



## SENATOR THE HON SIMON BIRMINGHAM

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

Friday, 28 January 2022

### MEDIA RELEASE

## AUSTRALIAN GOVERNMENT GENERAL GOVERNMENT SECTOR MONTHLY FINANCIAL STATEMENTS December 2021

### KEY POINTS

- The Monthly Financial Statements for December 2021 report the budget position against the expected monthly profile for the 2021-22 financial year through to 31 December 2021, based on the 2021-22 Mid-Year Economic and Fiscal Outlook (MYEFO) estimates published in December 2021.
- The December 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 December 2021 was a deficit of \$37.3 billion against the MYEFO profile deficit of \$45.8 billion.
- The fiscal balance for the 2021-22 financial year to 31 December 2021 was a deficit of \$33.1 billion against the MYEFO profile deficit of \$41.0 billion.

AGGREGATES	ACTUAL	ACTUAL	MYEFO Profile	MYEFO
	2021-2022 December \$b	2021-2022 YTD December \$b	2021-2022 YTD December \$b	ESTIMATE* 2021-2022 FULL YEAR \$b
Receipts(a)	59.1	279.0	272.4	532.1
Payments(b)	54.6	316.3	318.2	631.4
Underlying cash balance	4.5	-37.3	-45.8	-99.2
Headline cash balance	3.1	-35.5	-44.3	-106.1
Revenue	54.7	277.4	273.4	542.5
Expenses	52.0	310.3	313.3	633.8
Net operating balance	2.7	-32.9	-39.9	-91.3
Net capital investment	-0.1	0.3	1.1	11.6
Fiscal balance	2.8	-33.1	-41.0	-102.9
Total assets		745.4		759.5
Total liabilities		1,485.0		1,391.9
Net worth(c)		-739.6		-632.4
Net debt(d)		605.9		673.4

\*As published in the 2021-22 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 December 2021 was a deficit of \$37.3 billion, which is \$8.5 billion lower than the 2021-22 MYEFO profile deficit of \$45.8 billion.

- **Receipts**  
Total receipts were \$6.6 billion higher than the 2021-22 MYEFO profile.
- **Payments**  
Total payments were \$1.9 billion lower than the 2021-22 MYEFO profile.

### **Net Operating Balance**

The net operating balance for the financial year to 31 December 2021 was a deficit of \$32.9 billion, which is \$7.0 billion lower than the 2021-22 MYEFO profile deficit of \$39.9 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 December 2021 was a deficit of \$33.1 billion, which is \$7.9 billion lower than the 2021-22 MYEFO profile deficit of \$41.0 billion. The difference results from higher than expected revenue and lower than expected expenses and net capital investment.

### **Assets and Liabilities**

As at 31 December 2021:

- net worth is negative \$739.6 billion;
- net debt is \$605.9 billion; and
- net financial liabilities are \$983.3 billion.

Senator the Hon. Simon Birmingham  
Minister for Finance

Rosemary Huxtable PSM  
Secretary  
Department of Finance

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## Australian Government general government sector operating statement

		ACTUAL 2021-2022 December	ACTUAL 2021-2022 YTD December	MYEFO Profile 2021-2022 YTD December	MYEFO ESTIMATE* 2021-2022 FULL YEAR
	Note	\$m	\$m	\$m	\$m
<b>Revenue</b>					
Taxation revenue	1,2	51,452	256,677	253,521	504,041
Sales of goods and services		532	8,821	8,863	17,424
Interest income		257	1,587	1,976	3,619
Dividend and distribution income		1,061	4,111	3,316	5,178
Other		1,400	6,173	5,745	12,266
<b>Total revenue</b>		<b>54,703</b>	<b>277,369</b>	<b>273,422</b>	<b>542,528</b>
<b>Expenses</b>					
<b>Gross operating expenses</b>					
Wages and salaries(a)		1,839	11,457	11,526	23,102
Superannuation		1,052	6,165	6,095	12,091
Depreciation and amortisation		906	5,572	5,826	11,651
Supply of goods and services		13,861	78,174	79,619	175,257
Other operating expenses(a)		676	4,300	4,217	8,785
<i>Total gross operating expenses</i>		<i>18,334</i>	<i>105,668</i>	<i>107,282</i>	<i>230,886</i>
Superannuation interest expense		748	4,487	4,487	8,974
Interest expenses		1,602	9,311	9,430	20,070
<b>Current transfers</b>					
Current grants		17,173	92,798	93,058	182,118
Subsidy expenses		1,474	9,296	9,313	18,938
Personal benefits		11,508	84,262	85,015	152,282
<i>Total current transfers</i>		<i>30,155</i>	<i>186,357</i>	<i>187,386</i>	<i>353,338</i>
<b>Capital transfers</b>					
Mutually agreed write-downs		336	1,435	1,186	2,734
Other capital grants		862	2,994	3,559	17,836
<i>Total capital transfers</i>		<i>1,198</i>	<i>4,429</i>	<i>4,745</i>	<i>20,570</i>
<b>Total expenses</b>	3	<b>52,038</b>	<b>310,252</b>	<b>313,330</b>	<b>633,838</b>
<b>Net operating balance</b>		<b>2,665</b>	<b>-32,883</b>	<b>-39,908</b>	<b>-91,310</b>
<b>Other economic flows</b>					
<b>- included in operating result</b>					
Net write-downs of assets		-87	-3,442	-2,949	-7,828
Assets recognised for the first time		37	89	63	242
Actuarial revaluations		0	0	0	109
Net foreign exchange gains		-106	53	0	48
Net swap interest received		-42	-393	-325	-343
Market valuation of debt		411	17,890	22,238	22,484
Other gains/(losses)		1,046	3,760	3,905	6,983
<b>Total other economic flows</b>		<b>1,259</b>	<b>17,958</b>	<b>22,932</b>	<b>21,695</b>
<b>- included in operating result</b>					
<b>Operating Result(b)</b>		<b>3,924</b>	<b>-14,926</b>	<b>-16,976</b>	<b>-69,616</b>
<b>Non-owner movements in equity</b>					
Revaluation of equity investments		1	0	-1	-3,174
Actuarial revaluations		0	0	0	-22,072
Other economic revaluations		12	555	857	720
<b>Total other economic flows - included in equity</b>		<b>13</b>	<b>555</b>	<b>856</b>	<b>-24,526</b>
<b>Comprehensive result</b>					
<b>- Total change in net worth</b>		<b>3,938</b>	<b>-14,371</b>	<b>-16,119</b>	<b>-94,141</b>
<b>Net operating balance</b>		<b>2,665</b>	<b>-32,883</b>	<b>-39,908</b>	<b>-91,310</b>
<b>Net acquisition of non-financial assets</b>					
Purchases of non-financial assets		1,243	6,864	7,700	23,518
less Sales of non-financial assets		19	1,057	758	930
less Depreciation		906	5,572	5,826	11,651
plus Change in inventories		-412	49	41	682
plus Other movements in non-financial assets		-47	-21	-25	-26
<b>Total net acquisition of non-financial assets</b>		<b>-142</b>	<b>262</b>	<b>1,133</b>	<b>11,593</b>
<b>Fiscal balance (Net lending/borrowing)(c)</b>		<b>2,807</b>	<b>-33,145</b>	<b>-41,041</b>	<b>-102,903</b>

\*As published in the 2021-22 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) 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 December 2021 \$m	MYEFO ESTIMATE* as at 30 June 2022 \$m
<b>Assets</b>		
Financial assets		
Cash and deposits	60,568	57,497
Advances paid	78,202	82,967
Investments, loans and placements	212,103	205,481
Other receivables	66,682	65,103
Equity investments		
Investments in other public sector entities	62,657	61,792
Equity accounted investments	3,725	4,037
Investments - shares	80,446	90,724
<i>Total financial assets</i>	<i>564,383</i>	<i>567,601</i>
Non-financial assets		
Land	12,093	12,188
Buildings	42,784	46,330
Plant, equipment and infrastructure	93,351	98,724
Inventories	10,423	10,891
Intangibles	9,989	11,100
Investment properties	198	213
Biological assets	30	23
Heritage and cultural assets	11,844	11,869
Assets held for sale	289	562
Other non-financial assets	19	14
<i>Total non-financial assets</i>	<i>181,020</i>	<i>191,914</i>
<b>Total assets</b>	<b>745,403</b>	<b>759,515</b>
<b>Liabilities</b>		
Interest bearing liabilities		
Deposits held	560	598
Government securities	910,007	969,411
Loans	27,532	29,501
Lease liabilities	18,655	19,823
<i>Total interest bearing liabilities</i>	<i>956,753</i>	<i>1,019,332</i>
Provisions and payables		
Superannuation liability (a)	411,625	250,958
Other employee liabilities	38,513	38,371
Suppliers payables	6,130	11,131
Personal benefits payables	2,891	2,977
Subsidies payables	891	995
Grants payables	2,180	4,314
Other payables	5,954	2,464
Provisions	60,039	61,349
<i>Total provisions and payables</i>	<i>528,223</i>	<i>372,559</i>
<b>Total liabilities</b>	<b>1,484,976</b>	<b>1,391,891</b>
<b>Net worth(b)</b>	<b>-739,574</b>	<b>-632,376</b>
<i>Net financial worth(c)</i>	<i>-920,593</i>	<i>-824,290</i>
<i>Net financial liabilities(d)</i>	<i>983,250</i>	<i>886,082</i>
<i>Net debt(e)</i>	<i>605,881</i>	<i>673,387</i>

\*As published in the 2021-22 MYEFO.

(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<sup>(a)</sup>

	ACTUAL 2021-2022 December \$m	ACTUAL 2021-2022 YTD December \$m	MYEFO Profile 2021-2022 YTD December \$m	MYEFO ESTIMATE* 2021-2022 FULL YEAR \$m
<b>Cash receipts from operating activities</b>				
Taxes received	53,370	251,562	248,202	490,487
Receipts from sales of goods and services	2,133	10,483	8,701	17,520
Interest receipts	185	1,453	1,744	2,732
Dividends, distributions and income tax equivalents	1,094	7,010	6,107	7,980
Other receipts(b)	2,326	8,116	7,537	13,139
<b>Total operating receipts</b>	<b>59,108</b>	<b>278,624</b>	<b>272,289</b>	<b>531,859</b>
<b>Cash payments for operating activities</b>				
Payments for employees(b)(c)	-3,095	-18,466	-18,678	-36,681
Payments for goods and services	-15,277	-81,245	-80,992	-172,036
Grants and subsidies paid	-19,474	-109,885	-110,878	-221,836
Interest paid	-1,494	-8,604	-8,541	-17,496
Personal benefit payments	-12,718	-85,669	-86,337	-152,756
Other payments(c)	-729	-3,750	-3,812	-8,248
<b>Total operating payments</b>	<b>-52,786</b>	<b>-307,619</b>	<b>-309,238</b>	<b>-609,053</b>
<b>Net cash flows from operating activities</b>	<b>6,322</b>	<b>-28,995</b>	<b>-36,948</b>	<b>-77,194</b>
<b>Cash flows from investments in non-financial assets</b>				
Sales of non-financial assets	19	394	97	271
Purchases of non-financial assets	-1,639	-7,407	-7,701	-19,877
<b>Net cash flows from investments in non-financial assets</b>	<b>-1,620</b>	<b>-7,013</b>	<b>-7,604</b>	<b>-19,606</b>
<b>Net cash flows from investments in financial assets for policy purposes</b>	<b>-1,377</b>	<b>1,862</b>	<b>1,563</b>	<b>-6,888</b>
<b>Net cash flows from investments in financial assets for liquidity purposes</b>	<b>-151</b>	<b>-4,738</b>	<b>-3,266</b>	<b>-2,979</b>
<b>Cash flows from financing activities</b>				
Borrowing (net)	-4,168	40,825	40,627	108,996
Other financing (net)	246	-3,785	-3,742	-7,243
<b>Net cash flows from financing activities</b>	<b>-3,922</b>	<b>37,040</b>	<b>36,885</b>	<b>101,753</b>
<b>Net increase/(decrease) in cash held</b>	<b>-748</b>	<b>-1,843</b>	<b>-9,371</b>	<b>-4,914</b>
<b>GFS cash surplus(+)/deficit(-)(d)</b>	<b>4,702</b>	<b>-36,008</b>	<b>-44,553</b>	<b>-96,801</b>
<i>plus</i> Net cash flows from financing activities for leases(e)	-210	-1,308	-1,280	-2,447
<b>Equals underlying cash balance(f)</b>	<b>4,492</b>	<b>-37,316</b>	<b>-45,833</b>	<b>-99,247</b>
<i>plus</i> Net cash flows from investments in financial assets for policy purposes	-1,377	1,862	1,563	-6,888
<b>Equals headline cash balance</b>	<b>3,115</b>	<b>-35,454</b>	<b>-44,270</b>	<b>-106,135</b>

\*As published in the 2021-22 MYEFO.

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

(b) As a 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. This was previously reported on a net basis.

(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 financing cash payments, 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 December \$m	ACTUAL 2021-2022 YTD December \$m	MYEFO Profile 2021-2022 YTD December \$m	MYEFO ESTIMATE* 2021-2022 FULL YEAR \$m
Individuals and other w ithholding taxes				
Gross income tax withholding	21,155	117,730	116,355	229,700
Gross other individuals	2,004	24,638	24,244	53,800
less Refunds	1,474	28,943	28,952	38,700
Total individuals and other w ithholding taxation	21,685	113,425	111,647	244,800
Fringe benefits tax	14	1,526	1,549	3,160
Company tax	13,634	59,255	58,098	102,700
Superannuation fund taxes	6,684	18,888	18,716	23,230
Petroleum resource rent tax	11	897	886	1,470
<b>Total income taxation revenue</b>	<b>42,027</b>	<b>193,991</b>	<b>190,896</b>	<b>375,360</b>

\*As published in the 2021-22 MYEFO.

## Note 2: Indirect Tax

	ACTUAL 2021-2022 December \$m	ACTUAL 2021-2022 YTD December \$m	MYEFO Profile 2021-2022 YTD December \$m	MYEFO ESTIMATE* 2021-2022 FULL YEAR \$m
Goods and services tax	4,981	37,776	37,900	76,410
Wine equalisation tax	130	573	542	1,160
Luxury car tax	68	444	422	770
Excise duty	2,163	12,337	12,207	24,850
Customs duty	1,574	7,822	7,729	17,190
Other indirect tax	509	3,734	3,825	8,301
<b>Total indirect taxation revenue</b>	<b>9,425</b>	<b>62,687</b>	<b>62,625</b>	<b>128,681</b>

\*As published in the 2021-22 MYEFO.

## Note 3: Total expenses by function

	ACTUAL 2021-2022 December \$m	ACTUAL 2021-2022 YTD December \$m	MYEFO ESTIMATE* 2021-2022 FULL YEAR \$m
<b>Expenses by function</b>			
General public services	2,603	14,386	33,264
Defence	2,934	17,091	35,201
Public order and safety	514	3,417	6,766
Education	2,463	21,086	43,378
Health	8,317	52,333	105,706
Social security and welfare	19,091	119,822	226,241
Housing and community amenities	582	3,057	8,139
Recreation and culture	324	2,017	4,567
Fuel and energy	743	4,382	9,770
Agriculture, forestry and fishing	261	1,400	4,456
Mining, manufacturing and construction	281	1,666	4,259
Transport and communication	869	2,624	15,312
Other economic affairs	4,475	13,822	23,519
Other purposes			
Public debt interest	1,550	9,032	17,862
Nominal superannuation interest	748	4,487	8,974
General purpose inter-government transactions	6,276	39,551	78,324
Natural disaster relief	7	80	582
Contingency reserve	0	0	7,518
<b>Total expenses</b>	<b>52,038</b>	<b>310,252</b>	<b>633,838</b>

\*As published in the 2021-22 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.

### **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>.