

2021-22 National fiscal outlook^{1,2,3}

1 National⁴

Figure 1A: Net operating and fiscal balance

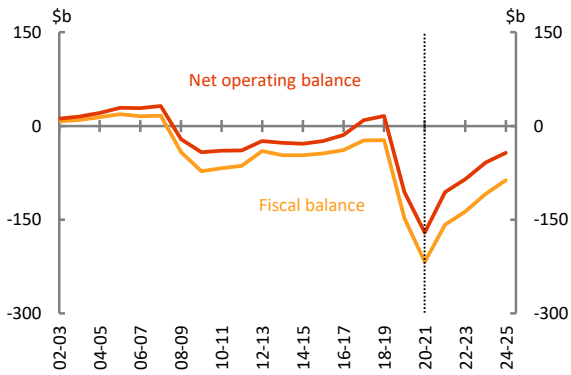
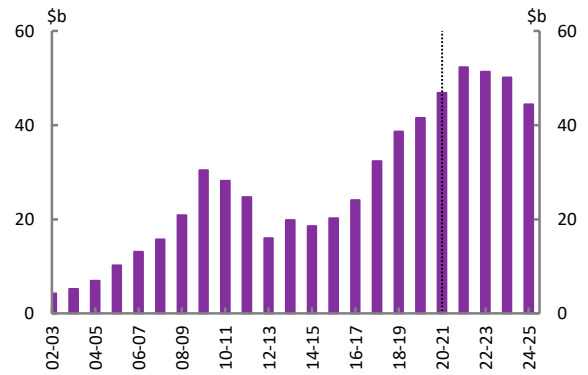


Figure 1B: Net capital investment



The national net operating balance is forecast to improve across the forward estimates as Australia emerges from the initial outbreak of the COVID-19 pandemic.

Figure 1C: Revenue and expenses

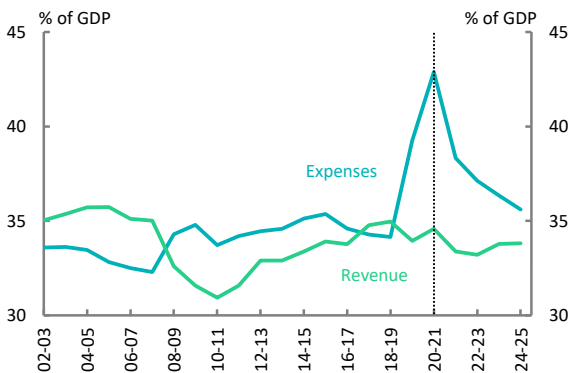
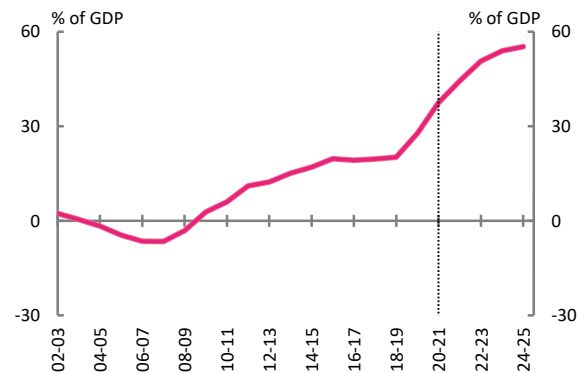


Figure 1D: Net debt



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

Figure 1E: Net financial worth

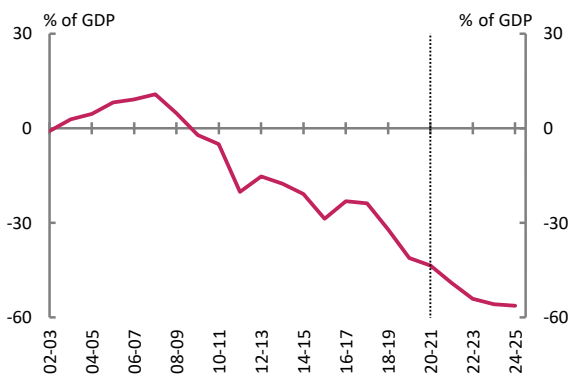
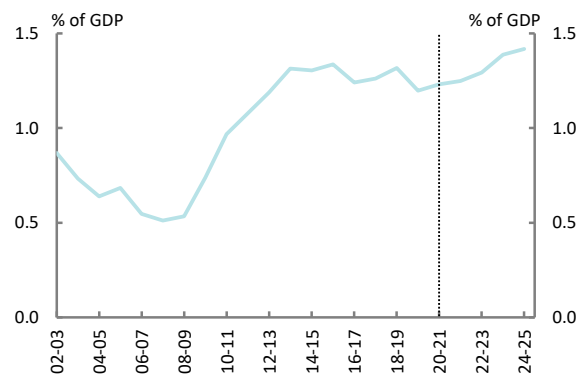


Figure 1F: Public debt interest payments



Despite the increase in debt, public debt interest payments are expected to increase gradually across the forward estimates.

¹ This snapshot accompanies the PBO's 2021-22 National fiscal outlook report. Data from 2002-03 to 2019-20 are sourced from the Australian Bureau of Statistics' *Government Finance Statistics, Annual* publication. Estimates and forecasts for 2020-21 to 2024-25 are sourced from Commonwealth, state, and territory budgets. Data are generally comparable over time, but there are some differences in the treatment of items across jurisdictions. 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.

³ The 2021-22 Budget forward estimates period is 2021-22 to 2024-25.

⁴ National charts include Commonwealth, state, territory, and local government estimates and forecasts. Transfers have been eliminated between levels of government to arrive at a consolidated national fiscal position.

2 Commonwealth⁵ as at May 2021

Figure 2A: Net operating and fiscal balance

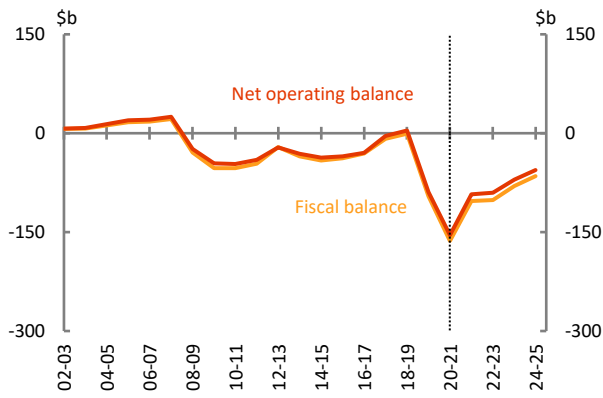
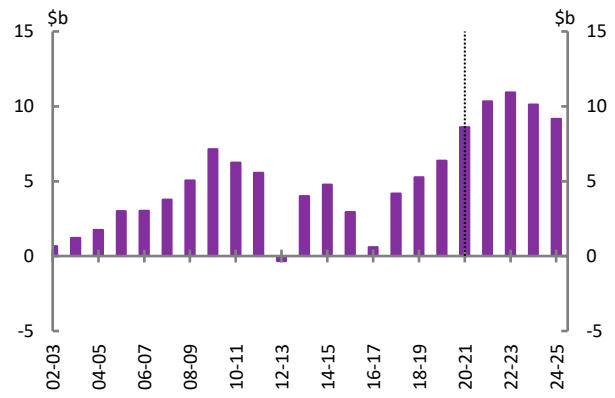


Figure 2B: Net capital investment⁶



With the winding down of COVID-19-related expenses and improved economic conditions, the Commonwealth forecasts an improved net operating balance across the forward estimates.

Figure 2C: Revenue and expenses

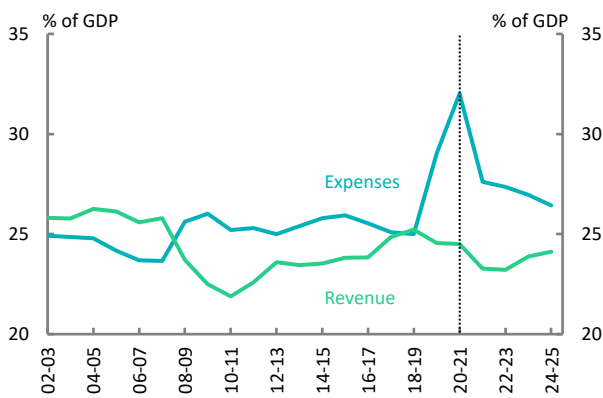
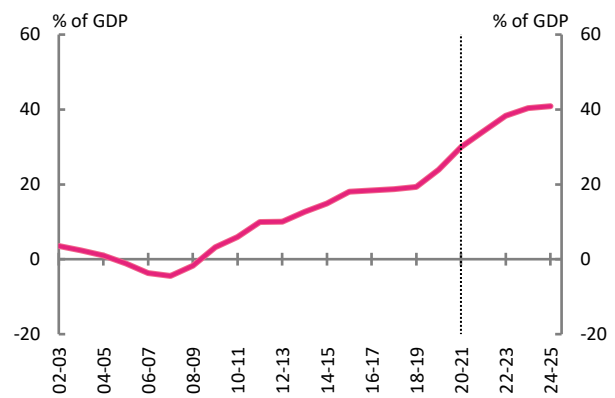


Figure 2D: Net debt



However, with net operating deficits forecast across the forward estimates, Commonwealth debt is still expected to grow over the period.

Figure 2E: Net financial worth

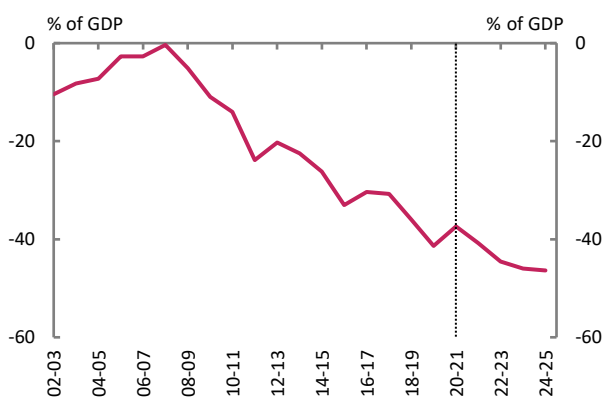
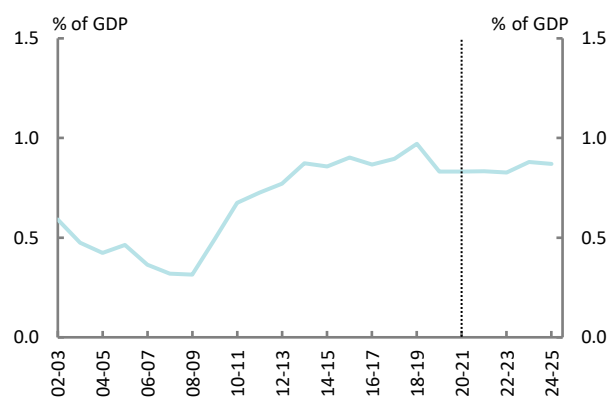


Figure 2F: Public debt interest payments



Despite the increase in debt, public debt interest payments are expected to remain broadly flat, largely due to historically low interest rates.

⁵ For a detailed discussion of the Commonwealth fiscal outlook see the PBO's [Beyond the budget 2021-22: fiscal outlook and scenarios](#) report.

⁶ The Commonwealth also provides funding to the states for infrastructure projects through grants, equity injections and debt financing, which are not captured in direct Commonwealth government investment.

3 New South Wales as at June 2021⁷

Figure 3A: Net operating and fiscal balance

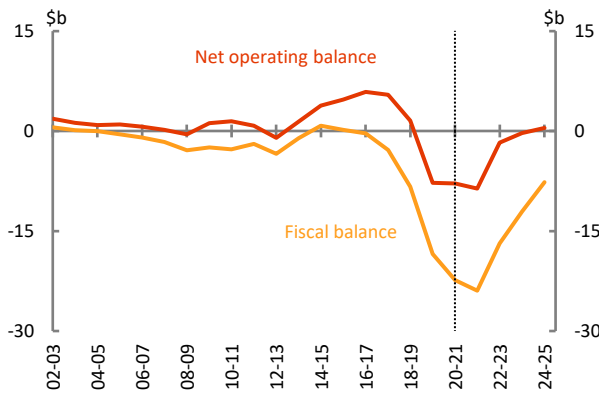
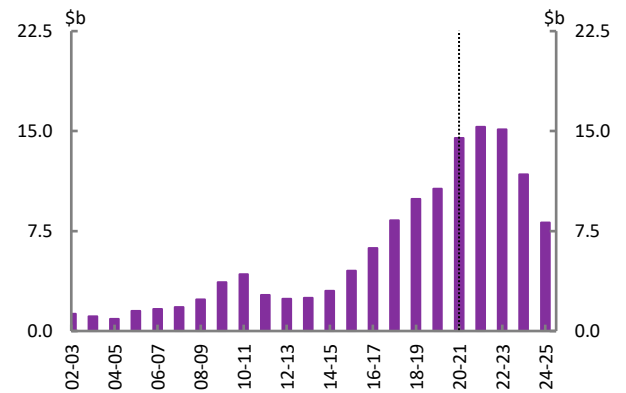


Figure 3B: Net capital investment



The New South Wales Budget forecasts a significant increase in net capital investment, with large investments in hospitals, schools, and infrastructure.

Figure 3C: Revenue and expenses

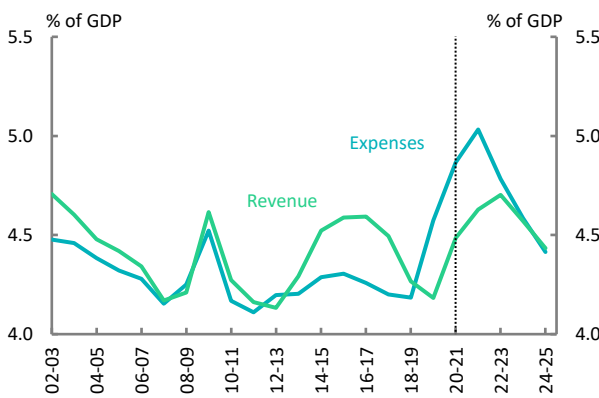
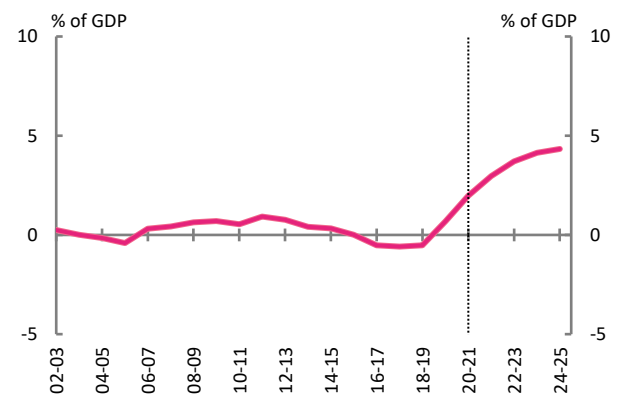


Figure 3D: Net debt



Expenses are forecast to increase as the state responds to the COVID-19 pandemic and flood and storm events, and enhances its bushfire response capabilities.

Figure 3E: Net financial worth

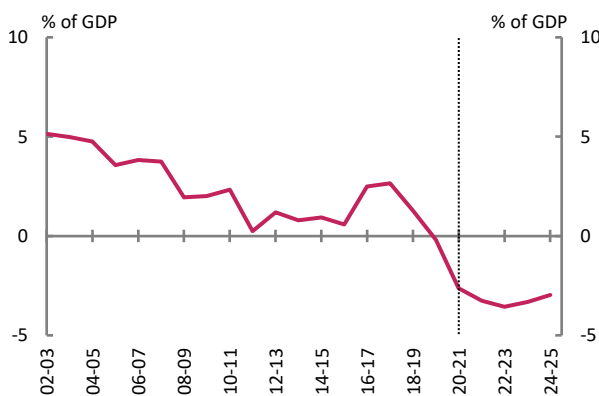
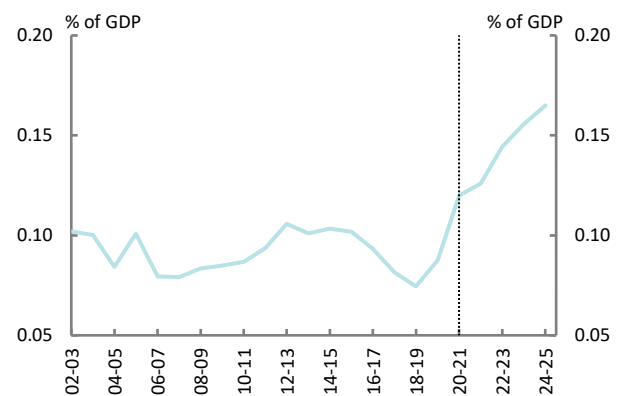


Figure 3F: Public debt interest payments



With rising debt due to operating deficits and the state's infrastructure program, public debt interest payments are also expected to increase.

⁷ New South Wales estimates and forecasts for revenue and expenses have been adjusted by the PBO to improve comparability through time and across jurisdictions.

4 Victoria as at May 2021

Figure 4A: Net operating and fiscal balance

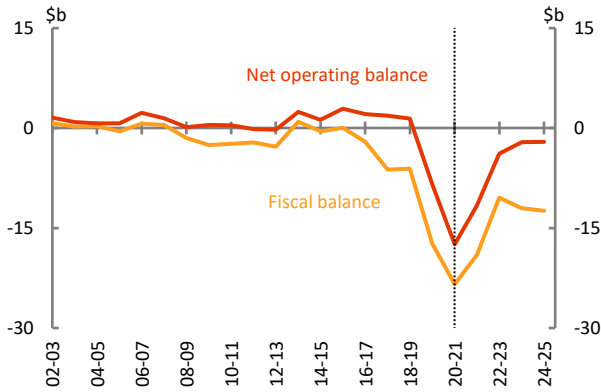
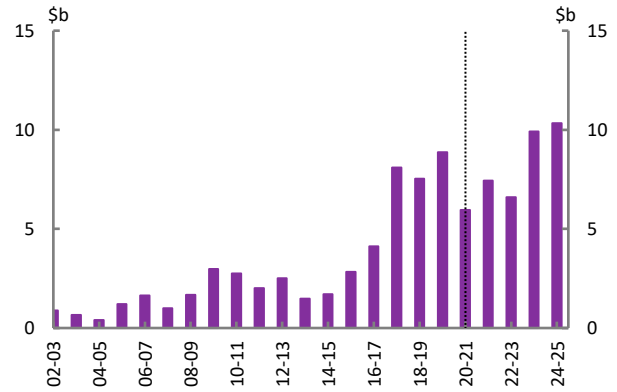


Figure 4B: Net capital investment



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

Figure 4C: Revenue and expenses

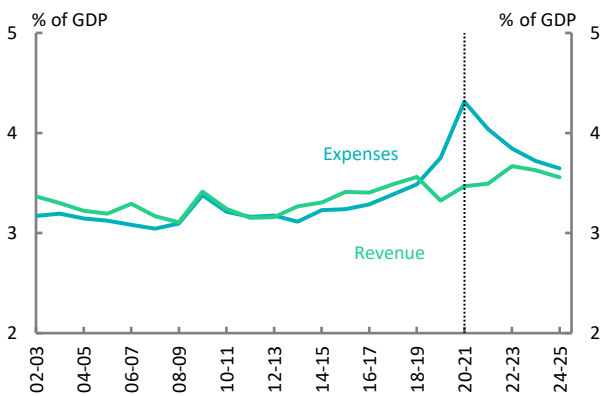
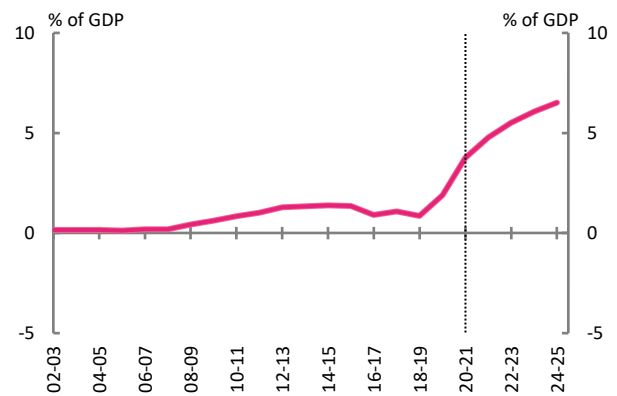


Figure 4D: Net debt



Expenses are estimated to peak in 2020-21, remaining above pre-COVID-19 levels across the forward estimates.

Figure 4E: Net financial worth

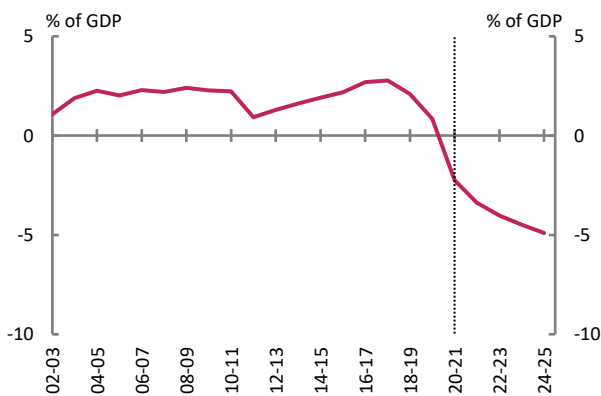
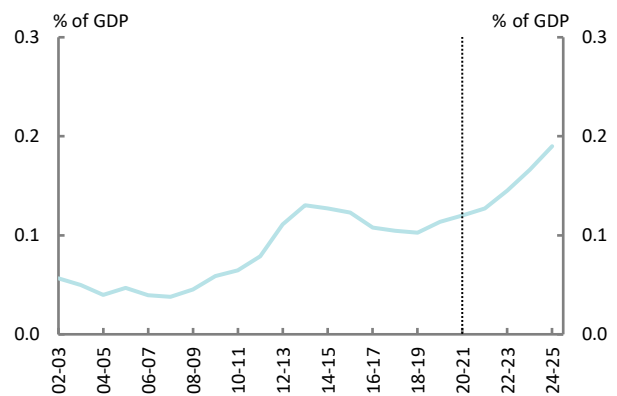


Figure 4F: Public debt interest payments



With debt increasing as the state borrows to fund operating requirements and its capital investments, public debt interest payments are expected to follow suit.

5 Queensland as at June 2021

Figure 5A: Net operating and fiscal balance

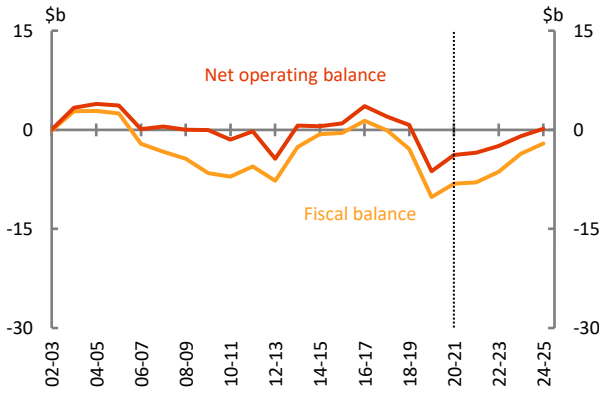
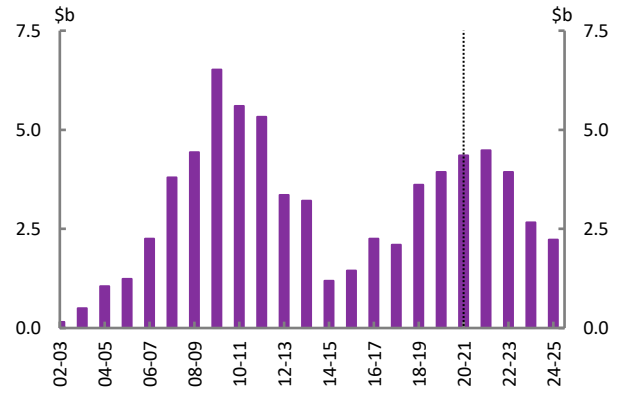


Figure 5B: Net capital investment



With improved economic conditions, Queensland forecasts a net operating surplus in 2024-25 after consecutive deficits since 2019-20.

Figure 5C: Revenue and expenses

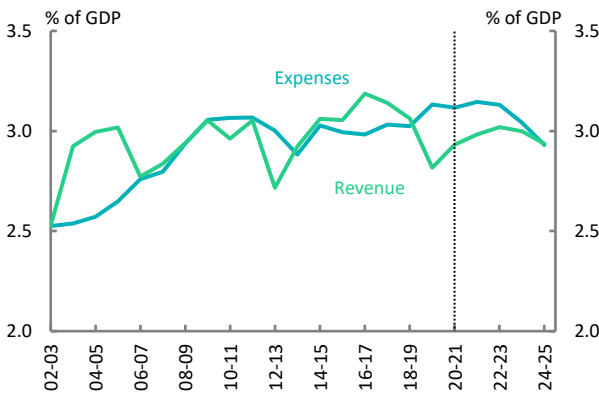
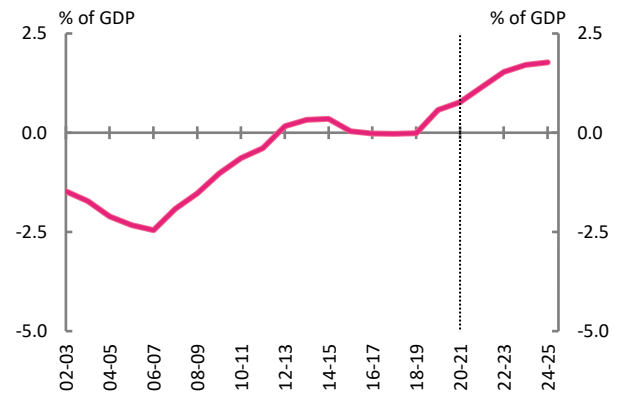


Figure 5D: Net debt



Expenses are expected to remain elevated as a share of GDP until 2022-23, reflecting the state's ongoing health and economic response to the COVID-19 pandemic.

Figure 5E: Net financial worth

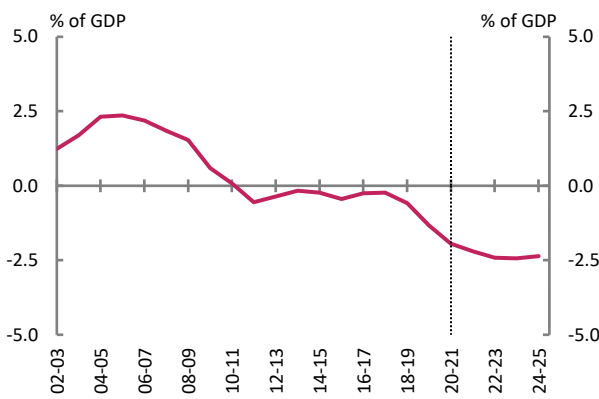
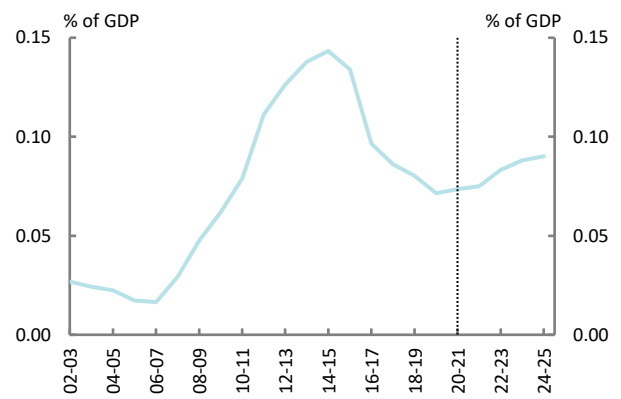


Figure 5F: Public debt interest payments



While public debt interest payments remain elevated, historically low interest rates see them well below the peak of 2013-14.

6 Western Australia as at September 2021⁸

Figure 6A: Net operating and fiscal balance

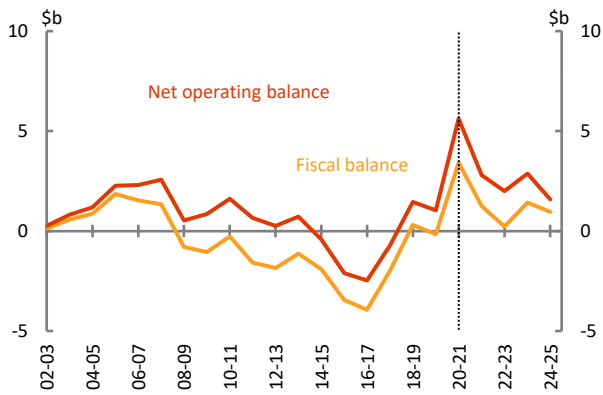
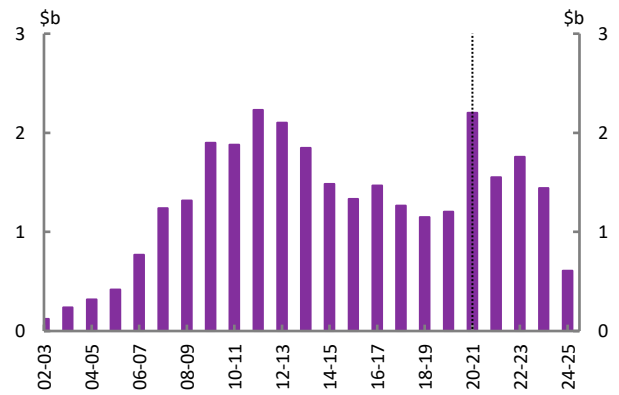


Figure 6B: Net capital investment



In contrast to the deficits of other states and territories, Western Australia expects a record operating surplus in 2020-21, attributed to a stronger-than-expected iron ore price.

Figure 6C: Revenue and expenses

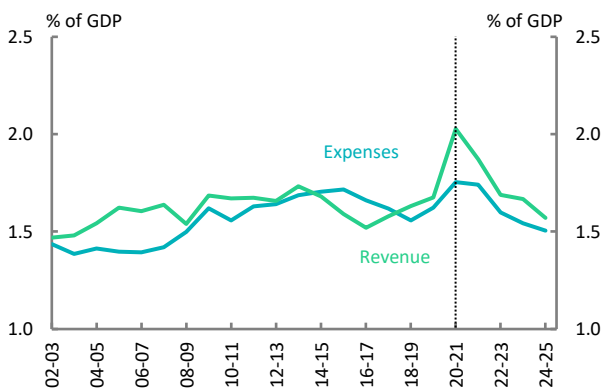
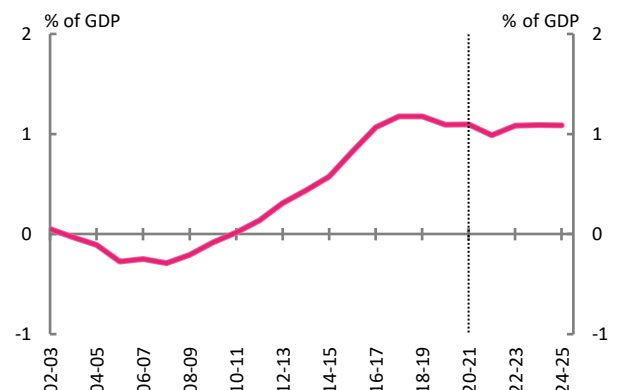


Figure 6D: Net debt



Revenue is forecast to decrease across the forward estimates as the iron ore price returns to its long-run average.

Figure 6E: Net financial worth

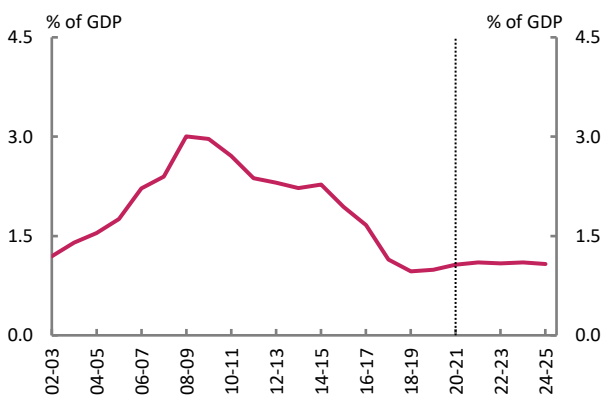
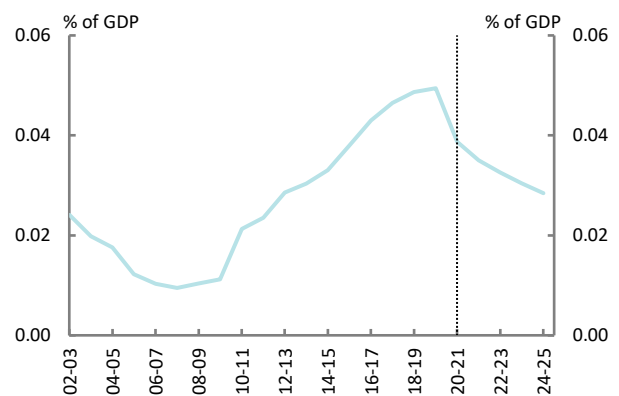


Figure 6F: Public debt interest payments



With debt stable, public debt interest payments are forecast to decrease as a share of GDP.

⁸ Western Australian estimates and forecasts for revenue and expenses have been adjusted by the PBO to improve comparability through time and across jurisdictions.

7 South Australia as at June 2021

Figure 7A: Net operating and fiscal balance

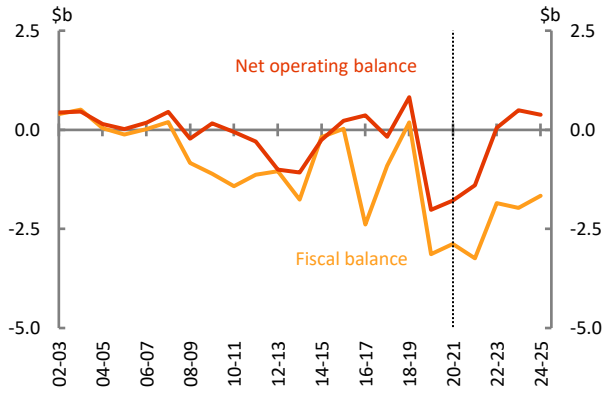
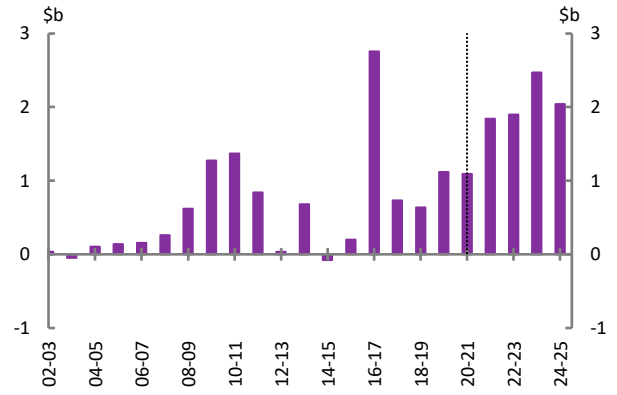


Figure 7B: Net capital investment



South Australia forecasts a net operating surplus in 2022-23, with revenues exceeding expenses from 2022-23, as the state recovers from the COVID-19 pandemic.

Figure 7C: Revenue and expenses

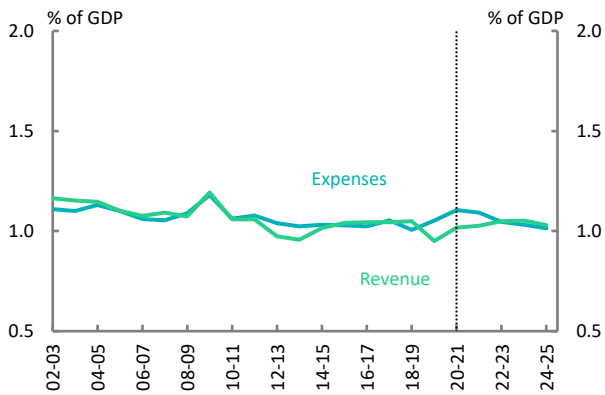
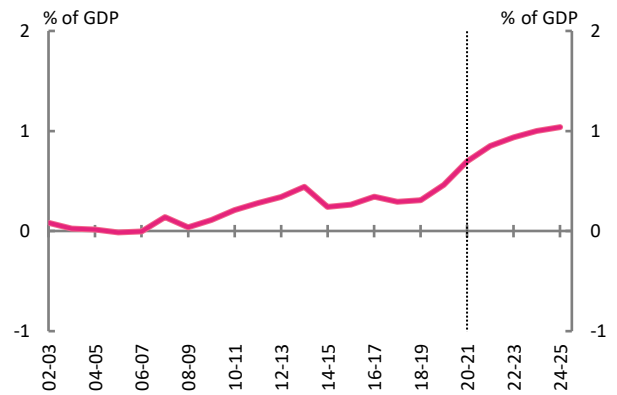


Figure 7D: Net debt



Net debt is still forecast to increase across the forward estimates due to substantial infrastructure investment and operating deficits in the short term.

Figure 7E: Net financial worth

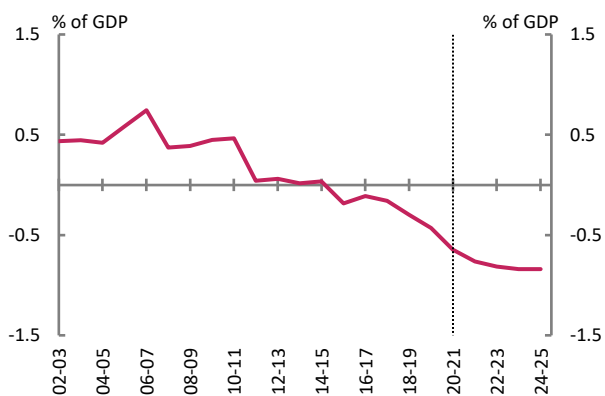
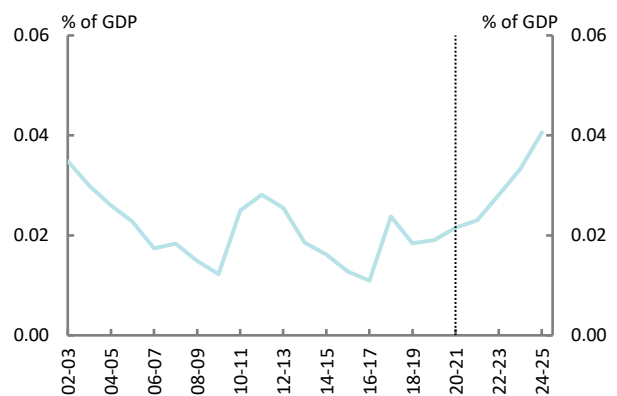


Figure 7F: Public debt interest payments



Reflecting the increase in total liabilities, the state's net financial worth is expected to decrease across the forward estimates.

8 Tasmania as at August 2021

Figure 8A: Net operating and fiscal balance

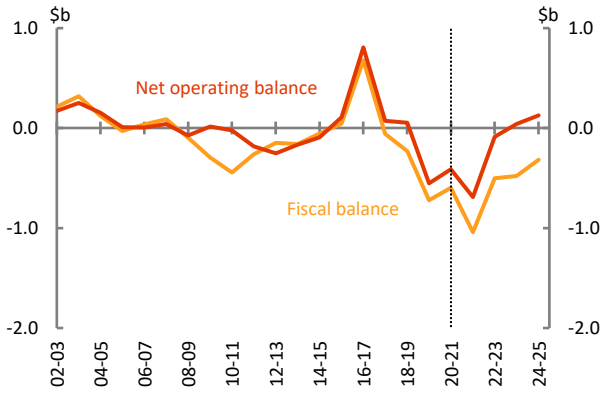
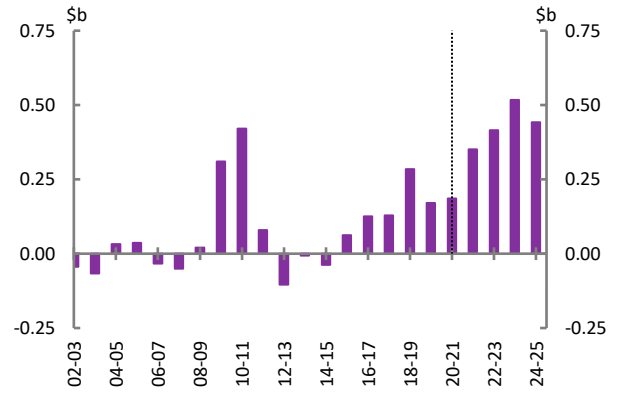


Figure 8B: Net capital investment



Tasmania forecasts a significant increase in net capital investment across the forward estimates, with investments in roads and bridges, hospitals and health, and human services and housing.

Figure 8C: Revenue and expenses

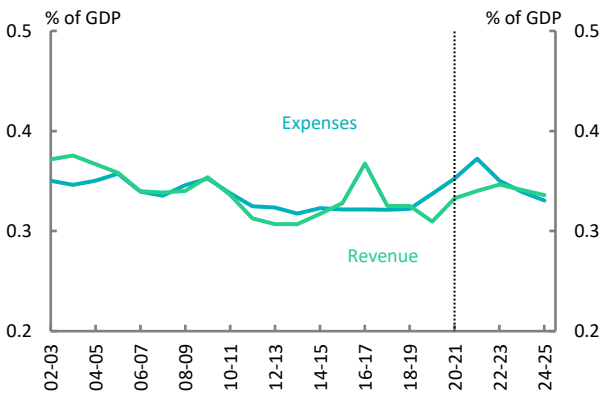
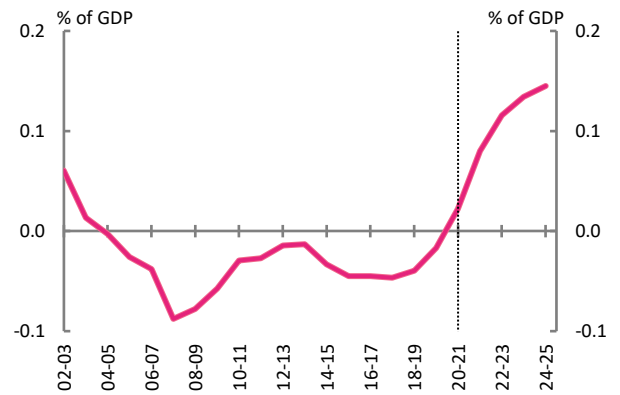


Figure 8D: Net debt

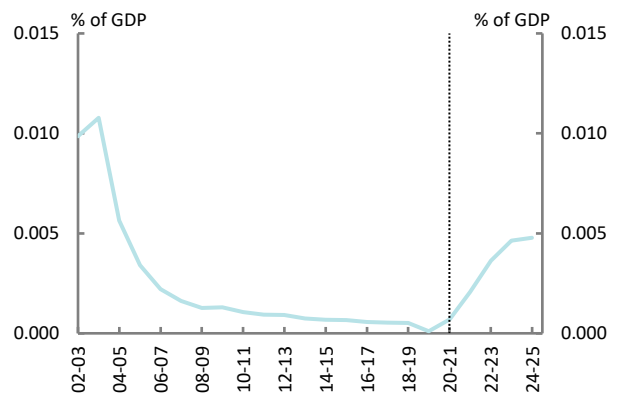


Net debt, which has been negative since 2004-05, is forecast to become positive and increase significantly across the forward estimates, mostly due to the state's investments in response to the COVID-19 pandemic.

Figure 8E: Net financial worth



Figure 8F: Public debt interest payments



With debt growing, public debt interest payments are expected to increase across the forward estimates.

9 Australian Capital Territory as at October 2021

Figure 9A: Net operating and fiscal balance

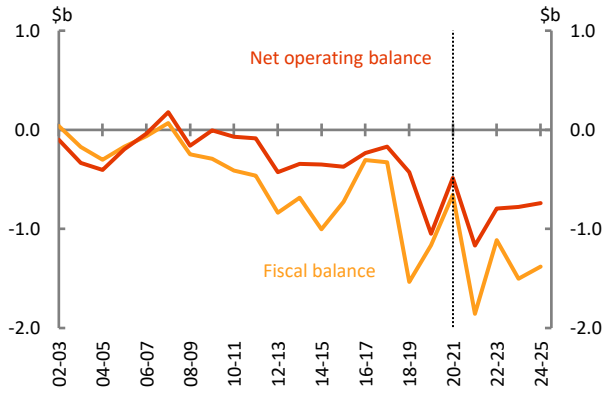
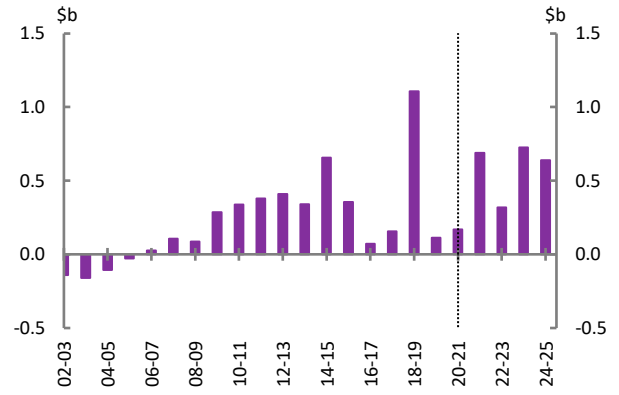


Figure 9B: Net capital investment



Reflecting the territory's COVID-19 response, the Australian Capital Territory forecasts a record net operating deficit in 2021-22.

Figure 9C: Revenue and expenses

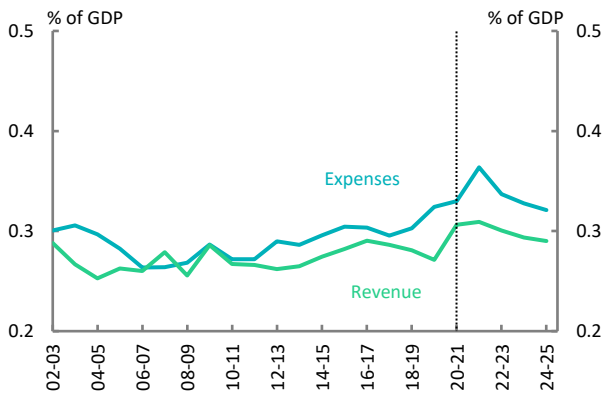
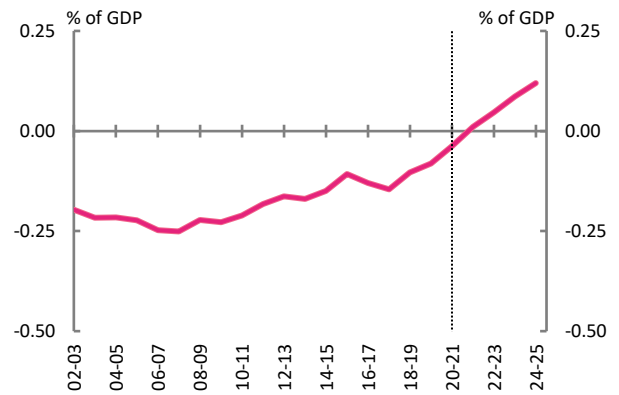


Figure 9D: Net debt⁹



Reflecting ongoing operating deficits, net debt is forecast to increase across the forward estimates.

Figure 9E: Net financial worth

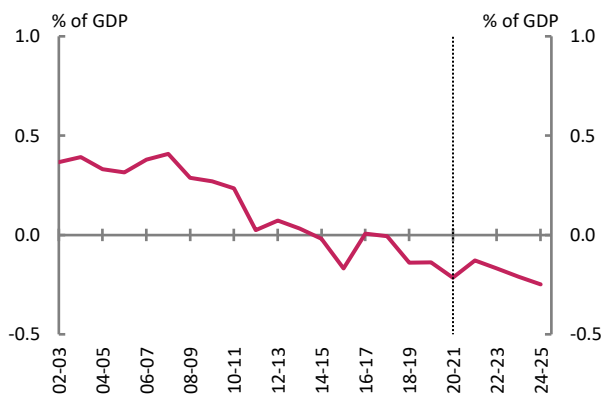
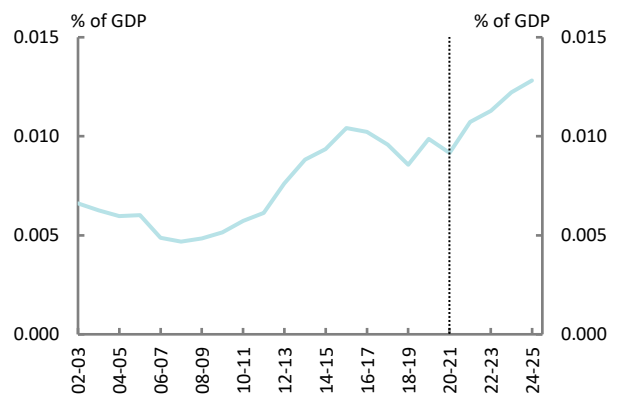


Figure 9F: Public debt interest payments



Corresponding with the increase in debt, public debt interest payments are forecast to increase across the forward estimates.

⁹ 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.

10 Northern Territory as at May 2021

Figure 10A: Net operating and fiscal balance

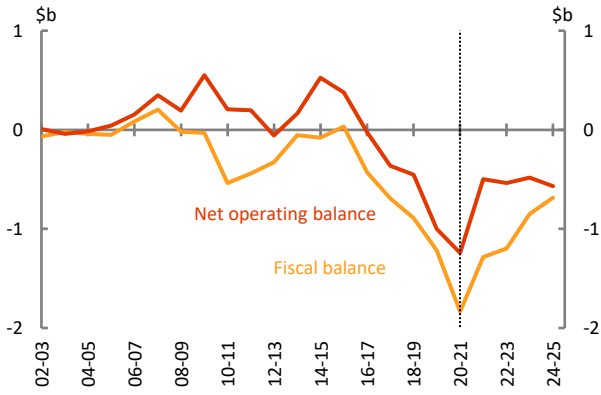
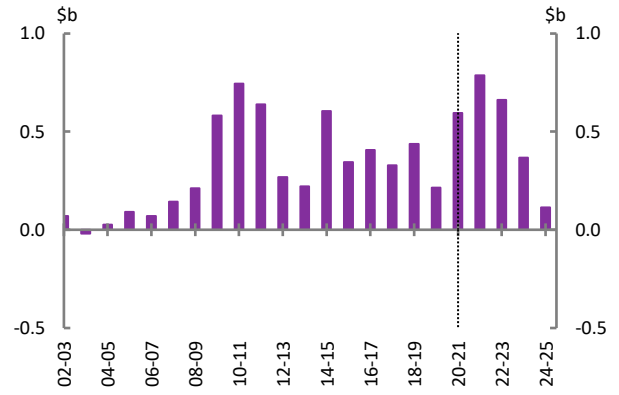


Figure 10B: Net capital investment



The Northern Territory forecasts net capital investment to increase significantly in 2021-22 due to additional infrastructure investment, including strategic planning for future industry and population growth.

Figure 10C: Revenue and expenses

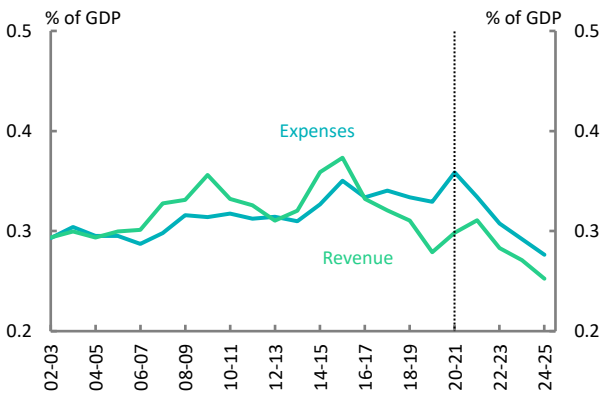
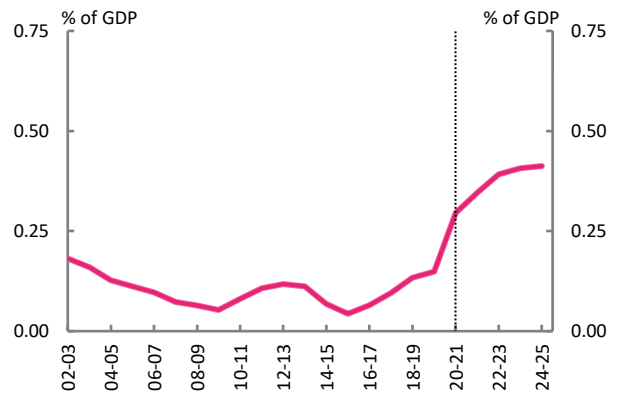


Figure 10D: Net debt



Coupled with operating deficits expected across the forward estimates, the territory's net debt is expected to increase through to 2024-25.

Figure 10E: Net financial worth

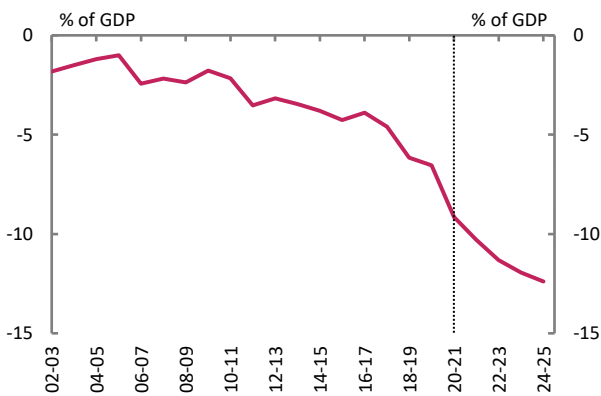
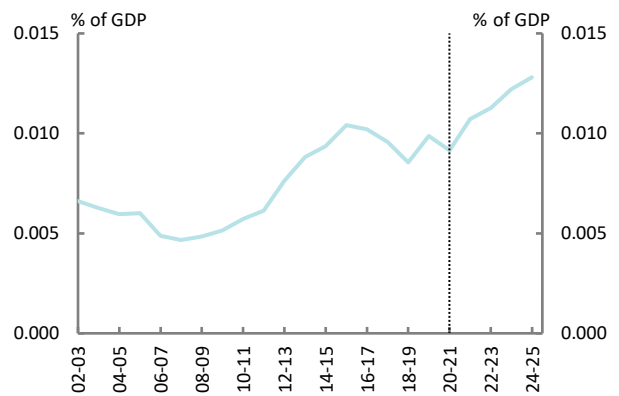


Figure 10F: Public debt interest payments



The territory's net financial worth is forecast to decrease across the forward estimates, with liabilities increasing through to 2024-25.