



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

MEDIA RELEASE

Friday, 21 October 2016

AUSTRALIAN GOVERNMENT GENERAL GOVERNMENT SECTOR
MONTHLY FINANCIAL STATEMENTS
SEPTEMBER 2016

KEY POINTS

- The underlying cash balance for the 2016-17 financial year to 30 September 2016 was a deficit of \$20,858 million.
- The fiscal balance for the 2016-17 financial year to 30 September 2016 was a deficit of \$24,429 million.

AGGREGATES	ACTUAL 2016-2017 September \$m	ACTUAL 2016-2017 YTD September \$m	Budget Profile 2016-2017 YTD September \$m	BUDGET ESTIMATE* 2016-2017 Full Year \$m
Revenue	24,924	87,413	89,138	416,862
Expenses	35,491	112,082	112,742	450,553
Net operating balance	-10,567	-24,670	-23,605	-33,691
Net capital investment	-280	-240	1,004	3,437
Fiscal balance	-10,288	-24,429	-24,609	-37,129
Receipts(a)	25,815	90,453	89,658	411,284
less Payments(b)	34,891	110,357	111,107	445,045
less Net Future Fund earnings	441	955	1,276	3,321
Underlying cash balance(c)	-9,517	-20,858	-22,725	-37,081
Headline cash balance	-10,086	-22,972	-25,849	-53,438
Total assets		466,876		509,633
Total liabilities		910,337		810,561
Net worth(d)		-443,461		-300,929
Net debt(e)		320,735		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.

FISCAL OUTCOMES

Underlying Cash Balance

The underlying cash balance for the year to 30 September 2016 was a deficit of \$20,858 million, which is \$1,867 million lower than the 2016-17 Budget profile deficit of \$22,725 million.

- **Receipts**

Total receipts were \$796 million higher than the 2016-17 Budget profile.

- **Payments**

Total payments were \$750 million lower than the 2016-17 Budget profile.

Fiscal Balance

The fiscal balance for the year to 30 September 2016 was a deficit of \$24,429 million, which is broadly consistent with the 2016-17 Budget profile deficit of \$24,609 million. The difference of \$180 million relates to lower than expected expenses and net capital investment, partially offset by lower than expected revenue.

Assets and Liabilities

As at 30 September 2016:

- Net worth is negative \$443,461 million;
- Net debt is \$320,735 million; and
- Net financial liabilities are \$616,176 million.

Senator the Hon Mathias Cormann
Minister for Finance

Rosemary Huxtable
Acting Secretary
Department of Finance

Media Contacts

Karen Wu

0428 350 139

Australian Government general government sector operating statement

		ACTUAL 2016-2017 September	ACTUAL 2016-2017 YTD September	Budget Profile 2016-2017 YTD September	BUDGET ESTIMATE* 2016-2017 Full Year
	Note	\$m	\$m	\$m	\$m
Revenue					
Taxation revenue	1, 2	22,354	81,152	83,100	391,283
Sales of goods and services		516	1,997	2,109	9,249
Interest income		357	938	1,047	4,280
Dividend income		360	776	867	3,242
Other		1,336	2,549	2,015	8,807
Total revenue		24,924	87,413	89,138	416,862
Expenses					
Gross operating expenses					
Wages and salaries(a)		1,610	4,949	4,988	20,071
Superannuation		614	1,812	1,116	4,618
Depreciation and amortisation		702	2,002	1,874	7,522
Supply of goods and services		7,308	22,168	21,812	86,745
Other operating expenses(a)		540	1,522	1,326	5,452
<i>Total gross operating expenses</i>		<i>10,774</i>	<i>32,453</i>	<i>31,116</i>	<i>124,408</i>
Superannuation interest expense		769	2,307	2,490	9,959
Interest expenses		1,354	4,100	4,379	18,725
Current transfers					
Current grants		9,527	32,000	32,586	138,966
Subsidy expenses		1,117	3,248	3,339	13,425
Personal benefits		11,072	35,217	35,860	132,562
<i>Total current transfers</i>		<i>21,716</i>	<i>70,465</i>	<i>71,785</i>	<i>284,953</i>
Capital transfers					
Mutually agreed write-downs		113	358	437	1,845
Other capital grants		766	2,398	2,535	10,663
<i>Total capital transfers</i>		<i>879</i>	<i>2,757</i>	<i>2,973</i>	<i>12,508</i>
Total expenses	3	35,491	112,082	112,742	450,553
Net operating balance		-10,567	-24,670	-23,605	-33,691
Other economic flows					
- included in operating result					
Net write-downs of assets (including bad and doubtful debts)		-2,296	-3,060	-1,939	-8,077
Assets recognised for the first time		25	69	118	348
Liabilities recognised for the first time		0	0	0	0
Actuarial revaluations		0	0	0	0
Net foreign exchange gains		417	823	8	8
Net swap interest received		20	45	0	0
Market valuation of debt		3,417	-171	833	3,156
Other gains/(losses)		433	1,737	1,219	4,705
Total other economic flows		2,016	-558	238	140
- included in operating result		2,016	-558	238	140
Operating result (b)		-8,551	-25,227	-23,366	-33,552
Non-owner movements in equity					
Revaluation of equity investments(c)		13	58	0	-2,880
Actuarial revaluations		0	0	0	-6
Other economic revaluations(d)		-3,257	273	5,432	536
Total other economic flows - included in equity		-3,244	331	5,432	-2,350
Comprehensive result - Total change in net worth		-11,795	-24,896	-17,935	-35,902
Net operating balance		-10,567	-24,670	-23,605	-33,691
Net acquisition of non-financial assets					
Purchases of non-financial assets		492	2,157	2,896	11,416
less Sales of non-financial assets		11	54	103	932
less Depreciation		702	2,002	1,874	7,522
plus Change in inventories		-143	-398	67	449
plus Other movements in non-financial assets		84	58	18	26
Total net acquisition of non-financial assets		-280	-240	1,004	3,437
Fiscal balance (Net lending/borrowing)(e)		-10,288	-24,429	-24,609	-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.

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

Australian Government general government sector balance sheet

	ACTUAL as at 30 September 2016 \$m	BUDGET ESTIMATE* as at 30 June 2017 \$m
Assets		
Financial assets		
Cash and deposits	2,813	4,874
Advances paid	53,574	62,637
Investments, loans and placements	148,264	173,479
Other receivables	47,738	48,646
Equity investments		
Investments in other public sector entities	48,830	50,846
Equity accounted investments	289	354
Investments - shares	41,483	42,558
<i>Total financial assets</i>	342,991	383,395
Non-financial assets		
Land	10,579	9,674
Buildings	25,427	26,391
Plant, equipment and infrastructure	60,480	62,239
Inventories	8,001	8,184
Intangibles	7,276	7,414
Investment property	160	200
Biological assets	45	44
Heritage and cultural assets	11,531	11,658
Assets held for sale	225	147
Other non-financial assets	161	288
<i>Total non-financial assets</i>	123,885	126,238
Total assets	466,876	509,633
Liabilities		
Interest bearing liabilities		
Deposits held	219	218
Government securities	507,395	549,537
Loans	16,085	15,739
Other borrowing	1,687	1,458
<i>Total interest bearing liabilities</i>	525,386	566,952
Provisions and payables		
Superannuation liability(a)	316,303	175,661
Other employee liabilities	18,865	17,332
Suppliers payable	4,987	6,092
Personal benefits provisions and payable	11,425	13,542
Subsidies provisions and payable	4,809	5,216
Grants provisions and payable	11,367	10,876
Other provisions and payables	17,194	14,891
<i>Total provisions and payables</i>	384,951	243,610
Total liabilities	910,337	810,561
Net worth(b)	-443,461	-300,929
<i>Net financial worth(c)</i>	-567,346	-427,167
<i>Net financial liabilities(d)</i>	616,176	478,013
<i>Net debt(e)</i>	320,735	325,962

*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.

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

	ACTUAL 2016-2017 September \$m	ACTUAL 2016-2017 YTD September \$m	Budget Profile 2016-2017 YTD September \$m	BUDGET ESTIMATE* 2016-2017 Full Year \$m
Cash receipts from operating activities				
Taxes received	24,047	81,269	80,883	382,769
Receipts from sales of goods and services	536	2,156	2,179	9,176
Interest receipts	307	861	808	3,262
Dividends and income tax equivalents	398	4,054	3,469	5,833
Other receipts	514	2,023	2,002	7,879
Total operating receipts	25,802	90,364	89,340	408,919
Cash payments for operating activities				
Payments for employees	-1,888	-6,554	-6,941	-28,259
Payments for goods and services	-7,540	-23,969	-22,807	-87,036
Grants and subsidies paid	-11,327	-38,199	-38,322	-161,853
Interest paid	-568	-2,194	-2,445	-15,903
Personal benefit payments	-12,076	-36,731	-36,796	-135,637
Other payments	-599	-798	-914	-5,141
Total operating payments	-33,998	-108,443	-108,225	-433,829
Net cash flows from operating activities	-8,197	-18,079	-18,885	-24,909
Cash flows from investments in non-financial assets				
Sales of non-financial assets	13	89	318	2,365
Purchases of non-financial assets	-893	-1,908	-2,882	-11,216
Net cash flows from investments in non-financial assets	-880	-1,818	-2,564	-8,851
Net cash flows from investments in financial assets for policy purposes	-1,009	-3,069	-4,400	-19,678
Cash flows from investments in financial assets for liquidity purposes				
Increase in investments	107	58	-1,192	-19,579
Net cash flows from investments in financial assets for liquidity purposes	107	58	-1,192	-19,579
Cash flows from financing activities				
Borrowing (net)	9,688	22,557	24,590	77,572
Other financing (net)	13	-473	-581	-3,193
Net cash flows from financing activities	9,701	22,084	24,008	74,379
Net increase/(decrease) in cash held	-278	-825	-3,032	1,362
Net cash flows from operating activities and investments in non-financial assets (Surplus(+)/deficit(-))	-9,076	-19,897	-21,449	-33,760
Finance leases and similar arrangements(b)	0	-6	0	0
GFS cash surplus(+)/deficit(-)	-9,076	-19,904	-21,449	-33,760
less Net Future Fund earnings	441	955	1,276	3,321
Equals underlying cash balance(c)	-9,517	-20,858	-22,725	-37,081
plus Net cash flows from investments in financial assets for policy purposes	-1,009	-3,069	-4,400	-19,678
plus Net Future Fund earnings	441	955	1,276	3,321
Equals headline cash balance	-10,086	-22,972	-25,849	-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 September \$m	ACTUAL 2016-2017 YTD September \$m	Budget Profile 2016-2017 YTD September \$m	BUDGET ESTIMATE* 2016-2017 Full Year \$m
Individuals and other withholding taxes				
Gross income tax withholding	15,354	44,942	45,764	183,380
Gross other individuals	1,144	9,160	9,569	47,300
less Refunds	3,691	14,761	15,090	29,350
Total individuals and other withholding taxation	12,806	39,342	40,243	201,330
Fringe benefits tax	-9	935	979	4,760
Company tax	3,316	13,856	14,581	70,100
Superannuation funds	297	1,975	1,922	7,510
Resource rent taxes	5	250	186	850
Total income taxation revenue	16,414	56,357	57,912	284,550

*As published in the 2016-17 Budget.

Note 2: Indirect Tax

	ACTUAL 2016-2017 September \$m	ACTUAL 2016-2017 YTD September \$m	Budget Profile 2016-2017 YTD September \$m	BUDGET ESTIMATE* 2016-2017 Full Year \$m
Goods and services tax	2,904	14,481	14,765	63,340
Wine equalisation tax	58	182	198	910
Luxury car tax	56	165	143	570
Excise duty	1,631	5,240	5,330	21,785
Customs duty	674	3,210	3,372	14,010
Other indirect tax	616	1,517	1,380	6,118
Total indirect taxation revenue	5,940	24,795	25,188	106,733

*As published in the 2016-17 Budget.

Note 3: Total expenses by function

	ACTUAL 2016-2017 September \$m	ACTUAL 2016-2017 YTD September \$m	BUDGET ESTIMATE* 2016-2017 Full Year \$m
Expenses by function			
General public services	1,825	5,784	22,659
Defence	2,506	7,106	27,155
Public order and safety	351	1,212	4,915
Education	2,115	8,408	33,669
Health	5,891	18,798	71,413
Social security and welfare	12,966	41,120	158,612
Housing and community amenities	410	940	5,282
Recreation and culture	194	735	3,401
Fuel and energy	540	1,653	6,687
Agriculture, Forestry and Fishing	173	458	3,122
Mining, manufacturing and construction	327	879	3,545
Transport and communication(a)	316	678	11,131
Other economic affairs	772	2,312	9,832
Other purposes			
Public debt interest	1,233	3,757	16,644
Nominal superannuation interest	769	2,307	9,959
General purpose inter-government transactions	5,103	15,936	63,553
Natural disaster relief	0	0	27
Contingency reserve	0	0	-1,055
Total expenses	35,491	112,082	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>.