

**Pre-Election**

**Budget Update**

**2020**

A STATEMENT BY THE UNDER TREASURER OF THE CHIEF MINISTER, TREASURY AND ECONOMIC DEVELOPMENT DIRECTORATE

## SEPTEMBER 2020

# THE 2020 PRE-ELECTION BUDGET UPDATE

### PURPOSE AND CONTENT OF THE 2020 PRE-ELECTION BUDGET UPDATE

The purpose of the 2020 Pre-Election Budget Update is to:

* allow the assessment of the Government’s financial performance with reference to the financial policy objectives and strategies set out in the *August 2020 Economic and Fiscal Update*; and
* give the electorate an accurate picture of the Territory’s financial position before the 2020 ACT Legislative Assembly Election.

The Pre-Election Budget Update includes updated estimates for the General Government Sector, Public Trading Enterprises and the consolidated Total Territory Government, together with full financial statements and related commentary.

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## Statement by the Under Treasurer

***Financial Management (Pre-Election Budget Update) 2020 (No 1)***

Notifiable Instrument NI2020-581

made under the

*Financial Management Act 1996*, s20C Pre-Election Budget Update

I, David Nicol, Under Treasurer, do hereby exercise my authority under section 20C of the *Financial Management Act 1996* to present the 2020 Pre-Election Budget Update.

Consistent with section 20D of the *Financial Management Act 1996* and the resolution of the ACT Legislative Assembly of 18 June 2020 to delay the introduction of the 2020‑21 Budget*,* the 2020 Pre‑Election Budget Update provides updated fiscal and economic estimates and projections to allow for an assessment of the government’s financial performance against stated fiscal strategy and policy objectives.

The information contained in this update:

1. reflects the best professional judgment of Treasury officers in the Chief Minister, Treasury and Economic Development Directorate;
2. takes into account all available economic and fiscal information; and
3. incorporates the fiscal implications of any Government decisions and circumstances disclosed by the Treasurer.

This update is current as at 10 September 2020.



David Nicol

Under Treasurer

**14 September 2020**

## Foreword

The Pre-Election Budget Update (PEBU) is a legislated document published prior to an election in accordance with sections 20C and 20D of the *Financial Management Act 1996* (FMA). The purpose of the PEBU is to allow for an assessment of a government’s financial performance against its stated financial policy objectives and strategies as set out in the latest economic update, and provide an accurate picture of the Territory’s current financial position before an election.

Pursuant to section 5 of the FMA, on 18 June 2020 the ACT Legislative Assembly resolved to delay the introduction of the *Appropriation Bill 2020‑2021*, the *Appropriation (Office of the Legislative Assembly) Bill 2020‑2021* and 2020‑21 Budget, until after the 2020 election has been held and the formation of a government. The Assembly noted that that this was in line with the National Cabinet decision and actions taken by all other States and Territories.

The ACT Legislative Assembly also acknowledged that as a consequence of the COVID-19 health emergency and requirement to delay the 2020‑21 Budget, some amendments would be required to the reporting requirements prescribed by the FMA and accepted that alternative measures would be required until a budget could be presented.

In line with the requirement to put in place alternative reporting requirements and measures, on 27 August 2020 the ACT Government released the *August 2020 Economic and Fiscal Update* (August 2020 EFU). The August 2020 EFU included an update of the Government’s financial policy objectives and strategies; updated financial statements and updated budget estimates for the General Government, Public Trading Enterprises and Total Territory sectors; and a statement of the economic assumptions used in preparing these estimates and information on the sensitivity of these estimates to changes in economic and other assumptions.

Sections 20C and 20D of the FMAnormally require the PEBU to provide an assessment of the government’s financial performance against the most recent budget or budget review. In light of the significant changes in economic and fiscal circumstances since the 2019‑20 Budget Review; the comprehensive information contained in the August 2020 EFU; and consistent with the resolution of the ACT Legislative Assembly of 18 June 2020, the comparisons in the 2020 PEBU are against the August 2020 EFU.

This PEBU update incorporates Government decisions and announcements, technical changes and corrections and the impacts of known external factors – where they are certain and quantifiable – since the time of the August 2020 EFU. The flow-on impacts of the 2019‑20 interim audited outcome have also been included. Where significant issues have been identified, but are not certain or are unable to be quantified with reasonable certainty, they have been identified as risks in Appendix B: *Statement of Risks*.

Where information remains unchanged from that published in the August 2020 EFU, it has typically not been reproduced in this document.

The PEBU incorporates information up to 10 September 2020.

## Overview

This PEBU has been prepared in difficult economic and fiscal circumstances. The uncertainty about the economic impact of COVID-19, including through the restrictions imposed to slow the spread of the virus, mean that economic and fiscal forecasts are more than usually dependant on assumptions about future developments. The risks, both upside and downside, around the baseline forecasts are also higher, and larger, than usual.

Nonetheless, the economy is substantially weaker, revenue collections have contracted markedly, and the fiscal situation has deteriorated significantly since restrictions were introduced on 23 March this year. This environment has affected all jurisdictions in Australia as well as most countries around the world.

Governments have acted to cushion this significant economic shock by allowing automatic stabilisers in their budgets to work as well as undertaking discretionary fiscal stimulus. Spending and tax relief in the short term can sustain jobs and businesses, support vulnerable people, and speed the recovery once the crisis has passed. The current fiscal circumstances have by necessity resulted in a significant increase in debt and this debt will need to be managed in the future, through either spending restraint or increased taxation, or both. This will be a challenge for future governments.

The estimates contained in this PEBU reflect current Government policy, including any policy decisions taken since the August 2020 EFU. For transparency reasons, this document clarifies the effect on the estimates of particular items and provides an analysis of risks that have changed since the August 2020 EFU.

Since the publication of the August 2020 EFU, the June quarter 2020 national accounts have been released by the Australian Bureau of Statistics. Considering the stronger than anticipated State Final Demand, the PEBU reflects an increase in Gross State Product (GSP) by 1¼ percentage points to 2¾ per cent for 2019-20. All other economic growth parameters are unchanged. Additional details may be found in Chapter 4, *Economic Outlook.*

The General Government Sector Headline Net Operating Balance (HNOB) forecasts remain consistent with those released in the August 2020 EFU, with a deficit of $913.8 million estimated for the 2020-21 financial year, compared to a deficit of $909.5 million outlined in the August 2020 EFU. The minor variation from the August 2020 EFU relate to the impact of minor technical adjustments. More detail is provided at Chapter 5, *Budget Outlook.*

Table 1 provides updated estimates of the HNOB for 2020-21 and the forward years for the three sectors – General Government, Public Trading Enterprises and Total Territory.

Table : Headline Net Operating Balance

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 2020 Pre-Election Budget Update | 2020-21  $’000 | 2021-22  $’000 | 2022-23  $’000 | 2023-24  $’000 |
| General Government Sector | -913,785 | -674,387 | -455,733 | -402,342 |
| Public Trading Enterprises Sector | 53,169 | 33,428 | 55,465 | 68,710 |
| Total Territory | -1,046,501 | -787,120 | -554,862 | -503,425 |

Note: The HNOB for the Total Territory does not equal the sum of the General Government and Public Trading Enterprise sectors due to the impact of intra sector transactions.

Updated financial statements for the General Government, Public Trading Enterprises and Total Territory sectors can be found at Appendices D, E and F, respectively.

## Economic Outlook

The global pandemic has made it more difficult to forecast economic and revenue outcomes and has increased the level of uncertainty around the baseline forecasts. The path the economy takes will reflect the success in containing the spread of COVID-19 and the measures required to minimise the associated risk to public health.

The economic and financial forecasts included in this document are critically dependent on assumptions regarding the future of health restrictions across Australia. The assumptions underlying the forecasts in the PEBU are the same as those used in the August 2020 EFU and are outlined at the end of this section. These assumptions are subject to future decisions of governments and the course of the pandemic and therefore subject to a significant degree of uncertainty. A Statement of risks is provided in Appendix B and upside and downside scenarios are outlined in Appendix C.

The baseline economic forecasts are largely the same as those outlined in the August 2020 EFU, with one key change as a result of the release of the June quarter 2020 national accounts on 2 September 2020.

GSP is now expected to have expanded by around 2¾ per cent in 2019‑20. This is 1¼ percentage points higher than the GSP forecast for 2019‑20 in the August 2020 EFU. The upward revision largely reflects stronger public consumption, private investment, and dwelling investment in this quarter than anticipated. This was partially offset by weaker household consumption.

No change has been made to the GSP growth forecasts beyond 2019‑20, with GSP in 2020‑21 expected to contract by 1½ per cent before expanding over the forward estimates. However, the level of GSP in 2020‑21 will be higher than expected at the time of the August 2020 EFU, reflecting the strength of private business investment and dwelling investment in the June quarter 2020.

Employment fell by 0.6 per cent in 2019‑20 and is expected to contract by a further ¼ of a percentage point in 2020‑21. Employment is expected to recover from 2021‑22.

Inflation in consumer prices and wages are expected to remain subdued over the forecast period. The fall in consumer prices in 2019‑20 is largely due to the provision of free childcare over most of the June quarter 2020 as part of the Commonwealth Government’s stimulus package, and a significant fall in petrol prices. In 2020‑21, the Consumer Price Index is forecast to increase by 3 per cent, following the reintroduction of childcare fees from 13 July 2020 and a rebound in petrol prices.

Population growth is also expected to be subdued in both 2019‑20 and 2020‑21, due to a large decline in net overseas migration as a result of international border restrictions. Population is forecast to steadily increase over 2021‑22 to 2023‑24 as international borders reopen. Forecasts of the key economic parameters for the PEBU are presented in Table 2.

Table : Economic parameters, baseline forecasts, percentage change

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Actual | Estimate | Forecast | | Projections | |
| 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| ACT |  |  |  |  |  |  |
| Gross State Product1 | 3.0 | 2¾ (+1¼) | -1½ | 4 | 3½ | 3¼ |
| Employment3,4 | 1.5 | -0.6 | -¼ | 3¼ | 2½ | 2 |
| Wage Price Index4,5,6 | 2.2 | 2 | 1½ | 1¾ | 2 | 2 |
| Consumer Price Index4,5 | 1.7 | -0.6 | 3 | 1¼ | 1½ | 1¾ |
| Population5 | 1.5 | ¾ | 1 | 1¼ | 1½ | 1¾ |
| Australia |  |  |  |  |  |  |
| Gross Domestic Product1,2,4,7 | 2.0 | -0.2 | -2½ | n/a | n/a | n/a |

Sources: ABS Cat. No. 5220.0, 5206.0, 6202.0, 6345.0, 6401.0 and 3101.0; Chief Minister, Treasury and Economic Development Directorate; August 2020 EFU; Commonwealth Economic and Fiscal Update July 2020.

Notes: Forecasts and projections are rounded to a ¼ of a percentage point. Projections are based on the technical assumption that growth rates will converge to their 5-year average in 2023-24. Numbers in brackets for ACT parameters represent the change from the August 2020 EFU.

1. Real values.
2. Year average basis.
3. Through the year basis to the month of June.
4. For 2019-20, Employment, Wage Price Index, Consumer Price Index and Gross Domestic Product are actual.
5. Through the year basis to the June quarter.
6. Total hourly rates of pay, excluding bonuses.
7. These are the Commonwealth Economic and Fiscal Update July 2020 forecasts.

#### Economic indicators released since the August 2020 EFU

The national accounts released on 2 September 2020 highlight how severe the economic impacts of the global pandemic have been for many sectors of the economy. Private Final Demand in the ACT contracted by 8.2 per cent, partially offset by a 3.3 per cent increase in Public Final Demand, in the June quarter. As a result, State Final Demand0F[[1]](#footnote-1) (SFD) contracted by 2.2 per cent in the June quarter 2020.

This outcome was stronger than anticipated in the August 2020 EFU, and, as noted, has led to an upgrade in ACT’s GSP forecasts in 2019‑20 in PEBU. The ACT also fared better than other jurisdictions. The 2.2 per cent decline in SFD in the June quarter is the smallest decline of any jurisdiction, and is significantly lower than the 6 per cent decline expected in the August 2020 EFU. The weighted average decline in SFD was 7.5 per cent across other jurisdictions in the June quarter.

Over the year to the June quarter 2020, Private Final Demand declined by 6.1 per cent, while Public Final Demand grew by 9.8 per cent; as a result, ACT’s SFD grew by 2.0 per cent. The ACT was the only jurisdiction to record positive growth in SFD in 2019‑20. For 2019‑20, the weighted average decline in SFD was 7.3 per cent across other jurisdictions.

The 2.0 per cent growth in ACT’s SFD over the year was driven by growth in public consumption (up 10.9 per cent which contributed 4.9 percentage points to growth in SFD), private investment (up 10.4 per cent which contributed 1.2 percentage points) and public investment (up 1.7 per cent which contributed 0.1 percentage point), partially offset by a decline in private consumption (down 10.9 per cent which detracted 4.1 percentage points).

Other key economic data released since the August 2020 EFU include residential building approvals data for July 2020, retail trade turnover for July 2020 and weekly payroll jobs and wages for the week ending 22 August 2020 all of which are consistent with the baseline estimates in the August 2020 EFU.

The number of residential building approvals increased by 32.1 per cent in July 2020, while the value of residential building approvals in nominal terms increased by 48.8 per cent to $187 million. This is consistent with the expectation in the August 2020 EFU.

The value of retail trade turnover increased by 5.8 per cent ($32.4 million) in July 2020, in nominal terms. This is consistent with the expected recovery in household spending outlined in the August 2020 EFU. Nevertheless, private consumption remains volatile.

The deterioration in weekly payroll jobs has continued, albeit at a slower rate, declining by 0.4 per cent between 25 July and 22 August 2020. The number of payroll jobs is now 4.0 per cent below levels in mid-March. This is broadly consistent with the forecast decline in employment in 2020-21 as reflected in the August 2020 EFU.

There remains a high level of uncertainty associated with the ACT’s economic outlook. More severe outbreaks domestically and abroad in the months ahead would weigh on household and business confidence and likely defer the easing of restrictions, resulting in a worse‑than‑anticipated economic outcome for the ACT than envisaged in this PEBU.

By contrast, if the virus can be effectively contained this would strengthen consumer and business confidence and also allow a more rapid path towards the easing of restrictions. This could see a stronger demand response, and take-up of government stimulus and spending associated with income support payments, lifting consumer spending and business investment.

The duration and severity of restrictions in the ACT will be influenced by the spread of the virus both in the ACT and in neighbouring states. International border restrictions will be influenced by the spread of the virus internationally.

#### Assumptions

The COVID-19 pandemic has had a significant impact on the ACT economy in 2019‑20, and our economic prospects over the forward estimates.

The baseline scenario assumptions included in the this PEBU were prepared as the Government moved to ease restrictions to Stage 3.1 of Canberra’s Recovery Plan. The key assumptions that underpin the economic forecasts are set out below. Outcomes could be substantially different to the baseline estimates, depending on the extent to which the following assumptions hold:

* Restrictions in the ACT will be lifted in accordance with the three-step process outlined following National Cabinet on 8 May 2020.
* Economic activity gradually resumes from the September quarter 2020 and social distancing rules across the country are significantly relaxed starting in January 2021, with Australia largely operating in a non-restricted (domestic) environment by July 2021.
* The Federal Government starts to lift international border restrictions from the middle of 2021 with international visitors gradually increasing following the lifting of restrictions. A two-week quarantine period is required on arrival to Australia, in line with national requirements. This is a less optimistic scenario than envisaged by the Commonwealth assumption of borders reopening from January 2021 but is consistent with the Refserve Bank of Australia’s assumption of borders reopening from mid‑2021.
* The baseline economic scenario assumes that the ACT avoids a second wave of COVID‑19 transmission.

## Budget Outlook

### Headline Net Operating Balance

The Headline Net Operating Balance (HNOB) is forecast to be a deficit of $913.8 million in 2020‑21, an increase of $4.3 million in the deficit as published in the August 2020 EFU. This variation primarily relates to the flow-on impact of interim audited outcome adjustments.

Table 3 below provides updated estimates of the General Government Sector (GGS) HNOB and its primary components, as well as the main financial indicators.

Table : General Government Sector Headline Net Operating Balance

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 2020 PEBU | 2020-21  $m | 2021-22  $m | 2022-23  $m | 2023-24  $m |
| Revenue | 5,580.3 | 5,884.3 | 6,202.0 | 6,412.1 |
| Expenses | 6,665.8 | 6,742.5 | 6,853.8 | 7,023.5 |
| Superannuation Return Adjustment1 | 171.7 | 183.7 | 196.0 | 209.0 |
| HEADLINE NET OPERATING BALANCE | -913.8 | -674.4 | -455.7 | -402.3 |
| Net Cash from Operating Activities | -660.1 | -133.0 | 262.6 | 276.8 |
| Net Debt (excluding superannuation) | 4,971.9 | 6,337.3 | 7,204.3 | 7,962.4 |
| Net Financial Liabilities | 9,819.3 | 11,166.0 | 12,259.8 | 13,141.2 |

**Note**: Numbers may not add due to rounding.

1. The HNOB incorporates the impact of long-term superannuation investment earnings to provide an accurate assessment of the longer-term sustainability of the budget position.

### Summary of movements

The movements from the August 2020 EFU to the PEBU are all technical in nature. These movements primarily relate to flow-on impacts of the 2019-20 interim audited outcome to 2020-21 and outyears and refinements to the presentation of accommodation lease options, consistent with relevant accounting standards (namely *AASB 16 Leases*).

PEBU reflects one new policy decision since the August 2020 EFU which is the extension of the hotel fixed water and sewerage charge rebate to select function and event venues. This policy decision has a cost of $0.3 million but its cost is expected to be met from existing estimates.

As a result of these movements, the HNOB deficit has increased slightly in each year. Details of the major movements are outlined in Table 4.

Table : Summary of movements in the General Government Sector Headline Net Operating Balance since the August 2020 EFU

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 2020-21  $’000 | 2021-22  $’000 | 2022-23  $’000 | 2023-24  $’000 |
| **August 2020 EFU** | -909,543 | -670,218 | -451,953 | -399,728 |
| **Revenue1** |  |  |  |  |
| Policy decisions | 0 | 0 | 0 | 0 |
| Technical adjustments | 403 | -1,653 | -1,700 | -1,123 |
| **Expenses2** |  |  |  |  |
| Policy decisions | 0 | 0 | 0 | 0 |
| Technical adjustments | -4,645 | -2,516 | -2,080 | -1,491 |
| **Superannuation return adjustment** | **0** | **0** | **0** | **0** |
| **2019-20 PEBU** | -913,785 | -674,387 | -455,733 | -402,342 |

Notes: Numbers may not add due to rounding.

1. A positive number represents an increase in revenue.
2. A negative number represents an increase in expenses.

Descriptions of the major movements are outlined below.

#### Policy decisions

##### Extension of the hotel fixed water and sewerage charge rebate to select function and event venues

The Government will extend the COVID-19 Economic Survival and Recovery fixed charge water and sewage rebate that is available to accommodation providers to businesses whose primary purpose is to host functions and events.

The estimated cost of providing a fixed water and sewerage charge rebate to these additional businesses for 12 months is up to $0.3 million (depending on take-up), the cost of which is expected to be met from existing allocations.

#### Technical adjustments

##### Flow-on impacts of 2019-20 interim audited outcome

This PEBU includes a range of minor adjustments related to flow-on impacts from the 2019‑20 interim audited outcome, such as decreases to interest revenue for the Territory Banking Account and adjustments to depreciation estimates. Many of the adjustments are non-cash impacts.

##### Accommodation leases

This PEBU includes a change to the presentation of accommodation lease options to reflect 2019-20 interim audited outcome impacts and to ensure consistency with *AASB 16 Leases.* The presentation of the lease for the new Civic office accommodation forstatutory office holders has also been refined to incorporate more up-to-date information than that available at the time of preparation of the August 2020 EFU. These changes have minimal effect on the HNOB but increase net debt by $224 million in 2023-24, as future expected payments under leases are now counted as a financial liability under *AASB 16 Leases*.

### Provisions

The Territory’s budget includes a number of provisions where funding has not yet been allocated to particular agency forward estimates. These provisions reflect previous Government policy announcements.

The capital works provisions make allowance for some high-value capital works projects for which budgets are yet to be settled, or which are commercially sensitive. The capital works provisions also include the *General capital works provision* which is not yet allocated to any specific project. The profile for all capital provisions remain unchanged from those published in the August 2020 EFU, as set out in Table 4 of that document.

It is standing practice that details of some specific capital projects are not disclosed where the information is commercial‑in‑confidence. These projects are presented in the *Upgrading road infrastructure* and *Other* lines in the table below.

Projects reflected in the *Upgrading road infrastructure* provision include the duplication of William Hovell Drive, Athllon Drive, and the Bridges Renewal program. This provision includes project management and related project costs.

Projects reflected in the *Other* provision include removing asbestos at Narrabundah College and Campbell Primary School; constructing Common Ground 2 at Dickson; improving water management infrastructure; and upgrading infrastructure at the Canberra Hospital.

The *Building Light Rail to Woden and raising London Circuit* provision outlined in Table 5 below reflects the estimated costs over the forward estimates period of this project. The total cost of the project could be up to $1.9 billion in total (inclusive of the amounts reflected below). These costs include project management and related project costs. These estimates are based on the assumption of using a competitive tendering process for this project.

Table : Capital works provisions

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Capital provisions | 2020-21  $m | 2021-22  $m | 2022-23  $m | 2023-24  $m |
| Better buses | - | - | 7,000 | 13,000 |
| Building Light Rail to Woden and raising London Circuit | - | 77,500 | 66,500 | 168,300 |
| Canberra Hospital Expansion Project | - | 149,200 | 189,000 | 229,600 |
| Cladding remediation1 | 3,702 | 11,102 | 6,635 | - |
| Growing and renewing more public housing2 | - | 20,000 | 20,000 | 20,000 |
| John Gorton Drive and Molonglo River Bridge Crossing | - | 18,800 | 76,000 | 81,200 |
| Monaro Highway Upgrade | - | - | 78,000 | - |
| Sustainable Rural Water Use and Infrastructure Program | - | 19,600 | 5,950 | 5,950 |
| Technology related learning | - | 4,652 | 4,652 | 4,652 |
| Upgrading road infrastructure | 617 | 21,384 | 57,568 | 55,000 |
| General capital works provision | - | 67,000 | 74,000 | 80,000 |
| Other | 3,163 | 48,403 | 7,839 | 1,000 |
| Total capital works provisions | 7,482 | 437,641 | 593,144 | 658,702 |

Notes:

1. Provisioned as an expense to reflect the appropriate accounting treatment of the proposed works.
2. Also includes $20 million in 2024-25.

The estimates in the PEBU also include various expense and revenue provisions that impact on 2020‑21 and the forward years. These provisions are set out in Tables 6 and 7.

Table : Expense provisions

| Expense provisions | 2020-21  $m | 2021-22  $m | 2022-23  $m | 2023-24  $m |
| --- | --- | --- | --- | --- |
| ACT Early Childhood Strategy (savings from non‑Government schools) | -2,736 | -5,023 | -10,025 | -12,661 |
| ACT Early Childhood Strategy | 2,736 | 5,023 | 10,025 | 12,661 |
| ACT participation in the JobTrainer Fund | 16,750 | - | - | - |
| Australian Federal Police Wages Agreement | - | 3,260 | 6,262 | 8,022 |
| Belconnen Service Centre Modernisation | 150 | - | - | - |
| Better services in your community – Investing in community transport | - | 791 | 791 | 791 |
| Better supporting vulnerable witnesses | - | 1,543 | 1,967 | 2,391 |
| Building a better city – Civic and Dickson office accommodation | -2,982 | -2,886 | -2,797 | -2,727 |
| Conservative bias allowance | - | 68,028 | 87,287 | 106,961 |
| Cost of capital and future maintenance | - | 2,500 | 5,000 | 7,500 |
| Creating a Reintegration Centre to support pathways out of the justice system | - | 6,000 | 6,000 | 6,000 |
| Energy Renewable Certificates Provision (Large‑Scale Government Certificates) | 63,406 | 41,726 | 25,383 | 25,383 |
| Establishing a Therapeutic Care Court within the ACT Children’s Court | - | 636 | 649 | 665 |
| Health policy provision | - | 60,009 | 105,041 | 154,655 |
| Improving Building Quality – Public sector building certifiers | - | - | 4,185 | 3,445 |
| More jobs for our growing city – ACT Ice Sports Facility | - | 5,000 | 5,000 | - |
| More jobs for our growing city – Boosting local events | - | 1,905 | 1,905 | 1,905 |
| More jobs for our growing city – Establishing environmental offsets | - | 627 | 816 | - |
| More jobs for our growing city – More major events | 1,750 | 1,000 | 1,000 | 1,000 |
| More support for families and inclusion – More frontline domestic violence and rape crisis services | - | 420 | 420 | 420 |
| More support for families and inclusion – Strengthening the Reportable Conduct Scheme | 575 | 589 | 589 | 589 |
| Reinstatement of savings related to the of Property Group Single Service Model | 4,639 | 4,755 | 4,874 | 4,996 |
| Safer Families Levy | - | 835 | 919 | 919 |
| Strengthening services for Aboriginal and Torres Strait Islander children and young people | - | - | 1,357 | - |
| Supporting sustainable Out of Home Care placements | - | - | 8,764 | 8,764 |
| Sustainable Rural Water Use and Infrastructure Program | - | 19,600 | 5,950 | 5,950 |
| Technology Assisted Learning - depreciation | - | 1,551 | 3,101 | 4,652 |
| UNSW City Campus – ACT Government related costs | - | 29,275 | 4,845 | 11,095 |
| Updated indexation parameters | - | -1,721 | -6,885 | -16,952 |
| **Total expense provisions** | **84,288** | **245,443** | **272,423** | **336,424** |

Table : Revenue provisions

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Revenue provisions | 2020-21  $m | 2021-22  $m | 2022-23  $m | 2023-24  $m |
| Energy Renewable Certificates Provision (Large‑Scale Government Certificates) | 60,160 | 41,726 | 25,383 | 25,383 |
| ACT participation in the JobTrainer Fund JobTrainer Fund (Commonwealth revenue) | 8,375 | - | - | - |
| Sustainable Rural Water Use and Infrastructure Program (Commonwealth revenue) | - | 39,200 | 11,900 | 11,900 |
| UNSW City Campus |  | -4,018 | 1,665 | 2,246 |
| Total revenue provisions | 68,535 | 76,908 | 38,948 | 39,529 |

### Net Operating Cash Balance

Net Operating Cash (Table 8) is the cash counterpart to the accrual Net Operating Balance. It measures all operating cash receipts for a financial year – for example, taxes, fees and fines, and operating grants from the Commonwealth Government – less all operating cash payments – including wages and salaries, cash superannuation payments and payments for goods and services.

The Net Operating Cash position for 2020-21 for the General Government Sector is a deficit of $660.1 million, which compares to the 2020-21 position for the August 2020 EFU at a deficit of $657 million. This movement is associated with the same factors causing the decline in the HNOB position discussed above.

Table : Net Operating Cash Balance

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Empty Cell | **2020-21**  **$m** | **2021-22**  **$m** | **2022-23**  **$m** | **2023-24**  **$m** |
| August 2020 EFU | -657.0 | -139.7 | 255.8 | 269.0 |
| 2020 PEBU Net Operating Cash | **-660.1** | **-133.0** | **262.6** | **276.8** |

### Net Debt

Net Debt is a key balance sheet measure in the Government Financial Statistics framework which considers gross debt liabilities, as well as assets (such as cash reserves and investments). Net Debt is calculated as the sum of deposits held, advances received and borrowings, less the sum of cash and deposits, advances paid and investments loans and placements. Superannuation investments have been excluded in determining Net Debt.

As outlined above in the summary of major movements, this PEBU reflects a change to the presentation of accommodation lease options as a result of the 2019-20 interim audited outcome. This change is consistent with *AASB 16 Leases*. The presentation of the lease for the new Civic office accommodation for statutory office holders has also been refined to incorporate more up-to-date information than that available at the time of preparation of the August 2020 EFU*.* These changes have minimal impact on the HNOB result but increase both assets and liabilities on the balance sheet, including increasing Net Debt (Table 9).

A positive Net Debt indicates that debt liabilities are greater than GGS cash reserves and investments.

Table : Net Debt (excluding superannuation related investments)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2020-21**  **$m** | **2021-22**  **$m** | **2022-23**  **$m** | **2023-24**  **$m** |
| August 2020 EFU | 4,730.6 | 6,068.3 | 6,942.4 | 7,709.4 |
| 2020 PEBU Net Debt (excluding Superannuation Related Investments) | 4,971.9 | 6,337.3 | 7,204.3 | 7,962.4 |

### Net Financial Liabilities

Net Financial Liabilities are calculated as total liabilities less financial assets (such as cash reserves and investments). It takes into account all non-equity financial assets but excludes equity held by the GGS in public corporations (for example Icon Water Ltd).

The revised forecast for GGS Net Financial Liabilities for 2020-21 is $9.819 billion, an increase of $288.5 million compared to the August 2020 EFU forecast. The increase in the Net Financial Liabilities position is largely due to the presentation of accommodation leases outlined previously (Table 10).

Table : Net Financial Liabilities

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2020-21**  **$m** | **2021-22**  **$m** | **2022-23**  **$m** | **2023-24**  **$m** |
| August 2020 EFU | 9,530.8 | 10,847.1 | 11,945.3 | 12,832.4 |
| 2020 PEBU Net Financial Liabilities | 9,819.3 | 11,166.0 | 12,259.8 | 13,141.2 |

### Net Worth

Net Worth provides a broad measure of the Territory’s balance sheet and is calculated as total assets less total liabilities including superannuation.

Table 11 indicates the forecast GGS Net Worth for 2020-21 has been revised to $16.203 billion, an increase of $44.8 million compared to the August 2020 EFU forecast of $16.158 billion. The increase in Net Worth is largely due to the flow on impact to the estimates of asset revaluations undertaken for the 2019-20 interim audited outcome.

Table : Net Worth

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2020-21**  **$m** | **2021-22**  **$m** | **2022-23**  **$m** | **2023-24**  **$m** |
| August 2020 EFU | 16,158.2 | 15,449.6 | 14,881.4 | 14,382.2 |
| **2020 PEBU Net Worth** | **16,203.0** | **15,409.2** | **14,877.8** | **14,421.3** |

### The Territory’s credit rating

International ratings agency Standard & Poor’s affirmed the Territory’s AAA/A-1+ long and short‑term issuer credit ratings on 10 September 2020. The outlook on the long-term rating remains negative following Standard & Poor’s decision on 8 April 2020 to adjust it from stable as a result of the significant impacts of the COVID-19 pandemic on the Australian economy. While previously the negative outlook flowed from that on the Australian sovereign, now it also reflects the downside risks to ACT's fiscal recovery if the COVID‑19 disruption is more severe or prolonged than Standard & Poor’s currently expects.

In affirming the ACT’s AAA credit rating, Standard & Poor’s indicated that it expected the ACT economy to outperform its peers and recognised that the weakening of the Territory’s budgetary performance is temporary, rather than structural, with tax and grant revenues being materially lower and expenses higher than previously estimated as a result of the COVID-19 pandemic. In addition, the Government is delivering health and economic support initiatives and has increased its forward infrastructure program as a stimulus measure. Together, these changes will result in temporary operating deficits and a rising debt burden.

While Standard & Poor’s does not consider the weaker fiscal performance is structural and expects the fiscal outcomes to improve during the next two to three years, there is a significant risk that the credit rating could be lowered if the recovery from the COVID-19 downturn is delayed beyond their current expectations, or if there are any signs of significant structural weakening in the current budget estimates.

### Items not included in the PEBU estimates

The estimates in this PEBU reflect current government policy, including decisions announced in the August 2020 EFU. The estimates do not pre-empt decisions that may be made by a future government.

There are various plans and strategies across government that set out broad policy directions and intent. In many cases, these documents outline potential actions that would require additional funding. As these actions are a decision for a future government, they are not included in the PEBU estimates. There are also a range of specific projects and service delivery areas which may be the subject of future consideration for additional funding.

In general, funding is included in the PEBU for government decisions where a decision has been published as a new initiative in a previous government budget, budget review or economic and fiscal update. Except where identified in this document (through for example, the use of a provision) no additional funding has been included in the forward estimates in relation to other government policy documents.

Some examples of items not included in the PEBU are set out below.

#### ACT Climate Change Strategy 2019-25

The ACT Climate Change Strategy 2019-25 includes 83 action items across ten priority areas to meet the target of reducing emissions (from 1990 levels) by 50 to 60 per cent by 2025 and to work towards the target of achieving net zero emissions by 2045. Where specific actions have not been announced as a new initiative in a previous budget document, no additional funding has been included in the forward estimates in the PEBU to meet any costs that may be related to these actions.

#### ACT Infrastructure Plan

The ACT Infrastructure Plan outlines over $14 billion of infrastructure projects, including priorities over the short, medium and long term. The PEBU estimates includes projects identified in the ACT Infrastructure Plan where these have been agreed to by government (including provisioned projects detailed in Table 5) but other items are not included as these are subject to future government consideration.

#### ACT Transport Strategy 2020

The ACT Transport Strategy 2020 includes a range of public transport, walking and cycling, road proposals; and also refers to freight and heavy rail. The PEBU estimates include the costs associated with building light rail to Woden and ongoing funding for Transport Canberra Operations. There are other items outlined in the ACT Transport Strategy, including transitioning to a zero-emissions bus network and future stages of light rail, that are not included in the PEBU estimates as these are subject to future government consideration.

#### Canberra Theatre Redevelopment

The PEBU estimates include $400,000 in 2020-21 to continue developing a business case for the proposed Canberra Theatre redevelopment. No provision has been made for detailed design or the potential construction and operation of the project.

#### Canberra’s Living Infrastructure Plan

Canberra’s Living Infrastructure Plan includes 15 actions related to enhancing the city. No funding beyond initiatives announced in previous budgets has been included in relation to this plan.

#### Capital Rollovers

As is the case in most years, there is likely to be some funding rolled over from 2019-20 to 2020‑21, largely as a result of delays in capital program delivery. It is likely that the amount of funding rolled over will be smaller than in previous years as the August 2020 EFU included amendments to the 2020-21 Capital Works Program based on 2019-20 interim actual results. While these rollovers will affect spending and investment profiles, they have not been included where they have not yet been considered by government.

#### Major Health Infrastructure

The PEBU estimates make no provision for future major health infrastructure other than those already published as part of previous budget updates. No explicit additional funding has been provided to the Health Portfolio to meet the operating costs of the Canberra Hospital Expansion. However, there is sufficient capacity and flexibility in existing health funding levels (including the Health Funding Envelope) to meet the full operational costs of the facility.

#### School Enrolment Growth

The Government adjusts the Education Directorate’s funding each budget to provide for changes in public school enrolments from the previous year. The forward estimates do not include adjustments to funding associated with potential changes in future public school enrolments or potential additional school infrastructure requirements. As such, the forward estimates are based on the current number of students enrolled in public schools in the ACT.

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# Appendix A – Initiatives with Time Limited Funding

**Initiatives with time limited funding**

Table 12 lists initiatives that were funded in either the 2019‑20 Budget or Budget Review, or the August 2020 EFU, for which funding ceases in either 2020-21 or 2021-22. Items have not been included where there is a provision for their continuation, or they are finite programs. Future funding, if any, for any of these items would require a decision by government.

This appendix is not an attempt to pre-empt any future government decisions but, instead, is intended to provide an indication of items that may be reconsidered by government at a future point, potentially impacting on the forward estimates. For this reason, short-term stimulus initiatives introduced in response to the COVID-19 pandemic have been included. Funding for some of these initiatives expires at the end of December 2020.

**Table 12: Initiatives with time limited funding**

| EMPTY CELL | **2020-21 $’000** | **2021-22 $’000** | **Publication reference** |
| --- | --- | --- | --- |
| **Chief Minister, Treasury and Economic Development Directorate** | EMPTY CELL | EMPTY CELL |  |
| $200 Residential utility concession rebate | 1,590 | - | EFU |
| $1,000 additional electricity rebate for cafes, takeaways and restaurants | 1,500 | - | EFU |
| ACT Hardship Fund | 1,250 | - | EFU |
| ACT Stimulus Digital Voucher Program | 623 | - | EFU |
| Additional support for the Vocational Education and Training Sector | 1,000 | - | EFU |
| Automatic $750 Electricity rebates for small businesses | 304 | - | EFU |
| Better Government – Flexible payment options | 475 | - | EFU |
| Better support when it matters – A Gender Agenda | 150 | - | EFU |
| Fairer revenue - Landholder duty compliance | 1,247 | - | EFU |
| Fixed water and sewerage charges rebate for accommodation providers and community clubs | 2,004 | - | EFU |
| Implementing the UNSW Canberra City Campus proposal | 195 | - | EFU |
| Improving processing for Working with Vulnerable People checks | 2,116 | 2,159 | 2019-20 Budget |
| Jobs for Canberrans Fund | 24,362 | - | EFU |
| JobTrainer Fund (ACT share) | 8,425 | - | EFU |
| Modernising Procurement Practices | 196 | - | EFU |
| Protecting hospitality employees and businesses | 100 | - | EFU |
| Rental relief | 3,346 | - | EFU |
| Screen Canberra Operational Funding | 377 | - | EFU |
| Strengthening transparent government | 395 | - | 2019-20 Budget |
| Supporting Community Clubs | 2,115 | - | EFU |
| Supporting local community groups to improve social inclusion and equality | 148 | 148 | 2019-20 Budget |
| Supporting our Tourism and Events Industries | 4,319 | 150 | EFU |
| Supporting the economic recovery for the Creative Sector | 825 | - | EFU |
| Training Support – National Infection Control Fund | 770 | - | EFU |
| Youth Support Package | 1,322 | 1,000 | EFU |
| **Chief Minister, Treasury and Economic Development Directorate Total** | **59,154** | **3,457** |  |
| **City Renewal Authority** |  |  |  |
| Building a better city - City Renewal Authority - Operational funding | 7,572 | - | EFU |
| **City Renewal Authority Total** | **7,572** | **-** |  |
|  |  |  |  |
| **Community Services Directorate** |  |  |  |
| Community Support package¹ | 5,350 | - | EFU |
| Delivering family-centred responses for Aboriginal and Torres Strait Islander families impacted by family violence | 208 | 46 | 2019-20 Budget |
| Delivering support for new parents experiencing domestic violence through Health Justice Partnership | 580 | - | 2019-20 Budget |
| Growing future skills with more apprenticeship and vocational training places initiative | 238 | - | 2019-20 Budget |
| Growing the inclusion of Canberra’s seniors | 81 | - | 2019-20 Budget |
| Integrated Service Response Program | 640 | - | EFU |
| Maintaining support for disability services in the transition to the full scheme NDIS | 375 | - | 2019-20 Budget |
| More support for families and inclusion – Child and Youth Protection Quality Assurance and Improvement Committee | 179 | - | EFU |
| **Community Services Directorate Total** | **7,651** | **46** |  |
|  |  |  |  |
| **Cultural Facilities Corporation** |  |  |  |
| Financial support for the Cultural Facilities Corporation | 2,500 | - | EFU |
| More jobs for our growing city – Vocational training for stage and theatre | 73 | - | EFU |
| **Cultural Facilities Corporation Total** | **2,573** | **-** |  |
|  |  |  |  |
| **Education Directorate** |  |  |  |
| Better Government – Supporting the Freedom of Information Act 2016 | 156 | **-** | EFU |
| Ensuring teachers and school staff are safe at work | 1,173 | **-** | 2019-20 Budget |
| Supporting Vulnerable Students | 2,537 | **-** | EFU |
| **Education Directorate Total** | **3,866** | **-** |  |
| **Environment, Planning and Sustainable Development Directorate** |  |  |  |
| Volunteer Activation - Getting more people, more active in caring for nature | 475 | - | EFU |
| **Environment, Planning and Sustainable Development Directorate Total** | **475** | **-** |  |
|  |  |  |  |
| **Health Portfolio2** |  |  |  |
| Better healthcare for a growing community – ACT Mental Health Recovery College Trial | 189 | - | EFU |
| Better healthcare for a growing community - More mental health outreach for young Canberrans | 1,016 | - | EFU |
| Boosting police for a growing city | 277 | 285 | 2019-20 Budget |
| Delivering better care for Canberrans with complex needs through general practice | 1,000 | 1,000 | 2019-20 Budget |
| Delivering better mental health care for people in crisis | 720 | - | 2019-20 Budget |
| Domestic and Family Violence | 533 | - | EFU |
| Implementing the Independent Review into the Workplace Culture within ACT Public Health Services | 5,411 | 4,000 | 2019-20 Budget |
| Implementing the Nurses and Midwives: Towards a Safer Culture – The First Step strategy | 652 | 144 | 2019-20 Budget |
| Investing in medical and health research | 1,000 | 1,000 | 2019-20 Budget |
| Mental Health Support Package | 3,075 | - | EFU |
| More Support for the healthcare system (ACT share) | 29,950 | - | EFU |
| Strengthening capacity for mental health carers | 231 | - | 2019-20 Budget |
| Supporting growing demand for health services | 60,000 | - | EFU |
| Youth Support Package – Mental Health | 250 | - | EFU |
| **Health Portfolio Total** | **104,304** | **6,429** |  |
|  |  |  |  |
| **Housing ACT** |  |  |  |
| Providing alternatives to jail through the Justice Housing Program | 347 | 353 | 2019-20 Budget |
| **Housing ACT Total** | **347** | **353** |  |
|  |  |  |  |
| **Justice and Community Safety Directorate** |  |  |  |
| Additional Resources for the Victims of Crime Commissioner | 130 | - | EFU |
| Better support when it matters – Integrating the Winnunga Model of Care and Enhancing Health Services in the Alexander Maconochie Centre | 874 | - | EFU |
| Charter of rights and additional support for victims of crime | 204 | - | EFU |
| Enhanced forensic medical services | 729 | - | EFU |
| Increased Magistrates Court Resourcing | 310 | - | EFU |
| Increasing opportunities for Aboriginal and Torres Strait Islander people involved with the justice system | 584 | 645 | 2019-20 Budget Review |
| Providing alternatives to jail through the Justice Housing Program | 2,049 | 2,242 | 2019-20 Budget Review |
| Supporting the Environmental Defender’s Office | 150 | - | 2019-20 Budget Review |
| **Justice and Community Safety Directorate Total** | **5,030** | **2,887** |  |
| **Total** | **190,972** | **13,172** |  |

**Notes:**

1. Components of this initiative cross multiple Directorates
2. These initiatives are funded from within the Health Funding Envelope.

**Design work and feasibility study initiatives**

Tables 13 and 14 list initiatives that have received funding for design work or feasibility studies but no decision has been made to proceed to construction. Of the 19 initiatives listed, 12 have received funding for feasibility studies, while 7 have received funding for design work.

A design study typically occurs after a feasibility study has been completed, and allows detailed specifications and scoping work to be developed. A feasibility study attempts to verify whether a proposed project is well-founded and is likely to meet the needs of its intended target group(s).

The forward estimates do not currently incorporate impacts for any of the capital projects that may ultimately be approved following finalisation of design work and/or feasibility studies.

**Table 13: Design works**

|  |
| --- |
| **Design** |
| **Chief Minister, Treasury and Economic Development Directorate** |
| New Rectangular Stadium – Site Analysis, Consultation, Feasibility and Design |
| Stromlo Forest Park District Playing Fields Design |
| **Community Services Directorate** |
| Progressing the Gugan Gulwan Youth Aboriginal Corporation Accommodation |
| **Education Directorate** |
| More schools, better schools – Narrabundah College redevelopment – early planning and design |
| School Staffing Integrated Management System Design |
| **Environment, Planning and Sustainable Development Directorate** |
| Keeping our growing city moving – Best of Canberra mountain bike experience Design |
| **Justice and Community Safety Directorate** |
| More services for our suburbs – Southern Memorial Park Detailed Design |
|  |

**Table 14: Feasibility studies**

| **Feasibility** |
| --- |
| **Chief Minister, Treasury and Economic Development Directorate** |
| Building a better city – Indoor sports centres – Early planning |
| More jobs for our growing city – Early planning for an upgraded amphitheatre at the National Arboretum Canberra |
| More jobs for our growing city – New Canberra Theatre Complex – Early planning |
| **Education Directorate** |
| Feasibility studies to support additional growth |
| **Environment, Planning and Sustainable Development Directorate** |
| Feasibility and infrastructure planning for future Molonglo land releases |
| More jobs for our growing city – Urban renewal in Kenny – early planning |
| **Health Portfolio** |
| Co-design and planning: Aboriginal and Torres Strait Islander Alcohol and Drug Residential Rehabilitation Facility |
| City Health Centre |
| Scoping for a potential medically supervised injecting facility |
| **Justice and Community Safety Directorate** |
| Strategic Accommodation strategy for Policing |
| **Transport Canberra and City Services Directorate** |
| Improving Tharwa Drive and Nudurr Drive |
| More city services depots for better service delivery |
|  |

# Appendix B – Statement of Risks

Consistent with section 11(d) of the *Financial Management Act 1996* (FMA), each budget update is required to provide a statement describing the risks – quantified if possible – that may affect the budget estimates. Full details of economic and fiscal risks, and contingent liabilities, other commitments and outstanding claims liabilities were provided in Appendix A to the August 2020 EFU.

The risks to the economic outlook remain consistent with the August 2020 EFU. The following risks have been identified at the time of the publication of the 2020 PEBU. Unless identified below, risks identified in the August 2020 EFU are unchanged.

### Economic Risks

As noted in the Economic outlook chapter, while there have been some further data releases since the August 2020 EFU, they do not materially change the risks to the economic outlook.

As controlling the virus remains a significant challenge, the key downside risk is a major outbreak similar in scale to what has been seen in Victoria, occurring in other jurisdictions or the ACT. The second outbreak in Victoria led to significant declines in business and consumer confidence in July and August 2020, unwinding more than half of the gains in May and June 2020. While consumer confidence rebounded in September, should the Victorian lockdown be extended or similar lockdowns required in other states, further downward pressure would be placed on economic activity. This would in turn reduce the GST pool and ACT GST receipts.

Uncertainty about the pace at which the Australian, global and the ACT economies will resume more normal levels of activity following the lifting of restrictions also poses downside risks. A prolonged period of heightened uncertainty could dampen investment due to a general unwillingness to undertake the risks associated with beginning a major project or business venture. The longer the economy remains weak, the more households and firms will experience severe financial stress, and the more likely that cash buffers are exhausted. These stresses could slow the recovery further, increasing the chance of labour market scarring for many workers, and increasing the probability that skills mismatches and limited job vacancies discourage workers from participating in the labour market.

The Commonwealth decentralisation agenda outlined in the 2019-20 Commonwealth Budget to relocate more public sector jobs outside the ACT, including some from the Department of the Prime Minister and Cabinet, Indigenous Business Australia and Australian Financial Security Authority, represents a downside risk to the ACT’s economic outlook in the medium term.

In addition, any increase in the efficiency dividend for the Australian Public Service as the Commonwealth seeks to repair its fiscal position is a key medium-term downside risk to the ACT economy as 38.4 per cent of the Australian Public Service is employed in the Territory1F[[2]](#footnote-2).

On the upside, medical treatment and/or containment measures for COVID-19 could be both more effective and developed more quickly than currently anticipated leading to better health outcomes internationally, and in the ACT and Australia. These more positive health outcomes, along with significant government stimulus and income support, would likely strengthen consumer and business confidence, lifting household spending and business investment as well as enabling domestic travel.

### Fiscal Risks

The fiscal risks that may affect the Territory’s budget estimates remain consistent with those presented in the August 2020 Economic and Fiscal Update.

#### Revenue Risks

As with the economic parameters, the key risk to the Territory’s forecast revenue is the relative success of containing the spread of COVID-19.

Any further tightening of restrictions required in response to further outbreaks would present downside risks to the baseline revenue estimates. Should this occur, the Territory’s forecast revenue from payroll and land taxes, residential conveyances and motor vehicle registration could be potentially up to $250 million lower over four years to 2023-24 than under the baseline scenario.

Under a downside risk scenario, it is also likely that the overall size of the GST pool would shrink. For a 1 per cent reduction in the size of the GST pool over the four-year period from 2020-21 to 2023-24, there is likely to be a corresponding reduction of around $50 million in the ACT’s GST revenue over this period. If the ACT’s relativity and our share of the Australian population are also lower than the baseline scenario, this would further exacerbate any reduction in GST revenue. As noted, the extension of stage 4 restrictions in Victoria, will put downward pressure on GST revenue.

Further, the ACT Government has granted deferrals across a range of own-source revenue lines to provide cashflow support to households and businesses during the pandemic. These are currently in the order of $28 million. There is a risk that once the deferral period ends, some households and businesses will not be able to pay the deferred amounts and they will become debts owed to the Government, some of which might not be recoverable and would have to be written off. The longer a deferral is granted for, the greater the risk that it might not be repaid.

In addition to deferred dividends from previous years of $154.9 million, the Government has deferred receiving the 2019-20 dividend from the Suburban Land Agency to support the Agency’s cash flow during this period. The deferral of the Agency dividends is a low risk as they are expected to be paid at a later date as the economic recovery gathers pace. However, should the economic recovery not be as strong as anticipated, the risk would be greater.

The Government has also supported deferral of the 2019-20 income tax equivalent instalment and dividend for the City Renewal Authority. This will enable the Authority to delay the settlement of land sales to the local tertiary education sector to enable the development timetable to be maintained and contribute to economic recovery. The deferred dividends from the Authority will be paid at a later date as major settlements occur, which is a low risk for sales already made.

Conversely on the upside, success in containing COVID-19 and limiting or preventing community transmission such that restrictions can be eased more quickly, particularly international border restrictions, has the potential to increase revenue beyond the baseline estimates. In this scenario, the forecast revenue from payroll and land taxes, residential conveyances and motor vehicle registration could be nearly $250 million higher over four years to 2023-24 compared to the baseline scenario. The GST pool is also likely to grow and along with it the ACT’s GST revenue. Similarly, if the economic impacts of the restrictions in the ACT are not as severe as expected, own source revenue may be higher than reflected in the baseline scenario.

#### Financial investment assets and liabilities

The outlook for investment returns continues to be challenging, with increasing economic uncertainty and financial market volatility amid the COVID-19 pandemic. Interest rates are likely to remain lower for longer. The financial assumptions adopted for the superannuation liability valuation, long-term investment return targets and borrowing costs will require ongoing assessment. There remains a risk of deterioration in global and Australian financial markets affecting the value of financial investment assets and on the ability to effectively access funding requirements.

#### Enterprise Bargaining Negotiations

Employee expenses represent the largest expense incurred by the Territory. The majority of ACT Government directorate enterprise agreements are due to expire on 31 October 2021. Updates for these agreements have the potential to impose increased financial pressure if future outcomes (for example wage increments) exceed the amounts currently factored into the budget forward estimates (generally 1.3 per cent annual increases).

#### ACT Early Childhood Strategy/ Non-Government school funding

The PEBU estimates currently contain provisions of $30.4 million representing the reinvestment of savings associated with a reduction in the ACT Government’s share of non‑government schools funding in accordance with the *National School Reform Agreement*, signed in December 2018, into the ACT Early Childhood Strategy (see Table 6 for further information). Under the revised model, the Commonwealth funding share of the School Resource Standard for non-government schools increases over time and the ACT Government’s share reduces. Further Commonwealth changes to private school arrangements may mean that the forecast savings may not be realised to the currently budgeted extent.

#### Other Fiscal Risks

As noted in Appendix A: *Initiatives with Time Limited Funding*, the Government has funded a range of initiatives for one or two years, as well as design work and feasibility studies for future projects. Such items may be reconsidered by government, potentially impacting on the forward estimates.

### Contingent Liabilities

Contingent liabilities are liabilities that result from uncertain timing or amounts. They arise from past events that are not recognised because their outflow of economic benefit is not probable, or the liability cannot be measured reliably. Contingent liabilities can also occur when a liability is contingent on the outcome of an event outside the Territory’s control, such as the outcome of a court case.

The types of claims lodged against the Territory include property damage, contract disputes, economic loss, personal injury and tax-related claims. Details of the Territory’s contingent liabilities are identified in the ACT Government Consolidated Annual Financial Statements, which are available online.

### Other Items

#### Outstanding claims liability

The value of insurance liabilities is the present value of the future claim for payments that have accrued at the calculation date. This approach is required under AASB 1023 *General Insurance Contracts*.

Accounting for insurance claims is complex and actuarial assumptions are required to estimate the ACT Insurance Authority’s obligations and claims expense. There is uncertainty in the estimate of the liability, and this can result in actuarial gains or losses when the claims experience differs from the estimates. The liabilities are discounted to allow for the time value of money as claims may be settled many years after the claim is incurred.

#### Sensitivity to discount rate

The outstanding claims liability is calculated by reference to expected future payments. These payments are discounted to adjust for the time value of money. AASB 1023 *General Insurance Contracts* requires the outstanding claims liabilities to be valued using a ‘risk free’ rate of return, which is generally accepted to be the discount rate derived from market yields on Commonwealth Government Bonds. The discount rates adopted match the weighted term to maturity of insurance claims. The long‑term nature of the projected cash flows from the liability means that small changes in the discount rate adopted can lead to significant variations in the liability valuations and the claims expense.

The outstanding claims provision as at 30 June 2020 was $275.5 million net of Reinsurance Recoveries. Variations in the discount rate of +/- one percentage point results in an estimated change to the liability of between a $11.9 million decrease and a $6.3 million increase, equivalent to a change of between -4.3 per cent and 2.3 per cent.

#### Unfunded Default Insurance Fund

The Default Insurance Fund (the Fund) is established under section 166 of the *Workers Compensation Act 1951.* Its purpose is to provide benefits for injured ACT workers whose employer did not hold a compulsory workers’ compensation policy or cannot provide the indemnity required under a compulsory workers’ compensation insurance policy. Since 1 July 2017, it also provides benefits to all workers making a claim for an imminently fatal asbestos‑related disease (IFARD). The monies needed to meet the cost of claims and other relevant Fund expenses are not guaranteed by the ACT Government; however, Part 8.2 of the *Workers Compensation Act 1951* allows the Fund Manager to impose contributions and supplementary contributions on approved insurers and self-insurers to meet these costs.

The Fund’s levy is estimated to meet the costs of all claims, including IFARD claims, anticipated to be made in the coming year. The calculation of the outstanding claims liability of the Fund includes a provision for all future estimated IFARD claims, regardless of when the claim may be made. This means that the funding position for IFARD claims is currently in deficit and will continue to be in deficit until the Fund’s total assets meets or exceeds the total amount of outstanding claims liabilities.

The funding position for IFARD claims should improve significantly as levies are collected each year, since the cost of all future claims are already included within the liability. Based on the current claims cost, levy and inflation assumptions it is projected that the IFARD liability will be fully funded between 2025 to 2027. If IFARD claims were to emerge at a higher rate than anticipated, or currently experienced, then the Fund would be in deficit for longer.

# Appendix C – Statement of Sensitivity of the Pre-Election Budget Estimates

The economic impacts of the COVID-19 pandemic are highly uncertain and the PEBU estimates reflect a baseline scenario derived from a plausible set of assumptions. This section is presented to provide guidance on how the forecasts could evolve if assumptions vary from the baseline assumptions by also considering upside and downside scenarios.

### Alternative scenarios

#### Upside scenario

The upside scenario assumes that medical treatment and/or containment measures for COVID-19 will become more effective relatively quickly. This would allow faster progress in controlling the virus, together with creating a series of positive health outcomes globally, including in Australia and in the ACT.

This assumption, along with significant government stimulus and income support, would strengthen consumer and business confidence, lifting household spending and business investment as well as enabling domestic travel.

As per the assumption in the baseline scenario, it is assumed that international borders will open from July 2021. However, the upside scenario assumes a more pronounced improvement in confidence and migration levels following the border openings. Accordingly, the ACT’s population could increase rapidly from foreign nationals seeking study or work opportunities in the ACT.

Under the upside scenario, the expected contraction in the ACT economy in 2020-21 would be halved, with a stronger economic recovery over the projection period, in line with a strong improvement in Private Final Demand. In turn, this would increase labour demand, increasing growth in employment. This would underpin a more rapid rebound in wages growth and a faster pick-up in inflation over the projection period.

#### Downside scenario

The downside scenario assumes that more severe outbreaks occur in the months ahead, leading to a wider spread of the virus across jurisdictions (potentially similar to the scale of the Victorian outbreak), with tightening of restrictions and lower levels of cross border activity.

It is assumed that this is accompanied by a widespread resurgence in infections across the globe in the near term. Recovery in international tourism and student arrivals would be delayed as Australia’s international borders would remain closed until the end of 2021. This would see lower population growth and more cautious consumer behaviour, while more businesses would be forced to close. Remaining businesses would limit spending which pushes the timing of the economic recovery out and reduces growth rates across the forward estimates period.

Under the downside scenario, the ACT economy would contract by more than envisaged in the baseline scenario and an extended period of lockdown would see consumer spending and business investment continue to fall during the second half of 2020. The downside scenario assumes the current level of government stimulus and income support would be insufficient to support spending in the private sector. Businesses would keep employees on reduced hours and delay hiring new staff. As a result, the ACT economy would take longer to recover, economic growth would be well below the long-run average by the end of projection period, and employment growth would not return to its pre-COVID-19 level until around end of 2022‑23. Lower employment growth and increased slack in the labour market would place downward pressure on wage growth and inflation.

#### Economic parameters under different scenarios

Table 15 below presents economic parameters as per the alternative upside and downside scenarios outlined above. Figures 1 and 2 show the trajectory of recovery in the ACT economy under an upside and downside scenario relative to the baseline scenario.

Table 15: Economic parameters under different scenarios, percentage change

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Actual | Estimate | Forecast | | Projections | |
| 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| Gross State Product1 |  |  |  |  |  |  |
| Downside Scenario | 3.0 | 2¾ | -2¼ | 2¾ | 2¼ | 2 |
| Baseline Scenario | 3.0 | **2¾** | -1½ | 4 | 3½ | 3¼ |
| Upside Scenario | 3.0 | 2¾ | -¾ | 5¼ | 4¾ | 4 |
| 2019-20 Budget Review2 | 3.0 | 3 | 3 | 3 | 3½ | 3½ |
|  |  |  |  |  |  |  |
| Employment3 |  |  |  |  |  |  |
| Downside Scenario | 2.2 | -0.6 | -¾ | 2 | 1½ | 1¼ |
| Baseline Scenario | 1.5 | -0.6 | -¼ | 3¼ | 2½ | 2 |
| Upside Scenario | 1.5 | -0.6 | ¼ | 4 | 3 | 2½ |
| 2019-20 Budget Review2 | 0.9 | 2 | 1½ | 1½ | 1¾ | 1¾ |
|  |  |  |  |  |  |  |
| Wage Price Index |  |  |  |  |  |  |
| Downside Scenario | 2.2 | 2 | 1¼ | 1½ | 1¾ | 1¾ |
| Baseline Scenario | 2.2 | 2 | 1½ | 1¾ | 2 | 2 |
| Upside Scenario | 2.2 | 2 | 1¾ | 2 | 2¼ | 2¼ |
| 2019-20 Budget Review2 | 2.2 | 2½ | 2½ | 2½ | 2¾ | 3 |
|  |  |  |  |  |  |  |
| Consumer Price Index |  |  |  |  |  |  |
| Downside Scenario | 1.7 | -0.6 | 3 | 1 | 1¼ | 1½ |
| Baseline Scenario | 1.7 | -0.6 | 3 | 1¼ | 1½ | 1¾ |
| Upside Scenario | 1.7 | -0.6 | 3¼ | 1½ | 1¾ | 2 |
| 2019-20 Budget Review2 | 1.7 | 2 | 2 | 2¼ | 2½ | 2½ |
|  |  |  |  |  |  |  |
| Population4 |  |  |  |  |  |  |
| Downside Scenario | 1.5 | ¾ | ¾ | 1 | 1¼ | 1½ |
| Baseline Scenario | 1.5 | ¾ | 1 | 1¼ | 1½ | 1¾ |
| Upside Scenario | 1.5 | ¾ | 1¼ | 1½ | 1¾ | 2 |
| 2019-20 Budget Review2 | 1.5 | 1½ | 1¾ | 1¾ | 1¾ | 1¾ |

Sources: ABS Cat. No. 5220.0, 5206.0, 6202.0, 6345.0, 6401.0 and 3101.0; Chief Minister, Treasury and Economic Development Directorate.

Notes: Forecasts and projections are rounded to a ¼ of a percentage point.

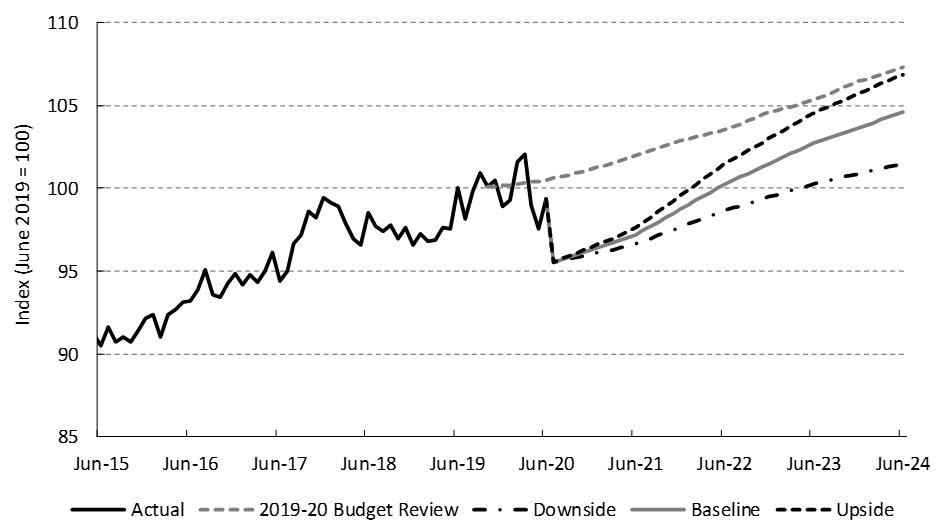
1. Real values.
2. The projection for 2023-24 was not published in the 2019-20 Budget Review.
3. Through the year basis to the month of June and is actual outcome for 2019-20.
4. Through the year basis to the June quarter and is actual outcome for 2019-20, except for population.

Figure 1: Gross State Product (GSP), ACT – forecast scenarios, 2018-19 = 100


This chart illustrates the level of ACT’s GSP under the downside scenario, baseline scenario, upside scenario and that estimated at the 2019-20 Budget Review from 2009-10 to 2023-24 in an index form, with 2018-19 being the reference index equal to 100. The ACT’s GSP under the downside and upside scenarios varies by around a half from the baseline scenarios, with the upside scenario still below that estimated at the 2019-20 Budget Review.

Sources: ABS Cat. No. 5220.0 and Chief Minister, Treasury and Economic Development Directorate.

Figure 2: Employment, ACT – forecast scenarios, June 2019 = 100



Sources: ABS Cat. No. 6202.0 and Chief Minister, Treasury and Economic Development Directorate.

#### Key revenue lines under different scenarios

Revenue forecasts and projections are typically based on indexation of key economic parameters. The effects of alternative economic parameter assumptions (as per the upside and downside scenarios) on key revenue lines are outlined in Table 16 and Figure 3.

Table 16: Revenue variance from the baseline due to economic parameters – forecast scenarios

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2020-21  $’000 | 2021-22  $’000 | 2022-23  $’000 | 2023-24  $’000 | Total  $’000 |
| Payroll Tax |  |  |  |  |  |
| Downside | -13,745 | -26,158 | -52,654 | -69,367 | -161,925 |
| Upside | 23,047 | 33,561 | 37,131 | 39,555 | 133,294 |
| Land Tax |  |  |  |  |  |
| Downside | -179 | -649 | -906 | -1,224 | -2,958 |
| Upside | 137 | 1,374 | 2,282 | 3,418 | 7,211 |
| Residential conveyances |  |  |  |  |  |
| Downside | -9,833 | -17,314 | -17,983 | -24,175 | -69,305 |
| Upside | 26,136 | 23,312 | 25,820 | 22,910 | 98,179 |
| Motor Vehicle Registration |  |  |  |  |  |
| Downside | -736 | -1,510 | -2,333 | -3,215 | -7,794 |
| Upside | 737 | 1,517 | 2,356 | 3,262 | 7,872 |
| All Four-Revenue Lines |  |  |  |  |  |
| Downside | -24,493 | -45,631 | -73,875 | -97,982 | -241,981 |
| Upside | 50,057 | 59,764 | 67,590 | 69,145 | 246,555 |

Source: Chief Minister, Treasury and Economic Development Directorate.

Figure 3: Selected own-source taxation revenue – forecast scenarios, 2018-19 = 100

This four-panel chart illustrates the level of payroll tax (top-left panel), land tax (bottom left panel), residential conveyance duty (top-right panel) and motor vehicle registration fees (bottom right panel) under the downside scenario, baseline scenario, upside scenario and that estimated at the 2019-20 Budget Review from 2008-09 to 2023-24 in an index form, with 2018-19 being the reference index equal to 100. Total revenue from these four lines under the downside and upside scenarios varies by more than $250 million from the baseline scenarios.Source: Chief Minister, Treasury and Economic Development Directorate.

### Risks to the ACT’s GST revenue share and broad estimates of parameter changes

Over the four-year period from 2020-21 to 2023-24, the ACT is expected to receive about 1.9 per cent of the GST pool each year. A 1 per cent change in the GST pool in any year will alter the ACT’s GST share by $11.5 million to $13.4 million, depending on the year affected. In total, if the forecast for the GST pool over the four-year period changes by 1 per cent or around $2.6 billion, the ACT’s GST share will alter by $50 million over the same period. This assumes that the ACT’s share of the Australian population is the same as in the baseline scenario, and that the ACT’s GST relativity remains constant over that period.

If the ACT’s share of the Australian population is different from the assumed baseline scenario by 0.01 per cent, our GST revenue share would change by $6.8 million to $8 million, depending on the year affected. However, a modification in the ACT’s population share is also likely to modify the ACT’s GST relativity for that year, further affecting our GST revenue share, assuming the GST pool outcome aligns with the ACT’s forecasts.

### Sensitivity of Budget Estimates

Tables 18 and 19 set out the sensitivity of economic and other assumptions on the GGS HNOB. This represents a ‘rule of thumb’ for the magnitude of changes, based on 2020‑21 data.

#### Superannuation Provision Account Investment Earnings

Table 17 outlines the impact on the investment earnings estimates for the Superannuation Provision Account from a 1 per cent decrease in the investment return objective.

Table 17: Impact of a 1 percentage point decrease in the investment return objective

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 2020-21  $’000 | 2021-22  $’000 | 2022-23  $’000 | 2023-24  $’000 |
| Investment Earnings | -42,863 | -48,344 | -54,181 | -60,559 |

#### Defined Benefit Superannuation Liabilities

Table 18 outlines the impact to the Commonwealth defined benefit superannuation liability valuation and to the superannuation liability expense from a 1 per cent decrease in the discount rate assumption from the long-term budget assumption of 5 per cent.

Table 18: Impact of a 1 percentage point decrease in the discount rate assumption

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 2020-21  $’000 | 2021-22  $’000 | 2022-23  $’000 | 2023-24  $’000 |
| Superannuation Liability | 1,457,200 | 1,472,414 | 1,483,438 | 1,490,352 |
| Superannuation Expense | 19,634 | 15,473 | 11,511 | 7,686 |

# Appendix D – Financial Statements – General Government Sector

**Australian Capital Territory**

**General Government Sector**

**Operating Statement**

|  | **2020-21**  **August**  **EFU**  **$’000** | **2020-21**  **Revised**  **Estimate**  **$’000** | **2021-22**  **Revised**  **Estimate**  **$’000** | **2022-23**  **Revised**  **Estimate**  **$’000** | **2023-24**  **Revised**  **Estimate**  **$’000** |
| --- | --- | --- | --- | --- | --- |
| **Revenue** |  |  |  |  |  |
| Taxation revenue | 1,958,486 | 1,958,486 | 2,139,335 | 2,272,434 | 2,424,061 |
| Grants revenue |  |  |  |  |  |
| Commonwealth grants | 2,257,373 | 2,257,373 | 2,367,840 | 2,472,355 | 2,564,301 |
| Sales of goods and services | 566,647 | 566,623 | 594,972 | 610,482 | 627,710 |
| Interest income | 95,332 | 97,297 | 112,871 | 103,089 | 99,616 |
| Distributions from financial investments | 50,301 | 49,960 | 53,850 | 57,408 | 61,067 |
| Dividend and income tax equivalents income | 320,870 | 320,398 | 267,512 | 277,595 | 304,961 |
| Other revenue |  |  |  |  |  |
| Other revenue | 191,775 | 191,050 | 189,078 | 198,502 | 171,600 |
| Gains from contributed assets | 139,150 | 139,150 | 158,881 | 210,173 | 158,798 |
| **Total revenue** | 5,579,934 | 5,580,337 | 5,884,339 | 6,202,038 | 6,412,114 |
| **Expenses** |  |  |  |  |  |
| Employee expenses | 2,318,191 | 2,318,260 | 2,295,911 | 2,336,166 | 2,372,709 |
| Superannuation expenses |  |  |  |  |  |
| Superannuation interest cost | 210,537 | 210,537 | 413,132 | 423,600 | 433,282 |
| Other superannuation expense | 479,589 | 479,613 | 349,025 | 346,820 | 349,217 |
| Depreciation and amortisation | 504,326 | 509,704 | 552,888 | 566,819 | 573,152 |
| Interest expense | 198,641 | 196,109 | 249,749 | 258,420 | 278,566 |
| Other operating expenses |  |  |  |  |  |
| Supplies and services | 1,201,512 | 1,204,035 | 1,248,422 | 1,327,463 | 1,385,896 |
| Other operating expenses | 288,937 | 288,211 | 284,130 | 291,809 | 295,177 |
| Grants and purchased services | 1,459,400 | 1,459,309 | 1,349,204 | 1,302,654 | 1,335,503 |
| **Total expenses** | 6,661,133 | 6,665,778 | 6,742,461 | 6,853,751 | 7,023,502 |
| **UPF Net Operating Balance** | -1,081,199 | -1,085,441 | -858,122 | -651,713 | -611,388 |
| **Other economic flows - included in the operating result** |  |  |  |  |  |
| Dividends (market gains on land sales) | 22,672 | 22,672 | 19,700 | 3,815 | 3,455 |
| Net land revenue (undeveloped land value) | 22,248 | 22,248 | 19,584 | 11,884 | 12,826 |
| Net gain/(loss) on sale/(disposal) of non‑financial assets | 12,263 | 12,263 | 11,234 | 41,973 | 7,746 |
| Net gain/(loss) on financial assets or liabilities at fair value | 184,144 | 182,878 | 196,564 | 209,720 | 223,016 |
| Doubtful debts | -10,787 | -10,787 | -10,853 | -10,853 | -10,853 |
| **Operating result** | -850,659 | -856,167 | -621,893 | -395,174 | -375,198 |
| **Other economic flows - other comprehensive income** |  |  |  |  |  |
| **Items that will not be subsequently reclassified to profit or loss** |  |  |  |  |  |
| Payments to ACT government agencies | -129,763 | -129,763 | -100,474 | -68,569 | -31,095 |
| Transfer of assets to the public trading enterprises (PTE) sector | 119 | 119 | 0 | 0 | 0 |
| Superannuation actuarial gain/(loss) | 3,942,926 | 3,942,926 | 0 | 0 | 0 |
| Other movements | 21,667 | 28,801 | -20,073 | -2,345 | -2,542 |
| Increase/(decrease) in asset revaluation reserve surpluses due to revaluations | 62,711 | 27,723 | -89,605 | -69,107 | -23,000 |
| **Items that may be subsequently reclassified to profit or loss** |  |  |  |  |  |
| Increase/(decrease) in net assets of PTE | 877 | 79,011 | 38,226 | 3,809 | -24,609 |
| **Total comprehensive income/(loss)** | 3,047,878 | **3,092,650** | **-793,819** | **-531,386** | **-456,444** |
|  |  |  |  |  |  |
| **Key fiscal aggregates** |  |  |  |  |  |
| **UPF net operating balance** | **-1,081,199** | **-1,085,441** | **-858,122** | **-651,713** | **-611,388** |
| **less Net acquisition of non-financial assets** |  |  |  |  |  |
| Payments for non-financial assets | 845,414 | 845,444 | 1,080,017 | 1,024,836 | 922,098 |
| Sales of non-financial assets | -104,601 | -104,601 | -91,879 | -92,016 | -58,933 |
| Change in inventories | -4,419 | 164 | 164 | 164 | 164 |
| Depreciation and amortisation | -504,326 | -509,704 | -552,888 | -566,819 | -573,152 |
| Other movements in non-financial assets | 65,156 | 65,156 | 103,358 | 184,114 | 132,640 |
| *Total net acquisition of non-financial assets* | *297,224* | *296,459* | *538,772* | *550,279* | *422,817* |
| **Net lending/(borrowing)** | -1,378,423 | **-1,381,900** | **-1,396,894** | **-1,201,992** | **-1,034,205** |
|  |  |  |  |  |  |
| **GOVERNMENT FISCAL MEASURE – OPERATING SURPLUS/(DEFICIT)** | | |  |  |  |
| UPF Net Operating Balance | -1,081,199 | -1,085,441 | -858,122 | -651,713 | -611,388 |
| Superannuation return adjustment | 171,656 | 171,656 | 183,735 | 195,980 | 209,046 |
| **HEADLINE NET OPERATING BALANCE** | -909,543 | **-913,785** | **-674,387** | **-455,733** | **-402,342** |

**Australian Capital Territory**

**General Government Sector**

**Balance Sheet**

|  | **2020-21**  **August**  **EFU**  **$’000** | **2020-21**  **Revised**  **Estimate**  **$’000** | **2021-22**  **Revised**  **Estimate**  **$’000** | **2022-23**  **Revised**  **Estimate**  **$’000** | **2023-24**  **Revised**  **Estimate**  **$’000** |
| --- | --- | --- | --- | --- | --- |
| **Financial assets** |  |  |  |  |  |
| Cash and Deposits | 724,622 | 770,533 | 778,981 | 787,604 | 795,607 |
| Advances Paid | 1,886,114 | 1,885,971 | 1,921,457 | 1,928,089 | 1,954,574 |
| Investments and Loans | 6,300,810 | 6,248,290 | 7,137,457 | 6,903,130 | 7,800,480 |
| Receivables | 876,683 | 887,075 | 936,603 | 854,769 | 845,671 |
| Investments in Other Public Sector Enterprises | 7,715,959 | 7,794,093 | 7,832,319 | 7,836,128 | 7,811,519 |
| **Total financial assets** | 17,504,188 | **17,585,962** | **18,606,817** | **18,309,720** | **19,207,851** |
| **Non-Financial assets** |  |  |  |  |  |
| Produced assets |  |  |  |  |  |
| Property, Plant and Equipment | 12,844,603 | 13,002,247 | 13,636,374 | 14,169,086 | 14,591,059 |
| Investment Properties | 7,920 | 7,920 | 7,920 | 7,920 | 7,920 |
| Intangibles | 364,107 | 295,947 | 304,827 | 279,849 | 226,878 |
| Inventories | 17,945 | 22,528 | 22,692 | 22,856 | 23,020 |
| Assets Held for Sale | 47,534 | 39,886 | 8,550 | 8,550 | 8,550 |
| Capital Works-in-Progress | 755,178 | 839,222 | 765,734 | 814,807 | 893,792 |
| Non-Produced Assets |  |  |  |  |  |
| Property, Plant and Equipment | 3,899,054 | 3,992,429 | 3,968,785 | 3,970,360 | 3,971,774 |
| Biological Assets | 28,798 | 25,494 | 25,494 | 25,494 | 25,494 |
| Other Non-Financial Assets | 7,911 | 2,485 | 2,485 | 2,485 | 2,485 |
| **Total Non-financial assets** | **17,973,050** | **18,228,158** | **18,742,861** | **19,301,407** | **19,750,972** |
| **Total assets** | **35,477,238** | **35,814,120** | **37,349,678** | **37,611,127** | **38,958,823** |
| **Liabilities** |  |  |  |  |  |
| Advances Received | 54,868 | 54,868 | 50,203 | 45,353 | 40,863 |
| Borrowings |  |  |  |  |  |
| Finance Leases | 803,254 | 1,039,977 | 1,046,745 | 1,011,906 | 976,126 |
| Other Borrowings | 8,177,713 | 8,173,932 | 10,164,644 | 10,525,970 | 11,908,088 |
| Superannuation | 8,286,596 | 8,283,873 | 8,509,643 | 8,719,510 | 8,912,660 |
| Employee Benefits | 822,939 | 896,894 | 934,505 | 974,255 | 1,015,550 |
| Other Provisions | 815,833 | 865,393 | 895,280 | 925,165 | 953,115 |
| Payables | 340,519 | 269,991 | 317,086 | 512,764 | 716,718 |
| Other Liabilities | 17,311 | 26,215 | 22,414 | 18,432 | 14,375 |
| **Total liabilities** | **19,319,033** | **19,611,143** | **21,940,520** | **22,733,355** | **24,537,495** |
|  |  |  |  |  |  |
| **Net Assets** | **16,158,205** | **16,202,977** | **15,409,158** | **14,877,772** | **14,421,328** |
| Equity in Public Trading Entities | 7,715,959 | 7,794,093 | 7,832,319 | 7,836,128 | 7,811,519 |
| Accumulated Funds | 2,014,602 | 2,016,228 | 1,273,788 | 807,700 | 398,865 |
| Asset Revaluation Surplus | 6,426,414 | 6,391,426 | 6,301,821 | 6,232,714 | 6,209,714 |
| Other Reserves | 1,230 | 1,230 | 1,230 | 1,230 | 1,230 |
| **Net worth** | **16,158,205** | **16,202,977** | **15,409,158** | **14,877,772** | **14,421,328** |
| **Net Financial Worth** | -1,814,845 | -2,025,181 | -3,333,703 | -4,423,635 | -5,329,644 |
| **Net Financial Liabilities** | 9,530,804 | 9,819,274 | 11,166,022 | 12,259,763 | 13,141,163 |
| **Net Debt (Excluding Superannuation Related Investments)** | 4,730,643 | 4,971,877 | 6,337,306 | 7,204,267 | 7,962,447 |

**Australian Capital Territory**

**General Government Sector**

**Statement of Changes in Equity**

|  | **2020-21**  **August**  **EFU**  **$’000** | **2020-21**  **Revised**  **Estimate**  **$’000** | **2021-22**  **Revised**  **Estimate**  **$’000** | **2022-23**  **Revised**  **Estimate**  **$’000** | **2023-24**  **Revised**  **Estimate**  **$’000** |
| --- | --- | --- | --- | --- | --- |
| **Opening equity** |  |  |  |  |  |
| Opening equity in public trading enterprises (PTE) | 7,715,082 | 7,715,082 | 7,794,093 | 7,832,319 | 7,836,128 |
| Opening accumulated funds | -969,689 | -969,689 | 2,016,228 | 1,273,788 | 807,700 |
| Opening asset revaluation surplus | 6,363,703 | 6,363,703 | 6,391,426 | 6,301,821 | 6,232,714 |
| Opening other reserves | 1,230 | 1,230 | 1,230 | 1,230 | 1,230 |
| **Opening balance** | **13,110,326** | **13,110,326** | **16,202,977** | **15,409,158** | **14,877,772** |
| **Comprehensive income** |  |  |  |  |  |
| *Included in accumulated funds:* |  |  |  |  |  |
| Operating result for the period | -850,659 | -856,167 | -621,893 | -395,174 | -375,198 |
| Payments to ACT government agencies | -129,763 | -129,763 | -100,474 | -68,569 | -31,095 |
| Transfer of assets to the PTE sector | 119 | 119 | 0 | 0 | 0 |
| Superannuation actuarial gain/(loss) | 3,942,926 | 3,942,926 | 0 | 0 | 0 |
| Other movements | 21,667 | 28,801 | -20,073 | -2,345 | -2,542 |
| *Included in equity in PTE entities:* |  |  |  |  |  |
| Increase/(Decrease) in net assets of PTE | 877 | 79,011 | 38,226 | 3,809 | -24,609 |
| *Included in the asset revaluation surplus:* |  |  |  |  |  |
| Increase/(Decrease) in asset revaluation reserve surpluses due to revaluations | 62,711 | 27,723 | -89,605 | -69,107 | -23,000 |
| **Total comprehensive income/(loss)** | **3,047,878** | **3,092,650** | **-793,819** | **-531,386** | **-456,444** |
| **Closing equity** |  |  |  |  |  |
| Closing equity in PTE | 7,715,959 | 7,794,093 | 7,832,319 | 7,836,128 | 7,811,519 |
| Closing accumulated funds | 2,014,602 | 2,016,228 | 1,273,788 | 807,700 | 398,865 |
| Closing asset revaluation surplus | 6,426,414 | 6,391,426 | 6,301,821 | 6,232,714 | 6,209,714 |
| Closing other reserves | 1,230 | 1,230 | 1,230 | 1,230 | 1,230 |
| **Closing balance** | **16,158,205** | **16,202,977** | **15,409,158** | **14,877,772** | **14,421,328** |

**Australian Capital Territory**

**General Government Sector**

**Cash Flow Statement**

|  | **2020-21**  **August**  **EFU**  **$’000** | **2020-21**  **Revised**  **Estimate**  **$’000** | **2021-22**  **Revised**  **Estimate**  **$’000** | **2022-23**  **Revised**  **Estimate**  **$’000** | **2023-24**  **Revised**  **Estimate**  **$’000** |
| --- | --- | --- | --- | --- | --- |
| **Cash flows from operating activities** |  |  |  |  |  |
| ***Cash receipts*** |  |  |  |  |  |
| Taxes received | 1,839,180 | 1,839,180 | 2,139,445 | 2,415,921 | 2,487,341 |
| Receipts from sales of goods and services | 546,883 | 546,859 | 574,147 | 588,875 | 605,260 |
| Grants/subsidies received | 2,286,885 | 2,280,913 | 2,398,893 | 2,505,190 | 2,567,424 |
| Distributions from financial investments | 50,301 | 49,960 | 53,850 | 57,408 | 61,067 |
| Interest receipts | 86,437 | 88,101 | 94,720 | 85,339 | 81,237 |
| Dividends and income tax equivalents | 245,331 | 245,862 | 187,103 | 251,058 | 291,662 |
| Other receipts | 426,585 | 430,807 | 497,323 | 588,415 | 591,446 |
| ***Total cash received from operating activities*** | ***5,481,602*** | ***5,481,682*** | ***5,945,481*** | ***6,492,206*** | ***6,685,437*** |
| ***Cash payments*** |  |  |  |  |  |
| Payments for employees | -2,832,666 | -2,832,822 | -2,822,084 | -2,886,053 | -2,950,451 |
| Payments for goods and services | -1,228,181 | -1,227,613 | -1,271,791 | -1,352,044 | -1,410,002 |
| Grants/subsidies paid | -1,394,790 | -1,394,699 | -1,303,037 | -1,285,951 | -1,318,921 |
| Interest paid | -197,593 | -195,340 | -240,656 | -250,894 | -269,361 |
| Other payments | -485,402 | -491,353 | -440,936 | -454,680 | -459,894 |
| ***Total cash paid from operating activities*** | ***-6,138,632*** | ***-6,141,827*** | ***-6,078,504*** | ***-6,229,622*** | ***-6,408,629*** |
| **Net cash flows from operating activities** | **-657,030** | **-660,145** | **-133,023** | **262,584** | **276,808** |
| **Cash flows from investing activities** |  |  |  |  |  |
| **Cash flows from investments in non-financial assets** |  |  |  |  |  |
| Sales of non-financial assets | 104,601 | 104,601 | 91,879 | 92,016 | 58,933 |
| Payments for non-financial assets | -845,414 | -845,444 | -1,080,017 | -1,024,836 | -922,098 |
| **Net cash flows from investments in non-financial assets** | **-740,813** | **-740,843** | **-988,138** | **-932,820** | **-863,165** |
| **Cash flows from investments in financial assets for policy purposes** |  |  |  |  |  |
| ***Cash receipts*** |  |  |  |  |  |
| Repayment of loans | 5,177 | 5,177 | 3,677 | 3,677 | 3,677 |
| Capital receipts from government agencies | 302,314 | 302,314 | 0 | 0 | 0 |
| Dividends - market gains on land sales | 22,672 | 22,672 | 19,700 | 3,815 | 3,455 |
| ***Total cash received from investments in financial assets for policy purposes*** | ***330,163*** | ***330,163*** | ***23,377*** | ***7,492*** | ***7,132*** |
| ***Cash payments*** |  |  |  |  |  |
| Capital payments to government agencies | -128,589 | -128,589 | -100,474 | -68,569 | -31,095 |
| ***Total cash paid from investments in financial assets for policy purposes*** | ***-128,589*** | ***-128,589*** | ***-100,474*** | ***-68,569*** | ***-31,095*** |
| **Net cash flows from investments in financial assets for policy purposes** | **201,574** | **201,574** | **-77,097** | **-61,077** | **-23,963** |
| **Cash flows from investments in financial assets for liquidity purposes** |  |  |  |  |  |
| Sales of investments | 168,194 | 30,827 | 41,095 | 492,807 | 58,133 |
| Payments for investments | -28,807 | -1,198,310 | -726,053 | -41,990 | -725,050 |
| **Net cash flows from investments in financial assets for liquidity purposes** | **139,387** | **-1,167,483** | **-684,958** | **450,817** | **-666,917** |
| **Net cash flows from investing activities** | -399,852 | **-1,706,752** | -1,750,193 | -543,080 | -1,554,045 |
| **Cash flows from financing activities** |  |  |  |  |  |
| ***Cash receipts*** |  |  |  |  |  |
| Borrowings | 1,151,991 | 1,151,991 | 1,993,866 | 362,730 | 1,483,854 |
| ***Total cash received from financing activities*** | ***1,151,991*** | ***1,151,991*** | ***1,993,866*** | ***362,730*** | ***1,483,854*** |
| ***Cash payments*** |  |  |  |  |  |
| Borrowings | -96,745 | -100,404 | -95,946 | -67,400 | -192,050 |
| ***Total cash paid from financing activities*** | ***-96,745*** | ***-100,404*** | ***-95,946*** | ***-67,400*** | ***-192,050*** |
| **Net cash flows from financing activities** | **1,055,246** | **1,051,587** | **1,897,920** | **295,330** | **1,291,804** |
| **Net increase/(decrease) in cash and cash equivalents** | **-1,636** | -1,315,310 | **14,704** | **14,834** | **14,567** |
| **Cash and cash equivalents at the beginning of reporting period** | **736,626** | 2,099,340 | 784,030 | 798,734 | 813,568 |
| **Cash and cash equivalents at the end of reporting period** | **734,990** | 784,030 | 798,734 | 813,568 | 828,135 |
| **Key fiscal aggregates** |  |  |  |  |  |
| Net cash from operating activities | -657,030 | -660,145 | -133,023 | 262,584 | 276,808 |
| Investments in non-financial assets | -740,813 | -740,843 | -988,138 | -932,820 | -863,165 |
| **Cash surplus (+)/deficit (-)** | **-1,397,843** | **-1,400,988** | **-1,121,161** | **-670,236** | **-586,357** |

# Appendix E – Financial Statements – Public Trading enterprises

**Australian Capital Territory**

**Public Trading Enterprises**

**Operating Statement**

|  | **2020-21**  **August**  **EFU**  **$’000** | **2020-21**  **Revised**  **Estimate**  **$’000** | **2021-22**  **Revised**  **Estimate**  **$’000** | **2022-23**  **Revised**  **Estimate**  **$’000** | **2023-24**  **Revised**  **Estimate**  **$’000** |
| --- | --- | --- | --- | --- | --- |
| **Revenue** |  |  |  |  |  |
| Controlled recurrent payments | 276,409 | 276,318 | 266,379 | 270,287 | 272,362 |
| Grants revenue |  |  |  |  |  |
| Commonwealth grants | 877 | 877 | 767 | 767 | 767 |
| Sales of goods and services revenue |  |  |  |  |  |
| Revenue from associates and joint ventures | 49,576 | 49,576 | 60,245 | 75,453 | 79,777 |
| Other sales of goods and services | 437,584 | 437,584 | 455,383 | 466,507 | 479,053 |
| Interest income | 2,492 | 2,492 | 1,828 | 1,246 | 1,101 |
| Other revenue |  |  |  |  |  |
| Land revenue (value add component) | 382,230 | 382,230 | 316,411 | 482,893 | 338,086 |
| Other revenue | 11,337 | 11,337 | 11,020 | 11,263 | 11,564 |
| Gains from contributed assets | 25,044 | 25,044 | 17,458 | 18,064 | 19,780 |
| **Total revenue** | **1,185,549** | **1,185,458** | **1,129,491** | **1,326,480** | **1,202,490** |
| **Expenses** |  |  |  |  |  |
| Employee expenses | 211,760 | 211,760 | 229,483 | 233,841 | 237,985 |
| Superannuation expenses | 32,264 | 32,264 | 23,652 | 23,778 | 23,876 |
| Depreciation and amortisation | 136,453 | 136,453 | 142,064 | 145,612 | 152,039 |
| Interest expense | 94,291 | 94,291 | 94,490 | 95,933 | 93,030 |
| Other property expenses (income tax equivalents) | 84,990 | 84,990 | 66,690 | 63,463 | 70,819 |
| Other operating expenses |  |  |  |  |  |
| Supplies and services | 299,193 | 299,102 | 285,808 | 278,962 | 281,684 |
| Other operating expenses | 218,691 | 218,691 | 160,639 | 268,286 | 164,401 |
| Grants and purchased services | 54,738 | 54,738 | 93,237 | 161,140 | 109,946 |
| **Total expenses** | **1,132,380** | **1,132,289** | **1,096,063** | **1,271,015** | **1,133,780** |
| **UPF Net Operating Balance** | **53,169** | **53,169** | **33,428** | **55,465** | **68,710** |
| **Other economic flows – included in the operating result** |  |  |  |  |  |
| Land revenue (market gains on land sales) | 38,918 | 38,918 | 28,853 | 6,053 | 5,805 |
| Net gain/(loss) on sale/(disposal) of non­financial assets | -2,995 | -2,995 | -14,433 | -13,965 | -23,996 |
| Net gain/(loss) on financial assets or liabilities at fair value | 100 | 100 | 100 | 100 | 100 |
| Doubtful debts | -3,936 | -3,936 | -2,797 | -2,869 | -2,883 |
| **Operating result** | **85,256** | **85,256** | **45,151** | **44,784** | **47,736** |
| **Other economic flows – other comprehensive income** | * 1. 0 | 0 | 0 | 0 | 0 |
| **Items that will not be subsequently reclassified to profit or loss** | * 1. 0 | 0 | 0 | 0 | 0 |
| Other Movements | 0 | 0 | 0 | 0 | 8,650 |
| Increase/(decrease) in asset revaluation reserve surpluses due to revaluation | -20,208 | 54,920 | 40,712 | 31,114 | 43,407 |
| **Items that may be subsequently reclassified to profit or loss** |  |  |  |  |  |
| Increase/(decrease) in other reserves | -3,006 | 0 | 0 | 0 | 0 |
| **Total comprehensive income/(loss)** | **62,042** | **140,176** | **85,863** | **75,898** | **99,793** |
| **Key fiscal aggregates** |  |  |  |  |  |
| **UPF net operating balance *less* Net acquisition of non‑financial assets** | **53,169** | **53,169** | **33,428** | **55,465** | **68,710** |
| Payments for non-financial assets | 341,821 | 341,821 | 315,444 | 241,307 | 161,828 |
| Sales of non-financial assets | -168,513 | -168,513 | -146,842 | -141,909 | -97,762 |
| Change in inventories | 22,950 | 57,703 | 86,148 | -3,108 | 30,229 |
| Depreciation and amortisation | -136,453 | -136,453 | -142,064 | -145,612 | -152,039 |
| Other movements in non-financial assets | -3,207 | -3,207 | -49,021 | -116,050 | -62,860 |
| *Total net acquisition of non-financial assets* | *56,598* | *91,351* | *63,665* | *-165,372* | *-120,604* |
| **Net lending/(borrowing)** | **-3,429** | **-38,182** | **-30,237** | **220,837** | **189,314** |
|  |  |  |  |  |  |
| UPF Net Operating Balance | 53,169 | 53,169 | 33,428 | 55,465 | 68,710 |
| **HEADLINE NET OPERATING BALANCE** | **53,169** | **53,169** | **33,428** | **55,465** | **68,710** |

**Australian Capital Territory**

**Public Trading Enterprises**

**Balance Sheet**

|  | **2020-21**  **August**  **EFU**  **$’000** | **2020-21**  **Revised**  **Estimate**  **$’000** | **2021-22**  **Revised**  **Estimate**  **$’000** | **2022-23**  **Revised**  **Estimate**  **$’000** | **2023-24**  **Revised**  **Estimate**  **$’000** |
| --- | --- | --- | --- | --- | --- |
| **Financial assets** |  |  |  |  |  |
| Cash and deposits | 153,016 | 137,445 | 98,653 | 132,349 | 117,446 |
| Advances paid | 25,495 | 25,492 | 12,386 | 0 | 0 |
| Investments and loans | 30,000 | 63,000 | 63,000 | 63,000 | 63,000 |
| Receivables | 96,868 | 91,961 | 94,758 | 102,819 | 98,996 |
| Investments accounted for using the equity method | 1,072,619 | 1,064,145 | 1,086,951 | 1,111,316 | 1,130,592 |
| **Total financial assets** | **1,377,998** | **1,382,043** | **1,355,748** | **1,409,484** | **1,410,034** |
| **Non-financial assets** |  |  |  |  |  |
| Produced assets |  |  |  |  |  |
| Property, plant and equipment | 4,889,593 | 5,002,945 | 5,052,804 | 5,102,199 | 5,097,564 |
| Investment properties | 6,671 | 17,978 | 17,984 | 17,990 | 17,996 |
| Intangibles | 40,774 | 46,154 | 53,080 | 58,584 | 57,546 |
| Inventories | 539,389 | 574,142 | 660,290 | 657,182 | 687,411 |
| Assets held for sale | 13,129 | 19,568 | 17,806 | 13,827 | 12,095 |
| Capital works-in-progress | 264,141 | 204,489 | 221,137 | 193,533 | 189,565 |
| Non-produced assets |  |  |  |  |  |
| Property, plant and equipment | 3,990,721 | 3,995,542 | 3,999,949 | 3,975,546 | 3,952,919 |
| Other non-financial assets |  |  |  |  |  |
| Deferred tax assets | 21,245 | 21,513 | 21,513 | 21,513 | 21,513 |
| Other non-financial assets | 0 | 385 | 385 | 385 | 385 |
| **Total non-financial assets** | **9,765,663** | **9,882,716** | **10,044,948** | **10,040,759** | **10,036,994** |
| **Total assets** | **11,143,661** | **11,264,759** | **11,400,696** | **11,450,243** | **11,447,028** |
| **Liabilities** |  |  |  |  |  |
| Advances received | 1,871,449 | 1,871,374 | 1,906,096 | 1,912,238 | 1,938,436 |
| Borrowings – finance leases | 311,856 | 305,582 | 294,575 | 282,486 | 268,807 |
| Employee benefits | 72,291 | 78,719 | 81,773 | 84,984 | 88,364 |
| Other provisions | 130,947 | 161,109 | 161,793 | 164,634 | 165,931 |
| Payables | 211,355 | 186,111 | 176,901 | 190,461 | 191,583 |
| Other liabilities |  |  |  |  |  |
| Current tax liability | 12,550 | -905 | -2,378 | -14,050 | -2,487 |
| Deferred tax liability | 529,071 | 559,772 | 559,772 | 559,772 | 559,772 |
| Other liabilities | 288,183 | 308,904 | 389,845 | 433,590 | 425,103 |
| **Total liabilities** | **3,427,702** | **3,470,666** | **3,568,377** | **3,614,115** | **3,635,509** |
|  |  |  |  |  |  |
| **Net assets** | **7,715,959** | **7,794,093** | **7,832,319** | **7,836,128** | **7,811,519** |
| Accumulated funds | 3,417,573 | 3,417,573 | 3,437,087 | 3,431,782 | 3,385,766 |
| Asset revaluation surplus | 4,301,392 | 4,376,520 | 4,395,232 | 4,404,346 | 4,425,753 |
| Other reserves | -3,006 | 0 | 0 | 0 | 0 |
| **Net worth** | **7,715,959** | **7,794,093** | **7,832,319** | **7,836,128** | **7,811,519** |
| **Net financial worth** | -2,049,704 | -2,088,623 | -2,212,629 | -2,204,631 | -2,225,475 |
| **Net debt** | 1,974,794 | 1,951,019 | 2,026,632 | 2,000,079 | 2,027,501 |

**Australian Capital Territory**

**Public Trading Enterprises**

**Statement of Changes in Equity**

|  | **2020-21**  **August**  **EFU**  **$’000** | **2020-21**  **Revised**  **Estimate**  **$’000** | **2021-22**  **Revised**  **Estimate**  **$’000** | **2022-23**  **Revised**  **Estimate**  **$’000** | **2023-24**  **Revised**  **Estimate**  **$’000** |
| --- | --- | --- | --- | --- | --- |
| **Opening equity** |  |  |  |  |  |
| Opening accumulated funds | 3,371,481 | 3,371,481 | 3,417,573 | 3,437,087 | 3,431,782 |
| Opening asset revaluation surplus | 4,343,600 | 4,343,600 | 4,376,520 | 4,395,232 | 4,404,346 |
| **Opening balance** | **7,715,082** | **7,715,082** | **7,794,093** | **7,832,319** | **7,836,128** |
| **Comprehensive income** |  |  |  |  |  |
| *Included in accumulated funds:* |  |  |  |  |  |
| Operating result for the period | 85,256 | 85,256 | 45,151 | 44,784 | 47,736 |
| Other movements | 0 | 0 | 0 | 0 | 8,650 |
| *Included in the asset revaluation surplus:* |  |  |  |  |  |
| Increase/(decrease) in asset revaluation reserve surpluses due to revaluations | -20,208 | 54,920 | 40,712 | 31,114 | 43,407 |
| *Included in other reserves:* |  |  |  |  |  |
| Increase/(decrease) in other reserves | -3,006 | 0 | 0 | 0 | 0 |
| **Total comprehensive income/(loss)** | **62,042** | **140,176** | **85,863** | **75,898** | **99,793** |
| **Other** |  |  |  |  |  |
| Transfer to/(from) accumulated funds | 22,000 | 22,000 | 22,000 | 22,000 | 22,000 |
| Transfer to/(from) the asset revaluation surplus | -22,000 | -22,000 | -22,000 | -22,000 | -22,000 |
| **Total other** | **0** | **0** | **0** | **0** | **0** |
| **Transactions involving owners affecting accumulated funds** |  |  |  |  |  |
| Capital injections | 129,763 | 129,763 | 100,474 | 68,569 | 31,095 |
| Transfer of assets from the general government sector | -119 | -119 | 0 | 0 | 0 |
| Dividends approved | -190,808 | -190,808 | -148,111 | -140,658 | -155,497 |
| **Total Transactions involving Owners Affecting Accumulated Funds** | **-61,164** | **-61,164** | **-47,637** | **-72,089** | **-124,402** |
| **Closing equity** |  |  |  |  |  |
| Closing accumulated funds | 3,417,573 | 3,417,573 | 3,437,087 | 3,431,782 | 3,385,766 |
| Closing asset revaluation surplus | 4,301,392 | 4,376,520 | 4,395,232 | 4,404,346 | 4,425,753 |
| Closing other reserves | -3,006 | 0 | 0 | 0 | 0 |
| **Closing balance** | **7,715,959** | **7,794,093** | **7,832,319** | **7,836,128** | **7,811,519** |

**Australian Capital Territory**

**Public Trading Enterprises**

**Cash flow statement**

|  | **2020-21**  **August**  **EFU**  **$’000** | **2020-21**  **Revised**  **Estimate**  **$’000** | **2021-22**  **Revised**  **Estimate**  **$’000** | **2022-23**  **Revised**  **Estimate**  **$’000** | **2023-24**  **Revised**  **Estimate**  **$’000** |
| --- | --- | --- | --- | --- | --- |
| **Cash flows from operating activities** |  |  |  |  |  |
| ***Cash receipts*** |  |  |  |  |  |
| Receipts from sales of goods and services | 925,133 | 925,133 | 822,278 | 1,010,313 | 842,820 |
| Grants/subsidies received | 277,286 | 277,195 | 267,146 | 271,054 | 273,129 |
| Interest receipts | 866 | 866 | 934 | 1,034 | 1,101 |
| Other receipts | 28,030 | 28,030 | 66,777 | 78,287 | 92,306 |
| ***Total cash received from operating activities*** | ***1,231,315*** | ***1,231,224*** | ***1,157,135*** | ***1,360,688*** | ***1,209,356*** |
| ***Cash payments*** |  |  |  |  |  |
| Payments for employees | -180,423 | -180,423 | -183,479 | -186,189 | -189,488 |
| Payments for goods and services | -439,652 | -439,561 | -438,337 | -433,342 | -448,816 |
| Grants/subsidies paid | -26,353 | -26,353 | -26,624 | -26,891 | -27,170 |
| Interest paid | -72,274 | -72,274 | -78,676 | -80,931 | -78,687 |
| Other payments | -287,187 | -287,187 | -296,020 | -388,873 | -239,370 |
| ***Total cash paid from operating activities*** | ***-1,005,889*** | ***-1,005,798*** | ***-1,023,136*** | ***-1,116,226*** | ***-983,531*** |
| **Net cash flows from operating activities** | **225,426** | **225,426** | **133,999** | **244,462** | **225,825** |
| **Cash flows from investing activities** |  |  |  |  |  |
| **Cash flows from investments in non‑financial assets** |  |  |  |  |  |
| Sales of non-financial assets | 168,513 | 168,513 | 146,842 | 141,909 | 97,762 |
| Payments for non-financial assets | -341,821 | -341,821 | -315,444 | -241,307 | -161,828 |
| **Net cash flows from investments in non-financial assets** | **-173,308** | **-173,308** | **-168,602** | **-99,398** | **-64,066** |
| **Cash flows from investments in financial assets for policy purposes** |  |  |  |  |  |
| ***Cash receipts*** |  |  |  |  |  |
| Repayment of loans | 9,603 | 9,603 | 14,000 | 13,302 | 0 |
| Capital receipts from government agencies | 129,763 | 129,763 | 100,474 | 68,569 | 31,095 |
| ***Total cash received from investments in financial assets for policy purposes*** | ***139,366*** | ***139,366*** | ***114,474*** | ***81,871*** | ***31,095*** |
| ***Cash payments*** |  |  |  |  |  |
| Issue of loans | -3,900 | -3,900 | 0 | 0 | 0 |
| Dividends – market gains on land sales | -22,672 | -22,672 | -19,700 | -3,815 | -3,455 |
| Distributions to Government | 0 | 0 | 0 | 0 | 0 |
| ***Total cash paid from investments in financial assets for policy purposes*** | ***-26,572*** | ***-26,572*** | ***-19,700*** | ***-3,815*** | ***-3,455*** |
| **Net cash flows from investments in financial assets for policy purposes** | **112,794** | **112,794** | **94,774** | **78,056** | **27,640** |
| **Cash flows from investments in financial assets for liquidity purposes** |  |  |  |  |  |
| Sales of investments | 9,983 | 9,983 | 184 | 184 | 184 |
| **Net cash flows from investments in financial assets for liquidity purposes** | **9,983** | **9,983** | **184** | **184** | **184** |
| **Net cash flows from investing activities** | **-50,531** | ***-50,531*** | ***-73,644*** | ***-21,158*** | ***-36,242*** |
| **Cash flows from financing activities** |  |  |  |  |  |
| ***Cash receipts*** |  |  |  |  |  |
| Advances received | 59,092 | 59,092 | 47,649 | 17,952 | 138,268 |
| ***Total cash received from financing activities*** | ***59,092*** | ***59,092*** | ***47,649*** | ***17,952*** | ***138,268*** |
| ***Cash payments*** |  |  |  |  |  |
| Advances paid | -39,653 | -39,653 | -32,099 | -33,784 | -133,185 |
| Dividends paid | -107,379 | -108,382 | -46,534 | -98,640 | -150,311 |
| Other financing | -70,212 | -70,212 | -68,163 | -75,136 | -59,257 |
| ***Total cash paid from financing activities*** | ***-217,244*** | ***-218,247*** | ***-146,796*** | ***-207,560*** | ***-342,753*** |
| **Net cash flows from financing activities** | **-158,152** | **-159,155** | **-99,147** | **-189,608** | **-204,485** |
| **Net increase/(decrease) in cash and cash equivalents** | **16,743** | **15,740** | **-38,792** | **33,696** | **-14,902** |
|  |  |  |  |  |  |
| **Cash and cash equivalents at the beginning of reporting period** | **166,273** | **184,704** | **200,444** | **161,652** | **195,348** |
| **Cash and cash equivalents at the end of reporting period** | **183,016** | **200,444** | **161,652** | **195,348** | **180,446** |
| **Key fiscal aggregates** |  |  |  |  |  |
| Net cash from operating activities | 225,426 | 225,426 | 133,999 | 244,462 | 225,825 |
| Net cash flows from investment in non-financial assets | -173,308 | -173,308 | -168,602 | -99,398 | -64,066 |
| Distributions paid | -177,591 | -178,594 | -114,697 | -173,776 | -209,568 |
| **Cash surplus (+)/deficit (-)** | **-125,473** | **-126,476** | **-149,300** | **-28,712** | **-47,809** |

**Note:** A positive number denotes a cash inflow, a negative sign denotes a cash outflow.

# Appendix F – Financial Statements – Total Territory

**Australian Capital Territory**

**Consolidated Total Territory**

**Operating Statement**

|  | **2020-21**  **August**  **EFU**  **$’000** | **2020-21**  **Revised**  **Estimate**  **$’000** | **2021-22**  **Revised**  **Estimate**  **$’000** | **2022-23**  **Revised**  **Estimate**  **$’000** | **2023-24**  **Revised**  **Estimate**  **$’000** |
| --- | --- | --- | --- | --- | --- |
| **Revenue** |  |  |  |  |  |
| Taxation revenue | 1,907,424 | 1,907,424 | 2,089,313 | 2,220,093 | 2,370,512 |
| Grants revenue |  |  |  |  |  |
| Commonwealth grants | 2,258,250 | 2,258,250 | 2,368,607 | 2,473,122 | 2,565,068 |
| Sales of goods and services |  |  |  |  |  |
| Revenue from associates and joint ventures | 49,576 | 49,576 | 60,245 | 75,453 | 79,777 |
| Other sales of goods and services | 911,146 | 911,122 | 952,099 | 976,259 | 1,003,687 |
| Interest income | 45,487 | 47,452 | 47,196 | 33,524 | 30,810 |
| Distributions from financial investments | 50,301 | 49,960 | 53,850 | 57,408 | 61,067 |
| Dividend income | 67,740 | 67,268 | 72,406 | 77,283 | 82,094 |
| Other revenue |  |  |  |  |  |
| Land revenue (value add component) | 357,230 | 357,230 | 291,411 | 457,893 | 313,086 |
| Other revenue | 189,695 | 188,970 | 192,438 | 197,221 | 170,834 |
| Gains from contributed assets | 116,899 | 116,899 | 98,402 | 82,609 | 84,408 |
| **Total revenue** | **5,953,748** | **5,954,151** | **6,225,967** | **6,650,865** | **6,761,343** |
| **Expenses** |  |  |  |  |  |
| Employee expenses | 2,523,607 | 2,523,676 | 2,519,050 | 2,563,663 | 2,604,143 |
| Superannuation expenses |  |  |  |  |  |
| Superannuation interest cost | 210,537 | 210,537 | 413,132 | 423,600 | 433,282 |
| Other superannuation expense | 501,801 | 501,825 | 362,701 | 360,892 | 363,663 |
| Depreciation and amortisation | 640,779 | 646,157 | 694,952 | 712,431 | 725,191 |
| Interest expense | 240,595 | 238,063 | 276,736 | 283,542 | 301,689 |
| Other operating expenses |  |  |  |  |  |
| Supplies and services | 1,437,021 | 1,439,455 | 1,471,168 | 1,535,884 | 1,595,006 |
| Other operating expenses | 402,070 | 401,344 | 341,014 | 453,600 | 351,980 |
| Grants and purchased services | 1,211,251 | 1,211,251 | 1,118,069 | 1,068,095 | 1,098,860 |
| **Total expenses** | **7,167,661** | **7,172,308** | **7,196,822** | **7,401,707** | **7,473,814** |
| **UPF Net Operating Balance** | **-1,213,913** | **-1,218,157** | **-970,855** | **-750,842** | **-712,471** |
| **Other economic flows – included in the operating result** |  |  |  |  |  |
| Land revenue (market gains on land sales) | 38,918 | 38,918 | 28,853 | 6,053 | 5,805 |
| Net land revenue (undeveloped land value) | 50,755 | 50,755 | 38,023 | 61,838 | 29,379 |
| Net gain/(loss) on sale/(disposal) of non‑financial assets | -9,439 | -9,439 | -21,638 | -21,946 | -32,803 |
| Net gain/(loss) on financial assets or liabilities at fair value | 184,244 | 182,978 | 196,664 | 209,820 | 223,116 |
| Doubtful debts | -14,723 | -14,723 | -13,650 | -13,722 | -13,736 |
| **Operating result** | **-964,158** | **-969,668** | **-742,603** | **-508,799** | **-500,710** |
| **Other economic flows – other comprehensive income** |  |  |  |  |  |
| **Items that will not be subsequently reclassified to profit or loss** |  |  |  |  |  |
| Superannuation actuarial gain/loss | 3,942,926 | 3,942,926 | 0 | 0 | 0 |
| Other movements | 21,667 | 28,801 | -20,073 | -2,345 | 6,108 |
| Increase/decrease in asset revaluation reserve surpluses due to revaluations | 49,931 | 60,565 | -46,267 | -35,550 | 22,409 |
| **Items that may be subsequently reclassified to profit or loss** |  |  |  |  |  |
| Increase/decrease in other reserves | 115,984 | 0 | 0 | 0 | 0 |
| **Total comprehensive income/(loss)** | **3,166,350** | **3,062,624** | **-808,943** | **-546,694** | **-472,193** |
| **Key fiscal aggregates** |  |  |  |  |  |
| **UPF net operating balance** | **-1,213,913** | **-1,218,157** | **-970,855** | **-750,842** | **-712,471** |
| ***less* Net acquisition of non-financial assets** |  |  |  |  |  |
| Payments for non-financial assets | 1,130,235 | 1,130,265 | 1,370,461 | 1,241,143 | 1,058,926 |
| Sales of non-financial assets | -232,407 | -232,407 | -220,282 | -183,971 | -140,142 |
| Change in inventories | 18,531 | 57,867 | 86,312 | -2,944 | 30,393 |
| Depreciation and amortisation | -640,779 | -646,157 | -694,952 | -712,431 | -725,191 |
| Other movements in non-financial assets | 50,759 | 50,759 | 42,879 | 56,550 | 58,250 |
| *Total net acquisition of non-financial assets* | *326,339* | *360,327* | *584,418* | *398,347* | *282,236* |
| **Net lending/(borrowing)** | **-1,540,252** | **-1,578,484** | **-1,555,273** | **-1,149,189** | **-994,707** |
|  |  |  |  |  |  |
| **GOVERNMENT FISCAL MEASURE – OPERATING SURPLUS/(DEFICIT)** | | |  |  |  |
| UPF Net Operating Balance | -1,213,913 | -1,218,157 | -970,855 | -750,842 | -712,471 |
| Superannuation return adjustment | 171,656 | 171,656 | 183,735 | 195,980 | 209,046 |
| **HEADLINE NET OPERATING BALANCE** | **-1,042,257** | **-1,046,501** | **-787,120** | **-554,862** | **-503,425** |

**Australian Capital Territory**

**Consolidated Total Territory**

**Balance Sheet**

|  | **2020-21**  **August**  **EFU**  **$’000** | **2020-21**  **Revised**  **Estimate**  **$’000** | **2021-22**  **Revised**  **Estimate**  **$’000** | **2022-23**  **Revised**  **Estimate**  **$’000** | **2023-24**  **Revised**  **Estimate**  **$’000** |
| --- | --- | --- | --- | --- | --- |
| **Financial assets** |  |  |  |  |  |
| Cash and deposits | 877,638 | 907,978 | 877,634 | 919,953 | 913,053 |
| Advances paid | 84,726 | 84,654 | 68,046 | 51,378 | 47,800 |
| Investments and loans | 6,330,810 | 6,311,290 | 7,200,457 | 6,966,130 | 7,863,480 |
| Receivables | 660,468 | 491,766 | 448,177 | 324,239 | 281,893 |
| Investments accounted for using the equity method | 1,072,619 | 1,064,145 | 1,086,951 | 1,111,316 | 1,130,592 |
| **Total financial assets** | **9,026,261** | **8,859,833** | **9,681,265** | **9,373,016** | **10,236,818** |
| **Non-Financial assets** |  |  |  |  |  |
| Produced assets |  |  |  |  |  |
| Property, plant and equipment | 17,734,196 | 18,005,192 | 18,689,178 | 19,271,285 | 19,688,623 |
| Investment properties | 14,591 | 25,898 | 25,904 | 25,910 | 25,916 |
| Intangibles | 404,881 | 342,101 | 357,907 | 338,433 | 284,424 |
| Inventories | 557,334 | 596,670 | 682,982 | 680,038 | 710,431 |
| Assets held for sale | 60,663 | 59,454 | 26,356 | 22,377 | 20,645 |
| Capital works-in-progress | 1,019,319 | 1,043,711 | 986,871 | 1,008,340 | 1,083,357 |
| Non-produced assets |  |  |  |  |  |
| Property, plant and equipment | 7,889,775 | 7,987,971 | 7,968,734 | 7,945,906 | 7,924,693 |
| Biological assets | 28,798 | 25,494 | 25,494 | 25,494 | 25,494 |
| Other non-financial assets | 7,911 | 2,870 | 2,870 | 2,870 | 2,870 |
| **Total non-financial assets** | **27,717,468** | **28,089,361** | **28,766,296** | **29,320,653** | **29,766,453** |
| **Total assets** | **36,743,729** | **36,949,194** | **38,447,561** | **38,693,669** | **40,003,271** |
| **Liabilities** |  |  |  |  |  |
| Advances received | 99,434 | 99,433 | 90,502 | 81,584 | 73,229 |
| Borrowings |  |  |  |  |  |
| Finance leases | 1,115,110 | 1,345,559 | 1,341,320 | 1,294,392 | 1,244,933 |
| Other borrowings | 8,177,713 | 8,173,932 | 10,164,644 | 10,525,970 | 11,908,088 |
| Superannuation | 8,286,723 | 8,283,883 | 8,509,653 | 8,719,520 | 8,912,670 |
| Employee benefits | 895,103 | 975,603 | 1,016,268 | 1,059,229 | 1,103,904 |
| Other provisions | 895,351 | 954,878 | 984,765 | 1,014,650 | 1,042,600 |
| Payables | 486,977 | 417,159 | 454,660 | 663,514 | 870,369 |
| Other liabilities | 26,924 | 42,079 | 38,024 | 33,779 | 18,640 |
| **Total liabilities** | **19,983,335** | **20,292,526** | **22,599,836** | **23,392,638** | **25,174,433** |
|  |  |  |  |  |  |
| **Net assets** | **16,760,394** | **16,656,668** | **15,847,725** | **15,301,031** | **14,828,838** |
| Accumulated funds | 5,426,750 | 5,428,374 | 4,687,698 | 4,198,554 | 3,725,952 |
| Asset revaluation surplus | 11,216,430 | 11,227,064 | 11,158,797 | 11,101,247 | 11,101,656 |
| Other reserves | 117,214 | 1,230 | 1,230 | 1,230 | 1,230 |
| **Net worth** | **16,760,394** | **16,656,668** | **15,847,725** | **15,301,031** | **14,828,838** |
| **Net financial worth** | -10,957,074 | -11,432,693 | -12,918,571 | -14,019,622 | -14,937,615 |
| **Net financial liabilities** | 12,029,693 | 12,496,838 | 14,005,522 | 15,130,938 | 16,068,207 |
| **Net debt (excluding superannuation related investments)** | 6,705,437 | 6,922,896 | 8,363,938 | 9,204,346 | 9,989,948 |

**Australian Capital Territory**

**Consolidated Total Territory**

**Statement of Changes in Equity**

|  | **2019-20**  **Interim**  **Outcome**  **$’000** | **2020-21**  **Revised**  **Estimate**  **$’000** | **2021-22**  **Revised**  **Estimate**  **$’000** | **2022-23**  **Revised**  **Estimate**  **$’000** | **2023-24**  **Revised**  **Estimate**  **$’000** |
| --- | --- | --- | --- | --- | --- |
| **Opening equity** |  |  |  |  |  |
| Opening accumulated funds | 2,404,315 | 2,404,315 | 5,428,374 | 4,687,698 | 4,198,554 |
| Opening asset revaluation surplus | 11,188,499 | 11,188,499 | 11,227,064 | 11,158,797 | 11,101,247 |
| Opening other reserves | 1,230 | 1,230 | 1,230 | 1,230 | 1,230 |
| **Opening balance** | **13,594,045** | **13,594,045** | **16,656,668** | **15,847,725** | **15,301,031** |
| **Comprehensive income** |  |  |  |  |  |
| *Included in accumulated funds:* |  |  |  |  |  |
| Operating result for the period | -964,158 | -969,668 | -742,603 | -508,799 | -500,710 |
| Superannuation actuarial gain/(loss) | 3,942,926 | 3,942,926 | 0 | 0 | 0 |
| Other movements | 21,667 | 28,801 | -20,073 | -2,345 | 6,108 |
| *Included in the asset revaluation surplus:* |  |  |  |  |  |
| Increase/(Decrease) in asset revaluation reserve surpluses due to revaluations | 49,931 | 60,565 | -46,267 | -35,550 | 22,409 |
| *Included in other reserves:* |  |  |  |  |  |
| Increase/(Decrease) in other reserves | 115,984 | 0 | 0 | 0 | 0 |
| **Total comprehensive income/(loss)** | **3,166,350** | **3,062,624** | **-808,943** | **-546,694** | **-472,193** |
| **Other** |  |  |  |  |  |
| Transfer to/(from) accumulated funds | 22,000 | 22,000 | 22,000 | 22,000 | 22,000 |
| Transfer to/(from) the asset revaluation surplus | -22,000 | -22,000 | -22,000 | -22,000 | -22,000 |
| **Total other** | **0** | **0** | **0** | **0** | **0** |
| **Closing equity** |  |  |  |  |  |
| Closing accumulated funds | 5,426,750 | 5,428,374 | 4,687,698 | 4,198,554 | 3,725,952 |
| Closing asset revaluation surplus | 11,216,430 | 11,227,064 | 11,158,797 | 11,101,247 | 11,101,656 |
| Closing other reserves | 117,214 | 1,230 | 1,230 | 1,230 | 1,230 |
| **Closing balance** | **16,760,394** | **16,656,668** | **15,847,725** | **15,301,031** | **14,828,838** |

**Australian Capital Territory**

**Total Territory**

**Cash Flow Statement**

|  | **2019-20**  **Interim**  **Outcome**  **$’000** | **2020-21**  **Revised**  **Estimate**  **$’000** | **2021-22**  **Revised**  **Estimate**  **$’000** | **2022-23**  **Revised**  **Estimate**  **$’000** | **2023-24**  **Revised**  **Estimate**  **$’000** |
| --- | --- | --- | --- | --- | --- |
| **Cash flows from operating activities** |  |  |  |  |  |
| ***Cash receipts*** |  |  |  |  |  |
| Taxes received | 1,781,418 | 1,781,418 | 2,083,636 | 2,358,579 | 2,428,570 |
| Receipts from sales of goods and services | 1,340,756 | 1,340,732 | 1,282,622 | 1,483,317 | 1,330,152 |
| Grants/subsidies received | 2,286,795 | 2,280,823 | 2,398,691 | 2,504,988 | 2,567,222 |
| Distributions from financial investments | 50,301 | 49,960 | 53,850 | 57,408 | 61,067 |
| Interest receipts | 35,645 | 37,309 | 36,782 | 23,951 | 20,904 |
| Dividends | 67,740 | 67,268 | 72,406 | 77,282 | 82,094 |
| Other receipts | 438,891 | 443,113 | 554,036 | 651,704 | 668,919 |
| ***Total cash received from operating activities*** | ***6,001,546*** | ***6,000,623*** | ***6,482,023*** | ***7,157,229*** | ***7,158,928*** |
| ***Cash payments*** |  |  |  |  |  |
| Payments for employees | -3,001,624 | -3,001,780 | -2,994,344 | -3,061,480 | -3,129,369 |
| Payments for goods and services | -1,583,017 | -1,583,445 | -1,627,563 | -1,695,988 | -1,768,466 |
| Grants/subsidies paid | -1,154,361 | -1,154,361 | -1,071,768 | -1,051,257 | -1,082,142 |
| Interest paid | -218,209 | -215,956 | -260,460 | -269,403 | -286,614 |
| Other payments | -660,023 | -664,887 | -648,170 | -720,877 | -607,720 |
| ***Total cash paid from operating activities*** | ***-6,617,234*** | ***-6,620,429*** | ***-6,602,305*** | ***-6,799,005*** | ***-6,874,311*** |
| **Net cash flows from operating activities** | **-615,688** | **-619,806** | **-120,282** | **358,224** | **284,617** |
| **Cash flows from investing activities** |  |  |  |  |  |
| **Cash flows from investments in non-financial assets** |  |  |  |  |  |
| Sales of non-financial assets | 232,407 | 232,407 | 220,282 | 183,971 | 140,142 |
| Payments for non-financial assets | -1,130,235 | -1,130,265 | -1,370,461 | -1,241,143 | -1,058,926 |
| **Net cash flows from investments in non-financial assets** | **-897,828** | **-897,858** | **-1,150,179** | **-1,057,172** | **-918,784** |
| **Cash flows from investments in financial assets for policy purposes** |  |  |  |  |  |
| ***Cash receipts*** |  |  |  |  |  |
| Repayment of loans | 14,780 | 14,780 | 17,677 | 16,979 | 3,677 |
| Capital receipts from government agencies | 303,488 | 303,488 | 0 | 0 | 0 |
| ***Total cash received from investments in financial assets for policy purposes*** | ***318,268*** | ***318,268*** | ***17,677*** | ***16,979*** | ***3,677*** |
| ***Cash payments*** |  |  |  |  |  |
| Issue of loans | -3,900 | -3,900 | 0 | 0 | 0 |
| ***Total cash paid from investments in financial assets for policy purposes*** | ***-3,900*** | ***-3,900*** | ***0*** | ***0*** | ***0*** |
| **Net cash flows from investments in financial assets for policy purposes** | **314,368** | **314,368** | **17,677** | **16,979** | **3,677** |
| **Cash flows from investments in financial assets for liquidity purposes** |  |  |  |  |  |
| Sales of investments | 194,873 | 57,508 | 57,973 | 509,685 | 75,011 |
| Payments for investments | -55,303 | -1,224,806 | -742,747 | -58,684 | -741,743 |
| **Net cash flows from investments in financial assets for liquidity purposes** | **139,570** | **-1,167,298** | **-684,774** | **451,001** | **-666,732** |
| **Net cash flows from investing activities** | **-443,890** | **-1,750,788** | **-1,817,276** | **-589,192** | **-1,581,839** |
| ***Cash flows from financing activities*** |  |  |  |  |  |
| ***Cash receipts*** |  |  |  |  |  |
| Borrowings | 1,141,261 | 1,141,261 | 1,989,857 | 359,855 | 1,380,939 |
| ***Total cash received from financing activities*** | ***1,141,261*** | ***1,141,261*** | ***1,989,857*** | ***359,855*** | ***1,380,939*** |
| ***Cash payments*** |  |  |  |  |  |
| Borrowings | -66,576 | -70,235 | -76,387 | -80,357 | -84,052 |
| ***Total cash paid from financing activities*** | ***-66,576*** | ***-70,235*** | ***-76,387*** | ***-80,357*** | ***-84,052*** |
| **Net cash flows from financing activities** | **1,074,685** | **1,071,026** | **1,913,470** | **279,498** | **1,296,887** |
| **Net increase/(decrease) in cash and cash equivalents** | **15,107** | -1,299,568 | **-24,088** | **48,530** | **-335** |
| **Cash and cash equivalents at the beginning of reporting period** | **902,899** | 2,284,043 | 984,475 | 960,387 | 1,008,917 |
| **Cash and cash equivalents at the end of reporting period** | **918,006** | 984,475 | 960,387 | 1,008,917 | 1,008,582 |
| **Key fiscal aggregates** |  |  |  |  |  |
| Net cash from operating activities | -615,688 | -619,806 | -120,282 | 358,224 | 284,617 |
| Investments in non-financial assets | -897,828 | -897,858 | -1,150,179 | -1,057,172 | -918,784 |
| **Cash surplus (+)/deficit (-)** | **-1,513,516** | **-1,517,664** | **-1,270,461** | **-698,948** | **-634,167** |

1. State Final Demand differs from Gross State Product in that it excludes both international and interstate trade as well as changes in inventories. Gross State Product for 2019-20 is not currently available. [↑](#footnote-ref-1)
2. APS Commission, APS Employment Data 31 December 2019 Release. [↑](#footnote-ref-2)