non-financial assets		384	500	109	897
less Depreciation		749	6,108	5,935	7,855
plus Change in inventories		-290	-19	44	421
plus Other movements in non-financial assets		2	76	27	0
Total net acquisition of non-financial assets		-224	977	1,518	3,953
Fiscal balance (Net lending/borrowing)(e)		-898	-37,365	-43,746	-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 31 March 2017 \$m	MYEFO ESTIMATE* as at 30 June 2017 \$m
Assets		
Financial assets		
Cash and deposits	4,482	2,942
Advances paid	55,464	59,987
Investments, loans and placements	168,837	177,400
Other receivables	52,602	47,959
Equity investments		
Investments in other public sector entities	52,375	51,944
Equity accounted investments	287	299
Investments - shares	41,839	43,343
<i>Total financial assets</i>	<i>375,887</i>	<i>383,874</i>
Non-financial assets		
Land	10,550	10,613
Buildings	25,567	25,982
Plant, equipment and infrastructure	71,901	73,645
Inventories	8,486	8,499
Intangibles	7,182	8,097
Investment property	139	164
Biological assets	42	49
Heritage and cultural assets	11,505	11,413
Assets held for sale	227	227
Other non-financial assets	179	112
<i>Total non-financial assets</i>	<i>135,777</i>	<i>138,801</i>
Total assets	511,664	522,675
Liabilities		
Interest bearing liabilities		
Deposits held	227	217
Government securities	530,813	540,184
Loans	16,091	15,455
Other borrowing	1,678	1,666
<i>Total interest bearing liabilities</i>	<i>548,809</i>	<i>557,522</i>
Provisions and payables		
Superannuation liability(a)	322,309	175,047
Other employee liabilities	18,617	18,638
Suppliers payable	3,111	6,358
Personal benefits provisions and payable	13,353	12,677
Subsidies provisions and payable	454	931
Grants provisions and payable	11,005	11,710
Other provisions and payables	20,849	20,513
<i>Total provisions and payables</i>	<i>389,698</i>	<i>245,874</i>
Total liabilities	938,507	803,396
Net worth(b)	-426,842	-280,721
<i>Net financial worth(c)</i>	<i>-562,619</i>	<i>-419,522</i>
<i>Net financial liabilities(d)</i>	<i>614,994</i>	<i>471,466</i>
<i>Net debt(e)</i>	<i>320,025</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 ^(a)

	ACTUAL 2016-2017 March \$m	ACTUAL 2016-2017 YTD March \$m	MYEFO Profile 2016-2017 YTD March \$m	MYEFO ESTIMATE* 2016-2017 Full Year \$m
Cash receipts from operating activities				
Taxes received	32,000	268,221	268,030	378,756
Receipts from sales of goods and services	707	6,227	5,947	8,766
Interest receipts	195	2,253	2,199	2,990
Dividends and income tax equivalents	388	5,767	5,269	5,828
Other receipts	628	6,769	6,995	8,673
Total operating receipts	33,918	289,236	288,440	405,013
Cash payments for operating activities				
Payments for employees	-2,416	-20,015	-19,898	-28,259
Payments for goods and services	-8,303	-66,632	-65,993	-87,328
Grants and subsidies paid	-11,813	-117,499	-118,888	-159,698
Interest paid	-638	-9,533	-9,568	-15,377
Personal benefit payments	-10,748	-99,935	-101,068	-132,884
Other payments	-571	-4,648	-3,955	-5,235
Total operating payments	-34,489	-318,262	-319,369	-428,781
Net cash flows from operating activities	-571	-29,025	-30,929	-23,768
Cash flows from investments in non-financial assets				
Sales of non-financial assets	28	144	606	2,337
Purchases of non-financial assets	-1,284	-7,202	-7,618	-12,282
Net cash flows from investments in non-financial assets	-1,256	-7,059	-7,012	-9,945
Net cash flows from investments in financial assets for policy purposes	-731	-10,165	-12,815	-18,792
Cash flows from investments in financial assets for liquidity purposes				
Increase in investments	-16,926	-17,942	-4,516	-27,724
Net cash flows from investments in financial assets for liquidity purposes	-16,926	-17,942	-4,516	-27,724
Cash flows from financing activities				
Borrowing (net)	17,827	67,025	61,088	82,682
Other financing (net)	-84	-1,990	-1,956	-3,149
Net cash flows from financing activities	17,743	65,035	59,132	79,533
Net increase/(decrease) in cash held	-1,740	844	3,861	-696
Net cash flows from operating activities and investments in non-financial assets (surplus+)/deficit(-)	-1,827	-36,084	-37,941	-33,713
Finance leases and similar arrangements(b)	0	-9	-3	0
GFS cash surplus(+)/deficit(-)	-1,827	-36,093	-37,944	-33,713
less Net Future Fund earnings	438	2,814	2,324	2,801
Equals underlying cash balance(c)	-2,265	-38,907	-40,267	-36,514
plus Net cash flows from investments in financial assets for policy purposes	-731	-10,165	-12,815	-18,792
plus Net Future Fund earnings	438	2,814	2,324	2,801
Equals headline cash balance	-2,558	-46,258	-50,758	-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 March \$m	ACTUAL 2016-2017 YTD March \$m	MYEFO Profile 2016-2017 YTD March \$m	MYEFO ESTIMATE* 2016-2017 Full Year \$m
Individuals and other withholding taxes				
Gross income tax withholding	16,578	135,423	135,520	180,680
Gross other individuals	5,133	29,540	29,012	46,700
<i>less</i> Refunds	1,225	24,657	25,185	28,900
Total individuals and other withholding taxation	20,486	140,306	139,346	198,480
Fringe benefits tax	49	3,069	3,133	4,540
Company tax	6,145	49,345	48,706	68,700
Superannuation funds	321	6,282	6,434	8,080
Resource rent taxes	5	744	694	920
Total income taxation revenue	27,006	199,746	198,313	280,720

*As published in the 2016-17 MYEFO.

Note 2: Indirect Tax

	ACTUAL 2016-2017 March \$m	ACTUAL 2016-2017 YTD March \$m	MYEFO Profile 2016-2017 YTD March \$m	MYEFO ESTIMATE* 2016-2017 Full Year \$m
Goods and services tax	3,536	46,331	46,349	62,410
Wine equalisation tax	54	636	659	910
Luxury car tax	57	493	469	640
Excise duty	1,752	16,343	16,174	21,410
Customs duty	968	9,949	9,977	14,260
Other indirect tax	527	4,617	4,327	5,995
Total indirect taxation revenue	6,893	78,367	77,955	105,625

*As published in the 2016-17 MYEFO.

Note 3: Total expenses by function

	ACTUAL 2016-2017 March \$m	ACTUAL 2016-2017 YTD March \$m	MYEFO ESTIMATE* 2016-2017 Full Year \$m
Expenses by function			
General public services(a)	4,856	19,369	26,991
Defence(a)	-405	19,795	26,816
Public order and safety	376	3,566	5,117
Education	1,842	26,931	33,339
Health	6,753	54,667	72,842
Social security and welfare	12,438	116,255	155,792
Housing and community amenities	406	3,148	5,131
Recreation and culture	303	2,461	3,532
Fuel and energy	552	5,008	6,874
Agriculture, forestry and fishing	193	1,743	2,914
Mining, manufacturing and construction	353	2,694	4,052
Transport and communication	1,621	5,614	10,296
Other economic affairs	809	6,806	9,866
Other purposes			
Public debt interest	1,446	11,863	15,984
Nominal superannuation interest	746	6,718	8,446
General purpose inter-government transactions	4,959	47,205	62,696
Natural disaster relief	0	0	32
Contingency reserve	0	0	-2,077
Total expenses	37,250	333,845	448,642

*As published in the 2016-17 MYEFO.

(a) Offsetting adjustments between these two functions have been made to YTD actuals.

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-march-2017/>.

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>.