



SENATOR THE HON SIMON BIRMINGHAM

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

Monday, 28 February 2022

MEDIA RELEASE

AUSTRALIAN GOVERNMENT GENERAL GOVERNMENT SECTOR MONTHLY FINANCIAL STATEMENTS January 2022

KEY POINTS

- The Monthly Financial Statements for January 2022 report the budget position against the expected monthly profile for the 2021-22 financial year through to 31 January 2022, based on the 2021-22 Mid-Year Economic and Fiscal Outlook (MYEFO) estimates published in December 2021.
- The January 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 31 January 2022 was a deficit of \$52.2 billion against the MYEFO profile deficit of \$65.4 billion.
- The fiscal balance for the 2021-22 financial year to 31 January 2022 was a deficit of \$45.2 billion against the MYEFO profile deficit of \$61.3 billion.

AGGREGATES	ACTUAL	ACTUAL	MYEFO Profile	MYEFO
	2021-2022 January \$b	2021-2022 YTD January \$b	2021-2022 YTD January \$b	ESTIMATE* 2021-2022 FULL YEAR \$b
Receipts(a)	32.8	311.8	303.9	532.1
Payments(b)	47.7	364.0	369.3	631.4
Underlying cash balance	-14.9	-52.2	-65.4	-99.2
Headline cash balance	-16.2	-51.6	-64.9	-106.1
Revenue	40.4	317.8	308.9	542.5
Expenses	51.8	362.1	367.5	633.8
Net operating balance	-11.4	-44.3	-58.6	-91.3
Net capital investment	0.7	0.9	2.7	11.6
Fiscal balance	-12.1	-45.2	-61.3	-102.9
Total assets		738.1		759.5
Total liabilities		1,480.1		1,391.9
Net worth(c)		-742.0		-632.4
Net debt(d)		609.4		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 January 2022 was a deficit of \$52.2 billion, which is \$13.2 billion lower than the 2021-22 MYEFO profile deficit of \$65.4 billion.

- **Receipts**
Total receipts were \$7.9 billion higher than the 2021-22 MYEFO profile.
- **Payments**
Total payments were \$5.3 billion lower than the 2021-22 MYEFO profile.

Net Operating Balance

The net operating balance for the financial year to 31 January 2022 was a deficit of \$44.3 billion, which is \$14.3 billion lower than the 2021-22 MYEFO profile deficit of \$58.6 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 January 2022 was a deficit of \$45.2 billion, which is \$16.1 billion lower than the 2021-22 MYEFO profile deficit of \$61.3 billion. The difference results from higher than expected revenue and lower than expected expenses and net capital investment.

Assets and Liabilities

As at 31 January 2022:

- net worth is negative \$742.0 billion;
- net debt is \$609.4 billion; and
- net financial liabilities are \$986.4 billion.

Senator the Hon. Simon Birmingham
Minister for Finance

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Australian Government general government sector operating statement

		ACTUAL 2021-2022 January \$m	ACTUAL 2021-2022 YTD January \$m	MYEFO Profile 2021-2022 YTD January \$m	MYEFO ESTIMATE* 2021-2022 FULL YEAR \$m
Note					
Revenue					
	1,2	35,754	292,431	284,452	504,041
		3,006	11,826	11,867	17,424
		275	1,862	2,233	3,619
		412	4,523	3,597	5,178
		971	7,144	6,739	12,266
		40,417	317,786	308,888	542,528
Expenses					
Gross operating expenses					
		1,558	13,015	13,310	23,102
		1,014	7,179	7,111	12,091
		925	6,497	6,770	11,651
		10,722	88,895	91,750	175,257
		559	4,858	4,843	8,785
		14,777	120,445	123,785	230,886
		748	5,235	5,235	8,974
		1,589	10,900	11,084	20,070
Current transfers					
		20,954	113,752	114,098	182,118
		1,398	10,694	10,737	18,938
		11,421	95,684	96,574	152,282
		33,773	220,129	221,409	353,338
Capital transfers					
		59	1,495	1,412	2,734
		871	3,865	4,560	17,836
		931	5,360	5,973	20,570
		51,817	362,069	367,486	633,838
	3	-11,400	-44,283	-58,598	-91,310
Net operating balance					
Other economic flows					
- included in operating result					
		-387	-3,829	-3,397	-7,828
		8	97	82	242
		0	0	0	109
		87	140	0	48
		-81	-474	-325	-343
		10,713	28,603	22,274	22,484
		-1,095	2,665	4,571	6,983
		9,244	27,202	23,205	21,695
Total other economic flows - included in operating result					
		-2,156	-17,081	-35,393	-69,616
Operating Result(b)					
Non-owner movements in equity					
		0	1	-1	-3,174
		0	0	0	-22,072
		-259	296	851	720
		-258	297	850	-24,526
Total other economic flows - included in equity					
Comprehensive result					
		-2,414	-16,785	-34,543	-94,141
- Total change in net worth					
		-11,400	-44,283	-58,598	-91,310
Net operating balance					
Net acquisition of non-financial assets					
		1,885	8,748	10,241	23,518
		46	1,103	768	930
		925	6,497	6,770	11,651
		-250	-201	42	682
		1	-20	-25	-26
		665	927	2,720	11,593
Total net acquisition of non-financial assets					
		-12,065	-45,210	-61,318	-102,903
Fiscal balance (Net lending/borrowing)(c)					

*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 January 2022 \$m	MYEFO ESTIMATE* as at 30 June 2022 \$m
Assets		
Financial assets		
Cash and deposits	45,848	57,497
Advances paid	79,083	82,967
Investments, loans and placements	215,588	205,481
Other receivables	70,487	65,103
Equity investments		
Investments in other public sector entities	62,975	61,792
Equity accounted investments	3,724	4,037
Investments - shares	78,956	90,724
<i>Total financial assets</i>	<i>556,662</i>	<i>567,601</i>
Non-financial assets		
Land	12,099	12,188
Buildings	42,918	46,330
Plant, equipment and infrastructure	93,951	98,724
Inventories	10,147	10,891
Intangibles	10,006	11,100
Investment properties	200	213
Biological assets	30	23
Heritage and cultural assets	11,841	11,869
Assets held for sale	258	562
Other non-financial assets	20	14
<i>Total non-financial assets</i>	<i>181,469</i>	<i>191,914</i>
Total assets	738,131	759,515
Liabilities		
Interest bearing liabilities		
Deposits held	633	598
Government securities	903,166	969,411
Loans	27,537	29,501
Lease liabilities	18,577	19,823
<i>Total interest bearing liabilities</i>	<i>949,913</i>	<i>1,019,332</i>
Provisions and payables		
Superannuation liability (a)	412,386	250,958
Other employee liabilities	38,231	38,371
Suppliers payables	7,777	11,131
Personal benefits payables	3,502	2,977
Subsidies payables	759	995
Grants payables	2,745	4,314
Other payables	5,737	2,464
Provisions	59,069	61,349
<i>Total provisions and payables</i>	<i>530,206</i>	<i>372,559</i>
Total liabilities	1,480,119	1,391,891
Net worth(b)	-741,988	-632,376
<i>Net financial worth(c)</i>	<i>-923,457</i>	<i>-824,290</i>
<i>Net financial liabilities(d)</i>	<i>986,432</i>	<i>886,082</i>
<i>Net debt(e)</i>	<i>609,394</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^(a)

	ACTUAL 2021-2022 January \$m	ACTUAL 2021-2022 YTD January \$m	MYEFO Profile 2021-2022 YTD January \$m	MYEFO ESTIMATE* 2021-2022 FULL YEAR \$m
Cash receipts from operating activities				
Taxes received	30,781	282,343	275,298	490,487
Receipts from sales of goods and services	1,382	11,865	11,524	17,520
Interest receipts	143	1,597	1,902	2,732
Dividends, distributions and income tax equivalents	430	7,441	6,390	7,980
Other receipts(b)	15	8,130	8,666	13,139
Total operating receipts	32,751	311,375	303,780	531,859
Cash payments for operating activities				
Payments for employees(b)(c)	-2,525	-20,992	-21,494	-36,681
Payments for goods and services	-9,380	-90,625	-92,550	-172,036
Grants and subsidies paid	-22,600	-132,484	-133,744	-221,836
Interest paid	-524	-9,128	-9,047	-17,496
Personal benefit payments	-9,961	-95,630	-96,540	-152,756
Other payments(c)	-921	-4,671	-4,435	-8,248
Total operating payments	-45,911	-353,530	-357,811	-609,053
Net cash flows from operating activities	-13,160	-42,155	-54,031	-77,194
Cash flows from investments in non-financial assets				
Sales of non-financial assets	33	427	107	271
Purchases of non-financial assets	-1,595	-9,002	-10,020	-19,877
Net cash flows from investments in non-financial assets	-1,562	-8,575	-9,913	-19,606
Net cash flows from investments in financial assets for policy purposes	-1,222	640	500	-6,888
Net cash flows from investments in financial assets for liquidity purposes	-1,388	-6,126	-3,653	-2,979
Cash flows from financing activities				
Borrowing (net)	3,025	43,850	52,684	108,996
Other financing (net)	-413	-4,198	-4,089	-7,243
Net cash flows from financing activities	2,612	39,652	48,595	101,753
Net increase/(decrease) in cash held	-14,720	-16,564	-18,503	-4,914
GFS cash surplus(+)/deficit(-)(d)	-14,722	-50,730	-63,945	-96,801
<i>plus</i> Net cash flows from financing activities for leases(e)	-206	-1,514	-1,491	-2,447
Equals underlying cash balance(f)	-14,928	-52,244	-65,436	-99,247
<i>plus</i> Net cash flows from investments in financial assets for policy purposes	-1,222	640	500	-6,888
Equals headline cash balance	-16,150	-51,604	-64,936	-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 January \$m	ACTUAL 2021-2022 YTD January \$m	MYEFO Profile 2021-2022 YTD January \$m	MYEFO ESTIMATE* 2021-2022 FULL YEAR \$m
Individuals and other w ithholding taxes				
Gross income tax withholding	16,667	134,397	131,441	229,700
Gross other individuals	2,166	26,804	26,178	53,800
less Refunds	1,369	30,312	30,560	38,700
Total individuals and other w ithholding taxation	17,464	130,889	127,059	244,800
Fringe benefits tax	631	2,158	2,164	3,160
Company tax	7,565	66,819	63,532	102,700
Superannuation fund taxes	1,153	20,041	19,232	23,230
Petroleum resource rent tax	354	1,251	1,215	1,470
Total income taxation revenue	27,167	221,158	213,202	375,360

*As published in the 2021-22 MYEFO.

Note 2: Indirect Tax

	ACTUAL 2021-2022 January \$m	ACTUAL 2021-2022 YTD January \$m	MYEFO Profile 2021-2022 YTD January \$m	MYEFO ESTIMATE* 2021-2022 FULL YEAR \$m
Goods and services tax	4,206	41,982	42,093	76,410
Wine equalisation tax	73	646	671	1,160
Luxury car tax	77	522	475	770
Excise duty	2,240	14,577	14,412	24,850
Customs duty	1,557	9,379	9,356	17,190
Other indirect tax	433	4,167	4,242	8,301
Total indirect taxation revenue	8,586	71,273	71,250	128,681

*As published in the 2021-22 MYEFO.

Note 3: Total expenses by function

	ACTUAL 2021-2022 January \$m	ACTUAL 2021-2022 YTD January \$m	MYEFO ESTIMATE* 2021-2022 FULL YEAR \$m
Expenses by function			
General public services	2,818	17,204	33,264
Defence	2,654	19,745	35,201
Public order and safety	375	3,792	6,766
Education	10,082	31,168	43,378
Health	8,206	60,539	105,706
Social security and welfare	15,176	134,997	226,241
Housing and community amenities	476	3,532	8,139
Recreation and culture	375	2,392	4,567
Fuel and energy	744	5,126	9,770
Agriculture, forestry and fishing	207	1,607	4,456
Mining, manufacturing and construction	269	1,936	4,259
Transport and communication	895	3,518	15,312
Other economic affairs	983	14,805	23,519
Other purposes			
Public debt interest	1,543	10,575	17,862
Nominal superannuation interest	748	5,235	8,974
General purpose inter-government transactions	6,256	45,807	78,324
Natural disaster relief	12	91	582
Contingency reserve	0	0	7,518
Total expenses	51,817	362,069	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>.