

2022-23 National fiscal outlook^{1,2,3}

1 National⁴

Figure 1A: Net operating and fiscal balance

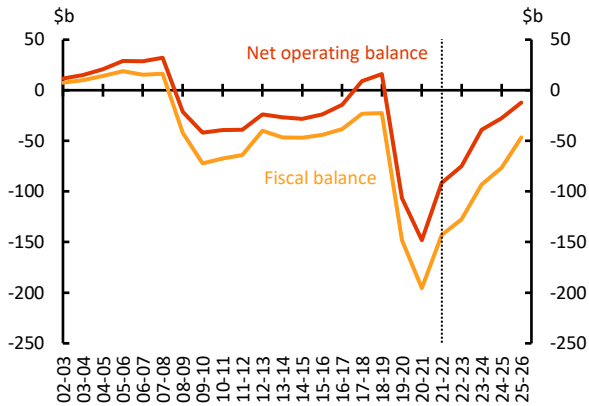
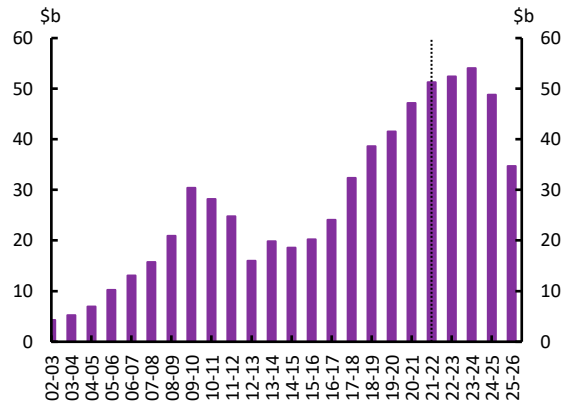


Figure 1B: Net capital investment



The national net operating balance is forecast to improve across the forward estimates as Australia continues to emerge from the impacts of the COVID-19 pandemic.

Figure 1C: Revenue and expenses

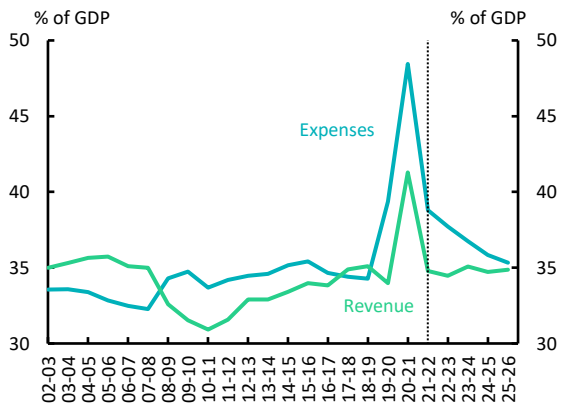
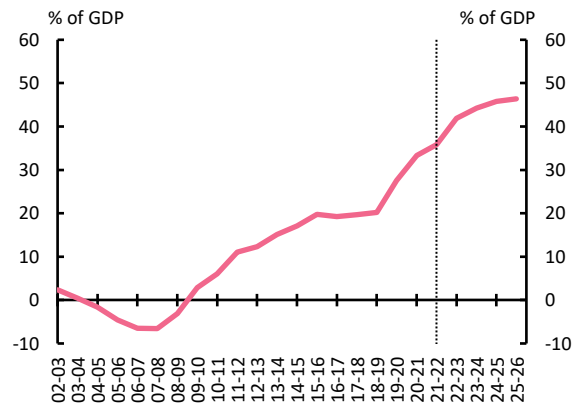


Figure 1D: Net debt



However, continued operating deficits will necessitate borrowing for most governments, increasing national net debt across the forward estimates.

Figure 1E: Net financial worth

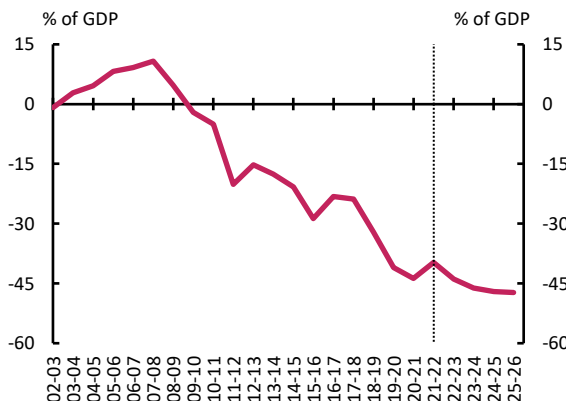
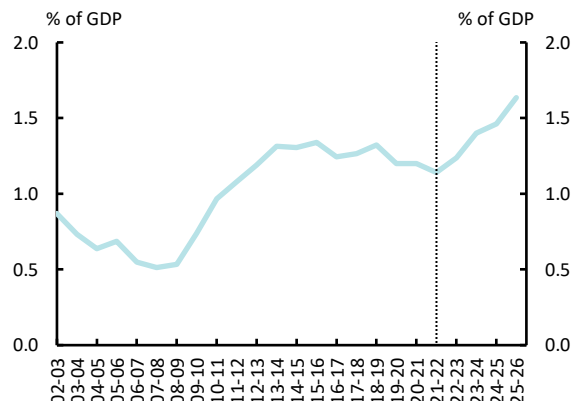


Figure 1F: Public debt interest payments



Public debt interest repayments are expected to increase across the forward estimates due to the increase in debt and interest rates.

2 Australian Government as at March 2022

Figure 2A: Net operating and fiscal balance

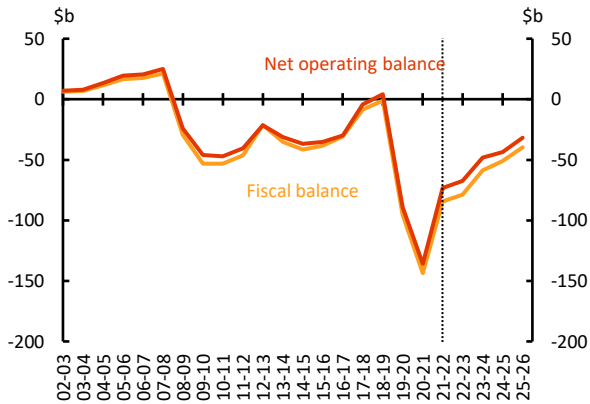
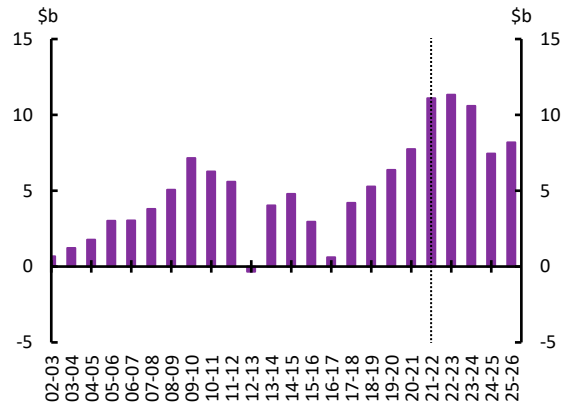


Figure 2B: Net capital investment⁵



With stronger-than-expected momentum in the labour market and consumption, the Australian Government forecasts an improvement in the net operating balance over the forward estimates.

Figure 2C: Revenue and expenses

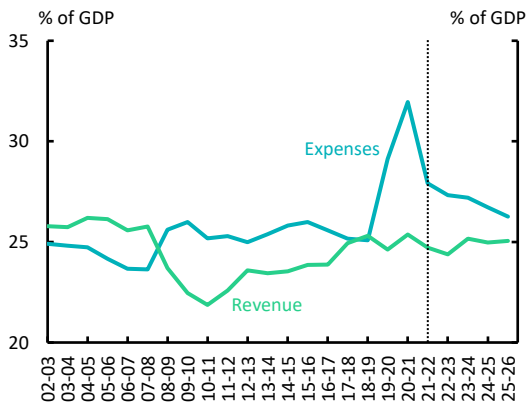
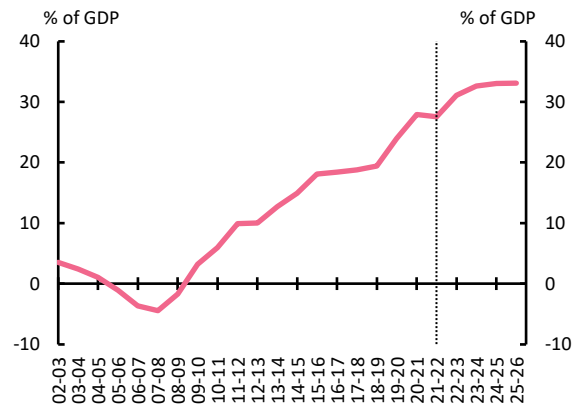


Figure 2D: Net debt



However, as expenses are forecast to be higher than revenue, Australian Government debt is still expected to grow gradually across the period.

Figure 2E: Net financial worth

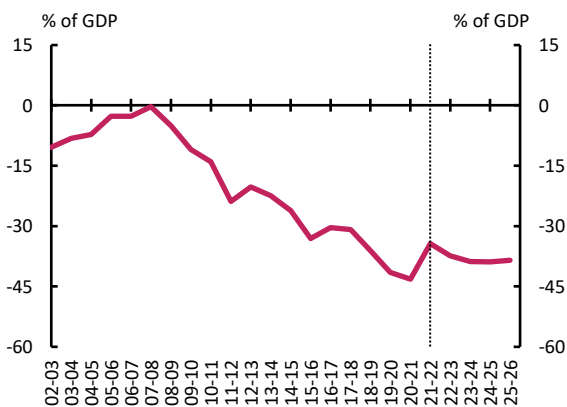
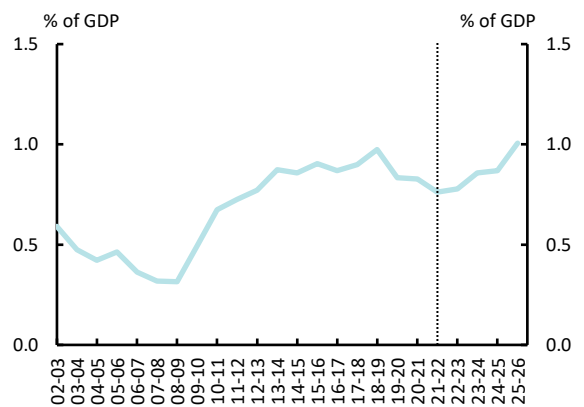


Figure 2F: Public debt interest payments



With rising debt and increasing interest rates, public debt interest payments are expected to grow across the forward estimates.

3 New South Wales as at June 2022⁶

Figure 3A: Net operating and fiscal balance

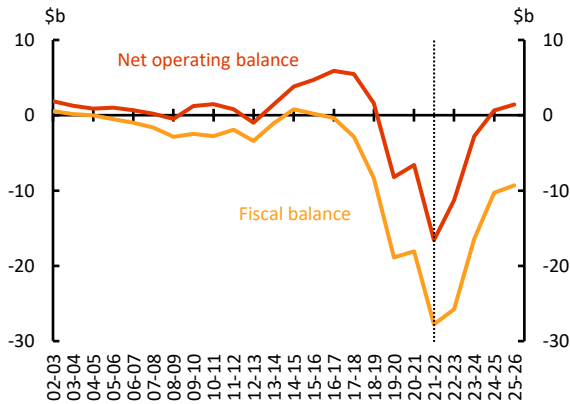
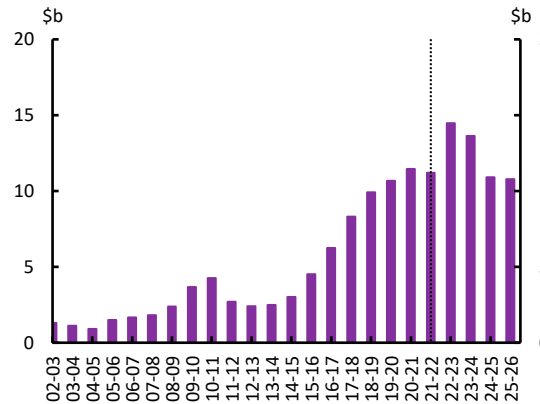


Figure 3B: Net capital investment



The New South Wales Budget forecasts a significant increase in net capital investment in 2022-23 and 2023-24, with large investments in transport, hospitals and school infrastructure.

Figure 3C: Revenue and expenses

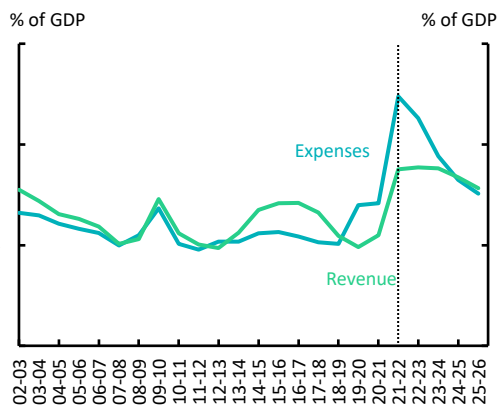
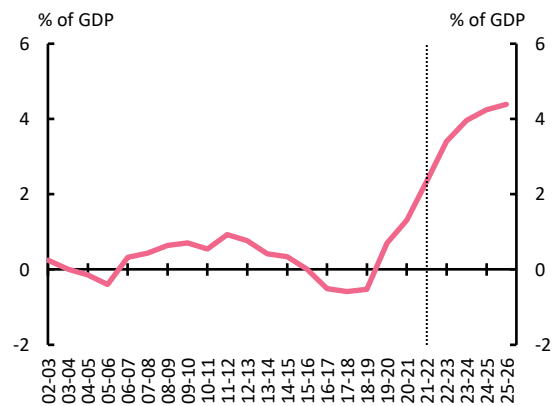


Figure 3D: Net debt



Expenses are expected to fall across the forward estimates as temporary support programs in response to COVID-19 and flood assistance measures are phased out.

Figure 3E: Net financial worth

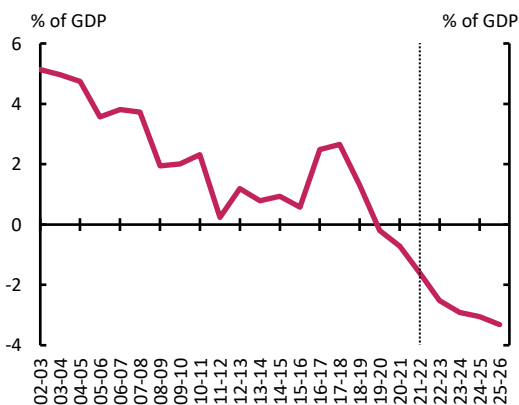
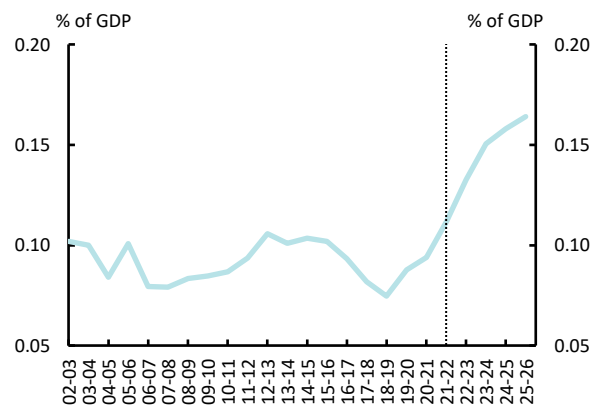


Figure 3F: Public debt interest payments



With rising debt due to operating deficits and increasing interest rates, public debt interest payments are also expected to increase.

4 Victoria as at May 2022

Figure 4A: Net operating and fiscal balance

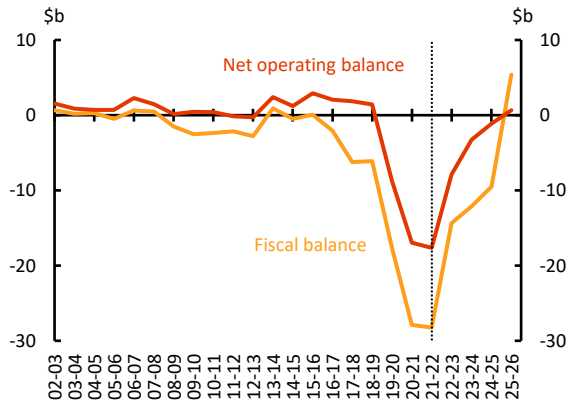
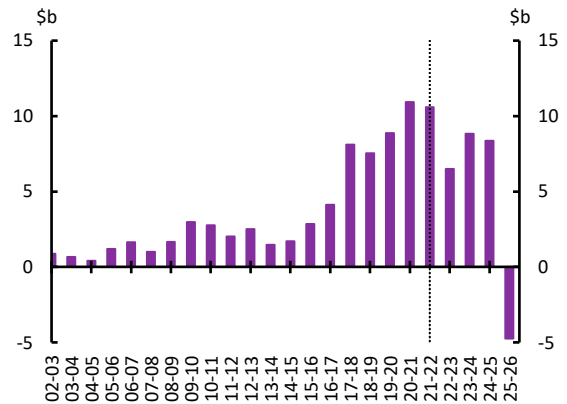


Figure 4B: Net capital investment



Victoria's Big Build continues, but the COVID-19 pandemic continues to create some uncertainty around the state's capital program.

Figure 4C: Revenue and expenses

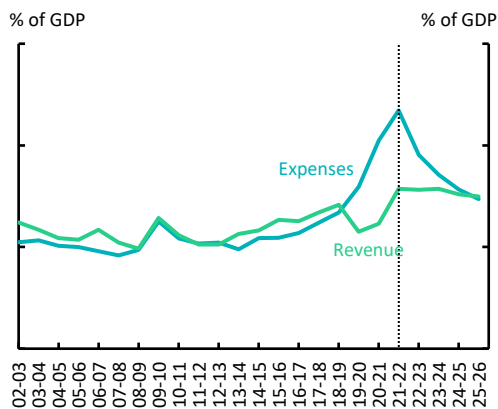
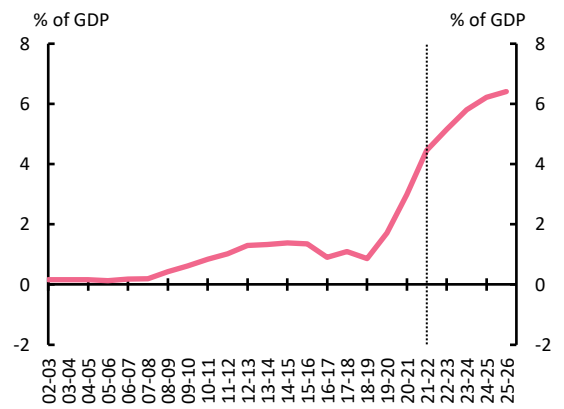


Figure 4D: Net debt



Expenses are expected to peak in 2021-22, then fall across the forward estimates.

Figure 4E: Net financial worth

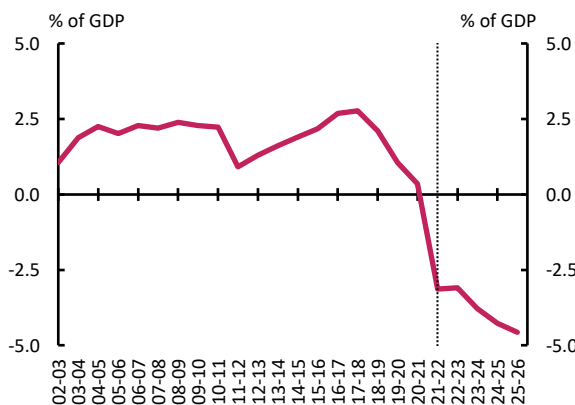
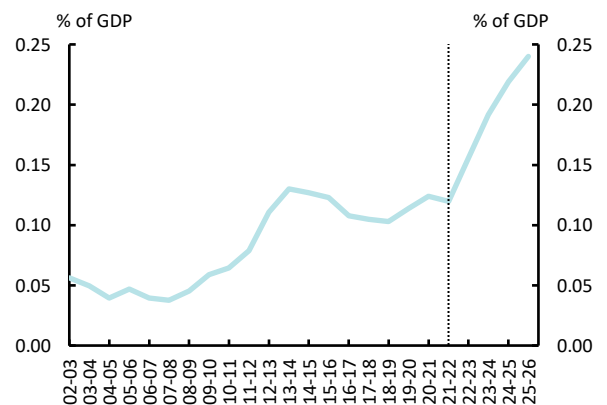


Figure 4F: Public debt interest payments



With rising net debt and increases in interest rates, Victoria's public debt interest payments are expected to grow substantially across the forward estimates.

5 Queensland as at June 2022

Figure 5A: Net operating and fiscal balance

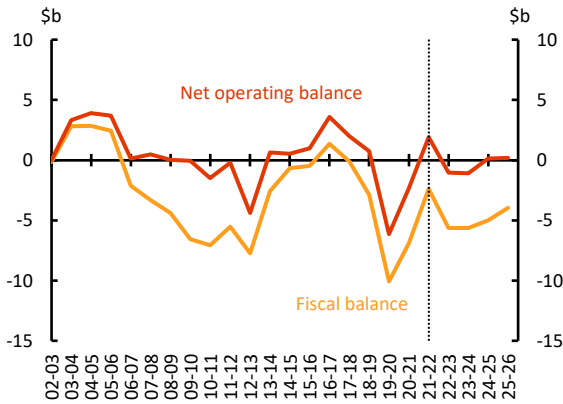
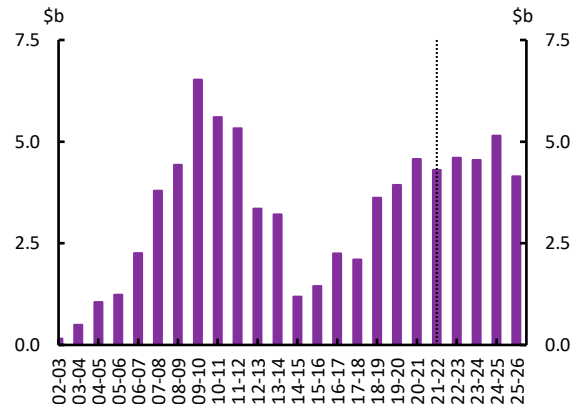


Figure 5B: Net capital investment



Queensland Budget demonstrates a net operating surplus for 2021-22, driven by the revenue impacts of higher coal and oil prices and increase in housing activity.

Figure 5C: Revenue and expenses

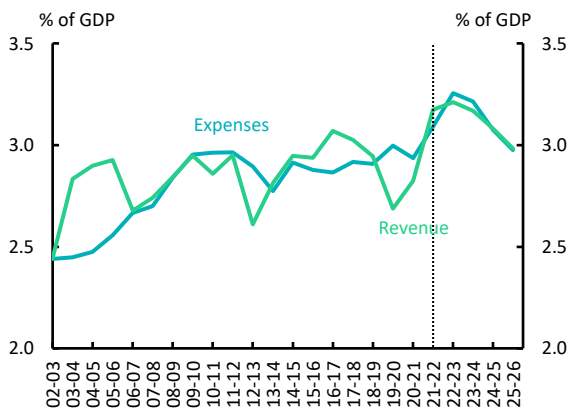
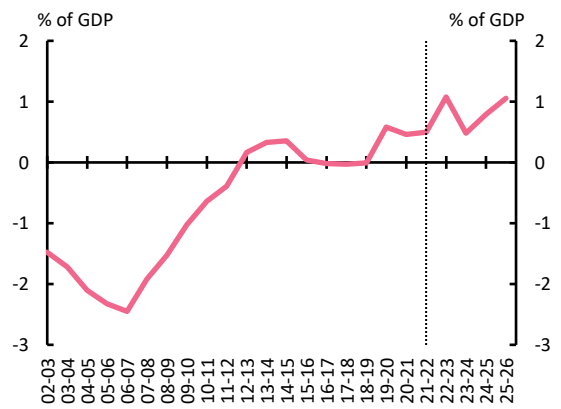


Figure 5D: Net debt



However, expenses are expected to increase in 2022-23 as a result of spending on health, education and flood recovery measures.

Figure 5E: Net financial worth

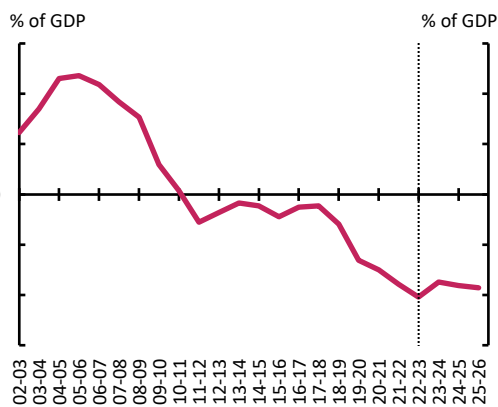
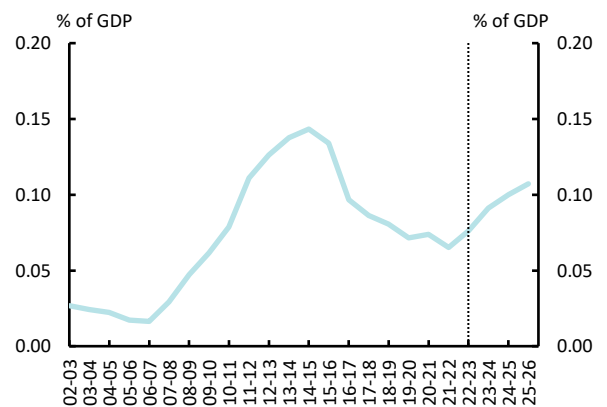


Figure 5F: Public debt interest payments



Queensland's public debt interest payments are expected to grow across the forward estimates driven by increasing interest rates.

6 Western Australia as at May 2022⁷

Figure 6A: Net operating and fiscal balance

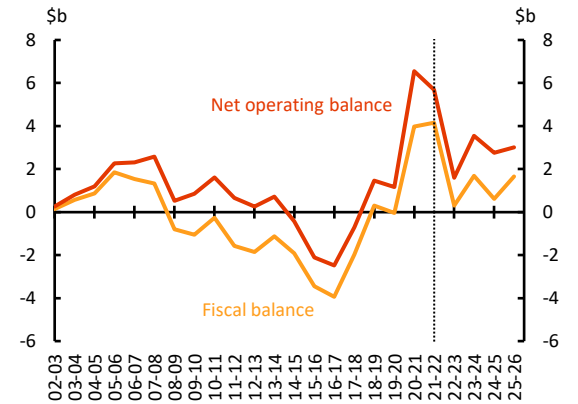
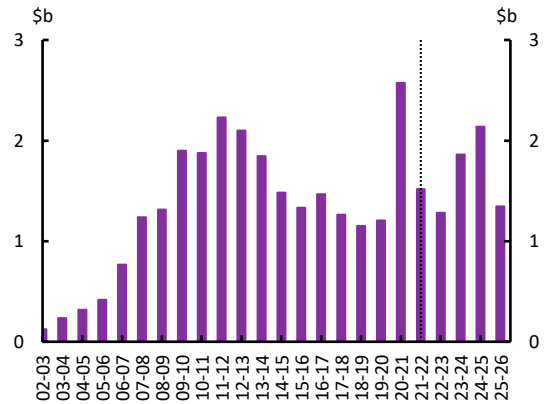


Figure 6B: Net capital investment



Western Australia expects an operating surplus over the forward estimates period, as the state continues to benefit from high commodity prices.

Figure 6C: Revenue and expenses

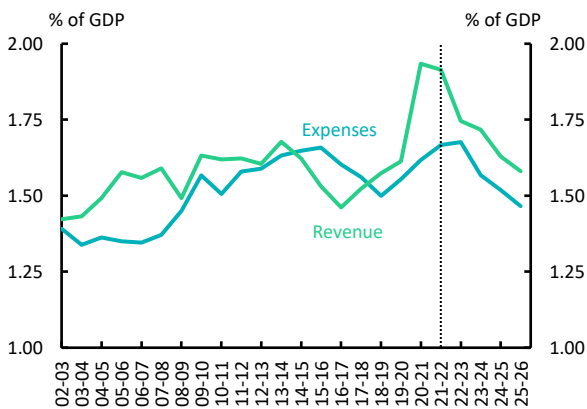
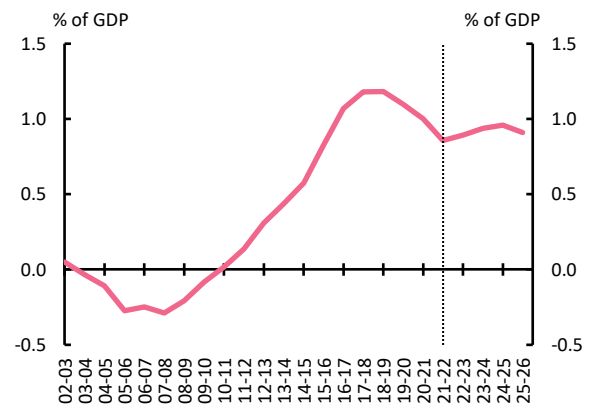


Figure 6D: Net debt



Revenue is forecast to decrease from 2022-23 as iron ore prices return to their long-run average in 2023-24.

Figure 6E: Net financial worth

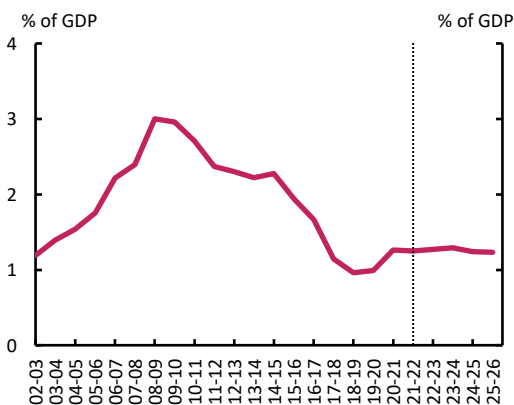
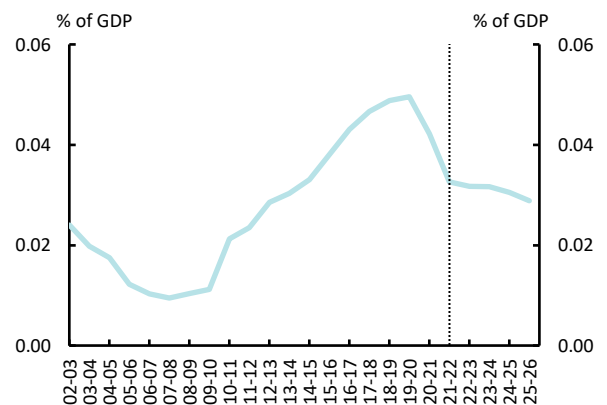


Figure 6F: Public debt interest payments



Public debt interest payments are forecast to fall from 2021-22, as the state continues to expect operating surpluses and net debt to remain relatively stable over the forward estimates.

7 South Australia as at June 2022

Figure 7A: Net operating and fiscal balance

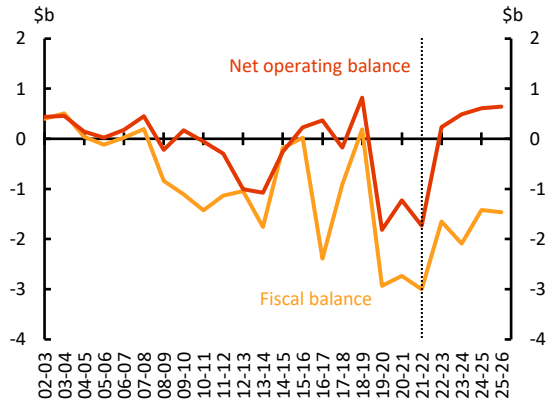
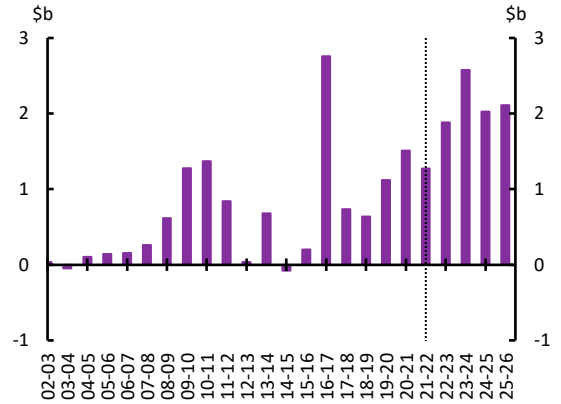


Figure 7B: Net capital investment



South Australia Budget forecasts net operating surpluses from 2022-23 onwards, with revenues exceeding expenses.

Figure 7C: Revenue and expenses

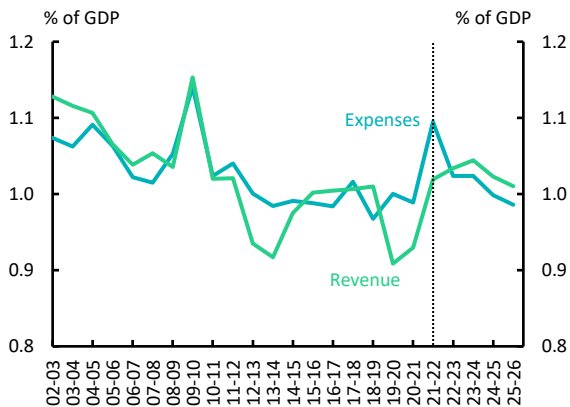
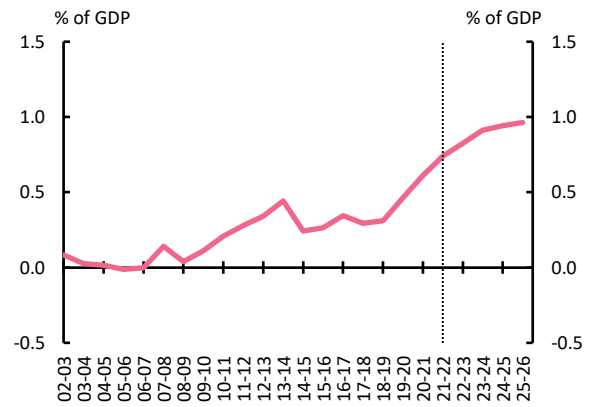


Figure 7D: Net debt



However, net debt is still forecast to grow over the forward estimates period due to ongoing substantial infrastructure investment.

Figure 7E: Net financial worth

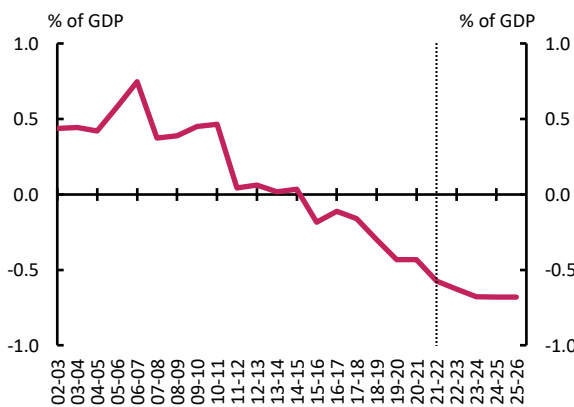
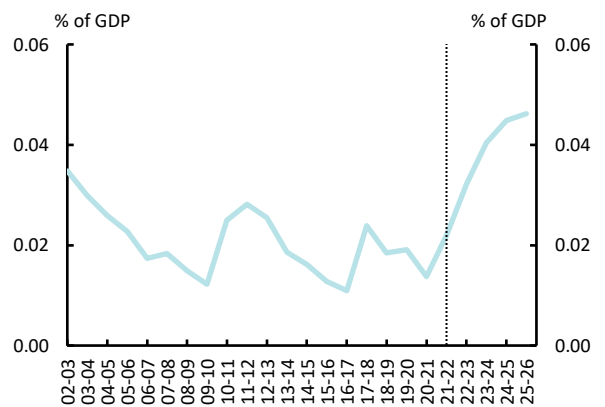


Figure 7F: Public debt interest payments



With the expected increase in net debt and increasing interest rates, South Australia's public debt interest payments are expected to increase across the forward estimates.

8 Tasmania as at May 2022

Figure 8A: Net operating and fiscal balance

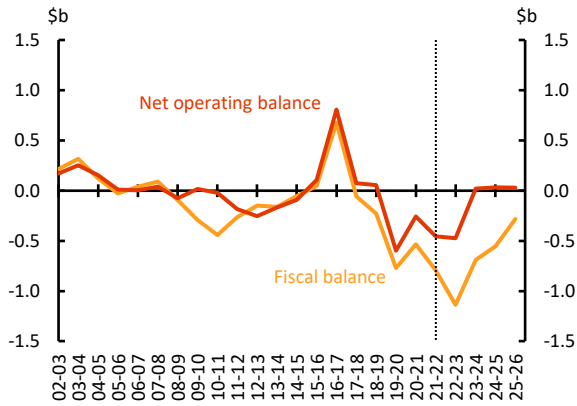
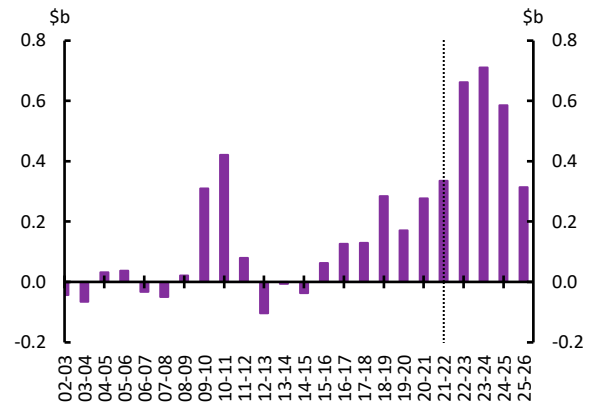


Figure 8B: Net capital investment



Tasmania forecasts a significant increase in net capital investment, driven by spendings on roads and bridges, housing and health.

Figure 8C: Revenue and expenses

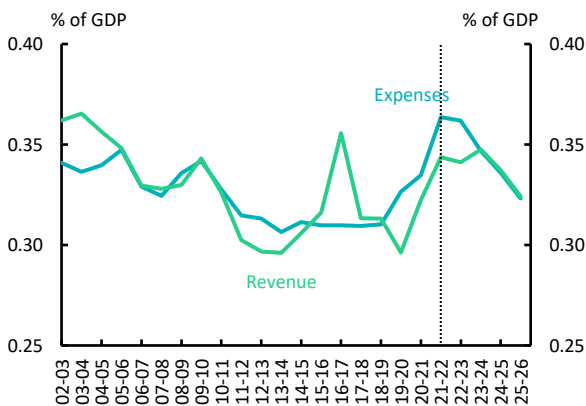
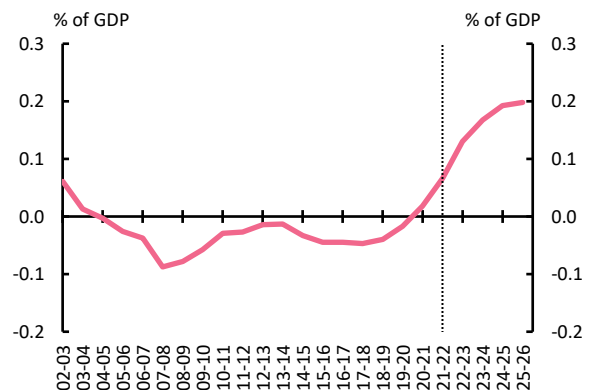


Figure 8D: Net debt



Net debt is expected to increase across the forward estimates, mostly due to the state's COVID-19 recovery measures and the strong pipeline of infrastructure investment.

Figure 8E: Net financial worth

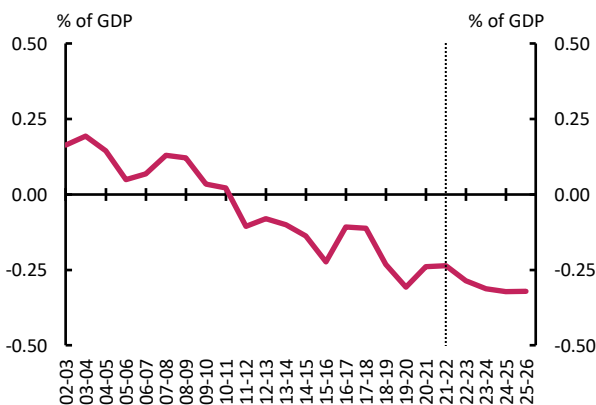
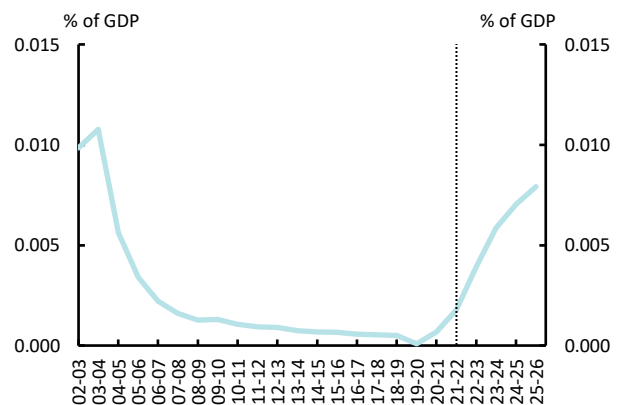


Figure 8F: Public debt interest payments



Increases in the debt level and interest rates are expected to drive an increase in public debt interest payments across the forward estimates.

9 Australian Capital Territory as at August 2022⁸

Figure 9A: Net operating and fiscal balance

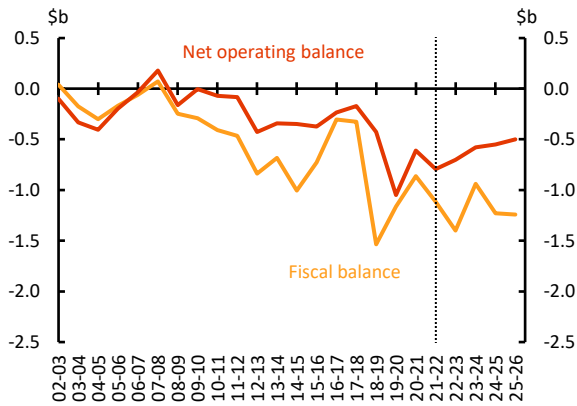
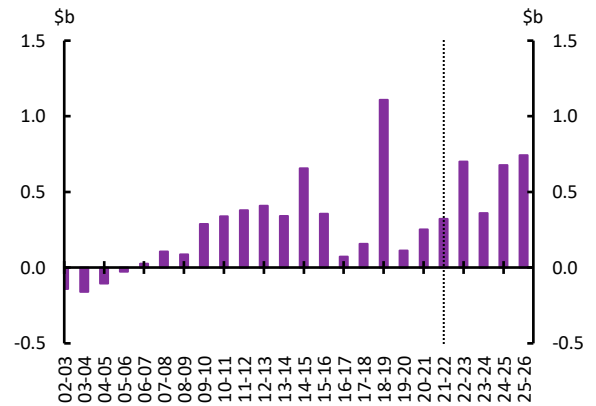


Figure 9B: Net capital investment



The Australian Capital Territory forecasts net operating deficits across the forward estimates, as the state continues to invest in their largest ever capital works program.

Figure 9C: Revenue and expenses

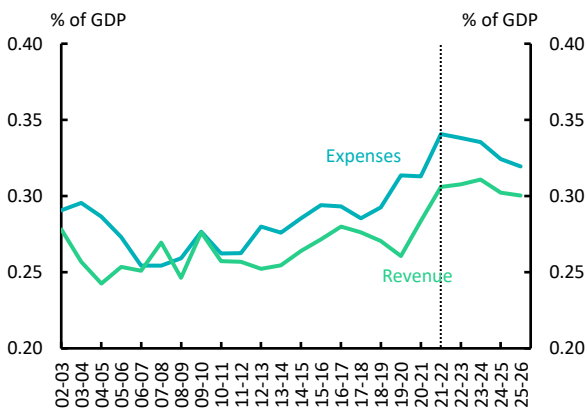
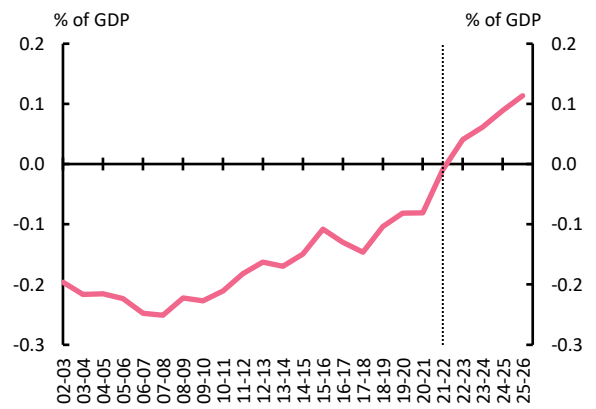


Figure 9D: Net debt



Expenses are forecast to exceed revenue across the forward estimates, with net debt increasing as a positive share of GDP from 2021-22.

Figure 9E: Net financial worth

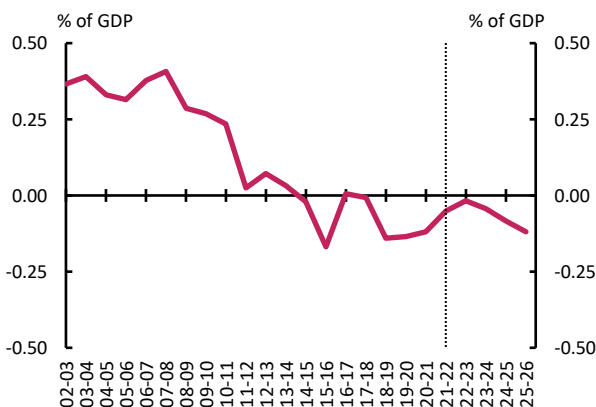
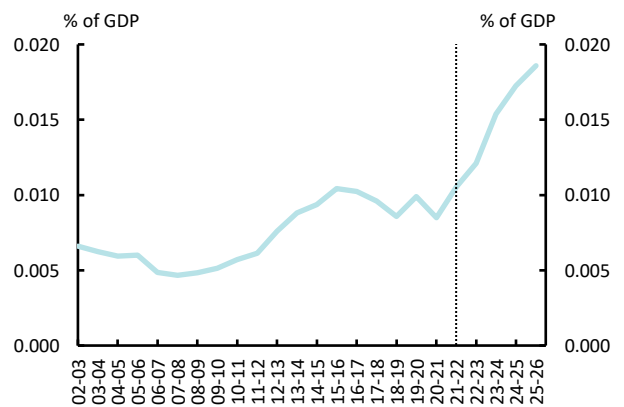


Figure 9F: Public debt interest payments



With rising debt and increases in interest rates, the territory's public debt interest payments are forecast to increase across the forward estimates.

10 Northern Territory as at May 2022

Figure 10A: Net operating and fiscal balance

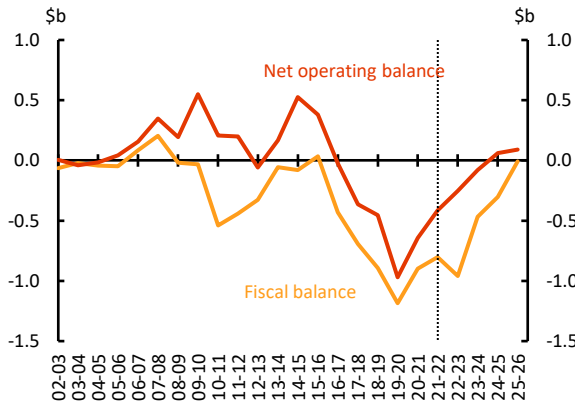
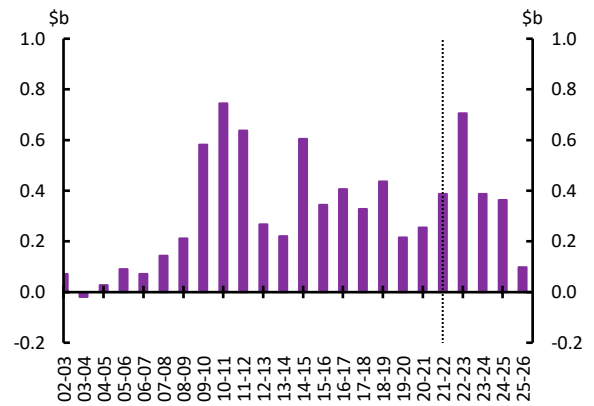


Figure 10B: Net capital investment



The Northern Territory Budget forecasts net capital investment to increase significantly in 2022-23 as a result of infrastructure spending.

Figure 10C: Revenue and expenses

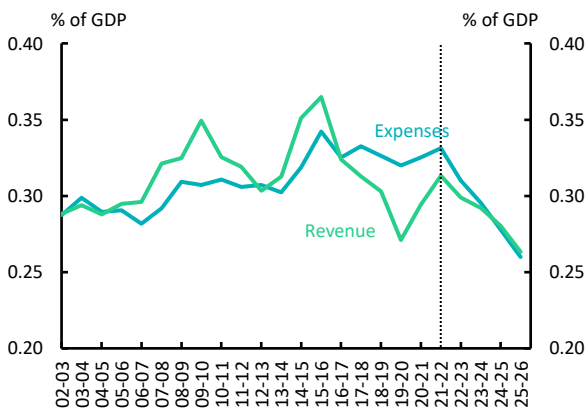
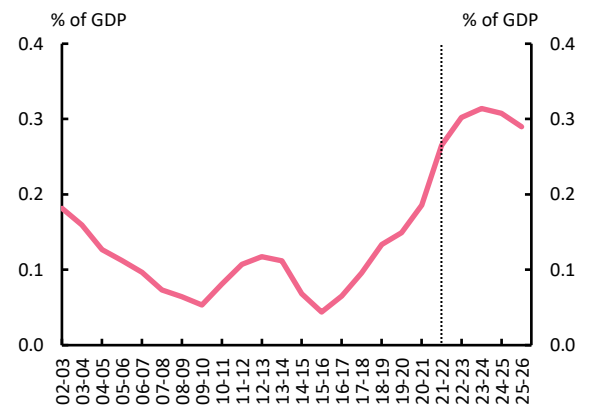


Figure 10D: Net debt



The territory is projected to reach a minor operating surplus in 2024-25 and 2025-26, such that net debt is expected to peak over the forward estimates, before gradually decreasing.

Figure 10E: Net financial worth

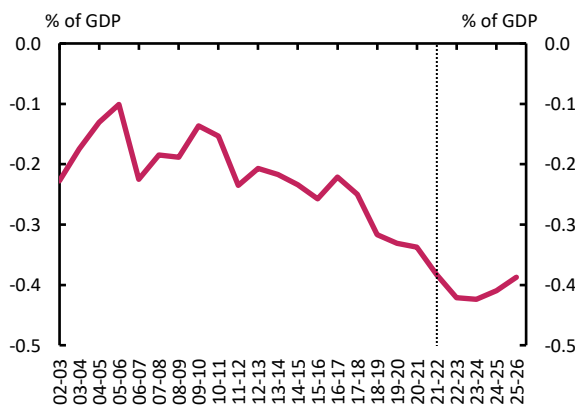
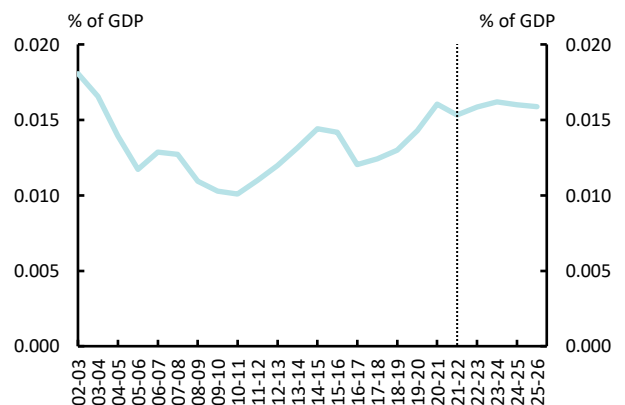


Figure 10F: Public debt interest payments



The territory's net financial worth is forecast to show a gradual increase from 2024-25 onwards, as net debt begins to fall.

Notes

1. This snapshot accompanies the PBO's 2022-23 National fiscal outlook report. Data from 2002-03 to 2020-21 are sourced from the Australian Bureau of Statistics' (ABS) *Government Finance Statistics, Annual* publication. The variance in Government Finance Statistics from the Australian Bureau of Statistics (ABS) and state budgets is due to an adoption of newer accounting standards in government financial reporting. Other divergences may occur due to timing recognition and other conceptual determination differences. Estimates and forecasts for 2021-22 to 2025-26 are sourced from Commonwealth, state, and territory budgets. Further information about the data, methods, and terms used in this snapshot is available in the technical appendix.
2. Net capital investment does not include government businesses. Net capital investment includes the transfer of fixed assets to other sectors of government.
3. The 2022-23 Budget forward estimates period is 2022-23 to 2025-26.
4. National charts include Australian, state, territory, and local government estimates and forecasts. Transfers have been eliminated between levels of government to arrive at a consolidated national fiscal position.
5. The Australian Government also provides funding to the states for infrastructure projects through grants, equity injections and debt financing, which are not captured in direct Australian Government investment.
6. New South Wales estimates and forecasts for revenue and expenses have been adjusted by the PBO to improve comparability through time and across jurisdictions. The budget estimates published by New South Wales exclude Australian Government transfers that 'pass through' their state accounts and, as such, their reported revenue and expenses do not include these amounts. In contrast, the ABS requires that the full 'grossed up' amount be reported. Revenue and expenses for New South Wales from 2021-22 onwards are adjusted using the estimates of these transfers in state and Australian Government budget papers.
7. Western Australian estimates and forecasts for revenue and expenses have been adjusted by the PBO to improve comparability through time and across jurisdictions. The budget estimates published by Western Australia exclude Australian Government transfers that 'pass through' their state accounts and, as such, their reported revenue and expenses do not include these amounts. In contrast, the ABS requires that the full 'grossed up' amount be reported. Revenue and expenses for Western Australia from 2021-22 onwards are adjusted using the estimates of these transfers in state and Australian Government budget papers.
8. The Australian Capital Territory's estimates and projections of net debt have been adjusted by the PBO to be consistent with the Uniform Presentation Framework.