

Sensitive



Parliament of Australia
Parliamentary Budget Office

Phil Bowen PSM FCPA
Parliamentary Budget Officer

Senator David Leyonhjelm
Liberal Democratic Party
Parliament House
CANBERRA ACT 2600

Dear Senator Leyonhjelm

Please find attached a response to your costing request, *Energy* (letter of 8 August 2016).

The financial impact of this proposal has changed materially from the previous costing due to changes in Government policy that have altered the budget baseline and updated departmental advice with respect to commitments of the Emissions Reduction Fund (ERF).

As requested, this costing has been prepared on a confidential basis. The policy details that form the basis for the costing are as specified in your costing request. The PBO has not consulted with or drawn any policy details from a policy of any other political party or individual parliamentarian in the preparation of this costing. Accordingly, if you make this costing public, it would not be appropriate to attribute the costing to a policy of any other party or individual parliamentarian.

If you have any queries about this costing, please do not hesitate to contact Gareth Tunks on (02) 6277 9550.

Yours sincerely

Phil Bowen

27 October 2016

Sensitive



Policy costing—outside the caretaker period

Name of proposal:	Energy
Summary of proposal:	<p>The proposal would abolish the Climate Change Authority (CCA), the Emissions Reduction Fund (ERF), the Renewable Energy Target (RET), the Australian Renewable Energy Agency (ARENA), the Clean Energy Finance Corporation (CEFC) and the Clean Energy Innovation Fund (CEIF).</p> <p>This proposal would commence on 1 July 2017.</p>
Person/party requesting the costing:	Senator David Leyonhjelm, Liberal Democratic Party
Did the applicant request the costing be confidential:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date costing request received:	9 August 2016
Date costing completed:	27 October 2016
Additional information requested (including date):	On 29 August 2016, Senator Leyonhjelm's office (the office) was contacted to confirm whether the proposal was intended to include the abolition of the CEIF which is administered by the CEFC and the ARENA.
Additional information received (including date):	On 29 August 2016 the office confirmed that the proposal should include the abolition of the CEIF.
Expiry date of the costing:	Release of the next economic and fiscal outlook report.

Costing overview

The proposal would be expected to increase the fiscal balance by \$149.9 million, the underlying cash balance by \$58.5 million and the headline cash balance by \$1,763.5 million over the 2016-17 Budget forward estimates period. On a fiscal balance basis, this reflects a decrease in administered expenses of \$103.2 million and public debt interest (PDI) of \$67.1 million. These reductions are partially offset by an increase in departmental expenses of \$20.4 million, largely driven by redundancy provisions associated with the necessary reductions in staffing levels.

On an underlying cash balance basis, the impact of the proposal reflects a decrease in administered expenses of \$103.2 million and PDI of \$64.3 million. These reductions are partially offset by an increase in departmental expenses of \$108.9 million. The departmental effect is considerably larger on an underlying cash balance basis as it does not account for the net effect of ceasing the concessional loan facility of the CEFC.

On a headline cash balance basis, the impact of the proposal reflects a decrease in departmental expenses of \$1,596.1 million, administered expenses of \$103.2 million and PDI of \$64.3 million. The significantly larger impact on departmental expenses on a headline cash balance basis reflects the cessation of funding provided to the CEFC in order for that agency to undertake investments.

Table 1: Financial implications (outturn prices)^{(a)(b)}

Impact on (\$m)	2016–17	2017–18	2018–19	2019–20	Total to 2019–20
Fiscal balance	-	64.8	67.5	17.6	149.9
Underlying cash balance	-	45.1	34.5	-21.1	58.5
Headline cash balance	-	505.1	659.5	598.9	1,763.5

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) Figures may not sum to totals due to rounding.

- Indicates nil.

The proposal would be expected to have an ongoing impact beyond the 2016-17 Budget forward estimates period. The impacts of this proposal, over the period 2016-17 to 2026-27, have been provided disaggregated by program at [Attachment A](#) and by financial component at [Attachment B](#). Similarly, a breakdown of the impact of abolishing each agency or program, on which there would be a financial impact, has been provided at [Attachment C](#) to [Attachment E](#).

This costing is considered to be of medium reliability. This costing does not take account of the potential impacts on electricity prices and consumption due to the highly complex nature of pricing in electricity markets and uncertainty regarding the responsiveness of electricity demand to changes in prices.

Key assumptions

In costing this proposal it has been assumed that:

- projects which have been approved to date by the ARENA but not yet contractually committed would be committed by 1 July 2017
- Department of Environment and Energy (DEE) has advised that all RET administered expenses are committed over the 2016-17 Budget forward estimates period. In costing the impact of abolishing the RET it has been assumed that:
 - all revenue generated would be unaffected over the 2016-17 Budget forward estimates period

- all administered expenses would be uncommitted beyond the 2016-17 Budget forward estimates period
- departmental expenses would decline over the 2016-17 Budget forward estimates period to reflect natural attrition with redundancies for remaining staff provided in 2020-21
- required staffing reductions associated with the closure of the ARENA would be achieved through natural attrition
- the CEFC would continue to operate and manage its existing portfolio of investment
- the CEFC would reduce expenditure, including on staff, over the medium term.

Methodology

Climate Change Authority

The abolition of the CCA was announced in the 2013-14 Mid-Year Economic and Fiscal Outlook (MYEFO) measure *Repeal of the Carbon Tax – abolishing and initiatives and unnecessary bureaucracies*. In the 2014-15 MYEFO it was announced that the CCA would not be abolished in the life of the 44th Parliament. Further, the 2015-16 Budget measure *Climate Change Authority – extension* provided funding to the CCA into 2016-17 only. Accordingly, this component of the proposal would have no financial impact.

Emissions Reduction Fund

The Clean Energy Regulator has announced \$1.7 billion in commitments from the first three ERF auctions¹. Based on the most recent advice from DEE and the historic operation of the program, it is expected that all remaining uncommitted funds would be committed by 1 July 2017. Accordingly, this component of the proposal would have no financial impact.

Renewable Energy Target

The impact of abolishing the RET was calculated based on reversing the impact of administered, departmental and revenue estimates from 1 July 2017. Based on advice from DEE, all administered funds are committed over the 2016-17 Budget forward estimates period.

Due to the magnitude of the decrease in departmental expenses, a provision has been included for redundancies. The impact of redundancy payments was calculated as the total number of redundancies multiplied by the average cost per person. The number of required redundancies was derived as the estimated reduction in average staffing levels, minus natural

¹ The three ERF auctions were conducted on 23 April 2015, 12 November 2015 and 5 May 2016, and produced commitments of \$660.5 million, \$557.0 million and \$516.0 million respectively.

attrition. The average per person cost of a redundancy has been estimated at approximately \$53,000. This is based on average salary (excluding on-costs), average service length of 10.4 years (APS Statistical Bulletin 2015-16) with a payout equal to two weeks' salary per year of service, pro-rated for months of service.

Australian Renewable Energy Agency

The impact of abolishing the ARENA has been estimated based on DEE projections of committed and uncommitted costs. The ARENA was established and is funded through the *Australian Renewable Energy Act 2011* which provides funding out to 2021-22. As a result, savings from the ARENA's abolition are over the period from 1 July 2017 to 2021-22 only.

Clean Energy Finance Corporation

The impact of abolishing the CEFC has been estimated based on DEE estimates of committed and uncommitted costs, as well as expected investments and revenues, over the 2016-17 Budget forward estimates period. These estimates have been extended by the PBO based on advice from DEE regarding expected ongoing investment by the CEFC.

The financial implications of the unwinding of the concessional financing facility were estimated by applying the standard treatment for estimating the cost of unwinding concessional loans, including PDI costs.

The fiscal balance impact for each year is:

- operational expense (positive impact)
- own-source income that accrues from investments (negative impact)
- the concessional loan discount expense (positive impact)
- the unwinding of the concessional loan discount expense (negative impact)
- the PDI/financing cost (positive impact).

The underlying cash balance impact for each year is:

- operational expenses (positive impact)
- own-source income receipts from investments (negative impact)
- the PDI/financing cost (positive impact).

The headline cash balance impact for each year is:

- operational expenses (positive impact)
- the loan principal advanced under the financing facility (positive impact)
- own-source income receipts from investments (negative impact)
- loan repayments (negative impact)
- the PDI/financing cost (positive impact).

Clean Energy Innovation Fund

The administration costs of the CEIF are borne by the ARENA and the CEFC. The reduction in departmental costs associated with the abolition of the ARENA and the CEFC includes the savings associated with no longer administering the CEIF. Additionally, as CEIF investments are incorporated in the CEFC income statement, the impact of their cessation is reflected in the CEFC results.

Data sources

Australian Public Service Statistical Bulletin, State of the Service Series 2015-16,
Australian Public Service Commission, <http://www.apsc.gov.au/about-the-apsc/parliamentary/aps-statistical-bulletin/statisticalbulletin1516>

The DEE provided forward estimates models, including current and expected contractual commitments (where appropriate), for the CCA, ERF, RET, ARENA, CEFC, and CEIF.

The Department of Finance provided indexation and efficiency dividend parameters.

Attachment A – Energy – financial implications

The proposal would abolish the Climate Change Authority (CCA), the Emissions Reduction Fund (ERF), the Renewable Energy Target (RET), the Australian Renewable Energy Agency (ARENA), the Clean Energy Finance Corporation (CEFC) and the Clean Energy Innovation Fund (CEIF) from 1 July 2017. Based on advice from DEE the abolition of the CCA and the ERF would not be expected to have an impact on the budget as the CCA only funded into 2016-17 and all ERF funds would be committed by 1 July 2017. The CEIF is jointly administered by the ARENA and the CEFC; the impact of abolishing the CEIF is included in the impacts on the ARENA and the CEFC.

Table A1: Energy – Fiscal balance^{(a)(b)(c)}

(\$m)	2016–17	2017–18	2018–19	2019–20	Total to 2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	Total to 2026–27
Abolition of the RET	-	0.6	1.2	1.9	3.7	0.6	3.1	3.3	3.5	3.7	4.0	4.3	26.3
Abolition of the ARENA	-	54.3	55.7	16.3	126.3	16.5	18.1	6.7	7.7	8.9	10.2	11.7	206.1
Abolition of the CEFC	-	9.9	10.5	-0.6	19.9	4.6	27.6	62.2	108.0	166.3	238.8	299.4	926.8
Total	-	64.8	67.5	17.6	149.9	21.8	48.9	72.2	119.2	178.9	253.0	315.4	1,159.3

(a) A positive number indicates an increase in revenue or decrease in expenses or net capital investment in accrual terms. A negative number indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

(b) Figures may not sum to totals due to rounding.

(c) Estimates for each program are inclusive of public debt interest.

- Indicates nil.

Table A2: Energy – Underlying cash balance^{(a)(b)(c)}

(\$m)	2016–17	2017–18	2018–19	2019–20	Total to 2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	Total to 2026–27
Abolition of the RET	-	0.6	1.2	1.9	3.7	0.6	3.1	3.3	3.5	3.7	4.0	4.3	26.3
Abolition of the ARENA	-	54.3	55.6	16.2	126.1	16.4	18.0	6.6	7.6	8.8	10.1	11.6	205.3
Abolition of the CEFC	-	-9.8	-22.3	-39.1	-71.2	-35.7	-13.0	21.4	66.8	124.3	195.3	255.9	543.7
Total	-	45.1	34.5	-21.1	58.5	-18.7	8.2	31.3	78.0	136.8	209.4	271.8	775.2

(a) A positive number indicates an increase in revenue or decrease in expenses or net capital investment in cash terms. A negative number indicates a decrease in revenue or an increase in expenses or net capital investment in cash terms.

(b) Figures may not sum to totals due to rounding.

(c) Estimates for each program are inclusive of public debt interest.

- Indicates nil.

Table A3: Energy – Headline cash balance ^{(a)/(b)/(c)}

(\$m)	2016–17	2017–18	2018–19	2019–20	Total to 2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	Total to 2026–27
Abolition of the RET	-	0.6	1.2	1.9	3.7	0.6	3.1	3.3	3.5	3.7	4.0	4.3	26.3
Abolition of the ARENA	-	54.3	55.6	16.2	126.1	16.4	18.0	6.6	7.6	8.8	10.1	11.6	205.3
Abolition of the CEFC	-	450.2	602.7	580.9	1,633.8	654.0	715.1	789.6	876.0	976.7	1,093.2	255.9	6,994.2
Total	-	505.1	659.5	598.9	1,763.5	671.0	736.3	799.4	887.1	989.2	1,107.3	271.8	7,225.7

(a) A positive number indicates an increase in revenue or decrease in expenses or net capital investment in cash flow terms. A negative number indicates a decrease in revenue or an increase in expenses or net capital investment in cash flow terms.

(b) Figures may not sum to totals due to rounding.

(c) Estimates for each program are inclusive of public debt interest.

- Indicates nil.

Attachment B – Energy – financial implications by financial component

The proposal would abolish the Climate Change Authority (CCA), the Emissions Reduction Fund (ERF), the Renewable Energy Target (RET), the Australian Renewable Energy Agency (ARENA), the Clean Energy Finance Corporation (CEFC) and the Clean Energy Innovation Fund (CEIF) from 1 July 2017. Based on advice from DEE the abolition of the CCA and the ERF would not be expected to have an impact on the budget as the CCA only funded into 2016-17 and all ERF funds would be committed by 1 July 2017. The CEIF is jointly administered by the ARENA and the CEFC; the impact of abolishing the CEIF is included in the impacts on the ARENA and the CEFC.

Table B1: Energy – Fiscal balance^{(a)/(b)}

(\$m)	2016–17	2017–18	2018–19	2019–20	Total to 2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	Total to 2026–27
Expenditure													
Administered	-	46.8	47.5	8.9	103.2	12.4	12.8	4.2	4.2	4.2	4.2	4.2	149.5
Departmental	-	11.6	-1.0	-31.0	-20.4	-40.7	-49.4	-61.3	-68.3	-74.8	-81.2	-87.5	-483.6
Total expenditure	-	58.4	46.5	-22.1	82.8	-28.3	-36.6	-57.1	-64.1	-70.6	-77.0	-83.3	-334.1
Revenue	-	-	-	-	-	-16.3	-15.9	-15.9	-15.9	-15.9	-15.9	-15.9	-111.5
PDI	-	6.4	21.0	39.7	67.1	66.4	101.3	145.1	199.2	265.4	345.8	414.5	1,604.9
Total	-	64.8	67.5	17.6	149.9	21.8	48.9	72.2	119.2	178.9	253.0	315.4	1,159.3

(a) A positive number indicates an increase in revenue or decrease in expenses or net capital investment in accrual terms. A negative number indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

(b) Figures may not sum to totals due to rounding.

- Indicates nil.

Table B2: Energy – Underlying cash balance^{(a)(b)}

(\$m)	2016–17	2017–18	2018–19	2019–20	Total to 2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	Total to 2026–27
Expenditure													
Administered	-	46.8	47.5	8.9	103.2	12.4	12.8	4.2	4.2	4.2	4.2	4.2	149.5
Departmental	-	-7.7	-32.9	-68.3	-108.9	-79.3	-87.7	-99.1	-105.8	-112.3	-119.2	-126.3	-838.6
Total expenditure	-	39.1	14.6	-59.4	-5.7	-66.9	-74.8	-94.9	-101.6	-108.1	-114.9	-122.1	-689.1
Revenue	-	-	-	-	-	-16.3	-15.9	-15.9	-15.9	-15.9	-15.9	-15.9	-111.5
PDI	-	6.0	19.9	38.4	64.3	64.5	98.9	142.1	195.4	260.8	340.2	409.7	1,575.8
Total	-	45.1	34.5	-21.1	58.5	-18.7	8.2	31.3	78.0	136.8	209.4	271.8	775.2

(a) A positive number indicates an increase in revenue or decrease in expenses or net capital investment in cash terms. A negative number indicates a decrease in revenue or an increase in expenses or net capital investment in cash terms.

(b) Figures may not sum to totals due to rounding.

- Indicates nil.

Table B3: Energy – Headline cash balance^{(a)/(b)}

(\$m)	2016–17	2017–18	2018–19	2019–20	Total to 2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	Total to 2026–27
Expenditure													
Administered	-	46.8	47.5	8.9	103.2	12.4	12.8	4.2	4.2	4.2	4.2	4.2	149.5
Departmental	-	452.3	592.1	551.7	1,596.1	610.4	640.5	669.0	703.3	740.1	778.8	-126.3	5,611.9
Total expenditure	-	499.1	639.6	560.6	1,699.3	622.8	653.3	673.3	707.6	744.3	783.0	-122.1	5,761.4
Revenue	-	-	-	-	-	-16.3	-15.9	-15.9	-15.9	-15.9	-15.9	-15.9	-111.5
PDI	-	6.0	19.9	38.4	64.3	64.5	98.9	142.1	195.4	260.8	340.2	409.7	1,575.8
Total	-	505.1	659.5	598.9	1,763.5	671.0	736.3	799.4	887.1	989.2	1,107.3	271.8	7,225.7

(a) A positive number indicates an increase in revenue or decrease in expenses or net capital investment in cash flow terms. A negative number indicates a decrease in revenue or an increase in expenses or net capital investment in cash flow terms.

(b) Figures may not sum to totals due to rounding.

- Indicates nil.

Attachment C – Abolition of the Renewable Energy Target (RET)

Table C1: Abolition of the RET – Fiscal balance ^{(a)(b)}

(\$m)	2016–17	2017–18	2018–19	2019–20	Total to 2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	Total to 2026–27
Administered	-	-	-	-	-	4.2	4.2	4.2	4.2	4.2	4.2	4.2	29.5
Departmental	-	0.6	1.2	1.8	3.6	12.6	14.6	14.6	14.6	14.6	14.6	14.6	103.7
Total expenditure	-	0.6	1.2	1.8	3.6	16.8	18.8	18.8	18.8	18.8	18.8	18.8	133.2
Revenue	-	-	-	-	-	-16.3	-15.9	-15.9	-15.9	-15.9	-15.9	-15.9	-111.5
PDI	-	0.1	0.1	0.1	0.2	0.4	0.6	0.8	1.1	1.4	4.7
Total	-	0.6	1.2	1.9	3.7	0.6	3.1	3.3	3.5	3.7	4.0	4.3	26.3

(a) A positive number indicates an increase in revenue or decrease in expenses or net capital investment in accrual terms. A negative number indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

(b) Figures may not sum to totals due to rounding.

.. Not zero but rounded to zero.

- Indicates nil.

Table C2: Abolition of the RET – Underlying cash balance^{(a)(b)}

(\$m)	2016–17	2017–18	2018–19	2019–20	Total to 2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	Total to 2026–27
Administered	-	-	-	-	-	4.2	4.2	4.2	4.2	4.2	4.2	4.2	29.5
Departmental	-	0.6	1.2	1.8	3.6	12.6	14.6	14.6	14.6	14.6	14.6	14.6	103.7
Total expenditure	-	0.6	1.2	1.8	3.6	16.8	18.8	18.8	18.8	18.8	18.8	18.8	133.2
Revenue	-	-	-	-	-	-16.3	-15.9	-15.9	-15.9	-15.9	-15.9	-15.9	-111.5
PDI	-	0.1	0.1	0.1	0.2	0.4	0.5	0.8	1.1	1.4	4.6
Total	-	0.6	1.2	1.9	3.7	0.6	3.1	3.3	3.5	3.7	4.0	4.3	26.3

(a) A positive number indicates an increase in revenue or decrease in expenses or net capital investment in accrual terms. A negative number indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

(b) Figures may not sum to totals due to rounding.

.. Not zero but rounded to zero.

- Indicates nil.

Attachment D – Abolition of the Australian Renewable Energy Agency (ARENA)

Table D1: Abolition of the ARENA – Fiscal balance^{(a)(b)}

(\$m)	2016–17	2017–18	2018–19	2019–20	Total to 2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	Total to 2026–27
Administered	-	46.8	47.5	8.9	103.2	8.1	8.6	-	-	-	-	-	120.0
Departmental	-	6.8	6.2	4.2	17.2	4.1	4.0	-	-	-	-	-	25.3
PDI	-	0.7	2.1	3.2	6.0	4.2	5.5	6.7	7.7	8.9	10.2	11.7	60.8
Total	-	54.3	55.7	16.3	126.3	16.5	18.1	6.7	7.7	8.9	10.2	11.7	206.1

(a) A positive number indicates an increase in revenue or decrease in expenses or net capital investment in accrual terms. A negative number indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

(b) Figures may not sum to totals due to rounding.

- Indicates nil.

Table D2: Abolition of the ARENA – Underlying and headline cash balances^{(a)(b)}

(\$m)	2016–17	2017–18	2018–19	2019–20	Total to 2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	Total to 2026–27
Administered	-	46.8	47.5	8.9	103.2	8.1	8.6	-	-	-	-	-	120.0
Departmental	-	6.8	6.2	4.2	17.2	4.1	4.0	-	-	-	-	-	25.3
PDI	-	0.6	2.0	3.1	5.7	4.2	5.4	6.6	7.6	8.8	10.1	11.6	60.0
Total	-	54.3	55.6	16.2	126.1	16.4	18.0	6.6	7.6	8.8	10.1	11.6	205.3

(a) A positive number indicates an increase in revenue or decrease in expenses or net capital investment in accrual terms. A negative number indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

(b) Figures may not sum to totals due to rounding.

- Indicates nil.

Attachment E – Abolition of the Clean Energy Finance Corporation (CEFC)

Table E1: Abolition of the CEFC – Fiscal balance^{(a)(b)}

(\$m)	2016–17	2017–18	2018–19	2019–20	Total to 2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	Total to 2026–27
Own-source income	-	-16.2	-42.1	-76.6	-134.9	-125.8	-145.7	-157.6	-167.3	-176.6	-186.1	-196.1	-1,290.1
Operational expenditure	-	1.0	1.8	2.3	5.2	29.8	39.4	43.9	47.0	49.7	52.4	55.2	322.5
Net concessional loan effect													
Concessional loan discount expense	-	20.4	30.7	33.3	84.4	36.2	39.3	42.7	46.4	50.4	54.7	59.4	413.5
Unwinding of the concessional loan discount expense	-	-2.9	-7.2	-12.6	-22.7	-18.9	-24.6	-30.1	-35.5	-40.9	-46.4	-51.8	-270.9
Net concessional loan effect	-	17.5	23.5	20.8	61.7	17.3	14.7	12.6	10.8	9.4	8.3	7.6	142.5
Other adjustments ^(c)	-	1.8	8.5	16.6	26.8	21.3	23.6	25.2	26.7	28.1	29.6	31.2	212.5
PDI	-	5.7	18.9	36.4	61.0	62.0	95.6	138.1	190.9	255.7	334.6	401.5	1,539.4
Total	-	9.9	10.5	-0.6	19.9	4.6	27.6	62.2	108.0	166.3	238.8	299.4	926.8

(a) A positive number indicates an increase in revenue or decrease in expenses or net capital investment in accrual terms. A negative number indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

(b) Figures may not sum to totals due to rounding.

(c) Other adjustments are changes in asset revaluations and, write-down and impairment of assets.

- Indicates nil.

Table E2: Abolition of the CEFC– Underlying cash balance^{(a)(b)}

(\$m)	2016–17	2017–18	2018–19	2019–20	Total to 2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	Total to 2026–27
Own-source income	-	-16.2	-42.1	-76.6	-134.9	-125.8	-145.7	-157.6	-167.3	-176.6	-186.1	-196.1	-1,290.1
Operational expenditure	-	1.0	1.8	2.3	5.2	29.8	39.4	43.9	47.0	49.7	52.4	55.2	322.5
PDI	-	5.3	18.0	35.2	58.5	60.2	93.3	135.1	187.2	251.2	329.1	396.8	1,511.3
Total	-	-9.8	-22.3	-39.1	-71.2	-35.7	-13.0	21.4	66.8	124.3	195.3	255.9	543.7

(a) A positive number indicates an increase in revenue or decrease in expenses or net capital investment in accrual terms. A negative number indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

(b) Figures may not sum to totals due to rounding.

- Indicates nil.

Table E3: Abolition of the CEFC – Headline cash balance^{(a)(b)}

(\$m)	2016–17	2017–18	2018–19	2019–20	Total to 2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	Total to 2026–27
Own-source income	-	-16.2	-42.1	-76.6	-134.9	-125.8	-145.7	-157.6	-167.3	-176.6	-186.1	-196.1	-1,290.1
Operational expenditure	-	1.0	1.8	2.3	5.2	29.8	39.4	43.9	47.0	49.7	52.4	55.2	322.5
Investments	-	460.0	625.0	620.0	1,705.0	689.7	728.1	768.1	809.1	852.4	897.9	-	6,450.4
PDI	-	5.3	18.0	35.2	58.5	60.2	93.3	135.1	187.2	251.2	329.1	396.8	1,511.3
Total	-	450.2	602.7	580.9	1,633.8	654.0	715.1	789.6	876.0	976.7	1,093.2	255.9	6,994.2

(a) A positive number indicates an increase in revenue or decrease in expenses or net capital investment in accrual terms. A negative number indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

(b) Figures may not sum to totals due to rounding.

- Indicates nil.