

Chapter 2

Financial Impacts of COVID-19 on the Province of Nova Scotia, 2020-21

Key Messages

- Nova Scotia's economy and finances were significantly impacted by COVID-19
- COVID-19 relief spending was significant at \$698 million in expenses
- The Province increased its borrowing as a result of the financial impact of COVID-19 with unmatured debt increasing \$1.1 billion

Why We Did This Chapter

- To provide an update on the impact of COVID-19 on the Province's finances
- To provide additional important information about the Province's financial response to COVID-19

Significant Impact to the Province's Economy and Financial Results

- Nova Scotia's economy was negatively impacted by COVID-19 with a nominal GDP decline of 2.2% in 2020
- The Province ended 2020-21 with an actual deficit of \$342 million – considerably less than the \$55 million surplus originally budgeted
- Net debt increased \$1.2 billion to \$16.4 billion in 2020-21
- The Province's net debt-to-GDP ratio was 3.3 percentage points higher than prior year
- Unmatured debt increased \$1.1 billion to \$14.8 billion in 2020-21
- Overall, the Government approved \$1.1 billion in additional appropriations for extra 2020-21 spending not covered by the 2020-21 Budget

COVID-19 Specific Relief Measures

- COVID-19 specific relief measures included \$698 million in expenses and \$242 million in capital spending in 2020-21
- Department of Health and Wellness (DHW) incurred \$392 million in expenses in 2020-21 mostly related to income stabilization and virtual care fees for doctors and Essential Health Care Workers Program
- Department of Municipal Affairs and Housing incurred \$78 million in expenses in 2020-21 related primarily to funding municipalities through the Federal Safe Restart Agreement
- Department of Education and Early Childhood Development incurred \$67 million in expenses in 2020-21 mostly for the safe reopening of schools and childcare sector supports



Negative Impact on Provincial Source Revenue During the Pandemic

- Provincial source revenue was \$505 million lower in 2020-21 than originally budgeted
- Major tax revenues were significantly impacted by COVID-19:
 - Personal income tax revenue was \$52 million less than budget
 - Corporate income tax revenue was \$131 million less than budget
 - Harmonized sales tax was \$103 million less than budget

Questions Nova Scotians May Want to Ask

1. What steps has the Province taken to ensure COVID-19 spending is achieving government's intended outcomes?
2. Are there industries in the Province that are not expected to fully recover from the impacts of COVID-19 and what does this mean for Nova Scotians?
3. How will the Province pay for the increased debt?
4. What is the Province's long-term economic recovery plan?
5. Who provides oversight for additional appropriations since they are not approved by the House of Assembly?

2 Financial Impacts of COVID-19 on the Province of Nova Scotia, 2020-21

Purpose

- 2.1 The purpose of this chapter is to provide an update on the financial impacts of COVID-19 to the Province and additional important information about the Province's financial response to COVID-19.

Limitations

- 2.2 This report does not assess or comment on the effectiveness of the Province's response on COVID-19. The financial measures and funding allocations presented in this chapter are unaudited. The information presented was obtained from the Province's Public Accounts from 2016-17 to 2020-21 which include the consolidated financial statements of the Province which received clean audit opinions for all years, and the 2020-21 Budget tabled on February 25, 2020. Further details on COVID-19 relief measures were obtained from the Department of Finance and Treasury Board.
- 2.3 COVID-19 is not unique to Nova Scotia; it has impacted jurisdictions across the globe. As the pandemic is ongoing, there remains a considerable amount of uncertainty around the long-term financial impacts on the Province. As a result, the information presented in this chapter is subject to change.

Background and Timeline

- 2.4 The World Health Organization (WHO) declared the COVID-19 outbreak a global pandemic on March 11, 2020 and the Government of Nova Scotia declared a provincial state of emergency to help contain the spread of COVID-19 on March 22, 2020. A state of emergency provides the Province with additional powers to implement safety measures to protect Nova Scotians, such as imposing travel restrictions and limiting the size of public gatherings.
- 2.5 Throughout 2020-21, the pandemic continued to have various impacts on the lives of Nova Scotians. Travel restrictions and other public health measures like gathering size limits were implemented and adjusted throughout the year. Below is a high-level timeline of certain events impacting the Province's finances from the first provincial forecast update after the pandemic was declared to the release of the 2020-21 Public Accounts on September 16, 2021.



2020-21 Timeline

Date	Description
July 29, 2020	<ul style="list-style-type: none"> Minister of Finance and Treasury Board provided a public forecast update on the 2020-21 budget
September 2, 2020	<ul style="list-style-type: none"> Students and staff expected to return to in-person learning environment with restrictions Province allocated \$40 million of federal funding to support the safe return to school of students and staff
September 16, 2020	<ul style="list-style-type: none"> Federal-Provincial Safe Restart Agreement finalized; promising Nova Scotians approximately \$289 million through federal funding to safely restart the economy
October 15, 2020	<ul style="list-style-type: none"> Province announced it will take advantage of the Government of Canada's COVID-19 Resilience Infrastructure Stream. Value of \$57.7 million to Nova Scotia
November 24, 2020	<ul style="list-style-type: none"> New travel restrictions announced for Nova Scotians around non-essential travel outside of the municipalities, with increased restrictions on out-of-province travel
January 12, 2021	<ul style="list-style-type: none"> Province announced \$25 million investment to help Nova Scotian universities manage the impact of the pandemic
March 23, 2021	<ul style="list-style-type: none"> Province announced they are on track to provide every Nova Scotian who wants a COVID-19 vaccine their first dose by the end of June 2021
May 28, 2021	<ul style="list-style-type: none"> The Province announced a gradual COVID-19 reopening plan: <ul style="list-style-type: none"> Plan included five different phases to lift restrictions gradually Phase 1 to begin June 2, 2021 Travel no longer restricted within most of Nova Scotia More social connections permitted, businesses started to reopen
June 2, 2021	<ul style="list-style-type: none"> Nova Scotia entered Phase 1 of its reopening plan



2020-21 Timeline (Continued)

Date	Description
June 16, 2021	<ul style="list-style-type: none"> Nova Scotia entered Phase 2 of its reopening plan: <ul style="list-style-type: none"> 60% of eligible Nova Scotians vaccinated with at least one dose of the COVID-19 vaccine Personal services businesses can open (appointments only)
June 30, 2021	<ul style="list-style-type: none"> Nova Scotia entered Phase 3 of its reopening plan: <ul style="list-style-type: none"> 65% of eligible Nova Scotians vaccinated with at least one dose of the COVID-19 vaccine Increased capacity for businesses
July 14, 2021	<ul style="list-style-type: none"> Nova Scotia entered Phase 4 of its reopening plan: <ul style="list-style-type: none"> 75% of eligible Nova Scotians vaccinated with at least one dose of the COVID-19 vaccine Masks and social distancing still required Increased gathering limits at restaurants, retail businesses, fitness facilities and arts venues
September 14, 2021	<ul style="list-style-type: none"> Nova Scotia delayed Phase 5 of its reopening plan <ul style="list-style-type: none"> The 75% fully-vaccination target was not met Active cases were increasing
September 16, 2021	<ul style="list-style-type: none"> Nova Scotia released the 2020-21 Public Accounts comprising the Consolidated Financial Statements of the Province with an unmodified audit opinion from the Auditor General

Impact to the Province's Economy and Financial Results

**Nova Scotia's economy significantly impacted by COVID-19**

2.6 The Province's 2020-21 budget was approved before COVID-19 was deemed a global pandemic. As COVID-19 evolved and restrictions changed, economic activity has varied. The effects on the economy are reflected in the most recent economic outlook issued in the 2020-21 Public Accounts. The economic outlook projected that nominal GDP shrink by 2.2 per cent in 2020, compared to growth of 2.4 per cent as budgeted. The table below compares the 2020-21 budgeted economic outlook figures to those reported in the 2020-21 Public Accounts demonstrating the significant impact of COVID-19 on the economy in 2020.

Economic Outlook

Per cent change, except where noted*	2020-21 Budget		2020-21 Public Accounts	
	2020	2021	2020	2021
Nominal GDP	2.4%	3.2%	-2.2%	5.6%
Unemployment Rate*	8.1%	7.6%	9.8% ^A	8.0%
Household Final Consumption	2.8%	3.3%	-7.0%	4.9%
Exports of Goods to Other Countries	-1.7%	3.1%	-10.8%	8.8%
Imports of Goods and Services	3.2%	3.1%	-10.0%	5.8%

* – Annual Average

A – Actual

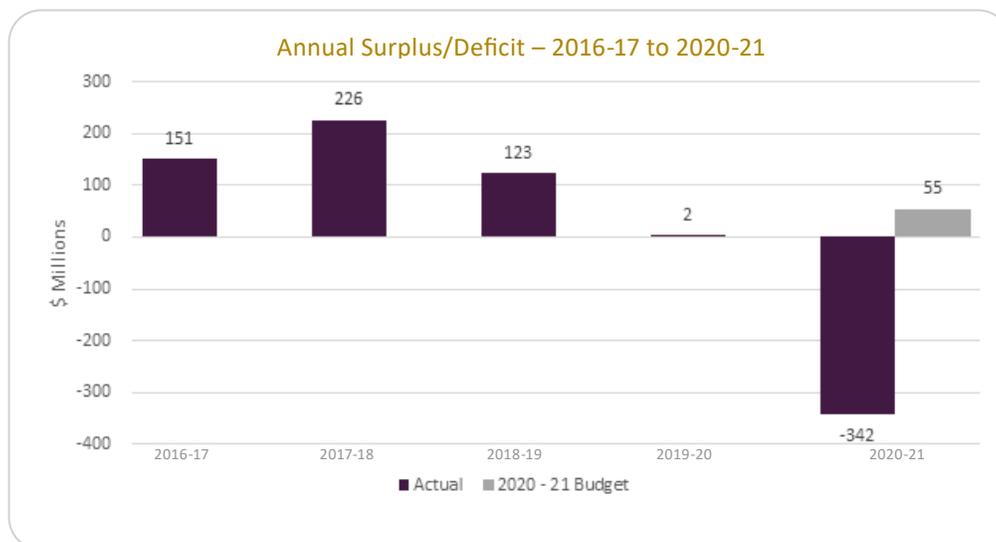
Sources: 2020-21 Budget and 2020-21 Public Accounts

2.7 Government provides economic highlights and a detailed discussion of the Province’s economic outlook in the Financial Statement Discussion and Analysis section in Volume 1 of the 2021 Public Accounts of Nova Scotia.



The Province reported an annual operating deficit of \$342 million for 2020-21

2.8 The annual surplus/deficit measures indicate the extent to which revenues cover expenses. A surplus occurs when revenues are greater than expenses. A deficit occurs when expenses are greater than revenues.



Source: 2020-21 Public Accounts and 2020-21 Budget

2.9 The Province reported an audited deficit of \$342 million in 2020-21. This deficit is attributed to overall declines in provincial revenues partially offset by increases in federal revenues, and an increase in total expenses compared to the prior year.

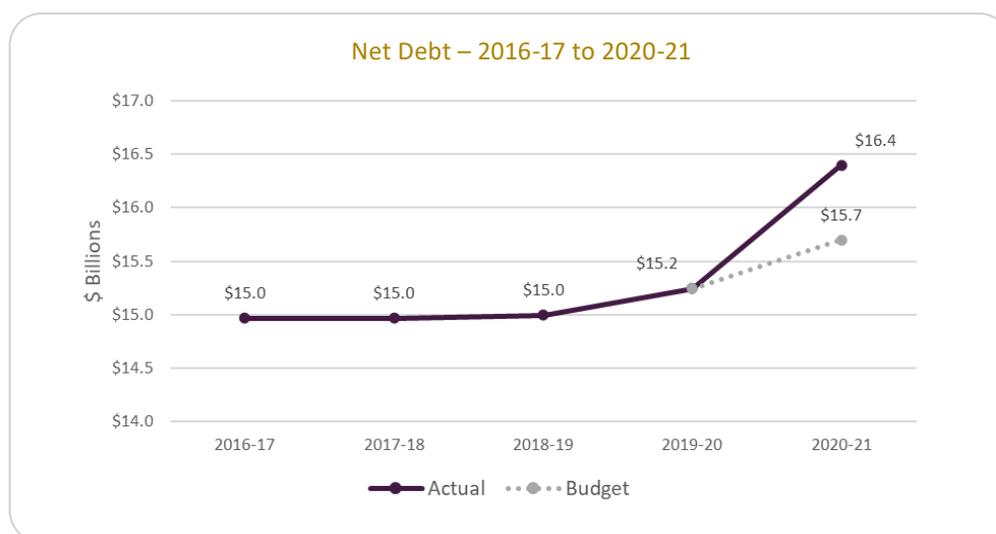


- 2.10 The impact of COVID-19 on revenues and expenses was significant in comparison to the Province's original budget. The resulting deficit of \$342 million was \$397 million lower than the budgeted surplus of \$55 million and \$344 million lower than the prior year's surplus of \$2 million.

Impact to the Province's Financial Position

The Province's net debt increased \$1.2 billion in 2020-21

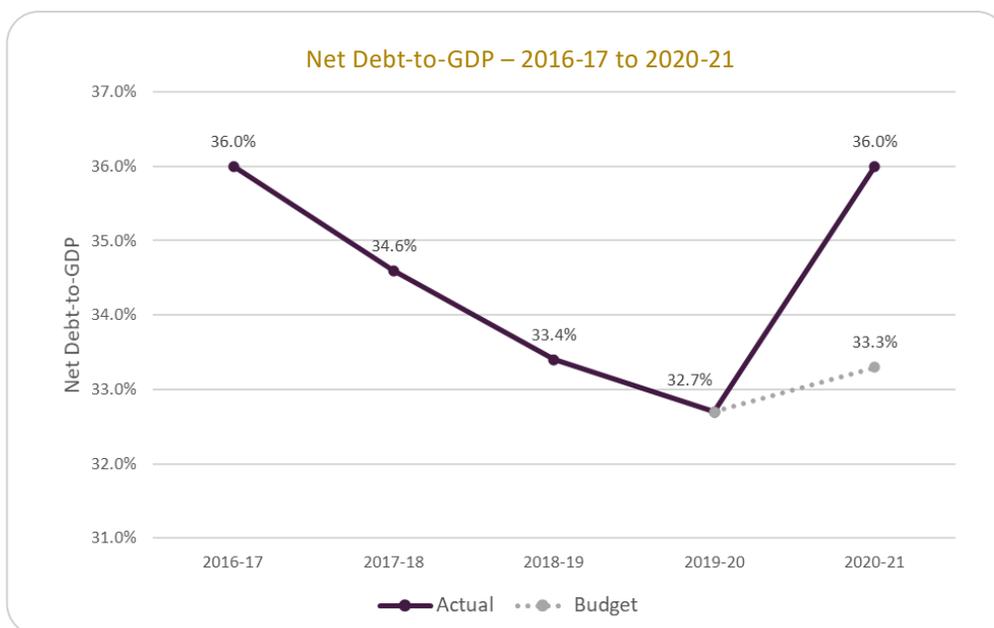
- 2.11 Net debt measures the degree to which the Province's financial assets cannot cover its liabilities. As the graph below shows, net debt remained stable over the past four years at around \$15 billion. Net debt grew by \$1.2 billion in 2020-21 compared to the prior year actuals as a result of the provincial deficit impacted by COVID-19 and additional capital spending.



Source: 2020-21 Public Accounts and 2020-21 Budget

The Province's net debt-to-GDP ratio was 3.3 percentage points higher than prior year

- 2.12 Gross domestic product (GDP) is the total value of all goods and services produced within the province in a specific year and is one of the primary measures used to evaluate the economic condition of a province or country.
- 2.13 The net debt-to-GDP ratio is used to assess the Province's ability to pay its financial obligations. A low ratio indicates a level of economic output that supports debt repayment. The higher the ratio, the more difficult it may be for the Province to pay its debt.
- 2.14 The following chart shows that the Province's net debt-to-GDP ratio consistently decreased over the past four years but increased in 2020-21. Actual net debt-to-GDP ratio was 36 per cent in 2020-21, the same percentage as in 2016-17. The progress made over the past few years was wiped out.



Source: 2020-21 Public Accounts and 2020-21 Budget

Impact on Unmatured Debt

2.15 This section shows the actual results of the Province’s annual borrowing requirements, unmatured debt, and debt servicing costs.

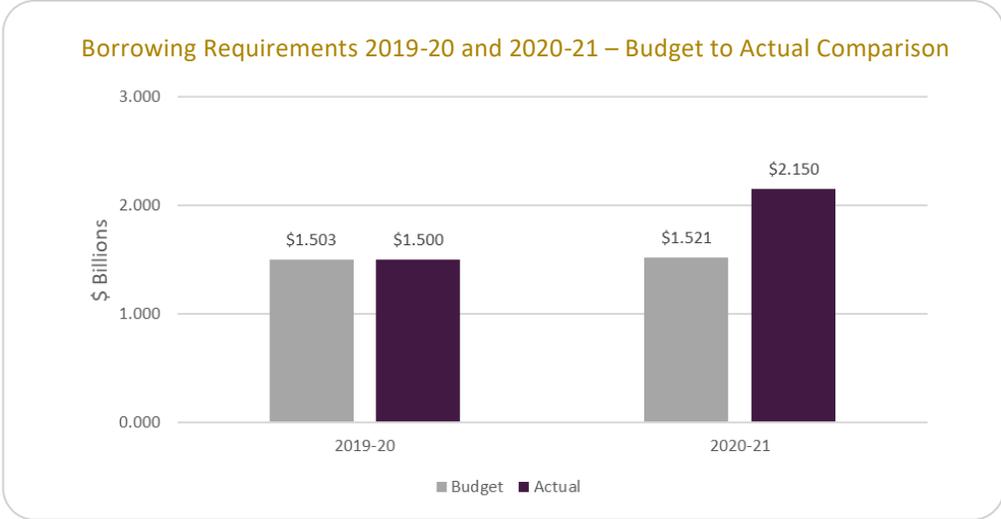


The Province’s debt borrowing requirements increased in 2020-21

2.16 The Province’s annual borrowing plan represents the amount of new debt that can be issued in a fiscal year by the General Revenue Fund. Prior to the onset of COVID-19, the Province had budgeted new debt borrowing requirements of \$1.521 billion for 2020-21, which would have been within the limits of the initial approved annual borrowing plan of \$1.75 billion.

2.17 The original borrowing plan was prepared prior to the global COVID-19 pandemic resulting in a need to be revised in December 2020 to include an additional \$1.0 billion for a total authorized borrowing of up to \$2.75 billion; this revision was approved by the Governor in Council. The Province’s actual debt issuances for 2020-21 were \$2.15 billion and were used to finance this year’s deficit, activities of crown corporations, acquire tangible capital assets, and refinance maturing debt.

2.18 When the Province issues debt, it often does so in the domestic public market but maintains the ability to issue internationally. The Province sells its bonds to a syndicate, a group of investment dealers, primarily consisting of Canadian banks. The investment dealers then sell the bonds to investors, including Canadian pension plans, insurance companies, and banks.

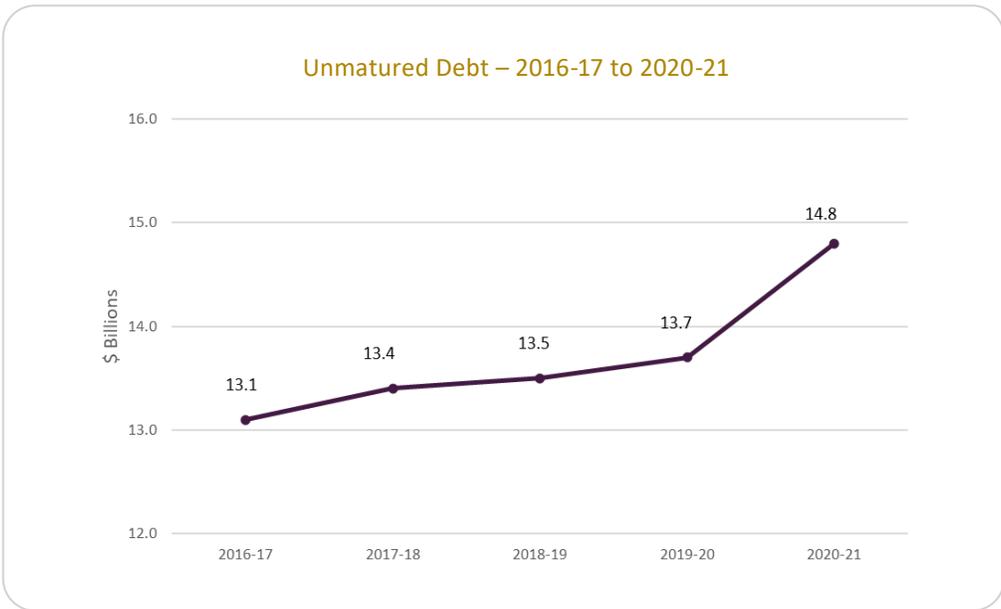


Source: 2019-20 Public Accounts and Budget; 2020-21 Public Accounts Budget



Province’s unmatured debt increased by \$1.1 billion to \$14.8 billion in 2020-21
Public Accounts and Budget

- 2.19 The Province’s unmatured debt is primarily made up of long-term debentures and various loans. It includes new debt issuances and those from prior years and is net of sinking funds.
- 2.20 Unmatured debt increased \$1.1 billion from \$13.7 billion in 2019-20 to \$14.8 billion in 2020-21. Unmatured debt has increased \$1.7 billion since 2016-17.

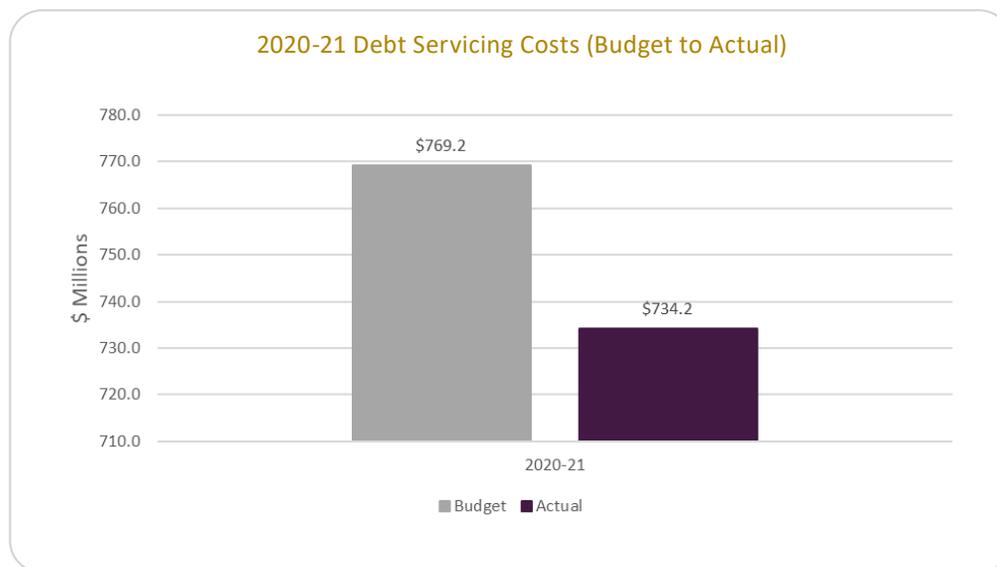


Source: 2020-21 Public Accounts



The Province's annual debt servicing costs for 2020-21 were \$35 million lower than budget

- 2.21 Debt servicing costs are the costs incurred by the Province to pay interest on outstanding loans, interest on the Province's unfunded pension and post-retirement benefit obligations, and other costs related to debt financing. Higher debt servicing costs means the Province is using more of its revenue to pay for interest and is therefore not able to use that money to provide services or reduce taxation. Lower debt servicing costs allows the Province greater flexibility in meeting its service and financial commitments.
- 2.22 Prior to the onset of COVID-19, the Province budgeted annual debt servicing costs to be \$769.2 million. Actual debt servicing costs in 2020-21 were \$734.2 million, which was \$35 million lower than the budget. This decrease is primarily due to high interest rate debt maturing during the year and lower than expected interest rates on outstanding debt, partially offset by an increase in interest on pension, retirement and other obligations.



Source: 2020-21 Public Accounts

Looking Forward as the Province Recovers

- 2.23 The significant increase seen in net debt and the net debt-to-GDP ratio is understandable given the impact of the COVID-19 pandemic and the need for government intervention to address specific short-term needs of businesses and individuals and manage the impact to the Province's economy. This shows the need for a long-term provincial economic recovery plan.
- 2.24 Last year, we reported that some provinces, including Alberta and British Columbia, had released economic recovery plans. Additionally, Yukon, Newfoundland and Labrador, and New Brunswick have released economic



recovery plans since that time. In those plans, the provinces outline strategies for creating jobs, increasing investment within the province, focusing attention on healthcare, and introducing new initiatives to increase the resiliency of their provinces. It is expected that many jurisdictions will have long-term economic recovery plans to help them regain their health, both physically and economically. Information related to investment and support as a response to COVID-19 is publicly available, however the Province of Nova Scotia has not yet released its own long-term economic recovery plan.

Increased Costs Due to COVID-19 in 2019-20 and 2020-21

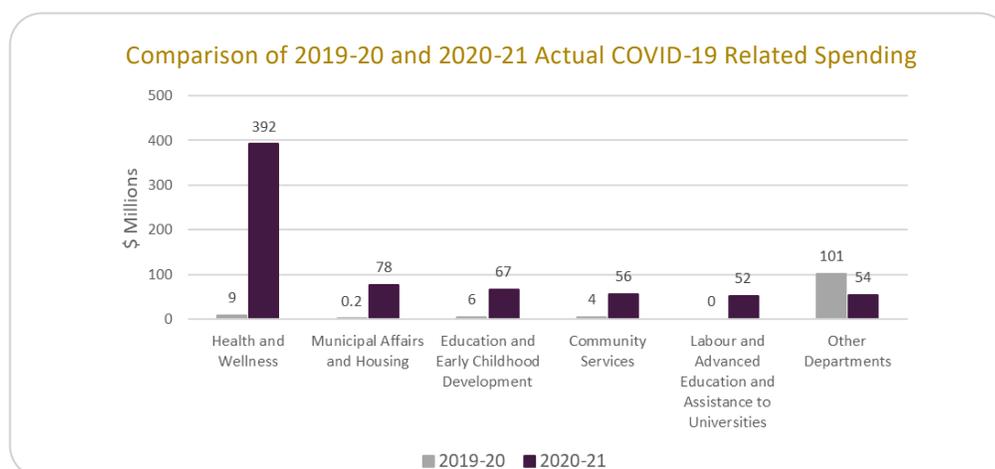
2.25 The COVID-19 pandemic has had a significant impact on Nova Scotians. As a result, the Province has responded with numerous relief measures and shovel-ready capital projects.

COVID-19 related capital asset spending of \$242 million in 2020-21

2.26 The Province reported \$242 million in spending on capital asset projects related to COVID-19 relief measures in 2020-21. These projects were related to new buildings, bridge repairs and replacements, highway construction, and major equipment purchases.

COVID-19 relief measures for 2019-20 were \$120 million and for 2020-21 were \$698 million

2.27 The following graph compares expenses in 2019-20 to 2020-21 for departments with significant COVID-19 related spending. The total spending this year of \$698 million was \$578 million more than the \$120 million spent last year. Some of the departments that incurred significant COVID-19 related costs also had cost savings related to COVID-19. These cost savings totaling \$248 million for all departments are primarily due to lower utilization of programs and services. The COVID-19 related cost savings are not included in the graph presented below.



Source: COVID-19 Costs Fact Sheets – Finance and Treasury Board (August 2020 and August 2021), and 2020-21 Public Accounts



Department of Health and Wellness reported \$392 million in COVID-19 costs in 2020-21

- 2.28 The Department of Health and Wellness provides leadership to the health system and has played a significant role in the Province's response to COVID-19. The department reported \$9 million in COVID-19 related costs during 2019-20 and \$392 million for 2020-21.
- 2.29 The largest component of the Department of Health and Wellness's COVID-19 expenses for 2020-21 is \$127.9 million attributed to income stabilization and virtual care fees for doctors. Other major costs included \$72.8 million for federal Safe Restart initiatives and \$70.7 million for the Essential Health Care Workers Program.



Department of Municipal Affairs and Housing reported \$78 million in COVID-19 costs in 2020-21

- 2.30 The Department of Municipal Affairs and Housing provides programs, grants and funding, and services and guidance to municipalities and community groups. The department also helps municipalities govern and provide municipal services in times of emergency and is responsible for the Emergency Management Office and the Office of the Fire Marshal.
- 2.31 The largest component of the Department of Municipal Affairs and Housing's COVID-19 related expenses for 2020-21 is attributed to the federal Safe Restart Agreement. Through the Department of Municipal Affairs and Housing, the Province provided municipalities with \$67.5 million from the program for COVID-19 related operational expenses. A further \$7.2 million was incurred by Housing Authorities for adherence to Public Health protocols.



Department of Education and Early Childhood Development reported \$67 million in COVID-19 costs in 2020-21

- 2.32 The Department of Education and Early Childhood Development is responsible for children's education, licensing, and funding of the childcare sector, as well as providing subsidies to help families with the cost of childcare. The Department plays a significant role in ensuring that education continues to be delivered while responding to COVID-19.
- 2.33 The largest component of the Department of Education and Early Childhood Development's COVID-19 expenses for 2020-21 was related to facilitating the safe reopening of schools at a cost of \$39.7 million. The Department of Education and Early Childhood Development also spent \$22.3 million in 2020-21 for childcare sector supports (2019-20 – \$5.5 million).



 **Department of Labour and Advanced Education and Assistance to Universities reported \$52 million in COVID-19 costs in 2020-21**

- 2.34 The Department of Labour and Advanced Education helps people prepare for job opportunities and build the skills they need. It also supports post-secondary education and training. Assistance to Universities provides operational grants and program funding to the Province's universities.
- 2.35 The Department of Labour and Advanced Education incurred higher COVID-19 related expenses in 2020-21 than 2019-20 due to additional support provided for recovery efforts. This included \$20 million under the Federal Workforce Development Agreement/Labour Market Agreement in 2020-21 to provide training supports to eligible Nova Scotians.
- 2.36 Assistance to Universities provided funding of \$25 million to universities as support to help them manage the impact of the pandemic.

 **Department of Community Services reported \$56 million in COVID-19 costs in 2020-21**

- 2.37 The Department of Community Services provides foundational social programs and services that respond to the needs of individuals, children, youth, and families. The department's COVID-19 related costs are focused on direct support to the people they serve.
- 2.38 Increased funding requirements for programs including Disability Support; Employment Support and Income Assistance; and Children, Youth and Family Supports related to COVID-19 was \$26.1 million in 2020-21.
- 2.39 The Department of Community Services also reported other COVID-19 related costs in 2020-21 including \$9.8 million in funding under the Essential Workers Program; \$6.4 million in Federal Safe Restart Funding-Vulnerable Populations; \$5.7 million of funding under the Federal Workforce Development Agreement/Labour Market Agreement; and \$4.4 million in funding for four small option homes.

 **Other departments reported \$54 million in COVID-19 costs in 2020-21**

- 2.40 Other major departmental COVID-19 related expenses for 2020-21 were \$24.6 million at the Department of Business which included programs such as the Tourism Accommodations Real Property Tax Rebate Program (\$6.8 million) and \$9.4 million at the Department of Communities, Culture, and Heritage which included funding provided to organizations to provide relief, and help them plan for the future under the Federal Sport Canada Bilateral Agreement for emergency support (\$3.8 million). The remaining expenses were spread across a number of other departments.



- 2.41 In fiscal 2019-20, the Province signed a contract with Dalhousie University for \$100 million in relief measures designed to support small businesses and Nova Scotians. This accounted for the majority of spending in other departments in 2019-20.

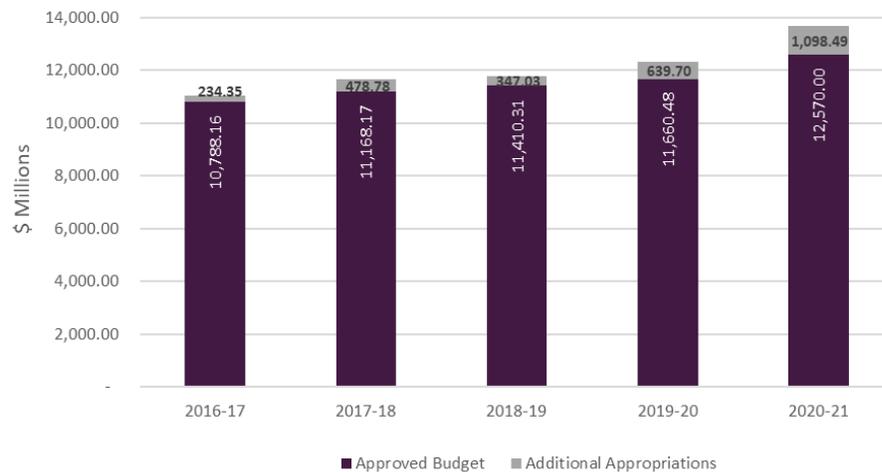
Additional Appropriations

- 2.42 The Finance Act of Nova Scotia requires the Province to prepare a budget annually which includes estimates of the expenses for each department and public service unit for the next fiscal period. When the budget is tabled, these amounts are voted on by the House of Assembly. Once the budget is passed, these approved amounts represent the annual appropriations for departments.
- 2.43 During the year, if a department determines it cannot stay within its annual appropriation, the provincial Finance Act states that approval for additional appropriation must be obtained. Under the Finance Act, additional funding is approved by the Governor in Council.
- 2.44 The Governor in Council is the Lieutenant Governor of Nova Scotia acting by and with the advice of Executive Council. Executive Council is the decision-making authority for the Government. Executive Council members are chosen by the Premier who serves as its President, meaning requests for additional appropriations are submitted to the decision-making members of Government and are not voted on by the House of Assembly.

Additional appropriations of \$1.1 billion in 2020-21

- 2.45 The Governor in Council approved additional appropriations of \$1.07 billion (2019-20 – \$441 million) during the 2020-21 year and another \$32 million (2019-20 – \$199 million) was approved at the end of the year.
- 2.46 2020-21 Public Accounts Volume 1 includes a variance analysis for departmental expenses as well as rationale for the additional expenses.

Approved Budget Amounts and Additional Appropriations – 2016-17 to 2020-21



Source: 2016-17 to 2020-21 Public Accounts

Impact on Revenue During the Pandemic: Budget and Actual

- 2.47 The economic disruptions from COVID-19 have continued to impact the Province's revenues and as such, total provincial revenue during 2020-21 was lower than budgeted.
- 2.48 The Province tabled its 2020-21 budget on February 25, 2020 prior to the declaration of the global COVID-19 pandemic. The July 2020 forecast update provided the initial insight into the impact of COVID-19 on the Province's finances. We now have actual results based on the March 31, 2021 Public Accounts, which were released September 16, 2021. These figures demonstrate the uncertainty of COVID-19 and show how the Province's revenues were impacted during the pandemic.



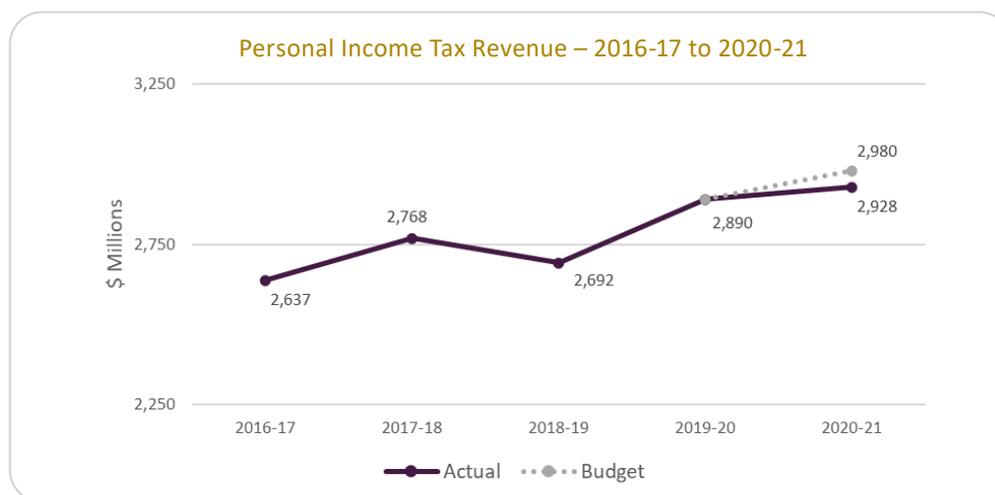
Provincial source revenue for 2020-21 was \$505 million less than budget

- 2.49 The Province budgeted \$8.2 billion in revenue from provincial sources in 2020-21. The actual revenue collected from provincial sources in 2020-21 was \$7.7 billion, \$505 million lower than budgeted.
- 2.50 Four of the largest provincial revenue sources in 2020-21 were:
- Personal Income Tax revenue
 - Corporate Income Tax revenue
 - Harmonized Sales Tax revenue
 - Income from Government Business Enterprises (GBEs)



Personal income tax revenue was \$52 million less than budget

- 2.51 In 2020-21, personal income tax revenue was \$52 million¹ lower than budget due to lower taxable income and projected yield rates primarily as a result of COVID-19.
- 2.52 Actual personal income tax revenue increased slightly in 2020-21 over 2019-20 actuals. This is mainly a result of income support programs, which are taxable, including those offered by the federal government such as the Canada Emergency Response Benefit (CERB) and Canada Emergency Student Benefit (CESB).
- 2.53 Over the past five years, even with the impacts of COVID-19, personal income tax revenue has risen \$291.7 million or 11.1 per cent since 2017.



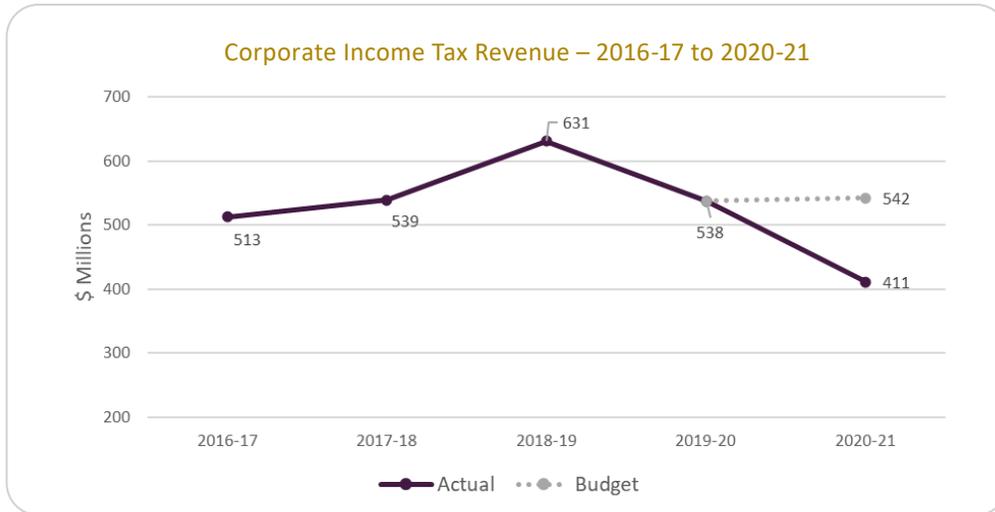
Source¹: 2017-18 to 2020-21 Public Accounts and 2020-21 Budget



Corporate income tax revenue was \$131 million less than budget

- 2.54 Corporate income tax revenue was \$131 million¹ lower in 2020-21 compared to the budget due to a reduction in Nova Scotia's share of national taxable income and a decline in provincial corporate taxable income.
- 2.55 Over the past five years corporate income tax revenues decreased \$102.1 million or 19.9 per cent from \$513 million in 2016-17 to \$411 million in 2020-21. This decrease occurred primarily in fiscal years 2019-20 and 2020-21, as the Province's share of national taxable income and provincial corporate taxable income declined. Corporate income tax revenue was estimated to remain constant for 2020-21 before the effects of the pandemic were known.

¹ Amounts do not include the impact of prior year adjustments which are not budgeted and result from adjustments to actual administrative data received for open taxation years.



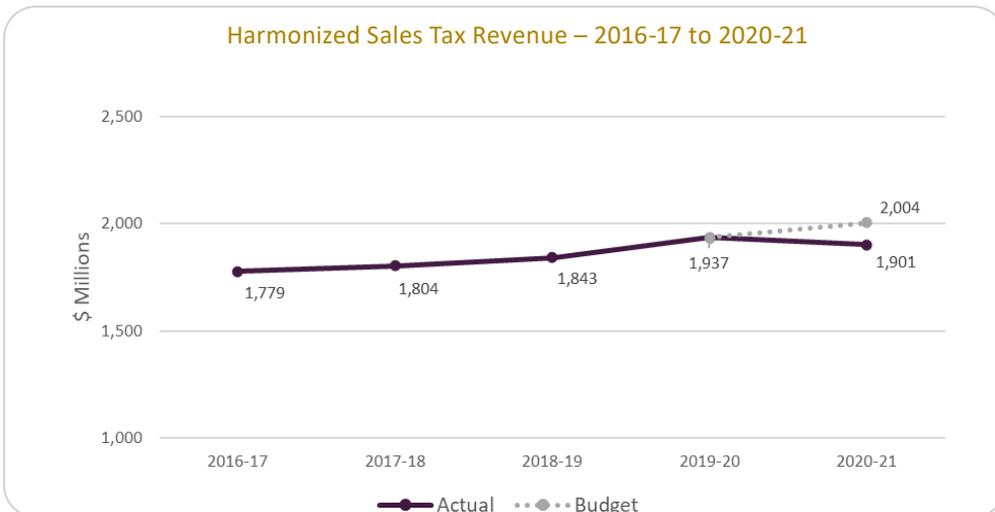
Source¹: 2017-18 to 2020-21 Public Accounts and 2020-21 Budget



Harmonized sales tax was \$103 million less than budget

2.56 Harmonized sales tax revenue was \$103.1 million¹ lower in 2020-21 compared to the budget primarily due to lower taxable consumer expenditures resulting from the public health restrictions during the pandemic.

2.57 Despite the impacts of COVID-19, harmonized sales tax actual revenue remained relatively consistent with the results of the past five years.



Source¹: 2017-18 to 2020-21 Public Accounts and 2020-21 Budget

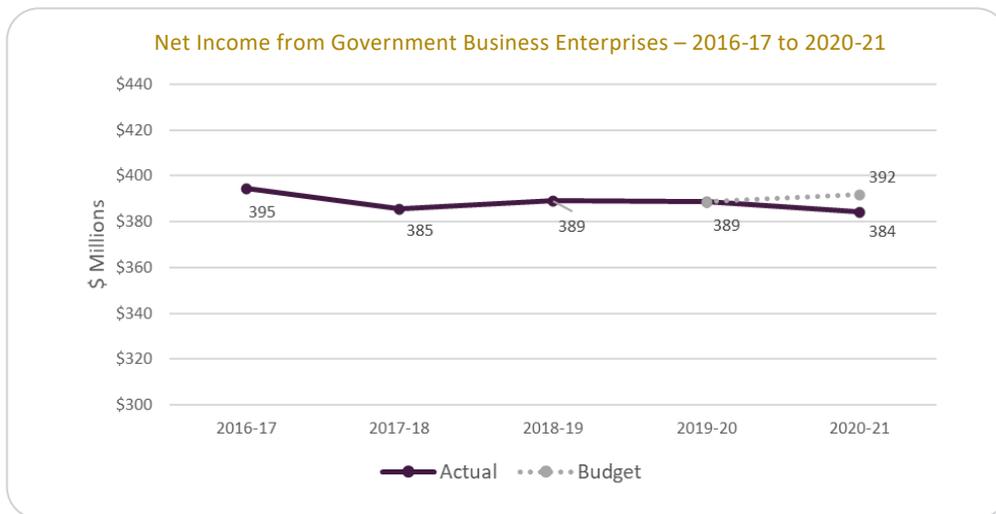
¹ Amounts do not include the impact of prior year adjustments which are not budgeted and result from adjustments to actual administrative data received for open taxation years.



Total net income from government business enterprises not significantly impacted by COVID-19

2.58 Total net income from government business enterprises was consistent with prior years at \$384 million. Net income from Nova Scotia Liquor Corporation remained strong at \$274.5 million for 2020-21 and actually increased over the \$247.3 million amount reported in 2019-20. The increase was due primarily to higher alcohol and cannabis sales. The increase in net income of Nova Scotia Liquor Corporation was partially offset by decreases at other government business enterprises including Nova Scotia Gaming Corporation which reported net income of \$103 million in 2020-21, down from the \$121 million in 2019-20 mainly due to suspension of video lottery terminals and temporary closure of casinos due to COVID-19.

2.59 Total net income from government business enterprises has remained consistent over the past five years. The COVID-19 pandemic did not have a significant impact on the total figures for 2020-21.



Source: 2017-18 to 2020-21 Public Accounts and 2020-21 Budget