ACT Government

AUSTRALIAN CAPITAL TERRITORY

BUDGET 2014-15

INVESTING IN CANBERRA

BUDGET OUTLOOK

BUDGET PAPER 3

STRUCTURE AND CONTENT OF THE 2014-15 BUDGET PAPERS

The 2014-15 Budget is presented in three papers and a series of agency Budget Statements.

BUDGET PAPER 1: BUDGET SPEECH

The Treasurer's speech to the Legislative Assembly highlights the Government's Budget strategies and key features of the Budget.

BUDGET PAPER 2: BUDGET IN BRIEF

A summary of the overall budgetary position together with information on the Government's expenditure priorities in key service delivery areas.

BUDGET PAPER 3: BUDGET OUTLOOK

Summarises the 2014-15 Budget and forward estimates for the general government sector, the public trading enterprise sector and the total Territory Government. Details of the projected 2014-15 Budget results are provided, as well as background information on the development of the 2014-15 Budget, including economic conditions and federal financial relations.

Also provides an overview of the Territory's infrastructure investment program and details of the 2014-15 expense, infrastructure and capital, and revenue initiatives.

Full accrual financial statements and notes are provided for all sectors.

BUDGET STATEMENTS

Information on each directorate and Territory authority and corporation is broken up into several smaller documents. This includes output classes (where relevant), descriptions of functions, roles and responsibilities, together with major strategic priorities.

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INTRODUCTION

Budget Strategy

Since taking office in 2001, the Government has managed the public finances in a prudent and fiscally responsible manner. Through sustained operating surpluses and targeted investments, the Government has built a strong balance sheet and provided scope to reduce the effect of economic shocks, such as the global financial crisis, on the ACT. Over this time, the ACT economy has grown strongly, with our output increasing by an annual average of 3.2 per cent in real terms, notably higher than for Australia as a whole.

The Government is continuing this record of sound financial management in the 2014-15 Budget. The Government has designed its budget strategy around the key principles of:

- sustaining a strong operating balance over the medium term;
- using its strong balance sheet to invest in important city transformation projects; and
- supporting the Territory economy in the short term following the significant contraction in the Commonwealth public service.

Designing the fiscal strategy around achieving an operating balance over the medium term provides the Government with the necessary flexibility to manage economic shocks. The ACT Government does not borrow funds to pay for the operating costs associated with the necessary services it provides to the public. The Government is continuing to forecast cash operating surpluses throughout the forecast period. Moreover, the new expense initiatives in this Budget are largely offset by savings and revenue initiatives.

The Government has invested heavily in infrastructure in recent years to provide better services, support economic growth and improve our city. The ACT Government will use its strong balance sheet to continue to invest in transformational infrastructure projects.

These infrastructure projects will maintain our record levels of investment over the next four years – a strategy designed to create jobs and keep our economy strong. In the wake of the Commonwealth fiscal contraction, there has never been a more important time to invest.

General government sector net debt will increase as a result of funding these projects – but our debt levels will remain both responsible and comparable with other States and Territories. Importantly, the increase in debt will be used to fund important infrastructure that will continue to deliver benefits over time.

Net Financial Liabilities as a share of Gross State Product will also start to decline in the forward years as the budget returns to balance and as the Government begins to divest assets that are no longer appropriate, or efficient, for the Territory to operate.

Overview of the 2014-15 Budget

The 2014-15 Budget is about investing in Canberra. Never before has it been more important that the ACT Government invest in our economy, invest in our people and invest in jobs.

This budget has been framed in the context of significant uncertainty flowing from the progressive contraction of spending and a significant reduction in employment by the Commonwealth Government. The Commonwealth Government Budget states that there will be an estimated 16,500 job losses over the four years to 2016-17. It is estimated that 6,500 jobs will be lost in the ACT over this period.

The actions by the Commonwealth are having a significant negative effect on our economy. Accordingly, the ACT Government is forecasting subdued economic growth in the Territory with State Final Demand now expected to grow at 1¼ per cent in 2014-15 and year on year employment growth expected to be ½ per cent, well below its long-term trend of around 1¾ per cent. These movements are illustrated in Table 1 below.

Table 1
Economic Forecasts, Year Average Percentage Change

	Actual	Forecasts	
ACT	**2012-13**	**2013-14**	**2014-15**
Gross State Product	2.7	2¼	1¾
Employment	1.9	¾	½
State Final Demand	0.4	1¾	1¼
Consumer Price Index	1.9	2¼	2¼
Wage Price Index	3.7	2¾	2½
Population	1.7	1½	1½
Australia			
Gross Domestic Product	2.6	2¾	2½

As a result of the decisions of the Commonwealth Government to significantly reduce the size of the Australian Public Service and the subsequent impacts, the ACT Government has written down the overall size of its Indicative Residential Land Release Program by 3,000 dwelling sites across the next three years.

To continue its commitment to build and transform the ACT economy and provide some stability in an uncertain economic environment, the ACT Government is investing in Canberra in its 2014-15 Budget.

The Government's 2014-15 Budget makes provision for $2.5 billion of capital works. This investment will stimulate economic activity and generate employment as well as build the infrastructure Canberra needs to prosper in its second century. Key investments include health and education infrastructure, a new courts facility, public transport, local shopping centre upgrades, road construction and emergency services improvements. Work in relation to the transformational projects initiated in the 2013-14 Budget, namely City to the Lake, Capital Metro and associated urban renewal will continue, with the Government considering delivery and design options.

The Government is also continuing to invest in providing essential services to the people of Canberra. The new expense and capital policy initiatives announced in this Budget – worth $182.7 million (net of the health funding envelope) and $415.2 million over one and four years respectively – will support the transition to the National Disability Insurance Scheme (NDIS), expand the health service to make Canberrans even healthier and meet growth in demand, improve the delivery of social services, reduce recidivism and enhance the capacity of our courts system. The Government will also invest in improving our public amenity, parks and city services, promote the ACT as an innovative business centre, and invest in a strong digital future.

The Government is maintaining its prudent approach to managing the public finances. The net operating balance is expected to be in deficit by $332.8 million in 2014-15, but that deficit is forecast to progressively fall over the forward estimates until a surplus is achieved in 2017-18.

This return to balance reflects the fact that the Government has largely offset the financial impact of its new spending initiatives by savings and revenue initiatives over the next four years. As a result, the increase in the deficits over the forward estimates period has largely arisen from factors outside the Government's direct control.

The Government will generate savings through improving the efficiency of service delivery across government by making greater application of online technology, digital innovation, and red tape reduction.

As noted, the increase in the deficit in 2014-15 largely reflects a combination of factors outside the Government's direct control, including the reduction in expected Commonwealth health grants and the reduction in revenue from the land release program as a result of falling Commonwealth employment. These two factors alone have added over $80 million to the net operating deficit in 2014-15.

The Government continues to maintain a strong balance sheet. At the end of 2014-15, Net Worth is expected to be $16.7 billion. Reflecting the Government's investment in Canberra, Net Financial Liabilities is forecast to be $4.4 billion and net debt $1.2 billion. Key fiscal aggregates associated with the 2014-15 Budget are presented in Table 2 below.

Table 2
General Government Sector Headline Net Operating Balance

	2013-14 Est. Outcome $m	2014-15 Budget $m	2015-16 Estimate $m	2016-17 Estimate $m	2017-18 Estimate $m
Revenue	4,245.1	4,411.9	4,653.7	4,912.1	5,177.6
Expenses	4,586.2	4,858.3	4,894.7	5,070.7	5,242.4
Superannuation return adjustment [1]	75.8	113.7	123.2	132.4	142.2
HEADLINE NET OPERATING BALANCE	**-265.3**	**-332.8**	**-117.8**	**-26.3**	**77.5**
Net Cash from Operating Activities	449.9	189.9	393.3	561.1	622.7
Net Debt (excluding superannuation)	527.3	1,227.5	1,614.7	1,705.0	1,799.0
Net Financial Liabilities	3,677.5	4,435.6	4,857.8	4,997.5	5,111.1

Note: Table 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 Chapter 2.

CHAPTER 1

ECONOMIC PERFORMANCE, OUTLOOK AND STRATEGY

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1.1 OVERVIEW

The ACT economy continues to perform well compared to other jurisdictions. The latest data from the Australian Bureau of Statistics indicate that economic activity increased at around the national rate over the 2013 calendar year. Moreover, the ACT labour market compares favourably to other jurisdictions, with the Territory recording the lowest unemployment rate and the second highest participation rate as at April 2014.

The ACT economy's major challenge is the compounding effects of the Commonwealth Government's policy to reduce spending.

Commonwealth Government fiscal restraint and downsizing remain the key down-side risks to the Territory's economic outlook. Over the short term, economic growth will be challenged by direct budget and staffing cuts to Commonwealth Government departments and the consolidation of a number of agencies.

The cuts to spending and employment by the Commonwealth Government are expected to spill-over to other parts of the ACT economy. Concerns over job security could limit consumption and consumer confidence, while business hiring and investment decisions could be delayed.

Despite these challenges, a number of positives will continue to support economic growth in the Territory, albeit at a slower rate. A low interest rate environment will help to balance the fiscal pressures from the Commonwealth Government, while investment in the pipeline appears to have stabilised – encouraged by the ACT Government's taxation reform agenda and economic stimulus initiatives. In addition, the ACT Government's own infrastructure and capital program will support growth through the short and medium term.

National economic conditions remain challenging with the domestic economy expected to continue to grow at below trend level over the short term. Key risks include the rate at which mining investment slows and the strength of fiscal consolidation at the state and Commonwealth levels. The terms of trade will also determine the speed of structural adjustment and its impact on economic growth.

These challenging conditions have been balanced by accelerated resource exports over the latter half of 2013 with more production coming on-line, improved household consumption due to the low interest rate environment and strong house price growth at the national level.

Dwelling investment is gaining momentum and is anticipated to be a key driver of domestic growth as the national economy transitions away from the once-in-a-century mining boom. However, non-mining business investment remains subdued. The Reserve Bank of Australia and Commonwealth Treasury liaison programs indicate that the business community remains hesitant to commit to capital investment until stronger economic conditions become apparent.

The International Monetary Fund notes that global economic activity has broadly strengthened and is expected to improve further in 2014-15. Advanced economies are expected to provide much of the momentum for growth. On the whole, a reduction in fiscal tightening and still highly accommodative monetary conditions are expected to drive growth. Emerging markets and developing economies are forecast to grow, but at a slower pace than advanced economies in 2014 due to tighter financial conditions flowing through to the real economy.

1.2 GLOBAL AND NATIONAL ECONOMIC OUTLOOK

World Economy

Global economic growth strengthened in the second half of 2013 and is forecast to improve over 2014-15. Advanced economies are expected to provide most of the momentum, however, growth remains uneven. The broad settings of economic growth in advanced economies are supportive monetary conditions and an easing in fiscal consolidation.

Recovery in the **United States** continues to gain momentum, largely due to private sector activity. Rising house prices have led to greater housing construction activity and an increase in consumer sentiment, improving the outlook for the US economy.

Overall, risks in **Europe** remain on the downside, with high debt and volatile financial markets weighing on growth. Despite this, the worst of the impact from austerity measures appears to have passed, as household and business sentiment slowly show signs of improvement along with the recapitalisation of Europe's banks, albeit at a slow pace.

The economic outlook in **Japan** has improved over the past 6 months. However, Japan faces risks to economic growth, including its ageing population and rigid labour market policies. Moreover the rise in Japan's consumption tax, from 5 per cent to 8 per cent from 1 April 2014, risks dampening its recovery path in the short term.

Emerging and developing economies are forecast to grow, albeit at a gradual pace, assisted by stronger external demand from advanced economies. Financial conditions have tightened and are expected to dampen economic growth due to higher cost of capital.

Growth in **China** is expected to be around its 7.5 per cent target in 2014, with the task of rebalancing its economy likely to weigh on economic growth. However, export growth is lifting and credit remains at a sustainable level. There are signs of weakness in China, which pose risks for Australian economic growth in the form of a gradual decline in the terms of trade.

Asia will continue to play an integral part in Australia's growth prospects. In 2012 the Commonwealth Government set out its commitment to broadening and deepening Australia's relationship with Asia – in particular China – with the release of the *Australia in the Asian Century* White Paper. This was reaffirmed by an historic agreement for a strategic partnership between Australia and China and direct trading between the Australian dollar and the Chinese renminbi. In March of this year, a trade mission comprised of almost 600 companies secured commercial agreements in areas such as dairy exports, technology and financial services.

It is expected that Australia's enhanced relationship with Asia will secure greater bilateral communication and promote Australian tourism, trade and investment opportunities to the rapidly growing Asian markets. The ACT also stands to benefit from economic and business opportunities through education, government and community services, and tourism export links with China and South East Asia.

Australian Economy

The Australian economy grew at below trend pace in 2013 due to a decline in mining and non-mining investment, subdued growth in consumer spending, and the high level of the Australian dollar. However, despite the challenges faced by the Australian economy, real economic growth has remained uninterrupted for more than two decades and is expected to continue to do so.

Over the past six months economic growth has strengthened. While most of the improvement was due to resource exports, the low interest rate environment and strong house price growth has stoked domestic economic activity, with leading indicators pointing to robust household consumption and residential building activity in the coming quarters.

A key positive of the transition to more balanced domestic economic growth is the strength seen in leading indicators of dwelling investment. However, non-mining business investment remains subdued. The Reserve Bank of Australia and Commonwealth Treasury business liaison programs indicate a reluctance to commit to capital investment until more concrete signs of stronger future economic conditions emerge.

Household consumption is expected to remain robust overall, underpinned by low interest rates, solid population growth and improved household net worth. However, consumer confidence fell sharply ahead of the 2014-15 Commonwealth Government Budget, which is anticipated to constrain household consumption.

Resource exports will remain a key contributor to economic growth, but leaves the Australian economy vulnerable to external shocks including to the terms of trade and the economic performance of key trade partners.

Despite the positive outlook, national economic conditions remain challenging with domestic economic growth expected to continue to grow at below trend pace until mid-2015 as the transition away from mining-related investment continues. Key risks include the rate at which mining investment slows and the strength of fiscal consolidation at the state and Commonwealth level.

The Organisation for Economic Cooperation and Development, in its latest global economic outlook, states that deep cuts to Government spending in Australia should be avoided given near-term uncertainties in the rebalancing of the economy away from investment in the natural resources sector.

1.3 ACT ECONOMIC OUTLOOK

Recent Economic Developments

A sharp slow-down in economic growth in the ACT occurred in 2012-13. Commonwealth Government consumption decelerated abruptly, investment activity contracted as major projects were brought to completion and residential construction activity slowed.

Economic growth has improved slightly in the first half of 2013-14 from this low base. Commonwealth Government spending, while subdued, increased throughout most of 2013 and the contraction in investment growth slowed in the final quarter of the year. Household consumption remained relatively strong, but has steadily declined after reaching a cyclical peak in the June quarter 2013.

Leading indicators suggest these trends have continued into the second half of 2013-14. Accordingly, State Final Demand growth in 2013-14 is forecast to increase by 1¾ per cent after growing by only 0.4 per cent in 2012-13, the slowest growth in 24 years.

Employment growth is estimated to moderate to ¾ per cent in 2013-14. Employment in the private sector has remained subdued over the year to the February quarter 2014, driven by job losses in the professional services and construction-related industries.

Gross State Product is forecast to grow by 2¼ per cent. The decline from 2.7 per cent in 2012-13 is expected to be driven by a contraction in output from the two largest industries in the ACT, *Public Administration and Safety* and *Construction*.

The ACT's economic fundamentals have been tested recently. Population growth has slowed, predominantly due to a net outflow in interstate migration, while structural weakness in the labour market has intensified with a decline in the participation rate and a significant contraction in hours worked.

Despite this, the ACT labour market compares favourably to other jurisdictions. The unemployment rate is the lowest in the country, while the participation rate is the second highest, behind the Northern Territory.

Economic Outlook for 2014-15

Economic conditions are forecast to deteriorate in 2014-15. The key economic aggregates for the ACT are summarised in Table 1.3.1.

Table 1.3.1
Economic Forecasts, Year-Average Percentage Change

	Actual	Forecasts[1]	
ACT	**2012-13**	**2013-14**	**2014-15**
Gross State Product	2.7	2¼	1¾
Employment	1.9	¾	½
State Final Demand	0.4	1¾	1¼
Consumer Price Index	1.9	2¼	2¼
Wage Price Index[2]	3.7	2¾	2½
Population[3]	1.7	1½	1½
Australia			
Gross Domestic Product[4]	2.6	2¾	2½

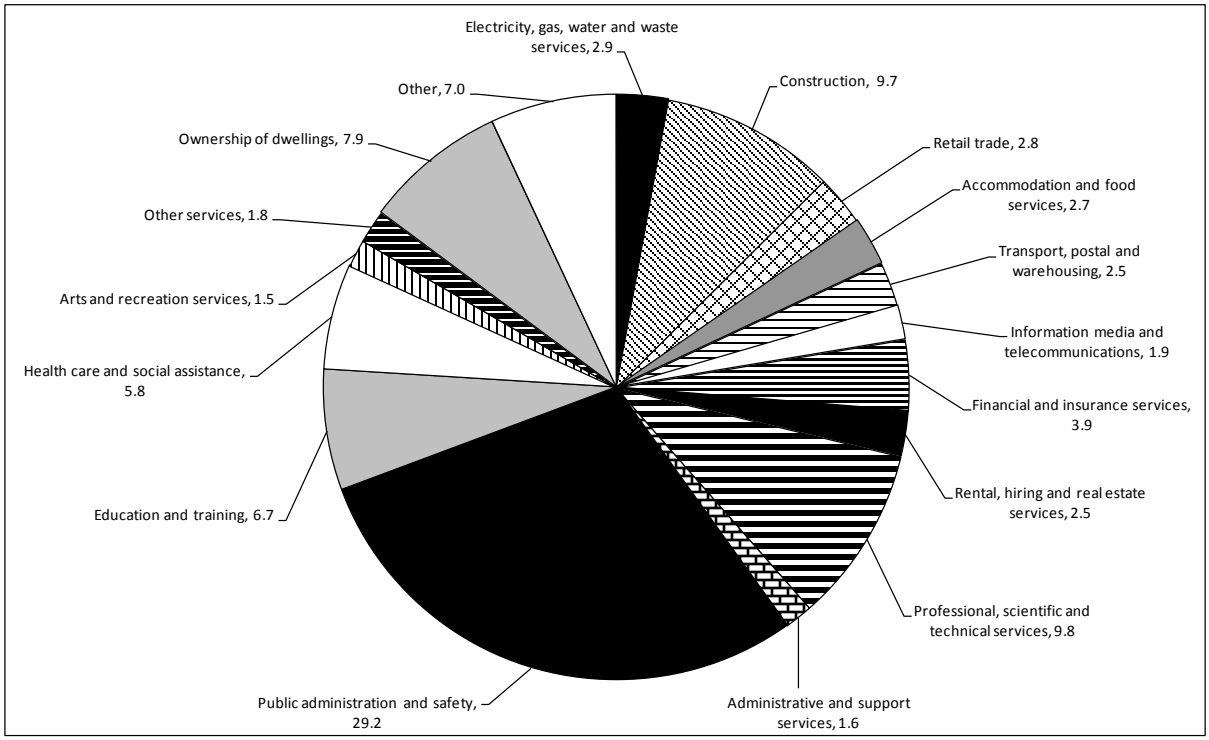
Notes:
1. Forecasts are rounded to ¼ of a percentage point to reflect the relative level of accuracy used in forecasting economic parameters.
2. Total hourly rates of pay excluding bonuses.
3. The population forecasts are based on the rate of growth from the June quarter compared to the June quarter of the previous year, rather than 'year average' as with all other forecasts.
4. 2014-15 Commonwealth Budget forecasts for 2013-14 and 2014-15.

The Territory's economic growth in 2014-15 is expected to be significantly constrained by the level of Commonwealth Government spending and uncertainty weighing on household consumption growth.

Gross State Product (GSP), the Australian Bureau of Statistics headline measure of the ACT economy, is forecast to grow by 1¾ per cent in 2014-15. Reduced output growth is expected to be driven by the public sector, which accounts for around one third of GSP (Figure 1.3.1). Subdued household consumption growth is also expected to weigh on GSP growth.

From an income perspective, compensation of employees, which comprises approximately 70 per cent of total income generated in the Territory, is expected to remain weak due to subdued wage growth and slowing employment growth. Business profits are also expected to grow at below average rates due to subdued demand, while a forecast decline in real unit labour costs is expected to relieve pressure on business operating expenses.

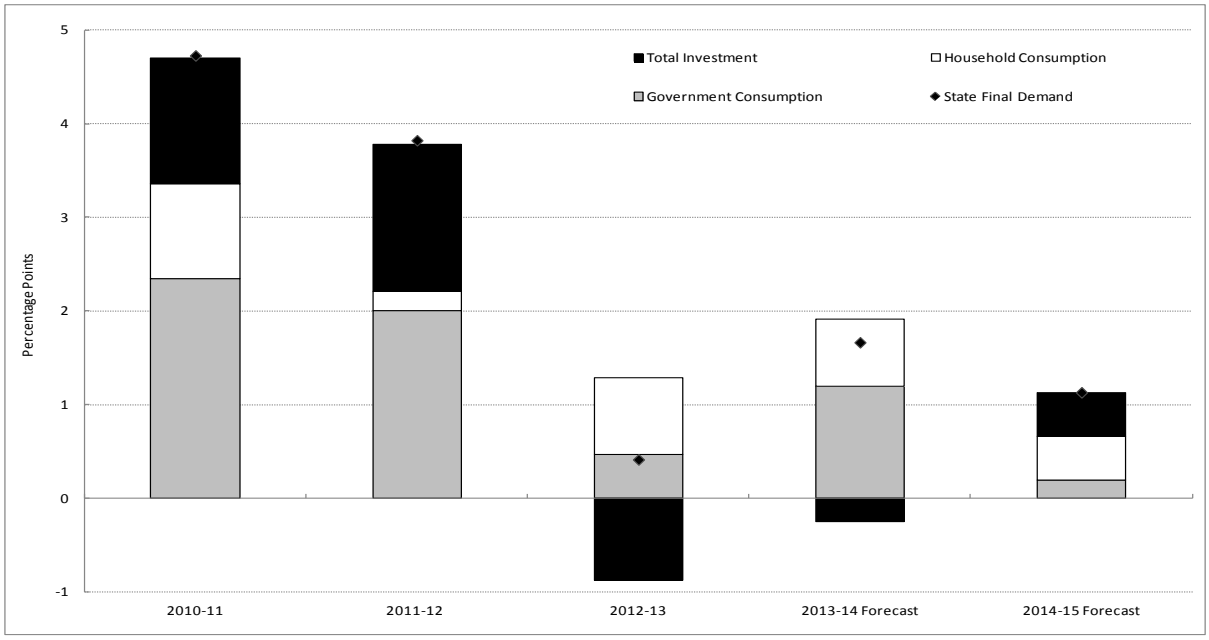
Figure 1.3.1
Share of ACT Gross State Product 2012-13 Current Price Industry Value Added



Source: ABS Cat No. 5220.0.
Notes: 'Other' includes Agriculture, Forestry and Fishing, Mining, Manufacturing, Wholesale trade and Taxes less subsidies on products.

State Final Demand (SFD) growth is forecast to moderate to 1¼ per cent in 2014-15. The decline in demand is expected to be driven by falling national government consumption and subdued private demand. Contributions to SFD growth from the various components are shown in Figure 1.3.2.

Figure 1.3.2
Contributions to Growth in ACT State Final Demand



Source: ABS Cat No. 5206.0 and Chief Minister and Treasury Directorate.

Public Final Demand

Commonwealth Government fiscal restraint and downsizing remains the key down-side risk to the Territory's economic outlook.

The Commonwealth Government's commitment to a smaller public service and the effect of successive tightening of departmental budgets is expected to translate into a reduction of 16,500 jobs nationally over the next four years. A significant proportion of Commonwealth downsizing is anticipated in the ACT, in 2014-15.

The ACT Government has committed to expansionary fiscal initiatives to counter, to some extent, the effects of contractionary fiscal policy at the Commonwealth level. A forecast increase in ACT Government investment, in particular, will directly contribute to growth while the stimulatory nature of the investment is anticipated to support demand across other sectors of the economy. The ACT Government's continued taxation reform agenda and recently announced (6 March 2014) economic stimulus package are other policy levers that are anticipated to support investment activity in 2014-15.

The announced stimulus package has four elements: the release of at least four civil contracts for estate works in Moncrieff; changes to lease variation charges; a reduction in extension of time commence and complete development fees; and measures to facilitate major projects across the ACT.

Furthermore, the ACT Government remains committed to the delivery of its capital works program to support economic growth and jobs. This includes significant upgrades to transport infrastructure, education, health and community-based facilities across the Territory.

Due to the small size of the ACT Government and fiscal tightening from the Commonwealth Government, public demand is expected to make a significantly smaller than average contribution to overall growth in 2014-15.

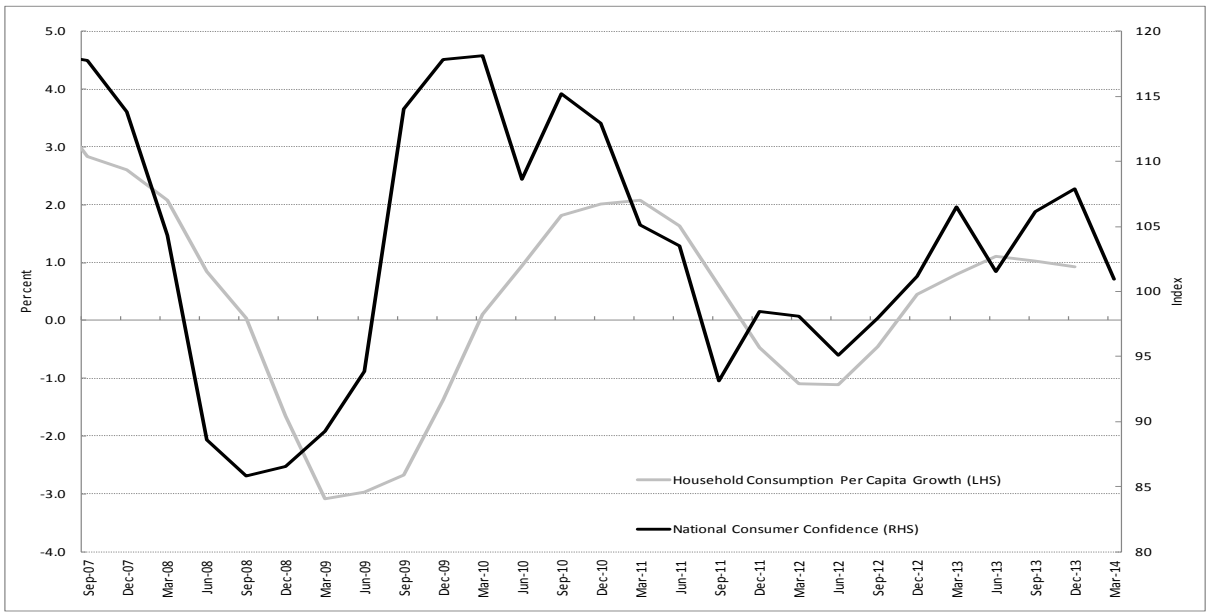
Household Consumption

Household consumption growth is forecast to slow in 2014-15, despite low interest rates. Private spending in 2014-15 will be limited by weak consumer confidence and job security concerns, weak house price growth, and an outflow of interstate migration.

National consumer confidence has fallen sharply in response to the 2014-15 Commonwealth Government Budget, which points to likely softening in consumer spending in the ACT (Figure 1.3.3). Job security is expected to be a major influence on consumer confidence in the ACT as the Commonwealth Government aims to reduce the Australian Public Service (APS) by 16,500 staff nationally.

Household consumption is expected to grow at around household income growth, which is expected to remain subdued due to soft employment and wage growth. Commonwealth Government Budget measures aimed at removing social benefits, imposing a deficit levy and indexing the fuel excise to Consumer Price Index (CPI) are also expected to put pressure on household consumption.

Figure 1.3.3
Consumer Confidence and ACT Household Consumption Per Capita



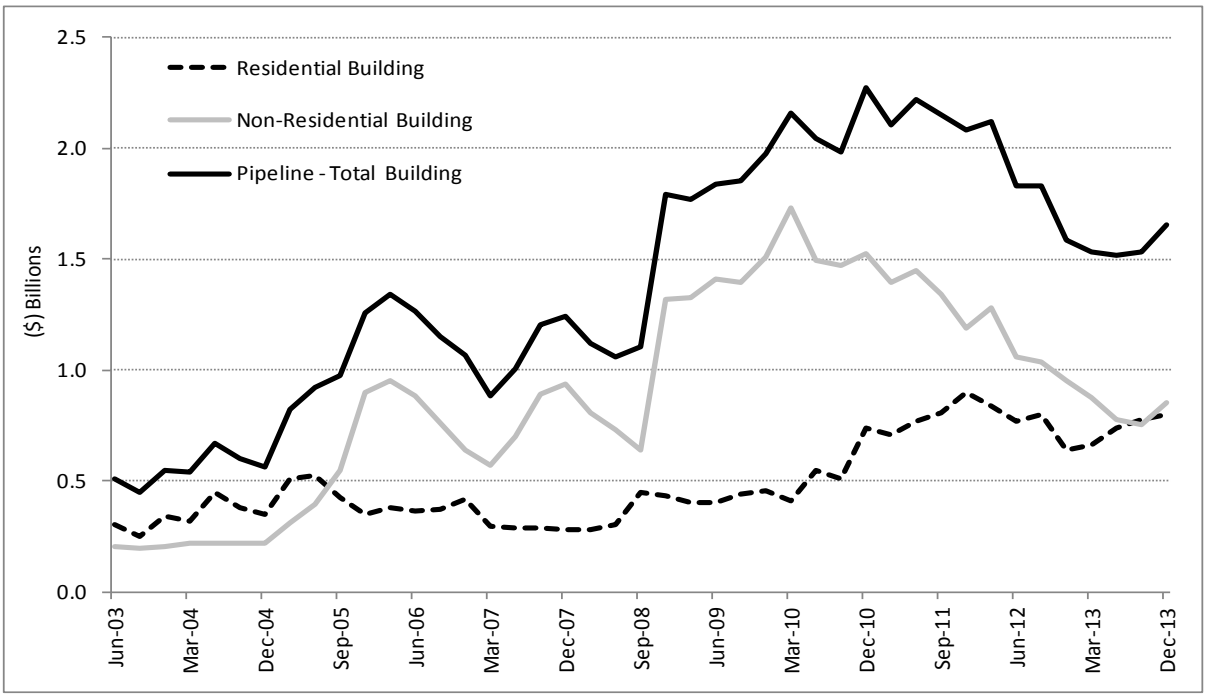
Source: ABS Cat No. 5206.0, 3101.0, Westpac-Melbourne Institute Survey of Consumer Sentiment and Chief Minister and Treasury Directorate.

Investment

Despite the contraction in investment in 2012-13, it remains an important driver of economic activity in the ACT, with investment as a share of SFD remaining above long-run average levels.

Investment is forecast to rebound slightly in 2014-15, driven by both dwelling and non-dwelling investment. Leading indicators point to additional construction work, which is expected to flow through to positive growth in 2014-15. Figure 1.3.4 shows that total building in the pipeline has stabilised, with an increase in both residential and non-residential work.

Figure 1.3.4
Real Value of Construction Work in the ACT Pipeline



Source: ABS Cat No. 8752.0 and 8782.0.65.001 and Chief Minister and Treasury Directorate.

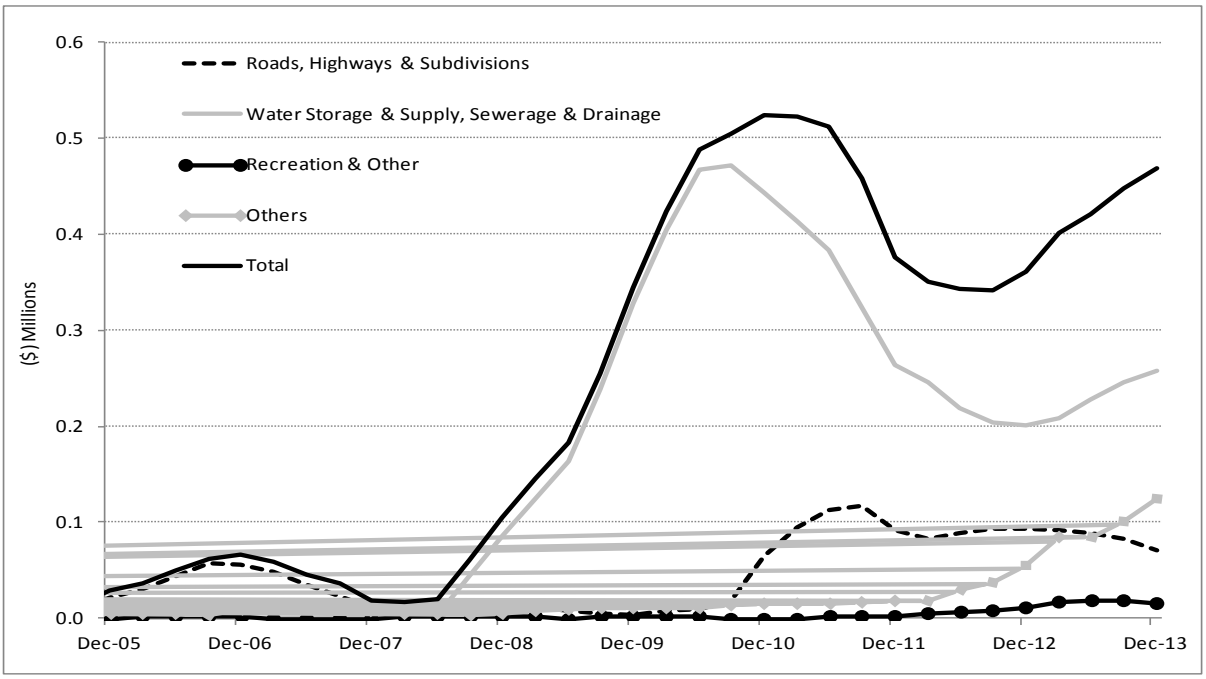
A number of large residential building projects are yet to be completed and demand for detached dwellings remains as construction continues and is set to commence in suburbs including Lawson, Moncrieff, Wright, Coombs and Jacka. However, the rebound in residential construction is expected to be short-lived due to a lack of fundamental drivers in the medium term. While low interest rates are expected to support demand, population growth has slowed, median house prices remain subdued and the Commonwealth Government's downsizing plans are expected to reduce demand.

New commercial building construction contracted over 2012-13 in year average terms. This was anticipated to some extent due to the decline in the value of work in the pipeline and the completion of projects such as the Ben Chifley (ASIO) Building. The outlook for commercial construction in the short-to-medium term is tempered by the downsizing of the Commonwealth public service, including organisational restructures, and an already high office vacancy rate.

Engineering activity has become an increasingly important component of non-dwelling investment. The short-term prospect for engineering activity is positive according to the value of work yet-to-be done (Figure 1.3.5). However, project delays will remain a risk over the short term. The ACT Government's stimulus measure to accelerate construction work at Moncrieff is also forecast to add to non-dwelling investment and to bring-forward residential construction.

The ACT Government's 2014-15 Infrastructure Investment Program provides for a record level of investment across the next four years of $2.5 billion. The stimulus effect of this Program will help to lessen the impact on our economy and community from recent Commonwealth Government budget announcements.

Figure 1.3.5
ACT Nominal Value of Engineering Construction Work Yet-to-be Done
(Four-quarter Moving Average)



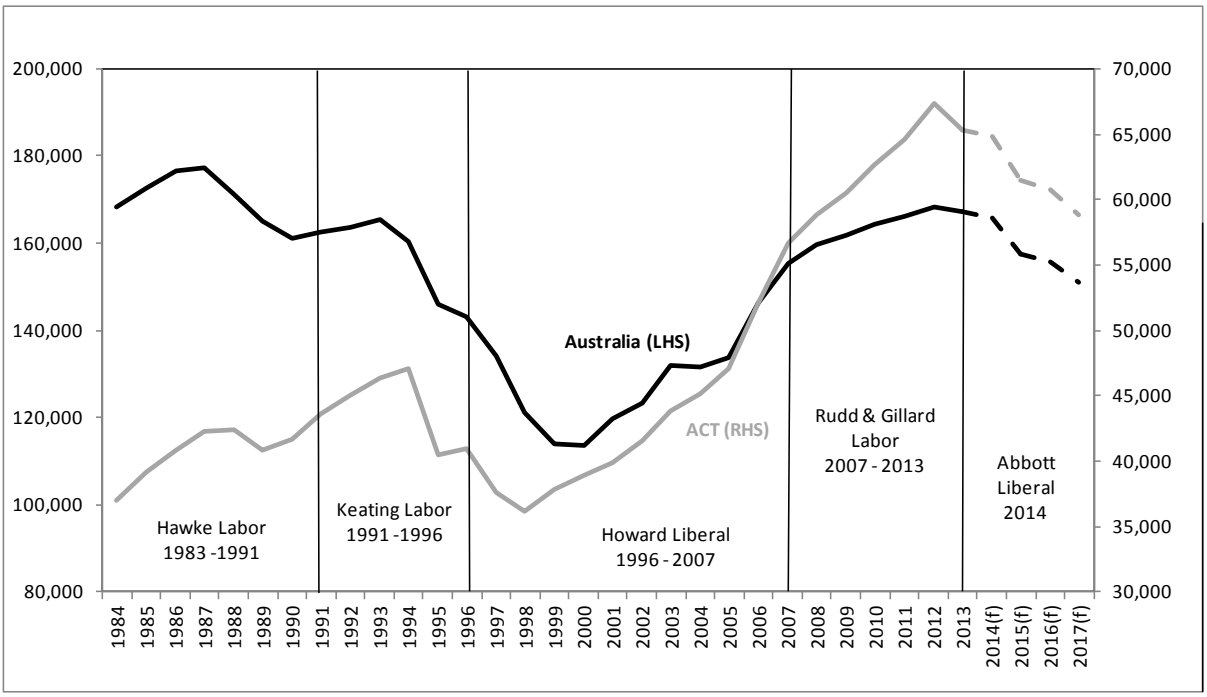
Source: ABS Cat No. 8762.0 and Chief Minister and Treasury Directorate.
Note: The "Others" category includes Bridges, Railways & Harbours, Electricity Generation, Telecommunications and Heavy Industry.

Labour Market

Employment growth is forecast to moderate to ½ per cent in 2014-15, following growth of ¾ per cent in 2013-14. The decline in employment growth is in-line with a slowing economy and an expectation that fiscal tightening has and will continue to reduce APS staffing levels as departments tighten budgets and the role of the Commonwealth Government narrows. APS staffing levels in the ACT have already declined by around 2,000 in 2012-13. Over the six months to the December quarter 2013, approximately 1,500 APS jobs were lost in the ACT, signalling an increase in the pace of job losses at the Commonwealth level.

Current estimates of the impact of the 2014-15 Commonwealth Government Budget are for a reduction of 16,500 jobs nationally from 2013-14 to 2016-17. The ACT Government estimates that this could result in a further 6,500 job losses in the ACT (Figure 1.3.6). Reduced spending from the Commonwealth Government is also expected to impact the wider labour market by influencing business hiring decisions and delaying recruitment plans in the private sector.

Figure 1.3.6
Australian Public Service Jobs – ACT and Australia



Source: Australian Public Service Commission and Chief Minister and Treasury Directorate

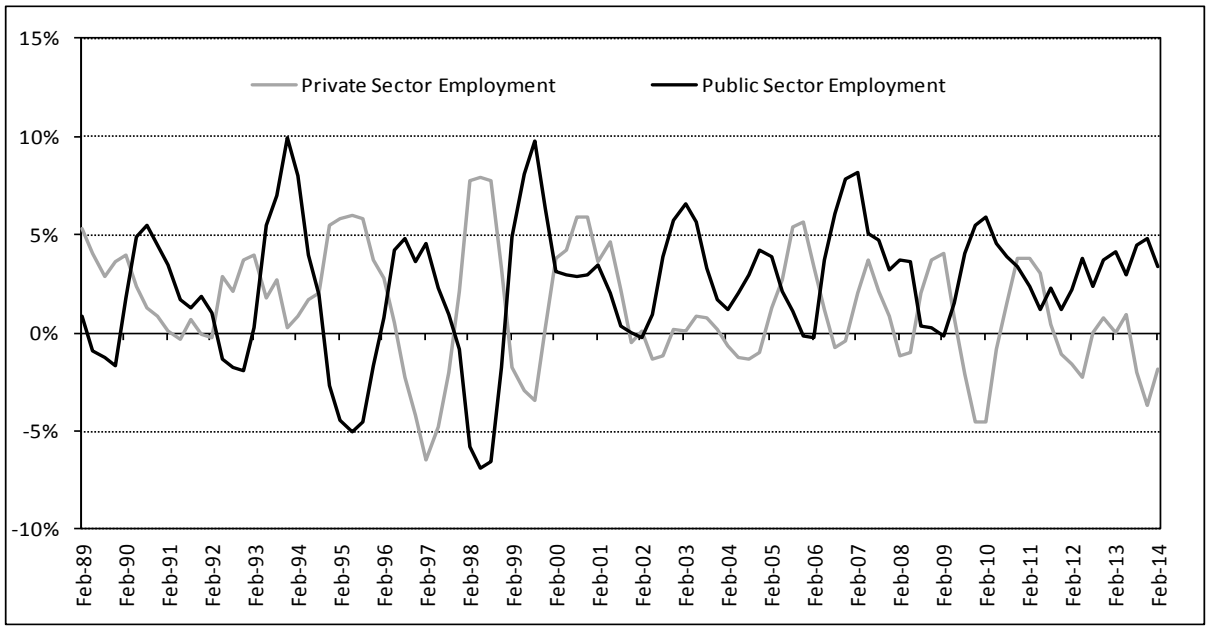
The employment growth outlook in the ACT remains weak. Leading indicators such as job vacancy rates, job advertisements and employment expectation surveys continue to point to very low growth in demand for labour.

Labour market weaknesses are also reflected in the recent decline in trend participation rates. The participation rate is pro-cyclical and tends to decline during slowdowns in the economy as incentives to actively search for a job decline and job vacancies remain weak. The weakness in the labour market is also evident from a contraction in average working hours.

A reduction in APS jobs in 2014-15 is expected to be offset by increases in other areas of government, while private sector employment is also anticipated to increase modestly. Employment in *Construction*, a labour intensive industry, may increase over 2014-15 in line with a modest forecast increase in construction activity and ACT Government stimulus measures. Those business areas with strong upstream linkages to the Commonwealth Government such as *Professional, Scientific & Technical Services* and *Administrative & Support Services* may benefit from Commonwealth Government outsourcing decisions.

Private and public sector employment has proven to be somewhat counter-cyclical in the past (Figure 1.3.7). A decline in public sector employment could be softened by an increase in private employment. However, aggregate employment growth is expected to remain weak.

Figure 1.3.7
ACT Private and Public Sector Employment (Year-on-year change)



Source: ABS Cat. No. 6291.0.55.00

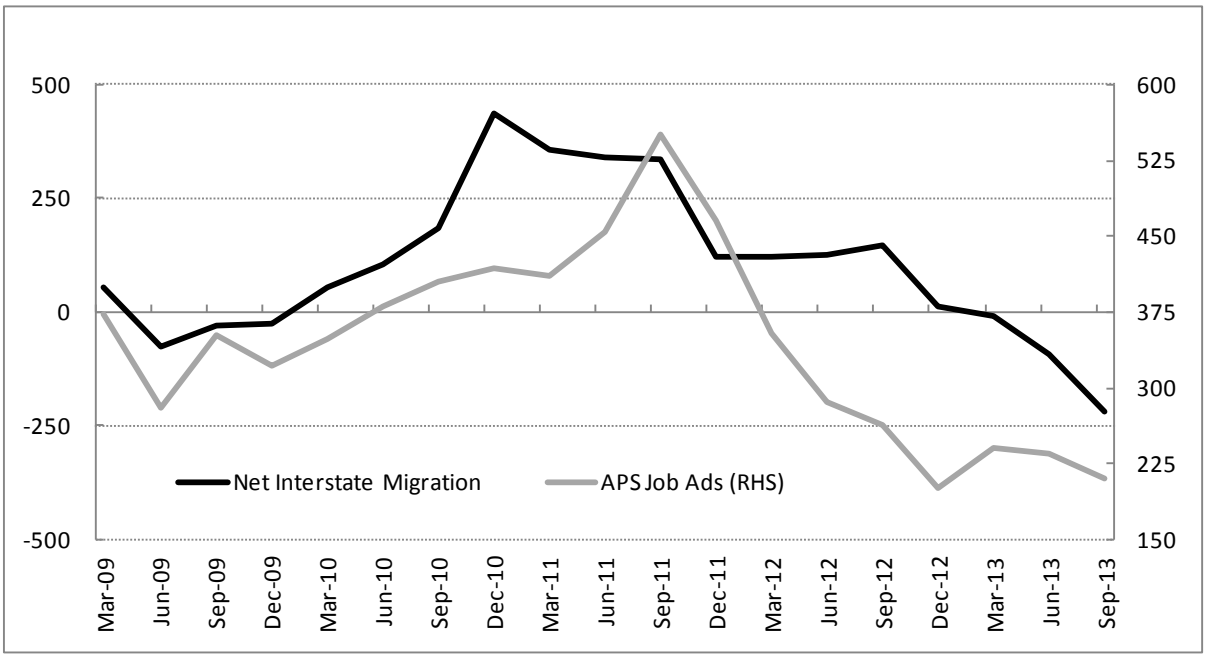
Population

The ACT's population growth has moderated recently, with a slowdown in net interstate migration and net overseas migration. This is in line with the subdued economic environment in the Territory through the Commonwealth Government job cuts. Net interstate migration has recorded four consecutive quarters of outflow from the ACT since the December quarter 2012, consistent with a decline in APS job advertisements in the Territory (Figure 1.3.8).

Net overseas migration has also slowed in line with the national trend. However, a turnaround in international student numbers is expected to maintain some strength in overseas migration over 2014-15. Moreover, natural increases are also expected to continue to contribute positively to population growth.

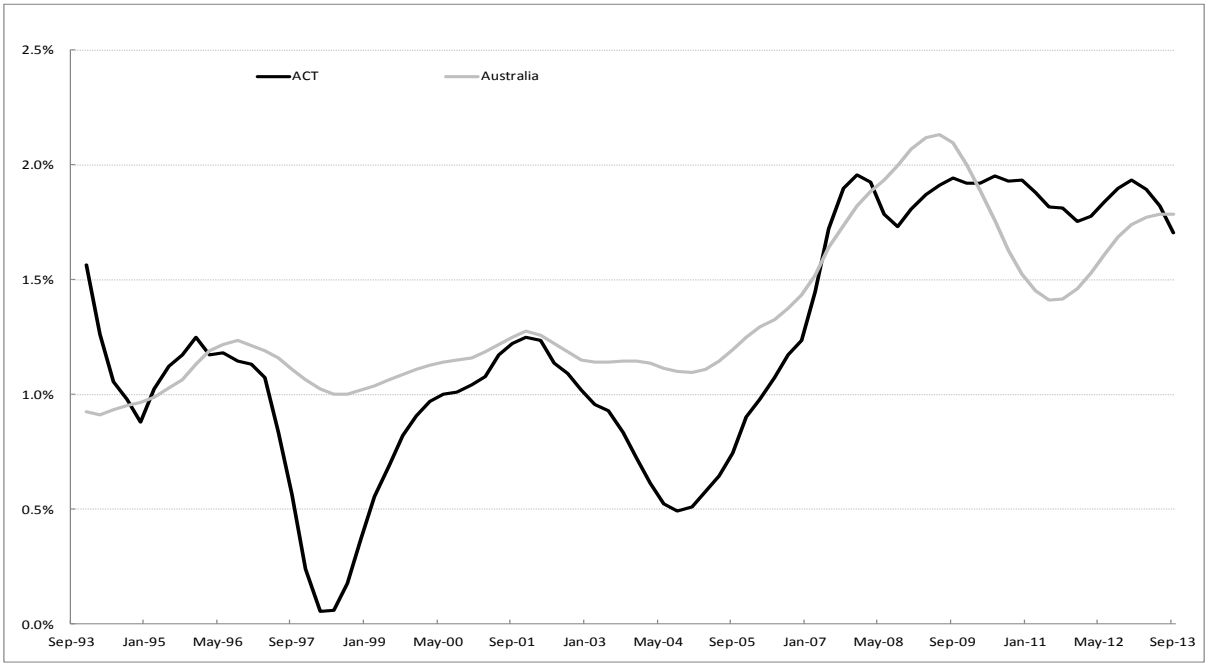
The ACT population is forecast to grow by 1½ per cent in 2014-15. The ACT's population growth will be predominantly influenced by natural increases and net overseas migration, with net interstate migration projected to make little contribution to overall population growth (Figure 1.3.9).

Figure 1.3.8
Net Interstate Migration and APS Job Ads, ACT
Quarterly Original Data



Source: ABS Cat No. 3101.0 and APS Jobs website

Figure 1.3.9
ACT Population, Through-the-Year Growth



Source: ABS Cat No. 3101.0

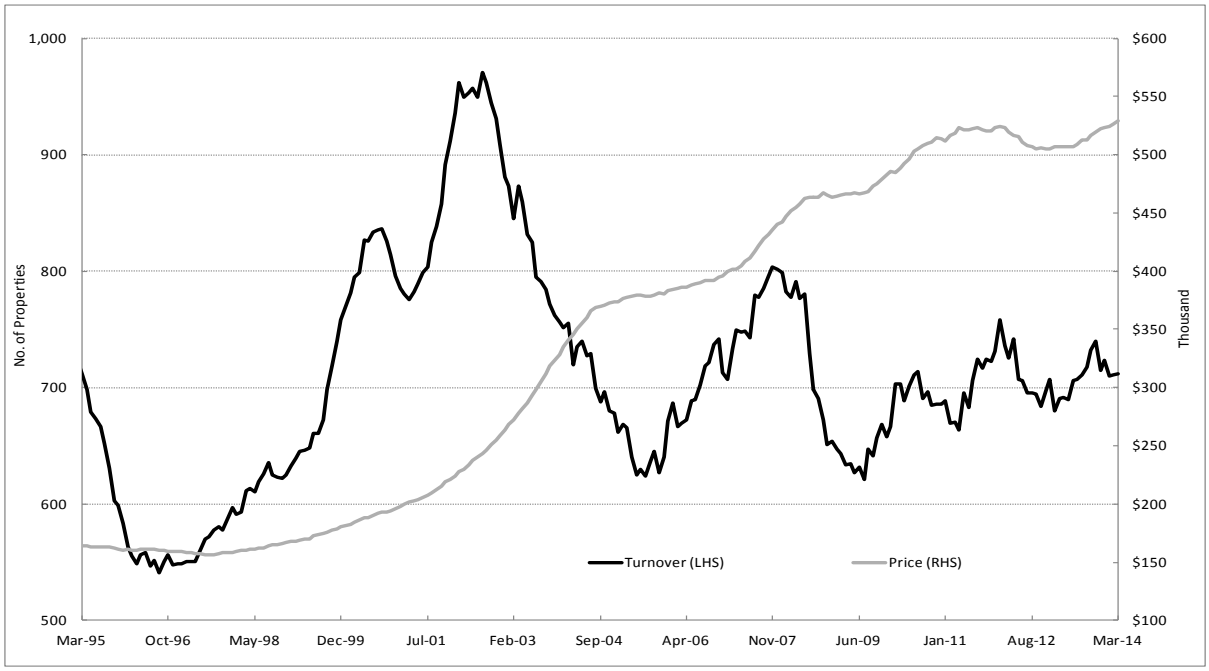
Housing Market

The ACT housing market has experienced strong building activity in recent years, reaching record levels for dwelling investment in 2011-12. While investment remains at high levels, there has been recent softening.

Residential building commencements increased by 8.9 per cent year-on-year to the December quarter 2013. Year-on-year to March 2014, the number of building approvals in the ACT in original terms increased by 27.6 per cent, driven mainly by units, flats, apartments and townhouses. The pick-up in leading indicators is indicative of new dwelling investment in 2014-15.

Turnover in the established housing market has been driven mainly by owner-occupiers. Year-on-year to March 2014, the number of owner occupier housing finance commitments for established dwellings increased by 12.3 per cent in original terms. Slowing economic activity, driven by Commonwealth Government fiscal tightening and job cuts, is likely to curb the recent momentum going forward. The lack of house price growth may have contributed to weak investor demand.

Figure 1.3.10
ACT Residential Property Turnover and Average Price, 12-Month Moving Average
Original Data



Source: Environment and Sustainable Development Directorate

House prices remain relatively subdued and are expected to remain so over the medium term (Figure 1.3.10). Canberra's rental vacancy rate has increased since late 2012 and was at 5.2 per cent in the December quarter 2013.

The housing market will face short-term challenges as a consequence of the Commonwealth Government's 2014-15 Budget measures. Accordingly, the ACT Government is supporting the property market through its land development activities, capital investment program and housing affordability initiatives.

The ACT Government announced a package of initiatives on 6 March 2014 that provides confidence and economic stimulus for the ACT building and construction industry.

Consumer Price Inflation and Wages

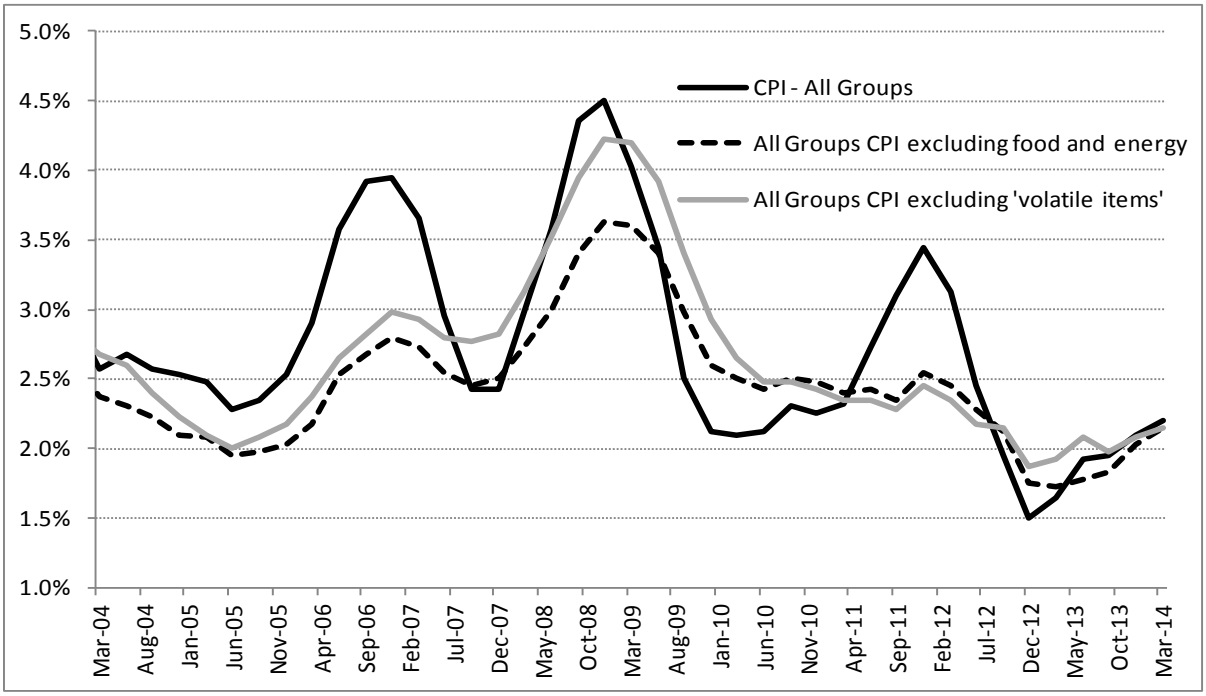
Consumer Prices

The Reserve Bank of Australia expects that national inflation will remain within the 2 to 3 per cent target band over the medium term. Given the outlook for economic growth in 2013-14 and 2014-15, consumer price inflation in Canberra should remain well contained.

Canberra's annual core inflation, as measured by CPI inflation excluding 'food and energy' components and CPI inflation excluding 'volatile items' indicate that price pressures, which were contracting throughout 2012, have increased slightly since the first half of 2013 (Figure 1.3.11).

The forecast moderation in economic activity and wages growth in 2014-15 will keep inflation pressures well contained in 2014-15.

Figure 1.3.11
Canberra's Core Inflation (Year-average growth)



Source: ABS Cat. No. 6202.0

Wages

Wages growth is forecast to moderate to 2½ per cent in 2014-15, consistent with slowing economic activity, spare capacity in the labour market and cost containment by the Commonwealth Government.

Enterprise bargaining at the Commonwealth Government level is also expected to add to subdued wages growth. Concerns over job security and soft inflationary pressures will limit wage negotiations and point to below trend wage growth over the short term. Moreover, the possibility of protracted APS wage negotiations risks pushing potential wage increases for 2014-15 into 2015-16.

While APS associated impacts are expected to be the major inhibitor of wages growth, private sector wage growth is also expected to remain subdued.

Forward Year Projections

Forward year projection parameters are reflected in Table 1.3.2 below. Projections based on these medium-term assumptions are provided for planning purposes only and do not reflect an expectation (forecast) of actual outcomes.

The forward year projection parameters adopted in this Budget reflect reduced average growth rates for the key economic parameters (GSP, SFD, Employment and the Wage Price Index) relative to those used in previous ACT Budgets, in response to the extended period of fiscal tightening indicated by the Commonwealth Government in its 2014-15 Budget.

Table 1.3.2
Economic Projections, Year-Average Percentage Change

	Projections [1]		
	2015-16	**2016-17**	**2017-18**
ACT			
Gross State Product	2½	2½	2½
Employment	1½	1½	1½
State Final Demand	4	4	4
Consumer Price Index	2½	2½	2½
Wage Price Index[2]	3½	3½	3½
Population[3]	1½	1½	1½
Australia			
Gross Domestic Product[4]	3	3	3

Notes:
1. Projections are rounded to a ¼ of a percentage point to reflect the relative level of accuracy used in estimating economic parameters.
2. Total hourly rates of pay excluding bonuses.
3. The population projections reflect Chief Minister and Treasury Directorate estimates. The estimates are based on the rate of growth from the June quarter compared to the June quarter of the previous year, rather than 'year average' as with all other projections.
4. 2015-16 is a forecast year in the 2014-15 Commonwealth Budget.

1.4 ECONOMIC STRATEGY

Economic Strategy

The Government's economic strategy is to grow the economy, encourage job creation, improve the competitiveness of the ACT and support the community. The 2014-15 ACT Budget is framed around these key principles.

The Government is implementing a range of policy reforms to achieve its economic strategy, including through improving the efficiency and fairness of the ACT taxation system.

The Commonwealth's contraction of employment and spending poses a significant downside risk to the ACT economy (see section 1.5 below). As a result, the Government is taking an explicit and targeted approach to support and diversify – to the extent that it can – the ACT economy and ACT community. The Government is balancing economic initiatives with social goals, rather than viewing economic goals as an end in themselves.

The Government's fiscal strategy aligns with its economic strategy. The Budget is one lever – perhaps the most vital one – that the Government has to support the economy. As such, this Budget has been framed in the context of the Government's aim to support the community and secure the Territory's economic future. However, as the ACT Government comprises less than 10 per cent of the economy, measures need to be targeted.

Instead of cutting spending and adding to the negative impact of the Commonwealth's decisions in the ACT, the Government is investing in Canberra to minimise the impact of the Commonwealth Government's fiscal consolidation. Rather than add to economic uncertainty in the ACT by attempting to return to a net operating balance more quickly, the Government has chosen instead to invest in Canberra.

Economic strategy – priority areas

Priority areas of the Government's economic strategy are: creating jobs, providing frontline services, providing key infrastructure, and continuing reforms.

These are priorities across the wide range of Government activity, including in this Budget.

Supporting job growth

In this Budget, the Government will maintain the size of the Territory public service, invest in transformational and long term infrastructure, continue to implement the Business Development Strategy and encourage growth. This will keep funds flowing through the economy and support the private sector to maintain and expand its employment base.

Government initiatives will be aimed at stimulating the economy, providing confidence and seeking new investment. These activities include supporting key sectors of the economy which drive growth such as the information and communications technology sector, higher education and tourism (including implementing our Tourism 2020 strategy). The Government is also attracting further investment to Canberra, supporting local businesses and encouraging innovation through a range of measures under the Business Development Strategy. In addition, the Digital Canberra strategy will help local businesses in a range of sectors to access new customers and markets through engaging in the digital economy.

On 6 March 2014, the Government announced a package of initiatives designed to provide confidence and economic stimulus for the ACT building and construction industry. The initiatives include the release of four civil contracts for estate works in Moncrieff, reforms to the lease variation charge (LVC), reforms to extension of time (EOT) commence and complete development fees, and measures to facilitate major projects across the ACT.

The Government is also involved in numerous major projects across the Territory, such as the redevelopment of the Woden Bus Interchange, construction of a new Gungahlin Office Building for the ACT Public Service, improved facilities for Emergency Services and a range of significant capital works to support land release in Molonglo. There are a number of significant estate developments either underway or about to commence, including greenfield estates at Coombs, Denman Prospect, Moncrieff, Throsby and West Belconnen and infill estates at Amaroo, Campbell, Lawson, Greenway and Kingston Foreshore.

Delivery of capital works supporting land release assists in protecting jobs in the ACT by maintaining a program that directly supports design consultancies and engineering construction, as well as providing the infrastructure necessary to facilitate private sector investment and development. The release of land across Canberra also helps the local building and construction sector by providing access to land for new dwellings.

Canberra is also a hub for a large regional economy, with about 800,000 people living within a two-hour drive of the ACT. The Government will continue to work collaboratively with our regional counterparts to pursue opportunities for economic growth.

The Government's infrastructure program of $2.5 billion over the coming four years will further contribute to job growth (refer to Infrastructure and Capital (Chapter 5) for more information). The Government's spending on new and continuing capital works will create direct jobs and contribute to broader flow-on growth in the economy.

Service Delivery

The Government will maintain spending on services. This is a core economic strategy to maintain the Government's level of spending in the economy; to withdraw funding now would compound the Commonwealth's cuts. Further, continuing reform and investment ensures residents receive high quality services, ensuring productivity and growth over the longer term. Further details on initiatives and overall funding for particular areas is located in New Initiatives (Chapter 3).

The Digital Canberra Strategy was announced in March 2014. It outlines the Government's vision to develop and promote Canberra as a modern, dynamic, digital city and is backed by an investment of $4.4 million. The Government is also investing a significant amount into improving the quality and efficiency of services through a wide range of information and communications technology initiatives, such as iConnect, emergency services response capability systems, a courts and tribunal management system, hybrid cloud computing, invoice automation, revenue collection transformation and human resources information management systems upgrades.

Economic reform

The Government is also stimulating activity in the economy through its program of tax reform, particularly the phasing out of conveyance duty.

In this Budget, the Government is announcing an acceleration in the reform agenda for payroll tax, to provide support to local business. The payroll tax threshold will increase from $1.75 million to $1.85 million in 2014-15. The rate of payroll tax of 6.85 per cent will remain.

The Over 60s Home Bonus will provide eligible recipients with the opportunity to benefit from a concession on the conveyance duty associated with the purchase of a house or land. The scheme will run for two years commencing on 4 June 2014.

This expansion will provide assistance to non-pensioners who have previously been unable to access the scheme and who may find conveyance duty an impediment to downsizing and moving to accommodation more suited to their needs. This initiative will also help free up larger housing stock for families, bringing broader flow-on benefits to the property market and in particular to housing affordability.

Tax reform will also bring longer term benefits to the ACT economy. Abolishing inefficient taxes, and replacing them with more efficient means of raising revenue, will deliver significant economic benefits through the reduction in administrative burden and costs associated with their collection.

1.5 RISKS TO THE ECONOMIC OUTLOOK

Commonwealth Government fiscal restraint and downsizing remain the key down-side risks for the Territory's economic outlook. The economic forecasts face the risk of lower-than-expected Commonwealth Government spending, APS job cuts and the possibility of protracted APS wage negotiations that could see a delay in wage increases.

The 2014-15 Commonwealth Budget is expected to suppress economic growth in the short-to-medium term, largely as a result of cuts to spending and jobs in Commonwealth Government departments in the ACT. The 'budget repair strategy' is anticipated to have a disproportionally large impact on the ACT economy as public consumption and investment are significant components of economic growth.

The Australian economy continues to face global risks tilted towards the downside, which could have a significant impact on domestic economic growth, employment and income. Challenges faced by the global economy include the exit of a low inflationary environment in the Euro area, alongside geopolitical uncertainty in the Ukraine and Thailand, slower than expected growth in Asia – specifically in Japan and China – and the gradual tapering of quantitative easing in the United States. Any changes to global economic conditions will impact the ACT through financial, trade, tourism and confidence channels.

The accommodative stance taken by the Reserve Bank of Australia is expected to support domestic economic growth as the economy transitions to more balanced growth. However, the risk of a larger-than-expected fall in mining investment remains. The elevated Australian dollar continues to have an adverse impact on certain areas of the economy, which could limit job growth particularly in export oriented sectors, such as manufacturing and some service sectors, such as international education and tourism. Furthermore, with the release of the Commonwealth Government Budget, lower consumer confidence is expected to place downward pressure on economic growth.

CHAPTER 2

FISCAL STRATEGY

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2.1 BUDGET OUTLOOK

2014-15 Budget Overview

The 2014-15 Budget invests in Canberra. It invests in new and continuing infrastructure projects that will contribute to economic growth and employment. It also invests in the Canberra community through new health, education, community services and preventative justice initiatives, as well as targeted investments in business development.

The forecast Headline Net Operating Balance in 2014-15 is a deficit of $332.8 million, with a smaller deficit expected in 2015-16 before the budget broadly returns to balance from 2016-17.

Table 2.1.1 below provides estimates for the Headline Net Operating Balance over the forward estimates.

Table 2.1.1
General Government Sector Headline Net Operating Balance

	2013-14 Est. Outcome $m	2014-15 Budget $m	2015-16 Estimate $m	2016-17 Estimate $m	2017-18 Estimate $m
Revenue	4,245.1	4,411.9	4,653.7	4,912.1	5,177.6
Expenses	4,586.2	4,858.3	4,894.7	5,070.7	5,242.4
Superannuation return adjustment [1]	75.8	113.7	123.2	132.4	142.2
HEADLINE NET OPERATING BALANCE	**-265.3**	**-332.8**	**-117.8**	**-26.3**	**77.5**
Net Cash from Operating Activities	449.9	189.9	393.3	561.1	622.7
Net Debt (excluding superannuation)	527.3	1,227.5	1,614.7	1,705.0	1,799.0
Net Financial Liabilities	3,677.5	4,435.6	4,857.8	4,997.5	5,111.1

Note: Table 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 later in this chapter.

The Government's balance sheet remains strong with net worth forecast to be $16.7 billion and net debt expected to be $1.2 billion at 30 June 2014.

The Context of the 2014-15 Budget

Since taking office in 2001, the Government has managed the public finances in a prudent and fiscally responsible manner. Through sustained operating surpluses and targeted investments, the Government has built a strong balance sheet and provided scope to reduce the effect of economic shocks, such as the global financial crisis, on the ACT. Over this time the ACT economy has grown strongly, with our output increasing by an average of 3.2 per cent in real terms, notably higher than for Australia as a whole.

Despite this underlying strength, the 2014-15 Budget has been developed in an uncertain environment, affected by a number of factors beyond the ACT Government's control. With the Commonwealth Government's fiscal restraint and public sector staffing cuts, and its reduction in grants and payments to the ACT, we are now seeing a weakening of economic conditions, with most indicators easing from their long-run averages.

The impact of Commonwealth decision making on the ACT has been both direct and indirect.

There is a direct impact of cuts to the health funding guaranteed by the previous Commonwealth Government. This, combined with the decision to introduce co-payments for service provided under Medicare, will put pressure on the ACT health system, which cannot yet be fully understood. The ACT Government has decided to maintain the level of funding allocated to health services in the 2014-15 Budget – effectively funding the Commonwealth cuts from its own budget. The Government did not wish to immediately reduce health funding as a result of the Commonwealth cuts, due to the community and health system impact.

The ACT Budget can sustain funding this cut from the Commonwealth in 2014-15 and has maintained previous levels of total health funding in the forward estimates. It does, nevertheless, have a clear and direct impact on the ACT Budget Headline Net Operating Balance. If the Commonwealth does not change its funding arrangements with the ACT beyond 2014-15, the Government will have to consider a longer-term response to managing the reductions in service payments from the Commonwealth.

While the Commonwealth has provided some additional funding for infrastructure investment and environmental works, it will not offset the effect of the reduction in health funding.

The Commonwealth is also having an indirect effect on the ACT budget through its decision to reduce the size of the Australian Public Service. As discussed earlier in the Budget Papers, the reduction in employment leads to lower economic activity, lower land sales and longer-term reductions in the Territory's revenue base.

Table 2.1.2 provides a summary of the direct impact of various decisions on the ACT economy and public finances.

Table 2.1.2
Summary of direct impact of Commonwealth Government decisions

	2014-15 Estimate $'000	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000	Total Estimate $'000
Land Release (LDA dividend)	-40,391	-86,004	-55,082	-62,534	-244,011
National Health Reform Agreement grants [1]	-39,748	-53,048	-68,582	-86,721	-248,098
Financial Assistance Grants (Local Government) [2]	-1,807	-4,031	-6,359	-6,592	-18,789
General Revenue Assistance	8,337	9,476	10,677	11,891	40,381
Other grants [3]	6,165	31,916	33,269	24,335	95,685
Total	**-67,444**	**-101,691**	**-86,077**	**-119,621**	**-374,832**

Notes: Table may not add due to rounding.

1. Estimated impact arising from reduction in health funding.
2. For further information on Financial Assistance Grants, refer to Federal Financial Relations (Chapter 7).
3. Excluding the bring forward of funding for the Majura Parkway.

To provide stability to the ACT economy, the Government is investing in Canberra through the 2014-15 Budget. The increased deficits in the short term reflect the Government's efforts to support the economy and jobs through targeted spending initiatives.

The return to a broadly balanced budget from 2016-17 is consistent with the Government's commitment to maintain sound public finances and a strong balance sheet.

Headline Net Operating Balance

The Government is forecasting a headline net operating deficit of $332.8 million in 2014-15, an increase of $223.3 million from the deficit forecast in the 2013-14 Budget Review. This movement primarily reflects a forecast increase in expenses of $139.2 million and an expected decrease in revenue of $85.5 million.

Table 2.1.3 provides an overview of variations in the General Government Sector Headline Net Operating Balance since the 2013-14 Budget and the 2013-14 Budget Review.

Table 2.1.3
Summary of Movements in the GGS Headline Net Operating Balance from the 2013-14 Budget

	2013-14 Estimate $m	2014-15 Estimate $m	2015-16 Estimate $m	2016-17 Estimate $m
2013-14 Budget	**-253.6**	**-99.5**	**29.3**	**47.1**
Parameter Impacts				
Commonwealth Revenue				
Commonwealth Grants	-22.7	19.4	-18.9	1.0
Financial Market and Monetary Policy Impacts				
Interest (net)	10.6	-3.2	-4.8	-5.7
Superannuation Investment Earnings	3.9	19.5	21.0	22.7
Superannuation Expenses	-50.4	0.0	0.0	0.0
Economic Activity				
Taxation Revenue	7.3	-1.5	-3.7	-2.8
ACTEW – Revised Dividends	-22.4	-28.4	-32.9	-37.0
ACTEW – Revised Income Tax Equivalents	-10.1	-12.8	-14.8	-16.6
Indexation – CPI and WPI Parameter Update	-0.1	-2.1	-2.1	-1.9
Other				
Revised Depreciation	-6.0	-6.0	-6.0	-6.0
Estimated Outcome / Other	-0.7	2.4	-0.8	-2.1
Appropriation Transfers	-6.4	0.0	0.0	0.0
Operating Impact of Capital Works Re-Profiling	9.9	-8.7	0.0	-0.9
Appropriation Rollovers (2012-13 to 2013-14)	-19.9	0.0	0.0	0.0
Sub-Total Parameter Impacts	***-106.9***	***-21.4***	***-62.9***	***-49.4***
Policy Impacts				
Savings	0.0	11.4	13.2	13.5
Sub-Total Policy Impacts	***0.0***	***11.4***	***13.2***	***13.5***
2013-14 Budget Review	**-360.6**	**-109.5**	**-20.5**	**11.2**
Parameter Impacts				
Commonwealth Revenue				
Commonwealth Grants – National Health Reform	-7.6	-47.4	-62.6	-79.5
Commonwealth Grants – GST	6.2	21.4	23.4	25.8
Commonwealth Grants – Water for the Future	0.0	0.0	3.3	27.0
Commonwealth Grants – Other	41.5	-34.2	24.7	1.3
Financial Market and Monetary Policy Impacts				
Investments and Interest (net)	3.7	-1.0	-15.0	-28.1
Superannuation Expenses	0.0	-12.9	-13.2	-13.8

Economic Activity				
Taxation Revenue	2.5	-14.0	-5.1	-2.6
Land Development Agency – Dividends and Income Tax	-8.0	-40.4	-86.0	-55.1
Contributed Asset Gains	-34.7	-16.6	0.0	10.0
ACTEW Corporation - Dividends and Income Tax	3.5	3.1	-4.3	-10.0
ACTTAB – Dividends and Income Tax	0.0	-1.5	-1.8	-1.1
Indexation – CPI and WPI Parameter Update	0.0	-2.5	-2.5	-2.6
Other				
Operating Impact of Re-profiling and Rollovers	43.3	-37.9	-9.0	-1.0
Agency Estimated Outcome / Other	58.3	61.8	58.7	68.9
Schools Enrolment Adjustment	0.0	-6.2	-6.4	-6.5
Sub-Total Parameter Impacts	***108.7***	***-128.3***	***-95.8***	***-67.3***
Policy Impacts				
Recurrent and Capital Initiatives	-13.4	-120.6	-47.5	-34.9
Revenue Initiatives	0.0	25.6	27.9	33.6
Savings Initiatives	0.0	0.0	18.1	31.1
Sub-Total Policy Impacts	***-13.4***	***-95.0***	***-1.5***	***29.8***
2014-15 Budget	**-265.3**	**-332.8**	**-117.8**	**-26.3**

Note: This table may not add due to rounding.

Revenue

The Government is forecasting revenue of $4.4 billion in 2014-15, a reduction of $85.5 million since the 2013-14 Budget Review. This lower revenue forecast reflects the following reductions:

- Commonwealth Specific Purpose Payments and National Partnership payments, particularly in relation to the National Health Reform Agreement (net $81.6 million);
- LDA dividends and income tax equivalent payments following a reduction in the land release program to take account of forecast lower demand for land following the Commonwealth Government cuts ($40.4 million); and
- contributed assets from land developments ($16.6 million).

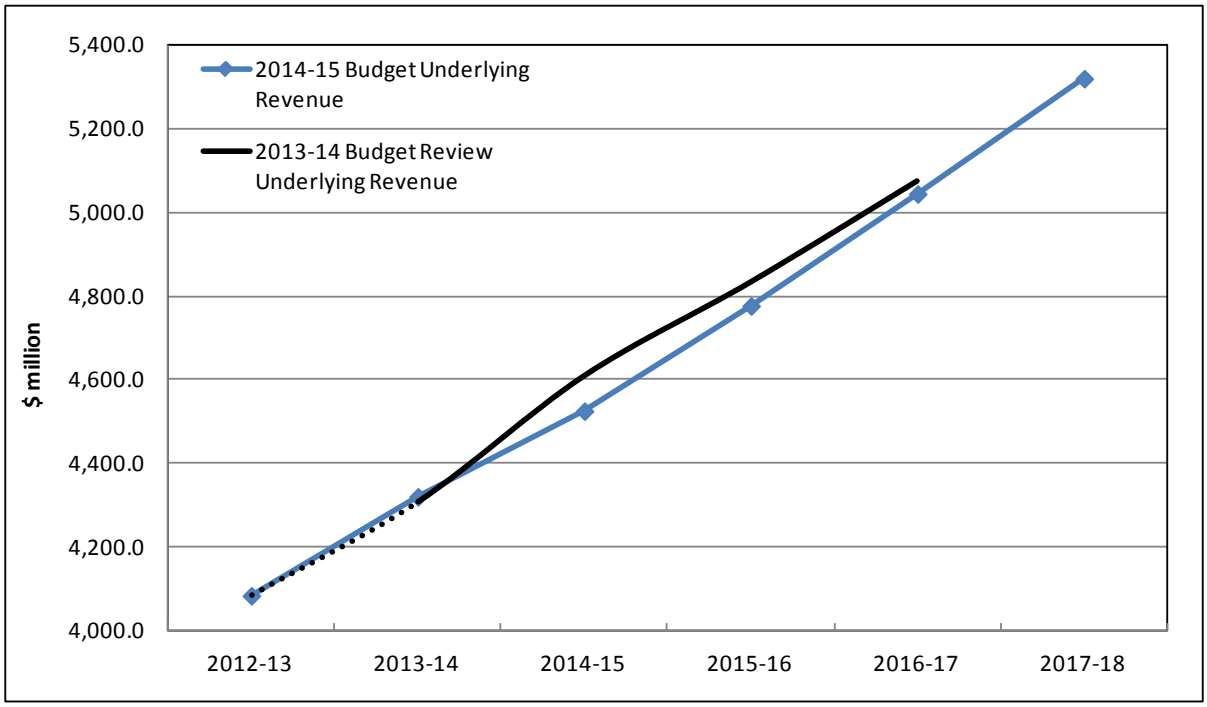
These forecast reductions in revenue are partly offset by expected increases in:

- revenue initiatives announced in this budget to ensure that the ACT Government can provide quality services to the people of Canberra ($25.6 million); and
- GST payments from the Commonwealth ($21.4 million).

Across the Budget and forward estimates period, aggregate revenues are forecast to grow at 5.3 per cent per annum, 0.5 percentage points lower than expected at the time of the 2013-14 Budget.

Figure 2.1.1 depicts a comparison between the underlying revenue in the 2013-14 Budget Review and the 2014-15 Budget.

Figure 2.1.1
Underlying Revenue, 2013-14 Budget Review and 2014-15 Budget



Expenses

The Government is forecasting expenses of $4.9 billion in 2014-15, an increase of $139.2 million since the 2013-14 Budget Review. This increase largely reflects:

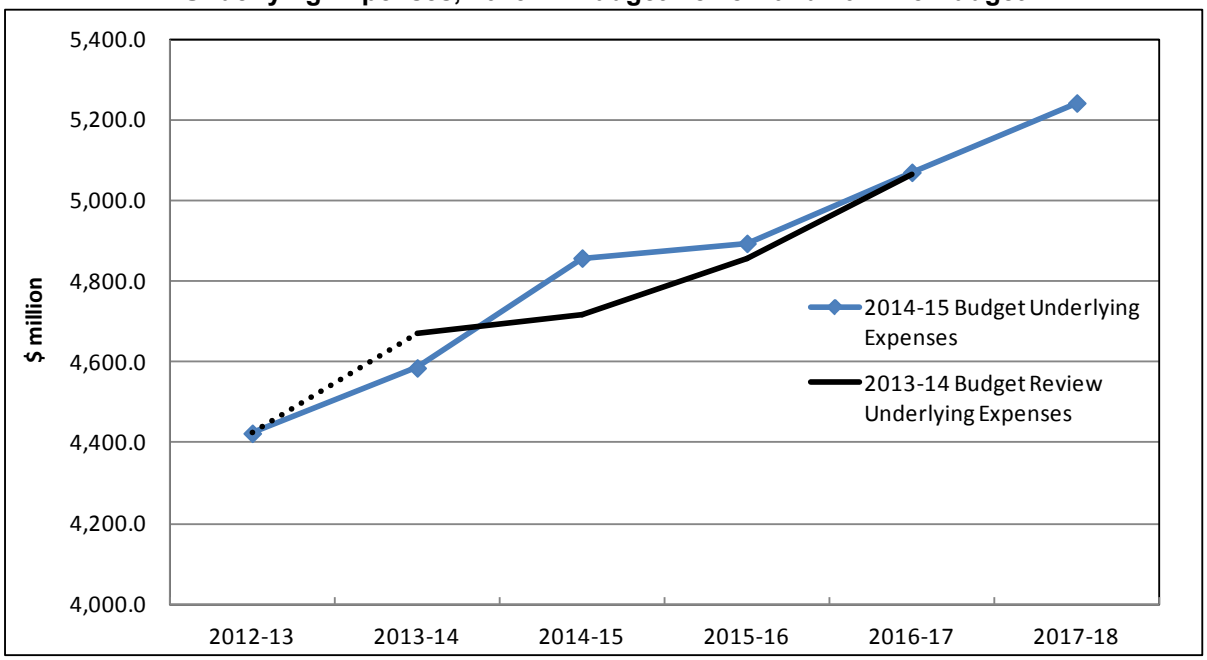
- policy initiatives to invest in Canberra and support the ACT economy and jobs (net $95.0 million); and
- the reprofiling and rollovers of agency expenses, including those associated with capital works (net $37.9 million).

The 2014-15 Budget also contains $93.6 million in savings over four years which will mainly arise from improving administrative efficiencies across the ACT Public Service, and reaping a digital dividend from investment in technology. This will allow the Government to redirect funding to areas of high priority.

Across the Budget and forward estimates period, expenses are forecast to grow at 3.4 per cent per annum, 0.1 percentage points lower than forecast in the 2013-14 Budget. This growth reflects targeted spending, focussed on areas of service delivery where the Government believes it can meet the Territory's priority needs but also deliver maximum economic benefit.

Figure 2.1.2 depicts a comparison between the underlying expenses in the 2013-14 Budget Review and the 2014-15 Budget.

Figure 2.1.2
Underlying Expenses, 2013-14 Budget Review and 2014-15 Budget



2.2 FISCAL STRATEGY

Fiscal Strategy

The Government's fiscal strategy focuses on managing the public finances of the Territory in a rigorous and prudent manner, and establishes an objective of achieving an operating balance over time by offsetting temporary deficits with surpluses in other periods.

The key objectives of this strategy are to achieve net operating surpluses over the medium term, prudently manage the ACT's balance sheet, make targeted investments to achieve economic growth, maintain taxation revenues at sustainable levels, and continue to plan for the delivery of high quality services to meet the needs of the ACT community. These factors collectively influence our credit rating – currently assessed as triple-A stable – one of only three States and Territories to hold this rating in Australia.

The strategy for the 2014-15 Budget focuses particularly on the principles of:

- sustaining a strong operating balance over the medium term;
- using the strong balance sheet to invest in important city transformational projects; and
- supporting the ACT economy in the short term following the significant economic shock of changes in Commonwealth Government activity levels.

Over recent years, a number of economic and fiscal shocks have negatively affected the ACT's public finances. Of greatest significance are decisions by the Commonwealth Government to reduce the size of the Australian Public Service and, more recently, to reduce funding to the ACT for the provision of health and hospital services.

While the Government remains committed to returning to a net operating balance in the longer term, it sees its priority – given the impact of the Commonwealth contraction – in the shorter term as securing the ACT's economic future.

For this reason, instead of cutting spending and adding to the negative impact of the Commonwealth's decisions in the ACT, the Government is investing in Canberra to minimise the impact of the Commonwealth Government's fiscal consolidation. Rather than add to economic uncertainty in the ACT by attempting to return to a net operating balance more quickly, the Government has chosen instead to invest in Canberra.

By continuing to implement major transformational projects and striving to improve service delivery through streamlined processes and technological advances, the Government is supporting our economy and our people.

To emphasise the Government's commitment to investing in Canberra, it has included provisions in the budget for major, commercially sensitive, projects. This provides greater certainty by ensuring that the balance sheet and net operating balance take account of this investment rather than delaying the inclusion of such estimates until the projects are formally agreed by the Government and about to commence.

This approach will increase our forecast borrowings as these projects will involve large financial outlays. However, because these borrowings will be directed towards productive infrastructure projects, they will create employment opportunities, improve services and generate long lasting benefits as Canberra heads into its second century.

While our debt increases over the budget and forward years, it remains contained and targeted towards the funding of these important capital projects. Our debt is not being used to fund the delivery of services or wages. Our net debt remains at prudent levels as a share of Gross State Product (GSP) and is broadly in line with, or lower than, other jurisdictions.

The growth in our operating cash balance over the forward years will provide a strong base to reduce our debt after the budget returns to surplus following this very important period of investment.

With this longer-term perspective in mind, the Government's fiscal strategy can be grouped into five high level objectives. These are:

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

These five objectives encapsulate the detailed measures that were previously reported in the fiscal strategy. The Government will continue to allow short-term responsiveness to economic conditions, manage debt prudently, and fully fund the Territory's unfunded superannuation liability by 2030. It will strive to maintain a triple-A credit rating in the long term and, while recognising the level of investment currently in the pipeline will lead to an expansion of the Territory's balance sheet in the short to medium term, it will be a catalyst for a better future for our progressive and modern city.

Sustainable Economic Growth

As part of its fiscal strategy, the Government is committed to building a productive and competitive economy through targeted investments that support economic growth.

With the reduction in employment and spending by the Commonwealth Government, now is not the time to cut spending. Instead, the ACT Government is investing in Canberra in the 2014-15 Budget.

The temporary deficits over the next three years reflect the Government's investment in jobs and services. The return to surplus reflects the fact that sustainable public finances are a necessary factor for long-term economic growth and stability.

The Government is supporting jobs and the economy by investing in infrastructure that will transform the city in preparation for the challenges of Canberra's second century. Historic capital works in the courts, public amenities, public transport, education and health will provide employment and support ongoing services for the people of Canberra.

The Government's Infrastructure Investment Program will be supported by the sale of existing assets. Where it is in the community's interest, the sale of assets can create capacity on the Territory's balance sheet and help deliver the Government's priorities. This approach will be supported by the Commonwealth Government's Asset Recycling Initiative, which will provide financial incentives to state and territory governments to divest assets and reinvest the proceeds in additional productive infrastructure.

The Government will consider which assets could be included under the initiative to support new investment. Potential options include assets such as ACTTAB; ageing public housing stock; government office buildings; street lights and surface car parks. The Government will be considering options over the coming months and has included a provision in the budget for potential asset sales.

The Government is supporting private sector investment through programs to develop Canberra as a place to do business. Programs to support local business, encourage tourism, stage international sporting events, promote business opportunities and encourage innovation will broaden and strengthen our economy.

Sound Public Finances

Headline Net Operating Balance

The Government's objective is to achieve a net operating balance over the medium to long term; temporary deficits must only occur if they are offset by surpluses at other times.

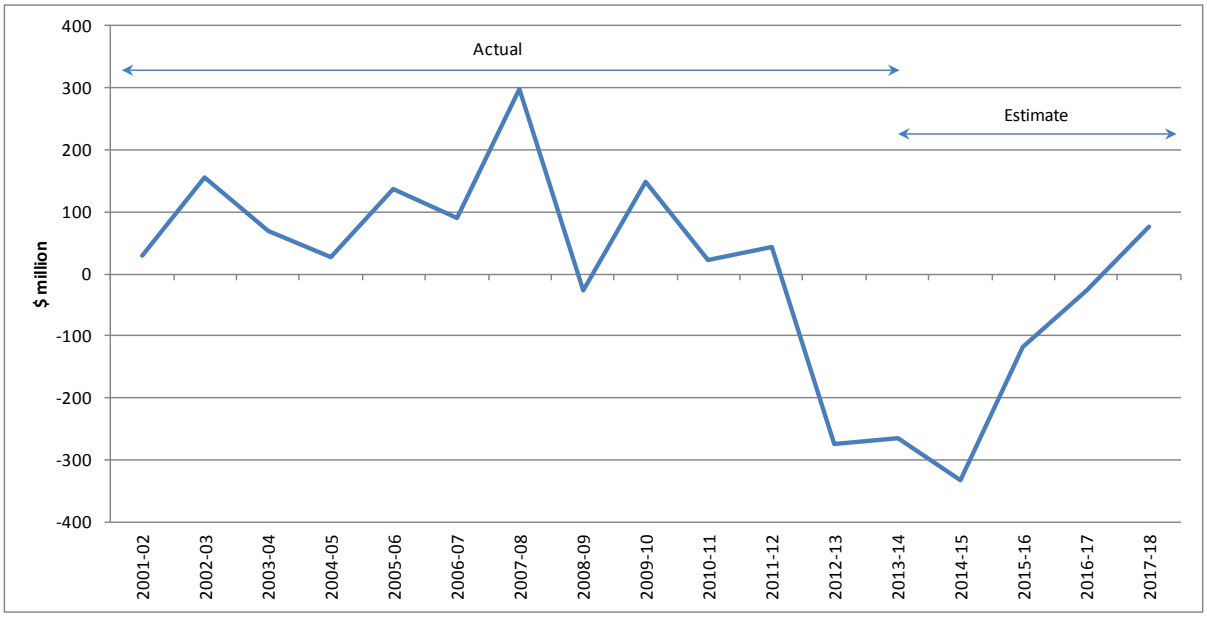
The General Government Sector Headline Net Operating Balance is forecast to be in deficit by $332.8 million in 2014-15 reflecting the cost of supporting the economy, jobs and public services in the ACT.

Notwithstanding this important program of investment in health and education, and infrastructure projects, the Headline Net Operating Balance is forecast to be a surplus of $77.5 million in 2017-18. This is consistent with the Government's fiscal strategy and clearly signals the Government's intention to support the economic development and wellbeing of the Territory both now and in the future.

To adhere to its fiscal strategy, maintain fiscal discipline and return the budget to balance, the Government has offset a significant proportion of the cost of the new initiatives in this Budget with savings. Savings are necessary in light of the Government's strategic objective of achieving net operating surpluses over the longer term, and retaining some degree of capacity to accommodate a change in policy position should it be necessitated by a shift in economic circumstances. Refer to Savings (Chapter 4.2) for more information.

As demonstrated by Figure 2.2.1 below, the Government has a longstanding history of prudent and targeted decision making, reflected by a significant period of net operating surpluses. Moreover, on those occasions where the Government has decided to go into deficit, it has largely been in response to external events beyond its direct control. In particular, the Global Financial Crisis in 2008, which led to the sharpest slowdown in the world economy since the great depression of the 1930s, resulted in a budget deficit in 2008-09. Similarly, the unwinding of the Commonwealth stimulus package in 2012-13 had a significant impact on both the ACT economy and government finances. In these circumstances, the focus of the Government has been to support the economy and jobs through targeted spending initiatives and to return the Budget to balance as soon as practicable.

Figure 2.2.1
The Budget Operating Surplus/Deficit



Note: The Net Operating Balance is presented on an Australian Accounting Standards (AAS) basis up until 2005-06 and reflects the Annual Consolidated Financial Statements. From 2006-07, the Net Operating Balance is presented on a Headline basis, the ACT's key fiscal indicator. This indicator is a representation of the AAS Net Operating Balance from transactions adjusted for the investment return differential on superannuation investments. The Headline Net Operating Balance is not available prior to 2006-07.

The ACT Government's key measure of the public finances is the Headline Net Operating Balance (HNOB). The HNOB includes an adjustment for long-term expected superannuation investment earnings (consistent with the long-term expected return objective of CPI plus 5 percentage points).

The HNOB has been consistently presented in this way in the ACT Government's Budget Statements since 2006-07. The continued use of this presentation ensures that comparable, comprehensive and informed assessments can be made of the Territory's financial performance over time.

The measure takes into account the full impact of the long-term expected earnings on financial investment assets dedicated to fund and support the accruing costs associated with servicing the Government's long-term defined superannuation obligations. Superannuation expenses will be paid over the next 40 to 60 years. The objective of the Government's financial investment assets held in the Superannuation Provision Account is to fund these future cash payments. The inclusion of the full amount of the long-term investment earnings is necessary to provide an accurate assessment of the longer term sustainability of the budget position.

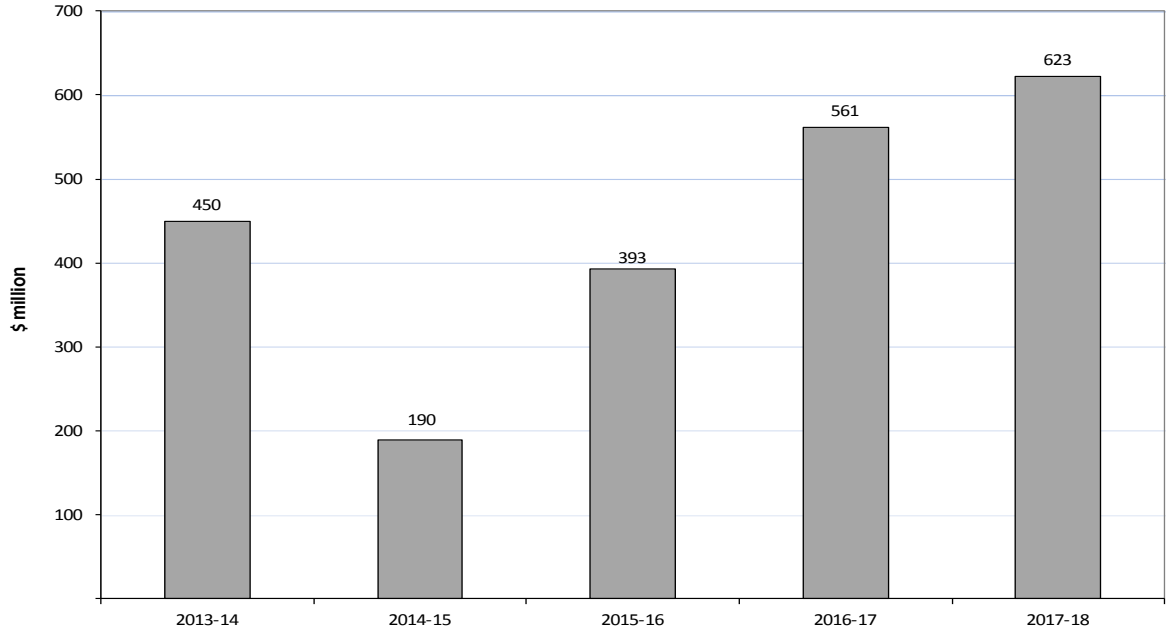
The Government considers that the HNOB provides the most relevant and meaningful information for making long-term budget and resource allocation decisions.

Operating Cash Surplus

The Government is committed to maintaining operating cash surpluses in the General Government Sector. 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). A strong operating cash balance ensures that there is sufficient cash generated from operations to cover the net outlay of the capital investment, to repay debt, and to put aside to address unfunded superannuation liabilities.

Figure 2.2.2 below shows that the General Government Sector Operating Cash Surplus is expected to be $189.9 million in 2014-15, with surpluses across the forward estimates. A revised operating cash surplus of $449.9 million is estimated for 2013-14.

Figure 2.2.2
Net Cash Flows from Operating Activities: General Government Sector



Quality and Efficient Public Services

The Government remains committed to delivering high quality services, with an objective of delivering more efficient and productive public services.

As part of this goal, the Government has included initiatives in the 2014-15 Budget to boost public sector productivity by reviewing administrative expenditure, eliminating duplication, and reducing internal red tape. To achieve this result, the Government has announced a regulatory reform initiative that will examine the regulatory impact on the public sector.

Additional efficiencies are expected from investment across the ACT Public Service in transformational service delivery and moving the delivery of government services to a digital platform. The Government is also reviewing its own structures and processes to identify ways of delivering services more efficiently.

There are a number of reviews being conducted under the auspices of the Expenditure Review Committee of Cabinet and in turn through the Expenditure Review Steering Committee which oversees the work of the dedicated project teams. One recently completed review was undertaken on the Parks and City Services Division (PACS) of the Territory and Municipal Services Directorate to inform the Government of issues around PACS service delivery, standards and sustainability. This followed a one-off investment in the 2013-14 Budget of $5.5 million to support operational capacity.

In this Review a PACS Review Steering Committee was convened to guide the operation of the Review and included senior representation from the Chief Minister and Treasury Directorate, PACS and unions representing the PACS workforce.

The Government commissioned the Review to establish expected levels of service delivery to maintain a growing asset base and available funding for the services. The Review examined PACS' financial performance, service delivery and standards, and future sustainability issues.

The Review considered options to more efficiently deliver PACS services and found that, to reasonably sustain core PACS functions and continue to deliver important municipal services to the Canberra community, an increase in base funding was required alongside some adjustment to service levels.

The outcome of the Government's consideration of the Review is that PACS is being provided with supplementation of $15.2 million over four years in the 2014-15 Budget. This will be used to manage Canberra's national parks and reserves, and maintain urban parks, trees, shopping centres and other community open space areas. This is in addition to funding of $58.3 million that the Government is providing PACS in 2014-15 for direct service delivery.

The Government is also continuing to invest in the provision of necessary public services including public transport, education and healthcare to ensure that an appropriate service quality is retained while they are delivered in an efficient manner.

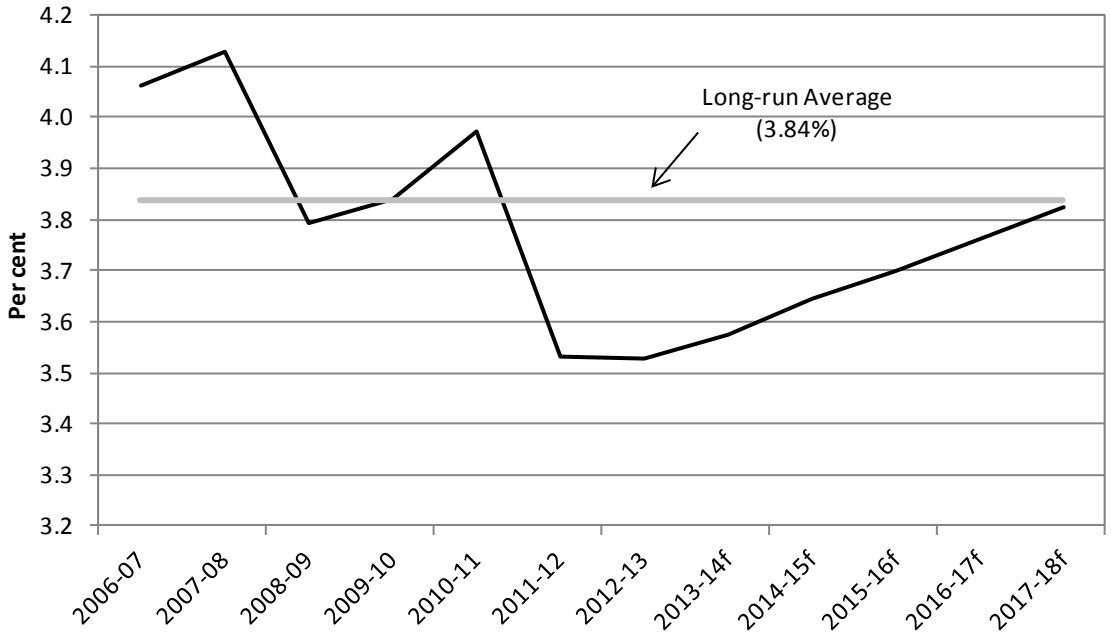
Sustainable Taxation Revenue

The Government's fiscal strategy depends on ensuring taxation revenue is at sustainable levels. In addition, the Government is committed to making the Territory's taxation system fairer, simpler and more efficient for the future.

The significant reforms to the Territory's taxation system, which were commenced in 2012-13, have been continued in the 2014-15 Budget. Under this program of reform, the Government is abolishing a number of inefficient taxes, including conveyance duty and insurance duty, and replacing the revenue through the collection of general rates. This approach will preserve the capacity for the Government to deliver public services in the future, while reducing the impact of the taxation system on the economy.

Following the implementation of these reforms, taxation revenue in 2014-15 is expected to be $1.4 billion, or 3.7 per cent of nominal Gross State Product (GSP). This level of collections is broadly consistent with that in 2012-13 but remains below the long-run average. Figure 2.2.3 below presents the Territory's taxation revenue relative to the nominal GSP.

Figure 2.2.3
Taxation Revenue as a Share of Nominal GSP



Source: ABS Cat No. 5220.0 and Chief Minister and Treasury Directorate

The taxation initiatives announced in the 2014-15 Budget are those necessary to ensure that the Government is able to deliver quality public services, while continuing its commitment to reform the Territory's taxation system.

Strong Balance Sheet

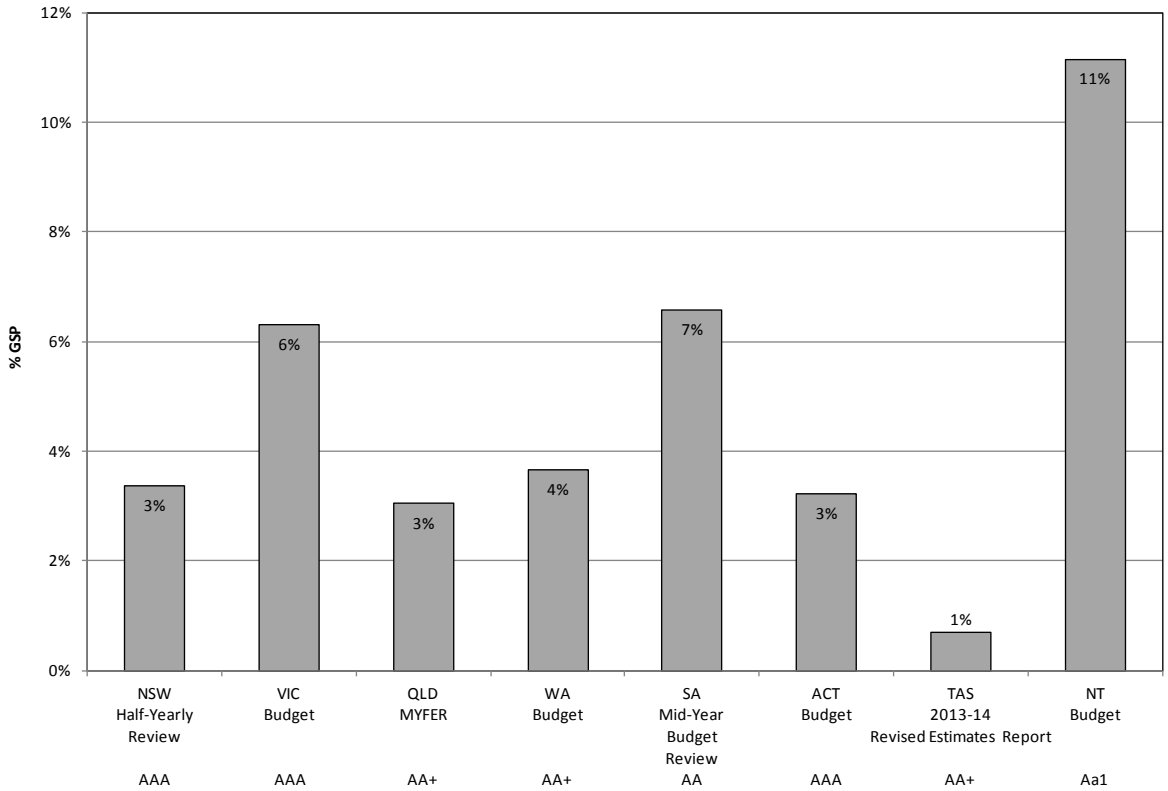
The ACT's Balance Sheet continues to perform well compared to other jurisdictions and maintains flexibility to support high priority investments.

Net Debt

A key balance sheet measure in the Government Financial Statement (GFS) framework is net debt, which takes into account gross debt liabilities as well as financial assets (such as cash reserves and investments). The General Government Sector net debt as a percentage of GSP is estimated to be 3 per cent in 2014-15 compared with the 2013-14 estimated outcome of 1 per cent.

Figure 2.2.4 below compares the ACT's net debt as a proportion of GSP with other jurisdictions. The ACT's net debt remains at prudent levels as a share of GSP and is broadly in line with, or lower than other jurisdictions.

Figure 2.2.4
Net Debt to GSP Ratio General Government Sector: 2014-15



Source: The inter-jurisdictional data utilised in this comparison is taken from each jurisdiction's most current Budget documentation. Differing sources have been employed as not all jurisdictions have released their 2014-15 Budgets. Nominal GSP has been calculated based on jurisdictions most recent budget publications. In some instances assumptions based on growth factors have been applied.

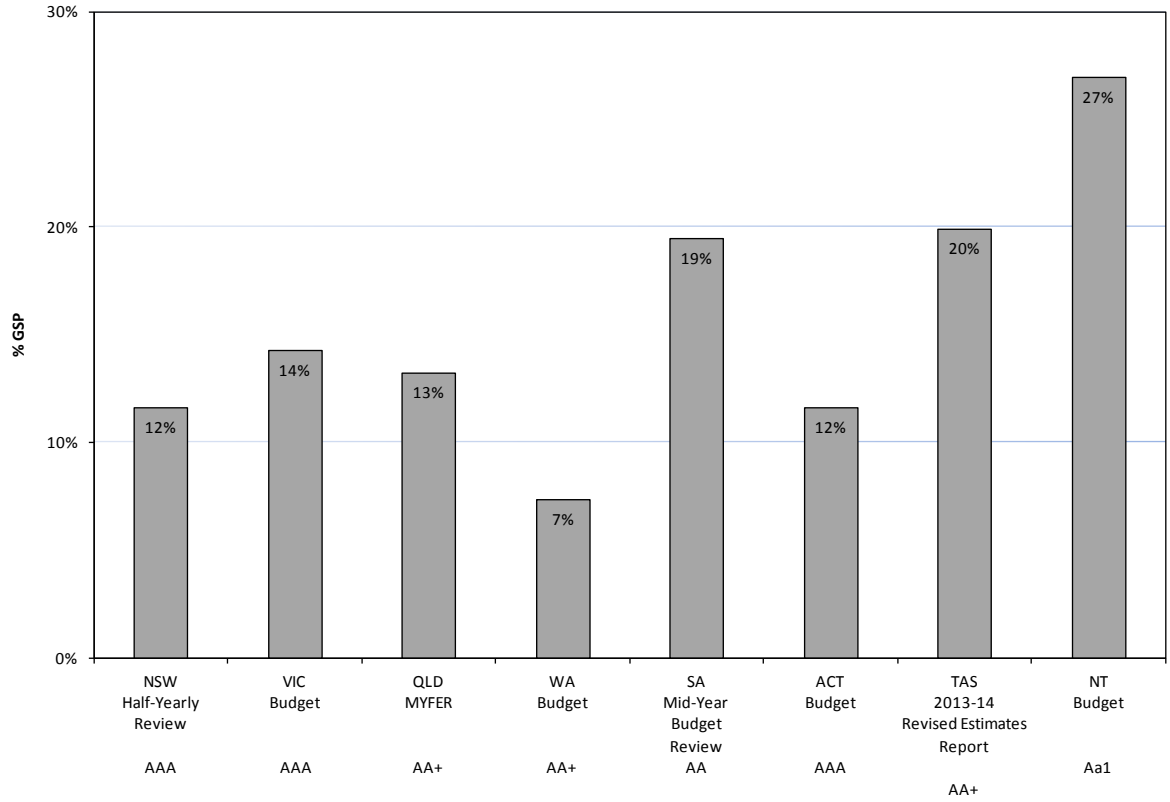
Net Financial Liabilities

Net Financial Liabilities are a broad measure of General Government Sector liabilities, including net debt and superannuation liabilities. The Net Financial Liability to GSP ratio is estimated to be 12 per cent in 2014-15 compared with the 2013-14 estimated outcome of 10 per cent.

Net Financial Liabilities are calculated as total liabilities less financial assets (such as cash reserves and investments). It takes into account all non-equity financial assets, but excludes the value of equity held by the General Government Sector in public corporations (for example, ACTEW Corporation).

Figure 2.2.5 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.

Figure 2.2.5
Net Financial Liabilities to GSP Ratio General Government Sector: 2014-15



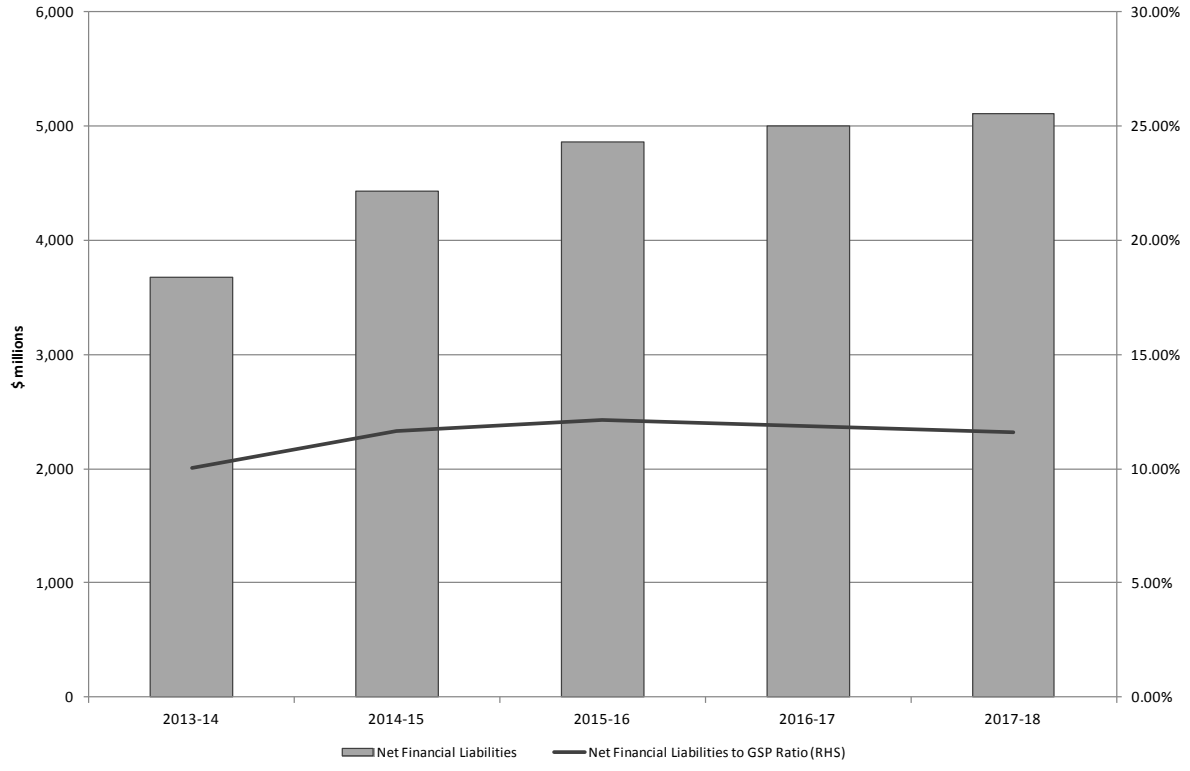
Source: The inter-jurisdictional data utilised in this comparison is taken from each jurisdiction's most current Budget documentation. Differing sources have been employed as not all jurisdictions have released their 2014-15 Budgets. Nominal GSP has been calculated based on jurisdictions most recent budget publications. In some instances assumptions based on growth factors have been applied.

A key question for governments is whether to borrow to invest in new capital assets. It is widely recognised as appropriate for governments with strong balance sheets to incur some debt, provided the debt is used to finance high quality assets in areas of community need. This is because these assets (for example, public transport, new roads, schools and hospital facilities) provide benefits to the community over a long period of time.

It is important, however, that the level of debt is sustainable. The ratio of net financial liabilities to GSP provides an indicator of the sustainability of a jurisdiction's debt. 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 2014-15 Budget and forward estimates anticipates a net increase in general government sector borrowings for capital purposes of $1.094 billion by 2017-18. 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 2.2.6. 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 will decline as the Government progressively reviews its asset base and divest assets that are no longer required, or can be operated more efficiently by the private sector.

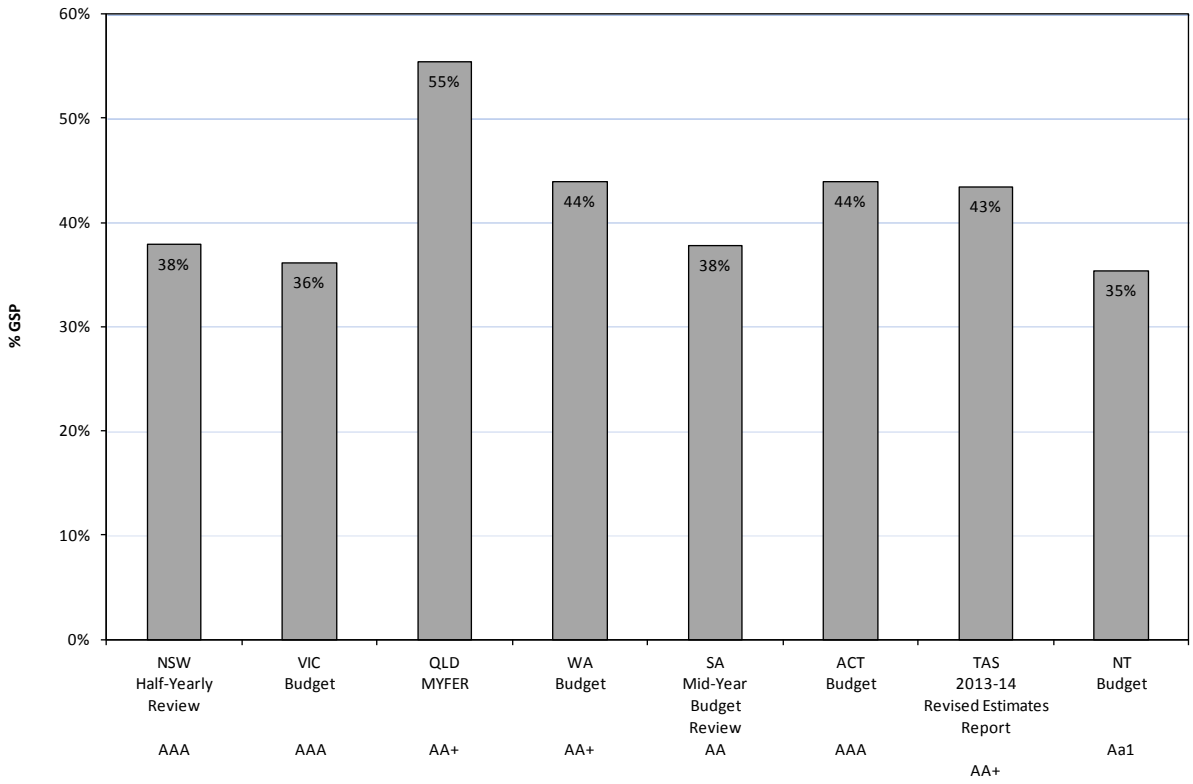
Figure 2.2.6
General Government Sector – Net Financial Liabilities to GSP



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 (Figure 2.2.7), and as a proportion of GSP, continues to be one of the strongest of all Australian jurisdictions. At the end of 2014-15, Net Worth is expected to be $16.7 billion.

Figure 2.2.7
Net Worth to GSP Ratio General Government Sector: 2014-15



Source: The interjurisdictional data utilised in this comparison is taken from each jurisdiction's most current Budget documentation. Differing sources have been employed as not all jurisdictions have released their 2014-15 Budgets. Nominal GSP has been calculated based on jurisdictions most recent budget publications. In some instances assumptions based on growth factors have been applied.

2.3 COST OF LIVING STATEMENT

The ACT Government delivers a wide range of services and infrastructure to Canberrans: from schools and hospitals, buses and municipal services, emergency services, to sports, arts and cultural events. It delivers services to support the most vulnerable and disadvantaged in our community. The Government also delivers programs to stimulate job and business growth and promote economic investment in the ACT. These services, programs and supports boost the ACT economy and generate local jobs. The services improve the quality of living for ACT residents. The Government also provides support to ease cost of living pressures and help those who need assistance.

On average, ACT residents have the highest incomes in the country and are among the healthiest, best educated and most productive members of the Australian community[1]. Canberrans also donate more money and volunteer more time to community activities than their counterparts across the country. The ACT has the lowest unemployment rate and the second highest participation rate in Australia.

However, the Government is committed to making sure taxes and fees remain affordable for all Canberrans. The Government is also committed to ensuring important and essential services are available to low income households and that assistance is provided to those who need it. The Government is aware of the impact that changes made in the recent Commonwealth Budget will have on the more vulnerable members of our society. Many of the changes announced will have flow on implications to these low income households. The Government will ensure that when families and individuals find themselves in difficult situations, appropriate support programs, targeted assistance and concessions will be provided.

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 rate levels, general market conditions and decisions of independent pricing authorities.

This Cost of Living Statement provides five case studies of representative Canberra households. It outlines the effect of ACT Government's taxes and charges and the various concessions available in 2014-15[2]. The impact of Commonwealth Government taxes, fees or concessions are not taken into account.

[1] **Source**: 2011 Census of Population and Housing, Australian Bureau of Statistics.
[2] As required under Section 11(1)(f) of the *Financial Management Act 1996.*

ACT Households

ACT residents are, on average, relatively younger, have a higher level of education and higher incomes than the rest of Australia. Canberran families have an average of 1.8 children and 47.3 per cent of people aged 15 and over are married.

ACT residents are more engaged with the labour market than average Australians – with 65 per cent of the labour force working full-time and 25 per cent working part-time. The majority of households (67.3 per cent) own their own home, with or without a mortgage, while 30.6 per cent rent. The vast majority (91.8 per cent) of households own at least one motor vehicle.[3]

In the ACT, the median weekly family income for families with children is $3,060, compared to the national average of $2,310[4]. Wages in the ACT have continued to increase with the Wage Price Index increasing by 2.3 per cent from the March quarter 2013 to the March quarter 2014, compared to 2.6 per cent nationally[5]. Households have also benefited from lower interest rates, which helps reduce pressure on mortgage holders and improve housing affordability.

ACT Government

Public Services

Canberrans expect and experience a high standard of public services. The ACT Government continues to provide high quality public services to meet these expectations. The provision of these public services shields households from some cost of living pressures. For example, households with school age children in public education receive its benefit at nil cost. In the Territory, ABS data indicates health care costs are rising by 8.9 per cent per annum[6] hence households using public medical services and facilities are significantly shielded from this increasing cost of health care.

Box 2.3.1 below shows ACT Government expenditure in 2014-15. It demonstrates that a significant proportion of this expenditure goes to providing essential services, such as health (30.9 per cent of expenditure), and education and training (23.6 per cent of expenditure).

[3]2011 Census Australian Capital Territory STE. QuickStats.
[4]2011 Census Australian Capital Territory STE. QuickStats.
[5]Australian Bureau of Statistics Cat. No. 6345.0 Wage Price Index (December quarter 2012 to December quarter 2013), Australia, Series ID A2640849K
[6]CAGR for Health Costs from 2002-03 to 2011-12 – Australian Bureau of Statistics Cat. No. 5512.0 ACT General Government Expenditure by Purpose

Box 2.3.1
What Your Money Delivers

Total General Government Expenditure is $4,858.3 million in 2014-15 and total Government Expenditure on services (as shown below) is $4,492.5 million in 2014-15.

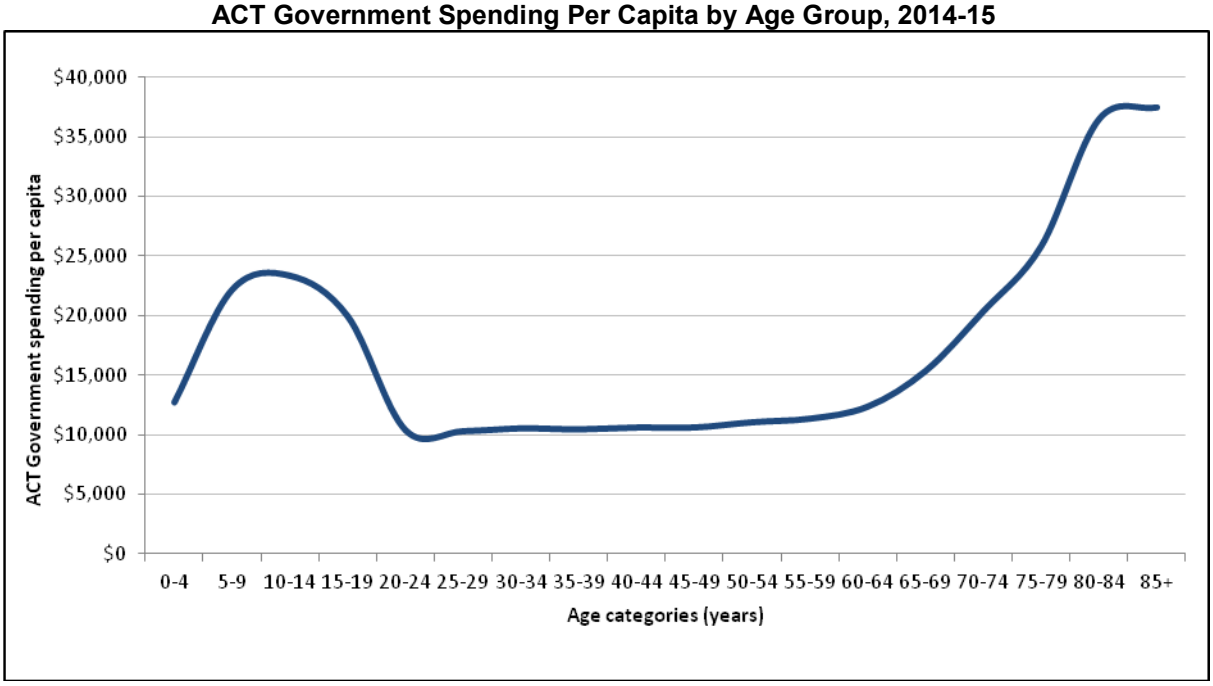
	$million	Per cent of total expenses on services
Health and Community Care	1,389.4	30.9
Government Schooling	675.0	15.0
Territory and Municipal Services	363.5	8.1
Disability and Community Services	288.7	6.4
Non Government Schooling	237.2	5.3
Justice and Community Safety	217.1	4.8
Housing	176.3	3.9
Public Transport	166.5	3.7
Environment, Sustainability and Land Management	162.7	3.6
Policing	154.6	3.4
Vocational Education and Training	148.8	3.3
Emergency Services	131.0	2.9
Planning and Regulation	90.1	2.0
Chief Minister and Treasury	89.1	2.0
Sport and Recreation	53.9	1.2
VisitCanberra, Venues and Events	37.7	0.8
Arts, Culture and Heritage	30.3	0.7
Land and Property Services	19.8	0.4
Legislative Assembly	16.5	0.4
Business, Innovation, Trade and Investment	11.6	0.3
Executive	8.3	0.2
Auditor-General	6.6	0.1
Electoral Commissioner	2.7	0.1

Source: Chief Minister and Treasury Directorate

Figure 2.3.1 below shows how ACT Government expenditure on services and infrastructure is distributed across different age groups. Government expenditure on services is highest for the population aged under 20 and over 60. This is due to high government expenditure costs associated with education for school aged students and health care costs for older Canberrans. The average ACT Government spending per capita in 2014-15 is $12,690[7]. At the 2011 Census, 10.7 per cent of the ACT's population was 65 years of age and over and 25.3 per cent were 19 years of age or under.

[7] **Source**: ACT Chief Minister and Treasury Directorate.

Figure 2.3.1
ACT Government Spending Per Capita by Age Group, 2014-15



Source: Chief Minister and Treasury Directorate

ACT Government Taxes and Fees

The ACT Government collects revenue directly via taxes, fees and charges. The 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. Another 43 per cent is provided by the Commonwealth Government, as outlined in Federal Financial Relations (Chapter 7). The remainder is provided from a range of other income sources including the sales of goods and services, interest and dividend income.

The ACT Government's own-source revenue is generated mostly from annual taxes levied on businesses, households and investors. Annual taxes levied on businesses include commercial conveyance duty, general rates, insurance duty, and payroll tax. Investors are subject to land tax (included in rates for the commercial sector) and, where relevant, the Lease Variation Charge. The annual taxes levied on households are on property conveyance, general rates and other insurance. Annual fees are charged for motor vehicles licensing and registration and public transport. There are also a number of other small administrative fees that are charged on a one-off-basis that 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. Per capita taxation as a proportion of gross household disposable income in the ACT is 5.3 per cent – among the lowest in the country – compared with 6.7 per cent nationally[8]. Average taxation per capita in the ACT ($3,272) is below the national average ($3,377) and lower than Western Australia, Victoria and New South Wales[9].

The ACT Government is continuing to undertake important taxation reform to make the Territory's taxes fairer, simpler and more efficient. The first 5 year phase of the changes was released in the 2012-13 Budget, which set out a plan to improve the overall fairness of the taxation system. The plan sets the Territory's taxation system on a more sustainable footing, and includes enhanced concessions and targeted support to ameliorate the impact of reform.

Other Taxes and Fees – Utilities

The cost of providing gas, electricity and other utilities is generally outside the direct control of the ACT Government. These are generally determined by supply and demand driven market forces. Both international and domestic markets contribute to utility costs in the ACT.

Water and sewerage service charges and electricity charges are determined by the Independent Competition and Regulatory Commission (ICRC). Though the ACT Government is able to and does make submissions to the ICRC during the determination process, prices are set independently of the ACT Government. Natural gas prices are not regulated in the ACT. All utility charges incorporate the costs of factors of production, the impact of various Commonwealth, state and territory energy and environmental programs, as well as taxes and charges.

The ACT Government recognises that utility costs are a significant cost of living consideration for many households. That is why the ACT Government provides a range of utility concessions for eligible households.

A wide range of everyday living expenses are outside the direct influence of the ACT Government such as food and fuel prices. The Statement does not attempt to capture the impacts of these expenses.

Assistance to Households through Concessions

The ACT Government remains committed to ensuring that concessions and appropriate levels of support are provided to those most in need. That is why the ACT Government provides a number of concessions to eligible Canberrans, as outlined in Table 2.3.1 below. This Statement does not attempt to capture Commonwealth Government concessions.

[8] Chief Minister and Treasury Directorate calculation. Source: Taxation Revenue, Australia 2011-12, Australian Bureau of Statistics – Cat. No. 5506.0. Taxation data includes state and local government taxes.

[9] Taxation Revenue, Australia 2012-13, Australian Bureau of Statistics – Cat. No. 5506.0. Taxation data includes state and local government taxes.

Table 2.3.1
ACT Government Concessions (2012-13)

	No. of recipients	Cost $'000
Energy and utility concession	24,963	9,350
Water and sewerage rebate	15,096	6,120
ACT Taxi Subsidy Scheme	3,914	1,200
ACT Spectacle Subsidy Scheme	7,514	1,600
Life support rebate	1,817	236
No Interest Loan Scheme	81	71
ACTION bus concession (number of trips)	5,400,000	7,450
Motor Vehicle Registration	53,057	8,000
Driver licence concessions	6,728	915
General Rates Rebate	17,776	910
First Home Owner Grant	2,775	18,160
Home Buyer Concession Scheme	1,749	13,804

Cost of Living Statement

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

The Government is mindful that in calculating the impact of taxes and fees on a representative 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 different household types and different circumstances.

ACT Household Scenarios

The scenarios below present the estimated impact of Territory taxes, fees and utility costs and the concessions which offset them on five representative households. A range of other concessions provided by the ACT Government are also outlined.

Household One

Bairavi and Daha are a single income family renting a house in Monash. They have a household income of $45,000 a year and access to Health Care Cards. Their daughter, Hansa, has a disability and the family currently receives support through Disability ACT, their local school and other community organisations.

At 1 July 2014, they will be able to access the following grants as part of the ACT's transition to the National Disability Insurance Scheme:

- up to $12,000 to purchase flexible supports and services (through to December 2014);
- up to $10,000 for aids, equipment and minor modifications; and
- up to $5,000 for items, activities and supports which may enhance their quality of life.

Table 2.3.2 shows the costs of taxes, fees and concessions for Bairavi, Daha and Hansa in 2014-15.

Table 2.3.2
Estimated Impact of Territory Taxes and Fees, and Utility Charges 2014-15 on Household One

Government Taxes and Fees, and Utility Charges	Net of Concessions 2013-14	Savings 2013-14	Gross 2014-15	Concessions 2014-15	Net of Concessions 2014-15	Change	Savings 2014-15
Property							
Savings: Duty on contents insurance		-$13.64					-$7.16
Transport							
Fees: Driver license fee, vehicle registration, road rescue fee, road safety contribution, CTP insurance, CTP regulator levy, Lifetime care levy and ACTION fares	$1,559.08		$2,304.62		$1,645.76	5.56%	
Concessions: ACTION fares				-$658.86			
Savings:							
Reduction in duty on car insurance		-$28.00					-$14.70
Reduction from Rewards for Safe Driving							-$6.68
Utilities							
Fees: Electricity, natural gas	$3,185.34		$3,882.56		$3,456.10	8.50%	
Concessions: Energy and utility				-$426.46			
Other Concessions Potentially Available							
Flexible supports and services through to December 2014				$12,000.00			
Aids, equipment and minor modifications				$10,000.00			
Items, activities and supports which may enhance their quality of life				$5,000.00			

Source: Chief Minister and Treasury Directorate

Other concessions available to Bairavi and Daha include:

- being a priority household for the purposes of the Energy Efficiency Improvement Scheme to help manage utility costs;
- Special Needs Transport to and from school for Hansa;
- free ambulance travel;
- a range of free dental health services for all family members;
- the No Interest Loan Scheme to purchase essential household items; and
- access to the Land Rent Scheme, if the family decides to enter the property market.

Household Two

Casey and Josh are currently renting and will buy their first house in Jacka in 2014-15 for $410,000. Their household income is $120,000.

Casey and Josh will have access to the First Home Owner Grant which is $12,500 for the purchase of a new home. They will also be eligible for the Home Buyer Concession Scheme (HBCS) which will allow them to reduce their conveyance duty from $12,065 to $20.

Casey works full time and Josh studies and works part-time. Casey catches the bus to work, to save on parking costs. Josh cycles to work and university.

Table 2.3.3 below shows the costs of taxes, fees and concessions for Casey and Josh in 2014-15.

Table 2.3.3
Estimated Impact of Territory Taxes and Fees, and Utility Charges 2014-15 on Household Two

Government Taxes and Fees, and Utility Charges	Net of Concessions 2013-14	Savings 2013-14	Gross 2014-15	Concessions 2014-15	Net of Concessions 2014-15	Change	Savings 2014-15
Property							
Fees: General Rates, Fire and Emergency Services Levy	$1,189.13		$1,294.18		$1,294.18	8.83%	
Savings:							
Duty on home and contents insurance and life insurance		-$66.00					-$34.65
Home Buyer Concession Scheme							-$12,045.00
First Home Owner Grant							-$12,500.00
Transport							
Fees: Driver license fee, vehicle registration, road rescue fee, road safety contribution, CTP insurance, CTP regulator levy, Lifetime care levy and ACTION fares	$2,213.06		$2,338.04		$2,338.04	5.65%	
Savings:							
Reduction in duty on car insurance		-$28.00					-$14.70
Rewards for Safe Driving		-$10.78					-$13.37
Utilities							
Fees: Electricity, natural gas, water and sewerage	$4,059.09		$4,333.75		$4,333.75	6.77%	

Source: Chief Minister and Treasury Directorate

Household Three

Paul and Christine own their own house in Waramanga and both receive a full pension. Paul and Christine both have an ACTION Gold Card which provides them with free travel on ACTION buses. Christine catches the bus to Woden most weekdays to volunteer and twice a week they drive to local community-run Seniors Groups.

They will downsize their house to a unit, worth $380,000. They will be able to access the Over 60s Home Bonus, which charges conveyance duty at a concessional rate, reducing their conveyance duty from $10,820 to $20.

Table 2.3.4 below shows the costs of taxes, fees and concessions for Paul and Christine in 2014-15.

Table 2.3.4
Estimated Impact of Territory Taxes and Fees, and Utility Charges 2014-15 on Household Three

Government Taxes and Fees, and Utility Charges	Net of Concessions 2013-14	Savings 2013-14	Gross 2014-15	Concessions 2014-15	Net of Concessions 2014-15	Change	Savings 2014-15
Property							
Fees: General Rates, Fire and Emergency Services Levy	$1,067.50		$1,911.33		$1,171.33	9.73%	
Concessions: General Rates, Fire and Emergency Services Levy				-$740.00			
Savings: Duty on home and contents insurance		-$60.00					-$31.50
Transport							
Fees: Driver license fee, vehicle registration, road rescue fee, road safety contribution, CTP insurance, CTP regulator levy, lifetime care levy and Action fares	$609.70		$2,033.32		$644.30	5.67%	
Concessions: Driver license fee, vehicle registration and ACTION fares				-$1,389.02			
Savings: Reduction in duty on car insurance		-$28.00					-$14.70
Utilities							
Fees: Electricity, water and sewerage	$1,908.86		$2,764.19		$1,924.86	0.84%	
Concessions: Energy, utility, water and sewerage				-$839.33			
Other Concessions Potentially Available							
Spectacles Subsidy Scheme				-$200.00			
Over 60s Home Bonus							-$10,800.00

Source: Chief Minister and Treasury Directorate

Other concessions available to Paul and Christine include:

- being a priority household for the purposes of the Energy Efficiency Improvement Scheme to help manage utility costs;
- if one or both of the couple have a disability that prevents them, for a minimum period of six months, from using public transport, they would be entitled to access the Taxi Subsidy Scheme. The scheme provides a 50 per cent to 75 per cent subsidy towards the cost of taxi transport. This is up to $24 or $37 per trip, depending on whether they can use a standard taxi or not, or a maximum of $3,090 or $4,738 respectively per year;
- as Paul and Christine age, if one of them find themselves needing to use electrically operated life support equipment at home (such as a dialysis machine or respirator, as prescribed by an ACT medical practitioner), they would be entitled to a Life Support Rebate of $121.87 per annum on their electricity account. If the equipment depended on a fresh supply of water, they may also be entitled to a reduction in water usage charges;
- if Paul and Christine decide to purchase a dog as a pet, they would be eligible to register their dog for a reduced fee; and
- an exemption from the Emergency Ambulance Service fee, if they use an ambulance to travel to hospital in an emergency.

Household Four

Sarah and Ben 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: Megan in primary school and Kathleen in high school. Megan is dropped off at school by Ben, while Sarah and Kathleen catch the bus. They have building and contents insurance for their home and life insurance.

Table 2.3.5 below shows the costs of taxes, fees and concessions for Sarah, Ben and their family in 2014-15.

Table 2.3.5
Estimated Impact of Territory Taxes and Fees, and Utility Charges 2014-15 on Household Four

Government Taxes and Fees, and Utility Charges	Net of Concessions 2013-14	Savings 2013-14	Gross 2014-15	Concessions 2014-15	Net of Concessions 2014-15	Change	Savings 2014-15
Property							
Fees: General Rates, Fire and Emergency Services Levy	$1,660.00		$1,812.73		$1,812.73	9.20%	
Savings: Reduction in duty on home and contents insurance		-$60.00					-$31.50
Reduction in duty on life Insurance		-$6.00					-$3.15
Transport							
Fees: Driver license fee, vehicle registration, road rescue fee, road safety contribution, CTP insurance, CTP regulator levy, parking, lifetime care levy and ACTION fares	$4,621.14		$4,870.58		$4,870.58	5.40%	
Savings: Reduction in duty on car insurance		-$28.00					-$14.70
Rewards for Safe Driving		-$10.78					-$13.37
Utilities							
Fees: Electricity, natural gas, water and sewerage	$5,378.93		$5,745.79		$5,745.79	6.82%	

Source: Chief Minister and Treasury Directorate

Household Five

Noreen lives in public housing in Narrabundah and is on full Centrelink benefits. 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 concessions for Noreen in 2014-15.

Table 2.3.6
Estimated Impact of Territory Taxes and Fees, and Utility Charges 2014-15 on Household Five

Government Taxes and Fees, and Utility Charges	Net of Concessions 2013-14	Savings 2013-14	Gross 2014-15	Concessions 2014-15	Net of Concessions 2014-15	Change	Savings 2014-15
Transport							
Fees: ACTION fares	$269.88		$1,310.86		$321.14	18.99%	
Concessions: ACTION fares				-$989.72			
Utilities							
Fees: Electricity	$1,009.46		$1,432.32		$1,005.86	-0.36%	
Concessions: Energy and utility				-$426.46			

Source: Chief Minister and Treasury Directorate

TABLE NOTES

ACT Household Scenarios

General

Costs for 2013-14 are as per the 2013-14 Budget Cost of Living Statement unless otherwise indicated.

Transport

2013-14 calculations last year assumed NRMA as the sole CTP insurance provider. 2013-14 figures have been updated to reflect the new insurers entering the market on 15 July 2013. An average of the four providers in the market, including NRMA, APIA, GIO and AAMI has been used for both 2013-14 and 2014-15 ($590.70). At this stage no application for a CTP premium increase has been submitted by insurers.

The Lifetime Care and Support Levy (LTCS) of $34 will come into effect 1 July 2014 and has been included for 2014-15.

Drivers licence fees have been calculated by dividing the cost of a five year drivers licence by five to determine the annual cost. For 2014-15, drivers are assumed to receive the 20 per cent Rewards for Safe Driving discount.

The ACTION bus fares for 2013-14 have been updated to reflect the pricing increase that came into effect as at 4 January 2014.

The concession fare for a single off peak trip is increasing from $0.62 to $0.79. This is a $2.05 discount on the full passenger fare.

Utilities

Consumption

Electricity consumption figures are based on a 'per person per household' basis for the ACT sourced from the energymadeeasy.gov.au website and rounded to the nearest 100 kWh. Natural gas and water consumption figures are derived: using electricity consumption proportion as a proxy for determining a base level; and per person consumption differentials calculated using average residential consumption and average number of persons per household.

Average electricity consumption has been revised to assume 8,000 kWh (rather than 8,200 kWh) for 2013-14 and 2014-15. This change arises from the latest consumption figures provided by the Australian Energy Regulator, which has recently assumed responsibility for retail energy market regulation as a result of national energy market reforms.

Pricing

At the time of preparing the 2013-14 Budget, utility costs for 2013-14 were unknown. In the various scenarios included in this statement, the actual 2013-14 cost has been presented and may differ from the previous statement.

2014-15 electricity prices assumed an increase of 1.18 per cent, consistent with the Independent Competition and Regulatory Commission's draft 2014-15 electricity price determination.

2014-15 gas prices assumed an increase of 17 per cent, consistent with the Independent Pricing and Regulatory Tribunal's draft 2014-15 determination for ActewAGL for the regions of NSW serviced by ActewAGL, such as Queanbeyan.

Water and sewerage prices for 2014-15 are based on the assumption that 2013-14 prices will increase by the change in the Consumer Price Index, as outlined in the Independent Competition and Regulatory Commission's June 2013 price direction for water and sewerage services. The energy and utilities concession will increase by 5 per cent in 2014-15.

Household One (Table 2.3.2)

Property

For 2014-15, savings comprise a reduction in duty on contents insurance from 6 per cent to 4 per cent ($7.16).

Assumptions

As Bairavi and Daha are renting, they do not pay general rates or the Fire and Emergency Services Levy.

Insurance premiums are $358.08 for contents insurance only. Building insurance is not required as they are renting.

Transport

For 2014-15, transport fees comprise: driver licence fee ($33.42); vehicle registration ($316.04); Road Rescue Fee ($16.60); Road Safety Contribution ($2.00); CTP insurance ($590.70); the CTP Regulator Levy ($1.00); and the Adult 5 Days a Week ACTION fare ($1,310.86).

The Lifetime care and support levy (LTCS) commences 1 July 2014 ($34.00). This was not included in 2013-14.

For 2014-15, concessions comprise: ACTION's concession fare ($658.86).

For 2014-15, savings comprise the impact of reducing the duty on car insurance from 6 per cent to 4 per cent on a $735 premium ($14.70).

Assumptions

Fees are calculated on a vehicle with a tare weight of 1,155kg to 1,504kg.

The Centrelink Healthcare Card provides access to ACTION's concession fare. Bairavi travels twice a day at peak time 5 days a week and reaches the monthly travelling cap of 40.

The driver is eligible for a discount on the cost of their driver's licence under the Rewards for Safe Driving Program ($6.68).

Utilities

For 2014-15, utility charges comprise: electricity ($2,043.34); and natural gas ($1,839.22).

For 2014-15, applicable concessions include: energy and utility concessions ($426.46).

Assumptions

Consumption per year: electricity (8,700 kWh) and natural gas (51 GJ).

As Bairavi and Daha are renting, no water or sewerage charges have been included for 2013-14 or 2014-15.

Household Two (Table 2.3.3)

Property

For 2014-15, property fees comprise: general rates ($1,164.18); and Fire and Emergency Services Levy ($130.00).

For 2014-15, property savings include: the impact of reducing the duty on home and contents insurance from 6 per cent to 4 per cent ($31.50); reducing the duty on life insurance from 3 per cent to 2 per cent ($3.15); access to the First Home Owners Grant ($12,500) and the Home Buyer Concession Scheme ($12,045).

Assumptions

A townhouse with an Average Unimproved Value (AUV) of $180,000 in Jacka.

Insurance premiums for 2014-15 are: $1,575.00 for home and contents insurance; and $315.00 for life insurance.

Transport

For 2014-15, transport fees comprise: driver licence fees ($66.84); vehicle registration ($316.04); Road Rescue Fee ($16.60); CTP insurance ($590.70); Road Safety Contribution ($2.00); CTP Regulator Levy ($1.00); and ACTION fares ($1,310.86).

The Lifetime care and support levy (LTCS) commences 1 July 2014 ($34.00). This was not included in 2013-14.

For 2014-15, transport savings comprise the impact of reducing the duty on car insurance from 6 per cent to 4 per cent ($14.70).

Both drivers are eligible for a discount on the cost of their driver's licence under the Rewards for Safe Driving Program ($13.37).

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 2014-15 are $735.00 for comprehensive car insurance.

Utilities

For 2014-15, utility charges comprise: electricity ($1,737.82); natural gas ($1,569.57); water ($521.76); and sewerage ($504.60).

Assumptions

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

Concessions

Casey and Josh do not qualify for any concessions aside from the First Home Owner's Grant and the Home Buyer Concession Scheme.

Household Three (Table 2.3.4)

Property

For 2014-15, property fees comprise: general rates ($1,781.33); and the Fire and Emergency Services Levy ($130.00).

For 2014-15, concessions consist of the Rates Rebate ($675.00) and a 50 per cent reduction in the Fire and Emergency Services Levy ($65.00).

For 2014-15, property savings comprise: reduced duty on home and contents insurance from 6 per cent to 4 per cent ($31.50).

Assumptions

A house with an AUV of $344,000 in Waramanga.

In 2014-15, insurance premiums are $1,575 for home and contents insurance.

Transport

For 2014-15, transport fees comprise: driver licence fee ($33.42); vehicle registration ($316.04); Road Rescue Fee ($16.60); Road Safety Contribution ($2.00); CTP insurance ($590.70) and CTP Regulator Levy ($1.00).

The Lifetime care and support levy (LTCS) commences on 1 July 2014 ($34.00). This was not included in 2013-14.

For 2014-15, transport savings comprise the impact of reducing the duty on car insurance ($14.70).

For 2014-15, concessions comprise: drivers license ($33.42); vehicle registration ($316.04); and ACTION bus fares ($1,039.56).

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 2014-15 are $735.00 for comprehensive car insurance.

Christine accesses the off-peak single trip 5 days a week and reaches the monthly travelling cap of 40 and is entitled to free travel under the ACTION Gold Card.

Utilities

For 2014-15, utility charges comprise: electricity ($1,737.83); water ($521.76); and sewerage ($504.60).

For 2014-15, concessions include: energy and utility concessions ($426.46); water rebate ($69.74); and sewerage rebate ($343.13).

Assumptions

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

Other Concessions

Paul and Christine are eligible to access the Spectacles Subsidy Scheme, which provides a $200 rebate every two years on the purchase of glasses.

Paul and Christine are eligible to access the Over 60's Home Bonus, which charges conveyance duty at a concessional rate, as announced in the 2014-15 Budget.

Household Four (Table 2.3.5)

Property

For 2014-15, property fees comprise: general rates ($1,682.73); and Fire and Emergency Services Levy ($130.00).

For 2014-15, property savings include the impact of reducing the duty on life insurance from 3 per cent to 2 per cent ($3.15) and home and contents insurance from 6 per cent to 4 per cent ($31.50).

Assumptions

A house with an AUV of $321,000 in Kaleen.

Insurance premiums for 2014-15 are: $1,575.00 for home and contents insurance; and $315.00 for life insurance.

Transport

For 2014-15 transport fees comprise: driver licence fees ($66.84); vehicle registration ($316.04); Road Rescue Fee ($16.60); CTP premium ($590.70); Road Safety Contribution ($2.00); CTP Regulator Levy ($1.00); School Student ACTION fare ($338.04); Adult ACTION fare ($1,310.86) and Parking ($2,194.50).

The Lifetime care and support levy (LTCS) commences 1 July 2014 ($34.00). This was not included in 2013-14.

For 2014-15, transport savings comprise the impact of reducing the duty on insurance from 6 per cent to 4 per cent ($14.70).

The drivers are eligible for a discount on the cost of their driver's licence under the Rewards for Safe Driving Program ($13.37).

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 2014-15 are $735.00 for comprehensive car insurance.

A 30 ride paid cap for students is reached taking rides to and from school.

Sarah catches the bus and reaches the monthly travelling cap of 40.

Parking fees have been calculated using the Zone B, Off Street, City Centre rate, which has been assumed to increase to $9.50 per day in 2014-15.

Utilities

For 2014-15, utility charges comprise: electricity ($2,348.86); natural gas ($2,108.87); water ($783.46); and sewerage ($504.60).

Assumptions

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

Concessions

Sarah and Ben are not eligible for any concessions.

Household Five (Table 2.3.6)

Transport

For 2014-15, transport fees comprises the Adult 5 Days a Week ACTION fare ($1,310.86). Concessions comprise ACTION's concession fare ($989.72). The total annual cost for Noreen is $321.14.

The increase in the off peak concession fare in 2014-15 is due to a realignment of the MyWay off peak single concession fare to reach 50% of the standard fare by 2016-17.

Assumptions

The Centrelink Card provides access to ACTION's off-peak concession fare. Noreen is assumed to travel off peak time twice a day, 5 days a week and reaches the monthly travelling cap of 40.

Utility Charges

For 2014-15, utility charges comprise: electricity ($1,432.32).

For 2014-15, applicable 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 ACT, and are valued at $430.06 and $504.60 respectively.

CHAPTER 3

NEW INITIATIVES

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3.1 INITIATIVES OVERVIEW

The 2014-15 Budget includes, over four years, $182.7 million of new expense initiatives (net of the health funding envelope), $415.2 million of new infrastructure and capital initiatives, and $121.8 million of new revenue initiatives announced since the 2013-14 Budget Review, including initiatives previously funded in *Appropriation Act 2013-14 (No 2)*.

In addition to these new initiatives, the Government has provisioned $1.3 billion for future capital works, including University of Canberra Public Hospital, Capital Metro, and the Courts project. Consistent with common practice for commercially sensitive and high value projects, the provisions have not been identified for each specific project.

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

Table 3.1.1
Overview of Initiatives

	2014-15 Estimate $'000	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000	Total Estimate $'000
Expense initiatives	136,234	68,301	53,389	44,908	**302,832**
Health funding envelope offset	36,552	41,676	42,631	43,557	**164,416**
Net expense initiatives	**99,682**	**26,625**	**10,758**	**1,351**	**138,416**
Expenses related to infrastructure and capital initiatives	20,406	13,229	8,905	1,727	**44,267**
Total expense initiatives	**120,088**	**39,854**	**19,663**	**3,078**	**182,683**
Infrastructure and capital initiatives	181,324	196,598	33,271	3,705	**414,898**
Infrastructure and capital related to expense initiatives	257	0	0	0	**257**
Total infrastructure and capital initiatives	**181,581**	**196,598**	**33,271**	**3,705**	**415,155**
Revenue initiatives	23,934	25,051	30,633	31,697	**111,315**
Revenue related to expense initiatives	1,684	2,857	2,942	3,031	**10,514**
Total revenue initiatives	**25,618**	**27,908**	**33,575**	**34,728**	**121,829**
Depreciation associated with new capital investment	546	7,677	15,210	20,596	**44,029**

Significant new expense initiatives in the 2014-15 Budget include more general inpatient beds in our hospitals, additional elective surgery (including bariatric surgery), additional staffing and facilities at the Alexander Maconochie Centre, scoping and facilitation of the Capital Metro project, increased bushfire management capacity, more services and staff at the Belconnen Community Health Centre and Walk-in Centre, an expansion of services at the Centenary Hospital for Women and Children, increased municipal services, new Canberra Connect services in Gungahlin, and increased funding for the ACT Concessions program.

Significant infrastructure and capital initiatives include expanding the Alexander Maconochie Centre, building a new Emergency Services station in Aranda, building a secure mental health unit, redeveloping Canberra Hospital, providing infrastructure in Molonglo, undertaking improvements in the Civic to Gungahlin corridor, and fitting out the ACT Government Office building in Gungahlin.

Revenue initiatives include the ongoing rollout of tax reforms such as land tax reform and payroll tax harmonisation, as well as an increase in the Utilities Network Facilities Tax.

3.2 EXPENSE INITIATIVES

The Government is investing in new expense initiatives totalling $120.1 million in 2014-15 and $182.7 million across the Budget and forward estimates. This is net of the $164.4 million health funding envelope offset, and savings initiatives.

A summary of expenses is shown in Table 3.2.1 below.

Table 3.2.1
Summary of Expense Initiatives

Summary of Initiatives	2014-15 Estimate $'000	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000	Total 4 Year $'000
Expense initiatives	**136,234**	**68,301**	**53,389**	**44,908**	**302,832**
Health funding envelope offset	36,552	41,676	42,631	43,557	164,416
Net Budget Impact – Initiatives	**99,682**	**26,625**	**10,758**	**1,351**	**138,416**
Expense component of infrastructure and capital initiatives	20,406	13,229	8,905	1,727	44,267
Total expense initiatives	**120,088**	**39,854**	**19,663**	**3,078**	**182,683**
Associated revenue	1,684	2,857	2,942	3,031	10,514
Associated infrastructure and capital	257	0	0	0	257
Associated expenses (depreciation)	0	32	32	32	96

Initiatives – Summary of Expenses by Portfolio

Table 3.2.2
Expense Initiatives

Expense Initiatives	2014-15 Estimate $'000	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000	Total Estimate $'000
ACT Executive					
Funding for an additional Minister	661	669	678	687	2,695
Total	**661**	**669**	**678**	**687**	**2,695**
Capital Metro Agency					
Capital Metro – Scoping and facilitation	21,342	0	0	0	21,342
Total	**21,342**	**0**	**0**	**0**	**21,342**
Chief Minister and Treasury Directorate					
ACTPS Workers' Compensation and Work Safety Improvement Plan	2,747	2,790	2,834	2,917	11,288
Agency Asset Review – Pilot[1]	0	0	0	0	0
Expenditure Reviews	800	618	0	0	1,418
Healthy Weight Initiative	1,538	1,315	344	448	3,645
iConnect[2]	2,047	201	-2,947	-9,036	-9,735
Infrastructure Finance and Advisory Unit	1,499	1,066	987	998	4,550
Regulatory Reform Team	763	0	0	0	763
Total	**9,394**	**5,990**	**1,218**	**-4,673**	**11,929**
Community Services Directorate					
ACT National Disability Insurance Scheme	0	555	0	0	555
Better Human Services – Blueprint Local Service Network	670	665	0	0	1,335
Better Human Services – Strengthening Families	445	0	0	0	445
Disability Services – Indexation	2,245	0	0	0	2,245
Emergency Responses for Disability Services	1,800	1,040	0	0	2,840
Family and Sexual Violence Support – Domestic Violence Crisis Service and the Canberra Rape Crisis Centre	153	0	0	0	153
Out of Home Care Strategy – Additional funding	4,100	0	0	0	4,100
Philanthropic/Institutional Investor Model[1]	0	0	0	0	0
Therapy Assistants Program – Additional services	537	545	553	0	1,635
Total	**9,950**	**2,805**	**553**	**0**	**13,308**
Commerce and Works Directorate					
ACT Concessions Program – Increasing funding	6,615	0	0	0	6,615
ACT Government Office Building ICT Infrastructure and Relocation Costs[2]	372	112	112	112	708
Data.ACT – Open Access Platform[1]	0	0	0	0	0
Electronic Tendering[2]	-42	-165	-165	-165	-537
Employee Self-service and Automated Help Desk Tools[2]	0	0	-135	-225	-360
Enhancing Security for Email and Internet Usage[2]	96	96	96	96	384
Human Resources Information Management System Upgrade[2]	0	859	859	859	2,577
ICT Sustainability – Desktop computer and printer energy management[2]	0	-32	-31	-30	-93
ICT Transformation – Hybrid cloud computing[2]	1,290	-890	-3,270	-5,730	-8,600
Invoice Automation[2]	0	50	50	50	150
New ACT Court Facilities	2,552	1,097	899	922	5,470
Revenue Collection Transformation[2]	0	0	2,718	1,172	3,890

Expense Initiatives	2014-15 Estimate $'000	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000	Total Estimate $'000
Taxi Subsidy Scheme	112	0	0	0	112
Whole of Government Digital Records Capability[2]	300	0	0	0	300
Total	**11,295**	**1,127**	**1,133**	**-2,939**	**10,616**
Economic Development Directorate					
ACT Government Office Building – Gungahlin fitout[2]	0	0	173	346	519
Active Kids Challenge[1]	0	0	0	0	0
Australia Forum – Investment ready[2]	1,500	0	0	0	1,500
Brand Canberra – Transforming the city	800	0	0	0	800
Business Development Strategy – Partnerships and resources for local businesses	100	0	0	0	100
Canberra Day 2015	300	0	0	0	300
Cooperative Airline Stimulus Fund	600	0	0	0	600
Developing Business Opportunities – Assisting the transition to the private sector	150	0	0	0	150
Gungahlin Leisure Centre – Operating costs	310	238	523	536	1,607
Increased Sports Grants – Asset repair and maintenance scheme	500	0	0	0	500
Innovation Support – CBR Innovation Network[1]	0	0	0	0	0
International Cricket Council Cricket World Cup 2015	2,255	0	0	0	2,255
Invest Canberra – Further promotion of Canberra's investment and business opportunities	100	0	0	0	100
Isabella Weir Spillway - Upgrades[2]	0	0	0	100	100
Lyneham Sports Precinct – Stage 4 tennis facility enhancement[2]	2,500	500	0	0	3,000
Majura Parkway to Majura Road – Link road construction[2]	0	0	0	95	95
Sportsgrounds – Additional irrigation	500	0	0	0	500
Stromlo Forest Park Implementation of Bushfire Management Plan[2]	0	30	70	100	200
Supporting Local Business Fund	150	0	0	0	150
Tuggeranong Lakeside Leisure Centre – Water play park[2]	0	0	0	5	5
Visit Canberra – Tourism industry growth partnerships	750	0	0	0	750
Young Business Connect	300	0	0	0	300
Total	**10,815**	**768**	**766**	**1,182**	**13,531**
Education and Training Directorate					
Childcare Centre Upgrades – Stage 3[2]	0	0	14	28	42
Early Childhood Scholarships – Certificate III in Children's Services	250	250	0	0	500
National Quality Framework – Children's policy and regulation	545	0	0	0	545
Special Needs Transport	800	0	0	0	800
Total	**1,595**	**250**	**14**	**28**	**1,887**
Electoral Commissioner					
Electoral ICT Systems Upgrade for 2016 Election[2]	0	0	0	85	85
Electoral Services Funding	200	864	4,168	527	5,759
Total	**200**	**864**	**4,168**	**612**	**5,844**
Environment and Sustainable Development Directorate					
City Plan Implementation[2]	150	0	0	0	150
Government Architect[1]	0	0	0	0	0
Kangaroo Population Management and Research	471	453	0	0	924

Expense Initiatives	2014-15 Estimate $'000	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000	Total Estimate $'000
Swimming Pool Safety Reforms	100	0	0	0	100
Transport and Parking – Better options	150	150	0	0	300
Total	**871**	**603**	**0**	**0**	**1,474**
Health Directorate					
Belconnen Community Health Centre and Walk-in Centre – More services, more staff [4]	2,280	2,328	2,377	2,427	9,412
Calvary Ophthalmology Services – Expansion[4]	250	300	350	357	1,257
Calvary Public Hospital – Car park[2]	2,208	0	0	0	2,208
Calvary Public Hospital – Refurbishments for more beds[2]	1,605	0	0	0	1,605
Canberra Region Cancer Centre – More services, more staff[4]	2,059	2,102	2,146	2,191	8,498
Centenary Hospital for Women and Children – Expanding services[4]	2,135	2,180	2,226	2,272	8,813
Community Mental Health – Expanding services[4]	1,000	1,038	1,076	1,116	4,230
Community Nursing – Expanding services[4]	581	1,058	1,080	1,103	3,822
Elective surgery – Including bariatric surgery[4]	8,250	8,423	8,600	8,781	34,054
Emergency Department Services – Better services [4]	860	878	896	915	3,549
Endoscopy Services – Expanding services[4]	300	306	313	319	1,238
Health Infrastructure Program – Project management continuation[2]	876	911	0	0	1,787
Intensive and Critical Care – Expanding services[4]	3,669	3,746	3,825	3,905	15,145
Lymphoedema Services – Expanding services[4]	252	519	534	546	1,851
Mental Health Act – Amendments implementation[4]	447	682	703	724	2,556
Our Hospitals – More general inpatient beds[4]	10,760	14,320	14,621	14,928	54,629
Outpatient and Imaging Services – Expanding services[4]	2,177	2,223	2,270	2,317	8,987
Suicide Prevention – Improving services[4]	500	519	538	558	2,115
The Canberra Hospital Redevelopment[2]	3,022	0	0	0	3,022
Tuggeranong Health Centre – More services, more staff[4]	560	572	584	596	2,312
Women, Youth and Children's Services[4]	472	482	492	502	1,948
Total	**44,263**	**42,587**	**42,631**	**43,557**	**173,038**
Housing ACT					
Better Human Services – Human Services Gateway	322	0	0	0	322
Common Ground – Providing services	156	321	331	341	1,149
Continued Support for Homelessness Services	1,520	0	0	0	1,520
Homelessness Sector Reform – Evaluation[1]	0	0	0	0	0
Total	**1,998**	**321**	**331**	**341**	**2,991**
Justice and Community Safety Directorate					
Aboriginal Legal Service Assistance – Additional services	100	103	105	108	416
ACT Corrective Services – Information management solution[2]	400	0	0	0	400
ACT Corrective Services – Workers' Compensation	996	0	0	0	996
ACT Fire and Rescue Women's Inclusion and Action Plan[1]	0	0	0	0	0
Alexander Maconochie Centre - Additional facilities[2]	0	7,557	8,061	9,854	25,472
Alexander Maconochie Centre – Additional staffing	3,280	3,360	3,440	3,520	13,600
Alexander Maconochie Centre – Electronic security system[2]	1,118	623	650	675	3,066
Commonwealth Fire Payment Supplementation	4,000	4,000	4,000	4,000	16,000
Courts and Tribunal Management System – ICT infrastructure[2]	926	938	966	995	3,825

Expense Initiatives	2014-15 Estimate $'000	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000	Total Estimate $'000
Director of Public Prosecutions Work Safety Prosecutions Unit[2]	277	286	294	301	1,158
Emergency Services Agency Upgrade and Relocation – Aranda station[2]	700	691	231	366	1,988
Emergency Services Agency Workers' Compensation	4,943	0	0	0	4,943
Extended Care Paramedic Program	455	0	0	0	455
Gungahlin Joint Emergency Services Centre – Future use study[2]	380	70	0	0	450
Improving Access to Justice – Addressing Supreme Court backlog	225	0	0	0	225
Judges' Remuneration	329	329	329	329	1,316
Justice Reform Strategy	367	367	0	0	734
Justice Reinvestment – Australian Research Council linkage grant	0	50	50	50	150
Justice Reinvestment Strategy[1]	0	0	0	0	0
Parking Operations – More inspectors[3]	613	935	962	978	3,488
Privacy Commissioner – Continuing services	76	78	81	85	320
Rego.ACT – Ongoing investment[2]	799	823	851	866	3,339
Strengthening Emergency Services Agency's Response Capability – Improving TRN and CAD replacement program[2]	148	618	85	87	938
Throughcare – Extending services	1,074	1,102	0	0	2,176
Working with Vulnerable People Checks – Supplementation[3]	634	0	0	0	634
Total	**21,840**	**21,930**	**20,105**	**22,214**	**86,089**
Legal Aid Commission (ACT)					
Expensive Criminal Cases Supplementation	200	0	0	0	200
Total	**200**	**0**	**0**	**0**	**200**
Office of the Legislative Assembly					
Additional Funding for the Offices of the MLAs	400	820	280	0	1,500
Broadcasting Infrastructure and Audio–Visual Systems Upgrade[2]	11	23	23	24	81
Legislative Assembly Commissioner for Standards	50	40	0	0	90
Total	**461**	**883**	**303**	**24**	**1,671**
Territory and Municipal Services Directorate					
ACTION – Improved public transport	500	500	500	500	2,000
ACTION – Supporting operational capacity	6,360	0	0	0	6,360
Automated Works As Executed Data Entry System[2]	0	-22	-25	-26	-73
Bridge Strengthening on Commercial Routes[2]	0	0	16	32	48
Bulky Waste Trial – Continuation	400	0	0	0	400
Bushfire Management Capacity	2,089	2,162	2,238	2,316	8,805
Canberra Connect – New services in Gungahlin[2]	331	1,169	1,172	1,197	3,869
Enhanced Biodiversity Stewardship	959	0	0	0	959
Environmental Offsets – Gungahlin (EPIC)[2]	0	0	0	59	59
Environmental Offsets – Lawson South[2]	0	0	0	69	69
Increased Municipal Services	2,614	2,272	2,329	2,387	9,602
Kangaroo Population Management and Research	279	297	0	0	576
Molonglo Valley – Implementation of NES Plan – Stage 2[2]	0	236	238	265	739

Expense Initiatives	2014-15 Estimate $'000	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000	Total Estimate $'000
Mugga Lane – Replace damaged septic system[2]	0	0	-35	-27	-62
National Arboretum Canberra – Event terrace and precinct facilities[2]	0	0	0	15	15
National Arboretum Canberra – Maintenance	186	372	381	391	1,330
Parks and Open Spaces – Maintaining amenity	4,500	3,600	3,600	3,500	15,200
Ramp Metering on Cotter Road[2]	0	0	7	14	21
Strategic Bushfire Management Plan[2]	0	0	266	531	797
Street Lighting and Traffic Signal Electricity Cost Increases	773	792	812	832	3,209
Transport for Canberra – Improved community transport coordination	500	0	0	0	500
Transport for Canberra – Upgrading Erindale bus station[2]	0	0	9	18	27
Transport for Canberra – Walking and cycling infrastructure – Stage 4[2]	0	0	13	38	51
Waste Management Services	1,764	1,055	1,068	1,081	4,968
Weston Creek Group Centre Parking[2]	0	0	5	10	15
Total	**21,255**	**12,433**	**12,594**	**13,202**	**59,484**
Whole of Government					
Administrative Efficiencies	500	-9,700	-12,200	-12,600	-34,000
Digital Dividend Investment Strategy and Transformational Service Delivery	0	0	-10,000	-15,000	-25,000
Total	**500**	**-9,700**	**-22,200**	**-27,600**	**-59,000**
TOTAL EXPENSE INITIATIVES	**156,640**	**81,530**	**62,294**	**46,635**	**347,099**
Associated Revenue	*1,684*	*2,857*	*2,942*	*3,031*	*10,514*
Associated Capital	*257*	*0*	*0*	*0*	*257*
Associated Expenses (Depreciation)	*0*	*32*	*32*	*32*	*96*
Health Funding Envelope Offset	*36,552*	*41,676*	*42,631*	*43,557*	*164,416*

Notes:

1. The funding of this initiative is to be absorbed by the agency.
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. This initiative has a revenue component; this is listed in the summary table in Revenue Initiatives (Chapter 3.4).
4. This is funded from within the health funding envelope.

ACT EXECUTIVE

Funding for an additional Minister

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	661	669	678	687	**2,695**

The Chief Minister will appoint an additional Minister to the ACT Executive. This will be supplemented by the transfer of funding for one Non-Executive Member from the Office of the Legislative Assembly. The *Australian Capital Territory (Ministers) Act 2013* provides for the appointment of up to nine Ministers.

CAPITAL METRO AGENCY

Capital Metro – Scoping and facilitation

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	21,342	0	0	0	**21,342**

The Government will invest in the development of Capital Metro. This includes preparing Capital Metro to an investment ready stage and, subject to the full business case, commencing the procurement and delivery of the light rail service and its operation, specialised economic and financial advisory services and stakeholder engagement activities.

The Government has also included a capital provision in the Budget for Capital Metro. Refer to Infrastructure and Capital (Chapter 5) for more information.

Additional funding of $0.907 million in 2014-15 will be provided to the Chief Minister and Treasury Directorate for increased staffing for work associated with operational, finance and advisory services to improve the financial and commercial impacts associated with the Capital Metro project. This amount is included in the total above.

CHIEF MINISTER AND TREASURY DIRECTORATE

ACTPS Workers' Compensation and Work Safety Improvement Plan

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	2,747	2,790	2,834	2,917	**11,288**

The Government is investing a total of $11.288 million to provide support for continuation of the return to work case management services for injured ACTPS employees and a range of injury prevention and early intervention initiatives designed to reduce the human and economic cost of work injury. This investment will lower pressure on Workers' Compensation costs.

The initiative was included by the Government in the *Appropriation Act 2013-14 (No 2)*.

Agency Asset Review – Pilot

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	0	0	0	0	**0**

The Government will provide $0.306 million over two years for a pilot review to identify surplus, obsolete or under-performing assets across government. The cost of this initiative will be met from within existing resources.

Expenditure Reviews

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	800	618	0	0	**1,418**

The Government will support the review of a number of its services and operations to identify ways to address their sustainability and to consider efficiency improvements. Reviews to be undertaken include: the Concessions Program, Property Management, and Parking Infrastructure and Service Delivery Models.

Healthy Weight Initiative

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	1,538	1,315	344	448	**3,645**

The Healthy Weight Action Plan funding of $3.645 million over four years will provide for community programs and education development activities, student physical activity education programs, web based resources for general practitioners and developing nutritional information for supermarkets and shopping centres. The Government will focus on partnering with industry to improve the quality of the Territory's food environment and equip the community to make informed diet choices. These initiatives will complement other Government priorities including the Transport for Canberra walking and cycling infrastructure and the 'Ride or Walk to School' program.

Infrastructure Finance and Advisory Unit

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	1,499	1,066	987	998	**4,550**

The Government is investing a total of $4.550 million to provide for the establishment of an Infrastructure Finance and Advisory Unit within the Chief Minister and Treasury Directorate. This unit will support major infrastructure delivery in the ACT Public Private Partnerships (PPP) and unsolicited public infrastructure proposals, and will have oversight of the Territory's first PPP project, the ACT Courts Redevelopment Project.

The initiative was included by the Government in the *Appropriation Act 2013-14 (No 2)*.

Regulatory Reform Team

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	763	0	0	0	**763**

The Government will fund a dedicated Regulatory Reform Team to direct and coordinate regulatory and process reforms across government to reduce red tape and deliver tangible benefits and savings to business, the community and the government.

Expenses associated with infrastructure and capital initiatives

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
iConnect	2,047	201	-2,947	-9,036	**-9,735**

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

COMMUNITY SERVICES DIRECTORATE

ACT National Disability Insurance Scheme

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	0	555	0	0	**555**

The Government will supplement the ACT's contribution to the National Disability Insurance Scheme (NDIS) trial in the ACT to be held during the period 2014-15 to 2016-17. This additional funding is required to meet the ACT's obligations under the NDIS, and will be allocated to areas of high priority in the ACT disability care system.

Better Human Services – Blueprint Local Service Network

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	670	665	0	0	**1,335**

The Government will provide funding for a Human Services Blueprint Local Service Network. The initiative will trial new ways of providing services to better integrate local service delivery to individuals and vulnerable groups. The Local Service Network will operationalise key elements of the Human Services Blueprint, including local governance, flexible funding arrangements, enhanced service coordination, and data sharing. It will ensure individuals' outcomes are tracked and evaluated. The Network trial will be located in West Belconnen.

Better Human Services – Strengthening Families

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	445	0	0	0	**445**

The successful Strengthening Families approach will be expanded for up to 50 families with complex needs. Each family will be supported by a trained Lead Worker who will work with the family to implement an agreed family plan, supported by tailored support packages that will aim to prevent interaction with high cost and intrusive service systems.

Disability Services – Indexation

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	2,245	0	0	0	**2,245**

The Government will fund disability support packages and provide funding to disability service providers to ensure people with a disability receive appropriate care in the transition to the National Disability Insurance Scheme.

Emergency Responses for Disability Services

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	1,800	1,040	0	0	**2,840**

The Government will fund emergency responses required to support clients of Disability ACT. The funding will provide for additional emergency services including in-home support, respite care and residential accommodation for a mix of pre-existing and new clients. The Territory will be responsible for these clients until their transition to the National Disability Insurance Scheme is completed in 2015-16.

Family and Sexual Violence Support – Domestic Violence Crisis Service and the Canberra Rape Crisis Centre

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	153	0	0	0	**153**

The Government will provide additional funding to support sexual assault counselling and crisis and court support for victims of family violence.

Out of Home Care Strategy – Additional funding

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	4,100	0	0	0	**4,100**

The Government will increase funding to meet growth in demand for out of home care places, and undertake preparatory work associated with implementing a new Out of Home Care Strategy in 2015-16.

Philanthropic/Institutional Investor Model

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	0	0	0	0	**0**

The Government will fund up to $80,000 in 2014-15 to explore options for facilitating enhanced philanthropic links between the government, private sector and not for profit and charitable organisations that are mutually beneficial and support improved social outcomes in the Canberra community. The cost of this initiative will be met from within existing resources.

Therapy Assistants Program – Additional services

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	537	545	553	0	**1,635**

The Government will provide funding to support school based therapy intervention for children with developmental delays or disabilities in target schools. The use of therapy assistants within schools enhances learning outcomes through therapy programs that improve functional skills in communication, fine motor and gross motor capabilities. This initiative continues an existing program. From 2017-18, these services will be funded through the National Disability Insurance Scheme.

COMMERCE AND WORKS DIRECTORATE

ACT Concessions Program – Increasing funding

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	6,615	0	0	0	**6,615**

The Government will provide additional funding to assist households meet the costs of essential services. The Government will evaluate the program in 2014-15 to consider options to improve its effectiveness, targeting and sustainability.

Data.ACT – Open Access Platform

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	0	0	0	0	**0**

The Government is maintaining its open data service following a trial in 2013-14. This service will provide a range of data including educational (the census of all ACT schools), geographic (ACT population projections) and transportation data (ACTION timetables) for use by business and the community. The cost of $85,000 per year for this initiative will be met from within existing resources.

New ACT Court Facilities

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	2,552	1,097	899	922	**5,470**

The Government will provide procurement funding for a Public Private Partnership to redevelop the Supreme Court building and integrate it with the existing Magistrates Court building to provide an integrated Courts Facility.

The Government has included a provision in the Budget for the estimated capital cost of this project. Refer to Infrastructure and Capital Initiatives (Chapter 3.3) for more information.

The initiative was included by the Government in the *Appropriation Act 2013-14 (No 2)*.

Taxi Subsidy Scheme

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	112	0	0	0	**112**

The Government will provide funding for the management and maintenance of the Taxi Subsidy Scheme (TSS) smartcard program.

Expenses associated with infrastructure and capital initiatives

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
ACT Government Office Building ICT Infrastructure and Relocation Costs	372	112	112	112	**708**
Electronic Tendering	-42	-165	-165	-165	**-537**
Employee Self-service and Automated Help Desk Tools	0	0	-135	-225	**-360**
Enhancing Security for Email and Internet Usage	96	96	96	96	**384**
Human Resources Information Management System Upgrade	0	859	859	859	**2,577**
ICT Sustainability – Desktop computer and printer energy management	0	-32	-31	-30	**-93**
ICT Transformation – Hybrid cloud computing	1,290	-890	-3,270	-5,730	**-8,600**
Invoice Automation	0	50	50	50	**150**
Revenue Collection Transformation	0	0	2,718	1,172	**3,890**
Whole of Government Digital Records Capability	300	0	0	0	**300**

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

ECONOMIC DEVELOPMENT DIRECTORATE

Active Kids Challenge

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	0	0	0	0	**0**

The Government will support the *Physical Activity Foundation* to deliver the *Active Kids Challenge*. The program aims to reduce the impact of childhood inactivity and promote healthy lifestyle habits to primary school children. The Government is investing $0.330 million in this initiative over three years until 2016-17; that cost will be met from within existing resources.

Brand Canberra – Transforming the city

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	800	0	0	0	**800**

The Government will invest in further promoting *Brand Canberra* by enhancing the *CBR* website, making strategic use of social media and developing partnerships for logo placement at events, in publications and on websites.

Business Development Strategy – Partnerships and resources for local businesses

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	100	0	0	0	**100**

The Government will provide support to promote Canberra businesses. This will include support, resources and materials to the business community, to enable them to develop and implement marketing and promotional opportunities that showcase Canberra as a great place to live, work and invest.

Canberra Day 2015

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	300	0	0	0	**300**

The Government will support and enhance Canberra Day celebrations, including the addition of *Symphony in the Park,* in March 2015.

Cooperative Airline Stimulus Fund

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	600	0	0	0	**600**

The Government will encourage and support cooperative marketing campaigns that stimulate demand and grow the economic value of domestic and international visitations to the ACT. The investment in 2014-15 will seek to attract direct airline services in key markets – such as New Zealand and Asia – by promoting Canberra as a business and leisure destination.

Developing Business Opportunities – Assisting the transition to the private sector

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	150	0	0	0	**150**

The Government is providing funding to expand services to assist public sector employees to transition to the private sector, helping them create new jobs and businesses and ensure their human and financial capital remains in the Territory. This funding will extend existing business support and include workshops on business planning, business model development, legal, marketing, Human Resource management and industrial relations skills.

Gungahlin Leisure Centre – Operating costs

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	310	238	523	536	**1,607**

The Government will provide for the engagement of an external contract manager to operate the Gungahlin Leisure Centre as well as provide for maintenance of the facility.

Increased Sports Grants – Asset repair and maintenance scheme

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	500	0	0	0	**500**

The Government will assist community sporting organisations to keep their facilities in sound working order by funding priority repairs and maintenance.

Innovation Support – CBR Innovation Network

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	0	0	0	0	**0**

The Government will assist in funding innovation in the Canberra economy through a contribution to the CBR Innovation Network. The Network will link key research institutions, the business community, and the ACT Government. It will provide services to help new, existing and start-up businesses boost innovation, provide an incubator service and a home for the Griffin Accelerator. The cost of $700,000 per annum will be met from within existing resources.

International Cricket Council Cricket World Cup 2015

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	2,255	0	0	0	**2,255**

The Government will invest $2.5 million to support the 2015 International Cricket World Cup. The Government will support the 2015 International Cricket Council World Cup games in Canberra by meeting guarantees, hosting rights and operational costs such as waste management, traffic management, security and provision of international class media and broadcast facilities. The Government will provide an additional $0.245 million from existing resources.

Invest Canberra – Further promotion of Canberra's investment and business opportunities

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	100	0	0	0	**100**

The Government will undertake a program of targeted initiatives to promote the services of Invest Canberra interstate and internationally, raise Invest Canberra's profile and increase awareness about investment opportunities in Canberra.

Sportsgrounds – Additional irrigation

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	500	0	0	0	**500**

The Government will provide additional funding to ensure that the quality of sportsgrounds in the Territory is maintained. The funding will be used to manage the costs relating to the irrigation of sportsgrounds.

Supporting Local Business Fund

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	150	0	0	0	**150**

The Government will provide funding to boost the ACT economy by matching local businesses seeking business advice with local business service providers. This initiative will fund the provision of advice relevant to the Canberra business environment in areas such as human resources, financial and business development.

Visit Canberra – Tourism industry growth partnerships

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	750	0	0	0	**750**

The Government will provide funding to support the Tourism 2020 strategy through a program of targeted investments and promotions. This will include entry signage to the ACT to align with Brand Canberra, a Visit Canberra exhibition display, and a targeted campaign to enhance the experience of conference delegates.

Young Business Connect

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	300	0	0	0	**300**

The Government will provide funding to help young people develop ideas for establishing local businesses. This initiative will include business planning and market development advice, connection to specialist advisors and business mentors and assistance in attracting capital investment. Young Business Connect will link closely with existing entrepreneurship programs in the higher education sector and the CBR Innovation Network.

Expenses associated with infrastructure and capital initiatives

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
ACT Government Office Building – Gungahlin fitout	0	0	173	346	**519**
Australia Forum – Investment ready	1,500	0	0	0	**1,500**
Isabella Weir Spillway – Upgrades	0	0	0	100	**0**
Lyneham Sports Precinct – Stage 4 tennis facility enhancement	2,500	500	0	0	**3,000**
Majura Parkway to Majura Road – Link road construction	0	0	0	95	**95**
Stromlo Forest Park Implementation of Bushfire Management Plan	0	30	70	100	**200**
Tuggeranong Lakeside Leisure Centre – Water play park	0	0	0	5	**5**

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

EDUCATION AND TRAINING DIRECTORATE

Early Childhood Scholarships – Certificate III in Children's Services

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	250	250	0	0	**500**

The Government is extending the existing Early Childhood Scholarship Program (Certificate III in Children's Services) to support the children's services sector to up-skill its workforce to meet the requirements of the National Quality Framework for Early Childhood Education and Care.

National Quality Framework – Children's policy and regulation

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	545	0	0	0	**545**

The Government is continuing to provide resources for the regulation of the National Quality Framework in Early Childhood Education and care.

Special Needs Transport

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	800	0	0	0	**800**

The Government is extending support for its existing transport of students with disabilities to ACT public schools for a further six months while it considers this service in the context of the National Disability Insurance Scheme.

Expenses associated with infrastructure and capital initiatives

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Childcare Centre Upgrades – Stage 3	0	0	14	28	**42**

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

ELECTORAL COMMISSIONER

Electoral Services Funding

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	200	864	4,168	527	**5,759**

The Government is providing ongoing funding to the Commission to enable it to continue the administration of its campaign finance reform functions and to undertake its corporate and financial reporting duties as a result of the Commission members becoming Officers of the Assembly. The Government is also providing funding to enable the Commission to prepare, plan and conduct the 2016 ACT Legislative Assembly election.

Expenses associated with infrastructure and capital initiatives

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Electoral ICT Systems Upgrade for 2016 Election	0	0	0	85	**85**

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

ENVIRONMENT AND SUSTAINABLE DEVELOPMENT DIRECTORATE

Government Architect

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	0	0	0	0	**0**

The Government will continue the role of the Government Architect over four years. The continuation of this role would allow for coordinated advice across Government on architecture, urban design and design direction. Funding of $0.4 million over four years for this initiative will be met from within existing resources.

Kangaroo Population Management and Research

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	471	453	0	0	**924**

The Government will continue population monitoring and research of kangaroos and investigate non-lethal methods of population control for Eastern Grey Kangaroos.

Swimming Pool Safety Reforms

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	100	0	0	0	**100**

The Government will provide information and education for residential pool owners to improve pool safety and reduce the number of child drownings.

Transport and Parking – Better options

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	150	150	0	0	**300**

The Government will investigate feasible sites for parking investment, implement parking plans, review parking rates and implement parking offset scheme strategies within the City and town centres.

Expenses associated with infrastructure and capital initiatives

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
City Plan Implementation	150	0	0	0	**150**

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

HEALTH DIRECTORATE

In this Budget, all new Health expense initiatives except Health Infrastructure Program project management costs are funded from within the Health Funding Envelope.

Belconnen Community Health Centre and Walk-in Centre – More services, more staff

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	2,280	2,328	2,377	2,427	**9,412**

The Government will provide staffing to support an increased range of services, including breast screening, aged care and rehabilitation, pathology collection, community mental health and medical outpatient services. Staff will also be provided for a Walk-in Centre at the Belconnen Community Health Centre.

Calvary Ophthalmology Services – Expansion

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	250	300	350	357	**1,257**

The Government will increase the current level of ophthalmology services to meet the increased incidence of degenerative eye conditions.

See also related capital initiative, the Canberra Hospital Redevelopment. Refer to Infrastructure and Capital Initiatives (Chapter 3.3) for more information.

Canberra Region Cancer Centre – More services, more staff

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	2,059	2,102	2,146	2,191	**8,498**

The Government will recruit additional health professionals, nurses, medical and support staff to operate the new Canberra Region Cancer Centre. The new centre will enable the provision of more services in a non–inpatient environment to meet increasing demand.

Centenary Hospital for Women and Children – Expanding services

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	2,135	2,180	2,226	2,272	**8,813**

The Government will provide one extra bed in each of the Neonatal Intensive Care; Paediatric Inpatient; Paediatric Day-surgery; Delivery Suite and Birthing Centre; and Maternity Assessment units. This will meet increased demand for services.

Community Mental Health – Expanding services

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	1,000	1,038	1,076	1,116	**4,230**

The Government will increase staffing for Child and Adolescent Mental Health Services with an emphasis on perinatal and infant consultation services and an expansion of the Eating Disorders Program. In addition, funding will be provided to support psychosocial step-up step-down outreach services.

Community Nursing – Expanding services

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	581	1,058	1,080	1,103	**3,822**

The Government will provide for additional nursing and support staff to boost community nursing services; both home-based services and services provided through the community health centres.

Elective surgery – Including bariatric surgery

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	8,250	8,423	8,600	8,781	**34,054**

The Government will expand elective surgery by up to 500 procedures per annum to improve elective surgery waiting times. This initiative also includes the establishment of a bariatric surgery program in the ACT for morbidly obese patients who have not responded to less invasive treatments.

Emergency Department Services – Better services

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	860	878	896	915	**3,549**

The Government will recruit two additional Emergency Department (ED) physicians (one each at Calvary Public Hospital and Canberra Hospital), to help reduce ED waiting times and meet growing demand.

Endoscopy Services – Expanding services

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	300	306	313	319	**1,238**

The Government will expand the current level of endoscopy services by 300 additional procedures per annum, to reduce current waiting times.

Intensive and Critical Care – Expanding services

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	3,669	3,746	3,825	3,905	**15,145**

The Government will provide an additional two Intensive Care Unit (ICU) beds at Canberra Hospital and one at Calvary Public Hospital. This will provide the capacity for ICU services to manage the increasing demand for critical care services.

Lymphoedema Services – Expanding services

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	252	519	534	546	**1,851**

The Government will engage three health professionals to expand the provision of lymphoedema services, which are needed to combat the side effects from treatment of breast cancer and other lymphatic conditions.

Mental Health Act – Amendments implementation

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	447	682	703	724	**2,556**

The Government will ensure adequate staffing and training to implement proposed amendments to the *Mental Health (Treatment and Care) Act*. Changes to the Act are proposed to address issues including recognition of decision making capacity in mental health; human rights advances, including the UN Convention on the Rights of People with Disabilities and the enactment of the *ACT Human Rights Act 2004*; and the emerging need to provide for forensic mental health clients in ACT law.

Our Hospitals – More general inpatient beds

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	10,760	14,320	14,621	14,928	**54,629**

The Government will provide 31 additional beds (16 at Canberra Hospital and 15 at Calvary Public Hospital) to meet an increasing demand for hospital-based services. A further six bed equivalents will also be provided through expansion of the hospital in the home program.

Outpatient and Imaging Services – Expanding services

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	2,177	2,223	2,270	2,317	**8,987**

The Government will increase the volume of services provided in outpatient settings, particularly in the areas of paediatric ophthalmology, chronic pain, and imaging.

Suicide Prevention – Improving services

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	500	519	538	558	**2,115**

The Government will provide a range of services to assist in suicide prevention, including promotion of community awareness of suicide and means of prevention.

Tuggeranong Health Centre – More services, more staff

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	560	572	584	596	**2,312**

The Government will increase staffing to improve access to the services available from the newly refurbished and expanded Health Centre.

Women, Youth and Children's Services

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	472	482	492	502	**1,948**

The Government will improve access to services for women, youth and children through increased staffing in community health centres, in the home and also through outpatient services at the Centenary Hospital for Women and Children.

Expenses associated with infrastructure and capital initiatives

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Calvary Public Hospital – Car park	2,208	0	0	0	**2,208**
Calvary Public Hospital – Refurbishments for more beds	1,605	0	0	0	**1,605**
Health Infrastructure Program – Project management continuation	876	911	0	0	**1,787**
The Canberra Hospital Redevelopment	3,022	0	0	0	**3,022**

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

HOUSING ACT

Better Human Services – Human Services Gateway

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	322	0	0	0	**322**

The Government will establish a single Human Services Gateway by consolidating three existing services – Disability Information Service Hub, Children, Youth and Family Services Gateway and Housing Central Access Point. The Gateway will bring together a range of government and community services and will include a common assessment and referral system to reduce duplication and ensure government services are provided in a timely and responsive manner.

Common Ground – Providing services

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	156	321	331	341	**1,149**

The Government will provide additional support to people experiencing chronic homelessness, people with high, multiple and complex needs, through support of the Common Ground facility. This facility offers affordable housing combined with on-site support for people experiencing homelessness.

Continued Support for Homelessness Services

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	1,520	0	0	0	**1,520**

The Government will provide additional funding for homelessness services consistent with the Commonwealth commitment to extend the National Partnership Agreement for one year.

Homelessness Sector Reform – Evaluation

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	0	0	0	0	**0**

The Government is providing $150,000 in 2014-15 to commission an independent evaluation of the homelessness sector reform process to review the work undertaken by the community sector and the Government during recent reform processes. The cost of this initiative will be met from within existing resources.

JUSTICE AND COMMUNITY SAFETY DIRECTORATE

Aboriginal Legal Service Assistance – Additional services

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	100	103	105	108	**416**

The Government is providing additional funding to the Commonwealth funded Canberra office of the Aboriginal Legal Service (NSW/ACT) to undertake a duty lawyer role in the ACT Courts. This will help ensure that Aboriginal and Torres Strait Islander people have adequate legal representation if they are summoned before the Court.

ACT Corrective Services – Workers' Compensation

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	996	0	0	0	**996**

The Government is providing additional funding to meet an increase in workers' compensation premiums in the Corrective Services Agency.

ACT Fire and Rescue Women's Inclusion and Action Plan

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	0	0	0	0	**0**

The Government is developing and implementing a Women in Emergency Services Strategy, in particular to increase the number of female fire fighters in the ACT. The cost of $160,000 in 2014-15 will be met from within existing resources.

Alexander Maconochie Centre – Additional staffing

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	3,280	3,360	3,440	3,520	**13,600**

The Government is providing additional funding to meet the increase in costs associated with an increase in average detainee numbers at the Alexander Maconochie Centre. As part of this Budget, the Government is also funding the construction of additional facilities at the Alexander Maconochie Centre to address the increasing detainee population.

Refer to the capital initiative entitled Alexander Maconochie Centre – Additional facilities in Infrastructure and Capital Initiatives (Chapter 3.3) for further information.

Commonwealth Fire Payment Supplementation

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	4,000	4,000	4,000	4,000	**16,000**

The Government is providing additional funding to the Emergency Services Agency to offset the reduction in Commonwealth payments to provide fire brigade services. The Government is also increasing the false alarm and commercial building development control fees as well as increasing the Fire and Emergency Services Levy on commercial properties with an average unimproved value of more than $2 million to help fund the shortfall in Commonwealth funding.

Director of Public Prosecutions Work Safety Prosecutions Unit

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	277	286	294	301	**1,158**
Associated Capital	27	0	0	0	**27**

The Government is funding the establishment of a Work Safety Prosecutions Unit to manage the increased number of WorkSafe prosecutions which will result from the increased capacity of WorkSafe and the creation of the Industrial Court.

Emergency Services Agency Workers' Compensation

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	4,943	0	0	0	**4,943**

The Government is providing additional funding to meet an increase in workers' compensation premiums in the Emergency Services Agency.

Extended Care Paramedic Program

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	455	0	0	0	**455**

The Government is continuing the Extended Care Paramedic Program pending the finalisation of an evaluation by the University of Wollongong on the effectiveness of the program.

Improving Access to Justice – Addressing Supreme Court backlog

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	225	0	0	0	**225**

The Government will provide additional funding to reduce the backlog of matters in the ACT Supreme Court.

Judges' Remuneration

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	329	329	329	329	**1,316**

The Government is providing funding of $1.3 million over four years to provide for the remuneration of judges, including increased pension and retirement costs as well as costs associated with reducing backlog. Remuneration for judges is essential for the functioning of the justice system and is required in accordance with ACT Remuneration Tribunal determinations.

The initiative was included by the Government in the *Appropriation Act 2013-14 (No.2)*.

Justice Reform Strategy

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	367	367	0	0	**734**

The Government is providing funding to develop and consult on evidence-based reforms to sentencing and restorative justice arrangements. This includes sentencing alternatives for ACT Courts as a result of the Government's decision to repeal periodic detention as a sentencing option from 2016-17.

Justice Reinvestment – Australian Research Council linkage grant

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	0	50	50	50	**150**

The Government is contributing to research to examine measures to reduce serious crime that results in imprisonment primarily relating to Aboriginal and Torres Strait Islander people. This initiative is being supported by a proposed Australian Research Council Linkage Grant between the National Centre for Indigenous Studies, the Australian National University and the ACT Government.

Justice Reinvestment Strategy

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	0	0	0	0	**0**

The Government is funding development of a whole of government justice reinvestment strategy aimed at reducing recidivism and diverting offenders, and those at risk of becoming offenders from the justice system. The cost of $689,000 over four years will be met from within existing resources.

Parking Operations – More inspectors

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	613	935	962	978	**3,488**
Associated Revenue	1,610	2,857	2,942	3,031	**10,440**

The Government is employing an additional eight parking inspectors and two office support staff to ensure the effective and efficient delivery of parking operations resulting from urban growth in the Territory and increased residential concerns of illegal parking in suburbs. The new inspectors will patrol ACT government operated car parks and on-road parking areas. Separate arrangements will apply to the introduction of paid parking in the Parliamentary Triangle which is a Commonwealth responsibility.

Privacy Commissioner – Continuing services

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	76	78	81	85	**320**

The Government is providing additional funding to the Commonwealth Privacy Commissioner to ensure the Territory receives a broader range of services which are not currently provided under the existing Memorandum of Understanding. These services will help ensure agencies comply with privacy requirements across all areas of ACT Government business.

Throughcare – Extending services

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	1,074	1,102	0	0	**2,176**

The Government is continuing the Throughcare program, which provides support beyond the end of an offender's custodial sentence to assist their transition to the community and help to reduce rates of recidivism.

Working with Vulnerable People Checks – Supplementation

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	634	0	0	0	**634**
Associated Revenue	74	0	0	0	**74**

The Government is providing additional funding to ensure the timely processing of the higher than expected demand for Working with Vulnerable People registrations. The Government is also undertaking a review to develop policy options to decrease the number and processing time of these applications to reduce the cost of this scheme.

Expenses associated with infrastructure and capital initiatives

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
ACT Corrective Services – Information management solution	400	0	0	0	**400**
Alexander Maconochie Centre -- Additional facilities	0	7,557	8,061	9,854	**25,472**
Alexander Maconochie Centre – Electronic security system	1,118	623	650	675	**3,066**
Courts and Tribunal Management System – ICT infrastructure	926	938	966	995	**3,825**
Emergency Services Agency Upgrade and Relocation – Aranda station	700	691	231	366	**1,988**
Gungahlin Joint Emergency Services Centre – Future use study	380	70	0	0	**450**
Rego.ACT – Ongoing investment	799	823	851	866	**3,339**
Strengthening Emergency Services Agency's Response Capability – Improving TRN and CAD replacement program	148	618	85	87	**938**

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

LEGAL AID COMMISSION (ACT)

Expensive Criminal Cases Supplementation

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	200	0	0	0	**200**

The Government is providing a one-off increase in funding to the Legal Aid Commission to meet the cost of expensive criminal cases.

OFFICE OF THE LEGISLATIVE ASSEMBLY

Additional Funding for the Offices of the MLAs

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	400	820	280	0	**1,500**

The Government will fund an additional allocation for staffing for the Non-Executive Members of the Legislative Assembly, commencing from 1 January 2015 for the duration of this Assembly.

Legislative Assembly Commissioner for Standards

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	50	40	0	0	**90**

The Government will fund a new part-time position of Legislative Assembly Commissioner for Standards. The Commissioner will investigate specific matters in relation to complaints about a Member's compliance with the code of conduct or rules relating to the registration or declaration of interests, referred by the Speaker or the Deputy Speaker and report to the Standing Committee on Administration and Procedure.

Expenses associated with infrastructure and capital initiatives

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Broadcasting Infrastructure and Audio-Visual Systems Upgrade	11	23	23	24	**81**

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

TERRITORY AND MUNICIPAL SERVICES DIRECTORATE

ACTION – Improved public transport

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	500	500	500	500	**2,000**

The Government will deliver additional weekend bus services in new suburbs including Wright, Casey, Harrison and West Macgregor.

ACTION – Supporting operational capacity

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	6,360	0	0	0	**6,360**

The Government will provide $6.360 million in 2014-15 to cover increases in the cost of workers' compensation insurance for ACTION and fringe benefits tax liability associated with the provision of onsite employee parking.

Bulky Waste Trial – Continuation

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	400	0	0	0	**400**

The Government will continue to provide assistance to eligible concession card holders for the collection of bulky waste.

Bushfire Management Capacity

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	2,089	2,162	2,238	2,316	**8,805**

The Government will continue bushfire management activities, including a forestry coordinator, forestry insurance, rural roads coordinator and operational maintenance, fire management and weed control activities, recreation coordination and expenses relating to the Stromlo depot and Hume Weighbridge.

Canberra Connect – New services in Gungahlin

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	331	1,169	1,172	1,197	**3,869**
Associated Expenses (Depreciation)	0	32	32	32	**96**
Associated Capital	230	0	0	0	**230**

The Government is establishing a new Canberra Connect Shopfront in the Gungahlin Office Building, which is scheduled to open in 2015. Services available at the shopfront will include payment of Government bills, drivers' licences and MyWay card services.

Enhanced Biodiversity Stewardship

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	959	0	0	0	**959**

The Government will undertake environmental work, including rabbit control measures, weed control and the enhancement of ParkCare. This work will improve the capacity of parks and reserves to withstand the impact of threats such as overgrazing and pest plant and animal infestation.

Increased Municipal Services

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	2,614	2,272	2,329	2,387	**9,602**

The Government is providing additional funding for the maintenance of new assets and increased provision of municipal services as a result of growth in the Territory associated with land release. Additional funding is being provided for services and assets including waste services, street lighting and maintenance of public places and assets in new suburbs.

Kangaroo Population Management and Research

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	279	297	0	0	**576**

The Government will continue kangaroo management activities while work on non-lethal population control methods is investigated.

National Arboretum Canberra – Maintenance

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	186	372	381	391	**1,330**

The Government will maintain Commonwealth funded infrastructure recently completed at the National Arboretum Canberra, including the Margaret Whitlam Pavilion, the Village Centre and the Pod Playground.

Parks and Open Spaces – Maintaining amenity

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	4,500	3,600	3,600	3,500	**15,200**

The Government is committed to protecting our natural environment and providing a high quality of urban amenity that is within our means. An additional $15.2 million will be provided over four years to manage our national parks and reserves, and maintain urban parks, trees, shopping centres and other community open space areas.

Street Lighting and Traffic Signal Electricity Cost Increases

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	773	792	812	832	**3,209**

The Government is providing additional funding to cover unavoidable increases in street lighting and traffic signal electricity costs.

Transport for Canberra – Improved community transport coordination

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	500	0	0	0	**500**

The Government will improve the coordination of community transport services, including the development of an enhanced booking system. The booking system will allow for a demand responsive model to maximise use of existing ACTION special needs transport buses for community transport. This will improve community transport in Belconnen, the Inner North and Inner South to better meet the needs of the aged and transport disadvantaged.

Waste Management Services

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	1,764	1,055	1,068	1,081	**4,968**

The Government is providing additional funding for the provision of recycling and other waste management services at the Mugga Lane Resource Management Centre, the Materials Recovery Facility at Hume and the Regional Drop Off Centres.

Expenses associated with infrastructure and capital initiatives

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Automated Works As Executed Data Entry System	0	-22	-25	-26	**-73**
Bridge Strengthening on Commercial Routes	0	0	16	32	**48**
Environmental Offsets – Gungahlin (EPIC)	0	0	0	59	**59**
Environmental Offsets – Lawson South	0	0	0	69	**69**
Molonglo Valley – Implementation of NES Plan – Stage 2	0	236	238	265	**739**
Mugga Lane – Replace damaged septic system	0	0	-35	-27	**-62**
National Arboretum Canberra – Event terrace and precinct facilities	0	0	0	15	**15**
Ramp Metering on Cotter Road	0	0	7	14	**21**
Strategic Bushfire Management Plan	0	0	266	531	**797**
Transport for Canberra – Upgrading Erindale bus station	0	0	9	18	**27**
Transport for Canberra – Walking and cycling infrastructure – Stage 4	0	0	13	38	**51**
Weston Creek Group Centre Parking	0	0	5	10	**15**

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

WHOLE OF GOVERNMENT

Administrative Efficiencies

	2014-15	2015-16	2016-17	2017-18	**Total**
	$'000	$'000	$'000	$'000	**$'000**
Expenses	500	-9,700	-12,200	-12,600	**-34,000**

The Government will undertake a thorough review of existing directorate structures with a view to the identification and progressive elimination of duplicated financial management, corporate, human resource, grants management, regulatory oversight, recruitment process, records management and communications functions. As a part of this initiative, teams will be established to review any instances of identified inefficiencies and develop rectifying strategies for the consideration of the ACT Government.

Digital Dividend Investment Strategy and Transformational Service Delivery

	2014-15	2015-16	2016-17	2017-18	**Total**
	$'000	$'000	$'000	$'000	**$'000**
Expenses	0	0	-10,000	-15,000	**-25,000**

The Government will provide funding to improve the efficiency of service delivery across government through greater application of electronic or online technologies. Through the use of seed funding, Government entities will develop projects which will promote greater digital/online service delivery, facilitate better management of digital information, rationalise ICT assets, and construct strategic ICT investment programs.

3.3 INFRASTRUCTURE AND CAPITAL INITIATIVES

The total value of 2014-15 new capital initiatives is $415.2 million over four years. This includes new Capital Works ($317.1 million), Information and Communication Technology ($75.5 million) and Plant and Equipment ($22.3 million). The 2014-15 Budget also includes $31.6 million across the Budget and forward estimates, in recurrent expenditure associated with capital initiatives.

The Government has also made provisions of $1.319 billion for capital works over four years to 2017-18. These provisions include amounts for high value and/or commercially sensitive projects.

Table 3.3.1
Summary of Capital Initiatives

	2014-15 Estimate $'000	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000	Total Investment $'000
Capital works initiatives	126,569	165,771	23,942	847	**317,129**
Information and communication technology initiatives	32,475	30,827	9,329	2,858	**75,489**
Plant and equipment initiatives	22,280	0	0	0	**22,280**
New infrastructure and capital initiatives	**181,324**	**196,598**	**33,271**	**3,705**	**414,898**
Capital associated with expense initiatives	257	0	0	0	**257**
Total new infrastructure and capital initiatives	**181,581**	**196,598**	**33,271**	**3,705**	**415,155**
Associated expenses (new capital works)	8,341	12,659	8,905	1,727	**31,632**
Feasibility studies and grants (operating impact)	12,065	570	0	0	**12,635**
Expenses (depreciation)	546	7,645	15,178	20,564	**43,933**
Total operating impact	**20,952**	**20,874**	**24,083**	**22,291**	**88,200**

Table 3.3.2
Capital Works

Capital Initiatives	2014-15 Estimate $'000	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000	Total Estimate $'000
Canberra Institute of Technology					
CIT Campus Modernisation – Tuggeranong Campus[1]	0	NFP	NFP	NFP	NFP
Total	**0**	**NFP**	**NFP**	**NFP**	**NFP**
Community Services Directorate					
A New Respite Property	1,075	0	0	0	1,075
Total	**1,075**	**0**	**0**	**0**	**1,075**
Cultural Facilities Corporation					
Canberra Theatre Centre Upgrades – Stage 2	1,050	800	0	0	1,850
Total	**1,050**	**800**	**0**	**0**	**1,850**
Economic Development Directorate					
Australia Forum – Investment ready[1, 2]	1,500	NFP	NFP	NFP	1,500
City to the Lake Arterial Roads Concept Design	850	1,400	500	0	2,750
City to Lake – West Basin Public Waterfront (Design)[3]	*	*	*	*	0
Dickson Group Centre Intersections – Upgrade	1,500	1,380	500	0	3,380
Isabella Weir Spillway – Upgrades	5,050	5,050	0	0	10,100
Lyneham Sports Precinct – Stage 4 tennis facility enhancement	2,500	500	0	0	3,000
Majura Parkway to Majura Road – Link road construction	3,300	6,556	0	0	9,856
Molonglo Infrastructure Investment	6,000	8,000	3,000	0	17,000
Narrabundah Ballpark Stage 2 – Design[4]	0	0	0	0	0
Stromlo Forest Park Implementation of Bushfire Management Plan	500	650	500	0	1,650
Throsby – Access road and western intersection	2,000	2,300	1,000	0	5,300
Tuggeranong Lakeside Leisure Centre – Water play park	0	500	0	0	500
Woden Bus Interchange – Redevelopment stage 1	1,250	2,000	0	0	3,250
Total	**24,450**	**28,336**	**5,500**	**0**	**58,286**
Education and Training Directorate					
Belconnen Region Schools – Modernisation	250	0	0	0	250
Childcare Centre Upgrades – Stage 3	727	664	0	0	1,391
Coombs P-6 School Construction Funding[3]	*	*	*	*	*
Hazardous Material Removal Program – Stage 3	1,000	1,000	1,000	0	3,000
Total	**1,977**	**1,664**	**1,000**	**0**	**4,641**
Environment and Sustainable Development Directorate					
City Plan Implementation	150	0	0	0	150
Total	**150**	**0**	**0**	**0**	**150**
Health Directorate					
Calvary Public Hospital – Car park	15,219	1,653	0	0	16,872
Calvary Public Hospital – Refurbishments for more beds	1,605	0	0	0	1,605

Capital Initiatives	2014-15 Estimate $'000	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000	Total Estimate $'000
Health Infrastructure Program – Project management continuation	13,184	14,522	0	0	27,706
Secure Mental Health Unit	3,808	30,619	9,064	0	43,491
The Canberra Hospital – Essential infrastructure and engineering works	3,301	2,339	0	0	5,640
The Canberra Hospital Redevelopment	3,052	13,000	5,189	0	21,241
University of Canberra Public Hospital[1]	NFP	NFP	NFP	NFP	0
Total	**40,169**	**62,133**	**14,253**	**0**	**116,555**
Housing ACT					
Housing for Older People in the Aboriginal and Torres Strait Islander Community[4]	0	0	0	0	0
Housing for Older Tenants – Downsizing initiatives[4]	0	0	0	0	0
Common Ground Supportive Housing[3]	*	*	*	*	*
Total	**0**	**0**	**0**	**0**	**0**
Justice and Community Safety Directorate					
Alexander Maconochie Centre – Additional facilities	24,304	29,786	0	0	54,090
Alexander Maconochie Centre – Additional Facilities – Design[3]	*	*	*	*	0
Director of Public Prosecutions Work Safety Prosecutions Unit[5]	27	0	0	0	27
Emergency Services Agency Fairbairn – Incident management upgrades	424	0	0	0	424
Emergency Services Agency Upgrade and Relocation – Aranda station	8,569	10,164	131	0	18,864
Gungahlin Joint Emergency Services Centre – Future use study	380	70	0	0	450
New ACT Court Facilities[1,2&6]	*	NFP	NFP	NFP	0
Total	**33,704**	**40,020**	**131**	**0**	**73,855**
Territory and Municipal Services Directorate					
ACTION – Replace underground storage tanks	1,000	5,536	0	0	6,536
Bridge Strengthening on Commercial Routes	1,600	0	0	0	1,600
Canberra Connect – New services in Gungahlin[5]	230	0	0	0	230
Civic to Gungahlin Corridor Improvements	8,000	12,000	0	0	20,000
Environmental Offsets – Gungahlin (EPIC)	253	107	102	0	462
Environmental Offsets – Lawson South	425	268	134	45	872
Fyshwick Depot – Underground fuel storage tanks removal and site remediation	500	1,000	0	0	1,500
Local Shopping Centre Upgrades Program	350	1,650	0	0	2,000
Molonglo Valley – Implementation of NES Plan – Stage 2	1,036	860	822	802	3,520
Mugga 2 Quarry – Remediation	2,000	939	0	0	2,939
Mugga Lane – Replace asbestos disposal site	700	523	0	0	1,223
Mugga Lane – Replace damaged septic system	664	100	0	0	764
National Arboretum Canberra – Event terrace and precinct facilities	643	841	0	0	1,484
Playground Safety Program	500	0	0	0	500
Ramp Metering on Cotter Road	700	0	0	0	700
Strategic Bushfire Management Plan	2,000	744	0	0	2,744

Capital Initiatives	2014-15 Estimate $'000	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000	Total Estimate $'000
Transport for Canberra – Upgrading Erindale bus station	900	0	0	0	900
Transport for Canberra – Walking and cycling infrastructure – Stage 4	1,250	1,250	0	0	2,500
Weston Creek Group Centre Parking	500	0	0	0	500
William Slim/Barton Highway Roundabout Signalisation	1,000	7,000	2,000	0	10,000
Total	**24,251**	**32,818**	**3,058**	**847**	**60,974**
TOTAL CAPITAL INITIATIVES	**126,569**	**165,771**	**23,942**	**847**	**317,129**
Associated Expenses	*12,941*	*9,995*	*8,895*	*11,572*	*43,403*
Associated Expenses (Depreciation)	*60*	*1,708*	*7,567*	*8,832*	*181,167*

Notes:

1. NFP indicates not for publication. A provision has been included for the cost of this initiative in the Budget.
2. $0.2 million provided to Chief Minister and Treasury Directorate for this initiative.
3. * indicates included in the *Appropriation Act 2013-14 (No 2)*.
4. The funding for this initiative is to be absorbed by the agency.
5. This is an expenditure initiative. The expenditure component is listed in the summary table in the Expense Initiatives Chapter 3.2.
6. The provision for this initiative is in addition to the amounts announced in the *Appropriation Act 2013-14 (No 2)*. NFP indicates not for publication.

Table 3.3.3
Information and Communication Technology (ICT)

Initiatives – Information and Communication Technology	2014-15 Estimate $'000	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000	Total Estimate $'000
Chief Minister and Treasury Directorate					
Budget Development Application[1]	0	0	0	0	0
iConnect	1,651	6,061	5,196	2,967	15,875
Total	**1,651**	**6,061**	**5,196**	**2,967**	**15,875**
Commerce and Works Directorate					
Electronic Tendering	110	0	0	0	110
Employee Self-service and Automated Help Desk Tools	180	0	0	0	180
Enhancing Security for Email and Internet Usage	302	0	0	0	302
Human Resources Information Management System Upgrade	3,605	0	0	0	3,605
ICT Sustainability – Desktop computer and printer energy management	249	0	0	0	249
ICT Transformation – Hybrid cloud computing	-180	1,460	-500	-540	240
Invoice Automation	2,190	0	0	0	2,190
Revenue Collection Transformation	5,932	20,089	4,181	0	30,202
Whole of Government Digital Records Capability	300	0	0	0	300
Total	**12,688**	**21,549**	**3,681**	**-540**	**37,378**
Education and Training Directorate					
Sustaining Smart Schools – Digital infrastructure for our schools	9,201	0	0	0	9,201
Total	**9,201**	**0**	**0**	**0**	**9,201**
Electoral Commissioner					
Electoral ICT Systems Upgrade for 2016 Election	233	179	32	0	444
Total	**233**	**179**	**32**	**0**	**444**
Justice and Community Safety Directorate					
ACT Corrective Services – Information management solution	400	0	0	0	400
Courts and Tribunal Management System – ICT infrastructure	2,167	277	0	0	2,444
ACT Legislation Register Replacement[2]	*	*	*	*	0
Strengthening Emergency Service Agency's Response Capability – Improving TRN and CAD replacement program	4,112	2,351	0	0	6,463
Rego.ACT – Ongoing investment	1,400	410	420	431	2,661
Total	**8,079**	**3,038**	**420**	**431**	**11,968**
Office of the Legislative Assembly					
Broadcasting Infrastructure and Audio-Visual Systems Upgrade	383	0	0	0	383
Total	**383**	**0**	**0**	**0**	**383**

Initiatives – Information and Communication Technology	2014-15 Estimate $'000	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000	Total Estimate $'000
Territory and Municipal Services Directorate					
Automated Works As Executed Data Entry System	240	0	0	0	240
Total	**240**	**0**	**0**	**0**	**240**
TOTAL INFORMATION AND COMMUNICATION TECHNOLOGY INITIATIVES	**32,475**	**30,827**	**9,329**	**2,858**	**75,489**
Associated Expenses	*5,975*	*2,499*	*-925*	*-10,978*	*-3,429*
Associated Expenses (Depreciation)	*388*	*4,160*	*5,834*	*9,955*	*20,337*

Notes:
1. The funding of this initiative is to be absorbed by the agency.
2. * indicates included in the *Appropriation Act 2013-14 (No 2)*.

Table 3.3.4
Plant and Equipment

Initiatives – Plant and Equipment	2014-15 Estimate $'000	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000	Total Estimate $'000
Commerce and Works Directorate					
ACT Government Office Building ICT Infrastructure and Relocation Costs	1,180	0	0	0	1,180
Total	**1,180**	**0**	**0**	**0**	**1,180**
Economic Development Directorate					
ACT Government Office Building – Gungahlin fitout	17,300	0	0	0	17,300
Total	**17,300**	**0**	**0**	**0**	**17,300**
Justice and Community Safety Directorate					
ACT Smart Parking – Stage 2	1,363	0	0	0	1,363
Alexander Maconochie Centre – Electronic security system	2,267	0	0	0	2,267
Total	**3,630**	**0**	**0**	**0**	**3,630**
Office of the Legislative Assembly					
OLA – Office furniture	170	0	0	0	170
Total	**170**	**0**	**0**	**0**	**170**
TOTAL CAPITAL INITIATIVES	**22,280**	**0**	**0**	**0**	**22,280**
Associated Expenses	*1,490*	*735*	*935*	*1,133*	*4,293*
Associated Expenses (Depreciation)	*98*	*1,777*	*1,777*	*1,777*	*5,429*

Table 3.3.5
Capital Associated with Expense Initiatives

Expense Initiatives with Capital Component		2014-15 Estimate $'000	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000	Total Estimate $'000
Justice and Community Safety Directorate						
Director of Public Prosecutions Work Safety Prosecutions Unit		27	0	0	0	27
	Total	**27**	**0**	**0**	**0**	**27**
Territory and Municipal Services Directorate						
Canberra Connect – New services in Gungahlin		230	0	0	0	230
	Total	**230**	**0**	**0**	**0**	**230**
TOTAL CAPITAL INITIATIVES		**257**	**0**	**0**	**0**	**257**
Associated Expenses		608	1,455	1,466	1,498	5,027
Associated Expenses (Depreciation)		0	32	32	32	96

CANBERRA INSTITUTE OF TECHNOLOGY

CIT Campus Modernisation – Tuggeranong Campus

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	0	NFP	NFP	NFP	**NFP**

Note: NFP indicates not for publication.

The Government will develop a campus modernisation strategy for the Canberra Institute of Technology. The Government has included an Infrastructure Investment Provision in the Budget for developing a new CIT Campus in Tuggeranong.

CHIEF MINISTER AND TREASURY DIRECTORATE

Information and Communication Technology

Budget Development Application

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	0	0	0	0	**0**
Associated Expenses (Depreciation)	0	0	0	0	**0**
Associated Expenses	0	0	0	0	**0**

The Government will provide $400,000 in 2014-15 to undertake a feasibility study and develop options to replace the ageing Budget Development Application system that is integral to the Territory's budgeting process. The cost of this initiative will be met from existing resources.

iConnect

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	1,651	6,061	5,196	2,967	**15,875**
Associated Expenses (Depreciation)	0	0	580	1,224	**1,804**
Associated Expenses	2,047	201	-2,947	-9,036	**-9,735**

The Government will build a digital platform to transform the delivery of ACT Government services to citizens, businesses and the Government. iConnect will establish a secure online portal to provide access to core government services and payment transactions through a single sign-on for all customers. This initiative is expected to generate net savings of $9.735 million across agencies during the forward estimates.

COMMUNITY SERVICES DIRECTORATE

A New Respite Property

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	1,075	0	0	0	**1,075**

The Government will provide up to $1.075 million for the construction of a purpose built respite property for children, to replace an existing respite property currently operated by Disability ACT. It is expected that the Government funding will be supplemented by a contribution from a private entity.

CULTURAL FACILITIES CORPORATION

Canberra Theatre Centre Upgrades – Stage 2

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	1,050	800	0	0	**1,850**
Associated Expenses (Depreciation)	53	145	185	185	**568**

The Government will upgrade the Canberra Theatre and The Playhouse to address workplace health and safety issues and improve functionality, including enhancement to the lighting systems.

COMMERCE AND WORKS DIRECTORATE

Information and Communication Technology

Electronic Tendering

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	110	0	0	0	**110**
Associated Expenses (Depreciation)	0	22	22	22	**66**
Associated Expenses	-42	-165	-165	-165	**-537**

The Government will implement an electronic tendering (eTendering) system to replace the ACT's existing manual and paper based processes. This initiative will reduce the cost of administering procurements for both the ACT Government and organisations tendering for supply of goods and services with the ACT Government.

Employee Self-service and Automated Help Desk Tools

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	180	0	0	0	**180**
Associated Expenses (Depreciation)	0	36	36	36	**108**
Associated Expenses	0	0	-135	-225	**-360**

The Government is providing funding to develop a self service capability for ACT Government employees to resolve less complex issues using 'on-line help' and search facilities.

Enhancing Security for Email and Internet Usage

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	302	0	0	0	**302**
Associated Expenses (Depreciation)	0	60	60	60	**180**
Associated Expenses	96	96	96	96	**384**

The Government will upgrade existing web and email filters with new technology to continue to secure the ACT Government networks from web based threats and allow for the safe dissemination of sensitive information.

Human Resources Information Management System Upgrade

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	3,605	0	0	0	**3,605**
Associated Expenses (Depreciation)	0	721	721	721	**2,163**
Associated Expenses	0	859	859	859	**2,577**

The Government is modernising the ACT Public Service's Human Resources Information Management System (HRIMS) to provide for the more efficient processing of payroll and human services functions.

ICT Sustainability – Desktop computer and printer energy management

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	249	0	0	0	**249**
Associated Expenses (Depreciation)	0	50	50	50	**150**
Associated Expenses	0	-32	-31	-30	**-93**

The Government will provide funding to deploy software to all ACT Government networked desktop computers and printers to allow for the active management, reporting and monitoring of their energy use. This is expected to generate efficiencies across Government from reduced energy consumption and create savings of $378,000 over the three years from 2015-16.

ICT Transformation – Hybrid cloud computing

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	-180	1,460	-500	-540	**240**
Associated Expenses (Depreciation)	0	-40	130	-50	**40**
Associated Expenses	1,290	-890	-3,270	-5,730	**-8,600**

The Government is implementing a hybrid cloud infrastructure platform to reduce the growing costs of data storage and management. This initiative is expected to generate efficiencies across the whole-of-government with an overall saving of $8.6 million over four years.

Invoice Automation

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	2,190	0	0	0	**2,190**
Associated Expenses (Depreciation)	0	438	438	438	**1,314**
Associated Expenses	0	50	50	50	**150**

The Government will implement an automated accounts payable system that will reduce data entry and provide for the more efficient processing of invoices.

Revenue Collection Transformation

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	5,932	20,089	4,181	0	**30,202**
Associated Expenses (Depreciation)	0	0	0	3,897	**3,897**
Associated Expenses	0	0	2,718	1,172	**3,890**

The Government will provide funding to replace the existing revenue collection systems. The new revenue system will significantly modernise on-line taxation services and provide for the more efficient collection of taxes and will reduce the risks associated with current dated technology.

Whole of Government Digital Records Capability

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	300	0	0	0	**300**

The Government is providing funding for a feasibility study to identify the most effective option for delivering a whole-of-government digital records capability for the ACT Public Service.

Plant and Equipment

ACT Government Office Building ICT Infrastructure and Relocation Costs

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	1,180	0	0	0	**1,180**
Associated Expenses (Depreciation)	10	240	240	240	**730**
Associated Expenses	372	112	112	112	**708**

The Government is providing funding for the establishment costs relating to the ACT Government Office Building Gungahlin including the provision for ICT infrastructure and relocation costs.

ECONOMIC DEVELOPMENT DIRECTORATE

Australia Forum – Investment ready

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	0	0	0	0	**0**
Expenses[1,2]	1,500	NFP	NFP	NFP	**1,500**

Notes:

1. NFP indicates not for publication.
2. $0.2 million of this funding is provided to the Chief Minister and Treasury Directorate.

The Government will invest $1.5 million in 2014-15 in further progressing the Australia Forum convention centre project to an investment ready stage. This will include the development of a reference design and budget and analysis of procurement options for consideration by Government. The Government has also included an Infrastructure Investment Provision – should funding partners come on board – of up to $8 million to administer the procurement process for the convention centre.

City to the Lake Arterial Roads Concept Design

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	850	1,400	500	0	**2,750**

The Government will further develop designs to modify Parkes Way and Commonwealth Avenue to facilitate urban redevelopment as part of the City to the Lake project. This work will advance the design of possible new intersections with east-west service roads between Edinburgh Avenue overpass and Coranderrk Street and new intersections between Commonwealth Avenue and London Circuit.

City to the Lake – West Basin Public Waterfront (Forward Design)

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital[1]	*	*	*	*	*

Note:

1. * indicates included in the *Appropriation Act 2013-14 (No 2)*.

The Government has invested a total of $3.120 million in this initiative to deliver the forward design of the public realm works proposed for the Lake Burley Griffin waterfront at West Basin. The design will define the edge of the City to the Lake precinct and a promenade for use by pedestrians, cyclists and slow moving traffic and will link with proposed future amenities at West Basin.

The cost of this initiative was included by the Government in the *Appropriation Act 2013-14 (No 2)*.

Dickson Group Centre Intersections – Upgrade

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	1,500	1,380	500	0	**3,380**
Associated Expenses (Depreciation)	0	0	0	100	**100**

The Government is providing $3.380 million over three years for the upgrade of five intersections in the Dickson Group Centre precinct. The upgrades are to support the redevelopment of the Group Centre.

Isabella Weir Spillway – Upgrades

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	5,050	5,050	0	0	**10,100**
Associated Expenses (Depreciation)	0	0	130	130	**260**
Associated Expenses	0	0	0	100	**100**

The Government is completing the design and construction of an upgrade to the spillway and dam embankment for Isabella Weir.

Lyneham Sports Precinct – Stage 4 tennis facility enhancement

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	2,500	500	0	0	**3,000**

The Government will provide a grant to Tennis ACT to finalise development of the tennis facility at Lyneham. The redevelopment will include a four court indoor tennis centre and junior courts. The facilities will also support a partnership with Tennis Australia to deliver a range of additional regional and national tennis events in the ACT.

Majura Parkway to Majura Road – Link road construction

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	3,300	6,556	0	0	**9,856**
Associated Expenses (Depreciation)	0	120	240	240	**600**
Associated Expenses	0	0	0	95	**95**

The Government will fund the construction of a link road between Majura Parkway and Majura Road connecting at the Spitfire Avenue roundabout. This road will allow direct vehicular access to the new Majura West Precinct, Canberra Airport – Majura Park and allow for access to new commercial land sites.

Molonglo Infrastructure Investment

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	6,000	8,000	3,000	0	**17,000**
Associated Expenses (Depreciation)	0	0	0	340	**340**

The Government will construct a dual carriageway arterial roadway and associated services infrastructure from John Gorton Drive into Molonglo including the new suburb of Denman Prospect. The assets to be constructed include an arterial road, side road connections, water infrastructure for two separate pressure zones, stormwater and sewerage and a services corridor for gas, electricity and communications.

Narrabundah Ballpark – Stage 2 – Design

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	0	0	0	0	**0**

The Government will fund the detailed design for Stage 2 of the Narrabundah Ballpark upgrade. The design will include potential future works such as a new grandstand, improved retail and catering options, the realignment of the playing field and improved public access and car parking facilities. The cost of this initiative, up to a maximum of $500,000, will be met from within existing resources.

Stromlo Forest Park Implementation of Bushfire Management Plan

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	500	650	500	0	**1,650**
Expenses	0	30	70	100	**200**

The Government is providing $1.650 million to implement the recently prepared Stromlo Forest Park Bushfire Management Plan 2013-2019, including development of an Outer Asset Protection Zone for future land releases in Denman Prospect.

Tuggeranong Lakeside Leisure Centre – Water play park

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	0	500	0	0	**500**
Associated Expenses (Depreciation)	0	0	20	20	**40**
Associated Expenses	0	0	0	5	**5**

The Government will provide $500,000 in 2015-16 for the construction of a Water Play Park at the Lakeside Leisure Centre to improve public amenity and encourage community participation in aquatic activities. Design works of $100,000 in 2014-15 will be met from within existing resources.

Throsby – Access road and western intersection

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	2,000	2,300	1,000	0	**5,300**
Associated Expenses (Depreciation)	0	0	0	130	**130**

The Government will provide $5.3 million over three years for the upgrade of the intersection of Horse Park Drive and Anthony Rolfe Avenue, the installation of services infrastructure within the road corridor and the construction of an access road into Throsby.

Woden Bus Interchange Redevelopment Stage 1

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	1,250	2,000	0	0	**3,250**
Associated Expenses (Depreciation)	0	0	110	110	**220**

The Government will invest $3.250 million over two years for works to deliver public safety and public realm improvements to the Woden Bus Interchange. The works include the construction of stairs, ramps and lighting, as well as the demolition of redundant structures.

Plant and Equipment

ACT Government Office Building – Gungahlin fitout

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	17,300	0	0	0	**17,300**
Associated Expenses (Depreciation)	0	865	865	865	**2,595**
Associated Expenses	0	0	173	346	**519**

The Government will fund the design and installation of an integrated fitout for the new Government Office Building in Gungahlin, which includes space for a Government shopfront and childcare facility. The Government is also providing funding for ongoing maintenance of the building fitout.

EDUCATION AND TRAINING DIRECTORATE

Belconnen Region Schools – Modernisation

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	250	0	0	0	**250**
Associated Expenses (Depreciation)	0	5	5	5	**15**

The Government will invest in improvements to Belconnen High School and will build on the master planning work initiated in the 2013-14 Budget. Stage 1 works (funded in 2013-14 and 2014-15) include building demolition, facilities upgrades and completion of the master planning in consultation with south Belconnen public school communities.

Childcare Centre Upgrades – Stage 3

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	727	664	0	0	**1,391**
Associated Expenses (Depreciation)	7	21	28	28	**84**
Associated Expenses	0	0	14	28	**42**

The Government will refurbish and upgrade its childcare facilities at Bunyarra and Salem Children's Centres to meet the National Quality Standards for Early Childhood Education and Care Services.

Coombs P-6 School Construction Funding

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital[1]	*	*	*	*	*

Note:
1. * indicates included in the *Appropriation Act 2013-14 (No 2)*.

The Government is investing a total of $47.250 million in the construction of the Coombs primary school, the first school in Molonglo. The school will be able to accommodate around 700 students from pre-school to year 6 and will open for the 2016 school year.

This initiative was included by the Government in the *Appropriation Act 2013-14 (No 2)*.

Hazardous Material Removal Program – Stage 3

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	1,000	1,000	1,000	0	**3,000**

The Government is providing additional funding for the removal and disposal of asbestos and other hazardous substances from schools.

Information and Communication Technology

Sustaining Smart Schools – Digital infrastructure for our schools

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	9,201	0	0	0	**9,201**
Associated Expenses (Depreciation)	0	2,300	2,300	2,300	**6,900**

The Government is investing in the upgrade and ongoing maintenance of school Information and Communication Technology infrastructure. It includes the expansion of wireless access points in ACT public schools as part of the 'Digital Canberra' initiative.

ELECTORAL COMMISSIONER

Information and Communication Technology

Electoral ICT Systems Upgrade for 2016 Election

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	233	179	32	0	**444**
Associated Expenses (Depreciation)	0	0	89	89	**178**
Associated Expenses	0	0	0	85	**85**

The Government is funding an upgrade to election ICT systems to ensure readiness for the 2016 ACT election.

ENVIRONMENT AND SUSTAINABLE DEVELOPMENT DIRECTORATE

City Plan Implementation

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	150	0	0	0	**150**

The Government will commission studies to deliver change and growth in the city through the City Plan. These studies will include the development of transport and movement plans.

HEALTH DIRECTORATE

Calvary Public Hospital – Car park

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	Total $'000
Capital	15,219	1,653	0	0	**16,872**
Associated Expenses (Depreciation)	0	190	211	211	**612**
Expenses	2,208	0	0	0	**2,208**

The Government will construct a 700 space car park on the Calvary campus. This will meet current, as well as future, demand as hospital services on the campus are expanded.

Calvary Public Hospital – Refurbishments for more beds

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	Total $'000
Expenses	1,605	0	0	0	**1,605**

The Government will provide funding to Calvary Public Hospital for refurbishments to accommodate 15 additional beds.

Health Infrastructure Program – Project management continuation

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	Total $'000
Capital	13,184	14,522	0	0	**27,706**
Associated Expenses (Depreciation)	0	0	173	346	**519**
Associated Expenses	876	911	0	0	**1,787**

The Government will continue funding for project management support services for the Health Infrastructure Program (HIP). The HIP involves the redevelopment and expansion of the ACT's hospital and community based health infrastructure to meet future demand.

Secure Mental Health Unit

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	Total $'000
Capital	3,808	30,619	9,064	0	**43,491**
Associated Expenses (Depreciation)	0	0	1,181	1,417	**2,598**

The Government will construct a 25 bed Secure Mental Health Unit to appropriately accommodate patients with severe mental illness.

The Canberra Hospital – Essential infrastructure and engineering works

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	Total $'000
Capital	3,301	2,339	0	0	**5,640**
Associated Expenses (Depreciation)	0	83	141	141	**365**

The Government will upgrade essential infrastructure including fire safety systems, lifts and electrical switchboards at Canberra Hospital, to ensure compliance and safety standards are maintained.

The Canberra Hospital Redevelopment

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	Total $'000
Capital	3,052	13,000	5,189	0	**21,241**
Associated Expenses (Depreciation)	0	70	303	303	**676**
Expenses	3,022	0	0	0	**3,022**

The Government will undertake refurbishments at Canberra Hospital to provide additional beds and to relocate beds from other areas of the hospital. These works will ensure continuity of in-patient services while infrastructure redevelopments take place.

University of Canberra Public Hospital

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	Total $'000
Capital[1]	0	NFP	NFP	NFP	**NFP**

Note:
1. NFP indicates not for publication.

The Government will develop a new hospital on the University of Canberra campus. This will be a sub-acute facility, also encompassing teaching and research. The hospital will form part of an integrated care model with Calvary Public Hospital and Canberra Hospital. The Government has included the budget for the new facility in an Infrastructure Investment Provision. The total estimated investment is not reported at this time due to commercial sensitivities and procurement model considerations.

Funding of $12.252 million has also been provided in previous budgets for specification, documentation and design of the new hospital.

HOUSING ACT

Common Ground Supportive Housing

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital[1]	*	*	*	*	*****

Note:
1. * indicates included in the *Appropriation Act 2013-14 (No 2)*.

The Government has invested a total of $2.5 million as additional funding to complete the construction of the Common Ground supportive housing complex, providing a model of housing targeting singles and couples, without children, who are homeless or at risk of becoming homeless.

This initiative was included by the Government in the *Appropriation Act 2013-14 (No 2)*.

Housing for Older People in the Aboriginal and Torres Strait Islander Community

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	0	0	0	0	**0**
Associated Expenses (Depreciation)	0	0	0	0	**0**
Associated Expenses	0	0	0	0	**0**

The Government will provide $1.440 million in capital funding and $93,000 in recurrent funding over four years, to construct and maintain up to five older persons' units to specifically meet the housing needs of Aboriginal and Torres Strait Islander families. The cost of this initiative will be met from within existing resources. This work will be developed in consultation Aboriginal and Torres Strait Islander community and organisations.

Housing for Older Tenants – Downsizing initiatives

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	0	0	0	0	**0**
Associated Expenses (Depreciation)	0	0	0	0	**0**
Associated Expenses	0	0	0	0	**0**

The Government will provide $5.816 million in capital funding and $51,000 in recurrent funding over four years to construct and maintain approximately 20 two bedroom units suitable for housing older public housing tenants wishing to relocate from existing larger properties. The cost of this initiative will be met from within existing resources. This work will be phased in from 2015-16.

JUSTICE AND COMMUNITY SAFETY DIRECTORATE

Alexander Maconochie Centre – Additional facilities

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	24,304	29,786	0	0	**54,090**
Associated Expenses (Depreciation)	0	0	2,352	2,352	**4,704**
Associated Expenses	0	7,557	8,061	9,854	**25,472**

The Government is funding the construction of a new 30 cell Special Care Centre and a new 56 cell flexible accommodation block inside the existing Alexander Maconochie Centre in response to increasing detainee numbers. Funding is also being provided for the operating costs of the new facilities including staffing and detainee related costs.

Alexander Maconochie Centre – Additional Facilities – Design

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital[1]	*	*	*	*	*

Note:
1. * indicates included in the *Appropriation Act 2013-14 (No 2)*.

The Government has invested a total of $2.777 million as funding for tender ready documentation for additional facilities at the Alexander Maconochie Centre in preparation for construction.

This initiative was included by the Government in the *Appropriation Act 2013-14 (No 2)*.

Emergency Services Agency Fairbairn – Incident management upgrades

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	424	0	0	0	**424**
Associated Expenses (Depreciation)	0	42	42	42	**126**

The Government is funding the modification of the layout of the Communications Centre, Incident Management and Emergency Control Centre within the Emergency Services Agency Headquarters at Fairbairn to support more effective incident management.

Emergency Services Agency Station Upgrade and Relocation – Aranda station

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	8,569	10,164	131	0	**18,864**
Associated Expenses (Depreciation)	0	0	483	483	**966**
Associated Expenses	700	691	231	366	**1,988**

The Government is funding the construction of a co-located district ambulance and fire station at Aranda to replace the existing Belconnen Fire Station and Belconnen Ambulance Station.

Gungahlin Joint Emergency Services Centre – Future use study

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	380	70	0	0	**450**

The Government is examining the future use of the Gungahlin Joint Emergency Services Centre to meet the needs of the growing population in the Gungahlin area.

New ACT Court Facilities

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital[1, 2]	*	NFP	NFP	NFP	**NFP**

Note:

1. NFP indicates not for publication and asterisk indicates funding was included in the *Appropriation Act 2013-14 (No 2)*.
2. The provision for this initiative is in addition to the amounts included in the *Appropriation Act 2013-14 (No 2)*.

The Government will redevelop the Supreme Court building and integrate it with the existing Magistrates Court building. The project will be delivered through a Public Private Partnership (PPP) with financial close anticipated for late 2015 and availability payments likely to commence approximately two years later.

The Government has included an Infrastructure Investment Provision for the new facility in the 2014-15 Budget. Should the Government conclude a suitable agreement to deliver the project through a PPP, the central provision will be removed upon financial close of the project. At that point the recurrent costs of the project (expected to be principally an annual availability payment to the operator of the facility) will be included in the forward estimates. Total estimated investment is not reported due to commercial sensitivities.

The Government has invested a total of $5.476 million as funding for the Public Private Partnership to redevelop the Supreme Court building and integrate it with the existing Magistrates Court building to provide an integrated Courts Facility.

This initiative was included by the Government in the *Appropriation Act 2013-14 (No 2)*.

Information and Communication Technology

ACT Corrective Services – Information management solution

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Expenses	400	0	0	0	**400**

The Government is providing funding to enable ACT Corrective Services to fully map and document its existing business processes to identify operational efficiencies and improve data management processes.

Courts and Tribunal Management System – ICT infrastructure

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	2,167	277	0	0	**2,444**
Associated Expenses (Depreciation)	0	217	245	245	**707**
Associated Expenses	926	938	966	995	**3,825**

The Government is providing additional funding to that provided in the 2012-13 Budget for the replacement of the Courts Case Management system. This funding will meet ICT infrastructure and recurrent costs associated with the system.

Strengthening Emergency Services Agency's Response Capability – Improving TRN and CAD replacement program

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	4,112	2,351	0	0	**6,463**
Associated Expenses (Depreciation)	0	148	1,098	1,098	**2,344**
Associated Expenses	148	618	85	87	**938**

The Government is replacing critical elements of the Emergency Services Agency – Territory Radio Network, and the upgrade of Computer Aided Dispatch ICT infrastructure to maintain its capacity to manage emergency operations into the future.

Rego.ACT – Ongoing investment

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	1,400	410	420	431	**2,661**
Associated Expenses (Depreciation)	350	803	660	420	**2,233**
Associated Expenses	799	823	851	866	**3,339**

The Government is continuing to invest in the Rego.ACT system to ensure it delivers necessary services and meets the Government's local and national road transport commitments.

Plant and Equipment

ACT Legislation Register Replacement

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital[1]	*	*	*	*	*

Note:
1. * indicates included in the *Appropriation Act 2013-14 (No 2)*.

The Government has invested a total of $4.8 million for replacement of the ACT Legislation Register and its supporting systems. This investment will reduce the critical risk of system failure, ensure the system is fit-for-purpose, and improve the security and integrity of information.

This initiative was included by the Government in the *Appropriation Act 2013-14 (No 2)*.

ACT Smart Parking – Stage 2

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	1,363	0	0	0	**1,363**
Associated Expenses (Depreciation)	88	175	175	175	**613**

The Government is providing funding to replace 994 on-street single bay parking meters with 150 new solar powered machines that are equipped to take credit cards. The new parking ticket machines will be introduced for curb-side parking in Civic, Woden, Tuggeranong and Belconnen.

Alexander Maconochie Centre – Electronic security system

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	2,267	0	0	0	**2,267**
Associated Expenses (Depreciation)	0	488	488	488	**1,464**
Associated Expenses	1,118	623	650	675	**3,066**

The Government is funding the design and upgrade of the electronic security systems at the Alexander Maconochie Centre and its ongoing maintenance. The system upgrade will also provide additional capacity to support the electronic security system requirements for the Alexander Maconochie Centre Additional Facilities project.

Expense initiatives with associated capital

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Director of Public Prosecutions Work Safety Prosecutions Unit	27	0	0	0	**27**

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

OFFICE OF THE LEGISLATIVE ASSEMBLY

Information and Communication Technology

Broadcasting Infrastructure and Audio-Visual Systems Upgrade

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	383	0	0	0	**383**
Associated Expenses (Depreciation)	38	86	86	86	**296**
Associated Expenses	11	23	23	24	**81**

The Government is updating and replacing obsolete broadcasting infrastructure to ensure the continued viability of the Legislative Assembly's web-based real time broadcasts and on-demand audio-visual broadcasts of proceedings.

Plant and Equipment

OLA – Office furniture

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	170	0	0	0	**170**
Associated Expenses (Depreciation)	0	9	9	9	**27**

The Government is funding the replacement of ageing furniture with ergonomic office furniture for the Office of the Legislative Assembly staff and non-executive Members of the ACT Legislative Assembly consistent with meeting workplace health and safety obligations.

TERRITORY AND MUNICIPAL SERVICES DIRECTORATE

ACTION – Replace underground storage tanks

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	1,000	5,536	0	0	**6,536**
Associated Expenses (Depreciation)	0	0	327	327	**654**

The Government will replace four steel underground diesel storage tanks at the Tuggeranong Bus Depot which are past their useful life. These tanks will be replaced with a modern above ground system, resulting in ongoing maintenance savings to be reinvested in the business and allowing for easier monitoring of potential contamination.

Bridge Strengthening on Commercial Routes

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	1,600	0	0	0	**1,600**
Associated Expenses (Depreciation)	0	16	16	16	**48**
Associated Expenses	0	0	16	32	**48**

The Government will undertake bridge strengthening works along the Barton and Monaro Highways to allow usage by higher capacity freight vehicles. The Government's contribution will be matched by $0.8 million in funding that is to be received from the Commonwealth under the Heavy Vehicle Safety and Productivity Program.

Civic to Gungahlin Corridor Improvements

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	8,000	12,000	0	0	**20,000**
Associated Expenses (Depreciation)	0	160	400	400	**960**

The Government will invest in improvements and renewal in the Civic to Gungahlin corridor. The works will improve travel and amenity in the corridor and help prepare for the Capital Metro light rail. Specific projects will include road, path, drainage and intersection works as well as alignment preparation.

Environmental Offsets – Gungahlin (EPIC)

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	253	107	102	0	**462**
Associated Expenses (Depreciation)	0	5	5	5	**15**
Associated Expenses	0	0	0	59	**59**

The Government will undertake works to improve the infrastructure and ecological condition of new reserves extending the Gungaderra Grasslands and Mulanggari Nature Reserves and monitoring the habitat and condition of the striped legless lizard.

Environmental Offsets – Lawson South

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	425	268	134	45	**872**
Associated Expenses (Depreciation)	0	6	6	6	**18**
Associated Expenses	0	0	0	69	**69**

The Government will undertake works to improve the infrastructure and ecological condition of the West Macgregor (Jarramlee) offset site and monitoring and improving the habitat and condition of the golden sun moth and natural temperate grassland community.

Fyshwick Depot – Fuel storage tanks removal and site remediation

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	500	1,000	0	0	**1,500**

The Government will remove underground fuel storage tanks that have been decommissioned at the Fyshwick Depot at 255 Canberra Avenue.

Local Shopping Centre Upgrades Program

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	350	1,650	0	0	**2,000**
Associated Expenses (Depreciation)	0	0	35	35	**70**

The Government will continue to support local shopping centres by providing $2 million over two years for upgrades at various locations in the Territory. These upgrades will improve safety and amenity and help ensure the commercial viability of the centres.

Molonglo Valley – Implementation of NES Plan – Stage 2

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	1,036	860	822	802	**3,520**
Associated Expenses (Depreciation)	0	8	8	8	**24**
Associated Expenses	0	236	238	265	**739**

The Government will deliver commitments in the Molonglo Valley Plan for the Protection of Matters of National Environmental Significance (NES Plan). This includes funding for the maintenance of assets.

Mugga 2 Quarry – Remediation

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	2,000	939	0	0	**2,939**
Associated Expenses (Depreciation)	0	0	147	147	**294**

The Government will provide a site for the disposal of fill to support construction and development projects in the ACT region. This project will replace current fill disposal sites that are nearing the end of their useful lives.

Mugga Lane – Replace asbestos disposal site

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	700	523	0	0	**1,223**
Associated Expenses (Depreciation)	0	0	61	61	**122**

The Government will construct a new asbestos pit to replace the existing asbestos pit at the Mugga Lane Resource Management Centre. This facility is required to meet the Territory's future asbestos disposal requirements and provide capacity for industry to safely dispose of waste.

Mugga Lane – Replace damaged septic system

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	664	100	0	0	**764**
Associated Expenses (Depreciation)	0	0	11	11	**22**
Associated Expenses	0	0	-35	-27	**-62**

The Government will connect seven buildings at the Mugga Lane Resource Management Centre to the mains sewer system. This project will replace existing septic systems, resulting in ongoing maintenance savings and minimising environmental risks from leaks.

National Arboretum Canberra – Event terrace and precinct facilities

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	643	841	0	0	**1,484**
Associated Expenses (Depreciation)	0	0	30	30	**60**
Associated Expenses	0	0	0	15	**15**

The Government will complete the landscaping and visitor infrastructure at the event terrace at the National Arboretum Canberra which links the Visitors Centre, Margaret Whitlam Pavilion and Amphitheatre, in keeping with the Arboretum Master Plan. Works include planting trees, hedges and installing irrigation, construction of gravel and hard surfaced pedestrian and vehicular pavements, mower strips, toilets, outdoor furniture and signage, tree protection and car parking to the Margaret Whitlam Pavilion.

Playground Safety Program

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	500	0	0	0	**500**

The Government will provide funding to improve the safety of Canberra's public playgrounds.

Ramp Metering on Cotter Road

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	700	0	0	0	**700**
Associated Expenses (Depreciation)	0	35	35	35	**105**
Associated Expenses	0	0	7	14	**21**

The Government will complete the design and construction of ramp metering on the Cotter Road northbound on-ramp to the Tuggeranong Parkway, including ramp widening and the installation of monitoring systems. These works will result in smoother traffic movements along the network, reducing congestion and improving efficiencies. The Commonwealth Government is contributing $0.4 million to this initiative under the Nation Building Program.

Strategic Bushfire Management Plan

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	2,000	744	0	0	**2,744**
Associated Expenses (Depreciation)	0	0	55	55	**110**
Associated Expenses	0	0	266	531	**797**

The Government will continue to implement works to meet the standards and strategies specified in the Strategic Bushfire Management Plan (SBMP). Specific projects include the upgrade, design and construction and maintenance of fire trails and Inner Asset Protection Zones.

Transport for Canberra – Upgrading Erindale bus station

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	900	0	0	0	**900**
Associated Expenses (Depreciation)	0	18	18	18	**54**
Associated Expenses	0	0	9	18	**27**

The Government will construct a new bus station at Erindale, which will improve passenger amenity and safety. The proposed works are in keeping with the targets set in *Transport for Canberra* to increase public transport mode share.

Transport for Canberra – Walking and cycling infrastructure – Stage 4

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	1,250	1,250	0	0	**2,500**
Associated Expenses (Depreciation)	0	25	50	50	**125**
Associated Expenses	0	0	13	38	**51**

The Government will deliver a number of walking and cycling projects across the ACT. This builds on existing walking and cycling infrastructure programs funded in previous budgets. The works undertaken will include implementing the Strategic Cycle Network, improving path links to public transport, improving the age friendliness of suburbs and increasing cycle lanes through the reseal program and road pavement line marking changes.

Weston Creek Group Centre Parking

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	500	0	0	0	**500**
Associated Expenses (Depreciation)	0	10	10	10	**30**
Associated Expenses	0	0	5	10	**15**

The Government will invest in the construction and maintenance of additional surface car parking in Dillon Close and Liardet Street and pedestrian safety improvements on Namatjira Drive. A portion of the proposed parking spaces will be allocated as Park and Ride facilities.

William Slim/Barton Highway Roundabout Signalisation

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	1,000	7,000	2,000	0	**10,000**
Associated Expenses (Depreciation)	0	0	0	286	**286**

The Government will invest $10 million over three years for the upgrade of the William Slim and Barton Highway intersection. Works will include the signalisation of the roundabout, the provision of additional lanes on the roundabout and approaches, bus priority measures and ancillary works including bridge structures and a shared path bridge across Ginninderra Creek.

Information and Communication Technology

Automated Works As Executed Data Entry System

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Capital	240	0	0	0	**240**
Associated Expenses (Depreciation)	0	40	40	40	**120**
Associated Expenses	0	-22	-25	-26	**-73**

The Government will procure and install an Automated Works as Executed (WAE) Data Entry System. This system will automate the processing of WAE drawings that are submitted to TAMS Directorate as part of the asset handover process associated with land development activities, resulting in efficiencies of approximately $170,000 per year.

Expense initiatives with associated capital

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Canberra Connect – New services in Gungahlin	230	0	0	0	**230**

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

3.4 REVENUE INITIATIVES

Revenue initiatives in the 2014-15 Budget total $121.8 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

Summary of Initiatives	2014-15 Estimate $'000	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000	Total 4 Year $'000
Revenue initiatives	**23,934**	**25,051**	**30,633**	**31,697**	**111,315**
Revenue component of expense initiatives	1,684	2,857	2,942	3,031	10,514
Total revenue initiatives	**25,618**	**27,908**	**33,575**	**34,728**	**121,829**

Initiatives – Summary of Revenue by Agency

Table 3.4.2
Revenue Initiatives

Revenue Initiatives	2014-15 Estimate $'000	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000	Total Estimate $'000
Whole of Government					
ACTION off peak concession Scheme[1]	253	524	864	921	2,562
Fire and Emergency Services Levy	4,774	4,774	4,774	4,774	19,096
Increase to Payroll Tax Threshold[1]	-2,100	-2,255	-2,422	-2,602	-9,379
Increase to the Taxi Subsidy Scheme[1]	-137	-145	-153	-161	-596
Land Tax Reforms[1]	10,000	10,000	10,000	10,000	40,000
Over 60s Home Bonus[1]	-2,200	-3,100	0	0	-5,300
Regulatory Service Fees	991	1,528	2,092	2,504	7,115
Payroll Tax Harmonisation[1]	10,000	10,000	10,000	10,000	40,000
Spectacles Subsidy Scheme[1]	107	109	112	115	443
Traffic and Parking Fines	1,111	2,239	3,417	3,570	10,337
Utilities Network Facilities Tax	488	1,019	1,599	2,233	5,339
Water Abstraction Charge	559	589	589	590	2,327
Water and Sewerage Rebate[1]	-484	-500	-518	-536	-2,038
Total	**23,362**	**24,782**	**30,354**	**31,408**	**109,906**
Justice and Community Safety Directorate					
ACT Civil and Administrative Tribunal Fees	25	26	27	28	106
Court Fees – Revision	231	240	249	258	978
Parking Operations – More inspectors[2]	1,610	2,857	2,942	3,031	10,440
Shooting and Paintball – Ranger Fees	3	3	3	3	12
Working with Vulnerable People Checks – Supplementation[2]	74	0	0	0	74
Total	**1,943**	**3,126**	**3,221**	**3,320**	**11,610**
Public Trustee for the ACT					
Increase of the Unclaimed Trust Money administration fee	313	0	0	0	313
Total	**313**	**0**	**0**	**0**	**313**
TOTAL REVENUE INITIATIVES	**25,618**	**27,908**	**33,575**	**34,728**	**121,829**
Associated Expenses	1,247	935	962	978	4,122

Notes:

1. This is a Taxation Reform initiative. Refer to Table 3.4.3 for a list of all initiatives and Taxation Reform (Chapter 6.2) for more information.
2. This initiative has an expense component; this is listed in the summary table in the Expense Initiatives (Chapter 3.2).

WHOLE OF GOVERNMENT

Fire and Emergency Services Levy

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Revenue	4,774	4,774	4,774	4,774	**19,096**

The Government will increase the Fire and Emergency Services Levy by $4.774 million per annum on commercial properties with an average unimproved value of more than $2 million to recover funding lost through the cessation of the *ACT Fire Fighting Assistance for RFS, SES and Emergency Management* National Partnership Payment. This funding will be recovered through the commercial sector and help cover the additional costs incurred by the Emergency Services Authority in providing services given the significant Commonwealth Government presence in the ACT.

Regulatory Service Fees

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Revenue	991	1,528	2,092	2,504	**7,115**

This initiative establishes a consistent basis for the indexation of regulatory service fees across the Territory, with the indexation rate set at 4 per cent for 2014-15 and each year of the forward estimates.

Traffic and Parking Fines

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Revenue	1,111	2,239	3,417	3,570	**10,337**

The Government will set the Traffic and Parking Fines indexation to 6 per cent in 2014-15 and over each year of the forward estimates.

Utilities Network Facilities Tax

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Revenue	488	1,019	1,599	2,233	**5,339**

The Government will increase the Utilities Network Facilities Tax by 5 per cent in 2014-15 and each year of the forward estimates.

Water Abstraction Charge

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Revenue	559	589	589	590	**2,327**

The Government will increase the Water Abstraction Charge (WAC) by 5 per cent in 2014-15. The WAC will increase from 51 cents to 54 cents (urban water) and 25 cents to 26 cents (non urban water). This increase maintains the intent of the WAC in reflecting the true economic value of water as a scarce resource in the Territory.

Table 3.4.3 – Taxation Reform Revenue Initiatives

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Land Tax Reforms	10,000	10,000	10,000	10,000	**40,000**
Payroll tax harmonisation	10,000	10,000	10,000	10,000	**40,000**
Increase to payroll tax threshold	-2,100	-2,255	-2,422	-2,602	**-9,379**
Concessions					
ACTION off peak Concession Scheme	253	524	864	921	**2,562**
Increase to the Taxi Subsidy Scheme	-137	-145	-153	-161	**-596**
Over 60s Home Bonus	-2,200	-3,100	0	0	**-5,300**
Spectacles Subsidy Scheme	107	109	112	115	**443**
Water and Sewerage Rebate	-484	-500	-518	-536	**-2,038**

For more information, refer to Taxation Reform (Chapter 6.2).

JUSTICE AND COMMUNITY SAFETY DIRECTORATE

ACT Civil and Administrative Tribunal Fees

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Revenue	25	26	27	28	**106**

The Government will simplify the fee structure and better align fees for the ACT Civil and Administrative Tribunal with the work undertaken or administration cost involved.

Court Fees – Revision

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Revenue	231	240	249	258	**978**

The Government will introduce an Application in Proceedings fee for Court Hearings and increase the existing Exemplification of Grant of Probate fee to better reflect the cost of these proceedings.

Shooting and Paintball – Ranger Fees

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Revenue	3	3	3	3	**12**

The Government will introduce a fee to cover the cost of the inspection of shooting ranges in the ACT by appropriately qualified and certified inspectors to ensure they comply with the requirements of the *Firearms Act 1996*.

Revenue associated with expense initiatives

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Parking Operations – More inspectors	1,610	2,857	2,942	3,031	**10,440**
Working with Vulnerable People Checks – Supplementation	74	0	0	0	**74**

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

PUBLIC TRUSTEE FOR THE ACT

Increase of the Unclaimed Trust Money Administration Fee

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Revenue	313	0	0	0	**313**

The fee for the purposes of the *Unclaimed Money Act 1950* will increase from $65 to $70 in 2014-15. The increase will have a non-material impact on the Budget after 2014-15.

CHAPTER 4

EXPENSES

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4.1 EXPENSES AND FORWARD ESTIMATES

Total expenses in the General Government Sector in 2013-14 are estimated to be $4.59 billion increasing to $4.86 billion in 2014-15. Approximately 47 per cent of expenses in 2014-15 relates to employees' wages and superannuation. Around 50 per cent of total expenses relate to health and education (including vocational education).

The estimated outcome for expenses in 2013-14 is approximately $8.3 million higher than the original 2013-14 Budget forecast.

In 2014-15, expenses are forecast to increase by 5.9 per cent to $4.9 billion, largely reflecting increases associated with growth in service activities and the net impact of new policy decisions.

Across the estimates period, expenses are forecast to grow at an annual average rate of 3.4 per cent. The growth in expenses largely reflects growth in employee and superannuation related expenses.

Expense estimates incorporate a range of savings measures. Further information can be found in Savings (Chapter 4.2).

This chapter provides details of the 2013-14 estimated outcome, the 2014-15 Budget and forward estimates for expense items, including a discussion of the major variances of expense items.

Table 4.1.1

General Government Expenses

2013-14 Budget $'000		2013-14 Est. Outcome $'000	2014-15 Budget $'000	Var %	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000
	Expenses						
1,583,362	Employee Expenses	1,633,843	1,688,492	3	1,741,733	1,818,072	1,883,912
313,777	Superannuation Interest Cost	299,563	334,958	12	351,456	367,587	383,253
242,113	Other Superannuation Expenses	306,225	259,202	-15	262,650	271,674	273,981
338,863	Depreciation and Amortisation	332,897	359,889	8	374,056	385,579	390,350
149,775	Interest Expense	148,259	168,474	14	193,892	206,825	215,651
919,472	Supplies and Services	860,498	980,443	14	934,003	945,033	988,120
199,788	Other Operating Expenses	173,096	197,813	14	200,454	207,515	216,087
830,726	Grants and Purchased Services	831,809	869,077	4	836,420	868,435	891,026
4,577,876	**Total Expenses**	**4,586,190**	**4,858,348**	**6**	**4,894,664**	**5,070,720**	**5,242,380**

Note: Numbers may not add due to rounding.

Factors Affecting Expense Levels

Employee Expenses

For 2013-14, employee expenses are estimated to be $1.6 billion. This is $50.5 million or 3.2 per cent higher than the forecast in the 2013-14 Budget, mainly due to the impact of revised wage parameters as included in the *Appropriation Act 2013-2014 (No. 2)*.

Employee expenses are forecast to grow by $54.6 million or 3.3 per cent in 2014-15 compared to the 2013-14 estimated outcome. This increase is largely due to the impact of indexation on employee expenses and growth in health related expenses.

Superannuation Interest Cost and Other Superannuation Expenses

Superannuation interest cost and other superannuation expenses represent superannuation expenses in relation to the defined benefit CSS/PSS liabilities and accumulation superannuation arrangements including PSSap and fund of choice. The following variance explanation is in relation to the aggregate of these two items.

The increase of $49.9 million in the 2013-14 estimated outcome from the original budget is due mainly to the impact of the lower than estimated discount rate as at 30 June 2013 of 4.29 per cent used for the annual superannuation liability valuation. This compares to the long-term average rate of 6 per cent used in the 2013-14 Budget.

Depreciation and Amortisation

The 2013-14 estimated outcome for depreciation and amortisation of $332.9 million is $6.0 million below the original 2013-14 Budget of $338.9 million. This largely results from the timing of capital works projects and the impact of rollovers and re-profiling adjustments.

Depreciation and amortisation expenses are estimated to increase in 2014-15 by $27.0 million or 8.1 per cent from the 2013-14 estimated outcome mainly reflecting the completion of capital projects.

Interest Expense (Borrowing Costs)

This item mainly represents the interest payments for borrowings.

The decrease of $1.5 million in the 2013-14 estimated outcome from the original budget is mainly a result of lower borrowing interest costs due to the timing profile of required borrowings.

The increase of $20.2 million in the 2014-15 Budget from the 2013-14 estimated outcome is mainly a result of increased interest payments due to higher levels of borrowings.

Supplies and Services

Supplies and services expense consists of supplies (such as pharmaceuticals), repairs and maintenance, consultants and contractors' expenses and payments for ACT Policing.

The 2013-14 estimated outcome for supplies and services expenses is expected to decrease by $59.0 million from the original budget. This is mainly due to the allocation of the wages provision as part of the *Appropriation Act 2013-2014 (No. 2)* and the reprofiling of expenses to future years.

Expenses are forecast to increase in 2014-15 by $119.9 million or 13.9 per cent from the 2013-14 estimated outcome. The variance is primarily due to the impact of new policy decisions incorporated in the 2014-15 Budget and rollovers from 2013-14.

Other Operating Expenses

Other operating expenses consists of cost of goods sold, insurance related costs, concessions, school accounts expenses and other miscellaneous expenses.

The 2013-14 estimated outcome for other expenses is expected to decrease by $26.7 million or 13.4 per cent from the original 2013-14 Budget. This is primarily attributable to lower than expected inflation, fewer insurance claims payments than anticipated and changes in actuarial assumptions in relation to insurance claims.

The increase of $24.7 million in the 2014-15 Budget from the 2013-14 estimated outcome is due to the forecast value of insurance claim expenses returning to anticipated long-run levels.

Grants Expenses

The 2013-14 estimated outcome for grants and purchased services of $831.8 million is broadly in line with the original budget of $830.7 million.

The 2014-15 Budget forecast for grants expenses of $869.1 million is $37.3 million higher than the 2013-14 estimated outcome of $831.8 million. This is mainly due to the anticipated growth in the health funding envelope and the reprofiling of education related grants.

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 and the financial implications of Government decisions in the provision of services to specific targeted groups in the community.

Table 4.1.2 lists Community Service Obligations funded in the 2014-15 Budget.

Table 4.1.2
CSOs Funded in the 2014-15 Budget

CSO provided by:	2013-14 Budget $'000	Description
Territory and Municipal Services Directorate		
Yarralumla Nursery	277	Free plant issue.
ACT Forests	2,387	Provision and upkeep of public use areas within ACT Forests.
ACTION	96,574	Funding provided to ACTION to operate network services.
Economic Development Directorate		
Exhibition Park Corporation	445	Compensation for charging below market rates, as a result of Ministerial direction, or agreements entered into by the ACT Government.
Commerce and Works Directorate		
ACTEW	2,250	Half cost of water use for schools and churches.
ACTEW	5,136	Half cost of sewerage services to churches, hospitals, benevolent, charitable institutions and schools.
ACTEW	134	Compensation for water and sewerage rates for leases granted under the (repealed) *Church Land Act 1924.*
ACTEW	103	Administration cost for rebates.
ACTEW	10,024	Rebates on water and sewerage charges to pensioners/healthcare card holders.
ActewAGL & TRUenergy	8,729	Rebates on electricity bills to pensioners/healthcare card holders.
ACTEW/ActewAGL	59	Rebates on utility bills.
ACTEW	157	Rebates on electricity supply to properties operated by non profit organisations.
Several Transport Providers	2,106	Part subsidy for taxi fares for eligible persons with disability.
Several Funeral Directors	50	Funerals Assistance Program.
Public Trustee for the ACT		
Public Trustee	484	Financial Management under ACAT orders, Enduring Power of Attorney, welfare funerals, AFP callouts, estates and trusts administered valued less than $100,000, examination of external ACAT orders and will preparation.
Total Community Service Obligations	**128,915**	

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:

Community Sector Funding Rate = (Wage Price Index × 0.80) + (Consumer Price Index × 0.20)

For the 2014-15 Budget, the following rates have been applied to eligible community sector funding.

Table 4.1.3
Community Sector Funding Rate

	2014-15 Budget %
Wage Price Index	3.0
Consumer Price Index	2.5
Community Sector Funding Rate	**2.90**

Note: An adjustment of 0.34 per cent will be made to eligible service funding agreements managed by Housing ACT, the Community Services Directorate and the Health Directorate as a contribution to the "ACT Community Sector Reforms" initiative.

4.2 SAVINGS

The Government is committed to providing quality public services for the people of Canberra. To ensure the sustainability of the public finances, these services, need to be delivered in a cost effective manner. For this reason, the Government is continuing to identify ways to improve the quality and efficiency of its operations. Even after taking these savings into account, the total Full Time Equivalent staffing level for the ACT Public Service remains above 2013-14 levels.

The 2014-15 Budget includes savings initiatives totalling $93.6 million over four years. These initiatives focus on improving the efficiency of service delivery across government and, to the fullest extent possible, reducing administrative duplication and overlap across government entities. To this end, a number of savings initiatives contain a small expenditure component designed to fund strategic investments across government.

A key element of improving efficiency is through greater application of digital and online technology. This spending will generate longer term savings through expanded digital service delivery, the development of strategic ICT investment programs, reduced paper based correspondence, lower data storage and management costs, and improved data processing efficiency (with a corresponding reduction in data entry effort). Initiatives such as iConnect will simplify how people and businesses interact with the Government, through use of a secure, single entry point.

The savings contained in the 2014-15 Budget appear in Table 4.2.1 below.

Table 4.2.1
Summary of Savings Initiatives (Gross)

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	Total $'000
Administrative Efficiencies [1]	60	10,560	13,060	13,460	**37,140**
Digital Dividend Investment Strategy and Transformational Service Delivery [1]	0	5,000	10,000	15,000	**30,000**
iConnect [2]	0	500	4,020	10,109	**14,629**
Other ICT initiatives [2,3]	0	1,996	3,996	5,836	**11,828**
Total 2014-15 Budget Savings	**60**	**18,056**	**31,076**	**44,405**	**93,597**
Total 2013-14 Budget Savings	**29,593**	**41,004**	**50,199**	**N/A**	**142,555**[4]

Notes:
1. The Government will provide funding for these items to generate savings, as outlined in paragraph 2 above.
2. Savings reported as part of the capital and expense initiatives.
3. Includes savings such as the ICT Transformation – Hybrid cloud computing and the ICT Sustainability – Desktop computer and printer energy management initiatives.
4. Contains savings of $21.759 million in 2013-14.

The savings presented in the 2014-15 Budget build upon the Government's track record of identifying and implementing ways to reduce input costs and generate efficiencies. The 2013-14 Budget focussed savings effort on reduced consultancy expenses, better utilising Worksafe Funds, energy savings measures, outsourcing vehicles efficiently, reducing corporate overheads, organisational restructure of the CIT, implementing various demand management measures, increasing sponsorships for venues and events and reprioritising youth programs.

Other savings were achieved in the 2013-14 Budget through the redirection of lower priority programs and ceasing initiatives from past budgets, providing opportunities to invest in higher priority activities and service delivery. Activities included reprofiling some court services, refining the ACTSmart program to gain efficiencies, increasing electronic processing of invoices, consolidating out of home care providers and implementing savings from red tape reduction activities.

CHAPTER 5

INFRASTRUCTURE AND CAPITAL

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5.1 INFRASTRUCTURE INVESTMENT PROGRAM

Overview

The ACT Government will continue to invest in a significant infrastructure program in the 2014-15 Budget. Infrastructure investment and delivery remains a key priority to ensure our community is well prepared to meet the economic, social, and environmental challenges of Canberra's second century.

Given the ongoing Commonwealth contraction, it is more important than ever for the ACT Government to invest in our economy, invest in our people and invest in jobs. The Government will continue to invest in Canberra and undertake projects that create jobs, stimulate the economy and help buffer the effects of the Commonwealth fiscal consolidation.

The ACT Government will use its strong balance sheet to continue capital investment during the downturn.

Infrastructure investment makes a vital contribution to confidence and job generation. Infrastructure investment by the Government promotes long-term improvements in productivity, which leads to long-term growth and improved living standards for the whole community.

In its 2014-15 Infrastructure Investment Program (the Program), the Government has made allowance for a record level of capital investment across the next four years of $2.5 billion. The stimulus effect of this Program will help lessen the impact on our economy and community from recent Commonwealth budget announcements.

The Government is investing in projects to enhance Canberra as a city in which to live and work. The City to the Lake, Civic to Gungahlin Corridor Improvements and the Capital Metro projects are three transformational initiatives that will not only revitalise, but also redefine, the City Centre and Canberra. Planning for these initiatives will continue in 2014-15 as the Government considers options for implementation as well as functional elements.

This Budget includes new major infrastructure projects to ensure Canberrans continue to enjoy a world-class health system. Investment in a new sub-acute hospital at the University of Canberra campus will provide a much needed boost to services and foster local training opportunities in health care. The Government's investment in the Canberra Hospital – Redevelopment, Secure Mental Health Unit and more hospital beds, as well as a new car park at Calvary Public Hospital, will directly benefit people who use those services.

The Government is preparing to revitalise our transport systems through investment in Capital Metro. Specific funding of $21.3 million has been allocated in 2014-15 to bring this project to an investment ready decision point. The Budget also includes a provision for the capital costs of this landmark project. In addition, the Government is continuing to improve ACTION public transport services through the Woden Bus Interchange Redevelopment, works planned at Erindale Bus Station and a significant investment in the Walking and Cycling Program.

There are also further investments into municipal services for the people of Canberra, with improvements to facilities for the safe and environmentally responsible disposal of waste at Mugga Lane and Mugga 2 Quarry remediation, the Strategic Bushfire Management Plan Implementation and Local Shopping Centre Upgrades.

The Government is also investing in our educational future through development of the Coombs P-6 School and a commitment, anticipating the expansion of the existing Tuggeranong Campus, to develop a CIT campus modernisation strategy. In addition to this, the Government is upgrading and modernising existing school and childcare facilities and improving digital infrastructure through the Sustaining Smart Schools initiative. These investments mean our younger generation will have a good start towards a prosperous, skilled and healthy future.

Major investments in justice and safety are also taking place including new courts facilities, additional facilities at the Alexander Maconochie Centre, and a co-located district ambulance and fire station at Aranda. The scale of these investments is being made possible through partnerships with the private sector to deliver, for example, the new Courts Facilities under a Public Private Partnership model.

The Government's investment in major infrastructure is setting the foundation for improving productivity and addressing the shifting needs of our community as we look to diversify our economic base, attract investment, boost growth and create employment for the region. As part of this, the Government will be fitting out the new ACT office building in Gungahlin ready for occupancy in 2015.

There are further investments in improved safety and facilities for road users. The Government will continue to expand and extend major roadways to contribute to better traffic movement. The roundabout at the William Slim Drive and the Barton Highway intersection will be signalised; a link road from Majura Parkway to Majura Road will be constructed; the Throsby access road and western intersection will be constructed; ramp metering improvements will be undertaken on Cotter Road; and there will be bridge strengthening on commercial routes and upgrading of intersections to improve traffic flows.

The Government has provided new infrastructure funding of $54.8 million over four years to support continued land release in the 2014-15 Budget. This will continue to support affordable housing and to establish an inventory of serviced land. This investment will help ensure a sufficient and wide range of housing options for our community as it grows in the future.

Objectives of the Infrastructure Investment Program

The objectives of the infrastructure investment program are to:

- increase the productive capacity of the economy by expanding infrastructure capacity;
- reduce future social, environmental and economic costs; and
- provide for growth in the city and maintain a competitive edge against other urban centres.

2014-15 Infrastructure Investment Program

The 2014-15 Budget provides for new investments in infrastructure of $470.5 million over four years. This comprises new construction works ($317.5 million), feasibility and forward design ($4.9 million), Plant and Equipment ($22.3 million) and Information and Communications Technology ($75.5 million). The Capital Upgrades Program will provide $50.3 million in 2014-15.

The value of works in progress from previous years is $716.2 million over four years.

The Government has also made provisions of $1.3 billion for capital works over four years to 2017-18. Including these provisions is consistent with good financial management as they improve the accuracy of the budget estimates and provides greater clarity around the Government's decisions. These provisions include amounts for high value and/or commercially sensitive projects and it is prudent to provide a future capital provision whilst these projects are further refined. The total capital program including provisions for future investments is $2.5 billion over four years.

Significant infrastructure investments being made in the 2014-15 Budget include:

- Alexander Maconochie Centre – Additional facilities ($54.1 million);
- Coombs P-6 School Construction Funding ($47.3 million – included in *Appropriation Act 2013-14 (No. 2)*);
- Secure Mental Health Unit ($43.5 million);
- Health Infrastructure Program ($27.7 million);
- The Canberra Hospital Redevelopment ($24.3 million);
- Civic to Gungahlin Corridor Improvements ($20 million);
- Calvary Public Hospital – Car park ($19.1 million);
- Emergency Services Agency Station Upgrade and Relocation – Aranda station ($18.9 million);
- ACT Government Office Building – Gungahlin fitout ($17.3 million);
- Molonglo Infrastructure Investment ($17 million);
- Isabella Weir Spillway Upgrades ($10.1 million);
- William Slim/Barton Highway Roundabout Signalisation ($10 million); and
- Majura Parkway to Majura Road – Link road construction ($9.9 million).

Significant Information and Communication Technology investments being made in the 2014-15 Budget include:

- Revenue Collection Transformation ($30.2 million);
- iConnect ($15.9 million); and
- Sustaining Smart Schools – Digital infrastructure for our schools ($9.2 million).

Summary of the 2014-15 Budget Infrastructure Program by Type

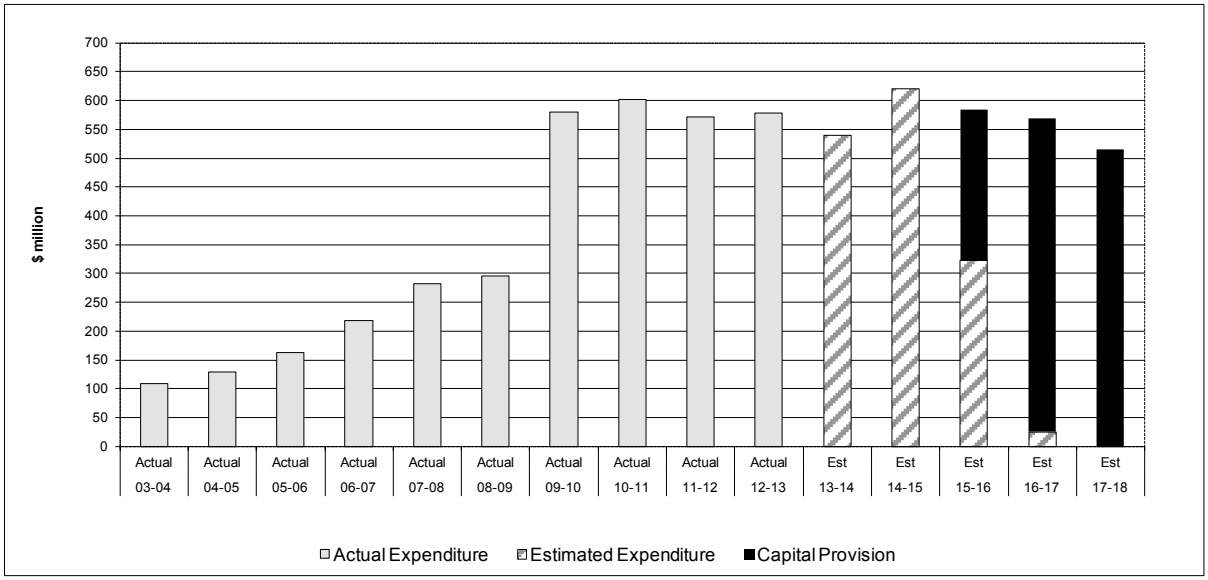
Table 5.1.1
Capital Program – by Type

	2014-15 Allocation $'000	2015-16 Allocation $'000	2016-17 Allocation $'000	2017-18 Allocation $'000	Total Value $'000
Capital Works[1]					
Feasibility Studies	2,030	70	0	0	**2,100**
Forward Design	850	1,400	500	0	**2,750**
Construction	128,919	164,301	23,442	847	**317,509**
Capital Upgrades	50,328	0	0	0	**50,328**
Sub-Total (Capital Works)	**182,127**	**165,771**	**23,942**	**847**	**372,687**
Information and Communication Technology (ICT)	32,475	30,827	9,329	2,858	**75,489**
Plant and Equipment (P&E)	22,280	0	0	0	**22,280**
Sub-Total (ICT and P&E)	**54,755**	**30,827**	**9,329**	**2,858**	**97,769**
TOTAL NEW CAPITAL PROGRAM	**236,882**	**196,598**	**33,271**	**3,705**	**470,456**
Works in Progress					
2013-14 and Prior Year Programs	365,700	72,866	8,425	0	**446,991**
2013-14 Rollovers/Re-profiling	72,696	83,345	-6,649	0	**149,392**
Sub-Total (Works in Progress)	**438,396**	**156,211**	**1,776**	**0**	**596,383**
Information and Communication Technology (ICT)	36,152	21,520	2,272	1,474	**61,418**
Plant and Equipment (P&E)	23,631	14,729	16,238	3,801	**58,399**
Sub-Total (ICT and P&E)	**59,783**	**36,249**	**18,510**	**5,275**	**119,817**
TOTAL WORKS IN PROGRESS	**498,179**	**192,460**	**20,286**	**5,275**	**716,200**
TOTAL CAPITAL PROGRAM	**735,061**	**389,058**	**53,557**	**8,980**	**1,186,656**
Capital Provisions					
Infrastructure Investment Provision	0	211,117	490,112	459,251	**1,160,480**
Capital Upgrades	0	51,588	52,878	54,200	**158,666**
Total Provisions	**0**	**262,705**	**542,990**	**513,451**	**1,319,146**
TOTAL CAPITAL PROGRAM INCLUDING PROVISIONS	**735,061**	**651,763**	**596,547**	**522,431**	**2,505,802**

Note:
1. New capital works includes grants to Calvary Hospital.

Figure 5.1.1 below highlights that the Government is continuing to invest in Canberra. This high level of investment is expected to be sustained over the forward estimates, with significant provisions being included in the budget for commercially sensitive projects. A New Works Program of $372.7 million over four years has been announced as part of the 2014-15 Budget, with additional provisions of $1.3 billion, and Works in Progress of $596.4 million.

Figure 5.1.1
Capital Works Expenditure Program
2003-04 to 2017-18



Works Delivered through the Territory's Public Trading Enterprises

In addition to the 2014-15 Budget Infrastructure Program, significant works are delivered each year through the Territory's Public Trading Enterprises (PTEs) and other agencies. Those are financed through own-source revenue or debt and are largely related to land servicing, water and wastewater works and public housing. The value of PTE works for 2014-15 is $243.8 million, which will be delivered by Housing ACT, ACTEW Corporation, the Land Development Agency and the ACT Public Cemeteries Authority.

Capital Planning, Delivery and Management

High-value and commercially sensitive projects

The Infrastructure Investment Provision for Capital projects has been increased to account for some high value projects for which budgets are either yet to be settled or which are commercially sensitive. Reflecting commercial sensitivities, the Government has not published specific details but has provisioned an amount for these works to be undertaken.

The projects include:

- the University of Canberra Public Hospital;
- the New ACT Courts Facility; and
- Capital Metro.

The Government has also provisioned an amount for preparing the Australia Forum – a new convention centre – to an investment ready stage while seeking partnerships with the Commonwealth and private sector. The value of the provision is up to $8 million.

A provision has also been made for developing a new CIT Campus in Tuggeranong. The Government will develop a campus modernisation strategy for the Canberra Institute of Technology to inform further decision making.

Descriptions of these projects are included under the relevant directorates' section of Infrastructure and Capital Initiatives (Chapter 3.3).

As planning or procurement progresses, future budgets will contain specific financial details related to these projects.

The Capital Framework

The Government has continued to implement improvements to the planning, management and review of capital works projects under a new Capital Framework. Details of the Framework are available from the www.procurement.act.gov.au website. The revised arrangements and guidance materials will enable agencies to better anticipate cost, time and quality pressures and to ensure lessons from past projects are captured and considered for similar projects in the future.

In 2014-15, the Government will continue to embed the Capital Framework, and use of its guidance and tools, and seek to improve:

- business case development;
- service and asset planning; and
- project definition and scope including through better use of Investment Logic Mapping, value management and contingency workshops for significant projects during early planning.

The Capital Framework aligns the level of detail required in each business case to the size, value and risk of a project, according to the following three tiers:

- Tier 1 – less than $10 million;
- Tier 2 – $10 million to $50 million, or high risk on lower value projects; and
- Tier 3 – $50 million and above, or high risk for what would otherwise be Tier 2 projects.

The Framework also includes post implementation reviews which enable assessment of how the project performed against the expectations set out in the business case. Projects are identified for these reviews at the business case or procurement plan stage.

The Partnerships Framework

The Government is expanding the use of delivery model and contract types such as Design Construct Maintain Operate (DCMO); Managing Contractor; and Public Private Partnership (PPP) models as outlined further on the www.treasury.act.gov.au website.

This will place the Territory in an improved position to manage the risks associated with PPP project procurement and delivery and achieve the significant savings generally associated with this form of project delivery. On average savings are around 11.4 per cent, compared with traditional contracting, according to Infrastructure Partnerships Australia, *Performance of PPPs and Traditional Procurement in Australia*, 2007, page 1.

The Partnerships Framework, launched in December 2013, focuses on the two delivery models of PPP and DCMO. It also addresses how unsolicited proposals are considered in relation to the Territory's infrastructure program. The Government has approved a set of general principles, policies and governance arrangements for delivery of major infrastructure under the above two delivery models.

PPPs are a method of infrastructure procurement that includes financing in the delivery model. The model has been used widely in other Australian jurisdictions for major projects. Under this model, project risks are allocated to the party who is best placed to manage these risks. A PPP arrangement can increase the likelihood of a project being delivered on time and on budget, as the contractor is not paid until the asset is commissioned and accepted. They also have a greater focus on whole-of-life costs and increased innovation. Of note, the Partnerships Framework seeks to reduce the costs of delivery under PPPs for both the Government and bidder by seeking to short-list to two proponents at the Request for Proposal stage.

At the launch of the Partnerships Framework, the Government also announced the Territory's first PPP project, the New ACT Court Facilities project, which is a path-finder for this new mode of delivery.

Asset Recycling Initiative

The Asset Recycling Initiative 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.

The Commonwealth Government has initially allocated $5 billion to the Asset Recycling Initiative.

The Government will consider which assets could be included under the initiative to support new investment. Potential options include assets such as ACTTAB; ageing public housing stock; government office buildings; street lights and surface car parks. The Government will be considering options over the coming months and has included a provision in the budget for potential asset sales.

The ACT Government will enter into negotiations with the Commonwealth Government in 2014-15 to pursue opportunities to participate in the Asset Recycling initiative.

Active certification and safety in Government construction

Active certification and safety as a weighted criterion were implemented in 2013-14 as part of the Government's response to the *Getting Home Safely* Report. The Active Certification Policy and safety as a Weighted Assessment Criterion apply to the Government's construction contracts and will be bedded down in 2014-15.

The objective of Active Certification is to determine, using safety audits and a demerits point system and whether organisations have an adequate safety record to retain eligibility (prequalification) to apply for significant Government projects. 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.

5.2 SUPPORTING LAND SUPPLY AND LAND RELEASE

The ACT Government plans for the supply and release of land, taking account of factors such as forecast population changes, household changes, demand for land and the capacity to cost effectively deliver key infrastructure and services.

The four year Indicative Land Release Program is an enabler of the Government's economic and social strategies for the community. It also contributes to financial and environmental objectives by seeking to:

- promote the economic and social development of the Territory;
- meet the demand for land in the Territory;
- establish an appropriate inventory of serviced land;
- facilitate the provision of affordable housing; and
- achieve satisfactory returns from the sale of unleased Territory land.

As a result of the decisions of the Commonwealth Government to significantly reduce the size of the Australian Public Service and the subsequent impacts, the ACT Government has written down the overall size of its Indicative Residential Land Release Program by 3,000 dwelling sites across the next three years. The Indicative Residential Land Release Program now includes a sale target of 13,500 dwelling sites between 2014-15 and 2017-18. The annual number of dwelling sites expected to be sold has dropped from 4,700 to 3,600 in 2014-15; from 4,500 to 3,300 dwelling sites in 2015-16; and will remain at 3,300 dwelling sites in each year to 2017-18. Should demand exceed these sales targets, the Government will adjust supply upwards.

The Government intends to maintain a strong supply of detached housing and establish an inventory of serviced land. The Residential Program includes englobo releases for private sector land development. The ACT Government recently brought forward a Stimulus Package of civil works contracts at Moncrieff which will see an estimated $150 million of construction activity, originally scheduled over a three to four year period, being undertaken concurrently. This will have the effect of driving economic activity as well as contributing towards new housing supply. The release of land at Moncrieff will also assist in meeting the Government's target of 20 per cent affordable dwellings in greenfield development sites in line with commitments in the Affordable Housing Action Plan.

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 Commercial Program includes a target for the release of 353,784 square metres of commercial land over the next four years. Much of the commercial land programmed for release is part of mixed-use developments that facilitate residential infill.

The Indicative Industrial Land Release Program includes a release target of 289,648 square metres of industrial land over the next four years. Over the four years 2008-09 to 2011-12, the Government has released approximately 140,000 square metres of industrial land. In addition, the private sector has released 361,552 square metres in Hume and Beard. These releases have resulted in an inventory of industrial land available to meet businesses needs.

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 285,176 square metres of community and non-urban land over the next four years.

The 2014-15 Budget makes significant capital investments to support the objectives of the Indicative Land Release Program. Projects supporting developments across the Territory include:

- **Molonglo Infrastructure Investment** ($17 million) – Construction of a four lane arterial road to provide access for the development of Denman Prospect in Molonglo.
- **Throsby – Access road and western intersection** ($5.3 million) – Construction of a road to provide access from Horse Park Drive to Gungahlin's new residential suburb of Throsby.
- **Isabella Weir Spillway Upgrades** ($10.1 million) – Upgrade of Isabella Weir spillway to provide flood protection for development on the shores of Lake Tuggeranong.
- **Majura Parkway to Majura Road – Link road** ($9.856 million) – Construction of a road linking Majura Parkway and Majura Road.
- **Dickson Intersections Upgrade** ($3.380 million) – Upgrade of various intersections in the Dickson Group Centre to facilitate future growth.

A number of projects related to land release funded in the 2013-14 Budget will continue to be delivered throughout 2014-15, including:

- **Cravens Creek Water Quality Control Pond** ($21 million) – Construction of a water quality control pond on Craven's Creek adjacent to the Molonglo River in Denman Prospect.
- **Horse Park Drive Water Quality Control Pond** ($6 million) – Construction of a water quality control pond and associated waterway works to improve water quality and provide stormwater retardation, aquifer storage, harvesting and habitat creation.
- **Molonglo 2 – Uriarra Road Upgrade** ($17 million) – Construction of a road linking John Gorton Drive in North Wright and Uriarra Road which will provide access to new land releases in Molonglo and improve the safety of Uriarra Road.
- **Molonglo 2 Sewer and Pedestrian Bridge over Molonglo River** ($12.4 million) – Construction of a combined sewer and pedestrian bridge over the Molonglo River.

Two additional transformational projects that will support land release in future years while helping to revitalise and redefine the city centre and Canberra are:

- **City to the Lake;** and
- **Civic to Gungahlin Corridor Improvements.**

In addition to the substantial capital investments being made by the Government in the 2014-15 Budget to support its land development activities, the Land Development Agency (LDA) is also budgeting for significant infrastructure works in its program. In 2014-15, the value of works to be funded by the LDA is in the order of $96.3 million.

The 2014-15 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 Indicative Land Release Programs is set out in Table 5.2.1.

Table 5.2.1
INDICATIVE LAND RELEASE PROGRAM

Indicative Residential Land Release Program

Location	2014-15	2015-16	2016-17	2017-18
	Number of Dwelling Sites			
Gungahlin	1,054	1,055	532	380
Belconnen	678	370	950	1,063
Central Canberra	390	717	800	700
Molonglo	400	300	700	900
Woden and Weston Creek	495	580	0	80
Tuggeranong	531	229	268	100
Other	52	49	50	77
Total	**3,600**	**3,300**	**3,300**	**3,300**

Indicative Commercial Land Release Program (site area)

Location	2014-15 m^2	2015-16 m^2	2016-17 m^2	2017-18 m^2
Gungahlin	11,793	11,935	3,009	16,000
Belconnen	4,000	1,263	27,863	15,689
Central Canberra	25,707	24,978	28,441	12,150
Molonglo	0	0	8,150	0
Woden and Weston Creek	11,500	31,234	10,000	0
Tuggeranong	22,072	18,637	24,739	44,624
Total	**75,072**	**88,047**	**102,202**	**88,463**

Indicative Industrial Land Release Program (site area)

Location	2014-15 m^2	2015-16 m^2	2016-17 m^2	2017-18 m^2
Fyshwick	0	20,000	10,000	11,000
Hume	45,646	38,999	38,600	22,930
Symonston	0	6,000	7,650	8,000
Pialligo	78,000	0	0	0
Mitchell	0	2,823	0	0
Total	**123,646**	**67,822**	**56,250**	**41,930**

Indicative Community and Non-Urban Land Release Program (site area)

Location	2014-15 m^2	2015-16 m^2	2016-17 m^2	2017-18 m^2
Gungahlin	6,333	10,554	0	30,000
Belconnen	1,800	43,500	3,000	0
Central Canberra	2,000	6,900	0	15,616
Molonglo	3,500	0	0	0
Woden and Weston Creek	19,937	1,300	0	20,000
Tuggeranong	61,115	7,724	46,897	5,000
Total	**94,685**	**69,978**	**49,897**	**70,616**

5.3 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 5.3.1 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 2014, the total value of physical assets, net of depreciation, is estimated to increase by $588 million to $20.7 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 billion by June 2015.

Table 5.3.1
Total Territory Physical Assets: Value by Sector

As at 30 June 2013	2010 Actual $m	2011 Actual $m	2012 Actual $m	2013 Actual $m	2014 Budget $m	2015 Estimate $m
General Government Sector	11,496	12,305	13,021	13,653	14,109	14,352
Public Trading Enterprise Sector	5,526	5,735	5,787	6,430	6,563	6,680
Total Territory	**17,022**	**18,040**	**18,808**	**20,084**	**20,672**	**21,032**

Figure 5.3.1 below shows that as, at 30 June 2013, the Territory's assets were mostly classed as Infrastructure Assets (41.5 per cent), Buildings (22.6 per cent) and Land (21.9 per cent).

Figure 5.3.1
Total Territory Physical Assets:
Distribution by Category as at 30 June 2013

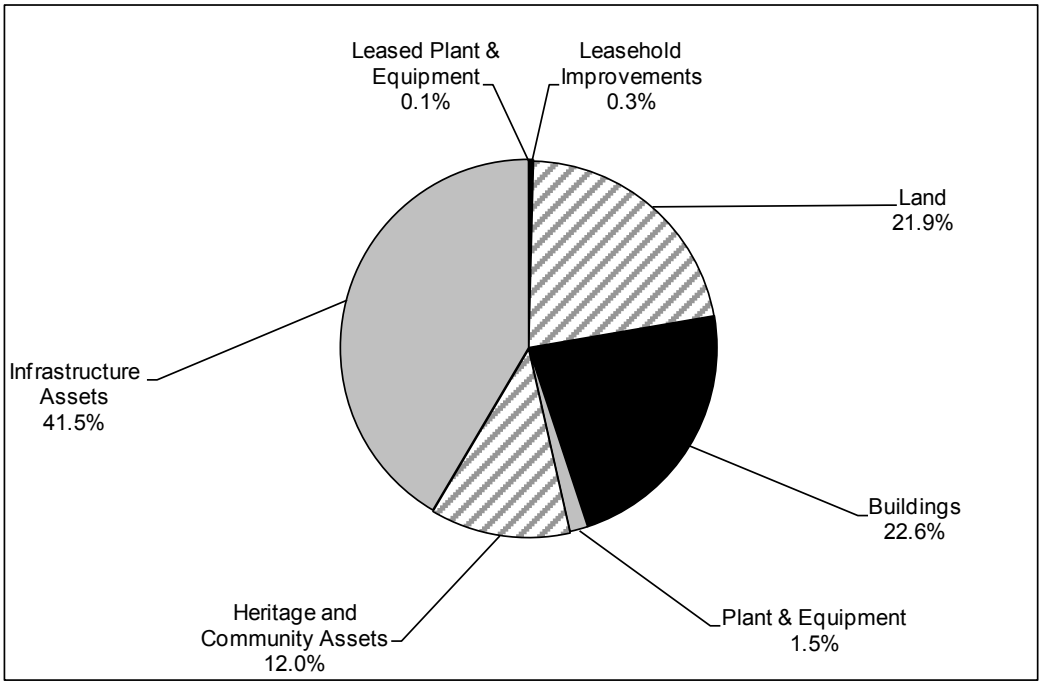


Figure 5.3.2 below shows that, as at 30 June 2013, the Territory and Municipal Services Directorate was the owner of 45.6 per cent of the Territory's physical assets. Housing ACT had responsibility for 21.6 per cent, the Education and Training Directorate held 9.8 per cent and ACTEW Corporation held 9.6 per cent.

Figure 5.3.2
Total Territory Physical Assets:
Distribution by Agency as at 30 June 2013

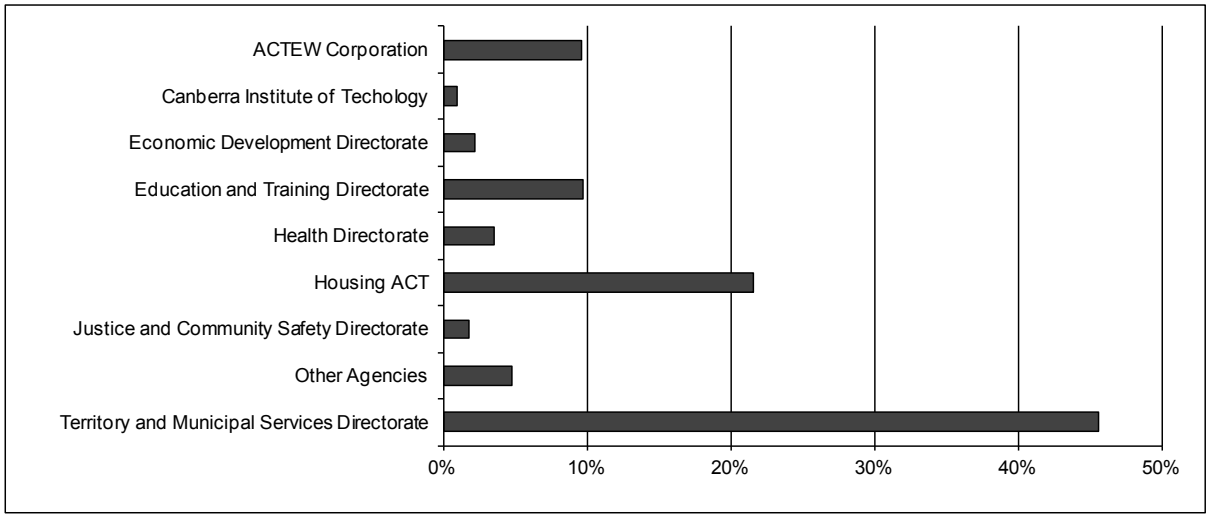
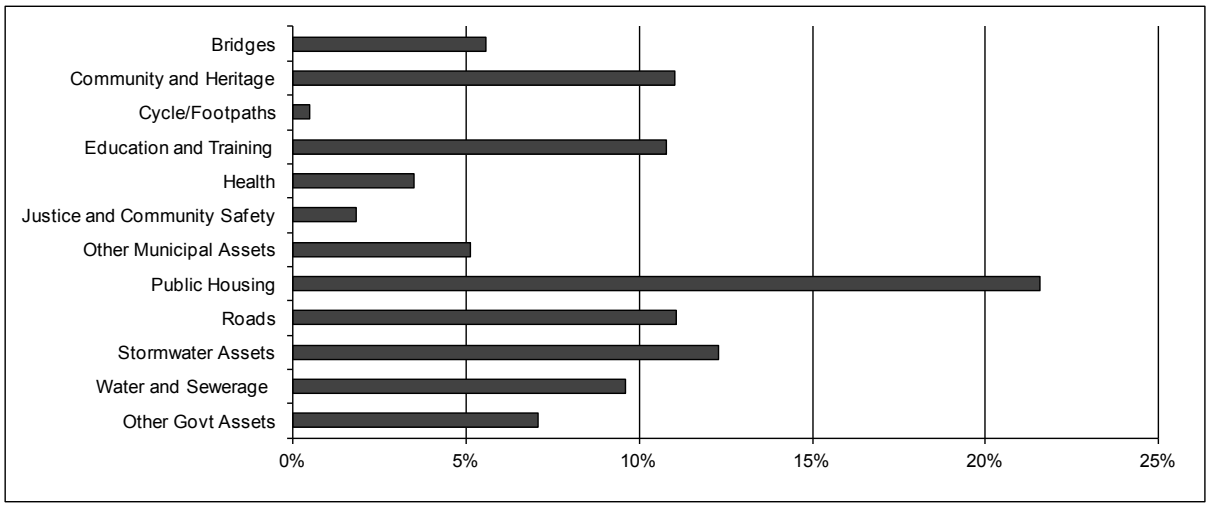


Figure 5.3.3 below highlights that the largest component of the Territory's assets relate to the provision of public housing. Other significant asset holdings relate to transport and municipal, community and heritage, and education services.

Figure 5.3.3
Total Territory Physical Assets:
Distribution by Asset Type as at 30 June 2013



Capital Expenditure Trend

The Territory's annual capital works expenditure for 2013-14 is estimated at $539.3 million (excluding Information and Communications Technology and Property, Plant and Equipment). This represents a forecast that is broadly in line with the previous three financial years.

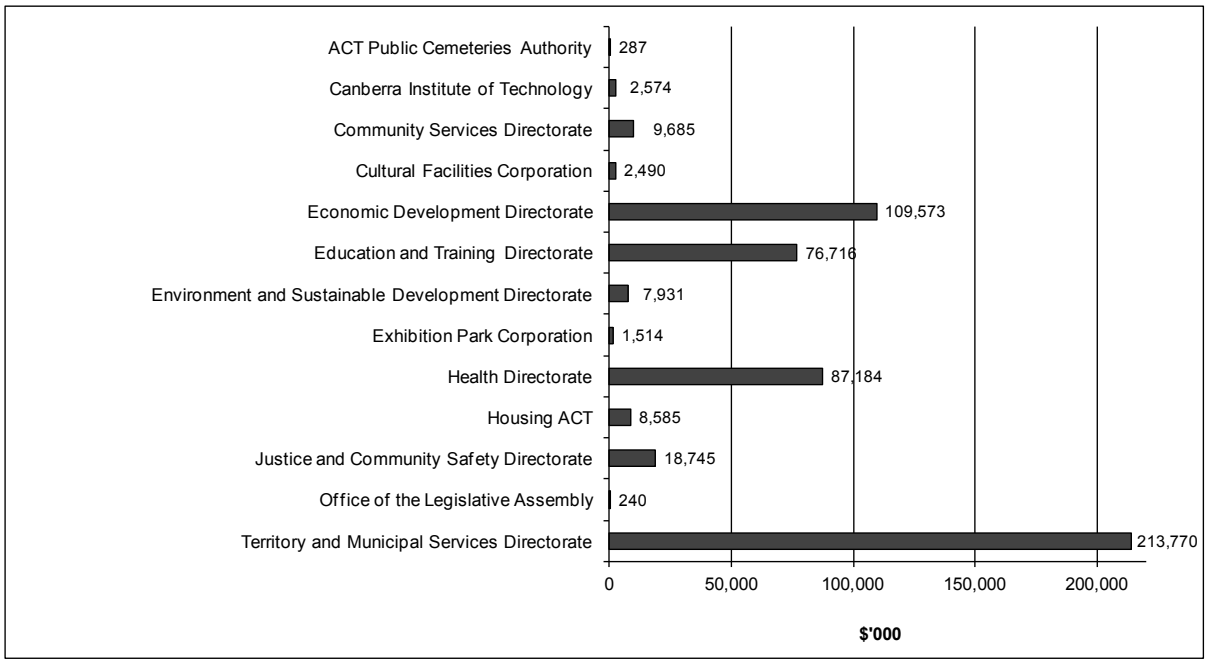
Table 5.3.2
Capital Works Expenditure Summary

2009-10 Actual $'000	2010-11 Actual $'000	2011-12 Actual $'000	2012-13 Actual $'000	2013-14 Estimate $'000	2014-15 Estimate $'000	2015-16[1] Estimate $'000	2016-17[1] Estimate $'000	2017-18[1] Estimate $'000
580,461	601,655	572,055	578,774	539,294	620,523	584,687	568,708	514,298

Note:
1. Estimates include capital provisions including those for commercially sensitive projects and Capital Upgrades.

Figure 5.3.4 below shows estimated capital works expenditure for 2013-14 by agency. Territory and Municipal Services Directorate has the largest forecast spend ($213.8 million), followed by the Economic Development Directorate ($109.6 million), Health Directorate ($87.2 million), and Education and Training Directorate ($76.7 million).

Figure 5.3.4
Estimated Capital Expenditure by Agency in 2013-14



Repairs and Maintenance

Ensuring that appropriate Repairs and Maintenance are carried out on the Territory's existing assets is important to sustain the Territory's physical asset base into the future. Accordingly, the Government allocated $160 million to repairs and maintenance in 2012-13.

Maintenance expenditure identified in Table 5.3.3 below does not include 'maintenance-related' works which are classified as capital in nature. For example, a portion of agencies' annual Capital Upgrade funding (budgeted at $50.3 million in 2014-15) is also utilised for sustaining the Territory's asset base.

Table 5.3.3
Repairs and Maintenance

2007-08 Actual $'000	2008-09 Actual $'000	2009-10 Actual $'000	2010-11[1] Actual $'000	2011-12 Actual $'000	2012-13 Actual $'000
121,373	136,667	161,073	147,554	159,661	160,341

Note:

1. The variance between the 2009-10 and 2010-11 actual spend is due to an overstatement of the 2009-10 actual repairs and maintenance spend ($9.4 million) and the increased level of activity that resulted from the December 2010 flood damage.

5.4 CAPITAL WORKS PROGRAM

Capital Works Program at a Glance

The Territory's Capital Works Program is a component of the Total Infrastructure Investment Program. Capital Works relate to fixed physical infrastructure, which excludes Information and Communication Technology and Plant and Equipment projects.

- The total value of the 2014-15 New Works Program is $372.7 million over four years.
- Total cash provided in 2014-15 for new works and Works-in-Progress (WIP) is $620.5 million:
  - total cash provided for new works in 2014-15 is $182.1 million; and
  - total cash provided to continue WIP in 2014-15 is $438.4 million.

In addition, the Government has included an Infrastructure Investment Provision of $1.3 billion 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.

2014-15 Capital Works Program

New Works

The value of new works included in the 2014-15 Infrastructure Investment Program is $372.7 million over four years, of which $182.1 million is being invested in 2014-15.

Table 5.4.1
Summary of 2014-15 Budget New Works Program

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	Four Year Investment $'000
Business Case Development	2,030	70	0	0	2,100
Forward Design	850	1,400	500	0	2,750
Construction Projects[1]	128,919	164,301	23,442	847	317,509
Capital Upgrades	50,328	0	0	0	50,328
Budget Funded New Works Program	**182,127**	**165,771**	**23,942**	**847**	**372,687**

Note:
1. Includes $5.5 million in new initiatives funded through the Urban Improvement Program and $4.6 million in Capital Grants.

Business Case Development

The Business Case Development component of the 2014-15 Budget has a total value of $2.1 million, of which $2 million is being invested in 2014-15.

Business case development work recognises the longer 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. This also provides a framework for a more comprehensive assessment of the viable options and alternatives, including linkages to the Government's service delivery objectives.

Table 5.4.2 lists the projects in the business case development stage.

Table 5.4.2
Summary of 2014-15 Budget Business Case Development

Project	Financing 2014-15 $'000	Financing 2015-16 $'000
Economic Development Directorate		
Australia Forum – Investment ready[1]	1,500	NFP
Environment and Sustainable Development Directorate		
City Plan Implementation	150	0
Justice and Community Safety Directorate		
Gungahlin Joint Emergency Services Centre – Future use study	380	70
Total Business Case Development	**2,030**	**70**

Note:
1. $200,000 of this initiative to be provided to Chief Minister and Treasury Directorate.

As indicated in Table 5.4.2, the Government will invest $1.5 million in the 2014-15 Budget to progress the Australia Forum convention centre project to an investment ready stage. This will include the development of a reference design and budget and analysis of procurement options for consideration by Government. The Government has also included an Infrastructure Investment Provision – should funding partners come on board - of up to $8 million to administer the procurement process for the convention centre.

Forward Design

The 2014-15 Budget invests $2.8 million in forward design projects, of which $0.9 million is being invested in 2014-15.

Formal planning and design of large infrastructure projects allows for detailed specifications and scope to be fully developed, and helps mitigate potential risk associated with delays and/or cost escalations during the construction phase of a project.

Table 5.4.3 outlines the 2014-15 forward design program.

Table 5.4.3
Summary of 2014-15 Budget Forward Design Projects

Project	Financing 2014-15 $'000	Financing 2015-16 $'000	Financing 2016-17 $'000
Economic Development Directorate			
City to the Lake Arterial Roads Concept Design	850	1,400	500
Narrabundah Ball Park – Stage 2[1]	0	0	0
Total Forward Design Projects	**850**	**1,400**	**500**

Note:
1. The cost of $500,000 in 2014-15 will be met from existing resources.

In addition to the design projects noted above, the Government is also investing in the design of the following projects:

- **Capital Metro – Scoping and facilitation** – The Government will invest in the development of Capital Metro. This includes preparing Capital Metro to an investment ready stage and subject to the full business case, commencing the future procurement and delivery of the light rail service and its operation, specialised economic and financial advisory services and stakeholder engagement activities.
- **Alexander Maconochie Centre – Additional Facilities** – The Government has invested a total of $2.8 million as funding for design and tender ready documentation for additional facilities at the Alexander Maconochie Centre in preparation for construction. The cost of this initiative was included by the Government in the *Appropriation Act 2013-14 (No 2)*.

Construction Projects

The construction component of the New Works Program has a total value of $307.4 million, of which $122.7 million is being invested in 2014-15.

Table 5.4.4 outlines the program of 2014-15 Budget construction projects.

Table 5.4.4
Summary of 2014-15 Budget Construction Projects

Project	Financing 2014-15 $'000	Financing 2015-16 $'000	Financing 2016-17 $'000	Financing 2017-18 $'000
Canberra Institute of Technology				
CIT Campus Modernisation – Tuggeranong Campus	0	NFP	NFP	NFP
Total	**0**	**NFP**	**NFP**	**NFP**
Community Services Directorate				
A New Respite Property	1,075	0	0	0
Total	**1,075**	**0**	**0**	**0**
Cultural Facilities Corporation				
Canberra Theatre Centre Upgrades – Stage 2	1,050	800	0	0
Total	**1,050**	**800**	**0**	**0**
Economic Development Directorate				
Dickson Group Centre Intersections – Upgrade	1,500	1,380	500	0
Isabella Weir Spillway Upgrades	5,050	5,050	0	0
Majura Parkway to Majura Road – Link road	3,300	6,556	0	0
Molonglo Infrastructure Investment	6,000	8,000	3,000	0
Stromlo Forest Park Implementation of Bushfire Management Plan	500	650	500	0
Throsby – Access road and western intersection	2,000	2,300	1,000	0
Woden Bus Interchange – Redevelopment stage 1	1,250	2,000	0	0
Total	**19,600**	**25,936**	**5,000**	**0**
Education and Training Directorate				
Belconnen Region Schools – Modernisation	250	0	0	0
Childcare Centre Upgrades – Stage 3	727	664	0	0
Hazardous Material Removal Program – Stage 3	1,000	1,000	1,000	0
Total	**1,977**	**1,664**	**1,000**	**0**
Health Directorate				
Calvary Public Hospital – Car park[2]	17,427	1,653	0	0
Health Infrastructure Program – Project management continuation	13,184	14,522	0	0
Secure Mental Health Unit	3,808	30,619	9,064	0
The Canberra Hospital – Essential infrastructure and engineering works	3,301	2,339	0	0
The Canberra Hospital Redevelopment[3]	6,074	13,000	5,189	0
University of Canberra Public Hospital[4]	0	NFP	NFP	NFP
Total	**43,794**	**62,133**	**14,253**	**0**

Project	Financing 2014-15 $'000	Financing 2015-16 $'000	Financing 2016-17 $'000	Financing 2017-18 $'000
Housing ACT				
Housing for Older People in the Aboriginal and Torres Strait Islander Community[5]	0	0	0	0
Housing for Older Tenants – Downsizing initiatives[6]	0	0	0	0
Total	**0**	**0**	**0**	**0**
Justice and Community Safety				
Alexander Maconochie Centre – Additional facilities	24,304	29,786	0	0
Emergency Services Agency Station Upgrade and Relocation – Aranda station	8,569	10,164	131	0
Emergency Services Agency Fairbairn – Incident management upgrades	424	0	0	0
New ACT Courts Facilities[4]	0	NFP	NFP	NFP
Total	**33,297**	**39,950**	**131**	**0**
Territory and Municipal Services Directorate				
ACTION – Replace underground storage tanks	1,000	5,536	0	0
Bridge Strengthening on Commercial Routes[7]	1,600	0	0	0
Civic to Gungahlin Corridor Improvements	8,000	12,000	0	0
Environmental Offsets – Gungahlin (EPIC)	253	107	102	0
Environmental Offsets – Lawson South	425	268	134	45
Fyshwick Depot – Fuel storage tanks removal and site remediation	500	1,000	0	0
Molonglo Valley – Implementation of NES Plan – Stage 2	1,036	860	822	802
Mugga 2 Quarry – Remediation	2,000	939	0	0
Mugga Lane – Replace asbestos disposal site	700	523	0	0
Mugga Lane – Replace damaged septic system	664	100	0	0
National Arboretum Canberra – Event terrace and precinct facilities	643	841	0	0
Ramp Metering on Cotter Road[7]	700	0	0	0
Strategic Bushfire Management Plan	2,000	744	0	0
Transport for Canberra – Upgrading Erindale bus station	900	0	0	0
Weston Creek Group Centre Parking	500	0	0	0
William Slim/Barton Highway Roundabout Signalisation	1,000	7,000	2,000	0
Total	**21,921**	**29,918**	**3,058**	**847**
Total Construction Projects	**122,714**	**160,401**	**23,442**	**847**

Notes:

1. NFP indicates not for publication. A provision has been included in the Budget for the cost of this initiative.
2. Includes a $2.208 million grant to Calvary Public Hospital associated with the Calvary Public Hospital.
3. $3.022 million for the Canberra Hospital Redevelopment project is being provided through a grant to Calvary Hospital.
4. NFP indicates not for publication. Total estimated investment is not reported at this time due to commercial sensitivities. A provision has been included in the budget for the cost of this initiative.
5. $1.440 million will be met from existing resources.
6. $5.816 million will be met from existing resources.
7. This is partially funded from a Commonwealth Government contribution.

Capital Grant Payments

The grants component of the New Works Program has a total value of $4.6 million, of which $4.1 million is being invested in 2014-15.

Table 5.4.5 outlines the Capital Grants.

Table 5.4.5
Summary of 2014-15 Capital Grant Payments

Project		Financing 2014-15 $'000	Financing 2015-16 $'000
ACT Health[1,2]			
Calvary Public Hospital – Refurbishments for more beds		1,605	0
	Total	**1,605**	**0**
Economic Development Directorate			
Lyneham Sports Precinct – Stage 4 tennis facility enhancement		2,500	500
	Total	**2,500**	**500**
Total Capital Grants		**4,105**	**500**

Notes:

1. An additional $2.208 million grant to Calvary Public Hospital associated with the Calvary Public Hospital – Car park project is shown in the construction table.
2. An additional $3.022 million grant to Calvary Public Hospital associated with the Canberra Hospital Redevelopment project is shown in the construction table.

Urban Improvement Program

The Urban Improvement Program (UIP) is funded by revenue from the Lease Variation Charge (LVC). It provides for works that improve the amenity of our growing city.

The Government has invested in $40.7 million of UIP works since 2012-13 and will increase that by $5.5 million in the 2014-15 Budget, of which $2.1 million is being invested in 2014-15.

Table 5.4.6 below outlines the 2014-15 Urban Improvement Program.

Table 5.4.6
Summary of 2014-15 Urban Improvement Program

Project	Financing 2014-15 $'000	Financing 2015-16 $'000
Economic Development Directorate		
Tuggeranong Lakeside Leisure Centre – Water play park[1]	0	500
Total	**0**	**500**
Territory and Municipal Services Directorate		
Local Shopping Centre Upgrades Program	350	1,650
Playground Safety Program	500	0
Transport for Canberra – Walking and cycling infrastructure – Stage 4	1,250	1,250
Total	**2,100**	**2,900**
2014-15 Urban Improvement Program	**2,100**	**3,400**

Note:
1. The 2014-15 component of this project is included in the Economic Development Directorate Capital Upgrade Program.

Capital Upgrades Program

Capital upgrades include works that extend the useful life or improve the service delivery capacity of existing Territory physical infrastructure assets. Upgrade funding is distinct from routine maintenance.

Funding for capital upgrades is provided to agencies annually, with indicative allocations included in their forward estimates. This funding allows agencies to prioritise and manage their upgrade programs according to asset management needs and plans.

Funding of $50.3 million has been allocated in 2014-15 for capital upgrades.

Table 5.4.7 below outlines the 2014-15 Capital Upgrades Program, by agency and, where available, by program, type of works or physical location.

Table 5.4.7
Summary of 2014-15 Budget Capital Upgrades Program

Project	Financing 2014-15 $'000
Canberra Institute of Technology	
Health and Safety Improvements	
Asbestos removal – Bruce and Reid Campuses	94
New lift installation to improve disability access – B Block Reid Campus	260
Replace thermal detectors with smoke detectors – Bruce and Reid Campuses	80
Upgrade footpaths and ramps along Vowels Crescent at CIT Bruce to improve disability access	100
Upgrade mechanical switchboards – Bruce Campus	230
Energy Management/Educational Improvements	
Installation of energy efficient LED lighting – Reid Campus	100
Installation of variable speed drives on air-handling motors to reduce energy consumption – Reid and Bruce Campuses	100
Replacement of existing light fittings with LED light fittings – Fyshwick Campus	100
Upgrade air-conditioning and heating – E Block Bruce Campus	70
Upgrade power factor equipment to reduce energy consumption – Bruce Campus	100
Building Improvements	
Classroom upgrades – B Block Reid Campus	120
Install roof over construction sand pit to enable construction classes to be run during all weather conditions – Bruce Campus	70
Install suspended ceilings, upgrade lighting, replace corridor partitions and install CIT card access in classrooms – D Block Reid Campus	100
New First Aid room – E Block Fyshwick Campus	50
New toilet facility – P Block Bruce Campus	50
Relocate seminar room to library and refurbish for office accommodation – Bruce Campus	150
Signage upgrades – all Campuses	300
Upgrade access to car park to coincide with Constitution Avenue upgrade – Reid Campus	180
Upgrade floor and install acoustic treatment to walls and ceiling in the Hall – Bruce Campus	100
Upgrade lighting, floor coverings and paint classrooms – J Block Bruce Campus	100
Total	**2,454**

Project		Financing 2014-15 $'000
Community Services Directorate		
Community and Youth Facilities		
Building renovations and extensions including modifications to kitchen areas		60
Building upgrades including roofing, energy efficiency upgrades and painting		1,760
Grounds upgrades including fencing and landscaping		15
Arts Facilities		
Building renovations including rehearsal space upgrades		70
Building upgrades such as heating/cooling systems		167
Grounds upgrades		70
	Total	**2,142**
Cultural Facilities Corporation		
ACT Museums and Galleries Upgrades		259
Canberra Theatre Centre Upgrades		60
Corporate Facilities Upgrades		50
	Total	**369**
Economic Development Directorate		
Major Venues – Facilities Upgrades		
Improve operational efficiency and public amenity at GIO Stadium		460
Improve operational efficiency and public amenity at Stromlo Forest Park		40
Improve operational efficiency and public amenity including upgrades to media facilities at Manuka Oval		625
Sports Facilities		
Facilities Improvement Program 2014-15 – upgrades to ageing Infrastructure and enhancement of existing facilities including improvements at Greenway Oval		1,440
Pools Improvement Program 2014-15 – including Lakeside Leisure Centre water play park design		745
Water Demand Management Program		515
Infrastructure Planning and Design		
Land release infrastructure design for earthworks, roads, stormwater, sewers, water supply, utilities and landscaping		276
	Total	**4,101**
Education and Training Directorate		
Older School Upgrades		1,200
Curtin Primary School		
School Infrastructure Improvements		7,050
Playground upgrades including minor landscape improvements – various public schools		
Roof upgrade program – various public schools		
School front entry, administration upgrades, frontage and signage improvements		
Specialist teaching areas and classroom upgrades		
Toilet upgrades – various public schools		
Transportable classroom relocation and refurbishment		

Project		Financing 2014-15 $'000
Education and Training Directorate cont.		
Building Compliance Upgrades		1,780
Canteen upgrades – various public schools		
Disability access improvements including lift works – various public schools		
School Security Improvements		856
Electronic security system program – various public schools		
School security fencing program – various public schools		
School Safety Improvements		1,870
Car park upgrades and traffic safety improvements – various public schools		
Hazardous materials removal		
Environmentally Sustainable Design Initiatives		1,112
Power factor correction program – various public schools		
Solar panels – various public schools		
Water refill stations – various public schools		
Childcare Facilities		436
Minor facilities improvements – various sites		
Playground upgrades – various sites		
Roof upgrades – Noah's Ark and Ngunnawal centres		
Stormwater upgrades – Noah's Ark and Isabella Plains centres		
	Total	**14,304**
Environment and Sustainable Development Directorate		
Continued upgrades to heritage areas including tracks signage updates and apps		138
	Total	**138**
Exhibition Park Corporation		
Carpet tile installation within the Coorong Pavilion and other primary commercial buildings		80
Continuation of venue booking system upgrade		90
Improvement of electricity, water and gas provision including safety improvements to current underground systems		90
Primary commercial venues fascia and access upgrades		110
Restroom facilities upgrade		50
Venue refurbishment focussed on reduction and management of safety risk and repair		102
Venue wayfinding and safety and internal signage upgrades		30
	Total	**552**
Health Directorate		
ACT Health		
Building upgrades to improve functionality and address condition audit findings		710
Electrical, fire and safety upgrades at various health facilities		700
Mechanical system upgrades at Canberra Hospital and various other ACT Health facilities		715
Patient and medical facility upgrades including negative pressure room works, expansion of Hospital in the Home facilities and the Cardiac Catheter day ward		692
Refurbishment of medical offices and administration areas to address growth requirements and ageing infrastructure		530
Workplace improvements that will provide improved patient and staff facilities and address safety and access issues		595

Project		Financing 2014-15 $'000
Health Directorate cont.		
Calvary Hospital		
Additional floor finishes to complete the replacement of all floor coverings in ward areas		200
Additional primary/secondary loop works to improve cooling efficiency and increase cooling capacity		395
Public Toilet Upgrade		189
	Total	**4,726**
Justice and Community Safety Directorate		
Directorate Projects		
Courts and Tribunal facilities upgrades		217
Corrective Services upgrades		194
Energy efficiencies, office accommodation, Work Health and Safety and security upgrades		387
Emergency Services Agency (ESA) Projects		
ESA facilities upgrades, Work Health and Safety and security upgrades		306
Territorial Projects		
ACT Policing facilities and security upgrades		246
	Total	**1,350**
Office of the Legislative Assembly		
Internal Building Works		
Internal building upgrades for lighting systems, air handling unit and kitchenettes upgrades or replacements		190
External Building Works		
Refurbishment of additional colonnades		56
	Total	**246**
Territory and Municipal Services Directorate		
Yarralumla Nursery		
Refurbishment of Yarralumla Nursery		350
National Arboretum Canberra		784
Demountable purchase and installation for works depot expansion		
Fire trails and dirt tracks upgrades to avoid erosion		
Installation of people counters at Village Centre, Bonsai Pavilion and entrance gates		
Landscape Upgrades around the Village Centre, car park and playground		
Propagation of plant stock		
Upgrades to Cola education area behind the Bonsai Pavilion		
Road Safety Measures and Rehabilitation		
Armour Cable Upgrade – progress works into O'Connor, Acton, City Centre, Kingston and Barton		1,000
Bridge Strengthening – Federal Highway and design works for various bridges		300
Road Barrier Improvements – continuation of the program to upgrade selected high priority barriers predominately along major arterial roads		300
Road Batter Slope Improvements – to prevent rock falls		300
Road Safety Measures – road safety audit of Canberra Avenue and priority works at various locations including traffic calming measures and additional signage (disabled and parking)		735
Traffic Light Upgrades – replacement of incandescent lights with energy efficient LED lights		200
Traffic signal control box – upgrades at various locations		150

Project	Financing 2014-15 $'000
Territory and Municipal Services Directorate cont.	
Water Resources/Stormwater Improvements	
Improve Pollution Control Measures at Gross Pollutant Traps – Isabella Pond, Upper Stranger Pond, Curtin, Macquarie and Conder	250
Stormwater Improvement Program – Josephson Street Belconnen, Belconnen Way and Pialligo	1,100
Sustainable Transport Initiatives	
Footpath and Cycling Improvements – various local suburban areas	2,333
Public Transport Infrastructure – new bus stops on Horse Park Drive, relocation of bus layover facilities from Lanyon Market Place to Box Hill Avenue, upgrades to Southern Cross Drive bus stops and associated road works and upgrades to the southbound bus stop on Flemington Road near Wells Station Road	1,500
Neighbourhood Improvements	
Traffic management works at various primary and secondary schools in Central Canberra	225
Residential Street Improvements	
Energy Efficient Lighting – replacement of streetlights with energy efficient lights	800
Infill lighting in neighbourhood developments including pathway lighting – various locations	250
Residential Street Improvements – Tuggeranong and Belconnen	625
Open Space Improvement	
Cat containment measures	80
Drinking fountains and refill stations upgrades	140
Improve Security, Worker Safety and Efficiency at Maintenance Depots – Mawson, Giralang, Hughes and Dickson depots and finalising the upgrade to Athllon and Calwell	340
Macerator replacement for Domestic Animal Services	300
Majura Pines recreational activities improvements including trail network establishment	270
Open space fitness equipment upgrades to John Knight Park, Belconnen, Tuggeranong Park and Theodore Oval	100
Open space furniture improvements and asset protection as well as new signage in parks and on walking trails	300
Playground upgrade at Corroboree Park, Ainslie	175
Skate park upgrades to improve safety	300
Public Libraries	
Upgrade of CCTV cameras and computer stations at all public libraries including Belconnen, Civic, Dickson, Erindale, Gungahlin, Kingston, Kippax, Tuggeranong and Woden	230
Property Upgrades	
Building Improvements at the Blaxland Centre including replacement of windows and surrounds, and bathroom upgrades	500
Fire services upgrades at various Government buildings in North Canberra	150
Hazardous material removal Government Depot Mitchell	320
Heating, ventilation and air conditioning upgrades at Tidbinbilla	280
Roof and Building Safety Upgrades at Government Depots – various locations in North Canberra	500
Tidbinbilla Visitors Centre upgrades including environmental sewerage processing	140

Project	Financing 2014-15 $'000
Territory and Municipal Services Directorate cont.	
ACTION	
Belconnen depot site and building upgrades to administration building	1,250
Bus driver seat refurbishment	210
Bus major component overhauls including bus passenger seat refurbishment	725
Closed Circuit Television and Public Address system upgrades	250
Equipment replacement at Belconnen and Tuggeranong workshops	700
ACT NoWaste	
Mugga Lane Resource Management Centre fire fighting utilities upgrades	1,164
Recycling Drop Off Centre upgrades for Tuggeranong, Belconnen Town Centre, Mugga Lane Resource Management Centre and West Belconnen	320
Total	**19,946**
Total 2014-15 Capital Upgrades Program	**50,328**

Total 2014-15 Appropriated Capital Works Program

The total value of the Government's Capital Works Program over the next four years, including both new works and outstanding Works-in-Progress (WIP), is $969.1 million (excluding ICT and Plant and Equipment initiatives). This includes the total cost of new capital projects as part of the 2014-15 Budget and the total of cost of projects within the existing program, less financing to date.

The value of WIP over the four years is $596.4 million, of which $438.4 million is being invested in 2014-15.

Table 5.4.8 below shows a breakdown by agency of the new works and WIP financing for the 2014-15 Capital Works Program.

Table 5.4.8
2014-15 Budget Capital Works Program

	Financing 2014-15 $'000	Financing 2015-16 $'000	Financing 2016-17 $'000	Financing 2017-18 $'000	Total Program $'000
Canberra Institute of Technology					
Capital Upgrades	2,454	0	0	0	2,454
Total	**2,454**	**0**	**0**	**0**	**2,454**
Chief Minister and Treasury Directorate					
New Works	200	0	0	0	200
Total	**200**	**0**	**0**	**0**	**200**
Community Services Directorate					
New Works	1,075	0	0	0	1,075
Capital Upgrades	2,142	0	0	0	2,142
Works-in-Progress	3,994	0	0	0	3,994
Total	**7,211**	**0**	**0**	**0**	**7,211**
Cultural Facilities Corporation					
New Works	1,050	800	0	0	1,850
Capital Upgrades	369	0	0	0	369
Works-in-Progress	593	0	0	0	593
Total	**2,012**	**800**	**0**	**0**	**2,812**
Economic Development Directorate					
New Works	24,250	27,836	5,500	0	57,586
Urban Improvement Program	0	500	0	0	500
Capital Upgrades	4,101	0	0	0	4,101
Works-in-Progress	103,282	33,050	0	0	136,332
Total	**131,633**	**61,386**	**5,500**	**0**	**198,519**
Education and Training Directorate					
New Works	1,977	1,664	1,000	0	4,641
Capital Upgrades	14,304	0	0	0	14,304
Works-in-Progress	54,009	17,701	610	0	72,320
Total	**70,290**	**19,365**	**1,610**	**0**	**91,265**

		Financing 2014-15 $'000	Financing 2015-16 $'000	Financing 2016-17 $'000	Financing 2017-18 $'000	Total Program $'000
Environment and Sustainable Development Directorate						
New Works		150	0	0	0	150
Capital Upgrades		138	0	0	0	138
Works-in-Progress		4,659	72	0	0	4,731
	Total	**4,947**	**72**	**0**	**0**	**5,019**
Exhibition Park Corporation						
Capital Upgrades		552	0	0	0	552
	Total	**552**	**0**	**0**	**0**	**552**
Health Directorate						
New Works		45,399	62,133	14,253	0	121,785
Capital Upgrades		4,726	0	0	0	4,726
Works-in-Progress		69,093	54,653	0	0	123,746
	Total	**119,218**	**116,786**	**14,253**	**0**	**250,257**
Housing ACT						
Works-in-Progress		19,848	3,719	0	0	23,567
	Total	**19,848**	**3,719**	**0**	**0**	**23,567**
Justice and Community Safety Directorate						
New Works		33,677	40,020	131	0	73,828
Capital Upgrades		1,350	0	0	0	1,350
Works-in-Progress		20,559	2,949	168	0	23,676
	Total	**55,586**	**42,969**	**299**	**0**	**98,854**
Office of the Legislative Assembly						
Capital Upgrades		246	0	0	0	246
	Total	**246**	**0**	**0**	**0**	**246**
Territory and Municipal Services Directorate						
New Works		21,921	29,918	3,058	847	55,744
Urban Improvement Program		2,100	2,900	0	0	5,000
Capital Upgrades		19,946	0	0	0	19,946
Works-in-Progress		162,359	44,067	998	0	207,424
	Total	**206,326**	**76,885**	**4,056**	**847**	**288,114**
New Works		129,699	162,371	23,942	847	316,859
Capital Upgrades		50,328	0	0	0	50,328
Urban Improvement Program		2,100	3,400	0	0	5,500
Total New Works		**182,127**	**165,771**	**23,942**	**847**	**372,687**
Works-in-Progress		**438,396**	**156,211**	**1,776**	**0**	**596,383**
TOTAL PROGRAM VALUE		**620,523**	**321,982**	**25,718**	**847**	**969,070**

Public Trading Enterprises Capital Works Program

The value of Public Trading Enterprise (PTE) new works for 2014-15 is $243.8 million. These works are those financed by Public Trading Enterprises through own-source revenue and/or debt.

Table 5.4.9
Summary of 2014-15 Public Trading Enterprises Works

Agency	Financing 2014-15 $'000	Financing 2015-16 $'000	Financing 2016-17 $'000	Financing 2017-18 $'000
Housing ACT	55,816	33,375	28,127	13,867
ACT Public Cemeteries Authority[1]	3,280	0	0	0
ACTEW Corporation	88,423	119,645	139,802	99,109
Land Development Agency	96,273	114,154	112,344	125,879
Total	**243,792**	**267,174**	**280,273**	**238,855**

Note:
1. Program for ACT Public Cemeteries Authority is allocated annually.

Housing ACT – $55.8 million

Housing ACT undertakes a program of buying and selling, as well as upgrading and refurbishing properties each year. The funding for this program is derived from the sale of properties and funds from operations.

The progressive redevelopment of the existing public housing portfolio is essential to effectively managing an ageing stock of increasingly inappropriate dwellings. A structured and consistent approach to the long-term management of stock will improve the performance of publicly owned assets, and the effectiveness, efficiency and quality of services delivered by the Government. A key project that will be progressed is the replacement of aged public housing stock along the Northbourne Corridor.

ACT Public Cemeteries Authority – $3.3 million

The ACT Public Cemeteries Authority will undertake a modest program of works to upgrade and enhance the Territory's public cemeteries. Planned works for 2014-15 include the following:

- Gungahlin Cemetery – office extension, irrigation upgrades, ashes garden, new lawn area, upgrade works to the Orthodox portion and upgrade of water capture infrastructure.
- Woden Cemetery – mausoleum extension, irrigation upgrades, road works and granite stabilisation works.

ACTEW Corporation – $88.4 million

Key capital works projects for the Corporation include rehabilitation of 21 kilometres of sewer mains, significant investment at the Lower Molonglo Water Quality Control Centre and at the Fyshwick Sewerage Treatment Facility.

The Molonglo Valley Reservoir and Mains projects are completed, with testing currently underway, and work will continue in the Molonglo Valley development.

Works on water mains renewals continue, as well as improvements to the Googong Water Treatment Plant. The property/accommodation project is expected to progress into staged design and construction phases during 2014-15.

ACTEW's proposed capital works program for 2014-15 may be affected by the Price Direction for the Supply of Electricity to be delivered by the Independent Competition and Regulatory Commission (ICRC) in June 2014.

Land Development Agency – $96.3 million

The Land Development Agency sells and develops land on behalf of the Government. Infrastructure works to be undertaken in 2014-15 and the forward estimates include roadworks, road lines and signs, stormwater, water supply to blocks, sewerage infrastructure to blocks, electricity and gas 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 in Gungahlin, Coombs and Denman Prospect in Molonglo, and Lawson in Belconnen. Works will also be undertaken in Campbell, Greenway, Parkes and at the Kingston Foreshore.

2014-15 Agency Capital Works Tables

Canberra Institute of Technology

Table 5.4.10
2014-15 Capital Works

	Estimated Total Cost $'000	Estimated Expenditure Pre 2014-15 $'000	2014-15 Financing $'000	2015-16 Financing $'000	2016-17 Financing $'000	Physical Completion Date
Capital Upgrades						
Health and Safety Improvements	764	-	764			
Energy Management/Educational Improvements	470	-	470			
Building Improvements	1,220	-	1,220			
Total Capital Upgrades	**2,454**	**-**	**2,454**			
Total Capital Works Program	**2,454**	**-**	**2,454**			

Chief Minister and Treasury Directorate

Table 5.4.11
2014-15 Capital Works

	Estimated Total Cost $'000	Estimated Expenditure Pre 2014-15 $'000	2014-15 Financing $'000	2015-16 Financing $'000	2016-17 Financing $'000	Physical Completion Date
New Capital Works						
Australia Forum – Investment ready[1]	200	-	200	-	-	Jun-15
Total New Works	**200**	**-**	**200**	-	-	
Total Capital Works Program	**200**	**-**	**200**	**-**	**-**	

Note:
1. An additional $1.3 million provided to the Economic Development Directorate for this project.

Table 5.4.12
2014-15 Capital Works

	Estimated Total Cost $'000	Estimated Expenditure Pre 2014-15 $'000	2014-15 Financing $'000	2015-16 Financing $'000	2016-17 Financing $'000	Physical Completion Date
New Capital Works						
A New Respite Property	1,075	-	1,075	-	-	Jun-15
Total New Capital Works	**1,075**	-	**1,075**	-	-	
Capital Upgrades						
Community and Youth Facilities	1,835	-	1,835	-	-	
Arts Facilities	307	-	307	-	-	
Total Capital Upgrades	**2,142**	**-**	**2,142**	**-**	**-**	
Total New Works	**3,217**	**-**	**3,217**	**-**	**-**	
Works in Progress						
Ainslie Music Hub	1,500	190	1,310	-	-	Jun-15
Belconnen Arts Centre Stage 2 (Feasibility and Forward Design)	300	240	60	-	-	Dec-14
Disability Housing – Respite and Congregate Living Housing (Design)	80	20	60	-	-	Nov-14
Gorman House Multi-Art Hub	1,000	160	840	-	-	Jun-15
Holt Preschool Refurbishment	500	300	200	-	-	Jun-14
Kingston Visual Arts Hub (Feasibility)	300	150	150	-	-	Sept-14
Megalo Print Studio Relocation[1]	814	750	64	-	-	Jun-13
More Men's Sheds	200	40	160	-	-	Nov-14
Public Art Scheme	7,348	6,921	427	-	-	Various
Replacement of Canberra Seniors Centre (Design)	650	249	401	-	-	Jun-15
Tuggeranong Arts Centre Improvements[1]	2,000	1,975	25	-	-	Sept-13
Woden/Weston Creek Community Hub (Feasibility and Forward Design)	550	253	297	-	-	Jun-14
Total Works in Progress	**15,242**	**11,248**	**3,994**	**-**	**-**	
Total Capital Works Program	**18,459**	**11,248**	**7,211**	**-**	**-**	

Note:
1. Project physically complete, but awaiting financial completion, for example, once final payments are made and defects liability works are completed.

Cultural Facilities Corporation

Table 5.4.13
2014-15 Capital Works

	Estimated Total Cost $'000	Estimated Expenditure Pre 2014-15 $'000	2014-15 Financing $'000	2015-16 Financing $'000	2016-17 Financing $'000	Physical Completion Date
New Capital Works						
Canberra Theatre Centre Upgrade – Stage 2	1,850	-	1,050	800	-	Jun-16
Total New Capital Works	**1,850**	**-**	**1,050**	**800**	**-**	
Capital Upgrades						
Canberra Theatre Centre	60	-	60			
Corporate Facilities Upgrade	50	-	50			
ACT Museums and Galleries	259	-	259			
Total Capital Upgrades	**369**	-	**369**			
Total New Works	**2,219**	**-**	**1,419**	**800**	**-**	
Works in Progress						
Lanyon Heritage Precinct Community Access Roads	400	300	100	-	-	Jun-15
Canberra Theatre Centre Upgrades	3,109	2,616	493	-	-	Jun-15
Total Works in Progress	**3,509**	**2,916**	**593**	**-**	**-**	
Total Capital Works Program	**5,728**	**2,916**	**2,012**	**800**	**-**	

Economic Development Directorate

Table 5.4.14
2014-15 Capital Works

	Estimated Total Cost $'000	Estimated Expenditure Pre 2014-15 $'000	2014-15 Financing $'000	2015-16 Financing $'000	2016-17 Financing $'000	Physical Completion Date
New Capital Works						
Australia Forum – Investment ready[1]	1,300	-	1,300	-	-	Jun-15
Woden Bus Interchange Redevelopment – Stage 1	3,250	-	1,250	2,000	-	Mar-16
Territory Venue and Events						
Stromlo Forest Park – Implementation of bushfire management plan	1,650	-	500	650	500	Dec-16
Sports and Recreation						
Lyneham Sports Precinct – Stage 4 tennis facility enhancement	3,000	-	2,500	500	-	Jun-16
Narrabundah Ball Park – Stage 2 – Design[2]	-	-	-	-	-	Jun-15

	Estimated Total Cost $'000	Estimated Expenditure Pre 2014-15 $'000	2014-15 Financing $'000	2015-16 Financing $'000	2016-17 Financing $'000	Physical Completion Date
Land Release Program						
City to the Lake Arterial Roads Concept Design	2,750	-	850	1,400	500	Jun-17
Dickson Group Centre Intersections – Upgrade	3,380	-	1,500	1,380	500	Jun-16
Isabella Weir Spillway – Upgrades	10,100	-	5,050	5,050	-	Dec-15
Majura Parkway to Majura Road – Link road	9,856	-	3,300	6,556	-	Dec-15
Molonglo Infrastructure Investment	17,000	-	6,000	8,000	3,000	Dec-16
Throsby – Access road and western intersection	5,300	-	2,000	2,300	1,000	Dec-16
Total New Capital Works	**57,586**	-	**24,250**	**27,836**	**5,500**	
Urban Improvement Program						
Tuggeranong Lakeside Leisure Centre – Water play park[3]	500	-	-	500	-	Dec-15
Total Urban Improvement Program	**500**	-	-	**500**	**-**	
Capital Upgrades						
Major Venues – Facilities Upgrades	1,125	-	1,125			
Sports Facilities	2,700	-	2,700			
Infrastructure Planning and Design	276	**-**	276			
Total Capital Upgrades	**4,101**	**-**	**4,101**			
Total New Works	**62,187**	**-**	**28,351**	**28,336**	**5,500**	
Works in Progress						
City Action Plan Stage 1 – Edinburgh Avenue Improvements	2,000	1,600	400	-	-	Jun-15
Isabella Weir Spillway Upgrades (Feasibility)	300	200	100	-	-	Jun-14
Kingston Foreshore Parking (Design)	200	50	150	-	-	Sep-14
Office Accommodation	2,500	1,050	1,050	400	-	Feb-16
Woden Bus Interchange – Early Works	1,750	100	1,650	-	-	Dec-14
Woden Bus Interchange Redevelopment (Finalisation of Design)	750	250	500	-	-	Dec-14
Territory Venue and Events						
Manuka Oval – New Spectator Facilities and Media Infrastructure	4,056	1,206	2,850	-	-	Mar-15
Manuka Oval Redevelopment (Design)	1,152	852	300	-	-	May-14
Motorsports Fund – Capital Improvements to Fairbairn Park (Design)	500	200	300	-	-	Jun-15
New Stadium Feasibility Study[4]	300	240	60	-	-	Jun-13
Stromlo Forest Park Planning and Infrastructure	2,800	1,100	1,700	-	-	Jun-15
Wright Outer Asset Protection Zone – Stromlo Forest Park	250	100	150	-	-	Dec-14
Sports and Recreation						
Franklin – Community Recreation Irrigated Park Enhancement	500	-	500	-	-	Mar-15

	Estimated Total Cost $'000	Estimated Expenditure Pre 2014-15 $'000	2014-15 Financing $'000	2015-16 Financing $'000	2016-17 Financing $'000	Physical Completion Date
Grant for Development of a New Basketball Centre and Player Amenities	3,000	2,250	750	-	-	Jun-15
Gungahlin Pool	26,300	25,300	1,000	-	-	May-14
Lyneham Precinct – Regional Tennis and Sports Centre – Stage 2	4,000	2,004	1,996	-	-	Dec-14
Lyneham Precinct Redevelopment Stage 3	4,600	4,100	500	-	-	Dec-14
Lyneham Sports Precinct – Central Amenities (Design)	500	150	350	-	-	Dec-14
Lyneham Sports Precinct Development – Stage 1	8,600	7,850	750	-	-	Jun-15
Melrose Synthetic Football Facility (Design)	200	50	150	-	-	Dec-14
Netball Infrastructure Upgrades (Design)	200	-	200	-	-	Jun-14
Stromlo Forest Park – Enclosed Oval (Feasibility)	200	-	200	-	-	Jun-15
"Where Will We Play" Outdoor Facilities Water Reduction Strategies	16,000	10,169	5,831	-	-	Dec-14
Land Release Program						
City to Lake – West Basin Public Waterfront (Design)	3,120	520	2,600			Jun-15
City to the Lake Assessment (Feasibility)	800	400	400	-	-	Jun-14
Coppins Crossing Road and William Hovell Drive Intersection and Road Upgrades (Feasibility)	900	50	850	-	-	Jun-15
Cravens Creek Water Quality Control Pond	21,000	250	11,000	9,750	-	Sep-15
Gungahlin Town Centre Roads (Design)[4]	1,000	780	220	-	-	May-13
Horse Park Drive Extension from Burrumarra Avenue to Mirrabei Drive	11,500	5,700	4,800	1,000	-	Dec-15
Horse Park Drive Extension from Burrumarra Avenue to Mirrabei Drive (Design)[4]	600	530	70	-	-	Dec-12
Horse Park Drive Extension to Moncrieff Group Centre	24,000	16,953	7,047	-	-	Jun-14
Horse Park Drive Water Quality Control Pond	6,000	100	2,900	3,000	-	Jun-15
John Gorton Drive Extension to Molonglo 2 and Group Centre	65,050	38,550	17,600	8,900	-	Oct-14
Kenny – Floodways, Road Access and Basins (Design)	500	50	450	-	-	May-15
Majura Parkway Estate Development (Design)	600	-	600	-	-	Jun-14
Molonglo 2 – East-West Arterial Road and Services Extension to Cravens Creek (Design)	500	300	200	-	-	Jun-14
Molonglo 2 – Uriarra Road Upgrade	17,000	5,050	6,450	5,500	-	Mar-15
Molonglo 2 – Water Quality Control Ponds, Sewers and Cyclepath (Design)	1,000	200	800	-	-	Mar-15

	Estimated Total Cost $'000	Estimated Expenditure Pre 2014-15 $'000	2014-15 Financing $'000	2015-16 Financing $'000	2016-17 Financing $'000	Physical Completion Date
Molonglo 2 – Water Supply, Trunk Sewer and Stormwater Infrastructure – Stage 1	10,000	3,550	6,450	-	-	Dec-15
Molonglo 2 Sewer and Pedestrian Bridge over Molonglo River	12,400	1,100	6,800	4,500	-	Dec-15
Molonglo 3 – Hydraulic Services Concept Masterplanning (Feasibility)	450	100	350	-	-	Jun-15
Molonglo 3 – Major Electrical Infrastructure Relocation (Feasibility)	350	100	250	-	-	Jun-15
Molonglo 3 – Preliminary Geotechnical Investigation (Feasibility)	275	100	175	-	-	Jun-15
Molonglo Valley – Implementation of NES Plan – Stage 2	600	200	400	-	-	Jun-15
North Weston – Road Intersection Reconstruction	28,500	20,500	8,000	-	-	Sep-14
Revitalisation of Civic and Braddon (Design)	750	550	200	-	-	Mar-15
Throsby – Access Road (Design)	1,000	100	900	-	-	Sep-14
West Belconnen – Roads and Traffic (Feasibility)	325	75	250	-	-	Jun-15
West Belconnen – Stormwater, Hydraulic and Utility Services (Feasibility)	350	100	250	-	-	Jun-15
Infrastructure Planning						
Molonglo – North-South Arterial Road Bridge and Pedestrian Bridge (Feasibility)	300	200	100	-	-	Oct-14
Urban Improvement Program						
Infrastructure Improvements at Sportsgrounds	1,150	950	200	-	-	Dec-14
Restoration of Sportsgrounds – Bonython, Watson and Weetangera	4,000	2,467	1,533	-	-	Jun-15
Total Works in Progress	**294,678**	**158,346**	**103,282**	**33,050**	**-**	
Total Capital Works Program	**356,865**	**158,346**	**131,633**	**61,386**	**5,500**	

Notes:

1. An additional $0.2 million will be provided to the Chief Minister and Treasury Directorate for this project.
2. $0.5 million initiative to be fully absorbed by the agency
3. An additional $0.1 million to be funded from the Capital Upgrades Program.
4. Project physically complete, but awaiting financial completion, for example, once final payments are made and defects liability works are completed.

Table 5.4.15
2014-15 Capital Works

	Estimated Total Cost $'000	Estimated Expenditure Pre 2014-15 $'000	2014-15 Financing $'000	2015-16 Financing $'000	2016-17 Financing $'000	Physical Completion Date
New Capital Works						
Belconnen Region Schools – Modernisation	250	-	250	-	-	Jun-15
Childcare Centre Upgrades – Stage 3	1,391	-	727	664	-	Jun-16
Hazardous Material Removal Program – Stage 3	3,000	-	1,000	1,000	1,000	Jun-17
Total New Capital Works	**4,641**	**-**	**1,977**	**1,664**	**1,000**	
Capital Upgrades						
School Capital Upgrades	13,868	-	13,868			
Childcare Capital Upgrades	436	-	436			
Total Capital Upgrades	**14,304**	**-**	**14,304**			
Total New Works	**18,945**	**-**	**16,281**	**1,664**	**1,000**	
Works in Progress						
Belconnen High School Modernisation – Stage 1	2,000	500	1,500	-	-	Jun-15
Bonner Primary School[1]	43,270	40,770	2,500	-	-	Jun-13
Canberra College Cares – New Building at Phillip Campus	14,000	5,000	9,000	-	-	Feb-15
Carbon Neutral Schools – Stage 1	3,500	1,500	1,000	1,000	-	Jun-16
Childcare Centre Upgrades – Stage 2	2,900	650	2,250	-	-	Jun-15
COAG Universal Access to Preschools – Stage 1 Expansion Works	6,200	5,700	500	-	-	Dec-14
Coombs P-6 School Construction Funding	47,250	3,500	29,840	13,300	610	Jan-16
Holder Early Childhood Centre	6,209	5,309	900	-	-	May-14
Belconnen Regional Trades Skills Centre[2]	8,120	800	3,919	3,401	-	Jun-16
Tuggeranong Introductory English Centre	1,800	200	1,600	-	-	Jun-15
Upgrade of Early Childhood Facilities	7,716	6,716	1,000	-	-	Jun-15
Total Works in Progress	**142,965**	**70,645**	**54,009**	**17,701**	**610**	
Total Capital Works Program	**161,910**	**70,645**	**70,290**	**19,365**	**1,610**	

Notes:
1. Project physically complete, but awaiting financial completion, for example, once final payments are made and defects liability works are completed.
2. $3.804 million reduction in Commonwealth Funding for Belconnen Regional Trades Skills Centre.

Table 5.4.16
2014-15 Capital Works

	Estimated Total Cost $'000	Estimated Expenditure Pre 2014-15 $'000	2014-15 Financing $'000	2015-16 Financing $'000	2016-17 Financing $'000	Physical Completion Date
New Capital Works						
Sustainable Planning						
City Plan Implementation	150	-	150	-	-	Jun-15
Total New Capital Works	**150**	**-**	**150**	**-**	**-**	
Capital Upgrades						
Heritage	138	-	138			
Total Capital Upgrades	**138**	**-**	**138**			
Total New Works	**288**	**-**	**288**	**-**	**-**	
Works in Progress						
Sustainable Planning						
ACT Light Rail Master Plan (Feasibility)	1,400	330	1,070	-	-	Jun-15
Continuation of Urban Infill Program (Feasibility)	764	364	400	-	-	Dec-14
East Lake – Planning and Design Framework Implementation (Feasibility)	250	170	80	-	-	Sep-14
East Lake Sustainable Urban Renewal	1,720	1,685	35	-	-	Sep-14
Greenfields Planning for Affordable Housing (Feasibility)	350	70	280	-	-	Jun-15
Infill Development Infrastructure Studies (Feasibility)	1,500	700	800	-	-	Jun-15
Molonglo Stage 2 – Suburbs 3 and 4 Environmental Impact Statement and Clearances (Feasibility)	250	150	100	-	-	Dec-14
Molonglo Valley – Finalisation of Stage 2 and Commencement of Stage 3 Planning (Feasibility)	1,570	920	650	-	-	Dec-14
Urban Development Sequence for Affordable Housing (Feasibility)	1,400	1,050	350	-	-	Aug-14
Sustainability						
Gungahlin – The Valley Ponds and Stormwater Harvesting Scheme	6,500	5,900	600	-	-	Jul-14
Inner North Stormwater Reticulation Network	7,500	7,194	234	72	-	Jul-14
Transport Planning						
Transport for Canberra – Park and Ride Facilities	300	240	60	-	-	Aug-14
Total Works in Progress	**23,504**	**18,773**	**4,659**	**72**	**-**	
Total Capital Works Program	**23,792**	**18,773**	**4,947**	**72**	**-**	

Exhibition Park Corporation

Table 5.4.17
2014-15 Capital Works

	Estimated Total Cost $'000	Estimated Expenditure Pre 2014-15 $'000	2014-15 Financing $'000	2015-16 Financing $'000	2016-17 Financing $'000	Physical Completion Date
Capital Upgrades						
Infrastructure and Equipment	552	-	552			
Total Capital Upgrades	**552**	**-**	**552**			
Total Capital Works Program	**552**	**-**	**552**			

Health Directorate

Table 5.4.18
2014-15 Capital Works

Controlled	Estimated Total Cost $'000	Estimated Expenditure Pre 2014-15 $'000	2014-15 Financing $'000	2015-16 Financing $'000	2016-17 Financing $'000	Physical Completion Date
New Capital Works						
Calvary Public Hospital – Car park	16,872	-	15,219	1,653	-	Aug-15
The Canberra Hospital – Essential infrastructure and engineering works	5,640	-	3,301	2,339	-	Jun-16
The Canberra Hospital Redevelopment	21,241	-	3,052	13,000	5,189	Jul-16
Health Infrastructure Program – Project management continuation	27,706	-	13,184	14,522	-	Jun-16
Secure Mental Health Unit	43,491	-	3,808	30,619	9,064	Oct-16
Total New Capital Works	**114,950**	**-**	**38,564**	**62,133**	**14,253**	
Capital Upgrades						
Building Upgrades	710	-	710			
Electrical/Fire/Safety Upgrades	700	-	700			
Mechanical System Upgrades	715	-	715			
Patient and Medical Facility Upgrades	692	-	692			
Upgrade of Medical and Administrative Offices	530	-	530			
Workplace Improvements	595	-	595			
Total Capital Upgrades	**3,942**	**-**	**3,942**			
Total New Works	**118,892**	**-**	**42,506**	**62,133**	**14,253**	
Works in Progress						
Aboriginal Torres Strait Islander Residential Alcohol and Other Drug Rehabilitation Facility	7,933	1,247	1,000	5,686	-	Jun-16
Adult Secure Mental Health Unit (Finalising Design)	2,000	391	1,609	-	-	Apr-15
Calvary Hospital Car Park (Design)	1,300	502	798	-	-	May-14
Clinical Services and Inpatient Unit Design and Infrastructure Expansion	40,780	351	9,487	30,942	-	Jun-16

Controlled	Estimated Total Cost $'000	Estimated Expenditure Pre 2014-15 $'000	2014-15 Financing $'000	2015-16 Financing $'000	2016-17 Financing $'000	Physical Completion Date
Clinical Services Redevelopment – Phase 2	8,850	7,734	1,116	-	-	Oct-14
Clinical Services Redevelopment – Phase 3	18,690	9,854	7,483	1,353	-	Jun-16
Continuity of Health Services Plan – Essential Infrastructure	20,367	4,118	12,000	4,249	-	Aug-15
Enhanced Community Centre Back Up Power	2,340	1,344	996	-	-	Mar-14
Enhanced Community Health Centre – Belconnen[1]	51,344	50,587	757	-	-	Sep-13
Health Infrastructure Program – Project Management	19,319	17,859	1,460	-	-	Aug-14
HIP Change Management and Communication Support	4,117	3,748	369	-	-	Dec-14
Linear Accelerator Procurement and Replacement	17,250	16,589	661		-	Aug-14
Mental Health Young Persons Unit	775	120	655	-	-	Jun-15
National Health Reform (ED Expansion Project)[1]	10,088	10,035	53		-	Sep-13
New Gungahlin Health Centre[1]	18,000	17,620	380	-	-	Nov-13
New Multi-storey Car Park TCH	42,720	42,203	517	-	-	Dec-14
Northside Hospital Specification and Documentation	4,000	1,704	2,296	-	-	Jul-15
Provision for Project Definition Planning	58,040	56,832	1,208	-	-	Jun-15
Staging and Decanting – Moving To Our Future	22,300	3,970	13,003	5,327	-	Jun-16
Staging, Decanting and Continuity of Services	19,430	10,645	6,941	1,844	-	Jun-16
Tuggeranong Health Centre – Stage 2	14,000	13,570	430	-	-	Mar-14
University of Canberra Public Hospital (Design)	8,252	-	3,000	5,252	-	Jul-15
Prior Year Upgrades						
Ambulatory Care Improvements at the Canberra Hospital including the Respiratory Medicine and Gastroenterology Areas	680	556	124			
Augmentation of Medical and Administrative Offices to meet Organisational Change and Growth	420	345	75			
Building Upgrades	705	242	463			
Building Upgrades to address Condition Report findings including Works to Bathrooms, Plumbing and Other Works	580	460	120			
Electrical/Fire/Safety Upgrades	570	180	390			
Facilities Improvements to Laboratory and Outpatients Area	890	153	737			
Heating, Ventilation and Air Conditioning Systems Upgrades	375	221	154			
Medical Facilities Upgrades	660	328	332			
Upgrade of Medical and Administrative Offices	646	167	479			
Total Works in Progress	**397,421**	**273,675**	**69,093**	**54,653**	**-**	
Total Controlled Capital Works	**516,313**	**273,675**	**111,599**	**116,786**	**14,253**	

Territorial	Estimated Total Cost $'000	Estimated Expenditure Pre 2014-15 $'000	2014-15 Financing $'000	2015-16 Financing $'000	2016-17 Financing $'000	Physical Completion Date
New Capital Works						
Calvary Public Hospital – refurbishments for more beds (Grant)	1,605	-	1,605	-	-	Jan-15
Calvary Public Hospital – Car park (Grant Component)[2,3]	2,208	-	2,208	-	-	Jun-15
The Canberra Hospital Redevelopment (Grant Component)[2]	3,022	-	3,022	-	-	Jun-15
Total New Capital Works	**6,835**	**-**	**6,835**	**-**	**-**	
Capital Upgrades						
Floor Finishes Phase 2	200	-	200			
Primary/Secondary Loop Phase 2	395	-	395			
Public Toilet Upgrade	189	-	189			
Total Capital Upgrades	**784**	**-**	**784**			
Total Territorial Capital Works	**7,619**	**-**	**7,619**	**-**	**-**	

Notes:
1. Project physically complete, but awaiting financial completion, for example, once final payments are made and defects liability works are completed.
2. Grant components will be expensed for these projects.
3. Car park works relate to electrical sub-station.

Housing ACT

Table 5.4.19
2014-15 Capital Works

	Estimated Total Cost $'000	Estimated Expenditure Pre 2014-15 $'000	2014-15 Financing $'000	2015-16 Financing $'000	2016-17 Financing $'000	Physical Completion Date
Works in Progress						
Common Ground Supportive Housing[1]	13,500	4,900	8,600	-	-	Dec-14
Disability Dual Occupancy Housing	2,948	300	1,429	1,219	-	Jun-16
Expansion of Public Housing Energy Efficiency	10,000	6,000	2,000	2,000	-	Jun-16
Expansion of Social Housing	9,446	7,177	2,269	-	-	Jul-15
Expansion of Social Housing – Stage 2	5,000	200	4,800	-	-	Jul-15
Security Improvement Program for Elderly Public Housing Tenants	1,500	250	750	500	-	Jun-16
Total Works in Progress	**42,394**	**18,827**	**19,848**	**3,719**	**-**	
Total Capital Works Program	**42,394**	**18,827**	**19,848**	**3,719**	**-**	

Note:
1. An additional $6.5 million provided for this project. $2.5 million included in the *Appropriation Act 2013-14 (No 2)* and $4 million from the Commonwealth.

Table 5.4.20
2014-15 Capital Works

Controlled	Estimated Total Cost $'000	Estimated Expenditure Pre 2014-15 $'000	2014-15 Financing $'000	2015-16 Financing $'000	2016-17 Financing $'000	Physical Completion Date
New Capital Works						
Alexander Maconochie Centre – Additional facilities	54,090	-	24,304	29,786	-	Jun-16
Emergency Services Agency Station Upgrade and Relocation – Aranda station	18,864	-	8,569	10,164	131	Feb-16
Emergency Services Agency Fairbairn – Incident management upgrades	424	-	424	-	-	Jun-15
Gungahlin Joint Emergency Services Centre – Future use study	450	-	380	70	-	Mar-15
Total New Capital Works	**73,828**	-	**33,677**	**40,020**	**131**	
Capital Upgrades						
Emergency Services Agency Projects	306	-	306			
Courts, Corrections and Office Accommodation Upgrades	798	-	798			
Total Capital Upgrades	**1,104**	**-**	**1,104**			
Total New Works	**74,932**	**-**	**34,781**	**40,020**	**131**	
Works in Progress						
New ACT Court Facilities	5,476	397	2,886	2,025	168	Mar-18
ESA Station Upgrade and Relocation – South Tuggeranong Station	17,360	5,247	11,189	924	-	Dec-14
Alexander Maconochie Centre Additional Facilities (Design)	5,777	2,880	2,897	-	-	Jul-14
Alexander Maconochie Centre[1]	131,300	129,343	1,957	-	-	Jun-09
ESA – Station Relocation and Upgrade – Phase 2 Due Diligence and Design	2,690	1,060	1,630	-	-	Jun-15
Total Works in Progress	**162,603**	**138,927**	**20,559**	**2,949**	**168**	
Total Controlled Capital Works	**237,535**	**138,927**	**55,340**	**42,969**	**299**	

Note:
1. The Project was physically completed in 2009, however some residual works are being delivered to improve functionality.

Territorial	Estimated Total Cost $'000	Estimated Expenditure Pre 2014-15 $'000	2014-15 Financing $'000	2015-16 Financing $'000	2016-17 Financing $'000	Physical Completion Date
Capital Upgrades						
ACT Policing Facilities and Security Upgrades	246	-	246			
Total Capital Upgrades	**246**	**-**	**246**			
Total Territorial Capital Works	**246**	**-**	**246**			

Office of the Legislative Assembly

	Estimated Total Cost $'000	Estimated Expenditure Pre 2014-15 $'000	2014-15 Financing $'000	2015-16 Financing $'000	2016-17 Financing $'000	Physical Completion Date
Capital Upgrades						
Capital Upgrades Funding	246	-	246			
Total Capital Upgrades	246	**-**	**246**			
Total Capital Works Program	**246**	**-**	**246**			

Territory and Municipal Services Directorate

Table 5.4.21
2014-15 Capital Works

	Estimated Total Cost $'000	Estimated Expenditure Pre 2014-15 $'000	2014-15 Financing $'000	2015-16 Financing $'000	2016-17 Financing $'000	Physical Completion Date
New Capital Works						
Roads ACT						
Bridge Strengthening on Commercial Routes	1,600	-	1,600	-	-	Jun-15
Civic to Gungahlin Corridor Improvements	20,000	-	8,000	12,000	-	Jun-15
Ramp Metering on Cotter Road	700	-	700	-	-	Jun-15
Transport for Canberra – Upgrading Erindale bus station	900	-	900	-	-	Jun-15
Weston Creek Group Centre Parking	500	-	500	-	-	Jun-15
William Slim/Barton Highway Roundabout Signalisation	10,000	-	1,000	7,000	2,000	Jun-17
Parks, Conservation and Land						
Environmental Offsets – Gungahlin (EPIC)	462	-	253	107	102	Jun-17
Environmental Offsets – Lawson South[1]	872	-	425	268	134	Jun-18
Molonglo Valley – Implementation of NES Plan – Stage 2[2]	3,520	-	1,036	860	822	Jun-18
National Arboretum Canberra – Event terrace and precinct facilities	1,484	-	643	841	-	Jun-16
Strategic Bushfire Management Plan	2,744	-	2,000	744	-	Jun-16
ACTION						
ACTION – Replace underground storage tanks	6,536	-	1,000	5,536	-	Jun-16
Property						
Fyshwick Depot – Fuel storage tanks removal and site remediation	1,500	-	500	1,000	-	Jun-16
ACT NoWaste						
Mugga 2 Quarry – Remediation	2,939	-	2,000	939	-	Jun-16

	Estimated Total Cost $'000	Estimated Expenditure Pre 2014-15 $'000	2014-15 Financing $'000	2015-16 Financing $'000	2016-17 Financing $'000	Physical Completion Date
Mugga Lane – Replace asbestos disposal site	1,223	-	700	523	-	Jun-16
Mugga Lane – Replace damaged septic system	764	-	664	100	-	Jun-16
Total New Capital Works	**55,744**	**-**	**21,921**	**29,918**	**3,058**	
Urban Improvement Program						
Local Shopping Centre Upgrades Program	2,000	-	350	1,650	-	Jun-16
Playground Safety Program	500	-	500	-	-	Jun-15
Transport for Canberra – Walking and cycling infrastructure – Stage 4	2,500	-	1,250	1,250	-	Jun-16
Total Urban Improvement Program	**5,000**	-	**2,100**	**2,900**	**-**	
Capital Upgrades						
Yarralumla Nursery	350	-	350			
National Arboretum Canberra	784	-	784			
Road Safety Measures and Rehabilitation	2,985	-	2,985			
Water Resources/Stormwater Improvements	1,350	-	1,350			
Sustainable Transport Initiatives	3,833	-	3,833			
Neighbourhood Improvements	225	-	225			
Residential Street Improvements	1,675	-	1,675			
Open Space Improvements	2,005	-	2,005			
Public Libraries	230	-	230			
Property Upgrades	1,890	-	1,890			
ACTION	3,135	-	3,135			
ACT NoWaste	1,484	-	1,484			
Total Capital Upgrades	**19,946**	**-**	**19,946**			
Total New Works	**80,690**	**-**	**43,967**	**32,818**	**3,058**	
Works in Progress						
Roads ACT						
Ashley Drive – Stage 1	7,000	6,300	700	-	-	Jun-15
Ashley Drive – Stage 2 (Design)	1,575	775	800	-	-	Jun-15
Barry Drive – Bridge Strengthening on Commercial Routes	957	457	500	-	-	Jun-15
Constitution Avenue	42,000	14,500	19,500	8,000	-	Jun-16
Transport for Canberra – City Path Lighting	400	300	100	-	-	Jun-15
Transport for Canberra – Majura Parkway[3]	278,500	139,000	108,000	31,500	-	Jun-16
Transport for Canberra – Majura Parkway Off Road Shared Path	8,000	-	5,600	2,400	-	Jun-16
Parks, Conservation and Land						
Drinking Fountains and Refill Stations	240	80	160	-	-	Jun-15
Jerrabomberra Wetlands Infrastructure Improvements	2,341	1,423	918	-	-	Jun-15
National Arboretum Canberra – Water Security	3,580	1,060	1,023	499	998	Jun-17
Red Hill Nature Reserve Remediation (Finalisation of Design)	135	-	135	-	-	Jun-15

	Estimated Total Cost $'000	Estimated Expenditure Pre 2014-15 $'000	2014-15 Financing $'000	2015-16 Financing $'000	2016-17 Financing $'000	Physical Completion Date
Shopping Centre Upgrade Program – Red Hill and Lyons	8,000	5,692	2,308	-	-	Jun-15
Town and District Park Upgrades	6,150	4,817	1,333	-	-	Jun-15
Property						
Conservation Management Plans for Heritage Buildings (Feasibility)	800	637	163	-	-	Jun-15
Remediation of Fuel Storage Facilities	2,010	1,610	400	-	-	Jun-15
Yarralumla – Canberra Brickworks Site Remediation	2,900	371	2,348	181	-	Jun-16
ACTION						
ACTION – Third Major Bus Depot (Feasibility)	401	50	351	-	-	Jun-15
ACT NoWaste						
Mugga Lane – Land Fill Extension – Stage 5	19,850	8,441	11,409	-	-	Jun-15
Mugga Lane – Rehabilitation of Old Landfill Cells	3,100	1,566	351	1,183	-	Jun-16
West Belconnen Resource Management Centre Rehabilitation of Landfill Cells	1,865	1,511	50	304	-	Jun-16
Total Works in Progress	**389,804**	**188,590**	**156,149**	**44,067**	**998**	
Prior Year Urban Improvement Program						
Inner North – Off Leash Dog Park	450	250	200	-	-	Jun-15
Molonglo Riverside Park – Stage 1	4,500	1,990	2,510	-	-	Jun-15
Transport for Canberra – Bus Stop Upgrades to Disability Standards – Stage 2	4,500	2,750	1,750	-	-	Jun-15
Transport for Canberra – Walking and Cycling Infrastructure – Stage 3	5,500	3,750	1,750	-	-	Jun-15
Total Urban Improvement Program	**14,950**	**8,740**	**6,210**	**-**	**-**	
Total Capital Works Program	**485,444**	**197,330**	**206,326**	**76,885**	**4,056**	

Notes:

1. An additional $0.045 million is forecast for the 2017-18 financial year.
2. An additional $0.802 million is forecast for the 2017-18 financial year.
3. The Majura Parkway total budget is $288 million, which includes $9.5 million of preliminary works.

2013-14 Budget Funded Capital Works Estimated Outcomes

The 2013-14 Budget provided financing of $695.7 million for capital works projects. This figure was adjusted for additional appropriation rolled over from the 2012-13 program, net of opening financial year adjustments, revisions to Commonwealth funding and Supplementary Appropriations. These additions provided total appropriations of $699.2 million available for expenditure during 2013-14.

Table 5.4.22 provides a summary of expected outcomes for each agency, compared to 2013-14 Budget allocations.

Table 5.4.22
Summary of 2013-14 Capital Works Expenditure[1]

	Total Financing 2013-14 $'000	Estimated Outcome 2013-14 $'000	Financing Rolled Fwd 2013-14[1] $'000	Project Savings 2013-14 $'000
ACT Public Cemeteries Authority	294	287	0	7
Canberra Institute of Technology	2,574	2,574	0	0
Community Services Directorate	13,079	9,685	3,394	0
Cultural Facilities Corporation	2,490	2,490	0	0
Economic Development Directorate	144,078	109,573	34,505	0
Education and Training Directorate	96,433	76,716	19,217	500
Environment and Sustainable Development Directorate	11,569	7,931	3,581	57
Exhibition Park Corporation	1,519	1,514	0	5
Health Directorate	149,042	87,184	61,738	120
Housing ACT	15,771	8,585	7,186	0
Justice and Community Safety Directorate	32,637	18,745	8,384	5,508
Office of the Legislative Assembly	240	240	0	0
Territory and Municipal Services Directorate	229,431	213,770	15,191	470
Total	**699,157**	**539,294**	**153,196**	**6,667**

Note:
1. Financing from 2013-14 is rolled forward into 2014-15 and the out years. A number of projects have also been accelerated and/or re-profiled.

Project Rollovers and Re-profiling

The expected rollover amount from 2013-14 is $153.2 million.

Major projects contributing to each agency's net underspend are identified in Table 5.4.23.

Table 5.4.23
Summary of 2014-15 Program Rollovers and Reprofiling

Project	Financing 2013-14 $'000	Financing 2014-15 $'000	Financing 2015-16 $'000	Financing 2016-17 $'000
Community Services Directorate – $3.394 million rollover				
Ainslie Music Hub	-1,310	1,310	0	0
Economic Development Directorate – $34.505 million net rollover				
Cravens Creek Water Quality Control Pond	-3,750	-1,000	4,750	0
Gungahlin Pool	5,670	-5,670	0	0
Horse Park Drive Extension from Burrumarra Avenue to Mirrabei Drive	-2,000	1,500	500	0
Horse Park Drive Extension to Moncrieff Group Centre	-1,000	1,000	0	0
Horse Park Drive Water Quality Control Pond	-2,900	-100	3,000	0
John Gorton Drive Extension to Molonglo 2 and Group Centre	-1,000	-4,000	5,000	0
Lyneham Precinct – Regional Tennis and Sports Centre – Stage 2	-1,000	1,000	0	0
Manuka Oval – New Spectator Facilities and Media Infrastructure	-1,750	1,750	0	0
Molonglo 2 – Uriarra Road Upgrade	-4,000	-1,000	5,000	0
Molonglo 2 – Water Supply, Trunk Sewer and Stormwater Infrastructure – Stage 1	-3,500	3,500	0	0
Molonglo 2 Sewer and Pedestrian Bridge over Molonglo River	-1,400	-600	2,000	0
North Weston – Road Intersection Reconstruction	-5,000	5,000	0	0
Woden Bus Interchange Redevelopment (Early Works)	-1,650	1,650	0	0
"Where Will We Play" Outdoor Facilities Water Reduction Strategies	-2,000	2,000	0	0
Education and Training Directorate – $19.217 million net rollover				
Belconnen High School – Modernisation	-1,500	1,500	0	0
Bonner Primary School	-5,500	5,500	0	0
Childcare Centre Upgrades – Stage 2	-1,850	1,850	0	0
Coombs P-6 School Construction	-3,960	0	3,500	460
Holder Early Childhood Centre	-1,400	1,400	0	0
Trade Training Centres – Belconnen[1]	-2,507	2,031	1,114	-4,442
Upgrade of Early Childhood Facilities	-1,000	1,000	0	0
Environment and Sustainable Development Directorate – $3.581 million rollover				
Health Directorate – $61.738 million net rollover				
Aboriginal Torres Strait Islander Residential Alcohol and Other Drug Rehabilitation Facility	-2,669	-2,017	4,686	0

Project	Financing 2013-14 $'000	Financing 2014-15 $'000	Financing 2015-16 $'000	Financing 2016-17 $'000
Adult Secure Mental Health Unit (Finalising Design)	-1,109	1,109	0	0
Central Sterilising Services	-3,576	3,576	0	0
Clinical Services and Inpatient Unit Design and Infrastructure Expansion	-18,149	-12,793	30,942	0
Clinical Services Redevelopment – Phase 2	-1,116	1,116	0	0
Clinical Services Redevelopment – Phase 3	-5,844	4,491	1,353	0
Continuity of Health Services Plan – Essential Infrastructure	-7,357	8,067	1,957	-2,667
Health Infrastructure Program – Project Management	8,384	-8,384	0	0
Northside Hospital Specification and Documentation	-2,296	2,296	0	0
Provision for Project Definition Planning	-1,208	1,208	0	0
Staging and Decanting – Moving To Our Future	-12,361	7,034	5,327	0
Staging, Decanting and Continuity of Services	-3,127	1,283	1,844	0
Tuggeranong Health Centre – Stage 2	1,970	-1,970	0	0
University of Canberra Public Hospital (Design)	-5,220	-32	5,252	0
Housing ACT – $7.186 million rollover				
Common Ground Supportive Housing	-2,100	2,100	0	0
Expansion of Social Housing	-2,269	2,269	0	0
Expansion of Social Housing – Stage 2	-2,300	2,300	0	0
Justice and Community Safety Directorate– $8.834 million rollover				
Alexander Maconochie Centre	-1,957	1,957	0	0
Alexander Maconochie Centre Additional Facilities (Design)	-1,297	1,297	0	0
ESA – Station Relocation and Upgrade – Phase 2 Due Diligence	-1,630	1,630	0	0
ESA Station Upgrade and Relocation – South Tuggeranong Station	-2,600	2,600	0	0
Territory and Municipal Services Directorate – $15.191 million net rollover				
Constitution Avenue	-6,500	-1,500	8,000	0
Molonglo Riverside Park – Stage 1	-2,510	2,510	0	0
Mugga Lane – Land Fill Extension – Stage 5	-1,409	3,409	-2,000	0
Shopping Centre Upgrade Program – Red Hill and Lyons	-1,208	1,208	0	0
Transport for Canberra – Canberra Avenue Bus Priority Measures	1,300	-1,300	0	0
Transport for Canberra – Walking and Cycling Infrastructure – Stage 3	1,000	0	-1,000	0
Sum of total Project Rollovers and Reprofiling under $1 million (net rollover)	-31,731	29,611	2,120	0
Total Program Rollovers and Reprofiling	**-153,196**	**72,696**	**83,345**	**-6,649**

Note:

1. $3.804 million reduction in Commonwealth funding for Trade Training Centres – Belconnen.

In addition, total savings of $48.1 million ($6.7 million in 2013-14 appropriation) have been returned to the Budget.

Table 5.4.24

Summary of 2013-14 Capital Works Savings

Project	Financing 2013-14 $'000	Financing 2014-15 $'000	Financing 2015-16 $'000	Financing 2016-17 $'000
ACT Cemeteries				
New Southern Cemetery	-7	0	0	0
Total	**-7**	**0**	**0**	**0**
Economic Development Directorate				
Horse Park Drive Water Quality Control Pond	0	-1,500	0	0
Total	**0**	**-1,500**	**0**	**0**
Education and Training Directorate				
Bonner Primary School	0	-3,000	0	0
Holder Early Childhood Centre	0	-500	0	0
Franklin Early Childhood School	-500	0	0	0
Total	**-500**	**-3,500**	**0**	**0**
Environment and Sustainable Development Directorate				
East Lake – Gas Main Relocation near Monaro Highway (Feasibility)	-57	0	0	0
Total	**-57**	**0**	**0**	**0**
Exhibition Park Corporation				
Car Park Upgrade to Enhance Accessibility	-5	0	0	0
Total	**-5**	**0**	**0**	**0**
Health Directorate				
Enhancement of Canberra Hospital Facilities (Design)	0	-18,759	0	0
Central Sterilising Services	-120	-16,875	0	0
Total	**-120**	**-35,634**	**0**	**0**
Justice and Community Safety Directorate				
ESA Station Upgrade and Relocation – Phase 1 Due Diligence and Forward Design	-1,400	0	0	0
2013-14 Capital Programs – ACT Policing Facilities Upgrade	-7	0	0	0
ESA Station Upgrade & Relocation Charnwood	-4,101	-99	0	0
Total	**-5,508**	**-99**	**0**	**0**
Territory and Municipal Services Directorate				
Woden Bus Depot	-470	0	0	0
WBRMC Remediation of Landfill Cells	0	0	-685	0
Total	**-470**	**0**	**-685**	**0**
Total Project Savings	**-6,667**	**-40,733**	**-685**	**0**

CHAPTER 6

REVENUE

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6.1 REVENUE AND FORWARD ESTIMATES

Total ACT General Government Sector (GGS) revenue is estimated to be $4.245 billion in 2013-14 compared with a 2013-14 Budget estimate of $4.237 billion and a 2013-14 Budget Review estimate of $4.228 billion. This is a marginal increase compared to the 2013-14 Budget Review of $17 million.

Total revenue is expected to increase in 2014-15 by $166.7 million or 4 per cent compared to the 2013-14 estimated outcome. This largely reflects underlying growth in the Territory's largest revenue sources, Commonwealth grants and taxation revenue.

The 2014-15 Budget includes the Government's decision to accelerate abolition of conveyance duty fees under the Government's Tax Reform program. A new threshold will be introduced and take effect from 4 June 2014, which will accelerate the abolition of this inefficient tax. Revenue lost through this reform will be replaced through the General Rates system.

Aggregate underlying revenue across the estimates period grows at a compound average annual rate of 5.3 per cent, which is marginally above the original planning parameters of 5.25 per cent set as part of the 2009-10 Budget Plan.

2014-15 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 2014-15 General Government Revenue

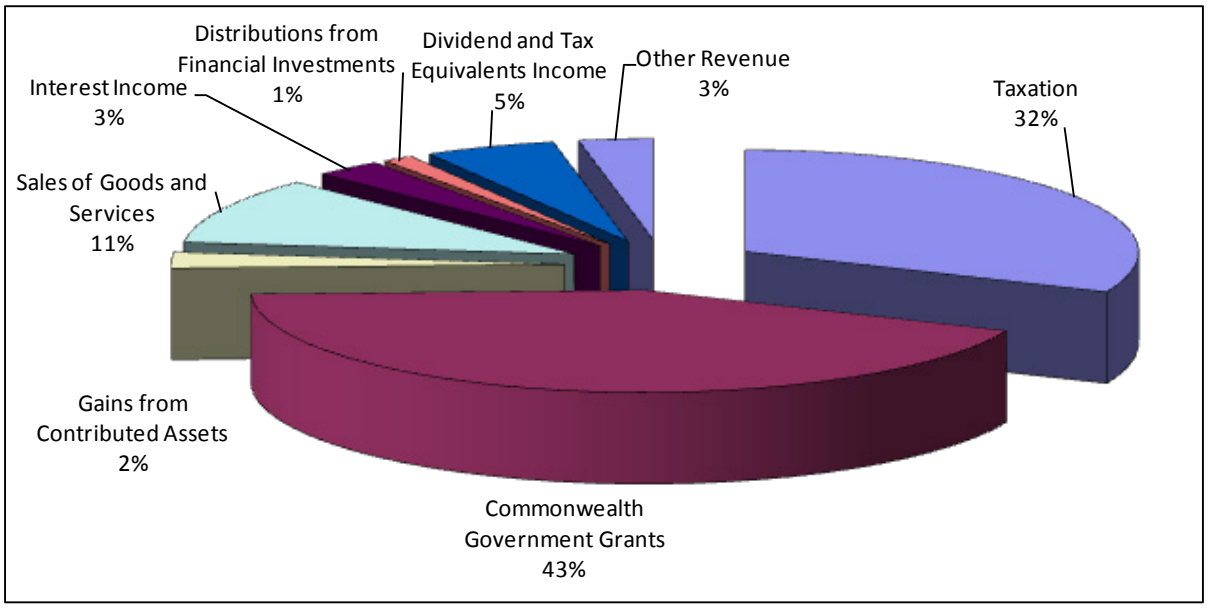

Table 6.1.1 provides a summary of 2013-14 estimated general government revenue, the 2014-15 Budget forecast and forward estimates by revenue source.

Table 6.1.1
General Government Revenue

2013-14 Budget $'000		2013-14 Est. Outcome $'000	2014-15 Budget $'000	Var %	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000
	Revenue						
1,298,688	Taxation	1,310,267	1,390,101	6	1,481,341	1,582,168	1,688,509
1,793,539	Commonwealth Grants	1,814,200	1,892,580	4	1,956,631	2,079,457	2,150,561
135,538	Gains from Contributed Assets	100,878	110,053	9	115,650	125,661	125,671
437,792	Sales of Goods and Services	446,019	468,892	5	483,442	496,566	562,128
135,658	Interest Income	129,046	122,177	-5	127,369	134,776	135,161
-	Distributions from Financial Investments	96,366	55,566	-42	61,807	66,406	71,354
304,637	Dividend and Tax Equivalents Income	210,814	237,640	13	289,678	286,626	300,707
131,421	Other Revenue	137,530	134,845	-2	137,770	140,426	143,530
4,237,273	**Total Revenue**	**4,245,120**	**4,411,854**	**4**	**4,653,688**	**4,912,086**	**5,177,621**

As can be seen from this table, the majority of GGS revenue is from grants from the Commonwealth Government (43 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 Territory. Commonwealth employment, which drives much of the Territory's expenditure, is exempt from payroll tax.

The Territory has a moderate private employment base in the education and small scale manufacturing sectors, and wholesale trade. Employment in agricultural and mining industries, important contributors to the diversity and growth in other jurisdictions' payroll tax bases, is small in the ACT.

While the ACT is compensated for these limitations through the Commonwealth Grants Commission's assessment, it nevertheless has comparatively less capacity and flexibility to raise own source revenue than other jurisdictions.

The Territory's revenue forecasts are based on the continuation of the Government's Tax Reform program which commenced in 2012-13 and will result in the replacement of conveyance duty with general rates revenue over a 20 year period. In the 2014-15 Budget, the Government reaffirms the conveyance rate cuts announced in the 2012-13 Budget and announces a further year of rate cuts in 2017-18 as part of a rolling program. In addition, the Government confirms its commitment to abolish insurance taxes, which will be fully abolished by 1 July 2016.

The Government has decided to further accelerate the rate of reduction of conveyance duty. From 4 June 2014, the rate applying to sales of properties above $1.455 million will be set at a flat rate of 5.25 per cent. These rates are outlined in this chapter.

Taxation

The estimated outcome for taxation revenue in 2013-14 is $1.3 billion, which is $11.6 million (0.9 per cent) above the original budget. The main variances are attributed to higher than anticipated commercial conveyance, partially offset by lower payroll tax collection.

For 2014-15, taxation revenue is forecast to increase by $79.8 million (6.1 per cent). This is largely due to both indexation and new initiatives for a number of lines including payroll tax, land tax and Fire and Emergency Service Levy (FESL).

The Government has revised taxation estimates downwards in response to the measures announced in the Commonwealth Government's 2014-15 Budget. In particular, forecasted conveyance revenue has been reduced by around $6 million per annum due to a lowering of expected price growth in the property market. Payroll tax forecasted revenue has decreased by around $5 million per annum due to a lowering of expected employment growth. Overall, taxation revenue forecasts have reduced by nearly $50 million over the four year Budget period as a direct result of the Commonwealth Government's Budget measures.

The land tax system is being restructured to introduce a fixed charge and marginal rating factors. This reform is estimated to raise an additional $10 million per annum in taxation revenue. The ACT is also amending the *Payroll Tax Act 2011* to harmonise the calculation of payroll tax for employment agents. The reform is estimated to increase payroll tax revenue by around $10 million per annum. The Government will also increase the Fire and Emergency Services Levy by $4.774 million per annum to recover funding lost through the *Provision of Fire Fighting Services to Commonwealth Buildings National Partnership Payment*. Refer to Taxation Reform (Chapter 6.2) for further information on these initiatives.

Table 6.1.2
Taxation

2013-14 Budget $'000		2013-14 Est. Outcome $'000	2014-15 Budget $'000	Var %	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000
	General Tax						
347,417	Payroll Tax	336,746	363,908	8	390,491	418,656	448,898
161	Tax Waivers	161	165	2	169	172	178
338,377	General Rates	337,429	379,940	13	424,853	474,275	518,978
72,888	Land Tax	75,778	89,065	18	93,238	98,786	103,970
758,843	**Total General Tax**	**750,114**	**833,078**	**11**	**908,751**	**991,889**	**1,072,024**
	Duties						
216,493	Conveyances	236,339	226,428	-4	237,065	252,644	263,787
35,381	General Insurance	33,540	23,478	-30	12,326	-	-
1,653	Life Insurance	2,019	1,414	-30	742	-	-
29,079	Motor Vehicle Registrations and Transfers	29,079	29,876	3	30,891	31,942	33,028
282,606	**Total Duties**	**300,977**	**281,196**	**-7**	**281,024**	**284,586**	**296,815**
	Gambling Taxes						
1,859	ACTTAB Licence Fee	1,733	1,757	1	-	-	-
35,711	Gaming Tax	34,000	34,852	3	35,723	36,616	37,531
1,943	Casino Tax	1,943	1,992	3	2,042	2,093	2,145
13,825	Interstate Lotteries	15,105	14,710	-3	15,077	15,454	15,841
53,338	**Total Gambling Taxes**	**52,781**	**53,311**	**1**	**52,842**	**54,163**	**55,517**
	Other Taxes						
105,141	Motor Vehicle Registration	108,824	113,713	4	119,734	126,010	132,612
18,275	Ambulance Levy	18,275	19,188	5	20,148	21,156	22,212
17,674	Lease Variation Charge	15,228	14,580	-4	16,767	18,112	18,710
24,402	Utilities (Network Facilities) Tax	24,402	25,695	5	27,220	28,645	30,156
34,407	Fire and Emergency Service Levy	34,407	44,008	28	49,445	52,117	54,891
1,882	City Centre Marketing and Improvements Levy	1,882	1,871	-1	1,862	1,853	1,844
2,120	Energy Industry Levy	3,377	3,461	2	3,548	3,637	3,728
203,901	**Total Other Taxes**	**206,395**	**222,516**	**8**	**238,724**	**251,530**	**264,153**
1,298,688	**Total Taxation**	**1,310,267**	**1,390,101**	**6**	**1,481,341**	**1,582,168**	**1,688,509**

Payroll Tax

The payroll tax rate in the ACT remains unchanged at 6.85 per cent on wages and other taxable payments made by employers, where the Australia wide wages bill of the employer exceed the threshold. From 1 July 2014, the threshold of $1.75 million per annum will be increased to $1.85 million per annum as part of the Government's revenue initiatives in this Budget. Refer to Taxation Reform (Chapter 6.2) for further information on this initiative.

The 2013-14 estimated outcome is $336.7 million and the forecast for 2014-15 is $363.9 million. The expected $27.2 million increase in 2014-15 is largely due to the payroll tax harmonisation initiative. Modest growth is also forecast in employment and wages in relevant sectors of the ACT economy, offset by the increasing of the threshold.

Tax Waivers

Tax waivers represent the amount of revenue that has been waived. The revenue forgone generally relates to payroll tax, general rates and duties. The estimated value of waivers is also reflected in expenses. The grossing up of revenue and expenses enables tax treatments to be transparent.

The estimated outcome for 2013-14 is $0.161 million. The forecast for 2014-15 is $0.165 million.

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.

The 2013-14 estimated outcome for rates revenue is $337.4 million. This is expected to increase to $379.9 million in 2014-15. General rates revenue from existing properties will increase in 2014-15 by WPI and revenue replacement from taxation reforms. These factors will result in an average annual general rates increase of around 10 per cent for both residential and commercial properties.

General rates revenue estimates also include expected revenue for new properties. An adjustment for the estimated amount of pensioner rebates and discounts for early payment is made.

The rating system in 2014-15 will have the following elements:

- a fixed charge of:
  - $675 for residential properties;
  - $145 for rural properties; and
  - $1,915 for commercial properties.
- a valuation based charge on the Average Unimproved Land Value (AUV) for 2014 (which is the average of 2012, 2013 and 2014 land values);
- marginal rating factors applied to the AUV of residential properties (Table 6.1.3):

Table 6.1.3
General Rates Marginal Rates

Thresholds	Marginal Rates
0 to $150,000	0.2547%
$150,001 to $300,000	0.3571%
$300,001 to $450,000	0.4287%
$450,001 and above	0.4873%

- marginal rating factors applied to the AUV of commercial properties (Table 6.1.4):

Table 6.1.4
General Rates Marginal Rates

Threshold	Marginal Rates
0 to $150,000	2.4134%
$150,001 to $275,000	2.7957%
$275,001 and above	4.0245%

- a rating factor of 0.1468 per cent applied to the AUV of rural properties; and
- a pensioner rebate cap (for residential properties) for post 1 July 1997 applicants of $675.

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 2014-15 will be based on the most recent AUV that incorporates the 2014 unimproved land value and a fixed charge of $900. A new land tax rating structure will be introduced from 1 July 2014. Refer to Taxation Reform (Chapter 6.2) for further information on these initiatives.

Table 6.1.5 shows the land tax marginal rates that will apply to residential properties in 2014-15.

Table 6.1.5
Land Tax Marginal Rates

Thresholds (AUV)	Marginal Rates
$0 to $75,000	0.41%
$75,001 to $150,000	0.48%
$150,001 to $275,000	0.61%
$275,001+	1.23%

The estimated outcome from land tax revenue is $75.8 million in 2013-14 and is estimated to increase to $89.1 million in 2014-15. The increase in revenue is primarily due to the new rating structure. Land values are not expected to increase to the same degree as previous years due to an anticipated softening of the property market.

Duty on Conveyances

Duty is levied on the agreement for sale or transfer of land, a Crown lease or a land use entitlement located in the ACT. The conveyance rates up until 3 June 2014 range from $2.20 to $7.00 per $100, or part thereof. From 4 June 2014, the conveyance duty thresholds and rates will change. Table 6.1.6 outlines the new duty thresholds and rates.

Table 6.1.6
Conveyance Duty Thresholds and Rates

2012-13 %	Threshold	2013-14 %	2014-15 %	2015-16 %	2016-17 %	2017-18 %
2.4	Up to $200,000	2.2	2.0	1.8	1.48	1.47
3.75	$200,001 to $300,000	3.7	3.5	3.0	2.5	2.49
4.75	$300,001 to $500,000	4.5	4.15	4.0	4.0	3.99
5.5	$500,001 to $750,000	5.0	5.0	5.0	5.0	4.8
6.5	$750,001 to $1,000,000	6.5	6.5	6.5	6.5	6.0
7.25	$1,000,001 to $1,454,999	7.0	7.0	7.0	7.0	6.75
	$1,455,000 and above*		5.25*	5.25*	5.25*	5.25*

*** Note:** this is a flat rate.

A new threshold of $1.455 million will be introduced, effective 4 June 2014. Properties valued at and above $1.455 million will have duty determined at a flat rate of 5.25 per cent. The progressive rate scale will continue to apply to properties below $1.455 million.

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 and for pensioners qualifying under the ACT Pensioner Duty Concession Scheme. The Over 60s Home Bonus will commence from 4 June 2014. Refer to Taxation Reform (Chapter 6.2) for further information on this initiative.

The estimated outcome for 2013-14 for Conveyance Duty has increased from the original budget of $216.5 million by $19.9 million to $236.3 million. This increase reflects a higher than anticipated level of commercial property activity in 2013-14. This level of commercial activity is not projected to continue in future years as economic growth slows. Revenue is estimated to fall to $226.4 million in 2014-15. Changes to duty rates will also contribute to the lower revenue estimate.

Duty on General Insurance

From 1 July 2014, general insurance premiums incur duty at the rate of 4 per cent of the net premiums received. This is a reduction to the duty rate from 6 per cent that applied during 2013-14. The estimated outcome for 2013-14 is $33.5 million and the forecast for 2014-15 is $23.5 million.

Duty on Life Insurance

Duty on life insurance contracts (including term, temporary or insurance rider policies) will be calculated until 30 June 2014 at the rate of 3 per cent of the first year's premium. The duty rate will reduce to 2 per cent from 1 July 2014.

Duty on all other life insurance contracts will be calculated until 30 June 2014 at the rate of $0.60 plus $0.12 per $200 or part thereof in excess of $2,000, and $0.60 for each contract where the sum insured is $2,000 or less.

From 1 July 2014 duty on all other life insurance contracts will reduce to $0.40 plus $0.08 per $200 or part thereof in excess of $2,000, and $0.40 for each contract where the sum insured is $2,000 or less. Life insurance annuities are exempt from duty.

The estimated outcome for 2013-14 is $2.019 million with $1.414 million forecast for 2014-15.

Duty on Motor Vehicle Registrations and Transfers

Duty is payable on an application to register a motor vehicle or to transfer its registration.

The 2013-14 estimated outcome is $29.1 million and the forecast for 2014-15 is $29.9 million, reflecting forecast growth of sales activity.

ACTTAB Licence Fee

ACTTAB pays a licence fee for its totalisator and sports betting licences. Revenue from the licence fees for 2013-14 is estimated at $1.7 million and the forecast for 2014-15 is $1.8 million.

Gaming Tax

Gaming tax revenue incorporates gaming machine taxes and interactive gaming taxes. Gaming machines are taxed on the basis of monthly gross revenue, which is defined as monthly gaming machine revenue less amounts paid out in prize money. Estimated total gaming tax revenue for 2013-14 is $34.0 million and the forecast for 2014-15 is $34.9 million.

Casino Tax

The tax applying to Casino Canberra is 10.9 per cent of gross profit from general gaming operations. Estimated revenue for 2013-14 and 2014-15 is $1.9 million and $2.0 million respectively.

Interstate Lotteries

The ACT receives revenue based on the value of NSW and Victorian Lotteries tickets purchased in the ACT. Estimated revenue for 2013-14 is $15.1 million and the forecast for 2014-15 is $14.7 million.

Motor Vehicle Registration Fees

The estimated revenue from motor vehicle registrations in 2013-14 is $108.8 million and the forecast for 2014-15 is $113.7 million. The increase is largely driven by the indexation of fees, partly offset by changes to administrative fee components. Please refer to Taxation Reform (Chapter 6.2) for more information on this initiative.

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 funding for ambulance services is appropriated through the normal Budget process.

The estimated revenue for 2013-14 is $18.275 million. The forecast for the 2014-15 Budget is $19.188 million.

Lease Variation Charge

The 2013-14 outcome is estimated at $15.228 million, which is lower than the original budget of $17.7 million. The lower than expected result in 2013-14 is partially due to decreased activity plus the increased remission as announced in the 6 March 2014 stimulus package. In 2014-15, revenue for the Lease Variation Charge is forecast to remain stable at $14.6 million, reflecting in-part the effects of the Government's stimulus package, on expected activity levels in the residential and commercial redevelopment sectors.

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 tax rate for 2013-14 is $945 per kilometre of network route length. The 2013-14 estimated outcome is $24.4 million, with $25.7 million forecast in 2014-15 rising slightly across the forward estimates. As part of its revenue initiatives the Government will index the UNFT by 5 per cent for 2014-15 and in each of the forward years.

Fire and Emergency Services Levy (FESL)

A FESL is charged on all rateable properties in the ACT. Revenue from the levy provides funding to offset the cost of providing fire and emergency services in the Territory. FESL revenue from existing properties will increase in 2014-15 from 2013-14 levels by 21.55 per cent per cent overall. By sectors, FESL will increase in 2014-15 for residential and rural properties by 8.33 per cent and for commercial properties by 35.00 per cent. This will result in an increase of $10 in the fixed charge for residential and rural properties and an average increase of $1,030 for commercial properties in 2014-15. In addition, the 2014-15 Budget will introduce progressivity in the calculation of FESL for commercial properties.

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 $34.4 million in 2013-14, which is expected to increase to $44.0 million in 2014-15.

The FESL in 2014-15 will have the following elements:

- a fixed charge of $130 for residential and rural properties;
- a pensioner rebate of 50 per cent; and
- a valuation-based charge for commercial properties with newly introduced progressive marginal rating factors applied to the average of the 2012, 2013 and 2014 unimproved land values.

Table 6.1.7 outlines the new FESL thresholds and rates for commercial properties.

Table 6.1.7
FESL Thresholds and Rates for Commercial Properties

AUV Thresholds	Marginal Rates
$1 to $300,000	0.6097%
$300,001 to $2,000,000	0.7153%
$2,000,001 and above	0.8209%

Please refer to Revenue Initiatives (Chapter 3.4) for more information on this initiative.

City Centre Marketing and Improvements Levy (CCMIL)

The revenue collected from the CCMIL is used to promote, maintain and improve the amenities of the City Centre area. The estimated outcome for 2013-14 is $1.882 million and the forecast for 2014-15 is $1.871 million.

The CCMIL applies to all rateable commercial properties in the City and selected areas in Braddon and Turner, 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 the rate of 0.2161 per cent for the non-retail core.

Energy Industry Levy

An Energy Industry Levy was introduced in 2007-08 to fund:

- 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. Introduction of the levy anticipated the transfer, over time, of agreed regulatory responsibilities for energy sector distribution and retail utilities to the Australian Energy Regulator commencing in 2007-08. From that year, agencies providing local regulatory services (the Independent Competition and Regulatory Commission (ICRC), the ACT Planning and Land Authority, and the ACT Civil and Administrative Tribunal) have received budget funding for regulatory costs. The levy was first determined for national regulatory obligations and costs in 2007-08 and for local regulatory costs in 2008-09. Until 2008-09, these activities were funded through the collection of annual utility licence fees by the ICRC. The estimated outcome and the forecast for 2013-14 is $3.4 million and the forecast for 2014-15 is $3.5 million.

ACT Taxes Compared to NSW

Table 6.1.8 shows the comparative rates of tax between the ACT and NSW for major taxation items. Please note that the release of the NSW Budget on 18 June may change the information below.

Table 6.1.8
Major ACT Taxes compared with NSW

Tax Type	ACT	NSW (as of 21 May 2014)
Payroll Tax	6.85 per cent From 1 July 2014, first $1,850,000 exempt.	5.45 per cent from 1 July 2012. From 1 July 2013, first $750,000 exempt
Land Tax	Applied quarterly on three year Average Unimproved Value (AUV). **Residential** – applied on rateable properties that are rented, or owned by a trust or a corporation even if they are not rented (excluding land owned by a building or development company). From 1 July 2014, the marginal rates are as follows: • AUV up to $75,000 – 0.41% • AUV $75,001 – $150,000 – 0.48% • AUV $150,001 – $275,000 – 0.61% • AUV $275,001 and above – 1.23% A fixed charge of $900 will be introduced effective 1 July 2014 **Commercial** – Effective 1 July 2012, commercial properties will not be subject to land tax due to the ACT Government's Taxation Reforms. Land used for **primary production** is exempt from land tax.	Applied annually on aggregated unimproved land value of all property except the principal place of residence or land used for primary production. Rate is $100 plus 1.6 per cent of the land value between the threshold $412,000 (three year average) and the premium rate threshold of $2,519,000. A further premium rate of 2 per cent applies if the land value is above $2,519,000. For land owned by a trustee of a special trust, flat rate of 1.6 per cent without any land value threshold applies; then 2 per cent after the premium threshold. For land owned by a company, 1.6 per cent of the land value between the threshold $412,000 and the premium rate threshold $2,519,000; then 2 per cent in excess of the premium threshold.

Tax Type	ACT	NSW (as of 21 May 2014)
Duty on Conveyances	**Residential Conveyance** The greater of $20 or the amount resulting from applying the rates of $2.20 - $7 per $100 or part thereof for transactions dated from 5 June 2013 to 3 June 2014. The greater of $20 or the amount resulting from applying the rates of $2 - $7 per $100 or part thereof for transactions dated from 4 June 2014. **Flat Rate** The flat rate is effective from 5 June 2013 to 3 June 2014. Properties valued at and above $1.650 million will have duty determined at a flat rate of 5.5 per cent while properties valued below $1.650 million will continue to use the progressive rates system as indicated in residential conveyance. The new rate will be effective from 4 June 2014. Properties valued at above $1.455 million will have duty determined at a flat rate of 5.25 per cent while properties valued below $1.455 million will continue to use the progressive rates system as indicated in residential conveyance. **Home Buyers Concession Scheme** **Existing properties** The Home Buyers Concession Scheme ceased for existing properties from 1 September 2012. **New or substantially renovated properties** The Home Buyers Concession Scheme only applies to new or substantially renovated properties and vacant blocks for transactions dated on or after 5 June 2013. • income threshold of $160,000 (plus further allowance for up to 5 children). For transaction dated from 1 July 2014: • concession for house and land value up to $540,000; and • concession for vacant land value of up to $292,800. The property value thresholds are determined biannually of each year, taking into account movements in the market.	The greater of $10 or the amount resulting from applying the rates of $1.25 - $5.50 per $100 or part thereof. For residential properties above $3,000,000, the duty payable is $150,490 plus the rate of $7.00 per $100 or part thereof that exceeds $3,000,000. **First Home – New Home Scheme** The First Home – New Home Scheme provides exemptions on the transfer of new homes valued at or below $550,000 and concessions on the transfer of new homes valued between $550,000 and $650,000 from 1 July 2012. With respect to vacant land, no duty for value up to $350,000 and concessions on the transfer of vacant land valued between $350,000 and $450,000 from 1 July 2012.

Tax Type	ACT	NSW (as of 21 May 2014)
Duty on Conveyances cont.	**Over 60s Home Bonus**: For transactions dated from 1 July 2014: • concession for house and land value up to $765,000. • concession for vacant land value up to $371,000. The property value thresholds are determined biannually of each year, taking into account movements in the market. The new Over 60s Home Bonus will extend the benefits of the Pensioner Duty Concession Scheme to people over the age of 60.	
Mortgages and Loan Security Duty	Not applied in the ACT.	$0 - $16,000: $5.00 above $16,000: $5.00 plus $4.00 per $1,000 or part thereof in excess of $16,000 Not chargeable on advances made to natural persons for owner occupied housing or investment housing. A collateral mortgage is chargeable with a minimum duty of $50.
Duty on Motor Vehicle Registrations	**No green vehicle rating** Valued at $45,000 or less $3 per $100 Valued at more than $45,000 $1,350+$5 per $100 or part thereof over $45,000 **Green vehicle rating** Applies to new motor vehicles not previously registered. Rates depend on green vehicle rating (environmental performance score) and value. Valued at $45,000 or less A rated (16 or more) = nil B rated (14 or more but < 16) = $2 per $100 C rated (9.5 or more but < 14) = $3 per $100 D rated (less than 9.5) = $4 per $100 Valued at more than $45,000 A rated (16 or more) = nil B rated (14 or more but < 16) = $900 plus $4 per $100 above $45,000 C rated (9.5 or more but < 14) = $1,350 plus $5 per $100 above $45,000 D rated (less than 9.5) = $1,800 plus $6 per $100 above $45,000	Under $45,000 = $3 per $100 (or part of $100) Over $45,000 = $1,350+$5 per $100 or part thereof over $45,000
Duty on General Insurance	4 per cent of value of premium from 1 July 2014.	2.5 per cent to 9 per cent of the premium, depending on the type of insurance.

Tax Type	ACT	NSW (as of 21 May 2014)
Duty on Life Insurance	**Term, temporary or insurance rider policies** 2 per cent of the first year's premium from 1 July 2014. **All other** From 1 July 2014: Sum insured $0 to $2,000 - $0.40 Sum insured Over $2,000 - $0.40 plus $0.08 per $200 or part thereof in excess of $2,000.	**Term, temporary or insurance rider policies** 5 per cent of the first year's premium **Group term insurance policies** 5 per cent of the first year's premium on the policy 5 per cent of the amount of the premium (if any) payable in any succeeding year in respect of each additional life covered by the insurance policy (that is, each life that was not covered during the previous year). **Trauma or disability policies** 5 per cent of the premium paid **All other** 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.

Commonwealth Government Grants

Total revenue received from Commonwealth Government grants in 2013-14 is forecast to increase by $20.7 million from the 2013-14 Budget estimate mainly due to payments for the Majura Parkway being brought forward from 2014-15.

The increase of $78.4 million in the 2014-15 Budget is mainly due to underlying growth in GST revenue.

The Budget includes a provision for future revenue estimate based on the sale of assets as part of the Commonwealth's Asset Recycling Initiative. The initiative aims to encourage the sale of existing assets to create capacity on the Territory's balance sheet to invest in productive infrastructure. Under the agreement, the Commonwealth will provide a financial incentive of 15 per cent of the amount of proceeds from asset sales that are invested into productive infrastructure.

The Government will be considering potential options over the coming months.

Further information on funding for Commonwealth Government grants can be found in Federal Financial Relations (Chapter 7.1).

Table 6.1.9
Commonwealth Government Grants

2013-14 Budget $'000		2013-14 Est. Outcome $'000	2014-15 Budget $'000	Var %	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000
	Current Grants						
1,021,800	GST Revenue Grant	1,032,900	1,098,600	6	1,168,000	1,239,700	1,310,500
37,495	ACT Municipal Services	37,311	37,983	2	38,629	39,324	40,032
463,140	National Specific Purpose Payments (SPPs) and Reform Payments	572,795	586,981	2	630,078	677,028	684,833
24,225	Financial Assistance Grants to Local Government	24,536	48,638	98 [1]	48,643	48,645	50,742
173,229	National Partnership Payments (NPP) – Current	52,378	38,041	-27	30,831	23,252	13,536
7,429	Other Commonwealth Government Payments – Current	7,768	9,960	28	10,396	11,454	12,154
1,727,318	**Total Current Grants**	**1,727,688**	**1,820,203**	**5**	**1,926,577**	**2,039,403**	**2,111,797**
	Capital Grants						
66,221	National Partnership Payments (NPPs) – Capital	86,512	72,377	-16	30,054	40,054	38,764
66,221	**Total Capital Grants**	**86,512**	**72,377**	**-16**	**30,054**	**40,054**	**38,764**
1,793,539	**Total Commonwealth Government Funding**	**1,814,200**	**1,892,580**	**4**	**1,956,631**	**2,079,457**	**2,150,561**

Note: An explanation of the variation can be found under Table 7.1.5.

Contributed Assets

Table 6.1.10 provides a summary of contributed assets. Contributed assets largely relate to land development infrastructure assets transferred to the GGS from the Land Development Agency (LDA) and private developers.

Variations reflected between the 2013-14 estimated outcome, 2014-15 Budget and across the forward estimates period are mainly reflective of revisions to the land release program and the associated transfer of assets from the LDA to the GGS.

Table 6.1.10
Contributed Assets

2013-14 Budget $'000		2013-14 Est. Outcome $'000	2014-15 Budget $'000	Var %	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000
	Contributed Assets						
135,281	Gains from Contributed Assets	100,621	109,799	9	115,387	125,387	125,387
257	Resources Received Free of Charge	257	254	-1	263	274	284
135,538	**Total Contributed Assets**	**100,878**	**110,053**	**9**	**115,650**	**125,661**	**125,671**

Sale of Goods and Services

The sale of goods and services revenue in 2013-14 is estimated to slightly increase by $8.2 million from the original budget of $437.8 million. This is largely attributable to increases in cross border health receipts.

The 2014-15 forecast for sales of goods and services is expected to increase by $22.9 million from the 2013-14 estimated outcome mainly due to the establishment of the Lifetime Care and Support Fund and growth in waste fee revenue.

Details of sale of goods and services are provided in Table 6.1.11.

Table 6.1.11
Sale of Goods and Services

2013-14 Budget $'000		2013-14 Est. Outcome $'000	2014-15 Budget $'000	Var %	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000
	Regulatory Fees						
850	Casino Licence Fees	850	871	2	893	916	939
9,430	Drivers Licences	9,909	10,226	3	10,621	11,018	11,429
2,411	Taxi Licences	1,924	1,982	3	2,056	2,133	2,213
70,994	Fees for Regulatory Services	75,207	90,069	20	94,316	98,410	102,690
26,802	Water Abstraction Charge	26,883	28,454	6	29,985	29,985	30,023
110,487	**Total Regulatory Fees**	**114,773**	**131,602**	**15**	**137,871**	**142,462**	**147,294**
	Other						
19,394	Parking Fees	13,673	17,766	30	18,432	19,123	19,840
32,838	Patient Fees	31,438	34,618	10	35,417	36,206	36,646
5,088	Non-Inpatient Fees	5,088	5,144	1	5,341	5,534	5,723
3,783	Meals and Accommodation	3,783	3,873	2	3,973	4,023	4,073
76,750	Cross Border Health Receipts	86,250	84,249	-2	86,053	87,896	142,254
27,762	Sales	20,004	21,340	7	21,741	22,501	23,385
105,942	Service Receipts (Non ACT Government)	112,064	112,357	..	115,701	118,665	121,248
14,176	Rent from Tenants	14,176	13,899	-2	14,099	14,126	14,188
20,640	Miscellaneous	22,487	22,453	..	22,810	23,234	23,572
20,932	User Charges - ACT Government	22,283	21,591	-3	22,004	22,796	23,905
327,305	**Total Other**	**331,246**	**337,290**	**2**	**345,571**	**354,104**	**414,834**
437,792	**Total Sale of Goods and Services**	**446,019**	**468,892**	**5**	**483,442**	**496,566**	**562,128**

Casino Licence Fees

The casino licensee pays the casino licence fee to the ACT Gambling and Racing Commission. The Commission also collects casino employees' licence fees for licensing staff employed by the casino. The forecast for 2014-15 for the combined total of all casino licence fees is $0.9 million.

Drivers Licences

The revenue from drivers licences in 2013-14 is estimated at $9.9 million and the forecast for 2014-15 is $10.2 million.

Taxi Licences

The revenue from taxi licences in 2013-14 is estimated at $1.9 million and the forecast for 2014-15 is $2.0 million.

Fees for Regulatory Services

The 2013-14 estimated outcome for fees for regulatory services is $75.2 million and is expected to increase to $90.1 million in 2014-15 mainly as a result of the establishment of the Lifetime Care and Support Fund and waste related fee revenue.

Regulatory services fees will also be indexed at 4 per cent for 2014-15 and each year of the forward estimates. Please refer to Revenue Initiatives (Chapter 3.4) for more information on this initiative.

Water Abstraction Charge

The Water Abstraction Charge (WAC) in 2013-14 is estimated to be $26.9 million and is expected to increase to $28.5 million in 2014-15. This increase is primarily due to revised indexation parameters and an increase by 5 per cent in 2014-15. Please refer to Revenue Initiatives (Chapter 3.4) for more information on this initiative.

Parking Fees

The estimated revenue from parking fees in 2013-14 is $13.7 million and the forecast for 2014-15 is $17.8 million. The decrease in 2013-14 from the original budget is mainly reflective of the timing of fee increases. In 2014-15, parking fee revenue is expected to increase to $17.8 million, due to increases in parking fees on 1 July 2014.

Patient Fees

Patient 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 provided to compensable and non-eligible patients.

The 2013-14 estimated outcome for patient fees is $31.4 million, and $5.1 million for non-inpatient fees. The 2014-15 Budget estimates are $34.6 million and $5.1 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 2013-14 is $86.3 million, a $9.5 million increase from the 2013-14 Budget of $76.8 million. The forecast for 2014-15 is $84.2 million. These increases are related to activity and price changes.

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 2013-14 is $20.0 million which is a decrease from the original budget of $27.8 million. This decrease is mainly due to the reallocation of sales revenue to service receipts.

In 2014-15 sales are forecast to slightly increase to $21.3 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 2013-14 estimated outcome has increased to $112.1 million, $6.1 million higher than the original budget estimate mainly due to the reallocation of sales revenue mentioned above.

In 2014-15 Service Receipts are forecast at $112.4 million.

Miscellaneous

Miscellaneous revenue is estimated at $22.5 million for 2013-14 and the 2014-15 Budget forecast is also $22.5 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 (PTE) sector. The 2013-14 estimated outcome is $1.4 million higher than the 2013-14 Budget at $20.9 million.

The 2014-15 Budget forecast is $21.6 million.

Interest Income

Table 6.1.12 provides a summary of interest received.

Table 6.1.12
Interest Income

2013-14 Budget $'000		2013-14 Est. Outcome $'000	2014-15 Budget $'000	Var %	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000
	Interest Received						
28,569	Interest Received from Banks	40,361	29,111	-28	29,270	29,890	27,941
75,983	Interest Received on Advances and Loans to Agencies	78,886	80,630	2	83,919	88,236	91,825
2,798	Interest Received from Private Sector	2,795	5,367	92	4,032	3,812	3,578
9,734	Interest Received – Other	5,584	4,387	-21	6,584	9,024	7,734
18,574	Interest from Financial Investments	1,420	2,682	89	3,564	3,814	4,083
135,658	**Total Interest Received**	**129,046**	**122,177**	**-5**	**127,369**	**134,776**	**135,161**

Interest Received from Banks

This item represents the interest income recognised by the Territory Banking Account for general government investments. Interest income from banks is interest earnings on cash, short term securities and fixed interest assets. 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 $11.8 million in the 2013-14 estimated outcome from the original budget is mainly due to higher levels of investment balances held during the year and a higher actual investment return than forecast.

The decrease of $11.2 million in the 2014-15 Budget from the 2013-14 estimated outcome is mainly due to lower levels of funds expected to be held on investment during the year.

Interest Received on Advances and Loans to Agencies

The increase of $2.9 million in the 2013-14 estimated outcome from the original budget is mainly due to higher interest received from ACTEW Corporation in relation to inflation linked bond loans.

The increase of $1.7 million in the 2014-15 Budget from the 2013-14 estimated outcome is due to increased fixed rate medium term note loans offset by lower interest costs for inflation linked bond loans.

Interest Received from Private Sector

Interest Received from the Private Sector, being the University of Canberra, will increase by $2.6 million in the 2014-15 budget from the 2013-14 estimated outcome due to an increase in the amount of loans provided to the University of Canberra during the year.

This interest is represented as being received from an external party as the University of Canberra is not included in the consolidated financial statements of the Territory.

Other Interest Income

Other interest income includes income mainly recognised by the Home Loan Portfolio, the Chief Minister and Treasury Directorate, the Territory and Municipal Services Directorate and the Environment and Sustainable Development Directorate. The majority of interest recognised relates to interest charged to the Land Development Agency in relation to the holding costs of land.

Other interest income is expected to decrease by $4.2 million from the original budget of $9.7 million mainly as a result of lower interest received from the Land Development Agency due to revisions to the land release program.

Interest from Financial Investments

Interest from financial investments comprises interest earnings on cash and fixed income investment assets of the Superannuation Provision Account.

The decrease of $17.2 million in the 2013-14 estimated outcome from the original budget is due to the effect of reclassification of interest received in relation to cash and fixed income investments held in unit trusts to distributions from financial investments. The increase in interest from financial investment of $1.3 million in the 2014-15 Budget from the 2013-14 estimated outcome is due to the growth in fixed income investment assets.

Distributions from Financial Investments

From 2013-14, the line item Distributions from Financial Investments has been added to better reflect distributions to the Superannuation Provision Account from investments held in unit trusts. This treatment is not reflected in the 2013-14 Budget figures where these amounts were incorporated under dividends and interest income.

Table 6.1.13
Distributions from Financial Investments

2013-14 Budget $'000		2013-14 Est. Outcome $'000	2014-15 Budget $'000	Var %	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000
	Distributions						
0	Distributions from Financial Investments	96,366	55,566	-42	61,807	66,406	71,354
0	**Total Distributions from Financial Investments**	**96,366**	**55,566**	**-42**	**61,807**	**66,406**	**71,354**

Variations in this revenue are largely due to the reclassification of amounts from interest income and financial investment dividends.

Dividends and Tax Equivalents

The estimated outcome for total dividends and tax equivalents is expected to decrease by $93.8 million compared to the 2013-14 Budget estimate. This is followed by an estimated increase of $26.8 million in 2014-15. Table 6.1.14 provides a summary of dividends and tax equivalents in 2013-14, the 2014-15 Budget and the forward estimates.

Table 6.1.14
Dividends and Tax Equivalents

2013-14 Budget $'000		2013-14 Est. Outcome $'000	2014-15 Budget $'000	Var %	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000
	Dividends						
99,403	Dividends – ACTEW	75,882	81,036	7	76,256	75,903	85,510
1,582	Dividends – ACTTAB	976	418	-57	-	-	-
500	Dividends – CIT Solutions	150	500	233	500	500	500
40,868	Dividends – Land Development Agency	43,059	38,990	-9	81,880	76,147	77,336
83,526	Dividends from Financial Investments	18,547	54,527	194	55,500	59,630	64,073
225,879	**Total Dividends**	**138,614**	**175,471**	**27**	**214,136**	**212,180**	**227,419**
	Tax Equivalents						
78,758	Income Tax Equivalents	72,200	62,169	-14	75,542	74,446	73,288
78,758	**Total Tax Equivalents**	**72,200**	**62,169**	-14	**75,542**	**74,446**	**73,288**
304,637	**Total Dividend and Tax Equivalents**	**210,814**	**237,640**	**13**	**289,678**	**286,626**	**300,707**

ACTEW

ACTEW's estimated 2013-14 dividend of $75.9 million is $23.5 million below the original 2013-14 Budget. This decrease is due to the outcome of the Independent Competition and Regulatory Commission's water and sewerage pricing review. Forecast returns to the GGS from ACTEW were revised significantly downwards in the 2013-14 Budget Review as a result.

The increase of $5.2 million in the 2014-15 Budget from the estimated outcome is due to forecast improved water sales.

ACTTAB

ACTTAB's estimated 2014-15 dividend of $1 million is $0.6 million below the original 2013-14 Budget primarily due to a decline in operating profits. Across the forward estimates period no dividend revenue is forecast to be received due to the pending sale of this entity.

Land Development Agency

The LDA's 'nominal' surplus is not fully recognised as revenue in the General Government Sector Net Operating Balance, consistent with the GFS 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 is forecast to increase marginally in 2013-14 to $43.1 million. In 2014-15, LDA's dividend is forecast to decrease by $4.1 million reflective of revisions to the land release program, refer to Supporting Land Supply and Land Release (Chapter 5.2) for more information.

Dividends from Financial Investments

This represents dividends from financial investment assets of the Superannuation Provision Account. The decrease of $65.0 million in the 2013-14 estimated outcome from the original budget is mainly due to the effect of the reclassification of dividends received in relation to shares, property and private equity investments held in unit trusts to distributions from financial investments. The increase in dividends from financial investment of $36.0 million in the 2014-15 Budget from the 2013-14 estimated outcome is mainly due to a transition of share investments during 2013-14 from being held in unit trusts to being invested through discrete portfolio structures where the share investments are directly owned.

Income Tax Equivalents

This represents income tax equivalent payments made by the PTE sector. The estimated outcome for 2013-14 is $72.2 million and reflects the performance forecast from the ACT agencies that are subject to the National Tax Equivalent Regime.

The decrease of $6.6 million from the original budget forecast is largely due to ACTEW's revised forecasts as described above.

Revenue of $62.2 million is forecast for 2014-15, a decrease of $10.0 million from the 2013-14 estimated outcome largely due to revised forecasts of the Land Development Agency.

Other Revenue

Table 6.1.15 provides the 2013-14 estimated outcome, the 2014-15 Budget and the forward estimates for other revenue.

The 2013-14 outcome is expected to increase by $6.1 million. Other revenue is expected to decrease in 2014-15 by $2.7 million to $134.8 million.

Table 6.1.15
Other Revenue

2013-14 Budget $'000		2013-14 Est. Outcome $'000	2014-15 Budget $'000	Var %	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000
	Fines						
23,530	Traffic Infringement Fines	20,229	22,285	10	23,171	24,038	24,936
615	Court Fines	283	283	-	283	283	283
10,444	Parking Fines	9,385	12,392	32	14,111	14,725	15,365
410	Other Fines	375	378	1	387	393	401
34,999	**Total Fines**	**30,272**	**35,338**	**17**	**37,952**	**39,439**	**40,985**
	Other						
14,224	Superannuation Contribution	14,438	14,762	2	14,274	13,941	14,005
14,339	Rents and Commutation	16,033	16,191	1	16,654	16,588	17,208
18,670	Contributions	18,670	18,647	..	18,647	18,647	18,647
49,189	Other Miscellaneous Revenue	58,117	49,907	-14	50,243	51,811	52,685
96,422	**Total Other**	**107,258**	**99,507**	**-7**	**99,818**	**100,987**	**102,545**
131,421	**Total Other Revenue**	**137,530**	**134,845**	**-2**	**137,770**	**140,426**	**143,530**

Traffic Infringement Fines

The estimated revenue from traffic infringement fines in 2013-14 is $20.2 million and the forecast for 2014-15 is $22.3 million. The increase of $2.1 million mainly reflects new initiatives and indexation.

Parking Fines

Parking fine revenue is expected to increase from $9.4 million in 2013-14 to $12.4 million mainly due to new initiatives and indexation.

Superannuation Contributions

This item represents the payment of employer superannuation contributions to the Territory Banking Account (TBA) by the PTE sector and external sector (ActewAGL). The contribution calculations are based on annual actuarially determined employer contribution rates for either the 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 expected to increase by $1.7 million in the estimated outcome from the original budget mainly due to higher rental revenue under the land rent scheme.

The 2014-15 Budget forecast of $16.2 million is broadly consistent with the 2013-14 estimated outcome.

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 and Training Directorate.

Other Miscellaneous Revenue

Other miscellaneous revenue is expected to decrease in 2014-15 compared to the 2013-14 estimated outcome by $8.2 million mainly due to lower legal recoveries.

Table 6.1.16 below provides a breakdown of other miscellaneous revenue.

Table 6.1.16
Breakdown – Other Miscellaneous Revenue

	2013-14 Est. Outcome $'000	2014-15 Budget $'000	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000
Revenue from Financial Investments	2,466	1,172	1,368	1,470	1,579
Donations	1,064	1,084	1,104	1,124	1,137
Sponsorships	198	203	203	203	203
Other Grants	26,225	26,074	26,487	27,187	27,545
Recoveries	19,554	13,564	13,166	13,840	14,218
Salary Packaging	1,693	1,716	1,740	1,764	1,794
Contributions	1,500	1,035	1,126	1,124	1,124
Perpetual Care Trust	2,094	1,952	2,001	2,081	2,133
Problem Gambling Assistance Fund	1,058	1,085	1,112	1,140	1,169
Regulatory Fees	1,363	1,364	1,366	1,368	1,368
Unclaimed Monies	31	32	32	33	33
Miscellaneous	871	626	538	477	382
Total Other Miscellaneous Revenue	**58,117**	**49,907**	**50,243**	**51,811**	**52,685**

6.2 TAXATION REFORM

The Government is committed to making the Territory's taxation system fairer, simpler and more efficient for the future. Significant reforms to the Territory's taxation system, which the Government commenced in the 2012-13 Budget, continue in the 2014-15 Budget.

The main reform initiative relates to the abolition of inefficient taxes, including conveyance duty (over a twenty year period) and insurance duty (over a five year period). The revenue lost through the abolition of these inefficient taxes will be replaced through the general rates system. This will ensure revenue neutrality overall, while preserving capacity for government services and ensuring future generations do not bear the higher economic costs of an unfair and inefficient tax system. In addition, tax reform will result in significant economic gains in the wider economy due to the improvements in efficiency. Concessions form an important part of tax reform to ensure that low income households are not unduly impacted.

Building on the 2012-13 and 2013-14 Budgets

The 2014-15 Budget continues the reforms to abolish conveyance duty and duty on insurance policies first announced in the 2012-13 Budget.

Duty on Insurance

In the 2012-13 Budget, the Government announced the abolition of duty on insurance policies over a five year period by 2016-17.

From 1 July 2014, duty rates on general insurance will reduce from 6 per cent to 4 per cent. Duty on life insurance will reduce from 3 per cent to 2 per cent.

The rates for insurance duty until 2016-17 are shown in Table 6.2.1 below.

Table 6.2.1: Duty on insurance taxes

	2014-15 (%)	2015-16 (%)	2016-17 (%)
General insurance	4	2	0
Life insurance	2	1	0

From 1 July 2014, an ACT household paying around $2,500 per year in insurance (property, motor vehicle) will save an additional $50 in 2014-15 as a result of this reform. This equates to a total annual saving of $150 in 2014-15.

Conveyance Duty

In 2012-13, the Government announced the abolition of conveyance duty over a twenty year period. This timeframe was set to ensure the reform was undertaken in a staged approach, and to allow households and the economy time to plan and make decisions with certainty as to the reform program.

As part of the 2012-13 Budget, the Government set a five year plan of conveyance duty rates until 2016-17. In this Budget, the Government has released a further year of conveyance duty rates for 2017-18 as part of a continuing rolling program (the 2014-15 rate scale will be effective for any transaction undertaken on or after 4 June 2014).

For the first time in the 2013-14 Budget, the Government established a flat rate of conveyance duty for large properties. The Government is continuing this initiative in this Budget with the flat rate reduced to 5.25 per cent for all properties (residential and commercial) with a sale value above $1.455 million. Table 6.2.2 shows the conveyance duty rate scale.

Table 6.2.2: Conveyance Duty Rates (%)

2012-13	Threshold	2013-14	2014-15	2015-16	2016-17	2017-18
2.4	Up to $200,000	2.2	2.0	1.8	1.48	1.47
3.75	$200,001 to $300,000	3.7	3.5	3.0	2.5	2.49
4.75	$300,001 to $500,000	4.5	4.15	4.0	4.0	3.99
5.5	$500,001 to $750,000	5.0	5.0	5.0	5.0	4.8
6.5	$750,001 to $1,000,000	6.5	6.5	6.5	6.5	6
7.25	$1,000,001 to $1,454,999	7.0	7.0	7.0	7.0	6.75
	$1,455,000 and above*		5.25*	5.25*	5.25*	5.25*

* The 5.25 per cent rate is a flat rate.

Table 6.2.3 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, as a result of taxation reform:

- for a property valued at $300,000, the saving is $2,000;
- for a property valued at $500,000, the saving is $4,700; and
- for a property valued at $750,000, the saving is $6,575.

Table 6.2.3: Conveyance Duty by Threshold

Duty Payable 2011-12 ($)	Property value ($)	Duty Payable 2014-15 ($)	Total savings in 2014-15 ($)
5,500	**200,000**	4,000	1,500
9,500	**300,000**	7,500	2,000
20,500	**500,000**	15,800	4,700
34,875	**750,000**	28,300	6,575
49,250	**1,000,000**	44,550	4,700

The Government's reforms to conveyance duty will provide significant savings on higher value properties, which in the ACT are almost exclusively confined to the commercial sector. For example:

- for a property valued at $2 million, the additional saving in 2014-15 is $5,000 with a total saving of $11,750 since taxation reform commenced;
- for a property valued at $5 million, the additional saving in 2014-15 is $12,500 with a total saving of $56,750 since taxation reform commenced; and
- for a property valued at $10 million, the additional saving in 2014-15 is $25,000 with a total saving of $131,750 since taxation reform commenced.

Under this reform, conveyance duty in the ACT will be lower for all property values compared with Victoria. Large properties valued at over $6 million will pay less conveyance duty in the ACT compared with NSW.

General Rates

In the 2012-13 Budget, the Government adjusted the General Rates system as part of the tax reform program, making it more progressive. The progressivity of the General Rates system is being maintained as the reform program is progressed by increasing the marginal tax rates for higher thresholds proportionally more than for lower thresholds.

The thresholds and marginal rating factors set by the Government for the residential sector in the 2014-15 Budget are presented in Table 6.2.4 below. The fixed charge will increase to $675.

Table 6.2.4: 2014-15 Residential General Rates

Thresholds (AUV)	Marginal Rates
0 to $150,000	0.2547%
$150,001 to $300,000	0.3571%
$300,001 to $450,000	0.4287%
$450,001 and above	0.4873%
Fixed Charge	$675

On average, General Rates on residential properties will increase by around 10 per cent in 2014-15 continuing the tax reform program, by replacing inefficient taxes on conveyancing and insurance with an efficient land based tax.

The thresholds and marginal rating factors set by the Government for the commercial sector in the 2014-15 Budget are presented in Table 6.2.5 below. The fixed charge will increase to $1,915.

Table 6.2.5: 2014-15 Commercial General Rates

Thresholds (AUV)	Marginal Rates
0 to $150,000	2.4134%
$150,001 to $275,000	2.7957%
$275,001 and above	4.0245%
Fixed Charge	$1,915

On average, General Rates on commercial properties will increase by around 10 per cent in 2014-15.

Duties on insurance will be fully abolished by 1 July 2016, and as such, from 2016-17 onwards, general rates on commercial and residential properties will no longer need to include a revenue replacement component for insurance taxes.

2014-15 Tax Reform Measures

The Government is also introducing a number of other new tax reform initiatives in the 2014-15 Budget, including:

- the introduction of a new rating structure for residential land tax;
- an increase to the payroll tax threshold from $1.75 million to $1.85 million; and
- payroll tax harmonisation.

These new tax reforms are outlined below.

Land Tax

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Revenue	10,000	10,000	10,000	10,000	**40,000**

Land tax is levied on residential property when held for investment purposes.

The Government will introduce a new rating structure for land tax in the 2014-15 Budget. This structure will comprise a fixed charge component and lower marginal rating factors, in the calculation of land tax. This fixed charge of $900 will help to ensure equity within the land tax system and more appropriately spread the burden between houses (with generally higher AUVs) and units (with generally lower AUVs). The proposed marginal rates for 2014-15 are shown in the Table 6.2.6 below.

Table 6.2.6: 2014-15 land tax marginal rates and fixed costs

Thresholds (AUV)	Old Marginal Rates	New Marginal Rates
0 to $75,000	0.60%	0.41%
$75,001 to $150,000	0.70%	0.48%
$150,001 to $275,000	0.89%	0.61%
$275,001+	1.80%	1.23%
Fixed Charge	$0	$900

This reform will change the amount of land tax investors will pay for all land values. For example:

- an investor who owns a property with an AUV of $50,000, will pay land tax of $1,105.72 in 2014-15;
- an investor who owns a property with an AUV of $150,000, will pay land tax of $1,568 in 2014-15;
- an investor who owns a property with an AUV of $250,000, will pay land tax of $2,178 in 2014-15; and
- an investor who owns a property with an AUV of $350,000, will pay land tax of $3,257 in 2014-15.

Payroll Tax

New Threshold

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Revenue	-2,100	-2,255	-2,422	-2,602	**-9,379**

The Government will accelerate the reform agenda for payroll tax, by increasing the payroll tax threshold from $1.75 million to $1.85 million in 2014-15. The rate of payroll tax of 6.85 per cent will remain.

This initiative will support local businesses. For example, businesses with a payroll of $2 million will benefit under this reform, by paying $6,850 less in payroll tax per annum. In addition, the Government estimates that 39 businesses will leave the payroll tax system entirely.

Harmonisation of exemption

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Revenue	10,000	10,000	10,000	10,000	**40,000**

The ACT is the only jurisdiction where a *genuine employer* exemption exists in the calculation of payroll tax for employment agents. Under current legislation, the criteria for establishing a *genuine employer* for this purpose are not clear, which has made the tax legislation complex and difficult to interpret in this respect.

The *Payroll Tax Act 2011* will be amended to remove the *genuine employer* exemption to bring the ACT more into line with other jurisdictions. The ACT will continue to offer six other exemption categories that employment agents may claim. This amendment will provide more certainty to Canberra employment agents and to the contractor community with regards to their payroll tax liabilities.

Concessions

The Government is making a number of changes to various concessions offered in the Territory to ensure that concessions remain fair and well targeted.

Over 60s Home Bonus

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Revenue	-2,200	-3,100	0	0	**-5,300**

In the 2014-15 Budget, the Government will extend the current *Pensioner Duty Concession Scheme* to people over the age of 60 years, providing the opportunity to benefit from a concession on the conveyance duty associated with the purchase of a house or land. The new *Over 60s Home Bonus* will run for two years commencing on 4 June 2014.

This expansion will provide assistance to non-pensioners who have previously been unable to access the scheme and who may find conveyance duty an impediment to downsizing and moving to accommodation more suited to their needs. This initiative may also free up larger housing stock for families, bringing broader flow-on benefits to the property market and in particular to housing affordability.

Water and Sewerage Rebate

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Revenue	-484	-500	-518	-536	**-2,038**

The ACT Government currently provides the water and sewerage rebate at a maximum rate of 68 per cent of the service charge per quarter. Under the current scheme, to be eligible you must be the primary holder of a Centrelink Pensioner Concession Card, a Centrelink Low Income Health Care Card, a Veteran's Affairs Pensioner Concession Card, a DVA Gold card holder or be an asylum seeker. However, while a water rebate is available to Low Income Health Care Card holders, currently the sewerage rebate is not.

In 2014-15, the Government will expand eligibility for the sewerage rebate to those on a Low Income Health Care Card. This will ensure that all Canberrans on a Low Income Health Care Card are able to benefit from the concessions provided, improving the broad equity of these concession arrangements.

Spectacles Subsidy Scheme

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Revenue	107	109	112	115	**443**

In the 2014-15 Budget, the Government will cap the rebate for the Spectacles Subsidy Scheme at $200 every two years. The Government will spend $1.9 million on the Spectacles Subsidy Scheme.

Taxi Subsidy Scheme

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Revenue	-137	-145	-153	-161	**-596**

The Government will increase the Taxi Subsidy Scheme by 9 per cent from $22.50 to $24 for ordinary taxis and from $34.50 to $37 for wheelchair accessible taxis in 2014-15. This change reflects increases in taxi fares since 2011, the last time the rate was increased.

ACTION off-peak Concession Scheme

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	**Total $'000**
Revenue	253	524	864	921	**2,562**

The Government will realign the MyWay off peak single concession fare, increasing it over a three year period, to establish the concession fare at the level of 50% of the standard fare by 2016-17.

Motor Vehicle Registration

The Government will reduce the administration fee for motor vehicle registration, from $25 to $15 per transaction, for those motorists who choose to pay their motor vehicle registration quarterly or half yearly.

Under this new structure, on average, motorists who choose to pay their motor vehicle registration quarterly will be better off in real terms by around 5.5 per cent, and those who pay half yearly will be better by around 1 per cent.

Motorists who pay their motor vehicle registration annually will be rewarded through a 2 per cent annual discount.

To offset these reforms, motor vehicle registration will increase by 6 per cent in 2014-15.

CHAPTER 7

FEDERAL FINANCIAL RELATIONS

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7.1 FEDERAL FINANCIAL RELATIONS

This chapter outlines developments in the ACT's financial relations with the Commonwealth, States and the Northern Territory that occurred in 2013-14 and the likely flow-on effects into 2014-15.

The ACT is an independent member of the Federation but with unique circumstances as a City/State in a National Capital setting and as a major regional centre. The ACT received approximately 42 per cent of its funding from the Commonwealth in 2013-14.

However, major changes to Commonwealth funding arrangements for Health services in the 2014-15 Commonwealth Budget will result in substantial reductions in funding to the ACT from 2014-15 onwards, compared with estimates in the 2013-14 ACT Budget. A description of the impact of these funding reductions is included below.

Sources of Federal Funding

Sources of Federal funding are General Revenue Assistance, inclusive of GST, Financial Assistance Grants, National Specific Purpose Payments (SPPs) and National Partnership Payments (NPPs).

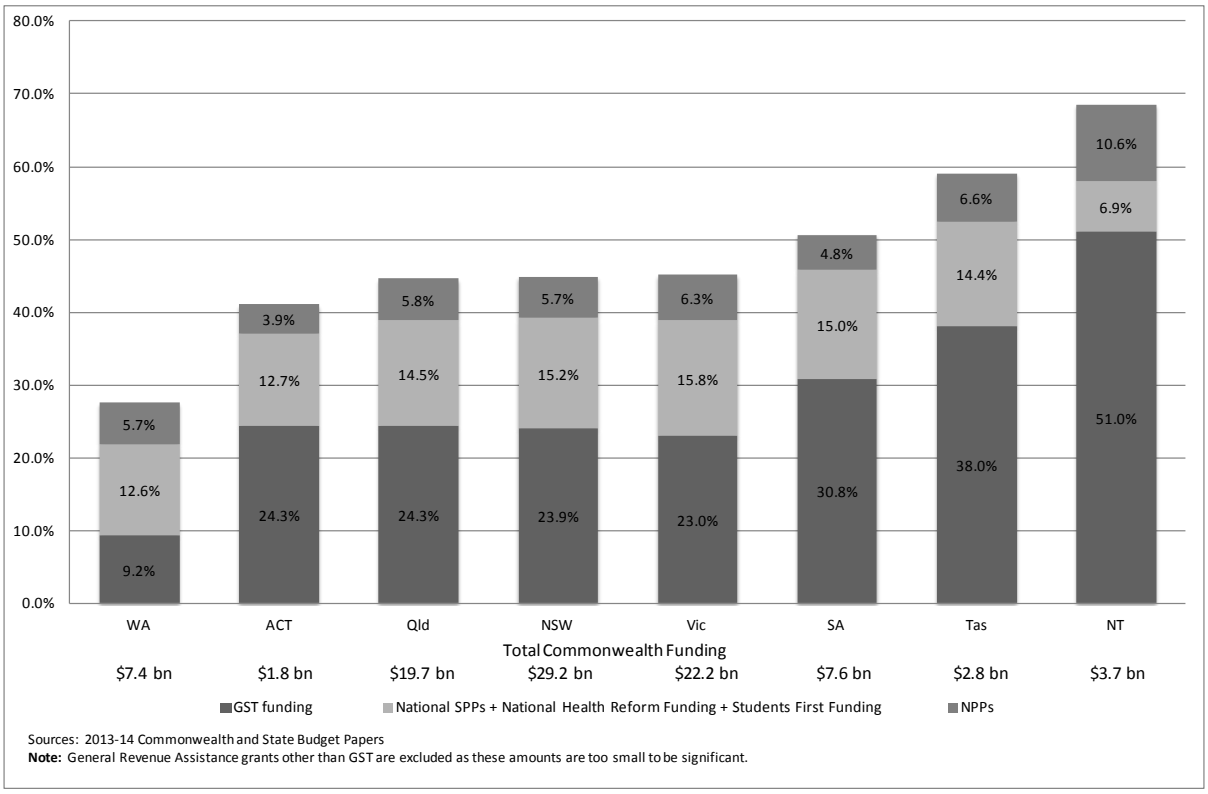
Figure 7.1.1 below illustrates the sources of Commonwealth revenue payments to the States[1] for 2013-14. On average, the States received 44.2 per cent of their funding from the Commonwealth.

The ACT is less dependent on Commonwealth funding than most other States. The ACT's relatively high GST allocation is offset by relatively lower SPP and NPP funding compared with other States.

An understanding of the aggregate transfer to jurisdictions is particularly important when comparing respective shares of any one individual stream of transfers such as the GST redistribution.

[1] The word 'States' refers to the States and Territories unless otherwise indicated.

Figure 7.1.1
State-Territory Revenue Profile from the Commonwealth 2013-14



Sources: 2013-14 Commonwealth and State Budget Papers
Note: General Revenue Assistance grants other than GST are excluded as these amounts are too small to be significant.

For 2014-15, the ACT will receive the following receipts from the Commonwealth Government:

- General Revenue Assistance, comprising:
  - GST of $1,098.6 million; representing an increase of $65.7 million over 2013-14; and
  - ACT Municipal Services payments of $38.0 million; representing an increase of $0.7 million over 2013-14;
- National Specific Purpose Payments of $587.0 million; representing an increase of $14.1 million over 2013-14; and
- National Partnership Payments of $169.1 million; representing a decrease of $2.2 million over 2013-14.

Each of these streams of funding and the movements between the estimated 2013-14 outcome and budget year 2014-15 are discussed below in more detail.

The amount for National Specific Purpose Payments represents a decrease of $46.4 million compared with the 2013-14 ACT Budget estimate for 2014-15.

General Revenue Assistance (GRA)

GRA transfers from the Commonwealth Government provide a major source of revenue for the Territory, and will comprise 43 per cent of the ACT's General Government Sector revenues in 2014-15. Table 7.1.1 below summarises the expected level of GRA funding to the ACT across the budget and forward estimates.

Table 7.1.1

Commonwealth Government General Revenue Assistance Funding to the ACT

	2013-14 Est. Out. $m	2014-15 Budget $m	Variation $m	Variation %	2015-16 Estimate $m	2016-17 Estimate $m	2017-18 Estimate $m
General Revenue Assistance							
GST Revenue	1,032.9	1,098.6	65.7	6.4	1,168.0	1,239.7	1,310.5
ACT Municipal Services	37.3	38.0	0.7	1.9	38.6	39.3	40.0
Total General Revenue Assistance	**1,070.2**	**1,136.6**	**66.4**	**6.2**	**1,206.6**	**1,279.0**	**1,350.5**

Note: Table may not add due to rounding.

GST Revenues

GST payments to the ACT in any year reflect: the total national GST pool; the ACT's GST relativity; and the Australia Bureau of Statistics' estimates of the ACT and national populations.

The GST is distributed to the States as 'untied' payments consistent with the principle of Horizontal Fiscal Equalisation (HFE).

For forward estimates, the GST revenue receipts to the ACT are based on the 2014-15 Commonwealth Budget estimates of the GST pool and of the ACT's population as a percentage of the national total.

It should be noted that the ACT Government's approach to estimating relativities differs from that of the Commonwealth Government. Commonwealth GST relativity projections use the assessment year data to estimate how relativities will behave in the out years, and adjust for known changes in the distribution of SPPs. This approach does not take account of the States' forward estimates of their budgetary positions, nor of trends in underlying cost drivers which could affect future relativities.

The Commonwealth's projections of the ACT's GST relativities as shown in the 2014-15 Commonwealth Budget fall over the forward estimates and, if realised, would result in a reduction in GST revenue to the ACT. These projections differ significantly from those issued by the Commonwealth in the 2013-14 Mid Year Economic and Fiscal Outlook (MYEFO), which showed the ACT's GST relativity rising substantially in 2014-15 and then remaining at about that level over the rest of the forward estimates.

The ACT Government view is that it is not possible to make realistic assumptions that can reliably model relativities due to the myriad of factors that interact in their determination. For this reason the ACT has maintained its policy of holding the most recent GST relativity constant across the budget out years.

The overall movement in GST grants to the ACT throughout the year since the 2013-14 Budget release is illustrated in Table 7.1.2 below.

Table 7.1.2
Reconciliation of GST Revenue Grants to the ACT

GST Grants to the ACT		2013-14 $m	2014-15 $m	2015-16 $m	2016-17 $m	2017-18 $m	Total $m
2013-14 ACT Budget	**4 June 2013**	**1,021.8**	**1,078.9**	**1,144.6**	**1,208.5**	**-**	**4,453.7**
	Variation (1)	*3.9*	*10.9*	*14.8*	*20.8*		*50.5*
2013-14 PEFO	**13 August 2013**	**1,025.7**	**1,089.8**	**1,159.4**	**1,229.3**	**-**	**4,504.2**
	Variation (2)	*1.1*	*-12.2*	*-14.4*	*-14.9*		*-40.3*
2013-14 MYEFO	**17 December 2013***	**1,026.8**	**1,077.6**	**1,145.0**	**1,214.4**	**-**	**4,463.9**
	Accumulated Variation (1+2)	*5.0*	*-1.3*	*0.4*	*6.0*		*10.2*
ACT Budget Review	***February 2014****	***1,026.8***	***1,077.6***	***1,145.0***	***1,214.4***		***4,463.9***
	Variation (3)	*0.0*	*12.7*	*13.6*	*14.6*	*-*	*40.9*
CGC 2014 Update Report	**March 2014***	**1,026.8**	**1,090.3**	**1,158.6**	**1,229.1**	**-**	**4,504.8**
	Variation (4)	*6.1*	*8.3*	*9.4*	*10.7*	*-*	*34.4*
2014-15 Federal Budget	**13 May 2014***	**1,032.9**	**1,098.6**	**1,168.0**	**1,239.7**	**1,310.5**	**5,849.7**
2014-15 ACT Budget		***1,032.9***	***1,098.6***	***1,168.0***	***1,239.7***	***1,310.5***	***5,849.7***
Accumulated variation from 2013-14 Budget to 2014-15 Budget**		*11.1*	*19.7*	*23.4*	*31.2*		*85.5*

Note: Table may not add due to rounding.
* includes the underpayment of GST revenue in 2012-13
** Total does not include 2017-18
Parameter Variations:
1. 2013-14 Commonwealth Pre-Election Fiscal Outlook: Revised GST revenue pool and population estimates.
2. 2013-14 Commonwealth Mid Year Economic and Fiscal Outlook (MYEFO): Revised GST revenue pool and population estimates.
3. Commonwealth Grants Commission 2014 Update Report: Revised GST relativities.
4. 2014-15 Commonwealth Budget: Revised GST revenue pool and population estimates.

ACT Municipal Services

The Commonwealth provides GRA to the ACT to meet the additional municipal costs arising from Canberra's role as the national capital and the national capital planning influences on the provision of water and sewerage services.

This funding is additional to the Financial Assistance Grants to Local Government, which support normal municipal functions in the Territory (Financial Assistance Grants are discussed later in this chapter).

National Specific Purpose Payments

On 29 November 2008, the Council of Australian Governments (COAG) reached agreement in the establishment of the Intergovernmental Agreement on Federal Financial Relations (IGA-FFR). The agreement, which took effect on 1 July 2009, includes a framework for how the Commonwealth provides funding to the States.

Under the IGA-FFR it was agreed that National Specific Purpose Payments (SPPs) would be distributed on an equal per capita (EPC) share (in the case of the National Schools SPP this was an equal per student (EPS) distribution based on actual government school enrolments). A transitional period was undertaken over the five year period from 2009-10 to phase in an EPC/EPS distribution by the 2014-15 fiscal year.

There were originally five SPPs under which the Commonwealth made payments to the States:

- National Healthcare SPP;
- National Schools SPP;
- National Skills and Workforce Development SPP;
- National Affordable Housing SPP; and
- National Disability SPP.

All SPPs were to be distributed on an EPC/EPS basis by 1 July 2014.

The IGA-FFR also sets out the base funding arrangement for the National SPPs which is detailed in Box 7.1.1. The national base funding for each National SPP is a pool of Commonwealth funding that is indexed annually against growth factors to allow for increased costs to States providing services funded by the SPPs.

Box 7.1.1
National SPP Base Funding

National base funding, 2009-10:	
National SPP	Commonwealth financial contribution
Healthcare	$11,224,185,000
Schools (government schools component)	$3,286,594,000
Skills and workforce development	$1,317,877,000
Disability	$903,686,000
Affordable housing	$1,202,590,000

National SPP growth factors:

The growth factor for the **National Healthcare SPP** will be the product of:

(a) A health specific cost index (a five year average of the Australian Institute of Health and Welfare health price index);

(b) Growth in population estimates weighted for hospital utilisation; and

(c) A technology factor (Productivity Commission derived index of technology growth).

The growth factor for the government schools component of the **National Schools SPP** will be the product of:

(a) Growth in average government schools recurrent cost; and

(b) Growth in full-time equivalent enrolments in government schools.

The growth factor for the non-government schools component of the **National Schools SPP** will be determined in accordance with the *Schools Assistance Act 2008*.

The growth factor for the **National Skills and Workforce Development SPP** will be the sum of:

(a) 85 per cent Wage Cost Index 1 (comprising safety net wage adjustment weighted by 75 per cent and all groups CPI weighted by 25 per cent); and

(b) 15 per cent Wage Cost Index 6 (comprising safety net wage adjustment weighted by 40 per cent and all groups CPI weighted by 60 per cent).

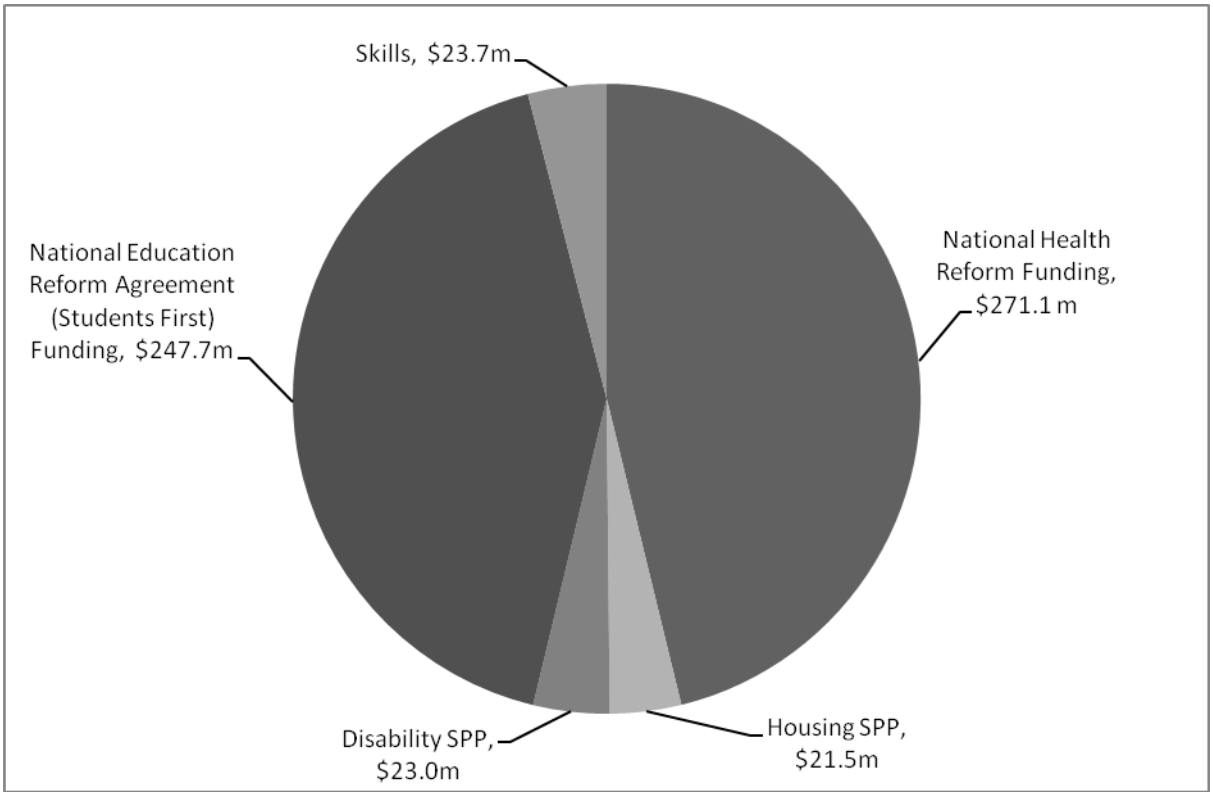
The growth factor for the **National Disability SPP** will be a rolling five year average of nominal GDP year-on-year growth.

The growth factor for the **National Affordable Housing SPP** will be Wage Cost Index 1 (comprising safety net wage adjustment weighted by 75 per cent and all groups CPI weighted by 25 per cent).

Major national reforms in recent years have seen the replacement of the National Healthcare SPP with National Health Reform (NHR) funding from July 2012, and of the National Schools SPP with National Education Reform (now known as Students First) funding from January 2014. In the 2014-15 Commonwealth Budget, the Commonwealth Government unilaterally introduced further changes to the quantum, distribution and indexation of health and education specific purpose funding which significantly reduces funding to the States and Territories for these services.

The relative distribution of these SPPs across sectors is illustrated in the Figure 7.1.2 below.

Figure 7.1.2
2014-15 National Specific Purpose Payments to the ACT by sector ($ millions)



Source: Commonwealth Budget 2014-15 Paper No.3.

The Commonwealth's SPP funding to the ACT is detailed in Table 7.1.3 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 full budget flexibility to allocate funds within that sector as it sees fit to achieve any mutually agreed objectives for that sector.

Table 7.1.3
Commonwealth National Specific Purpose Payments to the ACT

	2013-14 Est. Out. $m	2014-15 Budget $m	Variation $m	Variation %	2015-16 Estimate $m	2016-17 Estimate $m	2017-18 Estimate $m
National Health Reform - SPP	271.9	271.1	-0.9	-0.3	298.4	328.2	311.1
National Schools SPP	110.7	-	-110.7	-100	-	-	-
National Education Reform Agreement funding	122.2	247.7	125.4	102.6	261.7	277.1	300.1
Sub-total Education	**233.0**	**247.7**	**14.7**	**6.3**	**261.7**	**277.1**	**300.1**
National Skills and Workforce Development SPP	23.4	23.7	0.3	1.1	24.1	24.5	25.0
National Disability SPP	22.0	23.0	1.1	4.8	24.0	25.0	26.0
National Affordable Housing SPP	22.5	21.5	-1.0	-4.3	21.9	22.3	22.7
Total National Specific Purpose Payments	**572.8**	**587.0**	**14.2**	**2.5**	**630.1**	**677.0**	**684.8**

Note: Table may not add due to rounding.

Distribution of National SPPs

Since the introduction of the IGA-FFR there have been a number of changes to the National SPPs that have resulted in changes to the funding arrangements originally set out under this agreement.

Health Funding

New funding arrangements under the National Health Reform Agreement (NHRA) came into operation for all States from July 2012. For 2012-13 and 2013-14, these arrangements included the continued provision of funding by the Commonwealth to the level which would have applied under the previous National Healthcare SPP. From 1 July 2014 the NHR funding is directly linked to the level of services delivered in public hospitals in each State. From 2014-15 to 2016-17, the Commonwealth will maintain its previous percentage of base funding and fund 45 per cent of volume growth, both at the national efficient price (which is determined annually by an independent authority).

In the 2014-15 Commonwealth Budget, however, the Commonwealth announced a number of major unilateral changes to the provisions of the NHRA which will significantly reduce the payments the ACT had expected to receive under the agreement.

The first major impact results from the abolition of the growth and 'no worse off' guarantees formerly provided under the NHRA. This change results in NHRA payments to the ACT falling between 2013-14 and 2014-15, compared with the expected increase of around $40 million that the ACT could have expected if the guarantees had been honoured. Over four years, the ACT's expected NHRA payments from the Commonwealth have been reduced by around $240 million through the removal of the guarantees. Further details of this impact are set out in Chapter 2.1 Budget Outlook.

The second major change is that from 1 July 2017 the Commonwealth will index its contribution for public hospitals funding by the Consumer Price Index and population growth. This change jettisons the previous Commonwealth commitment to fund 50 per cent of efficient growth from 2017-18 and introduces a cap on the Commonwealth contribution. The effect of this change is that funding will no longer be determined by the actual level of services delivered by public hospitals. Instead, allocation of public hospital funding for 2017-18 and beyond will be capped and distributed on an EPC basis.

A further result of this change is that, from 2017-18, the ACT will not receive direct payments from the Commonwealth for services provided to NSW residents, and will be required to seek reimbursement of the full cost of those services from the NSW government.

National Education Reform Agreement (NERA)

On 1 January 2014 the National Schools SPP was replaced by the National Education Reform Agreement (NERA, also known as Students First). With the introduction of the NERA, a new funding arrangement was introduced under which Commonwealth funding is distributed to the States on a needs-based funding model for schools, called the Schooling Resource Standard (SRS).

The bilateral agreement between the ACT and Commonwealth governments under NERA provided for the indexation of current levels of funding by 3 per cent for the ACT contribution and 4.7 per cent for the Commonwealth contribution, with additional contributions from both governments, over a six-year period of transition to the full SRS funding model.

However, the Commonwealth Government announced changes to the NERA arrangements in its 2014-15 Commonwealth Budget. These changes are a unilateral alteration of agreements previously reached with States and Territories, effectively reducing the term of the agreements (as agreed) from six years to four years, and a new Commonwealth policy to fundamentally rewrite the *Australian Education Act 2013*, upon which the reform was framed.

From the 2018 school year onwards, total recurrent funding will be indexed by the Consumer Price Index, with an allowance for changes in enrolments. From 2018 the Commonwealth will provide equal per student base funding with an even proportion of existing loadings for disadvantaged students. Formal negotiations on these arrangements are expected to take place between the Commonwealth and the States and Territories. Although the Commonwealth has provided additional funding to maintain the real level of Commonwealth payments beyond the 2017 school year, the distribution of this funding, and the changes in indexation, may lead to reduced growth in Schools SPP funding for the ACT past the budget out years.

National Disability Insurance Scheme (NDIS)

The National Disability SPP will be replaced by the National Disability Insurance Scheme (NDIS) over a transition period. The NDIS establishes a national scheme which provides lifetime care and support for eligible people who have significant and permanent disabilities.

The implementation of this scheme involves three phases:

- a launch phase;
- a transition phase; and
- a full implementation phase.

The NDIS is currently in its launch phase with some States launching the program in July 2013. The ACT is expected to enter the launch phase in July 2014 and have full coverage by July 2016.

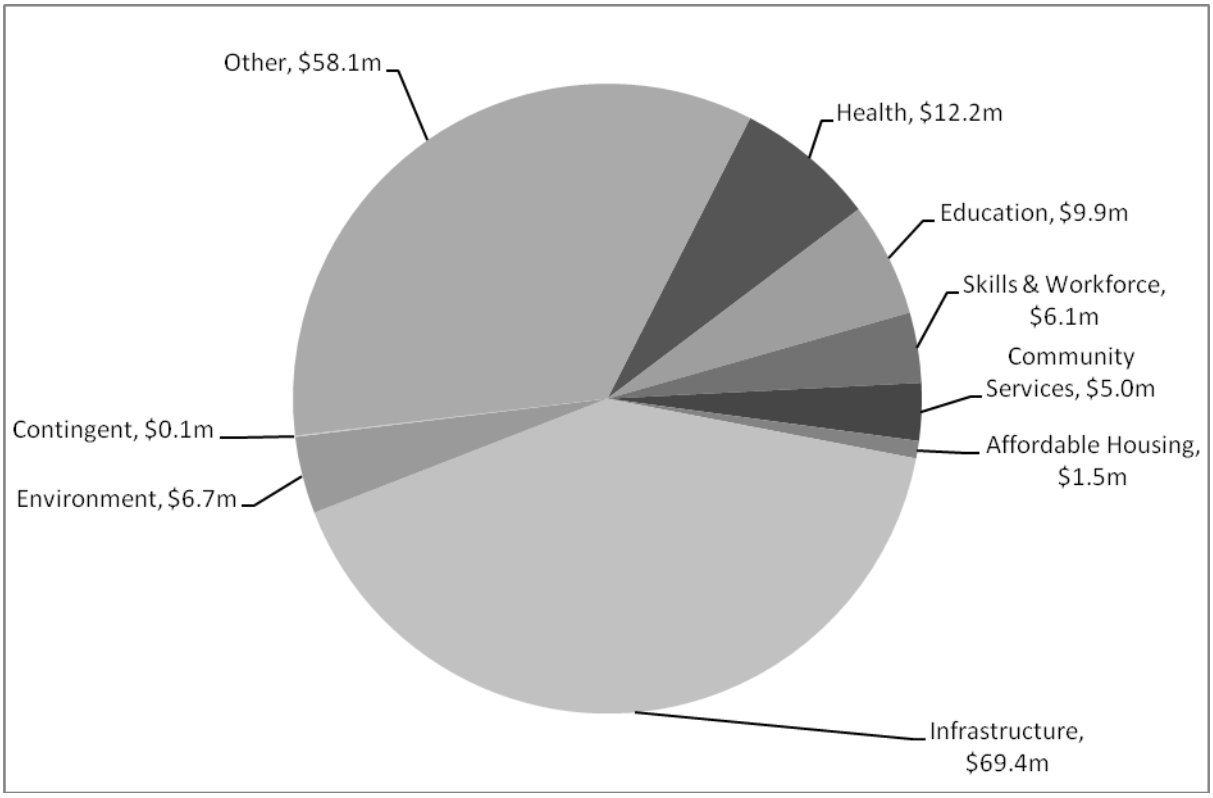
The 2014-15 Commonwealth Budget did not indicate any change to the arrangements currently proposed for implementation of NDIS, but these may be affected through future decisions of the Commonwealth Government following the recently completed review of the capabilities of the National Disability Insurance Agency.

National Partnership Payments

Within the context of the IGA-FFR, the Commonwealth provides NP payments 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 across sectors is shown in Figure 7.1.3 below.

Figure 7.1.3
2014-15 Major NP payments to the ACT by sector ($ millions)



Source: Commonwealth Budget 2014-15 Paper No.3.

The distribution of NP payments 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. However, the ACT receives considerably less for infrastructure in proportion to its population than do other States.

All NPs currently delivering funding to the ACT are summarised by sector in Table 7.1.4 below.

Table 7.1.4
Commonwealth NP Payments to the ACT

	2013-14 Est. Out. $m	2014-15 Budget $m	Variation $m	Variation %	2015-16 Estimate $m	2016-17 Estimate $m	2017-18 Estimate $m
Health	27.2	12.2	-15.0	-55.2	8.1	9.4	10.3
Education	14.8	9.9	-4.9	-33.2	3.6	0.2	-
Skills and Workforce Development	5.7	6.1	0.4	7.3	6.1	8.3	-
Community Services	10.3	5.0	-5.3	-51.4	1.9	2.6	3.3
Affordable Housing	5.5	1.5	-4.0	-72.3	-	-	-
Infrastructure	65.1	69.4	4.2	6.5	36.9	15.6	10.3
Environment	3.2	6.7	3.5	109.1	5.0	28.6	30.3
Contingent Payments	0.1	0.1	-	-	0.1	-	-
Other	39.3	58.1	18.8	47.9	58.4	58.7	61.0
Total NP Payments	**171.3**	**169.1**	**-2.2**	**-1.3**	**120.0**	**123.4**	**115.2**

Note: Table may not add due to rounding.

Cuts in National Partnership Payments

In the 2014-15 Commonwealth Budget the Commonwealth allowed a number of National Partnership Agreements (NPAs) to expire, and terminated three other agreements in advance of their agreed expiry dates. Many of these agreements supported an increased level of service delivery, and States collectively through their Treasurers had sought their incorporation into ongoing Specific Purpose Payments or continuation for a further fixed period. The total value of the expired and terminated agreements to the ACT was $23 million in 2013-14.

Three NPAs were terminated early by the Commonwealth:

- Training Places for Single and Teen Parents – terminated 1 year early, from July 2014 (funding of $0.2 million in 2013-14);
- Certain Concessions for Pensioners and Seniors Card Holders – terminated 2 years early, from July 2014 (funding of $1.6 million in 2013-14); and
- Preventive Health – terminated 1 year early, from July 2014 (funding of $0.9 million in 2013-14).

In addition, reward funding under the Improving Public Hospital Services NPA was terminated early, from 1 July 2015 (potential funding of up to $1.5 million in 2015-16). Funding for the sub-acute beds component of the NPA, for which States had sought incorporation into the National Health Reform Funding base, was not renewed.

The Commonwealth also deferred by one year, to 2015-16, the introduction of the Adult Public Dental Services NPA, with funding of $3.3 million for the ACT in the first year of this measure.

National Partnership Rationalisation

As a result of national reforms, particularly in Education, and through rationalisation measures by the Commonwealth, an overall reduction in the number of NPs and associated NP payments will occur over the out-years.

On 13 December 2013, COAG agreed to rationalise 31 funding agreements to four and reduce their reporting burden. It was agreed that, if successful, this approach would be applied to more agreements in the 2014-15 financial year. As part of this process a draft NP on Specified Projects has been developed which consolidates 13 separate funding agreements with a value of less than $60 million each. Experience with this NP, which takes effect from 1 July 2014, will inform the development of three other portfolio-based consolidated agreements in health, education and early childhood.

As the rationalisation of NPs will not affect the funding arrangements for existing agreements, this process will not impact Commonwealth funding received by the ACT.

Effect of National Education Reform Agreement on NPPs

With the introduction of NERA three NPPs were redirected towards the Commonwealth's needs-based funding model for schools. The three NPPs were the Smarter Schools NPP, the Empowering Local Schools NPP and the Rewards for Great Teachers NPP. These NPPs ceased in December 2013 and were rolled up into NERA when the new funding arrangement commenced on 1 January 2014. No change to these arrangements was made in the 2014-15 Commonwealth Budget.

Expiring National Partnership Agreements

The Commonwealth Government has acknowledged deficiencies in the current process for dealing with expiring agreements, and work is currently being undertaken through Heads of Treasuries on a process which would allow for earlier decisions and advice to allow State governments to make appropriate provisions relating to these agreements in their Budgets.

In total, approximately $6.5 million of NPs that expired in 2013-14 have been extended or replaced with new NPs. These generally involve one-year extensions pending reviews to be carried out by the Commonwealth.

New National Partnership Agreements

The 2014-15 Commonwealth Budget also included a number of new National Partnerships which are expected to involve additional funding for the ACT, including:

- Independent Public Schools ($0.7 million over 2013-14 to 2016-17);
- Infrastructure Growth Package (new infrastructure investment of $12.5 million over 2014-15 to 2017-18);
- Asset Recycling Initiative (a total of $5 billion to be distributed to the States upon selling of State owned assets and using the proceeds to invest in infrastructure); and
- Bushfire Mitigation (a total of $5 million annually from 2014-15 to 2016-17 to be distributed amongst the States).

Negotiations on most of these NPs are still in progress between the ACT and the Commonwealth.

The Infrastructure Growth and Asset Recycling initiatives recognise the crucial role of infrastructure in driving national productivity and competitiveness. The National Partnership Agreement on Asset Recycling will commence on 1 July 2014 and expire on 30 June 2019. States and Territories will have a two year window to reach an agreement with the Commonwealth to sell assets and invest the proceeds in productive infrastructure. Infrastructure investment must commence prior to 20 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 will enter negotiations with the Commonwealth Government in 2014-15 to pursue opportunities to participate in the Asset Recycling initiative and has made provision in this Budget for revenue from potential asset sales over the forward years.

The movements in National Partnerships, including existing National Partnerships, are fully reflected in Table 7.1.6 below – Total Commonwealth Funding to the ACT.

Financial Assistance Grants to Local Government

Financial assistance grants (FAGs) to local governments are outside the federal funding framework and are paid to State governments for on-passing to local governments through the State Grants Commissions. FAGs 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.

The ACT's FAGs funding is shown in Table 7.1.5 below.

Table 7.1.5
Commonwealth Government Financial Assistance Grants Funding to the ACT

	2013-14 Est. Out. $m	2014-15 Budget $m	Variation $m	Variation %	2015-16 Estimate $m	2016-17 Estimate $m	2017-18 Estimate $m
Financial Assistance Grants	24.5	48.6	24.1	98.4	48.6	48.6	50.7

The ACT will receive $24.5 million in 2013-14, increasing to $48.6 million in 2014-15. The increase is due to the Commonwealth's 2013-14 Budget decision to bring forward the first two quarterly instalments of the expected 2013-14 grants to 2012-13, amounting to $24.8 million for the ACT. The bringing forward of these instalments meant the ACT received a half year's funding in 2013-14 as opposed to a full year in 2014-15.

The Commonwealth has taken a decision to pause the indexation of FAGs for three years from 2014-15 to 2016-17. This means a reduction of $12.3 million in payments to the ACT across these years compared with previous estimates.

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 7.1.6 below.

Table 7.1.6
Total Commonwealth Funding to the ACT

2013-14 Budget $'000	FUNDING CATEGORIES	2013-14 Est.Outcome $'000	2014-15 Budget $'000	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000
	General Revenue Assistance					
1,021,800	GST Revenue	1,032,900	1,098,600	1,168,000	1,239,700	1,310,500
37,495	ACT Municipal Services	37,311	37,983	38,629	39,324	40,032
1,059,295	**Total General Revenue Assistance**	**1,070,211**	**1,136,583**	**1,206,629**	**1,279,024**	**1,350,532**
	Health Services					
279,536	National Health Reform Payments	271,938	271,080	298,420	328,153	311,064
	Health Services NPPs					
0	Public Hospital System - Additional Funding	4,261	0	0	0	0
673	Improving Public Hospital Services – National Elective Surgery	673	0	0	0	0

2013-14 Budget	FUNDING CATEGORIES	2013-14 Est.Outcome	2014-15 Budget	2015-16 Estimate	2016-17 Estimate	2017-18 Estimate
$'000		$'000	$'000	$'000	$'000	$'000
810	Improving Public Hospital Services – National Emergency Access	0	0	0	0	0
9,900	Improving Public Hospital Services – Sub-acute Beds Capital	9,900	0	0	0	0
0	Financial Assistance Long Stay Older Patients & Additional Places	3,207	0	0	0	0
4,000	Health and Hospital Fund Capital – National Cancer System	4,450	50	0	0	0
444	Health and Hospital Fund Capital – Regional Priority Round	467	0	0	0	0
0	Adult Public Dental Services	0	0	3,298	4,864	6,430
2,471	Treating More Public Dental Patients	2,471	1,904	0	0	0
582	Health Services – Breastscreen Australia, Expansion of Programme	521	167	189	220	0
0	Health Services – Canberra Hospital Dedicated Paediatric Emergency Care	0	5,000	0	0	0
83	Specified Projects – National Bowel Cancer Screening	100	102	118	151	184
281	Health Services – National Perinatal Depression Initiative	287	213	213	213	0
134	Specified Projects – OzFoodNet	134	137	139	141	0
33	Health Services – Vaccine Preventable Diseases Surveillance	33	33	34	35	0
620	Mental Health (Supporting National Mental Health Reform)	310	620	620	0	0
250	Indigenous Early Childhood Development (Health Component)	250	262	0	0	0
106	Essential Vaccines	127	3,704	3,446	3,750	3,667
20,387	***Total Health Services NPPs***	***27,191***	***12,192***	***8,057***	***9,374***	***10,281***
299,923	**Total Health Services**	**299,129**	**283,272**	**306,477**	**337,527**	**321,345**
	Housing					
22,611	National Affordable Housing SPP	22,490	21,522	21,890	22,284	22,684

2013-14 Budget	FUNDING CATEGORIES	2013-14 Est.Outcome	2014-15 Budget	2015-16 Estimate	2016-17 Estimate	2017-18 Estimate
$'000		$'000	$'000	$'000	$'000	$'000
	Housing NPPs					
0	Homelessness Recurrent	1,480	1,520	0	0	0
0	Homelessness Capital	4,000	0	0	0	0
0	***Total Housing NPPs***	***5,480***	***1,520***	***0***	***0***	***0***
22,611	**Total Housing**	**27,970**	**23,042**	**21,890**	**22,284**	**22,684**
	Community Services					
24,166	National Disability Services SPP	21,982	23,046	23,983	24,953	26,048
	Community Services NPPs					
141	Home and Community Care Services for Veterans	141	0	0	0	0
764	Pay Equity for Social and Community Services Sector	1,038	1,318	1,932	2,603	3,311
1,107	Indigenous Early Childhood Development (Family Centres)	1,107	0	0	0	0
1,376	Certain Concessions for Pensioners and Senior Card Holders	1,482	0	0	0	0
170	National Reciprocal Transport Concessions	127	0	0	0	0
6,424	Assisting Preparation for the trial of the NDIS	6,424	3,700	0	0	0
9,982	***Total Community Services NPPs***	***10,319***	***5,018***	***1,932***	***2,603***	***3,311***
34,148	**Total Community Services**	**32,301**	**28,064**	**25,915**	**27,556**	**29,359**
	Education & Early Childhood					
	National Schools SPPs and National Education Reform Agreement (Students First) Funding					
32,225	National Schools SPP – Government Schools Component	31,668	0	0	0	0
81,069	National Schools SPP – Non-Government Schools Component	79,072	0	0	0	0
35,704	National Education Reform – (Students First) – Government	36,168	73,410	76,129	79,493	95,785
82,425	National Education Reform – (Students First) – Non-Government	86,077	174,268	185,589	197,631	204,287

2013-14 Budget	FUNDING CATEGORIES	2013-14 Est.Outcome	2014-15 Budget	2015-16 Estimate	2016-17 Estimate	2017-18 Estimate
$'000		$'000	$'000	$'000	$'000	$'000
231,423	***Total National Schools SPPs and National Education Reform Agreement (Students First) Funding***	***232,985***	***247,678***	***261,718***	***277,124***	***300,072***
	Education and Early Childhood NPPs					
1,072	Support for Students with Disability – Government Schools	1,405	996	0	0	0
334	Support for Students with Disability – Non Government Schools	0	0	0	0	0
279	Smarter Schools – Low Socio-Economic Status School Communities [1]	223	0	0	0	0
3,128	Smarter Schools – Improving Teacher Quality	3,128	0	0	0	0
587	Literacy and Numeracy – Government	587	0	0	0	0
291	Literacy and Numeracy – Non-Government	291	0	0	0	0
6,444	Early Childhood Education – Universal Access	6,444	3,728	0	0	0
4,027	Trade Training Centres Schools – Government Schools	1,520	3,919	3,401	0	0
498	Trade Training Centres Schools – Non-Government Schools	529	826	0	0	0
382	National Solar Schools Plan	382	0	0	0	0
91	Money Smart Schools	0	0	0	0	0
212	National Quality Agenda for Early Childhood Education and Care	212	212	0	0	0
0	Independent Public Schools Initiative	120	240	240	240	0
17,345	***Total Education & Early Childhood NPPs***	***14,841***	***9,921***	***3,641***	***240***	***0***
248,768	**Total Education & Early Childhood**	**247,826**	**257,599**	**265,359**	**277,364**	**300,072**
	Skills and Workforce Development					
23,533	National Skills and Workforce Development SPP	23,400	23,655	24,067	24,514	24,965
	Skills & Workforce Development NPPs					
3,820	Building Australia's Future Workforce – Skills Reform	3,820	6,046	6,050	8,276	0

2013-14 Budget	FUNDING CATEGORIES	2013-14 Est.Outcome	2014-15 Budget	2015-16 Estimate	2016-17 Estimate	2017-18 Estimate
$'000		$'000	$'000	$'000	$'000	$'000
248	Building Australia's Future Workforce – Training Places for Single and Teen Parents	248	0	0	0	0
0	Commonwealth/State and Territory Joint Group Training Program	293	0	0	0	0
0	Industry and Indigenous Skills Centres	55	0	0	0	0
490	TAFE Fee Waivers for Childcare Qualifications NPP	481	79	0	0	0
331	Youth Attainment and Transitions – Maximising Engagement	331	0	0	0	0
804	Youth Attainment and Transitions – Year 12 attainment	478	0	0	0	0
5,693	***Total Skills & Workforce Development NPPs***	***5,706***	***6,125***	***6,050***	***8,276***	***0***
29,226	**Total Skills and Workforce Development**	**29,106**	**29,780**	**30,117**	**32,790**	**24,965**
	Infrastructure					
442	Investment in Roads including Asset Recycling Funds	337	1,405	13,114	2,187	1,117
0	Off Network Projects – Roads	0	300	0	0	0
404	Interstate Road Transport NPP	385	385	385	385	385
0	Roads to Recovery including Asset Recycling Fund amounts	27	5,600	11,200	5,600	5,600
4,887	Heavy Vehicle Safety	368	790	660	660	660
876	Black Spots Projects including Asset Recycling Fund amounts	772	966	2,577	2,576	966
0	Centenary of Canberra 2013 – A Gift to the National Capital – Constitution Avenue Redevelopment component	0	10,000	0	0	0
50,000	Building Australia Fund Roads – Majura Parkway construction	62,990	48,100	0	0	0
0	Bridges Renewal	0	989	989	989	989
0	Infrastructure Growth Package (IGP) – New Investments	0	837	7,977	3,229	549
157	Sustainable Australia – Liveable Cities/ Communities	250	0	0	0	0
56,766	**Total Infrastructure**	**65,129**	**69,372**	**36,902**	**15,626**	**10,266**
	Environmental Services					
10	Exotic Disease Preparedness NPP	0	0	0	0	0

2013-14 Budget	FUNDING CATEGORIES	2013-14 Est.Outcome	2014-15 Budget	2015-16 Estimate	2016-17 Estimate	2017-18 Estimate
$'000		$'000	$'000	$'000	$'000	$'000
259	Water for the Future – Sustainable Rural Water Use and Infrastructure Programme	2,349	4,451	3,320	27,000	30,000
221	Implementing Water Reform in the Murray Darling Basin	221	327	327	327	327
133	National Insurance Affordability Initiative	0	0	0	0	0
1,305	Natural Disaster Resilience	652	1,958	1,305	1,305	0
1,928	**Total Environmental Services**	**3,222**	**6,736**	**4,952**	**28,632**	**30,327**
	Other Commonwealth					
4,468	Legal Assistance Services	4,468	4,553	4,633	4,716	4,791
2,416	Deliver a Seamless National Economy	537	0	0	0	0
991	Centenary of Canberra 2013 – Joint National Program	991	0	0	0	0
4,000	ACT Emergency Services	4,000	0	0	0	0
4,774	Provision of Fire Fighting Services	4,774	4,941	5,114	5,293	5,478
24,225	Financial Assistance Grants – Local Government	24,536	48,638	48,643	48,645	50,742
40,874	**Total Other Commonwealth**	**39,306**	**58,132**	**58,390**	**58,654**	**61,011**
1,793,539	**Total Commonwealth Government Grant Funding**	**1,814,200**	**1,892,580**	**1,956,631**	**2,079,457**	**2,150,561**

Note:

1. The NPP for Smarter Schools – Low Socio-economic Status School Communities ceased on 31 December 2013 and has been rolled up into NER (Students First) Funding.

Federal Financial Relations Framework in the Context of the ACT

Vertical Fiscal Imbalance and Horizontal Fiscal Equalisation

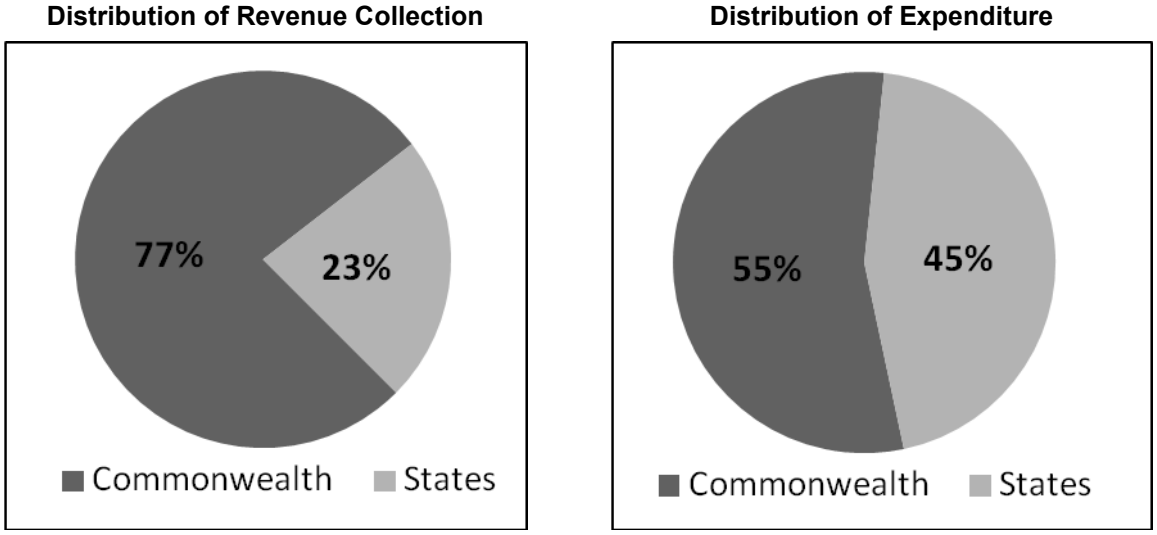
The Australian federal financial relations system is characterised by two distinct features, a high degree of vertical fiscal imbalance (VFI) offset by the transfer of revenue under a Horizontal Fiscal Equalisation (HFE) system.

Australia experiences a relatively high degree of VFI, partly on account of Constitutional limitations on States' revenue raising powers. The Commonwealth Government has access to a relatively large tax base while having relatively low service delivery responsibilities. In contrast, the States have significant service provision responsibilities but only a relatively small revenue base.

To put the concept of VFI into perspective, presently, the Australian Government collects around 77 per cent of combined Commonwealth and State Government tax revenue (12.8 per cent of Commonwealth revenue being from the GST) but is responsible for only about 55 per cent of total government spending. In contrast, the States collect around 23 per cent of combined tax revenue, but are responsible for around 45 per cent of total government spending.

Figure 7.1.4 below depicts the distribution of Commonwealth-State spending and revenue collection (including the GST).

Figure 7.1.4
2013-14 Estimated Distribution of Federal-State Revenue Collection and Expenditure



Source: ABS, Government Financial Estimates 2013-14 (5501.0.55.001) and Chief Minister and Treasury Directorate calculations.
Note: Capital expenditure is not included.

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 engenders stability and confidence in the States' fiscal situations; HFE principles are designed to ensure State governments receive funding in proportion to their relative needs.

Report on GST Revenue Sharing Relativities – 2014 Update

The Commonwealth Grants Commission (CGC) advises the Commonwealth Government each year on the distribution of the GST pool among the States.

The latest assessments in the *Report on GST Revenue Sharing Relativities – 2014 Update* were calculated on the basis of the latest three years (2010-11 to 2012-13) of socio-economic and demographic data and led to an increase in the ACT's GST relativity from 1.22083 (2013 Update) to 1.23600 (2014 Update). The relativities will be used to distribute the 2014-15 GST pool.

Table 7.1.7 below illustrates the jurisdictional relativities, implied shares of GST revenue and GST impacts. The updated assessment increases the shares most notably for the NT but also for the ACT, TAS, QLD, SA and NSW. It reduces the shares most notably for WA, but also for VIC.

Importantly, HFE presently delivers $212 million to the ACT above what would be delivered if the GST were allocated on a population share basis.

Table 7.1.7
Comparison of GST Relativities and Impact on 2014-15 GST Funding

	2013 Update	2014 Update	2013-14 share of GST %	2014-15 share of GST %	Change 2013-14 to 2014-15 $m	Change 2013-14 to 2014-15 $pc	Above / below EPC share $m
NSW	0.96576	0.97500	31.0	31.2	145	19	-351
Vic	0.90398	0.88282	22.5	22.0	-286	-49	-1,484
Qld	1.05624	1.07876	21.4	21.9	234	49	887
WA	0.44581	0.37627	4.9	4.2	-411	-156	-3,647
SA	1.26167	1.28803	9.1	9.2	97	57	1,105
Tas	1.61454	1.63485	3.6	3.6	22	43	735
ACT	1.22083	1.23600	2.0	2.1	13	32	212
NT	5.31414	5.66061	5.5	5.9	187	765	2,543

Source: CGC Report on GST Revenue Sharing Relativities 2014 Update and Chief Minister and Treasury Directorate calculations. Note that these figures were calculated using the 2013-14 MYEFO GST Pool Estimate.

The main factors increasing the ACT's GST relativity in the 2014 Update were a decrease in stamp duty conveyances as a result of below average growth in property turnover, and an increased redistribution from Western Australia resulting from increased iron ore production. Offsetting these increases was a fall in the proportion of population identified as disadvantaged in the 2011 Census data, an increase in the share of Commonwealth payments received by the ACT and wage levels growing more slowly than the national average.

Table 7.1.8 below shows the impact of the components contributing to the ACT's assessed GST funding of $1,090 million[2] and how this results in a figure of $212 million above an EPC share.

[2] Based on Commonwealth 2013-14 Mid-Year Economic and Fiscal Outlook using a GST pool of $52.7 billion for 2014-15.

Table 7.1.8

ACT Assessed GST Funding and Above Equal Per Capita funding 2014-15

	$pc	$m
Equal per capita share (1.67%)	**2,223**	**878**
Expense requirement	-298	-118
Investment[1]	-15	-6
Net lending[2]	16	6
Revenue	673	266
Commonwealth payments[3]	159	63
Assessed GST (2.03%)[4]	**2,759**	**1,090**
Total difference from EPC distribution	**536**	**212**

Notes: Table may not add due to rounding.

1. The investment assessment provides each State with the capacity to acquire the average level of new physical infrastructure. It is the equivalent to 'net acquisition of non-financial assets' that appears in the ABS Government Finance Statistics State operating statement.
2. The net lending assessment provides each State with the capacity to acquire the average level of income from their net financial assets, i.e. the outcome of an operating budget calculated as expenses and expenditures on non-financial assets, change in inventories, etc less State own source revenues and revenues received from the Australian Government.
3. Includes the impact on the revenue side only. The impact on the expense side is incorporated in the expense requirement line.
4. GST = equal per capita share plus sum of needs.

CHAPTER 8

ASSETS AND LIABILITY MANAGEMENT

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8.1 NET DEBT AND NET FINANCIAL LIABILITIES

The ACT continues to maintain a strong balance sheet and the key indicators, measured as a portion of Gross State Product (GSP) using most recent budget documentation, compare positively with other jurisdictions.

Table 8.1.1 provides a summary of the key balance sheet measures for the General Government Sector (GGS).

Table 8.1.1
GGS Key Balance Sheet Measures

	2013-14 Est. Outcome $m	2014-15 Budget $m	2015-16 Estimate $m	2016-17 Estimate $m	2017-18 Estimate $m
Net Financial Liabilities	3,677.5	4,435.6	4,857.8	4,997.5	5,111.1
Net Debt (excluding super)	527.3	1,227.5	1,614.7	1,705.0	1,799.0
Net Worth	16,951.8	16,730.7	16,764.3	16,978.5	17,283.8

Comparative details to other jurisdictions can be found in Fiscal Strategy (Chapter 2.2).

Net Financial Liabilities

Net Financial Liabilities are a broad measure of GGS liabilities, including Net Debt and superannuation liabilities. Table 8.1.2 below presents Net Financial Liabilities and Net Financial Liabilities to GSP for the GGS.

Table 8.1.2
General Government Sector Net Financial Liabilities

	2013-14 Est. Outcome $m	2014-15 Budget $m	2015-16 Estimate $m	2016-17 Estimate $m	2017-18 Estimate $m
Net Financial Liabilities	3,677.5	4,435.6	4,857.8	4,997.5	5,111.1
Net Financial Liabilities to GSP	10.0%	11.6%	12.1%	11.9%	11.6%

Over the budget and forward estimates, Net Financial Liabilities are forecast to increase as further borrowings are undertaken to secure the ACT's economic future by investing in major infrastructure. This estimate includes provisions the Government has made for future investment in commercially sensitive projects.

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 Debt

Net Debt is a key balance sheet measure taking into account gross debt liabilities as well as financial assets (such as cash reserves and investments). Table 8.1.3 below presents Net Debt and Net Debt to GSP for the GGS.

Table 8.1.3
General Government Sector Net Debt

	2013-14 Est. Outcome $m	2014-15 Budget $m	2015-16 Estimate $m	2016-17 Estimate $m	2017-18 Estimate $m
Net Debt (excluding super)	527.3	1,227.5	1,614.7	1,705.0	1,799.0
Net Debt to GSP	1.4%	3.2%	4.0%	4.1%	4.1%

Net Debt over the budget and forward estimates period is positive indicating that GGS cash reserves and investments are lower than gross debt liabilities. Compared to the 2013-14 Budget, Net Debt has increased reflecting a net increase in borrowings over the budget and forward years.

The Government will continue to finance its investment in high quality infrastructure assets through borrowings to ensure a stable construction sector and the development of assets that help to increase the productive capacity of the economy. These assets will continue providing benefits to the community over a long period of time.

Net Worth

Net Worth reflects the broadest measure of the balance sheet taking into account the value of all 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

	2013-14 Est. Outcome $m	2014-15 Budget $m	2015-16 Estimate $m	2016-17 Estimate $m	2017-18 Estimate $m
Net Worth	16,951.8	16,730.7	16,764.3	16,978.5	17,283.8
Net Worth to GSP	46.2%	43.9%	41.9%	40.4%	39.2%

Net Worth is forecast to slightly increase from $17 billion to $17.3 billion over the forward estimates.

With Net Worth to GSP at 43.9 per cent, the ACT is among the top three jurisdictions against this measure.

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. A large proportion of current full time employees are members of defined benefit superannuation schemes that are closed to new employee members, and where the liabilities are unfunded. All superannuation liabilities incurred for new employees since 1 July 2005 are fully funded through defined contribution scheme arrangements.

Managing the defined benefit superannuation liability over time remains one of the key financial objectives 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 holding and investing 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

Superannuation arrangements for employees vary due to the type of superannuation scheme available at the time of commencing employment. The superannuation arrangements applicable to permanent employees are outlined below.

Defined Benefit Superannuation Schemes

The defined benefit superannuation schemes are the Commonwealth Superannuation Scheme (CSS) and the Public Sector Superannuation Scheme (PSS). The CSS has been closed to new members since 1 July 1990 and the PSS closed since 30 June 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 formulas 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 takes their benefit entitlement.

The CSS and PSS are administered by the Commonwealth Government agency, ComSuper, with all benefits paid to employees by ComSuper. The Government reimburses ComSuper for the annual cost of superannuation benefits paid in respect of current and former employees that reflects the period of service with the ACT Government.

Public Sector Superannuation Accumulation Plan (PSSap)

From 1 July 2005, all new employees were required to become members of the 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. The current employer contribution rate is 9.25 per cent and will increase to 9.50 per cent on 1 July 2014. 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 (MLAs)

There are two superannuation arrangements for Members of the ACT Legislative Assembly. Members 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 Members 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 will contribute an additional 1 per cent for Members who contribute 3 per cent or more of their salary to their chosen fund.

Defined Benefit Unfunded Superannuation Liabilities

The value of accrued defined benefit employer 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. This approach is in accordance with *AASB 119 Employee Benefits* and the requirement to use a projected unit credit valuation approach.

Table 8.2.1 sets out details on the estimation and calculation of the liability.

Table 8.2.1
Defined Benefit Superannuation Liability

	2013-14 Budget $'000	2014-15 Budget $'000	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000
Opening Liability	**6,777,340**	**5,437,181**	**5,716,572**	**5,989,951**	**6,255,125**
Service Cost	203,652	142,643	137,973	133,165	128,821
Interest Cost	299,563	334,958	351,456	367,587	383,253
Benefit Payments	-165,248	-198,209	-216,051	-235,578	-254,593
Actuarial Gain [1]	-1,678,126	0	0	0	0
Closing Liability	**5,437,181**	**5,716,572**	**5,989,951**	**6,255,125**	**6,512,607**

Notes:
This table may not add due to rounding.
1. 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 2014 and forward years utilises a long term discount rate assumption of 6 per cent. The actual discount rate at 30 June 2013 was 4.29 per cent. A lower discount rate leads to a higher liability valuation estimate.

The defined benefit superannuation liability is estimated to grow to approximately $6.513 billion by 30 June 2018. The service cost associated with the accrual of new 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.

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 next triennial actuarial review will utilise salary and membership data as at 30 June 2014 with the results to be incorporated into the 2015-16 Budget estimates.

The 2014-15 Budget estimates for the SPA incorporate the latest annual actuarial review of the defined benefit employer superannuation liabilities using salary and membership data as at 30 June 2013.

Table 8.2.2
ACT Employee Defined Benefit Scheme Membership

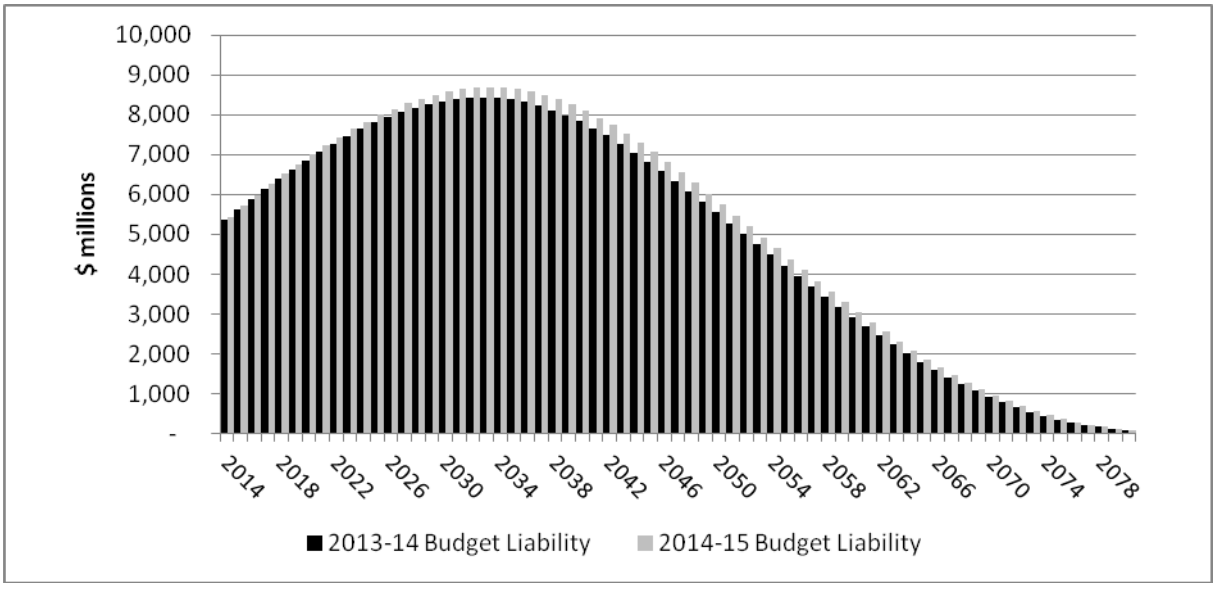
	Contributors	Deferred Beneficiaries	Current Pensioners	Dependent Pensioners	Total
Group A Members [1]					
CSS	915	329	5,363	359	**6,966**
PSS	8,632	9,912	3,107	144	**21,795**
Group B Members [2]					
CSS	416	141	829	22	**1,408**
PSS	3,763	2,060	829	23	**6,675**
Total	**13,726**	**12,442**	**10,128**	**548**	**36,844**

Notes:
1. Group A membership data includes CSS and PSS contributors who were employees of the ACT Government at 30 June 2013 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 2013, 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 2014-15 Budget estimates for the liability and emerging cost payments have been affected by actual member salary growth being higher than assumed, investment returns on member and productivity accounts being higher than assumed (member account balances are managed by Commonwealth Superannuation Corporation), and a membership base being higher than assumed at the end of the 2012-13 financial year.

The impact on the estimates for the projected defined benefit employer superannuation liabilities is illustrated in Figure 8.2.1, with the impact on the benefit payment estimates illustrated in Figure 8.2.2.

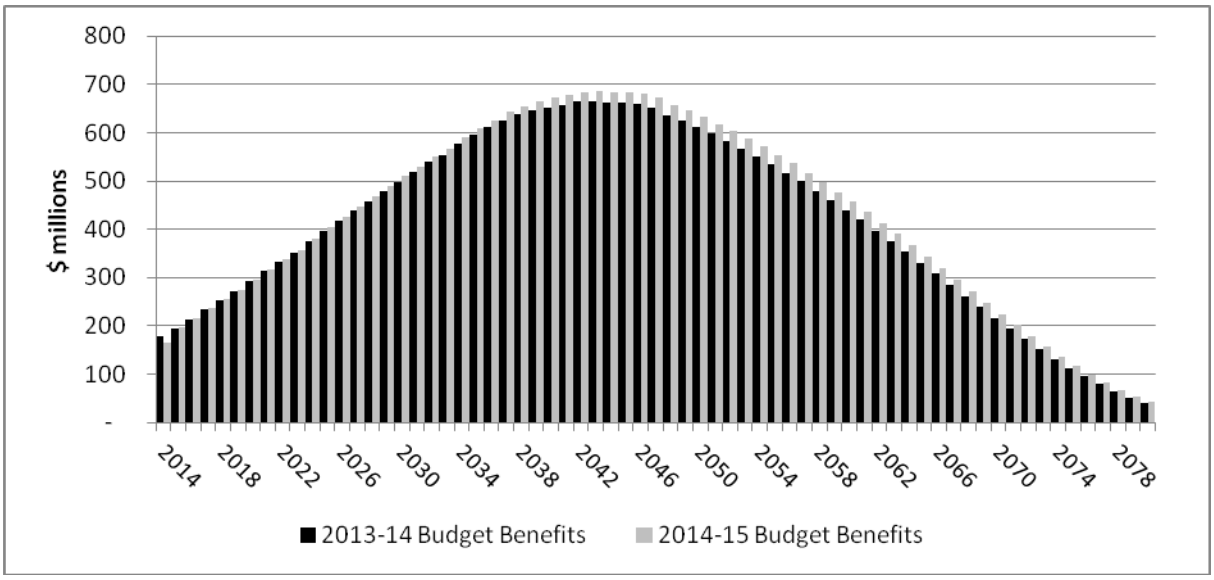
Figure 8.2.1
Annual Actuarial Revision to the Estimated Employer Superannuation Liability



The defined benefit superannuation liability is projected to peak, in nominal terms, at approximately $8.7 billion by 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 annual cash (employer component of employee superannuation benefit) payments (in nominal terms) made to the Commonwealth to extinguish the liabilities are projected to increase over time from approximately $165 million in 2013-14 to a peak of $685 million by 2043.

The total expected retirement benefit payments across the 2014-15 Budget and forward years are projected to be approximately $904 million.

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 which are sourced from both annual budget appropriation and investment earnings.

The 2014-15 Budget maintains the defined benefit superannuation funding plan with Budget appropriation to the SPA matching the annual benefit payments. This will allow the SPA financial investment assets to grow with all earnings unencumbered by the management of cash flows associated with benefit payments, supporting the Government's financial objective of fully funding the defined benefit superannuation liability. The Government will review this arrangement once the Budget returns to surplus.

Details on the investment earnings, budget appropriation and benefit payments are set out below in Table 8.2.3.

Table 8.2.3
Defined Benefit Superannuation Assets

	2013-14 Est. Outcome $'000	2014-15 Budget $'000	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000
Opening Assets	**2,615,990**	**3,019,200**	**3,243,529**	**3,484,713**	**3,744,183**
Net Investment Earnings	396,785	229,912	247,006	265,392	285,169
Appropriation	178,216	198,209	216,051	235,578	254,593
Benefit Payments	-165,248	-198,209	-216,051	-235,578	-254,593
Other Payments	-6,543	-5,583	-5,822	-5,922	-6,097
Closing Assets	**3,019,200**	**3,243,529**	**3,484,713**	**3,744,183**	**4,023,255**

Note:
This table may not add due to rounding.

Providing funding for superannuation helps reduce the longer term cost of defined benefit superannuation as investment returns provide a source of funding for future liabilities.

The margin between the liability and assets represents the level of unfunded superannuation liability in the defined benefit schemes. The estimated funding level of defined benefit employer superannuation liabilities 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

	2013-14 Est. Outcome $'000	2014-15 Budget $'000	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000
Superannuation Liability[1]	5,437,181	5,716,572	5,989,951	6,255,125	6,512,607
Investments	3,019,200	3,243,529	3,484,713	3,744,183	4,023,255
Unfunded Liability	**2,417,981**	**2,473,043**	**2,505,238**	**2,510,942**	**2,489,352**
Funding Percentage	**56%**	**57%**	**58%**	**60%**	**62%**

Notes:
This table may not add due to rounding.
1. The superannuation liability estimate at 30 June 2014 and forward years assumes a long-term discount rate assumption of 6 per cent.

8.3 MANAGEMENT OF FINANCIAL ASSETS AND LIABILITIES

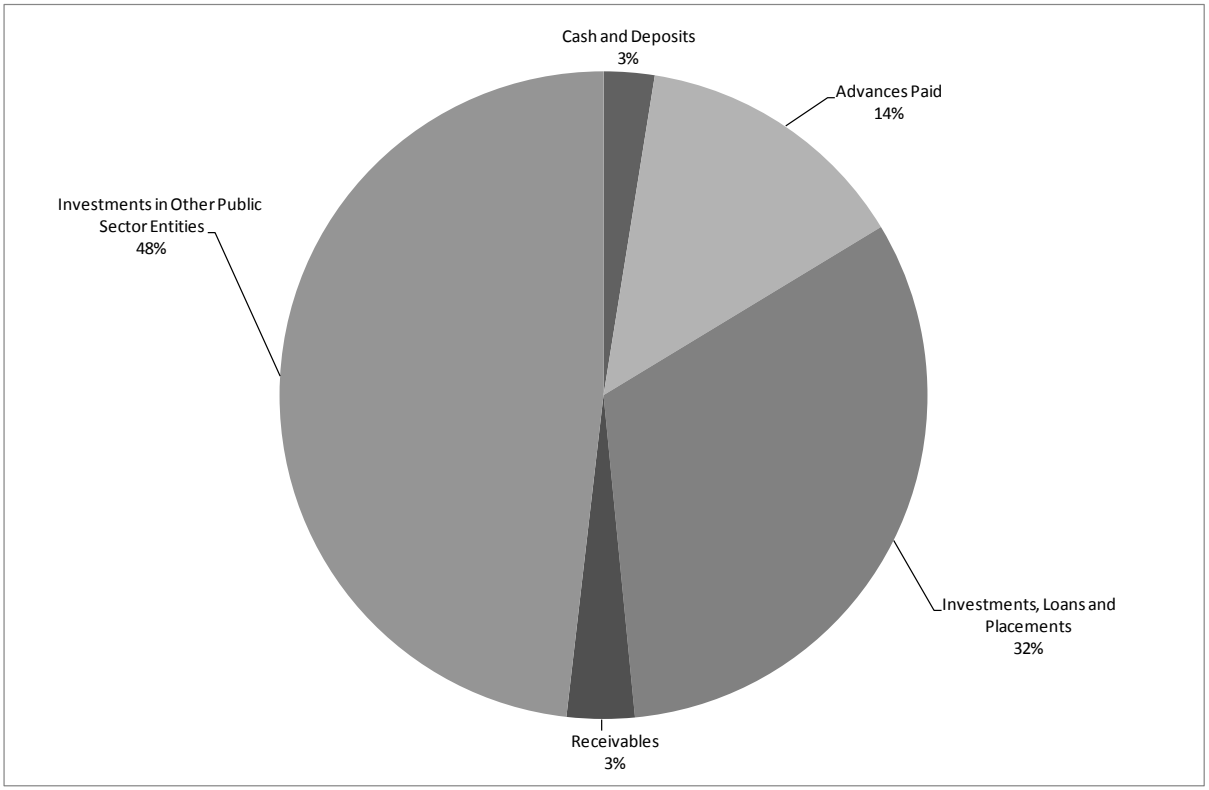
Financial Assets

The Territory's financial assets account for approximately 44 per cent of total assets held by the 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 27 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 and Treasury Directorate 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. The Government recognises that both financial as well as environmental, social and corporate governance (ESG) performance of companies can impact long term investment value and performance. ESG risks and ownership responsibilities are incorporated in investment decision-making processes, where possible, in order to mitigate investment risk and improve the sustainability of the investments for the long term.

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

Budget 30/06/14 $'000		Est.Outcome 30/06/14 $'000	Estimate 30/06/15 $'000	Var %	Estimate 30/06/16 $'000	Estimate 30/06/17 $'000	Estimate 30/06/18 $'000
307,144	Cash and Deposits	283,755	302,963	7	260,777	262,905	269,263
3,321,133	Investments, Loans and Placements	3,863,031	3,854,957	..	4,150,278	4,403,405	4,684,253
3,628,277	**Total Investments**	**4,146,786**	**4,157,920**	**..**	**4,411,055**	**4,666,310**	**4,953,516**
	Comprising:						
2,767,179	Superannuation Provision Account	3,016,883	3,241,212	7	3,482,396	3,741,866	4,020,938
45,623	Territory Banking Account	322,877	79,103	-76	104,736	83,400	57,007
11,839	Investments held on behalf of PTE Agencies	42,480	26,739	-37	25,994	11,995	11,496
378,924	ACTIA Investments	347,748	375,020	8	397,934	423,182	451,332
115,639	Home Loan Portfolio	115,825	110,179	-5	106,614	102,865	98,835
309,073	Other GGS Agency Investments	300,973	325,667	8	293,381	303,002	313,908
3,628,277	**Total Investments**	**4,146,786**	**4,157,920**	**..**	**4,411,055**	**4,666,310**	**4,953,516**

Territory Banking Account Investment Portfolio

The cash of the general government not required for immediate expenditure is invested domestically with exposures to shorter term money markets and fixed interest securities, including cash, bank term deposits, bank bill securities, residential mortgage backed securities and bonds issued by the Commonwealth and State Governments and some corporate investment grade bonds. The investments are made via allocations to three externally managed funds: Cash Fund; Cash Enhanced Fund; and Fixed Interest Fund.

The estimated 2013-14 net nominal return for the total portfolio of invested funds is 3.3 per cent (original budget estimate 2.75 per cent net of fees).

The budgeted full year return (net of fees) for 2014-15 is 2.5 per cent.

Superannuation Provision Account Investment Portfolio

Funds set aside in the SPA are to assist the Government in meeting its long-term defined benefit employer superannuation obligations. These funds are invested in accordance with an established asset allocation strategy that takes into account the long term nature of the superannuation liability and projected cash flow requirements.

The long-term investment return objective for the SPA is CPI plus 5 per cent per annum (net of fees). 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 70 per cent of the portfolio being invested in growth assets (such as shares and property) and 30 per cent of the portfolio being invested in defensive assets (such as cash and fixed interest investments).

The nominal return of the portfolio for 2013-14 is estimated to be 15.5 per cent (net of fees). The actual return for 2012-13 was 16 per cent (net of fees).

Incorporating the 2013-14 estimated outcome, the SPA portfolio will have generated an annualised net return of CPI plus 5 per cent over the past 18 years (1996-97 to 2013-14), matching the long term strategic target investment return objective. In dollar terms, the SPA portfolio earnings equate to a net gain of approximately $396 million in 2013-14.

Loan Receivables

GGS financial assets include loans provided to ACTEW Corporation, ACTION, Community Housing Canberra and University of Canberra.

- ACTEW Corporation loans are funded by matching external borrowings from the Territory's debt issuance program. Forms of funding include indexed annuity bonds, capital indexed bonds and fixed rate medium term notes. Loan maturity dates range from June 2018 to June 2048. The total estimated outstanding principal at 30 June 2014 is $1.446 billion.

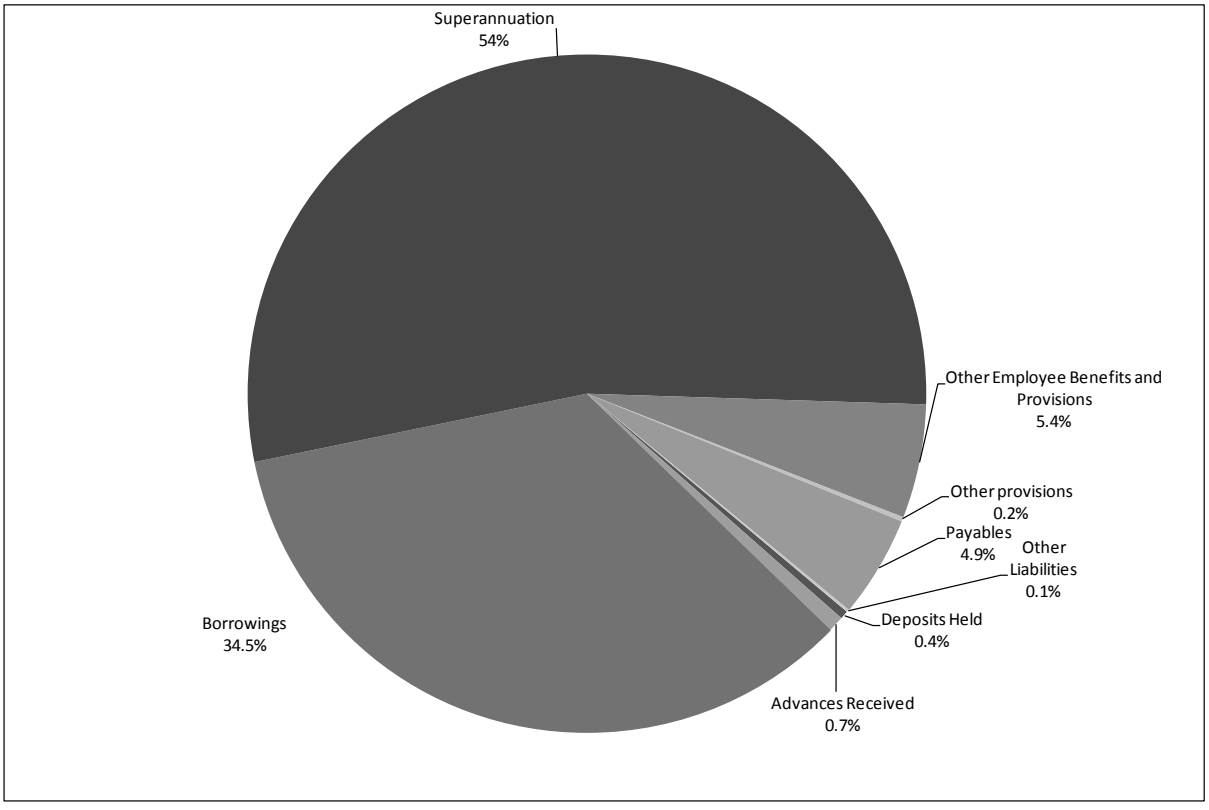
- ACTION loan relates to funding provided from the Commonwealth Government at the commencement of self-government. The loan matures in June 2023. The total estimated outstanding principal at 30 June 2014 is $3.1 million.
- Community Housing Canberra loans have been provided from budget capital injection appropriation. The total estimated outstanding principal at 30 June 2014 is $68.112 million. Appendix F – Summary and Terms of Debt Capital Injection presents additional details in relation to the Community Housing Canberra loans.
- University of Canberra loans have been provided from the TBA from credit facilities established by the relevant disallowable instruments. The total estimated outstanding principal at 30 June 2014 is $69.445 million.

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 (35 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 borrowings is undertaken by the Chief Minister and Treasury Directorate. The Government's funding requirements are achieved by the issuance of debt securities in the domestic capital markets, including long-term fixed interest securities and short-term discount securities with a mix of durations under the Government's debt issuance program.

Debt management objectives include: establishing select debt maturity bond lines of volume around $500 million; maximising investor diversification; minimising refinancing risk and managing the Government's liquidity requirements.

General Government Sector

Borrowings for the GGS comprise debt issued in the domestic capital markets (estimated $1.637 billion at 30 June 2014) and historic Commonwealth Government debt (estimated $83 million at 30 June 2014) related to housing and land and buildings.

It is estimated there will be a net increase in GGS borrowings of $505 million in 2014-15. Over the Budget and forward estimates period, the forecast total net increase in GGS borrowings is $1.094 billion to meet budget funding requirements.

The higher borrowings in the forward years are partly due to the future works provision for capital projects, which has been increased to account for some high value projects for which budgets are either yet to be settled or which are commercially sensitive. As planning or procurement progresses, future Territory budgets will contain specific financial details for these projects. However, these projects may be procured as Public Private Partnerships, therefore the direct borrowing associated with the future works provision in the 2014-15 Budget may not eventuate.

Public Trading Enterprise Sector

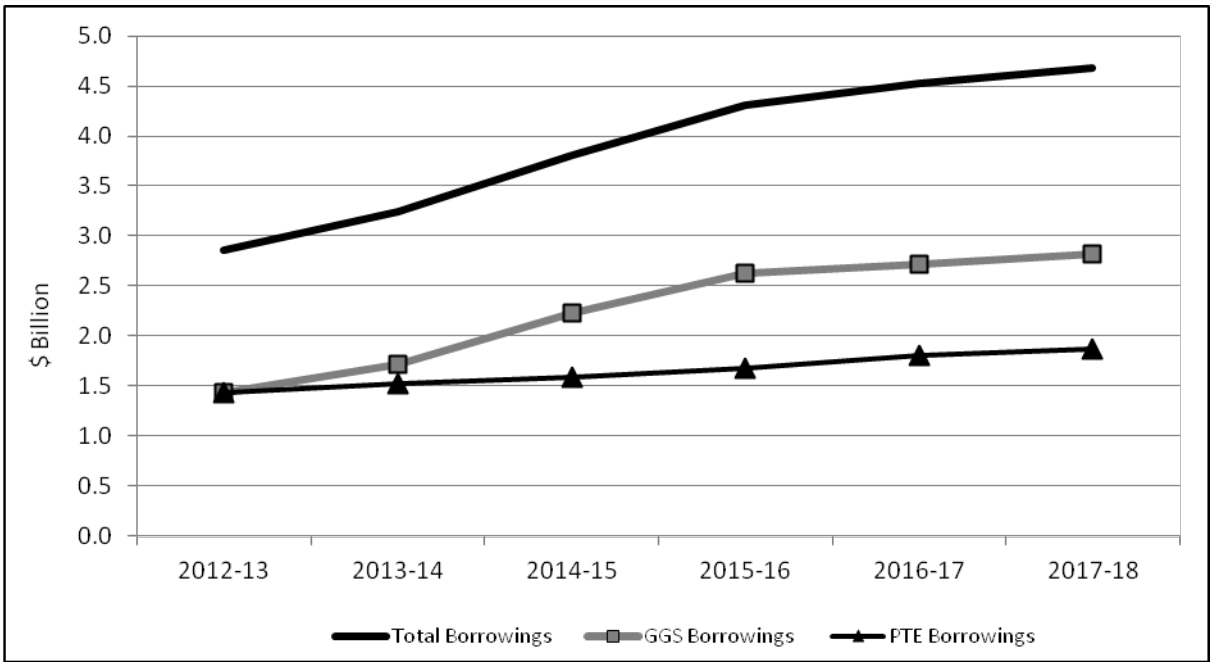
Borrowings for the Public Trading Enterprise (PTE) sector relate to ACTEW Corporation (estimated $1.445 billion at 30 June 2014) and historic Commonwealth Government debt (estimated $77 million at 30 June 2014) related to housing.

It is estimated there will be a net increase in PTE sector borrowings of $60 million in 2014-15. Over the Budget and forward estimates period, the forecast total net increase in PTE sector borrowings is $347 million.

Total Outstanding Borrowings

Figure 8.3.3 summarises the outstanding levels of borrowings separated between the GGS and the PTE Sector.

Figure 8.3.3
Total External Territory Borrowings



CHAPTER 9

GENERAL GOVERNMENT SECTOR FINANCIAL STATEMENTS

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9.1 GGS GFS/GAAP HARMONISED FINANCIAL STATEMENTS

Table 9.1
Australian Capital Territory
General Government Sector
Operating Statement

2013-14 Budget $'000		2013-14 Est. Outcome $'000	2014-15 Budget $'000	Var %	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000
	Revenue						
1,298,688	Taxation Revenue	1,310,267	1,390,101	6	1,481,341	1,582,168	1,688,509
	Grants Revenue						
1,793,539	Commonwealth Grants	1,814,200	1,892,580	4	1,956,631	2,079,457	2,150,561
135,538	Gains from Contributed Assets	100,878	110,053	9	115,650	125,661	125,671
437,792	Sales of Goods and Services	446,019	468,892	5	483,442	496,566	562,128
135,658	Interest Income	129,046	122,177	-5	127,369	134,776	135,161
-	Distributions from Financial Investments*	96,366	55,566	-42	61,807	66,406	71,354
304,637	Dividend and Income Tax Equivalents Income	210,814	237,640	13	289,678	286,626	300,707
131,421	Other Revenue	137,530	134,845	-2	137,770	140,426	143,530
4,237,273	**Total Revenue**	**4,245,120**	**4,411,854**	**4**	**4,653,688**	**4,912,086**	**5,177,621**
	Expenses						
1,583,362	Employee Expenses	1,633,843	1,688,492	3	1,741,733	1,818,072	1,883,912
	Superannuation Expenses						
313,777	Superannuation Interest Cost	299,563	334,958	12	351,456	367,587	383,253
242,113	Other Superannuation Expense	306,225	259,202	-15	262,650	271,674	273,981
338,863	Depreciation and Amortisation	332,897	359,889	8	374,056	385,579	390,350
149,775	Interest Expense	148,259	168,474	14	193,892	206,825	215,651
	Other Operating Expenses						
919,472	Supplies and Services	860,498	980,443	14	934,003	945,033	988,120
199,788	Other Operating Expenses	173,096	197,813	14	200,454	207,515	216,087
830,726	Grants and Purchased Services	831,809	869,077	4	836,420	868,435	891,026
4,577,876	**Total Expenses**	**4,586,190**	**4,858,348**	**6**	**4,894,664**	**5,070,720**	**5,242,380**
-340,603	**UPF Net Operating Balance**	**-341,070**	**-446,494**	**-31**	**-240,976**	**-158,634**	**-64,759**
	Other Economic Flows – Included in the Operating Result						
37,793	Dividends – Market Gains on Land Sales	9,146	9,830	7	6,465	9,990	8,160
202,846	Net Land Revenue (Undeveloped Land Value)	55,253	76,790	39	94,794	145,580	118,624
-365	Net Gain/(Loss) on Sale of Non-Financial Assets	-21,938	-112	99	145	143	146
86,960	Net Gain/(Loss) on Financial Assets or Liabilities at Fair Value	276,509	113,659	-59	123,173	132,358	142,229
-4,370	Doubtful Debts	-4,463	-4,409	1	-4,484	-4,587	-4,684
-17,739	**Operating Result**	**-26,563**	**-250,736**	**-844**	**-20,883**	**124,850**	**199,716**

* From 2013-14 the line item Distributions from Financial Investments has been added to better reflect the nature of distributions to the Superannuation Provision Account. This treatment is not reflected in the 2013-14 Budget figures where these amounts were incorporated under dividends and interest income.

Table 9.1 (cont.)
Australian Capital Territory
General Government Sector
Operating Statement

2013-14 Budget $'000		2013-14 Est. Outcome $'000	2014-15 Budget $'000	Var %	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000
	Items that will not be subsequently reclassified to Profit or Loss						
-	Superannuation Prior Year Actuarial Movement	1,678,126	-	-100	-	-	-
-	Prior Year Adjustment	-810	-	100	-	-	-
5	Other Movements	-7,124	729	110	889	889	889
15,963	Increase/(Decrease) in Asset Revaluation Surplus	18,794	17,704	-6	19,536	21,429	21,429
	Items that may be subsequently reclassified to Profit or Loss						
1,918	Increase/(Decrease) in Other Reserves	1,594	-	-100	-	-	-
147	**Total Comprehensive Income**	**1,664,017**	**-232,303**	**-114**	**-458**	**147,168**	**222,034**
-340,603	**UPF Net Operating Balance**	**-341,070**	**-446,494**	**-31**	**-240,976**	**-158,634**	**-64,759**
	***less* Net Acquisition of Non-Financial Assets**						
863,636	Purchases of Non-Financial Assets	746,278	747,680	..	642,155	513,840	582,032
-2,661	Sales of Non-Financial Assets	-2,641	-2,649	..	-2,854	-2,778	-2,804
-164,675	Land Revenue (Net Cash Receipts)	-52,053	-79,743	-53	-97,632	-146,428	-117,645
-338,863	Depreciation and Amortisation	-332,897	-359,889	-8	-374,056	-385,579	-390,350
134,281	Other Movements in Non-Financial Assets	96,468	109,799	14	115,387	125,387	125,387
491,718	*Total Net Acquisition of Non-Financial Assets*	*455,155*	*415,198*	-9	*283,000*	*104,442*	*196,620*
-832,321	**Net Lending / (Borrowing)**	**-796,225**	**-861,692**	**-8**	**-523,976**	**-263,076**	**-261,379**

	GOVERNMENT FISCAL MEASURE – BUDGET OPERATING SURPLUS/ DEFICIT						
-340,603	UPF Net Operating Balance	-341,070	-446,494	-31	-240,976	-158,634	-64,759
86,960	Superannuation Return Adjustment	75,791	113,659	50	123,173	132,358	142,229
-253,643	**HEADLINE NET OPERATING BALANCE**	**-265,279**	**-332,835**	**-25**	**-117,803**	**-26,276**	**77,470**

Table 9.2
Australian Capital Territory
General Government Sector
Balance Sheet

2013-14 Budget $'000		2013-14 Est. Outcome $'000	2014-15 Budget $'000	Var %	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000
	Financial Assets						
307,144	Cash and Deposits	283,755	302,963	7	260,777	262,905	269,263
1,590,033	Advances Paid	1,588,402	1,654,726	4	1,755,517	1,876,711	1,939,721
3,321,133	Investments and Loans	3,863,031	3,854,957	..	4,150,278	4,403,405	4,684,253
518,040	Receivables	388,041	406,599	5	422,942	435,014	452,091
	Equity Investments						
5,659,142	Investments in Other Public Sector Entities	5,725,940	5,780,173	1	5,840,379	5,926,847	6,015,129
11,395,492	**Total Financial Assets**	**11,849,169**	**11,999,418**	**1**	**12,429,893**	**12,904,882**	**13,360,457**
	Non-Financial Assets						
	Produced Assets						
11,495,347	Property, Plant and Equipment	11,249,492	11,293,268	..	11,786,300	12,038,968	12,288,345
2,400	Investment Properties	2,600	2,600	-	2,600	2,600	2,600
56,730	Intangibles	55,324	79,835	44	88,835	71,318	85,956
12,986	Inventories	17,402	17,717	2	18,032	18,347	18,662
1,004	Assets Held for Sale	640	619	-3	599	579	559
678,547	Capital Works-in-Progress	692,216	907,528	31	670,187	538,721	441,321
	Non-Produced Assets						
2,705,325	Property, Plant and Equipment	2,859,594	3,058,340	7	3,188,987	3,352,510	3,516,214
28,429	Biological Assets	26,099	26,099	-	26,099	26,099	26,099
-	Other Non-Financial Assets	45	45	-	45	45	45
14,980,768	**Total Non-Financial Assets**	**14,903,412**	**15,386,051**	**3**	**15,781,684**	**16,049,187**	**16,379,801**
26,376,260	**Total Assets**	**26,752,581**	**27,385,469**	**2**	**28,211,577**	**28,954,069**	**29,740,258**
	Liabilities						
27,496	Deposits Held	58,210	42,469	-27	41,724	27,725	27,226
82,975	Advances Received	82,975	79,400	-4	75,688	71,835	67,833
	Borrowings			-			
21,265	Finance Leases	22,324	21,447	-4	20,613	19,844	19,100
3,166,519	Other Borrowings	3,082,129	3,655,656	19	4,160,880	4,386,748	4,557,130
5,373,065	Superannuation	5,447,456	5,725,337	5	5,997,727	6,263,561	6,521,741
586,347	Employee Benefits	568,205	577,760	2	569,354	594,484	619,137
-	Other Provisions*	13,625	22,227	63	29,897	37,152	43,991
574,220	Payables	496,476	517,278	4	538,269	561,142	587,429
41,417	Other Liabilities	29,377	13,248	-55	13,113	13,068	12,845
9,873,304	**Total Liabilities**	**9,800,777**	**10,654,822**	**9**	**11,447,265**	**11,975,559**	**12,456,432**
16,502,956	**Net Assets**	**16,951,804**	**16,730,647**	**-1**	**16,764,312**	**16,978,510**	**17,283,826**
5,659,142	Equity in Public Trading Entities	5,725,940	5,780,173	1	5,840,379	5,926,847	6,015,129
5,686,375	Accumulated Funds	5,820,457	5,527,363	-5	5,481,286	5,587,587	5,783,192
5,157,390	Asset Revaluation Surplus	5,405,357	5,423,061	..	5,442,597	5,464,026	5,485,455
49	Other Reserves	50	50	-	50	50	50
16,502,956	**Net Worth**	**16,951,804**	**16,730,647**	**-1**	**16,764,312**	**16,978,510**	**17,283,826**
1,522,188	**Net Financial Worth**	2,048,392	1,344,596	-34	982,628	929,323	904,025
4,136,954	**Net Financial Liabilities**	3,677,548	4,435,577	21	4,857,751	4,997,524	5,111,104
-1,920,055	**Net Debt (including Superannuation related Investments)**	-2,489,550	-2,013,674	19	-1,867,667	-2,036,869	-2,221,948
847,124	**Net Debt (excluding Superannuation related Investments)**	527,333	1,227,538	133	1,614,729	1,704,997	1,798,990

* From 2012-13 Other Provisions is shown separately from the Employee Benefits line. This line was previously combined as Other Employee benefits and Provisions. This treatment is not reflected in the 2013-14 Budget figures.

Table 9.3
Australian Capital Territory
General Government Sector
Statement of Changes in Equity

2013-14 Budget $'000		2013-14 Est. Outcome $'000	2014-15 Budget $'000	Var %	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000
	Opening Equity						
5,525,033	Opening Equity in Public Trading Entities	5,607,611	5,725,940	2	5,780,173	5,840,379	5,926,847
5,743,373	Opening Accumulated Funds	4,206,187	5,820,457	38	5,527,363	5,481,286	5,587,587
5,141,427	Opening Asset Revaluation Surplus	5,386,563	5,405,357	..	5,423,061	5,442,597	5,464,026
-1,869	Opening Other Reserves	-1,544	50	103	50	50	50
16,407,964	**Opening Balance**	**15,198,817**	**16,951,804**	**12**	**16,730,647**	**16,764,312**	**16,978,510**
	Comprehensive Income						
	Included in Accumulated Funds:						
-17,739	Operating Result for the Period	-26,563	-250,736	-844	-20,883	124,850	199,716
-	Superannuation Prior Year Actuarial Movement	1,678,126	-	-100	-	-	-
-	Prior Year Adjustment	-810	-		-	-	-
5	Other Movements	-7,124	729	110	889	889	889
	Included in Asset Revaluation Surplus						
15,963	Increase/(Decrease) in Asset Revaluation Surplus	18,794	17,704	-6	19,536	21,429	21,429
	Included in Other Reserves:						
1,918	Increase/(Decrease) in Other Reserves	1,594	-	-100	-	-	-
147	**Total Comprehensive Income**	**1,664,017**	**-232,303**	**-114**	**-458**	**147,168**	**222,034**
	Transactions Involving Owners Affecting Accumulated Funds						
	Included in Accumulated Funds:						
-39,264	Capital Injections	-29,359	-43,087	-47	-26,083	-19,438	-5,000
	Included in Equity in Public Trading Entities:						
134,109	Increase/(Decrease) in Net Assets of PTE Entities	118,329	54,233	-54	60,206	86,468	88,282
94,845	**Total Transactions Involving Owners Affecting Accumulated Funds**	**88,970**	**11,146**	**-87**	**34,123**	**67,030**	**83,282**
	Closing Equity						
5,659,142	Closing Equity in Public Trading Entities	5,725,940	5,780,173	1	5,840,379	5,926,847	6,015,129
5,686,375	Closing Accumulated Funds	5,820,457	5,527,363	-5	5,481,286	5,587,587	5,783,192
5,157,390	Closing Asset Revaluation Surplus	5,405,357	5,423,061	..	5,442,597	5,464,026	5,485,455
49	Closing Other Reserves	50	50	-	50	50	50
16,502,956	**Balance at the End of the Reporting Period**	**16,951,804**	**16,730,647**	**-1**	**16,764,312**	**16,978,510**	**17,283,826**

Table 9.4
Australian Capital Territory
General Government Sector
Cash Flow Statement

2013-14 Budget $'000		2013-14 Est. Outcome $'000	2014-15 Budget $'000	Var %	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000
	Cash Flows from Operating Activities						
	Cash Receipts						
1,312,428	Taxes Received	1,327,344	1,397,343	5	1,470,913	1,607,875	1,710,422
583,992	Receipts from Sales of Goods and Services	552,862	528,471	-4	562,547	630,709	669,050
1,786,063	Grants/Subsidies Received	1,818,720	1,896,825	4	1,961,001	2,083,952	2,155,112
132,012	Interest Receipts	132,059	121,548	-8	126,799	134,211	134,746
-	Distributions from Financial Investments*	96,366	55,566	-42	61,807	66,406	71,354
292,783	Dividends and Income Tax Equivalents	295,692	243,968	-17	300,034	264,102	279,224
365,589	Other Receipts	366,049	375,476	3	383,231	388,789	395,469
4,472,867	***Total Cash Received from Operating Activities***	***4,589,092***	***4,619,197***	***1***	***4,866,332***	***5,176,044***	***5,415,377***
	Cash Payments						
-1,858,107	Payments for Employees	-1,878,475	-2,005,885	-7	-2,099,974	-2,177,629	-2,269,901
-866,437	Payments for Goods and Services	-819,701	-916,895	-12	-872,334	-884,564	-938,149
-844,464	Grants/Subsidies Paid	-842,635	-884,491	-5	-853,025	-886,150	-909,350
-148,555	Interest Paid	-145,298	-166,993	-15	-192,400	-205,155	-213,873
-434,948	Other Payments	-453,089	-455,039	..	-455,258	-461,483	-461,427
-4,152,511	***Total Cash Paid from Operating Activities***	***-4,139,198***	***-4,429,303***	***-7***	***-4,472,991***	***-4,614,981***	***-4,792,700***
320,356	**Net Cash Flows from Operating Activities**	**449,894**	**189,894**	**-58**	**393,341**	**561,063**	**622,677**
	Cash Flows from Investing Activities						
	Cash Flows from Investments in Non-Financial Assets						
2,661	Sales of Non-Financial Assets	2,641	2,649	..	2,854	2,778	2,804
-863,636	Purchase of Non-Financial Assets	-746,278	-747,680	..	-642,155	-513,840	-582,032
-860,975	**Net Cash Flows from Investments in Non-Financial Assets**	**-743,637**	**-745,031**	**..**	**-639,301**	**-511,062**	**-579,228**
	Cash Flows from Investments in Financial Assets for Policy Purposes						
	Cash Receipts						
1,852	Repayment of Loans	22,585	610	-97	512	419	2,777
37,793	Dividends – Market Gains on Land Sales	9,146	9,830	7	6,465	9,990	8,160
39,645	***Total Cash Received from Investments in Financial Assets for Policy Purposes***	***31,731***	***10,440***	***-67***	***6,977***	***10,409***	***10,937***
	Cash Payments						
-64	Issue of Loans	-1,564	-1,952	-25	-62	-62	-62
-39,264	Capital Payments to Government Agencies	-29,359	-40,284	-37	-26,083	-19,438	-5,000
-39,328	***Total Cash Paid from Investments in Financial Assets for Policy Purposes***	***-30,923***	***-42,236***	***-37***	***-26,145***	***-19,500***	***-5,062***
317	**Net Cash Flows from Investments in Financial Assets for Policy Purposes**	**808**	**-31,796**	***#***	**-19,168**	**-9,091**	**5,875**

* From 2013-14 the line item Distributions from Financial Investments has been added to better reflect the nature of distributions to the Superannuation Provision Account. This treatment is not reflected in the 2013-14 Budget figures where these amounts were incorporated under dividends and interest receipts.

Table 9.4 (cont.)
Australian Capital Territory
General Government Sector
Cash Flow Statement

2013-14 Budget $'000		2013-14 Est. Outcome $'000	2014-15 Budget $'000	Var %	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000
	Cash Flows from Investments in Financial Assets for Liquidity Purposes						
420,568	Sales of Investments	504,236	522,027	4	221,394	234,041	235,387
-232,899	Purchase of Investments	-515,863	-416,046	19	-394,301	-368,822	-374,524
187,669	**Net Cash Flows from Investments in Financial Assets for Liquidity Purposes**	**-11,627**	**105,981**	**#**	**-172,907**	**-134,781**	**-139,137**
-672,989	**Net Cash Flows from Investing Activities**	**-754,456**	**-670,846**	**11**	**-831,376**	**-654,934**	**-712,490**
	Cash Flows from Financing Activities						
	Cash Receipts						
458,394	Borrowings	404,328	592,846	47	530,117	253,077	499,491
458,394	***Total Cash Received from Financing Activities***	***404,328***	***592,846***	**47**	***530,117***	***253,077***	***499,491***
	Cash Payments						
-94,617	Borrowings	-155,570	-92,686	40	-134,268	-157,078	-403,321
-94,617	***Total Cash Paid from Financing Activities***	***-155,570***	***-92,686***	40	***-134,268***	***-157,078***	***-403,321***
363,777	**Net Cash Flows from Financing Activities**	**248,758**	**500,160**	**101**	**395,849**	**95,999**	**96,170**
11,144	**Net Increase/(Decrease) in Cash Held**	**-55,804**	**19,208**	**134**	**-42,186**	**2,128**	**6,357**
296,000	**Cash and Cash Equivalents at the Beginning of Reporting Period**	**355,289**	**299,485**	**-16**	**318,693**	**276,507**	**278,636**
307,144	**Cash and Cash Equivalents at the End of Reporting Period**	**299,485**	**318,693**	**6**	**276,507**	**278,635**	**284,993**
	Key Fiscal Aggregates						
320,356	Net Cash from Operating Activities	449,894	189,894	-58	393,341	561,063	622,677
-860,975	Investments in Non-Financial Assets	-743,637	-745,031	..	-639,301	-511,062	-579,228
-540,619	**Cash Surplus (+) / Deficit (-)**	**-293,743**	**-555,137**	**-89**	**-245,960**	**50,001**	**43,449**
	A positive number denotes a cash inflow, a negative sign denotes a cash outflow.						
	Derivation of ABS GFS Cash Surplus/Deficit						
-540,619	**Cash Surplus (+) / Deficit (-)**	**-293,743**	**-555,137**	**-89**	**-245,960**	**50,001**	**43,449**
-	Acquisitions Under Finance Leases and Similar Arrangements [(a)]	-	-	-	-	-	-
-540,619	**ABS GFS Cash Surplus (+) / Deficit (-) Including Finance and Similar Arrangements**	**-293,743**	**-555,137**	**-89**	**-245,960**	**50,001**	**43,449**

(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

	2013-14 Est. Outcome $'000	2014-15 Budget $'000	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000
Taxes on Employers' Payroll and Labour Force	**336,907**	**364,073**	**390,660**	**418,828**	**449,076**
Taxes on Property					
Land Taxes	75,778	89,065	93,238	98,786	103,970
Stamp Duties on Financial and Capital Transactions	-	-	-	-	-
Financial Institutions' Transactions Taxes	-	-	-	-	-
Other	588,996	620,948	678,685	745,031	801,475
Total Taxes on Property	**664,774**	**710,013**	**771,923**	**843,817**	**905,445**
Taxes on the Provision of Goods and Services					
Excises and Levies	-	-	-	-	-
Taxes on Gambling	52,781	53,311	52,842	54,163	55,517
Taxes on Insurance	53,834	44,080	33,216	21,156	22,212
Total Taxes on the Provision of Goods and Services	**106,615**	**97,391**	**86,058**	**75,319**	**77,729**
Taxes on Use of Goods and Performance of Activities					
Motor Vehicle Taxes	137,903	143,589	150,625	157,952	165,640
Franchise Taxes	-	-	-	-	-
Other	64,068	75,035	82,075	86,252	90,619
Total Taxes on Use of Goods and Performance of Activities	**201,971**	**218,624**	**232,700**	**244,204**	**256,259**
Total Taxation Revenue	**1,310,267**	**1,390,101**	**1,481,341**	**1,582,168**	**1,688,509**

Note: Numbers may not add due to rounding.

Table 9.6
General Government Sector Grant Revenue

	2013-14 Est. Outcome $'000	2014-15 Budget $'000	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000
Current Grant Revenue					
Current Grants from the Commonwealth					
GST Revenue and Municipal Grants	1,070,211	1,136,583	1,206,629	1,279,024	1,350,532
Non Government School Grants	165,440	174,268	185,589	197,631	204,287
Other Contributions and Grants	492,037	509,352	534,359	562,748	556,978
Total Current Grant Revenue	**1,727,688**	**1,820,203**	**1,926,577**	**2,039,403**	**2,111,797**
Capital Grant Revenue					
Capital Grants from the Commonwealth					
Non Government School Grants	529	826	-	-	-
Other Contributions and Grants	186,861	181,604	145,704	165,715	164,435
Total Capital Grant Revenue	**187,390**	**182,430**	**145,704**	**165,715**	**164,435**
Total Grant Revenue	**1,915,078**	**2,002,633**	**2,072,281**	**2,205,118**	**2,276,232**

Note: Numbers may not add due to rounding.

Table 9.7
General Government Sector Grants and Purchased Services Expense

	2013-14 Est. Outcome $'000	2014-15 Budget $'000	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000
Current Grant Expense					
Private and Not-for-Profit Sector	189,129	201,838	186,339	185,281	197,154
Non Government School Grants	165,440	174,268	185,589	197,631	204,287
Grants to Other Sectors of Government	453,643	476,400	454,944	476,167	480,208
Total Current Grant Expense	**808,212**	**852,506**	**826,872**	**859,079**	**881,649**
Capital Grant Expense					
Private and Not-for-Profit Sector	18,915	15,745	9,548	9,356	9,377
Non Government School Grants	529	826	0	0	0
Grants to Other Sectors of Government	4,153	0	0	0	0
Total Capital Grant Expense	**23,597**	**16,571**	**9,548**	**9,356**	**9,377**
Total Grant Expense	**831,809**	**869,077**	**836,420**	**868,435**	**891,026**

Note: Numbers may not add due to rounding.

Table 9.8
General Government Sector Dividend and Income Tax Equivalent Income

	2013-14 Est. Outcome $'000	2014-15 Budget $'000	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000
Dividend from PNFC Sector	120,067	120,944	158,636	152,550	163,346
Dividends from Superannuation Investments	18,547	54,527	55,500	59,630	64,073
Income Tax Equivalent	72,200	62,169	75,542	74,446	73,288
Total GGS Dividend and Income Tax Equivalent Income	**210,814**	**237,640**	**289,678**	**286,626**	**300,707**

Note: Numbers may not add due to rounding.

Table 9.9
General Government Sector Expenses by Function

		2013-14 Est. Outcome $'000	2014-15 Budget $'000	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000
01	General Public Services	408,187	453,618	438,981	436,161	446,477
03	Public Order and Safety	405,502	414,332	421,002	430,668	439,579
04	Education	1,013,658	1,035,077	1,057,750	1,097,237	1,137,995
05	Health	1,244,853	1,308,065	1,387,589	1,477,295	1,545,392
06	Social Security	241,007	263,228	249,632	253,526	259,941
07	Housing and Community Amenities	202,953	196,412	173,655	169,712	173,098
08	Recreation and Culture	194,395	204,647	187,723	189,241	193,944
09	Fuel and Energy	27,326	24,678	20,231	20,152	20,538
10	Agriculture, Forestry, Fishing and Hunting	6,588	6,798	6,867	7,070	7,468
11	Mining and Mineral Resources Other than Fuels, Manufacturing and Construction	9,228	7,504	7,050	6,928	6,970
12	Transport and Communications	295,199	322,242	287,529	291,047	295,511
13	Other Economic Affairs	65,281	69,750	59,303	60,739	55,091
14	Other Purposes	472,013	551,997	597,351	630,943	660,376
	Total Expenses	**4,586,190**	**4,858,348**	**4,894,664**	**5,070,720**	**5,242,380**

Note: Numbers may not add due to rounding.

Table 9.10
General Government Sector Expenses by Function

		2013-14 Est. Outcome $'000	2014-15 Budget $'000	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000
01	**General Public Services**	**408,187**	**453,618**	**438,981**	**436,161**	**446,477**
011	Government Superannuation Benefits	0	0	0	0	0
019	Other General Public Services	408,187	453,618	438,981	436,161	446,477
03	**Public Order and Safety**	**405,502**	**414,332**	**421,002**	**430,668**	**439,579**
031	Police and Fire Protection Services	207,037	210,936	213,653	217,656	222,783
0311	*Police Services*	*155,367*	*157,800*	*158,698*	*161,097*	*165,012*
0312	*Fire Protection Services*	*51,669*	*53,135*	*54,956*	*56,559*	*57,771*
032	Law Courts and Legal Services	95,644	94,908	97,498	99,756	101,912
033	Prisons and Corrective Services	65,196	67,531	68,743	70,833	72,209
039	Other Public Order and Safety	37,625	40,956	41,107	42,423	42,675
04	**Education**	**1,013,658**	**1,035,077**	**1,057,750**	**1,097,237**	**1,137,995**
041	Primary and Secondary Education	812,205	834,998	853,053	885,211	918,425
0411	*Primary Education*	*406,038*	*417,653*	*426,103*	*442,190*	*458,596*
0412	*Secondary Education*	*406,167*	*417,346*	*426,951*	*443,021*	*459,829*
0419	*Primary and Secondary Education n.e.c.*	*0*	*0*	*0*	*0*	*0*
042	Tertiary Education	117,121	115,197	118,056	121,525	124,316
0421	*University Education*	*17,145*	*18,082*	*19,446*	*20,865*	*21,868*
0422	*Technical and Further Education*	*99,976*	*97,115*	*98,610*	*100,660*	*102,448*
0429	*Tertiary Education n.e.c.*	*0*	*0*	*0*	*0*	*0*
043	Pre-School Education and Education not Definable by Level	74,937	76,997	79,078	82,624	86,751
0431	*Pre-School Education*	*36,665*	*37,534*	*38,291*	*39,740*	*41,368*
0432	*Special Education*	*38,088*	*39,265*	*40,572*	*42,651*	*45,133*
0439	*Other Education not Definable by Level*	*184*	*197*	*214*	*233*	*251*
044	Transportation of Students	7,332	5,682	5,175	5,294	5,727
0441	*Transportation of Non-Urban School Children*	*511*	*549*	*597*	*651*	*703*
0449	*Transportation of Other Students*	*6,821*	*5,133*	*4,578*	*4,643*	*5,024*
049	Education n.e.c.	2,064	2,203	2,387	2,583	2,775
05	**Health**	**1,244,853**	**1,308,065**	**1,387,589**	**1,477,295**	**1,545,392**
051	Acute Care Institutions	934,313	982,696	1,041,496	1,110,147	1,161,206
0511	*Admitted Patient Services in Acute Care Institutions*	*678,198*	*713,478*	*756,124*	*805,677*	*842,410*
0512	*Non-Admitted Patient Services in Acute Care Institutions*	*256,115*	*269,218*	*285,372*	*304,471*	*318,795*
052	Mental Health Institutions	8,542	8,906	9,549	10,208	10,682
053	Nursing Homes for the Aged	22	23	25	27	29
054	Community Health Services	212,380	222,625	236,485	250,243	261,811
0541	*Community Mental Health*	*68,319*	*71,869*	*76,647*	*81,337*	*85,419*
0542	*Patient Transport*	*32,221*	*33,015*	*34,239*	*35,400*	*36,172*
0549	*Other Community Health Services*	*111,840*	*117,741*	*125,599*	*133,506*	*140,221*
055	Public Health Services	43,059	45,001	47,875	50,987	53,354
056	Pharmaceutical, Medical Aids and Appliances	22,852	24,138	26,052	28,107	29,695
057	Health Research	11,526	12,036	12,915	13,824	14,471
059	Health Administration n.e.c.	12,158	12,640	13,191	13,751	14,144

Table 9.10 (cont.)
General Government Sector Expenses by Function

		2013-14 Est. Outcome $'000	2014-15 Budget $'000	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000
06	**Social Security**	**241,007**	**263,228**	**249,632**	**253,526**	**259,941**
061	Social Security	0	0	0	0	0
062	Welfare Services	238,517	260,661	246,971	250,812	257,150
0621	*Family and Children Services*	*97,458*	*98,368*	*90,549*	*91,773*	*92,082*
0622	*Welfare Services for the Aged*	*17,392*	*19,109*	*19,961*	*20,737*	*21,925*
0623	*Welfare Services for People with a Disability*	*92,821*	*102,394*	*96,799*	*97,933*	*102,075*
0629	*Welfare Services n.e.c.*	*30,847*	*40,791*	*39,662*	*40,369*	*41,067*
069	Social Security and Welfare n.e.c.	2,489	2,567	2,661	2,714	2,791
07	**Housing and Community Amenities**	**202,953**	**196,412**	**173,655**	**169,712**	**173,098**
071	Housing and Community Development	165,008	154,916	144,845	144,640	147,117
0711	*Housing*	*68,398*	*63,534*	*60,515*	*61,361*	*62,933*
0712	*Aboriginal Community Development*	*0*	*0*	*0*	*0*	*0*
0719	*Other Community Development*	*96,610*	*91,382*	*84,330*	*83,279*	*84,184*
072	Water Supply	17,065	18,826	15,334	15,614	16,038
0721	*Aboriginal Community Water Supply*	*0*	*0*	*0*	*0*	*0*
0729	*Other Water Supply*	*17,065*	*18,826*	*15,334*	*15,614*	*16,038*
073	Sanitation and Protection of the Environment	14,855	17,077	7,666	3,518	3,874
0731	*Aboriginal Community Sanitation*	*0*	*0*	*0*	*0*	*0*
0739	*Other Sanitation and Protection of the Environment*	*14,855*	*17,077*	*7,666*	*3,518*	*3,874*
079	Other Community Amenities	6,024	5,593	5,810	5,941	6,068
0791	*Aboriginal Community Amenities*	*0*	*0*	*0*	*0*	*0*
0799	*Other Community Amenities*	*6,024*	*5,593*	*5,810*	*5,941*	*6,068*
08	**Recreation and Culture**	**194,395**	**204,647**	**187,723**	**189,241**	**193,944**
081	Recreation Facilities and Services	106,839	109,021	104,330	106,516	109,447
0811	*National Parks and Wildlife*	*15,884*	*16,168*	*16,118*	*16,577*	*17,194*
0819	*Recreation Facilities and Services n.e.c.*	*90,956*	*92,854*	*88,212*	*89,939*	*92,252*
082	Cultural Facilities and Services	79,843	83,230	77,838	78,528	80,553
083	Broadcasting and Film Production	10	10	10	11	11
089	Recreation and Culture n.e.c.	7,703	12,385	5,545	4,186	3,934
09	**Fuel and Energy**	**27,326**	**24,678**	**20,231**	**20,152**	**20,538**
091	Fuel Affairs and Services	93	71	67	69	71
0911	*Gas*	*93*	*71*	*67*	*69*	*71*
0919	*Fuel Affairs and Services n.e.c.*	*0*	*0*	*0*	*0*	*0*
092	Electricity and Other Energy	12,105	9,259	8,768	8,960	9,162
0921	*Aboriginal Community Electricity*	*0*	*0*	*0*	*0*	*0*
0922	*Other Electricity*	*12,105*	*9,259*	*8,768*	*8,960*	*9,162*
0929	*Other Energy*	*0*	*0*	*0*	*0*	*0*
099	Fuel and Energy n.e.c.	15,128	15,347	11,396	11,123	11,305
10	**Agriculture, Forestry, Fishing and Hunting**	**6,588**	**6,798**	**6,867**	**7,070**	**7,468**
101	Agriculture	271	190	184	177	172
102	Forestry, Fishing and Hunting	6,317	6,608	6,683	6,893	7,297
11	**Mining and Mineral Resources other than Fuels, Manufacturing and Construction**	**9,228**	**7,504**	**7,050**	**6,928**	**6,970**
111	Mining and Mineral Resources other than Fuels	0	0	0	0	0
112	Manufacturing	0	0	0	0	0
113	Construction	9,228	7,504	7,050	6,928	6,970

Table 9.10 (cont.)
General Government Sector Expenses by Function

		2013-14 Est. Outcome $'000	2014-15 Budget $'000	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000
12	**Transport and Communications**	**295,199**	**322,242**	**287,529**	**291,047**	**295,511**
121	Road Transport	281,465	295,241	280,725	284,377	288,907
1211	*Aboriginal Community Transport*	*0*	*0*	*0*	*0*	*0*
1212	*Road Maintenance*	*166,969*	*174,939*	*176,541*	*177,540*	*180,617*
1213	*Road Rehabilitation*	*0*	*0*	*0*	*0*	*0*
1214	*Road Construction*	*0*	*0*	*0*	*0*	*0*
1219	*Road Transport n.e.c.*	*114,496*	*120,302*	*104,184*	*106,836*	*108,290*
122	Water Transport	0	0	0	0	0
123	Rail Transport	8,442	23,294	3,219	3,210	3,257
1231	*Urban Rail Transport Services*	*8,442*	*23,294*	*3,219*	*3,210*	*3,257*
1232	*Non-Urban Rail Transport Freight Services*	*0*	*0*	*0*	*0*	*0*
1233	*Non-Urban Rail Transport Passengers Services*	*0*	*0*	*0*	*0*	*0*
124	Air Transport	0	0	0	0	0
125	Pipelines	0	0	0	0	0
128	Other Transport	0	0	0	0	0
129	Communication	5,292	3,707	3,585	3,460	3,348
13	**Other Economic Affairs**	**65,281**	**69,750**	**59,303**	**60,739**	**55,091**
131	Storage, Saleyards and Markets	0	0	0	0	0
132	Tourism and Area Promotion	18,648	19,552	16,284	15,940	16,373
133	Labour and Employment Affairs	29,384	32,379	25,749	27,690	21,359
1331	*Vocational Training*	*29,384*	*32,379*	*25,749*	*27,690*	*21,359*
1339	*Other Labour and Employment Affairs*	*0*	*0*	*0*	*0*	*0*
139	Other Economic Affairs	17,248	17,819	17,270	17,109	17,359
14	**Other Purposes**	**472,013**	**551,997**	**597,351**	**630,943**	**660,376**
141	Public Debt Transactions	446,429	502,065	543,977	573,027	597,499
142	General Purpose Inter-Government Transactions	23,747	48,716	52,493	57,196	62,263
143	Natural Disaster Relief	0	0	0	0	0
149	Other Purposes n.e.c	1,837	1,216	881	720	614
	Total Expenses	**4,586,190**	**4,858,348**	**4,894,664**	**5,070,720**	**5,242,380**

Note: Numbers may not add due to rounding.

Table 9.11
General Government Sector
Purchases of Non-Financial Assets by Function

		2013-14 Est. Outcome $'000	2014-15 Budget $'000	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000
01	General Public Services	152,005	170,154	96,555	95,174	84,529
03	Public Order and Safety	39,805	73,582	47,061	6,730	5,993
04	Education	91,005	82,276	38,894	21,158	20,058
05	Health	144,058	145,775	149,247	28,729	14,971
06	Social Security	5,378	4,950	2,235	1,040	967
07	Housing and Community Amenities	13,094	8,854	2,333	1,316	1,255
08	Recreation and Culture	52,842	56,678	25,816	6,124	4,400
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	77,196	34,709	43,232	6,618	2,949
12	Transport and Communications	131,973	132,223	68,012	24,964	22,152
13	Other Economic Affairs	38,920	38,477	19,653	7,376	6,548
14	Other Purposes	0	0	149,117	314,612	418,210
	Purchases of Non-Financial Assets	**746,278**	**747,680**	**642,155**	**513,840**	**582,032**

Note: Numbers may not add due to rounding.

Loan Council Allocation

The ACT's Loan Council Allocation (LCA) agreed to at the 2014 Loan Council meeting was $235 million, based on an accrual Government Finance Statistics cash surplus of $246 million.

The nomination established a tolerance limit for the Budget-time estimate of between $130 million and $340 million (+/- 2 per cent of total public sector receipts).

The Budget-time estimate has been revised to $709 million, and now exceeds the upper LCA nomination tolerance limit by $369 million. The variance largely reflects the impact of Government policy decisions.

Table 9.12
Loan Council Allocations

		Loan Council Nomination $'m	Budget-Time Estimate $'m
	GGS Cash Deficit/(Surplus) [a]	158	554
	PNFC Sector Cash Deficit/(Surplus) [a]	88	135
	NFPS Sector Cash Deficit/(Surplus) [a] [b]	246	688
	Acquisition under Finance Leases and Similar Arrangements [a]	0	0
equals	ABS GFS Cash Deficit/(Surplus) [a] [b]	246	688
less	Net Cash Flows from Investments in Financial Assets for Policy Purposes [c]	2	-1
	Adjusted NFPS Sector Cash Deficit/(Surplus)	244	687
plus	Memorandum Items [d]	-9	22
	Loan Council Allocation	**235**	**709**

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 General Government Sector (GGS) and Public Non Financial Corporation (PNFC) sector cash surplus/deficit due to inter-sectoral 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 ACT, University of Canberra has been included to reflect its financing requirement.

Tolerance Limit

Nomination – 2 per cent public sector receipts ($5.227 billion) +/- $105 million
Budget – 2 per cent of public sector receipts ($4.901 billion) +/- $98 million.

APPENDICES

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APPENDIX A

BUDGET CONSULTATION
(SUBMISSION ACKNOWLEDGEMENT)

APPENDIX A: BUDGET CONSULTATION (SUBMISSION ACKNOWLEDGEMENT)

The 2014-15 Budget consultation process was launched on 12 September 2013, 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. Submissions expressing ideas and comments were sought by 24 October 2013.

Background information and links to relevant documentation, including previous Budget Papers, were made available to the community through the Budget Consultation Website http://www.budgetconsultation.act.gov.au/.

A total of 80 written submissions were received. The submissions covered a diverse range of issues including disability, health, education, community services, sports and recreation, arts and entertainment, the building industry, land release, 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.

Directorates and agencies reviewed the individual submissions for consideration in the development of proposals for the 2014-15 Budget. Views and suggestions provided by the community were also used to inform decision making, drawing on the knowledge and experiences of users and providers of government services.

The Government would like to thank and acknowledge the following individuals, community groups and organisations for their contributions and participation in the 2014-15 Budget consultation process.

ACT & Region Chamber of Commerce & Industry
ACT Council of Parents & Citizens Associations
ACT Deafness Resource Centre
ACT Equestrian Association Inc.
ACT Gifted and Talented Local Support Group
ACT Hepatitis Resource Centre
ACT Medicare Local
ACT Mental Health Consumer Network
ACT Ministerial Advisory Council on Women
ACT Shelter
Advocacy for Inclusion
Alcohol Tobacco and Other Drug Association ACT
Anti Poverty Week Committee (incorporating ACT Council of Social Service (ACTCOSS))
Australian Nursing and Midwifery Federation (ACT Branch)
Australian Services Union
B, Mr Justin
Canberra CBD Limited
Canberra Convention Bureau
Canberra Region Aviators Association
Carers ACT

The Childers Group
Communities@Work
Community and Public Sector Union
Council on the Ageing ACT
Cox, Mr Kevin
Deakin Residents' Association Inc.
Directions ACT
Families ACT
Friends of Grasslands
Goncalvez, Mr Carlos
Gungahlin Community Council
headspace ACT
Health Care Consumers' Association Inc.
Heartlink (ACT Medicare Local, University of Canberra and Heart Federation ACT)
Kane, Mr Brad
Kee, Ms Carol
Marymead
Master Builders Association of the ACT
Mental Health Community Coalition of the ACT
National Seniors Australia
Nutrition Australia ACT
One Human Services Gateway (incorporating Barnardo's Canberra, Belconnen Community Service, Connections ACT, Woden Community Service and the YWCA of Canberra)
Pedal Power ACT Inc.
People with Disabilities ACT Inc.
Property Council of Australia (ACT Division)
Ronin Films
Rose, Mr Benjamin
RSI & Overuse Injury Association of the ACT, Inc.
ScreenACT
Sherrell, Mr Henry
Tourism and Transport Forum
UnionsACT
Van Vliet, Mr Peter
Welfare Rights and Legal Centre
Weston Creek Community Council
Winnunga Nimmityjah Aboriginal Health Service
Youth Coalition of the ACT
YWCA of Canberra

APPENDIX B

STATEMENT OF SENSITIVITY OF BUDGET ESTIMATES

APPENDIX B: STATEMENT OF SENSITIVITY OF BUDGET ESTIMATES

This statement of sensitivity is made pursuant to 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 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 the forecast for revenues such as taxes on general insurance, life insurance, leases, Commonwealth Government grants and sales. CPI changes have not been factored into the sensitivity analysis for conveyance as there is not a direct relationship between it and property turnover or property price.

If the CPI were to increase by 1 percentage point more than the forecast in each year (e.g. from 2.5 to 3.5 per cent) of the budget period, forecast revenue would increase by the amounts shown in Table B.1.

CPI increases generate cost increases for agencies. An estimate for the impact of a 1 percentage point increase in CPI is shown in Table B.1.

Table B.1
Impact of 1 Percentage Point Increase in CPI on GGS Revenues and Expenses

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000
Taxation Revenue	34	70	107	148
Sales of Goods and Services, Commonwealth Government Grants[1] and Other Revenue	0	9,038	19,219	29,070
Expenses	0	19,232	39,634	61,936

Note:
1. Refers to Specific Purpose Payments only.

Wage Price Index

Various fees are indexed to WPI in future years. If WPI increased by 1 percentage point more than the forecast in each year of the budget period, forecast revenue would increase by the estimates shown in Table B.2. However, the revenue in 2013-14 is not expected to vary, as the 2013-14 estimates are based on the March 2014 result.

Table B.2
Impact of a 1 Percentage Point Increase in WPI on GGS Revenue

	2014-15	2015-16	2016-17	2017-18
	$'000	$'000	$'000	$'000
Taxation Revenue	219	902	1,681	2,532
Sales of Goods and Services, and Other Revenue	0	4,660	9,618	16,411

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 impact of a 1 percentage point variation in the estimated interest returns as forecast in the Budget estimates for interest revenue is shown in Table B.3.

Table B.3
Impact of a 1 Percentage Point (+/-) Interest Rate Change on Interest Revenue

	2014-15	2015-16	2016-17	2017-18
	$'000	$'000	$'000	$'000
TBA	7,719	7,716	8,121	7,073
SPA	2,786	2,994	3,217	3,457

The 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 B.4.

Table B.4
Impact of a 1 Percentage Point (+/-) Interest/CPI Rate Change on Borrowing Costs

	2014-15	2015-16	2016-17	2017-18
	$'000	$'000	$'000	$'000
TBA – Total Borrowings	7,816	9,343	10,203	11,943

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 constant, is shown in Table B.5.

Table B.5
Impact from a 1 Per Cent (+/-) Movement of the Australian Dollar on Valuations

	2014-15	2015-16	2016-17	2017-18
	$'000	$'000	$'000	$'000
SPA	6,486	6,968	7,487	8,046

Equity Valuation

Table B.6 outlines the impact to the SPA equity portfolio valuation from a 1 per cent variation in equity security valuations.

Table B.6
Impact of a 1 Per Cent (+/-) Change in Equity Valuations

	2014-15	2015-16	2016-17	2017-18
	$'000	$'000	$'000	$'000
SPA	17,837	19,163	20,590	22,125

Superannuation Liabilities

Table B.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 B.7
Impact of a 1 Per Cent Increase in the Liability Discount Rate

	2014-15	2015-16	2016-17	2017-18
	$'000	$'000	$'000	$'000
SPA	-770,000	-800,000	-820,000	-840,000

Table B.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 B.8
Impact of a 1 Per Cent Decrease in the Liability Discount Rate

	2014-15	2015-16	2016-17	2017-18
	$'000	$'000	$'000	$'000
SPA	960,000	990,000	1,020,000	1,040,000

Table B.9 outlines the impact on CSS/PSS defined benefit superannuation expense from a 1 per cent increase in the discount rate from the budgeted discount rate of 6 per cent.

Table B.9
Impact of a 1 Per Cent Increase in the Discount Rate on Superannuation Expense

	2014-15	2015-16	2016-17	2017-18
	$'000	$'000	$'000	$'000
SPA	-23,000	-21,000	-18,000	-16,000

Table B.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 B.10
Impact of a 1 Per Cent Decrease in the Discount Rate on Superannuation Expense

	2014-15	2015-16	2016-17	2017-18
	$'000	$'000	$'000	$'000
SPA	28,000	24,000	21,000	18,000

APPENDIX C

STATEMENT OF RISK

APPENDIX C: STATEMENT OF RISK

Economic Risks

Commonwealth Government fiscal restraint and downsizing remains the key down-side risk for the Territory's economic outlook. The economic forecasts face the risk of lower-than-expected Commonwealth Government spending, Australian Public Service (APS) job cuts and the possibility of protracted APS wage negotiations that could see a delay in wage increases.

The 2014-15 Commonwealth Budget is expected to suppress economic growth in the short-to-medium term, largely as a result of cuts to spending and jobs in federal government departments in the ACT. The 'budget repair strategy' is anticipated to have a disproportionally large impact on the ACT economy as public consumption and investment are significant components of economic growth.

The Australian economy continues to face global risks tilted towards the downside, which could have a significant impact on domestic economic growth, employment and income. Challenges faced by the global economy include the exit of a low inflationary environment in the Euro area alongside geopolitical uncertainty in the Ukraine and Thailand, slower than expected growth in Asia – specifically in Japan and China – and the gradual tapering of quantitative easing in the United States. Any changes to global economic conditions will affect the ACT through financial, trade, tourism and confidence channels.

The accommodative monetary policy stance taken by the Reserve Bank of Australia is expected to support domestic economic growth as the economy transitions to more balanced growth; however, the risk of a larger-than-expected fall in mining investment remains. The elevated Australian dollar continues to have an adverse impact on certain areas of the economy, which could limit job growth particularly in the manufacturing industry. Furthermore, with the release of the Commonwealth Government Budget, lower consumer confidence is expected to place downward pressure on economic growth.

Fiscal Risks

There are a number of other risks that may impact on the Territory's finances; these are described below:

The National Disability Insurance Scheme (NDIS)

Under the arrangements agreed with the previous Commonwealth government, the NDIS trial (previously referred to as the NDIS launch) in the ACT will commence on 1 July 2014 and run for three years, before transitioning to a full rollout site in 2017-18 and 2018-19, with the full scheme commencing in 2019-20.

During the trial and transition periods the ACT's share of the NDIS costs will be 59.4 per cent and will reduce to 49 per cent with the commencement of the full scheme from 2019-20. The Commonwealth Government is yet to commit to this timetable. The Commonwealth Commission of Audit has recommended that the phasing be slowed down. The ACT's share of the costs will be at a higher level for a longer period, if the recommendation is implemented.

A slower phasing would also impact negatively on the ACT in delaying the offsetting impact of increased GST payments which the ACT is expected to receive on full implementation of NDIS. In addition, slower phasing would increase uncertainty about the amounts and timing of draw-downs which the ACT will be able to make from the Medicare Levy surcharge.

According to the 2014-15 Commonwealth Budget papers, there is a reduction of about $2 million per year in the National Disability SPP. It is expected that the finalisation of National Partnership on transitioning responsibilities for aged care and disability services will reduce the funding shortfall. However, should this not eventuate and the reduction is confirmed, it will negatively impact on the capability of the current service delivery system.

Land Release Program

The uncertainty created by the Commonwealth Government's continued fiscal consolidation creates risk around the capacity of the market to purchase all sites released at the prices currently forecast in the 2014-15 Budget. Lower than expected demand or revenue would negatively impact on the Land Development Agency's dividend and the Government's net operating balance. Other risks to the program include achieving statutory clearances and the capacity of industry to deliver infrastructure and estate works.

Commonwealth Government Funding

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 hence of the funding for the States.

In the 2014-15 Federal Budget the Commonwealth revised its 2013-14 and forward year projections for GST revenue collections. Estimated GST collections were increased substantially over the Commonwealth's forecasts in the MYEFO, rising by $4.5 billion over four years. However, the Commonwealth also revised down its forecast of the ACT's population growth, so that the ACT's share of the national population is now forecast to be static over the Budget out years. There is some risk that the ACT's population share may actually decline over this period, with consequent negative effects on its GST share, as well as on other payments which are distributed on the basis of population share.

GST revenue grants to the ACT are also subject to annual revisions of State and Territory GST relativities by the Commonwealth Grants Commission (CGC). The CGC is expected to release its *2015 Methodology Review on GST Revenue Sharing Relativities* (the Review) in late February 2015, recommending changes to relativities for 2015-16 and determining the methodology to be used in assessing each State's relativity for the next 5 years. The outcomes of the Review present a potential longer term risk to the ACT's share of the GST pool.

Specific Purpose Payments (SPPs)

Under the 2008 *Intergovernmental Agreement on Federal Financial Relations (IGA FFR)*, the National Skills and Workforce Development SPP and National Affordable Housing SPP will transition to a full equal per capita (population share) distribution by July 2014.

In the 2014-15 Federal Budget the Commonwealth has made significant unilateral changes to the NSPPs for Health and Education. The Commonwealth's approach has undermined the stability and certainty of the Specific Purpose Payments which had previously been assured by the IGA FFR, significantly raising the level of risk to State and Territory budgets.

The decisions to cap SPP funding in Health and Education, and to apply indexation based on the CPI and population growth, create a major risk that Commonwealth SPP payments will not keep pace with future increases in cost and demand. As a result, there will be greater pressure on future ACT budgets to implement measures to control costs and to manage demand for these services.

The Commonwealth is also undertaking reviews of policy in relation to Housing and Homelessness during 2014, with potential impact on future payments which are currently received through the Affordable Housing SPP.

National Partnership Payments (NPPs)

Decisions by the Commonwealth in the 2014-15 Federal Budget to allow a number of National Partnership Agreements (NPAs) to expire, and to terminate some others in advance of their scheduled expiry dates, have had a negative impact on the capacity of the ACT to deliver services. While the rationalisation program has substantially reduced the number of continuing NPAs, with consequent reduced risk to the ACT's funding in the medium term, there remains risk in the short-term nature of these funding arrangements and the uncertainty of Commonwealth commitment to ongoing funding.

The 2014-15 Budget contains a provision for involvement in the new Asset Recycling NPA. As this NPA involves a capped funding pool to be allocated to States and Territories on a first-come, first-served basis, there are risks to the ACT's potential to participate in the initiative from delays in bringing forward asset sale proposals.

Funding and outlays related to expiring agreements have not been included in the ACT Budget past their current expiry dates, except where the Commonwealth has made ongoing provision for funding in the Federal Budget.

Other Payments

The ACT was also negatively affected by the Commonwealth's decision in the Federal Budget to freeze Financial Assistance Grants to local government for three years from 2014-15. This means a decline in the real value of the payments and resumption of indexation from a substantially lower base than would otherwise have been the case. Should the Commonwealth Government extend this indexation freeze, this would have further negative impacts on the ACT.

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 SPA, 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 nature of this liability, small variations to the financial or demographic assumptions can lead to large impacts on the accrued liability estimate for the Territory. The liabilities are most sensitive to inflation, the discount rate (long-term Commonwealth bond rate), wages growth, rates of retirement and resignation, and the proportion of benefits taken in pension form.

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 FMA, 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 is available online.

Outstanding Insurance 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 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 cashflows from the liability mean 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 2013 was $287.341 million net of Reinsurance Recoveries. A 1 percentage point variation in the discount rate results in an estimated change to the liability of approximately $13-14 million (actuarial gain or loss), equivalent to a 4.5 to 4.9 per cent change.

APPENDIX D

CONSOLIDATED FINANCIAL STATEMENTS – PUBLIC TRADING ENTERPRISES AND TOTAL TERRITORY

APPENDIX D: CONSOLIDATED FINANCIAL STATEMENTS – PUBLIC TRADING ENTERPRISES AND TOTAL TERRITORY

Table D.1
Australian Capital Territory
Public Trading Enterprise
Operating Statement

2013-14 Budget $'000		2013-14 Est. Outcome $'000	2014-15 Budget $'000	Var %	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000
	Revenue						
157,463	Government Payment for Outputs	156,302	162,050	4	143,359	147,247	150,965
1,000	Gains from Contributed Assets	1,370	-	-100	-	-	-
	Sales of Goods and Services Revenue						
82,578	Revenue from Associates and Joint Ventures	97,184	90,507	-7	90,088	84,524	87,840
471,902	Other Sales of Goods and Services	435,772	449,733	3	427,141	437,283	460,412
4,286	Interest Income	3,689	2,964	-20	1,653	1,636	1,586
3,060	Distribution from Investments with the Territory Banking Account	4,023	1,668	-59	1,150	800	787
	Other Revenue						
227,672	Land Revenue (Value Add Component)	160,013	223,333	40	349,134	337,558	353,375
14,479	Other Revenue	33,029	18,580	-44	14,013	14,610	15,077
962,440	**Total Revenue**	**891,382**	**948,835**	**6**	**1,026,538**	**1,023,658**	**1,070,042**
	Expenses						
173,775	Employee Expenses	177,725	184,698	4	169,290	173,811	177,531
19,290	Superannuation Expenses	19,657	21,351	9	21,169	21,840	22,346
71,127	Depreciation and Amortisation	71,158	72,660	2	70,872	73,542	76,061
86,662	Interest Expenses	83,838	85,372	2	91,277	99,135	104,068
79,046	Other Property Expenses (Income Tax Expense)	56,967	57,212	..	70,543	69,446	73,287
	Other Operating Expenses						
213,826	Supplies and Services	212,207	222,016	5	208,416	213,924	220,265
73,227	Other Operating Expenses	71,079	118,425	67	160,124	144,130	159,399
109,235	Grants and Purchased Services	85,874	85,349	-1	88,805	99,716	100,814
826,188	**Total Expenses**	**778,505**	**847,083**	**9**	**880,496**	**895,544**	**933,771**
136,252	**UPF Net Operating Balance**	**112,877**	**101,752**	**-10**	**146,042**	**128,114**	**136,271**
	Other Economic Flows – Included in the Operating Result						
53,991	Land Revenue (Market Gains on Land Sales)	13,066	14,043	7	9,235	14,272	11,658
-35,591	Net Gain/(Loss) on Sale of Non-Financial Assets	-14,215	-20,293	-43	-18,594	-18,613	-18,610
480	Net Gain/(Loss) on Financial Assets or Liabilities at Fair Value	280	318	14	314	312	312
-1,966	Doubtful Debts	-2,639	-2,139	19	-2,263	-2,392	-2,477
153,166	**Operating Result**	**109,369**	**93,681**	**-14**	**134,734**	**121,693**	**127,154**

Table D.1 (cont.)
Australian Capital Territory
Public Trading Enterprise
Operating Statement

2013-14 Budget $'000		2013-14 Est. Outcome $'000	2014-15 Budget $'000	Var %	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000
	Items that will not be subsequently reclassified to Profit or Loss						
121,825	Increase/(Decrease) in Asset Revaluation Surplus	108,814	48,239	-56	82,919	107,877	127,634
	Items that may be subsequently reclassified to Profit or Loss						
-	Increase/(Decrease) in Other Reserves	-	-	-	-3,000	-	-
274,991	**Total Comprehensive Income**	**218,183**	**141,920**	**-35**	**214,653**	**229,570**	**254,788**
136,252	**UPF Net Operating Balance**	**112,877**	**101,752**	**-10**	**146,042**	**128,114**	**136,271**
	***less* Net Acquisition of Non-Financial Assets**						
142,492	Purchases of Non-Financial Assets	127,487	186,666	46	179,450	187,714	118,323
-44,229	Sales of Non-Financial Assets	-48,628	-49,732	-2	-39,451	-33,650	-34,400
-63,438	Land Revenue (Net Cash Receipts)	-28,837	-31,431	-9	-3,952	-9,453	-8,197
-71,127	Depreciation and Amortisation	-71,158	-72,660	-2	-70,872	-73,542	-76,061
-84,281	Other Movements in Non-Financial Assets	-59,436	-59,799	-1	-65,387	-75,387	-75,387
-120,583	*Total Net Acquisition of Non-Financial Assets*	*-80,572*	*-26,956*	*67*	*-212*	*-4,318*	*-75,722*
256,835	**Net Lending / (Borrowing)**	**193,449**	**128,708**	**-33**	**146,254**	**132,432**	**211,993**

136,252	UPF Net Operating Balance	112,877	101,752	-10	146,042	128,114	136,271
136,252	**HEADLINE NET OPERATING BALANCE**	**112,877**	**101,752**	**-10**	**146,042**	**128,114**	**136,271**

Table D.2
Australian Capital Territory
Public Trading Enterprise
Balance Sheet

2013-14 Budget $'000		2013-14 Est. Outcome $'000	2014-15 Budget $'000	Var %	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000
	Financial Assets						
80,234	Cash and Deposits	94,377	80,151	-15	83,310	85,644	90,448
63,418	Investments, Loans and Placements	102,204	72,616	-29	70,732	56,538	56,052
203,019	Receivables	187,465	159,561	-15	161,905	166,817	172,077
642,100	Equity – Investments Accounted for Using the Equity Method	637,138	665,278	4	691,864	721,338	740,378
988,771	**Total Financial Assets**	**1,021,184**	**977,606**	**-4**	**1,007,811**	**1,030,337**	**1,058,955**
	Non-Financial Assets						
	Produced Assets						
3,303,492	Property, Plant and Equipment	3,355,935	3,410,391	2	3,489,890	3,598,917	3,647,539
-	Investment Properties	7,884	8,992	14	9,975	10,956	11,937
22,582	Intangibles	20,133	19,221	-5	16,297	16,297	16,297
232,240	Inventories	199,879	215,691	8	212,460	215,550	224,865
21,863	Assets Held for Sale	6,516	18,866	190	18,890	19,045	19,214
120,848	Capital Works-in-Progress	112,080	107,849	-4	106,080	105,311	104,542
	Non-Produced Assets						
3,180,017	Property, Plant and Equipment	3,206,601	3,269,642	2	3,329,957	3,411,941	3,495,975
	Other Non-Financial Assets						
31,208	Deferred Tax Assets	26,819	26,772	..	26,310	26,310	26,310
8	Other Non-Financial Assets	3	6	100	9	12	15
6,912,258	**Total Non-Financial Assets**	**6,935,850**	**7,077,430**	**2**	**7,209,868**	**7,404,339**	**7,546,694**
7,901,029	**Total Assets**	**7,957,034**	**8,055,036**	**1**	**8,217,679**	**8,434,676**	**8,605,649**
	Liabilities						
1,503,947	Advances Received	1,526,040	1,585,907	4	1,685,813	1,806,338	1,871,279
	Borrowings						
996	Finance Leases	886	906	2	925	944	963
186,293	Employee Benefits	57,445	59,068	3	56,301	57,344	58,360
-	Other Provisions*	129,155	129,184	..	127,811	127,739	129,662
130,509	Payables	118,624	118,834	..	112,023	116,963	119,812
	Other Liabilities						
20,824	Current Tax Liability	23,556	15,847	-33	22,674	25,406	29,744
329,068	Deferred Tax Liability	334,208	329,207	-1	324,207	319,207	319,207
70,250	Other Liabilities	41,180	35,910	-13	47,546	53,888	61,493
2,241,887	**Total Liabilities**	**2,231,094**	**2,274,863**	**2**	**2,377,300**	**2,507,829**	**2,590,520**
5,659,142	**Net Assets**	**5,725,940**	**5,780,173**	**1**	**5,840,379**	**5,926,847**	**6,015,129**
2,184,427	Accumulated Funds	2,210,152	2,238,146	1	2,244,936	2,245,527	2,228,175
3,461,875	Asset Revaluation Surplus	3,502,948	3,529,187	1	3,585,603	3,671,480	3,777,114
12,840	Other Reserves	12,840	12,840	-	9,840	9,840	9,840
5,659,142	**Net Worth**	**5,725,940**	**5,780,173**	**1**	**5,840,379**	**5,926,847**	**6,015,129**
-1,253,116	**Net Financial Worth**	-1,209,910	-1,297,257	-7	-1,369,489	-1,477,492	-1,531,565
1,361,291	**Net Debt (including Superannuation related Investments)**	1,330,345	1,434,046	8	1,532,696	1,665,100	1,725,742

* From 2012-13 Other Provisions is shown separately from the Employee Benefits line. This line was previously combined as Other Employee benefits and Provisions. This treatment is not reflected in the 2013-14 Budget figures.

Table D.3
Australian Capital Territory
Public Trading Enterprise
Statement of Changes in Equity

2013-14 Budget $'000		2013-14 Est. Outcome $'000	2014-15 Budget $'000	Var %	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000
	Opening Equity						
2,150,143	Opening Accumulated Funds	2,178,637	2,210,152	1	2,238,146	2,244,936	2,245,527
3,362,050	Opening Asset Revaluation Surplus	3,416,134	3,502,948	3	3,529,187	3,585,603	3,671,480
12,840	Opening Other Reserves	12,840	12,840	-	12,840	9,840	9,840
5,525,033	**Opening Balance**	**5,607,611**	**5,725,940**	**2**	**5,780,173**	**5,840,379**	**5,926,847**
	Comprehensive Income						
	Included in Accumulated Funds:						
153,166	Operating Result for the Period	109,369	93,681	-14	134,734	121,693	127,154
	Included in Asset Revaluation Surplus:						
121,825	Increase/(Decrease) in Asset Revaluation Surplus	108,814	48,239	-56	82,919	107,877	127,634
	Included in Other Reserves:						
	Increase/(Decrease) in Other Reserves	-	-	-	-3,000	-	-
274,991	**Total Comprehensive Income**	**218,183**	**141,920**	**-35**	**214,653**	**229,570**	**254,788**
	Other						
22,000	Transfer to/(from) Accumulated Funds	22,000	22,000	-	26,503	22,000	22,000
-22,000	Movement in Asset Revaluation Surplus	-22,000	-22,000	-	-26,503	-22,000	-22,000
0	**Total Other**	**0**	**0**	**-**	**0**	**0**	**0**
	Transactions Involving Owners Affecting Accumulated Funds						
39,264	Capital Injections	29,359	43,087	47	26,083	19,438	5,000
-	Increase/(Decrease) in ACTTAB Net Assets	-	-	-	-15,429	-	-
-180,146	Dividends Approved	-129,213	-130,774	-1	-165,101	-162,540	-171,506
-140,882	**Total Transactions Involving Owners Affecting Accumulated Funds**	**-99,854**	**-87,687**	**12**	**-154,447**	**-143,102**	**-166,506**
	Closing Equity						
2,184,427	Closing Accumulated Funds	2,210,152	2,238,146	1	2,244,936	2,245,527	2,228,175
3,461,875	Closing Asset Revaluation Surplus	3,502,948	3,529,187	1	3,585,603	3,671,480	3,777,114
12,840	Closing Other Reserves	12,840	12,840	-	9,840	9,840	9,840
5,659,142	**Balance at the End of the Reporting Period**	**5,725,940**	**5,780,173**	**1**	**5,840,379**	**5,926,847**	**6,015,129**

Table D.4
Australian Capital Territory
Public Trading Enterprise
Cash Flow Statement

2013-14 Budget $'000		2013-14 Est. Outcome $'000	2014-15 Budget $'000	Var %	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000
	Cash Flows from Operating Activities						
	Cash Receipts						
931,981	Receipts from Sales of Goods and Services	691,785	782,492	13	878,234	930,973	940,297
157,840	Grants/Subsidies Received	160,307	167,096	4	146,154	150,062	153,239
3,912	Interest Receipts	3,529	4,157	18	1,653	1,636	1,586
3,185	Distributions from Investment with the Territory Banking Account	4,531	1,841	-59	1,300	800	787
61,333	Other Receipts	96,969	95,777	-1	93,708	90,537	94,402
1,158,251	***Total Cash Received from Operating Activities***	***957,121***	***1,051,363***	***10***	***1,121,049***	***1,174,008***	***1,190,311***
	Cash Payments						
-194,333	Payments for Employees	-199,711	-207,653	4	-195,286	-198,862	-203,112
-209,667	Payments for Goods and Services	-223,267	-216,818	-3	-201,393	-205,323	-211,489
-24,115	Grants and Subsidies Paid	-25,322	-25,732	2	-23,680	-24,764	-25,863
-86,597	Interest Paid	-86,980	-85,308	-2	-91,271	-99,129	-104,061
-444,329	Other Payments	-246,727	-319,388	29	-371,073	-411,772	-392,749
-959,041	***Total Cash Paid from Operating Activities***	***-782,007***	***-854,899***	***9***	***-882,703***	***-939,850***	***-937,274***
199,210	**Net Cash Flows from Operating Activities**	**175,114**	**196,464**	**12**	**238,346**	**234,158**	**253,037**
	Cash Flows from Investing Activities						
	Cash Flows from Investments in Non-Financial Assets						
44,229	Sales of Non-Financial Assets	48,628	49,732	2	39,451	33,650	34,400
-142,492	Purchase of Non-Financial Assets	-127,487	-186,666	46	-179,450	-187,714	-118,323
-98,263	**Net Cash Flows from Investments in Non-Financial Assets**	**-78,859**	**-136,934**	**-74**	**-139,999**	**-154,064**	**-83,923**
	Cash Flows from Investments in Financial Assets for Policy Purposes						
	Cash Receipts						
39,264	Capital Receipts from Government Agencies	29,359	40,284	37	26,083	19,438	5,000
39,264	***Total Cash Received from Investment in Financial Assets for Policy Purposes***	***29,359***	***40,284***	***37***	***26,083***	***19,438***	***5,000***
	Cash Payments						
-37,793	Dividends – Market Gains on Sales	-9,146	-9,830	7	-6,465	-9,990	-8,160
-37,793	***Total Cash Paid from Investment in Financial Assets for Policy Purposes***	***-9,146***	***-9,830***	***7***	***-6,465***	***-9,990***	***-8,160***
1,471	**Net Cash Flows from Investments in Financial Assets for Policy Purposes**	**20,213**	**30,454**	**51**	**19,618**	**9,448**	**-3,160**

Table D.4 (cont.)
Australian Capital Territory
Public Trading Enterprise
Cash Flow Statement

2013-14 Budget $'000		2013-14 Est. Outcome $'000	2014-15 Budget $'000	Var %	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000
	Cash Flows from Investments in Financial Assets for Liquidity Purposes						
166,949	Sales of Investments	379,993	348,787	-8	348,066	402,912	406,752
-124,499	Purchase of Investments	-343,830	-331,305	-4	-341,599	-391,742	-409,082
42,450	**Net Cash Flows from Investments in Financial Assets for Liquidity Purposes**	**36,163**	**17,482**	**-52**	**6,467**	**11,170**	**-2,330**
-54,342	**Net Cash Flows from Investing Activities**	**-22,483**	**-88,998**	**-296**	**-113,914**	**-133,446**	**-89,413**
	Cash Flows from Financing Activities						
	Cash Receipts						
49,300	Borrowings	200,300	73,300	-63	115,300	138,300	385,300
49,300	***Total Cash Received from Financing Activities***	***200,300***	***73,300***	***-63***	***115,300***	***138,300***	***385,300***
	Cash Payments						
-13,464	Borrowings	-112,140	-14,367	-87	-16,642	-18,879	-321,337
-131,828	Dividends Paid	-213,329	-124,594	-42	-147,955	-146,280	-153,820
-82,561	Other Financing	-75,042	-69,878	-7	-73,115	-71,714	-68,950
-227,853	***Total Cash Paid from Financing Activities***	***-400,511***	***-208,839***	***-48***	***-237,712***	***-236,873***	***-544,107***
-178,553	**Net Cash Flows from Financing Activities**	**-200,211**	**-135,539**	**32**	**-122,412**	**-98,573**	**-158,807**
-33,685	**Net Increase/(Decrease) in Cash Held**	**-47,580**	**-28,073**	**41**	**2,020**	**2,139**	**4,817**
157,054	**Cash and Cash Equivalents at the Beginning of Reporting Period**	**201,213**	**153,633**	**-24**	**125,560**	**127,580**	**129,719**
123,369	**Cash and Cash Equivalents at the End of Reporting Period**	**153,633**	**125,560**	**-18**	**127,580**	**129,719**	**134,536**
	Key Fiscal Aggregates						
199,210	Net Cash from Operating Activities	175,114	196,464	12	238,346	234,158	253,037
-98,263	Net Cash Flows from Investments in Non-Financial Assets	-78,859	-136,934	-74	-139,999	-154,064	-83,923
-214,389	Distributions Paid	-288,371	-194,472	33	-221,070	-217,994	-222,770
-113,442	**Cash Surplus (+) / Deficit (-)**	**-192,116**	**-134,942**	**30**	**-122,723**	**-137,900**	**-53,656**
	A positive number denotes a cash inflow, a negative sign denotes a cash outflow.						
	Derivation of ABS GFS Cash Surplus/Deficit						
-113,442	**Cash Surplus (+) / Deficit (-)**	**-192,116**	**-134,942**	**30**	**-122,723**	**-137,900**	**-53,656**
-	Acquisitions Under Finance Leases and Similar Arrangements [(a)]	-	-	-	-	-	-
-113,442	**ABS GFS Cash Surplus (+) / Deficit (-) Including Finance and Similar Arrangements**	**-192,116**	**-134,942**	**30**	**-122,723**	**-137,900**	**-53,656**

(a) Finance leases are shown with a negative sign as they are deducted in compiling the ABS GFS cash surplus/deficit.

Table D.5
Australian Capital Territory
Consolidated Total Territory
Operating Statement

2013-14 Budget $'000		2013-14 Est. Outcome $'000	2014-15 Budget $'000	Var %	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000
	Revenue						
1,261,901	Taxation Revenue	1,273,871	1,354,738	6	1,444,784	1,541,944	1,648,414
	Grants Revenue						
1,793,529	Commonwealth Grants	1,814,200	1,892,580	4	1,956,631	2,079,457	2,150,561
48,757	Gains from Contributed Assets	40,257	50,254	25	50,263	50,274	50,284
	Sales of Goods and Services						
82,578	Revenue from Associates and Joint Ventures	97,184	90,507	-7	90,088	84,524	87,840
834,530	Other Sales of Goods and Services	805,496	839,103	4	829,232	851,171	937,633
58,178	Interest Income	51,721	42,404	-18	40,830	41,450	39,449
-	Distributions from Financial Investments*	96,366	55,566	-42	61,807	66,406	71,354
83,526	Dividends	18,547	54,527	194	55,500	59,630	64,073
134,534	Land Revenue (Value Add Component)	78,300	139,710	78	311,134	272,558	293,375
134,503	Other Revenue	158,538	141,408	-11	140,163	143,697	147,164
4,432,036	**Total Revenue**	**4,434,480**	**4,660,797**	**5**	**4,980,432**	**5,191,111**	**5,490,147**
	Expenses						
1,757,137	Employee Expenses	1,811,568	1,873,190	3	1,911,023	1,991,883	2,061,443
	Superannuation Expenses						
313,777	Superannuation Interest Cost	299,563	334,958	12	351,456	367,587	383,253
251,179	Other Superannuation Expenses	315,444	269,791	-14	273,545	283,573	286,322
409,990	Depreciation and Amortisation	404,055	432,549	7	444,928	459,121	466,411
151,611	Interest Expenses	147,296	169,383	15	195,798	210,198	221,634
	Other Operating Expenses						
1,094,389	Supplies and Services	1,039,036	1,167,742	12	1,103,204	1,118,824	1,165,916
182,716	Other Operating Expenses	148,963	208,743	40	262,551	246,472	268,305
708,759	Grants and Purchased Services	707,831	741,222	5	725,068	754,375	775,185
4,869,558	**Total Expenses**	**4,873,756**	**5,197,578**	**7**	**5,267,573**	**5,432,033**	**5,628,469**
-437,522	**UPF Net Operating Balance**	**-439,276**	**-536,781**	**-22**	**-287,141**	**-240,922**	**-138,322**
	Other Economic Flows – Included in the Operating Result						
53,991	Land Revenue (Market Gains on Land Sales)	13,066	14,043	7	9,235	14,272	11,658
202,846	Net Land Revenue (Undeveloped Land Value)	55,253	76,790	39	94,794	145,580	118,624
-34,456	Net Gain/(Loss) on Sale of Non-Financial Assets	-36,153	-20,405	44	-18,449	-18,470	-18,464
87,440	Net Gain/(Loss) on Financial Assets or Liabilities at Fair Value	277,003	113,977	-59	123,487	132,670	142,541
-6,336	Doubtful Debts	-7,102	-6,548	8	-6,747	-6,979	-7,161
-134,037	**Operating Result**	**-137,209**	**-358,924**	**-162**	**-84,821**	**26,151**	**108,876**

* From 2013-14 the line item Distributions from Financial Investments has been added to better reflect the nature of distributions to the Superannuation Provision Account. This treatment is not reflected in the 2013-14 Budget figures where these amounts were incorporated under dividends and interest income.

Table D.5 (cont.)
Australian Capital Territory
Consolidated Total Territory
Operating Statement

2013-14 Budget $'000		2013-14 Est. Outcome $'000	2014-15 Budget $'000	Var %	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000
	Items that will not be subsequently reclassified to Profit or Loss						
-	Superannuation Prior Year Actuarial Movement	1,678,126	-	-100	-	-	-
-	Prior Year Adjustment	-810	-	100	-	-	-
5	Other Movements	-7,124	729	110	889	889	889
141,319	Increase/(Decrease) in Asset Revaluation Surplus	203,156	132,140	-35	131,056	182,159	194,552
	Items that may be subsequently reclassified to Profit or Loss						
1,918	Increase/(Decrease) in Other Reserves	1,594	-	-100	-3,000	-	-
9,205	**Total Comprehensive Income**	**1,737,733**	**-226,055**	**-113**	**44,124**	**209,199**	**304,317**
-437,522	**UPF Net Operating Balance**	**-439,276**	**-536,781**	**-22**	**-287,141**	**-240,922**	**-138,322**
	***less* Net Acquisition of Non-Financial Assets**						
889,828	Purchases of Non-Financial Assets	785,545	823,951	5	783,605	636,554	639,355
-46,890	Sales of Non-Financial Assets	-51,269	-52,381	2	-42,305	-36,428	-37,204
-204,951	Land Revenue (Net Cash Receipts)	-74,383	-84,402	13	-101,584	-155,881	-124,842
-409,990	Depreciation and Amortisation	-404,055	-432,549	7	-444,928	-459,121	-466,411
48,500	Other Movements in Non-Financial Assets	37,032	50,000	-35	50,000	50,000	50,000
276,497	*Total Net Acquisition of Non-Financial Assets*	*292,870*	*304,619*	*4*	*244,788*	*35,124*	*60,898*
-714,019	**Net Lending / (Borrowing)**	**-732,146**	**-841,400**	**-15**	**-531,929**	**-276,046**	**-199,220**
-437,522	UPF Net Operating Balance	-439,276	-536,781	-22	-287,141	-240,922	-138,322
86,960	Superannuation Return Adjustment	75,791	113,659	50	123,173	132,358	142,229
-350,562	**HEADLINE NET OPERATING BALANCE**	**-363,485**	**-423,122**	**-16**	**-163,968**	**-108,564**	**3,907**

Table D.6
Australian Capital Territory
Consolidated Total Territory
Balance Sheet

2013-14 Budget $'000		2013-14 Est. Outcome $'000	2014-15 Budget $'000	Var %	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000
	Financial Assets						
387,378	Cash and Deposits	378,132	383,114	1	344,087	348,549	359,711
162,974	Advances Paid	139,249	140,972	1	137,158	133,155	126,540
3,372,692	Investments and Loans	3,922,735	3,900,814	-1	4,194,996	4,447,928	4,728,789
364,823	Receivables	440,460	445,612	1	449,825	458,432	463,945
642,100	Investments Accounted for Using the Equity Method	637,138	665,278	4	691,864	721,338	740,378
4,929,967	**Total Financial Assets**	**5,517,714**	**5,535,790**	**..**	**5,817,930**	**6,109,402**	**6,419,363**
	Non-Financial Assets						
	Produced Assets						
14,798,839	Property, Plant and Equipment	14,605,427	14,703,659	1	15,276,190	15,637,885	15,935,884
2,400	Investment Properties	10,484	11,592	11	12,575	13,556	14,537
79,312	Intangibles	75,457	99,056	31	105,132	87,615	102,253
220,675	Inventories	200,461	216,504	8	213,457	216,848	226,478
22,867	Assets Held for Sale	9,450	21,863	131	21,998	22,147	22,296
799,395	Capital Works-in-Progress	804,296	1,015,377	26	776,267	644,032	545,863
	Non-Produced Assets						
5,886,014	Property, Plant and Equipment	6,066,535	6,328,674	4	6,520,091	6,766,053	7,014,246
28,429	Biological Assets	26,147	26,150	..	26,153	26,156	26,159
8	Other Non-Financial Assets	-	-	-	-	-	-
21,837,939	**Total Non-Financial Assets**	**21,798,257**	**22,422,875**	**3**	**22,951,863**	**23,414,292**	**23,887,716**
26,767,906	**Total Assets**	**27,315,971**	**27,958,665**	**2**	**28,769,793**	**29,523,694**	**30,307,079**
	Liabilities						
15,657	Deposits Held	15,730	15,730	-	15,730	15,730	15,730
159,863	Advances Received	159,862	151,553	-5	143,142	134,617	125,931
	Borrowings						
22,261	Finance Leases	23,210	22,353	-4	21,538	20,788	20,063
3,166,519	Other Borrowings	3,082,129	3,655,656	19	4,160,880	4,386,748	4,557,130
5,373,329	Superannuation	5,447,621	5,725,501	5	5,997,894	6,263,730	6,521,909
715,130	Employee Benefits	625,485	636,664	2	625,488	651,659	677,329
-	Other Provisions*	89,581	98,181	10	105,851	113,106	119,945
641,427	Payables	551,035	575,131	4	592,814	621,706	649,338
44,546	Other Liabilities	33,501	16,134	-52	15,999	15,954	15,731
10,138,732	**Total Liabilities**	**10,028,154**	**10,896,903**	**9**	**11,679,336**	**12,224,038**	**12,703,106**
16,629,174	**Net Assets**	**17,287,817**	**17,061,762**	**-1**	**17,090,457**	**17,299,656**	**17,603,973**
7,852,884	Accumulated Funds	8,018,824	7,682,629	-4	7,609,771	7,658,811	7,790,576
8,763,401	Asset Revaluation Surplus	9,256,103	9,366,243	1	9,470,796	9,630,955	9,803,507
12,889	Other Reserves	12,890	12,890	-	9,890	9,890	9,890
16,629,174	**Net Worth**	**17,287,817**	**17,061,762**	**-1**	**17,090,457**	**17,299,656**	**17,603,973**
-5,208,765	**Net Financial Worth**	-4,510,440	-5,361,113	-19	-5,861,406	-6,114,636	-6,283,743
5,850,865	**Net Financial Liabilities**	5,147,578	6,026,391	17	6,553,270	6,835,974	7,024,121
-558,744	**Net Debt (including Superannuation related Investments)**	-1,159,185	-579,608	50	-334,951	-371,749	-496,186
2,208,435	**Net Debt (excluding Superannuation related Investments)**	1,857,698	2,661,604	43	3,147,445	3,370,117	3,524,752

* From 2012-13 Other Provisions is shown separately from the Employee Benefits line. This line was previously combined as Other Employee benefits and Provisions. This treatment is not reflected in the 2013-14 Budget figures.

Table D.7
Australian Capital Territory
Consolidated Total Territory
Statement of Changes in Equity

2013-14 Budget $'000		2013-14 Est. Outcome $'000	2014-15 Budget $'000	Var %	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000
	Opening Equity						
7,964,916	Opening Accumulated Funds	6,463,841	8,018,824	24	7,682,629	7,609,771	7,658,811
8,644,082	Opening Asset Revaluation Surplus	9,074,947	9,256,103	2	9,366,243	9,470,796	9,630,955
10,971	Opening Other Reserves	11,296	12,890	14	12,890	9,890	9,890
16,619,969	**Opening Balance**	**15,550,084**	**17,287,817**	**11**	**17,061,762**	**17,090,457**	**17,299,656**
	Comprehensive Income						
	Included in Accumulated Funds:						
-134,037	Operating Result for the Period	-137,209	-358,924	-162	-84,821	26,151	108,876
-	Superannuation Prior Year Actuarial Movement	1,678,126	-	-100	-	-	-
5	Other Movements	-7,934	729	109	889	889	889
	Included in Asset Revaluation Surplus:						
141,319	Increase/(Decrease) in Asset Revaluation Surplus	203,156	132,140	-35	131,056	182,159	194,552
	Included in Other Reserves:						
1,918	Increase/(Decrease) in Other Reserves	1,594	-	-100	-3,000	-	-
9,205	**Total Comprehensive Income**	**1,737,733**	**-226,055**	**-113**	**44,124**	**209,199**	**304,317**
	Other						
22,000	Transfer to/(from) Accumulated Funds	22,000	22,000	-	26,503	22,000	22,000
-22,000	Movement in Asset Revaluation Surplus	-22,000	-22,000	-	-26,503	-22,000	-22,000
0	**Total Other**	**0**	**0**	**-**	**0**	**0**	**0**
	Transactions Involving Owners Affecting Accumulated Funds						
-	Increase/(Decrease) in ACTTAB Net Assets	-	-	-	-15,429	-	-
0	**Total Transactions Involving Owners Affecting Accumulated Funds**	**0**	**0**	**0**	**-15,429**	**0**	**0**
	Closing Equity						
7,852,884	Closing Accumulated Funds	8,018,824	7,682,629	-4	7,609,771	7,658,811	7,790,576
8,763,401	Closing Asset Revaluation Surplus	9,256,103	9,366,243	1	9,470,796	9,630,955	9,803,507
12,889	Closing Other Reserves	12,890	12,890	-	9,890	9,890	9,890
16,629,174	**Balance at the End of the Reporting Period**	**17,287,817**	**17,061,762**	**-1**	**17,090,457**	**17,299,656**	**17,603,973**

Table D.8
Australian Capital Territory
Consolidated Total Territory
Cash Flow Statement

2013-14 Budget $'000		2013-14 Est. Outcome $'000	2014-15 Budget $'000	Var %	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000
	Cash Flows from Operating Activities						
	Cash Receipts						
1,270,288	Taxes Received	1,282,564	1,364,657	6	1,455,391	1,551,397	1,658,758
1,150,102	Receipts from Sales of Goods and Services	1,028,983	1,042,610	1	1,225,119	1,268,970	1,347,170
1,786,440	Grants/Subsidies Received	1,818,720	1,896,825	4	1,961,001	2,083,952	2,155,112
54,926	Interest Receipts	52,748	43,526	-17	40,775	41,397	39,573
-	Distributions from Financial Investments*	96,366	55,566	-42	61,807	66,406	71,354
87,550	Dividends and Income Tax Equivalents	21,013	55,698	165	56,867	61,100	65,654
394,832	Other Receipts	432,836	441,823	2	447,068	449,428	459,530
4,744,138	***Total Cash Received from Operating Activities***	***4,733,230***	***4,900,705***	***4***	***5,248,028***	***5,522,650***	***5,797,151***
	Cash Payments						
-2,042,216	Payments for Employees	-2,067,746	-2,202,776	7	-2,284,983	-2,366,547	-2,463,005
-988,945	Payments for Goods and Services	-973,150	-1,060,456	9	-1,000,597	-1,015,329	-1,072,778
-723,659	Grants and Subsidies Paid	-719,912	-757,030	5	-741,936	-772,526	-793,946
-150,969	Interest Paid	-144,929	-168,223	16	-194,665	-209,034	-220,388
-649,472	Other Payments	-576,880	-628,423	9	-645,297	-644,625	-652,669
-4,555,261	***Total Cash Paid from Operating Activities***	***-4,482,617***	***-4,816,908***	***7***	***-4,867,478***	***-5,008,061***	***-5,202,786***
188,877	**Net Cash Flows from Operating Activities**	**250,613**	**83,797**	**-67**	**380,550**	**514,589**	**594,365**
	Cash Flows from Investing Activities						
	Cash Flows from Investments in Non-Financial Assets						
46,890	Sales of Non-Financial Assets	51,269	52,381	2	42,305	36,428	37,204
-889,828	Purchase of Non-Financial Assets	-785,545	-823,951	5	-783,605	-636,554	-639,355
-842,938	**Net Cash Flows from Investments in Non-Financial Assets**	**-734,276**	**-771,570**	**-5**	**-741,300**	**-600,126**	**-602,151**
	Cash Flows from Investments in Financial Assets for Policy Purposes						
	Cash Receipts						
1,852	Repayment of Loans	22,585	610	-97	512	419	2,777
1,852	***Total Cash Received from Investment in Financial Assets for Policy Purposes***	***22,585***	***610***	***-97***	***512***	***419***	***2,777***
	Cash Payments						
-64	Issue of Loans	-1,564	-1,952	25	-62	-62	-62
-64	***Total Cash Paid from Investment in Financial Assets for Policy Purposes***	***-1,564***	***-1,952***	***25***	***-62***	***-62***	***-62***
1,788	**Net Cash Flows from Investments in Financial Assets for Policy Purposes**	**21,021**	**-1,342**	**-106**	**450**	**357**	**2,715**

* From 2013-14 the line item Distributions from Financial Investments has been added to better reflect the nature of distributions to the Superannuation Provision Account. This treatment is not reflected in the 2013-14 Budget figures where these amounts were incorporated under dividends and interest receipts.

Table D.8 (cont.)
Australian Capital Territory
Consolidated Total Territory
Cash Flow Statement

2013-14 Budget $'000		2013-14 Est. Outcome $'000	2014-15 Budget $'000	Var %	2015-16 Estimate $'000	2016-17 Estimate $'000	2017-18 Estimate $'000
	Cash Flows from Investments in Financial Assets for Liquidity Purposes						
525,854	Sales of Investments	818,054	796,648	-3	497,286	556,325	632,077
-295,735	Purchase of Investments	-707,714	-675,491	-5	-666,059	-682,298	-775,965
230,119	**Net Cash Flows from Investments in Financial Assets for Liquidity Purposes**	**110,340**	**121,157**	**10**	**-168,773**	**-125,973**	**-143,888**
-611,031	**Net Cash Flows from Investing Activities**	**-602,915**	**-651,755**	**-8**	**-909,623**	**-725,742**	**-743,324**
	Cash Flows from Financing Activities						
	Cash Receipts						
440,671	Borrowings	387,281	573,828	48	509,218	230,084	174,832
440,671	***Total Cash Received from Financing Activities***	***387,281***	***573,828***	***48***	***509,218***	***230,084***	***174,832***
	Cash Payments						
-41,058	Borrowings	-50,363	-14,735	-71	-20,311	-14,664	-14,699
-41,058	***Total Cash Paid from Financing Activities***	***-50,363***	***-14,735***	***-71***	***-20,311***	***-14,664***	***-14,699***
399,613	**Net Cash Flows from Financing Activities**	**336,918**	**559,093**	**66**	**488,907**	**215,420**	**160,133**
-22,541	**Net Increase/(Decrease) in Cash Held**	**-15,384**	**-8,865**	**42**	**-40,166**	**4,267**	**11,174**
453,054	**Cash and Cash Equivalents at the Beginning of Reporting Period**	**468,502**	**453,118**	**-3**	**444,253**	**404,087**	**408,355**
430,513	**Cash and Cash Equivalents at the End of Reporting Period**	**453,118**	**444,253**	**-2**	**404,087**	**408,354**	**419,529**
	Key Fiscal Aggregates						
188,877	Net Cash from Operating Activities	250,613	83,797	-67	380,550	514,589	594,365
-842,938	Investments in Non-Financial Assets	-734,276	-771,570	-5	-741,300	-600,126	-602,151
-654,061	**Cash Surplus (+) / Deficit (-)**	**-483,663**	**-687,773**	**-42**	**-360,750**	**-85,537**	**-7,786**
	A positive number denotes a cash inflow, a negative sign denotes a cash outflow.						
	Derivation of ABS GFS Cash Surplus/Deficit						
-654,061	**Cash Surplus (+) / Deficit (-)**	**-483,663**	**-687,773**	**-42**	**-360,750**	**-85,537**	**-7,786**
-	Acquisitions Under Finance Leases and Similar Arrangements [(a)]	-	-	-	-	-	-
-654,061	**ABS GFS Cash Surplus (+) / Deficit (-) Including Finance and Similar Arrangements**	**-483,663**	**-687,773**	**-42**	**-360,750**	**-85,537**	**-7,786**

(a) Finance leases are shown with a negative sign as they are deducted in compiling the ABS GFS cash surplus/deficit.

APPENDIX E

SUMMARY OF TRANSFERS

APPENDIX E: SUMMARY OF TRANSFERS

The following table lists the budget neutral transfers of functions/funding/assets between agencies during 2013-14 or expected in 2014-15.

Function/Funding	Transferred from	Transferred to
Alcohol Interlocks	Justice and Community Services Directorate	Health Directorate
Electoral Commissioner	Justice and Community Services Directorate	Electoral Commissioner
Official Visitor Scheme	Community Services Directorate Health Directorate Justice and Community Services Directorate	Public Trustee for the ACT
Domestic Violence Crisis Service	Housing ACT	Community Services Directorate
ACT Concessions Program	Community Services Directorate	Commerce and Works Directorate
Extended Care Paramedic Program	Health Directorate	Justice and Community Services Directorate
The Office of Registrar	Housing ACT	Community Services Directorate
Gateway Services	Community Services Directorate	Housing ACT

Funding	Transferred from	Transferred to
Capital Metro	Environment and Sustainable Development Directorate	Capital Metro Agency
Carbon Neutral Government	Multiple Agencies	Environment and Sustainable Development Directorate
Smart Parking	Economic Development Directorate	Justice and Community Services Directorate
Injury Management Scheme	Territory and Municipal Services Directorate	ACTION

Asset	Transferred from	Transferred to
Aranda Depot	Territory and Municipal Services Directorate	Land Development Agency

APPENDIX F

SUMMARY AND TERMS OF DEBT CAPITAL INJECTION

APPENDIX F: 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 and new loans provided for in the 2014-15 Budget are as follows:

Chief Minister and Treasury Directorate (CMTD)

Community Housing Canberra (CHC), 2007-08

Purpose	The loan capital injection provides a finance facility for CHC, as part of the Government's *Affordable Housing Action Plan*. CHC uses the funds to increase the supply of affordable housing properties to eligible ACT residents.
Loan Commencement	2007-08
Loan Limit Amount	$50 million
Maturity Date	31 December 2037
Interest Rate	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.
Principal Repayments	Repayment of the loan principal will commence from 1 January 2018 at the earliest unless otherwise agreed, with the repayment schedule to otherwise be determined in May 2015.
Repayment Structure	CHC will make loan repayments to CMTD and CMTD will make loan repayments to the Territory Banking Account on the same terms and conditions applying to CHC.
Estimated Principal Loan Balance at 30 June 2014	$50 million

Community Housing Canberra (CHC), 2011-12

Purpose	This loan capital injection builds on the $50 million financing made available to CHC as part of the Government's *Affordable Housing Action Plan.* It will provide 90 dwellings for affordable rental to ACT residents on low to moderate incomes.
Loan Commencement	2011-12
Loan Limit Amount	$20 million
Maturity Date	31 December 2036
Interest Rate	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.
Principal Repayments	Repayment of the loan principal will commence from 1 July 2021 at the earliest unless otherwise agreed, with the repayment schedule to otherwise be determined in May 2020.
Repayment Structure	CHC will make loan repayments to CMTD and CMTD will make loan repayments to the Territory Banking Account on the same terms and conditions applying to CHC.
Estimated Principal Loan Balance at 30 June 2014	$18.112 million

Exhibition Park Corporation (EPC)

Purpose	The loan represents financial assistance to EPC 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.
Loan Commencement	2013-14
Loan Limit Amount	$1.5 million
Maturity Date	1 July 2031
Interest Rate	5 per cent, fixed
Repayment Terms	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.
Repayment Structure	EPC will make loan repayments to CMTD and CMTD will make loan repayments to the Territory Banking Account on the same terms and conditions applying to EPC.
Estimated Principal Loan Balance at 30 June 2014	$0.3 million. The loan will be drawn down in two instalments, between May 2014 and December 2014.

Debt Capital Injection Repayments

In May 2014, the University of Canberra (UC) repaid in full the loan provided to it via debt capital injection in 2011-12 that enabled the UC to develop student accommodation. The amount repaid was $20,848,700.65.

In June 2014, ACTION made its final repayment of the $2.3 million debt capital injection provided in 2003-04.

APPENDIX G

SUMMARY OF OUTPUTS

APPENDIX G: 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: Public Transport	1.1	Public Transport
Canberra Institute of Technology		
Output Class 1: Canberra Institute of Technology	1.1	Provision of Vocational Education and Training Services
Capital Metro Agency		
Output Class 1: Light Rail Network Stage 1	1.1	Light Rail Network Stage 1
Chief Minister and Treasury Directorate		
Output Class 1: Government Strategy	1.1	Government Policy and Reform
	1.2	Public Sector Management
	1.3	Industrial Relations Policy
	1.4	Coordinated Communications and Community Engagement
Output Class 2: Financial and Economic Management	2.1	Economic Management
	2.2	Financial Management
Commerce and Works Directorate		
Output Class 1: Revenue and Government Business Management	1.1	Revenue and Government Business Management
Output Class 2: Shared Services ICT	2.1	Shared Services ICT
Output Class 3: Shared Services Procurement	3.1	Shared Services Procurement
Output Class 4: Shared Services Human Resources	4.1	Shared Services Human Resources
Output Class 5: Shared Services Finance	5.1	Shared Services Finance
Community Services Directorate		
Output Class 1: Disability and Therapy Services	1.1	Disability Services and Policy
	1.2	Therapy Services
Output Class 2: Early Intervention Services	2.1	Early Intervention
Output Class 3: Community Participation	3.1	Community Relations
	3.2	Arts Engagement
Output Class 4: Statutory Services – Care and Protection and Youth Justice	4.1	Statutory Services – Care and Protection and Youth Justice
	4.2	Care and Protection Services
Cultural Facilities Corporation		
Output Class 1: Cultural Facilities Management	1.1	Cultural Facilities Corporation
Economic Development Directorate		
Output Class 1: Economic Development	1.1	Policy, Strategy and Infrastructure Delivery
	1.2	Innovation, Trade and Investment
	1.3	VisitCanberra
	1.4	Sport and Recreation
	1.5	Venues and Events

Education and Training 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 Education	2.1	Non Government School Education
Output Class 3: Vocational Education and Training	3.1	Planning and Coordination of Vocational Education and Training Services
Environment and Sustainable Development Directorate		
Output Class 1: Environment and Sustainable Development	1.1	Construction and Services
	1.2	Planning Delivery
	1.3	Strategic Planning
	1.4	Heritage
	1.5	Environment
	1.6	Environment Protection and Water Regulation
	1.7	Sustainability and Climate Change
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
Home Loan Portfolio		
Output Class 1: Home Loan Portfolio	1.1	Home Loan Portfolio
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
	1.6	Regulatory and Transport Services
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	Lifetime Care and Support Fund
Superannuation Provision Account		
Expenses on Behalf of the Territory (EBT) 1: Superannuation Provision Account	EBT 1	Superannuation Provision Account

Territory and Municipal Services Directorate		
Output Class 1: Municipal Services	1.1	Information Services
	1.2	Roads and Sustainable Transport
	1.3	Waste and Recycling
	1.4	Land Management
	1.5	Regulatory Services
Output Class 2: Enterprise Services	2.1	Government Services
Territory Banking Account		
Expenses on Behalf of the Territory (EBT) 1: Territory Banking Account	EBT 1	Territory Banking Account

APPENDIX H

WHOLE OF GOVERNMENT STAFFING

APPENDIX H: WHOLE OF GOVERNMENT STAFFING

The following table lists the number of full-time employees (FTE), based on the estimated outcome for 2013-14 and the 2014-15 Budget.

	2012-13 Actual	2013-14 Budget	2013-14 Estimated Outcome	2014-15 Budget
Directorate/Agency				
ACT Executive	41	39	40	43
ACT Gambling and Racing Commission	28	33	33	33
ACT Insurance Authority	14	14	15	15
ACT Public Cemeteries Authority	15	17	19	17
ACTION	832	837	837	837
Auditor-General	41	39	41	39
Canberra Institute of Technology	754	742	754	742
Capital Metro Agency	n/a	20	19	42
Chief Minister and Treasury Directorate	281	272	263	276
Commerce and Works Directorate	1,036	1,038	1,085	1,069
Community Services Directorate	978	924	964	921
Cultural Facilities Corporation	82	80	80	80
Economic Development Directorate	208	218	211	205
Education and Training Directorate	5,027	4,709	4,736	4,742
Electoral Commissioner	n/a	n/a	n/a	9
Environment and Sustainable Development Directorate	451	422	420	419
Exhibition Park Corporation	13	15	14	14
Health Directorate	5,749	5,811	5,939	6,093
Home Loan Portfolio	1	1	1	1
Housing ACT	231	232	233	235
Independent Competition and Regulatory Commission	8	6	9	9
Justice and Community Safety Directorate	1,782	1,790	1,808	1,833
Land Development Agency	89	100	98	95
Legal Aid Commission (ACT)	60	56	57	57
Lifetime Care and Support Fund [1]	0	0	0	0
Office of the Legislative Assembly	49	46	48	46
Public Trustee for the ACT	39	38	39	40
Superannuation Provision Account	9	9	4	4
Territory and Municipal Services Directorate	1,048	1,056	1,044	1,037
Total Government Agencies	**18,866**	**18,564**	**18,811**	**18,953**
Government Businesses				
ACTEW Corporation	380	394	400	398
ACTTAB Limited	68	67	67	67
CIT Solutions Pty Ltd	93	90	91	91
Total Government Business Enterprises	**541**	**551**	**558**	**556**
Total Government and Business Enterprises	**19,407**	**19,115**	**19,369**	**19,509**

Note:

1. The Lifetime Care and Support Fund (LTCS Fund) reflects the financial operations of the Lifetime Care and Support Scheme. Functions of the LTCS Scheme are performed by officers from the Chief Minister and Treasury Directorate (CMTD) and those employees are included in CMTD's FTE levels. The LTCS Fund will reimburse CMTD for the salary and superannuation expenses associated with the staff allocated to carry out the LTCS Scheme's functions.

APPENDIX I

GENERAL GOVERNMENT SECTOR KEY AGGREGATES HISTORY

APPENDIX I: GENERAL GOVERNMENT SECTOR KEY AGGREGATES HISTORY

Year	Headline Net Operating Balance $m	Net Debt $m	Net Financial Liabilities $m	Net Worth $m
2006-07	89	-556		11,182
2007-08[1]	298	-933	512	13,305
2008-09	-27	-992	1,739	14,487
2009-10	148	-942	2,246	15,414
2010-11	23	-736	2,526	15,876
2011-12	44	-473	5,472	13,793
2012-13	-274	110	4,841	15,199
2013-14[2]	-265	527	3,678	16,952
2014-15[2]	-333	1,228	4,436	16,731
2015-16[2]	-118	1,615	4,858	16,764
2016-17[2]	-26	1,705	4,998	16,979
2017-18[2]	77	1,799	5,111	17,284

Notes:

1. 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.
2. Reflects current estimates in the 2014-15 Budget.

APPENDIX J

STRUCTURE OF THE ACT GOVERNMENT

STRUCTURE OF THE ACT GOVERNMENT

KATY GALLAGHER MLA

Chief Minister

With responsibility for:
- Access to Government information
- Arboretum
- ACT Public Service
- ACT Public Sector workers' compensation improvement
- Audit services to Government
- Communication and community engagement
- Government strategy and policy
- Intergovernmental relations
- Sustainability policy and coordination
- Support to Cabinet

Minister for Health

With responsibility for:
- Acute health services
- Aged care and rehabilitation services
- Cancer services
- Community health services
- Health policy and infrastructure
- Local hospital network
- Mental health services
- Population health services

Minister for Regional Development

With responsibility for:
- Regional development

Minister for Higher Education

With responsibility for:
- Higher education

ANDREW BARR MLA

Deputy Chief Minister
Treasurer

With responsibility for:
- ACT Insurance Authority
- Borrowing and funds management
- Budget process and financial reporting
- Capital works
- Fiscal and economic policy including competition and regulatory reform
- Government business enterprises ownership policy
- Government property strategy
- Insurance policy
- Revenue Office
- Shared services, including transactional services, ICT services and procurement
- Taxation and revenue policy

Minister for Economic Development

With responsibility for:
- Business support programs
- Coordinator-General
- Land development
- Land release policy (including the Land Release Program)
- Major land and property project facilitation
- Skills and economic development

Minister for Community Services

With responsibility for:
- Community recovery
- Community sector reform
- Community support and development
- Concessions
- Management of community facilities

Minister for Sport and Recreation

With responsibility for:
- Sport and recreation

Minister for Tourism and Events

With responsibility for:
- Tourism and events (including Territory venues)

SIMON CORBELL MLA

Attorney-General

With responsibility for:
- Administration of justice
- Fair Trading and registration, inspection and regulatory services (including transport regulation and licensing)
- Human rights
- Legal policy and services
- Road safety and driver and vehicle licensing policy

Minister for Police and Emergency Services

With responsibility for:
- Emergency services and Policing

Minister for Workplace Safety and Industrial Relations

With responsibility for:
- Private sector industrial relations and workers compensation
- Work safety policy

Minister for the Environment and Sustainable Development

With responsibility for:
- ACT Planning and Land
- Capital Metro
- Climate change policy
- Electricity and natural gas, water and sewerage industry technical regulation
- Energy policy and energy efficiency programs
- Environment protection
- Environmental sustainability policy
- Government Architect
- Heritage
- Occupational licensing
- Planning, development and building control
- Strategic land use and transport planning
- Support to the Conservator of Flora and Fauna
- Survey and leasing
- Water policy and water efficiency programs

JOY BURCH MLA

Minister for Education and Training

With responsibility for:
- Education (including early childhood education)
- Childcare services and regulation
- Government and non-government schools
- Vocational education and training

Minister for Disability, Children and Young People

With responsibility for:
- Disability policy and services
- Children's policy and services
- Child and family centre program
- Therapy services
- Youth policy and services (including youth justice)
- Care and protection services

Minister for the Arts

With responsibility for:
- Arts and cultural policy and services

Minister for Women

With responsibility for:
- Status of Women

Minister for Multicultural Affairs

With responsibility for:
- Multicultural affairs

Minister for Racing and Gaming

With responsibility for:
- Gaming and racing

SHANE RATTENBURY MLA

Minister for Territory and Municipal Services

With responsibility for:
- ACTION
- Canberra Connect
- Government accommodation and property services
- Land management and stewardship
- Municipal services
- Roads services

Minister for Corrections

With responsibility for:
- Corrective services

Minister for Housing

With responsibility for:
- Housing policy and services

Minister for Aboriginal and Torres Strait Islander Affairs

With responsibility for:
- Aboriginal and Torres Strait Islander affairs

Minister for Ageing

With responsibility for:
- Ageing

Note: Table does not reflect functions for a sixth minister within the ACT Legislative Assembly.

OFFICE OF THE HEAD OF SERVICE

Chief Minister and Treasury Directorate	Health Directorate	Economic Development Directorate	Commerce and Works Directorate	Justice and Community Safety Directorate	Environment and Sustainable Development Directorate	Education and Training Directorate	Community Services Directorate	Territory and Municipal Services Directorate	Capital Metro
Director-General Kathy Leigh Under Treasurer David Nicol	**Director-General Dr Peggy Brown**	**Director-General David Dawes**	**Director-General Megan Smithies**	**Acting Director-General Alison Playford**	**Director-General Dorte Ekelund**	**Director-General Diane Joseph**	**Director-General Natalie Howson**	**Director-General Gary Byles**	**Director-General Emma Thomas**
With responsibility for:	*With responsibility for:*	*With responsibility for:*	*With responsibility for:*	*With responsibility for:*	*With responsibility for:*	*With responsibility for:*	*With responsibility for:*	*With responsibility for:*	*With responsibility for:*
- Access to Government information - ACT Public Service - ACT Public Sector workers' compensation improvement - Audit services to Government - Borrowing and funds management - Budget process and financial reporting - Communication and community engagement - Fiscal and economic policy including competition and regulatory reform - Government strategy and policy - Insurance policy - Intergovernmental relations - Private sector industrial relations and workers' compensation - Regional development - Sustainability policy and coordination - Support to Cabinet - Taxation and revenue policy - Work safety policy	- Acute health services - Aged care and rehabilitation services - Cancer services - Community health services - Health policy and infrastructure - Local hospital network - Mental health services - Population health services	- Business support programs - Coordinator-General - Gaming and racing - Land development - Land release policy (including the Land Release Program) - Major land and property project facilitation - Skills and economic development - Sport and recreation - Tourism and events (including Territory venues)	- ACT Insurance Authority - Capital works - Government business enterprises ownership policy - Government property strategy - Revenue Office - Shared services, including transactional services, ICT services and procurement	- Administration of justice - Corrective services - Emergency services and Policing - Fair Trading and registration, inspection and regulatory services (including transport regulation and licensing) - Human rights - Legal policy and services - Road safety and driver and vehicle licensing policy	- ACT Planning and Land - Climate change policy - Electricity and natural gas, water and sewerage industry technical regulation - Energy policy and energy efficiency programs - Environment protection - Environmental sustainability policy - Government Architect - Heritage - Occupational licensing - Planning, development and building control - Strategic land use and transport planning - Support to the Conservator of Flora and Fauna - Survey and leasing - Water policy and water efficiency programs	- Childcare services and regulation - Education (including early childhood education) - Government and non-government schools - Higher education - Therapy services - Vocational education and training	- Aboriginal and Torres Strait Islander affairs - Ageing - Arts and cultural policy and services - Care and protection services - Child and family centre program - Children's policy and services - Community recovery - Community sector reform - Community support and development - Concessions - Disability policy and services - Housing policy and services - Management of community facilities - Multicultural affairs - Status of women - Therapy services - Youth policy and services (including youth justice)	- ACTION - Arboretum - Canberra Connect - Government accommodation and property services - Land management and stewardship - Municipal services - Roads services	- Design, procurement and delivery of Light Rail services between Gungahlin and the City - Coordination of economic development, land use and property strategies along the transit corridor

OTHER STATUTORY ENTITIES

OFFICE OF THE LEGISLATIVE ASSEMBLY	ACT EXECUTIVE	AUDITOR-GENERAL	ELECTORAL COMMISSIONER

Note: From 1 July 2014, the Auditor-General, the Electoral Commissioner and the ACT Ombudsman will become Officers of the Legislative Assembly. The Commonwealth Ombudsman also serves as the ACT Ombudsman under a service agreement administered by the Chief Minister and Treasury Directorate.