

Final Budget Outcome

2021–22

Statement by

The Honourable Jim Chalmers MP
Treasurer of the Commonwealth of Australia

and

Senator the Hon Katy Gallagher
Minister for Finance of the Commonwealth of Australia

For the information of honourable members

September 2022

© Commonwealth of Australia 2022

ISSN: 2205 6750 (Print) 2205 6769 (Online)

This publication is available for your use under a Creative Commons BY Attribution 3.0 Australia licence, with the exception of the Commonwealth Coat of Arms, third party content and where otherwise stated. The full licence terms are available from <http://creativecommons.org/licenses/by/3.0/au/legalcode>.



Use of Commonwealth of Australia material under a Creative Commons BY Attribution 3.0 Australia licence requires you to attribute the work (but not in any way that suggests that the Commonwealth of Australia endorses you or your use of the work).

Commonwealth of Australia material used 'as supplied'

Provided you have not modified or transformed Commonwealth of Australia material in any way including, for example, by changing the Commonwealth of Australia text; calculating percentage changes; graphing or charting data; or deriving new statistics from published Commonwealth of Australia statistics – then Commonwealth of Australia prefers the following attribution:

Source: The Commonwealth of Australia.

Derivative material

If you have modified or transformed Commonwealth of Australia material, or derived new material from those of the Commonwealth of Australia in any way, then Commonwealth of Australia prefers the following attribution:

Based on Commonwealth of Australia data.

Use of the Coat of Arms

The terms under which the Coat of Arms can be used are set out on the Department of the Prime Minister and Cabinet website (see www.pmc.gov.au/government/commonwealth-coat-arms).

Other uses

Enquiries regarding this licence and any other use of this document are welcome at:

Manager
Communications
The Treasury
Langton Crescent
Parkes ACT 2600
Email: media@treasury.gov.au

Internet

A copy of this document is available on the central Budget website at: www.budget.gov.au.

Printed by CanPrint Communications Pty Ltd.

Notes

(a) The following definitions are used in this Budget Paper:

- ‘real’ means adjusted for the effect of inflation
- real growth in expenses and payments is calculated using the Consumer Price Index (CPI) as the deflator
- one billion is equal to one thousand million.

(b) Figures in tables and generally in the text have been rounded. Discrepancies in tables between totals and sums of components are due to rounding:

- figures under \$100,000 are rounded to the nearest thousand
- figures \$100,000 and over are generally rounded to the nearest tenth of a million
- figures midway between rounding points are rounded up
- the percentage changes in statistical tables are calculated using unrounded data.

(c) For the budget balance, a negative sign indicates a deficit while no sign indicates a surplus.

(d) The following notations are used:

	nil
na	not applicable (unless otherwise specified)
..	not zero, but rounded to zero
\$m	millions of dollars
\$b	billions of dollars
NEC/nec	not elsewhere classified

- (e) The Australian Capital Territory and the Northern Territory are referred to as 'the territories'. References to the 'states' or 'each state' include the territories. The following abbreviations are used for the names of the states, where appropriate:

NSW	New South Wales
VIC	Victoria
QLD	Queensland
WA	Western Australia
SA	South Australia
TAS	Tasmania
ACT	Australian Capital Territory
NT	Northern Territory

- (f) In this paper the term Commonwealth refers to the Commonwealth of Australia. The term is used when referring to the legal entity of the Commonwealth of Australia.

The term Australian Government is used when referring to the Government and the decisions and activities made by the Government on behalf of the Commonwealth of Australia.

Contents

Preface	vii
Part 1: Australian Government Budget Outcome 2021-22.....	1
Overview	1
Budget aggregates	4
Underlying cash balance	4
Net operating balance and fiscal balance	10
Headline cash balance	15
Gross debt, net debt, net financial worth and net worth.....	16
Part 2: Australian Government Financial Statements.....	19
Australian Government Financial Statements.....	20
Financial reporting standards and budget concepts	52
Part 3: Australia's Federal Financial Relations	61
Overview of payments to the states	61
Payments for specific purposes	62
General revenue assistance	66
Payments to the states.....	71
Appendix A: Expenses by Function and Sub-function.....	91
Appendix B: Historical Australian Government Data	95
Data sources	95
Comparability of data across years.....	95
Revisions to previously published data	97

Preface

The Final Budget Outcome for 2021-22 has been prepared in a manner consistent with the *Charter of Budget Honesty Act 1998* (the Charter). The Charter requires that the Government provide a final budget outcome report no later than three months after the end of the financial year. Consistent with these requirements, this report encompasses Australian Government general government sector fiscal outcomes for the 2021-22 financial year and is based on external reporting standards.

- **Part 1** provides the general government sector budget aggregates for 2021-22 together with an analysis of the Final Budget Outcome for 2021-22. This includes summary analysis of cash flows, revenue, expenses, net capital investment and the balance sheet (net debt, net financial worth and net worth).
- **Part 2** presents the Australian Government financial statements for 2021-22 with the Australian Bureau of Statistics' (ABS) Government Finance Statistics (GFS) as the basis for accounting policy, except for where the Government has decided to depart because Australian Accounting Standards provide a better conceptual treatment for presenting information of relevance to users of public sector financial reports. This data covers the general government sector as well as the Australian Government public corporations sectors.
- **Part 3** provides details for 2021-22 on Australia's Federal Financial Relations, updated from that contained in the 2022-23 March Budget Paper No. 3, *Federal Financial Relations*.

Appendix A contains expenses data on a functional and sub-functional basis. Historical Australian Government data are presented in **Appendix B**.