



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
NOVEMBER 2016

KEY POINTS

- The underlying cash balance for the 2016-17 financial year to 30 November 2016 was a deficit of \$27,234 million.
- The fiscal balance for the 2016-17 financial year to 30 November 2016 was a deficit of \$26,146 million.

AGGREGATES	ACTUAL 2016-2017 November \$m	ACTUAL 2016-2017 YTD November \$m	Budget Profile 2016-2017 YTD November \$m	BUDGET ESTIMATE* 2016-2017 Full Year \$m
Revenue	33,699	159,202	160,033	416,862
Expenses	35,861	184,913	188,272	450,553
Net operating balance	-2,162	-25,712	-28,238	-33,691
Net capital investment	65	434	1,439	3,437
Fiscal balance	-2,227	-26,146	-29,677	-37,129
Receipts(a)	33,777	158,057	157,830	411,284
less Payments(b)	36,257	183,728	186,901	445,045
less Net Future Fund earnings	205	1,562	713	3,321
Underlying cash balance(c)	-2,686	-27,234	-29,784	-37,081
Headline cash balance	-3,503	-30,899	-37,355	-53,438
Total assets		493,893		509,633
Total liabilities		908,840		810,561
Net worth(d)		-414,947		-300,929
Net debt(e)		305,099		325,962

*As published in the 2016-17 Budget.

(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.

Comparators for the November 2016 monthly financial statements are based on the 2016-17 Budget published in May 2016. From the December 2016 monthly financial statements, the comparators will be based on updated estimates from the 2016-17 Mid-Year Economic and Fiscal Outlook.

FISCAL OUTCOMES

Underlying Cash Balance

The underlying cash balance for the year to 30 November 2016 was a deficit of \$27,234 million, which is \$2,550 million lower than the 2016-17 Budget profile deficit of \$29,784 million.

- **Receipts**

Total receipts were \$227 million higher than the 2016-17 Budget profile.

- **Payments**

Total payments were \$3,173 million lower than the 2016-17 Budget profile.

Fiscal Balance

The fiscal balance for the year to 30 November 2016 was a deficit of \$26,146 million, which is \$3,531 million lower than the 2016-17 Budget profile deficit of \$29,677 million. The difference results from lower than expected expenses and net capital investment, partially offset by lower than expected revenue.

Assets and Liabilities

As at 30 November 2016:

- Net worth is negative \$414,947 million;
- Net debt is \$305,099 million; and
- Net financial liabilities are \$599,938 million.

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Australian Government general government sector operating statement

		ACTUAL 2016-2017 November \$m	ACTUAL 2016-2017 YTD November \$m	Budget Profile 2016-2017 YTD November \$m	BUDGET ESTIMATE* 2016-2017 Full Year \$m
	Note				
Revenue					
Taxation revenue	1, 2	31,626	148,628	149,713	391,283
Sales of goods and services		739	3,504	3,611	9,249
Interest income		304	1,531	1,749	4,280
Dividend income		284	1,385	1,416	3,242
Other		745	4,153	3,545	8,807
Total revenue		33,699	159,202	160,033	416,862
Expenses					
Gross operating expenses					
Wages and salaries(a)		1,639	8,118	8,206	20,071
Superannuation		627	3,028	1,880	4,618
Depreciation and amortisation		735	3,217	3,124	7,522
Supply of goods and services		7,432	36,398	35,966	86,745
Other operating expenses(a)		564	2,505	2,245	5,452
<i>Total gross operating expenses</i>		<i>10,998</i>	<i>53,266</i>	<i>51,421</i>	<i>124,408</i>
Superannuation interest expense		769	3,846	4,150	9,959
Interest expenses		1,403	6,924	7,402	18,725
Current transfers					
Current grants		12,439	56,470	56,717	138,966
Subsidy expenses		1,039	5,355	5,485	13,425
Personal benefits		10,652	56,824	57,877	132,562
<i>Total current transfers</i>		<i>24,129</i>	<i>118,648</i>	<i>120,079</i>	<i>284,953</i>
Capital transfers					
Mutually agreed write-downs		151	623	770	1,845
Other capital grants		-1,589	1,607	4,450	10,663
<i>Total capital transfers</i>		<i>-1,438</i>	<i>2,230</i>	<i>5,220</i>	<i>12,508</i>
Total expenses	3	35,861	184,913	188,272	450,553
Net operating balance		-2,162	-25,712	-28,238	-33,691
Other economic flows					
- included in operating result					
Net write-downs of assets (including bad and doubtful debts)		1,570	-4,049	-3,009	-8,077
Assets recognised for the first time		25	120	169	348
Liabilities recognised for the first time		0	0	0	0
Actuarial revaluations		0	0	0	0
Net foreign exchange gains		-688	445	8	8
Net swap interest received		3	64	0	0
Market valuation of debt		10,861	20,660	1,397	3,156
Other gains/(losses)		-454	991	2,017	4,705
Total other economic flows		11,318	18,233	582	140
Operating result (b)		9,156	-7,479	-27,656	-33,552
Non-owner movements in equity					
Revaluation of equity investments(c)		0	-2	0	-2,880
Actuarial revaluations		0	0	0	-6
Other economic revaluations(d)		10,644	11,099	5,704	536
Total other economic flows - included in equity		10,645	11,097	5,704	-2,350
Comprehensive result - Total change in net worth		19,801	3,618	-21,952	-35,902
Net operating balance		-2,162	-25,712	-28,238	-33,691
Net acquisition of non-financial assets					
Purchases of non-financial assets		1,036	3,733	4,572	11,416
less Sales of non-financial assets		11	83	143	932
less Depreciation		735	3,217	3,124	7,522
plus Change in inventories		-224	-62	110	449
plus Other movements in non-financial assets		0	63	24	26
Total net acquisition of non-financial assets		65	434	1,439	3,437
Fiscal balance (Net lending/borrowing)(e)		-2,227	-26,146	-29,677	-37,129

*As published in the 2016-17 Budget.

(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. For November 2016 this primarily relates to Specialist Military Equipment assets - refer to footnote (f) in the balance sheet.

(e) The term fiscal balance is not used by the ABS.

Australian Government general government sector balance sheet

	ACTUAL as at 30 November 2016 \$m	BUDGET ESTIMATE* as at 30 June 2017 \$m
Assets		
Financial assets		
Cash and deposits	4,244	4,874
Advances paid	54,029	62,637
Investments, loans and placements	159,683	173,479
Other receivables	50,027	48,646
Equity investments		
Investments in other public sector entities	50,078	50,846
Equity accounted investments	-253	354
Investments - shares	41,172	42,558
<i>Total financial assets</i>	<i>358,980</i>	<i>383,395</i>
Non-financial assets		
Land	10,605	9,674
Buildings	25,465	26,391
Plant, equipment and infrastructure(f)	71,295	62,239
Inventories	8,232	8,184
Intangibles	7,256	7,414
Investment property	134	200
Biological assets	42	44
Heritage and cultural assets	11,517	11,658
Assets held for sale	200	147
Other non-financial assets	166	288
<i>Total non-financial assets</i>	<i>134,913</i>	<i>126,238</i>
Total assets	493,893	509,633
Liabilities		
Interest bearing liabilities		
Deposits held	221	218
Government securities	504,917	549,537
Loans	16,234	15,739
Other borrowing	1,683	1,458
<i>Total interest bearing liabilities</i>	<i>523,055</i>	<i>566,952</i>
Provisions and payables		
Superannuation liability(a)	317,758	175,661
Other employee liabilities	18,689	17,332
Suppliers payable	4,281	6,092
Personal benefits provisions and payable	11,964	13,542
Subsidies provisions and payable	4,773	5,216
Grants provisions and payable	11,219	10,876
Other provisions and payables	17,102	14,891
<i>Total provisions and payables</i>	<i>385,785</i>	<i>243,610</i>
Total liabilities	908,840	810,561
Net worth(b)	-414,947	-300,929
<i>Net financial worth(c)</i>	<i>-549,860</i>	<i>-427,167</i>
<i>Net financial liabilities(d)</i>	<i>599,938</i>	<i>478,013</i>
<i>Net debt(e)</i>	<i>305,099</i>	<i>325,962</i>

*As published in the 2016-17 Budget.

(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.

(f) Consistent with the 2015-16 Consolidated Financial Statements and the 2016-17 Mid-Year Fiscal and Economic Outlook (MYEFO), Specialist Military Equipment assets are measured on a fair value basis for actual results. The 2015-16 Budget estimate included these assets at cost, pending finalisation of fair valuation. The 2016-17 MYEFO estimates, released on 19 December 2016, will be used as the comparator from December 2016.

Australian Government general government sector cash flow statement ^(a)

	ACTUAL 2016-2017 November \$m	ACTUAL 2016-2017 YTD November \$m	Budget Profile 2016-2017 YTD November \$m	BUDGET ESTIMATE* 2016-2017 Full Year \$m
Cash receipts from operating activities				
Taxes received	32,211	144,399	144,947	382,769
Receipts from sales of goods and services	745	3,534	3,732	9,176
Interest receipts	204	1,325	1,338	3,262
Dividends and income tax equivalents	211	4,665	4,022	5,833
Other receipts	402	4,033	3,289	7,879
Total operating receipts	33,772	157,957	157,329	408,919
Cash payments for operating activities				
Payments for employees	-2,512	-11,230	-11,415	-28,259
Payments for goods and services	-6,759	-37,166	-36,573	-87,036
Grants and subsidies paid	-11,697	-63,626	-65,932	-161,853
Interest paid	-1,246	-7,304	-7,351	-15,903
Personal benefit payments	-12,191	-58,702	-59,324	-135,637
Other payments	-1,044	-2,339	-1,763	-5,141
Total operating payments	-35,448	-180,367	-182,359	-433,829
Net cash flows from operating activities	-1,676	-22,410	-25,031	-24,909
Cash flows from investments in non-financial assets				
Sales of non-financial assets	5	99	501	2,365
Purchases of non-financial assets	-807	-3,354	-4,542	-11,216
Net cash flows from investments in non-financial assets	-802	-3,254	-4,041	-8,851
Net cash flows from investments in financial assets for policy purposes	-1,023	-5,227	-8,284	-19,678
Cash flows from investments in financial assets for liquidity purposes				
Increase in investments	-6,092	-11,410	-7,962	-19,579
Net cash flows from investments in financial assets for liquidity purposes	-6,092	-11,410	-7,962	-19,579
Cash flows from financing activities				
Borrowing (net)	9,924	44,316	41,057	77,572
Other financing (net)	-241	-1,409	-1,495	-3,193
Net cash flows from financing activities	9,683	42,908	39,562	74,379
Net increase/(decrease) in cash held	90	607	-5,755	1,362
Net cash flows from operating activities and investments in non-financial assets (Surplus+)/deficit(-)	-2,479	-25,664	-29,071	-33,760
Finance leases and similar arrangements(b)	-2	-8	0	0
GFS cash surplus(+)/deficit(-)	-2,480	-25,672	-29,071	-33,760
less Net Future Fund earnings	205	1,562	713	3,321
Equals underlying cash balance(c)	-2,686	-27,234	-29,784	-37,081
plus Net cash flows from investments in financial assets for policy purposes	-1,023	-5,227	-8,284	-19,678
plus Net Future Fund earnings	205	1,562	713	3,321
Equals headline cash balance	-3,503	-30,899	-37,355	-53,438

*As published in the 2016-17 Budget.

(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 November \$m	ACTUAL 2016-2017 YTD November \$m	Budget Profile 2016-2017 YTD November \$m	BUDGET ESTIMATE* 2016-2017 Full Year \$m
Individuals and other withholding taxes				
Gross income tax withholding	15,726	74,529	75,553	183,380
Gross other individuals	1,971	17,290	17,418	47,300
less Refunds	2,405	20,137	20,607	29,350
Total individuals and other withholding taxation	15,292	71,681	72,363	201,330
Fringe benefits tax	42	1,970	2,151	4,760
Company tax	5,251	25,779	25,729	70,100
Superannuation funds	984	3,931	3,393	7,510
Resource rent taxes	2	507	441	850
Total income taxation revenue	21,571	103,868	104,078	284,550

*As published in the 2016-17 Budget.

Note 2: Indirect Tax

	ACTUAL 2016-2017 November \$m	ACTUAL 2016-2017 YTD November \$m	Budget Profile 2016-2017 YTD November \$m	BUDGET ESTIMATE* 2016-2017 Full Year \$m
Goods and services tax	6,386	27,408	27,911	63,340
Wine equalisation tax	76	314	340	910
Luxury car tax	55	274	236	570
Excise duty	1,809	9,101	9,236	21,785
Customs duty	1,010	5,040	5,259	14,010
Other indirect tax	720	2,623	2,653	6,118
Total indirect taxation revenue	10,055	44,760	45,635	106,733

*As published in the 2016-17 Budget.

Note 3: Total expenses by function

	ACTUAL 2016-2017 November \$m	ACTUAL 2016-2017 YTD November \$m	BUDGET ESTIMATE* 2016-2017 Full Year \$m
Expenses by function			
General public services	1,614	8,851	22,659
Defence	2,448	11,598	27,155
Public order and safety	417	1,995	4,915
Education	1,745	14,484	33,669
Health	6,367	31,105	71,413
Social security and welfare	12,495	66,616	158,612
Housing and community amenities	333	1,682	5,282
Recreation and culture	267	1,295	3,401
Fuel and energy	550	2,767	6,687
Agriculture, Forestry and Fishing	199	828	3,122
Mining, manufacturing and construction	280	1,440	3,545
Transport and communication	793	1,683	11,131
Other economic affairs	721	3,750	9,832
Other purposes			
Public debt interest	1,285	6,351	16,644
Nominal superannuation interest	769	3,846	9,959
General purpose inter-government transactions □	5,578	26,623	63,553
Natural disaster relief	0	0	27
Contingency reserve	0	0	-1,055
Total expenses	35,861	184,913	450,553

*As published in the 2016-17 Budget.

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-september-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>.