



ACT
Government

22
23

Australian Capital Territory

Budget

Delivering for Canberrans:
now and into the future

Budget Outlook

Structure and Content of the 2022-23 Budget Papers

The 2022-23 Budget is presented in two papers and a series of agency Budget Statements.

Budget Speech

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

Budget Outlook

The Budget Outlook summarises the 2022-23 Budget and forward estimates for the general government sector, the public trading enterprise sector and the total Territory Government. Details of the projected 2022-23 Budget results are provided, as well as background information on the development of the 2022-23 Budget, including economic conditions and federal financial relations. It also provides an overview of the Territory's infrastructure investment program and details of 2022-23 initiatives. Full accrual financial statements and notes are provided for all sectors.

Budget Statements

The Budget Statements contain information on each directorate and agency, including descriptions of functions and roles and responsibilities, together with major strategic priorities.

Acknowledgement



We acknowledge the Traditional Custodians of the ACT, the Ngunnawal people. We acknowledge and respect their continuing culture and the contribution they make to the life of this city and this region

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The 'Walk through Wiradjuri country' painting was completed by two Wiradjuri men, Tony "TK" Levett and Trevor Ryan.

'In this painting we see our land in the background with four travelling resting spots where three circles are joined together as one. The travelling resting spots depict a journey being taken. Two goannas are depicted in the painting, one male and one female. Lastly you can see the footsteps left behind as we take the Journey through country'.

ACKNOWLEDGEMENT OF COUNTRY

Yuma. Dhawura nguna ngurumbangu gunangu Ngunnawal.

Nginggada dindi dhawura Ngunnawalbun yindjumaralidjinyin.

Mura bidji mulanggaridjindjula.

Naraganawaliyiri yarabindjula.

Hello. This country is Ngunnawal (ancestral/spiritual) homeland.

We all always respect elders, male and female, as well as Ngunnawal country itself.

They always keep the pathways of their ancestors alive.

They walk together as one.

The ACT Government pays its respects to the Traditional Custodians of the ACT, the Ngunnawal People, on whose lands we live and work. We acknowledge that these lands are Aboriginal lands and pay our respect and celebrate their ongoing cultural traditions and contributions to the ACT.

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

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

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



CHAPTER 1 BUDGET OVERVIEW

1.1 OVERVIEW

Delivering for Canberrans now and into the future

As we continue to manage the ongoing impacts of COVID-19, the 2022-23 Budget is focussed on the investments needed to deliver services for all Canberrans both now and into the future.

While the consequences of the pandemic continue to be felt by many, there is much to be optimistic about, such as a strong labour market, the Territory's growing population, world-leading vaccination rates, and our high quality of life.

Through the 2022-23 Budget the ACT Government is delivering high quality services to address cost of living pressures, continuing to invest in Canberra's people and places, and embedding a long-term plan for the delivery of services and infrastructure. These investments will improve our overall wellbeing and drive economic growth and jobs into the future.

The Government has balanced the need to continue to improve our fiscal position with the need to invest in services for a growing Canberra and the path back to budget balance will continue to be a focus for the Government over the medium term.

The investments being made through this budget are essential as we build on our response to the impacts of the pandemic and pave the way for a stronger, more vibrant and liveable Canberra both now and in future.

The ACT economy

Over the past two years as the COVID-19 pandemic has impacted communities across the world, the ACT Government's economic and fiscal strategy has provided the immediate financial support to businesses and individuals needed to address the public health emergency and significant impacts on the ACT's economy. This has underpinned consumer confidence that has seen our economy bounce back as public health social measures have eased, ensuring our economy is in the best possible shape moving forward.

State Final Demand (SFD) grew by 3.2 per cent in real terms through the year to the March quarter 2022, and real Gross State Product (GSP) growth is expected to be 3 per cent in 2021-22.

The ACT's unemployment rate in June 2022 was 3.1 per cent and underemployment was also at historically low levels.

The economy is expected to continue to grow at 3 per cent over the coming years, supported by our growing population, employment and wages growth, and the Government's Infrastructure Investment Program.

With the release of the 2021 Census, we now know that there are nearly 22,000 more Canberrans than we previously thought, and our population had been growing at an average annual rate of 2.4 per cent over the 5 years between the 2016 and 2021 Censuses. With international borders now open again and greater mobility domestically, we are expecting our population growth rate to progressively return to its long-run 15-year average growth rate, reaching 2 per cent by 2024-25.

While considerable risks remain with the economic outlook, the ACT is better placed than most jurisdictions, with inflation not expected to grow as fast as in other jurisdictions due to better outcomes for energy and utility prices that have safeguarded us against high energy cost being seen elsewhere in Australia and around the world.

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

Table 1.1.1: Economic parameters, 2022-23 Budget, baseline forecasts, percentage change

	2020-21 Actual	2021-22 Estimate	2022-23 Budget	2023-24 Forecast	2024-25 Projection	2025-26 Projection
ACT						
Gross State Product ^{1,2}	2.8	3 (2½)	3 (3¼)	3 (3)	3 (3)	3
State Final Demand ^{1,2}	3.0	2¼ (2)	2½ (3)	2¼ (2¼)	2½ (2½)	2½
Employment ^{3,4}	1.6	0.1 (½)	2 (1)	1¾ (1¼)	1¾ (1¼)	1¾
Wage Price Index ^{3,5}	1.7	2¼ (1¾)	3¼ (2)	3½ (2¼)	3½ (2½)	3½
Consumer Price Index ^{3,4}	4.8	6.3 (1¾)	3¼ (1¾)	3 (2)	2½ (2¼)	2½
Population ³	0.6	½ (¼)	1½ (1)	1¾ (1)	2 (1)	2
Australia						
Gross Domestic Product ^{1,2,6}		3¼ (4¼)	3 (3½)	2 (2½)	2¼ (2½)	2½ (2½)

Sources: ABS Australian National Accounts: National Income, Expenditure and Product; Australian National Accounts: State Account; Labour Force, Australia; Wage Price Index, Australia; Consumer Price Index, Australia; National, State and Territory Populations; CMTEED estimates; 2021-22 Mid-Year Economic and Fiscal Outlook; 2022-23 Commonwealth Budget; 2022-23 Commonwealth Pre-Election Economic and Fiscal Outlook; and Commonwealth Treasurer Ministerial Statement on the Economy 28 July 2022.

Notes: Forecasts and projections are rounded to a ¼ of a percentage point. Numbers in brackets are the estimates published in the 2021-22 Budget.

1. Real values.
2. Year average basis (average of the current financial year relative to the previous financial year).
3. Through the year growth (current quarter relative to the same quarter in previous year).
4. Actuals for 2021-22.
5. Total hourly rates of pay, excluding bonuses.
6. Ministerial Statement on the Economy 28 July 2022, comparisons in brackets are to Pre-Election Economic and Fiscal Outlook.

The 2022-23 Budget position

The 2022-23 Budget includes measures that will help Canberrans now and also provide a strong basis for ongoing prosperity. It will deliver services and infrastructure that will ensure our city remains an attractive place to live and work as our population continues to grow.

The Government is focussed on ensuring we have health facilities that can manage the needs of our growing population while maintaining flexibility to respond to the pandemic as it evolves. We are investing in our education system, promoting the take-up of new opportunities in the knowledge economy and furthering jobs growth through the diversification of industry and skilled migration. We are boosting investment in protecting our natural environment and programs that will reduce our carbon emissions and reliance on fossil fuels.

The deficit in 2021-22 is now estimated to be \$580.4 million, \$371.1 million lower than forecast at the time of the 2021-22 Budget, and \$189.8 million lower than forecast in the 2021-22 Budget Review.

This improved fiscal position is also expected to continue in the coming years, with deficits now expected to be lower than previously estimated and progressively reducing to \$229.4 million in 2025-26. Relative to the 2021-22 Budget, all key balance sheet metrics for 2022-23 and outyears – net debt, net financial liabilities and net worth – are also improved.

Table 1.1.2: General Government Sector Headline Net Operating Balance

	2021-22 Budget	2021-22 Estimated Outcome	2022-23 Budget	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Revenue	6,597.1	7,012.8	7,079.1	7,358.9	7,525.3	7,854.1
Expenses	7,764.7	7,806.6	7,780.2	7,938.2	8,076.5	8,353.8
Superannuation return adjustment	216.1	213.4	218.1	234.3	251.6	270.3
HEADLINE NET OPERATING BALANCE¹	(951.5)	(580.4)	(483.0)	(344.9)	(299.5)	(229.4)
Net cash from operating activities	(328.4)	25.7	(92.5)	134.9	165.2	203.0
Net debt (excluding superannuation)	5,721.0	4,995.8	6,524.9	7,457.8	8,659.3	9,882.5
Net financial liabilities	11,747.8	12,146.8	11,415.7	12,212.2	13,224.8	14,226.6

Note: Numbers may not add due to rounding.

1. Does not include the estimated ACT COVID-19 Hardship Payment costs to Government in 2022-23.



CHAPTER 2 ECONOMIC OVERVIEW

2.1 ECONOMIC OVERVIEW

The ACT economy has outperformed expectations, demonstrating resilience and flexibility in the face of the COVID-19 pandemic and other adverse global and national events. This is as a result of the direct government support in response to the pandemic as well as other public sector spending, both local and national, which have acted as a buffer when COVID-19 and the associated necessary public health restrictions have affected private sector activity.

As a community, we continue to manage the impacts of the pandemic, with the most recent outbreak of the Omicron variant having a significantly different impact on the economy than the previous Alpha and Delta variants.

Economic activity and service delivery is being impacted somewhat as individuals comply with health directions related to positive cases and close contacts. However, the pressure of the health system is lessened as a result of the ACT's high rates of vaccination.

Although economic activity in the ACT declined sharply in the September quarter 2021 following the COVID-19 lockdowns, household consumption has subsequently rebounded quickly along with business investment. State Final Demand (SFD) grew by 3.2 per cent in real terms through the year to the March quarter 2022, and real Gross State Product (GSP) growth is expected to be 3 per cent in 2021-22.

We are also continuing to adjust our response to the evolution of the pandemic, both in our public health response and support to the community, to minimise both the health and economic impacts of the virus. Most recently, we have co-operated with the new Commonwealth Government to extend and jointly fund the Pandemic Leave Disaster Payment until the end of 2022 and extended our own COVID-19 Hardship Payment.

Our population has grown more strongly than estimates from the Australian Bureau of Statistics and Centre for Population had previously suggested.

With the release of the 2021 Census, we now know that there are nearly 22,000 more Canberrans than we previously thought, and our population had been growing at an average annual rate of 2.4 per cent over the 5 years between the 2016 to 2021 Censuses.

With international borders now open again and greater mobility domestically, we are expecting our population growth rate to progressively return to its long-run 15-year average growth rate of 2 per cent.

A resumption of international and domestic migration will help address the current tight labour market conditions, with the ACT's unemployment rate at 3.1 per cent in June 2022 and underemployment also at historically low levels. With conditions broadly consistent with full employment, we have seen stronger wage growth (2.8 per cent through the year to March quarter 2022) than was expected at the time of the 2021-22 Budget. Employment growth is expected to increase 2 per cent in 2022-23, with population increasing 1½ per cent in the same period.

This is not just an issue for the ACT, it is a national issue that all governments are working together to address, with a Jobs and Skills Summit being convened by the Commonwealth in early September. However, government policy will not be able to address every labour market shortage – perceived or real.

Global supply bottlenecks, along with recent domestic flooding, are also creating material shortages and price pressures, with inflation spiking sharply in recent months. This is creating cost of living pressures for some in the community and has the potential to constrain business activity. The increases in the cash rate by the Reserve Bank of Australia in response to rising inflationary pressures will also constrain demand.

However, these effects are expected to be temporary, with the economy expected to continue to grow at 3 per cent over the coming years, supported by population, employment and wages growth, which will drive household consumption and private sector investment activity. The Government's own Infrastructure Investment Program will also contribute to economic activity and jobs, as will the return of international students and tourists.

This outlook is not without considerable risks. Inflation is the key risk in the near term, exacerbated by the war in Ukraine and rolling lockdowns in China. Rising interest rates in response to the spike in inflation may have more significant impacts on consumer and business confidence and could have more substantial implications for the property market than anticipated. The continuing evolution of the pandemic and the implications of higher infection rates on the labour market and consumer and business activity create further uncertainties. The policies of the new Commonwealth Government may also have a greater impact on the ACT than other jurisdictions as more than 38 per cent of the Australian Public Service is based in the Territory.



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2.2 ACT ECONOMIC OUTLOOK

The ACT economy has performed more strongly in 2021-22 than expected at the time of the 2021-22 Budget, with public sector support offsetting significant declines in private sector activity during the September quarter 2021 following the COVID-19 lockdowns.

Encouragingly, private sector activity has progressively recovered since then as public health social measures have eased. A bounce back in State Final Demand (SFD) in the December quarter 2021 continued into the March quarter 2022, demonstrating the resilience of the ACT economy and a transition to the next stage of managing the pandemic.

Our population grew more strongly leading into the pandemic than estimates from the Australian Bureau of Statistics (ABS) had previously suggested. In addition, the ACT has seen stronger wage growth due to a tighter labour market with historically low unemployment.

Growth in Gross State Product (GSP) for the ACT is expected to remain robust, at around 3 per cent per annum in real terms across the forward estimates. As the need for public sector support diminishes, private sector growth is expected to make an increasing contribution to growth.

However, we face economic challenges, particularly in the short term, with a softening of the national economic outlook as business and consumer confidence is impacted by the current spike in inflation and the lifting of the cash rate by the Reserve Bank of Australia (RBA). Additionally, there is the ongoing and uncertain nature of the pandemic and the continuing shocks of geopolitical developments.

The updated economic forecasts for the ACT in Table 2.2.1 reflect a baseline scenario based on the assumptions outlined in Box 2.2.1. Alternative upside and downside scenarios are outlined later in this section to demonstrate the level of uncertainty and risk to the baseline forecasts. This approach is consistent with that taken in the 2021-22 Budget.

Assumptions

Box 2.2.1: Key assumptions

The current economic environment is characterised by rising inflation and low unemployment across most advanced nations. Geopolitical events including the Russian invasion of Ukraine and lockdowns in China have disrupted supply chains, causing external shocks to the global economy. Local weather events have disrupted domestic food production and COVID-19 remains a significant threat for the economic outlook both globally and locally.

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

- Consistent with the May 2022 RBA's Statement on Monetary Policy, geopolitical events impacting supply chains are assumed to continue.
- Further COVID-19 waves occur across the ACT and Australia, but they do not materially affect economic outcomes. For example, new outbreaks do not cause significant labour market disruptions through workforce absences nor weigh on consumer and business confidence.
- Inflation across Australia and the ACT peaks by the end of calendar year 2022 and underlying inflation then steadily returns to the RBA's 2 to 3 per cent band next year, consistent with the statement by the RBA Governor on 5 July 2022¹. This is also consistent with the Ministerial Statement from the Commonwealth Treasurer on 28 July 2022² that the current expectation is that inflation will start to moderate next year, and normalise the year after.
- Longer term migration returns to pre-COVID patterns beyond the forward estimates.

¹ RBA media release: <https://www.rba.gov.au/media-releases/2022/mr-22-20.html>

² Ministerial Statement on the Economy: <https://ministers.treasury.gov.au/ministers/jim-chalmers-2022/speeches/ministerial-statement-economy>

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4. Actuals for 2021-22.
5. Total hourly rates of pay, excluding bonuses.
6. Ministerial Statement on the Economy, 28 July 2022. Comparisons in brackets are to Pre-Election Economic and Fiscal Outlook.

Gross State Product

GSP is estimated to grow by 3 per cent in 2021-22, ½ of a percentage point higher than was expected at the time of the 2021-22 Budget. There was a strong recovery in the ACT economy in the December quarter 2021 and March quarter 2022, following the outbreak of Delta variant of COVID-19 that had weighed heavily on private sector activity in the September quarter 2021.

September quarter output was negatively affected by restrictions on activity and movement as a result of COVID-19 public health social measures, with State Final Demand (SFD) declining by 1.5 per cent. As a result of those impacts, 11,000 businesses received the COVID-19 Business Support Grants and eligible workers in the ACT were able to receive the Commonwealth's Pandemic Disaster Leave Payment from 20 August 2021.

However, economic growth largely recovered, with the ACT's SFD growing by 2.1 per cent in the December quarter 2021 and 1.7 per cent in the March quarter 2022, to be 3.2 per cent higher through the year to the March quarter 2022.

The growth in SFD was primarily driven by a recovery in household consumption and business investment, as well as continuing strength in public sector activity. After a decline of 10.8 per cent in the September quarter 2021, household consumption grew by 8.9 per cent in the December quarter 2021 and 3.0 per cent in the March quarter 2022. The increase in household consumption was driven by spending on hotels; cafes and restaurants; transport services; and clothing and footwear. This increased consumption was largely due to the easing of public health restrictions.

An improvement in business investment is also a key driver of the strong post lockdown recovery in 2021-22. Through the year to the March quarter 2022, business investment increased by 27 per cent, driven by an increase in machinery and equipment investment as well as an increase in new engineering construction.

The recovery in the second half of 2021-22 was driven by a rebound in household consumption and business investment, as well as the strength in public sector activity.

Public final demand has grown 9.1 per cent through the year to the March quarter 2022 and is expected to contribute positively to the ACT's GSP growth in 2021-22, reflecting increased Commonwealth Government spending on vaccine procurement and distribution and rapid antigen tests; increased hospital funding and aged care home packages; as well as the Government support to households through utility concessions. Higher levels of public consumption during the September quarter 2021 not only provided much needed support to households and businesses, but also ensured that the decline in economic activity was contained to 1.5 per cent.

Wages growth has been higher than expected and the ACT's labour market is broadly consistent with full employment. Job vacancies are at record highs and underemployment is at record lows. Labour and skills shortages are expected to be a constraint on economic activity in the ACT.

Australia and the ACT have not been immune to the economic headwinds facing most advanced nations since the change to the geopolitical situation from the war in Ukraine. Inflation has been increasing more quickly than expected due to external shocks from the war, which has exacerbated supply related issues that already existed from the pandemic. Since May 2022, the RBA has increased the cash rate target each month with the aim of containing inflation and has indicated that more increases can be expected in 2022. This is expected to impact growth in SFD in the June quarter 2022, with SFD estimated to grow by 2¼ per cent in 2021-22 in year average terms.

Forecast for 2022-23

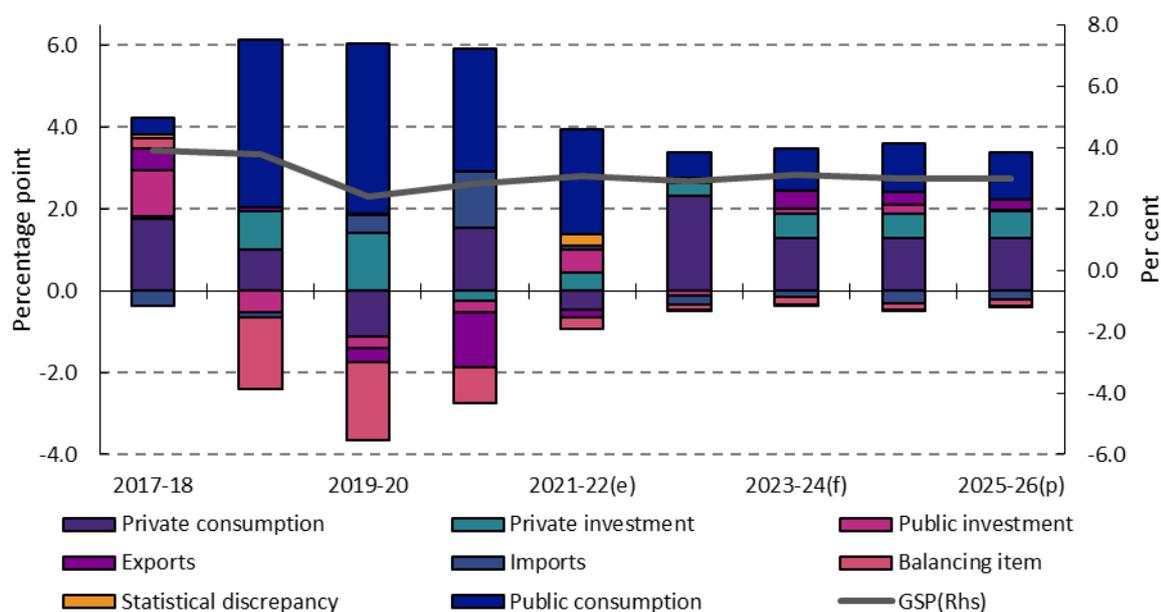
The ACT economy is forecast to grow by 3 per cent in 2022-23, a reduction of ¼ of a percentage point from expectations at the time of the 2021-22 Budget and Budget Review given the short-term economic headwinds of inflation and the resulting impact on private consumption and investment. Some of the expected growth in 2022-23 has occurred earlier than expected, underpinned by strong public consumption and investment in 2021-22. While remaining at high levels, public investment is not expected to grow as quickly going forward, and household consumption is expected to be a driver of growth, supported by private investment and public consumption (Figure 2.2.1).

Consumer confidence has declined significantly since its April 2021 peak. Since the June quarter 2022, this decline in confidence has been driven by expectations of further rises in inflation, and associated rises in interest rates (Figure 2.2.2). This lower confidence is against a backdrop of low unemployment and stronger wage growth than in the recent past.

Household and business investment as well as public consumption is expected to drive economic growth in 2022-23.

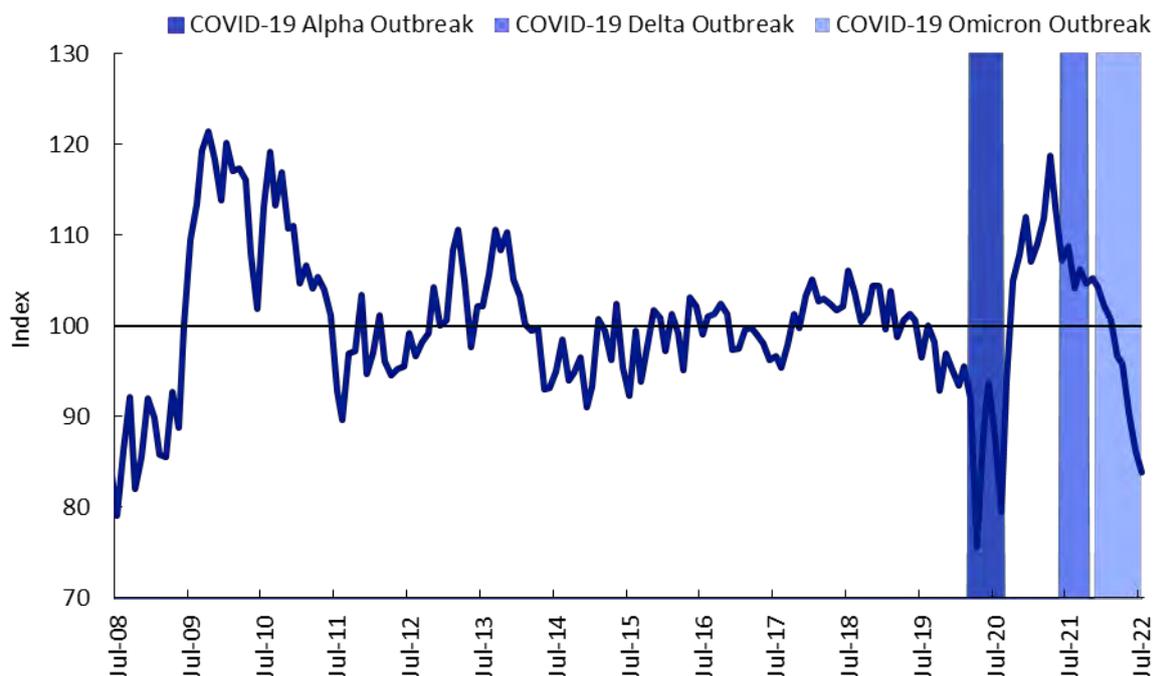
Stronger employment and wages growth in 2022-23, along with the significant savings buffer that many households built up over the course of the pandemic, is expected to drive higher consumption growth in 2022-23.

Figure 2.2.1: Contribution to GSP growth, ACT



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

Figure 2.2.2: Consumer confidence, Australia



Source: Westpac-Melbourne Institute Consumer Sentiment, July 2022.

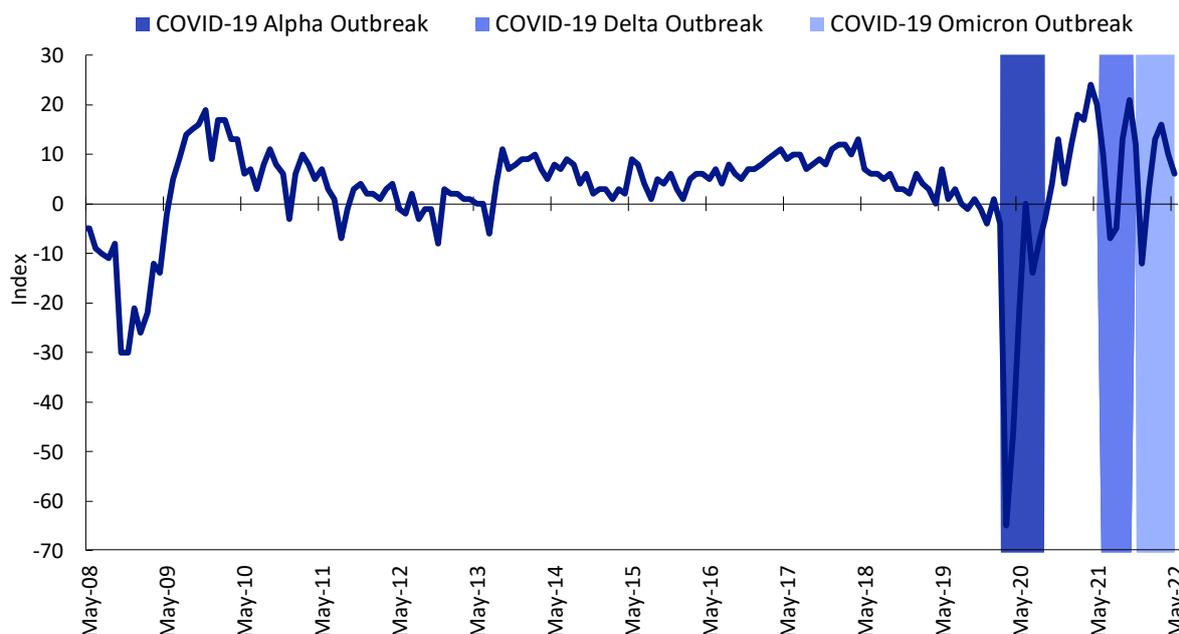
Public consumption, which was at an elevated level in 2021-22 due to the public health response and support provided to households and businesses, is expected to moderate in 2022-23. Increases in health, education and NDIS expenditure are expected to drive the growth in public consumption.

Public investment will remain at a high level in 2022-23 after strong growth in 2021-22. The ACT Government's infrastructure program geared towards economic growth and diversification, and improved standards of living for all, is expected to support public sector investment in 2022-23 and in the coming years. Investment in public housing, upgrading of infrastructure in Canberra and Calvary Public Hospitals, Light Rail Stage 2 and the new Woden CIT campus are some of the key projects contributing to public investment in 2022-23 and the coming years.

Business investment is expected to grow by more than 15 per cent in 2021-22 and is expected to grow at around 4 per cent in 2022-23, above its long run 15-year average. The NAB Business Survey for May 2022 indicated that business confidence is falling and the drop in confidence is only likely to stabilise once it is clear that inflation has peaked and the RBA has settled at the neutral cash rate³ (Figure 2.2.3).

³ Refer <https://business.nab.com.au/wp-content/uploads/2022/06/NAB-Monthly-Business-Survey-May-2022.pdf>

Figure 2.2.3: Business confidence, Australia



Sources: NAB Business Sentiment, May 2022.

Steady increases in interest rates that are anticipated at least through the first half of 2022-23, as well as capacity constraints, are expected to keep dwelling investment activity in 2022-23 at levels similar to 2021-22. Annual dwelling approvals increased by 15.8 per cent for the 12 months to May 2022. However, the value of residential construction work undertaken fell by 24.0 per cent through the year to March quarter 2022 reflecting labour and material shortages in the industry. Auction clearance rates have also declined for the first time since April 2020 down to 51.2 per cent in June 2022, compared to 87.9 per cent in June 2021⁴. Although investor finance activity in the housing market rose by 37.4 per cent through the year to May 2022, dwelling activity is anticipated to fall as owner-occupier and first home buyer activity is expected to be subdued.

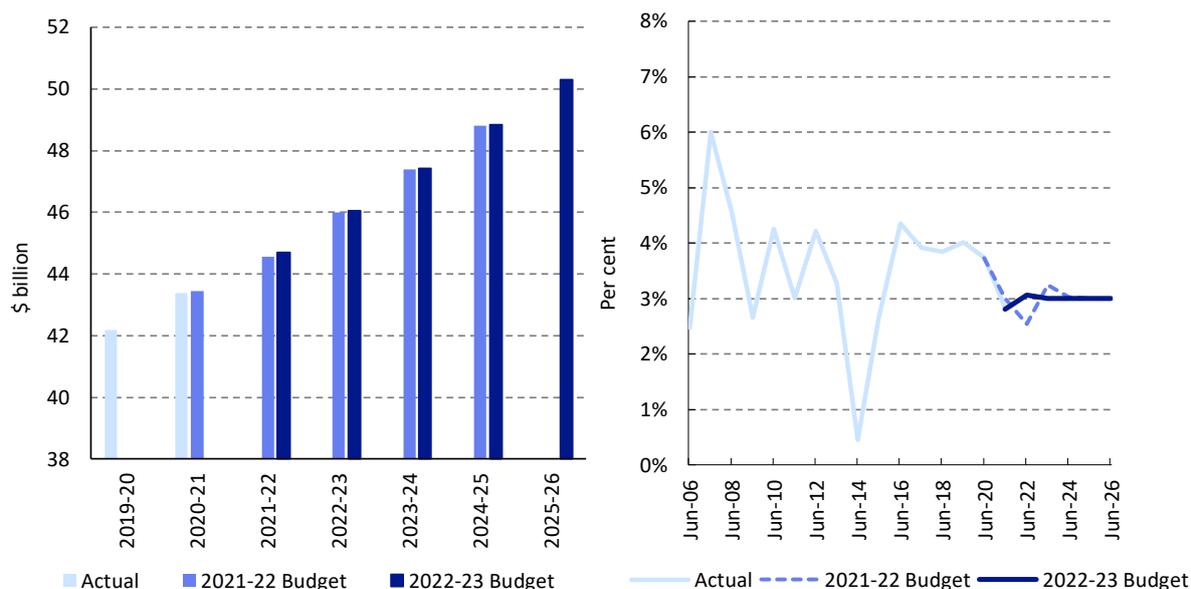
Net exports are expected to detract marginally from GSP growth in 2022-23. While both exports and imports are expected to grow in 2022-23 for the first time since 2018-19 (in year average terms), import growth is expected to be higher than export growth. Nonetheless, both tourism and education exports are expected to improve in 2022-23 on the back of the opening of international borders.

⁴ Refer <https://www.corelogic.com.au/news-research/news/2022/auction-activity-continues-to-fall-across-the-combined-capital-cities>

Forecast for 2023-24 to 2025-26

GSP growth is expected to remain robust at 3 per cent per annum in real terms from 2023-24 to 2025-26, supported by ongoing growth in household consumption and private investment, and more moderate public consumption. The lockdowns in China are expected to lift by 2023 to enable both tourists and international students to return to Australia in larger numbers in 2023-24, supporting the ACT's tourism and education exports. However, these faster growing exports are likely to be offset somewhat by imports related to ACT residents resuming international travel over the forward estimates period.

Figure 2.2.4: Gross State Product



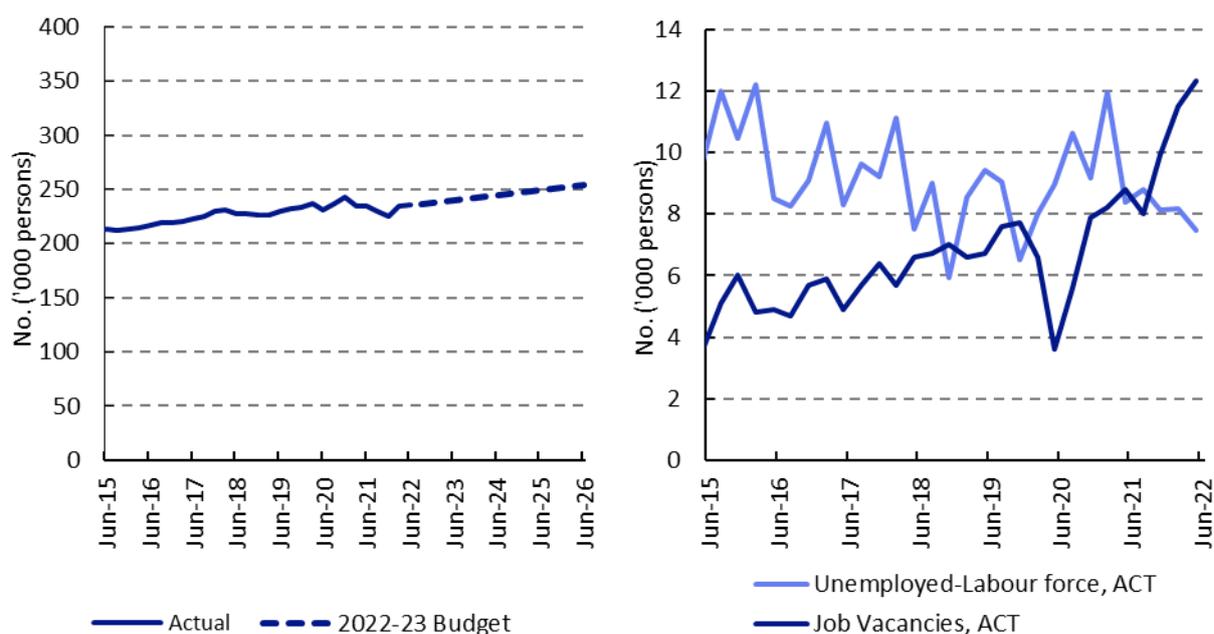
Sources: ABS Australian National Accounts: State Accounts; and CMTEDD estimates.

As shown in Figure 2.2.4, the ACT's estimated GSP growth rates for 2023-24 and 2024-25 are unchanged from those in the 2021-22 Budget.

Labour market

While the COVID-19 pandemic and the necessary public health social measures have had an impact on the ACT labour market, it has demonstrated considerable flexibility as the pandemic has evolved, with hours worked and underemployment acting as initial shock absorbers and reducing the overall impact on employment. Border restrictions and other pandemic related influences on labour mobility and migration have also led to labour and skills shortages.

Figure 2.2.5: Employment, ACT



Source: ABS Labour Force, Australia.

The ACT labour market was impacted by the COVID-19 Delta outbreak in August 2021. The unemployment rate rose to 4.9 per cent in the December quarter 2021, with employment falling by 2.5 per cent, reflecting the necessary public health restrictions at the time. While the ACT labour market improved in November 2021, the emergence of the Omicron variant in late December 2021 and into January 2022 saw the labour market slow again. Hours worked fell by 2.8 per cent over the month to December 2021, followed by a further reduction of 2.8 per cent in January 2022. However, despite the impact of the Omicron variant on employment, job vacancies in the ACT have remained consistently high.

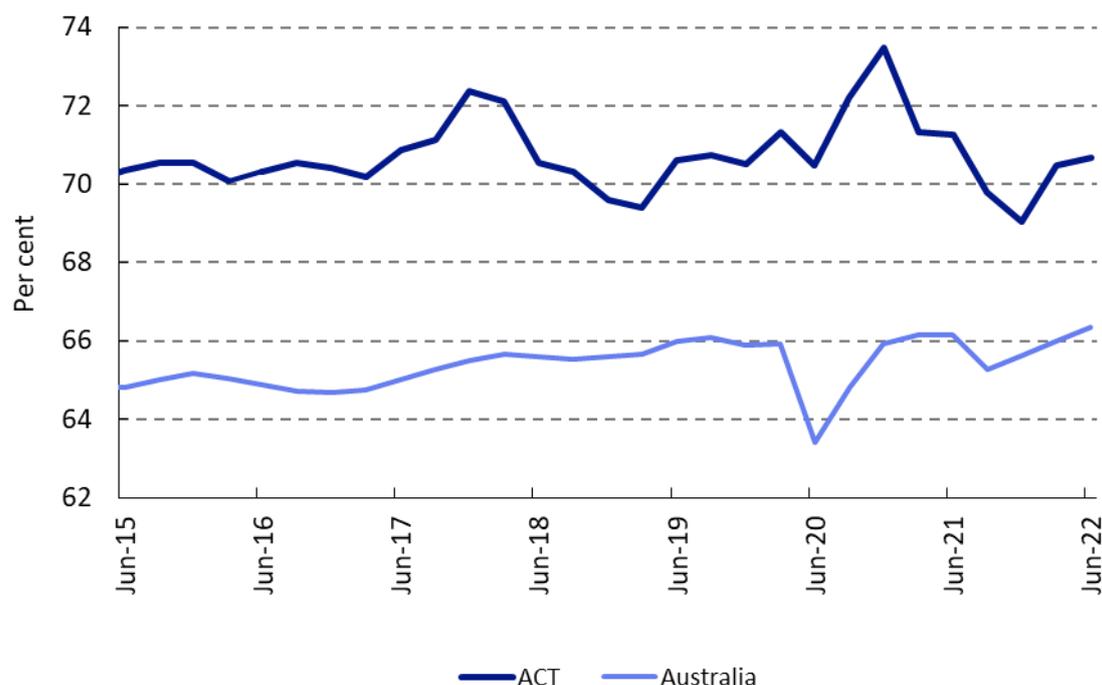
Although monthly employment growth has been subdued over the last three months, the ACT had the lowest unemployment rate of 3.1 per cent across all jurisdictions and a high participation rate of 70.6 in June 2022. Weekly payroll jobs data also indicates the ACT labour market is performing well. Payroll jobs in the ACT as at 11 June 2022 were 6.9 per cent higher than the level at the start of the pandemic, with 15 of 19 industries higher than their pre-pandemic levels in March 2020.

The tight labour market in the ACT has seen job vacancies grow 40.8 per cent over the year to May 2022. The number of vacancies at that time was 12,300, which was significantly more than the number of unemployed in the ACT, at 7,460. The ratio of unemployed people to job vacancies, which can be used to indicate tightness in the labour market, declined to a record low of 0.6 in May 2022 in the ACT. Nationally the ratio is 1.2, which is also lower than average.

The elevated number of job vacancies in the ACT could be a constraint on economic growth. The steady return of international migrants and greater labour mobility nationally, which is reflected in the upgrades to the ACT's population forecasts over the coming years, should progressively increase the pool of labour and skills in the ACT.

Ensuring that there is sufficient affordable housing in the ACT is also a priority for the Government to ensure that we are able to continue to attract the workers and skills needed to support our economy. There are a range of initiatives in this Budget to increase the supply of dwellings in the Territory and respond to the ACT’s low rental vacancy rate, which was 0.5 per cent in the March quarter 2022 and the second lowest across jurisdictions⁵. While median property prices were the third highest of all capital cities in the March quarter 2022 and median weekly rents were the highest of all capital cities, housing remains relatively affordable in the ACT relative to our income levels.

Figure 2.2.6: Participation Rate, ACT and Australia



Further signs of a tight labour market can be seen in youth unemployment, which was 5.1 per cent in June 2022, the lowest across all jurisdictions. In addition, Weekly Payroll jobs data shows youth, seniors and female workforces have higher numbers in the labour market compared to pre-pandemic levels. This may reflect structural changes in participation in the labour force, but it could also highlight how labour supply is adapting to meet the increasing labour demand. Changes to working conditions such as the flexibility of remote working gives people the opportunity to join the workforce who might not have otherwise been able to.

⁵ Real Estate Market Facts, March quarter 2022, Real Estate Institute of Australia
<https://www.reinsw.com.au/common/Uploaded%20files/2022/06%20June/REIA/Real-Estate-Market-Facts-Report15062022.pdf>

The outlook for employment growth is positive over the budget and forward estimates. Employment growth was 0.1 per cent in 2021-22 due to COVID-19 restrictions in the September quarter 2021, weakness in the June quarter 2022 driven by impacts of the Omicron variant, and lower population growth. Employment is expected to recover and grow by 2 per cent in 2022-23. Employment is forecast to grow by 1¾ per cent per annum from 2023-24 onwards, reflecting robust population growth and solid economic activity.

Housing market

The ACT's property market has seen elevated levels of activity for the last few years, with high price growth and transaction volume fuelled by strong demand underpinned by record low interest rates, favourable Commonwealth tax settings and pandemic-induced behaviour changes. ACT dwelling prices continued to rise in the June quarter 2022 growing by 1.5 per cent, in contrast to the 0.2 per cent fall nationally, to be 16.3 per cent higher over the year⁶. However, the housing market is expected to cool as interest rates rise and buyers' confidence falls. Activity is already slowing, with the auction clearance rate falling to 51.2 per cent in June 2022, the lowest since April 2020 (43.5 per cent)⁷.

The total value of new housing loans taken by owner-occupiers and investors increased by 11.5 per cent through the year to May 2022 to a near-record level of \$818 million, driven by loans to purchase new and existing dwellings. There has been a strong increase in new housing loans taken by investors, with the value of loans growing by 37.4 per cent through the year to May 2022. This increase in investor loans indicates strong investment interest given the reliable rental returns and the low vacancy rate in the ACT. While housing finance activity has been strong through 2021-22, the value of new housing loans is expected to moderate through 2022-23 given the RBA's cash rate rises.

Building activity in the ACT is still showing significant strength, with leading indicators of new dwelling commencements suggesting a strong dwelling investment pipeline in detached houses and flats, units and apartments. Construction of over 5,500 dwellings commenced through the year to the March quarter 2022, representing an increase of 11.9 per cent compared to the total commencements in the same period of the previous year.

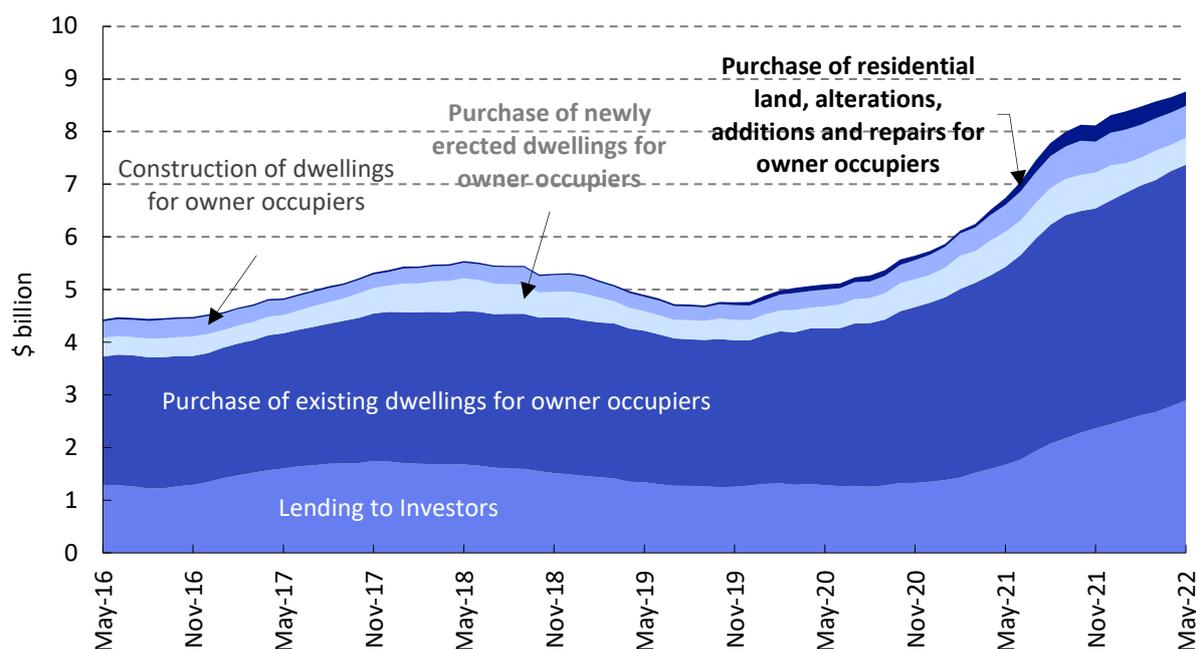
Residential building approvals in May 2022 were 15.8 per cent above the level in May 2021 and higher than the average number of approvals over the past five years. The total value of approvals in May 2022 was \$1.9 billion for residential building, the highest since May 2019 (\$2 billion).

Looking forward, the housing market faces uncertainty. The tightening of borrowing conditions and concerns about inflation are expected to put downward pressure on housing demand. However, expected stronger wage growth, low rental vacancies and the anticipated return of overseas migrants could minimise the impact on the housing market.

⁶ Source: CoreLogic, Home Value Index, Monthly Movement, as at 30 June 2022.

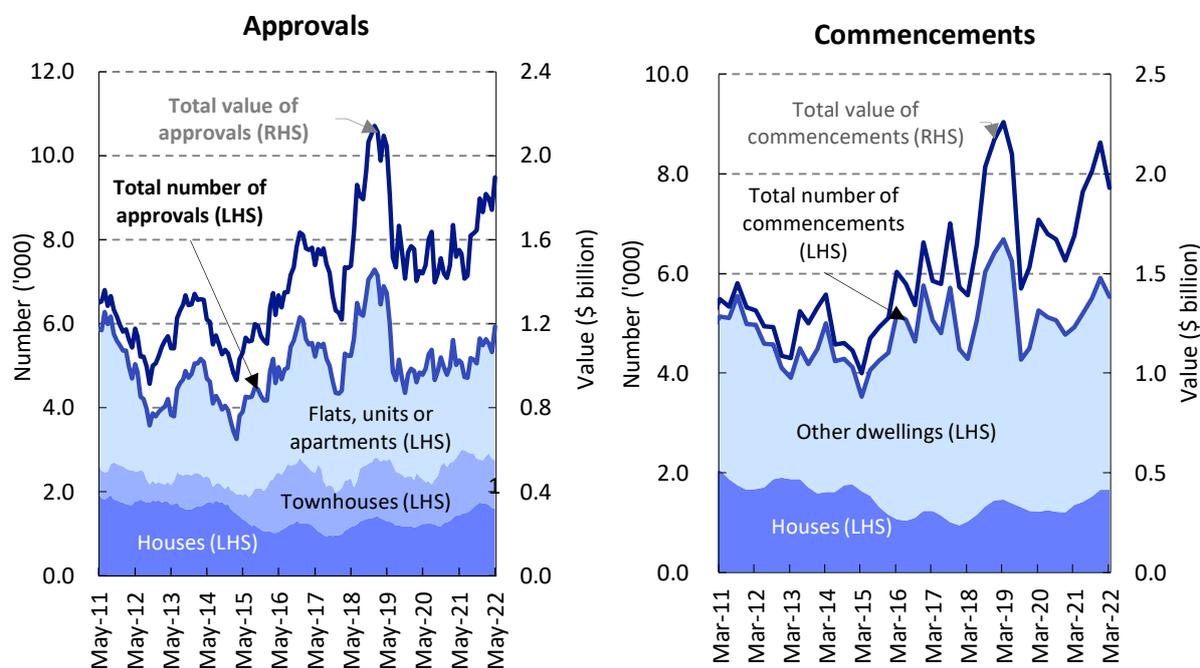
⁷ Source: CoreLogic, Capital city auction statistics (preliminary), 4 July 2022.

Figure 2.2.7: Value of new housing finance commitments (excluding refinancing), original data, 12 month moving total, ACT



Source: ABS Lending Indicators, Australia.

Figure 2.2.8: Value and number of residential building approvals (12 month moving total) and commencements (four quarters moving total), original data, ACT



Sources: ABS Building Approvals, Australia and Building Activity, Australia.

Population

Population growth contributes to economic and employment growth, and demand in the housing market. The drivers of population growth include natural increase (births less deaths), net international migration and net interstate migration.

A key development since the release of the 2021-22 Budget has been the release of the 2021 Census and rebased population⁸ data by the ABS.

The Census and subsequent rebasing have shown that the ACT population was underestimated by nearly 22,000 persons, or 5.1 per cent of the estimated resident population, over the five years since the previous Census in 2016, resulting in significantly lower GST receipts through the intercensal period.

Similar to the period between the 2011 and 2016 censuses, the ACT was the fastest growing jurisdiction between the 2016 and 2021 censuses (i.e. the intercensal period), growing at 14.4 per cent. In comparison, the Australian population grew 8.6 per cent during this period.

The ACT's average population growth rate over the intercensal period was around 1 percentage point per annum higher than previously suggested by the ABS as a result of the 2021 Census, with growth now at 2.4 per cent per year between 2016 and 2021. This change from the Census is reflected in the ACT's population forecasts in this Budget, with population growth rates upgraded over the budget and forward estimates period in comparison to the forecasts in the 2021-22 Budget.

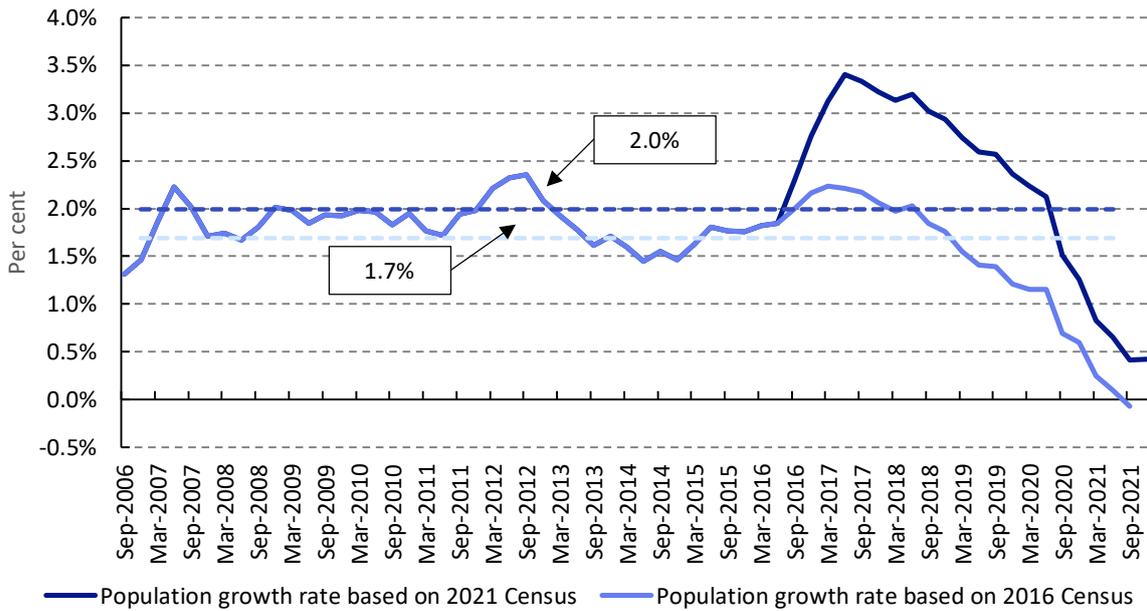
However, it is assumed that net overseas migration will not reach pre-pandemic levels before 2026-27, as it is expected to take time for migration patterns to return to normal.

The ACT's population growth rate for 2021-22 has been upgraded to $\frac{1}{2}$ of a percentage point in this Budget, $\frac{1}{4}$ of a percentage point higher than the estimate in the 2021-22 Budget Review. Net overseas migration for the ACT became positive in the December quarter 2021 for the first time since June quarter 2020, and is expected to continue over the rest of 2021-22. International borders have been reopened and vaccination related requirements for international travel have also been removed, which is expected to progressively increase overseas migration and support population growth.

Over the period 2022-23 to 2025-26, population growth rates have also been revised up. Higher levels of net overseas migration and net interstate migration expected over this period are the key factors for the increase in the growth rates. The ACT's population growth rate is expected to progressively return to its pre-pandemic rate, reaching 2 per cent by 2024-25.

⁸ ABS carried out the Census on the night of 10 August 2021. They previously published population as at 30 June 2021 on 16 December 2021 applying the cohort component method on the population base from the 2016 Census. Post the latest census, the ABS recalculated population of all jurisdictions as at 30 June 2021 using the population as at Census night as the base. This process is known as rebasing. Refer <https://www.abs.gov.au/statistics/detailed-methodology-information/information-papers/methodology-used-rebased-population-estimates-june-2021> for details.

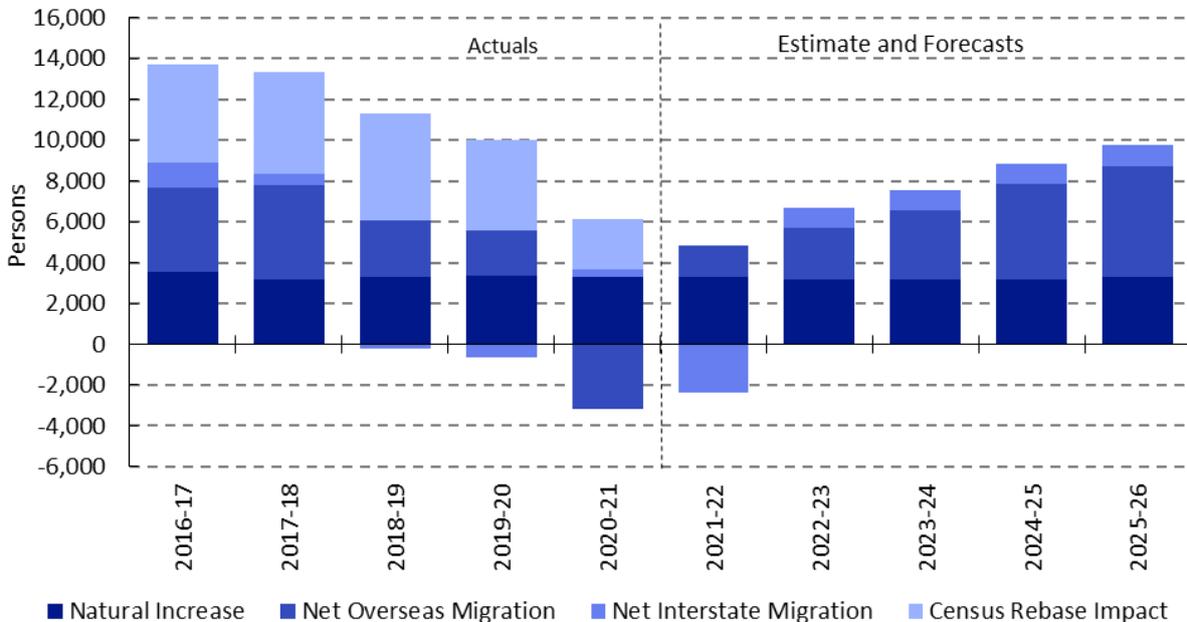
Figure 2.2.9: Growth in ACT's Estimated Resident Population



Sources: Commonwealth 2016 and 2021 Census data.

Figure 2.2.10 shows the contribution of the three components of population growth, namely natural increase, net overseas migration and net interstate migration. It also reflects the census rebase impact to the ACT's population growth over the ten-year period from 2016-17 to 2025-26.

Figure 2.2.10: Population growth by component, ACT



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

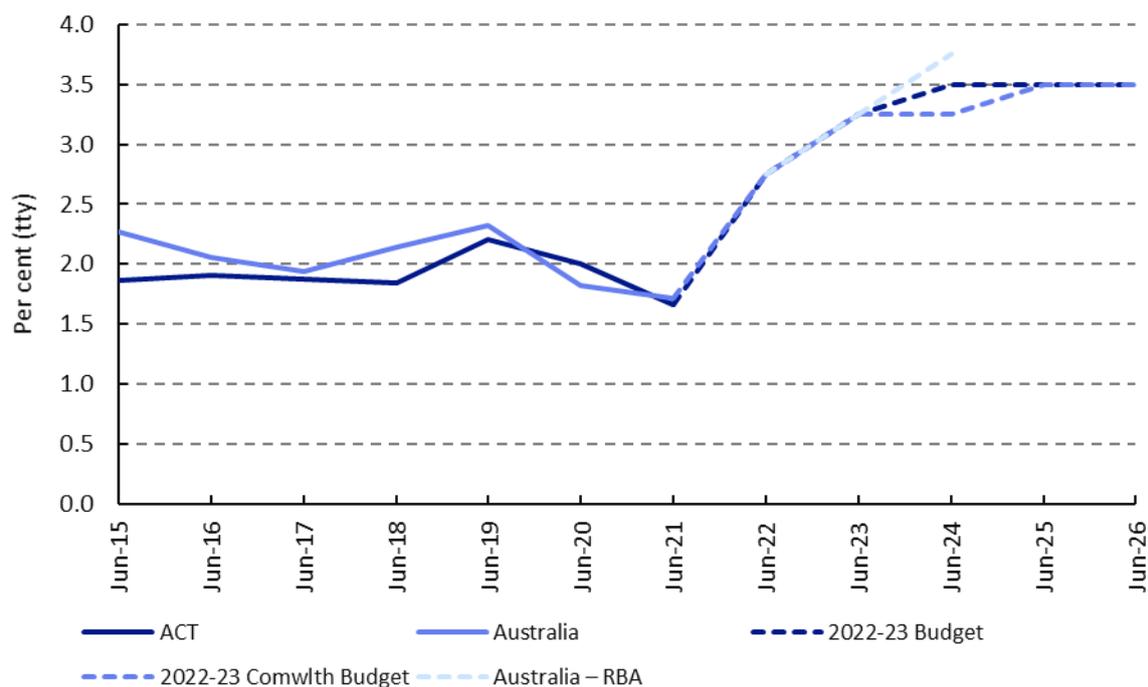
Wage Price Index

The Wage Price Index (WPI) is estimated to grow by 2¾ per cent in 2021-22, upgraded from the 2021-22 Budget estimate of 1¾ per cent. This increase reflects growth of 2.8 per cent through the year to the March quarter 2022, which is expected to continue through to the end of the financial year. Public sector wage growth has picked up since the Commonwealth public sector wage freeze ended in April 2021, while private sector wage growth reflects the impact of current labour shortages.

The WPI is forecast to grow at a faster rate of 3¾ per cent in 2022-23. Labour shortages are expected to continue in the ACT and across Australia in the near term due to the slow return of international students and skilled migrants, putting upward pressure on wages. Higher inflation may also contribute to higher wage growth as employees seek increases to cover rising living costs – particularly as wage growth is not driving the current wave of inflation. In addition, strength in the private sector wage growth will flow through to wage growth in the public sector as Commonwealth Government agencies gradually transition out of the 2 per cent wage cap policy and into wage increases tied to the private sector WPI for Australia.

Wage growth is forecast to rise to 3½ per cent in 2023-24, as businesses compete to attract and retain workers and real wage growth occurs as inflation falls. Wage growth is then forecast to continue at 3½ per cent in 2024-25 and 2025-26, above CPI forecasts.

Figure 2.2.11: Wage Price Index growth



Sources: 2022-23 Commonwealth Budget, RBA data, CMTEDD estimates.

Consumer Price Index

The headline Consumer Price Index (CPI) grew by 6.3 per cent through the year to the June quarter 2022, significantly higher than the estimate of 1¾ per cent in the 2021-22 Budget. Pandemic-induced global supply shortages, which have been exacerbated by the war in Ukraine, along with strong demand, have put significant upward pressure on energy prices and the cost of new dwelling construction, the main contributors to the recent CPI growth. The recent floods in Queensland and northern New South Wales have also added to the inflationary pressure on food.

Annual CPI growth inflation is forecast to peak in late 2022 before moderating through 2023. Inflationary pressures from automotive fuel are anticipated to continue through to the end of 2022, reflecting ongoing disruptions due to extended sanctions on Russia's crude oil exports. The temporary fuel excise relief introduced by the Commonwealth Government will also end in September 2022. However, fuel prices are expected to stabilise as global oil production increases and refining capacity is restored by the end of 2022, although prices are expected to remain at elevated levels. Global oil inventories are forecast to be restored by mid-2023 and fuel prices are expected to moderate by the end of 2023. Growth in food prices is also expected to ease as impacts from unfavourable weather conditions weaken and supply bottlenecks resolve. A decline in regulated electricity and water prices will have some dampening effect on Canberra's CPI growth over the coming 12 months.

There are many uncertainties with the future trajectory of inflation particularly in light of global developments. Most recently Commonwealth Treasury has lifted its inflation forecasts for the coming 12 months and they are significantly higher than the May 2022 RBA Statement on Monetary Policy.

The ACT's contractual arrangements for the supply of green energy will mean that we will be somewhat insulated from further CPI rises from surging energy prices, which are being experienced around the rest of Australia. Under those arrangements, support payments to renewable energy providers, which are the difference between the contract price and the wholesale spot price, have fallen. The recent increase in the spot prices means that these payments are expected to be lower in 2022-23. These arrangements will provide an enduring buffer against CPI increases while energy prices remain elevated.

CPI growth is expected to moderate to 3 per cent in 2023-24 before slowing further to 2½ per cent in 2024-25 and 2025-26, as supply chain disruptions ease and demand pressures are moderated by monetary policy.

Box 2.2.2: Prices for Electricity

The wholesale costs for electricity have risen significantly through the year to the March quarter 2022 and are expected to flow through to retail prices from July 2022 across the rest of Australia. The cost pressure for electricity is mainly driven by surging prices for coal and gas, due to supply disruptions in the international energy market from the war in Ukraine, as well as the domestic supply-demand imbalance during winter. Further, flooding in NSW and Queensland held up coal deliveries, increasing network and distribution costs nationally.

Nationally, coal accounts for 60 per cent of electricity generation and gas accounts for 6 per cent⁹. Jurisdictions that rely heavily on those sources for electricity supply are likely to see significant price rises in electricity and remain vulnerable to price shocks in the energy market.

Despite the price increase nationally, the Independent Competition and Regulatory Commission (ICRC) announced a reduction in ActewAGL's retail electricity prices in the ACT from 1 July 2022, as a result of a reduction in the ACT Government scheme costs, due to the fall in the large-scale feed-in-tariff support payments to renewable generators from the ACT Government's investment in renewable energy. Given the large market share of ActewAGL in the ACT, this is expected to partially offset the effect of the price rise in the rest of the market. Overall, the electricity price in the ACT is expected to be the lowest across all jurisdictions.

Figure 2.2.12: Maximum annual residential standing offer electricity bills as at 1 July 2022 using 6,500 kWh



Source: ICRC, 2022, Retail electricity price recalibration 2022-23: standing offer prices for the supply of electricity to small customers, June 2022, www.icrc.act.gov.au/data/assets/pdf_file/0004/2013781/Report-retail-electricity-price-recalibration-2022-23.pdf

The ICRC has indicated the maximum annual residential standing offer electricity bill for someone in the ACT using 6,500 kWh will be \$1,807 as at 1 July 2022, which is 1.25 per cent below the bill from the previous year.

⁹ National Electricity Market Fact Sheet, AEMO, December 2021 ([National Electricity Market Fact Sheet.pdf, aemo.com.au](http://www.aemo.com.au/national-electricity-market-fact-sheet)).

Alternative scenarios and risks

As the economic impacts of current geopolitical events and the COVID-19 pandemic remain uncertain, the estimates presented in this Budget reflect a baseline scenario consistent with the assumptions outlined in Box 2.2.1. Uncertainty regarding the events associated with the Russian invasion of Ukraine and evolution of the pandemic make it difficult to provide a definitive quantitative assessment of the balance of risks around the baseline forecast described above. However, consistent with the approach taken since the August 2020 Economic and Fiscal Update, a range within which possible scenarios may fall on the upside and downside are presented in Table 2.2.2.

The shaded areas in Figures 2.2.13, 2.2.14, 2.2.15 and 2.2.16 show the range of possible outcomes under the upside and downside scenarios for GSP, employment, population and CPI, relative to the baseline scenario. The actual outcome will depend on how the risks evolve and how the assumptions align with events that impact the key drivers of growth. In particular, the assumptions for inflation will be affected by the RBA's monetary policy actions to contain it, and the flow through of those actions on household consumption, private investment and employment. This range does not represent the full possibility of outcomes; however, it does demonstrate the impact of changes in key assumptions on four important economic metrics, providing further information in a time of continuing uncertainty.

Table 2.2.2: Gross State Product (GSP), employment, population and CPI scenarios (percentage change)

	2021-22 Estimate	2022-23 Budget	2023-24 Forecast	2024-25 Projection	2025-26 Projection
Gross State Product					
Downside Scenario	3	2½	2¾	2¾	2¾
Baseline Scenario	3	3	3	3	3
Upside Scenario	3	3¾	3¾	3¾	3¾
2021-22 Budget	2½	3¾	3	3	
Employment					
Downside Scenario	0.1	1¼	1¼	1½	1¾
Baseline Scenario	0.1	2	1¾	1¾	1¾
Upside Scenario	0.1	3	2½	2	2
2021-22 Budget	½	1	1¼	1¼	
Population					
Downside Scenario	½	1¼	1¼	1¼	1½
Baseline Scenario	½	1½	1¾	2	2
Upside Scenario	½	1¾	2	2¼	2¼
2021-22 Budget	¼	1	1	1	
Consumer Price Index					
Downside Scenario	6.3	3½	2¾	2½	2¼
Baseline Scenario	6.3	3¾	3	2½	2½
Upside Scenario	6.3	4¾	3¾	2¾	2½
2021-22 Budget	1¾	1¾	2	2¼	

Sources: ABS Australian National Accounts; Australian National Accounts: State Account; Labour Force, Australia; National, State and Territory Population; Consumer Price Index, Australia and CMTEED estimates.

Notes: Forecasts and projections are rounded to a ¼ of a percentage point. GSP is in real terms, employment, population and CPI is growth over the year to the June quarter.

Upside scenario

The upside scenario assumes that lockdowns in China ease more quickly than in the baseline scenario and COVID-19 also has less impact on countries that are major sources of skilled migrants and tourists for Australia. It assumes the war in Ukraine is continuing for longer, resulting in wheat and oil prices remaining higher than assumed in the baseline. Further, the upside scenario also assumes that the adverse effects of the floods in NSW on vegetable harvests persist for longer, with prices remaining higher relative to the baseline scenario until the middle of calendar 2023.

With lockdowns in China easing more quickly, it is assumed overseas migration will reach pre-COVID patterns in 2024-25, two years earlier than the baseline scenario. Additionally, there are more students, tourists and skilled migrants coming to the ACT each year up to 2024-25. Given the number of job vacancies, availability of skilled labour improves employment growth in this scenario. A higher intake of migrants is also assumed to assist in maintaining household consumption levels while education and tourism exports increase, relative to the baseline.

This is expected to improve population growth over the period 2022-23 to 2025-26 to be $\frac{1}{4}$ of a percentage point higher than the baseline scenario. As a result, the ACT economy could expand at a faster rate than assumed under the baseline scenario, with GSP growth to stabilise at $3\frac{1}{4}$ per cent from 2022-23 to 2025-26. Employment growth is also expected to improve to around 2 per cent by the end of the forward estimates, $\frac{1}{4}$ of a percentage point higher than in the baseline scenario. This may see pressure on prices locally, with growth in the CPI for Canberra expected to be higher by $\frac{1}{4}$ to 1 percentage point relative to the baseline scenario, with the difference reducing over the forward estimates period.

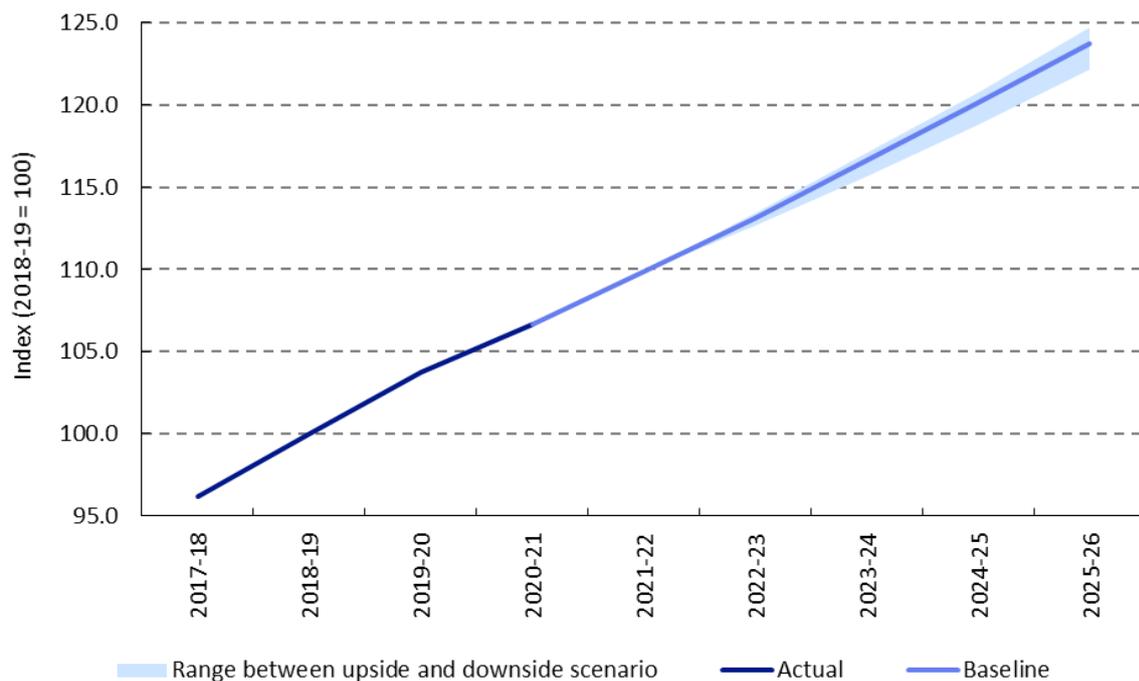
Downside scenario

The downside scenario assumes that RBA increases the cash rates aggressively to successfully contain inflation, with inflation reaching a peak of 6 per cent for Australia. In comparison the baseline scenario expects a peak of 7 per cent. This is slightly lower than the Commonwealth Government estimate of a peak of $7\frac{3}{4}$ per cent. Oil prices are also assumed to fall relative to the baseline scenario. However, the downside scenario also assumes that lockdowns in China persist for longer, and COVID-19 also affects other countries which are major suppliers of skilled migrants and tourists to Australia. As a result, migration levels are lower in the near term as students and skilled migrants do not return as quickly as assumed in the baseline scenario.

This affects education and tourism exports. More aggressive increases in interest rates also affect household consumption, which flows into reductions in businesses employing people, affecting employment growth. Further, reduced demand is also assumed to affect dwelling and business investment, reducing GSP growth as government support is assumed to be insufficient to overcome the reduction in private final demand.

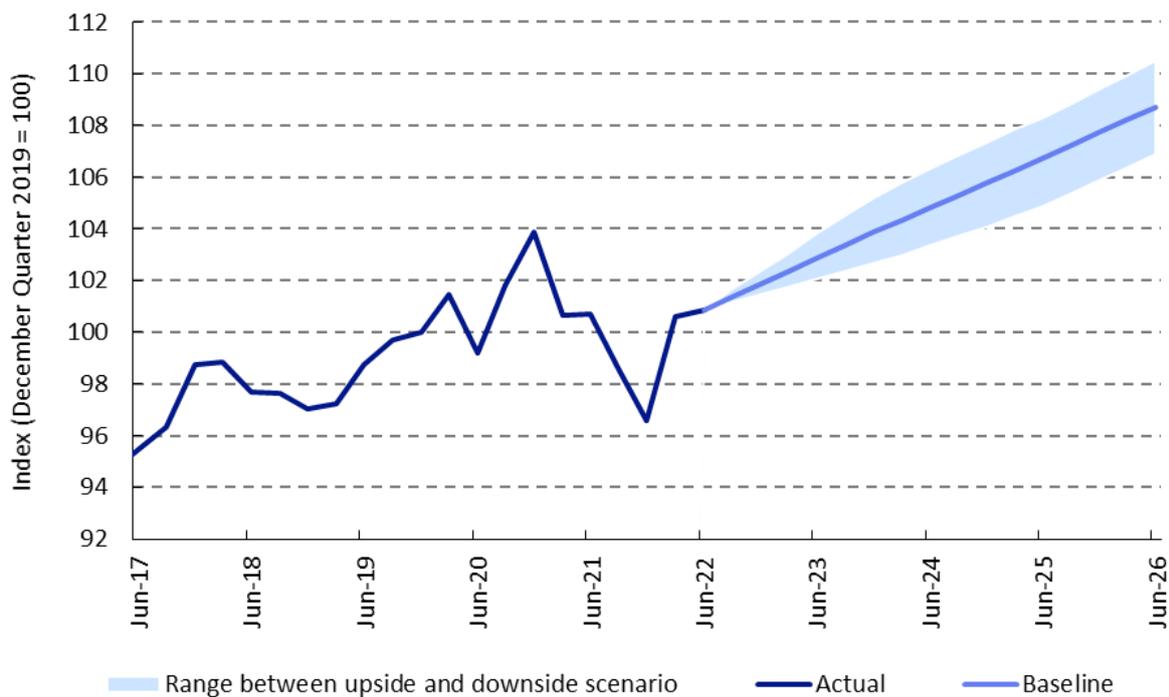
This is expected to reduce population growth by $\frac{1}{4}$ to $\frac{3}{4}$ of a percentage point over the budget and forward estimates period relative to the baseline scenario. Economic growth is expected to stabilise at $2\frac{3}{4}$ per cent over the forward estimates period while employment growth is expected to be $\frac{1}{4}$ to $\frac{3}{4}$ of a percentage point slower than in the baseline scenario. CPI is expected to be lower by $\frac{1}{4}$ of a percentage point over 2022-23 and 2023-24.

Figure 2.2.13: Gross State Product (GSP), ACT – forecast scenarios, 2018-19 = 100



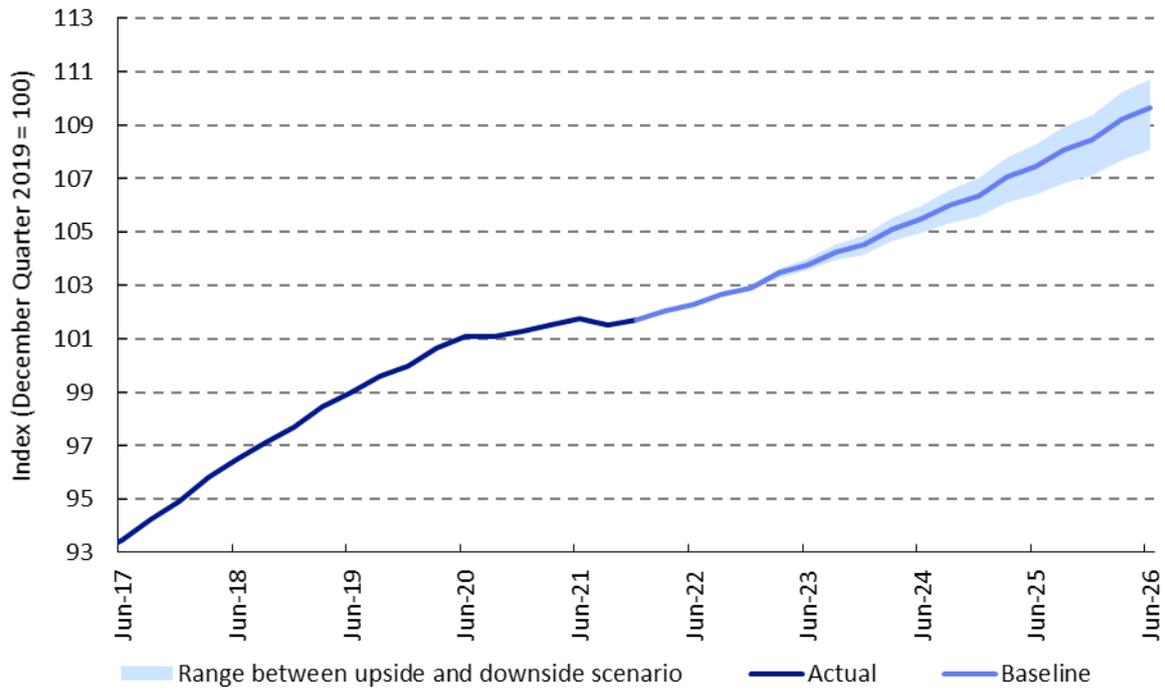
Sources: ABS Australian National Accounts, State Accounts and CMTEDD estimates.

Figure 2.2.14: Employment, ACT – forecast scenarios, December 2019 = 100



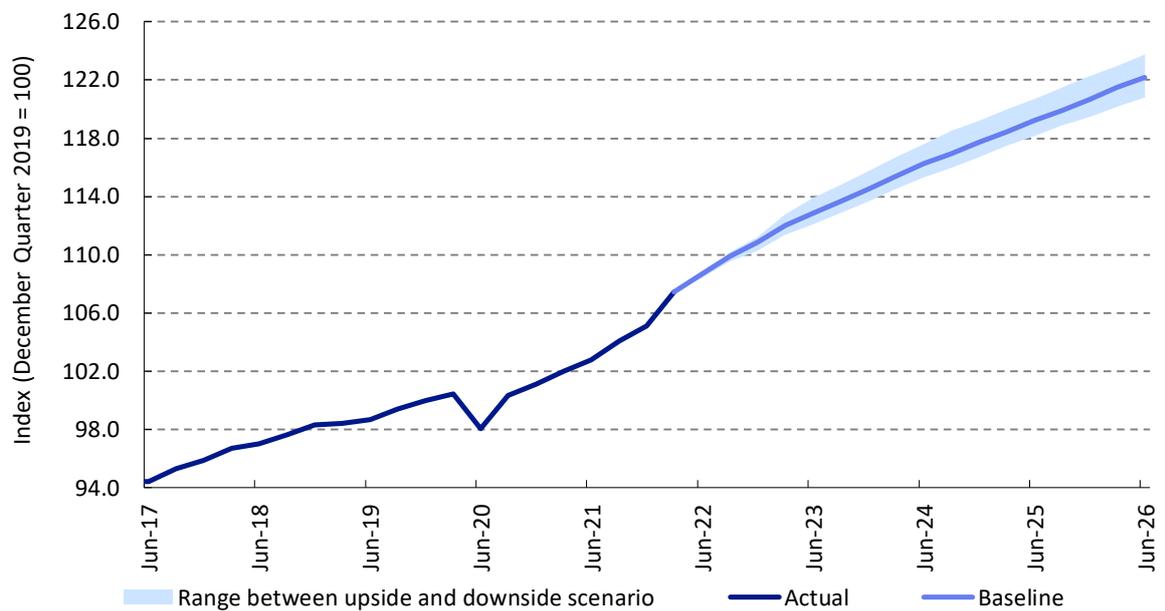
Sources: ABS Labour Force Australia and CMTEDD estimates.

Figure 2.2.15: Population, ACT – forecast scenarios, December 2019 = 100



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

Figure 2.2.16: Consumer Price Index, ACT – forecast scenarios, December 2019 = 100



Sources: ABS Consumer Price Index, Australia and CMTEDD estimates.

Other risks and uncertainties

There remain potential headwinds for the economic outlook. Inflation is the key risk in the near term, exacerbated by the war in Ukraine, rolling lockdowns in China and the latest Omicron variant of COVID-19. These are external shocks that have driven up prices of international goods and energy prices. Bottlenecks have emerged internationally as consumers have shifted to consuming more goods, coupled with global supply chain disruptions.

The risks to the ACT economy in the near term reflect increased uncertainty stemming from the Omicron variant and how it is impacting the labour market with absences from illness. With the likelihood of higher infection rates, this could further impact the high job vacancies the ACT is already experiencing and affect economic activity.

The baseline economic outlook assumes that monetary policy measures will improve the inflation outlook into 2023, while cooling the property market; however, this may dampen demand and business investment, which could also impact the ACT economy.

The Commonwealth Budget in October 2022 is also likely to see the Commonwealth Government starting to repair its fiscal position, with the downside risk that employment in the Commonwealth public sector is capped in the near term. However, the Commonwealth Government is also intending to reduce the reliance on consultants, which may see employment growth in the outyears. In addition, any increase in the efficiency dividend for the Australian Public Service as the Commonwealth seeks to repair its fiscal position is a key medium-term downside risk to the ACT economy as 38.2 per cent of the Australian Public Service is based in the Territory¹⁰.

¹⁰ APS Commission, APS employment data, 31 December 2020 Release.



2.3 AUSTRALIAN ECONOMIC OUTLOOK

The Australian economy has been resilient to the ongoing impacts of the pandemic. It rebounded quickly from the Delta variant outbreak in the September quarter 2021 and has continued to grow through the recent Omicron sub-variant outbreaks. Going forward, the Australian economy is, however, still facing challenges both internationally and domestically as a number of risks are emerging, and this may impact the expected path to recovery in the near term as outlined in the Ministerial Statement by the Commonwealth Treasurer on 28 July 2022¹.

National Gross Domestic Product (GDP) rose 3.6 per cent in the December quarter 2021, the highest quarterly growth rate since the June quarter 1976, as New South Wales, Victoria and the ACT came out of their lockdowns triggered by the Delta variant outbreak.

National GDP grew by a further 0.8 per cent in the March quarter 2022, driven by growth in household consumption across a range of discretionary goods and services, and government spending on support payments to people affected by floods in New South Wales and Queensland. As a result, the level of GDP in the March quarter 2022 was 12.9 per cent above the December quarter 2019 pre-pandemic levels.

Reserve Bank of Australia (RBA) May 2022 forecasts, which are shortly to be updated in early August 2022, show the national economy expected to expand by 4¼ per cent in 2022, underpinned by elevated commodity prices and strength in private sector activity².

The Commonwealth Treasurer provided an update on the national economic and budget outlook on 28 July 2022. It revised the previous Commonwealth Government's pre-election budget forecasts on economic growth, inflation and wages, with the Commonwealth Treasurer indicating that the economy, both Australian and world, currently face difficulties with inflation, rising interest rates and slowing growth, and food and energy insecurities.

It is expected that real GDP grew by 3¾ per cent in 2021-22, instead of 4¼ per cent as was estimated in the Commonwealth Government's Pre-election Economic and Fiscal Outlook 2022³. The pre-election forecast for GDP growth in 2022-23 was 3½ per cent. This has now been revised down to 3 per cent growth. Growth is expected to slow further in 2023-24, at 2 per cent – down from the 2½ per cent previously predicted.

Headline inflation is now expected to be 5½ per cent by the middle of next year, 3½ per cent by the end of 2023, and 2¾ per cent by the middle of 2024 – back inside the RBA's target range. Real wages are expected to start growing again in 2023-24.

¹ Ministerial Statement on the Economy: <https://ministers.treasury.gov.au/ministers/jim-chalmers-2022/speeches/ministerial-statement-economy>

² RBA, Statement of Monetary Policy, May 2022.

³ Pre-election Economic and Fiscal Outlook 2022 : <https://treasury.gov.au/sites/default/files/2022-04/pefo-2022.pdf>

Household consumption is anticipated to be impacted by rising mortgage interest rates, but it is likely there will be a further drawdown by households from their savings accumulated during the pandemic. The substantial construction pipeline and strong business performance are expected to contribute to growth in private investment, noting there are risks from labour and skills shortages and issues with access to materials.

Labour market conditions have improved significantly, with the national unemployment rate falling to 3.5 per cent in June 2022, the lowest in nearly 50 years. The participation rate and the employment to population ratio are at all-time highs. Along with rising employment, hours worked continued to edge higher in the June quarter 2022, although the spread of Omicron and influenza have caused many to work reduced hours. Further, payroll jobs grew by 3.3 per cent through the year to mid-June 2022, with most industries now returning to pre-pandemic levels.

The strong demand for labour, reflected in the record high job vacancies, will continue to absorb any spare capacity in the already tight labour market. In May 2022, there were 480,000 vacancies nationally, which was almost the same as the total number of unemployed people recorded in June 2022. A labour market at full employment may constrain economic growth in the near term.

Headline CPI inflation has grown significantly over the last 9 months to be 6.1 per cent through the year to the June quarter 2022, largely reflecting the supply bottlenecks in oil and raw materials caused by the conflict in Ukraine. Underlying inflation also grew 4.9 per cent during the same period, the highest growth since 2003, tracking above the RBA's inflation target of 2 to 3 per cent.

Inflation is expected to remain elevated in the near term, driven by imbalances between supply and demand, and rising labour costs. However, inflationary pressures are expected to ease as supply bottlenecks resolve and demand moderates due to tighter monetary policy.

Uncertainties remain in the national economic outlook. The conflict in Ukraine and China's strict zero-COVID policy continue to impose significant risks to Australia's economic growth. Higher inflation and more aggressive interest rate increases by the RBA could lead to weaker growth in household spending, dwelling investment, and business investment. In addition, resurgence of new COVID-19 sub-variants in the future could put downward pressures on economic activity and labour market performance.



2.4 INTERNATIONAL ECONOMIC OUTLOOK

The war in Ukraine has significantly impacted the recovery of the global economy from the COVID-19 pandemic. This and other external events are driving up the prices of internationally traded goods and energy. Disrupted exports from Russia and Ukraine have led to shortages in commodities, especially food and energy. This has exacerbated already weak global supply chains and is driving up inflationary pressures across a wide range of products. In addition, the recent lockdowns of major cities in China as a result of its zero-COVID strategy could lead to further deterioration of existing supply bottlenecks. To counter surging inflation, many countries have tightened monetary policy, which is expected to have negative implications on activity across the globe, as higher interest rates constrain household spending and business investment.

In its July 2022 World Economic Outlook (WEO) Update, the International Monetary Fund (IMF) expects global economic growth will slow significantly in 2022 to 3.2 per cent, following a 6.1 per cent expansion in 2021. This is a downward revision of 0.4 of a percentage point for 2022 from the April 2022 WEO and 1.2 percentage points from the January 2022 WEO. The downward revision largely reflects a slowing of growth in the United States and China, as well as for India. The lower forecasts reflect tightening financial conditions with expectations of steeper interest rate increases by major central banks to ease inflation pressure, extended lockdowns in China and impacts from the war in Ukraine.

Global economic growth in 2023 is expected to slow to 2.9 per cent, a 0.7 of a percentage point downgrade from the previous forecast of 3.6 per cent. Growth is revised down for all major advanced economies and most emerging market and developing economies. The IMF expects elevated price levels, particularly for energy and food, to continue for longer than previously anticipated. Consequent monetary policy actions are expected to affect growth in 2023.

The Organisation for Economic Co-operation and Development (OECD) in its June 2022 update also revised down its forecasts, projecting the global economy to grow by 3.0 per cent in 2022, before slowing to 2.8 per cent in 2023. These reflect significant downgrades of 1.5 percentage points and 0.4 percentage points respectively on its previous estimates in December 2021.

The economic outlook of Australia's major trading partners has also weakened, with growth in China expected to be impacted by stringent measures to suppress the spread of COVID-19.

As highlighted by the IMF and the OECD, the balance of risks to global growth remains skewed to the downside as risks begin to materialise. Further intensification of the conflict between Russia and Ukraine and continued strict suppression of COVID-19 by China could lead to more severe supply disruptions and higher and longer lasting inflation. In addition, more aggressive interest rate rises by the central banks around the world could lead to the deterioration in the financial position of households, businesses and governments given the record levels of private and public debt, particularly in the emerging-market economies. Further, there are risks associated with the emergence of more contagious COVID-19 variants that could disrupt activity further and slow the global economic recovery.

Table 2.4.1: Forecasts of global economic growth, percentage change

	2020 Actual	2021 Actual	2022 Projection	2023 Projection
International Monetary Fund	-3.1	6.1 (5.9)	3.2 (3.6)	2.9 (3.6)
Organisation for Economic Co-operation and Development	-3.4	5.8 (5.6)	3.0 (4.5)	2.8 (3.2)

Sources: World Economic Outlook Update, IMF, July 2022 and the OECD Economic Outlook, OECD, June 2022.

Note: Numbers in brackets were published in the previous release.



CHAPTER 3 BUDGET OUTLOOK

3.1 FISCAL STRATEGY AND OUTLOOK

A fiscal strategy that delivers for Canberrans now and into the future

As we continue to manage the impacts of COVID-19, the 2022-23 Budget is focussed on the investments needed to deliver services for all Canberrans both now and into the future. While we face a number of risks, there is much to be optimistic about such as a strong labour market, the Territory's growing population, world-leading vaccination rates and our unique quality of life.

Through this budget the Government is focussed on delivering high quality services for a growing population, addressing cost of living pressures, continuing to invest in Canberra's people and places, and embedding a long-term plan for the delivery of services and infrastructure. **These investments will improve our overall wellbeing and drive economic growth and jobs into the future.**

The 2022-23 Budget includes measures that will help Canberrans now and also provide a strong basis for ongoing prosperity. It will deliver services and infrastructure that will ensure our city remains an attractive place to live and work as our population continues to grow. The Government is focussed on ensuring we have health facilities that can manage the needs of our growing population while maintaining flexibility in the short term to respond to the pandemic as it evolves. We are investing in our education system, promoting the take-up of new opportunities in the knowledge economy and furthering jobs growth through the diversification of industry and skilled migration. We are boosting investment in protecting our natural environment and programs that will reduce our carbon emissions and reliance on fossil fuels.

These investments are underpinned by a measured and sequenced Infrastructure Program that will deliver improved standards of living. Maintaining and improving the high quality of life Canberrans enjoy requires a planned pipeline of infrastructure projects over the medium term. Recognising ongoing supply chain and labour constraints, the Government is refreshing the Territory's Infrastructure Plan. In doing so, the Government is working with the Commonwealth on shared priorities, and focussing on a diversified program of asset acquisition, construction and digital projects.

At the same time, there are pressures around cost of living – particularly given current high inflation and increases in interest rates – and an ongoing need to deliver secure and affordable housing for all Canberrans. This budget includes measures designed to alleviate these pressures, provide real and accessible housing choices, and enhance wellbeing across the Territory.

Over the past two years as COVID-19 has impacted communities across the world, the ACT Government's economic and fiscal strategy has been underpinned by consistent principles throughout:

- investing in health and essential services;

- keeping Canberrans employed by supporting businesses and the economy; and
- protecting our most vulnerable.

This immediate financial support across the community underpinned consumer confidence and has seen our economy bounce back as public health social measures have eased, which ensures our economy is in the best possible shape moving forward.

While we are continuing to support the health response through the current Omicron wave, we are also turning our attention to the future economic and jobs outlook, investing in continuing to diversify the economy and skill our workforce.

The stronger-than-expected economic recovery in 2021-22 has led to a better-than-expected fiscal position, with the deficit in 2021-22 now estimated to be \$580.4 million, \$371.1 million lower than forecast at the time of the 2021-22 Budget.

This improved fiscal position is also expected to continue in the coming years, with deficits now expected to be lower than previously estimated and progressively reducing to \$229.4 million in 2025-26.

Relative to the 2021-22 Budget, all key balance sheet metrics for 2022-23 and outyears – net debt, net financial liabilities and net worth – are also improved:

- net debt is expected to be \$6.525 billion in 2022-23, \$351 million lower than the 2021-22 Budget estimate of \$6.876 billion;
- net financial liabilities are expected to be \$11.416 billion in 2022-23, \$1.259 billion lower than the 2021-22 Budget estimate of \$12.675 billion; and
- the Territory's net worth in 2022-23 is expected to be positive \$18.992 billion, \$3.587 billion higher than the 2021-22 Budget estimate of \$15.405 billion.

The Government has balanced the need to continue to improve our fiscal position with the need to invest in services for Canberrans. The path back to a balanced budget will continue to be a focus for the Government over the medium term. The investments being made through this budget are essential as we build on our response to circumstances resulting from the pandemic, meeting the needs of a rapidly growing population and to pave the way for a stronger, more vibrant and liveable Canberra both now and into the future.

The Government is committed to:

- supporting the continuing public health response to the COVID-19 pandemic;
- delivering high quality services such as health and education for a growing population;
- building on the economic and jobs recovery by diversifying our economy and ensuring we have the skilled workforce to support that diversification;
- continuing to improve our fiscal position by progressively narrowing the deficit and reducing debt over the long term; and
- strategically investing in infrastructure that improves wellbeing and supports economic growth and jobs in the longer term.

The Government also remains committed to the principles of good fiscal management:

- sustainable economic growth;

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

This strategy and set of principles reaffirm the Government's commitment to address immediate pressures facing the community and delivering services and infrastructure in the future, while recognising the need for prudent financial management to support intergenerational equity and ensure the wellbeing of Canberrans in the medium to longer term.

Sustainable economic growth

The performance of the ACT economy over the last financial year has been stronger than was expected at the time of the 2021-22 Budget. The ACT's labour market has continued to perform strongly, with unemployment at 3.1 per cent in June 2022 and underemployment also at historically low levels. The tightness in the labour market has seen stronger wage growth than was expected at the time of the 2021-22 Budget.

The Government's focus is shifting from direct support to longer-term investments emphasising economic diversification; developing skills, jobs and the knowledge economy; secure employment and sustainable wage growth; infrastructure delivery; and improving the quality of life for Canberrans across all wellbeing domains.

Our economy has also been powered by a growing population, with the 2021 Census revealing that we have been the fastest growing state or territory in Australia for the past decade. As migration progressively resumes following the removal of international border restrictions, we expect our population growth will also accelerate and once again become a strong driver of growth. Ensuring that Canberra remains an attractive place to live and work will be key focus of the Government.

The Government is building on this growth plan by focussing on creating jobs in diverse industries, including health, education, construction, retail, renewable energy, tourism and hospitality, cyber, defence, and the technical, scientific and professional services that have seen a significant level of employment growth in our city in recent years. We are also investing in public services and partnering with the non-government organisations and business with shared visions.

Sound public finances

The Government's strong financial position has provided the foundation for a clear and effective public health response, in turn underpinning consumer confidence that has seen our economy bounce back as we have been able to ease public health and social measures.

The Territory's strong balance sheet has allowed the Government to respond strongly over the past two years to the economic and financial impacts that COVID-19 has had on both individuals and businesses. The Territory's AAA credit rating, reaffirmed by S&P Global Ratings (S&P) following the release of the ACT Government's 2021-22 Budget, continues to outperform most other state or territory governments in the Asia Pacific region.

However, the substantial investment into public health, economic assistance and stimulus measures in response to the pandemic has extended the period in which the Government expects to return to a balanced budget. The alternative to not making these investments would have been to accept a more significant and prolonged negative impact on the economy, public finances and community health and wellbeing.

We are now in a position that we can continue to respond to immediate pressures and invest in the future while progressively improving our fiscal position.

Quality and efficient services

Good fiscal management needs to align with addressing the community's immediate needs and anticipating future ones, including high quality service delivery. To ensure that decision-making considers those factors that most influence our quality of life, the Government is continuing to apply a wellbeing focus to our Budget process.

The 2022-23 Budget reaffirms the Government's commitment to improving the wellbeing of Canberrans through significant investments in services that underpin quality of life, particularly for groups experiencing lower wellbeing outcomes. Significant investments include:

- ensuring the ACT public health system is equipped to meet future demands, address current increased needs stemming from the pandemic and supporting more complex health delivery now and into the future;
- public education and school construction and redevelopment to support children and young people's learning, recognising the importance that education has in life-long wellbeing;
- skills development through the knowledge economy, research and development and targeted manufacturing, which will boost productivity, diversify the Territory's workforce, promote wage growth and provide secure employment;
- a range of social and public housing initiatives to provide real and affordable housing options for all Canberrans;
- community sector and private sector partnerships to help deliver public services with those who share our vision for an even more vibrant economy; and
- continuing the Territory's nation-leading climate action including support for households, businesses and community groups to enable them to contribute to the climate action.

These investments include infrastructure projects, which if properly planned provide an important employment boost during their construction and are crucial in meeting the longer-term needs of the Territory.

Key infrastructure projects being funded through the 2022-23 Budget include the Canberra Institute of Technology Woden Campus Project and public transport interchange, new and expanded schools in Molonglo, Gungahlin and the Inner North, supporting the transition to a zero emissions bus fleet, the first stages of the Canberra Theatre Centre expansion and redevelopment; as well as continued work on the Canberra Hospital Expansion, extending light rail and raising London Circuit.

Sustainable taxation and revenue

The events of recent years have highlighted the need to continually improve the efficiency and productivity of the economy to support economic growth. In this environment, it is vital that we continue to raise revenue in the most efficient, fair, simple and sustainable way, providing a stable source of funding to deliver services to the community.

The ACT Government is achieving this through our nation-leading tax reform program which continues to phase out conveyance duty. Every year since 2012-13, insurance and conveyance duty rates have decreased, with the revenue forgone replaced by incremental increases in general rates. Insurance duty was fully abolished by 2017, while conveyance duty is being phased out gradually over time to minimise transitional impacts. General rates are a stable and predictable source of revenue for the Government to sustainably fund essential services for the community and cushion the impacts of economic shocks on revenue. The 2022-23 Budget provides an adjustment to conveyance duty thresholds which will deliver further relief to residential property purchasers.

Prior to tax reform there was significant volatility in the ACT's revenue as a result of reliance on conveyance and insurance duty which can vary significantly depending on economic conditions. To date, about 50 per cent of insurance and conveyance duty revenue that would have been collected has been replaced by general rates. Total insurance and conveyance duty revenue was estimated to account for approximately 26 per cent of the total own source taxation revenue at the commencement of the tax reform program in 2012-13. The percentage share is expected to fall to 10 per cent towards the end of the forward estimates period in 2025-26.

Through tax reform we are improving the fairness of the tax system and minimising the economic costs of collecting taxes. While we are changing the amount of tax revenue received from different tax bases, we are not changing how much tax revenue is collected to fund government services.

Strong balance sheet

The Territory's balance sheet provides a strong basis for supporting the community, responding to the consequences stemming from the pandemic and investing in our future. While borrowings are estimated to increase over the forward years as a result of the need to balance these priorities, the Territory maintains a high level of creditworthiness and has a strong capacity to service outstanding debt obligations even as interest rates increase.

The 2022-23 Budget shows improvements across all key balance sheet metrics in 2022-23 and all outyears relative to the 2021-22 Budget.

The Government will continue to harness the strength of its balance sheet to build sustainable, productivity-improving and growth-enabling infrastructure to prepare our city for the future while ensuring the costs of the ACT's borrowings remain sustainable in the current environment of increasing interest rates.

The Territory's credit rating

On 29 November 2021, international credit rating agency S&P affirmed the ACT Government's credit rating at AAA/A-1+ (Ratings Affirmed; Outlook Negative), reflecting factors such as the Territory's strong financial management and high levels of liquidity. The ACT's rating is the highest awarded by S&P and recognises the Territory's robust and stable fiscal position.

The Territory's AAA credit rating continues to outperform most other state or territory governments in the Asia Pacific region.

Budget outlook

Headline net operating balance

The General Government Sector (GGS) headline net operating balance (HNOB) is forecast to be in deficit by \$483.0 million in 2022-23, reducing each year to \$229.4 million by 2025-26.

Further details are provided in the Expenses and Revenue chapters (Chapters 3.4 and 3.5 respectively) and the associated sections of this chapter.

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

Table 3.1.1: General Government Sector Headline Net Operating Balance

	2021-22 Budget	2021-22 Estimated Outcome	2022-23 Budget	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Revenue	6,597.1	7,012.8	7,079.1	7,358.9	7,525.3	7,854.1
Expenses	7,764.7	7,806.6	7,780.2	7,938.2	8,076.5	8,353.8
Superannuation return adjustment	216.1	213.4	218.1	234.3	251.6	270.3
HEADLINE NET OPERATING BALANCE¹	(951.5)	(580.4)	(483.0)	(344.9)	(299.5)	(229.4)
Net cash from operating activities	(328.4)	25.7	(92.5)	134.9	165.2	203.0
Net debt (excluding superannuation)	5,721.0	4,995.8	6,524.9	7,457.8	8,659.3	9,882.5
Net financial liabilities	11,747.8	12,146.8	11,415.7	12,212.2	13,224.8	14,226.6

Note: Numbers may not add due to rounding.

1. Does not include the estimated ACT COVID-19 Hardship Payment costs to Government in 2022-23.

Summary of movements

Table 3.1.2 shows the variation in the GGS HNOB between the 2021-22 Budget and Budget Review and the 2022-23 Budget. Further details of the major technical adjustments are shown in Table 3.1.3.

Table 3.1.2: Summary of movements in the General Government Sector Headline Net Operating Balance

	2021-22 Estimated outcome \$'000	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000
2021-22 Budget	(951,484)	(564,272)	(530,352)	(474,085)
Revenue¹				
Policy decisions	(999)	(12)	(84)	(1,854)
Technical adjustments	211,035	234,158	201,363	212,189
Expenses²				
Policy decisions	(49,282)	(23,865)	(17,957)	(14,663)
Technical adjustments	21,201	(134,892)	(64,377)	(91,915)
Superannuation return adjustment	(657)	(1,343)	(1,439)	(1,542)
2021-22 Budget Review	(770,186)	(490,226)	(412,846)	(371,870)
Revenue¹				
Policy decisions	0	18,341	385	389
Technical adjustments	205,598	284,871	461,020	362,028
Expenses²				
Policy decisions	0	(180,276)	(106,864)	(92,926)
Technical adjustments	(13,792)	(103,807)	(274,606)	(185,006)
Superannuation return adjustment	(2,023)	(11,916)	(12,037)	(12,115)
2022-23 Budget	(580,403)	(483,013)	(344,948)	(299,500)

Notes: Numbers may not add due to rounding

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

Table 3.1.3: Summary of major technical adjustments since the 2021-22 Budget Review

	2021-22 Estimated outcome \$'000	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000
Revenue¹				
Taxation revenue	77,325	79,492	81,689	86,451
Commonwealth grants	49,850	(40,742)	(11,937)	19,678
Large-scale generation certificates	49,505	57,266	65,869	61,604
Suburban Land Agency, City Renewal Authority and Icon Water dividends and income tax equivalent	27,522	(47,983)	120,622	15,183
GST revenue	24,360	197,182	131,992	133,997
Interest and investment earnings	10,148	26,330	11,896	20,980
Revised funding profiles and rollovers	(11,478)	10,606	480	277
Other parameters and technical adjustments	(21,634)	2,720	60,409	23,858
Total revenue – technical adjustments	205,598	284,871	461,020	362,028
Expenses²				
Superannuation liability expense	0	(51,234)	(28,015)	(32,998)
Interest expense	(3,871)	(17,911)	(41,280)	(71,034)
Commonwealth grants	(8,046)	(7,347)	(3,428)	2,631
Large-scale generation certificates	(49,505)	(57,266)	(65,869)	(61,604)
Other parameters and technical adjustments	47,630	29,951	(136,014)	(22,001)
Total expenses – technical adjustments	(13,792)	(103,807)	(274,606)	(185,006)

Notes: Numbers may not add due to rounding.

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

Revenue and expenses

Total revenue is expected to be \$303.2 million higher in 2022-23, and \$1.1 billion higher over the three years to 2024-25, than forecast in the 2021-22 Budget Review. Significant movements in forecast revenue in 2022-23 and over the forward estimates include:

- an increase in estimated GST revenue of \$197.2 million in 2022-23 (\$463.2 million over three years) due to a budget balancing adjustment for underpayment of GST in 2021-22, adopting the forecasts of the GST pool from the 2022-23 Commonwealth Budget and the 2021 Census showing that the ACT's population is significantly larger than previously estimated;
- an increase in own-source taxation revenue of \$79.5 million in 2022-23 (\$247.6 million over three years) largely due to higher payroll tax revenue as a result of a strengthening labour market and higher than expected wages;

- an increase in large-scale generation certificate contributed asset gains of \$57.3 million in 2022-23 (\$184.7 million over three years) mainly due to higher than forecast spot prices and new renewable electricity generators coming online in the coming years. This is fully offset by a matching expense in each year as these certificates are due to be surrendered to the clean energy regulator to meet the ACT's renewable energy targets; and
- an increase in returns from the Suburban Land Agency, City Renewal Authority and Icon Water of \$87.8 million over three years (with a decrease of \$48.0 million in 2022-23) associated with general valuation increases of land scheduled for settlement including in Whitlam, Jacka 2 and Denman Prospect. The decrease in 2022-23 reflects lower returns from Icon Water associated with lower water usage and a decline in ActewAGL Joint Venture profit distributions.

Total expenses in 2022-23 are expected to be \$284.1 million higher than forecast in the 2021-22 Budget Review and \$943.5 million higher over the three years to 2024-25.

Significant movements in forecast expenses in 2022-23 and over the forward estimates include:

- additional funding of \$161.9 million for new initiatives in 2022-23 (\$361 million over three years). Further information on these initiatives can be found in Investing in the Wellbeing of Canberrans (Chapter 3.2);
- an increase of \$57.3 million in expenses associated with large-scale generation certificates (\$184.7 million over three years), fully offset by the increase in revenue above;
- an increase in superannuation liability expense of \$51.2 million in 2022-23 (\$112.2 million over three years) largely due to changes in financial assumptions in the latest annual defined benefit superannuation liability review; and
- higher interest expense of \$17.9 million in 2022-23 (\$130.2 million over three years), due to the impact of higher interest rates on new borrowings.

Infrastructure

The ACT Infrastructure Investment Program (IIP) includes \$5.4 billion of investment in GGS and \$1.6 billion of investment by Public Trading Enterprises over the next five years. This is our largest ever capital works program, with a record \$1.4 billion in 2022-23, and \$7 billion over the five years to 2026-27.

Our capital investment priorities continue to be health, education, public transport, public housing, urban renewal, and infrastructure to respond to climate change. Some of the new infrastructure projects contained in the 2022-23 Budget include:

- around \$160 million over four years for health infrastructure, including \$52.4 million to commence the first phase of the Canberra Hospital Master Plan, and \$37.4 million to provide the Canberra Hospital with state-of-the-art clinical equipment;

- around \$165 million over five years for new, upgraded, and expanded schools, including \$84.4 million for a new public primary school (P-6) and early childhood education and care centre in the Molonglo suburb of Whitlam, \$40.5 million to modernise Majura Primary School in Watson, and \$33.1 million to support the expansion of Margaret Hendry School and construction of a new public high school in Taylor;
- around \$95 million over four years for projects to address climate change, including progression of the Big Battery project and electrification of the Territory’s bus fleet;
- around \$30 million to support the delivery of a further 140 public housing dwellings through the Renewing Public Housing program, bringing the total delivered to 400; and
- around \$25 million over four years for transport and road improvements, including \$7.5 million for intersection safety and active travel upgrades, and \$6.2 million for road projects to be delivered in conjunction with the Commonwealth Government.

Further information on these initiatives and the IIP can be found in Investing in the Wellbeing of Canberrans (Chapter 3.2), Infrastructure and Capital (Chapter 3.7), and the online Capital Works Database¹.

Net operating cash balance

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

The revised net operating cash position for the GGS in the 2022-23 Budget is a deficit of \$92.5 million, \$30.5 million higher than at the time of the 2021-22 Budget Review. This increase in the net operating cash deficit is the result of lower-than-expected cash returns from the Suburban Land Agency and Icon Water as discussed above. Improvements across the forward estimates largely relate to improvements in GST and own-source taxation revenue.

Table 3.1.4: Net Operating Cash

General Government Sector	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
2021-22 Budget Review	(125.3)	(62.0)	58.1	85.6	n/a
2022-23 Budget	25.7	(92.5)	134.9	165.2	203.0

¹ <https://www.treasury.act.gov.au/budget/budget-2022-23/budget-papers>

Net debt

Net debt is a key balance sheet measure in the Government Finance Statistics. It takes into account gross debt liabilities as well as financial assets such as cash reserves and investments. GGS net debt as a percentage of Gross State Product (GSP) is expected to be 13 per cent at 30 June 2023, lower than the 2021-22 Budget estimate of 14.4 per cent.

Further details can be found at Key Balance Sheet Metrics (Chapter 3.8).

Net financial liabilities

Net financial liabilities is a broad measure of GGS liabilities, including net debt and superannuation liabilities. It is 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 GGS in public corporations.

GGS net financial liabilities as a percentage of GSP are expected to be 22.8 per cent in 2022-23, lower than the 2021-22 Budget estimate of 26.6 per cent. This movement is mainly due to the latest annual defined benefit superannuation liability valuation review including a decrease in the liability valuation estimates as a result of an increase in the long-term discount rate assumption, from 4 to 5 per cent, offset by an increase in the long-term salary growth and inflation assumptions. Net financial liabilities are also now expected to be lower over the coming years to 2024-25 compared to expectations at the time of the 2021-22 Budget.

Net worth

The broadest measure of a jurisdiction's balance sheet is net worth, which measures the total value of all assets less the value of all liabilities. The ACT has positive net worth in 2022-23 equivalent to 37.9 per cent of GSP, higher than the 2021-22 Budget estimate of 32.3 per cent.



3.2 INVESTING IN THE WELLBEING OF CANBERRANS

A focus on Canberra's wellbeing

In the ACT, our focus on wellbeing as a way of thinking about how we are doing, and as a way of informing our decision-making and investments, strengthens our city and our community. We are the first jurisdiction in Australia to embed a Wellbeing Framework in our Budget process – and one of the first in the world.

Thinking in terms of wellbeing helps us to better understand those things that are important to our quality of life.

Our Wellbeing Framework recognises that:

- a strong economy is important to providing jobs that support our standards of living and provide daily fulfilment;
- opportunities in life will be diminished without the benefits of suitable housing, and a good educational foundation;
- social connection, being included, having a sense of belonging and being safe are fundamental to being able to lead our best lives;
- our environment sustains all life and supports our wellbeing; and
- the broader health of our society relies on strong and trusted institutions, and our ability to participate and have our voices heard.

In the 10 months since the 2021-22 Budget, we have again faced new challenges as we continue to adjust to regional and global events.

82%
of Canberrans

report having **typical** or **high**
personal wellbeing

Date: November 2021

Source: *Living Well in the ACT Region Survey, University of Canberra (2021)*

WELLBEING JOURNEY

Working towards a common and shared vision developed between government and the community, the ACT Wellbeing Framework sets out the things that matter most to our quality of life and helps us to measure how our people, environment, and institutions are doing.

2019

- Over 3,000 Canberrans told us what was most important to them
- Developed a shared concept of what wellbeing means in the ACT

2020

- Released the ACT Wellbeing Framework in March 2020
- Developed a set of wellbeing indicators and measures using 12 domains identified by the community

2021

- Released the first wellbeing dashboard to help measure our progress in April 2021
- Developed and incorporated *Wellbeing Impact Assessments (WIAs)* into budget business case protocols
- Released our first wellbeing-inspired budget

2022

- Incorporated WIAs into Cabinet decision-making processes

While wellbeing declined during Canberra’s first lockdown in 2020, a similar decline was not observed during the second lockdown in 2021. In the most recent *Living Well in the ACT Region* survey conducted by the University of Canberra in November 2021 (and covering the latter period of the ACT lockdown), 82.4 per cent of Canberrans rated their wellbeing as typical or high – 3.1 per cent more than in late 2019, when wellbeing was first measured in the survey (and before the impacts of bushfires and COVID-19).

While overall wellbeing did not change, the same survey also found that almost 50 per cent of Canberrans found the second lockdown harder to cope with than the first. The findings suggest that most Canberrans were able to maintain their wellbeing despite the significant challenges experienced during lockdown, including frustration, loneliness, or increased stress.

We also recognise that some groups within our community have been facing additional challenges during this time and may not have the same overall level of wellbeing as the rest of the community. While we know Canberra is one of the most liveable cities in the world, the ACT Government is working in partnership with the community to lift the wellbeing of all Canberrans, enabling Canberrans to lead lives of personal and community value, be free to express their identities, feel a sense of belonging, and take part in society.

The Wellbeing Framework includes a commitment to report on the wellbeing of eight specific groups (by gender, LGBTIQ+ identity, children and young people, older Canberrans, people with disability, people from multicultural backgrounds, carers, and Aboriginal and Torres Strait Islander people). The wellbeing of specific groups in the community emerged as a necessary component of the ACT Wellbeing Framework as part of the community engagement process in 2019-20.

As part of embedding wellbeing in budget processes, the ACT Government has commenced consideration of gender-responsive budgeting and exploring how government can further mature its consideration of gender impacts within the budget process. Further information about the gender impacts of the 2022-23 Budget is provided in the Women’s Budget Statement.

The Wellbeing Framework is helping us to measure our progress and assisting the Government to make better decisions on which investments and programs are going to best contribute to our quality of life, make Canberra a more inclusive city and ensure we are prepared for new challenges and can grasp the opportunities that come our way.

As Canberra’s economic and social recovery from COVID-19 continues, we are using wellbeing to frame our policy development and inform our decision-making processes. The 2022-23 Budget focuses on areas where we need to deliver better outcomes for all Canberrans.

**Around
9 in 10**

Canberrans consider their **local area** to be **very liveable**

Date: November 2021

Source: Living Well in the ACT Region Survey, University of Canberra (2021)

Wellbeing in the 2022-23 Budget

The ACT Government has made significant investments to put community wellbeing at the centre of its decision-making, including through successive budgets. The embedding of the Wellbeing Framework in the budget process has improved consideration of the types and distribution of impacts that initiatives will have across the community, while the Wellbeing dashboard and indicators will progressively improve our understanding of where further targeted assistance is most needed.

This year's Budget continues the approach of bringing a greater focus to wellbeing and the ACT Wellbeing Framework. Initiative descriptions are accompanied by an illustration of the prime area (domain) within the Wellbeing Framework that will be impacted by each initiative.

In practice, many initiatives will have impacts across multiple wellbeing domains. A key element of the Framework is to ensure that such connections are considered in budget development and associated decision-making processes.

To demonstrate these connections, the following section considers the Government's priorities and existing and new investments across six categories that are broadly aligned to the wellbeing domains:

- **Health and community wellbeing** – this category is aligned to the wellbeing domain of Health;
- **Education and life-long learning** – this category is aligned to the wellbeing domain of Education and life-long learning;
- **Housing and home** – this category is aligned to the wellbeing domain of Housing and home;
- **Community support, social inclusion and safety** – this category is aligned to aspects of the wellbeing domains of: Social connection; Identity and belonging; Living standards and Safety;
- **Environment, climate and transport** – this category is aligned to the wellbeing domains of: Environment and climate; Access and connectivity; Time; and aspects of the Safety domain; and
- **Jobs, sports, arts, culture and entertainment** – this category is aligned to the wellbeing domains of: Governance and institutions; Economy; and aspects of the Social connection; Identity and belonging; and Living standards domains.

48%
of Canberrans

rate their overall health
as **very good** or **excellent**

Date: November 2021

*Source: Living Well in the ACT Region
Survey, University of Canberra (2021)*

What the community told us

During consultations on the 2022-23 Budget, health services were highlighted as one of the most important community priorities. The community identified a strong need for expanded mental health, early intervention and preventive health services. Feedback also indicated a need for more support for paediatric services, for people with a disability and for other vulnerable cohorts. Access to core services continues to be a priority, while the community also identified the importance of the ongoing COVID-19 response.

Key partnerships

Community sector partners in the health and support sectors provide accessible and tailored support services across Canberra.

The role that non-government partners play is critical now more than ever, with the health system facing significant pressures due to the COVID-19 pandemic, and in the context of the significant impacts the pandemic is having on the most vulnerable Canberrans.

Many diverse non-government partners contribute to the range of mental health services available in the ACT. These partnerships help provide vital care for those who need it most, including vulnerable Canberrans and those who would otherwise face difficulties in accessing services.

An important partnership in the health and support sector is with Winnunga Nimmityjah Aboriginal Health and Community Services (Winnunga), an Aboriginal community controlled primary health care service. Winnunga provides a range of culturally safe and holistic health services to the Aboriginal and Torres Strait Islander community and has been crucial to the COVID-19 pandemic response in the Territory.

Similarly, in recent times, our partnerships with primary care and private health providers, including general practitioners (GPs), pharmacies, and private hospital and pathology services, have been vital in enabling the Government to scale up COVID-19 testing and vaccination and respond and adapt to surges and changes in service demands in response to the pandemic.

The Government is a significant employer and source of funding for the healthcare workforce. In this Budget the Government is investing in the delivery of system-wide workforce planning and strategy development to ensure that the Government, local universities and health services are well placed to identify and grow our health workforce now and into the future.

\$390m
.....
**of additional funding
for healthcare**

COVID-19 response

The Government's priority during the COVID-19 pandemic has been to support the health and wellbeing of Canberrans. As part of the ACT's COVID-19 public health response, we have invested in the continued operation of COVID-19 testing and vaccination clinics, COVID-19 related hospital services, contact tracing, quarantine facilities and support, and additional cleaning of public schools and public transport infrastructure.

At times of peak demand for COVID-19 testing, we have established new walk-in and drive-through COVID-19 testing centres across Canberra as well as pop-up testing sites at various Canberra locations.

Living alongside COVID-19 remains a challenge for many Canberrans and we know there are many people who still feel vulnerable and at risk.

We remain committed to continuing to protect Canberrans from the public health risks of COVID-19. **The 2022-23 Budget provides \$59 million to directly continue the COVID-19 response**, including:

- supporting the Health Emergency Control Centre, compliance activities, and hospital and testing services;
- completing ventilation enhancements at public schools; and
- the continuation of the Office of the Coordinator-General COVID-19 non-Health.

Investing in public health care

Canberrans enjoy the highest life expectancy in Australia. Gains in life expectancy are influenced by rising living standards, improved lifestyle, a healthy environment and better education, as well as greater access to quality health services.

Unsurprisingly, Canberrans have identified that living a healthy lifestyle and having good access to health services where and when we need them is vital and has an important bearing on our sense of wellbeing.

We recognise that improving our health outcomes involves a focus on both our physical and mental wellbeing. As part of this focus, the ACT Government is investing more than \$100 million over four years to strengthen and expand critical hospital services.

The 2022-23 Budget will deliver on our commitment to employ 400 additional health care workers ahead of schedule.

The range of public health care measures in the 2022-23 Budget includes:

- \$16.4 million over four years to increase allied health staffing across the Canberra Hospital campus, delivering more Aboriginal liaison, audiology, nutrition and dietetics, exercise physiology, occupational therapy, physiotherapy, psychology, social work and speech pathology workers;
- \$29.8 million over four years to reduce elective surgery wait times by delivering more elective surgeries, with a goal to deliver 60,000 elective surgeries this term of government;

- \$27.5 million over four years to increase services provided at Calvary Public Hospital Bruce by expanding general services, providing an additional intensive care bed and four additional inpatient beds, establishing a Gestational Diabetes Mellitus service and delivering three new Special Care Nursery cots; and
- boosting outpatient paediatric services through the establishment of a new Neurodevelopmental and Behavioural Assessment and Treatment service.

Mental health and community health care support

We can see that the uncertainty and changing nature of our work, home and lives over the past few years has impacted our mental health.

Being able to access the right mental health care and support when we need it influences our overall wellbeing. Looking after our mental health helps us to manage our emotions, handle stress, relate to others and make positive choices, even when things get tough.

Improving mental health outcomes can also increase economic participation opportunities for affected individuals and their support network.

The Government is committed to supporting people living with a mental illness or mental disorder. We are also committed to working with their families, friends, carers and service providers to provide a high standard of professional treatment and care. The Government aims to provide services along the entire mental health continuum and will work to ensure that people experiencing poor mental health can access the most appropriate services and supports at the right place and at the right time.

The 2022-23 Budget includes an additional \$70 million over four years for mental health and community health care support, building on over \$40 million already provided to support mental health since May 2020.

New funding in the 2022-23 Budget includes:

- \$14.5 million over four years to enhance responses for perinatal, infant and child (0-12 years) mental health and wellbeing;
- \$9.4 million over four years to continue and expand the Home Assessment Acute Response Team, extend operation of the Mental Health Consultation Liaison position at the Calvary Public Hospital Bruce Emergency Department to 16-hours per day/7-days a week, implement an Adult Dialectical Behaviour Therapy Program and establish a permanent Homeless Outreach Team;
- \$8.1 million over four years to expand mental health supports for youth and young adults to address priority needs of young people who are experiencing or are at risk of mental health concerns and/or suicide and self-harm;

8%
of Canberrans

were experiencing **high levels of psychological distress** in late 2021

Date: November 2021

Source: *Living Well in the ACT Region Survey, University of Canberra (2021)*

- \$8.1 million over four years to reduce the harm caused by alcohol and other drugs by expanding targeted treatment of methamphetamine dependence, funding a new support service and counsellors for families, carers and children of people who use drugs, and boosting funding for residential alcohol and drug treatment services;
- \$4.6 million over four years to improve affordability and access for both medical and surgical abortions;
- \$3.5 million over four years to expand investment in suicide prevention programs;
- \$2.6 million over four years to Palliative Care ACT to continue operating Leo's Place respite hub, providing much needed palliative care respite and carer support;
- funding to support the transition to a residential program at the Ngunnawal Bush Healing Farm; and
- grants for initiatives to support vulnerable or disadvantaged children to participate in sport and recreational activities that improve their physical wellbeing, health and social skills.

Improving Canberra's health infrastructure

The state of our health affects our participation in a wide range of activities that make our lives meaningful, including our education, employment, relationships and broader social connections, and our general outlook on life.

To improve health outcomes, we need to make sure our health infrastructure puts patients first and provides the right facilities to meet the current and future health needs of the ACT and surrounding region.

The Canberra Hospital Master Plan was launched on 1 December 2021 and outlines a pathway for the development of the Canberra Hospital campus over the coming 20 years. The plan was informed by one of the largest ever community and stakeholder engagement processes undertaken by the ACT Government. This transformation will deliver a world-leading medical environment to support the best healthcare in the region.

Construction of the Critical Services Building to expand the Canberra Hospital is now well underway. The nearly 40,000 square metre facility will enable a bigger, better Canberra Hospital to meet the needs of our growing city and region. It is the largest healthcare infrastructure commitment ever undertaken by the ACT Government. The new building will include more operating rooms, more treatment spaces and more intensive care beds to expand the overall capacity of the Canberra Hospital. Construction of the new facility is expected to be completed in 2024.

Planning and design work is also underway for a new northside hospital. The Government allocated \$10 million in the 2021-22 Budget to continue planning and scoping works and is currently engaging with the community and other stakeholders to ensure the facility provides the right mix of clinical services, with a modern, sustainable design.

Operating alongside the public hospital system, the Government has now opened nurse-led Walk-in Centres in Belconnen, the Inner North, Gungahlin, Tuggeranong, and Weston Creek. These centres provide free health care for people with minor injuries and illnesses and help reduce pressure on our emergency departments. They provide accessible health care for people close to where they live and, in the case of the Weston Creek Walk-in Centre, vital testing facilities during the COVID-19 pandemic.

The Government has also committed to expand the number of Health Centres across Canberra to provide preventive care and advice, early intervention and management of acute and chronic complex illnesses. The first of five new Health Centres opened its doors in Coombs on 28 April 2022. Early work is continuing for four new Health Centres – in South Tuggeranong, West Belconnen, Inner South, and North Gungahlin.

In addition, the Government has made significant investments in health-related ICT infrastructure. Through the Digital Health Record project, \$200 million will be invested over the seven years to 2025-26 to transform and enhance the way health care is provided – with each person having a unique record that can be accessed at any service location. This will facilitate faster access to information, improve quality of care and provide better data to inform future investment priorities.

The 2022-23 Budget includes an additional \$160 million over four years to provide facilities and systems required to support our health system. This brings the total investment in health infrastructure to \$820 million over the five years to 2026-27.

Initiatives in the 2022-23 Budget include:

- \$52.4 million over four years for the implementation of the first phase of the Canberra Hospital Master Plan;
- \$50.8 million over four years to support the implementation of the Digital Health Record;
- \$37.4 million over four years to deliver new state-of-the-art clinical equipment across the Canberra Hospital campus, replace hospital beds and upgrade electrical and mechanical building services;
- \$8.5 million over four years to construct a southside hydrotherapy pool at the Tuggeranong Lakeside Leisure Centre; and
- funding to continue the redevelopment of the Watson Health Precinct, modernise the ACT Government Analytical Laboratory and undertake early planning and design works for a new 12-bed acute integrated palliative care ward at the Canberra Hospital.

Education and life-long learning

What the community told us

During consultations on the 2022-23 Budget, community feedback highlighted the need for new and expanded schools in our growing suburbs, with infrastructure that supports all students to engage in learning, particularly those with a disability or other complex needs. The importance of accessible mental health services for Canberra's students and ensuring teachers and early childhood educators are supported in their roles, with opportunities for professional development was also recognised. In addition, feedback highlighted a desire for greater support for languages in public schools.

Key partnerships

A partnership approach is essential to identifying and addressing service delivery gaps and ensuring coordinated support and improved access to early childhood services, especially for families experiencing vulnerability and disadvantage. These partnerships deliver a variety of early childhood education and care services, playgroups and parenting support.

Collaborative partnerships between government and community service providers also allow schools to be hubs for students and their families, enhancing wellbeing, resilience and connections throughout the community. Equitable outcomes for young people are maximised when parents and carers are deeply involved in their children's learning. Convenient access to professional and community services that support student wellbeing and engagement in learning are critical to achieving this goal.

The Government also partners with all non-government schools to enhance parental engagement and ensure the learning and development outcomes of all Canberra's students are supported.

Our strong partnerships with tertiary research and education sector organisations, including universities, colleges and vocational training institutions, ensure we are addressing the needs of tomorrow. Research and technological innovations will continue to drive fundamental changes in how we deliver services. These partnerships prepare us to meet our future workforce requirements through programs that deliver the best possible education outcomes for Canberra students and provide high school and college students with Vocational Education and Training (VET) options or early access to tertiary courses.

\$240m

**of new funding for
education and skills**

Investing in public education

Education is fundamental to enabling people to make choices in life and giving them the opportunity to participate in society. The Government recognises that supporting the wellbeing of children in their early childhood and school years and providing access to quality education not only increases social connection but sets our children up for positive outcomes across many areas throughout their lives.

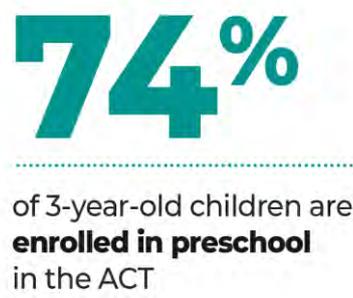
The Government is investing in the best possible public education for our children and young people through improving safety across our schools, supporting students with additional needs and strengthening cultural integrity through promoting the integration and understanding of local Ngunnawal language and culture into ACT public schools.

The Government is empowering teachers and learning professionals to thrive, and working with school communities to ensure the best possible outcomes for families.

The 2022-23 Budget provides more than \$35 million in additional funding over four years to support high quality and safe public education. This brings total recurrent funding for public education to more than \$985 million in 2022-23 and over \$1 billion per year from 2023-24.

The 2022-23 Budget initiatives include:

- \$17.3 million over four years to expand the capacity of the ACT Public Schools' Cleaning Service to ensure the provision of appropriate and safe school cleaning services and hygienic learning and work environments for students and school staff;
- \$6.9 million over four years to provide laptop devices to all teachers, casual relief teachers and administration staff based in ACT public schools;
- \$6.6 million over four years to continue to deliver access to 15 hours per week, 600 hours per year of free public education for all four-year-old children living in Canberra; and
- \$6.3 million over four years to provide support for the growth in students with additional needs enrolled in ACT public schools, operationalise key reforms in the *Education Amendment Act 2022*, and establish a Safe@Schools taskforce to strengthen the safety culture within ACT public schools.



74%

of 3-year-old children are **enrolled in preschool** in the ACT

New and expanded schools

The ACT Government is committed to supporting education and skills for our community, with a particular focus on ensuring Canberra's children and young people have access to quality education close to their homes through the expansion of existing schools and construction of new schools in our newest suburbs.

Sustainable design is a central focus in all new schools and upgrade works. This has included replacing old heating systems with low-to-zero emissions alternatives, refurbishing old buildings to be better insulated and constructing new bicycle parking facilities to encourage active transport.

The new P-6 Throsby School opened its doors in January 2022 and new schools being constructed across the Territory include a new primary school in Strathnairn, a high school in Kenny, and the new high school component of Evelyn Scott School in Denman Prospect. The Government also continues to expand and/or upgrade many schools across Canberra, including Garran Primary School, Amaroo Senior School and Narrabundah College.

The total program will increase student places in growth areas by over 5,000.

The 2022-23 Budget provides more than \$165 million over five years in additional funding for new and expanded schools. This brings the total investment in new and expanded schools to more than \$700 million over the five years to 2026-27.

The 2022-23 Budget initiatives include:

- \$84.4 million for a new public primary school (P-6) and early childhood education and care centre in the new suburb of Whitlam in Molonglo;
- \$40.5 million to modernise Majura Primary School in Watson, including increasing the school's capacity by up to 300 places to respond to enrolment growth in the Inner North;
- \$33.1 million to support finalisation and ongoing operations of the expansion of Margaret Hendry School and construction of a new public high school in Taylor; and
- \$8.5 million to increase public school capacity through the installation of three new Modular Learning Centres (MLCs) and re-use of eight existing MLCs across ACT public schools.

Supporting skills development

The Canberra community consistently identifies education as a key influence on a person's wellbeing and their growth from a young age into and through adulthood. Education is fundamental to enabling people to make sound choices in life and giving them the opportunity to participate in society.

The ACT Government is investing more than ever before in training and strengthening our skills system for the future so that every Canberran is skilled to succeed for a great job today and a rewarding lifetime in work as our economy changes and grows.

Early works have commenced on a state-of-the-art Canberra Institute of Technology (CIT) campus and adjacent public transport interchange in Woden, which will serve over 6,500 CIT students every year. An on-campus, multi-bed Youth Foyer will also provide integrated learning, accommodation and support for young people who are committed to education and training but are at risk of homelessness. This funding will also include the development of a new culturally sensitive single-story building at the Bruce CIT campus, to accommodate Yurauna, a dedicated Aboriginal and Torres Strait Islander educational centre of excellence providing tailored Aboriginal and Torres Strait Islander courses, study support and cultural advice.

This transformational project will contribute to multiple wellbeing domains, including: Education and lifelong learning; Housing and home; Access and connectivity; the Economy; and Identity and belonging. It is anticipated that students will be able to start studying at the new campus in 2025.

The CIT Woden investment is being made alongside other significant educational infrastructure investments being undertaken or facilitated by the ACT Government, including a University of New South Wales (UNSW) Canberra City campus which will be constructed in Reid/Parkes, with the campus development expected to roll out over a number of years.

The 2022-23 Budget provides an additional \$35 million for skills and training. This includes an additional \$31.2 million for the CIT Woden project and \$4.2 million to extend and refresh Study Canberra to focus on partnering with our tertiary education institutions to help the recovery of this sector. This brings the total capital funding for skills and training to \$310 million over the five years to 2026-27.

A record \$126.3 million in funding will also be provided in 2022 for apprenticeships, traineeships and other vocational education activities, including through the User Choice (Australian Apprenticeships) and Skilled Capital programs, and total recurrent funding for skills and training in 2022-23 will be more than \$180 million.

What the community told us

During consultations on the 2022-23 Budget, participants identified the challenges associated with housing affordability and supply and their disproportionate effect on the more vulnerable sections of the ACT community. The community indicated a need for greater access to safe and secure public housing, more support for homelessness and better access to short-term emergency accommodation. Community input also demonstrated a need for more affordable housing for low-to-medium income households. Participants also observed a connection between housing affordability and workforce attraction, as well as the impact of supply chain challenges on housing in the region.

Key partnerships

The Government is committed to providing safe, affordable and appropriate homes for all Canberrans. Our approach includes a particular focus on low-to-moderate income households and those most vulnerable to homelessness. The Government is delivering on these commitments through a range of policies, initiatives and programs to increase affordable rental supply and home ownership, and partnerships with the community sector are an essential part of this.

In the public housing space, the Government, with the assistance of community sector partners, provides not only a home, but the wrap-around supports needed to help people – regardless of their circumstances or abilities – to sustain tenancies, keep families together, children in school, people in employment, women and children safe, and help those who are sleeping rough.

The Government works with community sector partners to provide both short-term crisis accommodation and longer-term supported accommodation. These partnerships also provide early intervention, outreach and drop-in services that focus on preventing people from becoming homeless in the first place. These community partnerships have been crucial in the response to the COVID-19 pandemic, with new programs introduced to support vulnerable Canberrans during lockdown and through periods of high housing stress.

\$140m

**of new funding
for social and
affordable housing**

The Justice Housing Program is a partnership with a community housing provider to expand availability of affordable housing and meet the diverse transitional needs of people on bail and exiting custody in the ACT. The program targets eligible detainees at the Alexander Maconochie Centre (AMC) to provide access to community-based supported accommodation options, including transitional housing and post-sentence managed accommodation programs.

The Government continues to partner with the community sector to maintain and grow affordable housing and has increased the cap on the Affordable Community Housing Land Tax Exemption from 125 to 250 dwellings and extended the program indefinitely. This exemption is available to property owners who rent out a dwelling through a registered community housing provider, for the purpose of affordable community housing.

The Government is also restructuring the financial support it provides to Community Housing Canberra Limited (CHC) to allow CHC to grow its affordable rental portfolio by around 100 affordable rental properties over the next several years, supporting the delivery of more affordable housing dwellings as set out in the *Parliamentary and Governing Agreement for the 10th Legislative Assembly*.

To ensure our suburbs continue to be delivered to meet community needs and expectations, engagement with the surrounding communities will inform the ongoing planning and land sale processes. For example, the future of the Gungahlin Town Centre will be shaped in partnership with the Gungahlin Community Panel, whose vision and aspirations will inform future releases.

In addition, the Government's community development program – "Mingle" – embedded in Taylor and Whitlam, will continue to help residents transform new suburbs into unique, vibrant and connected communities.

The ACT Housing Strategy

Everyone in our community needs a home that meets their needs. In addition to providing the basic necessity of shelter, homes also enable engagement with work and studies and the maintenance of relationships and good health.

The ACT Housing Strategy establishes an overarching policy framework to guide decisions about policy, planning, and delivery across the housing spectrum in the ACT over its ten-year lifespan including by:

- strengthening social housing assistance and growing and renewing social housing to better meet demand;
- increasing affordable rental housing, with key objectives to grow and diversify the community housing sector, increase the supply of affordable private rental properties, and strengthen rights and protections for tenants; and
- increasing affordable home ownership, by providing more affordable homes for purchase and through alternative finance and occupancy models.

Strengthening social housing assistance

The Government has a strong record of providing a range of housing supports and services to Canberrans in need. However, this does not mean that further investment is not required. The Government is committed to addressing homelessness in our community and will continue to invest in public and community housing. The ACT is a leading jurisdiction in its response to public housing and homelessness, having **committed more than \$1.4 billion in new public housing over the ten years to 2025**.

Since the Growth and Renewal Program was introduced in 2019-20, the Government has:

- constructed over 219 new dwellings;
- acquired 93 dwellings;
- purchased 101 land sites; and
- sold 343 end-of-use public housing properties.

The Government has also increased investment in the repair and upgrade of existing housing stock, including security upgrades, energy efficiency upgrades and disability modifications to ensure that public housing tenants live in safe, secure and affordable homes.

In 2022-23, we anticipate a construction work-in-progress schedule of over 700 dwellings, including the delivery of 193 completed dwellings.

Common Ground Dickson will also soon be completed and will provide housing and intensive support to people who are experiencing, or are at risk of, homelessness as well as provide affordable rental housing for Canberrans on low incomes. The support services for Common Ground Dickson will be provided by Community Housing Canberra in partnership with YWCA Canberra.

The 2022-23 Budget provides more than \$95 million over four years in additional funding for social housing and homelessness.

Initiatives in the 2022-23 Budget include:

- \$57.3 million to further invest in additional public housing repairs and maintenance to maintain high quality public housing;
- \$29.8 million to support expanding the Growing and Renewing Public Housing program by a further 140 public housing dwellings to deliver the 400 additional public housing dwellings committed to as part of the *Parliamentary and Governing Agreement for the 10th Legislative Assembly*;
- \$7.3 million to continue specialist homelessness programs that commenced operation during the COVID-19 pandemic and further expand the capacity of frontline homelessness services in 2023-24 and 2024-25; and
- additional funding to undertake insulation and electrification upgrades to public housing properties as part of the Vulnerable Household Energy Support Scheme.

Increasing affordable rental housing and home ownership

Affordable housing is critical to the economic security and wellbeing of individuals and communities. A lack of affordable housing has significant downstream effects on wellbeing including through rental or mortgage stress and homelessness.

While housing remains relatively affordable in the ACT when measured as the proportion of median family income required for average repayments of home loans, the ACT Government is committed to continuing to deliver more affordable housing for more Canberrans through its affordable housing initiatives.

In 2022-23, the Government will work with the Commonwealth Government to expand home ownership opportunities through shared equity for Canberrans. We will also review the Affordable Home Purchase Scheme, which assists low-to-moderate income households by providing homes for purchase at affordable prices.

This Budget also makes a significant contribution to our 600 affordable rental dwellings commitment through promoting Build-to-Rent opportunities. Building on the work to restructure the financial assistance to CHC and the Common Ground Gungahlin Build-to-Rent Project, we will release a pilot Build-to-Rent site in Turner to market with an affordable rental component. We will also introduce a time limited Lease Variation Charge discount to encourage Build-to-Rent developments that include affordable rental dwellings, to be managed by registered community housing providers – we estimate these actions may result in around 75 to 150 new affordable rental dwellings consistent with the ‘salt and pepper’ model outlined in the ACT Housing Strategy. In addition, the Government will be calling for proposals for Build-to-Rent projects with an affordable rental component where there is a site already attached, for additional Government assistance.

We are also releasing a Build-to-Rent Investment Prospectus to promote Build-to-Rent investment in Canberra. We will examine opportunities to enhance the community housing sector in the ACT, with an aim to increasing the number of affordable rental properties. These initiatives will enable the Government to work with community housing providers and the private sector to identify the level of Government support necessary to deliver a financially viable Build-to-Rent development that grows the affordable rental market.

The 2022-23 Budget provides more than \$45 million over four years to support housing affordability for low-to-medium income households, including:

- raising the lowest conveyance duty tax threshold for residential owner-occupiers from \$200,000 to \$260,000, which will reduce duty on homes between \$260,000 and \$1,455,000 by \$1,120, when combined with ongoing tax rate reductions;
- increasing the Home Buyer Concession Scheme income eligibility threshold from \$160,000 to \$170,000 (the threshold continues to increase by \$3,330 per child up to a maximum of five children);
- increasing the Deferred Duty and Disability Duty Concession Schemes price eligibility thresholds from \$750,000 to \$1 million;

- continuing the Vulnerable Household Energy Support Scheme to provide support for community housing providers, eligible private rental providers and low-income homeowners to install insulation and efficient electrical appliances, replacing gas appliances as appropriate;
- releasing block 3 section 57 in Turner in 2022-23 as a site to pilot Build-to-Rent with an affordable rental component through a market process and exploring the suitability of release of additional sites; and
- providing a time limited Lease Variation Charge (LVC) discount to eligible Build-to-Rent developments that include a minimum of 15 per cent of dwellings as affordable rental. The affordable rental dwellings must be managed by a registered Community Housing Provider for at least 15 years.

The new Commonwealth Government has also committed to ambitious programs to increase the number of social housing properties, deliver affordable homes for frontline workers and deliver shared equity models to support increased home ownership. We are working closely with the Commonwealth Government as they design these schemes to ensure they are delivered efficiently and effectively here in the ACT.

Housing choice and quality

The ACT Government recognises there is a strong link between housing satisfaction and general life satisfaction. Quality housing that meets the needs of the community is crucial for wellbeing, as unsuitable housing can negatively impact on our relationships, safety, learning opportunities and mental health.

The structure of our households is also changing. The number of families with children has fallen and the number of single people living alone has significantly increased. Canberra's population is growing and we are also one of the fastest ageing capital cities in Australia. These changes create different requirements for the size and adaptability of our dwellings.

The community has expressed a desire for more housing choice and flexible housing forms in their neighbourhoods and suburbs – not just single dwellings or high-rise apartments.

Responding to these preferences, the Government's Indicative Land Release Program sets out the intended land releases across the Territory and plays a strategic role in catering for population growth, while supporting a sustainable, equitable city that is both compact and liveable.

The 2022-23 Indicative Land Release Program seeks to deliver housing diversity and affordability, while building a compact, efficient city – working towards at least 70 per cent of new dwellings within the existing urban footprint.

The program also promotes sustainable and competitive land development, creating more local construction jobs and attracting investment into Canberra. The Government will dedicate at least 15 per cent of the Indicative Land Release Program to affordable, community and public housing.

Greenfield land will continue to be released, with Whitlam Stage 3 forming most of the supply in Molonglo and Jacka Stage 2 planning, construction and land sales expected to occur throughout the year for Gungahlin.

The ACT Government is currently undertaking work to develop district strategies, and these will identify potential locations for change, many that will be within the areas identified in the Planning Strategy as well as considering other opportunities.

Opportunities also exist or could arise around a number of sites across the city that will be delivered by the Commonwealth Government or private sector.

Key urban renewal releases are progressing in Belconnen, the Inner North and Inner South. A place-led approach to developing the Kingston Arts Precinct will continue, including developing a design brief in partnership with the arts community and community members who will live, work and play in the precinct.

The Government will also test and showcase how we can deliver a compact and active city through the Demonstration Housing Project, which highlights innovative approaches to planning, design, and delivery. The project will deliver a handful of built homes that showcase different housing types such as co-housing and ageing-in-place homes to make for a more sustainable and inclusive future for Canberra.

To support this and other measures to improve housing choice and quality, the 2022-23 Budget provides more than \$20 million over four years, including:

- more than \$10 million to support land release, including funding to relocate West Belconnen’s green waste drop-off to a new location within the region to support release of more housing in phase two of the Ginninderry residential estate development, and funding to replace existing playing fields and undertake detailed design works for a new community hub and skate park to facilitate the release of block 71 section 51 Holt;
- \$9.5 million to establish a Loose Fill Asbestos Insulation Coordination Team until December 2023 to continue and then transition the ongoing work of the Asbestos Taskforce, which was established in 2014, into ongoing operations; and
- \$2.2 million to enhance the safety and protection of homeowners in Canberra through improved building quality by bolstering the technical expertise, resourcing and system capability of the regulator.

\$20m

of new funding for housing choice and quality

What the community told us

During consultations on the 2022-23 Budget, the community highlighted the importance of support services for people with a disability, the elderly and carers. The community also identified a need for more resources to combat sexual abuse and domestic and family violence. In addition, consultation identified a need for more legal assistance for vulnerable cohorts, and a need to further address over-representation of Aboriginal and Torres Strait Islander people in the ACT criminal justice system. Consultation also highlighted the value of sharing the investment between the public service and community sector when delivering programs and services to the community – and the important role that the community sector plays.

Key partnerships

Partnerships are vital in providing frontline services that deliver community support to the most vulnerable members of our community.

An important example is partnerships with organisations such as the Women’s Legal Centre, the Domestic Violence Crisis Service, the Canberra Rape Crisis Centre, and a range of other community service providers who all help deliver critical frontline support services to people impacted by domestic, family and sexual violence.

Innovative initiatives delivered in collaboration with our community partners help respond to diverse needs, supporting those who might otherwise fall through the cracks, including:

- the Family Violence Safety Action pilot, which provides a collaborative model of information sharing, focussing on early identification and assessment of risk to victims and their children;
- the Health Justice Partnership, delivering legal services in health and community settings to new parents experiencing domestic and family violence; and
- community-led domestic and family violence responses in collaboration with the Aboriginal and Torres Strait Islander Reference Group.

The Government also works with a range of organisations that provide legal and educational services for various community groups, including outreach services for culturally and linguistically diverse communities, and supported representation for clients with complex cases. Legal sector partnerships with Aboriginal Community Controlled Organisations and Aboriginal and Torres Strait Islander service providers are also working to reduce the over-representation of indigenous people within the ACT criminal justice system.

In addition, as part of the Disability Justice Strategy, partnerships between government and the justice, legal and community sectors are helping people with disability to better access and engage with the ACT justice system, supporting greater inclusion and driving systemic change.

ACT Together is a consortium of non-government organisations that provide specialised services across the out of home care continuum to ensure good practice and outcomes for children and young people who cannot live at home. Services range from residential, foster and kinship care to community adolescent programs and functional family therapy.

Youth sector organisations provide a range of services for children, youth and families – from intensive family support programs for diverse cultural groups, to services and supports for young people. The Government seeks to involve young people in decision-making processes on issues that affect and interest them and actively engages with partners such as the Youth Coalition of the ACT, to ensure that the youth sector is better equipped to meet the needs of young people, families and the community.

Community support and social inclusion

Community sector organisations are crucial in supporting the diverse needs of people across our community – with the COVID-19 pandemic highlighting how challenging times do not impact our community equally.

In recognition of these ongoing challenges, the Government will continue critical support for vulnerable members of the community through partnerships with local community groups such as Roundabout Canberra, which provides essential supplies to families, and the Refugee, Asylum Seeker and Humanitarian program, which provides accommodation and living expenses relief.

In 2022-23, community sector organisations will receive an additional \$28 million over four years in recognition of the Fair Work Commission’s recent decision to increase national modern award wages by 4.6 per cent.

\$110m

**of new funding for
community support
and social inclusion**

This funding will assist the community sector in managing current costs, including retaining skilled and essential employees. The Government also recognises that integrated and effective community support relies not only on organisations but on individual carers and has committed a further \$825,000 to support the *ACT Carers Strategy 2018-2028* and fund community-based and awareness-raising initiatives.

The 2022-23 Budget provides more than \$35 million over four years for community support, including:

- an additional \$28 million for community sector organisations in recognition of the recent Fair Work Commission Annual Wage Review and increases in the Consumer Price Index;
- an additional \$4.5 million for the construction of new accommodation for the Gugan Gulwan Youth Aboriginal Corporation, including the incorporation of detailed cultural design features;
- \$1.6 million to provide an additional one-off \$50 increase in the Utilities Concession in 2022-23 to support around 31,200 low-income households facing increased cost of living pressures due to rising consumer prices;

- \$825,000 to improve supports and outcomes for Canberra’s carers, including funding for community-based initiatives and awareness-raising activities;
- \$750,000 in additional support for the Chief Minister’s Charitable Fund and \$330,000 for Roundabout Canberra; and
- \$180,000 for the Refugee, Asylum Seeker and Humanitarian Discretionary Fund program to meet the increased needs for essential living costs for vulnerable individuals and families.

Canberrans value connection with people around them. Volunteering is often recognised as playing a critical role in supporting quality of life in communities in a range of ways. Being connected to others lessens loneliness and encourages resilience, especially when dealing with events that disrupt our lives. Connecting with others and having people to rely on also improves our sense of safety and our feelings of identity and belonging.

The Government is committed to making Canberra the most welcoming and inclusive city in Australia, embracing and celebrating Canberra’s cultural and linguistic diversity through increased support for Canberra’s community language schools, the development of the *Multicultural Recognition Act* and multicultural charter, progressing the accreditation and recognition of Canberra as a Welcoming City and supporting events such as the annual National Multicultural Festival, which will celebrate its 25th Anniversary in 2023.

The Government recognises that not everyone in our community has the same level of wellbeing, and targets investments to support the social inclusion of all Canberrans. **The 2022-23 Budget provides more than \$75 million in funding over four years for new initiatives to support social inclusion**, including:

- \$68.7 million to begin implementation of the *Next Steps for Our Kids Strategy 2022-2030* by expanding investment in targeted, culturally safe and therapeutic family support services and providing safe, stable living arrangements for those children who require out of home care;
- \$3.7 million to enhance actions under the *Capital of Equality Strategy* to improve the wellbeing and circumstances of LGBTIQ+ Canberrans, their families and communities;
- \$2.6 million to support people with variations in sex characteristics, including the establishment of dedicated healthcare workers and support, a new statutory body to support best treatment practices, awareness campaigns and a boost to A Gender Agenda’s peer support fund;
- \$513,000 to support community language schools including grants to support the establishment of new language schools; and
- \$400,000 to develop a *Social Recovery Framework* to better understand priorities for individuals, the community sector and the broader community for social recovery following a disaster.

Supporting women

Women are significantly more likely than men to be victims of domestic, family, and sexual violence. Women continue to feel the burden of the pandemic through impacts to their safety (especially through an increased risk of domestic and family violence), mental health, employment and housing insecurity. The Government recognises that now, more than ever, we need to address the systemic causes of gender inequality and also ensure women feel safe in the community and at home.

The Government is committed to developing and implementing Gender Sensitive Urban Design Principles to increase women's safety and participation in public spaces. This will inform the design and development of public urban spaces, infrastructure and transport including making footpath and lighting improvements to connect with public transport and avoiding the development of new bus stops in secluded areas.

The Government is prioritising holistic and integrated responses to domestic and family violence through initiatives such as the *Domestic and Family Violence Risk Assessment and Management Framework*, Health Justice Partnerships, the Family Violence Safety Action program and perpetrator programs such as Room4Change.

Recognising that preventing gendered violence in all its forms is crucial to ensuring a gender-equal community, **the 2022-23 Budget provides \$24 million over four years for new or expanded programs and actions to prevent and respond to sexual assault and family and domestic violence. This brings the total funding to address domestic and family violence and sexual violence prevention and response to more than \$70 million over four years.** New or expanded programs and actions in the 2022-23 Budget include:

- \$5.9 million to provide a dedicated response to high-risk situations of domestic and family violence through the expansion of the Family Violence Safety Action Program;
- \$4.4 million to establish a Multi-Disciplinary Centre to co-locate specialist sexual violence response services;
- \$3.8 million for the Sexual Assault and Child Abuse Team within ACT Policing;
- \$1.9 million over four years to work with Aboriginal and Torres Strait Islander communities to scope, design and implement culturally appropriate and relevant responses to domestic and family violence in Aboriginal and Torres Strait Islander communities;
- \$1.8 million over four years to establish domestic and family violence training and resources to enhance integration and coordination across the domestic and family violence service system;
- \$1.5 million to establish Independent Sexual Violence Advisors in the ACT to provide on-the-ground expert advocacy;
- \$1.4 million to establish an ongoing structured consultation program with victim survivors of sexual assault to continue to drive and inform reforms to the prevention of and response to sexual violence; and
- \$620,000 over two years to increase the capacity of the Domestic Violence Crisis Service and the Canberra Rape Crisis Centre.

A range of 2022-23 Budget initiatives will also support improving outcomes for women in the ACT, including:

- improving women’s health services by reducing the cost of surgical and medical abortions and expanding maternity services;
- improving supports and outcomes for Canberra’s carers, including funding for community-based initiatives and awareness-raising activities;
- strengthening homelessness services and expanding the Government’s investment in social housing; and
- further embedding flexible working arrangements within the ACT Public Service and strengthening diversity and inclusion programs.

Supporting Aboriginal and Torres Strait Islander people

Supporting Aboriginal and Torres Strait Islander people, acknowledging the wrongs of the past and working towards reconciliation are key priorities for the Government.

In 2022-23, the Government will continue its close partnership with the ACT Aboriginal and Torres Strait Islander Elected Body and the National Coalition of Aboriginal and Torres Strait Islander Peak Organisations to work towards achieving more positive life outcomes for Aboriginal and Torres Strait Islander people.

The \$20 million Healing and Reconciliation Fund will be administered in partnership with local Aboriginal and Torres Strait Islander communities and has already supported work with the Winanggaay Ngunnawal Language Group to establish a Ngunnawal Language Centre and community conversations around the Treaty process for the ACT.

The Government will also continue its work in partnership with Aboriginal Controlled Organisations including Winnunga Nimmityjah Aboriginal Health and Community services to deliver an alcohol and drug rehabilitation service, and Gugan Gulwan Youth Aboriginal Corporation to fund the construction of a new facility that incorporates detailed cultural design features and enables expanded services for Aboriginal and Torres Strait Islander children, young people and families in a familiar setting.

The 2022-23 Budget provides more than \$35 million in additional funding over four years to support Aboriginal and Torres Strait Islander people in the Territory. This includes:

- \$11.5 million for a package of programs and initiatives aimed at reducing the over-representation of Aboriginal and Torres Strait Islander people in the ACT criminal justice system;
- \$9.4 million to support the continuation of Winnunga Nimmityjah Aboriginal Health and Community Services holistic model of health service delivery to Aboriginal and Torres Strait Islander detainees at the Alexander Maconochie Centre;



\$35m

of new funding to support Aboriginal and Torres Strait Islander people

- an additional \$4.5 million for the construction of new accommodation for the Gugan Gulwan Youth Aboriginal Corporation, including the incorporation of detailed cultural design features;
- \$3.6 million to establish an independent Aboriginal and Torres Strait Islander Children’s Commissioner, in line with the recommendations of the *Our Booris, Our Way* report;
- \$3 million for the next stage of the Watson Health Precinct to support the construction and operation of an Aboriginal and Torres Strait Islander alcohol and other drug residential rehabilitation facility;
- \$2.1 million to begin the transition to a residential program and provide Elder-in-residence support at the Ngunnawal Bush Healing Farm;
- \$1.9 million to implement community-led culturally appropriate responses to domestic and family violence in the Aboriginal and Torres Strait Islander community;
- \$935,000 to undertake broad consultation with the Aboriginal and Torres Strait Islander communities to ensure culturally informed implementation of all recommendations in the Sexual Assault Prevention and Response Program Report; and
- \$600,000 over four years (\$150,000 per annum) to provide grant funding to the Winanggaay Ngunnawal Language Group to promote the integration and understanding of local Ngunnawal language and culture into ACT public schools.

Well-prepared emergency services

We want Canberrans to feel safe and secure around their families, in their homes, and within the community. Wellbeing, both short and long term, can be significantly affected by the timely response of the relevant authorities when a safety incident occurs. Confidence in our emergency services is vital to our safety and security.

Since 2021-22, the Government has been working to modernise the ACT Ambulance Service to better respond to the changing health needs of the ACT community. A new patient-centred model of care will include better triaging of calls, more tailored services, and greater skills diversification.

The Government is also continuing work to better integrate information and communication technology across its emergency services – to better prepare the Territory as it faces the challenges of population growth and intensifying, more frequent natural disasters.

In 2019-20, the Government commenced the transition to a new Police Services Model for the ACT community, with the recruitment of over 60 new ACT Policing personnel over four years. The new Police Services Model will see ACT Policing deliver a more visible, connected and efficient police service, and has already resulted in:

\$60m

**of additional funding
for emergency
services**

- the establishment of a more proactive policing capability, addressing systemic crimes with an increased focus on preventive actions through greater crime intelligence;
- the design and build of an online reporting portal; and
- all uniformed ACT Policing members being issued with body-worn cameras.

The 2022-23 Budget continues to strengthen emergency services by providing more than \$60 million over four years in funding for new initiatives. This brings the total recurrent funding for emergency services to more than \$405 million in 2022-23 – and the total capital funding to more than \$125 million over the five years to 2025-26.

2022-23 Budget initiatives include:

- \$30.6 million to continue implementation of a modernised and more patient centric service delivery model for the ACT Ambulance Service;
- \$24 million for a new joint ACT Ambulance Service and ACT Fire & Rescue emergency services station in the Molonglo Valley;
- \$2.6 million to upgrade critical elements of the ACT Emergency Services Agency's ICT network;
- \$2.5 million to enhance ACT Policing's response to serious and organised crime; and
- \$642,000 to continue to support law enforcement and mental health professionals to assist with the identification of individuals who present fixated threats to Government officials and the ACT community.

Justice system reforms and human rights

The community also needs to have confidence in institutions that influence wellbeing. It is important that the community is confident in and can access the justice system and restorative practices. Canberrans also need to feel sure that the Government will protect their basic human rights.

That is why we are increasing our support for the Human Rights Commission (HRC) so Canberrans can use the HRC's complaint process to seek a remedy for discrimination, elder abuse, abuse or neglect of people with a disability, and to address concerns in services for children and young people and services for older Canberrans.

To help divert people from the criminal justice system, the Government has established a Drug and Alcohol Court sentencing option, which provides a unique alternative to full-time imprisonment for a group of high risk and high need offenders who are dependent on alcohol or other controlled drugs. This approach also lessens the impact of criminal activity in the Territory by reducing the likelihood of drug-dependent people resorting to further offending behaviour.

\$35m

of new funding for Justice reform and human rights

Reducing over-representation of Aboriginal and Torres Strait Islander people in the criminal justice system is another key pillar of the Government's justice system reforms. We are working closely with Aboriginal and Torres Strait Islander community leaders to address over-representation – with roundtables and community meetings helping guide systemic change.

The Government is progressing legislation to establish an independent Aboriginal and Torres Strait Islander Children's Commissioner, who will undertake

individual and systemic advocacy on behalf of Aboriginal and Torres Strait Islander children in the child protection system.

The Government is also leading Australia on the issue of raising the minimum age of criminal responsibility (MACR), in line with recommendations of the United Nations Committee on the Rights of the Child. Over the past 18 months, the Government has engaged in extensive consultation with a range of community and government stakeholders to inform policy development around raising the MACR from 10 years of age.

The 2022-23 Budget provides more than \$35 million over four years in funding to continue and strengthen justice system reforms and human rights. This brings total recurrent funding for the justice system to more than \$300 million in 2022-23 – and the total capital funding to more than \$50 million over the five years to 2025-26.

2022-23 Budget initiatives include:

- \$11.5 million to deliver a package of programs and initiatives focused on addressing the over-representation of Aboriginal and Torres Strait Islander people in the ACT criminal justice system;
- \$3.6 million to establish an independent Aboriginal and Torres Strait Islander Children's Commissioner;
- \$3.1 million to provide additional support to the ACT's community-based legal assistance sector and establish a new Aboriginal and Torres Strait Islander care and protection legal advocacy service; and
- \$2.8 million to provide more resources to Legal Aid and continue Criminal Case Conferencing in the ACT Supreme Court.

What the community told us

During consultations on the 2022-23 Budget, the community rated climate action and environmental sustainability among the most important of all government priorities. Canberrans recognised the importance of addressing climate change and emissions reductions and emphasised the importance of considering Canberra's ecological footprint as we look to improve our region's climate resilience and preparedness. Several submissions identified the importance of encouraging and investing in active travel, including maintaining Canberra's footpaths and cycling infrastructure.

Consultation highlighted the need for safe and efficient public transport services, with improved access for seniors. Input identified the need for road upgrades, and the importance of light-rail planning works. Canberrans also recognised the importance of investing in the amenity of our city, including town centres and suburban revitalisation.

Key partnerships

Many Canberrans volunteer their time to make Canberra a better place, and in doing so, play a valuable role in fostering stronger community and social connections. The work of volunteer-based groups is particularly important in protecting and enhancing Canberra's unique natural and built environments. These groups also play a valuable role in fostering strong community and social connections.

The Government also values working with the Aboriginal and Torres Strait Islander community to learn from and incorporate traditional land and environmental management practices. A key partner in this area is the Dhawura Ngunnawal Caring for Country Committee, which provides advice to the Government to improve cultural understanding and guide the enhancement of land and environmental management practices.

\$100m

**of new funding
for environment
and climate**

To encourage Canberrans to take action on climate change, the Government partners with a range of community organisations including the Canberra Environment Centre, SEE-Change, and the Conservation Council ACT Region. These organisations deliver a variety of awareness events, workshops and campaigns. SEE-Change also delivers the Canberra Electric Bike library, in collaboration with Switched on Cycles.

In addition, the Government conducts regular stakeholder engagement on a wide range of policies and services, including through the Transport Canberra and City Services Accessibility Reference Group. The group draws membership from a wide range of Canberrans including people with a disability, women, vulnerable people, children, young people and the elderly to ensure our public transport services remain accessible to all Canberrans.

Transport network improvements

One of the things we value about our city is our ability to get around easily and access the spaces, places, buildings, services, jobs and activities that enable us on a daily basis to live good lives. Integrated transport networks shape the way cities grow and prosper, generating economic opportunities and jobs, and providing vibrant and attractive social environments for residents and visitors.

Walking, cycling and other forms of active travel are at the centre of our plans to make Canberra an even more liveable and sustainable city.

The Government has recently opened a new Park and Ride facility on the corner of Well Station Drive and Flemington Road – providing more than 170 car parks, designated disabled parking and Bike and Ride facilities. We have also recently improved cycling and pedestrian access in the Woden town centre.

In addition, the Government is modernising our existing transport network. This includes new and upgraded Park and Ride/Bike and Ride facilities, bus layovers and bus depots. Through an annual bus stop upgrades program, we are promoting greater accessibility, and improving ease of access for people with different mobility requirements.

Transport network improvements now total more than \$1.4 billion over the five years to 2026-27 including funding for major and urban roads, public transport and active travel.

The 2022-23 Budget provides more than \$25 million over four years in new funding for transport network improvements.

2022-23 Budget initiatives include:

- \$7.6 million to upgrade five intersections to improve safety and add better connections for active travel;
- \$6.7 million to upgrade key sections of Boboyan Road;
- \$6.2 million to improve road safety and promote active travel by delivering a range of local projects in partnership with the Commonwealth Government; and
- \$4.3 million to support active travel by replacing three timber bridges in Umbagog District Park and continuing the *Ride and Walk to School*, *It's Your Move Safe Cycle* and *School Crossing Supervisor* programs for a further year.

\$25m

**of new funding
for transport
and active travel**

Supporting climate action

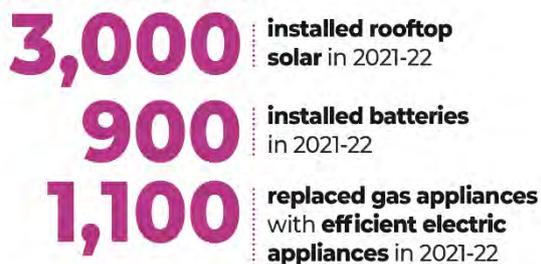
Climate change is one of the greatest threats to our environment and way of life. The impacts of climate change, including hotter temperatures, more extreme weather events and increased bushfire risk also have the potential to significantly affect the community's safety and wellbeing.

It is crucial for us to continue to make concerted efforts to minimise these impacts and increase our resilience to them. For these reasons, the Government has an ambitious agenda for addressing climate change and continue to lead the way as the energy capital of Australia, supporting climate mitigation and adaptation.

We have already made significant progress in meeting the challenges of climate change.

- in 2019 we declared a climate emergency and acknowledged the need for concerted climate action across all levels of Government;
- in 2020 we:
 - exceeded our interim target of 40 per cent reduction of greenhouse gas emissions from 1990 levels, ahead of schedule;
 - became the first Australian jurisdiction to shift to 100 per cent renewable electricity and have committed to maintaining it from 2020 onwards;
 - continued to build on our successes in securing 100 per cent renewable electricity for the ACT, including securing an additional 200 megawatts (MW) of wind power to the national capital; and
 - established the Office for Climate Action, to coordinate and support the Government's ambitious agenda for climate action.
- in 2021 we rolled out the \$150 million Sustainable Household Scheme to all eligible households across Canberra to provide more Canberra households with the

ACT households



Date: 2021-22

Source: Implementation data from the Sustainable Household Scheme

opportunity to share in the benefits of sustainable technologies to make their homes more efficient.

The Sustainable Household Scheme offers zero interest loans of up to \$15,000 for households to assist with the upfront costs of investing in rooftop solar panels, household battery storage, and efficient electric appliances.

100%

electricity in the ACT has come from **renewable sources since 2020**

- in 2022 we have continued delivery of the Sustainable Household Scheme and other climate action priorities, including pre-procurement processes for the Big Canberra Battery, and released the *Zero Emissions Vehicles Strategy 2022-30*.
 - As of June 2022, more than \$58 million in loans have been approved under the Sustainable Household Scheme, and over 75 per cent of the value of work carried out has gone back into the local industry and economy. The scheme won the Future Cities Award at the 2022 National Banksia Sustainability Awards.
 - Procurement processes of streams 1 and 2 of the Big Canberra Battery open to industry in August 2022. The Big Canberra Battery will help future proof the Territory’s energy supply by reducing the load on our electricity network, supporting more families to switch to reliable renewable energy sources to power their homes.
 - Stream 1 will deliver 250 MW of grid connected battery storage to support the electricity network.
 - Stream 2 will initially seek to deliver batteries at 14 government sites spread around the city to help reduce power used in government buildings and reduce the strain on the distribution network.
 - Stream 3 will deliver battery storage on the distribution network through medium-sized neighbourhood batteries.

The *Zero Emissions Vehicles Strategy 2022-30* was released in July 2022 and outlines the plan to support a smooth transition to zero emissions vehicles over the coming decade. Actions under the strategy include:

- aiming for 80-90 per cent of new light vehicle sales being zero emissions vehicles by 2030;
- phasing out light internal combustion engine vehicles by 2035;
- continued action to ensure that 100 per cent of all newly leased government vehicles are ZEVs where fit for purpose and explore opportunities to replace ACT Government heavy fleet vehicles with ZEVs;
- \$2,000 grants for installation of EV charging infrastructure for apartment buildings;
- expanding the ACT public charging network to at least 180 EV chargers by 2025;
- exclusion of new vehicles powered by fossil-fuels in taxi and ride-share fleets by 2030;
- changes to the Territory Plan to make new builds EV ready and streamlining EV charging application processes for public land; and
- continued national advocacy and engagement to expand the national EV charge network and improve vehicle emissions standards.

5%

new vehicles
in the ACT were
**Zero Emission
Vehicles** in 2021

Date: 2022

*Source: State of
Electric Vehicles (2022)*

These achievements have cemented the ACT's reputation as leading the nation on climate action, but more work still needs to be done. **The 2022-23 Budget provides more than \$95 million over four years in new funding for climate action**, including funding:

- to continue the transition to a zero emissions public transport fleet by purchasing 90 battery electric buses and associated infrastructure;
- for a range of measures to increase the uptake of zero emissions vehicles, consistent with the *Zero Emissions Vehicles Strategy 2022-30*;
- to transition government facilities away from gas to electricity;
- to continue implementation of the Vulnerable Household Energy Support Scheme to provide support for community housing providers, eligible private rental providers and low-income homeowners to install insulation and replace gas appliances with more efficient electrical heating and cooling appliances, hot water heat pumps and stove tops.

Emissions are
45%

below 1990 levels

Date: 2021

*Source: Greenhouse Gas
Inventory Report 2020-21*

Protecting Canberra's unique environment

Canberra is a city built on Ngunnawal Country within the natural setting of the Brindabella Mountain Range. Our parks, reserves, lakes and hills are part of our tree-lined city, and we value our access to through and around the city. Maintaining a healthy environment is central to increasing quality of life and years of healthy life. The quality and sustainability of our air, water, land, and flora and fauna are critical to sustaining our lives.

We are committed to helping to reduce biodiversity loss and undertaking ecological restoration within Canberra's urban landscape. This work will have a positive impact on the wellbeing of Canberrans, through increasing our opportunity to connect with nature and spend time in green spaces, as well as a positive impact on the wellbeing of our environment through restoring native wildlife habitat and helping to mitigate the impacts and severity of climate change.

The 2022-23 Budget provides more than \$10 million over four years to protect and restore the ACT environment and strengthen Canberrans' connections to nature, including:

- \$4.2 million to establish an Office of Water to coordinate and lead water policy development and holistic water management in the ACT;
- \$3 million to improve the ecological connectivity and nature-based wellbeing outcomes within Canberra's urban landscape;
- \$2.3 million to undertake bushfire risk reduction activities;
- \$1.1 million to design a new visitor centre at Tidbinbilla Nature Reserve (TNR) and undertake high priority safety improvements within Canberra Nature Park and TNR; and
- \$250,000 to expand the resources of the existing Invasive Species Rapid Response Biosecurity Team in 2022-23.

Canberrans report

2 in 3 wanting to spend more time volunteering

Canberrans agree

3 in 4 that the ACT Government respects and protects human rights

Canberrans walked

3 in 4 in a nature reserve, local park or oval once a week in late 2021

Date: November 2021

Source: Living Well in the ACT Region Survey, University of Canberra (2021)

What the community told us

During consultations on the 2022-23 Budget, the community identified the need to encourage economic growth, with more support for local jobs, small businesses, tourism recovery, and through workforce and skills development. This included being able to attract and retain skilled labour in the current environment. Many individuals and organisations also identified issues with supply chain pressures impacting delivery and the need to for the Government to respond to rising cost of living pressures.

The community highlighted the importance of maintaining our local sports centres, aquatic facilities and playing fields, supporting healthy and active living. Consultation indicated a desire for more support for our local artists, and greater investment in Canberra's community arts centres. Input recognised the importance of inclusive community arts programs and cultural development.

Key partnerships

The Government continues to engage closely with Canberra businesses and the broader community to respond to issues arising from the COVID-19 pandemic and from global and regional events that are impacting on supplies of materials and labour. The Government has provided support through the Canberra Business Advice Support Service, the Aboriginal and Torres Strait Islander Business Support Program and the COVID-19 Business Support Grants, and the Small Business Hardship Scheme supported businesses through lockdowns.

Values-based economic priorities outlined in [CBR Switched On: ACT's Economic Development Priorities 2022-2025](#) foreshadow stronger partnerships to support the growth of Canberra's cyber, space, defence, and high-tech industries. This follows the establishment of the Canberra Cyber Hub in 2021-22 – co-designed with industry to develop Canberra's cyber security education pathways and accelerate small-to-medium enterprises to grow connections and attract investment.

The Government has committed to expanding these partnership arrangements to develop a Space and Advanced Technologies Hub, building on Canberra's leading capabilities in space through our universities, research organisations and business sector.

The Government recognises the important contribution and value of elite sport to the ACT economy, in shaping a positive community identity and connection, promotion of physical activity and the maintenance of elite development pathways. In acknowledgement of this contribution, the Government provides support to the Canberra Raiders, the Brumbies, the GWS Giants, the UC Capitals and Canberra United.

As the Government's official tourism organisation, VisitCanberra works to grow the visitor economy for Canberra and the surrounding regions by creating and implementing a range of marketing, development and engagement programs. This is achieved in partnership with a range of organisations, including the Canberra Region Tourism Leaders Forum, the Canberra Convention Bureau, the National Capital Attractions Association, and the Australian Hotels Association.

Recognising the significant impact of the COVID-19 pandemic on the tourism and hospitality sector, the Government has entered into a range of partnerships with Canberra tourism operators and institutions to drive visitation, and continues to work closely with the Canberra Regional Tourism Leaders Forum to identify emerging issues.

Community infrastructure and venues

Canberrans are fortunate to have access to suburban infrastructure such as playgrounds, sporting facilities and picnic amenities – all of which contribute to our wellbeing.

In 2019-20, the Government commenced its 30 plus year City Precinct Renewal Program. As part of this initiative, construction of a new Haig Park community centre commenced in March 2022. The project is one part of our plan to make Haig Park a safe, inviting place for Canberrans to meet, celebrate, learn, and grow. The Haig Park community centre will open in late 2022.

The City Precinct Renewal Program also delivers events such as Christmas in the City, Winter in the City, City Illuminations @ Enlighten, Lunar New Year celebrations in Dickson and the Summernats Fringe Festival in Braddon. To help keep our city vibrant and attractive, a dedicated team has delivered over 12,000 hours of cleaning, beautification and maintenance of the public realm in the past year alone.

The Government also continues to transform Acton Waterfront, connecting the city centre with Lake Burley Griffin and creating accessible spaces for the community to enjoy. Construction of Phase 2 of the Acton Waterfront boardwalk was completed in June 2022. The full 650 metres of boardwalk realigns the lake edge to be consistent with the National Capital Plan and the Griffin's original design concept for West Basin – creating a new lakeside destination for all Canberrans to enjoy. An upgraded beach area at the northern end of the boardwalk will be completed in early 2022-23.

\$55m

for community infrastructure, facilities and venues

In consultation with the community, the Government commenced design for a new 30,000 square metre parkland adjoining the boardwalk in May 2022. Construction of the parkland is expected to commence in 2023. This builds on the success of Phase 1 and Henry Rolland Park (opened in 2018), which won a Landscape Architecture – Parks and Open Space award at the 2022 Australian Institute of Landscape Architects Awards (ACT Chapter) in July 2022.

The 2022-23 Budget provides more than \$55 million over four years in new funding for community infrastructure. This brings the total capital funding for community infrastructure to more than \$465 million over the five years to 2026-27.

2022-23 Budget initiatives include:

- \$11.8 million for a water retardation basin at Narrabundah playing fields and at Throsby Crescent in Narrabundah, including a new play space to replace equipment in the construction area;

- \$11.1 million to support the operations of public pools, undertake and plan for essential upgrades, and undertake feasibility and costing work for a new diving pool;
- \$9.9 million for a new 10-court tennis facility in Amaroo;
- \$8 million for critical maintenance and upgrade works at libraries, community centres and other ACT Government buildings; and
- \$2.6 million for a destination play space in the Inner North.

Valuing arts and culture

Arts and culture can connect people with ideas, emotions, history and stories. The arts, culture and heritage have an important role to play in shaping our identity as a city and our overall happiness and wellbeing.

In 2023 we look forward to welcoming back the National Multicultural Festival where all Canberrans have the chance to enjoy a range of performances, culture, entertainment, food and community spirit.

\$75m

**of additional funding
for arts and culture**

[CBR Switched On: ACT's Economic Development](#)

[Priorities 2022-2025](#) identifies Canberra as being a place that embraces arts, culture and creativity. The Government's *Statement of Ambition for the Arts* sets Canberra on the course to be recognised as Australia's Arts Capital. It identifies a strategy for the ACT Government and the ACT arts, culture and creative sector to work collaboratively to create, develop and promote the arts and creative practices and draw people and culture to Canberra.

The Government is progressing the Kingston Arts Precinct redevelopment, with completion planned for 2025. We will be working in collaboration with the community to create a leading destination for visitors and locals to explore contemporary visual arts and culture in the ACT. This project will help attract new audiences, supporting the ACT's thriving arts community for generations to come. This work builds on the recent upgrade of the Old Kingston Bus Depot, which ensures the ACT Heritage Listed building will remain in top shape well into the future.

The 2022-23 Budget provides more than \$75 million over four years in funding for arts and culture.

Initiatives in the 2022-23 Budget include:

- \$62 million to commence detailed design and planning for the Canberra Theatre Centre expansion and redevelopment and undertake upgrades to existing theatres;
- \$8 million for major heritage restorations and critical building upgrades at Gorman House Arts Centre to celebrate the site's centenary in 2024, and to develop a strategic framework for the future management of government arts facilities;
- \$3.1 million to increase funding to the ACT Arts Fund and provide additional operational funding for the Belconnen, Ainslie and Gorman Arts Centres; and

- \$2.7 million for the 25th Anniversary National Multicultural Festival (NMF).

Jobs and economic growth

A strong and sustainable economy can boost wellbeing by promoting higher standards of living and creating new opportunities for work and leisure. Maintaining and growing Canberra’s strong economy and ensuring that our financial prosperity is shared across the community are two key drivers of enhanced wellbeing for our region.

The COVID-19 Business Support Grants program provided over \$326 million in short-term support for local businesses whose turnover had significantly declined because of COVID-19 public health measures in place from 12 August 2021.

The program was jointly funded between the ACT and Commonwealth Governments to provide eligible businesses with:

- initial payments to provide rapid cash injection;
- extension payments to provide continued support;
- top up payments to provide additional support for larger, employing businesses with an annual turnover of more than \$2 million; and
- Tourism, Accommodation Providers, Arts, Events, Hospitality and Fitness payments to provide additional support to businesses in these industries, which were particularly hard-hit by ongoing COVID-19 restrictions.

Our economy has not been impacted as severely by Omicron as it was by previous variants – indicating an underlying economic resilience and a transition to living with COVID-19 in the community. The ACT labour market has tightened, with unemployment at 3.1 per cent in June 2022, and underemployment also at historically low levels – resulting in stronger than expected wage growth.

The ACT Government has updated our short- and medium-term economic development priorities to further strengthen the Territory’s economic recovery.

[CBR Switched On: ACT’s Economic Development Priorities 2022-2025](#) builds on our 2016 *Statement of Ambition* with its focus on making Canberra an even more attractive place to live, work, study, do business and invest in.

Our 2022-2025 priorities support the continued wellbeing of Canberrans, while building a more diverse, resilient and prosperous economy. We have identified areas of strength in our city and economy that we will build on to support the creation of new jobs and more opportunities for Canberrans. The updated plan focusses on:

- developing a city of wellbeing and liveability;
- continuing our efforts to be a city of environmental responsibility and action; and
- growing our knowledge-based economy through innovation and responsible investment.

\$35m

**for jobs and
the economy**

The 2022-23 Budget provides more than \$35 million over four years in funding to provide targeted support where it is needed most and support progress of *CBR Switched On* priorities, including:

- \$22.4 million to deliver initiatives focussed on the development of our knowledge intensive sectors, the commercialisation of research, investment attraction and facilitation, development of our innovation ecosystem, and the creation of new businesses and jobs;
- \$5.5 million to establish an Office of Industrial Relations and Workforce Strategy to consolidate and strengthen the management of industrial relations across the ACT Public Service;
- \$4.2 million to extend and refresh Study Canberra to focus on partnering with our tertiary education institutions to attract and retain more domestic and international students and help the recovery of this sector;
- \$3.2 million to support the Labour Hire Licensing scheme;
- \$3.1 million to boost the recovery of the ACT tourism industry through a range of initiatives including tourism stimulus grants, events planning to sustain the annual events calendar and destination marketing activities;
- extending and refreshing Study Canberra to focus on partnering with our tertiary education institutions to attract and retain more domestic and international students and help the recovery of this sector; and
- undertaking a significant refresh of the ACT Infrastructure Plan.

\$60m

**of new funding
for public services**

Investing in public services

To develop and deliver ambitious policy that enhances community wellbeing, Canberra needs a strong and innovative public sector. Investments that enhance government decision-making and transparency ensure that the community can feel confident placing their trust in our valuable public institutions.

Through projects to increase community participation to inform decision-making – such as the Neighbourhood Democracy program funded in this Budget – and the establishment of the YourSay Panel, the Government continues to draw on the diverse talents and experiences of Canberrans to help shape our city.

The 2022-23 Budget provides more than \$60 million over four years in funding to strengthen the public service to ensure quality services can be provided to the community, including:

- \$21.4 million to continue to strengthen support for the ongoing operation of the ACT Digital platform, which services over 200,000 ACT Digital Account holders transacting across a range of online government services;

- \$16.4 million to deliver a modern digital planning system to support planning and approval processes and improve user experience, facilitate communications and training for users of the ACT's planning system, and provide an appropriately skilled workforce to implement and enforce the reforms; and
- \$9.5 million to support upgrades to ACT Revenue Office ICT systems that are critical to revenue collection.

New policy decisions

The following pages contain detailed information on new policy decisions announced as part of the 2022-23 Budget. Table 3.2.1 – Financial impacts of new policy decisions below, contains the total financial impacts of these decisions, and Table 3.2.2 – Detailed initiatives by lead agency on the following page contains the net costs of each initiative by agency. Detailed descriptions of each initiative are found later in the chapter.

Table 3.2.1: Financial impacts of new policy decisions

	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000	Total \$'000
Expenses					
Expenses	262,082	182,407	153,790	141,899	740,178
Expenses provisions	0	12,373	9,538	7,547	29,458
Revenue forgone	10,526	10,539	12,956	13,374	47,395
Depreciation	316	8,160	13,501	17,158	39,135
Total expenses	272,924	213,479	189,785	179,978	856,166
<i>offset by</i>					
Health Funding Envelope	-30,959	-47,367	-51,269	-41,025	-170,620
Expense offsets	-22,601	-22,206	-16,387	-17,695	-78,889
Expense offset provisions	-28,562	-24,483	-14,193	-11,268	-78,506
Savings	0	-2,020	-2,054	-2,074	-6,148
Revenue	-28,867	-10,924	-13,345	-13,602	-66,738
Total offsets	-110,989	-107,000	-97,248	-85,664	-400,901
Net cost of services	161,935	106,479	92,537	94,314	455,265
Capital					
Capital	281,771	219,369	101,517	41,899	644,556
Capital provisions	1,720	31,744	57,202	49,795	140,461
Total capital	283,491	251,113	158,719	91,694	785,017
<i>offset by</i>					
Capital offsets	-6,701	-409	0	0	-7,110
Capital offset provisions	-97,844	-44,927	-15,405	-322	-158,498
Total capital offsets	-104,545	-45,336	-15,405	-322	-165,608
Net capital	178,946	205,777	143,314	91,372	619,409

Table 3.2.2 Detailed initiatives by lead agency

Initiative title (by agency)	Net cost of services/ Net capital	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000	Total \$'000
Cemeteries and Crematoria Authority						
Development of the Gungahlin Memorial Hall and Condolence Lounge	Net cost	0	47	-119	-181	-253
Development of the Gungahlin Memorial Hall and Condolence Lounge	Net capital	1,500	2,500	0	0	4,000
Chief Minister, Treasury and Economic Development Directorate						
<i>Arts and culture</i>						
– Refurbishing the Gorman House Arts Centre	Net cost	0	0	0	0	0
– Refurbishing the Gorman House Arts Centre	Net capital	1,120	5,594	1,186	0	7,900
– Supporting local arts organisations	Net cost	505	865	590	590	2,550
<i>Better community infrastructure</i>						
– Continuing operations at Canberra Olympic Pool	Net cost	3,081	14	29	29	3,153
– Continuing operations at Canberra Olympic Pool	Net capital	722	0	0	0	722
– Gungahlin tennis facility	Net cost	0	-400	172	270	42
– Gungahlin tennis facility	Net capital	2,000	7,834	0	0	9,834
– Refurbishing Canberra’s public pools	Net cost	1,076	920	996	1,016	4,008
– Refurbishing Canberra’s public pools	Net capital	1,922	2,086	0	0	4,008
– Refurbishing community and government buildings	Net cost	750	117	254	350	1,471
– Refurbishing community and government buildings	Net capital	2,812	3,048	1,389	0	7,249
<i>Better digital services</i>						
– Continuing to make government services more accessible online	Net cost	2,043	2,208	4,432	4,679	13,362
– Continuing to make government services more accessible online	Net capital	2,214	703	712	721	4,350
– Delivering digital services across the ACT Government	Net cost	7,697	0	0	0	7,697
– E-invoicing for ACT Government	Net cost	10	111	111	101	333
– E-invoicing for ACT Government	Net capital	507	0	0	0	507
– Increasing Access Canberra staff	Net cost	2,993	588	596	605	4,782
Better venues for major events	Net cost	0	283	283	283	849
Better venues for major events	Net capital	784	0	0	0	784
<i>Boosting business and the economy</i>						
– Knowledge Capital – Future Jobs Fund	Net cost	5,811	6,436	165	0	12,412
– Knowledge Capital – Future Jobs Fund	Net capital	0	5,000	0	0	5,000
– Strengthening the tertiary education sector	Net cost	1,000	1,020	1,042	1,137	4,199

Initiative title (by agency)	Net cost of services/ Net capital	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000	Total \$'000
<i>Climate action</i>						
– Building climate adaptation and resilience for the ACT Government ¹	Net cost	0	0	0	0	0
– Continuing the Office for Climate Action	Net cost	1,290	1,230	1,245	1,185	4,950
– Moving more government facilities off gas	Net cost	0	0	0	110	110
– Moving more government facilities off gas	Net capital	1,540	2,050	2,500	810	6,900
Community support and connectedness – Supporting organisations to provide physical activities to children and young people	Net cost	625	610	590	0	1,825
<i>COVID-19 response</i>						
– Continuation of funding of the Office of the Coordinator-General COVID-19 Non-health and strategic emerging priorities ³	Net cost	0	0	0	0	0
– Interstate quarantine payments	Net cost	8,800	0	0	0	8,800
Implementing the Capital of Equality LGBTIQ+ Strategy	Net cost	401	403	101	103	1,008
Increasing the Betting Operations Tax	Net cost	-5,918	-6,342	-6,730	-7,142	-26,132
International Engagement Strategy	Net cost	0	0	0	0	0
<i>Investing in public services</i>						
– A new funding model for injury management ³	Net cost	0	0	0	0	0
– Establishment of the Office of Industrial Relations and Workforce Strategy ³	Net cost	986	537	610	392	2,525
– ICT support of ACT Revenue Office systems	Net cost	442	1,150	1,450	1,303	4,345
– ICT support of ACT Revenue Office systems	Net capital	3,059	2,671	1,011	0	6,741
– Improving ACT Public Service flexibility ³	Net cost	1,018	0	374	374	1,766
– Improving ACT Public Service flexibility ³	Net capital	2,544	3,064	0	0	5,608
– Strategic policy development	Net cost	789	543	0	0	1,332
– Strengthening building quality regulation	Net cost	949	1,025	30	30	2,034
– Strengthening building quality regulation	Net capital	150	0	0	0	150
– Supplementation for insurance premium increases ¹	Net cost	5,370	4,028	2,685	1,343	13,426
– Supporting implementation of whole-of-government human resources management	Net cost	6,592	0	0	0	6,592
– Supporting the ACT Ombudsman	Net cost	1,004	1,027	1,083	1,107	4,221

Initiative title (by agency)	Net cost of services/ Net capital	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000	Total \$'000
<i>Maintaining and growing affordable housing</i>						
– Lease variation charge discount to Build-to-Rent for community housing projects	Net cost	0	0	2,500	2,500	5,000
– Phasing out stamp duty	Net cost	10,100	10,000	9,800	10,100	40,000
– Turner Build-to-Rent pilot ¹	Net cost	321	326	NFP	NFP	NFP
Mr Fluffy Legacy – Place of Reflection	Net cost	0	3	3	3	9
Mr Fluffy Legacy – Place of Reflection	Net capital	0	0	0	0	0
Protecting Canberra’s unique environment – Replacement of non-potable water pipeline to Uriarra Village	Net cost	0	5,964	0	0	5,964
Strengthening our tourism industry	Net cost	2,365	245	245	245	3,100
Support for Chief Minister’s Charitable Fund charity house program	Net cost	750	0	0	0	750
<i>Supporting social inclusion</i>						
– ACT Public Service workforce diversity and inclusion ³	Net cost	0	0	0	0	0
– Fostering neighbourhood democracy	Net cost	170	30	0	0	200
– Supporting Canberrans born with variations in sex characteristics ¹	Net cost	20	496	460	467	1,443
\$50 increase to the Utilities Concession	Net cost	1,560	0	0	0	1,560
Community Services Directorate						
<i>Arts and culture</i>						
– Continued support for ACT community language schools	Net cost	125	127	129	132	513
– National Multicultural Festival – 25 th Anniversary	Net cost	1,018	0	0	0	1,018
<i>Community support and connectedness</i>						
– Community Sector Indexation ¹	Net cost	2,127	2,177	2,240	2,321	8,865
– Construction of the purpose-built facility with the Gugan Gulwan Youth Aboriginal Corporation	Net cost	140	110	0	380	630
– Construction of the purpose-built facility with the Gugan Gulwan Youth Aboriginal Corporation	Net capital	-8,725	10,176	2,800	0	4,251
– Continuing the Children and Young People Equipment Loan Service	Net cost	443	0	0	0	443
– Developing the Social Recovery Framework	Net cost	250	150	0	0	400
– Refugee, asylum seeker and humanitarian support	Net cost	0	0	0	0	0
– Support for Roundabout Canberra ¹	Net cost	0	0	0	0	0
Improving safety at Bimberi Youth Justice Centre	Net cost	0	98	98	98	294
Improving safety at Bimberi Youth Justice Centre	Net capital	519	0	0	0	519
Next Steps for Our Kids Strategy 2022-2030 – More investment in therapeutic services	Net cost	9,538	9,572	6,420	6,753	32,283

Initiative title (by agency)	Net cost of services/ Net capital	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000	Total \$'000
<i>Safer families</i>						
– Delivering the Family Violence Safety Action Program	Net cost	1,715	164	166	0	2,045
– Domestic and family violence training and resources	Net cost	0	0	0	0	0
– Implementing community-led family violence responses for Aboriginal and Torres Strait Islander communities	Net cost	407	136	0	0	543
– Providing support to people escaping domestic and family violence	Net cost	0	0	0	0	0
<i>Sexual Assault Prevention and Response Steering Committee's final report (Phase 1)</i>						
– Aboriginal and Torres Strait Islander consultation	Net cost	121	539	0	0	660
– Establishing a team of independent sexual violence advisors	Net cost	128	355	497	504	1,484
– Multi-Disciplinary Centre	Net cost	326	1,324	1,346	1,371	4,367
– Prevention of Sexual Assault Strategy	Net cost	491	226	188	188	1,093
– Reinstating the wraparound service model	Net cost	0	0	0	0	0
– Specialist services review related to sexual violence	Net cost	321	264	0	0	585
– Victim survivor consultation program	Net cost	347	425	329	333	1,434
Supporting social inclusion – Implementing the ACT Carers Strategy	Net cost	225	200	200	200	825
Cultural Facilities Corporation						
Arts and culture – Lanyon Homestead upgrades	Net cost	6	17	24	27	74
Arts and culture – Lanyon Homestead upgrades	Net capital	390	355	163	43	951
Education Directorate						
COVID-19 response – Improved ventilation at schools	Net capital	3,568	0	0	0	3,568
<i>Investing in public education</i>						
– Delivering four-year old preschool	Net cost	1,569	1,811	2,112	1,133	6,625
– <i>Education Amendment Act 2022</i>	Net cost	324	493	639	647	2,103
– Embedding a safety culture within ACT public schools	Net cost	1,141	0	0	0	1,141
– Equitable enrolment adjustment	Net cost	3,008	0	0	0	3,008
– Expanding cleaning services in ACT public schools	Net cost	4,261	4,310	4,361	4,414	17,346
– Improving digital access for school staff members	Net cost	1,604	1,678	1,756	1,836	6,874
– Renewal of Highly Accomplished and Lead Teacher Certification	Net cost	-3	-4	-3	-1	-11
– Support for Aboriginal languages and cultures	Net cost	0	0	0	0	0

Initiative title (by agency)	Net cost of services/ Net capital	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000	Total \$'000
<i>New and expanded schools</i>						
– Development of the Whitlam Primary School and Early Childhood Education Centre ²	Net cost	0	593	3,531	5,804	9,928
– Development of the Whitlam Primary School and Early Childhood Education Centre ²	Net capital	2,192	14,519	29,692	25,469	71,872
– Investing in Gungahlin	Net cost	1,351	4,333	6,179	7,176	19,039
– Investing in Gungahlin	Net capital	0	14,808	0	0	14,808
– Majura Primary School modernisation ²	Net cost	0	378	646	669	1,693
– Majura Primary School modernisation ²	Net capital	875	7,806	15,153	12,984	36,818
– Planning for increasing college capacity in Canberra's north	Net capital	0	0	0	0	0
– Upgrading and increasing school capacity	Net cost	200	500	600	600	1,900
– Upgrading and increasing school capacity	Net capital	8,000	0	0	0	8,000
Environment, Planning and Sustainable Development Directorate						
<i>Better community infrastructure</i>						
– Improving Tidbinbilla and Canberra Nature Park	Net cost	0	0	5	11	16
– Improving Tidbinbilla and Canberra Nature Park	Net capital	542	532	0	0	1,074
– Kippax Group Centre Master Plan ¹	Net cost	0	127	127	127	381
– Kippax Group Centre Master Plan ¹	Net capital	3,609	0	0	0	3,609
<i>Climate action</i>						
– Electrification of government gas assets	Net cost	634	502	132	132	1,400
– Electrification of government gas assets	Net capital	0	0	0	0	0
– Gas Transition Taskforce	Net cost	2,927	1,951	0	0	4,878
– Vulnerable Household Energy Support Scheme ¹	Net cost	6,000	815	563	1,098	8,476
– Vulnerable Household Energy Support Scheme ¹	Net capital	-11,860	-5,602	-2,267	12,653	-7,076
– Zero Emissions Vehicles Strategy	Net cost	1,097	4,504	1,855	1,225	8,681
– Zero Emissions Vehicles Strategy	Net capital	0	1,500	1,500	0	3,000
Implementing planning reforms	Net cost	3,297	4,421	1,444	1,056	10,218
Implementing planning reforms	Net capital	3,425	1,415	0	0	4,840
Investing in public services – Establishing an Asbestos Coordination and Assistance team	Net cost	2,105	1,035	0	0	3,140
Investing in public services – Establishing an Asbestos Coordination and Assistance team	Net capital	4,764	1,584	0	0	6,348
Maintaining and growing affordable housing – Delivering more affordable housing ¹	Net cost	0	0	0	0	0

Initiative title (by agency)	Net cost of services/ Net capital	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000	Total \$'000
<i>Protecting Canberra's unique environment</i>						
– Better managing invasive species	Net cost	0	0	0	0	0
– Bushfire risk reduction	Net cost	362	656	670	582	2,270
– Connecting nature and people	Net cost	1,311	1,391	14	14	2,730
– Connecting nature and people	Net capital	96	156	0	0	252
– Establishing an Office of Water	Net cost	792	797	0	0	1,589
– Securing offset values along the Eastern Broadacre employment corridor	Net cost	625	659	-816	0	468
– Securing offset values along the Eastern Broadacre employment corridor	Net capital	0	-226	-489	0	-715
– Strengthening environmental protections	Net cost	405	317	0	0	722
Health Portfolio Agencies						
<i>Better care for our community</i>						
– Additional support for the Fitness to Drive Medical Clinic ¹	Net cost	0	0	0	0	0
– Continued support for the Home Assessment Acute Response Team	Net cost	0	0	0	0	0
– Development of the ACT Disability Health Strategy and First Action Plan	Net cost	0	0	0	0	0
– Expanding investment in suicide prevention and support programs	Net cost	0	0	0	0	0
– Expansion of suicide prevention programs and mental health support for at risk young adults	Net cost	0	0	0	0	0
– Expansion of the second Police, Ambulance and Clinician Early Response mental health program	Net cost	1,238	0	0	0	1,238
– Meeting the health needs of Aboriginal and Torres Strait Islander detainees at the AMC through the Winnunga Model of Care	Net cost	542	549	557	565	2,213
– More nurse practitioners at walk-in centres	Net cost	0	0	0	0	0
– Ongoing support for Leo's Place	Net cost	0	0	0	0	0
– Southside Hydrotherapy Pool – improving access to hydrotherapy services	Net cost	0	0	425	425	850
– Southside Hydrotherapy Pool – improving access to hydrotherapy services	Net capital	500	4,000	4,000	0	8,500
– Strengthening mental health support services for families, adolescents, and young children	Net cost	0	0	0	0	0
COVID-19 response – Continuing the COVID-19 public health support package	Net cost	26,131	0	0	0	26,131

Initiative title (by agency)	Net cost of services/ Net capital	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000	Total \$'000
<i>Improving Canberra's health infrastructure</i>						
– Delivering new clinical equipment and building services at the Canberra Hospital	Net cost	0	662	1,269	2,071	4,002
– Delivering new clinical equipment and building services at the Canberra Hospital	Net capital	6,942	7,001	13,334	7,359	34,636
– Design for a new palliative care ward at the Canberra Hospital	Net cost	0	0	0	0	0
– Implementation of the Canberra Hospital Master Plan – transforming the Canberra Hospital Campus	Net capital	8,675	25,331	16,904	1,500	52,410
– Replacing and enhancing critical equipment at Calvary Public Hospital Bruce	Net cost	2,100	2,538	0	0	4,638
<i>Investing in public health care</i>						
– ACT Government Analytical Laboratory modernisation project	Net cost	101	212	257	223	793
– ACT Government Analytical Laboratory modernisation project	Net capital	995	150	454	50	1,649
– Additional support for clinical governance and workforce planning	Net cost	0	0	0	0	0
– Better public maternity services	Net cost	0	0	0	0	0
– Continuing to deliver better care for vulnerable people with complex needs	Net cost	0	0	0	0	0
– Delivering more elective surgeries	Net cost	0	0	0	0	0
– Digital Health Record – transforming the way health care is provided	Net cost	9,610	7,133	7,202	7,273	31,218
– Digital Health Record – transforming the way health care is provided	Net capital	26,070	0	0	0	26,070
– Embedding a positive safety culture in the ACT public health system	Net cost	0	0	0	0	0
– Embedding a positive safety culture in the ACT public health system	Net capital	750	0	0	0	750
– Expanding Endoscopy Services and reducing hospital wait times	Net cost	0	0	0	0	0
– Expanding the allied health workforce to deliver exceptional healthcare for patients	Net cost	0	0	0	0	0
– Implementation and integration of a modern rostering system	Net capital	1,258	1,184	0	0	2,442
– Increasing specialist health services for children and young people	Net cost	0	0	0	0	0
– Making medical and surgical abortions more affordable	Net cost	0	0	0	0	0
– Meeting our National Blood Authority obligations	Net cost	1,828	1,876	1,925	1,976	7,605
– More beds and expanded outpatient services at Calvary Public Hospital Bruce	Net cost	0	0	0	0	0

Initiative title (by agency)	Net cost of services/ Net capital	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000	Total \$'000
<i>More alcohol and other drug services</i>						
– Continuing support for treatments and services in the community	Net cost	0	240	240	240	720
– Continuing support for treatments and services in the community	Net capital	855	818	0	0	1,673
– Ngunnawal Bush Healing Farm – residential service delivery trial	Net cost	0	10	10	10	30
– Ngunnawal Bush Healing Farm – residential service delivery trial	Net capital	150	0	0	0	150
– Watson Health Precinct redevelopment – supporting those in need	Net cost	1,070	528	0	0	1,598
– Watson Health Precinct redevelopment – supporting those in need	Net capital	1,000	0	0	0	1,000
Housing ACT						
Community support and connectedness – Expanding specialist homelessness service capacity	Net cost	1,879	2,872	2,534	0	7,285
<i>Growing and renewing public housing</i>						
– Securing high quality public housing	Net cost	500	0	0	0	500
– Securing high quality public housing	Net capital	57,262	0	0	0	57,262
– Year four of the Growth and Renewal Program	Net capital	7,900	8,400	13,500	0	29,800
Justice and Community Safety Directorate						
Continuing to reduce harmful impacts from electronic gaming machines	Net cost	865	0	0	0	865
Establishment of the Aboriginal and Torres Strait Islander Children’s Commissioner	Net cost	562	998	1,012	1,026	3,598
Establishment of the Aboriginal and Torres Strait Islander Children’s Commissioner	Net capital	25	0	0	0	25
Implementing recommendations of A new future for custodial services, ACT Corrective Services Blueprint for Change	Net cost	2,727	3,402	3,122	3,166	12,417
Implementing recommendations of A new future for custodial services, ACT Corrective Services Blueprint for Change	Net capital	433	0	0	0	433
<i>Improving equity in the justice system</i>						
– Additional legal assistance for vulnerable members of the community	Net cost	1,169	1,124	766	0	3,059
– More support for Legal Aid and Criminal Case Conferencing	Net cost	664	698	731	748	2,841
– Reducing over-representation of Aboriginal and Torres Strait Islanders in the ACT criminal justice system	Net cost	3,488	2,999	2,500	2,500	11,487

Initiative title (by agency)	Net cost of services/ Net capital	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000	Total \$'000
– Victims of crime registers	Net cost	383	411	417	423	1,634
Investing in public services						
– Further support for legal policy and advisory services	Net cost	0	0	0	0	0
<i>Keeping Canberrans safe</i>						
– Continuing the Fixated and Lone-Actor Grievance-Fuelled Violence Assessment Team ¹	Net cost	263	0	0	0	263
– Continuing the SafeHome Program	Net cost	165	168	171	175	679
– Organised Crime Task Force	Net cost	460	675	687	700	2,522
– Sexual assault and child abuse protection team	Net cost	580	1,033	1,103	1,123	3,839
Supporting the ACAT's energy and water financial assistance program	Net cost	0	0	0	0	0
Supporting the ACAT's energy and water financial assistance program	Net capital	449	184	0	0	633
Supporting the Human Rights Commission	Net cost	138	140	0	0	278
<i>Well-prepared emergency services</i>						
– ACT Ambulance Service modernisation	Net cost	5,222	7,460	7,867	8,200	28,749
– ACT Ambulance Service modernisation	Net capital	1,340	1,630	0	0	2,970
– Planning for the new Molonglo Valley joint emergency services station	Net capital	437	1,530	7,500	14,500	23,967
– Upgrading the Emergency Services Agency's ICT strategy and systems	Net cost	659	516	550	560	2,285
– Upgrading the Emergency Services Agency's ICT strategy and systems	Net capital	735	0	0	0	735
Major Projects Canberra						
Arts and culture – Canberra Theatre Centre expansion and redevelopment ¹	Net capital	12,166	18,674	16,039	15,283	62,162
Better community infrastructure – Raising London Circuit and associated works	Net cost	-15,300	-10,212	452	1,535	-23,525
Better community infrastructure – Raising London Circuit and associated works	Net capital	1,789	13,803	0	0	15,592
Canberra Institute of Technology Woden Campus Project and public transport interchange ¹	Net cost	0	0	0	664	664
Canberra Institute of Technology Woden Campus Project and public transport interchange ¹	Net capital	8,849	13,266	9,124	0	31,239

Initiative title (by agency)	Net cost of services/ Net capital	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000	Total \$'000
Office of the Legislative Assembly						
Supporting best practice for the ACT Legislative Assembly committees	Net cost	256	327	400	406	1,389
Office of the Work Health and Safety Commissioners						
Continued support for the Labour Hire Licensing scheme	Net cost	0	0	0	0	0
Public Trustee and Guardian						
ACT Wills Register	Net cost	-265	-269	-273	-277	-1,084
Transport Canberra and City Services Directorate						
<i>Better community infrastructure</i>						
– Boboyan Road upgrades	Net cost	0	0	87	152	239
– Boboyan Road upgrades	Net capital	600	5,900	0	0	6,500
– Delivering a destination playground in the inner north	Net cost	0	-200	0	130	-70
– Delivering a destination playground in the inner north	Net capital	338	1,776	486	0	2,600
– Delivering a new library and community hub in the Molonglo Valley	Net cost	100	100	0	0	200
– Improving local intersection safety	Net cost	0	0	0	101	101
– Improving local intersection safety	Net capital	2,173	2,700	2,700	0	7,573
– Improving our active travel networks and projects	Net cost	355	38	76	114	583
– Improving our active travel networks and projects	Net capital	3,315	0	0	0	3,315
– Improving sport and recreation facilities	Net cost	0	34	42	50	126
– Improving sport and recreation facilities	Net capital	796	0	0	0	796
– Refurbishing the Charnwood Shopping Centre	Net cost	0	0	21	31	52
– Refurbishing the Charnwood Shopping Centre	Net capital	22	16	0	0	38
– Safer local roads	Net cost	0	150	210	270	630
– Safer local roads	Net capital	6,000	0	0	0	6,000
– Strengthening flood resilience	Net cost	0	0	0	118	118
– Strengthening flood resilience	Net capital	0	5,921	5,923	0	11,844
Climate action – Supporting the transition to a zero emissions bus fleet	Net cost	NFP	NFP	NFP	NFP	NFP
Climate action – Supporting the transition to a zero emissions bus fleet	Net capital	-1,275	NFP	NFP	NFP	NFP
Community support and connectedness – Maintaining inclusive transport services	Net cost	499	0	0	0	499
Improving security safety on public transport	Net capital	500	2,000	0	0	2,500

Initiative title (by agency)	Net cost of services/ Net capital	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000	Total \$'000
More mowing for Canberra	Net cost	842	0	0	0	842
Planning for a new Northside green waste facility	Net cost	0	25	35	45	105
Planning for a new Northside green waste facility	Net capital	998	7,800	0	0	8,798
<i>Protecting Canberra's environment</i>						
– Designing the implementation of the Urban Forest Bill	Net capital	250	0	0	0	250
– Waste management fees	Net cost	-234	-484	-501	-518	-1,737
Upgrading the City Services Depot at Holder	Net cost	0	0	60	80	140
Upgrading the City Services Depot at Holder	Net capital	-1,620	1,620	0	0	0

Notes:

1. This initiative is delivered by multiple agencies.
2. This initiative contains funding outside the forward estimates.
3. This initiative includes whole-of-government offsets.

New initiatives explained

The following section contains descriptions for each initiative funded through the 2022-23 Budget, grouped by agency or portfolio group in the case of health initiatives. If an initiative has financial impacts across multiple agencies, the description is included in the lead agency section and outlines the financial impacts for supporting agencies.

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

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

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

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

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

Cemeteries and Crematoria Authority

Development of the Gungahlin Memorial Hall and Condolence Lounge



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	1,500	2,500	0	0	4,000
Net capital	1,500	2,500	0	0	4,000
Depreciation	0	60	60	60	180
Expenses	0	144	191	203	538
Offset – Revenue	0	-157	-370	-444	-971
Net cost of services	0	47	-119	-181	-253

The Cemeteries and Crematoria Authority will develop a Memorial Hall, Condolence Lounge and additional carparking at Gungahlin Memorial Park.

This initiative will enable Gungahlin Memorial Park to provide grieving families the option of holding a funeral service, wake and cremation or burial that is specific to their religious and cultural needs, at a single location.

The works will be funded from existing cash reserves of the Authority.

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

Arts and culture – Refurbishing the Gorman House Arts Centre



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Capital – Provision	1,120	5,594	1,186	0	7,900
Net capital	1,120	5,594	1,186	0	7,900
Expenses	100	0	0	0	100
Offset – Expenses	-100	0	0	0	-100
Net cost of services	0	0	0	0	0

The Government will invest in major heritage restorations and critical building upgrades at Gorman House Arts Centre to celebrate the site’s centenary in 2024. A strategic framework for the future management of Government arts facilities will also be completed as part of this initiative, with the costs of this component fully offset from Strategic Asset Management Program funding.

This initiative continues the support provided by the Government for the upgrade of arts facilities, including through the 2019-20 Budget initiative *Upgrading local arts facilities*.

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

Arts and culture – Supporting local arts organisations



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Expenses	505	865	590	590	2,550
Net cost of services	505	865	590	590	2,550

The Government will provide increased funding to the ACT Arts Fund for ACT arts organisations to provide programs, services, expertise and infrastructure to support and develop the arts and engage with the local community. This initiative will be delivered through the new arts organisation investment framework committed to in *Canberra: Australia’s Arts Capital – A Statement of Ambition for the Arts 2021-2026*.

The Government will provide additional operational funding for Belconnen Arts Centre and Ainslie and Gorman Arts Centre for two years to 2023-24, building on the support provided through the 2021-22 Budget initiative *Backing our Arts and Entertainment – More support for the Belconnen and Ainslie Arts Centres*.

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

Better community infrastructure – Continuing operations at Canberra Olympic Pool



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	722	0	0	0	722
Net capital	722	0	0	0	722
Depreciation	0	14	29	29	72
Expenses	3,081	0	0	0	3,081
Net cost of services	3,081	14	29	29	3,153

The Government will support the continued operation of the Canberra Olympic Pool through to 30 June 2023 and undertake feasibility and costing work for new diving facilities.

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

Better community infrastructure – Gungahlin tennis facility



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	2,000	7,834	0	0	9,834
Net capital	2,000	7,834	0	0	9,834
Depreciation	0	0	172	172	344
Expenses	0	0	0	98	98
Offset – Revenue	0	-400	0	0	-400
Net cost of services	0	-400	172	270	42

The Government will build a new tennis facility in Amaroo, including 10 full-sized tennis courts, a hitting wall, a community pavilion and two hot shot courts. Tennis Australia and Tennis ACT will contribute to the costs of the Gungahlin facility.

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

Better community infrastructure – Refurbishing Canberra’s public pools



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	1,922	2,086	0	0	4,008
Net capital	1,922	2,086	0	0	4,008
Depreciation	0	221	267	267	755
Expenses	1,076	699	729	749	3,253
Net cost of services	1,076	920	996	1,016	4,008

The Government will increase subsidies to pool operators, undertake essential upgrades at various aquatic facilities in Canberra and develop a program for future capital upgrades.

This initiative builds on funding provided through the 2020-21 Budget initiative *Supporting public pool operators*.

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

Better community infrastructure – Refurbishing community and government buildings



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	2,812	3,048	1,389	0	7,249
Net capital	2,812	3,048	1,389	0	7,249
Depreciation	0	117	254	350	721
Expenses	750	0	0	0	750
Net cost of services	750	117	254	350	1,471

The Government will deliver critical maintenance and upgrade works across a number of ACT Government owned buildings. These works will include roofing repairs, lift replacements, fire safety improvements, and heating and cooling system repairs and all-electric upgrades.

This initiative contributes to the wellbeing domain of Safety.

Better digital services – Continuing to make government services more accessible online



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	2,214	703	712	721	4,350
Net capital	2,214	703	712	721	4,350
Depreciation	0	35	70	105	210
Expenses	3,988	4,167	4,362	4,574	17,091
Offset – Expenses	-1,945	-1,994	0	0	-3,939
Net cost of services	2,043	2,208	4,432	4,679	13,362

The Government will continue to strengthen the ACT Digital platform, which supports over 200,000 ACT Digital Account holders transacting across a range of online government services. This will include design and scoping work for further online government services including a new school enrolment system and a new vehicle registration system.

This investment builds on the 2021-22 Budget initiative *Digitising Government services*, which is delivering a range of online service improvements including single touch recognition of concessions and change of address details.

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

Better digital services – Delivering digital services across the ACT Government



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	7,697	0	0	0	7,697
Expenses – Provision	0	2,020	2,054	2,074	6,148
Offset – Expenses – Provision	0	-2,020	-2,054	-2,074	-6,148
Net cost of services	7,697	0	0	0	7,697

The Government will provide additional funding to maintain the effective operation of key government digital services and boost the capacity and capability within Digital, Data and Technology Solutions to design and develop investments.

This initiative builds on a range of recent initiatives to improve the ACT Public Service ICT network, including the 2021-22 Budget initiative *Investing in public services – Strengthening data analytics capability and digital solutions*.

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

Better digital services – E-invoicing for ACT Government



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	507	0	0	0	507
Net capital	507	0	0	0	507
Depreciation	0	101	101	101	303
Expenses	10	10	10	0	30
Net cost of services	10	111	111	101	333

The Government will implement an e-invoicing system to facilitate faster and more efficient processing of invoices between the ACT Government and its suppliers. This will build on the Government's ongoing efforts to improve payment times, particularly for small and medium local businesses.

This initiative contributes to the wellbeing domain of Economy.

Better digital services – Increasing Access Canberra staff



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	3,881	1,675	1,739	1,782	9,077
Offset – Expenses – Provision	-1,035	-1,054	-1,074	-1,095	-4,258
Revenue	-888	-1,087	-1,143	-1,177	-4,295
Offset – Revenue – Provision	1,035	1,054	1,074	1,095	4,258
Net cost of services	2,993	588	596	605	4,782

The Government will provide additional support to Access Canberra to address ongoing demand-driven service pressures, increased market-driven costs related to licence plate production and postage, and for additional staff to ensure the timely processing of transactions. This initiative will be partially offset by higher revenue from increases in registration and regulatory fees from 1 September 2022.

This initiative builds on the funding provided to Access Canberra to support the delivery of essential services to Canberrans through the 2021-22 Budget initiative *Digitising Government Services*.

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

Better venues for major events



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	2,284	0	0	0	2,284
Offset – Capital – Provision	-1,500	0	0	0	-1,500
Net capital	784	0	0	0	784
Depreciation	0	283	283	283	849
Net cost of services	0	283	283	283	849

The Government will invest in capital upgrades at Manuka Oval and GIO Stadium to support the attraction of high-quality sporting events.

The initiative will improve key stadium assets like heating and cooling systems, catering facilities, electrical and lighting systems, fire safety systems and audio-visual systems. It will also deliver replacement turf at Manuka Oval and GIO Stadium, to maintain competition grade playing surfaces.

These works will ensure the ongoing safety and amenity of these venues for major events. This project draws on funding established in the 2021-22 Budget initiative *Upgrading Canberra venues*.

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

Boosting business and the economy – Knowledge Capital – Future Jobs Fund



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	5,000	5,000	0	0	10,000
Offset – Capital – Provision	-5,000	0	0	0	-5,000
Net capital	0	5,000	0	0	5,000
Expenses	5,811	6,436	165	0	12,412
Net cost of services	5,811	6,436	165	0	12,412

The Government will deliver the *CBR Switched On* economic development strategy, including partnering with our universities to support the commercialisation of research.

This initiative is partially offset by \$5 million in capital provisioned in the 2020-21 Budget and builds on the funding provided in the 2021-22 Budget initiative *Knowledge Capital – Future Jobs Fund* to support jobs growth and the recovery of the economy from the COVID-19 pandemic.

This initiative contributes to the wellbeing domain of Economy.

Boosting business and the economy – Strengthening the tertiary education sector



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	1,000	1,020	1,042	1,137	4,199
Net cost of services	1,000	1,020	1,042	1,137	4,199

The Government will extend and refresh Study Canberra to focus on partnering with our tertiary education institutions to attract and retain more domestic and international students and help the recovery of this sector.

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

Climate action – Building climate adaptation and resilience for the ACT Government



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	125	125	0	0	250
Offset – Expenses – Environment, Planning and Sustainable Development Directorate	-42	-42	0	0	-84
Offset – Expenses – Transport Canberra and City Services Directorate	-42	-42	0	0	-84
Offset – Expenses – Justice and Community Safety Directorate	-41	-41	0	0	-82
Net cost of services	0	0	0	0	0

The Government will undertake flood disaster modelling for the Queanbeyan and Molonglo rivers, delivered from within existing resources, to better respond to potential future flood risks.

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

Climate action – Continuing the Office for Climate Action



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	1,290	1,230	1,245	0	3,765
Expenses – Provision	0	0	0	1,185	1,185
Net cost of services	1,290	1,230	1,245	1,185	4,950

The Government will support continuation of the Office for Climate Action, which was established in 2020-21, to enable ongoing coordination and implementation of the Government's climate action agenda.

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

Climate action – Moving more government facilities off gas



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	1,540	2,050	2,500	810	6,900
Net capital	1,540	2,050	2,500	810	6,900
Depreciation	0	0	0	160	160
Offset – Expenses	0	0	0	-50	-50
Net cost of services	0	0	0	110	110

The Government will continue the transition to net zero emissions by replacing end-of-life gas fired assets at 255 Canberra Avenue, which houses the ACT Heritage Library, Roads ACT, and staff from ACT Property Group. This initiative will also deliver energy savings through building upgrades promoting energy efficiency.

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

Community support and connectedness – Supporting organisations to provide physical activities to children and young people



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Expenses	625	610	590	0	1,825
Net cost of services	625	610	590	0	1,825

The Government will provide grants for initiatives to support vulnerable or disadvantaged children to participate in sport and recreational activities that improve their physical wellbeing, health and social skills. Funding will be provided to the Physical Activity Foundation, the Heart Foundation, Kulture Break, Abilities Unlimited Australia, Pegasus Riding School and Every Chance to Play.

This initiative builds on funding provided through the 2019-20 Budget initiative *Supporting local community groups to improve social inclusion and equality*.

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

COVID-19 response – Continuation of funding of the Office of the Coordinator-General COVID-19 Non-health and strategic emerging priorities



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Expenses	434	0	0	0	434
Offset – Expenses	-434	0	0	0	-434
Net cost of services	0	0	0	0	0

The Government will support continuation of the Office of the Coordinator-General COVID-19 (Non-health), which was established in 2020 to assist in coordinating non-health COVID-19 response matters, for a further year recognising the expansion of the office's role to supporting other urgent and emerging strategic priorities requiring Whole-of-government consideration and response.

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

COVID-19 response – Interstate quarantine payments



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	8,800	0	0	0	8,800
Net cost of services	8,800	0	0	0	8,800

The Government will provide additional funding to reimburse other states for the cost of ACT residents who returned from overseas and undertook hotel quarantine in those states.

This initiative contributes to the wellbeing domain of Health.

Implementing the Capital of Equality LGBTIQ+ Strategy



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	1,070	1,081	787	798	3,736
Offset – Expenses	-669	-678	-686	-695	-2,728
Net cost of services	401	403	101	103	1,008

The Government will continue the implementation of the Capital of Equality Strategy to improve the wellbeing of LGBTIQ+ Canberrans, their families and communities through a range of programs.

This initiative will also bring together two existing initiatives, *More support for families and inclusion: Making Canberra a more LGBTIQ+ friendly city*, and *Better support when it matters – Office of LGBTIQ+ Affairs*.

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

Increasing the Betting Operations Tax



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	-5,918	-6,342	-6,730	-7,142	-26,132
Net cost of services	-5,918	-6,342	-6,730	-7,142	-26,132

The Government will increase the rate of the Betting Operations Tax (BOT) from 15 per cent to 20 per cent from 1 July 2022. The BOT, which commenced on 1 January 2019, is payable by all betting operators whose net ACT betting revenue exceeds the tax-free threshold of \$150,000 in a financial year.

This initiative contributes to the wellbeing domain of Economy, and also significantly contributes to Health and Living standards.

International Engagement Strategy



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Expenses	231	234	0	0	465
Offset – Expenses	-231	-234	0	0	-465
Net cost of services	0	0	0	0	0

The Government will implement the updated International Engagement Strategy to assist in rebuilding Canberra’s international presence following the COVID-19 pandemic. The costs will be met by reprioritising existing resources.

This initiative builds on the funding provided through the 2021-22 Budget initiative *Business support – International trade and engagement* to promote and generate opportunities for international trade with the ACT.

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

Investing in public services – A new funding model for injury management



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Expenses	3,948	4,037	4,127	4,219	16,331
Offset – Expenses	-3,948	-4,037	-4,127	-4,219	-16,331
Net cost of services	0	0	0	0	0

The Government will improve return-to-work service efficiency for injured and ill ACT public servants by directly funding workforce injury management functions, rather than funding them through cross directorate cost recovery. The cost will be fully offset from directorates’ existing funding.

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

Investing in public services – Establishment of the Office of Industrial Relations and Workforce Strategy



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	1,321	1,296	0	0	2,617
Expenses – Provision	0	0	1,700	1,723	3,423
Offset – Expenses	-335	-759	0	0	-1,094
Offset – Expenses – Provision	0	0	-1,090	-1,331	-2,421
Net cost of services	986	537	610	392	2,525

The Government will establish an Office of Industrial Relations and Workforce Strategy to consolidate and strengthen the management of industrial relations across the ACT Public Service. A review will be conducted once the Office is fully operational to determine ongoing resourcing needs from 2024-25. The costs will be partially offset through contributions from directorates.

The Government will also continue to promote job security and permanency where possible through the establishment and operation of a Secure Employment Framework.

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

Investing in public services – ICT support of ACT Revenue Office systems



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	3,059	2,671	1,011	0	6,741
Net capital	3,059	2,671	1,011	0	6,741
Depreciation	0	306	602	729	1,637
Expenses	442	844	848	574	2,708
Net cost of services	442	1,150	1,450	1,303	4,345

The Government will support upgrades to ACT Revenue Office ICT systems that are critical to revenue collection, including the design and construction of a replacement to the ACT Valuation Office IT system and transferring the existing TRev system to its own hardware infrastructure, extending the life of the system significantly. The ACT Valuation Office IT system supports the calculation of property values to levy \$800 million annually in rates and land tax, and the TRev system collects over a \$1 billion annually in taxation revenue.

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

Investing in public services – Improving ACT Public Service flexibility



Access & connectivity

	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	2,544	3,064	0	0	5,608
Net capital	2,544	3,064	0	0	5,608
Depreciation	0	0	374	374	748
Expenses	5,400	4,937	3,050	2,668	16,055
Offset – Expenses	-4,382	-4,937	-3,050	-2,668	-15,037
Net cost of services	1,018	0	374	374	1,766

The Government will continue the Flexible Work Program and refurbish existing office space in Gungahlin to create flexi hubs to support new ways of working, building on the funding provided for flexi hubs in Tuggeranong and Belconnen through the 2021-22 Budget initiative *Improving and upgrading government accommodation*. This program will allow ACT Public Service employees to commute to a flexi hub located in their nearest town centre and will be partially offset through contributions from directorates.

The Government will also improve the digital experience through a consolidation and redevelopment of ACT Government websites.

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

Investing in public services – Strategic policy development



Governance & institutions

	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	789	543	0	0	1,332
Net cost of services	789	543	0	0	1,332

The Government will update the ACT Infrastructure Plan originally released in 2019 into a living document that is better able to respond to the city's needs and market conditions as they evolve. A two-year program of rolling updates in priority investment areas will be developed.

The Government will also continue to develop policy responses to address housing affordability in the ACT for low-to-medium income households.

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

Investing in public services – Strengthening building quality regulation



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Capital	150	0	0	0	150
Net capital	150	0	0	0	150
Depreciation	0	30	30	30	90
Expenses	949	995	0	0	1,944
Net cost of services	949	1,025	30	30	2,034

The Government will enhance the safety and protection of homeowners in Canberra through improved building quality by bolstering the technical expertise, resourcing and system capability of the regulator.

This initiative builds on previous measures to improve building quality including the 2020-21 Budget initiative *Strengthening building quality regulation* to strengthen Access Canberra capacity to regulate building quality.

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

Investing in public services – Supplementation for insurance premium increases



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Expenses – Canberra Health Services	3,761	2,821	1,880	940	9,402
Expenses – Justice and Community Safety Directorate	1,609	1,207	805	403	4,024
Net cost of services	5,370	4,028	2,685	1,343	13,426

The Government will provide transitional support over four years to Canberra Health Services and the Justice and Community Safety Directorate to meet significant increases in insurance premiums and allow these agencies to mitigate their risks and develop strategies to manage insurance premiums over time.

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

Investing in public services – Supporting implementation of whole-of-government human resources management



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Expenses	6,592	0	0	0	6,592
Net cost of services	6,592	0	0	0	6,592

The Government will support the ongoing development and implementation of the Human Resources Information Management Solution (HRIMS) which will provide a whole-of-government platform for rostering, entitlements and other human resources functions.

This funding will support preparation and change management across agencies for system implementation, as well as the ongoing delivery of a tailored service platform.

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

Investing in public services – Supporting the ACT Ombudsman



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Expenses	1,004	1,027	1,083	1,107	4,221
Net cost of services	1,004	1,027	1,083	1,107	4,221

The Government will provide additional funding to support the continuation of services provided by the ACT Ombudsman including investigations of complaints against ACT Government agencies and ACT Policing, the Reportable Conduct Scheme, the Freedom of Information Scheme, the Judicial Council function and the Inspector of the ACT Integrity Commission.

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

Maintaining and growing affordable housing – Lease variation charge discount to Build-to-Rent for community housing projects



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Revenue forgone	0	0	2,500	2,500	5,000
Net cost of services	0	0	2,500	2,500	5,000

The Government will provide a time limited Lease Variation Charge (LVC) discount to eligible Build-to-Rent developments that include a minimum of 15 per cent of dwellings as affordable rental. The affordable rental dwellings must be managed by a registered Community Housing Provider for at least 15 years.

The discount will be proportional to the affordable rental component of the development. Developments with 50 per cent or more affordable rental dwellings could be eligible to pay no LVC.

Further details on eligibility criteria and other requirements will be available on treasury.act.gov.au/build-to-rent.

This initiative builds on other Government actions to support affordable Build-to-Rent developments outlined in the Government's Build-to-Rent Prospectus, including the release of block 3 section 57 in Turner, and contributes to the wellbeing domains of Housing and home and Economy.

Maintaining and growing affordable housing – Phasing out stamp duty



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Revenue forgone	10,100	10,000	9,800	10,100	40,000
Net cost of services	10,100	10,000	9,800	10,100	40,000

Continuing ongoing tax reform by progressively phasing out inefficient conveyance duty and replacing it with more efficient and stable revenue from general rates, the Government has reduced conveyance duty on home purchases from 1 July 2022, by:

- raising the lowest conveyance duty tax threshold for residential owner-occupiers from \$200,000 to \$260,000, which will reduce duty on homes between \$260,000 and \$1,455,000 by \$1,120, when combined with ongoing tax rate reductions;
- increasing the Home Buyer Concession Scheme income eligibility threshold from \$160,000 to \$170,000 (the threshold continues to increase by \$3,330 per child up to a maximum of five children); and
- increasing the Deferred Duty and Disability Duty Concession Schemes price eligibility thresholds from \$750,000 to \$1 million.

Reductions in conveyance duty through tax reform and in response to increasing house prices are targeted at those facing the most significant barriers to home purchase – those purchasing lower value homes, first home buyers and people with a disability.

This initiative contributes to the wellbeing domain of Housing and home and also significantly contributes to Economy and Living standards.

Maintaining and growing affordable housing – Turner Build-to-Rent pilot



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	321	326	0	0	647
Expenses – Provision	0	0	NFP	NFP	NFP
Net cost of services	321	326	NFP	NFP	NFP

The Government will release block 3 section 57 in Turner in 2022-23 as a site to pilot Build-to-Rent with an affordable rental component through a market process and explore the suitability of the release of additional sites. Building on the work commenced through the 2021-22 initiative *Maintaining and growing affordable public housing – Piloting build-to-rent projects with affordable rental*, the Government will work with community housing providers and the private sector to identify the nature and level of Government support necessary to deliver a financially viable Build-to-Rent development with an affordable rental component.

The Government will provide funding to enable the Suburban Land Agency to facilitate the release of the Turner site and explore land release opportunities for more Build-to-Rent projects in the ACT (included in the above table for 2022-23 and 2023-24). It will also provision funding beyond 2023-24 to provide support for the delivery of the affordable rental component following the market process.

This initiative also complements other recent affordable rental initiatives including the commitment to establish an affordable rental development on the site of Common Ground Gungahlin and the expansion of land tax exemptions for landlords who rent their properties through a community housing provider at less than 75 per cent of market rent.

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

Mr Fluffy Legacy – Place of Reflection



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	165	0	0	0	165
Offset – Capital	-165	0	0	0	-165
Net capital	0	0	0	0	0
Depreciation	0	3	3	3	9
Net cost of services	0	3	3	3	9

The Government will build a forest shelter within the National Arboretum Canberra to acknowledge the impact and legacy of 'Mr Fluffy' loose fill asbestos insulation on the ACT community. The proposal is fully offset.

This initiative contributes to the wellbeing domain of Social connection.

Protecting Canberra's unique environment – Replacement of non-potable water pipeline to Uriarra Village



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	0	5,964	0	0	5,964
Net cost of services	0	5,964	0	0	5,964

The Government will provide funding to Icon Water to replace the non-potable water pipeline to Uriarra Village. Construction is expected to commence in 2022-23, with the funding provided to Icon Water in 2023-24 when the project is expected to be completed. The new pipeline will provide a reliable supply of non-potable water to residents of Uriarra Village into the future, particularly for firefighting purpose recognising Uriarra's rural setting.

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

Strengthening our tourism industry



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	2,365	245	245	245	3,100
Net cost of services	2,365	245	245	245	3,100

The Government will boost the recovery of the ACT tourism industry through a range of initiatives including an extension of the Tourism Cooperative Marketing Fund and driving new investment through the Tourism Product Development Fund.

This investment includes additional funding to bolster destination marketing and increased funding for Floriade and Enlighten.

Further funding has been included for the Major Events Fund to support the acquisition of new high-quality events and exhibitions to bring visitors to Canberra.

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

Support for Chief Minister's Charitable Fund charity house program



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	750	0	0	0	750
Net cost of services	750	0	0	0	750

The Government will provide additional support to the Chief Minister's Charitable Fund. Additional grant funding will be provided specifically to support the purchase of land for charity house projects, the proceeds of which will be used to support a range of charities across Canberra.

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

Supporting social inclusion – ACT Public Service workforce diversity and inclusion



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	778	832	863	893	3,366
Offset – Expenses	-778	-832	-863	-893	-3,366
Net cost of services	0	0	0	0	0

The Government will deliver a range of diversity and inclusion programs within the ACT Public Service to ensure the service continues to be progressive and inclusive. The costs of these programs will be fully offset from directorates' existing funding.

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

Supporting social inclusion – Fostering neighbourhood democracy



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	170	30	0	0	200
Net cost of services	170	30	0	0	200

The Government will design and implement the Fostering Neighbourhood Democracy Pilot program in five suburbs.

This initiative is the first stage in delivering on the Parliamentary and Governing Agreement of the 10th Legislative Assembly commitment *Fostering Neighbourhood Democracy*.

This initiative contributes to the wellbeing domains of Identity and belonging, Governance and institutions and Social connection.

Supporting social inclusion – Supporting Canberrans born with variations in sex characteristics



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	20	496	460	467	1,443
Expenses – Health	148	410	278	285	1,121
Offset – Health Funding Envelope	-148	-410	-278	-285	-1,121
Net cost of services	20	496	460	467	1,443

The Government will implement reforms to support people with variations in sex characteristics. This includes funding for dedicated healthcare workers and support, a new statutory body to support best treatment practices, awareness campaigns and a boost to A Gender Agenda's peer support fund.

This initiative builds on the Government's commitment to the *Capital of Equality First Action Plan* and will complement the implementation of legislation on deferrable medical interventions on people with variations in sex characteristics.

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

\$50 increase to the Utilities Concession



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	1,560	0	0	0	1,560
Net cost of services	1,560	0	0	0	1,560

The Government will provide an additional one-off \$50 increase in the Utilities Concession in 2022-23 to support low-income households facing increased costs of living due to rising consumer prices. This will bring the level of support provided through the Utilities Concession in 2022-23 to \$800.

Around 31,200 households receiving the Utilities Concession will benefit from the increase. This includes Centrelink Pensioner Concession Card holders, Department of Veterans' Affairs Pensioner Concession Card or Gold Card holders, and ACT Services Access Card holders.

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

Community Services Directorate

Arts and culture – Continued support for ACT community language schools



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Expenses	361	369	377	387	1,494
Offset – Expenses	-236	-242	-248	-255	-981
Net cost of services	125	127	129	132	513

The Government will increase funding for the Community Language Schools program to support community language schools, including teacher professional development, a teaching resources fund and grants to support the establishment of the program in new schools. The cost is partially met by existing program funding.

This initiative builds on recent Government actions to support Canberra's culturally and linguistically diverse communities, including development of the *Multicultural Recognition Act* with a multicultural charter, as well as progressing the accreditation and recognition of Canberra as a Welcoming City to 'Advanced' Level within the Welcoming Cities Standard.

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

Arts and culture – National Multicultural Festival – 25th Anniversary



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Expenses	2,666	0	0	0	2,666
Offset – Expenses	-948	0	0	0	-948
Offset – Revenue	-700	0	0	0	-700
Net cost of services	1,018	0	0	0	1,018

The Government will provide additional funding for the 25th Anniversary National Multicultural Festival (NMF). This funding will also support the 2023 NMF to deliver a COVID-safe and inclusive event.

This initiative is partially offset by user charges and sponsorship revenue and contributes to the wellbeing domains of Identity and belonging and Social connection.

Community support and connectedness – Community Sector Indexation



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	1,392	2,127	2,745	3,416	9,680
Expenses – ACT Health Directorate	1,446	2,208	2,850	3,546	10,050
Expenses – Canberra Health Services	365	558	721	897	2,541
Expenses – Chief Minister, Treasury and Economic Development Directorate	93	142	183	228	646
Expenses – Housing ACT	745	1,138	1,469	1,828	5,180
Offset – Expenses	-1,914	-3,996	-5,728	-7,594	-19,232
Net cost of services	2,127	2,177	2,240	2,321	8,865

The Government is increasing funding to community sector organisations to reflect the recent Fair Work Commission Annual Wage Review by adjusting the Community Sector Indexation methodology to reflect the impact of the Award wage increase.

The Community Sector Indexation rate is calculated using a ratio of 80:20 of wage increases (usually the Wage Price Index WPI) and Consumer Price Index (CPI) respectively. For this year the Fair Work Commission determination for the Award increase has been substituted for WPI resulting in a composite rate of 4.43 per cent. The funding increase also reflects an increase in the CPI rate since 2021-22 Budget Review.

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

Community support and connectedness – Construction of the purpose-built facility with the Gugan Gulwan Youth Aboriginal Corporation



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	2,041	14,176	2,800	0	19,017
Offset – Capital – Provision	-8,886	-4,000	0	0	-12,886
Offset – Capital – Prior year funding	-1,880	0	0	0	-1,880
Net capital	-8,725	10,176	2,800	0	4,251
Depreciation	0	0	0	380	380
Expenses	140	110	0	0	250
Net cost of services	140	110	0	380	630

The Government will provide additional funding to complete construction of new accommodation for the Gugan Gulwan Youth Aboriginal Corporation including the incorporation of detailed cultural design features.

This initiative builds on funding since 2018-19 for the planning, design and construction of a purpose-built facility for Gugan Gulwan at its current site in Wanniasa.

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

Community support and connectedness – Continuing the Children and Young People Equipment Loan Service



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Expenses	443	0	0	0	443
Net cost of services	443	0	0	0	443

The Government will continue the Children and Young People Equipment Loan Service (CAYPELS) in 2022-23 while a new service model is finalised. This program provides short-term loans of specialist equipment for ACT children who experience developmental delay, high physical or medical needs or disability.

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

Community support and connectedness – Developing the Social Recovery Framework



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Expenses	250	150	0	0	400
Net cost of services	250	150	0	0	400

The Government will develop a *Social Recovery Framework* to better understand priorities for individuals, the community sector and the broader community for social recovery following a disaster.

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

Community support and connectedness – Refugee, asylum seeker and humanitarian support



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Expenses	180	0	0	0	180
Offset – Expenses	-180	0	0	0	-180
Net cost of services	0	0	0	0	0

The Government will provide additional funding for the Refugee, Asylum Seeker and Humanitarian program to the end of 2022-23 to support ACT Services Access Card holders (asylum seekers). This funding will meet increased need for essential living costs such as housing support for vulnerable individuals and families.

This initiative contributes to the wellbeing domain of Living standards.

Community support and connectedness – Support for Roundabout Canberra



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Expenses	82	82	83	83	330
Offset – Expenses	-49	-49	-50	-50	-198
Offset – Expenses – Canberra Health Services	-33	-33	-33	-33	-132
Net cost of services	0	0	0	0	0

The Government will provide funding for Roundabout Canberra to continue to provide essential items for vulnerable families requiring assistance.

This initiative is offset by existing resources of the Community Services Directorate and Canberra Health Services and contributes to the wellbeing domain of Living standards.

Improving safety at Bimberi Youth Justice Centre



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	975	0	0	0	975
Offset – Capital – Provision	-456	0	0	0	-456
Net capital	519	0	0	0	519
Depreciation	0	98	98	98	294
Net cost of services	0	98	98	98	294

The Government will provide additional funding to complete safety infrastructure upgrades to the Bimberi Youth Justice Centre.

This initiative builds on recent Government decisions in the 2021-22 Budget to implement safety improvements at Bimberi and contributes to the wellbeing domain of Safety.

Next Steps for Our Kids Strategy 2022-2030 – More investment in therapeutic services



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	19,659	15,856	15,184	15,517	66,216
Expenses – Provision	0	2,480	0	0	2,480
Offset – Expenses – Provision	-10,121	-8,764	-8,764	-8,764	-36,413
Net cost of services	9,538	9,572	6,420	6,753	32,283

The Government will begin implementation of the *Next Steps for Our Kids Strategy 2022-2030 (Next Steps)* by expanding investment in targeted, culturally safe and therapeutic family support services and providing safe, stable living arrangements for those children who require out of home care.

This initiative builds on and expands reforms to child protection and out of home care services commenced under *A Step Up for Our Kids Out of Home Care Strategy 2015-2020* and contributes to the wellbeing domains of Safety and Identity and belonging.

Safer Families – Delivering the Family Violence Safety Action Program



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	1,922	1,994	2,027	0	5,943
Offset – Expenses – Provision	-207	-1,830	-1,861	0	-3,898
Net cost of services	1,715	164	166	0	2,045

The Government will transition the Family Violence Safety Action Pilot into an expanded Program (FVSAP) to provide a dedicated response to high-risk situations of domestic and family violence. The FVSAP provides intensive case management, case coordination and information sharing to support individuals and families at the highest risk of lethality from domestic and family violence.

This initiative will be partially funded by the Safer Families Levy and builds on the funding provided for the *Family Violence Safety Action Pilot* through the 2021-22 Budget.

This initiative contributes to the wellbeing domain of Safety.

Safer Families – Domestic and family violence training and resources



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	798	1,009	0	0	1,807
Offset – Expenses – Provision	-798	-1,009	0	0	-1,807
Net cost of services	0	0	0	0	0

The Government will establish domestic and family violence training and resources to enhance integration and coordination, across the domestic and family violence service system. This initiative will improve the capability of the domestic and family violence services sector to support the reduction and prevention of domestic and family violence and support victim-survivors to heal and recover.

The cost will be funded through the Safer Families Levy and a contribution from the Commonwealth.

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

Safer Families – Implementing community-led family violence responses for Aboriginal and Torres Strait Islander communities



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Expenses	407	813	588	78	1,886
Offset – Expenses – Provision	0	-677	-588	-78	-1,343
Net cost of services	407	136	0	0	543

The Government will work with Aboriginal and Torres Strait Islander communities to scope, design and implement culturally appropriate and relevant responses to domestic and family violence in Aboriginal and Torres Strait Islander communities.

This initiative builds on recent Government actions in this area such as progressing the recommendations in the *We Don't Shoot Our Wounded* report and is partially funded through the Safer Families Levy.

This initiative contributes to the wellbeing domain of Safety.

Safer Families – Providing support to people escaping domestic and family violence



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Expenses	310	310	0	0	620
Offset – Expenses – Provision	-310	-310	0	0	-620
Net cost of services	0	0	0	0	0

The Government will increase the capacity of the Domestic Violence Crisis Service to meet the demand for emergency accommodation to protect victim-survivors of domestic and family violence. The Government will also provide additional funding for the Canberra Rape Crisis Centre to provide frontline rape crisis services.

This initiative will be funded through the Safer Families Levy and contributes to the wellbeing domains of Safety and Housing and home.

Sexual Assault Prevention and Response Steering Committee's final report (Phase 1) – Aboriginal and Torres Strait Islander consultation



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Expenses	396	539	0	0	935
Offset – Expenses	-275	0	0	0	-275
Net cost of services	121	539	0	0	660

The Government will undertake broad consultation with Aboriginal and Torres Strait Islander communities which will ensure culturally informed implementation of all recommendations in the Sexual Assault Prevention and Response Program Report.

This initiative contributes to the wellbeing domain of Safety.

Sexual Assault Prevention and Response Steering Committee's final report (Phase 1) – Establishing a team of independent sexual violence advisors



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Expenses	128	355	497	504	1,484
Net cost of services	128	355	497	504	1,484

The Government will establish independent sexual violence advisors in the ACT to provide on-the-ground expert advocacy, system navigation and linkages to services and supports for victim survivors of sexual violence.

This initiative supports recommendation 3(b) of the Sexual Assault Prevention and Response Steering Committee's final report and contributes to the wellbeing domain of Safety.

Sexual Assault Prevention and Response Steering Committee's final report (Phase 1) – Multi-Disciplinary Centre



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Expenses	326	1,324	1,346	1,371	4,367
Net cost of services	326	1,324	1,346	1,371	4,367

The Government will establish a Multi-Disciplinary Centre (MDC) to co-locate specialist sexual violence response services. This will include funding for a broad range of specialist roles within the MDC to provide best practice responses to meet the needs of victim survivors of sexual violence.

This initiative supports recommendation 3(b) of the Sexual Assault Prevention and Response Steering Committee's final report and contributes to the wellbeing domain of Safety.

Sexual Assault Prevention and Response Steering Committee's final report (Phase 1) – Prevention of Sexual Assault Strategy



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Expenses	491	226	188	188	1,093
Net cost of services	491	226	188	188	1,093

The Government will develop a long-term strategy for the prevention of sexual violence to change the attitudes and behaviours that perpetuate sexual violence and implement tailored actions to reduce the risk and occurrence of sexual violence in all settings. The Government will also provide a one-off research grant to undertake analysis to inform models of care in sexual assault forensic medicine in the ACT.

This initiative addresses recommendation 19 of the Sexual Assault Prevention and Response Steering Committee's final report and contributes to the wellbeing domain of Safety.

Sexual Assault Prevention and Response Steering Committee's final report (Phase 1) – Reinstating the wraparound service model



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Expenses	101	136	138	140	515
Offset – Expenses	-101	-136	-138	-140	-515
Net cost of services	0	0	0	0	0

The Government will re-establish the wraparound service model to provide intensive care and support.

Costs will be absorbed within the Justice and Community Safety and Community Services Directorates.

This initiative supports recommendation 3(a) of the Sexual Assault Prevention and Response Steering Committee's final report and contributes to the wellbeing domain of Safety.

Sexual Assault Prevention and Response Steering Committee's final report (Phase 1) – Specialist services review related to sexual violence



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Expenses	321	264	0	0	585
Net cost of services	321	264	0	0	585

The Government will undertake a specialist services review of agencies and statutory bodies providing services related to sexual violence. The review will aim to identify where further investment and changes need to be made to address victim survivors' needs, operating practices, performance measures and standards, coordination systems and current funding arrangements.

This initiative addresses recommendation 4 of the Sexual Assault Prevention and Response Steering Committee's final report and contributes to the wellbeing domain of Safety.

Sexual Assault Prevention and Response Steering Committee's final report (Phase 1) – Victim survivor consultation program



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Expenses	347	425	329	333	1,434
Net cost of services	347	425	329	333	1,434

The Government will establish an ongoing structured consultation program with victim survivors of sexual assault. This consultation will continue to drive and inform reforms to the prevention of and response to sexual violence consistent with recommendation 1 of the Sexual Assault Prevention and Response Program Report.

This initiative contributes to the wellbeing domain of Safety.

Supporting social inclusion – Implementing the ACT Carers Strategy



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	225	200	200	200	825
Net cost of services	225	200	200	200	825

The Government will further support the *ACT Carers Strategy 2018-2028*, to improve outcomes for carers. This includes funding for community-based initiatives, awareness-raising activities including an annual event in recognition of carers, and resourcing to support the continued operation of the Carers Strategy Governance Group.

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

Arts and culture – Lanyon Homestead upgrades



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	390	355	163	43	951
Net capital	390	355	163	43	951
Depreciation	6	17	24	27	74
Net cost of services	6	17	24	27	74

The Government will make improvements at Lanyon Homestead, including converting the former Nolan Gallery into staff workspaces and collection storage, as well as conserving, removing and replacing trees.

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

Education Directorate

COVID-19 response – Improved ventilation at schools



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Capital	3,568	0	0	0	3,568
Net capital	3,568	0	0	0	3,568

The Government will finalise the installation of shade structures and ventilation improvements in 2022-23 to support COVID-safe public school environments.

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

Investing in public education – Delivering four-year old preschool



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Expenses	1,569	1,811	2,112	1,133	6,625
Net cost of services	1,569	1,811	2,112	1,133	6,625

The Government will continue to deliver free access to public preschool for Canberra's four-year-olds. The Government provides 15 hours per week, 600 hours per year of free education for all four-year-old children living in Canberra. The Commonwealth's funding contribution to public preschools has reduced under the *Preschool Reform Agreement 2022-2025*.

This initiative builds on the Phase One initiatives of *Set up for Success: An Early Childhood Strategy for the ACT*.

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

Investing in public education – *Education Amendment Act 2022*



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Expenses	324	493	639	647	2,103
Net cost of services	324	493	639	647	2,103

The Government will operationalise key reforms in the *Education Amendment Act 2022* to enable early identification of vulnerable students, and clarify and streamline non-government school registration. A Student Movement Register, a regulatory framework for non-government schools and a Registration Standards Advisory Board will be established.

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

Investing in public education – Embedding a safety culture within ACT public schools



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Expenses	1,141	0	0	0	1,141
Net cost of services	1,141	0	0	0	1,141

The Government will establish a Safe@Schools taskforce to undertake a system-wide safety review to strengthen the safety culture within ACT public schools for teachers and students and provide additional resourcing for training, communication, and project management to support the teaching workforce.

The taskforce builds on the 2021-22 Budget initiative, *Investing in public education – Reducing violence in schools*, which provided additional support for the management of occupational violence in ACT public schools.

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

Investing in public education – Equitable enrolment adjustment



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	3,008	0	0	0	3,008
Net cost of services	3,008	0	0	0	3,008

The Government will continue to provide support for the growth in students with additional needs enrolled in ACT public schools. The funding will support increased enrolments of students with disability, Aboriginal and Torres Strait Islander students, students from culturally and linguistically diverse background and students with lower socio-economic status in the ACT public school system.

This initiative builds on the Government's ongoing commitment to provide a high-quality education to all children in the ACT who wish to attend an ACT public school.

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

Investing in public education – Expanding cleaning services in ACT public schools



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	4,261	4,310	4,361	4,414	17,346
Net cost of services	4,261	4,310	4,361	4,414	17,346

The Government will expand the capacity of the ACT Public Schools' Cleaning Service to ensure the provision of adequate and safe school cleaning services and hygienic learning and work environments for students and school staff.

This initiative builds on the Government's decision in the 2019-20 Budget initiative on *Cleaning Services in ACT Public Schools* to in-source ACT public school cleaning services and directly employ 275 school cleaners within the Education Directorate.

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

Investing in public education – Improving digital access for school staff members



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	1,604	1,678	1,756	1,836	6,874
Net cost of services	1,604	1,678	1,756	1,836	6,874

The Government will continue to provide laptop devices to all teachers, casual relief teachers and administration staff based in ACT public schools.

This initiative builds on the Government's ongoing commitment towards increasing digital access for school-based staff including through the *Supporting our School System – Improving ICT* initiative in the 2015-16 Budget.

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

Investing in public education – Renewal of Highly Accomplished and Lead Teacher Certification



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	-3	-4	-3	-1	-11
Net cost of services	-3	-4	-3	-1	-11

The Government will introduce a fee to apply to Highly Accomplished and Lead Teachers (HALT) who wish to renew their HALT certification after 10 years. The certification of the first cohort of nationally certified HALTs in the ACT is due to expire in 2022 after 10 years. A fee for HALT certification after 10 years is being introduced to enable continued certification of these teachers by Teacher Quality Institute.

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

Investing in public education – Support for Aboriginal languages and cultures



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	150	150	150	150	600
Offset – Expenses	-150	-150	-150	-150	-600
Net cost of services	0	0	0	0	0

The Government will provide a grant to the Winanggaay Ngunnawal Language Group to promote the integration and understanding of local Ngunnawal language and culture into ACT public schools and builds on the Government's commitment to the *Future of Education Strategy 2018-2028*.

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

New and expanded schools – Development of the Whitlam Primary School and Early Childhood Education Centre



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Capital	2,192	14,519	29,692	25,469	71,872
Net capital	2,192	14,519	29,692	25,469	71,872
Depreciation	0	0	768	1,535	2,303
Expenses	0	593	2,763	4,269	7,625
Net cost of services	0	593	3,531	5,804	9,928

The Government will construct a new public primary school (P-6) with a capacity for up to 800 students and an early childhood education centre and care setting with a 130 place capacity in the new suburb of Whitlam. The school is scheduled to be open by 2025 and will have a total capital cost of \$76.750 million, including \$4.878 million of capital funding in 2026-27.

This initiative is part of the Government's commitment to meeting enrolment growth in greenfield suburbs.

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

New and expanded schools – Investing in Gungahlin



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Capital	0	14,808	0	0	14,808
Net capital	0	14,808	0	0	14,808
Depreciation	0	148	296	296	740
Expenses	1,351	4,185	5,883	6,880	18,299
Net cost of services	1,351	4,333	6,179	7,176	19,039

The Government will provide additional funding to meet the construction costs of expanding the Margaret Hendry School by 600 places and constructing a new public high school in Taylor which will have a permanent capacity of 800 places.

This initiative builds on the Government's 2021-22 Budget investment of \$118 million for the expansion of Margaret Hendry School and construction of the new high school in Taylor and is part of the Government's commitment to meeting enrolment growth in greenfield suburbs.

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

New and expanded schools – Majura Primary School modernisation



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	875	7,806	15,153	12,984	36,818
Net capital	875	7,806	15,153	12,984	36,818
Depreciation	0	0	174	325	499
Expenses	0	378	472	344	1,194
Net cost of services	0	378	646	669	1,693

The Government will invest \$39.330 million, including \$2.512 million in 2026-27, to modernise Majura Primary School, including increasing the school's capacity by up to 300 places to respond to enrolment growth in the Inner North.

This initiative is part of the Government's commitment to meeting enrolment growth by permanently expanding schools in the Inner North area.

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

New and expanded schools – Planning for increasing college capacity in Canberra's north



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	1,000	0	0	0	1,000
Offset – Capital	-1,000	0	0	0	-1,000
Net capital	0	0	0	0	0

The Government will undertake master planning and preliminary design works for a second public college in Gungahlin. The project will be offset from expense funding provided through the 2021-22 Budget initiative *New and Expanded Schools – Future planning*.

This initiative is part of the Government's commitment to meeting enrolment growth in greenfield suburbs.

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

New and expanded schools – Upgrading and increasing school capacity



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	8,000	0	0	0	8,000
Net capital	8,000	0	0	0	8,000
Depreciation	200	400	400	400	1,400
Expenses	0	100	200	200	500
Net cost of services	200	500	600	600	1,900

The Government will continue to increase public school capacity through the installation of three new Modular Learning Centres (MLCs) and re-use of eight existing MLCs across ACT public schools to meet projected enrolment growth and classroom needs.

This initiative builds on the 22 MLCs across 18 schools funded through the 2021-22 Budget and the August 2020 Economic and Fiscal Update.

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

Environment, Planning and Sustainable Development Directorate

Better community infrastructure – Improving Tidbinbilla and Canberra Nature Park



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Capital	542	532	0	0	1,074
Net capital	542	532	0	0	1,074
Depreciation	0	0	5	11	16
Net cost of services	0	0	5	11	16

The Government will design a new visitor centre at Tidbinbilla Nature Reserve (TNR) and improve visitor experience within Canberra Nature Park and TNR by undertaking high priority safety improvements, including on tracks and trails.

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

Better community infrastructure – Kippax Group Centre Master Plan



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Capital	142	0	0	0	142
Capital – Transport Canberra and City Services Directorate	3,467	0	0	0	3,467
Net capital	3,609	0	0	0	3,609
Depreciation– Transport Canberra and City Services Directorate	0	127	127	127	381
Net cost of services	0	127	127	127	381

The Government will replace existing playing fields and undertake detailed design works for a new community hub and skate park to facilitate the release of block 71 section 51 Holt as part of the Indicative Land Release Program.

This will deliver 80 urban infill dwellings increasing housing choice and affordability, as well as the release of 5,000 square metres of commercial space.

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

Climate action – Electrification of government gas assets



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	1,987	0	0	0	1,987
Offset – Capital	-1,987	0	0	0	-1,987
Net capital	0	0	0	0	0
Depreciation	0	66	132	132	330
Expenses	634	436	0	0	1,070
Net cost of services	634	502	132	132	1,400

The Government will develop a whole-of-government program to replace natural gas assets at end of life with electric equivalents. While the program is being developed funding from the Zero Emissions Government (ZEG) Fund will be reallocated to enable directorates and agencies to replace failed gas assets with electric appliances.

This initiative complements the initiative in this Budget to electrify government-owned premises at 255 Canberra Avenue.

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

Climate action – Gas Transition Taskforce



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	3,803	2,840	901	913	8,457
Offset – Expenses	-876	-889	-901	-913	-3,579
Net cost of services	2,927	1,951	0	0	4,878

The Government's Gas Transition Taskforce will support the delivery of the Government's commitment to phase out fossil fuel gas and achieve net zero emissions by 2045 and develop an Integrated Energy Plan. The Taskforce will lead whole-of-government coordination and delivery of the Plan and undertake strategic communication and community engagement activities with the broader ACT community on the transition away from gas.

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

Climate action – Vulnerable Household Energy Support Scheme



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital – Housing ACT	3,456	314	318	322	4,410
Capital – Provision	0	9,000	12,331	12,653	33,984
Offset – Capital – Housing ACT	-400	0	0	0	-400
Offset – Capital – Provision	-14,916	-14,916	-14,916	-322	-45,070
Net capital	-11,860	-5,602	-2,267	12,653	-7,076
Expenses	5,866	679	425	958	7,928
Expenses – Chief Minister, Treasury and Economic Development Directorate	134	136	138	140	548
Net cost of services	6,000	815	563	1,098	8,476

The Government will continue the Vulnerable Household Energy Support Scheme to provide support for community housing providers, eligible private rental providers and low-income homeowners to install insulation and replace gas appliances with more efficient electrical heating and cooling appliances, hot water heat pumps and stove tops. The Scheme will also support insulation and electrification upgrades to public housing properties.

This funding delivers the next stage of the \$50 million that was provisioned in the 2020-21 Budget for the Vulnerable Household Energy Support Scheme, and complements the \$150 million Sustainable Household Scheme to support households with no interest loans to invest in energy efficient home upgrades.

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

Climate action – Zero Emissions Vehicles Strategy



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital – Provision	0	1,500	1,500	0	3,000
Net capital	0	1,500	1,500	0	3,000
Expenses	671	1,465	449	451	3,036
Expenses – Provision	0	2,500	750	0	3,250
Revenue forgone	426	539	656	774	2,395
Net cost of services	1,097	4,504	1,855	1,225	8,681

The Government will implement a range of measures to increase the uptake of zero emissions vehicles to reduce emissions from transport in the ACT and contribute to achieving net zero emissions by 2045. The measures include setting a zero emissions vehicle (light vehicle) sales target for 2030 of 80-90 per cent, delivering tailored information programs and installing electric vehicle charging infrastructure across the ACT, including at Government sites.

This initiative builds on recent Government actions in this area including the 2021-22 Budget initiative *Climate Change - Free registration for zero emissions* and the stamp duty waiver under the Vehicle Emissions Reduction Scheme.

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

Implementing planning reforms



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	3,425	1,415	0	0	4,840
Net capital	3,425	1,415	0	0	4,840
Depreciation	0	0	968	968	1,936
Expenses	3,940	5,074	1,444	1,056	11,514
Offset – Expenses	-643	-653	0	0	-1,296
Offset – Revenue – Provision	0	0	-968	-968	-1,936
Net cost of services	3,297	4,421	1,444	1,056	10,218

The Government will implement ACT Planning System Reforms that will deliver a modern digital planning system to support planning and approval processes and improve user experience, facilitate communications and training for users of the ACT's planning system, and provide an appropriately skilled workforce to implement and enforce the reforms. A review will be undertaken of planning fees to reflect the new planning system.

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

Investing in public services – Establishing an Asbestos Coordination and Assistance team



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Capital	4,764	1,584	0	0	6,348
Net capital	4,764	1,584	0	0	6,348
Expenses	2,105	1,035	0	0	3,140
Net cost of services	2,105	1,035	0	0	3,140

The Government will establish a Loose Fill Asbestos Insulation Coordination Team until December 2023 to continue and then transition the ongoing work of the Asbestos Taskforce, which was established in 2014, into ongoing operations.

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

Maintaining and growing affordable housing – Delivering more affordable housing



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Expenses	570	700	378	0	1,648
Offset – Expenses	-285	-350	-189	0	-824
Offset – Expenses – Chief Minister, Treasury and Economic Development Directorate	-285	-350	-189	0	-824
Net cost of services	0	0	0	0	0

The Government will continue to implement the ACT Housing Strategy.

This will include a range of programs and projects to support affordability and delivery of affordable housing, particularly for low to medium income households. This includes examination of the Affordable Home Purchase Scheme, progressing build-to-rent projects, investigating a shared equity scheme, consideration of demonstration housing projects and relevant policy changes, and examination of opportunities to enhance community housing.

This will also involve working with the Commonwealth Government on the delivery of the Housing Australia Future Fund, Help to Buy Scheme and National Rental Affordability Scheme to support delivery of more affordable housing in the ACT. The cost will be offset by existing funding.

This initiative complements other initiatives in this Budget that support housing affordability in the ACT.

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

Protecting Canberra's unique environment – Better managing invasive species



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	250	0	0	0	250
Offset – Revenue	-250	0	0	0	-250
Net cost of services	0	0	0	0	0

The Government will expand the resources of the existing Invasive Species Rapid Response Biosecurity Team in 2022-23. The cost will be fully offset by Commonwealth Government funding provided through the *Supporting Communities Manage Pest Animals and Weeds Program*.

This initiative builds on \$3 million provided over four years in the 2021-22 Budget to establish an Invasive Species Rapid Response Biosecurity Team and contributes to the wellbeing domain of Environment and climate.

Protecting Canberra's unique environment – Bushfire risk reduction



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	362	656	670	582	2,270
Net cost of services	362	656	670	582	2,270

In a changing climate, the Government will expand fire management activity in the Territory in line with the new Strategic Bushfire Management Plan - Version 4. This includes preparation of fuel management programs based on the areas of highest bushfire risk and modelling to update bushfire management plans.

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

Protecting Canberra's unique environment – Connecting nature and people



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	96	156	0	0	252
Net capital	96	156	0	0	252
Depreciation	0	0	14	14	28
Expenses	1,311	1,391	0	0	2,702
Net cost of services	1,311	1,391	14	14	2,730

The Government will develop decision-making tools to reduce biodiversity loss enhance the Canberra Nature Map platform, establish living infrastructure projects, undertake site restoration, and support the nature-based tourism sector.

This initiative contributes to the wellbeing domains of Environment and climate and significantly contributes to Health and Social connection.

Protecting Canberra's unique environment – Establishing an Office of Water



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	1,720	2,524	0	0	4,244
Offset – Expenses	-928	-1,727	0	0	-2,655
Net cost of services	792	797	0	0	1,589

The Government will establish an Office of Water to coordinate and lead water policy development and holistic water management in the ACT. The Office will focus on policy reforms, governance and strategic decision-making to protect and improve water security and water quality in a changing climate across the ACT.

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

Protecting Canberra's unique environment – Securing offset values along the Eastern Broadacre employment corridor



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Offset – Capital – Provision	0	-226	-489	0	-715
Net capital	0	-226	-489	0	-715
Expenses	625	1,286	0	0	1,911
Offset – Expense – Provision	0	-627	-816	0	-1,443
Net cost of services	625	659	-816	0	468

The Government will continue to deliver environmental biodiversity offset commitments under the Eastern Broadacre Strategic Assessment to support land release by maintaining the ecological assets within the Majura and Jerrabomberra Valleys.

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

Protecting Canberra's unique environment – Strengthening environmental protections



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	405	317	0	0	722
Net cost of services	405	317	0	0	722

The Government will strengthen environmental protections in the ACT by providing additional support to the ACT Environment Protection Authority for its compliance monitoring and regulatory oversight activities.

The initiative will also support a review of legislative frameworks for environmental protection to address existing regulatory capacity challenges, including the development of a three-year action plan to achieve reforms necessary to deliver an enhanced and modernised environmental protection framework in the ACT.

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

Health Portfolio Agencies

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

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

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

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

Better care for our community – Additional support for the Fitness to Drive Medical Clinic



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	380	0	0	0	380
Offset – Health Funding Envelope	-230	0	0	0	-230
Offset – Transport Canberra and City Services Directorate	-150	0	0	0	-150
Net cost of services	0	0	0	0	0

The Government will continue the operation of the Fitness to Drive Medical Clinic in 2022-23 to improve the safety of drivers by providing a fair and rigorous assessment of fitness to drive for ACT driver licence holders against the Austroads medical standards.

This initiative contributes to the wellbeing domain of Health.

Better care for our community – Continued support for the Home Assessment Acute Response Team



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	1,762	2,491	2,540	2,591	9,384
Offset – Health Funding Envelope	-1,762	-2,491	-2,540	-2,591	-9,384
Net cost of services	0	0	0	0	0

The Government will reduce pressure on hospitals by establishing a Territory-wide hospital avoidance strategy that will strengthen assertive community-based programs. The strategy will include continuing and expanding the Home Assessment Acute Response Team, extending operation of the Mental Health Consultation Liaison position at Calvary Public Hospital Bruce Emergency Department to 16 hours per day/7 days a week, implementing an Adult Dialectical Behaviour Therapy Program and establishing a permanent Homeless Outreach Team.

This initiative contributes to the wellbeing domain of Health.

Better care for our community – Development of the ACT Disability Health Strategy and First Action Plan



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	260	0	0	0	260
Offset – Health Funding Envelope	-260	0	0	0	-260
Net cost of services	0	0	0	0	0

The Government will develop the ACT Disability Health Strategy and First Action Plan. The Strategy and Action Plan will be co-designed with the disability community to improve health outcomes for people with disability, their families and carers.

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

Better care for our community – Expanding investment in suicide prevention and support programs



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	884	880	894	875	3,533
Offset – Health Funding Envelope	-884	-880	-894	-875	-3,533
Net cost of services	0	0	0	0	0

The Government will increase investment in suicide prevention programs to assist individuals following a suicide attempt and/or suicidal crisis. This will include follow-up care post hospital discharge and broader referral pathways, assertive outreach and psychosocial supports and continue the ongoing expansion of postvention services.

This initiative contributes to the wellbeing domain of Health.

Better care for our community – Expansion of suicide prevention programs and mental health support for at risk young adults



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Expenses	974	1,842	2,564	2,758	8,138
Offset – Commonwealth revenue	-467	-921	-1,282	-1,379	-4,049
Offset – Health Funding Envelope	-507	-921	-1,282	-1,379	-4,089
Net cost of services	0	0	0	0	0

The Government will expand mental health supports for youth and young adults to address priority needs of young people who are experiencing or are at risk of mental health concerns and/or suicide and self-harm through implementation of a Youth at Risk program and an implementation review of Youth Aware of Mental Health.

This initiative will be funded through a cost sharing arrangement between the Commonwealth Government and the Territory as part of the *Bilateral Schedule on Mental Health and Suicide Prevention: ACT*.

This initiative contributes to the wellbeing domain of Health.

Better care for our community – Expansion of the Police, Ambulance and Clinician Early Response mental health program



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Expenses	1,997	0	0	0	1,997
Offset – Health Funding Envelope	-759	0	0	0	-759
Net cost of services	1,238	0	0	0	1,238

The Government will extend the second team for the Police, Ambulance and Clinician Early Response (PACER) program put in place during the COVID-19 pandemic for a further 12 months.

This initiative builds on funding provided in 2021-22 as part of the *COVID-19 Response – Mental health support package* to support the delivery of additional mental health services to Canberrans affected by the COVID-19 pandemic and associated lockdowns.

This initiative contributes to the wellbeing domain of Health.

Better care for our community – Meeting the health needs of Aboriginal and Torres Strait Islander detainees at the AMC through the Winnunga Model of Care



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	2,064	2,096	2,599	2,645	9,404
Offset – Health Funding Envelope	-1,522	-1,547	-2,042	-2,080	-7,191
Net cost of services	542	549	557	565	2,213

The Government will provide ongoing funding to support the continuation of the Winnunga Nimmityjah Aboriginal Health and Community Services' holistic model of health service delivery to Aboriginal and Torres Strait Islander detainees at the Alexander Maconochie Centre (AMC).

The initiative builds on Government actions in response to the *2016 Moss Review*, including funding provided since 2017-18 to integrate Winnunga's model of care at the AMC.

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

Better care for our community – More nurse practitioners at walk-in centres



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	119	622	1,143	1,166	3,050
Offset – Health Funding Envelope	-119	-622	-1,143	-1,166	-3,050
Net cost of services	0	0	0	0	0

The Government will deliver more care closer to where people live by increasing the number of nurse practitioners across five walk-in centres located in Belconnen, Tuggeranong, Inner North, Weston and Gungahlin to ensure that a nurse practitioner is available at every walk-in centre on each shift.

This initiative contributes to the wellbeing domain of Health.

Better care for our community – Ongoing support for Leo’s Place



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	624	641	658	675	2,598
Offset – Health Funding Envelope	-624	-641	-658	-675	-2,598
Net cost of services	0	0	0	0	0

The Government will provide ongoing funding to Palliative Care ACT to operate Leo’s Place, a respite hub for people with life-limiting illness, enabling more people to spend the last period of their life at home. This will support them, their families and loved ones to rest and access advice, information and self-care.

This initiative contributes to the wellbeing domain of Health.

Better care for our community – Southside Hydrotherapy Pool – improving access to hydrotherapy services



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	500	4,000	4,000	0	8,500
Net capital	500	4,000	4,000	0	8,500
Depreciation	0	0	425	425	850
Net cost of services	0	0	425	425	850

The Government will undertake detailed design and construction of a southside hydrotherapy pool at the Tuggeranong Lakeside Leisure Centre to improve access to hydrotherapy services for residents on Canberra’s southside.

This initiative contributes to the wellbeing domain of Health.

Better care for our community – Strengthening mental health support services for families, adolescents, and young children



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Expenses	798	3,275	5,413	4,976	14,462
Offset – Commonwealth revenue	-238	-1,291	-2,190	-1,822	-5,541
Offset – Health Funding Envelope	-560	-1,984	-3,223	-3,154	-8,921
Net cost of services	0	0	0	0	0

The Government will enhance community-based and Canberra Health Services responses for perinatal, infant and child (0-12 years) mental health and wellbeing. This includes undertaking work towards consistent universal perinatal mental health screening and minimum data collection, expanding the Childhood Early Intervention Team into the Gungahlin Child and Family Centre, and establishing a mother and infant dialectical behavioural therapy service.

This initiative will partially be funded through a cost sharing arrangement between the Commonwealth Government and the Territory as part of the *Bilateral Schedule on Mental Health and Suicide Prevention: ACT*.

This initiative contributes to the wellbeing domain of Health.

COVID-19 Response – Continuing the COVID-19 public health support package



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Expenses	46,263	0	0	0	46,263
Offset – Commonwealth revenue	-20,132	0	0	0	-20,132
Net cost of services	26,131	0	0	0	26,131

The Government will continue the COVID-19 public health response in 2022-23 funded through a cost sharing arrangement between the Commonwealth Government and the Territory which ceases at the end of 2022.

At the National Cabinet meeting on 17 June 2022, all First Ministers agreed to extend the *National Partnership on COVID-19 Response*. The financial impacts of this extension have not been included in the 2022-23 ACT Budget as they are not yet known.

This initiative contributes to the wellbeing domain of Health.

Improving Canberra's health infrastructure – Delivering new clinical equipment and building services at the Canberra Hospital



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	6,942	6,651	8,188	0	21,781
Capital – Provision	0	350	5,146	7,359	12,855
Net capital	6,942	7,001	13,334	7,359	34,636
Depreciation	0	662	1,269	2,071	4,002
Expenses	467	694	813	846	2,820
Offset – Health Funding Envelope	-437	-664	-783	-816	-2,700
Offset – Medicare Benefits	-30	-30	-30	-30	-120
Schedule revenue					
Net cost of services	0	662	1,269	2,071	4,002

The Government will deliver new state-of-the-art clinical equipment across the Canberra Hospital campus, including a new medical-linear accelerator, PET/CT scanner, CT scanner, Nuclear Medicine Gamma Camera and Nuclear Medicine SPECT/CT, delivering better care for Canberrans needing high quality radiation therapy and diagnostic medical imaging services. The funding will also replace hospital beds and upgrade electrical and mechanical building services.

This initiative contributes to the wellbeing domain of Health.

Improving Canberra's health infrastructure – Design for a new palliative care ward at the Canberra Hospital



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	780	0	0	0	780
Offset – Expenses	-780	0	0	0	-780
Net cost of services	0	0	0	0	0

The Government will commence site selection and early design of a new 12-bed acute integrated palliative care ward at the Canberra Hospital to improve the quality of life of patients with an active, progressive disease who have little or no prospect of cure.

This initiative contributes to the wellbeing domain of Health.

**Improving Canberra's health infrastructure –
Implementation of the Canberra Hospital Master Plan –
transforming the Canberra Hospital Campus**



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	8,675	25,331	16,904	1,500	52,410
Net capital	8,675	25,331	16,904	1,500	52,410

The Government will commence the implementation of the first phase of the Canberra Hospital Master Plan. This includes the design and fit-out of a 64-bed inpatient unit in the Canberra Hospital Expansion Critical Services Building, design work, costings and demolition for a new pathology building, design and costings for a new inpatient building and planning for the demolition of Building 4, public real time and wayfinding upgrades and a campus staging and decanting strategy.

This builds on the \$3 million provided in the 2021-22 ACT Budget initiative *Improving Canberra's Health Infrastructure – A new carpark at Canberra Hospital*.

This initiative contributes to the wellbeing domain of Health.

**Improving Canberra's health infrastructure – Replacing and
enhancing critical equipment at Calvary Public Hospital
Bruce**



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses – Capital grant	2,100	0	0	0	2,100
Expenses – Capital grant – Provision	0	2,538	0	0	2,538
Net cost of services	2,100	2,538	0	0	4,638

The Government will provide funding to Calvary Public Hospital Bruce to upgrade, replace and enhance equipment required to support the delivery of exceptional health care, including a new ultrasound and mobile x-ray unit.

This initiative contributes to the wellbeing domain of Health.

Investing in public health care – ACT Government Analytical Laboratory modernisation project



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	1,173	150	454	50	1,827
Offset – Capital	-178	0	0	0	-178
Net capital	995	150	454	50	1,649
Depreciation	101	212	257	223	793
Expenses	80	349	467	473	1,369
Offset – Health Funding Envelope	-80	-349	-467	-473	-1,369
Net cost of services	101	212	257	223	793

The Government will modernise the ACT Government Analytical Laboratory, including replacing the laboratory information system and heating, ventilation and air conditioning system, upgrading the laboratory's physical containment space, and bolstering staffing to provide analysis of novel psychoactive substances.

This initiative contributes to the wellbeing domain of Health.

Investing in public health care – Additional support for clinical governance and workforce planning



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	442	1,861	1,818	1,856	5,977
Offset – Health Funding Envelope	-442	-1,861	-1,818	-1,856	-5,977
Net cost of services	0	0	0	0	0

The Government will improve the performance of the health system by establishing a Local Hospital Network Council (LHN), implementing a clinical system governance framework, and supporting system-wide workforce planning and strategy development.

This initiative contributes to the wellbeing domain of Health.

Investing in public health care – Better public maternity services



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Expenses	1,082	3,841	3,560	3,630	12,113
Offset – Health Funding Envelope	-1,082	-3,841	-3,560	-3,630	-12,113
Net cost of services	0	0	0	0	0

The Government will commence delivery of Maternity in Focus: *The ACT Public Maternity System Plan 2022-2032* with funding to:

- support system-wide workforce planning;
- provide new training and scholarship opportunities;
- commence a scoping study for a perinatal mental health wellbeing facility;
- develop a consumer feedback tool;
- evaluate Canberra Maternity Options Service; and
- support ongoing implementation and oversight of the Plan.

The Government will significantly boost capacity at Calvary Public Hospital Bruce with the establishment of a Gestational Diabetes Mellitus service and delivery of three new Special Care Nursery cots – delivering more maternity services for Canberra’s northside.

This initiative contributes to the wellbeing domain of Health.

Investing in public health care – Delivering more elective surgeries



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Expenses	8,406	9,509	11,443	428	29,786
Offset – Health Funding Envelope	-8,406	-9,509	-11,443	-428	-29,786
Net cost of services	0	0	0	0	0

The Government will reduce elective surgery wait times by delivering more elective surgeries. Building on the investment made through the 2021-22 Budget initiative *Expanding critical public hospital services – Delivering more elective surgeries*, the Government is committed to providing 60,000 elective surgeries over the four financial years to 2024-25.

The Government will continue and expand the *Good Life with Arthritis program*, a preventative program that delays or reduces the number of people needing lower joint replacement surgery.

This initiative contributes to the wellbeing domain of Health.

Investing in public health care – Continuing to deliver better care for vulnerable people with complex needs



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	728	874	896	919	3,417
Offset – Health Funding Envelope	-561	-874	-896	-919	-3,250
Offset – Expenses	-167	0	0	0	-167
Net cost of services	0	0	0	0	0

The Government will provide funding for the continuation of successful primary care programs for vulnerable Canberrans with complex needs in partnership with three services – Directions, the Junction and Companion House.

This initiative contributes to the wellbeing domain of Health.

Investing in public health care – Digital Health Record – transforming the way health care is provided



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	26,070	0	0	0	26,070
Net capital	26,070	0	0	0	26,070
Depreciation	0	4,364	4,364	4,364	13,092
Expenses	10,918	4,505	4,612	4,723	24,758
Offset – Health Funding Envelope	-1,308	-1,736	-1,774	-1,814	-6,632
Net cost of services	9,610	7,133	7,202	7,273	31,218

The Government is supporting the implementation of the Digital Health Record (DHR) including by enabling frontline health services staff to participate in training and implementation activities, as well as providing funding for related ongoing expenses. The implementation of the DHR across the public health system in late 2022 will transform the delivery of person-centred care and improve clinical practice, patient outcomes and patient experience.

This initiative contributes to the wellbeing domain of Health.

Investing in public health care – Embedding a positive safety culture in the ACT public health system



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	750	0	0	0	750
Net capital	750	0	0	0	750
Expenses	917	1,831	1,873	1,845	6,466
Offset – Health Funding Envelope	-917	-1,831	-1,873	-1,845	-6,466
Net cost of services	0	0	0	0	0

The Government will provide funding to deliver the next step of the *Nurses and Midwives: Towards a Safer Culture Strategy*, provide more occupational violence training across Canberra Health Services and Calvary Public Hospital Bruce and improve safety infrastructure to support the health workforce when they are providing care.

The next step of the Strategy includes a significant increase in resources to embed a positive safety culture in health services and support the broader implementation of *Safewards*. This measure builds on funding of \$1.3 million provided in the 2019-20 Budget to implement the *Nurses and Midwives: Towards a Safer Culture – The First Step strategy*.

This initiative contributes to the wellbeing domain of Health.

Investing in public health care – Expanding endoscopy services and reducing hospital wait times



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	2,804	2,874	0	0	5,678
Offset – Health Funding Envelope	-2,804	-2,874	0	0	-5,678
Net cost of services	0	0	0	0	0

The Government will increase endoscopy procedures in 2022-23 and 2023-24 at Canberra Hospital, building on the capacity increase made through the 2021-22 Budget Initiative *Improving Canberra's Health Infrastructure – Expanding endoscopy services* while feasibility studies on expansion and refurbishment of existing suites are undertaken.

This initiative contributes to the wellbeing domain of Health.

Investing in public health care – Expanding the allied health workforce to deliver exceptional healthcare for patients



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	603	3,572	6,030	6,148	16,353
Offset – Health Funding Envelope	-603	-3,572	-6,030	-6,148	-16,353
Net cost of services	0	0	0	0	0

The Government will significantly increase allied health staffing across the Canberra Hospital campus, delivering more Aboriginal liaison, audiology, nutrition and dietetics, exercise physiology, occupational therapy, physiotherapy, psychology, social work and speech pathology workers. Timely and evidence-based allied health interventions will improve patient recovery and functional outcomes; reduce hospital length of stay and readmission rates; reduce emergency wait times; and reduce the rate and severity of hospital acquired complications.

This initiative contributes to the wellbeing domain of Health.

Investing in public health care – Implementation and integration of a modern rostering system



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	1,258	1,184	0	0	2,442
Net capital	1,258	1,184	0	0	2,442

The Government will undertake the first stage of work to implement a modern rostering solution for Canberra Health Services, commencing with an assessment of business requirements and defining the scope of the rostering solution.

This initiative contributes to the wellbeing domain of Health.

Investing in public health care – Increasing specialist health services for children and young people



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	542	1,226	1,469	1,569	4,806
Offset – Health Funding Envelope	-542	-1,226	-1,469	-1,569	-4,806
Net cost of services	0	0	0	0	0

The Government will boost outpatient paediatric services through the establishment of a neurodevelopmental and behavioural assessment and treatment service, as well as a GP-led multidisciplinary outpatient clinic for Aboriginal and Torres Strait Islander children and young adults. The Government will also provide specialist therapeutic treatment for children and young people with harmful sexual behaviours and their families and carers.

This initiative contributes to the wellbeing domain of Health.

Investing in public health care – Making medical and surgical abortions more affordable



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	354	1,404	1,424	1,460	4,642
Offset – Health Funding Envelope	-354	-1,404	-1,424	-1,460	-4,642
Net cost of services	0	0	0	0	0

The Government will improve affordability and access for both medical and surgical abortions, making both services free for people seeking abortion up to 16 weeks in the ACT, and will provide funding for long-acting reversible contraceptives at the time of abortion.

This initiative contributes to the wellbeing domain of Health.

Investing in public health care – Meeting our National Blood Authority obligations



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	2,672	2,743	2,815	2,890	11,120
Offset – Health Funding Envelope	-844	-867	-890	-914	-3,515
Net cost of services	1,828	1,876	1,925	1,976	7,605

The Government will provide funding to boost the ACT's blood budget from 2022-23 in response to increases in the cost of and demand for blood and blood products.

This initiative contributes to the wellbeing domain of Health.

Investing in public health care – More beds and expanded outpatient services at Calvary Public Hospital Bruce



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	3,157	4,509	4,629	4,752	17,047
Offset – Health Funding Envelope	-3,157	-4,509	-4,629	-4,752	-17,047
Net cost of services	0	0	0	0	0

The Government will provide additional funding to Calvary Public Hospital Bruce to expand general services, an additional intensive care bed and four additional inpatient beds.

This initiative contributes to the wellbeing domain of Health.

More alcohol and other drug services – Continuing support for treatments and services in the community



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	855	818	0	0	1,673
Net capital	855	818	0	0	1,673
Depreciation	0	240	240	240	720
Expenses	466	1,724	2,115	2,158	6,463
Offset – Health Funding Envelope	-466	-1,724	-2,115	-2,158	-6,463
Net cost of services	0	240	240	240	720

The Government will continue its investments to reduce the harm caused by alcohol and other drugs by expanding targeted treatment of methamphetamine dependence, funding a new support service for families, carers and children of people who use drugs, and boosting funding for residential alcohol and drug treatment services.

Funding will also be provided to enhance the real-time prescription monitoring system, Canberra Script.

This initiative contributes to the wellbeing domain of Health.

More alcohol and other drug services – Ngunnawal Bush Healing Farm – residential service delivery trial



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	150	0	0	0	150
Net capital	150	0	0	0	150
Depreciation	0	10	10	10	30
Expenses	802	1,030	38	38	1,908
Offset – Health Funding Envelope	-802	-1,030	-38	-38	-1,908
Net cost of services	0	10	10	10	30

The Government will begin the transition to a residential program at the Ngunnawal Bush Healing Farm. The Government will also upgrade nurse call and duress alarms at the facility. This initiative contributes to the wellbeing domain of Health.

More alcohol and other drug services – Watson Health Precinct redevelopment – supporting those in need



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	1,000	0	0	0	1,000
Net capital	1,000	0	0	0	1,000
Expenses	1,470	528	0	0	1,998
Offset – Health Funding Envelope	-400	0	0	0	-400
Net cost of services	1,070	528	0	0	1,598

The Government will take the next steps in the redevelopment of the Watson Health Precinct involving site preparation, detailed design and commissioning work, and alcohol and other drugs training for relevant staff to support the construction and operation of an Aboriginal and Torres Strait Islander alcohol and other drug residential rehabilitation facility.

This builds on funding of \$803,000 provided in the 2021-22 Budget to commence preliminary design work for the Watson Health Precinct Redevelopment.

This initiative contributes to the wellbeing domain of Health.

Housing ACT

Community support and connectedness – Expanding specialist homelessness service capacity



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Expenses	1,879	337	0	0	2,216
Expenses – Provision	0	2,535	2,534	0	5,069
Net cost of services	1,879	2,872	2,534	0	7,285

The Government will continue specialist homelessness programs that commenced operation during the COVID-19 pandemic and further expand the capacity of frontline homelessness services in 2023-24 and 2024-25. The Government will also enhance the specialist homelessness information platform and work with the homelessness sector to develop a shared practice framework and tools.

The initiative builds on funding of \$10.7 million to increase the capacity for specialist homelessness services in the 2020-21 and 2021-22 Budgets, and is part of the Government's commitment to addressing homelessness in the ACT by investing a further \$18 million over four years to expand the capacity of the specialist homelessness sector.

This initiative contributes to the wellbeing domains of Housing and home, Safety, Social connection, and Living standards.

Growing and renewing public housing – Securing high quality public housing



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Capital	57,262	0	0	0	57,262
Net capital	57,262	0	0	0	57,262
Expenses	500	0	0	0	500
Net cost of services	500	0	0	0	500

The Government will further invest in additional public housing repairs and maintenance to maintain high quality public housing, while also growing available public housing stock under the Growing and Renewing Public Housing Program.

This initiative builds on the investment of \$80 million over three years in the 2021-22 Budget for repairs and maintenance to secure high quality public housing and \$9.8 million for general property and energy efficiency upgrades for public housing properties under the *Expanding investment in social housing* initiative in the August 2020 Economic and Fiscal update.

This initiative contributes to the wellbeing domain of Housing and home, and significantly contributes to Governance and institutions.

Growing and renewing public housing – Year four of the Growth and Renewal Program



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	30,286	0	0	0	30,286
Capital – Provision	0	8,400	13,500	0	21,900
Offset – Capital – Provision	-22,386	0	0	0	-22,386
Net capital	7,900	8,400	13,500	0	29,800

The Government will expand the Growing and Renewing Public Housing program by a further 140 public housing dwellings, delivering on the *Parliamentary and Governing Agreement for the 10th Legislative Assembly* commitment to provide 400 additional public housing dwellings.

This initiative builds on funding provided in the original 2019-20 Program of \$100 million over five years. Further funding of \$52 million was provided under the *Expanding investment in social housing* initiative in the August 2020 Economic and Fiscal Update and \$19 million in the 2021-22 Budget to further expand the program.

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

Justice and Community Safety Directorate

Continuing to reduce harmful impacts from electronic gaming machines



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Expenses	1,465	0	0	0	1,465
Offset – Expenses	-600	0	0	0	-600
Net cost of services	865	0	0	0	865

The Government will undertake design work to support the introduction of \$5 bet limits and \$100 load-up limits on ACT electronic gaming machines (EGMs).

This initiative builds on recent actions by Government to reduce harm from gaming while supporting sustainable clubs, including the establishment of the Community Clubs Ministerial Advisory Council, and the EGM buyback scheme to reduce the number of EGMs in the ACT.

This initiative contributes to the wellbeing domains of Governance and Institutions, Economy and Health.

Establishment of the Aboriginal and Torres Strait Islander Children's Commissioner



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Capital	25	0	0	0	25
Net capital	25	0	0	0	25
Depreciation	0	2	2	2	6
Expenses	562	996	1,010	1,024	3,592
Net cost of services	562	998	1,012	1,026	3,598

The Government will establish an independent Aboriginal and Torres Strait Islander Children's Commissioner, in line with the recommendations of the *Our Booris, Our Way* report, and a co-design process undertaken with community. The Commissioner will be dedicated to improving services and outcomes for Aboriginal and Torres Strait Islander children and young people, including those in the child protection system, through individual and systemic advocacy.

This initiative continues funding for an interim Aboriginal and Torres Strait Islander Children and Families Advocate until the appointment of the Aboriginal and Torres Strait Islander Children's Commissioner and contributes to the wellbeing domain of Identity and belonging.

Implementing recommendations of *A new future for custodial services, ACT Corrective Services Blueprint for Change*



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Capital	433	0	0	0	433
Net capital	433	0	0	0	433
Depreciation	0	43	43	43	129
Expenses	2,727	3,359	3,079	3,123	12,288
Net cost of services	2,727	3,402	3,122	3,166	12,417

The Government will implement the critical recommendations of the March 2022 report *A new future for custodial services, ACT Corrective Services Blueprint for Change* by increasing staff and providing increased support for staff at the Alexander Maconochie Centre as well as implementing measures to enhance health and safety for staff and detainees.

This initiative builds on the 2021-22 Budget initiative *Improving infrastructure and wellbeing at the Alexander Maconochie Centre*. It also forms part of the Government's ongoing commitment to better support ACT Corrective Services staff, thereby enhancing outcomes for detainees.

This initiative contributes to the wellbeing domain of Safety.

Improving equity in the justice system – Additional legal assistance for vulnerable members of the community



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Expenses	1,169	1,124	766	0	3,059
Net cost of services	1,169	1,124	766	0	3,059

The Government will continue support over multiple years to assist the ACT's community based legal assistance sector, and respond to a recommendation of the *Our Booris, Our Way* report by establishing a new Aboriginal and Torres Strait Islander care and protection legal advocacy service.

This builds on the 2021-22 Budget initiative *Community sector partnerships – Community legal assistance sector support* which provided funding to ensure these organisations are able to maintain service delivery levels.

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

Improving equity in the justice system – More support for Legal Aid and Criminal Case Conferencing



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Expenses	664	698	731	748	2,841
Net cost of services	664	698	731	748	2,841

The Government will provide more resources to Legal Aid's Family Violence Unit, the Older Person's ACT Legal Service and Legal Aid's helpline to strengthen Legal Aid's capacity to support vulnerable members of the community and manage the ongoing increase in demand for these services in the ACT. The Government will also continue to support Criminal Case Conferencing in the ACT Supreme Court, which encourages early settlement discussions to conclude matters before trial or reduce matters before trial. This improves the overall efficacy of the criminal justice process.

This initiative builds on the 2021-22 Budget initiatives *Streamlining court proceedings*, which provided funding for Criminal Case Conferencing, and *Better justice support for vulnerable Canberrans*, which provided increased support to the Legal Aid Commission to meet increased demand for the Commission's services.

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

Improving equity in the justice system – Reducing over-representation of Aboriginal and Torres Strait Islanders in the ACT criminal justice system



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Expenses	3,488	2,699	0	0	6,187
Expenses – Provision	0	300	2,500	2,500	5,300
Net cost of services	3,488	2,999	2,500	2,500	11,487

The Government will deliver a range of programs and initiatives focused on addressing the over-representation of Aboriginal and Torres Strait Islander people in the ACT criminal justice system. The program combines new initiatives that are expected to make a real and immediate impact, and the continuation of established programs that have been demonstrating positive results.

These initiatives include the screening of detainees for cognitive disability; the expansion of the Galambany Circle Court; re-establishing the Interview Friends program; continuing the On Country Program; and a one-on-one intensive case management program for Aboriginal and Torres Strait Islander detainees to reduce recidivism.

Flexibility is also provided in the program for future initiatives to be introduced based on consultation with the Aboriginal and Torres Strait Islander community.

This initiative aligns with the Government’s commitment to justice reinvestment, keeping people out of the criminal justice system and reducing incarceration of Aboriginal and Torres Strait Islander people to match non-Indigenous incarceration rates and reduce recidivism in the ACT by 25 per cent by 2025.

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

Improving equity in the justice system – Victims of crime registers



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Expenses	417	446	452	458	1,773
Offset – Expenses	-34	-35	-35	-35	-139
Net cost of services	383	411	417	423	1,634

The Government will provide additional resourcing for Victim Support ACT to take on administration of the three victims registers – the Adult Register, the Youth Justice Register, and the Affected Persons Register. With this resourcing, Victim Support will act as a central point, maximising accessibility, increasing awareness, and ensuring victims receive crucial information and support. This initiative will also uphold victim rights to participate in post-sentence justice proceedings, ensuring victims are supported to provide submissions at the ACT Civil and Administrative Tribunal and to the Sentence Administration Board if they wish to do so.

This initiative contributes to the wellbeing domain of Safety.

Investing in public services – Further support for legal policy and advisory services



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Expenses	331	0	0	0	331
Offset – Confiscated Assets Trust Fund	-331	0	0	0	-331
Net cost of services	0	0	0	0	0

The Government will continue support for the resourcing of the Legislation, Policy and Programs Division (LPP) of the Justice and Community Safety Directorate in the 2022-23 Budget, enabling it to drive the Government’s reform agenda.

This initiative continues the funding provided in the 2021-22 Budget to strengthen policy development and contributes to the wellbeing domain of Governance and institutions.

Keeping Canberrans safe – Continuing the Fixated and Lone-Actor Grievance-Fuelled Violence Assessment Team



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	642	0	0	0	642
Offset – Health Funding Envelope	-379	0	0	0	-379
Net cost of services	263	0	0	0	263

The Government will continue to support law enforcement and mental health professionals in ACT Policing and the Canberra Health Service to assist with the identification of individuals who present fixated threats to Government officials and the ACT community.

This initiative builds on the Government's recent investment in the ACT Police Services Model, including building capability to support a national approach to assessing and managing fixated threats.

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

Keeping Canberrans safe – Joint Organised Crime Task Force



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	460	675	687	700	2,522
Net cost of services	460	675	687	700	2,522

The Government will enhance ACT Policing's response to serious and organised crime, including criminal groups, drug trafficking and supply within the ACT through the establishment of the Joint Organised Crime Task Force.

This builds on previous government investments in the ACT Police Service Model, Task Force Nemesis and Specialist Protective Services.

This initiative contributes to the wellbeing domain of Safety.

Keeping Canberrans safe – Continuing the SafeHome Program



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Expenses	165	168	171	175	679
Net cost of services	165	168	171	175	679

The Government will continue its support to the SafeHome Program, which improves security for households in the ACT that are victims or vulnerable to home burglary.

This initiative contributes to the wellbeing domain of Safety.

Keeping Canberrans safe – Sexual assault and child abuse protection team



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Expenses	580	1,033	1,103	1,123	3,839
Net cost of services	580	1,033	1,103	1,123	3,839

The Government will bolster the Sexual Assault and Child Abuse Team within ACT Policing to increase the level of service to the community, as part of ACT Policing and the Government's continuing efforts to improve the justice system response to sexual assault.

This initiative contributes to the wellbeing domain of Safety.

Supporting the ACAT's energy and water financial assistance program



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Capital	449	184	0	0	633
Net capital	449	184	0	0	633
Depreciation	0	0	127	127	254
Offset – Revenue	0	0	-127	-127	-254
Net cost of services	0	0	0	0	0

The Government will provide funding to the ACT Civil and Administrative Tribunal (ACAT) to undertake the first phase of a new client interface system that will enable ACAT to provide better and more timely assistance to customers in financial hardship and under threat of disconnection of their utility service.

The initiative will be partially offset by revenue from the energy levy and water licence fee which is paid by utilities

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

Supporting the Human Rights Commission



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	138	140	0	0	278
Net cost of services	138	140	0	0	278

The Government will provide additional resourcing to the Human Rights Commission (HRC) to address an increasing number of complaints received by the Commission. This will support Canberrans to use the HRC's complaint process to seek remedy.

This initiative builds on recent Government efforts to strengthen the capacity of the HRC, including additional resourcing to support the Discrimination, Health Services, Disability and Community Services Commissioner, provided in the 2021-22 Budget.

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

Well-prepared emergency services – ACT Ambulance Service modernisation



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	1,340	1,630	0	0	2,970
Net capital	1,340	1,630	0	0	2,970
Depreciation	9	135	403	554	1,101
Expenses	5,213	7,325	7,464	7,646	27,648
Net cost of services	5,222	7,460	7,867	8,200	28,749

The Government is continuing to implement the ACT Ambulance Service's (ACTAS) comprehensive Modernised and Sustainable Service Plan. The Plan is improving service delivery to the community, operational performance and staff wellbeing through a modernised, more patient centric, service delivery model.

Through this investment, 30 new staff will be employed, including extended care paramedics, intensive care paramedics specialised in treating bariatric patients, and staff to enhance the Emergency 000 Communication Centre. This investment will also allow the addition of two new front-line ambulance vehicles, along with five other vehicles. It will also provide more resources for ACTAS' clinical governance and education units.

This initiative builds on the \$15.2 million provided to ACTAS in the 2021-22 Budget to begin its modernisation reform agenda and continues the Government's commitment through successive budgets to support ACTAS paramedics and staff.

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

Well-prepared emergency services – Planning for the new Molonglo Valley joint emergency services station



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Capital	437	530	0	0	967
Capital – Provision	0	1,000	7,500	14,500	23,000
Net capital	437	1,530	7,500	14,500	23,967

The Government will finalise design documentation and the delivery methodology for a joint ACT Ambulance Service and ACT Fire & Rescue emergency services station in the Molonglo Valley.

This initiative continues the Government's investment in key infrastructure works in the Molonglo Valley region and contributes to the wellbeing domain of Safety.

Well-prepared emergency services – Upgrading the Emergency Services Agency's ICT strategy and systems



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Capital	735	0	0	0	735
Net capital	735	0	0	0	735
Depreciation	0	123	147	147	417
Expenses	659	393	403	413	1,868
Net cost of services	659	516	550	560	2,285

The Government will support the ACT Emergency Services Agency (ESA) to upgrade critical elements of its ICT network, including improvements to the ESA's data storage, transfer and networking capabilities. Additionally, this work will identify future whole-of-government requirements and solutions for the Territory Radio Network, in conjunction with ACT Policing.

This initiative builds on the 2021-22 Budget initiative *Well-prepared emergency services – Maintaining ACT Policing radio communications capability* to replace ACT Policing's radio core communication system.

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

Major Projects Canberra

Arts and culture – Canberra Theatre Centre expansion and redevelopment



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Capital	10,478	17,969	0	0	28,447
Capital – Cultural Facilities Corporation	1,688	705	0	0	2,393
Capital – Provision	0	0	16,039	15,283	31,322
Net capital	12,166	18,674	16,039	15,283	62,162

The Government will commence detailed design and planning for the Canberra Theatre Centre expansion and redevelopment. The new purpose-built facilities will attract additional high quality live performances, by providing a range of venues capable of producing and hosting local, national and international events. The increase in performances will attract a greater number of visitors to the Theatre Centre.

The Government will also undertake upgrades to the existing theatres, which will provide spaces capable of intimate performances through to large scale events, and will improve the health, safety and amenity for staff and audiences.

This initiative builds on \$2.8 million previously funded in the 2021-2022 Budget for initial development of the project.

This initiative contributes to the wellbeing domains of Identity and belonging, and Social connection.

Better community infrastructure – Raising London Circuit and associated works



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	37,489	37,631	0	0	75,120
Offset – Capital – Provision	-35,700	-23,828	0	0	-59,528
Net capital	1,789	13,803	0	0	15,592
Depreciation	0	0	452	452	904
Expenses	0	0	0	1,083	1,083
Offset – Expenses – Provision	-15,300	-10,212	0	0	-25,512
Net cost of services	-15,300	-10,212	452	1,535	-23,525

The Government will continue to progress the raising of London Circuit and associated enabling works. This includes undertaking main works construction to raise London Circuit by six metres to form an at-grade intersection with Commonwealth Avenue, and establishing a signalised intersection between London Circuit and Commonwealth Avenue to improve connectivity. The transformation of this area will create a better environment for pedestrians, cyclists and public transport, while also supporting improved connectivity between the city and the lake and enabling Stage 2 of light rail to Woden.

The total project value, including expenditure in prior years is \$102.8 million in line with overall established provisions. Movements in the above table represent updated accounting advice relating to the capitalisation of certain works.

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

Canberra Institute of Technology Woden Campus Project and public transport interchange



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	8,066	14,440	8,341	0	30,847
Capital – Canberra Institute of Technology	783	783	783	0	2,349
Offset – Capital – Provision	0	-1,957	0	0	-1,957
Net capital	8,849	13,266	9,124	0	31,239
Depreciation	0	0	0	664	664
Net cost of services	0	0	0	664	664

The Government will provide additional funding of \$31.2 million to continue the delivery of the design and construction of a new Woden facility for the Canberra Institute of Technology (CIT) and the construction of the Woden public transport interchange, including a weather protection canopy linking the new CIT Campus with the Woden public transport interchange.

This funding supplements the \$293.9 million allocated in previous budgets for the combined project to construct the Woden CIT campus and public transport interchange, including a future Woden light rail stop and the provision of electric vehicle charging. The additional funding will ensure better integration between the new CIT facility and public transport interchange, in line with community feedback.

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

Supporting best practice for the ACT Legislative Assembly committees



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	546	327	400	406	1,679
Offset – Restructure fund	-290	0	0	0	-290
Net cost of services	256	327	400	406	1,389

The Government will support the restructure of the committee support function within the Office of the Legislative Assembly to ensure best practice support for committees.

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

Continued support for the Labour Hire Licensing scheme



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	777	787	796	806	3,166
Offset – Revenue	-777	-787	-796	-806	-3,166
Net cost of services	0	0	0	0	0

The Government will increase resourcing to administer the Labour Hire Licensing (LHL) scheme to ensure high rates of compliance in the labour hire industry within the Territory and ensure the ongoing strong regulatory posture of the Office of the Work Health and Safety Commissioner (WorkSafe ACT). The scheme will continue to be offset by the annual LHL fees payable by labour hire providers in the ACT.

This initiative builds on the Government’s past investment to establish and implement the LHL scheme within the Territory.

This initiative contributes to the wellbeing domain of Safety.

Public Trustee and Guardian

ACT Wills Register



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	-265	-269	-273	-277	-1,084
Net cost of services	-265	-269	-273	-277	-1,084

The Government will establish several new fees in connection with the expansion of the Public Trustee and Guardian's safe custody service. The Wills Register will enable people to deposit (and withdraw) their will and enable subscribers of the service to search and obtain certified copies of wills deposited in the Wills Register.

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

Transport Canberra and City Services Directorate

Better community infrastructure – Boboyan Road upgrades



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Capital – Provision	600	5,900	0	0	6,500
Net capital	600	5,900	0	0	6,500
Depreciation – Provision	0	0	87	87	174
Expenses – Provision	0	0	0	65	65
Net cost of services	0	0	87	152	239

The Government will upgrade key sections of Boboyan Road, an unsealed regional road within the Namadgi National Park, on the basis of an 80:20 (Commonwealth/ACT) funding split being agreed with the Commonwealth Government through the *National Partnership Agreement on Land Transport Infrastructure Projects*. The upgrade will improve the safety of this regional connection for residents, vehicles, and emergency services.

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

Better community infrastructure – Delivering a destination playground in the inner north



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Capital	338	1,776	486	0	2,600
Net capital	338	1,776	486	0	2,600
Depreciation	0	0	0	130	130
Offset – Revenue	0	-200	0	0	-200
Net cost of services	0	-200	0	130	-70

The Government will deliver a destination playground in the inner north, catering for a range of age groups. The playground will include park seating, picnic tables, nature play equipment, static exercise equipment, synthetic soft-fall, two multi-use courts, a bike track and toilet facilities. The playground will be co-located with the Academy of Interactive Entertainment (AIE) campus in Watson and includes a \$200,000 contribution from the AIE towards all-ages sports facilities.

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

Better community infrastructure – Delivering a new library and community hub in the Molonglo Valley



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	100	100	0	0	200
Net cost of services	100	100	0	0	200

The Government will undertake community co-design for a new library and community facility in the Molonglo Commercial Centre. This process will provide an opportunity for the community in the Molonglo Valley to determine their priorities for a future new facility, along with the range of other community facilities currently being developed in the region.

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

Better community infrastructure – Improving local intersection safety



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	2,173	2,700	2,700	0	7,573
Net capital	2,173	2,700	2,700	0	7,573
Depreciation	0	0	0	101	101
Net cost of services	0	0	0	101	101

The Government will upgrade five intersections to improve safety and add better connections for active travel.

The five intersections are Streeton Drive/Namatjira Drive, Streeton Drive/Heysen Street, Tharwa Drive/Lawrence Wackett Drive, Tharwa Drive/Norman Lindsay Street and Hume Circle. Upgrades will include installing traffic signals, reducing speed zones and implementing traffic calming treatments.

This project will be facilitated by a \$3.650 million Commonwealth Government grant through the *National Partnership Agreement on Land Transport Infrastructure Projects*.

These improvements build on funding provided through the 2019-20 and 2021-22 Budgets for intersection improvements and design and scoping studies to improve intersection safety.

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

Better community infrastructure – Improving our active travel networks and projects



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	3,815	0	0	0	3,815
Offset – Capital	-500	0	0	0	-500
Net capital	3,315	0	0	0	3,315
Depreciation	0	38	38	38	114
Expenses	355	0	38	76	469
Net cost of services	355	38	76	114	583

The Government will replace three timber bridges in Umbagog District Park, assisted by a \$500,000 Commonwealth Government grant through the *Local Roads and Community Infrastructure* program. The new bridges will be built for use by both pedestrians and cyclists, designed to suit the natural environment. The work will also include a lookout area for visitors to enjoy the natural surrounds of Umbagog District Park.

The Government will also continue to deliver the *Ride and Walk to School, It's Your Move Safe Cycle* and *School Crossing Supervisor* programs for a further year while an evaluation is undertaken on the future delivery model for these important active travel initiatives.

This initiative builds on funding provided through the 2021-22 Budget initiative *Connected and sustainable Canberra – Active travel investments*.

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

Better community infrastructure – Improving sport and recreation facilities



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	796	0	0	0	796
Net capital	796	0	0	0	796
Depreciation	0	40	40	40	120
Expenses	0	0	8	16	24
Offset – Revenue	0	-6	-6	-6	-18
Net cost of services	0	34	42	50	126

The Government will upgrade lighting at Watson Neighbourhood Oval and Deakin District Playing Fields, to provide additional sportsground availability and improve safety. The initiative is expected to facilitate greater use of these sports grounds.

These upgrades build on funding provided through the 2021-22 Budget initiative *Improving sport and recreation facilities* and through the Better Infrastructure Fund for various sportsground and facility upgrades.

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

Better community infrastructure – Refurbishing the Charnwood Shopping Centre



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Capital	613	425	0	0	1,038
Offset – Capital – Better Infrastructure Fund	-591	-409	0	0	-1,000
Net capital	22	16	0	0	38
Depreciation	0	0	21	21	42
Expenses	0	0	0	10	10
Net cost of services	0	0	21	31	52

The Government will upgrade the outdoor paved areas at the Charnwood Shops to improve safety and amenity. These works will include landscaping, paving refurbishment and provision of additional street furniture.

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

Better community infrastructure – Safer local roads



	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total \$'000
Capital	6,000	0	0	0	6,000
Net capital	6,000	0	0	0	6,000
Depreciation	0	150	150	150	450
Expenses	0	0	60	120	180
Net cost of services	0	150	210	270	630

The Government will improve road safety and promote active travel by delivering a range of local projects in partnership with the Commonwealth Government. These works will include construction of Stage 2 of the Belconnen Bikeway project; delivery of raised pedestrian crossings at Gold Creek High School and Mary McKillop College; installation of Audio Tactile Line Marking and safety barriers on Brindabella Road and Long Gully Road; delivery of safety barriers on Canberra Avenue; and other small-scale road safety upgrades.

This project builds on funding provided through the 2020-21 Budget initiative *Moving Canberra – Road Safety Improvements*.

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

Better community infrastructure – Strengthening flood resilience



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	0	5,921	5,923	0	11,844
Net capital	0	5,921	5,923	0	11,844
Depreciation	0	0	0	118	118
Net cost of services	0	0	0	118	118

The Government will enhance resilience to climate change and reduce flood risks by delivering a retardation basin at Narrabundah playing fields and at Throsby Crescent in Narrabundah. This initiative will include delivering a new playground to replace equipment in the construction area. This initiative will be partly funded by a Commonwealth Government contribution under the *National Flood Mitigation Infrastructure Program*.

This initiative builds on recent funding provided through the 2021-22 Budget for detailed design of retarding basins in Narrabundah, and for stormwater improvements at Finnis Crescent in Narrabundah, Verity and Odgers Lane in Civic, and the Mawson Group Centre.

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

Climate action – Supporting the transition to a zero emissions bus fleet



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	5,725	500	0	0	6,225
Capital – Provision	0	NFP	NFP	NFP	NFP
Offset – Capital – Provision	-7,000	0	0	0	-7,000
Net capital	-1,275	NFP	NFP	NFP	NFP
Depreciation	0	90	90	90	270
Expenses	0	0	45	90	135
Offset – Savings	NFP	NFP	NFP	NFP	NFP
Net cost of services	NFP	NFP	NFP	NFP	NFP

The Government will continue the transition to a zero emissions public transport fleet by purchasing 90 battery electric buses and the associated infrastructure. These buses will replace existing compressed natural gas and diesel buses, to significantly reduce emissions within the Transport Canberra fleet. Savings are expected to be generated from reduced running costs.

Under this initiative, the Government will install electrical infrastructure at the Tuggeranong and Belconnen bus depots to house an additional 12 battery electric buses being leased. We will also plan for further transition in the fleet by undertaking a feasibility study on a future fourth bus depot, and technical studies on upgrading existing depots to ready them for more zero emissions buses.

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

Community support and connectedness – Maintaining inclusive transport services



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	1,290	0	0	0	1,290
Offset – Expenses – Provision	-791	0	0	0	-791
Net cost of services	499	0	0	0	499

The Government will continue weekday flexible public transport services to support accessible transport needs for eligible Canberrans, including through the continuation of part-time drivers and support staff. This will ensure services are maintained while the Government completes an evaluation of the service and a feasibility study on options to deliver an improved, on-demand service model.

This initiative builds on funding provided through the 2021-22 Budget initiative *Flexible Bus Service – continuation*.

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

Improving safety on public transport



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	500	2,000	0	0	2,500
Net capital	500	2,000	0	0	2,500

The Government will support community safety by designing and procuring an improved closed-circuit television (CCTV) solution for buses.

This initiative contributes to the wellbeing domain of Safety.

More mowing for Canberra



Access & connectivity

	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	1,241	0	0	0	1,241
Offset – Expenses	-399	0	0	0	-399
Net cost of services	842	0	0	0	842

The Government will deploy a rapid response mowing team to address community feedback about the importance of keeping Canberra tidy. The team of 10 will increase existing mowing capacity and target areas where extra maintenance is needed based on community feedback through the year. This one-year pilot will test the rapid response model for possible future expansion.

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

Planning for a new northside green waste facility



Environment and climate

	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	998	7,800	0	0	8,798
Net capital	998	7,800	0	0	8,798
Depreciation	0	25	25	25	75
Expenses	0	0	10	20	30
Net cost of services	0	25	35	45	105

The Government will relocate West Belconnen's green waste drop-off to a new location within the region. This will support the release of more housing in phase two of the Ginninderry residential estate development, while keeping green waste services available and accessible for residents of Belconnen and West Belconnen.

The Suburban Land Agency will receive land sales revenue that will be partially offset by a contribution to the land and development costs. This will be reflected separately in its dividend to the Government.

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

Protecting Canberra's environment – Designing the implementation of the Urban Forest Bill



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	250	0	0	0	250
Net capital	250	0	0	0	250

The Government will undertake scoping and design work for a digital system to manage the registration and protection of trees, as we work to enhance and protect the ACT's urban forest. The new system will support implementation of the Government's Urban Forest Strategy.

This initiative builds on funding provided through the 2021-22 Budget initiative *Protecting Canberra's unique environment – Growing our urban forest*.

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

Protecting Canberra's environment – Waste management fees



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	-234	-484	-501	-518	-1,737
Net cost of services	-234	-484	-501	-518	-1,737

The Government will encourage waste reduction and increased recycling through an increase to the landfill fees for household, commercial and industrial waste from 1 January 2023. This follows a freezing of the waste levy component of landfill gate fees in the 2019-20 Budget in response to the COVID-19 pandemic.

The 1.75 per cent increase from 1 January 2023 is in addition to the increase in landfill fees by the Wage Price Index from 1 July 2022 through the usual indexation administrative arrangements for government fees and charges.

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

Upgrading the City Services Depot at Holder



	2022-23	2023-24	2024-25	2025-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	380	1,620	0	0	2,000
Offset – Capital – Provision	-2,000	0	0	0	-2,000
Net capital	-1,620	1,620	0	0	0
Depreciation	0	0	60	60	120
Expenses	0	0	0	20	20
Net cost of services	0	0	60	80	140

The Government will expand and upgrade the City Services Depot at Holder to support effective delivery of services as Canberra continues to grow. The upgrade will include a new main office, publicly accessible toilets, and a new shed for equipment and vehicle storage and maintenance. The upgraded depot will support the delivery of essential city-keeping and tree planting services in the Molonglo and Weston Creek regions.

The cost will be fully offset from an existing provision.

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



3.3 COST OF LIVING STATEMENT

Introduction

On average Canberra is one of the wealthiest and highest-earning communities in the country with lower levels of income inequality than other Australian cities. However, Canberra is also a diverse community, and although income inequality has continued to improve over time, not all Canberrans share equally in our high living standards. The process of embedding the Wellbeing Framework in the development of policy and decision-making process for our Budget enables the Government to deliver initiatives with wellbeing in mind and measure their impact on the living standards of the entire ACT community.

The Government supports vulnerable households with cost-of-living pressures by providing a wide range of concessions to assist with living expenses, including general rates, utility bills, driver licence fees, motor vehicle registration fees, and public transport fares. The Government recognises the impact of recent increases in the cost of living on low-income households and is providing an additional one-off \$50 payment to households receiving the Utilities Concession in 2022-23. This will bring the level of support provided through the Utilities Concession to \$800 in 2022-23. Around 31,200 households receiving the concession will benefit from this increase.

In addition to concessions, the Government has taken steps to ensure key cost of living drivers, such as water and electricity, are fair through the ACT's regulatory process. The ACT is the only jurisdiction in the national electricity market (all of Australia except Western Australia and the Northern Territory) where regulated tariffs will decline in 2022-23. Regulated retail electricity prices and water and sewerage services prices will decrease, on average, by 1.25 per cent and 2.2 per cent respectively in 2022-23.

The Government has also cut stamp duty for those facing significant barriers to home ownership. From 1 July 2022, the lowest stamp duty threshold for owner-occupiers has been increased from \$200,000 to \$260,000, reducing duty on homes between \$260,000 and \$1,455,000 by \$1,120. In addition, the Government has increased the Home Buyer Concession Scheme income eligibility threshold from \$160,000 to \$170,000, and the Deferred Duty and Disability Duty Concession Schemes price eligibility threshold from \$750,000 to \$1 million, enabling more lower income households to benefit from these concessions.

The Government's support for a strong economy and labour market provides opportunities for improved living standards. We are promoting the take-up of new opportunities in the knowledge economy and furthering jobs growth through the diversification of industry and skilled migration. In this budget the Government is investing in research and development and specialised manufacturing (including through our cornerstone economic strategies, [CBR Switched On: ACT's Economic Development Priorities 2022-2025](#) and Skilled to Succeed) (see Chapter 3.2 – Investing in the Wellbeing of Canberrans).

The Government also contributes to the wellbeing of Canberrans by providing high quality health, education, and public transport services at low or no cost, to reduce the need for private spending on these essential services. In addition, the Government provides social housing services to meet the needs and circumstances of low income and disadvantaged people, helping to create a safer, stronger, and more inclusive community. Building on these services, in this budget the Government is taking important steps to increase the supply of affordable rental dwellings.

Cost of living in the ACT

The Consumer Price Index (CPI) and income levels are used in the Wellbeing Framework to measure how much it costs to live in the ACT. Other important indicators of cost of living are household spending and housing affordability.

Prices of goods and services

When the price of goods and services purchased by Canberrans rise, as measured by the CPI, households need to spend more to maintain the same standard of living.

From June 2017 to June 2022, Canberra's CPI increased by 2.8 per cent each year on average. The CPI groups which contributed the most to Canberra's CPI over the last five years were recreation and culture, food and non-alcoholic beverages, alcohol and tobacco, and private health.

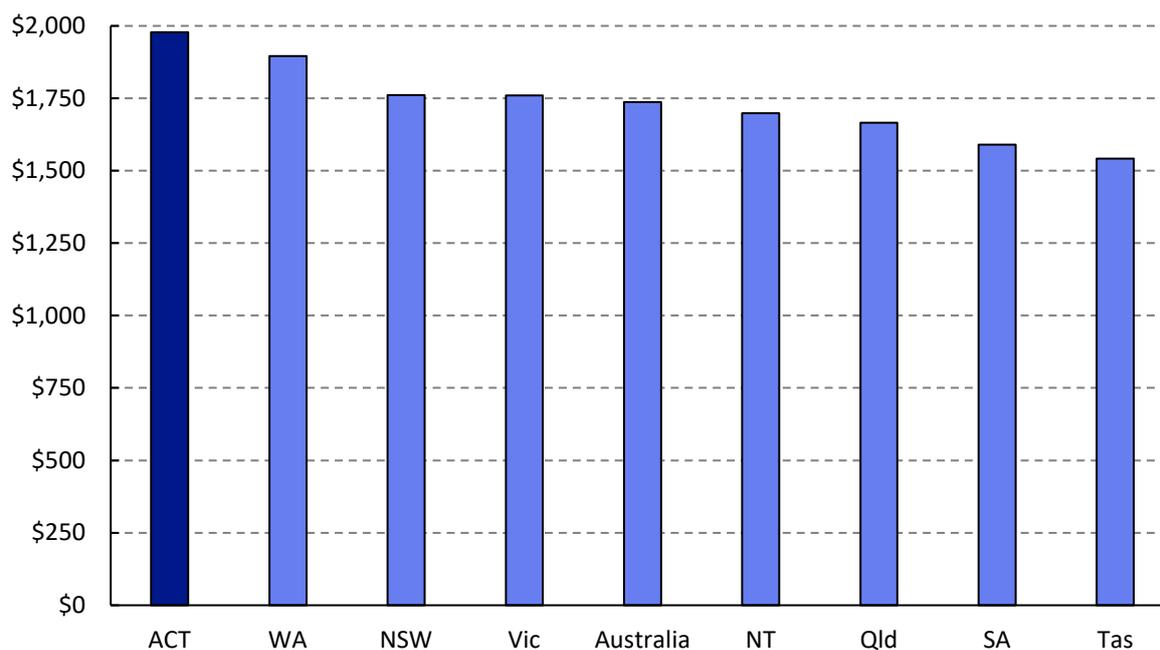
As noted in Chapter 2.2 – ACT Economic Outlook, largely as a result of global supply bottlenecks and domestic weather events, through the year to June 2022, Canberra's CPI rose 6.3 per cent. In response to what is expected to be a temporary significant increase in the CPI, the Government is providing additional assistance in this Budget to households and homebuyers (see Chapter 3.2 – Investing in the Wellbeing of Canberrans).

Income levels

Income is a key measure of wellbeing as it is the main financial resource used to meet daily expenses and it also provides for economic freedoms. This indicator compares the average weekly household income in the ACT with other states and territories and nationally.

Average income levels in the ACT are relatively high. Average Weekly Ordinary Time Earnings (AWOTE) was \$1,978.50 in the ACT in November 2021, the highest of all states and territories and significantly higher than the national average of \$1,748.40 (see Figure 3.3.1).

Figure 3.3.1: Average Weekly Ordinary Time-Earnings, by state and territory, November 2021



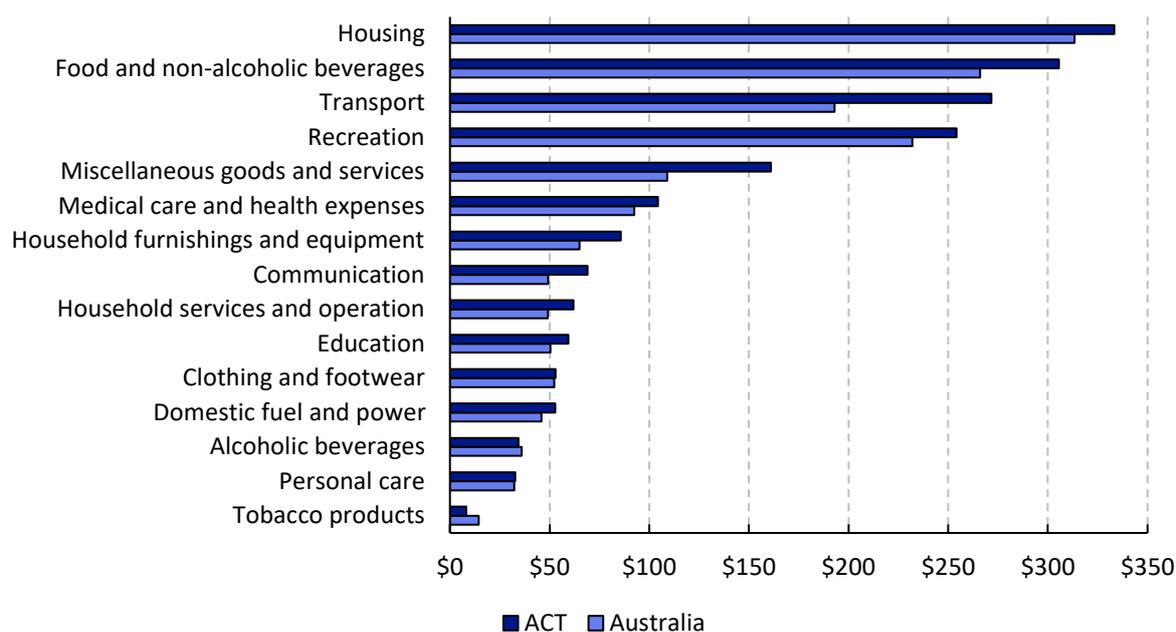
AWOTE increased by 2.4 per cent each year on average in the ACT from November 2016 to November 2021.

ACT household spending

ACT households spend significantly more on average (\$1,887 per week in 2021-22) than households nationally (\$1,600 per week in 2021-22) (see Figure 3.3.2). ACT households spend more compared with the national average in all categories except for alcoholic beverages and tobacco products. This higher level of spending is consistent with a higher standard of living and reflects our above-average wage levels.

As shown in Figure 3.3.2, the largest expenditure group was housing costs as is the case nationally, which include rents, mortgage payments, rates, and utilities. This is followed by food and non-alcoholic beverages, transport, and recreation.

Figure 3.3.2: Average weekly household expenditure, ACT and Australia, 2021-22



Source: Derived from ABS Household Expenditure Survey, 2015-16, increased by CPI for each year up to 2021-22.

Housing affordability

As noted above, housing costs are the most significant expense for households in Canberra and nationally. House prices and rents contribute to the high proportion of expenditure on housing, and ACT costs are slightly above the national average. Despite median property prices being the third highest of all capital cities in the March quarter 2022 and median weekly rent being the highest of all capital cities¹, housing remains relatively affordable in the ACT relative to our income levels. In March 2022, the proportion of family income required to meet average loan repayments in the ACT was 27.8 per cent, compared with 37.3 per cent nationally, and the proportion of family income required to meet average rent payments was 22.5 per cent compared with 23.5 per cent nationally².

¹ Real Estate Institute of Australia, 2022, Real Estate Market Facts March Quarter 2022. In the March quarter 2022, the median house price in the ACT was \$982,000, behind Sydney (\$1,590,932) and Melbourne (\$1,121,500). The median price of other dwellings in the ACT was \$580,000, behind Sydney (\$796,524) and Melbourne (\$684,000). The median weekly rent in Canberra was \$630 for a house and \$560 for all other dwellings.

² Real Estate Institute of Australia, 2022, Housing Affordability Report March Quarter 2022.

Impact of ACT Government taxes and fees and utilities on households

ACT Government taxes and fees

Overall, ACT Government taxes, fees and charges are a relatively small proportion of household costs. Per capita taxation as a proportion of gross household disposable income in the ACT was 5 per cent in 2020-21, compared with 8.6 per cent in New South Wales and 8.8 per cent in Victoria³.

Most ACT Government taxes and fees generally increase each year in line with the wage price index (WPI). This ensures taxes and fees keep pace with the cost of providing Government services, while remaining affordable. Under our tax reform program, general rates increases are higher than WPI, because this revenue is offsetting decreases in conveyance duty, which is being phased out over time. General rates provide a stable and secure revenue base to fund essential services into the future and a simpler, fairer tax system.

Property related taxes and fees

Average residential general rates will increase by 3.75 per cent in the ACT in 2022-23.

The Fire and Emergency Services Levy (FESL) will increase by 3.25 per cent in 2022-23 in line with the forecasted WPI, and the safer families levy will increase by \$5.

Car related fees

Car related fees, including driver licence fees, registration fees, and the road rescue fee will increase by 2.75 per cent in 2022-23 in line with the estimated WPI for 2021-22. The Lifetime Care and Support Levy will increase by \$14.70 for the 2022-23 contribution period.

Public transport fares

Public transport fares are not scheduled to change in 2022-23.

Utilities

Utilities are also a major household cost. ACT households typically have higher annual energy consumption compared with households in other States and Territories due to climate conditions in the ACT, including hot summers and very cold winters.

The ACT Government does not set the price of electricity, gas, and other utilities. Water and sewerage prices are determined by the decisions of independent regulators. Other utility charges are primarily set by the market but incorporate the costs of generation and distribution, as well as the impact of various Commonwealth, State and Territory energy and environmental programs.

³ ABS, 2022, Taxation Revenue, Australia, <https://www.abs.gov.au/statistics/economy/government/taxation-revenue-australia/latest-release>.

ABS, 2021, Australian National Accounts: State Accounts, <https://www.abs.gov.au/statistics/economy/national-accounts/australian-national-accounts-state-accounts/latest-release#australian-capital-territory>.

Electricity

ActewAGL's standing offer electricity prices are regulated by the Independent Competition and Regulatory Commission (ICRC). From 1 July 2022, these prices decreased by 1.25 per cent, an annual bill saving of \$23 for a typical Canberra household consuming 6,500kWh per year. This decrease is largely due to a fall in the ACT Government's large-scale-feed-in-tariff scheme costs, which more than offset the increase in wholesale electricity costs.

The average annual bill for Canberrans on standing offers will be the lowest compared to the average standing offer bills in New South Wales, Victoria, Queensland, and South Australia.

The Government is helping Canberrans save money on their electricity bills by increasing the transparency and comparability of pricing offers. Electricity retailers are now required to compare their offers against a common benchmark and tell their customers when they might have a better offer by putting a message on customers' bills. Retailers also have an obligation to give customers clear information when contacted to allow customers to make an informed choice before they sign up to a new contract.

Customers are also encouraged to compare their current arrangements with other offers in the ACT by going to the Commonwealth Government's Energy Made Easy website (<https://www.energymadeeasy.gov.au/>).

Natural gas

The Australian Energy Regulator (AER) regulates the gas distribution network charges. The AER approved Evoenergy's 2022-23 gas distribution tariffs which will result in an increase of \$27 to the distribution component of the typical annual gas bill in 2022-23, compared to the previous year. Retailers have taken this into consideration in providing offers to their customers.

Water and sewerage

Water and sewerage prices are also regulated by the ICRC. For a typical household using 200 kilolitres of water per year, the 2022-23 prices will result in their combined water and sewerage bill falling by 2.2 per cent, which is around \$26 less per year.

Concessions

The ACT Government provides a wide range of concessions to households and individuals to assist with living expenses such as general rates, conveyance duty, utility bills, driver licence fees, motor vehicle registration fees, and public transport fares. Table 3.3.1 shows a summary of some of the assistance available and the estimated annual costs.

In providing cost of living assistance to Canberrans, the ACT Government primarily targets Commonwealth concession card holders as we do not have access to the data to undertake our own income and asset-based means testing to determine eligibility. We understand that some people who do not qualify for Commonwealth concession cards also face challenges with their cost of living, particularly people with insufficient or insecure work. We support the whole community by providing high quality health, education, and public transport services at low or no cost to reduce the need for private spending on these essential services, and by keeping government fees and charges as low as possible.

The Pensioner General Rates Rebate provides Age Pension, Department of Veterans' Affairs Pension, and War Veteran's Pension recipients a 50 per cent rates rebate up to \$750 per year. Pensioners can also defer the balance of their rates charges at a low interest rate.

The Utilities Concession provides Centrelink Pensioner Concession Card, Centrelink Low Income Health Care Card, Veteran's Affairs Pensioner Concession Card or Gold Card, and ACT Services Access Card holders a rebate on their utility bills up to \$750 per year. In 2022-23, an additional temporary \$50 rebate will be provided to support low-income households facing increased cost of living pressures due to higher consumer prices.

Table 3.3.1: Summary of assistance available and estimated annual take-up and costs

Assistance	Description	Estimated take up 2022-23	2021-22 \$'000	2022-23 \$'000
Ongoing support				
Pensioner General Rates Rebate, FESL Rebate	50 per cent rates rebate up to \$750 per year, \$98 FESL rebate per year.	15,800 households	11,400	11,500
Utilities Concession	\$750 rebate on utility bills.	31,200 households	23,300	23,400
Conveyance duty concessions	Up to 100 per cent discount on conveyance duty payable.	6,600 households	85,500	89,900
Spectacles Subsidy Scheme	Subsidy up to \$200 on spectacle purchases once every two years.	9,900 spectacles	1,700	1,700
Taxi Subsidy Scheme	Assistance for people with a disability or significant mobility restriction.	86,200 trips	2,100	2,100
Motor vehicle registration concessions	Up to 100 per cent discount on motor vehicle registration fees.	66,000 registrations	12,300	12,500
Driver licence concessions	Up to a 100 per cent discount on driver licence fees.	7,900 licences	1,900	2,000
Public transport concessions	Reduced or free fares on Transport Canberra bus and light rail services.	5.5 million trips	4,000	9,200
Temporary support				
Residential tenancy relief	Land tax and rates rebates for landlords who reduced rents for affected tenants.	0 households ²	1,500	0
Utilities Concession	\$250 ¹ additional rebate on utility bills in 2021-22, additional \$50 in 2022-23.	31,200 households	7,800	1,560
Total			151,500	153,860

Notes:

1. In 2021-22, the Government provided an additional temporary \$250 rebate under the Utilities Concession in response to impacts of increased electricity prices and COVID-19 on vulnerable households. In 2022-23 the Government is providing an additional temporary \$50 rebate in response to rising consumer prices.
2. Residential land tax and rates tenancy relief, provided in response to the August 2021 COVID-19 lockdown, ended on 31 December 2021.

ACT household scenarios

Under section 11(1)(f) of the *Financial Management Act 1996*, the annual Budget must provide a statement on the effect of ACT taxes and fees on households and the concessions that offset them. Examples of how ACT Government taxes and fees, utilities, and the offsetting concessions impact ACT households are in Table 3.3.2 below. The Government is mindful that it is not possible to capture the impact of taxes, fees, and utility charges on every type of household, as financial circumstances or specific usage patterns of government services will vary. Therefore, eight scenarios are presented as a basis for highlighting the different impacts for various household types and circumstances.

Table 3.3.2: Estimated impact of territory taxes and fees, and utility charges on households in 2022-23

	Disposable income	Rates, FESL, SFL	Rates and FESL Concessions	Conveyance Duty	Conveyance Duty Concession	Vehicle Charges	Vehicle Concession	Transport Canberra Operations Fares	Transport Canberra Operations Concession	Utilities	Utilities concession	Net Disposable Income
1. Belconnen – Single, pensioner, in own unit, no car												
2021-22	\$25,200	\$1,762	\$848	\$0	\$0	\$0	\$0	\$1,533	\$1,533	\$4,016	\$1,000	\$21,270
2022-23	\$25,700	\$1,821	\$848	\$0	\$0	\$0	\$0	\$1,533	\$1,533	\$4,082	\$800	\$21,445
											Change	\$175
2. Bruce – Couple, pensioners, in own house, two cars, downsizing to unit in 2022-23												
2021-22	\$37,900	\$3,698	\$848	\$0	\$0	\$1,086	\$900	\$0	\$0	\$4,973	\$1,000	\$30,892
2022-23	\$38,700	\$2,255	\$848	\$8,690	\$8,690	\$1,124	\$908	\$0	\$0	\$5,026	\$800	\$32,851
											Change	\$1,959

		Disposable income	Rates, FESL, SFL	Rates and FESL Concessions	Conveyance Duty	Conveyance Duty Concession	Vehicle Charges	Vehicle Concession	Transport Canberra Operations Fares	Transport Canberra Operations Concession	Utilities	Utilities concession	Net Disposable Income
	3. Banks – Single parent, first income quintile, in own house, one car, two children who catch the bus to school												
	2021-22	\$31,200	\$2,425	\$0	\$0	\$0	\$543	\$0	\$766	\$0	\$5,060	\$1,000	\$23,406
	2022-23	\$32,200	\$2,497	\$0	\$0	\$0	\$562	\$0	\$766	\$0	\$5,106	\$800	\$24,069
												Change	\$663
	4. Cook – Single, fixed income retiree, in own house, one car												
	2021-22	\$56,000	\$3,707	\$0	\$0	\$0	\$543	\$450	\$0	\$0	\$4,016	\$0	\$48,185
	2022-23	\$56,300	\$3,832	\$0	\$0	\$0	\$562	\$454	\$0	\$0	\$4,082	\$0	\$48,278
												Change	\$93
	5. Kingston – Single, second income quintile, in own unit, no car												
	2021-22	\$53,300	\$2,327	\$0	\$0	\$0	\$0	\$0	\$1,533	\$0	\$4,016	\$0	\$45,424
	2022-23	\$55,000	\$2,419	\$0	\$0	\$0	\$0	\$0	\$1,533	\$0	\$4,082	\$0	\$46,966
												Change	\$1,542
	6. Turner – Single, third income quintile, one car, purchasing first unit in 2022-23												
	2021-22	\$71,100	\$0	\$0	\$0	\$0	\$543	\$0	\$1,533	\$0	\$4,287	\$0	\$64,738
	2022-23	\$73,400	\$2,298	\$0	\$17,664	\$17,664	\$562	\$0	\$1,533	\$0	\$5,026	\$0	\$63,981
												Change	-\$757

	Disposable income	Rates, FESL, SFL	Rates and FESL Concessions	Conveyance Duty	Conveyance Duty Concession	Vehicle Charges	Vehicle Concession	Transport Canberra Operations Fares	Transport Canberra Operations Concession	Utilities	Utilities concession	Net Disposable Income
7. Ainslie - Couple, fourth income quintile, in own house, 2 cars, 2 children who catch the bus to school												
2022-23	\$189,100	\$3,878	\$0	\$0	\$0	\$1,124	\$0	\$766	\$0	\$6,102	\$0	\$177,230
2021-22	\$183,100	\$3,748	\$0	\$0	\$0	\$1,086	\$0	\$766	\$0	\$6,043	\$0	\$171,458
											Change	-\$5,772
8. Forrest - Couple, fifth income quintile, 2 cars, 2 children who catch the bus to school												
2021-22	\$271,800	\$3,452	\$0	\$0	\$0	\$1,086	\$0	\$766	\$0	\$6,043	\$0	\$260,454
2022-23	\$280,600	\$3,610	\$0	\$0	\$0	\$1,124	\$0	\$766	\$0	\$6,102	\$0	\$268,998
											Change	\$8,544

Notes:

1. Disposable income is gross income minus income tax, the Medicare levy, and the Medicare levy surcharge. Disposable income levels are based on the ABS Survey of Income and Housing 2019-20, indexed by WPI.
2. Utilities include electricity, water, and gas. Household expenditure on utilities is based on the number of people in a household.
3. For household 2, rates are lower in 2022-23 than 2021-22 as they are downsizing from a house to unit.
4. Income from pension refers to Basic Age Pension only and excludes other benefits. Pension data by suburb is not available.
5. Non-pension income data for retirees is unavailable. Non-pension incomes are set at a level above the Age Pension income eligibility thresholds.
6. Conveyance duty calculations are based on median unit prices in Bruce and Turner as at July 2022.
7. Vehicle Charges include registration fees, road rescue fee, lifetime care and support levy, and licence fees, but excludes MAI premiums charged by private sector insurers. Pensioners are assumed to be eligible for registration concessions.
8. Bus fares are calculated on basis of monthly capped trips. Retirees are assumed to be aged 70+ and qualifying for free travel on Transport Canberra buses.



3.4 EXPENSES

Supporting the wellbeing of Canberrans

Beyond the challenges imposed by the COVID-19 pandemic and the Government's response measures, the 2022-23 Budget maintains a clear focus on the delivery of the core public services to a growing Canberra. With our population now more than 450,000 (based on 2021 Census data), we continue to invest in new and existing schools and quality teachers, hospitals and health staff that deliver effective and person centric care, providing real and accessible housing choices, wide-ranging community services that support our wellbeing, and local infrastructure and transport systems that maintain Canberra's high levels of liveability.

Our service delivery mix continues to increase in scale and complexity, reflecting the evolving needs of our city. This Budget continues efforts towards achieving our goal of net zero emissions by 2045, with funding for fossil-fuel transition plans (primarily natural gas), additional work towards implementation of the Big Battery, and expansion of the Vulnerable Household Energy Support Scheme, all overseen by a strengthened Office for Climate Action.

We are continuing and strengthening our range of mental health services, including extending our Police, Ambulance and Clinician Early Response mental health program and establishing suicide prevention programs and mental health support for at risk young adults. Additional nurses will streamline operation of our popular Walk-In Centres, while our Safe and Supportive Schools program will support both our students and our teaching staff with additional assistance for the management of occupational violence in ACT public schools.

New funding will respond to the needs of our custodial system arising from the *ACT Corrective Services Blueprint for Change* and will also address the over representation of Aboriginal and Torres Strait Islander people in the ACT criminal justice system. This budget also includes new initiatives to help the community response to domestic and family violence through safe crisis accommodation, the Resource and Advocacy Centre and the Family Violence Safety Action program with funding over four years.

Supporting our values driven economic development strategy, CBR Switched On, several new initiatives will promote the efforts of our knowledge-intensive business sectors, through the commercialisation of research and attracting new investment, generating new businesses and jobs. We are also supporting the post COVID-19 recovery of our international education sector.

Additional funding has also been provided for a range of initiatives to support access to affordable housing across the housing spectrum. This includes further funding to grow, renew and maintain the public housing stock, measures to increase affordable housing, the release of the Build-to-Rent prospectus, and supplementing the Indicative Land Release Program (ILRP) which will support the need for increased housing supply for a growing Canberra.

Ensuring that our expenditure is clearly directed at improving the wellbeing of Canberrans is a key focus as we continue to progressively reduce the gap that has grown between expenditure and revenue as a result of our response to the COVID-19 pandemic, while continuing to invest in the services our city needs.

General Government Sector expenses are forecast to be \$7.8 billion in 2022-23, or 15.3 per cent of GSP. Expenses are expected to grow at an average annual rate of 2.4 per cent from 2022-23 to 2025-26, primarily reflecting increased funding in education, health, general public services and social protection.

Expenses and forward estimates

Figure 3.4.1 shows General Government Sector expenses as a percentage of GSP over a 10-year period. The peak in 2021-22 reflects the additional support provided to the ACT community and businesses during the COVID-19 pandemic followed by a return to pre-COVID-19 ratios in 2022-23.

Figure 3.4.1: General Government Sector total expenses as a percentage of Gross State Product



Note:

1. Total expenses for the General Government Sector exclude the impact of Large-scale Generation Certificates.

Estimated expenses by function

Table 3.4.1 sets out the estimates of General Government Sector expenses by function under the *Classification of the Functions of Government Australia* methodology over the period 2021-22 to 2025-26.

The categorisation of expenses under this methodology facilitates comparisons of the proportion of government resources spent on functions over time and between jurisdictions. However, as the methodology uses specific definitions, the classifications can differ from the thematic or structural presentation of government spending included elsewhere in the budget papers.

Table 3.4.1: General Government Sector expenses by function

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
Health	2,184,900	2,130,136	2,243,702	2,259,669	2,346,259
Education	1,643,677	1,700,060	1,737,669	1,802,802	1,868,253
General public services	1,345,937	1,482,238	1,576,292	1,673,220	1,751,254
Public order and safety	598,434	641,108	643,014	640,889	636,496
Social protection	545,875	567,436	513,643	509,448	531,100
Transport	474,043	487,908	496,636	501,911	518,396
Economic affairs	448,387	164,308	230,481	215,171	207,140
Environmental protection	257,384	287,475	175,101	163,904	173,500
Recreation, culture and religion	234,669	231,746	232,477	220,061	227,130
Housing and community amenities	73,256	87,761	89,149	89,412	94,275
Total expenses	7,806,562	7,780,176	7,938,164	8,076,487	8,353,803

Significant areas of growth across the forward estimates period include general public services, health, education and transport. The growth in these areas largely reflects changes in assumptions in the latest annual defined benefit superannuation liability review and growth in funding to support the Territory's health and education services.

Reductions between years in particular functions generally reflect the planned completion of major programs or one-off impacts. The reduction in the environmental protection function in the forward estimates is mainly due to the surrender of Large-scale Generation Certificates being lower across the forward estimates period.

As the expense data refers to the General Government Sector, government expenditure in the Public Trading Enterprises Sector is largely excluded, including some of the Government's significant investments in public housing.

Consolidated General Government Sector expenses

Total expenses for the General Government Sector are forecast to be \$7.8 billion in both 2021-22 and 2022-23. As in previous years, almost half of the expenses in 2022-23 relate to employee wages and superannuation.

Expenses in 2021-22 are estimated to be \$41.9 million higher than forecast in the 2021-22 Budget.

Table 3.4.2: General Government Sector expenses

	2021-22 Budget \$'000	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	Var %	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
Expenses							
Employee expenses	2,532,911	2,596,800	2,654,457	2	2,706,595	2,778,548	2,851,608
Superannuation expenses							
Superannuation interest cost	302,379	302,379	412,372	36	457,759	469,329	479,943
Other superannuation expense	549,002	563,462	489,190	-13	421,994	418,872	411,350
Depreciation and amortisation	539,817	524,210	555,593	6	582,781	613,345	629,093
Interest expense	239,084	257,669	319,154	24	390,075	444,549	501,752
Other operating expenses							
Supplies and services	1,415,144	1,370,897	1,333,256	-3	1,507,086	1,461,242	1,575,723
Other operating expenses	327,334	293,348	320,148	9	325,378	336,421	347,063
Grants and purchased services	1,859,018	1,897,797	1,696,006	-11	1,546,496	1,554,181	1,557,271
Total expenses	7,764,689	7,806,562	7,780,176	..	7,938,164	8,076,487	8,353,803

Factors affecting expenses

Employee expenses

Employee expenses are forecast to grow by \$57.7 million in the 2022-23 Budget compared to the 2021-22 estimated outcome. This increase reflects a combination of changes in staffing numbers and changes in costs.

Superannuation interest cost and other superannuation expense

Superannuation interest costs and other superannuation expense are expenses in relation to the defined benefit Commonwealth Superannuation Scheme and Public Sector Superannuation Scheme superannuation liabilities. Other superannuation expenses also capture defined contribution superannuation arrangements, including the Public Sector Superannuation accumulation plan and choice of fund arrangements for existing staff.

The increase in superannuation expense in the 2022-23 Budget from the 2021-22 estimated outcome is mainly due to the financial assumptions adopted in the latest annual defined benefit superannuation liability valuation review.

Depreciation and amortisation

Depreciation and amortisation expenses are estimated to increase in 2022-23 by \$31.4 million, compared to the 2021-22 estimated outcome. This increase mainly reflects depreciation on continuing initiatives such as the Human Resources Information Management System, the upgrading of health assets and core health ICT systems to align with the Digital Health Strategy.

Interest expenses

Interest expenses are the cost of borrowing to fund infrastructure investments and finance charges on leases and public private partnerships.

The increase of \$18.6 million in the 2021-22 estimated outcome from the original budget is mainly due to the impact of higher interest rates on new borrowing transactions during the year and interest costs on inflation-linked bonds. The increase of \$61.5 million in the 2022-23 Budget from the 2021-22 estimated outcome is mainly due to the impact of higher interest rates on a higher level of borrowing.

Supplies and services

Supplies and services expenses comprise supplies, repairs and maintenance, consultant and contractor expenses, as well as payments for ACT Policing.

Supplies and services are forecast to decrease by \$37.6 million in 2022-23 compared to the 2021-22 estimated outcome. This decrease is associated with lower Commonwealth funding in Canberra Health Services due to cessation of the *National Partnership on COVID-19 Response*. However, this does not account for the recent extension of that agreement until 31 December 2022. The revenue and expenses associated with that extension will be reflected in the 2022-23 Budget Review.

Other operating expenses

Other operating expenses consist of cost of goods sold, insurance related costs, concessions, school account expenses, and other miscellaneous expenses.

Other operating expenses are forecast to increase by \$26.8 million in 2022-23 compared to the 2021-22 estimated outcome. This increase is mainly attributable to new and continuing initiatives, Commonwealth Government Grants, indexation, increased school expenses and adjustments to the actuarially assessed number and ultimate cost of insurance claims occurring during the year due in part to the growth in the size of the insured workforce.

Grants and purchased services

Grant and purchased services expenses are expected to decrease by \$201.8 million in 2022-23 compared to the 2021-22 estimated outcome. This is mainly attributable to cessation of COVID-19 business support and related grants and the COVID-19 Response Fund.

Community Service Obligations

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.

While Community Service Obligations are primarily met by Public Trading Enterprises, the Government applies the policy to all 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 Community Service Obligations provides transparency in relation to the full cost of services, as well as the financial implications of government decisions in the provision of services to specifically targeted groups in the community.

Table 3.4.3: Community Service Obligations funded in the 2022-23 Budget

CSO provided by	2022-23 Budget \$'000	Description
Chief Minister, Treasury and Economic Development Directorate		
Exhibition Park in Canberra	536	Compensation for charging below market rates, as a result of Ministerial direction, or agreements entered into by the Government.
Icon Water Limited	7,993	Rebates on water and sewerage charges for concession card holders, schools, churches, hospitals, benevolent and charitable institutions, rebates on non-potable water to high intensity club users and remissions provided by the ACT Civil and Administrative Tribunal.
Several energy providers	33,498	Rebates on energy bills for concession card holders and community groups, and remissions provided by the ACT Civil and Administrative Tribunal.
Several funeral directors	250	Support provided to Canberrans through the Funerals Assistance Program.
Transport Canberra Operations	10,750	Rebates on public transport for adult and student concession card holders.
Public Trustee and Guardian	974	Financial management under ACT Civil and Administrative Tribunal orders, Enduring Power of Attorney, welfare funerals, Australian Federal Police callouts, estates and trusts administered valued at less than \$100,000, the examination of external ACT Civil and Administrative Tribunal orders and will preparation.
Transport Canberra and City Services Directorate		
Yarralumla Nursery	321	Free plant issue.
Transport Canberra Operations	196,200	Funding provided to Transport Canberra Operations to operate network (bus and light rail) services.

CSO provided by	2022-23 Budget \$'000	Description
Environment, Planning and Sustainable Development Directorate		
ACT Parks and Conservation Service	2,297	Provision and upkeep of public use areas within ACT Forests.
Total Community Service Obligations	252,819	

Community sector funding

The Government provides funding for not-for-profit community organisations that deliver services to the community through multi-year Service Funding Agreements to meet increasing wage related and administrative costs.

Annual funding increases are calculated using the following formula:

$$\text{Community Sector Funding Rate} = (\text{Wage Price Index} \times 0.8) + (\text{Consumer Price Index} \times 0.2).$$

For the 2022-23 Budget, the Government has increased the Wage Price Index component of the formula to 4.6 per cent to align with the recent Fair Work Commission decision to apply a 4.6 per cent increase to modern award minimum wages. This results in a composite rate of 4.43 per cent. See the 2022-23 Budget initiative *Community support and connectedness – Community Sector Indexation* for further information.

Table 3.4.4 sets out the rates that have been applied to eligible community sector funding for the 2022-23 Budget.

Table 3.4.4: Community sector funding rate

	2022-23 Budget %
Wage Price Index	4.60
Consumer Price Index	3.75
Community sector funding rate	4.43



3.5 REVENUE

Revenue overview

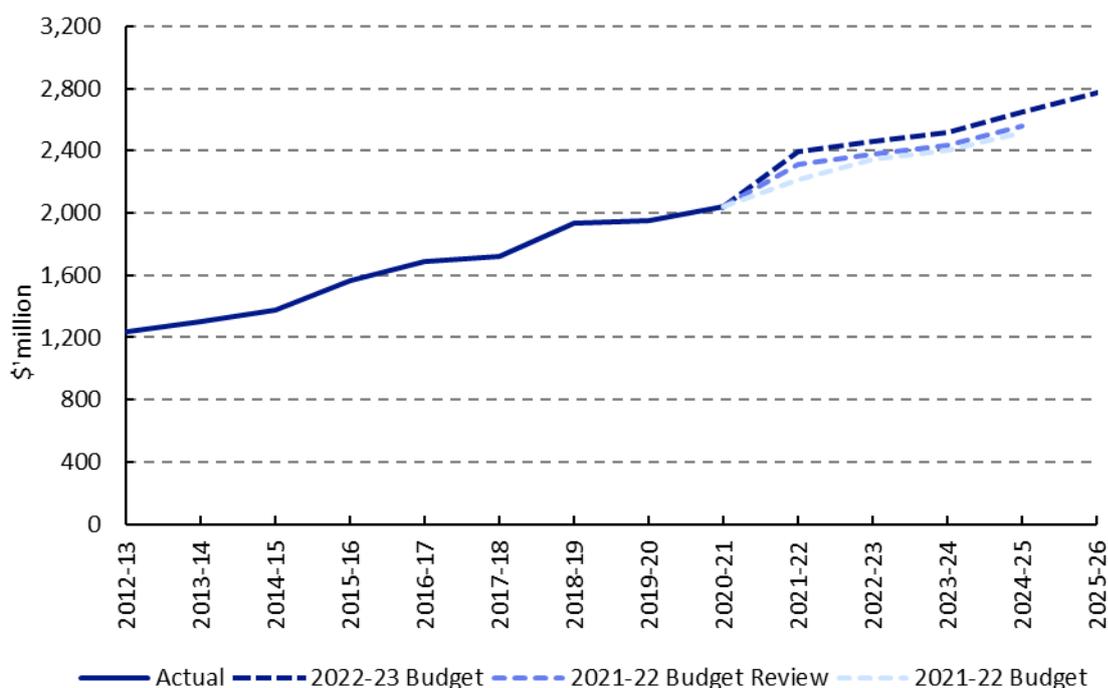
The stronger than anticipated economic recovery in 2021-22 has also flowed through to higher-than-expected General Government Sector (GGS) revenue in 2021-22. GGS revenue is now expected to be \$7.0 billion in 2021-22, \$416 million (6.3 per cent) higher than expected at the time of the 2021-22 Budget. Both own-source revenue and grants from the Commonwealth have contributed to this outcome.

The tight labour market leading to upward pressure on wages and the strong property market have led to higher revenue from payroll tax and transaction-related property taxes, as well as higher returns from land sales.

The more buoyant than expected national economy, which has flowed through to national consumption expenditure, has also resulted in higher-than-expected GST revenue in 2021-22. Despite the overall improvement in economic activity, COVID-19 has continued to have impacts and Commonwealth contributions to COVID-19 health responses and business support have been higher than expected as well.

As shown in Figure 3.5.1, these more positive outcomes are expected to continue in 2022-23 and over the forward estimates. The 2022-23 Budget estimates for own-source revenue are \$539.0 million higher over the four-year period ending 2024-25 compared to the 2021-22 Budget, with growth in own-source taxation revenue forecast to return to its 10-year historical annual average growth rate of 6.3 per cent.

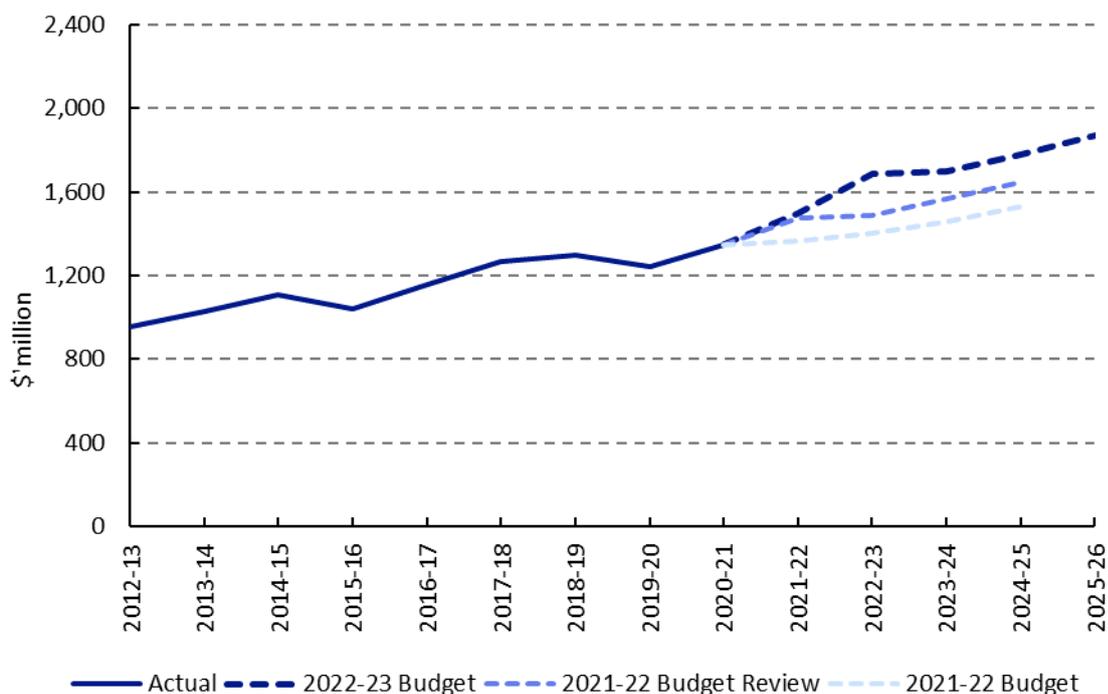
Figure 3.5.1: Total own-source revenue



Source: CMTEDD estimates.

Payments from the Commonwealth are expected to be \$818.4 million higher from 2022-23 to 2024-25 compared to the 2021-22 Budget, largely due to stronger household consumption expenditure and the updated estimates of the ACT's population as a result of the 2021 Census driving increases in GST revenue grants (see Figure 3.5.2). While COVID-19 related support tapers off over the course of 2022, other Commonwealth payments are also expected to be higher than previously anticipated. Chapter 3.6 – Federal Financial Relations discusses Commonwealth payments to the ACT in more detail.

Figure 3.5.2: GST revenue



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

Table 3.5.1: General Government Sector revenue

	2021-22 Budget	2021-22 Estimated Outcome	2022-23 Budget	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Own-source taxation	2,216,163	2,395,975	2,457,853	2,520,144	2,644,954	2,773,588
Goods and services tax	1,367,761	1,497,062	1,686,970	1,696,686	1,780,739	1,870,238
Commonwealth grants	1,399,790	1,499,178	1,304,813	1,449,111	1,362,464	1,407,353
Sales of goods and services	602,401	597,986	639,065	657,991	672,860	691,594
Investment revenue	146,745	150,530	169,690	183,066	196,912	211,502
Interest revenue	98,898	139,916	138,478	120,265	119,109	119,418
Dividend and income tax equivalents	252,490	329,017	155,901	320,708	288,546	344,536
Other revenue	206,424	175,593	225,844	204,232	265,776	251,463
Gains from contributed assets	306,473	227,522	300,450	206,744	193,983	184,366
Total	6,597,145	7,012,779	7,079,064	7,358,947	7,525,343	7,854,058

As with the economic forecasts in Chapter 2.2 – ACT Economic Outlook, there are a range of uncertainties associated with the revenue forecasts, both upside and downside. The headwinds of inflation over the second half of 2022, as well as the past and any future interest rate rises will impact the ACT economy, especially in the housing and labour markets which are key sources of the ACT's own-source taxation revenue. Upside and downside scenarios for three key revenue lines – GST, payroll tax, and residential conveyance duty – are presented later in this section. In addition, the risks associated with the property market highlighted in Chapter 2.2 will also have a bearing on the key property related revenue lines.

Own-source taxation revenue

Own-source taxation revenue will contribute 34.7 per cent of the ACT's total General Government Sector revenue in 2022-23. The ACT's major sources of taxation revenue are general rates, payroll tax, residential conveyance duty, land tax and motor vehicle registration tax.

Own-source taxation revenue is forecast to be \$2.5 billion in 2022-23, which is \$61.9 million (2.6 per cent) higher than the 2021-22 estimated outcome of \$2.4 billion. This is largely attributable to expected increases in payroll tax due to the improvement in employment and wages growth anticipated in 2022-23, offset by reductions in property-related taxes as property market conditions cool with rising interest rates.

Payroll tax is expected to overtake general rates as the largest source of own-source taxation revenue from 2023-24 due to the strength in the labour market and wages growth. By 2025-26, payroll tax is expected to account for 31.7 per cent of own-source taxation revenue, while general rates will account for 30.3 per cent.

In the 2022-23 Budget, the Government continues to reduce conveyance duty for home buyers by raising the ceiling of the lowest conveyance duty tax bracket for residential owner-occupiers and reducing the marginal tax rate for this bracket. The Government also adjusted the eligibility criteria for the Home Buyer Concession Scheme, Disability Duty Concession Scheme, and Deferred Duty Scheme, enabling more households to access those schemes.

From 2021-22 to 2025-26, total own-source taxation revenue is expected to grow in line with its 10-year historical annual average growth rate of 6.3 per cent. Compared to the estimates published in the 2021-22 Budget, the 2022-23 Budget estimates are \$539.0 million higher over the four-year period to 2024-25, representing a broad-based improvement in own-source taxation revenue, of which payroll tax contributes nearly 50 per cent.

Table 3.5.2: Own-source taxation revenue

	2021-22 Budget	2021-22 Estimated Outcome	2022-23 Budget	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
General tax						
Payroll Tax	588,846	653,747	705,393	760,414	818,077	878,802
Tax waivers	4,497	4,497	2,377	2,448	2,510	2,572
General Rates	660,691	674,191	716,103	756,081	798,686	840,524
Land Tax	157,957	157,957	172,061	182,653	189,622	194,302
Total general tax	1,411,991	1,490,392	1,595,934	1,701,596	1,808,895	1,916,200
Duties						
Commercial Conveyance	85,949	118,896	93,518	71,361	68,877	68,675
Residential Conveyance	265,035	314,389	267,001	226,473	223,537	222,080
Motor vehicle registrations and transfers	34,440	34,440	35,902	36,887	37,664	38,320
Total duties	385,424	467,725	396,421	334,721	330,078	329,075
Gambling taxes						
Tabcorp licence fee	1,120	1,120	1,154	1,186	1,219	1,252
Gaming tax	27,356	33,500	36,100	35,820	35,551	35,289
Casino tax	2,071	2,969	2,926	3,006	3,090	3,173
Interstate lotteries	14,704	17,251	15,149	15,565	15,994	16,433
Betting operations tax	16,960	18,368	26,560	28,913	30,725	32,650
Total gambling taxes	62,211	73,208	81,889	84,490	86,579	88,797
Other taxes						
Motor vehicle registration fees	158,168	160,168	166,168	170,449	181,018	189,912
Ambulance levy	25,701	26,899	28,393	29,985	31,649	33,392
Lease variation charge	21,498	26,199	28,345	31,062	30,857	33,275
Utilities (network facilities) tax	44,979	44,979	46,980	49,233	51,617	54,131
Fire and emergency service levy	94,060	94,060	100,180	104,130	108,230	112,480
City centre marketing and improvements levy	2,350	2,350	2,466	2,470	2,470	2,470
Energy industry levy	3,631	3,845	3,839	3,795	4,341	4,516
Safer families levy	6,150	6,150	7,238	8,213	9,220	9,340
Total other taxes	356,537	364,650	383,609	399,337	419,402	439,516
Total	2,216,163	2,395,975	2,457,853	2,520,144	2,644,954	2,773,588

Payroll tax

Payroll tax revenue is estimated to be \$653.7 million in 2021-22, which is \$64.9 million (11.0 per cent) higher than the 2021-22 Budget estimate. Despite the impact of COVID-19 outbreaks and associated lockdowns on economic activity and employment in 2021-22 (particularly in exposed sectors like construction, retail and tourism), wage payments by businesses liable for payroll tax remained robust throughout the financial year.

Payroll tax revenue is forecast to be \$705.4 million in 2022-23, a 7.9 per cent increase from the estimated outcome in 2021-22. This reflects strong wage growth in the ACT's private sectors and continued recovery of the labour market. Combined with a higher base flowing from the stronger than expected collection in 2021-22, the payroll tax revenue forecast for 2022-23 reflects an upward revision of \$58.7 million (9.1 per cent) from the 2021-22 Budget estimate.

Over the four years to 2024-25, payroll tax revenue is now expected to be \$259.6 million (9.7 per cent) higher than estimated at the time of the 2021-22 Budget. This accounts for nearly half of the total improvement expected for own-source taxation revenue over this period.

Payroll tax revenue is forecast to increase to \$878.8 million in 2025-26, with an average annual growth rate of 7.6 per cent over the forward estimates period, broadly in line with the pre-pandemic long-run average. Growth in the total compensation of employees is expected to strengthen in the coming years as the labour market strengthens, supporting solid growth in payroll tax.

General rates

The estimated outcome for general rates revenue (commercial, residential and rural) in 2021-22 is \$674.2 million, \$13.5 million more than forecast in the 2021-22 Budget. This reflects a change in the administration of the COVID-19 Small Business Hardship Scheme from waivers to reimbursement of general rates paid, which resulted in a different accounting treatment. The forecast for 2022-23 and the forward estimates period of \$3.1 billion includes the increase in average annual general rates of 3.75 per cent under Stage 3 of tax reform, the addition of new properties into the base and a change in the mix between commercial and residential properties.

The 3.75 per cent average rates increase determines the total general rates revenue to be collected from the existing base for each property type (rural, commercial, unit titled residential and non-unit titled residential). A general rates bill for any property does not increase by the percentage increase in the unimproved value of the property. Fixed charges and marginal tax rates are then determined in a manner that spreads the increase fairly and progressively based on underlying land values (as measured by the Average Unimproved Value [AUV]). The aggregate land data for these calculations are available on the ACT budget website.

Under the Government's tax reform program, increases in general rates above Wage Price Index growth are used to fund reductions in own source revenue from the abolition of inefficient taxes such as insurance and conveyance duties. The increase in average general rates for residential and commercial properties during the five years of Stage 3 of tax reform (2021-22 to 2025-26) has been set at 3.75 per cent per year. This increase is lower than those in Stages 1 and 2 (prior to COVID-19 household support measures).

The total estimated increase in general rates revenue is greater than 3.75 per cent only due to additional revenue from new rateable properties.

The basis on which general rates are calculated is now a five-year average of unimproved land value, having transitioned from the previous three-year averaging to improve the stability and predictability of general rates for taxpayers.

General rates are less affected by economic shocks compared to transaction-based taxes. The shift from transaction-based taxes to a broad-based land tax through the ACT's tax reform program will progressively improve the stability and predictability of the ACT's revenue base into the future. The current period of uncertainty reinforces the value of a stable and predictable revenue base to fund the essential services of Government.

Commercial general rates

The estimated outcome for revenue from commercial general rates in 2021-22 was \$230.4 million. Commercial general rates revenue is expected to be \$244.7 million in 2022-23, an increase of 6.2 per cent. Over the remainder of the forward estimates period, revenue is expected to increase by 5.5 per cent in 2023-24, and 5.7 per cent in 2024-25 and 2025-26. These estimated increases are due to a combination of increases in average commercial rates of 3.75 per cent for the current stock and revenue expected from new commercial properties.

In setting the rating factors for 2022-23, the Government retained different tax rates for properties with AUVs above and below \$2 million. The rating system for commercial general rates in 2022-23 has the following elements:

- a fixed charge of \$2,822 for properties with an AUV of \$2 million or less; and
- a fixed charge of \$3,004 for properties with an AUV above \$2 million;
- a valuation-based charge on the AUV for 2022 (which is the average of 2018, 2019, 2020, 2021, and 2022 unimproved land values); and
- marginal rating factors applied to the AUV of commercial properties

See Tables 3.5.3 and 3.5.4 for details.

Table 3.5.3: Commercial general rates (AUV \$2 million or less) – marginal rates

AUV threshold	Marginal rates %
0 to \$150,000	3.2073
\$150,001 to \$275,000	3.7553
\$275,001 to \$600,000	5.2797
\$600,001 and above	5.3411

Table 3.5.4: Commercial general rates (AUV above \$2 million) – marginal rates

AUV threshold	Marginal rates %
0 to \$150,000	3.5300
\$150,001 to \$275,000	4.0780
\$275,001 to \$600,000	5.6024
\$600,001 and above	5.6638

Residential general rates

The estimated outcome for residential general rates revenue in 2021-22 was \$443.8 million. In 2022-23, residential general rates revenue is forecast to be \$471.4 million, an increase of 6.2 per cent. This reflects the average increase of 3.75 per cent for the current stock and expected growth in the property base.

Revenue from non-unit titled properties is expected to increase by around 4.7 per cent per annum from 2023-24 to the end of Stage 3 of tax reform (2025-26). Revenue from unit titled properties is expected to increase by above 8 per cent, with strong growth in the number of new properties.

In 2022-23, the Government has reduced the marginal tax rates to achieve a 3.75 per cent increase in average rates. This is because the total average unimproved values of all residential properties increased by more than 3.75 per cent (13 per cent for non-unit titled properties and 10 per cent for unit titled properties).

The rating system in 2022-23 for residential (non-unit titled and unit titled) general rates has the following elements:

- a fixed charge of \$830 for non-unit titled properties; and
- a fixed charge of \$882 for unit titled properties;
- a valuation-based charge on the AUV of the block for 2022 (which is the average of 2018, 2019, 2020, 2021, and 2022 unimproved land values); and
- marginal rating factors applied to the AUV of the block of residential properties.

For non-unit titled properties refer to Table 3.5.5 and for unit titled properties refer to Table 3.5.6.

Table 3.5.5: Residential (non-unit titled) general rates – marginal rates

Block AUV threshold	Marginal rates %
0 to \$150,000	0.3236
\$150,001 to \$300,000	0.4164
\$300,001 to \$450,000	0.5174
\$450,001 to \$600,000	0.5632
\$600,001 to \$750,000	0.5727
\$750,001 and above	0.5775

Table 3.5.6: Residential (unit titled) general rates – marginal rates

Block AUV threshold ¹	Marginal rates %
0 to \$600,000	0.5762
\$600,001 to \$2,000,000	0.7012
\$2,000,001 to \$3,650,000	0.8166
\$3,650,001 to \$4,850,000	0.8690
\$4,850,001 and above	0.9144

Note:

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

The rating system in 2022-23 for rural general rates has a fixed charge of \$179 and a rating factor of 0.1508 per cent applied to the AUV of rural properties.

Land tax

The estimated outcome for land tax revenue is \$158.0 million in 2021-22, unchanged from the 2021-22 Budget estimate.

Land tax revenue is forecast to grow to \$172.1 million in 2022-23, an 8.9 per cent increase from the 2021-22 estimated outcome, reflecting an anticipated continuation of strong investment interest in the Territory's residential property market. Demand for rental properties is expected to grow as the economy strengthens and international migration returns to normal. Canberra's low rental vacancy rate together with a stable workforce with higher-than-average incomes is expected to attract property investors into the market.

Land tax is expected to increase to \$194.3 million in 2025-26 with an average annual growth rate of 4.1 per cent over the forward estimates period. This is lower than the pre-pandemic growth rate of 4.7 per cent per annum on average, reflecting a weaker housing market over the forward estimates period.

Land tax assessments in 2022-23 are calculated on a valuation-based charge using the AUV for 2022 (which is the average of 2018, 2019, 2020, 2021 and 2022 unimproved land values), and a fixed charge of \$1,462. Foreign investors who own residential property in the ACT are also liable for a surcharge of 0.75 per cent of the property's AUV.

Table 3.5.7 shows the land tax marginal rates that apply to residential properties in 2022-23.

Table 3.5.7: Land tax – marginal rates

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

Over the four-year period to 2024-25, land tax revenue is estimated to be largely in line with the estimates in the 2021-22 Budget (\$4.0 million or 0.6 per cent lower).

Conveyance duty

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

The strength in the housing market over the course of 2020 and 2021 extended into 2022, with transaction volumes and prices exceeding expectations for most months in 2021-22. As such, residential conveyance duty revenue is estimated to be over \$300 million in 2021-22. Growth is expected to moderate over the Budget and forward estimates period. However, residential conveyance duty forecasts for the four years to 2024-25 have been revised up by around \$115 million compared to the estimates in the 2021-22 Budget as overall market conditions are forecast to be more resilient than previously expected.

The commercial property market also outperformed expectations in 2021-22, underpinned by strong demand for industrial properties and quality offices. As a result, revenue from commercial conveyance duty is estimated to peak in 2021-22, at around \$119 million, before easing off over the Budget and forward estimates period.

Overall, total conveyance duty revenue over the four years to 2024-25 is forecast to be \$158 million higher than the estimates in the 2021-22 Budget, with over 50 per cent of the increase expected in 2021-22.

Through the tax reform program, the Government remains committed to ensuring that the program is revenue neutral, with increases in general rates above the Wage Price Index (WPI) being used to reduce conveyance duty.

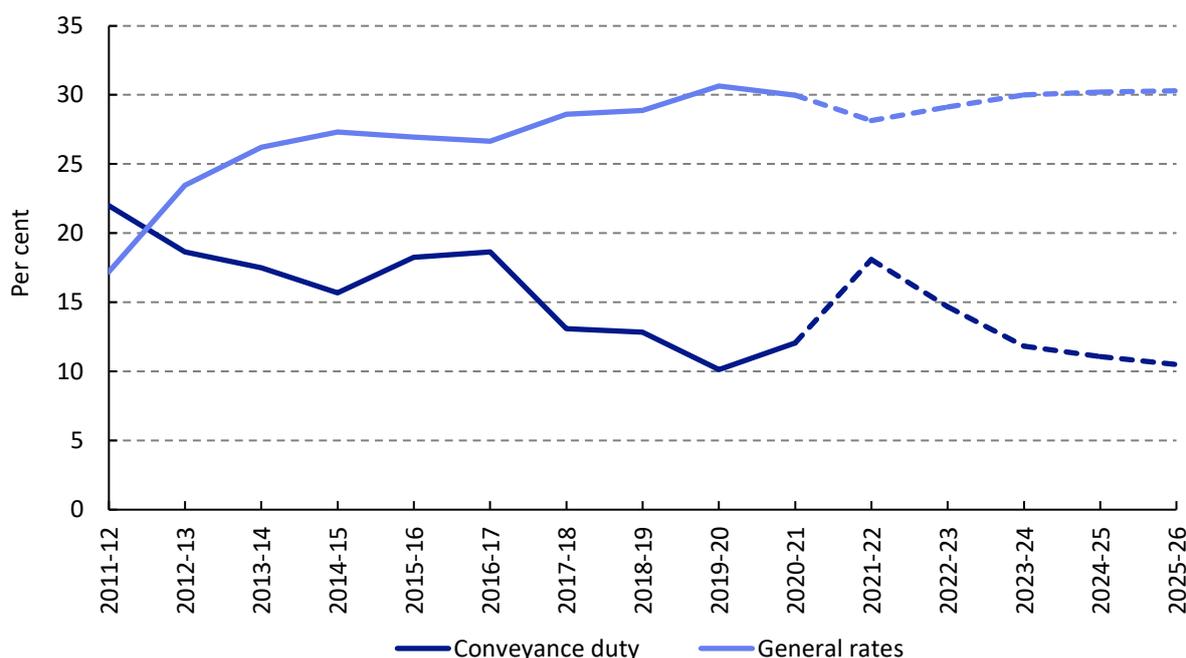
The Government is continuing to reduce conveyance duty rates in every Territory Budget.

In 2022-23, this is through a raised ceiling of the lowest conveyance duty tax bracket for residential owner-occupiers and a lower marginal tax rate on dutiable value under \$260,000 for owner-occupier residential transactions. There is also an increase of \$100,000 in the tax-free threshold for commercial transactions.

Figure 3.5.3 illustrates that total conveyance duty revenue was estimated to account for approximately 22 per cent of the total own source taxation revenue at the commencement of the tax reform program in 2012-13. The percentage share is forecast to decline to 15 per cent in 2022-23 and is expected to fall to 10 per cent towards the end of the forward estimates period in 2025-26.

This is compared to the percentage share for general rates, which is anticipated to be around 30 per cent in 2025-26, largely unchanged from that in 2022-23. This is an increase of around 13 percentage points from the commencement of the tax reform program in 2012-13 (17 per cent), noting that the consolidation of commercial land tax into commercial general rates is also reflected in that change.

Figure 3.5.3: Percentage share of total own-source taxation revenue – conveyance duty versus general rates, 2011-12 to 2025-26



Source: CMTEDD estimates.

Notes:

1. Conveyance duty includes residential conveyance duty and commercial conveyance duty. General rates include commercial general rates, residential general rates (unit titled and non-unit titled), and rural general rates.
2. The estimated increase in total conveyance duty as a percentage share of total own-source taxation revenue in 2021-22 is due to a strong property market in the ACT. Refer to sections below for further details.

Residential conveyance duty

Residential conveyance duty is estimated to be \$314.4 million in 2021-22, which is \$49.4 million (18.6 per cent) higher than the 2021-22 Budget estimate.

In the absence of tax reform, revenue collected from residential conveyance duty would have been \$120.3 million higher in 2021-22 and \$523.9 million higher over the budget and forward estimates period from 2022-23 to 2025-26.

The ACT housing market continued to benefit from historically low interest rates, with transaction volume and prices outperforming previous expectations for most months in 2021-22. Dwelling prices in the Territory remained high, with prices growing 16.3 per cent through the year to June 2022.

Revenue from residential conveyance duty is forecast to fall from the peak in 2021-22 to \$267.0 million in 2022-23. This reflects cooling housing market activity expected in 2022-23 as the RBA tightens monetary policy further.

Over the forward estimates period, activity and prices are expected to gradually converge to trend levels towards the end of the period with revenue falling by an average rate of around 6.0 per cent per annum to \$222.1 million in 2025-26.

Over the four-year period to 2024-25, residential conveyance duty is expected to be \$115.1 million (12.6 per cent) higher than the 2021-22 Budget estimates given the greater than expected resilience of the Territory's housing market. This is partially offset by the impact of tax reform and revenue forgone due to concessions for owner-occupiers and pensioners.

Table 3.5.8 below shows the amount of conveyance duty payable on owner-occupier purchases at different prices in 2021-22, with and without tax reform.

Table 3.5.8: Conveyance duty payable on owner-occupier purchases by price (without concessions and not adjusted for inflation)

Property price (\$)	Without tax reform (\$)	With tax reform (\$)	Difference (\$)	Difference (%)
300,000	9,500	2,440	-7,060	-74%
500,000	20,500	9,240	-11,260	-55%
600,000	26,250	13,560	-12,690	-48%
700,000	32,000	17,880	-14,120	-44%
800,000	37,750	22,990	-14,760	-39%
1,000,000	49,250	34,790	-14,460	-29%
2,000,000	116,750	90,800	-25,950	-22%

During Stage 3 of tax reform (2021-22 to 2025-26), reductions in residential conveyance duty tax rates for owner-occupiers offset increases above WPI in residential general rates revenue. In 2022-23, this reduces the bottom marginal tax rate from 0.68 per cent to 0.6 per cent.

In 2022-23, the Government has also raised the ceiling of the lowest conveyance duty tax bracket for residential owner-occupiers from \$200,000 to \$260,000. When combined, the threshold and tax rate changes will reduce duty on homes between \$260,000 and \$1,455,000 by \$1,120.

In addition, from 1 July 2022, the Home Buyer Concession Scheme income eligibility threshold has been increased by \$10,000 from \$160,000 to \$170,000 and the Deferred Duty and Disability Duty Concession Schemes price eligibility thresholds have increased from \$750,000 to \$1 million.

Table 3.5.9 outlines residential conveyance duty thresholds and marginal tax rates for 2022-23.

Table 3.5.9: Residential conveyance duty rates

Value threshold	Owner occupier %	Non-owner occupier %
Up to \$260,000	0.6	1.2
\$260,001 to \$300,000	2.2	2.2
\$300,001 to \$500,000	3.4	3.4
\$500,001 to \$750,000	4.32	4.32
\$750,001 to \$1,000,000	5.9	5.9
\$1,000,001 to \$1,455,000	6.4	6.4
More than \$1,455,000 ¹	4.54	4.54

Note:

1. The more than \$1,455,000 rate is a flat rate on the entire value of the transaction.

Commercial conveyance duty

Commercial conveyance duty revenue is estimated to be \$118.9 million in 2021-22, which is \$32.9 million (38.3 per cent) higher than the 2021-22 Budget estimate. This reflects higher transaction volumes and a stronger average sales price in higher value properties compared to the expectation at the time of the 2021-22 Budget.

Commercial conveyance duty revenue is forecast to remain at an elevated level, although expected to decline from the high in 2021-22 to \$93.5 million in 2022-23. Canberra's office market is expected to remain tight, underpinned by the low vacancy rate and strong demand for quality offices from Commonwealth Government organisations and large national companies.

Over the forward estimates period, commercial conveyance duty revenue is forecast to fall gradually to \$68.7 million in 2025-26, as rising interest rates potentially soften the market.

During Stage 3 of tax reform, the commercial conveyance duty tax-free threshold is increasing progressively from \$1.5 million to \$2 million in 2025-26, increasing the number of commercial property transactions that will not be subject to duty.

Over the four-year period to 2024-25, total revenue from commercial conveyance duty is expected to be \$42.6 million (13.7 per cent) higher than the estimate in the 2021-22 Budget.

Duty on motor vehicle registrations and transfers

Revenue from motor vehicle registrations and transfers duty in 2022-23 is estimated to be \$35.9 million, an increase of 4.2 per cent from the estimated outcome of \$34.4 million in 2021-22. This reflects the expectation of further increases in motor vehicle prices resulting from the supply-demand imbalance in the vehicle market arising from changes in transport behaviour during the pandemic and a supply bottleneck caused predominantly by an automotive chip shortage.

While activity is expected to remain subdued for both new and used vehicles over the forecast period due to the supply shortage, revenue from motor vehicle registrations and transfers duty is forecast to grow steadily at an annual average rate of 2.2 per cent reflecting persistently high prices for new and used cars. This is higher than the pre-pandemic long-run growth rate of 1.4 per cent per annum.

Over the four-year period to 2024-25, revenue from motor vehicle registrations and transfers duty is estimated to be \$4.7 million (3.3 per cent) higher than the estimates in the 2021-22 Budget.

Gambling taxes

Gambling tax revenue is estimated to be \$73.2 million in 2021-22, \$11.0 million (17.7 per cent) higher than the estimate in the 2021-22 Budget. This largely reflects higher than expected revenue from the Betting Operations Tax due to stronger online gambling activity, and interstate lotteries tax due to higher jackpot prizes offered.

Gambling tax revenue is forecast to rise to \$81.9 million in 2022-23, an 11.9 per cent increase from the 2021-22 estimated outcome. This reflects additional revenue from the initiative that permanently lifts the Betting Operations Tax rate from 15 per cent to 20 per cent from 2022-23 onwards. Further details can be found in Chapter 3.2 – Investing in the Wellbeing of Canberrans.

As a result, revenue from gambling taxes is expected to be \$36.7 million (12.7 per cent) higher than the estimates in the 2021-22 Budget over the four-year period to 2024-25.

Other own-source taxation revenue

Other own-source taxation revenue is estimated to be \$364.7 million, which is \$8.1 million higher than the 2021-22 Budget estimate. This is mainly attributable to higher-than-expected revenue from the Lease Variation Charge and motor vehicle registration fees.

Other own-source taxation revenue is forecast to be \$383.6 million in 2022-23, an increase of \$19.0 million (5.2 per cent) over the 2021-22 estimated outcome. This is driven by increases in revenue collected from all other own-source taxation lines, except the Energy Industry Levy. Over the forward estimates period, total other own-source taxation revenue is forecast to progressively increase to \$439.5 million in 2025-26. The annual average growth rate for other own-source taxation revenue is expected to be 4.8 per cent, lower than the pre-pandemic long-run growth rate of 8.9 per cent.

Over the four-year period to 2024-25, other own-source taxation revenue is estimated to be \$70.6 million (4.7 per cent) higher than estimated at the time of the 2021-22 Budget, reflecting higher revenue across all other own-source taxation lines, with the Lease Variation Charge, the motor vehicle registration fees and the Fire and Emergency Services Levy being the main contributors.

Motor vehicle registration fees

The estimated outcome for motor vehicle registration fees is \$160.2 million in 2021-22, \$2.0 million (1.3 per cent) higher than estimated in the 2021-22 Budget.

Motor vehicle registration fees are forecast to increase to \$166.2 million in 2022-23, which is \$6.0 million (3.7 per cent) higher than the 2021-22 estimated outcome. Growth in motor vehicle registration fees is estimated to be 4.4 per cent per annum on average over the budget and forward estimates period, underpinned by the forecast strength in WPI growth (the indexation applied to registration fees) and the initiative *Better digital services – Increasing Access Canberra staff* which increases indexation by an additional 0.26 of a percentage point. These increases are partially offset by the revenue forgone from the initiative *Climate action – Zero Emissions Vehicles Strategy*. This initiative is expected to increase the uptake of zero emission vehicles, which are exempt from registration fees for the first two years from the date of purchase. Further details can be found in Chapter 3.2 – Investing in the Wellbeing of Canberrans.

Over the four-year period to 2024-25, motor vehicle registration fees are estimated to be \$22.4 million (3.4 per cent) higher than the estimate in the 2021-22 Budget.

Ambulance Levy

The Ambulance Levy is payable each month by private health insurance companies to partially 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 2021-22 estimated outcome for Ambulance Levy revenue is \$26.9 million, an increase of \$1.2 million (4.7 per cent) from the 2021-22 Budget estimate. Revenue is forecast to increase to \$28.4 million in 2022-23, an increase of around \$1.5 million from the 2021-22 estimated outcome. The increase is largely driven by an uptake of private health insurance policies following the COVID-19 pandemic, with these elevated levels expected to persist for some time.

As a result, Ambulance Levy revenue is expected to increase over the forward estimates period and reach around \$33.4 million in 2025-26.

Over the four-year period to 2024-25, revenue from the Ambulance Levy is estimated to be \$10.2 million (9.6 per cent) higher than the estimate in the 2021-22 Budget.

Lease Variation Charge

The estimated outcome for the Lease Variation Charge is \$26.2 million in 2021-22 and the forecast for 2022-23 is \$28.3 million.

The estimated outcome for 2021-22 is \$4.7 million (21.9 per cent) higher than expected in the 2021-22 Budget. This was largely driven by payments from a number of large developments for which the Lease Variation Charges were determined in prior years.

Over the budget and forward estimates period, growth in the Lease Variation Charge reflects forecast levels of economic activity, offset in part by the Lease Variation Charge discount to be provided in 2024-25 and 2025-26 to Build-to-Rent developments that include affordable rental dwellings managed by a registered Community Housing Provider. Further details can be found in Chapter 3.2 – Investing in the Wellbeing of Canberrans.

Over the four-year period to 2024-25, revenue from the Lease Variation Charge is estimated to be \$14.3 million (14.0 per cent) higher than the estimate in the 2021-22 Budget.

Utilities (Network Facilities) Tax

The Utilities (Network Facilities) Tax applies to the owner of a utility network facility that is installed on or under land in the ACT.

The estimated outcome for the Utilities (Network Facilities) Tax is \$45.0 million in 2021-22 and the forecast for 2022-23 is \$47.0 million.

Over the four-year period to 2024-25, revenue from the Utilities (Network Facilities) Tax is estimated to be \$4.6 million (2.4 per cent) higher than the estimates in the 2021-22 Budget. This reflects higher growth in WPI, which is used to determine the tax rate, and faster expansion of the utility networks in the Territory compared to expectations at the time of the 2021-22 Budget.

Fire and Emergency Services Levy

The Fire and Emergency Services Levy (FESL) is charged on all rateable properties in the ACT. The revenue raised from the levy is used to fund emergency services activities.

The estimated outcome for the levy is \$94.1 million in 2021-22 and the forecast in 2022-23 is \$100.2 million, increasing to \$112.5 million in 2025-26 due to increases in the number of properties in the taxable property base. FESL over the forward estimates period are expected to be \$324.8 million.

The FESL for residential and rural properties in 2022-23 has the following elements:

- a fixed charge of \$361.38; and
- a pensioner rebate of \$98.

The FESL for commercial properties in 2022-23 is a valuation-based charge with marginal rating factors applied to the AUV for 2022 (which is the average of 2018, 2019, 2020, 2021, and 2022 unimproved land values).

Table 3.5.10 outlines the marginal rating factors for commercial properties.

Table 3.5.10: Fire and Emergency Services Levy (commercial properties) – marginal rates

AUV threshold	Marginal rates %
\$1 to \$300,000	0.6809
\$300,001 to \$2,000,000	0.8022
\$2,000,001 and above	0.8336

Over the four-year period to 2024-25, revenue from FESL is expected to be \$16.8 million (4.3 per cent) higher than the estimates in the 2021-22 Budget due to a greater than expected increase in the number of properties and an increase in commercial valuations.

City Centre Marketing and Improvements Levy

The City Centre Marketing and Improvements Levy (CCMIL) applies to all rateable commercial properties in the City and some selected areas in Braddon. The revenue is provided to the City Renewal Authority to fund events, activities, and capital improvements, as well as to provide cleaning and security services across the City and Braddon. The collection area is divided into two zones and the levy is applied on the AUV of each property.

The levy applies at the rate of 0.2992 per cent for the retail core, and 0.2161 per cent for the non-retail core.

The estimated outcome for 2021-22 is \$2.4 million and the forecast for 2022-23 is \$2.5 million. Revenue is expected to be broadly the same over the forward estimates period. Total revenue expected to be collected from CCMIL over the forward estimates period is \$7.4 million.

Over the four-year period to 2024-25, revenue from CCMIL is expected to be \$400,000 (3.8 per cent) higher than the estimates in the 2021-22 Budget.

Energy Industry Levy

The Energy Industry Levy funds:

- the Territory's national regulatory obligations and costs for the Australian Energy Market Commission and the Ministerial Council on Energy's responsibilities under the Australian Energy Market Agreement; and
- local regulatory costs incurred by the Territory in relation to energy utility services.

The levy applies to the electricity supply, gas supply and distribution sectors. The levy is charged on a cost recovery basis and reflects the cost of regulatory activities.

The estimated outcome for the Energy Industry Levy is \$3.8 million in 2021-22 and the forecast for 2022-23 is also \$3.8 million.

Over the four-year period to 2024-25, the Energy Industry Levy is forecast to be \$1.4 million (10.0 per cent) higher than the 2021-22 Budget estimate, largely reflecting an estimated increase in regulatory costs over time.

Safer Families Levy

The Government introduced the Safer Families Levy on 1 July 2016 to support a range of measures to prevent and respond to domestic and family violence. The levy applies to residential and rural properties and will increase to \$40 in 2022-23 and by an additional \$5 each year until 2024-25. Chapter 3.2 and Appendix H provides more information on funding and expenditure initiatives for the Safer Families Levy.

The estimated outcome for 2021-22 is \$6.2 million and the forecast for 2022-23 is \$7.2 million, increasing to \$9.3 million in 2025-26. Total collections over the forward estimates period are expected to be \$26.8 million.

Over the four-year period to 2024-25, revenue from the Safer Families Levy is expected to be \$500,000 (1.7 per cent) higher than the estimates in the 2021-22 Budget.

Alternative scenarios and risks to selected major revenue lines

As noted in the alternative scenarios and risks section in Chapter 2.2 – ACT Economic Outlook, the conflict in Ukraine, China's strict zero-COVID policy and local weather events remain key sources of risks to inflation in the ACT and Australia.

More aggressive cash rate rises by the Reserve Bank of Australia could be seen if elevated inflationary pressures persist. The lockdowns imposed by the Chinese Government in response to intermittent COVID-19 outbreaks could also delay the return of international students and skilled migrants. These two factors could dampen housing demand in the Territory.

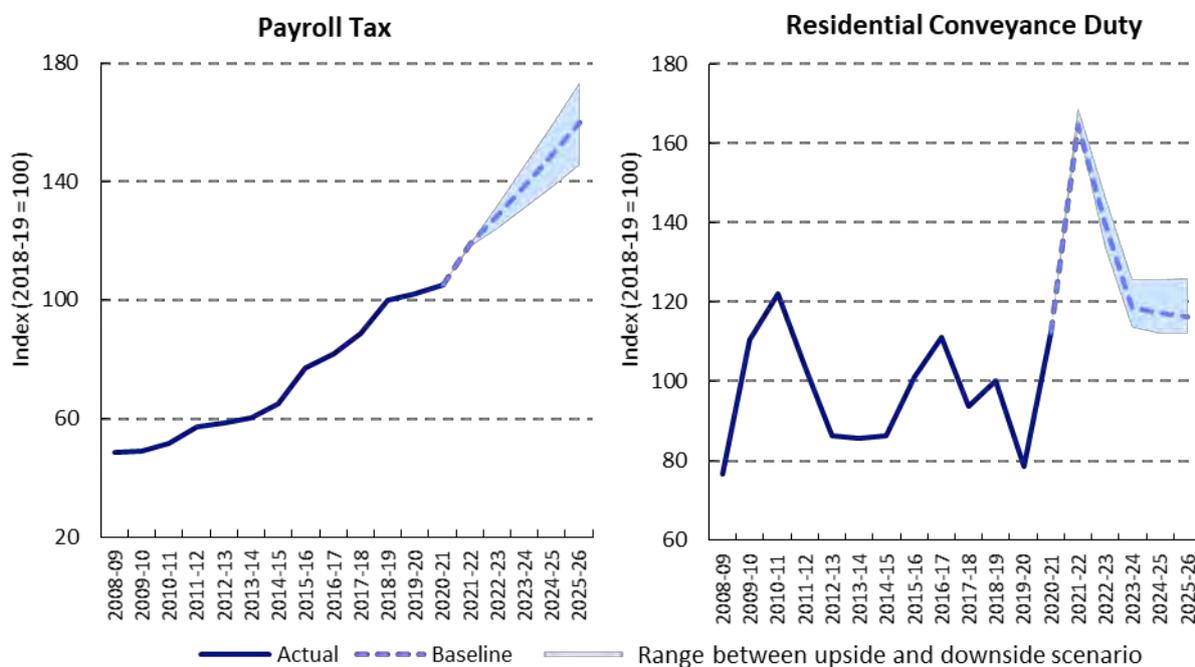
The Commonwealth Government's commitment to expand the Australian Public Service by substituting contractors from consulting and labour hire firms with government employees could pose downside risks to the Territory's payroll tax base, given wages paid by the Australian Public Service are exempt from payroll tax.

The estimates presented in this Budget reflect a baseline scenario derived from a plausible set of assumptions described in Chapter 2.2 – ACT Economic Outlook. Due to these heightened uncertainties, a range within which outcomes may reasonably fall is presented below for key revenue lines. Revenue impacts are quantified reflecting changes in key economic parameters broadly in line with the upside and downside ranges described in Chapter 2.2 – ACT Economic Outlook, Table 2.2.2 Gross State Product (GSP), employment, population and CPI scenarios (percentage change).

The analysis compares the baseline scenario as presented in Table 3.5.2 and an alternative upside range and a downside range for the largest potentially impacted own-source taxation revenue lines, which are payroll tax and residential conveyance duty.

Figure 3.5.4 shows the range depicted in the shaded area within which revenue may fall in the upside and downside scenarios, with the estimates presented in Table 3.5.11 relative to the baseline scenario.

Figure 3.5.4: Selected own-source taxation revenue – forecast scenarios, 2018-19 = 100



Source: CMTEDD estimates.

Table 3.5.11: Selected own-source taxation revenue variance from the baseline due to economic parameters – forecast scenarios

	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000	Total Estimate \$'000
Payroll Tax						
Downside	-6,000	-22,873	-41,085	-59,253	-78,264	-207,475
Upside	0	19,209	37,033	54,015	73,237	183,494
Residential Conveyances						
Downside	0	-11,001	-9,473	-9,380	-8,293	-38,147
Upside	7,638	12,717	13,489	16,298	18,051	68,193
Total						
Downside	-6,000	-33,874	-50,558	-68,633	-86,557	-245,622
Upside	7,638	31,926	50,522	70,313	91,288	251,687

Source: CMTEDD estimates.

Note: Numbers may not add due to rounding.

Commonwealth Government grants

Total revenue received from Commonwealth Government grants in 2021-22 is estimated to be \$3.0 billion and is forecast to remain largely unchanged at \$3.0 billion in 2022-23.

Commonwealth government grants for 2021-22 are now expected to be higher than estimated at the time of the 2021-22 Budget. This has primarily been driven by higher than expected GST revenue (resulting from both an increase to the national pool and higher population estimates) as well as additional funding for COVID-19 support (public health response and business support) and a bring-forward of Financial Assistance Grants funding from 2022-23 to 2021-22. Partly offsetting this increase was lower than expected payments of the HomeBuilder Grant.

Further information on the Commonwealth Government's contributions to the ACT can be found in Chapter 3.6 – Federal Financial Relations.

Table 3.5.12: Commonwealth Government grants

	2021-22 Budget \$'000	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
Current grants						
GST revenue grant	1,367,761	1,497,062	1,686,970	1,696,686	1,780,739	1,870,238
ACT municipal services	41,700	41,700	42,409	43,045	43,734	44,390
National Specific Purpose Payments (SPPs)	973,787	1,019,775	1,023,446	1,051,402	1,102,230	1,155,559
Financial assistance grants to local government	28,477	75,314	15,136	62,849	65,335	67,898
National Partnership Payments (NPP) – Current	185,796	225,948	36,820	32,716	5,975	2,879
Other Commonwealth Government payments	69,722	49,548	55,924	25,846	22,750	11,506
Total current grants	2,667,243	2,909,347	2,860,705	2,912,544	3,020,763	3,152,470

	2021-22 Budget	2021-22 Estimated Outcome	2022-23 Budget	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
National Partnership Payments (NPPs) – capital	100,308	86,893	131,078	233,253	122,440	125,121
Total capital grants	100,308	86,893	131,078	233,253	122,440	125,121
Total Commonwealth Government funding	2,767,551	2,996,240	2,991,783	3,145,797	3,143,203	3,277,591

Sales of goods and services

Sales of goods and services revenue in 2021-22 is estimated at \$598.0 million and is forecasts to increase to \$639.1 million in 2022-23. Parking fees are expected to increase significantly in 2022-23 as the temporary pause in paid parking for Government-owned car parks introduced by the Government during the COVID-19 lockdown ended in 2021-22.

Table 3.5.13: Sales of goods and services

	2021-22 Budget	2021-22 Estimated Outcome	2022-23 Budget	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Regulatory fees						
Casino licence fees	1,021	1,021	1,046	1,072	1,099	1,126
Drivers licences	14,334	14,334	12,631	13,201	13,395	13,863
Taxi licences	613	613	945	989	1,003	1,038
Fees for regulatory services	126,956	127,788	133,351	138,358	140,425	145,223
Water abstraction charge	32,987	30,847	35,370	37,187	39,024	40,946
Motor accident levy	5,033	5,033	5,213	5,281	5,352	5,424
Total regulatory fees	180,944	179,636	188,556	196,088	200,298	207,620
Other						
Parking fees	15,301	15,301	23,640	24,645	25,692	25,751
Inpatient fees	37,407	37,407	38,391	39,350	40,039	40,840
Non-inpatient fees	7,716	8,295	11,003	11,384	11,694	12,026
Meals and accommodation	3,971	3,971	4,114	4,217	4,291	4,377
Cross border health receipts	116,219	116,219	119,124	122,102	124,544	127,658
Sales	31,910	31,621	35,412	36,926	38,096	39,184
Service receipts (Non ACT Government)	143,656	139,189	148,296	152,919	156,649	160,964
Rent from tenants	11,356	11,356	14,158	14,114	14,491	14,869
Miscellaneous	26,753	26,928	27,502	27,512	27,610	28,085
User charges – ACT Government	27,168	28,063	28,869	28,734	29,456	30,220
Total other	421,457	418,350	450,509	461,903	472,562	483,974
Total sale of goods and services	602,401	597,986	639,065	657,991	672,860	691,594

Investment revenue

Total investment revenue is estimated to be \$150.5 million in 2021-22 and is forecast to increase to \$169.7 million in 2022-23. The increase reflects the level of distributable income and dividends from underlying investments.

Table 3.5.14: Investment revenue

	2021-22 Budget	2021-22 Estimated Outcome	2022-23 Budget	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Distributions and dividends						
Distributions from financial investments	67,608	78,413	80,436	86,818	93,398	100,305
Dividends from financial investments	79,137	72,117	89,254	96,248	103,514	111,197
Total dividends and distributions	146,745	150,530	169,690	183,066	196,912	211,502
Total investment revenue	146,745	150,530	169,690	183,066	196,912	211,502

Interest revenue

Total interest revenue is estimated to be \$139.9 million in 2021-22 compared with the 2021-22 budget estimate of \$98.9 million. The increase is mainly due to higher loan interest from Icon Water in relation to inflation-linked loans and higher interest on investments. Total interest revenue is forecast to decrease moderately to \$138.5 million in 2022-23.

Table 3.5.15: Interest revenue

	2021-22 Budget	2021-22 Estimated Outcome	2022-23 Budget	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Interest received						
Interest from financial investments and banks	28,889	50,023	55,700	37,710	35,034	32,135
Interest received on advances and loans to agencies	69,002	84,617	78,741	76,073	77,254	80,995
Interest received - other	1,007	5,276	4,037	6,482	6,821	6,288
Total interest	98,898	139,916	138,478	120,265	119,109	119,418
Total interest revenue	98,898	139,916	138,478	120,265	119,109	119,418

Dividends and tax equivalents

Dividends and tax equivalents revenue are estimated to be \$329.0 million in 2021-22 and are forecast to decline to \$155.9 million in 2022-23 before bouncing back to \$320.7 million in 2023-24. The movements are largely driven by dividends and tax equivalents revenue from the Suburban Land Agency and Icon Water.

The Suburban Land Agency's dividends in the 2021-22 estimated outcome are higher than the 2021-22 Budget estimate, primarily due to the deferral of settlements from 2020-21, settlements brought forward from future years and favourable market pricing conditions.

The reduction in the Suburban Land Agency's dividends in 2022-23 reflect timing impacts, including some settlements occurring in the prior 2021-22 financial year. Overall, lower volumes of land are scheduled to reach settlement in 2022-23 compared to the 2021-22 financial year with the Taylor estate nearing completion and deferral of revenues associated with releases in Jacka 2, Strathnairn and Macnamara.

The increase in estimated dividends revenue in 2023-24 is due to a general increase in the value of land scheduled for settlement compared to the 2022-23 financial year including settlement timing for Whitlam, Jacka 2 and Denman Prospect.

The Icon Water dividends in the 2021-22 estimated outcome is less than the 2021-22 Budget estimate primarily due to lower water usage driven by above average rainfall, and higher CPI increasing the interest expense on indexed bonds. The further decrease in the 2022-23 dividends from the 2021-22 estimated outcome is largely due to a decline in ActewAGL Joint Venture profit distributions due to Feed-in-Tariff pricing volatility, and expenditure relating to the implementation of the corporate services sourcing strategy with the current agreement with ActewAGL set to expire in 2023. This is partially offset by a volume driven increase in water revenues.

Table 3.5.16: Dividends and tax equivalents

	2021-22 Budget	2021-22 Estimated Outcome	2022-23 Budget	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Dividends						
Dividends - Icon Water	62,447	37,822	15,559	39,690	53,436	55,842
Dividends - CIT Solutions	500	500	500	500	500	500
Dividends - Suburban Land Agency and City Renewal Authority	108,919	175,057	87,449	183,553	141,889	170,748
Total dividends	171,866	213,379	103,508	223,743	195,825	227,090
Tax equivalents						
Income tax equivalent	80,624	115,638	52,393	96,965	92,721	117,446
Total tax equivalents	80,624	115,638	52,393	96,965	92,721	117,446
Total dividend and tax equivalents	252,490	329,017	155,901	320,708	288,546	344,536

Contributed assets

Contributed assets are estimated to be \$227.5 million in 2021-22 and are forecast to increase to \$300.5 million in 2022-23, largely driven by an improvement in gains from contributed assets.

Gains from contributed assets in 2021-22 are estimated to be lower than expected in the 2021-22 Budget and are forecast to improve in 2022-23. This is primarily due to a delay in the receipt of properties from Community Housing Canberra from 2021-22 to 2022-23, in exchange for extinguishment of their loan with the Territory following a restructuring of the loan arrangement.

Revenue from large-scale generation certificates in 2021-22 is estimated to be higher than the 2021-22 Budget estimate, reflecting a higher market spot price for the certificates.

While the pipeline of renewable electricity generation has increased, spot prices have remained strong due in part to higher than anticipated voluntary surrender of certificates, which has decreased the supply of certificates available to the market.

Forecasts for 2022-23 and beyond reflect expected increases in the volume of certificates due to new renewable electricity generators coming online, more than offset by expected falls in the spot price due to higher renewable electricity generation.

Table 3.5.17: Contributed assets

	2021-22 Budget	2021-22 Estimated Outcome	2022-23 Budget	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Contributed assets						
Gains from contributed assets	254,377	125,622	201,011	116,845	113,600	121,140
Large-scale generation certificates	49,571	99,076	96,441	87,198	77,783	60,625
Other	1,734	2,056	1,769	1,804	1,804	1,804
Resources received free of charge	791	768	1,229	897	796	797
Total contributed assets	306,473	227,522	300,450	206,744	193,983	184,366

Other revenue

Other revenue is estimated to be \$175.6 million in 2021-22 and is forecast to increase to \$225.8 million in 2022-23.

Traffic infringement fines are estimated to fall to \$43.0 million in 2022-23, from the high in 2021-22, largely reflecting anticipated driver behavioural change after adjusting to the expansion of lower speed limits. For the same reason, traffic infringement fines are expected to decline further in the forward estimates period.

Parking fines are estimated to remain at subdued levels in 2021-22 due to impact from COVID-19 restrictions. This is expected to return to normal levels from 2022-23 onwards.

Table 3.5.18: Other revenue

	2021-22 Budget	2021-22 Estimated Outcome	2022-23 Budget	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fines						
Traffic infringement fines	58,938	60,684	43,025	38,958	38,743	40,806
Court fines	630	630	450	450	450	450
Parking fines	9,556	9,556	20,266	21,436	22,620	23,413
Other fines	1,512	655	1,448	1,552	1,588	1,641
Total fines	70,636	71,525	65,189	62,396	63,401	66,310
Other						
Superannuation contribution	12,188	12,111	12,270	12,429	12,592	12,761
Rents and commutation	12,206	11,002	11,492	11,691	11,876	12,048
Contributions	28,160	19,129	29,931	24,787	24,787	24,787
Lifetime care and support levy	18,973	18,973	25,077	28,903	31,171	33,511
Other miscellaneous revenue	64,261	42,853	81,885	64,026	121,949	102,046
Total other	135,788	104,068	160,655	141,836	202,375	185,153
Total other revenue	206,424	175,593	225,844	204,232	265,776	251,463

Other miscellaneous revenue

Other miscellaneous revenue is estimated to be \$42.9 million in 2021-22 and is forecast to increase to \$81.9 million in 2022-23. Variations in miscellaneous revenue over the budget and forward estimates are largely due to reprofiling of capital grants revenue which has a net zero impact over the forward estimates. This reprofiling is consistent with the capital delivery provision to align capital grants revenue with overall total infrastructure investment.

Table 3.5.19: Other miscellaneous revenue

	2021-22 Budget	2021-22 Estimated Outcome	2022-23 Budget	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from financial investments	7,209	5,258	7,398	7,798	8,169	8,552
Donations	1,161	1,161	1,190	1,221	1,242	1,266
Other grants	24,216	5,082	39,298	21,362	77,717	56,293
Recoveries	19,384	19,029	19,958	20,150	21,419	22,199
Perpetual Care Trust	88	80	83	86	89	92
Problem Gambling Assistance Fund	3,063	3,063	3,065	3,069	3,109	3,189
Regulatory fees	1,854	1,854	1,857	1,927	1,969	2,015
Miscellaneous	7,286	7,326	9,036	8,413	8,235	8,440
Total other revenue	64,261	42,853	81,885	64,026	121,949	102,046



3.6 FEDERAL FINANCIAL RELATIONS

Overview

Following the election of a new Commonwealth Government in May 2022, it has indicated it will retain the current arrangements of National Cabinet and the Council on Federal Financial Relations, with a publicly stated position that the modern Australian federation requires all three tiers of Government to improve the delivery of vital services.

The public health, economic and financial impacts of the COVID-19 pandemic continue to be a key focus of engagement between the Commonwealth and the States and Territories.

As all economies recover, the need for COVID-19 specific individual and business support is diminishing and becoming more targeted and health responses are being recalibrated. The current Omicron wave has, however, seen the Commonwealth and the States and Territories come together again to support individuals who are isolating due to COVID-19 and do not have access to sick leave by extending and jointly funding the Pandemic Disaster Leave Payment until 30 September 2022.

The Commonwealth and States and Territories have also recently agreed to an extension of the *National Partnership on COVID-19 Response* until 31 December 2022, which will see the Commonwealth continuing to support the health response in the States and Territories by contributing half of the health costs associated with COVID-19.

The significant jointly funded business support, which has seen businesses through the lockdown periods, has now ceased and the Commonwealth has indicated that the additional COVID health support will not continue beyond the end of 2022. As a result, payments to the ACT from the Commonwealth for specific purposes will progressively return to more normal levels.

Overall, compared to the 2021-22 Budget, payments made from the Commonwealth to the ACT were \$228.7 million higher in 2021-22 and are expected to be \$818.4 million higher from 2022-23 to 2024-25. This is driven predominantly by increased GST revenue grants. The GST pool is expected to be higher due to stronger household consumption expenditure. In addition, the ACT's share of the GST pool over the Budget and the forward estimates is anticipated to be positively impacted by updated 2021 Census estimates of the ACT's population (see Box 3.6.1 for further information).

While the ACT's GST grant is expected to be higher than previously projected, in the future it will be affected by the changes that were made to GST distribution arrangements by the Commonwealth's *Treasury Laws Amendment (Making Sure Every State and Territory Gets Their Fair Share of GST) Act 2018*. The legislation will have its first impact on the ACT's GST relativity in 2022-23, as a 0.7 relativity floor has now been applied. The relativity floor has seen a significant uplift in the GST relativity of Western Australia at the expense of all other jurisdictions. Although the ACT will be compensated under the no worse off guarantee also included in the 2018 legislation, this guarantee is currently set to expire at the end of the transition to the new GST distribution arrangements in 2027-28.

Key features of Federal Financial Relations

The *Intergovernmental Agreement on Federal Financial Relations* (IGA FFR) provides the overarching framework for the financial relationship between the Commonwealth and the States and Territories. The IGA FFR is overseen by the Council on Federal Financial Relations (CFFR). Membership of CFFR comprises the Commonwealth Treasurer (as Chair) and the Treasurers of each State and Territory.

CFFR reports to National Cabinet which was established at the start of the pandemic to replace the Council of Australian Governments and coordinate Australia's response to the pandemic.

The States and Territories only counterpart of CFFR is the Board of Treasurers, which the ACT Treasurer is Chairing in 2022. The Board of Treasurers' reform objectives in 2022 are:

- health funding reform;
- progressing climate-related financial disclosures;
- addressing skills shortages; and
- enhancing strategic multilateral engagement with the Commonwealth.

Sources of Commonwealth funding to the states and territories

The ACT, along with the other States and Territories, receives a significant proportion of its total revenue through the Commonwealth. This is because the Commonwealth collects the majority of taxation revenue. In contrast, States and Territories deliver the majority of essential government services.

The funding the ACT receives from the Commonwealth also acknowledges the ACT's unique circumstances as a city-state in a national capital setting and as a major regional centre. This means the ACT receives funding as both a territory government and as a local government.

Under the IGA FFR the States and Territories receive the following types of funding from the Commonwealth:

- General Revenue Assistance, including GST;
- payments for specific purposes (including National Partnership Payments and National Agreement payments); and
- Financial Assistance Grants to Local Government.

All Commonwealth funding to the ACT is presented in detail in Table 3.6.2 at the end of this section. On average, over the budget and forward estimates period, the ACT expects to receive around 42 per cent of our General Government Sector revenue from the Commonwealth. Compared to the 2021-22 Budget, Commonwealth Government grants funding received by the ACT was \$228.7 million higher in 2021-22 and is expected to be \$818.4 million higher from 2022-23 to 2024-25.

General Revenue Assistance

General Revenue Assistance is the major source of Commonwealth funding that support the delivery of services in the ACT. These transfers, which for the ACT comprise GST revenue and ACT Municipal Services grants, are untied and not required to be spent in any area of service delivery. This is the most flexible form of funding the States and Territories receive from the Commonwealth. In 2022-23, General Revenue Assistance grants will account for around 24.4 per cent of the ACT's General Government Sector revenue.

In 2022-23 General Revenue Assistance transfers are expected to be \$1.7 billion, an increase of around \$191 million on the 2021-22 estimated outcome of \$1.5 billion. Compared to the 2021-22 Budget, General Revenue Assistance transfers payments were \$129.3 million higher in 2021-22 and are expected to be \$778.3 million higher from 2022-23 to 2024-25.

Goods and Services Tax (GST)

The GST is a major source of funding for the ACT, making up around 23.8 per cent of the ACT's General Government Sector revenue in 2022-23.

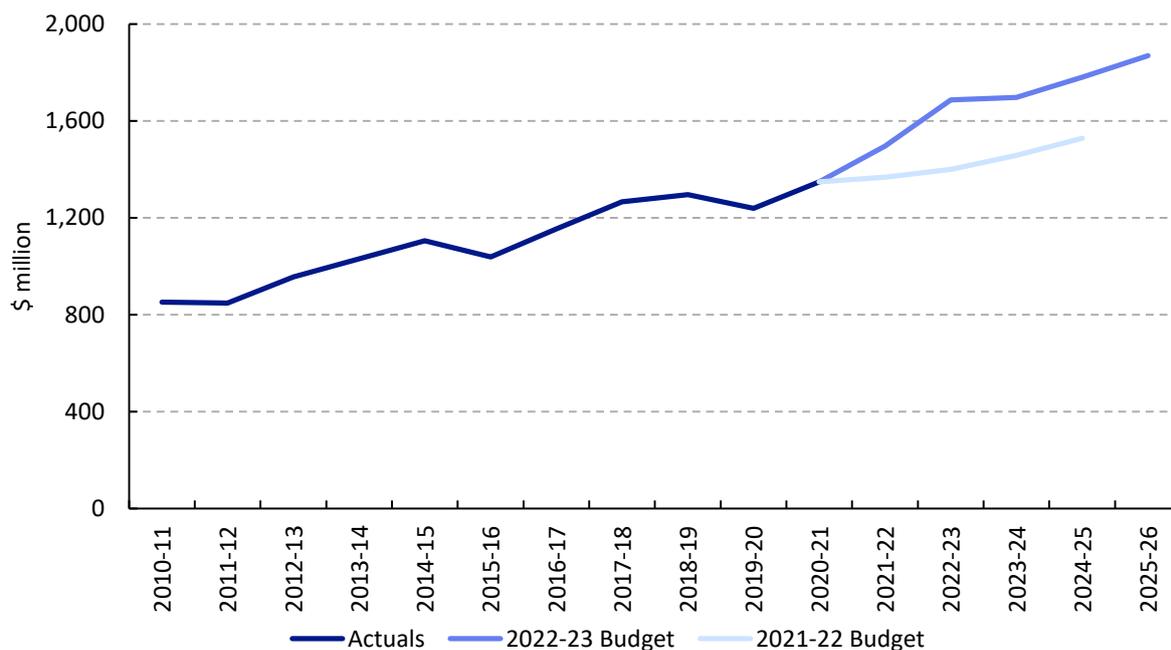
The ACT's GST revenue is affected by the size of the national GST pool, the ACT's share of the national population and our GST relativity as determined by the Commonwealth Grants Commission (CGC). The GST relativity from the most recent determination, the *2022 Update of GST Revenue Sharing Relativities (2022 Update)*, is projected to remain constant over the budget and forward estimates period to determine the projections of the ACT's GST revenue shares.

In 2022-23 the ACT's GST revenue grants are estimated to be \$1.7 billion. This includes an estimated budget balancing adjustment of \$68 million for underpayment of GST in 2021-22, expected to be paid in November 2022. Over the budget and forward estimates period, 2022-23 to 2025-26, GST revenue is expected to be \$7.0 billion. Further, compared to the 2021-22 Budget, GST revenue is expected to be \$129 million higher in 2021-22 and \$907.6 million higher over the four-year period 2021-22 to 2024-25.

The factors driving these higher estimates of GST revenue are increases to the GST pool and increases in the ACT's share of the Australian population. Overall, it is estimated that ACT's GST revenue will grow by 5.7 per cent per annum over the period 2021-22 to 2025-26.

Figure 3.6.1 below compares the ACT's GST revenue in the 2022-23 Budget with the 2021-22 Budget.

Figure 3.6.1: ACT's GST revenue



GST pool

The ACT has adopted the Commonwealth's forecasts of the GST pool from the *2022-23 Commonwealth Budget* over the budget and forward estimates period to estimate our GST revenue. The savings buffer accumulated over the course of the COVID-19 pandemic by households, along with very low unemployment across Australia has driven strong consumption growth since the December quarter 2021. Increasing inflation over the rest of 2022 will also contribute to higher GST collections in 2022-23. Together, these factors have resulted in an increase in the national GST pool of around \$30 billion over the period 2021-22 to 2024-25, in comparison to the estimates in the ACT's 2021-22 Budget.

Population

As outlined in Chapter 2.2, the 2021 Census has resulted in a significant rebasing of the ACT's Estimated Resident Population (ERP), with our population now estimated to be 21,800 higher than previously estimated as at 30 June 2021. The rebased ERP, along with the ACT's forecasts of population growth, is expected to increase the ACT's GST revenue share over the budget and forward estimates period. Box 3.6.1 below provides more detail on the impact of the rebased population on the ACT's GST revenue shares.

GST relativity

The ACT's GST relativity, as assessed by the Commonwealth Grants Commission in their *2022 Update*, will decrease to 1.09250 in 2022-23 from to 1.16266 in 2021-22.

The most significant reason for the reduction in the ACT's relativity in 2022-23 is changes to GST shares implemented by the Commonwealth Government under the *Treasury Laws Amendment (Making Sure Every State and Territory Gets Their Fair Share of GST) Act 2018*. Under these changes no State or Territory can have a relativity of less than 0.7. This has seen a significant uplift in the GST relativity of Western Australia and a commensurate reduction for all other jurisdictions. From 2024-25, the GST relativity floor will increase to 0.75.

In addition, in the *2022 Update* the CGC assessed that the ACT's fiscal capacity had strengthened relative to the other States and Territories. This was largely due to lower cost of providing services and above average growth in taxation from increased property transactions that increased our own-source revenue raising capacity. This was offset by the CGC assessing higher investment needs for the ACT, driven by above average population growth.

These changes have resulted in approximately \$4.7 billion being redistributed to WA from the other States and Territories in 2022-23, including \$79 million from the ACT. Moreover, based on population and GST pool forecasts and holding State and Territory fiscal capacities constant as assessed by the CGC in its *2022 Update*, it is estimated that the redistribution to WA will equal approximately \$21 billion over the forward estimates period of 2022-23 to 2025-26. This includes a redistribution of \$349 million away from the ACT.

The ACT will be compensated for this redistribution under the no worse off guarantee introduced in the 2018 legislation for the transition period until the end of 2026-27. The guarantee ensures no jurisdiction will receive a cumulatively lower amount of GST over the transition period in comparison to the arrangements prior to the legislation. This guarantee is currently set to expire at the end of the transition period.

Table 3.6.1 shows the per capita relativities to be used for distributing GST revenue (prior to adjustments for the no worse off guarantee).

Table 3.6.1: GST relativities 2017-18 to 2022-23

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
New South Wales	0.87672	0.85517	0.87013	0.91808	0.95617	0.95065
Victoria	0.93239	0.98670	0.98273	0.95992	0.92335	0.85861
Queensland	1.18769	1.09584	1.05370	1.04907	1.05918	1.03377
Western Australia	0.34434	0.47287	0.51842	0.44970	0.41967	0.70000
South Australia	1.43997	1.47727	1.46552	1.35765	1.34719	1.28411
Tasmania	1.80477	1.76706	1.75576	1.89742	1.96067	1.85360
Australian Capital Territory	1.19496	1.18070	1.23759	1.15112	1.16266	1.09250
Northern Territory	4.66024	4.25816	4.26735	4.76893	4.79985	4.86988
Total	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000

Source: CGC calculation.

The ACT's relativity increased over the period 2017-18 to 2019-20 before falling substantially in 2020-21 as a result of the CGC's 2020 review of its methodology for distributing the GST across jurisdictions. A key factor driving this outcome was improved measurement of the costs of providing services in remote areas. This reduced the ACT's assessed expense needs in a range of services, particularly Health and Police. The improved measurement of the cost of providing services in remote areas also affected our assessed investment needs.

Overall, between 2021-22 and 2022-23, Western Australia and the Northern Territory received increases in their GST shares while all other states and territories saw a reduction in their shares from the *2022 Update*, but will be compensated by the no worse off guarantee.

Sensitivity of GST estimates

The risks and uncertainties associated with the economic outlook outlined in Chapter 2 could have implications for the ACT's GST revenue. A one per cent reduction in the GST pool in any year would reduce the ACT's GST share by between \$15.1 million and \$18.9 million, depending on the year affected. In total, if the forecast for the GST pool over the budget and forward estimates period reduces by one per cent (around \$3.4 billion), the ACT's GST share will reduce by \$70 million over the same period. This assumes that the ACT's share of the Australian population is the same as in the baseline scenario along with the standard assumption of constant GST relativity.

If the ACT's share of the Australian population was 0.01 of a percentage point lower than assumed in the baseline scenario, the ACT's GST revenue share would decline by between \$8.5 million and \$10.4 million, depending on the year affected. If the ACT's share of the Australian population was 0.01 of a percentage point higher than assumed in the baseline scenario, then the ACT's GST revenue share would increase by a similar range. Any changes to the ACT's GST relativity would influence these outcomes.

Box 3.6.1: Effect of 2021 Census estimates on the ACT's GST Share

On 28 June 2022, the Australian Bureau of Statistics (ABS) released the first stage of data from the 2021 Census of Population and Housing (2021 Census) along with updates to estimated resident population (ERP) for Australia and the States and Territories. It showed:

- the ACT was the fastest growing jurisdiction in Australia since the 2016 Census, growing by 14.4 per cent or 57,102 people; and
- there was a significant underestimation of the ACT's estimated resident population of around 21,800 people (or 5.1 per cent of the ACT population) as at June 2021.

As each State or Territory's share of the national population is a key part of the GST distribution methodology, it is estimated the ACT received around \$190 million less GST revenue over the intercensal period than we should have if our population had not been underestimated. This assumes that relativities and the GST pool figures were unchanged, noting that relativities cannot be retrospectively adjusted.

The ACT's population share is now higher as a result of the 2021 Census and our estimates indicate our population will continue to increase as a proportion of the Australia's population due to relatively faster growth. This is expected to positively impact on the ACT's GST revenue shares over the budget and forward estimates period.

- In the 2022-23 Commonwealth Budget, for the purpose of determining GST revenue, the ACT's share of Australian population was forecast to reduce from 1.68 per cent on 31 December 2021 to 1.67 per cent on 31 December 2025.
- Applying the ERP data rebased for 2021 Census outcomes and using ACT population growth rates from the forecasts presented in this Budget, the ACT's share of Australian population is estimated to rise from 1.76 per cent on 31 December 2021 to 1.79 per cent on 31 December 2025.

This increase in the ACT's population share could increase our GST revenue share by around \$470 million over the budget and forward estimates period, using GST pool forecasts from the 2022-23 Commonwealth Budget and holding the ACT's *2022 Update* relativity constant.

This includes an estimated \$68 million that the ACT expects to receive in November 2022 as a budget balancing adjustment for under payment of GST revenue in 2021-22. This assumes a GST pool of approximately \$73.3 billion in 2021-22 as estimated in the 2022-23 Commonwealth Budget.

ACT municipal services

The Commonwealth also provides General Revenue Assistance to the ACT to assist in meeting the additional municipal costs that arise from Canberra's unique role as the national capital. These costs arise from a range of factors, including additional costs incurred from the design of Canberra and our inability to levy general rates and payroll tax on the Commonwealth.

The level of funding was agreed at the time the ACT was granted self-government and is indexed annually by a growth factor comprising indicators for wage growth and inflation.

The estimated outcome for 2021-22 for ACT municipal services grants was \$41.7 million. This is expected to increase to \$42.4 million in 2022-23. Over the budget and forward estimates period, 2022-23 to 2025-26, municipal services revenue is expected to be \$173.6 million.

Payments for specific purposes

The Commonwealth provides grants to the ACT for specific purposes to support services and projects across a number of different categories, such as health, education, skills and workforce development, community services, housing, environment, and infrastructure. This includes both National Partnership Payments, addressed in the section below, and funding under four National Agreements – Health Reform, School Reform, Skills and Workforce Development, and Housing and Homelessness.

The estimated outcome for 2021-22 for National Agreement payments was \$1.035 billion. This is estimated to decrease to \$1.020 billion in 2022-23. This is due to a decrease in the estimated funding for the *National Partnership on COVID-19 Response* from \$87.2 million in 2021-22 to \$20.1 million in 2022-23, which is classified as falling under the funding for the National Health Reform Agreement. This decrease is partially offset by increases in all other National Agreement payments.

While the *National Partnership on COVID Response* was recently extended to 31 December 2022, it was not possible to quantify the expenses and associated Commonwealth revenue in this Budget. As such, the 2022-23 revenue estimates for this agreement in Table 3.6.2 reflect the three-month period to 30 September 2022 only and will be updated to reflect the extension of the agreement in the 2022-23 Budget Review.

Over the budget and forward estimates period, 2022-23 to 2025-26, National Agreement payments received by the ACT are expected to be \$4.329 billion. Relative to the 2021-22 Budget, National Agreement payments received by the ACT are expected to be \$105.6 million higher over the four years 2021-22 to 2024-25. This increase is mainly due to an increase in expected funding for the COVID-19 public health response (which is \$50.8 million higher in 2021-22 and \$20.1 million higher in 2022-23) and an increase in funding of \$34.4 million over the four-year period for non-Government schools under the *Quality Schools* agreement (including the GST component). The distribution of these payments across sectors is outlined in Table 3.6.2 below.

National Partnership Payments

Through the Federation Funding Agreements (FFAs), the Commonwealth provides National Partnership Payments (NPPs) to the States and Territories to support the delivery of specified projects, facilitate reforms, or reward those jurisdictions that deliver on national reforms or achieve service delivery improvements. FFA schedules are typically active for a fixed period, reflecting the nature of the project or reform involved. Payments are generally aligned with the achievement of milestones and are made after specific outcomes or outputs have been achieved.

The interim outcome for funding through NPPs was estimated to be \$346.9 million in 2021-22 and is estimated to decrease to \$227.4 million in 2022-23. Although this funding then increases to \$241.9 million in 2023-24, it decreases to \$185.9 million in 2024-25 and to \$154.2 million in 2025-26. The main reason for the significant decrease in NPP funding from 2021-22 to 2022-23 is the winding down of the COVID-19 Business Support Package. Funding for this package ceased in the 2021-22 financial year (\$164.8 million in 2021-22). Other reductions in funding include the one-off Commonwealth contribution to the ACT Asbestos Disease Assistance Scheme (\$8 million in 2021-22), the expiry of funding under the Skilling Australians Fund (\$3.7 million in 2021-22), and the timing of payments under the *Recycling Infrastructure National Partnership* (funding of \$4.5 million in 2021-22, decreasing to \$1 million in 2022-23).

This is offset by significant increases from 2021-22 to 2022-23 of:

- \$52.1 million due to the timing of road infrastructure projects under the *National Partnership Agreement on Land Transport Infrastructure Projects* and the *Local Roads and Community Infrastructure Program*; and
- \$10.9 million for grants under the National Partnership on Homebuilder. Although the program has now closed to new applicants, grants continue to be paid as construction is completed.

The 2022-23 Budget includes funding for new agreements of:

- \$12.3 million over five years from 2021-22 to 2025-26 for the *National Mental Health and Suicide Prevention Agreement*;
- \$6.6 million over two years for the Black Summer Bushfire Recovery Grants Program;
- \$2.6 million over two years for Multidisciplinary Outreach Care; and
- \$500,000 over two years for Enhancing National Pest Animal and Weed Management.

The Commonwealth is also continuing to contribute to infrastructure projects in the ACT through the *National Partnership Agreement on Land Transport Projects*, with \$366.3 million being provided for road infrastructure projects under the Road Investment Component from 2021-22 to 2025-26, and \$132.5 million being provided for the Rail Investment Component for Light Rail Stage 2A.

There were also a range of commitments made by the new Commonwealth Government in relation to the ACT during the 2022 election campaign that are not yet reflected in the revenue estimates. These commitments include Commonwealth funding for: upgrades to Canberra Schools, construction of a Youth Foyer at the Woden Canberra Institute of Technology campus; the revitalisation of the Gorman House Arts Centre; and improvements to Canberra's inner-north bicycle route.

Financial Assistance Grants to Local Government

Financial Assistance Grants are paid to state governments for provision to local governments according to distributions within each jurisdiction as recommended by states' local government grants commissions. Financial Assistance Grants to local governments are untied and can be spent according to local government priorities.

As the ACT Government has responsibility for both state and municipal functions, Financial Assistance Grants are paid directly to the ACT to be spent according to our budget priorities. The ACT receives approximately two per cent of the Financial Assistance Grants pool.

The 2022-23 Budget includes an increase of \$12.8 million in Financial Assistance Grants funding to the ACT from 2021-22 to 2024-25, due to higher indexation from CPI and population growth. There was also a payment timing impact with a bring-forward of Financial Assistance Grants funding from 2022-23 into 2021-22.

Total Commonwealth funding to the ACT

Commonwealth Government transfers to the ACT are presented in Table 3.6.2 below. The funding amounts and timing may not match those published in the 2022-23 Commonwealth Budget as the ACT includes additional estimates that are likely to be received, based on details known about each payment.

Table 3.6.2: Total Commonwealth funding to the ACT

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
General Revenue Assistance					
ACT Municipal Services	41,700	42,409	43,045	43,734	44,390
GST Revenue	1,497,062	1,686,970	1,696,686	1,780,739	1,870,238
Total General Revenue Assistance	1,538,762	1,729,379	1,739,731	1,824,473	1,914,628
Health Services					
National Health Reform Funding – Hospital Services ¹	472,568	503,285	535,999	570,839	607,944
National Health Reform Funding – Public Health ¹	7,976	8,494	9,046	9,634	10,260
COVID-19 public health response ^{1,2}	87,198	20,132	0	0	0
Total National Health Reform Funding	567,742	531,911	545,045	580,473	618,204
Health Services NPPs					
Access to HIV Treatment	0	0	110	110	110
Comprehensive palliative care in aged care ³	185	194	203	0	0

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
Expansion of the BreastScreen Australia Programme	252	0	0	0	0
Japanese encephalitis virus mosquito surveillance and control	2	0	0	0	0
Multidisciplinary outreach care	0	1,287	1,287	0	0
National bowel cancer screening program – Participant follow-up function	195	174	184	0	0
National Mental Health and Suicide Prevention Agreement ⁴	875	1,810	2,448	3,714	3,450
OzFoodNet	152	155	157	0	0
Reducing stillbirths	0	~	~	~	0
Specialist dementia care	264	268	272	0	0
Surge Capacity for BreastScreen Australia	0	~	~	0	0
Vaccine-preventable diseases surveillance	45	45	46	0	0
Health Infrastructure NPPs					
Community Health, Hospitals and Infrastructure projects	6,480	8,800	4,000	0	0
Other Health NPPs					
Australian Capital Territory Asbestos Disease Assistance Scheme ⁵	8,000	0	0	0	0
Encouraging more clinical trials in Australia	~	~	~	~	0
Essential vaccines	673	685	684	692	0
Health Innovation Fund	838	0	0	0	0
Lymphoedema garments and allied health therapy program	34	34	34	0	0
Public dental services for adults	1,017	986	0	0	0
Total Health Services NPPs	19,012	14,438	9,425	4,516	3,560
Total Health Services Funding	586,754	546,349	554,470	584,989	621,764
Education					
Quality Schools funding – Government	143,798	155,471	166,105	174,074	182,545
Quality Schools funding – Non-Government	245,092	252,310	260,436	266,788	272,458
Quality Schools funding – Non-Government – GST component	24,509	25,231	26,044	26,679	27,246
Total Quality Schools Funding	413,399	433,012	452,585	467,541	482,249
Education NPPs					
MoneySmart Teaching	140	0	0	0	0
National school chaplaincy program ⁶	977	977	977	977	977
Preschool Reform Agreement ⁷	3,396	9,654	9,654	9,654	6,758
Universal Access to Early Childhood Education	6,758	0	0	0	0
Total Education NPPs	11,271	10,631	10,631	10,631	7,735
Total Education	424,670	443,643	463,216	478,172	489,984

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
Skills and Workforce Development					
National Agreement for Skills and Workforce Development	26,494	26,925	27,257	27,685	28,154
Skills and Workforce Development NPPs					
JobTrainer	5,025	3,800	374	0	0
Revitalising TAFE campuses across Australia	608	0	0	0	0
Skilling Australians Fund	3,701	0	0	0	0
Total Skills and Workforce Development NPPs	9,334	3,800	374	0	0
Total Skills and Workforce Development	35,828	30,725	27,631	27,685	28,154
Community Services					
Community Services NPPs					
Electronic monitoring of family, domestic and sexual violence offenders	0	~	~	~	~
Family, Domestic and Sexual Violence Responses ⁸	2,108	2,108	0	0	0
Payments from the DisabilityCare Australia Fund	17,424	18,034	18,665	0	0
Total Community Services	19,532	20,142	18,665	0	0
Affordable Housing					
National Housing and Homelessness Agreement	27,595	28,031	26,390	26,789	27,219
Affordable Housing NPPs					
HomeBuilder ⁹	19,420	30,280	0	0	0
Social Impact Investments					
Vulnerable priority groups	~	0	0	0	0
Youth at risk of homelessness	~	~	~	~	~
Total Affordable Housing NPPs	19,420	30,280	0	0	0
Total Affordable Housing	47,015	58,311	26,390	26,789	27,219
Infrastructure¹⁰					
Infrastructure Investment Program					
Black Spot Projects	2,244	2,422	2,258	2,258	1,529
Bridges Renewal Program	2,440	1,151	1,188	917	1,698
Heavy Vehicle Safety and Productivity	692	436	2,139	1,459	1,164
Rail Investment Component	20,000	20,000	52,500	10,000	30,000
Road Investment Component	24,182	82,682	134,447	66,314	58,631
Roads to Recovery	10,213	7,969	5,725	7,969	7,969
Urban Congestion Fund	0	0	0	0	236
Other Infrastructure Payments					
Local Roads Community Infrastructure Program	13,071	10,335	5,578	3,984	0
National Water Grid Fund	~	~	~	~	~
Total Infrastructure	72,842	124,995	203,835	92,901	101,227

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
Environment					
Environment NPPs					
Australian Fire Danger Rating System	~	0	0	0	0
Black Summer Bushfire Recovery Grants Program	0	3,291	3,291	0	0
Building resilience to manage fruit fly	~	~	~	0	0
Construction Softwood Transport Assistance	~	~	0	0	0
Disaster Risk Reduction	1,044	1,044	1,044	0	0
Enhancing National Pest Animal and Weed Management ⁸	250	250	~	~	0
Environmental Assessment Systems Upgrade	300	0	0	0	0
Fishing and Camping Facilities Program	222	0	0	0	0
<i>Future Drought Fund</i>					
Farm business resilience	~	~	~	0	0
Regional drought resilience planning	~	~	~	0	0
Implementing Water Reform in the Murray Darling Basin ⁸	878	659	878	0	0
National Flood Mitigation Infrastructure Program ¹¹	3,340	0	2,864	2,864	0
National Forestry Industry Plan	173	0	0	0	0
National Plant Health Surveillance Program	31	31	31	31	0
On-farm Emergency Water Infrastructure Rebate	9	0	0	0	0
<i>Recycling Modernisation Fund</i>					
Plastics technology stream	0	~	~	~	~
Recycling Infrastructure	4,500	1,000	3,000	2,000	0
Support Plantation Establishment	0	~	~	~	~
Supporting farmers to maximise farm gate output through traceability and on-farm biosecurity	0	~	~	~	0
Sustainable rural water use and infrastructure program ¹²	369	0	21,000	21,000	21,000
Transforming Digital Environmental Assessments	0	~	~	~	0
<i>Water for the Environment Special Account</i>					
Off-farm Efficiency Program	~	~	~	0	0
Water Efficiency Program	300	0	0	0	0
Total Environment	11,416	6,275	32,108	25,895	21,000
Contingent Payments					
Disaster recovery funding arrangements	2,486	0	0	0	0
Hepatitis C settlement fund	~	~	~	~	~
Total Contingent Payments	2,486	0	0	0	0

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
Other Payments					
Other NPPs					
Additional funding for Legal Aid Commissions to support court reform	~	~	0	0	0
Commonwealth High Risk Terrorist Offender Regime	0	~	0	0	0
<i>Countering Violent Extremism initiatives</i>					
High Risk Extremist De-radicalisation Program	~	~	~	~	0
Living Safe Together Intervention Program	189	378	378	378	0
Family Law Information Sharing	423	~	~	~	0
<i>National Legal Assistance Partnership</i>					
Aboriginal and Torres Strait Islander Legal Services	782	799	815	832	0
Community legal centres	1,280	1,294	1,310	1,325	0
Coronial inquiries and expensive and complex cases	11	22	22	23	0
Domestic Violence Units and Health Justice partnerships	608	617	627	637	0
Family advocacy and support services	753	897	916	937	0
Frontline support to address workplace sexual harassment	208	208	212	215	0
Increased legal assistance for vulnerable women	688	696	705	714	0
Justice Policy Partnerships	90	91	92	0	0
Legal aid commissions	5,260	5,323	5,391	5,459	0
Legal assistance family law pilot program	0	0	0	0	0
State and territory legal assistance administration	401	405	408	417	0
Supporting increased child sexual abuse prosecutions	30	31	31	32	0
Supporting people with mental health conditions access the justice system	269	278	278	278	0
Preventing harm in Australian prisons and other places of detention (OPCAT) ⁷	72	72	0	0	0
Provision of Fire Services ¹³	5,717	5,717	5,717	5,717	5,717
Specialised and trauma-informed legal services for victim-survivors of sexual assault	0	0	~	~	~
Support for businesses impacted by COVID-19 lockdowns ¹⁴	164,840	0	0	0	0
Total Other NPPs	181,621	16,828	16,902	16,964	5,717

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
Financial assistance to local governments – Financial Assistance Grant program	75,314	15,136	62,849	65,335	67,898
Total Other Payments	256,935	31,964	79,751	82,299	73,615
Total Commonwealth Government Funding	2,996,240	2,991,783	3,145,797	3,143,203	3,277,591

Source: The 2022-23 Commonwealth Budget and CMTEDD estimates.

Notes: The symbol ~ indicates that the allocation has not yet been determined by the Commonwealth.

- The estimates for National Health Reform funding included in the 2022-23 Budget do not match the 2022-23 Commonwealth Budget estimates, as the Commonwealth's estimates are based on different activity levels than those forecast by the ACT Government.
- The 2022-23 estimates for the *COVID-19 public health response* are for the three months to 30 September 2022 only. This agreement was recently extended to 31 December 2022; however, it is not possible to quantify the associated revenue at this point in time.
- Comprehensive palliative care in aged care* was previously called *Comprehensive palliative care across the life course*.
- Estimates for this agreement are based on the Commonwealth payments to the ACT under the *Bilateral Schedule on Mental Health and Suicide Prevention: Australian Capital Territory*, which was signed by the ACT on 25 March 2022.
- The *Australian Capital Territory Asbestos Disease Assistance Scheme* was classified under "Other NPPs" in the 2021-22 ACT Budget.
- The 2022-23 Commonwealth Budget did not include state and territory allocations for the *National School Chaplaincy Program* from the 2022-23 financial year onwards, as these allocations are yet to be determined. The 2022-23 ACT Budget estimates assume that annual funding for this agreement from 2022-23 onwards will remain at the 2021-22 funding level.
- Preschool Reform Agreement* was previously called *Guaranteeing Universal Access to Preschool*.
- 2022-23 ACT Budget estimates are based on a signed agreement with the Commonwealth.
- The 2022-23 Commonwealth Budget did not include any state or territory allocations for the *National Partnership on HomeBuilder*. The 2022-23 ACT Budget estimates for this agreement in 2021-22 and 2022-23 are based on the projected value of applications expected to be approved under this program.
- The 2022-23 ACT Budget includes a capital works delivery provision to flatten the profile of the Commonwealth infrastructure grants to reflect a more realistic timeframe for meeting milestones and delivering projects. The funding estimates reflected in the table do not include the effect of this provision.
- The 2022-23 Commonwealth Budget did not include a funding allocation for the ACT for the *National Flood Mitigation Infrastructure Program* in 2023-24 and 2024-25. The 2022-23 ACT Budget estimates for this program are based on subsequent correspondence from the Commonwealth advising of ACT projects that have been approved for Commonwealth funding under this program.
- The 2022-23 Budget estimates for the *Sustainable Rural Water Use Program* are based on Commonwealth revenues and expected expenditure. Negotiations between the Commonwealth and the ACT for the delivery and transfer of water entitlements under the Murray-Darling Basin Water Efficiency Program are still ongoing.
- The 2022-23 Commonwealth Budget has not for publication (nfp) from the 2022-23 financial year onwards for the *Provision of Fire Services* agreement, as the current agreement expires in 2021-22 and a new agreement is currently under negotiation. The estimates included in the 2022-23 ACT Budget assume that funding for this agreement from 2022-23 onwards will remain at 2021-22 levels.
- Support for businesses impacted by COVID-19 lockdowns was reported under two separate lines in the 2021-22 Budget: *COVID-19 Business Support Grants* and the *Tourism, Accommodation Provider and Hospitality Industry Support Fund*.



3.7 INFRASTRUCTURE AND CAPITAL

The 2022-23 Infrastructure Investment Program

The 2022-23 Infrastructure Investment Program continues to focus on delivering the services that our community needs today and into the future to support our growing population and making a strong contribution to our target of 250,000 jobs in the ACT economy by 2025.

Through our Infrastructure Investment Program, we are allocating \$1.4 billion for infrastructure in 2022-23 and more than \$7 billion over the five years to 2026-27.

The 2022-23 ACT Infrastructure Investment Program (IIP) includes \$5.4 billion of investment in the General Government Sector (GGS) and \$1.6 billion of investment by Public Trading Enterprises (PTEs) over the five years to 2026-27.

Our program is framed over a five-year period, one year longer than the standard four-year budget cycle. This reflects the longer timeframe involved in planning and delivering large and complex projects. It also reflects the extended planning and delivery environment associated with increased economic uncertainties, geopolitical risks and supply chain disruptions.

In this environment, now is the time to plan for the future by refreshing the Territory's Infrastructure Plan. In doing so, the ACT Government will work with our Commonwealth colleagues and community stakeholders on shared priorities, with a focus on a diversified program of asset acquisition, construction and digital projects.

A varied and diverse Infrastructure Investment Program to support the needs of Canberrans and local jobs

The Government's infrastructure investment strategy is geared towards economic growth and diversification, and improved standards of living for all.

The program includes ambitious and complex projects – such as the Canberra Hospital Expansion, building extending light rail and the Canberra Theatre Expansion – that will become landmark infrastructure delivering benefits to the Canberra community for decades to come.

The IIP also includes transformative projects to transition Canberra to a net-zero emissions future by 2045. Through a range of projects, the IIP supports the roll-out of electric buses, the uptake of electric vehicles, the transition away from gas in government assets and by vulnerable households, and progresses work to reduce emissions from waste. These projects are supported by broader climate action policies that shape how infrastructure is planned and delivered. For example, the *Suburban Land Agency Sustainability Strategy 2021-25* that sets ambitious social and environmental sustainability targets for land release and development, and the *Plastic Reduction Act 2021* must be considered in capital works planning, procurement and delivery processes. The Government is committed to further embedding circular economy principles which will continue to shape the evolution of infrastructure delivery in the Territory.

The IIP also includes many other projects – such as providing schools for the growing community, growing and renewing more public housing and building essential community and safety infrastructure. These projects range in size, scope and area of focus but are all integral in supporting the wellbeing of Canberrans now and into the future. As demonstrated by the Fast-track Infrastructure Program, which was a key element of the Government’s COVID-19 business support response, smaller-scale projects are particularly suited to local industry participation.

Projects funded under the GGS Capital Works Program are identified, assessed and developed in accordance with the [Capital Framework](#)¹. A review of the *Capital Framework* is nearing completion and the updated framework will be implemented for the 2023-24 Budget. Revisions include updated templates and guidance to incorporate current industry trends and government policies (including use of the Wellbeing Framework and consideration of environmental and sustainability policies), specific guidance for project programs and precincts, enhanced guidance for measuring project development and implementation, and enhanced alignment to Commonwealth Government programs and frameworks.

The development and delivery of IIP projects is also guided by government policies such as the *Secure Local Jobs Code* that focusses on ensuring businesses do the right thing by treating employees fairly, the *Industry Coordination Project* that aims to increase women’s participation in the construction industry, and the *Canberra Region Local Industry Participation Policy* and the *Aboriginal and Torres Strait Islander Procurement Policy*.

This approach further ensures that infrastructure projects support and promote local industry participation and do so in an equitable and inclusive way.

Infrastructure investment priorities

Our capital investment priorities continue to be health and community infrastructure, education, public transport, public housing, urban renewal and climate action. These priorities are mutually-reinforcing elements of an integrated growth strategy to enhance the wellbeing of Canberrans.

Over the five years to 2026-27 we will spend:

- **More than \$820 million on health infrastructure**
- **More than \$1 billion on education and skills infrastructure**
- **More than \$1.4 billion for roads, public transport and active travel**
- **More than \$600 million on housing infrastructure**
- **More than \$300 million on climate action and environmental infrastructure**

¹<https://apps.treasury.act.gov.au/infrastructure-finance-and-reform/the-capital-framework>

Major projects over the next five years include:

- implementing the master plan and expansion of the Canberra Hospital; expanding the Centenary Hospital for Women and Children; planning for future hospital infrastructure in Canberra's north; establishing a new Cancer Research Centre; and delivering a new Digital Health Record;
- extending light rail;
- delivering the new CIT Woden Campus and Public Transport Interchange;
- expanding Margaret Hendry Primary School, construction of new primary schools in Strathnairn and Whitlam, construction of new high schools in Taylor and Kenny and modernising Garran and Majura Primary Schools;
- continuing the Public Housing Growth and Renewal Program, which will deliver 400 additional public housing properties and renew 1,000 properties – as of May 2022, 219 dwellings had been constructed, 93 dwellings were acquired, 101 land sites purchased, and 343 end-of-use public housing properties sold under the Program;
- upgrading public housing properties as part of the \$137 million Securing High Quality Public Housing initiative;
- completing construction of Common Ground 2 in Dickson and planning for a build-to-rent affordable rental project co-located with Common Ground Gungahlin;
- delivering a purpose-built facility with the Gugan Gulwan Youth Aboriginal Corporation on their current premises in Wanniasa;
- completing John Gorton Drive in Molonglo, duplicating William Hovell Drive, and upgrading the Monaro Highway and roads in south-west Canberra;
- undertaking active travel investments across Canberra to improve opportunities for walking and cycling and improvements to playgrounds, dog parks, local shopping centres, sport and recreation facilities and other community infrastructure;
- delivering the Home of Football at Throsby, improving parking at Stromlo Forest Park and constructing a community recreation park in Casey;
- delivering the Big Canberra Battery, growing our urban forest, expanding Healthy Waterways and enhancing the Franklin Nature Reserve;
- developing an Acton Station for ACT Fire & Rescue, improvements to accommodation at the Gungahlin Joint Emergency Services Centre and vehicle replacements for the Emergency Services Agency; and
- upgrading the Tuggeranong Arts Centre Theatre, Canberra Museum and Gallery and the North Building and Lanyon Homestead.

Components of the 2022-23 Infrastructure Investment Program

Investment in the GGS is funded through the budget and delivered by portfolio agencies.

PTEs undertake capital works to deliver specific services drawing on their own sources of revenue or borrowings and supplementation from the budget. The five PTEs are the Cemeteries and Crematoria Authority, City Renewal Authority, Housing ACT, Icon Water and Suburban Land Agency.

A summary of the ACT Infrastructure Investment Program over the next five years is provided in Table 3.7.1 below. More detailed information on the investment programs by the GGS and PTEs is provided in the subsequent sections.

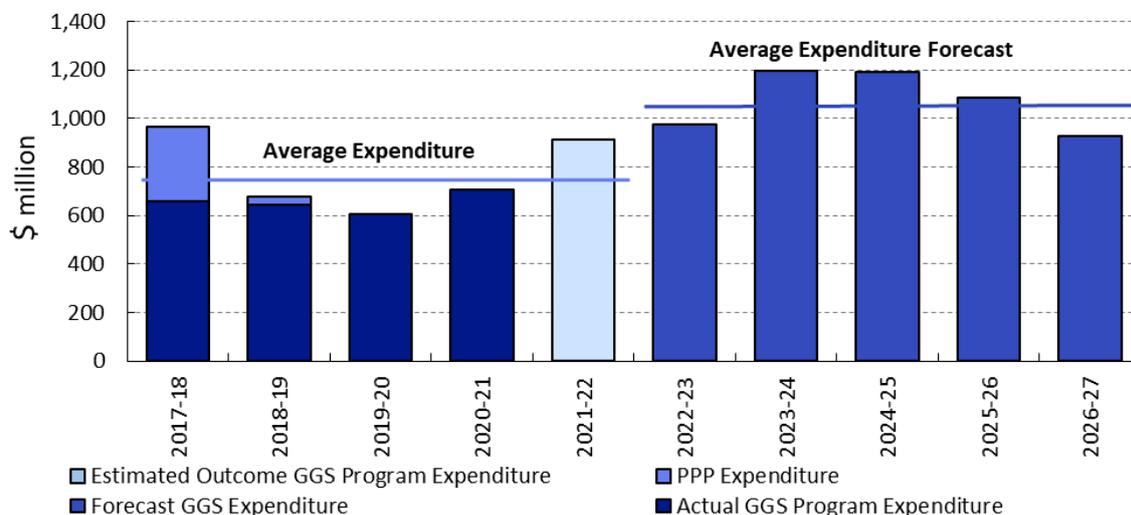
Table 3.7.1: Summary of the 2022-23 Infrastructure Investment Program – 5 years to 2026-27

	2022-23 Allocation \$'000	2023-24 Allocation \$'000	2024-25 Allocation \$'000	2025-26 Allocation \$'000	2026-27 Allocation \$'000	Total Investment \$'000
New capital works						
Early planning	1,150	0	0	0	0	1,150
Design	1,391	1,042	0	0	0	2,433
Construction	123,797	177,975	146,136	76,403	7,390	531,701
ICT	41,354	15,554	6,177	771	0	63,856
ICT early planning	0	0	0	0	0	0
PP+E	66,544	9,091	10,863	810	0	87,308
Capital grants	3,170	528	0	0	0	3,698
Total new works	237,406	204,190	163,176	77,984	7,390	690,146
Total Better Infrastructure Fund	77,564	76,112	79,857	81,702	74,905	390,140
Works-in-progress						
Early planning	4,937	399	28	0	0	5,364
Design	17,234	5,300	0	0	0	22,534
Construction	714,591	917,746	395,413	94,958	4,238	2,126,946
ICT	79,750	49,652	36,316	17,978	11,929	195,625
PP+E	52,167	44,182	31,523	6,966	6,466	141,304
Capital grants	23,211	16,877	0	0	0	40,088
Total works-in-progress	891,890	1,034,156	463,280	119,902	22,633	2,531,861
Central capital provisions						
Early planning	0	0	0	0	0	0
Design	0	1,000	7,500	14,500	0	23,000
Construction	61,405	313,985	421,091	383,365	524,680	1,704,526
ICT	0	0	0	0	0	0
PP+E	1,120	9,982	7,832	7,359	0	26,293
Capital grants	5,000	5,000	0	0	0	10,000
Total central capital provisions	67,525	329,967	436,423	405,224	524,680	1,763,819
Total GGS Capital Works Program (including provisions)	1,274,385	1,644,425	1,142,736	684,812	629,608	5,375,966
Capital delivery provision	-300,000	-450,000	50,000	400,000	300,000	0
Total GGS Capital Works Program forecast (including provisions)	974,385	1,194,425	1,192,736	1,084,812	929,608	5,375,966
Public Trading Enterprises (PTE)	384,608	459,729	334,624	287,748	181,022	1,647,731
TOTAL GGS and PTE Infrastructure Investment Program forecast	1,358,993	1,654,154	1,527,360	1,372,560	1,110,630	7,023,697
Capital works reserve (GGS) and offsetting provision	250,000	-250,000	0	0	0	0

General Government Sector Capital Works Program

The GGS Capital Works Program is forecast to be \$974 million in 2022-23 and \$5.4 billion over the five years to 2026-27.

Figure 3.7.1: GGS Capital Works Program – 5-year period comparison



The significant step up in forecast expenditure over the five years to 2026-27 compared to actual expenditure for the five years to 2021-22 includes increases in funding of:

- \$585 million for health, education and skills infrastructure;
- \$500 million for transport investments; and
- \$200 million for city services infrastructure.

GGS Capital Works Program components

The GGS Capital Works Program has five main components.

- **New capital works:** \$237 million in 2022-23 and \$690 million over the five years to 2026-27. The program includes new projects approved in the 2022-23 Budget for physical infrastructure and ICT.
- **Better Infrastructure Fund (BIF):** \$78 million in 2022-23 and \$390 million over the five years to 2026-27. BIF provides funds for improvements to existing infrastructure which extend the useful life, or improve the delivery capacity of existing physical assets.
- **Works-in-progress:** \$892 million in 2022-23 and \$2.5 billion over the five years to 2026-27 for projects that commenced prior to 2022-23.
- **Central capital provisions:** \$1.8 billion over the five years to 2026-27. These provisions set aside funding for significant capital works projects for which budgets or other details are yet to be settled, or which are commercially sensitive. Provisioned funding is allocated once conditions are met, generally as a result of the approval of business cases, provision of other information, or following the conclusion of tender processes in the case of commercial sensitivities.

- **Capital delivery provision:** net zero impact over the five years to 2026-27. The capital delivery provision (CDP) is applied to the total GGS Capital Works Program including provisions. The CDP indicatively re-profiles approximately 24 per cent of the investment program in 2022-23 and 27 per cent of the program in 2023-24 into the last three years of the program. This indicative re-profiling provides forecasts of program expenditure based on historical trends and does not affect the delivery of any individual project.

The Budget also provides for a **capital works reserve** which allows agencies with multi-year budget allocations for capital works to draw on future funding if an agency's capital expenditure in a budget year exceeds that agency's allocation for that year. For example, if projects are delivered more quickly than scheduled, directorates can access future years' funding through the reserve to maintain the pace of progress, while staying within the overall project cost envelope.

Funds available under the capital works reserve are not included in the GGS Infrastructure Investment Program until they are drawn by agencies. The amount available from the reserve in 2022-23 is \$250 million and unused reserve funding lapses at the end of the financial year.

New capital initiatives in the 2022-23 budget year are outlined in Chapter 3.2 – Investing in the Wellbeing of Canberrans.

Appendices B and C provide information on projects in the 2022-23 Better Infrastructure Fund and works-in-progress respectively.

More detailed information on the Capital Works Program in the General Government Sector can be found at <https://www.treasury.act.gov.au/budget/budget-2022-23/budget-papers/>.

Program by agency

The GGS Capital Works Program is delivered by budget-funded agencies. Table 3.7.2 below shows the program for each agency for the five years to 2026-27. The central capital provisions are held by ACT Treasury until they are allocated to the delivery agencies.

Table 3.7.2: Summary of GGS Capital Works Program by agency

	2022-23 Allocation \$'000	2023-24 Allocation \$'000	2024-25 Allocation \$'000	2025-26 Allocation \$'000	2026-27 Allocation \$'000	Total Investment \$'000
ACT Electoral Commission						
New capital works	0	0	0	0	0	0
Better Infrastructure Fund	0	0	0	0	0	0
Works-in-progress	608	0	0	0	0	608
Total	608	0	0	0	0	608
ACT Health Directorate						
New capital works	33,165	30,827	21,358	1,550	0	86,900
Better Infrastructure Fund	1,432	1,468	1,505	1,581	1,581	7,567
Works-in-progress	70,701	30,859	5,009	0	0	106,569
Total	105,298	63,154	27,872	3,131	1,581	201,036
Canberra Health Services						
New capital works	19,181	10,750	9,627	0	0	39,558
Better Infrastructure Fund	4,457	4,434	4,545	4,658	4,774	22,868
Works-in-progress	56,482	30,028	0	0	0	86,510
Total	80,120	45,212	14,172	4,658	4,774	148,936
Canberra Institute of Technology						
New capital works	0	0	0	0	0	0
Better Infrastructure Fund	2,990	3,064	3,141	3,220	3,300	15,715
Works-in-progress	2,040	2,040	2,040	1,257	1,257	8,634
Total	5,030	5,104	5,181	4,477	4,557	24,349
Chief Minister, Treasury and Economic Development Directorate						
New capital works	19,946	21,484	5,619	1,538	0	48,587
Better Infrastructure Fund	8,175	8,603	8,818	9,038	9,265	43,899
Works-in-progress	56,249	48,496	13,181	6,840	0	124,766
Total	84,370	78,583	27,618	17,416	9,265	217,252
City Renewal Authority						
New capital works	0	0	0	0	0	0
Better Infrastructure Fund	0	0	0	0	0	0
Works-in-progress	7,101	12,516	0	0	0	19,617
Total	7,101	12,516	0	0	0	19,617
Community Services Directorate						
New capital works	3,016	14,176	2,800	0	0	19,992
Better Infrastructure Fund	448	459	470	482	493	2,352
Works-in-progress	1,522	0	0	0	0	1,522
Total	4,986	14,635	3,270	482	493	23,866
Cultural Facilities Corporation						
New capital works	2,078	1,060	163	43	0	3,344
Better Infrastructure Fund	450	461	473	497	12	1,893
Works-in-progress	2,200	1,615	0	0	0	3,815
Total	4,728	3,136	636	540	12	9,052

	2022-23 Allocation \$'000	2023-24 Allocation \$'000	2024-25 Allocation \$'000	2025-26 Allocation \$'000	2026-27 Allocation \$'000	Total Investment \$'000
Education Directorate						
New capital works	18,467	70,755	110,325	74,853	7,390	281,790
Better Infrastructure Fund	25,947	22,181	25,850	26,294	18,652	118,924
Works-in-progress	125,377	151,138	18,104	11,638	11,929	318,186
Total	169,791	244,074	154,279	112,785	37,971	718,900
Environment, Planning and Sustainable Development Directorate						
New capital works	12,890	4,783	0	0	0	17,673
Better Infrastructure Fund	2,334	1,131	1,160	1,189	1,218	7,032
Works-in-progress	12,307	540	94	0	0	12,941
Total	27,531	6,454	1,254	1,189	1,218	37,646
Housing ACT						
New capital works	87,548	0	0	0	0	87,548
Better Infrastructure Fund	0	0	0	0	0	0
Works-in-progress	23,200	13,582	5,000	5,000	5,000	51,782
Total	110,748	13,582	5,000	5,000	5,000	139,330
Justice and Community Safety Directorate						
New capital works	3,529	2,734	175	0	0	6,438
Better Infrastructure Fund	2,003	2,053	2,104	2,157	2,211	10,528
Works-in-progress	37,024	43,677	13,551	3,111	3,111	100,474
Total	42,556	48,464	15,830	5,268	5,322	117,440
Major Projects Canberra						
New capital works	10,478	17,969	0	0	0	28,447
Better Infrastructure Fund	3,690	3,941	4,114	4,217	4,322	20,284
Works-in-progress	332,209	367,350	173,860	0	0	873,419
Total	346,377	389,260	177,974	4,217	4,322	922,150
Office of the Legislative Assembly						
New capital works	0	0	0	0	0	0
Better Infrastructure Fund	299	307	315	323	330	1,574
Works-in-progress	35	35	35	35	35	175
Total	334	342	350	358	365	1,749
Transport Canberra and City Services Directorate						
New capital works	27,108	29,652	13,109	0	0	69,869
Better Infrastructure Fund	25,339	28,010	27,362	28,046	28,747	137,504
Works-in-progress	164,835	332,280	232,406	92,021	1,301	822,843
Total	217,282	389,942	272,877	120,067	30,048	1,030,216
Total all Agencies						
New capital works	237,406	204,190	163,176	77,984	7,390	690,146
Better Infrastructure Fund	77,564	76,112	79,857	81,702	74,905	390,140
Works-in-progress	891,890	1,034,156	463,280	119,902	22,633	2,531,861
TOTAL AGENCY CAPITAL WORKS PROGRAMS	1,206,860	1,314,458	706,313	279,588	104,928	3,612,147

	2022-23 Allocation \$'000	2023-24 Allocation \$'000	2024-25 Allocation \$'000	2025-26 Allocation \$'000	2026-27 Allocation \$'000	Total Investment \$'000
Central capital provisions						
New capital works	5,512	54,677	96,328	83,397	13,000	252,914
Better Infrastructure Fund	0	0	0	0	0	0
Works-in-progress	62,013	275,290	340,095	321,827	511,680	1,510,905
Total central capital provisions	67,525	329,967	436,423	405,224	524,680	1,763,819
TOTAL CAPITAL WORKS PROGRAM	1,274,385	1,644,425	1,142,736	684,812	629,608	5,375,966

Public Trading Enterprises' capital works programs

Public Trading Enterprises (PTEs) are expected to undertake new works totalling \$385 million in 2022-23 and \$1.6 billion over the five years to 2026-27 within their own capital works programs. This investment is funded outside of the budget through each entity's own-source revenue or borrowings.

The investment detailed in Table 3.7.3 below does not include 2026-27 forward programs for the City Renewal Authority, Housing ACT and Suburban Land Agency as their capital works programs are determined on a rolling four-year cycle.

Table 3.7.3: Summary of Public Trading Enterprises' capital works programs to 2026-27

Agency	2022-23 Financing \$'000	2023-24 Financing \$'000	2024-25 Financing \$'000	2025-26 Financing \$'000	2026-27 Financing \$'000	Total Financing \$'000
Cemeteries and Crematoria Authority	1,858	2,753	151	101	101	4,964
City Renewal Authority	2,304	2,251	305	60	0	4,920
Housing ACT	163,874	157,963	49,891	32,043	0	403,771
Icon Water	88,118	140,980	119,395	118,803	180,921	648,217
Suburban Land Agency	128,454	155,782	164,882	136,741	0	585,859
Total PTEs	384,608	459,729	334,624	287,748	181,022	1,647,731

Cemeteries and Crematoria Authority

The Cemeteries and Crematoria Authority manages three cemeteries and a crematorium in the ACT. The forward capital works program for the Authority includes maintaining existing facilities and replacing plant and equipment when items have reached end of life.

The Authority will be constructing a memorial hall and condolence lounge at Gungahlin Memorial Park to be able to offer full service for both burials and cremations. A full-service offering provides the facilities to the community to hold a memorial service, burial, cremation and wake in the one location.

City Renewal Authority

The City Renewal Authority is responsible for managing the revitalisation of central Canberra to make it a great place to live, work, explore and enjoy. The Authority is doing this by leading the transformation of the City Renewal Precinct, which spans Dickson, Northbourne Avenue, Haig Park, Braddon, the city centre and Acton Waterfront.

In partnership with the community, private sector, and other government agencies, the Authority is creating a vital and prosperous city heart through the delivery of a people-centred, design-led and sustainable urban renewal program.

In addition to leading urban renewal within the precinct, the Authority sells government-owned leases in the precinct on behalf of the Territory in accordance with the Government's Indicative Land Release Program (ILRP) and is actively undertaking design and development planning.

Housing ACT

Housing ACT undertakes an annual program of building and purchasing properties, as well as upgrading and refurbishing homes to ensure they meet the needs of tenants. In the 2022-23 Budget, Housing ACT will receive budget funding for a range of projects including the Growing and Renewing Public Housing Program, the construction of Common Ground Dickson, the Vulnerable Household Energy Support Scheme, the repair and maintenance of the public housing portfolio, as well as other smaller but essential capital works that assist in the provision of appropriate housing. These budget-funded works are reflected in the GGS Capital Works Program.

In addition, Housing ACT will self-fund the majority of the Growing and Renewing Public Housing Program. This self-funded expenditure is reported under the PTE Capital Works Program.

Since the Growth and Renewal Program was established in 2019-20, Housing ACT has:

- constructed over 219 new dwellings;
- acquired 93 dwellings;
- purchased 101 land sites; and
- sold 343 end-of-use public housing properties.

In 2022-23, the construction work-in-progress schedule will include work on over 700 dwellings and the delivery of 193 completed dwellings.

Icon Water Limited

Icon Water Limited is an unlisted public company owned by the ACT Government. Icon Water owns and manages the assets used to provide water and sewerage services to the ACT and deliver bulk water to Queanbeyan. Icon Water also has an investment in the ACT's energy distributor (Evoenergy) and retailer (ActewAGL), through a joint venture of two partnerships with Jemena Limited and AGL Energy Limited.

The 2022-23 Budget includes funding for Icon Water to replace the non-potable water pipeline to Uriarra Village. As this project is budget-funded, it is reflected in the GGS Capital Works Program.

In addition, Icon Water will self-fund a range of capital works projects over the next five years. This self-funded expenditure is reported under the PTE Capital Works Program. Key highlights within the capital program planned over the five forward years (2022-23 to 2026-27) include:

- ongoing upgrades to the Lower Molonglo Water Quality Control Centre. These include augmenting the capacity of the secondary treatment process; replacing the solids treatment system; replacing electrical, instrumentation, monitoring and control system assets; and upgrading the existing non-potable water supply required for daily operational activities and emergency protection;
- increasing the capacity of the existing trunk sewer system to accommodate population growth. This includes augmenting the Belconnen trunk sewer and works within the North Canberra sewer network;

- upgrading the ventilation assets at the Fyshwick Sewage Pumping Station and augmenting the hydraulic capacity of the station to ensure alignment to ACT Government growth and planning strategies and protect the environment from wet weather events;
- planning for improvements at the Googong Water Treatment Plant to ensure the ongoing provision of safe drinking water to the community;
- replacing the Lower Red Hill reservoir and continuing the ongoing replacement programs for water meters, water mains and sewer mains; and
- continuing to modernise digital capability, implement the corporate services sourcing strategy and upgrade technology and processes.

Suburban Land Agency

The Suburban Land Agency (SLA) is the largest PTE by expenditure. The agency develops and releases residential, commercial, industrial and community land in new suburban estates and through urban renewal projects.

The SLA buys and sells land leases on behalf of the Territory to deliver a mix of public and private housing in new suburbs. Through its land release program, the SLA delivers affordable and community housing and carries out development of land in an environmentally sustainable way.

Since its establishment on 1 July 2017, the SLA has delivered land releases across Canberra. Major estate developments over the next four years include the suburbs of Jacka and Kenny in Gungahlin; Whitlam and Molonglo Stage 3 in the Molonglo Valley; Lawson, Strathnairn and Macnamara in Belconnen; and Kingston Foreshore and East Lake in Central Canberra.

The SLA will also undertake infrastructure works supporting the Molonglo Valley region including the 132 kilovolt powerline underground relocation project, the Molonglo Valley Interceptor Sewer and the Deep Creek Water Control Pond.

Further information on the forward capital works program of the SLA is provided in the Indicative Land Release Program section below.

Indicative Land Release Program

The ACT Government plans for the supply and release of land by considering factors such as forecast population changes, household composition changes, demand for land for non-residential purposes such as commercial and community uses, and the capacity to deliver key infrastructure and services cost effectively.

The Government is in the unique position of setting the strategic planning directions and shaping how our city will grow and change, as well as balancing the supply of land to meet the needs of our growing and changing city.

Each year the Government prepares and publishes an Indicative Land Release Program, available [here](#).² The program is an important mechanism through which the ACT Government delivers on the strategic directions in the ACT Planning Strategy and the Housing Strategy and is a key driver of the ACT Infrastructure Plan.

Through the 2022-23 Budget, the ACT Government is investing in infrastructure and planning initiatives that support the delivery of the Indicative Land Release Program, including:

- **Kippax Group Centre Master Plan (\$3.6 million):** Delivery of replacement playing fields and detailed design work for a new community hub and skate park will facilitate the release of Block 71 Section 51 Holt, which will deliver 80 urban infill dwellings and 19,645 square metres of commercial space.
- **Securing offset values along the Eastern Broadacre employment corridor (\$1.9 million):** Continuing the delivery of environmental biodiversity offset commitments under the Eastern Broadacre Strategic Assessment (EBSA) to support land release by maintaining the ecological assets within the Majura and Jerrabomberra Valleys.
- **Planning for a new northside green waste facility (\$8.8 million):** Relocating the existing green waste drop-off facility in West Belconnen to a new northside location will support phase two of the Ginninderry residential estate development, while at the same time retaining services for residents of Belconnen.

Several significant projects related to land release that were funded in previous budgets will also continue to be delivered throughout 2022-23, including:

- **John Gorton Drive and Molonglo River Bridge Crossing (\$178.0 million):** Detailed design and construction of the John Gorton Drive 3C extension are being progressed, including constructing a bridge across the Molonglo River. The project includes a signalised intersection which will provide access to the planned Molonglo group centre, on road cycle lanes and an off-road shared use path.
- **Constructing the William Hovell Drive duplication (\$63.3 million):** The duplication of William Hovell Drive is being extended between Drake Brockman Drive to John Gorton Drive, including a 7 kilometre dedicated off-road shared path for walking and cycling. This will support land release in Ginninderry and the Molonglo Valley by improving connectivity and reducing traffic congestion.

² <https://www.planning.act.gov.au/planning-our-city/land-release>

- **Light Rail Stage 2 and Raising London Circuit:** Works will continue on extending light rail to Commonwealth Park and planning the stage 2B extension through the Parliamentary Zone to Woden. This includes raising London Circuit by six metres to form an at-grade intersection with Commonwealth Avenue. This project will support future development opportunities within the City and future investment toward the Government's commitment to provide 70 per cent urban infill.

In addition to the strategic capital investments being made by the Government in the 2022-23 Budget to support land release activities, both the Suburban Land Agency and City Renewal Authority will also deliver significant infrastructure works through their respective capital programs. In 2022-23, the estimated combined value of capital works to be funded by these agencies is \$130.8 million, as detailed in Table 3.7.3.

Managing the Territory's assets

The Territory's asset base

The Territory's asset base is critical to the delivery of government services to the community, supporting ongoing wellbeing and productivity.

As at 30 June 2022, the Territory's physical asset base has an estimated value of \$27.2 billion, with \$17.0 billion in the General Government Sector (GGS) and \$10.2 billion in the Public Trading Enterprise (PTE) sector. Capital investment by PTEs is funded through their own-source revenue or borrowings. Along with the government sector, PTEs significantly contribute to the social and economic wellbeing of Canberrans through their investments in infrastructure.

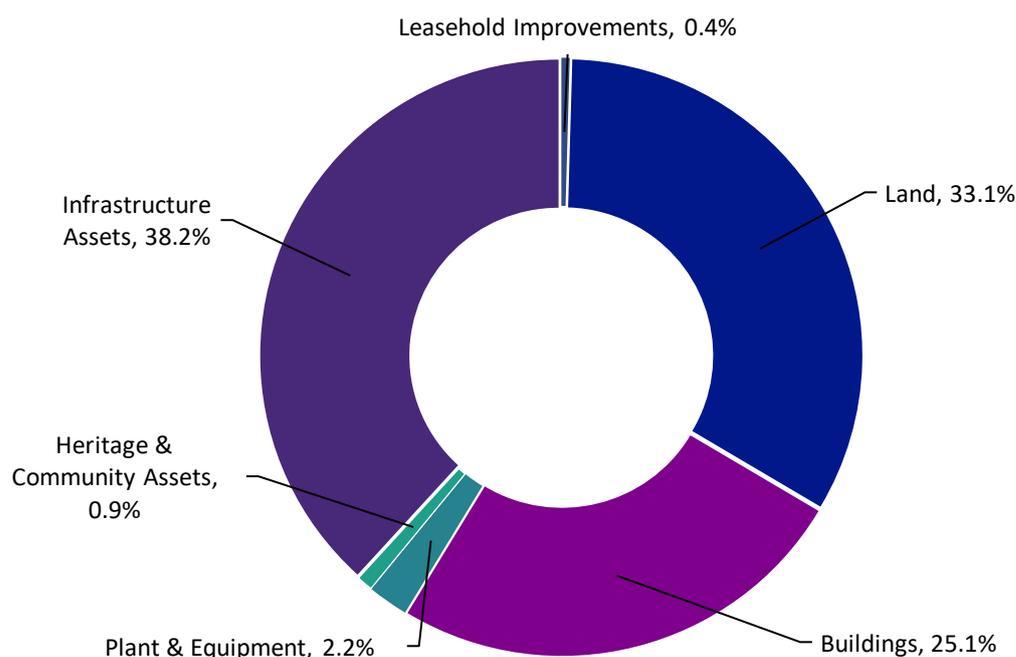
Table 3.7.4 demonstrates the forecast growth in the value of the Territory asset base to 30 June 2023, resulting from the Government's ongoing commitment to infrastructure investment.

Table 3.7.4: Total Territory physical assets – value by sector

Sector	2018 Actual \$m	2019 Actual \$m	2020 Actual \$m	2021 Estimate \$m	2022 Estimate \$m	2023 Estimate \$m
General Government Sector	14,977	16,422	16,571	17,120	17,008	17,715
Public Trading Enterprises	7,777	8,028	8,913	10,324	10,220	12,285
Total Territory	22,754	24,450	25,484	27,444	27,228	30,000

Figure 3.7.2 below shows that the Territory's physical assets largely consists of buildings (including public housing, schools and CIT campuses, community buildings, hospitals and government offices), infrastructure assets (such as water and sewerage, cycle and footpaths, roads, bridges and stormwater assets), and the land on which they are located.

Figure 3.7.2: Total 2020-21 Territory physical assets – value by asset class



Asset management

To maintain and improve the quality of the Territory's growing asset base the Government is forecast to invest more than \$1.6 billion over the five years to 2025-26 to maintain and improve the quality of the assets under management. These ongoing investments continue to support the Government's delivery of services to a modern and efficient city that has been recognised as one of the most liveable and sustainable cities in the world.

Table 3.7.5 reflects the Government's investment in improvements to the Territory's physical assets (excluding land) to 2025-26.

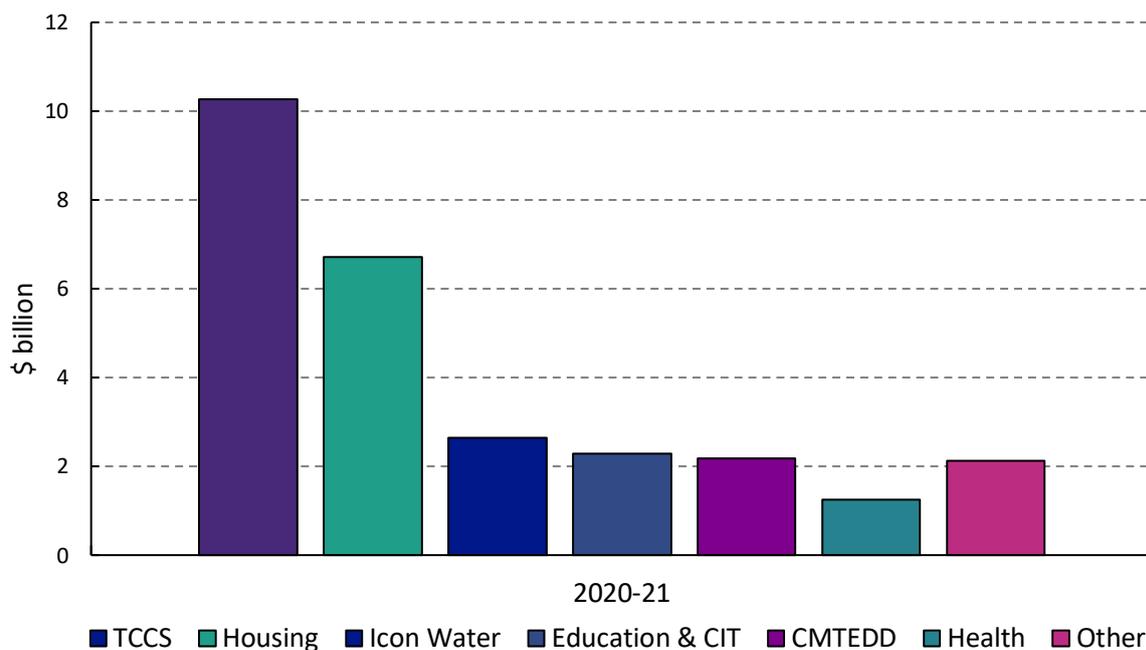
Table 3.7.5: Territory asset management investment to 2025-26

Sector	2020-21 Actual \$m	2021-22 Estimate \$m	2022-23 Estimate \$m	2023-24 Estimate \$m	2024-25 Estimate \$m	2025-26 Estimate \$m
Total Territory repairs and maintenance funding	249	229	241	245	256	269
Better Infrastructure Fund	78	97	78	76	80	82
Total asset management investment	326	326	319	321	336	351

Distribution of Territory assets across government agencies

Figure 3.7.3 shows the Territory’s asset portfolio distributed across government agencies for 2020-21. The Government’s infrastructure investment strategy improves the sustainability of the environment, while balancing the social sustainability of a growing city, and improving supports to vulnerable Canberrans through the growth and renewal of public housing assets. The Government also continues to expand assets to enable the health services system and the education sector to support our growing population.

Figure 3.7.3: Total Territory physical assets – Agency distribution



The Transport Canberra and City Services Directorate manages the largest proportion of the Territory’s assets valued at \$10.3 billion, representing 38 per cent of the asset portfolio. This includes major infrastructure such as roads, bridges, cycle and footpaths and municipal assets, such as stormwater. Residential properties managed by Housing ACT account for \$6.7 billion or 24 per cent of the Territory asset base. The Government has undertaken, and continues, a significant program of public housing renewal to expand, modernise and improve the efficiency of its social housing services to meet the needs of vulnerable Canberrans.

Other major components of the Territory’s infrastructure assets include:

- Icon Water, which provides water and sewerage services to the ACT community and manages \$2.6 billion of associated assets on behalf of the Territory;
- the Education Directorate and CIT, which collectively manage \$2.3 billion of education infrastructure assets, with further expansion of education related assets announced in this budget that support the education and life-long learning of Canberrans;
- the Chief Minister, Treasury and Economic Development Directorate, which holds \$2 billion worth of assets, primarily consisting of community buildings and lands of the Territory; and

- the Territory's health services infrastructure assets, which are valued at \$1.3 billion, predominantly consisting of hospitals and community health facilities. Considerable expansion of this asset base is underway through the program of works associated with the expansion of the Canberra Hospital.



3.8 KEY BALANCE SHEET METRICS

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

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

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

Table 3.8.1: Net debt (excluding superannuation)

	2021-22 Estimated Outcome \$m	2022-23 Budget \$m	2023-24 Estimate \$m	2024-25 Estimate \$m	2025-26 Estimate \$m
2021-22 Budget Review	5,363.6	6,472.6	7,776.8	9,089.7	n/a
2022-23 Budget	4,995.8	6,524.9	7,457.8	8,659.3	9,882.5
Net debt to GSP (%)	10.7	13.0	14.1	15.5	16.7

Compared to the 2021-22 Budget Review, net debt is estimated to be \$367.8 million lower in 2021-22, largely due to the deferral of some expenditure to future years and stronger own source taxation revenue. In 2022-23, net debt is forecast to be broadly consistent with the 2021-22 Budget Review estimate. Net debt is forecast to be lower each year over the forward estimates than forecast at the 2021-22 Budget Review largely due to higher GST and own source taxation revenues.

Table 3.8.2: Net financial liabilities

	2021-22 Estimated Outcome \$m	2022-23 Budget \$m	2023-24 Estimate \$m	2024-25 Estimate \$m	2025-26 Estimate \$m
2021-22 Budget Review	11,492.7	12,360.4	13,576.5	14,677.7	n/a
2022-23 Budget	12,146.8	11,415.7	12,212.2	13,224.8	14,226.6
Net financial liabilities to GSP (%)	25.9	22.8	23.0	23.6	24.1

Net financial liabilities in 2021-22 are estimated to be \$654.1 million higher than expected at the 2021-22 Budget Review. This is largely due to an increase in the superannuation liability estimate as a result of the estimated liability being based on a discount rate assumption of 3.75 per cent compared with the long-term average of 4 per cent at the time of the 2021-22 Budget Review.

Across the budget and forward estimates period, net financial liabilities are forecast to be lower than forecast at Budget Review mainly due to the latest annual defined benefit superannuation liability valuation review including a decrease in the liability valuation estimates as a result of an increase in the long-term discount rate assumption, from 4 per cent to 5 per cent, offset by an increase in the long-term salary growth and inflation assumptions.

These variations are partially offset by the net debt changes above.

Table 3.8.3: Net worth

	2021-22 Estimated Outcome \$m	2022-23 Budget \$m	2023-24 Estimate \$m	2024-25 Estimate \$m	2025-26 Estimate \$m
2021-22 Budget Review	16,203.1	15,624.3	15,353.8	14,938.7	n/a
2022-23 Budget	17,482.7	18,991.9	18,702.2	18,256.2	18,200.8
Net worth to GSP (%)	37.3	37.9	35.3	32.6	30.8

The changes to net worth in each year compared to the 2021-22 Budget Review are mainly due to the upward revaluation of Housing ACT's assets associated with strong growth in property prices. This is partially offset by the changes in net financial liabilities and net debt above.

Unfunded Superannuation Liability

Defined Benefit Superannuation Liability

The Government recognises a defined benefit superannuation liability on behalf of past and current employees with membership in the Commonwealth's closed defined benefit superannuation schemes – the Commonwealth Superannuation Scheme and the Public Sector Superannuation Scheme (the Schemes).

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

The following estimates are based on the most recent actuarial review of the superannuation liability using the latest salary and membership data as of 30 June 2021.

ACT Employee Scheme Membership

At 30 June 2021 there were 6,085 current ACT employee contributors to the Commonwealth Superannuation Scheme and the Public Sector Superannuation Scheme. The number of ACT employees contributing to these schemes fell by 190 over the 2020-21 financial year.

Table 3.8.4 outlines the breakdown of the defined benefit superannuation scheme employee members at 30 June 2021.

Table 3.8.4: ACT employee defined benefit scheme membership

	Contributors	Deferred beneficiaries	Current pensioners	Total
Group A Members¹				
CSS	200	114	6,253	6,567
PSS	5,885	8,247	6,158	20,290
Total Group A	6,085	8,361	12,411	26,857
Group B Members²				
CSS	95	49	1,249	1,393
PSS	2,480	2,058	2,201	6,739
Total Group B	2,575	2,107	3,450	8,132
Total All Members	8,660	10,468	15,861	34,989

Notes:

1. Group A membership data includes CSS and PSS contributors who were employees of the Government on 30 June 2021, 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 Government on 30 June 2021, 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.

Defined Benefit Superannuation Liability Valuation Estimates

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

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

The estimated defined benefit superannuation liability, service and interest cost expense and benefit payments are set out in Table 3.8.5.

Table 3.8.5: Defined benefit superannuation liability valuation

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
Opening liability	13,230,023	10,936,487	9,173,458	9,423,726	9,654,856
Service cost ¹	309,632	230,878	161,942	154,309	146,742
Interest cost ¹	302,379	412,372	457,759	469,329	479,943
Benefit payments	-328,281	-347,908	-369,433	-392,507	-415,606
Actuarial (gain)/loss ²	-2,577,267	-2,058,371	-	-	-
Closing liability³	10,936,487	9,173,458	9,423,726	9,654,856	9,865,935

Notes: Numbers may not add due to rounding.

1. Service cost is the increase in the present value of superannuation benefits resulting from employee service in the current period. Interest cost is the increase in the superannuation benefit obligation related to employee service in prior periods.
2. The actuarial (gain)/loss is the change in the present value of the superannuation liability valuation resulting from changes in the financial and demographic actuarial assumptions.
3. The closing liability valuation estimate at 30 June 2022 used a discount rate assumption of 3.75 per cent (compared with 2.26 per cent used at 30 June 2021). From 30 June 2023 the liability valuation is estimated using a long-term average discount rate assumption of 5 per cent.

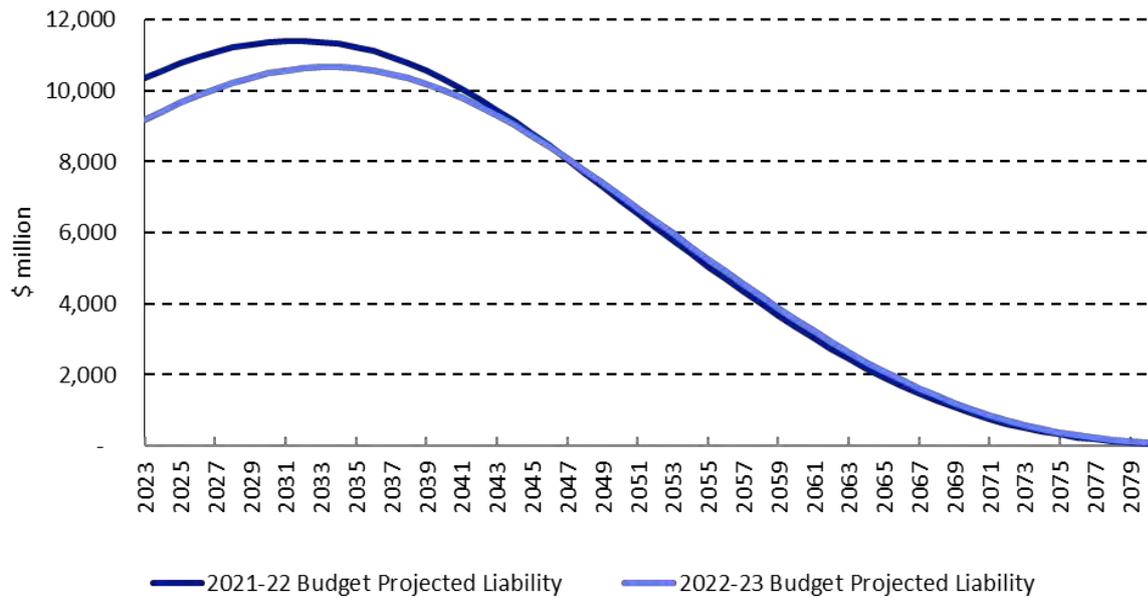
For the financial year end liability valuation on 30 June 2022, Australian Accounting Standard *AASB119 Employee Benefits* requires the applied financial assumptions (such as expected inflation and the discount rate) to be based on financial market expectations.

The estimated liability valuation on 30 June 2022 is lower than at 30 June 2021 due to changes in the financial assumptions in the latest annual liability valuation review, including the use of a higher discount rate assumption, as well as higher inflation and salary growth assumptions.

The estimated liability projections have decreased for the 2022-23 Budget, compared to the 2021-22 Budget, due to the latest annual liability valuation review and the use of the higher long-term average discount rate assumption, which has increased from 4 per cent to 5 per cent, offset by higher long-term salary growth and inflation assumptions.

The projected valuation estimates for the Territory's defined benefit employer superannuation liability are illustrated in Figure 3.8.1.

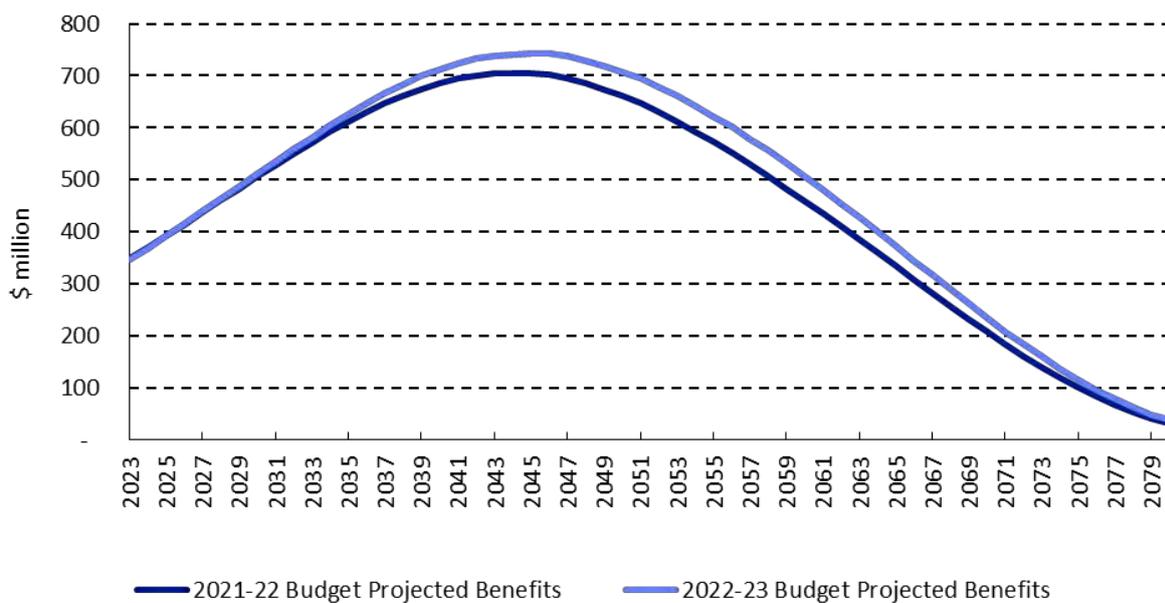
Figure 3.8.1: Estimated employer superannuation liability



The estimated employer superannuation benefit payments have remained relatively stable over the 2022-23 Budget and forward years as compared to the 2021-22 Budget. Higher payments are, however, projected in the future due to the impact of the latest annual liability valuation review which incorporates higher long-term average salary growth and inflation assumptions.

The projected estimates for the Territory’s emerging cost payments to the Commonwealth are illustrated in Figure 3.8.2.

Figure 3.8.2: Estimated employer superannuation benefit payments



Defined benefit superannuation liability funding

The Government maintains a funding plan to extinguish the Territory's unfunded defined benefit superannuation liability over time. The funding plan involves the accumulation of funds in the Superannuation Provision Account. Budget appropriation is applied to annual benefit payments, with investment earnings re-invested to increase the pool of investment assets to reduce the longer-term cost of this obligation.

Incorporating the estimated nominal investment return outcome for the 2021-22 financial year of 1.7 per cent, the Superannuation Provision Account investment portfolio will have generated an average return of CPI plus 5.2 per cent a year over the past 26 financial years (from 1996-97 to 2021-22), which continues to exceed the current long-term investment return objective of CPI plus 4.75 per cent per year.

The projected estimates for the financial investment assets are outlined in Table 3.8.6.

Table 3.8.6: Defined benefit superannuation assets

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
Opening assets	5,132,104	5,214,898	5,594,187	6,001,742	6,439,676
Net investment revenue ¹	86,313	382,663	411,034	441,519	474,276
Other revenue	595	842	842	842	842
Budget appropriation	328,281	347,908	369,433	392,507	415,606
Benefit payments	-328,281	-347,908	-369,433	-392,507	-415,606
Other payments	-4,113	-4,217	-4,320	-4,427	-4,537
Closing assets	5,214,898	5,594,187	6,001,742	6,439,676	6,910,258

Notes: Numbers may not add due to rounding.

1. The 2022-23 Budget investment revenue estimates from 1 July 2022 use the long-term investment return objective of CPI plus 4.75 per cent per annum.

The difference between the estimated liability valuation and investment assets represents the level of unfunded superannuation liability. The estimated unfunded liability and funding percentage are outlined in Table 3.8.7.

Table 3.8.7: Superannuation liability funding

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
Superannuation liability	10,936,487	9,173,458	9,423,726	9,654,856	9,865,935
Assets	5,214,898	5,594,187	6,001,742	6,439,676	6,910,258
Unfunded liability	5,721,590	3,579,272	3,421,984	3,215,180	2,955,677
Funding percentage	48%	61%	64%	67%	70%

Territory borrowings

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

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

Territory debt management objectives

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

Territory credit rating

The Australian Capital Territory is rated AAA (negative) by S&P Global Ratings (S&P).

The Territory's AAA long-term and A1+ short-term local currency credit ratings were last affirmed by S&P following the 2021-22 Budget on 29 November 2021.

Total Territory borrowings

The level of outstanding borrowings is influenced by:

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

The Government is committed to the principles of sound fiscal management including balancing strategic investment needs and maintaining a sustainable level of borrowings.

A summary of the current borrowing estimates is set out below in Tables 3.8.8 and 3.8.9.

Table 3.8.8: Total Territory borrowings – Principal outstanding

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
Market Borrowings	9,215,876	10,131,914	11,853,534	12,849,022	13,799,071
Commonwealth Loans	89,950	81,586	73,231	64,674	55,906
Leases/other ¹	1,358,781	1,320,725	1,271,426	1,219,732	1,167,090
Total	10,664,607	11,534,225	13,198,191	14,133,428	15,022,067

Notes:

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

Table 3.8.9: Total Territory borrowings – Interest expense

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
Market Borrowings	221,041	285,200	360,491	416,270	471,739
Commonwealth Loans	4,424	4,048	3,665	3,463	3,252
Leases/other	47,003	46,071	44,532	42,874	41,965
Total	272,468	335,319	408,688	462,607	516,956

Total outstanding market borrowings and loans

Figure 3.8.3 shows the total estimated outstanding principal value of market borrowings and loans by funding type and year of maturity as at 30 June 2022.

Figure 3.8.3: Total external Territory market borrowings and loans – principal value



Note: Figure excludes leases, public private partnership contracts and service concession liabilities

Table 3.8.10 provides details of the Territory’s estimated outstanding issued nominal fixed rate bonds as at 30 June 2022.

Table 3.8.10: Nominal fixed rate bonds on issue

Coupon	Maturity	Face value \$'000	Principal outstanding ¹ \$'000	Timing of interest payments (Semi-annual)
1.00%	Apr 2023	1,100,000	1,101,533	Apr, Oct
4.00%	May 2024	500,000	498,104	May, Nov
1.25%	May 2025	1,000,000	1,002,427	May, Nov
2.50%	May 2026	525,000	522,128	May, Nov
3.00%	Apr 2028	1,250,000	1,227,078	Apr, Oct
2.25%	May 2029	900,000	902,086	May, Nov
1.75%	May 2030	1,000,000	997,032	May, Nov
1.75%	Oct 2031	1,000,000	994,352	Apr, Oct
2.50%	Oct 2032	1,250,000	1,241,619	Apr, Oct

Note:

1. Estimated capital value outstanding as at 30 June 2022. The difference between principal outstanding and the face value reflects the unamortised issuance premium or discount. The face value is repaid at maturity.

Table 3.8.11 provides details of the Territory's estimated outstanding market issued inflation bonds as at 30 June 2022.

Table 3.8.11: Inflation linked bonds on issue

Coupon	Maturity	Face value \$'000	Principal outstanding \$'000	Timing of payments (Quarterly)
2.83% ¹	Jun 2048	420,000	413,803	Mar, Jun, Sep, Dec
3.50% ²	Jun 2030	250,000	315,930	Mar, Jun, Sep, Dec

Notes:

1. Indexed Annuity Bond. Annuity payments are made quarterly, comprising principal and interest amounts. The interest and principal payments are adjusted for movements in the CPI.
2. Capital Indexed Bond. The capital value of the security is adjusted for movements in the CPI. Interest is paid quarterly at a fixed rate on the adjusted capital value. The adjusted capital value of the security is repaid at maturity.

Table 3.8.12 provides details of the Territory's outstanding Commonwealth loans as at 30 June 2022.

Table 3.8.12: Commonwealth loans

Interest Rate ¹	Maturity	Face value \$'000	Principal Outstanding ² \$'000	Timing of payments (Annual)
4.50%	Jun 2040	174,000	49,650	Jun
4.50%	Jun 2042	124,000	40,301	Jun

Notes:

1. The fixed interest rate used to calculate the annual interest payments.
2. Principal and interest is paid annually in arrears in accordance with established amortising loan schedules.

Projected market borrowings

The Territory's projected gross borrowing program by issuing debt securities in the Australian capital markets is set out below in Table 3.8.13.

Table 3.8.13: Territory debt funding program

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
New Borrowings	1,577,135	898,467	1,710,966	984,332	940,746
Maturities	348,691	1,101,533	499,034	1,000,668	524,254
Total¹	1,925,826	2,000,000	2,210,000	1,985,000	1,465,000

Notes:

1. Estimated funding requirements will be sourced by issuing debt securities in accordance with the Territory's Australian Dollar Debt Issuance Program.
2. Projections are based on a range of assumptions and will vary with changes to assumptions and budget estimates.
3. The projections are the total estimated funding requirements for the Territory comprising the General Government Sector and the Public Trading Enterprise Sector (Icon Water).



CHAPTER 4 GGS HARMONISED FINANCIAL STATEMENTS

4.1 GFS/GAAP FINANCIAL STATEMENTS

Table 4.1.1: Australian Capital Territory General Government Sector – Operating Statement

	2021-22 Budget	2021-22 Estimated Outcome	2022-23 Budget	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income						
Taxation revenue	2,216,163	2,395,975	2,457,853	2,520,144	2,644,954	2,773,588
Commonwealth grants revenue	2,767,551	2,996,240	2,991,783	3,145,797	3,143,203	3,277,591
Sales of goods and services from contracts with customers	602,401	597,986	639,065	657,991	672,860	691,594
Investment revenue	146,745	150,530	169,690	183,066	196,912	211,502
Interest revenue	98,898	139,916	138,478	120,265	119,109	119,418
Dividend and income tax equivalents income	252,490	329,017	155,901	320,708	288,546	344,536
Other income						
Other income	206,424	175,593	225,844	204,232	265,776	251,463
Gains from contributed assets	306,473	227,522	300,450	206,744	193,983	184,366
Total income	6,597,145	7,012,779	7,079,064	7,358,947	7,525,343	7,854,058
Expenses						
Employee expenses	2,532,911	2,596,800	2,654,457	2,706,595	2,778,548	2,851,608
Superannuation expenses						
Superannuation interest cost	302,379	302,379	412,372	457,759	469,329	479,943
Other superannuation expense	549,002	563,462	489,190	421,994	418,872	411,350
Depreciation and amortisation	539,817	524,210	555,593	582,781	613,345	629,093
Interest expense	239,084	257,669	319,154	390,075	444,549	501,752
Other operating expenses						
Supplies and services	1,415,144	1,370,897	1,333,256	1,507,086	1,461,242	1,575,723
Other operating expenses	327,334	293,348	320,148	325,378	336,421	347,063
Grants and purchased services	1,859,018	1,897,797	1,696,006	1,546,496	1,554,181	1,557,271
Total expenses	7,764,689	7,806,562	7,780,176	7,938,164	8,076,487	8,353,803
UPF Net operating balance	(1,167,544)	(793,783)	(701,112)	(579,217)	(551,144)	(499,745)
Other economic flows – included in the Operating Statement						
Dividends (market gains on land sales)	2,756	14,073	48,169	40,885	26,084	9,677
Net land revenue (undeveloped land value)	41,952	21,343	11,727	16,225	20,616	11,955
Net gain/(loss) on sale/(disposal) of non-financial assets	(8,800)	29,883	(119)	(536)	(1,058)	(1,690)
Net gain/(loss) on financial assets or liabilities at fair value	229,223	(94,148)	231,739	249,461	268,148	288,072
Doubtful debts	(12,928)	(12,975)	(10,734)	(10,976)	(11,122)	(11,127)
Operating result	(915,341)	(835,607)	(420,330)	(284,158)	(248,476)	(202,858)
Other economic flows – other comprehensive income						
Items that will not be subsequently reclassified to Operating Statement						

	2021-22 Budget	2021-22 Estimated Outcome	2022-23 Budget	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Payments to ACT Government agencies	(156,786)	(142,853)	(150,764)	(113,106)	(52,712)	(17,833)
Transfer of assets to the Public Trading Enterprises (PTE) sector	(12,000)	(12,000)	0	0	0	0
Superannuation actuarial gain/(loss)	3,412,160	2,577,265	2,058,371	0	0	0
Other movements	(18,760)	(16,291)	(2,382)	(2,258)	(430)	(430)
Increase/(decrease) in asset revaluation surplus	(92,375)	145,177	(190)	(65,720)	(117,505)	217,407
Items that may be subsequently reclassified to Operating Statement						
Increase/(decrease) in net assets of PTE	145,646	2,059,191	24,436	175,568	(26,858)	(51,678)
Total comprehensive result	2,362,544	3,774,882	1,509,141	(289,674)	(445,981)	(55,392)
Key fiscal aggregates						
UPF Net operating balance	(1,167,544)	(793,783)	(701,112)	(579,217)	(551,144)	(499,745)
Less Net acquisition of non-financial assets						
Payments for non-financial assets	1,052,744	802,121	1,112,796	859,895	1,209,974	1,284,269
Sales of non-financial assets	(75,266)	(75,511)	(44,789)	(36,698)	(34,334)	(35,241)
Change in inventories	285	79	598	69	66	60
Depreciation and amortisation	(539,817)	(524,210)	(555,593)	(582,781)	(613,345)	(629,093)
Other movements in non-financial assets	251,096	120,290	187,093	118,649	115,404	122,944
<i>Total net acquisition of non-financial assets</i>	689,042	322,769	700,105	359,134	677,765	742,939
Net lending / (borrowing)	(1,856,586)	(1,116,552)	(1,401,217)	(938,351)	(1,228,909)	(1,242,684)
GOVERNMENT FISCAL MEASURE – BUDGET OPERATING SURPLUS/(DEFICIT)						
UPF Net Operating Balance	(1,167,544)	(793,783)	(701,112)	(579,217)	(551,144)	(499,745)
Superannuation return adjustment	216,060	213,380	218,099	234,269	251,644	270,314
HEADLINE NET OPERATING BALANCE	(951,484)	(580,403)	(483,013)	(344,948)	(299,500)	(229,431)

Table 4.1.2: Australian Capital Territory General Government Sector – Balance Sheet

	2021-22 Budget	2021-22 Estimated Outcome	2022-23 Budget	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets						
Cash and deposits	2,518,801	2,792,514	2,038,250	2,611,975	2,269,755	1,858,001
Advances paid	1,881,956	1,931,039	1,962,329	2,062,709	2,094,880	2,130,914
Investments and loans	6,245,886	5,821,241	6,279,276	6,758,418	7,255,502	7,782,633
Receivables	886,647	874,997	1,035,882	1,081,824	1,139,655	1,195,608
Investments in other public sector enterprises	9,020,607	10,989,868	11,014,304	11,189,872	11,163,014	11,111,336
Total financial assets	20,553,897	22,409,659	22,330,041	23,704,798	23,922,806	24,078,492
Non-financial assets						
Produced assets						
Property, plant and equipment	13,309,042	13,258,433	13,438,049	13,116,850	13,703,686	14,826,482
Investment properties	7,920	4,150	4,150	4,150	4,150	4,150
Intangibles	273,327	241,943	285,721	260,783	218,800	160,273
Inventories	42,121	41,916	42,514	42,583	42,649	42,709
Assets held for sale	19,837	29,069	21,582	19,837	19,837	19,837
Capital works-in-progress	885,616	815,743	1,285,191	1,948,206	1,972,660	1,832,202
Non-produced assets						
Property, plant and equipment	4,206,232	4,209,721	4,277,450	4,291,723	4,315,794	4,390,088
Biological assets	27,148	27,148	27,148	28,882	28,882	28,882
Other non-financial assets	11,511	11,511	11,511	11,511	11,511	11,511
Total non-financial assets	18,782,754	18,639,634	19,393,316	19,724,525	20,317,969	21,316,134
Total assets	39,336,651	41,049,293	41,723,357	43,429,323	44,240,775	45,394,626
Liabilities						
Advances received	49,649	49,649	45,354	40,864	36,172	31,269
Borrowings						
Lease liabilities	1,066,307	1,060,155	1,033,290	994,781	954,585	913,441
Other borrowings	9,763,243	9,215,877	10,131,914	11,853,534	12,849,022	13,799,071
Superannuation	10,103,197	10,938,094	9,175,262	9,425,733	9,657,074	9,868,369
Employee benefits	958,436	965,580	1,009,932	1,055,842	1,103,056	1,151,550
Other provisions	988,002	1,005,718	1,007,902	1,022,371	1,041,044	1,078,797
Payables and contract liabilities	334,738	316,283	314,615	322,937	333,168	340,480
Other liabilities	17,496	15,207	13,217	11,064	10,438	10,825
Total liabilities	23,281,068	23,566,563	22,731,486	24,727,126	25,984,559	27,193,802
Net assets	16,055,583	17,482,730	18,991,871	18,702,197	18,256,216	18,200,824
Equity in Public Trading Entities (PTE)	9,020,607	10,989,868	11,014,304	11,189,872	11,163,014	11,111,336
Accumulated funds	610,685	(165,180)	1,321,980	922,458	620,840	399,719
Asset revaluation surplus	6,423,061	6,656,812	6,654,357	6,588,637	6,471,132	6,688,539
Other reserves	1,230	1,230	1,230	1,230	1,230	1,230
Net worth	16,055,583	17,482,730	18,991,871	18,702,197	18,256,216	18,200,824
Net financial worth	(2,727,171)	(1,156,904)	(401,445)	(1,022,328)	(2,061,753)	(3,115,310)
Net financial liabilities	11,747,778	12,146,772	11,415,749	12,212,200	13,224,767	14,226,646
Net debt (excluding superannuation related investments)	5,721,000	4,995,784	6,524,890	7,457,819	8,659,318	9,882,491

Table 4.1.3: Statement of changes in equity

	2021-22 Budget	2021-22 Estimated Outcome	2022-23 Budget	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening equity						
Opening equity in Public Trading Enterprises (PTE)	8,874,961	8,930,677	10,989,868	11,014,304	11,189,872	11,163,014
Opening accumulated funds	(1,701,708)	(1,740,254)	(165,180)	1,321,980	922,458	620,840
Opening asset revaluation surplus	6,518,556	6,516,195	6,656,812	6,654,357	6,588,637	6,471,132
Opening other reserves	1,230	1,230	1,230	1,230	1,230	1,230
Opening balance	13,693,038	13,707,848	17,482,730	18,991,871	18,702,197	18,256,216
Comprehensive income						
<i>Included in accumulated funds:</i>						
Operating result for the period	(915,341)	(835,607)	(420,330)	(284,158)	(248,476)	(202,858)
Payments to ACT Government entities	(156,786)	(142,853)	(150,764)	(113,106)	(52,712)	(17,833)
Superannuation actuarial gain/(loss)	3,412,160	2,577,265	2,058,371	0	0	0
Transfer of assets to the PTE sector	(12,000)	(12,000)	0	0	0	0
Other movements	(18,760)	(16,291)	(2,382)	(2,258)	(430)	(430)
<i>Included in equity in PTE:</i>						
Increase/(decrease) in net assets of PTE	145,646	2,059,191	24,436	175,568	(26,858)	(51,678)
<i>Included in the asset revaluation surplus:</i>						
Increase/(decrease) in asset revaluation reserve surplus	(92,375)	145,177	(190)	(65,720)	(117,505)	217,407
Total comprehensive result	2,362,544	3,774,882	1,509,141	(289,674)	(445,981)	(55,392)
Other						
Transfer to/(from) accumulated funds	3,120	4,560	2,265	0	0	0
Transfer to/(from) the asset revaluation surplus	(3,120)	(4,560)	(2,265)	0	0	0
Total other	0	0	0	0	0	0
Closing equity						
Closing equity in PTE	9,020,607	10,989,868	11,014,304	11,189,872	11,163,014	11,111,336
Closing accumulated funds	610,685	(165,180)	1,321,980	922,458	620,840	399,719
Closing asset revaluation surplus	6,423,061	6,656,812	6,654,357	6,588,637	6,471,132	6,688,539
Closing other reserves	1,230	1,230	1,230	1,230	1,230	1,230
Closing balance	16,055,583	17,482,730	18,991,871	18,702,197	18,256,216	18,200,824

Table 4.1.4: Australian Capital Territory General Government Sector – Statement of cash flows

	2021-22 Budget	2021-22 Estimated Outcome	2022-23 Budget	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities						
Cash receipts						
Taxes received	2,206,443	2,382,674	2,336,796	2,468,775	2,591,864	2,724,816
Sales of goods and services from contracts with customers	585,184	286,351	638,205	659,612	678,438	687,088
Grants and contributions receipts	2,775,172	2,984,184	2,996,870	3,150,950	3,148,345	3,282,727
Investment receipts	146,745	150,530	169,695	183,066	196,911	211,502
Interest received	95,693	137,667	117,583	104,675	104,013	104,817
Dividends and income tax equivalents	361,144	424,777	130,557	327,124	287,240	347,956
Other receipts	444,937	702,614	410,693	379,613	431,384	408,478
Total receipts from operating activities	6,615,318	7,068,797	6,800,399	7,273,815	7,438,195	7,767,384
Cash payments						
Payments for employees	(3,100,494)	(3,171,787)	(3,239,174)	(3,310,283)	(3,407,339)	(3,496,231)
Payments for goods and services	(1,456,805)	(1,381,240)	(1,381,873)	(1,554,774)	(1,508,767)	(1,622,367)
Grants/subsidies paid	(1,741,752)	(1,786,204)	(1,542,814)	(1,466,089)	(1,483,153)	(1,503,401)
Borrowing costs	(228,766)	(241,185)	(278,692)	(364,041)	(429,697)	(486,006)
Other payments	(415,913)	(462,641)	(450,341)	(443,742)	(444,077)	(456,426)
Total payments from operating activities	(6,943,730)	(7,043,057)	(6,892,894)	(7,138,929)	(7,273,033)	(7,564,431)
Net cash inflows/(outflows) from operating activities	(328,412)	25,740	(92,495)	134,886	165,162	202,953
Cash flows from investing activities						
Cash flows from investments in non-financial assets						
Sales of non-financial assets	75,266	75,511	44,789	36,698	34,334	35,241
Payments for non-financial assets	(1,052,744)	(802,121)	(1,112,796)	(859,895)	(1,209,974)	(1,284,269)
Net cash inflows/(outflows) from investments in non-financial assets	(977,478)	(726,610)	(1,068,007)	(823,197)	(1,175,640)	(1,249,028)
Cash flows from investments in financial assets for policy purposes						
Cash receipts						
Repayment of loans	259	481	5,471	12,634	16,038	16,126
Capital receipts from government agencies	313,113	360,800	0	0	0	0
Dividends – market gains on land sales	2,756	14,073	48,169	40,885	26,084	9,677
Total receipts from investments in financial assets for policy purposes	316,128	375,354	53,640	53,519	42,122	25,803
Cash payments						
Issue of loans	0	(13,680)	(103,000)	(49,465)	0	0
Capital payments to government agencies	(156,786)	(142,853)	(150,764)	(113,106)	(52,712)	(17,833)

	2021-22 Budget	2021-22 Estimated Outcome	2022-23 Budget	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total payments from investments in financial assets for policy purposes	(156,786)	(156,533)	(253,764)	(162,571)	(52,712)	(17,833)
Net cash inflows/(outflows) from investments in financial assets for policy purposes	159,342	218,821	(200,124)	(109,052)	(10,590)	7,970
Cash flows from investments in financial assets for liquidity purposes						
Sales of investments	43,613	60,388	90,140	116,253	166,270	246,512
Payments for investments	(633,818)	(518,948)	(329,657)	(344,050)	(384,853)	(466,332)
Net cash inflows/(outflows) from investments in financial assets for liquidity purposes	(590,205)	(458,560)	(239,517)	(227,797)	(218,583)	(219,820)
Net cash inflows/(outflows) from investing activities	(1,408,341)	(966,349)	(1,507,648)	(1,160,046)	(1,404,813)	(1,460,878)
Cash flows from financing activities						
Cash receipts						
Borrowings	1,749,678	1,198,080	917,872	1,723,207	996,982	952,188
Total receipts from financing activities	1,749,678	1,198,080	917,872	1,723,207	996,982	952,188
Cash payments						
Borrowings	(55,313)	(26,609)	(21,872)	(75,471)	(49,770)	(55,026)
Repayments of lease liabilities – principal	(46,987)	(47,259)	(49,388)	(51,077)	(52,555)	(54,155)
Total payments from financing activities	(102,300)	(73,868)	(71,260)	(126,548)	(102,325)	(109,181)
Net cash inflows/(outflows) from financing activities	1,647,378	1,124,212	846,612	1,596,659	894,657	843,007
Net increase/(decrease) in cash and cash equivalents	(89,375)	183,603	(753,531)	571,499	(344,994)	(414,918)
Cash and cash equivalents at the beginning of reporting period	2,600,693	2,600,693	2,784,296	2,030,765	2,602,264	2,257,270
Cash and cash equivalents at the end of reporting period	2,511,317	2,784,296	2,030,765	2,602,264	2,257,270	1,842,352
Key fiscal aggregates						
Net cash from operating activities	(328,412)	25,740	(92,495)	134,886	165,162	202,953
Investments in non-financial assets	(977,478)	(726,610)	(1,068,007)	(823,197)	(1,175,640)	(1,249,028)
Cash surplus (+) /deficit (-)	(1,305,890)	(700,870)	(1,160,502)	(688,311)	(1,010,478)	(1,046,075)



4.2 OTHER GENERAL GOVERNMENT SECTOR STATEMENTS

Table 4.2.1: General Government Sector taxes

	2021-22 Budget	2021-22 Estimated Outcome	2022-23 Budget	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Taxes on employers' payroll and labour force	588,846	653,747	705,393	760,414	818,077	878,802
Taxes on property						
Land taxes	157,957	157,957	172,061	182,653	189,622	194,302
Other	1,135,733	1,236,235	1,214,851	1,199,790	1,241,877	1,288,844
Total taxes on property	1,293,690	1,394,192	1,386,912	1,382,443	1,431,499	1,483,146
Taxes on the provision of goods and services						
Taxes on gambling	62,211	73,208	81,889	84,490	86,579	88,797
Taxes on insurance	25,701	26,899	28,393	29,985	31,649	33,392
Total taxes on the provision of goods and services	87,912	100,107	110,282	114,475	118,228	122,189
Taxes on use of goods and performance of activities						
Motor vehicle taxes	192,608	194,608	202,070	207,336	218,682	228,232
Other	53,107	53,321	53,196	55,476	58,468	61,219
Taxes on use of goods and performance of activities	245,715	247,929	255,266	262,812	277,150	289,451
Total taxation revenue	2,216,163	2,395,975	2,457,853	2,520,144	2,644,954	2,773,588

Note: Numbers may not add due to rounding.

Table 4.2.2: General Government grant revenue

	2021-22 Budget	2021-22 Estimated Outcome	2022-23 Budget	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current grant revenue						
Current grants from the Commonwealth						
GST revenue and municipal grants	1,409,461	1,538,762	1,729,379	1,739,731	1,824,473	1,914,628
Non-government school grants	260,020	269,601	277,541	286,480	293,467	299,704
Other contributions and grants	997,762	1,100,984	853,785	886,333	902,823	938,138
Total current grant revenue	2,667,243	2,909,347	2,860,705	2,912,544	3,020,763	3,152,470
Capital grant revenue						
Capital grants from the Commonwealth						
Other contributions and grants	100,308	86,893	131,078	233,253	122,440	125,121
Total capital grant revenue	100,308	86,893	131,078	233,253	122,440	125,121
Total grant revenue	2,767,551	2,996,240	2,991,783	3,145,797	3,143,203	3,277,591

Note: Numbers may not add due to rounding.

Table 4.2.3: General Government Sector grant expense

	2021-22 Budget	2021-22 Estimated Outcome	2022-23 Budget	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current grant expense						
Private and not-for-profit sector	882,132	1,011,186	713,722	652,688	663,787	667,704
Grants to other sectors of government	830,798	767,996	787,591	792,104	807,609	823,933
Total current grant expense	1,712,930	1,779,182	1,501,313	1,444,792	1,471,396	1,491,637
Capital grant expense						
Private and not-for-profit sector	91,502	12,151	82,565	14,506	5,002	5,009
Grants to other sectors of government	54,586	106,464	112,128	87,198	77,783	60,625
Total capital grant expense	146,088	118,615	194,693	101,704	82,785	65,634
Total grant expense	1,859,018	1,897,797	1,696,006	1,546,496	1,554,181	1,557,271

Note: Numbers may not add due to rounding.

Table 4.2.4: General Government Sector dividend and income tax equivalent income

	2021-22 Budget	2021-22 Estimated Outcome	2022-23 Budget	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Dividends and income tax equivalent from PNFC sector	252,490	329,017	155,901	320,708	288,546	344,536
Total GGS dividend and income tax equivalent income	252,490	329,017	155,901	320,708	288,546	344,536

Note: Numbers may not add due to rounding.

Table 4.2.5: General Government Sector expenses by function

	2021-22 Budget	2021-22 Estimated Outcome	2022-23 Budget	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
General public services	1,376,775	1,345,937	1,482,238	1,576,292	1,673,220	1,751,254
Public order and safety	620,084	598,434	641,108	643,014	640,889	636,496
Economic affairs	461,474	448,387	164,308	230,481	215,171	207,140
Environmental protection	233,584	257,384	287,475	175,101	163,904	173,500
Housing and community amenities	103,675	73,256	87,761	89,149	89,412	94,275
Health	2,116,739	2,184,900	2,130,136	2,243,702	2,259,669	2,346,259
Recreation, culture and religion	216,617	234,669	231,746	232,477	220,061	227,130
Education	1,591,604	1,643,677	1,700,060	1,737,669	1,802,802	1,868,253
Social protection	556,884	545,875	567,436	513,643	509,448	531,100
Transport	487,253	474,043	487,908	496,636	501,911	518,396
Total expenses	7,764,689	7,806,562	7,780,176	7,938,164	8,076,487	8,353,803

Note: Numbers may not add due to rounding.

Table 4.2.6: General Government Sector expenses by function

	2021-22 Budget	2021-22 Estimated Outcome	2022-23 Budget	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
General public services	1,376,775	1,345,937	1,482,238	1,576,292	1,673,220	1,751,254
Executive and legislative organs, financial and fiscal affairs, external affairs	437,781	437,993	541,727	580,826	594,463	607,772
<i>Executive and legislative organs</i>	46,061	42,953	46,495	46,768	48,166	49,205
<i>Financial and fiscal affairs</i>	391,720	395,040	495,232	534,058	546,297	558,567
General services	38,488	39,195	40,697	36,302	36,886	36,786
<i>General personnel services</i>	9,108	8,750	9,206	9,111	9,142	9,389
<i>General services n.e.c.</i>	29,380	30,445	31,491	27,191	27,744	27,397
Public debt transactions	211,770	227,965	271,041	353,275	419,141	477,418
Transfers of a general character between different levels of government	61	69	66	71	71	86
General public services n.e.c.	688,675	640,715	628,707	605,818	622,659	629,192
Public order and safety	620,084	598,434	641,108	643,014	640,889	636,496
Police services	218,331	212,844	220,884	223,357	224,078	226,499
Civil and fire protection services	86,286	81,753	91,678	89,355	87,517	84,902
Law courts	161,882	155,600	168,328	167,381	167,086	161,350
Prisons	95,930	91,883	98,514	97,514	98,516	98,805
Public order and safety n.e.c	57,654	56,354	61,704	65,407	63,692	64,940
Economic affairs	461,474	448,387	164,308	230,481	215,171	207,140
General economic, commercial and labour affairs	334,956	351,828	46,623	43,223	41,921	43,274
<i>General economic and commercial affairs</i>	315,640	334,039	25,064	24,155	24,001	24,773
<i>General labour affairs</i>	19,315	17,789	21,559	19,068	17,920	18,501
Agriculture, forestry, fishing and hunting	6,188	5,460	5,911	5,742	5,815	6,249
Fuel and energy	91,832	66,342	85,489	155,706	144,229	133,196
<i>Electricity</i>	78,479	55,939	60,806	63,043	61,522	66,961
<i>Fuel and energy n.e.c.</i>	13,353	10,403	24,683	92,663	82,707	66,235
Mining, manufacturing and construction	6,994	5,845	5,233	8,894	8,519	9,717
Other industries	21,483	18,892	21,032	16,895	14,665	14,681
Economic affairs n.e.c.	21	20	20	21	22	23
Environmental protection	233,584	257,384	287,475	175,101	163,904	173,500
Waste management	77,183	65,136	68,217	61,315	59,241	61,157
<i>Waste recycling</i>	12	5	5	5	5	5
<i>Waste management n.e.c</i>	77,171	65,131	68,212	61,310	59,236	61,152
Pollution abatement	0	45	431	1,069	1,055	1,790
Protection of biodiversity and landscape	128,231	174,588	199,726	93,405	84,540	89,977
Environmental protection n.e.c	28,170	17,615	19,101	19,312	19,068	20,576
Housing and community amenities	103,675	73,256	87,761	89,149	89,412	94,275
Housing development	20	19	19	20	21	22
Community development	47,964	27,450	34,993	31,537	35,116	36,324
Water supply	2,964	426	862	11,347	9,861	12,791
Street lighting	3,296	2,102	2,150	2,179	2,318	2,431

	2021-22 Budget	2021-22 Estimated Outcome	2022-23 Budget	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Housing and community amenities n.e.c	49,431	43,259	49,737	44,066	42,096	42,707
Health	2,116,739	2,184,900	2,130,136	2,243,702	2,259,669	2,346,259
Medical products, appliances and equipment	32,333	37,351	33,891	35,430	35,479	37,295
<i>Pharmaceutical products</i>	31,973	36,062	32,842	34,290	34,421	36,187
<i>Therapeutic appliances and equipment</i>	359	1,289	1,049	1,140	1,058	1,108
Outpatient services	400,949	408,003	400,976	427,469	428,735	444,477
<i>General medical services</i>	110,577	111,956	115,894	121,259	120,758	124,418
<i>Specialised medical services</i>	269,705	275,072	264,830	284,542	286,160	297,407
<i>Dental services</i>	20,667	20,975	20,252	21,668	21,817	22,652
Hospital services	1,171,064	1,205,101	1,174,387	1,241,813	1,248,948	1,295,818
<i>General hospital services</i>	1,013,589	1,040,776	1,017,919	1,076,752	1,082,739	1,123,277
<i>Specialised hospital services</i>	18,782	22,450	20,078	19,676	19,889	20,706
<i>Medical and maternity centre services</i>	138,693	141,875	136,390	145,385	146,320	151,835
Mental health institutions	14,074	13,986	13,600	14,403	14,639	15,211
Community health services	333,132	343,267	335,657	350,093	355,316	368,771
<i>Community mental health services</i>	91,040	96,749	90,064	93,678	94,301	98,181
<i>Patient transport</i>	56,561	55,147	58,995	58,774	58,737	59,435
<i>Community health services n.e.c</i>	185,531	191,371	186,598	197,641	202,278	211,155
Public health services	92,346	100,424	92,075	94,503	95,605	99,649
Research and development – health	53,075	56,679	52,477	54,425	54,826	57,062
Health n.e.c	19,767	20,089	27,073	25,566	26,121	27,976
Recreation, culture and religion	216,617	234,669	231,746	232,477	220,061	227,130
Recreational and sporting services	144,697	155,442	154,206	162,926	153,635	159,579
Culture services	64,339	71,783	69,433	61,877	58,802	59,799
Recreation, culture and religion n.e.c	7,581	7,444	8,107	7,674	7,624	7,752
Education	1,591,604	1,643,677	1,700,060	1,737,669	1,802,802	1,868,253
Pre-primary and primary education	705,759	725,145	748,542	773,900	802,273	831,516
<i>Government pre-primary education</i>	39,688	39,278	40,862	42,216	43,920	45,625
<i>Non-government pre-primary education</i>	94	458	469	467	474	480
<i>Government primary education</i>	480,628	493,277	511,263	529,139	551,022	572,659
<i>Non-government primary education</i>	185,350	192,132	195,948	202,078	206,857	212,752
Secondary education	587,660	602,609	622,037	643,226	666,686	691,010
<i>Government secondary education</i>	419,790	428,446	444,438	460,047	479,183	498,178
<i>Non-government secondary education</i>	167,870	174,163	177,599	183,179	187,503	192,832
Tertiary education	209,899	225,816	237,935	225,851	236,252	244,488
<i>University education</i>	50,987	53,254	64,921	62,509	68,689	2,947

	2021-22 Budget	2021-22 Estimated Outcome	2022-23 Budget	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Vocational education and training</i>	158,912	172,562	173,014	163,342	167,563	171,541
Education not definable by level	216	3,026	2,906	2,885	2,943	2,992
Transportation of other students	57,982	56,429	56,844	58,887	60,344	62,604
Education n.e.c	30,087	30,652	31,796	32,920	34,304	35,643
Social protection	556,884	545,875	567,436	513,643	509,448	531,100
Sickness and disability	205,498	206,089	212,476	221,597	230,747	241,931
Old age	4,593	3,350	3,443	3,489	3,651	3,792
Family and children	138,492	133,477	143,301	140,764	142,563	145,856
Housing	178,883	182,066	183,627	116,635	102,669	106,965
Social exclusion n.e.c	28,506	19,502	24,553	25,663	25,088	26,274
Social protection n.e.c	911	1,391	36	5,495	4,730	6,282
Transport	487,253	474,043	487,908	496,636	501,911	518,396
Road transport	311,751	303,747	315,219	317,857	317,673	329,113
<i>Road maintenance</i>	275,996	276,415	286,809	289,475	288,611	299,554
<i>Road construction</i>	8,558	8,178	8,385	8,364	8,388	8,633
<i>Road transport n.e.c</i>	27,196	19,154	20,025	20,018	20,674	20,926
Bus transport	116,712	114,758	117,214	120,438	121,895	124,366
Railway transport	58,707	55,490	55,426	58,291	62,290	64,861
Transport n.e.c	83	48	49	50	53	56
Total expenses	7,764,689	7,806,562	7,780,176	7,938,164	8,076,487	8,353,803

Notes: Numbers may not add due to rounding.

1. n.e.c represents not elsewhere classified.

Table 4.2.7: General Government Sector purchases of non-financial assets by function

	2021-22 Budget	2021-22 Estimated Outcome	2022-23 Budget	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
General public services	174,303	126,299	103,982	73,256	43,292	27,860
Public order and safety	46,775	29,081	36,275	31,440	45,909	53,901
Economic affairs	2,867	1,755	2,053	2,094	8,243	12,025
Environmental protection	31,315	15,021	44,332	20,071	89,364	127,722
Housing and community amenities	36,100	14,647	36,057	21,025	91,328	280,083
Health	244,404	203,309	345,444	215,131	143,431	23,332
Recreation, culture and religion	35,677	23,354	34,403	34,247	65,675	67,316
Education	227,798	187,614	222,321	188,601	188,621	127,002
Social protection	16,896	12,720	3,178	2,861	57,614	93,258
Transport	236,608	188,321	284,751	271,169	476,497	471,770
Purchases of non-financial assets	1,052,744	802,121	1,112,796	859,895	1,209,974	1,284,269

Note: Numbers may not add due to rounding.



APPENDIX A

BUDGET CONSULTATION

APPENDIX A – BUDGET CONSULTATION

Budget consultation is a key element of the Government’s budget planning framework through which it seeks views and suggestions from community members, businesses and local organisations on how government service provision can become even more efficient, innovative and deliver more for the Territory.

As part of the 2022-23 Budget consultation process, ACT Government officials held meetings with key community and industry groups in April 2022 to gain insights into the economic and community priorities of these organisations, providing valuable real-time information through a series of round table meetings.

The 2022-23 Budget consultation process also included a publicly available survey which sought feedback on the prioritisation of government expenditure, with a particular focus on wellbeing considerations. The survey was open from 10 March until 27 May 2022 and 145 responses were received.

Members of the public, business and community organisations were also able to provide written submissions regarding their views on longer-term expenditure and revenue priorities and how the Government can best support the wellbeing of the Canberra community. The written submission process remains open on an ongoing basis, with any input received after 30 June 2022 being used to inform future budgets.

Written contributions received as part of the 2022-23 Budget consultation process have been published, except where submissions were provided in confidence. All non-confidential submissions are available through the [Budget consultation website](#)¹. As of 30 June 2022, 83 submissions had been received.

The submissions and survey responses covered a diverse range of topics, including arts and entertainment, community engagement, community services and housing (including housing affordability and social housing), COVID-19 impacts on the local workforce, crisis support, disability services and social inclusion, domestic and family violence prevention, early intervention, health services (with a particular focus on mental health, children and young people, and carers services), justice and judicial services, public infrastructure and roads, wellbeing, and the amenity of our city (including active travel and green spaces). These responses will be summarised into a [‘What we heard’](#)² report which will be released in September 2022.

The Government would like to thank all individuals, community groups and organisations who contributed to the 2022-23 Budget consultation process and participated in the forums.

The Government continues to investigate options to increase community input and feedback into the Budget process and will commence preparations for consultation on the 2023-24 Budget in October 2022.

Written submissions or letters of support have been received from the following individuals and organisations. Any non-confidential input received after 30 June 2022 will continue to

¹ Budget consultation website: <https://www.budgetconsultation.act.gov.au/>

² ‘What we heard’ report: <https://yoursayconversations.act.gov.au/2022-23-budget-consultation>

be published on our website, and all input will be circulated within the ACT Government, to inform the development of future budget updates.

ACT Children First Alliance

ACT Council of Parents & Citizens Associations

ACT Council of Social Service Inc. (ACTCOSS)

ACT Disability Aged and Carers Advocacy Service (ADACAS)

ACT Down Syndrome Association

ACT Law Society

Advocacy for Inclusion

Alcohol Tobacco and Other Drug Association ACT (ATODA)

Annalisa Koeman

ANU Students Association

Asthma Australia

Australian Association of Social Workers

Australian Federation of AIDS Organisations (AFAO)

Australian Flexible Pavement Association

Belconnen Community Council

Canberra Academy of Languages

Canberra Business Chamber

Canberra Community Law

Canberra Refugee Support

Care Financial Counselling

Care Incorporated (with an additional joint submission from Care Financial Counselling and the Consumer Law Centre of the ACT)

Carers ACT

The Childers Group

Community Housing Industry Association ACT Region

Community Public Sector Union

Companion House Assisting Survivors of Torture and Trauma

CPA Australia ACT Division

Engineers Australia

Foundation for Alcohol Research and Education

Greater Canberra

Gungahlin Community Council

Health Care Consumers' Association
Interactive Games and Entertainment Association
Justice Reform Initiative
Lexi Sekules
Living Streets Canberra
Lung Foundation Australia
Master Builders ACT
Master Plumbers Association ACT
Mental Health Carers Voice
Meridian
Ministerial Advisory Council on the Ageing (MACA)
Molonglo Valley Community Forum
National Convention Centre Canberra
National Disability Services
National Seniors Australia
Occupational Therapy Australia
Pedal Power ACT
Perinatal Wellbeing Centre
Pharmaceutical Society of Australia
Public Transport Association of Canberra
Raise the Age Coalition
Rights & Inclusion Australia
The Society of Hospital Pharmacists of Australia
Tender Funerals Canberra Region
Veterans Support Centre Belconnen
VolunteeringACT
Warehouse Circus
Weston Creek Community Council
Woden Community Service
Youth Coalition of the ACT
YWCA Canberra

We also wish to acknowledge and thank those who chose to provide confidential input.

APPENDIX B

BETTER INFRASTRUCTURE FUND

APPENDIX B – BETTER INFRASTRUCTURE FUND

The *Better Infrastructure Fund* provides ACT Government agencies an annual funding pool for works that extend the useful life or improve the service delivery capacity of existing infrastructure assets. This investment is distinct from routine repairs and maintenance work which is funded separately.

The 2022-23 Budget includes \$77.385 million for core *Better Infrastructure Fund* projects in 2022-23.

The following table lists these projects by agency. A number of these projects are also highlighted in Chapter 3.2 – *Investing in the Wellbeing of Canberrans* – where they are being delivered in parallel with, or to support, other new Government projects.

Table B.1: Better Infrastructure Fund initiatives in the 2022-23 Budget

Project	Financing 2022-23 \$'000
ACT Health Directorate (ACTHD)	
ACT Health Directorate	
QEI Asset Management Plan	100
Burrangiri Asset Management Plan	100
Karralika Isabella Plains	100
Health Protection Service – Howard Florey House	178
Calvary Public Hospital Bruce	
HVAC upgrade works	530
Building fabrics upgrade works	424
Total ACTHD	1,432
Chief Minister, Treasury and Economic Development Directorate (CMTEDD)	
ACT property upgrades	
Building and safety upgrades	1,180
Building refurbishment including roofing, energy efficiency upgrades and internal remediation	550
Building fire services upgrades	200
Essential facilities and grounds upgrades	2,150
Hazardous material management	400
Pools Improvement Program	783
Improving major venues	
GIO Stadium – New emergency exit lighting system	259
Improving major venues	1,163
National Arboretum Canberra (including Stromlo Forest Park)	
Stromlo Forest Park	143
National Arboretum Canberra	312
Funding for major events	
Major event funding site upgrades	200
Major and community event funding	139
Improving arts buildings and facilities	
Building fire services upgrades	100
Building and safety upgrades	596
Total CMTEDD	8,175
Canberra Institute of Technology (CIT)	
All campuses	
More teaching and learning spaces	390

Project	Financing 2022-23 \$'000
Bruce campus	
More teaching and learning spaces	850
Upgrade cooling towers	750
Fyshwick campus	
Passenger lift	600
More teaching and learning spaces	400
Total CIT	2,990
<i>Cultural Facilities Corporation (CFC)</i>	
<i>Improving cultural and arts facilities</i>	
ACT historic places emerging urgent priorities	110
Canberra Theatre Centre emerging urgent priorities	135
Canberra Museum and Gallery emerging urgent priorities	105
Corporate emerging urgent priorities	100
Total CFC	450
Community Services Directorate (CSD)	
Bimberi Residential Services	
Solar panels	60
Fire system	200
Child Development Service	
Heating, ventilation, and air conditioning	67
Windows	90
Child and Family Centres	
Gungahlin – Battery storage	10
Tuggeranong – Battery storage	10
West Belconnen – Battery storage	10
Total CSD	447
Education Directorate (EDU)	
<i>Public School Infrastructure Renewal Program¹</i>	
School learning area improvements	4,010
School administration and support area improvements	2,350
Inclusion works	4,090
School infrastructure revitalisation	8,600
School security improvements	517
School safety improvements	410
External learning environments	2,770
Environmentally sustainable development initiatives	3,200
Total EDU	25,947
Justice and Community Safety Directorate (JACS)	
<i>Emergency Services</i>	
Communication centre wellbeing upgrade	210
Privacy and dignity upgrade	210
<i>Corrective services, courts, tribunals and accommodation</i>	
Delivering audio-visual and recording and transcription capacity to remaining ACAT hearing rooms	289
Forensic Medicine Centre security upgrade	230
AMC medium security rated cottage accommodation door upgrades	105
Management Unit security upgrades	54
AMC access road and footpath improvements	54
Emissions reduction, energy and water efficiency – AMC building management system upgrade	527

Project	Financing 2022-23 \$'000
<i>Territorial – ACT Policing</i>	
Staff and client amenities upgrade at the City Station	299
<i>Total JACS</i>	1,978
<i>Canberra Health Services (CHS)</i>	
<i>Improving health services</i>	
Building upgrades	2,326
Electrical, fire and safety upgrades	1,000
Mechanical and other infrastructure service upgrades	1,000
<i>Total CHS</i>	4,326
<i>Environment, Planning and Sustainable Development Directorate (EPSDD)</i>	
<i>Improving our parks and nature reserves</i>	
Improvements to Parks and Conservation Service’s high-risk Infrastructure, enhanced signage and to improve visitor experiences	394
Infrastructure upgrades to protect reserves from extreme weather events and to ensure continued future preservation of national parks	360
<i>Improving our heritage</i>	
<i>Canberra Tracks: Heritage Interpretive Signage Program</i>	30
<i>Infrastructure and equipment (civil infrastructure works)</i>	
Land release infrastructure improvements and other infrastructure improvements	260
Landscape concept plans	60
<i>Total EPSDD</i>	1,104
<i>Office of the Legislative Assembly (OLA)</i>	
<i>Assembly building upgrades</i>	
Mechanical services upgrades	100
Main switchboards upgrade	50
Passenger lifts upgrade	90
Building redesign projects	59
<i>Total OLA</i>	299
<i>Transport Canberra and City Services Directorate (TCCS)</i>	
<i>Safety compliance</i>	
Safer Dams and Weirs Improvements Program – includes Dam Safety Code compliance audits and associated safety works	1,500
Safety Improvements – Yarralumla Nursery	571
Physical security upgrades at directorate sites	350
Pump house upgrades	300
<i>Public transport and active travel</i>	
Active Travel – Age friendly suburbs and cycle path maintenance ¹	1,750
Transport Canberra – Bus major component overhaul and refurbishment	1,281
Transport Canberra – Bus layover improvements	1,000
Transport Canberra – Workshop equipment upgrade and replacement	600
Accessible bus stops	1,265
<i>Road infrastructure and road safety</i>	
Road median improvement	573
Streetlight energy performance contracts	2,050
Urban stormwater upgrade program	1,000
Streetlight program	500
Traffic signal programs	500
<i>Public realm and playgrounds</i>	
Shopping centre improvements ¹	3,700
Toilets ¹	200

Project	Financing 2022-23 \$'000
Playgrounds ¹	1,300
Dog parks ¹	700
Play space audit	680
Charnwood Shopping Centre	591
<i>Urban infrastructure and sports facilities</i>	
Sportsground facilities improvement program	1,845
Tuggeranong foreshore improvements ¹	1,400
Reducing reliance on potable water to irrigate grass	1,661
Total TCCS	25,317
Multi-agency	
Social Cost of Carbon	1,230
Total multi-agency	1,230
Total Directorate Better Infrastructure Fund	73,695
Major Projects Canberra – Better Infrastructure Fund procurement and contract administration services	3,690
Total Better Infrastructure Fund	77,385

Notes: Agency totals exclude rollovers of unspent funds from prior years.

1. Project is a 2020 election commitment.

APPENDIX C

INFRASTRUCTURE INVESTMENT PROGRAM – WORKS-IN-PROGRESS

APPENDIX C – CAPITAL WORKS PROGRAM – WORKS-IN-PROGRESS

Table C.1: 2022-23 Capital works Program – Works-in-progress

Project	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	Total \$'000
ACT Health Directorate						
ACT Health Core IT Systems to align with the Digital Health Strategy	33,356	5,009	5,009	0	0	43,374
Better healthcare for a growing community – ACT Pathology Laboratory information system replacement	1,506	0	0	0	0	1,506
Calvary Critical Infrastructure	4,083	0	0	0	0	4,083
Community, Health and Hospitals Program – ACT Initiatives (Cth Contribution)	5,942	10,650	0	0	0	16,592
Expanding public healthcare services for eating disorders	4,752	0	0	0	0	4,752
Implementing real time prescription monitoring	947	0	0	0	0	947
Improving Canberra's health infrastructure – A new carpark at Canberra Hospital	1,000	1,700	0	0	0	2,700
Improving Canberra's health infrastructure – Calvary critical infrastructure	8,727	9,000	0	0	0	17,727
Improving Canberra's health infrastructure – Northside hospital development	5,070	4,500	0	0	0	9,570
More alcohol and other drug services – Watson Health Precinct redevelopment	100	0	0	0	0	100
New COVID-19 and Disease Response Management System	4,640	0	0	0	0	4,640
Ngunnawal Bush Healing Farm	578	0	0	0	0	578
Total	70,701	30,859	5,009	0	0	106,569
Canberra Health Services						
Better care when you need it – New medical imaging equipment	500	0	0	0	0	500
Better care when you need it – Training our future health workforce	1,035	0	0	0	0	1,035
Better healthcare for a growing community – ACT Health critical assets upgrades	11,282	1,548	0	0	0	12,830
Better healthcare for a growing community – Delivering the Weston Creek Walk-in Centre	7	42	0	0	0	49
Better healthcare for a growing community – More mental health accommodation	14	439	0	0	0	453
Clinical Services and Inpatient Unit Design and Infrastructure Expansion	0	302	0	0	0	302
Community, Health and Hospitals Program – ACT Initiatives (Cth Contribution)	2,150	321	0	0	0	2,471
Delivering the Inner North Walk in Centre	3	127	0	0	0	130
Expanding pharmacy services at the Canberra Hospital	2,701	2,189	0	0	0	4,890
Expanding the Centenary Hospital for Women and Children	13,034	7,737	0	0	0	20,771
Health Innovation Fund	1,162	223	0	0	0	1,385

Project	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	Total \$'000
Imaging services at the Weston Creek Walk-in Centre	3,687	1,613	0	0	0	5,300
Improved infrastructure for acute aged care and cancer inpatients	30	834	0	0	0	864
Improving Canberra's health infrastructure – Calvary critical infrastructure	5,335	4,700	0	0	0	10,035
Improving Canberra's health infrastructure – Canberra Health Services warehouse and logistics facility	1,167	100	0	0	0	1,267
Improving Canberra's health infrastructure – Cancer Research Centre	3,635	3,000	0	0	0	6,635
Investing in public health care – Expanding endoscopy services	625	0	0	0	0	625
More mental health services at the Canberra Hospital	4	903	0	0	0	907
More public medical imaging services for Canberra Hospital	2,177	3,141	0	0	0	5,318
Opioid treatment services on Canberra's northside	37	0	0	0	0	37
Secure Mental Health Unit	0	84	0	0	0	84
Sterilising Services – Relocation and upgrade	0	411	0	0	0	411
The Canberra Hospital – Essential infrastructure and engineering works	550	58	0	0	0	608
University of Canberra Public Hospital	0	198	0	0	0	198
Upgrade and refurbishment of buildings at the Canberra Hospital	6,347	2,000	0	0	0	8,347
Upgrade and refurbishment of critical buildings at the Canberra Hospital	1,000	0	0	0	0	1,000
Walk-in health centre – Coombs pilot	0	58	0	0	0	58
Total	56,482	30,028	0	0	0	86,510
Canberra Institute of Technology						
CIT Campus Woden – Entry into design and construct contract	783	783	783	0	0	2,349
CIT Plant & Equipment & IT Infrastructure	1,257	1,257	1,257	1,257	1,257	6,285
Total	2,040	2,040	2,040	1,257	1,257	8,634
Chief Minister, Treasury and Economic Development Directorate						
ACT Government office accommodation consolidation	1,563	0	0	0	0	1,563
Backing our Arts and Entertainment – Recognising significant women through public art	200	0	0	0	0	200
Backing our Arts and Entertainment – Upgrades to Tuggeranong Arts Centre Theatre	600	1,170	0	0	0	1,770
Better community infrastructure – Improving local roads and community infrastructure (ACT Contribution)	1,570	0	0	0	0	1,570
Better community infrastructure – Improving local roads and community infrastructure (Cth Contribution)	6,889	0	0	0	0	6,889
Better Government – Boosting government digital security	280	0	0	0	0	280
Better Services – Weston Creek and Stromlo Swimming pool and leisure centre	271	0	0	0	0	271

Project	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	Total \$'000
Big Canberra Battery – Stream 2	692	0	0	0	0	692
Building a better city – Indoor sports centres – Early planning	64	0	0	0	0	64
Data Storage Infrastructure	2,890	0	0	0	0	2,890
Delivering the Home of Football at Throsby	2,450	17,160	0	0	0	19,610
Digitising Government services	5,842	4,450	0	0	0	10,292
Exhibition Park redevelopment and expansion	500	0	0	0	0	500
Feasibility and design studies for community infrastructure and upgrade	316	0	0	0	0	316
Former Transport Depot – Lead Dust Remediation	200	0	0	0	0	200
Government Budget Management System	1,715	0	0	0	0	1,715
Government Office Projects: Workplace Transition	700	0	0	0	0	700
Gungahlin District Tennis Centre – Design	313	0	0	0	0	313
ICT Equipment Purchase Funding	0	0	0	1,000	0	1,000
Improvements to the Canberra Museum and Gallery and the North Building	623	624	0	0	0	1,247
Improving and upgrading government accommodation	2,868	1,500	0	0	0	4,368
Improving road safety through Mobile Device Detection Cameras	210	0	0	0	0	210
Investing in public services – Critical ICT infrastructure	4,810	5,620	7,030	5,340	0	22,800
More and better jobs – Data analytics for smarter policy	137	0	0	0	0	137
More and better jobs – Modernising government ICT infrastructure	1,538	0	0	0	0	1,538
More energy efficient Government accommodation	4,029	5,472	5,651	0	0	15,152
More facilities for Stromlo Forest Park	99	0	0	0	0	99
More jobs for our growing city – Better arts facilities	68	0	0	0	0	68
Nara Centre Levels 1 & 2	3,500	0	0	0	0	3,500
Non-Government Office Building Fit-Out	1,500	0	0	0	0	1,500
Office Accommodation	500	500	500	500	0	2,000
Permanent Home for Dragon Boating in the ACT	1,250	0	0	0	0	1,250
Planning for a permanent home for Dragon Boating	265	0	0	0	0	265
Stromlo Forest Park – Improved parking	1,646	1,000	0	0	0	2,646
Throsby Home of Football – Stage 2	1,000	8,000	0	0	0	9,000
Upgrading Canberra venues	4,100	3,000	0	0	0	7,100
Upgrading local arts facilities	643	0	0	0	0	643
Upgrading local community centres	300	0	0	0	0	300
Veteran, vintage and historic vehicle conditional registration scheme	108	0	0	0	0	108
Total	56,249	48,496	13,181	6,840	0	124,766
City Renewal Authority						
Acton Waterfront Parkland	1,794	0	0	0	0	1,794
Building a better city – City Renewal Authority – Canberra's Lakeside	1,649	962	0	0	0	2,611
Renewing Canberra's city heart	3,658	11,554	0	0	0	15,212
Total	7,101	12,516	0	0	0	19,617

Project	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	Total \$'000
Community Services Directorate						
Child and Youth Record Information System completion	542	0	0	0	0	542
Data System to support Death Review	200	0	0	0	0	200
Maintaining Systems Supporting Practice (CYRIS)	545	0	0	0	0	545
Moving delivery of more community services online	235	0	0	0	0	235
Total	1,522	0	0	0	0	1,522
Cultural Facilities Corporation						
Improvements to the Canberra Museum and Gallery and the North Building	520	0	0	0	0	520
Improvements to the Canberra Theatre Centre	737	334	0	0	0	1,071
Upgrading Lanyon Homestead	943	1,281	0	0	0	2,224
Total	2,200	1,615	0	0	0	3,815
Education Directorate						
Additional Funding for Schools for Gungahlin – Expansion of Margaret Hendry Primary School and Construction of the New Taylor High School	0	14,808	0	0	0	14,808
Amaroo School Senior Campus Expansion	850	0	0	0	0	850
Better schools for our kids – Expanding Schools in Gungahlin	1,195	0	0	0	0	1,195
Delivering a new primary school at Throsby	2,745	500	0	0	0	3,245
Delivering energy efficient heating systems in ACT schools	3,181	8,000	0	0	0	11,181
East Gungahlin High School	39,657	21,641	3,000	0	0	64,298
Expanding Franklin Early Childhood School	690	0	0	0	0	690
Investing in public education – Digital access and equity	4,912	4,713	5,033	5,159	5,288	25,105
Investing in public education – Essential ICT systems upgrades and modifications	160	0	0	0	0	160
Investing in public education – Set up for success – early childhood program	570	0	0	0	0	570
More places for students at Gold Creek School's senior campus	2,898	0	0	0	0	2,898
More places for students at northside schools	2,453	0	0	0	0	2,453
More schools, better schools – Campbell Primary School Modernisation	500	0	0	0	0	500
More schools, better schools – Delivering Molonglo P-10	1,485	0	0	0	0	1,485
More schools, better schools – More places at Gungahlin schools	967	0	0	0	0	967
More schools, better schools – Roof Replacement Program	500	0	0	0	0	500
New and expanded schools – Expansion of Margaret Hendry Primary School and a new Taylor High School	39,260	74,119	0	0	0	113,379
New and expanded schools – Future planning	3,000	4,000	0	0	0	7,000
New and expanded schools – Garran Primary School redevelopment	670	0	0	0	0	670
New and expanded schools – Increasing school capacity	7,000	0	0	0	0	7,000

Project	2022-23	2023-24	2024-25	2025-26	2026-27	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
New and expanded schools – Narrabundah College modernisation	500	0	0	0	0	500
New and expanded schools – Strathnairn Primary School	850	0	0	0	0	850
Removing hazardous materials from schools	3,750	3,750	3,750	0	0	11,250
Schools for our growing city – Kenny High School	0	13,410	0	0	0	13,410
Schools for our growing city – North Gungahlin High School	149	0	0	0	0	149
Supporting our School System – Improving ICT	7,435	6,197	6,321	6,479	6,641	33,073
Total	125,377	151,138	18,104	11,638	11,929	318,186
Electoral Commissioner						
Better Government – New Electoral Management System	608	0	0	0	0	608
Total	608	0	0	0	0	608
Environment, Planning and Sustainable Development Directorate						
Delivering better community facilities for Woden Town Centre	1,022	0	0	0	0	1,022
East Lake urban renewal – Site investigations and planning	1,318	399	28	0	0	1,745
Feasibility and design studies for community infrastructure and upgrade	251	0	0	0	0	251
Feasibility and infrastructure planning for future Molonglo land releases	682	0	0	0	0	682
Fishing and Camping Facilities Program	71	0	0	0	0	71
Gungahlin Common Ground Build-to-Rent – Design	585	0	0	0	0	585
Improving online lodgement for development applications	436	0	0	0	0	436
Next phase of water quality improvements in Lake Tuggeranong	206	0	0	0	0	206
Protecting Canberra's unique environment – Franklin Nature Reserve enhancement	2,428	141	66	0	0	2,635
Protecting Endangered Species	40	0	0	0	0	40
Protecting grasslands and conservation areas	185	0	0	0	0	185
Remediating the former Molonglo sewerage treatment facility	192	0	0	0	0	192
Replanting the Ingledene Forest	674	0	0	0	0	674
Securing Electricity Supply in the ACT – Second supply network	8	0	0	0	0	8
Site works for Watson Section 76	3,896	0	0	0	0	3,896
Supporting our heritage – Funding for the National Trust and upgrading the Heritage Council database and website	247	0	0	0	0	247
Upgrade toilet – Orroral Valley Campground	66	0	0	0	0	66
Total	12,307	540	94	0	0	12,941
Housing ACT						
Better healthcare for a growing community – More mental health accommodation	398	0	0	0	0	398
Community and Social Housing & National Affordable Housing Agreement Funding	5,000	5,000	5,000	5,000	5,000	25,000
Growing and renewing public housing – Securing high quality public housing	11,418	8,582	0	0	0	20,000

Project	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	Total \$'000
Maintenance and Upgrade Program for Social Housing	405	0	0	0	0	405
More support for families and inclusion – Better housing for Aboriginal and Torres Strait Islander older people	179	0	0	0	0	179
Reducing homelessness by delivering another Common Ground	5,800	0	0	0	0	5,800
Total	23,200	13,582	5,000	5,000	5,000	51,782
Justice and Community Safety Directorate						
ACT Emergency Services Agency – ACT Ambulance Service – Modernised and Sustainable Service Plan	554	0	0	0	0	554
ACT Fire & Rescue Staff and Development and Action Station	6,040	27,444	6,000	0	0	39,484
ACT Law Courts upgrades	50	0	0	0	0	50
ACT Policing Urgent and Unavoidable Remediation Works	3,871	0	0	0	0	3,871
ACT Policing's Traffic Operations Centre – Accommodation Solution	2,141	0	0	0	0	2,141
ACT State Emergency Service Majura Unit Facilities Upgrade	1,518	0	0	0	0	1,518
Address Relocation Funding Shortfall for ACAT	764	0	0	0	0	764
Alexander Maconochie Centre Detainee industries and activities enforcement project	116	0	0	0	0	116
Better Government – New Jury Management System	142	0	0	0	0	142
Better support when it matters – More frontline firefighters – Second crew at Ainslie Station	536	0	0	0	0	536
Emergency Services Agency Critical ICT Investment	264	0	0	0	0	264
ESA – Urban Search and Rescue and Chemical, Biological, Radiological and Nuclear Equipment Replacement	261	111	111	111	111	705
Improving infrastructure and wellbeing at the Alexander Maconochie Centre	1,948	1,500	1,500	0	0	4,948
Management and remediation of firefighting substances at the stations	797	0	0	0	0	797
More services for our suburbs – Enhancing our bushfire preparedness	15	0	0	0	0	15
More support for families and inclusion – Commencing operations of the Drug and Alcohol Court	591	0	0	0	0	591
New stations for ACT Ambulance Service and ACT Fire & Rescue	385	0	0	0	0	385
Strengthening bushfire preparedness and ACT Rural Fire Service partnerships – Capital	17	0	0	0	0	17
Strengthening Emergency Services – Territory Radio Network upgrade – Phases 2 and 3	125	0	0	0	0	125
Upgrading essential services at the Alexander Maconochie Centre	3,721	1,000	0	0	0	4,721

Project	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	Total \$'000
Well-prepared emergency services – Improving safety at police, emergency services and corrections facilities	1,514	0	0	0	0	1,514
Well-prepared emergency services – Gungahlin Joint Emergency Service Centre	1,411	6,469	50	0	0	7,930
Well-prepared emergency services – Remediating hazardous materials around the former West Belconnen ACT Fire & Rescue Station	508	500	0	0	0	1,008
Well-prepared emergency services – Strengthening ICT infrastructure	1,710	0	0	0	0	1,710
Well-prepared emergency services – Vehicle replacement program	8,025	6,653	5,890	3,000	3,000	26,568
Total	37,024	43,677	13,551	3,111	3,111	100,474
Major Projects Canberra						
Canberra Theatre Centre Expansion and Redevelopment Project	2,005	0	0	0	0	2,005
CIT Woden Campus and Bus Interchange	44,217	147,834	92,569	0	0	284,620
Cladding rectification – ACT Government Owned Buildings	5,483	0	0	0	0	5,483
Cladding Rectification – Non-Government Building Scheme Phase 1	1,926	500	0	0	0	2,426
Delivering the Canberra Hospital Expansion	190,000	181,989	81,291	0	0	453,280
Improving Canberra's health infrastructure – Northside hospital development	1,641	0	0	0	0	1,641
Light Rail Stage 2 and associated enabling works	50,038	0	0	0	0	50,038
Light Rail Stage 2A Enabling Works – Raising London Circuit	36,899	37,027	0	0	0	73,926
Total	332,209	367,350	173,860	0	0	873,419
Office of the Legislative Assembly						
Building a better city – Legislative Assembly Artwork	30	30	30	30	30	150
Capital Funding for Legislative Assembly Library	5	5	5	5	5	25
Total	35	35	35	35	35	175
Transport Canberra and City Services Directorate						
ACT Material Recovery Facility (ACT Contribution)	500	5,350	6,000	0	0	11,850
ACT Material Recovery Facility (Cth Contribution)	5,000	5,360	0	0	0	10,360
Athllon Drive Duplication	500	4,033	0	0	0	4,533
Better buses to support the new bus network	3,810	21,200	12,200	0	0	37,210
Better community infrastructure – Improving local roads and community infrastructure	5,151	0	0	0	0	5,151
Better connecting Belconnen and Gungahlin (ACT Contribution)	500	14,500	4,000	0	0	19,000
Better connecting Belconnen and Gungahlin (Cth Contribution)	10,000	0	0	0	0	10,000
Better Customer Service – Improving Online Platforms	1,451	516	0	0	0	1,967
Better Intersections – Delivering our Election Commitments (ACT Contribution)	2,409	2,550	0	0	0	4,959

Project	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	Total \$'000
Better Intersections – Delivering our Election Commitments (Cth Contribution)	1,000	1,470	330	0	0	2,800
Better Services – Improved asset management	136	0	0	0	0	136
Black Spot Projects (Cth Contribution)	2,420	2,260	2,260	1,529	0	8,469
Bridges Renewal Program (Cth Contribution)	2,150	1,190	920	1,700	0	5,960
Building a better city – Canberra Brickworks – Access road and Dudley Street upgrade 2	1,000	0	0	0	0	1,000
Building a better city – Gundaroo Drive duplication – Stage 2	2,484	0	0	0	0	2,484
Building a better city – Improving Tharwa Village fire-fighting water supply	791	0	0	0	0	791
Building a better city – Rehabilitating landfill sites	900	15,500	6,000	0	0	22,400
Casey Community Recreation Park	2,475	500	0	0	0	2,975
Connected and sustainable Canberra – Active travel investments	484	5,000	5,270	0	0	10,754
Connected and sustainable Canberra – Constructing the William Hovell Drive duplication (ACT Contribution)	700	4,500	18,550	13,000	0	36,750
Connected and sustainable Canberra – Constructing the William Hovell Drive duplication (Cth Contribution)	11,950	11,900	2,650	0	0	26,500
Connected and sustainable Canberra – Monaro Highway upgrades (ACT Contribution)	0	27,500	32,500	17,050	0	77,050
Connected and sustainable Canberra – Monaro Highway upgrades (Cth Contribution)	5,000	22,500	27,500	25,050	0	80,050
Connected and sustainable Canberra – Parkes Way/Coranderrk St intersection	933	0	0	0	0	933
Connected and sustainable Canberra – Upgrades for Pialligo (ACT Contribution)	1,040	0	160	0	0	1,200
Connected and sustainable Canberra – Upgrades for Pialligo (Cth Contribution)	1,375	1,125	0	0	0	2,500
Connected and sustainable Canberra – Upgrading roads in south-west Canberra (ACT Contribution)	313	281	0	0	0	594
Connected and sustainable Canberra – Upgrading roads in south-west Canberra (Cth Contribution)	270	450	0	0	0	720
Delivering a smart technology ticketing system for Canberra's integrated public transport system	2,000	22,523	12,923	0	0	37,446
Early design works for a new RSPCA facility	930	0	0	0	0	930
Enhancement of library collections	2,063	2,063	2,063	2,063	2,063	10,315
Ensuring uninterrupted power supply to traffic lights (ACT Contribution)	125	238	0	0	0	363
Ensuring uninterrupted power supply to traffic lights (Cth Contribution)	125	75	0	0	0	200
Feasibility and design studies for community infrastructure upgrades	109	0	0	0	0	109
Food organics and garden organics – waste recovery facility	500	0	0	0	0	500

Project	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	Total \$'000
Goliath Court Flood Mitigation (Cth Contribution)	720	0	0	0	0	720
Growing investment in services for our suburbs	648	0	0	0	0	648
Growing the public transport network	1,800	0	0	0	0	1,800
Heavy Vehicle Safety and Productivity (Cth Contribution)	440	2,140	1,460	1,160	0	5,200
Household Organics Waste Collections	3	3	0	0	0	6
Improving stormwater networks	3,045	0	0	0	0	3,045
Improving water management infrastructure	50	0	0	0	0	50
Intersection Upgrades – Belconnen way intersection with Springvale Drive (ACT Contribution)	443	0	0	0	0	443
Intersection Upgrades – Kuringa Drive intersection with Owen Dixon (ACT Contribution)	871	1,000	0	0	0	1,871
Intersection Upgrades – Southern Cross Drive intersection with Starke Street (ACT Contribution)	621	1,000	0	0	0	1,621
Keeping our growing city moving – Better infrastructure for active travel	800	0	0	0	0	800
Keeping our growing city moving – Canberra Brickworks Precinct – environmental offsets	9	0	0	0	0	9
Keeping our growing city moving – John Gorton Drive and Molonglo River Bridge Crossing – Early design	305	0	0	0	0	305
Light Rail Stage 2A Enabling Works – Raising London Circuit	590	604	0	0	0	1,194
Making our roads safer while keeping Canberra moving	5,442	6,689	2,500	0	0	14,631
Manage Waste better	23	1,521	4,177	0	0	5,721
Mawson stormwater and placemaking improvements – construction (ACT Contribution)	510	500	0	0	0	1,010
Mawson stormwater and placemaking improvements – construction (Cth Contribution)	1,010	0	0	0	0	1,010
Molonglo Enabling Works (ACT Contribution)	313	20,000	54,700	13,000	0	88,013
Molonglo Enabling Works (Cth Contribution)	15,150	35,000	20,000	17,050	0	87,200
More services for our suburbs – Parkwood estate rehabilitation	3,550	0	0	0	0	3,550
More services for our suburbs – Southern Memorial Park Detailed Design	700	800	0	0	0	1,500
Parkes Way Early works (ACT Contribution)	735	1,317	0	0	0	2,052
Parkes Way Early works (Cth Contribution)	460	1,860	0	0	0	2,320
Planning and design for a zero emissions bus network	500	0	0	0	0	500
Planning better roads for our growing city	334	0	0	0	0	334
Protecting Canberra's unique environment – Growing our urban forest	554	0	0	0	0	554
Protecting Canberra's unique environment – Upgrading the stormwater network	3,350	2,000	2,000	0	0	7,350
Road Investment Component (Cth Contribution)	30,655	45,552	-227	-7,550	-762	67,668

Project	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	Total \$'000
Road safety improvements (ACT Contribution)	1,350	0	0	0	0	1,350
Road safety improvements (Cth Contribution)	560	0	0	0	0	560
Road Safety Works – Variable Speed Limit Systems (ACT Contribution)	0	692	500	0	0	1,192
Roads to Recovery (Cth Contribution)	7,970	5,720	7,970	7,969	0	29,629
Schools for our growing city – Kenny High School	5,370	5,650	0	0	0	11,020
Supporting more Canberrans to Park and Ride	610	0	0	0	0	610
Upgrading an intersection on Owen Dixon Drive (ACT Contribution)	500	4,000	0	0	0	4,500
Upgrading an intersection on Owen Dixon Drive (Cth Contribution)	1,250	1,250	0	0	0	2,500
Woden Bus Depot Augmentation	3,000	22,398	6,000	0	0	31,398
Total	164,835	332,280	232,406	92,021	1,301	822,843
Total 2022-23 Capital Works-in-Progress	891,890	1,034,156	463,280	119,902	22,633	2,531,861

APPENDIX D

CONSOLIDATED FINANCIAL STATEMENTS – PUBLIC TRADING ENTERPRISES

APPENDIX D – CONSOLIDATED FINANCIAL STATEMENTS – PUBLIC TRADING ENTERPRISES

Table D.1: Australian Capital Territory Public Trading Enterprises – Operating Statement

	2021-22 Budget	2021-22 Estimated Outcome	2022-23 Budget	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income						
Controlled recurrent payments	285,626	287,374	293,941	290,024	292,746	297,563
Commonwealth grants	9,189	9,189	9,351	9,538	9,753	9,753
Sales of goods and services						
Revenue from associates and joint ventures	77,093	85,621	70,892	80,143	72,995	72,097
Other sales of goods and services from contracts with customers	472,872	438,784	457,514	476,143	492,118	507,858
Interest revenue	816	2,719	2,678	2,724	2,133	2,243
Other revenue						
Land revenue (value add component)	377,277	480,447	307,016	497,425	510,428	564,021
Other revenue	10,093	18,335	19,341	10,203	10,483	10,784
Gains from contributed assets	23,712	11,882	8,414	6,470	5,627	5,506
Total income	1,256,678	1,334,351	1,169,147	1,372,670	1,396,283	1,469,825
Expenses						
Employee expenses	217,591	219,363	227,816	229,610	233,049	236,984
Superannuation expenses	34,812	34,949	37,927	38,435	39,075	39,746
Depreciation and amortisation	159,215	160,999	163,376	169,380	173,897	176,411
Interest expenses	89,265	99,921	96,009	95,501	96,419	97,306
Other property expenses (income tax equivalents)	80,624	103,153	69,114	117,551	102,474	107,709
Other operating expenses						
Supplies and services	300,402	284,676	320,011	319,193	305,410	315,486
Other operating expenses	103,558	210,019	140,481	216,857	286,882	292,009
Grants and purchased services expense	174,782	110,771	123,740	96,901	93,422	100,879
Total expenses	1,160,249	1,223,851	1,178,474	1,283,428	1,330,628	1,366,530
UPF net operating balance	96,429	110,500	(9,327)	89,242	65,655	103,295
Other economic flows – included in the operating result						
Land revenue (market gains on land sales)	4,322	21,180	72,049	60,185	38,586	16,098
Net gain/(loss) on sale/(disposal) of non-financial assets	(48,729)	7,167	(17,746)	2,047	118	(3,255)
Net gain/(loss) on financial assets or liabilities at fair value	100	100	100	100	100	100
Doubtful debts	(3,208)	(3,707)	(3,482)	(3,543)	(3,634)	(3,634)
Operating result	48,914	135,240	41,594	148,031	100,825	112,604

	2021-22 Budget \$'000	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
Other economic flows – other comprehensive income						
Items that will not be subsequently reclassified to operating statement						
Increase/(decrease) in asset revaluation surplus	103,495	1,997,478	(16,245)	179,059	41,514	54,652
Total comprehensive result	152,409	2,132,718	25,349	327,090	142,339	167,256
Key fiscal aggregates						
UPF net operating balance	96,429	110,500	(9,327)	89,242	65,655	103,295
less Net acquisition of non-financial assets						
Payments for non-financial assets	346,458	245,449	359,306	398,570	206,463	153,059
Sales of non-financial assets	(101,691)	(112,548)	(103,085)	(158,904)	(100,504)	(85,860)
Change in inventories	18,851	(48,440)	55,516	70,322	31,244	(34,899)
Depreciation and amortisation	(159,215)	(160,999)	(163,376)	(169,380)	(173,897)	(176,411)
Other movements in non-financial assets	(124,209)	(75,157)	(86,877)	(68,649)	(65,404)	(72,944)
Total net acquisition of non-financial assets	(19,806)	(151,695)	61,484	71,959	(102,098)	(217,055)
Net lending/(borrowing)	116,235	262,195	(70,811)	17,283	167,753	320,350
UPF net operating balance	96,429	110,500	(9,327)	89,242	65,655	103,295
HEADLINE NET OPERATING BALANCE	96,429	110,500	(9,327)	89,242	65,655	103,295

Note: Numbers may not add due to rounding.

Table D.2: Australian Capital Territory Public Trading Enterprises – Balance sheet

	2021-22 Budget	2021-22 Estimated Outcome	2022-23 Budget	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets						
Cash and deposits	142,247	323,321	228,827	131,311	120,131	140,336
Investments and loans	40,000	35,000	35,000	35,000	35,000	35,000
Receivables	69,568	68,844	64,258	58,602	66,780	71,561
Equity investments	993,607	987,564	1,008,956	1,013,099	1,013,594	1,022,691
Total financial assets	1,245,422	1,414,729	1,337,041	1,238,012	1,235,505	1,269,588
Non-financial assets						
Produced assets						
Property, plant and equipment	5,504,657	5,931,730	5,790,121	6,044,414	6,056,068	6,016,938
Investment properties	25,587	25,587	25,593	25,599	25,605	25,611
Intangibles	50,959	42,313	44,090	43,077	41,663	41,884
Inventories	390,415	323,124	378,640	448,962	480,206	445,307
Assets held for sale	11,226	11,226	20,958	8,544	3,224	0
Capital works-in-progress	205,749	202,356	257,260	283,626	269,143	268,065
Non-produced assets						
Property, plant and equipment	4,898,028	6,345,920	6,495,278	6,493,840	6,494,452	6,500,577
Other non-financial assets						
Deferred tax assets	18,105	18,105	18,105	18,105	18,105	18,105
Total non-financial assets	11,104,726	12,900,361	13,030,045	13,366,167	13,388,466	13,316,487
Total assets	12,350,148	14,315,090	14,367,086	14,604,179	14,623,971	14,586,075
Liabilities						
Advances received	1,921,206	1,896,254	1,907,597	1,972,796	2,012,188	2,055,976
Borrowings						
Lease liabilities	4,332	10,246	10,149	10,082	10,082	10,082
Other borrowings	288,380	288,380	277,286	266,563	255,065	243,567
Employee benefits	79,795	80,760	82,547	84,459	86,518	88,723
Other provisions	181,410	167,354	162,907	167,739	170,494	170,981
Payables and contract liabilities	196,723	194,578	200,538	197,543	209,195	207,647
Other liabilities						
Current tax liability	31,311	64,151	(14,180)	(7,832)	(34,668)	(8,792)
Deferred tax liability	567,867	579,688	574,049	588,709	592,498	576,798
Other liabilities	58,517	43,811	151,889	134,248	159,585	129,757
Total liabilities	3,329,541	3,325,222	3,352,782	3,414,307	3,460,957	3,474,739
Net assets	9,020,607	10,989,868	11,014,304	11,189,872	11,163,014	11,111,336
Accumulated funds	3,499,246	3,518,184	3,580,865	3,599,374	3,553,002	3,468,672
Asset revaluation surplus	5,521,361	7,471,684	7,433,439	7,590,498	7,610,012	7,642,664
Net worth	9,020,607	10,989,868	11,014,304	11,189,872	11,163,014	11,111,336
Net financial worth	(2,084,119)	(1,910,493)	(2,015,741)	(2,176,295)	(2,225,452)	(2,205,151)
Net debt	1,743,291	1,548,179	1,653,919	1,816,567	1,867,139	1,890,722

Note: Numbers may not add due to rounding.

Table D.3: Australian Capital Territory Public Trading Enterprises – Statement of changes in equity

	2021-22 Budget	2021-22 Estimated Outcome	2022-23 Budget	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening equity						
Opening accumulated funds	3,435,095	3,434,470	3,518,184	3,580,865	3,599,374	3,553,002
Opening asset revaluation surplus	5,439,866	5,496,207	7,471,684	7,433,439	7,590,498	7,610,012
Opening balance	8,874,961	8,930,677	10,989,868	11,014,304	11,189,872	11,163,014
Comprehensive income						
Included in accumulated funds:						
Operating result for the period	48,914	135,240	41,594	148,031	100,825	112,604
Included in asset revaluation surplus:						
Increase/(decrease) in asset revaluation surplus	103,495	1,997,478	(16,245)	179,059	41,514	54,652
Total comprehensive result	152,409	2,132,718	25,349	327,090	142,339	167,256
Other						
Transfer to/(from) accumulated funds	22,000	22,000	22,000	22,000	22,000	22,000
Transfer to/(from) asset revaluation surplus	(22,000)	(22,000)	(22,000)	(22,000)	(22,000)	(22,000)
Total other	0	0	0	0	0	0
Transactions involving owners affecting accumulated funds						
Capital injections	156,786	142,853	150,764	113,106	52,712	17,833
Transfer of assets from the General Government Sector	11,073	11,073	0	0	0	0
Dividends approved	(174,622)	(227,452)	(151,677)	(264,628)	(221,909)	(236,767)
Total transactions involving owners affecting accumulated funds	(6,763)	(73,526)	(913)	(151,522)	(169,197)	(218,934)
Closing equity						
Closing accumulated funds	3,499,246	3,518,184	3,580,865	3,599,374	3,553,002	3,468,672
Closing asset revaluation surplus	5,521,361	7,471,684	7,433,439	7,590,498	7,610,012	7,642,664
Closing balance	9,020,607	10,989,868	11,014,304	11,189,872	11,163,014	11,111,336

Note: Numbers may not add due to rounding.

Table D.4: Australian Capital Territory Public Trading Enterprises – Statement of cash flows

	2021-22 Budget	2021-22 Estimated Outcome	2022-23 Budget	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities						
Cash receipts						
Sales of goods and services from contracts with customers	878,505	969,108	852,521	1,051,620	1,061,912	1,099,903
Grants and contributions	294,815	296,562	303,290	299,562	302,499	307,316
Interest received	816	2,724	2,678	2,724	2,133	2,243
Other receipts	95,308	107,731	97,369	127,311	136,282	100,021
Total receipts from operating activities	1,269,444	1,376,125	1,255,858	1,481,217	1,502,826	1,509,483
Cash payments						
Payments for employees	(190,475)	(248,813)	(259,381)	(262,741)	(266,961)	(271,538)
Payments for goods and services	(408,621)	(330,216)	(369,604)	(362,418)	(346,634)	(356,718)
Grants/subsidies paid	(31,549)	(33,195)	(33,838)	(28,015)	(27,778)	(27,695)
Borrowing costs	(80,939)	(93,266)	(82,686)	(84,868)	(85,701)	(88,763)
Other payments	(307,267)	(261,532)	(300,173)	(386,266)	(434,521)	(358,014)
Total payments from operating activities	(1,018,851)	(967,022)	(1,045,682)	(1,124,308)	(1,161,595)	(1,102,728)
Net cash inflows/(outflows) from operating activities	250,593	409,103	210,176	356,909	341,231	406,755
Cash flows from investing activities						
Cash flows from investments in non-financial assets						
Sales of non-financial assets	101,691	112,548	103,085	158,904	100,504	85,860
Payments for non-financial assets	(346,458)	(245,449)	(359,306)	(398,570)	(206,463)	(153,059)
Net cash inflows/(outflows) from investments in non-financial assets	(244,767)	(132,901)	(256,221)	(239,666)	(105,959)	(67,199)
Cash flows from investments in financial assets for policy purposes						
Cash receipts						
Repayment of loans	926	927	0	0	0	0
Capital receipts from government agencies	156,786	142,853	150,764	113,106	52,712	17,833
Total receipts from investment in financial assets for policy purposes	157,712	143,780	150,764	113,106	52,712	17,833
Cash payments						
Issue of loan	(927)	(927)	0	0	0	0
Dividends (market gains on land sales)	(2,756)	(14,073)	(48,169)	(40,885)	(26,084)	(9,677)
Total payments from investment in financial assets for policy purposes	(3,683)	(15,000)	(48,169)	(40,885)	(26,084)	(9,677)
Net cash inflows/(outflows) from investments in financial assets for policy purposes	154,029	128,780	102,595	72,221	26,628	8,156

	2021-22 Budget \$'000	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
Cash flows from investments in financial assets for liquidity purposes						
Sales of investments	184	2,336	184	182	183	185
Net cash inflows/(outflows) from investments in financial assets for liquidity purposes	184	2,336	184	182	183	185
Net cash inflows/(outflows) from investing activities	(90,554)	(1,785)	(153,442)	(167,263)	(79,148)	(58,858)
Cash flows from financing activities						
Cash receipts						
Advances received	40,763	34,849	776	160,790	35,806	165,806
Total receipts from financing activities	40,763	34,849	776	160,790	35,806	165,806
Cash payments						
Advances paid	(7,642)	(9,992)	(6,421)	(105,096)	(5,241)	(128,868)
Dividends paid	(180,633)	(242,092)	167	(236,507)	(167,683)	(256,386)
Repayment of lease liabilities - principal	(14,916)	(14,223)	(15,026)	(15,733)	(16,589)	(16,673)
Other financing	(180,511)	(182,685)	(130,724)	(90,617)	(119,557)	(91,570)
Total payments from financing activities	(383,702)	(448,992)	(152,004)	(447,953)	(309,070)	(493,497)
Net cash inflows/(outflows) from financing activities	(342,939)	(414,143)	(151,228)	(287,163)	(273,264)	(327,691)
Net increase/(decrease) in cash and cash equivalents	(182,900)	(6,825)	(94,494)	(97,517)	(11,181)	20,206
Cash and cash equivalents at the beginning of reporting period	365,146	365,146	358,321	263,827	166,310	155,129
Cash and cash equivalents at the end of reporting period	182,248	358,321	263,827	166,310	155,129	175,335
Key fiscal aggregates						
Net cash from operating activities	250,593	409,103	210,176	356,909	341,231	406,755
Net cash flows from investments in non-financial assets	(244,767)	(132,901)	(256,221)	(239,666)	(105,959)	(67,199)
Distributions paid	(361,144)	(424,777)	(130,557)	(327,124)	(287,240)	(347,956)
Cash surplus (+)/deficit(-)	(355,318)	(148,575)	(176,602)	(209,881)	(51,968)	(8,400)

Notes:

1. Numbers may not add due to rounding.
2. A positive number denotes a cash inflow, a negative sign denotes a cash outflow.

APPENDIX E

CONSOLIDATED FINANCIAL STATEMENTS – TOTAL TERRITORY

APPENDIX E – CONSOLIDATED FINANCIAL STATEMENTS – TOTAL TERRITORY

Table E.1: Australian Capital Territory Consolidated Total Territory – Operating Statement

	2021-22 Budget	2021-22 Estimated Outcome	2022-23 Budget	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income						
Taxation revenue	2,163,866	2,344,923	2,406,625	2,465,965	2,589,142	2,716,672
Commonwealth grants	2,767,551	2,996,240	2,991,783	3,145,797	3,143,203	3,277,591
Sales of goods and services						
Revenue from associates and joint ventures	77,093	85,621	70,892	80,143	72,995	72,097
Other sales of goods and services from contracts with customers	1,007,080	971,017	1,024,340	1,059,885	1,087,906	1,119,438
Investment revenue	146,745	150,530	169,690	183,066	196,912	211,502
Interest revenue	29,822	57,513	61,312	46,101	42,881	39,559
Other revenue						
Land revenue (value add component)	350,186	474,044	248,726	464,625	468,138	392,633
Other revenue	200,883	176,429	233,556	198,802	260,381	246,115
Gains from contributed assets	177,474	150,166	210,782	138,095	128,579	111,422
Total income	6,920,700	7,406,483	7,417,706	7,782,479	7,990,137	8,187,029
Expenses						
Employee expenses	2,744,955	2,810,616	2,876,598	2,930,366	3,005,587	3,082,419
Superannuation expenses						
Superannuation interest cost	302,379	302,379	412,372	457,759	469,329	479,943
Other superannuation expenses	571,626	586,300	514,847	448,000	445,355	438,335
Depreciation and amortisation	699,032	685,209	718,969	752,161	787,242	805,504
Interest expenses	258,457	272,468	335,319	408,688	462,607	516,956
Other operating expenses						
Supplies and services	1,680,284	1,641,308	1,642,282	1,812,392	1,753,313	1,877,670
Other operating expenses	317,273	401,160	337,872	424,192	496,945	471,895
Grants and purchased services expenses	1,609,273	1,645,738	1,442,156	1,293,437	1,298,026	1,296,709
Total expenses	8,183,279	8,345,178	8,280,415	8,526,995	8,718,404	8,969,431
UPF net operating balance	(1,262,579)	(938,695)	(862,709)	(744,516)	(728,267)	(782,402)
Other economic flows – included in the operating result						
Land revenue (market gains on land sales)	4,322	21,180	72,049	60,185	38,586	16,098
Net land revenue (undeveloped land value)	42,315	21,594	11,907	18,578	20,974	12,480
Net gain/(loss) on sale/(disposal) of non-financial assets	(57,529)	37,050	(17,865)	1,511	(940)	(4,945)
Net gain/(loss) on financial assets or liabilities at fair value	229,323	(94,048)	231,839	249,561	268,248	288,172
Doubtful debts	(16,136)	(16,682)	(14,216)	(14,519)	(14,756)	(14,761)
Operating result	(1,060,284)	(969,601)	(578,995)	(429,200)	(416,155)	(485,358)
Other economic flows – other comprehensive income						

	2021-22 Budget \$'000	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
Items that will not be subsequently reclassified to Operating Statement						
Superannuation actuarial gain/(loss)	3,412,160	2,577,265	2,058,371	0	0	0
Other movements	(19,687)	(17,218)	(2,382)	(2,258)	(430)	(430)
Increase/(decrease) in asset revaluation surplus	(25,024)	2,131,214	24,817	128,544	(51,814)	424,852
Total comprehensive result	2,307,166	3,721,660	1,501,811	(302,914)	(468,399)	(60,936)
Key fiscal aggregates						
UPF net operating balance	(1,262,579)	(938,695)	(862,709)	(744,516)	(728,267)	(782,402)
less net acquisition of non-financial assets						
Payments for non-financial assets	1,372,111	1,035,455	1,413,812	1,225,665	1,374,147	1,265,940
Sales of non-financial assets	(176,957)	(188,059)	(147,874)	(195,602)	(134,838)	(121,101)
Change in inventories	19,135	(48,361)	56,114	70,391	31,310	(34,839)
Depreciation and amortisation	(699,032)	(685,209)	(718,969)	(752,161)	(787,242)	(805,504)
Other movements in non-financial assets	126,887	49,923	100,216	50,000	50,000	50,000
Total net acquisition of non-financial assets	642,144	163,749	703,299	398,293	533,377	354,496
Net lending/(borrowing)	(1,904,723)	(1,102,444)	(1,566,008)	(1,142,809)	(1,261,644)	(1,136,898)

GOVERNMENT FISCAL MEASURE						
– BUDGET OPERATING SURPLUS/DEFICIT						
UPF net operating balance	(1,262,579)	(938,695)	(862,709)	(744,516)	(728,267)	(782,402)
Superannuation return adjustment	216,060	213,380	218,099	234,269	251,644	270,314
HEADLINE NET OPERATING BALANCE	(1,046,519)	(725,315)	(644,610)	(510,247)	(476,623)	(512,088)

Note: Numbers may not add due to rounding.

Table E.2: Australian Capital Territory Consolidated Total Territory – Balance Sheet

	2021-22 Budget	2021-22 Estimated Outcome	2022-23 Budget	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets						
Cash and deposits	2,661,048	3,115,835	2,267,077	2,743,286	2,389,886	1,998,337
Advances paid	1,050	75,085	90,964	122,280	111,194	99,575
Investments and loans	6,285,886	5,856,241	6,314,276	6,793,418	7,290,502	7,817,633
Receivables	620,823	674,265	803,484	820,781	858,832	932,671
Investments accounted for using the equity method	993,607	987,564	1,008,956	1,013,099	1,013,594	1,022,691
Total financial assets	10,562,414	10,708,990	10,484,757	11,492,864	11,664,008	11,870,907
Non-financial assets						
Produced assets						
Property, plant and equipment	18,813,699	19,190,163	19,228,170	19,161,264	19,759,754	20,843,420
Investment properties	33,507	29,737	29,743	29,749	29,755	29,761
Intangibles	324,286	284,256	329,811	303,860	260,463	202,157
Inventories	432,536	365,040	421,154	491,545	522,855	488,016
Assets held for sale	31,063	40,295	42,540	28,381	23,061	19,837
Capital works-in-progress	1,091,365	1,018,099	1,542,451	2,231,832	2,241,803	2,100,267
Non-produced assets						
Property, plant and equipment	9,104,260	10,555,641	10,772,728	10,785,563	10,810,246	10,890,665
Biological assets	27,148	27,148	27,148	28,882	28,882	28,882
Other non-financial assets	11,375	11,375	11,375	11,375	11,375	11,375
Total non-financial assets	29,869,239	31,521,754	32,405,120	33,072,451	33,688,194	34,614,380
Total assets	40,431,653	42,230,744	42,889,877	44,565,315	45,352,202	46,485,287
Liabilities						
Advances received	89,949	89,949	81,586	73,231	64,674	55,906
Borrowings						
Lease liabilities	1,070,639	1,070,401	1,043,439	1,004,863	964,667	923,523
Other borrowings	10,051,623	9,504,257	10,409,200	12,120,097	13,104,087	14,042,638
Superannuation	10,103,261	10,938,158	9,175,326	9,425,797	9,657,138	9,868,433
Employee benefits	1,038,167	1,046,276	1,092,415	1,140,237	1,189,510	1,240,209
Other provisions	1,116,205	1,135,508	1,137,698	1,152,173	1,170,852	1,208,611
Payables and contract liabilities	481,251	463,868	468,117	471,940	493,374	498,668
Other liabilities	32,163	21,330	19,288	17,083	16,405	16,740
Total liabilities	23,983,258	24,269,747	23,427,069	25,405,421	26,660,707	27,854,728
Net assets	16,448,395	17,960,997	19,462,808	19,159,894	18,691,495	18,630,559
Accumulated funds	4,067,324	3,417,623	4,918,882	4,509,424	4,114,839	3,651,051
Asset revaluation surplus	12,379,841	14,542,144	14,542,696	14,649,240	14,575,426	14,978,278
Other reserves	1,230	1,230	1,230	1,230	1,230	1,230
Net worth	16,448,395	17,960,997	19,462,808	19,159,894	18,691,495	18,630,559
Net financial worth	(13,420,844)	(13,560,757)	(12,942,312)	(13,912,557)	(14,996,699)	(15,983,821)
Net financial liabilities	14,414,451	14,548,321	13,951,268	14,925,656	16,010,293	17,006,512
Net debt (excluding superannuation related investments)	7,752,671	6,832,343	8,456,095	9,540,949	10,781,522	12,016,780

Note: Numbers may not add due to rounding.

Table E.3: Australian Capital Territory Consolidated Total Territory – Statement of changes in equity

	2021-22 Budget	2021-22 Estimated Outcome	2022-23 Budget	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening equity						
Opening accumulated funds	1,710,015	1,800,617	3,417,623	4,918,882	4,509,424	4,114,839
Opening asset revaluation surplus	12,429,985	12,437,491	14,542,144	14,542,696	14,649,240	14,575,426
Opening other reserves	1,230	1,230	1,230	1,230	1,230	1,230
Opening balance	14,141,229	14,239,338	17,960,997	19,462,808	19,159,894	18,691,495
Comprehensive income						
Included in accumulated funds:						
Operating result for the period	(1,060,284)	(969,601)	(578,995)	(429,200)	(416,155)	(485,358)
Superannuation actuarial gain/(loss)	3,412,160	2,577,265	2,058,371	0	0	0
Other movements	(19,687)	(17,218)	(2,382)	(2,258)	(430)	(430)
Included in asset revaluation surplus:						
Increase/(decrease) in asset revaluation reserve surpluses due to revaluations	(25,024)	2,131,214	24,817	128,544	(51,814)	424,852
Total comprehensive result	2,307,166	3,721,660	1,501,811	(302,914)	(468,399)	(60,936)
Other						
Transfer to/(from) accumulated funds	25,120	26,560	24,265	22,000	22,000	22,000
Transfer to/(from) asset revaluation surplus	(25,120)	(26,560)	(24,265)	(22,000)	(22,000)	(22,000)
Total other	0	0	0	0	0	0
Closing equity						
Closing accumulated funds	4,067,324	3,417,623	4,918,882	4,509,424	4,114,839	3,651,051
Closing asset revaluation surplus	12,379,841	14,542,144	14,542,696	14,649,240	14,575,426	14,978,278
Closing other reserves	1,230	1,230	1,230	1,230	1,230	1,230
Closing balance	16,448,395	17,960,997	19,462,808	19,159,894	18,691,495	18,630,559

Note: Numbers may not add due to rounding.

Table E.4: Australian Capital Territory Consolidated Total Territory – Statement of cash flows

	2021-22 Budget	2021-22 Estimated Outcome	2022-23 Budget	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities						
Cash receipts						
Taxes received	2,148,971	2,331,942	2,285,133	2,414,115	2,535,530	2,665,739
Sales of goods and services from contracts with customers	1,351,214	1,158,116	1,345,691	1,583,051	1,595,440	1,518,682
Grants and contributions	2,774,203	2,983,215	2,995,901	3,149,981	3,147,376	3,281,758
Investment receipts	146,745	150,530	169,695	183,066	196,911	211,502
Interest receipts	35,635	67,649	56,302	41,158	38,305	35,594
Other receipts	518,517	786,062	490,374	485,208	545,714	486,303
Total receipts from operating activities	6,975,285	7,477,514	7,343,096	7,856,579	8,059,276	8,199,578
Cash payments						
Payments for employees	(3,273,234)	(3,402,942)	(3,480,610)	(3,554,756)	(3,655,698)	(3,748,835)
Payments for goods and services	(1,805,673)	(1,624,692)	(1,670,061)	(1,829,974)	(1,766,639)	(1,888,303)
Grants/subsidies paid	(1,496,423)	(1,540,774)	(1,291,521)	(1,212,793)	(1,226,758)	(1,242,599)
Borrowing costs	(248,831)	(261,709)	(297,419)	(382,668)	(447,557)	(503,303)
Other payments	(617,178)	(624,823)	(650,734)	(718,774)	(759,439)	(699,259)
Total payments from operating activities	(7,441,339)	(7,454,940)	(7,390,345)	(7,698,965)	(7,856,091)	(8,082,299)
Net cash inflows/(outflows) from operating activities	(466,055)	22,573	(47,249)	157,614	203,185	117,279
Cash flows from investing activities						
Cash flows from investments in non-financial assets						
Sales of non-financial assets	176,957	188,059	147,874	195,602	134,838	121,101
Payments for non-financial assets	(1,372,111)	(1,035,455)	(1,413,812)	(1,225,665)	(1,374,147)	(1,265,940)
Net cash inflows/(outflows) from investments in non-financial assets	(1,195,154)	(847,396)	(1,265,938)	(1,030,063)	(1,239,309)	(1,144,839)
Cash flows from investments in financial assets for policy purposes						
Cash receipts						
Repayment of loans	1,185	1,408	5,471	12,634	16,038	16,126
Capital receipts from government agencies	313,113	360,800	0	0	0	0
Total receipts from investment in financial assets for policy purposes	314,298	362,208	5,471	12,634	16,038	16,126
Cash payments						
Issue of loans	(927)	(14,607)	(103,000)	(49,465)	0	0
Total payments from investment in financial assets for policy purposes	(927)	(14,607)	(103,000)	(49,465)	0	0
Net cash inflows/(outflows) from investments in financial assets for policy purposes	313,371	347,601	(97,529)	(36,831)	16,038	16,126

	2021-22 Budget	2021-22 Estimated Outcome	2022-23 Budget	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from investments in financial assets for liquidity purposes						
Sales of investments	43,798	62,725	90,325	116,439	166,458	246,700
Payments for investments	(633,819)	(543,571)	(353,575)	(369,796)	(411,179)	(493,251)
Net cash inflows/(outflows) from investments in financial assets for liquidity purposes	(590,021)	(480,846)	(263,250)	(253,357)	(244,721)	(246,551)
Net cash inflows/(outflows) from investing activities	(1,471,804)	(980,641)	(1,626,717)	(1,320,251)	(1,467,992)	(1,375,264)
Cash flows from financing activities						
Cash receipts						
Borrowings	1,748,113	1,198,843	918,648	1,723,997	997,788	952,994
Total receipts from financing activities	1,748,113	1,198,843	918,648	1,723,997	997,788	952,994
Cash payments						
Borrowings	(25,179)	(7,067)	(32,861)	(25,135)	(24,579)	(23,462)
Repayment of lease liabilities - principal	(57,351)	(56,930)	(59,846)	(62,242)	(64,576)	(66,260)
Total payments from financing activities	(82,530)	(63,997)	(92,707)	(87,377)	(89,155)	(89,722)
Net cash inflows/(outflows) from financing activities	1,665,583	1,134,846	825,941	1,636,620	908,633	863,272
Net increase/(decrease) in cash and cash equivalents	(272,276)	176,778	(848,025)	473,983	(356,174)	(394,713)
Cash and cash equivalents at the beginning of reporting period	2,965,839	2,965,839	3,142,617	2,294,592	2,768,575	2,412,401
Cash and cash equivalents at the end of reporting period	2,693,564	3,142,617	2,294,592	2,768,575	2,412,401	2,017,688
Key fiscal aggregates						
Net cash from operating activities	(466,055)	22,573	(47,249)	157,614	203,185	117,279
Investments in non-financial assets	(1,195,154)	(847,396)	(1,265,938)	(1,030,063)	(1,239,309)	(1,144,839)
Cash deficit	(1,661,209)	(824,823)	(1,313,187)	(872,449)	(1,036,124)	(1,027,560)

Note: Numbers may not add due to rounding.

APPENDIX F

GENERAL GOVERNMENT SECTOR – KEY AGGREGATES HISTORY

APPENDIX F – GENERAL GOVERNMENT SECTOR – KEY AGGREGATES HISTORY

Year	Headline net operating balance \$m	Net debt ¹ \$m	Net financial liabilities \$m	Net worth \$m
2006-07	89.0	-555.9	N/A	11,181.6
2007-08 ²	298.1	-933.3	512.1	13,305.2
2008-09	-26.5	-992.3	1,739.4	14,486.5
2009-10	147.9	-941.8	2,246.3	15,414.2
2010-11	22.9	-735.9	2,526.1	15,875.6
2011-12	43.8	-473.2	5,472.0	13,792.5
2012-13	-273.8	109.8	4,840.7	15,198.8
2013-14	-187.8	312.7	5,559.0	14,879.9
2014-15	-479.3	909.6	7,002.7	14,284.9
2015-16	-173.7	1,646.5	9,665.9	12,408.5
2016-17	-26.7	1,452.8	6,984.0	15,663.8
2017-18	80.8	1,302.2	7,706.5	15,343.9
2018-19	43.8	2,181.7	6,571.0	17,635.1
2019-20 ³	-681.1	3,296.7	12,003.2	13,030.3
2020-21	-373.2	4,354.5	13,339.8	13,707.8
2021-22 ⁴	-580.4	4,995.8	12,146.8	17,482.7
2022-23 ⁴	-483.0	6,524.9	11,415.7	18,991.9
2023-24 ⁴	-344.9	7,457.8	12,212.2	18,702.2
2024-25 ⁴	-299.5	8,659.3	13,224.8	18,256.2
2025-26 ⁴	-229.4	9,882.5	14,226.6	18,200.8

Notes:

1. Net debt excludes superannuation related investments.
2. The ACT did not measure net financial liabilities until 2008-09. The amount for 2007-08 reflects the amount presented in the 2008-09 Loan Council Allocation Outcome Report for comparative purposes.
3. From 2019-20, net debt includes the impact of changes to AASB 16 *Leases*, which recognises the majority of leases on the balance sheet, increasing net debt. For this reason, net debt from 2019-20 is not directly comparable to prior years.
4. Reflects current estimates in the 2022-23 Budget

APPENDIX G

KEY ACCOUNTING TREATMENTS

APPENDIX G – KEY ACCOUNTING TREATMENTS

Basis of financial estimates preparation

The *Financial Management Act 1996* requires the Treasurer to present to the Legislative Assembly:

- the proposed budget for the Territory for the year;
- the proposed budget for each directorate for the year;
- the proposed budget for each Territory Authority and Territory-owned corporation for the year; and
- a consolidated financial management statement in relation to:
 - the General Government Sector (GGS); and
 - the Public Trading Enterprise sector.

The financial estimates in these budget papers are prepared on an accrual basis of accounting, in accordance with principles of the standards issued by the Australian Accounting Standards (AAS) Board, the Uniform Presentation Framework and the principles and rules contained in the Australian Bureau of Statistics, *Australian System of Government Finance Statistics: Concepts, Sources and Methods 2015 (ABS GFS Manual)*.

AAS do not provide guidance on the preparation or presentation of prospective financial information. However, as far as possible, recognition and measurement principles within AAS have been applied in presentation of the estimates.

These recognition and measurement principles are consistent with AASB 1049: 'Whole of Government and General Government Sector Reporting' (AASB 1049). This provides that where options exist under AAS, treatments are adopted to align with the ABS GFS Manual and where only one option exists under AAS and that option conflicts with the ABS GFS Manual, the AAS will take precedence.

The Uniform Presentation Framework Net Operating Balance is the net result of harmonised revenues and expenses which arise from mutually agreed transactions between parties. This excludes other economic flows that represent changes in the volume or value of assets or liabilities that do not arise from transactions with other parties.

Estimates have been prepared consistently with the ACT Government Consolidated Annual Financial Statements, except for calculation of the Headline Net Operating Balance which is not required under AASB 1049. Inclusion of the superannuation return adjustment in calculating the Headline Net Operating Balance provides the most relevant and meaningful information on the longer-term sustainability of the budget position.

Aggregated financial data is presented on an eliminated basis. That is, intra-government transactions between entities have been eliminated.

The Budget financial statements include:

- estimates for the year ending 30 June 2022 in the original published 2021-22 Budget;
- the updated estimated outcome for the year ending 30 June 2022;

- estimates for the budget year ending 30 June 2023; and
- estimates for the three forward years ending 30 June 2024, 2025 and 2026.

Financial estimates in the budget and forward years are prepared to reflect existing operations and the impact of new policy decisions taken by Government, where the financial impact can be reliably estimated. The estimates also consider other economic and financial data available until the time of preparation, including Commonwealth Government funding decisions announced in the 2022-23 Commonwealth Budget.

Actual results may differ from these estimates.

Supplementary information can be found in the Glossary and Readers Guide to the 2022-23 Budget at <https://www.treasury.act.gov.au/budget/budget-2022-23/budget-papers>.

Changes to presentation

Presentational changes have been made in the 2022-23 Budget to streamline the financial statement presentation of Territory entities. The 2021-22 Budget column also reflects this change. These updates aim to streamline the financial statements while making them easier to understand.

Service concession arrangements accounting treatment

The 2022-23 Budget continues to adopt the accounting standard AASB 1059: 'Service Concession Arrangements: Grantors' (AASB 1059), which combined with AASB 16 'Leases' (AASB 16), replaces the previous treatment for Public Private Partnership arrangements.

AASB 1059 prescribes the accounting treatment for these arrangements from the perspective of the government grantor.

A service concession arrangement is defined as a contract effective in the reporting period between a grantor and an operator in which:

- the operator has a right of access to the service concession asset(s) to provide public services on behalf of the grantor for a specified period of time;
- the operator is responsible for at least some of the management of the public services provided through the asset and does not merely act as an agent on behalf of the grantor; and
- the operator is compensated for its services over the period of the service concession arrangement (AASB 1059 Appendix A).

A grantor is the ACT Government agency that grants the right to access the service concession asset to the operator. An operator is the entity that has a right of access to the service concession asset to provide public services (AASB 1059 Appendix A).

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

Where an existing asset meets the definition of a service concession asset under AASB 1059, it is to be reclassified as a service concession asset with the carrying value adjusted to current replacement cost (as a revaluation). The asset is subsequently depreciated over its useful life. A corresponding liability is also recognised at the same time to reflect any payments made between the operator and the Government.

Under AASB 1059, the service concession liability is recognised using either the financial liability model, the grant of a right to the operator model, or both.

This standard has been applied to Light Rail – Stage 1 and the ACT Housing Asset Assistance Program (HAAP).

HAAP arrangements are long term leases entered into between the government (the grantor) and a Community Housing Provider (the operator) to provide affordable housing solutions and specialist homelessness services to vulnerable Canberrans over the term of a lease.

Light Rail Stage 1 includes long-term contracts with private sector consortia to design, finance, construct, maintain and operate infrastructure assets. The Government will make service payments over the life of the contracts, intended to cover the costs incurred by the consortia in constructing, financing, maintaining and operating the assets. At the end of these contracts, the infrastructure will become Territory assets.

In 2015-16, the Government also entered a public private partnership arrangement for the ACT Law Courts Facilities. These Facilities are not in scope of AASB 1059 and are accounted for under AASB 16. This is consistent with historical treatment for this arrangement.

The Government has no new arrangements under AASB 1059.

Concessional loans accounting treatment

In July 2021, the Government appointed a loan provider for its Sustainable Household Scheme, which provides zero interest rate loans to assist households with the upfront costs of installing equipment to enable emissions reductions.

The Budget estimates also include a concessional loan scheme to remediate cladding on private buildings.

In accordance with AASB 9: 'Financial Instruments', loans provided at a concessional or zero interest rate require the lender to recognise an expense on the operating statement reflecting the difference between the market borrowing interest rate and the concessional or zero interest rate offered.

Any loans issued under concessional finance schemes will be presented as a non-cash impact on the Headline Net Operating Balance and be reflected as an upfront expense (negative impact) when the loan is provided. The expense will be equal to the present value interest rate differential on the loan amount relative to the market rate at which the borrower would otherwise have accessed financing. The quantum of this expense will only be known at the time the concessional loan is issued as it depends on the prevailing market interest rate.

This expense is then unwound over the life of the loan. The initial expense recognition will also have a negative impact on net debt over and above the face value of the loan.

At present, these two schemes are the only loans accounted for as Concessional Loans in the budget estimates.

APPENDIX H

SAFER FAMILIES

APPENDIX H – SAFER FAMILIES

Safer Families

Domestic and family violence is not, and never will be, acceptable in the ACT community. Domestic and family violence has negative consequences for individuals, communities and society. It is a violation of human rights, impacts the lives of those affected on a daily basis, impairs the health and development of our future generations and is costly to our economy and our community.

The ACT Government is committed to addressing this critical issue. Accordingly, the 2022-23 Budget allocates \$71.6 million over four years, including a funding commitment of \$7 million for future programs, to expand the ACT Government's evidence-based approach to addressing domestic and family violence and supporting an enhanced focus on sexual violence prevention and response. This continued investment addresses the widespread nature of domestic, family and sexual violence in the ACT and provides a range of responses to make a difference for people experiencing domestic, family and sexual violence.

The ACT Government introduced the Safer Families Levy on 1 July 2016 to provide an ongoing revenue base to fund long-term system reform and service improvements in relation to domestic and family violence. The Levy is applied to all residential and rural properties.

The first phase of Safer Families initiatives commenced in 2016-17. Since then, we have delivered on many of the commitments in the ACT Government Response to Family Violence 2016.

From 2021-22, the Government increased the Safer Families Levy by \$5 per year over four years, taking the Levy to \$50 per household in 2024-25. The increases in the Levy allow us to enhance our responses to domestic, family and sexual violence, continuing to fund critical frontline service delivery and enabling the community to contribute in a tangible way. This recognises that preventing domestic, family and sexual violence is a collective responsibility across our community.

The Levy is expected to raise around \$34 million over the four years to 2025-26. The total investment in Safer Families and other complementary initiatives over this period is \$71.6 million.

The achievements of the Safer Families initiatives are reported in budget papers, directorate annual reports, and through annual Safer Families statements by the Minister for the Prevention of Domestic and Family Violence. Outcomes and achievements will continue to be reported through these mechanisms.

As we move forward, Safer Families initiatives will continue to focus on strategic and flexible responses that are inclusive of all Canberrans and ensure we can quickly and appropriately respond to emerging issues and new evidence of what works best. We will prioritise initiatives that focus on:

- new and sustainable ways of working across government and community that provide support earlier, reduce barriers to access, integrate service responses, respond to diverse needs, and hold perpetrators to account;

- building whole-of-government and multi-agency domestic and family violence capability, coordination and supporting infrastructure, including through strategic leadership and governance; and
- improving the capacity and capability of front line domestic and family violence services to meet increased demand.

Achievements in 2021-22

In 2021-22 the Government continued to respond to needs and demands arising as a result of COVID-19.

The Government continued delivering domestic and family violence training to all staff, including specialist training for frontline workers. This training has equipped staff with the skills they need to recognise and respond to clients and colleagues experiencing domestic and family violence.

The Government continued to build whole-of-government and sector capacity through the joint development of a Domestic and Family Violence Risk Assessment and Management Framework. The Framework has been finalised and will now drive more integrated and consistent understanding of and responses to domestic and family violence.

In December 2021 the report *Listen. Take Action to Prevent, Believe and Heal* (the Sexual Assault Report) was released, the culmination of deep listening with community members, people with lived experience of sexual violence, non-government organisations and government agencies. The report and its recommendations were developed by a Steering Committee and three working groups focused on prevention, response, and law reform. All of the work included a focus on worker safety and was informed by an Aboriginal and Torres Strait Islander consultation committee as well as engagement through various means with culturally and linguistically diverse communities and other diverse groups. The Government Response was tabled in the Legislative Assembly in June 2022.

We continued to build on our partnership with the ACT Children and Young People Commissioner to listen to young people's experiences of domestic and family violence, including their interactions with services designed to support them. This included securing a provider to develop a service tailored specifically to the needs of people under 12 years in Canberra who are victims of domestic and family violence.

The ACT continued the successful health justice partnerships pilot. The partnerships provide women with free and confidential legal advice by embedding a lawyer in health and family settings. This service facilitates coordinated health and legal assistance, which can prevent a significant crisis.

The Safer Families package supported a partnership with Care Financial to develop a capacity building program, training frontline workers to recognise when someone is suffering from financial abuse and then respond appropriately.

In 2021-22, legislation to establish the ACT Domestic and Family Violence Death Review was passed in the Legislative Assembly. This initiative will ensure a review of all domestic and family violence-related deaths in the ACT and provide recommendations to improve system-wide supports and services.

Legislative amendments to the *Domestic Violence Agencies Act 1986* were also passed in the Assembly, to modernise the Domestic Violence Prevention Council. These changes will improve the Council's capacity to provide strategic governance and leadership for the ACT's domestic and family violence responses, a vital component of an integrated domestic violence system.

In 2021-22 we continued to work with the Domestic Violence Prevention Council's Aboriginal and Torres Strait Islander Reference Group to progress the implementation of the *We Don't Shoot Our Wounded* report and identified four recommendations for priority action.

Throughout 2021-22, Safer Families funding supported an ongoing focus on perpetrator accountability. This included the release of practice standards for Men's Behaviour Change Programs in the ACT. The practice standards work to ensure programs are focused on the safety of women and children, offering men who use violence an opportunity to change their abusive behaviours while holding them to account, and contribute to building an evidence base about best practice programs for men who use violence in their relationships.

Another key aspect of the ACT response to perpetrators of domestic and family violence is the Room4Change program provided by the Domestic Violence Crisis Service. Room4Change is one of Australia's only residential men's behaviour change programs and supports partners and children to stay safely in the home while men are engaged in the six-month program. The independent evaluation of Room4Change showed it contributed to positive outcomes for participants and their families.

In recognition of the need for holistic and integrated responses to domestic and family violence, the ACT continued the Family Violence Safety Action Pilot (the Pilot) in 2021-22. The Pilot is a collaborative model of information sharing focusing on early identification and assessment of risk to victims and their children, even where they may not have a judicial or police response. The Pilot also focuses on the provision of effective management of identified risk and supports through a collaborative response for the whole family, including the perpetrator, and intensive case management and case coordination.

At a national level, the ACT Government continued its shared commitment with other governments across Australia to implement the *National Plan to Reduce Violence Against Women and their Children 2010-2022* (the National Plan), as it draws to a close in 2022. The ACT Government will continue to work with Commonwealth and State and Territory partners to develop the next National Plan, with input from the domestic, family and sexual violence sectors in the ACT.

In 2021-2022, the ACT endorsed the *National Partnership on Family, Domestic and Sexual Violence Responses 2021-23*. The two-year Agreement will support innovation and frontline responses in the sector with the support of matched Commonwealth funding, providing additional investment of \$4.2 million over two years to enhance responses to gendered violence.

In the past year, the Government responded to *Respect@Work*, accepting in full or in principle all 12 recommendations for State and Territory governments to prevent and reduce workplace sexual harassment across Australia.

Table H.1: Funding and expenditure of Safer Families initiatives in 2021-22

Safer Families initiatives	2021-22 Budget \$'000	2021-22 Actual \$'000
More support for families and inclusion – Delivering the Family Safety Hub	1,591	1,591
Safer Families – Additional resources for the Canberra Rape Crisis Centre	114	114
Safer Families – Additional resources for the Domestic Violence Crisis Service	226	226
Safer Families – Extending the Room4Change program to help prevent family violence	1,229	1,229
Safer Families – Enhancing access to justice for non-English speakers	100	100
Safer Families – Safer families team	784	784
Safer Families – Reducing the risk of deaths from family violence	243	243
Safer Families – Strengthening domestic and family violence responses for the Aboriginal and Torres Strait Islander Community ¹	379	146
Safer Families – Support for women and children to leave violence	226	226
Safer Families – Training ACT Government frontline workers to respond to family violence	572	572
Safer Families – Integrated Family Safety Information Sharing and Risk Assessment ²	433	83
Safer Families – Strengthening Sexual Assault Prevention and Response	80	80
Safer Families – Family Violence Safety Action Pilot - Continuation	249	249
Safer Families – Critical domestic and family violence support in health and community settings	940	940
Safer Families – Safer Families Collaboration Program	335	335
Safer Families – Frontline domestic violence and rape crisis services	759	759
Safer Families – Women’s Safety Grants	100	100
Safer Families – Data System to support Death Review ³	200	-
Total	8,560	7,777
Safer Families Levy offset	-6,150	-6,150

Notes:

1. This initiative includes a reprofile of \$150,000 from 2020-21 to 2021-22 and \$233,000 from 2021-22 to 2022-23.
2. This initiative includes a reprofile of \$350,000 from 2021-22 to 2022-23.
3. This initiative has been reprofiled from 2021-22 to 2022-23.

Priorities for 2022-23

The COVID-19 pandemic continues to have a significant impact on domestic and family violence services in the ACT. The Government has responded through additional investment in domestic and family violence and rape crisis services to increase capacity of these frontline service providers to respond to demand.

The Coordinator-General for Family Safety and the Victims of Crime Commissioner will continue to hold regular roundtables with sector agencies. The roundtables will be opportunities to jointly identify and prioritise issues and ensure planned and coordinated responses.

In 2022-23, the implementation of the Government Response to the Sexual Assault Report will be further progressed.

In 2022 the Domestic and Family Violence Death Review Coordinator will oversee the collection of case data and information from ACT Government agencies to commence a historic review of domestic violence deaths.

The ACT Government will continue working with Aboriginal and Torres Strait Islander communities to enable community-led solutions to family violence through the implementation of recommendations from the *We Don't Shoot Our Wounded* report.

The Government will deliver on its commitment to provide child-centred responses to domestic and family violence through further investment in a range of initiatives to support children and young people throughout 2022-23, including the development and delivery of a new service for children under the age of 12.

In 2022-23, we will build on key achievements from 2021-22 to expand and strengthen a range of initiatives that are having a real impact for people experiencing domestic and family violence, including:

- the Health Justice Partnerships, so that pregnant women and new families at risk of domestic and family violence can continue to receive safe and confidential legal support in a hospital or healthcare setting;
- expanding the Family Violence Safety Action Pilot into a program to enhance integrated case work capacity and coordinated effort to meet increased demand to support the needs of high-risk families;
- formal rollout of the ACT Domestic and Family Violence Risk Assessment and Management Framework and ongoing work to build and develop common tools and practices;
- progressing legislative reforms to establish a domestic and family violence information sharing scheme in the ACT;
- enhancing system-wide governance through the refreshed Domestic Violence Prevention Council;
- identifying opportunities to further incorporate the expertise of people with lived experience of domestic and family violence into policy and program design; and
- continuing to support frontline domestic violence and rape crisis services to address sustained demand.

As the current *National Plan to Reduce Violence Against Women and Their Children* draws to a close in 2022, the Government will continue to work with the Commonwealth and our State and Territory partners to develop the next National Plan to reduce violence against women and make Australia safer for all.

The ACT Government is committed to ongoing collaboration with Commonwealth, State and Territory colleagues to respond to and implement the recommendations of the *Respect@Work* report.

Beyond 2022-23

The Government will continue to ensure that Safer Families Levy funding is invested strategically and flexibly over time – making it possible to respond to emerging community need. Future funding may be used to support:

- implementation of recommendations from the Sexual Assault Report to respond to sexual violence;

- the Aboriginal and Torres Strait Islander community to lead and partner with the Government in the delivery of domestic and family violence responses;
- extension of the Room4Change program and other perpetrator programs to improve safety for people experiencing domestic and family violence;
- building the domestic, family and sexual violence services sector to provide high quality and effective service responses to victim-survivors; and
- continued delivery of the Family Violence Safety Action Program.

Table H.2: Safer Families initiatives in the 2022-23 Budget

Safer Families initiatives	2022-23 Estimate \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000	Total \$'000
More support for families and inclusion – Delivering the Family Safety Hub	1,613	1,639	1,675	1,729	6,656
Safer Families – Additional resources for the Canberra Rape Crisis Centre	117	120	123	126	486
Safer Families – Additional resources for the Domestic Violence Crisis Service	232	238	243	249	962
Safer Families – Extending the Room4Change program to help prevent family violence	1,251	-	-	-	1,251
Safer Families – Enhancing access to justice for non-English speakers	100	100	100	100	400
Safer Families – Safer families team	804	824	841	862	3,331
Safer Families – Reducing the risk of deaths from family violence	247	249	251	253	1,000
Safer Families – Support for women and children to leave violence ^{1, 2}	232	238	244	250	964
Safer Families – Training ACT Government frontline workers to respond to family violence	567	-	-	-	567
Safer Families – Integrated Family Safety Information Sharing and Risk Assessment ³	811	-	-	-	811
Safer Families – Strengthening domestic and family violence response for the Aboriginal and Torres Strait Islander Community ^{1, 4}	306	-	-	-	306
Safer Families – Strengthening Sexual Assault Prevention and Response ¹	20	20	20	20	80
Safer Families – Critical domestic and family violence support in health and community settings ¹	974	981	1,005	1,089	4,049
Safer Families – Safer Families Collaboration Program ⁵	340	346	352	358	1,396
Safer Families – Frontline Domestic violence and rape crisis services	458	465	476	496	1,895
Safer Families – Women's Safety Grants	100	100	100	100	400
Safer Families – Data system to support Death Review ⁶	200	-	-	-	200
Safer Families – Implementing community-led family violence responses for Aboriginal and Torres Strait Islander communities ¹	300	677	588	78	1,643
Safer Families – Domestic and Family Violence Training and Resources ⁷	798	1,009	-	-	1,807

Safer Families initiatives	2022-23 Estimate \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000	Total \$'000
Safer Families – Providing support to people escaping domestic and family violence	310	310	-	-	620
Safer Families – Delivering the Family Violence Safety Action Program ¹	1,801	1,830	1,861	-	5,492
Safer families Levy - future priorities provision ⁸	-	4	2,310	4,681	6,995
Total	11,581	9,150	10,189	10,391	41,311
Safer Families Levy offset	-7,238	-8,213	-9,220	-9,340	-34,011
Other offsets (Commonwealth funding)	-798	-	-	-	-798
Funded by Consolidated Revenue	3,545	937	969	1,051	6,502

Notes:

1. The staffing costs associated with these initiatives are not funded by the Safer Families Levy and are presented in Table H.3.
2. Funding for this initiative includes additional funding provided in the 2021-22 Budget for Private rental assistance for people experiencing domestic violence.
3. This initiative includes \$350,000 in 2022-23 that has been reprofiled from 2021-22.
4. This initiative includes \$233,000 in 2022-23 that has been reprofiled from 2021-22.
5. The funding from 2023-24 onwards has been provisioned subject to demand.
6. This initiative includes \$200,000 in 2022-23 that has been reprofiled from 2021-22.
7. There is \$798,000 allocated to this initiative in 2022-23 and funded by other offsets.
8. The provision in 2022-23 has been used to fund new initiatives.

Table H.3: Additional funding for initiatives from Consolidated Revenue

Complementary Initiatives	2022-23 Estimate \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000	Total \$'000
Private rental assistance for people experiencing domestic violence ¹	160	-	-	-	160
Critical domestic and family violence support in health and community settings ¹	40	41	41	41	163
Strengthening domestic and family violence response for the Aboriginal and Torres Strait Islander community ¹	160	163	165	166	654
Strengthening sexual assault prevention and response ¹	338	342	347	372	1,399
More support for families and inclusion – More frontline homelessness services	2,057	2,057	2,057	2,057	8,228
More support for families and inclusion – strengthening the reportable conduct scheme	604	619	619	619	2,461
Responding to Recommendation 15 in the final report from the Sexual Assault Prevention and Response Steering Committee ²	2,837	-	-	-	2,837
Sexual Assault Prevention and Response Steering Committee's final report (Phase 1) – Aboriginal and Torres Strait Islander Consultation ³	396	539	-	-	935
Sexual Assault Prevention and Response Steering Committee's final report (Phase 1) – Victim Survivor Consultation Program	347	425	329	333	1,434
Sexual Assault Prevention and Response Steering Committee's final report (Phase 1) – Prevention of Sexual Assault Strategy	331	226	188	188	933

Complementary Initiatives	2022-23 Estimate \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000	Total \$'000
Sexual Assault Prevention and Response Steering Committee's final report (Phase 1) – Specialist Services Review related to sexual violence ⁵	481	264	-	-	745
Sexual Assault Prevention and Response Steering Committee's final report (Phase 1) – Establishing a team of independent Sexual Violence Advisors	128	355	497	504	1,484
Sexual Assault Prevention and Response Steering Committee's final report (Phase 1) – Multi-Disciplinary Centre	326	1,324	1,346	1,371	4,367
Sexual Assault Prevention and Response Steering Committee's final report (Phase 1) – Reinstating the wraparound service model ⁴	-	-	-	-	0
Safer Families - Implementing community-led family violence responses for Aboriginal and Torres Strait Islander communities ¹	107	136	-	-	243
Safer Families – Delivering the Family Violence Safety Action Program ¹	121	164	166	-	451
ACT Policing Sexual Assault and Child Abuse Team	580	1,033	1,103	1,123	3,839
Total	9,013	7,688	6,858	6,774	30,333
Other offsets	-275	-	-	-	-275
Funded by Consolidated Revenue	8,738	7,688	6,858	6,774	30,058

Notes:

1. This funding relates to government staffing for initiatives in Table H.2.
2. This was a JACS initiative funded in the 2021-22 Budget Review.
3. Total initiative is \$396,000 in 2022-23 including \$121,000 funded by Control Recurrent Payment and \$275,000 funded by other offsets.
4. Total initiative is \$515,000 over four years with the cost to be absorbed within the Justice and Community Safety and Community Services Directorates.
5. This initiative includes funding of \$160,000 in 2022-23 for sexual assault and forensic medicine data research.

APPENDIX I

STATEMENT OF RISK

APPENDIX I – STATEMENT OF RISK

Consistent with sub-section 11(1)(d) of the *Financial Management Act 1996* (FMA), each budget update is required to provide a statement describing the risks – quantified if possible – that may affect the budget estimates. Risk items identified at the time of publication of the 2022-23 Budget are detailed below.

Economic Risks

There remains considerable risk to the economic outlook. Inflation is the key risk in the near term, exacerbated by the war in Ukraine and rolling lockdowns in China. These external shocks have driven up prices of international goods and energy prices. Bottlenecks have also emerged internationally as consumers have shifted to consuming more goods, coupled with global supply chain disruptions.

The baseline economic outlook assumes that monetary policy measures will improve the inflation outlook into 2023, while cooling the property market; however, this may dampen demand and business investment, which could impact the ACT economy.

Another risk to the ACT economy in the near term is increased uncertainty stemming from the Omicron variant and how it is impacting the labour market with absences from illness. With the likelihood of higher infection rates, this could further impact the high job vacancies the ACT is already experiencing and affect economic activity.

The policies of the new Commonwealth Government may also have a greater impact on the ACT than other jurisdictions as more than 38 per cent of the Australian Public Service is based in the Territory¹. The Commonwealth Budget will be released on 25 October 2022. Any changes to Australian Public Service staffing levels; use of contractors and consultancies; and efficiency dividend requirements will all impact on our economy.

Fiscal Risks

The fiscal risks facing the Territory are broadly consistent with the economic risks outlined above. The uncertainties stemming from the evolution of the pandemic, along with other pressures on our health system, including from influenza and other respiratory illnesses over winter, will continue to make a call on the Territory's resources.

The Government is continuing to adapt its responses to the evolution of the pandemic, both in the public health response and support to the community, to minimise both the health and economic impacts of the virus. Most recently, the ACT co-operated with the new Commonwealth Government to extend and jointly fund the Pandemic Leave Disaster Payment until the end of 2022 and reactivated our own COVID-19 Hardship Payment. The Commonwealth and states and territories have also agreed to extend the *National Partnership on COVID Response* to 31 December 2022. Given the timing of these developments, it was not possible to reflect the expenses and associated Commonwealth revenue in this Budget.

¹ <https://www.apsc.gov.au/employment-data/aps-employment-data-31-december-2021/size-and-shape-aps>

It is estimated that the ACT's contribution to the Pandemic Disaster Leave Payment will be around \$8 million and the costs of the extension of the COVID-19 Hardship Payment will be absorbed from within existing resources. The expenses and associated Commonwealth revenue from the extension of the *National Partnership on COVID Response* have not been quantified at this stage and will be reflected, along with the estimated costs of the payments to eligible individuals who continue to be impacted by COVID-19, in the 2022-23 Budget Review. More generally, expenses on the public health response may vary from current expectations depending on the path of the pandemic and how evolving circumstances impact the need for ACT Government assistance.

Any increase in interest rates beyond those factored into the baseline economic and revenue forecasts, would also have implications for the Territory's fiscal position, affecting both interest costs on our borrowings and potentially affecting own-source revenue and GST grants from the Commonwealth. Similarly, any changes in the economic and employment outlook would flow through to the fiscal position.

Despite these risks, there remains considerable fiscal capacity for the Government to respond flexibly as circumstances evolve.

Revenue Risks

As with the economic forecasts, there are a range of uncertainties associated with the revenue forecasts, both upside and downside. In particular, if inflationary pressures continue for longer than anticipated and interest rates increase more than expected, this could have implications for the housing and labour markets which are key sources of the ACT's own-source taxation revenue.

The lockdowns imposed by the Chinese Government in response to intermittent COVID-19 outbreaks could also delay the return of international students and skilled migrants. This could dampen housing demand in the Territory and negatively impact property-based revenues.

Financial investment assets and liabilities

The outlook for investment returns continues to be challenging, with increasing economic uncertainty and financial market volatility due to the ongoing global and domestic economic disruptions from the COVID-19 pandemic with global supply chain constraints, increases in commodity prices, and increasing inflation and interest rates.

Any negative impacts to both future investment earnings and the superannuation liability valuation will increase the likelihood that the timeframe to extinguish the Territory's unfunded superannuation liability will need to be extended.

Ongoing volatility in global and Australian capital markets could present risks to the ability of the Territory to effectively access financial markets to raise new borrowings through the issuance of new bonds, although any impacts are likely to be on the cost of funds rather than the capacity to borrow.

Enterprise Bargaining Negotiations

Employee expenses are the largest expense incurred by the Territory. As noted in the 2021-22 Budget Review risk statement, for those enterprise agreements with an expiry date of 31 October 2021, the Government elected to 'roll over' current arrangements until 31 October 2022, with largely no change (but incorporating indexation uplifts of a similar magnitude and timeframe to those applied currently).

All ACT Public Service agreements have been approved by the Fair Work Commission and most expire on 31 October 2022 (with the exception of Education Directorate Teaching Staff which is 30 September 2022, and ACT Fire & Rescue which is May 2024).

As a consequence, the resolution of future agreements to replace those expiring later this year will likely be resolved within the forward estimates period, and could have implications for the Territory's fiscal position.

ACT Early Childhood Strategy/Non-Government school funding

The 2022-23 Budget estimates contain a provision of \$22.6 million reflecting the reinvestment of estimated savings associated with a reduction in the ACT Government's share of non-government schools funding in accordance with the National School Reform Agreement, signed in December 2018, into the ACT Early Childhood Strategy. Under the revised model, the Commonwealth's funding share of the School Resource Standard for non-government schools increases over time and the ACT Government's share reduces. Any possible further Commonwealth changes to private school arrangements may mean the forecast savings are not realised to the extent currently budgeted.

Land Release Program

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

Land releases in 2021-22 were well received by the market largely due to low interest rates and government incentives. The strong demand for land in the ACT was met with stable land supply and substantial inventories being sold, with land release levels broadly in line with recent years.

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

The 2022-23 Budget estimates reflect stable annual land sales revenue over the forward estimates period, underpinned by a steady schedule of releases to meet forecast demand, reflecting the upgrades to population growth in this Budget. If population growth differs from these expectations, the land release program may need to be recalibrated in future budgets.

Large-scale Generation Certificates

The 2022-23 Budget reflects the expense and revenue components of Large-scale Generation Certificates (LGCs), which are credits received for the generation of renewable electricity under the Commonwealth Government's large-scale renewable energy target. The ACT Government receives certificates from large-scale renewable electricity generation projects and surrenders them to meet the ACT's 100 per cent renewable electricity target. Once the Government has the right to receive LGCs, it must immediately recognise an expense and liability provision associated with their surrender, regardless of when the LGCs will be physically surrendered. This means that in any given financial year, generating and surrendering new LGCs has no impact on the Headline Net Operating Balance.

Once created and recognised, LGCs are able to be sold, with price determined by the market. As such, the value of certificates is subject to price fluctuations arising from supply and demand. The number of LGCs the ACT Government is forecast to receive is expected to increase from 2023-24 and 2024-25 due to new electricity generators coming online. In addition, the value of LGCs is forecast to decline over time due to reducing forward prices for LGCs, which will also impact the value of LGCs held on the balance sheet and the liability provision to surrender.

Contingent Liabilities

Contingent liabilities are liabilities that result from uncertain timing or amounts. They arise from past events that 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 depends on the outcome of an event outside the Territory's control, such as the outcome of a court case.

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

Other Items

Outstanding claims liability

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

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

Sensitivity to discount rate

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

The outstanding claims provision as at 30 June 2022 was \$284.3 million net of Reinsurance Recoveries. Variations in the discount rate of +/- one percentage point result in an estimated change to the liability of between a \$8.8 million decrease and a \$9.4 million increase, equivalent to a change of between -3.1 per cent and 3.3 per cent.

Unfunded Default Insurance Fund

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

The Fund's levy is estimated to meet the costs of all claims, including IFARD claims, anticipated to be made in the coming year. The calculation of the outstanding claims liability of the Fund includes a provision for all future estimated IFARD claims, regardless of when the claim may be made. This means that the funding position for IFARD claims is currently in deficit and will continue to be in deficit until the Fund's total assets meets or exceeds the total amount of outstanding claims liabilities.

The funding position for IFARD claims should improve significantly as levies are collected each year, since the cost of all future claims are already included within the liability. Based on the current claims cost, levy and inflation assumptions, it is projected that the IFARD liability will be fully funded between 2025 to 2027. If IFARD claims were to emerge at a higher rate than anticipated, or currently experienced, then the Fund would be in deficit for longer.

APPENDIX J

STATEMENT OF SENSITIVITY

APPENDIX J – STATEMENT OF SENSITIVITY

This statement of sensitivity is made pursuant to sub-section 11(1)(c) of the *Financial Management Act 1996*.

Sensitivity of Budget estimates

The following sensitivity analysis has been applied to economic parameters used in the formulation of the forward estimates.

Territory revenues are sensitive to changes in economic conditions, both in the ACT and nationally – for example, through Goods and Services Tax (GST) revenue.

Territory expenses are less sensitive to economic conditions. However, over time, changes in demographic variables may affect the demand for government services and changes in prices may affect their cost. In response, policy decisions may be taken to vary expenditure levels to accommodate such changes.

Sensitivity of economic assumptions

As noted in Chapter 2.2, while the ACT economy performed more strongly in 2021-22 than was expected at the time of the 2021-22 Budget, there remains significant uncertainty. Inflation is the key risk in the near term, exacerbated by the war in Ukraine and rolling lockdowns in China. Rising interest rates in response to the spike in inflation may have more significant impacts on consumer and business confidence and flow through to household consumption, private investment and employment. It could have more substantial implications for the property market than anticipated. The continuing evolution of the pandemic and the implications of higher infection rates on the labour market and consumer and business activity create further uncertainties. For this reason, the updated economic forecasts for the ACT in Table 2.2.1 reflect a baseline scenario based on the assumptions outlined in Box 2.2.1. Alternative upside and downside scenarios are also presented in the chapter to demonstrate the level of uncertainty and risk to the baseline forecasts. This approach is consistent with that in the 2021-22 Budget.

Revenue forecasts and projections are typically based on indexation of key economic parameters. The impact on key own-source taxation revenue lines of the range of economic parameter outcomes based on the possible upside and downside scenarios is outlined in Chapter 3.5.

In addition, as noted in Chapter 3.6 – Federal Financial Relations, the GST revenue the ACT receives from the Commonwealth is affected by the size of the GST pool, our share of the national population and our GST relativity as determined by the Commonwealth Grants Commission. That section also estimates the effect of changes in the GST pool and our share of the national population on the GST revenue the ACT receives.

Consumer Price Index

A change in the Consumer Price Index can affect various revenue forecasts and the expenses of agencies.

If the Consumer Price Index were to increase by 1 percentage point more than the financial forecast in each year of the budget period, sales of goods and services, Commonwealth Government grants and other revenue would increase by the amounts shown in Table J.1. Also shown is the budget impact of a 1 percentage point per annum increase in funding for Directorate expenses.

Table J.1: Impact of a 1 percentage point increase in Consumer Price Index on General Government Sector revenue and expenses

	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
Revenue				
Sales of goods and services, Commonwealth Government grants ¹ and other revenue ²	-	16,130	31,926	49,026
Expenses	-	39,295	78,928	123,391

Notes:

1. Refers to Specific Purpose Payments only.
2. Other revenue includes fines, superannuation contribution, rents and commutation, contributions and other miscellaneous revenue.

Wage Price Index

Various fees are indexed by the Wage Price Index. If the Wage Price Index were to increase by 1 percentage point more than the forecast in each year of the budget period, forecast sales of goods and services and other revenue would increase by the amounts shown in Table J.2.

Table J.2: Impact of a 1 percentage point increase in Wage Price Index on General Government Sector revenue

	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
Revenue				
Sales of goods and services	-	6,357	13,065	20,241

Interest

Interest receipts from cash holdings are affected by interest rate variations. If the interest rate was 0.50 per cent higher or lower than assumed in the budget estimates, forecast interest revenue would increase or decrease by the amounts shown in Table J.3.

Table J.3: Impact of a 0.50 percentage point increase or decrease in the cash at bank interest earning rate

	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
Cash at bank interest receipts	+/-10,550	+/-10,150	+/-10,620	+/-8,500

Table J.4 outlines the estimated increase or decrease in forecast borrowing interest expense if the actual interest rate on projected new fixed rate borrowings and the interest cost on inflation linked bonds is 0.50 per cent higher or lower than the budget interest rate assumptions.

Table J.4: Impact of a 0.50 percentage point increase or decrease in the borrowing cost assumptions

	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
Borrowing interest expense	+/-7,220	+/-19,250	+/-29,130	+/-36,550

Investment return objective

Table J.5 outlines the impact on the investment earnings estimates of the Superannuation Provision Account from a 1 percentage point increase or decrease in the investment return objective.

Table J.5: Impact of a 1 percentage point increase or decrease in the investment return objective

	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
Investment earnings	+/-51,200	+/-58,300	+/-66,100	+/-74,800

Defined benefit superannuation liability

Table J.6 outlines the impact on the Commonwealth defined benefit superannuation liability valuation and the superannuation liability expense from a 1 percentage point decrease in the discount rate assumption from the long-term budget assumption of 5 per cent.

Table J.6: Impact of a 1 percentage point decrease in the discount rate assumption

	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
Superannuation liability	+1,595,079	+1,612,031	+1,624,162	+1,631,553
Superannuation expense	+22,095	+17,164	+12,551	+8,077

APPENDIX K

WHOLE OF GOVERNMENT STAFFING

APPENDIX K – WHOLE OF GOVERNMENT STAFFING

Table K.1 below lists the number of full-time equivalent staff (FTEs) in the ACT Government.

Table K.1: Whole of Government staffing movements – 2022-23 Budget

	2020-21 Actual Outcome	2021-22 Budget	2021-22 Estimated Outcome	2022-23 Budget
Directorate/Agency				
ACT Electoral Commission	15	11	11	11
ACT Executive	70	72	72	74
ACT Health Directorate	713	829	968	891
ACT Insurance Authority	21	31	29	32
ACT Integrity Commission	17	20	21	20
Auditor-General	45	45	42	48
Canberra Health Services	6,888	7,127	7,109	7,062
Canberra Institute of Technology	655	675	657	665
Cemeteries and Crematoria Authority	15	20	19	20
Chief Minister, Treasury and Economic Development Directorate	2,566	2,598	2,630	2,677
City Renewal Authority	29	27	25	27
Community Services Directorate	707	707	719	730
Cultural Facilities Corporation	104	93	93	95
Education Directorate	6,553	6,365	6,615	6,473
Environment, Planning and Sustainable Development Directorate	693	707	702	755
Housing ACT	269	292	317	307
Independent Competition and Regulatory Commission	10	10	9	11
Justice and Community Safety Directorate	2,006	1,940	2,087	2,002
Legal Aid Commission (ACT)	98	105	106	110
Major Projects Canberra	202	219	210	240
Office of the Legislative Assembly	55	55	51	58
Office of the Work Health and Safety Commissioner (WorkSafe ACT)	53	62	65	73
Public Trustee and Guardian for the ACT	61	61	66	66
Suburban Land Agency	118	134	134	142
Transport Canberra and City Services Directorate	1,067	958	1,034	972
Transport Canberra Operations	1,016	978	999	981
Total Government agencies	24,046	24,141	24,789	24,541
Government Business Enterprises				
CIT Solutions Pty Ltd	97	106	88	106
Icon Water Limited	398	426	413	436
Total Government Business Enterprises	495	532	501	542
Total Government agencies and Business Enterprises	24,541	24,673	25,290	25,083

Notes:

1. Totals may not add due to rounding.
2. Agency lines may not reconcile to individual 2022-23 Budget Statements due to rounding.

Key movement details associated with Table K.1 are presented below.

ACT Health Directorate and Canberra Health Services

For the ACT Health Directorate, the increase of 139 FTE in the 2021-22 Estimated Outcome from the 2021-22 Budget relates mainly to the continuation of the COVID-19 response for longer than anticipated, and an increase in resources in response to the Delta and Omicron outbreaks. The decrease of 77 FTE from the 2021-22 Estimated Outcome to the 2022-23 Budget reflects the Territory's current expectations for responding to the COVID-19 environment during the 2022-23 financial year.

In relation to Canberra Health Services, the decrease of 47 FTE from the 2021-22 Estimated Outcome to the 2022-23 Budget reflects the Territory's current expectations for responding to the COVID-19 environment during the 2022-23 financial year. The 2022-23 Budget includes 90 FTE associated with the COVID-19 Clinical Health response and the COVID-19 vaccination program.

Canberra Institute of Technology

The decrease of 10 FTE in the 2022-23 Budget from the 2021-22 Budget is mainly due to a scaling back of the JobTrainer initiative in 2022-23, resulting in a reduction in the budgeted staffing numbers. The increase of 8 FTE in the 2022-23 Budget from the 2021-22 Estimated Outcome is primarily due to the FTEs working on the CIT Woden project.

CIT Solutions Pty Ltd

The lower FTE in the 2021-22 Estimated Outcome compared to the 2021-22 and 2022-23 Budgets is due to decreased staffing levels associated with reduced training activity under COVID-19 restrictions.

Chief Minister, Treasury and Economic Development Directorate

The increase of 32 FTE in the 2021-22 Estimated Outcome from the 2021-22 Budget is mainly due to additional positions to meet government priorities, particularly the COVID-19 response, and an increase in demand for services.

The increase of 47 FTE in the 2022-23 Budget from the 2021-22 Estimated Outcome is mainly due to new and continuing initiatives, including those that assist with COVID-19 recovery, economic development and managing the demand for services.

Community Services Directorate

The increase of 12 FTE in the 2021-22 Estimated Outcome from the 2021-22 Budget is mainly due to the additional staff to support work related to the *Freedom of Information Act 2016*, and operational staff at Franklin House to provide supported accommodation to young people on community-based youth justice orders.

The increase of 11 FTE in the 2022-23 Budget from 2021-22 Estimated Outcome is mainly due to new initiatives.

Education Directorate

The increase of 250 FTE from the 2021-22 Budget to the 2021-22 Estimated Outcome predominantly relates to COVID-19 response measures, primarily associated with the extension of temporary and casual contracts, redeployment of staff in schools due to vaccination status, additional COVID-19 cleaning, as well as increased teaching resources to meet growth in 2022 student enrolments.

The decrease of 142 FTE in the 2022-23 Budget from the 2021-22 Estimated Outcome primarily relates to decreased COVID-19 response measures, partially offset by new budget funded initiatives.

The COVID-19 response measures ceasing in 2021-22 accounted for 205 FTE. If the FTE associated with COVID-19 response measures are excluded from the 2021-22 Estimated Outcome, there is an increase of 63 FTE between the 2021-22 Estimated Outcome and 2022-23 Budget. These FTE primarily relate to learning professionals and support staff funded through new budget initiatives.

Environment, Planning and Sustainable Development Directorate

The increase of 48 FTE from the 2021-22 Budget to the 2022-23 Budget is due to additional FTEs associated with new initiatives in 2022-23, and FTEs associated with existing initiatives that were not captured in prior year budgets.

Housing ACT

The increase of 25 FTE in the 2021-22 Estimated Outcome from the 2021-22 Budget is due to an increase in operational positions approved in 2021-22 after the finalisation of the 2021-22 Budget (10.6 FTE) and temporary contract positions to assist a number of priorities for Housing ACT. The temporary contract positions are not anticipated to continue in 2022-23.

The increase of 15 FTE in the 2022-23 Budget from the 2021-22 Budget is a result of additional positions funded through the Vulnerable Household Energy Support Scheme (4 FTE) and an increase in operational positions approved in 2021-22 after the finalisation of the 2021-22 Budget (10.6 FTE).

Justice and Community Safety Directorate

The increase of 147 FTE in the 2021-22 Estimated Outcome from the 2021-22 Budget is predominately due to the continued recruitment of temporary staff to assist with backlogs resulting from the impacts of the COVID-19 pandemic, the backfilling of staff on long service, maternity and other leave, staff engaged to undertake client funded work, and the timing associated with ACT Fire & Rescue recruitment.

The decrease of 85 FTE in the 2022-23 Budget from the 2021-22 Estimated Outcome is due to the impact of higher than anticipated FTE in 2021-22 which is expected to return to budgeted staffing levels in 2022-23. This is partially offset by an increase in staffing resources associated with 2022-23 Budget initiatives (61 FTE).

Major Projects Canberra

The increase of 30 FTE in the 2022-23 Budget from the 2021-22 Estimated Outcome is primarily due to budget funded initiatives, including the Canberra Theatre Centre Expansion and Redevelopment, Light Rail Stage 2, and the Cladding Rectification Program.

Transport Canberra and City Services Directorate

The increase of 76 FTE in the 2021-22 Estimated Outcome from the 2021-22 Budget is mainly due to insourcing of activities and positions funded from independent revenue, as well as increases due to operational requirements, including capital initiatives, partially offset by vacant positions.

The increase of 14 FTE in the 2022-23 Budget from the 2021-22 Budget is due to increased staffing associated with new initiatives (17 FTE) offset by ceasing initiatives (3 FTE).

Transport Canberra Operations

The increase of 21 FTE in the 2021-22 Estimated Outcome from the 2021-22 Budget is due to additional staffing requirements for the existing network and for Transport Officers. The increase of 3 FTE in the 2022-23 Budget from the 2021-22 Budget is due to increased staffing associated with new initiatives (8 FTE) and prior year initiatives (3 FTE); offset by ceasing initiatives (8 FTE).