



SENATOR THE HON SIMON BIRMINGHAM

Minister for Finance
Leader of the Government in the Senate
Senator for South Australia

Friday, 29 October 2021

MEDIA RELEASE

AUSTRALIAN GOVERNMENT GENERAL GOVERNMENT SECTOR MONTHLY FINANCIAL STATEMENTS September 2021

KEY POINTS

- The Monthly Financial Statements for September 2021 report the budget position against the expected monthly profile for the 2021-22 financial year through to 30 September 2021, based on the 2021-22 Budget estimates published in May 2021.
- The September 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 30 September 2021 was a deficit of \$31.7 billion against the Budget profile deficit of \$39.4 billion.
- The fiscal balance for the 2021-22 financial year to 30 September 2021 was a deficit of \$31.8 billion against the Budget profile deficit of \$43.3 billion.

AGGREGATES	ACTUAL	ACTUAL	Budget Profile	BUDGET
	2021-2022 September \$b	2021-2022 YTD September \$b	2021-2022 YTD September \$b	ESTIMATE* 2021-2022 FULL YEAR \$b
Receipts(a)	40.3	122.6	103.1	482.1
Payments(b)	49.9	154.3	142.5	588.7
Underlying cash balance	-9.7	-31.7	-39.4	-106.6
Headline cash balance	-9.5	-30.6	-42.3	-117.0
Revenue	36.4	121.2	104.0	496.6
Expenses	49.8	154.9	146.4	589.3
Net operating balance	-13.4	-33.6	-42.4	-92.7
Net capital investment	-0.5	-1.9	0.9	10.3
Fiscal balance	-12.8	-31.8	-43.3	-103.0
Total assets		731.1		743.8
Total liabilities		1,487.9		1,421.8
Net worth(c)		-756.9		-678.0
Net debt(d)		619.8		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 30 September 2021 was a deficit of \$31.7 billion, which is \$7.8 billion lower than the 2021-22 Budget profile deficit of \$39.4 billion.

- **Receipts**
Total receipts were \$19.5 billion higher than the 2021-22 Budget profile.
- **Payments**
Total payments were \$11.7 billion higher than the 2021-22 Budget profile.

Net Operating Balance

The net operating balance for the financial year to 30 September 2021 was a deficit of \$33.6 billion, which is \$8.8 billion lower than the 2021-22 Budget profile deficit of \$42.4 billion. The difference results from higher than expected revenue and expenses.

Fiscal Balance

The fiscal balance for the financial year to 30 September 2021 was a deficit of \$31.8 billion, which is \$11.5 billion lower than the 2021-22 Budget profile deficit of \$43.3 billion. The difference results from higher than expected revenue and expenses, and lower than expected net capital investment.

Assets and Liabilities

As at 30 September 2021:

- net worth is negative \$756.9 billion;
- net debt is \$619.8 billion; and
- net financial liabilities are \$998.3 billion.

Senator the Hon. Simon Birmingham
Minister for Finance

Rosemary Huxtable PSM
Secretary
Department of Finance

Media Contact

Benn Ayre

0428 342 325

Australian Government general government sector operating statement

		ACTUAL 2021-2022 September	ACTUAL 2021-2022 YTD September	Budget Profile 2021-2022 YTD September	BUDGET ESTIMATE* 2021-2022 FULL YEAR
	Note	\$m	\$m	\$m	\$m
Revenue					
Taxation revenue	1,2	33,799	111,551	94,759	456,972
Sales of goods and services		555	4,412	4,368	17,175
Interest income		299	824	928	3,621
Dividend and distribution income		844	1,926	863	7,265
Other		921	2,534	3,078	11,588
Total revenue		36,420	121,247	103,996	496,621
Expenses					
Gross operating expenses					
Wages and salaries(a)		1,991	5,798	5,674	22,440
Superannuation		974	3,094	1,749	6,973
Depreciation and amortisation		953	2,814	3,083	12,154
Supply of goods and services		13,281	38,305	37,147	161,315
Other operating expenses(a)		696	2,091	2,097	8,891
Total gross operating expenses		17,894	52,102	49,750	211,772
Superannuation interest expense		646	2,027	2,505	10,018
Interest expenses		1,513	4,622	4,702	19,519
Current transfers					
Current grants		11,952	43,693	43,768	170,580
Subsidy expenses		1,487	4,412	4,515	17,364
Personal benefits		15,750	46,386	38,507	140,253
Total current transfers		29,189	94,491	86,789	328,198
Capital transfers					
Mutually agreed write-downs		178	687	632	2,746
Other capital grants		371	946	2,015	17,080
Total capital transfers		549	1,634	2,647	19,826
Total expenses	3	49,792	154,875	146,393	589,334
Net operating balance		-13,373	-33,628	-42,396	-92,713
Other economic flows					
- included in operating result					
Net write-downs of assets		-507	-1,451	-1,377	-6,351
Assets recognised for the first time		23	37	45	200
Actuarial revaluations		0	0	0	124
Net foreign exchange gains		18	79	0	-352
Net swap interest received		-181	-376	0	0
Market valuation of debt		18,220	2,558	77	260
Other gains/(losses)		-3,019	855	1,984	8,030
Total other economic flows		14,554	1,703	729	1,910
- included in operating result					
Operating Result(b)		1,181	-31,925	-41,668	-90,804
Non-owner movements in equity					
Revaluation of equity investments		0	0	2	-230
Actuarial revaluations		0	0	0	-375
Other economic revaluations		610	299	-181	-88
Total other economic flows - included in equity		610	299	-179	-694
Comprehensive result					
- Total change in net worth		1,791	-31,626	-41,846	-91,497
Net operating balance		-13,373	-33,628	-42,396	-92,713
Net acquisition of non-financial assets					
Purchases of non-financial assets		544	2,124	4,149	22,325
less Sales of non-financial assets		296	1,010	67	281
less Depreciation		953	2,814	3,083	12,154
plus Change in inventories		171	-170	-108	440
plus Other movements in non-financial assets		6	15	19	0
Total net acquisition of non-financial assets		-529	-1,855	910	10,330
Fiscal balance (Net lending/borrowing)(c)		-12,844	-31,773	-43,306	-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 30 September 2021 \$m	BUDGET ESTIMATE as at 30 June 2022 \$m
Assets		
Financial assets		
Cash and deposits	52,226	61,795
Advances paid	79,580	85,655
Investments, loans and placements	208,365	188,218
Other receivables	65,101	73,678
Equity investments		
Investments in other public sector entities	61,757	58,649
Equity accounted investments	3,690	3,892
Investments - shares	80,610	79,311
<i>Total financial assets</i>	<i>551,330</i>	<i>551,198</i>
Non-financial assets		
Land	12,068	11,871
Buildings	42,747	45,056
Plant, equipment and infrastructure	92,205	100,662
Inventories	10,404	11,744
Intangibles	9,861	10,796
Investment properties	206	217
Biological assets	32	16
Heritage and cultural assets	11,848	11,986
Assets held for sale	297	248
Other non-financial assets	55	37
<i>Total non-financial assets</i>	<i>179,722</i>	<i>192,634</i>
Total assets	731,052	743,832
Liabilities		
Interest bearing liabilities		
Deposits held	438	484
Government securities	912,954	1,028,091
Loans	27,579	16,125
Lease liabilities	19,044	19,991
<i>Total interest bearing liabilities</i>	<i>960,015</i>	<i>1,064,691</i>
Provisions and payables		
Superannuation liability (a)	409,265	247,892
Other employee liabilities	37,705	33,839
Suppliers payables	7,378	9,226
Personal benefits payables	2,886	2,998
Subsidies payables	833	1,482
Grants payables	5,963	4,026
Other payables	6,200	3,136
Provisions	57,663	54,534
<i>Total provisions and payables</i>	<i>527,893</i>	<i>357,133</i>
Total liabilities	1,487,908	1,421,824
Net worth(b)	-756,856	-677,992
<i>Net financial worth(c)</i>	<i>-936,578</i>	<i>-870,626</i>
<i>Net financial liabilities(d)</i>	<i>998,336</i>	<i>929,275</i>
<i>Net debt(e)</i>	<i>619,843</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 September \$m	ACTUAL 2021-2022 YTD September \$m	Budget Profile 2021-2022 YTD September \$m	BUDGET ESTIMATE* 2021-2022 FULL YEAR \$m
Cash receipts from operating activities				
Taxes received	34,151	108,840	92,559	445,599
Receipts from sales of goods and services	593	4,458	4,112	17,364
Interest receipts	214	835	824	3,063
Dividends, distributions and income tax equivalents	3,612	4,713	2,962	5,829
Other receipts(b)	1,387	3,400	2,571	9,916
Total operating receipts	39,957	122,246	103,028	481,771
Cash payments for operating activities				
Payments for employees(b)(c)	-3,764	-9,684	-8,768	-35,292
Payments for goods and services	-13,445	-40,528	-36,657	-159,044
Grants and subsidies paid	-14,070	-50,174	-50,889	-206,165
Interest paid	-80	-1,071	-1,012	-17,789
Personal benefit payments	-16,345	-46,930	-39,393	-140,966
Other payments(c)	-538	-1,796	-2,064	-8,219
Total operating payments	-48,242	-150,183	-138,784	-567,475
Net cash flows from operating activities	-8,285	-27,937	-35,755	-85,704
Cash flows from investments in non-financial assets				
Sales of non-financial assets	300	349	67	282
Purchases of non-financial assets	-1,457	-3,424	-3,058	-18,786
Net cash flows from investments in non-financial assets	-1,157	-3,075	-2,991	-18,504
Net cash flows from investments in financial assets for policy purposes	166	1,108	-2,825	-10,428
Net cash flows from investments in financial assets for liquidity purposes	247	-2,601	-2,790	-3,513
Cash flows from financing activities				
Borrowing (net)	5,641	23,987	40,933	140,204
Other financing (net)	-652	-1,667	-839	-6,952
Net cash flows from financing activities	4,989	22,319	40,093	133,252
Net increase/(decrease) in cash held	-4,040	-10,185	-4,269	15,102
GFS cash surplus(+)/deficit(-)(d)	-9,441	-31,012	-38,747	-104,209
<i>plus</i> Net cash flows from financing activities for leases(e)	-229	-660	-703	-2,411
Equals underlying cash balance(f)	-9,670	-31,672	-39,450	-106,619
<i>plus</i> Net cash flows from investments in financial assets for policy purposes	166	1,108	-2,825	-10,428
Equals headline cash balance	-9,505	-30,563	-42,275	-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 September \$m	ACTUAL 2021-2022 YTD September \$m	Budget Profile 2021-2022 YTD September \$m	BUDGET ESTIMATE* 2021-2022 FULL YEAR \$m
Individuals and other w ithholding taxes				
Gross income tax withholding	20,118	58,254	54,357	218,700
Gross other individuals	2,199	12,297	10,708	48,500
/ess Refunds	4,487	20,684	23,306	42,300
Total individuals and other w ithholding taxation	17,830	49,867	41,760	224,900
Fringe benefits tax	24	791	1,008	4,090
Company tax	7,615	26,619	18,643	84,200
Superannuation fund taxes	991	4,494	2,800	15,280
Petroleum resource rent tax	-33	362	224	1,050
Total income taxation revenue	26,426	82,133	64,435	329,520

*As published in the 2021-22 Budget.

Note 2: Indirect Tax

	ACTUAL 2021-2022 September \$m	ACTUAL 2021-2022 YTD September \$m	Budget Profile 2021-2022 YTD September \$m	BUDGET ESTIMATE* 2021-2022 FULL YEAR \$m
Goods and services tax	3,982	18,053	18,078	74,130
Wine equalisation tax	85	264	229	1,050
Luxury car tax	67	243	169	680
Excise duty	1,859	5,804	6,014	24,840
Customs duty	893	3,322	4,169	18,420
Other indirect tax	488	1,733	1,663	8,332
Total indirect taxation revenue	7,373	29,419	30,324	127,452

*As published in the 2021-22 Budget.

Note 3: Total expenses by function

	ACTUAL 2021-2022 September \$m	ACTUAL 2021-2022 YTD September \$m	BUDGET ESTIMATE* 2021-2022 FULL YEAR \$m
Expenses by function			
General public services	2,292	7,204	26,070
Defence	2,878	8,048	34,473
Public order and safety	562	1,793	6,652
Education	2,132	10,345	42,799
Health	8,831	25,986	98,283
Social security and welfare	21,191	63,556	209,975
Housing and community amenities	488	1,351	7,869
Recreation and culture	347	1,089	4,532
Fuel and energy	690	2,164	9,638
Agriculture, forestry and fishing	209	632	4,483
Mining, manufacturing and construction	262	839	4,354
Transport and communication	300	701	14,460
Other economic affairs	1,366	3,837	14,640
Other purposes			
Public debt interest	1,467	4,475	18,196
Nominal superannuation interest	646	2,027	10,018
General purpose inter-government transactions	6,117	20,763	77,509
Natural disaster relief	13	65	327
Contingency reserve	0	0	5,055
Total expenses	49,792	154,875	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>.