

# STATE BUDGET

2023-24

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## 2023-24

### ACKNOWLEDGEMENT OF COUNTRY

We acknowledge Aboriginal people as the state's first peoples, nations and Traditional Owners of South Australian land and waters. We recognise that their unique cultural heritage, customs, spiritual beliefs and relationship with the land are of ongoing importance today, and we pay our respects to Elders past, present and emerging leaders of the future.

#### ACKNOWLEDGEMENTS

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**Government  
of South Australia**

***Mid-Year Budget Review***  
***2023-24***

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# ***Chapter 1: 2023-24 budget position and fiscal outlook***

## **Overview**

The 2023-24 Mid-Year Budget Review (MYBR) continues to reflect budget surpluses in all years which, while lower compared to the levels forecast in the 2023-24 Budget, continue to grow modestly across the forward estimates. Investment in key economic areas, including skills and training as well as government social and road infrastructure results in non-financial public sector (NFPS) net debt being higher in 2026-27 compared to estimates in the 2023-24 Budget.

Operating and investing expenditure initiatives in the general government sector total \$1.3 billion over four years. Additional revenue from the Commonwealth Government supports a number of measures including the National Skills Agreement. The MYBR includes the impact of the Commonwealth's infrastructure review which confirmed the Commonwealth's full support for the North-South Corridor – River Torrens to Darlington project, with its contribution confirmed at \$7.7 billion, and the withdrawal of support for some road projects.

Key initiatives funded in the MYBR include:

- \$689 million for the National Skills Agreement, funded in partnership with the Commonwealth Government
- \$464.5 million to support the creation of the new Adelaide University
- \$168 million for a new road safety program, funded in partnership with the Commonwealth Government
- \$125 million to complete the full duplication of Main South Road between Seaford and Sellicks Beach.

The MYBR also includes the government's initial response to the recommendations of the Royal Commission into Early Childhood Education and Care with:

- \$17.5 million provided for a range of initiatives including additional support for the Education Standards Board and the Out of School Hours Care program as well as undertaking a trial of out of school hours care at selected government preschools in 2024
- \$16.2 million to establish the Office for Early Childhood Development.

Consistent with the approach in New South Wales and Victoria, the existing \$3 000 electric vehicle subsidy for new electric or hydrogen fuel cell vehicles will cease from 1 January 2024. Individuals and businesses that have purchased or placed a deposit on an eligible electric or hydrogen fuel cell vehicle prior to 1 January 2024, and are awaiting delivery of the vehicle, will still be eligible to receive the subsidy regardless of whether the vehicle has been registered by that date. The three-year registration exemption will remain in place.

The government will require agencies to meet future costs associated with paying the mandatory increase in the employer superannuation guarantee contribution from its current rate of 11 per cent to 12 per cent by 1 July 2025, through the reallocation of existing resources.

A list of all initiatives by agency is provided in Appendix A.

State taxation revenue estimates have been revised up by \$229 million in 2023-24 and by a further \$905 million over the three years to 2026-27, mainly reflecting revisions to conveyance duty and payroll tax. Conveyance duty revenue has been revised up by \$110 million in 2023-24 and by a further \$410 million over the three years to 2026-27 mainly reflecting higher than expected growth in residential property prices. Payroll tax revenue estimates have been revised up by \$86 million in 2023-24 and by a further \$291 million over the three years to 2026-27, reflecting stronger than expected labour market conditions.

The MYBR revises Goods and Services Tax (GST) grant revenue estimates down by \$206 million in 2023-24 and \$116 million in 2024-25 before increasing them by \$287 million over the following two years. This reflects revisions to the national GST pool reflected in the Commonwealth's 2023-24 Mid-Year Economic and Fiscal Outlook and expected changes to South Australia's share of GST revenue.

With interest rates increasing since the 2023-24 Budget, the MYBR includes both higher interest expenses and interest income across the forward estimates. The net increase in the general government sector is around \$44 million per annum on average reflecting higher interest expenses of around \$86 million per annum on average, partially offset by higher interest income of around \$42 million per annum on average, reflecting higher projected interest rates on cash balances.

Compared with the 2023-24 Budget estimates, NFPS net debt is expected to be \$627 million lower at 30 June 2024, primarily as a result of an improved budget outcome in 2022-23, and a lower than estimated 2023-24 investing program. By 30 June 2027 NFPS net debt is estimated to be \$38.2 billion, an increase of \$625 million compared with the 2023-24 Budget estimates reflecting the timing of the government's capital program and additional investment in key social and economic infrastructure. The NFPS net debt to revenue ratio at 30 June 2027 is expected to be 121.0 per cent compared with the projected 121.6 per cent at budget time.

Against the slowing international backdrop, the South Australian economy has continued to perform solidly. Growth in state output was 3.8 per cent in 2022-23. In line with slowing in the economy, and a sharp reduction in farm sector output from record levels in 2022-23, growth in Gross State Product is forecast to be lower in 2023-24 at 1¼ per cent. This nevertheless represents an upward revision since the 2023-24 Budget, reflecting the contribution of stronger employment growth.

The outlook for inflation has been revised upwards. The Adelaide Consumer Price Index (CPI) is now forecast to grow by 4¾ per cent in 2023-24, 1 percentage point higher than was forecast at budget, moderating to a 3½ per cent rise in 2024-25, before falling back within the RBA's target range from 2026-27.

Employment growth in South Australia is forecast to be 2½ per cent in 2023-24, up 1½ percentage points compared to the forecast at the time of the 2023-24 Budget.



## Fiscal targets

The government is committed to the fiscal targets set out in table 1.1.

**Table 1.1: Fiscal targets**

<b>Target 1</b>	Achieve a net operating surplus in the general government sector every year.
<b>Target 2</b>	Limit general government operating expenditure growth to trend growth in household income.
<b>Target 3</b>	Achieve a level of net debt that is sustainable over the forward estimates.

Underpinning the three main fiscal targets, the government also commits that:

- the operations of public corporations that cannot be paid for from their own revenue streams will be funded from the budget (consistent with the government's obligations under the Competition Principles Agreement)
- the defined benefit unfunded superannuation liability will be fully funded by 2034.

Table 1.2 provides the outcome of the fiscal targets based on 2023-24 MYBR estimates.

**Table 1.2: Fiscal targets outcomes — 2023-24 MYBR estimates**

	2023-24 MYBR	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Target 1: net operating balance surplus				
Target	Achieve a net operating surplus every year			
2023-24 MYBR estimate (\$m)	154	277	496	616
Target 2: operating expense growth				
Target (%)	Average growth limited to trend growth in household income (4% per annum)			
2023-24 MYBR estimate <sup>(a)</sup>				
Annual (%)	4.8%	2.8%	3.1%	3.8%
Average (%)	Average growth 2022-23 to 2026-27 of 3.6% per annum			
Target 3: achieve a level of net debt that is sustainable over the forward estimates				
	73.1%	81.2%	87.2%	94.1%
	(GGS net debt to revenue ratio)			
	101.8%	110.0%	115.8%	121.0%
	(NFPS net debt to revenue ratio)			
(a) Reflects nominal increases.				

Target 1 reflects the government's commitment to funding operating expenditures from operating revenues. The 2023-24 MYBR projects a net operating surplus in the general government sector in 2023-24 and over the forward estimates. While the operating surpluses are lower compared to the levels forecast in the 2023-24 Budget, the surplus continues to grow modestly each year.

Target 2 limits the growth in operating expenditure in order to maintain a pattern of sustainable spending growth having regard to trend income growth, irrespective of the annual growth in revenues. Average operating expenditure growth over four years is projected to be 3.6 per cent per annum, below expected trend household income growth of 4 per cent per annum.

Target 3 requires the maintenance of reasonable debt levels that allows for sustainable borrowings for investment in key infrastructure without placing undue burdens on future generations. While increasing across the forward estimates, by 2026-27 the NFPS net debt to revenue ratio is lower than that reflected in the 2023-24 Budget.

## Fiscal outlook

Table 1.3 shows the movement in the key fiscal indicators for the general government sector since the 2023-24 Budget.

**Table 1.3: General government fiscal outlook — Budget and Mid-Year Budget Review (\$million)**

	2023-24	2024-25	2025-26	2026-27
<b>Net operating balance</b>				
Budget	250	512	552	639
<b>MYBR</b>	<b>154</b>	<b>277</b>	<b>496</b>	<b>616</b>
Change since 2023-24 Budget	-96	-235	-55	-23
<b>Net lending</b>				
Budget	-1 846	-1 611	-2 569	-2 734
<b>MYBR</b>	<b>-1 418</b>	<b>-2 288</b>	<b>-2 206</b>	<b>-2 737</b>
Change since 2023-24 Budget	429	-677	363	-2
<b>Net debt</b>				
Budget	20 293	22 488	25 433	28 579
<b>MYBR</b>	<b>19 547</b>	<b>22 410</b>	<b>24 982</b>	<b>28 074</b>
Change since 2023-24 Budget	-746	-78	-451	-504
<b>Net debt to revenue ratio (%)</b>				
Budget	76.3%	82.8%	90.7%	97.8%
<b>MYBR</b>	<b>73.1%</b>	<b>81.2%</b>	<b>87.2%</b>	<b>94.1%</b>
Change since 2023-24 Budget	-3.2%	-1.6%	-3.5%	-3.7%
<b>Unfunded superannuation</b>				
Budget	6 598	6 114	5 597	5 046
<b>MYBR</b>	<b>6 486</b>	<b>6 055</b>	<b>5 567</b>	<b>5 023</b>
Change since 2023-24 Budget	-112	-58	-30	-23
Note: Totals may not add due to rounding.				

A net operating balance surplus is forecast in 2023-24 and across the forward estimates.

The net operating balance estimate for 2023-24 is lower compared to the forecast in the 2023-24 Budget, a net result of parameter driven movements in taxation and GST grant revenue, national partnership revenue and expenditure. Lower general government investing expenditure of \$395 million in 2023-24 compared to budget is largely due to the re-timing of projects over the forward estimates, contributing to the improved net lending position in 2023-24.

The \$746 million improvement in general government net debt in 2023-24 compared to forecasts in the 2023-24 Budget is primarily a result of an improved outcome in 2022-23, as well as the lower investing program in 2023-24.

Compared to the 2023-24 Budget, general government net debt is lower across all years of the forward estimates. At 30 June 2027, net debt in the general government sector is estimated to be \$28.1 billion, a reduction of \$504 million compared to the forecast at the time of the 2023-24 Budget, which is in part attributable to investing expenditure being \$369 million lower over the four year period 2023-24 to 2026-27.

The decrease in the unfunded superannuation liability since the 2023-24 Budget is predominantly a result of the increase in discount rates. Further details on the unfunded superannuation liability are provided later in Chapter 1.

The following table provides operating statement details for the general government sector for 2023-24 and the following three years.

**Table 1.4: General government sector operating statement — 2023-24 to 2026-27 (\$million)**

	2023-24 Budget	2023-24 MYBR	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
<b>Revenue</b>					
Taxation revenue	5 827	6 055	6 282	6 539	6 814
Grants					
GST revenue grants	8 788	8 582	8 907	9 237	9 264
Other grants	6 616	6 413	6 838	7 140	7 880
Sales of goods and services	3 074	3 113	3 220	3 355	3 472
Interest income	403	443	415	382	394
Dividend and income tax equivalent income	248	437	200	205	227
Other	1 647	1 693	1 731	1 793	1 799
<b>Total revenue</b>	<b>26 603</b>	<b>26 736</b>	<b>27 594</b>	<b>28 650</b>	<b>29 850</b>
<i>less</i> <b>Expenses</b>					
Employee expenses	9 870	9 961	10 168	10 520	10 788
Superannuation expenses					
Superannuation interest cost	265	305	296	275	251
Other superannuation expenses	1 121	1 132	1 150	1 187	1 217
Depreciation and amortisation	1 564	1 575	1 659	1 723	1 819
Interest expenses	1 254	1 242	1 444	1 594	1 827
Other property expenses	—	—	—	—	—
Other operating expenses	8 309	8 381	8 831	9 080	9 421
Grants	3 971	3 986	3 769	3 775	3 910
<b>Total expenses</b>	<b>26 353</b>	<b>26 582</b>	<b>27 317</b>	<b>28 154</b>	<b>29 234</b>
<i>equals</i> <b>Net operating balance</b>	<b>250</b>	<b>154</b>	<b>277</b>	<b>496</b>	<b>616</b>
<b>Net Operating Result</b>	<b>250</b>	<b>154</b>	<b>277</b>	<b>496</b>	<b>616</b>
<i>plus</i> <b>Other economic flows</b>	<b>329</b>	<b>725</b>	<b>242</b>	<b>229</b>	<b>306</b>
<i>equals</i> <b>Comprehensive result — total change in net worth</b>	<b>579</b>	<b>879</b>	<b>519</b>	<b>725</b>	<b>922</b>
<b>Net operating balance</b>	<b>250</b>	<b>154</b>	<b>277</b>	<b>496</b>	<b>616</b>
<i>less</i> <b>Net acquisition of non-financial assets</b>					
Purchases of non-financial assets	3 788	3 393	4 269	4 465	5 213
<i>less</i> Sales of non-financial assets	128	246	46	40	41
<i>less</i> Depreciation	1 564	1 575	1 659	1 723	1 819
<i>plus</i> Change in inventories	—	—	—	—	—
<i>plus</i> Other movements in non-financial assets	—	—	—	—	—
<i>equals</i> <b>Total net acquisition of non-financial assets</b>	<b>2 096</b>	<b>1 571</b>	<b>2 565</b>	<b>2 702</b>	<b>3 352</b>
<i>equals</i> <b>Net lending/borrowing</b>	<b>-1 846</b>	<b>-1 418</b>	<b>-2 288</b>	<b>-2 206</b>	<b>-2 737</b>
Note: Totals may not add due to rounding.					

The following tables outline changes to the net operating balance and net lending since the 2023-24 Budget classified as policy or parameter items. Policy items are decisions taken by the government since the 2023-24 Budget. Parameter items are generally variations outside the government's control.

**Table 1.5: Net operating balance — policy and parameter variations since the 2023-24 Budget (\$million)**

	2023-24	2024-25	2025-26	2026-27
<b>Estimate at 2023-24 Budget</b>	<b>250</b>	<b>512</b>	<b>552</b>	<b>639</b>
<b>Parameter and other variations to 2023-24 MYBR</b>				
Revenue — taxation	229	272	307	326
Revenue — other	-231	158	326	329
Operating expenses	-120	-523	-505	-482
<b>Net effect of parameter and other variations</b>	<b>-123</b>	<b>-93</b>	<b>129</b>	<b>172</b>
<b>Policy measures to 2023-24 MYBR</b>				
Revenue measures — taxation	—	—	—	—
Revenue measures — other	—	—	—	—
Revenue offsets — taxation	—	—	—	—
Revenue offsets	95	73	73	61
Revenue investing offsets	40	-55	-112	-92
Operating expenses	-109	-184	-200	-220
Operating savings	—	25	55	55
<b>Net effect of policy measures</b>	<b>27</b>	<b>-142</b>	<b>-184</b>	<b>-196</b>
<b>Estimate at 2023-24 MYBR</b>	<b>154</b>	<b>277</b>	<b>496</b>	<b>616</b>

Note: Totals may not add due to rounding.

**Table 1.6: Net lending policy and parameter variations since the 2023-24 Budget (\$million)**

	2023-24	2024-25	2025-26	2026-27
<b>Estimate at 2023-24 Budget</b>	<b>-1 846</b>	<b>-1 611</b>	<b>-2 569</b>	<b>-2 734</b>
<b>Net effect of operating variations to 2023-24 MYBR</b>	<b>-96</b>	<b>-235</b>	<b>-55</b>	<b>-23</b>
<b>Parameter variations<sup>(a)</sup></b>				
Investing expenditure	623	-87	433	-61
Asset sales <sup>(b)</sup>	119	—	—	—
Depreciation	11	15	4	4
<b>Total parameter investing variations</b>	<b>753</b>	<b>-72</b>	<b>438</b>	<b>-56</b>
<b>Policy variations to the 2023-24 MYBR</b>				
Investing expenditure	-228	-370	-19	77
Investing savings	—	—	—	—
Asset sales	—	—	—	—
<b>Net effect of policy measures to 2023-24 MYBR</b>	<b>-228</b>	<b>-370</b>	<b>-19</b>	<b>77</b>
<b>Total investing variations</b>	<b>525</b>	<b>-442</b>	<b>418</b>	<b>21</b>
<b>Estimate at 2023-24 MYBR</b>	<b>-1 418</b>	<b>-2 288</b>	<b>-2 206</b>	<b>-2 737</b>

Note: Totals may not add due to rounding.

(a) Investing variations relate to the movements in the net acquisition on non-financial assets.

(b) Primarily due to the transfer of the Adelaide Festival Centre asset currently held by the Department of the Premier and Cabinet to the Adelaide Festival Centre Trust, an amount of \$127 million, previously budgeted to occur in 2022-23.

**Table 1.7: Major revenue and expense variations (parameter and other only) since the 2023-24 Budget (\$million)**

	2023-24	2024-25	2025-26	2026-27
<b>Revenue — taxation</b>				
Payroll tax	86	95	95	100
Conveyances	110	130	137	144
Land tax — private	8	23	24	24
Land tax — public	—	7	7	7
Other property tax	16	12	12	13
Insurance taxes	-1	-2	-2	-2
Gambling taxes	—	—	—	—
Motor vehicle taxes	9	7	34	39
<b>Total taxation revenue</b>	<b>229</b>	<b>272</b>	<b>307</b>	<b>326</b>
<b>Revenue — other</b>				
GST revenue grants <sup>(a)</sup>	-206	-116	75	212
Commonwealth specific purpose and national partnership grants				
SPP grants	—	—	—	—
NP grants	-419	82	130	19
Other contributions and grants	83	50	29	22
Sales of goods and services	36	55	64	78
Dividends and income tax equivalents	189	-37	-43	-38
Interest income	40	77	24	27
Royalties	9	11	23	7
Other revenue	37	36	23	3
<b>Total other revenue</b>	<b>-232</b>	<b>158</b>	<b>326</b>	<b>329</b>
<b>Operating expenses</b>				
Nominal superannuation interest expense	-40	-49	-47	-43
Interest expense	12	-110	-105	-143
Depreciation	-11	-15	-4	-4
Carryovers (net of provision for slippage)	22	-31	-4	-2
Other variations	-103	-319	-344	-288
<b>Total expenses</b>	<b>-120</b>	<b>-523</b>	<b>-505</b>	<b>-482</b>
<b>Investing variations</b>				
Depreciation	11	15	4	4
Carryovers (net of provision for slippage)	-135	-34	-98	18
Other variations	877	-53	532	-78
<b>Total investing variations</b>	<b>753</b>	<b>-72</b>	<b>438</b>	<b>-56</b>

Note: Totals may not add due to rounding.

(a) Includes entitlements to payments associated with the 'no worse off' guarantee as part of the Commonwealth Government changes to the GST distribution.

## Operating revenue

### Policy measures

There are no revenue measures in the 2023-24 Mid-Year Budget Review.

### Parameter and other variations

#### Taxation revenue

Total taxation revenues have been revised up in all years mainly due to revisions to conveyance duty revenue and payroll tax.

Conveyance duty receipts have been revised up in all years largely due to higher than expected growth in residential property values. In the 2023-24 Budget, it was expected that residential property prices would be flat, on average, over 2023-24 and 2024-25 after the strong growth experienced in recent years. However, this strength has been sustained in 2023-24, resulting in stronger residential conveyance duty collections which flow through to future years as a base effect. Given the current conditions and outlook for the property market, it is also expected that average residential property prices will return to long-term growth of 3.0 per cent per annum from 2024-25 instead of 2025-26 as assumed in the 2023-24 Budget. This revised forecast also supports the upward revision to conveyance duty receipts from 2024-25.

Payroll tax collections have been revised up in all years reflecting strong labour market conditions. Payroll tax estimates in 2023-24 have been revised up to reflect stronger than expected collections experience, supported by higher employment growth compared to 2023-24 Budget forecasts. This upward revision flows through to future years as a base effect.

Land tax revenue has been revised up reflecting the flow through impact of higher than expected revenue in 2022-23, as well as a higher site value growth forecast for 2024-25 which supports upward revisions from this year. The 2023-24 Budget assumed that site value growth would be flat in 2024-25 given the strong growth experienced in recent years. Given current market experience, it is expected that site values will return to long-term growth of 3.0 per cent in 2024-25 instead of 2025-26 as forecast in the 2023-24 Budget.

Motor vehicle tax revenues have been revised up in all years due to higher expected revenue from stamp duty on motor vehicle transfers as well as higher motor vehicle registration revenue from 2025-26.

#### GST revenue grants

GST grant revenue estimates have been revised down in 2023-24 and 2024-25 and up in future years reflecting downward revisions in the national GST pool and expected changes in South Australia's share of GST revenue.

Estimates of the national GST pool were revised down in the Commonwealth Government's 2023-24 Mid-Year Economic and Fiscal Outlook, particularly in 2023-24. The national GST pool in 2023-24 was revised down by \$1.9 billion and is now forecast to grow by 3.3 per cent compared to 5.2 per cent as projected in the Commonwealth Government's 2023-24 Budget. Downward revisions in the national GST pool in future years are more modest reflecting expected higher growth in dwelling investment as well as the return of international students.

The share of the national GST pool a jurisdiction receives is impacted by its ability to raise revenue compared to other jurisdictions. GST revenue grant estimates have been updated to reflect revised forecasts of other jurisdictions' revenue collections following the release of 2023-24 Budget documents. This has resulted in an increase in South Australia's expected share of the national GST pool from 2025-26, which more than offsets the impact of downward revisions in the national GST pool.

### **Commonwealth specific purpose and national partnership grants**

Commonwealth Government specific purpose grant (SPP) estimates are unchanged since the 2023-24 Budget.

Commonwealth Government national partnership (NP) grants have been revised down in 2023-24 and up in all other years. The profile of revenue across the forward estimates largely reflects revised construction profiles and the anticipated timing of Commonwealth revenue for a range of transport infrastructure projects. The downward revision in 2023-24 is also impacted by a pull-forward of Commonwealth funding from 2023-24 to 2022-23 for Financial Assistance Grants which are passed on to local government. The larger upward revision in 2025-26 also reflects the expected timing of payments under the Disaster Recovery Funding Arrangements.

### **Other contributions and grants**

Revenue from other contributions and grants has been revised up in all years to reflect Commonwealth funding for the Port Bonython Hydrogen Hub and the Aged Care Assessment Program as well as higher funding for residential aged care facilities associated with changes to the Australian National Aged Care Classification funding model.

### **Sales of goods and services**

Sale of goods and services revenue has been revised up in all years, mainly reflecting higher revenue from regulatory fees and guarantee fees.

Upward revisions to revenue from regulatory fees mainly reflect higher land services revenue due to stronger than expected property market conditions as well as higher than expected revenue from the issue of occupational licences.

Guarantee fee revenue has also been revised up in all years primarily reflecting an increase in borrowings by agencies.

### **Dividend and income tax equivalent income**

Estimated dividend and income tax equivalent revenue has been revised up in 2023-24 and down in future years. The upward revision in 2023-24 is mainly due to higher than forecast distributions from the South Australian Government Financing Authority (SAFA) and Renewal SA in relation to their stronger 2022-23 operating results. Downward revisions in dividend and income tax equivalent revenue from 2024-25 mainly reflect lower distributions from SA Water due to forecast higher interest costs.

### **Interest income**

Interest income is estimated using projections of interest rates applicable to government financial assets. Interest income has been revised up from 2023-24 primarily due to projected higher interest rates on cash balances compared to forecasts in the 2023-24 Budget.

### **Royalties**

Royalty revenue has been revised up in all years reflecting higher mineral royalties supported by a stronger outlook for prices and production volumes. This is partially offset by lower petroleum royalty revenue due to forecast lower production volumes.

### **Other revenue**

Other revenue has been revised up from 2023-24 to 2025-26 and is broadly unchanged in 2026-27. The upward revisions from 2023-24 to 2025-26 primarily reflect additional external contributions towards commercial projects.

## General government sector revenue

Forward estimates of general government revenues are shown in table 1.8.

**Table 1.8: General government revenue — forward estimates (\$million)**

	2023-24 Budget	2023-24 MYBR	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
<b>Revenue — taxation</b>					
Payroll tax	1 685	1 771	1 864	1 958	2 062
Conveyances	1 092	1 201	1 246	1 319	1 396
Land tax - private	479	488	502	517	533
Land tax - public	227	227	233	239	246
Other property taxes	265	281	296	306	314
Insurance taxes	633	632	658	686	716
Gambling tax	605	605	612	622	632
Motor vehicle taxes	841	850	870	893	917
<b>Total taxation revenue</b>	<b>5 827</b>	<b>6 055</b>	<b>6 282</b>	<b>6 539</b>	<b>6 814</b>
<b>Revenue — other</b>					
GST revenue grants <sup>(a)</sup>	8 788	8 582	8 907	9 237	9 264
Commonwealth specific purpose and national partnership grants					
SPP grants	4 344	4 344	4 517	4 735	4 936
NP grants	1 544	1 257	1 584	1 683	2 220
Other contributions and grants	728	811	738	723	723
Sales of goods and services	3 074	3 113	3 220	3 355	3 472
Dividends and income tax equivalents	248	437	200	205	227
Interest income	403	443	415	382	394
Royalties	404	413	402	435	435
Other revenue	1 243	1 280	1 329	1 357	1 364
<b>Total other revenue</b>	<b>20 776</b>	<b>20 680</b>	<b>21 312</b>	<b>22 111</b>	<b>23 036</b>
<b>Total revenue</b>	<b>26 603</b>	<b>26 736</b>	<b>27 594</b>	<b>28 650</b>	<b>29 850</b>
<b>Total revenue % change on previous year</b>					
Total revenue nominal growth (%)		5.2	3.2	3.8	4.2
Total revenue real growth (%)		0.5	-0.3	0.8	1.6
Note: Totals may not add due to rounding.					
(a) Includes entitlements to payments associated with the 'no worse off' guarantee as part of the Commonwealth Government changes to the GST distribution.					



## Expenditure

### Policy measures

This section provides a summary of expenditure initiatives announced since the 2023-24 Budget. A list of all policy measures is shown in Appendix A.

The MYBR contains operating and investing expenditure initiatives in the general government sector of \$1.3 billion over four years. Some of these measures are funded in partnership with the Commonwealth, including the increased funding for the National Skills Agreement. The Commonwealth's infrastructure review, and the decision not to proceed with some road projects, also impacts Commonwealth funding across the forward estimates. The initiatives are summarised, by agency, in tables 1.10 and 1.11.

**Table 1.9: Expenditure initiatives (\$million)**

	2023-24 MYBR	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Operating expenditure initiatives	-108.5	-184.3	-200.3	-219.6
Revenue offsets	95.4	72.6	73.0	61.2
Operating savings	—	25.0	55.0	55.0
<b>Total operating initiatives</b>	<b>-13.1</b>	<b>-86.7</b>	<b>-72.3</b>	<b>-103.5</b>
Investing expenditure initiatives	-228.0	-370.0	-19.3	77.1
Revenue offsets	40.3	-54.8	-112.1	-92.2
Investing savings	—	—	—	—
Asset sales	—	—	—	—
<b>Total investing initiatives</b>	<b>-187.8</b>	<b>-424.8</b>	<b>-131.4</b>	<b>-15.1</b>

Note: Totals may not add due to rounding.

The government will require agencies to meet the future costs associated with the increase in the payment of the mandatory employer superannuation guarantee contribution from its current rate of 11 per cent to 12 per cent by 1 July 2025, through the reallocation of existing resources.

Key initiatives funded in the MYBR include:

- \$689 million over 2023-24 to 2028-29 (including \$256.6 million outside the forward estimates) for the National Skills Agreement, funded in partnership with the Commonwealth Government
- \$464.5 million over four years to support the creation of the new Adelaide University which is expected to benefit South Australia through a competitive institution offering greater access to higher education and increased research into high priority areas
- \$168 million across 2023-24 and 2024-25 for a new road safety program to deliver road safety treatments on regional and urban roads, footpaths and cycleways, funded in partnership with the Commonwealth Government
- an additional \$125 million across 2025-26 and 2026-27 to complete the full duplication of Main South Road between Seaford and Sellicks Beach
- \$98 million across 2025-26 and 2026-27 to support the delivery of the Flinders Medical Centre upgrade and expansion project, in partnership with the Commonwealth Government
- an additional \$36 million over three years from 2023-24 to upgrade the ferry ports and jetty infrastructure at Penneshaw and Cape Jervis, bringing the total project cost to \$73 million
- \$34.2 million across 2024-25 and 2025-26 to upgrade the Adelaide Festival Centre. The upgrade includes various works to ensure the Centre complies with modern fire safety standards and for improvements to the Western Plaza

- \$25.7 million over four years, funded by the Commonwealth Government, to deliver tranche 2 of the Fee Free TAFE initiative
- \$23.4 million across 2023-24 and 2024-25 to upgrade and ensure the compliance of regional hospital helipads with the new civil aviation safety regulations
- \$22.7 million in 2023-24 through round one of the Commonwealth Government's Disaster Ready Fund to deliver 23 projects across South Australia that will help drive long term resilience and mitigate the impact of disasters on communities
- \$20 million over three years, including \$1.8 million in 2022-23, funded by the Commonwealth Government, to support the delivery of the Building Resilience to Manage Fruit Fly Package in South Australia
- \$17.5 million over four years to support the government's initial response to the recommendations of the Royal Commission into Early Childhood Education and Care
- \$16.2 million over three years to establish the Office for Early Childhood Development.

The initiatives also reflect the cessation of the Hahndorf traffic improvements, Main South Road Productivity Package, Mitcham Hills corridor — Old Belair Road and James Road, Onkaparinga Valley Road/Tiers Road/Nairne Road intersection upgrade, and Truro bypass projects. This is a result of the Commonwealth's infrastructure review, and the decision to withdraw \$359.3 million of funding from these road projects over four years from 2023-24.

**Table 1.10: Operating initiatives (\$million)**

	2023-24 MYBR	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Across Government	-4.0	-15.3	-14.5	-14.0
Attorney-General	-4.7	-5.7	-5.7	-5.7
Courts	-1.1	—	—	—
Education	-24.4	-122.9	-146.2	-178.0
Emergency Services — SAFECOM	-22.8	-0.1	-0.1	-0.1
Energy and Mining	-5.5	-2.6	-2.6	-2.7
Environment and Water	-6.0	-2.3	—	—
Environment Protection Authority	-0.3	—	—	—
Health and Wellbeing	-18.6	-20.8	-10.8	-8.0
Human Services	-1.5	-1.5	—	—
Infrastructure and Transport	-5.2	-10.1	-9.9	-2.2
Industry, Innovation and Science	-0.1	-0.4	—	—
Premier and Cabinet	-0.2	-2.5	-2.8	-3.1
Primary Industries and Regions	-15.2	-10.2	-7.1	-5.8
Trade and Investment	—	-0.8	-0.6	—
Treasury and Finance Administered Items	1.1	10.9	—	—
<b>Total operating initiatives</b>	<b>-108.5</b>	<b>-184.3</b>	<b>-200.3</b>	<b>-219.6</b>

Note: Totals may not add due to rounding.

**Table 1.11: Investing initiatives (\$million)**

	2023-24 MYBR	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Across Government	-115.5	-320.5	—	—
Courts	-1.6	—	—	—
Education	-0.3	—	—	—
Energy and Mining	-1.0	—	—	—
Environment and Water	-1.0	-0.5	—	—
Environment Protection Authority	-3.2	—	—	—
Health and Wellbeing	-10.0	-18.1	-35.0	-63.0
Infrastructure and Transport	-90.1	-19.5	44.4	140.1
Premier and Cabinet	-0.4	-6.9	-27.2	—
Primary Industries and Regions	-4.5	-2.5	—	—
Trade and Investment	-0.4	-1.9	-1.5	—
<b>Total investing initiatives</b>	<b>-228.0</b>	<b>-370.0</b>	<b>-19.3</b>	<b>77.1</b>
Note: Totals may not add due to rounding.				

## Parameter and other variations

A number of parameter variations since the 2023-24 Budget contribute to the change in projected expenses and investing payments in 2023-24 and across the forward estimates, including:

- revision to interest expense reflecting latest estimates of interest rates and gross debt
- revision to nominal superannuation interest expense reflecting revised discount rate assumptions and investment returns
- variations to the accounting treatment for some transactions that have no net budget impact but vary both expenses and revenue
- the reclassification of some transactions in accordance with accounting standards.

The MYBR includes a provision for operating slippage of \$510 million and investing slippage of \$820 million in 2023-24, to reflect the tendency, on a whole of government basis, for underspending against approved programs and initiatives in the current financial year. A provision for operating revenue slippage of \$210 million in 2023-24 is held for Commonwealth-funded projects where the revenue recognition is linked to investing slippage provisions held in the MYBR.

## General government operating expenditure

Forward estimates of general government expenses are shown in table 1.12.

**Table 1.12: General government operating expenditure — forward estimates (\$million)**

	2023-24 Budget	2023-24 MYBR	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Employee expenses	9 870	9 961	10 168	10 520	10 788
Superannuation expenses					
Superannuation interest cost	265	305	296	275	251
Other superannuation expenses	1 121	1 132	1 150	1 187	1 217
Depreciation and amortisation	1 564	1 575	1 659	1 723	1 819
Interest expenses	1 254	1 242	1 444	1 594	1 827
Other property expenses	—	—	—	—	—
Other operating expenses	8 309	8 381	8 831	9 080	9 421
Grants	3 971	3 986	3 769	3 775	3 910
<b>Total expenses</b>	<b>26 353</b>	<b>26 582</b>	<b>27 317</b>	<b>28 154</b>	<b>29 234</b>
<b>Total expenses % change on previous year</b>					
Total expenses nominal growth (%)		4.8%	2.8%	3.1%	3.8%
Total expenses real growth (%)		0.0%	-0.7%	0.1%	1.3%

Note: Totals may not add due to rounding.

Average growth in expenses of 3.6 per cent per annum from 2022-23 to 2026-27 remains below trend growth in household income (4 per cent per annum), consistent with the government's fiscal target.

### Employee expenses

Employee expenses are higher in 2023-24 than forecast at the time of the 2023-24 Budget largely due to additional education staff including those associated with the initial response to the Royal Commission into Early Childhood Education and Care, and the establishment of the Office for Early Childhood Development. Beyond 2023-24 employee expenses are higher largely due to the ongoing employment of those education staff and the insourcing of rail operations staff.

### Superannuation expenses

Across the forward estimates superannuation interest expenses are higher than forecasts in the 2023-24 Budget in line with the outcome of the triennial review, which was completed in 2023.

### Depreciation and amortisation

The main asset types in the general government sector are buildings and improvements, plant, equipment and vehicles and road network.

Across the forward estimates depreciation and amortisation expenses are broadly in line with forecasts in the 2023-24 Budget.

### Interest expenses

Interest expenses comprise interest paid by the Treasurer to SAFA on government borrowings and interest expenses of agencies related to finance leases.

Interest expenses are lower in 2023-24 than estimated in the 2023-24 Budget due to lower debt and lower interest rates than assumed in the 2023-24 Budget. Interest expenses increase over the forward estimates as debt grows and interest rates rise.

### Other operating expenses

Other operating expenses are higher in 2023-24 than forecast in the 2023-24 Budget largely due to additional expenditure on policy items announced in the 2023-24 MYBR.

### Grants

Grant payments have been revised up in 2023-24 since the 2023-24 Budget to reflect revised timing of payments, including for the proton beam therapy facility, and policy items including the Disaster Ready Fund.

### Full-time equivalents (FTEs)

The net impact of policy decisions reflected in the MYBR on general government sector FTEs over the forward estimates period is shown in table 1.13.

**Table 1.13: Full-time equivalent impacts of policy decisions in the 2023-24 MYBR**

	FTEs as at 30 June			
	2024 MYBR	2025 Estimate	2026 Estimate	2027 Estimate
Expenditure initiatives	152	159	98	66
Savings measures	—	—	—	—
<b>Total FTE impact of policy decisions</b>	<b>152</b>	<b>159</b>	<b>98</b>	<b>66</b>

The major expenditure initiatives that have FTEs associated with them are:

- Education — an additional 67 FTEs in 2023-24, reducing to 14 FTEs in 2026-27 for the initial response to the Royal Commission into Early Childhood Education and Care, as well as to establish the Office for Early Childhood Development
- Health and Wellbeing — an additional 25 FTEs in 2023-24, increasing to 30 FTEs in 2024-25 to deliver increased rural primary care rotations for junior doctors
- Attorney-General — an additional 15 FTEs in 2023-24, increasing to 16 FTEs from 2024-25 to implement the recommendations from the Independent Review of SafeWork SA
- Primary Industries and Regions SA — an additional 15 FTEs in 2023-24 to extend the current fruit fly response activities across the Riverland.

The estimated aggregate workforce levels in the general government sector across the forward estimates as at the 2023-24 MYBR are shown in table 1.14.

**Table 1.14: General government sector employment**

	FTE employees as at 30 June				
	2023 Estimate and Actual	2024 Estimate	2025 Estimate	2026 Estimate	2027 Estimate
As at 2023-24 Budget	90 669	90 566	91 219	92 466	93 427
As at 2023-24 Mid-Year Budget Review	90 625	91 411	91 991	93 147	94 074
<b>Change since 2023-24 Budget</b>	<b>-44</b>	<b>845</b>	<b>773</b>	<b>681</b>	<b>647</b>
<b>FTEs by agency at 2023-24 MYBR:</b>					
Health and Wellbeing (excluding SAAS)	36 164	35 322	35 289	36 116	36 914
South Australian Ambulance Service	1 859	2 004	2 095	2 171	2 170
Education	25 446	26 108	26 499	26 525	26 549
Police	5 924	5 983	6 097	6 094	6 105
Other	21 233	21 995	22 010	22 240	22 335
<b>Total FTEs as at 2023-24 MYBR</b>	<b>90 625</b>	<b>91 411</b>	<b>91 991</b>	<b>93 147</b>	<b>94 074</b>
Note: Totals may not add due to rounding.					

Actual FTEs were 44 lower as at 30 June 2023 than estimated in the 2023-24 Budget largely due to lower FTEs across a range of agencies including Education and Child Protection, partially offset by additional FTEs in Health and Wellbeing as a result of more nurses and midwives, and medical professionals in acute health and clinical support services.

FTEs are projected to be higher as at 30 June 2024 than estimated in the 2023-24 Budget largely due to additional education staff including those associated with the initial response to the Royal Commission into Early Childhood Education and Care, and the establishment of the Office for Early Childhood Development, additional health staff for the Aged Care Assessment Program and residential aged care, and policy decisions reflected in the 2023-24 MYBR.

## General government investing expenditure

Forward estimates of general government investing expenditure are shown in table 1.15.

**Table 1.15: General government sector investing expenditure — forward estimates (\$million)**

	2023-24 Budget	2023-24 MYBR	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Purchases of non-financial assets	3 788	3 393	4 269	4 465	5 213

Purchases of non-financial assets are expected to be \$3.4 billion in 2023-24. The forward estimates contain a major infrastructure investment program of \$17.3 billion in the general government sector over the four years 2023-24 to 2026-27. This is slightly lower than estimated at the time of the 2023-24 Budget largely due to changes in timing of major projects.

The capital investment program continues to reflect the significant investment on road infrastructure in partnership with the Commonwealth Government including the North-South Corridor — River Torrens to Darlington project, as well as major state investments including the new Women's and Children's Hospital.

## Financial position

Tables 1.16 and 1.17 show the updated estimates for key balance sheet indicators for both the general government and non-financial public sectors.

**Table 1.16: Key balance sheet indicators — general government sector**

	As at 30 June					
	2023 Outcome	2024 Budget	2024 MYBR	2025 Estimate	2026 Estimate	2027 Estimate
<b>Net debt</b>						
\$m	17 711	20 293	19 547	22 410	24 982	28 074
% of total revenue	69.7	76.3	73.1	81.2	87.2	94.1
<b>Unfunded superannuation liability</b>						
\$m	7 518	6 598	6 486	6 055	5 567	5 023
% of total revenue	29.6	24.8	24.3	21.9	19.4	16.8
<b>Net financial liabilities</b>						
\$m	30 880	32 145	31 943	34 411	36 599	39 240
% of total revenue	121.5	120.8	119.5	124.7	127.7	131.5
<b>Net financial worth</b>						
\$m	-10 315	-11 681	-11 046	-13 132	-15 150	-17 622
% of total revenue	-40.6	-43.9	-41.3	-47.6	-52.9	-59.0
<b>Net worth</b>						
\$m	55 920	52 746	56 799	57 318	58 043	58 965
% of total revenue	220.1	198.3	212.4	207.7	202.6	197.5

General government net debt is forecast to be \$19.5 billion at 30 June 2024, a \$746 million improvement from the estimate as at 2023-24 Budget. This improvement in net debt is largely the result of timing changes in the investing program in 2023-24 and a lower actual 2022-23 year end net debt outcome (as discussed in the 2022-23 Final Budget Outcome).

The improvement in net debt is maintained across the forward estimates when compared with the estimates in the 2023-24 Budget, including as a result of a lower investing program over the four year period 2023-24 to 2026-27. General government net debt is projected to be \$28.1 billion as at 30 June 2027, a \$504 million improvement from the projection in the 2023-24 Budget.

Public non-financial corporations (PNFC) sector net debt is forecast to be \$8.9 billion at 30 June 2024, a \$33 million increase from the estimate at the time of the 2023-24 Budget, and is projected to be \$10.1 billion as at 30 June 2027.

The PNFC sector includes SA Water which makes up the largest component of net debt in that sector.

**Table 1.17: Key balance sheet indicators — non-financial public sector**

	As at 30 June					
	2023 Outcome	2024 Budget	2024 MYBR	2025 Estimate	2026 Estimate	2027 Estimate
<b>Net debt</b>						
\$m	25 595	29 074	28 447	31 924	34 870	38 188
% of total revenue	96.1	104.4	101.8	110.0	115.8	121.0
<b>Unfunded superannuation liability</b>						
\$m	7 518	6 598	6 486	6 055	5 567	5 023
% of total revenue	28.2	23.7	23.2	20.9	18.5	15.9
<b>Net financial liabilities</b>						
\$m	39 590	42 415	41 675	44 858	47 504	50 436
% of total revenue	148.7	152.3	149.2	154.5	157.8	159.8
<b>Net financial worth</b>						
\$m	-37 365	-40 429	-39 638	-42 960	-45 809	-48 977
% of total revenue	-140.3	-145.2	-141.9	-148.0	-152.2	-155.2
<b>Net worth</b>						
\$m	55 920	52 739	56 802	57 323	58 050	58 988
% of total revenue	210.0	189.4	203.3	197.5	192.9	186.9

The combined non-financial public sector (NFPS) net debt as at 30 June 2024 is expected to be \$28.4 billion, a \$627 million improvement since 2023-24 Budget. At 30 June 2027, NFPS net debt is projected to be \$38.2 billion, a \$625 million increase from the projection in the 2023-24 Budget. The increase is largely the result of the investment in water related infrastructure in the PNFC sector.

## Unfunded superannuation

The estimated unfunded superannuation liability at 30 June 2024, and across the forward estimates, has decreased since the 2023-24 Budget. This includes outcomes from the 2023 triennial review.

This decrease in the unfunded superannuation liability is primarily due to an increase to the discount rate since the 2023-24 Budget. The prevailing annualised bond rate, 4.8 per cent, has increased from 3.9 per cent at the time of the 2023-24 Budget. In accordance with the Australian Accounting Standards the discount rate to value the unfunded superannuation liability reflects the Commonwealth Government bond rate.

At the time of the 2023-24 MYBR, the earnings rate for 2023-24 is projected to be 4.8 per cent. The assumed annual earnings rate for 2023-24 and beyond is still expected to be 7 per cent, reflecting the long-term earnings rate target, and consistent with forecasts in the 2023-24 Budget.

The net result of variations in the discount rate, earnings rate and other minor adjustments, is a decrease of \$112 million in the estimated unfunded superannuation liability as at 30 June 2024. The unfunded superannuation liability is now expected to be \$6.5 billion at 30 June 2024 with the liability decreasing over the forward estimates to \$5 billion by 30 June 2027.

It should be noted that the unfunded liability is a long-term liability. While financial market volatility in the recent past has resulted in multibillion dollar revisions to the value of the liability recorded on the balance sheet, there has been no material change in the actual expected payments to beneficiaries underlying the liability. The government remains committed and on track to meet its target of fully funding the defined benefit superannuation liability by 2034.



## **Net financial liabilities**

General government sector net financial liabilities are forecast to be \$31.9 billion at 30 June 2024, a decrease of \$202 million from the estimate as at 2023-24 Budget. At 30 June 2027, general government sector net financial liabilities are projected to be \$39.2 billion, a \$136 million increase from the projection in the 2023-24 Budget.

# ***Chapter 2: The economic context***

## **Overview**

Since the 2023-24 Budget, global economic growth prospects have been revised down. The continuing war in Ukraine, newly-commenced conflict in the Israel-Gaza region, the prospect of higher energy prices and economic risks in China have contributed to the less optimistic outlook. Many countries face continuing inflation problems with central banks adopting more restrictive policy stances to slow demand growth and ease price pressures. Notwithstanding, the global economy has continued to grow, albeit slowly. Following global Gross Domestic Product (GDP) growth of 3.5 per cent in 2022, the International Monetary Fund (IMF) forecasts global GDP growth to be 3.0 per cent in 2023, and 2.9 per cent in 2024.

Australia's economy performed strongly in 2022-23 with GDP growing by 3.1 per cent, supported principally by strength in household consumption, with smaller contributions from new private business investment and government consumption. The Reserve Bank of Australia forecasts GDP growth to moderate to 1½ per cent in 2023-24. This slower growth outlook reflects the cumulative impact of policy action to contain inflation, which while reducing, has remained high over the past twelve to eighteen months.

Against the slowing international backdrop, the South Australian economy has continued to perform well. Gross State Product (GSP) growth in 2022-23, was 3.8 per cent, above the 3½ per cent estimated at the time of the 2023-24 Budget. Major contributors to growth were household consumption and new private business investment.

In line with slowing in the economy and a sharp reduction in farm sector output from record levels in 2022-23, growth in GSP is forecast to be lower in 2023-24 at 1¼ per cent. This nevertheless represents an upward revision since the 2023-24 Budget, reflecting the contribution of stronger employment growth. There are downside risks associated with the 2023-24 GSP growth forecast, including the recent statement by the Bureau of Meteorology that an El Niño event is now underway. Drier-than-usual conditions typically associated with El Niño events may impact broadacre farm sector production more adversely than currently assumed. The latest Australian Bureau of Agricultural and Resource Economics and Sciences crop report forecasts the state's winter crop to fall by 31 per cent in 2023-24.

While building approvals have moderated, there remains a sizeable pipeline of residential, non-residential and engineering construction work that will support economic activity in South Australia going forward.

Goods exports have performed strongly, with the value of exports in the twelve months to October 2023 climbing to \$17.7 billion to be 10 per cent higher than in the twelve months to October 2022. Export of goods and services have also increased strongly in real terms, rising by 19 per cent in 2022-23, significantly aided by the return of international students.

## **Economic Forecasts**

The South Australian economy has continued to perform solidly across a number of economic indicators, although the pace of growth is moderating. Following growth of 5.6 per cent in 2021-22, GSP growth moderated to 3.8 per cent in 2022-23 and is forecast to grow at 1¼ per cent in 2023-24.

State Final Demand (SFD) rose by 2.8 per cent in 2022-23 and is forecast to grow by 1¼ per cent in 2023-24, ½ a percentage point higher than at the time of the 2023-24 Budget, primarily reflecting stronger than anticipated growth in employment. SFD is forecast to slow to 1¼ per cent in 2024-25 as higher interest rates and inflation flow through to further moderate spending and investment decisions.

Demand for labour has remained stronger for longer than anticipated and is supported by the continued strength in job vacancies, which while softening remain at high levels. Employment rose by 3.4 per cent in 2022-23 and is forecast to rise by 2½ per cent in 2023-24, upwardly revised from 1 per cent at the time of the 2023-24 Budget. Employment is forecast to moderate to growth of ½ per cent in 2024-25, reflecting the anticipated slowdown in activity as higher interest rates act to dampen consumption spending. A gradual pick up in employment is forecast over the following two years, returning to its longer-term growth rate of 1 per cent per annum in 2026-27.

Although inflation in Australia has passed its peak, it remains persistently high. The outlook for inflation has, therefore, been revised up for 2023-24, reflecting the still high cost of living being experienced in many nations, including Australia. The Adelaide Consumer Price Index (CPI) is now forecast to grow by 4¾ per cent in 2023-24, up from the 3¾ per cent forecast when framing the 2023-24 Budget, reflecting dwelling construction price pressures, the recent strong fuel price growth and the high prices for fruit and vegetables due to recent flooding events. The Adelaide CPI is forecast to fall back within the RBA's target range from 2026-27.

Forecasts and projections for South Australia take into consideration the expected performance of the national economy over the medium term and relative population growth rates.

**Table 2.1: Key economic indicators — Australia and South Australia real growth rates (% per annum)**

	2022-23 Actual	2023-24 Budget Forecast	2023-24 Revised Forecast	2024-25 Projection	2025-26 Projection	2026-27 Projection
<b>Australia<sup>(a)</sup></b>						
Gross Domestic Product (GDP)	3.1	1½	1¾	2¼	2½	2¾
<b>South Australia</b>						
Gross State Product (GSP)	3.8	1	1¾	1½	1¾	2
State Final Demand (SFD)	2.8	1¾	1¾	1¾	1¾	2
Employment	3.4	1	2½	½	¾	1
Adelaide Consumer Price Index (CPI)	7.9	3¾	4¾	3½	3	2½

Note: Forecasts and projections are based on underlying national economic and state population trends, and climatic conditions impacting on farm sector production.

(a) Australian GDP forecasts as published in the 2023-24 Commonwealth Government's Mid-Year Economic and Fiscal Outlook.

# Appendix A: Policy measures by agency

## Overview

This appendix lists the revenue and expenditure decisions since the 2023-24 Budget.

Increased expenditures are recorded as negative ( - ) items, while increased revenues are recorded as positive ( + ) items.

Revenue offsets in this section include revenues received from external parties, including the Commonwealth Government, for the specific purpose of, and incidental to, an expenditure initiative.

**Table A.1: Policy measures (\$million)**

	2023-24 MYBR	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Revenue measures — Taxation	—	—	—	—
Revenue measures — Other	—	—	—	—
Operating initiatives	-109	-184	-200	-220
Revenue offsets — Taxation	—	—	—	—
Revenue offsets — Other	95	73	73	61
Operating savings	—	25	55	55
<b>Total operating initiatives</b>	<b>-13</b>	<b>-87</b>	<b>-72</b>	<b>-103</b>
Investing expenditure initiatives	-228	-370	-19	77
Revenue offsets	40	-55	-112	-92
Investing savings	—	—	—	—
Asset sales	—	—	—	—
<b>Total investing initiatives</b>	<b>-188</b>	<b>-425</b>	<b>-131</b>	<b>-15</b>
<b>FTEs</b>	<b>152</b>	<b>159</b>	<b>98</b>	<b>66</b>

Note: Totals may not add due to rounding.

A listing of the measures is included in the following pages.

<b>Budget implications (\$'000)</b>	<b>2023-24 MYBR</b>	<b>2024-25 Estimate</b>	<b>2025-26 Estimate</b>	<b>2026-27 Estimate</b>
<b>Across Government</b>				
Operating initiatives				
Adelaide University — international student attraction	—	-10 000	-10 000	-10 000
Automated external defibrillators — emergency services	-689	-435	-98	-107
South Australian Defence Industry Workforce and Skills Action Plan	-3 330	-4 882	-4 445	-3 914
Operating savings				
Agencies to absorb increases in the employer superannuation guarantee contribution above 11%	—	25 000	55 000	55 000
Investing initiatives				
Adelaide University — land acquisition and creation of new funds	-114 500	-320 000	—	—
South Australian Defence Industry Workforce and Skills Action Plan	-1 000	-500	—	—
<b>Attorney-General's Department</b>				
Operating initiatives				
Increase Forensic Science SA DNA testing capacity	-396	-811	-827	-842
Residential tenancies reforms	-2 000	-2 000	-2 000	-2 000
SafeWork SA — Merritt Review response and resourcing for industrial manslaughter	-2 352	-2 873	-2 832	-2 882
Revenue offsets				
SafeWork SA — Merritt Review response and resourcing for industrial manslaughter	—	615	5 098	5 225
<b>Courts Administration Authority</b>				
Operating initiatives				
Coroner's Court — additional resources	-1 081	—	—	—
Investing initiatives				
Sir Samuel Way building maintenance	-1 600	—	—	—
<b>Department for Education</b>				
Operating initiatives				
Fee Free TAFE — tranche 2	-555	-1 100	-1 100	-572
National Skills Agreement	-14 077	-108 098	-135 194	-175 059
Royal Commission into Early Childhood Education and Care Final Report initial response — additional out of school hours care programs and reforms	-1 050	-2 260	-2 290	-2 320
Royal Commission into Early Childhood Education and Care Final Report initial response — Education Standards Board backlog, Aboriginal 3 year old co-design, preschool out of hours care trial	-2 970	-4 740	-1 840	—
Words Grow Minds campaign	-1 000	-1 000	—	—

<b>Budget implications (\$000)</b>	<b>2023-24 MYBR</b>	<b>2024-25 Estimate</b>	<b>2025-26 Estimate</b>	<b>2026-27 Estimate</b>
<b>Department for Education</b>				
Revenue offsets				
Fee Free TAFE — tranche 2	10 120	-5 968	661	1 331
National Skills Agreement — Commonwealth Government	22 167	52 272	56 982	49 742
<b>Administered items for the Department for Education</b>				
Operating initiatives				
Establish the Office for Early Childhood Development	-4 705	-5 695	-5 789	—
<b>History Trust of South Australia</b>				
Investing initiatives				
Lady Holden's Holden	-250	—	—	—
<b>South Australian Fire and Emergency Services Commission</b>				
Operating initiatives				
Disaster Ready Fund — round one	-22 681	—	—	—
State logistics functional support group	-72	-144	-147	-149
Revenue offsets				
Disaster Ready Fund — round one — Commonwealth Government	22 681	—	—	—
<b>Department for Energy and Mining</b>				
Operating initiatives				
National Energy Crisis Response — capacity mechanism	-1 500	—	—	—
Remote Area Energy Supply Scheme — fuel costs	-1 509	—	—	—
South Australian Electricity Development Plan function	-2 500	-2 555	-2 611	-2 669
Revenue offsets				
South Australian Electricity Development Plan function	2 500	2 555	2 611	2 669
Investing initiatives				
Jupiter Creek safety works	-1 000	—	—	—
<b>Department for Environment and Water</b>				
Operating initiatives				
River Murray flood — asset reinstatement works	-3 549	-2 299	—	—
Update River Murray flood monitoring, mapping and forecasting	-2 500	—	—	—
Investing initiatives				
Dog and Cat Online System replacement	-1 000	-500	—	—
<b>Environment Protection Authority</b>				
Operating initiatives				
EPA laboratories — relocation	-300	—	—	—
Investing initiatives				
EPA laboratories — relocation	-3 200	—	—	—

<b>Budget implications (\$000)</b>	<b>2023-24 MYBR</b>	<b>2024-25 Estimate</b>	<b>2025-26 Estimate</b>	<b>2026-27 Estimate</b>
<b>Department for Health and Wellbeing</b>				
Operating initiatives				
24-hour pharmacies	-1 600	-2 200	-2 260	-2 330
Expanded Healthdirect service and more nurse practitioners	-5 679	-3 983	-418	—
Increased psychosocial support services	-500	-1 500	-2 000	-2 000
Increased rural primary care rotations for junior doctors	-5 922	-7 285	—	—
Increased stillbirth autopsies and investigations	-409	-428	-440	—
Mental Health and Suicide Prevention Agreement — Aboriginal Health and Wellbeing Centre and Kids Head to Health Hub	-3 814	-5 031	-5 212	-3 623
Newborn bloodspot screening expansion	-658	-366	-439	—
Revenue offsets				
Expanded Healthdirect service and more nurse Practitioners — Commonwealth Government	10 080	—	—	—
Increased rural primary care rotations for junior doctors — Commonwealth Government	5 826	6 874	—	—
Increased stillbirth autopsies and investigations — Commonwealth Government	837	440	—	—
Mental Health and Suicide Prevention Agreement — Aboriginal Health and Wellbeing Centre and Kids Head to Health Hub — Commonwealth Government	7 437	5 031	5 212	—
Newborn bloodspot screening expansion — Commonwealth Government	658	366	439	—
Investing initiatives				
Ambulance stations (upgrades) — additional funding	-2 000	-2 700	—	—
Flinders Medical Centre redevelopment — additional funding	—	—	-35 000	-63 000
Regional hospital helipads compliance upgrade	-8 000	-15 400	—	—
Revenue offset investing				
Flinders Medical Centre redevelopment — additional funding — Commonwealth Government	—	—	17 500	31 500
<b>Department for Human Services</b>				
Operating initiatives				
Royal Commission into domestic, family and sexual violence	-1 500	-1 500	—	—
<b>Department for Infrastructure and Transport</b>				
Operating initiatives				
Additional metropolitan bus services and hybrid fleet increase for Aldinga and Angle Vale B-12 Schools and Morialta Secondary College	-454	-1 035	-802	-463
New classes of special number plates	-1 567	-1 648	-1 676	-1 732
Revenue offsets				
New classes of special number plates	1 587	1 887	1 995	2 215

<b>Budget implications (\$'000)</b>	<b>2023-24 MYBR</b>	<b>2024-25 Estimate</b>	<b>2025-26 Estimate</b>	<b>2026-27 Estimate</b>
<b>Department for Infrastructure and Transport</b>				
Investing initiatives				
Additional metropolitan bus services and hybrid fleet increase for Aldinga and Angle Vale B-12 Schools and Morialta Secondary College	-2 877	-6 866	-2 009	—
Commonwealth infrastructure review cancelled projects — Hahndorf Traffic Improvements	10 217	76 000	77 170	58 000
Commonwealth infrastructure review cancelled projects — Main South Road Productivity Package	—	4 000	12 541	—
Commonwealth infrastructure review cancelled projects — Mitcham Hills Corridor: Old Belair Road and James Road	—	—	—	18 194
Commonwealth infrastructure review cancelled projects — Onkaparinga Valley Road / Tiers Road / Nairne Road Intersection Upgrade	—	—	1 838	—
Commonwealth infrastructure review cancelled projects — Truro Bypass	1 232	41 000	70 000	73 868
Kangaroo Island Ports upgrade — additional funding	-5 000	-30 904	-115	—
New Road Safety Program	-84 000	-84 000	—	—
Pedestrian crossing upgrades — Clarence Park, West Croydon and Nurlutta train stations	-113	-7 837	—	—
Port Bonython Jetty refurbishment	—	-9 900	—	—
Remote roads upgrade pilot program	-9 076	—	—	—
Upgrading Main South Road — additional funding	—	—	-115 000	-10 000
West Croydon train station upgrade	-500	-1 000	—	—
Revenue offset investing				
Commonwealth infrastructure review cancelled projects — Hahndorf Traffic Improvements	-8 174	-60 800	-61 736	-46 400
Commonwealth infrastructure review cancelled projects — Main South Road Productivity Package	—	-3 200	-10 033	—
Commonwealth infrastructure review cancelled projects — Mitcham Hills Corridor: Old Belair Road and James Road	—	—	—	-18 194
Commonwealth infrastructure review cancelled projects — Onkaparinga Valley Road / Tiers Road / Nairne Road Intersection Upgrade	—	—	-1 838	—
Commonwealth infrastructure review cancelled projects — Truro Bypass	-986	-32 800	-56 000	-59 094
New Road Safety Program — Commonwealth Government	42 000	42 000	—	—
Remote roads upgrade pilot program — Commonwealth Government	7 412	—	—	—
<b>Office for Recreation, Sport and Racing</b>				
Operating initiatives				
Female participation in sport	-3 150	-7 400	-7 400	-50



<b>Budget implications (\$000)</b>	<b>2023-24 MYBR</b>	<b>2024-25 Estimate</b>	<b>2025-26 Estimate</b>	<b>2026-27 Estimate</b>
<b>Department for Industry, Innovation and Science</b>				
Operating initiatives				
Adelaide University — merger implementation	-147	-353	—	—
<b>Department of the Premier and Cabinet</b>				
Operating initiatives				
Serving South Australia — one stop shop	—	-2 542	-2 848	-3 086
Investing initiatives				
Adelaide Festival Centre upgrade — fire safety system and Western Plaza	—	-6 921	-27 239	—
<b>State Governor's Establishment</b>				
Operating initiatives				
Government House — essential works	-186	—	—	—
Investing initiatives				
Government House — essential works	-410	—	—	—
<b>Department of Primary Industries and Regions</b>				
Operating initiatives				
Building resilience to manage fruit fly through quarantine controls and treatment facilities	-5 226	-6 000	—	—
Fruit fly response	-10 000	—	—	—
National eradication commitments	—	-4 208	-7 059	-5 842
Revenue offsets				
Building resilience to manage fruit fly through quarantine controls and treatment facilities — Commonwealth Government	11 500	8 500	—	—
Investing initiatives				
Building resilience to manage fruit fly through quarantine controls and treatment facilities	-4 513	-2 500	—	—
<b>Department for Trade and Investment</b>				
Operating initiatives				
Osaka World Expo 2025 pavilion participation	—	-800	-600	—
Investing initiatives				
Planning System Implementation Review recommendations — ePlanning platform enhancements	-447	-1 924	-1 477	—
<b>Administered Items for the Department of Treasury and Finance</b>				
Operating initiatives				
Electric vehicle subsidy cessation	1 107	10 893	—	—

# **Appendix B: Uniform presentation framework**

## **Introduction**

This appendix contains detailed financial projections for the various sectors of the total public sector defined by the *Australian System of Government Finance Statistics: Concepts, Sources and Methods 2015*, published by the Australian Bureau of Statistics (ABS).

The tables in this section satisfy Uniform Presentation Framework (UPF) requirements applicable for all states, territories, and the Commonwealth Government. The tables present budget information for South Australia on the UPF basis, reflecting the fiscal measures and scope outlined below.

The primary objective of the UPF is to ensure that the Commonwealth Government and state and territory governments provide a common 'core' of financial information in their budget papers to enable direct comparisons of each government's budget and financial results.

An updated UPF was released in February 2019 which incorporates revisions to the framework as a result of the 2015 update the Australian System of Government Financial Statistics (GFS) framework. The update of the Australian GFS aims to better align with the International Monetary Fund's (IMF) GFS 2014 framework and the System of National Accounts 2008.

The format of the aggregates is based on reporting standards set out by the Australian Accounting Standards Board — AASB 1049 *Whole of Government and General Government Sector Financial Reporting*, which adopts a harmonised GFS-GAAP reporting basis.

## **UPF Reporting**

Public sector estimates and outcomes are presented on an accrual accounting basis within three primary statements: the operating statement, including other economic flows; the balance sheet; and the cash flow statement. These statements form the core reporting requirements of the UPF.

### **Operating statement**

The operating statement:

- presents information on transactions (revenue and expenses) and other economic flows (revaluations and adjustments)
- captures the composition of revenues and expenses and the net cost of government activities within a fiscal year
- shows the full cost of services consumed by the government in achieving its objectives and the extent that these costs are met from various revenue sources
- shows information on capital expenditure and asset sales to derive a net lending/borrowing position.

The UPF operating statement fiscal aggregates include net operating balance, total change in net worth (comprehensive result) and net lending (fiscal balance). These are discussed further under Fiscal measures.

### **Balance Sheet**

The balance sheet:

- records the value of financial and non-financial assets and liabilities of governments, at the end of each reporting period
- shows the resources at the government's disposal and the type and valuation of its liabilities

- reveals the make-up of the government's financial assets, its fixed asset holdings, and the extent of liabilities such as borrowings and unfunded superannuation
- allows comparisons of asset and liability levels between jurisdictions and time periods.

The UPF balance sheet fiscal aggregates include net worth, net financial worth, net financial liabilities and net debt. These are discussed further under Fiscal measures.

### **Cash Flow Statement**

The cash flow statement reveals how a government obtains and expends cash. It shows how government cash inflows and outflows are allocated between various activities and their net impact on cash held.

This statement requires cash flows to be categorised into:

- operating activities comprising activities linked to collecting taxes, distributing grants, and providing goods and services
- investing activities comprising activities linked to acquiring and disposing financial and non-financial assets
- financing activities comprising activities linked to changing the size and composition of a government's financial structure.

The sign convention within the cash flow statement is that all inflows carry a positive sign and all outflows carry a negative sign (regardless of whether they are gross or net cash flows).

The UPF cash flow statement fiscal aggregates include net increase in cash and cash/surplus/(deficit). These are discussed further under Fiscal measures.

### **Fiscal measures**

UPF reporting provides a number of measures for evaluating the soundness of a government's fiscal position and the effect of fiscal policy on economic conditions. These include measures on both a stock and flow basis.

Stock measures (including net worth, net debt, net financial worth and net financial liabilities) highlight the fiscal position of a government at a point in time, providing information on the results of past decisions. Stocks reflect holdings of assets and liabilities.

Flow measures (including the net operating balance, net lending/borrowing (fiscal balance), cash surplus/deficit and change in net worth) show changes in the fiscal position during the reporting period, reflecting the impact of government decisions and actions, and re-measurement impacts during that time. Flows represent the creation, transformation, exchange, transfer or extinction of economic value.

The fiscal measures in the UPF framework are:

#### **Net operating balance**

The net operating balance is the excess of revenue from transactions over expenses from transactions. The net operating balance excludes expenditure on the acquisition of capital assets, but includes non-cash costs such as accruing superannuation entitlements and the consumption of capital (depreciation).

Net operating balance reflects the sustainability of government fiscal position over time and provides a good indication of the sustainability of the existing level of government services. The net operating balance can also be defined as the change in net worth arising from economic transactions.

#### **Net lending/borrowing**

Net lending/borrowing measures a government's investment/saving balance. A net lending/borrowing surplus indicates that a government is saving more than is required to finance all of its investment spending and is therefore not contributing directly to the current account deficit.

Net lending/borrowing (which is recorded in the operating statement) differs from the net operating balance in the treatment of capital expenditure. Unlike the net operating balance, net lending/borrowing includes net capital expenditure, but not the use of capital (depreciation). It is calculated as the GFS Net Operating Balance less the net acquisition of non-financial assets.

Net lending is the accrual counterpart of the GFS cash surplus in the cash flow statement. However, the two measures are unlikely to coincide because of the differences arising when transactions are recorded in cash and accrual terms.

A positive result reflects a net lending position and a negative result reflects a net borrowing position.

### **Change in net worth**

Change in net worth (comprehensive result) measures the variation in a government's accumulated assets and liabilities, and is the most inclusive measure of the change in a government's financial position over a given period.

### **Net worth**

Net worth is calculated as total assets (both financial and non-financial) minus total liabilities. Net worth incorporates a government's non-financial assets, such as land and other fixed assets, which may be sold and used to repay debt, as well as certain financial assets and liabilities not captured by the net debt measure, most notably accrued employee superannuation liabilities, accrued long service leave benefits, debtors and creditors.

### **Net debt**

Net debt comprises the stock of selected gross financial liabilities less selected financial assets.

Net debt is reported in the balance sheet and is the sum of deposits held, advances received and borrowing, less the sum of cash and deposits, advances paid, and investments, loans and placements.

### **Net financial worth**

Net financial worth measures a government's net holdings of financial assets. It is calculated from the balance sheet as financial assets minus liabilities.

### **Net financial liabilities**

Net financial liabilities comprises total liabilities less financial assets (net financial worth), but excludes equity investments (net worth) in the other sectors of the jurisdiction.

Net financial liabilities is a broader measure than net debt as it includes substantial non-debt liabilities such as accrued superannuation and long service leave entitlements.

### **Cash surplus/deficit**

The cash surplus/deficit has two components. The first is the net cash flows from operating activities (operating receipts less operating payments). The second is the net cash flows from transactions (cash inflows from sales and cash outflows from purchases) in non-financial assets (less dividends paid by the public non-financial corporations (PNFC) and the public financial corporations (PFC) sectors).

Recording of cash transactions remains important for cash management purposes. In addition, cash measures provide the most useful indication of a government's need to call on financial markets to meet its budget obligations.

## **Institutional Sectors**

The coverage of the UPF extends to the entire Australian public sector (excluding local government entities and universities) comprising units which are owned and/or controlled by the Commonwealth Government, State and Territory governments. These units (such as government departments, authorities and businesses) are grouped into three institutional sub-sectors — the general government sector, the PNFC sector and the PFC sector. In addition, the UPF also includes tables for the consolidated non-financial public sector (NFPS).

The General government sector comprises all government departments, offices and other bodies that fulfil the functions of government as their primary activity. General government services include those which are mainly non-market in nature and are largely for collective consumption by the community, or which involve the transfer or redistribution of income. These services are financed mainly through taxes, other compulsory levies and user charges. PNFCs are bodies mainly engaged in the production of goods and services of a non-financial nature for sale in the marketplace at prices that aim to recover most of the costs involved. This sector includes some trading enterprises, such as SA Water and the South Australian Housing Authority (SAHA). In general, PNFCs are legally distinguishable from the governments that own them.

The NFPS represents the consolidated transactions and assets and liabilities of the general government sector and the PNFC sector. In compiling statistics for the NFPS, transactions and debtor-creditor relationships between subsectors are eliminated to avoid double counting as part of a process known as consolidation.

PFCs are bodies primarily engaged in providing financial intermediation services or auxiliary financial services. Generally, they are able to transact in financial liabilities on their own account.

## **Budget reporting**

Under the UPF agreement, all governments are required to present as part of their budget documentation an operating statement, balance sheet and cash flow statement for the general government sector, PNFC sector and the non-financial public sector. In addition, information is also presented on taxes and general government sector expenses by function.

This information is presented in tables B.1 through to B.15 in this appendix.

## **Reporting of outcomes**

Outcomes are presented in final budget outcome documents. In addition to the tables presented at budget time, outcome reporting also contains the accrual financial statements for the PFC sector.

**Table B.1: General government sector operating statement (\$million)**

	2023–24 Budget	2023–24 MYBR	2024–25 Estimate	2025–26 Estimate	2026–27 Estimate
<b>Revenue</b>					
Taxation revenue	5 827	6 055	6 282	6 539	6 814
Grants	15 404	14 995	15 745	16 376	17 144
Sales of goods and services	3 074	3 113	3 220	3 355	3 472
Interest income	403	443	415	382	394
Dividend and income tax equivalent income	248	437	200	205	227
Other	1 647	1 693	1 731	1 793	1 799
<b>Total revenue</b>	<b>26 603</b>	<b>26 736</b>	<b>27 594</b>	<b>28 650</b>	<b>29 850</b>
<b>less Expenses</b>					
Employee expenses	9 870	9 961	10 168	10 520	10 788
Superannuation expenses					
Superannuation interest cost	265	305	296	275	251
Other superannuation expenses	1 121	1 132	1 150	1 187	1 217
Depreciation and amortisation	1 564	1 575	1 659	1 723	1 819
Interest expenses	1 254	1 242	1 444	1 594	1 827
Other property expenses	—	—	—	—	—
Other operating expenses	8 309	8 381	8 831	9 080	9 421
Grants	3 971	3 986	3 769	3 775	3 910
<b>Total expenses</b>	<b>26 353</b>	<b>26 582</b>	<b>27 317</b>	<b>28 154</b>	<b>29 234</b>
<b>equals Net operating balance</b>	<b>250</b>	<b>154</b>	<b>277</b>	<b>496</b>	<b>616</b>
plus Other economic flows	329	725	242	229	306
<b>equals Comprehensive result — total change in net worth</b>	<b>579</b>	<b>879</b>	<b>519</b>	<b>725</b>	<b>922</b>
<b>Fiscal aggregates</b>					
<b>Net operating balance</b>	<b>250</b>	<b>154</b>	<b>277</b>	<b>496</b>	<b>616</b>
<b>less Net acquisition of non-financial assets</b>					
Purchases of non-financial assets	3 788	3 393	4 269	4 465	5 213
less Sales of non-financial assets	128	246	46	40	41
less Depreciation	1 564	1 575	1 659	1 723	1 819
plus Change in inventories	—	—	—	—	—
plus Other movements in non-financial assets	—	—	—	—	—
<b>equals Total net acquisition of non-financial assets</b>	<b>2 096</b>	<b>1 571</b>	<b>2 565</b>	<b>2 702</b>	<b>3 352</b>
<b>equals Net lending / borrowing</b>	<b>-1 846</b>	<b>-1 418</b>	<b>-2 288</b>	<b>-2 206</b>	<b>-2 737</b>
Note: Totals may not add due to rounding.					

**Table B.2: Public non-financial corporations (public trading enterprises) sector operating statement (\$million)**

	2023–24 Budget	2023–24 MYBR	2024–25 Estimate	2025–26 Estimate	2026–27 Estimate
<b>Revenue</b>					
Taxation revenue	—	—	—	—	—
Grants	455	494	455	473	604
Sales of goods and services	1 670	1 752	1 833	1 852	2 170
Interest income	17	27	22	21	20
Dividend and income tax equivalent income	1	1	1	1	1
Other	183	186	186	200	206
<b>Total revenue</b>	<b>2 325</b>	<b>2 460</b>	<b>2 497</b>	<b>2 547</b>	<b>3 000</b>
<b>less Expenses</b>					
Employee expenses	304	310	315	318	325
Superannuation expenses					
Superannuation interest cost	—	—	—	—	—
Other superannuation expenses	40	41	41	42	42
Depreciation and amortisation	567	572	583	587	588
Interest expenses	251	253	311	335	357
Other property expenses	49	62	33	34	43
Other operating expenses	1 268	1 317	1 382	1 385	1 614
Grants	120	115	105	101	100
<b>Total expenses</b>	<b>2 599</b>	<b>2 670</b>	<b>2 771</b>	<b>2 802</b>	<b>3 069</b>
<b>equals Net operating balance</b>	<b>-274</b>	<b>-210</b>	<b>-274</b>	<b>-255</b>	<b>-68</b>
plus Other economic flows	548	521	543	563	518
<b>equals Comprehensive result — total change in net worth</b>	<b>274</b>	<b>310</b>	<b>268</b>	<b>308</b>	<b>450</b>
<b>Fiscal aggregates</b>					
<b>Net operating balance</b>	<b>-274</b>	<b>-210</b>	<b>-274</b>	<b>-255</b>	<b>-68</b>
<b>less Net acquisition of non-financial assets</b>					
Purchases of non-financial assets	1 214	1 363	1 187	1 085	967
less Sales of non-financial assets	192	95	159	289	21
less Depreciation	567	572	583	587	588
plus Change in inventories	87	229	126	-44	-267
plus Other movements in non-financial assets	—	—	—	—	—
<b>equals Total net acquisition of non-financial assets</b>	<b>542</b>	<b>925</b>	<b>571</b>	<b>166</b>	<b>91</b>
<b>equals Net lending / borrowing</b>	<b>-816</b>	<b>-1 136</b>	<b>-845</b>	<b>-421</b>	<b>-159</b>
Note: Totals may not add due to rounding.					

**Table B.3: Non-financial public sector operating statement (\$million)**

	2023–24 Budget	2023–24 MYBR	2024–25 Estimate	2025–26 Estimate	2026–27 Estimate
<b>Revenue</b>					
Taxation revenue	5 575	5 803	6 023	6 271	6 537
Grants	15 403	14 995	15 746	16 381	17 144
Sales of goods and services	4 541	4 655	4 833	4 975	5 395
Interest income	408	458	426	391	403
Dividend and income tax equivalent income	85	148	89	91	84
Other	1 829	1 878	1 916	1 992	2 004
<b>Total revenue</b>	<b>27 842</b>	<b>27 938</b>	<b>29 031</b>	<b>30 100</b>	<b>31 567</b>
<b>less Expenses</b>					
Employee expenses	10 154	10 252	10 463	10 817	11 091
Superannuation expenses					
Superannuation interest cost	265	305	296	275	251
Other superannuation expenses	1 161	1 173	1 191	1 229	1 260
Depreciation and amortisation	2 128	2 144	2 240	2 308	2 406
Interest expenses	1 494	1 483	1 743	1 918	2 173
Other property expenses	—	—	—	—	—
Other operating expenses	9 142	9 257	9 754	9 986	10 534
Grants	3 635	3 607	3 419	3 407	3 406
<b>Total expenses</b>	<b>27 980</b>	<b>28 221</b>	<b>29 106</b>	<b>29 939</b>	<b>31 120</b>
<b>equals Net operating balance</b>	<b>-138</b>	<b>-283</b>	<b>-75</b>	<b>161</b>	<b>447</b>
plus Other economic flows	701	1 164	596	566	491
<b>equals Comprehensive result — total change in net worth</b>	<b>563</b>	<b>881</b>	<b>521</b>	<b>727</b>	<b>938</b>
<b>Fiscal aggregates</b>					
<b>Net operating balance</b>	<b>-138</b>	<b>-283</b>	<b>-75</b>	<b>161</b>	<b>447</b>
<b>less Net acquisition of non-financial assets</b>					
Purchases of non-financial assets	4 960	4 585	5 457	5 550	6 180
less Sales of non-financial assets	284	178	205	329	62
less Depreciation	2 128	2 144	2 240	2 308	2 406
plus Change in inventories	87	229	126	-44	-267
plus Other movements in non-financial assets	—	—	—	—	—
<b>equals Total net acquisition of non-financial assets</b>	<b>2 635</b>	<b>2 493</b>	<b>3 138</b>	<b>2 870</b>	<b>3 445</b>
<b>equals Net lending / borrowing</b>	<b>-2 773</b>	<b>-2 775</b>	<b>-3 213</b>	<b>-2 709</b>	<b>-2 998</b>
Note: Totals may not add due to rounding.					



**Table B.4: General government sector balance sheet (\$million)**

	2023–24 Budget	2023–24 MYBR	2024–25 Estimate	2025–26 Estimate	2026–27 Estimate
<b>Assets</b>					
Financial assets					
Cash and deposits	11 072	10 858	11 248	11 611	11 955
Advances paid	257	153	208	270	298
Investments, loans and placements	678	736	1 055	1 053	1 049
Receivables	2 833	2 343	2 433	2 522	2 613
Equity					
Investments in other public sector entities	20 464	20 897	21 279	21 448	21 617
Other equity investments	101	108	108	108	108
Other financial assets	—	—	—	—	—
<b>Total financial assets</b>	<b>35 405</b>	<b>35 095</b>	<b>36 331</b>	<b>37 012</b>	<b>37 641</b>
Non-financial assets					
Land and other fixed assets	64 302	67 720	70 326	73 070	76 464
Other non-financial assets	124	126	124	123	123
<b>Total non-financial assets</b>	<b>64 427</b>	<b>67 845</b>	<b>70 450</b>	<b>73 194</b>	<b>76 587</b>
<b>Total assets</b>	<b>99 832</b>	<b>102 941</b>	<b>106 781</b>	<b>110 206</b>	<b>114 228</b>
<b>Liabilities</b>					
Deposits held	399	258	233	351	359
Advances received	—	—	—	—	—
Borrowing	31 900	31 036	34 688	37 565	41 018
Superannuation	6 598	6 486	6 055	5 567	5 023
Other employee benefits	3 163	3 108	3 251	3 418	3 581
Payables	1 600	1 596	1 602	1 614	1 621
Other liabilities	3 426	3 657	3 633	3 647	3 661
<b>Total liabilities</b>	<b>47 086</b>	<b>46 142</b>	<b>49 463</b>	<b>52 163</b>	<b>55 263</b>
<b>Net Worth</b>	<b>52 746</b>	<b>56 799</b>	<b>57 318</b>	<b>58 043</b>	<b>58 965</b>
<b>Fiscal Aggregates</b>					
Net financial worth (a)	-11 681	-11 046	-13 132	-15 150	-17 622
Net financial liabilities	32 145	31 943	34 411	36 599	39 240
Net debt (b)	20 293	19 547	22 410	24 982	28 074
Note: Totals may not add due to rounding.					
(a) Net financial worth equals total financial assets minus total liabilities.					
(b) Net debt equals the sum of deposits held, advances received and borrowing, minus the sum of cash and deposits, advances paid, and investments, loans and placements.					

**Table B.5: Public non-financial corporations (public trading enterprises) sector balance sheet (\$million)**

	2023–24 Budget	2023–24 MYBR	2024–25 Estimate	2025–26 Estimate	2026–27 Estimate
<b>Assets</b>					
Financial assets					
Cash and deposits	268	221	202	325	338
Advances paid	18	22	22	22	22
Investments, loans and placements	37	33	33	33	33
Receivables	486	404	395	397	398
Equity					
Investments in other public sector entities	—	—	—	—	—
Other equity investments	10	11	11	11	11
Other financial assets	0	0	0	0	0
<b>Total financial assets</b>	<b>819</b>	<b>691</b>	<b>663</b>	<b>788</b>	<b>803</b>
Non-financial assets					
Land and other fixed assets	28 815	28 586	29 828	30 664	31 381
Other non-financial assets	101	120	114	108	102
<b>Total non-financial assets</b>	<b>28 916</b>	<b>28 706</b>	<b>29 942</b>	<b>30 772</b>	<b>31 483</b>
<b>Total assets</b>	<b>29 736</b>	<b>29 397</b>	<b>30 605</b>	<b>31 561</b>	<b>32 286</b>
<b>Liabilities</b>					
Deposits held	3	2	2	2	3
Advances received	—	—	—	—	—
Borrowing	9 191	9 179	9 775	10 271	10 510
Superannuation	—	—	—	—	—
Other employee benefits	95	87	91	95	100
Payables	468	335	335	334	333
Other liabilities	1 517	934	1 022	1 105	1 166
<b>Total liabilities</b>	<b>11 275</b>	<b>10 537</b>	<b>11 224</b>	<b>11 808</b>	<b>12 113</b>
<b>Net Worth</b>	<b>18 461</b>	<b>18 860</b>	<b>19 381</b>	<b>19 753</b>	<b>20 173</b>
<b>Fiscal Aggregates</b>					
Net financial worth (a)	-10 456	-9 846	-10 561	-11 020	-11 310
Net financial liabilities	10 456	9 846	10 561	11 020	11 310
Net debt (b)	8 872	8 905	9 520	9 894	10 120

Note: Totals may not add due to rounding.  
(a) Net financial worth equals total financial assets minus total liabilities.  
(b) Net debt equals the sum of deposits held, advances received and borrowing, minus the sum of cash and deposits, advances paid, and investments, loans and placements.

**Table B.6: Non-financial public sector balance sheet (\$million)**

	2023–24 Budget	2023–24 MYBR	2024–25 Estimate	2025–26 Estimate	2026–27 Estimate
<b>Assets</b>					
Financial assets					
Cash and deposits	11 139	11 017	11 415	11 786	12 137
Advances paid	275	174	230	292	319
Investments, loans and placements	546	602	933	944	954
Receivables	1 780	1 813	1 812	1 821	1 830
Equity					
Investments in other public sector entities	1 986	2 037	1 898	1 695	1 459
Other equity investments	112	119	119	119	119
Other financial assets	0	0	0	0	0
<b>Total financial assets</b>	<b>15 837</b>	<b>15 763</b>	<b>16 407</b>	<b>16 657</b>	<b>16 820</b>
Non-financial assets					
Land and other fixed assets	93 038	96 302	100 153	103 734	107 847
Other non-financial assets	131	138	130	124	118
<b>Total non-financial assets</b>	<b>93 168</b>	<b>96 439</b>	<b>100 282</b>	<b>103 858</b>	<b>107 965</b>
<b>Total assets</b>	<b>109 005</b>	<b>112 203</b>	<b>116 690</b>	<b>120 515</b>	<b>124 784</b>
<b>Liabilities</b>					
Deposits held	197	195	196	196	197
Advances received	—	—	—	—	—
Borrowing	40 836	40 045	44 306	47 695	51 402
Superannuation	6 598	6 486	6 055	5 567	5 023
Other employee benefits	3 258	3 196	3 343	3 513	3 681
Payables	1 994	1 850	1 854	1 864	1 870
Other liabilities	3 384	3 630	3 613	3 630	3 623
<b>Total liabilities</b>	<b>56 266</b>	<b>55 401</b>	<b>59 367</b>	<b>62 466</b>	<b>65 797</b>
<b>Net Worth</b>	<b>52 739</b>	<b>56 802</b>	<b>57 323</b>	<b>58 050</b>	<b>58 988</b>
<b>Fiscal Aggregates</b>					
Net financial worth (a)	-40 429	-39 638	-42 960	-45 809	-48 977
Net financial liabilities	42 415	41 675	44 858	47 504	50 436
Net debt (b)	29 074	28 447	31 924	34 870	38 188
Note: Totals may not add due to rounding.					
(a) Net financial worth equals total financial assets minus total liabilities.					
(b) Net debt equals the sum of deposits held, advances received and borrowing, minus the sum of cash and deposits, advances paid, and investments, loans and placements.					

**Table B.7: General government sector cash flow statement (\$million)**

	2023–24 Budget	2023–24 MYBR	2024–25 Estimate	2025–26 Estimate	2026–27 Estimate
<b>Cash receipts from operating activities</b>					
Taxes received	5 795	6 087	6 271	6 528	6 801
Receipts from sales of goods and services	2 973	3 011	3 126	3 260	3 374
Grants and subsidies received	15 389	15 117	15 711	16 376	17 143
Interest receipts	382	426	396	361	373
Dividends and income tax equivalents	274	511	226	231	253
Other receipts	1 670	1 720	1 751	1 789	1 797
<b>Total operating receipts</b>	<b>26 483</b>	<b>26 872</b>	<b>27 481</b>	<b>28 545</b>	<b>29 742</b>
<b>Cash payments for operating activities</b>					
Payments to employees	-11 470	-11 592	-11 824	-12 212	-12 539
Purchases of goods and services	-6 141	-6 167	-6 660	-6 838	-7 115
Grants and subsidies paid	-3 965	-3 981	-3 764	-3 769	-3 904
Interest paid	-1 228	-1 216	-1 421	-1 574	-1 814
Other payments	-2 075	-2 137	-2 101	-2 164	-2 231
<b>Total operating payments</b>	<b>-24 880</b>	<b>-25 092</b>	<b>-25 769</b>	<b>-26 557</b>	<b>-27 603</b>
<b>Net cash flows from operating activities</b>	<b>1 603</b>	<b>1 780</b>	<b>1 712</b>	<b>1 988</b>	<b>2 139</b>
<b>Net cash flows from investments in non-financial assets</b>					
Sales of non-financial assets	36	154	13	7	7
Purchases of non-financial assets	-3 510	-3 049	-4 076	-4 342	-5 019
<b>Net cash flows from investment in non-financial assets</b>	<b>-3 474</b>	<b>-2 895</b>	<b>-4 063</b>	<b>-4 335</b>	<b>-5 013</b>
<b>Net cash flows from investments in financial assets for policy purposes (a)</b>	<b>-397</b>	<b>-458</b>	<b>-382</b>	<b>-197</b>	<b>-85</b>
<b>Net cash flows from investments in financial assets for liquidity purposes</b>	<b>-12</b>	<b>-12</b>	<b>-332</b>	<b>10</b>	<b>10</b>
<b>Net cash flow from financing activities</b>					
Advances received (net)	—	—	—	—	—
Borrowing (net)	2 959	1 725	3 480	2 778	3 284
Deposits received (net)	-66	-270	-25	118	8
Dividends paid	—	—	—	—	—
Other financing (net)	—	—	—	—	—
<b>Net cash flows from financing activities</b>	<b>2 893</b>	<b>1 454</b>	<b>3 455</b>	<b>2 896</b>	<b>3 292</b>
<b>Net increase/(decrease) in cash held</b>	<b>613</b>	<b>-131</b>	<b>390</b>	<b>363</b>	<b>344</b>
<b>Fiscal Aggregates</b>					
Net cash flows from operating activities	1 603	1 780	1 712	1 988	2 139
Net cash flows from investments in non-financial assets	-3 474	-2 895	-4 063	-4 335	-5 013
Dividends paid	—	—	—	—	—
<b>Cash surplus / (deficit)</b>	<b>-1 871</b>	<b>-1 115</b>	<b>-2 351</b>	<b>-2 347</b>	<b>-2 874</b>
Note: Totals may not add due to rounding.					
(a) Includes equity acquisitions and disposals.					

**Table B.8: Public non-financial corporations (public trading enterprises) sector cash flow statement (\$million)**

	2023–24 Budget	2023–24 MYBR	2024–25 Estimate	2025–26 Estimate	2026–27 Estimate
<b>Cash receipts from operating activities</b>					
Taxes received	—	—	—	—	—
Receipts from sales of goods and services	1 645	1 728	1 805	1 819	2 137
Grants and subsidies received	455	494	455	473	604
Interest receipts	9	17	9	10	10
Dividends and income tax equivalents	1	1	1	1	1
Other receipts	181	142	201	210	216
<b>Total operating receipts</b>	<b>2 292</b>	<b>2 382</b>	<b>2 472</b>	<b>2 513</b>	<b>2 968</b>
<b>Cash payments for operating activities</b>					
Payments to employees	-340	-347	-353	-356	-363
Purchases of goods and services	-1 005	-1 193	-1 135	-950	-935
Grants and subsidies paid	-120	-115	-105	-101	-100
Interest paid	-354	-359	-428	-462	-496
Other payments	-311	-361	-303	-312	-328
<b>Total operating payments</b>	<b>-2 130</b>	<b>-2 375</b>	<b>-2 324</b>	<b>-2 181</b>	<b>-2 222</b>
<b>Net cash flows from operating activities</b>	<b>161</b>	<b>7</b>	<b>148</b>	<b>332</b>	<b>746</b>
<b>Net cash flows from investments in non-financial assets</b>					
Sales of non-financial assets	192	95	159	289	21
Purchases of non-financial assets	-1 154	-1 302	-1 164	-1 062	-942
<b>Net cash flows from investment in non-financial assets</b>	<b>-962</b>	<b>-1 208</b>	<b>-1 005</b>	<b>-773</b>	<b>-922</b>
<b>Net cash flows from investments in financial assets for policy purposes (a)</b>	<b>-9</b>	<b>-6</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Net cash flows from investments in financial assets for liquidity purposes</b>	<b>7</b>	<b>9</b>	<b>12</b>	<b>10</b>	<b>9</b>
<b>Net cash flow from financing activities</b>					
Advances received (net)	346	437	332	145	72
Borrowing (net)	487	693	577	488	208
Deposits received (net)	—	—	—	—	—
Dividends paid	-115	-227	-79	-81	-101
Other financing (net)	—	—	—	—	—
<b>Net cash flows from financing activities</b>	<b>719</b>	<b>903</b>	<b>830</b>	<b>553</b>	<b>179</b>
<b>Net increase/(decrease) in cash held</b>	<b>-84</b>	<b>-294</b>	<b>-14</b>	<b>123</b>	<b>13</b>
<b>Fiscal Aggregates</b>					
Net cash flows from operating activities	161	7	148	332	746
Net cash flows from investments in non-financial assets	-962	-1 208	-1 005	-773	-922
Dividends paid	-115	-227	-79	-81	-101
<b>Cash surplus / (deficit)</b>	<b>-916</b>	<b>-1 428</b>	<b>-935</b>	<b>-522</b>	<b>-277</b>

Note: Totals may not add due to rounding.

(a) Includes equity acquisitions and disposals.

**Table B.9: Non-financial public sector cash flow statement (\$million)**

	2023–24 Budget	2023–24 MYBR	2024–25 Estimate	2025–26 Estimate	2026–27 Estimate
<b>Cash receipts from operating activities</b>					
Taxes received	5 544	5 835	6 011	6 259	6 525
Receipts from sales of goods and services	4 418	4 532	4 713	4 848	5 265
Grants and subsidies received	15 388	15 117	15 712	16 380	17 143
Interest receipts	380	431	394	359	372
Dividends and income tax equivalents	85	161	89	91	84
Other receipts	1 849	1 860	1 951	1 998	2 012
<b>Total operating receipts</b>	<b>27 664</b>	<b>27 936</b>	<b>28 869</b>	<b>29 936</b>	<b>31 401</b>
<b>Cash payments for operating activities</b>					
Payments to employees	-11 791	-11 920	-12 156	-12 547	-12 879
Purchases of goods and services	-7 064	-7 274	-7 710	-7 700	-7 961
Grants and subsidies paid	-3 630	-3 601	-3 413	-3 401	-3 400
Interest paid	-1 468	-1 457	-1 720	-1 897	-2 159
Other payments	-2 063	-2 125	-2 088	-2 152	-2 219
<b>Total operating payments</b>	<b>-26 016</b>	<b>-26 377</b>	<b>-27 088</b>	<b>-27 697</b>	<b>-28 618</b>
<b>Net cash flows from operating activities</b>	<b>1 647</b>	<b>1 558</b>	<b>1 781</b>	<b>2 239</b>	<b>2 783</b>
<b>Net cash flows from investments in non-financial assets</b>					
Sales of non-financial assets	228	122	172	296	27
Purchases of non-financial assets	-4 664	-4 225	-5 239	-5 404	-5 962
<b>Net cash flows from investment in non-financial assets</b>	<b>-4 436</b>	<b>-4 103</b>	<b>-5 067</b>	<b>-5 108</b>	<b>-5 934</b>
<b>Net cash flows from investments in financial assets for policy purposes (a)</b>	<b>-72</b>	<b>-39</b>	<b>-61</b>	<b>-63</b>	<b>-26</b>
<b>Net cash flows from investments in financial assets for liquidity purposes</b>	<b>-5</b>	<b>-3</b>	<b>-321</b>	<b>20</b>	<b>19</b>
<b>Net cash flow from financing activities</b>					
Advances received (net)	—	—	—	—	—
Borrowing (net)	3 460	2 432	4 071	3 282	3 508
Deposits received (net)	—	—	—	—	—
Dividends paid	—	—	—	—	—
Other financing (net)	—	—	—	—	—
<b>Net cash flows from financing activities</b>	<b>3 461</b>	<b>2 433</b>	<b>4 071</b>	<b>3 282</b>	<b>3 509</b>
<b>Net increase/(decrease) in cash held</b>	<b>595</b>	<b>-154</b>	<b>403</b>	<b>370</b>	<b>351</b>
<b>Fiscal Aggregates</b>					
Net cash flows from operating activities	1 647	1 558	1 781	2 239	2 783
Net cash flows from investments in non-financial assets	-4 436	-4 103	-5 067	-5 108	-5 934
Dividends paid	—	—	—	—	—
<b>Cash surplus / (deficit)</b>	<b>-2 789</b>	<b>-2 545</b>	<b>-3 286</b>	<b>-2 869</b>	<b>-3 151</b>

Note: Totals may not add due to rounding.  
(a) Includes equity acquisitions and disposals.

Table B.10: General government sector taxes (\$million)

	2023–24 Budget	2023–24 MYBR	2024–25 Estimate	2025–26 Estimate	2026–27 Estimate
<b>Taxes on employers' payroll and labour force</b>	<b>1 685</b>	<b>1 771</b>	<b>1 864</b>	<b>1 958</b>	<b>2 062</b>
<b>Taxes on property</b>					
Land taxes	706	715	736	756	778
Other	265	281	296	306	314
<b>Total</b>	<b>971</b>	<b>996</b>	<b>1 032</b>	<b>1 062</b>	<b>1 092</b>
<b>Taxes on the provision of goods and services</b>					
Excises and levies	—	—	—	—	—
Taxes on gambling	605	605	612	622	632
Taxes on insurance	633	632	658	686	716
Stamp duties on financial and capital transactions	1 092	1 201	1 246	1 319	1 396
<b>Total</b>	<b>2 330</b>	<b>2 439</b>	<b>2 516</b>	<b>2 627</b>	<b>2 743</b>
<b>Taxes on use of goods and performance of activities</b>					
Motor vehicle taxes	841	850	870	893	917
Other	—	—	—	—	—
<b>Total</b>	<b>841</b>	<b>850</b>	<b>870</b>	<b>893</b>	<b>917</b>
<b>Total taxation revenue</b>	<b>5 827</b>	<b>6 055</b>	<b>6 282</b>	<b>6 539</b>	<b>6 814</b>
Note: Totals may not add due to rounding.					

**Table B.11(part a): General government sector grant revenue (\$million)**

	2023–24 Budget	2023–24 MYBR	2024–25 Estimate	2025–26 Estimate	2026–27 Estimate
<b>Current grant revenue</b>					
Current grants from the Commonwealth					
General purpose grants	8 788	8 582	8 907	9 237	9 264
National partnership grants	420	511	275	288	188
National partnership grants for on-passing	197	37	240	248	236
Specific purpose grants	2 758	2 758	2 857	3 009	3 146
Specific purpose grants for on-passing	1 466	1 466	1 542	1 606	1 669
Other grants	546	603	564	568	573
Total current grants from the Commonwealth	14 176	13 957	14 384	14 955	15 075
Other contributions and grants	146	153	144	143	141
<b>Total current grant revenue</b>	<b>14 322</b>	<b>14 110</b>	<b>14 528</b>	<b>15 098</b>	<b>15 215</b>
<b>Capital grant revenue</b>					
Capital grants from the Commonwealth					
General purpose grants	—	—	—	—	—
National partnership grants	927	709	1 069	1 147	1 796
National partnership grants for on-passing	—	—	—	—	—
Specific purpose grants	120	120	118	120	122
Specific purpose grants for on-passing	—	—	—	—	—
Other capital grants	11	31	25	7	5
Total capital grants from the Commonwealth	1 058	860	1 213	1 274	1 923
Other contributions and grants	24	24	5	5	5
<b>Total capital grant revenue</b>	<b>1 082</b>	<b>884</b>	<b>1 218</b>	<b>1 279</b>	<b>1 928</b>
<b>Total grant revenue</b>	<b>15 404</b>	<b>14 995</b>	<b>15 745</b>	<b>16 376</b>	<b>17 144</b>
Note: Totals may not add due to rounding.					



**Table B.11(part b): General government sector grant expense (\$million)**

	2023–24 Budget	2023–24 MYBR	2024–25 Estimate	2025–26 Estimate	2026–27 Estimate
<b>Current grant expense</b>					
State/territory government	8	8	1	1	1
Local government	128	185	81	75	86
Local government on-passing	194	40	236	243	229
Private and not-for-profit sector	957	1 071	974	919	867
Private and not-for-profit sector on-passing	1 470	1 466	1 548	1 612	1 675
Grants to other sectors of government	408	448	406	418	551
Other	724	678	466	438	432
<b>Total current grant expense</b>	<b>3 887</b>	<b>3 895</b>	<b>3 711</b>	<b>3 706</b>	<b>3 841</b>
<b>Capital grant expense</b>					
State/territory government	—	—	—	—	—
Local government	—	—	—	—	—
Local government on-passing	—	—	—	—	—
Private and not-for-profit sector	84	92	59	69	69
Private and not-for-profit sector on-passing	—	—	—	—	—
<b>Total capital grant expense</b>	<b>84</b>	<b>92</b>	<b>59</b>	<b>69</b>	<b>69</b>
<b>Total grant expense</b>	<b>3 971</b>	<b>3 986</b>	<b>3 769</b>	<b>3 775</b>	<b>3 910</b>
Note: Totals may not add due to rounding.					

**Table B.12: General government sector dividend and income tax equivalent income (\$million)**

	2023–24 Budget	2023–24 MYBR	2024–25 Estimate	2025–26 Estimate	2026–27 Estimate
Dividend and income tax equivalent income from PNFC sector	164	289	112	115	144
Dividend and income tax equivalent income from PFC sector	84	147	87	90	82
Other dividend income	1	1	1	1	1
<b>Total dividend and income tax equivalent income</b>	<b>248</b>	<b>437</b>	<b>200</b>	<b>205</b>	<b>227</b>

Note: Totals may not add due to rounding.

**Table B.13: Movement in general government net worth (\$million)**

	2023-24 Budget	2023-24 MYBR	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
<b>Net worth at beginning of year</b>	<b>52 167</b>	<b>55 920</b>	<b>56 799</b>	<b>57 318</b>	<b>58 043</b>
Prior period adjustments	—	—	—	—	—
<b>Restated net worth at beginning of year</b>	<b>52 167</b>	<b>55 920</b>	<b>56 799</b>	<b>57 318</b>	<b>58 043</b>
<b>Change in net worth from operating transactions</b>					
Net operating balance	250	154	277	496	616
<b>Change in net worth from other economic flows</b>					
Movement in net assets of PFCs <sup>(a)</sup>	-53	-187	-139	-203	-241
Movement in net assets of PNFCs <sup>(a)</sup>	284	190	297	334	441
Revaluation of unfunded superannuation liability <sup>(b)</sup>	203	821	196	210	221
Revaluation of long service leave liability	-104	-104	-105	-107	-108
Revaluation of annual leave liability	-17	-17	-17	-17	-17
Revaluation of workers compensation liability	-17	-17	-17	-17	-17
Revaluation of non-financial assets	41	41	41	41	41
Other revaluation adjustments	-10	-3	-13	-13	-13
<b>Total other economic flows</b>	<b>329</b>	<b>725</b>	<b>242</b>	<b>229</b>	<b>306</b>
<b>Net worth at year end</b>	<b>52 746</b>	<b>56 799</b>	<b>57 318</b>	<b>58 043</b>	<b>58 965</b>

Note: Totals may not add due to rounding.

(a) Net of equity injections from, and the return of equity to, the general government sector. Total also includes the net impact from the principles of tax effect accounting.

(b) 2023–24 change represents the revaluation difference from 30 June 2023 liability.

## Classifications of the functions of government

The following tables classify and present General Government expenses and capital expenditure in terms of the Government purpose (e.g. health, education, economic affairs etc) in accordance with the *Classification of the Functions of Government – Australia (COFOG-A)*. The COFOG-A is the classification framework which was introduced by the Australian Bureau of Statistics from 1 July 2017. Expenditure classified under this framework may be classified differently than agency expenditure totals.

**Table B.14: General government sector expenses by function (\$million)<sup>(a)</sup>**

	2023-24 MYBR	2023-24 MYBR % of total	Sustainable Development Goal & Target <sup>(c)</sup>
<b>General public services</b>			
Executive and legislative organs, financial and fiscal affairs, external affairs	477		16.6
Foreign economic aid	—		
General services	188		16.6
Basic research	—		
Research and development — general public services	—		
Public debt transactions	1 547		16.6
Transfers of a general character between different levels of government	110		16.6
General public services not elsewhere classified	18		16.6
<b>Total General public services</b>	<b>2 341</b>	<b>8.8%</b>	
<b>Defence<sup>(b)</sup></b>	<b>—</b>		
<b>Public order and safety</b>			
Police services	1 033		16.1-16.3
Civil and fire protection services	406		13.1
Law courts	444		16.3
Prisons	445		16.6
Research and development — public order and safety	—		
Public order and safety not elsewhere classified	29		16
<b>Total Public order and safety</b>	<b>2 356</b>	<b>8.9%</b>	
<b>Economic affairs</b>			
General economic, commercial and labour affairs	219		8.1
Agriculture, forestry, fishing and hunting	167		14.2, 15.2, 2.4
Fuel and energy	134		13.2, 7.1, 7.2
Mining, manufacturing and construction	33		12.2
Communication	98		9.c
Other industries	141		8.1
Research and development — economic affairs	82		9.5
Economic affairs not elsewhere classified	—		
<b>Total Economic affairs</b>	<b>873</b>	<b>3.3%</b>	

	2023-24 MYBR	2023-24 MYBR % of total	Sustainable Development Goal & Target <sup>(c)</sup>
<b>Environmental protection</b>			
Waste management	3		11.6
Waste water management	6		11.6
Pollution abatement	105		3.9, 12.5
Protection of biodiversity and landscape	398		15.5
Research and development — environmental protection	—		
Environmental protection not elsewhere classified	—		
<b>Total Environmental protection</b>	<b>512</b>	<b>1.9%</b>	
<b>Housing and community amenities</b>			
Housing development	29		11.1
Community development	184		11.3
Water supply	162		6.4
Street lighting	—		
Research and development — housing and community amenities	—		
Housing and community amenities not elsewhere classified	—		
<b>Total Housing and community amenities</b>	<b>374</b>	<b>1.4%</b>	
<b>Health</b>			
Medical products, appliances and equipment	119		3.8
Outpatient services	618		3.8
Hospital services	5 484		3.8
Mental health institutions	57		3.4
Community health services	894		3.8
Public health services	684		3.8
Research and development — health	66		3.b
Health not elsewhere classified	157		3.8
<b>Total Health</b>	<b>8 079</b>	<b>30.4%</b>	
<b>Recreation, culture and religion</b>			
Recreational and sporting services	732		11
Cultural services	282		11.4
Broadcasting and publishing services	—		
Religious and other community services	—		
Research and development — recreation, culture and religion	—		
Recreation, culture and religion not elsewhere classified	11		11
<b>Total Recreation, culture and religion</b>	<b>1 026</b>	<b>3.9%</b>	

	2023-24 MYBR	2023-24 MYBR % of total	Sustainable Development Goal & Target <sup>(c)</sup>
<b>Education</b>			
Pre-primary and primary education	3 191		4.2
Secondary education	2 656		4.2
Tertiary education	478		4.3
Education not definable by level	3		4
Subsidiary services to education	56		4
Research and development — education	—		
Education not elsewhere classified	8		4.a
<b>Total Education</b>	<b>6 392</b>	<b>24.0%</b>	
<b>Social protection</b>			
Sickness and disability	926		8.8
Old age	158		10.2
Survivors	2		
Family and children	824		5.4, 1.4, 1.5
Unemployment	—		
Housing	174		
Social exclusion not elsewhere classified	465		10.2
Research and development — social protection	—		
Social protection not elsewhere classified	69		13.1, 1.5
<b>Total Social protection</b>	<b>2 617</b>	<b>9.8%</b>	
<b>Transport</b>			
Road transport	1 380		9.1, 11.2
Bus transport	330		11.2
Water transport	23		9.1
Railway transport	238		11.2
Air transport	—		9.1
Multi-mode urban transport	40		9.1
Pipeline and other transport	—		
Research and development — transport	—		
Transport not elsewhere classified	1		9.1
<b>Total Transport</b>	<b>2 012</b>	<b>7.6%</b>	
<b>Total Expenses</b>	<b>26 582</b>	<b>100%</b>	












Note: Totals may not add due to rounding.

- (a) Expenses by function data is derived from information submitted by government departments and agencies. The processes for deriving this data are subject to ongoing refinements. Consequently the data may be subject to future revisions.
- (b) The ABS defines 'defence' as expenditure on military and civil defence affairs, foreign military aid and defence research. The expenditure of Defence SA is included in 'Economic affairs'.
- (c) This denotes a material alignment of the expenses by function data to a United Nations Sustainable Development Goal (SDG) or SDG target. Where there are no expenses by function for the MYBR, no alignment has been presented. There are a total of 17 SDGs. <https://sdgs.un.org/goals>. Not all SDGs have been aligned with the expenses by function data.













**Table B.15: General government sector capital expenditure by function (\$million)<sup>(a)</sup>**

	2023–24 MYBR	Sustainable Development Goal & Target <sup>(c)</sup>
General public services	55	16.6
Defence <sup>(b)</sup>	—	
Public order and safety	350	16.1-16.3, 16.6
Economic affairs	211	8.1, 2.4, 13.2, 7.1, 7.2, 9.c
Environmental protection	97	15.5
Housing and community amenities	76	11.3, 6.4
Health	572	3.8
Recreation, culture and religion	178	11, 11.4
Education	320	4.2, 4.3
Social protection	17	1.4, 1.5
Transport	1 517	9.1, 11.2
<b>Total capital expenditure</b>	<b>3 393</b>	
<p>(a) Expenses by function data is derived from information submitted by government departments and agencies. The processes for deriving this data are subject to ongoing refinements. Consequently the data may be subject to future revisions.</p> <p>(b) The ABS defines 'defence' as expenditure on military and civil defence affairs, foreign military aid and defence research. The expenditure of Defence SA is included in 'Economic affairs'.</p> <p>(c) This denotes a material alignment of the expenses by function data to a United Nations Sustainable Development Goal (SDG) or SDG target. Where there are no expenses by function for the MYBR, no alignment has been presented. There are a total of 17 SDGs. <a href="https://sdgs.un.org/goals">https://sdgs.un.org/goals</a>. Not all SDGs have been aligned with the expenses by function data.</p>		

**Table B.16: General government sector expenses by function**

	<b>Sustainable Development Goal Definition</b>	<b>Primary SDG</b>	<b>Secondary SDGs</b>
<b>General public services</b>	<b>Goal 16.</b> Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels		
<b>Public order and safety</b>	<b>Goal 16.</b> Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels		
	<b>Goal 13.</b> Take urgent action to combat climate change and its impacts		
<b>Economic affairs</b>	<b>Goal 8.</b> Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all		
	<b>Goal 14.</b> Conserve and sustainably use the oceans, seas and marine resources for sustainable development		
	<b>Goal 13.</b> Take urgent action to combat climate change and its impacts		
	<b>Goal 15.</b> Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss		
	<b>Goal 2.</b> End hunger, achieve food security and improved nutrition and promote sustainable agriculture		
	<b>Goal 7.</b> Ensure access to affordable, reliable, sustainable and modern energy for all		
<b>Environmental protection</b>	<b>Goal 15.</b> Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss		
	<b>Goal 3.</b> Ensure healthy lives and promote well-being for all at all ages		



	Sustainable Development Goal Definition	Primary SDG	Secondary SDGs
	<b>Goal 12.</b> Ensure sustainable consumption and production patterns		<b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION 
<b>Housing and community amenities</b>	<b>Goal 11.</b> Make cities and human settlements inclusive, safe, resilient and sustainable	<b>11</b> SUSTAINABLE CITIES AND COMMUNITIES 	
	<b>Goal 6.</b> Ensure availability and sustainable management of water and sanitation for all		<b>6</b> CLEAN WATER AND SANITATION 
<b>Health</b>	<b>Goal 3.</b> Ensure healthy lives and promote well-being for all at all ages	<b>3</b> GOOD HEALTH AND WELL-BEING 	
<b>Recreation, culture and religion</b>	<b>Goal 11.</b> Make cities and human settlements inclusive, safe, resilient and sustainable	<b>11</b> SUSTAINABLE CITIES AND COMMUNITIES 	
<b>Education</b>	<b>Goal 4.</b> Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	<b>4</b> QUALITY EDUCATION 	
<b>Social protection</b>	<b>Goal 8.</b> Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	<b>8</b> DECENT WORK AND ECONOMIC GROWTH 	
	<b>Goal 5.</b> Achieve gender equality and empower all women and girls		<b>5</b> GENDER EQUALITY 
	<b>Goal 10.</b> Reduce inequality within and among countries		<b>10</b> REDUCED INEQUALITIES 
	<b>Goal 1.</b> End poverty in all its forms everywhere		<b>1</b> NO POVERTY 
<b>Transport</b>	<b>Goal 11.</b> Make cities and human settlements inclusive, safe, resilient and sustainable	<b>11</b> SUSTAINABLE CITIES AND COMMUNITIES 	
	<b>Goal 9.</b> Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation		<b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE 

Following a mapping exercise, the information above presents an alignment of the general government sector expenditure using Classification of the Functions of Government – Australia (COFOG-A) codes with the United Nations Sustainable Development Goals (SDGs). The alignment with a primary or secondary SDG does not indicate that all expenditure within the COFOG-A group or division directly aligns to the SDG presented. The alignment against a primary SDG is an alignment of the largest amount of expenditure by function in the COFOG-A division. The alignment against a secondary SDG indicates material expenditure by function in the COFOG-A division.

Whilst noting SDGs are not mutually exclusive, the interlinked nature of an SDG to another has not been considered for this alignment, with the expenditure aligned to the most compatible SDG, as determined qualitatively.

*The content of this publication has not been approved by the United Nations and does not reflect the views of the United Nations or its officials. <https://sdgs.un.org/goals>*

## ***Appendix C: General government and non-financial public sector financial statistics time series***

The following tables provide historical data on key fiscal aggregates. Data provided (excluding the unfunded superannuation liability) is sourced for 1998-99 from *Australian Bureau of Statistics Government Finance Statistics 2007-08* (catalogue number 5512.0) and for 1999-2000 to 2022-23 from budget outcome publications for South Australia.

Real-growth calculations using Gross State Product (GSP) and Consumer Price Index (CPI) data up to 2022-23 is sourced from the latest Australian Bureau of Statistics (ABS) publications.

As historical data in this time series has not been back-cast to reflect classification and accounting changes, care must be taken in interpreting the data.

## General government

**Table C.1: General government key operating statement aggregates**

	Revenue			Expenses			Net operating balance \$m	Net acquisition of non-financial assets \$m	Net lending \$m
	\$m	% real growth	% GSP	\$m	% real growth	% GSP			
1998-99	7 290		16.5	7 505		17.0	-215	19	-233
1999-2000	7 644	2.3	16.4	7 974	3.6	17.2	-330	140	-471
2000-01	8 108	3.0	16.3	8 406	2.4	16.9	-297	102	-399
2001-02	8 538	2.1	15.8	8 713	0.5	16.1	-174	-50	-124
2002-03	9 346	5.2	16.3	8 898	-1.8	15.5	448	34	414
2003-04	9 955	3.4	16.5	9 570	4.4	15.8	385	-38	424
2004-05	10 592	3.9	16.8	10 368	5.8	16.5	224	105	119
2005-06	11 242	2.9	16.9	11 040	3.3	16.6	202	119	83
2006-07	11 757	1.9	16.6	11 547	1.9	16.3	209	139	71
2007-08	12 879	6.1	16.8	12 414	4.1	16.2	464	242	222
2008-09	13 531	1.9	16.8	13 764	7.5	17.1	-233	639	-872
2009-10 <sup>(a)</sup>	15 534	12.3	18.4	15 347	9.1	18.2	187	1 279	-1 092
2010-11 <sup>(a)</sup>	15 017	-6.3	16.5	15 069	-4.9	16.6	-53	1 370	-1 422
2011-12	15 905	3.2	17.1	16 164	4.5	17.4	-258	839	-1 098
2012-13	15 333	-5.5	16.2	16 282	-1.3	17.2	-948	55	-1 003
2013-14	15 343	-2.4	15.8	16 415	-1.7	17.0	-1 071	661	-1 733
2014-15	16 549	6.2	16.8	16 738	0.4	17.0	-189	-78	-111
2015-16	17 362	4.0	17.5	17 062	1.1	17.2	300	204	96
2016-17	18 480	4.8	18.1	18 037	4.1	17.6	443	2 814	-2 371
2017-18	19 344	2.3	18.3	19 657	6.6	18.6	-313	665	-977
2018-19	20 514	4.4	18.7	20 225	1.3	18.5	289	638	-348
2019-20 <sup>(b)(c)</sup>	20 332	-2.6	18.4	21 817	6.0	19.7	-1 485	759	-2 244
2020-21 <sup>(c)</sup>	21 638	4.9	18.2	22 200	0.3	18.7	-563	1 204	-1 766
2021-22	23 711	5.1	18.3	24 540	6.0	19.0	-829	1 412	-2 242
2022-23	25 408	-0.7	17.9	25 367	-4.2	17.9	41	1 256	-1 215
2023-24	26 736	0.5	17.9	26 582	0.0	17.8	154	1 571	-1 418
2024-25	27 594	-0.3	17.7	27 317	-0.7	17.5	277	2 565	-2 288
2025-26	28 650	0.8	17.5	28 154	0.1	17.2	496	2 702	-2 206
2026-27	29 850	1.6	17.5	29 234	1.3	17.1	616	3 352	-2 737

Note: Totals may not add due to rounding.

- (a) In 2009-10 and 2010-11 revenue, expenses and net acquisition of non-financial assets are impacted by the Commonwealth Government's Nation Building — Economic Stimulus Plan.
- (b) There is a structural break in 2019-20 reflecting the changes to accounting standards for AASB 15, Revenue from Contracts with Customers, AASB 1058, Income of Not-for-Profit Entities, and AASB 16, Leases. Additional presentation changes have also been applied from 2019-20 to achieve full compliance with UPF. These changes do not have a significant impact on the key budget indicators. They largely relate to certain assets no longer being offset by related liabilities, and certain revenues no longer being offset by related expenses.
- (c) In 2019-20 and 2020-21 revenues, expenses, net operating balance and net lending are impacted by the COVID pandemic and COVID stimulus measures.

**Table C.2: General government key balance sheet aggregates (\$million)**

As at 30 June	Net debt <sup>(a)</sup>			Unfunded superannuation \$m <sup>(b)</sup>	Net financial liabilities \$m	Net financial worth \$m	Net worth \$m
	\$m	% of revenue	% of GSP				
1988	859						
1989	694						
1990	854						
1991	1 817						
1992	4 610						
1993	7 884						
1994	7 113						
1995	5 815						
1996	5 512						
1997	4 983						
1998	4 762						
1999	4 779	65.6	10.8	3 909	9 733	1 894	10 624
2000	1 920	25.1	4.1	3 543	6 911	2 986	12 445
2001	1 246	15.4	2.5	3 249	6 093	4 091	14 816
2002	1 303	15.3	2.4	3 998	6 907	3 559	14 721
2003	666	7.1	1.2	4 445	6 974	3 500	15 288
2004	224	2.3	0.4	5 668	7 858	3 842	15 760
2005	144	1.4	0.2	7 227	9 393	3 853	16 359
2006	-119	-1.1	-0.2	6 146	8 171	5 846	19 703
2007 <sup>(c)</sup>	-24	-0.2	0.0	5 075	7 254	8 110	22 128
2008 <sup>(d)(e)(f)</sup>	-276	-2.1	-0.4	6 468	8 078	7 580	23 741
2009	475	3.5	0.6	8 939	11 562	5 551	24 146
2010	1 402	9.0	1.7	9 478	13 182	6 551	36 231
2011	2 930	19.5	3.2	9 096	14 313	7 299	40 958
2012 <sup>(g)</sup>	4 165	26.2	4.5	13 523	20 332	1 413	37 199
2013	5 227	34.1	5.5	11 085	19 079	1 742	39 363
2014 <sup>(h)</sup>	7 071	46.1	7.3	10 877	20 761	1 056	39 654
2015 <sup>(i)</sup>	3 929	23.7	4.0	11 358	18 296	1 374	40 121
2016 <sup>(j)</sup>	4 393	25.3	4.4	14 029	21 372	-2 049	37 741
2017	6 110	33.1	6.0	11 448	21 614	-1 990	42 433
2018	5 447	28.2	5.1	11 288	22 816	-2 920	43 085
2019	6 068	29.6	5.5	13 836	26 298	-5 845	41 576
2020 <sup>(k)(l)</sup>	10 537	51.8	9.5	12 474	29 229	-12 494	43 710
2021	13 710	63.4	11.5	9 588	28 456	-11 544	47 006
2022 <sup>(j)</sup>	16 439	69.3	12.7	7 065	28 219	-8 548	52 478
2023	17 711	69.7	12.5	7 518	30 880	-10 315	55 920
2024 <sup>(e)</sup>	19 547	73.1	13.1	6 486	31 943	-11 046	56 799
2025	22 410	81.2	14.4	6 055	34 411	-13 132	57 318

As at 30 June	Net debt <sup>(a)</sup>			Unfunded superannuation \$m <sup>(b)</sup>	Net financial liabilities \$m	Net financial worth \$m	Net worth \$m
	\$m	% of revenue	% of GSP				
2026	24 982	87.2	15.3	5 567	36 599	-15 150	58 043
2027	28 074	94.1	16.5	5 023	39 240	-17 622	58 965

Note: Totals may not add due to rounding.

- (a) Net debt data for the years before 1999 are sourced from ABS, Government Financial Estimates 2003-04 (catalogue number 5501).
- (b) There is a structural break in the methodology used to calculate superannuation liabilities between June 2003 and June 2004. This accounting change, which involved the adoption of the Commonwealth Government bond rate for valuation purposes in line with AASB 119, Employee Benefits, resulted in a significant increase in superannuation liabilities.
- (c) There is a structural break in 2007 reflecting the amalgamation of SAFA and SAICORP on 1 July 2006. The transfer of SAICORP's assets and liabilities from the general government sector to the public financial corporations sector resulted in an increase in general government net debt of \$99 million at 1 July 2006 and an increase in net financial liabilities of \$90 million at 1 July 2006.
- (d) There is a structural break in 2008 reflecting the transfer of rail assets from TransAdelaide to the general government sector. This resulted in an increase in net debt and net financial liabilities of \$66 million in 2007-08, and a reduction in net financial worth of \$591 million, with no impact on net worth.
- (e) There is a structural break in 2008 reflecting the transfer of assets from the Adelaide Festival Centre Trust to the general government sector. This resulted in an increase in net debt and net financial liabilities of \$28 million in 2007-08, and a reduction in net financial worth of \$76 million, with no impact on net worth. These assets are being transferred back from the general government sector to the Adelaide Festival Centre Trust in 2023-24.
- (f) There is a structural break in 2008 reflecting the first-time recognition on the general government balance sheet of South Australia's share of the net assets of the Murray-Darling Basin Commission. This had no impact on net debt, however resulted in a reduction in net financial liabilities of \$615 million in 2007-08, and an increase in net financial worth and net worth of \$615 million.
- (g) There is a structural break in 2012 reflecting the transfer of the Rail Commissioner to the general government sector. This resulted in a reduction in net debt of \$6 million, an increase in net financial liabilities of \$37 million, and a reduction in net financial worth of \$144 million in 2011-12, with no impact on net worth.
- (h) There is a structural break in 2014 reflecting the transfer of the Lotteries Commission of South Australia (SA Lotteries) to the general government sector. This resulted in a reduction in net debt of \$46 million, a reduction in net financial liabilities of \$1 million, with no impact on net worth.
- (i) There is a structural break in 2015 reflecting the government's decision to reduce its equity in SA Water. This resulted in a once-off \$2.7 billion return of capital to the Consolidated Account in 2014-15. The restructure resulted in a reduction in distributions paid to government partially offset by increased guarantee fees payable and lower borrowing costs.
- (j) There is a structural break in 2016 reflecting the transfer of the South Australian Motor Sport Board to the general government sector. This resulted in an increase in net financial liabilities of \$3 million, and a reduction in net financial worth of \$12 million in 2015-16, with no impact on net worth. The SA Motor Sport Board recommenced operation in September 2022 as a new public non-financial corporation under the South Australian Motor Sport Act 1984 to promote motorsport in South Australia including responsibility for holding the Adelaide 500 event each year from 2022.
- (k) There is a structural break in 2020 reflecting the changes to accounting standards for AASB 15, Revenue from Contracts with Customers, AASB 1058, Income of Not-for-Profit Entities, and AASB 16, Leases. Additional presentation changes have also been applied from 2019-20 to achieve full compliance with UPF. These changes do not have a significant impact on the key budget indicators. They largely relate to certain assets no longer being offset by related liabilities, and certain revenues no longer being offset by related expenses.
- (l) In 2019-20 and 2020-21 net debt, net financial liabilities, net financial worth and net worth are impacted by the COVID pandemic and COVID stimulus measures.

**Table C.3: General government receipts, payments and surplus (\$million)<sup>(a)</sup>**

	Receipts	Payments	Cash surplus
1979-80	1 891	1 671	220
1980-81	2 065	1 917	148
1981-82	2 210	2 122	87
1982-83	2 664	2 507	156
1983-84	2 988	2 734	255
1984-85	3 380	3 057	324
1985-86	3 634	3 161	474
1986-87	3 956	3 416	540
1987-88	4 307	3 858	449
1988-89	4 630	3 977	653
1989-90	4 973	4 370	603
1990-91	5 260	4 796	463
1991-92	5 387	5 396	-10
1992-93	5 967	5 456	512
1993-94	6 087	6 024	63
1994-95	6 155	6 220	-66
1995-96	6 405	6 164	241
1996-97	6 379	6 282	97
1997-98	6 988	6 724	264
1998-99	7 165	7 041	123
1999-2000	7 676	7 915	-239
2000-01	8 278	8 387	-108
2001-02	8 698	8 748	-50
2002-03	9 522	8 864	658
2003-04	10 023	9 502	522
2004-05	11 252	11 059	193
2005-06	11 480	11 293	187
2006-07	12 090	12 116	-26
2007-08	12 932	12 552	379
2008-09	13 579	14 299	-721
2009-10	15 837	16 991	-1 154
2010-11	15 331	16 851	-1 520
2011-12	16 556	17 594	-1 038
2012-13	16 489	17 655	-1 166
2013-14	15 434	17 232	-1 797
2014-15	16 768	16 652	116
2015-16	17 144	17 357	-213
2016-17	19 338	21 566	-2 228
2017-18	21 384	20 682	702
2018-19 <sup>(b)</sup>	20 570	20 919	-348
2019-20 <sup>(c)</sup>	20 256	22 843	-2 586

	Receipts	Payments	Cash surplus
2020-21	20 693	23 402	-2 709
2021-22	24 060	26 326	-2 265
2022-23	25 790	26 544	-754
2023-24	27 026	28 141	-1 115
2024-25	27 494	29 845	-2 351
2025-26	28 552	30 899	-2 347
2026-27	29 748	32 622	-2 874

Note: Totals may not add due to rounding.

- (a) There is a break in the series between 1998-99 and 1999-2000. Data for the years before 1999-2000 are sourced from the ABS and are consistent with ABS GFS reporting requirements on a cash basis. Capital receipts and payments, including payments associated with the provision of financial support for state owned financial institutions (which were treated by the ABS then as an 'investment in financial assets for policy purposes') are not included in the series before 1999-2000. After 1998-99, data is derived from an accrual ABS GFS reporting framework, with receipts proxied by receipts from operating activities and sales of non-financial assets, and payments proxied by payments for operating activities, purchases of non-financial assets and net acquisition of assets under finance leases and similar arrangements. Due to the associated methodological and data-source changes, time series data that encompass measures derived under both cash and accrual accounting should be used with caution.
- (b) There is a structural break in 2018-19 reflecting the derivation of cash surplus. The ABS GFS cash surplus definition has been updated in 2018-19 to align with the previous cash surplus definition under the 2008 UPF to no longer include finance leases.
- (c) There is a structural break in 2019-20 reflecting the changes to accounting standards for AASB 15, Revenue from Contracts with Customers, AASB 1058, Income of Not-for-Profit Entities, and AASB 16, Leases. Additional presentation changes have also been applied from 2019-20 to achieve full compliance with UPF. These changes do not have a significant impact on the key budget indicators. They largely relate to certain assets no longer being offset by related liabilities, and certain revenues no longer being offset by related expenses.



Table C.4: General government sector operating statement (\$million)<sup>(a)(b)</sup>

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
<b>Revenue</b>										
Taxation revenue	4 558	4 576	4 478	4 865	5 513	5 866	6 055	6 282	6 539	6 814
Grants	10 677	11 883	11 342	12 150	13 407	14 323	14 995	15 745	16 376	17 144
Sales of goods and services	2 637	2 640	2 605	2 804	2 991	3 062	3 113	3 220	3 355	3 472
Interest income	23	25	87	37	25	341	443	415	382	394
Dividend and income tax equivalent income	677	535	386	250	207	214	437	200	205	227
Other	771	856	1 433	1 533	1 568	1 602	1 693	1 731	1 793	1 799
<b>Total revenue</b>	<b>19 344</b>	<b>20 514</b>	<b>20 332</b>	<b>21 638</b>	<b>23 711</b>	<b>25 408</b>	<b>26 736</b>	<b>27 594</b>	<b>28 650</b>	<b>29 850</b>
<b>less Expenses</b>										
Employee expenses	8 420	8 714	8 756	8 989	9 405	9 735	9 961	10 168	10 520	10 788
Superannuation expenses										
Superannuation interest cost	348	322	231	183	188	269	305	296	275	251
Other superannuation expenses	805	814	844	858	921	1 016	1 132	1 150	1 187	1 217
Depreciation and amortisation	1 016	1 071	1 379	1 414	1 447	1 516	1 575	1 659	1 723	1 819
Interest expenses	443	361	464	442	505	975	1 242	1 444	1 594	1 827
Other property expenses	—	—	—	—	—	—	—	—	—	—
Other operating expenses	5 326	5 306	6 760	7 303	8 256	8 496	8 381	8 831	9 080	9 421
Grants	3 299	3 638	3 382	3 011	3 818	3 361	3 986	3 769	3 775	3 910
<b>Total expenses</b>	<b>19 657</b>	<b>20 225</b>	<b>21 817</b>	<b>22 200</b>	<b>24 540</b>	<b>25 367</b>	<b>26 582</b>	<b>27 317</b>	<b>28 154</b>	<b>29 234</b>
<i>equals</i> Net operating balance	-313	289	-1 485	-563	-829	41	154	277	496	616
<i>plus</i> Other economic flows <sup>(b)</sup>	867	-1 798	4 536	3 858	6 128	3 402	725	242	229	306
<i>equals</i> Comprehensive result — total change in net worth <sup>(c)(d)</sup>	554	-1 509	3 051	3 296	5 299	3 443	879	519	725	922
<b>Net operating balance</b>	<b>-313</b>	<b>289</b>	<b>-1 485</b>	<b>-563</b>	<b>-829</b>	<b>41</b>	<b>154</b>	<b>277</b>	<b>496</b>	<b>616</b>

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
<b>less Net acquisition of non-financial assets</b>										
Purchases of non-financial assets	1 999	1 794	2 460	2 821	2 981	2 861	3 393	4 269	4 465	5 213
less Sales of non-financial assets	320	88	324	200	124	90	246	46	40	41
less Depreciation	1 016	1 071	1 379	1 414	1 447	1 516	1 575	1 659	1 723	1 819
plus Change in inventories	1	3	3	-4	2	—	—	—	—	—
plus Other movements in non-financial assets	—	—	—	—	—	—	—	—	—	—
<b>equals Total net acquisition of non-financial assets</b>	665	638	759	1 204	1 412	1 256	1 571	2 565	2 702	3 352
<b>equals Net lending/borrowing</b>	<b>-977</b>	<b>-348</b>	<b>-2 244</b>	<b>-1 766</b>	<b>-2 242</b>	<b>-1 215</b>	<b>-1 418</b>	<b>-2 288</b>	<b>-2 206</b>	<b>-2 737</b>
Note: Totals may not add due to rounding.										
(a) There is a structural break in 2019-20 reflecting the changes to accounting standards for AASB 15, Revenue from Contracts with Customers, AASB 1058, Income of Not-for-Profit Entities, and AASB 16, Leases. Additional presentation changes have also been applied from 2019-20 to achieve full compliance with UPF.										
(b) In 2019-20 and 2020-21 revenues, expenses, net operating balance and net lending are impacted by the COVID pandemic and COVID stimulus measures.										
(c) The government has adopted the full retrospective transition approach under AASB 1059 by recognising and measuring service concession assets at the date of initial application of 1 July 2019. The only impact at that date was to recognise the service concession data asset of \$283.6 million, with a corresponding adjustment recognised in the revaluation reserve.										
(d) Comprehensive result excludes transactions with owners in their capacity as owners.										

Table C.5: General government sector balance sheet (\$million)<sup>(a)(b)</sup>

	As at 30 June									
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
<b>Assets</b>										
<b>Financial assets</b>										
Cash and deposits	1 506	2 114	10 328	11 171	10 979	10 987	10 858	11 248	11 611	11 955
Advances paid	69	116	150	145	107	132	153	208	270	298
Investments, loans and placements	408	425	555	643	667	701	736	1 055	1 053	1 049
Receivables	647	739	2 402	3 022	2 977	2 348	2 343	2 433	2 522	2 613
Equity										
Investments in other public sector entities	19 896	20 454	16 735	16 912	19 671	20 565	20 897	21 279	21 448	21 617
Investments — other	28	88	86	90	103	108	108	108	108	108
Other financial assets	91	113	—	—	—	—	—	—	—	—
<b>Total financial assets</b>	<b>22 646</b>	<b>24 048</b>	<b>30 257</b>	<b>31 984</b>	<b>34 503</b>	<b>34 840</b>	<b>35 095</b>	<b>36 331</b>	<b>37 012</b>	<b>37 641</b>
<b>Non-financial assets</b>										
Land and other fixed assets <sup>(c)</sup>	45 972	47 420	56 037	58 384	60 868	66 102	67 720	70 326	73 070	76 464
Other non-financial assets	32	1	167	166	158	134	126	124	123	123
<b>Total non-financial assets</b>	<b>46 005</b>	<b>47 421</b>	<b>56 204</b>	<b>58 550</b>	<b>61 026</b>	<b>66 235</b>	<b>67 845</b>	<b>70 450</b>	<b>73 194</b>	<b>76 587</b>
<b>Total assets</b>	<b>68 650</b>	<b>71 468</b>	<b>86 461</b>	<b>90 533</b>	<b>95 529</b>	<b>101 075</b>	<b>102 941</b>	<b>106 781</b>	<b>110 206</b>	<b>114 228</b>
<b>Liabilities</b>										
Deposits held	399	1 438	345	286	541	529	258	233	351	359
Advances received	231	208	—	—	—	—	—	—	—	—
Borrowing	6 801	7 077	21 225	25 384	27 651	29 002	31 036	34 688	37 565	41 018
Superannuation	11 288	13 836	12 474	9 588	7 065	7 518	6 486	6 055	5 567	5 023
Other employee benefits	2 907	3 312	3 336	3 295	2 965	2 983	3 108	3 251	3 418	3 581

	As at 30 June									
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Payables <sup>(d)</sup>	1 103	1 250	1 284	1 596	1 562	1 592	1 596	1 602	1 614	1 621
Other liabilities <sup>(d)</sup>	2 836	2 771	4 086	3 379	3 267	3 531	3 657	3 633	3 647	3 661
<b>Total liabilities</b>	<b>25 565</b>	<b>29 892</b>	<b>42 751</b>	<b>43 528</b>	<b>43 051</b>	<b>45 155</b>	<b>46 142</b>	<b>49 463</b>	<b>52 163</b>	<b>55 263</b>
<b>Net worth</b>	<b>43 085</b>	<b>41 576</b>	<b>43 710</b>	<b>47 006</b>	<b>52 478</b>	<b>55 920</b>	<b>56 799</b>	<b>57 318</b>	<b>58 043</b>	<b>58 965</b>
Net financial worth	-2 920	-5 845	-12 494	-11 544	-8 548	-10 315	-11 046	-13 132	-15 150	-17 622
Net financial liabilities	22 816	26 298	29 229	28 456	28 219	30 880	31 943	34 411	36 599	39 240
Net debt	5 447	6 068	10 537	13 710	16 439	17 711	19 547	22 410	24 982	28 074

Note: Totals may not add due to rounding.

(a) There is a structural break in 2020 reflecting the changes to accounting standards for AASB 15, Revenue from Contracts with Customers, AASB 1058, Income of Not-for-Profit Entities, and AASB 16, Leases. Additional presentation changes have also been applied from 2019-20 to achieve full compliance with UPF. These changes do not have a significant impact on the key budget indicators. They largely relate to certain assets no longer being offset by related liabilities, and certain revenues no longer being offset by related expenses.

(b) In 2019-20 and 2020-21 net debt, net financial liabilities, net financial worth and net worth are impacted by the COVID pandemic and COVID stimulus measures.

(c) The government has adopted the full retrospective transition approach under AASB 1059 by recognising and measuring service concession assets at the date of initial application of 1 July 2019. The only impact at that date was to recognise the service concession data asset of \$283.6 million, with a corresponding adjustment recognised in the revaluation reserve.

(d) Adjustments made to align classification of payables and other liabilities with data presented for 2021.

## Non-financial public sector

Table C.6: Non-financial public sector key operating statement aggregates

	Revenue			Expenses			Net operating balance \$m	Net acquisition of non-financial assets \$m	Net lending \$m
	\$m	% real growth	% GSP	\$m	% real growth	% GSP			
1998-99	9 468		21.5	9 597		21.8	-129	-115	-14
1999-2000	9 206	-5.2	19.8	9 552	-2.9	20.5	-346	-3 508	3 161
2000-01	9 051	-4.5	18.2	9 279	-5.7	18.7	-228	-1 111	883
2001-02	9 367	0.3	17.3	9 487	-0.9	17.6	-120	-124	5
2002-03	10 172	4.4	17.8	9 696	-1.7	16.9	476	72	405
2003-04	10 707	2.2	17.7	10 294	3.1	17.0	413	33	379
2004-05	11 343	3.5	18.0	11 029	4.6	17.5	314	125	189
2005-06	11 807	0.9	17.8	11 634	2.3	17.5	172	53	119
2006-07	12 321	1.7	17.4	12 175	2.0	17.2	147	173	-26
2007-08	13 634	7.1	17.8	13 065	3.9	17.0	569	303	266
2008-09	14 360	2.1	17.8	14 567	8.1	18.1	-207	1 249	-1 456
2009-10 <sup>(a)</sup>	16 315	11.2	19.3	15 679	5.3	18.6	636	2 361	-1 725
2010-11 <sup>(a)</sup>	15 960	-5.2	17.6	15 939	-1.5	17.6	21	1 920	-1 898
2011-12	16 866	3.0	18.2	16 908	3.3	18.2	-41	1 383	-1 424
2012-13	16 494	-4.1	17.4	17 152	-0.6	18.1	-657	64	-721
2013-14	16 399	-3.1	16.9	17 627	0.2	18.2	-1 229	715	-1 944
2014-15	17 651	6.0	17.9	17 965	0.4	18.2	-314	-198	-116
2015-16	18 461	3.7	18.6	18 310	1.0	18.5	151	205	-54
2016-17	19 447	3.8	19.0	19 228	3.4	18.8	219	3 359	-3 140
2017-18	20 384	2.5	19.3	20 768	5.6	19.6	-384	728	-1 112
2018-19	21 633	4.5	19.7	21 062	-0.1	19.2	571	830	-259
2019-20 <sup>(b)(c)</sup>	21 373	-2.9	19.3	23 322	8.8	21.1	-1 949	557	-2 506
2020-21 <sup>(c)</sup>	22 759	4.9	19.2	23 691	0.1	19.9	-932	1 414	-2 346
2021-22	25 019	5.5	19.4	26 152	5.9	20.2	-1 132	1 374	-2 506
2022-23	26 627	-1.4	18.7	26 936	-4.6	19.0	-309	1 471	-1 781
2023-24	27 938	0.2	18.7	28 221	0.0	18.9	-283	2 493	-2 775
2024-25	29 031	0.4	18.6	29 106	-0.4	18.7	-75	3 138	-3 213
2025-26	30 100	0.7	18.4	29 939	-0.1	18.3	161	2 870	-2 709
2026-27	31 567	2.3	18.5	31 120	1.4	18.2	447	3 445	-2 998

Note: Totals may not add due to rounding.

- (a) In 2009-10 and 2010-11 revenue, expenses and net acquisition of non-financial assets are impacted by the Commonwealth Government's Nation Building — Economic Stimulus Plan.
- (b) There is a structural break in 2019-20 reflecting the changes to accounting standards for AASB 15, Revenue from Contracts with Customers, AASB 1058, Income of Not-for-Profit Entities, and AASB 16, Leases. Additional presentation changes have also been applied from 2019-20 to achieve full compliance with UPF. These changes do not have a significant impact on the key budget indicators. They largely relate to certain assets no longer being offset by related liabilities, and certain revenues no longer being offset by related expenses.
- (c) In 2019-20 and 2020-21 revenues, expenses, net operating balance and net lending are impacted by the COVID pandemic and COVID stimulus measures.

**Table C.7: Non-financial public sector key balance sheet aggregates (\$million)**

As at 30 June	Net debt <sup>(a)</sup>			Unfunded superannuation \$m <sup>(b)</sup>	Net financial liabilities \$m	Net financial worth \$m	Net worth \$m
	\$m	% of revenue	% of GSP				
1988	4 397						
1989	4 197						
1990	4 457						
1991	5 418						
1992	8 142						
1993	11 610						
1994	10 550						
1995	8 844						
1996	8 432						
1997	8 170						
1998	7 927						
1999	7 657	80.9	17.4	3 909	13 099	-12 256	10 624
2000	4 355	47.3	9.4	3 543	9 914	-8 986	12 445
2001	3 223	35.6	6.5	3 249	8 151	-7 109	14 816
2002	3 317	35.4	6.1	3 998	8 973	-7 902	14 721
2003	2 696	26.5	4.7	4 445	9 096	-8 811	15 288
2004	2 285	21.3	3.8	5 668	10 031	-9 550	15 760
2005	2 126	18.7	3.4	7 227	11 511	-11 004	16 359
2006	1 786	15.1	2.7	6 146	10 451	-9 889	19 703
2007 <sup>(c)</sup>	1 989	16.1	2.8	5 075	9 518	-8 795	22 128
2008 <sup>(d)(e)</sup>	1 611	11.8	2.1	6 468	10 208	-10 487	23 741
2009	2 872	20.0	3.6	8 939	14 302	-14 921	24 146
2010	4 487	27.5	5.3	9 478	16 626	-16 997	36 231
2011	6 541	41.0	7.2	9 096	18 273	-18 402	40 958
2012	7 996	47.4	8.6	13 523	24 500	-25 123	37 199
2013	8 949	54.3	9.4	11 085	23 064	-23 223	39 363
2014	10 964	66.9	11.3	10 877	24 811	-24 080	39 654
2015	10 676	60.5	10.8	11 358	25 167	-23 750	40 121
2016	10 912	59.1	11.0	14 029	28 281	-27 355	37 741
2017	13 529	69.6	13.2	11 448	29 200	-28 042	42 433
2018	12 950	63.5	12.2	11 288	30 564	-29 523	43 085
2019	13 084	60.5	11.9	13 836	33 744	-32 930	41 576
2020 <sup>(f)(g)</sup>	17 452	81.7	15.8	12 474	37 828	-38 599	43 710
2021	21 169	93.0	17.8	9 588	37 496	-38 394	47 006
2022	23 948	95.7	18.5	7 065	37 134	-35 060	52 478
2023	25 595	96.1	18.0	7 518	39 590	-37 365	55 920
2024	28 447	101.8	19.1	6 486	41 675	-39 638	56 802
2025	31 924	110.0	20.5	6 055	44 858	-42 960	57 323

As at 30 June	Net debt <sup>(a)</sup>			Unfunded superannuation \$m <sup>(b)</sup>	Net financial liabilities \$m	Net financial worth \$m	Net worth \$m
	\$m	% of revenue	% of GSP				
2026	34 870	115.8	21.4	5 567	47 504	-45 809	58 050
2027	38 188	121.0	22.4	5 023	50 436	-48 977	58 988

Note: Totals may not add due to rounding.

- (a) Net debt data for the years before 1999 is sourced from ABS, *Government Financial Estimates 2003-04* (catalogue number 5501).
- (b) There is a structural break in the methodology used to calculate superannuation liabilities between June 2003 and June 2004. This accounting change, which involved the adoption of Commonwealth Government bond rate for valuation purposes in line with AASB119, *Employee Benefits*, resulted in a significant increase in superannuation liabilities.
- (c) There is a structural break in 2007 reflecting the amalgamation of SAFA and SAicorp on 1 July 2006. The transfer of SAicorp's assets and liabilities from the general government sector to the public financial corporations sector resulted in an increase in non-financial public sector net debt of \$99 million at 1 July 2006 and an increase in net financial liabilities of \$90 million at 1 July 2006.
- (d) There is a structural break in 2008 reflecting the amalgamation of the public financial corporation, South Australian Community Housing Authority with the public-non financial corporation South Australian Housing Authority. This resulted in an increase in net debt and net financial liabilities and a decrease in net financial worth of \$98 million in 2007-08, with no impact on net worth.
- (e) There is a structural break in 2008 reflecting the first time recognition on the general government balance sheet of South Australia's share of the net assets of the Murray-Darling Basin Commission. This had no impact on net debt, however resulted in a reduction in net financial liabilities of \$615 million in 2007-08 and increases in net financial worth and net worth of \$615 million.
- (f) There is a structural break in 2020 reflecting the changes to accounting standards for AASB 15, Revenue from Contracts with Customers, AASB 1058, Income of Not-for-Profit Entities, and AASB 16, Leases. Additional presentation changes have also been applied from 2019-20 to achieve full compliance with UPF. These changes do not have a significant impact on the key budget indicators. They largely relate to certain assets no longer being offset by related liabilities, and certain revenues no longer being offset by related expenses.
- (g) In 2019-20 and 2020-21 net debt, net financial liabilities, net financial worth and net worth are impacted by the COVID pandemic and COVID stimulus measures.

**Table C.8: Non-financial public sector receipts, payments and surplus (\$million)<sup>(a)</sup>**

	Receipts	Payments	Cash surplus
1979-80	2 681	2 388	292
1980-81	2 877	2 649	228
1981-82	3 145	2 963	182
1982-83	3 651	3 356	295
1983-84	4 383	4 014	369
1984-85	4 887	4 356	531
1985-86	5 172	4 415	757
1986-87	5 542	4 790	752
1987-88	6 078	5 299	780
1988-89	6 946	5 784	1 162
1989-90	7 517	6 465	1 052
1990-91	7 830	6 839	991
1991-92	8 352	7 969	383
1992-93	8 939	7 946	993
1993-94	8 761	8 119	642
1994-95	8 570	8 142	428
1995-96	8 985	8 654	331
1996-97	8 908	8 532	375
1997-98	9 426	8 895	532
1998-99	9 301	8 692	609
1999-2000	13 014	9 501	3 513
2000-01	10 572	9 414	1 158
2001-02	9 726	9 722	4
2002-03	10 439	9 805	634
2003-04	10 891	10 403	488
2004-05	12 051	11 786	265
2005-06	12 239	11 868	370
2006-07	12 684	12 809	-125
2007-08	13 943	13 477	466
2008-09	14 563	15 806	-1 243
2009-10	16 847	18 695	-1 849
2010-11	16 548	18 553	-2 004
2011-12	17 431	18 863	-1 432
2012-13	17 814	19 133	-1 319
2013-14	16 640	18 647	-2 007
2014-15	17 841	17 896	-55
2015-16	18 485	18 623	-138
2016-17	19 593	22 779	-3 186
2017-18	22 532	21 904	629
2018-19 <sup>(b)</sup>	21 860	21 888	-28
2019-20 <sup>(c)</sup>	20 969	24 044	-3 074



	Receipts	Payments	Cash surplus
2020-21	21 558	24 967	-3 409
2021-22	25 438	28 056	-2 618
2022-23	27 117	28 370	-1 254
2023-24	28 057	30 602	-2 545
2024-25	29 041	32 327	-3 286
2025-26	30 232	33 101	-2 869
2026-27	31 428	34 579	-3 151

Note: Totals may not add due to rounding.

- (a) There is a break in the series between 1998-99 and 1999-2000. Data for the years before 1999-2000 is sourced from the ABS and are consistent with ABS GFS reporting requirements on a cash basis. Capital receipts and payments, including payments associated with the provision of financial support for state owned financial institutions, which were treated by the ABS then as an 'investment in financial assets for policy purposes', are not included in the series before 1999-2000. After 1998-99, data are derived from an accrual ABS GFS reporting framework, with receipts proxied by receipts from operating activities and sales of non-financial assets, and payments proxied by payments for operating activities, purchases of non-financial assets and net acquisition of assets under finance leases and similar arrangements. Due to the associated methodological and data-source changes, time series data that encompass measures derived under both cash and accrual accounting should be used with caution.
- (b) There is a structural break in 2018-19 reflecting the derivation of cash surplus. The ABS GFS cash surplus definition has been updated in 2018-19 to align with the previous cash surplus definition under the 2008 UPF to no longer include finance leases.
- (c) There is a structural break in 2019-20 reflecting the changes to accounting standards for AASB 15, Revenue from Contracts with Customers, AASB 1058, Income of Not-for-Profit Entities, and AASB 16, Leases. Additional presentation changes have also been applied from 2019-20 to achieve full compliance with UPF. These changes do not have a significant impact on the key budget indicators. They largely relate to certain assets no longer being offset by related liabilities, and certain revenues no longer being offset by related expenses.

Table C.9: Non-financial public sector operating statement (\$million)<sup>(a)(b)</sup>

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
<b>Revenue</b>										
Taxation revenue	4 198	4 207	4 208	4 680	5 321	5 654	5 803	6 023	6 271	6 537
Grants	10 678	11 883	11 344	12 154	13 409	14 330	14 995	15 746	16 381	17 144
Sales of goods and services	4 208	4 364	4 174	4 132	4 448	4 537	4 655	4 833	4 975	5 395
Interest income	24	29	88	32	28	355	458	426	391	403
Dividend and income tax equivalent income	429	241	60	125	144	58	148	89	91	84
Other	847	909	1 498	1 637	1 670	1 693	1 878	1 916	1 992	2 004
<b>Total revenue</b>	<b>20 384</b>	<b>21 633</b>	<b>21 373</b>	<b>22 759</b>	<b>25 019</b>	<b>26 627</b>	<b>27 938</b>	<b>29 031</b>	<b>30 100</b>	<b>31 567</b>
<b>less Expenses</b>										
Employee expenses	8 626	8 993	9 022	9 249	9 673	10 021	10 252	10 463	10 817	11 091
Superannuation expenses										
Superannuation interest cost	348	322	231	183	188	269	305	296	275	251
Other superannuation expenses	832	848	879	887	954	1 051	1 173	1 191	1 229	1 260
Depreciation and amortisation	1 490	1 565	1 881	1 921	1 964	2 046	2 144	2 240	2 308	2 406
Interest expenses	720	636	712	665	707	1 188	1 483	1 743	1 918	2 173
Other property expenses	—	—	—	—	—	—	—	—	—	—
Other operating expenses	5 917	6 024	7 404	7 948	9 029	9 263	9 257	9 754	9 986	10 534
Grants	2 835	2 674	3 193	2 837	3 637	3 098	3 607	3 419	3 407	3 406
<b>Total expenses</b>	<b>20 768</b>	<b>21 062</b>	<b>23 322</b>	<b>23 691</b>	<b>26 152</b>	<b>26 936</b>	<b>28 221</b>	<b>29 106</b>	<b>29 939</b>	<b>31 120</b>
<i>equals</i> Net operating balance	-384	571	-1 949	-932	-1 132	-309	-283	-75	161	447
<i>plus</i> Other economic flows <sup>(c)</sup>	938	-2 080	5 000	4 228	6 431	3 752	1 164	596	566	491
<i>equals</i> Comprehensive result — total change in net worth <sup>(c)(d)</sup>	554	-1 509	3 051	3 296	5 299	3 443	881	521	727	938
<b>Net operating balance</b>	<b>-384</b>	<b>571</b>	<b>-1 949</b>	<b>-932</b>	<b>-1 132</b>	<b>-309</b>	<b>-283</b>	<b>-75</b>	<b>161</b>	<b>447</b>

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
<b>less Net acquisition of non-financial assets</b>										
Purchases of non-financial assets	2 682	2 576	2 619	3 498	3 602	3 607	4 585	5 457	5 550	6 180
less Sales of non-financial assets	431	211	132	255	196	222	178	205	329	62
less Depreciation	1 490	1 565	1 881	1 921	1 964	2 046	2 144	2 240	2 308	2 406
plus Change in inventories	-33	30	-49	92	- 68	132	229	126	-44	-267
plus Other movements in non-financial assets	—	—	—	—	—	—	—	—	—	—
<b>equals Total net acquisition of non-financial assets</b>	728	830	557	1 414	1 374	1 471	2 493	3 138	2 870	3 445
<b>equals Net lending/borrowing</b>	-1 112	-259	-2 506	-2 346	-2 506	-1 781	-2 775	-3 213	-2 709	-2 998
<p>Note: Totals may not add due to rounding.</p> <p>(a) There is a structural break in 2019-20 reflecting the changes to accounting standards for AASB 15, Revenue from Contracts with Customers, AASB 1058, Income of Not-for-Profit Entities, and AASB 16, Leases. Additional presentation changes have also been applied from 2019-20 to achieve full compliance with UPF. These changes do not have a significant impact on the key budget indicators. They largely relate to certain assets no longer being offset by related liabilities, and certain revenues no longer being offset by related expenses.</p> <p>(b) In 2019-20 and 2020-21 revenues, expenses, net operating balance and net lending are impacted by the COVID pandemic and COVID stimulus measures.</p> <p>(c) The government has adopted the full retrospective transition approach under AASB 1059 by recognising and measuring service concession assets at the date of initial application of 1 July 2019. The only impact at that date was to recognise the service concession data asset of \$283.6 million, with a corresponding adjustment recognised in the revaluation reserve.</p> <p>(d) Comprehensive result excludes transactions with owners in their capacity as owners.</p>										

Table C.10: Non-financial public sector balance sheet (\$million)<sup>(a)(b)</sup>

	As at 30 June									
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
<b>Assets</b>										
<b>Financial assets</b>										
Cash and deposits	1 603	2 272	11 172	11 691	11 320	11 168	11 017	11 415	11 786	12 137
Advances paid	36	83	117	112	107	146	174	230	292	319
Investments, loans and placements	429	445	485	514	551	591	602	933	944	954
Receivables	801	840	1 045	1 782	1 863	1 818	1 813	1 812	1 821	1 830
<b>Equity</b>										
Investments in other public sector entities	1 040	813	-771	-898	2 074	2 225	2 037	1 898	1 695	1 459
Investments — other	43	105	97	102	113	119	119	119	119	119
Other financial assets	93	120	4	2	—	—	—	—	—	—
<b>Total financial assets</b>	<b>4 045</b>	<b>4 677</b>	<b>12 150</b>	<b>13 305</b>	<b>16 028</b>	<b>16 067</b>	<b>15 763</b>	<b>16 407</b>	<b>16 657</b>	<b>16 820</b>
<b>Non-financial assets</b>										
Land and fixed assets <sup>(b)</sup>	72 564	74 503	82 126	85 225	87 362	93 134	96 302	100 153	103 734	107 847
Other non-financial assets	44	3	183	175	176	152	138	130	124	118
<b>Total non-financial assets</b>	<b>72 608</b>	<b>74 506</b>	<b>82 308</b>	<b>85 400</b>	<b>87 538</b>	<b>93 286</b>	<b>96 439</b>	<b>100 282</b>	<b>103 858</b>	<b>107 965</b>
<b>Total assets</b>	<b>76 654</b>	<b>79 184</b>	<b>94 458</b>	<b>98 705</b>	<b>103 565</b>	<b>109 353</b>	<b>112 203</b>	<b>116 690</b>	<b>120 515</b>	<b>124 784</b>
<b>Liabilities</b>										
Deposits held	191	565	190	134	196	195	195	196	196	197
Advances received	231	208	—	—	—	—	—	—	—	—
Borrowing	14 596	15 110	29 037	33 352	35 730	37 306	40 045	44 306	47 695	51 402
Superannuation	11 288	13 836	12 474	9 588	7 065	7 518	6 486	6 055	5 567	5 023
Other employee benefits	2 980	3 412	3 437	3 390	3 053	3 067	3 196	3 343	3 513	3 681

	As at 30 June									
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Payables <sup>(c)</sup>	1 383	1 477	1 486	1 874	1 826	1 848	1 850	1 854	1 864	1 870
Other liabilities <sup>(c)</sup>	2 899	2 999	4 124	3 360	3 218	3 499	3 630	3 613	3 630	3 623
<b>Total liabilities</b>	<b>33 569</b>	<b>37 608</b>	<b>50 748</b>	<b>51 699</b>	<b>51 087</b>	<b>53 433</b>	<b>55 401</b>	<b>59 367</b>	<b>62 466</b>	<b>65 797</b>
<b>Net worth</b>	<b>43 085</b>	<b>41 576</b>	<b>43 710</b>	<b>47 006</b>	<b>52 478</b>	<b>55 920</b>	<b>56 802</b>	<b>57 323</b>	<b>58 050</b>	<b>58 988</b>
Net financial worth	-29 523	-32 930	-38 599	-38 394	-35 060	-37 365	-39 638	-42 960	-45 809	-48 977
Net financial liabilities	30 564	33 744	37 828	37 496	37 134	39 590	41 675	44 858	47 504	50 436
Net debt	12 950	13 084	17 452	21 169	23 948	25 595	28 447	31 924	34 870	38 188
<p>Note: Totals may not add due to rounding.</p> <p>(a) There is a structural break in 2020 reflecting the changes to accounting standards for AASB 15, Revenue from Contracts with Customers, AASB 1058, Income of Not-for-Profit Entities, and AASB 16, Leases. Additional presentation changes have also been applied from 2019-20 to achieve full compliance with UPF. These changes do not have a significant impact on the key budget indicators. They largely relate to certain assets no longer being offset by related liabilities, and certain revenues no longer being offset by related expenses.</p> <p>(b) In 2019-20 and 2020-21 net debt, net financial liabilities, net financial worth and net worth are impacted by the COVID pandemic and COVID stimulus measures.</p> <p>(c) The government has adopted the full retrospective transition approach under AASB 1059 by recognising and measuring service concession assets at the date of initial application of 1 July 2019. The only impact at that date was to recognise the service concession data asset of \$283.6 million, with a corresponding adjustment recognised in the revaluation reserve.</p> <p>(d) Adjustments made to align classification of payables and other liabilities with data presented for 2021.</p>										



# STATE BUDGET

## 2023-24

### DEPARTMENT OF TREASURY AND FINANCE

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**Government of  
South Australia**