



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

**MEDIA RELEASE**

Friday, 14 October 2016

**AUSTRALIAN GOVERNMENT GENERAL GOVERNMENT SECTOR**  
**MONTHLY FINANCIAL STATEMENTS**  
**JULY AND AUGUST 2016**

**KEY POINTS**

- The underlying cash balance for the 2016-17 financial year to 31 August 2016 was a deficit of \$11,341 million.
- The fiscal balance for the 2016-17 financial year to 31 August 2016 was a deficit of \$14,142 million.

<b>AGGREGATES</b>					
	<b>ACTUAL 2016-2017 July \$m</b>	<b>ACTUAL 2016-2017 August \$m</b>	<b>ACTUAL 2016-2017 YTD August \$m</b>	<b>Budget Profile 2016-2017 YTD August \$m</b>	<b>BUDGET ESTIMATE* 2016-2017 Full Year \$m</b>
<b>Revenue</b>	32,149	30,339	62,489	63,427	416,862
<b>Expenses</b>	40,015	36,576	76,591	77,266	450,553
Net operating balance	-7,866	-6,237	-14,102	-13,839	-33,691
Net capital investment	-625	664	39	267	3,437
<b>Fiscal balance</b>	<b>-7,241</b>	<b>-6,901</b>	<b>-14,142</b>	<b>-14,106</b>	<b>-37,129</b>
Receipts(a)	31,632	33,007	64,639	63,915	411,284
less Payments(b)	40,523	34,943	75,466	76,186	445,045
less Net Future Fund earnings	229	285	514	408	3,321
<b>Underlying cash balance(c)</b>	<b>-9,120</b>	<b>-2,221</b>	<b>-11,341</b>	<b>-12,679</b>	<b>-37,081</b>
<b>Headline cash balance</b>	<b>-9,934</b>	<b>-2,952</b>	<b>-12,887</b>	<b>-15,118</b>	<b>-53,438</b>
<b>Total assets</b>	<b>471,108</b>		<b>469,814</b>		<b>509,633</b>
<b>Total liabilities</b>	<b>897,575</b>		<b>901,481</b>		<b>810,561</b>
<b>Net worth(d)</b>	<b>-426,467</b>		<b>-431,666</b>		<b>-300,929</b>
<b>Net debt(e)</b>	<b>307,861</b>		<b>312,255</b>		<b>325,962</b>

\*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 31 August 2016 was a deficit of \$11,341 million, which is \$1,338 million lower than the 2016-17 Budget profile deficit of \$12,679 million.

- **Receipts**  
Total receipts were \$724 million higher than the 2016-17 Budget profile.
- **Payments**  
Total payments were \$720 million lower than the 2016-17 Budget profile.

### **Fiscal Balance**

The fiscal balance for the year to 31 August 2016 was a deficit of \$14,142 million, which is consistent with the 2016-17 Budget profile deficit of \$14,106 million. The difference of \$36 million relates to lower than expected revenue partially offset by lower than expected expenses.

### **Assets and Liabilities**

As at 31 August 2016:

- Net worth is negative \$431,666 million;
- Net debt is \$312,255 million; and
- Net financial liabilities are \$605,181 million.

Senator the Hon Mathias Cormann  
Minister for Finance

Jane Halton  
Secretary  
Department of Finance

**Media Contacts**  
**Karen Wu**

**0428 350 139**

# Australian Government general government sector operating statement

		ACTUAL 2016-2017 July \$m	ACTUAL 2016-2017 August \$m	ACTUAL 2016-2017 YTD August \$m	Budget Profile 2016-2017 YTD August \$m	BUDGET ESTIMATE* 2016-2017 Full Year \$m
	Note					
<b>Revenue</b>						
Taxation revenue	1, 2	30,318	28,480	58,798	59,318	391,283
Sales of goods and services		811	669	1,481	1,433	9,249
Interest income		287	294	581	708	4,280
Dividend income		125	291	416	634	3,242
Other		608	605	1,213	1,333	8,807
<b>Total revenue</b>		<b>32,149</b>	<b>30,339</b>	<b>62,489</b>	<b>63,427</b>	<b>416,862</b>
<b>Expenses</b>						
Gross operating expenses						
Wages and salaries(a)		1,604	1,735	3,339	3,336	20,071
Superannuation		585	613	1,198	780	4,618
Depreciation and amortisation		688	612	1,300	1,250	7,522
Supply of goods and services		7,374	7,486	14,860	14,946	86,745
Other operating expenses(a)		467	516	983	936	5,452
<b>Total gross operating expenses</b>		<b>10,718</b>	<b>10,962</b>	<b>21,680</b>	<b>21,248</b>	<b>124,408</b>
Superannuation interest expense		727	812	1,538	1,660	9,959
Interest expenses		1,373	1,373	2,747	2,926	18,725
Current transfers						
Current grants		12,515	9,958	22,472	22,991	138,966
Subsidy expenses		1,054	1,077	2,131	2,214	13,425
Personal benefits		12,718	11,427	24,145	24,073	132,562
<b>Total current transfers</b>		<b>26,287</b>	<b>22,462</b>	<b>48,748</b>	<b>49,278</b>	<b>284,953</b>
Capital transfers						
Mutually agreed write-downs		122	123	246	332	1,845
Other capital grants		788	844	1,632	1,822	10,663
<b>Total capital transfers</b>		<b>911</b>	<b>967</b>	<b>1,878</b>	<b>2,154</b>	<b>12,508</b>
<b>Total expenses</b>	3	<b>40,015</b>	<b>36,576</b>	<b>76,591</b>	<b>77,266</b>	<b>450,553</b>
<b>Net operating balance</b>		<b>-7,866</b>	<b>-6,237</b>	<b>-14,102</b>	<b>-13,839</b>	<b>-33,691</b>
<b>Other economic flows</b>						
<b>- included in operating result</b>						
Net write-downs of assets (including bad and doubtful debts)		-365	-400	-764	-1,156	-8,077
Assets recognised for the first time		18	26	44	92	348
Liabilities recognised for the first time		0	0	0	0	0
Actuarial revaluations		0	0	0	0	0
Net foreign exchange gains		477	-71	406	8	8
Net swap interest received		-6	31	25	0	0
Market valuation of debt		-3,460	-128	-3,588	560	3,156
Other gains/(losses)		914	390	1,303	844	4,705
<b>Total other economic flows</b>		<b>-2,423</b>	<b>-152</b>	<b>-2,574</b>	<b>347</b>	<b>140</b>
<b>Operating result (b)</b>		<b>-10,288</b>	<b>-6,388</b>	<b>-16,676</b>	<b>-13,492</b>	<b>-33,552</b>
<b>Non-owner movements in equity</b>						
Revaluation of equity investments(c)		42	2	44	0	-2,880
Actuarial revaluations		0	0	0	0	-6
Other economic revaluations(d)		2,344	1,186	3,530	5,464	536
<b>Total other economic flows - included in equity</b>		<b>2,386</b>	<b>1,188</b>	<b>3,575</b>	<b>5,464</b>	<b>-2,350</b>
<b>Comprehensive result - Total change in net worth</b>		<b>-7,902</b>	<b>-5,200</b>	<b>-13,102</b>	<b>-8,028</b>	<b>-35,902</b>
<b>Net operating balance</b>		<b>-7,866</b>	<b>-6,237</b>	<b>-14,102</b>	<b>-13,839</b>	<b>-33,691</b>
<b>Net acquisition of non-financial assets</b>						
Purchases of non-financial assets		373	1,291	1,665	1,558	11,416
less Sales of non-financial assets		15	29	44	84	932
less Depreciation		688	612	1,300	1,250	7,522
plus Change in inventories		-308	53	-256	33	449
plus Other movements in non-financial assets		13	-39	-26	9	26
<b>Total net acquisition of non-financial assets</b>		<b>-625</b>	<b>664</b>	<b>39</b>	<b>267</b>	<b>3,437</b>
<b>Fiscal balance (Net lending/borrowing)(e)</b>		<b>-7,241</b>	<b>-6,901</b>	<b>-14,142</b>	<b>-14,106</b>	<b>-37,129</b>

\*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 31 July 2016 \$m	ACTUAL as at 31 August 2016 \$m	BUDGET ESTIMATE* as at 30 June 2017 \$m
<b>Assets</b>			
Financial assets			
Cash and deposits	3,273	2,955	4,874
Advances paid	52,849	52,929	62,637
Investments, loans and placements	149,752	150,330	173,479
Other receivables	52,365	47,650	48,646
Equity investments			
Investments in other public sector entities	44,788	46,497	50,846
Equity accounted investments	365	364	354
Investments - shares	41,175	42,071	42,558
<i>Total financial assets</i>	<i>344,566</i>	<i>342,797</i>	<i>383,395</i>
Non-financial assets			
Land	10,568	10,590	9,674
Buildings	25,496	25,421	26,391
Plant, equipment and infrastructure	62,966	63,584	62,239
Inventories	8,053	8,008	8,184
Intangibles	7,318	7,261	7,414
Investment property	209	210	200
Biological assets	48	46	44
Heritage and cultural assets	11,441	11,519	11,658
Assets held for sale	243	214	147
Other non-financial assets	200	162	288
<i>Total non-financial assets</i>	<i>126,542</i>	<i>127,017</i>	<i>126,238</i>
<b>Total assets</b>	<b>471,108</b>	<b>469,814</b>	<b>509,633</b>
<b>Liabilities</b>			
Interest bearing liabilities			
Deposits held	217	216	218
Government securities	495,756	500,478	549,537
Loans	16,078	16,094	15,739
Other borrowing	1,683	1,680	1,458
<i>Total interest bearing liabilities</i>	<i>513,734</i>	<i>518,469</i>	<i>566,952</i>
Provisions and payables			
Superannuation liability(a)	314,908	315,475	175,661
Other employee liabilities	18,294	18,516	17,332
Suppliers payable	4,289	3,954	6,092
Personal benefits provisions and payable	12,021	11,734	13,542
Subsidies provisions and payable	4,954	4,827	5,216
Grants provisions and payable	11,424	11,350	10,876
Other provisions and payables	17,951	17,155	14,891
<i>Total provisions and payables</i>	<i>383,841</i>	<i>383,012</i>	<i>243,610</i>
<b>Total liabilities</b>	<b>897,575</b>	<b>901,481</b>	<b>810,561</b>
<b>Net worth(b)</b>	<b>-426,467</b>	<b>-431,666</b>	<b>-300,929</b>
<i>Net financial worth(c)</i>	<i>-553,008</i>	<i>-558,684</i>	<i>-427,167</i>
<i>Net financial liabilities(d)</i>	<i>597,797</i>	<i>605,181</i>	<i>478,013</i>
<i>Net debt(e)</i>	<i>307,861</i>	<i>312,255</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.

# Australian Government general government sector cash flow statement <sup>(a)</sup>

	ACTUAL 2016-2017 July \$m	ACTUAL 2016-2017 August \$m	ACTUAL 2016-2017 YTD August \$m	Budget Profile 2016-2017 YTD August \$m	BUDGET ESTIMATE* 2016-2017 Full Year \$m
<b>Cash receipts from operating activities</b>					
Taxes received	29,480	27,742	57,222	56,978	382,769
Receipts from sales of goods and services	744	876	1,620	1,504	9,176
Interest receipts	270	285	555	541	3,262
Dividends and income tax equivalents	214	3,442	3,656	3,238	5,833
Other receipts	908	601	1,509	1,427	7,879
<b>Total operating receipts</b>	<b>31,616</b>	<b>32,946</b>	<b>64,563</b>	<b>63,687</b>	<b>408,919</b>
<b>Cash payments for operating activities</b>					
Payments for employees	-2,290	-2,376	-4,666	-4,627	-28,259
Payments for goods and services	-8,965	-7,463	-16,428	-15,945	-87,036
Grants and subsidies paid	-14,841	-12,031	-26,872	-26,814	-161,853
Interest paid	-1,177	-449	-1,625	-1,826	-15,903
Personal benefit payments	-13,105	-11,549	-24,654	-24,940	-135,637
Other payments	286	-485	-199	-487	-5,141
<b>Total operating payments</b>	<b>-40,092</b>	<b>-34,353</b>	<b>-74,445</b>	<b>-74,639</b>	<b>-433,829</b>
<b>Net cash flows from operating activities</b>	<b>-8,475</b>	<b>-1,407</b>	<b>-9,882</b>	<b>-10,951</b>	<b>-24,909</b>
<b>Cash flows from investments in non-financial assets</b>					
Sales of non-financial assets	15	61	76	227	2,365
Purchases of non-financial assets	-431	-584	-1,015	-1,547	-11,216
<b>Net cash flows from investments in non-financial assets</b>	<b>-416</b>	<b>-523</b>	<b>-939</b>	<b>-1,319</b>	<b>-8,851</b>
<b>Net cash flows from investments in financial assets for policy purposes</b>	<b>-1,043</b>	<b>-1,016</b>	<b>-2,059</b>	<b>-2,847</b>	<b>-19,678</b>
<b>Cash flows from investments in financial assets for liquidity purposes</b>					
Increase in investments	985	-1,034	-49	-4,219	-19,579
<b>Net cash flows from investments in financial assets for liquidity purposes</b>	<b>985</b>	<b>-1,034</b>	<b>-49</b>	<b>-4,219</b>	<b>-19,579</b>
<b>Cash flows from financing activities</b>					
Borrowing (net)	9,087	3,782	12,869	16,359	77,572
Other financing (net)	-367	-119	-486	-520	-3,193
<b>Net cash flows from financing activities</b>	<b>8,720</b>	<b>3,663</b>	<b>12,383</b>	<b>15,840</b>	<b>74,379</b>
<b>Net increase/(decrease) in cash held</b>	<b>-229</b>	<b>-318</b>	<b>-547</b>	<b>-3,497</b>	<b>1,362</b>
<b>Net cash flows from operating activities and investments in non-financial assets (Surplus+)/(deficit-)</b>	<b>-8,891</b>	<b>-1,930</b>	<b>-10,821</b>	<b>-12,271</b>	<b>-33,760</b>
Finance leases and similar arrangements(b)	0	-6	-6	0	0
<b>GFS cash surplus+/(deficit-)</b>	<b>-8,891</b>	<b>-1,936</b>	<b>-10,827</b>	<b>-12,271</b>	<b>-33,760</b>
less Net Future Fund earnings	229	285	514	408	3,321
<b>Equals underlying cash balance(c)</b>	<b>-9,120</b>	<b>-2,221</b>	<b>-11,341</b>	<b>-12,679</b>	<b>-37,081</b>
plus Net cash flows from investments in financial assets for policy purposes	-1,043	-1,016	-2,059	-2,847	-19,678
plus Net Future Fund earnings	229	285	514	408	3,321
<b>Equals headline cash balance</b>	<b>-9,934</b>	<b>-2,952</b>	<b>-12,887</b>	<b>-15,118</b>	<b>-53,438</b>

\*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 July \$m	ACTUAL 2016-2017 August \$m	ACTUAL 2016-2017 YTD August \$m	Budget Profile 2016-2017 YTD August \$m	BUDGET ESTIMATE* 2016-2017 Full Year \$m
Individuals and other withholding taxes					
Gross income tax withholding	13,226	16,362	29,589	29,714	183,380
Gross other individuals	5,661	2,356	8,017	8,401	47,300
/less Refunds	5,094	5,975	11,070	11,096	29,350
<b>Total individuals and other withholding taxation</b>	<b>13,793</b>	<b>12,743</b>	<b>26,536</b>	<b>27,018</b>	<b>201,330</b>
Fringe benefits tax	897	47	944	993	4,760
Company tax	5,591	4,950	10,540	10,489	70,100
Superannuation funds	1,010	667	1,678	1,540	7,510
Resource rent taxes	31	214	245	239	850
<b>Total income taxation revenue</b>	<b>21,321</b>	<b>18,621</b>	<b>39,943</b>	<b>40,279</b>	<b>284,550</b>

\*As published in the 2016-17 Budget.

## Note 2: Indirect Tax

	ACTUAL 2016-2017 July \$m	ACTUAL 2016-2017 August \$m	ACTUAL 2016-2017 YTD August \$m	Budget Profile 2016-2017 YTD August \$m	BUDGET ESTIMATE* 2016-2017 Full Year \$m
Goods and services tax	5,795	5,782	11,577	11,707	63,340
Wine equalisation tax	67	57	124	131	910
Luxury car tax	58	51	109	98	570
Excise duty	1,596	2,013	3,609	3,643	21,785
Customs duty	978	1,558	2,536	2,512	14,010
Other indirect tax	504	397	901	948	6,118
<b>Total indirect taxation revenue</b>	<b>8,997</b>	<b>9,858</b>	<b>18,855</b>	<b>19,039</b>	<b>106,733</b>

\*As published in the 2016-17 Budget.

## Note 3: Total expenses by function

	ACTUAL 2016-2017 July \$m	ACTUAL 2016-2017 August \$m	ACTUAL 2016-2017 YTD August \$m	BUDGET ESTIMATE* 2016-2017 Full Year \$m
<b>Expenses by function</b>				
General public services	1,859	2,099	3,958	22,659
Defence	2,327	2,274	4,600	27,155
Public order and safety	470	390	860	4,915
Education	4,506	1,787	6,293	33,669
Health	6,496	6,411	12,907	71,413
Social security and welfare	14,928	13,226	28,154	158,612
Housing and community amenities	217	314	531	5,282
Recreation and culture	291	251	542	3,401
Fuel and energy	569	544	1,113	6,687
Agriculture, Forestry and Fishing	106	179	285	3,122
Mining, manufacturing and construction	278	274	552	3,545
Transport and communication(a)	67	295	362	11,131
Other economic affairs	761	779	1,540	9,832
Other purposes				
Public debt interest	1,261	1,263	2,524	16,644
Nominal superannuation interest	727	812	1,538	9,959
General purpose inter-government transactions	5,153	5,680	10,833	63,553
Natural disaster relief	0	0	0	27
Contingency reserve	0	0	0	-1,055
<b>Total expenses</b>	<b>40,015</b>	<b>36,576</b>	<b>76,591</b>	<b>450,553</b>

\*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-june-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>.