



SENATOR THE HON SIMON BIRMINGHAM
Minister for Finance
Leader of the Government in the Senate

Friday, 30 April 2021

MEDIA RELEASE

AUSTRALIAN GOVERNMENT GENERAL GOVERNMENT SECTOR
MONTHLY FINANCIAL STATEMENTS
March 2021

KEY POINTS

- The Monthly Financial Statements for March 2021 report the budget position against the expected monthly profile for the 2020-21 financial year through to 31 March 2021, based on the 2020-21 Mid-Year Economic and Fiscal Outlook (MYEFO) estimates published in December 2020.
- The March 2021 year to date results include the impact of the Australian Government's response to COVID-19.
- The underlying cash balance for the 2020-21 financial year to 31 March 2021 was a deficit of \$133.3 billion against the MYEFO profile deficit of \$162.7 billion.
- The fiscal balance for the 2020-21 financial year to 31 March 2021 was a deficit of \$134.0 billion against the MYEFO profile deficit of \$164.3 billion.

AGGREGATES	ACTUAL	ACTUAL	MYEFO Profile	MYEFO
	2020-2021 March \$b	2020-2021 YTD March \$b	2020-2021 YTD March \$b	ESTIMATE* 2020-2021 FULL YEAR \$b
Revenue	47.7	368.8	352.3	482.1
Expenses	48.8	499.6	511.0	667.3
Net operating balance	-1.1	-130.8	-158.6	-185.2
Net capital investment	0.3	3.2	5.7	8.8
Fiscal balance	-1.4	-134.0	-164.3	-193.9
Receipts(a)	50.1	367.3	350.4	473.1
Payments(b)	48.7	500.6	513.1	670.9
Underlying cash balance	1.4	-133.3	-162.7	-197.7
Headline cash balance	0.7	-138.3	-172.9	-214.9
Total assets		715.2		684.2
Total liabilities		1,461.2		1,330.8
Net worth(c)		-746.0		-646.5
Net debt(d)		587.5		691.9

*As published in the 2020-21 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 cash flows from financing activities for leases.

(c) Net worth is calculated as total assets minus total liabilities.

(d) Net debt is the sum of interest bearing liabilities less the sum of selected financial assets (cash and deposits, advances paid, and investments, loans and placements).

Monthly results are generally volatile due to timing differences between revenue and receipts, and expenses and payments. Care needs to be taken when comparing monthly or cumulative data across years and to full-year estimates, as revenue and receipts and expenses and payments vary from month to month.

FISCAL OUTCOMES

Underlying Cash Balance

The underlying cash balance for the financial year to 31 March 2021 was a deficit of \$133.3 billion, which is \$29.5 billion lower than the 2020-21 MYEFO profile deficit of \$162.7 billion.

- **Receipts**
Total receipts were \$16.9 billion higher than the 2020-21 MYEFO profile.
- **Payments**
Total payments were \$12.6 billion lower than the 2020-21 MYEFO profile.

Net Operating Balance

The net operating balance for the year to 31 March 2021 was a deficit of \$130.8 billion, which is \$27.8 billion lower than the 2020-21 MYEFO profile deficit of \$158.6 billion. The difference results from higher than expected revenue and lower than expected expenses.

Fiscal Balance

The fiscal balance for the year to 31 March 2021 was a deficit of \$134.0 billion, which is \$30.3 billion lower than the 2020-21 MYEFO profile deficit of \$164.3 billion. The difference results from higher than expected revenue, and lower than expected expenses and net capital investment.

Assets and Liabilities

As at 31 March 2021:

- net worth is negative \$746.0 billion;
- net debt is \$587.5 billion; and
- net financial liabilities are \$988.1 billion.

Senator the Hon. Simon Birmingham
Minister for Finance

Rosemary Huxtable PSM
Secretary
Department of Finance

Media Contacts

Benn Ayre

0428 342 325

Australian Government general government sector operating statement

		ACTUAL 2020-2021 March \$m	ACTUAL 2020-2021 YTD March \$m	MYEFO Profile 2020-2021 YTD March \$m	MYEFO ESTIMATE* 2020-2021 FULL YEAR \$m
Note					
Revenue					
	1,2	43,721	339,667	324,716	441,842
		1,326	11,856	11,836	15,765
		258	2,506	3,159	4,161
		969	5,141	3,437	8,203
		1,408	9,652	9,195	12,165
		47,682	368,822	352,343	482,136
Expenses					
Gross operating expenses					
		1,937	15,905	16,065	21,665
		1,069	9,377	9,350	12,427
		984	8,547	9,052	12,087
		12,153	101,301	104,780	151,369
		662	5,743	6,035	8,322
		16,804	140,873	145,282	205,870
		584	5,253	5,253	7,004
		1,726	14,643	14,658	20,596
Current transfers					
		12,343	120,830	121,026	160,505
		2,603	82,693	84,190	88,718
		13,261	128,009	133,154	168,222
		28,207	331,533	338,370	417,446
Capital transfers					
		565	2,468	2,011	2,286
		923	4,831	5,395	14,119
		1,488	7,299	7,407	16,405
	3	48,808	499,600	510,970	667,321
		-1,126	-130,778	-158,627	-185,185
Other economic flows					
- included in operating result					
		-287	-3,416	-3,395	-4,618
		9	91	130	173
		19	19	0	111
		29	-436	-1	-278
		126	1,258	678	608
		-6,905	41,288	2,910	4,501
		5,262	14,027	5,697	5,377
		-1,747	52,832	6,018	5,873
		-2,873	-77,946	-152,609	-179,311
Operating Result(c)					
Non-owner movements in equity					
		-2	1	1	-4,201
		0	0	0	54
		-194	-750	162	-326
		-196	-749	163	-4,473
Comprehensive result					
		-3,069	-78,695	-152,446	-183,785
		-1,126	-130,778	-158,627	-185,185
Net acquisition of non-financial assets					
		1,159	10,044	13,266	18,813
		19	168	130	274
		984	8,547	9,052	12,087
		119	1,899	1,609	2,310
		-4	16	14	-4
		271	3,244	5,708	8,758
		-1,397	-134,022	-164,335	-193,942

*As published in the 2020-21 MYEFO.

(a) Consistent with the 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) From 2020-21, the value of Debt Not Expected to be Repaid on initial recognition of income contingent concessional loans is reported as *Other Financing costs* rather than as a valuation adjustment. This change is consistent with Australian Accounting Standards and brings the accounting treatment of income contingent concessional loans into line with other concessional loans.

(c) Operating result under Australian Accounting Standards.

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

Australian Government general government sector balance sheet

	ACTUAL as at 31 March 2021 \$m	MYEFO ESTIMATE* as at 30 June 2021 \$m
Assets		
Financial assets		
Cash and deposits	7,531	6,115
Advances paid	83,043	87,370
Investments, loans and placements	237,520	204,339
Other receivables	70,113	67,649
Equity investments		
Investments in other public sector entities	64,651	63,987
Equity accounted investments	3,467	3,547
Investments - shares	71,392	67,391
<i>Total financial assets</i>	<i>537,717</i>	<i>500,397</i>
Non-financial assets		
Land	11,746	11,743
Buildings	42,186	43,671
Plant, equipment and infrastructure	90,193	93,954
Inventories	11,533	11,814
Intangibles	9,306	10,145
Investment properties	225	218
Biological assets	26	28
Heritage and cultural assets	11,965	11,992
Assets held for sale	242	241
Other non-financial assets	53	34
<i>Total non-financial assets</i>	<i>177,474</i>	<i>183,840</i>
Total assets	715,191	684,236
Liabilities		
Interest bearing liabilities		
Deposits held	415	484
Government securities	879,209	953,548
Loans	16,761	16,775
Lease liabilities	19,204	18,907
<i>Total interest bearing liabilities</i>	<i>915,588</i>	<i>989,714</i>
Provisions and payables		
Superannuation liability(a)	436,987	236,687
Other employee liabilities	32,987	33,099
Suppliers payables	6,351	8,428
Personal benefits payables	3,438	3,105
Subsidies payables	734	1,000
Grants payables	3,138	3,972
Other payables	6,107	2,687
Provisions	55,836	52,061
<i>Total provisions and payables</i>	<i>545,577</i>	<i>341,037</i>
Total liabilities	1,461,165	1,330,751
Net worth(b)	-745,974	-646,515
<i>Net financial worth(c)</i>	<i>-923,449</i>	<i>-830,355</i>
<i>Net financial liabilities(d)</i>	<i>988,099</i>	<i>894,342</i>
<i>Net debt(e)</i>	<i>587,495</i>	<i>691,891</i>

*As published in the 2020-21 MYEFO.

(a) For budget reporting purposes, a discount rate of 5 per cent determined by actuaries in preparing the 2017 Long Term Cost Reports is used to value the superannuation liability. This reflects the average annual rate estimated to apply over the term of the liability and it reduces the volatility in reported liabilities that would occur from year to year if the spot rates on long-term government bonds were used. Consistent with Australian Accounting Standards, the superannuation liability for the 2020-21 Monthly Financial Statements was calculated using the spot rates on long-term government bonds as at 30 June 2020 that best matched each individual scheme's liability duration. These rates were between 1.0 and 1.7 per cent per annum.

(b) Net worth equals 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 is the sum of interest bearing liabilities less the sum of selected financial assets (cash and deposits, advances paid, and investments, loans and placements).

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

	ACTUAL 2020-2021 March \$m	ACTUAL 2020-2021 YTD March \$m	MYEFO Profile 2020-2021 YTD March \$m	MYEFO ESTIMATE* 2020-2021 FULL YEAR \$m
Cash receipts from operating activities				
Taxes received	46,484	335,361	319,705	433,500
Receipts from sales of goods and services	1,307	13,259	12,090	16,233
Interest receipts	167	2,043	2,879	3,709
Dividends and income tax equivalents	925	7,660	6,038	7,115
Other receipts	1,175	8,835	9,575	12,295
Total operating receipts	50,057	367,158	350,288	472,853
Cash payments for operating activities				
Payments for employees(b)	-2,700	-23,446	-23,783	-32,600
Payments for goods and services	-11,871	-101,586	-104,313	-148,265
Grants and subsidies paid	-16,294	-219,000	-222,098	-276,728
Interest paid	-415	-9,772	-9,768	-17,174
Personal benefit payments	-14,739	-129,623	-134,473	-168,985
Other payments(b)	-562	-5,584	-5,578	-7,520
Total operating payments	-46,582	-489,009	-500,014	-651,271
Net cash flows from operating activities	3,476	-121,851	-149,726	-178,419
Cash flows from investments in non-financial assets				
Sales of non-financial assets	7	145	127	280
Purchases of non-financial assets	-1,913	-9,677	-11,350	-17,270
Net cash flows from investments in non-financial assets	-1,906	-9,532	-11,222	-16,989
Net cash flows from investments in financial assets for policy purposes	-733	-5,045	-10,139	-17,145
Net cash flows from investments in financial assets for liquidity purposes	-5,083	2,986	4,384	38,608
Cash flows from financing activities				
Borrowing (net)	2,391	134,502	169,082	176,924
Other financing (net)	-10	-2,982	-3,306	-6,317
Net cash flows from financing activities	2,381	131,519	165,776	170,607
Net increase/(decrease) in cash held	-1,866	-1,923	-927	-3,338
GFS cash surplus(+)/deficit(-)(c)	1,570	-131,383	-160,948	-195,408
<i>plus</i> Net cash flows from financing activities for leases(d)	-184	-1,875	-1,774	-2,339
Equals underlying cash balance(e)	1,385	-133,258	-162,722	-197,747
<i>plus</i> Net cash flows from investments in financial assets for policy purposes	-733	-5,045	-10,139	-17,145
Equals headline cash balance	652	-138,303	-172,861	-214,892

*As published in the 2020-21 MYEFO.

(a) A positive number denotes a cash inflow; a negative number denotes a cash outflow.

(b) Consistent with the ABS GFS classification, other employee related payments are classified separately from wages and salaries under other payments.

(c) GFS cash surplus/deficit equals net cash flows from operating activities and investments in non-financial assets.

(d) Principal payments on lease liabilities, which are cash flows from financing activities, are deducted in the calculation of the underlying cash balance to maintain consistency of measure following the implementation of AASB 16 Leases.

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

Note 1: Income Tax

	ACTUAL 2020-2021 March \$m	ACTUAL 2020-2021 YTD March \$m	MYEFO Profile 2020-2021 YTD March \$m	MYEFO ESTIMATE* 2020-2021 FULL YEAR \$m
Individuals and other w ithholding taxes				
Gross income tax w ithholding	19,351	165,491	162,548	212,400
Gross other individuals	6,721	33,116	31,714	46,900
/ess Refunds	1,516	31,591	32,363	37,400
Total individuals and other w ithholding taxation	24,556	167,016	161,899	221,900
Fringe benefits tax	65	2,938	2,951	3,880
Company tax	8,437	67,515	64,707	89,100
Superannuation fund taxes	885	8,922	7,259	8,740
Petroleum resource rent tax	21	602	592	770
Total income taxation revenue	33,965	246,992	237,407	324,390

*As published in the 2020-21 MYEFO.

Note 2: Indirect Tax

	ACTUAL 2020-2021 March \$m	ACTUAL 2020-2021 YTD March \$m	MYEFO Profile 2020-2021 YTD March \$m	MYEFO ESTIMATE* 2020-2021 FULL YEAR \$m
Goods and services tax	5,199	53,390	49,303	65,750
Wine equalisation tax	59	792	776	1,060
Luxury car tax	75	585	462	610
Excise duty	2,391	18,155	17,666	23,400
Customs duty	1,367	13,403	13,611	19,090
Other indirect tax	666	6,350	5,491	7,542
Total indirect taxation revenue	9,757	92,675	87,309	117,452

*As published in the 2020-21 MYEFO.

Note 3: Total expenses by function

	ACTUAL 2020-2021 March \$m	ACTUAL 2020-2021 YTD March \$m	MYEFO ESTIMATE* 2020-2021 FULL YEAR \$m
Expenses by function			
General public services	2,394	23,362	32,618
Defence	2,970	23,272	34,407
Public order and safety	639	4,568	6,253
Education	2,561	35,745	43,318
Health	8,153	69,902	95,119
Social security and w elfare	19,155	172,662	230,519
Housing and community amenities	485	3,492	6,871
Recreation and culture	345	2,878	4,393
Fuel and energy	722	6,316	8,899
Agriculture, forestry and fishing	319	2,132	3,982
Mining, manufacturing and construction	291	2,354	3,609
Transport and communication	834	5,115	13,337
Other economic affairs	2,485	78,992	87,070
Other purposes			
Public debt interest	1,578	12,462	17,051
Nominal superannuation interest	584	5,253	7,004
General purpose inter-government transactions	5,293	51,095	67,199
Natural disaster relief	0	0	266
Contingency reserve	0	0	5,403
Total expenses	48,808	499,600	667,321

*As published in the 2020-21 MYEFO.

NOTES:

AASB 1049 *Whole of Government and General Government Sector Financial Reporting* (AASB 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 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.

AASB 16 *Leases* (AASB 16)

The new Australian Accounting Standard, AASB 16, applied to all Australian Government entities from 1 July 2019. AASB 16 introduced a single lease accounting framework for lessees and removed the distinction between operating and finance leases. As a result, new assets and liabilities have been recognised on the balance sheet for leases that were previously accounted for as operating expenses. The reduction in operating lease expenses is replaced with the depreciation charge for the right-of-use assets and interest expense on the lease liabilities.

The implementation of AASB 16 has implications for a number of budget aggregates, in particular, net debt and net financial worth due to the recognition of the new lease liabilities. To maintain consistency in the measurement of the underlying cash balance, the principal payments on lease liabilities which are recognised as cash flows from financing activities, have been included in the calculation following the implementation of AASB 16.

For General Government Sector financial reporting, the implementation of AASB 16 has been reflected in the 2019-20 MYEFO estimates and in the Australian Government General Government Sector Monthly Financial Statements from the December 2019 reporting period.

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 <https://www.aofm.gov.au/data-hub>.

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>.