



SENATOR THE HON SIMON BIRMINGHAM

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

Monday, 6 December 2021

MEDIA RELEASE

AUSTRALIAN GOVERNMENT GENERAL GOVERNMENT SECTOR MONTHLY FINANCIAL STATEMENTS October 2021

KEY POINTS

- The Monthly Financial Statements for October 2021 report the budget position against the expected monthly profile for the 2021-22 financial year through to 31 October 2021, based on the 2021-22 Budget estimates published in May 2021.
- The October 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 October 2021 was a deficit of \$43.9 billion against the Budget profile deficit of \$51.8 billion.
- The fiscal balance for the 2021-22 financial year to 31 October 2021 was a deficit of \$40.9 billion against the Budget profile deficit of \$52.5 billion.

AGGREGATES	ACTUAL	ACTUAL	Budget Profile	BUDGET
	2021-2022 October \$b	2021-2022 YTD October \$b	2021-2022 YTD October \$b	ESTIMATE* 2021-2022 FULL YEAR \$b
Receipts(a)	40.3	162.9	142.7	482.1
Payments(b)	52.6	206.9	194.5	588.7
Underlying cash balance	-12.3	-43.9	-51.8	-106.6
Headline cash balance	-9.7	-40.3	-55.4	-117.0
Revenue	46.0	167.2	146.3	496.6
Expenses	54.0	208.9	197.7	589.3
Net operating balance	-8.1	-41.7	-51.3	-92.7
Net capital investment	1.1	-0.8	1.2	10.3
Fiscal balance	-9.1	-40.9	-52.5	-103.0
Total assets		730.6		743.8
Total liabilities		1,463.2		1,421.8
Net worth(c)		-732.6		-678.0
Net debt(d)		597.5		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 October 2021 was a deficit of \$43.9 billion, which is \$7.8 billion lower than the 2021-22 Budget profile deficit of \$51.8 billion.

- **Receipts**

Total receipts were \$20.2 billion higher than the 2021-22 Budget profile.

- **Payments**

Total payments were \$12.4 billion higher than the 2021-22 Budget profile.

Net Operating Balance

The net operating balance for the financial year to 31 October 2021 was a deficit of \$41.7 billion, which is \$9.6 billion lower than the 2021-22 Budget profile deficit of \$51.3 billion. The difference results from higher than expected revenue, partially offset by higher than expected expenses.

Fiscal Balance

The fiscal balance for the financial year to 31 October 2021 was a deficit of \$40.9 billion, which is \$11.6 billion lower than the 2021-22 Budget profile deficit of \$52.5 billion. The difference results from higher than expected revenue and lower than expected net capital investment, partially offset by higher expenses.

Assets and Liabilities

As at 31 October 2021:

- net worth is negative \$732.6 billion;
- net debt is \$597.5 billion; and
- net financial liabilities are \$975.0 billion.

Senator the Hon. Simon Birmingham
Minister for Finance

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Australian Government general government sector operating statement

		ACTUAL 2021-2022 October \$m	ACTUAL 2021-2022 YTD October \$m	Budget Profile 2021-2022 YTD October \$m	BUDGET ESTIMATE* 2021-2022 FULL YEAR \$m
Revenue					
Taxation revenue	1,2	40,589	152,141	132,277	456,972
Sales of goods and services		3,164	7,576	7,452	17,175
Interest income		258	1,082	1,237	3,621
Dividend and distribution income		710	2,636	1,266	7,265
Other		1,234	3,768	4,098	11,588
Total revenue		45,956	167,203	146,330	496,621
Expenses					
Gross operating expenses					
Wages and salaries(a)		1,886	7,684	7,529	22,440
Superannuation		1,026	4,121	2,342	6,973
Depreciation and amortisation		853	3,667	4,081	12,154
Supply of goods and services		13,117	51,421	49,591	161,315
Other operating expenses(a)		757	2,847	2,854	8,891
<i>Total gross operating expenses</i>		<i>17,639</i>	<i>69,741</i>	<i>66,397</i>	<i>211,772</i>
Superannuation interest expense		964	2,991	3,339	10,018
Interest expenses		1,560	6,182	6,294	19,519
Current transfers					
Current grants		16,848	60,541	61,456	170,580
Subsidy expenses		1,628	6,039	5,869	17,364
Personal benefits		14,713	61,099	50,504	140,253
<i>Total current transfers</i>		<i>33,188</i>	<i>127,679</i>	<i>117,829</i>	<i>328,198</i>
Capital transfers					
Mutually agreed write-downs		260	947	838	2,746
Other capital grants		426	1,372	2,962	17,080
<i>Total capital transfers</i>		<i>685</i>	<i>2,319</i>	<i>3,799</i>	<i>19,826</i>
Total expenses	3	54,037	208,912	197,659	589,334
Net operating balance		-8,082	-41,709	-51,329	-92,713
Other economic flows					
- included in operating result					
Net write-downs of assets		-1,385	-2,836	-1,846	-6,351
Assets recognised for the first time		13	50	60	200
Actuarial revaluations		0	0	0	124
Net foreign exchange gains		-125	-45	0	-352
Net swap interest received		-1	-377	0	0
Market valuation of debt		35,380	37,938	120	260
Other gains/(losses)		-1,660	-805	2,638	8,030
Total other economic flows		32,222	33,925	972	1,910
- included in operating result					
Operating Result(b)		24,141	-7,784	-50,357	-90,804
Non-owner movements in equity					
Revaluation of equity investments		0	-1	3	-230
Actuarial revaluations		0	0	0	-375
Other economic revaluations		97	396	-160	-88
Total other economic flows - included in equity		96	395	-157	-694
Comprehensive result					
- Total change in net worth		24,237	-7,389	-50,514	-91,497
Net operating balance		-8,082	-41,709	-51,329	-92,713
Net acquisition of non-financial assets					
Purchases of non-financial assets		1,635	3,759	5,456	22,325
less Sales of non-financial assets		7	1,017	77	281
less Depreciation		853	3,667	4,081	12,154
plus Change in inventories		281	111	-155	440
plus Other movements in non-financial assets		6	21	20	0
Total net acquisition of non-financial assets		1,062	-793	1,163	10,330
Fiscal balance (Net lending/borrowing)(c)		-9,144	-40,916	-52,492	-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 October 2021 \$m	BUDGET ESTIMATE as at 30 June 2022 \$m
Assets		
Financial assets		
Cash and deposits	48,628	61,795
Advances paid	76,874	85,655
Investments, loans and placements	208,199	188,218
Other receivables	70,949	73,678
Equity investments		
Investments in other public sector entities	61,912	58,649
Equity accounted investments	3,701	3,892
Investments - shares	79,913	79,311
<i>Total financial assets</i>	<i>550,176</i>	<i>551,198</i>
Non-financial assets		
Land	12,067	11,871
Buildings	42,682	45,056
Plant, equipment and infrastructure	92,734	100,662
Inventories	10,618	11,744
Intangibles	9,902	10,796
Investment properties	206	217
Biological assets	31	16
Heritage and cultural assets	11,843	11,986
Assets held for sale	296	248
Other non-financial assets	61	37
<i>Total non-financial assets</i>	<i>180,440</i>	<i>192,634</i>
Total assets	730,616	743,832
Liabilities		
Interest bearing liabilities		
Deposits held	503	484
Government securities	884,148	1,028,091
Loans	27,581	16,125
Lease liabilities	18,922	19,991
<i>Total interest bearing liabilities</i>	<i>931,155</i>	<i>1,064,691</i>
Provisions and payables		
Superannuation liability(a)	410,327	247,892
Other employee liabilities	38,006	33,839
Suppliers payables	8,913	9,226
Personal benefits payables	3,476	2,998
Subsidies payables	931	1,482
Grants payables	6,518	4,026
Other payables	4,942	3,136
Provisions	58,967	54,534
<i>Total provisions and payables</i>	<i>532,080</i>	<i>357,133</i>
Total liabilities	1,463,235	1,421,824
Net worth(b)	-732,619	-677,992
<i>Net financial worth(c)</i>	<i>-913,059</i>	<i>-870,626</i>
<i>Net financial liabilities(d)</i>	<i>974,971</i>	<i>929,275</i>
<i>Net debt(e)</i>	<i>597,453</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 October \$m	ACTUAL 2021-2022 YTD October \$m	Budget Profile 2021-2022 YTD October \$m	BUDGET ESTIMATE* 2021-2022 FULL YEAR \$m
Cash receipts from operating activities				
Taxes received	34,586	143,426	127,780	445,599
Receipts from sales of goods and services	3,124	7,582	7,098	17,364
Interest receipts	258	1,093	1,089	3,063
Dividends, distributions and income tax equivalents	868	5,581	3,366	5,829
Other receipts(b)	1,488	4,888	3,299	9,916
Total operating receipts	40,324	162,570	142,633	481,771
Cash payments for operating activities				
Payments for employees(b)(c)	-2,854	-12,537	-11,453	-35,292
Payments for goods and services	-12,246	-52,774	-48,874	-159,044
Grants and subsidies paid	-18,239	-68,413	-71,014	-206,165
Interest paid	-3,326	-4,397	-4,355	-17,789
Personal benefit payments	-14,143	-61,073	-50,845	-140,966
Other payments(c)	-490	-2,286	-2,780	-8,219
Total operating payments	-51,298	-201,481	-189,321	-567,475
Net cash flows from operating activities	-10,974	-38,911	-46,688	-85,704
Cash flows from investments in non-financial assets				
Sales of non-financial assets	13	362	77	282
Purchases of non-financial assets	-1,086	-4,509	-4,252	-18,786
Net cash flows from investments in non-financial assets	-1,073	-4,147	-4,175	-18,504
Net cash flows from investments in financial assets for policy purposes	2,549	3,657	-3,650	-10,428
Net cash flows from investments in financial assets for liquidity purposes	-2,321	-4,922	-3,613	-3,513
Cash flows from financing activities				
Borrowing (net)	9,692	33,679	54,608	140,204
Other financing (net)	-1,471	-3,139	-2,351	-6,952
Net cash flows from financing activities	8,221	30,540	52,257	133,252
Net increase/(decrease) in cash held	-3,598	-13,783	-5,869	15,102
GFS cash surplus(+)/deficit(-)(d)	-12,047	-43,058	-50,863	-104,209
<i>plus</i> Net cash flows from financing activities for leases(e)	-218	-878	-895	-2,411
Equals underlying cash balance(f)	-12,264	-43,936	-51,757	-106,619
<i>plus</i> Net cash flows from investments in financial assets for policy purposes	2,549	3,657	-3,650	-10,428
Equals headline cash balance	-9,716	-40,279	-55,407	-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 October \$m	ACTUAL 2021-2022 YTD October \$m	Budget Profile 2021-2022 YTD October \$m	BUDGET ESTIMATE* 2021-2022 FULL YEAR \$m
Individuals and other w ithholding taxes				
Gross income tax w ithholding	16,664	74,919	70,853	218,700
Gross other individuals	7,438	19,735	15,810	48,500
/ess Refunds	3,673	24,357	27,828	42,300
Total individuals and other w ithholding taxation	20,430	70,297	58,835	224,900
Fringe benefits tax	604	1,395	1,845	4,090
Company tax	7,708	34,326	25,572	84,200
Superannuation fund taxes	1,526	6,020	3,991	15,280
Petroleum resource rent tax	524	886	523	1,050
Total income taxation revenue	30,791	112,924	90,765	329,520

*As published in the 2021-22 Budget.

Note 2: Indirect Tax

	ACTUAL 2021-2022 October \$m	ACTUAL 2021-2022 YTD October \$m	Budget Profile 2021-2022 YTD October \$m	BUDGET ESTIMATE* 2021-2022 FULL YEAR \$m
Goods and services tax	6,062	24,115	25,217	74,130
Wine equalisation tax	77	341	303	1,050
Luxury car tax	69	312	225	680
Excise duty	1,884	7,689	7,932	24,840
Customs duty	1,256	4,578	5,737	18,420
Other indirect tax	450	2,183	2,099	8,332
Total indirect taxation revenue	9,798	39,217	41,512	127,452

*As published in the 2021-22 Budget.

Note 3: Total expenses by function

	ACTUAL 2021-2022 October \$m	ACTUAL 2021-2022 YTD October \$m	BUDGET ESTIMATE* 2021-2022 FULL YEAR \$m
Expenses by function			
General public services	2,300	9,504	26,070
Defence	2,962	11,010	34,473
Public order and safety	483	2,276	6,652
Education	6,568	16,913	42,799
Health	8,792	34,778	98,283
Social security and w elfare	20,430	83,986	209,975
Housing and community amenities	584	1,935	7,869
Recreation and culture	282	1,371	4,532
Fuel and energy	744	2,907	9,638
Agriculture, forestry and fishing	313	945	4,483
Mining, manufacturing and construction	269	1,109	4,354
Transport and communication	460	1,160	14,460
Other economic affairs	1,230	5,067	14,640
Other purposes			
Public debt interest	1,522	5,997	18,196
Nominal superannuation interest	964	2,991	10,018
General purpose inter-government transactions	6,130	26,892	77,509
Natural disaster relief	5	70	327
Contingency reserve	0	0	5,055
Total expenses	54,037	208,912	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>.