



SENATOR THE HON SIMON BIRMINGHAM

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

Friday, 1 April 2022

MEDIA RELEASE

AUSTRALIAN GOVERNMENT GENERAL GOVERNMENT SECTOR MONTHLY FINANCIAL STATEMENTS February 2022

KEY POINTS

- The Monthly Financial Statements for February 2022 report the budget position against the expected monthly profile for the 2021-22 financial year through to 28 February 2022, based on the 2021-22 Mid-Year Economic and Fiscal Outlook (MYEFO) estimates published in December 2021.
- The February 2022 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 28 February 2022 was a deficit of \$42.2 billion against the MYEFO profile deficit of \$64.7 billion.
- The fiscal balance for the 2021-22 financial year to 28 February 2022 was a deficit of \$35.3 billion against the MYEFO profile deficit of \$61.8 billion.

AGGREGATES	ACTUAL	ACTUAL	MYEFO Profile	MYEFO
	2021-2022 February \$b	2021-2022 YTD February \$b	2021-2022 YTD February \$b	ESTIMATE* 2021-2022 FULL YEAR \$b
Receipts(a)	53.2	365.0	350.9	532.1
Payments(b)	43.2	407.2	415.5	631.4
Underlying cash balance	10.1	-42.2	-64.7	-99.2
Headline cash balance	9.5	-42.1	-65.1	-106.1
Revenue	56.2	374.0	357.9	542.5
Expenses	45.8	407.8	415.2	633.8
Net operating balance	10.5	-33.8	-57.3	-91.3
Net capital investment	0.6	1.5	4.5	11.6
Fiscal balance	9.9	-35.3	-61.8	-102.9
Total assets		762.4		759.5
Total liabilities		1,487.3		1,391.9
Net worth(c)		-724.9		-632.4
Net debt(d)		591.2		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 28 February 2022 was a deficit of \$42.2 billion, which is \$22.5 billion lower than the 2021-22 MYEFO profile deficit of \$64.7 billion.

- **Receipts**

Total receipts were \$14.2 billion higher than the 2021-22 MYEFO profile.

- **Payments**

Total payments were \$8.3 billion lower than the 2021-22 MYEFO profile.

Net Operating Balance

The net operating balance for the financial year to 28 February 2022 was a deficit of \$33.8 billion, which is \$23.5 billion lower than the 2021-22 MYEFO profile deficit of \$57.3 billion. The difference results from higher than expected revenue and lower than expected expenses.

Fiscal Balance

The fiscal balance for the financial year to 28 February 2022 was a deficit of \$35.3 billion, which is \$26.4 billion lower than the 2021-22 MYEFO profile deficit of \$61.8 billion. The difference results from higher than expected revenue and lower than expected expenses and net capital investment.

Assets and Liabilities

As at 28 February 2022:

- net worth is negative \$724.9 billion;
- net debt is \$591.2 billion; and
- net financial liabilities are \$969.9 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 February \$m	ACTUAL 2021-2022 YTD February \$m	MYEFO Profile 2021-2022 YTD February \$m	MYEFO ESTIMATE* 2021-2022 FULL YEAR \$m
Revenue					
Taxation revenue	1,2	53,337	345,768	331,441	504,041
Sales of goods and services		624	12,450	12,411	17,424
Interest income		272	2,134	2,490	3,619
Dividend and distribution income		939	5,461	3,876	5,178
Other		1,072	8,217	7,689	12,266
Total revenue		56,244	374,030	357,907	542,528
Expenses					
Gross operating expenses					
Wages and salaries(a)		1,869	14,884	15,187	23,102
Superannuation		1,006	8,185	8,148	12,091
Depreciation and amortisation		922	7,419	7,707	11,651
Supply of goods and services		12,819	101,714	105,508	175,257
Other operating expenses(a)		585	5,443	5,523	8,785
<i>Total gross operating expenses</i>		<i>17,200</i>	<i>137,645</i>	<i>142,073</i>	<i>230,886</i>
Superannuation interest expense		748	5,983	5,983	8,974
Interest expenses		1,457	12,357	12,578	20,070
Current transfers					
Current grants		13,506	127,258	127,696	182,118
Subsidy expenses		1,341	12,035	12,186	18,938
Personal benefits		10,536	106,220	107,051	152,282
<i>Total current transfers</i>		<i>25,384</i>	<i>245,513</i>	<i>246,933</i>	<i>353,338</i>
Capital transfers					
Mutually agreed write-downs		205	1,700	1,647	2,734
Other capital grants		787	4,652	5,968	17,836
<i>Total capital transfers</i>		<i>992</i>	<i>6,352</i>	<i>7,615</i>	<i>20,570</i>
Total expenses	3	45,781	407,850	415,182	633,838
Net operating balance		10,463	-33,820	-57,275	-91,310
Other economic flows					
- included in operating result					
Net write-downs of assets		-1,561	-5,389	-4,062	-7,828
Assets recognised for the first time		22	119	100	242
Actuarial revaluations		0	0	0	109
Net foreign exchange gains		-106	34	0	48
Net swap interest received		-66	-540	-325	-343
Market valuation of debt		12,696	41,299	22,314	22,484
Other gains/(losses)		-4,349	-1,685	5,230	6,983
Total other economic flows		6,636	33,838	23,258	21,695
- included in operating result					
Operating Result(b)		17,099	17	-34,017	-69,616
Non-owner movements in equity					
Revaluation of equity investments		3	3	-1	-3,174
Actuarial revaluations		0	0	0	-22,072
Other economic revaluations		-8	288	861	720
Total other economic flows - included in equity		-6	291	860	-24,526
Comprehensive result					
- Total change in net worth		17,093	308	-33,157	-94,141
Net operating balance		10,463	-33,820	-57,275	-91,310
Net acquisition of non-financial assets					
Purchases of non-financial assets		1,227	9,975	12,895	23,518
less Sales of non-financial assets		32	1,134	775	930
less Depreciation		922	7,419	7,707	11,651
plus Change in inventories		325	124	122	682
plus Other movements in non-financial assets		1	-20	-25	-26
Total net acquisition of non-financial assets		598	1,525	4,509	11,593
Fiscal balance (Net lending/borrowing)(c)		9,865	-35,346	-61,784	-102,903

*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 28 February 2022 \$m	MYEFO ESTIMATE* as at 30 June 2022 \$m
Assets		
Financial assets		
Cash and deposits	54,799	57,497
Advances paid	79,707	82,967
Investments, loans and placements	211,943	205,481
Other receivables	91,297	65,103
Equity investments		
Investments in other public sector entities	63,064	61,792
Equity accounted investments	3,733	4,037
Investments - shares	75,890	90,724
<i>Total financial assets</i>	<i>580,432</i>	<i>567,601</i>
Non-financial assets		
Land	12,093	12,188
Buildings	42,860	46,330
Plant, equipment and infrastructure	94,188	98,724
Inventories	10,394	10,891
Intangibles	10,041	11,100
Investment properties	200	213
Biological assets	30	23
Heritage and cultural assets	11,840	11,869
Assets held for sale	278	562
Other non-financial assets	21	14
<i>Total non-financial assets</i>	<i>181,943</i>	<i>191,914</i>
Total assets	762,375	759,515
Liabilities		
Interest bearing liabilities		
Deposits held	507	598
Government securities	891,104	969,411
Loans	27,532	29,501
Lease liabilities	18,467	19,823
<i>Total interest bearing liabilities</i>	<i>937,609</i>	<i>1,019,332</i>
Provisions and payables		
Superannuation liability (a)	413,145	250,958
Other employee liabilities	38,436	38,371
Suppliers payables	8,479	11,131
Personal benefits payables	3,509	2,977
Subsidies payables	770	995
Grants payables	2,777	4,314
Other payables	23,301	2,464
Provisions	59,242	61,349
<i>Total provisions and payables</i>	<i>549,660</i>	<i>372,559</i>
Total liabilities	1,487,270	1,391,891
Net worth(b)	-724,895	-632,376
<i>Net financial worth(c)</i>	<i>-906,838</i>	<i>-824,290</i>
<i>Net financial liabilities(d)</i>	<i>969,901</i>	<i>886,082</i>
<i>Net debt(e)</i>	<i>591,160</i>	<i>673,387</i>

*As published in the 2021-22 MYEFO.

(a) For budget reporting purposes, a discount rate of 5 per cent determined by actuaries in preparing the 2020 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 February \$m	ACTUAL 2021-2022 YTD February \$m	MYEFO Profile 2021-2022 YTD February \$m	MYEFO ESTIMATE* 2021-2022 FULL YEAR \$m
Cash receipts from operating activities				
Taxes received	51,096	333,438	320,795	490,487
Receipts from sales of goods and services	560	12,425	12,099	17,520
Interest receipts	121	1,718	2,050	2,732
Dividends, distributions and income tax equivalents	724	8,164	6,670	7,980
Other receipts(b)	737	8,868	9,162	13,139
Total operating receipts	53,238	364,613	350,777	531,859
Cash payments for operating activities				
Payments for employees(b)(c)	-2,803	-23,795	-24,408	-36,681
Payments for goods and services	-11,765	-102,390	-105,388	-172,036
Grants and subsidies paid	-15,543	-148,027	-150,204	-221,836
Interest paid	-747	-9,875	-9,790	-17,496
Personal benefit payments	-10,599	-106,229	-107,048	-152,756
Other payments(c)	-434	-5,105	-5,049	-8,248
Total operating payments	-41,891	-395,421	-401,886	-609,053
Net cash flows from operating activities	11,347	-30,808	-51,109	-77,194
Cash flows from investments in non-financial assets				
Sales of non-financial assets	7	434	114	271
Purchases of non-financial assets	-1,075	-10,077	-11,962	-19,877
Net cash flows from investments in non-financial assets	-1,068	-9,643	-11,848	-19,606
Net cash flows from investments in financial assets for policy purposes	-639	1	-483	-6,888
Net cash flows from investments in financial assets for liquidity purposes	-263	-6,389	-3,672	-2,979
Cash flows from financing activities				
Borrowing (net)	-103	43,748	59,029	108,996
Other financing (net)	-323	-4,521	-4,250	-7,243
Net cash flows from financing activities	-426	39,226	54,779	101,753
Net increase/(decrease) in cash held	8,951	-7,613	-12,332	-4,914
GFS cash surplus(+)/deficit(-)(d)	10,279	-40,451	-62,958	-96,801
<i>plus</i> Net cash flows from financing activities for leases(e)	-186	-1,700	-1,698	-2,447
Equals underlying cash balance(f)	10,093	-42,151	-64,656	-99,247
<i>plus</i> Net cash flows from investments in financial assets for policy purposes	-639	1	-483	-6,888
Equals headline cash balance	9,454	-42,150	-65,138	-106,135

*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 February \$m	ACTUAL 2021-2022 YTD February \$m	MYEFO Profile 2021-2022 YTD February \$m	MYEFO ESTIMATE* 2021-2022 FULL YEAR \$m
Individuals and other withholding taxes				
Gross income tax withholding	22,683	157,081	151,932	229,700
Gross other individuals	5,256	32,059	31,111	53,800
/less Refunds	1,281	31,593	31,953	38,700
Total individuals and other withholding taxation	26,658	157,547	151,090	244,800
Fringe benefits tax	176	2,333	2,367	3,160
Company tax	10,006	76,825	70,428	102,700
Superannuation fund taxes	1,302	21,343	20,248	23,230
Petroleum resource rent tax	2	1,253	1,215	1,470
Total income taxation revenue	38,144	259,302	245,348	375,360

*As published in the 2021-22 MYEFO.

Note 2: Indirect Tax

	ACTUAL 2021-2022 February \$m	ACTUAL 2021-2022 YTD February \$m	MYEFO Profile 2021-2022 YTD February \$m	MYEFO ESTIMATE* 2021-2022 FULL YEAR \$m
Goods and services tax	10,092	52,074	52,129	76,410
Wine equalisation tax	143	789	793	1,160
Luxury car tax	70	591	524	770
Excise duty	1,967	16,544	16,385	24,850
Customs duty	1,862	11,240	11,186	17,190
Other indirect tax	1,060	5,227	5,076	8,301
Total indirect taxation revenue	15,193	86,466	86,093	128,681

*As published in the 2021-22 MYEFO.

Note 3: Total expenses by function

	ACTUAL 2021-2022 February \$m	ACTUAL 2021-2022 YTD February \$m	MYEFO ESTIMATE* 2021-2022 FULL YEAR \$m
Expenses by function			
General public services	2,276	19,480	33,264
Defence	2,865	22,610	35,201
Public order and safety	525	4,317	6,766
Education	2,208	33,376	43,378
Health	9,171	69,710	105,706
Social security and welfare	16,182	151,180	226,241
Housing and community amenities	452	3,984	8,139
Recreation and culture	355	2,747	4,567
Fuel and energy	741	5,867	9,770
Agriculture, forestry and fishing	315	1,921	4,456
Mining, manufacturing and construction	304	2,239	4,259
Transport and communication	571	4,089	15,312
Other economic affairs	1,094	15,899	23,519
Other purposes			
Public debt interest	1,408	11,983	17,862
Nominal superannuation interest	748	5,983	8,974
General purpose inter-government transactions	6,561	52,369	78,324
Natural disaster relief	6	97	582
Contingency reserve	0	0	7,518
Total expenses	45,781	407,850	633,838

*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>.