



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

Friday, 25 June 2021

**MEDIA RELEASE**

**AUSTRALIAN GOVERNMENT GENERAL GOVERNMENT SECTOR**  
**MONTHLY FINANCIAL STATEMENTS**  
**May 2021**

**KEY POINTS**

- The Monthly Financial Statements for May 2021 report the budget position against the expected monthly profile for the 2020-21 financial year through to 31 May 2021, based on the 2020-21 Revised Budget estimate published in the 2021-22 Budget in May 2021.
- The May 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 May 2021 was a deficit of \$125.4 billion against the Revised Budget profile deficit of \$139.3 billion.
- The fiscal balance for the 2020-21 financial year to 31 May 2021 was a deficit of \$121.6 billion against the Revised Budget profile deficit of \$137.5 billion.

<b>AGGREGATES</b>	<b>ACTUAL 2020-2021 May \$b</b>	<b>ACTUAL 2020-2021 YTD May \$b</b>	<b>Revised Budget Profile 2020-2021 YTD May \$b</b>	<b>REVISED BUDGET ESTIMATE* 2020-2021 FULL YEAR \$b</b>
<b>Revenue</b>	55.3	473.7	463.6	504.9
<b>Expenses</b>	48.5	590.7	595.1	659.4
<b>Net operating balance</b>	6.8	-117.0	-131.4	-154.5
Net capital investment	0.4	4.6	6.0	8.6
<b>Fiscal balance</b>	6.4	-121.6	-137.5	-163.2
Receipts(a)	53.8	469.7	460.1	499.8
Payments(b)	47.4	595.1	599.4	660.8
<b>Underlying cash balance</b>	6.4	-125.4	-139.3	-161.0
<b>Headline cash balance</b>	8.4	-129.0	-143.9	-168.2
<b>Total assets</b>		727.9		693.2
<b>Total liabilities</b>		1,459.1		1,279.7
<b>Net worth(c)</b>		-731.2		-586.5
<b>Net debt(d)</b>		583.0		617.5

\*As published in the 2021-22 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 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 May 2021 was a deficit of \$125.4 billion, which is \$13.9 billion lower than the 2020-21 Revised Budget profile deficit of \$139.3 billion.

- **Receipts**  
Total receipts were \$9.6 billion higher than the 2020-21 Revised Budget profile.
- **Payments**  
Total payments were \$4.3 billion lower than the 2020-21 Revised Budget profile.

### **Net Operating Balance**

The net operating balance for the financial year to 31 May 2021 was a deficit of \$117.0 billion, which is \$14.4 billion lower than the 2020-21 Revised Budget profile deficit of \$131.4 billion. The difference results from higher than expected revenue and lower than expected expenses.

### **Fiscal Balance**

The fiscal balance for the financial year to 31 May 2021 was a deficit of \$121.6 billion, which is \$15.9 billion lower than the 2020-21 Revised Budget profile deficit of \$137.5 billion. The difference results from higher than expected revenue, and lower than expected expenses and net capital investment.

### **Assets and Liabilities**

As at 31 May 2021:

- net worth is negative \$731.2 billion;
- net debt is \$583.0 billion; and
- net financial liabilities are \$973.6 billion.

Senator the Hon. Simon Birmingham  
Minister for Finance

Rosemary Huxtable PSM  
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## Australian Government general government sector operating statement

		ACTUAL 2020-2021 May \$m	ACTUAL 2020-2021 YTD May \$m	Revised Budget Profile 2020-2021 YTD May \$m	REVISED BUDGET ESTIMATE* 2020-2021 FULL YEAR \$m
Note					
<b>Revenue</b>					
	1,2	52,920	437,956	429,312	465,771
		925	14,717	14,662	15,947
		-314	2,473	2,658	2,901
		445	6,223	5,858	8,038
		1,285	12,291	11,158	12,231
		<b>55,260</b>	<b>473,660</b>	<b>463,648</b>	<b>504,888</b>
<b>Expenses</b>					
Gross operating expenses					
		1,834	19,557	19,635	21,779
		1,059	11,418	11,256	12,387
		972	10,487	10,700	11,851
		12,564	125,877	128,205	144,601
		789	7,167	7,145	8,405
		<b>17,218</b>	<b>174,506</b>	<b>176,940</b>	<b>199,021</b>
		584	6,420	6,420	7,004
		1,717	17,119	17,127	19,812
Current transfers					
		14,147	145,603	146,217	167,111
		1,560	85,498	85,814	86,892
		11,601	150,873	151,688	161,889
		<b>27,309</b>	<b>381,975</b>	<b>383,719</b>	<b>415,892</b>
Capital transfers					
		183	2,712	2,718	2,954
		1,441	7,941	8,167	14,755
		<b>1,624</b>	<b>10,652</b>	<b>10,885</b>	<b>17,709</b>
	3	<b>48,451</b>	<b>590,672</b>	<b>595,091</b>	<b>659,437</b>
		<b>6,809</b>	<b>-117,012</b>	<b>-131,443</b>	<b>-154,549</b>
<b>Other economic flows</b>					
<b>- included in operating result</b>					
		-527	-4,612	-3,070	-4,003
		32	123	97	195
		0	-5	-5	126
		-17	-491	45	-479
		15	1,261	1,137	1,148
		-1,187	36,194	37,465	37,494
		4,068	22,441	16,587	15,502
		<b>2,384</b>	<b>54,910</b>	<b>52,254</b>	<b>49,984</b>
		<b>9,193</b>	<b>-62,102</b>	<b>-79,190</b>	<b>-104,565</b>
<b>Non-owner movements in equity</b>					
		0	-7	4	-10,149
		0	0	0	-1,242
		13	-1,852	-2,196	-2,614
		<b>13</b>	<b>-1,858</b>	<b>-2,192</b>	<b>-14,005</b>
<b>Comprehensive result</b>					
		<b>9,206</b>	<b>-63,960</b>	<b>-81,382</b>	<b>-118,570</b>
		<b>6,809</b>	<b>-117,012</b>	<b>-131,443</b>	<b>-154,549</b>
<b>Net acquisition of non-financial assets</b>					
		1,333	12,974	14,639	18,318
		16	186	199	228
		972	10,487	10,700	11,851
		41	2,234	2,265	2,381
		-1	19	19	0
		<b>384</b>	<b>4,554</b>	<b>6,024</b>	<b>8,620</b>
		<b>6,425</b>	<b>-121,566</b>	<b>-137,467</b>	<b>-163,169</b>

\*As published in the 2021-22 Budget.

(a) This movement in May relates to an adjustment to year to date Interest income from that previously reported for April 2021.

(b) 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.

(c) From the 2020-21 Budget, the value of Debt Not Expected to be Repaid (DNER) on initial recognition of income contingent concessional loans was reported as an expense. The expense is now reported as a mutually agreed write-down, which is a form of capital transfer. It was previously recorded in other financing costs.

(d) Operating result under Australian Accounting Standards.

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

## Australian Government general government sector balance sheet

	ACTUAL as at 31 May 2021 \$m	REVISED BUDGET ESTIMATE* as at 30 June 2021 \$m
<b>Assets</b>		
Financial assets		
Cash and deposits(a)	67,906	46,693
Advances paid	81,524	82,235
Investments, loans and placements(a)	180,551	181,717
Other receivables	71,468	67,065
Equity investments		
Investments in other public sector entities	65,045	55,821
Equity accounted investments	3,454	3,528
Investments - shares	80,624	72,829
<i>Total financial assets</i>	<i>550,572</i>	<i>509,888</i>
Non-financial assets		
Land	11,869	11,817
Buildings	42,502	43,970
Plant, equipment and infrastructure	89,348	93,468
Inventories	11,679	11,710
Intangibles	9,408	9,821
Investment properties	214	210
Biological assets	23	28
Heritage and cultural assets	11,961	11,979
Assets held for sale	254	250
Other non-financial assets	56	37
<i>Total non-financial assets</i>	<i>177,314</i>	<i>183,290</i>
<b>Total assets</b>	<b>727,886</b>	<b>693,178</b>
<b>Liabilities</b>		
Interest bearing liabilities		
Deposits held	497	484
Government securities	876,384	891,811
Loans	16,756	16,345
Lease liabilities	19,367	19,527
<i>Total interest bearing liabilities</i>	<i>913,005</i>	<i>928,166</i>
Provisions and payables		
Superannuation liability(b)	438,454	243,455
Other employee liabilities	32,884	33,124
Suppliers payables	9,799	8,507
Personal benefits payables	3,623	3,137
Subsidies payables	760	1,090
Grants payables	2,541	4,332
Other payables	4,151	3,302
Provisions	53,909	54,560
<i>Total provisions and payables</i>	<i>546,121</i>	<i>351,507</i>
<b>Total liabilities</b>	<b>1,459,125</b>	<b>1,279,673</b>
<b>Net worth(c)</b>	<b>-731,239</b>	<b>-586,495</b>
<i>Net financial worth(d)</i>	<i>-908,553</i>	<i>-769,785</i>
<i>Net financial liabilities(e)</i>	<i>973,598</i>	<i>825,606</i>
<i>Net debt(f)</i>	<i>583,023</i>	<i>617,521</i>

\*As published in the 2021-22 Budget.

(a) The Australian Office of Financial Management has moved from primarily using term deposits to a cash management account for investing cash for short-term liquidity management. This has resulted in a decrease in Investments, loans and placements and an increase in cash and deposits.

(b) 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.

(c) Net worth equals total assets minus total liabilities.

(d) Net financial worth equals total financial assets minus total liabilities.

(e) Net financial liabilities equals total liabilities less financial assets other than investments in other public sector entities.

(f) 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<sup>(a)</sup>

	ACTUAL 2020-2021 May \$m	ACTUAL 2020-2021 YTD May \$m	Revised Budget Profile 2020-2021 YTD May \$m	REVISED BUDGET ESTIMATE* 2020-2021 FULL YEAR \$m
<b>Cash receipts from operating activities</b>				
Taxes received	51,223	429,766	421,244	459,470
Receipts from sales of goods and services	536	16,170	15,931	16,381
Interest receipts	198	2,480	2,667	2,995
Dividends and income tax equivalents	373	8,752	8,447	8,493
Other receipts	1,473	12,388	11,635	12,259
<b>Total operating receipts</b>	<b>53,804</b>	<b>469,556</b>	<b>459,923</b>	<b>499,596</b>
<b>Cash payments for operating activities</b>				
Payments for employees(b)	-2,574	-29,119	-29,329	-32,100
Payments for goods and services	-11,822	-124,502	-125,622	-140,017
Grants and subsidies paid	-17,159	-252,452	-253,193	-281,234
Interest paid	-3,130	-16,081	-16,062	-17,121
Personal benefit payments	-11,013	-152,294	-152,989	-163,952
Other payments(b)	-440	-6,772	-6,800	-7,873
<b>Total operating payments</b>	<b>-46,138</b>	<b>-581,220</b>	<b>-583,996</b>	<b>-642,297</b>
<b>Net cash flows from operating activities</b>	<b>7,665</b>	<b>-111,664</b>	<b>-124,072</b>	<b>-142,701</b>
<b>Cash flows from investments in non-financial assets</b>				
Sales of non-financial assets	13	178	186	235
Purchases of non-financial assets	-1,018	-11,593	-13,100	-16,056
<b>Net cash flows from investments in non-financial assets</b>	<b>-1,005</b>	<b>-11,416</b>	<b>-12,914</b>	<b>-15,821</b>
<b>Net cash flows from investments in financial assets for policy purposes</b>	<b>1,948</b>	<b>-3,669</b>	<b>-4,671</b>	<b>-7,286</b>
<b>Net cash flows from investments in financial assets for liquidity purposes</b>	<b>-1,372</b>	<b>58,903</b>	<b>59,028</b>	<b>60,898</b>
<b>Cash flows from financing activities</b>				
Borrowing (net)	-19,557	131,594	134,871	147,912
Other financing (net)	-917	-5,296	-5,407	-5,763
<b>Net cash flows from financing activities</b>	<b>-20,474</b>	<b>126,299</b>	<b>129,464</b>	<b>142,150</b>
<b>Net increase/(decrease) in cash held</b>	<b>-13,238</b>	<b>58,453</b>	<b>46,834</b>	<b>37,240</b>
<b>GFS cash surplus(+)/deficit(-)(c)</b>	<b>6,660</b>	<b>-123,080</b>	<b>-136,986</b>	<b>-158,522</b>
<i>plus</i> Net cash flows from financing activities for leases(d)	-211	-2,291	-2,277	-2,430
<b>Equals underlying cash balance(e)</b>	<b>6,450</b>	<b>-125,371</b>	<b>-139,264</b>	<b>-160,952</b>
<i>plus</i> Net cash flows from investments in financial assets for policy purposes	1,948	-3,669	-4,671	-7,286
<b>Equals headline cash balance</b>	<b>8,397</b>	<b>-129,041</b>	<b>-143,935</b>	<b>-168,238</b>

\*As published in the 2021-22 Budget.

(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 May \$m	ACTUAL 2020-2021 YTD May \$m	Revised Budget Profile 2020-2021 YTD May \$m	REVISED BUDGET ESTIMATE* 2020-2021 FULL YEAR \$m
Individuals and other w ithholding taxes				
Gross income tax withholding	20,385	203,847	200,855	217,500
Gross other individuals	7,937	47,054	46,050	49,500
less Refunds	1,903	34,874	34,694	36,000
Total individuals and other w ithholding taxation	26,419	216,027	212,210	231,000
Fringe benefits tax	99	3,827	3,931	4,040
Company tax	11,375	88,454	86,150	94,300
Superannuation fund taxes	1,301	11,928	11,247	11,680
Petroleum resource rent tax	1	774	848	840
<b>Total income taxation revenue</b>	<b>39,194</b>	<b>321,010</b>	<b>314,386</b>	<b>341,860</b>

\*As published in the 2021-22 Budget.

## Note 2: Indirect Tax

	ACTUAL 2020-2021 May \$m	ACTUAL 2020-2021 YTD May \$m	Revised Budget Profile 2020-2021 YTD May \$m	REVISED BUDGET ESTIMATE* 2020-2021 FULL YEAR \$m
Goods and services tax	8,670	68,197	66,582	71,080
Wine equalisation tax	90	977	949	1,070
Luxury car tax	90	769	727	800
Excise duty	2,414	22,505	22,257	23,930
Customs duty	1,522	16,865	17,009	18,830
Other indirect tax	938	7,633	7,402	8,201
<b>Total indirect taxation revenue</b>	<b>13,725</b>	<b>116,946</b>	<b>114,926</b>	<b>123,911</b>

\*As published in the 2021-22 Budget.

## Note 3: Total expenses by function

	ACTUAL 2020-2021 May \$m	ACTUAL 2020-2021 YTD May \$m	REVISED BUDGET ESTIMATE* 2020-2021 FULL YEAR \$m
<b>Expenses by function</b>			
General public services	2,499	28,219	33,037
Defence	3,290	29,472	33,375
Public order and safety	577	5,929	6,712
Education	2,426	39,502	42,604
Health	7,561	85,333	94,533
Social security and welfare	16,199	204,061	225,394
Housing and community amenities	656	4,620	6,953
Recreation and culture	375	3,553	4,405
Fuel and energy	601	7,627	9,090
Agriculture, forestry and fishing	220	2,616	4,014
Mining, manufacturing and construction	455	3,136	4,394
Transport and communication	1,248	7,915	13,828
Other economic affairs	1,376	81,472	83,819
Other purposes			
Public debt interest	1,593	15,657	17,123
Nominal superannuation interest	584	6,420	7,004
General purpose inter-government transactions	8,775	65,121	75,250
Natural disaster relief	18	18	748
Contingency reserve	0	0	-2,845
<b>Total expenses</b>	<b>48,451</b>	<b>590,672</b>	<b>659,437</b>

\*As published in the 2021-22 Budget.

## 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>.