



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
MARCH 2016

KEY POINTS

- The underlying cash balance for the 2015-16 financial year to 31 March 2016 was a deficit of \$39,909 million.
- The fiscal balance for the 2015-16 financial year to 31 March 2016 was a deficit of \$36,822 million.

AGGREGATES	ACTUAL 2015-2016 March \$m	ACTUAL 2015-2016 YTD March \$m	MYEFO Profile 2015-2016 YTD March \$m	MYEFO ESTIMATE* 2015-2016 Full Year \$m
Revenue	32,801	281,765	283,304	400,953
Expenses	34,876	317,897	320,613	432,234
Net operating balance	-2,075	-36,132	-37,310	-31,281
Net capital investment	-544	690	1,747	4,484
Fiscal balance	-1,530	-36,822	-39,056	-35,765
Receipts(a)	32,574	274,887	277,544	394,891
less Payments(b)	33,523	312,559	315,051	428,335
less Net Future Fund earnings	241	2,237	3,211	3,955
Underlying cash balance(c)	-1,190	-39,909	-40,718	-37,399
Headline cash balance	-1,739	-46,549	-49,448	-48,171
Total assets		451,672		475,317
Total liabilities		804,643		730,100
Net worth(d)		-352,972		-254,783
Net debt(e)		288,681		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 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, accrued, 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 March 2016 was a deficit of \$39,909 million, compared to the 2015-16 Mid-Year Economic and Fiscal Outlook (MYEFO) profile deficit of \$40,718 million. The difference of \$809 million primarily relates to lower than expected cash payments, partially offset by lower than expected cash receipts (net of Future Fund earnings).

Fiscal Balance

The fiscal balance for the year to 31 March 2016 was a deficit of \$36,822 million, compared to the MYEFO profile deficit of \$39,056 million. The difference of \$2,234 million primarily relates to lower than expected expenses, partially offset by lower than expected revenue.

- **Revenues**

Total revenue was \$1,538 million lower than the MYEFO profile, primarily due to lower than expected taxation revenue.

- **Expenses**

Total expenses were \$2,716 million lower than the MYEFO profile, primarily due to lower than expected grants, salaries and wages, and personal benefits expenses, partially offset by higher other operating expenses.

Assets and Liabilities

As at 31 March 2016:

- Net worth is negative \$352,972 million;
- Net debt is \$288,681 million; and
- Net financial liabilities are \$518,013 million.

Senator the Hon Mathias Cormann
Minister for Finance

Jane Halton
Secretary
Department of Finance

Contact: Senator the Hon Mathias Cormann's Office: Karen Wu (02) 6277 7400
Department of Finance: Liz Pash (02) 6215 2222

Australian Government general government sector operating statement

	ACTUAL 2015-2016 March \$m	ACTUAL 2015-2016 YTD March \$m	MYEFO Profile 2015-2016 YTD March \$m	MYEFO ESTIMATE* 2015-2016 Full Year \$m
Revenue				
Taxation revenue	31,116	266,913	267,874	375,923
Sales of goods and services	612	5,649	5,675	7,956
Interest income	274	2,542	2,664	4,519
Dividend income	272	2,012	2,326	3,841
Other	527	4,649	4,765	8,714
Total revenue	32,801	281,765	283,304	400,953
Expenses				
Gross operating expenses				
Wages and salaries(a)	1,686	13,889	14,665	20,072
Superannuation	544	4,610	4,385	5,930
Depreciation and amortisation	722	5,277	5,253	7,129
Supply of goods and services	7,666	61,236	61,503	82,423
Other operating expenses(a)	535	4,347	3,992	5,439
<i>Total gross operating expenses</i>	<i>11,153</i>	<i>89,358</i>	<i>89,799</i>	<i>120,992</i>
Superannuation interest expense	769	6,925	6,923	9,231
Interest expenses	1,439	12,424	12,625	17,260
Current transfers				
Current grants	8,664	92,507	93,675	127,737
Subsidy expenses	1,114	9,434	9,707	12,944
Personal benefits	11,075	99,760	100,342	133,402
<i>Total current transfers</i>	<i>20,854</i>	<i>201,701</i>	<i>203,724</i>	<i>274,084</i>
Capital transfers				
Mutually agreed write-downs	42	1,228	1,417	1,887
Other capital grants	619	6,261	6,125	8,780
<i>Total capital transfers</i>	<i>661</i>	<i>7,489</i>	<i>7,542</i>	<i>10,667</i>
Total expenses	34,876	317,897	320,613	432,234
Net operating balance	-2,075	-36,132	-37,310	-31,281
Other economic flows				
- included in operating result(b)				
Net write-downs of assets (including bad and doubtful debts)	-1,921	-12,429	-5,987	-8,037
Assets recognised for the first time	27	250	289	322
Liabilities recognised for the first time	0	0	0	0
Actuarial revaluations	0	0	0	0
Net foreign exchange gains	1,342	256	-520	-518
Net swap interest received	77	-359	-410	-410
Market valuation of debt	2,677	-6,956	181	832
Other gains/(losses)	-1,395	5,052	4,949	5,195
Total other economic flows	808	-14,186	-1,499	-2,616
- included in operating result				
Operating result	-1,267	-50,318	-38,809	-33,897
Non-owner movements in equity(b)				
Revaluation of equity investments(c)	0	3	-599	846
Actuarial revaluations	0	0	0	-2,926
Other economic revaluations(d)	718	-307	-537	1
Total other economic flows - included in equity	718	-304	-1,136	-2,079
Comprehensive result - Total change in net worth	-549	-50,623	-39,945	-35,976
Net operating balance	-2,075	-36,132	-37,310	-31,281
Net acquisition of non-financial assets				
Purchases of non-financial assets	190	6,106	7,087	11,661
less Sales of non-financial assets	23	325	360	528
less Depreciation	722	5,277	5,253	7,129
plus Change in inventories	-10	42	211	421
plus Other movements in non-financial assets	21	143	62	59
Total net acquisition of non-financial assets	-544	690	1,747	4,484
Fiscal balance (Net lending/borrowing)(e)	-1,530	-36,822	-39,056	-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 under 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 March 2016 \$m	MYEFO ESTIMATE* as at 30 June 2016 \$m
Assets		
Financial assets		
Cash and deposits	3,421	3,872
Advances paid	49,695	53,218
Investments, loans and placements	146,035	154,537
Other receivables	48,682	46,594
Equity investments		
Investments in other public sector entities	45,116	49,087
Equity accounted investments	304	315
Investments - shares	38,493	44,939
<i>Total financial assets</i>	331,746	352,560
Non-financial assets		
Land	10,377	9,780
Buildings	25,360	26,198
Plant, equipment and infrastructure	57,276	59,667
Inventories	8,178	8,351
Intangibles	6,680	6,835
Investment property	203	187
Biological assets	38	44
Heritage and cultural assets	11,383	11,344
Assets held for sale	89	87
Other non-financial assets	341	265
<i>Total non-financial assets</i>	119,926	122,757
Total assets	451,672	475,317
Liabilities		
Interest bearing liabilities		
Deposits held	216	218
Government securities	469,911	472,416
Loans	16,036	16,191
Other borrowing	1,669	1,562
<i>Total interest bearing liabilities</i>	487,832	490,387
Provisions and payables		
Superannuation liability(a)	253,854	173,958
Other employee liabilities	16,927	17,059
Suppliers payable	5,263	5,972
Personal benefits provisions and payable	11,868	13,304
Subsidies provisions and payable	4,824	5,035
Grants provisions and payable	10,428	9,397
Other provisions and payables	13,646	14,990
<i>Total provisions and payables</i>	316,811	239,714
Total liabilities	804,643	730,100
Net worth(b)	-352,972	-254,783
<i>Net financial worth(c)</i>	-472,897	-377,540
<i>Net financial liabilities(d)</i>	518,013	426,627
<i>Net debt(e)</i>	288,681	278,761

*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 March \$m	ACTUAL 2015-2016 YTD March \$m	MYEFO Profile 2015-2016 YTD March \$m	MYEFO ESTIMATE* 2015-2016 Full Year \$m
Cash receipts from operating activities				
Taxes received	31,114	259,135	260,696	368,230
Receipts from sales of goods and services	593	5,244	5,355	7,870
Interest receipts	177	1,933	2,152	3,874
Dividends and income tax equivalents	266	3,613	3,800	4,516
Other receipts	400	4,739	5,026	8,505
Total operating receipts	32,550	274,664	277,030	392,995
Cash payments for operating activities				
Payments for employees	-2,340	-20,034	-20,501	-28,130
Payments for goods and services	-8,024	-61,462	-61,592	-82,104
Grants and subsidies paid	-10,253	-108,733	-109,232	-150,706
Interest paid	-577	-9,652	-9,719	-15,040
Personal benefit payments	-11,253	-102,338	-102,742	-135,228
Other payments	-497	-4,283	-4,042	-5,313
Total operating payments	-32,944	-306,502	-307,827	-416,521
Net cash flows from operating activities	-394	-31,838	-30,798	-23,526
Cash flows from investments in non-financial assets				
Sales of non-financial assets	24	223	514	1,896
Purchases of non-financial assets	-579	-5,998	-7,222	-11,812
Net cash flows from investments in non-financial assets	-555	-5,776	-6,708	-9,917
Net cash flows from investments in financial assets for policy purposes	-790	-8,876	-11,941	-14,727
Cash flows from investments in financial assets for liquidity purposes				
Increase in investments	-9,291	-4,076	-11,939	-13,132
Net cash flows from investments in financial assets for liquidity purposes	-9,291	-4,076	-11,939	-13,132
Cash flows from financing activities				
Borrowing (net)	8,926	52,659	63,814	64,552
Other financing (net)	-52	-1,828	-1,809	-2,535
Net cash flows from financing activities	8,873	50,831	62,005	62,017
Net increase/(decrease) in cash held	-2,156	265	618	716
Net cash flows from operating activities and investments in non-financial assets (Surplus(+)/deficit(-))	-949	-37,613	-37,506	-33,443
Finance leases and similar arrangements(b)	0	-59	-1	-2
GFS cash surplus(+)/deficit(-)	-949	-37,672	-37,507	-33,444
less Net Future Fund earnings	241	2,237	3,211	3,955
Equals underlying cash balance(c)	-1,190	-39,909	-40,718	-37,399
plus Net cash flows from investments in financial assets for policy purposes	-790	-8,876	-11,941	-14,727
plus Net Future Fund earnings	241	2,237	3,211	3,955
Equals headline cash balance	-1,739	-46,549	-49,448	-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 March \$m	ACTUAL 2015-2016 YTD March \$m	MYEFO Profile 2015-2016 YTD March \$m	MYEFO ESTIMATE* 2015-2016 Full Year \$m
Individuals and other w ithholding taxes				
Gross income tax w ithholding	15,886	131,478	132,173	176,550
Gross other individuals	4,301	28,094	27,407	44,310
Less Refunds	1,080	24,269	23,979	27,500
Total individuals and other w ithholding taxation	19,106	135,303	135,600	193,360
Fringe benefits tax	11	3,154	3,176	4,610
Company tax	5,416	46,263	47,401	67,996
Superannuation funds	112	5,337	6,237	7,780
Resource rent taxes	4	561	760	960
Total income taxation revenue	24,648	190,618	193,175	274,706

*As published in the 2015-16 MYEFO.

Note 2: Indirect Tax

	ACTUAL 2015-2016 March \$m	ACTUAL 2015-2016 YTD March \$m	MYEFO Profile 2015-2016 YTD March \$m	MYEFO ESTIMATE* 2015-2016 Full Year \$m
Goods and services tax	3,231	44,598	44,117	59,790
Wine equalisation tax	51	661	638	850
Luxury car tax	56	450	404	520
Excise duty	1,706	16,238	16,096	21,393
Customs duty	952	10,086	9,328	12,910
Other indirect tax	471	4,263	4,116	5,754
Total indirect taxation revenue	6,467	76,295	74,699	101,217

*As published in the 2015-16 MYEFO.

Note 3: Total expenses by function

	ACTUAL 2015-2016 March \$m	ACTUAL 2015-2016 YTD March \$m	MYEFO ESTIMATE* 2015-2016 Full Year \$m
Expenses by function			
General public services	1,474	15,346	22,639
Defence	2,858	20,296	26,559
Public order and safety	347	3,549	4,958
Education	1,908	26,116	32,478
Health	5,922	49,984	68,686
Social security and w elfare	12,646	114,832	152,782
Housing and community amenities	345	3,203	5,434
Recreation and culture	163	2,382	3,440
Fuel and energy	546	4,937	6,773
Agriculture, Forestry and Fishing	187	1,460	3,119
Mining, manufacturing and construction	340	2,484	3,619
Transport and communication(a)	259	3,824	8,882
Other economic affairs	904	6,815	10,131
Other purposes			
Public debt interest	1,333	11,517	15,680
Nominal superannuation interest	769	6,925	9,231
General purpose inter-government transactions □	4,875	44,228	59,239
Natural disaster relief	0	0	40
Contingency reserve	0	0	-1,456
Total expenses	34,876	317,897	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-march-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>.