



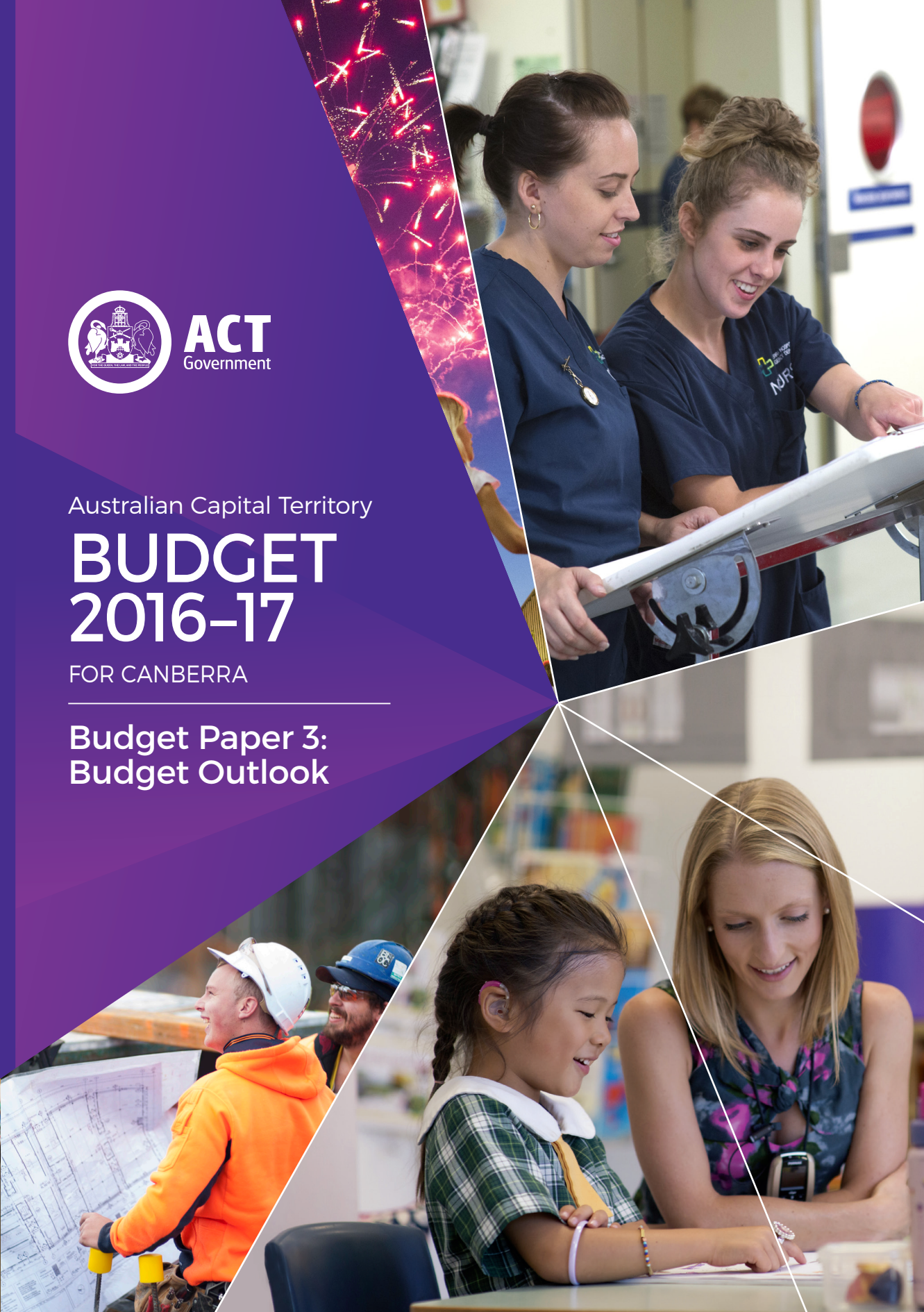
**ACT**  
Government

Australian Capital Territory

# BUDGET 2016-17

FOR CANBERRA

**Budget Paper 3:  
Budget Outlook**



# INTRODUCTION

---

*The 2016-17 Budget is a budget for Canberra.*

In recent years, the ACT has weathered the storms of the global financial crisis, fiscal consolidation by the Commonwealth, and the challenges posed by asbestos remediation. Through all this, the ACT Government has remained committed to supporting jobs and growth in the ACT.

This strategy is paying off. The ACT economy has bounced back from the deep Commonwealth Public Service job cuts of the past few years, and the improved outlook for economic growth has been accompanied by a pickup in the labour market.

The Government has remained committed to a fiscal strategy that achieves a strong operating balance over the medium term, offsetting temporary deficits with surpluses in other periods. This year's budget strategy therefore continues to build on the principles of job creation, the delivery of high quality services to the community, and investing in transformational capital projects for the long term.

This budget confirms the Government's planned path to surplus, and emphasises the strength of the Government's fiscal management. This is borne out by the improvement – across all four years – of the Territory's Headline Net Operating Balance since the 2015-16 Budget Review. As forecast in recent budget papers, the Government expects to deliver balanced budgets in 2017-18 and 2018-19 with a strong surplus in 2019-20.

The effective implementation of these economic and fiscal strategies has also been confirmed through the reaffirmation of the Territory's AAA long-term stable and A-1+ short-term credit ratings by Standard & Poor's in September 2015.

Reflecting the Government's infrastructure program, general government net debt will increase in 2017-18 and 2018-19, peaking in 2018-19 before declining. Net financial liabilities will decrease in 2016-17 from a peak in 2015-16, increasing until 2018-19 then declining in 2019-20.

Through this budget, the Government is delivering a better future for all Canberrans. New initiatives will improve existing services, provide new services, implement policies that will keep our community safer, and oversee a capital works program that will build the infrastructure to connect the Territory and generate long-term benefits for its residents.

## Overview of the 2016-17 Budget

The 2016-17 Budget has been framed in the context of a recovering ACT economy, emerging from the impact of past Commonwealth Government cuts.

The key economic aggregates are set out in Table 1 below.

Economic growth, represented by Gross State Product, is forecast to reach 2¼ per cent in 2016-17, before returning to longer-term trend growth of 2½ per cent from 2017-18 onward. The improvement in the economic outlook is being accompanied by solid labour market outcomes – over 2,000 net new jobs are expected to be created in 2015-16 and the unemployment rate is now at 4.1 per cent – the lowest in Australia.

State Final Demand, which measures economic activity in the Territory, is forecast to stay at 2015-16 levels and is then projected to increase to the long-term trend rate of 4 per cent in the out years.

The ACT's population is anticipated to grow by 1½ per cent from 2015-16 onward, slightly higher than the 1.4 per cent growth rate in 2014-15.

**Table 1: 2016-17 Budget Economic Forecasts, percentage change<sup>1</sup>**

	Actual	Estimate	Forecasts	Projections		
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
<b>ACT</b>						
Gross State Product <sup>2</sup>	1.4	2 (+¼)	2¼ (+¼)	2½	2½	2½
State Final Demand <sup>3</sup>	1.5	2½ (+½)	2½	4	4	4
Employment	0.0	1 (+¾)	1¼ (+¼)	1½	1½	1½
Wage Price Index <sup>4</sup>	1.9	1¾ (-¼)	2 (-¼)	3½	3½	3½
Consumer Price Index	0.8	¾ (-¾)	1 (-1)	2½	2½	2½
Population	1.4	1½	1½	1½	1½	1½
<b>Australia</b>						
Gross Domestic Product <sup>3,5</sup>	2.2	2½	2½ (-¼)	3	3	3

**Sources:** ABS Cat. No. 3101.0, 5206.0, 5220.0, 6202.0, 6345.0, and 6401.0; CMTEDD; 2016 Pre-election Economic and Fiscal Outlook.

**Notes:** Numbers in brackets represent the change to forecast numbers since the 2015-16 Budget Review. Forecasts and projections are rounded to a ¼ of a percentage point, reflecting an appropriate level of accuracy in forecasting economic parameters. Projections are based on long-run trend assumptions.

1. Forecasts are on a through the year basis, unless otherwise specified.
2. Gross State Product is forecast on a real basis.
3. Year average basis.
4. Total hourly rates of pay excluding bonuses.
5. These are 2016 Pre-election Economic and Fiscal Outlook forecasts. Comparisons are to the Commonwealth's 2015-16 Mid-Year Economic and Fiscal Outlook.

Overall, the recovery is being supported by the end of the Commonwealth Government's hiring freeze on 1 July 2015, and the positive effects of a lower Australian dollar, low interest rates and the ACT Government's policy framework in encouraging economic diversification and growth in the Territory. The Government's significant program of infrastructure investment, including the light rail project, the University of Canberra Public Hospital, and the ACT Law Courts, is also expected to support growth over the short to medium term.

Downside risks to the medium-term outlook remain. In particular, the Federal Government's announcement in its 2016-17 Budget of an additional \$1.9 billion in efficiency dividend savings (of which an estimated \$600 million may occur in the ACT) could have flow-on effects to the broader ACT economy.

The Government is forecasting a Headline Net Operating deficit of \$94.3 million in 2016-17, a deficit of \$35 million in 2017-18, and a return to balance in 2018-19 and 2019-20.

In formulating its 2016-17 Budget, the Government decided, for the first time, to foreshadow a variation to the 2016-17 Budget by anticipating the difference between current interest rates and the long-term discount rate used to value our superannuation liabilities.

This technical adjustment has traditionally not been made until the actual outcomes for each year are published and, in recent years, it has reduced the bottom line by a material amount (in 2015-16, it was \$56.2 million). By including the estimated impact of this Superannuation Liability Valuation (\$87.7 million) in its 2016-17 Budget, the Government has revised its Headline Net Operating deficit to \$182.0 million. For the purposes of comparing estimated Headline Net Operating Balances for previous budget years, the appropriate Headline Net Operating deficit for 2016-17 is \$94.3 million.

Net debt and net financial liabilities are expected to increase over the four years to 2018-19, reflecting the Government's investment program, but will stabilise and decline in 2019-20. In all years, net debt and net financial liabilities are consistent with forecasts in the 2015-16 Budget and 2015-16 Budget Review. The balance sheet remains strong, and the net operating cash balance is forecast to increase in 2016-17, largely as a result of the acceleration of the demolition schedule for the Loose-fill Asbestos Insulation Eradication Scheme.

**Table 2: General Government Sector Headline Net Operating Balance**

	2015-16 Est. Outcome \$m	2016-17 Budget \$m	2017-18 Estimate \$m	2018-19 Estimate \$m	2019-20 Estimate \$m
Revenue	4,732.4	5,058.2	5,103.8	5,379.3	5,581.8
Expenses	5,130.8	5,403.7	5,312.2	5,528.7	5,711.6
Superannuation return adjustment <sup>1</sup>	165.9	163.6	173.3	182.8	195.8
<b>HEADLINE NET OPERATING BALANCE (excluding Superannuation Liability Valuation<sup>2</sup>)</b>	<b>-232.5</b>	<b>-94.3</b>	<b>-35.0</b>	<b>33.3</b>	<b>66.0</b>
<b>HEADLINE NET OPERATING BALANCE (includes Superannuation Liability Valuation<sup>2</sup>)</b>	<b>-232.5</b>	<b>-182.0</b>	<b>-35.0</b>	<b>33.3</b>	<b>66.0</b>
<b>Net Cash from Operating Activities</b>	-58.6	269.3	522.6	410.4	667.9
<b>Net Debt (excluding superannuation)</b>	1,832.5	2,080.2	2,103.8	2,902.7	2,581.3
<b>Net Financial Liabilities</b>	8,871.1	5,496.5	5,659.6	6,411.5	6,226.7

**Notes:** Numbers may not add due to rounding.

1. The Headline Net Operating Balance incorporates the impact of long-term superannuation investment earnings in order to provide an accurate assessment of the longer-term sustainability of the budget position. Further details are provided in Fiscal Strategy (Chapter 2).
2. This adjustment is to reflect the estimated Superannuation Liability Valuation outcome at 30 June 2016 and the flow-on impact to the superannuation expense in 2016-17 based on prevailing interest rates. The final figure is expected to be included in the Pre-Election Budget Update.



In the 2016-17 Budget, the Government will implement a range of new initiatives across its four broad strategic priorities: economic growth and diversification, enhancing liveability and social inclusion, health and education investment, and suburban renewal and better transport.

Specifically, this budget builds on previous investments in our health system, with work currently underway on the University of Canberra Public Hospital. The new Charles Weston School has opened in Coombs and capacity is being added in schools across Gungahlin. Construction will begin this year on the first stage of a city wide network of light rail, and the Government is undertaking an unprecedented renewal of public housing stock, with new houses that are energy efficient, comfortable and fit for purpose to be located across the city.

The Government will also continue to progress its tax reform agenda after having successfully completed the first five years of the program. The next stage will see further reductions in conveyance duty.

Growth in our visitor economy has been stimulated through the recent announcement of direct international flights between Canberra, Singapore and Wellington.

The ACT Government is also committed to tackling the issue of family violence. Family violence crosses socio-economic and cultural boundaries, and imposes a burden on the whole community. The *Safer Families* package in this budget is a whole of government, community-backed response to family violence.

As the ACT economy stabilises and strengthens, the Government is taking the opportunity to transform Canberra for the future and ensure that it is an inclusive and welcoming society.

This is a budget for an even better Canberra.

# TABLE OF CONTENTS

---

	Page No.
<b>Introduction</b>	<b>1</b>
<b>Chapter 1 Economic Performance, Outlook and Strategy</b>	<b>5</b>
1.1 Overview	7
1.2 National and Global Economic Outlook	9
1.3 ACT Economic Outlook	11
1.4 Economic Strategy	23
1.5 Risks to the Economic Outlook	27
<b>Chapter 2 Fiscal Strategy</b>	<b>29</b>
2.1 Budget Outlook	31
2.2 Fiscal Strategy	39
2.3 Cost of Living Statement	51
<b>Chapter 3 New Initiatives</b>	<b>69</b>
3.1 Initiatives Overview	71
3.2 Expense Initiatives	73
3.3 Infrastructure and Capital Initiatives	127
3.4 Revenue Initiatives	159
<b>Chapter 4 Expenses</b>	<b>169</b>
4.1 Expenses and Forward Estimates	171
4.2 Savings	181
<b>Chapter 5 Infrastructure and Capital</b>	<b>183</b>
5.1 Infrastructure Investment in the ACT	185
5.2 Capital Works Program	197
5.3 Supply and Release of Land	213
5.4 The Territory's Infrastructure	217
5.5 Asset Recycling	221

# TABLE OF CONTENTS

---

	Page No.	
<b>Chapter 6</b>	<b>Revenue</b>	<b>223</b>
	6.1 Revenue Overview	225
	6.2 Revenue and Forward Estimates	227
	6.3 Taxation Reform	249
<b>Chapter 7</b>	<b>Federal Financial Relations</b>	<b>259</b>
	7.1 Federal Financial Relations	261
<b>Chapter 8</b>	<b>Asset and Liability Management</b>	<b>287</b>
	8.1 Net Debt and Net Financial Liabilities	289
	8.2 Unfunded Superannuation Liability	293
	8.3 Management of Assets and Liabilities	299
<b>Chapter 9</b>	<b>GGs Harmonised Financial Statements</b>	<b>307</b>
	9.1 GFS/GAAP Harmonised Financial Statements	309
<b>Appendices</b>		<b>329</b>
	<b>A ACT Government Structure</b>	<b>331</b>
	<b>B Loose-fill Asbestos Insulation Eradication Scheme</b>	<b>341</b>
	<b>C Accounting Treatment for Public Private Partnerships</b>	<b>349</b>
	<b>D Budget Consultation (Submission Acknowledgement)</b>	<b>353</b>
	<b>E Capital Works – Capital Upgrades Program</b>	<b>357</b>
	<b>F Capital Works – New Initiatives By Type</b>	<b>365</b>
	<b>G Capital Works – Works-in-Progress</b>	<b>371</b>
	<b>H Capital Works – 2015-16 Savings and Project Variations</b>	<b>381</b>
	<b>I Capital Works – 2015-16 Re-profiling</b>	<b>385</b>
	<b>J Capital Works – 2014-15 to 2015-16 Section 16B Rollovers</b>	<b>393</b>
	<b>K Consolidated Financial Statements – Public Trading Enterprises and Total Territory</b>	<b>399</b>

# TABLE OF CONTENTS

---

	Page No.	
<b>L</b>	<b>General Government Sector – Key Aggregates History</b>	<b>417</b>
<b>M</b>	<b>Statement of Risks</b>	<b>421</b>
<b>N</b>	<b>Statement of Sensitivity of Budget Estimates</b>	<b>431</b>
<b>O</b>	<b>Summary and Terms of Debt Capital Injection</b>	<b>437</b>
<b>P</b>	<b>Summary of Outputs</b>	<b>441</b>
<b>Q</b>	<b>Summary of Transfers</b>	<b>447</b>
<b>R</b>	<b>Whole of Government Staffing</b>	<b>451</b>





# CHAPTER 1

## ECONOMIC PERFORMANCE, OUTLOOK AND STRATEGY

<b>Chapter</b>	<b>Page</b>
<b>1.1 Overview</b>	<b>7</b>
<b>1.2 National and Global Economic Outlook</b>	<b>9</b>
<b>1.3 ACT Economic Outlook</b>	<b>11</b>
<b>1.4 Economic Strategy</b>	<b>23</b>
<b>1.5 Risks to the Economic Outlook</b>	<b>27</b>



## 1.1 OVERVIEW

---

The ACT economy has now emerged from the impact of past Commonwealth Government cuts, with growth expected to reach 2 per cent in 2015-16 (up  $\frac{1}{4}$  of a percentage point from the 2015-16 Budget Review), before returning to longer-term trend growth of 2½ per cent from 2017-18 onward.

The improvement in the growth outlook is being accompanied by solid labour market outcomes, with the unemployment rate falling to 4.1 per cent in April 2016 and around 2,000 net new jobs expected to be created over the course of 2015-16.

In addition, other indicators of economic activity, such as State Final Demand and Retail Trade, are also showing strong outcomes and are consistent with a broad-based recovery in the ACT's economy.

The upward revision in the outlook for growth has also occurred in an environment of historically low inflation, driven by weak international growth.

The wages outlook is also subdued partly as a result of protracted Australian Public Service wage bargaining negotiations and the lower inflation environment.

Overall, the recovery is being supported by the end of the Commonwealth Government's hiring freeze on 1 July 2015, the low Australian dollar's positive impact on service exports such as tourism and foreign student numbers, as well as historically low interest rates.

ACT Government infrastructure investment, including the Light Rail – Stage 1 project, the University of Canberra Public Hospital, the ACT Law Courts, public housing renewal and several major road upgrades are also expected to support growth over the short to medium term.

There remain, however, downside risks to the medium-term outlook. In particular, the 2016-17 Federal Budget's announcement of an additional \$1.9 billion in efficiency dividend savings (of which an estimated \$600 million may occur in the ACT) would have flow-on effects to the broader ACT economy.

In addition, any worse than expected outcomes arising from the Australian economy's transition away from mining investment led growth toward broader sectoral drivers, could also impact on the ACT economy.

The outcome of the July 2016 Federal election will also potentially impact the ACT economy depending on the fiscal and economic policy priorities of the elected Government.



## 1.2 NATIONAL AND GLOBAL ECONOMIC OUTLOOK

---

### Australian economy

The outlook for the Australian economy is positive over the forecast period, notwithstanding some downside risks. Overall, the Australian economy is expected to recover from its period of below trend growth in 2014-15, to record 2½ to 3 per cent growth over the forward estimates.

Over the course of 2015-16, robust dwelling investment has been an important driver of the performance of the domestic economy, while consumption growth remains around its long-run trend growth rate. Both of these sectors may experience additional support in coming months, given the Reserve Bank's decision to cut the official interest rate at its May 2016 meeting.

In tandem with solid consumption growth and dwelling investment performance, national labour market conditions have also improved. While the momentum behind these improvements has slowed somewhat, conditions have nonetheless improved over the past year. National unemployment has been trending downward since mid-2015, and annual employment growth is around its long-run average of 1.8 per cent.

The strength of the labour market over the past year has been accompanied by an environment of subdued wages growth. Modest wage outcomes are expected to continue throughout the forecast period as employment growth shifts away from the mining sector and toward services-based industries. The shift is in line with Australia's broader economic transition away from mining investment led growth toward broader sectoral drivers.

In a similar vein, consumer price inflation outcomes are currently at historical lows. The low inflation environment is expected to prevail over the forecast period, with the Reserve Bank anticipating price growth potentially below its 2 to 3 per cent target band.

Overall business investment growth remains subdued. Nonetheless, non-mining sectors of the Australian economy are generally growing at above average rates, suggesting the transition from mining sector dominated growth is progressing.

While the Commonwealth Government's overall rate of fiscal consolidation in the 2016-17 Budget (0.4 per cent of GDP per annum) was unchanged when compared with the 2015-16 Mid-Year Economic and Fiscal Outlook, expenditure consolidation by the Commonwealth is likely to disproportionately affect the ACT. In addition, the continued efficiency dividend impost on the Australian Public Service carries a risk to the ACT's economic outlook.



## Global economy

The global economic outlook has been downgraded since the 2015-16 ACT Budget Review, with the International Monetary Fund (IMF) lowering its outlook in its April 2016 *World Economic Outlook*. This is the fourth time that the IMF has lowered its outlook for global growth in the past year. Despite this downgrade, global growth is still expected to rise slowly over the forecast period.

**China's** transition to a slower, but more sustainable, consumption oriented growth path, has brought with it challenges in relation to declining growth in productivity as well as urban workforce flows. Potential disruptions to this transition remain a key risk to the global outlook.

Similarly, economic growth in the **Euro region** is expected to remain moderate and is being supported largely by accommodative monetary policy and lower energy prices. The primary economic risks facing the outlook for the Euro region are political, including a possible British exit from the European Union.

**Japan's** weak growth outlook is expected to continue despite highly accommodative monetary policy.

A modest recovery in the **United States** over 2016 and 2017 is anticipated, led by household consumption with support from lower energy prices. Despite mild business investment performance, gradual improvements in the labour market are expected to continue.

## 1.3 ACT ECONOMIC OUTLOOK

Economic growth is expected to be higher across the forecast period in the 2016-17 Budget, when compared to the 2015-16 Budget Review. The forecast improvements reflect a broad based recovery across all sectors of the ACT's economy.

Importantly, service exports have continued to grow significantly, reaching \$1.6 billion in 2015, an increase of 16 per cent from 2014. Higher education exports grew by 10 per cent in 2015, to reach \$450 million and international tourism exports were worth over \$200 million in 2015.

The outlook for consumption growth in the ACT is also continuing to improve, with retail trade figures showing the highest recorded recent growth of any jurisdiction in Australia.

The improvement in consumption reflects an improved employment growth outlook since the 2015-16 Budget Review and has contributed to the upgraded Gross State Product forecasts in the 2016-17 Budget.

The ACT's population is anticipated to grow by 1½ per cent from 2015-16 onward, slightly higher than the 1.4 per cent growth rate in 2014-15.

Forecasts of key economic aggregates are summarised in Table 1.3.1.

**Table 1.3.1: 2016-17 Budget Economic Forecasts, percentage change<sup>1</sup>**

	Actual	Estimate	Forecasts	Projections		
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
<b>ACT</b>						
Gross State Product <sup>2</sup>	1.4	2 (+¼)	2½ (+¼)	2½	2½	2½
State Final Demand <sup>3</sup>	1.5	2½ (+½)	2½	4	4	4
Employment	0.0	1 (+¾)	1¼ (+¼)	1½	1½	1½
Wage Price Index <sup>4</sup>	1.9	1¾ (-¼)	2 (-¼)	3½	3½	3½
Consumer Price Index	0.8	¾ (-¾)	1 (-1)	2½	2½	2½
Population	1.4	1½	1½	1½	1½	1½
<b>Australia</b>						
Gross Domestic Product <sup>3,5</sup>	2.2	2½	2½ (-¼)	3	3	3

**Sources:** ABS Cat. No. 3101.0, 5206.0, 5220.0, 6202.0, 6345.0 and 6401.0; CMTEDD; 2016 Pre-election Economic and Fiscal Outlook.

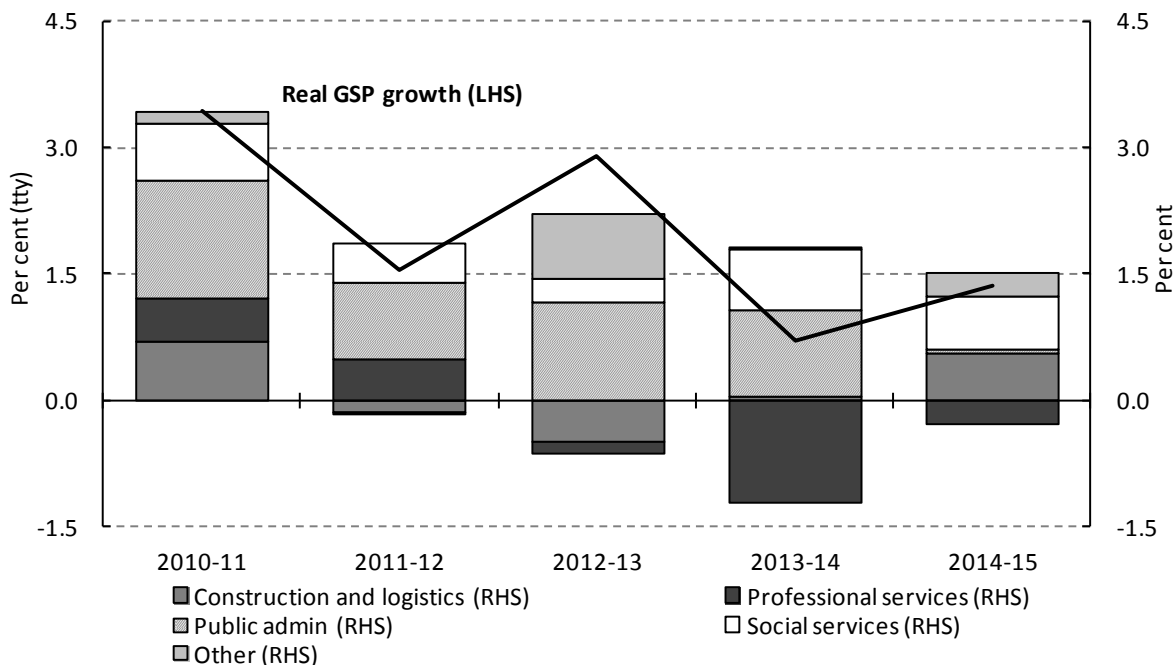
**Notes:** Numbers in brackets represent the change to forecast numbers since the 2015-16 Budget Review. Forecasts and projections are rounded to a ¼ of a percentage point, reflecting an appropriate level of accuracy in forecasting economic parameters. Projections are based on long-run trend assumptions.

1. Forecasts are on a through the year (tty) basis, unless otherwise specified.
2. Gross State Product is forecast on a real basis.
3. Year average basis.
4. Total hourly rates of pay excluding bonuses.
5. These are 2016 Pre-election Economic and Fiscal Outlook forecasts. Comparisons are to the Commonwealth 2015-16 Mid-Year Economic and Fiscal Outlook (MYEFO).

## Gross State Product

The ACT's Gross State Product is expected to grow at 2 per cent in 2015-16, up from 1.4 per cent in 2014-15 and 0.7 per cent in 2013-14. Growth is expected to continue, reaching 2½ per cent in 2016-17, before reaching long-term trend growth of 2½ per cent from 2017-18 onwards.

**Figure 1.3.1: Contributions to real Gross State Product growth (industry groupings)**



**Source:** ABS Cat. No. 5220.0.

**Note:** Contributions are on a through the year (tty) basis. 'Other' includes accommodation services, arts and recreation services, administrative services, wholesale trade, retail trade, mining, agriculture, manufacturing, the value of dwellings, other services and the effects of both the ABS' statistical discrepancy and of taxes, less subsidies. 'Social services' include the Health, Education and Electricity, Gas and Water industries. 'Professional Services' includes the Professional, Technical and Scientific services industry, the Information, Media and Telecommunications industry the Finance and Insurance Industry, and the Rental, Real Estate and Hiring industry. 'Construction and logistics' includes the Construction and Transport, Postal and Warehousing industries.

Despite the significant reduction in economic activity in the Public Administration industry sector – itself a flow-on effect from cuts to the Australia Public Service – the improvement in economic growth in the ACT was broadly based in 2014-15.

The Social Services industry grouping was the primary contributor to economic growth in 2014-15. This consisted almost entirely of economic activity in the Electricity, Gas and Water sector, with activity in the Healthcare and Education industry sectors having been more or less flat since 2013-14.

The Construction and Logistics industry grouping, despite forming less than 10 per cent of the ACT's economy, was the second largest contributor to economic growth in 2014-15.

In contrast, the ACT's Professional Services industry grouping has suffered its second consecutive year of contraction (driven by falling activity in the Professional, Scientific and Technical services sector). The ongoing robustness of the ACT's Information and Communication Technology industry and the recovery of the ACT's Finance and Insurance industry from a contraction in 2013-14 were not enough to reverse the decline in Professional Services activity in 2014-15.

## **State Final Demand**

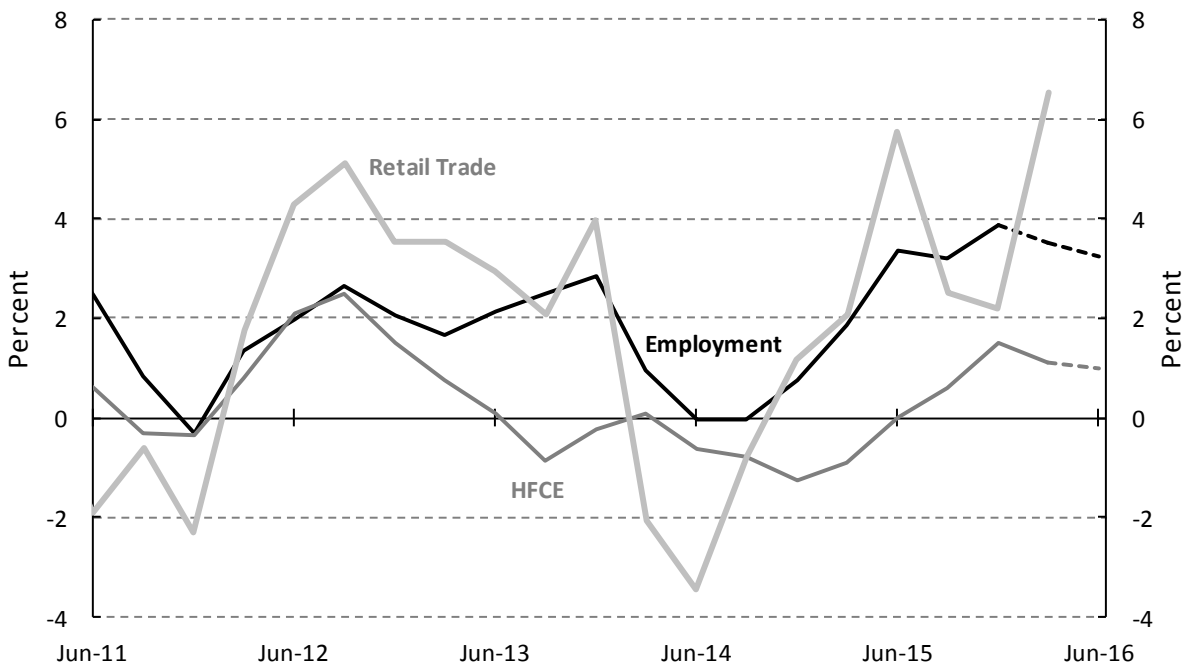
State Final Demand (SFD) is forecast to grow by 2½ per cent in 2015-16, following growth of 1½ per cent in 2014-15. The estimated outcome for 2015-16 is also supported by recent results, including a strong March quarter of 1.3 per cent which was the highest in Australia. The improvement in growth is being driven by solid household and improving government consumption growth. Growth in SFD is expected to remain at 2½ per cent in 2016-17, as a result of moderating growth in household and government consumption being offset by an increase in investment.

## **Household consumption**

Household consumption growth has picked up in the ACT, having increased consecutively for the last six quarters to December 2015. Partial indicators of household consumption have also been positive: through the year retail trade growth has been positive for 22 consecutive months to April 2016; and employment growth is expected to reach 1 per cent in 2015-16, well above the ¼ per cent growth expected at the time of the 2015-16 Budget Review and the flat growth recorded in 2014-15.

Going forward, household consumption is expected to remain solid, as the local labour market continues to recover from the effects of past Australian Public Service job cuts. Record low interest rates and a return to trend population growth are also expected to support consumption activity over the forward estimates period.

**Figure 1.3.2: Household Final Consumption Expenditure (HFCE), retail trade and employment, through the year growth**



**Sources:** ABS Cat. No. 5206.0, 8501.0 and 6202.0.

**Note:** Employment data is in trend terms. HFCE and retail trade are in seasonally adjusted terms. Dotted lines represent an estimate.

## Population

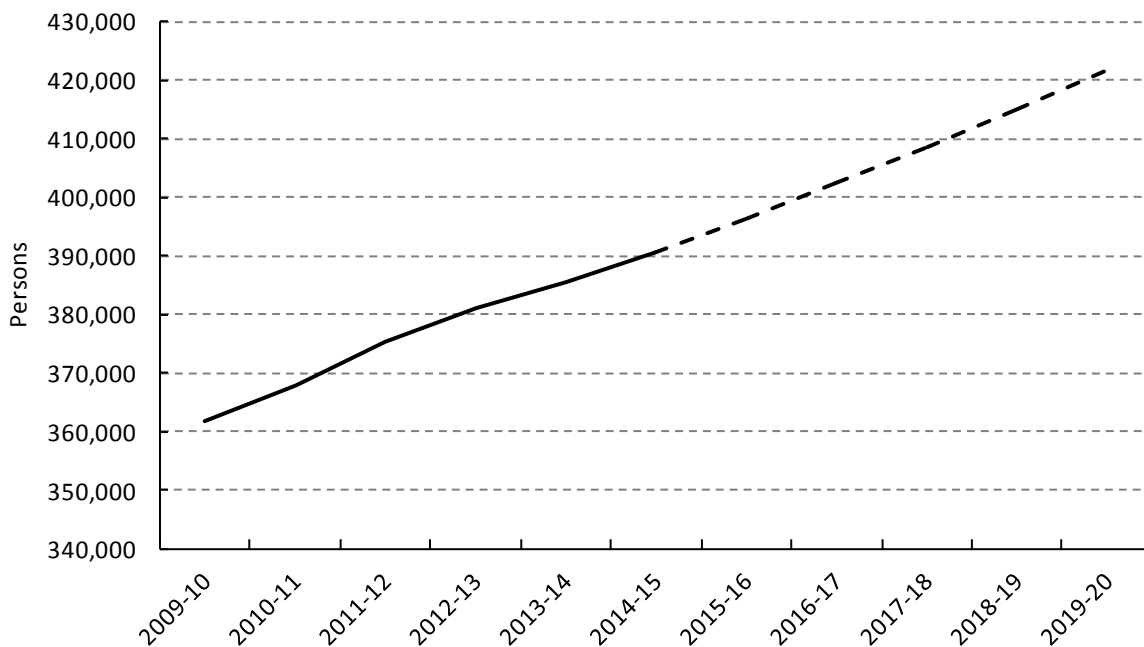
The ACT's population is estimated to grow by 1½ per cent in 2015-16 and at trend growth of 1½ per cent from 2016-17 onward. This represents an increase of over 6,500 people per annum<sup>1</sup> by the end of the forecast period. By 2019-20, the ACT's population is expected to exceed 420,000 (Figure 1.3.3).

The contribution of net interstate migration is expected to stabilise at around zero by the end of the forecast period, while the share of net overseas migration is expected to rise slightly, offsetting a slight decrease in the contribution of natural increase (births less deaths) (Figure 1.3.4).

<sup>1</sup> Based on unrounded forecast population growth rates.



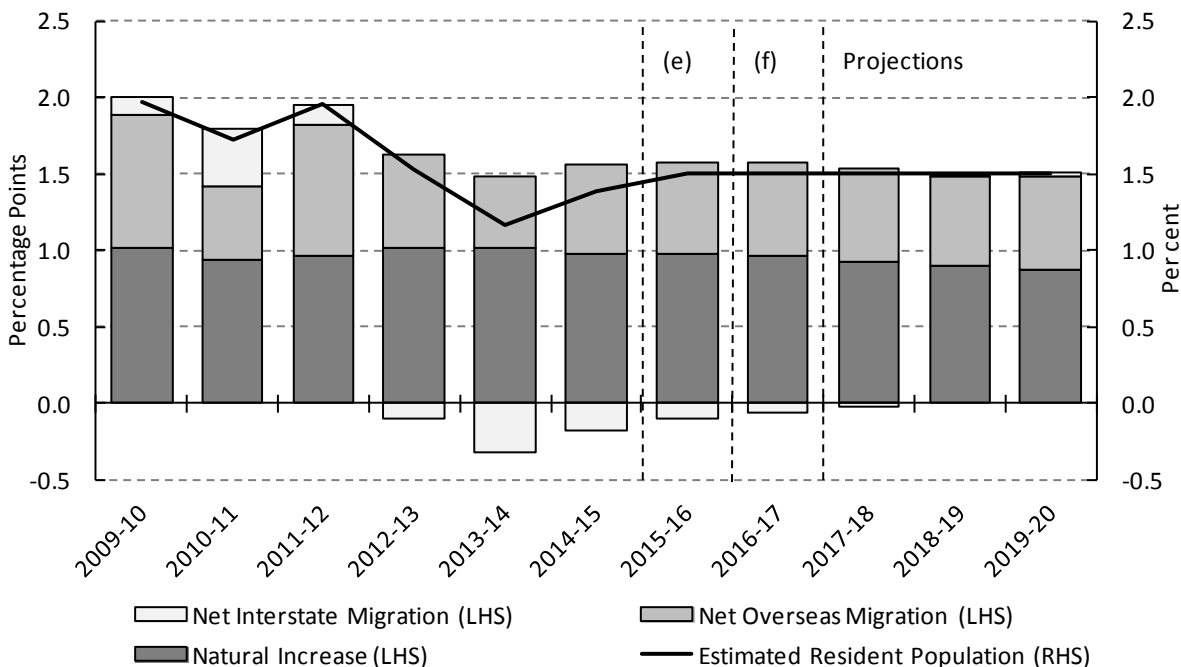
**Figure 1.3.3: ACT population growth**



Sources: ABS Cat. No. 3101.0; CMTEDD.

Note: Dotted lines represent an estimate and projections.

**Figure 1.3.4: ACT population growth by component**



Sources: ABS Cat. No. 3101.0; CMTEDD.

Note: (e) denotes estimate, (f) denotes forecast.

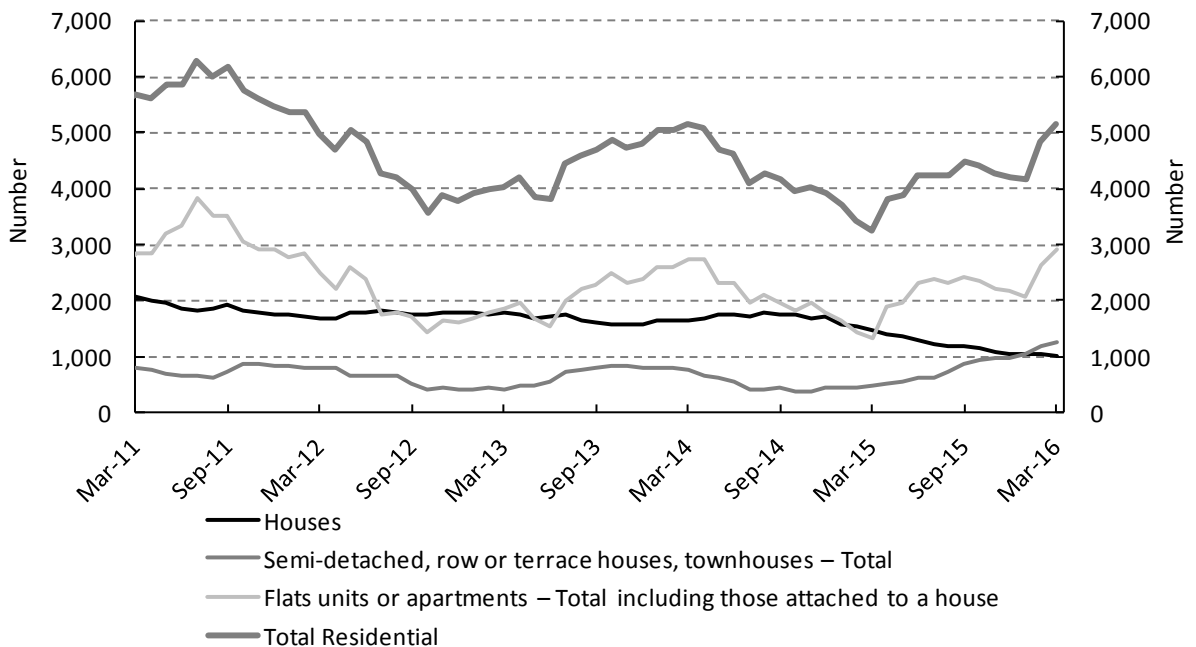
## Housing

The housing market in the ACT is expected to remain solid in 2015-16, with building commencements increasing 14 per cent through the year to December 2015, the third consecutive annual increase. In addition, residential building approvals were up 28 per cent over the 12 months to April 2016, driven by an increase in approvals for houses.

Housing finance commitments for owner occupiers in the ACT have also been strong, rising by 14 per cent over the year to March 2016.

The ACT Government's land release program is anticipated to underpin housing construction activity over the forward estimates. In 2016-17, the ACT Government will release 4,550 new dwelling sites under the Indicative Land Release Program, and a total of 17,780 new dwelling sites over four years to 2019-20. In addition, the Government will continue to release a significant number of rehabilitated asbestos affected blocks over this period. See Supply and Release of Land (Chapter 5.3) for more details.

**Figure 1.3.5: Dwelling approvals by type, original data**



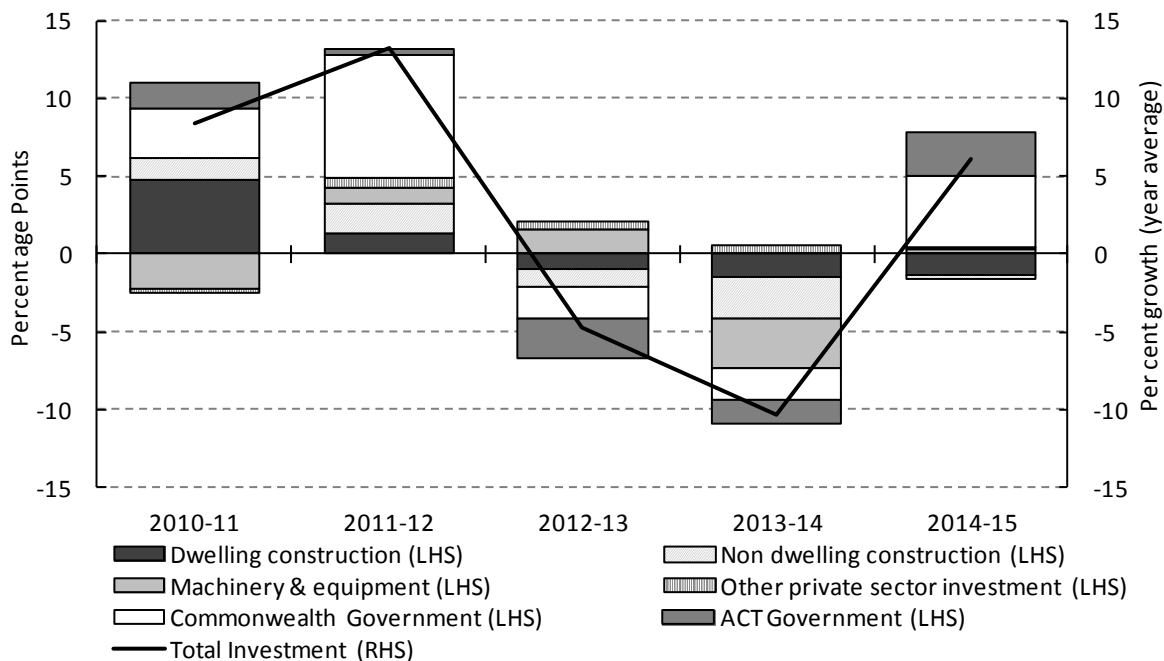
Source: ABS Cat. No. 8731.0.

## Investment

The Commonwealth Government's cuts to the Australian Public Service over the past few years, coupled with its office consolidation program, is having a lingering negative impact on investment in commercial offices in the ACT. The ACT's office vacancy rate is currently the third highest in Australia, at 14.9 per cent and has risen considerably over the past three years.

Nonetheless, ACT Government investment in infrastructure, and a turnaround in Commonwealth Government investment contributed to overall strong investment activity in 2014-15 (Figure 1.3.6).

**Figure 1.3.6: Contributions to ACT investment growth, by sector**



Source: ABS Cat. No. 5206.0.

Private sector capital investment continues to face uncertainties against a backdrop of the effects of recent Commonwealth Government fiscal consolidation. A pipeline of ACT Government infrastructure projects will support investment activity, contributing to overall positive investment growth.

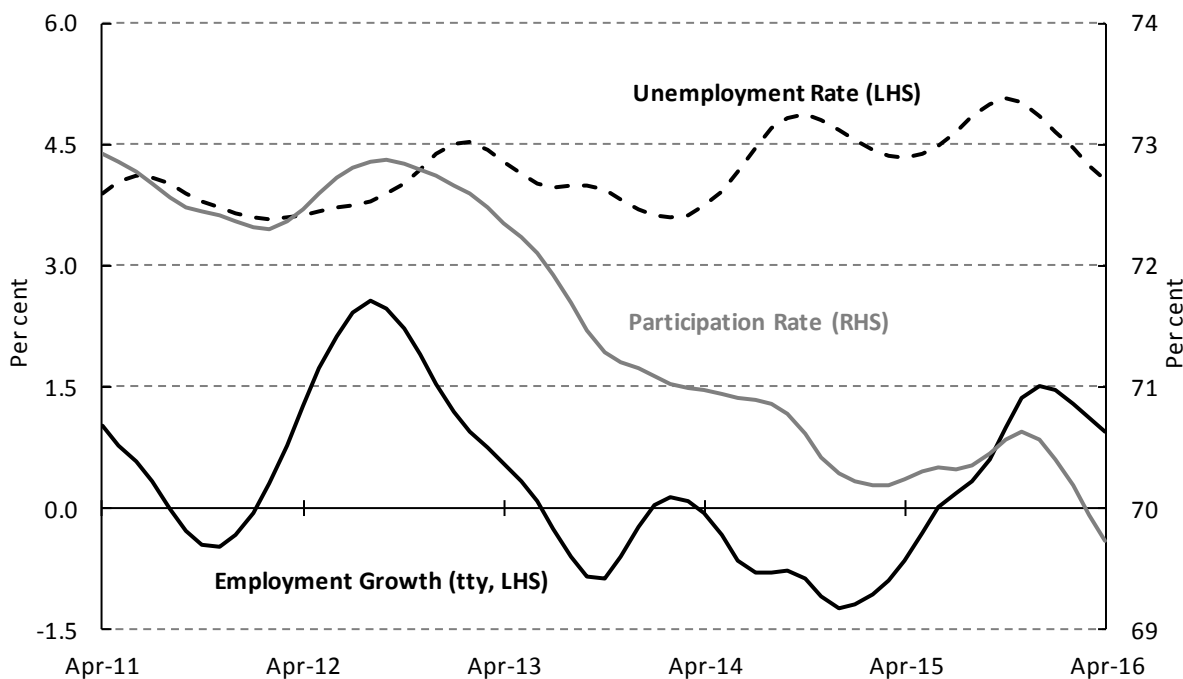
Investment is expected to strengthen in 2016-17 and beyond, with Light Rail – Stage 1, the ACT Law Courts and Urban Renewal being a major driver of this activity. In addition, the contribution of the University of Canberra Public Hospital, as well as the Horse Park Drive, Cotter Road and Aikman Drive duplications, along with land release related infrastructure and the infrastructure program more broadly, will support activity.

Over the medium to long term, the investment outlook will be complemented by opportunities associated with the establishment of direct flight links between Singapore and Canberra, and Canberra and Wellington.

## Labour Market

Labour market conditions in the ACT have shown solid improvement since the 2015-16 Budget Review, with employment growth reaching 0.9 per cent through the year to April 2016. The number of employed persons at 211,300 is now at its highest point since October 2012. This is despite 532 Australian Public Service job losses in the ACT from 30 June to 31 December 2015. The unemployment rate has also improved, declining from 5.1 per cent in October 2015 to 4.1 per cent in April 2016 – the lowest amongst all jurisdictions in Australia (Figure 1.3.7).

**Figure 1.3.7: Employment Growth, unemployment rate and participation rate**



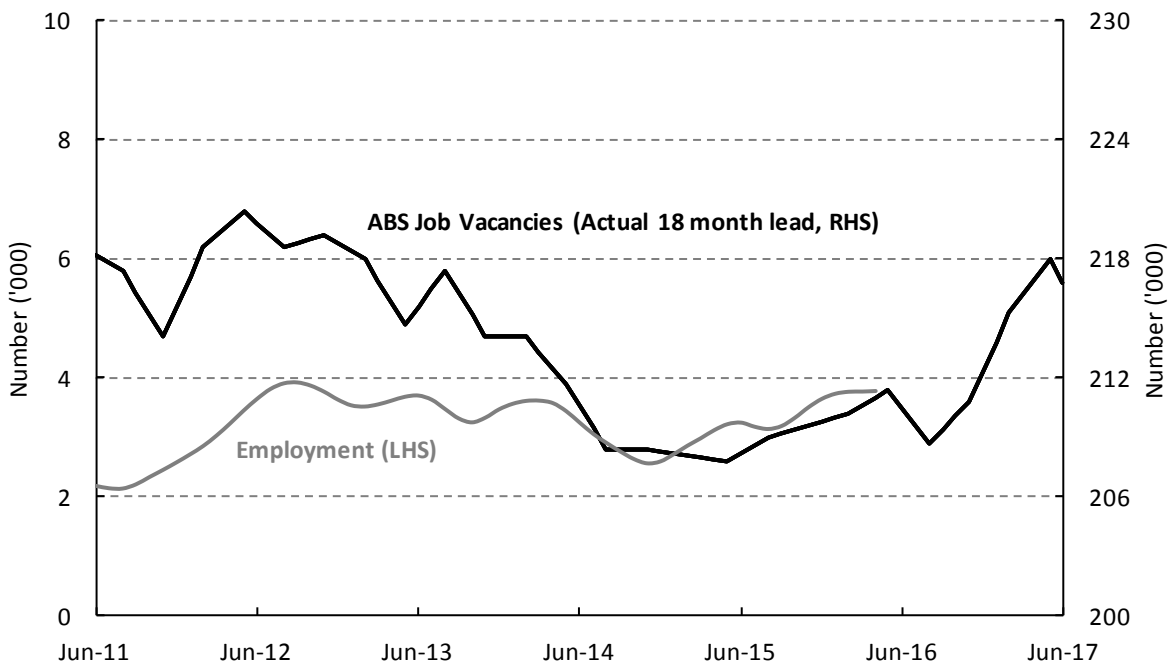
Source: ABS Cat. No. 6202.0.

Employment is forecast to grow at 1 per cent in 2015-16, with over 2,000 net new jobs expected to be created. Employment is forecast to grow by a further 1¼ per cent in 2016-17 as the labour market outlook continues to improve. This is consistent with the strong outlook in job vacancies figures for the ACT, and is supported by a subdued outlook for wages growth.

There has been a strong increase in Australian Public Service job advertisements in the ACT since the lifting of the Commonwealth Government's hiring freeze on 1 July 2015. This is anticipated to translate into additional employment outcomes going forward.

It is expected, however, that the 2016-17 Federal Budget's \$1.9 billion efficiency dividend additional impost on the Australian Public Service from 2017-18 to 2019-20 could reduce ACT-based Australian Public Service jobs by around 1,400 over this period.

**Figure 1.3.8: Employment and Job Vacancies**



Sources: ABS Cat. No. 6202.0 and 6354.0.

Note: Employment is monthly trend data; Job vacancies are quarterly original data.

## Consumer Prices

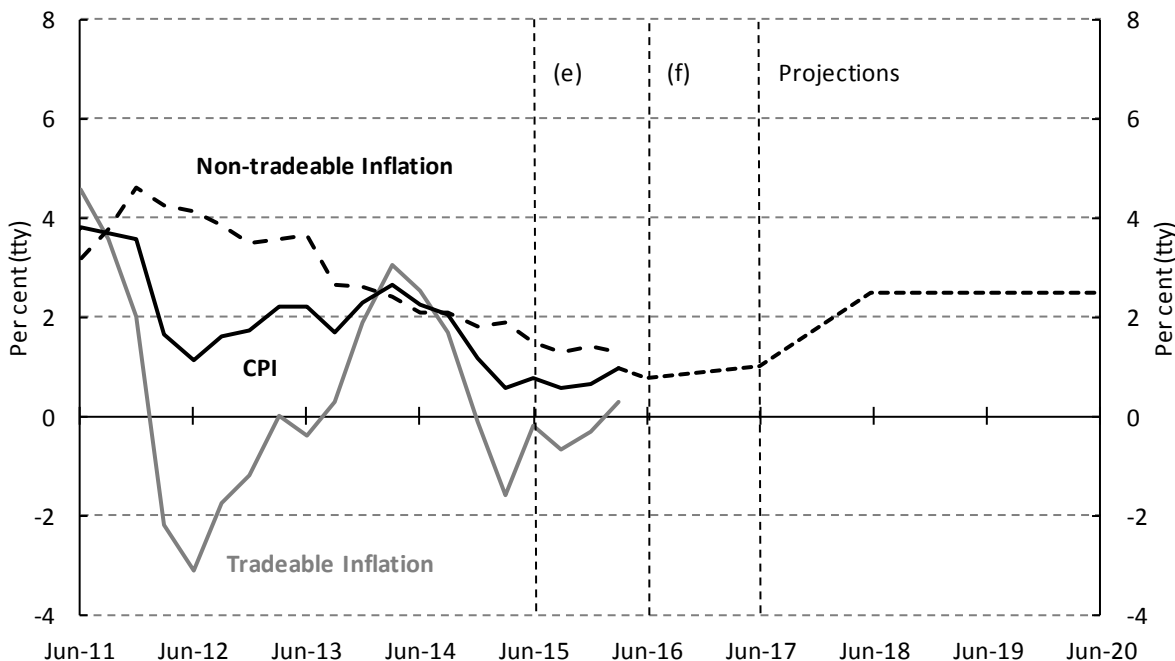
Inflationary pressures are likely to remain modest in the ACT over the forecast period. Consumer Price Index (CPI) forecasts are lower than at the 2015-16 Budget Review on the back of exceptionally weak inflation outcomes in recent quarters.

These mild inflation outcomes have been driven by a subdued international economic environment placing downward pressure on prices for imported goods. This component of overall inflation is likely to remain weak, and faces downside risks.

Non-tradeable inflation, which is comprised mainly of services and is domestically driven, is increasing at a pace that is consistent with that which would be expected given the improvements in the wider ACT economy.

Taken together, these two drivers are likely to result in a subdued inflation outlook for the ACT (Figure 1.3.9).

**Figure 1.3.9: Consumer Price Index**



Sources: ABS Cat. No. 6401.0; CMTEDD.

Note: (e) denotes estimate, (f) denotes forecast.

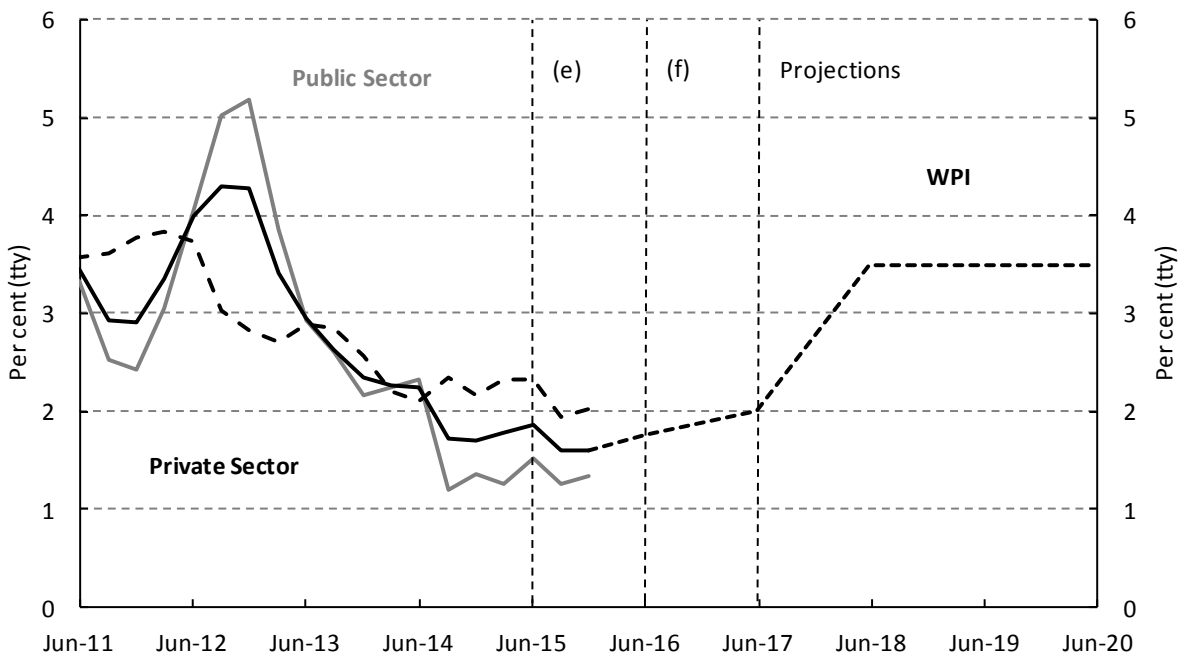
## Wages

The mild wage growth observed over the past two years in the ACT is expected to continue over the forecast period. The Wage Price Index (WPI) forecast has been downgraded since the 2015-16 Budget Review, primarily as a result of a protracted Australian Public Service wage bargaining process.

Given the delays that have already occurred in most Australian Public Service bargaining negotiations, subdued public sector wage growth is expected over the remainder of the forecast period.

Private sector wages are expected to grow moderately over the forecast period and at a stronger rate than the public sector. The overall wages outlook though is still for continued weak outcomes (Figure 1.3.10).

**Figure 1.3.10: Wage Price Index growth**



Sources: ABS Cat. No. 6345.0; CMTEDD.

Note: (e) denotes estimate, (f) denotes forecast.





## 1.4 ECONOMIC STRATEGY

---

### Economic Strategy

Priority areas of the Government's economic strategy are: promoting key infrastructure development and urban renewal; innovation driven economic diversification; the higher education and research sector; and continuing service provision with a focus on social inclusion.

### Infrastructure

The 2016-17 Budget continues to provide for a significant targeted Infrastructure Investment Program, investing \$2.9 billion over four years on new and existing works. As part of this program, the Government is working with industry in the delivery of significant projects through Public Private Partnerships, including Light Rail – Stage 1 (\$623 million over four years to 2019-20<sup>1</sup>), and the new ACT Law Courts Facilities (\$141 million over four years to 2019-20<sup>2</sup>). These investments will support economic growth and renew the City and suburbs in a way that befits Canberra as the most liveable city in the world<sup>3</sup>. The other major projects in the Government's infrastructure program include major investments in urban renewal, the upgrade of Horse Park Drive (\$57 million), Cotter Road (\$28.9 million), and Aikman Drive (\$9.8 million), as well as progressing the development of the University of Canberra Public Hospital (\$212 million).

### Urban renewal

The Government will invest \$493 million over four years on urban renewal, which continues to be a key area of focus for the Government. The sale of assets under the Asset Recycling Initiative will underpin the renewal of the City and the suburbs. The key locations of these sites, such as 1,288 public housing dwellings along Northbourne Avenue and other key locations around Canberra, are providing opportunities to rebalance the demographic and housing mix to meet the needs of a growing community within a more sustainable urban footprint.

The Government is also focusing on identifying opportunities for the activation of the City to better support the growing residential mix and reinvigorate the commercial sector, consistent with the City Plan.

---

<sup>1</sup> Capital expenditure for Light Rail – Stage 1 is \$707 million over five years from 2015-16 to 2019-20, inclusive of Territory-retained risk amounts.

<sup>2</sup> Capital expenditure for ACT Law Courts Facilities is \$160 million over five years from 2015-16 to 2019-20.

<sup>3</sup> The Organisation for Economic Co-operation and Development, My City Survey 2014.

## Diversifying the ACT economy

This Budget commits an additional \$6.6 million over two years to *Confident and Business Ready: Building on Our Strengths* – the ACT’s business development strategy. The funding includes support for Data61, comprising the Digital Productivity Team of the CSIRO and National ICT Australia. This will position Canberra as a major player in the development of national cyber security capability and assist the ACT Government to deliver on its smart city and digital transformation goals.

The Government is also supporting the development of Canberra’s Key Capability Areas including space and spatial economy, sports technology, health innovation, ICT and e-government and the National Agriculture and Environmental Sciences Precinct.

In addition, the Government is supporting the operation of CBR Innovation Network, promoting the CBR brand and facilitating student and professional exchanges.

## Higher education and research

The Government is continuing to work closely with our business community and the higher education and research sector to build a city with a distinct economic identity based on knowledge and talent.

Canberra has a world renowned higher education and research sector, which has contributed over \$2.6 billion annually to the local economy and created approximately 16,000 Full Time Equivalent jobs<sup>4</sup>. In addition, the ACT’s international education exports increased by 10.3 per cent in 2015, to reach \$451 million and accounted for 28 per cent of all service exports<sup>5</sup>.

The Government will continue to promote Canberra as Australia’s higher education and research capital.

## Tourism

The Government, in partnership with industry, has a strategy to grow Canberra’s visitor economy to \$2.5 billion by 2020.

The Government is continuing to support the promotion of Canberra’s abundant natural beauty and cultural attractions; as well as facilitating international business networking opportunities – growing our strategic international relationships.

Over the year to March 2016, the Territory attracted 12.8 per cent more international visitors, to reach 200,000 in total, which increased their spending by 13.6 per cent<sup>6</sup>. Overall, international tourism exports increased by 5.1 per cent in 2015 to reach \$208 million<sup>7</sup>.

---

<sup>4</sup> Deloitte Access Economics, March 2015

<sup>5</sup> ABS Cat No. 5368.0.55.004

<sup>6</sup> Tourism Research Australia, International Visitor Survey, March 2016

<sup>7</sup> ABS Cat No. 5368.0.55.004

A relatively low dollar, the commencement of direct international flights and the Government's Tourism 2020 Strategy, will support the growth of Canberra's visitor economy.

## **International Flights**

Canberra Airport has undergone the biggest transformation in its history, with \$480 million invested in the construction of a new terminal and supporting infrastructure.

Singapore Airlines will commence direct international services between Singapore and Canberra, and Canberra and Wellington, with services commencing on 20 September 2016.

Cooperative marketing campaigns will attract inbound leisure and corporate traffic from New Zealand, Singapore and connecting destinations including South East Asia, India, China and potentially Europe.

There are clear economic and social benefits to the ACT community as a result of international flights, particularly around time savings and convenience benefits for outbound travel. In addition, there will be 20 tonnes of freight capacity per flight available for exporters to utilise. Exporters from Canberra and the surrounding region are working on strategies to capitalise on this improved access to important growth markets.

## **Taxation reform**

The Government is committed to making the Territory's taxation system fairer, simpler and more efficient through significant taxation reforms. The Territory has been reducing its reliance on inefficient taxes on conveyances and insurance premiums, and increasing its reliance on revenue from general rates. Conveyance and insurance duties have reduced from around 24 per cent of the Territory's own source taxation revenue, to around 15 per cent in 2016-17. From 1 July 2016, taxes on insurance premiums will be abolished. The Government will continue to cut conveyance duty rates in each budget.

Changing the ACT's tax mix will ensure a stable revenue base into the future, supporting the Government's fiscal strategy and delivery of the services Canberrans expect, ensuring future generations do not bear the economic costs of an unfair and inefficient tax system (see Taxation Reform (Chapter 6.3) for further information).

## **Access Canberra**

One of the three Strategic Imperatives of *Confident & Business Ready: Building on Our Strengths* was to create the right business environment to help all businesses succeed.

Access Canberra is the key to delivering this objective. This 'one-stop shop' brings together ACT Government customer services, approvals and regulatory compliance activities. This cutting of red tape and connecting Canberrans to government services makes it simpler and quicker for individuals and local businesses to deal with the Government.

Access Canberra is a key part of the Government’s reform agenda, adopting a user-centred approach to ensure a seamless experience, which meets the needs and expectations of the community.

## 1.5 RISKS TO THE ECONOMIC OUTLOOK

---

As noted earlier, there is always a degree of uncertainty around the ACT's economic outlook associated with future policy settings of the Federal Government. Assuming that the 2016-17 Commonwealth Budget remains unchanged, then a prominent risk is the effect of the Australian Public Service efficiency dividend increases from 2017-18 onward. Given that around one-third of the Australian Public Service workforce is based in the ACT, the impact of this policy decision on employment and the wider economy in the Territory is potentially significant.

In keeping with the projection methodology – whereby economic parameters revert to their trend growth rates in the projection years – the impact of the increased efficiency dividend on the projections in the 2016-17 ACT Budget has not been explicitly incorporated into these projections.

In the near term, changes to Australian and/or global economic growth will have flow-on effects to the ACT economy, particularly via any corresponding changes to Commonwealth expenditure decisions.

The impact of commodity prices on national growth, revenue and expenditure decisions are of particular importance in this regard. As such, the primary global economic risk to the ACT's economic outlook relates to China's transition to its new growth path. To the extent that this transition is more turbulent than expected, prices for Australia's key commodity exports, and indeed the wider Australian economy, may suffer.

There are also downside domestic risks to the outlook. While the rate of growth of house prices in Australia has moderated somewhat, the outlook for subdued wages growth means that any correction in key domestic real estate markets remains an important pressure point for the national economic outlook. The risk of ongoing weakness in inflation may also contribute to this risk, by fostering conditions for low wage growth.

However, there are also upside risks to the domestic outlook, and therefore the outlook for the ACT. With the current environment of subdued wages growth expected to continue, there may be further upside in the labour market and broader economy. Similarly, the relative weakness of the Australian dollar may yet add further impetus to the rebalancing toward broader economic growth across a range of sectors that has already been observed since the end of the mining boom.

There may also be additional upside risks arising from the impact of the ending of the Commonwealth Government's public service hiring freeze on 1 July 2015. This could result in additional employment over what has been forecast and with it additional population growth.



## **CHAPTER 2**

### **FISCAL STRATEGY**

<b>Chapter</b>	<b>Page</b>
<b>2.1 Budget Outlook</b>	<b>31</b>
<b>2.2 Fiscal Strategy</b>	<b>39</b>
<b>2.3 Cost of Living Statement</b>	<b>51</b>





## 2.1 BUDGET OUTLOOK

---

### 2016-17 Budget Overview

The 2016-17 Budget is building a better future for Canberra.

In this budget, the Government is continuing to create jobs and support the economy, deliver the health, education, transport, community safety and other government services that Canberrans expect, and ensure that everyone can participate in our society to the fullest extent possible. The Government is also providing the infrastructure investments that will transform our city into a modern, intelligent and even more liveable place.

While continuing to enhance services and build new infrastructure, the Government is also delivering on its fiscal strategy and maintaining its record of sound management of public finances. The forecast Headline Net Operating Balance (HNOB) in 2016-17 is a deficit of \$94.3 million, on the same basis as that published in previous years, including the 2015-16 Budget and Budget Review.

Importantly, the Government remains on track to return to balance from 2017-18, with the HNOB forecast to be higher in every year compared to the 2015-16 Budget and 2015-16 Budget Review estimates.

In formulating its 2016-17 Budget, the Government decided, for the first time, to foreshadow a variation to the 2016-17 Budget by anticipating the difference between current interest rates and the long-term discount rate used to value our superannuation liabilities. This technical adjustment has traditionally not been made until the actual outcomes for each year are published and, in recent years, it has reduced the bottom line by a material amount due to the low interest rate environment (in 2015-16, it was \$56.2 million).

By including the estimated impact of this Superannuation Liability Valuation (\$87.7 million) in its 2016-17 Budget, the Government has revised its headline net operating deficit to \$182 million. In terms of comparing estimated headline net operating balances for previous budget years, the appropriate headline net operating deficit for 2016-17 is \$94.3 million.

Table 2.1.1 below provides estimates for the HNOB over the forward estimates.

**Table 2.1.1: General Government Sector Headline Net Operating Balance**

	2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
Revenue	4,732,430	5,058,184	5,103,827	5,379,250	5,581,821
Expenses	5,130,825	5,403,749	5,312,167	5,528,706	5,711,559
Superannuation return adjustment <sup>1</sup>	165,927	163,566	173,305	182,797	195,782
<b>HEADLINE NET OPERATING BALANCE (excluding the Superannuation Liability Valuation<sup>2</sup>)</b>	<b>-232,468</b>	<b>-94,346</b>	<b>-35,035</b>	<b>33,341</b>	<b>66,044</b>
<b>HEADLINE NET OPERATING BALANCE (including the Superannuation Liability Valuation<sup>2</sup>)</b>	<b>-232,468</b>	<b>-181,999</b>	<b>-35,035</b>	<b>33,341</b>	<b>66,044</b>
<b>Net Cash from Operating Activities</b>	-58,563	269,260	522,588	410,367	667,916
<b>Net Debt (excluding superannuation)</b>	1,832,488	2,080,158	2,103,762	2,902,704	2,581,315
<b>Net Financial Liabilities</b>	8,871,123	5,496,506	5,659,621	6,411,478	6,226,722

**Notes:** Numbers may not add due to rounding.

1. The Headline Net Operating Balance incorporates the impact of long-term superannuation investment earnings to provide an accurate assessment of the longer-term sustainability of the budget position. Further details are provided later in this chapter.
2. This adjustment is to reflect the estimated Superannuation Liability Valuation outcome at 30 June 2016 and the flow-on impact to superannuation expenses in 2016-17 based on prevailing interest rates. The final figure is expected to be included in the Pre-Election Budget Update. Further details are provided later in this chapter.

The Government's balance sheet is in a strong position, with net debt peaking at 7.1 per cent of Gross State Product in 2018-19, and forecast to be \$1.8 billion at the end of June 2016.

### The Context of the 2016-17 Budget

The 2016-17 Budget has been framed against a stronger economic outlook than at the time of the 2015-16 Budget. While Commonwealth spending and job cuts weighed heavily on the ACT economy over the past two years, there are now more positive signs that the economy is strengthening, with solid growth in service exports building sector activity and consumption recorded in recent months.

The forecast increase in economic activity pays testament to the Government's fiscal strategy of creating jobs in Canberra through improved service delivery, a record capital investment program, and regulatory reform to make it easier to do business in the Territory. Sustaining these efforts will be necessary, particularly in light of the increased efficiency dividend announced in the 2016-17 Commonwealth Budget, which poses the risk of further reductions in Commonwealth employment in the ACT in coming years.

Consistent with the improving economic outlook, the budget outlook has also improved. The resilience of the ACT economy, in part due to the support provided by the ACT Government, has improved taxation revenue collections. In addition, the Government is expecting an additional \$160 million of GST revenue over the four years from 2015-16 as a result of changes in state and territory relativities by the Commonwealth Grants Commission. These factors, combined with higher than previously expected dividends and tax equivalent payments from Icon Water and the Land Development Agency, have significantly reduced the headline net operating deficit in 2015-16.

The budget outlook also reflects the Government's successful management of the significant challenges posed by the need to implement the Loose-fill Asbestos Insulation Eradication Scheme. The purchase phase of the Scheme is now almost complete and the demolition phase is well advanced; in fact, it is running ahead of the original schedule. The Government also recently commenced the process of selling the remediated blocks. While the impact of the scheme on the HNOB significantly diminishes from 2016-17, there remains an overall cash cost from the Scheme of around \$400 million to the Territory.

### **Headline Net Operating Balance**

The Government is forecasting a headline net operating deficit of \$94.3 million in 2016-17 on the same basis as that published in previous years, including the 2015-16 Budget and Budget Review.

As noted above, the Government has decided, for the first time, to foreshadow a variation by anticipating the difference between current interest rates and the long-term discount rate used to value our superannuation liabilities. This technical adjustment will have the effect of increasing the forecast headline net operating deficit by \$87.7 million to \$182.0 million for 2016-17. It is expected that this will be confirmed in the Pre-Election Budget Update.

For the purposes of comparing forecast Headline Net Operating Balances included in all previous budgets, the appropriate Headline Net Operating deficit for 2016-17 is \$94.3 million.

Tables 2.1.2 and 2.1.3 provide an overview of the major variations in the General Government Sector (GGS) HNOB since the 2015-16 Budget.

**Table 2.1.2: Summary of Movements in the GGS Headline Net Operating Balance**

	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
<b>2015-16 Budget</b>	<b>-407,566</b>	<b>-116,072</b>	<b>-51,165</b>	<b>50,341</b>
<b>Revenue</b>	-7,964	23,275	44,362	44,274
<b>Expenses</b>	-91,960	-48,075	-55,565	-68,578
Superannuation Return Adjustment	28,880	18,153	6,755	6,829
<b>2015-16 Budget Review</b>	<b>-478,610</b>	<b>-122,719</b>	<b>-55,613</b>	<b>32,866</b>
Commonwealth Grants <sup>1</sup>	9,387	51,139	47,706	43,662
<b>Revenue<sup>2</sup></b>				
Policy Decisions	0	-7,527	5,001	3,964
Technical Adjustments	121,466	121,157	-49,792	28,842
<b>Expenses<sup>3</sup></b>				
Policy Decisions	0	-110,520	-76,318	-63,047
Technical Adjustments	109,682	-17,267	107,027	4,746
Superannuation Liability Valuation <sup>4</sup>	0	-87,653	0	0
Superannuation Return Adjustment	5,607	-8,609	-13,046	-17,692
<b>2016-17 Budget (excluding the Superannuation Liability Valuation)</b>	<b>-232,468</b>	<b>-94,346</b>	<b>-35,035</b>	<b>33,341</b>
<b>2016-17 Budget (including the Superannuation Liability Valuation)</b>	<b>-232,468</b>	<b>-181,999</b>	<b>-35,035</b>	<b>33,341</b>

**Notes:** Numbers may not add due to rounding.

1. Includes general revenue assistance, financial assistance grants and municipal grants only. National Partnerships and Special Purpose payments are included under technical adjustments.
2. A positive number represents an increase in revenue.
3. A negative number represents an increase in expenses.
4. This adjustment is to reflect the estimated Superannuation Liability Valuation outcome at 30 June 2016 and the flow-on impact to superannuation expenses in 2016-17 based on prevailing interest rates.

**Table 2.1.3: Summary of major Technical Adjustments since the 2015-16 Budget Review**

	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
<b>Revenue<sup>1</sup></b>				
LDA dividend, income tax equivalent and contributed assets	53,205	94,022	-40,783	35,429
Icon Water dividend and income tax equivalent	41,589	3,469	5,930	21,245
Taxation revenue	28,405	42,044	34,986	38,167
Territory Banking Account revenue	6,490	-16,919	-16,739	-20,470
Other parameter and technical adjustments	-8,223	-1,459	-33,186	-45,529
<b>Total Revenue – Technical Adjustments</b>	<b>121,466</b>	<b>121,157</b>	<b>-49,792</b>	<b>28,842</b>
<b>Expenses<sup>2</sup></b>				
ACTIA liabilities – actuarial update and premium savings	44,512	-1,545	-1,578	-1,328
Revised funding profiles and rollovers	24,764	-40,043	4,708	48
Territory Banking Account expenses	11,407	28,409	39,799	37,230
Depreciation expense	7,030	9,546	24,817	21,819
ACT contribution to the National Disability Insurance Scheme	0	-10,695	10,663	-22,226
Public Private Partnerships expenses	-36	4,195	-2,074	-56,947
School enrolment adjustment	0	-6,266	-6,455	-6,649
Parameter and provision adjustments	18,771	10,318	8,070	5,056
Other technical adjustments	3,234	-11,186	29,077	27,743
<b>Total Expenses – Technical Adjustments</b>	<b>109,682</b>	<b>-17,267</b>	<b>107,027</b>	<b>4,746</b>

**Notes:** Numbers 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

The Government is forecasting revenue of \$5.1 billion in 2016-17, an increase of \$164.8 million since the 2015-16 Budget Review. This higher revenue forecast reflects:

- updated revenue estimates from the Land Development Agency following revisions to the land sales program (\$94.0 million);
- higher Commonwealth grant revenue for GST (\$51.1 million); and
- increased taxation revenue, mainly due to higher forecast conveyance duty collections associated with higher activity and sales prices, particularly in the commercial sector of the market (\$42.0 million).

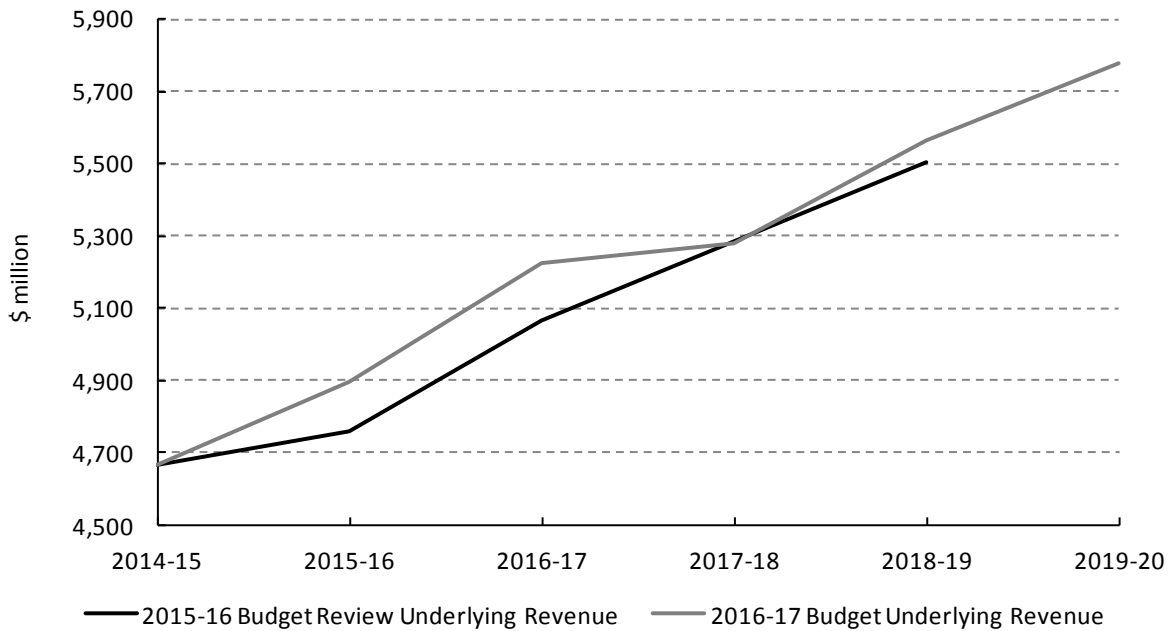
These forecast increases in revenue are partially offset by:

- lower Territory Banking Account revenue, mainly due to estimated lower investment balances and rates of return, and lower loan interest from advances (\$16.9 million); and
- the impact of Government policy decisions largely associated with tax reform initiatives (\$7.5 million).

Across the forward estimates period, underlying revenues are forecast to grow at an average annual rate of 3.3 per cent.

Figure 2.1.1 depicts a comparison between the underlying revenue in the 2015-16 Budget Review and the 2016-17 Budget.

**Figure 2.1.1: Underlying Revenue as at the 2015-16 Budget Review and as at the 2016-17 Budget**



## Expenses

The Government is forecasting expenses of \$5.4 billion in 2016-17, an increase of \$215.4 million since the 2015-16 Budget Review. This increase largely reflects:

- the impact of Government policy decisions to provide more and better services to ACT residents (\$110.5 million);
- the inclusion of the foreshadowed Superannuation Liability Valuation (\$87.7 million); and
- the re-profiling and rollovers of agency expenses, including those associated with capital works (\$40.0 million).

These increases are partially offset by a decrease in Territory Banking Account expenses mainly due to lower levels of new market borrowings and a reduction in the cost of borrowings (\$28.4 million).

The most significant policy decisions taken by the ACT Government include:

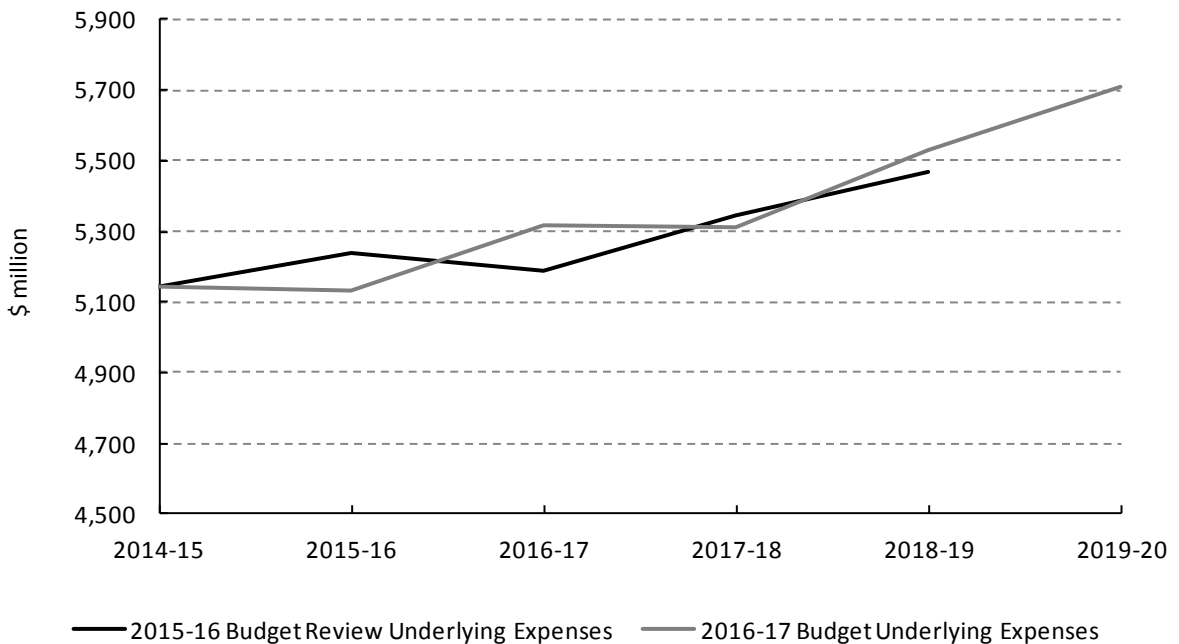
- additional investment in health services (\$139 million over the budget and forward years) – for example, support for mental health and expansion of the Canberra Hospital emergency department – which is all offset by the provision for future health expenditure;
- additional support for the concessions program (\$35.1 million);
- expenditure to prepare sites for sale and relocate tenants as part of the Better Public Housing program (\$34.2 million); and
- the Safer Families package of initiatives (\$21.4 million).

Further information on policy decisions is provided in New Initiatives (Chapter 3).

Underlying expenses (which exclude the Superannuation Liability Valuation) are forecast to grow at an annual average rate of 2.7 per cent, broadly consistent with the forecast in the 2015-16 Budget.

Figure 2.1.2 depicts a comparison between the underlying expenses in the 2015-16 Budget Review and the 2016-17 Budget.

**Figure 2.1.2: Underlying Expenses as at the 2015-16 Budget Review and as at the 2016-17 Budget**







## 2.2 FISCAL STRATEGY

---

The 2016-17 Budget reinforces the Government's commitment to a fiscal strategy that achieves an operating balance over time, offsetting temporary deficits with surpluses in other periods. The keystone of this strategy, as for prior years, remains the responsible management of the Territory's public finances, balancing sustainable taxation revenues with service delivery levels that are consistent with community expectations.

In recent years, the ACT has faced a number of economic challenges. The Commonwealth's cuts to spending and employment have had a significant downward impact on economic growth – with flow-through effects to the ACT's public finances. The Government is also delivering the Loose-fill Asbestos Insulation Eradication Scheme (the Asbestos Eradication Scheme), involving the purchase and remediation of around 1,000 contaminated properties. The Asbestos Eradication Scheme is a coordinated and compassionate response to the complex community, social, financial and health issues associated with asbestos removal. However, this Scheme comes at a significant cost to the ACT community – this is expected to be around \$400 million, even after the sale of remediated properties.

Despite these challenges, the Government has remained true to its fiscal strategy. In the 2015-16 Budget, the Government set out a plan to weather the financial impact of the Commonwealth cuts and the remediation of asbestos contaminated properties but also to return the budget to balance in 2017-18. The 2016-17 Budget confirms that the Government's fiscal strategy – and the budget outlook – remains on track. The Government is continuing to invest in Canberra and provide high quality services while at the same time returning the budget to balance by 2017-18.

Our net debt also remains at prudent levels as a result of considered financial management, creating the capacity for the Government to continue to invest in Canberra's infrastructure and to build a city for all Canberrans, now and in the future.

Throughout the challenges of recent years, the Territory has retained its AAA stable credit rating (as assessed by Standard & Poor's). The fact that the ACT is one of only three states and territories to hold this rating in Australia reflects confidence in the Government's commitment to sound financial and economic management.

For these reasons, the Government's 2016-17 Budget strategy remains focused on:

- supporting and boosting the ACT economy in the short term, with particular focus on creating jobs and continuing to deliver appropriate services to the community;
- sustaining a strong operating balance over the medium term; and
- continuing the investment in infrastructure projects/assets that generate economic growth and allows the Canberra community to enjoy the benefits of these assets in the longer term.

As in previous years, the Government's overarching fiscal strategy can be grouped into five high-level objectives:

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

In observing these five objectives, the Government will be able to respond flexibly and prudently to shifts in the Territory's economic circumstances and meet its longer-term goals, such as fully funding the Territory's superannuation liability by 2030. Targeted investment will focus on opening up and diversifying our local economy, all within the context of maintaining a AAA credit rating.

## **Sustainable Economic Growth**

The Government has a strong history of developing and supporting a productive and competitive economy. The economic outlook, supported by sound investment by the ACT Government, is looking better than in recent years. However, there remain challenges for the Territory. The increase in the Commonwealth's efficiency dividend announced in its 2016-17 Budget is anticipated to result in an additional 1,400 Australian Public Service job losses for the Territory over the three years from 2017-18 to 2019-20, bringing total losses in the Territory to over 10,000 since June 2012. Moreover, the ACT will also be affected by the flow-on effects of the challenges facing the Australian economy, such as the downturn in commodity prices.

For this reason, the Government will again invest in strategies that act to expand and diversify the Territory's economy. The Government will provide additional funds to implement the priorities outlined in its business development strategy *Confident & Business Ready: Building on Our Strengths* to grow and diversify Canberra's economy. The new investment will focus particularly on supporting development of the Territory's information and communication technology, higher education and research sector key capability areas.

International linkages will be further strengthened, with additional funding provided to support international flights to Canberra (following the announcement by Singapore Airlines of direct flights to and from Canberra Airport from September 2016). Funding will also be provided to support various activities (such as sales missions and seeking partnership agreements) which promote Canberra as a destination of choice in the international market, with the Southeast Asian market being a particular area of interest.

The recent launch of the Canberra International Support Network, with its focus on Singapore, is one such example of the Government's efforts to provide new opportunities for local businesses to connect with key markets overseas and expand their international reach, drawing further investment into the region.

The construction of the light rail, along with the other elements of the Government's infrastructure program, will also provide a significant stimulus to the ACT economy. Moreover, the light rail project will accelerate the process of urban renewal and transformation of our city, and enhance Canberra's capacity to become a knowledge-based city that attracts highly skilled employees from around the world.

## **Sound Public Finances**

### ***Headline Net Operating Balance***

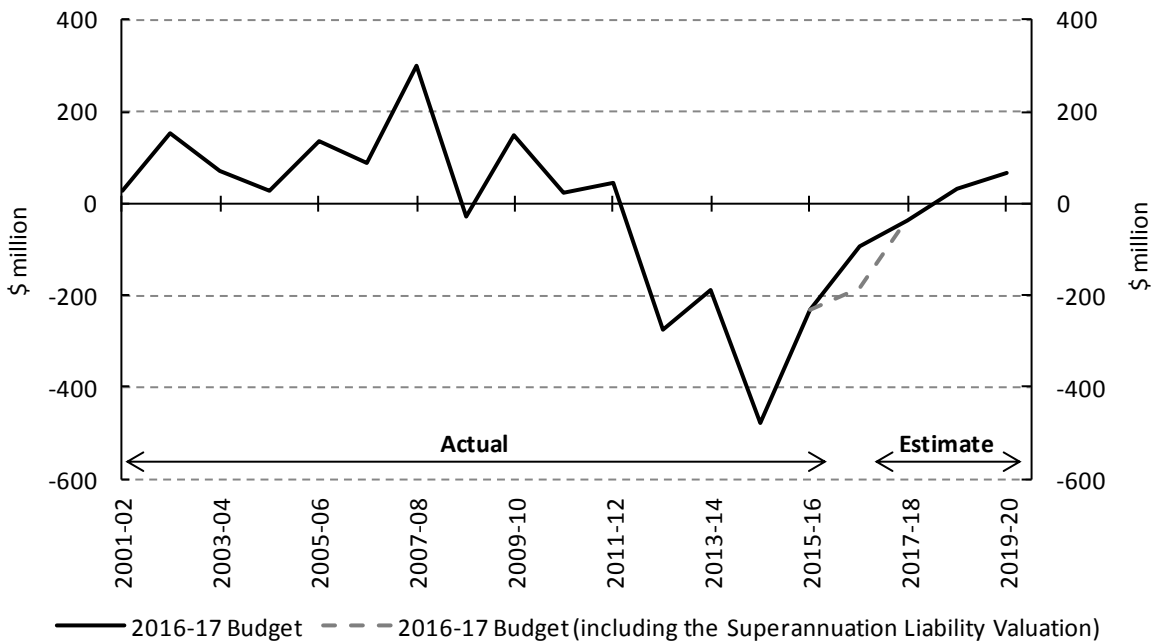
The Government's objective remains to achieve a net operating balance over the medium to long term. This objective is consistent with the need to support the ACT economy in meeting recent challenges while recognising the importance of sound financial management in the longer term.

In 2016-17, the Headline Net Operating Balance (HNOB) is forecast to be in deficit by \$94.3 million. As set out in Chapter 2.1, the Government has decided to foreshadow the Superannuation Liability Valuation estimate of \$87.7 million for the first time to better reflect the expected outcome for 2016-17, increasing the forecast deficit to \$182.0 million. This is a technical adjustment and does not impact the Territory's cash position.

Importantly, the Government remains on track to return the budget to balance in 2017-18, with forecast outcomes slightly improved in all years from those reported in the 2015-16 Budget Review.

The strength of the Government's commitment to return the budget to balance is consistent with its strong record of prudent financial management. Figure 2.2.1 shows that the Government has a long-standing history of running budget surpluses, only going into deficit by taking targeted spending decisions when it has been necessary to support jobs and the economy.

**Figure 2.2.1: Headline Net Operating Balance**



The HNOB, which is the ACT Government’s key measure of the public finances, includes an adjustment for long-term expected superannuation investment earnings (consistent with the long-term expected return objective of the Consumer Price Index plus 5 percentage points). This presentation has been adopted in the ACT Government’s Budget Papers since 2006-07, and the consistent and continued use of the HNOB for budgetary purposes ensures that comparable, comprehensive and informed assessments can be made of the Territory’s financial performance over time.

The rationale for the use of this measure is that the Government does not operate a superannuation fund for employees and, under the Government Finance Statistics (GFS) reporting framework, capital growth on financial assets is not included as transactional revenue in the net operating balance. Applying the GFS approach understates the expected investment revenue, which includes interest, dividends, distributions and capital growth, and therefore overstates the net superannuation expense related to the superannuation liability. The inclusion of the full amount of the long-term investment earnings is therefore considered necessary to provide an accurate assessment of the longer-term sustainability of the budget position.

An additional adjustment made in this year’s budget reflects the estimated Superannuation Liability Valuation outcome at 30 June 2016 and the flow-on impact to superannuation expenses in 2016-17 based on the prevailing low domestic interest rates. The estimated discount rate as at 30 June 2016 is 3.2 per cent. The Government still considers that the use of a long-term discount rate for the budget and forward year estimates removes significant valuation volatility, and presents a realistic estimate of the liability’s valuation and associated expense.

## ***The Territory's Credit Rating***

International ratings agency Standard & Poor's Ratings Services affirmed the ACT's AAA long-term and A-1+ short-term local currency credit ratings on 25 September 2015 with the rating outlook retained as stable.

The AAA and A-1+ ratings are the highest ratings assigned by Standard & Poor's and the ACT remains one of a small number of governments in the world to hold this rating.

In affirming the Territory's AAA stable rating, Standard & Poor's considered that the Territory would broadly achieve its financial forecasts as set out in the 2015-16 Budget, particularly in terms of revenue targets associated with the land release program, and completing the Asbestos Eradication Scheme within budget. The rating reflects the Territory's very strong economy and financial management, strong budget flexibility and exceptionally high liquidity.

## ***Operating Cash Balance***

The operating cash balance measures all operating cash receipts each 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 Government is committed to maintaining operating cash surpluses in the General Government Sector (GGS) on the basis that a strong operating cash balance ensures that there is sufficient cash generated from operating activities to cover the net outlay of the capital investment, to repay debt, and to put funds aside to address unfunded superannuation liabilities.

The GGS net operating cash balance is forecast to be in surplus in all years from 2016-17 onwards.

## ***Quality and Efficient Services***

The Government aims to deliver more efficient and productive public services, and remains committed to delivering high quality services to the community.

In its 2016-17 Budget, the Government continues to invest in the provision of necessary services, including public transport, education and healthcare to ensure that appropriate service quality is retained while being delivered in an efficient manner. The budget also includes a wide range of new initiatives that will enhance the range of services provided to the community.

A key focus of the 2016-17 Budget is services to address domestic and family violence. The Government is expanding its efforts to ensure that those in need can readily access support when faced with domestic and family violence, that responses to incidents are better coordinated, and that police are resourced to respond to, assist in, and investigate matters of domestic violence. Funding will also be provided to a number of community sector service providers to ensure that they are able to maintain valuable education, counselling, court support and advocacy services.

The Government is continuing to enhance transport services. The creation of the Transport Canberra and City Services Directorate will consolidate oversight of light rail, ACTION buses, roads, community paths, and traffic management to enhance the connections between all forms of transport in Canberra. The construction of stage one of the light rail network will also commence, accelerating the process of urban renewal and revitalisation of the city. In addition, the Government continues to invest in the ACTION bus network and is undertaking road projects designed to improve road connectivity around Canberra.

Health services will be enhanced through additional emergency department resources at Canberra and Calvary Hospitals as well as the expansion of intensive care, trauma, stroke, mental health and other services. The Government is also undertaking a series of works designed to ensure the sustainability of hospital and other health facilities.

The Government continues to expand school capacity to meet growing student enrolments, particularly in Gungahlin. In addition, the Government is enhancing the ability of schools to support students and families with complex needs through a dedicated program focusing on training, support services and other resources to help achieve better educational outcomes for students with complex and challenging behaviours.

Digital Canberra remains a priority, as the Government promotes Canberra as a city of digital opportunity by creating digital networks and partnerships, accelerating the digital economy, building a city of innovation and connected communities and collaborating to ensure better citizen engagement and services. This budget provides additional resources for the Chief Digital Officer, including \$500,000 in seed funding to allow for the investigation and implementation of digital initiatives across the ACT Government. The Government is also commencing a trial of data storage and analytics capability across the whole of government to improve ease of access and usability of data and acquiring a software tool to improve the security of information stored in Government databases.

## ***Expenditure Reviews***

### **Concessions**

An additional \$35 million over four years has been allocated to the Concessions Program to continue to support vulnerable members of the community in need of assistance. This follows the review of the Concessions Program, and community consultation on ten options to improve fairness and targeting. Community feedback highlighted the important role that concessions play in supporting those most in need, and raised concerns that reducing concessions could adversely impact on the most vulnerable households.

For the 2016-17 Budget, most concessions – including those for public transport, motor vehicle registrations, driver licences, taxis, spectacles and funeral assistance – will not be changing. The maximum capped general rates rebate and the Fire and Emergency Service Levy rebate will remain unchanged at \$700 and \$98, respectively.

The Government is making some changes to the Concessions Program to create a fairer, more sustainable and more accessible system to support vulnerable Canberrans. Changes include: maintaining ‘uncapped’ general rates rebates at 2015-16 levels where they are above the maximum capped amount; introducing a combined Utilities Concession from 2017-18 that will provide the same level of support to renters as home owners; and increasing the eligibility age for the ACT Seniors Card to 61 from 1 July 2017, and then increasing it by one year every two years until it reaches 65 in 2025.

## **Sustainable Taxation Revenue**

The Government is committed to making the Territory’s taxation system fairer, simpler and more efficient. Importantly, the Government’s fiscal strategy also depends on ensuring taxation revenue is at sustainable levels.

In the 2016-17 Budget, the Government continues the reform process it started in 2012-13. Stage One of the reforms includes the abolition of inefficient taxes on conveyances and insurance premiums, with the revenue lost replaced through the general rates system. This change in the taxation mix is ensuring a stable and efficient revenue base to fund provision of high quality government services into the future. In addition, the abolition of inefficient taxes will result in significant economic gains in the wider economy through increased productivity.

Stage Two of the reform program will commence in 2017-18 and build on the progress made in Stage One. A key aspect of the Stage Two reforms is the separation of residential and commercial conveyance duty rates from 2017-18 onwards. This will allow taxation to be adjusted to better reflect the differences in each sector. Further reductions in residential and commercial conveyance duty rates will significantly reduce the upfront costs of property purchases. The Government is also increasing the payroll tax free threshold to \$2 million from 2016-17 to support small to medium businesses in the ACT. The Government is also introducing changes to the general rates system to create a more equitable treatment between different housing types.

The ACT remains a relatively low taxing jurisdiction and, with our own source tax revenue as a share of Gross State Product, is the second lowest compared to other jurisdictions.

**Figure 2.2.2: Comparison of tax revenue as a share of Gross State Product, total state and local government, 2014-15**



Sources: ABS 5506.0, 5520.0.

**Notes:**

1. Gross State Product is in nominal terms.
2. This comparison is made on the basis of total state and local government own source tax revenue. The ACT undertakes both state and local functions.

Further information on the significant reforms to the Territory’s taxation system can be found in Taxation Reform (Chapter 6.3). Details of the revenue initiatives announced in the 2016-17 Budget can be found in Revenue Initiatives (Chapter 3.4).

## Strong Balance Sheet

The ACT’s balance sheet continues to perform relatively well compared to other jurisdictions, which enables the Government to maintain its flexibility to support high priority investments.

### Net Debt

Net debt is a key balance sheet measure in the Government Finance Statistics framework. It takes into account gross debt liabilities as well as financial assets (such as cash reserves and investments).

General Government Sector net debt is estimated to be 5.6 per cent of GSP in 2016-17, compared to the 2015-16 estimated outcome of 5.1 per cent. Over the forward estimates, net debt is expected to be consistent with the levels forecast in the 2015-16 Budget Review.

The increase in net debt as a percentage of GSP in 2016-17 is influenced by a decrease in investments to meet forecast cash flow requirements.



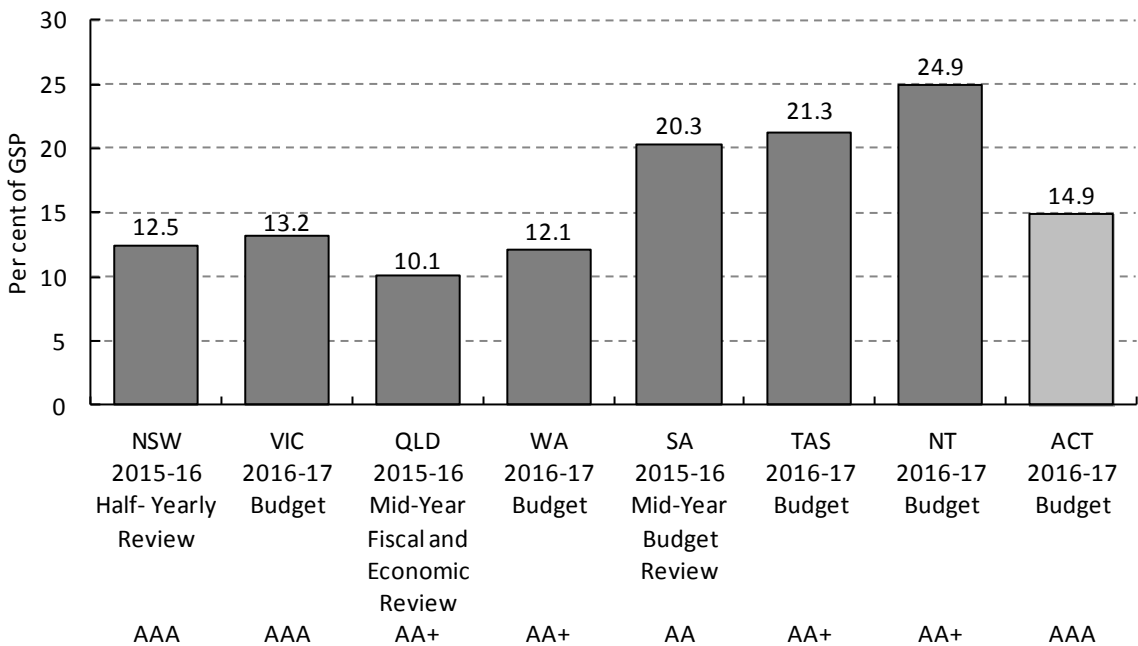
## Net Financial Liabilities

Net Financial Liabilities are calculated as total liabilities less financial assets (such as cash reserves and investments). They take into account all non-equity financial assets, but exclude the value of equity held by the GGS in public corporations. The Net Financial Liabilities to GSP ratio is largely unchanged from the 2015-16 Budget estimate at 14.9 per cent.

In 2016-17, net financial liabilities are forecast to decrease by \$3,375 million to \$5,497 million compared to the 2015-16 estimated outcome of \$8,871 million. This decrease is largely due to a return to the long-term discount rate assumption of 6 per cent to value the superannuation liability.

Figure 2.2.3 below compares the ACT's Net Financial Liabilities as a proportion of GSP with other jurisdictions. The ACT remains broadly in line with other AAA rated jurisdictions (New South Wales and Victoria).

**Figure 2.2.3: General Government Sector Net Financial Liabilities as a percentage of GSP – 2016-17 State and Territory Comparison**



**Source:** The data and the calculation of nominal GSP used in this figure is taken from each jurisdiction's most current Budget documentation. In some instances assumptions based on growth factors have been applied.

There is general acceptance of the proposition that governments with strong balance sheets can responsibly incur some debt – provided it is used to finance high quality assets in areas of community need. Such assets (for example, public transport, new roads, schools and hospital facilities) generate benefits to the community over a long period of time, offsetting the cost of the borrowing. It is important, however, that the level of debt remains sustainable.

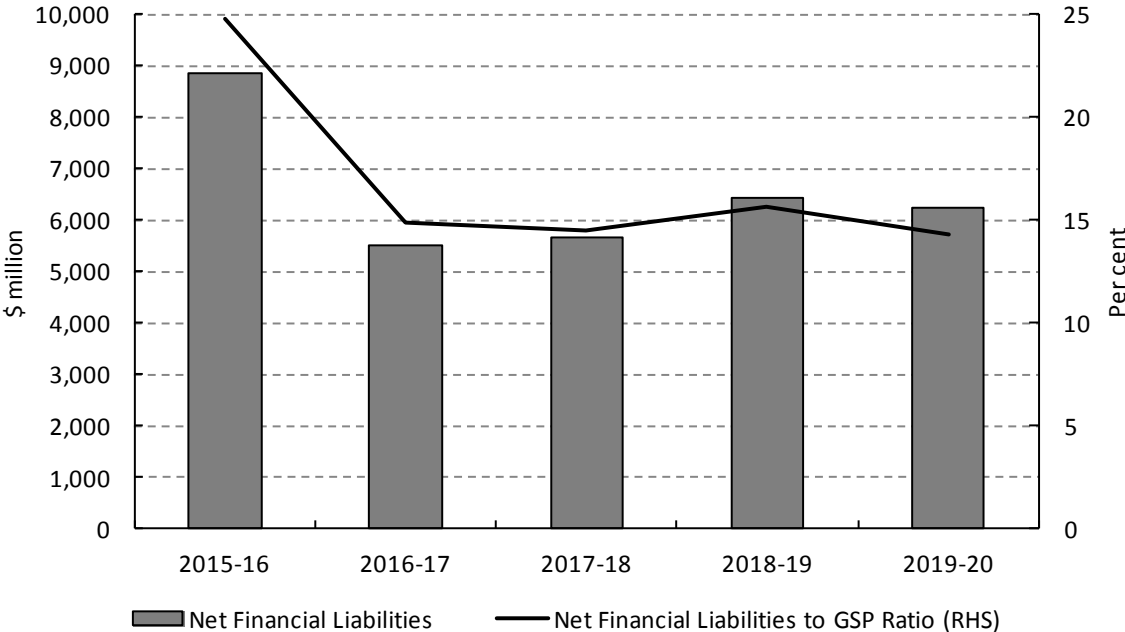
An indicator of that assessment is the ratio of net financial liabilities to GSP. While this ratio is subject to volatility (in particular, net financial liabilities can fluctuate – sometimes substantially – depending on the condition of financial markets), it is desirable that it remains broadly stable over time while maintaining sustainable levels of borrowings.

The continued investment in infrastructure, funded by debt, as required, will strengthen the ACT economy and enhance service delivery for ACT residents. This trend in debt is a major driver in the level of net financial liabilities as displayed below at Figure 2.2.4.

As noted in the introduction, this arrangement is possible and sustainable through the strength of the Territory’s balance sheet. Over time, net financial liabilities as a share of GSP is forecast to decline.

In 2016-17, net financial liabilities is forecast to decrease by \$3,375 million compared to the 2015-16 estimated outcome. This decrease is largely due to a return to the long-term discount rate assumption of 6 per cent to value the superannuation liability and higher other provisions resulting from a revision to the estimated timing of settlements from the Asbestos Eradication Scheme.

**Figure 2.2.4: General Government Sector Net Financial Liabilities**



**Net Worth**

The broadest measure of a jurisdiction’s balance sheet is net worth, which measures the total value of all assets less all liabilities. The ACT has strong positive net worth and, as a proportion of GSP, continues to be one of the strongest of all Australian jurisdictions.

Net worth is forecast to be \$17,100.2 million at the end of 2016-17, \$3,879.6 million higher than the 2015-16 estimated outcome. This increase is largely due to a reduction in the superannuation liability associated with a change in the discount assumption used to value the liability. The discount rate assumption used in the estimated outcome is 3.2 per cent compared to a long-term discount rate assumption of 6 per cent. This rate has been used to better reflect the expected value of the superannuation liability at 30 June 2016. The increase is also attributed to an increase in capital works-in-progress due to the impact of Government policy decisions and the re-profiling of capital works from 2015-16.



## 2.3 COST OF LIVING STATEMENT

---

In this budget, the ACT Government sets out a plan for Canberra's future. We have worked hard to support jobs and economic growth, and our strategy is paying off. The ACT has the lowest unemployment rate in Australia, retail trade is strong, and the economy is resilient and stabilising. This budget will build on these successes.

We are also making sure that everyone has the opportunity to fully participate in our community and continue to provide a range of services and programs to support vulnerable and disadvantaged Canberrans, promote social inclusion, and ease cost of living pressures for those who need assistance.

The Government is announcing a range of family violence prevention initiatives to keep our families safer. We are supporting law enforcement to provide practical support to victims, and to counter domestic violence before it happens, by achieving cultural change in our attitudes towards women and violence. The Safer Families Levy of \$30 per annum will be applied to all residential and rural properties from 1 July 2016. The Safer Families Levy will support a range of family violence prevention initiatives.

This Cost of Living Statement provides five case studies of Canberra households. It outlines the effect of the ACT Government's taxes and charges, and the various concessions available in 2016-17<sup>1</sup>. The impact of Commonwealth Government taxes, fees or concessions are not taken into account.

While the Government is committed to supporting families and individuals through targeted assistance and concessions, there are a range of cost of living pressures that are outside the influence of the ACT Government. Examples include changes to interest rates, petrol prices, and decisions of independent pricing authorities on the price of utilities such as electricity, water and sewerage.

### ACT Households

ACT residents on average are relatively younger, have a higher level of education and higher incomes than the rest of Australia. As at June 2015, 33.9 per cent of the ACT's population was between 20 and 40 years of age compared to only 29.7 per cent nationally. The ACT's largest demographic cohort is aged between 20 and 29 years<sup>2</sup>. At the 2011 Census, Canberra families had an average of 1.8 children, and 47 per cent of residents were married.

ACT residents are more engaged with the labour market than average Australians – the ACT has a workforce participation rate of 69.7 per cent compared to 64.8 per cent nationally. Of those employed, 73 per cent are working full time and 27 per cent are working part time<sup>3</sup>.

---

<sup>1</sup> As required under Section 11(1)(f) of the *Financial Management Act 1996*.

<sup>2</sup> Australian Demographic Statistics, Australian Bureau of Statistics Cat. No. 3101.0.

<sup>3</sup> Labour Force - April 2016, Australian Bureau of Statistics Cat. No. 6202.0.

At the 2011 Census, median weekly household income for ACT families with children was \$3,060 while, for the rest of Australia, it was \$2,310.<sup>4</sup> The Wage Price Index in the ACT increased by 1.8 per cent from the March quarter 2015 to the March quarter 2016, compared to 2.1 per cent nationally.<sup>5</sup>

The majority of households (67.3 per cent) own their own home, with or without a mortgage, while 30.6 per cent of households rent. The vast majority (91.8 per cent) of households own at least one motor vehicle.<sup>6</sup>

## ACT Government

### *Public services*

The ACT Government continues to provide high quality public services across the Territory. Government expenditure on health services has increased by around 8.5 per cent per year over the decade to 2014-15, and expenditure on education by 5.7 per cent each year over the same period.<sup>7</sup>

The provision of these public services protects households from some cost of living pressures. For example, households with school age children in public education receive its benefit at little cost, and households using public medical services and facilities are significantly shielded from increases in the cost of health care. Table 2.3.1 below shows ACT Government expenditure by area for 2016-17.

**Table 2.3.1: What your money delivers**

<b>Area of Expenditure 2016-17</b>	<b>\$ million</b>	<b>% of total</b>	<b>\$ per capita</b>
Health	1,553.0	30.2	3,962
Education	1,158.2	22.5	2,955
Justice and Safety	510.5	9.9	1,302
Disability and Community Services	326.3	6.3	832
Environment, Sustainability and Land Management	322.3	6.3	822
Territory and Municipal Services	308.4	6.0	787
Delivering Government Services	267.4	5.2	682
Public Transport	186.5	3.6	476
Housing	184.0	3.6	469
Planning and Regulation	179.4	3.5	458
Events, Tourism and Investment	102.5	2.0	261
Sport and Recreation	48.9	0.9	125
<b>Total</b>	<b>5,147.4</b>	<b>100.0</b>	<b>13,132</b>

**Source:** Chief Minister, Treasury and Economic Development Directorate.

**Note:** Numbers may not add due to rounding. Expenses by key priority area above do not equal total general government sector expenses as they do not include superannuation and other expenses that do not directly correlate to functions.

<sup>4</sup> 2011 Census Australian Capital Territory STE QuickStats.

<sup>5</sup> Wage Price Index - March quarter 2016, Australian Bureau of Statistics Cat. No. 6345.0.

<sup>6</sup> 2011 Census Australian Capital Territory STE QuickStats.

<sup>7</sup> Government Finance Statistics 2014-15, Australian Bureau of Statistics Cat. No. 5512.0.

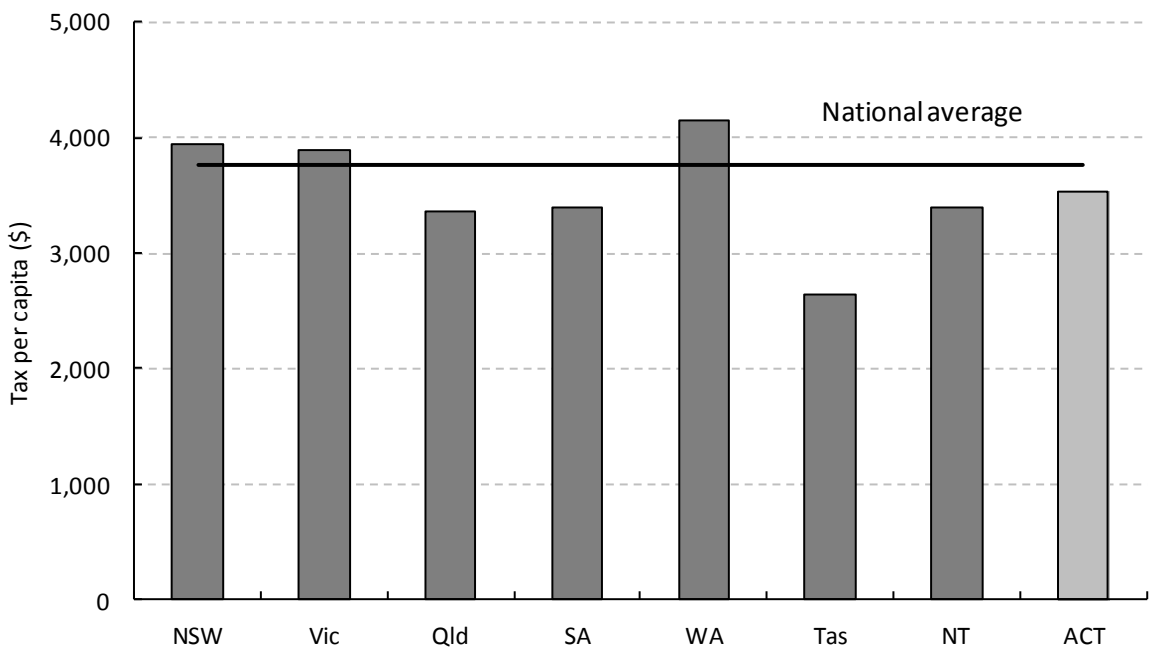
## ACT Government taxes and fees

The ACT Government collects revenue directly via taxes and fees. This revenue is used to support the provision of high quality services and infrastructure to the community as detailed throughout the Budget papers. About 32 per cent of ACT Government revenue is derived from own-source taxation, and another 41 per cent is provided by the Commonwealth Government. Refer to Revenue and Forward Estimates (Chapter 6.2) for more information on own-source taxation, and Federal Financial Relations (Chapter 7.1) for more information on Commonwealth grants. The remainder is derived from a range of other income sources, including the sales of goods and services, interest and dividends.

The ACT Government generates most of its own-source revenue from taxes levied on businesses, households and investors. Taxes levied on businesses include payroll tax and general rates. Taxes levied on households include general rates on property. Businesses and households pay conveyance duty when purchasing property in the ACT. Annual fees are charged for the licensing and registration of motor vehicles. Investors who own residential properties are subject to land tax. Other administrative fees, charged on a one-off basis, cover the costs of transactions and include such things as commemorative certificates and land title fees.

ACT Government taxation forms a small part of overall household costs. The most recent Australian Bureau of Statistics data show average taxation per capita in the ACT compares favourably with other jurisdictions. The ACT per capita taxation of \$3,524 is below the average across Australia of \$3,755, and below that of New South Wales, Victoria and Western Australia, as shown in the following figure.

**Figure 2.3.1: Taxation per capita, 2014-15**



**Source:** Chief Minister, Treasury and Economic Development Directorate estimates based on ABS Cat. No. 3101.0 Australian Demographic Statistics and ABS Cat. No. 5506.0 Taxation Statistics, Australia.

The ACT Government is continuing to implement the taxation reforms announced in the 2012-13 Budget. The reforms improve the fairness of the taxation system and set the Territory's taxation system on a more sustainable footing.

### *Utilities*

The cost of providing gas, electricity and other utilities is largely outside the direct control of the ACT Government. These are generally determined by market forces and the decisions of independent pricing tribunals. Utility charges incorporate the costs of production, the impact of various Commonwealth, State and Territory energy and environmental programs, taxes and charges, and international and domestic markets.

Water and sewerage charges are determined by the Independent Competition and Regulatory Commission (ICRC). The ICRC also regulates the price for the supply of electricity to small customers in the ACT purchased from ActewAGL Retail. Natural gas prices are not regulated in the ACT.

The ACT Government recognises that utility bills are a significant cost of living consideration for many households, and provides a range of utility concessions and programs for eligible households.

### *Assistance to households through concessions*

The ACT Government provides a wide range of concessions to households and individuals to assist with living expenses such as general rates, utility bills, drivers' licence fees, motor vehicle registration fees, and public transport fares. Information is available at the ACT Government's Assistance website: [www.assistance.act.gov.au](http://www.assistance.act.gov.au).

In 2016-17, ACT Government expenditure on concessions is estimated at \$53.5 million. Refer to the Fiscal Strategy (Chapter 2.2) for more information on the ACT Concessions Program.

A range of Commonwealth concessions and assistance programs are also available to offset eligible households' living costs; however these payments have not been included in the tables that follow.



## **Cost of Living Statement**

Under Section 11(1)(f) of the *Financial Management Act 1996*, the Territory is required to provide a statement on the effect of Territory taxes and fees on households and the concessions that offset these taxes and fees.

The Government is mindful that, in calculating the impact of taxes, fees and utility charges on a hypothetical household, it is not possible to capture the full range of household types, financial circumstances or specific usage patterns of government services. A number of household scenarios are presented as a basis for highlighting the differential impact for various household types and circumstances.

### **ACT Household Scenarios**

The scenarios below present the estimated impact of Territory taxes, fees and utility charges and the concessions which offset them on five households. Other potential savings, which can reduce cost of living pressures, are also outlined. Further details on the costs and assumptions are provided in the Table notes later in this chapter.

## Household One

Lee and Charlotte are a single income family renting in Monash. They have a household income of \$65,000 a year and access to Centrelink Health Care cards. Their daughter, Cecilia, has a disability and the family currently receives support through the Community Services Directorate, their local school and other community organisations. Cecilia has joined the National Disability Insurance Scheme (NDIS), which commenced in the ACT on 1 July 2014. The NDIS funds reasonable and necessary supports, including therapies, equipment and home modifications, as per the tailored plan of support.

Table 2.3.2 below shows the costs of taxes, fees and charges, net of concessions, and the change from 2015-16 to 2016-17 for Lee, Charlotte and Cecilia.

**Table 2.3.2: Estimated Impact of Territory Taxes and Fees, and Utility Charges in 2016-17 on Household One**

Government Taxes, Fees and Utility Charges	Cost net of concessions 2015-16 \$	Savings 2015-16 \$	Cost 2016-17 \$	Value of concessions 2016-17 \$	Cost net of concessions 2016-17 \$	2015-16 to 2016-17 change \$	Savings 2016-17 \$
<b>Property</b>							
<i>Savings:</i>							
Duty on contents insurance		-7.52					-7.36
<b>Transport</b>							
<i>Fees:</i>							
Drivers' licence fee, vehicle registration, road rescue fee, road safety contribution, CTP insurance, CTP regulator levy, lifetime care and support levy and ACTION fares	1,684.77		2,385.26		1,695.97	11.20	
<i>Concessions:</i>							
ACTION fares				-689.29			
<i>Savings:</i>							
Reduction in duty on car insurance		-15.44					-15.47
Reduction from Rewards for Safe Driving		-6.85					-9.00
<b>Utilities</b>							
<i>Fees:</i>							
Electricity, natural gas	3,012.90		3,288.14		2,861.68	-151.22	
<i>Concessions:</i>							
Energy, utility				-426.46			

Source: Chief Minister, Treasury and Economic Development Directorate.

## *Household Two*

Jack and Sam are currently renting in Gungahlin and will buy their first home in Moncrieff in 2016-17. They will become liable for General Rates and other property taxes when they purchase a house, as shown in the table below. Their household income is \$120,000.

Jack and Sam will have access to the First Home Owners Grant, which is valued at \$7,000 (from 1 January 2017) for the purchase of a new home. They will also be eligible for the Home Buyer Concession Scheme, which will allow them to reduce conveyance duty on their home purchase from \$9,860 to \$20, based on a purchase price of \$410,000.

Jack works full-time and Sam works part-time while studying. Jack catches the bus to work to save on parking costs. Sam cycles to work and university most days. Table 2.3.3 below shows the costs of taxes, fees and charges, net of concessions, and the change from 2015-16 to 2016-17 for Jack and Sam.

**Table 2.3.3: Estimated Impact of Territory Taxes and Fees, and Utility Charges in 2016-17 on Household Two**

<b>Government Taxes, Fees and Utility Charges</b>	<b>Cost net of concessions 2015-16 \$</b>	<b>Savings 2015-16 \$</b>	<b>Cost 2016-17 \$</b>	<b>Value of concessions 2016-17 \$</b>	<b>Cost net of concessions 2016-17 \$</b>	<b>2015-16 to 2016-17 change \$</b>	<b>Savings 2016-17 \$</b>
<b>Property</b>							
<i>Taxes:</i>							
General Rates	1,496.00		1,535.00		1,535.00	39.00	
Fire and Emergency Services Levy	196.00		252.00		252.00	56.00	
Safer Families Levy			30.00		30.00	30.00	
<i>Savings:</i>							
Duty on home and contents insurance and life insurance		-36.39					-36.59
Home Buyer Concession Scheme				-9,840.00	20.00		
First Home Owner Grant				-7,000.00			
<b>Transport</b>							
<i>Fees:</i>							
Drivers' licence fee, vehicle registration, road rescue fee, road safety contribution, CTP insurance, CTP regulator levy, lifetime care and support levy and ACTION fares	2,391.51		2,421.26		2,421.26	29.75	
<i>Savings:</i>							
Reduction in duty on car insurance		-15.44					-15.47
Rewards for Safe Driving		-13.70					-18.00
<b>Utilities</b>							
<i>Fees:</i>							
Electricity, natural gas, water and sewerage	3,977.51		3,941.06		3,941.06	-36.45	

**Source:** Chief Minister, Treasury and Economic Development Directorate.

### *Household Three*

Walter and Olivia live in their own home in Waramanga and both receive a full pension. Both are over 70 years old so are eligible for free travel on ACTION buses. Olivia catches the bus to Woden most weekdays to volunteer, and twice a week they drive to local community-run seniors groups.

If they downsize their home in 2016-17, they can access the Pensioner Duty Concession Scheme, saving \$8,640 in conveyance duty, based on a purchase price of \$380,000.

Table 2.3.4 below shows the costs of taxes, fees and charges net of concessions and the change from 2015-16 to 2016-17 for Walter and Olivia.

**Table 2.3.4: Estimated Impact of Territory Taxes and Fees, and Utility Charges in 2016-17 on Household Three**

<b>Government Taxes, Fees and Utility Charges</b>	<b>Cost net of concessions 2015-16 \$</b>	<b>Savings 2015-16 \$</b>	<b>Cost 2016-17 \$</b>	<b>Value of concessions 2016-17 \$</b>	<b>Cost net of concessions 2016-17 \$</b>	<b>2015-16 to 2016-17 change \$</b>	<b>Savings 2016-17 \$</b>
<b>Property</b>							
<i>Taxes:</i>							
General Rates	1,171.00		1,944.00		1,244.00	73.00	
Fire and Emergency Services Levy	98.00		252.00		154.00	56.00	
Safer Families Levy			30.00		30.00	30.00	
<i>Concessions:</i>							
General Rates, Fire and Emergency Services Levy				-798.00			
<i>Savings:</i>							
Duty on home and contents insurance		-33.08					-33.12
<b>Transport</b>							
<i>Fees:</i>							
Drivers' licence fee, vehicle registration, road rescue fee, road safety contribution, CTP insurance, CTP regulator levy, lifetime care and support levy and ACTION fares	648.05		2,385.26		696.78	48.73	
<i>Concessions:</i>							
Drivers' licence fees, vehicle registration and ACTION fares				-1,760.48			
<i>Savings:</i>							
Reduction in duty on car insurance		-15.44					-5.47
<b>Utilities</b>							
<i>Fees:</i>							
Electricity, water and sewerage	1,672.25		2,562.03		1,710.98	38.73	
<i>Concessions:</i>							
Energy, utility, water and sewerage				-851.05			
<b>Other Concessions Potentially Available</b>							
Spectacles Subsidy Scheme	-200.00						-200.00
Over 60's Home Bonus/PDCS				-8,640.00	20.00		

Source: Chief Minister, Treasury and Economic Development Directorate.

### Household Four

Peilin and Billy live in Kaleen. They have an annual household income of \$156,000, own their own home and both work full time. They have two children, Dawson in primary school and Hugo in high school. They share school drop offs for Dawson, and Hugo catches the bus to school. Most days, one of them catches the bus to work and the other drives their family sedan.

Table 2.3.5 below shows the costs of taxes, fees and charges net of concessions and the change from 2015-16 to 2016-17 for Peilin, Billy and their family.

**Table 2.3.5: Estimated Impact of Territory Taxes and Fees, and Utility Charges in 2016-17 on Household Four**

Government Taxes, Fees and Utility Charges	Cost net of concessions 2015-16 \$	Savings 2015-16 \$	Cost 2016-17 \$	Value of concessions 2016-17 \$	Cost net of concessions 2016-17 \$	2015-16 to 2016-17 change \$	Savings 2016-17 \$
<b>Property</b>							
<i>Taxes:</i>							
General Rates	1,864.00		1,972.00		1,972.00	108.00	
Fire and Emergency Services Levy	196.00		252.00		252.00	56.00	
Safer Families Levy			30.00		30.00	30.00	
<i>Savings:</i>							
Reduction in duty on home and contents insurance and life insurance		-36.39					-36.59
<b>Transport</b>							
<i>Fees:</i>							
Drivers' licence fee, vehicle registration, road rescue fee, road safety contribution, CTP insurance, CTP regulator levy, lifetime care and support levy, ACTION fares and parking	5,166.61		5,436.54		5,436.54	269.93	
<i>Savings:</i>							
Reduction in duty on car insurance		-15.44					-15.47
Rewards for Safe Driving		-13.70					-18.00
<b>Utilities</b>							
<i>Fees:</i>							
Electricity, natural gas, water and sewerage	5,242.60		5,186.12		5,186.12	-56.48	

Source: Chief Minister, Treasury and Economic Development Directorate.

### Household Five

Susan is an aged pensioner living in public housing in Narrabundah and pays 25 per cent of her monthly income in rent (\$473.36). The indicative market rent for a one bedroom unit in this area is around \$1,600 per month.

She uses the local bus at a full concessional rate and participates in a range of community programs to improve her skills and interact with other members of the local community.

Table 2.3.6 below shows the costs of taxes, fees and charges net of concessions and the change from 2015-16 to 2016-17 for Susan.

**Table 2.3.6: Estimated Impact of Territory Taxes and Fees, and Utility Charges in 2016-17 on Household Five**

Government Taxes, Fees and Utility Charges	Cost net of concessions 2015-16 \$	Savings 2015-16 \$	Cost 2016-17 \$	Value of concessions 2016-17 \$	Cost net of concessions 2016-17 \$	2015-16 to 2016-17 change \$	Savings 2016-17 \$
<b>Property</b>							
<i>Rent:</i> 25% of pension					473.36		
<i>Savings:</i> Difference to market rent							-1,126.64
<b>Transport</b>							
<i>Fees:</i> ACTION fares	409.68		1,375.57		419.28	9.60	
<i>Concessions:</i> ACTION fares				-956.28			
<b>Utilities</b>							
<i>Fees:</i> Electricity	801.10		1,248.43		821.97	20.87	
<i>Concessions:</i> Energy and utility				-426.46			

**Source:** Chief Minister, Treasury and Economic Development Directorate.



## TABLE NOTES

### ACT Household Scenarios

#### *Transport*

Drivers' licence fees have been calculated by dividing the cost of a five year drivers' licence (\$180.00) by five to determine the annual cost. For 2016-17, drivers are assumed to receive the 25 per cent Rewards for Safe Driving discount. This will offset the cost of the drivers' licence fee for drivers who have no relevant traffic offences recorded for the previous five years.

For Compulsory Third Party (CTP) insurance, an average of the four providers in the market (NRMA, APIA, GIO and AAMI) has been used (\$561.28).

#### *Utilities*

2016-17 electricity prices are assumed to increase by 1.7 per cent, consistent with the Australian Energy Market Commission Report of December 2015. 2016-17 water and sewerage prices are assumed to increase by the Consumer Price Index of 1.3 per cent, consistent with the ICRC Industry Panel Substituted Price Direction of April 2015.

2016-17 gas prices are assumed to decrease as a result of two factors. The Independent Pricing and Regulatory Tribunal draft report on the review of regulated gas retail tariffs and charges from 1 July 2016 is anticipated to result in a fall in gas prices of 0.1 per cent. In addition, the Australian Energy Regulator's final decision on access arrangements for ActewAGL's gas distribution network is anticipated to reduce gas prices by around \$79 for a customer using 45 gigajoules of gas per year.

### Household One

#### *Property*

For 2016-17, property savings comprise reducing the duty on contents insurance from 2 per cent to nil (\$7.36).

#### Assumptions

As the family is renting, they do not pay general rates, the Fire and Emergency Services Levy or the Safer Families Levy. Insurance premiums for 2016-17 are \$367.87 for contents insurance only. Building insurance is not required as they are renting.

#### *Transport*

For 2016-17, transport fees comprise: drivers' licence fee (\$36.00); vehicle registration (\$348.92); Road Rescue Fee (\$25.00); Road Safety Contribution (\$2.50); CTP insurance (\$561.28); the CTP Regulator Levy (\$1.00); the Lifetime Care and Support Levy (\$35.00); and ACTION fares (\$1,375.57).

For 2016-17, concessions comprise ACTION's concession fare (\$689.29). For 2016-17, savings comprise reducing the duty on car insurance from 2 per cent to nil (\$15.47). The driver is eligible for a discount on the cost of their drivers' licence under the Rewards for Safe Driving Program (\$9.00).

### Assumptions

Fees are calculated on a vehicle with a tare weight of 1,155kg to 1,504kg. Insurance premiums for 2016-17 are \$773.54 for comprehensive car insurance. The Centrelink Healthcare Card provides access to ACTION's concession fare, with travel twice a day at peak time five days a week, reaching the monthly travelling cap of 40 trips. Once the monthly cap is reached, passengers' remaining travel will be free of charge provided they continue to tag on and off with each journey.

### *Utilities*

For 2016-17, utility charges comprise: electricity (\$1,767.80) and natural gas (\$1,520.34). Concessions comprise: energy and utility concessions (\$426.46).

### Assumptions

Consumption per year: electricity (8,700 kWh) and natural gas (51 GJ). No water or sewerage charges have been included as the family is renting and it is assumed that the lease specifies that these charges are paid by the landlord.

## **Household Two**

### *Property*

For 2016-17, property fees comprise: general rates (\$1,535.00); the Fire and Emergency Services Levy (\$252.00); and the Safer Families Levy (\$30.00). For 2016-17, property savings comprise: reducing the duty on home and contents insurance from 2 per cent to nil (\$33.12); reducing the duty on life insurance from 1 per cent to nil (\$3.47); access to the First Home Owners Grant (\$7,000); and the Home Buyer Concession Scheme (\$9,840).

### Assumptions

General rates are calculated as the average general rates bill in Moncrieff, rather than based on a fixed Average Unimproved Value (AUV) as in previous years. General Rates for 2015-16 have also been adjusted to reflect the average general rates bill in Moncrieff. Insurance premiums for 2016-17 are: \$1,656.22 for home and contents insurance and \$347.29 for life insurance.

### *Transport*

For 2016-17, transport fees comprise: drivers' licence fee (\$72.00); vehicle registration (\$348.92); the Road Rescue Fee (\$25.00); the Road Safety Contribution (\$2.50); CTP insurance (\$561.28); the CTP Regulator Levy (\$1.00); the Lifetime Care and Support Levy (\$35.00); and ACTION fares (\$1,375.57).

For 2016-17, savings comprise reducing the duty on car insurance from 2 per cent to nil (\$15.47). Both drivers are eligible for a discount on the cost of their drivers' licences under the Rewards for Safe Driving Program (\$18.00).

### Assumptions

Fees are calculated based on two drivers and one car with a vehicle tare weight of 1,155kg to 1,504kg. Insurance premiums for 2016-17 are \$773.54 for comprehensive car insurance. ACTION fares are calculated as travel twice a day at peak time five days a week, reaching the monthly travelling cap of 40 trips. Once the monthly cap is reached, passengers' remaining travel will be free of charge provided they continue to tag on and off with each journey.

### *Utilities*

For 2016-17, utility charges comprise: electricity (\$1,508.11); natural gas (\$1,379.02); water (\$523.87); and sewerage (\$530.05).

### Assumptions

Consumption per year: electricity (7,200 kWh); natural gas (42 GJ); and water (160 kL).

## **Household Three**

### *Property*

For 2016-17, property fees comprise: general rates (\$1,944.00); the Fire and Emergency Services Levy (\$252.00); and the Safer Families Levy (\$30.00). Concessions consist of the rates rebate (\$700.00) and the Fire and Emergency Services Levy rebate (\$98.00). For 2016-17, property savings comprise reducing the duty on home and contents insurance from 2 per cent to nil (\$33.12).

### Assumptions

General rates are calculated as the average general rates bill in Waramanga, rather than based on a fixed AUV as in previous years. General Rates for 2015-16 have also been adjusted to reflect the average general rates bill in Waramanga. Insurance premiums for 2016-17 are \$1,656.22 for home and contents insurance.

### *Transport*

For 2016-17, transport fees comprise: drivers' licence fee (\$36.00); vehicle registration (\$348.92); the Road Rescue Fee (\$25.00); the Road Safety Contribution (\$2.50); CTP insurance (\$561.28); the CTP Regulator Levy (\$1.00); the Lifetime Care and Support Levy (\$35.00); and ACTION fares (\$1,375.57).

For 2016-17, transport savings comprise reducing the duty on car insurance from 2 per cent to nil (\$15.47). Concessions comprise: drivers' license (\$36.00); vehicle registration (\$348.92); and ACTION bus fares (\$1,375.57).

## Assumptions

Fees are calculated based on one driver and one car with a vehicle tare weight of 1,155kg to 1,504kg. Insurance premiums for 2016-17 are \$773.54 for comprehensive car insurance. ACTION fares are calculated as off-peak single trips five days a week, reaching the monthly travelling cap of 40 trips, and an entitlement to free travel for people aged over 70.

### *Utilities*

For 2016-17, utility charges comprise: electricity (\$1,508.11); water (\$523.87); and sewerage (\$530.05). Concessions include: energy and utility concessions (\$426.46); water rebate (\$68.78); and sewerage rebate (\$355.81).

## Assumptions

Consumption per year: electricity (7,200 kWh); and water (160 kL).

### *Other Concessions*

They are eligible to access the Spectacles Subsidy Scheme, which provides a \$200 rebate every two years on the purchase of glasses. They are also eligible to access the Pensioner Duty Concession Scheme, which charges conveyance duty at a concessional rate, to downsize to a home worth \$380,000.

## **Household Four**

### *Property*

For 2016-17, property fees comprise: general rates (\$1,972.00); the Fire and Emergency Services Levy (\$252.00); and the Safer Families Levy (\$30.00). For 2016-17, property savings comprise reducing the duty on home and contents insurance from 2 per cent to nil (\$33.12) and life insurance from 1 per cent to nil (\$3.47).

## Assumptions

General rates are calculated as the average general rates bill in Kaleen, rather than based on a fixed AUV as in previous years. General Rates for 2015-16 have also been adjusted to reflect the average general rates bill in Kaleen. Insurance premiums for 2016-17 are: \$1,656.22 for home and contents insurance; and \$347.29 for life insurance.

### *Transport*

For 2016-17, transport fees comprise: drivers' licence fee (\$72.00); vehicle registration (\$348.92); the Road Rescue Fee (\$25.00); the Road Safety Contribution (\$2.50); CTP insurance (\$561.28); the CTP Regulator Levy (\$1.00); the Lifetime Care and Support Levy (\$35.00); school student ACTION fare (\$358.78); adult ACTION fare (\$1,375.57) and parking (\$2,656.50).

For 2016-17, transport savings comprise reducing the duty on car insurance from 2 per cent to nil (\$15.47). Both drivers are eligible for a discount on the cost of their drivers' licences under the Rewards for Safe Driving Program (\$18.00).

## Assumptions

Fees are calculated based on two drivers and one car with a vehicle tare weight of 1,155kg to 1,504kg. Insurance premiums for 2016-17 are \$773.54 for comprehensive car insurance. A 30 ride paid cap for students is reached taking rides to and from school. The monthly travelling cap of 40 trips applies to the adult fare calculation. Once the monthly cap is reached, passengers' remaining travel will be free of charge provided they continue to tag on and off with each journey. Parking fees have been calculated using the Zone B, Off Street, City Centre rate, which has been assumed to increase by around 6 per cent from 2015-16 to 2016-17.

### *Utilities*

For 2016-17, utility charges comprise: electricity (\$2,027.48); natural gas (\$1,840.73); water (\$787.86); and sewerage (\$530.05).

## Assumptions

Consumption per year: electricity (10,200 kWh); natural gas (60 GJ); and water (230 kL).

## **Household Five**

### *Property*

For 2016-17, rent comprises 25 per cent of the full monthly age pension of \$1,893.45, with the monthly rent payable of \$473.36.

### *Transport*

For 2016-17, transport fees comprises the adult five days a week ACTION fare (\$1,375.57). Concessions comprise ACTION's concession fare (\$956.28).

## Assumptions

The Centrelink concession card provides access to ACTION's off-peak concession fare. ACTION fares are calculated as off-peak single trips five days a week, reaching the monthly travelling cap of 40 trips. Once the monthly cap is reached passengers' remaining travel will be free of charge provided they continue to tag on and off with each journey.

### *Utilities*

For 2016-17, utility charges comprise: electricity (\$1,248.43). Concessions include: energy and utility concessions (\$426.46).

## Assumptions

Consumption per year: electricity (5,700 kWh); and water (125 kL). Water and sewerage charges are paid by Housing and Community Services ACT, and are valued at \$431.69 and \$530.05 respectively.



## **CHAPTER 3**

### **NEW INITIATIVES**

<b>Chapter</b>	<b>Page</b>
<b>3.1 Initiatives Overview</b>	<b>71</b>
<b>3.2 Expense Initiatives</b>	<b>73</b>
<b>3.3 Infrastructure and Capital Initiatives</b>	<b>127</b>
<b>3.4 Revenue Initiatives</b>	<b>159</b>





## 3.1 INITIATIVES OVERVIEW

The 2016-17 Budget includes, over four years, \$298.3 million of new expense initiatives (net of the health funding envelope), \$728.8 million of new infrastructure and capital initiatives, and \$6.7 million of new revenue initiatives announced since the 2015-16 Budget Review.

The Government has also made provisions of \$345 million for capital works over four years to 2019-20. These provisions include amounts for high value and/or commercially sensitive projects.

A summary of these initiatives is set out in Table 3.1.1 below.

**Table 3.1.1: Overview of Initiatives**

Summary of Initiatives	2016-17 Estimate \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000	Total Estimate \$'000
Expense initiatives	116,126	90,661	83,346	81,298	371,431
Health funding envelope offset	25,379	33,452	34,733	36,243	129,807
<b>Net expense initiatives</b>	<b>90,747</b>	<b>57,209</b>	<b>48,613</b>	<b>45,055</b>	<b>241,624</b>
Expenses related to infrastructure and capital initiatives	20,822	18,302	14,000	2,947	56,071
Expenses related to revenue initiatives	801	1,605	1,634	1,664	5,704
Health funding envelope offset to infrastructure and capital initiatives	1,850	798	1,200	1,229	5,077
<b>Total expense initiatives</b>	<b>110,520</b>	<b>76,318</b>	<b>63,047</b>	<b>48,437</b>	<b>298,322</b>
Infrastructure and capital initiatives	238,582	271,273	206,433	11,205	727,493
Infrastructure and capital related to expense initiatives	1,065	227	0	0	1,292
<b>Total infrastructure and capital initiatives</b>	<b>239,647</b>	<b>271,500</b>	<b>206,433</b>	<b>11,205</b>	<b>728,785</b>
Revenue initiatives	-9,825	975	-1,025	2,175	-7,700
Revenue related to expense initiatives	1,737	1,902	2,865	942	7,446
Revenue related to infrastructure and capital initiatives	561	2,124	2,124	2,124	6,933
<b>Total revenue initiatives</b>	<b>-7,527</b>	<b>5,001</b>	<b>3,964</b>	<b>5,241</b>	<b>6,679</b>
Depreciation associated with new initiatives	-38	3,506	8,881	13,654	26,003

Significant new expense initiatives in the 2016-17 Budget include funding for emergency department services; better access to healthcare; expanding drug, trauma and stroke services; as well as more mental health services. The Government is also continuing to make significant investments towards public transport, services in new suburbs, environmental protection, tourism and events, responding to climate change, and supporting students in schools. In addition, in this budget the Government is funding a significant response to family and domestic violence and range of initiatives to support Aboriginal and Torres Strait Islander peoples.

Significant infrastructure and capital initiatives include new public housing properties, modernising school infrastructure, road construction, upgrading existing health assets, and more leisure and recreational facilities.

Revenue initiatives include changes to Conveyance Duty, improvements to the existing tax compliance program, introducing the Safer Families Levy, and an increase in the Fire and Emergency Services Levy.

## 3.2 EXPENSE INITIATIVES

The Government is investing in new expense initiatives totalling \$110.5 million in 2016-17 and \$298.3 million across the Budget and forward estimates. This is net of the \$134.9 million health funding envelope offset.

A summary of expense initiatives is shown in Table 3.2.1 below.

**Table 3.2.1: Summary of Expense Initiatives**

Summary of Initiatives	2016-17 Estimate \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000	Total 4 Year \$'000
<b>Expense initiatives</b>	116,126	90,661	83,346	81,298	<b>371,431</b>
Health funding envelope offset	25,379	33,452	34,733	36,243	<b>129,807</b>
<b>Net Budget Impact – Initiatives</b>	<b>90,747</b>	<b>57,209</b>	<b>48,613</b>	<b>45,055</b>	<b>241,624</b>
Expense component of infrastructure and capital initiatives	20,822	18,302	14,000	2,947	<b>56,071</b>
Expense component of revenue initiatives	801	1,605	1,634	1,664	<b>5,704</b>
Health funding envelope offset to infrastructure and capital initiatives	1,850	798	1,200	1,229	<b>5,077</b>
<b>Total expense initiatives</b>	<b>110,520</b>	<b>76,318</b>	<b>63,047</b>	<b>48,437</b>	<b>298,322</b>
<b>Associated revenue</b>	1,737	1,902	2,865	942	<b>7,446</b>
<b>Associated capital</b>	1,065	227	0	0	<b>1,292</b>
<b>Depreciation</b>	27	104	104	104	<b>339</b>

## Initiatives – Summary of Expenses by Portfolio

**Table 3.2.2: Expense Initiatives**

Expense Initiatives	2016-17 Estimate \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000	Total Estimate \$'000
<b>ACT Executive</b>					
25 Member Assembly – Seventh Minister	757	767	785	805	3,114
<b>Total</b>	<b>757</b>	<b>767</b>	<b>785</b>	<b>805</b>	<b>3,114</b>
<b>Chief Minister, Treasury and Economic Development Directorate</b>					
Better Infrastructure for Canberra – Enhanced policy approach	1,536	0	0	0	1,536
Better Public Housing – New public housing properties	13,566	14,514	6,100	0	34,180
Better Public Transport – Light rail business partnership program	500	0	0	0	500
Better Roads for Gungahlin – Gungahlin Town Centre road network improvements	0	0	50	100	150
Better Roads for Gungahlin – Horse Park Drive pedestrian overpass	400	0	0	0	400
Better Roads for the Inner South – Yarralumla Estate	250	0	0	0	250
Better Services – Dickson Motor Vehicle Inspection Station	400	1,000	1,020	1,050	3,470
Better Services – Weston Creek and Stromlo swimming pool and leisure centre	0	0	0	1,050	1,050
Better Workplaces for ACT Public Servants – Civic and Dickson office projects	879	483	490	496	2,348
Bigger and Better Events for Canberra – Bringing A-League football to Canberra <sup>1</sup>	245	0	0	0	245
Bigger and Better Events for Canberra – Enhancing Canberra's reputation as an events destination	1,500	0	0	0	1,500
Bigger and Better Events for Canberra – Test Match and One Day International Cricket for Canberra – Cricket Australia strategic partnership <sup>1</sup>	1,391	4,391	2,500	0	8,282
Canberra Capitals Basketball Team – Performance agreement extension	250	0	0	0	250
Confident and Business Ready – Building on our strengths – Data61, CBR Innovation Network and the ACT Fulbright Scholarship	3,710	2,860	60	0	6,630
Digital Canberra – ACT Government data warehouse and analytics framework	279	0	0	0	279
Digital Canberra – Protecting our data	0	0	87	89	176
Digital Canberra – Support for the Chief Digital Officer to improve government services	187	190	0	0	377
Healthy Weight Initiative – Healthy Canberra	492	558	0	0	1,050
Improving Community Facilities – Building refurbishments and upgrades in Tuggeranong	100	0	0	0	100
Improving Our Suburbs – New Molonglo Valley infrastructure	500	0	0	0	500
Improving Road Safety – Traffic camera adjudication system upgrades <sup>1</sup>	524	655	670	685	2,534

<b>Expense Initiatives</b>	<b>2016-17 Estimate \$'000</b>	<b>2017-18 Estimate \$'000</b>	<b>2018-19 Estimate \$'000</b>	<b>2019-20 Estimate \$'000</b>	<b>Total Estimate \$'000</b>
More Efficient Government	186	0	0	0	186
More Efficient Public Service Administration – Long service leave calculations	0	-588	-777	-791	-2,156
More Operational Support for Canberra's Pools <sup>1</sup>	400	400	400	300	1,500
National Arboretum Canberra – Water Security – Stage 2	0	0	17	34	51
Safer Families – Reportable conduct scheme for employees	473	282	288	293	1,336
Safer Roads – Mobile camera program expansion <sup>1,2</sup>	443	548	558	569	2,118
Securing Electricity Supply in the ACT – Second supply network	250	250	0	0	500
Smarter Regulation – Red tape reduction	0	250	91	91	432
Sport and Recreation – Asset Repair and Maintenance Scheme – Year four	200	0	0	0	200
Sportsground Irrigation and Maintenance Funding Boost	450	450	450	450	1,800
Supporting Aboriginal and Torres Strait Islander Peoples – Indigenous Enterprise Development <sup>3</sup>	0	0	0	0	0
Supporting Aboriginal and Torres Strait Islander Peoples – Support for arts and culture	100	0	0	0	100
Supporting Affordable Housing – Homes for Homes <sup>4</sup>	-50	-50	0	0	-100
Supporting Low Income Households	7,700	7,900	9,900	9,600	35,100
Tax Administration	801	1,605	1,634	1,664	5,704
Urban Renewal for Civic – Creating a vibrant city centre	300	0	0	0	300
Visit Canberra – One good thing after another – Domestic and international marketing boost	2,300	3,000	1,000	1,000	7,300
Workers' Compensation – Supplementing agency costs	15,149	0	0	0	15,149
<b>Total</b>	<b>55,411</b>	<b>38,698</b>	<b>24,538</b>	<b>16,680</b>	<b>135,327</b>
<b>Community Services Directorate</b>					
Better Services – Finance and management review	150	0	0	0	150
Better Services – Support for human services regulation – Enhanced quality assurance of providers	820	849	0	0	1,669
Better Services – Support for persons with disability – Disability support services	446	0	0	0	446
Improving Youth Justice Outcomes – Bimberi Youth Justice Centre – Improving operational capability	100	0	0	0	100
More Resources for Out of Home Care	800	0	0	0	800
Restrictive Practice Regulation	145	0	0	0	145
Safer Families – Additional resources for the Canberra Rape Crisis Centre	100	103	105	108	416
Safer Families – Additional resources for the Domestic Violence Crisis Service	200	205	210	215	830
Safer Families – Early assistance for families at risk of violence	228	351	385	0	964
Safer Families – Enhanced child protection case management and coordination	863	642	481	485	2,471
Safer Families – Integrated case management	360	741	772	733	2,606
Safer Families – Support for women and children to leave violence	30	85	100	100	315

<b>Expense Initiatives</b>	<b>2016-17 Estimate \$'000</b>	<b>2017-18 Estimate \$'000</b>	<b>2018-19 Estimate \$'000</b>	<b>2019-20 Estimate \$'000</b>	<b>Total Estimate \$'000</b>
Safer Families – Training in domestic violence for frontline workers	250	257	263	0	770
Supporting Aboriginal and Torres Strait Islander Peoples – Establishing a central internet portal <sup>3</sup>	0	0	0	0	0
Supporting Aboriginal and Torres Strait Islander Peoples – Improving Indigenous representation	149	0	0	0	149
Supporting Aboriginal and Torres Strait Islander Peoples – Leadership development and improving career outcomes in the ACT Public Service	107	0	0	0	107
Supporting Implementation of the NDIS in the ACT	718	0	0	0	718
<b>Total</b>	<b>5,466</b>	<b>3,233</b>	<b>2,316</b>	<b>1,641</b>	<b>12,656</b>
<b>Cultural Facilities Corporation</b>					
Bigger and Better Events for Canberra – Canberra Theatre Centre – Major show support fund	50	0	0	0	50
<b>Total</b>	<b>50</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50</b>
<b>Education Directorate</b>					
Better Schools – Enhancing quality assurance of schools <sup>3</sup>	0	0	0	0	0
Better Schools – Improving teacher quality – Scholarships for teachers <sup>3</sup>	0	0	0	0	0
Better Schools – Investment in Gungahlin school infrastructure	0	0	74	274	348
Better Schools – School modernisation	250	0	0	0	250
Better Schools – Schools for All	2,917	3,004	3,094	3,186	12,201
Better Schools – Strengthening and promoting Ngunnawal culture and history <sup>3</sup>	0	0	0	0	0
Better Schools – Support for students with disability – Special needs transport	1,100	0	0	0	1,100
Safer Families – Trauma Understanding and Sensitive Teaching (TRUST) Project <sup>3</sup>	0	0	0	0	0
<b>Total</b>	<b>4,267</b>	<b>3,004</b>	<b>3,168</b>	<b>3,460</b>	<b>13,899</b>
<b>Electoral Commissioner</b>					
Electoral Services	1,581	178	183	187	2,129
<b>Total</b>	<b>1,581</b>	<b>178</b>	<b>183</b>	<b>187</b>	<b>2,129</b>
<b>Environment and Planning Directorate</b>					
Caring for our Environment – Establishing the Molonglo River Reserve – Stage 3	0	0	0	50	50
Caring for our Environment – Improving species and habitat protection	369	603	674	1,111	2,757
Caring for our Environment – Kangaroo population research and control	702	0	0	0	702
Caring for our Environment – Weed and vermin control	700	0	0	0	700
Digital Canberra – New digital radio communication system	0	14	27	27	68
Digital Canberra – Upgrade of the ACT Government spatial data management system	350	0	0	0	350
Leading Australia in responding to climate change – Climate change adaptation	200	0	0	0	200

<b>Expense Initiatives</b>	<b>2016-17 Estimate \$'000</b>	<b>2017-18 Estimate \$'000</b>	<b>2018-19 Estimate \$'000</b>	<b>2019-20 Estimate \$'000</b>	<b>Total Estimate \$'000</b>
Leading Australia in responding to climate change – Continuation of Actsmart programs	625	0	0	0	625
Leading Australia in responding to climate change – Energy Efficiency Improvement Scheme	800	900	950	900	3,550
Leading Australia in responding to climate change – Low emissions future transport options	150	0	0	0	150
Leading Australia in responding to climate change – Reducing energy use in ACT Government buildings	0	0	0	0	0
Leading Australia in responding to climate change – Solar grants for low income households	500	500	500	500	2,000
Reforming Emergency Services – Better fire fighting capability in Tharwa village	0	14	14	14	42
Supporting Aboriginal and Torres Strait Islander Peoples – Aboriginal programs coordination <sup>3</sup>	0	0	0	0	0
Supporting Aboriginal and Torres Strait Islander Peoples – Kickstarting careers by connecting to culture <sup>3</sup>	0	0	0	0	0
<b>Total</b>	<b>4,396</b>	<b>2,031</b>	<b>2,165</b>	<b>2,602</b>	<b>11,194</b>
<b>Health Directorate</b>					
Additional Forensic Chemistry Capacity	249	258	0	0	507
Better Health Services – Calvary Hospital – Extra emergency department physician	466	484	496	508	1,954
Better Health Services – Calvary Hospital – Improving information technology network	250	0	0	0	250
Better Health Services – Canberra Hospital emergency department expansion	3,840	7,688	8,274	9,157	28,959
Better Health Services – City Health Centre – Feasibility	360	0	0	0	360
Better Health Services – Establishing the Canberra Clinical Genomic Service	907	1,759	2,307	2,315	7,288
Better Health Services – Expanding drug services	1,420	1,483	1,548	1,616	6,067
Better Health Services – Expanding the Intensive Care Unit	1,100	1,144	1,172	1,201	4,617
Better Health Services – Expanding the Neonatal Intensive Care Unit	1,267	1,318	1,350	1,385	5,320
Better Health Services – Expanding Trauma Services at the Canberra Hospital	1,100	1,385	1,413	1,442	5,340
Better Health Services – Improved Drugs and Poisons Information System (DAPIS)	0	0	-19	-20	-39
Better Health Services – Improved palliative care services	500	520	533	546	2,099
Better Health Services – Improved pancreatic cancer services – Feasibility	200	0	0	0	200
Better Health Services – Improved services for patients with Parkinson's Disease	210	218	446	457	1,331
Better Health Services – Improved sexual health	300	312	320	328	1,260
Better Health Services – Improved stroke services	1,200	1,248	1,279	1,310	5,037
Better Health Services – More endoscopy surgery	300	312	320	328	1,260
Better Health Services – More outpatient services	1,005	1,045	1,071	1,097	4,218
Better Health Services – Primary health care for hard-to-reach populations	80	31	32	33	176

<b>Expense Initiatives</b>	<b>2016-17 Estimate \$'000</b>	<b>2017-18 Estimate \$'000</b>	<b>2018-19 Estimate \$'000</b>	<b>2019-20 Estimate \$'000</b>	<b>Total Estimate \$'000</b>
Better Health Services – Upgrading and maintaining ACT Health assets <sup>5</sup>	1,040	0	4,160	0	5,200
Better Health Services – Upgrading the ACT Notifiable Diseases Database	50	0	0	0	50
Enhancing Health Services at the Alexander Maconochie Centre	402	414	0	0	816
Safer Families – Support and referral through specialist drug and alcohol treatment services	500	500	500	500	2,000
Supporting Aboriginal and Torres Strait Islander Peoples – Improving health services	300	312	320	328	1,260
Supporting Good Mental Health – Enhanced rehabilitation and follow up services	500	790	818	848	2,956
Supporting Good Mental Health – Expansion of the Way Back Support Service	250	0	0	0	250
Supporting Good Mental Health – Improved and expanded community mental health services	725	0	0	0	725
Supporting Good Mental Health – More beds for the Adult Mental Health Unit	651	677	694	711	2,733
Supporting Good Mental Health – Secure Mental Health Unit	7,907	11,554	11,840	12,133	43,434
Supporting Good Mental Health – Support for people with mental health issues to recover and live in the community	150	798	1,219	1,249	3,416
<b>Total</b>	<b>27,229</b>	<b>34,250</b>	<b>40,093</b>	<b>37,472</b>	<b>139,044</b>
<b>Housing ACT</b>					
Supporting Affordable Housing – Homes for Homes <sup>4</sup>	50	50	0	0	100
<b>Total</b>	<b>50</b>	<b>50</b>	<b>0</b>	<b>0</b>	<b>100</b>
<b>Justice and Community Safety Directorate</b>					
ACT Corrective Services – Accommodation fit out	385	174	180	186	925
ACT Corrective Services – Information management	-1,055	-479	-23	-23	-1,580
Digital Canberra – New digital radio communication system	0	32	183	188	403
Eastman Retrial and Related Proceedings <sup>4</sup>	3,371	0	0	0	3,371
Establish Prison Industries – Extended laundry operations	195	197	359	364	1,115
Fines Management Feasibility Study	712	0	0	0	712
Improving Justice System Outcomes – Extended Throughcare Program	1,141	0	0	0	1,141
Making Canberra Even Safer – Protecting ACT Police	1,951	761	210	210	3,132
Reforming Emergency Services – Aero-medical services and hangar upgrade <sup>2</sup>	197	637	653	670	2,157
Reforming Emergency Services – Fyshwick Fire and Rescue Station upgrade	100	0	0	0	100
Reforming Emergency Services – Improving emergency responses – Website and emergency warning system upgrades	125	127	131	135	518
Reforming Emergency Services – More ambulance services <sup>2</sup>	393	600	611	623	2,227
Safer Families – Contribution to the Tara Costigan Foundation	20	0	0	0	20



<b>Expense Initiatives</b>	<b>2016-17 Estimate \$'000</b>	<b>2017-18 Estimate \$'000</b>	<b>2018-19 Estimate \$'000</b>	<b>2019-20 Estimate \$'000</b>	<b>Total Estimate \$'000</b>
Safer Families – Enhancing access to justice for non-English speakers	255	314	323	331	1,223
Safer Families – Implementation of the Joint Australian Law Reform Commission and NSW Law Reform Commission Report on Family Violence	383	347	358	369	1,457
Safer Families – Improving information sharing for government and service delivery agencies	15	0	0	0	15
Safer Families – Risk assessment tool	50	0	0	0	50
Safer Families – Safer families team	873	719	732	746	3,070
Safer Families – Stronger criminal justice responses	355	366	318	324	1,363
Safer Families – Stronger police support for family violence victims	281	295	300	304	1,180
Supporting Aboriginal and Torres Strait Islander Peoples – Developing life skills through Galambany Court	186	0	0	0	186
Supporting Aboriginal and Torres Strait Islander Peoples – Guidance partner program for Indigenous people	98	134	137	139	508
<b>Total</b>	<b>10,031</b>	<b>4,224</b>	<b>4,472</b>	<b>4,566</b>	<b>23,293</b>
<b>Legal Aid Commission</b>					
Eastman Retrial and Related Proceedings <sup>4</sup>	1,707	0	0	0	1,707
Safer Families – Improved access to Legal Aid	313	296	300	305	1,214
<b>Total</b>	<b>2,020</b>	<b>296</b>	<b>300</b>	<b>305</b>	<b>2,921</b>
<b>Office of the Legislative Assembly</b>					
25 Member Assembly	3,306	4,113	4,207	4,303	15,929
<b>Total</b>	<b>3,306</b>	<b>4,113</b>	<b>4,207</b>	<b>4,303</b>	<b>15,929</b>
<b>Transport Canberra and City Services Directorate</b>					
Better Public Transport – Active travel for schools and shopping centres	300	0	25	55	380
Better Public Transport – Engineering support for light rail	392	405	412	0	1,209
Better Public Transport – Enhanced community transport coordination and services	600	0	0	0	600
Better Public Transport – Trial of electric buses	600	0	0	0	600
Better Public Transport for Canberra – Improved delivery of ACTION services	12,285	12,659	11,282	10,884	47,110
Better Public Transport for Canberra – More bus services – ACTION Network 16	1,900	513	525	538	3,476
Better Public Transport for Tuggeranong – Park and ride facility for Wanniasa	0	0	0	15	15
Better Public Transport for Woden and Weston Creek – New Woden bus depot	0	0	0	-2,700	-2,700
Better Roads for Belconnen – Aikman Drive duplication	0	0	98	196	294
Better Roads for Canberra – Increased maintenance funding	600	2,050	2,100	2,150	6,900
Better Roads for Tuggeranong – Ashley Drive duplication (Ellerston Avenue to Johnson Drive)	0	0	0	35	35

<b>Expense Initiatives</b>	<b>2016-17 Estimate \$'000</b>	<b>2017-18 Estimate \$'000</b>	<b>2018-19 Estimate \$'000</b>	<b>2019-20 Estimate \$'000</b>	<b>Total Estimate \$'000</b>
Better Roads for Weston Creek – Cotter Road duplication (Tuggeranong Parkway to Yarralumla Creek)	0	32	32	288	352
Better Roads for Woden – Intersection safety upgrades	0	0	15	30	45
Better Services – Improved asset management	300	550	-300	-550	0
Better Services – Improving Animal Welfare Services – Support for the RSPCA	300	0	0	0	300
Better Services – Improving libraries – Self-service check out and improved access	0	0	-107	-282	-389
Caring for our Environment – Water Quality Improvement – Maintaining Basin Priority Project stormwater assets	0	255	765	1,275	2,295
Enhanced Waste Management – Waste management contract renewals <sup>6</sup>	1,332	NFP	NFP	NFP	1,332
Improving Our City – Gateway to Canberra – Landscaping of Pialligo Avenue	0	0	0	0	0
Improving Our Suburbs – Cleaning and maintenance of Canberra's public spaces	1,000	0	0	0	1,000
Improving Our Suburbs – Green bins pilot program <sup>1,2</sup>	315	1,400	0	0	1,715
Improving Our Suburbs – Local shopping centre upgrades	475	0	0	0	475
Improving Our Suburbs – Services for new suburbs	2,386	1,860	1,906	1,954	8,106
Supporting Seniors – Enhanced Waste Management – Bulky waste household collection program	400	0	0	0	400
<b>Total</b>	<b>23,185</b>	<b>19,724</b>	<b>16,753</b>	<b>13,888</b>	<b>73,550</b>
<b>TOTAL EXPENSE INITIATIVES</b>	<b>137,749</b>	<b>110,568</b>	<b>98,980</b>	<b>85,909</b>	<b>433,206</b>
<i>Associated Revenue</i>	<i>1,737</i>	<i>1,902</i>	<i>2,865</i>	<i>942</i>	<i>7,446</i>
<i>Associated Capital</i>	<i>1,065</i>	<i>227</i>	<i>0</i>	<i>0</i>	<i>1,292</i>
<i>Depreciation</i>	<i>27</i>	<i>104</i>	<i>104</i>	<i>104</i>	<i>339</i>
<i>Health Funding Envelope Offset</i>	<i>1,850</i>	<i>798</i>	<i>1,200</i>	<i>1,229</i>	<i>5,077</i>

**Notes:**

1. This initiative has a revenue component, this is listed in the summary table in Revenue Initiatives (Chapter 3.4).
2. This initiative has a capital component; this component (and depreciation if applicable) is listed in the summary table in Infrastructure and Capital Initiatives (Chapter 3.3).
3. The funding of this initiative is to be absorbed by the agency.
4. This is a joint initiative, i.e. delivered by more than one agency.
5. \$4.160 million is not funded from within the health funding envelope.
6. NFP indicates not for publication. A provision has been included for the cost of this initiative in the Budget.

## ACT EXECUTIVE

### 25 Member Assembly – Seventh Minister

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	757	767	785	805	<b>3,114</b>

The Government will provide ongoing support for the seventh Minister in the ACT Executive and associated on-costs as part of the expansion of the Legislative Assembly from 17 to 25 members from 2016-17.

# CHIEF MINISTER, TREASURY AND ECONOMIC DEVELOPMENT DIRECTORATE

## Better Infrastructure for Canberra – Enhanced policy approach

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	1,536	0	0	0	1,536

The Government will support major infrastructure delivery in the Territory by providing funding for the Infrastructure Finance and Advisory Division (IFAD) within the Chief Minister, Treasury and Economic Development Directorate. This Division has responsibility for providing advice on complex infrastructure procurements.

From 2016-17, IFAD will also maintain the Capital Framework business case development process, and pursue the process of further infrastructure reform in the Territory, including the management of divestment transactions where identified.

## Better Public Transport – Light rail business partnership program

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	500	0	0	0	500

The Government will enhance engagement with local businesses along the stage one light rail corridor through its Deed of Agreement with the Canberra Business Chamber. This agreement will help to maximise business participation in opportunities presented by the first phase of the Light Rail project.

## Bigger and Better Events for Canberra – Bringing A-League football to Canberra

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	245	0	0	0	245
Associated Revenue	35	0	0	0	35

The Government will support the staging of an A-League match in Canberra between the Central Coast Mariners and the Wellington Phoenix.

## Bigger and Better Events for Canberra – Enhancing Canberra’s reputation as an events destination

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	1,500	0	0	0	1,500

The Government will continue to support significant community events in the Territory, through funding for initiatives including Enlighten, Canberra Day and SpringOUT.

## Bigger and Better Events for Canberra – Test Match and One Day International Cricket for Canberra – Cricket Australia strategic partnership

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	1,391	4,391	2,500	0	8,282
Associated Revenue	674	674	1,890	0	3,238

The Government will continue its Strategic Partnership Agreement with Cricket Australia. Under this agreement, the Australian men’s cricket team will play One Day International matches at Manuka Oval in 2016-17 and 2017-18, and a Test Match in 2018-19.

## Canberra Capitals Basketball Team – Performance agreement extension

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	250	0	0	0	250

The Government will extend the current Performance Agreement with the Canberra Capitals women’s basketball team for one year to support its involvement in the national league. Further funding will be considered in future budgets.

## Confident and Business Ready – Building on our strengths – Data61, CBR Innovation Network and the ACT Fulbright Scholarship

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	3,710	2,860	60	0	6,630

The Government will continue to implement the priorities outlined in its business development strategy *Confident & Business Ready: Building on Our Strengths* to grow and diversify Canberra’s economy. This initiative includes funding for: Data61 (formerly National ICT Australia); ScreenACT; the CBR Innovation Network; and the ACT Fulbright Scholarship.

## Digital Canberra – Support for the Chief Digital Officer to improve government services

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	687	190	0	0	<b>877</b>
Offset	-500	0	0	0	<b>-500</b>
<b>Net Expenses</b>	<b>187</b>	<b>190</b>	<b>0</b>	<b>0</b>	<b>377</b>

The Government is further strengthening the Office of the Chief Digital Officer to support its key work in identifying and capitalising on opportunities for digital transformation across government.

The Government will also provide seed funding for digital initiatives which will generate efficiencies across the whole of government. This initiative will be partially offset over time by savings achieved through the implementation of more efficient ICT systems across government.

## Healthy Weight Initiative – Healthy Canberra

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	692	668	110	110	<b>1,580</b>
Offset	-200	-110	-110	-110	<b>-530</b>
<b>Net Expenses</b>	<b>492</b>	<b>558</b>	<b>0</b>	<b>0</b>	<b>1,050</b>

The Government will continue to support the implementation of the Healthy Weight Initiative through programs to promote and support healthy lifestyle choices such as health promotion in all schools and healthy food environments in partnership with local businesses and sporting clubs.

## More Efficient Government

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	186	0	0	0	<b>186</b>

The Government will continue to review its operations to ensure that it continues to provide high quality services in a sustainable and efficient manner. The reviews will be undertaken by the Expenditure Review Division within the Chief Minister, Treasury and Economic Development Directorate.

## More Operational Support for Canberra's Pools

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	400	400	400	300	<b>1,500</b>
Associated Revenue	120	0	0	0	<b>120</b>

The Government will provide additional support for aquatic facilities in Canberra. The associated revenue relates to operational revenues associated with the Territory's aquatic facilities.

## Safer Families – Reportable conduct scheme for employees

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	473	282	288	293	<b>1,336</b>

The Government will develop a reportable conduct scheme to improve the oversight of how organisations respond to allegations of child abuse. Under this scheme government and non-government organisations with a high level of responsibility for children will be required to report child abuse allegations to the Ombudsman.

## Safer Roads – Mobile camera program expansion

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	443	548	558	569	<b>2,118</b>
Associated Revenue	681	1,001	975	942	<b>3,599</b>
Associated Depreciation	20	39	39	39	<b>137</b>
Associated Capital	207	0	0	0	<b>207</b>

The Government will commission two additional road safety cameras and employ four additional camera operators and an adjudication officer to further improve road safety.

## Sport and Recreation – Asset Repair and Maintenance Scheme – Year four

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	1,104	0	0	0	<b>1,104</b>
Offset	-904	0	0	0	<b>-904</b>
<b>Net Expenses</b>	<b>200</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>200</b>

The Government will continue to support grassroots sport in the Territory by providing grants for the repairs and maintenance of community sporting facilities. This initiative includes a community football infrastructure program and financial support for the 2016 Kanga Cup competition, financed with surplus funds from 2015 Asian Cup matches hosted by the ACT.

## Sportsground Irrigation and Maintenance Funding Boost

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	450	450	450	450	<b>1,800</b>

The Government will ensure that the quality of sportsgrounds in the ACT is maintained by providing additional resources for the irrigation and mowing of sportsgrounds.

## Supporting Aboriginal and Torres Strait Islander Peoples – Indigenous Enterprise Development

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	100	100	0	0	<b>200</b>
Offset	-100	-100	0	0	<b>-200</b>
<b>Net Expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The Government will provide grants for Aboriginal and Torres Strait Islander business owners to help them take advantage of opportunities to develop their businesses. The \$100,000 per annum cost of this grants program will be met from within existing resources.

## Supporting Aboriginal and Torres Strait Islander Peoples – Support for arts and culture

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	100	0	0	0	<b>100</b>

The Government will promote Aboriginal and Torres Strait Islander arts and culture in the Territory through increased community engagement with, and support for, indigenous artists.

## Supporting Affordable Housing – Homes for Homes

See Housing ACT expense initiative *Supporting Affordable Housing – Homes for Homes* for further details.



## Supporting Low Income Households

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	7,700	7,900	9,900	9,600	<b>35,100</b>

The Government will increase funding for the Concessions Program to support the most vulnerable members of our community. The Government is committed to a fairer, more sustainable and more accessible program that targets support to those Canberrans who need a helping hand most.

Following a review of the Concessions Program and community consultation the Government has decided that most concessions will not be changing and has provided additional funding to meet forecast demand. Changes that have been announced include maintaining 'uncapped' general rates rebates at 2015-16 levels, introducing a combined utilities concession from 2017-18, and gradually increasing the eligibility age for the ACT Seniors Card to 65 by 2025.

## Tax Administration

See Revenue Initiatives (Chapter 3.4) for details of this initiative.

## Urban Renewal for Civic – Creating a vibrant city centre

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	300	0	0	0	<b>300</b>

The Government will support its urban renewal agenda by revitalising the City through the delivery of pop up events in partnership with the private sector. These events will enhance economic activity and community engagement.

## Visit Canberra – One good thing after another – Domestic and international marketing boost

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	2,300	3,000	1,000	1,000	<b>7,300</b>

The Government will promote Canberra as a business and tourism destination by supporting its agreement with Singapore Airlines to bring direct international flights to Canberra, as well as undertaking activities such as sales missions, consumer marketing and cooperative campaigns with industry partnerships.

## Workers' Compensation – Supplementing agency costs

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	22,636	0	0	0	22,636
Offset	-7,487	0	0	0	-7,487
<b>Net Expenses</b>	<b>15,149</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,149</b>

The Government will provide one year of additional funding to cover increases in the workers' compensation Comcare insurance premium for a number of agencies across government. The Government is considering new workers' compensation scheme arrangements from 2017-18.

## Expenses associated with infrastructure and capital initiatives

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	Total \$'000
Better Public Housing – New public housing properties	13,566	14,514	6,100	0	<b>34,180</b>
Better Roads for Gungahlin – Gungahlin Town Centre road network improvements	0	0	50	100	<b>150</b>
Better Roads for Gungahlin – Horse Park Drive pedestrian overpass	400	0	0	0	<b>400</b>
Better Roads for the Inner South – Yarralumla Estate	250	0	0	0	<b>250</b>
Better Services – Dickson Motor Vehicle Inspection Station	400	1,000	1,020	1,050	<b>3,470</b>
Better Services – Weston Creek and Stromlo swimming pool and leisure centre	0	0	0	1,050	<b>1,050</b>
Better Workplaces for ACT Public Servants – Civic and Dickson office projects	879	483	490	496	<b>2,348</b>
Digital Canberra – ACT Government data warehouse and analytics framework	279	0	0	0	<b>279</b>
Digital Canberra – Protecting our data	0	0	87	89	<b>176</b>
Improving Community Facilities – Building refurbishments and upgrades in Tuggeranong	100	0	0	0	<b>100</b>
Improving Our Suburbs – New Molonglo Valley infrastructure	500	0	0	0	<b>500</b>
Improving Road Safety – Traffic camera adjudication system upgrades	524	655	670	685	<b>2,534</b>
More Efficient Public Service Administration – Long service leave calculations	0	-588	-777	-791	<b>-2,156</b>
National Arboretum Canberra – Water Security – Stage 2	0	0	17	34	<b>51</b>
Securing Electricity Supply in the ACT – Second supply network	250	250	0	0	<b>500</b>
Smarter Regulation – Red tape reduction	0	250	91	91	<b>432</b>

Refer to Infrastructure and Capital Initiatives (Chapter 3.3) for more information.

**Expenses associated with revenue initiatives**

---

	2016-17	2017-18	2018-19	2019-20	<b>Total</b>
	\$'000	\$'000	\$'000	\$'000	<b>\$'000</b>
Tax Administration	801	1,605	1,634	1,664	<b>5,704</b>

---

Refer to Revenue Initiatives (Chapter 3.4) for more information.

## COMMUNITY SERVICES DIRECTORATE

### Better Services – Finance and management review

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	150	0	0	0	150

The Government will provide funding to undertake a review of the finance and management requirements of the Community Services Directorate as a result of significant change from direct service delivery to regulation and commissioning of services, including transition into the National Disability Insurance Scheme (NDIS) and *A Step Up for Kids*, in *Out of Home Care*.

### Better Services – Support for human services regulation – Enhanced quality assurance of providers

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	820	849	0	0	1,669

The Government will provide for the regulation of human services support providers to deliver quality services to vulnerable Canberrans, as well as enforcing legislative safeguards which enable the application of penalties on regulated service providers for serious non-compliance. Three policy developments have influenced the requirement to increase human services regulatory capacity: the transition to the NDIS, human services delivery under *A Step Up for Kids* and *Better Services: Human Services Blueprint*, and the National Regulatory System for Community Housing.

### Better Services – Support for persons with disability – Disability support services

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	446	0	0	0	446

The Government will support existing community sector disability organisations to continue to deliver high quality care to clients and to assist community sector organisations to prepare to transition to the NDIS.

## Improving Youth Justice Outcomes – Bimberi Youth Justice Centre – Improving operational capability

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	100	0	0	0	100

The Government will undertake a review of the structure and operations of Bimberi Youth Justice Centre to ensure that the facility is managed efficiently and effectively.

## More Resources for Out of Home Care

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	800	0	0	0	800

The Government will continue to provide support for children in out of home care by increasing resources to provide appropriate, child-centric options for children in care. The Government will also continue to support intensive prevention and restoration services to address the number of children and young people in out of home care.

## Restrictive Practice Regulation

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	145	0	0	0	145

The Government will undertake a review for the requirement to establish an Office of Senior Practitioner to provide independent oversight on the application of restrictive practice.

## Safer Families – Additional resources for the Canberra Rape Crisis Centre

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	100	103	105	108	416

The Government will meet increased demand for support to victims of sexual assault in the ACT through a range of services from crisis response to community education, counselling, court support and advocacy.

## Safer Families – Additional resources for the Domestic Violence Crisis Service

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	200	205	210	215	830

The Government will increase the capacity of the Domestic Violence Crisis Service to meet growing demand for a range of services, including telephone and outreach support, information, advocacy, safety support and assistance with civil and criminal court processes.

## Safer Families – Early assistance for families at risk of violence

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	228	351	385	0	964

The Government will provide a three month therapeutic residential program for men who have committed, or are at risk of committing, violence in the home. Room 4 change – a breathing space model – will be an early intervention program aimed at reducing the likelihood of men committing domestic and family violence, including sexual assault against women and children to ensure the safety of women and children at home.

## Safer Families – Enhanced child protection case management and coordination

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	863	642	481	485	2,471

The Government will enhance quality assurance of child protection services through an independent case analysis team to support improved decision making and by establishing a Child and Youth Protection Quality Assurance and Improvement Committee supported by a quality and compliance team.

## Safer Families – Integrated case management

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	360	741	772	733	2,606

The Government will develop and implement a centralised and integrated case management and case coordination unit for victims of family violence in the ACT, whose needs are often diverse and complex.

## Safer Families – Support for women and children to leave violence

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	30	85	100	100	315

The Government will provide grants of up to \$2,000, in addition to fast-tracked access to the existing Housing ACT Bond loan scheme, to people who require financial assistance to leave a violent relationship. The grant will assist victims to find rental accommodation and meet the short term needs of themselves and their children arising from leaving the home.

## Safer Families – Training in domestic violence for frontline workers

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	250	257	263	0	770

The Government will deliver specific and targeted training to frontline staff responding to incidents of domestic and family violence across all areas of government, including health, education, community services and justice.

## Supporting Aboriginal and Torres Strait Islander Peoples – Establishing a central internet portal

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	0	0	0	0	0

The Government will provide a new portal for Aboriginal and Torres Strait Islander peoples that will allow them to access information on Indigenous issues across the ACT Government. The new portal will include culturally appropriate language and formatting to facilitate access and use for all demographics within the Aboriginal and Torres Strait Islander community.



## Supporting Aboriginal and Torres Strait Islander Peoples – Improving Indigenous representation

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	Total \$'000
Expenses	149	0	0	0	149

The Government will promote Aboriginal and Torres Strait Islander cultural identity as a key pathway to building strong families and safe and resilient communities, by providing coordinated support for Aboriginal and Torres Strait Islander initiatives within the Community Services Directorate.

The Government will also provide resourcing to increase awareness of the Elected Body's role in representing the views and concerns of Aboriginal and Torres Strait Islander peoples living in the ACT. In particular, this role will include building greater connections with the ACT Aboriginal and Torres Strait Islander community to share their views and concerns on matters of significance with the ACT Government.

## Supporting Aboriginal and Torres Strait Islander Peoples – Leadership development and improving career outcomes in the ACT Public Service

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	Total \$'000
Expenses	107	0	0	0	107

The Government will offer additional mentoring and training to Aboriginal and Torres Strait Islander staff in the ACT Public Service to improve their career development outcomes.

## Supporting Implementation of the NDIS in the ACT

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	Total \$'000
Expenses	718	0	0	0	718

The Government is reaffirming its commitment to long-term reforms such as the NDIS by continuing to support the ongoing responsibilities of the ACT NDIS Taskforce and the Disability ACT People Management Team through the final stages of transition to the NDIS. This initiative will ensure that there is ongoing support for frontline services to clients with disability during this transition period.

## CULTURAL FACILITIES CORPORATION

### Bigger and Better Events for Canberra – Canberra Theatre Centre – Major show support fund

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	50	0	0	0	50

The Government will provide support for a marketing campaign to promote the staging of a major show in Canberra. This initiative will help ensure the success of this major production, and promote Canberra as an events and tourism destination.

## EDUCATION DIRECTORATE

As well as the new initiatives listed below, the Government is also matching the increase in enrolments with an increase in funding. Specifically, in 2016-17 ACT schools will be provided with an additional \$7 million to reflect increased enrolments. These funds support the education needs of the additional students, including employing more teachers.

### Better Schools – Enhancing quality assurance of schools

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	300	300	300	300	<b>1,200</b>
Offset	-300	-300	-300	-300	<b>-1,200</b>
<b>Net Expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The Government is establishing a new school review process to provide stronger quality assurance and external validation of education services delivered to the ACT Community. As part of this process, every school will undergo an external panel review within a five year cycle and use the *National School Improvement Tool* for an internal review each year. This new approach will provide a clear picture of how schools are performing and provide the evidence underpinning an explicit improvement agenda. Over time, it will provide greater consistency across the education system and ensure all students receive the highest quality education, regardless of their background, circumstances or school which they attend. This new process will be funded from within Education's existing resources, up to the value of \$1.2 million.

### Better Schools – Improving teacher quality – Scholarships for teachers

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	100	100	100	0	<b>300</b>
Offset	-100	-100	-100	0	<b>-300</b>
<b>Net Expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The Government will provide scholarships for teachers to support a high quality Science, Technology, Engineering and Maths (STEM) teaching workforce. The STEM Skills Scholarships for Teachers program will enhance the capacity of ACT teachers to deliver quality STEM education, by expanding access to professional education and training. This initiative will be funded from within Education's existing resources, up to the value of \$300,000 over three years.

## Better Schools – Support for students with disability – Special needs transport

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	1,100	0	0	0	<b>1,100</b>

The Government will continue to provide special needs transport to and from Canberra public schools for students with disability. Although responsibility for this service will ultimately be taken over by the National Disability Insurance Scheme, the Government has provided funding for this project for 2016-17 to ensure that no eligible ACT child will be disadvantaged during the transition period.

## Better Schools – School modernisation

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	250	0	0	0	<b>250</b>

The Government will continue to respond to the future needs of Canberra Public Schools through analysis of demographic trends and strategic planning for learning environments. The program is to ensure that public schools are able to meet the current and future needs of students, teachers and the community.

## Better Schools – Schools for All

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	7,267	5,447	4,832	3,940	<b>21,486</b>
Offset	-4,350	-2,443	-1,738	-754	<b>-9,285</b>
<b>Net Expenses</b>	<b>2,917</b>	<b>3,004</b>	<b>3,094</b>	<b>3,186</b>	<b>12,201</b>

The Government is responding to the recommendations of the Schools for All report and will strengthen the capacity of schools to support students and their families through an additional 26 full time allied health positions. This initiative will deliver services, training and resources to support long-term educational outcomes for students with complex needs and challenging behaviours, as well as assessment and intervention for students with developmental delays and disabilities. This initiative is partially funded from within Education's existing resources.

## Better Schools – Strengthening and promoting Ngunnawal culture and history

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	Total \$'000
Expenses	150	150	0	0	<b>300</b>
Offset	-150	-150	0	0	<b>-300</b>
<b>Net Expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The Government will support schools and students to engage with Traditional Owners and gain an understanding of the plant resources of this region used for food, medicine, tools and ceremonial purposes. The program will increase access to Ngunnawal cultural resources and increase cultural awareness within the local community. This initiative will be funded from within Education's existing resources up to \$300,000 over two years.

## Safer Families – Trauma Understanding and Sensitive Teaching (TRUST) Project

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	Total \$'000
Expenses	60	60	0	0	<b>120</b>
Offset	-60	-60	0	0	<b>-120</b>
<b>Net Expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The Government will support the continuation of a system-wide school program to effectively and sensitively assist students dealing with the impacts of trauma. This initiative will be funded from within Education's existing resources, up to \$120,000 over two years.

## Expenses associated with infrastructure and capital initiatives

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	Total \$'000
Better Schools – Investment in Gungahlin school infrastructure	0	0	74	274	<b>348</b>

Refer to Infrastructure and Capital Initiatives (Chapter 3.3) for more information.

# ELECTORAL COMMISSIONER

## Electoral Services

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	1,581	178	183	187	<b>2,129</b>

The Government will provide funding to the Electoral Commissioner for the increase in public funding for candidates and parties in the ACT election. This initiative also provides increased administrative funding to political parties relating to the expansion of the Legislative Assembly and funding for costs relating to the joint management of the electoral roll with the Commonwealth.

## ENVIRONMENT AND PLANNING DIRECTORATE

### Caring for our Environment – Kangaroo population research and control

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	702	0	0	0	702

The Government will continue to manage native wildlife which has the potential to become overabundant and cause environmental impacts to the Territory's nature reserves. The current focus is on kangaroo population management activities, including research and monitoring of non-lethal population control methods.

### Caring for our Environment – Weed and vermin control

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	700	0	0	0	700

The Government is committed to protecting our native species and their habitat through environmental improvement work, including rabbit and weed control measures. This work will improve the capacity of nature parks and reserves to withstand the impact of pest plant and animal infestation, as well as overgrazing. This funding ensures continuity of work from completed projects.

### Leading Australia in responding to climate change – Climate change adaptation

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	200	0	0	0	200

The Government will establish a new program to deliver actions contained in the ACT's Climate Change Adaptation Strategy. The actions will assist the Canberra community and our environment to become more resilient to changes in climate.

## Leading Australia in responding to climate change – Continuation of Actsmart programs

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	625	0	0	0	625

The Government will continue to support Actsmart programs. These education programs are aimed at reducing waste and increasing recycling in businesses and at public events; assisting schools to reduce waste and increase recycling; promoting environmentally sustainable choices in the community; and continuing to administer the wood heater replacement program.

## Leading Australia in responding to climate change – Energy Efficiency Improvement Scheme

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	800	900	950	900	3,550

The Government will continue to administer the Energy Efficiency Improvement Scheme established under the *Energy Efficiency (Cost of Living) Improvement Act 2012*. The Act requires electricity retailers to undertake energy saving measures across the Territory. New energy efficiency activities will be developed including risk management planning and implementation. Reporting and compliance requirements for retailers will also be continued.

## Leading Australia in responding to climate change – Low emissions future transport options

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	150	0	0	0	150

The Government will undertake studies to identify best practice to overcome barriers and inform policies promoting the uptake of electric vehicles. As the percentage of renewable energy supply in Canberra increases, the transport sector will become the largest emitter of greenhouse gases. Low emissions vehicles, particularly electric vehicles, have the potential to reduce emissions. These studies will investigate the current barriers to electric vehicle uptake, including regulatory issues, economic and infrastructure barriers.



## Leading Australia in responding to climate change – Reducing energy use in ACT Government buildings

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	350	350	350	350	<b>1,400</b>
Offset	-350	-350	-350	-350	<b>-1,400</b>
<b>Net Expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The Government will continue to access the Enterprise Sustainability Platform, a database platform that monitors utility consumption and costs across government facilities and assets and allows for the measurement of greenhouse gas emissions from government operations. This initiative will ensure the sustainable and efficient operation and maintenance of Government facilities and assets. The cost of this initiative will be covered by contributions from ACT Government agencies.

## Leading Australia in responding to climate change – Solar grants for low income households

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	500	500	500	500	<b>2,000</b>

The Government will provide grants to low income households to assist with the uptake of solar energy by overcoming up-front cost barriers. These grants will allow low income households to realise the cost of living benefits of solar panel ownership.

## Supporting Aboriginal and Torres Strait Islander Peoples – Aboriginal programs coordination

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	0	0	0	0	<b>0</b>

The Government will establish a new position for an Aboriginal staff member to manage the recently created ACT Parks Aboriginal Advisory Group, provide leadership and mentoring for Aboriginal and Torres Strait Islander staff, conduct high-level stakeholder engagement and oversee operational, cultural interpretation and visitor service programs. The position will be funded utilising existing Directorate resources.

## Supporting Aboriginal and Torres Strait Islander Peoples – Kickstarting careers by connecting to culture

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	Total \$'000
Expenses	0	0	0	0	0

The Government will develop a new program to support young Aboriginal and Torres Strait Islander peoples at risk of leaving school. The program will develop culturally appropriate flexible learning options to engage Aboriginal and Torres Strait Islander students in nationally accredited and vocational training in culture and land management. The Environment and Planning Directorate is leading a whole of government approach to this program, with the total cost of \$651,000 being met from the existing resources of the agencies involved.

### Expenses associated with infrastructure and capital initiatives

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	Total \$'000
Caring for our Environment – Establishing the Molonglo River Reserve – Stage 3	0	0	0	50	50
Caring for our Environment – Improving species and habitat protection	369	603	674	1,111	2,757
Digital Canberra – New digital radio communication system	0	14	27	27	68
Digital Canberra – Upgrade of the ACT Government spatial data management system	350	0	0	0	350
Reforming Emergency Services – Better fire fighting capability in Tharwa village	0	14	14	14	42

Refer to Infrastructure and Capital Initiatives (Chapter 3.3) for more information.

## HEALTH DIRECTORATE

A Health Funding Envelope is used to provide funding certainty for the Health Directorate and the Local Hospital Network (collectively referred to as Health) regardless of fluctuations in Commonwealth funding contributions and other sources of income, and is also used to fund the operating costs associated with new capital initiatives. The envelope achieves this by indexing Health expenditure growth at a constant rate and incorporates a provision that can fund new health initiatives from 2017-18 onwards. The envelope includes annual funding growth for price (indexation) and for growth in activity.

### Additional Forensic Chemistry Capacity

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	249	258	0	0	507

The Government will expand staffing resources within the Forensic Chemistry Unit which provides analytical support for the criminal justice system in relation to seized illicit drugs. The additional staffing will provide surge capacity and help in managing the timely testing of exhibits.

### Better Health Services – Calvary Hospital – Extra emergency department physician

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	466	484	496	508	1,954

The Government will enhance support for emergency services at Calvary Hospital through the ongoing support of one additional Emergency Department specialist physician.

### Better Health Services – Canberra Hospital emergency department expansion

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	3,840	7,688	8,274	9,157	28,959

The Government will provide more staff to increase the capacity of the Canberra Hospital Emergency Department to meet growing demand, and support the delivery of timely and high quality services.

## Better Health Services – Establishing the Canberra Clinical Genomic Service

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	907	1,759	2,307	2,315	<b>7,288</b>

The Government will establish a clinical genomic sequencing service. This service will enable the development of personalised medicine to improve health outcomes, and achieve significant cost benefits through reductions in ongoing treatments.

## Better Health Services – Expanding drug services

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	1,420	1,483	1,548	1,616	<b>6,067</b>

The Government will maintain and expand a range of existing drug treatment and support services in the ACT. This initiative will provide funding for: six drug treatment and support services; the Alcohol, Tobacco and Other Drug Association, post-treatment drug rehabilitation programs; the naloxone program; and training sessions for drug treatment and support workers.

## Better Health Services – Expanding the Intensive Care Unit

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	1,100	1,144	1,172	1,201	<b>4,617</b>

The Government will increase hospital services by providing one additional intensive care unit bed at the Canberra Hospital to meet growing demand for services.

## Better Health Services – Expanding the Neonatal Intensive Care Unit

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	1,267	1,318	1,350	1,385	<b>5,320</b>

The Government will increase hospital services for families by providing two additional Neonatal Intensive Care unit cots at the Centenary Hospital for Women and Children. These cots will enable more babies to be treated and cared for closer to their families.

## Better Health Services – Expanding Trauma Services at the Canberra Hospital

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	1,100	1,385	1,413	1,442	5,340

The Government will expand the Canberra Hospital Major Trauma Service to provide a specialised '24/7' model of care for trauma patients. This initiative will help reduce length of stay and reduce the risk of clinical complications from trauma.

## Better Health Services – Improved palliative care services

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	500	520	533	546	2,099

The Government will expand palliative care capacity for both inpatients and outpatients by providing an additional paediatric palliative care nurse to specifically address the needs of children and young adolescents. This initiative will also provide palliative care education for health professionals, as well as improving the advice on palliative care services and access criteria provided to health care organisations and the community.

## Better Health Services – Improved pancreatic cancer services – Feasibility

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	200	0	0	0	200

The Government will undertake a feasibility study to assess the benefits of establishing an Australian Pancreas Centre within ACT Health.

## Better Health Services – Improved services for patients with Parkinson's Disease

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	210	218	446	457	1,331

The Government will introduce deep brain stimulation services for people with Parkinson's disease. The treatment will be available to people who suffer from Parkinson's disease or other movement disorders and either do not respond, or have minimal response, to medication.

## Better Health Services – Improved sexual health

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	300	312	320	328	<b>1,260</b>

The Government is expanding access to Hepatitis B, Hepatitis C, HIV and STI (Sexually Transmitted Infection) vaccination, testing and treatment services, with a particular emphasis on outreach to vulnerable populations. The program will include rapid HIV testing, education, prevention programs, and will help address complex sexual health issues experienced within the ACT community.

## Better Health Services – Improved stroke services

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	1,200	1,248	1,279	1,310	<b>5,037</b>

The Government will enhance acute stroke services in the ACT to provide timely assessment of the need for intravenous-thrombolysis at The Canberra Hospital. This expansion of services will improve availability of intra-arterial clot retrieval treatment. It will also increase the proportion of patients able to receive intravenous-thrombolysis stroke treatment.

## Better Health Services – More endoscopy surgery

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	300	312	320	328	<b>1,260</b>

The Government will expand health services by providing an additional 300 endoscopy services each year. This expansion will help to meet a growing demand for services and help reduce elective surgery waiting times.

## Better Health Services – More outpatient services

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	1,005	1,045	1,071	1,097	<b>4,218</b>

The Government will expand access to a number of outpatient services, including neurology, cardiology, respiratory and sleep services. This initiative will help patients to receive timely access to clinical treatment, and reduce the need for more complex inpatient services.

## Better Health Services – Primary health care for hard-to-reach populations

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	80	31	32	33	176

The Government will establish an additional primary health care service for people who are unable to access standard primary services due to poverty, mental illness, homelessness, trauma, and/or drug and alcohol addiction. This initiative includes a grant to Orange Sky in 2016-17 to support a mobile laundry service for homeless people in the ACT.

## Enhancing Health Services at the Alexander Maconochie Centre

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	402	414	0	0	816

The Government will increase staff numbers at the Forensic Mental Health Services unit in the Alexander Maconochie Centre (AMC) to provide assessments and treatment of detainees at risk of suicide and self-harm. The additional staff will strengthen the capacity of this service for early intervention and treatment, for improving continuity of care, and for facilitating a more secure and functional prison environment. This initiative will be reviewed in 2017-18.

## Safer Families – Support and referral through specialist drug and alcohol treatment services

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	500	500	500	500	2,000

As part of its broader commitment to reduce family violence, the Government will provide support and referrals to specialist drug and alcohol treatment services.

## Supporting Aboriginal and Torres Strait Islander Peoples – Improving health services

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	300	312	320	328	1,260

The Government will expand existing outreach health services for Aboriginal and Torres Strait Islander peoples in the ACT and surrounding areas. This initiative will help to deliver comprehensive and appropriate specialist care, and associated support activities through outreach services.

## Supporting Good Mental Health – Enhanced rehabilitation and follow up services

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	500	790	818	848	2,956

The Government will establish a Young People's Mental Health Treatment Team for people experiencing, or at high risk of developing, serious mental illness. The team will provide outreach and treatment through interventions such as: assessment; case work; care planning; group work; advocacy and crisis intervention.

## Supporting Good Mental Health – Expansion of the Way Back Support Service

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	250	0	0	0	250

The Government will continue to deliver suicide prevention services through support of the BeyondBlue *Way Back Support Service* pilot. The program helps survivors of attempted suicide to access support and treatment services. Funding has been provided for one year, with the pilot to be reviewed in 2016-17.

## Supporting Good Mental Health – Improved and expanded community mental health services

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	725	0	0	0	725

The Government will provide additional mental health services through expanding the existing Mental Health Detention Exit Community Outreach program to provide treatment and short-term support for people leaving mental health facilities. This initiative also includes the design of the Mental Health Recovery College (MHRC) to deliver courses for people with mental health conditions and their carers, and expansion of the Older Person's Mental Health Community Team to provide clinical care to help elderly people remain in the community of the Residential Aged Care Facilities.



## Supporting Good Mental Health – More beds for the Adult Mental Health Unit

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	651	677	694	711	<b>2,733</b>

The Government will increase mental health services through expansion of the Adult Mental Health Unit, increasing the number of beds available from 35 to 37. The unit provides a range of services, including psychiatric care and treatment for people with mental health conditions who require hospital treatment. This expansion will provide improved access to inpatient clinical treatment options for those experiencing mental illness.

## Supporting Good Mental Health – Secure Mental Health Unit

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	7,907	11,554	11,840	12,133	<b>43,434</b>

The Government is supporting mental health through investing in staff resources to operate the Secure Mental Health Unit (SMHU). The SMHU will care for people with moderate to severe mental illnesses in a facility that focuses on rehabilitation and recovery. This initiative provides ongoing funding for the operation of the 10 beds that form phase one of the SMHU program. Further phases with additional beds will be considered by the Government in the future.

## Expenses associated with infrastructure and capital initiatives

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	<b>Total \$'000</b>
Better Health Services – Calvary Hospital – Improving information technology network	250	0	0	0	<b>250</b>
Better Health Services – City Health Centre – Feasibility	360	0	0	0	<b>360</b>
Better Health Services – Improved Drugs and Poisons Information System (DAPIS)	0	0	-19	-20	<b>-39</b>
Better Health Services – Upgrading and maintaining ACT Health assets	1,040	0	4,160	0	<b>5,200</b>
Better Health Services – Upgrading the ACT Notifiable Diseases Database	50	0	0	0	<b>50</b>
Supporting Good Mental Health – Support for people with mental health issues to recover and live in the community	150	798	1,219	1,249	<b>3,416</b>

Refer to Infrastructure and Capital Initiatives (Chapter 3.3) for more information.

## HOUSING ACT

### Supporting Affordable Housing – Homes for Homes

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	50	50	0	0	100
Chief Minister, Treasury and Economic Development Directorate – Offset	-50	-50	0	0	-100
<b>Net Expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The Government will assist low income and vulnerable people into affordable housing by providing \$100,000 in seed funding to the Homes for Homes Scheme. The cost of this initiative will be met from within existing resources. Homes for Homes is a voluntary scheme, whereby home sellers make a donation to Homes for Homes at the time of sale, which will be invested in increasing the supply of affordable housing and improving the number of exit points from homelessness.

## JUSTICE AND COMMUNITY SAFETY DIRECTORATE

### Eastman Retrial and Related Proceedings

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Justice and Community Safety Directorate - Expenses	3,371	0	0	0	<b>3,371</b>
Legal Aid Commission - Expenses	1,707	0	0	0	<b>1,707</b>

The Government will provide resources for the retrial of Mr David Harold Eastman for the murder of Mr Colin Winchester and other related proceedings. This funding will provide resources for the Director of Public Prosecutions, the Legal Aid Commission, and the ACT Law Courts.

### Establish Prison Industries – Extended laundry operations

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	195	197	359	364	<b>1,115</b>

The Government will expand the laundry of the Alexander Maconochie Centre to provide additional employment opportunities for detainees. The Government will employ additional staff to support the extended operation of this facility.

### Fines Management Feasibility Study

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	712	0	0	0	<b>712</b>

The Government will undertake a feasibility study for a system to support a Fines Management Scheme to enhance the collection and enforcement of court-imposed fines and infringement notice penalties.

### Improving Justice System Outcomes – Extended Throughcare Program

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	1,141	0	0	0	<b>1,141</b>

The Government will continue to fund the Extended Throughcare Program, which assists offenders' transition to the community and helps to reduce rates of recidivism.

## Making Canberra Even Safer – Protecting ACT Police

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	1,951	761	210	210	<b>3,132</b>

The Government will provide enhanced security measures for ACT Policing, including improved personal protective equipment and employing additional Protective Service Officers.

## Reforming Emergency Services – Aero-medical services and hangar upgrade

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	222	740	758	778	<b>2,498</b>
Offset	-25	-103	-105	-108	<b>-341</b>
Associated Depreciation	7	26	26	26	<b>85</b>
Associated Capital	395	0	0	0	<b>395</b>
<b>Net Expenses</b>	<b>197</b>	<b>637</b>	<b>653</b>	<b>670</b>	<b>2,157</b>

The Government will increase capability in aero-medical retrieval services by supporting the operation of a new AgustaWestland AW139 helicopter. Reflecting the increased amenity of the hangar, there will be an increase in rent collected by the Government.

## Reforming Emergency Services – Improving emergency responses – Website and emergency warning system upgrades

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	204	208	214	220	<b>846</b>
Offset	-79	-81	-83	-85	<b>-328</b>
<b>Net Expenses</b>	<b>125</b>	<b>127</b>	<b>131</b>	<b>135</b>	<b>518</b>

The Government will upgrade the Emergency Services Agency's (ESA's) website hosting and support arrangements, which are the cornerstone of ESA's capacity to provide information, advice and warnings to the community during emergencies. The Government will also provide additional funding for the Emergency Alert system, which is the nationally adopted telephony-based warning system.

## Reforming Emergency Services – More ambulance services

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	393	600	611	623	<b>2,227</b>
Associated Depreciation	0	39	39	39	<b>117</b>
Associated Capital	236	0	0	0	<b>236</b>

The Government will enhance ambulance services by increasing the capacity of the Emergency 000 communication centre and non-emergency patient transport through additional staff resources. The Government will also acquire an additional non-emergency patient transport vehicle.

## Safer Families – Contribution to the Tara Costigan Foundation

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	20	0	0	0	<b>20</b>

The Government will contribute to the Tara Costigan Foundation, which will provide a free caseworker service that supports victims as they rebuild their lives and break the cycle of violence.

## Safer Families – Enhancing access to justice for non-English speakers

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	255	314	323	331	<b>1,223</b>

The Government will continue to support equitable access to justice for people from culturally and linguistically diverse backgrounds, including Indigenous people. The Government will support the provision of translating and interpreting services for the ACT Law Courts and Tribunal, as well as for specialist ACT family and domestic violence services.

## Safer Families – Implementation of the Joint Australian Law Reform Commission and NSW Law Reform Commission Report on Family Violence

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	383	347	358	369	<b>1,457</b>

The Government will support the first stage of the Territory's implementation of recommendations arising from the Australian Law Reform Commission and NSW Law Reform Commission joint report *Family Violence – A National Legal Response*.

## Safer Families – Improving information sharing for government and service delivery agencies

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	15	0	0	0	15

The Government will increase the awareness of government and non-government service delivery agencies regarding information sharing following the amendment of legislative provisions to authorise sharing of information in family violence cases. The Government will also provide guidelines for information sharing.

## Safer Families – Risk assessment tool

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	50	0	0	0	50

The Government will develop a common risk assessment tool that will assist ACT Government agencies and services providers to identify those at risk of family violence.

## Safer Families – Safer families team

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	873	719	732	746	3,070

The Government will establish the position of Coordinator-General for Family Safety supported by a dedicated team to coordinate and report on the Territory's efforts to counter family violence. The Government will also commission a scoping study for ICT support for information exchange across government.

## Safer Families – Stronger criminal justice responses

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	355	366	318	324	1,363

The Government will enhance the capacity of the Director of Public Prosecutions (DPP) to institute and conduct prosecutions of alleged family violence perpetrators. This will provide support for stronger criminal justice responses by the DPP.

## Safer Families – Stronger police support for family violence victims

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	281	295	300	304	<b>1,180</b>

The Government will increase ACT Policing capability to assist victims who apply for domestic violence orders.

## Supporting Aboriginal and Torres Strait Islander Peoples – Developing life skills through Galambany Court

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	186	0	0	0	<b>186</b>

The Government will continue the trial program that develops life skills for young people as a sentencing option at the Galambany Court. The Government will also investigate options for supporting Aboriginal and Torres Strait Islander families to reduce or prevent contact with the justice system.

## Supporting Aboriginal and Torres Strait Islander Peoples – Guidance partner program for Indigenous people

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	98	134	137	139	<b>508</b>

The Government will expand its Indigenous Guidance Partner Program (IGP) for Restorative Justice. The IGP provides guidance and assistance to Aboriginal and Torres Strait Islander youth involved in the legal system, which will be expanded to also support adults.



## Expenses associated with infrastructure and capital initiatives

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
ACT Corrective Services – Accommodation fit out	385	174	180	186	<b>925</b>
ACT Corrective Services – Information management	-1,055	-479	-23	-23	<b>-1,580</b>
Digital Canberra – New digital radio communication system	0	32	183	188	<b>403</b>
Reforming Emergency Services – Fyshwick Fire and Rescue Station upgrade	100	0	0	0	<b>100</b>

Refer to Infrastructure and Capital Initiatives (Chapter 3.3) for more information.

## LEGAL AID COMMISSION

### Eastman Retrial and Related Proceedings

See the Justice and Community Safety Directorate expense initiative *Eastman Retrial and Related Proceedings* for further details.

### Safer Families – Improved access to Legal Aid

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	313	296	300	305	<b>1,214</b>

The Government will provide additional legal assistance to the ACT community. This will increase the Legal Aid Commission's ability to provide legal assistance to victims of family violence who cannot afford the cost of private legal representation.

# OFFICE OF THE LEGISLATIVE ASSEMBLY

## 25 Member Assembly

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	3,306	4,113	4,207	4,303	<b>15,929</b>

The Government will increase funding for the Office of the Legislative Assembly to reflect the expansion of the Legislative Assembly from 17 to 25 members from 2016-17. This funding includes Members, members' staff salaries and on-costs as well as additional resources for Assembly Hansard production, security and administration.

## TRANSPORT CANBERRA AND CITY SERVICES DIRECTORATE

### Better Public Transport – Engineering support for light rail

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	392	405	412	0	1,209

The Government will provide resourcing to ensure light rail is designed and constructed in accordance with current infrastructure standards, design standards and specifications. This will provide technical advice and feedback on engineering drawings and specifications relating to the delivery of light rail.

### Better Public Transport – Enhanced community transport coordination and services

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	600	0	0	0	600

The Government will expand the flexible bus service to Gungahlin and continue the operation of the Community Transport Coordination Centre, including the single booking system for community transport services in Belconnen, Woden, Weston and Tuggeranong, to respond to the needs of seniors and persons with disability. The Government will consider longer-term funding following the development of its Transport Canberra improvement strategies (see the *Better Public Transport – Improved delivery of ACTION services* initiative).

### Better Public Transport for Canberra – Improved delivery of ACTION services

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	12,285	12,659	11,282	10,884	47,110

The Government will undertake business improvement reform to increase the efficiency of ACTION, which includes dedicated staff and resources to enhance strategic planning and asset management capability, improve network management, and better engage with customers. Additional funding for ACTION will also be provided to deliver better public transport services to the community and meet increased network operating costs.

## Better Public Transport for Canberra – More bus services – ACTION Network 16

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	1,900	513	525	538	<b>3,476</b>

The Government will extend existing bus services through Molonglo to increase coverage to the new suburbs of Wright and Coombs, and deliver a new service between Weston Creek and Canberra City via Cotter Road as a one year trial in 2016-17.

## Better Roads for Canberra – Increased maintenance funding

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	600	2,050	2,100	2,150	<b>6,900</b>

The Government will increase the base funding for Roads ACT to ensure the improved maintenance of the high quality road assets in the ACT.

## Better Services – Improving Animal Welfare Services – Support for the RSPCA

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	300	0	0	0	<b>300</b>

The Government will continue to support the RSPCA to enable it to provide services to the ACT community, including the protection and care of stray, seized, neglected and other vulnerable animals.

## Caring for our Environment – Water Quality Improvement – Maintaining Basin Priority Project stormwater assets

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	0	255	765	1,275	<b>2,295</b>

The Government will support the operation and maintenance of assets delivered through the Commonwealth Government's Basin Priority Project. The Government will establish a central provision with the funding profile to be confirmed in the 2017-18 Budget once the details of the projects being funded are known and agreed with the Commonwealth.

## Enhanced Waste Management – Waste management contract renewals

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	1,332	NFP	NFP	NFP	<b>1,332</b>

The Government will renew contracts in waste management for landfill, eWaste and weighbridge services that are expiring at the end of the 2015-16 financial year, and conduct a tender process to identify an operator that will manage all the eWaste presented to the Resource Management Centres. A central provision will be established for funding in the outyears pending contract negotiations and an exact funding profile.

## Improving Our City – Gateway to Canberra – Landscaping of Pialligo Avenue

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	310	0	0	0	<b>310</b>
Offset	-310	0	0	0	<b>-310</b>
<b>Net Expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The Government will improve the landscaping and signage along Pialligo Avenue to increase the amenity of the area and to help create a positive first impression of Canberra for national and international visitors arriving at the airport.

## Improving Our Suburbs – Cleaning and maintenance of Canberra's public spaces

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	1,000	0	0	0	<b>1,000</b>

The Government will improve the amenity of the city by undertaking increased shopping centre cleaning and maintenance, arterial road edging, lake and pond cleaning, graffiti prevention and bus shelter cleaning and maintenance.

## Improving Our Suburbs – Green bins pilot program

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	315	1,400	0	0	<b>1,715</b>
Associated Capital	227	227	0	0	<b>454</b>
Associated Revenue	227	227	0	0	<b>454</b>

The Government will design and undertake a 15 month pilot program of regular collection of domestic green bins for garden waste for households in the Territory in 2017-18. The pilot will be undertaken in Weston Creek and Kambah.

## Improving Our Suburbs – Services for new suburbs

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	2,386	1,860	1,906	1,954	<b>8,106</b>

The Government will provide city services for new residences across Canberra, including in Molonglo and Gungahlin as well as urban infill developments. Canberra's urban footprint has increased after major land releases, and services such as waste collection, stormwater, street lighting and the maintenance of public places are required to meet the needs of a growing city.

## Supporting Seniors – Enhanced Waste Management – Bulky waste household collection program

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	400	0	0	0	<b>400</b>

The Government will continue to provide assistance to eligible concession card holders for the collection of bulky waste items from their premises. The Scheme provides a booked waste collection service for bulky items, where residents may have up to two cubic metres (a standard trailer load) of unwanted items removed from within their property boundary.

## Expenses associated with infrastructure and capital initiatives

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	Total \$'000
Better Public Transport – Active travel for schools and shopping centres	300	0	25	55	<b>380</b>
Better Public Transport for Tuggeranong – Park and ride facility for Wanniasa	0	0	0	15	<b>15</b>
Better Public Transport – Trial of electric buses	600	0	0	0	<b>600</b>
Better Public Transport for Woden and Weston Creek – New Woden bus depot	0	0	0	-2,700	<b>-2,700</b>
Better Roads for Belconnen – Aikman Drive duplication	0	0	98	196	<b>294</b>
Better Roads for Tuggeranong – Ashley Drive duplication (Ellerston Avenue to Johnson Drive)	0	0	0	35	<b>35</b>
Better Roads for Weston Creek – Cotter Road duplication (Tuggeranong Parkway to Yarralumla Creek)	0	32	32	288	<b>352</b>
Better Roads for Woden – Intersection safety upgrades	0	0	15	30	<b>45</b>
Better Services – Improved asset management	300	550	-300	-550	<b>0</b>
Better Services – Improving libraries – Self-service check out and improved access	0	0	-107	-282	<b>-389</b>
Improving Our Suburbs – Local shopping centre upgrades	475	0	0	0	<b>475</b>

Refer to Infrastructure and Capital Initiatives (Chapter 3.3) for more information.



### 3.3 INFRASTRUCTURE AND CAPITAL INITIATIVES

The total value of 2016-17 new infrastructure and capital initiatives is \$728.8 million over four years. This includes new Capital Works (\$693.2 million), Information and Communication Technology projects (\$23.7 million) and Plant and Equipment (\$10.6 million). The 2016-17 Budget also includes \$1.3 million across the Budget and forward estimates in infrastructure and capital associated with expense initiatives.

In addition to these new initiatives, the Government has provisioned \$345 million for future capital works including commercially sensitive works and general works. Consistent with common practice for commercially sensitive and high value projects, the provisions have not been identified for each specific project.

**Table 3.3.1: Summary of Infrastructure and Capital Initiatives**

<b>Summary of Initiatives</b>	<b>2016-17 Estimate \$'000</b>	<b>2017-18 Estimate \$'000</b>	<b>2018-19 Estimate \$'000</b>	<b>2019-20 Estimate \$'000</b>	<b>Total Investment \$'000</b>
Capital works initiatives	216,592	259,635	205,933	11,000	<b>693,160</b>
Information and communication technology initiatives	13,580	9,458	500	205	<b>23,743</b>
Plant and equipment initiatives	8,410	2,180	0	0	<b>10,590</b>
<b>New infrastructure and capital initiatives</b>	<b>238,582</b>	<b>271,273</b>	<b>206,433</b>	<b>11,205</b>	<b>727,493</b>
Capital associated with expense initiatives	1,065	227	0	0	<b>1,292</b>
<b>Total new infrastructure and capital initiatives</b>	<b>239,647</b>	<b>271,500</b>	<b>206,433</b>	<b>11,205</b>	<b>728,785</b>
<i>Associated expenses (new capital works)</i>	17,737	18,052	9,840	2,947	<b>48,576</b>
<i>Associated revenue (new capital works)</i>	561	2,124	2,124	2,124	<b>6,933</b>
<i>Feasibility studies and grants</i>	3,085	250	4,160	0	<b>7,495</b>
<i>Depreciation</i>	-65	3,402	8,777	13,550	<b>25,664</b>
<b>Total operating impact</b>	<b>20,196</b>	<b>19,580</b>	<b>20,653</b>	<b>14,373</b>	<b>74,802</b>

**Table 3.3.2: Infrastructure and Capital Initiatives**

Infrastructure and Capital Initiatives	2016-17 Estimate \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000	Total Estimate \$'000
<b>ACT Public Cemeteries Authority</b>					
Better Services – Extension to Woden Cemetery – Stage 1 <sup>1</sup>	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Chief Minister, Treasury and Economic Development Directorate</b>					
Better Public Housing – New public housing properties <sup>2</sup>	155,983	121,200	80,019	0	357,202
Better Roads for Gungahlin – Gungahlin Town Centre road network improvements <sup>2</sup>	4,500	0	0	0	4,500
Better Roads for Gungahlin – Horse Park Drive pedestrian overpass <sup>2</sup>	0	0	0	0	0
Better Roads for the Inner South – Yarralumla Estate <sup>2</sup>	0	0	0	0	0
Better Services – Dickson Motor Vehicle Inspection Station <sup>2</sup>	800	0	0	0	800
Better Services – Weston Creek and Stromlo swimming pool and leisure centre <sup>2</sup>	3,000	8,000	11,000	11,000	33,000
Better Workplaces for ACT Public Servants – Civic and Dickson office projects <sup>2</sup>	0	0	0	0	0
Caring for our Environment – Lake Tuggeranong Water Quality Improvement – Stage 2	0	2,500	6,500	0	9,000
City to the Lake – New Civic pool	400	0	0	0	400
Improving Community Facilities – Building refurbishments and upgrades in Tuggeranong <sup>2</sup>	0	0	0	0	0
Improving Our City – Woden bus interchange improvements	300	0	0	0	300
Improving Our Suburbs – New Molonglo Valley infrastructure <sup>2</sup>	5,600	13,000	14,370	0	32,970
Narrabundah Ballpark Upgrade – Best little ballpark in Australia	1,000	2,500	1,000	0	4,500
National Arboretum Canberra – Water Security – Stage 2 <sup>2</sup>	1,700	0	0	0	1,700
Safer Roads – Mobile camera program expansion	207	0	0	0	207
Securing Electricity Supply in the ACT – Second supply network <sup>2</sup>	0	0	0	0	0
<i>Information and Communication Technology</i>					
Digital Canberra – ACT Government data warehouse and analytics framework <sup>2</sup>	310	0	0	0	310
Digital Canberra – Protecting our data <sup>2</sup>	310	310	0	0	620
Improving Road Safety – Traffic camera adjudication system upgrades <sup>2,3</sup>	1,160	0	0	0	1,160
More Efficient Public Service Administration – Long service leave calculations <sup>2</sup>	1,883	0	0	0	1,883
Smarter Regulation – Red tape reduction <sup>2</sup>	1,143	1,367	0	0	2,510
<i>Plant and Equipment</i>					
Improved Arts Facilities for Canberra – Street Theatre	0	180	0	0	180
<b>Total</b>	<b>178,296</b>	<b>149,057</b>	<b>112,889</b>	<b>11,000</b>	<b>451,242</b>

	2016-17 Estimate \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000	Total Estimate \$'000
<b>Infrastructure and Capital Initiatives</b>					
<b>Cultural Facilities Corporation</b>					
<i>Plant and Equipment</i>					
Improved Arts Facilities for Canberra – Canberra Theatre Centre	410	0	0	0	410
<b>Total</b>	<b>410</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>410</b>
<b>Education Directorate</b>					
Better Schools – Investment in Gungahlin school infrastructure <sup>2</sup>	3,610	8,650	0	0	12,260
<i>Information and Communication Technology</i>					
Better Schools – ACT Board of Senior Secondary Studies database upgrade	200	0	0	0	200
Better Schools – IT upgrade for school administration <sup>1</sup>	0	0	0	0	0
<b>Total</b>	<b>3,810</b>	<b>8,650</b>	<b>0</b>	<b>0</b>	<b>12,460</b>
<b>Environment and Planning Directorate</b>					
Caring for our Environment – Establishing the Molonglo River Reserve – Stage 3 <sup>2</sup>	300	440	258	0	998
Caring for our Environment – Improving species and habitat protection <sup>2</sup>	473	789	1,174	0	2,436
Caring for our Environment – Tharwa fish habitat improvement	150	200	0	0	350
Caring for our Environment – Water Quality Improvement – Contributions to the Basin Priority Plan Project	-13,500	8,050	8,050	0	2,600
Reforming Emergency Services – Better fire fighting capability in Tharwa village <sup>2</sup>	696	0	0	0	696
<i>Information and Communication Technology</i>					
Digital Canberra – New digital radio communication system <sup>2,4</sup>	1,000	160	0	0	1,160
Digital Canberra – Upgrade of the ACT Government spatial data management system <sup>2</sup>	0	0	0	0	0
<b>Total</b>	<b>-10,881</b>	<b>9,639</b>	<b>9,482</b>	<b>0</b>	<b>8,240</b>
<b>Health Directorate</b>					
Better Health Services – City Health Centre – Feasibility <sup>2</sup>	0	0	0	0	0
Better Health Services – Upgrading and maintaining ACT Health assets <sup>2</sup>	20,000	40,000	35,328	0	95,328
Supporting Good Mental Health – Support for people with mental health issues to recover and live in the community <sup>2</sup>	1,099	1,267	24	0	2,390
<i>Information and Communication Technology</i>					
Better Health Services – Calvary Hospital – Improving information technology network <sup>2</sup>	0	0	0	0	0
Better Health Services – Improved Drugs and Poisons Information System (DAPIS) <sup>2</sup>	350	379	0	0	729
Better Health Services – Upgrading the ACT Notifiable Diseases Database <sup>2</sup>	0	0	0	0	0
<b>Total</b>	<b>21,449</b>	<b>41,646</b>	<b>35,352</b>	<b>0</b>	<b>98,447</b>

<b>Infrastructure and Capital Initiatives</b>	<b>2016-17 Estimate \$'000</b>	<b>2017-18 Estimate \$'000</b>	<b>2018-19 Estimate \$'000</b>	<b>2019-20 Estimate \$'000</b>	<b>Total Estimate \$'000</b>
<b>Housing ACT</b>					
Supporting Affordable Housing – Infrastructure upgrade at the Narrabundah Long Stay Park	360	0	0	0	360
<b>Total</b>	<b>360</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>360</b>
<b>Justice and Community Safety Directorate</b>					
ACT Corrective Services – Accommodation fit out <sup>2</sup>	1,636	0	0	0	1,636
Alexander Maconochie Centre – Building upgrade	1,250	0	0	0	1,250
Reforming Emergency Services – Aero-medical services and hangar upgrade	395	0	0	0	395
Reforming Emergency Services – Fyshwick Fire and Rescue Station upgrade <sup>2</sup>	602	0	0	0	602
Reforming Emergency Services – Guises Creek Rural Fire Station upgrade	220	0	0	0	220
Reforming Emergency Services – More ambulance services	236	0	0	0	236
Reforming Emergency Services – New SES station for Tuggeranong	1,667	1,089	0	0	2,756
<i>Information and Communication Technology</i>					
ACT Corrective Services – Information management <sup>2</sup>	1,732	3,467	0	0	5,199
Digital Canberra – New digital radio communication system <sup>2,4</sup>	516	2,175	0	0	2,691
Making Canberra Even Safer – Improved CCTV coverage	376	0	0	0	376
<b>Total</b>	<b>8,630</b>	<b>6,731</b>	<b>0</b>	<b>0</b>	<b>15,361</b>
<b>Transport Canberra and City Services Directorate</b>					
Better Public Transport – Active travel for schools and shopping centres <sup>2</sup>	2,500	500	0	0	3,000
Better Public Transport for Tuggeranong – Park and ride facility for Wanniasa <sup>2</sup>	500	1,000	0	0	1,500
Better Public Transport for Woden and Weston Creek – New Woden bus depot <sup>2,5</sup>	775	NFP	NFP	0	775
Better Roads for Belconnen – Aikman Drive duplication <sup>2</sup>	5,801	4,000	0	0	9,801
Better Roads for Canberra – Airport road network improvements	300	3,700	7,410	0	11,410
Better Roads for Canberra – Stronger bridges to transport freight	2,400	2,300	1,800	0	6,500
Better Roads for Gungahlin – Horse Park Drive duplication (Mulligans Flat Road to the Federal Highway)	5,000	24,000	28,000	0	57,000
Better Roads for Tuggeranong – Ashley Drive duplication (Ellerston Avenue to Johnson Drive) <sup>2</sup>	500	3,000	0	0	3,500
Better Roads for Weston Creek – Cotter Road duplication (Tuggeranong Parkway to Yarralumla Creek) <sup>2</sup>	4,450	13,450	11,000	0	28,900
Better Roads for Woden – Intersection safety upgrades <sup>2</sup>	1,520	0	0	0	1,520
Caring for our Environment – Essential waste management infrastructure	1,000	0	0	0	1,000
Improving Our Suburbs – Green bins pilot program	227	227	0	0	454

<b>Infrastructure and Capital Initiatives</b>	<b>2016-17 Estimate \$'000</b>	<b>2017-18 Estimate \$'000</b>	<b>2018-19 Estimate \$'000</b>	<b>2019-20 Estimate \$'000</b>	<b>Total Estimate \$'000</b>
Improving Our Suburbs – Local shopping centre upgrades <sup>2</sup>	0	0	0	0	0
<i>Information and Communication Technology</i>					
Better Public Transport – Integrated bus and light rail ticketing – One Ticket, One Fare, One Network <sup>5</sup>	3,000	NFP	0	0	3,000
Better Services – Improved asset management <sup>2</sup>	500	500	500	205	1,705
Better Services – Improving libraries – Self-service check out and improved access <sup>2</sup>	1,100	1,100	0	0	2,200
<i>Plant and Equipment</i>					
Better Public Transport – Bus Fleet upgrades	8,000	2,000	0	0	10,000
Better Public Transport – Trial of electric buses <sup>2</sup>	0	0	0	0	0
<b>Total</b>	<b>37,573</b>	<b>55,777</b>	<b>48,710</b>	<b>205</b>	<b>142,265</b>
<b>TOTAL INFRASTRUCTURE AND CAPITAL INITIATIVES</b>	<b>239,647</b>	<b>271,500</b>	<b>206,433</b>	<b>11,205</b>	<b>728,785</b>
<i>Associated Revenue</i>	561	2,124	2,124	2,124	6,933
<i>Associated Expenses</i>	20,822	18,302	14,000	2,947	56,071
<i>Depreciation</i>	-65	3,402	8,777	13,550	25,664

**Notes:**

1. The funding for this initiative is to be absorbed by the agency.
2. The expense component is listed in the summary table in Expense Initiatives (Chapter 3.2).
3. This initiative has a revenue component; this is listed in a summary table in Revenue Initiatives (Chapter 3.4).
4. This is a joint initiative, i.e. delivered by more than one agency.
5. NFP indicates not for publication. A provision has been included for the cost of this initiative in the Budget.

## ACT PUBLIC CEMETERIES AUTHORITY

### Better Services – Extension to Woden Cemetery – Stage 1

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	392	166	0	0	<b>558</b>
Offset – Capital	-392	-166	0	0	<b>-558</b>
Depreciation	0	4	6	6	<b>16</b>
Associated Expenses	0	31	46	49	<b>126</b>
Offset – Associated Expenses	0	-31	-46	-49	<b>-126</b>

The Government will design and construct an extension to Woden Cemetery to provide increased capacity. Stage 1 of the extension will include new access roads, landscaping, burial areas and memorials, allowing for an additional ten years of allotment sales. The project will be funded from the ACT Public Cemeteries Authority's existing resources.

# CHIEF MINISTER, TREASURY AND ECONOMIC DEVELOPMENT DIRECTORATE

## Better Public Housing – New public housing properties

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	Total \$'000
Capital	155,983	121,200	80,019	0	<b>357,202</b>
Associated Expenses	13,566	14,514	6,100	0	<b>34,180</b>

The Government is continuing to redevelop public housing in the Territory by replacing 864 units that have reached the end of their useful life with new public housing properties that are more energy efficient, comfortable and fit for purpose. The properties to be redeveloped as part of the 2016-17 Budget include Bega Court (114 units); Northbourne Flats (255 units); Currong Apartments (212 units); Stuart Flats (146 units); Strathgordon Court (83 units); and the Lyneham Flats on De Burgh Street (54 units). The new properties will be located in various locations across the Territory and are in addition to the 352 public housing properties funded in the 2015-16 Budget.

This project is related to the Commonwealth's Asset Recycling Initiative, with the proceeds from the sale of the former public housing sites eligible for the Commonwealth's 15 per cent bonus payment.

## Better Roads for Gungahlin – Gungahlin Town Centre road network improvements

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	Total \$'000
Capital	4,500	0	0	0	<b>4,500</b>
Depreciation	0	90	90	90	<b>270</b>
Associated Expenses	0	0	50	100	<b>150</b>

The Government will construct the Ernest Cavanagh Street extension, from Hinder Street to Manning Clarke Crescent on the eastern side of the Gungahlin town centre to enable future land releases in Gungahlin. These works will also assist with easing traffic congestion during construction of the Light Rail – Stage One project.

## Better Roads for Gungahlin – Horse Park Drive pedestrian overpass

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	Total \$'000
Associated Expenses	400	0	0	0	<b>400</b>

The Government will undertake a feasibility study for the construction of a pedestrian and cycle overpass of Horse Park Drive between Taylor and Moncrieff to provide improved access to the North Gungahlin P-6 School.

## Better Roads for the Inner South – Yarralumla Estate

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Associated Expenses	250	0	0	0	<b>250</b>

The Government will commission a roads feasibility study and design to inform and support land release as part of the Canberra Brickworks Estate precinct development.

## Better Services – Dickson Motor Vehicle Inspection Station

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	800	0	0	0	<b>800</b>
Depreciation	0	80	80	80	<b>240</b>
Associated Expenses	400	1,000	1,020	1,050	<b>3,470</b>

The Government will relocate the Dickson motor vehicle inspection site and the Access Canberra shopfront to enable the sale of the existing site as part of the Commonwealth Government's Asset Recycling Initiative. This initiative will improve the amenity of the area by moving heavy vehicle inspections from a residential to an industrial area.

## Better Services – Weston Creek and Stromlo swimming pool and leisure centre

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	3,000	8,000	11,000	11,000	<b>33,000</b>
Depreciation	0	0	0	1,100	<b>1,100</b>
Associated Expenses	0	0	0	1,050	<b>1,050</b>

The Government will procure the detailed design and construction of an aquatic centre at Stromlo Forest Park. The facility will include a 50 metre swimming pool and other facilities.

## Better Workplaces for ACT Public Servants – Civic and Dickson office projects

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Associated Expenses	879	483	490	496	<b>2,348</b>

The Government will undertake project management associated with implementation of the Whole of Government Accommodation Strategy, particularly in relation to the oversight of the development of new Civic and Dickson office buildings.



## Caring for our Environment – Lake Tuggeranong Water Quality Improvement – Stage 2

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	0	2,500	6,500	0	9,000
Depreciation	0	0	0	180	180

The Government will finalise the upgrade of the Isabella Weir and commence water quality improvement works at Isabella Pond. Funding related to the Isabella Pond works (\$4 million) forms a part of the ACT's contribution to the Commonwealth Government's Basin Priority Project.

## City to the Lake – New Civic pool

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	400	0	0	0	400

The Government will develop options for constructing a new aquatic centre in the City.

## Improving Community Facilities – Building refurbishments and upgrades in Tuggeranong

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Associated Expenses	100	0	0	0	100

The Government will undertake design works for an upgrade of the heating, ventilation and cooling system at the Tuggeranong Community Centre.

## Improving Our City – Woden bus interchange improvements

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	300	0	0	0	300
Depreciation	0	10	10	10	30

The Government will upgrade the footpaths and lighting at the Woden Town Centre bus interchange at Bowes Street.

## Improving Our Suburbs – New Molonglo Valley infrastructure

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	5,600	13,000	14,370	0	<b>32,970</b>
Depreciation	0	0	0	659	<b>659</b>
Associated Expenses	500	0	0	0	<b>500</b>

The Government will construct road infrastructure on John Gorton Drive and water infrastructure to facilitate land releases for the new suburb of Whitlam in the Molonglo Valley. The Government will also fund the design of sewer odour control measures, and a Procurement Options and Delivery Model Study for road and related infrastructure.

## Narrabundah Ballpark Upgrade – Best little ballpark in Australia

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	1,000	2,500	1,000	0	<b>4,500</b>
Depreciation	0	0	0	90	<b>90</b>

The Government will fund upgrades to the Narrabundah Ballpark, including the refurbishment of the existing grandstand, realignment of the playing field, and improvements to public amenities and car parking facilities.

## National Arboretum Canberra – Water Security – Stage 2

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	1,700	0	0	0	<b>1,700</b>
Depreciation	0	85	85	85	<b>255</b>
Associated Expenses	0	0	17	34	<b>51</b>

The Government will design and construct the remaining irrigation infrastructure for the National Arboretum Canberra, including a central control irrigation system to allow for cost-efficient water management.

## Securing Electricity Supply in the ACT – Second supply network

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Associated Expenses	250	250	0	0	<b>500</b>

The Government will undertake land assessment studies, surveys and valuations to identify and finalise the land and easement requirements to progress a second electricity supply for the ACT. This work will continue to ensure that the ACT has a secure supply of electricity into the future.

### Digital Canberra – ACT Government data warehouse and analytics framework

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	310	0	0	0	<b>310</b>
Depreciation	62	62	62	62	<b>248</b>
Associated Expenses	279	0	0	0	<b>279</b>

The Government will commence a trial of data storage and analytics capability across the whole of government. This initiative will improve ease of access to data, allow for advanced data science and analytical capabilities, and create a data repository to collect business systems data from across the ACT government.

### Digital Canberra – Protecting our data

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	310	310	0	0	<b>620</b>
Depreciation	0	0	124	124	<b>248</b>
Associated Expenses	0	0	87	89	<b>176</b>

The Government will acquire a software tool to improve the security of information stored in Government databases. The software will record and analyse all activity that takes place within each database in real time and generate alerts to enable a timely response to any security threat.

### Improving Road Safety – Traffic camera adjudication system upgrades

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	1,160	0	0	0	<b>1,160</b>
Depreciation	0	232	232	232	<b>696</b>
Associated Expenses	524	655	670	685	<b>2,534</b>
Associated Revenue	561	2,124	2,124	2,124	<b>6,933</b>

The Government will upgrade the software used to manage traffic camera infringement notices. The new software is expected to generate additional revenue from offences that are currently unable to be assessed due to deficiencies in the current system.

## More Efficient Public Service Administration – Long service leave calculations

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	1,883	0	0	0	<b>1,883</b>
Depreciation	0	377	377	377	<b>1,131</b>
Associated Expenses	0	175	0	0	<b>175</b>
Associated Savings	0	-763	-777	-791	<b>-2,331</b>
<b>Net Expenses</b>	<b>0</b>	<b>-588</b>	<b>-777</b>	<b>-791</b>	<b>-2,156</b>

The Government will automate the calculation and processing of Long Service Leave (LSL) for ACT Government employees, provide an online calculator for employees to predict LSL, and provide employees with the ability to apply for LSL and have it approved online. This proposal is expected to generate savings from the reduced manual processing of leave applications.

## Smarter Regulation – Red tape reduction

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	1,143	1,367	0	0	<b>2,510</b>
Depreciation	0	228	502	502	<b>1,232</b>
Associated Expenses	0	250	91	91	<b>432</b>

The Government will upgrade the business system used by Access Canberra for the liquor industry. This upgrade will deliver online application and renewal capability to the liquor industry and thereby make it simpler, easier and quicker for businesses when dealing with the Government. This project will also be used as a pilot to determine whether similar upgrades would be beneficial for dealing with other industries.

### *Plant and Equipment*

## Improved Arts Facilities for Canberra – Street Theatre

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	0	180	0	0	<b>180</b>
Depreciation	0	0	18	18	<b>36</b>

The Government will undertake fire safety upgrades at the Street Theatre to meet current code requirements and improve occupant safety.

## Expense initiatives with associated capital

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Safer Roads – Mobile camera program expansion	207	0	0	0	207

Refer to Expense Initiatives (Chapter 3.2) for more information.

# CULTURAL FACILITIES CORPORATION

## *Plant and Equipment*

### **Improved Arts Facilities for Canberra – Canberra Theatre Centre**

	2016-17	2017-18	2018-19	2019-20	<b>Total</b>
	\$'000	\$'000	\$'000	\$'000	<b>\$'000</b>
Capital	410	0	0	0	<b>410</b>
Depreciation	7	24	24	24	<b>79</b>

The Government is upgrading security and safety at the Canberra Theatre Centre, ensuring the safety of its staff and patrons. The upgrades include additional security cameras, new electrical cabling, external safety barriers and an equipment hoist for Canberra Theatre Centre staff. These upgrades show the commitment to enhancing patron safety, while ensuring Occupational Health and Safety Standards are improved for staff.

## EDUCATION DIRECTORATE

### Better Schools – Investment in Gungahlin school infrastructure

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	7,950	8,650	0	0	16,600
Depreciation	0	123	245	245	613
Associated Expenses	0	0	74	274	348
Capital Offset	-4,340	0	0	0	-4,340
<b>Net Capital Impact</b>	<b>3,610</b>	<b>8,650</b>	<b>0</b>	<b>0</b>	<b>12,260</b>

The Government will expand student capacity and facilities in Gungahlin across the Amaroo School and the Neville Bonner and Palmerston preschools. This expansion in student capacity will be partially offset by savings realised through the efficient management of the Charles Weston School project. In addition, the Government will provide \$3.440 million to expand student capacity at Harrison school, funded through the Capital Upgrades Program.

### *Information and Communication Technology*

### Better Schools – ACT Board of Senior Secondary Studies database upgrade

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	376	0	0	0	<b>376</b>
Depreciation	0	94	94	94	<b>282</b>
Capital Offset	-176	0	0	0	<b>-176</b>
<b>Net Capital Impact</b>	<b>200</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>200</b>

The Government is upgrading the current Board of Senior Secondary Studies grade moderation system. This upgrade will ensure ongoing quality of student grading and provide schools with more efficient access to data used to underpin evidence-based decision making. This initiative will be partially funded from within Education's existing resources.

## Better Schools – IT upgrade for school administration

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	3,812	3,791	2,397	0	<b>10,000</b>
Depreciation	0	0	422	843	<b>1,265</b>
Capital Offset	-3,812	-3,791	-2,397	0	<b>-10,000</b>
<b>Net Capital Impact</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The Government will develop a modern, fully integrated school business system that will streamline parent interaction with schools and provide more efficient administration processes for staff. This upgrade will be funded from within Education's existing resources, up to the value of \$10 million.



## ENVIRONMENT AND PLANNING DIRECTORATE

### Caring for our Environment – Establishing the Molonglo River Reserve – Stage 3

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	300	440	258	0	998
Depreciation	0	0	0	3	3
Associated Expenses	0	0	0	50	50

The Government will continue to protect our native species and their habitat by establishing the Molonglo River Reserve Stage 3 as part of the Molonglo Valley Plan for the Protection of Matters of National Environmental Significance. This work balances ecological conservation, bushfire mitigation and recreational activities for residents.

### Caring for our Environment – Improving species and habitat protection

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	473	789	1,174	0	2,436
Depreciation	0	5	12	18	35
Associated Expenses	369	603	674	1,111	2,757

The Government will undertake vital environmental works to improve the long-term condition and sustainability of endangered species and habitat. These works fulfil the Territory's commitments under the Commonwealth's *Environment Protection and Biodiversity Conservation Act 1999* and will add 282 hectares to the ACT conservation estate, located at sites in Symonston and North Gungahlin.

### Caring for our Environment – Tharwa fish habitat improvement

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	150	200	0	0	350

The Government will construct four engineered log jams to improve water flow, increase channel depth and create breeding habitat for the critically endangered Murray Cod in the Murrumbidgee River at Tharwa. The jams will be constructed from logs cleared from the site of the future solar farm at Williamsdale.

## Caring for our Environment – Water Quality Improvement – Contributions to the Basin Priority Project

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	13,500	38,050	25,721	0	<b>77,271</b>
Capital Offset	-27,000	-30,000	-17,671	0	<b>-74,671</b>
<b>Net Capital Impact</b>	<b>-13,500</b>	<b>8,050</b>	<b>8,050</b>	<b>0</b>	<b>2,600</b>

The Government will invest in improving water quality in our lakes and rivers, as well as rivers downstream in the Murray-Darling Basin through the construction across Canberra of approximately 25 infrastructure projects including rain gardens, wetlands, ponds, swales and creek stabilisation works. These projects are supported by funding from the Commonwealth under the *Water for the Future – Sustainable Rural Water Use and Infrastructure Program*. Funds were provisioned for this work in the 2015-16 Budget. An additional \$2.6 million in capital injection is being provided by the ACT Government to bring the ACT contribution to \$8.5 million.

## Reforming Emergency Services – Better fire fighting capability in Tharwa village

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	696	0	0	0	<b>696</b>
Depreciation	0	139	139	139	<b>417</b>
Associated Expenses	0	14	14	14	<b>42</b>

The Government is seeking joint funding from the Commonwealth through the *National Stronger Regional Fund* to construct a non-potable water supply network for the purpose of fire fighting in Tharwa. If supported by the Commonwealth, the network would enhance the emergency fire fighting capacity for the residents of Tharwa, including Cuppacumbalong Homestead, the Artisan Precinct, and Outward Bound. This funding would be appropriated to the Environment and Planning Directorate should the Commonwealth Government agree to match funding under the National Stronger Regions Fund.

### Digital Canberra – New digital radio communication system

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	1,000	160	0	0	<b>1,160</b>
Depreciation	0	97	166	166	<b>429</b>
Associated Expenses	0	14	27	27	<b>68</b>

The Government will replace the Territory Radio Network radios that are reaching the end of their life. The radios are used by Parks and Conservation Services during land management activities.

### Digital Canberra – Upgrade of the ACT Government spatial data management system

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Associated Expenses	350	0	0	0	<b>350</b>

The Government will invest in a scoping study to identify the viability, need and requirements for an upgrade or replacement of the current aged Spatial Data Management System (SDMS). The SDMS is used for land development workflow and provides the basis for geographic information management in the ACT.

## HEALTH DIRECTORATE

### Better Health Services – City Health Centre – Feasibility

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Associated Expenses	360	0	0	0	360

The Government will undertake business case development for the relocation of the City Health Centre following the sale of the existing facility under the Commonwealth Government's Asset Recycling Initiative. The City Health Centre provides a range of health services with a particular focus on providing access for vulnerable groups in the community.

### Better Health Services – Upgrading and maintaining ACT Health assets

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	20,000	40,000	35,328	0	95,328
Depreciation	0	1,055	3,165	5,196	9,416
Associated Expenses	1,040	0	4,160	0	5,200

The Government will undertake a major refurbishment of the existing health infrastructure to ensure our hospitals and other health facilities continue to meet the future health needs in the ACT for at least the next 10 years. Works will be undertaken at the Canberra Hospital, Calvary Hospital and other health facilities across the Territory and will include development of a Strategic Asset Management Framework to assist and guide the ongoing management and delivery of infrastructure to enable ACT Health to better serve the community.

### Supporting Good Mental Health – Support for people with mental health issues to recover and live in the community

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	1,099	1,267	24	0	2,390
Depreciation	0	40	68	68	176
Associated Expenses	150	798	1,219	1,249	3,416

The Government will expand mental health services through the construction of an Adult Step Up/Step Down mental health transitional service. The services will provide therapeutic and residential treatment for mental health patients for up to three months. A feasibility study will also be undertaken into the future accommodation and rehabilitation needs for people being released from mental health facilities.

### Better Health Services – Calvary Hospital – Improving information technology network

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	Total \$'000
Associated Expenses	250	0	0	0	250

The Government will undertake a feasibility study for migrating the Calvary Public Hospital information and communication technology infrastructure to the ACT Government network. This changeover would enable health professionals at Calvary Hospital to access the same systems as provided at the Canberra Hospital, improving efficiency of service, enhancing collaboration and assisting in the overall delivery of patient care.

### Better Health Services – Improved Drugs and Poisons Information System (DAPIS)

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	Total \$'000
Capital	350	379	0	0	729
Depreciation	0	0	146	146	292
Associated Expenses	0	0	75	75	150
Associated Savings	0	0	-94	-95	-189
<b>Net Expenses</b>	<b>0</b>	<b>0</b>	<b>-19</b>	<b>-20</b>	<b>-39</b>

The Government will enhance the existing Drugs and Poisons Information System (DAPIS) by including facilities for electronic (online) approvals, automated (transactional) approvals and remote access for clinicians to limited DAPIS data. These changes will help in tracking and reporting on the use of controlled medicines in the ACT.

### Better Health Services – Upgrading the ACT Notifiable Diseases Database

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	Total \$'000
Associated Expenses	50	0	0	0	50

The Government will undertake a scoping study to determine the best value for money solution for improving the ACT Notifiable Diseases Database. The study is required to align notifiable disease management capabilities with other jurisdictions in Australia and to ensure that the system can continue to meet national reporting requirements into the future. The database is an important tool for tracking and reporting notifiable diseases so these can be appropriately managed.

## HOUSING ACT

### Supporting Affordable Housing – Infrastructure upgrade at the Narrabundah Long Stay Park

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	360	0	0	0	<b>360</b>
Depreciation	0	13	13	13	<b>39</b>

The Government will upgrade the stormwater and drainage system at the Narrabundah Long Stay Park. This will minimise water pooling across the Park, resulting in improved health and safety outcomes for residents.

## JUSTICE AND COMMUNITY SAFETY DIRECTORATE

### ACT Corrective Services – Accommodation fit out

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	1,636	0	0	0	1,636
Depreciation	156	308	308	308	1,080
Associated Expenses	385	174	180	186	925

The Government will relocate and fit-out new office accommodation for ACT Corrective Services and Community Corrections client service areas at the end of the lease of Eclipse House.

### Alexander Maconochie Centre – Building upgrade

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	1,250	0	0	0	1,250

The Government will undertake plumbing upgrade works at the Alexander Maconochie Centre.

### Reforming Emergency Services – Fyshwick Fire and Rescue Station upgrade

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	602	0	0	0	602
Depreciation	0	46	46	46	138
Associated Expenses	100	0	0	0	100

The Government will upgrade the ACT Fire and Rescue Station at Fyshwick to support personal dignity, privacy and enhance workplace amenity. This initiative is part of the Emergency Services Agency's (ESA's) *Women in Emergency Services Strategy*, which will assist in attracting and retaining women in the workforce.

### Reforming Emergency Services – Guises Creek Rural Fire Station upgrade

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	220	0	0	0	220

The Government will upgrade the ACT Rural Fire Service Station at Guises Creek to support personal dignity, privacy and enhance workplace amenity. This initiative is part of ESA's *Women in Emergency Services Strategy*, which will assist in attracting and retaining women in the workforce.

## Reforming Emergency Services – New SES station for Tuggeranong

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	1,667	1,089	0	0	2,756
Depreciation	0	0	184	184	368

The Government will construct a new station for the ACT State Emergency Service (ACTSES) at Calwell. The new station will replace the current facility for ACTSES located at Kambah.

## Information and Communication Technology

### ACT Corrective Services – Information management

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	1,732	3,467	0	0	5,199
Depreciation	-290	-425	466	466	217
Offset	-1,055	-479	-23	-23	-1,580

The Government will provide further funding for the implementation of an offender management system for ACT Corrective Services to improve existing business processes and generate operational efficiencies.

### Digital Canberra – New digital radio communication system

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	516	2,175	0	0	2,691
Depreciation	0	0	384	384	768
Associated Expenses	0	32	183	188	403

The Government will replace the existing ACT Corrective Services' analogue radio system with a digital radio network. This new radio infrastructure will be connected to the Territory Radio Network system.

### Making Canberra Even Safer – Improved CCTV coverage

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	376	0	0	0	376
Depreciation	0	63	63	63	189

The Government will enhance public safety and law enforcement by undertaking remediation and minor upgrades for the Closed Circuit Television (CCTV) system across Canberra. This will involve the replacement of equipment, the upgrade of software and maintenance of servers.



## Expense initiatives with associated capital

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Reforming Emergency Services – Aero-medical services and hangar upgrade	395	0	0	0	<b>395</b>
Reforming Emergency Services – More ambulance services	236	0	0	0	<b>236</b>

Refer to Expense Initiatives (Chapter 3.2) for more information.

## TRANSPORT CANBERRA AND CITY SERVICES DIRECTORATE

### Better Public Transport – Active travel for schools and shopping centres

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	2,500	500	0	0	<b>3,000</b>
Depreciation	0	63	75	75	<b>213</b>
Associated Expenses	300	0	25	55	<b>380</b>

The Government will undertake a range of works across the ACT to improve cycling and pedestrian travel. These works include infrastructure improvements on routes to schools, the construction of active travel improvements around the Woden Town Centre and Kingston Group Centre, and the detailed design of a pedestrian priority zone in Hibberson Street, Gungahlin.

### Better Public Transport for Tuggeranong – Park and ride facility for Wanniasa

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	500	1,000	0	0	<b>1,500</b>
Depreciation	0	0	38	38	<b>76</b>
Associated Expenses	0	0	0	15	<b>15</b>

The Government will construct a new Park and Ride facility at the Wanniasa shops, with an adjacent bus stop on Athllon Drive to improve access to public transport.

### Better Public Transport for Woden and Weston Creek – New Woden bus depot

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	775	NFP	NFP	0	<b>775</b>
Offset	0	0	0	-2,700	<b>-2,700</b>

The Government will design an additional bus depot at Woden for the operation of up to 120 buses to improve the efficiency of the network. This project includes concept design, site survey confirmation, traffic access design, approvals and market sounding.

The Government has also included a capital provision in the Budget for construction of the Woden Bus Depot during 2017-18 and 2018-19. Refer to Infrastructure Investment in the ACT (Chapter 5.1) for more information.

## Better Roads for Belconnen – Aikman Drive duplication

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	5,801	4,000	0	0	<b>9,801</b>
Depreciation	0	0	131	131	<b>262</b>
Associated Expenses	0	0	98	196	<b>294</b>

The Government will duplicate Aikman Drive between Emu Bank and Ginninderra Drive to support and enhance access to the University of Canberra Public Hospital, accommodate the increase in traffic associated with Lawson and address traffic congestion and delays along Aikman Drive. These works will include intersection upgrades, bus stops, street lighting, traffic control systems, an off-road path, on-road cycle lanes and landscaping. This initiative includes \$398,600 for active travel infrastructure.

## Better Roads for Canberra – Airport road network improvements

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	300	3,700	7,410	0	<b>11,410</b>

This Government will provision funding for the duplication of Pialligo Avenue (Stage 1) from the ACT/NSW Border to Oaks Estate Road. This funding would be appropriated to the Transport Canberra and City Services Directorate should the Commonwealth Government agree to match funding under the National Stronger Regions Fund. Refer to Infrastructure Investment in the ACT (Chapter 5.1) for more information. This initiative includes \$15,000 for active travel infrastructure.

## Better Roads for Canberra – Stronger bridges to transport freight

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	2,400	2,300	1,800	0	<b>6,500</b>
Depreciation	0	48	94	130	<b>272</b>

The Government will undertake bridge strengthening work on the Monaro Highway to increase the efficiency of heavy vehicle movement along this important arterial and freight route. The Government will also undertake strengthening works on four bridges on Parkes Way. The ACT's contribution will be matched by the Commonwealth under the *Heavy Vehicle Safety and Productivity Programme*, and the *Bridges Renewal Programme*.

## Better Roads for Gungahlin – Horse Park Drive duplication (Mulligans Flat Road to the Federal Highway)

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	5,000	24,000	28,000	0	<b>57,000</b>
Depreciation	0	0	0	760	<b>760</b>

The Government will complete the duplication of Horse Park Drive from Mulligans Flat Road to the Federal Highway. The works will provide associated infrastructure such as intersection upgrades and the installation of walking and cycling facilities. These works will improve traffic flows in the Gungahlin area. This initiative includes \$1.413 million for active travel infrastructure.

## Better Roads for Tuggeranong – Ashley Drive duplication (Ellerston Avenue to Johnson Drive)

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	500	3,000	0	0	<b>3,500</b>
Depreciation	0	0	47	47	<b>94</b>
Associated Expenses	0	0	0	35	<b>35</b>

The Government will undertake the duplication of Ashley Drive from Ellerston Avenue to Johnson Drive, and install walking and cycling facilities to ensure that the road network meets road safety and capacity demands and service levels. This initiative includes \$208,700 for active travel infrastructure.

## Better Roads for Weston Creek – Cotter Road duplication (Tuggeranong Parkway to Yarralumla Creek)

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	4,450	13,450	11,000	0	<b>28,900</b>
Depreciation	0	80	80	423	<b>583</b>
Associated Expenses	0	32	32	288	<b>352</b>

The Government will duplicate Cotter Road between the Tuggeranong Parkway and Yarralumla Creek. The work will include a shared path along Cotter Road and Kirkpatrick Street, duplication of the bridge over Yarralumla Creek, strengthening the existing bridge, inclusion of traffic management technology and the introduction of bus priority measures. This initiative includes \$2.415 million for active travel infrastructure.

## Better Roads for Woden – Intersection safety upgrades

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	1,520	0	0	0	1,520
Depreciation	0	61	61	61	183
Associated Expenses	0	0	15	30	45

The Government will undertake intersection upgrades for Hindmarsh Drive and Launceston Street, as well as Hindmarsh Drive and Eggleston Crescent. These works will improve safety and the flow of traffic, allowing for motorists and public transport to travel through the intersections more efficiently.

## Caring for our Environment – Essential waste management infrastructure

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	1,000	0	0	0	1,000

The Government will undertake detailed design for the construction of two additional landfill cells at Mugga Lane Resource Management Centre to meet the Territory's waste management needs beyond 2020. The work to be undertaken includes detailed design for the excavation of the landfill cells and preliminary construction work, including installing utilities and road and drainage realignment works.

## Improving Our Suburbs – Local shopping centre upgrades

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Associated Expenses	475	0	0	0	475

The Government will undertake four studies, including concept plans and cost estimates for local shopping centre upgrades and explore new models of co-investment at shopping centres.

**Better Public Transport – Integrated bus and light rail ticketing – One Ticket, One Fare, One Network**

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	3,000	NFP	0	0	<b>3,000</b>

The Government will identify the preferred integrated ticketing solution for light rail and ACTION, test a 'proof of concept', and procure and install the required infrastructure.

The Government has included a capital provision in the budget for the procurement and installation of the preferred ticketing solution once it is developed through the 'proof of concept' phase. Refer to Infrastructure Investment in the ACT (Chapter 5.1) for more information.

**Better Services – Improved asset management**

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	500	500	500	205	<b>1,705</b>
Depreciation	0	0	0	244	<b>244</b>
Associated Expenses	300	550	0	0	<b>850</b>
Offset	0	0	-300	-550	<b>-850</b>
<b>Net Expenses</b>	<b>300</b>	<b>550</b>	<b>-300</b>	<b>-550</b>	<b>0</b>

The Government will replace the existing Asset Management System, which is reaching the end of its useful life, with a cloud-hosted system. The new system will address asset management streams including identification, provision, transition and disposal, in the lifecycle of assets and have the scalable capability to meet whole of government asset management requirements. The cost of this initiative is offset by savings on repairs and maintenance expenses resulting from the improved business processes that will occur from the new system being implemented.

## Better Services – Improving libraries – Self-service check out and improved access

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	1,100	1,100	0	0	<b>2,200</b>
Depreciation	0	0	220	220	<b>440</b>
Associated Expenses	0	0	36	36	<b>72</b>
Offset	0	0	-143	-318	<b>-461</b>
<b>Net Expenses</b>	<b>0</b>	<b>0</b>	<b>-107</b>	<b>-282</b>	<b>-389</b>

The Government will upgrade the Library Management System which is nearing the end of its useful life with a new integrated system to improve the library user experience. The new system will provide enhanced digital services such as radio frequency identification allowing patrons to self check library materials, improved search abilities and access to online resources. The offset against this initiative is from efficiencies gained through the new system reducing resources currently required by Libraries ACT.

### *Plant and Equipment*

## Better Public Transport – Bus Fleet upgrades

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	8,000	2,000	0	0	<b>10,000</b>
Depreciation	0	400	500	500	<b>1,400</b>

The Government will augment ACTION's existing bus replacement program, with the purchase of an additional 20 buses to improve fleet performance, increase reliability and enhance the customer experience.

## Better Public Transport – Trial of electric buses

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Associated Expenses	900	0	0	0	<b>900</b>
Offset	-300	0	0	0	<b>-300</b>
<b>Net Expenses</b>	<b>600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>600</b>

The Government will lease three electric buses to determine their operational viability for Canberra. The project includes testing electric buses in all weather situations, driver training, the installation of battery charging equipment, and the maintenance and servicing of vehicles. Of the required funding, \$300,000 will be met from existing resources.

## Expense initiatives with associated capital

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Improving Our Suburbs – Green bins pilot program	227	227	0	0	<b>454</b>

Refer to Expense Initiatives (Chapter 3.2) for more information.



## 3.4 REVENUE INITIATIVES

---

Revenue initiatives in the 2016-17 Budget total \$6.7 million over four years.

A summary of revenue initiatives is shown at Table 3.4.1 below.

**Table 3.4.1: Summary of Revenue Initiatives**

<b>Summary of Initiatives</b>	<b>2016-17 Estimate \$'000</b>	<b>2017-18 Estimate \$'000</b>	<b>2018-19 Estimate \$'000</b>	<b>2019-20 Estimate \$'000</b>	<b>Total 4 Year \$'000</b>
<b>Revenue initiatives</b>	<b>-9,825</b>	<b>975</b>	<b>-1,025</b>	<b>2,175</b>	<b>-7,700</b>
Revenue component of expense initiatives	1,737	1,902	2,865	942	7,446
Revenue component of infrastructure and capital initiatives	561	2,124	2,124	2,124	6,933
<b>Total revenue initiatives</b>	<b>-7,527</b>	<b>5,001</b>	<b>3,964</b>	<b>5,241</b>	<b>6,679</b>

**Table 3.4.2: Summary of Revenue Initiatives by Agency**

Revenue Initiatives	2016-17 Estimate \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000	Total Estimate \$'000
<b>Chief Minister, Treasury and Economic Development Directorate</b>					
Ambulance Levy	500	1,000	1,000	1,100	3,600
Bigger and Better Events for Canberra – Bringing A-League football to Canberra	35	0	0	0	35
Bigger and Better Events for Canberra – Test Match and One Day International Cricket for Canberra – Cricket Australia strategic partnership	674	674	1,890	0	3,238
Conveyance Duty – Changes to rates and thresholds	0	-6,000	-10,000	4,000	-12,000
Conveyance Duty – Disability Duty Concession Scheme	-75	-75	-75	-75	-300
Conveyance Duty – Over 60s Home Bonus Scheme	-1,700	0	0	0	-1,700
Conveyance Duty – Pensioner Duty Concession Scheme	-1,900	-2,100	0	0	-4,000
Drivers' Licence Fees and Safe Driver Discount	150	150	150	150	600
Fire and Emergency Services Levy	1,600	1,600	1,700	1,800	6,700
General Rates – Changes to Discount for Upfront Payment	1,700	1,800	2,000	2,100	7,600
General Rates – Tax Reform Measures	-15,000	-18,000	-24,000	-38,000	-95,000
Improving Our Suburbs – Green bins pilot program	227	227	0	0	454
Improving Road Safety – Traffic camera adjudication system upgrades	561	2,124	2,124	2,124	6,933
Land Tax – Rebalancing the System	4,000	16,500	17,100	17,900	55,500
More Operational Support for Canberra's Pools	120	0	0	0	120
Payroll Tax – Increased tax free threshold	-4,400	-4,600	-4,700	-4,700	-18,400
Safer Families Levy	4,700	4,700	4,800	4,900	19,100
Safer Roads – Mobile camera program expansion	681	1,001	975	942	3,599
Tax Administration <sup>1</sup>	0	5,000	10,000	12,000	27,000
<b>Total</b>	<b>-8,127</b>	<b>4,001</b>	<b>2,964</b>	<b>4,241</b>	<b>3,079</b>
<b>Justice and Community Safety Directorate</b>					
Victims Services Levy	600	1,000	1,000	1,000	3,600
<b>Total</b>	<b>600</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>3,600</b>
<b>TOTAL REVENUE INITIATIVES</b>	<b>-7,527</b>	<b>5,001</b>	<b>3,964</b>	<b>5,241</b>	<b>6,679</b>

**Notes:**

1. This initiative has an expense component; this is listed in the summary table in Expense Initiatives (Chapter 3.2).

# CHIEF MINISTER, TREASURY AND ECONOMIC DEVELOPMENT DIRECTORATE

## Ambulance Levy

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	500	1,000	1,000	1,100	<b>3,600</b>

The Government will increase the Ambulance Levy by \$5 per year for individuals and \$10 per year for families, commencing on 1 January 2017. The Ambulance Levy is payable by private health insurance companies, and is calculated on the number and type of private health insurance contributions. This Levy helps to fund the Emergency Services Agency (see below for more detail under the Fire and Emergency Services Levy initiative).

## Conveyance Duty – Changes to rates and thresholds

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	0	-6,000	-10,000	4,000	<b>-12,000</b>

The Government will continue to reduce conveyance duty rates as part of the ACT's Taxation Reform Program. Adjustments to conveyance duty rates will result in changes in estimated conveyance duty revenue. The reduction in conveyance duty rates for 2016-17 that were first announced in the 2012-13 Budget will also be implemented.

From 2017-18, commercial and residential property transactions will have separate conveyance duty rates and duty for commercial property transactions below \$1.5 million will be phased out over two years. A flat rate of 5 per cent will apply to commercial property transactions over \$1.5 million. Residential conveyance duty rates will continue to reduce every year through incremental reductions to the marginal rates.

Further explanation of these changes can be found in Taxation Reform (Chapter 6.3).

## Conveyance Duty – Disability Duty Concession Scheme

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	-75	-75	-75	-75	<b>-300</b>

The Government will introduce a Disability Duty Concession Scheme commencing from 1 July 2016. The Scheme will provide a conveyance duty concession to any entity (including an individual) that purchases a home to be used as the principal place of residence for a person with a major disability. The intention is to encourage long-term private accommodation options for adults with disability.

## Conveyance Duty – Over 60s Home Bonus Scheme

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	-1,700	0	0	0	-1,700

The Government will extend the Over 60s Home Bonus Scheme until 31 December 2016. The Scheme provides the same benefit as the Pensioner Duty Concession Scheme to eligible non-pensioners aged 60 and over who may find conveyance duty an impediment to downsizing and moving to accommodation more suited to their needs.

## Conveyance Duty – Pensioner Duty Concession Scheme

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	-1,900	-2,100	0	0	-4,000

The Government will extend the Pensioner Duty Concession Scheme for two years until 30 June 2018. The Scheme assists eligible pensioners to move to accommodation more suited to their needs – for example, moving from a house to a townhouse – by charging duty at a concessional rate.

## Drivers' Licence Fees and Safe Driver Discount

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	150	150	150	150	600

The Government will increase drivers' licence fees by five per cent in 2016-17. Normal increases in line with growth in the Wage Price Index will apply in future years. The safe driver discount will also be increased from 20 to 25 per cent. This will offset the increased cost of the licence fee for drivers who have no relevant traffic offences recorded for the previous five years.

## Fire and Emergency Services Levy

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	1,600	1,600	1,700	1,800	<b>6,700</b>

The Government will increase the Fire and Emergency Services Levy for residential and rural properties by around \$10 from 2016-17.

As announced in the 2015-16 Budget, the Government is transitioning the Emergency Services Agency to a more sustainable funding model so that, in total, by 2018-19 the Fire and Emergency Services Levy and other emergency services charges (the Road Rescue Fee and the Ambulance Levy) will account for approximately 75 to 80 per cent of the total cost of delivering emergency services to the Canberra community, which is the standard used by other jurisdictions across Australia.

## General Rates – Changes to Discount for Upfront Payment

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	1,700	1,800	2,000	2,100	<b>7,600</b>

The Government will change the early payment discount from 1 July 2016. The discount applies to property owners who pay their general rates and Fire and Emergency Services Levy assessments in full by the first due date. The current discount of 3 per cent will be reduced to 2 per cent, reflecting the current environment of low inflation and low interest rates.

## General Rates – Tax Reform Measures

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	-15,000	-18,000	-24,000	-38,000	<b>-95,000</b>

The Government is reducing the size of the previously announced increases in general rates resulting in lower revenue increases in future years.

Overall, general rates will increase by an average of 4.5 per cent for residential properties and by an average of 7 per cent for commercial properties in 2016-17. This is lower than the 8.75 per cent overall increase in general rates previously assumed in the 2015-16 Budget.

The annual increases for the next five years of Stage Two tax reform for residential properties will be 7 per cent on average. For units only, a change in the rates methodology will also add around \$150 on average in 2017-18 and \$115 on average in 2018-19.

Commercial general rates will increase on average by around 6 per cent each year.

The reduction in revenue from general rates will be partially offset from 2017-18 by the revised method applying to residential general rates assessments for units. The Government will change the general rates calculation for multi-unit dwellings to base it on the total average unimproved value (AUV) of the land rather than the individual AUV of the unit (consistent with Land Tax). This will result in greater equity in general rates paid between houses and units.

Further explanation of these changes can be found in Taxation Reform (Chapter 6.3).

## Land Tax – Rebalancing the System

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	4,000	16,500	17,100	17,900	<b>55,500</b>

The Government will increase the fixed charge component of land tax by \$100 in 2016-17. From 1 July 2017, the Government will change the land tax calculation for multi-unit dwellings to base it on the total average unimproved value (AUV) of the land rather than the individual AUV of the unit. Marginal tax rates and thresholds will also be adjusted to better reflect the distribution of property values under the new methodology. Under the current methodology, units pay significantly less land tax than houses even though they can have similar market values and rental returns. This initiative will result in greater equity in land tax paid between houses and units.

## Payroll Tax – Increased tax free threshold

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	-4,400	-4,600	-4,700	-4,700	<b>-18,400</b>

The Government will increase the payroll tax free threshold from \$1.850 million to \$2 million in 2016-17. This initiative will support small to medium businesses in the ACT, with approximately 40 businesses in the ACT becoming exempt from payroll tax in 2016-17. The combined effect of the increases in the threshold since 2012-13 will result in savings for local businesses of up to \$34,250 per year.

## Safer Families Levy

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	4,700	4,700	4,800	4,900	<b>19,100</b>

The Government will introduce a Safer Families Levy on 1 July 2016. The levy will be \$30 per year and will be applied to all residential and rural properties. The Safer Families Levy will support the following family violence prevention initiatives totalling \$21.420 million:

- Additional resources for the Canberra Rape Crisis Centre (Community Services Directorate (CSD));
- Additional resources for the Domestic Violence Crisis Service (CSD);
- Contribution to the Tara Costigan Foundation (Justice and Community Safety Directorate (JACS));
- Early assistance for families at risk of violence (CSD);
- Enhanced child protection case management and coordination (CSD);
- Enhancing access to justice for non-English speakers (JACS);
- Implementation of the Joint Australian Law Reform Commission and NSW Law Reform Commission Report on Family Violence (JACS);
- Improved access to Legal Aid (Legal Aid Commission);
- Improving information sharing for government and service delivery agencies (JACS);
- Integrated case management (CSD);
- Reportable conduct scheme for employees (Chief Minister, Treasury and Economic Development Directorate);
- Risk assessment tool (JACS);

- Safer families team (JACS);
- Stronger criminal justice responses (JACS);
- Stronger police support for family violence victims (JACS);
- Support and referral through specialist drug and alcohol treatment services (Health Directorate);
- Support for women and children to leave violence (CSD);
- Training in Domestic Violence for frontline workers (CSD); and
- Trauma Understanding and Sensitive Teaching (TRUST) Project (Education Directorate).

See Expense Initiatives (Chapter 3.2) for details of each initiative.

## Tax Administration

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	0	5,000	10,000	12,000	<b>27,000</b>
Associated expenses	801	1,605	1,634	1,664	<b>5,704</b>

The Government will provide \$5.7 million to the ACT Revenue Office to enable it to undertake enhanced payroll tax compliance activities.



# JUSTICE AND COMMUNITY SAFETY DIRECTORATE

## Victims Services Levy

	2016-17	2017-18	2018-19	2019-20	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	600	1,000	1,000	1,000	<b>3,600</b>

The Government will increase the Victims Services Levy by \$10 in 2016-17 and a further \$10 in 2017-18. This increase will be used to offset a range of initiatives which contribute to improvements in the interaction of victims of crime with the criminal justice system, including through access to restorative justice.

## Revenue associated with expense initiatives

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	Total \$'000
Bigger and Better Events for Canberra – Bringing A-League football to Canberra	35	0	0	0	35
Bigger and Better Events for Canberra – Test Match and One Day International Cricket for Canberra – Cricket Australia strategic partnership	674	674	1,890	0	3,238
Improving our Suburbs – Green bins pilot program	227	227	0	0	454
More Operational Support for Canberra's Pools	120	0	0	0	120
Safer Roads – Mobile camera program expansion	681	1,001	975	942	3,599

Refer to Expense Initiatives (Chapter 3.2) for more information.

## Revenue associated with infrastructure and capital initiatives

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	Total \$'000
Improving Road Safety – Traffic camera adjudication system upgrades	561	2,124	2,124	2,124	6,933

Refer to Infrastructure and Capital Initiatives (Chapter 3.3) for more information.

# CHAPTER 4

## EXPENSES

Chapter	Page
4.1 Expenses and Forward Estimates	171
4.2 Savings	181



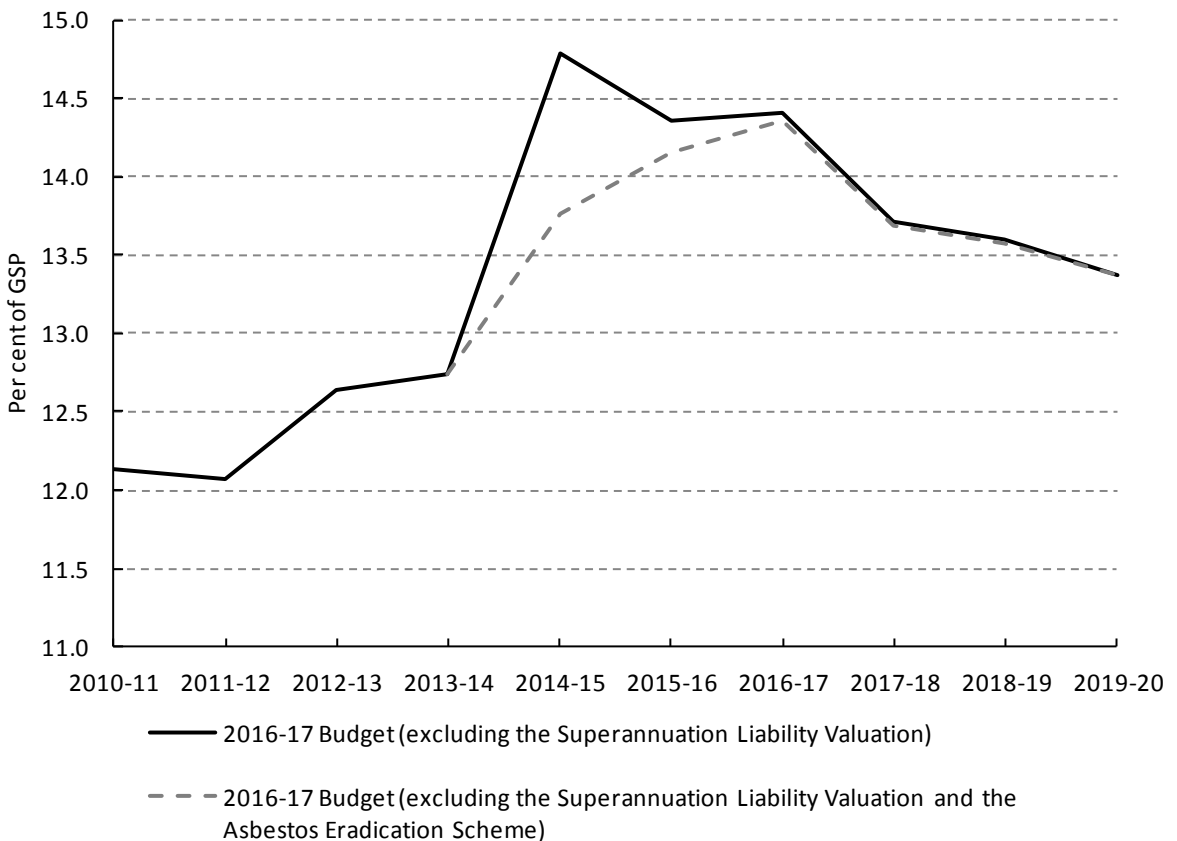
## 4.1 EXPENSES AND FORWARD ESTIMATES

General Government Sector (GGS) expenses are forecast to be \$5.4 billion in 2016-17, representing 14.6 per cent of Gross State Product. The health and education functions continue to be the two most significant components of government spending.

Across the estimated outcome and forward estimates period, GGS expenses are forecast to grow by 5.7 per cent. This growth largely reflects an increase in transport, health, education and other purposes expenses, partially offset by a reduction in general public service expenses.

Figure 4.1.1 shows GGS expenses (excluding the Superannuation Liability Valuation) over a 10 year period. The peak in 2014-15 reflects the costs associated with the Loose-fill Asbestos Insulation Eradication Scheme (the Asbestos Eradication Scheme).

**Figure 4.1.1: General Government Sector Total Expenses as a Percentage of Gross State Product**



## Estimated Expenses by Function

Table 4.1.1 sets out the estimates of GGS expenses by function for the period 2015-16 to 2019-20.

The Government Finance Statistics classifies expense transactions in terms of their functional purposes (for example, health, education, etc). Presenting the government expenses in this format provides information on the proportion of government expenses expected to be spent on individual functions. These classifications can differ from the thematic presentation of government spending presented elsewhere in the budget papers.

**Table 4.1.1: General Government Sector Expenses by Function**

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
558,437	General Public Services	434,713	492,226	454,508	443,489	451,889
407,055	Public Order and Safety	409,030	407,195	416,316	432,813	441,963
1,093,513	Education	1,129,324	1,134,063	1,159,561	1,198,996	1,254,889
1,388,119	Health	1,454,817	1,499,974	1,549,438	1,630,695	1,706,772
251,524	Social Security	267,701	302,215	291,854	301,007	289,160
256,392	Housing and Community Amenities	285,455	262,089	238,155	239,999	241,124
207,042	Recreation and Culture	221,913	225,579	209,637	207,826	210,061
22,747	Fuel and Energy	8,299	11,223	8,323	8,598	8,763
2,463	Agriculture, Forestry, Fishing and Hunting	2,874	2,718	2,884	2,877	2,855
10,073	Mining and Mineral Resources other than Fuels, Manufacturing and Construction	14,940	16,344	14,659	14,272	14,280
309,086	Transport and Communications	338,637	337,089	324,969	404,272	415,570
66,445	Other Economic Affairs	58,780	62,498	54,434	54,761	55,104
575,652	Other Purposes <sup>1</sup>	504,341	562,884	587,430	589,100	619,130
<b>5,148,547</b>	<b>Total Expenses excluding the Superannuation Liability Valuation</b>	<b>5,130,825</b>	<b>5,316,096</b>	<b>5,312,167</b>	<b>5,528,706</b>	<b>5,711,559</b>
0	Superannuation Liability Valuation <sup>2</sup>	0	87,653	0	0	0
<b>5,148,547</b>	<b>Total Expenses (including the Superannuation Liability Valuation)</b>	<b>5,130,825</b>	<b>5,403,749</b>	<b>5,312,167</b>	<b>5,528,706</b>	<b>5,711,559</b>

**Notes:** Numbers may not add due to rounding.

1. The increase in 2016-17 is largely due to the Asbestos Eradication Scheme.
2. The Superannuation Liability Valuation adjustment has been presented in this manner to provide a comparative presentation with the 2015-16 Budget. For presentation of this information in accordance with the Uniform Presentation Framework, refer to Table 9.9 in the GFS/GAAP Harmonised Financial Statements (Chapter 9).

GGS expenses are strongly influenced by underlying trends in spending in the health and education functions. Together, these functions account for around 50 per cent of all government expenses in 2016-17.

Major expense trends across the budget and forward years include movements in the following functions:

- Health – expenses are expected to increase as a result of growth in activity and costs;
- Education – the forecast increase in expenses is primarily driven by expected growth in the operational costs of schools;
- Transport and Communications – the forecast increase in expenses from 2018-19 is largely due to the investment in Light Rail – Stage 1 through a Public Private Partnership;
- General Public Services – the increase in 2016-17 reflects a forecast increase in ACTIA claims expenses, the re-profiling of spending originally planned for 2015-16, and the impact of new initiatives where funding beyond 2016-17 is subject to review or further decision by Government; and
- Other Purposes – the increase in expenses over the forward estimates largely reflects interest expense on borrowings to finance infrastructure investment and on the \$1 billion loan from the Commonwealth in relation to the Asbestos Eradication Scheme.

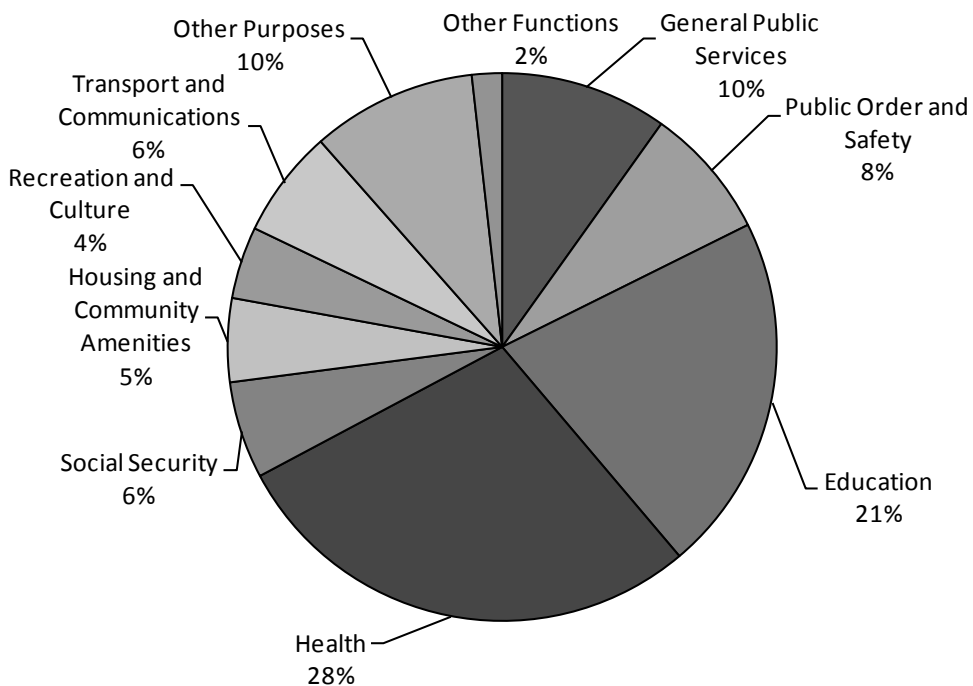
## Where will Government spending go in 2016-17?

In 2016-17, the Government will spend \$5.4 billion on delivering services to Canberra. The most significant component of government spending relates to health expenses, with more than a quarter of total GGS expenses being used to provide health services such as general hospital activities, medical benefits, and health research.

Spending on health is followed closely by spending on education. Approximately 21 per cent of total GGS expenses are dedicated to education services, such as the provision of education in schools as well as in higher education establishments.

The remaining government expenses are mainly for public order and safety, transport and communications, and social security, as shown in Figure 4.1.2.

**Figure 4.1.2: Components of 2016-17 General Government Sector Expenses**





## Consolidated General Government Sector Expenses

This section provides details of the 2015-16 estimated outcome, the 2016-17 Budget and forward estimates for expense items, including a discussion of the major variances in line with the presentation of the GGS Consolidated Operating Statement.

Total expenses for the GGS are expected to be \$5.1 billion in 2015-16 growing to \$5.4 billion in 2016-17. Almost half of expenses in 2016-17 relate to employee wages and superannuation.

The estimated outcome for expenses in 2015-16 is \$17.7 million lower than the original 2015-16 Budget forecast.

**Table 4.1.2: General Government Sector Expenses**

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
	<b>Expenses</b>						
1,805,053	Employee Expenses	1,841,257	1,892,025	3	1,901,098	1,943,786	1,979,512
350,898	Superannuation Interest Cost	315,401	315,534	..	375,236	389,906	404,003
268,258	Other Superannuation Expenses	363,456	417,211	15	285,644	284,432	283,324
372,258	Depreciation and Amortisation	360,239	372,680	3	377,252	418,007	425,806
203,895	Interest Expense	177,394	187,445	6	200,964	212,072	226,198
991,906	Supplies and Services	966,261	1,028,169	6	1,014,022	1,087,863	1,196,974
250,940	Other Operating Expenses	143,036	191,697	34	191,338	199,086	205,590
905,339	Grants and Purchased Services	963,781	998,988	4	966,613	993,554	990,152
<b>5,148,547</b>	<b>Total Expenses</b>	<b>5,130,825</b>	<b>5,403,749</b>	<b>5</b>	<b>5,312,167</b>	<b>5,528,706</b>	<b>5,711,599</b>

**Note:** Numbers may not add due to rounding.

## Factors Affecting Expense Levels

### *Employee Expenses*

In 2015-16, employee expenses are expected to be \$1.8 billion; this is \$36.2 million, or 2 per cent, higher than the forecast in the 2015-16 Budget. This increase is mainly due to agencies utilising flexibility to reallocate resources between employees and supplies and services (such as using staff rather than contractors) and termination payments relating to the National Disability Insurance Scheme transitions.

Employee expenses are forecast to grow by \$50.8 million in 2016-17, consistent with growth in salaries and the creation of new positions, largely to deliver government services in health and education.

### *Superannuation Interest Costs and Other Superannuation Expenses*

Superannuation interest costs and other superannuation expenses represent superannuation expenses in relation to the defined benefit CSS/PSS liabilities and defined contribution superannuation arrangements including PSSap and fund of choice.

The net increase of \$59.7 million in the 2015-16 estimated outcome from the original budget is due to the actual discount rate of 3.66 per cent as at 30 June 2015 being lower than the original budget estimate of 6 per cent for the defined benefit CSS/PSS liabilities (\$55.8 million) and higher employer contribution expenses for defined contribution schemes (\$3.9 million).

The net increase of \$53.9 million in the 2016-17 Budget from the 2015-16 estimated outcome mainly reflects the Budget assumption for the discount rate as at 30 June 2016 of 3.2 per cent, based on prevailing Commonwealth domestic interest rates, compared to the actual discount rate at 30 June 2015 of 3.7 per cent for the defined benefit CSS/PSS liabilities (\$35.5 million). It also reflects higher employer contribution expenses for defined contribution schemes (\$18.3 million).

### *Depreciation and Amortisation*

The 2015-16 estimated outcome for depreciation and amortisation is \$12 million, or 3.2 per cent, lower than the original 2015-16 Budget. This is mainly due to the re-profiling of capital projects to 2016-17.

Depreciation and amortisation expenses are estimated to increase by \$12.4 million, or 3.5 per cent, in 2016-17 largely due to the expected completion of capital works and asset purchases, including property, plant and equipment.

### *Interest Expense (Borrowing Costs)*

This item mainly represents interest payments for borrowings.

The expected decrease of \$26.5 million in the 2015-16 estimated outcome from the original budget is mainly due to lower interest payments on market borrowings as a result of the lower Consumer Price Index impact on inflation-linked bond financed borrowings and the combined impact from lower levels of new market borrowings and the timing of raising new borrowings.

The expected increase in interest costs of \$10.1 million in 2016-17 is mainly as a result of higher borrowings to finance the Government's capital works program.

### *Supplies and Services*

Supplies and services expenses consist of supplies, repairs and maintenance, consultants and contractors' expenses, and payments for ACT Policing.

The 2015-16 estimated outcome for supplies and services expenses is expected to be \$25.6 million, or 2.6 per cent, lower than the original budget. This decrease is mainly due to the deferral of expenses relating to Urban Renewal Program – Better Public Housing initiatives.

Supplies and Services expenses are forecast to increase in 2016-17 by \$61.9 million, or 6.4 per cent, from the 2015-16 estimated outcome. The increase is primarily due to the rollover of funding from 2015-16 related to Better Public Housing as well as new initiatives.

### *Other Operating Expenses*

Other operating expenses consists of the cost of goods sold, insurance-related costs, concessions, school accounts expenses, and other miscellaneous expenses.

The 2015-16 estimated outcome for other expenses is expected to be \$107.9 million, or 43 per cent lower than the 2015-16 Budget estimate. This is primarily due to lower expected future insurance claim costs related to past claim events and a decrease in the applied discount rate. It is also due to account reclassifications of expenses from the Asbestos Eradication Scheme, which were partially offset by the increase in grants and purchased services.

The increase of \$48.7 million, or 34 per cent, in the 2016-17 Budget from the 2015-16 estimated outcome mainly reflects insurance claim expenses returning to historical levels, and the extension of the Lifetime Care and Support Scheme to cover workplace accidents.

### *Grants and Purchased Services*

The 2015-16 estimated outcome for grants and purchased services is \$58.4 million, or 6.5 per cent, higher than the original budget. This is largely due to an update of the expenditure profile of the Asbestos Eradication Scheme.

Grants expenses are forecast to grow in 2016-17 by \$35.2 million, or 3.7 per cent. This increase is largely due to the commencement of the University of Canberra Public Hospital Car Park project, as well as increased non-government schools funding from the Commonwealth (which is recorded as an expense when passed on by the ACT Government).

## Community Service Obligations

Community Service Obligations (CSOs) primarily relate to Public Trading Enterprises. The definition adopted by the ACT Government is the one used by the Steering Committee on National Performance Monitoring of Government Trading Enterprises, established under the aegis of the Special Premiers' Conference in 1991, which states:

*“A Community Service Obligation arises when a government specifically requires a public enterprise to carry out activities relating to outputs or inputs, with identified public benefit objectives, which it would not elect to do on a commercial basis, and which the government does not require other businesses in the public or private sector to undertake, or which it would only do commercially at higher prices.”*

The Government extends the policy to other business units, regardless of whether the unit is formally a Territory-owned corporation or a statutory authority and irrespective of its organisational structure.

The separate identification of CSOs provides transparency on the full costs of services as well as the financial implications of Government decisions in the provision of services to specific targeted groups in the community.

Table 4.1.3 lists the Community Service Obligations which are funded in the 2016-17 Budget.

**Table 4.1.3: CSOs funded in the 2016-17 Budget**

<b>CSO provided by:</b>	<b>2016-17 Budget \$'000</b>	<b>Description</b>
<b>Chief Minister, Treasury and Economic Development Directorate</b>		
Exhibition Park	468	Compensation for charging below market rates, as a result of ministerial direction, or agreements entered into by the Government.
Icon Water Limited	11,444	Rebates on water and sewerage charges for concession card holders, schools, churches, hospitals, benevolent and charitable institutions, and remissions provided by the ACT Civil and Administrative Tribunal (ACAT).
ActewAGL/Origin Energy/Energy Australia	13,889	Rebates on energy bills for concession card holders and community groups, and remissions provided by ACAT.
Several Funeral Directors	263	Funerals Assistance Program.
ACTION	8,222	Rebates on public transport for adult and student concession card holders.
<b>Public Trustee and Guardian</b>		
Public Trustee and Guardian	503	Financial Management under ACAT orders, Enduring Power of Attorney, welfare funerals, AFP callouts, estates and trusts administered valued at less than \$100,000, and the examination of external ACAT orders and will preparation.
<b>Transport Canberra and City Services Directorate</b>		
Yarralumla Nursery	284	Free plant issue.
ACTION	93,834	Funding provided to ACTION to operate network services.
<b>Environment and Planning Directorate</b>		
ACT Forests	2,272	Provision and upkeep of public use areas within ACT Forests.
<b>Total Community Service Obligations</b>	<b>131,179</b>	

## Community Sector Funding

The Government provides funding for not-for-profit non-government community organisations that deliver human services through a multi-year Service Funding Agreement to meet increasing wage-related and administrative costs.

Annual funding increases are calculated using the following formula:

$$\text{Community Sector Funding Rate} = (\text{Wage Price Index} \times 0.80) + (\text{Consumer Price Index} \times 0.20).$$

Table 4.1.4 sets out the rates that have been applied to eligible community sector funding for the 2016-17 Budget.

**Table 4.1.4 – Community Sector Funding Rate**

	<b>2016-17 Budget %</b>
Wage Price Index	2.0
Consumer Price Index	1.0
<b>Community Sector Funding Rate</b>	<b>1.8</b>

## 4.2 SAVINGS

---

The principles underlying the Government's 2016-17 fiscal strategy include sustaining a strong operating balance over the medium term, sound public finances, and quality and efficient services. To deliver this fiscal strategy, the Government is enabling more efficient and productive public services through reviewing the public sector's structures and processes.

In contrast to the Commonwealth Government's increase in the efficiency dividend of agencies, the ACT Public Service is instead working to directly identify genuine and specific savings. For example, the Government has already identified in excess of \$80 million in savings from improved procurement contracts in the areas of advertising, consultants, information and communication technology (ICT) software licensing, water supply, mail and courier services, medical equipment and associated consumables and implants, and records management services. These savings reduce the cost of delivering public services without impacting on the level or quality of services.

The creation of Access Canberra in 2015-16 as a single entry point for the community and businesses facilitated efficiency gains and boosted public sector productivity. Savings have also been achieved through the modernisation of ICT initiatives that commenced in 2015-16. This has been boosted by the appointment of a Chief Digital Officer who will support the delivery of key digital priorities across the Territory.

Similarly, the creation of the Transport Canberra and City Services Directorate will not only improve the delivery of transport services, it will generate efficiencies in the coordination of transport planning and delivery across road, rail, bus, bicycle and pedestrian transport infrastructure.

The Government will continue its efforts to deliver public services in the most efficient manner. Notwithstanding these savings, the total Full Time Equivalent staffing level for the ACT Public Service is expected to remain above 2015-16 levels, consistent with delivering services to an ever growing city.





# CHAPTER 5

## INFRASTRUCTURE AND CAPITAL

<b>Chapter</b>	<b>Page</b>
<b>5.1 Infrastructure Investment in the ACT</b>	<b>185</b>
<b>5.2 Capital Works Program</b>	<b>197</b>
<b>5.3 Supply and Release of Land</b>	<b>213</b>
<b>5.4 The Territory's Infrastructure</b>	<b>217</b>
<b>5.5 Asset Recycling</b>	<b>221</b>



## 5.1 INFRASTRUCTURE INVESTMENT IN THE ACT

---

### Overview

The Government's infrastructure investment in the ACT is a key element of its successful fiscal strategy of maximising economic growth while maintaining a strong operating balance over the medium term and ensuring that the benefits are shared by all Canberrans.

This strategy is working well, with the ACT economy continuing to grow through a period of sustained expenditure cuts and fiscal consolidation by the Commonwealth Government. Our investment in Canberra's infrastructure has supported economic growth, employment and business confidence. Moreover, it continues to make Canberra the most liveable city in the world, as recognised by the Organisation for Economic Co-operation and Development.

The Government's vision for Canberra is a city of innovation and sustainable living that is truly part of the global economy. The 2016-17 Budget continues to provide a significant targeted and integrated Infrastructure Investment Program that encourages investment in major infrastructure and urban renewal while also providing the services and facilities that enable our city to grow.

Over \$2.9 billion will be spent on infrastructure investment for Canberra over the four years to 2019-20. This has two components which include:

- funding of over \$2 billion for expenditure under the 2016-17 Infrastructure Investment Program; and
- \$763 million in capital works associated with the construction of the Light Rail – Stage 1 and the ACT Law Courts Facilities, to be undertaken as public private partnerships.

The key elements of this investment program include:

- the first stage of a world class integrated public transport system that works in synergy with modern urban infrastructure to provide a seamless connection between our places of work, home and leisure. The Light Rail – Stage 1 project commenced its delivery phase in 2015-16 with a design and construction value of \$707 million inclusive of Territory-retained risk amounts. In addition, \$43 million is being provided over four years to modernise ACTION's bus infrastructure and facilities;
- the construction of the \$160 million new ACT Law Courts Facilities (\$141 million in the four years to 2019-20) that will meet the Territory's needs for the next 50 years;
- continued focus on urban renewal with funding of \$493 million over four years for the Urban Renewal Program (URP);
- the most significant component of the URP is public housing redevelopment, which accounts for \$393 million of this funding;

- investment of \$256 million over four years in road infrastructure linking urban centres, commercial centres and transport hubs to promote mobility, commercial activities and economic growth;
- further investment in our education and health care infrastructure and facilities. Funding of \$129 million and \$404 million over the four years to 2019-20 has been allocated to Education and Health, respectively. This will ensure that facilities are in place to produce a highly skilled and productive workforce, and provide better health care for all Canberrans; and
- working in partnership with the Commonwealth Government to care for our environment as a legacy for future generations. Funding of \$77 million over four years has been allocated to projects to improve the long-term water quality in the ACT's lakes and waterways, and the overall environmental health of the Murrumbidgee River system.

The Government recognises the need to ensure that our assets are well managed to maximise their productive capacity and reduce future costs. The 2016-17 Budget provides \$95 million over four years to maintain Health assets. This investment will minimise service delivery interruption and deliver remedial works in a safe, efficient and planned way.

The Government is also making use of the Asset Recycling Initiative (ARI) agreed with the Commonwealth Government. This initiative allows the Territory to benefit from a 15 per cent bonus from the Commonwealth on the proceeds of asset sales where these proceeds are allocated to agreed new infrastructure investment. The Light Rail – Stage 1 project is being funded in part by assets sold under the ARI. Further details can be found in Asset Recycling (Chapter 5.5).

Maximising economic and social outcomes from infrastructure investment requires the selection of projects with high expected rates of return and prudent asset management, as well as the cost-effective delivery of capital works. This is being achieved through the implementation of *The Capital Framework* and *The Partnerships Framework* which have seen the adoption of more cost-effective and efficient integrated delivery models involving the private sector. The Territory has now embarked on its first two Public Private Partnerships (PPPs) for the construction of the ACT Law Courts Facilities and Light Rail – Stage 1.

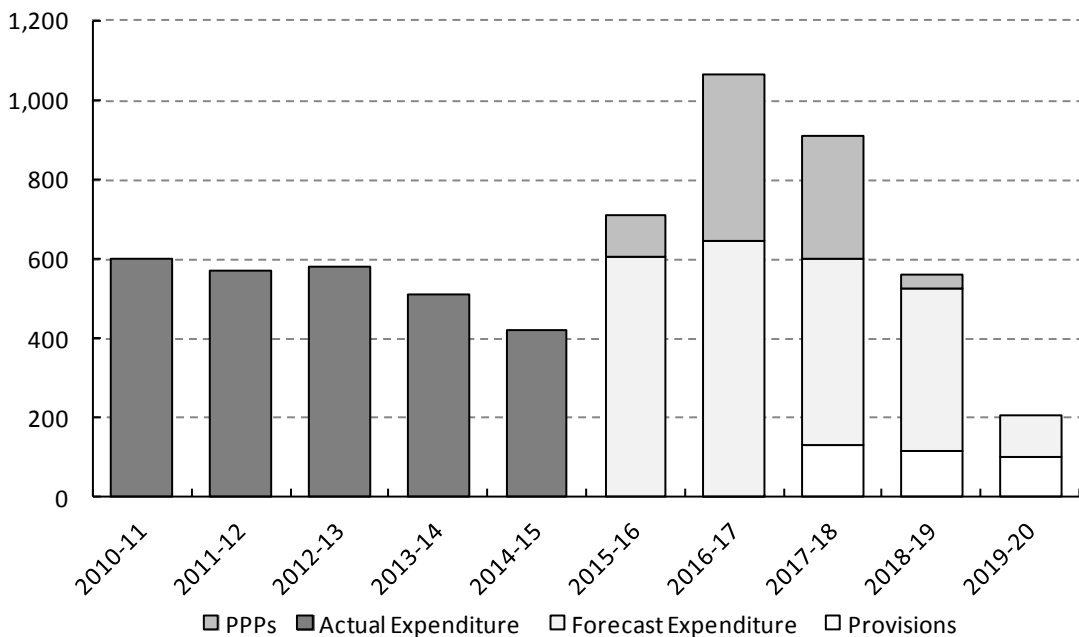
In the long term, this integrated approach to innovative and prudent infrastructure investment offers significant benefits in leveraging scarce public resources for capital investment through more effective project planning and management, increased private sector involvement, and better use of assets.

## Infrastructure Investment Trends and Forecasts

The 2016-17 Budget continues the significant investment in infrastructure in the Territory in recent years. Over \$2.9 billion will be invested over the four years to 2019-20. This includes over \$2 billion in the Infrastructure Investment Program and \$763 million in capital expenditure associated with the public private partnerships for the Light Rail – Stage 1 and the ACT Law Courts Facilities. This includes projects covering urban infrastructure, public transport, roads, land development, education, health, community facilities, and measures to protect our environment. Their combined effect will enable Canberra to maximise its growth potential and strengthen its position as the commercial, social and cultural hub of the region.

Figure 5.1.1 below shows infrastructure investment in the ACT excluding expenditure in Information and Communication Technology (ICT) and Plant and Equipment (P&E) for the period from 2010-11 to 2019-20.

**Figure 5.1.1: Infrastructure Investment 2010-11 to 2019-20**



**Note:** Forecast expenditure includes the adjusted profile associated with the Capital Delivery Provision discussed under Capital Provisions in this chapter.

### 2016-17 Infrastructure Investment Program

The Infrastructure Investment Program accounts for over \$2 billion of the \$2.9 billion investment in infrastructure in the ACT. The Program includes \$983 million for New Capital Works and Capital Upgrades over four years, \$646 million for Works-in-Progress from previous years, \$161 million for ICT, \$44 million for P&E and capital provisions of \$345 million.

Table 5.1.1 shows a summary of the 2016-17 Infrastructure Investment Program.

**Table 5.1.1: Summary of 2016-17 Infrastructure Investment Program**

	2016-17 Allocation \$'000	2017-18 Allocation \$'000	2018-19 Allocation \$'000	2019-20 Allocation \$'000	Total Investment \$'000
<b>New Capital Works</b>					
Business Case Development	1,835	250	0	0	2,085
Forward Design	1,000	0	0	0	1,000
Construction	246,331	285,935	216,194	11,000	759,460
<b>Sub-Total New Capital Works</b>	<b>249,166</b>	<b>286,185</b>	<b>216,194</b>	<b>11,000</b>	<b>762,545</b>
Urban Renewal Component	160,958	129,200	91,019	11,000	392,177
<b>Capital Upgrades</b>					
Urban Renewal Component	11,662	0	0	0	11,662
<b>TOTAL NEW WORKS</b>	<b>302,354</b>	<b>340,591</b>	<b>271,920</b>	<b>68,286</b>	<b>983,150</b>
Urban Renewal Component	172,620	129,200	91,019	11,000	403,839
<b>Works-in-Progress</b>					
Urban Renewal Component	74,952	14,026	0	0	88,978
<b>TOTAL CAPITAL WORKS PROGRAM</b>	<b>752,468</b>	<b>505,266</b>	<b>302,891</b>	<b>68,286</b>	<b>1,628,910</b>
Infrastructure Investment Provision	996	129,700	114,635	100,000	345,331
Capital Delivery Provision <sup>1</sup>	-109,366	-36,455	109,366	36,455	0
<b>CAPITAL WORKS PROGRAM FORECAST</b>	<b>644,098</b>	<b>598,511</b>	<b>526,892</b>	<b>204,741</b>	<b>1,974,241</b>
<b>Information and Communication Technology (ICT)</b>					
New Works	18,218	13,249	2,897	205	34,569
WIP	77,132	34,188	8,926	5,861	126,107
<b>Total ICT</b>	<b>95,350</b>	<b>47,437</b>	<b>11,823</b>	<b>6,066</b>	<b>160,676</b>
<b>Plant and Equipment (P&amp;E)</b>					
New Works	9,680	2,407	0	0	12,087
WIP	18,379	5,264	4,185	4,185	32,013
<b>Total P&amp;E</b>	<b>28,059</b>	<b>7,671</b>	<b>4,185</b>	<b>4,185</b>	<b>44,100</b>
<b>Sub-Total (ICT and P&amp;E)</b>	<b>123,409</b>	<b>55,108</b>	<b>16,008</b>	<b>10,251</b>	<b>204,776</b>
<b>TOTAL INFRASTRUCTURE INVESTMENT PROGRAM INCLUDING PROVISIONS<sup>2</sup></b>	<b>767,507</b>	<b>653,619</b>	<b>542,900</b>	<b>214,992</b>	<b>2,179,017</b>

**Notes:** Numbers may not add due to rounding.

1. The Capital Delivery Provision is applied to the Capital Works Program. This provision indicatively re-profiles approximately 14 per cent of the 2016-17 Capital Works Program into 2018-19 and 7 per cent of 2017-18 into 2019-20, providing forecast program expenditure based on historical trends.
2. The Infrastructure Investment Program does not include the value of the PPPs for the ACT Law Courts Facilities and Light Rail – Stage 1. A discussion of the budget treatment of PPPs is provided in the section titled Public Private Partnerships in Progress below.

### **Public Private Partnerships**

In addition to the Infrastructure Investment Program, capital expenditure totalling \$763 million will also be undertaken under the PPPs for the ACT Law Courts Facilities and Light Rail – Stage 1 in the four years to 2019-20. The total capital investment for PPPs is \$867 million from 2015-16 to 2019-20.

Table 5.1.2 below shows the capital expenditure schedules for the two projects. Information on the accounting treatment and financial impact on the Territory of PPPs is provided later in this chapter and in Accounting Treatment for Public Private Partnerships (Appendix C).

**Table 5.1.2: Public Private Partnerships – ACT Law Courts Facilities and Light Rail – Stage 1 – Capital Expenditure Schedule**

Project	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	Total \$'000
ACT Law Courts Facilities	19,662	62,027	59,456	19,088	0	160,233
Light Rail – Stage 1 <sup>1</sup>	84,128	357,406	249,626	15,353	190	706,703
<b>Total</b>	<b>103,790</b>	<b>419,433</b>	<b>309,082</b>	<b>34,441</b>	<b>190</b>	<b>866,936</b>

**Note:**

1. Figures for Light Rail – Stage 1 are pre-financial close estimates.

### Key Features of the 2016-17 Infrastructure Investment Program

Urban renewal continues to be the Government’s major focus with funding of \$248 million in 2016-17 and \$493 million over four years allocated to the Urban Renewal Program (URP). This includes the development of new public housing properties at a cost of \$192 million in 2016-17 and \$393 million over four years. Further details of the URP are provided in Capital Works Program (Chapter 5.2).

Another Government priority is to provide for an innovative public transport system that facilitates more efficient and cost-effective travel, and encourages active living. A major overhaul of our public transport system is underway and this will work in synergy with urban renewal, including the transformative City to the Lake Development, to make Canberra an even better place to live and work.

The Government has also created the Transport Canberra and City Services Directorate to lead and reform public transport in the ACT, and \$43 million over four years to 2019-20 will be spent to modernise ACTION’s bus infrastructure and facilities. Projects in this area include:

- a new Bus Depot for Woden;
- an integrated public transport electronic ticketing system at bus interchanges;
- continued renewal of the existing ACTION bus fleet;
- further redevelopment and upgrade of the Woden Bus Interchange and public transport facilities;
- a Park and Ride facility at the Wanniasa shops; and
- an Electric Bus Trial to determine the operational viability of electric buses for the ACTION fleet.

A capital provision has been included in the 2016-17 Budget for the procurement and installation of the preferred ticketing solution once it is developed through the 'proof of concept' phase.

To provide critical road infrastructure to support urban development and commercial activities, the Government is also investing \$119 million in 2016-17 and \$256 million over four years on road projects to:

- facilitate continued land release and new urban developments in Molonglo, Gungahlin, Belconnen and Central Canberra;
- upgrade arterial roads linking commercial centres and urban developments across the city;
- continue works on the link road from Majura Parkway to Majura Road; and
- prepare for the construction of Light Rail – Stage 1.

Our investment in education and training prepares our people for the opportunities and challenges of a modern society. The Government has allocated \$129 million over the four years to 2019-20 for capital works in education. This includes the construction of new schools in Gungahlin and Molonglo, modernising Belconnen High and the expansion of the Caroline Chisholm School to incorporate a Centre for Innovation and Learning. Another \$36 million will be spent on school information and communication technology infrastructure to support contemporary learning and teaching.

The Government is continuing to build a world-class health care system in the Territory while maximising the productive capacity of our assets. This is being achieved through a \$404 million investment program in Health capital works over the four years to 2019-20.

The key projects in this program include:

- the development of the University of Canberra Public Hospital, which will be a sub-acute facility encompassing teaching and research;
- critical capital works to extend the productive life of existing assets;
- completion of the Secure Mental Health Unit;
- expansion and upgrade of Calvary Public Hospital facilities; and
- continued implementation of the Health Infrastructure Program (HIP), including significant enhancements at the Canberra Hospital.



The 2016-17 Budget recognises the need to care for our environment as a legacy for future generations. Approximately 25 infrastructure projects, including rain gardens, wetlands, ponds, swales and creek stabilisation works will be undertaken across Canberra to improve water quality flowing into the Murrumbidgee River. These projects are supported by funding from the Commonwealth under the Water for the Future – Sustainable Rural Water Use and Infrastructure Program. The 2016-17 Budget provides total funding of \$77 million over the three years to 2018-19 for these projects, which includes a contribution from the ACT Government of \$2.6 million. The ACT Government will also be responsible for the maintenance and operation of these new assets into the future.

The Government is also making major investments in justice and safety for Canberra. These are being achieved through the construction of the new ACT Law Court Facilities under a Public Private Partnership and the completion of the detainee industries and activities facilities at the Alexander Maconochie Centre. Works to upgrade the Territory Radio Network are also continuing; these will provide essential communication infrastructure for use by the Emergency Services Agency and other government agencies.

## **Capital Provisions**

Consistent with past practice, the 2016-17 Budget includes an Infrastructure Investment Provision of \$345 million over the four years to 2019-20. This Provision provides for some high value capital works projects for which budgets are yet to be settled or which are commercially sensitive. These projects include:

- Australia Forum;
- Better Public Transport for Woden and Weston Creek – New Woden bus depot;
- Better Public Transport – Integrated bus and light rail ticketing – One Ticket, One Fare, One Network;
- Better Roads – Airport road network improvements; and
- Reforming Emergency Services – Better fire fighting capability in Tharwa village.

As planning or procurement progresses, future budgets will contain further specific financial details for some of these projects.

The \$345 million Infrastructure Investment Provision includes a Future Works Provision of \$100 million for each of the three years to 2019-20. This is a general provision for new initiatives in the forward years and is not allocated to any specific project.

The 2016-17 Budget also includes a Capital Delivery Provision to improve the accuracy of the overall budget estimates. While agencies are funded to deliver each capital project according to agreed timelines, there remain risks to the delivery of each project. Reflecting these risks, but recognising that it is not possible to identify when they will eventuate for any given project, the Government has adjusted the forecast of the aggregate Capital Works Program. The adjustment is based on past outcomes and risk analysis. This Provision is included at a whole of government level and will not affect the timely delivery of any project.

## **Public Private Partnerships in Progress**

Public Private Partnerships (PPPs) have increasingly been used by governments in Australia, and around the world, to deliver a range of social and economic infrastructure where such partnerships achieve value for money for taxpayers. These are long-term contracts with private sector consortia to design, finance, construct, maintain and/or operate the required social infrastructure assets. The Government will make service payments over the life of the contracts, intended to cover the costs incurred by the consortia in constructing, maintaining and/or operating the assets. At the end of the contracts, the infrastructure assets will be Territory assets.

The key benefits of a PPP approach include government harnessing private sector efficiencies and innovation that can be achieved during construction, whole-of-life cost efficiencies, outcome-focused service delivery, and effective management of project risks between the public and private sectors.

In the ACT, PPPs have been adopted for two major projects: the ACT Law Courts Facilities; and Light Rail – Stage 1.

### **ACT Law Courts Facilities**

The ACT Law Courts Facilities is the first PPP project for the ACT. The contract for the project was awarded to Juris Partnership, a consortium of companies that includes Laing O'Rourke Australia Construction Pty Ltd, Macquarie Capital Group Limited, Programmed Facility Management Pty Ltd, and Lyons Architecture.

Under the contract, Juris Partnership will be responsible for the design, construction, financing and maintenance of the ACT Law Courts Facilities for the next 25 years.

The project represents a total capital investment of \$160 million over four years to 2018-19, with site establishment works having commenced in February 2016. Completion of stage one (the new building) is planned for late 2017 with stage two (refurbishment of the existing building) in late 2018.

The staged approach will reduce costs by allowing court operations to continue during the construction period without the need to move to a temporary facility.

## Light Rail – Stage 1

Canberra Metro was announced on 1 February 2016 as the successful bidder for the PPP to deliver the first stage of Canberra’s light rail network, the corridor from Gungahlin to the City.

The winning consortium includes Pacific Partnerships, CPB Contractors, John Holland, Mitsubishi Corporation, Aberdeen Infrastructure Investments, Deutsche Bahn and CAF, which will supply and maintain the light rail vehicles over the life of the PPP contract.

A contract was signed with Canberra Metro on 17 May 2016 and provides for the delivery of 12 kilometres of light rail track, 13 stops, 14 light rail vehicles, a depot and 20 years of operation and maintenance.

### Budget Provisions for PPPs

The ACT Government made provisions for the costs of the ACT Law Courts Facilities and Light Rail – Stage 1 within the Infrastructure Investment Program in the 2014-15 and 2015-16 Budgets as if they were being delivered under a traditional procurement model. The Government subsequently made a decision to proceed with a PPP for the delivery of these projects, but the provision remained until such time as there was sufficient certainty about these costs and conditions of the agreement (at either financial or contractual close). As this is now the case, the provisions have been removed and the budget adjusted for the obligations associated with the service payments. These service payments under the PPP contracts will commence in 2017-18 for the ACT Law Courts Facilities and 2018-19 for Light Rail – Stage 1 following completion of the construction phase for the projects.

In the case of Light Rail – Stage 1, payments by the Government for the project include a \$375 million capital contribution funded by asset sales and contributions from the Commonwealth Government as part of the Asset Recycling Initiative. This upfront capital contribution will be provided to Canberra Metro after construction is finished and will reduce the service payments.

A detailed discussion on the accounting treatment and financial impact on the Territory of PPPs is set out in Accounting Treatment for Public Private Partnerships (Appendix C).

## Capital Project Planning, Delivery and Management

### The Partnerships Framework

*The Partnerships Framework – Guidelines for Public Private Partnerships* continues to guide the Territory’s approach to PPPs and Design Construct Maintain Operate (DCMO) delivery models. It also addresses the process as to how unsolicited proposals are considered in relation to the Territory’s infrastructure program. The Partnerships Framework reflects current best practice in PPP delivery, and consistency with the National PPP Guidelines.

The Framework seeks to reduce the costs of delivery under PPPs for both the Government and bidder by seeking to short-list two proponents at the Request for Proposal stage and by making non-evaluated documentation a condition subsequent to preferred bidder status.

Since the Framework's inception, the Territory has embarked on its first two PPP projects, the ACT Law Courts Facilities and Light Rail – Stage 1 (see above). As a mark of the Framework's attractiveness to market, these projects attracted six and four expressions of interest, respectively.

The Guidelines for Unsolicited Proposals (the Guidelines), which form part of the Framework, are also in their third year of operation. To date, nine proposals have been received under the Guidelines. In addition, Invest Canberra has received fifteen unsolicited bids through their investment led proposals process, with five still actively being supported by Invest Canberra. Through the Framework and these guidelines, the Territory remains committed to encouraging appropriate private investment and innovative entrepreneurship in the delivery of public infrastructure and services. The Unsolicited Proposals Guidelines are available at: [www.investcanberra.com/resources.aspx](http://www.investcanberra.com/resources.aspx).

## **The Capital Framework**

The Government has continued to plan, manage and review capital works projects under *The Capital Framework*. The Framework seeks to improve business case development, service and asset planning, and project definition and scope. *The Capital Framework* has been reviewed and revised to ensure that it reflects current best practice in capital project development and delivery.

The focus on more cost effective and efficient integrated delivery models has seen a continuing focus on more complex delivery models such as Design and Construct, and Design Construct and Maintain. The importance of achieving innovation in design and the best outcomes in terms of whole-of-life cost are significant objectives of the Government.

The Coombs P-6 School is an example of the successful adoption of the Design Construct and Maintain model. This model will be extended to the procurement of the new North Gungahlin P-6 School at Taylor based on new schools' output specifications and including an interactive tender process.

## **Active certification and safety in Government construction**

Active certification and safety as weighted criteria for Government construction contracts were implemented in 2013-14 as part of the Government's response to the *Getting Home Safely Report*. They are now an established and accepted practice, and have contributed to a decrease of 27 per cent in the accident rate per million dollars on ACT construction sites, and a 50 per cent drop in formal notices issued by WorkSafe ACT inspectors. In comparison, the accident rate in other Australian jurisdictions over the same period was generally constant.

The objective of Active Certification is to determine whether organisations have an adequate safety record to retain eligibility (prequalification) to apply for significant Government projects, using safety audits and a demerits point system. Principal contractors will still be required to fulfil their work health and safety responsibilities, as covered under the *Work Health and Safety Act 2011*, *Work Safety Regulations 2011*, all relevant Codes of Practice, Australian Standards, and applicable guidelines.

To emphasise the importance placed on work health and safety, the Government has also introduced a comparative assessment of contractors' safety records and capacities in the tender evaluation stage of Government construction projects. This requires the application of a default weighting of 30 per cent for work health safety performance on tenders for new ACT Government works.

## **Capital Works Programs by Public Trading Enterprises**

In addition to the Infrastructure Investment Program funded through the Budget, capital works are also delivered through the Territory's Public Trading Enterprises (PTEs) and other agencies which are financed through own-source revenue or debt. Capital investment by PTEs is largely related to land servicing, water and wastewater works, and public housing. The value of PTE works for 2016-17 is \$306 million which will be delivered by Housing ACT, Icon Water, the Land Development Agency and the ACT Public Cemeteries Authority. A summary of capital investment by these PTEs is provided in Table 5.2.6.



## 5.2 CAPITAL WORKS PROGRAM

### 2016-17 Capital Works Program

The Territory's Capital Works Program (the Program) is a component of the total Infrastructure Investment Program. Capital Works relate to fixed physical infrastructure which excludes Information and Communication Technology (ICT), and Plant and Equipment (P&E).

The budget allocation for the 2016-17 Capital Works Program, including capital upgrades, is \$1.6 billion over the four years to 2019-20 and comprises:

- \$763 million for New Capital Works;
- \$221 million for Capital Upgrades; and
- \$646 million for Works-in-Progress.

In addition, the Government has included capital provisions of \$345 million over the four years to 2019-20. This is to ensure that the forward estimates present a fair view of the Government's planning in regard to a number of large commercially sensitive projects, as well as an ongoing Infrastructure Investment Program.

The Government has also embarked on the Public Private Partnerships (PPPs) for the ACT Law Courts Facilities and Light Rail – Stage 1. An amount of \$763 million will be spent on these projects over the four years to 2019-20, taking total infrastructure investment in the ACT in this period to over \$2.9 billion.

A discussion of the budget and accounting treatments of PPPs is provided in the section headed Public Private Partnerships in Progress (Chapter 5.1) and Accounting Treatment for Public Private Partnerships (Appendix C).

A summary of the 2016-17 Capital Works Program for individual agencies is provided in Table 5.2.1 below.

**Table 5.2.1: Summary of 2016-17 Budget Capital Works Program**

Agency	Financing 2016-17 \$'000	Financing 2017-18 \$'000	Financing 2018-19 \$'000	Financing 2019-20 \$'000	Total Investment \$'000
<b>Canberra Institute of Technology</b>					
New Capital Works	0	0	0	0	0
Capital Upgrades	2,578	2,642	2,709	2,776	10,705
Works-in-Progress	1,800	0	0	0	1,800
<b>Total</b>	<b>4,378</b>	<b>2,642</b>	<b>2,709</b>	<b>2,776</b>	<b>12,505</b>

<b>Agency</b>	<b>Financing 2016-17 \$'000</b>	<b>Financing 2017-18 \$'000</b>	<b>Financing 2018-19 \$'000</b>	<b>Financing 2019-20 \$'000</b>	<b>Total Investment \$'000</b>
<b>Chief Minister, Treasury and Economic Development Directorate</b>					
New Capital Works	174,283	147,450	112,889	11,000	445,622
Capital Upgrades	9,335	9,568	9,808	10,053	38,764
Works-in-Progress	99,193	22,112	0	0	121,305
<b>Total</b>	<b>282,811</b>	<b>179,130</b>	<b>122,697</b>	<b>21,053</b>	<b>605,691</b>
<b>Community Services Directorate</b>					
New Capital Works	0	0	0	0	0
Capital Upgrades	385	395	404	415	1,599
Works-in-Progress	1,356	0	0	0	1,356
<b>Total</b>	<b>1,741</b>	<b>395</b>	<b>404</b>	<b>415</b>	<b>2,955</b>
<b>Cultural Facilities Corporation</b>					
New Capital Works	0	0	0	0	0
Capital Upgrades	388	398	408	418	1,611
Works-in-Progress	1,386	792	0	0	2,178
<b>Total</b>	<b>1,774</b>	<b>1,190</b>	<b>408</b>	<b>418</b>	<b>3,789</b>
<b>Education Directorate</b>					
New Capital Works	7,950	8,650	0	0	16,600
Capital Upgrades	14,570	14,934	15,308	15,690	60,502
Works-in-Progress	22,747	21,312	8,190	0	52,249
<b>Total</b>	<b>45,267</b>	<b>44,896</b>	<b>23,498</b>	<b>15,690</b>	<b>129,351</b>
<b>Environment and Planning Directorate</b>					
New Capital Works	14,423	39,479	27,153	0	81,055
Capital Upgrades	664	681	698	715	2,757
Works-in-Progress	7,565	2,688	0	0	10,253
<b>Total</b>	<b>22,652</b>	<b>42,848</b>	<b>27,851</b>	<b>715</b>	<b>94,065</b>
<b>Health Directorate</b>					
New Capital Works	21,459	41,267	35,352	0	98,078
Capital Upgrades	4,965	5,089	5,216	5,347	20,617
Works-in-Progress	187,593	90,450	7,291	0	285,334
<b>Total</b>	<b>214,017</b>	<b>136,806</b>	<b>47,859</b>	<b>5,347</b>	<b>404,029</b>
<b>Housing ACT</b>					
New Capital Works	360	0	0	0	360
Capital Upgrades	0	0	0	0	0
Works-in-Progress	0	0	0	0	0
<b>Total</b>	<b>360</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>360</b>
<b>Justice and Community Safety Directorate</b>					
New Capital Works	5,770	1,089	0	0	6,859
Capital Upgrades	1,727	1,770	1,814	1,859	7,170
Works-in-Progress	14,906	2,974	181	0	18,061
<b>Total</b>	<b>22,403</b>	<b>5,833</b>	<b>1,995</b>	<b>1,859</b>	<b>32,090</b>



Agency	Financing 2016-17 \$'000	Financing 2017-18 \$'000	Financing 2018-19 \$'000	Financing 2019-20 \$'000	Total Investment \$'000
<b>Office of the Legislative Assembly</b>					
New Capital Works	0	0	0	0	0
Capital Upgrades	250	144	108	278	780
Works-in-Progress	1,030	0	0	0	1,030
<b>Total</b>	<b>1,280</b>	<b>144</b>	<b>108</b>	<b>278</b>	<b>1,810</b>
<b>Transport Canberra and City Services Directorate</b>					
New Capital Works	24,921	48,250	40,800	0	113,971
Capital Upgrades	18,326	18,784	19,254	19,735	76,099
Works-in-Progress	112,538	24,347	15,309	0	152,194
<b>Total</b>	<b>155,785</b>	<b>91,381</b>	<b>75,363</b>	<b>19,735</b>	<b>342,264</b>
<b>Total All Agencies</b>					
New Capital Works	249,166	286,185	216,194	11,000	762,545
Capital Upgrades	53,188	54,405	55,726	57,286	220,605
Works-in-Progress	450,114	164,675	30,971	0	645,760
<b>TOTAL CAPITAL WORKS PROGRAM</b>	<b>752,468</b>	<b>505,265</b>	<b>302,891</b>	<b>68,286</b>	<b>1,628,910</b>

**Note:** Numbers may not add due to rounding.

## New Capital Works

New Capital Works comprises of construction, business case development and forward design projects. These projects cover all aspects of infrastructure investment including urban development, health, education, training, justice and community safety, roads and transport.

The 2016-17 Budget provides for New Capital Works totalling \$249 million in 2016-17 and \$763 million over the four years to 2019-20 (see Table 5.2.2). This Budget continues to focus on the Urban Renewal Program (URP), with funding allocations of \$248 million in 2016-17 and \$493 million over the four years to 2019-20.

Development of new public housing properties forms the bulk of the URP, accounting for \$192 million in 2016-17 and \$393 million over four years. Details of the URP are provided later in this chapter.

### *New Construction Projects*

Construction projects account for \$759 million (or 99.6 per cent) of the New Capital Works (excluding Capital Upgrades) in the 2016-17 Budget.

Significant new construction projects include:

- Better Public Housing – New public housing properties (\$357 million);
- Better Health Services – Upgrading and maintaining ACT Health assets (\$95 million);
- Caring for our Environment – Water Quality Improvement – Contributions to the Basin Priority Project (\$77 million);

- Better Roads for Gungahlin – Horse Park Drive duplication (Mulligans Flat Road to the Federal Highway) (\$57 million);
- Better Services – Weston Creek and Stromlo swimming pool and leisure centre (\$33 million);
- Improving Our Suburbs – New Molonglo Valley infrastructure (\$33 million);
- Better Roads for Weston Creek – Cotter Road duplication (Tuggeranong Parkway to Yarralumla Creek) (\$29 million);
- Better Schools – Investment in Gungahlin school infrastructure (\$17 million);
- Better Roads for Belconnen – Aikman Drive duplication (\$10 million); and
- Caring for our Environment – Lake Tuggeranong Water Quality Improvement – Stage 2 (\$9 million).

Financing information for new construction projects in individual agencies is provided in Table 5.2.2 below.

**Table 5.2.2: Summary of 2016-17 Budget – New Construction Projects**

<b>Agency</b>	<b>Financing 2016-17 \$'000</b>	<b>Financing 2017-18 \$'000</b>	<b>Financing 2018-19 \$'000</b>	<b>Financing 2019-20 \$'000</b>	<b>Total Investment \$'000</b>
<b>Chief Minister, Treasury and Economic Development Directorate</b>					
Better Public Housing – New public housing properties	155,983	121,200	80,019	0	357,202
Better Roads for Gungahlin – Gungahlin Town Centre road network improvements	4,500	0	0	0	4,500
Better Services – Dickson Motor Vehicle Inspection Station	800	0	0	0	800
Better Services – Weston Creek and Stromlo swimming pool and leisure centre	3,000	8,000	11,000	11,000	33,000
Caring for our Environment – Lake Tuggeranong Water Quality Improvement – Stage 2	0	2,500	6,500	0	9,000
City to the Lake – New Civic pool	400	0	0	0	400
Improving Our City – Woden bus interchange improvements	300	0	0	0	300
Improving Our Suburbs – New Molonglo Valley infrastructure	5,600	13,000	14,370	0	32,970
Narrabundah Ballpark Upgrade – Best little ballpark in Australia	1,000	2,500	1,000	0	4,500
National Arboretum Canberra – Water Security – Stage 2	1,700	0	0	0	1,700
<b>Total</b>	<b>173,283</b>	<b>147,200</b>	<b>112,889</b>	<b>11,000</b>	<b>444,372</b>

<b>Agency</b>	<b>Financing 2016-17 \$'000</b>	<b>Financing 2017-18 \$'000</b>	<b>Financing 2018-19 \$'000</b>	<b>Financing 2019-20 \$'000</b>	<b>Total Investment \$'000</b>
<b>Education Directorate</b>					
Better Schools – Investment in Gungahlin school infrastructure	7,950	8,650	0	0	16,600
<b>Total</b>	<b>7,950</b>	<b>8,650</b>	<b>0</b>	<b>0</b>	<b>16,600</b>
<b>Environment and Planning Directorate</b>					
Caring for our Environment – Establishing the Molonglo River Reserve – Stage 3	300	440	258	0	998
Caring for our Environment – Improving species and habitat protection	473	789	1,174	0	2,436
Caring for our Environment – Tharwa fish habitat improvement	150	200	0	0	350
Caring for our Environment – Water Quality Improvement – Contributions to the Basin Priority Project	13,500	38,050	25,721	0	77,271
<b>Total</b>	<b>14,423</b>	<b>39,479</b>	<b>27,153</b>	<b>0</b>	<b>81,055</b>
<b>Health Directorate</b>					
Better Health Services – Upgrading and maintaining ACT Health assets	20,000	40,000	35,328	0	95,328
Supporting Good Mental Health – Support for people with mental health issues to recover and live in the community	1,099	1,267	24	0	2,390
<b>Total</b>	<b>21,099</b>	<b>41,267</b>	<b>35,352</b>	<b>0</b>	<b>97,718</b>
<b>Housing ACT</b>					
Supporting Affordable Housing – Infrastructure upgrade at the Narrabundah Long Stay Park	360	0	0	0	360
<b>Total</b>	<b>360</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>360</b>
<b>Justice and Community Safety Directorate</b>					
ACT Corrective Services – Accommodation fit out	1,636	0	0	0	1,636
Alexander Maconochie Centre – Building upgrade	1,250	0	0	0	1,250
Reforming Emergency Services – Aero-medical services and hangar upgrade	395	0	0	0	395
Reforming Emergency Services – Fyshwick Fire and Rescue Station upgrade	602	0	0	0	602
Reforming Emergency Services – Guises Creek Rural Fire Station upgrade	220	0	0	0	220
Reforming Emergency Services – New SES station for Tuggeranong	1,667	1,089	0	0	2,756
<b>Total</b>	<b>5,770</b>	<b>1,089</b>	<b>0</b>	<b>0</b>	<b>6,859</b>

Agency	Financing 2016-17 \$'000	Financing 2017-18 \$'000	Financing 2018-19 \$'000	Financing 2019-20 \$'000	Total Investment \$'000
<b>Transport Canberra and City Services</b>					
<b>Directorate</b>					
Better Public Transport – Active travel for schools and shopping centres	2,500	500	0	0	3,000
Better Public Transport for Tuggeranong – Park and ride facility for Wanniasa	500	1,000	0	0	1,500
Better Public Transport for Woden and Weston Creek – New Woden bus depot <sup>1</sup>	775	NFP	NFP	0	775
Better Roads for Belconnen – Aikman Drive duplication	5,801	4,000	0	0	9,801
Better Roads for Canberra – Stronger bridges to transport freight	2,400	2,300	1,800	0	6,500
Better Roads for Gungahlin – Horse Park Drive duplication (Mulligans Flat Road to the Federal Highway)	5,000	24,000	28,000	0	57,000
Better Roads for Tuggeranong – Ashley Drive duplication (Ellerston Avenue to Johnson Drive)	500	3,000	0	0	3,500
Better Roads for Weston Creek – Cotter Road duplication (Tuggeranong Parkway to Yarralumla Creek)	4,450	13,450	11,000	0	28,900
Better Roads for Woden – Intersection safety upgrades	1,520	0	0	0	1,520
<b>Total</b>	<b>23,446</b>	<b>48,250</b>	<b>40,800</b>	<b>0</b>	<b>112,496</b>
<b>Total New Construction Projects</b>	<b>246,331</b>	<b>285,935</b>	<b>216,194</b>	<b>11,000</b>	<b>759,460</b>

Note:

1. NFP indicates not for publication. A provision has been included for the cost of this initiative in the budget.

### *Business Case Development*

Funding for business case development, including feasibility studies, recognises the long lead times involved in major construction activities, and provides agencies with the capacity to undertake planning and policy development work associated with larger, more complex proposals. It also provides the additional resources required for more comprehensive assessment of the viable options and alternatives, including linkages to the Government's service delivery objectives.

A total of \$2.1 million over four years has been provided to develop business cases on new road infrastructure for Gungahlin and Central Canberra, supporting the ACT electricity supply, projects to improve community facilities in Tuggeranong, health services in the city and local shopping centres in many locations across Canberra.

Summary information on the funding allocation for business case development in the 2016-17 Budget is provided in Table 5.2.3 below.

**Table 5.2.3: Summary of 2016-17 Budget Business Case Development**

<b>Agency</b>	<b>Financing 2016-17 \$'000</b>	<b>Financing 2017-18 \$'000</b>	<b>Financing 2018-19 \$'000</b>	<b>Financing 2019-20 \$'000</b>	<b>Total Investment \$'000</b>
<b>Chief Minister, Treasury and Economic Development Directorate</b>					
Better Roads for Gungahlin – Horse Park Drive pedestrian overpass	400	0	0	0	400
Better Roads for the Inner South – Yarralumla Estate	250	0	0	0	250
Improving Community Facilities – Building refurbishments and upgrades in Tuggeranong	100	0	0	0	100
Securing Electricity Supply in the ACT – Second supply network	250	250	0	0	500
<b>Total</b>	<b>1,000</b>	<b>250</b>	<b>0</b>	<b>0</b>	<b>1,250</b>
<b>Health Directorate</b>					
Better Health Services – City Health Centre – Feasibility	360	0	0	0	360
<b>Total</b>	<b>360</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>360</b>
<b>Transport Canberra and City Services Directorate</b>					
Improving Our Suburbs – Local shopping centre upgrades	475	0	0	0	475
<b>Total</b>	<b>475</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>475</b>
<b>Total New Business Case Development</b>	<b>1,835</b>	<b>250</b>	<b>0</b>	<b>0</b>	<b>2,085</b>

### *Forward Design*

Formal planning and design of large infrastructure projects enables detailed specifications and scope to be fully developed. This helps mitigate potential risk associated with delays and/or cost escalations during the construction phase of a project.

The Budget allocates \$1 million for design and construction preliminaries for two landfill cells at the Mugga Lane Resource Management Centre. The additional capacity will help ensure that the Territory has adequate landfill capacity beyond 2020.

Table 5.2.4 outlines the 2016-17 Forward Design projects.

**Table 5.2.4: Summary of 2016-17 Budget Forward Design Projects**

Agency	Financing 2016-17 \$'000	Financing 2017-18 \$'000	Financing 2018-19 \$'000	Financing 2019-20 \$'000	Total Investment \$'000
<b>Transport Canberra and City Services Directorate</b>					
Caring for our Environment – Essential waste management infrastructure	1,000	0	0	0	1,000
<b>Total Forward Design Projects</b>	<b>1,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,000</b>

## Urban Renewal Program

Urban renewal remains a cornerstone of the Government's economic and sustainable growth strategy. The 2016-17 Budget provides \$248 million in 2016-17 and \$493 million over the four years to 2019-20 for the Urban Renewal Program (URP).

Urban renewal is also about providing the necessary infrastructure for Canberra as the social, cultural and commercial hub for the region. Targeted urban renewal allows the better provision of public housing, services and improved access to community and leisure activities. It also reduces economic and social stress for those who are most vulnerable, thereby increasing participation and independence.

The development of new public housing properties is the single largest component of the URP, with funding of \$192 million in 2016-17 and \$393 million over the four years to 2019-20. The new properties will replace older public housing properties, enhancing the effective management of the public housing portfolio into the future.

This funding builds on the capital investment of \$91 million in the 2015-16 Budget to support the relocation of tenants from Allawah Court, Karuah, Owen Flats and the Red Hill Housing Precinct. Together, these investments support the Public Housing Renewal Program which will see the replacement of 1,288 public housing dwellings along the Northbourne Avenue corridor and in other key locations around Canberra. These existing public housing properties no longer meet the needs of tenants, and they do not support families, ageing in place, or disability access.

Funding for the Public Housing Renewal Program will be used to build and purchase properties for use as public housing, and to provide ongoing support and assistance to tenants during their relocation to improved accommodation. The new properties will better meet the needs of tenants now and into the future, while the program will provide a stimulus to the local economy and construction industry.

The Government is also providing funding of \$33 million over four years for the construction of an aquatic centre at Stromlo Forest Park. Another \$62 million will be spent over the four years to 2019-20 to provide better urban infrastructure and amenities – including active transport and public transport network, upgraded local shopping centres and new sport and leisure facilities.

The City to the Lake project will develop the West Basin as a premium waterfront leisure, sport, commercial and residential precinct. The 2016-17 Budget has funded a feasibility study into the provision of swimming and aquatic facilities in Central Canberra.

To support continued land release in new developments and urban infill locations, the Budget includes \$5 million in 2016-17 and \$7 million over four years to upgrade and enhance road networks for Gungahlin (enhanced town centre road network) and Dickson (intersection upgrades). Works will continue on the construction of the \$10 million link road between Majura Parkway and Majura Road to allow access to new commercial land sites.

A summary of the URP in individual agencies is provided in Table 5.2.5 below.

**Table 5.2.5: Urban Renewal Program**

Agency	Financing 2016-17 \$'000	Financing 2017-18 \$'000	Financing 2018-19 \$'000	Financing 2019-20 \$'000	Total Investment \$'000
<b>Chief Minister, Treasury and Economic Development Directorate</b>					
<b>New Works</b>					
Better Public Housing – New public housing properties	155,983	121,200	80,019	0	357,202
Better Services – Dickson Motor Vehicle Inspection Station	800	0	0	0	800
Better Services – Weston Creek and Stromlo swimming pool and leisure centre	3,000	8,000	11,000	11,000	33,000
City to the Lake – New Civic pool	400	0	0	0	400
Improving Our City – Woden bus interchange improvements	300	0	0	0	300
<b>Works-in-Progress</b>					
Better Roads for Gungahlin – Enhanced Town Centre road network	4,200	2,000	0	0	6,200
Dickson Group Centre Intersections – Upgrade	550	0	0	0	550
Isabella Weir Spillway Upgrades	1,300	6,935	0	0	8,235
Majura Parkway to Majura Road – Link road	6,500	2,426	0	0	8,926
Urban Renewal Program – Better Public Housing	626	0	0	0	626
Urban Renewal Program – Better Public Housing – Allawah Court	16,921	0	0	0	16,921
Urban Renewal Program – Better Public Housing – Karuah	6,992	0	0	0	6,992
Urban Renewal Program – Better Public Housing – Owen Flats	956	0	0	0	956
Urban Renewal Program – Better Public Housing – Red Hill housing precinct	10,145	0	0	0	10,145
Urban Renewal Program – City to the Lake – West Basin infrastructure	9,243	0	0	0	9,243
Urban Renewal Program – Civic and Braddon public realm improvements	1,325	0	0	0	1,325

<b>Agency</b>	<b>Financing 2016-17 \$'000</b>	<b>Financing 2017-18 \$'000</b>	<b>Financing 2018-19 \$'000</b>	<b>Financing 2019-20 \$'000</b>	<b>Total Investment \$'000</b>
Urban Renewal Program – Melrose football precinct	5,858	495	0	0	6,353
Urban Renewal Program – Molonglo 3 infrastructure	750	1,670	0	0	2,420
Urban Renewal Program – Phillip Oval upgrade	3,863	500	0	0	4,363
Woden Bus Interchange – Redevelopment Stage 1	1,635	0	0	0	1,635
<b>Capital Upgrades Program</b>					
Exhibition Park	540	0	0	0	540
Facilities Improvement Program	1,315	0	0	0	1,315
GIO Stadium	485	0	0	0	485
Manuka Oval	380	0	0	0	380
Pools Improvement Program	785	0	0	0	785
Stromlo Forest Park	160	0	0	0	160
Water System Upgrade Program	540	0	0	0	540
<b>Total</b>	<b>235,552</b>	<b>143,226</b>	<b>91,019</b>	<b>11,000</b>	<b>480,797</b>

#### **Environment and Planning Directorate**

##### **Capital Upgrades Program**

Restoration of Heritage Sites	127	0	0	0	127
<b>Total</b>	<b>127</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>127</b>

#### **Transport Canberra and City Services Directorate**

##### **New Works**

Improving Our Suburbs – Local shopping centre upgrades	475	0	0	0	475
---	-----	---	---	---	-----

##### **Works-in-Progress**

Local Shopping Centre Upgrades Program	300	0	0	0	300
Shopping Centre Upgrade Program – Red Hill and Lyons	343	0	0	0	343
Urban Renewal Program – Acton – Sullivans Creek cycle path upgrades	900	0	0	0	900
Urban Renewal Program – Erindale Group Centre – Gartside Street (south) development – Stage 1	780	0	0	0	780
Urban Renewal Program – Oaks Estate river corridor heritage walk improvements – Stage 1	180	0	0	0	180
Urban Renewal Program – Playground repairs	40	0	0	0	40
Urban Renewal Program – Tuggeranong – Anketell Street (north) upgrade – Stage 1	390	0	0	0	390
Urban Renewal Program – Tuggeranong Valley and Kaleen age friendly facilities	375	0	0	0	375



Agency	Financing 2016-17 \$'000	Financing 2017-18 \$'000	Financing 2018-19 \$'000	Financing 2019-20 \$'000	Total Investment \$'000
Urban Renewal Program – Weston Group Centre – Brierly Street and Trenerry Square upgrades	780	0	0	0	780
<b>Capital Upgrades Program</b>					
Armour Cable upgrade	500	0	0	0	500
Fitness Equipment Upgrade	330	0	0	0	330
Footpath and cycling improvements	1,500	0	0	0	1,500
Public Toilet Upgrade Program	785	0	0	0	785
Public Transport Canberra Upgrades	1,000	0	0	0	1,000
Residential street improvements	600	0	0	0	600
Road barrier improvements	200	0	0	0	200
Road safety measures	500	0	0	0	500
Safety Improvements lighting	500	0	0	0	500
Stormwater improvement program	1,415	0	0	0	1,415
<b>Total</b>	<b>11,893</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11,893</b>
<b>Total Urban Renewal Program</b>	<b>247,572</b>	<b>143,226</b>	<b>91,019</b>	<b>11,000</b>	<b>492,817</b>

## Capital Upgrades

Funding of \$53 million has been allocated in 2016-17 and \$221 million over four years for capital upgrades that extend the useful life or improve the service delivery capacity of existing Territory physical infrastructure assets. Upgrades are distinct from routine repairs and maintenance, which receive separate funding.

The Capital Upgrades Program includes projects in all areas including urban infrastructure and facilities, roads, health, education, and justice and community safety. Details of capital upgrade projects, by agency, are provided in Capital Works – Capital Upgrades Program (Appendix E).

### *Works-in-Progress*

The Budget provides for a significant work program from previous years, with Works-in-Progress (WIP) totalling \$450 million in 2016-17 and \$646 million over four years to 2019-20.

The significant WIP projects include:

- the construction of the University of Canberra Public Hospital (\$188 million over the four years to 2019-20);
- road projects to support urban development, link suburban and commercial centres and improve arterial roads. These include major projects such as Gundaroo Drive duplication – Stage 1, Ashley Drive duplication – Stage 2, Horse Park Drive duplication, projects funded under the Commonwealth Government Roads to Recovery Program and Majura Road to Majura Parkway – Link Road Construction (\$118 million over four years);

- the continued redevelopment, expansion and upgrade of Canberra and Calvary Hospitals, and ACT Health facilities (\$61 million);
- the construction and renewal of schools in North Gungahlin, Molonglo, Belconnen and Chisholm (\$52 million);
- public housing renewal in City and Red Hill precincts (\$36 million);
- measures to improve our environment including Cravens Creek Water Quality Control Pond, Isabella Weir Spillway Upgrades and Enhancing the Protection of Endangered Species and Habitat (\$24 million);
- the construction of a Secure Mental Health Unit (\$19 million);
- the construction of the Melrose Football precinct and Phillip Oval Upgrade (\$11 million);
- provision of detainee industries and activities facilities at the Alexander Maconochie Centre (\$9 million); and
- continued funding for the procurement and contract management of the New ACT Law Courts Facilities under a Public Private Partnership (\$6 million).

Financing information for all WIP projects in individual agencies is provided in Capital Works – Works-in-Progress (Appendix G).

## Public Trading Enterprises Capital Works Program

In 2016-17, Public Trading Enterprises (PTEs) are expected to undertake new works totalling \$306 million. These works are those financed by PTEs through own-source revenue and/or borrowing.

**Table 5.2.6: Summary of Public Trading Enterprises Capital Works**

Agency	Financing	Financing	Financing	Financing
	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
ACT Public Cemeteries Authority	392	166	0	0
Housing ACT	41,396	33,167	26,981	27,839
Icon Water	111,082	99,612	70,554	59,500
Land Development Agency	153,554	147,130	149,948	128,378
<b>Total PTEs</b>	<b>306,424</b>	<b>280,075</b>	<b>247,483</b>	<b>215,717</b>

### **ACT Public Cemeteries Authority**

The ACT Public Cemeteries Authority will undertake a program of works to upgrade and enhance the Territory's public cemeteries. Planned works include the following:

- Gungahlin Cemetery – irrigation upgrades, new burial areas and road works; and
- Woden Cemetery – Extension to cemetery grounds, new burial areas and road works.

## ***Housing ACT***

Housing ACT undertakes a program of constructing or buying properties each year, as well as upgrading and refurbishing properties to ensure that they continue to meet the needs of tenants and are maintained at an acceptable standard. The funding for this program is derived from the proceeds from the sale of properties and, if available, funds from operations.

The redevelopment of the public housing properties is essential to the effective management of the portfolio to better meet the needs of tenants and future tenants, including applicants on the Social Housing Register currently waiting to be housed.

The Housing Capital Program focuses on constructing properties to deliver a range of housing options for tenants. Properties to be constructed or purchased include larger sized housing of four or more bedrooms, and a number of smaller scale multi-unit two-bedroom developments. This structured and consistent approach to the long-term management of the portfolio improves the performance of the public housing portfolio, and the effectiveness, efficiency and quality of services delivered to tenants.

The 2016-17 Housing Capital Program, consisting of \$32.8 million for the purchase or construction of dwellings, is below the activity levels of the past few years but is in line with the longer-term program. A further \$8.6 million will be spent on refurbishing and upgrading existing properties to bring them up to standard. This annual Housing Capital Program is augmented by the Public Housing Renewal Program that will see the replacement of 1,288 public housing dwellings along the Northbourne Avenue corridor and in other key locations around Canberra.

Since the 2015-16 Budget, the Government's total capital investment in the Public Housing Renewal Program is \$490 million. In addition, a further \$60 million has been provided to prepare sites for sale and to facilitate the relocation of tenants into their new homes.

## ***Icon Water Limited***

Key capital works projects for Icon Water in 2016-17 include upgrading the Lower Molonglo Water Quality Control Centre, and Icon Water Information Technology infrastructure.

Significant investment continues in the Main Rehabilitation Programs for both sewer and water, as well as the Water Meter Replacement Program. There will also be an increase in funding for the renewal and upgrade of electrical and instrumentation control systems across Icon Water facilities.

## ***Land Development Agency***

The Land Development Agency sells and develops land on behalf of the Government. Infrastructure works to be undertaken in 2016-17 and the forward estimates include roadworks, road lines and signs, stormwater, water supply to blocks, sewerage infrastructure to blocks, utility connections, data cabling, landscaping, parks and recreational areas, concrete paths linking parts of an estate, driveways, and street lighting.

The bulk of the works will be undertaken at the major land developments in the suburbs of Moncrieff, Taylor and Throsby in Gungahlin, Coombs and Denman Prospect in Molonglo, and Lawson in Belconnen. Works will also be undertaken in Greenway, Parkes, Phillip and at the Kingston Foreshore.

## 2015-16 Budget-Funded Capital Works Estimated Outcomes

The 2015-16 Budget allocated \$699 million to capital works projects which included New Works, Capital Upgrades and Works-in-Progress. This budget appropriation was adjusted for the rollover of 2014-15 program funding, opening financial year adjustments, and revisions to Commonwealth funding. These adjustments provided total funds of \$747 million available for expenditure in 2015-16.

The Territory's annual capital works expenditure for 2015-16 is estimated at \$607 million (excluding Information and Communications Technology and Plant and Equipment). Table 5.2.7 shows a summary of forecast capital works expenditure between 2015-16 and 2019-20.

**Table 5.2.7: Capital Works Expenditure 2015-16 to 2019-20<sup>1</sup>**

2015-16 Estimate \$'000	2016-17 <sup>2</sup> Estimate \$'000	2017-18 <sup>2</sup> Estimate \$'000	2018-19 <sup>2</sup> Estimate \$'000	2019-20 <sup>2</sup> Estimate \$'000
606,631	648,506	598,511	526,892	204,741

**Note:**

1. The Capital Works Program does not include the value of the Public Private Partnerships for the ACT Law Courts Facilities and Light Rail – Stage 1. A discussion of the budget treatment of PPPs is provided in Infrastructure Investment in the ACT (Chapter 5.1).
2. Estimates include capital provisions for commercially sensitive projects.

### ***Project Re-profiling and Savings***

Over the course of 2015-16, agencies reviewed their infrastructure, upgrades and other projects in light of expenditure to date and identified where the re-profiling of their projects was appropriate. This process also included bringing forward planned out-year expenditure to accelerate some existing projects and returning savings to the Budget.

A total of \$90 million has been re-profiled from 2015-16 to 2016-17 and the forward years. Program savings of \$50 million have also been identified for return to the Budget.

Table 5.2.8 provides a summary of expected outcomes for individual agencies for 2015-16, compared to total funds available for the Capital Works Program.

Details of savings and re-profiling for individual projects are provided in Capital Works – 2015-16 Savings and Project Variations (Appendix H) and Capital Works – 2015-16 Re-profiling (Appendix I).

**Table 5.2.8: Summary of 2015-16 Capital Works Estimated Outcome**

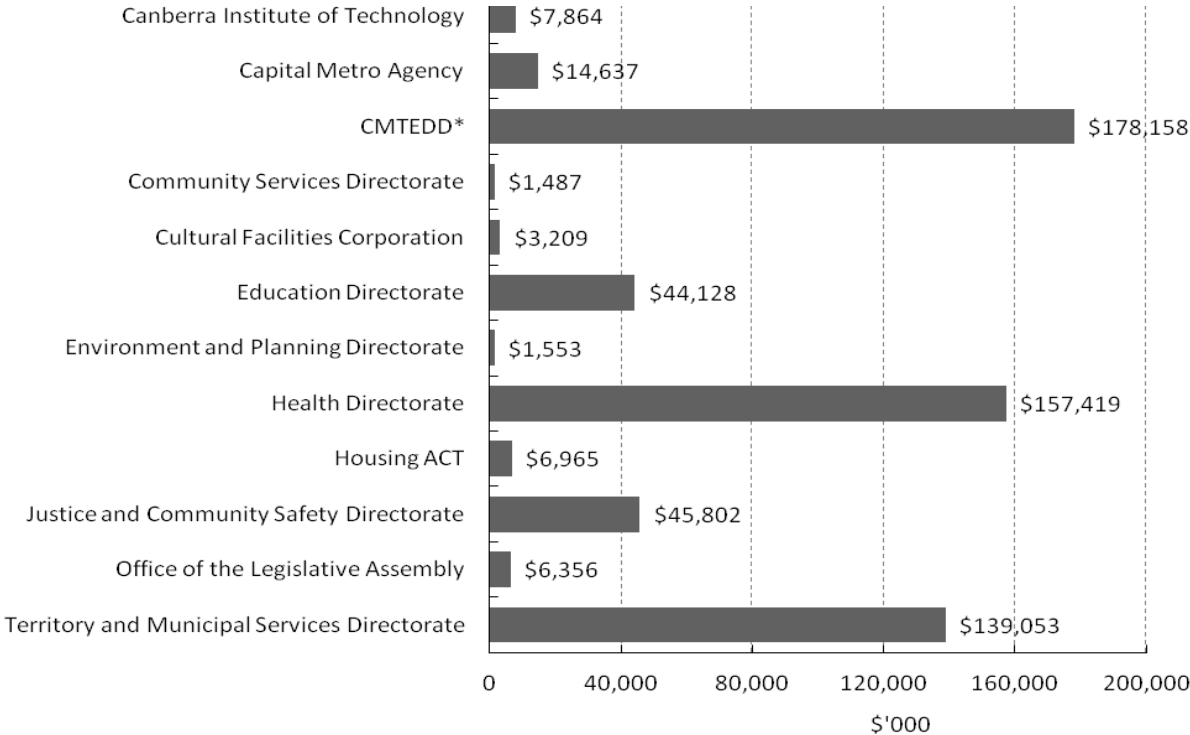
	<b>Total Financing 2015-16 \$'000</b>	<b>Project Savings 2015-16 \$'000</b>	<b>Financing Re-profiled 2015-16<sup>1</sup> \$'000</b>	<b>Estimated Outcome 2015-16 \$'000</b>
Canberra Institute of Technology	7,189	0	675	7,864
Capital Metro Agency <sup>2</sup>	16,137	0	-1,500	14,637
Chief Minister, Treasury and Economic Development Directorate	251,664	-32,647	-40,859	178,158
Community Services Directorate	2,843	0	-1,356	1,487
Cultural Facilities Corporation	3,209	0	0	3,209
Education Directorate	56,348	-7,690	-4,530	44,128
Environment and Planning Directorate	2,351	0	-798	1,553
Health Directorate	157,741	0	-322	157,419
Housing ACT	6,965	0	0	6,965
Justice and Community Safety Directorate	68,177	-6,269	-16,106	45,802
Office of the Legislative Assembly	6,356	0	0	6,356
Territory and Municipal Services Directorate <sup>2</sup>	168,318	-3,624	-25,641	139,053
<b>Total</b>	<b>747,298<sup>3</sup></b>	<b>-50,230</b>	<b>-90,437</b>	<b>606,631</b>

**Note:**

1. Financing from 2015-16 is re-profiled into 2016-17 and the outyears. Some projects have also been accelerated.
2. These agencies will be amalgamated to form the Transport Canberra and City Services Directorate from 1 July 2016.
3. This figure includes Section 16B rollovers from 2014-15 to 2015-16. Refer to Capital Works – 2014-15 to 2015-16 Section 16B Rollovers (Appendix J) for further detail.

Figure 5.2.1 shows estimated capital works expenditure for 2015-16 by agency. The Chief Minister, Treasury and Economic Development Directorate has the largest forecast spend (\$178 million) followed by the Health Directorate (\$157 million) and the Territory and Municipal Services Directorate (\$139 million).

**Figure 5.2.1: Estimated Capital Expenditure by Agency in 2015-16**



**Note:** \*CMTEDD – Chief Minister, Treasury and Economic Development Directorate.

## 5.3 SUPPLY AND RELEASE OF LAND

---

The ACT Government plans for the supply and release of land, taking into account factors such as forecast population changes, household changes, demand for land, and the capacity to deliver key infrastructure and services cost effectively.

The four year Indicative Land Release Program (ILRP) is one of the Government's economic and social strategies for the community. The ILRP assists the Government to achieve its financial and environmental objectives:

- promoting economic and social development of the Territory;
- meeting the demand for land in the Territory;
- establishing an appropriate inventory of serviced land;
- facilitating the provision of affordable housing; and
- achieving satisfactory returns from the sale of unleased Territory land.

The Land Development Agency (LDA) is on track to release in excess of 4,000 dwelling sites in 2015-16, exceeding the target of 3,513. This includes the building of new public housing properties to replace ageing houses sold by the Territory under the Commonwealth Government's Asset Recycling Initiative which commenced in 2015-16.

The 2016-17 ILRP includes a sales target of 17,780 dwelling sites between 2016-17 and 2019-20. This is a net increase of 590 dwelling sites on the program published with the 2015-16 Budget. This net increase reflects a rise in the number of dwelling sites expected to be released from 3,713 to 4,550 in 2016-17, a fall from 4,566 to 4,430 in 2017-18, a decline from 5,398 to 4,700 in 2018-19, and a release target of 4,100 in 2019-20.

The higher land release target for 2016-17 is a response to sound market conditions. The ILRP includes sites across three greenfield development fronts and many infill locations. A key Government priority is development along the light rail corridor, including the redevelopment of ageing public housing properties.

Demand for detached housing remains strong and the Government continues to increase the supply of standard residential sites in greenfield estates in the ILRP. Detached housing sites in Taylor and Throsby are programmed for release in 2016-17. To increase the rate of land servicing and compress the time between releases and shovel ready sites, concurrent civil contracts are continuing to be let in most greenfield areas; this is expected to continue.

The ILRP also includes 16 sites (involving 4,812 individual dwelling sites as well as significant commercial and mixed use releases) that the Territory is selling under the Commonwealth Government's Asset Recycling Initiative.

The Indicative Commercial Land Release Program seeks to ensure that adequate and affordable commercial land is available to support the needs of a growing economy. The Program includes a target of 95,777 square metres of dedicated commercial land, and a further 249,198 square metres as part of mixed use developments that facilitate residential infill.

The Indicative Industrial Land Release Program includes a release target of 166,000 square metres of industrial land over the next four years in Hume, Symonston, Fyshwick and Pialligo.

The Indicative Community and Non-Urban Land Release Program identifies a range of community facility sites, including aged care and child care sites. The Program includes a target of 383,897 square metres of community and non-urban land over the next four years.

The 2016-17 Budget makes significant capital investments to support the objectives of the Indicative Land Release Program. Projects supporting developments across the Territory include:

- **Better Roads for Gungahlin – Gungahlin Town Centre road network improvements (\$5 million):** the construction of Ernest Cavanagh Street extension is essential to facilitate the release of land within the light rail corridor and is required to alleviate traffic congestion caused by the construction of the light rail project;
- **Improving Our Suburbs – New Molonglo Valley infrastructure (\$33 million):** this project is for the construction of necessary transport and utility infrastructure to support the urban development of Molonglo 3 and the new suburb of Whitlam; and
- **Caring for our Environment – Lake Tuggeranong Water Quality Improvement – Stage 2 (\$9 million):** additional construction funding for the already approved Isabella Weir upgrade project (see below) will ensure the Weir meets the recently introduced ACT Dam Safety Code. It will also provide for the construction of wetland areas within Isabella Pond to improve water quality in Tuggeranong Pond and Lake Tuggeranong, and downstream in the Murrumbidgee River.

A number of projects related to land release funded in the 2014-15 and 2015-16 Budgets will continue to be delivered throughout 2016-17, including:

- **Better Roads for Gungahlin – Enhanced Town Centre road network (\$14 million):** construction of the Valley Avenue and Manning Clarke Crescent extensions, as well as an access road off the Manning Clarke Crescent extension which will provide access to the east side of Gungahlin Town Centre;
- **Better Roads for Gungahlin – Horse Park Drive duplication (\$17 million):** construction of the first stage of the duplication of Horse Park Drive between Anthony Rolfe Avenue and Well Station Drive and associated infrastructure will facilitate land release in Throsby;



- **Isabella Weir Spillway Upgrades (\$10 million):** upgrade of the Isabella Weir spillway to provide flood protection for development on the shores of Lake Tuggeranong. This project is the early stage of the program of works to improve the water quality of Lake Tuggeranong; and
- **Majura Parkway to Majura Road – Link road (\$10 million):** construction of a road linking Majura Parkway and Majura Road will allow direct vehicular access to the Majura West Precinct, Canberra Airport – Majura Park and allow for access to new commercial land sites.

In addition to the substantial capital investments being made by the Government in the 2016-17 Budget to support its land development activities, the LDA is also budgeting for significant infrastructure works in its program. In 2016-17, the value of works to be funded by the LDA is in the order of \$154 million.

The 2016-17 Budget maintains a strong focus on ensuring that urban developments are sustainable. Over the last year, the LDA has continued to incorporate the principles of environmentally sensitive development into its activities.

A summary of the ILRP is set out in Table 5.3.1.

**Table 5.3.1: Indicative Land Release Program**

***Indicative Residential Land Release Program 2016-17 to 2019-20***

<b>Location</b>	<b>2016-17 Number of Dwelling Sites</b>	<b>2017-18 Number of Dwelling Sites</b>	<b>2018-19 Number of Dwelling Sites</b>	<b>2019-20 Number of Dwelling Sites</b>
Asset Recycling Initiative	1,940	1,890	982	0
Belconnen	300	1,300	500	850
Central Canberra	648	350	460	1,135
Gungahlin	908	650	1,043	635
Molonglo	230	180	1,540	1,230
Tuggeranong	524	0	25	0
Woden and Weston	0	60	150	250
<b>Total</b>	<b>4,550</b>	<b>4,430</b>	<b>4,700</b>	<b>4,100</b>

***Indicative Commercial Land Release Program (site area) 2016-17 to 2019-20***

<b>Location</b>	<b>2016-17 m<sup>2</sup></b>	<b>2017-18 m<sup>2</sup></b>	<b>2018-19 m<sup>2</sup></b>	<b>2019-20 m<sup>2</sup></b>
Asset Recycling Initiative	3,515	3,446	0	0
Belconnen	1,070	0	0	0
Central Canberra	3,024	0	20,599	8,622
Gungahlin	0	15,476	10,170	16,985
Molonglo	0	0	0	0
Tuggeranong	0	7,668	0	0
Woden and Weston	5,202	0	0	0
<b>Total</b>	<b>12,811</b>	<b>26,590</b>	<b>30,769</b>	<b>25,607</b>

**Indicative Industrial Land Release Program (site area) 2016-17 to 2019-20**

<b>Location</b>	<b>2016-17 m<sup>2</sup></b>	<b>2017-18 m<sup>2</sup></b>	<b>2018-19 m<sup>2</sup></b>	<b>2019-20 m<sup>2</sup></b>
Fyshwick	0	30,000	7,000	7,000
Hume	20,000	20,000	20,000	20,000
Majura/Pialligo	0	0	10,000	5,000
Symonston	10,000	5,000	5,000	7,000
<b>Total</b>	<b>30,000</b>	<b>55,000</b>	<b>42,000</b>	<b>39,000</b>

**Indicative Community and Non Urban Land Release Program (site area) 2016-17 to 2019-20**

<b>Location</b>	<b>2016-17 m<sup>2</sup></b>	<b>2017-18 m<sup>2</sup></b>	<b>2018-19 m<sup>2</sup></b>	<b>2019-20 m<sup>2</sup></b>
Belconnen	3,638	3,503	0	100,000
Central Canberra	1,996	0	0	0
Gungahlin	80,000	47,751	40,156	440
Molonglo	0	0	0	34,500
Tuggeranong	41,897	0	8,000	0
Woden and Weston	3,873	18,143	0	0
<b>Total</b>	<b>131,404</b>	<b>69,397</b>	<b>48,156</b>	<b>134,940</b>

**Indicative Mixed Use Land Release Program (site area) 2016-17 to 2019-20**

<b>Location</b>	<b>2016-17 m<sup>2</sup></b>	<b>2017-18 m<sup>2</sup></b>	<b>2018-19 m<sup>2</sup></b>	<b>2019-20 m<sup>2</sup></b>
Asset Recycling Initiative	61,505	54,715	13,633	0
Belconnen	0	8,304	13,612	9,465
Central Canberra	16,000	12,968	0	35,282
Gungahlin	0	10,000	0	5,000
Molonglo	8,714	0	0	0
Tuggeranong	0	0	0	0
Woden and Weston	0	0	0	0
<b>Total</b>	<b>86,219</b>	<b>85,987</b>	<b>27,245</b>	<b>49,747</b>

## 5.4 THE TERRITORY'S INFRASTRUCTURE

### The Territory's Asset Base

The Territory's physical assets largely consist of public housing, stormwater infrastructure, roads, community and heritage assets and schools, as well as the land on which they are situated.

Table 5.4.1 below shows the Territory's physical asset base split between the General Government Sector and the Public Trading Enterprise sector. Over the 12 months to 30 June 2015, the total value of physical assets – net of depreciation – has increased by \$796 million to \$21.2 billion. Factoring in the combination of capital works projects reaching completion and asset revaluations, it is expected that the value of the Territory's total physical assets will increase further to \$21.8 billion by June 2016.

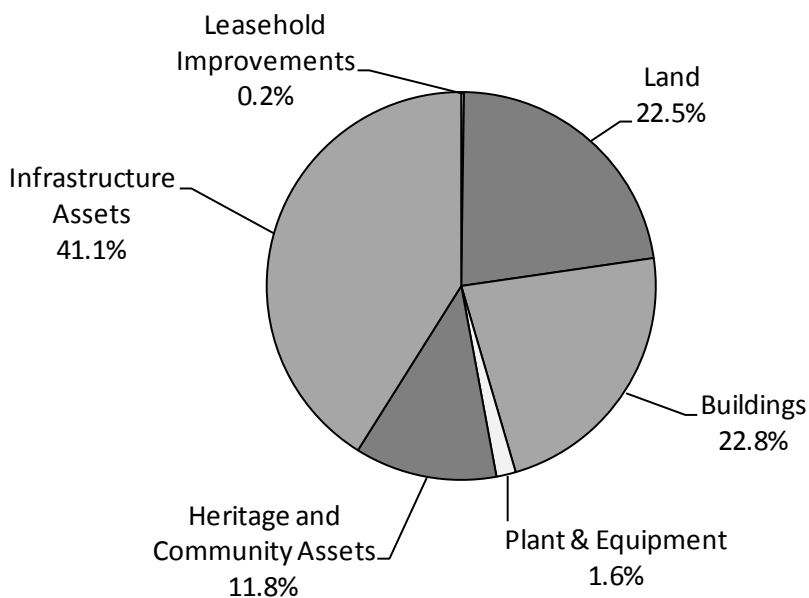
**Table 5.4.1: Total Territory Physical Assets – Value by Sector**

As at 30 June	2012 Actual \$m	2013 Actual \$m	2014 Actual \$m	2015 Actual \$m	2016 Estimate \$m	2017 Estimate \$m
General Government Sector	13,021	13,653	13,874	14,535	14,944	15,037
Public Trading Enterprise Sector	5,787	6,430	6,506	6,642	6,833	7,163
<b>Total Territory</b>	<b>18,808</b>	<b>20,084</b>	<b>20,380</b>	<b>21,176</b>	<b>21,777</b>	<b>22,200</b>

**Note:** Numbers may not add due to rounding.

Figure 5.4.1 below shows that, as at 30 June 2015, the Territory's assets were mostly classed as infrastructure assets (41 per cent), buildings (23 per cent) and land (23 per cent).

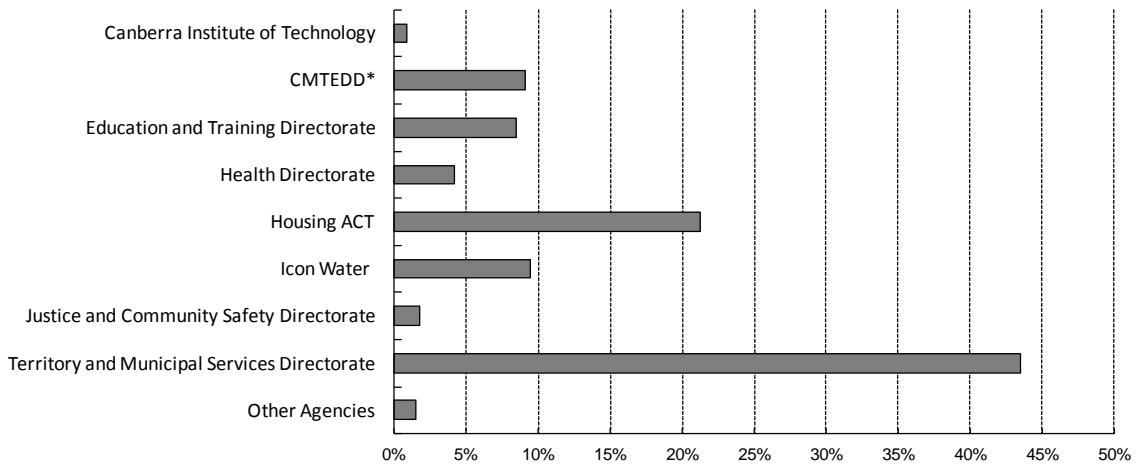
**Figure 5.4.1: Total Territory Physical Asset Value – Distribution by Category as at 30 June 2015**



### Distribution of the Territory Assets by Agency and Type

Reflecting their functions in the provision of municipal and transport services, as at 30 June 2015 the Territory and Municipal Services Directorate held 44 per cent of the value of the Territory’s physical assets. The majority of these assets will be transferred to the Transport Canberra and City Services Directorate from 1 July 2016. Housing ACT had responsibility for 21 per cent of the Territory’s asset base, Icon Water held 9 per cent, while the Chief Minister, Treasury and Economic Development Directorate held 9 per cent (see Figure 5.4.2 below).

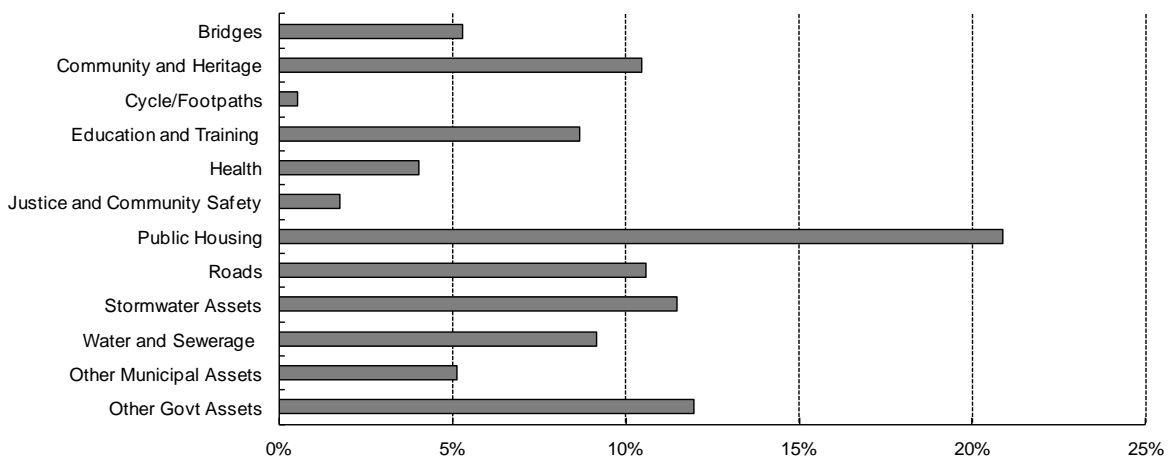
**Figure 5.4.2: Total Territory Physical Asset Value – Distribution by Agency as at 30 June 2015**



**Note:** \*CMTEDD – Chief Minister, Treasury and Economic Development Directorate.

The largest component of the Territory’s assets relate to the provision of public housing. Other significant asset holdings relate to road infrastructure and municipal, community and heritage, and education services (see Figure 5.4.3 below).

**Figure 5.4.3: Total Territory Physical Asset Holding – Distribution by Asset Type as at 30 June 2015**



## Asset Management

As noted in the Capital Works Program (Chapter 5.2), budget-funded agencies with physical assets are provided funding for capital upgrade projects that extend the useful life or improve the service delivery capacity of existing Territory physical infrastructure assets.

Recurrent funding is also provided for routine maintenance to ensure that assets are of an operational standard. The 2016-17 Budget provides \$53 million for capital upgrades and \$192 million for repairs and maintenance.

Details of capital upgrade funding by agency are provided at Capital Works – Capital Upgrades Program (Appendix E). A summary of the Territory’s repairs and maintenance funding is provided in Table 5.4.2 below.

**Table 5.4.2: Total Territory Repairs and Maintenance Funding**

<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
153,992	145,205	153,534	183,330	192,370	200,826



## 5.5 ASSET RECYCLING

---

### The Asset Recycling Initiative

The Commonwealth Government's Asset Recycling Initiative (ARI) aims to encourage investment in productivity enhancing new infrastructure by providing financial incentives for the States and Territories to sell assets and re-invest the proceeds in productive infrastructure. Under the ARI, all assets to be sold and proposed infrastructure projects must be agreed with the Commonwealth before 1 July 2016.

Following negotiations, in February 2015, the Commonwealth Government agreed to a list of assets to be sold, and to light rail as the productive infrastructure project to receive investment.

The assets to be sold as part of the ARI are listed in the schedule to the National Partnership Agreement (NPA) and include ACTTAB (sold in 2014-15), ageing public housing assets, and office accommodation. The Government will be progressing sales under the ARI program until 2018-19. The schedule was updated in April 2016 to include additional public housing assets, to reflect changes to the estimated timeline of sales and actual sale values of some assets (increasing expected incentive payments by \$8.22 million in total).

All proceeds of the asset sales (currently estimated at \$448 million) and incentive payments from the Commonwealth (15 per cent of asset sale values, currently estimated at \$67 million) will be invested in Light Rail – Stage 1, making a total contribution of \$515 million.

As part of the NPA, the ACT Government reports on ARI funding received and receivable along with associated sales and payments towards Light Rail – Stage 1 in each financial year (Table 5.5.1). In 2015-16, \$3.923 million in incentive payments from the Commonwealth and \$4.7 million from deposits for asset sales were added to the funding pool. As no payments have yet been made under the Light Rail – Stage 1 contract, the closing balance of Table 5.5.1 represents funds held for this purpose.

**Table 5.5.1: Asset Recycling Initiative Accrued Funding Pool**

	<b>2015-16</b>
	<b>\$'000</b>
<b>Opening Balance<sup>1</sup></b>	<b>113,410</b>
Proceeds of Net Asset Sales (Deposit)	4,700
Incentive Payments from the Commonwealth (Incentives)	3,923
<b>Sub-Total (Sales and Incentives)</b>	<b>8,623</b>
Payments towards Light Rail – Stage 1	0
<b>CLOSING BALANCE</b>	<b>122,033</b>

**Note:**

1. Adjusted opening balance.

Further incentive payments are expected to be received in 2016-17, when construction of Light Rail – Stage 1 is due to commence and the schedule for asset sales progresses. Corresponding figures across the forward estimates are provided in Federal Financial Relations (Chapter 7).

## **Streetlights**

In the 2014-15 Budget, the Government announced that it would consider the sale of the Territory's streetlights as part of asset recycling. During 2015-16, the Government called for expressions of interest to determine an appropriate strategy for the future ownership and ongoing management of the Territory's streetlights.

The Government received significant interest from respondents, both from Australia and internationally.

Following a detailed and rigorous evaluation process, the Government has decided to retain ownership of the streetlight assets and approach the market through a Request for Tender process which will seek a complete management solution for the streetlights, including energy efficiency and other upgrades over the life of the contract. Further information is provided in the 2016-17 Budget update of 'A Sustainable Territory'.

The 2015-16 Budget contained a general provision for asset sales, including the potential sale of streetlight assets. As this sale is no longer proceeding, the provision has been adjusted accordingly.



# CHAPTER 6

## REVENUE

<b>Chapter</b>	<b>Page</b>
<b>6.1 Revenue Overview</b>	<b>225</b>
<b>6.2 Revenue and Forward Estimates</b>	<b>227</b>
<b>6.3 Taxation Reform</b>	<b>249</b>



## 6.1 REVENUE OVERVIEW

Total ACT General Government Sector (GGS) revenue in 2016-17 is estimated to be \$5.1 billion, compared with a 2015-16 estimated outcome of \$4.7 billion.

The increase of \$326 million primarily reflects increased current grants from the Commonwealth (consisting of \$105.4 million more in Goods and Services Tax (GST) revenue, an additional \$33.2 million in National Specific Purpose Payments, and an extra \$32.1 million in National Partnership Payments – Capital), a \$90.6 million increase in taxation revenue and \$37.4 million extra from gains from contributed assets. Offsetting these increases are lower interest income (\$17.6 million), and dividend and tax equivalents income (\$14.6 million).

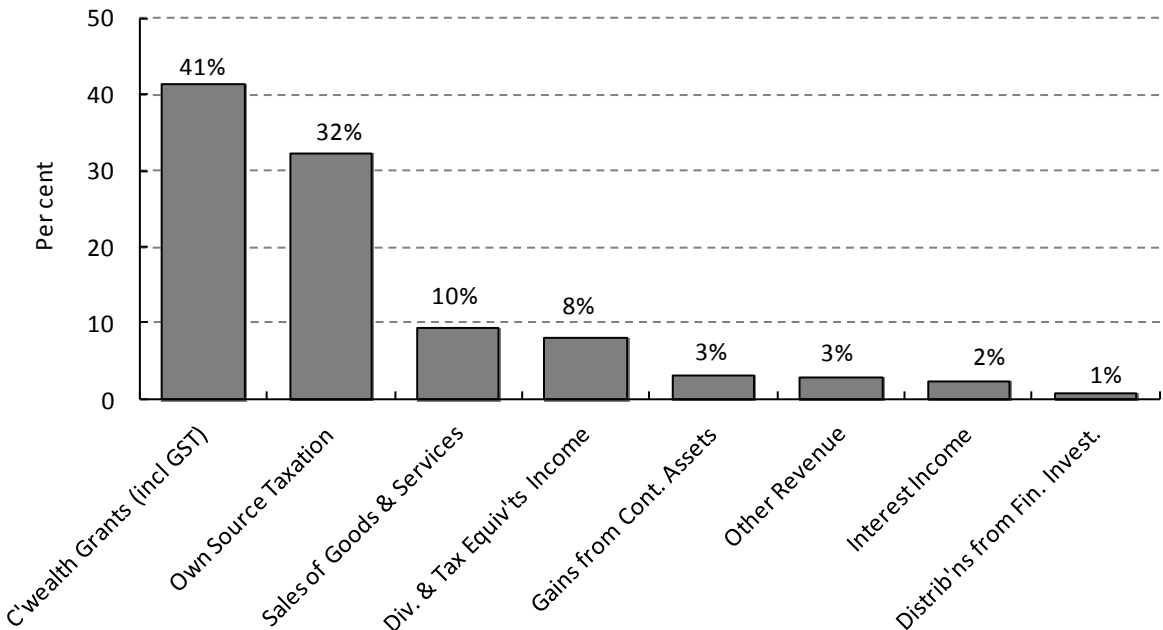
Over the forward estimates, total revenue is expected to grow at an average annual rate of 3.3 per cent.

This Budget continues the Government’s tax reform process. Insurance duties are fully abolished from 1 July 2016, while conveyance duties are being further reduced. More information on the Government’s taxation reform program is provided in Taxation Reform (Chapter 6.3).

### 2016-17 Budget and Forward Estimates Revenues

Figure 6.1.1 provides an overview of the sources of ACT Government revenue.

**Figure 6.1.1: Components of the 2016-17 Budget General Government Sector Revenue**



As can be seen from Figure 6.1.1, the majority of GGS revenue is from Commonwealth Grants (41 per cent) and own source taxation (32 per cent).

The ACT has a number of revenue raising disadvantages in comparison with other jurisdictions as a significant proportion of the Territory's economic activity is generated by Commonwealth Government expenditure within the ACT.

Commonwealth employment, which contributes much of the Territory's wages expenditure, is exempt from payroll tax. Moreover, the ACT has limited employment in manufacturing, agricultural and mining industries, important contributors to other jurisdictions' payroll tax bases.

While the ACT is compensated for these limitations through the Commonwealth Grants Commission's assessment process for allocating GST revenue, it nevertheless has comparatively less capacity and flexibility to raise own-source revenue than other jurisdictions.

Table 6.1.1 provides a summary of GGS revenue by source.

**Table 6.1.1: General Government Sector Revenue**

<b>2015-16 Budget</b>		<b>2015-16 Est. Outcome</b>	<b>2016-17 Budget</b>	<b>Var</b>	<b>2017-18 Estimate</b>	<b>2018-19 Estimate</b>	<b>2019-20 Estimate</b>
<b>\$'000</b>		<b>\$'000</b>	<b>\$'000</b>	<b>%</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
1,491,730	Own Source Taxation	1,543,327	1,633,960	6	1,751,100	1,871,500	1,970,398
1,860,511	Commonwealth Grants <sup>1</sup>	1,874,723	2,087,251	11	2,162,771	2,200,391	2,293,328
109,573	Gains from Contributed Assets	118,429	155,806	32	98,906	124,785	100,206
482,202	Sales of Goods and Services	476,411	479,416	1	504,001	519,408	529,257
135,201	Interest Income	133,836	116,210	-13	117,197	106,154	112,564
63,167	Distribution from Financial Investments	28,300	36,391	29	45,293	47,615	50,573
329,428	Dividend and Income Tax Equivalents	420,448	405,808	-3	282,238	364,778	382,900
137,729	Other	136,956	143,342	5	142,321	144,619	142,595
<b>4,609,541</b>	<b>Total</b>	<b>4,732,430</b>	<b>5,058,184</b>	<b>7</b>	<b>5,103,827</b>	<b>5,379,250</b>	<b>5,581,821</b>

**Note:**

1. This amount includes the gross-up of the Goods and Services Tax (GST) on Non-Government Schools funding of \$18.2 million in 2015-16, \$19.3 million in 2016-17, \$19.9 million in 2017-18, \$20.8 million in 2018-19 and \$21.9 million in 2019-20.

Further detail on revenue lines is provided in Revenue and Forward Estimates (Chapter 6.2).

## 6.2 REVENUE AND FORWARD ESTIMATES

### Own Source Taxation

The estimated outcome for own source taxation revenue in 2015-16 is \$1.5 billion, which is \$52 million higher than the 2015-16 Budget. The increase is largely due to higher than expected payroll tax and conveyance duties.

Total own source taxation revenue is forecast to increase to \$1.6 billion in 2016-17 as a result of indexation and new initiatives, including the increased scope for the Lifetime Care and Support Levy to fund the extension of the Lifetime Care and Support Scheme to cover catastrophically injured workers, and a new Safer Families Levy. Table 6.2.1 provides the 2015-16 estimated outcome, the 2016-17 Budget and the forward estimates for own source taxation revenue.

**Table 6.2.1: Own Source Taxation Revenue**

2015-16 Budget		2015-16 Est. Outcome	2016-17 Budget	Var	2017-18 Estimate	2018-19 Estimate	2019-20 Estimate
\$'000		\$'000	\$'000	%	\$'000	\$'000	\$'000
	<b>General Tax</b>						
402,250	Payroll Tax	421,825	439,977	4	468,230	506,069	543,341
5,733	Tax Waivers	169	172	2	178	182	182
145,303	Commercial General Rates <sup>1</sup>	144,478	158,602	10	171,229	184,517	198,501
274,456	Residential General Rates <sup>1</sup>	274,764	288,578	5	316,805	345,290	371,163
94,069	Land Tax	99,069	110,345	11	130,079	138,212	144,195
<b>921,811</b>	<b>Total General Tax</b>	<b>940,305</b>	<b>997,673</b>	<b>6</b>	<b>1,086,522</b>	<b>1,174,270</b>	<b>1,257,383</b>
	<b>Duties</b>						
62,033	Commercial Conveyances <sup>2</sup>	86,577	79,410	-8	74,820	72,894	72,598
167,024	Residential Conveyances <sup>2</sup>	181,593	187,564	3	196,905	206,769	212,930
12,964	General Insurance <sup>3</sup>	12,964	-	-100	-	-	-
873	Life Insurance <sup>3</sup>	873	-	-100	-	-	-
30,286	Motor Vehicle Registrations and Transfers	27,644	30,630	11	31,325	32,390	33,490
<b>273,180</b>	<b>Total Duties</b>	<b>309,652</b>	<b>297,605</b>	<b>-4</b>	<b>303,051</b>	<b>312,054</b>	<b>319,018</b>
	<b>Gambling Taxes</b>						
1,025	Tabcorp Licence Fee	1,025	1,032	1	1,058	1,084	1,111
33,793	Gaming Tax	33,852	34,098	1	34,951	35,825	36,721
1,538	Casino Tax	2,238	2,254	1	2,310	2,368	2,427
15,683	Interstate Lotteries	14,783	14,886	1	15,258	15,639	16,030
<b>52,039</b>	<b>Total Gambling Taxes</b>	<b>51,898</b>	<b>52,270</b>	<b>1</b>	<b>53,577</b>	<b>54,916</b>	<b>56,289</b>
	<b>Other Taxes</b>						
121,013	Motor Vehicle Registration <sup>4</sup>	118,731	127,371	7	135,660	144,560	144,502
20,652	Ambulance Levy	20,652	22,694	10	24,281	25,424	26,690
16,290	Lease Variation Charge <sup>5</sup>	5,057	17,744	251	18,454	19,377	20,346

<b>2015-16 Budget</b>		<b>2015-16 Est. Outcome</b>	<b>2016-17 Budget</b>	<b>Var</b>	<b>2017-18 Estimate</b>	<b>2018-19 Estimate</b>	<b>2019-20 Estimate</b>
<b>\$'000</b>		<b>\$'000</b>	<b>\$'000</b>	<b>%</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
26,980	Utilities (Network Facilities) Tax	27,653	30,049	9	31,546	33,132	34,784
54,411	Fire and Emergency Service Levy	54,348	64,487	19	73,315	82,332	85,192
1,806	City Centre Marketing and Improvements Levy	1,983	1,986	..	1,989	1,992	1,995
3,548	Energy Industry Levy	3,548	3,637	3	3,728	3,821	3,917
-	Lifetime Care and Support Levy <sup>6</sup>	9,500	13,744	45	14,277	14,822	15,382
-	Safer Families Levy <sup>7</sup>	-	4,700	#	4,700	4,800	4,900
<b>244,700</b>	<b>Total Other Taxes</b>	<b>241,472</b>	<b>286,412</b>	<b>19</b>	<b>307,950</b>	<b>330,260</b>	<b>337,708</b>
<b>1,491,730</b>	<b>Total Taxation</b>	<b>1,543,327</b>	<b>1,633,960</b>	<b>6</b>	<b>1,751,100</b>	<b>1,871,500</b>	<b>1,970,398</b>

**Notes:** Numbers may not add due to rounding.

1. Variance is due to the increase in the number of rateable properties, the Wage Price Index and tax reform.
2. Variance is due to a range of market factors, including changes in property prices, the numbers of properties sold and the composition of property types transacted.
3. Duty on insurance will be fully abolished on 1 July 2016.
4. This includes revenue from the 'ACT Compulsory Third-Party Insurance Regulator'.
5. Excludes a payment of \$12 million in 2015-16 to the Land Development Agency for a Deed of Variation on a property.
6. The 2015-16 Budget of \$9.850 million is included in Fees for Regulatory Services (Table 6.2.10). The levy was reclassified as taxation revenue during 2015-16. The scope of the Lifetime Care and Support Scheme will be extended to include work accidents from 1 July 2016.
7. The Safer Families Levy will be introduced on 1 July 2016.

### *Payroll Tax*

The ACT Government is increasing the payroll tax free threshold from \$1.850 million to \$2 million as of 1 July 2016 – refer to Revenue Initiatives (Chapter 3.4) for more information. The payroll tax rate remains unchanged at 6.85 per cent.

Payroll tax revenue in 2015-16 is estimated at \$421.8 million, and is forecast to increase to \$440 million in 2016-17. The increase of \$18.2 million reflects forecast growth in employment and wages, and payroll tax compliance, partly offset by an increase in the payroll tax free threshold.

### *Tax Waivers*

Tax waivers represent the amount of revenue that has been waived. The estimated value of waivers is also reflected in expenses. The grossing up of revenue and expenses enables tax treatments to be transparent.

The estimate at the 2015-16 Budget was \$5.7 million and the 2015-16 estimated outcome is \$0.2 million. The Government has decided to reclassify conveyance duty for home owners taking part in the Loose-fill Asbestos Insulation Eradication Scheme as revenue forgone rather than as a tax waiver. The variance is largely accounted for by this change. Waivers are forecast to return to trend levels from 2016-17.

## General Rates

General rates are levied on commercial and residential property owners to provide funding for a wide range of services for the ACT community.

Increases in general rates revenue are due to the indexation of revenue from existing properties by the Wage Price Index, expected revenue from new properties, as well as tax reform.

The 2015-16 estimated outcome for general rates revenue is \$419.2 million. This is forecast to increase to \$447.2 million in 2016-17 reflecting tax reform increases of around 4.5 per cent on average for residential properties and 7 per cent on average for commercial properties.

The Government will change the early payment discount from 1 July 2016. The current discount of 3 per cent will be reduced to 2 per cent, reflecting the current environment of low interest rates. The continuation of a discount will provide a financial incentive for early payment. Refer to Revenue Initiatives (Chapter 3.4) for more information.

The rating system in 2016-17 will have the following elements:

- a fixed charge of:
  - \$765 for residential properties;
  - \$150 for rural properties; and
  - \$2,235 for commercial properties.
- a valuation based charge on the Average Unimproved Land Value (AUV) for 2016 (which is the average of 2014, 2015 and 2016 land values);
- marginal rating factors applied to the AUV of residential properties (refer to Table 6.2.2):

**Table 6.2.2: Residential General Rates Marginal Rates**

Threshold	Marginal Rates
0 to \$150,000	0.2746%
\$150,001 to \$300,000	0.3900%
\$300,001 to \$450,000	0.4800%
\$450,001 to \$600,000	0.5400%
\$600,001 and above	0.5750%

- marginal rating factors applied to the AUV of commercial properties (refer to Table 6.2.3):

**Table 6.2.3: Commercial General Rates Marginal Rates**

Threshold	Marginal Rates
0 to \$150,000	2.8000%
\$150,001 to \$275,000	3.3000%
\$275,001 to \$600,000	4.6600%
\$600,001 and above	4.7700%

- a rating factor of 0.1468 per cent applied to the AUV of rural properties (the same as in 2015-16); and
- a pensioner rebate cap (for residential properties) of \$700 for post 1 July 1997 applicants.

### *Land Tax*

Land tax applies to any residential property that is rented, or any residential property owned by a corporation or a trustee, even if the property is not rented.

Land tax assessments in 2016-17 will be based on a valuation based charge on the AUV for 2016 (which is the average of 2014, 2015 and 2016 land values), and a fixed charge of \$1,090.

The estimated outcome for land tax revenue in 2015-16 is \$99.1 million.

In 2016-17, the Government will increase the fixed charge component of land tax by \$100. Refer to Revenue Initiatives (Chapter 3.4) for more information. Land tax revenue is forecast to increase to \$110.3 million in 2016-17.

Table 6.2.4 shows the land tax marginal rates that will apply to residential properties in 2016-17.

**Table 6.2.4: Land Tax – Marginal Rates**

<b>Threshold</b>	<b>Marginal Rates</b>
\$0 to \$75,000	0.41%
\$75,001 to \$150,000	0.48%
\$150,001 to \$275,000	0.61%
\$275,001+	1.23%

### *Duty on Conveyances*

Duty is levied on the agreement for the sale or transfer of land, a Crown lease or a land use entitlement for residential and commercial properties located in the ACT.

The duty rates are generally applied to the transfer value of the property. A concessional rate applies for persons qualifying under the ACT Home Buyer Concession Scheme, the ACT Pensioner Duty Concession Scheme, the Over 60s Home Bonus Scheme, or the Disability Duty Concession Scheme.

The rates of conveyance duty will continue to be reduced over a 20 year period as a key part of the ACT tax reform program. Table 6.2.5 outlines conveyance duty thresholds and rates for 2015-16 and 2016-17. The 2016-17 rates will apply from 8 June 2016.



**Table 6.2.5: Conveyance Duty Thresholds and Rates**

Threshold	2015-16 %	2016-17 %
Up to \$200,000	1.8	1.48
\$200,001 to \$300,000	3.0	2.5
\$300,001 to \$500,000	4.0	4.0
\$500,001 to \$750,000	5.0	5.0
\$750,001 to \$1,000,000	6.5	6.5
\$1,000,001 to \$1,454,999	7.0	7.0
\$1,455,000 and above <sup>1</sup>	5.17	5.09

**Note:**

1. The \$1,455,000 and above rate is a flat rate.

*Commercial conveyance duty*

The revenue from commercial conveyance duty is estimated at \$86.6 million in 2015-16. This is forecast to decrease to \$79.4 million in 2016-17, largely reflecting a moderating of activity from 2015-16 levels.

For Stage Two of tax reform, conveyance duty for commercial property transactions below \$1.5 million will be phased out over two years. A flat rate of 5 per cent will apply to the entire value of commercial property transactions over \$1.5 million. Refer to Revenue Initiatives (Chapter 3.4) for more information.

*Residential conveyance duty*

The estimated outcome for residential conveyance duty in 2015-16 is \$181.6 million and is forecast to increase to \$187.6 million in 2016-17.

Residential conveyance duty rates will further reduce in the 2016-17 Budget, as previously announced, and over the next five year period of tax reform. Refer to Revenue Initiatives (Chapter 3.4) for more information on this initiative.

*Duty on Motor Vehicle Registrations and Transfers*

Duty is payable on an application to register a new motor vehicle or to transfer the registration of a second hand vehicle.

The estimated outcome for 2015-16 is \$27.6 million and the forecast for 2016-17 is \$30.6 million.

*Tabcorp Licence Fee*

The ACT receives an annual totalisator licence fee from Tabcorp for the provision of totalisator services in the Territory. Estimated revenue for 2015-16 is \$1.025 million and is subject to annual indexation.

### *Gaming Tax*

Gaming tax revenue incorporates gaming machine taxes and interactive gaming taxes. Gaming machines are taxed on the basis of monthly revenue, which is defined as monthly gaming machine revenue less amounts paid out in prize money. Estimated total gaming tax revenue for 2015-16 is \$33.9 million and the forecast for 2016-17 is \$34.1 million.

### *Casino Tax*

The tax applying to Casino Canberra is 10.9 per cent of gross profits from general gaming operations. Estimated revenue for 2015-16 is \$2.2 million and the forecast for 2016-17 is \$2.3 million.

### *Interstate Lotteries*

The ACT receives revenue based on the value of NSW Lotteries tickets purchased in the ACT. Estimated revenue for 2015-16 is \$14.8 million and the forecast for 2016-17 is \$14.9 million.

### *Motor Vehicle Registration Fees*

Estimated revenue from motor vehicle registrations in 2015-16 is \$118.7 million and forecast to increase to \$127.4 million in 2016-17. The increase of \$8.6 million is mainly due to a 5 per cent indexation of registration fees. The estimate includes an allowance for growth in the number of motor vehicle registrations.

### *Ambulance Levy*

The Ambulance Levy is payable each month by private health insurance companies to offset the cost of providing ambulance services in the Territory. The levy is calculated on the number and type of private health insurance contributions.

The estimated revenue for 2015-16 is \$20.7 million and the forecast for 2016-17 is \$22.7 million. The increase is partially due to an increase in the Ambulance Levy by \$5 per year for individuals and \$10 per year for families, commencing on 1 January 2017. Refer to Revenue Initiatives (Chapter 3.4) for more information on this initiative.

### *Lease Variation Charge*

The estimated revenue for the Lease Variation Charge (LVC) for 2015-16 is estimated at \$5.1 million. In addition, and not reflected in the LVC estimate, is a deed of variation on a property which resulted in a payment to the Land Development Agency (LDA) of \$12 million. The deed of variation reflected an uplift in the value of development rights on a holding lease and was based on the calculation of the LVC. This revenue would have been recorded as a LVC if the uplift in value had applied to a Crown lease rather than a holding lease.

The revenue from the LVC in 2016-17 is forecast to be \$17.7 million.

### *Utilities (Network Facilities) Tax*

The Utilities (Network Facilities) Tax (UNFT) applies to the owner of a utility network facility that is installed on or under land in the ACT. The 2015-16 estimated outcome is \$27.7 million, and is forecast to increase to \$30 million in 2016-17.

The Government indexed the UNFT by an additional 5 per cent for the year ending March 2017 (a total increase of 10 per cent). This was announced in the 2015-16 Budget Review. The UNFT will revert to the current annual 5 per cent indexation from 2017-18.

### *Fire and Emergency Services Levy*

A Fire and Emergency Services Levy (FESL) is charged on all rateable properties in the ACT. The revenue raised from the FESL is used to support the Emergency Services Agency to deliver high quality and effective services.

The estimates for FESL revenue include expected revenue from both existing and new properties, and represent the net amount after allowing for pensioner rebates and discounts for early payment. The estimated outcome from FESL revenue is \$54.3 million in 2015-16 and \$64.5 million for 2016-17.

The increase in 2016-17 is largely due to an increase in the fixed charge for residential and rural properties and an increase in the marginal rates of FESL for commercial properties.

The Government will increase FESL for residential and rural properties by around \$10 from 2016-17. The ACT Government is transitioning the Emergency Services Agency to a more sustainable funding model so that, in total, by 2018-19 the FESL and other emergency services charges (the Road Rescue Fee and the Ambulance Levy) will account for approximately 75 to 80 per cent of the total cost of delivering emergency services to the Canberra community, which is the standard used by other jurisdictions across Australia.

The FESL in 2016-17 will have the following elements:

- a fixed charge of \$252 for residential and rural properties;
- a pensioner rebate of \$98; and
- a valuation-based charge for commercial properties with progressive marginal rating factors applied to the average of the 2014, 2015 and 2016 AUVs.

Refer to Revenue Initiatives (Chapter 3.4) for more information on this initiative.

Table 6.2.6 outlines the new FESL thresholds and rates for commercial properties.

**Table 6.2.6: FESL Thresholds and Rates for Commercial Properties**

<b>Threshold</b>	<b>Marginal Rates</b>
\$1 to \$300,000	0.6984%
\$300,001 to \$2,000,000	0.8198%
\$2,000,001 and above	0.8511%

### *City Centre Marketing and Improvements Levy*

The City Centre Marketing and Improvements Levy (CCMIL) applies to all rateable commercial properties in the City and selected areas in Braddon adjacent to the City Centre. The collection area is divided into two zones and the levy is applied on the AUV of each property at the rate of 0.2992 per cent for the retail core, and a rate of 0.2161 per cent for the non-retail core.

The revenue collected from the CCMIL is used to promote, maintain and improve the amenities of the City Centre area. The estimated outcome for 2015-16 is \$2 million and the forecast for 2016-17 is also \$2 million.

### *Energy Industry Levy*

The Energy Industry Levy funds:

- the Territory's national regulatory obligations and costs for the Australian Energy Market Commission and the Ministerial Council on Energy's responsibilities under the Australian Energy Market Agreement; and
- local regulatory costs incurred by the Territory in relation to energy utility services.

The levy applies to the energy utility industry sectors of: electricity distribution; electricity supply; gas distribution; and gas supply. The estimated outcome for 2015-16 is \$3.5 million and the forecast for 2016-17 is \$3.6 million.

### *Lifetime Care and Support Levy*

The Lifetime Care and Support (LTCS) Levy funds the Lifetime Care and Support Scheme which provides ongoing treatment and care to people catastrophically injured in the ACT from either a motor vehicle accident or a work accident (from 1 July 2016).

The estimated outcome for 2015-16 is \$9.5 million and the forecast for 2016-17 is \$13.7 million. The increase of \$4.2 million largely reflects a new LTCS levy on workers' compensation insurers and self-insurers, and a \$1 increase in the LTCS levy applying to Compulsory-Third Party (CTP) Insurance policies issued under the *Road Transport (Third-Party Insurance) Act 2008*. The concessional levy on vehicles registered under the ACT's Veteran, Vintage and Historic registration scheme will remain unchanged in 2016-17 at \$7 per year.

### *Safer Families Levy*

The Government will introduce a Safer Families Levy on 1 July 2016. The Levy will be \$30 per year and will be applied to all residential and rural properties. The forecast revenue from the Levy in 2016-17 is \$4.7 million. The Safer Families Levy will support a range of important measures to prevent and respond to family violence. Refer to Revenue Initiatives (Chapter 3.4) for more information.

## ACT Taxes Compared to NSW

Table 6.2.7 shows the comparative rates of tax between the ACT and NSW for major taxation items. Note that the release of the 2016-17 NSW Budget in June 2016 may change the information below.

**Table 6.2.7: Major ACT Taxes compared with NSW**

Tax type	ACT	NSW
Land Tax	<p>The value of each individual property is assessed for land tax. Applied quarterly on the three year Average Unimproved Value (AUV).</p> <p>For 2016-17, the marginal rates are as follows, in addition to the fixed charge of \$1,090:</p> <ul style="list-style-type: none"> <li>• AUV up to \$75,000 – 0.41%</li> <li>• AUV \$75,001 to \$150,000 – 0.48%</li> <li>• AUV \$150,001 to \$275,000 – 0.61%</li> <li>• AUV \$275,001 and above – 1.23%</li> </ul> <p><u>Applied to:</u> Rateable properties that are rented or properties owned by a trust or a corporation even if they are not rented (excluding land owned by a building or development company).</p> <p><u>Exemption:</u> Land used for primary production is exempt from land tax.</p> <p>Commercial properties are not subject to land tax due to the ACT Government's Taxation Reforms.</p>	<p>The value of an entity's entire land holdings is assessed for land tax (aggregation). Applied annually on the three year AUV.</p> <p>The 2016 rates are as follows for taxable land value between \$482,000 and \$2,947,000:</p> <ul style="list-style-type: none"> <li>• \$100 plus 1.6% of land value.</li> </ul> <p>Land value above \$2,947,000 has a premium rate applied:</p> <ul style="list-style-type: none"> <li>• \$39,540 for the first \$2,947,000; then</li> <li>• 2% over that value.</li> </ul> <p>For land owned by a trustee of a special trust, a flat rate of 1.6% applies without any land value threshold; then 2% after the premium threshold.</p> <p><u>Applied to:</u> Residential, commercial and rural properties.</p> <p><u>Exemption:</u> Generally, the principal place of residence or land used for primary production is exempt.</p>
Payroll Tax	<p><b>6.85%</b></p> <p>As of 1 July 2016, first \$2,000,000 exempt per financial year (\$166,666.66 per month).</p>	<p><b>5.45%</b></p> <p>For 2015-16, first \$750,000 exempt.</p> <p>NSW has not indexed its threshold value since 1 July 2013.</p>

Tax type	ACT	NSW
Duty on Conveyances (Commercial and Residential)	<p>From 8 June 2016, the greater of \$20 or the amount resulting from applying the following rates based on the size of the transaction:</p> <p>Up to \$200,000 – 1.48%            \$200,001 to \$300,000 – 2.5%            \$300,001 to \$500,000 – 4.0%            \$500,001 to \$750,000 – 5.0%            \$750,001 to \$1,000,000 – 6.5%            \$1,000,001 to \$1,454,999 – 7.0%            \$1,455,000 and above – 5.09% (flat rate applied to the entire transaction value).</p>	<p>The greater of \$10 or the amount resulting from applying the rates of \$1.25 to a maximum of \$5.50 per \$100 for transactions up to \$3 million.</p> <p>Premium Property Duty: For dutiable transactions above \$3.0 million, the duty payable is \$150,490 plus the rate of \$7.00 per \$100 or part thereof that exceeds \$3.0 million. Premium property duty only applies to residential land.</p>
Concessions on Conveyances	<p><b>Home Buyer Concession Scheme (HBCS):</b>            For transactions dated from 8 June 2016:</p> <ul style="list-style-type: none"> <li>• concession for house and land value up to \$585,000; and</li> <li>• concession for vacant land value up to \$317,600.</li> </ul> <p><b>Pensioner Duty Concession Scheme (PDCS):</b>            For transactions dated from 8 June 2016:</p> <ul style="list-style-type: none"> <li>• concession for house and land value up to \$865,000.</li> <li>• concession for vacant land value up to \$419,900.</li> </ul> <p><b>Over 60s Home Bonus Scheme:</b>            This scheme was introduced on 4 June 2014 and expires on 31 December 2016. It is similar to the PDCS, for non-pensioners who are aged 60 years and over. All other criteria are the same as the PDCS.            For transactions dated from 8 June 2016:</p> <ul style="list-style-type: none"> <li>• concession for house and land values up to \$865,000.</li> <li>• concession for vacant land values up to \$419,900.</li> </ul> <p>The property value thresholds for the HBCS, PDCS and Over 60s Home Bonus are determined biannually, taking into account movements in the market.</p>	<p><b>First Home – New Home Scheme:</b>            The First Home – New Home scheme provides that an agreement or transfer will only be eligible for a concession or exemption if it is for the acquisition of a new home or vacant land intended to be used as the site for a new home. A duty concession is not available for established properties.</p> <p>Eligible first home buyers will not pay duty on a new home or off the plan purchase valued up to \$550,000 with a phase-out concession up to a property value cap of \$650,000. For vacant land, no duty is payable for a value up to \$350,000 and is phased out at \$450,000. These rates have applied from 1 July 2012.</p>
Mortgages and Loan Security Duty	Not applied in the ACT.	<p>Charged on the amount secured by the mortgage based on an increasing marginal rate. Duty on mortgages will be abolished from 1 July 2016.</p> <p>Not chargeable on advances to natural persons for owner-occupied housing and investment housing.</p>

Tax type	ACT	NSW
Duty on Motor Vehicle Registrations	<p><b>No green vehicle rating</b>  <u>Valued at \$45,000 or less</u>  \$3 per \$100.  <u>Valued at more than \$45,000</u>  \$1,350 + \$5 per \$100 or part thereof over \$45,000.</p> <p><b>Green vehicle rating</b>  Applies to new motor vehicles not previously registered anywhere in Australia. Rates depend on A-D rating (based on CO<sub>2</sub> emissions) and value.</p> <p><u>Valued at \$45,000 or less</u>  A rated (&lt;= 130 g/km) = nil  B rated (131–175 g/km) = \$1 per \$100  C rated (176–220 g/km) = \$3 per \$100  D rated (&gt; 220 g/km) = \$4 per \$100</p> <p><u>Valued at more than \$45,000</u>  A rated (&lt;= 130 g/km) = nil  B rated (131–175 g/km) = \$450 plus \$2 per \$100 above \$45,000  C rated (176–220 g/km) = \$1,350 plus \$5 per \$100 above \$45,000  D rated (&gt; 220 g/km) = \$1,800 plus \$6 per \$100 above \$45,000</p>	<p>Under \$45,000: \$3 per \$100 (or part of \$100)  \$45,000 and over: \$1,350 + \$5 per \$100 or part thereof over \$45,000.</p>
Duty on General Insurance	<p>Duty on general insurance has been abolished, effective from 1 July 2016.</p>	<p>2.5% to 9% of the premium, depending on the type of insurance.</p> <p>Type A insurance (e.g. a property and items not covered by Type B &amp; C insurance): 9 per cent.</p> <p>Type B insurance (e.g. a vehicle): 5 per cent.</p> <p>Type C insurance (e.g. livestock): 2.5 per cent.</p>
Duty on Life Insurance	<p>Duty on life insurance has been abolished, effective from 1 July 2016.</p>	<p><b>Term, temporary or insurance rider policies</b>  5% of the first year's premium.</p> <p><b>Trauma or disability policies</b>  5% of premium paid to effect the insurance.</p> <p><b>All other (e.g. life insurance)</b>  Sum insured \$0 to \$2,000 - \$1  Sum insured over \$2,000 - \$1 plus \$0.20 per \$200 or part thereof in excess of \$2,000.</p>

## Commonwealth Government Grants

Total revenue expected to be received from Commonwealth Government grants in 2016-17 is \$2.1 billion<sup>1</sup>. Details of Commonwealth Government grants are provided in Table 6.2.8.

Further information on funding for Commonwealth Government grants can be found in Federal Financial Relations (Chapter 7).

**Table 6.2.8: Commonwealth Government Grants**

2015-16 Budget		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
<b>Current Grants</b>							
1,032,368	GST Revenue Grant	1,049,000	1,154,400	10	1,215,700	1,279,100	1,334,500
38,515	ACT Municipal Services	38,500	39,100	2	39,600	40,200	40,900
659,033	National Specific Purpose Payments (SPPs)	677,180	710,373	5	719,442	758,605	797,485
48,562	Financial Assistance Grants to Local Government	24,283	48,611	100	50,530	52,452	54,527
30,519	National Partnership Payments (NPPs) – Current <sup>1</sup>	32,130	48,864	52	63,796	26,146	25,112
11,677	Other Commonwealth Government Payments – Current	11,676	11,881	2	11,871	11,391	11,686
<b>1,820,674</b>	<b>Total Current Grants</b>	<b>1,832,769</b>	<b>2,013,229</b>	<b>10</b>	<b>2,100,939</b>	<b>2,167,894</b>	<b>2,264,210</b>
<b>Capital Grants</b>							
39,837	National Partnership Payments (NPPs) – Capital <sup>1</sup>	41,954	74,022	76	61,832	32,497	29,118
<b>39,837</b>	<b>Total Capital Grants</b>	<b>41,954</b>	<b>74,022</b>	<b>76</b>	<b>61,832</b>	<b>32,497</b>	<b>29,118</b>
<b>1,860,511</b>	<b>Total Commonwealth Government Funding<sup>2</sup></b>	<b>1,874,723</b>	<b>2,087,251</b>	<b>11</b>	<b>2,162,771</b>	<b>2,200,391</b>	<b>2,293,328</b>

### Notes:

1. An adjustment was made to the published 2015-16 Budget amounts reflecting a reclassification of \$1.66 million from capital to recurrent funding for Sustainable Rural Water Use.
2. This amount includes the gross-up of the Goods and Services Tax (GST) on Non-Government Schools funding of \$18.2 million in 2015-16, \$19.3 million in 2016-17, \$19.9 million in 2017-18, \$20.8 million in 2018-19 and \$21.9 million in 2019-20.

<sup>1</sup> Includes the gross-up of GST on Non-Government Schools funding.



## Contributed Assets

Table 6.2.9 provides a summary of contributed assets. Contributed assets largely relate to land development infrastructure assets transferred to the General Government Sector (GGS) from the Land Development Agency and private developers.

Variations between the 2015-16 estimated outcome, 2016-17 forecast and across the forward estimates period mainly reflect revisions to the land release program. Refer to the Supply and Release of Land (Chapter 5.3) for more information on the land release program.

**Table 6.2.9: Contributed Assets**

2015-16 Budget		2015-16 Est. Outcome	2016-17 Budget	Var	2017-18 Estimate	2018-19 Estimate	2019-20 Estimate
\$'000		\$'000	\$'000	%	\$'000	\$'000	\$'000
109,313	Gains from Contributed Assets	117,979	155,410	32	98,501	124,369	99,771
260	Resources Received Free of Charge	450	396	-12	405	416	435
<b>109,573</b>	<b>Total Contributed Assets</b>	<b>118,429</b>	<b>155,806</b>	<b>32</b>	<b>98,906</b>	<b>124,785</b>	<b>100,206</b>

## Sale of Goods and Services

The sale of goods and services revenue in 2015-16 is estimated at \$476.4 million, \$5.8 million lower than the 2015-16 Budget. This is largely due to a reclassification of Lifetime Care and Support Levy revenue to taxation revenue during 2015-16.

The revenue from sales of goods and services is forecast to increase to \$479.4 million in 2016-17. This is mainly due to increased revenue from the water abstraction charge and parking fees, partially offset by a decrease in revenue from taxi licences.

Details of sale of goods and services revenue are provided in Table 6.2.10.

**Table 6.2.10: Sale of Goods and Services**

<b>2015-16 Budget</b>		<b>2015-16 Est. Outcome</b>	<b>2016-17 Budget</b>	<b>Var</b>	<b>2017-18 Estimate</b>	<b>2018-19 Estimate</b>	<b>2019-20 Estimate</b>
<b>\$'000</b>		<b>\$'000</b>	<b>\$'000</b>	<b>%</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
	<b>Regulatory Fees</b>						
6	Casino Licence Fees	6	6	-	6	6	6
10,621	Drivers' Licences	10,621	10,994	4	11,223	11,459	11,289
2,056	Taxi Licences	1,056	599	-43	610	623	554
96,777	Fees for Regulatory Services <sup>1</sup>	91,657	91,708	..	95,344	99,726	101,081
30,535	Water Abstraction Charge	30,607	31,172	2	31,910	32,510	33,210
<b>139,995</b>	<b>Total Regulatory Fees</b>	<b>133,947</b>	<b>134,479</b>	<b>..</b>	<b>139,093</b>	<b>144,324</b>	<b>146,140</b>
	<b>Other</b>						
17,047	Parking Fees	15,547	18,997	22	19,576	20,226	20,226
36,580	Inpatient Fees	35,580	36,328	2	37,420	38,356	39,315
5,457	Non-Inpatient Fees	6,016	6,082	1	6,256	6,450	6,648
3,525	Meals and Accommodation	3,525	3,596	2	3,636	3,727	3,820
93,053	Cross Border Health Receipts	93,053	90,372	-3	101,280	103,812	106,408
22,759	Sales	23,598	23,795	1	24,843	25,815	26,238
119,528	Service Receipts (Non ACT Government)	118,132	118,379	..	122,942	126,278	128,873
4,062	Rent from Tenants	4,360	4,477	3	4,595	4,831	4,840
20,319	Miscellaneous	25,298	25,644	1	26,502	27,145	27,785
19,877	User Charges - ACT Government	17,355	17,267	-1	17,858	18,444	18,964
<b>342,207</b>	<b>Total Other</b>	<b>342,464</b>	<b>344,937</b>	<b>1</b>	<b>364,908</b>	<b>375,084</b>	<b>383,117</b>
<b>482,202</b>	<b>Total Sale of Goods and Services</b>	<b>476,411</b>	<b>479,416</b>	<b>1</b>	<b>504,001</b>	<b>519,408</b>	<b>529,257</b>

**Notes:**

1. The 2015-16 Budget included \$9.850 million for the Lifetime Care and Support Levy. The Levy was reclassified as taxation revenue during 2015-16 (see Table 6.2.1).

**Drivers' Licences**

The revenue from drivers' licences in 2015-16 is estimated at \$10.6 million and is forecast to increase to \$11 million in 2016-17. This increase largely reflects a 5 per cent increase in driver licence fees from 2016-17.

**Taxi Licences**

The revenue from taxi licences in 2015-16 is estimated at \$1.1 million and is forecast to decrease to \$0.6 million in 2016-17. The reduction of \$0.5 million is mainly due to the Government's taxi industry innovation reforms.

### *Fees for Regulatory Services*

The 2015-16 estimated outcome for fees for regulatory services is \$91.7 million which is \$5.1 million below the original 2015-16 Budget. This largely reflects the inclusion of the LTCS Levy of \$9.850 million in the original 2015-16 Budget, which was reclassified as taxation revenue during 2015-16. Fees for regulatory services are forecast to be \$91.7 million in 2016-17.

### *Water Abstraction Charge*

The revenue from the Water Abstraction Charge (WAC) in 2015-16 is estimated at \$30.6 million and is forecast to increase to \$31.2 million in 2016-17. This increase is due to an expected increase in the volume of water consumption and the 2 per cent indexation per annum commencing in 2016-17 that was announced in the 2015-16 Budget Review.

### *Parking Fees*

The estimated revenue from parking fees in 2015-16 is \$15.5 million and the forecast for 2016-17 is \$19 million. The increase of \$3.5 million is mainly due to the installation of modern parking machines, fee increases, and temporarily closed parking sites being re-opened.

### *Patient Fees*

Inpatient fees and non-inpatient fees are payments for the provision of hospital and related services, which are collected at the Canberra Hospital. Patient fees relate to admitted patients, while non-inpatient fees are primarily for accident and emergency services.

The 2015-16 estimated outcome is \$35.6 million for inpatient fees and \$6 million for non-inpatient fees. The 2016-17 estimates are \$36.3 million and \$6.1 million, respectively.

### *Cross Border Health Receipts*

Cross Border Health Receipts are payments from other State and Territory Governments (predominantly NSW) for the provision of medical services provided to non-ACT residents at ACT public hospitals. The estimated revenue for 2015-16 is \$93.1 million and the forecast for 2016-17 is \$90.4 million. These amounts only reflect the level of revenue estimated to be received directly from other States and the Northern Territory; the balance of cross border revenue is received via the Commonwealth. The overall level of Cross Border revenue (including the components received from the Commonwealth) is expected to increase year on year.

In 2016-17, the Commonwealth agreed with the States and Territories to adopt interim funding arrangements for public hospitals, including a continuation of Activity Based Funding whereby Commonwealth funds for cross border patients are received directly from the Commonwealth. Previously, ACT Budget estimates from 2017-18 onwards were premised on the 2014-15 Federal Budget decision that States were required to seek reimbursement directly from other jurisdictions from 1 July 2017.

## Sales

Revenues from sales include those generated from entry fees to sporting and cultural facilities, such as the Canberra Theatre Centre and hire of those venues. Sales of merchandise, programs and giftware in these venues or the rights to sell these, are also included. The estimated outcome for 2015-16 is \$23.6 million and the forecast for 2016-17 is \$23.8 million.

### Service Receipts (non-ACT Government)

This item includes payments from clients for the provision of services, such as facility fees to physicians at hospitals, medical supplies, sterilising services, Capital Linen and commercial training.

The 2015-16 estimated outcome is \$118.1 million and the 2016-17 forecast is \$118.4 million.

### Miscellaneous

Miscellaneous revenue is estimated at \$25.3 million in 2015-16 and the 2016-17 forecast is \$25.6 million.

### User Charges – ACT Government

This item includes revenue for rent, property management, shared services and insurance that is collected from ACT agencies in the Public Trading Enterprise sector. The 2015-16 estimated outcome is \$17.4 million and the 2016-17 forecast is \$17.3 million.

## Interest Income

Table 6.2.11 provides a summary of interest expected to be received.

**Table 6.2.11: Interest Income**

2015-16 Budget		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
	<b>Interest Received</b>						
41,439	Interest Received from Banks	51,712	31,200	-40	25,400	24,912	28,728
79,145	Interest Received on Advances and Loans to Agencies	71,178	77,374	9	85,027	75,089	76,588
1,786	Interest Received on Advances from Private Sector – Non Banks	1,725	-	-100	-	-	-
6,533	Interest Received – Other	7,201	4,781	-34	3,957	3,190	4,094
6,298	Interest from Financial Investments	2,020	2,855	41	2,813	2,963	3,154
<b>135,201</b>	<b>Total Interest Received</b>	<b>133,836</b>	<b>116,210</b>	<b>-13</b>	<b>117,197</b>	<b>106,154</b>	<b>112,564</b>

### *Interest Received from Banks*

This item represents the interest income for general government investments and interest earnings on cash balances held in bank accounts. General government investments comprise the balances of the Territory Banking Account and investments made on behalf of government directorates and some Territory Authorities.

The increase of \$10.3 million in the 2015-16 estimated outcome from the 2015-16 Budget is mainly due to higher investment balances and returns. The decrease of \$20.5 million in the 2016-17 forecast from the 2015-16 estimated outcome mainly reflects estimated lower investment balances and rate of return.

### *Interest Received on Advances and Loans to Agencies*

Interest received on advances and loans to agencies mainly relates to interest loans provided by the Territory to Icon Water.

The decrease of \$8 million in the 2015-16 estimated outcome from the original budget is mainly due to lower interest receipts on inflation linked loans due to a lower Consumer Price Index during the year, and the timing and a lower amount of new loan funding to Icon Water.

The increase of \$6.2 million in the 2016-17 forecast from the 2015-16 estimated outcome mainly reflects higher interest receipts due to a higher balance of outstanding loans with Icon Water.

### *Interest Received from the Private Sector*

The decrease of \$1.7 million in the 2016-17 Budget from the 2015-16 estimated outcome reflects the repayment of all outstanding loans by the University of Canberra.

### *Other Interest Income*

Other interest income includes income mainly recognised by the Chief Minister, Treasury and Economic Development Directorate, the Transport Canberra and City Services Directorate, and the Environment and Planning Directorate. The majority of interest recognised relates to interest charged to the LDA in relation to the holding costs of land.

The estimated outcome for 2015-16 is \$7.2 million, and the forecast for 2016-17 is \$4.8 million.

### *Interest from Financial Investments*

Interest from financial investments mainly comprises interest earnings on cash and fixed income investment assets of the Superannuation Provision Account.

The decrease of \$4.3 million in the 2015-16 estimated outcome from the original budget is mainly due to lower than anticipated interest earnings on the Australian inflation linked debt investments resulting from low underlying inflation. The increase of \$0.8 million in the 2016-17 Budget from the 2015-16 estimated outcome mainly reflects the anticipated growth in assets and changes to the portfolio's asset allocation.

## Distributions from Financial Investments

Table 6.2.12 provides a summary of distributions from financial investments received.

**Table 6.2.12: Distributions from Financial Investments**

2015-16 Budget		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
63,167	<b>Interest Received</b>	28,300	36,391	29	45,293	47,615	50,573
	Distributions from Financial Investments						
<b>63,167</b>	<b>Total Interest Received</b>	<b>28,300</b>	<b>36,391</b>	<b>29</b>	<b>45,293</b>	<b>47,615</b>	<b>50,573</b>

### *Distributions from Financial Investments*

The decrease of \$34.9 million in the 2015-16 estimated outcome from the original budget is mainly due to the timing of distribution receipts, the availability of income for distribution from investment trusts, the divestment of unit trust investments and the asset allocation of the portfolio through maintaining a higher allocation to cash investments over the year.

The increase of \$8.1 million in the 2016-17 Budget from the 2015-16 estimated outcome mainly reflects the timing of distribution receipts and the anticipated growth in portfolio assets and changes to the portfolio's asset allocation.

## Dividends and Tax Equivalents

Table 6.2.13 provides a summary of dividends and tax equivalents.

**Table 6.2.13: Dividends and Tax Equivalents**

2015-16 Budget		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
	<b>Dividends</b>						
69,172	Dividends – Icon Water	76,171	71,774	-6	74,828	90,876	104,886
500	Dividends – CIT Solutions	500	500	-	500	500	500
107,043	Dividends – Land Development Agency	163,616	149,273	-9	71,032	114,385	118,560
50,858	Dividends from Financial Investments	49,900	50,990	2	51,206	53,954	57,452
<b>227,573</b>	<b>Total Dividends</b>	<b>290,187</b>	<b>272,537</b>	<b>-6</b>	<b>197,566</b>	<b>259,715</b>	<b>281,398</b>
	<b>Tax Equivalents</b>						
101,855	Income Tax Equivalent	130,261	133,271	2	84,672	105,063	101,502
<b>101,855</b>	<b>Total Tax Equivalents</b>	<b>130,261</b>	<b>133,271</b>	<b>2</b>	<b>84,672</b>	<b>105,063</b>	<b>101,502</b>
<b>329,428</b>	<b>Total Dividend and Tax Equivalents</b>	<b>420,448</b>	<b>405,808</b>	<b>-3</b>	<b>282,238</b>	<b>364,778</b>	<b>382,900</b>

### *Icon Water*

The estimated dividend from Icon Water in 2015-16 is \$76.2 million, which is \$7 million higher than the original 2015-16 Budget. This largely reflects increased water sales, together with lower interest charges on borrowings. The dividend in 2016-17 is estimated to be \$71.8 million. The reduction of \$4.4 million in dividends in 2016-17 from the 2015-16 estimated outcome is due to a reduced level of distributions from the ActewAGL Joint Venture.

The Government has also agreed to provide once off dividend relief to Icon Water in 2015-16 by reducing the payout ratio to 64 per cent. The Government has also changed the dividend policy for Icon Water to exclude gifted assets on an ongoing basis which will assist Icon Water to maintain sustainable gearing levels.

### *Land Development Agency*

The Land Development Agency's (LDA's) 'nominal' surplus is not fully recognised as revenue in the GGS Net Operating Balance, consistent with the Government Finance Statistics accounting principles. In general, LDA's nominal surplus comprises sale of assets (for example, undeveloped commercial land) and profit from development and marketing activities. Proceeds from asset sales (including gains from land rezoning) are treated as capital distributions and only profits from development and marketing activities are recognised as dividend revenue.

The dividend in 2015-16 is expected to be \$163.6 million, \$56.6 million above the original 2015-16 Budget due to increased sales activity. The dividend forecast for 2016-17 is \$149.3 million. Refer to Supply and Release of Land (Chapter 5.3).

### *Dividends from Financial Investments*

This item represents dividends from financial investment assets of the Superannuation Provision Account.

The decrease of \$1 million in the 2015-16 estimated outcome from the original 2015-16 Budget reflects the estimated change in the amount of dividends declared on individual share holdings over the year and expected to be received.

The increase of \$1.1 million in the 2016-17 Budget from the 2015-16 estimated outcome mainly reflects the anticipated growth in portfolio assets and changes to the portfolio's asset allocation.

### *Income Tax Equivalentents*

This item represents income tax equivalent payments made by the Public Trading Enterprise sector. The estimated outcome for 2015-16 is \$130.3 million and reflects the performance forecast from the ACT agencies that are subject to the National Tax Equivalent Regime.

The increase of \$28.4 million in 2015-16 from the original 2015-16 Budget forecast is mainly due to additional tax payments by Icon Water associated with the ActewAGL Joint Venture, gains from contributed assets, increased water sales and lower interest charges and, to a lesser degree, additional revenue from the LDA due to higher land sales.

The revenue from income tax equivalents is forecast to increase to \$133.3 million in 2016-17, largely reflecting Asset Recycling Initiative land sales.

## Other Revenue

Table 6.2.14 provides the 2015-16 estimated outcome, the 2016-17 Budget and the forward estimates for other revenue.

The 2015-16 outcome for other revenue is estimated to be \$137 million or \$0.8 million less than the 2015-16 Budget estimate. Other revenue is expected to increase by \$6.4 million to \$143.3 million.

**Table 6.2.14: Other Revenue**

2015-16 Budget		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
	<b>Fines</b>						
23,590	Traffic Infringement Fines	19,585	24,332	24	27,848	29,149	28,946
380	Court Fines	2,200	387	-82	408	408	408
13,625	Parking Fines	11,625	14,442	24	15,309	16,228	16,228
1,059	Other Fines	896	924	3	927	930	930
<b>38,654</b>	<b>Total Fines</b>	<b>34,306</b>	<b>40,085</b>	<b>17</b>	<b>44,492</b>	<b>46,715</b>	<b>46,512</b>
	<b>Other</b>						
12,649	Superannuation Contribution	16,802	16,632	-1	16,274	15,966	15,884
16,885	Rents and Commutation	14,328	13,037	-9	12,294	11,443	10,504
20,047	Contributions	20,047	20,047	-	20,047	20,047	20,047
49,494	Other Miscellaneous Revenue	51,473	53,541	4	49,214	50,448	49,648
<b>99,075</b>	<b>Total Other</b>	<b>102,650</b>	<b>103,257</b>	<b>1</b>	<b>97,829</b>	<b>97,904</b>	<b>96,083</b>
<b>137,729</b>	<b>Total Other Revenue</b>	<b>136,956</b>	<b>143,342</b>	<b>5</b>	<b>142,321</b>	<b>144,619</b>	<b>142,595</b>

### *Traffic Infringement Fines*

The estimated revenue from traffic infringement fines in 2015-16 is \$19.6 million, which is \$4 million lower than the 2015-16 Budget estimate. Revenue is forecast to increase by \$4.7 million to \$24.3 million in 2016-17. This is partly due to the introduction of an additional two mobile cameras, and upgrades to the traffic adjudication system.

### *Parking Fines*

The estimated outcome in 2015-16 is \$11.6 million, which is \$2 million less than the 2015-16 Budget largely due to construction activity at various parking sites.

Parking fine revenue is forecast to increase to \$14.4 million in 2016-17, mainly as a result of increased parking enforcement activity and a return to more usual levels of parking fines following the re-opening of a number of parking sites.



### *Superannuation Contributions*

This item represents the payment of employer superannuation contributions to the Territory Banking Account (TBA) by the Public Trading Enterprise sector and external sector (ActewAGL). The contribution calculations are based on annual actuarially determined employer contribution rates for either CSS or PSS membership. This item also includes the employee contributions to the TBA by those Members of the Legislative Assembly who are members of the defined benefit superannuation arrangement.

### *Rents and Commutation*

Rents and commutation income is estimated at \$14.3 million in 2015-16, \$2.6 million below the original 2015-16 Budget. This is partly due to a lower than anticipated number of land rent transactions under the Land Rent Scheme. The income from rents is forecast to decline to \$13 million in 2016-17 due to lower land rent transactions and higher conversion rates from land rent leases to Crown leases.

### *Contributions*

This item includes voluntary contributions, fundraising and excursion funds, and revenue from hire of school buildings, which are collected by schools and the Education Directorate.

### *Other Miscellaneous Revenue*

Other miscellaneous revenue is forecast to increase to \$53.5 million in 2016-17, from an estimated outcome of \$51.5 million in 2015-16.

Table 6.2.15 below provides a breakdown of other miscellaneous revenue.

**Table 6.2.15: Breakdown – Other Miscellaneous Revenue**

	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
	<b>Est. Outcome</b>	<b>Budget</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Revenue from Financial Investments	735	709	676	712	758
Donations	1,932	1,979	2,119	2,172	2,223
Other Grants	19,680	23,752	18,543	17,710	18,147
Recoveries	13,502	12,530	12,834	13,190	13,589
Perpetual Care Trust	1,525	1,252	1,296	1,340	1,387
Problem Gambling Assistance Fund	1,112	1,120	1,148	1,177	1,206
Regulatory Fees	2,787	1,155	1,157	1,160	1,163
Miscellaneous	10,200	11,044	11,441	12,987	11,175
<b>Total Other Miscellaneous Revenue</b>	<b>51,473</b>	<b>53,541</b>	<b>49,214</b>	<b>50,448</b>	<b>49,648</b>



## 6.3 TAXATION REFORM

---

The Government is committed to making the Territory's taxation system fairer, simpler and more efficient through significant taxation reforms. In this Budget, the Government continues the reform process it started in the 2012-13 Budget by announcing the next stage of the reform agenda. The Stage One reforms covered the first five years of the 20 year reform program, drew on the recommendations of the 2012 ACT Taxation Review and were consistent with the Commonwealth's 2010 Review of Australia's Future Tax System (Henry Tax Review). The main reform initiative relates to the abolition of inefficient taxes on conveyances and insurance premiums. The revenue lost through the abolition of these inefficient taxes is being replaced through the general rates system.

The transition to an efficient broad-based land tax secures a stable revenue base into the future to fund the provision of high quality government services, such as schools, roads, hospitals and community facilities, and relieves future generations from the economic burden of an unfair and inefficient tax system. The abolition of inefficient taxes will result in significant economic gains in the wider economy through increased productivity.

While we are transferring our revenue source from an inefficient to an efficient tax base, we are not increasing revenue overall as a consequence of this tax reform. The ACT is still a relatively low taxing jurisdiction. Our own source tax revenue as a share of Gross State Product is the second lowest of any jurisdiction in Australia.

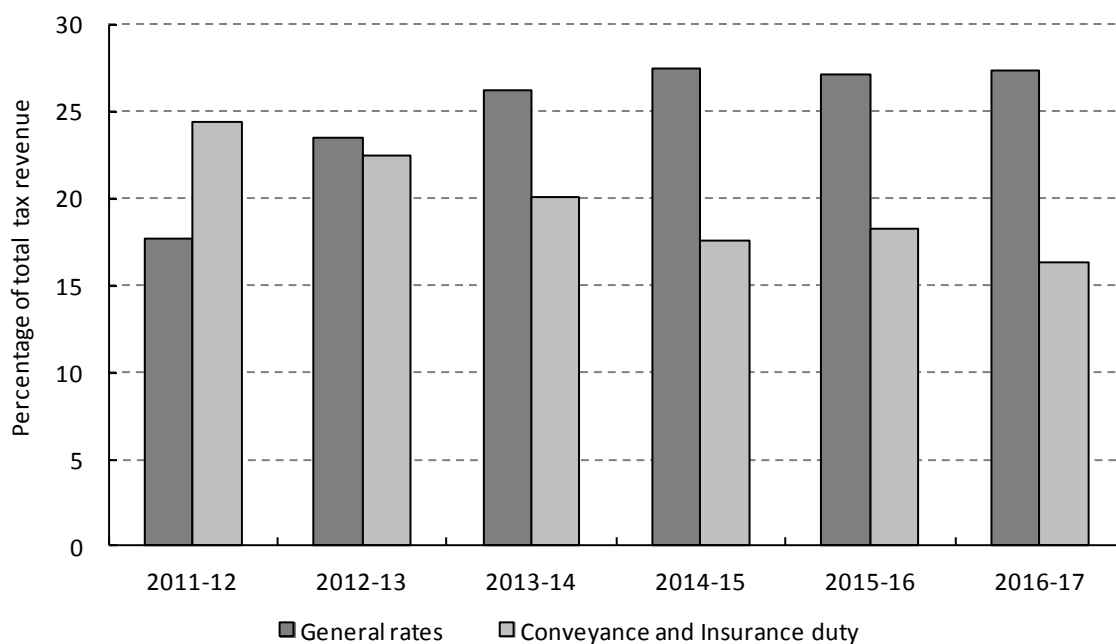
### **Moving to a stable and secure revenue base – Impact of Stage One reforms**

The 2016-17 Budget completes the first five years of the Territory's tax reform program. The rollout of the Stage One tax reforms has led to a significantly reduced reliance on inefficient and volatile transaction taxes (conveyance and insurance duties) and an increased reliance on the efficient general rates base. From 1 July 2016, taxes on general insurance and life insurance will be completely eliminated in the Territory.

In 2011-12, conveyance and insurance duty revenues together represented 24 per cent of total own source tax revenue – this is forecast to decrease to around 16 per cent in 2016-17. The relative share of inefficient taxes will decline further over the forward estimates period as the transition of tax bases continues.

General rates revenue is now the largest component of own source tax revenue at around 27 per cent of total tax revenues in 2016-17 compared to 18 per cent in 2011-12. The changing trends of relative tax revenue shares are shown in Figure 6.3.1.

**Figure 6.3.1: General rates, conveyance and insurance duties as a percentage of total tax revenue**



### *Abolishing insurance duties*

In the 2012-13 Budget, the Government announced the abolition of duty on insurance premiums over a five year period. On 1 July 2016, insurance duty will be fully abolished in the ACT. As a result, an ACT household paying around \$3,000 per year in insurance premiums will save up to \$300 per year compared to other jurisdictions.

From 1 July 2016, the ACT will be the only jurisdiction to have fully abolished duty on both general and life insurance premiums (based on available information at the time of finalising the 2016-17 Budget papers). As shown in Table 6.3.1, the rate of duty on general insurance in NSW and Queensland is 9 per cent, 10 per cent in Victoria and 11 per cent in South Australia.

**Table 6.3.1: Interstate comparison of insurance duty**

State	Duty on general insurance from 1 July 2016 (%)	Duty on life insurance from 1 July 2016 (%)
NSW	9	5
Victoria	10	Nil
Western Australia	10	Nil
Queensland	9	5
South Australia	11	1.5
Tasmania	10	5
Northern Territory	10	Nil
ACT	Nil	Nil

The complete removal of insurance duties in the ACT will make insurance more affordable for households and businesses, and allow more appropriate levels of cover to be taken out.

## *Abolishing Conveyance (Stamp) Duty*

Conveyance duty has been recognised as an unfair and inefficient tax that makes buying a property more expensive. It acts as a disincentive for people to move to accommodation more suited to their needs and can discourage investment in commercial property. As the Henry Tax Review noted “stamp duties on conveyances are inconsistent with the needs of a modern tax system”.<sup>2</sup>

As conveyance duty is only paid by those who purchase a property, and hence only a small proportion of the community in any one year, it is not a fair way to fund services that benefit the whole community. In addition, conveyance duty is a volatile revenue source. In the 22 years between 1989-90 and 2011-12, conveyance duty revenues fell from the previous year’s level on nine occasions. Having a significant revenue source with this level of volatility is not a sustainable way to fund important services to the community.

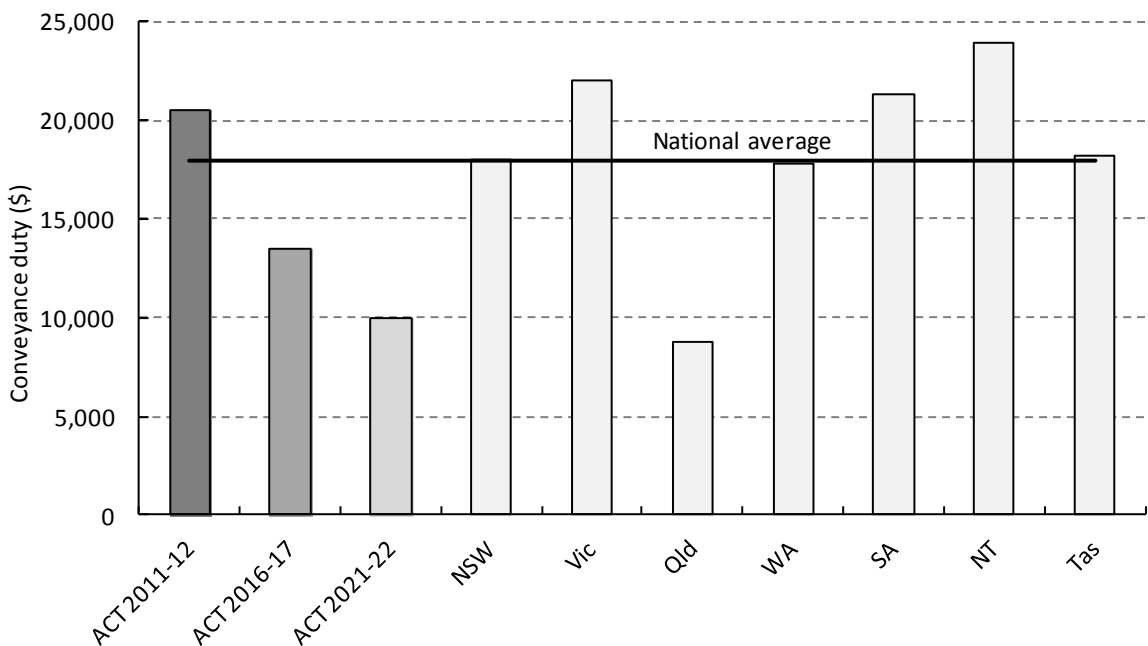
For these reasons, the Government commenced a program to abolish conveyance duty over a 20 year period. This timeframe was set to ensure the reform was undertaken in a staged approach, to minimise disruption to the market and to allow households and businesses time to plan and make decisions with certainty. The Government has committed to cut conveyance duty rates in each budget with the medium term aim of having the lowest rates in Australia. The stamp duty reductions to date are already significant, saving purchasers thousands of dollars when buying a property compared to pre-tax reform duty levels.

Because of the Government’s tax reforms to date, the conveyance duty charge for most residential properties in the ACT is already significantly lower than the national average, and the lowest of all jurisdictions except Queensland’s rate for owner occupier properties. Figure 6.3.2 below shows a comparison of conveyance duty charges for a \$500,000 property in each jurisdiction.

---

<sup>2</sup> 2010, Australia’s Future Tax System, Report to the Treasurer, Part One, Commonwealth Treasury.

**Figure 6.3.2: Conveyance duty payment for a \$500,000 property**



**Note:** The rate used for Queensland is the owner occupier rate. A higher rate is applied by the Queensland Government for investment properties.

### *Economic Impacts*

As a tax on property transactions, conveyance duty influences the decision of property buyers to purchase or not purchase a property. As a result, conveyance duty reduces the number of properties that are sold each year. Deloitte Access Economics (Deloitte) modelling published by the Property Council of Australia (PCA)<sup>3</sup> suggests that a significant number of property transactions are foregone each year as a result of conveyance duty.<sup>4</sup>

Recent modelling by Commonwealth Treasury found that general rates are least likely to have a negative impact on the economy compared to other taxes, whereas conveyance duty slows economic growth by increasing the cost of purchasing property.<sup>5</sup>

<sup>3</sup> 2015, The economic impact of stamp duty: Three reform options, report prepared for the Property Council of Australia by Deloitte Access Economics.

<sup>4</sup> The modelling published by the Property Council of Australia reported a national estimate of 340,000 transactions foregone each year.

<sup>5</sup> 2015, Treasury Working Paper 2015-01, Understanding the Economy-Wide Efficiency and Incidence of Major Australian Taxes.

To illustrate the potential economic benefits of genuine tax reform, it is useful to consider independent economic modelling. There is no recent work undertaken independently to model the ACT Government's tax reform. However, recent modelling by Deloitte (referred to above) measures the impacts on Gross Domestic Product (GDP), real consumption and employment by sector under a scenario where conveyance duties were abolished at a national level and the revenue replaced through the GST. The modelling used a long-run comparative static model that measures the changes in the economy as calculated using before and after snapshots 10 years apart.

The Deloitte modelling estimates that after 10 years replacing conveyance duties with GST would:

- increase GDP by \$3.3 billion (in 2013-14 dollars) – the ACT's share of this would be around \$71 million;
- increase real consumption by \$9.7 billion (in 2013-14 dollars) – the ACT's share of this would be around \$211 million (or approximately \$1,400 per household); and
- move employment towards construction, retail trade and services.

The ACT's tax reforms have replaced conveyance duty revenue with a broad-based land tax which is more efficient than the GST and would provide greater economic benefits compared to the Deloitte scenario.

## **Stage Two reforms**

Stage Two of the reform program will commence in 2017-18. The initiatives incorporated in Stage Two will build on the progress made in Stage One – but take a more targeted approach. A key aspect of the Stage Two reforms is the separation of residential and commercial conveyance duty rates from 2017-18 onwards. This will allow taxation to be adjusted to better reflect the differences in each sector.

### *Residential*

The Government will further reduce conveyance duty rates in the 2016-17 Budget, as previously announced, and over the next five year period of tax reform. Table 6.3.2 shows the residential conveyance duty rate scale for 2016-17 and the next five years.

**Table 6.3.2: Residential Conveyance Duty Rates**

Threshold	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	%	%	%	%	%	%	%
Up to \$200,000	1.8	1.48	1.4	1.3	1.2	1.1	1.0
\$200,001 to \$300,000	3.0	2.5	2.4	2.3	2.2	2.1	2.0
\$300,001 to \$500,000	4.0	4.0	3.8	3.6	3.4	3.2	3.0
\$500,001 to \$750,000	5.0	5.0	4.78	4.56	4.32	4.1	3.9
\$750,001 to \$1,000,000	6.5	6.5	6.3	6.1	5.9	5.7	5.5
\$1,000,001 to \$1,454,999	7.0	7.0	6.8	6.6	6.4	6.2	6.0
\$1,455,000 and above <sup>1</sup>	5.17	5.09	4.91	4.73	4.54	4.36	4.18

**Note:**

1. The \$1,455,000 and above rate is a flat rate.

Table 6.3.3 below shows the reduction in conveyance duty payable since the commencement of the reform program in 2012-13 for a range of different property values. For example, in 2016-17, as a result of taxation reform:

- a property valued at \$400,000 will save \$5,540 or 37 per cent;
- a property valued at \$500,000 will save \$7,040 or 34 per cent;
- a property valued at \$800,000 will save \$8,540 or 23 per cent; and
- a property valued at \$2,000,000 will save \$14,950 or 13 per cent.

**Table 6.3.3: Residential conveyance duty as at 2011-12, 2016-17 and 2021-22**

Property value	2011-12	2016-17 (Stage One)		2021-22 (Stage Two)	
	Duty (\$)	Duty (\$)	Reduction	Duty (\$)	Reduction
\$300,000	9,500	5,460	-43%	4,000	-58%
\$400,000	15,000	9,460	-37%	7,000	-53%
\$500,000	20,500	13,460	-34%	10,000	-51%
\$600,000	26,250	18,460	-30%	13,900	-47%
\$700,000	32,000	23,460	-27%	17,800	-44%
\$800,000	37,750	29,210	-23%	22,500	-40%
\$900,000	43,500	35,710	-18%	28,000	-36%
\$1 million	49,250	42,210	-14%	33,500	-32%
\$1.1 million	56,000	49,210	-12%	39,500	-29%
\$1.2 million	62,750	56,210	-10%	45,500	-27%

Table 6.3.3 shows that the conveyance duty payable on transactions on property below \$600,000 has decreased by 30 per cent or more in the first stage of tax reform.

Properties below \$600,000 account for around 75 per cent of residential and 50 per cent of commercial conveyance duty transactions.



## Commercial

The Government's reforms to conveyance duty have provided significant savings on higher value properties, which in the ACT are almost exclusively confined to the commercial sector. For example, in 2016-17:

- a property valued at \$5 million will save \$64,750 or 20 per cent;
- a property valued at \$10 million will save \$147,750 or 22 per cent; and
- a property valued at \$20 million will save \$313,750 or 24 per cent.

In 2017-18, reductions in conveyance duty for commercial properties will be accelerated by providing a 50 per cent discount on conveyance duty for all commercial transactions below \$1.5 million.

In 2018-19, conveyance duty for commercial property transactions below \$1.5 million will be fully abolished. This will result in about 70 per cent of all commercial property transactions paying no conveyance duty from 2018-19. A flat rate of 5 per cent will apply to all commercial property transactions of \$1.5 million and above.

Removing conveyance duty for properties below \$1.5 million will significantly reduce the upfront costs of purchasing commercial property in the ACT. South Australia is the only other jurisdiction to abolish commercial conveyance duty. The commercial conveyance duty rates applicable to commercial properties below \$1.5 million in 2017-18 (which includes the 50 per cent discount) are shown in Table 6.3.4.

**Table 6.3.4: Commercial Conveyance Duty Rates**

Threshold	2017-18	2018-19
	%	%
Up to \$200,000	0.7	0
\$200,001 to \$300,000	1.2	0
\$300,001 to \$500,000	1.9	0
\$500,001 to \$750,000	2.39	0
\$750,001 to \$1,000,000	3.15	0
\$1,000,001 to \$1,499,999	3.4	0
\$1,500,000 and above <sup>1</sup>	5.0	5.0

**Note:**

1. The \$1,500,000 and above rate is a flat rate.

**Table 6.3.5: Interstate comparison of commercial conveyance duty payable, 2018-19<sup>1</sup>**

State	Property Value		
	\$0.5 million	\$1.5 million	\$10 million
	\$	\$	\$
ACT	0	0	500,000
South Australia	0	0	0
NSW	17,990	67,990	535,490
Victoria	25,070	82,500	550,000
Queensland	15,925	66,775	555,525
Western Australia	19,665	71,165	508,915
Northern Territory	23,929	74,250	545,000
Tasmania	18,248	62,685	445,185

**Note:**

1. Estimates based on information available at the time of publication.

*Annual change to total conveyance duty revenue*

Under the reform program, conveyance duty charges per transaction will reduce every year. However, total conveyance duty revenue can vary significantly from year to year and is notoriously hard to predict. It may be the case that in some years the total revenue collected from conveyance duty is greater than a previous year. This is because conveyance duty is a volatile revenue source and is influenced by a range of market factors, including changes in property prices, the number of properties sold and the composition of property types transacted, i.e. houses, units and commercial properties.

The impact of reduced duty rates will mean that total conveyance duty revenue will decline over the medium term.

It should also be noted that the aim of tax reform is to reduce the cost of turnover in the property market. It could be expected therefore that lower conveyance duty rates will increase activity and this can have the effect of increasing aggregate conveyance duty revenue while lowering the tax raised per transaction. While proving causality is difficult, increased conveyance duty revenue in 2015-16 (see Revenue and Forward Estimates (Chapter 6.2) for further information) is consistent with this outcome.

*General Rates*

General rates are levied annually on the unimproved value of all properties in the ACT which makes it a highly stable and secure revenue base. The Government is able to forecast revenue with a high degree of accuracy which makes budgeting more reliable and transparent.

Prior to the commencement of the Government's tax reform program, general rates increased each year in line with changes in the Wage Price Index (WPI). This ensured that revenues remained in line with the costs required to maintain high quality Government services. Since the commencement of tax reform, general rates have been increasing by an additional amount (above WPI) as we transition our tax base away from inefficient transaction-based taxes to the general rates system. In the absence of tax reform, general rates would have continued to increase by WPI.

Analysis of the impacts on tax reform to date show that the distribution of property average unimproved values (AUVs) is not well represented by the current general rates thresholds, in particular for commercial properties where the highest threshold is \$275,000. In order to better align the rates scale with the distribution of property AUVs, an additional threshold and rating factor will be introduced from 2016-17 for both commercial and residential sectors, as shown in Table 6.3.6 and Table 6.3.7 below.

**Table 6.3.6: Residential general rates**

Threshold	2015-16	Threshold	2016-17
0 to \$150,000	0.2746%	0 to \$150,000	0.2746%
\$150,001 to \$300,000	0.3857%	\$150,001 to \$300,000	0.3900%
\$300,001 to \$450,000	0.4629%	\$300,001 to \$450,000	0.4800%
\$450,001 and above	0.5339%	\$450,001 to \$600,000	0.5400%
		\$600,001 and above	0.5750%
Fixed charge	\$730	Fixed charge	\$765

**Table 6.3.7: Commercial general rates**

Threshold	2015-16	Threshold	2016-17
0 to \$150,000	2.63%	0 to \$150,000	2.80%
\$150,001 to \$275,000	3.05%	\$150,001 to \$275,000	3.30%
\$275,001 and above	4.43%	\$275,001 to \$600,000	4.66%
		\$600,001 and above	4.77%
Fixed charge	\$2,130	Fixed charge	\$2,235

Overall, general rates will increase by an average of 4.5 per cent for residential properties and by an average of 7 per cent for commercial properties in 2016-17. This is lower than the 8.75 per cent overall increase in general rates previously used for the 2015-16 Budget estimates.

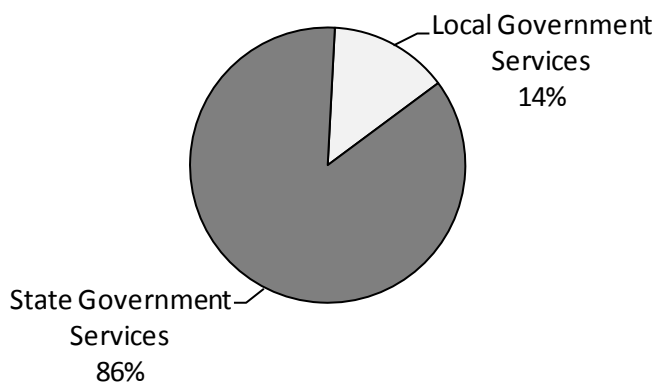
The annual increases for the next five years of Stage Two tax reform for residential properties will be 7 per cent on average. For units only, a change in the rates methodology will also add around \$150 on average in 2017-18 and \$115 on average in 2018-19.

Commercial general rates will increase on average by around 6 per cent each year.

General rates are an important revenue base for the Territory. In other Australian jurisdictions, general rates are levied by local councils to pay only for municipal services including local roads, libraries, parks and gardens, and rubbish collection. In the ACT, they also help to fund a range of services which are usually provided by state governments, including: schools; hospitals and community health; policing, emergency services and the justice system; disability and community services; and environmental regulation.

As shown in Figure 6.3.3, the ACT Government spends 14 per cent of its revenue on local government functions.

**Figure 6.3.3: ACT Government spend as a percentage of State and Local Government Services**



General rates have increased each year since tax reform commenced to make our tax system more sustainable, stable, efficient and equitable.

### *Residential general rates*

The level of increase in residential general rates has differed significantly for houses and units over the first stage of tax reform. The progressive nature of the general rates system has resulted in lower increases for properties with lower AUVs. Houses typically have relatively higher AUVs than units – despite often having similar market values. Table 6.3.8 below shows the difference in rates paid by a house in Charnwood and a unit in the City with the same market values.

**Table 6.3.8: 2015-16 Comparison of general rates liability**

Suburb	Property type	AUV	General rates	Market value
City	Unit	\$130,000	\$1,087	\$500,000
Charnwood	House	\$240,000	\$1,489	\$500,000
<b>Difference</b>	-	85%	37%	0%

In Stage Two of the tax reform program, it is appropriate that the charging structure for general rates becomes more equitable between different housing types. From 1 July 2017, the Government will change the general rates calculation for multi-unit dwellings to base it on the total AUV of the land rather than the individual AUV of the unit (consistent with changes to Land Tax). This change, to be phased in over two years, will establish greater equity in general rates paid between houses and units. This will make the increase in general rates for units higher than houses in 2017-18 and 2018-19 as the transition takes effect.

### *Commercial general rates*

Overall, general rates for commercial properties will increase by an average of 6 per cent in each year from 2017-18 to 2021-22. This will provide certainty to the sector.

The actual increase for a particular property will depend on that property's AUV.

# CHAPTER 7

## FEDERAL FINANCIAL RELATIONS

Chapter	Page
7.1 Federal Financial Relations	261



## 7.1 FEDERAL FINANCIAL RELATIONS

---

The ACT is an independent territory of the Federation but with unique circumstances as a City/State in a National Capital setting and as a major regional centre.

In that context this chapter outlines developments in the ACT's financial relations with the Commonwealth, States and the Northern Territory that occurred in 2015-16 and the likely flow-on effects into 2016-17 and outyears.

A key feature of these developments in 2015-16 will see the ACT receiving an increased share of the Goods and Services Tax (GST) pool in 2016-17 (\$159.2 million greater than if the GST were distributed based on a population share).

### Characteristics of Federal Financial Relations

Within the Federation structure, federal financial relations is governed by the *Intergovernmental Agreement on Federal Financial Relations* (IGA-FFR), which operates indefinitely from 1 July 2009 unless the Parties by unanimous agreement in writing revoke it.

The system is characterised by two distinct features, a high degree of Vertical Fiscal Imbalance (VFI) offset by the transfer of revenue under a Horizontal Fiscal Equalisation (HFE) system:

- VFI reflects a disparity between the revenue generation ability of the Commonwealth Government in excess of its own spending requirements and the obligations of the States and Territories in providing public services but with limited ability to raise their own revenue. VFI arises principally on account of Constitutional limitations on States' revenue raising powers.
- Horizontal fiscal imbalance arises because State and Territory Governments have different abilities to raise funds from their tax bases and because their respective costs of providing public services differ. This imbalance is addressed by a HFE policy overseen by the Commonwealth Grants Commission (CGC).

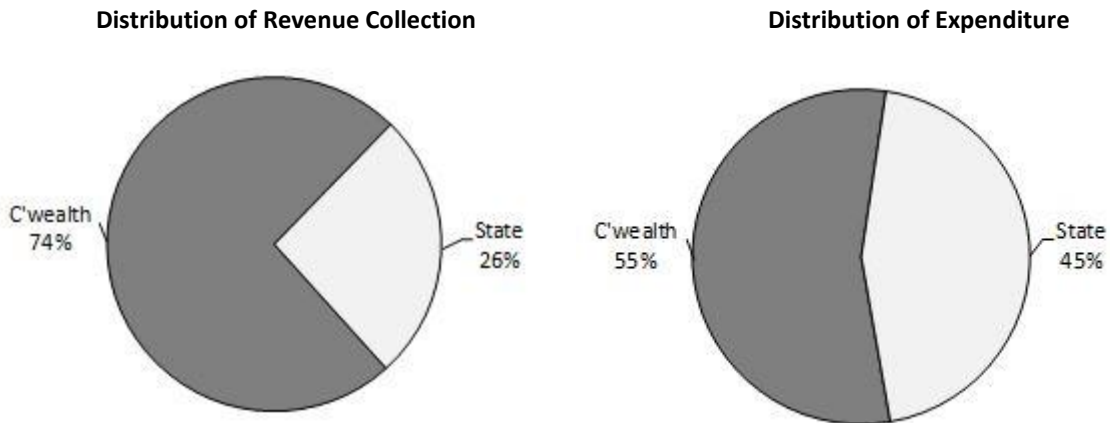
To put the concept of VFI into perspective, presently, the Commonwealth Government collects around 74 per cent of combined Commonwealth and State<sup>1</sup> Government tax revenue (14 per cent of Commonwealth revenue being from the GST) but is responsible for only approximately 55 per cent of total government spending. In contrast, the States collect around 26 per cent of combined tax revenue, but are responsible for around 45 per cent of total government spending.

---

<sup>1</sup> The word 'States' refers to the States and Territories unless otherwise indicated.

Figure 7.1.1 below depicts the distribution of Commonwealth-State spending and revenue collection (including the GST).

**Figure 7.1.1: 2014-15 Estimated Distribution of Commonwealth-State Revenue Collection and Expenditure**



**Sources:** ABS, Government Financial Statistics 2014-15 (5512.0) and CMTEDD calculations.

**Note:** Capital expenditure is not included.

## Developments in Federal Financial Relations in 2015-16

In the lead up to the 2013 Federal Election, the Commonwealth Government undertook to deliver a White Paper on the Reform of the Federation and a White Paper on the Reform of Australia's Tax System.

The members of the Council of Australian Governments (COAG) had agreed to work closely together on the Commonwealth White Papers, acknowledging the need to reduce duplication between governments.

An important development in 2015-16 was the Commonwealth Government's subsequent decision not to proceed with the development of these White Papers.

At a meeting of COAG on 1 April 2016 it was agreed the work being done on improving federal financial relations and the transparency of government spending, including broader opportunities for national and State tax reform now be progressed by the Commonwealth and the State Treasurers via the Council on Federal Financial Relations (CFFR). A progress report on this work has been requested by COAG for consideration in the latter part of 2016.

This timeframe is also dependent on the results of the 2016 Federal Election. The implication of a possible change of government is not canvassed further in this chapter.

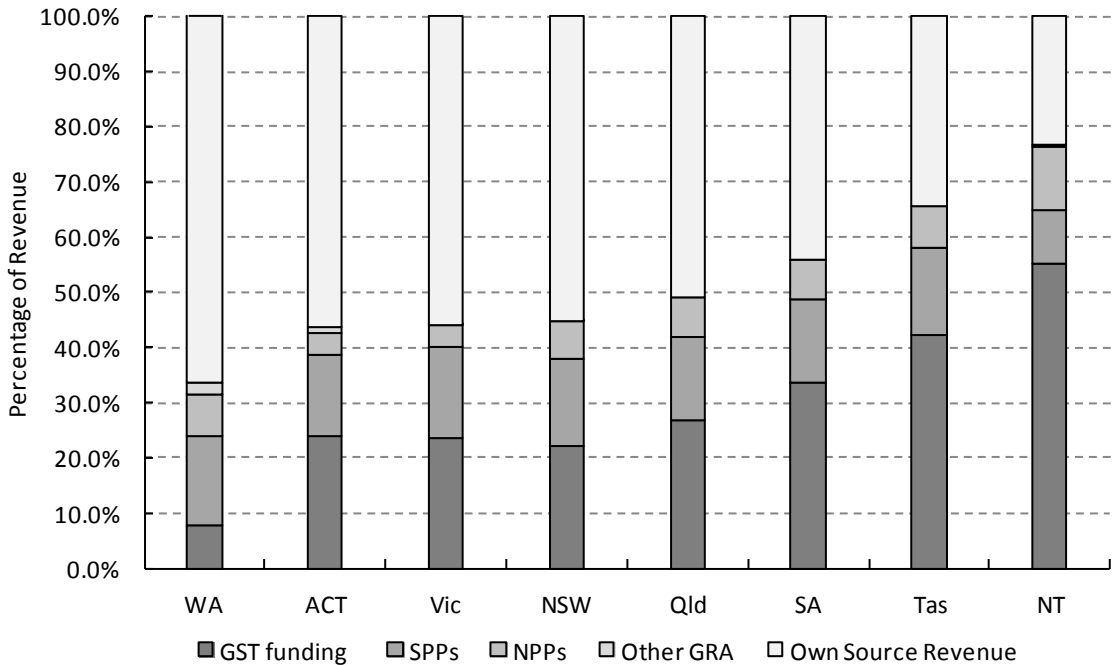


## Sources of Federal Funding

The types of federal funding within the above framework are General Revenue Assistance (GRA); Financial Assistance Grants to Local Government (Financial Assistance Grants); National Specific Purpose Payments (SPPs); and National Partnership Payments (NPPs).

Figure 7.1.2 and Table 7.1.1 below illustrate the sources of State revenues. On average, States are estimated to receive 46.2 per cent of their funding from the Commonwealth in 2016-17<sup>2</sup>, with an average of 53.8 per cent coming from their own sources.

**Figure 7.1.2: State Revenue Profile from the Commonwealth, 2016-17**



**Sources:** CMTEDD calculation based on 2016-17 Commonwealth and Victorian Budgets; 2015-16 State Mid-Year Budget Review Papers.

<sup>2</sup> CMTEDD calculation based on 2016-17 Commonwealth Budget, 2016-17 Victorian Budget and 2015-16 State Mid-Year Budget Statements.

**Table 7.1.1: State Revenue Profile from the Commonwealth, 2016-17**

	WA	ACT	Vic	NSW	Qld	SA	Tas	NT
<b>Total Commonwealth funding (\$b)</b>	<b>8.6</b>	<b>2.1</b>	<b>25.9</b>	<b>35.5</b>	<b>26.1</b>	<b>10.2</b>	<b>3.6</b>	<b>4.5</b>
GST funding (%)	7.8	24.1	23.6	22.2	26.7	33.6	42.3	55.2
SPPs (%)	16.1	14.4	16.5	15.6	15.2	15.2	15.6	9.6
NPPs (%)	7.6	4.2	3.9	6.9	7.0	7.1	7.7	11.7
Other GRA (%)	2.2	0.8	0.0	0.1	0.0	0.0	0.0	0.1
<b>Total Commonwealth funding (%)</b>	<b>33.4</b>	<b>43.6</b>	<b>44.0</b>	<b>44.7</b>	<b>48.9</b>	<b>56.0</b>	<b>65.7</b>	<b>76.6</b>
<b>Own Source Revenue (%)<sup>1</sup></b>	<b>66.6</b>	<b>56.4</b>	<b>56.0</b>	<b>55.3</b>	<b>51.1</b>	<b>44.0</b>	<b>34.3</b>	<b>23.4</b>

**Sources:** CMTEDD calculation based on 2016-17 Commonwealth and Victorian Budgets; 2015-16 State Mid-Year Budget Review Papers.

**Note:** Numbers may not add due to rounding.

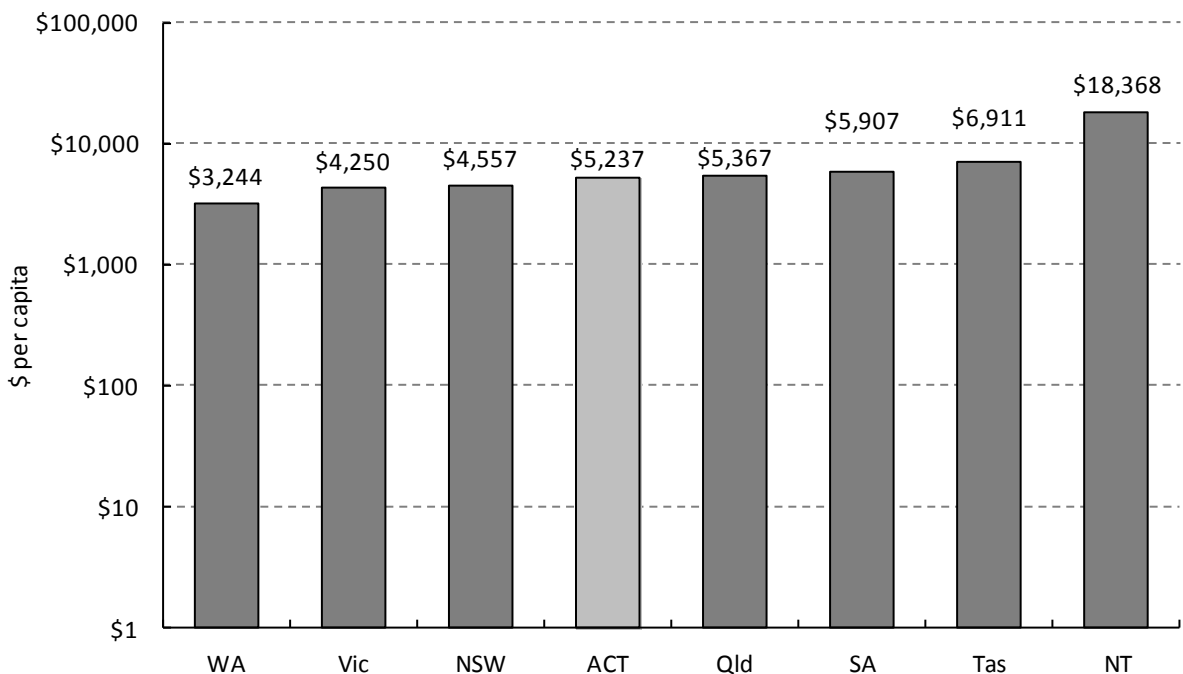
1. ACT Own Source Revenue is inclusive of local government revenue comprising general rates and the City Centre Marketing and Improvements Levy.

The ACT is expected to receive approximately 43.6 per cent of its funding from the Commonwealth in 2016-17. This would make the ACT the second least reliant on Commonwealth revenue of all jurisdictions. However, the ACT's own source revenue includes general rates, which are used to support both State and local government type expenses. General rates constitute about 9.5 per cent of the ACT's total revenue in 2016-17<sup>3</sup>:

- GST funding represents a higher proportion of the ACT's total revenue than for three other States, while the SPP and NPP funding it receives represents a lower proportion than for most other States.
- The ACT's high share of GST is driven mainly by its low revenue raising capacity, due to its inability to apply taxes, such as payroll tax, to the Commonwealth, as well as its lack of mineral resources and relatively low land values compared with the large States. On the other hand, its low share of NPPs is largely driven by a low share of infrastructure funding, which is typically lower for the smaller States.
- Taken together, the ACT ranks in the middle of States in terms of the per capita amount of total Commonwealth funding it receives (see Figure 7.1.3 below).

<sup>3</sup> It is not possible to identify how much of the general rates revenue is used for State type expenses and how much for local government type expenses.

**Figure 7.1.3: Commonwealth Funding Per Capita, 2016-17**



Source: CMTEDD calculation based on the 2016-17 Commonwealth Budget.

## Total Commonwealth Funding to the ACT

The ACT will receive the following estimated payments from the Commonwealth Government in 2016-17:

- GRA, comprising:
  - GST of \$1,154.4 million; representing an increase of \$105.4 million over 2015-16; and
  - ACT Municipal Services payments of \$39.1 million; representing an increase of \$0.6 million over 2015-16;
- SPPs of \$691.1 million; representing an increase of \$32.1 million over 2015-16;
- NPPs of \$134.8 million; representing an increase of \$49.0 million over 2015-16; and
- Other Commonwealth Payments comprising:
  - Financial Assistance Grants of \$48.6 million; representing an increase of \$24.3 million over 2015-16. The significant difference in Financial Assistance Grants funding from 2015-16 to 2016-17 is due to a decision to bring forward half of the 2015-16 Financial Assistance Grants payments into 2014-15 to serve as an economic stimulus for local government.

The amounts above reflect the 2016-17 Commonwealth Budget estimated 2015-16 outcome and the 2016-17 ACT Budget estimates. Each of the payments is discussed in more detail in the following sections.

## General Revenue Assistance (GRA)

GRA transfers from the Commonwealth Government represent a major source of untied funding in support of the delivery of state type services in the ACT. It is estimated they will comprise approximately 25 per cent of the ACT's General Government Sector revenues in 2016-17. Table 7.1.2 below summarises the expected level of GRA funding to the ACT across the Budget and forward estimates.

**Table 7.1.2: Commonwealth Government General Revenue Assistance Funding to the ACT**

	2015-16	2016-17	Variance		2017-18	2018-19	2019-20
	Est. Out. \$m	Budget \$m	\$m	%	Estimate \$m	Estimate \$m	Estimate \$m
GST Revenue	1,049.0*	1,154.4	105.4	10.0	1,215.7	1,279.1	1,334.5
ACT Municipal Services	38.5	39.1	0.6	1.6	39.6	40.2	40.9
<b>Total General Revenue Assistance</b>	<b>1,087.5</b>	<b>1,193.5</b>	<b>106</b>	<b>9.7</b>	<b>1,255.3</b>	<b>1,319.3</b>	<b>1,375.4</b>

**Source:** 2016-17 Commonwealth Budget.

**Note:** Numbers may not add due to rounding.

\*Balancing adjustment of \$7.2 million for under-payment in 2014-15 paid in 2015-16.

## GST Revenues

GST payments to the ACT represent the bulk of GRA to the ACT and in any year reflect: the total national GST pool; the ACT's GST relativity<sup>4</sup>; and the Australian Bureau of Statistics' estimates of the ACT and national populations.

The GST is distributed to the States as 'untied' payments and consistent with the principle of HFE<sup>5</sup>. A full description of the determination of the ACT's 2016-17 GST relativity of 1.15648 is provided later in this chapter including an illustration of the history of the ACT's relativity over time.

<sup>4</sup> A per capita weight assessed by the Commonwealth Grants Commission for use by Commonwealth Treasury in calculating the share of the GST revenue a State requires to achieve horizontal fiscal equalisation.

<sup>5</sup> A distribution of GST revenue to State governments such that, after allowing for material factors affecting revenues and expenditures, each would have the fiscal capacity to provide services and their associated infrastructure at the same standard, if each made the same effort to raise revenue from its own sources, operated at the same level of efficiency and maintained the average per capita net financial worth.

For forward estimates purposes, the GST revenue receipts to the ACT are based on:

- the 2016-17 Commonwealth Budget forward estimates of the GST pool:
  - the Commonwealth projections include two new measures that are expected to increase the GST pool:
    - : The application of GST to low value imported goods, expected to raise an additional \$270 million in GST payments to the States between 2017-18 and 2019-20.
    - : An increase in the tobacco excise, effective from 1 July 2017, expected to increase GST payments to the States by \$445 million between 2017-18 and 2019-20. This occurs because GST is applied to the excise inclusive price.
- the Commonwealth's forward estimates of the ACT population as a percentage of the national total; and
- the 2016-17 GST relativity for the ACT held constant across the forward estimates.

In the 2016-17 Commonwealth Budget, Commonwealth Treasury for the first time has adopted the same measure used by the ACT for projecting GST relativities in the forward estimates. The 2016-17 Commonwealth Budget holds each State's relativity in the budget year constant across the outyears<sup>6</sup>. As a result, the ACT GST estimates for the outyears published in the 2016-17 ACT Budget align with the 2016-17 Commonwealth Budget GST estimates.

The overall movement in GST grants to the ACT throughout the year since the 2015-16 Budget release is illustrated in Table 7.1.3 below:

- It reflects parameter variations arising from the impact of the:
  - 2014-15 Final Budget Outcome;
  - Commonwealth's Mid-Year Economic and Fiscal Outlook (MYEFO) revisions;
  - release of the CGC's new relativities; and
  - subsequent 2016-17 Commonwealth Budget release.

In 2016-17, the ACT is estimated to receive \$1,154.4 million in GST. This is \$159.2 million greater than if the GST were distributed based on an equal per capita share across jurisdictions.

---

<sup>6</sup> Previously the Commonwealth produced technical projections of GST relativities beyond the Budget year. This approach was limited to applying each State's fiscal needs from the last two years of the most recent Grants Commission report, with adjustment for changes in the distribution of National SPPs. It did not take account of the States' forward estimates of their budgetary positions, nor of trends in underlying cost drivers which could affect future relativities.

**Table 7.1.3: Reconciliation of GST Revenue Grants to the ACT**

		2015-16 \$m	2016-17 \$m	2017-18 \$m	2018-19 \$m	2019-20 \$m	Total* \$m
<b>2015-16 ACT Budget</b>	Jun-15	1,032.4	1,103.3	1,167.8	1,235.0		4,538.4
<b>2014-15 Final</b>	<i>Variation</i>	7.2	0.0	0.0	0.0		7.2
<b>Commonwealth Budget Outcome</b>	Nov-15	1,039.6 <sup>^</sup>	1,103.3	1,167.8	1,235.0		4,545.6
<b>2015-16 ACT Budget Review</b>	Dec-15	1,039.6 <sup>^</sup>	1,103.3	1,167.8	1,235.0		4,545.6
<b>2015-16 Commonwealth MYEFO</b>	<i>Variation</i>	3.9	-3.4	-13.6	-26.7		-39.8
	Dec-15	1,043.5 <sup>^</sup>	1,099.9	1,154.2	1,208.3		4,505.9
<b>2016 Update Report</b>	<i>Variation</i>	0.0	55.2	57.9	60.6		173.6
	Apr-16	1,043.5 <sup>^</sup>	1,155.1	1,212.1	1,268.8		4,679.5
<b>2016-17 Commonwealth Budget</b>	<i>Variation</i>	5.5	-0.7	3.7	10.2	N/A	18.7*
	May-16	1,049.0 <sup>^</sup>	1,154.4	1,215.7	1,279.1	1,334.5	6,032.7
<b>2016-17 ACT Budget</b>	Jun-16	1,049.0 <sup>^</sup>	1,154.4	1,215.7	1,279.1	1,334.5	6,032.7
<b>Total Variation since 2015-16 ACT Budget</b>		16.6	51.1	47.9	44.1	N/A	159.8*

**Note:** Numbers may not add due to rounding.

<sup>^</sup> Includes a balancing adjustment of \$7.2 million for under payment in 2014-15 to be paid in 2015-16.

\* Total does not include 2019-20.

**Parameter Variations:**

1. The 2014-15 Final Budget Outcome – Balancing adjustment of \$7.2 million for under payment in 2014-15 to be paid in 2015-16.
2. The 2015-16 Commonwealth Mid-Year Economic and Fiscal Outlook: Revised GST revenue pool and population estimates.
3. The Commonwealth Grants Commission 2016 Update Report: Revised GST relativities.
4. The 2016-17 Commonwealth Budget: Revised GST revenue pool and population estimates.

## ACT Municipal Services

The Commonwealth also provides GRA to the ACT to assist in meeting the additional local government type municipal costs which arise from Canberra’s role as the National Capital. This general revenue assistance also compensates the ACT for additional costs resulting from the National Capital planning influences on the provision of water and sewerage services.

This level of funding arises from recommendations by the CGC at the time the ACT was granted self-government. It is indexed annually by a growth factor comprised of indicators for wage growth and inflation. Downward revisions to wage growth and Consumer Price Index in the 2016-17 Commonwealth Budget have marginally reduced the growth of ACT Municipal Services payments from 2017-18 onwards.

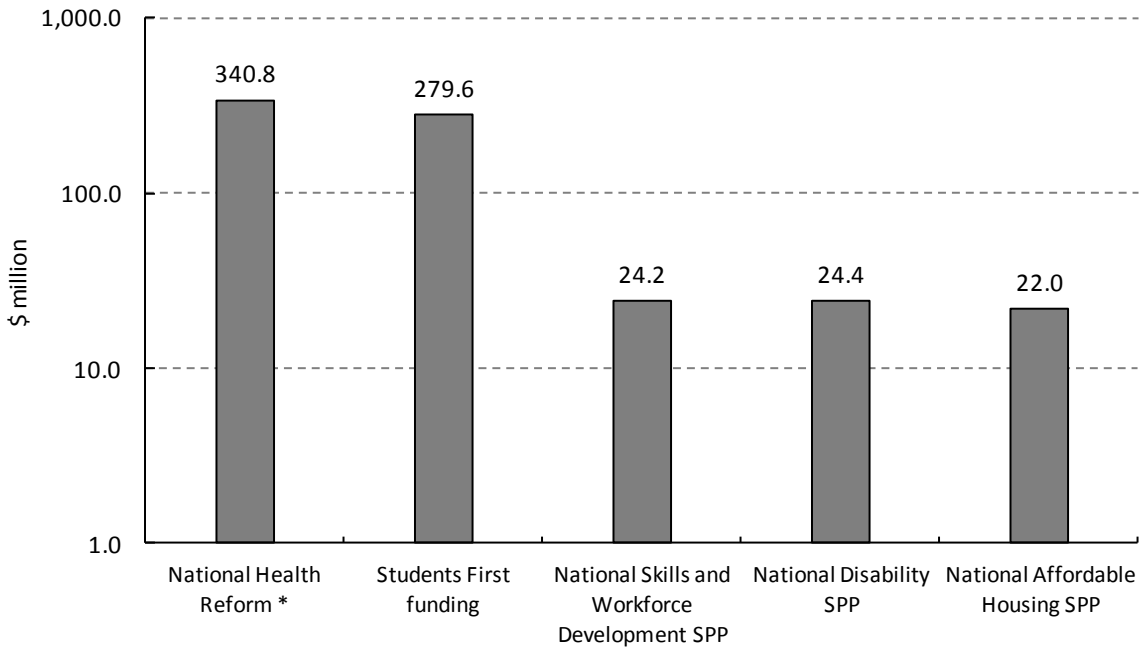
## National Specific Purpose Payments (SPPs)

Commonwealth grants for specific purposes to the ACT are projected to be \$2,904.1 million across the 2016-17 Budget and forward estimates to 2019-20.

The Commonwealth provides these grants as contributions towards the sectors of healthcare, education, skills and development, disability and housing.

The relative distribution of these SPPs across sectors is illustrated in Figure 7.1.4.

**Figure 7.1.4: 2016-17 National Specific Purpose Payments to the ACT**



**Source:** 2016-17 Commonwealth Budget Paper No. 3.

**Note:**

\* Public Hospital funding has been revised down for 2017-18 onwards from what is published in the 2016-17 Commonwealth Budget given the more current information on likely growth and activity levels available to the ACT Government.

The Commonwealth’s SPP funding to the ACT is detailed in Table 7.1.4 below.

The ACT is required to spend the funding it receives under each National SPP in the service sector relevant to the SPP. For example, the National Affordable Housing funding must be expended in the housing sector – but the ACT has flexibility to allocate funds within that sector to achieve any mutually agreed objectives.

**Table 7.1.4: Commonwealth National Specific Purpose Payments to the ACT**

	2015-16	2016-17	Variation		2017-18	2018-19	2019-20
	Est. Out.	Budget	\$m	%	Estimate	Estimate	Estimate
	\$m	\$m			\$m	\$m	\$m
<b>National Health Reform<sup>1</sup></b>	324.7	340.8	16.1	5.0	358.6	377.2	396.8
<b>Students First funding</b>	264.9	279.6	14.7	5.6	294.1	313.1	330.7
<b>National Skills and Workforce Development SPP</b>	23.9	24.2	0.3	1.2	24.5	24.9	25.2
<b>National Disability SPP</b>	23.7	24.4	0.7	3.1	0.0	0.0	0.0
<b>National Affordable Housing SPP</b>	21.8	22.0	0.3	1.2	22.3	22.6	22.9
<b>Total National Specific Purpose Payments</b>	<b>658.9</b>	<b>691.1</b>	<b>32.1</b>	<b>4.9</b>	<b>699.6</b>	<b>737.8</b>	<b>775.6</b>

**Source:** 2016-17 Commonwealth Budget, Budget Paper No. 3.

**Note:** Numbers may not add due to rounding. Variation calculations based on \$'000.

- Public Hospital funding has been revised down for 2017-18 onwards from what is published in the 2016-17 Commonwealth Budget given the more current information on likely growth and activity levels available to the ACT Government.

Further details of the changes made to funding arrangements under the National SPPs in each sector are set out below.

## Health Funding

The funding arrangements under the National Health Reform Agreement (NHRA) came into operation for all States from July 2014, linking funding directly to the level of services delivered in public hospitals in each State. From 2014-15 to 2016-17, the Commonwealth was to maintain its previous percentage of base funding and fund 45 per cent of volume growth, both at the national efficient price (determined annually by an independent authority).

At the time of the 2014-15 Budget, the Commonwealth Government unilaterally took the decision that from 1 July 2017 its contribution for public hospitals funding would be indexed by the Consumer Price Index (CPI) and population growth. This change withdrew the previous Commonwealth commitment under the NHRA to fund 50 per cent of efficient growth from 2017-18 and introduced a cap on the Commonwealth contribution.

The 2014-15 Commonwealth Budget changes also included a move away from the guarantee of minimum payments, as agreed under the NHRA, which significantly reduced payments the ACT had expected to receive under this agreement.

In 2016-17 the Commonwealth agreed with States and Territories to adopt interim funding arrangements for public hospitals, ahead of consideration of longer-term arrangements.

Key features of this interim agreement include:

- extending activity based funding for public hospitals for three years from 2017-18 onwards;
- a guarantee that the Commonwealth will provide additional funding, if required, to ensure the Territory receives no less than it would have if the Commonwealth contribution was indexed at the rate of CPI and national population for each year; and



- the capping of annual growth in Commonwealth funding at 6.5 per cent nationally per annum (above which level States would be funding all extra costs); and funding adjustments based on performance against quality and safety indicators.

The 2016-17 Commonwealth Budget estimates that the ACT will receive \$1.1 billion for hospital services and public health over the three years from 2016-17 to 2018-19. This represents an additional \$151.4 million over the Commonwealth 2015-16 MYEFO.

The increase partly relates to cross border flows of approximately \$126 million over the two years from 2017-18 to 2018-19 that the ACT will now receive directly from the Commonwealth under the new Agreement, rather than needing to seek full reimbursement of such costs bilaterally.

The balance of \$25.4 million from 2016-17 to 2018-19 reflects the Commonwealth estimation of projected funding growth of approximately 7 per cent per annum based on a 10 year historical calculation of annual increases.

The ACT Health estimates, based on more recent activity forecasts suggest that an annual growth level of 5.2 per cent over the 2016-17 Budget and forward estimates is more likely. The impact over this four year period only provides an additional \$14.5 million under the interim arrangement of: -\$2.1 million in 2016-17; \$0.6 million in 2017-18; \$5.2 million in 2018-19; and \$10.8 million in 2019-20. This has been reflected in the 2016-17 ACT Budget.

## Education

The ACT Government entered into a Bilateral Agreement with the Commonwealth for schools funding on 4 August 2013, the National Education Reform Agreement. The Commonwealth legislated its needs-based funding model called the School Resourcing Standard (SRS) through the *Australian Education Act 2013*. The Bilateral Agreement covers a six year period; however, the Commonwealth Government, in its 2014-15 Budget, identified its intentions to reduce the term of the agreement on the new funding model reached with the ACT (and all other States) from six years to four years. From the 2018 school year onwards, total recurrent funding was to be indexed by the CPI.

The 2016-17 Commonwealth Budget announced an additional \$1.2 billion by the replacement of CPI with indexation of 3.560 per cent per annum from 2018 to 2020. While the additional funding the Commonwealth estimates the ACT would receive due to these revised indexation parameters is approximately \$1 million per year from 2018 to 2020, the State allocations from the 2018 school year onwards are indicative only. Final allocations are subject to formal negotiations with States and the non-government schools sector. Conditions of this funding are likely to include all school systems committing to more explicit teaching of maths and reading, better standards for teachers and more emphasis on science, technology, engineering and mathematics subjects.

## Disability Funding

The National Disability Insurance Scheme (NDIS) provides lifetime care and support for eligible people who have significant and permanent disabilities.

The ACT commenced as one of a number of trial sites for the National Disability Insurance Scheme (NDIS) around the country in July 2014. Under our transition to the NDIS, all eligible participants are to have access to the scheme by 1 July 2016, and to be fully transitioned by 30 September 2016.

During the transition phase of the NDIS, the Commonwealth continues to pay the National Disability SPP to States. However, as participants move into the NDIS, States are required to repay the funding they receive from the National Disability SPP to the National Disability Insurance Agency (NDIA). Once States are fully transitioned to the NDIS, the Commonwealth ceases National Disability SPP payments to States as its funding for disability services is now paid directly to the NDIA.

Accordingly, the 2016-17 Commonwealth Budget announced the discontinuation of the National Disability SPP payments to the ACT from 2017-18, and its replacement with NDIS funds.

The implementation of the NDIS represents a significant financial investment by the Commonwealth and States in improving the independence, quality of life, and outcomes for persons with disability. In recognition of this increased investment, the 2016-17 ACT Budget provides an additional \$22.3 million between 2016-17 and 2018-19 to meet the ACT's contribution to the NDIA. Funding changes for 2019-20 and future years will be included in future budgets, once there is certainty about the funding flows under full scheme arrangements.

To assist States in meeting additional costs associated with the transition to the NDIS, the Commonwealth established the DisabilityCare Australia Fund (DCAF). DCAF is funded from the Medicare Levy surcharge and States have access to this fund in line with the rate at which participants are signed up to the NDIS.

The 2016-17 Commonwealth Budget included a revised profile for DCAF funding, which brings forward \$28 million in funding from 2017-18 to 2016-17 for the ACT as shown in Table 7.1.5 below. However, the revised profile included in the 2016-17 Commonwealth Budget depends on significant NDIS governance changes to which the States, including the ACT, have not agreed as the proposed changes would require the ACT to take on greater risks around the cost of the scheme with limited benefits. This re-profiling has therefore not been reflected in the 2016-17 ACT Budget.

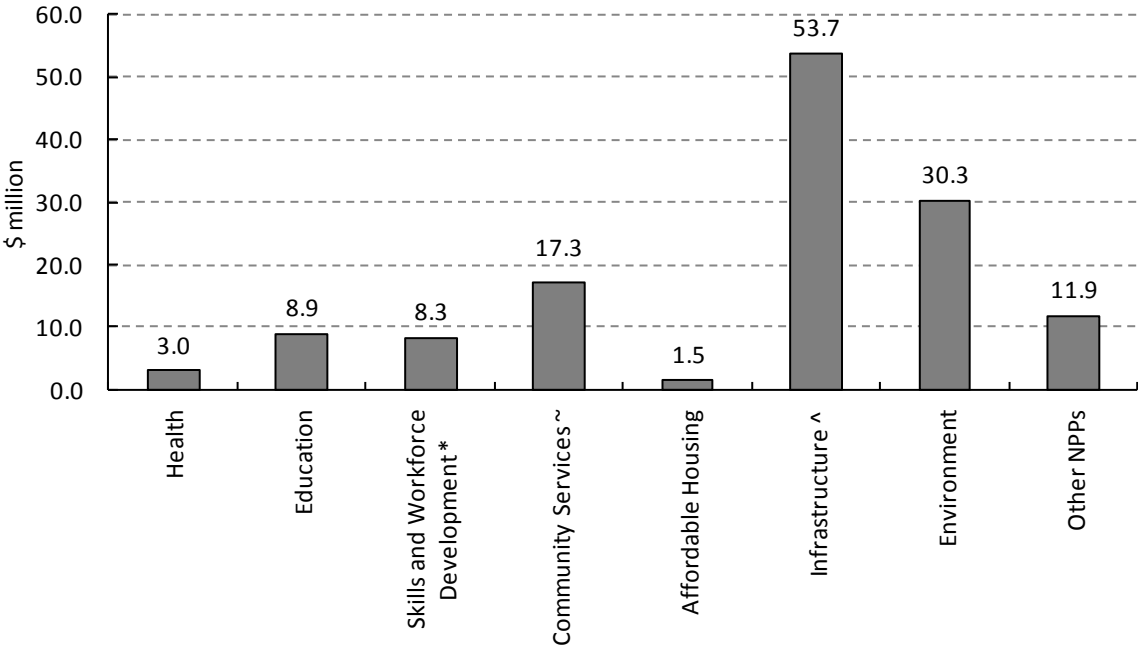
**Table 7.1.5: Disability Care Australia Fund – ACT Element**

	2015-16	2016-17	2017-18	2018-19
	\$'000	\$'000	\$'000	\$'000
<b>2015-16 Commonwealth Budget</b>	1,417	12,490	43,817	15,715
<b>2016-17 Commonwealth Budget</b>	1,417	41,122	15,184	15,715
<b>Difference</b>	<b>0</b>	<b>28,632</b>	<b>-28,633</b>	<b>0</b>

# National Partnership Payments (NPPs)

Within the context of the IGA-FFR, the Commonwealth provides NPPs to the States, in addition to GRA and SPPs, to support the delivery of specified projects, to facilitate reforms or to reward those jurisdictions that deliver on national reforms or achieve service delivery improvements. The distribution of these payments for the ACT in 2016-17 across sectors is shown in Figure 7.1.5.

**Figure 7.1.5: 2016-17 National Partnership Payments to the ACT**



**Source:** 2016-17 Commonwealth Budget, Budget Paper No. 3.

**Notes:**

\* TAFE Fee Waivers was incorrect in the 2016-17 Commonwealth Budget as -\$290,000 but should have been \$10,000 for 2015-16.

~ DisabilityCare Australia Fund receipts for 2016-17 onwards has been revised to reflect different timing of payments as the ACT is unlikely to agree to different governance arrangements.

^ For the Asset Recycling Initiative, ACT Treasury estimates have been used which will be updated as assets are sold or as otherwise required under reporting arrangement with the Commonwealth Government.

The distribution of NPPs across sectors reflects both major areas of State service delivery, such as Health and Education, and the significant role played by the Commonwealth in funding State infrastructure, such as hospitals, roads and rail.

National Partnership Agreements (NPAs) currently delivering NPP funding to the ACT across Budget and forward estimates are summarised by sector in Table 7.1.6 below.

**Table 7.1.6: Commonwealth National Partnership Payments to the ACT**

	2015-16	2016-17	Variation		2017-18	2018-19	2019-20
	Est. Out. \$m	Budget \$m	\$m	%	Estimate \$m	Estimate \$m	Estimate \$m
Health	6.6	3.0	-3.6	-54.5	2.8	2.6	2.7
Education	9.2	8.9	-0.2	-2.6	6.6	0.0	0.0
Skills and Workforce Development <sup>1</sup>	6.1	8.3	2.2	36.6	0.0	0.0	0.0
Community Services <sup>2</sup>	5.5	17.3	11.7	211.8	47.1	19.8	21.2
Affordable Housing Infrastructure <sup>3</sup>	1.5	1.5	0.0	0.0	0.0	0.0	0.0
Environment	4.6	30.3	25.6	553.2	30.3	18.0	0.3
Other NPPs	11.7	11.9	0.2	1.8	11.9	11.4	11.7
<b>Total National Partnership Payments</b>	<b>85.8</b>	<b>134.8</b>	<b>49.0</b>	<b>57.1</b>	<b>137.5</b>	<b>70.0</b>	<b>65.9</b>

Source: 2016-17 Commonwealth Budget, Budget Paper No. 3.

Note: Numbers may not add due to rounding. Variation calculations based on \$'000.

1. TAFE Fee Waiver was incorrect in the 2016-17 Commonwealth Budget as \$290,000 but should have been \$10,000 for 2015-16.
2. DisabilityCare Australia Fund receipts for 2016-17 onwards have been revised to reflect different timing of payments as the ACT is unlikely to agree to different governance arrangements.
3. For the Asset Recycling Initiative, ACT Treasury estimates have been used. These estimates will be updated as assets are sold under the Agreement or as otherwise required under reporting arrangements with the Commonwealth Government.

## Expiring National Partnership Payments

In the 2016-17 Commonwealth Budget, the Commonwealth allowed one NPA to expire.

- NPA on National Mental Health Reform (\$620,000 to the ACT in 2015-16). The Commonwealth Government has announced that the funding under this agreement is being reallocated to the Primary Health Network as part of a move towards delivering coordinated care packages to those accessing mental health services.

Three NPAs that were due to expire in 2015-16 have been extended or replaced with new agreements:

- NPA on Specified Projects (OzFoodNet) (\$139,000 to the ACT in 2015-16) – Funding was extended to 2019-20 with the ACT estimated to receive \$141,000 in 2016-17 and \$576,000 over four years.
- NPA on Adult Public Dental Services (\$2.4 million to the ACT in 2015-16) – This agreement will be replaced by the NPA on Child and Adult Public Dental Scheme. The new agreement is worth \$1.7 billion nationally between 2016-17 and 2019-20; however, State allocations are yet to be determined.

- NPA on Pay Equity for the Social and Community Services Sector (\$4 million in 2015-16) – The Commonwealth Government is in the process of developing a replacement agreement to take effect from 1 July 2016 when the existing agreement expires. The 2016-17 Commonwealth Budget includes \$2.6 million in 2016-17 and \$14.1 million between 2016-17 and 2019-20 for the ACT under this agreement.

The States continue to pursue improvements to the current process for dealing with expiring agreements. These improvements would see earlier notification of the Commonwealth's intentions.

## **New National Partnership Payments**

The 2016-17 Commonwealth Budget confirmed four new agreements, which have recently been agreed with the States and Territories (these include some payments to be made before the end of 2015-16):

- Project Agreement (PA) for the Implementation of National Outcome Standards for Perpetrator Interventions (\$46,000 to the ACT in 2016-17);
- PA for the National Register of Foreign Ownership of Land Titles (\$800,000 to the ACT split evenly between 2015-16 and 2016-17)<sup>7</sup>;
- PA for Managing Established Pest Animals and Weeds (\$21,000 in 2016-17)<sup>8</sup>; and
- PA for the National Health and Hospitals Network – Specialist Disability Services for over 65's (\$2.1 million in 2016-17).

The 2016-17 Commonwealth Budget also announced new funding arrangements under the NPA on the Asset Recycling Initiative (ARI). The ARI commenced on 1 July 2014 and will expire on 30 June 2019. The agreement offered a two year window, which expires on 30 June 2016, for States to reach an agreement with the Commonwealth to sell assets and invest the proceeds in productive infrastructure. Infrastructure investment must commence prior to 30 June 2019. The Commonwealth announced a total funding pool of \$5 billion for this initiative and has offered a total incentive payment of 15 per cent of the asset's final sale proceeds to be paid to States in two instalments upon completing key milestones.

The ACT Government signed the first agreement under the ARI on 19 February 2015, agreeing to sell assets initially estimated at nearly \$400 million (using the valuation method agreed with the Commonwealth for the purpose of commencement of ARI), including ACTTAB for \$105.5 million. The Commonwealth Government provided advice to the ACT following the release of the 2016-17 Commonwealth Budget that the ACT is estimated to receive around \$67 million under the agreement. This is approximately \$8 million more than previously estimated due to the inclusion of additional public housing assets in the agreed assets to be sold by the ACT Government.

<sup>7</sup> Commonwealth Budget does not include State allocations, as the agreement had not been signed before the cut-off for inclusion in 2016-17 ACT Budget. The ACT expects to receive \$800,000 spread over two years, with the first allocation paid prior to the end of the 2015-16 financial year.

<sup>8</sup> The Commonwealth Budget also includes funding in 2017-18 and 2018-19 of \$21,000 annually which are not included in the PA.

## Other Commonwealth Payments

This component of Commonwealth funding to the ACT reflects a variety of grants outside the IGA framework, with the largest being Financial Assistance Grants.

### Financial Assistance Grants to Local Government

Financial Assistance Grants are paid to State Governments for on-passing to local governments through the State Grants Commissions. Financial Assistance Grants to local government are untied and can be spent according to local government priorities.

As the ACT Government has responsibility for both State and municipal functions, the Financial Assistance Grants are paid directly to the Territory to be spent according to its budget priorities, at approximately two per cent of the Financial Assistance Grants pool.

Financial Assistance Grants payments are made up of two components, general purpose funding and identified local road funding:

- The **general purpose** component is divided amongst the States on an equal per capita basis.
- The **identified local roads** funding shares were agreed at the 1990 Special Premiers conference and are based on historical road lengths from 1991-92. The ACT's share is 3.2 per cent.

The Commonwealth Government announced on 29 June 2015 that the first two quarterly instalments of Financial Assistance Grants payments from 2015-16 were to be brought forward into 2014-15. The Commonwealth took this decision to smooth the funding provided to local councils over the next two years following the announcement of an increase in funding for the Roads to Recovery programme of \$1.1 billion between 2015-16 and 2016-17.

The change resulted in \$24.3 million in Financial Assistance Grants payments to the ACT being brought forward from 2015-16 into 2014-15.

The ACT's Financial Assistance Grants funding is shown in Table 7.1.7 below.

**Table 7.1.7: Commonwealth Government Financial Assistance Grants Funding to the ACT**

	2015-16	2016-17	Variation		2017-18	2018-19	2019-20
	Est. Out.	Budget	\$m	%	Estimate	Estimate	Estimate
	\$m	\$m			\$m	\$m	\$m
<b>Financial Assistance Grants<sup>1</sup></b>	24.3	48.6	24.3	100.0	50.5	52.5	54.5

**Sources:** 2016-17 Commonwealth Budget and the 2014-15 Final Determination for Financial Assistance Grants for Local Government.

**Notes:** Numbers may not add due to rounding.

1. The first two quarterly instalments for Financial Assistance Grants in 2015-16 were brought forward and paid to the States in 2014-15. For the ACT, this meant that \$24.3 million was paid in 2014-15 instead of 2015-16.

## Total Commonwealth Funding to the ACT

All estimated and expected revenue transfers from the Commonwealth Government to the ACT over the Budget period are detailed in Table 7.1.8.

**Table 7.1.8: Total Commonwealth Funding to the ACT**

2015-16 Budget	FUNDING CATEGORIES	2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
<b>General Revenue Assistance</b>						
38,515	ACT Municipal Services	38,500	39,100	39,600	40,200	40,900
1,032,368	GST Revenue <sup>1</sup>	1,049,000	1,154,400	1,215,700	1,279,100	1,334,500
<b>1,070,883</b>	<b>Total General Revenue Assistance</b>	<b>1,087,500</b>	<b>1,193,500</b>	<b>1,255,300</b>	<b>1,319,300</b>	<b>1,375,400</b>
<b>Health Services</b>						
321,427	National Health Reform Funding – Hospital Services <sup>2</sup>	318,889	334,734	352,140	370,451	389,715
0	National Health Reform Funding – Public Health <sup>2</sup>	5,798	6,096	6,413	6,746	7,097
<b>321,427</b>	<b>Total Health Services SPP</b>	<b>324,687</b>	<b>340,830</b>	<b>358,553</b>	<b>377,198</b>	<b>396,812</b>
<b>Health Services NPPs</b>						
2,365	Adult Public Dental Services	2,365	0	0	0	0
0	Child and Adult Public Dental Scheme <sup>7</sup>	0	0	0	0	0
2,346	Essential Vaccines	2,947	2,402	2,413	2,449	2,472
50	Health and Hospitals Fund Capital – National Cancer System	0	0	0	0	0
356	Health Services – BreastScreen Australia – Expansion of Program	356	263	0	0	0
34	Health Services – Vaccine Preventable Diseases Surveillance	34	35	36	37	38
118	National Bowel Cancer Screening Programme – Participant Follow-Up Function	118	151	184	0	0
139	OzFoodNet	139	141	143	145	147
620	Supporting National Mental Health Reform	620	0	0	0	0
<b>6,028</b>	<b>Total Health Services NPPs</b>	<b>6,579</b>	<b>2,992</b>	<b>2,776</b>	<b>2,631</b>	<b>2,657</b>
<b>327,455</b>	<b>Total Health Services</b>	<b>331,266</b>	<b>343,822</b>	<b>361,329</b>	<b>379,829</b>	<b>399,469</b>
<b>Housing</b>						
21,704	National Affordable Housing SPP	21,762	22,027	22,314	22,598	22,903
<b>Housing NPPs</b>						
1,520	Homelessness	1,520	1,520	0	0	0
<b>1,520</b>	<b>Total Housing NPPs</b>	<b>1,520</b>	<b>1,520</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>23,224</b>	<b>Total Housing</b>	<b>23,282</b>	<b>23,547</b>	<b>22,314</b>	<b>22,598</b>	<b>22,903</b>

2015-16 Budget \$'000	FUNDING CATEGORIES	2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
	<b>Community Services</b>					
23,640	National Disability SPP	23,668	24,394	0	0	0
	<b>Community Services NPPs</b>					
0	National Health and Hospitals Network – Specialist Disability Services for over 65's	0	2,112	0	0	0
0	National Outcome Standards for Perpetrator Interventions	107	46	0	0	0
1,932	Pay Equity for Social and Community Services	4,008	2,603	3,311	4,077	4,908
1,417	Payments from the DisabilityCare Australia Fund <sup>3</sup>	1,417	12,490	43,817	15,715	16,265
<b>3,349</b>	<b>Total Community Services NPPs</b>	<b>5,532</b>	<b>17,251</b>	<b>47,128</b>	<b>19,792</b>	<b>21,173</b>
<b>26,989</b>	<b>Total Community Services</b>	<b>29,200</b>	<b>41,645</b>	<b>47,128</b>	<b>19,792</b>	<b>21,173</b>
	<b>Education and Early Childhood National Schools SPPs and National Education Reform Agreement (Students First) Funding</b>					
82,355	National Education Reform – (Students First) – Government	82,531	86,673	95,261	104,778	112,315
186,049	National Education Reform – (Students First) – Non-Government <sup>4</sup>	182,371	192,936	198,876	208,324	218,394
<b>268,404</b>	<b>Total National Schools SPPs and National Education Reform Agreement (Students First) Funding</b>	<b>264,902</b>	<b>279,609</b>	<b>294,137</b>	<b>313,102</b>	<b>330,709</b>
	<b>Education and Early Childhood NPPs</b>					
260	Independent Public Schools Initiative	260	260	0	0	0
0	MoneySmart Teaching	0	0	0	0	0
0	National Quality Agenda for Early Childhood Education and Care	321	489	459	0	0
966	National School Chaplaincy Programme	966	966	966	0	0
0	Online Safety Programs – Government Schools	11	23	34	0	0
0	Online Safety Programs – Non-Government Schools <sup>4</sup>	6	12	18	0	0
0	Schools Security – Government schools	0	0	0	0	0
3	Schools Security – Non Government schools <sup>4</sup>	13	13	12	0	0



2015-16 Budget	FUNDING CATEGORIES	2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
725	Trade Training Centres in Schools – Government Schools	725	0	0	0	0
0	Trade Training Centres in Schools – Non Government Schools <sup>4</sup>	0	0	0	0	0
6,849	Universal Access to Early Childhood Education	6,849	7,150	5,089	0	0
<b>8,803</b>	<b>Total Education and Early Childhood NPPs</b>	<b>9,151</b>	<b>8,913</b>	<b>6,578</b>	<b>0</b>	<b>0</b>
<b>277,207</b>	<b>Total Education and Early Childhood</b>	<b>274,053</b>	<b>288,522</b>	<b>300,715</b>	<b>313,102</b>	<b>330,709</b>
	<b>Skills and Workforce Development</b>					
23,858	National Skills and Workforce Development SPP	23,922	24,217	24,547	24,874	25,222
	<b>Skills and Workforce Development NPPs</b>					
6,050	Building Australia's Future Workforce – Skills Reform	6,050	8,276	0	0	0
0	TAFE Fee Waivers for Childcare Qualifications NPP <sup>5</sup>	10	0	0	0	0
<b>6,050</b>	<b>Total Skills and Workforce Development NPPs</b>	<b>6,060</b>	<b>8,276</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>29,908</b>	<b>Total Skills and Workforce Development</b>	<b>29,982</b>	<b>32,493</b>	<b>24,547</b>	<b>24,874</b>	<b>25,222</b>
	<b>Infrastructure Investment Programme</b>					
966	Black Spot Projects	0	1,619	966	966	979
982	Bridges Renewal Programme	936	708	1,339	959	978
1,043	Heavy Vehicle Safety and Productivity	469	614	787	657	652
874	Investment – Road Component/ IIP-Roads	616	6,300	6,611	3,020	20,709
5,600	Roads to Recovery	8,973	12,931	11,200	4,004	6,400
	<b>Infrastructure Growth Package – Asset Recycling Fund</b>					
3,550	Asset Recycling Initiative <sup>6</sup>	3,930	29,540	17,540	8,240	0
10,411	New Investments	10,411	1,610	0	0	0
	<b>Other Projects</b>					
6,920	Building Australia Fund – Road Component	6,920	0	0	0	0
8,000	Centenary of Canberra 2013 – A Gift to the National Capital	8,000	0	0	0	0
355	Interstate Road Transport	355	355	355	355	355
<b>38,701</b>	<b>Total Infrastructure</b>	<b>40,610</b>	<b>53,677</b>	<b>38,798</b>	<b>18,201</b>	<b>30,073</b>

2015-16 Budget \$'000	FUNDING CATEGORIES	2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
	<b>Environmental Services</b>					
	<b>Environmental Services NPPs</b>					
300	Bushfire Mitigation	300	299	0	0	0
327	Implementing Water Reform in the Murray Darling Basin	327	327	327	327	327
3,320	Sustainable Rural Water Use and Infrastructure Programme	3,320	27,000	30,000	17,671	0
1,958	Natural Disaster Resilience	653	2,610	NFP	NFP	NFP
0	Established Pest and Weed Management	32	21	21	21	0
0	Development of business cases for constraints measures <sup>7</sup>	0	0	0	0	0
0	Water Infrastructure Development Fund – feasibility studies component <sup>7</sup>	0	0	0	0	0
0	Water Infrastructure Development Fund – capital component <sup>7</sup>	0	0	0	0	0
0	Assistance for pest animal and weed management in drought affected areas <sup>7</sup>	0	0	0	0	0
<b>5,905</b>	<b>Total Environmental Services</b>	<b>4,632</b>	<b>30,257</b>	<b>30,348</b>	<b>18,019</b>	<b>327</b>
	<b>Other</b>					
	<b>Other NPPs</b>					
775	Developing Demand-Driver Infrastructure for the Tourism Industry	775	775	775	0	0
5,788	Legal Assistance Services	5,787	5,813	5,618	5,721	5,818
5,114	Provision of Fire Fighting Services	5,114	5,293	5,478	5,670	5,868
0	National Register of Foreign Ownership of Land Titles <sup>7</sup>	0	0	0	0	0
<b>11,677</b>	<b>Total Other NPPs</b>	<b>11,676</b>	<b>11,881</b>	<b>11,871</b>	<b>11,391</b>	<b>11,686</b>
	<b>Other Payments</b>					
48,562	Financial Assistance Grants – Local Government	24,283	48,611	50,530	52,452	54,527
<b>60,239</b>	<b>Total Other Commonwealth</b>	<b>35,959</b>	<b>60,492</b>	<b>62,401</b>	<b>63,843</b>	<b>66,213</b>
<b>1,860,511</b>	<b>Total Commonwealth Government Funding</b>	<b>1,856,484</b>	<b>2,067,955</b>	<b>2,142,880</b>	<b>2,179,558</b>	<b>2,271,489</b>

**Source:** The 2016-17 Commonwealth Budget; the 2014-15 Final Determination for Financial Assistance Grants for Local Government; and Chief Minister, Treasury and Economic Development Directorate calculations.

**Notes:** NFP indicates 'not for publication' in the 2016-17 Commonwealth Budget as negotiations are yet to be finalised.

1. GST revenue includes the balancing adjustment of \$7.2 million, paid in 2015-16 to correct the underpayment in 2014-15 from the Commonwealth.
2. The National Health Reform funding has been revised down for 2017-18 onwards from what is published in the 2016-17 Commonwealth Budget given the more current information on likely growth and activity levels available to the ACT Government.

3. DisabilityCare Australia Fund for 2016-17 onwards has been revised to reflect different timing of payments as the ACT is unlikely to agree to different governance arrangements.
4. Non-Government Schools funding has not been grossed-up for GST that will be passed through to them.
5. TAFE Fee Waivers for 2015-16 was incorrectly published as -\$290,000 in the 2016-17 Commonwealth Budget but should have been \$10,000.
6. For the Asset Recycling Initiative, ACT Treasury estimates have been used which will be updated as assets are sold or as otherwise required under reporting arrangements with the Commonwealth Government.
7. Where all zeros appear for 2015-16 as well as for the 2016-17 Budget and forward estimates, this is due to agreements for which State allocations are not yet determined or not certain.

## Drivers of ACT GST Estimates

### Report on GST Revenue Sharing Relativities – 2016 Update, Commonwealth Grants Commission (CGC)

For equity and efficiency reasons, the Commonwealth Government distributes a portion of its revenues to the States, recognising that the States have differing capacities to raise revenues and deliver services. Australia's HFE system is designed to engender stability and confidence in the States' fiscal situations by ensuring State Governments receive funding in proportion to their relative needs and revenue raising capacities.

The CGC recommends how the revenues raised from the GST should be distributed to the States to achieve HFE. The latest assessments in the *Report on GST Revenue Sharing Relativities – 2016 Update* (2016 Update) were calculated on the basis of the latest three years (2012-13 to 2014-15) of socio-economic and demographic data and led to an increase in the ACT's GST relativity from 1.10012 (2015 Review) to 1.15648 (2016 Update). The relativities were subsequently adopted by the Commonwealth Treasurer on 7 April 2016 and used to distribute the 2016-17 GST pool.

#### 2016 Recommendations

Table 7.1.9 shows the per capita relativities recommended for use in distributing the GST revenue among the States in 2016-17. It also shows State shares of the GST revenue implied by the 2016-17 recommendations and an illustrative total GST revenue distribution. It compares these with the results for the 2015-16 year.

**Table 7.1.9: Results – relativities, shares and GST distribution in 2015-16 and 2016-17**

	Relativities		Shares		GST distribution	
	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17
			%	%	\$m	\$m
New South Wales	0.94737	0.90464	30.4	29.0	17,401	17,598
Victoria	0.89254	0.90967	22.4	22.9	12,807	13,881
Queensland	1.12753	1.17109	22.7	23.6	13,024	14,348
Western Australia	0.29999	0.30330	3.3	3.4	1,890	2,037
South Australia	1.35883	1.41695	9.7	10.1	5,556	6,110
Tasmania	1.81906	1.77693	3.9	3.8	2,249	2,299
<b>Australian Capital Territory</b>	<b>1.10012</b>	<b>1.15648</b>	<b>1.8</b>	<b>1.9</b>	<b>1,036</b>	<b>1,155</b>
Northern Territory	5.57053	5.28450	5.7	5.4	3,286	3,291
Total	1.00000	1.00000	100.0	100.0	57,250	60,720

Source: CGC calculation.

Note: ACT GST entitlement for 2016-17 varies from the estimate in Table 7.1.1 above as the estimate in Table 7.1.9 is a CGC estimate based on estimates for the 2016-17 GST pool and estimates for State Estimated Resident Population at 31 December 2016 [2015-16 Commonwealth Mid-Year Economic and Fiscal Outlook].

In per capita terms the States of Victoria, Queensland, Western Australia, South Australia and the ACT received an increase in their relative share of the pool at the expense of New South Wales, Tasmania and the Northern Territory.

## **Overall Commentary**

The CGC's Report highlights the fact that States' assessed fiscal capacities continue to reflect divergent trends in their economies and other key influences on their circumstances:

- The major causes of change in State fiscal capacities were a reduction in the mining States' capacities to raise revenues from mining royalties, an increase in the capacity of States to raise revenues from property sales and changes in Commonwealth payments to the States.
- The slowdown in population growth in the mining States also played a significant role as did natural disaster relief expenses, and shifts in the relative taxable payroll and wage cost pressures across jurisdictions.

### **Implications for the ACT**

The ACT has maintained the fourth highest assessed fiscal capacity of all jurisdictions while at the same time having its relativity increased. The five main reasons for the change in relativity for the ACT are<sup>9</sup>:

- *Data revision on Taxable payrolls* – Downward revisions in ABS data used to measure the payroll tax base has reduced the ACT's revenue raising capacity and increased our GST share. These data revisions increased the ACT's GST share by \$36 million.
- *Change in Taxable payrolls* – The ACT's taxable private sector payrolls declined leading to a reduction in its revenue raising capacity. This increased the ACT's GST share by a further \$25 million.
- *Property sales* – The increase in property sales in the ACT was low relative to other jurisdictions which resulted in the ACT's relative capacity to raise revenue from conveyance duty decreasing. This increased GST to the ACT by \$28 million.
- *Mining production* – A fall in the value of mining production reduced the revenue raising capacity of the major mining States which shifted \$17 million in GST away from the ACT.
- *Wage costs* – The ACT's relative wage costs decreased, reducing our GST share by \$11 million.

The Report's recommendations translated into a gain of \$55 million or \$138 per capita compared with the GST estimates released in the 2015-16 ACT Budget Review. This per capita gain to the ACT is the second largest of any jurisdiction, as illustrated by Table 7.1.10.

---

<sup>9</sup> These changes relate to the assessment years in the 2016 Update i.e. 2012-13, 2013-14 and 2014-15. They do not necessarily reflect conditions in the current Budget or forward estimates years.

**Table 7.1.10: Per capita change in GST distribution due to change in relativity in 2016-17**

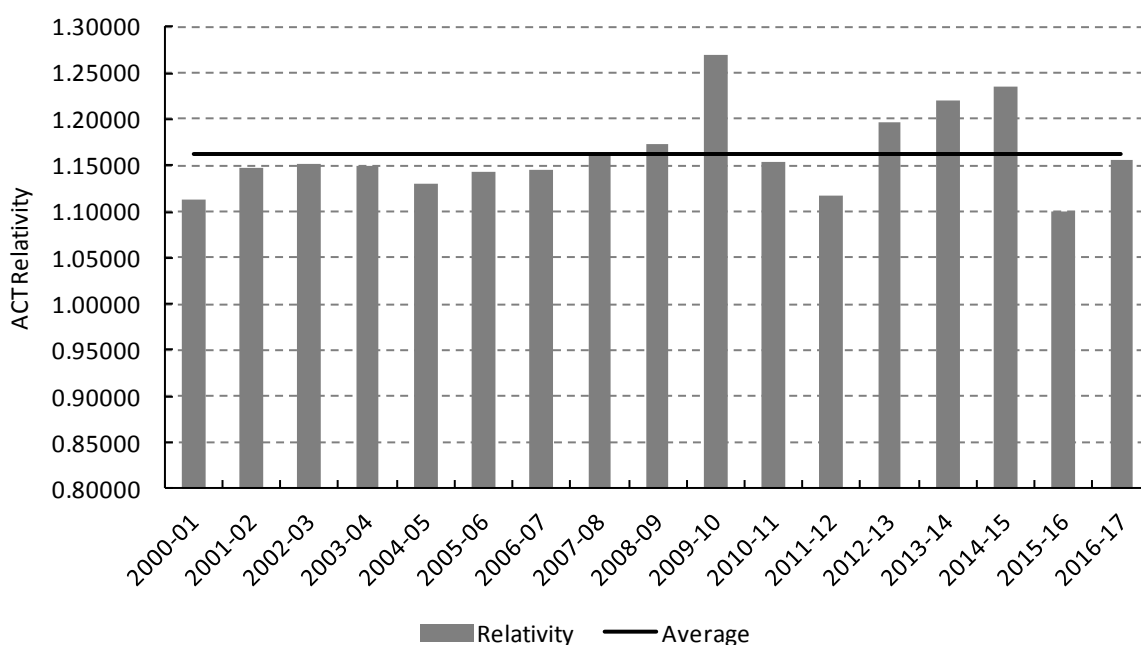
\$ per capita	NSW	VIC	QLD	WA	SA	TAS	ACT	NT
2016-17	-109.4	40.7	106.3	7.5	142.2	-110.3	137.8	-731.5

**Source:** CMTEDD calculation based on Table 4, Report on GST Revenue Sharing Relativities – 2016 Update, Commonwealth Grants Commission and 31 December 2016 Estimated Resident Population [2015-16 Mid-Year Economic and Fiscal Outlook, Commonwealth Government].

This contrasts with the agreed ACT relativity for 2015-16 which saw the ACT incurring a loss of approximately \$129 million, or \$325 per capita compared with the ACT’s 2014-15 Budget Review estimate, the largest of any jurisdiction.

Despite the increase in the ACT’s GST relativity in 2016-17, it remains slightly below the historical average of 1.16266 as illustrated by Figure 7.1.6.

**Figure 7.1.6: ACT Historic GST Revenue Sharing Relativities, 2000-01 to 2016-17**



**Major Issues arising in the 2016 Update**

In the *Report on GST Revenue Sharing Relativities 2015 Review* the CGC deferred its review of the Wage Costs assessment until new ABS data became available. The review was subsequently undertaken as part of the *2016 Update*. The CGC was to consider whether the assessment was to continue, which risked a potential loss in GST of \$84 million to the ACT.

The CGC released three discussion papers on the Wage Costs assessment review, which were addressed by the ACT in several submissions. The recommendations made in the Report overall were favourable to the ACT and the CGC agreed to continue the assessment. While some elements of the revised approach reduced the amount redistributed to the ACT in 2016-17, the Wage Costs assessment will still distribute \$76 million, or \$191 per capita, above an equal per capita share in GST to the ACT in 2016-17.

Another important change was the reclassification of the Majura Parkway as a National Network Road based on arguments presented by the ACT. As a result, the CGC has now excluded 50 per cent of any Commonwealth funding for the Parkway from equalisation.





# CHAPTER 8

## ASSET AND LIABILITY MANAGEMENT

<b>Chapter</b>	<b>Page</b>
<b>8.1 Net Debt and Net Financial Liabilities</b>	<b>289</b>
<b>8.2 Unfunded Superannuation Liability</b>	<b>293</b>
<b>8.3 Management of Assets and Liabilities</b>	<b>299</b>

## 8.1 NET DEBT AND NET FINANCIAL LIABILITIES

The ACT Government continues to maintain a strong balance sheet. The key indicators, measured as a proportion of Gross State Product (GSP) and using the most recent budget documentation, are broadly in line with other AAA rated jurisdictions.

Table 8.1.1 provides a summary of the key balance sheet measures for the General Government Sector (GGS).

**Table 8.1.1: General Government Sector Key Balance Sheet Measures**

2015-16 Budget \$m	2015-16 Est. Outcome \$m	2016-17 Budget \$m	2017-18 Estimate \$m	2018-19 Estimate \$m	2019-20 Estimate \$m
2,425.7 <b>Net Debt (excluding super)</b>	1,832.5	2,080.2	2,103.8	2,902.7	2,581.3
5,663.9 <b>Net Financial Liabilities</b>	8,871.1	5,496.5	5,659.6	6,411.5	6,226.7
16,232.7 <b>Net Worth</b>	13,220.6	17,100.2	17,316.4	17,515.6	17,735.9

Comparisons with other jurisdictions can be found in the Fiscal Strategy (Chapter 2.2).

### Net Debt

Net debt is a key balance sheet measure, taking into account gross debt liabilities – including the impact of Public Private Partnerships (PPPs) – as well as financial assets (such as cash reserves and investments). Table 8.1.2 below presents net debt and net debt to GSP for the GGS.

**Table 8.1.2: General Government Sector Net Debt**

2015-16 Budget \$m	2015-16 Est. Outcome \$m	2016-17 Budget \$m	2017-18 Estimate \$m	2018-19 Estimate \$m	2019-20 Estimate \$m
2,425.7 <b>Net Debt (excluding super)</b>	1,832.5	2,080.2	2,103.8	2,902.7	2,581.3
6.4% <b>Net Debt to GSP</b>	5.1%	5.6%	5.4%	7.1%	6.0%

Net debt over the budget and forward estimates period is positive, indicating that GGS cash reserves and investments are lower than gross debt liabilities, which include market and Commonwealth borrowings, and liabilities associated with PPPs.

Compared to the 2015-16 Budget, net debt has decreased in each year from 2015-16 to 2017-18. The improvement in net debt is largely reflective of a net decrease in borrowings, mainly due to the removal of the Light Rail – Stage 1 provision, which was included as a debt-funded capital project in the 2015-16 Budget, as well as higher capital distributions in relation to forecast sales under the land rent scheme.

Details of market and Commonwealth borrowings can be found at Table 8.3.2 in Management of Assets and Liabilities (Chapter 8.3).

Compared to the 2015-16 Budget, net debt is forecast to increase in 2018-19 largely due to the inclusion of lease liabilities associated with PPPs. Details of the budgetary and accounting treatments for PPPs, including the Light Rail – Stage 1 project, can be found in Infrastructure Investment in the ACT (Chapter 5.1), and in Accounting Treatment for Public Private Partnerships (Appendix C).

The increase of \$247.7 million in the 2016-17 Budget compared to the estimated outcome is influenced by a decrease in investments to meet forecast cash flow requirements.

## Net Financial Liabilities

Net financial liabilities are a broad measure of GGS liabilities, including net debt and superannuation liabilities. Table 8.1.3 below details net financial liabilities and net financial liabilities to GSP for the GGS.

**Table 8.1.3: General Government Sector Net Financial Liabilities**

2015-16 Budget \$m	2015-16 Est. Outcome \$m	2016-17 Budget \$m	2017-18 Estimate \$m	2018-19 Estimate \$m	2019-20 Estimate \$m
5,663.9	8,871.1	5,496.5	5,659.6	6,411.5	6,226.7
<b>Net Financial Liabilities</b>					
14.9%	24.8%	14.9%	14.6%	15.8%	14.6%
<b>Net Financial Liabilities to GSP</b>					

Net financial liabilities are forecast to increase in 2015-16 compared to the original budget by \$3,207 million. This increase is mainly due to a higher than forecast superannuation liability arising from a change in the discount assumption used to value the liability. The discount rate assumption used in the estimated outcome is 3.2 per cent, compared to a long-term discount rate assumption of 6 per cent. This rate has been used to better reflect the expected value of the superannuation liability at 30 June 2016. The increase is also reflective of higher other provisions resulting from a revision to the estimated timing of settlements for the Loose-fill Asbestos Insulation Eradication Scheme (the Asbestos Eradication Scheme).

In 2016-17, net financial liabilities are forecast to decrease by \$3,375 million compared to the 2015-16 estimated outcome. This decrease is largely due to a return to the long-term discount rate assumption of 6 per cent to value the superannuation liability.

Across the forward estimates, net financial liabilities are forecast to increase until they peak in 2018-19, declining in 2019-20.

The ratio of net financial liabilities to GSP provides an indicator of the sustainability of a jurisdiction's debt. The ACT's ratio is broadly in line with other AAA rated jurisdictions. While this ratio is subject to volatility (net financial liabilities in particular can fluctuate, sometimes substantially, depending on the condition of financial markets), it is desirable that it remains broadly stable over time while maintaining sustainable levels of borrowings.

## Net Worth

Net worth reflects the value of all financial and non-financial assets less liabilities. The ACT maintains strong positive net worth. Table 8.1.4 below presents net worth and net worth to GSP for the GGS.

**Table 8.1.4: General Government Sector Net Worth**

<b>2015-16 Budget \$m</b>	<b>2015-16 Est. Outcome \$m</b>	<b>2016-17 Budget \$m</b>	<b>2017-18 Estimate \$m</b>	<b>2018-19 Estimate \$m</b>	<b>2019-20 Estimate \$m</b>
16,232.7 <b>Net Worth</b>	13,220.6	17,100.2	17,316.4	17,515.6	17,735.9
42.6% <b>Net Worth to GSP</b>	37.0%	46.4%	44.7%	43.1%	41.5%

Net worth is forecast to decrease in 2015-16, compared to the original budget, by \$3,012 million. This decrease is largely due to the increase in the superannuation liability and other provisions described above. Across the budget and forward estimates, net worth is forecast to increase from \$17.1 billion to \$17.7 billion.

The ACT continues to maintain one of the strongest net worth to GSP ratios compared to other jurisdictions at 46.4 per cent.

## 8.2 UNFUNDED SUPERANNUATION LIABILITY

---

### Introduction

ACT Government employees (“employees”) are members of a number of different superannuation schemes as arrangements have changed over time due to the type of superannuation scheme available to the employee at the time of commencing employment.

Around one third of current full time employees are members of Commonwealth defined benefit superannuation schemes that are closed to new ACT employee members.

From 1 July 2005, new employees have accessed defined contribution scheme arrangements where the superannuation liabilities are extinguished by the ACT Government through fortnightly payments to each employee’s superannuation fund.

Fully funding the defined benefit superannuation liability over time is a key financial objective of the Government. Unlike other jurisdictions, the Government does not operate a superannuation fund for employees. The Government has established a Superannuation Provision Account (SPA) for the purpose of recognising the defined benefit superannuation liabilities and holding and investing the financial assets set aside to meet the Government’s ongoing employer superannuation benefit obligations (emerging cost payments) to the Commonwealth Government.

### ACT Government Employee Superannuation Arrangements

The superannuation arrangements applicable to permanent employees are outlined below.

#### *Defined Benefit Superannuation Schemes*

The Commonwealth Government’s defined benefit superannuation schemes include the Commonwealth Superannuation Scheme (CSS) and the Public Sector Superannuation Scheme (PSS). The CSS was closed to new ACT employee members from 1 July 1990 and the PSS from 1 July 2005.

The CSS and PSS are types of defined benefit superannuation schemes, in which some or all of the benefits payable to members are defined in advance according to a set of formulae which are linked to factors such as years of service, final average salary and level of individual member contribution over time. With the exception of employer productivity contributions, the employer financed component of entitlements is unfunded and is not required to be paid until a member receives their benefit entitlement.

The administration of the CSS and PSS is undertaken by the Commonwealth Government agency, Commonwealth Superannuation Corporation (CSC), with all benefits paid to entitled CSS and PSS members by CSC. The Government reimburses CSC annually for the Territory’s share of employer superannuation benefits paid to entitled ACT employees who are, or were, members of the CSS or PSS.

### *Public Sector Superannuation Accumulation Plan*

From 1 July 2005, all new ACT employees were required to become members of the Public Sector Superannuation Accumulation Plan (PSSap), a defined contribution plan (accumulation) arrangement where the employer (ACT Government) is required to contribute 15.4 per cent of an employee's salary. Existing CSS and PSS members were not able to transfer to the new superannuation scheme. The PSSap closed to new employees on 6 October 2006.

### *Post 6 October 2006 – Fund of Choice Arrangements*

From 6 October 2006, the Government introduced superannuation fund of choice arrangements for all new employees. Employees can elect to join a superannuation fund of their choice. If an employee does not elect a fund, he or she becomes an automatic member of the Government's appointed default superannuation fund.

The fund of choice arrangement is one where employees must join a defined contribution (accumulation) fund into which the employer (ACT Government) is required to contribute at a minimum, the prevailing superannuation guarantee percentage rate as set by Commonwealth Government legislation, currently 9.5 per cent. The Government is currently paying a contribution rate of 10.5 per cent. The Government will contribute an additional 1 per cent for employees who contribute 3 per cent or more of their salary to their chosen fund.

### *Members of the Legislative Assembly*

There are two superannuation arrangements for Members of the ACT Legislative Assembly (MLAs). MLAs who were elected before the 2008 general election and have a relevant period of service, and no discontinuance, are members of an unfunded defined benefit superannuation arrangement (DB Scheme), prescribed under the *Legislative Assembly (Members' Superannuation) Act 1991*.

Those MLAs elected at, or after, the 2008 general election, and who were not an existing member of the DB Scheme prior to the election, assume membership of a choice of fund accumulation scheme. The employer (ACT Government) is required to contribute the equivalent of 14 per cent of the Member's eligible salary. The Government contributes an additional 1 per cent for MLAs who contribute 3 per cent or more of their salary to their chosen fund.

## **Defined Benefit Superannuation Liabilities**

The ACT Government currently recognises a defined benefit superannuation liability for over 36,000 past and current employees, including current contributors, deferred beneficiaries and pensioners.

Table 8.2.1 outlines the breakdown of the defined benefit superannuation scheme employee members as at 30 June 2015.

**Table 8.2.1: ACT Employee Defined Benefit Scheme Membership**

	<b>Contributors</b>	<b>Deferred Beneficiaries</b>	<b>Current Pensioners</b>	<b>Dependent Pensioners</b>	<b>Total</b>
<b>Group A Members<sup>1</sup></b>					
CSS	652	207	5,559	423	6,841
PSS	7,855	8,506	3,720	181	20,262
<b>Total</b>	<b>8,507</b>	<b>8,713</b>	<b>9,279</b>	<b>604</b>	<b>27,103</b>
<b>Group B Members<sup>2</sup></b>					
CSS	295	154	965	31	1,445
PSS	3,266	3,231	1,192	30	7,719
<b>Total</b>	<b>3,561</b>	<b>3,385</b>	<b>2,157</b>	<b>61</b>	<b>9,164</b>

**Notes:**

1. Group A membership data includes CSS and PSS contributors who were employees of the ACT Government at 30 June 2015, and CSS and PSS deferred beneficiaries and pensioners who were employees of the ACT Government when their employment ceased.
2. Group B membership data includes CSS and PSS contributors who were not employees of the ACT Government at 30 June 2015, but were so previously, and CSS and PSS deferred beneficiaries and pensioners who were not employees of the ACT Government when their employment ceased, but were so previously.

The value of accrued defined benefit employer superannuation liabilities is calculated as the present value of the future payment of retirement benefits that have actually accrued in respect of service as at the calculation date. This approach is in accordance with AASB119 *Employee Benefits* and the requirement to use a projected unit credit valuation approach.

Apart from the annual changes to the discount rate, which is required by Australian accounting standards, the annual actuarial review incorporates updated annual salary and membership data.

Every three years the actuary undertakes a more comprehensive review of the defined benefit employer superannuation liability by also incorporating a review of all financial and demographic assumptions, following a comprehensive review of actual outcomes and membership experience over time. The outcomes from this analysis form the basis for the financial and demographic assumptions adopted for the annual reviews of the liability and emerging cost projections.

The recent actuarial review, which utilised the latest salary and membership data as at 30 June 2015, was an annual actuarial review with the results incorporated into the 2016-17 Budget estimates.

Table 8.2.2 sets out the estimation of the liability.

**Table 8.2.2: Defined Benefit Superannuation Liability**

	2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
<b>Opening Liability</b>	8,485,855	9,704,977	6,242,964	6,501,030	6,750,522
Service Cost	233,494	268,926	131,841	127,415	122,785
Interest Cost	315,401	315,534	375,236	389,906	404,003
Benefit Payments	-196,914	-230,525	-249,013	-267,830	-288,251
Actuarial (Gain)/Loss <sup>1</sup>	867,139	-3,815,946	0	0	0
<b>Closing Liability</b>	<b>9,704,977</b>	<b>6,242,964</b>	<b>6,501,030</b>	<b>6,750,522</b>	<b>6,989,060</b>

**Notes:** Numbers may not add due to rounding.

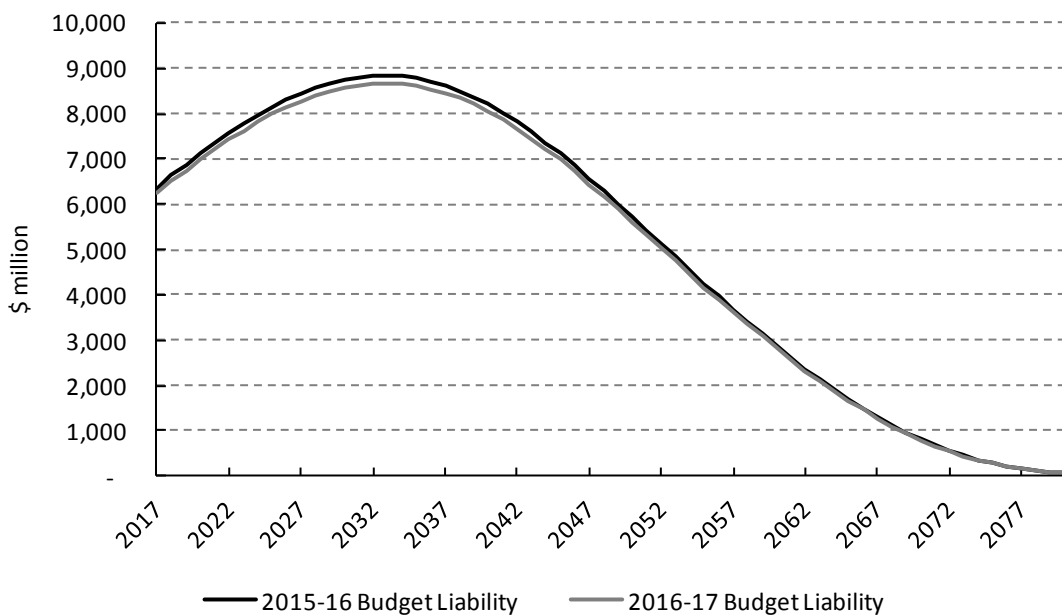
- The actuarial (gain)/loss is the change in the present value of the superannuation liability resulting from a change in the discount rate assumption. The liability valuation at 30 June 2016 utilises a discount rate assumption of 3.2 per cent. The liability valuations from 30 June 2017 utilise a long term discount rate assumption of 6 per cent. The actual discount rate at 30 June 2015 was 3.66 per cent. A lower discount rate leads to a higher liability valuation estimate.

The defined benefit superannuation liability is estimated to grow to approximately \$6.989 billion by 30 June 2020. The service cost associated with the accrual of employee superannuation benefits is forecast to decrease over time as ACT employee members leave the schemes through resignation or retirement. The interest cost is forecast to increase due to past benefits accrued by ACT employee members becoming one year closer to payment.

The 2016-17 Budget estimates for the liability and emerging cost payments have been reduced by salary growth over the 2014-15 financial year being lower than assumed, pension indexation being lower than assumed and crediting rates being higher than assumed, offset by the number of contributors being higher than assumed.

The impact on the estimates for the projected defined benefit employer superannuation liabilities is illustrated in Figure 8.2.1.

**Figure 8.2.1: Triennial Actuarial Revision to the Estimated Employer Superannuation Liability**

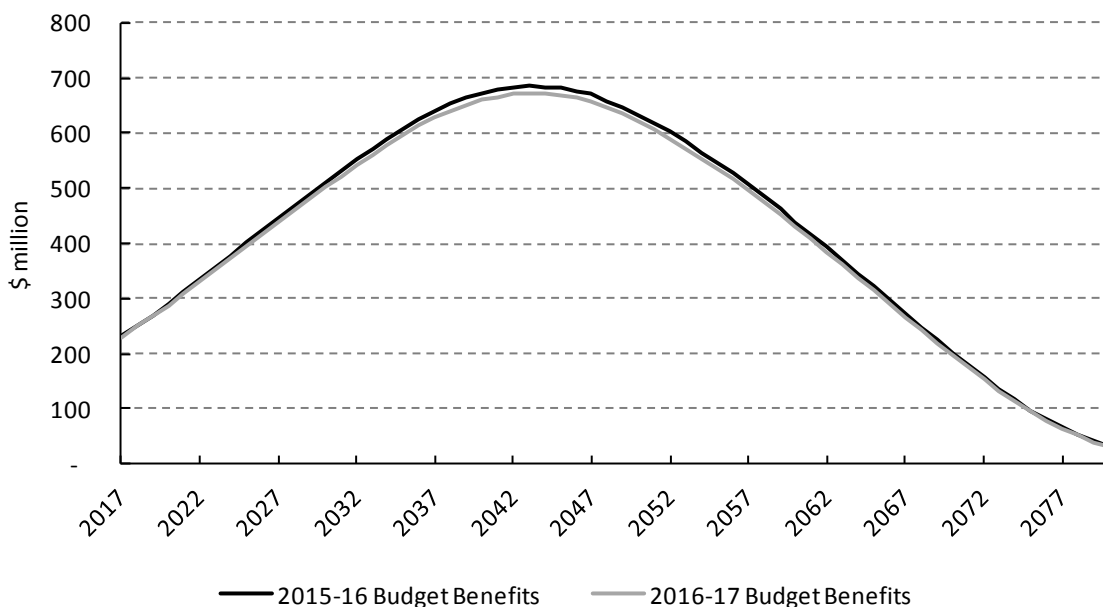




The defined benefit superannuation liability is projected to peak, in nominal terms, at approximately \$8.667 billion by 30 June 2033.

The impact on the estimates for the Territory’s projected emerging cost payments is illustrated below in Figure 8.2.2.

**Figure 8.2.2: Actuarial Revision to Estimated Employer Emerging Cost Payments**



The total superannuation payments to the Commonwealth are projected to be approximately \$1 billion over the 2016-17 Budget and forward years.

The annual superannuation payments (in nominal terms) made to the Commonwealth to extinguish the liability are projected to increase over time from approximately \$231 million in 2016-17 to a peak of \$672 million in 2042-43.

### Defined Benefit Superannuation Funding

The Government maintains, as a key financial objective, a funding plan to extinguish the Territory’s unfunded defined benefit superannuation liability by way of accumulating funds in the SPA through investment earnings.

The long-term funding plan includes Budget appropriation for the SPA matching the expected annual benefit payments to the Commonwealth and allows the financial investment assets to grow over time with all investment earnings re-invested.

Due to the achievement of strong investment returns on the SPA investment portfolio over recent years, the amount of annual appropriation to the SPA is being reduced by \$75 million per annum for three years commencing in 2016-17. The funding objective remains on target with the funding plan monitored on an ongoing basis.

Details on the budget appropriation to the SPA, projected benefit payments to the Commonwealth, and the estimated investment portfolio assets, investment earnings, and SPA expenses are set out below in Table 8.2.3.

**Table 8.2.3: Defined Benefit Superannuation Assets**

	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
	<b>Est. Outcome</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Opening Assets</b>	3,342,058	3,448,912	3,627,877	3,820,304	4,027,509
Net Investment Earnings	97,720	259,192	272,829	287,507	307,098
Appropriation	211,146	155,525	174,013	192,830	288,251
Benefit Payments	-196,914	-230,525	-249,013	-267,830	-288,251
Other Payments	-5,097	-5,227	-5,402	-5,302	-5,406
<b>Closing Assets</b>	<b>3,448,912</b>	<b>3,627,877</b>	<b>3,820,304</b>	<b>4,027,509</b>	<b>4,329,200</b>

**Note:** Numbers may not add due to rounding.

The funding plan for the defined benefit superannuation liability will help reduce the longer term cost as investment returns provide a source of funding for future liabilities.

The difference between the estimated liability and investment assets represents the level of unfunded superannuation liability. The estimated funding percentage of the defined benefit superannuation liability over the Budget and forward years is projected to increase as illustrated below in Table 8.2.4.

**Table 8.2.4: Superannuation Liability Funding**

	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
	<b>Est. Outcome</b>	<b>Budget</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Superannuation Liability <sup>1</sup>	9,704,977	6,242,964	6,501,030	6,750,522	6,989,060
Investments	3,448,912	3,627,877	3,820,304	4,027,509	4,329,200
<b>Unfunded Liability</b>	<b>6,256,065</b>	<b>2,615,087</b>	<b>2,680,726</b>	<b>2,723,013</b>	<b>2,659,860</b>
<b>Funding Percentage</b>	<b>36</b>	<b>58</b>	<b>59</b>	<b>60</b>	<b>62</b>

**Notes:** Numbers may not add due to rounding.

1. The superannuation liability estimate at 30 June 2016 utilises a discount rate assumption of 3.2 per cent. The liability valuations from 30 June 2017 utilise a long-term discount rate assumption of 6 per cent. The actual discount rate at 30 June 2015 was 3.66 per cent. A lower discount rate leads to a higher liability valuation estimate.

## 8.3 MANAGEMENT OF ASSETS AND LIABILITIES

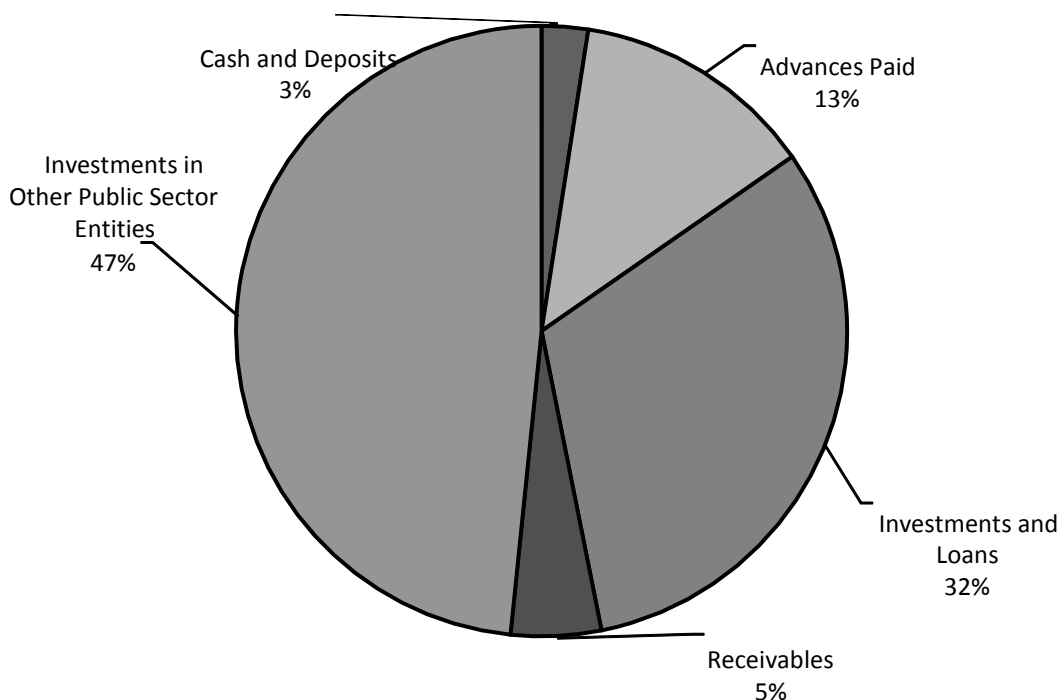
### Financial Assets

The Territory's financial assets account for approximately 45 per cent of total assets held by the General Government Sector (GGS).

Figure 8.3.1 shows the proportion of these assets by category. GGS investment in other public sector entities (the Public Trading Enterprise (PTE) sector) makes up almost half of the Territory's financial assets.

Investments held to meet future liabilities, such as superannuation, also represent a significant portion of total financial assets at 32 per cent.

**Figure 8.3.1: General Government Sector – Estimated Financial Assets**



#### *Investments in Other Public Sector Entities*

Investments in other public sector entities reflect the GGS investment in the PTE sector as the carrying amount of the net assets held by the sector. Significant assets held by the PTE sector include land, water and sewerage infrastructure, and public housing.

## Financial Investments

The Chief Minister, Treasury and Economic Development Directorate (CMTEDD) manages the Territory Banking Account (TBA) and Superannuation Provision Account (SPA) investment portfolios. These investment portfolios comprise the majority of the Territory's financial investment assets.

The purpose and role of the investment portfolios is to derive competitive financial returns, based on prudent financial and portfolio management principles, with an investment structure that is low cost, efficient to manage, and effective in deriving market-based returns. These investment assets are managed in accordance with an established Investment Plan and Responsible Investment Policy.

The Government holds significant financial investments. Table 8.3.1 outlines the components of investments held by the GGS, including the TBA and SPA.

**Table 8.3.1: General Government Sector Investments**

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
317,777	Cash and Deposits	340,483	326,812	-4	324,319	326,067	321,378
4,231,169	Investments and Loans	4,250,869	4,196,927	-1	4,419,856	4,651,047	5,013,305
<b>4,548,946</b>	<b>Total Investments</b>	<b>4,591,352</b>	<b>4,523,739</b>	<b>-1</b>	<b>4,744,175</b>	<b>4,977,114</b>	<b>5,334,683</b>
	<b>Comprising:</b>						
3,605,656	Superannuation Provision Account	3,443,186	3,622,151	5	3,814,578	4,021,783	4,323,474
144,611	Territory Banking Account	422,411	211,471	-50	210,789	201,752	228,761
117,495	Investments held on behalf of PTE agencies	500	1,501	200	2	-	-
348,710	ACTIA Investments	368,542	337,866	-8	360,743	383,357	404,968
332,474	Other GGS agency investments	356,713	350,750	-2	358,063	370,222	377,480
<b>4,548,946</b>	<b>Total Investments</b>	<b>4,591,352</b>	<b>4,523,739</b>	<b>-1</b>	<b>4,744,175</b>	<b>4,977,114</b>	<b>5,334,683</b>

### *Territory Banking Account Investment Portfolio*

Any cash of the GGS which is not required for immediate expenditure is invested domestically in accordance with an established Investment Plan and Responsible Investment Policy that takes into account liquidity requirements and risk tolerances. To facilitate an efficient cash and investment management structure, a centralised investment platform facility is provided through the TBA which makes available a range of single and multi-asset class funds for Directorates and Territory Authorities to meet their specific investment objectives.

The estimated 2015-16 net nominal return for the total portfolio of funds invested through the TBA is 2.6 per cent; this compares to the original Budget estimate of 2.4 per cent. The budgeted full year return for 2016-17 is estimated to be 2 per cent.

### *Superannuation Provision Account Investment Portfolio*

Funds set aside in the SPA are earmarked to assist the Government in meeting its long-term defined benefit employer superannuation obligations. These funds are invested in accordance with an established Investment Plan and Responsible Investment Policy that takes into account the long-term nature of the superannuation liability and projected cash flow requirements.

The long-term net investment return objective for the SPA is Consumer Price Index (CPI) plus 5 per cent per annum. The investment strategy recognises the risk associated with targeting the long-term investment return objective and the asset allocation modelling identifies a risk of negative investment returns once every three to five years.

The long-term strategic asset allocation, consistent with this long-term investment objective, currently equates to 75 per cent of the portfolio being invested in growth assets (such as shares and property) and 25 per cent of the portfolio being invested in defensive assets (such as cash and fixed interest investments).

The nominal net return of the portfolio for 2015-16 is estimated to be 3.1 per cent, with investment earnings of approximately \$97 million. The actual net investment return for the 2014-15 financial year was 10.2 per cent with investment earnings of \$304 million.

Incorporating the estimated 2015-16 investment return outcome, the SPA portfolio will have generated an annualised net investment return of CPI plus 5 per cent over the past 20 years (1996-97 to 2015-16), which is matching the long-term investment return objective.

### *Loan Receivables*

GGS financial assets include loans provided to Icon Water Ltd, ACTION and CMTEDD (for Community Housing Canberra and Exhibition Park).

- Icon Water Ltd loans are funded by matching external borrowings from the Territory's debt issuance program. Forms of funding include inflation-linked bonds, fixed rate medium term notes, and short-term discount securities. Loan maturity dates range from June 2018 to June 2048. The total estimated outstanding principal at 30 June 2016 is \$1.538 billion.

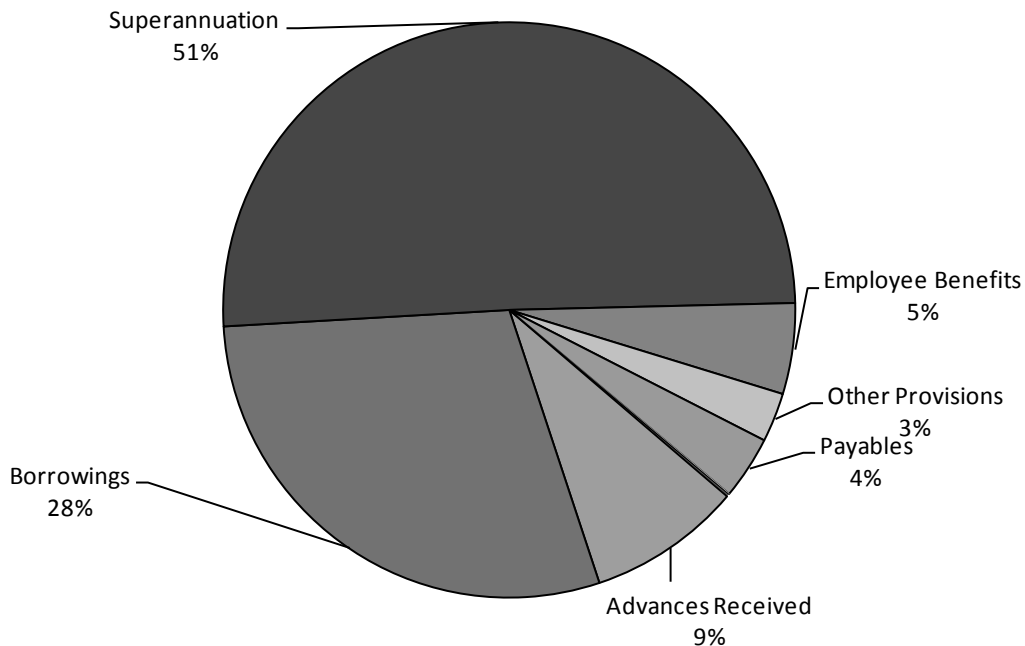
- CMTEDD Community Housing Canberra loans have been provided through capital injection appropriations from the budget. The total estimated outstanding principal at 30 June 2016 is \$68.112 million (refer to the Summary and Terms of Debt Capital Injection (Appendix O) for further information).
- The ACTION loan relates to funding provided from the Commonwealth Government at the commencement of self-government. The loan matures in June 2023. The total estimated outstanding principal at 30 June 2016 is \$2.4 million.
- The CMTEDD Exhibition Park loan is to support the development and operation of low cost accommodation facilities. The total estimated outstanding principal at 30 June 2016 is \$1.5 million (refer to the Summary and Terms of Debt Capital Injection (Appendix O) for further information).

## Total Liabilities

Figure 8.3.2 demonstrates the proportion of liabilities by category. The majority of the GGS liabilities comprise superannuation (54 per cent) and borrowings (29 per cent).

Further details regarding the superannuation liability can be found in Unfunded Superannuation Liability (Chapter 8.2).

**Figure 8.3.2: General Government Sector Liabilities**



### *Borrowings*

The funding and management of the Government's financial markets borrowings is undertaken by CMTEDD. The Government's funding requirements are mainly achieved by the issuance of debt securities in the financial capital markets.

Debt management objectives include: establishing bond lines of select debt maturity and volume (around \$500 million); maximising investor diversification; minimising refinancing risk; and managing the Government's funding and liquidity requirements.

Debt securities issued include:

- long-term inflation-linked bonds where the interest and principal repayments are indexed to inflation that feature differing maturity profiles (2020, 2030 and 2048), and the repayment of principal over time or at maturity;
- nominal bonds where the interest cost (coupon) is fixed for the life of each bond and that feature differing maturity profiles (2018, 2020, 2022, 2024 and 2026), with the repayment of principal at maturity; and
- short-term discount debt securities with maturities of less than 12 months.

The debt funding program was supplemented in 2014-15 by a loan provided from the Commonwealth to support the financing of the costs of the Asbestos Eradication Scheme. The costs of the scheme will be met by the ACT Government.

A summary of the current borrowing estimates for the 2016-17 Budget are detailed below in Tables 8.3.2 and 8.3.3.

**Table 8.3.2: Territory Borrowings – Principal Outstanding**

2015-16 Budget \$m		2015-16 Est. Outcome \$m	2016-17 Budget \$m	2017-18 Estimate \$m	2018-19 Estimate \$m	2019-20 Estimate \$m
<b>General Government Sector</b>						
2,244.7	Market Borrowings	1,946.2	1,946.4	1,946.6	2,448.0	2,244.5
75.7	Historic Commonwealth Loans (self-government)	75.7	71.8	67.8	63.7	59.4
1,000.0	Commonwealth Loan – Asbestos Eradication Scheme	1,000.0	1,000.0	950.0	900.0	850.0
<b>3,320.4</b>	<b>Sub-Total</b>	<b>3,021.9</b>	<b>3,018.2</b>	<b>2,964.4</b>	<b>3,411.7</b>	<b>3,153.9</b>
<b>Public Trading Enterprise Sector</b>						
1,582.0	Market Borrowings	1,536.6	1,646.4	1,724.1	1,759.5	1,798.0
67.5	Historic Commonwealth Loans (self-government)	67.5	62.8	58.1	53.5	49.0
<b>1,649.5</b>	<b>Sub-Total</b>	<b>1,604.1</b>	<b>1,709.2</b>	<b>1,782.2</b>	<b>1,813.0</b>	<b>1,847.0</b>
<b>4,969.9</b>	<b>Total<sup>1</sup></b>	<b>4,625.0</b>	<b>4,727.4</b>	<b>4,746.6</b>	<b>5,224.7</b>	<b>5,000.9</b>

**Notes:** Numbers may not add due to rounding.

1. Refer to sum of 'Advances Received' and 'Other Borrowings' Table K.6, Consolidated Financial Statements – Public Trading Enterprises and Total Territory (Appendix K). This table does not include finance leases and lease liabilities associated with Public Private Partnerships. For more information on the budgetary and accounting treatment for public private partnerships, refer to Accounting Treatment for Public Private Partnerships (Appendix C).



**Table 8.3.3: Territory Borrowings – Interest Expense**

2015-16 Budget \$m		2015-16 Est. Outcome \$m	2016-17 Budget \$m	2017-18 Estimate \$m	2018-19 Estimate \$m	2019-20 Estimate \$m
<b>General Government Sector</b>						
89.2	Market Borrowings	73.2	79.4	80.0	77.6	87.9
3.9	Historic Commonwealth Loans (self-government)	3.9	3.7	3.5	3.3	3.0
26.7	Commonwealth Loan – Asbestos Eradication Scheme	26.8	27.1	27.1	25.7	24.4
<b>119.8</b>	<b>Sub-Total</b>	<b>103.9</b>	<b>110.2</b>	<b>110.6</b>	<b>106.6</b>	<b>115.3</b>
<b>Public Trading Enterprise Sector</b>						
79.1	Market Borrowings	69.5	72.1	74.6	72.9	75.3
3.2	Historic Commonwealth Loans (self-government)	3.2	3.0	2.8	2.6	2.4
<b>82.3</b>	<b>Sub-Total</b>	<b>72.7</b>	<b>75.1</b>	<b>77.4</b>	<b>75.5</b>	<b>77.7</b>
<b>202.1</b>	<b>Total<sup>1</sup></b>	<b>176.6</b>	<b>185.3</b>	<b>188.0</b>	<b>182.0</b>	<b>193.0</b>

**Notes:** Numbers may not add due to rounding.

1. Refer to 'Interest Expenses', Table K.5, Consolidated Financial Statements – Public Trading Enterprises and Total Territory (Appendix K). This table does not include interest expenses for finance leases and Public Private Partnerships (PPPs). For more information on the budgetary and accounting treatment for PPPs, refer to Accounting Treatment for Public Private Partnerships (Appendix C).

### *General Government Sector*

Total market financed borrowings for the GGS are estimated to be \$1.946 billion as at 30 June 2016 compared with the 2015-16 Budget estimate of \$2.245 billion. It is estimated that there will be a net increase in GGS borrowings of \$132 million over the 2016-17 Budget and forward estimates period.

The 2016-17 Budget plan reflects updated borrowing requirements based on estimated cash flow and liquidity requirements, the removal of the Capital Metro provision, which was included as a debt-funded capital project in the 2015-16 Budget, as well as higher capital distributions in relation to forecast sales under the land rent scheme.

The Government remains committed to a fiscal strategy that achieves an operating balance over time, offsetting temporary deficits with surpluses in other periods. The keystone of this strategy, as for prior years, remains the responsible management of the Territory's public finances. The Government's 2016-17 Budget strategy remains focused on sustaining debt at prudent levels while creating the capacity for investment in Canberra's infrastructure projects/assets that generate long-term economic growth and benefits.

## Public Trading Enterprise Sector

Total market-financed borrowings for the Public Trading Enterprise (PTE) sector are estimated to be \$1.537 billion as at 30 June 2016 compared with the 2015-16 Budget estimate of \$1.582 billion. The decrease is due to Icon Water having a lower new borrowing requirement.

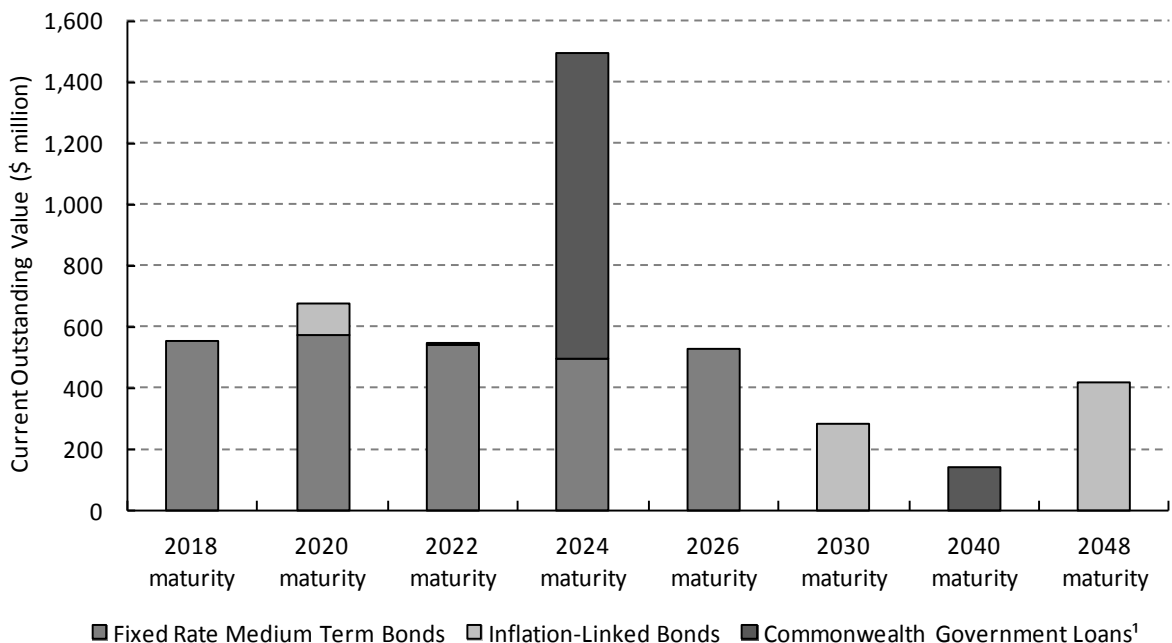
It is estimated that there will be a net increase in PTE market-financed borrowings (for Icon Water) of \$261.4 million over the 2016-17 Budget and forward estimates period.

The Government has a preference for Icon Water to maintain an appropriate and sustainable capital structure during various phases of the capital investment cycle. Reflecting this objective, Icon Water will support ActewAGL Distribution in introducing a debt program to assist with funding its regulated capital expenditure program which will enable increased cash distributions to Icon Water.

### Total Outstanding Borrowings

Figure 8.3.3 shows the total outstanding principal value of borrowings by funding type and year of maturity estimated as at 30 June 2016.

**Figure 8.3.3: Total External Territory Borrowings**



**Note:**

1. Commonwealth Government Loans relates to the Asbestos Eradication Scheme

# CHAPTER 9

## GGs HARMONISED FINANCIAL STATEMENTS

Chapter	Page
9.1 GFS/GAAP Harmonised Financial Statements	309



## 9.1. GFS/GAAP HARMONISED FINANCIAL STATEMENTS

**Table 9.1**  
**Australian Capital Territory**  
**General Government Sector**  
**Operating Statement**

<b>2015-16</b>		<b>2015-16</b>	<b>2016-17</b>		<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
<b>Budget</b>		<b>Est. Outcome</b>	<b>Budget</b>	<b>Var</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
<b>\$'000</b>		<b>\$'000</b>	<b>\$'000</b>	<b>%</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue</b>							
1,491,730	Taxation Revenue	1,543,327	1,633,960	6	1,751,100	1,871,500	1,970,398
Grants Revenue							
1,860,511	Commonwealth Grants	1,874,723	2,087,251	11	2,162,771	2,200,391	2,293,328
109,573	Gains from Contributed Assets	118,429	155,806	32	98,906	124,785	100,206
482,202	Sales of Goods and Services	476,411	479,416	1	504,001	519,408	529,257
135,201	Interest Income	133,836	116,210	-13	117,197	106,154	112,564
63,167	Distributions from Financial Investments	28,300	36,391	29	45,293	47,615	50,573
329,428	Dividend and Income Tax Equivalents Income	420,448	405,808	-3	282,238	364,778	382,900
137,729	Other Revenue	136,956	143,342	5	142,321	144,619	142,595
<b>4,609,541</b>	<b>Total Revenue</b>	<b>4,732,430</b>	<b>5,058,184</b>	<b>7</b>	<b>5,103,827</b>	<b>5,379,250</b>	<b>5,581,821</b>
<b>Expenses</b>							
1,805,053	Employee Expenses	1,841,257	1,892,025	3	1,901,098	1,943,786	1,979,512
Superannuation Expenses							
350,898	Superannuation Interest Cost	315,401	315,534	..	375,236	389,906	404,003
268,258	Other Superannuation Expense	363,456	417,211	15	285,644	284,432	283,324
372,258	Depreciation and Amortisation	360,239	372,680	3	377,252	418,007	425,806
203,895	Interest Expense	177,394	187,445	6	200,964	212,072	226,198
Other Operating Expenses							
991,906	Supplies and Services	966,261	1,028,169	6	1,014,022	1,087,863	1,196,974
250,940	Other Operating Expenses	143,036	191,697	34	191,338	199,086	205,590
905,339	Grants and Purchased Services	963,781	998,988	4	966,613	993,554	990,152
<b>5,148,547</b>	<b>Total Expenses</b>	<b>5,130,825</b>	<b>5,403,749</b>	<b>5</b>	<b>5,312,167</b>	<b>5,528,706</b>	<b>5,711,559</b>
<b>-539,006</b>	<b>UPF Net Operating Balance</b>	<b>-398,395</b>	<b>-345,565</b>	<b>13</b>	<b>-208,340</b>	<b>-149,456</b>	<b>-129,738</b>
<b>Other Economic Flows – Included in the Operating Result</b>							
49,775	Dividends (Market Gains on Land Sales)	2,133	62,014	#	39,514	27,548	1,068
89,746	Net Land Revenue (Undeveloped Land Value)	81,123	94,092	16	82,356	52,351	54,023
-1,732	Net Gain/(Loss) on Sale/(Disposal) of Non-Financial Assets	-6,263	-1,513	76	-1,558	-1,572	-1,604
131,440	Net Gain/(Loss) on Financial Assets or Liabilities at Fair Value	11,390	163,566	#	173,305	182,797	195,782

**Table 9.1 (cont.)**  
**Australian Capital Territory**  
**General Government Sector**  
**Operating Statement**

2015-16 Budget \$'000	2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
-5,804 Doubtful Debts	-7,739	-6,887	11	-7,028	-7,155	-7,274
<b>-275,581 Operating Result</b>	<b>-317,751</b>	<b>-34,293</b>	<b>89</b>	<b>78,249</b>	<b>104,513</b>	<b>112,257</b>
<b>Other Economic Flows – Other Comprehensive Income</b>						
<b>Items that will not be Subsequently Reclassified to Profit or Loss</b>						
- Payments to ACT Government Agencies	-33,094	-21,855	34	-7,000	-5,000	-5,000
- Capital Distributions	5,335	89,667	#	98,366	57,587	-
- Superannuation Actuarial Gain/(Loss)	-867,139	3,815,947	540	-	-	-
889 Other Movements	2,449	889	-64	889	889	889
18,954 Increase/(Decrease) in the Asset Revaluation Surplus	31,364	17,993	-43	17,993	17,993	17,993
<b>Items that may be Subsequently Reclassified to Profit or Loss</b>						
- Increase/(Decrease) in Net Assets of Public Trading Entities	159,480	247,651	55	149,642	188,051	94,150
<b>-255,738 Total Comprehensive Income</b>	<b>-1,019,356</b>	<b>4,115,999</b>	<b>504</b>	<b>338,139</b>	<b>364,033</b>	<b>220,289</b>
<b>Key Fiscal Aggregates</b>						
<b>-539,006 UPF Net Operating Balance less Net Acquisition of Non-Financial Assets</b>	<b>-398,395</b>	<b>-345,565</b>	<b>13</b>	<b>-208,340</b>	<b>-149,456</b>	<b>-129,738</b>
1,022,674 Payments for Non-Financial Assets	852,919	934,387	10	841,509	686,204	405,823
-55,834 Sales of Non-Financial Assets	-119,311	-299,893	-151	-291,259	-188,231	-140,225
-79,843 Land Revenue (Net Cash Receipts)	-78,233	-51,312	34	-39,280	-34,080	-45,256
-372,258 Depreciation and Amortisation	-360,239	-372,680	-3	-377,252	-418,007	-425,806
109,313 Other Movements in Non-Financial Assets	117,979	155,410	32	98,501	124,369	99,771
624,052 Total Net Acquisition of Non-Financial Assets	413,115	365,912	-11	232,219	170,255	-105,693
<b>-1,163,058 Net Lending/(Borrowing)</b>	<b>-811,510</b>	<b>-711,477</b>	<b>12</b>	<b>-440,559</b>	<b>-319,711</b>	<b>-24,045</b>

**Table 9.1 (cont.)**  
**Australian Capital Territory**  
**General Government Sector**  
**Operating Statement**

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
<b>GOVERNMENT FISCAL MEASURE – BUDGET OPERATING SURPLUS/DEFICIT</b>							
-539,006	UPF Net Operating Balance	-398,395	-345,565	13	-208,340	-149,456	-129,738
131,440	Superannuation Return Adjustment	165,927	163,566	-1	173,305	182,797	195,782
<b>-407,566</b>	<b>HEADLINE NET OPERATING BALANCE</b>	<b>-232,468</b>	<b>-181,999</b>	<b>22</b>	<b>-35,035</b>	<b>33,341</b>	<b>66,044</b>

**Table 9.2**  
**Australian Capital Territory**  
**General Government Sector**  
**Balance Sheet**

2015-16 Budget \$'000	2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
<b>Financial Assets</b>						
317,777	340,483	326,812	-4	324,319	326,067	321,378
1,688,810	1,608,031	1,717,094	7	1,791,478	1,823,605	1,858,756
4,231,169	4,250,869	4,196,927	-1	4,419,856	4,651,047	5,013,305
422,773	596,689	637,412	7	537,878	624,370	463,906
5,768,346	6,195,504	6,443,155	4	6,592,797	6,780,848	6,874,998
<b>12,428,875</b>	<b>12,991,576</b>	<b>13,321,400</b>	<b>3</b>	<b>13,666,328</b>	<b>14,205,937</b>	<b>14,532,343</b>
<b>Non-Financial Assets</b>						
<b>Produced Assets</b>						
11,205,033	11,460,831	11,610,181	1	12,162,358	13,213,770	13,280,140
2,600	2,600	2,600	-	2,600	2,600	2,600
87,701	70,969	98,998	39	147,734	157,465	165,244
16,353	15,536	15,734	1	15,933	16,133	16,333
690	50	50	-	50	50	50
1,212,637	836,315	973,167	16	758,052	527,814	372,251
<b>Non-Produced Assets</b>						
3,576,786	3,046,717	3,164,004	4	3,175,101	3,179,122	3,212,184
-	436,742	262,332	-40	94,850	22,785	12,320
26,457	26,489	26,514	..	26,514	26,514	26,514
45	2	2	-	2	2	2
<b>16,128,302</b>	<b>15,896,251</b>	<b>16,153,582</b>	<b>2</b>	<b>16,383,194</b>	<b>17,146,255</b>	<b>17,087,638</b>
<b>28,557,177</b>	<b>28,887,827</b>	<b>29,474,982</b>	<b>2</b>	<b>30,049,522</b>	<b>31,352,192</b>	<b>31,619,981</b>
<b>Liabilities</b>						
133,034	16,194	17,195	6	15,696	15,694	15,694
1,075,688	1,075,688	1,071,835	..	1,017,833	963,676	909,357
<b>Borrowings</b>						
22,312	294	3,292	#	106,890	481,030	469,964
3,826,776	3,496,509	3,606,518	3	3,684,418	4,221,240	4,056,265
6,098,349	9,714,906	6,253,375	-36	6,511,942	6,761,957	7,001,018
618,271	605,562	633,714	5	660,301	687,254	714,230
33,789	332,589	343,285	3	264,998	208,285	193,299
500,238	419,615	440,711	5	466,649	493,417	520,644
15,998	5,838	4,826	-17	4,425	4,014	3,596
<b>12,324,455</b>	<b>15,667,195</b>	<b>12,374,751</b>	<b>-21</b>	<b>12,733,152</b>	<b>13,836,567</b>	<b>13,884,067</b>
<b>16,232,722</b>	<b>13,220,632</b>	<b>17,100,231</b>	<b>29</b>	<b>17,316,370</b>	<b>17,515,625</b>	<b>17,735,914</b>



**Table 9.2 (cont.)**  
**Australian Capital Territory**  
**General Government Sector**  
**Balance Sheet**

<b>2015-16 Budget \$'000</b>	<b>2015-16 Est. Outcome \$'000</b>	<b>2016-17 Budget \$'000</b>	<b>Var %</b>	<b>2017-18 Estimate \$'000</b>	<b>2018-19 Estimate \$'000</b>	<b>2019-20 Estimate \$'000</b>
5,768,346 Equity in Public Trading Entities	6,195,504	6,443,155	4	6,592,797	6,780,848	6,874,998
5,134,842 Accumulated Funds	1,675,803	5,289,758	216	5,338,262	5,331,473	5,439,619
5,329,184 Asset Revaluation Surplus	5,348,825	5,366,818	..	5,384,811	5,402,804	5,420,797
350 Other Reserves	500	500	-	500	500	500
<b>16,232,722 Net Worth</b>	<b>13,220,632</b>	<b>17,100,231</b>	<b>29</b>	<b>17,316,370</b>	<b>17,515,625</b>	<b>17,735,914</b>
104,420 <b>Net Financial Worth</b>	-2,675,619	946,649	135	933,176	369,370	648,276
5,663,926 <b>Net Financial Liabilities</b>	8,871,123	5,496,506	-38	5,659,621	6,411,478	6,226,722
-1,179,946 <b>Net Debt (including Superannuation Related Investments)</b>	-1,610,698	-1,541,993	4	-1,710,816	-1,119,079	-1,742,159
2,425,710 <b>Net Debt (excluding Superannuation Related Investments)</b>	1,832,488	2,080,158	14	2,103,762	2,902,704	2,581,315

**Table 9.3**  
**Australian Capital Territory**  
**General Government Sector**  
**Statement of Changes in Equity**

2015-16 Budget \$'000	2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
<b>Opening Equity</b>						
5,727,069	6,036,024	6,195,504	3	6,443,155	6,592,797	6,780,848
Opening Equity in Public Trading Entities						
5,440,535	2,926,370	1,675,803	-43	5,289,758	5,338,262	5,331,473
Opening Accumulated Funds						
5,310,230	5,322,054	5,348,825	1	5,366,818	5,384,811	5,402,804
Opening Asset Revaluation Surplus						
350	500	500	-	500	500	500
Opening Other Reserves						
<b>16,478,184</b>	<b>14,284,948</b>	<b>13,220,632</b>	<b>-7</b>	<b>17,100,231</b>	<b>17,316,370</b>	<b>17,515,625</b>
<b>Opening Balance</b>						
<b>Comprehensive Income</b>						
<i>Included in Accumulated Funds:</i>						
-275,581	-317,751	-34,293	89	78,249	104,513	112,257
Operating Result for the Period						
-	-33,094	-21,855	34	-7,000	-5,000	-5,000
- Payments to ACT Government Agencies						
-	5,335	89,667	#	98,366	57,587	-
- Capital Distributions						
-	-867,139	3,815,947	540	-	-	-
- Superannuation Actuarial Gain/(Loss)						
889	2,449	889	-64	889	889	889
Other Movements						
<i>Included in Equity in Public Trading Entities:</i>						
-	159,480	247,651	55	149,642	188,051	94,150
- Increase/(Decrease) in Net Assets of Public Trading Entities						
<i>Included in Asset Revaluation Surplus:</i>						
18,954	31,364	17,993	-43	17,993	17,993	17,993
Increase/(Decrease) in Asset Revaluation Surplus						
<b>-255,738</b>	<b>-1,019,356</b>	<b>4,115,999</b>	<b>504</b>	<b>338,139</b>	<b>364,033</b>	<b>220,289</b>
<b>Total Comprehensive Income</b>						
<b>Other</b>						
-	4,593	-	-100	-	-	-
- Transfer to/(from) Accumulated Funds						
-	-4,593	-	100	-	-	-
- Movement in the Asset Revaluation Surplus						
<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Other</b>						
<b>Transactions Involving Owners Affecting Accumulated Funds</b>						
<i>Included in Accumulated Funds:</i>						
-31,001	-	-	-	-	-	-
Capital Injections/Distributions						
-	-44,960	-236,400	-426	-122,000	-164,778	-
- Transfer of Assets to the PTE Sector						

**Table 9.3 (Cont.)**  
**Australian Capital Territory**  
**General Government Sector**  
**Statement of Changes in Equity**

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
<i>Included in Equity in Public Trading Entities:</i>							
41,277	Increase/(Decrease) in Net Assets of Public Trading Entities	-	-	-	-	-	-
<b>10,276</b>	<b>Total Transactions Involving Owners Affecting Accumulated Funds</b>	<b>-44,960</b>	<b>-236,400</b>	<b>-426</b>	<b>-122,000</b>	<b>-164,778</b>	<b>-</b>
<b>Closing Equity</b>							
5,768,346	Closing Equity in Public Trading Entities	6,195,504	6,443,155	4	6,592,797	6,780,848	6,874,998
5,134,842	Closing Accumulated Funds	1,675,803	5,289,758	216	5,338,262	5,331,473	5,439,619
5,329,184	Closing Asset Revaluation Surplus	5,348,825	5,366,818	..	5,384,811	5,402,804	5,420,797
350	Closing Other Reserves	500	500	-	500	500	500
<b>16,232,722</b>	<b>Balance at the End of the Reporting Period</b>	<b>13,220,632</b>	<b>17,100,231</b>	<b>29</b>	<b>17,316,370</b>	<b>17,515,625</b>	<b>17,735,914</b>

**Table 9.4**  
**Australian Capital Territory**  
**General Government Sector**  
**Cash Flow Statement**

2015-16 Budget \$'000	2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
<b>Cash Flows from Operating Activities</b>						
<b>Cash Receipts</b>						
1,493,652	1,530,701	1,638,504	7	1,758,817	1,878,877	1,977,265
532,606	506,764	493,650	-3	508,743	522,312	542,735
1,864,625	1,879,885	2,095,750	11	2,199,288	2,204,489	2,297,855
133,972	140,207	114,214	-19	115,767	105,016	111,129
63,166	28,300	36,391	29	45,293	47,615	50,573
279,798	259,347	361,335	39	357,917	301,519	529,168
408,483	416,116	408,014	-2	408,292	407,954	408,089
<b>4,776,302</b>	<b>4,761,320</b>	<b>5,147,858</b>	<b>8</b>	<b>5,394,117</b>	<b>5,467,782</b>	<b>5,916,814</b>
<b>Cash Payments</b>						
-2,171,135	-2,224,925	-2,245,746	-1	-2,294,015	-2,356,942	-2,416,620
-921,074	-921,565	-958,421	-4	-944,402	-1,018,424	-1,127,260
-986,620	-1,032,963	-1,004,905	3	-964,948	-994,330	-1,000,850
-202,159	-177,988	-186,570	-5	-200,906	-211,518	-225,649
-501,193	-462,442	-482,956	-4	-467,258	-476,201	-478,519
<b>-4,782,181</b>	<b>-4,819,883</b>	<b>-4,878,598</b>	<b>-1</b>	<b>-4,871,529</b>	<b>-5,057,415</b>	<b>-5,248,898</b>
<b>-5,879</b>	<b>-58,563</b>	<b>269,260</b>	<b>560</b>	<b>522,588</b>	<b>410,367</b>	<b>667,916</b>
<b>Cash Flows from Investing Activities</b>						
<b>Cash Flows from Investments in Non-Financial Assets</b>						
55,834	119,311	299,893	151	291,259	188,231	140,225
-1,022,674	-852,919	-934,387	-10	-841,509	-686,204	-405,823
<b>-966,840</b>	<b>-733,608</b>	<b>-634,494</b>	<b>14</b>	<b>-550,250</b>	<b>-497,973</b>	<b>-265,598</b>
<b>Cash Flows from Investments in Financial Assets for Policy Purposes</b>						
<b>Cash Receipts</b>						
498	448	308	-31	2,768	2,721	2,725
49,775	2,133	62,014	#	39,514	27,548	1,068

**Table 9.4 (Cont.)**  
**Australian Capital Territory**  
**General Government Sector**  
**Cash Flow Statement**

2015-16 Budget \$'000	2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
- Capital Distributions	-	95,002	#	98,366	37,587	20,000
<b>50,273 Total Cash Received from Investments in Financial Assets for Policy Purposes</b>	<b>2,581</b>	<b>157,324</b>	<b>#</b>	<b>140,648</b>	<b>67,856</b>	<b>23,793</b>
<b>Cash Payments</b>						
-62 Issue of Loans	-62	-62	-	-62	-62	-62
-31,001 Capital Payments to Government Agencies	-33,094	-21,855	34	-7,000	-5,000	-5,000
<b>-31,063 Total Cash Paid from Investments in Financial Assets for Policy Purposes</b>	<b>-33,156</b>	<b>-21,917</b>	<b>34</b>	<b>-7,062</b>	<b>-5,062</b>	<b>-5,062</b>
<b>19,210 Net Cash Flows from Investments in Financial Assets for Policy Purposes</b>	<b>-30,575</b>	<b>135,407</b>	<b>543</b>	<b>133,586</b>	<b>62,794</b>	<b>18,731</b>
<b>Cash Flows from Investments in Financial Assets for Liquidity Purposes</b>						
712,341 Sales of Investments	724,305	591,241	-18	345,277	358,730	364,321
-644,658 Payments for Investments	-815,524	-371,363	54	-394,314	-401,125	-529,749
<b>67,683 Net Cash Flows from Investments in Financial Assets for Liquidity Purposes</b>	<b>-91,219</b>	<b>219,878</b>	<b>341</b>	<b>-49,037</b>	<b>-42,395</b>	<b>-165,428</b>
<b>-879,947 Net Cash Flows from Investing Activities</b>	<b>-855,402</b>	<b>-279,209</b>	<b>67</b>	<b>-465,701</b>	<b>-477,574</b>	<b>-412,295</b>
<b>Cash Flows from Financing Activities</b>						
<b>Cash Receipts</b>						
960,968 Borrowings	647,854	133,596	-79	402,282	564,147	244,751
<b>960,968 Total Cash Received from Financing Activities</b>	<b>647,854</b>	<b>133,596</b>	<b>-79</b>	<b>402,282</b>	<b>564,147</b>	<b>244,751</b>
<b>Cash Payments</b>						
-117,180 Borrowings	-73,609	-137,294	-87	-461,631	-495,161	-505,075
<b>-117,180 Total Cash Paid from Financing Activities</b>	<b>-73,609</b>	<b>-137,294</b>	<b>-87</b>	<b>-461,631</b>	<b>-495,161</b>	<b>-505,075</b>
<b>843,788 Net Cash Flows from Financing Activities</b>	<b>574,245</b>	<b>-3,698</b>	<b>-101</b>	<b>-59,349</b>	<b>68,986</b>	<b>-260,324</b>
<b>-42,038 Net Increase/(Decrease) in Cash Held</b>	<b>-339,720</b>	<b>-13,647</b>	<b>96</b>	<b>-2,462</b>	<b>1,779</b>	<b>-4,703</b>

**Table 9.4 (cont.)**  
**Australian Capital Territory**  
**General Government Sector**  
**Cash Flow Statement**

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
375,354	Cash and Cash Equivalents at the Beginning of Reporting Period	710,200	370,480	-48	356,833	354,371	356,150
333,316	Cash and Cash Equivalents at the End of Reporting Period	370,480	356,833	-4	354,371	356,150	351,447
<b>Key Fiscal Aggregates</b>							
-5,879	Net Cash from Operating Activities	-58,563	269,260	560	522,588	410,367	667,916
-966,840	Investments in Non-Financial Assets	-733,608	-634,494	14	-550,250	-497,973	-265,598
<b>-972,719</b>	<b>Cash Surplus (+) / Deficit (-)</b>	<b>-792,171</b>	<b>-365,234</b>	<b>54</b>	<b>-27,662</b>	<b>-87,606</b>	<b>402,318</b>

**Note:** A positive number denotes a cash inflow, a negative sign denotes a cash outflow.

<b>Derivation of ABS GFS Cash Surplus/(Deficit)</b>							
<b>-972,719</b>	<b>Cash Surplus (+)/Deficit (-)</b>	<b>-792,171</b>	<b>-365,234</b>	<b>54</b>	<b>-27,662</b>	<b>-87,606</b>	<b>402,318</b>
-	Acquisitions Under Finance Leases and Similar Arrangements <sup>(a)</sup>	-72	-99	-37	-4,772	-377,489	-1,968
<b>-972,719</b>	<b>ABS GFS Cash Surplus (+) / Deficit (-) Including Finance and Similar Arrangements</b>	<b>-792,243</b>	<b>-365,333</b>	<b>54</b>	<b>-32,434</b>	<b>-465,095</b>	<b>400,350</b>

**Note:** (a) Finance leases are shown with a negative sign as they are deducted in compiling the ABS GFS cash surplus/deficit.

**Table 9.5**  
**General Government Sector Taxes**

	2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
<b>Taxes on Employers' Payroll and Labour Force</b>	<b>421,994</b>	<b>440,149</b>	<b>468,408</b>	<b>506,251</b>	<b>543,523</b>
<b>Taxes on Property</b>					
Land Taxes	99,069	110,345	130,079	138,212	144,195
Stamp Duties on Financial and Capital Transactions	-	-	-	-	-
Financial Institutions' Transactions Taxes	-	-	-	-	-
Other	746,818	796,385	851,530	911,180	960,731
<b>Total Taxes on Property</b>	<b>845,887</b>	<b>906,730</b>	<b>981,609</b>	<b>1,049,392</b>	<b>1,104,926</b>
<b>Taxes on the Provision of Goods and Services</b>					
Excises and Levies	-	-	-	-	-
Taxes on Gambling	51,898	52,270	53,577	54,916	56,289
Taxes on Insurance	44,470	41,626	43,754	45,549	47,483
<b>Total Taxes on the Provision of Goods and Services</b>	<b>96,368</b>	<b>93,896</b>	<b>97,331</b>	<b>100,465</b>	<b>103,772</b>
<b>Taxes on Use of Goods and Performance of Activities</b>					
Motor Vehicle Taxes	145,894	157,513	166,489	176,447	177,481
Franchise Taxes	-	-	-	-	-
Other	33,184	35,672	37,263	38,945	40,696
<b>Total Taxes on Use of Goods and Performance of Activities</b>	<b>179,078</b>	<b>193,185</b>	<b>203,752</b>	<b>215,392</b>	<b>218,177</b>
<b>Total Taxation Revenue</b>	<b>1,543,327</b>	<b>1,633,960</b>	<b>1,751,100</b>	<b>1,871,500</b>	<b>1,970,398</b>

**Note:** Numbers may not add due to rounding.

**Table 9.6**  
**General Government Sector Grant Revenue**

	2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
<b>Current Grant Revenue</b>					
Current Grants from the Commonwealth					
GST Revenue and Municipal Grants	1,087,500	1,193,500	1,255,300	1,319,300	1,375,400
Non Government School Grants	200,629	212,257	218,797	229,157	240,233
Other Contributions and Grants	548,570	637,012	644,382	627,677	648,577
<b>Total Current Grant Revenue</b>	<b>1,836,699</b>	<b>2,042,769</b>	<b>2,118,479</b>	<b>2,176,134</b>	<b>2,264,210</b>
<b>Capital Grant Revenue</b>					
Capital Grants from the Commonwealth					
Non Government School Grants	-	-	-	-	-
Other Contributions and Grants	156,453	200,288	143,198	149,042	129,324
<b>Total Capital Grant Revenue</b>	<b>156,453</b>	<b>200,288</b>	<b>143,198</b>	<b>149,042</b>	<b>129,324</b>
<b>Total Grant Revenue</b>	<b>1,993,152</b>	<b>2,243,057</b>	<b>2,261,677</b>	<b>2,325,176</b>	<b>2,393,534</b>

**Note:** Numbers may not add due to rounding.



**Table 9.7**  
**General Government Sector Grants and Purchased Services Expense**

	2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
<b>Current Grant Expense</b>					
Private and Not-for-Profit Sector	94,606	192,566	163,630	158,322	131,929
Non Government School Grants	200,629	212,257	218,797	229,157	240,233
Grants to Other Sectors of Government	593,653	561,410	574,552	592,274	608,201
<b>Total Current Grant Expense</b>	<b>888,888</b>	<b>966,233</b>	<b>956,979</b>	<b>979,753</b>	<b>980,363</b>
<b>Capital Grant Expense</b>					
Private and Not-for-Profit Sector	74,893	32,755	9,634	13,801	9,789
Non Government School Grants	-	-	-	-	-
Grants to Other Sectors of Government	-	-	-	-	-
<b>Total Capital Grant Expense</b>	<b>74,893</b>	<b>32,755</b>	<b>9,634</b>	<b>13,801</b>	<b>9,789</b>
<b>Total Grant Expense</b>	<b>963,781</b>	<b>998,988</b>	<b>966,613</b>	<b>993,554</b>	<b>990,152</b>

**Note:** Numbers may not add due to rounding.

**Table 9.8**  
**General Government Sector Dividend and**  
**Income Tax Equivalent Income**

	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
	<b>Est. Outcome</b>	<b>Budget</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Dividends from PNFC Sector	240,287	221,547	146,360	205,761	223,946
Dividends from Superannuation Investments	49,900	50,990	51,206	53,954	57,452
Income Tax Equivalent	130,261	133,271	84,672	105,063	101,502
<b>Total GGS Dividend and Income Tax Equivalent Income</b>	<b>420,448</b>	<b>405,808</b>	<b>282,238</b>	<b>364,778</b>	<b>382,900</b>

**Note:** Numbers may not add due to rounding.

**Table 9.9**  
**General Government Sector Expenses by Function<sup>1</sup>**

		2015-16	2016-17	2017-18	2018-19	2019-20
		Est. Outcome	Budget	Estimate	Estimate	Estimate
		\$'000	\$'000	\$'000	\$'000	\$'000
01	General Public Services	434,713	524,558	454,508	443,489	451,889
03	Public Order and Safety	409,030	417,171	416,316	432,813	441,963
04	Education	1,129,324	1,165,793	1,159,561	1,198,996	1,254,889
05	Health	1,454,817	1,540,959	1,549,438	1,630,695	1,706,772
06	Social Security	267,701	307,503	291,854	301,007	289,160
07	Housing and Community Amenities	285,455	264,733	238,155	239,999	241,124
08	Recreation and Culture	221,913	228,223	209,637	207,826	210,061
09	Fuel and Energy	8,299	11,223	8,323	8,598	8,763
10	Agriculture, Forestry, Fishing and Hunting	2,874	2,718	2,884	2,877	2,855
11	Mining and Mineral Resources Other than Fuels, Manufacturing and Construction	14,940	17,666	14,659	14,272	14,280
12	Transport and Communications	338,637	341,055	324,969	404,272	415,570
13	Other Economic Affairs	58,780	63,820	54,434	54,761	55,104
14	Other Purposes	504,341	518,328	587,430	589,100	619,130
<b>Total Expenses</b>		<b>5,130,825</b>	<b>5,403,749</b>	<b>5,312,167</b>	<b>5,528,706</b>	<b>5,711,559</b>

**Notes:** Numbers may not add due to rounding.

1. This table is in accordance with the Uniform Presentation Framework and includes the Superannuation Liability Valuation adjustment.

**Table 9.10**  
**General Government Sector Expenses by Function**

		2015-16	2016-17	2017-18	2018-19	2019-20
		Est. Outcome	Budget	Estimate	Estimate	Estimate
		\$'000	\$'000	\$'000	\$'000	\$'000
<b>01</b>	<b>General Public Services</b>	<b>434,713</b>	<b>524,558</b>	<b>454,508</b>	<b>443,489</b>	<b>451,889</b>
011	Government Superannuation Benefits	0	0	0	0	0
019	Other General Public Services	434,713	524,558	454,508	443,489	451,889
<b>03</b>	<b>Public Order and Safety</b>	<b>409,030</b>	<b>417,171</b>	<b>416,316</b>	<b>432,813</b>	<b>441,963</b>
031	Police and Fire Protection Services	223,882	226,333	223,838	224,950	228,185
0311	<i>Police Services</i>	165,152	166,552	165,542	165,263	167,195
0312	<i>Fire Protection Services</i>	58,730	59,781	58,296	59,687	60,990
032	Law Courts and Legal Services	96,421	103,148	108,129	121,025	124,747
033	Prisons and Corrective Services	76,519	74,625	73,537	75,745	77,834
039	Other Public Order and Safety	12,207	13,065	10,812	11,093	11,197
<b>04</b>	<b>Education</b>	<b>1,129,324</b>	<b>1,165,793</b>	<b>1,159,561</b>	<b>1,198,996</b>	<b>1,254,889</b>
041	Primary and Secondary Education	929,866	960,501	960,211	994,302	1,041,472
0411	<i>Primary Education</i>	476,009	491,610	491,833	509,236	533,571
0412	<i>Secondary Education</i>	453,857	468,891	468,378	485,066	507,902
0419	<i>Primary and Secondary Education n.e.c.</i>	0	0	0	0	0
042	Tertiary Education	119,844	123,660	119,694	122,389	127,638
0421	<i>University Education</i>	16,396	17,230	17,671	18,162	18,480
0422	<i>Technical and Further Education</i>	103,447	106,429	102,023	104,227	109,158
0429	<i>Tertiary Education n.e.c.</i>	0	0	0	0	0
043	Pre-School Education and Education not Definable by Level	72,684	74,767	73,972	76,523	79,898
0431	<i>Pre-School Education</i>	46,264	47,689	47,580	49,271	51,621
0432	<i>Special Education</i>	26,420	27,078	26,392	27,252	28,277
0439	<i>Other Education not Definable by Level</i>	0	0	0	0	0
044	Transportation of Students	6,931	6,866	5,684	5,782	5,880
0441	<i>Transportation of Non-Urban School Children</i>	0	0	0	0	0
0449	<i>Transportation of Other Students</i>	6,931	6,866	5,684	5,782	5,880
049	Education n.e.c.	0	0	0	0	0
<b>05</b>	<b>Health</b>	<b>1,454,817</b>	<b>1,540,959</b>	<b>1,549,438</b>	<b>1,630,695</b>	<b>1,706,772</b>
051	Acute Care Institutions	1,110,792	1,182,190	1,186,971	1,249,945	1,307,867
0511	<i>Admitted Patient Services in Acute Care Institutions</i>	806,317	862,558	861,021	907,921	949,329
0512	<i>Non-Admitted Patient Services in Acute Care Institutions</i>	304,474	319,632	325,950	342,024	358,538
052	Mental Health Institutions	8,245	8,662	9,695	9,763	10,314
053	Nursing Homes for the Aged	0	0	0	0	0
054	Community Health Services	244,539	254,471	255,274	268,371	280,518
0541	<i>Community Mental Health</i>	75,866	78,899	78,894	82,927	86,929
0542	<i>Patient Transport</i>	39,913	41,891	42,081	44,110	45,058
0549	<i>Other Community Health Services</i>	128,760	133,681	134,298	141,334	148,530
055	Public Health Services	45,442	47,729	48,048	50,431	53,019
056	Pharmaceutical, Medical Aids and Appliances	27,256	28,463	29,318	31,094	33,190
057	Health Research	14,682	15,406	16,023	16,859	17,547
059	Health Administration n.e.c.	3,861	4,038	4,110	4,232	4,317

**Table 9.10 (cont.)**  
**General Government Sector Expenses by Function**

		2015-16	2016-17	2017-18	2018-19	2019-20
		Est. Outcome	Budget	Estimate	Estimate	Estimate
		\$'000	\$'000	\$'000	\$'000	\$'000
<b>06</b>	<b>Social Security</b>	<b>267,701</b>	<b>307,503</b>	<b>291,854</b>	<b>301,007</b>	<b>289,160</b>
061	Social Security	0	0	0	0	0
062	Welfare Services	264,582	304,168	288,197	297,292	285,357
0621	Family and Children Services	90,083	69,434	64,798	66,053	68,891
0622	Welfare Services for the Aged	19,887	18,966	19,014	19,623	20,192
0623	Welfare Services for People with a Disability	137,458	204,794	193,852	201,139	185,485
0629	Welfare Services n.e.c.	17,154	10,973	10,532	10,478	10,789
069	Social Security and Welfare n.e.c.	3,118	3,335	3,657	3,715	3,803
<b>07</b>	<b>Housing and Community Amenities</b>	<b>285,455</b>	<b>264,733</b>	<b>238,155</b>	<b>239,999</b>	<b>241,124</b>
071	Housing and Community Development	231,878	212,490	194,730	196,241	196,291
0711	Housing	159,287	105,262	96,556	94,293	92,155
0712	Aboriginal Community Development	0	0	0	0	0
0719	Other Community Development	72,591	107,228	98,173	101,948	104,136
072	Water Supply	3,852	5,415	4,598	4,757	4,821
0721	Aboriginal Community Water Supply	0	0	0	0	0
0729	Other Water Supply	3,852	5,415	4,598	4,757	4,821
073	Sanitation and Protection of the Environment	44,345	42,026	33,789	33,732	34,519
0731	Aboriginal Community Sanitation	0	0	0	0	0
0739	Other Sanitation and Protection of the Environment	44,345	42,026	33,789	33,732	34,519
079	Other Community Amenities	5,380	4,801	5,039	5,268	5,494
0791	Aboriginal Community Amenities	0	0	0	0	0
0799	Other Community Amenities	5,380	4,801	5,039	5,268	5,494
<b>08</b>	<b>Recreation and Culture</b>	<b>221,913</b>	<b>228,223</b>	<b>209,637</b>	<b>207,826</b>	<b>210,061</b>
081	Recreation Facilities and Services	129,242	125,387	115,911	114,877	116,226
0811	National Parks and Wildlife	17,345	14,036	14,294	14,396	14,273
0819	Recreation Facilities and Services n.e.c.	111,897	111,351	101,617	100,481	101,953
082	Cultural Facilities and Services	63,259	67,890	62,600	62,622	63,380
083	Broadcasting and Film Production	0	0	0	0	0
089	Recreation and Culture n.e.c.	29,412	34,945	31,126	30,327	30,455
<b>09</b>	<b>Fuel and Energy</b>	<b>8,299</b>	<b>11,223</b>	<b>8,323</b>	<b>8,598</b>	<b>8,763</b>
091	Fuel Affairs and Services	0	0	0	0	0
0911	Gas	0	0	0	0	0
0919	Fuel Affairs and Services n.e.c.	0	0	0	0	0
092	Electricity and Other Energy	0	0	0	0	0
0921	Aboriginal Community Electricity	0	0	0	0	0
0922	Other Electricity	0	0	0	0	0
0929	Other Energy	0	0	0	0	0
099	Fuel and Energy n.e.c.	8,299	11,223	8,323	8,598	8,763
<b>10</b>	<b>Agriculture, Forestry, Fishing and Hunting</b>	<b>2,874</b>	<b>2,718</b>	<b>2,884</b>	<b>2,877</b>	<b>2,855</b>
101	Agriculture	0	0	0	0	0
102	Forestry, Fishing and Hunting	2,874	2,718	2,884	2,877	2,855

**Table 9.10 (cont.)**  
**General Government Sector Expenses by Function**

		2015-16	2016-17	2017-18	2018-19	2019-20
		Est. Outcome	Budget	Estimate	Estimate	Estimate
		\$'000	\$'000	\$'000	\$'000	\$'000
<b>11</b>	<b>Mining and Mineral Resources other than Fuels, Manufacturing and Construction</b>	<b>14,940</b>	<b>17,666</b>	<b>14,659</b>	<b>14,272</b>	<b>14,280</b>
	Mining and Mineral Resources other than					
111	Fuels	0	0	0	0	0
112	Manufacturing	0	0	0	0	0
113	Construction	14,940	17,666	14,659	14,272	14,280
<b>12</b>	<b>Transport and Communications</b>	<b>338,637</b>	<b>341,055</b>	<b>324,969</b>	<b>404,272</b>	<b>415,570</b>
121	Road Transport	216,371	210,699	201,041	226,949	230,627
1211	Aboriginal Community Transport	0	0	0	0	0
1212	Road Maintenance	209,154	201,856	192,549	217,792	221,346
1213	Road Rehabilitation	0	0	0	0	0
1214	Road Construction	0	0	0	0	0
1219	Road Transport n.e.c.	7,217	8,844	8,492	9,157	9,281
122	Water Transport	0	0	0	0	0
1221	Aboriginal Community Water	0	0	0	0	0
1222	Urban Water Transport Services	0	0	0	0	0
1223	Non Urban Water Transport Services	0	0	0	0	0
123	Rail Transport	7,449	4,545	4,182	56,963	64,546
1231	Urban Rail Transport Services	7,449	4,545	4,182	56,963	64,546
	Non-Urban Rail Transport Freight					
1232	Services	0	0	0	0	0
	Non-Urban Rail Transport Passengers					
1233	Services	0	0	0	0	0
124	Air Transport	0	0	0	0	0
1241	Aboriginal Community Air Transport	0	0	0	0	0
1249	Other Air Transport Services	0	0	0	0	0
125	Pipelines	0	0	0	0	0
128	Other Transport	94,352	99,789	99,418	100,418	99,896
1281	Multi-Mode Urban Transport	0	0	0	0	0
1289	Other Transport n.e.c.	94,352	99,789	99,418	100,418	99,896
129	Communication	20,466	26,022	20,328	19,942	20,500
<b>13</b>	<b>Other Economic Affairs</b>	<b>58,780</b>	<b>63,820</b>	<b>54,434</b>	<b>54,761</b>	<b>55,104</b>
131	Storage, Saleyards and Markets	0	0	0	0	0
132	Tourism and Area Promotion	29,770	33,198	29,072	28,729	28,711
133	Labour and Employment Affairs	12,974	16,761	12,226	12,530	12,810
1331	Vocational Training	12,974	16,761	12,226	12,530	12,810
1339	Other Labour and Employment Affairs	0	0	0	0	0
139	Other Economic Affairs	16,036	13,861	13,137	13,502	13,583
<b>14</b>	<b>Other Purposes</b>	<b>504,341</b>	<b>518,328</b>	<b>587,430</b>	<b>589,100</b>	<b>619,130</b>
141	Public Debt Transactions	503,981	517,930	587,026	588,692	618,716
142	General Purpose Inter-Government Transactions	0	0	0	0	0
143	Natural Disaster Relief	0	0	0	0	0
149	Other Purposes n.e.c.	360	398	404	408	414
	<b>Total Expenses</b>	<b>5,130,825</b>	<b>5,403,749</b>	<b>5,312,167</b>	<b>5,528,706</b>	<b>5,711,559</b>

Note: Numbers may not add due to rounding.

**Table 9.11**  
**General Government Sector**  
**Purchases of Non-Financial Assets by Function**

		2015-16	2016-17	2017-18	2018-19	2019-20
		Est. Outcome	Budget	Estimate	Estimate	Estimate
		\$'000	\$'000	\$'000	\$'000	\$'000
01	General Public Services	83,029	80,231	58,933	55,850	23,209
03	Public Order and Safety	45,240	26,483	15,977	13,058	7,140
04	Education	62,852	39,152	47,795	56,081	39,101
05	Health	172,290	189,315	141,631	87,869	25,630
06	Social Security and Welfare	3,573	891	258	6,729	3,028
07	Housing and Community Amenities	260,423	251,601	215,235	159,227	102,502
08	Recreation and Culture	33,742	52,765	34,662	27,621	6,721
09	Fuel and Energy	0	0	0	0	0
10	Agriculture, Forestry, Fishing and Hunting	0	0	0	0	0
11	Mining and Mineral Resources other than Fuels, Manufacturing and Construction	63,124	114,410	72,303	47,342	8,082
12	Transport and Communications	126,170	177,639	119,011	78,781	52,248
13	Other Economic Affairs	2,475	1,900	1,717	2,541	1,585
14	Other Purposes	0	0	133,988	151,105	136,580
	<b>Purchases of Non-Financial Assets</b>	<b>852,919</b>	<b>934,387</b>	<b>841,509</b>	<b>686,204</b>	<b>405,823</b>

**Note:** Numbers may not add due to rounding.

## Loan Council Allocation

The ACT's Loan Council Allocation (LCA) agreed to at the 2016 Loan Council meeting was \$582 million, based on an accrual Government Finance Statistics cash surplus of \$617 million.

The nomination established a tolerance limit for the Budget-time estimate of between \$471 million and \$693 million (+/- 2 per cent of total public sector receipts).

The Budget-time estimate has been revised to \$360 million, and now exceeds the lower LCA nomination tolerance limit by \$111 million. The variance largely reflects the impact of forecast sales under the Land Rent scheme.

**Table 9.12**  
**Loan Council Allocations**

	<b>Loan Council Nomination</b>	<b>Budget-Time Estimate</b>
	<b>\$m</b>	<b>\$m</b>
	567	365
	51	14
	617	379
	0	0
equals	617	379
less	0	-12
	617	368
plus	-35	-8
<b>Loan Council Allocation</b>	<b>582</b>	<b>360</b>

### Notes:

(a) Cash surplus/deficits and finance leases are displayed with the opposite sign to that under which they are reported in cash flow statements. That is, a surplus is displayed as a negative number and vice versa.

(b) May not directly equate to the sum of the GGS and PNFC sector cash surplus/deficit due to intersectoral transfers which are netted out, and/or rounding.

(c) Net cash flows from investments in financial assets for policy purposes are displayed with the same sign as which they are reported in cash flow statements.

(d) Memorandum items are used to adjust the ABS GFS cash surplus/deficit to include in LCA's transactions – such as operating leases – that have many of the characteristics of public sector borrowings, but do not constitute formal borrowings. They are also used, where appropriate, to deduct from the ABS GFS cash surplus/deficit transactions that Loan Council has agreed should not be included in LCAs – for example, the funding of more than employers emerging costs under public sector superannuation schemes, or borrowings by entities such as statutory marketing authorities.

Memorandum items also include the net surplus/deficit of public universities in the jurisdiction controlled by the Government. For the ACT, the University of Canberra has been included to reflect its financing requirement.

### Tolerance Limit

Nomination – 2 per cent of public sector receipts (\$5.557 billion) +/- \$111 million.

Budget – 2 per cent of public sector receipts (\$5.711 billion) +/- \$114 million.



## APPENDICES

<b>Chapter</b>	<b>Page</b>
<b>A ACT Government Structure</b>	<b>331</b>
<b>B Loose-fill Asbestos Insulation Eradication Scheme</b>	<b>341</b>
<b>C Accounting Treatment for Public Private Partnerships</b>	<b>349</b>
<b>D Budget Consultation (Submission Acknowledgement)</b>	<b>353</b>
<b>E Capital Works – Capital Upgrades Program</b>	<b>357</b>
<b>F Capital Works – New Initiatives by Type</b>	<b>365</b>
<b>G Capital Works – Works-in-Progress</b>	<b>371</b>
<b>H Capital Works – 2015-16 Savings and Project Variations</b>	<b>381</b>
<b>I Capital Works – 2015-16 Re-profiling</b>	<b>385</b>

<b>Chapter</b>	<b>Page</b>
<b>J Capital Works – 2014-15 to 2015-16 Section 16B Rollovers</b>	<b>393</b>
<b>K Consolidated Financial Statements – Public Trading Enterprises and Total Territory</b>	<b>399</b>
<b>L General Government Sector – Key Aggregates History</b>	<b>417</b>
<b>M Statement of Risks</b>	<b>421</b>
<b>N Statement of Sensitivity of Budget Estimates</b>	<b>431</b>
<b>O Summary and Terms of Debt Capital Injection</b>	<b>437</b>
<b>P Summary of Outputs</b>	<b>441</b>
<b>Q Summary of Transfers</b>	<b>447</b>
<b>R Whole of Government Staffing</b>	<b>451</b>

# **APPENDIX A**

## **ACT GOVERNMENT STRUCTURE**

**WITH EFFECT FROM**

**1 JULY 2016**



# APPENDIX A: ACT GOVERNMENT STRUCTURE

## ACT GOVERNMENT STRUCTURE

ANDREW BARR MLA		
<i>Responsible for:</i>		
<b>Chief Minister</b>	Access to government information Access Canberra ACT Public Service Audit policy Building, utilities, land and lease regulation* Chief Digital Officer Communication and community engagement Electricity and natural gas, water and sewerage industry technical regulation* Environment protection and water regulation* Fair trading and registration, inspection and regulatory services (including transport regulation and licensing)*	Government strategy and policy Intergovernmental relations Occupational licensing* Public health protection and regulation (food services)* Public unleased land regulation (permits)* Racing and gaming regulation* Regional development Regulatory reform Support to Cabinet WorkSafe ACT*
<b>Treasurer</b>	ACT Insurance Authority Borrowing, funds management and infrastructure finance Budget process and financial reporting Concessions Fiscal and economic policy, including competition	Government business enterprises Insurance policy Revenue Office Shared services, including transactional services and ICT services Taxation and revenue policy
<b>Minister for Economic Development</b>	Capital works and procurement Digital Canberra Government accommodation and property services	Innovation, trade and investment Skills and economic development
<b>Minister for Tourism and Events</b>	Arboretum	Tourism and events (including Territory venues)
<b>Minister for Urban Renewal</b>	Infrastructure (Coordinator-General) Land development Land release policy (including the land release program)	Major land and property project facilitation Public housing renewal program Urban renewal (Coordinator-General)

**Note:** \*This is a matter relating to Access Canberra.

<b>SIMON CORBELL MLA</b>		
<i>Responsible for:</i>		
<b>Deputy Chief Minister</b>	Administration of justice, civil and criminal law and human rights	Policy relating to liquor, security and prostitution
<b>Attorney-General</b>	Domestic violence (Coordinator-General) Electoral policy Policy relating to incorporation of associations, registration of civil unions, domestic relationships and parentage	Policy relating to the registration of land titles and tenancies
<b>Minister for Health</b>	Acute health services Aged care and rehabilitation services Cancer services Child health development	Health policy Local hospital network Mental health services
<b>Minister for Police and Emergency Services</b>	Emergency services and policing	
<b>Minister for the Environment and Climate Change</b>	Climate change policy Energy policy and energy efficiency programs Environment protection policy	Support to the Conservator of Flora and Fauna Water policy and water efficiency programs

<b>MICK GENTLEMAN MLA</b>		
<i>Responsible for:</i>		
<b>Minister for Planning and Land Management</b>	Government architect Heritage Land management and stewardship Parks and conservation	Planning and development Parking (Coordinator General) Strategic land use and transport planning Survey and leasing
<b>Minister for Racing and Gaming</b>	Racing and gaming policy	
<b>Minister for Workplace Safety and Industrial Relations</b>	ACT Public Sector workers' compensation improvement Asbestos (Coordinator-General)	Private sector industrial relations and workers' compensation Work safety policy

<b>SHANE RATTENBURY MLA</b>		
<i>Responsible for:</i>		
<b>Minister for Corrections</b>	Corrective services	
<b>Minister for Education</b>	Childcare services and regulation Education (including early childhood education)	Government and non-government schools
<b>Minister for Justice and Consumer Affairs</b>	Fair trading policy relating to Australian consumer law, fuel prices and licensing motor vehicle repairers Policy relating to retirement villages, egg labelling, sale of goods, and uncollected goods	Policy relating to the licensing of agents, hawkers, pawnbrokers, motor vehicle dealers, second-hand dealers, and x-films Policy relating to the registration of deeds, births, deaths and marriages, and charitable collections
<b>Minister for Road Safety</b>	Policy relating to transport regulation and safety	

<b>YVETTE BERRY MLA</b>		
<i>Responsible for:</i>		
<b>Minister for Housing, Community Services and Social Inclusion</b>	Better Services initiative Community recovery policy and services Community sector policy and services Community sector reform program Homelessness services	Housing policy and services Housing sector regulation Human Services Blueprint Public housing asset management Social inclusion and equality
<b>Minister for Multicultural and Youth Affairs</b>	Multicultural affairs policy and services Youth Affairs policy	
<b>Minister for Sport and Recreation</b>	Sport and recreation	
<b>Minister for Women</b>	Women's affairs policy and services	

<b>MEEGAN FITZHARRIS MLA</b>		
<i>Responsible for:</i>		
<b>Minister for Higher Education, Training and Research</b>	Higher education and research State Training Authority Vocational education and training	
<b>Minister for Transport and City Services</b>	Active travel (Coordinator-General) Community transport Municipal services Roads ACT	Roads (Coordinator-General) Transport Canberra (including ACTION and light rail) Transport reform
<b>Assistant Minister for Health</b>	Community health services Population health	Public health protection policy Healthy Weight Initiative

<b>CHRIS BOURKE MLA</b>		
<i>Responsible for:</i>		
<b>Minister for Aboriginal and Torres Strait Islander Affairs</b>	Aboriginal and Torres Strait Islander affairs policy and services	Aboriginal and Torres Strait Islander Elected Body secretariat
<b>Minister for Children and Young People</b>	Children, young people and family policy and services	Children and young people protection (including youth justice) policy and services
<b>Minister for Disability</b>	Disability policy Disability reform and services	Therapy services
<b>Minister for Small Business and the Arts</b>	Art and cultural policy and services Small business	
<b>Minister for Veterans and Seniors</b>	Seniors and ageing policy Veterans	



## STRUCTURE OF ACT DIRECTORATES

<b>CHIEF MINISTER, TREASURY AND ECONOMIC DEVELOPMENT DIRECTORATE</b>		
<b>Director-General</b> Kathy Leigh <b>Under Treasurer</b> David Nicol <b>Director-General Economic Development</b> David Dawes <i>With responsibility for:</i>		
Access Canberra	Fair Trading and registration, inspection and regulatory services (including transport regulation and licensing)*	Public housing renewal program
Access to government information	Fiscal and economic policy, including competition	Public unleased land regulation (permits)*
ACT Insurance Authority	Government accommodation and property services	Racing and gaming policy
ACT Public Sector workers' compensation improvement	Government business enterprises	Racing and gaming regulation*
ACT Public Service	Government strategy and policy	Regional development
Arboretum	Healthy Weight Initiative	Regulatory reform
Art and cultural policy and services	Higher education and research	Revenue Office
Asbestos (Coordinator-General)	Infrastructure (Coordinator-General)	Shared services, including transactional services and ICT services
Audit Policy	Innovation, trade and investment	Skills and economic development
Borrowing, funds management and infrastructure finance	Insurance policy	Small business
Budget process and financial reporting	Intergovernmental relations	Sport and recreation
Building, utilities, land and lease regulation*	Land development	State Training Authority
Capital works and procurement	Land release policy (including the land release program)	Support to Cabinet
Chief Digital Officer	Major land and property project facilitation	Taxation and revenue policy
Communication and community engagement	Occupational licensing*	Tourism and events (including Territory venues)
Concessions	Private sector industrial relations and workers' compensation	Urban Renewal (Coordinator-General)
Digital Canberra	Public health protection and regulation (food services)*	WorkSafe ACT*
Electricity and natural gas, water and sewerage industry technical regulation*		Work safety policy
Environment protection and water regulation*		Vocational Education and Training
<b>OTHER GENERAL GOVERNMENT SECTOR ENTITIES</b>		
ACT COMPULSORY THIRD-PARTY INSURANCE REGULATOR		ACT GAMBLING AND RACING COMMISSION
ACT INSURANCE AUTHORITY		CANBERRA INSTITUTE OF TECHNOLOGY
CULTURAL FACILITIES CORPORATION		INDEPENDENT COMPETITION AND REGULATORY COMMISSION
LIFETIME CARE AND SUPPORT FUND		SUPERANNUATION PROVISION ACCOUNT
TERRITORY BANKING ACCOUNT		

**Note:** \*This is a matter relating to Access Canberra.

<b>COMMUNITY SERVICES DIRECTORATE</b>		
<b>Director-General</b> Natalie Howson <i>With responsibility for:</i>		
Aboriginal and Torres Strait Islander affairs policy and services	Community recovery policy and services	Multicultural affairs policy and services
Aboriginal and Torres Strait Islander Elected Body secretariat	Community sector policy and services	Public housing asset management
Better Services initiative	Community sector reform program	Seniors and ageing policy
Children, young people and family policy and services	Disability policy	Social inclusion and equality
Children and young people protection (including youth justice) policy and services	Disability reform and services	Therapy services
	Homelessness services	Women's affairs policy and services
	Housing policy and services	Veterans
	Housing sector regulation	Youth affairs policy
	Human Services Blueprint	

<b>EDUCATION DIRECTORATE</b>		
<b>Director-General</b> Diane Joseph <i>With responsibility for:</i>		
Childcare services and regulation	Education (including early childhood education)	Government and non-government schools

<b>ENVIRONMENT AND PLANNING DIRECTORATE</b>		
<b>Director-General</b> Dorte Ekelund <i>With responsibility for:</i>		
Climate change policy	Land management and stewardship	Support to the Conservator of Flora and Fauna
Energy policy and energy efficiency programs	Parking (Coordinator-General)	Survey and leasing
Environment protection policy	Parks and conservation	Water policy and water efficiency programs
Government architect	Planning and development	
Heritage	Strategic land use and transport planning	

<b>HEALTH DIRECTORATE</b>		
<b>Director-General</b> Nicole Feely <i>With responsibility for:</i>		
Acute health services	Child health development	Mental health services
Aged care and rehabilitation services	Community health services	Population health
Cancer services	Health policy	Public health protection policy
	Local hospital network	
<b>OTHER GENERAL GOVERNMENT SECTOR ENTITY</b>		
ACT LOCAL HOSPITAL NETWORK		

<b>JUSTICE AND COMMUNITY SAFETY DIRECTORATE</b>		
<b>Director-General</b> Alison Playford <i>With responsibility for:</i>		
Administration of justice, civil and criminal law and human rights Corrective Services Domestic violence (Coordinator-General) Electoral policy Emergency services and policing Fair trading policy relating to Australian consumer law, fuel prices and licensing motor vehicle repairers	Policy relating to incorporation of associations, registration of civil unions, domestic relationships and parentage Policy relating to the licensing of agents, hawkers, pawnbrokers, motor vehicle dealers, second hand dealers, and x-films Policy relating to liquor, security and prostitution	Policy relating to the registration of deeds, births, deaths and marriages, and charitable collections Policy relating to the registration of land titles and tenancies Policy relating to retirement villages, egg labelling, sale of goods, and uncollected goods Policy relating to transport regulation and safety
<b>OTHER GENERAL GOVERNMENT SECTOR ENTITIES</b>		
LEGAL AID COMMISSION ACT	PUBLIC TRUSTEE AND GUARDIAN	

<b>TRANSPORT CANBERRA AND CITY SERVICES DIRECTORATE</b>		
<b>Director-General</b> Emma Thomas <i>With responsibility for:</i>		
Active travel (Coordinator-General) Community transport	Municipal services Roads (Coordinator-General) Roads ACT	Transport Canberra (including ACTION and light rail) Transport reform
<b>OTHER GENERAL GOVERNMENT SECTOR ENTITY</b>		
ACT PUBLIC CEMETERIES AUTHORITY		

## **OTHER GENERAL GOVERNMENT SECTOR ENTITIES**

<b>ACT EXECUTIVE</b>
<b>AUDITOR-GENERAL</b>
<b>ELECTORAL COMMISSIONER</b>
<b>OFFICE OF THE LEGISLATIVE ASSEMBLY</b>

## **PUBLIC TRADING ENTERPRISES/PUBLIC NON-FINANCIAL CORPORATIONS**

<b>ACTION</b>
<b>CIT SOLUTIONS</b>
<b>HOUSING ACT</b>
<b>ICON WATER LIMITED</b>
<b>LAND DEVELOPMENT AGENCY</b>



## **APPENDIX B**

### **LOOSE-FILL ASBESTOS INSULATION ERADICATION SCHEME**



## **APPENDIX B: LOOSE-FILL ASBESTOS INSULATION ERADICATION SCHEME**

---

On 28 October 2014, the Government announced the implementation of a voluntary buyback and demolition program for all ACT houses affected by loose-fill asbestos insulation.

The legacy of loose-fill asbestos insulation has directly affected 1,022 homeowners and their families across 56 suburbs. By extension, this impact will be felt by close to 12,000 neighbours and approximately 127,000 people across affected suburbs when demolition of affected houses occurs.

The decision to eradicate loose-fill asbestos from dwellings in the ACT recognises the significant health, social, practical and financial impacts it has had on owners of affected houses and the wider community. The ACT Asbestos Response Taskforce (the Taskforce) advised the Government in August 2014 that demolition of all affected properties was the only enduring solution to the continuing impacts of this legacy issue.

Under the Loose-fill Asbestos Insulation Eradication Scheme (the Asbestos Eradication Scheme), the Government has offered to acquire and demolish all affected houses. Remediated blocks are being resold to defray some of the overall financial impact on the budget. Remediated blocks are being offered to their former owner (the First Right Holder) in the first instance, and then to the wider public through auctions.

The Scheme also includes emergency financial assistance and relocation support, as well as Stamp Duty concessions to support affected owners purchase another house in the ACT, or to support the purchase of their remediated block.

### **Progress to date**

There are 1,022 houses in the ACT eligible for the Asbestos Eradication Scheme. This comprises 1,017 private and five government-owned houses.

The costs associated with the financial assistance and purchase phases of the Scheme are largely known. The costs for demolitions to date indicate that the demolition phase is manageable within budget; however, some financial risk remains.

The sales phase of the Scheme has only recently commenced. The market response to this unique land offering remains uncertain and will have a direct impact on the overall costs of delivering this complex and costly program.

As at 20 May 2016:

- 981 homeowners had accepted offers to sell affected properties to the Government;
- 864 houses had been purchased (totalling \$613 million – ranging in cost from \$361,000 to \$2.9 million);

- over 577 owners had exercised Stamp Duty concessions to the value of \$13.7 million;
- \$10.7 million had been paid in emergency financial support to homeowners;
- \$1.4 million had been paid for asbestos assessments of houses; and
- 913 relocation assistance grants had been paid.

The Taskforce has engaged licensed asbestos assessors and removalists, and demolition contractors to safely demolish affected houses over the next few years. WorkSafe ACT is monitoring demolition work as part of its regulatory function.

The Demolition Program is running ahead of schedule, with 169 houses demolished as at 20 May 2016.

The Taskforce continues to work closely with industry and relevant regulators to ensure affected properties are demolished safely, and land is remediated efficiently and effectively.

- Safety is the key overarching consideration, particularly in relation to the health and wellbeing of workers and the wider community.
- Demolitions are being scheduled in a coordinated and efficient way to reduce costs and community disruption (including through geographical grouping of properties).

The sale of remediated blocks has commenced.

- As at 20 May 2016, two auction events had been held. Out of the 10 blocks released for sale, seven blocks were sold under the hammer and two were sold shortly after auction. A further two auctions were held on 26 and 31 May 2016; however, the outcomes of these auctions have not been included due to timing.
- In addition to the properties sold at auction, five former owners who held first refusal rights have accepted the purchase price to buy back their remediated blocks.

Auction sales prices have ranged from \$393,000 to \$725,000.

## **Budget estimates**

The Government has updated the budget estimates associated with the Asbestos Eradication Scheme to reflect the outcomes achieved to date. Overall, the revised budget indicates that the net cash cost has improved from the 2015-16 Budget estimate of \$370 million (excluding contingency) to \$366 million. A summary of the budget adjustments is shown below.

Total cash payments estimated over the life of the Asbestos Eradication Scheme (excluding contingency) are \$929 million. This is \$39 million lower than the 2015-16 Budget estimate of \$968 million. This is mainly due to decreases of \$40.5 million in expected house and land purchase costs, and \$3.6 million in demolition and remediation costs, partially offset by Asbestos Taskforce costs of \$5 million.



The 2016-17 Budget estimates assume that there will be 50 properties that opt out of the Scheme. As at 20 May 2016, owners of 23 affected properties had decided not to participate. At the time of the 2015-16 Budget, it was assumed that all property owners would participate in the Asbestos Eradication Scheme. The anticipated number of other properties impacted (i.e. those connected to affected properties) has been estimated at 11.

The demolition schedule has been accelerated and sales have, in broad terms, been brought forward. Compared to the 2015-16 Budget, the estimated number of properties sold has:

- decreased by 87 in 2015-16;
- increased by 230 in 2016-17, and 90 in 2017-18; and
- decreased by 105 in 2018-19, 106 in 2019-20, and 77 in 2020-21.

Tables B.1 and B.2 show the net cash flow and Headline Net Operating Balance (HNOB) movements as compared to the 2015-16 Budget.

The Commonwealth Government provided the Territory with a loan to support the financing of the Asbestos Eradication Scheme. The total loan of \$1 billion was provided in two tranches: \$750 million in January 2015 at a fixed interest rate of 2.605 per cent, and \$250 million in July 2015 at a fixed interest rate of 3.015 per cent. The weighted cost of the loan is 2.708 per cent. The loan term is 10 years, from January 2015 to 30 June 2024. Repayments of principal will commence on 30 June 2018 and are paid annually until 30 June 2024. Repayments of the principal are to be paid as follows:

- \$50 million at the end of June each year from 2018 to 2020;
- \$100 million at the end of June each year from 2021 to 2023; and
- \$550 million at the end of June 2024.

Loan interest to be paid to the Commonwealth in 2015-16 and 2016-17 is estimated to be approximately \$27 million each year.

The expected financial impacts of the program are presented in the tables below. Note that these tables do not include the financial implications of stamp duty waivers exercised by affected homeowners.

**Table B.1: Loose-fill Asbestos Insulation Eradication Scheme Cash Flow Impact excluding contingency**

	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
<b>2015-16 Budget</b>					
<b>Payments</b>					
Financial Assistance Package	39	0	0	0	0
Purchase Costs <sup>1</sup>	188,093	3,504	2,230	956	0
Demolition and Remediation	32,366	32,366	32,366	32,366	24,274
Other Costs <sup>2</sup>	11,364	6,260	5,717	5,837	4,432
<b>Total Payments</b>	<b>231,861</b>	<b>42,130</b>	<b>40,312</b>	<b>39,159</b>	<b>28,706</b>
<b>Receipts</b>					
Net Sales Revenue	59,851	89,777	149,628	149,628	89,777
<b>Total Receipts</b>	<b>59,851</b>	<b>89,777</b>	<b>149,628</b>	<b>149,628</b>	<b>89,777</b>
<b>Net Cash Flow</b>	<b>-172,010</b>	<b>47,647</b>	<b>109,315</b>	<b>110,469</b>	<b>61,070</b>
<b>2016-17 Budget</b>					
<b>Payments</b>					
Financial Assistance Package	3,920	2,000	0	0	0
Purchase Costs <sup>1</sup>	185,857	23,103	4,896	3,172	18,269
Demolition and Remediation	28,236	47,709	49,135	28,689	476
Other Costs <sup>2</sup>	10,124	9,862	5,978	5,887	4,534
<b>Total Payments</b>	<b>228,136</b>	<b>82,674</b>	<b>60,009</b>	<b>37,747</b>	<b>23,278</b>
<b>Receipts</b>					
Net Sales Revenue	8,804	223,624	201,611	87,455	27,005
<b>Total Receipts</b>	<b>8,804</b>	<b>223,624</b>	<b>201,611</b>	<b>87,455</b>	<b>27,005</b>
<b>Net Cash Flow<sup>3</sup></b>	<b>-219,333</b>	<b>140,949</b>	<b>141,602</b>	<b>49,708</b>	<b>3,726</b>

**Note:** Numbers may not add due to rounding.

1. Includes purchase of house and land, purchase transaction costs, board up costs and holding costs.
2. Mainly comprises Asbestos Taskforce Costs.
3. The 2014-15 cash flow impact was \$489 million excluding financing costs.

**Table B.2: Loose-fill Asbestos Insulation Eradication Scheme HNOB Impact<sup>1</sup>**

	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
<b>2015-16 Budget</b>					
Financial Assistance Package	-39	0	0	0	0
Other Costs	-11,416	-6,312	-5,769	-5,864	-4,432
Purchase Costs	-37,990	-3,504	-2,230	-956	0
Assisted Private Demolition	0	0	0	0	0
Contingency	-9,077	-1,521	-1,521	-1,521	-1,571
<b>Total HNOB Impact (including contingency)</b>	<b>-58,522</b>	<b>-11,338</b>	<b>-9,520</b>	<b>-8,341</b>	<b>-6,003</b>
<b>2016-17 Budget</b>					
Financial Assistance Package	-3,920	-2,000	0	0	0
Other Costs	-10,148	-9,912	-6,028	-5,936	-4,557
Purchase Costs	-56,126	-2,561	-2,008	-1,006	-221
Assisted Private Demolition	-5,095	0	0	0	0
Contingency	0	-3,509	0	0	0
<b>Total HNOB Impact (including contingency)</b>	<b>-75,289</b>	<b>-17,981</b>	<b>-8,036</b>	<b>-6,942</b>	<b>-4,778</b>

**Note:** Numbers may not add due to rounding.

1. The 2014-15 HNOB impact was \$358 million excluding financing costs.

**Table B.3: Loose-fill Asbestos Insulation Eradication Scheme Cumulative Cash Flow Impact including financing costs**

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Net Cash Flow – Cumulative	-488,822	-708,155	-567,206	-425,604	-375,895
Indicative Annual Interest Cost <sup>1,2,3</sup>	-6,619	-16,207	-17,268	-13,443	-10,852
<b>Total Cost (including financing costs)</b>	<b>-495,441</b>	<b>-724,362</b>	<b>-584,474</b>	<b>-439,046</b>	<b>-386,748</b>

	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000
Net Cash Flow - Cumulative	-372,169	-365,993	-365,993	-365,993	-365,993
Indicative Annual Interest Cost <sup>1,2,3</sup>	-10,129	-9,995	-9,911	-9,911	-9,911
<b>Total Cost (including financing costs)</b>	<b>-382,298</b>	<b>-375,988</b>	<b>-375,904</b>	<b>-375,904</b>	<b>-375,904</b>

**Note:** Numbers may not add due to rounding.

1. The indicative interest cost is calculated on the cumulative net cash flow from the Scheme each year but interest is not cumulative. The interest cost is met from the total Territory budget not the budget for the Scheme.
2. Indicative interest cost is calculated assuming an equal spread of payments/receipts across the year.
3. The interest rate use is based on the weighted cost of the loan of 2.708 per cent. The Commonwealth Government provided the Territory with a loan to support the financing of the Scheme. The total loan of \$1 billion was provided in two tranches: \$750 million in January 2015 at a fixed interest rate of 2.605 per cent, and \$250 million in July 2015 at a fixed interest rate of 3.015 per cent.



## **APPENDIX C**

# **ACCOUNTING TREATMENT FOR PUBLIC PRIVATE PARTNERSHIPS**



## APPENDIX C: ACCOUNTING TREATMENT FOR PUBLIC PRIVATE PARTNERSHIPS

---

During 2015-16, the ACT Government entered into public private partnership contracts for both the ACT Law Courts Facilities and the Light Rail Network. These are long-term contracts with private sector consortia to design, finance, construct, maintain and/or operate the required infrastructure assets. The Government will make service payments over the life of the contracts, intended to cover the costs incurred by the consortia in constructing, financing, maintaining and/or operating the assets. At the end of the contracts, the infrastructure will be Territory assets.

There is currently no Australian Accounting Standard (AAS) which prescribes the accounting treatment for these types of arrangements from the perspective of a government grantor. In the absence of an AAS and by virtue of the application of the hierarchy for the selection of accounting policies under the AASs, the Government has adopted an accounting policy for these types of arrangements based on the principles of Application Note F *Private Finance Initiative and Similar Contracts* issued in 1998 by the United Kingdom Accounting Standards Board as an amendment to its Financial Reporting Standard 5 *Reporting the Substance of Transactions* (FRS 5).

This approach is consistent with Victoria, New South Wales, South Australia, Western Australia and Queensland which all apply a policy based on the principles of FRS 5.

FRS 5 applies a risks and rewards approach. Under this approach, the focus is on the grantor's contractual obligations to the operator. As the ACT Law Courts Facilities and the Light Rail Network contracts are able to be separated into property and service elements, application of the requirements of FRS 5 results in these projects being accounted for as finance leases in accordance with AASB 117 *Leases*.

As a result, the fair value of the leased assets and a corresponding lease liability will be recognised on the Balance Sheet for each contract at the commencement of the lease term (i.e. at Commercial Acceptance) which is the date the assets are ready for the provision of the services.

Initial direct costs of the Government are capitalised when incurred and are added to the finance lease assets on initial recognition at Commercial Acceptance.

The Territory's contract service payments will be apportioned between maintenance/operation costs, a financing component and reduction of the lease liability. The financing component is calculated at the rate implicit in the lease and is accounted for as an interest expense. The portion of the payment related to the maintenance/operating costs is accounted for as a supplies and services expense.

In addition, the leased assets are depreciated over their useful life with depreciation expenses being recognised.

The interest, maintenance/operating costs and depreciation expenses will all impact the Operating Statement and the Headline Net Operating Balance.

Tables C.1 and C.2 below provide the financial impacts on the Territory of the Light Rail – Stage 1 and ACT Law Courts Facilities contracts.

**Table C.1: PPP Impact – Light Rail – Stage 1<sup>1</sup>**

	2016-17 Budget \$'000	2017-18 Budget \$'000	2018-19 Budget \$'000	2019-20 Budget \$'000
<b>Headline Net Operating Balance (HNOB) Impact</b>				
Maintenance/Operation Costs	-	-	22,189	25,376
Interest	-	-	17,915	21,252
Depreciation	-	-	10,511	14,015
<b>Total HNOB Impact</b>	<b>0</b>	<b>0</b>	<b>50,615</b>	<b>60,643</b>
<b>Assets and Liabilities</b>				
Lease Asset <sup>2</sup>	-	-	690,220	676,205
Lease Liability	-	-	325,460	316,707
<b>Total Impact on Net Assets</b>	<b>0</b>	<b>0</b>	<b>364,760</b>	<b>359,498</b>
<b>Payments to Canberra Metro</b>				
Service Payments	-	-	40,375	55,381
Capital Contribution	-	-	375,000	-
<b>Total Payments</b>	<b>0</b>	<b>0</b>	<b>415,375</b>	<b>55,381</b>

**Note:**

1. The figures for Light Rail – Stage 1 are pre-financial close estimates.
2. Includes accumulated depreciation.

**Table C.2: PPP Impact – ACT Law Courts Facilities**

	2016-17 Budget \$'000	2017-18 Budget \$'000	2018-19 Budget \$'000	2019-20 Budget \$'000
<b>Headline Net Operating Balance (HNOB) Impact</b>				
Maintenance/Operation Costs	-	2,755	6,027	6,319
Interest	-	5,424	12,412	12,909
Depreciation	-	1,585	3,791	4,006
<b>Total HNOB Impact</b>	<b>0</b>	<b>9,764</b>	<b>22,230</b>	<b>23,234</b>
<b>Assets and Liabilities</b>				
Lease Asset <sup>1</sup>	-	107,132	154,856	150,851
Lease Liability	-	104,047	153,099	151,132
<b>Total Impact on Net Assets</b>	<b>0</b>	<b>3,085</b>	<b>1,757</b>	<b>-281</b>
<b>Payments to Juris Partnership</b>				
Service Payments	-	12,849	20,902	21,196
<b>Total Payments</b>	<b>0</b>	<b>12,849</b>	<b>20,902</b>	<b>21,196</b>

**Note:**

1. Includes accumulated depreciation.



## **APPENDIX D**

### **BUDGET CONSULTATION (SUBMISSION ACKNOWLEDGEMENT)**



## **APPENDIX D: BUDGET CONSULTATION (SUBMISSION ACKNOWLEDGEMENT)**

---

The 2016-17 Budget consultation process was launched on 14 September 2015, encouraging interested community members, businesses and local organisations to share their views and suggestions as to how the ACT Government's resources are allocated, where services could be enhanced, and where possible efficiencies could be made.

Background information and links to relevant documentation, including previous Budget Papers, were made available to the community through the Budget Consultation Website: [www.budgetconsultation.act.gov.au](http://www.budgetconsultation.act.gov.au).

A total of 87 written submissions were received. The submissions covered a diverse range of issues including disability, health, education, community services, sports and recreation, arts and entertainment, public infrastructure, sustainability and public transport, as well as ACT finances. Submissions were publicly available on the Budget Consultation Website, unless the author specified that the submission was to be classified as confidential.

Agencies reviewed the submissions in developing proposals for the 2016-17 Budget. Views and suggestions provided by the community informed decision making, drawing on the knowledge and experiences of users and providers of government services.

The Government would like to thank the following individuals, community groups and organisations for their contributions and participation in the consultation process:

ACT Council of Social Service  
ACT Law Society  
ACT Shelter  
Advocacy for Inclusion  
AIDS Action Council of the ACT  
Association of Independent Schools of the ACT (AISACT)  
Association of Parents and Friends of ACT Schools Inc.  
Asthma Foundation ACT  
Athletics ACT  
Alcohol Tobacco and Other Drug Association ACT  
Australasian Railway Association  
Australian Education Union ACT Branch  
Australian Nursing and Midwifery Federation ACT  
Belconnen Arts Centre  
Belconnen Community Council  
Beryl Women Inc.  
Canberra Bike Polo  
Canberra Business Chamber  
Canberra CBD Limited  
Carers ACT Inc.  
Challis, Mr Bryn

Communities@Work  
Community and Public Sector Union (ACT)  
Council on the Ageing ACT (COTA ACT)  
Cox, Mr Kevin  
Crace Community Association  
Environmental Defenders' Office (ACT)  
Erett, Mr Chris  
EveryMan Australia  
Families ACT  
Fischer, Ms Kimberley  
Friends of Grasslands  
Griffith Narrabundah Community Association  
Gungahlin Community Council  
Health Care Consumers' Association Inc.  
Honeybrook, Mrs Ingrid  
Kidsafe ACT Inc.  
Koch, Mr Robert  
Living Streets Canberra  
Marymead  
Master Builders ACT  
Mental Health Community Coalition ACT  
MusicACT and the Live Music Office  
MyHome in Canberra Inc.  
National Council of Women of ACT Inc.  
National Electrical and Communications Association  
Pedal Power ACT  
People with Disabilities ACT  
Property Council of Australia – Retirement Living Committee and Retirement Villages Residents Association  
RSPCA ACT  
Sustainable Jill  
The ACT Equestrian Association Incorporated  
The Childers Group  
Tourism and Transport Forum Australia  
Trevor, Mr Beau  
UnionsACT  
UnitingCare Canberra City Early Morning Centre  
UnitingCare Kippax  
Weston Creek Community Council  
White, Ms Delene  
Winnunga Nimmityjah Aboriginal Health Clinic/Health Service (ACT) Inc.  
Woden Community Service  
Woden Valley Community Council Inc.  
Women's Legal Centre (ACT & Region)  
Worrall, Mr Alistair  
Youth Coalition of the ACT  
YWCA Canberra

## APPENDIX E

### CAPITAL WORKS – CAPITAL UPGRADES PROGRAM



## APPENDIX E: CAPITAL WORKS – CAPITAL UPGRADES PROGRAM

Funding of \$53.2 million has been allocated in 2016-17 for capital upgrades that extend the useful life or improve the service delivery capacity of existing Territory physical infrastructure assets. Upgrades are distinct from routine repairs and maintenance that receive separate funding.

The following table lists the 2016-17 Capital Upgrades Program projects by agency.

**Table E.1: Summary of 2016-17 Budget Capital Upgrades Program**

Project	Financing 2016-17 \$'000
<b>Canberra Institute of Technology</b>	
<b><i>Building Improvements</i></b>	
Access to H Block childcare at CIT Bruce	60
Audio visual equipment for Bruce Campus multipurpose hall	80
Car park security and traffic control measures at CIT Bruce and CIT Fyshwick	150
Construction of access road and sediment control at Sutton Road	60
Disabled access to S Block at CIT Bruce	70
Drainage C Block Reid campus	98
Heating and cooling C Block Reid campus	150
K Block classrooms at CIT Bruce	200
Main power C Block Reid campus	80
Student services and library hub at CIT Bruce	200
<b><i>Energy Management/Educational Improvements</i></b>	
B Block 1st floor classrooms at CIT Bruce	100
Battery storage facility at CIT Bruce	70
Fitness running track at CIT Bruce	80
G Block ground floor classrooms at CIT Bruce	150
Heating and ventilation E Block CIT Bruce	170
Hydraulics Laboratory at CIT Bruce	100
Replace G Block chiller at CIT Reid	160
Thermodynamics Laboratory A Block CIT Bruce	200
<b><i>Health and Safety Improvements</i></b>	
Asbestos removal Bruce and Reid campuses	60
Upgrade fire suppression systems at CIT Bruce A, B and C Blocks	240
Upgrade security system CIT Reid and Bruce	100
<b>Total</b>	<b>2,578</b>
<b>Chief Minister, Treasury and Economic Development Directorate</b>	
<b><i>ACT Property Upgrades</i></b>	
Blaxland Centre upgrades	510
Building and safety upgrades at various Government buildings	510
Building refurbishment including roofing, energy efficiency upgrades and internal remediation at various buildings	500

<b>Project</b>	<b>Financing 2016-17 \$'000</b>
Building renovations and extensions including modifications to amenities at various buildings	500
Childcare centre upgrades	470
Fire services upgrades at various government buildings	155
Grounds upgrades including fencing and landscaping at various buildings	150
Hazardous material removal at various government buildings	400
Renovation of the Tidbinbilla Visitors Centre	250
Upgrades to address ageing infrastructure at various government buildings	395
Upgrades to heritage buildings	155
<b>Arboretum</b>	
Arboretum and Buildings	250
<b>Arts Facilities</b>	
Arts buildings and facilities	325
<b>Infrastructure Planning</b>	
Land release infrastructure	288
<b>Events</b>	
Floriade	272
<b>Major Venues – Facilities Upgrades</b>	
Exhibition Park	540
GIO Stadium	485
Manuka Oval	380
Stromlo Forest Park	160
<b>Sports Facilities</b>	
Facilities Improvement Program	1,315
Pools Improvement Program	785
Water System Upgrade Program	540
<b>Total</b>	<b>9,335</b>
<b>Community Services Directorate</b>	
<b>Facilities</b>	
Bimberi residential services	260
Gungahlin Child and Family Centres	35
Melaleuca Place – Child Trauma Recovery Centre	25
Therapy ACT	35
Tuggeranong Child and Family Centres	20
West Belconnen Child and Family Centres	10
<b>Total</b>	<b>385</b>
<b>Cultural Facilities Corporation</b>	
Canberra museums, galleries and historic places	278
Canberra Theatre Centre	60
Cultural Facilities Corporation – Corporate	50
<b>Total</b>	<b>388</b>



<b>Project</b>	<b>Financing 2016-17 \$'000</b>
<b>Education Directorate</b>	
<i>Environmentally Sustainable Design (ESD) Initiatives</i>	<b>800</b>
<i>School Administration and Support Area Improvements</i>	<b>1,480</b>
<i>School Learning Area Improvements</i>	<b>6,560</b>
College upgrades	
High school upgrades	
Learning teaching areas upgrades	
Preschool expansions and upgrades	
School expansions	
<i>School Security and Safety Improvements</i>	<b>1,505</b>
Car park and traffic safety improvements	
Fire panel communication replacement	
Hazardous materials	
<i>School Upgrades</i>	<b>4,225</b>
Disability access compliance	
External learning environments	
Schools for All implementation	
School roof replacement	
<b>Total</b>	<b>14,570</b>
<b>Environment and Planning Directorate</b>	
Adaptive re-use of parks and conservation services housing and accommodation stock	210
Canberra tracks	20
Restoration of heritage sites	127
Upgrade of parks information signage	142
Water treatment and security Birrigai and Tidbinbilla	165
<b>Total</b>	<b>664</b>
<b>Health Directorate</b>	
<i>ACT Health</i>	
Building upgrades	2,400
Electrical, fire and safety upgrades	1,200
Mechanical and services infrastructure	542
<i>Calvary Hospital</i>	
Building works	423
Environmental systems upgrades	160
Fire safety upgrade	240
<b>Total</b>	<b>4,965</b>
<b>Justice and Community Safety Directorate</b>	
<i>Directorate Projects</i>	
Accommodation upgrades, Work Health and Safety, security and energy efficiency upgrades	512
Corrective Services upgrade	528
Courts and Tribunal facilities upgrade	104

<b>Project</b>	<b>Financing 2016-17 \$'000</b>
<b>Emergency Services Agency Projects</b>	
ESA facilities upgrades, security and Work Health and Safety upgrades	322
<b>Territorial Projects</b>	
ACT Policing facilities and security upgrades	261
<b>Total</b>	<b>1,727</b>
<b>Office of the Legislative Assembly</b>	
<b>Building Plant</b>	
Installation of lift sump	6
<b>Building Structure</b>	
Bathroom and Kitchen Upgrade Program	235
<b>Other Works</b>	
Facilities minor upgrades	9
<b>Total</b>	<b>250</b>
<b>Transport Canberra and City Services Directorate</b>	
<b>ACTION</b>	
Bus major component overhauls including driver and passenger seat replacement	1,000
Tow truck component replacement	100
Tuggeranong and Belconnen depot and workshop site and tool upgrades	656
<b>ACT NoWaste</b>	
Mugga Lane fencing	500
Mugga Lane transfer station road improvements and weighbridge upgrade	800
<b>Domestic Animal Services</b>	
Redesign of the Domestic Animal Shelter including dog kennels and cattery	150
<b>Neighbourhood Improvements</b>	
Energy efficient lighting	500
Residential street improvements	600
Safety improvements lighting	500
Traffic management and active streets at schools	300
<b>Open Space Improvement</b>	
Dog park in Weston Creek	320
Group Centre Package	1,000
Playgrounds – Four major upgrades	900
Playground Package	900
Playground rehabilitation	900
Public Toilet Upgrade Program	785
Upgrade skate parks and fitness equipment	330
<b>Property Improvements</b>	
Macarthur House amenities upgrade	120
Protective security upgrades	400
<b>Public Libraries</b>	
Library interior upgrades and Kippax Library chute upgrade	350

<b>Project</b>	<b>Financing 2016-17 \$'000</b>
<b><i>Road Safety Measures and Rehabilitation</i></b>	
Armour cable upgrade	500
Bridge bearing replacement	200
<i>Disability Discrimination Act 1992</i> Compliance Upgrades Program	1,000
Footpath and cycling improvements	1,500
Road barrier improvements	200
Road batter slope improvements	200
Road safety measures	500
Signal refurbishments	400
<b><i>Water Resources/Stormwater Improvements</i></b>	
Coombs Pond A and B rehabilitation	1,000
Improve pollution control measures at gross pollutant traps	300
Stormwater Improvement Program	1,415
<b>Total</b>	<b>18,326</b>
<hr/>	
<b>Total Capital Upgrades Program</b>	<b>53,188</b>

**Note:** Numbers may not add due to rounding.



## APPENDIX F

### CAPITAL WORKS – NEW INITIATIVES BY TYPE



## APPENDIX F: CAPITAL WORKS – NEW INITIATIVES BY TYPE

The New Capital Works program comprises construction projects, business case development and forward design. The 2016-17 Budget provides for New Capital Works totalling \$249.2 million in 2016-17 and \$762.5 million over the four years to 2019-20.

The following table lists the 2016-17 Budget New Capital Works Program by agency.

**Table F.1: 2016-17 New Capital Works Program<sup>1</sup>**

Project	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	Four Year Investment \$'000	Physical Completion
<b>Chief Minister, Treasury and Economic Development Directorate</b>						
<b>Construction</b>						
Better Public Housing – New public housing properties	155,983	121,200	80,019	0	357,202	Jun-19
Better Roads for Gungahlin – Gungahlin Town Centre road network improvements	4,500	0	0	0	4,500	Jun-17
Better Services – Dickson Motor Vehicle Inspection Station	800	0	0	0	800	Jun-17
Better Services – Weston Creek and Stromlo swimming pool and leisure centre	3,000	8,000	11,000	11,000	33,000	Jun-20
Caring for our Environment – Lake Tuggeranong Water Quality Improvement – Stage 2	0	2,500	6,500	0	9,000	Jun-19
City to the Lake – New Civic pool	400	0	0	0	400	Jun-17
Improving Our City – Woden bus interchange improvements	300	0	0	0	300	Jun-17
Improving Our Suburbs – New Molonglo Valley infrastructure	5,600	13,000	14,370	0	32,970	Jun-19
Narrabundah Ballpark Upgrade – Best little ballpark in Australia	1,000	2,500	1,000	0	4,500	Jun-19
National Arboretum Canberra – Water Security – Stage 2	1,700	0	0	0	1,700	Jun-17
<b>Business Case Development</b>						
Better Roads for Gungahlin – Horse Park Drive pedestrian overpass	400	0	0	0	400	Jun-17
Better Roads for the Inner South – Yarralumla Estate	250	0	0	0	250	Jun-17
Improving Community Facilities – Building refurbishments and upgrades in Tuggeranong	100	0	0	0	100	Jun-17
Securing Electricity Supply in the ACT – Second supply network	250	250	0	0	500	Jun-18
<b>Total</b>	<b>174,283</b>	<b>147,450</b>	<b>112,889</b>	<b>11,000</b>	<b>445,622</b>	

<b>Project</b>	<b>2016-17 \$'000</b>	<b>2017-18 \$'000</b>	<b>2018-19 \$'000</b>	<b>2019-20 \$'000</b>	<b>Four Year Investment \$'000</b>	<b>Physical Completion</b>
<b>Education Directorate</b>						
<b>Construction</b>						
Better Schools – Investment in Gungahlin school infrastructure	7,950	8,650	0	0	16,600	Feb-18
<b>Total</b>	<b>7,950</b>	<b>8,650</b>	<b>0</b>	<b>0</b>	<b>16,600</b>	
<b>Environment and Planning Directorate</b>						
<b>Construction</b>						
Caring for our Environment – Establishing the Molonglo River Reserve – Stage 3	300	440	258	0	998	Jun-19
Caring for our Environment – Improving species and habitat protection	473	789	1,174	0	2,436	Jun-19
Caring for our Environment – Tharwa fish habitat improvement	150	200	0	0	350	Jun-18
Caring for our Environment – Water Quality Improvement – Contributions to the Basin Priority Project	13,500	38,050	25,721	0	77,271	Jun-19
<b>Total</b>	<b>14,423</b>	<b>39,479</b>	<b>27,153</b>	<b>0</b>	<b>81,055</b>	
<b>Health Directorate</b>						
<b>Construction</b>						
Better Health Services – Upgrading and maintaining ACT Health assets	20,000	40,000	35,328	0	95,328	Jun-19
Supporting Good Mental Health – Support for people with mental health issues to recover and live in the community	1,099	1,267	24	0	2,390	Jan-18
<b>Business Case Development</b>						
Better Health Services – City Health Centre – Feasibility	360	0	0	0	360	Mar-17
<b>Total</b>	<b>21,459</b>	<b>41,267</b>	<b>35,352</b>	<b>0</b>	<b>98,078</b>	
<b>Housing ACT</b>						
<b>Construction</b>						
Supporting Affordable Housing – Infrastructure upgrade at the Narrabundah Long Stay Park	360	0	0	0	360	Jun-17
<b>Total</b>	<b>360</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>360</b>	
<b>Justice and Community Safety Directorate</b>						
<b>Construction</b>						
ACT Corrective Services – Accommodation fit out	1,636	0	0	0	1,636	Mar-17
Alexander Maconochie Centre – Building upgrade	1,250	0	0	0	1,250	Jun-17



<b>Project</b>	<b>2016-17 \$'000</b>	<b>2017-18 \$'000</b>	<b>2018-19 \$'000</b>	<b>2019-20 \$'000</b>	<b>Four Year Investment \$'000</b>	<b>Physical Completion</b>
Reforming Emergency Services – Aero-medical services and hangar upgrade	395	0	0	0	395	Jun-17
Reforming Emergency Services – Fyshwick Fire and Rescue Station upgrade	602	0	0	0	602	Jun-17
Reforming Emergency Services – Guises Creek Rural Fire Station upgrade	220	0	0	0	220	Jun-17
Reforming Emergency Services – New SES station for Tuggeranong	1,667	1,089	0	0	2,756	Dec-17
<b>Total</b>	<b>5,770</b>	<b>1,089</b>	<b>0</b>	<b>0</b>	<b>6,859</b>	

### **Transport Canberra and City Services Directorate**

#### **Construction**

Better Public Transport – Active travel for schools and shopping centres	2,500	500	0	0	3,000	Jun-18
Better Public Transport for Tuggeranong – Park and ride facility for Wanniasa	500	1,000	0	0	1,500	Jun-18
Better Public Transport for Woden and Weston Creek – New Woden bus depot <sup>1</sup>	775	NFP	NFP	0	775	Jun-19
Better Roads for Belconnen – Aikman Drive duplication	5,801	4,000	0	0	9,801	Jun-18
Better Roads for Canberra – Stronger bridges to transport freight	2,400	2,300	1,800	0	6,500	Jun-19
Better Roads for Gungahlin – Horse Park Drive duplication (Mulligans Flat Road to the Federal Highway)	5,000	24,000	28,000	0	57,000	Jun-19
Better Roads for Tuggeranong – Ashley Drive duplication (Ellerston Avenue to Johnson Drive)	500	3,000	0	0	3,500	Jun-18
Better Roads for Weston Creek – Cotter Road duplication (Tuggeranong Parkway to Yarralumla Creek)	4,450	13,450	11,000	0	28,900	Jun-19
Better Roads for Woden – Intersection safety upgrades	1,520	0	0	0	1,520	Jun-17

#### **Design**

Caring for our Environment – Essential waste management infrastructure	1,000	0	0	0	1,000	Jun-17
--	-------	---	---	---	-------	--------

#### **Business Case Development**

Improving Our Suburbs – Local shopping centre upgrades	475	0	0	0	475	Jun-17
--	-----	---	---	---	-----	--------

**Total**    **24,921**    **48,250**    **40,800**    **0**    **113,971**

**Total 2016-17 New Capital Works Program**    **249,166**    **286,185**    **216,194**    **11,000**    **762,545**

**Note:** Numbers may not add due to rounding.

1. NFP indicates not for publication. A provision has been included for the cost of this initiative in the budget.



# APPENDIX G

## CAPITAL WORKS – WORKS-IN-PROGRESS



## APPENDIX G: CAPITAL WORKS – WORKS-IN-PROGRESS

The Works-in-Progress (WIP) component of the Capital Works Program includes projects from previous years. The value of WIP over the four years to 2019-20 is \$646 million, of which \$450 million is allocated in 2016-17.

The following table lists the 2016-17 Capital Works-in-Progress by agency.

**Table G.1: 2016-17 Capital Works – Works-in-Progress**

Project	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	Four Year Investment \$'000	Physical Completion Date
<b>Canberra Institute of Technology</b>						
CIT Modernisation – Tuggeranong, Bruce and Reid campuses	1,800	0	0	0	1,800	Jun-16
<b>Total</b>	<b>1,800</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,800</b>	
<b>Chief Minister, Treasury and Economic Development Directorate</b>						
Better Roads for Gungahlin – Enhanced Town Centre road network	4,200	2,000	0	0	6,200	Dec-16
Better Roads for Gungahlin – Horse Park Drive duplication	10,000	3,800	0	0	13,800	Jun-17
Canberra CBD Upgrade Program <sup>1</sup>	0	343	0	0	343	Complete
Canberra CBD Upgrade Stage 2 – Merry-go-round and Veterans' Park <sup>1</sup>	0	302	0	0	302	Complete
Canberra Regional Visitors Centre Relocation	1,456	0	0	0	1,456	Jul-16
City to the Lake – New Canberra Theatre (Feasibility)	100	0	0	0	100	Jun-17
City to the Lake Arterial Roads Concept Design	1,314	0	0	0	1,314	Dec-16
Cravens Creek Water Quality Control Pond	2,000	1,700	0	0	3,700	Dec-17
Dickson Group Centre Intersections – Upgrade	550	0	0	0	550	Dec-16
Fyshwick Depot – Fuel storage tanks removal and site remediation	1,187	0	0	0	1,187	Jun-17
Grant for Development of a New Basketball Centre and Player Amenities	1,109	0	0	0	1,109	Jun-17
Isabella Weir Spillway Upgrades	1,300	6,935	0	0	8,235	Jun-18
John Gorton Drive Extension to Molonglo 2 and Group Centre	200	0	0	0	200	Complete
Kingston Visual Arts Hub (Feasibility)	25	0	0	0	25	Dec-16
Lyneham Sports Precinct – Central Amenities (Design)	421	0	0	0	421	Jun-17

<b>Project</b>	<b>2016-17 \$'000</b>	<b>2017-18 \$'000</b>	<b>2018-19 \$'000</b>	<b>2019-20 \$'000</b>	<b>Four Year Investment \$'000</b>	<b>Physical Completion Date</b>
Lyneham Sports Precinct Redevelopment – Stage 3	672	0	0	0	672	Jun-17
Majura Parkway to Majura Road – Link road	6,500	2,426	0	0	8,926	Jun-17
Molonglo 2 – Sewer and Pedestrian Bridge over Molonglo River	400	0	0	0	400	Jun-16
Molonglo 2 – Uriarra Road Upgrade	500	0	0	0	500	Complete
Molonglo 2 – Water Quality Control Ponds, Sewers and Cyclepath (Design)	405	356	0	0	761	Jun-17
Molonglo 2 – Water Supply, Trunk Sewer and Stormwater Infrastructure – Stage 1	500	0	0	0	500	Complete
Molonglo Infrastructure Investment	1,600	0	0	0	1,600	Jul-16
Molonglo Valley – Environmental Impact Statement for Deferred Area	0	200	0	0	200	Jun-18
Motorsports Fund – Capital Improvements to Fairbairn Park (Design)	327	0	0	0	327	Jun-17
Narrabundah Ball Park – Stage 2 – Design	479	0	0	0	479	Jun-17
Narrabundah Velodrome Upgrade	107	0	0	0	107	Complete
National Arboretum Canberra – Event terrace and precinct facilities	800	0	0	0	800	Jun-17
National Arboretum Canberra – Water Security	130	0	0	0	130	Jun-17
Netball Infrastructure Upgrades (Design)	175	0	0	0	175	Dec-16
New Stadium Feasibility Study	97	0	0	0	97	Jun-17
Office Accommodation	700	0	0	0	700	Jun-17
Public Arts Scheme	235	0	0	0	235	Jun-17
Stromlo Forest Park – Enclosed Oval (Feasibility)	200	0	0	0	200	Jun-17
Stromlo Forest Park – Implementation of bushfire management plan	1,150	500	0	0	1,650	Dec-17
Stromlo Forest Park Planning and Infrastructure	1,100	0	0	0	1,100	Jun-17
Throsby – Access road and western intersection	850	700	0	0	1,550	Jun-17
Throsby – Multisport Complex (Design)	0	185	0	0	185	Jun-18
Urban Renewal Program – Better Public Housing	626	0	0	0	626	Jun-17
Urban Renewal Program – Better Public Housing – Allawah Court	16,921	0	0	0	16,921	Mar-17
Urban Renewal Program – Better Public Housing – Karuah	6,992	0	0	0	6,992	Mar-17
Urban Renewal Program – Better Public Housing – Owen Flats	956	0	0	0	956	Jun-17

<b>Project</b>	<b>2016-17 \$'000</b>	<b>2017-18 \$'000</b>	<b>2018-19 \$'000</b>	<b>2019-20 \$'000</b>	<b>Four Year Investment \$'000</b>	<b>Physical Completion Date</b>
Urban Renewal Program – Better Public Housing – Red Hill housing precinct	10,145	0	0	0	10,145	Mar-17
Urban Renewal Program – City to the Lake – West Basin infrastructure	9,243	0	0	0	9,243	Jun-17
Urban Renewal Program – Civic and Braddon public realm improvements	1,325	0	0	0	1,325	Jun-17
Urban Renewal Program – Melrose football precinct	5,858	495	0	0	6,353	Dec-17
Urban Renewal Program – Molonglo 3 infrastructure	750	1,670	0	0	2,420	Jun-18
Urban Renewal Program – Phillip Oval upgrade	3,863	500	0	0	4,363	Dec-17
Woden Bus Interchange – Redevelopment Stage 1	1,635	0	0	0	1,635	Jun-17
Woden Valley Stormwater Retardation Basins (Design)	90	0	0	0	90	Complete
<b>Total</b>	<b>99,193</b>	<b>22,112</b>	<b>0</b>	<b>0</b>	<b>121,305</b>	
<b>Community Services Directorate</b>						
A New Respite Property	1,319	0	0	0	1,319	Jun-17
Disability Housing – Respite and Congregate Living Housing (Design)	37	0	0	0	37	Jun-17
<b>Total</b>	<b>1,356</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,356</b>	
<b>Cultural Facilities Corporation</b>						
Canberra Theatre Centre Upgrade – Stage 3	1,386	792	0	0	2,178	Jun-18
<b>Total</b>	<b>1,386</b>	<b>792</b>	<b>0</b>	<b>0</b>	<b>2,178</b>	
<b>Education Directorate</b>						
Coombs P-6 School Construction Funding	1,182	250	250	0	1,682	Feb-16
Hazardous Material Removal Program – Stage 3	500	0	0	0	500	Jun-17
Schools for the Future – Caroline Chisholm School – Centre for Innovation and Learning	2,160	3,421	0	0	5,581	Dec-17
Schools for the Future – Modernising Belconnen High	14,297	1,980	0	0	16,277	Feb-18
Schools for the Future – North Gungahlin and Molonglo	4,608	15,661	7,940	0	28,209	Feb-19
<b>Total</b>	<b>22,747</b>	<b>21,312</b>	<b>8,190</b>	<b>0</b>	<b>52,249</b>	
<b>Environment and Planning Directorate</b>						
City Plan Implementation	104	0	0	0	104	Jun-17
East Lake – Planning and Design Framework Implementation (Feasibility)	64	0	0	0	64	Jun-17

<b>Project</b>	<b>2016-17 \$'000</b>	<b>2017-18 \$'000</b>	<b>2018-19 \$'000</b>	<b>2019-20 \$'000</b>	<b>Four Year Investment \$'000</b>	<b>Physical Completion Date</b>
Enhancing the Protection of Endangered Species and Habitat	3,830	1,721	0	0	5,551	Jun-18
Environmental Offsets – Gungahlin (EPIC)	306	0	0	0	306	Jun-17
Environmental Offsets – Lawson South	466	65	0	0	531	Jun-18
Greenfields Planning for Affordable Housing (Feasibility)	170	0	0	0	170	Jun-17
Infill Development Infrastructure Studies (Feasibility)	135	0	0	0	135	Jun-17
Molonglo Valley – Finalisation of Stage 2 and Commencement of Stage 3 Planning (Feasibility)	163	0	0	0	163	Jun-17
Molonglo Valley – Implementation of Commitments in the National Environmental Significance Plan	200	0	0	0	200	Jun-17
Molonglo Riverside Park – Stage 1	150	0	0	0	150	Jun-17
Molonglo Valley – Implementation of Commitments in the Plan for the Protection of Matters of National Environmental Significance – Stage 2	897	902	0	0	1,799	Jun-18
Prior Year Upgrades	76	0	0	0	76	Jun-17
Red Hill Nature Reserve Remediation (Finalisation and Design)	128	0	0	0	128	Jun-17
Strategic Bushfire Management Plan	750	0	0	0	750	Jun-17
Urban Development Sequence for Affordable Housing (Feasibility)	86	0	0	0	86	Jun-17
Urban Renewal Program – Playground repairs	40	0	0	0	40	Jun-17
<b>Total</b>	<b>7,565</b>	<b>2,688</b>	<b>0</b>	<b>0</b>	<b>10,253</b>	

#### **Health Directorate**

Aboriginal and Torres Strait Islander Residential Alcohol and Other Drug Rehabilitation Facility	2,118	0	0	0	2,118	Jun-16
Calvary Public Hospital – Car park	2,159	0	0	0	2,159	Dec-15
Calvary Public Hospital – Expanded hospital services	1,879	0	0	0	1,879	Jun-17
Calvary Public Hospital – Operating theatre upgrade	4,827	0	0	0	4,827	Jun-17
Calvary Public Hospital – Upgrade of medical imaging equipment	2,674	0	0	0	2,674	Jun-17
Canberra Hospital – More beds	1,975	500	0	0	2,475	Jun-18
Clinical Services and Inpatient Unit Design and Infrastructure Expansion	3,623	0	0	0	3,623	Nov-16
Clinical Services Redevelopment – Phase 2	225	0	0	0	225	Jun-17
Clinical Services Redevelopment – Phase 3	4,753	0	0	0	4,753	Jun-17



<b>Project</b>	<b>2016-17 \$'000</b>	<b>2017-18 \$'000</b>	<b>2018-19 \$'000</b>	<b>2019-20 \$'000</b>	<b>Four Year Investment \$'000</b>	<b>Physical Completion Date</b>
Continuity of Health Services Plan – Essential Infrastructure	4,625	938	0	0	5,563	Dec-17
Health Infrastructure Program – Project management continuation	7,156	0	0	0	7,156	Mar-17
Provision for Project Definition Planning	700	0	0	0	700	Jun-17
Secure Mental Health Unit	19,344	0	0	0	19,344	Sep-16
Staging, Decanting and Continuity of Services	893	750	0	0	1,643	Jun-18
Sterilising Services – Relocation and upgrade	567	9,400	7,291	0	17,258	Jun-19
The Canberra Hospital – Essential infrastructure and engineering works	4,220	0	0	0	4,220	Jul-17
The Canberra Hospital Redevelopment	0	5,525	0	0	5,525	Jun-18
University of Canberra Public Hospital	114,655	73,337	0	0	187,992	Mar-18
University of Canberra Public Hospital Car Park (Grant)	11,200	0	0	0	11,200	Mar-18
<b>Total</b>	<b>187,593</b>	<b>90,450</b>	<b>7,291</b>	<b>0</b>	<b>285,334</b>	

### **Justice and Community Safety**

#### **Directorate**

Alexander Maconochie Centre – Detainee Industries and Activities Enforcement Project <sup>2</sup>	8,280	400	0	0	8,680	Jan-17
Courts Public Private Partnership – (formerly called ACT Court Facilities Early Works Package)	3,692	2,004	181	0	5,877	Nov-18
Emergency Services Agency (ESA) Station Upgrade and Relocation – Aranda Station	1,868	0	0	0	1,868	Jun-17
ESA – Station Relocation and Upgrade – Phase 2 Due Diligence	720	400	0	0	1,120	Jun-18
Gungahlin Joint Emergency Services Centre – Future use study	80	0	0	0	80	Jun-17
New ACT Court Facilities	168	170	0	0	338	Jun-18
Strengthening Emergency Services – Greenway Ambulance Station	80	0	0	0	80	Aug-16
Strengthening Emergency Services – Upgrade of facilities	18	0	0	0	18	Dec-16
<b>Total</b>	<b>14,906</b>	<b>2,974</b>	<b>181</b>	<b>0</b>	<b>18,061</b>	

### **Office of the Legislative Assembly**

Accommodation – Expansion of the Assembly	1,030	0	0	0	1,030	Dec-16
<b>Total</b>	<b>1,030</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,030</b>	

### **Transport Canberra and City Services**

#### **Directorate**

ACT Travel Time Information	386	0	0	0	386	Jun-17
-----------------------------	-----	---	---	---	-----	--------

<b>Project</b>	<b>2016-17 \$'000</b>	<b>2017-18 \$'000</b>	<b>2018-19 \$'000</b>	<b>2019-20 \$'000</b>	<b>Four Year Investment \$'000</b>	<b>Physical Completion Date</b>
Better Roads for Gungahlin – Gundaroo Drive duplication – Stage 1	26,885	0	0	0	26,885	Jun-17
Better Roads for Gungahlin – Horse Park Drive duplication	500	0	0	0	500	Jun-17
Better Roads for Tuggeranong – Ashley Drive duplication – Stage 2	10,890	8,762	0	0	19,652	Jun-18
Civic to Gungahlin Corridor Improvements	10,250	0	0	0	10,250	Jun-17
Constitution Avenue to Vernon Circle	2,800	0	0	0	2,800	Jun-17
Essential Waste Management Infrastructure	14,682	0	0	0	14,682	Jun-17
Improved Waste Resource Recovery	1,230	0	0	0	1,230	Jun-17
Light Rail – Stage 1 – Procurement and delivery <sup>3</sup>	15,071	12,185	9,884	0	37,140	Jun-19
Local Shopping Centre Upgrades Program	300	0	0	0	300	Jun-17
Mugga Lane – Rehabilitation of Old Landfill Cells	500	0	0	0	500	Jun-17
Pialligo and Airport Road Network	500	0	0	0	500	Jun-17
Road to Recovery – Commonwealth funded	19,531	3,200	5,425	0	28,156	Jun-19
Shopping Centre Upgrade Program – Red Hill and Lyons	343	0	0	0	343	Jun-17
Urban Renewal Program – Acton – Sullivans Creek cycle path upgrades	900	0	0	0	900	Jun-17
Urban Renewal Program – Erindale Group Centre – Gartside Street (south) development – Stage 1	780	0	0	0	780	Jun-17
Urban Renewal Program – Oaks Estate river corridor heritage walk improvements – Stage 1	180	0	0	0	180	Jun-17
Urban Renewal Program – Tuggeranong – Anketell Street (north) upgrade – Stage 1	390	0	0	0	390	Jun-17
Urban Renewal Program – Tuggeranong Valley and Kaleen age friendly facilities	375	0	0	0	375	Jun-17
Urban Renewal Program – Weston Group Centre – Brierly Street and Trenerry Square upgrades	780	0	0	0	780	Jun-17
West Belconnen Resource Management Centre Rehabilitation of Landfill Cells	0	200	0	0	200	Jun-18
William Slim/Barton Highway Roundabout Signalisation	5,265	0	0	0	5,265	Jun-17
<b>Total</b>	<b>112,538</b>	<b>24,347</b>	<b>15,309</b>	<b>0</b>	<b>152,194</b>	
<b>Total 2016-17 Capital Works-in-Progress</b>	<b>450,114</b>	<b>164,675</b>	<b>30,971</b>	<b>0</b>	<b>645,760</b>	

**Notes:** Numbers may not add due to rounding.

1. Funding has been retained to undertake minor improvements after the defects liability period is complete.

2. This project was formerly reported as the Alexander Maconochie Centre – Additional facilities.
3. Light Rail – Stage 1 – Procurement and delivery was formerly titled Capital Metro – Procurement and delivery.



## **APPENDIX H**

### **CAPITAL WORKS – 2015-16 SAVINGS AND PROJECT VARIATIONS**



## APPENDIX H: CAPITAL WORKS – 2015-16 SAVINGS AND PROJECT VARIATIONS

Over the course of 2015-16, agencies reviewed their infrastructure, upgrades and other projects in light of expenditure to date and identified savings for returning to the Budget, or for transfer to another project as a project variation.

The following table lists the projects for which savings and project variations have been identified.

**Table H.1: Summary of 2015-16 Capital Works Program Savings**

Project	2015-16 \$'000
<b>Chief Minister, Treasury and Economic Development Directorate</b>	
Better Roads for Gungahlin – Enhanced Town Centre road network	-3,953
Better Roads for Gungahlin – Horse Park Drive duplication	-2,144
Casey – Clarrie Hermes Drive Extension to the Barton Highway	-2,491
Coombs – Water Quality Control Ponds	-82
Cravens Creek Water Quality Control Pond	-9,727
Dickson Group Centre Intersections – Upgrade	-277
Gungahlin Town Centre Roads (Design)	-205
Horse Park Drive Extension from Burrumarra Avenue to Mirrabai Drive	-2,031
Horse Park Drive Extension from Burrumarra Avenue to Mirrabai Drive (Design)	-164
Horse Park Drive Extension to Moncrieff Group Centre	-1,211
Horse Park Drive Water Quality Control Pond	-2,567
John Gorton Drive Extension to Molonglo 2 and Group Centre	-600
Kenny – Floodways, Road Access and Basins (Design)	-491
Kenny Contamination Remediation	-280
Molonglo 2 – Trunk Sewer and Stormwater Infrastructure from Holden’s Creek	-1,615
Molonglo 2 – Uriarra Road Upgrade	-899
Molonglo 2 – Water Supply, Trunk Sewer and Stormwater Infrastructure – Stage 1	-2,058
Molonglo Infrastructure Investment	-1,262
Throsby – Access Road (Design)	-132
Woden Stormwater Infrastructure (Design)	-458
<b>Total</b>	<b>-32,647</b>
<b>Education Directorate</b>	
Canberra College Cares – New Building at Phillip Campus	-900
Coombs P-6 School Construction Funding	-6,790
<b>Total</b>	<b>-7,690</b>
<b>Justice and Community Safety Directorate</b>	
Courts Public Private Partnership (PPP) – (Formerly called ACT Court Facilities Early Works Package)	-6,269
<b>Total</b>	<b>-6,269</b>
<b>Territory and Municipal Services Directorate</b>	
ACTION – Replace underground storage tanks	-3,500
Official Opening 2013 – National Arboretum Canberra	-124
<b>Total</b>	<b>-3,624</b>
<b>Total 2015-16 Savings</b>	<b>-50,230</b>

**Table H.2: Summary of 2015-16 Capital Works Project Variations<sup>1</sup>**

<b>Project</b>	<b>2015-16 \$'000</b>
<b>Chief Minister, Treasury and Economic Development Directorate</b>	
Canberra Visitors Centre <sup>2</sup>	5,294
CBR FREE Wifi	700
City Action Plan Stage 1 – Edinburgh Avenue Improvements	-590
Horse Park Drive Extension to Moncrieff Group Centre	-4,900
John Gorton Drive Extension to Molonglo 2 and Group Centre	-4,750
Majura Parkway to Majura Road – Link road	4,900
Molonglo 2 – Uriarra Road Upgrade <sup>3</sup>	-3,500
Molonglo Valley – Environmental Impact Statement for Deferred Area <sup>4</sup>	-200
Woden Bus Interchange – Redevelopment Stage 1	590
<b>Total</b>	<b>-2,456</b>
<b>Education Directorate</b>	
Bonner Primary School	-2,000
Franklin Early Childhood School	-400
Gungahlin College	2,300
Installation of Artificial Grass Surfaces – Stage 1	100
<b>Total</b>	<b>0</b>
<b>Environment and Planning Directorate</b>	
East Lake Sustainable Urban Renewal	-2
Molonglo Valley – Implementation of Commitments in the Plan for the Protection of Matters of National Environmental Significance <sup>4</sup>	200
<b>Total</b>	<b>198</b>
<b>Office of the Legislative Assembly</b>	
Accommodation – Expansion of the Assembly <sup>5</sup>	-165
Accommodation – Staff relocation <sup>5</sup>	-17
<b>Total</b>	<b>-182</b>
<b>Territory and Municipal Services Directorate</b>	
ACT Travel Time Information <sup>6</sup>	300
Constitution Avenue to Vernon Circle - GPO	2,800
R2R Federal Forward Year Funding <sup>6</sup>	7,275
Road to Recovery – Pialligo Avenue Scherger Drive Intersection <sup>6</sup>	160
Road to Recovery – Road Rehabilitation <sup>6</sup>	9,190
Upgrade water management systems at West Belconnen RMC	-70
Upgrade water facilities at the veterinary laboratory, Athllon depot	70
<b>Total</b>	<b>19,725</b>
<b>Total 2015-16 Project Variations</b>	<b>17,285</b>

**Notes:**

1. Positive values represent additional funding for projects and negative values reflect reductions in project funding.
2. \$5.294 million comprises of \$0.544 million from the Commonwealth and \$4.750 million which was transferred from the John Gorton Drive Extension to Molonglo 2 and Group Centre project.
3. Constitution Avenue to Vernon Circle and CBR FREE Wifi received \$2.8 million and \$0.7 million respectively from the \$3.5 million, transferred from the Molonglo 2 – Uriarra Road Upgrade project.
4. Transfer of \$0.2 million from the Molonglo Valley – Environmental Impact Statement for Deferred Area project to the Molonglo Valley – Implementation of Commitments in the Plan for the Protection of Matters of National Environmental Significance project.
5. This represents CUP funding advanced into 2015-16 from the forward year CUP allocations.
6. Commonwealth capital injections to projects.



# APPENDIX I

## CAPITAL WORKS – 2015-16 RE-PROFILING



## APPENDIX I: CAPITAL WORKS – 2015-16 RE-PROFILING

Over the course of 2015-16, agencies reviewed their infrastructure, upgrades and other projects in light of expenditure to date and identified where the re-profiling of their projects was appropriate. This process also included bringing forward planned outyear expenditure to accelerate some existing projects.

A net total of \$90 million has been re-profiled from 2015-16 into 2016-17 and the forward years. The following table lists the projects that have been re-profiled.

**Table I.1: Summary of 2015-16 Capital Works Re-profiling**

Project	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
<b>Canberra Institute of Technology</b>					
CIT Modernisation – Tuggeranong, Bruce and Reid campuses	675	-675	0	0	0
<b>Total</b>	<b>675</b>	<b>-675</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Capital Metro Agency<sup>1</sup></b>					
Light Rail – Stage 1 – Procurement and delivery <sup>2</sup>	-1,500	2,300	800	-1,600	0
<b>Total</b>	<b>-1,500</b>	<b>2,300</b>	<b>800</b>	<b>-1,600</b>	<b>0</b>
<b>Chief Minister, Treasury and Economic Development Directorate</b>					
Better Roads for Gungahlin – Enhanced Town Centre road network	1,819	-3,819	2,000	0	0
Better Roads for Gungahlin – Horse Park Drive duplication	-3,603	100	3,503	0	0
Canberra CBD Upgrade Program	-343	0	343	0	0
Canberra CBD Upgrade Stage 2 – Merry-go-round and Veterans' Park	-302	0	302	0	0
Canberra Visitors' Centre	-1,456	1,456	0	0	0
City to the Lake – New Canberra Theatre (Feasibility)	-100	100	0	0	0
City to the Lake Arterial Roads Concept Design	-814	814	0	0	0
Cravens Creek Water Quality Control Pond	-3,700	2,000	1,700	0	0
Dickson Group Centre Intersections – Upgrade	-50	50	0	0	0
Fyshwick Depot – Fuel storage tanks removal and site remediation	-1,187	1,187	0	0	0
Grant for Development of a New Basketball Centre and Player Amenities	-1,109	1,109	0	0	0
Isabella Weir Spillway – Upgrades	-8,235	1,300	6,935	0	0
John Gorton Drive Extension to Molonglo 2 and Group Centre	-200	200	0	0	0
Kingston Visual Arts Hub (Feasibility)	-25	25	0	0	0
Lyneham Precinct Redevelopment Stage 3	-672	672	0	0	0

<b>Project</b>	<b>2015-16 \$'000</b>	<b>2016-17 \$'000</b>	<b>2017-18 \$'000</b>	<b>2018-19 \$'000</b>	<b>2019-20 \$'000</b>
Lyneham Sports Precinct – Central Amenities (Design)	-421	421	0	0	0
Majura Parkway to Majura Road – Link road	-8,926	6,500	2,426	0	0
Molonglo 2 – Sewer and Pedestrian Bridge over Molonglo River	-400	400	0	0	0
Molonglo 2 – Uriarra Road Upgrade	-500	500	0	0	0
Molonglo 2 – Water Quality Control Ponds, Sewers and Cyclepath (Design)	-761	405	356	0	0
Molonglo 2 – Water Supply, Trunk Sewer and Stormwater Infrastructure – Stage 1	-500	500	0	0	0
Molonglo Infrastructure Investment	1,400	-1,400	0	0	0
Molonglo Valley – Environmental Impact Statement for Deferred Area (Feasibility)	-200	0	200	0	0
Molonglo Valley – Implementation of Commitments in the Plan for the Protection of Matters of National Environmental Significance <sup>3</sup>	-200	200	0	0	0
Motorsports Fund – Capital Improvements to Fairbairn Park (Design)	-327	327	0	0	0
Narrabundah Ball Park – Stage 2 – Design	-479	479	0	0	0
Narrabundah Velodrome Upgrade	-107	107	0	0	0
Netball Infrastructure Upgrades (Design)	-175	175	0	0	0
New Stadium Feasibility Study	-97	97	0	0	0
Office Accommodation	-700	700	0	0	0
Public Art Scheme	-235	235	0	0	0
Stromlo Forest Park – Enclosed Oval (Feasibility)	-200	200	0	0	0
Stromlo Forest Park – Implementation of bushfire management plan	-1,150	650	500	0	0
Stromlo Forest Park Planning and Infrastructure	-1,100	1,100	0	0	0
Throsby – Access road and western intersection	-550	-150	700	0	0
Throsby Multisport Complex (Design)	-185	0	185	0	0
Urban Renewal Program – Better Public Housing – Allawah Court	-1,132	1,132	0	0	0
Urban Renewal Program – Better Public Housing – Karuah	-810	810	0	0	0
Urban Renewal Program – Better Public Housing – Owen Flats	-956	956	0	0	0
Urban Renewal Program – Better Public Housing – Red Hill housing precinct	9,507	-9,507	0	0	0
Urban Renewal Program – City to the Lake – West Basin infrastructure	-5,778	5,778	0	0	0
Urban Renewal Program – Civic and Braddon public realm improvements	-325	325	0	0	0
Urban Renewal Program – Melrose football precinct	-1,680	1,680	0	0	0
Urban Renewal Program – Molonglo 3 infrastructure	-1,430	-240	1,670	0	0
Urban Renewal Program – Phillip Oval upgrade	-740	240	500	0	0

<b>Project</b>	<b>2015-16 \$'000</b>	<b>2016-17 \$'000</b>	<b>2017-18 \$'000</b>	<b>2018-19 \$'000</b>	<b>2019-20 \$'000</b>
Woden Bus Interchange Redevelopment – Stage 1	-1,635	1,635	0	0	0
Woden Valley Stormwater Retardation Basins (Design)	-90	90	0	0	0
<b>Total</b>	<b>-40,859</b>	<b>19,539</b>	<b>21,320</b>	<b>0</b>	<b>0</b>
<b>Community Services Directorate</b>					
A New Respite Property	-1,319	1,319	0	0	0
Disability Housing – Respite and Congregate Living Housing (Design)	-37	37	0	0	0
<b>Total</b>	<b>-1,356</b>	<b>1,356</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Education Directorate</b>					
Coombs P-6 School Construction Funding	-750	250	250	250	0
Schools for the Future – Caroline Chisholm School – Centre for Innovation and Learning	-180	180	0	0	0
Schools for the Future – Modernising Belconnen High	-3,600	3,600	0	0	0
Schools for the Future – North Gungahlin and Molonglo	0	-4,500	2,500	2,000	0
<b>Total</b>	<b>-4,530</b>	<b>-470</b>	<b>2,750</b>	<b>2,250</b>	<b>0</b>
<b>Environment and Planning Directorate</b>					
City Plan Implementation	-104	104	0	0	0
East Lake – Planning and Design Framework Implementation (Feasibility)	-64	64	0	0	0
Greenfields Planning for Affordable Housing (Feasibility)	-170	170	0	0	0
Infill Development Infrastructure Studies (Feasibility)	-135	135	0	0	0
Molonglo Valley – Finalisation of Stage 2 and Commencement of Stage 3 Planning (Feasibility)	-163	163	0	0	0
Prior Year Upgrades	-76	76	0	0	0
Urban Development Sequence for Affordable Housing (Feasibility)	-86	86	0	0	0
<b>Total</b>	<b>-798</b>	<b>798</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Health Directorate</b>					
Aboriginal Torres Strait Islander Residential Alcohol and Other Drug Rehabilitation Facility	832	-832	0	0	0
Calvary Public Hospital – Car park	-2,159	2,159	0	0	0
Calvary Public Hospital – Expanded hospital services	-1,879	1,879	0	0	0
Calvary Public Hospital – Operating theatre upgrade	-2,442	2,442	0	0	0
Calvary Public Hospital – Upgrade of medical imaging equipment	-791	791	0	0	0
Canberra Hospital – More beds	-990	985	5	0	0
Clinical Services and Inpatient Unit Design and Infrastructure Expansion	11,900	-11,900	0	0	0

<b>Project</b>	<b>2015-16 \$'000</b>	<b>2016-17 \$'000</b>	<b>2017-18 \$'000</b>	<b>2018-19 \$'000</b>	<b>2019-20 \$'000</b>
Clinical Services Redevelopment – Phase 2	-225	225	0	0	0
Clinical Services Redevelopment – Phase 3	-4,753	4,753	0	0	0
Continuity of Health Services Plan – Essential Infrastructure	-2,039	1,101	938	0	0
Health Infrastructure Program – Project management continuation	2,095	-2,095	0	0	0
Provision for Project Definition Planning	-700	700	0	0	0
Secure Mental Health Unit	-8,210	8,210	0	0	0
Staging, Decanting and Continuity of Services	-1,643	893	750	0	0
Sterilising Services – Relocation and upgrade	-67	-9,333	2,109	7,291	0
The Canberra Hospital – Essential infrastructure and engineering works	-2,034	2,034	0	0	0
The Canberra Hospital Redevelopment	775	-6,300	5,525	0	0
University of Canberra Public Hospital	12,008	-16,825	4,817	0	0
<b>Total</b>	<b>-322</b>	<b>-21,113</b>	<b>14,144</b>	<b>7,291</b>	<b>0</b>
<b>Justice and Community Safety Directorate</b>					
Alexander Maconochie Centre – Detainee Industries and Activities Enforcement Project <sup>4</sup>	-8,680	8,280	400	0	0
Courts Public Private Partnership (PPP) – (Formerly called ACT Court Facilities Early Works Package)	-4,391	2,850	1,360	181	0
Emergency Services Agency Station Upgrade and Relocation – Aranda Station	-1,737	1,737	0	0	0
ESA – Station Relocation and Upgrade – Phase 2 Due Diligence	-1,120	720	400	0	0
Gungahlin Joint Emergency Services Centre – Future use study	-80	80	0	0	0
Strengthening Emergency Services – Greenway Ambulance Station	-80	80	0	0	0
Strengthening Emergency Services – Upgrade of facilities	-18	18	0	0	0
<b>Total</b>	<b>-16,106</b>	<b>13,765</b>	<b>2,160</b>	<b>181</b>	<b>0</b>
<b>Territory and Municipal Services Directorate</b>					
Better Roads for Gungahlin – Gundaroo Drive duplication – Stage 1 <sup>5</sup>	-5,600	5,600	0	0	0
Civic to Gungahlin Corridor Improvements <sup>5</sup>	-8,678	8,678	0	0	0
Constitution Ave to Vernon Circle – GPO <sup>5</sup>	-2,800	2,800	0	0	0
Enhancing the Protection of Endangered Species and Habitat <sup>3</sup>	-800	800	0	0	0
Environmental Offsets – Gungahlin (EPIC) <sup>3</sup>	-100	100	0	0	0
Environmental Offsets – Lawson South <sup>3</sup>	-250	250	0	0	0
Improved Waste Resource Recovery – GPO <sup>5</sup>	-400	400	0	0	0
Local Shopping Centre Upgrades Program <sup>5</sup>	-300	300	0	0	0
Molonglo Riverside Park – Stage 1 <sup>3</sup>	-150	150	0	0	0
Mugga Lane – Rehabilitation of Old Landfill Cells <sup>5</sup>	-500	500	0	0	0

<b>Project</b>	<b>2015-16 \$'000</b>	<b>2016-17 \$'000</b>	<b>2017-18 \$'000</b>	<b>2018-19 \$'000</b>	<b>2019-20 \$'000</b>
National Arboretum Canberra – Event terrace and precinct facilities <sup>6</sup>	-800	800	0	0	0
National Arboretum Canberra – Water Security <sup>6</sup>	-130	130	0	0	0
Pialligo and Airport Road Network – GPO <sup>5</sup>	400	-400	0	0	0
Red Hill Nature Reserve Remediation (Finalisation of Design) <sup>3</sup>	-128	128	0	0	0
Strategic Bushfire Management Plan <sup>3</sup>	-750	750	0	0	0
Urban Renewal Program – Acton – Sullivans Creek cyclepath upgrades <sup>5</sup>	-900	900	0	0	0
Urban Renewal Program – Playground repairs <sup>5</sup>	-40	40	0	0	0
Urban Renewal Program – Tuggeranong – Anketell Street (north) upgrade – Stage 1 <sup>5</sup>	-390	390	0	0	0
Urban Renewal Program – Tuggeranong Valley and Kaleen age friendly facilities <sup>5</sup>	-125	125	0	0	0
West Belconnen Resource Management Centre Rehabilitation of Landfill Cells <sup>5</sup>	-200	0	200	0	0
William Slim/Barton Highway Roundabout Signalisation <sup>5</sup>	-3,000	3,000	0	0	0
<b>Total</b>	<b>-25,641</b>	<b>25,441</b>	<b>200</b>	<b>0</b>	<b>0</b>
<b>Total 2015-16 Project Re-profiling</b>	<b>-90,437</b>	<b>40,941</b>	<b>41,374</b>	<b>8,122</b>	<b>0</b>

**Notes:**

1. The Capital Metro Agency will be amalgamated into the Transport Canberra and City Services Directorate from 1 July 2016.
2. This project was formerly reported as Capital Metro – Procurement and delivery.
3. This project will be transferred to the Environment and Planning Directorate from 1 July 2016.
4. This project was formerly reported as Alexander Maconochie Centre – Additional facilities.
5. This project will be transferred to the Transport Canberra and City Services Directorate from 1 July 2016.
6. This project will be transferred to the Chief Minister, Treasury and Economic Development Directorate from 1 July 2016.





## **APPENDIX J**

### **CAPITAL WORKS – 2014-15 to 2015-16 SECTION 16B ROLLOVERS**



# APPENDIX J: CAPITAL WORKS – 2014-15 to 2015-16

## SECTION 16B ROLLOVERS

This section represents the rollover of unused appropriation from 2014-15 to 2015-16 for projects under Section 16B of the *Financial Management Act 1996*. Table J.1 details the Section 16B rollovers by agency.

**Table J.1: Summary of 2014-15 to 2015-16 Section 16B Rollovers<sup>1</sup>**

Project	2015-16 \$'000
<b>Chief Minister, Treasury and Economic Development Directorate</b>	
Ainslie Music Hub	18
Belconnen Arts Centre Stage 2 (Feasibility and Forward Design)	12
Canberra CBD Upgrade Program	339
Canberra CBD Upgrade Stage 2 – Merry-go-round and Veterans' Park	302
Casey – Clarrie Hermes Drive Extension to the Barton Highway	2,491
Childcare Capital Upgrades	42
Childcare Centre Upgrades – Stage 2	1,179
Childcare Centre Upgrades – Stage 3	333
City Action Plan Stage 1 – Edinburgh Avenue Improvements	134
City to Lake – West Basin Public Waterfront (Design)	334
City to the Lake Arterial Roads Concept Design	585
Coombs – Water Quality Control Ponds	-130
Cravens Creek Water Quality Control Pond	229
Dickson Group Centre Intersections – Upgrade	253
Franklin – Community Recreation Irrigated Park Enhancement	100
Fyshwick Depot – Fuel storage tanks removal and site remediation	297
Gorman House Multi-Arts Hub	375
Government Office Accommodation and Relocation Fitout	231
Greenway Oval Improvements (Design)	-1
Gungahlin Enclosed Oval – Construction of a Grandstand	-314
Gungahlin Enclosed Oval (Sports Complex)	-83
Gungahlin Leisure Centre (Design)	-128
Gungahlin Town Centre Roads (Design)	108
Gungahlin Wellbeing Precinct – Infrastructure Works	-124
Holder Early Childhood Centre	506
Holt Preschool Refurbishment	68
Horse Park Drive Extension from Burrumarra Avenue to Mirrabai Drive	223
Horse Park Drive Extension from Burrumarra Avenue to Mirrabai Drive (Design)	-206
Horse Park Drive Extension to Moncrieff Group Centre	2,676
Horse Park Drive Water Quality Control Pond	-826
Isabella Weir Spillway Upgrades	-88
John Gorton Drive Extension to Molonglo 2 and Group Centre	-3,292
Kenny – Floodways, Road Access and Basins (Design)	151
Kenny Contamination Remediation	-1
Kingston Foreshore Parking (Design)	125
Lynham Sports Precinct – Central Amenities (Design)	-70
Lynham Sports Precinct Redevelopment Stage 3	-101
Majura Parkway Estate Development (Design)	2
Majura Parkway to Majura Road – Link road	126
Melrose Synthetic Football Facility (Design)	-51

<b>Project</b>	<b>2015-16 \$'000</b>
Molonglo 2 – East-West Arterial Road and Services Extension to Cravens Creek (Design)	-39
Molonglo 2 – Sewer and Pedestrian Bridge over Molonglo River	-7,041
Molonglo 2 – Trunk Sewer and Stormwater Infrastructure from Holden’s Creek	1,309
Molonglo 2 – Uriarra Road Upgrade	-2,070
Molonglo 2 – Water Quality Control Ponds, Sewers and Cyclepath (Design)	722
Molonglo 2 – Water Supply, Trunk Sewer and Stormwater Infrastructure – Stage 1	1,808
Molonglo Infrastructure Investment	-1,070
Motorsport Funding	277
Motorsports Fund – Capital Improvements to Fairbairn Park (Design)	295
Narrabundah Ball Park – Stage 2 – Design	79
Narrabundah Long Stay Park – Symonston	823
Narrabundah Velodrome Upgrade	-82
New Stadium Feasibility Study	-103
Prior Year Upgrades	2,424
Remediation of Fuel Storage Facilities	167
Replacement of Canberra Seniors Centre (Design)	252
Restoration of Sportsgrounds – Bonython, Watson and Weetangera	289
Revitalisation of Civic and Braddon (Design)	-202
Stromlo Forest Park – Implementation of bushfire management plan	100
Stromlo Forest Park Planning and Infrastructure	-226
Stromlo Forest Park Soil Conservation Works	-119
Supporting Our Local Sporting Clubs – Redevelopment of Kippax District Playing Fields	-45
The Valley Avenue Extension to Gundaroo Drive (Design)	3
Throsby – Access Road (Design)	-115
Throsby – Access road and western intersection	496
Throsby Multisport Complex (Design)	-187
Tuggeranong Lakeside Leisure Centre – Water play park	200
Upgrade of Early Childhood Facilities	303
“Where Will We Play” Outdoor Facilities Water Reduction Strategies	1
Woden Bus Interchange – Early Works	38
Woden Bus Interchange Redevelopment	101
Woden Bus Interchange Redevelopment – Stage 1	100
Woden Valley Stormwater Retardation Basins (Design)	-5
Woden/Weston Creek Community Hub (Feasibility and Forward Design)	86
Wright Outer Asset Protection Zone – Stromlo Forest Park	-65
<b>Total</b>	<b>4,328</b>

#### **Education Directorate**

Belconnen High School Modernisation – Stage 1	716
Belconnen Regional Trade Skills Centre	4,957
Bonner Primary School	159
Canberra College Cares – New Building at Phillip Campus	484
Carbon Neutral Schools – Stage 1	37
COAG Universal Access to Preschools – Stage 1 Expansion Works	53
Coombs P-6 School Construction Funding	500
Franklin Early Childhood School	-5
Gungahlin College	12
Hazardous Material Removal Program – Stage 3	22
School Capital Upgrades	-74
Trade Training Centres – Tuggeranong	76
Tuggeranong Introductory English Centre	7
West Macgregor Development – Macgregor Primary School Expansion	33
<b>Total</b>	<b>6,977</b>

<b>Project</b>	<b>2015-16 \$'000</b>
<b>Environment and Planning Directorate</b>	
ACT Light Rail Master Plan (Feasibility)	65
Continuation of Urban Infill Program (Feasibility)	2
Greenfields Planning for Affordable Housing (Feasibility)	-1
Infill Development Infrastructure Studies (Feasibility)	48
Inner North Stormwater Reticulation Network	-57
Molonglo Stage 2 – Suburbs 3 and 4 Environmental Impact Statement and Clearances (Feasibility)	108
Molonglo Valley – Finalisation of Stage 2 and Commencement of Stage 3 Planning (Feasibility)	105
Prior Year Upgrades	54
Urban Development Sequence for Affordable Housing (Feasibility)	-16
<b>Total</b>	<b>308</b>
<b>Health Directorate</b>	
Aboriginal Torres Strait Islander Residential Alcohol and Other Drug Rehabilitation Facility	252
Calvary Public Hospital – Refurbishments for more beds (Grant)	135
The Canberra Hospital Redevelopment	500
Continuity of Health Services Plan – Essential Infrastructure	523
Enhanced Community Health Centre – Belconnen	109
Integrated Cancer Centre – Phase 2	66
Prior Year Upgrades	1,553
Tuggeranong Health Centre – Stage 2	100
<b>Total</b>	<b>3,238</b>
<b>Housing ACT</b>	
Disability Dual Occupancy Housing	143
Expansion of Social Housing – Stage 2	119
Security Improvement Program for Elderly Public Housing Tenants	100
<b>Total</b>	<b>362</b>
<b>Justice and Community Safety Directorate</b>	
Alexander Maconochie Centre – Detainee Industries and Activities Enforcement Project <sup>2</sup>	4,425
Alexander Maconochie Centre – Duress Alarm	272
Emergency Services Agency Station Upgrade and Relocation – Aranda Station	706
ESA – Station Relocation and Upgrade – Phase 2 Due Diligence	190
ESA Station Upgrade and Relocation – South Tuggeranong Station	324
New ACT Court Facilities	721
Prior Year Upgrades	117
<b>Total</b>	<b>6,755</b>
<b>Office of the Legislative Assembly</b>	
Accommodation – Expansion of the Assembly	69
Accommodation – Staff relocation	50
<b>Total</b>	<b>119</b>
<b>Territory and Municipal Services Directorate<sup>3</sup></b>	
ACTION – Replace underground storage tanks	278
Bridge Strengthening on Commercial Routes	310
Bridge Strengthening on Commercial Routes Barry Drive	196
Centenary Trail	41
Constitution Avenue	6,946
Environmental Offsets – Lawson South	-7
Jerrabomberra Wetlands Infrastructure Improvements	108

<b>Project</b>	<b>2015-16 \$'000</b>
Kingston – Wentworth Avenue Pavement Rehabilitation Stage 2 (Design)	19
Local Shopping Centre Upgrades Program	73
Majura Off Road Shared Path	-2,528
Molonglo Riverside Park – Stage 1	292
Molonglo Valley – Implementation of Commitments in the NES Plan	130
Mugga 2 Quarry – Remediation	-132
Mugga Lane – Land Fill Extension – Stage 5	645
Mugga Lane – Rehabilitation of Old Landfill Cells	-32
Mugga Lane – Replace Asbestos Disposal Site	-130
Mugga Lane – Replace Damaged Septic System	39
National Arboretum Canberra – Event Terrace and Precinct Facilities	216
National Arboretum Canberra – Water Security	-25
Official Opening 2013 – National Arboretum Canberra	222
Playground Safety Program	-1
Prior Year Upgrades	2,135
R2R Federal Forward Year Funding	-5,090
Red Hill Nature Reserve Remediation (Design)	116
Red Hill Nature Reserve Remediation (Finalisation and Design)	-7
Strategic bushfire management plan	-284
Town and District Park Upgrades	479
Transport for Canberra – Bus Stop Upgrades to Disability Standards Stage 2	514
Transport for Canberra – Canberra Avenue Bus Priority Measures	5
Transport for Canberra – City Path Lighting	134
Transport for Canberra – Majura Parkway	20,950
Transport for Canberra – Upgrading Erindale Bus Station	84
Transport for Canberra – Walking and Cycling Infrastructure – Stage 4	-245
Weston Creek Group Centre Parking	161
<b>Total</b>	<b>25,612</b>
<b>Total Capital Works Section 16B Rollovers</b>	<b>47,699</b>

**Notes:**

1. Negative numbers indicate funds drawn in advance in 2014-15.
2. This project was formerly reported as Alexander Maconochie Centre – Additional facilities.
3. These capital works under the Territory and Municipal Services Directorate will be allocated to the Transport Canberra and City Services Directorate and the Environment and Planning Directorate from 1 July 2016.

## **APPENDIX K**

### **CONSOLIDATED FINANCIAL STATEMENTS – PUBLIC TRADING ENTERPRISES AND TOTAL TERRITORY**





# APPENDIX K: CONSOLIDATED FINANCIAL STATEMENTS – PUBLIC TRADING ENTERPRISES AND TOTAL TERRITORY

**Table K.1**  
**Australian Capital Territory**  
**Public Trading Enterprises**  
**Operating Statement**

<b>2015-16 Budget \$'000</b>		<b>2015-16 Est. Outcome \$'000</b>	<b>2016-17 Budget \$'000</b>	<b>Var %</b>	<b>2017-18 Estimate \$'000</b>	<b>2018-19 Estimate \$'000</b>	<b>2019-20 Estimate \$'000</b>
<b>Revenue</b>							
178,460	Government Payment for Outputs	180,617	172,362	-5	166,997	169,079	168,652
	Grants Revenue						
-	Commonwealth Grants	767	767	-	767	767	767
-	Gains from Contributed Assets	16,297	13,585	-17	3,407	3,272	3,000
	Sales of Goods and Services Revenue						
67,032	Revenue from Associates and Joint Ventures	103,704	73,163	-29	78,968	77,094	95,854
425,943	Other Sales of Goods and Services	433,155	436,829	1	450,204	474,993	488,151
2,224	Interest Income	6,704	8,160	22	8,941	8,435	8,061
3,936	Distribution from Investments with the Territory Banking Account	161	-	-100	-	-	-
	Other Revenue						
406,530	Land Revenue (Value Add Component)	515,872	489,800	-5	435,590	443,097	526,679
11,369	Other Revenue	12,439	9,333	-25	10,427	9,644	9,531
<b>1,095,494</b>	<b>Total Revenue</b>	<b>1,269,716</b>	<b>1,203,999</b>	<b>-5</b>	<b>1,155,301</b>	<b>1,186,381</b>	<b>1,300,695</b>
<b>Expenses</b>							
180,219	Employee Expenses	178,137	190,061	7	183,752	184,199	184,333
22,889	Superannuation Expenses	22,624	23,898	6	24,301	24,616	24,978
72,287	Depreciation and Amortisation	78,785	92,919	18	114,673	89,634	81,217
85,516	Interest Expense	78,388	78,744	..	80,235	77,536	80,561
96,854	Other Property Expenses (Income Tax Expense)	121,794	125,551	3	81,880	102,113	98,364
	Other Operating Expenses						
206,969	Supplies and Services	204,370	225,681	10	226,433	230,237	230,813
199,598	Other Operating Expenses	236,980	101,182	-57	204,384	164,196	326,511
83,134	Grants and Purchased Services	95,397	130,359	37	70,819	97,351	73,435
<b>947,466</b>	<b>Total Expenses</b>	<b>1,016,475</b>	<b>968,395</b>	<b>-5</b>	<b>986,477</b>	<b>969,882</b>	<b>1,100,212</b>
<b>148,028</b>	<b>UPF Net Operating Balance</b>	<b>253,241</b>	<b>235,604</b>	<b>-7</b>	<b>168,824</b>	<b>216,499</b>	<b>200,483</b>

**Table K.1 (cont.)**  
**Australian Capital Territory**  
**Public Trading Enterprises**  
**Operating Statement**

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
<b>Other Economic Flows – Included in the Operating Result</b>							
71,107	Land Revenue (Market Gains on Land Sales)	3,048	88,591	#	56,448	39,355	1,526
-24,759	Net Gain/(Loss) on Sale/(Disposal) of Non Financial Assets	-6,121	-78,924	#	-98,388	-57,605	-24
314	Net Gain/(Loss) on Financial Assets or Liabilities at Fair Value	469	312	-33	312	312	312
-2,247	Doubtful Debts	-2,857	-2,612	9	-2,463	-2,462	-2,483
<b>192,443</b>	<b>Operating Result</b>	<b>247,780</b>	<b>242,971</b>	<b>-2</b>	<b>124,733</b>	<b>196,099</b>	<b>199,814</b>
<b>Other Economic Flows – Other Comprehensive Income Items that will not be Subsequently Reclassified to Profit or Loss</b>							
44,323	Increase/(Decrease) in the Asset Revaluation Surplus	81,401	108,353	33	180,149	113,070	114,350
<b>236,766</b>	<b>Total Comprehensive Income</b>	<b>329,181</b>	<b>351,324</b>	<b>7</b>	<b>304,882</b>	<b>309,169</b>	<b>314,164</b>
<b>148,028</b>	<b>UPF Net Operating Balance less Net Acquisition of Non-Financial Assets</b>	<b>253,241</b>	<b>235,604</b>	<b>-7</b>	<b>168,824</b>	<b>216,499</b>	<b>200,483</b>
177,960	Payments for Non-Financial Assets	173,013	172,070	-1	141,021	105,248	93,603
-35,576	Sales of Non-Financial Assets	-39,992	-33,551	16	-38,881	-37,856	-38,625
-53,877	Land Revenue (Net Cash Receipts)	18,359	-90,172	-591	-47,764	-38,348	9,481
-72,287	Depreciation and Amortisation	-78,785	-92,919	-18	-114,673	-89,634	-81,217
-59,313	Other Movements in Non-Financial Assets	-54,236	-99,476	-83	-45,094	-71,098	-46,771
-43,093	Total Net Acquisition of Non-Financial Assets	18,359	-144,048	-885	-105,391	-131,688	-63,529
<b>191,121</b>	<b>Net Lending /(Borrowing)</b>	<b>234,882</b>	<b>379,652</b>	<b>62</b>	<b>274,215</b>	<b>348,187</b>	<b>264,012</b>
148,028	UPF Net Operating Balance	253,241	235,604	-7	168,824	216,499	200,483
<b>148,028</b>	<b>HEADLINE NET OPERATING BALANCE</b>	<b>253,241</b>	<b>235,604</b>	<b>-7</b>	<b>168,824</b>	<b>216,499</b>	<b>200,483</b>

**Table K.2**  
**Australian Capital Territory**  
**Public Trading Enterprises**  
**Balance Sheet**

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
<b>Financial Assets</b>							
112,491	Cash and Deposits	373,992	239,114	-36	104,877	76,230	68,459
67,438	Investments and Loans	32,637	31,185	-4	29,303	28,924	29,247
168,437	Receivables	153,632	143,225	-7	162,499	165,387	184,042
724,514	Equity – Investments Accounted for Using the Equity Method	949,749	969,207	2	957,362	990,047	1,007,872
<b>1,072,880</b>	<b>Total Financial Assets</b>	<b>1,510,010</b>	<b>1,382,731</b>	<b>-8</b>	<b>1,254,041</b>	<b>1,260,588</b>	<b>1,289,620</b>
<b>Non-Financial Assets</b>							
<b>Produced Assets</b>							
3,414,922	Property, Plant and Equipment	3,535,662	3,725,663	5	3,847,349	3,935,980	3,952,714
9,452	Investment Properties	9,130	10,111	11	11,092	12,073	13,054
17,729	Intangibles	23,495	23,297	-1	23,145	23,020	23,020
298,180	Inventories	241,962	383,712	59	439,416	536,548	389,227
2,540	Assets Held for Sale	2,911	3,180	9	3,449	3,718	3,987
128,983	Capital Works-in-Progress	177,618	178,021	..	181,226	184,530	187,936
<b>Non-Produced Assets</b>							
3,257,244	Property, Plant and Equipment	3,297,343	3,437,422	4	3,514,454	3,628,262	3,704,080
<b>Other Non-Financial Assets</b>							
28,167	Deferred Tax Assets	28,167	28,167	-	28,167	28,167	28,167
11	Other Non-Financial Assets	-	-	-	-	-	-
<b>7,157,228</b>	<b>Total Non-Financial Assets</b>	<b>7,316,288</b>	<b>7,789,573</b>	<b>6</b>	<b>8,048,298</b>	<b>8,352,298</b>	<b>8,302,185</b>
<b>8,230,108</b>	<b>Total Assets</b>	<b>8,826,298</b>	<b>9,172,304</b>	<b>4</b>	<b>9,302,339</b>	<b>9,612,886</b>	<b>9,591,805</b>
<b>Liabilities</b>							
1,652,518	Advances Received	1,607,676	1,712,335	7	1,784,799	1,815,005	1,848,348
<b>Borrowings</b>							
845	Finance Leases	-	-	-	-	-	-
63,407	Employee Benefits	56,946	57,998	2	59,127	60,270	61,427
139,556	Other Provisions	535,571	533,165	..	532,653	534,971	570,253
124,868	Payables	126,555	59,362	-53	38,749	57,132	36,985
<b>Other Liabilities</b>							
25,006	Current Tax Liability	72,790	80,232	10	44,485	60,428	56,730
347,195	Deferred Tax Liability	42,848	37,848	-12	37,848	37,848	37,848
108,367	Other Liabilities	188,408	248,209	32	211,881	266,384	105,216
<b>2,461,762</b>	<b>Total Liabilities</b>	<b>2,630,794</b>	<b>2,729,149</b>	<b>4</b>	<b>2,709,542</b>	<b>2,832,038</b>	<b>2,716,807</b>
<b>5,768,346</b>	<b>Net Assets</b>	<b>6,195,504</b>	<b>6,443,155</b>	<b>4</b>	<b>6,592,797</b>	<b>6,780,848</b>	<b>6,874,998</b>
2,258,864	Accumulated Funds	2,416,190	2,519,577	4	2,385,529	2,454,219	2,456,019
3,499,642	Asset Revaluation Surplus	3,769,474	3,913,738	4	4,197,428	4,316,789	4,409,139
9,840	Other Reserves	9,840	9,840	-	9,840	9,840	9,840
<b>5,768,346</b>	<b>Net Worth</b>	<b>6,195,504</b>	<b>6,443,155</b>	<b>4</b>	<b>6,592,797</b>	<b>6,780,848</b>	<b>6,874,998</b>
<b>-1,388,882</b>	<b>Net Financial Worth</b>	<b>-1,120,784</b>	<b>-1,346,418</b>	<b>-20</b>	<b>-1,455,501</b>	<b>-1,571,450</b>	<b>-1,427,187</b>
<b>1,473,434</b>	<b>Net Debt</b>	<b>1,201,047</b>	<b>1,442,036</b>	<b>20</b>	<b>1,650,619</b>	<b>1,709,851</b>	<b>1,750,642</b>

**Table K.3**  
**Australian Capital Territory**  
**Public Trading Enterprises**  
**Statement of Changes in Equity**

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
<b>Opening Equity</b>							
2,239,910	Opening Accumulated Funds	2,323,089	2,416,190	4	2,519,577	2,385,529	2,454,219
3,477,319	Opening Asset Revaluation Surplus	3,703,095	3,769,474	2	3,913,738	4,197,428	4,316,789
9,840	Opening Other Reserves	9,840	9,840	-	9,840	9,840	9,840
<b>5,727,069</b>	<b>Opening Balance</b>	<b>6,036,024</b>	<b>6,195,504</b>	<b>3</b>	<b>6,443,155</b>	<b>6,592,797</b>	<b>6,780,848</b>
<b>Comprehensive Income</b>							
<i>Included in Accumulated Funds:</i>							
192,443	Operating Result for the Period	247,780	242,971	-2	124,733	196,099	199,814
<i>Included in Asset Revaluation Surplus:</i>							
44,323	Increase/(Decrease) in the Asset Revaluation Surplus	81,401	108,353	33	180,149	113,070	114,350
<b>236,766</b>	<b>Total Comprehensive Income</b>	<b>329,181</b>	<b>351,324</b>	<b>7</b>	<b>304,882</b>	<b>309,169</b>	<b>314,164</b>
<b>Other</b>							
22,000	Transfer to/(from) Accumulated Funds	15,022	-35,911	-339	-103,541	-6,291	22,000
-22,000	Movement in the Asset Revaluation Surplus	-15,022	35,911	339	103,541	6,291	-22,000
<b>0</b>	<b>Total Other</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Transactions Involving Owners Affecting Accumulated Funds</b>							
31,001	Capital Injections	33,094	21,855	-34	7,000	5,000	5,000
-	- Capital Distributions	-5,335	-78,367	#	-98,366	-57,587	-
-	- Increase/(Decrease) in Net Assets Received from the GGS	44,960	236,400	426	122,000	164,778	-
-226,490	Dividends Approved	-242,420	-283,561	-17	-185,874	-233,309	-225,014
<b>-195,489</b>	<b>Total Transactions Involving Owners Affecting Accumulated Funds</b>	<b>-169,701</b>	<b>-103,673</b>	<b>39</b>	<b>-155,240</b>	<b>-121,118</b>	<b>-220,014</b>
<b>Closing Equity</b>							
2,258,864	Closing Accumulated Funds	2,416,190	2,519,577	4	2,385,529	2,454,219	2,456,019
3,499,642	Closing Asset Revaluation Surplus	3,769,474	3,913,738	4	4,197,428	4,316,789	4,409,139
9,840	Closing Other Reserves	9,840	9,840	-	9,840	9,840	9,840
<b>5,768,346</b>	<b>Balance at the End of the Reporting Period</b>	<b>6,195,504</b>	<b>6,443,155</b>	<b>4</b>	<b>6,592,797</b>	<b>6,780,848</b>	<b>6,874,998</b>

**Table K.4**  
**Australian Capital Territory**  
**Public Trading Enterprises**  
**Cash Flow Statement**

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
<b>Cash Flows from Operating Activities</b>							
<b>Cash Receipts</b>							
967,837	Receipts from Sales of Goods and Services	1,007,081	1,061,496	5	966,761	984,411	1,044,030
178,460	Grants/Subsidies Received	180,673	172,231	-5	166,838	168,906	168,479
2,224	Interest Receipts	7,214	7,520	4	7,084	6,874	6,696
3,636	Distribution from Investments with the Territory Banking Account	161	0	-100	0	0	0
81,210	Other Receipts	110,182	142,790	30	111,553	93,360	87,980
<b>1,233,367</b>	<b>Total Cash Received from Operating Activities</b>	<b>1,305,311</b>	<b>1,384,037</b>	<b>6</b>	<b>1,252,236</b>	<b>1,253,551</b>	<b>1,307,185</b>
<b>Cash Payments</b>							
-208,438	Payments for Employees	-200,605	-206,342	-3	-208,088	-208,956	-209,457
-213,952	Payments for Goods and Services	-248,812	-250,219	-1	-251,138	-255,602	-256,669
-23,821	Grants/Subsidies Paid	-25,728	-24,949	3	-22,318	-22,981	-23,664
-90,140	Interest Paid	-84,055	-84,954	-1	-87,341	-82,402	-85,645
-405,084	Other Payments	-354,854	-382,689	-8	-350,345	-357,597	-252,718
<b>-941,435</b>	<b>Total Cash Paid from Operating Activities</b>	<b>-914,054</b>	<b>-949,153</b>	<b>-4</b>	<b>-919,230</b>	<b>-927,538</b>	<b>-828,153</b>
<b>291,932</b>	<b>Net Cash Flows from Operating Activities</b>	<b>391,257</b>	<b>434,884</b>	<b>-11</b>	<b>333,006</b>	<b>326,013</b>	<b>479,032</b>
<b>Cash Flows from Investing Activities</b>							
<b>Cash Flows from Investments in Non-Financial Assets</b>							
35,576	Sales of Non-Financial Assets	39,992	33,551	-16	38,881	37,856	38,625
-177,960	Payments for Non-Financial Assets	-173,013	-172,070	1	-141,021	-105,248	-93,603
<b>-142,384</b>	<b>Net Cash Flows from Investments in Non-Financial Assets</b>	<b>-133,021</b>	<b>-138,519</b>	<b>-4</b>	<b>-102,140</b>	<b>-67,392</b>	<b>-54,978</b>
<b>Cash Flows from Investments in Financial Assets for Policy Purposes</b>							
<b>Cash Receipts</b>							
31,001	Capital Receipts from Government Agencies	33,094	21,855	-34	7,000	5,000	5,000
<b>31,001</b>	<b>Total Cash Received from Investment in Financial Assets for Policy Purposes</b>	<b>33,094</b>	<b>21,855</b>	<b>-34</b>	<b>7,000</b>	<b>5,000</b>	<b>5,000</b>
<b>Cash Payments</b>							
-49,775	Dividends – Market Gains on Land Sales	-2,133	-145,716	#	-137,880	-65,135	-21,068

**Table K.4 (cont.)**  
**Australian Capital Territory**  
**Public Trading Enterprises**  
**Cash Flow Statement**

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
<b>-49,775</b>	<b>Total Cash Paid from Investment in Financial Assets for Policy Purposes</b>	<b>-2,133</b>	<b>-145,716</b>	<b>#</b>	<b>-137,880</b>	<b>-65,135</b>	<b>-21,068</b>
<b>-18,774</b>	<b>Net Cash Flows from Investments in Financial Assets for Policy Purposes</b>	<b>30,961</b>	<b>-123,861</b>	<b>-500</b>	<b>-130,880</b>	<b>-60,135</b>	<b>-16,068</b>
	<b>Cash Flows from Investments in Financial Assets for Liquidity Purposes</b>						
339,874	Sales of Investments	373,014	302,106	-19	335,431	302,946	576,579
-349,036	Payments for Investments	-344,206	-349,516	-2	-316,164	-312,694	-554,404
<b>-9,162</b>	<b>Net Cash Flows from Investments in Financial Assets for Liquidity Purposes</b>	<b>28,808</b>	<b>-47,410</b>	<b>-265</b>	<b>19,267</b>	<b>-9,748</b>	<b>22,175</b>
<b>-170,320</b>	<b>Net Cash Flows from Investing Activities</b>	<b>-73,252</b>	<b>-309,790</b>	<b>-323</b>	<b>-213,753</b>	<b>-137,275</b>	<b>-48,871</b>
	<b>Cash Flows from Financing Activities</b>						
	<b>Cash Receipts</b>						
104,300	Borrowings	249,300	123,300	-51	392,300	53,300	275,300
<b>104,300</b>	<b>Total Cash Received from Financing Activities</b>	<b>249,300</b>	<b>123,300</b>	<b>-51</b>	<b>392,300</b>	<b>53,300</b>	<b>275,300</b>
	<b>Cash Payments</b>						
-17,160	Borrowings	-204,994	-75,380	63	-339,462	-23,497	-241,193
-132,049	Dividends Paid	-130,977	-184,516	-41	-186,292	-158,445	-366,516
-96,891	Other Financing	-78,470	-125,829	-60	-120,419	-89,120	-105,200
<b>-246,100</b>	<b>Total Cash Paid from Financing Activities</b>	<b>-414,441</b>	<b>-385,725</b>	<b>7</b>	<b>-646,173</b>	<b>-271,062</b>	<b>-712,909</b>
<b>-141,800</b>	<b>Net Cash Flows from Financing Activities</b>	<b>-165,141</b>	<b>-262,425</b>	<b>-59</b>	<b>-253,873</b>	<b>-217,762</b>	<b>-437,609</b>
<b>-20,188</b>	<b>Net Increase/(Decrease) in Cash Held</b>	<b>152,864</b>	<b>-137,331</b>	<b>-190</b>	<b>-134,620</b>	<b>-29,024</b>	<b>-7,448</b>
<b>82,622</b>	<b>Cash and Cash Equivalents at the Beginning of Reporting Period</b>	<b>253,265</b>	<b>406,129</b>	<b>60</b>	<b>268,798</b>	<b>134,178</b>	<b>105,154</b>
<b>62,434</b>	<b>Cash and Cash Equivalents at the End of Reporting Period</b>	<b>406,129</b>	<b>268,798</b>	<b>-34</b>	<b>134,178</b>	<b>105,154</b>	<b>97,706</b>

**Table K.4 (cont.)**  
**Australian Capital Territory**  
**Public Trading Enterprises**  
**Cash Flow Statement**

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
<b>Key Fiscal Aggregates</b>							
291,932	Net Cash from Operating Activities	391,257	434,884	11	333,006	326,013	479,032
-142,384	Net Cash Flows from Investments in Non-Financial Assets	-133,021	-138,519	-4	-102,140	-67,392	-54,978
-228,940	Distributions Paid	-209,447	-310,345	-48	-306,711	-247,565	-471,716
<b>-79,392</b>	<b>Cash Surplus (+)/Deficit (-)</b>	<b>48,789</b>	<b>-13,980</b>	<b>-129</b>	<b>-75,845</b>	<b>11,056</b>	<b>-47,662</b>

**Note:** A positive number denotes a cash inflow, a negative sign denotes a cash outflow.

<b>Derivation of ABS GFS Cash Surplus/(Deficit)</b>							
<b>-79,392</b>	<b>Cash Surplus (+)/Deficit (-)</b>	<b>48,789</b>	<b>-13,980</b>	<b>-129</b>	<b>-75,845</b>	<b>11,056</b>	<b>-47,662</b>
-	- Acquisitions Under Finance Leases and Similar Arrangements <sup>(a)</sup>	-	-	-	-	-	-
<b>-79,392</b>	<b>ABS GFS Cash Surplus (+)/Deficit (-) Including Finance and Similar Arrangements</b>	<b>48,789</b>	<b>-13,980</b>	<b>-129</b>	<b>-75,845</b>	<b>11,056</b>	<b>-47,662</b>

**Note:** (a) Finance leases are shown with a negative sign as they are deducted in compiling the ABS GFS cash surplus/deficit.

**Table K.5**  
**Australian Capital Territory**  
**Consolidated Total Territory**  
**Operating Statement**

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
<b>Revenue</b>							
1,453,547	Taxation Revenue	1,505,328	1,594,720	6	1,711,166	1,830,692	1,927,513
	Grants Revenue						
1,860,511	Commonwealth Grants	1,875,490	2,088,018	11	2,163,538	2,201,158	2,294,095
50,260	Gains from Contributed Assets	71,051	63,981	-10	53,812	53,688	53,435
	Sales of Goods and Services						
67,032	Revenue from Associates and Joint Ventures	103,704	73,163	-29	78,968	77,094	95,854
829,673	Other Sales of Goods and Services	835,894	840,832	1	877,096	915,672	937,062
54,055	Interest Income	62,197	44,099	-29	39,003	38,092	41,671
63,167	Distributions from Financial Investments	28,300	36,391	29	45,293	47,615	50,573
50,858	Dividend Income	49,900	50,990	2	51,206	53,954	57,452
305,556	Land Revenue (Value Add Component)	447,718	456,725	2	372,058	394,565	436,439
136,667	Other Revenue	132,855	135,456	2	134,858	137,500	135,747
<b>4,871,326</b>	<b>Total Revenue</b>	<b>5,112,437</b>	<b>5,384,375</b>	<b>5</b>	<b>5,526,998</b>	<b>5,750,030</b>	<b>6,029,841</b>
<b>Expenses</b>							
1,985,272	Employee Expenses	2,019,394	2,082,086	3	2,084,850	2,127,985	2,163,845
	Superannuation Expenses						
350,898	Superannuation Interest Cost	315,401	315,534	..	375,236	389,906	404,003
280,384	Other Superannuation Expenses	371,164	426,099	15	295,066	294,282	293,618
444,545	Depreciation and Amortisation	439,024	465,599	6	491,925	507,641	507,023
202,105	Interest Expense	177,278	185,918	5	194,064	213,111	227,805
	Other Operating Expenses						
1,162,677	Supplies and Services	1,129,536	1,225,846	9	1,203,654	1,271,927	1,380,923
333,622	Other Operating Expenses	273,082	187,123	-31	279,959	261,732	395,088
761,137	Grants and Purchased Services	830,467	866,927	4	837,669	863,323	861,694
<b>5,520,640</b>	<b>Total Expenses</b>	<b>5,555,346</b>	<b>5,755,132</b>	<b>4</b>	<b>5,762,423</b>	<b>5,929,907</b>	<b>6,233,999</b>
<b>-649,314</b>	<b>UPF Net Operating Balance</b>	<b>-442,909</b>	<b>-370,757</b>	<b>16</b>	<b>-235,425</b>	<b>-179,877</b>	<b>-204,158</b>
<b>Other Economic Flows – Included in the Operating Result</b>							
71,107	Land Revenue (Market Gains on Land Sales)	3,048	88,591	#	56,448	39,355	1,526
89,746	Net Land Revenue (Undeveloped Land Value)	81,123	94,092	16	82,356	52,351	54,023
-26,491	Net Gain/(Loss) on Sale/(Disposal) of Non-Financial Assets	-12,384	-80,437	550	-99,946	-59,177	-1,628
131,754	Net Gain/(Loss) on Financial Assets or Liabilities at Fair Value	11,859	163,878	#	173,617	183,109	196,094



**Table K.5 (cont.)**  
**Australian Capital Territory**  
**Consolidated Total Territory**  
**Operating Statement**

2015-16 Budget \$'000	2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
-8,051 Doubtful Debts	-10,596	-9,499	10	-9,491	-9,617	-9,757
<b>-391,249 Operating Result</b>	<b>-369,859</b>	<b>-114,132</b>	<b>69</b>	<b>-32,441</b>	<b>26,144</b>	<b>36,100</b>
<b>Other Economic Flows – Other Comprehensive Income</b>						
<b>Items that will not be Subsequently Reclassified to Profit or Loss</b>						
- Capital Distributions	-	11,300	#	-	-	-
- Superannuation Actuarial Gain/(Loss)	-867,139	3,815,947	540	-	-	-
889 Other Movements	2,449	889	-64	889	889	889
139,898 Increase/(Decrease) in the Asset Revaluation Surplus	142,012	157,876	11	244,900	169,274	180,163
<b>-250,462 Total Comprehensive Income</b>	<b>-1,092,537</b>	<b>3,871,880</b>	<b>454</b>	<b>213,348</b>	<b>196,307</b>	<b>217,152</b>
<b>-649,314 UPF Net Operating Balance less Net Acquisition of Non-Financial Assets</b>	<b>-442,909</b>	<b>-370,757</b>	<b>16</b>	<b>-235,425</b>	<b>-179,877</b>	<b>-204,158</b>
1,113,634 Payments for Non-Financial Assets	974,932	1,057,457	8	927,530	739,452	417,426
-91,410 Sales of Non-Financial Assets	-159,303	-333,444	-109	-330,140	-226,087	-178,850
-147,694 Land Revenue (Net Cash Receipts)	-77,028	-125,559	-63	-95,576	-68,960	-44,015
-444,545 Depreciation and Amortisation	-439,024	-465,599	-6	-491,925	-507,641	-507,023
50,000 Other Movements in Non-Financial Assets	63,743	55,934	-12	53,407	53,272	53,000
479,985 Total Net Acquisition of Non-Financial Assets	363,320	188,789	-48	63,296	-9,964	-259,462
<b>-1,129,299 Net Lending / (Borrowing)</b>	<b>-806,229</b>	<b>-559,546</b>	<b>31</b>	<b>-298,721</b>	<b>-169,913</b>	<b>55,304</b>
-649,314 UPF Net Operating Balance	-442,909	-370,757	16	-235,425	-179,877	-204,158
131,440 Superannuation Return Adjustment	165,927	163,566	-1	173,305	182,797	195,782
<b>-517,874 HEADLINE NET OPERATING BALANCE</b>	<b>-276,982</b>	<b>-207,191</b>	<b>25</b>	<b>-62,120</b>	<b>2,920</b>	<b>-8,376</b>

**Table K.6**  
**Australian Capital Territory**  
**Consolidated Total Territory**  
**Balance Sheet**

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
<b>Financial Assets</b>							
334,591	Cash and Deposits	714,475	565,926	-21	429,196	402,297	389,837
103,747	Advances Paid	67,810	67,541	..	64,777	62,079	59,376
4,276,769	Investments and Loans	4,282,986	4,226,591	-1	4,449,137	4,679,951	5,042,532
318,703	Receivables	763,887	738,553	-3	726,191	718,186	764,513
724,514	Equity – Investments Accounted for Using the Equity Method	949,749	969,207	2	957,362	990,047	1,007,872
<b>5,758,324</b>	<b>Total Financial Assets</b>	<b>6,778,907</b>	<b>6,567,818</b>	<b>-3</b>	<b>6,626,663</b>	<b>6,852,560</b>	<b>7,264,130</b>
<b>Non-Financial Assets</b>							
<b>Produced Assets</b>							
14,619,955	Property, Plant and Equipment	14,996,493	15,335,844	2	16,009,707	17,149,750	17,232,854
12,052	Investment Properties	11,730	12,711	8	13,692	14,673	15,654
105,430	Intangibles	94,464	122,295	29	170,879	180,485	188,264
293,459	Inventories	257,498	399,446	55	455,349	552,681	405,560
3,230	Assets Held for Sale	2,961	3,230	9	3,499	3,768	4,037
1,341,620	Capital Works-in-Progress	1,013,933	1,151,188	14	939,278	712,344	560,187
<b>Non-Produced Assets</b>							
6,834,837	Property, Plant and Equipment	6,344,515	6,602,336	4	6,690,920	6,809,204	6,918,539
-	Loose-fill Asbestos Insulation Eradication Scheme Land	436,742	262,332	-40	94,850	22,785	12,320
26,457	Biological Assets	26,489	26,514	..	26,514	26,514	26,514
56	Other Non-Financial Assets	2	2	-	2	2	2
<b>23,237,096</b>	<b>Total Non-Financial Assets</b>	<b>23,184,827</b>	<b>23,915,898</b>	<b>3</b>	<b>24,404,690</b>	<b>25,472,206</b>	<b>25,363,931</b>
<b>28,995,420</b>	<b>Total Assets</b>	<b>29,963,734</b>	<b>30,483,716</b>	<b>2</b>	<b>31,031,353</b>	<b>32,324,766</b>	<b>32,628,061</b>
<b>Liabilities</b>							
15,539	Deposits Held	15,694	15,694	-	15,694	15,694	15,694
1,143,143	Advances Received	1,143,143	1,134,617	-1	1,075,931	1,017,155	958,325
<b>Borrowings</b>							
23,157	Finance Leases	294	3,292	#	106,890	481,030	469,964
3,826,776	Other Borrowings	3,496,509	3,606,518	3	3,684,418	4,221,240	4,056,265
6,098,573	Superannuation	9,715,173	6,253,642	-36	6,512,209	6,762,224	7,001,285
681,454	Employee Benefits	662,241	691,445	4	719,161	747,257	775,390
131,978	Other Provisions	835,569	844,740	1	765,329	707,723	725,217
569,903	Payables	509,825	477,614	-6	482,620	507,446	534,190
15,766	Other Liabilities	5,667	4,655	-18	4,254	3,843	13,425
<b>12,506,289</b>	<b>Total Liabilities</b>	<b>16,384,115</b>	<b>13,032,217</b>	<b>-20</b>	<b>13,366,506</b>	<b>14,463,612</b>	<b>14,549,755</b>
<b>16,489,131</b>	<b>Net Assets</b>	<b>13,579,619</b>	<b>17,451,499</b>	<b>29</b>	<b>17,664,847</b>	<b>17,861,154</b>	<b>18,078,306</b>
7,232,993	Accumulated Funds	4,101,406	7,779,499	90	7,644,406	7,665,148	7,724,137
9,245,948	Asset Revaluation Surplus	9,467,873	9,661,660	2	10,010,101	10,185,666	10,343,829
10,190	Other Reserves	10,340	10,340	-	10,340	10,340	10,340
<b>16,489,131</b>	<b>Net Worth</b>	<b>13,579,619</b>	<b>17,451,499</b>	<b>29</b>	<b>17,664,847</b>	<b>17,861,154</b>	<b>18,078,306</b>

**Table K.6 (cont.)  
Australian Capital Territory  
Consolidated Total Territory  
Balance Sheet**

<b>2015-16 Budget \$'000</b>	<b>2015-16 Est. Outcome \$'000</b>	<b>2016-17 Budget \$'000</b>	<b>Var %</b>	<b>2017-18 Estimate \$'000</b>	<b>2018-19 Estimate \$'000</b>	<b>2019-20 Estimate \$'000</b>
-6,747,965	-9,605,208	-6,464,399	33	-6,739,843	-7,611,052	-7,285,625
<b>Net Financial Worth</b>						
7,472,479	10,554,957	7,433,606	-30	7,697,205	8,601,099	8,293,497
<b>Net Financial Liabilities</b>						
293,508	-409,631	-99,937	76	-60,177	590,792	8,503
<b>Net Debt (including Superannuation Related Investments)</b>						
3,899,164	3,033,555	3,522,214	16	3,754,401	4,612,575	4,331,977
<b>Net Debt (excluding Superannuation Related Investments)</b>						

**Table K.7**  
**Australian Capital Territory**  
**Consolidated Total Territory**  
**Statement of Changes in Equity**

2015-16 Budget \$'000	2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
<b>Opening Equity</b>						
7,601,353	5,316,340	4,101,406	-23	7,779,499	7,644,406	7,665,148
9,128,050	9,345,476	9,467,873	1	9,661,660	10,010,101	10,185,666
10,190	10,340	10,340	-	10,340	10,340	10,340
<b>16,739,593</b>	<b>14,672,156</b>	<b>13,579,619</b>	<b>-7</b>	<b>17,451,499</b>	<b>17,664,847</b>	<b>17,861,154</b>
<b>Opening Balance</b>						
<b>Comprehensive Income</b>						
<i>Included in Accumulated Funds:</i>						
-391,249	-369,859	-114,132	69	-32,441	26,144	36,100
-	-	11,300	#	-	-	-
-	-867,139	3,815,947	540	-	-	-
889	2,449	889	-64	889	889	889
<i>Included in Asset Revaluation Surplus:</i>						
139,898	142,012	157,876	11	244,900	169,274	180,163
<b>-250,462</b>	<b>-1,092,537</b>	<b>3,871,880</b>	<b>454</b>	<b>213,348</b>	<b>196,307</b>	<b>217,152</b>
<b>Total Comprehensive Income</b>						
<b>Other</b>						
22,000	19,615	-35,911	-283	-103,541	-6,291	22,000
-22,000	-19,615	35,911	283	103,541	6,291	-22,000
<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Other</b>						
<b>Closing Equity</b>						
7,232,993	4,101,406	7,779,499	90	7,644,406	7,665,148	7,724,137
9,245,948	9,467,873	9,661,660	2	10,010,101	10,185,666	10,343,829
10,190	10,340	10,340	-	10,340	10,340	10,340
<b>16,489,131</b>	<b>13,579,619</b>	<b>17,451,499</b>	<b>29</b>	<b>17,664,847</b>	<b>17,861,154</b>	<b>18,078,306</b>
<b>Balance at the End of the Reporting Period</b>						

**Table K.8**  
**Australian Capital Territory**  
**Consolidated Total Territory**  
**Cash Flow Statement**

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
<b>Cash Flows from Operating Activities</b>							
<b>Cash Receipts</b>							
1,455,478	Taxes Received	1,512,823	1,601,274	6	1,718,890	1,836,790	1,934,600
1,254,792	Receipts from Sales of Goods and Services	1,310,266	1,378,932	5	1,303,609	1,341,408	1,378,659
1,864,625	Grants/Subsidies Received	1,880,652	2,096,517	11	2,200,055	2,205,256	2,298,622
54,009	Interest Receipts	68,877	42,879	-38	36,259	35,335	38,786
63,166	Distributions from Financial Investments	28,300	36,391	29	45,293	47,615	50,573
51,546	Dividends	50,635	51,699	2	51,882	54,666	58,210
447,109	Other Receipts	479,397	502,880	5	470,716	452,862	447,991
<b>5,190,725</b>	<b>Total Cash Received from Operating Activities</b>	<b>5,330,950</b>	<b>5,710,572</b>	<b>7</b>	<b>5,826,704</b>	<b>5,973,932</b>	<b>6,207,441</b>
<b>Cash Payments</b>							
-2,368,807	Payments for Employees	-2,410,611	-2,437,075	-1	-2,487,221	-2,551,130	-2,611,392
-1,057,042	Payments for Goods and Services	-1,061,688	-1,111,962	-5	-1,088,726	-1,156,587	-1,264,563
-842,419	Grants/Subsidies Paid	-893,503	-873,743	2	-836,931	-865,040	-873,333
-206,476	Interest Paid	-183,338	-192,669	-5	-201,655	-217,365	-232,255
-745,868	Other Payments	-709,563	-750,324	-6	-718,288	-746,995	-632,666
<b>-5,220,612</b>	<b>Total Cash Paid from Operating Activities</b>	<b>-5,258,703</b>	<b>-5,365,773</b>	<b>-2</b>	<b>-5,332,821</b>	<b>-5,537,117</b>	<b>-5,614,209</b>
<b>-29,887</b>	<b>Net Cash Flows from Operating Activities</b>	<b>72,247</b>	<b>344,799</b>	<b>377</b>	<b>493,883</b>	<b>436,815</b>	<b>593,232</b>
<b>Cash Flows from Investing Activities</b>							
<b>Cash Flows from Investments in Non-Financial Assets</b>							
91,410	Sales of Non-Financial Assets	159,303	333,444	109	330,140	226,087	178,850
-1,113,634	Payments for Non-Financial Assets	-974,932	-1,057,457	-8	-927,530	-739,452	-417,426
<b>-1,022,224</b>	<b>Net Cash Flows from Investments in Non-Financial Assets</b>	<b>-815,629</b>	<b>-724,013</b>	<b>11</b>	<b>-597,390</b>	<b>-513,365</b>	<b>-238,576</b>
<b>Cash Flows from Investments in Financial Assets for Policy Purposes</b>							
<b>Cash Receipts</b>							
498	Repayment of Loans	448	308	-31	2,768	2,721	2,725
-	Capital Distributions	-	11,300	#	-	-	-
<b>498</b>	<b>Total Cash Received from Investment in Financial Assets for Policy Purposes</b>	<b>448</b>	<b>11,608</b>	<b>#</b>	<b>2,768</b>	<b>2,721</b>	<b>2,725</b>

**Table K.8 (cont.)**  
**Australian Capital Territory**  
**Consolidated Total Territory**  
**Cash Flow Statement**

2015-16 Budget \$'000	2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
<i><b>Cash Payments</b></i>						
-62	-62	-62	-	-62	-62	-62
<b>-62</b>	<b>-62</b>	<b>-62</b>	<b>-</b>	<b>-62</b>	<b>-62</b>	<b>-62</b>
<i><b>Total Cash Paid from Investment in Financial Assets for Policy Purposes</b></i>						
<b>436</b>	<b>386</b>	<b>11,546</b>	<b>#</b>	<b>2,706</b>	<b>2,659</b>	<b>2,663</b>
<i><b>Net Cash Flows from Investments in Financial Assets for Policy Purposes</b></i>						
<i><b>Cash Flows from Investments in Financial Assets for Liquidity Purposes</b></i>						
983,123	982,061	891,915	-9	752,953	734,065	1,013,289
-924,602	-947,972	-719,447	24	-782,723	-786,208	-1,156,542
<b>58,521</b>	<b>34,089</b>	<b>172,468</b>	<b>406</b>	<b>-29,770</b>	<b>-52,143</b>	<b>-143,253</b>
<i><b>Net Cash Flows from Investments in Financial Assets for Liquidity Purposes</b></i>						
<b>-963,267</b>	<b>-781,154</b>	<b>-539,999</b>	<b>31</b>	<b>-624,454</b>	<b>-562,849</b>	<b>-379,166</b>
<i><b>Net Cash Flows from Investing Activities</b></i>						
<i><b>Cash Flows from Financing Activities</b></i>						
<i><b>Cash Receipts</b></i>						
939,767	624,541	110,308	-82	78,201	537,122	300
<b>939,767</b>	<b>624,541</b>	<b>110,308</b>	<b>-82</b>	<b>78,201</b>	<b>537,122</b>	<b>300</b>
<i><b>Total Cash Received from Financing Activities</b></i>						
<i><b>Cash Payments</b></i>						
-8,839	-5,990	-66,086	#	-84,712	-438,333	-226,517
<b>-8,839</b>	<b>-5,990</b>	<b>-66,086</b>	<b>#</b>	<b>-84,712</b>	<b>-438,333</b>	<b>-226,517</b>
<i><b>Total Cash Paid from Financing Activities</b></i>						
<b>930,928</b>	<b>618,551</b>	<b>44,222</b>	<b>-93</b>	<b>-6,511</b>	<b>98,789</b>	<b>-226,217</b>
<i><b>Net Cash Flows from Financing Activities</b></i>						
<b>-62,226</b>	<b>-90,356</b>	<b>-150,978</b>	<b>-67</b>	<b>-137,082</b>	<b>-27,245</b>	<b>-12,151</b>
<i><b>Net Increase/(Decrease) in Cash Held</b></i>						
<b>457,976</b>	<b>866,965</b>	<b>776,609</b>	<b>-10</b>	<b>625,631</b>	<b>488,549</b>	<b>461,304</b>
<i><b>Cash and Cash Equivalents at the Beginning of Reporting Period</b></i>						
<b>395,750</b>	<b>776,609</b>	<b>625,631</b>	<b>-19</b>	<b>488,549</b>	<b>461,304</b>	<b>449,153</b>
<i><b>Cash and Cash Equivalents at the End of Reporting Period</b></i>						

**Table K.8 (cont.)**  
**Australian Capital Territory**  
**Consolidated Total Territory**  
**Cash Flow Statement**

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
<b>Key Fiscal Aggregates</b>							
-29,887	Net Cash from Operating Activities	72,247	344,799	377	493,883	436,815	593,232
-1,022,224	Investments in Non-Financial Assets	-815,629	-724,013	11	-597,390	-513,365	-238,576
<b>-1,052,111</b>	<b>Cash Surplus (+)/Deficit (-)</b>	<b>-743,382</b>	<b>-379,214</b>	<b>49</b>	<b>-103,507</b>	<b>-76,550</b>	<b>354,656</b>

**Note:** A positive number denotes a cash inflow, a negative sign denotes a cash outflow.

<b>Derivation of ABS GFS Cash Surplus/(Deficit)</b>							
<b>-1,052,111</b>	<b>Cash Surplus (+)/Deficit (-)</b>	<b>-743,382</b>	<b>-379,214</b>	<b>49</b>	<b>-103,507</b>	<b>-76,550</b>	<b>354,656</b>
-	Acquisitions Under Finance Leases and Similar Arrangements <sup>(a)</sup>	-72	-99	-38	-4,772	-377,489	-1,968
<b>-1,052,111</b>	<b>ABS GFS Cash Surplus (+)/Deficit (-) including Finance and Similar Arrangements</b>	<b>-743,454</b>	<b>-379,313</b>	<b>49</b>	<b>-108,279</b>	<b>-454,039</b>	<b>352,688</b>

**Note:** (a) Finance leases are shown with a negative sign as they are deducted in compiling the ABS GFS cash surplus/deficit.





## **APPENDIX L**

# **GENERAL GOVERNMENT SECTOR – KEY AGGREGATES HISTORY**



## APPENDIX L: GENERAL GOVERNMENT SECTOR – KEY AGGREGATES HISTORY

Year	Headline Net Operating Balance \$m	Net Debt <sup>1</sup> \$m	Net Financial Liabilities \$m	Net Worth \$m
2006-07	89.0	-555.9	0	11,181.6
2007-08 <sup>2</sup>	298.1	-933.3	512.1	13,305.2
2008-09	-26.5	-992.3	1,739.4	14,486.5
2009-10	147.9	-941.8	2,246.3	15,414.2
2010-11	22.9	-735.9	2,526.1	15,875.6
2011-12	43.8	-473.2	5,472.0	13,792.5
2012-13	-273.8	109.8	4,840.7	15,198.8
2013-14	-187.8	312.7	5,559.0	14,879.9
2014-15	-479.3	909.6	7,002.7	14,284.9
2015-16 <sup>3</sup>	-232.5	1,832.5	8,871.1	13,220.6
2016-17 <sup>3</sup>	-182.0	2,080.2	5,496.5	17,100.2
2017-18 <sup>3</sup>	-35.0	2,103.8	5,659.6	17,316.4
2018-19 <sup>3</sup>	33.3	2,902.7	6,411.5	17,515.6
2019-20 <sup>3</sup>	66.0	2,581.3	6,226.7	17,735.9

### Notes:

1. Net Debt excludes superannuation related investments.
2. The ACT did not measure Net Financial Liabilities until 2008-09. The amount for 2007-08 reflects the amount presented in the 2008-09 Loan Council Allocation Outcome Report for comparative purposes.
3. Reflects current estimates in the 2016-17 Budget.



# APPENDIX M

## STATEMENT OF RISKS



## **APPENDIX M: STATEMENT OF RISKS**

---

### **Economic Risks**

While the outlook for the Territory's economic growth has improved since the 2015-16 Budget Review, it faces some downside risks. In the near-term, Commonwealth expenditure decisions are vulnerable to changes in the Commonwealth's fiscal outlook which in turn is influenced by Australia's macroeconomic conditions. The impact of commodity prices on national growth, revenue and expenditure decisions are of particular importance in this regard.

Moreover, while the rate of growth of house prices in Australia has moderated somewhat, the outlook for subdued wages growth means that any correction in key domestic real estate markets remains an important pressure point for the national economic outlook.

Over the medium term, a prominent risk is the effect of the Australian Public Service efficiency dividend increases from 2017-18. The impact of this policy decision on employment and the wider economy in the Territory is potentially significant, with around one third of the Australian Public Service employed in the ACT.

A general upside risk for the national and ACT economy is that Australia's transition away from mining investment led growth to broader sectoral drivers is smoother than anticipated. Continuing low interest rates and a weak Australian dollar are key enablers of this transition.

### **Fiscal Risks**

#### **Loose-fill Asbestos Insulation Eradication Scheme**

The Government has commenced a scheme to buy back, demolish and remediate all houses in the ACT affected by loose-fill asbestos insulation. The remediated blocks of land will be sold to defray some of the overall Scheme costs. The financial impacts of the Loose-fill Asbestos Insulation Eradication Scheme have been modelled using a range of assumptions, together with the best estimates available.

As the buyback phase is effectively complete and the demolition phase is well underway, the risks for these phases has significantly diminished.

The process for the resale of remediated blocks is at an early stage and there remains risks on the extent to which sales proceeds will offset the cost of the buyback and remediation activities. While early indications support the buyback, demolition and forecast sales outcomes, market absorption and take up rates, coupled with the uncertain market response to the sale of remediated vacant land involves risk.

## Public Private Partnerships

During 2015-16, the ACT Government contracted two projects through Public Private Partnership (PPP) arrangements: the ACT Law Courts and Light Rail – Stage 1.

These projects will be delivered as PPPs in accordance with *The Partnerships Framework* and the National PPP Policy and Guidelines. By undertaking these projects as PPPs, the Territory seeks to achieve better value for money by capturing the expertise and efficiencies of the private sector in designing, financing, building and maintaining infrastructure projects and providing services on a whole-of-life basis.

The risk allocation adopted for these PPP projects is consistent with *The Partnerships Framework* and the National PPP Policy and Guidelines. Specifically, the Territory seeks to achieve value for money by allocating risks to the party best able to manage them.

By adopting a service focus and paying only for services received after construction completion, the private party bears certain risks associated with designing, building and operating the infrastructure. To achieve value for money, the Government retains those risks that it can manage for less than it would have to pay the private party to bear.

The party with greatest control of a particular risk has the best opportunity to reduce the likelihood of the risk eventuating, and to control the consequences if it does. This process ensures that the cost of managing risk is minimised on a whole-of-life and whole-of-project basis, and results in various risks being:

- retained by the Territory;
- transferred to the private sector; or
- shared between the parties.

Retained risks are those risks or parts of a risk that government proposes to bear itself under a PPP arrangement. The scope of retained risk reflects the nature of the specific project and the output specification.

Risks that are commonly retained or shared by the public sector include:

- adverse site conditions that are not known or reasonably foreseeable;
- artefacts and heritage claims;
- Native Title claims;
- obtaining specified planning approvals;
- changes in the price of the utilities;
- changes in law and policy which impact on the project;
- patronage risk;



- refinancing risk; and
- force majeure for specified unforeseen events which impact on the project.

The Project Agreement and associated documents establish the obligations of each party in managing these risks. Project documentation, including the Project Agreement, for the ACT Law Courts and Light Rail – Stage 1 projects is available at:

[www.procurement.act.gov.au/contracts](http://www.procurement.act.gov.au/contracts).

Under *The Partnerships Framework*, the Territory also publishes contract summaries of PPP projects providing a description of key project features and contract elements. This includes a broad overview of the project, a summary of the tender process and value for money assessment, the main parties and their general obligations, the broad allocation of risk between the public and private sectors, and the treatment of various key project issues.

## Land Release Program

The pace at which the ACT economy recovers from the Commonwealth's fiscal consolidation contributes to risk around the capacity of the ACT residential property market to grow and therefore to purchase all sites released at the prices currently forecast. Lower than expected demand or revenue would, through the ACT Government's Land Release program, reduce the Land Development Agency's dividend to the Government. Other risks to the program include achieving statutory clearances, the capacity of industry to deliver infrastructure and estate works, and the capacity of the market to absorb the additional supply offered through the Asset Recycling Initiative.

## Commonwealth Government Funding

Longer-term directions for the reform of federal financial relations are uncertain following the Commonwealth Government's termination of the Federation White Paper process. Risks also arise from the 2016 Federal Election, the outcome of which may result in changes to the structure of federal financial relations established by the 2008 Intergovernmental Agreement. However, these risks are most likely to impact beyond the current forward estimates period.

### **GST**

As the GST is a broad-based consumption tax, GST revenue collections are subject to consumer confidence and the state of the economy at the national level. Changes in these factors can lead to variations in the size and growth of the national GST pool, and therefore is funding for the states and territories.

GST revenue grants to the ACT are also subject to annual revisions of state and territory GST relativities by the Commonwealth Grants Commission (the Commission). The Commission is expected to release its *Report on GST Revenue Sharing Relativities 2017 Update* in early 2017, recommending changes to relativities for 2017-18. There is potential for a change in the ACT's share of the GST pool from the outcomes of the Update Report.

## ***National Disability Insurance Scheme***

Under the arrangements agreed with the previous Commonwealth Government, the National Disability Insurance Scheme (NDIS) trial (previously referred to as the NDIS launch) in the ACT commenced on 1 July 2014. The trial will run for three years, before transitioning in 2017-18 and 2018-19, with the full Scheme commencing in 2019-20. The ACT and the Commonwealth continue to monitor client transitions into the NDIS and associated funding transfers. At the end of the trial period, an adjustment will be made if either party has contributed more than their expected share of funding for the Scheme.

The implementation of the NDIS represents a significant financial investment by the Commonwealth and States in improving the independence, quality of life, and outcomes of persons with disability. In recognition of this increased investment, the 2016-17 ACT Budget provides an additional \$22.3 million between 2016-17 and 2018-19 to meet the ACT's contribution to the National Disability Insurance Agency. Funding changes for 2019-20 and future years will be included in future budgets, once there is additional certainty about the funding flows under full Scheme arrangements, including any potential changes to GST relativities and the ACT's GST revenue.

To assist States in meeting additional costs associated with the transition to the NDIS, the Commonwealth established the DisabilityCare Australia Fund (DCAF). DCAF is funded from the Medicare Levy surcharge and States have access to this Fund in line with the rate at which participants are signed up to the NDIS.

The 2016-17 Commonwealth Budget included a revised profile for DCAF funding, which brings forward \$28 million in funding from 2017-18 to 2016-17 for the ACT. At this stage, the revised profile included in the Commonwealth's 2016-17 Budget is inconsistent with ACT Government policy. This is because the Commonwealth has previously indicated to States that the bring forward of DCAF funding depends on States agreeing to significant NDIS governance changes, to which States, including the ACT, have not agreed. The proposed changes would require the ACT to consider more equal future sharing in the risk of cost overruns associated with increases in package costs and participant numbers from the full Scheme. This proposal would result in a limited cash flow benefit to the ACT (i.e. receiving \$28 million a year earlier), but would significantly expose the ACT to the risk of cost overruns.

For these reasons, the 2016-17 ACT Budget reflects the Commonwealth's 2015-16 Budget profile for DCAF funding instead of the 2016-17 Budget profile.

### ***Specific Purpose Payments***

#### Health

The 2016-17 Commonwealth Budget announced an interim funding arrangement ahead of consideration of longer-term arrangements:

- The Prime Minister, Premiers and Chief Ministers signed a Heads of Agreement for public hospital funding to extend activity-based funding for three years from 2017-18 onwards.

- The interim arrangement for the ACT Government also includes a guarantee that the Commonwealth will provide additional funding, if required, to ensure the Territory receives no less than it would have if the Commonwealth contribution was indexed at the rate of CPI and national population for each year.
- Conditions attached to the new agreement raise fiscal risk as these include: annual growth in Commonwealth funding being capped at 6.5 per cent nationally per annum (above which level States would be funding all extra costs) and funding adjustments being based on performance against quality and safety indicators.

The 2016-17 Commonwealth Budget estimates that the ACT will receive \$1.1 billion for hospital services and public health over the three years from 2016-17 to 2018-19. This represents an additional \$151.4 million over the Commonwealth 2015-16 Mid-Year Economic and Fiscal Outlook.

The increase partly relates to cross border flows of approximately \$62 million in each year from 2017-18 (growing at \$2 million per annum) being received by States directly from the Commonwealth under the new Agreement, rather than needing to seek full reimbursement of such costs bilaterally.

The balance of the \$58.6 million increase reflects the Commonwealth's estimate of projected funding growth of approximately 7 per cent per annum based on a 10 year historical calculation of annual increases. However, the ACT Government estimates based on activity forecasts flowing through to funding growth suggest a lower annual growth level of 5.2 per cent over the budget and forward estimates. It is therefore anticipated that, at these lower growth levels, the ACT will only receive an additional \$14.5 million under the interim arrangement over the four years from 2016-17 to 2019-20.

Should activity levels in ACT Health grow at rates higher than 5.2 per cent per annum, the ACT Government will receive higher payments from the Commonwealth under this agreement.

### Education

In its 2016-17 Budget, the Commonwealth announced that would increase funding for education across Australia by \$1.2 billion, including the replacement of CPI indexation with indexation of 3.560 per cent per annum from 2018 to 2020. While the additional funding the ACT would receive due to these revised indexation parameters is estimated to be approximately \$1 million per year from 2018 to 2020, the Commonwealth has indicated that State allocations from the 2018 school year onwards are indicative only and final allocations are subject to formal negotiations with States and the non-government schools sector.

### Disability, Housing and Skills and Workforce Development

The SPPs on Housing and Homelessness, Disability Services and Skills and Workforce Development are indexed by a composite rate based on the wage cost index 1 and CPI, and are sensitive to assumptions underlying the parameters.

During the transition phase of the NDIS, as participants move into the NDIS, States are required to repay the funding they receive from the National Disability SPP to the National Disability Insurance Agency (NDIA) on behalf of the Commonwealth Government. Once States are fully transitioned to the NDIS, the Commonwealth ceases National Disability SPP payments to States as its funding for disability services is now paid directly to the NDIA. As all eligible ACT participants will be in the NDIS by 30 September 2016, the 2016-17 Commonwealth Budget reflects the discontinuation of National Disability SPP payments to the ACT from 2017-18.

There are still ongoing negotiations with the Commonwealth about what level of disability services expenditure may be outside the scope of the NDIS and how this will be funded on an ongoing basis. This includes ancillary services, such as the regulation of providers and the NDIS workforce.

### ***National Partnership Payments***

The Adult Public Dental Services agreement and Pay Equity for the Social and Community Services Sector agreement are being replaced with new national partnership agreements which may impact on the ACT Budget. The adult public dental services agreement is being replaced by the child and adult public dental scheme however, the state funding allocations are yet to be determined. The Commonwealth Government is also in the process of developing a replacement agreement for the Pay Equity for the Social and Community Services Sector national partnership, to take effect from 1 July 2016. A significant portion of this funding is likely to be withheld due to the transition to the NDIS.

Significant risk to the ACT Budget remains due to the continued uncertainty over Commonwealth funding for the critical sectors of early childhood education, homelessness and skills reform which will expire within the next two years as the Commonwealth has not yet advised on the future arrangements.

## **Government Investments and Borrowings**

### ***Investment Returns and Borrowing Costs***

The budget is susceptible to the performance of global financial markets and changes in interest rates. Investment returns below those estimated will have a negative impact on revenues and, in respect of the Superannuation Provision Account, may impact on the Government's fiscal objective of fully funding the defined benefit superannuation liability by 2030. Higher interest rates will result in higher borrowing costs for new borrowings.

## ***Defined Benefit Employer Superannuation Liabilities***

The value of accrued superannuation liabilities is calculated as the present value of the future payment of benefits that have actually accrued in respect of service at the calculation date. Due to the complex nature of this liability, small variations to the long-term financial or demographic assumptions can lead to large impacts on the accrued liability valuation estimate for the Territory. The valuation of the liability is most sensitive to the discount rate (referenced to a long-term Commonwealth bond rate), inflation, wages growth, rates of retirement and resignation, investment returns, benefit stream election, and mortality rates.

## **Other Commitments**

### ***Contingent Liabilities***

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

Under the *Financial Management Act 1996*, it is the responsibility of the Government to identify contingent liabilities that may affect the budget estimates.

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 identified in the Australian Capital Territory Consolidated Annual Financial Statements, which are available online.

### ***Payments on repeal or amendment of the Electricity Feed-in (Large Scale Renewable Energy Generation) Act 2011***

ACT large-scale renewable energy projects are supported by feed-in tariffs (FiT). The Territory has given undertakings to pay compensation to various parties contracted to deliver renewable energy projects, should the Government change the FiT scheme in certain specified ways that adversely affect the recipient of the FiT entitlement. The undertakings compensate the recipient for direct losses, costs and expenses up to a capped amount. A cap applies each year from commencement.

As at the date of the Budget, undertakings have been provided for the renewable energy projects listed in Table M.1. The maximum caps operate from the date the FiT entitlement is granted for these projects until an agreed date. All compensation agreements expire before the end of the 20 year FiT entitlement period. The Territory's overall commitment declines over the life of the agreements.

**Table M.1: Details of Contracted Renewable Energy Projects**

Renewable energy project	FiT entitlement granted	20 year FiT entitlement begins
Fotowatio Renewable Ventures (FRV) Royalla Solar Farm	September 2012	March 2014
Ararat Wind Farm	February 2015	April 2017
Coonoer Bridge Wind Farm	February 2015	February 2016
Hornsedale Wind Farm (Stage 1)	February 2015	February 2017
Hornsedale Wind Farm (Stage 2)	January 2016	December 2018
Sapphire Wind Farm	March 2016	May 2018

## Outstanding Claims Liability

The value of insurance liabilities is the present value of the future claim payments that have accrued at the calculation date. This approach is required under Australian Accounting Standard AASB1023 *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. Australian Accounting Standard AASB1023 *General Insurance Contracts* requires the outstanding claims liabilities to be valued using a 'risk free' rate of return, which are 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 31 December 2015 was \$239.393 million net of Reinsurance Recoveries. Variations in the discount rate of +/- one percentage point results in an estimated change to the liability of between a \$10.5 million decrease and a \$11.2 million increase, equivalent to a change of between -4.4 per cent and 4.7 per cent.

## **APPENDIX N**

### **STATEMENT OF SENSITIVITY OF BUDGET ESTIMATES**





# APPENDIX N: STATEMENT OF SENSITIVITY OF BUDGET ESTIMATES

This statement of sensitivity is made pursuant to sub-section 11(1)(c) of the *Financial Management Act 1996*.

## Sensitivity of Budget Estimates

The following sensitivity analysis has been applied to economic parameters used in the formulation of the revised forward estimates.

Territory revenues are sensitive to changes in economic conditions, both in the ACT and nationally – for example, through Goods and Services Tax (GST) revenues.

Territory expenses are less sensitive to economic conditions. However, over time, changes in demographic variables may affect the demand for government services. In response, policy decisions may be taken to vary expenditure levels to accommodate the change in demand.

## Sensitivity of Economic Assumptions

### *Consumer Price Index*

A change in the Consumer Price Index (CPI) will affect revenue forecasts and generate cost changes for agencies.

If the CPI were to increase by 1 percentage point more than the forecast in each year of the budget period, own source taxation revenue and expenses would increase by the amounts shown in Table N.1.

**Table N.1: Impact of a 1 Percentage Point Increase in CPI on General Government Sector Revenues and Expenses**

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
<b>Revenue</b>				
Commercial Conveyances	783	1,467	2,127	2,794
Energy Industry Levy	35	73	113	155
Sales of goods and services, Commonwealth Government grants <sup>1</sup> and other revenue <sup>2</sup>	0	10,628	20,900	32,552
<b>Total Revenue</b>	<b>818</b>	<b>12,168</b>	<b>23,140</b>	<b>35,501</b>
<b>Expenses</b>	<b>0</b>	<b>21,199</b>	<b>44,742</b>	<b>70,782</b>
<b>Net Impact</b>	<b>818</b>	<b>-9,031</b>	<b>-21,602</b>	<b>-35,281</b>

**Notes:**

1. Refers to Specific Purpose Payments only.
2. Other revenue includes fines, superannuation contribution, rents and commutation, contributions and other miscellaneous revenue.

## Wage Price Index

Various fees are indexed to the Wage Price Index (WPI). If WPI increased by 1 percentage point more than the forecast in each year of the budget period, forecast revenue would increase by the amounts shown in Table N.2.

**Table N.2: Impact of a 1 Percentage Point Increase in WPI on GGS Revenue**

	2016-17	2017-18	2018-19	2019-20
	\$'000	\$'000	\$'000	\$'000
<b>Revenue</b>				
Payroll Tax	4,218	8,670	13,455	18,591
Fire and Emergency Service Levy	497	1,042	1,638	2,288
Sales of goods and services and other revenue <sup>1</sup>	0	4,870	10,085	15,489
<b>Total Revenue</b>	<b>4,715</b>	<b>14,582</b>	<b>25,178</b>	<b>36,368</b>

**Note:**

1. Other revenue includes fines, superannuation contribution, rents and commutation, contributions and other miscellaneous revenue.

## Interest

Interest on cash investment portfolios held by the Territory Banking Account (TBA) and the Superannuation Provision Account (SPA) are affected by interest rate variations. The estimated impact of a 1 percentage point variation in the amounts forecast in the budget estimates for interest revenue is shown in Table N.3.

**Table N.3: Impact of a 1 Percentage Point Increase in Interest Rates on Interest Revenue**

	2016-17	2017-18	2018-19	2019-20
	\$'000	\$'000	\$'000	\$'000
TBA <sup>1</sup>	9,999	7,292	7,884	8,211
SPA <sup>1</sup>	2,055	2,190	2,335	2,491

**Note:**

1. A decrease of 1 percentage point is estimated to reduce interest revenue by the same amounts negatively.

The estimated impact of a 1 percentage point variation in the assumptions used to calculate the interest costs on the Territory's variable rate borrowing exposures is shown in Table N.4.

**Table N.4: Impact of a 1 Percentage Point Increase in Interest/CPI Rates on Borrowing Costs**

	2016-17	2017-18	2018-19	2019-20
	\$'000	\$'000	\$'000	\$'000
TBA – Total Borrowings <sup>1</sup>	6,591	8,436	8,551	8,673

**Note:**

1. A decrease of 1 percentage point is estimated to reduce borrowing costs by the same amounts negatively.

## Currency

The estimated impact on international asset valuations from a 1 per cent variation in the Australian dollar against all unhedged international currency holdings, with everything else held constant, is shown in Table N.5.

**Table N.5: Impact of a 1 Per Cent Increase in the Australian Dollar on Valuations**

	2016-17	2017-18	2018-19	2019-20
	\$'000	\$'000	\$'000	\$'000
SPA <sup>1</sup>	-8,938	-9,385	-9,867	-10,623

**Note:**

1. A decrease of 1 per cent is estimated to increase the investment valuation by the same amounts positively.

## Equity Valuation

Table N.6 outlines the estimated impact to the SPA equity portfolio valuation from a 1 per cent variation in equity security valuations.

**Table N.6: Impact of a 1 Per Cent Increase in Equity Valuations**

	2016-17	2017-18	2018-19	2019-20
	\$'000	\$'000	\$'000	\$'000
SPA <sup>1</sup>	17,232	18,146	19,131	20,564

**Note:**

1. A decrease of 1 per cent is estimated to reduce the investment valuation by the same amounts negatively.

## Superannuation Liabilities

Table N.7 outlines the impact to the CSS/PSS defined benefit superannuation liability from a 1 per cent increase in the discount rate from the budgeted discount rate of 6 per cent.

**Table N.7: Impact of a 1 Per Cent Increase in the Liability Discount Rate**

	2016-17	2017-18	2018-19	2019-20
	\$'000	\$'000	\$'000	\$'000
SPA	-841,000	-870,000	-896,000	-920,000

Table N.8 outlines the impact to the CSS/PSS defined benefit superannuation liability from a 1 per cent decrease in the discount rate from the budgeted discount rate of 6 per cent.

**Table N.8: Impact of a 1 Per Cent Decrease in the Liability Discount Rate**

	2016-17	2017-18	2018-19	2019-20
	\$'000	\$'000	\$'000	\$'000
SPA	1,067,000	1,099,000	1,128,000	1,153,000

## *Superannuation Expenses*

Table N.9 outlines the impact on CSS/PSS defined benefit superannuation expenses from a 1 per cent increase in the discount rate from the budgeted discount rate of 6 per cent.

**Table N.9: Impact of a 1 Per Cent Increase in the Discount Rate on Superannuation Expense**

	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
SPA	-37,000	-27,000	-25,000	-23,000

Table N.10 outlines the impact on CSS/PSS defined benefit superannuation expense from a 1 per cent decrease in the discount rate from the budgeted discount rate of 6 per cent.

**Table N.10: Impact of a 1 Per Cent Decrease in the Discount Rate on Superannuation Expense**

	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
SPA	39,000	29,000	26,000	23,000

# APPENDIX O

## SUMMARY AND TERMS OF DEBT CAPITAL INJECTION



# APPENDIX O: SUMMARY AND TERMS OF DEBT CAPITAL INJECTION

---

## Introduction

The Government may choose to finance a number of agency projects through debt. This decision is based on the nature of the individual project, the degree of commerciality, and the projected returns on the investment.

Where debt is provided to an agency, by way of capital injection, the terms and conditions are disclosed in the Budget Papers under the provisions of the *Financial Management Act 1996*.

Loans provided in the form of repayable capital injections are supported by an appropriation. This does not necessarily have any connection to a corresponding external borrowing.

## Summary and Terms of Debt Capital Injection

Details of outstanding issued loans are set out below:

### Chief Minister, Treasury and Economic Development Directorate

#### *Community Housing Canberra (CHC), 2007-08*

<b>Purpose</b>	The loan capital injection provides a finance facility for CHC, as part of the Government's <i>Affordable Housing Action Plan</i> . CHC uses the funds to increase the supply of affordable housing properties to eligible ACT residents.
<b>Loan Commencement</b>	2007-08
<b>Loan Limit Amount</b>	\$50 million
<b>Maturity Date</b>	31 December 2037
<b>Interest Rate</b>	Interest is calculated on the daily outstanding loan balance at the prevailing three month bank bill swap reference rate as at the beginning of the quarter and is payable quarterly in arrears.
<b>Principal Repayments</b>	Repayment of the loan principal will commence from 1 January 2018 at the earliest unless otherwise agreed.
<b>Repayment Structure</b>	CHC will make loan repayments to CMTEDD and CMTEDD will make loan repayments to the Territory Banking Account on the same terms and conditions applying to CHC.
<b>Estimated Principal Loan Balance at 30 June 2016</b>	\$50 million

## Community Housing Canberra (CHC), 2011-12

<b>Purpose</b>	This loan capital injection builds on the \$50 million financing made available to CHC as part of the Government's <i>Affordable Housing Action Plan</i> . It will provide 90 dwellings for affordable rental to ACT residents on low to moderate incomes.
<b>Loan Commencement</b>	2011-12
<b>Loan Limit Amount</b>	\$20 million
<b>Maturity Date</b>	31 December 2036
<b>Interest Rate</b>	Interest is calculated on the daily outstanding loan balance at the prevailing three month bank bill swap reference rate as at the beginning of the quarter, and is payable quarterly in arrears.
<b>Principal Repayments</b>	Repayment of the loan principal will commence from 1 July 2021 at the earliest unless otherwise agreed.
<b>Repayment Structure</b>	CHC will make loan repayments to CMTEDD and CMTEDD will make loan repayments to the Territory Banking Account on the same terms and conditions applying to CHC.
<b>Estimated Principal Loan Balance at 30 June 2016</b>	\$18.112 million The balance of \$1.888 million is not expected to be required.

## Exhibition Park

<b>Purpose</b>	The loan represents financial assistance to the former Exhibition Park Corporation (EPC) <sup>1</sup> to enable it to purchase Block 799 Gungahlin, for the purpose of leasing the block to a third party to develop and operate low cost accommodation facilities.
<b>Loan Commencement</b>	2013-14
<b>Loan Limit Amount</b>	\$1.5 million
<b>Maturity Date</b>	1 July 2031
<b>Interest Rate</b>	5 per cent, fixed
<b>Repayment Terms</b>	Quarterly instalments of principal and interest are to be repaid on 1 October, 1 January, 1 April and 1 July each year until maturity, commencing 1 October 2016 and thereafter up to and including the final payment being made on or before the Loan expiration date of 1 July 2031.
<b>Repayment Structure</b>	CMTEDD will make loan repayments to the Territory Banking Account.
<b>Estimated Principal Loan Balance at 30 June 2016</b>	\$1.5 million

### Note:

- As notified on 3 December 2014, the *Exhibition Park Corporation Repeal Act 2014* resulted in the integration of the functions, staff, assets and liabilities of EPC into CMTEDD.



# APPENDIX P

## SUMMARY OF OUTPUTS



## APPENDIX P: SUMMARY OF OUTPUTS

---

### ACT Gambling and Racing Commission

Output Class 1: Gambling Regulation and Harm Minimisation	1.1	Gambling Regulation and Harm Minimisation
---	-----	---

### ACT Local Hospital Network

Output Class 1: ACT Local Hospital Network	1.1	ACT Local Hospital Network
--	-----	----------------------------

### ACTION

Output Class 1: Bus Operations	1.1	Bus Operations
--------------------------------	-----	----------------

### Canberra Institute of Technology

Output Class 1: Canberra Institute of Technology	1.1	Provision of Vocational Education and Training Services
--	-----	---

### Chief Minister, Treasury and Economic Development Directorate

Output Class 1: Government Strategy	1.1	Government Policy and Reform
	1.2	Public Sector Management
	1.3	Coordinated Communications and Community Engagement
Output Class 2: Loose-fill Asbestos Insulation Eradication	2.1	Loose-fill Asbestos Insulation Eradication Scheme
Output Class 3: Access Canberra	3.1	Access Canberra
Output Class 4: Financial and Economic Management	4.1	Economic Management
	4.2	Financial Management
Output Class 5: Workforce Injury Management and Industrial Relations Policy	5.1	Workforce Injury Management and Industrial Relations Policy
Output Class 6: Revenue Management	6.1	Revenue Management
Output Class 7: Shared Services	7.1	Shared Services
Output Class 8: Procurement and Capital Works	8.1	Procurement and Capital Works
Output Class 9: Economic Development	9.1	Economic Development Strategy and Program Design
	9.2	Innovation, Trade and Investment
	9.3	VisitCanberra
	9.4	Sport and Recreation
	9.5	Venues
	9.6	Events
	9.7	Property Services
	9.8	Arts Engagement
	9.9	Urban Renewal

---

---

**Community Services Directorate**

Output Class 1: Disability and Therapy Services	1.1	Disability and Therapy Services
Output Class 2: Strategy, Participation and Early Intervention	2.1	Early Intervention Services
	2.2	Community Participation
	2.3	Child Development Services
Output Class 3: Child and Youth Protection Services	3.1	Child and Youth Protection Services

---

**Cultural Facilities Corporation**

Output Class 1: Cultural Facilities Management	1.1	Cultural Facilities Corporation
--	-----	---------------------------------

---

**Education Directorate**

Output Class 1: Public School Education	1.1	Public Primary School Education
	1.2	Public High School Education
	1.3	Public Secondary College Education
	1.4	Disability Education in Public Schools
Output Class 2: Non Government School Education	2.1	Non Government School Education

---

**Environment and Planning Directorate**

Output Class 1: Planning	1.1	Planning Delivery
	1.2	Strategic Planning
	1.3	Heritage
Output Class 2: Environment	2.1	Environment
	2.2	Sustainability and Climate Change
	2.3	Land Management
Expenses on Behalf of the Territory (EBT) 1: Office of the Commissioner for Sustainability and the Environment	EBT 1	Office of the Commissioner for Sustainability and the Environment

---

**Health Directorate**

Output Class 1: Health and Community Care	1.1	Acute Services
	1.2	Mental Health, Justice Health and Alcohol and Drug Services
	1.3	Public Health Services
	1.4	Cancer Services
	1.5	Rehabilitation, Aged and Community Care
	1.6	Early Intervention and Prevention

---

**Housing ACT**

Output Class 1: Social Housing Services	1.1	Social Housing Services
---	-----	-------------------------

---

---

**Justice and Community Safety Directorate**

Output Class 1: Justice Services	1.1	Policy Advice and Justice Programs
	1.2	Legal Services to Government
	1.3	Legislative Drafting and Publishing Services
	1.4	Public Prosecutions
	1.5	Protection of Rights
Output Class 2: Corrective Services	2.1	Corrective Services
Output Class 3: Courts and Tribunal	3.1	Courts and Tribunal
Output Class 4: Emergency Services	4.1	Emergency Services
Expenses on Behalf of the Territory (EBT) 1: ACT Policing	EBT 1	ACT Policing

---

**Legal Aid Commission (ACT)**

Output Class 1: Legal Aid Services	1.1	Legal Aid Services Provided to the Community
------------------------------------	-----	--

---

**Lifetime Care and Support Fund**

Expenses on Behalf of the Territory (EBT) 1: Lifetime Care and Support Fund	EBT 1.1	Lifetime Care and Support Fund
--	---------	--------------------------------

---

**Superannuation Provision Account**

Output Class 1: Superannuation Provision Account	1.1	Superannuation Provision Account
---	-----	----------------------------------

---

**Territory Banking Account**

Output Class 1: Territory Banking Account	1.1	Territory Banking Account
---	-----	---------------------------

---

**Transport Canberra and City Services****Directorate**

Output Class 1: Transport Canberra	1.1	Transport Canberra
Output Class 2: City Services	2.1	Roads and Infrastructure
	2.2	Library Services
	2.3	Waste and Recycling
	2.4	City Maintenance and Services
	2.5	Capital Linen Service

---



# APPENDIX Q

## SUMMARY OF TRANSFERS





## APPENDIX Q: SUMMARY OF TRANSFERS

The following table lists the budget neutral transfers of functions, funding and assets between agencies during 2015-16, or expected to occur in 2016-17.

Function/Funding	Transferred from	Transferred to
Minister	Office of the Legislative Assembly	ACT Executive
Light Rail – Stage 1	Capital Metro Agency	Transport Canberra and City Services Directorate
Gambling and Racing Commission	Gambling and Racing Commission	Chief Minister, Treasury and Economic Development Directorate
Guardianship Unit of the Public Advocate of the ACT	Justice and Community Safety Directorate	Public Trustee and Guardian
National Arboretum Canberra	Territory and Municipal Services Directorate	Chief Minister, Treasury and Economic Development Directorate
Parks and Conservation Services	Territory and Municipal Services Directorate	Environment and Planning Directorate
Territory and Municipal Services	Territory and Municipal Services Directorate	Transport Canberra and City Services Directorate
Training and Tertiary Education	Education Directorate	Chief Minister, Treasury and Economic Development Directorate
Vocational Education and Training	Education Directorate	Chief Minister, Treasury and Economic Development Directorate

Funding	Transferred from	Transferred to
Alcohol Interlocks and Taxi Review	Chief Minister, Treasury and Economic Development Directorate	Justice and Community Safety Directorate
Child Development Services	Education Directorate	Community Service Directorate
Constitution Avenue to Vernon Circle	Chief Minister, Treasury and Economic Development Directorate	Transport Canberra and City Services Directorate
Implementation of <i>Mental Health Act 2015</i>	Health Directorate	Justice and Community Safety Directorate
Molonglo Valley – Implementation of Commitments in the Plan for the Protection of Matters of National Environmental Significance	Chief Minister, Treasury and Economic Development Directorate	Environment and Planning Directorate
Therapy Assistants Program	Community Services Directorate	Education Directorate

<b>Asset</b>	<b>Transferred from</b>	<b>Transferred to</b>
Allawah Flats	Housing ACT	Land Development Agency
Block 3 & 4, Section 11, Higgins	Chief Minister, Treasury and Economic Development Directorate	Land Development Agency
Dame Pattie Menzies Building	Chief Minister, Treasury and Economic Development Directorate	Land Development Agency
Dickson Motor Vehicle Registry	Chief Minister, Treasury and Economic Development Directorate	Land Development Agency
Karuah Garden Flats	Housing ACT	Land Development Agency
Magistrates Court	Chief Minister, Treasury and Economic Development Directorate	Justice and Community Safety Directorate
Owen Flats	Housing ACT	Land Development Agency
Public Housing Renewal Program – Replacement units	Chief Minister, Treasury and Economic Development Directorate	Housing ACT
Red Hill Flats	Housing ACT	Land Development Agency

# APPENDIX R

## WHOLE OF GOVERNMENT STAFFING



## APPENDIX R: WHOLE OF GOVERNMENT STAFFING

The following table lists the number of full-time equivalents (FTEs), based on the estimated outcome for 2015-16 and the 2016-17 Budget.

	2014-15 Actual	2015-16 Budget	2015-16 Estimated Outcome	2016-17 Budget
<b>Directorate/Agency</b>				
ACT Executive <sup>1</sup>	47	46	54	54
ACT Gambling and Racing Commission <sup>2</sup>	31	33	25	0
ACT Insurance Authority	13	15	16	16
ACT Public Cemeteries Authority	16	19	15	18
ACTION <sup>3</sup>	831	863	835	867
Auditor-General	42	39	39	39
Canberra Institute of Technology <sup>4</sup>	733	751	730	733
Chief Minister, Treasury and Economic Development Directorate <sup>5</sup>	2,323	2,340	2,389	2,431
Community Services Directorate <sup>6</sup>	899	848	699	652
Cultural Facilities Corporation	90	81	82	82
Education Directorate <sup>7</sup>	5,025	5,113	5,123	5,151
Electoral Commissioner	8	12	12	13
Environment and Planning Directorate <sup>8</sup>	288	297	306	497
Health Directorate	6,195	6,334	6,415	6,572
Housing ACT	233	242	245	256
Independent Competition and Regulatory Commission	4	4	6	6
Justice and Community Safety Directorate	1,529	1,577	1,577	1,601
Land Development Agency <sup>9</sup>	88	95	97	127
Legal Aid Commission (ACT)	67	67	77	78
Lifetime Care and Support Fund	0	0	0	0
Office of the Legislative Assembly	48	49	49	53
Public Trustee and Guardian <sup>10</sup>	43	41	50	51
Superannuation Provision Account	4	4	4	4
Transport Canberra and City Services Directorate <sup>11</sup>	n/a	n/a	n/a	809
<b>Discontinued Agencies</b>				
Capital Metro Agency <sup>11</sup>	25	38	36	n/a
Territory and Municipal Services Directorate <sup>11</sup>	869	928	914	n/a
<b>Total Government Agencies</b>	<b>19,451</b>	<b>19,836</b>	<b>19,795</b>	<b>20,110</b>
<b>Government Business Enterprises</b>				
CIT Solutions Pty Ltd	92	93	100	100
Icon Water Limited	388	398	389	392
<b>Total Government Business Enterprises</b>	<b>480</b>	<b>491</b>	<b>489</b>	<b>492</b>
<b>Total Government and Business Enterprises</b>	<b>19,931</b>	<b>20,327</b>	<b>20,284</b>	<b>20,602</b>

### Notes:

1. The increase in FTEs is due to the impact of the seventh minister and her office.
2. The ACT Gambling and Racing Commission will be transferring to Access Canberra, within the Chief Minister, Treasury and Economic Development Directorate (CMTEDD), in accordance with the *Administrative Arrangements 2015 (No 3)*.
3. The 2015-16 Budget figure shows an increase from the previous year due to FTEs associated with new initiatives – these FTEs were not employed in 2015-16. The 2016-17 Budget includes these additional FTEs associated with 2015-16 new initiatives.
4. The reduction in FTEs for the Canberra Institute of Technology is mainly due to fewer additional staff being engaged as training demand has eased throughout the year.

5. The National Arboretum Canberra and the Vocational Education and Training function under the Education Directorate transferred to CMTEDD under the *Administrative Arrangements 2016 (No 1)* on 22 January 2016. This is partially offset by reductions in staff associated with workforce restructuring.
6. The reduction in FTEs is due to the transition to the National Disability Insurance Scheme.
7. The Education Directorate was known as the Education and Training Directorate (ETD) until 22 January 2016.
8. The Territory and Municipal Services Directorate will cease operations on 30 June 2016, with the Parks and Conservation Services function (186 FTE) transferring to the Environment and Planning Directorate.
9. The increase reflects additional responsibilities being undertaken by the LDA and backfilling for staff seconded to the Asbestos Response Taskforce, Public Housing Renewal Taskforce and other Directorates.
10. The former offices of the Public Trustee for the ACT and the Guardianship Unit of the Public Advocate of the ACT were amalgamated to become the Public Trustee and Guardian under the *Public Trustee and Guardian Act 1985* on 1 April 2016.
11. The Territory and Municipal Services Directorate and the Capital Metro Agency will cease operations on 30 June 2016 and their functions will transfer to the newly formed Transport Canberra and City Services Directorate on 1 July 2016 (as per the *Administrative Arrangements 2016 (No 3)*).

