

STATE BUDGET

2022-23

Mid-Year Budget Review

STATE BUDGET

2022-23

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
2022-23

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Chapter 1: 2022-23 budget position and fiscal outlook

Overview

The 2022-23 Mid-Year Budget Review (MYBR) provides funding for key government priorities while delivering a sustainable fiscal outlook. Surpluses are forecast in all years, growing modestly across the forward estimates, with non-financial public sector (NFPS) net debt lower in all years compared to the levels forecast in the 2022-23 Budget.

The 2022-23 MYBR includes funding for flood response measures, additional resources in health, education and child protection and the delivery of fee free TAFE and vocational education and training places. Further measures in response to child protection reviews are under consideration. Since the 2022-23 Budget, the government has affirmed its commitment to the new Women's and Children's Hospital and North-South Corridor projects. While these projects are expected to cost more than originally budgeted, those costs are expected to fall outside the forward estimates. An improvement to revenue forecasts has enabled the government to fund emerging needs while continuing to achieve the government's fiscal targets.

Operating and investing expenditure initiatives and revenue measures in the general government sector total \$764 million over four years. These are partially offset by \$157 million over four years of revenue offsets, mainly reflecting contributions from the Commonwealth Government under the COVID-19 National Partnership Agreement, the National Freight Highway Upgrade Program and the 12 Month Skills Agreement.

A range of health initiatives are supported in the MYBR, including:

- \$43.1 million in 2022-23 for additional COVID-19 response functions, the continuation of the COVID High Risk Hub and the COVID-19 home monitoring service until the end of 2022, as well as increased SA Pathology testing and fourth dose vaccination capacity
- \$25.8 million over 2022-23 and 2023-24 to expand the Transition to Professional Practice Program to support the attraction and retention of nurse and midwife graduates into the South Australian public health system
- \$14.1 million over four years to support the legislative processes for voluntary assisted dying in South Australia.

The MYBR also provides \$51.6 million over 2022-23 and 2023-24 for the financial assistance package announced by the government on 22 November 2022 for River Murray communities, households and businesses affected by large-scale flooding. A number of the measures may be jointly funded by the Commonwealth and state governments under the National Disaster Recovery Funding Arrangements.

Other initiatives include \$100.6 million over four years for operating costs (in addition to \$3.3 million of investing expenditure) associated with the 270 bed expansion of the Yatala Labour Prison and \$68.9 million over four years to deliver 12 500 fee free training places. The MYBR also includes \$91.6 million over 2022-23 and 2023-24 to address the damage caused by the ex-tropical Cyclone Tiffany severe weather event in January 2022, \$55.0 million over four years to support non-government organisations in meeting higher service delivery costs in 2022 and \$13.9 million in 2022-23 to fund required works to support the return of the Adelaide 500 from December 2022.

With interest rates increasing since the 2022-23 Budget, the 2022-23 MYBR includes both higher interest expenses and interest income across the forward estimates. The net increase is around \$130 million per annum on average reflecting higher interest expenses of around \$261 million per annum on average partially offset by higher interest income of around \$131 million per annum on average reflecting higher projected interest rates on cash balances.

Further details of all initiatives by agency are provided in Appendix A. The MYBR does not include any new savings measures.

The MYBR revises up Goods and Services Tax (GST) grant revenue estimates by \$419 million in 2022-23 and by a further \$1.7 billion over the three years to 2025-26. This reflects both upwards revisions to the national GST pool and expected changes to South Australia's share of GST revenue.

State taxation revenue estimates have been revised up by \$192 million in 2022-23 and by a further \$112 million per annum on average over the three years to 2025-26, mainly reflecting revisions to conveyance duty and gambling tax revenue. Year to date property market activity has been stronger than expected resulting in an upward revision to conveyance duty revenue of \$111 million in 2022-23. Revisions to conveyance duty revenue are smaller in future years reflecting an expected decline in property market activity to more normal trend levels. Gambling tax revenue estimates have been revised up by around \$50 million per annum on average across the forward estimates mainly due to higher than expected collections from gaming machines in hotels and clubs reflecting year to date experience.

Compared with the 2022-23 Budget estimates, NFPS net debt is expected to be \$1.8 billion lower at 30 June 2023, primarily as a result of an improved budget outcome in 2021-22, the upward revision of GST payments and a lower than estimated 2022-23 investing program. By 30 June 2026 NFPS net debt is estimated to be \$33.5 billion, a reduction of \$404 million compared with the 2022-23 Budget estimates (NFPS net debt to revenue ratio at 30 June 2026 is expected to be 116.5 per cent compared with the projected 122.4 per cent at budget time).

The state's economy has performed strongly post COVID-19, with growth in state output of 5.1 per cent in 2021-22. Economic growth is expected to moderate in 2022-23 and 2023-24 as higher interest rates and inflation flow through to moderate spending and investment decisions.

The outlook for inflation has been revised upwards. The Adelaide Consumer Price Index (CPI) is now forecast to grow by 7¼ per cent in 2022-23, 2¼ percentage points higher than was forecast at budget, moderating to a 4 per cent rise in 2023-24, before falling back within the RBA's target range from 2024-25.

Employment growth in South Australia is forecast to be 1 per cent in 2022-23, unchanged since the time of the 2022-23 Budget.

Fiscal targets

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

Table 1.1: Fiscal targets

Target 1	Achieve a net operating surplus in the general government sector every year.
Target 2	Limit general government operating expenditure growth to trend growth in household income.
Target 3	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 2022-23 MYBR estimates.

Table 1.2: Fiscal targets outcomes — 2022-23 MYBR estimates

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Target 1: net operating balance surplus				
Target	Achieve a net operating surplus every year			
2022-23 MYBR estimate (\$m)	206	353	564	649
Target 2: operating expense growth				
Target (%)	Average growth limited to trend growth in household income (4% per annum)			
2022-23 MYBR estimate ^(a)				
Annual (%)	-1.0%	4.4%	1.5%	3.9%
Average (%)	Average growth 2021-22 to 2025-26 of 2.2% per annum			
Target 3: achieve a level of net debt that is sustainable over the forward estimates				
	70.5%	78.5%	85.0%	89.9%
	(GGs net debt to revenue ratio)			
	99.0%	106.9%	112.2%	116.5%
	(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 2022-23 MYBR projects a net operating surplus in the general government sector in 2022-23 and over the forward estimates consistent with the projections at the time of the 2022-23 Budget.

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 2.2 per cent per annum, well 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, the NFPS net debt to revenue ratio is lower across the forward estimates compared to the levels reflected in the 2022-23 Budget. In the 2022-23 Budget the NFPS net debt was estimated to be \$33.9 billion at 30 June 2026. Based on the projections in the MYBR this is now projected to be \$33.5 billion.

Fiscal outlook

Table 1.3 shows the movement in the key fiscal indicators for the general government sector since the 2022-23 Budget.

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

	2022-23	2023-24	2024-25	2025-26
Net operating balance				
Budget	233	487	606	643
MYBR	206	353	564	649
Change since 2022-23 Budget	-26	-134	-43	6
Net lending				
Budget	-1 650	-2 087	-1 419	-1 466
MYBR	-960	-2 403	-1 717	-1 900
Change since 2022-23 Budget	690	-316	-297	-434
Net debt				
Budget	19 003	21 606	23 441	25 220
MYBR	17 272	20 203	22 357	24 643
Change since 2022-23 Budget	-1 731	-1 403	-1 084	-577
Net debt to revenue ratio (%)				
Budget	79.9%	87.4%	92.0%	95.4%
MYBR	70.5%	78.5%	85.0%	89.9%
Change since 2022-23 Budget	-9.4%	-8.9%	-7.1%	-5.5%
Unfunded superannuation				
Budget	7 458	6 931	6 380	5 802
MYBR	6 708	6 280	5 822	5 333
Change since 2022-23 Budget	-750	-652	-558	-469
Note: Totals may not add due to rounding.				

A net operating balance surplus is forecast in 2022-23 and across the forward estimates.

The net operating balance estimate for 2022-23 is largely consistent with forecasts in the 2022-23 Budget. Lower general government investing expenditure of \$613 million in 2022-23 compared to budget is largely due to the re-timing of projects over the forward estimates, contributing to the improved net lending position in 2022-23.

The \$1.7 billion improvement in general government net debt in 2022-23 compared to forecasts in the 2022-23 Budget is primarily a result of an improved outcome in 2021-22, combined with an upward revision to GST grant revenue and cash receipts, as well as the lower investing program in 2022-23.

Compared to the 2022-23 Budget, general government net debt is lower across all years of the forward estimates. At 30 June 2026, net debt in the general government sector is estimated to be \$24.6 billion, a reduction of \$577 million compared to the forecast at the time of the 2022-23 Budget.

The decrease in the unfunded superannuation liability since the 2022-23 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 2022-23 and the following three years.

Table 1.4: General government sector operating statement — 2022-23 to 2025-26 (\$million)

	2022-23 Budget	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Revenue					
Taxation revenue	5 286	5 478	5 536	5 745	5 955
Grants					
GST revenue grants	7 378	7 797	8 596	8 786	9 185
Other grants	6 228	6 065	6 376	6 456	6 838
Sales of goods and services	2 924	2 990	2 985	3 080	3 145
Interest income	144	312	389	367	389
Dividend and income tax equivalent income	242	218	247	264	256
Other	1 585	1 646	1 600	1 616	1 646
Total revenue	23 787	24 506	25 729	26 314	27 415
less Expenses					
Employee expenses	9 384	9 415	9 465	9 684	10 022
Superannuation expenses					
Superannuation interest cost	210	269	259	241	223
Other superannuation expenses	1 015	1 021	1 035	1 055	1 088
Depreciation and amortisation	1 475	1 489	1 554	1 645	1 703
Interest expenses	780	1 025	1 252	1 370	1 514
Other property expenses	—	—	—	—	—
Other operating expenses	7 623	7 817	8 264	8 324	8 703
Grants	3 067	3 263	3 547	3 431	3 514
Total expenses	23 554	24 300	25 376	25 750	26 766
<i>equals</i> Net operating balance	233	206	353	564	649
Net Operating Result	233	206	353	564	649
<i>plus</i> Other economic flows	402	253	374	352	338
<i>equals</i> Comprehensive result — total change in net worth	635	460	727	916	987
Net operating balance	233	206	353	564	649
less Net acquisition of non-financial assets					
Purchases of non-financial assets	3 502	2 889	4 435	3 971	4 292
<i>less</i> Sales of non-financial assets	144	236	125	46	40
<i>less</i> Depreciation	1 475	1 489	1 554	1 645	1 703
<i>plus</i> Change in inventories	—	3	—	—	—
<i>plus</i> Other movements in non-financial assets	—	—	—	—	—
<i>equals</i> Total net acquisition of non-financial assets	1 882	1 166	2 756	2 280	2 549
<i>equals</i> Net lending/borrowing	-1 650	-960	-2 403	-1 717	-1 900
Note: Totals may not add due to rounding.					

The following tables outline changes to the net operating balance and net lending since the 2022-23 Budget classified as policy or parameter items. Policy items are decisions taken by the government since the 2022-23 Budget. Parameter items are generally variations outside the government's control.

Table 1.5: Net operating balance — policy and parameter variations since the 2022-23 Budget (\$million)

	2022-23	2023-24	2024-25	2025-26
Estimate at 2022-23 Budget	233	487	606	643
Parameter and other variations to 2022-23 MYBR				
Revenue — taxation	192	112	109	116
Revenue — other	457	871	710	850
Operating expenses	-538	-999	-791	-900
Net effect of parameter and other variations	111	-16	28	67
Policy measures to 2022-23 MYBR				
Revenue measures — taxation	—	—	—	—
Revenue measures — other	-2	-7	-4	-3
Revenue offsets — taxation	—	—	—	—
Revenue offsets	47	10	—	—
Revenue investing offsets	25	25	25	25
Operating expenses	-208	-146	-91	-84
Operating savings	—	—	—	—
Net effect of policy measures	-138	-118	-71	-61
Estimate at 2022-23 MYBR	206	353	564	649

Note: Totals may not add due to rounding.

Table 1.6: Net lending policy and parameter variations since the 2022-23 Budget (\$million)

	2022-23	2023-24	2024-25	2025-26
Estimate at 2022-23 Budget	-1 650	-2 087	-1 419	-1 466
Net effect of operating variations to 2022-23 MYBR	-26	-134	-43	6
Parameter variations^(a)				
Investing expenditure	716	-132	-218	-426
Asset sales	92	-15	-20	—
Depreciation	14	14	16	18
Total parameter investing variations	822	-134	-222	-408
Policy variations to the 2022-23 MYBR				
Investing expenditure	-106	-49	-32	-32
Investing savings	—	—	—	—
Asset sales	—	—	—	—
Net effect of policy measures to 2022-23 MYBR	-106	-49	-32	-32
Total investing variations	716	-182	-255	-440
Estimate at 2022-23 MYBR	-960	-2 403	-1 717	-1 900

Note: Totals may not add due to rounding.

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

Table 1.7: Major revenue and expense variations (parameter and other only) since the 2022-23 Budget (\$million)

	2022-23	2023-24	2024-25	2025-26
Revenue — taxation				
Payroll tax	—	-4	-4	—
Conveyances	111	42	35	36
Land tax — private	-10	-6	-5	-5
Land tax — public	5	6	6	6
Other property tax	—	1	1	—
Insurance taxes	12	18	20	22
Gambling taxes	64	44	45	45
Motor vehicle taxes	11	11	12	12
Total taxation revenue	192	112	109	116
Revenue — other				
GST revenue grants ^(a)	419	569	488	597
Commonwealth specific purpose and national partnership grants				
SPP grants	45	54	64	76
NP grants	-322	-45	-23	-27
Other contributions and grants	42	22	20	19
Sales of goods and services	68	60	54	61
Dividends and income tax equivalents	-24	25	3	7
Interest income	169	161	94	101
Royalties	8	24	10	16
Other revenue	53	1	—	-1
Total other revenue	457	871	710	850
Operating expenses				
Nominal superannuation interest expense	-59	-63	-60	-56
Interest expense	-244	-265	-241	-295
Depreciation	-14	-14	-16	-18
Carryovers (net of provision for slippage)	-144	-208	-32	-3
Other variations	-76	-450	-442	-528
Total expenses	-538	-999	-791	-900
Investing variations				
Depreciation	14	14	16	18
Carryovers (net of provision for slippage)	158	-138	-27	-0
Other variations	650	-9	-212	-426
Total Investing variations	822	-134	-222	-408

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

A summary of total revenue measures is shown in table 1.8.

Table 1.8: Revenue measures (\$million)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Revenue — non-taxation measures				
Department for Education				
12 Month Skills Agreement – Fee Free TAFE	-1.8	-7.7	-4.8	-3.6
Department for Child Protection				
Social workers registration scheme	—	0.2	0.5	1.1
Total revenue measures — non-taxation	-1.8	-7.5	-4.3	-2.6
Total revenue measures in the 2022-23 MYBR	-1.8	-7.5	-4.3	-2.6
Note: Totals may not add due to rounding.				

Further detail on policy measures is provided in Appendix A.

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 gambling taxes.

Conveyance duty receipts have been revised up largely reflecting higher than expected growth in residential property values and transaction numbers. Actual conveyance duty collections in 2021-22 were \$94 million higher than forecast in the 2022-23 Budget. While year to date transaction volumes have declined in 2022-23 compared to 2021-22 and growth in average duty has slowed, both transaction levels and average prices are higher than expected at the time of the 2022-23 Budget. This has led to upward revisions to conveyance duty revenue, particularly in 2022-23, with smaller positive revisions from 2023-24.

While estimates have been revised up, total conveyance duty collections are forecast to decline by 17.6 per cent in 2022-23 and then moderate further in 2023-24 before returning to growth more in line with long-term levels from around 2024-25.

Gambling tax revenues have been revised up in all years largely reflecting higher than expected collections from gaming machines in hotels and clubs in 2021-22 and year to date collections in 2022-23. These revisions flow through to future years as a base effect. The revision in 2022-23 also includes estimated once-off betting operations tax revenue associated with compliance activity relating to prior years' liabilities.

Insurance tax revenues have been revised up in all years due to stronger than expected growth in general insurance premiums in 2021-22 and year to date in 2022-23. These revisions flow through to future years as a base effect, with revisions from 2023-24 also reflecting expected higher growth forecasts.

Motor vehicle tax revenues have been revised up in all years mainly due to higher revenue from stamp duty on motor vehicle transfers.

Private land tax revenue has been revised down while public land tax revenue has been revised up, reflecting the impact of updated billing and assessment data.

Payroll tax collections have been revised down slightly in 2023-24 and 2024-25 reflecting revised labour market assumptions, with lower employment growth forecasts partially offset by a stronger outlook for wages growth.

GST revenue grants

GST grant revenue estimates have been revised up in all years reflecting upward 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 up in the October 2022-23 Commonwealth Budget, particularly in 2022-23. The national GST pool was revised up by \$3.1 billion in 2022-23 and is now forecast to grow by 12.1 per cent. Upward revisions to the national GST pool in future years are more modest reflecting an expected slowing in household consumption and dwelling investment in response to higher interest rates.

South Australia's share of the national GST pool has been revised up in all years to reflect the rebasing of population estimates in line with the outcome of the 2021 Census. This had the effect of increasing South Australia's share of the national population and results in South Australia receiving a higher share of the national GST pool. These revised population estimates were included in the October 2022-23 Commonwealth Budget along with other changes to forecast population growth rates.

The share of the national GST pool a jurisdiction receives is also 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 2022-23 Budget documents.

New GST distribution arrangements were legislated by the Commonwealth Parliament in 2018 and are being phased in over the six years to 2026-27. The changes include a new equalisation benchmark, with jurisdictions no longer equalised to the same fiscal capacity, but rather to the fiscal capacity of New South Wales or Victoria (whichever has a higher fiscal capacity in a given year). To ensure that no jurisdiction will be worse off under the new arrangements over the transitional period, the Commonwealth Government is providing no-worse off transition payments to impacted jurisdictions. Based on current forecasts of the national GST pool, relativities and population, it is estimated that a payment of \$320 million will be required in 2022-23 to ensure that South Australia is not worse off under the new GST distribution arrangements. This highlights the risk to South Australia and all state and territories (excluding Western Australia) if the Commonwealth does not extend the no-worse off guarantee beyond 2026-27.

Commonwealth specific purpose and national partnership grants

Commonwealth Government specific purpose grant estimates have been revised up in all years largely reflecting higher than budgeted indexation for Quality Schools funding.

Commonwealth national partnership grant estimates have been revised down in all years mainly reflecting revised construction profiles and the anticipated timing of Commonwealth revenue for a range of transport infrastructure projects.

Other contributions and grants

Revenue from other contributions and grants has been revised up in all years primarily reflecting higher Commonwealth revenue (offset by corresponding expenditure) under the Pharmaceutical Benefits Scheme.

Sales of goods and services

Sales of goods and services revenue has been revised up in all years largely reflecting higher revenue from regulatory fees and other user charges.

Upward revisions to regulatory fees include revenue received from development applications that are collected through the new Development Application Processing system and passed on to local councils and other entities. Upward revisions to regulatory fees also include higher land services revenue reflecting stronger than expected property market conditions, particularly in 2022-23.

Revisions to revenue from other user charges mainly reflect revised operating forecasts for Super SA. These are offset by a corresponding increase in expenditure.

Dividend and income tax equivalent income

Estimated dividend and income tax equivalent revenue has been revised down in 2022-23 and revised up in 2023-24, with future years largely unchanged. The revisions in 2022-23 and 2023-24 mainly reflect changes in SA Water's distributions due to a reprofile of third party works for the Department for Infrastructure and Transport relating to the Fleurieu Connections project. In 2022-23, the downward revision in SA Water's distributions is partially offset by an increase in distributions from Renewal SA reflecting the recognition of dividends associated with a higher than expected profit in 2021-22.

Interest income

Interest income is estimated using projections of interest rates applicable to government financial assets. Compared to estimates in the 2022-23 Budget, interest income has been revised up from 2022-23 due to higher projected interest rates.

Royalties

Royalty revenue has been revised up over the forward estimates largely reflecting higher petroleum royalties due to stronger crude oil prices and a weaker than anticipated Australian dollar. The upward revision in 2022-23 is lower than it otherwise would be due to the timing of a refund for the overpayment of royalty revenue relating to 2021-22 by a large producer.

Other revenue

Other revenue has been revised up in 2022-23 with future years largely unchanged. The upward revision in 2022-23 primarily reflects net revenue received as part of a hotel quarantine cross charging arrangement between jurisdictions, as well as the timing of the Walker Corporation's contributions to the Adelaide Festival Plaza upgrade which were budgeted in 2021-22 but now expected to be received in 2022-23.

General government sector revenue

Forward estimates of general government revenues are shown in table 1.9.

Table 1.9: General government revenue — forward estimates (\$million)

	2022-23 Budget	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Revenue — taxation					
Payroll tax	1 553	1 553	1 624	1 702	1 787
Conveyances	1 013	1 124	1 063	1 119	1 169
Land tax - private	391	381	381	391	402
Land tax - public	186	191	191	195	201
Other property taxes	253	253	262	269	277
Insurance taxes	586	598	630	659	687
Gambling tax	519	582	572	584	590
Motor vehicle taxes	785	795	812	826	843
Total taxation revenue	5 286	5 478	5 536	5 745	5 955
Revenue — other					
GST revenue grants ^(a)	7 378	7 797	8 596	8 786	9 185
Commonwealth specific purpose and national partnership grants					
SPP grants	4 002	4 066	4 177	4 377	4 588
NP grants	1 539	1 267	1 532	1 409	1 574
Other contributions and grants	688	732	667	670	676
Sales of goods and services	2 924	2 990	2 985	3 080	3 145
Dividends and income tax equivalents	242	218	247	264	256
Interest income	144	312	389	367	389
Royalties	385	393	379	364	373
Other revenue	1 200	1 253	1 221	1 252	1 273
Total other revenue	18 501	19 029	20 194	20 569	21 461
Total revenue	23 787	24 506	25 729	26 314	27 415
Total revenue % change on previous year					
Total revenue nominal growth (%)		3.4	5.0	2.3	4.2
Total revenue real growth (%)		-3.6	1.0	-0.5	1.4

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 2022-23 Budget. Full details of all policy measures and associated revenue offsets are shown in Appendix A.

The MYBR contains operating and investing expenditure initiatives in the general government sector of \$748 million over four years partially offset by \$157 million over four years of revenue offsets, mainly reflecting contributions from the Commonwealth Government under the COVID-19 National Partnership Agreement, the National Freight Highway Upgrade Program and the Fee Free TAFE 12 Month Skills Agreement. The initiatives are summarised, by agency, in tables 1.11 and 1.12.

Table 1.10: Expenditure initiatives (\$million)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating expenditure initiatives	-208.1	-145.5	-91.2	-83.7
Revenue offsets	47.3	10.1	—	—
Operating savings	—	—	—	—
Total operating initiatives	-160.8	-135.4	-91.2	-83.7
Investing expenditure initiatives	-106.3	-48.7	-32.1	-32.2
Revenue offsets	25.0	25.0	25.0	25.0
Investing savings	—	—	—	—
Asset sales	—	—	—	—
Total investing initiatives	-81.3	-23.7	-7.1	-7.2

Note: Totals may not add due to rounding.

The major expenditure initiatives in the MYBR include:

- \$103.9 million over four years from 2022-23 for costs associated with the 270 bed expansion of the Yatala Labour Prison
- \$91.6 million over 2022-23 and 2023-24 to address damage and aid disaster recovery caused by the ex-tropical Cyclone Tiffany severe weather event in January 2022
- \$55.0 million over four years from 2022-23 to support Non-Government Organisations in meeting the costs associated with minimum Award outcomes and inflation pressures in 2022
- \$51.6 million over 2022-23 and 2023-24 for the financial assistance package announced by the government on 22 November 2022 for River Murray communities, households and businesses affected by large-scale flooding
- \$51.0 million over four years to deliver on the Fee Free TAFE 12 Month Skills Agreement which provides 12 500 fee free TAFE and VET places in South Australia in 2023. In addition, this measure is also supported by a reduction in TAFE SA fees bringing total support to \$68.9 million
- \$43.1 million in 2022-23 for additional COVID-19 response functions, the continuation of the COVID High Risk Hub and the COVID-19 home monitoring service until the end of 2022, as well as increased SA Pathology testing and fourth dose vaccination capacity
- \$25.8 million over 2022-23 and 2023-24 to expand the Transition to Professional Practice Program to support the attraction and retention of nurse and midwife graduates into the South Australian public health system

- \$19.4 million over four years for additional carers in Child Protection’s residential care services and to fund specialist services for children and young people in residential care placements requiring additional support. A further \$2.6 million is provided over four years to trial a program to support young people up to the age of 21 years with complex needs leaving a residential care placement who are at risk of homelessness and housing instability
- \$15.0 million over three years from 2023-24 for the Convention Bid Fund to expand the state’s capacity to secure additional major business events and conventions
- \$14.1 million over four years from 2022-23 to support and administer the legislative processes for voluntary assisted dying in South Australia
- \$13.9 million in 2022-23 to fund resurfacing works to support the return of the Adelaide 500 and to repurchase a significant amount of assets sold off or disposed of by the previous government. These assets will be retained for future Adelaide 500s and other events.
- \$12.2 million over three years from 2023-24 for the Major Events Fund to support new events and grow existing managed events in South Australia. This amount does not include commitments associated with hosting the LIV Golf tournament at The Grange Golf Club and Gather Round of the 2023 AFL season. The financial arrangements for these events are commercial in confidence
- \$12.0 million over four years to support the operations of the Parliamentary Network Services Group for the management of increasing cyber security threats, as well as business continuity planning, information technology training, enhanced cloud based services and the ongoing replacement of parliamentary network infrastructure
- \$11.4 million over four years from 2022-23 for the Attorney-General’s Department for the prosecution of a number of complex criminal cases currently being conducted, including support for the Office of the Director for Public Prosecutions and the Legal Services Commission.

Table 1.11: Operating initiatives (\$million)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Across Government	-75.4	-28.2	-18.1	-14.5
Attorney-General	-4.0	-5.1	-4.3	-2.0
Auditor-General	-0.3	-0.3	-0.3	-0.5
Child Protection	-5.4	-7.8	-7.0	-6.5
Correctional Services	-6.4	-30.9	-31.4	-31.8
Courts	-0.3	—	—	—
Education	-24.2	-31.8	-1.7	-1.5
Energy and Mining	-4.6	-2.8	-2.2	-0.9
Environment and Water	-0.3	-2.2	-1.0	-1.0
Health and Wellbeing	-60.1	-16.5	-4.0	-4.0
Human Services	-1.8	-2.1	-2.3	-2.6
Infrastructure and Transport	-1.4	-0.5	—	—
Industry, Innovation and Science	-1.7	-2.6	-0.9	—
Legislature	-0.8	-0.8	-0.8	-0.8
Police	-0.5	-0.1	-0.2	-0.2
Premier and Cabinet	-14.4	-7.5	-10.6	-10.7
Primary Industries and Regions	-2.6	-1.6	-1.8	-1.8
Tourism	-2.0	-2.5	-2.6	-2.6
Treasury and Finance	-2.1	-2.1	-2.1	-2.2
Total operating initiatives	-208.1	-145.5	-91.2	-83.7

Note: Totals may not add due to rounding.

Table 1.12: Investing initiatives (\$million)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Across Government	-59.0	-12.0	—	—
Correctional Services	-0.8	-2.5	—	—
Infrastructure and Transport	-39.5	-32.3	-31.3	-31.3
Police	—	-1.1	—	—
Premier and Cabinet	-1.7	—	—	—
Primary Industries and Regions	-3.5	—	—	—
Treasury and Finance	-1.8	-0.9	-0.9	-0.9
Total investing initiatives	-106.3	-48.7	-32.1	-32.2

Note: Totals may not add due to rounding.

Parameter and other variations

A number of parameter variations since the 2022-23 Budget contribute to the change in projected expenses and investing payments in 2022-23 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 both expenses and revenue vary
- the reclassification of some transactions in accordance with accounting standards.

The MYBR includes a provision for operating slippage of \$470.0 million and investing slippage of \$760.0 million in 2022-23, 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 \$200.0 million in 2022-23 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 1.13.

Table 1.13: General government operating expenditure — forward estimates (\$million)

	2022-23 Budget	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Employee expenses	9 384	9 415	9 465	9 684	10 022
Superannuation expenses					
Superannuation interest cost	210	269	259	241	223
Other superannuation expenses	1 015	1 021	1 035	1 055	1 088
Depreciation and amortisation	1 475	1 489	1 554	1 645	1 703
Interest expenses	780	1 025	1 252	1 370	1 514
Other property expenses	—	—	—	—	—
Other operating expenses	7 623	7 817	8 264	8 324	8 703
Grants	3 067	3 263	3 547	3 431	3 514
Total expenses	23 554	24 300	25 376	25 750	26 766
Total expenses % change on previous year					
Total expenses nominal growth (%)		-1.0%	4.4%	1.5%	3.9%
Total expenses real growth (%)		-7.7%	0.4%	-1.2%	1.2%

Note: Totals may not add due to rounding.

Average growth in expenses of 2.2 per cent per annum from 2021-22 to 2025-26 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 2022-23 than forecast at the time of the 2022-23 Budget due to policy decisions reflected in the 2022-23 MYBR, primarily for increased COVID-19 response functions and the additional support to attract and retain nurses and midwife graduates into the South Australian public health system. Beyond 2022-23 employee expenses are higher largely due to other policy decisions.

Superannuation expenses

Across the forward estimates superannuation expenses are higher than forecasts in the 2022-23 Budget as a result of increases in the discount rate and lower earnings rate.

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 2022-23 Budget.

Interest expenses

Interest expenses comprise interest paid by the Treasurer to the South Australian Government Financing Authority (SAFA) on government borrowings and interest expenses of agencies related to finance leases.

Interest expenses are higher in 2022-23 than estimated in the 2022-23 Budget primarily due to higher interest rates, partially offset by lower borrowing levels. Interest expenses continue to increase over the forward estimates as debt grows and interest rates rise.

Other operating expenses

Other operating expenses are higher in 2022-23 than forecast in the 2022-23 Budget due to additional expenditure on policy items announced in the 2022-23 MYBR, as well as provisions for future budget priorities where costs are, at this stage, uncertain.

Grants

Grant payments have been revised up in 2022-23 since the 2022-23 Budget to reflect revised timing of payments, including for the Local Government Infrastructure Partnership Program, and policy items including the government's responses to the ex-tropical Cyclone Tiffany severe weather event and the River Murray flood event.

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 1.14. Full details of all policy measures are shown in Appendix A.

Table 1.14: Full-time equivalent impacts of policy decisions in the 2022-23 MYBR as at 30 June

	FTEs as at 30 June			
	2023 MYBR	2024 Estimate	2025 Estimate	2026 Estimate
Expenditure initiatives	177	83	90	96
Savings measures	—	—	—	—
Total FTE impact of policy decisions	177	83	90	96

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

- Health and Wellbeing — an additional 99 FTEs in 2022-23 to expand the Transition to Professional Practice Program to support the attraction and retention of nurse and midwife graduates into the South Australian public health system
- Child Protection — an additional 33 FTEs by 2025-26 to provide additional carers in the department's residential care services.

The estimated aggregate workforce levels in the general government sector across the forward estimates as at the 2022-23 MYBR are shown in table 1.15.

Table 1.15: General government sector employment

	FTE employees as at 30 June				
	2022 Estimate and Actual	2023 Estimate	2024 Estimate	2025 Estimate	2026 Estimate
As at 2022-23 Budget	89 572	87 704	87 238	87 691	89 066
As at 2022-23 Mid-Year Budget Review	89 609	88 004	87 502	87 967	89 355
Change since 2022-23 Budget	36	300	264	275	290
FTEs by agency at 2022-23 MYBR:					
Health and Wellbeing (excluding SAAS)	35 755	33 091	32 439	32 637	33 560
South Australian Ambulance Service	1 762	1 867	1 922	2 013	2 088
Education	24 915	25 626	25 757	25 971	26 099
Police	5 865	5 887	5 914	5 978	5 978
Other	21 311	21 533	21 470	21 367	21 630
Total FTEs as at 2022-23 MYBR	89 609	88 004	87 502	87 967	89 355
Note: Totals may not add due to rounding.					

Actual FTEs were 36 higher as at 30 June 2022 than estimated in the 2022-23 Budget largely due to additional FTEs in Health and Wellbeing as a result of COVID-19 resourcing, partially offset by lower FTEs in Education mainly due to separations as a result of the Public Sector Workforce Rejuvenation Scheme as well as other unfilled vacancies.

FTEs are projected to be higher as at 30 June 2023 than estimated in the 2022-23 Budget primarily due to the policy decisions reflected in the 2022-23 MYBR.

Compared to 2022 FTEs reduce in 2023 as a result of the COVID-19 public health functions being progressively phased out over the course of 2022-23. Underlying health FTEs, excluding COVID-19 and time-limited programs are shown in table 1.16.

Table 1.16: SA Health underlying FTEs

	FTE employees as at 30 June				
	2022 Estimate and Actual	2023 Estimate	2024 Estimate	2025 Estimate	2026 Estimate
FTEs at 2022-23 Budget:					
Health and Wellbeing (excluding SAAS)	34 935	32 911	32 411	32 612	33 538
South Australian Ambulance Service	1 748	1 833	1 905	1 997	2 079
Total Health FTEs - 2022-23 Budget	36 683	34 744	34 316	34 609	35 617
Changes since 2022-23 Budget:					
2022 Actual FTE above Estimate	834	—	—	—	—
Supporting Graduate Nurses	—	99	—	—	—
Voluntary Assisted Dying	—	19	19	19	19
Other post-Budget adjustments ^(a)	—	96	26	22	12
FTEs at 2022-23 MYBR:					
Health and Wellbeing (excluding SAAS)	35 755	33 091	32 439	32 637	33 560
South Australian Ambulance Service	1 762	1 867	1 922	2 013	2 088
Total Health FTEs - 2022-23 MYBR	37 517	34 958	34 361	34 650	35 648
Underlying health FTEs (excluding COVID-19 and time-limited programs)^(b)	33 862	34 359	34 361	34 650	35 648

Note: Totals may not add due to rounding.

(a) Includes items such as carryovers, data adjustments, and other parameter adjustments since the 2022-23 Budget.

(b) Excludes all of SA Health's budgeted COVID-19 FTEs in 2021-22 and 2022-23, including funding provided in the 2021-22 Budget, 2021-22 MYBR, 2022-23 Budget and 2022-23 MYBR. Also excludes FTEs attributed to major time limited projects.

General government investing expenditure

Forward estimates of general government investing expenditure are shown in table 1.17.

Table 1.17: General government sector investing expenditure — forward estimates (\$million)

	2022-23 Budget	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Purchases of non-financial assets	3 502	2 889	4 435	3 971	4 292

Purchases of non-financial assets are expected to be \$2.9 billion in 2022-23. The forward estimates contain a major infrastructure investment program of \$15.6 billion in the general government sector over the four years 2022-23 to 2025-26. This is slightly higher than estimated at the time of the 2022-23 Budget largely as a result of policy items, including the Freight Highway Upgrade Program and the response to the ex-tropical Cyclone Tiffany severe weather event.

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

Financial position

Tables 1.18 and 1.19 show the updated estimates for key balance sheet indicators for both the general government and non-financial public sectors.

Table 1.18: Key balance sheet indicators — general government sector

	As at 30 June					
	2022 Outcome	2023 Budget	2023 MYBR	2024 Estimate	2025 Estimate	2026 Estimate
Net debt						
\$m	16 479	19 003	17 272	20 203	22 357	24 643
% of total revenue	69.5	79.9	70.5	78.5	85.0	89.9
Unfunded superannuation liability						
\$m	7 065	7 458	6 708	6 280	5 822	5 333
% of total revenue	29.8	31.4	27.4	24.4	22.1	19.5
Net financial liabilities						
\$m	28 259	31 921	29 182	31 731	33 504	35 381
% of total revenue	119.2	134.2	119.1	123.3	127.3	129.1
Net financial worth						
\$m	-8 588	-14 445	-9 299	-11 368	-12 774	-14 377
% of total revenue	-36.2	-60.7	-37.9	-44.2	-48.5	-52.4
Net worth						
\$m	52 444	47 460	52 904	53 631	54 546	55 533
% of total revenue	221.2	199.5	215.9	208.4	207.3	202.6

General government net debt is forecast to be \$17.3 billion at 30 June 2023, a \$1.7 billion improvement from the estimate as at 2022-23 Budget. The \$1.7 billion improvement in net debt in 2022-23 from the estimate as at 2022-23 Budget is largely the result of changes in the investing program in 2022-23, a lower actual 2021-22 year end net debt outcome (as discussed in the 2021-22 Final Budget Outcome) and higher cash receipts in 2022-23 associated with accrued tax revenue in 2021-22.

The improvement in net debt is maintained across the forward estimates when compared with the estimates in the 2022-23 Budget. General government net debt is projected to be \$24.6 billion as at 30 June 2026, a \$577 million improvement from the projection in the 2022-23 Budget.

The net debt of the public non-financial corporations (PNFC) sector is forecast to be \$8.3 billion at 30 June 2023, a \$9 million increase from the estimate at the time of the 2022-23 Budget, and is projected to be \$8.9 billion as at 30 June 2026.

The PNFC sector includes SA Water which makes up the largest component (between 90-93 per cent) of net debt in that sector.

Table 1.19: Key balance sheet indicators — non-financial public sector

	As at 30 June					
	2022 Outcome	2023 Budget	2023 MYBR	2024 Estimate	2025 Estimate	2026 Estimate
Net debt						
\$m	23 988	27 324	25 515	28 834	31 074	33 458
% of total revenue	95.9	109.4	99.0	106.9	112.2	116.5
Unfunded superannuation liability						
\$m	7 065	7 458	6 708	6 280	5 822	5 333
% of total revenue	28.2	29.9	26.0	23.3	21.0	18.6
Net financial liabilities						
\$m	37 174	41 968	38 814	41 853	43 802	45 860
% of total revenue	148.6	168.0	150.6	155.2	158.2	159.7
Net financial worth						
\$m	-35 100	-42 892	-36 840	-39 926	-41 978	-44 236
% of total revenue	-140.3	-171.7	-143.0	-148.0	-151.6	-154.0
Net worth						
\$m	52 444	47 464	52 910	53 635	54 549	55 537
% of total revenue	209.6	190.0	205.4	198.9	197.0	193.4

The combined non-financial public sector (NFPS) net debt as at 30 June 2023 is expected to be \$25.5 billion, a \$1.8 billion improvement since 2022-23 Budget. At 30 June 2026, NFPS net debt is projected to be \$33.5 billion, a \$404 million improvement from the projection in the 2022-23 Budget. The change in NFPS net debt across the forward estimates compared with the 2022-23 Budget is predominantly driven by changes in the general government sector as mentioned above.

Unfunded superannuation

The estimated unfunded superannuation liability at 30 June 2023, and across the forward estimates, has decreased since the 2022-23 Budget.

This decrease in the unfunded superannuation liability is primarily due to an increase to the discount rate since the 2022-23 Budget. The prevailing annualised bond rate, 4.0 per cent, has increased from 2.7 per cent at the time of the 2022-23 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 2022-23 MYBR, the earnings rate for 2022-23 is projected to be 5.6 per cent. The assumed annual earnings rate for 2023-24 and beyond is still expected to be 6.5 per cent, reflecting the long-term earnings rate target, and consistent with forecasts in the 2022-23 Budget.

The net result of variations in the discount rate, earnings rate and other minor adjustments, is a decrease of \$750 million in the estimated unfunded superannuation liability as at 30 June 2023. The unfunded superannuation liability is now expected to be \$6.7 billion at 30 June 2023 with the liability decreasing over the forward estimates to \$5.3 billion by 30 June 2026.

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 \$29.2 billion at 30 June 2023, a decrease of \$2.7 billion from the estimate as at 2022-23 Budget, and is projected to be \$35.4 billion at 30 June 2026.

Changes in net financial liabilities since the 2022-23 Budget are primarily due to a lower actual 2021-22 year end net financial liabilities outcome as discussed in the 2021-22 Final Budget Outcome.

Chapter 2: The economic context

Overview

Having traversed the COVID-19 pandemic relatively successfully, the global economy is now facing a new set of challenges, with high inflation, tightening monetary policy, Russia's invasion of Ukraine, and the lingering impacts of COVID-19 all presenting downside risks to the global outlook. Following global Gross Domestic Product (GDP) growth of 6.0 per cent in 2021, the International Monetary Fund (IMF) forecasts global GDP growth to be 3.2 per cent in 2022. Global growth is then forecast to moderate to 2.7 per cent in 2023 — reflecting emerging global challenges and the risk of recession in the advanced economies of the United States of America, Europe and the United Kingdom.

Australia's economy performed strongly in 2021-22 with GDP growing by 3.7 per cent, supported by strength in household and government consumption, and new private business investment. The Commonwealth Budget forecasts Australian GDP to grow by 3¼ per cent in 2022-23, moderating to growth of 1½ per cent in 2023-24. This reflects Australia's exposure to high global inflation and slowing growth, and closer to home, increasing cost of living pressures and rising interest rates increasingly weighing on household disposable income and consumption.

South Australia's economy has performed strongly post COVID-19, with Gross State Product (GSP) growth of 5.1 per cent and State Final Demand (SFD) growth of 5.6 per cent in 2021-22. Major contributors to growth have been household and government consumption, private new business investment, and dwelling investment.

The state's labour market has also reflected underlying strength in the economy, with employment and monthly hours worked at record highs, and unemployment at near record lows.

While building approvals have moderated since the conclusion of the Commonwealth Government's HomeBuilder scheme in March 2020, there remains a sizeable pipeline of residential construction work that will support economic activity in South Australia well into 2023. Although private detached house approvals have softened from recent highs, the average number of private detached house approvals in the 12 months to October 2022 was 27 per cent higher than the average monthly number in the 10 years to December 2019, pre-COVID-19.

Goods exports have performed well, with the value of exports in the twelve months to October 2022 climbing to \$16.0 billion to be 23 per cent higher than in the twelve months to October 2021. The latest Australian Bureau of Agricultural and Resource Economics and Sciences crop report forecasts the state's winter crop to increase by 31 per cent in 2022-23 to a record high of 11.2 million tonnes; 63 per cent higher than the five-year average.

Economic Forecasts

The South Australian economy has continued to perform solidly across a number of economic indicators, although the pace of growth is now moderating. Following growth of 4.7 per cent in 2020-21, GSP remained strong in 2021-22, growing by 5.1 per cent. SFD was also strong, increasing by 5.6 per cent in 2021-22 on the back of a 5.3 per cent rise in 2020-21. Growth in both GSP and SFD, however, is expected to moderate in 2022-23 and 2023-24 as higher interest rates and inflation flow through to moderate spending and investment decisions.

Demand for labour remains strong at present, and is supported by the continued strength in job vacancies, which remain at high levels, just below the strongest levels on record. Employment growth in South Australia is forecast to be 1 per cent in 2022-23, unchanged from the 2022-23 Budget. Employment growth in 2023-24, however, is expected to be lower than at budget time, and is now forecast to be ½ per cent reflecting the anticipated slowdown in activity as higher interest rates act to dampen consumption spending. Employment growth is then forecast to pick up gradually over the following two years to return to its longer-term growth rate of 1 per cent per annum by 2025-26.

The outlook for inflation has been revised up, reflecting the high rates of inflation being experienced in many (mainly advanced) nations, including Australia. The Adelaide Consumer Price Index (CPI) is now forecast to grow by 7¼ per cent in 2022-23, 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 moderate to 4 per cent growth in 2023-24 partly due to the effectiveness of monetary tightening in dampening demand, and to fall back within the RBA's target range from 2024-25.

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)

	2021-22 Actual	2022-23 Budget Forecast	2022-23 Revised Forecast	2023-24 Projection	2024-25 Projection	2025-26 Projection
Australia						
Gross Domestic Product (GDP)	3.7	3½	3¼	1½	2¼	2½
South Australia						
Gross State Product (GSP)	5.1	2¼	2	1¼	2	2¼
State Final Demand (SFD)	5.6	2½	2¼	1¼	2	2¼
Employment	3.6	1	1	½	¾	1
Adelaide Consumer Price Index (CPI)	4.2	5	7¼	4	2¾	2¾
Note: Forecasts and projections are based on underlying national economic and state population trends, and climatic conditions impacting on farm sector production.						

Appendix A: Policy measures by agency

Overview

This appendix describes the revenue and expenditure decisions since the 2022-23 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)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Revenue measures — Taxation	—	—	—	—
Revenue measures — Other	-2	-7	-4	-3
Operating initiatives	-208	-146	-91	-84
Revenue offsets — Taxation	—	—	—	—
Revenue offsets — Other	47	10	—	—
Operating savings	—	—	—	—
Total operating initiatives	-163	-143	-96	-86
Investing expenditure initiatives	-106	-49	-32	-32
Revenue offsets	25	25	25	25
Investing savings	—	—	—	—
Asset sales	—	—	—	—
Total investing initiatives	-81	-24	-7	-7
FTEs	177	83	90	96

Note: Totals may not add due to rounding.

Details of these items are included in the following pages.

Across Government

Automated external defibrillators

Budget implications (\$000)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating expenses	—	-3 990	-4 350	-720

This initiative provides \$9.1 million over three years from 2023-24 for the purchase, installation and ongoing maintenance of automated external defibrillators (AEDs) in all public transport buses, trains, trams and Country Fire Service (CFS) emergency vehicles.

Funding includes \$7.3 million for unit purchases and installations and \$360 000 in 2023-24 increasing to \$720 000 per annum from 2024-25 for ongoing maintenance and testing of devices.

Government buildings, facilities and vehicles will be required to have AEDs installed from 1 January 2025, while private sector buildings and prescribed community and sporting organisations will be required to have AEDs installed from 1 January 2026. Wellbeing SA will provide and administer a grant program to assist community and sports organisations to install AEDs in their facilities.

Installation and maintenance of AEDs in CFS vehicles will be recovered through the Emergency Services Levy.

SA Ambulance, Metropolitan Fire Service and State Emergency Service vehicles are currently equipped with AEDs.

Ex-Tropical Cyclone Tiffany weather event – response

Budget implications (\$000)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating expenses	-11 128	-9 484	—	—
Investing payments	-59 000	-12 000	—	—

This initiative provides \$70.1 million in 2022-23 and \$21.5 million in 2023-24 to address damage and aid disaster recovery caused by the ex-tropical Cyclone Tiffany severe weather event in January 2022. Funding will be directed to:

- repairs to roads and access routes in the north and west of the state
- implementing weed and pest control measures
- repairs to the dog fence
- assistance for local government to repair infrastructure through the Local Government Disaster Recovery Assistance Arrangements.

Non-Government Organisations – indexation supplementation

Budget implications (\$000)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating expenses	-13 704	-13 755	-13 776	-13 801

This initiative provides \$13.7 million per annum (indexed) from 2022-23 to support Non-Government Organisations (NGOs) in meeting the costs associated with minimum Award outcomes and inflation pressures in 2022. These wage and CPI outcomes impact a range of NGOs who provide services in the social, community,

home care and disability sectors. The government provides standard indexation having regard to longer term indexation factors and while this principle is retained for future years, the government has recognised the significant impact these pressures are having on NGOs in 2022-23.

River Murray flood event – preparedness and response

Budget implications (\$000)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating expenses	-50 561	-1 000	—	—

This initiative provides \$50.6 million in 2022-23 and \$1.0 million in 2023-24 for a financial assistance package for River Murray communities, households and businesses who will be affected by large scale flooding.

The package of disaster assistance responds to key community issues and the impact of rising river flows, and includes \$10 million towards remediation of critical state infrastructure, \$9.3 million to remediate existing levee systems identified as critical to protect towns and communities and construct new ones on council land and \$4.8 million to purchase sandbags for distribution to flood affected communities.

The package also includes various grant programs to support impacted individuals and businesses, including:

- Early Business Closure grants
- Generator Purchase grants
- Levee Support grants
- Personal Hardship Emergency grants
- Rental assistance.

Funding is also provided for a “book them out” tourism voucher program and marketing campaign, fee waivers, mental health support and financial counselling.

The nine local government areas eligible for disaster funding are Alexandrina Council, Berri Barmera Council, Coorong District Council, District Council of Karoonda East Murray, District Council of Loxton Waikerie, Mid Murray Council, Murray Bridge Council, Pastoral Unincorporated Area and Renmark Paringa Council.

A number of these measures may be jointly funded by the Commonwealth and South Australian Governments under national Disaster Recovery Funding Arrangements.

Attorney-General's Department

Forensic Science SA – additional resources

Budget implications (\$000)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating expenses	-1 272	-1 050	-1 080	-52
Full time equivalents	4	4	4	—

This initiative provides \$3.5 million over four years from 2022-23 to address increasing case numbers and changes in service demands for Forensic Science SA.

Operation Ironside and complex criminal cases

Budget implications (\$000)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating expenses	-2 288	-3 985	-3 212	-1 940
Full time equivalents	14	9	9	9

This initiative provides \$11.4 million over four years from 2022-23 for the prosecution of a number of complex criminal cases currently being conducted, including support for the Office of the Director of Public Prosecutions and the Legal Services Commission to address additional caseloads arising from Operation Ironside.

Administered Items for the Attorney-General's Department

Royal Commission into Early Childhood Education and Care

Budget implications (\$000)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating expenses	-390	-60	—	—

This initiative provides \$390 000 in 2022-23 and \$60 000 in 2023-24 to support the Royal Commission into Early Childhood Education and Care. The funding is in addition to \$2.0 million committed in the 2022-23 Budget. The Hon. Julia Gillard AC has been appointed as Commissioner to oversee delivery of evidence based advice to the government which will ensure a high-quality early years system that is fit for the future.

Auditor-General's Department

Reversal of savings

Budget implications (\$000)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating expenses	-300	-317	-338	-537

This initiative provides \$300 000 in 2022-23 increasing to \$537 000 by 2025-26 to reverse savings allocated as part of the 2022-23 Budget to ensure the Auditor-General retains sufficient resources to meet statutory audit responsibilities to the Parliament.

Department for Child Protection

Child protection – additional carers

Budget implications (\$000)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating expenses	-487	-1 729	-3 009	-4 326
Full time equivalents	4	14	24	33

This initiative provides \$9.6 million over four years from 2022-23 for additional carers in the department's residential care services as a result of the reconfiguration of residential care facilities to smaller facilities.

The government is committed to providing residential care accommodation that is staffed to appropriately support the needs of children and young people in a safe and nurturing environment.

Further measures in response to child protection reviews are under consideration.

Child protection – specialist services

Budget implications (\$000)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating expenses	-4 296	-3 670	-1 794	-42

This initiative provides \$9.8 million over four years from 2022-23 to fund specialist services for children and young people in residential care placements requiring additional support.

The government is committed to ensuring children and young people in care receive the support required to give them the best chance to physically, mentally and emotionally thrive.

Further measures in response to child protection reviews are under consideration.

Stability Post Care program

Budget implications (\$000)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating expenses	-131	-808	-826	-847

This initiative provides \$131 000 in 2022-23 increasing to \$808 000 per annum (indexed) from 2023-24 to trial a program to support young people up to the age of 21 years with complex needs leaving a residential care placement who are at risk of homelessness and housing instability.

This initiative extends the supports provided in the Next Steps pilot program and Stability in Family Based Care program.

Administered Items for the Department for Child Protection

Social workers registration scheme

Budget implications (\$000)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating revenue	—	210	525	1 050
Operating expenses	-516	-1 587	-1 366	-1 239
Full time equivalents	6	6	4	4

This initiative provides \$4.7 million over four years from 2022-23 to support the introduction of a registration scheme for social workers in South Australia under the *Social Workers Registration Act 2021*.

The Act establishes the Social Workers Registration Board of South Australia, which will be responsible for forming and maintaining a social workers register, preparing and endorsing codes of conduct, professional standards and ethical guidelines for registered social workers.

The registration scheme will be established as a voluntary scheme initially with a date for the commencement of a mandatory scheme to be considered by the Board.

It is anticipated that the ongoing expenditure will be largely cost recovered through a registration fee, expected to raise \$1.1 million per annum (indexed) from 2025-26.

Department for Correctional Services

Yatala Labour Prison expansion – operating costs

Budget implications (\$000)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating expenses	-6 427	-30 909	-31 374	-31 844
Investing payments	-835	-2 504	—	—

This initiative provides \$6.4 million in 2022-23 increasing to \$30.9 million per annum (indexed) from 2023-24 for the operating costs, including additional custodial and support staff, associated with the 270 bed expansion of the Yatala Labour Prison.

A further \$3.3 million of investing expenditure is provided to upgrade the onsite laundry to meet the increased demand as a result of the prison expansion and number of prisoners.

Courts Administration Authority

Additional Magistrate – Youth Court

Budget implications (\$000)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating expenses	-345	—	—	—
Full time equivalents	2	—	—	—

This initiative provides \$345 000 in 2022-23 to enable the immediate extension of a 0.5 FTE Magistrate and associated support staff in the Youth Court to continue addressing workloads in the care and protection jurisdiction.

Department for Education

Tjindu Foundation

Budget implications (\$000)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating expenses	-150	—	—	—

This initiative provides \$150 000 in 2022-23 to support the Tjindu Foundation in delivering community based cultural education activities and encouraging positive, long-term change for Aboriginal children in communities across South Australia. The Tjindu Foundation partners with schools to improve education and employment outcomes, connect young people to cultural educators and facilitate access to wellbeing and health services.

12 Month Skills Agreement – Fee Free TAFE*Budget implications (\$000)*

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating revenue	23 008	2 422	-4 849	-3 632
Operating expenses	-17 533	-31 302	-1 169	-985

This initiative provides support of \$68.9 million over four years, including \$68 million through a combination of additional expenditure of \$50.1 million and an investment of \$17.9 million to offset TAFE student fee revenue to deliver on the Fee Free TAFE 12 Month Skills Agreement and \$0.9 million for Vocational Education and Training (VET) Data Infrastructure Reform to improve the collection and use of VET activity data.

12 500 fee free TAFE and VET places will be supported through this initiative in South Australia in 2023. Fee free training places will be delivered in priority areas experiencing skills shortages including the care sector, technology and digital, hospitality and tourism, construction, agriculture, and sovereign capability (defence and advanced manufacturing).

This initiative is funded in partnership with the Commonwealth, who are contributing \$24.8 million in 2022-23 and \$10.1 million in 2023-24.

Administered items for the Department for Education**Hopgood Theatre refurbishment***Budget implications (\$000)*

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating expenses	-6 000	—	—	—

This initiative provides \$6.0 million in 2022-23 for a grant to the City of Onkaparinga for the refurbishment of the Hopgood Theatre in Noarlunga.

This will maintain the Hopgood Theatre's role as an important arts asset for the Southern Adelaide region. The council will take responsibility for redevelopment and ongoing operation and maintenance of the theatre from June 2023.

Independent Schools regional bus grant*Budget implications (\$000)*

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating expenses	-500	-500	-500	-500

This initiative provides \$500 000 per annum from 2022-23 to increase grants to the independent school sector to assist in providing regional transport services to their students.

Department for Energy and Mining

Expert advice – National Energy Crisis

Budget implications (\$000)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating expenses	-1 500	—	—	—

This initiative provides \$1.5 million in 2022-23 for expert advice to support the National Energy Crisis Cabinet Committee. The Committee seeks to reduce the scale of energy price increases and to mitigate their impact on the community with support provided from the Department for Energy and Mining and the Essential Services Commission of South Australia.

Office of Hydrogen Power South Australia

Office of Hydrogen Power SA – additional operational support

Budget implications (\$000)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating expenses	-3 101	-2 831	-2 220	-904

This initiative provides additional resourcing of \$9.1 million over four years from 2022-23 to enable the Office of Hydrogen Power SA to undertake and complete key deliverables to implement the Hydrogen Jobs Plan. The Plan includes the development and construction of large-scale, government-owned hydrogen facilities.

Department for Environment and Water

Climate change projects

Budget implications (\$000)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating expenses	-300	-1 200	—	—

This initiative provides \$300 000 in 2022-23 and \$1.2 million in 2023-24 for climate change emergency priority projects including:

- net zero emissions pathway modelling and planning (\$1.0 million)
- climate ready business support measures (\$0.3 million)
- industry climate change conference (\$0.2 million).

Funding for this initiative supports the climate change targets to reduce net emissions and supports stronger climate action.

Protecting heritage for the future

Budget implications (\$000)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating expenses	—	-1 000	-1 000	-1 000
Full time equivalents	—	3	3	3

This initiative provides \$1.0 million per annum over ten years from 2023-24 to deliver a heritage reform agenda which includes:

- contemporary heritage legislation and policy support
- a digital heritage register, enhanced mapping and better heritage information for decision making
- a reduction in the back-log of outstanding heritage listings
- annual heritage conservation grants to support owners of state heritage places
- additional support to the SA Heritage Council.

Department for Health and Wellbeing

New Women's and Children's Hospital

Budget implications (\$000)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating expenses	—	—	—	—
Investing payments	—	—	—	—

Following a site review of six possible location options for the new Women's and Children's Hospital, including its originally announced location, it was determined that the new Women's and Children's Hospital will be built on the much larger Thebarton Police Barracks site located near the Royal Adelaide Hospital. The Barracks site is the most clinically appropriate option while also providing for future growth opportunities for both the Royal Adelaide Hospital and Women's and Children's Hospital.

The newly located hospital will increase treatment spaces by 24 per cent compared to the current hospital, with an additional 56 overnight beds and site capacity for a further 20 beds. Critical care services including birthing, theatres, 23-hour ward, paediatric intensive care and neonatal intensive care will all be located on one floor. The new Women's and Children's Hospital will also include an integrated four bed Intensive Care Unit which will enable women requiring high care to remain at the hospital, and a dedicated heliport with direct access to critical clinical areas.

While the total cost of the project has increased to \$3.2 billion the additional funding will fall outside the forward estimates. Currently across the forward estimates (2022-23 to 2025-26) more than \$1.4 billion has been allocated to commence construction of the new Women's and Children's Hospital.

COVID-19 public health functions*Budget implications (\$000)*

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating revenue	19 559	—	—	—
Operating expenses	-43 098	—	—	—

This initiative provides additional operating funding of \$43.1 million in 2022-23 to support certain COVID-19 response functions in 2022-23 and to ensure the State's hospitals have had sufficient capacity to manage potential surge demand pressures, particularly through the 2022 winter period.

This initiative has made available an additional 107 private and Non-Government Organisation hospital beds across sub-acute, medical and surgical, mental health and obstetrics and an additional 24 beds at Regency Green to support the discharge of people with a psychosocial disability diagnosis. Funding has also allowed for the continuation of the COVID High Risk Hub and the COVID-19 home monitoring service until the end of 2022, as well as increased SA Pathology testing capacity and fourth dose vaccination capacity to support South Australia through the winter COVID surge.

An estimated \$19.6 million will be funded by the Commonwealth Government under the COVID-19 National Partnership Agreement.

Japanese Encephalitis community vaccination program*Budget implications (\$000)*

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating expenses	-1 484	—	—	—

This initiative provides \$1.5 million in 2022-23 to roll-out an expanded Japanese Encephalitis vaccination program. The program will be expanded to include those persons aged from 2 months who have a primary residence, or who are employed in a role that is located in an eligible postcode within 5 kilometres of the River Murray, Lake Alexandrina or Lake Albert, and who spend at least 4 hours per day outdoors.

The vaccine roll-out will occur through a hybrid model, which will utilise general practitioners, pharmacies, relevant regional Local Health Networks and third-party providers.

Supporting our graduate nurses*Budget implications (\$000)*

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating expenses	-13 182	-12 595	—	—
Full time equivalents	99	—	—	—

This initiative provides \$13.2 million in 2022-23 and \$12.6 million in 2023-24 to expand the Transition to Professional Practice Program (TPPP) to support the attraction and retention of nursing and midwifery graduates into the South Australian public health system.

The funding will double the number of TPPP positions within the public health system, with 1 200 graduate nurses and midwives to be offered places in 2023, and also provide an enhanced training and support program for graduates as they transition to professional practice.

This initiative will help address critical future health workforce shortages in metropolitan and regional South Australia.

Voluntary assisted dying*Budget implications (\$000)*

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating expenses	-2 292	-3 883	-3 950	-4 021
Full time equivalents	19	19	19	19

This initiative provides \$2.3 million in 2022-23 increasing to \$3.9 million per annum (indexed) from 2023-24 to support and administer voluntary assisted dying legislative processes in South Australia, which will commence on 31 January 2023.

The funding will provide for support functions such as a care navigation service, pharmacy service, the Voluntary Assisted Dying Review Board and Secretariat, mandatory clinical training for practitioners, an online platform to manage assessments and permits, and an operation support team.

Department of Human Services**Non-residents ineligible for the National Disability Insurance Scheme (NDIS)***Budget implications (\$000)*

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating expenses	-1 826	-2 099	-2 279	-2 616
Full time equivalents	10	10	10	11

This initiative provides \$1.8 million per annum (indexed) from 2022-23 to support people with a disability who are ineligible for the NDIS due to their residency status. This includes, but is not limited to, adults and children on temporary protection visas, bridging visas and temporary migrant visas.

Department for Infrastructure and Transport**North-South Corridor – River Torrens to Darlington***Budget implications (\$000)*

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating revenue	—	—	—	—
Investing payments	—	—	—	—

In line with the Government's election commitment, the Department for Infrastructure and Transport undertook a review to examine the key elements of the North-South Corridor, River Torrens to Darlington (T2D) project. The T2D project is the final 10.5 kilometre piece of the North-South Corridor, delivering a 78 kilometre non-stop traffic light free motorway between Gawler and Old Noarlunga.

The review uncovered a number of issues, including an optimistic project program, lack of recognition of skilled labour and supply chain constraints being experienced nationally, key items excluded from the project scope, and tender/contract documentation not being sufficiently developed. Following this review and community feedback, changes to the Reference Design have been made to deliver greater community and traffic benefits, including removal of the elevated ramp at Anzac Highway and the elevated structure adjacent to the Brickworks Marketplace.

The Updated Reference Design, which has been independently peer reviewed, has increased the cost of the project from the current funding allocation of \$9.9 billion (from State and Commonwealth Governments) to \$15.4 billion. The increased cost is expected to fall outside the forward estimates, with updated project cashflows to be reviewed in the 2023-24 Budget.

The Government is working with the Commonwealth Government to secure a contribution towards the remaining \$5.45 billion required to deliver the T2D project on a 50:50 funding basis.

Freight Highway Upgrade Program

Budget implications (\$000)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating revenue	25 000	25 000	25 000	25 000
Investing payments	-31 250	-31 250	-31 250	-31 250

This initiative provides \$500 million over ten years (\$375 million outside the forward estimates) from 2022-23 for upgrades on key freight routes including the Dukes, Stuart and Augusta Highways as part of the Commonwealth's National Freight Highway Upgrade Program.

This project is funded in partnership with the Commonwealth on an 80:20 basis (\$400 million in Commonwealth funding and \$100 million in state funding).

Parliament House – western façade restoration

Budget implications (\$000)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Investing payments	-1 818	—	—	—

This initiative provides \$1.8 million in 2022-23 to restore the western façade of Parliament House. Works will include façade stone cleaning, repairs and conservation, reglazing of windows, bird proofing and installation of internal blinds.

Port Rail Spur – additional funding

Budget implications (\$000)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Investing payments	-5 400	—	—	—

This initiative provides an additional \$5.4 million in 2022-23 for the completion of the Port Rail Spur project and efficient connectivity with the rail network. The additional funding will bring the total project cost to \$56.4 million.

Thebarton Police Barracks relocation

Budget implications (\$000)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Investing payments	-1 000	-1 000	—	—

This initiative provides \$1.0 million in 2022-23 and \$1.0 million in 2023-24 to support activities to relocate SA Police operations from the Thebarton Police Barracks.

Office for Recreation, Sport and Racing

Additional support for Memorial Drive re-development

Budget implications (\$000)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating expenses	-500	—	—	—

This initiative provides \$500 000 in 2022-23 to Tennis SA to support the completion of the Memorial Drive re-development, ensuring its transformation to a world class facility.

FIFA Women's World Cup

Budget implications (\$000)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating expenses	-855	-495	—	—

This initiative provides \$855 000 in 2022-23 and \$495 000 in 2023-24 to support essential infrastructure upgrades, implement public education campaigns and conduct football specific development programs in order to maximise the legacy benefit for South Australia and the sport of football from being a host city for the FIFA Women's World Cup 2023.

Department for Industry, Innovation and Science

Screen Production Fund – Australian Broadcasting Corporation (ABC) partnership

Budget implications (\$000)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating expenses	-1 730	-2 600	-870	—

This initiative provides \$5.2 million over three years from 2022-23 for the South Australian Film Corporation to enter into a partnership with the ABC for the production of screen content in South Australia. The partnership will provide opportunities to South Australia's skilled workforce involved in the screen business ecosystem and will also provide a secure and ongoing pipeline of quality Australian television production in the state from early 2023.

Legislature

People and culture unit within Parliament

Budget implications (\$000)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating expenses	-770	-786	-801	-818
Full time equivalents	3	3	3	3

This initiative provides \$770 000 per annum (indexed) from 2022-23 for the establishment of a People and Culture unit to ensure consistent and effective people management services to support employees of the two Houses of Parliament and the Joint Parliamentary Service.

South Australia Police

Electronic immediate loss of licence notices

Budget implications (\$000)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating expenses	-175	-137	-155	-159
Investing payments	—	-1 050	—	—
Full time equivalents	2	2	—	—

This initiative provides \$1.1 million in 2023-24 to develop and implement an electronic system for the issuing of immediate roadside loss of licence notices.

The initiative is supported by \$0.2 million per annum from 2022-23 to assist with rollout and maintenance of devices in police vehicles as well as ongoing annual licensing and associated hardware costs.

Operation Ironside

Budget implications (\$000)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating expenses	-298	—	—	—
Full time equivalents	3	—	—	—

This initiative provides \$298 000 in 2022-23 for additional resourcing to enable digital evidence collation, analysis and production to support Operation Ironside, and to aid the successful prosecution of other major indictable charges.

Department of the Premier and Cabinet

Adelaide Rally

Budget implications (\$000)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating expenses	-500	-512	-525	-538

This initiative provides \$500 000 per annum (indexed) from 2022-23 to support the extension of a touring and competitive tarmac rally event in South Australia. The event will be held over four days and continues the history of the event which spans 25 years in the state.

The initiative will also bring the community together for events in the CBD, Adelaide Hills and Fleurieu Peninsula regions including dedicated spectator zones, street parties and free community events.

Convention Bid Fund

Budget implications (\$000)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating expenses	—	-3 000	-6 000	-6 000

This initiative provides \$3.0 million in 2023-24 and \$6.0 million in 2024-25 and 2025-26 to expand the state's capacity to secure additional major business events and conventions to further drive visitation and economic development in South Australia.

Major Events Fund

Budget implications (\$000)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating expenses	—	-4 000	-4 063	-4 127

This initiative provides \$4.0 million per annum (indexed) from 2023-24, to fund new events and grow existing managed events in South Australia. The funding is in addition to the \$10.0 million per annum committed in the 2022-23 Budget.

The initiative does not include the government's commitments associated with hosting the LIV Golf tournament at The Grange Golf Club and round 5 of the 2023 AFL season. The financial arrangements for these events are commercial in confidence.

State Governor's Establishment

Government House – repairs and maintenance

Budget implications (\$000)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Investing payments	-1 700	—	—	—

This initiative provides \$1.7 million in 2022-23 for urgent repairs and resurfacing to the internal roadways, eastern carpark substrate and bitumen and the rear courtyard at Government House.

The funding will also upgrade fire mains, hydrants and install new retractable bollards and automated infrastructure at the front gate to increase security.

SA Motor Sport Board

Adelaide 500 – operating requirements

Budget implications (\$000)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating expenses	-13 864	—	—	—

This initiative provides \$13.9 million in 2022-23 to fund required works to support the return of the Adelaide 500 from December 2022.

Funding will be utilised to re-invest in previously disposed assets, refurbish assets which have been retained, address re-surfacing requirements and re-engage other commercial arrangements, while also sourcing labour and materials in a short lead time to re-establish the Adelaide 500 as one of South Australia biggest tourism events on the calendar.

Department of Primary Industries and Regions

Emergency animal disease preparedness

Budget implications (\$000)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating expenses	-940	-1 617	-1 811	-1 844
Investing payments	-600	—	—	—
Full time equivalents	7	9	10	10

This initiative provides \$6.8 million over four years to enhance the state's capability and capacity to address the increased risk of Emergency Animal Diseases (EADs) and to prepare for the response and recovery. Additional funding is provided to increase risk assessment, diagnostic and co-ordination capacity, particularly with the regional veterinary workforce.

The biosecurity risk profile of Southeast Asia has increased significantly with recent detections of several EADs including foot-and-mouth disease, lumpy skin disease and African swine fever.

Locust control response program

Budget implications (\$000)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating expenses	-1 613	—	—	—

This initiative provides \$1.6 million in 2022-23 to undertake a program of activities for the anticipated locust plague in the spring/summer period of late 2022 and early 2023. The response includes on-ground and aerial surveillance to assess areas of significant emergence, with application of insecticides and biocides within the pastoral regions of the Upper Eyre Peninsula, Upper North and Southern Flinders Ranges.

Mobile sheep blowfly sterile insect technology facility on Kangaroo Island

Budget implications (\$000)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating revenue	2 936	—	—	—
Investing payments	-2 936	—	—	—

This initiative provides \$2.9 million in 2022-23 for a custom built mobile modular blowfly rearing facility and X-ray irradiator to pilot the use of technology for the eradication of blowfly and associated flystrike on Kangaroo Island.

Funding for this initiative is contributed by the University of Adelaide.

South Australian Tourism Commission

Santos Tour Down Under

Budget implications (\$000)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating expenses	-2 000	-2 500	-2 563	-2 627

This initiative provides \$2.0 million in 2022-23 and \$2.5 million per annum (indexed) from 2023-24 for the expansion of the Santos Tour Down Under. From 2023, the event will:

- elevate the women's race to Union Cycliste International WorldTour status, with improved amenities and live broadcast
- deliver an upgrade and expansion of the Tour Village
- expand the cycling and entertainment experience for the community, visitors, sponsors and the media
- provide a men's and women's one day event (from 2024) as a part of the race prologue.

Funding for this initiative will be allocated from the Major Events Fund.

Department of Treasury and Finance

Land acquisition for the Port Bonython Hydrogen Hub

Budget implications (\$000)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Investing payments	-940	—	—	—

This initiative provides \$940 000 in 2022-23 for land acquisition costs associated with the Port Bonython Hydrogen Hub project.

Parliamentary Network Support Group

Budget implications (\$000)

	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Operating expenses	-2 055	-2 100	-2 148	-2 195
Investing payments	-848	-870	-891	-913
Full time equivalents	5	5	5	5

This initiative provides \$2.1 million in operating expenditure and \$848 000 in investing expenditure per annum (indexed) from 2022-23 to support the operations of the Parliamentary Network Support Group. The additional resources provide for the management of increasing cyber security threats, business continuity planning, information technology training, enhanced cloud-based services and for the ongoing replacement of network infrastructure before the end of their usable supported life.

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 table's 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)

	2022–23 Budget	2022–23 MYBR	2023–24 Estimate	2024–25 Estimate	2025–26 Estimate
Revenue					
Taxation revenue	5 286	5 478	5 536	5 745	5 955
Grants	13 607	13 862	14 972	15 242	16 023
Sales of goods and services	2 924	2 990	2 985	3 080	3 145
Interest income	144	312	389	367	389
Dividend and income tax equivalent income	242	218	247	264	256
Other	1 585	1 646	1 600	1 616	1 646
Total revenue	23 787	24 506	25 729	26 314	27 415
less Expenses					
Employee expenses	9 384	9 415	9 465	9 684	10 022
Superannuation expenses					
Superannuation interest cost	210	269	259	241	223
Other superannuation expenses	1 015	1 021	1 035	1 055	1 088
Depreciation and amortisation	1 475	1 489	1 554	1 645	1 703
Interest expenses	780	1 025	1 252	1 370	1 514
Other property expenses	—	—	—	—	—
Other operating expenses	7 623	7 817	8 264	8 324	8 703
Grants	3 067	3 263	3 547	3 431	3 514
Total expenses	23 554	24 300	25 376	25 750	26 766
equals Net operating balance	233	206	353	564	649
plus Other economic flows	402	253	374	352	338
equals Comprehensive result — total change in net worth	635	460	727	916	987
Fiscal aggregates					
Net operating balance	233	206	353	564	649
less Net acquisition of non-financial assets					
Purchases of non-financial assets	3 502	2 889	4 435	3 971	4 292
less Sales of non-financial assets	144	236	125	46	40
less Depreciation	1 475	1 489	1 554	1 645	1 703
plus Change in inventories	—	3	—	—	—
plus Other movements in non-financial assets	—	—	—	—	—
equals Total net acquisition of non-financial assets	1 882	1 166	2 756	2 280	2 549
equals Net lending / borrowing	-1 650	-960	-2 403	-1 717	-1 900
Note: Totals may not add due to rounding.					

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

	2022–23 Budget	2022–23 MYBR	2023–24 Estimate	2024–25 Estimate	2025–26 Estimate
Revenue					
Taxation revenue	—	—	—	—	—
Grants	316	304	438	403	508
Sales of goods and services	1 575	1 611	1 627	1 760	1 711
Interest income	1	15	16	16	15
Dividend and income tax equivalent income	1	1	1	1	1
Other	180	187	182	192	185
Total revenue	2 074	2 118	2 264	2 372	2 418
less Expenses					
Employee expenses	292	292	296	301	304
Superannuation expenses					
Superannuation interest cost	—	—	—	—	—
Other superannuation expenses	38	38	38	38	39
Depreciation and amortisation	542	545	555	565	567
Interest expenses	220	224	235	259	270
Other property expenses	45	32	48	49	51
Other operating expenses	1 175	1 224	1 192	1 232	1 167
Grants	114	115	107	95	95
Total expenses	2 426	2 470	2 472	2 540	2 493
equals Net operating balance	-352	-353	-208	-168	-75
plus Other economic flows	540	538	545	541	544
equals Comprehensive result — total change in net worth	189	186	337	373	469
Fiscal aggregates					
Net operating balance	-352	-353	-208	-168	-75
less Net acquisition of non-financial assets					
Purchases of non-financial assets	941	1 028	1 085	753	734
less Sales of non-financial assets	151	141	187	159	152
less Depreciation	542	545	555	565	567
plus Change in inventories	10	50	29	-51	-6
plus Other movements in non-financial assets	—	—	—	—	—
equals Total net acquisition of non-financial assets	258	392	372	-22	9
equals Net lending / borrowing	-610	-744	-580	-146	-84
Note: Totals may not add due to rounding.					

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

	2022–23 Budget	2022–23 MYBR	2023–24 Estimate	2024–25 Estimate	2025–26 Estimate
Revenue					
Taxation revenue	5 077	5 263	5 320	5 524	5 725
Grants	13 605	13 861	14 972	15 243	16 024
Sales of goods and services	4 303	4 405	4 414	4 644	4 662
Interest income	141	318	395	371	393
Dividend and income tax equivalent income	91	86	86	101	85
Other	1 764	1 832	1 781	1 808	1 830
Total revenue	24 981	25 766	26 968	27 691	28 719
less Expenses					
Employee expenses	9 658	9 690	9 743	9 966	10 306
Superannuation expenses					
Superannuation interest cost	210	269	259	241	223
Other superannuation expenses	1 053	1 059	1 074	1 093	1 127
Depreciation and amortisation	2 014	2 031	2 106	2 208	2 268
Interest expenses	997	1 239	1 476	1 617	1 773
Other property expenses	—	—	—	—	—
Other operating expenses	8 413	8 651	9 063	9 160	9 467
Grants	2 862	3 074	3 216	3 124	3 103
Total expenses	25 206	26 012	26 936	27 409	28 265
equals Net operating balance	-225	-247	32	282	454
plus Other economic flows	861	712	692	631	535
equals Comprehensive result — total change in net worth	636	465	725	914	989
Fiscal aggregates					
Net operating balance	-225	-247	32	282	454
less Net acquisition of non-financial assets					
Purchases of non-financial assets	4 443	3 816	5 478	4 724	5 025
less Sales of non-financial assets	280	261	276	205	192
less Depreciation	2 014	2 031	2 106	2 208	2 268
plus Change in inventories	-5	37	29	-51	-6
plus Other movements in non-financial assets	—	—	—	—	—
equals Total net acquisition of non-financial assets	2 144	1 561	3 125	2 260	2 560
equals Net lending / borrowing	-2 369	-1 808	-3 093	-1 978	-2 106
Note: Totals may not add due to rounding.					

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

	2022–23 Budget	2022–23 MYBR	2023–24 Estimate	2024–25 Estimate	2025–26 Estimate
Assets					
Financial assets					
Cash and deposits	11 003	11 599	11 868	12 445	13 097
Advances paid	414	188	239	297	341
Investments, loans and placements	650	643	679	677	675
Receivables	2 766	2 652	2 736	2 823	2 911
Equity					
Investments in other public sector entities	17 476	19 883	20 363	20 730	21 004
Other equity investments	82	101	101	101	101
Other financial assets	—	—	—	—	—
Total financial assets	32 390	35 066	35 987	37 073	38 129
Non-financial assets					
Land and other fixed assets	61 790	62 084	64 882	67 203	69 794
Other non-financial assets	115	120	117	117	117
Total non-financial assets	61 905	62 204	64 999	67 320	69 911
Total assets	94 295	97 270	100 986	104 394	108 040
Liabilities					
Deposits held	282	311	292	292	394
Advances received	—	—	—	—	—
Borrowing	30 788	29 391	32 698	35 484	38 362
Superannuation	7 458	6 708	6 280	5 822	5 333
Other employee benefits	3 443	3 003	3 136	3 278	3 443
Payables	1 518	1 607	1 611	1 616	1 628
Other liabilities	3 347	3 347	3 338	3 355	3 347
Total liabilities	46 836	44 366	47 355	49 847	52 507
Net Worth	47 460	52 904	53 631	54 546	55 533
Fiscal Aggregates					
Net financial worth (a)	-14 445	-9 299	-11 368	-12 774	-14 377
Net financial liabilities	31 921	29 182	31 731	33 504	35 381
Net debt (b)	19 003	17 272	20 203	22 357	24 643
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)

	2022–23 Budget	2022–23 MYBR	2023–24 Estimate	2024–25 Estimate	2025–26 Estimate
Assets					
Financial assets					
Cash and deposits	202	236	222	230	341
Advances paid	8	8	18	21	21
Investments, loans and placements	38	38	37	38	38
Receivables	339	474	479	477	482
Equity					
Investments in other public sector entities	—	—	—	—	—
Other equity investments	12	10	10	10	10
Other financial assets	2	0	0	0	0
Total financial assets	601	766	767	776	892
Non-financial assets					
Land and other fixed assets	28 434	27 612	28 636	29 284	29 944
Other non-financial assets	107	107	101	95	89
Total non-financial assets	28 541	27 719	28 738	29 379	30 034
Total assets	29 142	28 485	29 505	30 155	30 926
Liabilities					
Deposits held	4	3	3	4	4
Advances received	—	—	—	—	—
Borrowing	8 563	8 607	8 996	9 092	9 301
Superannuation	—	—	—	—	—
Other employee benefits	98	92	95	99	103
Payables	371	386	385	384	384
Other liabilities	1 706	1 491	1 595	1 681	1 765
Total liabilities	10 742	10 578	11 074	11 260	11 557
Net Worth	18 400	17 907	18 431	18 895	19 369
Fiscal Aggregates					
Net financial worth (a)	-10 140	-9 812	-10 307	-10 484	-10 665
Net financial liabilities	10 140	9 812	10 307	10 484	10 665
Net debt (b)	8 319	8 328	8 721	8 807	8 906
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)

	2022–23 Budget	2022–23 MYBR	2023–24 Estimate	2024–25 Estimate	2025–26 Estimate
Assets					
Financial assets					
Cash and deposits	11 056	11 719	11 996	12 582	13 246
Advances paid	422	196	257	318	362
Investments, loans and placements	540	536	546	557	568
Receivables	1 379	1 744	1 751	1 754	1 765
Equity					
Investments in other public sector entities	-924	1 974	1 927	1 824	1 624
Other equity investments	93	112	112	112	112
Other financial assets	2	0	0	0	0
Total financial assets	12 569	16 280	16 589	17 147	17 676
Non-financial assets					
Land and other fixed assets	90 230	89 618	93 438	96 409	99 662
Other non-financial assets	126	132	123	117	111
Total non-financial assets	90 356	89 750	93 561	96 526	99 773
Total assets	102 925	106 030	110 150	113 673	117 449
Liabilities					
Deposits held	135	197	197	198	198
Advances received	—	—	—	—	—
Borrowing	39 208	37 769	41 437	44 333	47 436
Superannuation	7 458	6 708	6 280	5 822	5 333
Other employee benefits	3 540	3 094	3 231	3 377	3 546
Payables	1 796	1 993	1 996	2 000	2 010
Other liabilities	3 324	3 359	3 374	3 395	3 389
Total liabilities	55 461	53 120	56 515	59 124	61 912
Net Worth	47 464	52 910	53 635	54 549	55 537
Fiscal Aggregates					
Net financial worth (a)	-42 892	-36 840	-39 926	-41 978	-44 236
Net financial liabilities	41 968	38 814	41 853	43 802	45 860
Net debt (b)	27 324	25 515	28 834	31 074	33 458

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)

	2022–23 Budget	2022–23 MYBR	2023–24 Estimate	2024–25 Estimate	2025–26 Estimate
Cash receipts from operating activities					
Taxes received	5 281	5 750	5 530	5 736	5 945
Receipts from sales of goods and services	2 816	2 885	2 891	2 984	3 048
Grants and subsidies received	13 557	14 170	14 947	15 242	15 999
Interest receipts	132	302	377	354	376
Dividends and income tax equivalents	268	259	272	290	282
Other receipts	1 619	1 656	1 622	1 639	1 670
Total operating receipts	23 673	25 022	25 640	26 245	27 319
Cash payments for operating activities					
Payments to employees	-10 820	-10 860	-10 973	-11 218	-11 581
Purchases of goods and services	-5 591	-5 747	-6 146	-6 207	-6 530
Grants and subsidies paid	-3 061	-3 309	-3 542	-3 425	-3 508
Interest paid	-740	-999	-1 233	-1 351	-1 501
Other payments	-1 962	-2 019	-2 033	-2 052	-2 101
Total operating payments	-22 174	-22 934	-23 926	-24 253	-25 219
Net cash flows from operating activities	1 499	2 088	1 713	1 992	2 100
Net cash flows from investments in non-financial assets					
Sales of non-financial assets	88	177	33	13	7
Purchases of non-financial assets	-3 275	-2 645	-3 848	-3 781	-4 176
Net cash flows from investment in non-financial assets	-3 187	-2 469	-3 816	-3 767	-4 169
Net cash flows from investments in financial assets for policy purposes (a)	-409	-308	-346	-256	-156
Net cash flows from investments in financial assets for liquidity purposes	-11	-11	-12	-12	-12
Net cash flow from financing activities					
Advances received (net)	—	—	—	—	—
Borrowing (net)	2 797	1 555	2 749	2 620	2 788
Deposits received (net)	-67	-230	-18	0	102
Dividends paid	—	—	—	—	—
Other financing (net)	—	—	—	—	—
Net cash flows from financing activities	2 730	1 325	2 730	2 620	2 890
Net increase/(decrease) in cash held	622	625	270	576	653
Fiscal Aggregates					
Net cash flows from operating activities	1 499	2 088	1 713	1 992	2 100
Net cash flows from investments in non-financial assets	-3 187	-2 469	-3 816	-3 767	-4 169
Dividends paid	—	—	—	—	—
Cash surplus / (deficit)	-1 688	-381	-2 102	-1 775	-2 069
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)

	2022–23 Budget	2022–23 MYBR	2023–24 Estimate	2024–25 Estimate	2025–26 Estimate
Cash receipts from operating activities					
Taxes received	—	—	—	—	—
Receipts from sales of goods and services	1 547	1 579	1 602	1 733	1 681
Grants and subsidies received	316	304	438	403	508
Interest receipts	1	7	9	9	9
Dividends and income tax equivalents	1	1	1	1	1
Other receipts	177	195	182	201	188
Total operating receipts	2 042	2 086	2 231	2 346	2 387
Cash payments for operating activities					
Payments to employees	-323	-326	-331	-336	-339
Purchases of goods and services	-883	-968	-912	-869	-845
Grants and subsidies paid	-114	-115	-107	-95	-95
Interest paid	-319	-321	-334	-354	-362
Other payments	-265	-346	-274	-279	-289
Total operating payments	-1 904	-2 077	-1 958	-1 934	-1 930
Net cash flows from operating activities	138	10	273	412	457
Net cash flows from investments in non-financial assets					
Sales of non-financial assets	151	141	187	159	152
Purchases of non-financial assets	-917	-1 004	-1 025	-728	-709
Net cash flows from investment in non-financial assets	-766	-864	-838	-569	-557
Net cash flows from investments in financial assets for policy purposes (a)	-7	-7	-9	-2	1
Net cash flows from investments in financial assets for liquidity purposes	1	9	7	6	5
Net cash flow from financing activities					
Advances received (net)	201	232	300	206	126
Borrowing (net)	264	268	366	74	200
Deposits received (net)	—	—	—	—	—
Dividends paid	-107	-101	-113	-114	-121
Other financing (net)	—	—	—	—	—
Net cash flows from financing activities	359	399	554	166	206
Net increase/(decrease) in cash held	-275	-452	-13	13	111
Fiscal Aggregates					
Net cash flows from operating activities	138	10	273	412	457
Net cash flows from investments in non-financial assets	-766	-864	-838	-569	-557
Dividends paid	-107	-101	-113	-114	-121
Cash surplus / (deficit)	-735	-955	-678	-271	-221

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)

	2022–23 Budget	2022–23 MYBR	2023–24 Estimate	2024–25 Estimate	2025–26 Estimate
Cash receipts from operating activities					
Taxes received	5 073	5 391	5 314	5 515	5 716
Receipts from sales of goods and services	4 170	4 270	4 297	4 523	4 536
Grants and subsidies received	13 555	14 169	14 947	15 243	16 000
Interest receipts	130	299	375	351	373
Dividends and income tax equivalents	91	86	86	101	85
Other receipts	1 793	1 843	1 802	1 838	1 857
Total operating receipts	24 811	26 059	26 821	27 572	28 567
Cash payments for operating activities					
Payments to employees	-11 128	-11 168	-11 285	-11 535	-11 899
Purchases of goods and services	-6 379	-6 620	-6 976	-6 992	-7 289
Grants and subsidies paid	-2 857	-3 119	-3 210	-3 118	-3 097
Interest paid	-957	-1 213	-1 457	-1 598	-1 759
Other payments	-1 950	-1 931	-2 020	-2 039	-2 088
Total operating payments	-23 271	-24 050	-24 949	-25 283	-26 132
Net cash flows from operating activities	1 540	2 009	1 872	2 289	2 435
Net cash flows from investments in non-financial assets					
Sales of non-financial assets	224	200	220	172	159
Purchases of non-financial assets	-4 192	-3 547	-4 873	-4 508	-4 885
Net cash flows from investment in non-financial assets	-3 968	-3 347	-4 653	-4 336	-4 726
Net cash flows from investments in financial assets for policy purposes (a)	-226	-99	-67	-64	-42
Net cash flows from investments in financial assets for liquidity purposes	-10	-2	-5	-6	-7
Net cash flow from financing activities					
Advances received (net)	—	—	—	—	—
Borrowing (net)	3 076	1 837	3 129	2 708	3 003
Deposits received (net)	—	—	—	—	—
Dividends paid	—	—	—	—	—
Other financing (net)	—	—	—	—	—
Net cash flows from financing activities	3 076	1 838	3 130	2 708	3 003
Net increase/(decrease) in cash held	413	399	276	591	663
Fiscal Aggregates					
Net cash flows from operating activities	1 540	2 009	1 872	2 289	2 435
Net cash flows from investments in non-financial assets	-3 968	-3 347	-4 653	-4 336	-4 726
Dividends paid	—	—	—	—	—
Cash surplus / (deficit)	-2 428	-1 338	-2 782	-2 047	-2 291

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

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

	2022–23 Budget	2022–23 MYBR	2023–24 Estimate	2024–25 Estimate	2025–26 Estimate
Taxes on employers' payroll and labour force	1 553	1 553	1 624	1 702	1 787
Taxes on property					
Land taxes	577	572	572	586	602
Other	253	253	262	269	277
Total	830	825	834	855	879
Taxes on the provision of goods and services					
Excises and levies	—	—	—	—	—
Taxes on gambling	519	582	572	584	590
Taxes on insurance	586	598	630	659	687
Stamp duties on financial and capital transactions	1 013	1 124	1 063	1 119	1 169
Total	2 118	2 304	2 265	2 361	2 445
Taxes on use of goods and performance of activities					
Motor vehicle taxes	785	795	812	826	843
Other	—	—	—	—	—
Total	785	795	812	826	843
Total taxation revenue	5 286	5 478	5 536	5 745	5 955
Note: Totals may not add due to rounding.					

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

	2022–23 Budget	2022–23 MYBR	2023–24 Estimate	2024–25 Estimate	2025–26 Estimate
Current grant revenue					
Current grants from the Commonwealth					
General purpose grants	7 378	7 797	8 596	8 786	9 185
National partnership grants	359	421	271	181	131
National partnership grants for on-passing	72	72	195	197	204
Specific purpose grants	2 580	2 627	2 663	2 800	2 956
Specific purpose grants for on-passing	1 307	1 323	1 400	1 461	1 514
Other grants	530	556	511	517	524
Total current grants from the Commonwealth	12 226	12 794	13 636	13 942	14 513
Other contributions and grants	142	155	144	143	142
Total current grant revenue	12 367	12 950	13 780	14 085	14 655
Capital grant revenue					
Capital grants from the Commonwealth					
General purpose grants	—	—	—	—	—
National partnership grants	1 108	775	1 066	1 031	1 240
Specific purpose grants	115	117	115	117	119
Specific purpose grants for on-passing	—	—	—	—	—
Other capital grants	11	16	6	5	5
Total capital grants from the Commonwealth	1 234	908	1 187	1 153	1 363
Other contributions and grants	5	5	5	5	5
Total capital grant revenue	1 239	913	1 193	1 158	1 368
Total grant revenue	13 607	13 862	14 972	15 242	16 023

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

	2022–23 Budget	2022–23 MYBR	2023–24 Estimate	2024–25 Estimate	2025–26 Estimate
Current grant expense					
State/territory government	3	3	3	3	3
Local government	65	150	117	76	72
Local government on-passing	73	77	191	193	199
Private and not-for-profit sector	723	843	868	822	776
Private and not-for-profit sector on-passing	1 306	1 317	1 404	1 465	1 518
Grants to other sectors of government	275	262	395	357	460
Other	519	505	514	454	423
Total current grant expense	2 964	3 157	3 491	3 369	3 451
Capital grant expense					
State/territory government	—	—	—	—	—
Local government	—	1	—	—	—
Local government on-passing	—	—	—	—	—
Private and not-for-profit sector	103	105	57	62	63
Private and not-for-profit sector on-passing	—	—	—	—	—
Total capital grant expense	103	107	57	62	63
Total grant expense	3 067	3 263	3 547	3 431	3 514

Note: Totals may not add due to rounding.

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

	2022–23 Budget	2022–23 MYBR	2023–24 Estimate	2024–25 Estimate	2025–26 Estimate
Dividend and income tax equivalent income from PNFC sector	152	133	162	164	172
Dividend and income tax equivalent income from PFC sector	89	85	84	100	84
Other dividend income	1	1	1	1	1
Total dividend and income tax equivalent income	242	218	247	264	256

Note: Totals may not add due to rounding.

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

	2022-23 Budget	2022-23 MYBR	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Net worth at beginning of year	46 825	52 444	52 904	53 631	54 546
Prior period adjustments					
Restated net worth at beginning of year	46 825	52 444	52 904	53 631	54 546
Change in net worth from operating transactions					
Net operating balance	233	206	353	564	649
Change in net worth from other economic flows					
Movement in net assets of PFCs ^(a)	-2	-100	-47	-102	-200
Movement in net assets of PNFCs ^(a)	189	199	334	369	455
Revaluation of unfunded superannuation liability ^(b)	310	276	196	195	195
Revaluation of long service leave liability	-102	-102	-104	-105	-107
Revaluation of annual leave liability	-16	-16	-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	-2	-28	-13	-13	-13
Total other economic flows	402	253	374	352	338
Net worth at year end	47 460	52 904	53 631	54 546	55 533
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) 2022–23 change represents the revaluation difference from 30 June 2022 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)^(a)

	2022-23 MYBR \$m	2022-23 MYBR % of total	Sustainable Development Goal & Target ^(c)
General public services			
Executive and legislative organs, financial and fiscal affairs, external affairs	706		16.6
Foreign economic aid	—		
General services	133		16.6
Basic research	—		
Research and development — general public services	—		
Public debt transactions	1 293		16.6
Transfers of a general character between different levels of government	78		16.6
General public services not elsewhere classified	30		16.6
Total General public services	2 240	9.2%	
Defence^(b)	—		
Public order and safety			
Police services	931		16.1-16.3
Civil and fire protection services	348		13.1
Law courts	410		16.3
Prisons	366		16.6
Research and development — public order and safety	—		
Public order and safety not elsewhere classified	22		16
Total Public order and safety	2 077	8.5%	
Economic affairs			
General economic, commercial and labour affairs	438		8.1, 3.8
Agriculture, forestry, fishing and hunting	150		14.2, 15.2, 2.4
Fuel and energy	120		13.2, 7.1, 7.2
Mining, manufacturing and construction	32		12.2
Communication	89		9.c
Other industries	166		8.1
Research and development — economic affairs	75		9.5
Economic affairs not elsewhere classified	—		
Total Economic affairs	1 070	4.4%	

	2022-23 MYBR \$m	2022-23 MYBR % of total	Sustainable Development Goal & Target ^(c)
Environmental protection			
Waste management	6		11.6
Waste water management	7		11.6
Pollution abatement	60		3.9, 12.5
Protection of biodiversity and landscape	338		15.5
Research and development — environmental protection	—		
Environmental protection not elsewhere classified	—		
Total Environmental protection	410	1.7%	
Housing and community amenities			
Housing development	68		11.1
Community development	189		11.3
Water supply	155		6.4
Street lighting	—		
Research and development — housing and community amenities	—		
Housing and community amenities not elsewhere classified	—		
Total Housing and community amenities	412	1.7%	
Health			
Medical products, appliances and equipment	118		3.8
Outpatient services	567		3.8
Hospital services	5 116		3.8
Mental health institutions	54		3.4
Community health services	748		3.8
Public health services	688		3.8
Research and development — health	53		3.b
Health not elsewhere classified	140		3.8
Total Health	7 484	30.8%	
Recreation, culture and religion			
Recreational and sporting services	654		11
Cultural services	292		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	5		11
Total Recreation, culture and religion	951	3.9%	

	2022-23 MYBR \$m	2022-23 MYBR % of total	Sustainable Development Goal & Target ^(c)
Education			
Pre-primary and primary education	3 034		4.2
Secondary education	2 114		4.2
Tertiary education	440		4.3
Education not definable by level	3		4
Subsidiary services to education	51		4
Research and development — education	—		
Education not elsewhere classified	2		4.a
Total Education	5 644	23.2%	
Social protection			
Sickness and disability	907		8.8
Old age	133		10.2
Survivors	1		
Family and children	754		5.4, 1.4, 1.5
Unemployment	—		10.4
Housing	69		11.1
Social exclusion not elsewhere classified	287		10.2
Research and development — social protection	—		
Social protection not elsewhere classified	85		13.1, 1.5
Total Social protection	2 236	9.2%	
Transport			
Road transport	1 208		9.1, 11.2
Bus transport	297		11.2
Water transport	28		9.1
Railway transport	187		11.2
Air transport	1		9.1
Multi-mode urban transport	54		9.1
Pipeline and other transport	—		
Research and development — transport	—		
Transport not elsewhere classified	1		9.1
Total Transport	1 776	7.3%	
Total Expenses	24 300	100%	

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 the inaugural 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 is 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)^(a)












	2022–23 MYBR
General public services	27
Defence ^(b)	—
Public order and safety	173
Economic affairs	90
Environmental protection	83
Housing and community amenities	19
Health	484
Recreation, culture and religion	159
Education	268
Social protection	12
Transport	1 575
Total capital expenditure	2 889












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'.

Table B.16: General government sector expenses by function

	Sustainable Development Goal Definition	Primary SDG	Secondary SDGs
General public services	Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	
Public order and safety	Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	
	Goal 13. Take urgent action to combat climate change and its impacts		13 CLIMATE ACTION 
Economic affairs	Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	8 DECENT WORK AND ECONOMIC GROWTH 	
	Goal 14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development		14 LIFE BELOW WATER 
	Goal 13. Take urgent action to combat climate change and its impacts		13 CLIMATE ACTION 
	Goal 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss		15 LIFE ON LAND 
	Goal 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture		2 ZERO HUNGER 
	Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for all		7 AFFORDABLE AND CLEAN ENERGY 
	Goal 3. Ensure healthy lives and promote well-being for all at all ages		3 GOOD HEALTH AND WELL-BEING 
Environmental protection	Goal 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	15 LIFE ON LAND 	

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

	Sustainable Development Goal Definition	Primary SDG	Secondary SDGs
Transport	Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable		
	Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation		

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 initial alignment, with the expenditure aligned to the most compatible SDG, as determined qualitatively. Future developments in the alignment mapping process will consider the interlinked nature of the SDGs, the positive, ie co-benefits, negative, ie trade-offs and neutral impact.

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 2021-22 from budget outcome publications for South Australia.

Real-growth calculations using Gross State Product (GSP) and Consumer Price Index (CPI) data up to 2021-22 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 ^(a)	15 534	12.3	18.4	15 347	9.1	18.2	187	1 279	-1 092
2010-11 ^(a)	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	16.9	-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 ^(b)	20 332	-2.6	18.4	21 817	6.0	19.7	-1 485	759	-2 244
2020-21	21 638	4.9	18.3	22 200	0.3	18.8	-563	1 204	-1 766
2021-22	23 711	5.1	18.4	24 540	6.0	19.1	-829	1 412	-2 242
2022-23	24 506	-3.6	18.1	24 300	-7.7	18.0	206	1 166	-960
2023-24	25 729	1.0	18.4	25 376	0.4	18.1	353	2 756	-2 403
2024-25	26 314	-0.5	18.0	25 750	-1.2	17.6	564	2 280	-1 717
2025-26	27 415	1.4	17.9	26 766	1.2	17.5	649	2 549	-1 900

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.

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

As at 30 June	Net debt ^(a)			^(b) Unfunded superannuation \$m	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 ^(c)	-24	-0.2	0.0	5 075	7 254	8 110	22 128
2008 ^{(d)(e)(f)}	-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 ^(g)	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 ^(h)	7 071	46.1	7.3	10 877	20 761	1 056	39 654
2015 ⁽ⁱ⁾	3 929	23.7	4.0	11 358	18 296	1 374	40 121
2016 ^(j)	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 ^(k)	10 537	51.8	9.5	12 474	29 229	-12 494	43 710
2021	13 710	63.4	11.6	9 588	28 456	-11 544	47 006
2022	16 479	69.5	12.8	7 065	28 259	-8 588	52 444
2023	17 272	70.5	12.8	6 708	29 182	-9 299	52 904
2024	20 203	78.5	14.4	6 280	31 731	-11 368	53 631
2025	22 357	85.0	15.3	5 822	33 504	-12 774	54 546
2026	24 643	89.9	16.1	5 333	35 381	-14 377	55 533

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.
- (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.
- (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.

Table C.3: General government receipts, payments and surplus (\$million)^(a)

	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

	Receipts	Payments	Cash surplus
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 ^(b)	20 570	20 919	-348
2019-20 ^(c)	20 256	22 843	-2 586
2020-21	20 693	23 402	-2 709
2021-22	24 060	26 326	-2 265
2022-23	25 198	25 579	-381
2023-24	25 672	27 774	-2 102
2024-25	26 258	28 034	-1 775
2025-26	27 326	29 395	-2 069

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)^(a)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Revenue										
Taxation revenue	4 431	4 558	4 576	4 478	4 865	5 513	5 478	5 536	5 745	5 955
Grants	9 958	10 677	11 883	11 342	12 150	13 407	13 862	14 972	15 242	16 023
Sales of goods and services	2 568	2 637	2 640	2 605	2 804	2 991	2 990	2 985	3 080	3 145
Interest income	25	23	25	87	37	25	312	389	367	389
Dividend and income tax equivalent income	645	677	535	386	250	207	218	247	264	256
Other	852	771	856	1 433	1 533	1 568	1 646	1 600	1 616	1 646
Total revenue	18 480	19 344	20 514	20 332	21 638	23 711	24 506	25 729	26 314	27 415
less Expenses										
Employee expenses	8 010	8 420	8 714	8 756	8 989	9 405	9 415	9 465	9 684	10 022
Superannuation expenses										
Superannuation interest cost	345	348	322	231	183	188	269	259	241	223
Other superannuation expenses	767	805	814	844	858	921	1 021	1 035	1 055	1 088
Depreciation and amortisation	928	1 016	1 071	1 379	1 414	1 447	1 489	1 554	1 645	1 703
Interest expenses	192	443	361	464	442	505	1 025	1 252	1 370	1 514
Other property expenses	—	—	—	—	—	—	—	—	—	—
Other operating expenses	4 771	5 326	5 306	6 760	7 303	8 256	7 817	8 264	8 324	8 703
Grants	3 025	3 299	3 638	3 382	3 011	3 818	3 263	3 547	3 431	3 514
Total expenses	18 037	19 657	20 225	21 817	22 200	24 540	24 300	25 376	25 750	26 766
<i>equals</i> Net operating balance	443	-313	289	-1 485	-563	-829	206	353	564	649
<i>plus</i> Other economic flows	4 250	867	-1 798	4 536	3 858	6 128	253	374	352	338
<i>equals</i> Comprehensive result — total change in net worth ^{(b)(c)}	4 693	554	-1 509	3 051	3 296	5 299	460	727	916	987

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Net operating balance	443	-313	289	-1 485	-563	-829	206	353	564	649
<i>less Net acquisition of non-financial assets</i>										
Purchases of non-financial assets	4 460	1 999	1 794	2 460	2 821	2 981	2 889	4 435	3 971	4 292
<i>less Sales of non-financial assets</i>	722	320	88	324	200	124	236	125	46	40
<i>less Depreciation</i>	928	1 016	1 071	1 379	1 414	1 447	1 489	1 554	1 645	1 703
<i>plus Change in inventories</i>	3	1	3	3	-4	2	3	—	—	—
<i>plus Other movements in non-financial assets</i>	—	—	—	—	—	—	—	—	—	—
equals Total net acquisition of non-financial assets	2 814	665	638	759	1 204	1 412	1 166	2 756	2 280	2 549
equals Net lending/borrowing	-2 371	-977	-348	-2 244	-1 766	-2 242	-960	-2 403	-1 717	-1 900

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) 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.

(c) Comprehensive result excludes transactions with owners in their capacity as owners.

Table C.5: General government sector balance sheet (\$million)^(a)

	As at 30 June									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Assets										
Financial assets										
Cash and deposits	1 268	1 506	2 114	10 328	11 171	10 979	11 599	11 868	12 445	13 097
Advances paid	63	69	116	150	145	107	188	239	297	341
Investments, loans and placements	367	408	425	555	643	627	643	679	677	675
Receivables	739	647	739	2 402	3 022	2 977	2 652	2 736	2 823	2 911
Equity										
Investments in other public sector entities	19 624	19 896	20 454	16 735	16 912	19 671	19 883	20 363	20 730	21 004
Investments — other	32	28	88	86	90	103	101	101	101	101
Other financial assets	105	91	113	—	—	—	—	—	—	—
Total financial assets	22 198	22 646	24 048	30 257	31 984	34 463	35 066	35 987	37 073	38 129
Non-financial assets										
Land and other fixed assets ^(b)	44 402	45 972	47 420	56 037	58 384	60 874	62 084	64 882	67 203	69 794
Other non-financial assets	21	32	1	167	166	158	120	117	117	117
Total non-financial assets	44 423	46 005	47 421	56 204	58 550	61 032	62 204	64 999	67 320	69 911
Total assets	66 621	68 650	71 468	86 461	90 533	95 496	97 270	100 986	104 394	108 040
Liabilities										
Deposits held	275	399	1 438	345	286	541	311	292	292	394
Advances received	234	231	208	—	—	—	—	—	—	—
Borrowing	7 300	6 801	7 077	21 225	25 384	27 651	29 391	32 698	35 484	38 362
Superannuation	11 448	11 288	13 836	12 474	9 588	7 065	6 708	6 280	5 822	5 333

	As at 30 June									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Other employee benefits	2 772	2 907	3 312	3 336	3 295	2 965	3 003	3 136	3 278	3 443
Payables ^(c)	1 245	1 103	1 250	1 284	1 596	1 657	1 607	1 611	1 616	1 628
Other liabilities ^(c)	915	2 836	2 771	4 086	3 379	3 171	3 347	3 338	3 355	3 347
Total liabilities	24 188	25 565	29 892	42 751	43 528	43 051	44 366	47 355	49 847	52 507
Net worth	42 433	43 085	41 576	43 710	47 006	52 444	52 904	53 631	54 546	55 533
Net financial worth	-1 990	-2 920	-5 845	-12 494	-11 544	-8 588	-9 299	-11 368	-12 774	-14 377
Net financial liabilities	21 614	22 816	26 298	29 229	28 456	28 259	29 182	31 731	33 504	35 381
Net debt	6 110	5 447	6 068	10 537	13 710	16 479	17 272	20 203	22 357	24 643

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) 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.

(c) 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	17.5	-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	17.7	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 ^(a)	16 315	11.2	19.3	15 679	5.3	18.6	636	2 361	-1 725
2010-11 ^(a)	15 960	-5.2	17.6	15 939	-1.5	17.5	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	18.7	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 ^(b)	21 373	-2.9	19.3	23 322	8.8	21.1	-1 949	557	-2 506
2020-21	22 759	4.9	19.2	23 691	0.1	20.0	-932	1 414	-2 346
2021-22	25 019	5.5	19.5	26 152	5.9	20.3	-1 132	1 374	-2 506
2022-23	25 766	-4.0	19.1	26 012	-7.3	19.3	-247	1 561	-1 808
2023-24	26 968	0.6	19.3	26 936	-0.4	19.2	32	3 125	-3 093
2024-25	27 691	-0.1	18.9	27 409	-1.0	18.7	282	2 260	-1 978
2025-26	28 719	0.9	18.7	28 265	0.4	18.4	454	2 560	-2 106

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.

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

As at 30 June	Net debt ^(a)			^(b) Unfunded superannuation \$m	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 ^(c)	1 989	16.1	2.8	5 075	9 518	-8 795	22 128
2008 ^{(d)(e)}	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 ^(f)	17 452	81.7	15.8	12 474	37 828	-38 599	43 710
2021	21 169	93.0	17.9	9 588	37 496	-38 394	47 006
2022	23 988	95.9	18.7	7 065	37 174	-35 100	52 444
2023	25 515	99.0	18.9	6 708	38 814	-36 840	52 910
2024	28 834	106.9	20.6	6 280	41 853	-39 926	53 635
2025	31 074	112.2	21.2	5 822	43 802	-41 978	54 549
2026	33 458	116.5	21.8	5 333	45 860	-44 236	55 537

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.
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Table C.8: Non-financial public sector receipts, payments and surplus (\$million)^(a)

	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

	Receipts	Payments	Cash surplus
2018-19 ^(b)	21 860	21 888	-28
2019-20 ^(c)	20 969	24 044	-3 074
2020-21	21 558	24 967	-3 409
2021-22	25 438	28 056	-2 618
2022-23	26 260	27 598	-1 338
2023-24	27 040	29 822	-2 782
2024-25	27 745	29 791	-2 047
2025-26	28 726	31 017	-2 291

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)^(a)

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Revenue										
Taxation revenue	4 072	4 198	4 207	4 208	4 680	5 321	5 263	5 320	5 524	5 725
Grants	9 959	10 678	11 883	11 344	12 154	13 409	13 861	14 972	15 243	16 024
Sales of goods and services	4 062	4 208	4 364	4 174	4 132	4 448	4 405	4 414	4 644	4 662
Interest income	32	24	29	88	32	28	318	395	371	393
Dividend and income tax equivalent income	442	429	241	60	125	144	86	86	101	85
Other	881	847	909	1 498	1 637	1 670	1 832	1 781	1 808	1 830
Total revenue	19 447	20 384	21 633	21 373	22 759	25 019	25 766	26 968	27 691	28 719
less Expenses										
Employee expenses	8 208	8 626	8 993	9 022	9 249	9 673	9 690	9 743	9 966	10 306
Superannuation expenses										
Superannuation interest cost	345	348	322	231	183	188	269	259	241	223
Other superannuation expenses	794	832	848	879	887	954	1 059	1 074	1 093	1 127
Depreciation and amortisation	1 367	1 490	1 565	1 881	1 921	1 964	2 031	2 106	2 208	2 268
Interest expenses	472	720	636	712	665	707	1 239	1 476	1 617	1 773
Other property expenses	—	—	—	—	—	—	—	—	—	—
Other operating expenses	5 358	5 917	6 024	7 404	7 948	9 029	8 651	9 063	9 160	9 467
Grants	2 685	2 835	2 674	3 193	2 837	3 637	3 074	3 216	3 124	3 103
Total expenses	19 228	20 768	21 062	23 322	23 691	26 152	26 012	26 936	27 409	28 265
<i>equals</i> Net operating balance	219	-384	571	-1 949	-932	-1 132	-247	32	282	454
<i>plus</i> Other economic flows	4 474	938	-2 080	5 000	4 228	6 431	712	692	631	535
<i>equals</i> Comprehensive result — total change in net worth ^{(b)(c)}	4 693	554	-1 509	3 051	3 296	5 299	465	725	914	989

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Net operating balance	219	-384	571	-1 949	-932	-1 132	-247	32	282	454
<i>less Net acquisition of non-financial assets</i>										
Purchases of non-financial assets	4 947	2 682	2 576	2 619	3 498	3 602	3 816	5 478	4 724	5 025
<i>less Sales of non-financial assets</i>	228	431	211	132	255	196	261	276	205	192
<i>less Depreciation</i>	1 367	1 490	1 565	1 881	1 921	1 964	2 031	2 106	2 208	2 268
<i>plus Change in inventories</i>	7	-33	30	-49	92	-68	37	29	-51	-6
<i>plus Other movements in non-financial assets</i>	—	—	—	—	—	—	—	—	—	—
<i>equals Total net acquisition of non-financial assets</i>	3 359	728	830	557	1 414	1 374	1 561	3 125	2 260	2 560
<i>equals Net lending/borrowing</i>	-3 140	-1 112	-259	-2 506	-2 346	-2 506	-1 808	-3 093	-1 978	-2 106

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. 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) 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.

(c) Comprehensive result excludes transactions with owners in their capacity as owners.

Table C.10: Non-financial public sector balance sheet (\$million)^(a)

	As at 30 June									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Assets										
Financial assets										
Cash and deposits	1 443	1 603	2 272	11 172	11 691	11 320	11 719	11 996	12 582	13 246
Advances paid	30	36	83	117	112	107	196	257	318	362
Investments, loans and placements	421	429	445	485	514	511	536	546	557	568
Receivables	975	801	840	1 045	1 782	1 985	1 744	1 751	1 754	1 765
Equity										
Investments in other public sector entities	1 158	1 040	813	-771	-898	2 074	1 974	1 927	1 824	1 624
Investments — other	45	43	105	97	102	113	112	112	112	112
Other financial assets	118	93	120	4	2	—	—	—	—	—
Total financial assets	4 191	4 045	4 677	12 150	13 305	16 110	16 280	16 589	17 147	17 676
Non-financial assets										
Land and fixed assets ^(b)	70 454	72 564	74 503	82 126	85 225	87 368	89 618	93 438	96 409	99 662
Other non-financial assets	22	44	3	183	175	176	132	123	117	111
Total non-financial assets	70 476	72 608	74 506	82 308	85 400	87 544	89 750	93 561	96 526	99 773
Total assets	74 667	76 654	79 184	94 458	98 705	103 654	106 030	110 150	113 673	117 449
Liabilities										
Deposits held	143	191	565	190	134	196	197	197	198	198
Advances received	234	231	208	—	—	—	—	—	—	—
Borrowing	15 047	14 596	15 110	29 037	33 352	35 730	37 769	41 437	44 333	47 436
Superannuation	11 448	11 288	13 836	12 474	9 588	7 065	6 708	6 280	5 822	5 333
Other employee benefits	2 843	2 980	3 412	3 437	3 390	3 053	3 094	3 231	3 377	3 546
Payables ^(c)	1 481	1 383	1 477	1 486	1 874	2 044	1 993	1 996	2 000	2 010

	As at 30 June									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Other liabilities ^(c)	1 038	2 899	2 999	4 124	3 360	3 123	3 359	3 374	3 395	3 389
Total liabilities	32 234	33 569	37 608	50 748	51 699	51 210	53 120	56 515	59 124	61 912
Net worth	42 433	43 085	41 576	43 710	47 006	52 444	52 910	53 635	54 549	55 537
Net financial worth	-28 042	-29 523	-32 930	-38 599	-38 394	-35 100	-36 840	-39 926	-41 978	-44 236
Net financial liabilities	29 200	30 564	33 744	37 828	37 496	37 174	38 814	41 853	43 802	45 860
Net debt	13 529	12 950	13 084	17 452	21 169	23 988	25 515	28 834	31 074	33 458
<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, <i>Revenue from Contracts with Customers</i>, AASB 1058, <i>Income of Not-for-Profit Entities</i>, and AASB 16, <i>Leases</i>. 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) 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>(c) Adjustments made to align classification of payables and other liabilities with data presented for 2021.</p>										

STATE BUDGET

2022-23

DEPARTMENT OF TREASURY AND FINANCE

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