



ACT
Government

Australian Capital Territory

Budget 2023–24

Budget Review

Structure and Content of the 2023-24 Budget Papers

Budget Review

The purpose of the Budget Review is to provide updated information to allow an assessment of the Government's financial performance against its financial policy objectives and strategies as set out in the previous Budget.

Acknowledgement



The ACT Government acknowledges the Ngunnawal people as traditional custodians of the ACT and recognises any other people or families with connection to the lands of the ACT and region. We wish to acknowledge and respect their continuing culture and the contribution they make to the life of this city and this region as we acknowledge these lands are Aboriginal lands.

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Hand silhouettes, painted in the colours of the Australian Aboriginal Flag, created for Reconciliation Day 29 May 2023.

ACKNOWLEDGEMENT OF COUNTRY

The ACT Government acknowledges the Ngunnawal people as traditional custodians of the ACT and recognises any other people or families with connection to the lands of the ACT and region. We wish to acknowledge and respect their continuing culture and the contribution they make to the life of this city and this region as we acknowledge that these lands are Aboriginal lands.

We also acknowledge that many other Aboriginal and Torres Strait Islander people from across Australia have now made Canberra their home, and we pay respect and celebrate their cultures, diversity, and contributions to the ACT.

We support Aboriginal and Torres Strait Islander people's right to self-determination and acknowledge the valuable contribution they make to our social, economic, and cultural life.

As we reflect on the continuing impact of government policies and practices, both past and present, we affirm our commitment to working together with Aboriginal and Torres Strait Islander people, families, and communities, to deliver improved social, cultural and economic wellbeing.



CHAPTER 1 2023-24 BUDGET REVIEW OVERVIEW

1.1 OVERVIEW

2023-24 Budget Review – purpose and objectives

Section 20A of the *Financial Management Act 1996* requires the preparation of a budget review for each financial year.

The 2023-24 Budget Review provides updated information to allow an assessment of the Government's financial performance against its financial policy objectives and strategies as set out in the 2023-24 Budget.

The 2023-24 Budget Review:

- provides an update to the financial forecast projections for the current financial year and the next three financial years;
- updates financial and economic parameters, and incorporates the consequential changes to the estimated outcome and the forward years' forecasts;
- identifies the impact of policy initiatives that have been decided since the 2023-24 Budget;
- identifies the impact of revised cash expenditure forecasts associated with the Territory's Infrastructure Investment Program;
- identifies events that have emerged since the 2023-24 Budget, and incorporates them where they are certain and quantifiable; and
- presents a view of the Territory's financial position and risks to that position.

This update reflects the impact of policy decisions up to 2 February 2024. The estimates have been updated to reflect the financial impact of the Commonwealth Government's 2023-24 Mid-Year Economic and Fiscal Outlook (2023-24 MYEFO) released on 13 December 2023.

This report also contains statements that are consistent with the requirements of the Uniform Presentation Framework. Where significant issues have been identified but are not certain, or are unable to be quantified with reasonable certainty, they have been identified as potential risks to the estimates (consistent with previous Budget Reviews, risks that remain unchanged from publication of the 2023-24 Budget have not been reproduced in this update). These risks may have either positive or negative budgetary implications.

2023-24 Budget Review context

Through the 2023-24 Budget Review, the Government continues to deliver on essential services and quality community amenities to support all Canberrans. Improved service delivery and targeted infrastructure investment will ensure that the needs of our growing population will be met both now and into the future. We are making new investments that continue to support economic growth and deliver on services that improve wellbeing and support our most vulnerable.

We are increasing capacity and capability in our health system with additional funding for the Canberra Hospital Critical Services Building and providing support for an increased number of frontline paramedics.

We are progressing the construction of the new Canberra Institute of Technology campus in Woden and strengthening the public transport network by delivering on Light Rail Stage 2A.

We are also continuing to provide additional support for our most vulnerable with further investment in public, social and affordable housing, additional funding for out of home care services for children and young people and extending rent relief for those in need.

With the release of the 2023-24 Budget Review, the Territory's Infrastructure Investment Program is now expected to be \$8.5 billion over the five years to 2027-28. Our Infrastructure Investment Program continues to support the delivery of the physical and digital infrastructure required of a growing city and will support the growth of the ACT economy as inflationary pressures ease.

The Territory is not immune from the ongoing challenges stemming from rising inflationary pressures and its impact on consumer spending, nor the effects of supply-chain constraints and labour and skills shortages on infrastructure costs and service delivery areas. Accordingly, the General Government Sector Headline Net Operating Balance (GGS HNOB) deficit for 2023-24 is forecast to be higher than expected at the time of the 2023-24 Budget, before being projected to return to surplus in the final two years of the forward estimates. Net debt is also forecast to be higher each year over the forward estimates, largely due to the impact of new policy decisions and lower taxation and regulatory revenue.

The ACT economy

The ACT economy outperformed expectations in 2022-23 with economic growth in 2023-24 also forecast to be higher than expected in the 2023-24 Budget.

Strong population and employment growth, backed by solid wages growth and resilient household consumption, have contributed to our continued economic performance despite inflationary pressures and ongoing geopolitical events. Employment growth in the ACT was 3.9 per cent in 2022-23, well above the forecast of 2.75 per cent in the 2023-24 Budget. Due to the strength in the labour market, the ACT also recorded the lowest underutilisation rate in Australia in December 2023.

Record levels of net overseas migration in 2022-23 led to strong population growth, with the ACT's estimated resident population increasing by 2.2 per cent through the year to the June quarter 2023, in line with the estimate in the 2023-24 Budget. The ACT is expected to show strong population growth over the forward estimates period, reflecting the strength in our economy and labour market relative to the rest of Australia.

Economic growth was stronger than expected in 2022-23, with Gross State Product (GSP) increasing by 4.3 per cent in 2022-23, compared to the 3.75 per cent estimate in the 2023-24 Budget. In line with 2023-24 Budget estimates, economic growth is forecast to moderate in 2023-24 as higher interest rates and cost of living pressures begin to dampen consumer spending, before gradually accelerating over the forward estimates period.

Inflation, driven by broad based price pressures, rose by 5.7 per cent through the year to the June quarter 2023 – lower than the national increase of 6.0 per cent but higher than the Budget forecast of 5.0 per cent. Consumer Price Index (CPI) inflation is forecast to remain further subside to 3.75 per cent through the year to the June quarter 2024.

As with previous years, our economy remains exposed to risks, including uncertainty around inflation, consumer spending and the housing market. However, solid wages growth and strong employment, paired with the Government's substantial investment in infrastructure will continue to support the strength of the ACT economy.

The ACT's key economic aggregates are set out in Table 1.1.1 below:

Table 1.1.1: Economic parameters, baseline forecasts, percentage change

	2022-23 Actual	2023-24 Forecast	2024-25 Projection	2025-26 Projection	2026-27 Projection
ACT					
Gross State Product ^{1,2}	4.3 (3¾)	2½ (2¼)	2¾ (3)	3¼	3½
State Final Demand ^{1,2}	3.5 (2¾)	1¾ (1¼)	2 (2¼)	2¾ (2½)	3
Employment ³	3.9 (2¾)	2	2	2	2
Wage Price Index ^{3,4}	4	4 (3¾)	3½	3½	3¼
Consumer Price Index ³	5.7 (5)	3¾ (3¼)	3½ (2¾)	2¾ (2½)	2½
Population ³	2.2 (2¼)	2¼	2	2	2
Australia					
Gross Domestic Product ^{1,2,5}	3.1 (3¼)	1¾ (1½)	2¼	2½ (2¾)	2¾ (2¾)

Sources: ABS Australian National Accounts: National Income, Expenditure and Product; Australian National Accounts: State Accounts; Labour Force, Australia; Wage Price Index, Australia; Consumer Price Index, Australia; National, State and Territory Population; CMTEDD estimates; 2023-24 MYEFO.

Notes: Forecasts and projections are rounded to a ¼ of a percentage point. Numbers in brackets are the estimates published in the 2023-24 Budget. No bracket indicates that the forecast is unchanged from the 2023-24 Budget.

1. Real values.
2. Year average basis (average of the current financial year relative to the previous financial year).
3. Through the year to the June quarter growth.
4. Total hourly rates of pay, excluding bonuses.
5. 2023-24 MYEFO.

The 2023-24 Budget Review fiscal position

The General Government Sector (GGS) Headline Net Operating Balance (HNOB) is forecast to be in deficit by \$782.8 million in 2023-24, which is \$340.1 million higher than the 2023-24 Budget estimate. When compared with the 2023-24 Budget estimates, the GGS HNOB deficit is also forecast to be higher in 2024-25, before returning to surplus in the remaining forward estimates.

Part of the deterioration in the HNOB deficit in 2023-24 is the result of lower than expected revenues, particularly payroll tax receipts and GST revenue, the latter reflecting more subdued consumer spending. Revenue is now estimated to be \$7.5 billion in 2023-24, \$189.1 million lower than forecast in the 2023-24 Budget.

Expenses are expected to be \$169.4 million higher in 2023-24, and \$619.8 million over the four years to 2026-27, which includes additional spending to support better health outcomes in our community. The increase in expenses includes an additional \$170.6 million for new initiatives in 2023-24 (\$308.8 million over four years).

Net debt in the GGS is forecast to be \$7.432 billion in 2023-24 increasing to \$11.660 billion in 2026-27. These estimates are \$179.5 million and \$1.043 billion higher than the 2023-24 Budget estimates respectively.

The GGS HNOB and balance sheet metrics are detailed in Table 1.1.2 below:

Table 1.1.2: General Government Sector Headline Net Operating Balance (\$m)

	2022-23 Actual	2023-24 Budget	2023-24 Budget Review	2024-25 Revised Estimate	2025-26 Revised Estimate	2026-27 Revised Estimate
Revenue	7,261.6	7,691.4	7,502.3	8,060.6	8,713.8	9,068.6
Expenses	8,034.0	8,353.2	8,522.6	8,712.1	8,866.1	9,194.7
Superannuation return adjustment	169.9	219.1	237.5	234.8	252.6	271.8
HEADLINE NET OPERATING BALANCE	(602.6)	(442.7)	(782.8)	(416.7)	100.4	145.6
Net cash from operating activities	284.5	(6.5)	(182.2)	109.2	390.4	545.5
Net debt (excluding superannuation)	5,690.3	7,252.1	7,431.6	8,837.0	10,411.3	11,660.3
Net financial liabilities	12,309.6	12,461.7	12,911.4	14,113.6	15,369.8	16,258.0

Note: Table may not add due to rounding



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CHAPTER 2 ECONOMIC OUTLOOK

2.1 ECONOMIC OVERVIEW

The outlook for the ACT economy remains positive, although revenue and growth are moderating in 2023-24 in response to cost of living pressures and higher interest rates.

Economic growth was stronger than expected in 2022-23, with Gross State Product (GSP) increasing by 4.3 per cent, well above its long-run average of 3.5 per cent. This growth was supported by resilient household consumption that was underpinned by solid wages growth and stronger than expected employment. Public consumption and investment also contributed to growth in the ACT economy.

GSP growth is forecast to be stronger in 2023-24 than at the time of the 2023-24 Budget, although 2024-25 will be slightly weaker than previously expected, with near term growth supported by an improved outlook for public demand. The Government's cost of living assistance is providing valuable support to households, particularly those on lower incomes. Economic growth is forecast to strengthen from 2025-26, underpinned by a recovery in household consumption and growth in real wages. The Government's substantial investment in infrastructure to meet the needs of a growing city will also continue to support the ACT economy.

Growth in employment is expected to be a robust 2 per cent in 2023-24, and over the forward estimates, and the labour market is expected to remain tight. There has been a modest shift in the composition of employment growth from the private sector to the public sector in 2023 in response to changes in Commonwealth employment practices, although this impact now appears to be stabilising.

The tight labour market has contributed to solid growth in wages, particularly in the private sector. The forecast for wages growth in 2023-24 has been revised up slightly, reflecting the stronger than expected employment outcome in 2022-23 feeding through into wage negotiations.

Inflation, while persistent, has continued to slow and weaker growth in the national economy is expected to further moderate inflationary pressures. Goods inflation continues to ease assisted by improvements in global supply chains, but services inflation remains elevated. Housing – comprising new house purchases, rents and energy – is continuing to put upward pressure on prices, noting that the ABS does not include mortgage interest repayments in headline inflation measures. Inflation is forecast to be 3¼ per cent in 2023-24 and nominal wages are expected to grow by 4 per cent.

The ACT's population grew by 2.2 percent through the year to June quarter 2023 and is forecast to grow by 2¼ per cent in 2023-24 before moderating slightly to 2 per cent across the forward estimates.

Risks to the outlook remain, particularly for consumer spending and the housing market. This includes the weakening outlook for the Australian and global economies and further tightening of monetary policy by the Reserve Bank of Australia in response to persistent inflationary pressures. Geopolitical events may continue impacting on supply chains and energy prices, with implications for the inflation outlook.



2.2 ACT ECONOMIC OUTLOOK

The ACT economy performed strongly in 2022-23, supported by growth in household consumption and public demand. Solid wages growth and stronger than expected employment underpinned the strength of the ACT economy.

The outlook remains positive, with economic growth in 2023-24 forecast to be slightly higher than expected at Budget, albeit moderating to 2½ per cent. Growth is then expected to pick up in 2024-25 and continue strengthening from 2025-26.

As in previous years, the ACT economic outlook is exposed to risks including uncertainty around inflation, geopolitical events, and extreme weather conditions. Table 2.2.1 presents the economic forecasts for the ACT based on the baseline scenario. This approach is consistent with that taken since the August 2020 Economic and Fiscal Update.

Table 2.2.1: Economic parameters, 2023-24 Budget Review, baseline forecasts, percentage change

	2022-23 Actual	2023-24 Forecast	2024-25 Projection	2025-26 Projection	2026-27 Projection
ACT					
Gross State Product ^{1,2}	4.3 (3¾)	2½ (2¼)	2¾ (3)	3¼	3½
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Gross Domestic Product ^{1,2,5}	3.1 (3¼)	1¾ (1½)	2¼	2½ (2¾)	2¾ (2¾)

Sources: ABS Australian National Accounts: National Income, Expenditure and Product; Australian National Accounts: State Accounts; Labour Force, Australia; Wage Price Index, Australia; Consumer Price Index, Australia; National, State and Territory Population; CMTEED estimates; 2023-24 MYEFO.

Notes: Forecasts and projections are rounded to a ¼ of a percentage point. Numbers in brackets are the estimates published in the 2023-24 Budget. No bracket indicates that the forecast is unchanged from the 2023-24 Budget.

1. Real values.
2. Year average basis (average of the current financial year relative to the previous financial year).
3. Through the year to the June quarter growth.
4. Total hourly rates of pay, excluding bonuses.
5. 2023-24 MYEFO.

Assumptions

Box 2.2.1: Key assumptions

The key assumptions that underpin the economic forecasts are set out below. Outcomes could be substantially different to the baseline estimates depending on the extent to which the following assumptions hold:

- Inflation is expected to remain persistent but will slowly ease over the forward estimates. This is consistent with the Reserve Bank of Australia and the Commonwealth Treasury inflation forecasts.
- Interest rates and cost of living pressures are expected to continue to temper household consumption and building investment.
- Low migration departures are expected to contribute to elevated net overseas migration in the short term, which is expected to keep aggregate demand elevated.

Gross State Product (GSP)

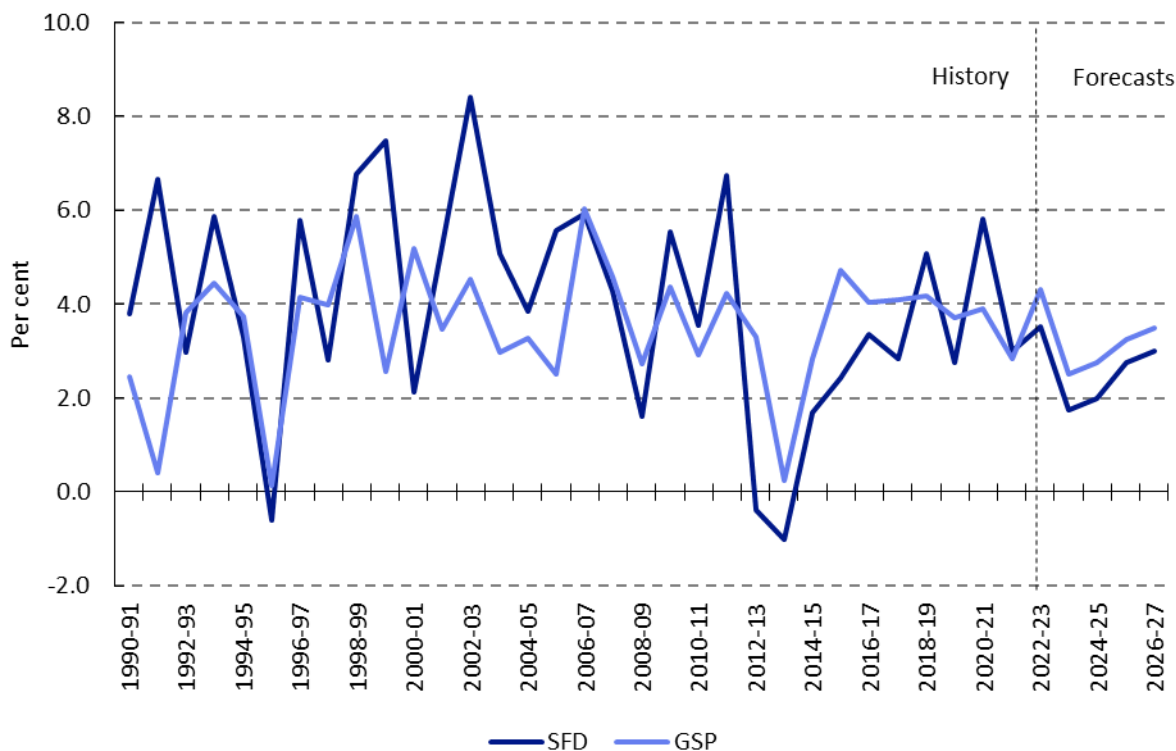
Real GSP increased by 4.3 per cent in 2022-23, following modest growth in 2021-22. Compared with the 2023-24 Budget, GSP growth is now forecast to be slightly stronger in 2023-24 and, consistent with the Budget forecasts, is forecast to gradually accelerate over the forward estimates period. The resilience of the ACT economy reflects strong household consumption and public demand, coupled with a strong labour market.

State Final Demand (SFD) rose by 3.5 per cent in 2022-23, driven by an increase in household consumption (7.3 per cent), public consumption (2.7 per cent) and public investment (8.5 per cent). This was partially offset by a decline in private investment (-6.9 per cent).

Relative to the 2023-24 Budget, forecast GSP growth has been revised up by $\frac{1}{4}$ of a percentage point to $2\frac{1}{2}$ per cent in 2023-24 and down by $\frac{1}{4}$ of a percentage point to $2\frac{3}{4}$ per cent in 2024-25. The slowing of growth in 2023-24 from the previous financial year is expected to be less than nationally, supported by stronger than national average contributions to growth from net exports and public investment. Household consumption growth remains solid, although it is now forecast to be slightly lower than previously anticipated in response to persistent inflation and higher interest rates. Public consumption has been revised up reflecting stronger expected employment growth in the public sector.

The forecast for SFD growth has been upgraded by $\frac{1}{2}$ of a percentage point to $1\frac{3}{4}$ per cent in 2023-24. This largely reflects the effect of stronger public demand. However, the SFD growth forecast for 2024-25 has been downgraded by $\frac{1}{4}$ of a percentage point to 2 per cent in 2024-25. While public demand is still expected to remain strong, slightly weaker private demand has led to the downgrade.

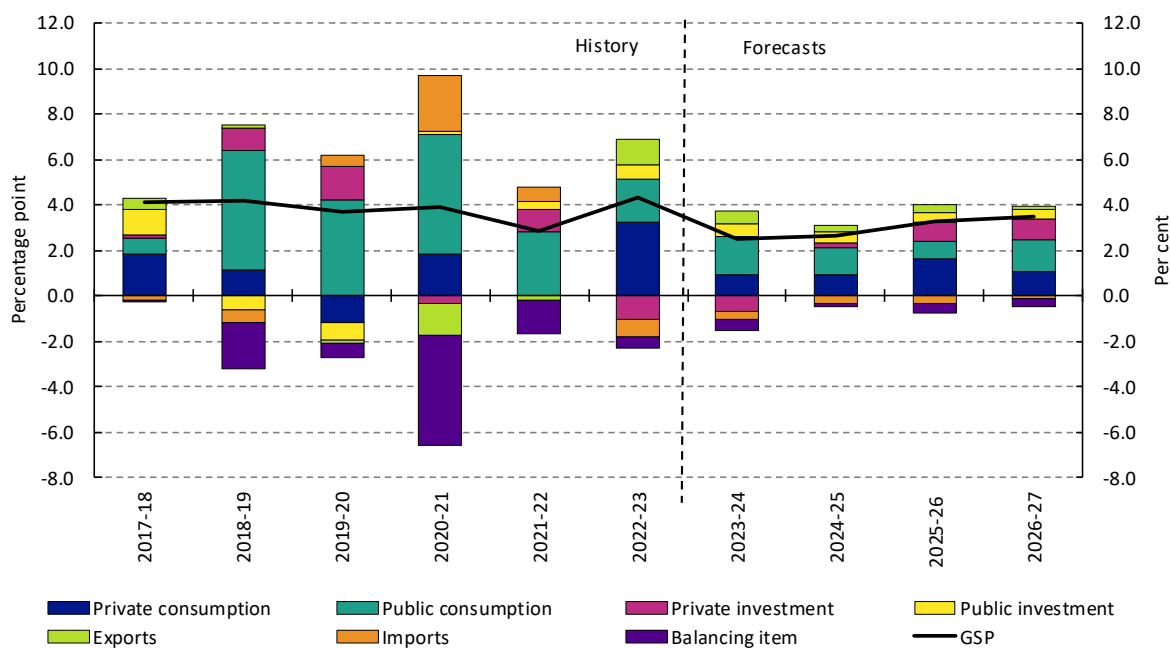
Figure 2.2.1: State Final Demand and Real Gross State Product forecasts



Sources: ABS Australian National Accounts, State Accounts and CMTEDD estimates.

Forecasts of GSP growth remain unchanged for 2025-26 and 2026-27 compared with the 2023-24 Budget. Economic activity is expected to be well balanced between growth in both private and public demand. Figure 2.2.1 shows the SFD and GSP forecasts for the ACT economy to 2026-27 while figure 2.2.2 shows GSP growth and contribution from various components for the 10-year period from 2017-18 to 2026-27.

Figure 2.2.2: Contribution to GSP growth, ACT



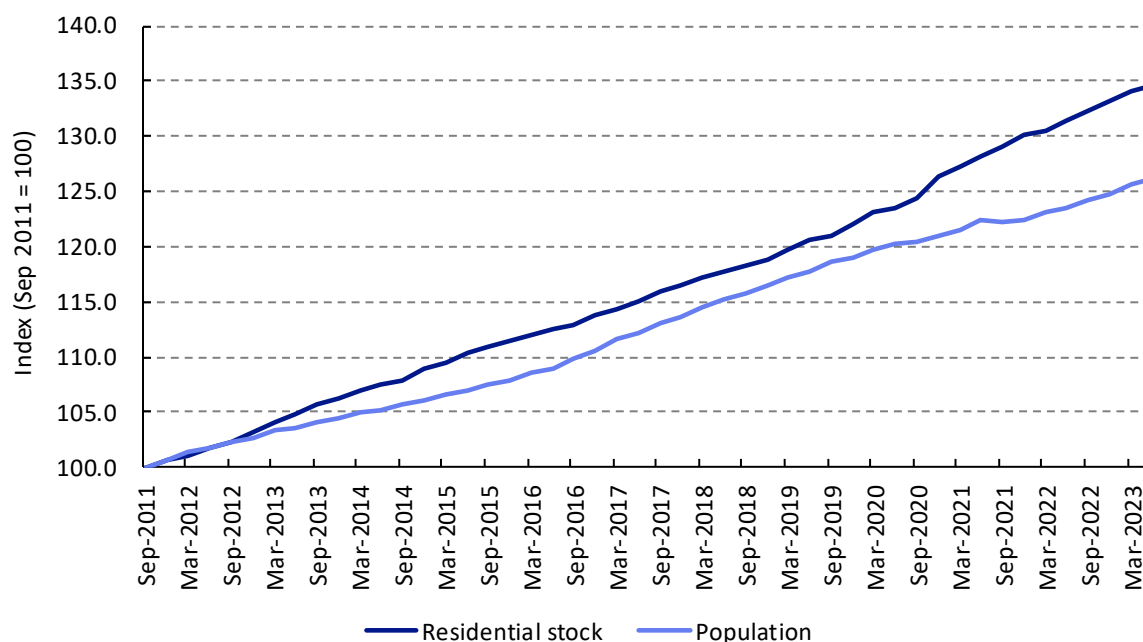
Sources: ABS National Accounts: National Income Expenditure and Product, State Accounts and CMTEDD estimates.

Housing Market

The outlook for the housing market remains robust, with the number of residential dwellings approved (a leading indicator of commencements) increasing by 83.6 per cent through the year to November 2023, led by increases in approvals for both apartments and semi-detached houses. This suggests a solid dwelling investment pipeline for apartments and semi-detached houses. Approvals for detached houses also grew strongly over the year to November 2023.

The number of residential dwellings across the ACT’s housing stock increased by 2.6 per cent through the year to the September quarter 2023. With population growth at 2.2 per cent through the year to the June quarter 2023, and forecast to grow at 2¼ per cent, housing supply is tracking marginally ahead of population growth (Figure 2.2.3). This is consistent with rental vacancy rates rising and easing growth in rents and purchase prices.

Figure 2.2.3: Dwelling stock and population growth, September 2011 to June 2023, ACT

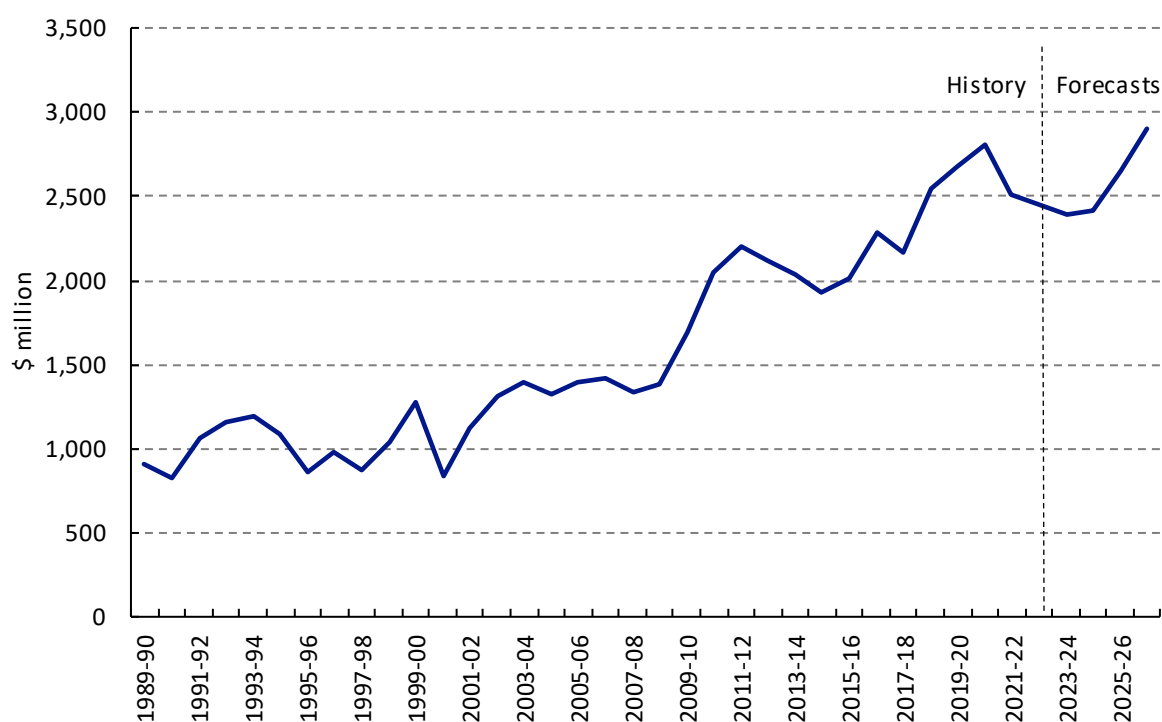


Sources: ABS Total Value of Dwellings, ABS National, State and Territory Population and CMTEDD estimates.

The ACT Government, in collaboration with the Commonwealth Government, will continue to pursue policies to improve housing access, affordability and choice through the implementation of the Housing Accord. In addition, the ACT’s new Territory Plan will play a crucial role in ensuring housing supply can meet both current needs and the needs of a growing population.

Despite a robust outlook, there are still risks for the pipeline of housing supply. Dwelling investment fell 2.4 per cent in 2022-23, which was weaker than forecast, albeit from very high levels in 2020-21. Dwelling investment is expected to decline again in 2023-24, before returning to growth in 2024-25 (Figure 2.2.4). The cost of construction remains high, and the average proportion of work done on commencing new housing jobs remains low (albeit improving), along with increases in the average time taken to finish construction. Tighter financial conditions are also likely impacting demand for new housing construction.

Figure 2.2.4: Dwelling investment



Sources: ABS Australian National Accounts, State Accounts and CMTEDD estimates.

The number of total dwelling commencements decreased 22.0 per cent through the year to the September quarter 2023, due to a fall in commencements of new houses. The value of residential construction work done fell 2.7 per cent through the year to the September quarter 2023.

Labour Market

The labour market in the ACT remains one of the strongest in the country. The latest job vacancies data showing 8,600 vacant jobs in the ACT in November 2023 – 29.8 per cent more than the pre-pandemic levels in February 2020. However, there are signs that tight conditions in the labour market are easing, with the number of job vacancies relative to unemployment falling from the historical highs observed in 2022-23.

The ACT’s unemployment rate was 3.8 per cent in December 2023 and the underemployment rate was 4.9 per cent. As a result, the ACT recorded the lowest underutilisation rate in Australia in December 2023. The ACT also has the second highest participation rate in Australia.

Employment growth was 3.9 per cent in 2022-23 and 3.2 per cent through the year to the December quarter 2023. In 2023, there was a modest shift in the composition of employment from labour hire to public sector jobs. This reflected the Commonwealth Government's shift to encouraging direct employment in the Australian Public Service rather than indirectly through contractors and labour hire firms.

Consistent with the 2023-24 Budget, employment is expected to grow by 2 per cent in 2023-24 and stabilise at this rate over the forward estimates period, in line with expected growth in economic activity.

Consumer Price Index (CPI)

The CPI rose faster than expected through the year to the June quarter 2023 due to broad based price pressures. While global factors explained some of the upward inflationary pressures, strong domestic demand relative to supply also contributed. Services inflation along with housing (includes new house purchases, rents and energy) continued to put upward pressure on prices. Canberra's CPI rose by 5.7 per cent through the year to the June quarter 2023, lower than the national increase of 6.0 per cent but higher than the Budget forecast of 5.0 per cent.

The latest inflation figures show Canberra's CPI slowed further to 3.7 per cent through the year to the December quarter 2023. While inflation is slowing, it is expected to remain more persistent than previously forecast. The CPI is forecast to grow $3\frac{3}{4}$ per cent over 2023-24, $\frac{1}{2}$ of a percentage point higher than the forecast in the 2023-24 Budget. This is expected to be driven by services inflation, automotive fuel prices and housing.

Consumers have drawn on household savings to sustain household consumption, in response to falls in real disposable income. However, the impact of tighter monetary policy and reducing capacity to draw on household savings is expected to slow growth in consumption and moderate inflation. CPI growth in the ACT is expected to slow to $3\frac{1}{2}$ per cent in 2024-25, and further to $2\frac{3}{4}$ per cent in 2025-26 and $2\frac{1}{2}$ per cent in 2026-27.

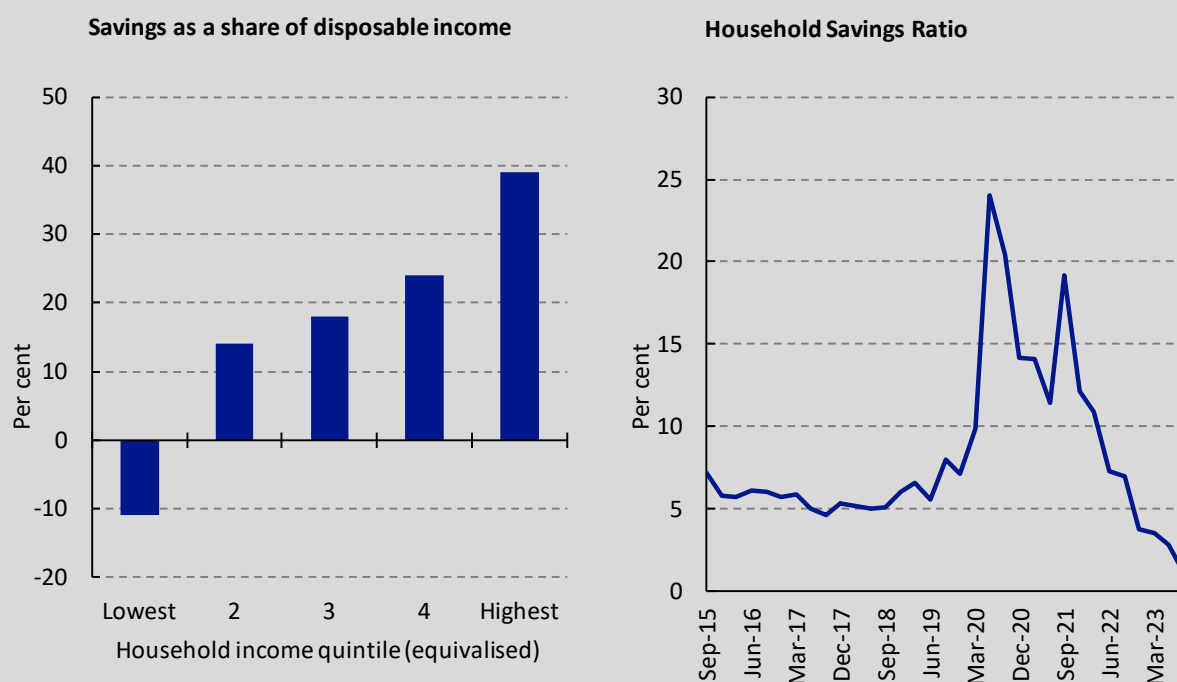
Inflation outcomes will depend on how various risks to the forecasts evolve and flow through to household consumption and private investment, and influence employment and the price-setting behaviour of firms. The latest inflation figures provide some optimism that Canberra's CPI could fall faster than expected, but need to be weighed against growing international instability as geopolitical tensions increase in the Middle East.

Box 2.2.2: Stage 3 tax cuts and the impact on the ACT economy

The Commonwealth Government has announced a redesign of the Stage 3 tax cuts that were legislated five years ago and are due to commence on 1 July 2024. The changes are designed to support lower and middle income workers to manage cost of living pressures. While rising cost of living pressures have been broad based, households' ability to deal with these pressures is unevenly distributed.

Over recent years resilient growth in nominal incomes and employment has helped to support the spending of many lower income households. Nonetheless, many of these households have lower financial buffers and so recent increases in their cost of living are more likely to have caused financial stress (Figure 2.2.5 – left hand side). The national household savings ratio has declined since it peaked in 2020-21. It has now slipped below its long-run average, with households dipping further into their reserves than before (Figure 2.2.5 – right hand side).

Figure 2.2.5: Savings as a share of disposable income, Australia, 2021-22 and changes to household savings ratio

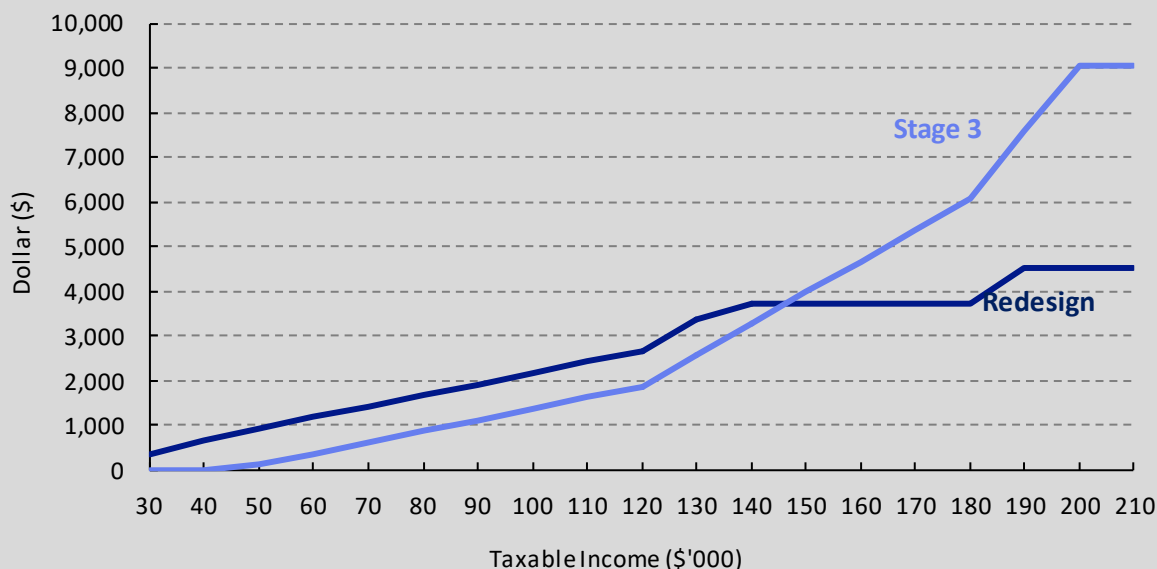


Source: ABS National Accounts: Distribution of Household Income, Consumption and Wealth.

According to the Commonwealth Treasury, the proposed redesign maintains the overall size of the Stage 3 tax cuts and overall budget impact. This will ensure the proposed changes do not add to inflationary pressures, while maintaining the same support to households in aggregate.

The redesign will, however, result in a redistribution of the benefits from higher-income levels to lower and middle-income levels (Figure 2.2.6), which the RBA found were more likely to be experiencing financial stress, particularly mortgage holders, than those on higher incomes.

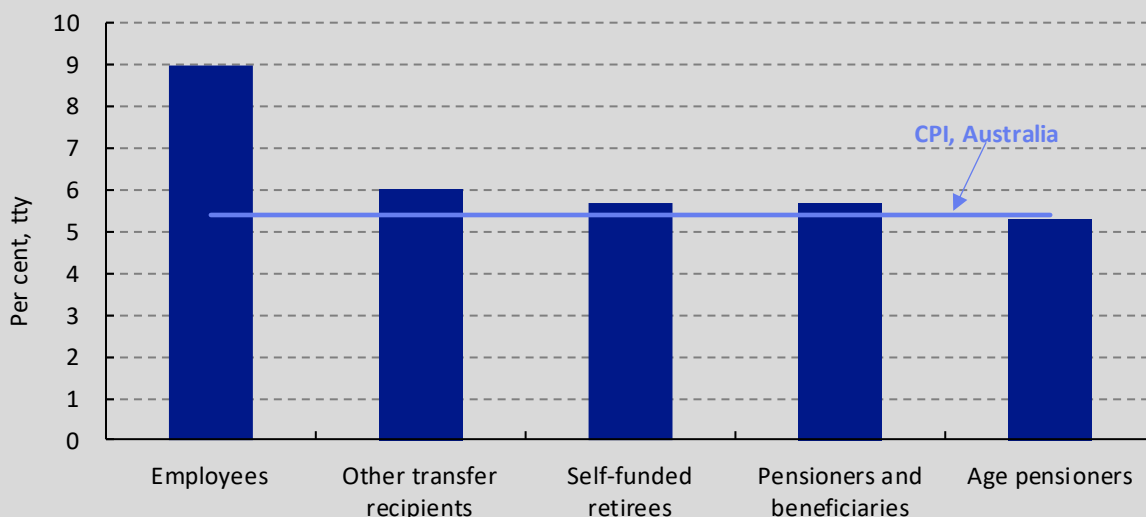
Figure 2.2.6: Stage 3 tax cuts compared to proposed redesign



Source: Commonwealth Treasury, Advice on amending tax cuts to deliver broader cost-of-living relief.

The Commonwealth Treasury found that working households have experienced the fastest rise in their cost of living, with prices rising 9 per cent through the year to the September 2023 quarter (Figure 2.2.7). The relatively large rise in cost of living for these households reflects rising mortgage interest costs, which almost doubled through the year to June 2023. The RBA has found that rising mortgage interest costs have led to total mortgage repayments (principal and interest) increasing by between 30 and 50 per cent since May 2022 for most variable-rate borrowers.

Figure 2.2.7: Selected cost of living indexes by household type, Australia, September 2023



Source: ABS Select Cost of Living Indexes.

The redesigned tax cuts are shaped to provide broader cost of living relief to households, including lower and middle-income earners who are more vulnerable to these pressures. As the total budget support to households is unchanged, the redesign is not anticipated to materially impact the outlook for inflation and GSP in the ACT.

Wage Price Index (WPI)

A tight labour market and increases in living costs are flowing into wage and salary review decisions, which have led to strong wage growth in the ACT. The ACT's Wage Price Index increased by 4 per cent through the year to the June quarter 2023, in line with the forecasts in the 2023-24 Budget.

WPI growth through the year to the September quarter 2023 for the ACT's private sector was the highest on record at 5.8 per cent, with the Fair Work Commission's annual wage review decision contributing significantly to this increase. The public sector WPI increased by 2.8 per cent over the same period. These impacts, along with expected continued strength in the labour market over 2023-24, has led to an upgrade in forecast WPI growth for 2023-24 by $\frac{1}{4}$ of a percentage point to 4 per cent.

The WPI is expected to grow by $3\frac{1}{2}$ per cent in 2024-25 and 2025-26 and by $3\frac{1}{4}$ per cent in 2026-27, consistent with the forecasts in the 2023-24 Budget.

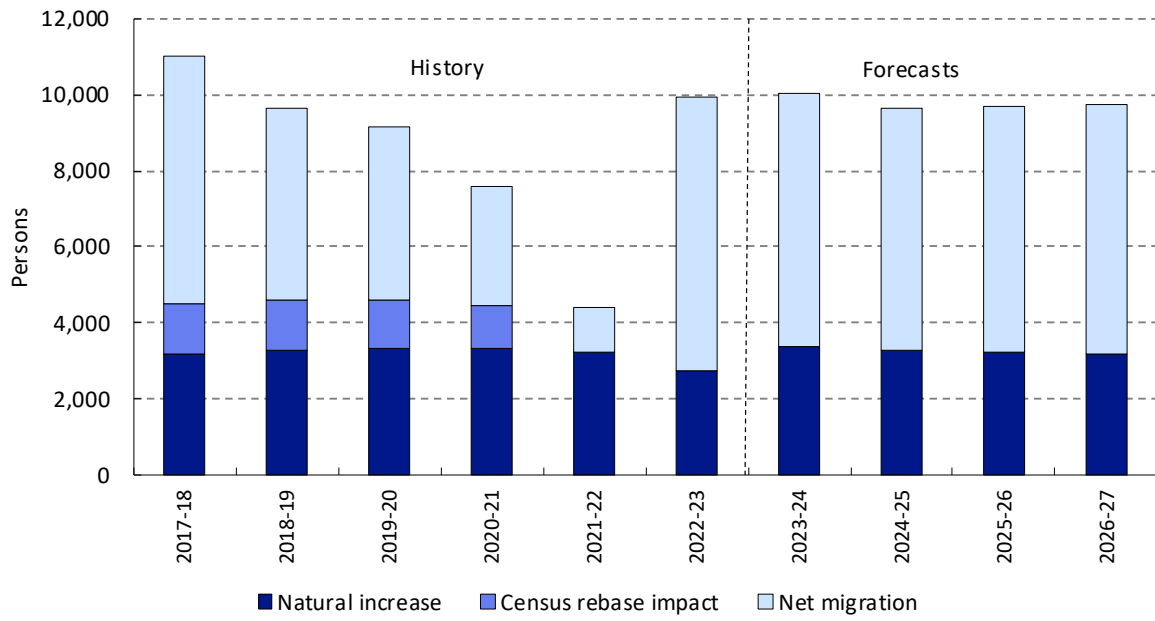
Population

Record levels of net overseas migration in 2022-23 led to strong population growth in the ACT and across Australia. The ACT's estimated resident population increased by 2.2 per cent through the year to the June quarter 2023, in line with the estimate in the 2023-24 Budget. However, the Australian Bureau of Statistics' (ABS) estimates of ACT population for the June quarter 2023 continue to show a negative contribution from net interstate migration (NIM), which appears inconsistent with recent trends and administrative data. Based on the available evidence, we consider the ABS is likely to be underestimating the ACT population (see Box 2.2.3), with potentially significant impacts on federal funding, especially on the ACT's share of Goods and Services Tax (GST) revenue grants. The ACT Government continues to raise this issue with the ABS given the significant impacts.

The ACT is expected to show strong population growth over the forward estimates period, reflecting the strength in our economy and labour market relative to the rest of Australia. Population forecasts from the 2023-24 Budget have been retained in this Budget Review. The ACT's population is expected to grow by $2\frac{1}{4}$ per cent in 2024-25 and stabilise at a growth rate of 2 per cent over the rest of the forward estimates period to 2026-27.

Natural increase and net migration, which consists of both overseas and interstate migration, are expected to contribute positively to population growth. Figure 2.2.8 shows the contribution of the two components, as well as Census 2021 rebasing, to the ACT's population over the ten-year period from 2017-18 to 2026-27.

Figure 2.2.8: Population growth by component, ACT



Sources: ABS National, State and Territory Populations and CMTEDD estimates.

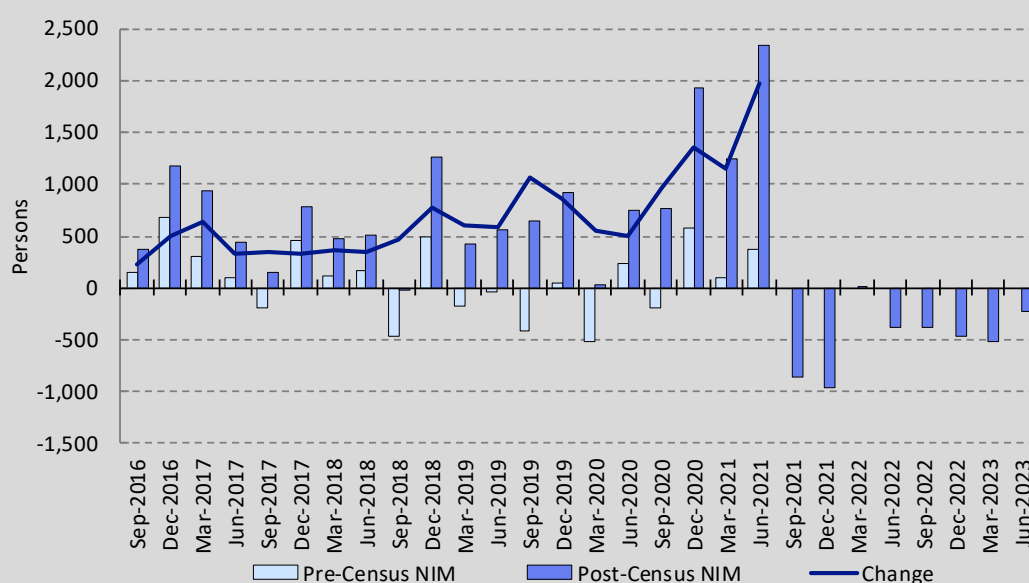
Box 2.2.3: ABS underestimation of the ACT's net interstate migration

The ABS defines interstate migration as “the movement of people over a state or territory boundary for the purpose of changing their place of usual residence.” Net interstate migration or NIM is the number of interstate arrivals less the number of interstate departures.

In non-Census periods, the ABS models NIM using Medicare change of address data, applying expansion factors to certain younger age cohorts that either do not report moves or are not eligible for Medicare. The ABS’ method for calculating NIM has the potential to mismeasure state and territory population change. In particular, a reliance on Medicare data introduces a consistent underestimation bias for the ACT, given our relatively young and mobile workforce who may have no need to update their Medicare data.

ABS estimates of ACT’s resident population shows negative NIM for seven quarters out of eight since Census 2021. Figure 2.2.9 shows how the estimates of the ACT’s NIM changed between pre-Census 2021 (using their modelled approach) and post-Census 2021 once the data was rebased. Notably, the rebased data shows the ACT’s NIM has been positive for 19 of the 20 quarters in the intercensal period for Census 2021 (that is, between the September quarter 2016 and June quarter 2021). In contrast, the latest quarterly NIM estimates, which rely on a modelled approach, are negative and reduce the ACT’s estimated population. It is noted that the pre-Census data was also showing similar results until corrected by Census 2021.

Figure 2.2.9: NIM estimates, ACT, pre- and post-Census 2021



Sources: ABS National, State and Territory Population and CMTEDD estimates.

Alternative administrative data sources such as ACT driver licence data also indicate that NIM is potentially being underestimated in the official ABS statistics. Analysis of ACT driver licence data shows a level of interstate transfers into the ACT over and above what is shown in the ABS interstate arrivals and a positive NIM in the ACT.

ACT Treasury is liaising with the ABS and other Commonwealth agencies to work towards improving the quality of ABS’ forecasts of ACT’s NIM, and hence ACT’s population level.



2.3 AUSTRALIAN ECONOMIC OUTLOOK

The Australian economy is slowing as expected, reflecting the impact of higher interest rates in response to persistent but moderating inflation, and global economic uncertainty.

In its 2023-24 Mid-Year Economic and Fiscal Outlook, the Commonwealth Government forecast economic growth to be 1¼ per cent in 2023-24, slightly above the 2023-24 Budget forecast. The ongoing recovery in the international tourism and student sectors are expected to support growth in 2023-24, while inflationary pressures and higher interest rates weigh on household consumption and dwelling investment. Economic growth is expected to accelerate to 2¼ per cent in 2024-25 as inflation subsides, and household disposable income improves.

The labour market remains resilient with the unemployment rate below 4 per cent and the participation rate near record highs. Some slowing in employment growth is underway, and consistent with the expected softening in economic growth, the unemployment rate is forecast to rise to 4¼ per cent by June 2024.

Inflation remains elevated but continues to fall in line with expectations. Further easing of supply constraints and weaker domestic activity are also expected to reduce price pressures in the economy. While fuel prices are expected to put upward pressure on prices, headline inflation is forecast to be 2¾ per cent in the June quarter 2025.

Further global instability poses upside risks to global inflation and downside risks to the outlook for Australia's economic growth. Besides geopolitical risk, the ongoing adjustment in China's property sector and extreme weather events across parts of Australia also pose risks to the Australian economy. Lastly, the cumulative and lagged effects from monetary policy tightening could result in weaker than expected economic growth.



2.4 INTERNATIONAL ECONOMIC OUTLOOK

The outlook for the global economy has improved, with the International Monetary Fund (IMF) now forecasting economic growth to be 3.1 per cent in 2024 and 3.2 per cent in 2025, with the 2024 forecast slightly higher than the forecasts in the October 2023 World Economic Outlook.

According to the IMF, advanced economies are expected to grow by 1.5 per cent in 2024 and 1.8 per cent in 2025. For emerging market and developing economies growth is projected to be 4.1 per cent in 2024 and 4.2 per cent in 2025.

Global headline inflation is expected to be 5.8 per cent in 2024 and 4.4 per cent in 2025, with the 2025 forecast revised down slightly. Overall, projections are consistent with a “soft landing” scenario as inflation is coming down without a major downturn in economic activity and with labour markets remaining buoyant.

Risks to the outlook are broadly balanced. On the upside, a further softening in inflation could lead to easing in monetary policy, while on the downside, new commodity price spikes from geopolitical shocks, and supply disruptions could lead to more persistent inflation and prolong tighter monetary conditions.



CHAPTER 3 BUDGET OUTLOOK

3.1 FISCAL STRATEGY AND OUTLOOK

Continuing to invest in the services and infrastructure that Canberra needs

The 2023-24 Budget Review maintains the Government's commitment to improving service delivery and providing quality infrastructure investment to support Canberrans now and into the future. We are meeting the needs of our growing population, supporting economic growth, and delivering services that improve wellbeing and support our most vulnerable.

This Budget Review provides more support to those who need it most, when they need it. This includes increasing the stock of public, social and affordable housing, providing additional funding for out-of-home care services for children and young people, extending rent relief for low-income households, and progressing work to implement the ACT's Voluntary Assisted Dying legislation.

Through targeted investment, the Government will also support key services including increasing capacity and capability in the public health system, increasing the number of frontline paramedics, improving road safety, strengthening the public transport network including delivering Light Rail Stage 2A, improving educational opportunities and outcomes, and providing better community infrastructure.

As with previous updates, the 2023-24 Budget Review continues to deliver initiatives informed by the Wellbeing Framework. This Framework helps the Government to measure progress across 12 key domains and assists us in determining which service delivery outcomes contribute most strongly to quality of life across Canberra.

While continuing to deliver the services and infrastructure our growing community requires, the 2023-24 Budget Review maintains the Government's commitment to upholding principles of good fiscal management through:

- sustainable economic growth;
- sound public finances;
- quality and efficient services;
- sustainable taxation and revenue; and
- a strong balance sheet.

The Wellbeing Framework, combined with these principles, reaffirms the Government's commitment to address immediate pressures facing the community by delivering targeted services and infrastructure needed for a rapidly growing population. In this way, the Government continues its prudent financial management to maintain intergenerational equity while ensuring improved wellbeing outcomes for Canberrans into the future.

Sustainable economic growth

The outlook for the ACT economy remains positive, despite ongoing cost of living pressures and higher interest rates. The ACT has seen strong population, employment and wage growth, which paired with resilient household consumption, has contributed to our continued economic performance. While persistent, inflation has continued to slow, and is forecast to reduce to 3.75 per cent in 2023-24.

Economic growth was stronger than expected in 2022-23, with Gross State Product (GSP) increasing by 4.3 per cent, well above its long-run average of 3.5 per cent. While GSP growth is forecast to slow to 2.5 per cent in 2023-24 this is stronger than expected at the time of the 2023-24 Budget. Economic growth is forecast to strengthen from 2025-26, underpinned by a recovery in household consumption and growth in real wages.

The labour market in the ACT remains strong, with employment growth increasing by 3.9 per cent in 2022-23. The ACT unemployment rate was 3.8 per cent in December 2023 and the underemployment rate was 4.9 per cent, with the ACT recording the lowest underutilisation rate in Australia in December 2023.

As inflationary pressures ease, Government investment in significant infrastructure projects such as light rail, public health infrastructure, and new and expanded schools, will continue to meet the needs of our growing city while also continue to support the ACT economy.

Sound public finances

Like other jurisdictions, the Territory's Budget position is not immune from the challenges of providing and improving essential services delivered to the community in an environment of increased inflation and lower than expected revenues, or delivering infrastructure for a growing Canberra in the face of the challenges experienced by the construction sector across the nation, including labour shortages and supply-chain constraints.

In September 2023, S&P Global Ratings reduced the Territory's credit rating from AAA to AA+ to align with all Australian states, except for Western Australia (AAA) and Victoria (AA). In undertaking this adjustment, S&P Global Ratings noted that its outlook was underpinned by several factors, including the Territory's strong economy, excellent financial management and exceptional liquidity.

The Territory's strong financial position will enable the Government to continue to deliver wellbeing improvements through enhanced service delivery and the infrastructure needed for our fast-growing community. While current economic conditions and the needs of the community for Government support at a time of acute cost of living pressures are leading to higher-than-expected Headline Net Operating Balance (HNOB) deficits, the Government remains committed to returning to HNOB surplus over time.

Quality and efficient services

In the 2023-24 Budget Review, the Government has maintained its commitment to improving wellbeing outcomes, particularly for those experiencing significant challenges, through enhanced service delivery and improved community facilities. Among the Government's new initiatives are:

- delivering better healthcare for our community, including through additional investment in digital health services, expanding emergency, critical care and medical imaging capacity in the new Critical Services Building at Canberra Hospital, expanding inpatient services at the University of Canberra Hospital, and investing to support the ongoing sustainability of the ACT public health system to provide treatment and care for a growing population;
- greater support for our most vulnerable, with additional funding to strengthen inclusive education, to ensure delivery of out of home care services for children and young people who cannot remain safely with their families, to provide access to more affordable housing options, and to ensure people with disability have equitable and appropriate access to healthcare in the ACT;
- improvements to transport infrastructure including, progressing the delivery of light rail, upgrades to the public bus network, and additional funding to improve the safety of our roads; and
- more funding for community-owned facilities, including upgrades to the Fitzroy Pavilion at Exhibition Park in Canberra, establishment of a dedicated team to undertake trail maintenance and park improvements at University of Canberra Stromlo Forest Park, and funding to undertake further planning and project development related to three major precinct renewals.

Sustainable taxation and revenue

The Government is committed to raising revenue in the most efficient, fair, and sustainable way to fund high quality services and infrastructure for the Canberra community.

Our nation-leading tax reform program is phasing out inefficient and unfair duties. Each year since 2012-13, insurance and conveyance duty rates have decreased, with the revenue forgone replaced by incremental increases in general rates. Insurance duty was fully abolished by 2017, while conveyance duty is being phased out gradually over time to minimise transitional impacts.

General rates are an efficient and fair revenue source for the Government to sustainably fund services and infrastructure and cushion the impacts of economic shocks on revenue.

Budget Outlook

Headline Net Operating Balance

The General Government Sector (GGS) HNOB is forecast to be a deficit of \$782.8 million in 2023-24, \$340.1 million higher than expected at the time of the 2023-24 Budget.

Table 3.1.1 provides a summary of total revenue, expense and HNOB estimates across the budget and forward estimates.

Table 3.1.1: General Government Sector Headline Net Operating Balance (\$m)

	2022-23 Actual	2023-24 Budget	2023-24 Budget Review	2024-25 Revised Estimate	2025-26 Revised Estimate	2026-27 Revised Estimate
Revenue	7,261.6	7,691.4	7,502.3	8,060.6	8,713.8	9,068.6
Expenses	8,034.0	8,353.2	8,522.6	8,712.1	8,866.1	9,194.7
Superannuation return adjustment	169.9	219.1	237.5	234.8	252.6	271.8
HEADLINE NET OPERATING BALANCE	(602.6)	(442.7)	(782.8)	(416.7)	100.4	145.6
Net cash from operating activities	284.5	(6.5)	(182.2)	109.2	390.4	545.5
Net debt (excluding superannuation related investments)	5,690.3	7,252.1	7,431.6	8,837.0	10,411.3	11,660.3
Net financial liabilities	12,309.6	12,461.7	12,911.4	14,113.6	15,369.8	16,258.0

Note: Table may not add due to rounding

Summary of movements

Table 3.1.2 below shows the variations in the GGS HNOB between the 2023-24 Budget and the 2023-24 Budget Review, disaggregated between policy decisions and technical adjustments. The HNOB deficit is forecast to be higher in 2023-24 and 2024-25, and the surpluses in 2025-26 and 2026-27 slightly lower, than was expected in the 2023-24 Budget. Further details of major technical adjustments are shown in Table 3.1.3.

Table 3.1.2: Summary of movements in the General Government Sector Headline Operating Balance (\$'000)

	2023-24 Budget	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
2023-24 Budget	(442,703)	(161,489)	141,946	212,086
Revenue¹				
Policy decisions	(3,775)	(3,784)	(1,560)	2,362
Technical adjustments	(185,340)	(97,700)	84,570	106,052
Expenses²				
Policy decisions	(170,554)	(50,618)	(46,448)	(41,152)
Technical adjustments	1,122	(102,252)	(77,193)	(132,707)
Superannuation return adjustment	18,406	(881)	(937)	(998)
2023-24 Budget Review	(782,844)	(416,724)	100,378	145,643

Notes: Table may not add due to rounding.

1. A positive number represents an increase in revenue.
2. A negative number represents an increase in expenses.

Table 3.1.3: Summary of major technical adjustments since the 2023-24 Budget (\$'000)

	2023-24 Budget	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Revenue¹				
Own-source taxation	(67,165)	(44,423)	(24,154)	(13,540)
GST revenue	(58,920)	33,232	46,392	48,851
Commonwealth grants	(39,857)	102,680	71,144	85,878
Interest and investment earnings	(14,611)	1,579	(13,382)	(5,516)
Suburban Land Agency, City Renewal Authority and Icon Water dividends and income tax equivalent	(3,646)	(181,690)	80,590	65,291
Provision adjustments	0	(125)	(76,625)	(82,200)
Other parameter and technical adjustments	(1,141)	(8,953)	605	7,288
Total revenue – technical adjustments	(185,340)	(97,700)	84,570	106,052
Expenses²				
Commonwealth grants	(31,041)	(31,656)	(26,806)	(23,195)
Interest expense	5,108	(22,203)	(22,060)	(41,626)
Estimated outcome and reprofiling	(581)	(12,948)	(9,873)	(5,768)
Agency superannuation expense reprofiling	788	(7,749)	(9,615)	(10,988)
Other parameter and technical adjustments	26,848	(27,696)	(8,839)	(51,130)
Total expenses – technical adjustments	1,122	(102,252)	(77,193)	(132,707)

Notes: Table may not add due to rounding.

1. A positive number represents an increase in revenue.
2. A negative number represents an increase in expenses.

Revenue and expenses

Total revenue is expected to be \$189.1 million lower in 2023-24, and \$99.2 million lower over four years to 2026-27, than forecast in the 2023-24 Budget. Significant movements in forecast revenue in 2023-24 and over the forward estimates include:

- lower own-source taxation revenue of \$67.2 million in 2023-24 (\$149.3 million over four years to 2026-27) largely attributable to weaker than expected payroll tax, gambling taxes and commercial conveyance duty revenue;
- lower than anticipated GST revenue of \$58.9 million in 2023-24 primarily reflecting slower growth in consumer spending in response to the tightening of monetary policy and cost of living pressures. This reduction is expected to be offset from 2023-24 by an increase in the ACT GST relativity and changes in the ACT's share of the Australian population (\$69.6 million higher over four years to 2026-27);
- a decrease in Commonwealth grants of \$39.9 million in 2023-24 reflecting the Commonwealth Government's decision to bring forward payment of Financial Assistance Grants into the 2022-23 financial year. This is offset by an increase in other Commonwealth grants of \$219.8 million over the four years to 2026-27 primarily due to the Commonwealth's contribution to education, skills and workforce development, road related infrastructure grants, and additional infrastructure funding for Light Rail Stage 2A;
- a net decrease to interest and investment earnings of \$14.6 million (\$31.9 million over four years) reflecting lower cash and investment balances; and

- lower Suburban Land Agency, City Renewal Authority and Icon Water dividends and income tax equivalents of \$3.6 million (\$39.5 million over four years) associated with decreases in joint venture profit shares and a forecast reduction in land sales due to market conditions impacting profitability.

Total expenses in 2023-24 are expected to be \$169.4 million higher than forecast at the time of the 2023-24 Budget and \$619.8 million higher over the four years to 2026-27. Significant movements in forecast expenses in 2023-24 and over the forward estimates include:

- additional funding of \$170.6 million in 2023-24 (\$308.8 million over four years) for new initiatives. Further information on these initiatives can be found in Investing in the Wellbeing of Canberrans (Chapter 3.2);
- additional expenses due to the on-passing of Commonwealth grants of \$31.0 million (\$112.7 million over four years); and
- a net increase in interest expenses of \$80.8 million over four years largely due to an increase in borrowing costs and increased borrowings.

Infrastructure

New investments funded through the 2023-24 Budget Review bring the Territory's Infrastructure Investment program to \$8.5 billion over five years to 2027-28. This includes GGS funded works of \$6.8 billion and self-funded works by Public Trading Enterprises of \$1.7 billion (Table 3.4.1).

The key infrastructure priorities continue for the Government, including our public healthcare and education systems, our transport network, sustainable housing, urban renewal, arts and entertainment precincts, as well as the renewal of existing infrastructure to provide for the needs of our community.

Reflecting the changing needs of our community as our population grows, the Government is progressively updating the ACT Infrastructure Plan: Planning for the future, first released in 2019 – with sector-based updates to the plan being progressively released throughout 2023-24. To date, updates on the Education, Health and Entertainment, Arts & Sports sectors have been released. These updates coupled with other planning frameworks (such as the Territory Plan, the ACT Housing Strategy and the Indicative Land Release Program) will continue to provide Canberrans with access to the facilities they need.

Net Operating Cash balance

Net Operating Cash (Table 3.1.4) is the cash counterpart to the accrual Net Operating Balance. It measures all operating cash receipts for a financial year – for example, taxes, fees and fines, and operating grants from the Commonwealth Government – less all operating cash payments – including wages and salaries, cash superannuation payments and payments for goods and services.

The revised cash net operating position for the GGS in the 2023-24 Budget Review is a deficit of \$182.2 million, compared to a \$6.5 million deficit at the time of the 2023-24 Budget. The \$175.7 million difference in the net operating cash position is mainly due to the reductions in taxation and GST revenues and the impact of government policy decisions.

Table 3.1.4: General Government Sector Net Operating Cash (\$m)

	2023-24 Budget	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
2023-24 Budget	(6.5)	220.6	599.6	712.1
2023-24 Budget Review	(182.2)	109.2	390.4	545.5

The Territory's credit rating

Following the 2023-24 Budget, on 8 September 2023 the Territory's AAA long-term credit rating was downgraded by S&P Global Ratings (S&P) to AA+ with a stable outlook. Our A1+ short-term local credit rating was reaffirmed.

The downgrade reflects S&P's view that the Territory's fiscal recovery from the pandemic is slower than expected. However, S&P also noted the ACT's economic fundamentals remain very strong, underpinned by high gross state product per capita, household consumption and public demand and the AA+ rating is supported by the Government's excellent financial management, very-high income economy and exceptional liquidity.

The AA+ rating puts the ACT on par with the S&P ratings for NSW, Queensland, Tasmania and South Australia, and above Victoria whose rating is AA. The only other state or territory with a higher credit rating is Western Australia, whose fiscal situation is benefited by high natural resource commodities and a larger share of GST revenue in recent years reflecting changes made to the sharing of GST revenue across jurisdictions by the previous Commonwealth Government.

A strong balance sheet

The strength of the Territory's balance sheet provides us with the flexibility to deliver high priority investments in hospitals, schools, and the transport and social infrastructure that Canberra needs to ensure our living standards are maintained and we remain able to support our most vulnerable as our population expands and service demands increase.

The 2023-24 Budget Review shows all key balance sheet metrics have declined since those presented in the 2023-24 Budget, reflecting lower than expected revenues and increased expenditure to support community services.

Net debt

Net debt is a key balance sheet measure which takes into account gross debt liabilities less financial assets such as cash reserves and investments. At 13.7 per cent of GSP as at 30 June 2024, the estimate of GGS net debt is consistent with 2023-24 Budget estimate of 13.6 per cent.

Net financial liabilities

Net financial liabilities are a broad measure of GGS liabilities, including net debt and superannuation liabilities. Net financial liabilities are calculated as total liabilities less financial assets, such as cash reserves and investments. This measure takes into account all non-equity financial assets but excludes the value of equity held by the GGS in public corporations.

GGS net financial liabilities as a percentage of GSP are now expected to be 23.7 per cent in 2023-24, higher than the 2023-24 Budget estimate of 23.4 per cent.

Net worth

The broadest measure of a jurisdiction's balance sheet is net worth, which measures the total value of all assets less the value of all liabilities. The ACT is now expected to have positive net worth in 2023-24 equivalent to 36.2 per cent of GSP, compared with the 2023-24 Budget estimate of 37.5 per cent.



3.2 INVESTING IN THE WELLBEING OF CANBERRANS

The Government is constantly seeking to improve the wellbeing of all Canberrans, particularly for those people for whom high levels of wellbeing are harder to achieve. This enables participation in our society, helps create a sense of belonging, and supports community members to lead lives of personal value and meaning. By looking specifically at the wellbeing of different groups and targeting policies to make a difference, we are working to enhance the liveability of our city and quality of life – accounting for measures beyond those typically captured in a cost benefit analysis alone.

Through our Wellbeing Framework, we recognise that there are some groups of people within our community who face intersecting wellbeing challenges. The Wellbeing Framework includes a commitment to report on the wellbeing of eight specific groups (by gender, LGBTIQ+ identity, children and young people, older Canberrans, people with disability, people from multicultural backgrounds, carers, and Aboriginal and Torres Strait Islander people).

Our community is diverse and growing fast, and we know that improving wellbeing means delivering above and beyond a strong economy. Our community is stronger when we consider the impact of our spending across other areas of wellbeing, such as access to quality healthcare or education opportunities, suitable housing, access to places and services, or a climate-resilient environment.

Placing a broader wellbeing perspective on our Budget helps to better target spending on initiatives which will deliver better overall outcomes for our people, our environment and our institutions. This is crucial for the long-term health and sustainability of our fast-growing city and will lay strong foundations as we continue to mature into the city we want to be.



New policy decisions

The following pages contain detailed information on new policy decisions announced as part of the 2023-24 Budget Review. Table 3.2.1 – Financial impacts of new policy decisions below, contains the total financial impacts of these decisions, and Table 3.2.2 – Detailed initiatives by lead agency on the following page contains the net costs of each initiative by agency. Detailed descriptions of each initiative are found later in the chapter.

Table 3.2.1: Financial impacts of new policy decisions (\$'000)

	2023-24	2024-25	2025-26	2026-27	Total
Expenses					
Expenses ¹	194,219	66,721	58,811	45,221	364,972
Revenue forgone	3,050	5,733	5,738	2,842	17,363
Depreciation	1,424	5,568	11,230	14,199	32,421
Total expenses	198,693	78,022	75,779	62,262	414,756
<i>offset by</i>					
Health Funding Envelope	0	(13,422)	(15,319)	(9,696)	(38,437)
Expense offsets ¹	(25,089)	(7,224)	(5,493)	(5,446)	(43,252)
Savings	0	(1,025)	(2,781)	(3,126)	(6,932)
Revenue	725	(1,949)	(4,178)	(5,204)	(10,606)
Total offsets	(24,364)	(23,620)	(27,771)	(23,472)	(99,227)
Net cost of services	174,329	54,402	48,008	38,790	315,529
Capital					
Capital ¹	194,899	155,922	118,951	38,982	508,754
Total capital	194,899	155,922	118,951	38,982	508,754
<i>offset by</i>					
Capital offsets ¹	(88,617)	(180,111)	(180,120)	(161,565)	(610,413)
Total capital offsets	(88,617)	(180,111)	(180,120)	(161,565)	(610,413)
Net capital	106,283	(24,189)	(61,169)	(122,583)	(101,658)

Note:

1. Includes provisioned funding.

New initiatives

The following section contains descriptions for each initiative funded through the 2023-24 Budget Review, grouped by agency or portfolio group as in the case of health initiatives. If an initiative has financial impacts across multiple agencies, the description is included in the lead agency section and outlines the financial impacts for supporting agencies.

The tables demonstrate the financial impacts to Government of providing the services. The following information explains the treatment of each category within the tables:

- Items that represent financial outflows/investments from Government include capital, expenses, expense provisions, revenue forgone and depreciation impacts. Increases in these items are presented as positive numbers, representing a cost to government of providing these services.
- Offsets, which represent a positive impact to Government, are displayed as negative numbers as offsets reduce the cost to Government of providing services.
- Savings and revenue items provide a positive impact to Government. For ease of reading, increases in these items are presented as positive numbers.

The net cost of services line is calculated by adding all the expense, expense provision, revenue forgone, and depreciation components, less any expense offsets, savings or revenue. Where this number is positive it reflects an overall cost to Government of providing the service, and where it is negative it represents an overall financial benefit to Government.

The net capital line is calculated by adding all the capital, capital provisions and capital offset components.

Not for Publication (NFP) is used where the publication of detailed financial information could impact on the Government's ability to achieve value for money in the market, or where annual funding profiles are yet to be determined.

Table 3.2.2 Detailed initiatives by lead agency (\$'000)

Initiative title (by agency)	Net capital / Net cost of services	2023-24	2024-25	2025-26	2026-27	Total
Chief Minister, Treasury and Economic Development Directorate						
<i>Better community infrastructure</i>						
– A new Fitzroy Pavilion for community events	Net capital	665	800	0	0	1,465
– A new Fitzroy Pavilion for community events	Net cost	0	0	230	230	460
– Designing major new precincts	Net cost	1,900	0	0	0	1,900
– Stromlo Forest Park maintenance	Net cost	231	130	128	125	614
Board of Inquiry	Net cost	314	0	0	0	314
<i>Boosting business and the economy</i>						
– Strengthening Canberra's tourism and events industry	Net cost	225	0	0	0	225
– Supporting the night-time economy	Net cost	133	133	138	142	546
<i>Climate action</i>						
– Renewables Skills Hub	Net cost	250	250	0	0	500
Delivering major events	Net cost	130	120	0	0	250
Driver licence medical assessments	Net capital	19	1,882	154	0	2,055
Driver licence medical assessments	Net cost	146	365	908	826	2,245
Enhanced community engagement capacity	Net cost	725	0	0	0	725
<i>Increasing housing access, choice and affordability</i>						
– Implementing the Social Housing Accelerator	Net capital	0	NFP	NFP	NFP	50,000
– MyHome – Supporting vulnerable Canberrans	Net cost	500	NFP	NFP	NFP	NFP
– Progressing Build-to-Rent through the Affordable Housing Project Fund	Net cost	NFP	NFP	NFP	NFP	NFP
– Supporting the new Territory Plan ¹	Net cost	3,446	6,522	6,554	3,672	20,194
Independent review of the governance of the ACT's new planning system	Net cost	231	0	0	0	231
<i>Investing in public services</i>						
– Access Canberra	Net cost	1,521	0	0	0	1,521
– Continuing to implement the Secure Employment Framework	Net cost	618	1,863	963	0	3,444
– Managing the 2024 Election Commitment Costing process	Net cost	245	505	0	0	750
Licensing system for professional engineers	Net capital	1,810	1,331	0	0	3,141
Licensing system for professional engineers	Net cost	140	227	896	900	2,163
Partial restoring of commercial general rates revenue	Net cost	0	(1,900)	(4,000)	(4,250)	(10,150)
Partial restoring of regulatory services fees revenue	Net cost	0	(500)	(1,000)	(1,600)	(3,100)

Initiative title (by agency)	Net capital / Net cost of services	2023-24	2024-25	2025-26	2026-27	Total
<i>Protecting Canberra's unique environment</i>						
– Continuing the replacement of non-potable water pipeline to Uriarra Village	Net capital	(441)	0	0	0	(441)
– Continuing the replacement of non-potable water pipeline to Uriarra Village	Net cost	441	0	0	0	441
Modernising our traffic and parking systems	Net cost	778	690	0	0	1,468
Supporting the Australian Olympic and Paralympic Teams – Paris 2024	Net cost	300	0	0	0	300
Community Services Directorate						
Aboriginal and Torres Strait Islander Healing and Reconciliation Grant Program	Net cost	0	0	0	0	0
Additional support for Out of Home Care	Net cost	1,505	0	0	0	1,505
<i>Community support and inclusion</i>						
– Establishing the Ministerial Advisory Council on Multiculturalism	Net cost	28	29	30	31	118
Continuing the <i>Understanding Building and Construction Program</i> pilot ¹	Net cost	102	211	0	0	313
Free period products: stage one ¹	Net capital	0	288	53	0	341
Free period products: stage one ¹	Net cost	313	1,549	675	68	2,605
Supporting the Aboriginal and Torres Strait Islander Elected Body (ATSIEB)	Net cost	138	513	339	0	990
Education Directorate						
<i>Investing in public education</i>						
– Digital Access & Equity Program	Net capital	624	0	0	0	624
– Digital Access & Equity Program	Net cost	0	125	125	125	375
– Enhancing inclusive education	Net cost	292	290	40	40	662
– Improving pay and working conditions for school assistants	Net cost	2,965	6,061	6,492	7,853	23,371
Environment, Planning and Sustainable Development Directorate						
<i>Climate action</i>						
– Integrated Energy Plan – Utilities technical code	Net cost	228	0	0	0	228
Individual water metering for new unit developments	Net cost	1,180	2,110	2,500	2,250	8,040
<i>Investing in public services</i>						
– Extending the Loose-Fill Asbestos Coordination team	Net capital	0	373	0	0	373
– Extending the Loose-Fill Asbestos Coordination team	Net cost	0	0	0	0	0
National Red Imported Fire Ant response	Net cost	900	843	1,013	1,141	3,897
Property developer licensing and regulation system	Net cost	117	0	0	0	117

Initiative title (by agency)	Net capital / Net cost of services	2023-24	2024-25	2025-26	2026-27	Total
<i>Protecting Canberra's unique environment</i>						
– Urban rivers and catchments program	Net cost	0	0	0	0	0
Health Portfolio Agencies						
<i>Better care for our community</i>						
– Continuing delivery of the Digital Health Strategy ¹	Net capital	16,074	0	0	0	16,074
– Continuing delivery of the Digital Health Strategy ¹	Net cost	50,251	2,796	2,296	2,296	57,639
– Continuing the second Police, Ambulance and Clinician Early Response team ¹	Net cost	354	0	0	0	354
– Implementing the ACT Disability Health Strategy 2024-2033	Net cost	430	0	0	0	430
Designing and implementing the Voluntary Assisted Dying (VAD) model	Net cost	1,000	1,000	0	0	2,000
Implementing the Assisted Reproductive Technology Bill 2023	Net capital	0	1,000	0	0	1,000
Implementing the Assisted Reproductive Technology Bill 2023	Net cost	0	73	0	0	73
<i>Improving Canberra's health infrastructure</i>						
– More capacity in the Critical Services Building	Net capital	6,800	1,148	0	0	7,948
– More capacity in the Critical Services Building	Net cost	1,386	4,536	1,135	1,135	8,192
Increased insurance premiums ¹	Net cost	8,627	0	0	0	8,627
<i>Investing in public health care</i>						
– Expanded inpatient services at University of Canberra Hospital	Net cost	12,204	0	0	0	12,204
– Infectious disease prevention and response	Net cost	8,300	0	0	0	8,300
– Supporting public health services	Net cost	37,842	0	0	0	37,842
<i>Supporting our health workforce</i>						
– Improving entitlements for health workers in the ACT public health system	Net cost	1,118	1,887	1,620	675	5,300
Justice and Community Safety Directorate						
<i>Extending the Rent Relief Fund</i>						
– Continued support for victims of crime	Net cost	2,110	0	0	0	2,110
<i>Improving equity in the justice system</i>						
– Continued support for victims of crime	Net cost	7,600	0	0	0	7,600
<i>Investing in operational capability</i>						
– Public safety CCTV network upgrades	Net cost	3,728	0	0	0	3,728
<i>Investing in public safety</i>						
– Public safety CCTV network upgrades	Net capital	47	160	0	0	207
– Public safety CCTV network upgrades	Net cost	20	116	159	184	479

Initiative title (by agency)	Net capital / Net cost of services	2023-24	2024-25	2025-26	2026-27	Total
<i>Well-prepared emergency services</i>						
– ACT Watch House upgrades	Net capital	565	586	294	0	1,445
– ACT Watch House upgrades	Net cost	0	0	20	263	283
– Emergency vehicle communication systems	Net capital	3,683	0	0	0	3,683
– Emergency vehicle communication systems	Net cost	(267)	1,267	1,286	1,305	3,591
– More frontline paramedics	Net cost	1,440	5,914	5,735	5,898	18,987
Major Projects Canberra						
<i>Better transport infrastructure</i>						
– Continuing works on raising London Circuit	Net capital	0	0	0	0	0
– Delivering Light Rail Stage 2A ^{1,2}	Net capital	12,415	(78,536)	(100,536)	(116,641)	(283,298)
– Delivering Light Rail Stage 2A ^{1,2}	Net cost	2,457	0	0	0	2,457
<i>CIT Woden Campus</i>						
– Provision of fitout, furniture and ICT ¹	Net capital	(6,474)	27,397	0	0	20,923
– Provision of fitout, furniture and ICT ¹	Net cost	0	0	751	751	1,502
Suburban Land Agency						
<i>Increasing housing access, choice and affordability</i>						
– Supporting accelerated land release	Net capital	50,000	0	0	0	50,000
Transport Canberra and City Services Directorate						
<i>Better transport infrastructure</i>						
– Improving our bus network	Net capital	21,447	(13,065)	13,358	(6,565)	15,175
– Improving our bus network	Net cost	0	499	2,160	4,555	7,214
– Improving road and intersection safety	Net capital	(3,358)	6,766	0	0	3,408
– Improving road and intersection safety	Net cost	118	143	171	510	942
Household waste and recycling services	Net capital	NFP	NFP	NFP	NFP	NFP
Household waste and recycling services	Net cost	NFP	NFP	NFP	NFP	NFP
Improving the national rail network	Net cost	74	79	64	35	252
<i>Investing in public services</i>						
– Strengthening internal capabilities through insourcing	Net capital	340	0	0	0	340
– Strengthening internal capabilities through insourcing	Net cost	200	302	441	395	1,338
<i>Sustaining Public Transport</i>						
– Keeping fares low	Net cost	11,692	0	0	0	11,692
Urban Forest ICT system	Net capital	2,066	0	0	0	2,066
Urban Forest ICT system	Net cost	(136)	700	740	780	2,084

Notes:

1. This initiative is delivered by multiple agencies.
2. This initiative contains funding outside the forward estimates.

Better community infrastructure – A new Fitzroy Pavilion for community events



	2023-24	2024-25	2025-26	2026-27	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	3,790	800	0	0	4,590
Offset – Capital – Provision	-3,125	0	0	0	-3,125
Net capital	665	800	0	0	1,465
Depreciation	0	0	230	230	460
Net cost of services	0	0	230	230	460

The Government will refurbish the Fitzroy Pavilion at Exhibition Park in Canberra (EPIC) to transform the venue into a versatile, large-scale community event space to meet the venue hire needs of a wide range of community groups.

This initiative is partially offset through funding provisioned through the 2023-24 Budget initiative *Better community infrastructure – Refurbishing the Fitzroy Pavilion for major community events*.

This initiative contributes to the wellbeing domain of Social connection.

Better community infrastructure – Designing major new precincts



	2023-24	2024-25	2025-26	2026-27	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	1,900	0	0	0	1,900
Net cost of services	1,900	0	0	0	1,900

The Government will undertake further planning and project development works for three major precinct renewal projects. The precincts are:

- Exhibition Park in Canberra (EPIC) – Stage 1 redevelopment.
- City Convention Precinct – Entertainment Pavilion and convention facilities.
- Bruce Sports, Health and Education Precinct – Stadium, Arena, TAFE and hospital facilities.

The Government will also engage with the Commonwealth to plan and deliver the projects outlined through this initiative, noting their city-shaping potential and the national benefits they would realise.

This initiative contributes to the wellbeing domain of Economy. Other domains which this initiative significantly contributes to are Identity and belonging and Social connection.

Better community infrastructure – Stromlo Forest Park maintenance



	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	Total \$'000
Expenses	373	711	724	737	2,545
Offset – Expenses	-142	-581	-596	-612	-1,931
Net cost of services	231	130	128	125	614

The Government will establish a dedicated team within University of Canberra Stromlo Forest Park (UC Stromlo) to manage horticulture, trail maintenance and park improvement activities. The team will improve ongoing service delivery and visitor experience through enhanced oversight of UC Stromlo's trails and facilities.

This initiative contributes to the wellbeing domain of Social connection.

Board of Inquiry



	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	Total \$'000
Expenses	314	0	0	0	314
Net cost of services	314	0	0	0	314

The Government will ensure the secure handling and management of the extensive documentation associated with the Board of Inquiry – Criminal Justice System.

This initiative contributes to the wellbeing domain of Governance and institutions.

Boosting business and the economy – Strengthening Canberra's tourism and events industry



	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	Total \$'000
Expenses	225	0	0	0	225
Net cost of services	225	0	0	0	225

The Government will deliver a range of additional international marketing and programs, to enhance the ACT's visibility and recognition across key international markets. This initiative includes international marketing and trade mission activities, and international content partnerships.

This initiative builds upon funding provided through the 2023-24 Budget initiative *Boosting business and the economy - Continuing to strengthen our tourism and events industry*.

This initiative contributes to the wellbeing domain of Economy.

Boosting business and the economy – Supporting the night-time economy



	2023-24	2024-25	2025-26	2026-27	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	83	0	0	0	83
Revenue forgone	50	133	138	142	463
Net cost of services	133	133	138	142	546

The Government will introduce a range of reforms to enhance Canberra's night-time economy and foster a more vibrant hospitality sector, including:

- reducing licensing fees for cafes and restaurants that seat 80 people or fewer;
- automatically allowing licensed restaurants and cafes that seat 80 people or fewer to trade until 2am; and
- reducing liquor licensing fees for smaller bars and general licences.

This initiative contributes to the wellbeing domains of Economy and Social connection.

Climate action – Renewables Skills Hub



	2023-24	2024-25	2025-26	2026-27	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	250	250	0	0	500
Net cost of services	250	250	0	0	500

Support will be provided to progress initial design work on the Future Energy Skills Hub at the Canberra Institute of Technology Fyshwick to support the ACT's transition to net-zero emissions by 2045. Initial work will consider the current and future functional requirements of the CIT campuses at Fyshwick and Bruce.

This initiative contributes to the wellbeing domains of Education and life-long learning and Environment and climate.

Delivering major events



	2023-24	2024-25	2025-26	2026-27	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	130	120	0	0	250
Net cost of services	130	120	0	0	250

The Government will provide additional resourcing to support the delivery of the Floriade and Enlighten festivals, including engaging a creative director to support the delivery of the 2025 Enlighten Festival.

This initiative contributes to the wellbeing domain of Economy.

Driver licence medical assessments



	2023-24	2024-25	2025-26	2026-27	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	19	1,882	154	0	2,055
Net capital	19	1,882	154	0	2,055
Depreciation	0	0	441	441	882
Expenses	146	365	467	385	1,363
Net cost of services	146	365	908	826	2,245

The Government will support the development and implementation of an efficient and streamlined online lodgement system for driver licence medicals. The new system will allow medical professionals to complete and lodge driver licence medicals from within their practice.

This initiative builds upon the 2023-24 Budget initiative *Improving Safety of Drivers – Medical Assessments for Heavy Vehicle Drivers (Access Canberra) and Fitness to drive Medical Clinic*

This initiative contributes to the wellbeing domain of Safety.

Enhanced community engagement capacity



	2023-24	2024-25	2025-26	2026-27	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	725	0	0	0	725
Net cost of services	725	0	0	0	725

The Government will continue to enhance and modernise our engagement with the Canberra community through the YourSay online platform. The YourSay program, including the panel, survey processes, analysis and web platform is used across the Government to engage with the broadest possible range of Canberrans and inform policy development. Upgrades to the platform will include enhanced security to maintain appropriate protection for users.

This initiative contributes to the wellbeing domain of Governance and institutions.

Increasing housing access, choice and affordability – Implementing the Social Housing Accelerator



	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	Total \$'000
Capital – Provision	0	NFP	NFP	NFP	50,000
Net capital	0	NFP	NFP	NFP	50,000

The Government will deliver an additional 55 to 65 public housing dwellings as part of the Commonwealth Social Housing Accelerator Program.

This initiative builds on Government's investment in the *Growing and Renewing Public Housing Program* that will deliver an additional 400 public housing dwellings by 2026-27.

This initiative will be funded through the Commonwealth Government Social Housing Accelerator Payment of \$50 million.

This initiative contributes to the wellbeing domain of Housing and home.

Increasing housing access, choice and affordability – MyHome – Supporting vulnerable Canberrans



	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	Total \$'000
Expenses	500	0	0	0	500
Expenses – Provision	0	NFP	NFP	NFP	NFP
Net cost of services	500	NFP	NFP	NFP	NFP

The Government is delivering on its 10th Parliamentary and Governing Agreement commitment of '*working with the land owners and community organisations to deliver the MyHome proposal in Curtin*' by providing funding of up to \$500,000 in 2023-24 to support design and planning work that will enable the project to proceed to the Development Application stage. Subject to the outcomes of this planning work and negotiation with the proponent, the Government will also provide funding to support construction of the facility.

The MyHome project is designed to provide long-term supported residential accommodation and care for 15 individuals with enduring mental illness who face barriers to accessing the private rental market.

This initiative contributes to the wellbeing domain of Housing and home.

**Increasing housing access, choice and affordability –
Progressing Build-to-Rent through the Affordable
Housing Project Fund**



	2023-24	2024-25	2025-26	2026-27	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	83	171	177	0	431
Expenses	NFP	NFP	NFP	NFP	NFP
Offset – Affordable Housing Project Fund	NFP	NFP	NFP	NFP	NFP
Net cost of services	NFP	NFP	NFP	NFP	NFP

The Government will negotiate two additional funding agreements with Community Housing Providers to increase the stock of social and affordable housing in the ACT. Subject to successful negotiation, these projects are expected to deliver around 100 additional affordable rental properties.

The projects will be funded through the \$60 million Affordable Housing Project Fund the Government established in the 2023-24 Budget to grow the supply of affordable rental properties and boost the community housing sector.

These projects are in addition to the four projects which collectively are expected to deliver around 180 new affordable properties and announced as part of the 2023-24 Budget.

As the terms of these projects are still being negotiated, the funding has been provisioned and the amounts are not for publication.

The Government is also further investing in supporting proponents to help grow the stock of social and affordable housing in the ACT, and to leverage opportunities available through the Housing Australia Future Fund.

This initiative contributes to the wellbeing domains of Housing and home and Living standards.

Increasing housing access, choice and affordability – Supporting the new Territory Plan



	2023-24	2024-25	2025-26	2026-27	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	307	633	655	666	2,261
Expenses – Environment, Planning and Sustainable Development Directorate	139	289	299	306	1,033
Revenue forgone	3,000	5,600	5,600	2,700	16,900
Net cost of services	3,446	6,522	6,554	3,672	20,194

The Government will provide additional education and compliance resources to support the implementation of the new planning system. This includes resourcing within the Environment Protection Authority and the Office of the Conservator of Flora and Fauna, and the formation of a new Planning Compliance team in Access Canberra.

To improve housing access, choice and affordability, from 27 November 2023 to 30 June 2026, the Government will also:

- provide a full stamp duty concession on the first purchase of unit titled dwellings in Residential Zone 1 (RZ1) for purchases up to \$800,000; and
- allow leaseholders of blocks over 800 square metres in RZ1 who vary their lease to permit a dual occupancy development to choose either the codified values or the before and after valuation method to calculate the lease variation charge.

This will support the Territory Plan changes to allow unit titling of dual occupancies in RZ1 for blocks over 800 square metres, where one dwelling is no more than 120 square metres.

The Government has also permanently increased the price threshold for the off-the-plan unit duty concession from \$700,000 to \$800,000.

This initiative contributes to the wellbeing domains Housing and home and Economy.

Independent review of the governance of the ACT's new planning system



	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	Total \$'000
Expenses	231	0	0	0	231
Net cost of services	231	0	0	0	231

The Government will improve the governance arrangements required to support the ACT's new planning system. An independent review of the governance of the new planning system has been commissioned by the Chief Minister.

This initiative contributes to the wellbeing domain of Governance and institutions.

Investing in public services – Access Canberra



	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	Total \$'000
Expenses	1,521	0	0	0	1,521
Net cost of services	1,521	0	0	0	1,521

The Government will continue to support Access Canberra to provide services to the Canberra community. This includes additional resourcing to ensure compliance with Payment Card Industry Data Security Standards (PCI DSS).

This initiative builds on funding provided through the 2023-24 Budget initiative *Critical Information Systems and Infrastructure Modernisation*.

This initiative contributes to the wellbeing domain of Governance and institutions.

Investing in public services – Continuing to implement the Secure Employment Framework



	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	Total \$'000
Expenses	903	1,863	963	0	3,729
Offset – Expenses – Provision	-285	0	0	0	-285
Net cost of services	618	1,863	963	0	3,444

The Government will provide additional resourcing to the ACT Public Service to support the implementation of the Secure Employment Framework, which will assist in assessing whether services or works currently procured externally could be delivered within Government.

This initiative is partially offset against funding provisioned through the 2023-24 Budget initiative *Investing in Jobs – Secure Employment Framework*.

This initiative contributes to the wellbeing domains of Economy and Governance and institutions.

Investing in public services – Managing the 2024 Election Commitment Costing process



	2023-24	2024-25	2025-26	2026-27	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	245	505	0	0	750
Net cost of services	245	505	0	0	750

The Government will provide additional resourcing to the Chief Minister, Treasury and Economic Development Directorate (Treasury) to assist with increased workloads in the lead up to 2024 ACT Election, particularly in relation to activities under the *Election Commitments Costing Act 2012*.

This initiative contributes to the wellbeing domain of Governance and institutions.

Licensing system for professional engineers



	2023-24	2024-25	2025-26	2026-27	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	1,810	1,331	0	0	3,141
Net capital	1,810	1,331	0	0	3,141
Depreciation	0	0	661	661	1,322
Expenses	140	227	235	239	841
Net cost of services	140	227	896	900	2,163

The Government will establish a new common licensing capability ICT system which will be a central registration system for a range of ACT business licence types managed by Access Canberra. The new system will be a scalable solution, capable of integrating new and additional license types over time. The system will support the new Professional Engineers Registration Scheme upon its commencement.

This initiative builds on the 2022-23 Budget Review initiative *Registration scheme for professional engineers* and 2023-24 Budget initiative *Critical Information Systems and Infrastructure Modernisation*.

This initiative contributes to the wellbeing domains of Access and connectivity and Safety.

Partial restoring of commercial general rates revenue



	2023-24	2024-25	2025-26	2026-27	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	0	1,900	4,000	4,250	10,150
Net cost of services	0	-1,900	-4,000	-4,250	-10,150

The Government will recover some lost revenue from previous freezes by increasing average general rates for commercial properties with an Average Unimproved Value (AUV) of \$2 million or below by around an additional 1.7 percentage points in 2024-25 and 2025-26.

This measure will restore half of the ongoing revenue being forgone every year because of the freeze in average rates for these properties in 2020-21 as part of the Government's COVID-19 Economic Survival Package. This freeze was implemented through lower tax rates for these properties, which remain in place.

Importantly, this measure will not recoup any of the revenue forgone between 2020-21 and 2023-24, ensuring that the support provided to businesses to help them through the pandemic is unaffected.

The revenue raised by this initiative supports the Government's contributions to all wellbeing domains and significantly contributes to the wellbeing domain of Economy.

Partial restoring of regulatory services fees revenue



	2023-24	2024-25	2025-26	2026-27	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	0	500	1,000	1,600	3,100
Net cost of services	0	-500	-1,000	-1,600	-3,100

The Government will index fees for regulatory services by an additional 0.35 percentage points for three years from 2024-25. These fees ordinarily increase in line with the Wage Price Index each year.

This initiative will restore around half of the ongoing revenue being forgone every year from the freeze on ACT Government fees and charges in 2020-21 as part of the Government's COVID-19 Economic Survival Package.

Importantly, this measure will not recoup any of the revenue forgone between 2020-21 and 2023-24, ensuring that the support provided to businesses to help them through the pandemic is unaffected.

The revenue raised by this initiative supports the Government's contributions to all wellbeing domains and significantly contributes to the wellbeing domain of Economy.

**Protecting Canberra’s unique environment –
Continuing the replacement of non-potable water
pipeline to Uriarra Village**



	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	Total \$'000
Offset – Market Conditions Provision	-441	0	0	0	-441
Net Capital	-441	0	0	0	-441
Expenses	6,405	0	0	0	6,405
Offset – Expenses	-5,964	0	0	0	-5,964
Net cost of services	441	0	0	0	441

The Government will provide additional funding for the 4.1 kilometre non-potable water pipeline to Uriarra Village due to more hard rock than expected being discovered during the delivery of the project.

This initiative builds upon the 2022-23 Budget initiative *Protecting Canberra’s unique environment – Replacement of non-potable water pipeline to Uriarra Village*.

This initiative contributes to the wellbeing domains of Access and connectivity and Housing and home.

Modernising our traffic and parking systems



	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	Total \$'000
Expenses	778	690	0	0	1,468
Net cost of services	778	690	0	0	1,468

The Government will provide additional resourcing to undertake the procurement of a comprehensive and modern traffic and parking management system.

This initiative builds on the 2023-24 Budget initiative *Modernising our traffic and parking system*.

This initiative contributes to the wellbeing domain of Governance and institutions.

Supporting the Australian Olympic and Paralympic Teams – Paris 2024



	2023-24	2024-25	2025-26	2026-27	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	300	0	0	0	300
Net cost of services	300	0	0	0	300

The Government will provide support to the Australian Olympic Committee and Paralympic Australia 2024 Paris Team Appeals, as well as training grants for eligible ACT athletes, to support the cost of athlete preparation for the 2024 Paris Games.

This initiative builds on the 2019-20 Budget initiative *Supporting the Australian Olympic and Paralympic Teams – Tokyo 2020* and continues the Government's support for athletes competing in the Olympic games.

This initiative contributes to the wellbeing domain of Social connection.

Community Services Directorate

Aboriginal and Torres Strait Islander Healing and Reconciliation Grant Program



	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	Total \$'000
Expenses	200	0	0	0	200
Offset – Expenses	-200	0	0	0	-200
Net cost of services	0	0	0	0	0

The Government will establish a grant program for the local Aboriginal and Torres Strait Islander community to support reconciliation and healing following the outcome of the referendum on recognition of Aboriginal and Torres Strait Islander peoples in the Constitution through a Voice to Parliament.

This initiative builds on the Government's commitment to the *Healing and Reconciliation Fund – Establishment* initiative in the 2020-21 Budget and its ongoing support for the Aboriginal and Torres Strait Islander community in the ACT. The grant program is offset from funding previously committed to the 2022-23 Budget Review initiative *Establishing an Eminent Panel to support the engagement and healing process with First Nations People*.

The initiative contributes to the wellbeing domain of Identity and belonging.

Additional support for Out of Home Care



	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	Total \$'000
Expenses	3,985	0	0	0	3,985
Offset – Expenses – Provision	-2,480	0	0	0	-2,480
Net cost of services	1,505	0	0	0	1,505

The Government will provide additional funding to ensure delivery of out of home care services for children and young people who cannot remain safely with their families.

This initiative builds on reforms to out of home care services under the *Next Steps for Our Kids Strategy 2022-2030*, including \$65.5 million provided through the 2023-24 Budget to establish a new residential care provider, as well as to establish the Chief Practitioner to oversee development of the child protection and family support sector in the ACT.

This initiative contributes to the wellbeing domains of Safety and Identity and belonging.

Community support and inclusion – Establishing the Ministerial Advisory Council on Multiculturalism



	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	Total \$'000
Expenses	28	29	30	31	118
Net cost of services	28	29	30	31	118

The Government will provide additional funding for remuneration of members of the Ministerial Advisory Council on Multiculturalism consistent with a recent determination and as required by the *Multiculturalism Act 2023* (Multiculturalism Act).

This initiative builds on the Government's commitment to establish the Multiculturalism Act and the Ministerial Advisory Council.

The initiative contributes to the wellbeing domain of Identity and belonging.

Continuing the *Understanding Building and Construction Program* pilot



	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	Total \$'000
Expenses	167	172	0	0	339
Expenses – Education Directorate	183	195	0	0	378
Offset – Expenses	-248	-156	0	0	-404
Net cost of services	102	211	0	0	313

The Government will provide additional funding for the continued delivery of the *Understanding Building and Construction Program* in five ACT public schools, to increase female participation in the construction industry by promoting vocational education and training opportunities for women in the sector.

This initiative builds on the 2022-23 Budget Review initiative *Investing in public education – Continuation of the Understanding Building and Construction Pilot Program*.

This initiative will be partially offset by contributions from the Training Fund Authority.

This initiative contributes to the wellbeing domain of Education and life-long learning.

Free period products: stage one



	2023-24	2024-25	2025-26	2026-27	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	0	288	53	0	341
Net capital	0	288	53	0	341
Depreciation	0	0	58	68	126
Expenses	131	1,080	376	0	1,587
Expenses – Education Directorate	182	469	241	0	892
Net cost of services	313	1,549	675	68	2,605

The Government will install dispensers to provide free period products in ACT public schools, public places and public health facilities for those experiencing period poverty as outlined in the *Period Products and Facilities (Access) Act 2023*. The Government will also provide educational resources on menstrual health to assist menstruating Canberrans who are experiencing period poverty.

This initiative contributes to the wellbeing domains of Living standards and Health.

Supporting the Aboriginal and Torres Strait Islander Elected Body (ATSIEB)



	2023-24	2024-25	2025-26	2026-27	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	338	513	339	0	1,190
Offset – Healing and Reconciliation Fund	-200	0	0	0	-200
Net cost of services	138	513	339	0	990

The Government will strengthen the independence and self-determination of the Aboriginal and Torres Strait Islander Elected Body through additional funding to increase its capacity to provide policy advice and to increase its engagement and accountability to the community. This will also include funding for the review of the Elected Body model, in alignment with the National Agreement on Closing the Gap and strengthen the self-determination of the Aboriginal and Torres Strait Islander community.

This initiative builds on the Government's commitment to the *Healing and Reconciliation Fund – Establishment* initiative in the 2020-21 Budget and its ongoing support for the Aboriginal and Torres Strait Islander community in the ACT.

The initiative contributes to the wellbeing domain of Identity and belonging.

Education Directorate

Investing in public education – Digital Access & Equity Program



	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	Total \$'000
Capital	624	0	0	0	624
Net capital	624	0	0	0	624
Depreciation	0	125	125	125	375
Net cost of services	0	125	125	125	375

The Government will provide additional funding to support the rise in costs in purchasing Chromebooks.

This initiative builds on the Government's ongoing commitment towards increasing digital access for all school-based students and staff, providing Information Communication Technology (ICT) that is fit for the learners of today and ensuring every child gets an equal opportunity for education.

This initiative contributes to the wellbeing domain of Education and life-long learning.

Investing in public education – Enhancing inclusive education



	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	Total \$'000
Expenses	292	290	40	40	662
Net cost of services	292	290	40	40	662

The Government will strengthen inclusive education for students with disability in ACT public schools as part of the *Inclusive Education: A Disability Inclusion Strategy for ACT Public Schools 2024-2034* and *First Action Plan*, through resources for cultural change, improved communication, a student voice forum and a review of allied health supports.

This initiative builds on recent Government actions in this area including the 2023-24 Budget initiative *Investing in Public Education – Phased Implementation of Inclusive Education Coaches*.

This initiative contributes to the wellbeing domain of Education and life-long learning.

Investing in public education – Improving pay and working conditions for school assistants



	2023-24	2024-25	2025-26	2026-27	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	2,965	6,061	6,492	7,853	23,371
Net cost of services	2,965	6,061	6,492	7,853	23,371

The Government will improve conditions and career pathways for school assistants, by introducing an annual allowance and adjusting classifications in the enterprise agreement.

This initiative builds on recent Government actions in this area, including the 2023-24 Budget initiative *Investing in public education – Improving pay and working conditions for educators and school-based staff*, which delivered nation-leading pay and better workloads for educators that prioritise educational leadership, teaching and learning and addressed recommendations by the Teacher Shortage Taskforce by implementing specific workload reduction measures.

This initiative contributes to the wellbeing domain of Education and life-long learning.

Environment, Planning and Sustainable Development Directorate

Climate action – Integrated Energy Plan – Utilities technical code



	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	Total \$'000
Expenses	228	0	0	0	228
Net cost of services	228	0	0	0	228

The Government will commence the preliminary work necessary to develop technical regulatory requirements for utilities and investigate regulatory measures to support the release of the Integrated Energy Plan in 2024.

This initiative builds on recent Government actions in this area including, the 2023-24 Budget initiative *Climate action – Expanding energy and climate capability*.

This initiative contributes to the wellbeing domain of Environment and climate.

Individual water metering for new unit developments



	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	Total \$'000
Revenue	-1,180	-2,110	-2,500	-2,250	-8,040
Net cost of services	1,180	2,110	2,500	2,250	8,040

The Government will support improved water conservation and more equitable water billing arrangements by mandating the installation of individual water meters for cold water supply in all new unit developments in the ACT. The additional meter network-related costs for Icon Water will result in reduced dividends payable to the Government.

This initiative builds on recent Government actions in this area including the *Unit Titles Reform Project* and *Managing Building Better reforms*.

This initiative contributes to the wellbeing domains of Living standards and Environment and climate.

Investing in public services – Extending the Loose-Fill Asbestos Coordination team



	2023-24	2024-25	2025-26	2026-27	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	4,320	1,833	0	0	6,153
Offset – Capital	-4,320	-1,460	0	0	-5,780
Net capital	0	373	0	0	373
Expenses	1,836	1,243	0	0	3,079
Offset – Expenses	-1,836	-1,243	0	0	-3,079
Net cost of services	0	0	0	0	0

The Government will extend the operation of the Loose Fill Asbestos Coordination team for a further 18 months from January 2024 to complete work related to the Loose Fill Asbestos Insulation Eradication Scheme, including the remediation and management of remaining affected properties. This initiative is partially offset against existing funding and resourcing within the Environment, Planning and Sustainable Development Directorate.

This initiative builds on recent Government actions in this area including, the 2022-23 Budget initiative *Investing in public services – Establishing an Asbestos Coordination and Assistance team*.

This initiative contributes to the wellbeing domains of Housing and home and Governance and institutions.

National Red Imported Fire Ant response



	2023-24	2024-25	2025-26	2026-27	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	1,201	1,143	1,313	1,441	5,098
Offset – Expenses	-301	-300	-300	-300	-1,201
Net cost of services	900	843	1,013	1,141	3,897

The Government will fund the ACT's financial commitments to the revised *National Red Imported Fire Ants Response Plan 2023-27*. This initiative will be partially offset against existing funding within the Environment, Planning and Sustainable Development Directorate.

This builds on the 2023-24 Budget initiative *Protecting Canberra's unique environment – Strengthening our biosecurity and nature conservation programs*.

This initiative contributes to the wellbeing domain of Environment and climate.

Property developer licensing and regulation system



	2023-24	2024-25	2025-26	2026-27	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	117	0	0	0	117
Net cost of services	117	0	0	0	117

The Government will undertake design works for an ICT solution to facilitate the licensing of property developers undertaking projects in the ACT, as outlined in the *Property Developers Bill 2023*.

This initiative contributes to the wellbeing domains of Housing and home and Economy.

Protecting Canberra's unique environment – Urban rivers and catchments program



	2023-24	2024-25	2025-26	2026-27	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	455	948	948	855	3,206
Offset – Revenue – Commonwealth contribution	-455	-948	-948	-855	-3,206
Net cost of services	0	0	0	0	0

The Government will support the delivery of the Commonwealth's Urban Rivers and Catchments program by facilitating the payment of grants to eligible ACT entities. The cost of this initiative will be fully offset through revenue received from the Commonwealth Government.

This initiative contributes to the wellbeing domain of Environment and climate.

Health Portfolio Agencies

Health services in the ACT are delivered by two distinct agencies:

- The ACT Health Directorate is responsible for the stewardship of the health system, providing policy and population health capability, with a focus on developing strategies and direction setting to ensure services meet community needs and expectations, and delivering improved health outcomes through an innovative health system, that is effective and sustainable now and into the future; and
- Canberra Health Services focuses on the delivery of front-line services including the administration of Canberra's public hospitals, Walk-in centres and community health centres.

Due to the structure of the health agencies, most of the initiatives listed below will be delivered by both. For ease of reading, the initiative funding profiles for the separate agencies have been combined under each initiative.

A Health Funding Envelope is used to provide funding certainty for both Health agencies, regardless of changes in Commonwealth Government funding and other sources of income. The operating costs associated with new health facilities are also funded from the envelope which includes annual indexation for price growth as well as growth in activity. Some initiatives contained in this Budget Review are offset against this investment, as can be seen in the initiative description financial tables.

Better care for our community – Continuing delivery of the Digital Health Strategy



	2023-24	2024-25	2025-26	2026-27	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	16,074	0	0	0	16,074
Net capital	16,074	0	0	0	16,074
Depreciation	1,770	2,296	2,296	2,296	8,658
Expenses	47,981	0	0	0	47,981
Expenses – Chief Minister, Treasury and Economic Development Directorate	500	500	0	0	1,000
Net cost of services	50,251	2,796	2,296	2,296	57,639

The Government will provide further support for delivery of digital health services through additional investment in specialist workforce resources, infrastructure and cybersecurity. This investment includes resources to assess delivery of digital health services over time.

This initiative builds on previous Government investments including *ACT Health Core ICT Systems to align with the Digital Health Strategy* funded in the 2019-20 Budget, and *Investing in public health care – Digital Health Record – transforming the way health care is provided* funded in the 2022-23 Budget.

This initiative contributes to the wellbeing domains of Health and Governance and institutions.

Better care for our community – Continuing the second Police, Ambulance and Clinician Early Response team



	2023-24	2024-25	2025-26	2026-27	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses – Canberra Health Services	137	0	0	0	137
Expenses – Justice and Community Safety Directorate	319	0	0	0	319
Offset – Expenses	-102	0	0	0	-102
Net cost of services	354	0	0	0	354

The Government will continue funding for the second Police, Ambulance and Clinician Early Response (PACER) team. This mental health emergency program provides an integrated model of care bringing together police, paramedics and mental health clinicians.

This initiative builds on recent Government actions including establishment of the PACER program as part of the *COVID-19 Response – Mental health support package* in the 2021-22 Budget, and *Better care for our community – Expansion of the Police, Ambulance and Clinician Early Response mental health program* in the 2022-23 Budget.

This initiative contributes to the wellbeing domains of Health and Safety.

Better care for our community – Implementing the ACT Disability Health Strategy 2024-2033



	2023-24	2024-25	2025-26	2026-27	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	430	2,235	965	409	4,039
Offset – Health Funding Envelope	0	-2,235	-965	-409	-3,609
Net cost of services	430	0	0	0	430

The Government will provide funding for the implementation of the *ACT Disability Health Strategy 2024-2033* and actions in the *First Action Plan 2024-2026* to ensure people with disability have equitable and appropriate access to healthcare in the ACT and improved health outcomes. The investment will include:

- establishing a Disability Health Reference Group,
- establishing Easy English training for healthcare services and accessible healthcare information, and
- the scoping of multiple support programs for people with disability to access health services and support.

This initiative builds on recent Government actions in this area including the *Better care for our community – Development of the ACT Disability Health Strategy and First Action Plan* funded in the 2022-23 Budget.

This initiative contributes to the wellbeing domains of Health and Access and connectivity.

Designing and implementing the Voluntary Assisted Dying (VAD) model



	2023-24	2024-25	2025-26	2026-27	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	1,188	1,239	0	0	2,427
Offset – Expenses	-188	-239	0	0	-427
Net cost of services	1,000	1,000	0	0	2,000

The Government will establish a taskforce to implement Voluntary Assisted Dying (VAD) legislation in the ACT. The VAD program will support eligible Canberrans in making informed end-of-life choices.

This initiative builds on recent Government actions including *Planning to implement the Voluntary Assisted Dying model* funded in the 2023-24 Budget.

This initiative contributes to the wellbeing domains of Health and Governance and institutions.

Implementing the *Assisted Reproductive Technology Bill 2023*



	2023-24	2024-25	2025-26	2026-27	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital – Provision	0	1,000	0	0	1,000
Net capital	0	1,000	0	0	1,000
Expenses	298	647	517	303	1,765
Offset – Expenses	-298	0	0	0	-298
Offset – Health Funding Envelope	0	-574	-517	-303	-1,394
Net cost of services	0	73	0	0	73

The Government will implement regulations to ensure the quality, transparency and safety of assisted reproductive technology services in the ACT. It will also establish a donor register to provide donor-conceived people with access to genetic health information and knowledge of their ethnicity and cultural background, as well as case management and counselling services for those accessing the register.

This initiative contributes to the wellbeing domains of Health and Identity and belonging.

Improving Canberra's health infrastructure – More capacity in the Critical Services Building



	2023-24	2024-25	2025-26	2026-27	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	6,800	1,148	0	0	7,948
Net capital	6,800	1,148	0	0	7,948
Depreciation	0	852	1,135	1,135	3,122
Expenses	1,386	6,107	5,925	6,091	19,509
Offset – Revenue	0	-711	-730	-749	-2,190
Offset – Health Funding Envelope	0	-1,712	-5,195	-5,342	-12,249
Net cost of services	1,386	4,536	1,135	1,135	8,192

The Government will invest in an expansion of emergency, critical care and medical imaging capacity as we finalise the Canberra Hospital Expansion. This investment includes digital health resources to support state-of-the-art health care delivery in the Critical Services Building to support even more Canberrans in 2024. This investment will:

- increase Emergency Department capacity at Canberra Hospital with more treatment spaces, health workers and intensive support for patients needing specialised care;
- expand the Medical Emergency Team at Canberra Hospital;
- bring additional medical imaging resources online in the Critical Services Building; and
- enhance the digital health capabilities of the Critical Services Building.

This initiative builds on recent Government investments in the Canberra Hospital Expansion, including *Investing in public health care – Boosting the workforce and operationalising the Critical Services Building* funded in the 2023-24 Budget.

This will support the Critical Services Building’s planned opening in 2024 and contributes to the wellbeing domain of Health.

Increased insurance premiums



	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	Total \$'000
Expenses – Canberra Health Services	11,378	0	0	0	11,378
Expenses – Justice and Community Safety Directorate	3,502	0	0	0	3,502
Expenses – Education Directorate	3,240	0	0	0	3,240
Offset – Expenses – Provision	-9,493	0	0	0	-9,493
Net cost of services	8,627	0	0	0	8,627

The Government will provide additional funding to meet higher than anticipated costs of insurance premiums for Canberra Health Services, the Justice and Community Safety Directorate and the Education Directorate.

This initiative contributes to the wellbeing domain of Governance and institutions.

Investing in public health care – Expanded inpatient services at University of Canberra Hospital



	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	Total \$'000
Expenses	12,204	0	0	0	12,204
Net cost of services	12,204	0	0	0	12,204

The Government will provide additional funding for inpatient capacity at the University of Canberra Hospital.

This investment provides additional resourcing for inpatient rehabilitation services, including:

- sub-acute bed capacity at the University of Canberra Hospital;
- nursing and staffing resources to support expanded activity; and
- additional medical and allied health staffing to reduce length-of-stay and support flow across hospital services.

This initiative contributes to the wellbeing domain of Health.

Investing in public health care – Infectious disease prevention and response



	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	Total \$'000
Expenses	8,300	0	0	0	8,300
Net cost of services	8,300	0	0	0	8,300

The Government will provide additional funding for Personal Protective Equipment for patients, staff and visitors at Canberra Health Services campuses.

This investment provides additional resourcing to support a safer healthcare environment that is focused on reducing the spread of infections and ensuring high quality treatment and care for vulnerable Canberrans. The initiative also includes funding for the provision of free COVID-19 PCR testing for concession card holders without a GP referral up to 31 December 2023 and free Rapid Antigen Tests in the community up to 31 January 2024.

This initiative contributes to the wellbeing domain of Health.

Investing in public health care – Supporting public health services



	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	Total \$'000
Expenses	37,842	0	0	0	37,842
Net cost of services	37,842	0	0	0	37,842

The Government will provide additional funding to support the ongoing sustainability of the ACT public health system to provide treatment and care for a growing population.

This investment provides additional resourcing for activity in public health services to support Canberrans to access the right care, in the right place, at the right time.

This initiative also includes up to \$10 million for North Canberra Hospital transition costs.

This initiative contributes to the wellbeing domain of Health.

Supporting our health workforce – Improving entitlements for health workers in the ACT public health system



	2023-24	2024-25	2025-26	2026-27	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	1,474	11,225	10,637	4,469	27,805
Offset – Expenses	-356	-437	-375	-152	-1,320
Offset – Health Funding Envelope	0	-8,901	-8,642	-3,642	-21,185
Net cost of services	1,118	1,887	1,620	675	5,300

The Government will introduce new entitlements for a range of health workers as a result of enterprise agreement negotiations.

These entitlements will improve attraction and retention of health workers to the ACT through incentives for professional development and for specialist workforces to continue developing their areas of specialisation in the ACT public health system.

This initiative contributes to the wellbeing domain of Health.



Extending the Rent Relief Fund

	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	Total \$'000
Expenses	2,110	0	0	0	2,110
Net cost of services	2,110	0	0	0	2,110

The Government will extend the Rent Relief Fund (the Fund) to provide targeted support to low-income households who are experiencing rental stress or severe financial hardship. The Fund will be available to 30 June 2024 and provide grants for up to four weeks rent capped at \$2,500.

This initiative builds on the 2021-22 Budget Review initiative *COVID-19 Response – Rent Relief Fund for vulnerable Canberrans* and the 2022-23 Budget Review initiative *Rent Relief Fund*.

This initiative contributes to the wellbeing domains of Housing and home and Living standards.

Improving equity in the justice system – Continued support for victims of crime



	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	Total \$'000
Expenses	7,600	0	0	0	7,600
Net cost of services	7,600	0	0	0	7,600

The Government will continue to support victims of violent crimes in the ACT. Additional funding is provided to cover an increase in demand for the Victims of Crime Financial Assistance Scheme.

This initiative contributes to the wellbeing domain of Safety.

Investing in operational capability



	2023-24	2024-25	2025-26	2026-27	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	3,728	0	0	0	3,728
Net cost of services	3,728	0	0	0	3,728

The Government will provide additional funding to ensure the continued operational capability within the Justice and Community Safety Directorate. This includes additional funds to support ongoing legal expenses resulting from an increase in the number of claims involving the Territory.

This initiative contributes to the wellbeing domains of Governance and institutions and Safety.

Investing in public safety – Public safety CCTV network upgrades



	2023-24	2024-25	2025-26	2026-27	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	47	160	0	0	207
Net capital	47	160	0	0	207
Depreciation	0	0	21	41	62
Expenses	20	116	138	143	417
Net cost of services	20	116	159	184	479

The Government will replace ten mobile solar-powered Closed-Circuit Television (CCTV) cameras within the Public Safety CCTV Network. These improved cameras will enhance community safety at events and other locations throughout the ACT region.

This initiative contributes to the wellbeing domain of Safety.

Well-prepared emergency services – ACT Watch House upgrades



	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	Total \$'000
Capital	565	1,129	565	0	2,259
Offset – Asset Renewal Program	0	-543	-271	0	-814
Net capital	565	586	294	0	1,445
Depreciation	0	0	0	242	242
Expenses	0	0	20	21	41
Net cost of services	0	0	20	263	283

The Government will upgrade the ACT Policing Watch House, to ensure the safety of persons in custody, as well as improvements to staff rooms and the replacement of end-of-life medical, electrical and firefighting equipment.

This initiative builds on previous Government investment in this area, including the 2019-20 Budget initiative *Delivering Better Facilities 1* and the 2023-24 Budget Initiative *Delivering Better Facilities 2*.

This initiative contributes to the wellbeing domain of Safety.

Well-prepared emergency services – Emergency vehicle communication systems



	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	Total \$'000
Capital	3,683	0	0	0	3,683
Net capital	3,683	0	0	0	3,683
Depreciation	0	737	737	737	2,211
Expenses	8	530	549	568	1,655
Offset – Expenses	-275	0	0	0	-275
Net cost of services	-267	1,267	1,286	1,305	3,591

The Government will replace critical ICT systems that enable two-way communications between emergency vehicles and the 24/7 Emergency Services Agency (ESA) communication centre. This initiative will ensure the provision of high performing frontline emergency services across all of ESA's service lines.

This initiative builds on the 2022-23 Budget Review and 2022-23 Budget Initiatives *Well prepared emergency services – Upgrading the Emergency Services Agency's ICT strategy and systems*.

This initiative contributes to the wellbeing domain of Safety.

Well-prepared emergency services – More frontline paramedics



	2023-24	2024-25	2025-26	2026-27	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	1,440	5,914	6,106	6,281	19,741
Offset – Savings – Provision	0	0	-371	-383	-754
Net cost of services	1,440	5,914	5,735	5,898	18,987

The Government will invest additional resources to support implementation of a new roster for ACT Ambulance Service (ACTAS) paramedics to strengthen ambulance response capacity during times of peak demand, reduce work-related fatigue and increase training opportunities. Savings are estimated due to reduced overtime requirements following the transition to the new roster.

This initiative builds on previous Government investments in this area, including the 2023-24 Budget initiative *Well-prepared emergency services – ACT Ambulance Service – Modernised and Sustainable Service Plan*.

This initiative contributes to the wellbeing domain of Safety.

Major Projects Canberra

Better transport infrastructure – Continuing works on raising London Circuit



	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	Total \$'000
Capital	15,280	3,821	0	0	19,101
Offset – Capital – Provision	-15,280	-3,821	0	0	-19,101
Net capital	0	0	0	0	0

The Government will release provisioned funding to complete the raising of London Circuit to enable the progression of the delivery of Light Rail Stage 2A.

This initiative builds on recent Government investment in this area including support provided since the 2022-23 Budget initiative *Better Community Infrastructure – Raising London Circuit and associated works*.

This initiative contributes to the wellbeing domain of Access and connectivity.

Better transport infrastructure – Delivering Light Rail Stage 2A



	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	Total \$'000
Capital	38,588	19,372	51,568	37,688	147,216
Capital – Transport Canberra and City Services Directorate	0	631	652	671	1,954
Offset – Capital	-26,173	0	0	0	-26,173
Offset – Capital – Provision	0	-98,539	-152,756	-155,000	-406,295
Net capital	12,415	-78,536	-100,536	-116,641	-283,298
Expenses	2,457	0	0	0	2,457
Net cost of services	2,457	0	0	0	2,457

The Government has entered a service concession arrangement with Canberra Metro to progress the delivery of Light Rail Stage 2A.

This will enable the design and construction of an extension from the existing Light Rail Stage 1 terminus at Alinga Street to a new stop at Commonwealth Park, providing for the development of a north-south light rail transport spine for Canberra.

This initiative has capital funding beyond 2026-27. Of the \$577 million to Canberra Metro for the delivery phase cost of Light Rail Stage 2A, \$519 million will be paid in 2027-28 when construction is anticipated to be complete. Funding for remaining delivery phase costs will be provided from 2027-28, as well as payments for maintenance/operating costs and interest costs.

The initiative is partially supported by Commonwealth Government funding through the Rail Investment Component of the National Partnership Agreement on Land Transport Infrastructure Projects. To maintain the 50 per cent joint funding contribution, the Commonwealth Government announced an additional \$125 million funding as part of the 2023-24 MYEFO.

Further detail on the accounting treatment of Light Rail Stage 2A is provided on page 105.

This builds on recent Government investment in this area, including the *August 2020 Economic and Fiscal Update* initiative *Building Light Rail to Woden and raising London Circuit*.

This initiative contributes to the wellbeing domain of Access and connectivity.

CIT Woden Campus – Provision of fitout, furniture and ICT



	2023-24	2024-25	2025-26	2026-27	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	21,762	22,337	0	0	44,099
Capital – Canberra Institute of Technology	1,487	0	0	0	1,487
Capital – Provision – Canberra Institute of Technology	0	7,237	0	0	7,237
Offset – Capital	0	-2,177	0	0	-2,177
Offset – Capital – Provision	-29,723	0	0	0	-29,723
Net capital	-6,474	27,397	0	0	20,923
Depreciation	0	0	693	693	1,386
Depreciation – Canberra Institute of Technology	0	0	58	58	116
Net cost of services	0	0	751	751	1,502

The Government will continue to progress the construction of the new Canberra Institute of Technology (CIT) campus in Woden.

This initiative builds on recent Government investment in this area, including the *August 2020 Economic and Fiscal Update* initiative *Building the CIT Woden and Transport Interchange*.

This initiative contributes to the wellbeing domains of Education and life-long learning and Access and connectivity.

Suburban Land Agency

Increasing housing access, choice and affordability – Supporting accelerated land release



	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	Total \$'000
Capital	50,000	0	0	0	50,000
Net capital	50,000	0	0	0	50,000

The Government will support the land development and release process by enhancing the capital structure of the Suburban Land Agency (SLA) including:

- providing a one-off \$50 million capital injection in 2023-24;
- allowing the SLA to establish a short-term working capital facility; and
- modifying its dividend payment timing to require payment in four even instalments.

These measures will bring the SLA's capital structure and dividend policy more into line with comparable entities in other jurisdictions and give it more flexibility to respond to risks and opportunities as they arise, as well as maintain prudent liquidity requirements.

This initiative builds on recent Government actions supporting increased housing supply and affordability and contributes to the wellbeing domain of Housing and home.

Transport Canberra and City Services Directorate

Better transport infrastructure – Improving our bus network



	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	Total \$'000
Capital	26,003	54,959	40,451	0	121,413
Offset – Capital – Market Conditions Provision	-4,556	-4,470	0	0	-9,026
Offset – Capital – Provision	0	-63,554	-27,093	-6,565	-97,212
Net capital	21,447	-13,065	13,358	-6,565	15,175
Depreciation	0	1,524	4,570	7,267	13,361
Expenses	0	0	0	31	31
Offset – Savings	0	-1,025	-2,410	-2,743	-6,178
Net cost of services	0	499	2,160	4,555	7,214

The Government will continue to improve Canberra’s bus network by progressing the construction of the new Woden Bus Depot and works to enable safe access into and out of the new Woden Bus Depot on Athllon Drive, including upgrades to the Shea Street/Athllon Drive and Parramatta Street/Athllon Drive intersections.

This initiative also supports the delivery of 90 battery electric buses and the associated infrastructure.

This initiative will be partially offset by an existing provision of \$97.212 million provided through the 2022-23 Budget initiative *Climate action – Supporting the transition to a zero emissions bus fleet*, and further builds on recent Government action in this area including the 2021-22 Budget Review initiative *Climate action – Woden Bus Depot Electrification*.

This initiative contributes to the wellbeing domains of Access and connectivity and Environment and climate.

Better transport infrastructure – Improving road and intersection safety



	2023-24	2024-25	2025-26	2026-27	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	500	12,313	0	0	12,813
Offset – Capital	-3,858	-5,547	0	0	-9,405
Net capital	-3,358	6,766	0	0	3,408
Depreciation	0	0	171	171	342
Expenses	118	143	0	339	600
Net cost of services	118	143	171	510	942

The Government will upgrade the Norman Lindsay Street/Tharwa Drive intersection and undertake safety improvements to a number of roads and cycleways. Improvements include new off-road shared paths and cycleways, raised pedestrian crossings, safety barriers, speed signs, Audio Tactile Line Markings and other safety improvements at a number of sites across the Territory.

The Government will also review and update the ACT Road Safety Camera Strategy and undertake an evaluation of the ACT Road Safety Camera Program, which aims to guide the operation of automated enforcement technologies and support the ACT to reach Vision Zero.

This initiative builds on recent Government actions in this area including a number of road safety initiatives undertaken through the 2022-23 Budget initiative *Making roads safer*.

This initiative is partially supported by Commonwealth Government grants through the National Partnership Agreement on Land Transport Infrastructure – Road Safety Program and the Intersection Safety Program.

This will see the Commonwealth contribute 50 per cent towards the capital costs of the project.

This initiative contributes to the wellbeing domains of Access and connectivity and Safety.

Household waste and recycling services



	2023-24	2024-25	2025-26	2026-27	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital – Provision	NFP	NFP	NFP	NFP	NFP
Net capital	NFP	NFP	NFP	NFP	NFP
Expenses	4,083	52	69	69	4,273
Expenses – Provision	NFP	NFP	NFP	NFP	NFP
Net cost of services	NFP	NFP	NFP	NFP	NFP

The Government will renew contracts for the delivery of waste and recycling services to the community. This includes domestic recyclables and waste collection services, collection and processing of garden organics green waste, supply of bins, bulky waste collection services, site services and landfill operations at Mugga Lane Resource Management Centre, and mattress recycling services at Hume.

This initiative contributes to the wellbeing domains of Environment and climate and Access and connectivity.

Improving the national rail network



	2023-24	2024-25	2025-26	2026-27	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	74	79	64	35	252
Net cost of services	74	79	64	35	252

The Government will contribute to the National Transport Commission to advance rail interoperability throughout Australia, with a focus on national standards, aligning train control and signalling technology, skills training for drivers and crew, streamlining rolling stock approval regimes and identifying pathways for required digital skills.

This initiative contributes to the wellbeing domains of Access and connectivity and Governance and institutions.

Investing in public services – Strengthening internal capabilities through insourcing



	2023-24	2024-25	2025-26	2026-27	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	340	0	0	0	340
Net capital	340	0	0	0	340
Depreciation	0	34	34	34	102
Expenses	2,921	4,536	4,629	4,743	16,829
Offset – Expenses	-2,721	-4,268	-4,222	-4,382	-15,593
Net cost of services	200	302	441	395	1,338

The Government will transition various functions currently undertaken by non-Government employees to secure public service positions to enhance the job security. These functions include some of the Roads ACT Temporary Traffic Management (TTM) contract service, the ACT NoWaste weighbridge operation and services and the School Crossing Supervisor program. This initiative will be mostly offset through existing funding.

This initiative contributes to the wellbeing domains of Economy and Safety.

Sustaining Public Transport – Keeping fares low



	2023-24	2024-25	2025-26	2026-27	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	11,692	0	0	0	11,692
Net cost of services	11,692	0	0	0	11,692

The Government will ensure that transport fares remain low by providing additional funding to Transport Canberra to meeting increased operating costs.

This initiative contributes to the wellbeing domain of Access and connectivity.

Urban Forest ICT system



	2023-24	2024-25	2025-26	2026-27	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	3,207	0	0	0	3,207
Offset – Capital	-1,141	0	0	0	-1,141
Net capital	2,066	0	0	0	2,066
Depreciation	-346	0	0	0	-346
Expenses	210	700	740	780	2,430
Net cost of services	-136	700	740	780	2,084

The Government will support the completion of the implementation of the Urban Forest Management ICT system to manage ongoing operations of the reforms to the Territory's tree protection system under the *Urban Forest Act 2023*, to protect and grow Canberra's urban forest.

This initiative will be partially offset by existing funding of \$1.141 million provided through the 2022-23 Budget Review initiative *Protecting Canberra's environment – Implementing the Urban Forest Bill 2022* for the ICT system.

This initiative contributes to the wellbeing domain of Environment and climate.



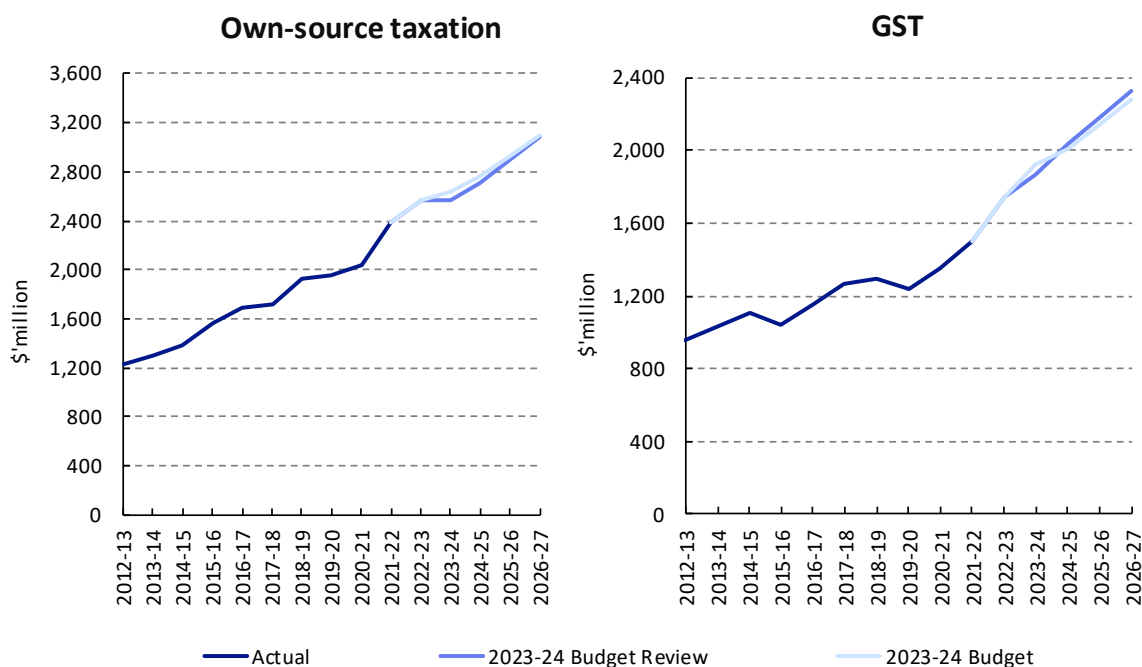
3.3 REVENUE

Revenue overview

General Government Sector (GGS) revenue is now estimated to be \$7.5 billion in 2023-24, \$189 million (2.5 per cent) lower than forecast in the 2023-24 Budget, primarily due to expected decreases in payroll tax and GST revenue.

Over the four years to 2026-27, GST revenue and own-source taxation revenue combined are forecast to be \$79.7 million (0.4 per cent) lower than expected at the time of the 2023-24 Budget. GST revenue is expected to be \$69.6 million (0.8 per cent) stronger, while own-source taxation revenue is anticipated to be \$149.3 million (1.3 per cent) lower.

Figure 3.3.1: Changes in the total of own-source taxation and GST revenue



Source: CMTEDD estimates.

Table 3.3.1: General Government Sector Revenue (\$'000)

	2022-23 Actual Outcome	2023-24 Budget	2023-24 Budget Review	2024-25 Revised Estimate	2025-26 Revised Estimate	2026-27 Revised Estimate
Own-source taxation	2,562,395	2,636,971	2,569,806	2,713,079	2,903,296	3,078,692
Goods and Services Tax	1,748,875	1,922,347	1,863,427	2,038,330	2,181,095	2,324,955
Commonwealth grants	1,417,722	1,443,795	1,406,061	1,538,585	1,508,691	1,543,339
Sales of goods and services	601,672	640,959	628,257	649,753	672,442	696,223
Investment revenue	157,211	181,564	151,885	194,665	209,747	225,889
Interest revenue	283,959	232,880	249,773	227,452	193,677	216,386
Dividend and income tax equivalents	54,868	168,814	176,663	204,817	366,085	361,952
Other revenue	207,266	248,945	252,223	292,544	386,543	416,460
Gains from contributed assets	227,657	215,107	204,172	201,342	292,269	204,689
Total	7,261,625	7,691,382	7,502,267	8,060,567	8,713,845	9,068,585

Own-source taxation revenue

Total own-source taxation revenue is estimated to be \$2.570 billion in 2023-24, which is \$67.2 million (2.5 per cent) lower than the 2023-24 Budget forecast. Over the four years to 2026-27, revised estimates are \$149.3 million lower than the 2023-24 Budget forecasts. The downward revision is largely attributable to weaker than expected payroll tax, gambling taxes and commercial conveyance duty revenue.

Over the forward estimates period, the average annual growth rate for own-source taxation revenue is expected to be 4.7 per cent, slightly lower than the 4.8 per cent average annual growth rate estimated at the time of the 2023-24 Budget.

Table 3.3.2: Own-source taxation revenue (\$'000)

	2022-23 Actual Outcome	2023-24 Budget	2023-24 Budget Review	2024-25 Revised Estimate	2025-26 Revised Estimate	2026-27 Revised Estimate
General tax						
Payroll tax	732,689	806,176	747,398	840,905	944,827	1,029,210
Tax waivers	0	2,448	2,448	2,510	2,572	2,634
General rates	736,635	757,553	757,553	802,114	848,996	896,183
Land tax	184,264	215,903	209,338	201,502	207,069	217,903
Total general tax	1,653,588	1,782,080	1,716,737	1,847,031	2,003,464	2,145,930
Duties						
Commercial conveyances	108,986	79,399	67,314	71,384	73,154	74,922
Residential conveyances	282,900	229,442	229,442	229,267	226,379	225,715
Motor vehicle registrations and transfers	39,626	39,932	39,932	41,119	42,226	42,825
Total duties	431,512	348,773	336,688	341,770	341,759	343,462
Gambling taxes						
Tabcorp licence fee	1,168	1,186	1,186	1,219	1,252	1,283
Gaming tax	41,728	36,514	37,727	33,358	33,030	32,709
Casino tax	4,142	3,786	3,786	3,890	3,988	4,087
Interstate lotteries	17,303	15,565	15,565	15,994	16,433	16,844
Betting Operations Tax	23,596	32,055	21,720	27,805	32,519	37,990
Total gambling taxes	87,937	89,106	79,984	82,266	87,222	92,913
Other taxes						
Motor vehicle registration	170,069	179,465	179,465	189,332	199,936	210,569
Ambulance Levy	27,744	29,985	29,985	31,649	33,392	35,192
Lease Variation Charge	24,052	36,900	56,285	41,848	46,496	47,021
Utilities (Network Facilities) Tax	48,720	51,191	51,191	53,921	56,831	59,953
Fire and Emergency Service Levy	104,259	104,750	104,750	108,870	117,440	126,560
City Centre Marketing and Improvements Levy	2,468	2,534	2,534	2,540	2,540	2,540
Energy Industry Levy	4,597	3,795	3,795	4,341	4,516	4,662
Safer Families Levy	7,449	8,392	8,392	9,511	9,700	9,890
Total other taxes	389,358	417,012	436,397	442,012	470,851	496,387
Total taxation	2,562,395	2,636,971	2,569,806	2,713,079	2,903,296	3,078,692

Payroll tax

Payroll tax revenue in 2023-24 is forecast to be \$58.8 million lower than the 2023-24 Budget estimate and grow at 2.0 per cent in this financial year. While the ACT labour market continues to perform strongly, a noticeable shift was observed in 2023 in the source of employment growth from the taxable, private sector to the public sector. The shift reflected a change in Commonwealth employment practices from labour hire and contractors in favour of direct (non-taxable) employment.

Over the four years to 2026-27, payroll tax revenue is expected to be \$144.4 million lower than the 2023-24 Budget forecasts, reflecting a lower base in 2023-24 than was expected at budget due to the change in Commonwealth employment practices. Payroll tax collections are still expected to grow an average annual rate of 8.9 per cent over the forward estimates supported by sustained growth in wages and employment.

General rates

General rates revenue forecasts for 2023-24 and over the forward estimates period remain unchanged from the 2023-24 Budget. Box 3.3.1 shows the rating system for 2023-24 as published in the 2023-24 Budget.

General rates are less affected by economic developments than transaction based taxes. The shift from transaction based taxes to a broad based land tax through the ACT's tax reform program will progressively improve the stability and predictability of the ACT's revenue base into the future.

The current period of economic uncertainty reinforces the value of a stable and predictable revenue base to fund the essential services of Government.

Box 3.3.1 General rates rating system

Residential (non-unit titled and unit titled) general rates has the following elements in 2023-24:

- a fixed charge of \$861 for non-unit titled properties;
- a fixed charge of \$915 for unit titled properties; and
- marginal rates applied to the AUV of the block for 2023 (the average of 2019, 2020, 2021, 2022, and 2023 unimproved land values).

For non-unit titled properties refer to Table 3.3.3 and for unit titled properties refer to Table 3.3.4.

Table 3.3.3: Residential (non-unit titled) general rates – marginal rates

Block AUV threshold	Marginal rates %
0 to \$150,000	0.3004
\$150,001 to \$300,000	0.3866
\$300,001 to \$450,000	0.4804
\$450,001 to \$600,000	0.5229
\$600,001 to \$750,000	0.5317
\$750,001 and above	0.5362

Table 3.3.4: Residential (unit titled) general rates – marginal rates

Block AUV threshold ¹	Marginal rates %
0 to \$600,000	0.5624
\$600,001 to \$2,000,000	0.6843
\$2,000,001 to \$3,650,000	0.7970
\$3,650,001 to \$4,850,000	0.8481
\$4,850,001 and above	0.8924

Note:

1. For units, marginal rates are applied to the AUV of the block proportionate to its total residential unit entitlement. The overall rates for the block are then multiplied by the unit entitlement, proportionate to the total residential unit entitlement of the block.

For rural properties, general rates are charged as a fixed charge of \$186 and a flat rate of 0.0835 per cent on the AUV in 2023-24.

Land tax

Land tax revenue is forecast to be \$6.6 million lower in 2023-24 but \$16.7 million higher over the four years to 2026-27, compared with the 2023-24 Budget estimates. The downward revision this financial year largely reflects a shift in the composition of investor housing – from houses to units – with investors capitalising on higher house prices relative to units. The large share of units in the number of taxable properties relative to houses has also contributed to subdued land tax revenues, compared to the 2023-24 Budget forecasts.

Table 3.3.5 shows the land tax marginal rates that apply to residential properties in 2023-24.

Table 3.3.5: Land tax – marginal rates

AUV threshold	Marginal rates %
\$0 to \$150,000	0.54
\$150,001 to \$275,000	0.64
\$275,001 to \$2,000,000	1.12
\$2,000,001+	1.14

Conveyance duty

As a transaction-based tax, conveyance duty is a much less predictable source of revenue than other property-based taxes as it can vary significantly depending on both activity and prices in the property market. The ACT's tax reform program seeks to improve the stability and predictability of the ACT's revenue base into the future by shifting from transaction based taxes like conveyance duty to broad-based land taxes.

Residential conveyance duty

Residential conveyance duty forecasts are unchanged over the four years to 2026-27, compared to the 2023-24 Budget. Market activity remains subdued consistent with the forecast in the 2023-24 Budget, with transaction volumes lower in response to uncertainty around house prices, the inflation outlook and monetary policy.

Revenue from residential conveyance duty is expected to progressively reduce over the forward estimates due to the Government's ongoing tax reform.

The Government will raise over \$400 million less in residential conveyance duty for the period 2023-24 to 2026-27 than it would have under pre-tax reform settings.

Commercial conveyance duty

Commercial conveyance duty in 2023-24 is forecast to be \$12.1 million lower than the 2023-24 Budget forecasts. Higher interest rates and uncertainty around future monetary policy resulted in lower average sales value and, consequently, lower than expected duties collected from transactions in the large segment of the market.

Revenue from commercial conveyance duty is forecast to be lower in the short run due to uncertainty surrounding the inflation outlook and future interest rate settings impacting larger investment decisions. However, normalisation of monetary policy and market expectations for rate cuts in the outyears are likely to encourage market activity and underpin revenue growth.

Overall, revenue from commercial conveyance duty over the four years to 2026-27 is expected to be \$8.9 million lower than the 2023-24 Budget estimates.

Gambling taxes

Gambling tax revenue in 2023-24 and over the forward estimates is forecast to be \$30.7 million lower than the 2023-24 Budget estimates. Consumers appear to be adjusting their gambling behaviour in the post pandemic environment, especially as the government pursues policies to reduce problem gambling.

Other own-source taxation revenue

Over the four years to 2026-27, other own-source taxation revenue is estimated to be \$18.0 million higher than the 2023-24 Budget estimates. The revision is largely due to higher than expected revenue collections from the lease variation charge in 2023-24.

Commonwealth Government grants

Estimated payments to the ACT for General Revenue Assistance, Specific Purpose Payments (SPPs) and National Partnership Payments (NPPs) total \$14.4 billion over four years to 2026-27, around \$291 million higher than the estimates published in the 2023-24 Budget. This increase reflects information contained in the Commonwealth Government's 2023-24 MYEFO.

General Revenue Assistance

The ACT receives General Revenue Assistance from the Commonwealth in the form of Goods and Services Tax (GST) revenue grants and ACT Municipal Services payments.

GST Revenue

GST revenue grants to the ACT are anticipated to be lower than expected in 2023-24 than the 2023-24 Budget estimates. In the 2023-24 MYEFO, Commonwealth Government forecasts for the national GST entitlement pool for 2023-24 and the forward years were reduced by \$2.9 billion (inclusive of a \$1.9 billion downgrade for 2023-24), relative to the 2023-24 Commonwealth Budget, reflecting slower growth in consumer spending in response to the tightening of monetary policy and cost of living pressures.

A budget balancing adjustment for overpayment of GST in 2022-23 is included in the estimates for 2023-24, reducing revenues by \$9 million. Together with the reduction in the national GST pool it is expected that these changes will reduce the ACT's GST Revenue grants by \$59 million in 2023-24.

From 2024-25 onwards the reduction in the national GST pool and a reduction in the ACT's share of the national population are anticipated to be offset by an increase in the ACT's share of the national GST pool as a result of further updates to the Commonwealth Grants Commission estimates flowing from information contained in the 2021 Census data. Table 3.3.6 below shows the GST revenue grant forecasts for the ACT and how they have changed since the 2023-24 Budget.

Table 3.3.6: GST revenue grant forecasts for the ACT (\$m)

	2023-24	2024-25	2025-26	2026-27	Total
2023-24 Budget Review	1,863	2,038	2,181	2,325	8,408
Increase from the 2023-24 Budget	(59)	33	46	49	70

Note: Numbers may not add due to rounding.

Sensitivity of ACT GST estimates

The estimates of GST revenue are sensitive to changes in the GST pool, the estimated resident population for the ACT and the ACT's GST relativity. **A one per cent reduction in the GST pool in any year would reduce the ACT's GST share by between \$14.9 million and \$23.0 million, depending on the year affected.** In total, if the forecast for the GST pool over the budget and forward estimates period reduces by one per cent (around \$3.7 billion), the ACT's GST share will reduce by \$79 million over the same period. This assumes that the ACT's share of the Australian population is the same as that reported in the 2023-24 Commonwealth MYEFO and the ACT's GST relativity from the 2023 Update is held constant.

If the ACT's share of the Australian population was 0.01 percentage point lower than the corresponding 2023-24 MYEFO estimate, the ACT's GST revenue share would decline by between \$10.6 million and \$12.0 million, depending on the year affected.

A one per cent increase in the GST pool or 0.01 percentage point increase in the ACT's population share would increase the ACT's GST share by broadly equivalent amounts. Any change in the ACT's GST relativity would influence these outcomes.

ACT Municipal Services

The Commonwealth Government also provides General Revenue Assistance to the ACT to assist in meeting the additional municipal costs that arise from Canberra's unique role as the national capital.

The ACT is expected to receive \$43.9 million in 2023-24 and \$183.4 million over the four years to 2026-27, an increase of around \$300,000 since the 2023-24 ACT Budget.

Specific Purpose Payments (SPPs), National Partnership Payments (NPPs), and other payments to the ACT

Significant Commonwealth funding increases to the ACT since the 2023-24 ACT Budget include:

- \$125.5 million over four years under the Rail Investment Component of the *National Partnership Agreement on Land Transport Infrastructure Projects* for Light Rail Stage 2A;
- \$64.8 million over four years for skills and workforce development, including \$55.1 million under the new *National Skills Agreement* and \$9.7 million for fee-free TAFE;
- \$54.2 million over four years for road infrastructure projects under the *National Partnership Agreement on Land Transport Infrastructure Projects* and the *Local Roads and Community Infrastructure Program*; and

- \$29.5 million over four years for schools under the Quality Schools funding agreement, comprising an additional \$29.4 million for non-government schools (including the GST gross-up) and around an additional \$100,000 for Government schools.

These increases were partially offset by a decrease of \$68.3 million in 2023-24 for Financial Assistance Grants, due to this revenue being received as pre-payment in the 2022-23 financial year.



3.4 INFRASTRUCTURE AND CAPITAL

New investments

Following the 2023-24 Budget Review, the total Infrastructure Investment Program is forecast to be \$8.5 billion over the five years to 2027-28.

This comprises a General Government Sector Capital Works Program of \$6.8 billion and investment by Public Trading Enterprises of \$1.7 billion (Table 3.4.1).

Significant new infrastructure initiatives announced in the 2023-24 Budget Review include:

- the purchase of 90 Battery Electric Buses as part of the Territory's commitment towards zero emission public transport;
- funding to deliver Light Rail Stage 2A through a service concession arrangement with Canberra Metro, which provides a 1.7 kilometre extension connecting the current Alinga Street terminus to a new stop at Commonwealth Park;
- essential investments in digital health services for Canberra's hospitals;
- upgrades to the Norman Lindsay Street/Tharwa Drive intersection and safety improvements to a number of sites across the Territory;
- planning and project development works for:
 - Stage 1 of the Exhibition Park in Canberra (EPIC) redevelopment;
 - an entertainment pavilion and convention facilities as part of a City Convention Precinct; and
 - a stadium, arena, TAFE and hospital facilities as part of a Bruce Sports, Health and Education Precinct.
- refurbishment of the Fitzroy Pavilion at EPIC; and
- new audio-visual equipment and furniture, fixtures and equipment for the CIT Woden campus.

Delivering better infrastructure for Canberra

The Government continues to deliver on its infrastructure investment strategy. As part of Budget Review, the Government invested a further \$179 million over five years to 2027-28 through its Asset Renewal Program (formerly known as the Better Infrastructure Fund). This investment will extend the useful life of the Territory's growing asset portfolio, ensure improved quality and expanded services to the community across a broad spectrum of wellbeing domains.

The Government has been progressively releasing sectoral updates to the Territory's Infrastructure Plan. Each sectoral update details those projects currently committed to by the Government through its 2023-24 Capital Works Program while providing an overview of the potential pipeline of works that are subject to consideration by the Government.

In addition to the new projects announced as part of the 2023-24 Budget Review, the following programs of work continue to be progressed through the Capital Works Program:

Health

- Delivering the Canberra Hospital Expansion – due to open in 2024;
- delivering the New Northside Hospital project;
- investing in community health infrastructure and delivering more community-based health facilities; and
- continuing to invest in core IT systems to align with the Digital Health Strategy.

Education

- Delivering the new CIT Woden campus;
- constructing two new high schools in Kenny and Taylor and a new college in Gungahlin;
- constructing new primary schools in Whitlam and Strathnairn;
- expanding Margaret Hendry Primary School, Majura Primary School and Telopea Park High School; and
- ongoing and significant investment in the maintenance of school infrastructure and the improvement of information technology and digital access.

Housing, city planning and land release

- Continuing the Public Housing Growth and Renewal Program, which will deliver 400 additional public housing properties and renew 1,000 properties by 2026-27;
- continuing to maintain high quality public housing;
- developing Ngamawari (Acton Waterfront) park for everyday recreational use and as a tourist destination;
- revitalising the Sydney and Melbourne Buildings precinct, Garema Place and the Braddon streetscape; and
- ongoing release of land to support both single dwelling and multi-unit development, in accordance with the Indicative Land Release Program.

Transport

- Raising London Circuit;
- completing the new Woden bus station;
- completing John Gorton Drive in Molonglo, duplicating William Hovell Drive, and upgrading the Monaro Highway;
- expanding active travel across Canberra to improve opportunities for walking and cycling; and
- road surfacing maintenance across Canberra.

Entertainment, arts and sports

- Planning and design for the redevelopment of the Canberra Theatre Centre;
- upgrading local arts facilities, including the Kingston Arts Precinct, Gorman House, the Ainslie Arts Centre and the Tuggeranong Arts Centre Theatre; and

- constructing a new Gungahlin Tennis Centre, upgrading Phillip District Enclosed Oval, resurfacing Canberra's netball facilities and ongoing upgrades to neighbourhood ovals and district playing fields.

Climate action, energy and environment

- Purchasing electric buses and associated infrastructure to continue the transition to a zero emissions public transport fleet;
- the electrification of government gas assets program; and
- rehabilitating landfill sites, planning for a new northside green waste facility and developing a new materials recovery facility.

City services, recreation and community facilities

- Creating new parks in Casey and North Watson;
- improving stormwater networks and expanding healthy waterways;
- Tuggeranong foreshore improvements;
- developing an Acton Station for joint emergency services;
- improvements to accommodation at the Gungahlin Joint Emergency Services Centre;
- vehicle replacements for the Emergency Services Agency; and
- progressing planning for a new home for RSPCA ACT.

Revised 2023-24 Infrastructure Investment Program

In addition to new initiatives, the 2023-24 Budget Review includes reprofiling of existing projects and other technical program adjustments – reflecting updated information about project delivery and the impacts on the construction sector of market constraints and adverse weather conditions. The revised Infrastructure Investment Program is outlined in Table 3.4.1 below.

Table 3.4.1: Summary of the revised Infrastructure Investment Program (\$'000)

	2023-24	2024-25	2025-26	2026-27	2027-28	Total
New capital works						
Early Planning	460	1,500	1,040	0	0	3,000
Design	12,072	43,802	14,908	0	0	70,782
Construction	186,898	211,826	306,059	192,964	57,512	955,259
ICT	16,567	9,597	3,154	0	0	29,318
PP+E	32,234	57,292	41,201	0	0	130,727
Capital grants	0	0	0	0	0	0
Total new works	248,231	324,017	366,362	192,964	57,512	1,189,086
Total Asset Renewal Program	93,510	98,844	99,236	102,848	106,597	501,035
Works-in-progress						
Early Planning	7,320	2,207	0	0	0	9,527
Design	34,171	23,020	0	0	0	57,191
Construction	1,036,666	821,804	518,187	118,591	630,250	3,125,498
ICT	95,274	53,247	21,851	13,177	13,474	197,023
PP+E	75,154	36,563	14,863	18,009	7,466	152,055
Capital grants	2,033	1,855	0	0	0	3,888
Total work-in-progress	1,250,618	938,696	554,901	149,777	651,190	3,545,182
Central capital provisions	0	261,788	349,431	319,293	598,119	1,528,631
Total GGS Capital Works Program (including provisions)	1,592,359	1,623,345	1,369,930	764,882	1,413,418	6,763,934
Capital delivery provision	(400,000)	(350,000)	0	600,000	150,000	0
Total Capital Works program forecast (including delivery provision)	1,192,359	1,273,345	1,369,930	1,364,882	1,563,418	6,763,934
Public Trading Enterprises (PTE)	456,418	405,845	306,703	298,127	258,985	1,726,078
Total GGS and PTE Infrastructure Investment Program forecast	1,648,777	1,679,190	1,676,633	1,663,009	1,822,403	8,490,012
Capital works reserve (GGS) and offsetting provision	300,000	(300,000)	0	0	0	0

Note: Numbers may not add due to rounding.

Accounting treatment of Light Rail Stage 2A

In December 2023, the ACT Government entered into a service concession arrangement with Canberra Metro for Light Rail Stage 2A.

The 2023-24 Budget Review continues to adopt the accounting standard AASB 1059: 'Service Concession Arrangements: Grantors' (AASB 1059), which prescribes the accounting treatment for these arrangements from the perspective of the government grantor.

Under AASB 1059, service concession assets are required to be recognised on the balance sheet from the start of the arrangement or over the construction period, with a corresponding liability to reflect any payments due to the operator, and/or where the Government has granted the operator a right to charge users of the asset.

Light Rail Stage 2A includes long-term contracts with Canberra Metro to design, finance, construct, maintain and operate infrastructure assets. At the end of these contracts, the infrastructure will become Territory assets.

The value of the delivery phase contract with Canberra Metro is \$576.8 million, of which \$519.1 million will be paid by the Territory in 2027-28, when construction is anticipated to be complete. Funding for remaining delivery phase costs will be provided from 2027-28, as well as maintenance/operation costs and interest expenses.

During construction of the asset the service concession liability and associated interest will be recognised in the General Government Sector (GGS) as it has been designated a major project and will be managed by Major Projects Canberra. During this construction period the notional interest expense will impact the Operating Statement and the Headline Net Operating Balance (HNOB) of the GGS.

On completion of construction the service concession assets and remaining liabilities will transfer to Transport Canberra Operations in the Public Trading Enterprises (PTE) sector for ongoing operations. The notional interest, maintenance and operating costs will impact the HNOB of the GGS during this time. Depreciation expenses will be recognised in the PTE Sector.

Table 3.4.2 below provides the financial impacts on the Territory of the Light Rail – Stage 2A service concession arrangement (\$m):

	Capital	Maintenance / operation costs	Interest expenses
Construction period			
2023-24			3.8
2024-25			9.8
2025-26			16.1
2026-27			24.5
2027-28 ¹	519.1		16.3
Operations (service concession payments)			
2027-28 ¹	1.0	5.7	3.4
2028-29	2.7	12.4	7.8
2029-30	3.1	12.8	7.4
2030-31	3.6	13.3	7.0
2031-32	4.1	17.2	6.5
2032-33	4.7	14.9	5.8
2033-34	5.4	14.8	5.1
2034-35	6.3	18.8	4.3
2035-36	7.2	15.8	3.3
2036-37	8.3	19.6	2.2
2037-38	9.5	20.2	1.0
2038-39	1.8	2.7	0.0
Total	576.8	168.2	124.5

Note:

1. 2027-28 impacts are half-year impacts as the operational phase is expected to commence in January 2028.



3.5 KEY BALANCE SHEET METRICS

Net debt, net financial liabilities and net worth are three key indicators of the strength of Government finances.

Net debt is defined as the sum of the Government's gross debt, less financial assets such as cash and investments. Net financial liabilities include unfunded superannuation liabilities and provide a broader measure of the Government's financial position. Net worth is the sum of all the Government's financial and non-financial assets, less liabilities.

The tables below provide a summary of these key balance sheet measures for the General Government Sector.

Table 3.5.1: Net debt (excluding superannuation) (\$m)

	2022-23 Actual Outcome	2023-24 Budget Review	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
2023-24 Budget	5,814.2	7,252.1	8,503.0	9,628.2	10,617.2
2023-24 Budget Review	5,690.3	7,431.6	8,837.0	10,411.3	11,660.3
Net debt to GSP (%)	11.1	13.7	15.3	17.0	18.0

Compared with the 2023-24 Budget, net debt is forecast to increase by \$179.5 million in 2023-24 largely due to the impact of lower taxation and regulatory revenue and new policy decisions taken by the Government.

Net debt is also forecast to be higher each year over the forward estimates than was expected at the 2023-24 Budget.

Table 3.5.2: Net financial liabilities (\$m)

	2022-23 Actual Outcome	2023-24 Budget Review	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
2023-24 Budget	11,231.8	12,461.7	13,496.1	14,391.1	15,123.9
2023-24 Budget Review	12,309.6	12,911.4	14,113.6	15,369.8	16,258.0
Net financial liabilities to GSP (%)	24.0	23.7	24.4	25.1	25.0

Compared with the 2023-24 Budget, net financial liabilities are forecast to increase by \$449.7 million in 2023-24 largely due to the impacts on net debt above, a lower level of receivables due to the flow on impact of a lower 2022-23 audited outcome and lower investments in other public sector enterprises associated with a lower value of investments in the ActewAGL Retail and Distribution partnerships including a downwards revaluation of infrastructure assets for 2022-23.

Net financial liabilities are also forecast to be higher each year over the forward estimates than was expected at the 2023-24 Budget.

Table 3.5.3: Net worth (\$m)

	2022-23 Actual Outcome	2023-24 Budget Review	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
2023-24 Budget	20,548.9	19,979.0	19,694.9	19,688.1	19,724.0
2023-24 Budget Review	19,569.7	19,719.1	19,229.3	19,206.4	18,751.0
Net worth to GSP (%)	38.2	36.2	33.3	31.3	28.9

Net worth is forecast to decrease compared to the 2023-24 Budget, largely reflecting the expected trends in net debt and net financial liabilities.

Unfunded superannuation liability

Defined benefit superannuation liability

The Government recognises a defined benefit superannuation liability on behalf of 6,085 current employees and 28,904 past employees with membership in the Commonwealth's closed defined benefit superannuation schemes – the Commonwealth Superannuation Scheme and the Public Sector Superannuation Scheme.

Apart from the ongoing employer productivity contributions, the employer-financed component of member entitlements for both schemes is unfunded and is not required to be paid until members retire.

Defined benefit superannuation liability valuation estimates

Retirement benefits for the Commonwealth superannuation schemes can include both lump sum payments and ongoing pension payments. As these retirement benefits can continue to be paid well into the future, the estimated financial obligation is measured on a discounted basis. The liability valuation is the present value of the future expected payments resulting from employee service in the current and prior periods.

Actuarial assumptions of future events are necessary to measure the present value of the financial obligation. The financial and demographic assumptions are the best estimates of the variables that determine the annual benefit payments and the ultimate cost of the financial obligation.

Defined benefit superannuation liability funding

The Government maintains a funding plan to extinguish the Territory's unfunded defined benefit superannuation liability over time. The funding plan involves the accumulation of funds in the Superannuation Provision Account through generating investment returns and the reinvestment of income. The account receives budget appropriation and makes ongoing benefit payments to the Commonwealth to extinguish the Territory's employer superannuation liability.

Territory borrowings

Total Territory borrowings comprise short-term and long-term debt securities, Commonwealth Government loans and leases (which include public private partnership contracts and service concession liabilities).

The Government’s capital funding requirements are mainly achieved through the issuance of debt securities in the domestic capital markets.

Territory debt management objectives

The primary debt management objectives are to manage the liquidity, financial payment obligations and ongoing capital funding requirements of the Territory.

Territory credit rating

The Australian Capital Territory is rated AA+ (stable) by S&P Global Ratings (S&P).

Total Territory borrowings

The level of outstanding borrowings is influenced by:

- the investment required in infrastructure and assets to generate economic growth and jobs and improve Canberra’s liveability as our city grows; and
- cash liquidity provisions to meet day-to-day and medium-term financial obligations.

A summary of the current borrowing estimates is set out below in Tables 3.5.4 and 3.5.5.

Table 3.5.4: Total Territory borrowings – Principal outstanding (\$’000)

	2022-23 Actual Outcome	2023-24 Budget Review	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Market Borrowings	9,586,273	11,888,680	12,942,777	13,987,980	16,666,440
Commonwealth Loans	81,586	73,231	64,946	56,737	48,594
Leases/other ¹	1,374,338	1,453,080	1,489,933	1,659,123	1,735,287
Total	11,042,197	13,414,991	14,497,656	15,703,840	18,450,321

Notes:

1. Leases/other mainly comprise operating and finance leases, public private partnership contracts and service concession liabilities.
2. Numbers may not add due to rounding.

Table 3.5.5: Total Territory borrowings – Interest expense (\$'000)

	2022-23 Actual Outcome	2023-24 Budget Review	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Market Borrowings	286,569	353,368	459,555	508,687	617,607
Commonwealth Loans	2,234	3,671	3,296	2,923	2,553
Leases/other	45,361	53,591	54,559	59,034	65,252
Total	334,164	410,630	517,410	570,644	685,412

Notes:

1. Estimates of the interest payments and expense of ACT bonds on issue include the cost of bonds already on issue and future estimated bond issuance. The estimated cost of future bond issuance is based on the Australia Sovereign forward curve (10-year term) plus an estimated ACT issuance margin at the time of a budget estimates update.
2. The average cost of borrowing assumed for future issuance of ACT Bonds for the budget and forward years is estimated to be 4.90 per cent (compared to 4.45 per cent for the 2023-24 Budget).

The Territory's projected gross borrowing program by issuing debt securities in the Australian capital markets is set out below in Table 3.5.6.

Table 3.5.6: Territory debt funding program (\$'000)

Face Value	2022-23 Actual Outcome	2023-24 Budget Review	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
New Borrowings	340,000	2,275,000	995,000	1,080,000	2,675,000
Maturities	1,100,000	690,000	1,000,000	525,000	-
Total¹	1,440,000	2,965,000	1,995,000	1,605,000	2,675,000

Notes:

1. Estimated funding requirements will be sourced by issuing debt securities in accordance with the Territory's Australian Dollar Debt Issuance Program.
2. Projections are the total estimated funding requirements (face value) for the Territory comprising the General Government Sector and the Public Trading Enterprise Sector (Icon Water) and will vary with changes to assumptions and actual requirements.



CHAPTER 4 GGS HARMONSIED FINANCIAL STATEMENTS

4.1 GFS/GAAP FINANCIAL STATEMENTS

Table 4.1.1: Australian Capital Territory General Government Sector – Operating Statement (\$'000)

	2022-23 Actual Outcome	2023-24 Budget	2023-24 Revised Budget	2024-25 Revised Estimate	2025-26 Revised Estimate	2026-27 Revised Estimate
Revenue						
Taxation revenue	2,562,395	2,636,971	2,569,806	2,713,079	2,903,296	3,078,692
Commonwealth grants revenue	3,166,597	3,366,142	3,269,488	3,576,915	3,689,786	3,868,294
Sales of goods and services from contracts with customers	601,671	640,959	628,257	649,753	672,442	696,223
Investment revenue	157,211	181,564	151,885	194,665	209,747	225,889
Interest revenue	283,960	232,880	249,773	227,452	193,677	216,386
Dividend and income tax equivalents income	54,868	168,814	176,663	204,817	366,085	361,952
Other revenue						
Other revenue	207,266	248,945	252,223	292,544	386,543	416,460
Gains from contributed assets	227,657	215,107	204,172	201,342	292,269	204,689
Total revenue	7,261,625	7,691,382	7,502,267	8,060,567	8,713,845	9,068,585
Expenses						
Employee expenses	2,777,716	3,051,008	3,123,794	3,191,470	3,239,571	3,337,714
Superannuation expenses						
Superannuation interest cost	425,834	470,440	464,705	482,238	493,087	502,904
Other superannuation expenses	486,857	454,623	487,741	469,434	482,349	484,789
Depreciation and amortisation	543,503	600,843	604,396	627,615	631,060	630,292
Interest expenses	315,391	380,809	382,511	492,571	549,235	662,993
Other operating expenses						
Supplies and services	1,327,829	1,518,704	1,533,489	1,635,712	1,667,982	1,755,713
Other operating expenses	451,032	343,651	345,615	364,578	378,474	392,841
Grants and purchased services	1,705,877	1,533,076	1,580,335	1,448,478	1,424,323	1,427,457
Total expenses	8,034,039	8,353,154	8,522,586	8,712,096	8,866,081	9,194,703
UPF net operating balance	(772,414)	(661,772)	(1,020,319)	(651,529)	(152,236)	(126,118)
Other economic flows - included in the Operating Statement						
Dividends (market gains on land sales)	42,638	10,978	48,863	72,241	0	0
Net land revenue (undeveloped land value)	1,427	5,274	9,770	9,894	7,863	7,534
Net loss on disposal of non-financial assets	(7,227)	(10,970)	(14,168)	(12,141)	(13,657)	(15,280)
Net gain on financial assets or liabilities at fair value	418,956	229,279	173,547	246,136	265,085	285,436
Doubtful debts	(19,741)	(10,758)	(10,758)	(11,069)	(11,155)	(11,203)
Operating result	(336,361)	(437,969)	(813,065)	(346,468)	95,900	140,369

	2022-23 Actual Outcome	2023-24 Budget	2023-24 Revised Budget	2024-25 Revised Estimate	2025-26 Revised Estimate	2026-27 Revised Estimate
Other economic flows – other comprehensive income						
Items that will not be subsequently reclassified to Operating Statement						
Payments to ACT Government agencies	(105,231)	(221,658)	(279,979)	(166,134)	(106,054)	(73,013)
Transfer of assets (to)/from the Public Trading Enterprises (PTE) sector	0	(11,938)	62	(11,952)	41	40
Superannuation actuarial gain	616,502	0	1,154,699	0	0	0
Other movements	(3,515)	(1,604)	(12,218)	(592)	(592)	(592)
Increase/(decrease) in the asset revaluation surplus	646,794	(107,791)	(107,398)	(46,584)	(175,089)	(348,790)
Items that may be subsequently reclassified to Operating Statement						
Increase/(decrease) in net assets of PTE	(23,812)	211,060	207,269	81,975	162,925	(173,448)
Total comprehensive result	794,377	(569,900)	149,370	(489,755)	(22,869)	(455,434)
Key fiscal aggregates						
UPF net operating balance less net acquisition of non-financial assets	(772,414)	(661,772)	(1,020,319)	(651,529)	(152,236)	(126,118)
Payments for non-financial assets	960,930	1,020,254	1,063,808	1,147,563	1,456,236	1,342,612
Sales of non-financial assets	(63,151)	(37,117)	(41,622)	(42,045)	(37,316)	(36,823)
Change in inventories	(15,144)	1,721	1,721	441	432	423
Depreciation and amortisation	(543,503)	(600,843)	(604,396)	(627,615)	(631,060)	(630,292)
Other movements in non-financial assets	108,347	75,201	83,934	83,602	200,624	138,038
<i>Total net acquisition of non-financial assets</i>	<i>447,479</i>	<i>459,216</i>	<i>503,445</i>	<i>561,946</i>	<i>988,916</i>	<i>813,958</i>
Net borrowing	(1,219,893)	(1,120,988)	(1,523,764)	(1,213,475)	(1,141,152)	(940,076)
GOVERNMENT FISCAL MEASURE – OPERATING SURPLUS/(DEFICIT)						
UPF net operating balance	(772,414)	(661,772)	(1,020,319)	(651,529)	(152,236)	(126,118)
Superannuation return adjustment	169,851	219,069	237,475	234,805	252,614	271,761
HEADLINE NET OPERATING BALANCE	(602,563)	(442,703)	(782,844)	(416,724)	100,378	145,643

Table 4.1.2: Australian Capital Territory General Government Sector – Balance Sheet (\$'000)

	2022-23 Actual Outcome	2023-24 Budget	2023-24 Revised Budget	2024-25 Revised Estimate	2025-26 Revised Estimate	2026-27 Revised Estimate
Financial assets						
Cash and deposits	2,374,197	2,839,077	2,843,210	2,365,851	1,946,936	3,293,049
Advances paid	2,023,095	2,206,498	2,140,997	2,212,848	2,262,275	2,369,717
Investments and loans	6,110,785	6,501,048	6,501,098	6,990,065	7,525,653	8,099,833
Receivables	817,573	1,103,510	836,234	928,363	1,092,853	1,254,163
Investments in other public sector enterprises	10,926,421	11,267,170	11,133,690	11,215,665	11,378,590	11,205,142
Total financial assets	22,252,091	23,917,303	23,455,229	23,712,792	24,206,307	26,221,904
Non-financial assets						
Produced assets						
Property, plant and equipment	14,096,509	13,691,936	13,722,159	14,588,459	15,288,965	15,751,717
Investment properties	5,020	5,020	5,020	5,020	5,020	5,020
Intangibles	254,432	220,608	275,598	344,415	298,200	252,041
Inventories	40,233	57,596	41,954	42,395	42,827	43,250
Assets held for sale	17,894	11,605	15,488	13,169	12,649	12,649
Capital works-in-progress	1,211,455	2,027,395	2,087,235	1,787,905	2,129,603	2,313,734
Non-produced assets						
Property, plant and equipment	5,276,133	5,116,870	5,296,462	5,293,020	5,367,455	5,372,520
Biological assets	41,256	40,385	42,990	42,990	42,990	42,990
Other non-financial assets	9,899	2,083	9,902	9,902	9,902	9,902
Total non-financial assets	20,952,831	21,173,498	21,496,808	22,127,275	23,197,611	23,803,823
Total assets	43,204,922	45,090,801	44,952,037	45,840,067	47,403,918	50,025,727
Liabilities						
Advances received	45,354	40,864	40,996	36,417	31,516	26,395
Borrowings						
Lease liabilities	1,074,570	1,034,653	1,058,440	1,015,436	978,411	940,571
Other borrowings	9,569,521	11,836,184	11,974,041	13,077,926	14,395,132	17,214,839
Superannuation	10,565,392	9,685,471	9,685,468	9,921,573	10,137,701	10,331,429
Employee benefits	1,035,166	1,113,177	1,084,615	1,142,064	1,192,766	1,243,459
Other provisions	992,698	994,220	1,007,715	1,028,743	1,061,473	1,105,401
Payables and contract liabilities	337,654	395,346	370,322	381,282	393,164	405,308
Other liabilities	14,877	11,931	11,380	7,321	7,319	7,323
Total liabilities	23,635,232	25,111,846	25,232,977	26,610,762	28,197,482	31,274,725
Net assets	19,569,690	19,978,955	19,719,060	19,229,305	19,206,436	18,751,002
Equity in Public Trading Entities (PTE)	10,926,421	11,267,170	11,133,690	11,215,665	11,378,590	11,205,142
Accumulated funds	(45,681)	525,131	19,692	(489,603)	(484,425)	(401,662)
Asset revaluation surplus	8,687,720	8,185,424	8,564,448	8,502,013	8,311,041	7,946,292
Other reserves	1,230	1,230	1,230	1,230	1,230	1,230
Net worth	19,569,690	19,978,955	19,719,060	19,229,305	19,206,436	18,751,002
Net financial worth	(1,383,141)	(1,194,543)	(1,777,748)	(2,897,970)	(3,991,175)	(5,052,821)
Net financial liabilities	12,309,562	12,461,713	12,911,438	14,113,635	15,369,765	16,257,963
Net debt (excluding superannuation related investments)	5,690,310	7,252,052	7,431,621	8,837,037	10,411,285	11,660,303

Table 4.1.3: Australian Capital Territory General Government Sector – Statement of Changes in Equity (\$'000)

	2022-23 Actual Outcome	2023-24 Budget	2023-24 Revised Budget	2024-25 Revised Estimate	2025-26 Revised Estimate	2026-27 Revised Estimate
Opening equity						
Opening equity in Public Trading Enterprises (PTE)	10,950,233	11,056,110	10,926,421	11,133,690	11,215,665	11,378,590
Opening accumulated funds	(251,693)	1,182,426	(45,681)	19,692	(489,603)	(484,425)
Opening asset revaluation surplus	8,075,543	8,309,089	8,687,720	8,564,448	8,502,013	8,311,041
Opening other reserves	1,230	1,230	1,230	1,230	1,230	1,230
Opening balance	18,775,313	20,548,856	19,569,690	19,719,060	19,229,305	19,206,436
Comprehensive income						
<i>Included in accumulated funds:</i>						
Operating result for the period	(336,361)	(437,969)	(813,065)	(346,468)	95,900	140,369
Payments to ACT Government agencies	(105,231)	(221,658)	(279,979)	(166,134)	(106,054)	(73,013)
Superannuation actuarial gain	616,502	0	1,154,699	0	0	0
Transfer of assets (to)/from the PTE sector	0	(11,938)	62	(11,952)	41	40
Other movements	(3,515)	(1,604)	(12,218)	(592)	(592)	(592)
<i>Included in equity in PTE:</i>						
Increase/(decrease) in net assets of PTE entities	(23,812)	211,060	207,269	81,975	162,925	(173,448)
<i>Included in the asset revaluation surplus:</i>						
Increase/(decrease) in the asset revaluation surplus	646,794	(107,791)	(107,398)	(46,584)	(175,089)	(348,790)
Total comprehensive result	794,377	(569,900)	149,370	(489,755)	(22,869)	(455,434)
Other						
Transfer to accumulated funds	34,617	15,874	15,874	15,851	15,883	15,959
Transfer (from) the asset revaluation surplus	(34,617)	(15,874)	(15,874)	(15,851)	(15,883)	(15,959)
Total other	0	0	0	0	0	0
Closing equity						
Closing equity in PTE	10,926,421	11,267,170	11,133,690	11,215,665	11,378,590	11,205,142
Closing accumulated funds	(45,681)	525,131	19,692	(489,603)	(484,425)	(401,662)
Closing asset revaluation surplus	8,687,720	8,185,424	8,564,448	8,502,013	8,311,041	7,946,292
Closing other reserves	1,230	1,230	1,230	1,230	1,230	1,230
Closing balance	19,569,690	19,978,955	19,719,060	19,229,305	19,206,436	18,751,002

Table 4.1.4: Australian Capital Territory General Government Sector – Statement of Cash Flows (\$'000)

	2022-23 Actual Outcome	2023-24 Budget	2023-24 Revised Budget	2024-25 Revised Estimate	2025-26 Revised Estimate	2026-27 Revised Estimate
Cash flows from operating activities						
Cash receipts						
Taxes received	2,375,726	2,584,728	2,514,650	2,655,789	2,853,800	3,053,274
Sales of goods and services from contracts with customers	847,207	630,690	619,955	648,053	675,407	702,575
Grants and contributions	3,156,981	3,409,298	3,312,616	3,620,594	3,734,163	3,913,527
Investment receipts	156,631	181,564	151,885	194,665	209,747	225,889
Interest receipts	243,945	208,595	225,516	206,016	172,778	196,716
Dividends and income tax equivalents	152,376	99,996	205,427	184,538	265,416	289,417
Other receipts	476,011	430,144	412,830	434,807	515,811	544,063
Total receipts from operating activities	7,408,877	7,545,015	7,442,879	7,944,462	8,427,122	8,925,461
Cash payments						
Payments for employees	(3,326,309)	(3,766,749)	(3,854,699)	(3,902,615)	(3,998,337)	(4,123,197)
Payments for goods and services	(1,412,120)	(1,583,377)	(1,562,255)	(1,694,474)	(1,730,632)	(1,808,837)
Grants/subsidies paid	(1,552,317)	(1,398,130)	(1,442,902)	(1,334,937)	(1,343,140)	(1,370,630)
Borrowing costs	(277,173)	(353,905)	(343,638)	(464,893)	(513,583)	(619,348)
Other payments	(556,504)	(449,395)	(421,610)	(438,367)	(451,016)	(457,946)
Total payments from operating activities	(7,124,423)	(7,551,556)	(7,625,104)	(7,835,286)	(8,036,708)	(8,379,958)
Net cash inflows/(outflows) from operating activities	284,454	(6,541)	(182,225)	109,176	390,414	545,503
Cash flows from investing activities						
Cash flows from investments in non-financial assets						
Sales of non-financial assets	63,151	37,117	41,622	42,045	37,316	36,823
Payments for non-financial assets	(960,930)	(1,020,254)	(1,063,808)	(1,147,563)	(1,456,236)	(1,342,612)
Net cash (outflows) from investments in non-financial assets	(897,779)	(983,137)	(1,022,186)	(1,105,518)	(1,418,920)	(1,305,789)
Cash flows from investments in financial assets for policy purposes						
Cash receipts						
Repayment of loans	8,585	18,897	18,897	27,153	28,801	28,890
Dividends (market gains on land sales)	0	10,978	48,863	72,241	0	0
Total receipts from investments in financial assets for policy purposes	8,585	29,875	67,760	99,394	28,801	28,890

	2022-23 Actual Outcome	2023-24 Budget	2023-24 Revised Budget	2024-25 Revised Estimate	2025-26 Revised Estimate	2026-27 Revised Estimate
Cash payments						
Issue of loans	(105,037)	(117,000)	(142,000)	(32,000)	0	0
Capital payments to government agencies	(105,231)	(221,658)	(279,979)	(166,134)	(106,054)	(73,013)
Total payments from investments in financial assets for policy purposes	(210,268)	(338,658)	(421,979)	(198,134)	(106,054)	(73,013)
Net cash (outflows) from investments in financial assets for policy purposes	(201,683)	(308,783)	(354,219)	(98,740)	(77,253)	(44,123)
Cash flows from investments in financial assets for liquidity purposes						
Sales of investments	23,724	140,849	3,540	17,435	17,843	20,458
Payments for investments	(182,166)	(380,138)	(213,912)	(287,623)	(306,870)	(379,456)
Net cash (outflows) from investments in financial assets for liquidity purposes	(158,442)	(239,289)	(210,372)	(270,188)	(289,027)	(358,998)
Net cash (outflows) from investing activities	(1,257,904)	(1,531,209)	(1,586,777)	(1,474,446)	(1,785,200)	(1,708,910)
Cash flows from financing activities						
Cash receipts						
Borrowings	328,064	2,264,996	2,301,375	1,009,787	1,095,698	2,689,455
Total receipts from financing activities	328,064	2,264,996	2,301,375	1,009,787	1,095,698	2,689,455
Cash payments						
Borrowings	(60,965)	(90,340)	(26,766)	(70,236)	(76,139)	(134,797)
Repayment of lease liabilities – principal	(54,051)	(51,069)	(49,737)	(52,546)	(46,624)	(48,120)
Total payment from financing activities	(115,016)	(141,409)	(76,503)	(122,782)	(122,763)	(182,917)
Net cash inflows from financing activities	213,048	2,123,587	2,224,872	887,005	972,935	2,506,538
Net increase/(decrease) in cash and cash equivalents	(760,402)	585,837	455,870	(478,265)	(421,851)	1,343,131
Cash and cash equivalents at the beginning of the reporting period	3,134,762	2,239,908	2,374,360	2,830,230	2,351,965	1,930,114
Cash and cash equivalents at the end of the reporting period	2,374,360	2,825,745	2,830,230	2,351,965	1,930,114	3,273,245
Key fiscal aggregates						
Net cash from operating activities	284,454	(6,541)	(182,225)	109,176	390,414	545,503
Investments in non-financial assets	(897,779)	(983,137)	(1,022,186)	(1,105,518)	(1,418,920)	(1,305,789)
Cash deficit	(613,325)	(989,678)	(1,204,411)	(996,342)	(1,028,506)	(760,286)



APPENDICES

APPENDIX A. STATEMENT OF RISKS

Consistent with section 11(d) of the *Financial Management Act 1996*, each budget update is required to provide a statement describing the risks – quantified if possible – that could impact the budget estimates. Risk items identified at the time of publication of the 2023-24 Budget Review are detailed below.

Economic risks

The ACT economy continues to be exposed to uncertainty and risk from the broader national economy, particularly rising interest rates and persistent inflation. High inflation and interest rates may weigh on aggregate demand more than expected. However, there is some upside risk that the ACT economy returns to trend growth more quickly, if monetary policy curbs inflation sufficiently and the Australian economy does not fall into recession or alternatively, ACT household consumption moderates less than expected. A factor that may support this is the Commonwealth Government's stage 3 tax cuts which will support all taxpaying households by increasing their after-tax income.

The risks to the outlook are skewed to the downside, given the significant uncertainty around the path of inflation and the monetary policy response.

Inflation remains the key source of uncertainty in the ACT, Australia and in many developed economies. Geopolitical tensions have increased since the 2023-24 Budget and pose risks to the outlook. Domestically, a tight labour market, despite recent easing, is still a risk and wages growth could accelerate, especially in the services sector.

Fiscal risks

The fiscal risks facing the Territory are broadly consistent with the economic risks detailed above, and those detailed previously at the time of publication of the 2023-24 Budget. Risks continue to present in relation to operational and ICT, labour and materials costs across a range of sectors, including in relation to the health sector, with capacity and access to inputs continuing to face pressure, given the strength of the ACT economy.

The Reserve Bank of Australia raised the official cash rate five times in 2023. Although inflation has begun to moderate, if higher inflation persists longer than anticipated and further monetary policy action is required, there may be subsequent implications for the Territory's fiscal position. Namely, this would include interest costs on borrowings, investment returns, the potential need for additional investment to support vulnerable households, and possible impacts on own-source revenue and GST grants from the Commonwealth.

Revenue risks

Inflation and the impact of interest rates remain key sources of uncertainty and risks to revenue. Central banks here and abroad are committed to taming inflation and ensuring that inflation expectations remain well anchored. Consequently, tighter monetary policy and higher interest rates could remain in place for a longer period of time, putting downward pressure on aggregate demand and weighing on economic activity, price growth and tax revenues.

The risks to revenue include the response of the economy to changes in interest rates, particularly housing demand and employment. Payroll tax may be negatively affected if growth in employment and wages is weaker than expected. Similarly, changes in interest rates may affect demand for housing and commercial property.

Other items

Financial investment assets and liabilities

Financial markets remain volatile due to high inflation, uncertainty around the pathway for interest rates and the outlook for more challenging economic conditions.

Financial market volatility will continue to impact upon investment asset valuations and returns, the cost of funds for new borrowings and the valuation of liabilities in the short term.

Enterprise agreement bargaining

Since the release of the 2023-24 Budget a range of enterprise agreements have been agreed and implemented to replace previous agreements that expired on 31 October 2022, such as the Whole-of-Government Administrative and Related Classifications Enterprise Agreement and Infrastructure Services Enterprise Agreement.

The Government is continuing to settle outstanding Directorate Specific agreement schedules and is also undertaking the 'Fair Go' classification review. There are unlikely to be major fiscal risks arising through bargaining that have not been budgeted and considered by Government to date.

Out of home care, child protection and support service packages

The ongoing transition to a new service model for out of home care may result in potential future financial impacts across the forward estimates. The financial impacts are dependent on the outcomes of commissioning processes underway for new service providers and on future demand. The Government continues to monitor and ensure appropriate access to necessary insurance arrangements for these services.

Disability sector services and reforms

The Commonwealth Government's responses to the recently released final reports of the *Independent Review into the NDIS* and the *Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability* may lead to future national reforms and financial implications for the ACT. This includes the initial response to the NDIS review announced by the National Cabinet on 6 December 2023, which committed to the joint design of additional Foundational Supports and longer-term work to change state and territory NDIS contribution escalation rates from the current four per cent per year rate to be in line with actual Scheme growth from 1 July 2028, capped at eight per cent. When considering any future national reforms, the ACT Government will take into consideration community feedback summarised in the *Towards a 10-year ACT Disability Strategy – Listening Report*, released in late 2023.

Land Release Program

The ACT Government's Land Release Program provides revenue for the Territory through dividends from the Suburban Land Agency and the City Renewal Authority. The program is susceptible to risks related to the extent to which actual demand, supply and prices for released land differ from those forecast in this Budget Review. If the demand for land is higher than supply, then there may be upward pressure on prices which would see an increase to Government revenues, in the absence of a supply response. On the other hand, lower than expected demand and/or sale prices would reduce revenue for the Government. The Government is forecasting housing supply to be greater than population growth as set out in Figure 2.2.3.

In addition to market conditions, planning outcomes such as environmental approvals and community consultation can also impact available inventory and the timing of forecast releases. Other risks to the program include: achieving statutory clearances; the capacity of industry to deliver necessary infrastructure and estate works (which continues to be exacerbated by labour shortages and high material costs); slippage associated with environmental factors; and commercial or other considerations.

The outlook for the housing market remains largely unchanged since the 2023-24 Budget. Government land releases across all segments in 2023-24 continue to be well received despite a reduction in observed demand for releases because of interest rate increases. The 2023-24 Budget Review estimates reflect lower market activity due to the flow through of monetary policy tightening on land sales and revenues in the short term. In spite of this, annual dividends from land sales revenues are expected to stabilise over the forward estimates as the ACT's strong labour market, attractive rental yields and expected population growth continue to support medium to longer term demand.

Hume Materials Recovery Facility and commingled recycling

On 26 December 2022, a fire at the Hume Materials Recovery Facility (MRF) caused significant damage to the building, plant and equipment. Consequently, interim alternative arrangements continue to be made for processing commingled recycling material generated in the ACT through the Government's ongoing contract with Re.Group, the coordinator of the MRF and its on-site services. Longer-term arrangements for the replacement of the damaged facility are being considered.

There are potential financial impacts across the forward estimates resulting from these arrangements, which are dependent on changes to interim processing requirements and the outcomes of commissioning processes for a replacement MRF.

North Canberra Hospital acquisition

The *Health Infrastructure Enabling Act 2023* (the Act) was passed in the ACT Legislative Assembly on 31 May 2023. The acquisition took effect from 3 July 2023.

The acquisition enabled by the Act contains the provision for compensation on just terms. Negotiations of these terms are ongoing. The budget estimates contain a number of central provision estimates in relation to the acquisition and transition based on information known and quantifiable at the time of finalising these estimates. These impacts are incorporated in the consolidated financial statements contained in the 2023-24 Budget Review, with funding for operational activities reflected in the estimates of Canberra Health Services.

Contingent liabilities

Contingent liabilities are liabilities that result from uncertain timing or amounts. They arise from past events and are not recognised because the outflow of economic benefit is not probable, or the liability cannot be measured reliably. Contingent liabilities can also occur when a liability depends on the outcome of an event outside the Territory's control, such as the outcome of a court case.

The types of claims lodged against the Territory include property damage, contract disputes, economic loss, personal injury and tax-related claims. Details of the Territory's contingent liabilities are in the ACT Government Consolidated Annual Financial Statements, which are available online.

Outstanding claims liability

The value of insurance liabilities is the present value of the future claim for payments that have accrued at the calculation date. This approach is required under AASB 1023 *General Insurance Contracts*.

Accounting for insurance claims is complex and actuarial assumptions are required to estimate the ACT Insurance Authority's obligations and claims expense. There is uncertainty in the estimate of the liability, and this can result in actuarial gains or losses when the claims experience differs from the estimates. The liabilities are discounted to allow for the time value of money as claims may be settled many years after the claim is incurred.

Sensitivity to discount rate

The outstanding claims liability is calculated by reference to expected future payments. These payments are discounted to adjust for the time value of money. AASB 1023 *General Insurance Contracts* requires the outstanding claims liabilities to be valued using a 'risk free' rate of return, which is generally accepted to be the discount rate derived from market yields on Commonwealth Government Bonds. The discount rates adopted match the weighted term to maturity of insurance claims. The long-term nature of the projected cash flows from the liability means that small changes in the discount rate adopted can lead to significant variations in the liability valuations and the claims expense.

The outstanding claims provision as at 30 June 2023 was \$341.6 million net of Reinsurance Recoveries. Variations in the discount rate of +/- one percentage point result in an estimated change to the liability of between a \$10.8 million decrease and a \$11.4 million increase, equivalent to a change of between -3.1 per cent and 3.3 per cent.

Default Insurance Fund

The Default Insurance Fund (the Fund) is established under section 166 of the *Workers Compensation Act 1951*. Its purpose is to provide benefits for injured ACT workers whose employer did not hold a compulsory workers' compensation policy or cannot provide the indemnity required under a compulsory workers' compensation insurance policy. Since 1 July 2017, it also provides benefits to all workers making a claim for an imminently fatal asbestos related disease (IFARD). The monies needed to meet the cost of claims and other relevant Fund expenses are not guaranteed by the ACT Government; however, Part 8.2 of the Act allows the Fund Manager to impose contributions and supplementary contributions on approved insurers and self-insurers to meet these costs.

The Fund's levy is estimated to meet the costs of all claims, including IFARD claims. The calculation of the outstanding claims liability of the Fund includes a provision for all future estimated IFARD claims, regardless of when the claim may be made. The funding position for IFARD claims is currently in surplus as the Fund's total assets meet or exceed the total amount of outstanding claims liabilities.

The funding position for IFARD claims continue to improve each year as levies are collected since the cost of all future claims are already included within the liability. Based on the current claims cost, levy and inflation assumptions, it is projected that the IFARD liability will be fully funded. If IFARD claims were to emerge at a higher rate than anticipated, or currently experienced, then the Fund would be in deficit.

APPENDIX B. PUBLIC TRADING ENTERPRISES FINANCIAL STATEMENTS

Table B.1: Australian Capital Territory Public Trading Enterprises – Operating Statement (\$'000)

	2022-23 Actual Outcome	2023-24 Budget	2023-24 Revised Budget	2024-25 Revised Estimate	2025-26 Revised Estimate	2026-27 Revised Estimate
Revenue						
Controlled recurrent payments	301,625	331,187	347,991	316,689	322,891	318,912
Commonwealth grants	7,790	9,538	9,538	9,753	9,753	9,753
Sales of goods and services revenue						
Revenue from associates and joint ventures	157,234	64,630	36,672	44,784	46,930	69,861
Other sales of goods and services from contracts with customers	414,671	475,575	472,827	502,662	534,842	571,423
Interest revenue	11,225	8,717	12,869	8,449	8,092	8,850
Other revenue						
Land revenue (value add component)	117,230	335,232	349,538	343,277	794,854	371,298
Other revenue	28,098	15,986	18,291	16,506	11,394	11,379
Gains from contributed assets	21,533	18,966	21,730	15,527	16,428	5,247
Total revenue	1,059,406	1,259,831	1,269,456	1,257,647	1,745,184	1,366,723
Expenses						
Employee expenses	232,251	242,440	241,993	249,055	255,694	259,498
Superannuation expenses	34,848	39,202	38,129	39,356	41,189	42,079
Depreciation and amortisation	184,339	174,388	199,311	205,195	216,761	226,554
Interest expenses	127,507	102,949	117,015	104,364	105,761	112,026
Other property expenses (income tax equivalents)	46,256	53,358	48,282	91,359	102,914	130,094
Other operating expenses						
Supplies and services	328,986	356,441	381,342	307,238	311,623	314,707
Other operating expenses	118,775	206,897	232,274	217,423	261,499	238,387
Grants and purchased services	81,027	81,901	74,039	81,529	184,428	121,307
Total expenses	1,153,989	1,257,576	1,332,385	1,295,519	1,479,869	1,444,652
UPF net operating balance	(94,583)	2,255	(62,929)	(37,872)	265,315	(77,929)
Other economic flows – included in the Operating Statement						
Land revenue (market gains on land sales)	62,744	16,164	71,571	107,947	0	0
Net gain/(loss) on sale/(disposal) of non-financial assets	(14,762)	(13,085)	(14,477)	10,091	10,362	10,249
Net gain on financial assets or liabilities at fair value	78	100	100	100	100	100
Doubtful debts	(3,431)	(3,543)	(3,543)	(3,634)	(3,634)	(3,634)
Operating result	(49,954)	1,891	(9,278)	76,632	272,143	(71,214)

	2022-23 Actual Outcome	2023-24 Budget	2023-24 Revised Budget	2024-25 Revised Estimate	2025-26 Revised Estimate	2026-27 Revised Estimate
Other economic flows – other comprehensive income						
Items that will not be subsequently reclassified to the Operating Statement						
Other movements	(52,411)	(259)	2,666	(369)	131	131
Increase in the asset revaluation surplus	27,210	131,586	129,375	43,509	56,658	48,189
Total comprehensive result	(75,155)	133,218	122,763	119,772	328,932	(22,894)
Key fiscal aggregates						
UPF net operating balance	(94,583)	2,255	(62,929)	(37,872)	265,315	(77,929)
less net acquisition of non-financial assets						
Payments for non-financial assets	248,506	443,402	434,133	410,097	264,393	245,107
Sales of non-financial assets	(113,918)	(112,200)	(112,201)	(77,000)	(13,800)	0
Change in inventories	146,801	108,411	91,096	109,372	27,516	(26,716)
Depreciation and amortisation	(184,339)	(174,388)	(199,311)	(205,195)	(216,761)	(226,554)
Other movements in non-financial assets	(35,820)	(37,623)	(22,994)	(42,205)	(144,282)	(93,116)
<i>Total net acquisition of non-financial assets</i>	<i>61,230</i>	<i>227,602</i>	<i>190,723</i>	<i>195,069</i>	<i>(82,934)</i>	<i>(101,279)</i>
Net lending /(borrowing)	(155,813)	(225,347)	(253,652)	(232,941)	348,249	23,350
UPF net operating balance	(94,583)	2,255	(62,929)	(37,872)	265,315	(77,929)
HEADLINE NET OPERATING BALANCE	(94,583)	2,255	(62,929)	(37,872)	265,315	(77,929)

Table B.2: Australian Capital Territory Public Trading Enterprises – Balance Sheet (\$'000)

	2022-23 Actual Outcome	2023-24 Budget	2023-24 Revised Budget	2024-25 Revised Estimate	2025-26 Revised Estimate	2026-27 Revised Estimate
Financial assets						
Cash and deposits	357,607	173,983	175,162	85,866	206,578	140,665
Advances paid	0	2,740	12,356	7,207	0	0
Investments and loans	15,000	35,000	54,523	54,523	54,523	54,523
Receivables	81,243	124,381	58,519	56,520	58,154	59,593
Equity investments	1,042,731	1,157,475	1,026,403	1,031,187	1,033,117	1,050,478
Total financial assets	1,496,581	1,493,579	1,326,963	1,235,303	1,352,372	1,305,259
Non-Financial assets						
Produced assets						
Property, plant and equipment	6,707,844	6,325,494	6,804,391	6,823,514	6,890,580	6,898,270
Investment properties	24,245	26,050	24,099	23,949	23,891	23,878
Intangibles	26,648	32,154	23,460	20,290	17,933	16,071
Inventories	439,789	476,171	530,885	640,257	667,773	641,057
Assets held for sale	27,227	11,550	310	2,070	0	0
Capital works-in-progress	228,822	321,320	369,657	464,778	448,956	463,868
Non-produced assets						
Property, plant and equipment	5,702,146	6,241,434	5,770,784	5,831,446	5,865,037	5,901,754
Other non-financial assets						
Deferred tax assets	24,162	23,643	24,162	24,162	24,162	24,162
Total non-financial assets	13,180,883	13,457,816	13,547,748	13,830,466	13,938,332	13,969,060
Total assets	14,677,464	14,951,395	14,874,711	15,065,769	15,290,704	15,274,319
Liabilities						
Advances received	1,973,197	2,054,755	1,989,921	2,049,955	2,115,311	2,240,034
Borrowings						
Lease liabilities	16,625	24,992	20,588	18,707	16,704	14,570
Other borrowings	299,895	271,408	288,559	320,396	256,609	231,498
Employee benefits	85,604	87,582	84,498	87,687	90,175	92,593
Other provisions	298,324	173,971	284,390	246,327	207,720	206,929
Payables and contract liabilities	203,894	207,415	216,061	228,610	225,108	228,192
Other liabilities						
Current tax liability	6,088	(7,835)	(423)	(22,782)	16,935	43,384
Deferred tax liability	759,474	696,727	771,777	796,045	798,970	784,715
Other liabilities	107,942	175,210	85,650	125,159	184,582	227,262
Total liabilities	3,751,043	3,684,225	3,741,021	3,850,104	3,912,114	4,069,177
Net assets	10,926,421	11,267,170	11,133,690	11,215,665	11,378,590	11,205,142
Accumulated funds	3,659,313	3,718,143	3,759,207	3,819,673	3,947,940	3,748,303
Asset revaluation surplus	7,267,108	7,549,027	7,374,483	7,395,992	7,430,650	7,456,839
Net worth	10,926,421	11,267,170	11,133,690	11,215,665	11,378,590	11,205,142
Net financial worth	(2,254,462)	(2,190,646)	(2,414,058)	(2,614,801)	(2,559,742)	(2,763,918)
Net debt	1,917,110	2,139,432^a	2,057,027	2,241,462	2,127,523	2,290,914

Note: (a) The 2023-24 Budget net debt has been updated to include Other Borrowings.

Table B.3: Australian Capital Territory Public Trading Enterprises – Statement of Changes in Equity (\$'000)

	2022-23 Actual Outcome	2023-24 Budget	2023-24 Revised Budget	2024-25 Revised Estimate	2025-26 Revised Estimate	2026-27 Revised Estimate
Opening equity						
Opening accumulated funds	3,586,480	3,616,669	3,659,313	3,759,207	3,819,673	3,947,940
Opening asset revaluation surplus	7,363,753	7,439,441	7,267,108	7,374,483	7,395,992	7,430,650
Opening balance	10,950,233	11,056,110	10,926,421	11,133,690	11,215,665	11,378,590
Comprehensive income						
<i>Included in accumulated funds:</i>						
Operating result for the period	(49,954)	1,891	(9,278)	76,632	272,143	(71,214)
Other movements	(52,411)	(259)	2,666	(369)	131	131
<i>Included in the asset revaluation surplus:</i>						
Increase in the asset revaluation surplus	27,210	131,586	129,375	43,509	56,658	48,189
Total comprehensive result	(75,155)	133,218	122,763	119,772	328,932	(22,894)
Other						
Transfer to accumulated funds	123,855	22,000	22,000	22,000	22,000	22,000
Transfer to the asset revaluation surplus	(123,855)	(22,000)	(22,000)	(22,000)	(22,000)	(22,000)
Total other	0	0	0	0	0	0
Transactions involving owners affecting accumulated funds						
Capital injections	105,231	221,658	279,979	166,134	106,054	73,013
Transfer of assets from the General Government Sector	0	12,000	0	12,000	0	0
Dividends approved	(53,888)	(155,816)	(195,473)	(215,931)	(272,061)	(223,567)
Total transactions involving owners affecting accumulated funds	51,343	77,842	84,506	(37,797)	(166,007)	(150,554)
Closing equity						
Closing accumulated funds	3,659,313	3,718,143	3,759,207	3,819,673	3,947,940	3,748,303
Closing asset revaluation surplus	7,267,108	7,549,027	7,374,483	7,395,992	7,430,650	7,456,839
Closing balance	10,926,421	11,267,170	11,133,690	11,215,665	11,378,590	11,205,142

Table B.4: Australian Capital Territory Public Trading Enterprises – Statement of Cash Flows (\$'000)

	2022-23 Actual Outcome	2023-24 Budget	2023-24 Revised Budget	2024-25 Revised Estimate	2025-26 Revised Estimate	2026-27 Revised Estimate
Cash flows from operating activities						
Cash receipts						
Sales of goods and services from contracts with customers	618,150	797,990	895,045	930,817	1,325,998	936,544
Grants and contributions	302,955	340,791	357,595	326,508	332,710	328,731
Interest receipts	11,085	7,757	11,700	7,981	8,049	8,850
Other receipts	149,001	79,712	99,910	91,121	93,121	97,274
Total receipts from operating activities	1,081,191	1,226,250	1,364,250	1,356,427	1,759,878	1,371,399
Cash payments						
Payments for employees	(261,261)	(273,021)	(274,002)	(273,442)	(282,440)	(286,978)
Payments for goods and services	(313,712)	(366,631)	(366,741)	(251,472)	(252,389)	(251,924)
Grants/subsidies paid	(35,677)	(36,798)	(40,431)	(35,369)	(34,153)	(33,630)
Borrowing costs	(100,400)	(85,295)	(91,512)	(85,485)	(90,055)	(89,366)
Other payments	(296,456)	(428,419)	(435,210)	(471,503)	(557,312)	(385,458)
Total payments from operating activities	(1,007,506)	(1,190,164)	(1,207,896)	(1,117,271)	(1,216,349)	(1,047,356)
Net cash inflows from operating activities	73,685	36,086	156,354	239,156	543,529	324,043
Cash flows from investing activities						
Cash flows from investments in non-financial assets						
Sales of non-financial assets	113,918	112,200	112,201	77,000	13,800	0
Payments for non-financial assets	(248,506)	(443,402)	(434,133)	(410,097)	(264,393)	(245,107)
Net cash (outflows) from investments in non-financial assets	(134,588)	(331,202)	(321,932)	(333,097)	(250,593)	(245,107)
Cash flows from investments in financial assets for policy purposes						
Cash receipts						
Repayment of loans	0	26,872	15,305	20,283	7,251	0
Capital receipts from government agencies	105,231	221,658	279,979	166,134	106,054	73,013
Total receipts from investments in financial assets for policy purposes	105,231	248,530	295,284	186,417	113,305	73,013
Cash payments						
Issue of loans	(7,126)	(15,593)	(19,550)	(14,666)	0	0
Dividends (market gains on land sales)	0	(10,978)	(48,863)	(72,241)	0	0
Total payments from investments in financial assets for policy purposes	(7,126)	(26,571)	(68,413)	(86,907)	0	0
Net cash inflows/(outflows) from investments in financial assets for policy purposes	98,105	221,959	226,871	99,510	113,305	73,013

	2022-23 Actual Outcome	2023-24 Budget	2023-24 Revised Budget	2024-25 Revised Estimate	2025-26 Revised Estimate	2026-27 Revised Estimate
Cash flows from investments in financial assets for liquidity purposes						
Sales of investments	728	16,684	24,538	3,829	198	204
Net cash inflows from investments in financial assets for liquidity purposes	728	16,684	24,538	3,829	198	204
Net cash (outflows) from investing activities	(35,754)	(92,559)	(70,523)	(229,758)	(137,090)	(171,890)
Cash flows from financing activities						
Cash receipts						
Advances received	99,595	170,795	43,221	117,315	248,836	161,857
Total receipts from financing activities	99,595	170,795	43,221	117,315	248,836	161,857
Cash payments						
Advances paid	(41,583)	(111,804)	(50,084)	(13,783)	(250,482)	(70,801)
Dividends paid	(20,990)	(62,847)	(168,863)	(101,052)	(211,109)	(177,481)
Repayments of lease liabilities – principal	(4,831)	(16,544)	(16,463)	(17,688)	(18,665)	(19,705)
Other financing	(131,386)	(37,149)	(36,564)	(83,486)	(54,307)	(111,936)
Total payments from financing activities	(198,790)	(228,344)	(271,974)	(216,009)	(534,563)	(379,923)
Net cash (outflows) from financing activities	(99,195)	(57,549)	(228,753)	(98,694)	(285,727)	(218,066)
Net increase/(decrease) in cash and cash equivalents	(61,264)	(114,022)	(142,922)	(89,296)	120,712	(65,913)
Cash and cash equivalents at the beginning of the reporting period	433,869	323,003	372,605	229,683	140,387	261,099
Cash and cash equivalents at the end of the reporting period	372,605	208,981	229,683	140,387	261,099	195,186
Key fiscal aggregates						
Net cash from operating activities	73,685	36,086	156,354	239,156	543,529	324,043
Net cash flows from investments in non-financial assets	(134,588)	(331,202)	(321,932)	(333,097)	(250,593)	(245,107)
Distributions paid	(152,376)	(99,996)	(205,427)	(184,538)	(265,416)	(289,417)
Cash surplus/(deficit)	(213,279)	(395,112)	(371,005)	(278,479)	27,520	(210,481)

APPENDIX C. TOTAL TERRITORY FINANCIAL STATEMENTS

Table C.1: Australian Capital Territory Consolidated Total Territory – Operating Statement (\$'000)

	2022-23 Actual Outcome	2023-24 Budget	2023-24 Revised Budget	2024-25 Revised Estimate	2025-26 Revised Estimate	2026-27 Revised Estimate
Revenue						
Taxation revenue	2,510,973	2,583,419	2,516,203	2,658,032	2,846,587	3,020,267
Commonwealth grants	3,168,161	3,366,142	3,269,488	3,576,915	3,689,786	3,868,294
Sales of goods and services						
Revenue from associates and joint ventures	157,234	64,630	36,672	44,784	46,930	69,861
Other sales of goods and services from contracts with customers	936,769	1,043,845	1,029,282	1,076,268	1,127,312	1,183,894
Investment revenue	157,211	181,564	151,885	194,665	209,747	225,889
Interest revenue	186,451	157,569	173,746	156,376	117,417	135,629
Other revenue						
Land revenue (value add component)	96,694	302,432	299,024	317,746	623,466	346,298
Other revenue	196,132	236,371	242,914	281,102	369,519	399,150
Gains from contributed assets	194,739	177,484	181,178	159,137	147,987	111,573
Total revenue	7,604,364	8,113,456	7,900,392	8,465,025	9,178,751	9,360,855
Expenses						
Employee expenses	3,006,005	3,288,366	3,360,705	3,435,122	3,489,466	3,590,969
Superannuation expenses						
Superannuation interest cost	425,834	470,440	464,705	482,238	493,087	502,904
Other superannuation expenses	508,662	482,633	515,658	498,561	513,313	516,786
Depreciation and amortisation	727,842	775,231	803,707	832,810	847,821	856,846
Interest expenses	334,164	399,730	410,630	517,410	570,644	685,412
Other operating expenses						
Supplies and services	1,603,113	1,822,349	1,864,450	1,892,053	1,928,264	2,015,471
Other operating expenses	455,247	421,313	441,598	452,325	467,753	495,737
Grants and purchased services	1,435,649	1,247,634	1,281,057	1,174,755	1,143,634	1,150,724
Total expenses	8,496,516	8,907,696	9,142,510	9,285,274	9,453,982	9,814,849
UPF net operating balance	(892,152)	(794,240)	(1,242,118)	(820,249)	(275,231)	(453,994)
Other economic flows – included in the Operating Statement						
Land revenue (market gains on land sales)	62,744	16,164	71,571	107,947	0	0
Net land revenue (undeveloped land value)	2,254	5,553	9,958	10,125	8,389	7,873
Net loss on disposal of non-financial assets	(21,989)	(24,055)	(28,645)	(2,050)	(3,295)	(5,031)
Net gain on financial assets or liabilities at fair value	419,034	229,379	173,647	246,236	265,185	285,536
Doubtful debts	(23,172)	(14,301)	(14,301)	(14,703)	(14,789)	(14,837)
Operating result	(453,281)	(581,500)	(1,029,888)	(472,694)	(19,741)	(180,453)

	2022-23 Actual Outcome	2023-24 Budget	2023-24 Revised Budget	2024-25 Revised Estimate	2025-26 Revised Estimate	2026-27 Revised Estimate
Other economic flows – other comprehensive income						
Items that will not be subsequently reclassified to the Operating Statement						
Superannuation actuarial gain	616,502	0	1,154,699	0	0	0
Other movements	(55,926)	(1,801)	(9,490)	(913)	(420)	(421)
Increase/(decrease) in the asset revaluation surplus	672,034	38,283	54,179	3,676	33,741	(295,222)
Total comprehensive result	779,329	(545,018)	169,500	(469,931)	13,580	(476,096)
Key fiscal aggregates						
UPF net operating balance	(892,152)	(794,240)	(1,242,118)	(820,249)	(275,231)	(453,994)
less net acquisition of non-financial assets						
Payments for non-financial assets	1,157,474	1,437,058	1,454,143	1,527,458	1,548,241	1,562,719
Sales of non-financial assets	(177,069)	(149,317)	(153,823)	(119,045)	(51,116)	(36,823)
Change in inventories	131,657	110,132	92,817	109,813	27,948	(26,293)
Depreciation and amortisation	(727,842)	(775,231)	(803,707)	(832,810)	(847,821)	(856,846)
Other movements in non-financial assets	83,507	44,350	60,940	41,397	56,342	44,922
<i>Total net acquisition of non-financial assets</i>	<i>467,727</i>	<i>666,992</i>	<i>650,370</i>	<i>726,813</i>	<i>733,594</i>	<i>687,679</i>
Net borrowing	(1,359,879)	(1,461,232)	(1,892,488)	(1,547,062)	(1,008,825)	(1,141,673)
GOVERNMENT FISCAL MEASURE – OPERATING SURPLUS/(DEFICIT)						
UPF net operating balance	(892,152)	(794,240)	(1,242,118)	(820,249)	(275,231)	(453,994)
Superannuation return adjustment	169,851	219,069	237,475	234,805	252,614	271,761
HEADLINE NET OPERATING BALANCE	(722,301)	(575,171)	(1,004,643)	(585,444)	(22,617)	(182,233)

Table C.2: Australian Capital Territory Consolidated Total Territory – Balance Sheet (\$'000)

	2022-23 Actual Outcome	2023-24 Budget	2023-24 Revised Budget	2024-25 Revised Estimate	2025-26 Revised Estimate	2026-27 Revised Estimate
Financial assets						
Cash and deposits	2,731,804	3,013,060	3,018,372	2,451,717	2,153,514	3,433,714
Advances paid	86,130	186,850	195,799	198,874	172,432	152,131
Investments and loans	6,125,785	6,536,048	6,555,621	7,044,588	7,580,176	8,154,356
Receivables	662,789	1,012,683	691,433	757,241	855,772	939,995
Equity investments	1,042,731	1,157,475	1,026,403	1,031,187	1,033,117	1,050,478
Total financial assets	10,649,239	11,906,116	11,487,628	11,483,607	11,795,011	13,730,674
Non-financial assets						
Produced assets						
Property, plant and equipment	20,804,353	20,017,430	20,526,550	21,411,973	22,179,545	22,649,987
Investment properties	29,265	31,070	29,119	28,969	28,911	28,898
Intangibles	281,080	252,762	299,058	364,705	316,133	268,112
Inventories	480,022	533,767	572,839	682,652	710,600	684,307
Assets held for sale	45,121	23,155	15,798	15,239	12,649	12,649
Capital works-in-progress	1,440,277	2,348,715	2,456,892	2,252,683	2,578,559	2,777,602
Non-produced assets						
Property, plant and equipment	10,978,279	11,358,305	11,067,246	11,124,466	11,232,492	11,274,274
Biological assets	41,256	40,385	42,990	42,990	42,990	42,990
Other non-financial assets	9,899	1,905	9,900	9,900	9,900	9,900
Total non-financial assets	34,109,552	34,607,494	35,020,392	35,933,577	37,111,779	37,748,719
Total assets	44,758,791	46,513,610	46,508,020	47,417,184	48,906,790	51,479,393
Liabilities						
Advances received	81,586	73,231	73,363	65,191	56,984	48,843
Borrowings						
Lease liabilities	1,091,195	1,059,645	1,079,028	1,034,143	995,115	955,141
Other borrowings	9,869,416	12,107,592	12,262,600	13,398,322	14,651,741	17,446,337
Superannuation	10,565,392	9,685,471	9,685,468	9,921,573	10,137,701	10,331,429
Employee benefits	1,120,770	1,200,759	1,169,113	1,229,751	1,282,941	1,336,052
Other provisions	1,263,654	1,130,036	1,262,963	1,242,801	1,235,395	1,276,283
Payables and contract liabilities	500,903	564,372	543,644	567,552	575,484	589,971
Other liabilities	24,991	22,428	21,457	17,398	17,396	17,400
Total liabilities	24,517,907	25,843,534	26,097,636	27,476,731	28,952,757	32,001,456
Net assets	20,240,884	20,670,076	20,410,384	19,940,453	19,954,033	19,477,937
Accumulated funds	3,661,912	4,329,641	3,815,107	3,379,351	3,397,073	3,254,158
Asset revaluation surplus	16,577,742	16,339,205	16,594,047	16,559,872	16,555,730	16,222,549
Other reserves	1,230	1,230	1,230	1,230	1,230	1,230
Net worth	20,240,884	20,670,076	20,410,384	19,940,453	19,954,033	19,477,937
Net financial worth	(13,868,668)	(13,937,418)	(14,610,008)	(15,993,124)	(17,157,746)	(18,270,782)
Net financial liabilities	14,911,399	15,094,893	15,636,411	17,024,311	18,190,863	19,321,260
Net debt (excluding superannuation related investments)	7,607,420	9,391,484	9,488,648	11,078,499	12,538,808	13,951,217

Table C.3: Australian Capital Territory Consolidated Total Territory – Statement of Changes in Equity (\$'000)

	2022-23 Actual Outcome	2023-24 Budget	2023-24 Revised Budget	2024-25 Revised Estimate	2025-26 Revised Estimate	2026-27 Revised Estimate
Opening equity						
Opening accumulated funds	3,396,145	4,875,068	3,661,912	3,815,107	3,379,351	3,397,073
Opening asset revaluation surplus	16,064,180	16,338,796	16,577,742	16,594,047	16,559,872	16,555,730
Opening other reserves	1,230	1,230	1,230	1,230	1,230	1,230
Opening balance	19,461,555	21,215,094	20,240,884	20,410,384	19,940,453	19,954,033
Comprehensive income						
<i>Included in accumulated funds:</i>						
Operating result for the period	(453,281)	(581,500)	(1,029,888)	(472,694)	(19,741)	(180,453)
Superannuation actuarial gain	616,502	0	1,154,699	0	0	0
Other movements	(55,926)	(1,801)	(9,490)	(913)	(420)	(421)
<i>Included in the asset revaluation surplus:</i>						
Increase/(decrease) in the asset revaluation surplus	672,034	38,283	54,179	3,676	33,741	(295,222)
Total comprehensive result	779,329	(545,018)	169,500	(469,931)	13,580	(476,096)
Other						
Transfer to accumulated funds	158,472	37,874	37,874	37,851	37,883	37,959
Transfer (from) the asset revaluation surplus	(158,472)	(37,874)	(37,874)	(37,851)	(37,883)	(37,959)
Total other	0	0	0	0	0	0
Closing equity						
Closing accumulated funds	3,661,912	4,329,641	3,815,107	3,379,351	3,397,073	3,254,158
Closing asset revaluation surplus	16,577,742	16,339,205	16,594,047	16,559,872	16,555,730	16,222,549
Closing other reserves	1,230	1,230	1,230	1,230	1,230	1,230
Closing balance	20,240,884	20,670,076	20,410,384	19,940,453	19,954,033	19,477,937

Table C.4: Australian Capital Territory Consolidated Total Territory – Statement of Cash Flows
(\$'000)

	2022-23 Actual Outcome	2023-24 Budget	2023-24 Revised Budget	2024-25 Revised Estimate	2025-26 Revised Estimate	2026-27 Revised Estimate
Cash flows from operating activities						
Cash receipts						
Taxes received	2,323,229	2,530,924	2,461,144	2,601,172	2,797,535	2,995,306
Sales of goods and services from contracts with customers	1,362,700	1,340,490	1,414,243	1,466,424	1,737,510	1,518,046
Grants and contributions	3,158,369	3,408,329	3,311,647	3,619,625	3,733,194	3,912,558
Investment receipts	156,631	181,564	151,885	194,665	209,747	225,889
Interest receipts	172,681	147,330	166,122	145,511	108,278	127,668
Other receipts	560,780	474,051	477,845	490,725	573,226	605,326
Total receipts from operating activities	7,734,390	8,082,688	7,982,886	8,518,122	9,159,490	9,384,793
Cash payments						
Payments for employees	(3,570,626)	(4,023,394)	(4,113,335)	(4,160,425)	(4,264,753)	(4,393,850)
Payments for goods and services	(1,667,533)	(1,855,734)	(1,861,057)	(1,877,912)	(1,912,620)	(1,986,727)
Grants/subsidies paid	(1,290,576)	(1,112,388)	(1,143,324)	(1,060,912)	(1,062,146)	(1,093,589)
Borrowing costs	(295,224)	(370,178)	(364,056)	(481,892)	(531,089)	(630,816)
Other payments	(756,629)	(801,540)	(751,860)	(799,753)	(892,743)	(724,682)
Total payments from operating activities	(7,580,588)	(8,163,234)	(8,233,632)	(8,380,894)	(8,663,351)	(8,829,664)
Net cash inflows/(outflows) from operating activities	153,802	(80,546)	(250,746)	137,228	496,139	555,129
Cash flows from investing activities						
Cash flows from investments in non-financial assets						
Sales of non-financial assets	177,069	149,317	153,823	119,045	51,116	36,823
Payments for non-financial assets	(1,157,474)	(1,437,058)	(1,454,143)	(1,527,458)	(1,548,241)	(1,562,719)
Net cash (outflows) from investments in non-financial assets	(980,405)	(1,287,741)	(1,300,320)	(1,408,413)	(1,497,125)	(1,525,896)
Cash flows from investments in financial assets for policy purposes						
Cash receipts						
Repayment of loans	8,585	45,769	34,202	47,436	36,052	28,890
Total receipts from investments in financial assets for policy purposes	8,585	45,769	34,202	47,436	36,052	28,890
Cash payments						
Issue of loans	(112,163)	(132,593)	(161,550)	(46,666)	0	0
Total payments from investments in financial assets for policy purposes	(112,163)	(132,593)	(161,550)	(46,666)	0	0
Net cash inflows/(outflows) from investments in financial assets for policy purposes	(103,578)	(86,824)	(127,348)	770	36,052	28,890

	2022-23 Actual Outcome	2023-24 Budget	2023-24 Revised Budget	2024-25 Revised Estimate	2025-26 Revised Estimate	2026-27 Revised Estimate
Cash flows from investments in financial assets for liquidity purposes						
Sales of investments	24,453	167,609	28,081	21,274	23,079	25,700
Payments for investments	(182,167)	(406,717)	(238,265)	(291,269)	(311,908)	(384,494)
Net cash (outflows) from investments in financial assets for liquidity purposes	(157,714)	(239,108)	(210,184)	(269,995)	(288,829)	(358,794)
Net cash (outflows) from investing activities	(1,241,697)	(1,613,673)	(1,637,852)	(1,677,638)	(1,749,902)	(1,855,800)
Cash flows from financing activities						
Cash receipts						
Borrowings	345,822	2,265,791	2,322,770	1,072,102	1,159,534	2,731,312
Total receipts from financing activities	345,822	2,265,791	2,322,770	1,072,102	1,159,534	2,731,312
Cash payments						
Borrowings	(20,711)	(32,144)	(55,024)	(29,019)	(141,621)	(85,598)
Repayment of lease liabilities – principal	(58,882)	(67,613)	(66,200)	(70,234)	(65,289)	(67,825)
Total payment from financing activities	(79,593)	(99,757)	(121,224)	(99,253)	(206,910)	(153,423)
Net cash inflows from financing activities	266,229	2,166,034	2,201,546	972,849	952,624	2,577,889
Net increase/(decrease) in cash and cash equivalents	(821,666)	471,815	312,948	(567,561)	(301,139)	1,277,218
Cash and cash equivalents at the beginning of reporting period	3,568,631	2,562,911	2,746,965	3,059,913	2,492,352	2,191,213
Cash and cash equivalents at the end of reporting period	2,746,965	3,034,726	3,059,913	2,492,352	2,191,213	3,468,431
Key fiscal aggregates						
Net cash from operating activities	153,802	(80,546)	(250,746)	137,228	496,139	555,129
Investments in non-financial assets	(980,405)	(1,287,741)	(1,300,320)	(1,408,413)	(1,497,125)	(1,525,896)
Cash deficit	(826,603)	(1,368,287)	(1,551,066)	(1,271,185)	(1,000,986)	(970,767)

