



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

Friday, 1 October 2021

MEDIA RELEASE

AUSTRALIAN GOVERNMENT GENERAL GOVERNMENT SECTOR
MONTHLY FINANCIAL STATEMENTS
July and August 2021

KEY POINTS

- The Monthly Financial Statements for July and August 2021 report the budget position against the expected monthly profile for the 2021-22 financial year through to 31 August 2021, based on the 2021-22 Budget estimate published in the 2021-22 Budget in May 2021.
- The July and August 2021 year to date results include the impact of the Australian Government's response to COVID-19.
- The underlying cash balance for the 2021-22 financial year to 31 August 2021 was a deficit of \$22.0 billion against the Budget profile deficit of \$28.1 billion.
- The fiscal balance for the 2021-22 financial year to 31 August 2021 was a deficit of \$18.9 billion against the Budget profile deficit of \$29.4 billion.

AGGREGATES	ACTUAL	ACTUAL	ACTUAL	Budget Profile	BUDGET
	2021-2022	2021-2022	2021-2022	2021-2022	ESTIMATE*
	YTD July	August	YTD August	YTD August	FULL YEAR
	\$b	\$b	\$b	\$b	\$b
Receipts(a)	38.5	43.8	82.3	70.2	482.1
Payments(b)	53.4	51.0	104.3	98.3	588.7
Underlying cash balance	-14.8	-7.2	-22.0	-28.1	-106.6
Headline cash balance	-14.2	-6.9	-21.1	-30.0	-117.0
Revenue	39.4	45.4	84.8	72.9	496.6
Expenses	52.0	53.1	105.1	102.0	589.3
Net operating balance	-12.6	-7.7	-20.3	-29.1	-92.7
Net capital investment	-1.2	-0.2	-1.3	0.4	10.3
Fiscal balance	-11.4	-7.5	-18.9	-29.4	-103.0
Total assets	720.0		741.7		743.8
Total liabilities	1,477.5		1,500.3		1,421.8
Net worth(c)	-757.5		-758.6		-678.0
Net debt(d)	623.3		626.3		729.0

*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 August 2021 was a deficit of \$22.0 billion, which is \$6.1 billion lower than the 2021-22 Budget profile deficit of \$28.1 billion.

- **Receipts**

Total receipts were \$12.1 billion higher than the 2021-22 Budget profile.

- **Payments**

Total payments were \$6.1 billion higher than the 2021-22 Budget profile.

Net Operating Balance

The net operating balance for the financial year to 31 August 2021 was a deficit of \$20.3 billion, which is \$8.8 billion lower than the 2021-22 Budget profile deficit of \$29.1 billion. The difference results from higher than expected revenue and expenses.

Fiscal Balance

The fiscal balance for the financial year to 31 August 2021 was a deficit of \$18.9 billion, which is \$10.5 billion lower than the 2021-22 Budget profile deficit of \$29.4 billion. The difference results from higher than expected revenue and expenses, and lower than expected net capital investment.

Assets and Liabilities

As at 31 August 2021:

- net worth is negative \$758.6 billion;
- net debt is \$626.3 billion; and
- net financial liabilities are \$999.7 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 2021-2022 YTD July	ACTUAL 2021-2022 August	ACTUAL 2021-2022 YTD August	Budget Profile 2021-2022 YTD August	BUDGET ESTIMATE* 2021-2022 FULL YEAR
	Note	\$m	\$m	\$m	\$m	\$m
Revenue						
Taxation revenue	1,2	34,437	43,315	77,752	65,686	456,972
Sales of goods and services		3,328	528	3,856	3,725	17,175
Interest income		250	275	525	617	3,621
Dividend and distribution income		579	503	1,082	572	7,265
Other		834	778	1,612	2,306	11,588
Total revenue		39,427	45,400	84,827	72,906	496,621
Expenses						
Gross operating expenses						
Wages and salaries(a)		1,845	1,962	3,807	3,782	22,440
Superannuation		1,052	1,068	2,121	1,153	6,973
Depreciation and amortisation		835	1,027	1,861	2,083	12,154
Supply of goods and services		11,763	13,260	25,024	25,022	161,315
Other operating expenses(a)		694	701	1,394	1,394	8,891
Total gross operating expenses		16,190	18,018	34,207	33,434	211,772
Superannuation interest expense		690	690	1,380	1,670	10,018
Interest expenses		1,542	1,567	3,108	3,159	19,519
Current transfers						
Current grants		17,393	14,348	31,741	32,074	170,580
Subsidy expenses		1,329	1,596	2,925	3,113	17,364
Personal benefits		14,536	16,101	30,637	26,766	140,253
Total current transfers		33,257	32,045	65,302	61,952	328,198
Capital transfers						
Mutually agreed write-downs		307	202	509	421	2,746
Other capital grants		4	571	575	1,334	17,080
Total capital transfers		311	773	1,084	1,755	19,826
Total expenses	3	51,989	53,093	105,082	101,970	589,334
Net operating balance		-12,562	-7,693	-20,255	-29,064	-92,713
Other economic flows						
- included in operating result						
Net write-downs of assets		-447	-496	-944	-1,156	-6,351
Assets recognised for the first time		7	6	13	30	200
Actuarial revaluations		0	0	0	0	124
Net foreign exchange gains		75	-14	61	0	-352
Net swap interest received		-42	-152	-194	0	0
Market valuation of debt		-15,652	-10	-15,662	41	260
Other gains/(losses)		-2,881	6,755	3,874	1,336	8,030
Total other economic flows - included in operating result		-18,940	6,088	-12,852	251	1,910
Operating Result(b)		-31,502	-1,605	-33,107	-28,813	-90,804
Non-owner movements in equity						
Revaluation of equity investments		0	0	0	2	-230
Actuarial revaluations		0	0	0	0	-375
Other economic revaluations		-753	443	-311	-202	-88
Total other economic flows - included in equity		-754	443	-311	-200	-694
Comprehensive result						
- Total change in net worth		-32,256	-1,162	-33,418	-29,013	-91,497
Net operating balance		-12,562	-7,693	-20,255	-29,064	-92,713
Net acquisition of non-financial assets						
Purchases of non-financial assets		605	975	1,580	2,568	22,325
less Sales of non-financial assets		686	28	714	57	281
less Depreciation		835	1,027	1,861	2,083	12,154
plus Change in inventories		-257	-84	-341	-62	440
plus Other movements in non-financial assets		3	6	10	18	0
Total net acquisition of non-financial assets		-1,169	-158	-1,327	384	10,330
Fiscal balance (Net lending/borrowing)(c)		-11,393	-7,535	-18,928	-29,448	-103,043

*As published in the 2021-22 Budget.

(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) Operating result under Australian Accounting Standards.

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

Australian Government general government sector balance sheet

	ACTUAL as at 31 July 2021 \$m	ACTUAL as at 31 August 2021 \$m	BUDGET ESTIMATE as at 30 June 2022 \$m
Assets			
Financial assets			
Cash and deposits	53,347	56,266	61,795
Advances paid	80,369	79,908	85,655
Investments, loans and placements	191,103	209,066	188,218
Other receivables	68,041	68,997	73,678
Equity investments			
Investments in other public sector entities	61,214	61,162	58,649
Equity accounted investments	3,593	3,644	3,892
Investments - shares	82,249	82,750	79,311
Total financial assets	539,917	561,794	551,198
Non-financial assets			
Land	12,046	12,074	11,871
Buildings	43,033	42,719	45,056
Plant, equipment and infrastructure	92,024	92,177	100,662
Inventories	10,526	10,420	11,744
Intangibles	9,792	9,809	10,796
Investment properties	197	197	217
Biological assets	34	34	16
Heritage and cultural assets	11,825	11,819	11,986
Assets held for sale	570	557	248
Other non-financial assets	45	51	37
Total non-financial assets	180,091	179,857	192,634
Total assets	720,009	741,651	743,832
Liabilities			
Interest bearing liabilities			
Deposits held	518	459	484
Government securities	913,171	924,397	1,028,091
Loans	15,094	27,564	16,125
Lease liabilities	19,349	19,124	19,991
Total interest bearing liabilities	948,131	971,543	1,064,691
Provisions and payables			
Superannuation liability(a)	407,488	408,430	247,892
Other employee liabilities	33,428	33,837	33,839
Suppliers payables	8,534	8,283	9,226
Personal benefits payables	3,442	3,505	2,998
Subsidies payables	889	871	1,482
Grants payables	6,255	6,181	4,026
Other payables	5,695	5,261	3,136
Provisions	63,633	62,385	54,534
Total provisions and payables	529,363	528,755	357,133
Total liabilities	1,477,494	1,500,298	1,421,824
Net worth(b)	-757,485	-758,647	-677,992
<i>Net financial worth(c)</i>	<i>-937,576</i>	<i>-938,504</i>	<i>-870,626</i>
<i>Net financial liabilities(d)</i>	<i>998,791</i>	<i>999,666</i>	<i>929,275</i>
<i>Net debt(e)</i>	<i>623,311</i>	<i>626,303</i>	<i>729,023</i>

*As published in the 2021-22 Budget.

(a) For budget reporting purposes, a discount rate of CPI plus 2.5 per cent determined by actuaries in preparing the latest 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 2021-22 Monthly Financial Statements was calculated using the spot rates on long-term government bonds as at 30 June 2021 that best matched each individual scheme's liability duration. These rates were between 1.6 and 2.3 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 2021-2022 YTD July \$m	ACTUAL 2021-2022 August \$m	ACTUAL 2021-2022 YTD August \$m	Budget Profile 2021-2022 YTD August \$m	BUDGET ESTIMATE* 2021-2022 FULL YEAR \$m
Cash receipts from operating activities					
Taxes received	33,388	41,300	74,688	63,688	445,599
Receipts from sales of goods and services	2,887	978	3,865	3,593	17,364
Interest receipts	373	248	621	553	3,063
Dividends, distributions and income tax equivalents	607	494	1,101	575	5,829
Other receipts(b)	1,251	762	2,013	1,771	9,916
Total operating receipts	38,507	43,782	82,289	70,180	481,771
Cash payments for operating activities					
Payments for employees(b)(c)	-2,980	-2,940	-5,919	-5,849	-35,292
Payments for goods and services	-14,165	-12,917	-27,083	-24,749	-159,044
Grants and subsidies paid	-19,322	-16,781	-36,104	-37,046	-206,165
Interest paid	-552	-439	-992	-621	-17,789
Personal benefit payments	-14,361	-16,224	-30,585	-26,524	-140,966
Other payments(c)	-782	-476	-1,258	-1,398	-8,219
Total operating payments	-52,163	-49,778	-101,941	-96,187	-567,475
Net cash flows from operating activities	-13,656	-5,996	-19,652	-26,007	-85,704
Cash flows from investments in non-financial assets					
Sales of non-financial assets	26	23	49	57	282
Purchases of non-financial assets	-1,012	-956	-1,967	-1,595	-18,786
Net cash flows from investments in non-financial assets	-985	-933	-1,918	-1,538	-18,504
Net cash flows from investments in financial assets for policy purposes	647	296	943	-1,964	-10,428
Net cash flows from investments in financial assets for liquidity purposes	-2,732	-117	-2,849	-2,016	-3,513
Cash flows from financing activities					
Borrowing (net)	8,299	10,047	18,346	27,317	140,204
Other financing (net)	-637	-378	-1,015	-674	-6,952
Net cash flows from financing activities	7,662	9,669	17,331	26,642	133,252
Net increase/(decrease) in cash held	-9,064	2,919	-6,145	-4,883	15,102
GFS cash surplus(+)/deficit(-)(d)	-14,641	-6,929	-21,570	-27,545	-104,209
<i>plus</i> Net cash flows from financing activities for leases(e)	-201	-231	-431	-507	-2,411
Equals underlying cash balance(f)	-14,842	-7,160	-22,002	-28,053	-106,619
<i>plus</i> Net cash flows from investments in financial assets for policy purposes	647	296	943	-1,964	-10,428
Equals headline cash balance	-14,195	-6,864	-21,059	-30,017	-117,047

*As published in the 2021-22 Budget.

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

(b) As result of a voluntary accounting policy change, the pass-through of defined benefit member superannuation receipts and payments are reported on a gross basis in the cash flow statement. It was previously reported on a net basis. This change has no net impact to the underlying cash balance for 2021-22.

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

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

(e) 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.

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

Note 1: Income Tax

	ACTUAL 2021-2022 YTD July \$m	ACTUAL 2021-2022 August \$m	ACTUAL 2021-2022 YTD August \$m	Budget Profile 2021-2022 YTD August \$m	BUDGET ESTIMATE* 2021-2022 FULL YEAR \$m
Individuals and other w ithholding taxes					
Gross income tax w ithholding	16,703	21,433	38,136	35,818	218,700
Gross other individuals	5,649	4,449	10,098	8,786	48,500
less Refunds	9,383	6,815	16,197	18,224	42,300
Total individuals and other w ithholding taxation	12,970	19,067	32,037	26,381	224,900
Fringe benefits tax	649	119	767	954	4,090
Company tax	9,895	9,109	19,004	13,738	84,200
Superannuation fund taxes	1,838	1,665	3,503	2,051	15,280
Petroleum resource rent tax	74	321	395	224	1,050
Total income taxation revenue	25,426	30,281	55,707	43,348	329,520

*As published in the 2021-22 Budget.

Note 2: Indirect Tax

	ACTUAL 2021-2022 YTD July \$m	ACTUAL 2021-2022 August \$m	ACTUAL 2021-2022 YTD August \$m	Budget Profile 2021-2022 YTD August \$m	BUDGET ESTIMATE* 2021-2022 FULL YEAR \$m
Goods and services tax	5,479	8,592	14,071	13,664	74,130
Wine equalisation tax	78	101	180	154	1,050
Luxury car tax	102	73	176	118	680
Excise duty	1,837	2,108	3,946	4,103	24,840
Customs duty	1,092	1,337	2,429	3,064	18,420
Other indirect tax	423	822	1,245	1,235	8,332
Total indirect taxation revenue	9,011	13,034	22,046	22,338	127,452

*As published in the 2021-22 Budget.

Note 3: Total expenses by function

	ACTUAL 2021-2022 YTD July \$m	ACTUAL 2021-2022 August \$m	ACTUAL 2021-2022 YTD August \$m	BUDGET ESTIMATE* 2021-2022 FULL YEAR \$m
Expenses by function				
General public services	2,373	2,540	4,913	26,070
Defence	2,354	2,816	5,170	34,473
Public order and safety	737	494	1,231	6,652
Education	5,881	2,333	8,213	42,799
Health	8,306	8,849	17,154	98,283
Social security and welfare	20,977	21,387	42,365	209,975
Housing and community amenities	291	572	863	7,869
Recreation and culture	395	347	742	4,532
Fuel and energy	714	761	1,474	9,638
Agriculture, forestry and fishing	188	235	423	4,483
Mining, manufacturing and construction	279	298	577	4,354
Transport and communication	133	268	401	14,460
Other economic affairs	1,058	1,413	2,471	14,640
Other purposes				
Public debt interest	1,501	1,506	3,008	18,196
Nominal superannuation interest	690	690	1,380	10,018
General purpose inter-government transactions	6,106	8,540	14,646	77,509
Natural disaster relief	7	45	52	327
Contingency reserve	0	0	0	5,055
Total expenses	51,989	53,093	105,082	589,334

*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.

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>.