

## 7.1 INTRODUCTION

---

The strength of the Government's finances is measured by the fiscal outcomes for each year and the accumulated financial position from prior years. The balance sheet shows the estimated assets, liabilities and net worth of the Government as at 30 June each financial year reflecting the impact of current budget settings.

It is important for the Government to maintain a strong balance sheet to provide it with the stability, flexibility and capacity to deal with any emerging financial and economic pressures as well as capacity to support high priority investments and to provide high quality services expected by the ACT community.

A number of key measures are used to assess the strength of Government finances including Net Debt, Net Financial Liabilities and Net Worth. The Government's unfunded defined benefit superannuation liability also represents a significant component of the balance sheet.

### **Credit Rating**

The Australian Capital Territory and Victoria are the only jurisdictions with an S&P AAA stable outlook.

On 27 September 2012, S&P affirmed its issuer credit ratings on the Australian Capital Territory at 'AAA/A-1+'. The outlook is stable.

The AAA and A-1+ ratings are the highest ratings assigned by S&P.

