



SENATOR THE HON KATY GALLAGHER

Minister for Finance
Senator for the Australian Capital Territory

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MEDIA RELEASE

AUSTRALIAN GOVERNMENT GENERAL GOVERNMENT SECTOR MONTHLY FINANCIAL STATEMENTS May 2022

KEY POINTS

- The Monthly Financial Statements for May 2022 report the budget position against the expected monthly profile for the 2021-22 financial year through to 31 May 2022, based on the 2021-22 Revised Budget estimates published in the 2022-23 Budget in March 2022.
- The underlying cash balance for the 2021-22 financial year to 31 May 2022 was a deficit of \$33.4 billion against the Revised Budget profile deficit of \$60.5 billion.
- The fiscal balance for the 2021-22 financial year to 31 May 2022 was a deficit of \$22.3 billion against the Revised Budget profile deficit of \$50.6 billion.

AGGREGATES	ACTUAL	ACTUAL	Revised Budget	REVISED BUDGET
	2021-2022 May \$b	2021-2022 YTD May \$b	Profile 2021-2022 YTD May \$b	ESTIMATE* 2021-2022 FULL YEAR \$b
Receipts(a)	62.0	525.7	509.5	556.6
Payments(b)	49.5	559.0	570.0	636.4
Underlying cash balance	12.5	-33.4	-60.5	-79.8
Headline cash balance	11.8	-34.6	-63.7	-85.8
Revenue	66.0	542.2	525.9	566.4
Expenses	49.7	559.0	568.3	639.6
Net operating balance	16.2	-16.9	-42.4	-73.2
Net capital investment	1.7	5.5	8.1	11.1
Fiscal balance	14.6	-22.3	-50.6	-84.2
Total assets		791.8		757.6
Total liabilities		1,438.6		1,352.6
Net worth(c)		-646.8		-595.0
Net debt(d)		516.8		631.5

*As published in the 2022-23 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 May 2022 was a deficit of \$33.4 billion, which is \$27.1 billion lower than the 2021-22 Revised Budget profile deficit of \$60.5 billion.

- **Receipts**
Total receipts were \$16.2 billion higher than the 2021-22 Revised Budget profile.
- **Payments**
Total payments were \$11.0 billion lower than the 2021-22 Revised Budget profile.

Net Operating Balance

The net operating balance for the financial year to 31 May 2022 was a deficit of \$16.9 billion, which is \$25.6 billion lower than the 2021-22 Revised Budget profile deficit of \$42.4 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 May 2022 was a deficit of \$22.3 billion, which is \$28.2 billion lower than the 2021-22 Revised Budget profile deficit of \$50.6 billion. The difference results from higher than expected revenue and lower than expected expenses and net capital investment.

Assets and Liabilities

As at 31 May 2022:

- net worth is negative \$646.8 billion;
- net debt is \$516.8 billion; and
- net financial liabilities are \$898.4 billion.

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Australian Government general government sector operating statement

		ACTUAL 2021-2022 May \$m	ACTUAL 2021-2022 YTD May \$m	Revised Budget Profile 2021-2022 YTD May \$m	REVISED BUDGET ESTIMATE* 2021-2022 FULL YEAR \$m
Revenue					
Taxation revenue(a)	1,2	63,309	501,667	487,888	525,380
Sales of goods and services		743	17,113	16,841	17,628
Interest income		245	3,529	3,595	3,916
Dividend and distribution income		407	7,509	6,161	6,219
Other(a)		1,261	12,347	11,417	13,273
Total revenue		65,965	542,164	525,903	566,417
Expenses					
Gross operating expenses					
Wages and salaries(b)		2,064	20,853	21,183	23,572
Superannuation		1,046	11,229	11,340	12,285
Depreciation and amortisation		984	10,230	10,814	11,745
Supply of goods and services		14,577	143,355	149,163	167,523
Other operating expenses(b)		680	7,340	7,330	8,168
<i>Total gross operating expenses</i>		<i>19,351</i>	<i>193,006</i>	<i>199,830</i>	<i>223,293</i>
Superannuation interest expense		748	8,226	8,228	8,976
Interest expenses		1,725	17,429	17,573	20,638
Current transfers					
Current grants		13,045	169,280	170,451	189,064
Subsidy expenses		1,157	15,683	15,972	18,017
Personal benefits		11,914	144,598	145,143	156,348
<i>Total current transfers</i>		<i>26,117</i>	<i>329,562</i>	<i>331,566</i>	<i>363,429</i>
Capital transfers					
Mutually agreed write-downs		341	2,403	2,376	2,768
Other capital grants		1,450	8,394	8,748	20,465
<i>Total capital transfers</i>		<i>1,791</i>	<i>10,797</i>	<i>11,124</i>	<i>23,234</i>
Total expenses	3	49,731	559,020	568,320	639,569
Net operating balance		16,234	-16,856	-42,417	-73,153
Other economic flows					
- included in operating result					
Net write-downs of assets		-916	-6,950	-7,030	-7,051
Assets recognised for the first time		57	226	192	242
Actuarial revaluations		0	0	0	-15
Net foreign exchange gains		-37	61	0	-602
Net swap interest received		34	-294	-427	-427
Market valuation of debt		10,883	103,250	48,297	48,066
Other gains/(losses)		-660	-3,196	4,297	5,751
Total other economic flows		9,360	93,096	45,330	45,964
- included in operating result					
Operating Result(c)		25,594	76,239	2,913	-27,189
Non-owner movements in equity					
Revaluation of equity investments		-2	32	33	-8,494
Actuarial revaluations		0	0	0	-880
Other economic revaluations		1,833	2,136	324	1,061
Total other economic flows - included in equity		1,831	2,168	358	-8,312
Comprehensive result					
- Total change in net worth		27,425	78,407	3,270	-35,502
Net operating balance		16,234	-16,856	-42,417	-73,153
Net acquisition of non-financial assets					
Purchases of non-financial assets		2,505	15,539	19,034	23,025
less Sales of non-financial assets		59	1,256	1,108	1,149
less Depreciation		984	10,230	10,814	11,745
plus Change in inventories		213	1,428	1,051	988
plus Other movements in non-financial assets		-1	-17	-25	-27
Total net acquisition of non-financial assets		1,675	5,463	8,138	11,092
Fiscal balance (Net lending/borrowing)(d)		14,559	-22,319	-50,555	-84,245

*As published in the 2022-23 Budget.

(a) In the 2022-23 Budget, following a determination issued by the Australian Bureau of Statistics (ABS), the industry contribution levy collected by the Australian Transaction Reports and Analysis Centre has been reclassified from non-taxation revenue to taxation revenue to reflect the change in the nature of this revenue.

(b) Consistent with the ABS Government Finance Statistics (GFS) classification, other employee related expenses are classified separately from wages and salaries under other operating expenses. Total employee expenses equal wages and salaries plus other operating expenses.

(c) Operating result under Australian Accounting Standards.

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

Australian Government general government sector balance sheet

	ACTUAL as at 31 May 2022 \$m	REVISED BUDGET ESTIMATE* as at 30 June 2022 \$m
Assets		
Financial assets		
Cash and deposits	87,320	62,206
Advances paid	80,609	81,915
Investments, loans and placements	216,355	203,633
Other receivables	77,703	65,948
Equity investments		
Investments in other public sector entities	63,994	56,373
Equity accounted investments	3,822	4,034
Investments - shares	74,321	91,886
<i>Total financial assets</i>	<i>604,124</i>	<i>565,993</i>
Non-financial assets		
Land	12,128	12,327
Buildings	43,537	45,800
Plant, equipment and infrastructure	96,971	99,155
Inventories	11,633	11,196
Intangibles	11,027	10,706
Investment properties	206	214
Biological assets	13	21
Heritage and cultural assets	11,842	11,873
Assets held for sale	252	286
Other non-financial assets	23	13
<i>Total non-financial assets</i>	<i>187,632</i>	<i>191,590</i>
Total assets	791,756	757,583
Liabilities		
Interest bearing liabilities		
Deposits held	591	598
Government securities	853,865	929,091
Loans	27,649	29,640
Lease liabilities	18,965	19,901
<i>Total interest bearing liabilities</i>	<i>901,070</i>	<i>979,230</i>
Provisions and payables		
Superannuation liability(a)	415,356	251,251
Other employee liabilities	38,134	38,518
Suppliers payables	11,200	12,113
Personal benefits payables	3,434	2,950
Subsidies payables	913	985
Grants payables	2,711	3,648
Other payables	6,849	2,629
Provisions	58,886	61,263
<i>Total provisions and payables</i>	<i>537,482</i>	<i>373,358</i>
Total liabilities	1,438,552	1,352,588
Net worth(b)	-646,796	-595,005
<i>Net financial worth(c)</i>	<i>-834,428</i>	<i>-786,594</i>
<i>Net financial liabilities(d)</i>	<i>898,422</i>	<i>842,967</i>
<i>Net debt(e)</i>	<i>516,786</i>	<i>631,477</i>

*As published in the 2022-23 Budget.

(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 May \$m	ACTUAL 2021-2022 YTD May \$m	Revised Budget Profile 2021-2022 YTD May \$m	REVISED BUDGET ESTIMATE* 2021-2022 FULL YEAR \$m
Cash receipts from operating activities				
Taxes received(b)	58,975	482,613	468,898	512,480
Receipts from sales of goods and services	1,418	16,931	16,598	17,626
Interest receipts	205	2,277	2,346	2,557
Dividends, distributions and income tax equivalents	324	10,261	9,027	9,142
Other receipts(b)(c)	1,078	13,087	12,190	14,334
Total operating receipts	62,000	525,169	509,059	556,139
Cash payments for operating activities				
Payments for employees(c)(d)	-2,963	-33,474	-33,729	-37,212
Payments for goods and services	-13,931	-143,029	-149,170	-164,372
Grants and subsidies paid	-15,929	-197,869	-199,229	-230,162
Interest paid	-2,993	-16,563	-16,411	-17,456
Personal benefit payments	-11,802	-144,912	-145,338	-157,130
Other payments(d)	-525	-6,924	-6,694	-7,496
Total operating payments	-48,143	-542,769	-550,570	-613,828
Net cash flows from operating activities	13,857	-17,600	-41,512	-57,689
Cash flows from investments in non-financial assets				
Sales of non-financial assets	15	505	438	487
Purchases of non-financial assets	-1,298	-14,087	-17,215	-20,159
Net cash flows from investments in non-financial assets	-1,283	-13,582	-16,778	-19,672
Net cash flows from investments in financial assets for policy purposes	-726	-1,228	-3,143	-5,949
Net cash flows from investments in financial assets for liquidity purposes	279	-8,315	-5,727	-3,200
Cash flows from financing activities				
Borrowing (net)	2,746	72,319	79,727	93,589
Other financing (net)	-837	-6,686	-6,866	-7,284
Net cash flows from financing activities	1,909	65,633	72,861	86,305
Net increase/(decrease) in cash held	14,035	24,909	5,702	-206
GFS cash surplus(+)/deficit(-)(e)	12,574	-31,182	-58,289	-77,361
<i>plus</i> Net cash flows from financing activities for leases(f)	-62	-2,185	-2,220	-2,460
Equals underlying cash balance(g)	12,511	-33,366	-60,509	-79,821
<i>plus</i> Net cash flows from investments in financial assets for policy purposes	-726	-1,228	-3,143	-5,949
Equals headline cash balance	11,785	-34,594	-63,652	-85,770

*As published in the 2022-23 Budget.

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

(b) In the 2022-23 Budget, following a determination issued by the ABS, the industry contribution levy collected by the Australian Transaction Reports and Analysis Centre has been reclassified from non-taxation receipts to taxation receipts to reflect the change in the nature of these receipts.

(c) 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.

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

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

(f) 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.

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

Note 1: Income Tax

	ACTUAL 2021-2022 May \$m	ACTUAL 2021-2022 YTD May \$m	Revised Budget Profile 2021-2022 YTD May \$m	REVISED BUDGET ESTIMATE* 2021-2022 FULL YEAR \$m
Individuals and other w ithholding taxes				
Gross income tax withholding	23,596	221,177	219,457	238,500
Gross other individuals	11,542	56,594	55,282	57,500
less Refunds	2,049	36,392	36,579	38,200
Total individuals and other w ithholding taxation	33,089	241,380	238,160	257,800
Fringe benefits tax	215	3,218	3,188	3,180
Company tax	14,695	112,240	103,737	111,500
Superannuation fund taxes	1,198	24,957	23,950	24,580
Petroleum resource rent tax	74	1,788	1,758	1,720
Total income taxation revenue	49,272	383,583	370,794	398,780

*As published in the 2022-23 Budget.

Note 2: Indirect Tax

	ACTUAL 2021-2022 May \$m	ACTUAL 2021-2022 YTD May \$m	Revised Budget Profile 2021-2022 YTD May \$m	REVISED BUDGET ESTIMATE* 2021-2022 FULL YEAR \$m
Goods and services tax	10,042	71,967	71,120	76,409
Wine equalisation tax	103	1,035	1,062	1,160
Luxury car tax	83	843	805	880
Excise duty	1,405	21,223	21,141	22,370
Customs duty	1,441	15,618	15,450	16,980
Other indirect tax(a)	963	7,399	7,516	8,801
Total indirect taxation revenue	14,037	118,084	117,094	126,600

*As published in the 2022-23 Budget.

(a) In the 2022-23 Budget, following a determination issued by the ABS, the industry contribution levy collected by the Australian Transaction Reports and Analysis Centre has been reclassified from non-taxation revenue to taxation revenue to reflect the change in the nature of this revenue.

Note 3: Total expenses by function

	ACTUAL 2021-2022 May \$m	ACTUAL 2021-2022 YTD May \$m	REVISED BUDGET ESTIMATE* 2021-2022 FULL YEAR \$m
Expenses by function			
General public services	2,874	27,298	33,121
Defence	4,015	33,362	35,882
Public order and safety	503	6,030	6,713
Education	2,247	40,257	43,357
Health	8,711	97,405	111,467
Social security and w elfare	17,601	204,213	227,800
Housing and community amenities	563	5,631	8,431
Recreation and culture	395	3,814	4,716
Fuel and energy	369	7,326	8,444
Agriculture, forestry and fishing	333	2,746	4,119
Mining, manufacturing and construction	309	3,190	4,310
Transport and communication	1,210	6,864	16,070
Other economic affairs	1,222	19,825	23,631
Other purposes			
Public debt interest	1,669	16,834	18,462
Nominal superannuation interest	748	8,226	8,976
General purpose inter-government transactions	6,721	73,767	80,934
Natural disaster relief	240	2,231	5,176
Contingency reserve	0	0	-2,040
Total expenses	49,731	559,020	639,569

*As published in the 2022-23 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>.