



**ACT**  
Government

Australian  
Capital Territory  
**BUDGET**  
**2018-19**

Growing services  
for our growing city



Australian  
Capital Territory

# **BUDGET 2018-19**

Growing services  
for our growing city

**Budget Review**

# STRUCTURE AND CONTENT OF THE 2018-19 BUDGET PAPERS

## Budget Review

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

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# INTRODUCTION

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

The purpose of the 2018-19 Budget Review is to provide updated information to allow an assessment of the Government's financial performance against its financial policy objectives and strategies as set out in the 2018-19 Budget.

The 2018-19 Budget Review:

- provides an update to the financial forecast projections for the current financial year and the next three financial years, taking into account the audited results for the previous financial year (ie 2017-18);
- updates financial and economic parameters, and incorporates the consequential changes to the estimated outcome and the forward years' forecasts;
- identifies the impact of policy initiatives that have been decided since the 2018-19 Budget;
- identifies the impact of refined cash expenditure forecasts associated with the Territory's Infrastructure Investment Program;
- identifies events that have emerged since the 2018-19 Budget, and incorporates them where they are certain and quantifiable; and
- presents a view of the Territory's financial position and risks to that position.

This update, and the impact of policy and parameter changes, incorporate activities up to 31 December 2018. The estimates have been updated to reflect the financial impact of the Commonwealth's *Mid-Year Economic and Fiscal Outlook 2018-19*.

This report also contains statements that are consistent with the requirements of the Uniform Presentation Framework. Where significant issues have been identified but are not certain, or are unable to be quantified with reasonable certainty, they have been identified as potential risks to the estimates. These risks may have either positive or negative budgetary implications.



## OVERVIEW

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The ACT Government is delivering the quality local services and infrastructure our growing city needs, while maintaining a strong budget to build for Canberra's future. Our strong and growing economy is creating more good jobs, and we continue to attract bright, skilled people from across Australia and around the world because of the great quality of life on offer here.

The 2018-19 Budget delivered a significant step up in frontline services for Canberrans, including more hospital services and surgeries, more places at our local schools, better roads and public transport, and stronger support for those who need it. The 2018-19 Budget Review shows the ACT Government is continuing to invest where and when it's needed to maintain high quality services and infrastructure for our community.

Our broadly balanced budget position and capacity for continued investment is underpinned by the sustained growth of the ACT economy. In 2017-18, our real Gross State Product increased by the fastest rate of any jurisdiction in Australia at 4 per cent, well above our 15-year average growth rate of 3.3 per cent.

The unemployment rate in the ACT remains among the lowest in the country. Our youth unemployment rate is well below the national average and fell over the past 12 months, to currently sit at just 8.7 per cent.

The past 12 months have seen strong job creation in areas outside the public sector such as construction and the tertiary education and research sector, as the Government's economic diversification plans take root. Canberra's tertiary education and research sector contributes \$3.3 billion and 20,000 full-time equivalent jobs to our city's economy, up from a contribution of \$2.6 billion in 2014. Education is also our largest service export, with the value of these exports having grown by \$527 million over the past five years. This reflects Canberra's growing reputation as a destination of choice for both international and interstate students.

The ACT's solid fiscal management and strong economic outlook has been confirmed by the international ratings agency Standard & Poor's. In September 2018, the agency confirmed our AAA credit rating, and upgraded us to a stable outlook. This is the highest rating possible for any state or territory government, and is shared by only Victoria and NSW within Australia.

### ***Making progress on delivering the better Canberra we promised***

Since the 2018-19 Budget was released, the ACT Government has made real progress on a range of important service and infrastructure initiatives.

Detailed planning and design work is underway for the \$500 million expansion of the Canberra Hospital through the development of the new Surgical Procedures, Interventional Radiology and Emergency (SPIRE) Centre. In late 2018 we announced that SPIRE will be built on the north-eastern side of the Canberra Hospital campus, with construction to commence in 2020.



SPIRE will feature more operating theatres, more inpatient wards, state-of-the-art surgical, procedural and imaging facilities, a coronary care unit, and a significantly expanded Emergency Department and Intensive Care Unit. The centre is an important health investment for the ACT as it will future-proof our hospital services and ensure Canberra's free public health care system can meet the growing needs of our city.

In recent months the ACT Government has also opened a third nurse-led Walk-in Centre in Gungahlin, and announced the location for a further Walk-in Centre in Weston Creek – with funding to build it delivered through this Budget Review. This means that by the end of 2019 there will be four Walk-in Centres operating across the city to provide free treatment and health advice for Canberrans, close to home.

Stage 1 of Canberra's light rail network is nearing completion, with the Government delivering new initiatives to support the commencement of operations and make it easy for Canberrans to integrate light rail into their daily commute. The Government has also progressed planning for Stage 2 of Canberra's light rail network, with submissions on the route progressing for Commonwealth environmental and planning approvals. The light rail route from Civic to Woden is an important link in the city's future transport network as well as a significant new project in our forward infrastructure plan, and we are determined to get on with building it.

With the 2019 school year comes the opening of the Margaret Hendry School, Gungahlin's newest primary school. Located in Taylor, it will ensure children in Canberra's fastest-growing region can continue to find a place at a great local school close to home. We are also adding around 1,000 places to existing schools across Canberra, and work is well underway this year to deliver another full new school in the Molonglo Valley.

Meeting Canberrans' need for safe, suitable and affordable housing is a priority for our Government. In recent years we have delivered the largest renewal of the ACT's public housing stock since self-government, replacing 1,288 ageing properties with new, modern homes. We have now announced the next stage of investment in Canberra's public housing, with \$100 million dedicated over the next five years to deliver at least 200 new homes and renew a further 1,000 properties.

The 2018-19 Budget Review provides further support for other priority actions from the new *ACT Housing Strategy* released in October 2018, including land tax exemptions for landlords who rent their properties through community housing providers at below-market rates. We understand that affordability and rights for renters are a significant part of the housing challenge. That is why we are currently in the process of amending the *Residential Tenancies Act 1997* to give renters more rights to make a property feel like home and restrain unfair rent increases, at the same time as expanding public housing and affordable land releases.

We are continuing to grow our investment in emergency services to keep Canberrans safe. The 2018-19 Budget Review delivers five new ambulances and two full paramedic crews to ensure our emergency response times remain the fastest in the country, as well as more investment in preparing for bushfires as summers get hotter and fire seasons get longer. We are also investing in innovative new justice interventions for non-violent offenders to help break the cycle of imprisonment and recidivism, including implementing the Drug and Alcohol Court and providing accommodation alternatives to remand.

These initiatives show the Government is continuing to make progress on delivering our 2016 election commitments and the important agenda outlined in the Parliamentary Agreement. We have work completed or underway on most of these commitments; continuing to roll them out for Canberrans will be a priority for the Government in 2019.

### ***Strengthening the Budget today to prepare for the future***

The 2018-19 Budget marked a return to balance after several years of fiscal deficit. Running a deficit was necessary during that time to protect our city's growth through a period of economic turbulence, and in light of the need to invest in a swift and comprehensive response to the Mr Fluffy asbestos issue.

But with the ACT economy now growing at the fastest rate in the country and the effects of those prior fiscal shocks having been worked through, it is important that we seek to maintain a balanced budget in the near term. This will improve the ACT's resilience and capacity to respond to the next set of economic challenges when they arise.

The Government's budget strategy therefore remains focused on:

- strengthening and diversifying the ACT economy, with an emphasis on the creation of good jobs and the delivery of high quality services to Canberrans;
- maintaining a strong operating balance over the medium term; and
- investing in infrastructure projects that will protect Canberra's liveability and boost our productivity as the city grows.

The 2018-19 Budget Review confirms we are on track with this approach, and its key balance sheet metrics are consistent with the maintenance of our AAA credit rating. While remaining broadly in balance, the updates to the Headline Net Operating Balance since the 2018-19 Budget reflect movements in significant budget components which are outside the Government's direct control. This includes volatility in the market price for Large-scale Generation Certificates brought about by the ongoing lack of certainty on Commonwealth climate and energy policy, as well as weaker returns from share market investments following a period of global market uncertainty. This movement in market prices and returns does not affect the Government's capacity to deliver the services we have promised in the short term; we will not cut back services just to recover a potentially temporary change in forecast returns. The Government will continue to monitor these developments in updating our fiscal and economic policies ahead of the 2019-20 Budget.

This Budget update continues to deliver the services and infrastructure our growing city needs, while getting on with the job of planning the next big phase of infrastructure delivery for our future. It builds on the significant work already underway across our Government and this city to deliver the better Canberra we promised.

# CHAPTER 1

## ECONOMIC PERFORMANCE AND OUTLOOK

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## 1.1 ECONOMIC OVERVIEW

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In 2017-18 the ACT economy grew by 4.0 per cent, the highest growth rate of any jurisdiction in Australia. This builds on the Territory's nation-leading growth in recent years, bringing real economic growth over the three years to June 2018 to 12 per cent. Over the same period, real Gross State Product per capita has also grown, rising 5.6 per cent to \$94,831. This demonstrates that our community continues to become better off, even as our population grows.

The ACT's growth has been broad based, reflecting the increasing diversity of the local economy and jobs base. In 2017-18 there were particularly strong contributions from the professional and scientific services; health care and social assistance; administration; construction; and ICT sectors.

Service exports have continued to expand, growing by 10.6 per cent in 2017-18. This included international student education exports, which grew by almost 24 per cent to \$977 million. International and domestic tourism also performed well, contributing \$2.26 billion to the ACT economy in 2017-18 – a 10 per cent increase from a year ago<sup>1</sup>. The growth of these sectors have been supported by the Government's strategy to better connect the ACT to our region and the world through international flights and other transport links, as well as our promotion of Canberra as Australia's 'knowledge capital' and a destination of choice for students.

We are continuing to see strong population growth, with almost 9,000 more Canberrans in 2017-18 – the second highest growth rate in Australia. Solid population growth is expected to continue supporting strong economic growth in the years ahead. At the same time, the unemployment rate remains the lowest in Australia at 3.6 per cent<sup>2</sup>, further demonstrating the health of the ACT economy.

Construction activity in the ACT housing market remains robust, with building commencements up 44 per cent over the year to the September quarter 2018. Prices for free standing homes continue to grow at a moderate pace, while prices for apartments have moderated due to increased supply in the market. This is helping to make it more affordable for first home buyers and Canberrans on low and middle incomes to own their own home. Overall, the expected continued high rates of population growth over the forward estimates will support continued strong demand for new housing. A range of economic analysts and forecasters have noted the continued strength of the ACT market, in contrast with emerging price shifts in other major capitals.

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<sup>1</sup> *Tourism in the ACT Year Ending June 2018* sourced from International & National Visitor Surveys, June 2018. State Tourism Satellite Accounts, June 2017.

<sup>2</sup> As at December 2018.

Despite the ongoing strength of the local housing market, the key risk to the ACT economy is the possibility of a synchronised, significant, and Australia-wide downturn in housing prices. This could potentially be triggered by further tightening of credit conditions as the banks respond to the findings of the *Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry*. The ACT Government will be closely monitoring developments in this market throughout the remainder of 2018-19 and beyond, and tailoring our policy settings as needed to promote the ongoing strength of the ACT economy.

## 1.2 ACT ECONOMIC OUTLOOK

Table 1.2.1 provides updated economic parameters for the ACT at the time of the 2018-19 Budget Review.

**Table 1.2.1: Economic forecasts, 2018-19 Budget Review, percentage change**

	Actual	Estimate	Forecast	Projections	
	2017-18	2018-19	2019-20	2020-21	2021-22
<b>ACT</b>					
Gross State Product <sup>1</sup>	4.0 (-0.5)	3½	3½	3½	3½
State Final Demand <sup>1,2</sup>	3.6 (-0.4)	3	3¼	3¼ (-½)	3¼
Employment <sup>3</sup>	2.3 (-0.7)	2	1¼ (+¼)	1½	1½
Wage Price Index <sup>3,4</sup>	1.8 (-0.2)	2½	2¾	3 (-¼)	3¼
Consumer Price Index <sup>3</sup>	2.8 (+0.55)	2¼	2½	2½	2½
Population <sup>3</sup>	2.2 (+0.45)	1¼	1¼	1¼ (+¼)	1½
<b>Australia</b>					
Gross Domestic Product <sup>1,2,5</sup>	2.8	2¼ (-¼)	3	3	3

**Sources:** ABS Cat. No. 5220.0, 5206.0, 6202.0, 6345.0, 6401.0 and 3101.0; Chief Minister, Treasury and Economic Development Directorate; the Commonwealth's *Mid-Year Economic and Fiscal Outlook 2018-19*; the Commonwealth 2018-19 Budget.

**Notes:** Forecasts and projections are rounded to a ¼ of a percentage point, reflecting an appropriate level of accuracy in forecasting economic parameters. Projections are based on long-run trend assumptions. Numbers in brackets for ACT parameters represent the change from the *2018-19 Budget*.

1. Real values.
2. Year average basis.
3. Through the year basis.
4. Total hourly rates of pay, excluding bonuses.
5. These are the Commonwealth's *Mid-Year Economic and Fiscal Outlook 2018-19* forecasts. Comparisons are to the Commonwealth 2018-19 Budget.

### Gross State Product

The ACT economy grew by 4 per cent in 2017-18, the fastest rate of growth of any jurisdiction in Australia. The outlook for the ACT economy is for continued strong and broad based growth, with growth of 3.5 per cent expected in 2018-19 and over each year of the forward estimates, consistent with the forecasts in the 2018-19 Budget.



Some of the drivers of this growth are the strong rates of population growth and an associated strong pipeline of housing construction, particularly in the apartment market. The ACT's population growth is also supporting solid growth in household consumption, despite persistently slow real wages growth across the Australian economy. Low interest rates and a relatively weak Australian dollar<sup>1</sup> are supporting a positive growth environment for the ACT's services export sectors and local businesses, while the positive outlook for Commonwealth Government expenditure, including on defence, cyber security, IT and the National Disability Insurance Scheme, is also expected to support to growth.

ACT Government consumption expenditure is expected to remain strong in 2018-19 and make a positive contribution to overall economic growth, before moderating through to 2021-22.

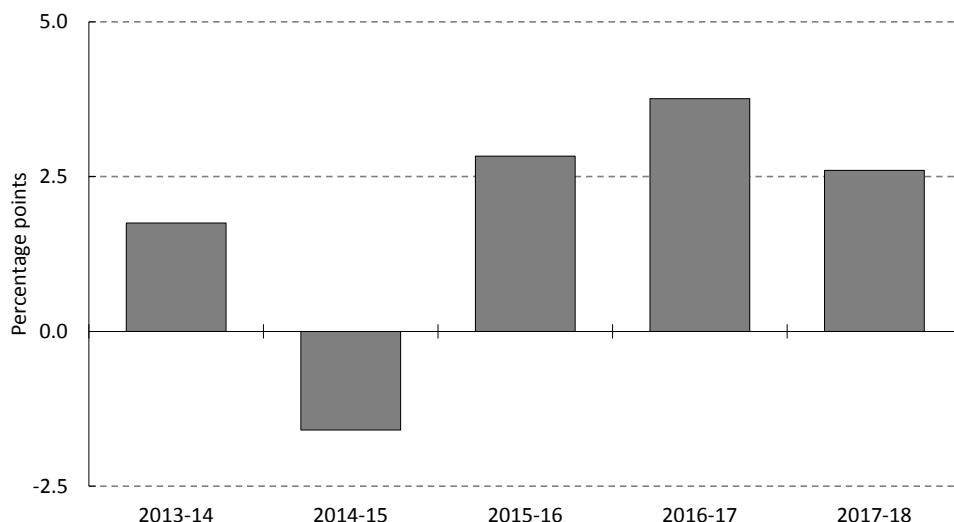
Service exports expanded by 10.6 per cent in 2017-18 and are forecast to continue to grow, including for education and tourism. On a per capita basis, the ACT is now Australia's leading exporter of services as our efforts to reach into more international markets take root. Canberra's service exports per capita in 2017-18 was \$5,225, which was 48 per cent above the national average.

The efficiency of the ACT economy continues to improve, with productivity growth over the past three years contributing 2.6 percentage points to the 4 per cent growth in Gross State Product in 2017-18 (Figure 1.2.1).

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<sup>1</sup> When compared to its value at the height of the mining investment boom.

**Figure 1.2.1: Contribution of multifactor productivity to growth in Gross Value Added, ACT**



**Source:** ABS Cat. No. 5260.0.55.002

**Note:** Multifactor productivity is defined as a ratio of a measure of output to a combined input of multiple factors, for example labour and capital. In this case, value added-based multifactor productivity is defined as the ratio of gross value added to the combined inputs of capital and labour.

## Housing

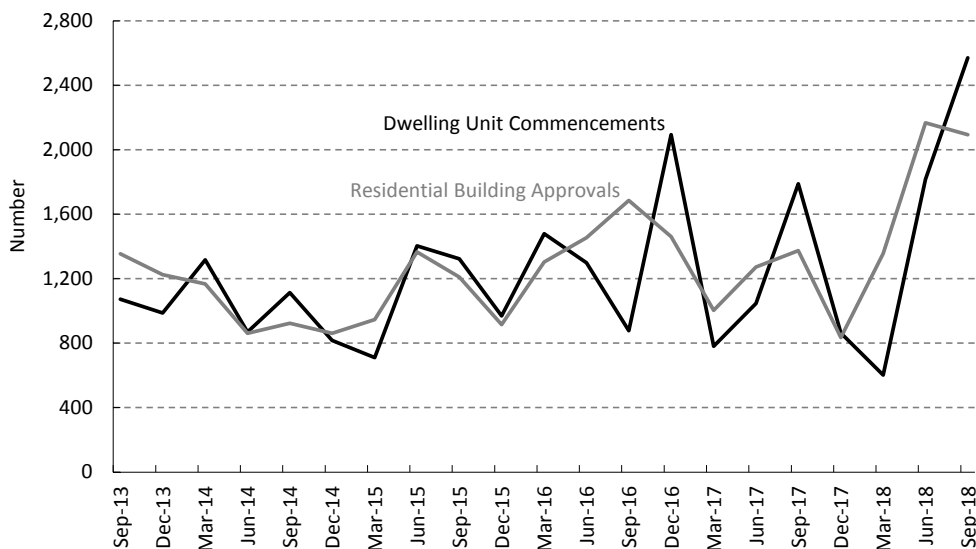
The ACT's residential construction sector remained buoyant in 2018. This momentum is expected to continue in the short to medium term, supported by historically low interest rates, low unemployment, solid population growth, a low rental vacancy rate and high rates of economic growth.

Residential building approvals in the ACT increased by 35.5 per cent through the year to December 2018, led by approvals in the category of *new other residential dwellings* which includes apartments, units and townhouses. The ACT's through the year growth in approvals has been positive for 11 consecutive months and has also been significantly higher than the national growth rate over this period.

The number of dwelling unit commencements increased by 43.7 per cent through the year to the September quarter 2018 (Figure 1.2.2), as a result of an increase in commencements for both new detached houses and new other residential dwellings.

Moreover, the value of residential construction work done increased by 14.0 per cent through the year to the September quarter 2018, led by a 33.0 per cent growth in the construction of new housing.

**Figure 1.2.2: ACT dwelling unit commencements (seasonally adjusted) and ACT residential building approvals (trend)**

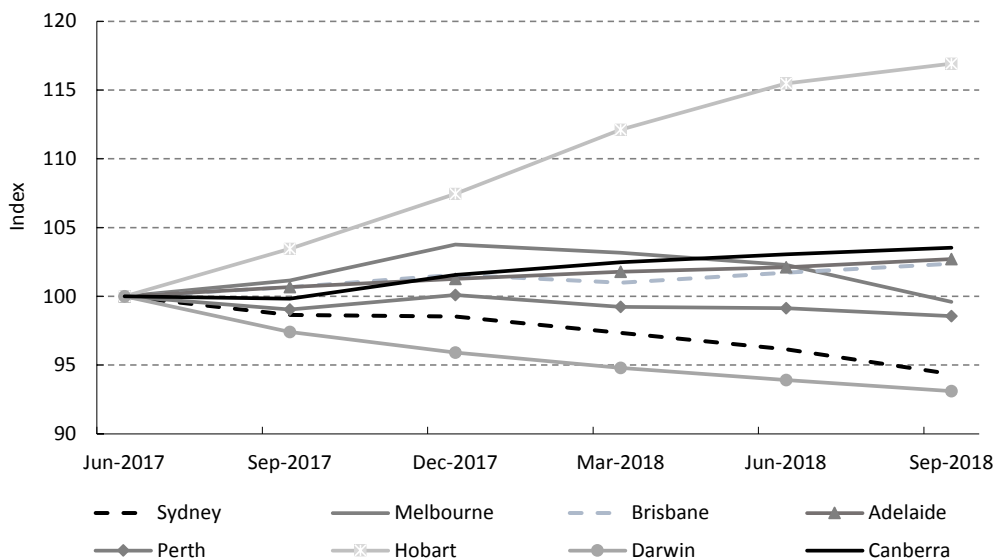


**Sources:** ABS Cat. No. 8752.0 and ABS Cat. No. 8731.0.

**Note:** Building approvals data are converted from a monthly series to a quarterly series, ending on September quarter 2018, the most recent whole quarter.

ACT house prices grew at a moderate pace in 2018, while those for apartments declined modestly (Figure 1.2.3). These movements are in contrast to the significant falls in segments of the national housing market, particularly in Sydney and Melbourne, mainly driven by tighter lending standards by banks as they anticipate the findings of the *Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry*. The impact of this credit tightening appears to be greatest in the investor market and less so for owner occupiers. Correspondingly, prices for free standing houses – which tend to be bought by owner occupiers – are expected to continue to rise. Prices for apartments – which have a higher share of investors – are expected to continue to moderate over the medium term, which may improve affordability for first home buyers and Canberrans on low and middle incomes.

**Figure 1.2.3: Residential Property Price Index, capital cities**



Source: ABS Cat. No. 6416.0.

Note: Index reference period: June 2017 = 100.

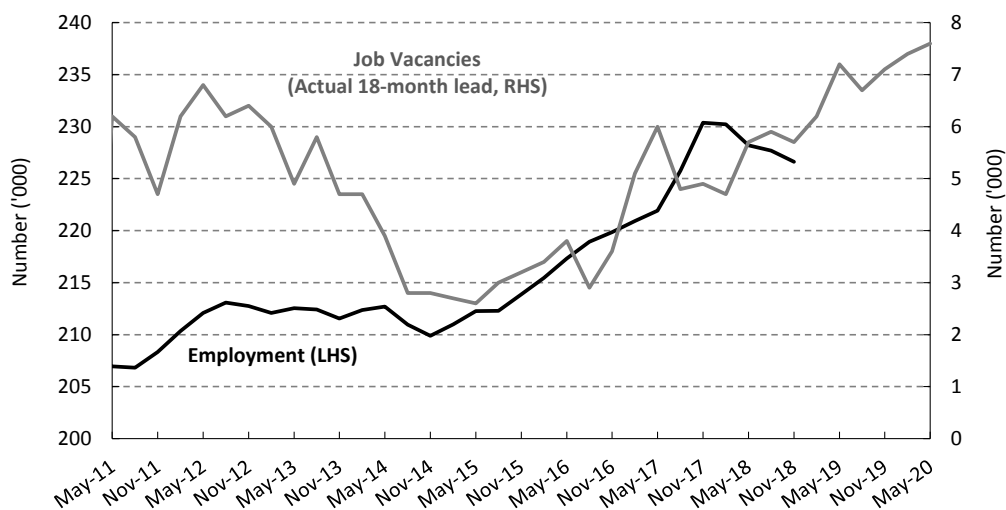
## Labour market

The unemployment rate in the ACT in December 2018 was 3.6 per cent, the lowest in the country, while the participation rate was the second highest at 69.4 per cent.

Employment growth is estimated to be 2 per cent in 2018-19, unchanged from the forecast at the time of the 2018-19 Budget. Forecast employment growth has been revised up slightly to 1¼ per cent in 2019-20 reflecting the solid economic and population outlook.

While measured employment growth has fallen over the course of 2018, this is likely to reflect sampling variability rather than underlying weakness in the labour market. The employment growth outlook in the 2018-19 Budget Review is consistent with a range of strongly performing economic variables, as well as leading indicators of labour demand such as job vacancy figures (Figure 1.2.4).

**Figure 1.2.4: Employment and job vacancies, ACT**



Source: ABS Cat. No. 6202.0 and 6354.0

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

## Wage Price Index

The Wage Price Index is expected to grow by 2½ per cent in 2018-19, before increasing to 2¾ per cent in 2019-20. These growth rates partly reflect the outcomes of ACT public service enterprise bargaining agreements. The relatively subdued wages growth outlook in the ACT remains unchanged from the 2018-19 Budget and is consistent with the national outlook. A gradual tightening in labour market conditions in the ACT and nationally is expected to lead to some upward pressure on wages growth in the medium term.

Policy announcements by the Commonwealth in early 2018 place an upper limit on APS wages growth of 2 per cent, which will likely continue to place downward pressure on overall wages growth in the ACT. However, there remains some uncertainty about the future of this policy given the Federal Election due by May 2019. Private sector wages growth is still expected to drive a stronger outlook for the overall Wage Price Index in the medium term.

## Consumer Price Index

Inflation in the ACT is expected to fall from 2.8 per cent in 2017-18 to 2¼ per cent in 2018-19. Inflation is then expected to return to the mid-point of the Reserve Bank of Australia’s target band at 2½ per cent thereafter.

The expected fall in inflation in 2018-19 has been driven by a significant reduction in the cost of child care which became apparent in the September quarter 2018, as well as the effects on prices from continuing competition in the retail sector.

While an expected gradual pick up in wages growth in the ACT may put some upward pressure on components of the Consumer Price Index, many of the drivers of growth in inflation over the forward estimates are unlikely to be influenced by local labour market conditions.

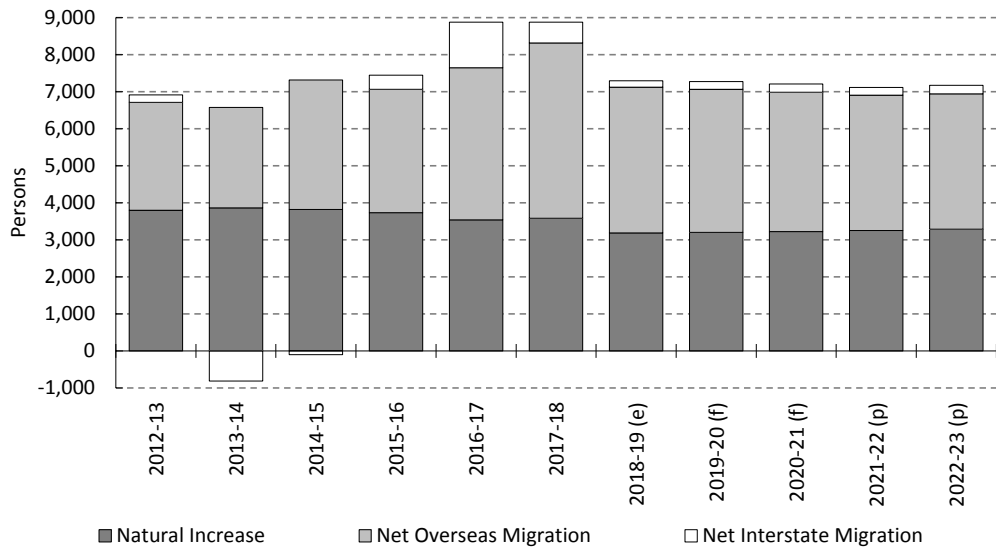
## Population

The ACT's population was estimated to be 420,902 on 30 June 2018, an increase of 8,877 people or 2.2 per cent since 30 June 2017. This was higher than the 2018-19 Budget estimate of 1¾ per cent growth and is the second highest rate of growth of any jurisdiction in Australia. This is largely the result of continued growth in net overseas migration, which brought 4,737 more people to Canberra – primarily as skilled workers and students. Natural increase (births less deaths) contributed a further 3,582 people and net interstate migrants added 558 people to the city's total population growth. Net interstate migration has now been positive for three years, demonstrating that more people are being attracted to Canberra than are leaving it.

Looking forward, the ACT's population is projected to grow by 1¾ per cent a year from 2018-19 to 2020-21 and by 1½ per cent in 2021-22. The Territory's total population is expected to reach approximately 450,000 people by 2021-22. Population growth from ongoing net overseas migration is expected to continue to be the largest contributor, supported by natural increase. Net interstate migration is also expected to make a small positive contribution, as the strong economic and employment outlook continues to attract people to Canberra.

Details of the ACT's population growth by component are presented in Figure 1.2.5 below.

**Figure 1.2.5: ACT population growth by component**



Source: ABS Cat. No. 3101.0; CMTEDD.

Note: (e) - estimate; (f) - forecast; (p) - projection.

## 1.3 AUSTRALIAN ECONOMIC OUTLOOK

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The Australian economy expanded by 2.8 per cent in 2017-18, following growth of 2.3 per cent in 2016-17. The Commonwealth's *Mid-Year Economic and Fiscal Outlook 2018-19* forecasts the national economy to grow by 2¼ per cent in 2018-19, slightly lower than the 3 per cent forecast in the Commonwealth's 2018-19 Budget. The growth outlook for 2019-20 remains unchanged at 3 per cent.

The downward revision to the 2018-19 growth rate is due to the effect of the drought on rural exports and declining mining investment. By contrast, the expected pick-up in growth in 2019-20 is mainly due to exports, non-mining business investment and household consumption.

The Australian labour market performed strongly in 2018, with 268,600 jobs created, the unemployment rate falling by 0.6 of a percentage point to 5 per cent, and the participation rate falling slightly to 65.6 per cent through the year to December 2018. The Commonwealth's *Mid-Year Economic and Fiscal Outlook 2018-19* forecasts employment to grow by 1¼ per cent in both 2018-19 and 2019-20, slightly stronger than the 1½ per cent forecast for both years in the Commonwealth 2018-19 Budget.

The Wage Price Index rose by 2.3 per cent through the year to the September quarter 2018 and is forecast to increase by 2½ per cent in 2018-19 and 3 per cent in 2019-20. Real wages were slightly positive in through the year terms, as the Consumer Price Index rose by 1.9 per cent through the year to the September quarter 2018. Inflation is forecast to grow by 2 per cent in 2018-19 and 2¼ per cent in 2019-20.

These forecasts demonstrate that the ACT economy is expected to continue outperforming the national growth rate, as it has since 2015-16.





## 1.4 INTERNATIONAL ECONOMIC OUTLOOK

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In its latest *World Economic Outlook* update in January 2019, the International Monetary Fund noted that global fiscal expansion has weakened and downside risks have intensified.

Growth is now expected to moderate to 3.5 per cent in 2019 and 3.6 per cent in 2020. The negative effects of tariff increases in the United States and China, together with a carry-over of soft momentum in the second half of 2018, have led to small downward revision from the October 2018 *World Economic Outlook*.

Since the 2018-19 Budget, the outlook for Australia's major trading partners has also deteriorated moderately. Although fiscal stimulus is expected to offset some of the impact of higher tariffs imposed by the United States, China's economy is expected to slow due to the combined influence of financial regulatory tightening and trade tensions with the United States. Growth in the euro area is set to moderate due to soft private consumption, weak industrial production and subdued foreign demand.

The growth forecast for the United States is expected to decline in 2019 and soften further in 2020 as fiscal stimulus is unwound and the federal funds rate temporarily overshoots the neutral rate of interest. Japan's economy is set to grow in 2019, reflecting additional fiscal support to the economy this year.

Although the downward revisions to the global outlook are modest, the escalation of further trade tensions between the United States and China remains a key source of risk to the international outlook.



## 1.5 RISKS TO THE ECONOMIC OUTLOOK

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The ACT economic outlook is underpinned by strong fundamentals, including solid population growth, low unemployment and high participation rates, and improved efficiency through productivity growth. The continued strong rate of population growth should support a strong pipeline of housing demand and construction.

Nevertheless, there is some evidence of increased downside risks associated with the housing market. While free standing house prices have continued to rise in the ACT, overall demand has moderated as credit availability tightens. This credit tightening is likely as a result of banks anticipating findings arising from the *Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry*, as well as recent enforcement action by the Australian Securities and Investments Commission.

Offsetting this has been a loosening of macroprudential regulatory settings to encourage greater lending. The Reserve Bank of Australia has also signalled its concern about any significant tightening of credit availability and its potential impact on the housing market.

Overall the ACT's strong economic fundamentals outlined above will help to offset any potential impact locally, should there be a synchronised downturn in the Australian housing market.



## CHAPTER 2

### BUDGET OUTLOOK AND FISCAL STRATEGY

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## 2.1 BUDGET OUTLOOK

The 2018-19 Budget Review provides an update on the Government's plan to ensure that service delivery is keeping pace with Canberra's strong growth, as one of the fastest growing communities in Australia.

The 2018-19 Budget Review now seeks to build on this momentum, ensuring that our city's services and infrastructure are expanding alongside our community's growth, to make sure Canberra keeps getting better.

Our economy and the Government's fiscal plan has again received a strong endorsement from credit rating agency Standard and Poor's, with our credit rating recently being upgraded to AAA with a stable outlook. This is the highest possible rating possible for any state and territory government, and within Australia, only NSW and Victoria share this rating. Further consideration of the Standard and Poor's assessment may be found in the *Fiscal Strategy* – Chapter 2.2.

Net debt remains at prudent levels that are consistent with other AAA rated jurisdictions, facilitating investments that are taking us from strength to strength.

### Headline Net Operating Balance

The General Government Sector Headline Net Operating Balance is forecast to be in surplus at \$1.5 million in 2018-19. This is a decrease of \$35.0 million in 2018-19, primarily as a result of new initiatives agreed to in Budget Review, in addition to lower sales in the land release program and the revised funding profiles of prior years' initiatives. Further details are provided in the New Initiatives (Chapter 2.3) and the Revenue and Expenses section of this Chapter.

Table 2.1.1 provides a summary of total revenue and expenses across the budget and forward estimates, as well as the Headline Net Operating Balance.

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

	2017-18 Actual Outcome \$m	2018-19 Original Budget \$m	2018-19 Budget Review \$m	2019-20 Revised Estimate \$m	2020-21 Revised Estimate \$m	2021-22 Revised Estimate \$m
Revenue	5,401.5	5,671.3	5,608.0	5,833.1	6,127.7	6,369.1
Expenses	5482.5	5,818.2	5,796.5	6,049.4	6,322.8	6,506.3
Superannuation return adjustment	161.8	183.3	190.0	188.4	200.2	214.6
<b>HEADLINE NET OPERATING BALANCE</b>	<b>80.8</b>	<b>36.5</b>	<b>1.5</b>	<b>-27.9</b>	<b>5.0</b>	<b>77.4</b>
Net Cash from Operating Activities	523.6	435.7	468.2	378.3	598.0	581.7
Net Debt (excluding superannuation)	1,302.2	2,108.3	2,079.3	2,635.9	2,907.8	2,950.2
Net Financial Liabilities	7,706.5	6,609.2	6,748.6	7,277.5	7,577.9	7,670.9

**Note:** Table may not add due to rounding.



## Summary of Movements

Table 2.1.2 shows the variations in the General Government Sector Headline Net Operating Balance between the 2018-19 Budget and the 2018-19 Budget Review. Further details of the major technical adjustments are shown in Table 2.1.3.

**Table 2.1.2: Summary of Movements in the General Government Sector Headline Net Operating Balance**

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
<b>2018-19 Budget</b>	<b>36,459</b>	<b>43,956</b>	<b>25,922</b>	<b>52,494</b>
<b>Revenue <sup>1</sup></b>				
Policy Decisions	-2,474	-2,447	-2,248	-2,384
Technical Adjustments	-60,831	-19,159	21,591	36,370
<b>Expenses <sup>2</sup></b>				
Policy Decisions	-22,399	-30,278	-19,697	-15,261
Technical Adjustments	44,057	-14,469	-12,842	14,459
Superannuation return adjustment	6,685	-5,479	-7,725	-8,282
<b>2018-19 Budget Review</b>	<b>1,497</b>	<b>-27,876</b>	<b>5,001</b>	<b>77,396</b>

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

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

**Table 2.1.3: Summary of Major Technical Adjustments since the 2018-19 Budget**

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
<b>Revenue <sup>1</sup></b>				
Commonwealth Grants	21,203	20,096	17,567	35,683
Superannuation Provision Account	5,100	-14,300	-15,300	-16,500
Territory Banking Account	-803	-4,054	-5,049	-5,028
Taxation	-3,457	-5,520	-5,172	-11,709
Other Technical Adjustments	-20,864	37,059	29,545	33,924
Large-scale Generation Certificates	-62,010	-52,440	0	0
<b>Total Revenue – Technical Adjustments</b>	<b>-60,831</b>	<b>-19,159</b>	<b>21,591</b>	<b>36,370</b>
<b>Expenses <sup>2</sup></b>				
Provisions and Other Technical Adjustments	63,361	-17,615	-25,911	5,566
Large-scale Generation Certificates	0	0	4,028	0
Territory Banking Account	-1,388	3,219	8,799	8,893
Revised Funding Profiles	-17,916	-73	242	0
<b>Total Expenses – Technical Adjustments</b>	<b>44,057</b>	<b>-14,469</b>	<b>-12,842</b>	<b>14,459</b>

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

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

## Revenue and Expenses

### Revenue

Total revenue in 2018-19 is expected to be \$63.3 million lower than forecast in the 2018-19 Budget and \$31.6 million over the four years to 2021-22. Significant movements in revenue in 2018-19 include:

- a decrease in the valuation of Large-scale Generation Certificates of \$62.0 million (\$114.5 million over four years);
- a decrease in revenue due to technical adjustments of \$20.9 million, mainly attributable to lower than anticipated sales and deferred site releases in the land release programs, particularly in Taylor, Throsby and North Wright; and
- a reduction in taxation estimates of \$3.5 million (\$25.9 million over four years) mainly associated with a decrease in conveyance revenue as a result of the softening of the housing market.

The above reduction in revenue is partially offset by an increase in Commonwealth Grants of \$21.2 million (\$94.5 million over four years) for National Partnerships and Specific Purpose Payments, noting increases in Commonwealth grants are matched by increases in expenditure or asset purchases.

### Expenses

Total expenses in 2018-19 are expected to be \$21.7 million lower than forecast at the time of the 2018-19 Budget and \$56.4 million higher over the four years to 2021-22. This is mainly attributable to the reduction in provisions and other technical adjustments of \$63.4 million (\$25.4 million over four years), including an adjustment to reflect the delayed commencement of Light Rail Stage 1 and its associated depreciation.

This decrease is partially offset by:

- an increase in expenses of \$22.4 million in 2018-19 (\$87.6 million over four years) for policy decisions. Major initiatives include an Integrated Public Transport Network Implementation and Microsoft User Licensing Expansion; and
- revised funding profiles and rollovers of prior year funding for initiatives of \$17.9 million in 2018-19 (\$17.7 million over four years).

## **Superannuation Return Adjustment**

The 2018-19 Budget Review Headline Net Operating Balance includes an adjustment for long-term expected superannuation investment earnings (consistent with the long-term expected return objective of the Consumer Price Index plus 4.75 percentage points). This presentation has been adopted in the ACT Government's Budget Papers since 2006-07, and the consistent and continued use of the Headline Net Operating Balance for budgetary purposes ensures that comparable, comprehensive and informed assessments can be made of the Territory's financial performance over time.

The variation for the superannuation return adjustment reflects market conditions as at 31 December 2018.

## 2.2 FISCAL STRATEGY

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The Government is delivering the services and infrastructure our growing city needs, while managing a strong economy to support and grow local jobs.

The 2018-19 Budget provided a balanced position in 2018-19 and over the forward estimates, and was delivered in the context of the Territory's economic growth reaching the fastest level in the country. The 2018-19 Budget Review remains on track with this balanced position.

The 2018-19 Budget recognised that no other government in Australia delivers as many services as we do, and that to keep Canberra amongst the most liveable cities in the world, we must step up our services to match our growing population. Although our Headline Net Operating Balance position has declined in comparison the 2018-19 Budget, a significant portion of this movement is a consequence of pricing movements in the value of Large-scale Generation Certificates held by the Government, and a reduction in earnings associated with the Superannuation Provision Account. Both of these movements are driven by market forces that are beyond the Government's control; they will not, however, impact significantly upon the ability of Government to deliver services for the Territory.

The 2018-19 Budget Review contains priority new initiatives to continue meeting Canberra's service and infrastructure needs as our city grows, while investing in local communities across our city.

We are making these investments in line with the Government's fiscal strategy which prioritises:

- strengthening the ACT economy, with a particular focus on creating good jobs and continuing to deliver high-quality services to the community;
- continuing to invest in infrastructure projects and assets that generate economic growth and protect Canberra's liveability as our city grows; and
- sustaining a strong operating balance over the medium term, offsetting temporary deficits with surpluses in other periods.

The Government's fiscal policy goals can be grouped into five high level objectives:

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

## Sustainable economic growth

The Territory's strong and sustained economic growth continues to put us at the front of the pack across Australia. Gross State Product grew by 4 per cent in real terms during 2017-18, the highest growth rate of any jurisdiction in Australia and significantly exceeding our 15-year average growth rate of 3.3 per cent. Consistent with 2018-19 Budget estimates, this growth is expected to continue at 3.5 per cent over each year of the forward estimates.

Reflecting the strong economy, the employment outlook is positive and the Territory consistently has the lowest unemployment rate across Australia. The Government is keen to ensure our economy not only creates more jobs, but generates good, secure jobs where workers are treated fairly and their rights are protected. The *Secure Local Jobs Code* commenced in the Territory on 15 January 2019, delivering a key election commitment and ensuring that only businesses with the highest ethical and labour standards win ACT Government contracts and projects.

A core part of our strategy to secure the ACT's economic growth is broadening and diversifying our economic base. For example, we are making progress in promoting Canberra as destination of choice both domestically and internationally, and are on track towards our goal of growing the ACT's overnight visitor expenditure to \$2.5 billion by 2020. Data from Tourism Research Australia shows that for the year ending September 2018, the number of international overnight visitors jumped to 249,418 – a 9.4 per cent increase over the year to September 2017, which is almost double the national average rate of growth.

International education has become Canberra's largest export, contributing \$977 million to our economy in 2017-18. This represents sector growth of more than 100 per cent in just five years. There are now around 19,000 international students studying in the ACT; about one in six of all Canberrans either study or work at a tertiary education institution. Canberra has long been Australia's best educated community, but this shows that higher education can also be a major contributor to our city's economic growth.

Service exports will continue to underpin our plans for a more diverse economy generating sustainable growth and good jobs into the future. On a per capita basis the ACT is Australia's leading services exporter, and we will continue to seek new markets in areas of comparative advantage like healthcare and medical sciences, renewable energy, ICT, cyber security and defence.

## Quality and efficient services

Canberra has a reputation as one of the most liveable cities in the world, and we remain committed to ensuring our city keeps getting even better as we grow. The Government is working to ensure that our delivery of services meets the Canberra community's priority needs today, at the same time as we invest in the big items of health, education and transport infrastructure Canberrans will need in the years ahead.

Boosting the accessibility and quality of local health services remains a top priority. This Budget Review delivers additional investment in new and expanded services to keep Canberrans healthy, including an expansion of home-based healthcare for older Canberrans, and an extension of the Childhood Influenza Vaccination program. 2018 also saw the opening of the new University of Canberra Public Hospital – Canberra’s first specialist rehabilitation hospital, the expansion and refurbishment of Calvary Public Hospital’s Maternity Ward, and the delivery of more grant funding to help Canberrans access GP bulk billing services, particularly in Canberra’s south. From this year we are also stepping up the number of elective surgeries delivered through our public hospitals to 14,000 a year, and investing in more frontline staff to reduce wait times at our emergency departments.

The ACT has the highest ranking of all Australian states and territories in education, as confirmed by the OECD’s Regional Wellbeing indicators. Building on this competitive edge, the Government is investing in education and training infrastructure so that Canberra can equip our bright young people with the skills they’ll need for the future.

Over the next four years, the Government will invest \$302 million in infrastructure for school education and the Canberra Institute of Technology (CIT), delivering on our commitments from the 2016 election. This includes a significant upgrade program for public schools which is delivering new and renewed classrooms and learning spaces, better heating and cooling, and more shared facilities that can double as community spaces for sporting, cultural and parent groups. Following a successful initial roll out during the 2018 school year, the Government will continue our Laptops in School program which provides every public high school student with a Chromebook to support their learning. This program is an important investment in equity within our education system, ensuring Canberra’s students have the tools they need to thrive, no matter where they live or how much their parents earn.

This is a significant year for transport in Canberra with both the commencement of Stage 1 of light rail from Gungahlin to the city and the launch of the new bus network. These two services will be integrated to deliver a city-wide public transport service that operates seven days a week, on a timetable that allows Canberrans to just turn up and go. We are also making it easier for Canberrans to use these new transport options with better ticketing infrastructure across the city. For the first time, commuters can purchase tickets or top up their MyWay cards at one of the ticket vending machines stationed in major bus interchanges in Tuggeranong, Woden, Gungahlin and the City, with Belconnen being delivered soon. This Budget Review also features initiatives to support the launch of the new integrated public transport system, including one month of free travel following the start of the bus network in April 2019.

Building from this focus on core services, the Government is continuing to strengthen our emergency services to keep Canberrans safe. In addition to the two new paramedic crews and five new ambulances being delivered through this Budget update, we are also strengthening our capacity to respond to bushfires with new fire-fighting facilities based at Canberra Airport. Having a base for these facilities in our region will not only reduce the need for tanker aircraft to travel long distances to resupply during emergencies, but will also help the NSW and Victorian Rural Fire Services to better fight fires that might otherwise threaten our borders.

The Government is also strengthening municipal services, with the roll out of green bins to all remaining Canberra suburbs being brought forward to April in response to high community demand. At the end of 2018, around 45 per cent of residents in Belconnen, Tuggeranong and Weston Creek had registered for the service, delivering on another election commitment.

## **Sound public finances**

### **Headline Net Operating Balance**

The Government's objective is to achieve a net operating balance over the medium term; temporary deficits will be offset by surpluses at other times. The updated forecasts continue to reflect a broadly balanced Headline Net Operating Balance over the forward estimates.

This Budget Review forecasts a small surplus for 2018-19, a reduction in our Headline Net Operating Balance position for 2019-20, before assuming an upwards trajectory towards a strong surplus in the 2021-22 financial year. As noted previously, this downwards movement is primarily associated with pricing movements in Large-scale Generation Certificate values and a reduction in earnings associated with the Superannuation Provision Account. Additional details regarding the Territory's bottom line are presented in *Budget Outlook* (Chapter 2.1).

Although our Headline Net Operating Balance position has declined, the Government's fiscal strategy remains unchanged, particularly the requirement that we seek to achieve a strong operating balance over the medium term, offsetting temporary deficits with surpluses in other periods. Recent years have seen a significant reduction from the peak deficit of \$479 million in 2014-15, when the Government responded to a number of fiscal and economic shocks, including the Loose-fill Asbestos Insulation Eradication Scheme, the global financial crisis, and the Commonwealth's spending and employment cuts.

Those responses sought to provide a buffer against the negative financial impact of the aforementioned fiscal shocks, while balancing the service delivery needs of the community. From that foundation, we are seeing strong economic growth, strong employment outcomes across a diverse range of sectors, and the lowest unemployment levels in Australia.

### **Net Operating Cash**

Net Operating Cash (Table 2.2.1) 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 General Government Sector in 2018-19 is \$468.2 million. This compares to the net cash position of \$435.7 million at the time of the 2018-19 Budget.

**Table 2.2.1: Net Operating Cash**

General Government Sector	2018-19	2019-20	2020-21	2021-22
	\$m	\$m	\$m	\$m
2018-19 Budget	435.7	425.1	593.0	645.7
<b>2018-19 Budget Review</b>	<b>468.2</b>	<b>378.3</b>	<b>598.0</b>	<b>581.7</b>

## The Territory's credit rating

International ratings agency Standard & Poor's reaffirmed the ACT's AAA long-term and A-1+ short-term local currency credit ratings on 26 September 2018. Standard & Poor's also revised the credit rating outlook upwards from negative to stable, recognising an improved forward view.

The AAA and A-1+ ratings are the highest ratings assigned by Standard & Poor's. The Territory is one of only three State or Territory Governments in Australia, and a small number of Governments around the world, to hold this rating.

In its most recent assessment, Standard & Poor's increased its overall assessment of the underlying fundamentals behind the Territory's credit rating, increasing the rating scores for budgetary performance and contingent liabilities. Standard & Poor's considers the Territory's fiscal performance is improving from the fiscal metrics forecast in recent years and that downside risks from issues such as the asbestos remediation scheme have diminished.

The stable outlook reflects Standard & Poor's expectation that the Government will continue to deliver on its priorities broadly within budget, while maintaining high liquidity coverage and containing its external financing at a manageable level.

## Loose-fill asbestos update

On 28 October 2014, the Government announced the implementation of a voluntary buyback scheme for all ACT houses affected by loose-fill asbestos (Mr Fluffy) insulation. The legacy of loose-fill asbestos insulation has directly affected over 1,000 homes across Canberra.

Under the Loose-fill Asbestos Insulation Eradication Scheme, the Government has offered to acquire, demolish and safely dispose of all affected homes. Remediated blocks are being resold to defray some of the overall impact on the budget. These blocks are being offered initially to their former owner as the First Right Holder, then to government agencies, and finally to the wider public.

The anticipated net cash cost of the Scheme remains at \$295 million, unchanged from the 2018-19 Budget estimate.

Overall, there has been a reduction in the average demolition costs as a consequence of economies of scale achieved through the program, as well as efficiencies achieved through improved demolition procedures and the sharing of good practice information between the Taskforce and its head contractors.



The Territory secured a \$1 billion loan from the Commonwealth Government to support the financing of the Asbestos Eradication Scheme. Repayments of the principal on this loan commenced on 30 June 2018 and will be paid annually until 30 June 2024. These repayments are paid as follows:

- \$50 million at the end of June each year from 2018 to 2020;
- \$100 million at the end of June each year from 2021 to 2023; and
- \$550 million at the end of June 2024.

Loan interest to be paid to the Commonwealth in 2018-19 is estimated to be \$25.7 million.

The estimated financial impacts of the Loose-fill Asbestos Insulation Eradication Scheme have not changed since the 2018-19 Budget. These impacts are summarised in Appendix I of the 2018-19 Budget Paper 3 (Tables I.1 to I.3, pages 406-407).

## **Sustainable taxation revenue**

The Government's taxation reform program is designed to ensure tax revenue remains at sustainable levels while also making the system fairer, simpler and more efficient.

We are shifting the tax mix to move away from narrowly-based transaction taxes and towards a broad land tax base through general rates. Insurance duties were fully abolished from 1 July 2016 and conveyance duty is being phased out over a 20-year period. The reform program is broadly revenue neutral with the reductions in revenue from abolishing insurance duty and phasing out conveyance duty being replaced through incremental increases in general rates. This will secure a stable and efficient revenue base to fund the provision of high quality government services into the future. The benefits of this approach can be seen in the current fiscal environment, where state governments around Australia have been forced to significantly write down their revenue forecasts based on lower than projected stamp duty revenues. By contrast, the ACT budget is much less exposed to fluctuations in the property market because of our transition away from stamp duty. This means we can deliver more and better services for Canberrans with greater certainty about how these will be funded into the future.

In 2018-19 and across the forward estimates, residential conveyance duty rates will continue to reduce for properties of all prices. This means that by 2021-22 the buyer of a residential property priced at \$500,000 will pay \$10,500 less in stamp duty compared to when the reform program commenced, a saving of around 51 per cent.

Stamp duty is also no longer payable on commercial property transactions worth \$1.5 million or less. As a result, around 70 per cent of commercial property transactions involve no stamp duty.

From 1 July 2019 stamp duty will be fully abolished for eligible first home buyers. This will improve assistance for Canberrans looking to buy their own home because no stamp duty will be payable regardless of whether they are buying a newly-built property or an existing one in an established suburb.

Details of the new revenue initiatives delivered in the 2018-19 Budget Review can be found in Chapter 2.3.3 – *Revenue initiatives*.

## **A strong balance sheet**

The ACT's balance sheet continues to perform well compared to other jurisdictions, and provides the Government with the flexibility needed to make priority investments in infrastructure to support our city's current and future growth.

### **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. Compared to the 2018-19 Budget estimate of 4.9 per cent, General Government Sector net debt as a percentage of Gross State Product remains consistent in 2018-19 at 4.9 per cent.

Further details can be found in Chapter 5, Section 5.1 – *Net debt and net financial liabilities*.

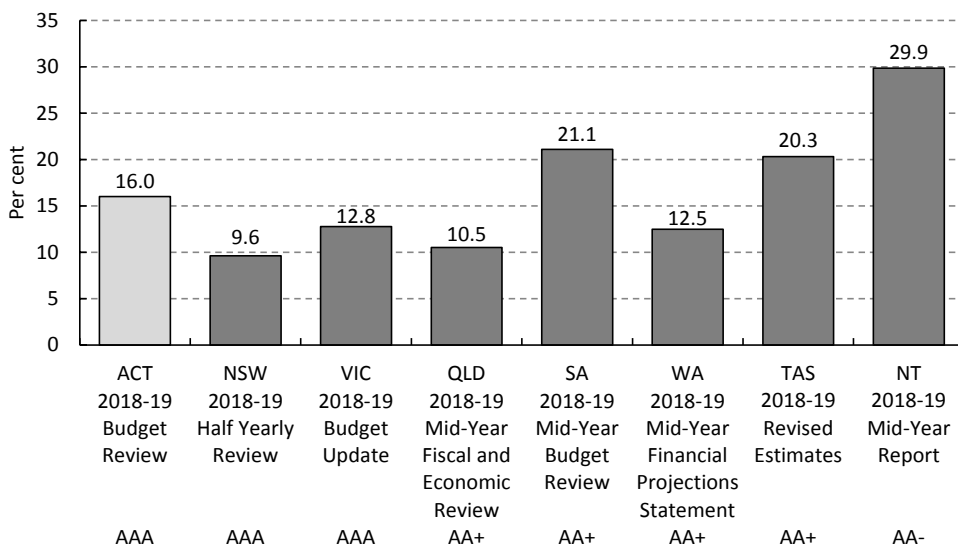
### **Net financial liabilities**

Net financial liabilities are a broad measure of General Government Sector liabilities, including net debt and superannuation liabilities. Compared to the 2018-19 Budget estimate of 14 per cent, General Government Sector net financial liabilities as a percentage of Gross State Product are now estimated to be 16 per cent in 2018-19. This largely reflects a reduction in superannuation investment assets due to increased volatility and uncertainty in global investment markets.

Net Financial Liabilities are calculated as total liabilities less financial assets, such as cash reserves and investments. They take into account all non-equity financial assets, but exclude the value of equity held by the General Government Sector in public corporations.

Figure 2.2.2 below compares the ACT's Net Financial Liabilities as a proportion of Gross State Product with other jurisdictions. The ACT remains in line with the other AAA rated jurisdictions, New South Wales and Victoria.

**Figure 2.2.2: Net Financial Liabilities to Gross State Product Ratio (General Government Sector) – 2018-19 Budget Review**



## Net worth

The broadest measure of a jurisdiction’s balance sheet is net worth, which measures the total value of all assets less all liabilities. The ACT has strong positive net worth and, as a proportion of Gross State Product, it continues to be among the strongest of all Australian jurisdictions at 41.9 per cent.

Compared to the 2018-19 Budget, net worth has increased by \$12.3 million in 2018-19.

## 2.3 NEW INITIATIVES

The new initiatives included in the 2018-19 Budget Review are detailed in Table 2.3.1 below. Consistent with the presentation of initiatives in the 2018-19 Budget Papers, both new spending and new revenue are presented as positive numbers in the tables below while a reduction in spending or revenue is shown as a negative number.

This is in contrast to the presentation used in the Summary of Movements Table (Table 2.1.2, Chapter 2, Section 2.1) which details the impact of variations on the Headline Net Operating Balance showing new revenue as a positive number and new spending as a negative number.

**Table 2.3.1: Overview of initiatives**

Summary of initiatives	2018-19 Estimate \$'000	2019-20 Estimate \$'000	2020-21 Estimate \$'000	2021-22 Estimate \$'000	Total \$'000
Expense initiatives	21,208	31,541	22,574	15,057	<b>90,380</b>
Health funding envelope offset	0	-1,565	-3,146	-85	<b>-4,796</b>
<b>Net expense initiatives</b>	<b>21,208</b>	<b>29,976</b>	<b>19,428</b>	<b>14,972</b>	<b>85,584</b>
Expenses associated with infrastructure and capital initiatives	1,191	302	269	289	<b>2,051</b>
<b>Total expense initiatives</b>	<b>22,399</b>	<b>30,278</b>	<b>19,697</b>	<b>15,261</b>	<b>87,635</b>
Infrastructure and capital initiatives	5,344	8,308	900	0	<b>14,552</b>
Capital associated with expense initiatives	886	1,274	0	0	<b>2,160</b>
<b>Total infrastructure and capital initiatives</b>	<b>6,230</b>	<b>9,582</b>	<b>900</b>	<b>0</b>	<b>16,712</b>
Revenue initiatives	-85	-1,870	-1,600	-1,700	<b>-5,255</b>
Revenue associated with expense initiatives	-2,389	-577	-648	-684	<b>-4,298</b>
<b>Total revenue initiatives</b>	<b>-2,474</b>	<b>-2,447</b>	<b>-2,248</b>	<b>-2,384</b>	<b>-9,553</b>
Depreciation associated with new initiatives	0	1,034	1,456	1,479	<b>3,969</b>



## 2.3.1 EXPENSE INITIATIVES

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The Government is investing in new expense initiatives totalling \$22.4 million in 2018-19 and \$87.6 million across the forward estimates. This is net of the \$4.8 million Health Funding Envelope offset.

A summary of the expense initiatives is shown in Table 2.3.1.1 below.

**Table 2.3.1.1: Summary of expense initiatives**

Summary of expense initiatives	2018-19 Estimate \$'000	2019-20 Estimate \$'000	2020-21 Estimate \$'000	2021-22 Estimate \$'000	Total \$'000
<b>Expense initiatives</b>	21,208	31,541	22,574	15,057	<b>90,380</b>
Health funding envelope offset	0	-1,565	-3,146	-85	<b>-4,796</b>
<b>Net expense initiatives</b>	21,208	29,976	19,428	14,972	<b>85,584</b>
Expenses associated with infrastructure and capital initiatives	1,191	302	269	289	<b>2,051</b>
<b>Total expense initiatives</b>	22,399	30,278	19,697	15,261	<b>87,635</b>
Associated revenue	-2,389	-577	-648	-684	<b>-4,298</b>
Associated capital	886	1,274	0	0	<b>2,160</b>
Depreciation	0	684	713	713	<b>2,110</b>



## CHIEF MINISTER, TREASURY AND ECONOMIC DEVELOPMENT DIRECTORATE

### Better Government – Expanding Microsoft user licensing

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	2,603	3,542	3,542	3,542	<b>13,229</b>

The Government will ensure all ACT Government workers have access to the Microsoft products they need to effectively deliver services for the Canberra community.

### Better Government – Strengthening WorkSafe ACT

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	813	727	0	0	<b>1,540</b>

The Government will establish a project implementation team in 2018-19 to implement the recommendations arising from the independent review of the ACT's work health and safety compliance and enforcement framework. This initiative will also fund the delivery of the new work health and safety arrangements in 2019-20.

### Better Government – Supporting government transparency

See the Justice and Community Safety Directorate expense initiative *Better Government – Supporting government transparency* for further details.

### Fairer revenue – Implementing the ACT Betting Operations Tax

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	127	118	120	123	<b>488</b>
Depreciation	0	60	60	60	<b>180</b>
<b>Total Expenses</b>	<b>127</b>	<b>178</b>	<b>180</b>	<b>183</b>	<b>668</b>
Associated Capital	300	0	0	0	<b>300</b>

The Government will support the collection of revenue from the new Betting Operations Tax by developing and implementing an online system to administer effectively the tax, including with betting operators based outside the ACT.



## Fairer revenue – Strengthening the mobile safety camera network

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	129	522	532	541	<b>1,724</b>
Depreciation	0	48	48	48	<b>144</b>
<b>Total Expenses</b>	<b>129</b>	<b>570</b>	<b>580</b>	<b>589</b>	<b>1,868</b>
Associated Revenue	311	1,137	1,066	1,030	<b>3,544</b>
Associated Capital	238	0	0	0	<b>238</b>

The Government will continue working to improve road safety by purchasing and operating two additional mobile speed camera vans to reduce the number of serious motor vehicle injuries and deaths on Canberra's roads.

## More jobs for our growing city – ACT Ice Sports Facility

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	0	NFP	NFP	0	<b>NFP</b>
Associated Revenue	0	TBD	0	0	<b>TBD</b>

The Government has provisioned funding to support the construction of a new ice sports facility in Canberra by the private sector, subject to the outcomes of an EOI process.

## More jobs for our growing city – Attracting more trade and investment

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	268	279	286	0	<b>833</b>

The Government will continue creating more local jobs by expanding our successful trade development programs and investment attraction activities. This will include appointing an in-market representative for the ACT in Singapore and supporting trade mission activities.

## More jobs for our growing city – Big Bash Cricket

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	630	0	0	0	<b>630</b>
Offset – Expenses	0	-150	0	0	<b>-150</b>
<b>Net Expenses</b>	<b>630</b>	<b>-150</b>	<b>0</b>	<b>0</b>	<b>480</b>

The Government has supported women's and men's Big Bash League cricket matches held at Manuka Oval during the 2018-19 summer season, under an agreement with Cricket NSW and Cricket Australia.

The offset relates to savings under existing sports funding arrangements.

## More jobs for our growing city – Commemorating the 50th anniversary of the moon landing

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	200	0	0	0	<b>200</b>

The Government will deliver upgrades to the Canberra Deep Space Discovery Centre and the CSIRO Discovery Centre as part of activities to commemorate the 50<sup>th</sup> anniversary of the moon landing.

## More jobs for our growing city – Delivering the Kingston Arts Precinct

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	131	266	273	1,144	<b>1,814</b>

The Government is supporting the development of an arts precinct that responds to the needs of the Canberra community by undertaking engagement with key arts stakeholders, as well as progressing design development and establishing the future management body for the Kingston Arts Precinct.

## More jobs for our growing city – Due diligence for major projects

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	150	0	0	0	<b>150</b>

The Government will procure specialist advisory services to assist with the assessment and negotiation of strategic job-creating projects for the Territory.

## More jobs for our growing city – Showcasing our Town Centres

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	40	40	0	0	<b>80</b>
Offset – Expenses	-40	-40	0	0	<b>-80</b>
<b>Net Expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

In 2018 the Government delivered the first Town Centre Showcase in Belconnen to connect local businesses and showcase them to the community. Woden will play host to a second Town Centre Showcase in 2019. The cost of the initiative will be fully offset from within the Chief Minister, Treasury and Economic Development Directorate's existing resources.

## More support for families and inclusion – Reducing harm from gambling

See the Justice and Community Safety Directorate expense initiative *More support for families and inclusion – Reducing harm from gambling* for further details.

## More support for families and inclusion – Reducing the number of gaming machines to 4,000 and supporting clubs to reduce their reliance on gaming machines

See the Justice and Community Safety Directorate expense initiative *More support for families and inclusion – Reducing the number of gaming machines to 4,000 and supporting clubs to reduce their reliance on gaming machines* for further details.

## More support for families and inclusion – Responding to the Royal Commission into Institutional Responses to Child Sexual Abuse

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	187	287	0	0	<b>474</b>

The Government will meet one of the key recommendations of the Royal Commission into Institutional Responses to Child Sexual Abuse by commissioning a detailed analysis of child safety measures in the Territory and developing options for implementing Child Safe Standards across a range of industry sectors.

## More support for families and inclusion – Supporting health and wellbeing for LGBTIQ Canberrans

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	205	109	0	0	<b>314</b>
Offset – Expenses	-87	-50	0	0	<b>-137</b>
<b>Net Expenses</b>	<b>118</b>	<b>59</b>	<b>0</b>	<b>0</b>	<b>177</b>

The Government will support the Office for LGBTIQ Affairs to commission an audit of existing Territory legislation for harmful impacts on the LGBTIQ community, and deliver projects and events which improve health and wellbeing for LGBTIQ Canberrans.

The offset relates to the delayed commencement of one part-time staffing position and the re-prioritisation of existing grants funding.

## Expenses associated with infrastructure and capital initiatives

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
More jobs for our growing city – Early planning for an upgraded amphitheatre at the National Arboretum Canberra	90	0	0	0	<b>90</b>

Refer to Infrastructure and capital initiatives (Chapter 2.3.2) for more information.

## CITY RENEWAL AUTHORITY

### Expenses associated with infrastructure and capital initiatives

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
More jobs for our growing city – City Renewal Authority activations and place making	600	0	0	0	600

Refer to Infrastructure and capital initiatives (Chapter 2.3.2) for more information.

## COMMUNITY SERVICES DIRECTORATE

### Better Government – Supporting government transparency

See the Justice and Community Safety Directorate expense initiative *Better Government – Supporting government transparency* for further details.

### More support for families and inclusion – Boosting the National Multicultural Festival

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	134	586	611	637	1,968

Responding to community feedback and an independent review of the National Multicultural Festival, the Government will provide additional support to enhance the festival as it grows. This expanded investment will ensure the Multicultural Festival remains a vibrant, community-focused event that celebrates Canberra's cultural diversity and strengthens social inclusion.

### More support for families and inclusion – Strengthening services for Aboriginal and Torres Strait Islander children and families

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	308	0	0	0	308

The Government will commence implementation of initial recommendations from the interim report of the *Our Booris, Our Way* Review to address the over-representation of Aboriginal and Torres Strait Islander children in out of home care. This initial investment will deliver improved staff training and workforce development, as well as strengthen the implementation of best practice and culturally appropriate policy and service.

## **EDUCATION DIRECTORATE**

### **Better Government – Supporting government transparency**

See the Justice and Community Safety Directorate expense initiative *Better Government – Supporting government transparency* for further details.

## ELECTORAL COMMISSION

### Expenses associated with infrastructure and capital initiatives

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Better Government – New Electoral Management System	201	250	196	161	808

Refer to Infrastructure and capital initiatives (Chapter 2.3.2) for more information.

## ENVIRONMENT, PLANNING AND SUSTAINABLE DEVELOPMENT DIRECTORATE

### Better Government – Supporting government transparency

See the Justice and Community Safety Directorate expense initiative *Better Government – Supporting government transparency* for further details.

### More jobs for a growing city – Woden CIT campus urban renewal

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	100	6,526	0	0	6,626

The Government will demolish the vacant CIT Woden campus facilities and remediate loose-fill friable asbestos on the site. The demolition will support the renewal of the site for future community and development uses.

### More services for our suburbs – Implementing the ACT Planning Strategy

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	250	0	0	0	250

The Government will support the implementation of the 2018 ACT Planning Strategy's vision to achieve a compact, sustainable and efficient city by conducting planning and technical studies to determine where infill growth in centres and corridors can best occur. This work will inform future decisions on land release and infrastructure investments.

### More services for our suburbs – Monitoring and protecting environmental offsets

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	59	144	148	152	503

The Government will establish and manage compliance monitoring for new strategic assessments of West Belconnen and the Eastern Broadacre. This will ensure our statutory obligations are met under the Commonwealth *Environment Protection and Biodiversity Conservation Act 1999*.

### More support for families and inclusion – Supporting local farmers

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	450	0	0	0	450

The Government is supporting ACT rural landholders to cope with the current drought conditions, and help them to prepare for future climate variability in our region.



## HEALTH PORTFOLIO

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, 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 the Health entities noted above, regardless of changes in Commonwealth funding and other sources of income. The operating costs associated with new capital initiatives are also funded from the envelope which includes annual indexation for price growth as well as growth in activity.

### Better Government – Supporting government transparency

See the Justice and Community Safety Directorate expense initiative *Better Government – Supporting government transparency* for further details.

### Better healthcare for a growing community – Caring for older Canberrans at home

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	869	2,558	3,065	3,142	9,634
Offset – Expenses	-869	-2,558	-3,065	-3,142	-9,634
<b>Net Expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The Government will expand the Geriatric Rapid Acute Care Evaluation (GRACE) pilot service to care for patients Territory-wide as an extension of the Hospital in the Home program. GRACE provides outreach resources to support acutely unwell patients at residential aged care facilities. The service provides care for patients where they live, and helps to reduce avoidable Emergency Department presentations and hospital admissions.

### Better healthcare for a growing community – Flu vaccinations for children

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	1,005	1,025	1,051	1,077	<b>4,158</b>
Offset – Expenses	-1,005	-1,025	-1,051	-1,077	<b>-4,158</b>
<b>Net Expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The Government will continue the Childhood Influenza Vaccination program for the 2019 flu season and beyond to protect young Canberrans. The program provides free influenza vaccinations to children between six months and five years of age.

### Better healthcare for a growing community – Independent Review into the workplace culture within the ACT's health services

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	2,565	0	0	0	<b>2,565</b>

The Government has commissioned an independent review into the workplace culture within the ACT's public health services. The review is underway to examine and report on workplace practices and culture in the ACT's public health system, and provide advice and recommendations to improve workplace culture and support for staff.

### Better healthcare for a growing community – Replacement of aluminium composite panels at Calvary Hospital

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	1,159	350	0	0	<b>1,509</b>

The Government will remove and replace all polyethylene aluminium composite panels from the external walls of the Critical Care Unit at Calvary Public Hospital.

### More support for families and inclusion – Commencing operations of the Drug and Alcohol Court

See the Justice and Community Safety Directorate expense initiative *More support for families and inclusion – Commencing operations of the Drug and Alcohol Court* for further details.

### Expenses associated with infrastructure and capital initiatives

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Better healthcare for a growing community – Delivering the Weston Creek Walk-in Centre	0	0	43	85	<b>128</b>

Refer to Infrastructure and capital initiatives (Chapter 2.3.2) for more information.

## **HOUSING ACT**

### **More support for families and inclusion – Commencing operations of the Drug and Alcohol Court**

See the Justice and Community Safety Directorate expense initiative *More support for families and inclusion – Commencing operations of the Drug and Alcohol Court* for further details.

### **More support for families and inclusion – Providing safe alternatives to remand**

See the Justice and Community Safety Directorate expense initiative *More support for families and inclusion – Providing safe alternatives to remand* for further details.

## JUSTICE AND COMMUNITY SAFETY DIRECTORATE

### Better Government – Supporting government transparency

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	Total \$'000
Chief Minister, Treasury and Economic Development Directorate – Expenses	65	132	0	0	197
Health Directorate – Expenses	96	195	0	0	291
Community Services Directorate – Expenses	362	734	0	0	1,096
Environment, Planning and Sustainable Development Directorate – Expenses	65	132	0	0	197
Education Directorate – Expenses	96	195	0	0	291
Transport Canberra and City Services Directorate – Expenses	96	195	0	0	291
Justice and Community Safety Directorate – Expenses	241	333	0	0	574
<b>Total Expenses</b>	<b>1,021</b>	<b>1,916</b>	<b>0</b>	<b>0</b>	<b>2,937</b>

The Government will employ additional staff to support the timely processing of information requests made under the *Freedom of Information Act 2016*. Since the commencement of the Act, there has been a significant increase in the number and complexity of FOI applications received across government.

### More services for our suburbs – Better protective clothing for our firefighters

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	Total \$'000
Expenses	1,133	1,133	0	0	2,266

The Government will help keep our first responders safe at work by providing new structural personal protective clothing to firefighters, including latest generation outer tunics and overpants.

## More services for our suburbs – Enhancing our bushfire preparedness

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	562	452	463	476	<b>1,953</b>
Depreciation	0	113	113	113	<b>339</b>
<b>Total Expenses</b>	<b>562</b>	<b>565</b>	<b>576</b>	<b>589</b>	<b>2,292</b>
Associated Capital	1,135	0	0	0	<b>1,135</b>
Offset – Capital	-2,354	0	0	0	<b>-2,354</b>
<b>Net Capital</b>	<b>-1,219</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1,219</b>

The Government will continue improving the ACT's preparedness for bushfires, including by upgrading the ACT's aerial bushfire fighting aviation fleet to include a Specialist Intelligence Gathering-enabled helicopter. This will enable live-streaming of video and still images so that the Emergency Services Agency can accurately map fires, inform the deployment of firefighting resources, and assess emerging risks. The Government will also supply and install a portable air base at Canberra International Airport so that a large fixed-wing air tanker can be stationed there during the current bushfire season.

## More services for our suburbs – More paramedics and ambulances

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	187	3,522	5,336	5,372	<b>14,417</b>
Depreciation	0	165	194	194	<b>553</b>
<b>Total Expenses</b>	<b>187</b>	<b>3,687</b>	<b>5,530</b>	<b>5,566</b>	<b>14,970</b>
Associated Capital	542	813	0	0	<b>1,355</b>

The Government will recruit two additional ambulance crews (30 paramedics) to help ensure the ACT's emergency response times remain the best in the country as our city grows. The ACTAS fleet will also be expanded with five new ambulances fitted with state-of-the-art electronic stretchers, power loaders and defibrillators.

## More support for families and inclusion – Building Strong Connected Neighbourhoods

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	0	527	515	578	<b>1,620</b>

The Government will expand the Strong Connected Neighbourhoods Program (previously the High Density Housing Community and Safety Program), which promotes community safety and wellbeing through community building activities at public housing sites in the ACT.

## More support for families and inclusion – Commencing operations of the Drug and Alcohol Court

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	Total \$'000
Justice and Community Safety Directorate – Expenses	739	1,948	2,438	0	<b>5,125</b>
Housing ACT – Expenses	48	151	211	0	<b>410</b>
Health Directorate – Expenses	276	1,565	3,103	0	<b>4,944</b>
Legal Aid Commission – Expenses	20	146	244	0	<b>410</b>
Health Directorate – Offset – Health Funding Envelope	0	-1,565	-3,103	0	<b>-4,668</b>
Depreciation	0	203	203	203	<b>609</b>
<b>Net Expenses</b>	<b>1,083</b>	<b>2,448</b>	<b>3,096</b>	<b>203</b>	<b>6,830</b>
Associated Capital	500	461	0	0	<b>961</b>
Offset – Capital	-500	0	0	0	<b>-500</b>
<b>Net Capital</b>	<b>0</b>	<b>461</b>	<b>0</b>	<b>0</b>	<b>461</b>

The Government will deliver on our commitment to establish a Drug and Alcohol Court, with the first clients being received from July 2019. The number of clients will gradually step up each year as the court becomes integrated into the ACT's justice system.

This initiative includes capital funding to fit out the Drug and Alcohol Court within the Courts Precinct, and ICT systems to support effective case management of clients.

## More support for families and inclusion – Delivering the Motor Accident Injuries Scheme

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	Total \$'000
Expenses	367	0	0	0	<b>367</b>

The Government will deliver more resources to support the implementation of the new Motor Accident Injuries Scheme. The new scheme will ensure Canberrans are better protected on our roads by providing up to five years of treatment, care and income replacement benefits for anyone who is injured in a motor vehicle accident.

## More support for families and inclusion – Enhancing the Victims of Crime Financial Assistance Scheme

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	Total \$'000
Expenses	151	383	0	0	<b>534</b>

The Government will provide more resources to administer the new Victims of Crime Financial Assistance Scheme and outstanding claims under the previous court-based Victims of Crime Financial Assistance Scheme, to improve the claims experience for scheme participants.

## More support for families and inclusion – Providing safe alternatives to remand

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Justice and Community Safety Directorate – Expenses	1,073	2,882	2,274	0	6,229
Housing ACT – Expenses	77	157	30	0	264
<b>Total Expenses</b>	<b>1,150</b>	<b>3,039</b>	<b>2,304</b>	<b>0</b>	<b>6,493</b>
Justice and Community Safety Directorate – Associated Capital	200	0	0	0	200
Housing ACT – Associated Capital	100	0	0	0	100
<b>Total Capital</b>	<b>300</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>300</b>

The Government will work to reduce the number of less serious offenders remanded in custody by establishing a Bail Accommodation Transition Support Service. This service will provide short-term accommodation options to help ensure bail granted by the courts is safe and sustainable, and will help to divert people away from the Alexander Maconochie Centre. This initiative also explores new supported accommodation options for offenders leaving custody that will improve community safety and support the Government's commitment towards reducing recidivism by 25 per cent by 2025.

## More support for families and inclusion – Reducing harm from gambling

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Chief Minister, Treasury and Economic Development Directorate – Expenses	228	463	0	0	691
Justice and Community Safety Directorate – Expenses	141	284	0	0	425
<b>Total Expenses</b>	<b>369</b>	<b>747</b>	<b>0</b>	<b>0</b>	<b>1,116</b>

The Government will deliver additional investment to achieve our gambling harm minimisation agenda and racing and gaming policy priorities.

## More support for families and inclusion – Reducing recidivism by building communities not prisons – Victim Support ACT

	201819	201920	202021	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Expenses</b>	138	281	288	296	1,003

The Government will provide two additional staff to Victim Support ACT to improve access to services and support for Aboriginal and Torres Strait Islander people who have been victims of crime. This investment will support the Government's commitment towards reducing recidivism by 25 per cent by 2025.

### More support for families and inclusion – Reducing recidivism by building communities not prisons – Yarrabi Bamirr

	201819	201920	202021	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Expenses</b>	498	1,019	1,045	1,071	<b>3,633</b>

The Government will continue and extend Yarrabi Bamirr, an intensive family-centric support program for Aboriginal and Torres Strait Islander families to prevent or delay contact with the justice system. This investment will support the Government's commitment towards reducing recidivism by 25 per cent by 2025.

### More support for families and inclusion – Reducing the number of gaming machines to 4,000 and supporting clubs to reduce their reliance on gaming machines

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Chief Minister, Treasury and Economic Development Directorate – Expenses	122	351	0	0	<b>473</b>
Justice and Community Safety Directorate – Expenses	2,206	1,105	1,105	1,105	<b>5,521</b>
Depreciation	0	45	45	45	<b>135</b>
<b>Total Expenses</b>	<b>2,328</b>	<b>1,501</b>	<b>1,150</b>	<b>1,150</b>	<b>6,129</b>
Chief Minister, Treasury and Economic Development Directorate – Associated Capital	225	0	0	0	<b>225</b>
Environment, Planning and Sustainable Development Directorate – Associated Revenue	-500	-1,714	-1,714	-1,714	<b>-5,642</b>

The Government will support the reduction of gaming machine authorisations to 4,000 by 1 July 2020 and implement the commitments outlined in our *Supporting Local Community Clubs Policy*.

This will include establishing a club industry diversification support fund, financed by a contribution from licensees for each gaming machine authorisation held and matched by Government funding for the first three years of the fund's operation.

The fund will provide incentives to support club diversification activities that can reduce their reliance on gaming machine revenue.



## **LEGAL AID COMMISSION**

### **More support for families and inclusion – Commencing operations of the Drug and Alcohol Court**

See the Justice and Community Safety Directorate expense initiative *More support for families and inclusion – Commencing operations of the Drug and Alcohol Court* for further details.

## TRANSPORT CANBERRA AND CITY SERVICES DIRECTORATE

### Better Government – Supporting government transparency

See the Justice and Community Safety Directorate expense initiative *Better Government – Supporting government transparency* for further details.

### Keeping our growing city moving – Delivering Canberra's new integrated public transport network

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	1,840	0	10	20	<b>1,870</b>
Depreciation	0	50	50	50	<b>150</b>
<b>Total Expenses</b>	<b>1,840</b>	<b>50</b>	<b>60</b>	<b>70</b>	<b>2,020</b>
Associated Capital	500	0	0	0	<b>500</b>
Associated Revenue	-2,200	0	0	0	<b>-2,200</b>

The Government will support Canberrans to use the new integrated bus and light rail network through improved communication and information resources about the network, customer service officers at interchanges, improved local infrastructure like footpaths and traffic calming, and more school crossing supervisors. The community will be able to trial the new network with one month of free travel for passengers with a MyWay card.

### Expenses associated with infrastructure and capital initiatives

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
More services for our suburbs – Boosting Anketell Street improvements	0	0	15	15	<b>30</b>
More services for our suburbs – Bringing Woden Town Square to life	300	52	15	28	<b>395</b>

Refer to Infrastructure and capital initiatives (Chapter 2.3.2) for more information.



## 2.3.2 INFRASTRUCTURE AND CAPITAL INITIATIVES

The Government is investing in new infrastructure and capital initiatives totalling \$5.992 million in 2018-19 and \$16.7 million over four years. Table 2.3.2.1 below outlines the impact of the new initiatives.

**Table 2.3.2.1: Summary of infrastructure and capital initiatives**

<b>Summary of infrastructure and capital initiatives</b>	<b>2018-19 Estimate \$'000</b>	<b>2019-20 Estimate \$'000</b>	<b>2020-21 Estimate \$'000</b>	<b>2021-22 Estimate \$'000</b>	<b>Total \$'000</b>
Infrastructure and capital initiatives	4,871	7,965	900	0	13,736
Information and communication technology initiatives	473	343	0	0	816
<b>Net infrastructure and capital initiatives</b>	<b>5,344</b>	<b>8,308</b>	<b>900</b>	<b>0</b>	<b>14,552</b>
Capital associated with expense initiatives	886	1,274	0	0	2,160
<b>Total infrastructure and capital initiatives</b>	<b>5,992</b>	<b>9,582</b>	<b>900</b>	<b>0</b>	<b>16,712</b>
<i>Associated expenses (new capital works)</i>	1,191	302	269	289	2,051
<i>Depreciation</i>	0	350	743	766	1,859
<b>Total operating impact</b>	<b>1,191</b>	<b>652</b>	<b>1,012</b>	<b>1,055</b>	<b>3,910</b>



## CHIEF MINISTER, TREASURY AND ECONOMIC DEVELOPMENT DIRECTORATE

### More jobs for our growing city – Better facilities for Manuka Oval

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	1,870	871	0	0	<b>2,741</b>
Depreciation	0	7	69	69	<b>145</b>

The Government will upgrade the amenities at Manuka Oval to improve the experience for both spectators and female athletes. This will include the construction of new roof canopies to cover nearly 1,000 more seats and upgrades to existing player change rooms and umpire rooms to provide better facilities for women.

### More jobs for our growing city – Early planning for an upgraded amphitheatre at the National Arboretum Canberra

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	120	0	0	0	<b>120</b>
Associated Expenses	90	0	0	0	<b>90</b>

The Government will commission an early planning study and design package for the development of a multi-functional performance stage at the National Arboretum Canberra, as well as initial planning for a hotel development strategy to support the *National Arboretum Canberra Master Plan 2018*.

### More services for our suburbs – Upgrading the Old Kingston Bus Depot

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	1,000	4,053	900	0	<b>5,953</b>
Depreciation	0	25	126	149	<b>300</b>

The Government will undertake a range of safety and accessibility upgrades at the former transport depot, including upgrades to the fire protection system, replacement of the electrical and roof drainage systems, and accessibility upgrades to toilet facilities to improve the amenity of the building for users.

## Expense initiatives with associated capital

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Fairer revenue – Implementing the ACT Betting Operations Tax	300	0	0	0	<b>300</b>
Fairer revenue – Strengthening the mobile safety camera network	238	0	0	0	<b>238</b>

Refer to Expense initiatives (Chapter 2.3.1) for more information.

## CITY RENEWAL AUTHORITY

### More jobs for our growing city – City Renewal Authority activations and place making

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	850	0	0	0	<b>850</b>
Offset – Capital	-1,450	0	0	0	<b>-1,450</b>
<b>Net Capital</b>	<b>-600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-600</b>
Associated Expenses	600	0	0	0	<b>600</b>

The City Renewal Authority will continue to implement the Haig Park and Dickson Place Plans through public realm improvements including lighting, mobile street furniture, exercise equipment and pop-up play amenities. The Authority will also develop a place plan to inform the future renewal of the City South East Precinct. The cost of these initiatives will be fully offset from existing capital funding.



## ELECTORAL COMMISSION

### Better Government – New Electoral Management System

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	413	343	0	0	<b>756</b>
Offset – Capital	-300	0	0	0	<b>-300</b>
<b>Net Capital</b>	<b>113</b>	<b>343</b>	<b>0</b>	<b>0</b>	<b>456</b>
Depreciation	0	101	151	151	<b>403</b>
Associated Expenses	201	250	216	181	<b>848</b>
Offset – Associated Expenses	0	0	-20	-20	<b>-40</b>
<b>Net Expenses</b>	<b>201</b>	<b>351</b>	<b>347</b>	<b>312</b>	<b>1,211</b>

The Government will fund a redevelopment of the TIGER electoral management system. The modernised system will provide greater security and reliability, and will assist in improving voting accessibility to electors who are overseas. TIGER will continue to provide electoral and office support for the 2020 ACT election and beyond.

## HEALTH PORTFOLIO

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, 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 the Health entities noted above, regardless of changes in Commonwealth funding and other sources of income. The operating costs associated with new capital initiatives are also funded from the envelope which includes annual indexation for price growth as well as growth in activity.

### Better healthcare for a growing community – Delivering the Weston Creek Walk-in Centre

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	2,000	2,445	0	0	4,445
Offset – Capital Provision	-2,000	-325	0	0	-2,325
<b>Net Capital</b>	<b>0</b>	<b>2,120</b>	<b>0</b>	<b>0</b>	<b>2,120</b>
Depreciation	0	198	296	296	790
Associated Expenses	0	0	43	85	128
Offset – Health Central Provision	0	0	-43	-85	-128
<b>Net Expenses</b>	<b>0</b>	<b>198</b>	<b>296</b>	<b>296</b>	<b>790</b>

The Government will establish a new Walk-in Centre in Weston Creek to provide free treatment and healthcare advice for minor injury and illness. The Weston Creek Walk-in Centre will be the fourth in the growing network of centres, joining the Gungahlin, Belconnen and Tuggeranong centres. The Weston Creek Community Health Facility will be refurbished to house the new Walk-in Centre, as well as providing improved community health services.

## Better healthcare for a growing community – Expanding the Centenary Hospital for Women and Children

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	Total \$'000
Capital	4,000	0	0	0	<b>4,000</b>
Offset – Capital Provision	-4,000	0	0	0	<b>-4,000</b>
<b>Net Capital</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The Government will continue detailed planning and design work for the expansion of the Centenary Hospital for Women and Children. The expansion will provide additional capacity and support for maternity and paediatrics services. The Government has previously provisioned \$68 million for the expansion of Centenary Hospital for Women and Children.

## HOUSING ACT

### Expense initiatives with associated capital

	2018-19	2019-20	2020-21	2021-22	<b>Total</b>
	\$'000	\$'000	\$'000	\$'000	<b>\$'000</b>
More support for families and inclusion – Providing safe alternatives to remand	100	0	0	0	<b>100</b>

Refer to Expense initiatives (Chapter 2.3.1) for more information.

## JUSTICE AND COMMUNITY SAFETY DIRECTORATE

### More support for families and inclusion – Design and planning for the Alexander Maconochie Reintegration Centre expansion

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	997	0	0	0	<b>997</b>

The Government will undertake planning and design for the expansion of the Alexander Maconochie Reintegration Centre to increase its capacity and focus on reintegration of minimum security offenders and those leaving custody. The Reintegration Centre will houses low risk detainees, and supports them to improve living skills, re-establish connections with family and friends, and take up employment, rehabilitation and education opportunities. This initiative will also support the Government's commitment towards reducing recidivism by 25 per cent by 2025.

### Expense initiatives with associated capital

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
More services for our suburbs – Enhancing our bushfire preparedness	-1,219	0	0	0	<b>-1,219</b>
More services for our suburbs – More paramedics and ambulances	542	813	0	0	<b>1,355</b>
More support for families and inclusion – Commencing operations of the Drug and Alcohol Court	0	461	0	0	<b>461</b>
More support for families and inclusion – Providing safe alternatives to remand	200	0	0	0	<b>200</b>

Refer to Expense initiatives (Chapter 2.3.1) for more information.

## LEGAL AID COMMISSION

### Better Government – Upgrading Legal Aid's information technology systems

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	360	0	0	0	360

The Government will upgrade the Legal Aid Commission's data, information and technology systems to deliver improved client and case management.

## TRANSPORT CANBERRA AND CITY SERVICES DIRECTORATE

### More services for our suburbs – Better facilities at Higgins Neighbourhood Oval

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	0	600	0	0	<b>600</b>
Offset – Capital Provision	0	-600	0	0	<b>-600</b>
<b>Net Capital</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Depreciation	0	0	60	60	<b>120</b>

The Government will design and construct a new sports pavilion to complement the restoration works on the Higgins Neighbourhood Oval which are now underway. The new pavilion will include change rooms, a toilet block and canteen facilities that will be available to community and sporting groups using the oval.

### More services for our suburbs – Boosting Anketell Street improvements

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Capital</b>	750	0	0	0	<b>750</b>
<b>Depreciation</b>	0	19	19	19	<b>57</b>
<b>Associated Expenses</b>	0	0	15	15	<b>30</b>
<b>Total Expenses</b>	<b>0</b>	<b>19</b>	<b>34</b>	<b>34</b>	<b>87</b>

The Government will make further investments in Stage 2 of the Anketell Street upgrade to deliver the project in line with community needs and priorities.

### More services for our suburbs – Bringing Woden Town Square to life

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	784	200	0	0	<b>984</b>
Offset – Capital	-250	0	0	0	<b>-250</b>
<b>Net Capital</b>	<b>534</b>	<b>200</b>	<b>0</b>	<b>0</b>	<b>734</b>
Depreciation	0	0	22	22	<b>44</b>
Associated Expenses	300	52	15	28	<b>395</b>
<b>Total Expenses</b>	<b>300</b>	<b>52</b>	<b>37</b>	<b>50</b>	<b>439</b>

The Government will install furniture and community infrastructure and deliver a six-month program of activities to enliven Woden Town Square and increase visitation in the surrounding precinct.

## More services for our suburbs – Southern Memorial Park Detailed Design

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	200	721	0	0	921

The Government will develop designs and costings for Stage 1 of the Southern Memorial Park. This will include infrastructure and landscaping as well as the design of building footprints for memorial halls, a crematorium, office space and a works depot.





## 2.3.3 REVENUE INITIATIVES

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Revenue initiatives contained in the 2018-19 Budget Review total a \$9.6 million reduction in revenue over four years.

A summary of the revenue initiatives is shown in Table 2.3.3.1 below.

**Table 2.3.3.1: Summary of revenue initiatives**

<b>Summary of initiatives</b>	<b>2018-19 Estimate \$'000</b>	<b>2019-20 Estimate \$'000</b>	<b>2020-21 Estimate \$'000</b>	<b>2021-22 Estimate \$'000</b>	<b>Total \$'000</b>
Revenue initiatives	-85	-1,870	-1,600	-1,700	-5,255
Revenue associated with expense initiatives	-2,389	-577	-648	-684	-4,298
<b>Total revenue initiatives</b>	<b>-2,474</b>	<b>-2,447</b>	<b>-2,248</b>	<b>-2,384</b>	<b>-9,553</b>



## CHIEF MINISTER, TREASURY AND ECONOMIC DEVELOPMENT DIRECTORATE

### More support for families and inclusion – Increasing the Utilities Concession

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	0	-1,600	-1,600	-1,700	<b>-4,900</b>

The Government will support Canberrans on low and fixed incomes by increasing the Utilities Concession by \$46 from 1 July 2019, bringing the total payment to \$700. The Utilities Concession provides eligible concession card holders with a rebate to help meet the ongoing costs of electricity and gas services.

### Revenue associated with expense initiatives

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Fairer revenue – Strengthening the mobile safety camera network	311	1,137	1,066	1,030	<b>3,544</b>

Refer to Expense initiatives (Chapter 2.3.1) for more information.

## ENVIRONMENT, PLANNING AND ECONOMIC DEVELOPMENT DIRECTORATE

### Fairer revenue – Incentivising more affordable rentals

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	-85	-270	0	0	<b>-355</b>

The Government will start delivering the action items from the ACT Housing Strategy by trialling a program to incentivise more affordable rentals. Landlords will be able to access a full land tax concession if they make properties available at below market rates for lower income households through a community housing provider. The trial is expected to involve up to 100 properties.

### Revenue associated with expense initiatives

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
More support for families and inclusion – Reducing the number of gaming machines to 4,000 and supporting clubs to reduce their reliance on gaming machines	-500	-1,714	-1,714	-1,714	<b>-5,642</b>

Refer to Expense initiatives (Chapter 2.3.1) for more information.

## TRANSPORT CANBERRA AND CITY SERVICES DIRECTORATE

### Revenue associated with expense initiatives

	2018-19	2019-20	2020-21	2021-22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Keeping our growing city moving – delivering Canberra's new integrated public transport network	-2,200	0	0	0	<b>-2,200</b>

Refer to Expense initiatives (Chapter 2.3.1) for more information.



## CHAPTER 3

### INFRASTRUCTURE AND CAPITAL

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## 3.1 CAPITAL WORKS

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### Introduction

Through the 2018-19 Budget Review, the Government will deliver new capital initiatives totalling \$28.3 million over four years to 2021-22. This builds on the \$2.8 billion existing capital pipeline already announced through prior Budgets.

Chapter 2.3.2 – Infrastructure and capital initiatives provides individual project details.

Significant new initiatives include:

- Better services for our suburbs – Upgrading the Old Kingston Bus Depot – \$6 million;
- Better healthcare for a growing community – Delivering the Weston Creek Walk-in Centre – \$4.4 million;
- More jobs for our growing city – Better facilities for Manuka Oval – \$2.7 million;
- More services for our suburbs – More paramedics and ambulances – \$1.4 million;
- More services for our suburbs – Enhancing our bushfire preparedness – \$1.1 million;
- More services for our suburbs – Bringing Woden Town Square to life – \$1 million;
- More support for families and inclusion – Commencing operations of the Drug and Alcohol Court – \$1 million;
- More support for families and inclusion – Design and planning for the Alexander Maconochie Reintegration Centre expansion – \$1 million;
- More jobs for our growing city – City Renewal Authority activations and place making – \$0.9 million;
- More services for our suburbs – Southern Memorial Park detailed design – \$0.9 million;
- More services for our suburbs – Boosting Anketell Street improvements – \$0.8 million;
- Better government – New Electoral Management System – \$0.8 million;
- More services for our suburbs – Better facilities at Higgins Neighbourhood Oval – \$0.6 million; and
- Keeping our growing city moving – Delivering Canberra’s new integrated public transport network – \$0.5 million.

These investments demonstrate the ACT Government’s ongoing commitment to delivering the major infrastructure our community will need in the years to come while improving local facilities across Canberra’s town centres and suburbs.

The financial impact of these new capital initiatives has been partially offset by:

- \$6.0 million in previously allocated capital provisions; and
- \$5.6 million in capital offsets associated with project savings from within the existing capital works program.

The impact of all adjustments associated with capital provisions has resulted in a net reduction to the provisions made by the Government for the 2018-19 Infrastructure Investment Program. These now total \$1.1 billion over the four years to 2021-22.

Table 3.1.1 provides a summary of the current forecasts for the 2018-19 Infrastructure Investment Program.

**Table 3.1.1: Summary of the revised 2018-19 Infrastructure Investment Program**

	2018-19 Allocation \$'000	2019-20 Allocation \$'000	2020-21 Allocation \$'000	2021-22 Allocation \$'000	Total Investment \$'000
<b>New Capital Works</b>					
Early Planning	30,749	3,307	125	0	34,181
Forward Design	4,400	2,521	0	0	6,921
Construction	64,209	102,744	47,772	8,347	223,072
Information and Communications Technology	22,145	12,150	1,307	252	35,854
Plant and Equipment	6,665	5,203	853	100	12,821
Capital Grants	16,165	2,435	7,700	0	26,300
<b>Sub-Total New Capital Works</b>	<b>144,333</b>	<b>128,360</b>	<b>57,757</b>	<b>8,699</b>	<b>339,149</b>
<b>Better Infrastructure Fund</b>	<b>57,419</b>	<b>68,696</b>	<b>64,436</b>	<b>60,165</b>	<b>250,716</b>
<b>TOTAL NEW WORKS</b>	<b>201,752</b>	<b>197,056</b>	<b>122,193</b>	<b>68,864</b>	<b>589,865</b>
<b>Works-in-Progress</b>	<b>551,574</b>	<b>446,412</b>	<b>72,180</b>	<b>24,055</b>	<b>1,094,221</b>
<b>TOTAL CAPITAL WORKS PROGRAM<sup>1</sup></b>	<b>753,325</b>	<b>643,468</b>	<b>194,373</b>	<b>92,919</b>	<b>1,684,085</b>
Infrastructure Investment Provisions	17,122	217,830	439,083	439,652	1,113,687
Capital Delivery Provision <sup>2</sup>	-148,000	0	148,000	0	0
<b>Total Provisions</b>	<b>-130,878</b>	<b>217,830</b>	<b>587,083</b>	<b>439,652</b>	<b>1,113,687</b>
<b>CAPITAL WORKS PROGRAM FORECAST</b>	<b>622,447</b>	<b>861,298</b>	<b>781,456</b>	<b>532,571</b>	<b>2,797,772</b>
<b>Public Private Partnerships</b>					
ACT Law Courts Facilities	22,658	0	0	0	22,658
Light Rail – Stage 1	15,353	190	0	0	15,543
<b>TOTAL PUBLIC PRIVATE PARTNERSHIPS</b>	<b>38,011</b>	<b>190</b>	<b>0</b>	<b>0</b>	<b>38,201</b>
<b>TOTAL INFRASTRUCTURE INVESTMENT PROGRAM INCLUDING PROVISIONS<sup>3</sup></b>	<b>660,458</b>	<b>861,488</b>	<b>781,456</b>	<b>532,571</b>	<b>2,835,973</b>

**Notes:**

1. Reflects unspent funds being rolled over from 2017-18 into 2018-19. These are indicative pending finalisation of the Section 16B Instruments under the *Financial Management Act 1996*.
2. The Capital Delivery Provision is applied to the Capital Works Program. This provision indicatively re-profiles approximately 20 per cent of the 2018-19 Capital Works Program into 2020-21, providing forecast program expenditure based on historical trends.
3. Numbers may not add due to rounding.

## Capital Works Program re-profiling

As part of the 2018-19 Budget Review, agencies reviewed the progress of their capital works programs over the last six months and identified where the re-profiling of projects was appropriate. This process also included the opportunity to bring forward planned outyear expenditure to accelerate some existing projects and to return any savings to the budget. The Government has forecast a roll over of \$23.6 million of unspent project funding from 2017-18 into 2018-19.

A total of \$35.4 million has been re-profiled from 2018-19 into the forward years as part of this review. These program changes relate to a number of different projects across the full capital program. A summary of these changes is provided in Table 3.1.2; details of the changes by individual project are provided in Appendix A.

**Table 3.1.2: Summary of changes to the Capital Works Program<sup>1</sup>**

	2018-19	2019-20	2020-21	2021-22	Total Investment
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Original 2018-19 Capital Works Program</b>	<b>746,405</b>	<b>605,172</b>	<b>186,981</b>	<b>95,977</b>	<b>1,634,535</b>
Rollovers from 2017-18 <sup>2</sup>	23,617	0	0	0	23,617
Program adjustments and variations <sup>3</sup>	5,076	-3,213	-497	155	1,521
Budget Review – New initiatives	17,174	10,182	900	0	28,256
<b>Existing 2018-19 Capital Works Program</b>	<b>792,273</b>	<b>612,141</b>	<b>187,384</b>	<b>96,132</b>	<b>1,687,930</b>
Savings returned to budget	-3,506	-26	0	-313	-3,845
Changed program timing <sup>4</sup>	-35,443	31,354	6,989	-2,900	0
<b>Revised Capital Works Program<sup>5</sup></b>	<b>753,324</b>	<b>643,469</b>	<b>194,373</b>	<b>92,919</b>	<b>1,684,085</b>

**Notes:**

1. Table may not add due to rounding.
2. Reflects unspent funds being rolled over from 2017-18 into 2018-19. These are indicative pending finalisation of the Section 16B Instruments under the *Financial Management Act 1996*.
3. Reflects program variations and adjustments including to Australian Government project funding.
4. Net impact of the re-profiling of the Capital Works Program across the four years to 2021-22.
5. The revised Capital Works Program excludes funding associated with the Public Private Partnerships for the ACT Law Courts Facilities and Light Rail – Stage 1 projects, which are being constructed by the private sector.



## CHAPTER 4

### FEDERAL FINANCIAL RELATIONS

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## 4.1 FEDERAL FINANCIAL RELATIONS UPDATE

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### Commonwealth revenue

The ACT expects to receive 41.7 per cent of total revenue via the Commonwealth in 2018-19 – including both GST distributions and direct government payments. This figure has been revised upwards from the 2018-19 Budget following the Commonwealth's *Mid-Year Economic and Fiscal Outlook 2018-19*. However, this means that the ACT remains among the least reliant jurisdictions on Commonwealth payments; only Western Australia receives a lower share of its total revenue via the national government.

Changes in GST receipts and Commonwealth payments continue to have a significant impact on the ACT's overall budget position. The ACT Government is committed to delivering the services that the Canberra community expects and deserves, and so our fiscal strategy does not seek to match short-term fluctuations in Commonwealth revenues with associated reductions in program or service delivery.

### GST revenue

The Territory's GST allocation for 2018-19 has been revised downward by \$5.5 million since the 2018-19 Budget, following the release of the Commonwealth's *Mid-Year Economic and Fiscal Outlook 2018-19*. Overall, the forecasts of GST grants to the ACT have decreased by \$18 million over the next four years, compared with the 2018-19 Budget. The changes are the result of several adjustments including:

- Decreases in national estimates for GST collections over the budget and forward estimates in the *Mid-Year Economic and Fiscal Outlook 2018-19*, offset by increases in the ACT's estimated population over 2018-19 and the forward estimates. These changes have reduced the ACT's estimated GST grants by \$6 million in 2018-19 and \$12.5 million between 2019-20 and 2021-22 compared to the 2018-19 Budget; and
- A balancing adjustment for underpayment of GST in 2017-18 following the release of the Commonwealth 2017-18 Final Budget Outcome. This has increased the GST grant for the ACT in 2018-19 by \$0.5 million compared to the 2018-19, comprising:
  - Approximately \$6.8 million from an increase in the ACT's share of the national population in 2017-18 following the release of updated Australian Bureau of Statistics Estimated Resident Population data; and
  - A reduction of approximately \$6.3 million from a lower than expected GST pool in 2017-18.

The estimates for GST collections over the forward estimates include the impact of the extension of the GST Compliance Program by four years. The GST Compliance Program is estimated to increase GST collections by \$2.3 billion nationally over the forward estimates.



## Payments for Specific Purposes

The 2018-19 Budget Review includes estimated payments to the ACT for Specific Purpose Payments and health and education funding agreements of \$3.4 billion<sup>1</sup> over the four years to 2021-22. This is \$63.2 million higher than the estimates included in the 2018-19 Budget. National Partnership and Specific Purpose Payments generally require matching expenditure and therefore there is no impact on the Headline Net Operating Balance from these items.

The key difference is that the 2018-19 Budget Review reflects the Commonwealth's *Mid-Year Economic and Fiscal Outlook 2018-19* in respect of increased funding under the *Student First/Quality Schools Funding Agreement – Non-Government Schools*. This is primarily driven by the move to a minimum Commonwealth contribution to funding levels for government and non-government schools of 20 per cent and 80 per cent of the Schooling Resource Standard respectively. The increase also includes transitional funding and increases in student enrolments. This funding is passed directly from the ACT Government to local schools, and so does not impact on the ACT's net financial position.

The 2018-19 Budget Review does not include forecast changes to Commonwealth funding under the *National Health Reform Funding Agreement*. The 2018-19 ACT Budget estimates are based on achieving the Commonwealth's activity growth cap of 6.5 per cent, and remain unchanged at \$1.7 billion over four years. The Commonwealth's 2018-19 mid-year update assumes funding in the out-years will grow at a rate well below the national cap of 6.5 per cent, and for that reason, the 2018-19 ACT Budget estimates have been retained.

## National Partnership Agreements

National Partnership Agreement funding in the 2018-19 Budget Review reflects a net increase of \$19.7 million over the four years from 2018-19 to 2021-22 compared to the 2018-19 Budget. This is mainly driven by changes to Commonwealth estimates as published in the *Mid-Year Economic and Fiscal Outlook 2018-19*.

Significant changes include an additional \$4.6 million in Commonwealth funding in 2018-19 for infrastructure activities, which includes an additional \$3.5 million as part of the *Roads to Recovery Program*.

In the *Mid-Year Economic and Fiscal Outlook 2018-19*, the Commonwealth also announced an additional \$5.4 million in funding for the ACT in 2018-19, which includes:

- \$4 million for the expansion of Clare Holland House; and
- \$1.4 million for Public Dental Services for Adults.

These funding increases are partially offset by a reduction in the Small Business Regulatory Reform Agenda program of \$3.8 million in 2018-19.

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<sup>1</sup> This amount excludes the GST component of non-government school funding.

## CHAPTER 5

### ASSET AND LIABILITY MANAGEMENT

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## 5.1 NET DEBT AND NET FINANCIAL LIABILITIES

Net debt and net financial liabilities are two key indicators of the strength of Government finances. Net debt is defined as the sum of the Government's gross debt, less its liquid financial assets such as cash and investments. Net financial liabilities take into account unfunded superannuation liabilities and provide a broader measure of the government's financial position.

Net worth is the sum of all of 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 5.1.1: Net debt (excluding superannuation)**

	2018-19 Estimate \$m	2019-20 Estimate \$m	2020-21 Estimate \$m	2021-22 Estimate \$m
2018-19 Budget	2,108.3	2,627.7	2,894.7	2,834.9
2018-19 Budget Review	2,079.3	2,635.9	2,907.8	2,950.2
Net Debt to GSP (%)	4.9	5.9	6.1	5.9

Net debt is broadly in line with the estimates at the time of the 2018-19 Budget. Minor changes in net debt are largely driven by differences in the timing of cash payments from the Public Trading Enterprises sector.

**Table 5.1.2: Net financial liabilities**

	2018-19 Estimate \$m	2019-20 Estimate \$m	2020-21 Estimate \$m	2021-22 Estimate \$m
2018-19 Budget	6,609.2	7,120.4	7,394.2	7,466.9
2018-19 Budget Review	6,748.6	7,277.5	7,577.9	7,670.9
Net financial liabilities to GSP (%)	16.0	16.3	16.0	15.3

Net financial liabilities in 2018-19 are projected to increase by \$139.4 million, with further increases estimated across the forward estimates. This variation largely reflects a reduction in superannuation investment assets, reflecting the current investment market.

**Table 5.1.3: Net worth**

	2018-19 Estimate \$m	2019-20 Estimate \$m	2020-21 Estimate \$m	2021-22 Estimate \$m
2018-19 Budget	17,634.3	17,848.2	18,072.4	18,351.9
2018-19 Budget Review	17,646.6	17,806.2	18,081.6	18,389.4
Net worth to GSP (%)	41.9	39.9	38.2	36.6

Net worth is broadly in line with the estimates at the time of the 2018-19 Budget.



## 5.2 UNFUNDED SUPERANNUATION LIABILITY

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ACT Government employees are members of a number of different superannuation schemes as arrangements have changed over time. The Government currently recognises a defined benefit superannuation liability in relation to the Commonwealth's closed defined benefit superannuation schemes – the Commonwealth Superannuation Scheme (CSS) and the Public Sector Superannuation Scheme (PSS) – for 35,632 past and current employees, including current contributors, deferred beneficiaries and pensioners.

With the exception of employer productivity contributions, the employer-financed component of member entitlements for both of these schemes is unfunded and is not required to be paid until members retire. The superannuation liability is a long-term liability with employee retirement benefits projected well into the future.

The Government maintains, as a key financial objective, a funding plan to extinguish the Territory's unfunded defined benefit superannuation liability by 2030. The funding plan involves the accumulation of funds in the Superannuation Provision Account. The account receives budget appropriation that is applied to annual benefit payments to the Commonwealth. Financial investment earnings are re-invested to support the growth of the financial investment assets over time.

### Superannuation defined benefit liability

As the employer financial obligations will be settled many years into the future, the estimated financial obligation is measured on a discounted basis. The ultimate cost of the financial obligation will be influenced by several factors.

Actuarial assumptions of future events are required to measure the liability and expense. As required by the Australian Accounting Standards (AASB 119 *Employee Benefits*) the actuarial assumptions must be unbiased, being neither imprudent nor excessively conservative, and mutually compatible, reflecting the economic relationships between factors. The financial and demographic assumptions are the best estimates of the variables that will determine the ultimate cost of the defined benefit financial obligations. The financial and demographic assumptions supporting the valuation estimates are reviewed by the Government, in consultation with Treasury's appointed actuary, on an ongoing basis.

The projected benefit payments are determined from actual accrued member balances at valuation date and are actuarially projected forward using a range of financial and demographic assumptions such as inflation, wages growth, rates of retirement and resignation, investment returns, benefit stream election and mortality rates.

AASB 119 requires the use of the interest rate on a suitable Commonwealth Government bond as the discount rate to estimate the present value of the future expected superannuation benefit payments ('the superannuation liability') at the end of the financial year for the purpose of the annual financial statements.

The discount rate used to calculate the present value of the superannuation liability has a significant financial impact on the estimated present value of the superannuation liability and related superannuation expense. A lower discount rate leads to a higher estimate of the superannuation liability and related superannuation expense and vice versa. As domestic interest rates increase, the superannuation liability valuation estimate will decrease.

A long-term average discount rate assumption of five per cent is currently used to estimate the superannuation liability valuation and superannuation expense projections over the budget and forward years.

The use of a long-term discount rate assumption for the budget and forward year estimates removes significant and unnecessary valuation volatility due to the day to day movement in domestic interest rates. This is particularly relevant in the current environment of historically low interest rates.

The level and volatility of domestic interest rates in the future will continue to significantly affect the estimated superannuation liability valuations and the funding position against this liability.

## **Superannuation Provision Account investment assets**

The Superannuation Provision Account investment portfolio has a long-term investment strategy based on a strategic asset allocation that is projected to deliver a long-term average return of the Consumer Price Index plus 4.75 per cent a year.

The budget forward estimates do not attempt to forecast expected total portfolio investment returns. Due to the volatile nature of global investment markets, investment earnings recognised in any particular year will vary from the annual budget estimates.

Over the past 22 financial years to 30 June 2018, the Superannuation Provision Account investment portfolio has achieved an annualised investment return of the Consumer Price Index plus 5.3 per cent a year.

## **Funding ratio**

The coverage ratio of the Territory's defined benefit superannuation liability with investment assets is estimated to be 51 per cent at 30 June 2019. This is based on the 2018-19 Budget liability valuation estimate, using the long-term budget discount rate assumption and the updated estimated investment return for the 2018-19 financial year.

The projected funding ratio by 2021-22 has been revised down slightly since the 2018-19 Budget. This reflects lower investment returns due to a recent volatile period in international asset markets. The Government is monitoring these developments closely in the context of our objective to fully meet the Territory's defined benefit superannuation liability by 2030.

Table 5.2.1 below outlines the revised estimates of the Superannuation Provision Account.

**Table 5.2.1: Superannuation Provision Account**

	<b>2018-19 Budget Review \$m</b>	<b>2019-20 Estimate \$m</b>	<b>2020-21 Estimate \$m</b>	<b>2021-22 Estimate \$m</b>
Superannuation Assets	3,942.7	4,227.6	4,533.3	4,861.4
Superannuation Liabilities	7,803.4	8,051.2	8,284.0	8,499.9
Percentage of Funded Superannuation (%)	51	53	55	57





## 5.3 BORROWINGS

Total Territory borrowings comprise short-term and long-term debt securities, Commonwealth Government loans and financing leases which include Public Private Partnership contracts.

The Government's capital funding requirements are mainly achieved through the issuance of debt securities in the domestic capital markets which may be purchased by both domestic and international investors, in accordance with the Government's borrowing program. Funding significant infrastructure investments through long-term borrowing ensures that the cost of assets which provide community value over decades are spread over future years, instead of needing to be funded entirely by today's taxpayers.

In pursuing a responsible borrowing program, the Government's objectives are to:

- manage liquidity and financial payment obligations
- meet the ongoing capital requirements of the infrastructure and investment program
- raise capital at a competitive cost in line with peers, having regard to the Territory's credit rating and issuer profile
- establish bond lines of select debt maturity and volume
- maximise investor participation and diversification
- minimise interest rate volatility and refinancing risk.

The borrowing program and outstanding liabilities are a key consideration for the international ratings agency Standard & Poor's in assessing the ACT fiscal position. In confirming the Territory's AAA credit rating and upgrading this to a stable outlook in October 2018, Standard & Poor's has confirmed the Government's borrowing program is consistent with responsible and sustainable fiscal management of a budget our size.

The estimated outstanding borrowings and interest expenses are detailed below in Tables 5.3.1 and 5.3.2.

**Table 5.3.1: Territory borrowings – principal outstanding – 2018-19 Budget Review**

	2018-19 Budget Review \$m	2019-20 Estimate \$m	2020-21 Estimate \$m	2021-22 Estimate \$m
Total Territory				
Market Borrowings	3,504.2	4,213.1	4,731.8	4,968.1
Historic Commonwealth Loans (self-government)	117.2	108.3	99.4	90.5
Commonwealth Loan – Asbestos Eradication Scheme	900.0	850.0	750.0	650.0
Finance Leases	489.2	478.0	466.4	456.3
<b>Total</b>	<b>5,010.6</b>	<b>5,649.5</b>	<b>6,047.7</b>	<b>6,164.9</b>

**Table 5.3.2: Territory borrowings – interest expense – 2018-19 Budget Review**

	<b>2018-19 Budget Review \$m</b>	<b>2019-20 Estimate \$m</b>	<b>2020-21 Estimate \$m</b>	<b>2021-22 Estimate \$m</b>
Total Territory				
Market Borrowings	141.1	158.9	172.1	188.9
Historic Commonwealth Loans (self-government)	5.9	5.5	5.0	4.6
Commonwealth Loan – Asbestos Eradication Scheme	25.7	24.4	23.0	20.3
Finance Leases	27.1	32.1	31.3	30.5
<b>Total</b>	<b>199.8</b>	<b>220.8</b>	<b>231.4</b>	<b>244.3</b>

Debt is being maintained at sustainable levels while supporting the Government’s ongoing commitment to delivering the major infrastructure the community will need in the years to come and improving local facilities across Canberra’s town centres and suburbs.

## CHAPTER 6

### GENERAL GOVERNMENT SECTOR FINANCIAL STATEMENTS

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## 6.1 GGS GFS/GAAP HARMONISED FINANCIAL STATEMENTS

### Australian Capital Territory General Government Sector Operating Statement

	2017-18 Actual Outcome \$'000	2018-19 Budget \$'000	2018-19 Revised Estimate \$'000	2019-20 Revised Estimate \$'000	2020-21 Revised Estimate \$'000	2021-22 Revised Estimate \$'000
<b>Revenue</b>						
Taxation Revenue	1,718,274	1,898,190	1,906,202	2,032,086	2,147,033	2,261,116
Grants Revenue						
Commonwealth Grants	2,280,648	2,311,269	2,337,669	2,373,812	2,499,709	2,644,170
Gains from Contributed Assets	158,477	220,515	158,549	166,651	166,939	201,957
Sales of Goods and Services	532,712	542,093	538,348	553,869	565,750	576,429
Interest Income	136,675	118,534	117,422	115,256	114,346	116,710
Distributions from Financial Investments	35,426	38,633	31,239	39,169	49,284	52,851
Dividend and Income Tax Equivalent Income	375,597	397,462	384,391	395,189	438,459	370,063
Other Revenue	163,723	144,609	134,180	157,065	146,148	145,792
<b>Total Revenue</b>	<b>5,401,532</b>	<b>5,671,305</b>	<b>5,608,000</b>	<b>5,833,097</b>	<b>6,127,668</b>	<b>6,369,088</b>
<b>Expenses</b>						
Employee Expenses	2,004,835	2,060,032	2,088,429	2,125,832	2,161,159	2,207,408
Superannuation Expenses						
Superannuation Interest Cost	303,750	378,066	305,767	390,317	401,867	412,667
Other Superannuation Expenses	356,952	328,592	405,220	327,848	331,495	331,262
Depreciation and Amortisation	396,975	435,806	425,402	456,275	465,771	467,820
Interest Expense	185,174	199,977	199,727	218,582	226,071	239,079
Other Operating Expenses						
Supplies and Services	962,418	1,108,504	1,076,324	1,179,152	1,242,482	1,413,061
Other Operating Expenses	188,968	224,202	218,542	237,171	247,294	252,981
Grants and Purchased Services	1,083,420	1,082,992	1,077,102	1,114,204	1,246,686	1,182,033
<b>Total Expenses</b>	<b>5,482,493</b>	<b>5,818,171</b>	<b>5,796,513</b>	<b>6,049,381</b>	<b>6,322,825</b>	<b>6,506,311</b>
<b>UPF Net Operating Balance</b>	<b>-80,961</b>	<b>-146,866</b>	<b>-188,513</b>	<b>-216,284</b>	<b>-195,157</b>	<b>-137,223</b>
<b>Other Economic Flows – Included in the Operating Result</b>						
Dividends (Market Gains on Land Sales)	28,922	84,565	23,500	7,475	14,517	12,579
Net Land Revenue (Undeveloped Land Value)	91,168	82,090	77,234	39,615	53,556	53,809
Net Gain/(Loss) on Sale/(Disposal) of Non-Financial Assets	-4,857	-13,983	-4,806	-55,347	-31,777	-6,512
Net Gain/(Loss) on Financial Assets or Liabilities at Fair Value	244,235	183,325	-74,514	188,408	200,158	214,619
Doubtful Debts	-7,716	-7,139	-10,567	-10,598	-10,833	-10,898
<b>Operating Result</b>	<b>270,790</b>	<b>181,992</b>	<b>-177,666</b>	<b>-46,731</b>	<b>30,464</b>	<b>126,374</b>

**Australian Capital Territory  
General Government Sector  
Operating Statement**

	2017-18 Actual Outcome \$'000	2018-19 Budget \$'000	2018-19 Revised Estimate \$'000	2019-20 Revised Estimate \$'000	2020-21 Revised Estimate \$'000	2021-22 Revised Estimate \$'000
<b>Other Economic Flows – Other Comprehensive Income</b>						
<b>Items that will not be Reclassified Subsequently to Profit or Loss</b>						
Payments to ACT Government Agencies	-30,845	-80,681	-56,886	-70,451	-13,654	-5,000
Capital Distributions	86,269	122,386	122,806	-	-	-
Transfer of Assets to the Public Trading Enterprises (PTE) Sector	-145,191	-170,783	-170,783	-15,829	-	-
Superannuation Actuarial Gain/(Loss)	-895,977	-	2,198,182	-	-	-
Other Movements	-19,494	-438	75,493	-424	-424	-424
Increase/(Decrease) in the Asset Revaluation Reserve Surpluses due to Revaluations	-65,281	63,763	57,886	11,500	51,709	-18,343
<b>Items that may be Subsequently Reclassified to Profit or Loss</b>						
Increase/(Decrease) in Net Assets of PTE	479,744	255,990	253,696	281,520	207,336	205,144
<b>Total Comprehensive Income/(Loss)</b>	<b>-319,985</b>	<b>372,229</b>	<b>2,302,728</b>	<b>159,585</b>	<b>275,431</b>	<b>307,751</b>
<b>UPF Net Operating Balance</b>	<b>-80,961</b>	<b>-146,866</b>	<b>-188,513</b>	<b>-216,284</b>	<b>-195,157</b>	<b>-137,223</b>
<b>less Net Acquisition of Non-Financial Assets</b>						
Payments for Non-Financial Assets	714,495	708,886	709,959	915,381	924,949	660,950
Sales of Non-Financial Assets	-313,137	-233,319	-233,319	-129,799	-151,095	-135,120
Land Revenue (Net Cash Receipts)	-	-47,204	-	-	-	-
Change in Inventories	-11	-	164	164	164	164
Depreciation and Amortisation	-396,975	-435,806	-425,402	-456,275	-465,771	-467,820
Other Movements in Non-Financial Assets	144,937	215,610	153,678	158,960	57,972	155,281
<i>Total Net Acquisition of Non-Financial Assets</i>	<i>149,309</i>	<i>208,167</i>	<i>205,080</i>	<i>488,431</i>	<i>366,219</i>	<i>213,455</i>
<b>Net Lending / (Borrowing)</b>	<b>-230,270</b>	<b>-355,033</b>	<b>-393,593</b>	<b>-704,715</b>	<b>-561,376</b>	<b>-350,678</b>
<b>GOVERNMENT FISCAL MEASURE – BUDGET OPERATING SURPLUS/DEFICIT</b>						
UPF Net Operating Balance	-80,961	-146,866	-188,513	-216,284	-195,157	-137,223
Superannuation Return Adjustment	161,762	183,325	190,010	188,408	200,158	214,619
<b>HEADLINE NET OPERATING BALANCE</b>	<b>80,801</b>	<b>36,459</b>	<b>1,497</b>	<b>-27,876</b>	<b>5,001</b>	<b>77,396</b>

**Australian Capital Territory  
General Government Sector  
Balance Sheet**

	2017-18 Actual Outcome \$'000	2018-19 Budget \$'000	2018-19 Revised Estimate \$'000	2019-20 Revised Estimate \$'000	2020-21 Revised Estimate \$'000	2021-22 Revised Estimate \$'000
<b>Financial Assets</b>						
Cash and Deposits	662,508	606,728	636,562	638,213	641,590	646,887
Advances Paid	1,736,813	1,813,259	1,806,669	1,864,989	1,928,283	1,958,061
Investments and Loans	4,771,723	4,599,008	4,402,061	4,713,749	5,083,568	5,455,649
Receivables	600,643	543,745	537,156	625,975	630,030	591,533
Investments in Other Public Sector Entities	7,044,343	7,144,765	7,298,039	7,579,559	7,786,895	7,992,039
<b>Total Financial Assets</b>	<b>14,816,030</b>	<b>14,707,505</b>	<b>14,680,487</b>	<b>15,422,485</b>	<b>16,070,366</b>	<b>16,644,169</b>
<b>Non-Financial Assets</b>						
Produced Assets						
Property, Plant and Equipment	11,120,086	12,459,689	12,179,517	12,461,486	13,062,749	13,408,038
Investment Properties	5,410	5,410	5,410	5,410	5,410	5,410
Intangibles	190,912	353,469	424,885	462,923	368,305	342,672
Inventories	19,252	19,545	19,416	19,580	19,744	19,908
Assets Held for Sale	110,618	7,901	23,246	20,457	-	-
Capital Works-in-Progress	661,673	544,037	570,286	712,274	618,020	548,023
Non Produced Assets						
Property, Plant and Equipment	3,847,121	3,662,481	3,829,086	3,778,246	3,756,831	3,702,563
Loose-fill Asbestos Insulation Eradication Scheme Land	9,392	1,457	3,757	2,172	-	-
Biological Assets	29,769	29,917	29,769	29,769	29,769	29,769
Other Non-Financial Assets	11,799	14,922	11,818	11,818	11,818	11,818
<b>Total Non-Financial Assets</b>	<b>16,006,034</b>	<b>17,098,828</b>	<b>17,097,190</b>	<b>17,504,135</b>	<b>17,872,646</b>	<b>18,068,201</b>
<b>Total Assets</b>	<b>30,822,063</b>	<b>31,806,333</b>	<b>31,777,677</b>	<b>32,926,620</b>	<b>33,943,012</b>	<b>34,712,370</b>
<b>Liabilities</b>						
Deposits Held	15,618	15,632	15,618	15,618	15,618	15,618
Advances Received	1,015,617	963,676	963,676	909,357	804,869	700,203
Borrowings						
Finance Leases	1,301	488,040	489,190	478,039	466,425	456,313
Other Borrowings	3,440,607	3,523,614	3,513,488	4,222,376	4,741,112	4,977,387
Superannuation	9,735,968	7,803,892	7,804,483	8,051,910	8,284,845	8,500,772
Employee Benefits	675,270	709,738	706,416	742,801	781,895	821,912
Other Provisions	353,137	400,692	388,156	404,943	421,259	456,828
Payables	199,164	228,738	209,629	256,060	307,240	357,440
Other Liabilities	41,513	37,964	40,425	39,335	38,137	36,534
<b>Total Liabilities</b>	<b>15,478,196</b>	<b>14,171,986</b>	<b>14,131,081</b>	<b>15,120,439</b>	<b>15,861,400</b>	<b>16,323,007</b>
<b>Net Assets</b>	<b>15,343,868</b>	<b>17,634,347</b>	<b>17,646,596</b>	<b>17,806,181</b>	<b>18,081,612</b>	<b>18,389,363</b>
Equity in Public Trading Entities	7,044,343	7,144,765	7,298,039	7,579,559	7,786,895	7,992,039
Accumulated Funds	2,600,496	4,718,613	4,591,642	4,458,207	4,474,593	4,595,543
Asset Revaluation Surplus	5,697,929	5,769,869	5,755,815	5,767,315	5,819,024	5,800,681
Other Reserves	1,100	1,100	1,100	1,100	1,100	1,100
<b>Net Worth</b>	<b>15,343,868</b>	<b>17,634,347</b>	<b>17,646,596</b>	<b>17,806,181</b>	<b>18,081,612</b>	<b>18,389,363</b>



**Australian Capital Territory  
General Government Sector  
Balance Sheet**

	<b>2017-18 Actual Outcome \$'000</b>	<b>2018-19 Budget \$'000</b>	<b>2018-19 Revised Estimate \$'000</b>	<b>2019-20 Revised Estimate \$'000</b>	<b>2020-21 Revised Estimate \$'000</b>	<b>2021-22 Revised Estimate \$'000</b>
<b>Net Financial Worth</b>	-662,186	535,519	549,406	302,046	208,966	321,162
<b>Net Financial Liabilities</b>	7,706,509	6,609,246	6,748,633	7,277,513	7,577,929	7,670,877
<b>Net Debt (Including Superannuation Related Investments)</b>	-2,697,881	-2,028,033	-1,863,320	-1,591,561	-1,625,417	-1,911,076
<b>Net Debt (Excluding Superannuation Related Investments)</b>	1,302,158	2,108,347	2,079,339	2,635,948	2,907,801	2,950,246

**Australian Capital Territory  
General Government Sector  
Statement of Changes in Equity**

	2017-18 Actual Outcome \$'000	2018-19 Budget \$'000	2018-19 Revised Estimate \$'000	2019-20 Revised Estimate \$'000	2020-21 Revised Estimate \$'000	2021-22 Revised Estimate \$'000
<b>Opening Equity</b>						
Opening Equity in Public Trading Entities (PTE)	6,564,599	6,888,775	7,044,343	7,298,039	7,579,559	7,786,895
Opening Accumulated Funds	3,334,945	4,666,137	2,600,496	4,591,642	4,458,207	4,474,593
Opening Asset Revaluation Surplus	5,763,209	5,706,106	5,697,929	5,755,815	5,767,315	5,819,024
Opening Other Reserves	1,100	1,100	1,100	1,100	1,100	1,100
<b>Opening Balance</b>	<b>15,663,853</b>	<b>17,262,118</b>	<b>15,343,868</b>	<b>17,646,596</b>	<b>17,806,181</b>	<b>18,081,612</b>
<b>Comprehensive Income</b>						
<i>Included in Accumulated Funds:</i>						
Operating Result for the Period	270,790	181,992	-177,666	-46,731	30,464	126,374
Payments to ACT Government Agencies	-30,845	-80,681	-56,886	-70,451	-13,654	-5,000
Capital Distributions	86,269	122,386	122,806	-	-	-
Transfer of Assets to the PTE Sector	-145,191	-170,783	-170,783	-15,829	-	-
Superannuation Actuarial Gain/(Loss)	-895,977	-	2,198,182	-	-	-
Other Movements	-19,494	-438	75,493	-424	-424	-424
<i>Included in Equity in Public Trading Entities:</i>						
Increase/(Decrease) in Net Assets of PTE	479,744	255,990	253,696	281,520	207,336	205,144
<i>Included in Asset Revaluation Surplus:</i>						
Increase/(Decrease) in Asset Revaluation Reserve Surpluses due to Revaluations	-65,281	63,763	57,886	11,500	51,709	-18,343
<b>Total Comprehensive Income</b>	<b>-319,985</b>	<b>372,229</b>	<b>2,302,728</b>	<b>159,585</b>	<b>275,431</b>	<b>307,751</b>
<b>Closing Equity</b>						
Closing Equity in PTE	7,044,343	7,144,765	7,298,039	7,579,559	7,786,895	7,992,039
Closing Accumulated Funds	2,600,496	4,718,613	4,591,642	4,458,207	4,474,593	4,595,543
Closing Asset Revaluation Surplus	5,697,929	5,769,869	5,755,815	5,767,315	5,819,024	5,800,681
Closing Other Reserves	1,100	1,100	1,100	1,100	1,100	1,100
<b>Closing Balance</b>	<b>15,343,868</b>	<b>17,634,347</b>	<b>17,646,596</b>	<b>17,806,181</b>	<b>18,081,612</b>	<b>18,389,363</b>

**Australian Capital Territory  
General Government Sector  
Cash Flow Statement**

	2017-18 Actual Outcome \$'000	2018-19 Budget \$'000	2018-19 Revised Estimate \$'000	2019-20 Revised Estimate \$'000	2020-21 Revised Estimate \$'000	2021-22 Revised Estimate \$'000
<b>Cash Flows from Operating Activities</b>						
<b>Cash Receipts</b>						
Taxes Received	1,581,590	1,903,494	1,886,157	2,015,241	2,129,044	2,241,990
Receipts from Sales of Goods and Services	655,627	590,340	591,279	575,389	602,240	616,092
Grants/Subsidies Received	2,282,167	2,317,886	2,337,886	2,373,263	2,499,726	2,644,156
Interest Receipts	129,919	110,245	109,094	106,537	105,275	107,125
Distributions from Financial Investments	33,432	38,633	31,239	39,169	49,284	52,851
Dividends and Income Tax Equivalents	434,258	356,605	396,327	368,167	494,285	398,479
Other Receipts	431,163	398,267	177,662	204,393	195,008	265,457
<b>Total Cash Received from Operating Activities</b>	<b>5,548,156</b>	<b>5,715,470</b>	<b>5,529,644</b>	<b>5,682,159</b>	<b>6,074,862</b>	<b>6,326,150</b>
<b>Cash Payments</b>						
Payments for Employees	-2,365,732	-2,489,976	-2,519,131	-2,576,221	-2,640,251	-2,713,419
Payments for Goods and Services	-979,330	-1,079,168	-1,046,708	-1,160,631	-1,231,822	-1,403,994
Grants/Subsidies Paid	-1,078,089	-1,076,805	-1,073,033	-1,115,836	-1,147,053	-1,144,640
Interest Paid	-176,531	-188,792	-188,542	-207,953	-214,609	-227,003
Other Payments	-424,918	-445,062	-234,041	-243,214	-243,095	-255,351
<b>Total Cash Paid from Operating Activities</b>	<b>-5,024,600</b>	<b>-5,279,803</b>	<b>-5,061,455</b>	<b>-5,303,855</b>	<b>-5,476,830</b>	<b>-5,744,407</b>
<b>Net Cash Flows from Operating Activities</b>	<b>523,556</b>	<b>435,667</b>	<b>468,189</b>	<b>378,304</b>	<b>598,032</b>	<b>581,743</b>
<b>Cash Flows from Investing Activities</b>						
<b>Cash Flows from Investments in Non-Financial Assets</b>						
Sales of Non-Financial Assets	313,137	233,319	233,319	129,799	151,095	135,120
Purchase of Non-Financial Assets	-714,495	-708,886	-709,959	-915,381	-924,949	-660,950
<b>Net Cash Flows from Investments in Non-Financial Assets</b>	<b>-401,358</b>	<b>-475,567</b>	<b>-476,640</b>	<b>-785,582</b>	<b>-773,854</b>	<b>-525,830</b>
<b>Cash Flows from Investments in Financial Assets for Policy Purposes</b>						
<b>Cash Receipts</b>						
Repayment of Loans	2,782	2,677	2,677	2,677	2,677	3,677
Capital Receipts from Government Agencies	77,981	170,179	144,021	-	-	-
Dividends - Market Gains on Land Sales	28,922	84,565	23,500	7,475	14,517	12,579
<b>Total Cash Received from Investment in Financial Assets for Policy Purposes</b>	<b>109,684</b>	<b>257,421</b>	<b>170,198</b>	<b>10,152</b>	<b>17,194</b>	<b>16,256</b>

**Australian Capital Territory  
General Government Sector  
Cash Flow Statement**

	2017-18 Actual Outcome \$'000	2018-19 Budget \$'000	2018-19 Revised Estimate \$'000	2019-20 Revised Estimate \$'000	2020-21 Revised Estimate \$'000	2021-22 Revised Estimate \$'000
<b>Cash Payments</b>						
Capital Payments to Government Agencies	-30,845	-80,681	-55,903	-70,451	-13,654	-5,000
<b>Total Cash Paid from Investments in Financial Assets for Policy Purposes</b>	<b>-30,845</b>	<b>-80,681</b>	<b>-55,903</b>	<b>-70,451</b>	<b>-13,654</b>	<b>-5,000</b>
<b>Net Cash Flows from Investments in Financial Assets for Policy Purposes</b>	<b>78,839</b>	<b>176,740</b>	<b>114,295</b>	<b>-60,299</b>	<b>3,540</b>	<b>11,256</b>
<b>Cash Flows from Investments in Financial Assets for Liquidity Purposes</b>						
Sales of Investments	134,532	405,903	469,944	372,056	113,683	137,472
Payments for Investments	-198,155	-91,409	-134,876	-493,901	-281,566	-292,799
<b>Net Cash Flows from Investments in Financial Assets for Liquidity Purposes</b>	<b>-63,622</b>	<b>314,494</b>	<b>335,068</b>	<b>-121,845</b>	<b>-167,883</b>	<b>-155,327</b>
<b>Net Cash Flows from Investing Activities</b>	<b>-386,141</b>	<b>15,667</b>	<b>-27,277</b>	<b>-967,726</b>	<b>-938,197</b>	<b>-669,901</b>
<b>Cash Flows from Financing Activities</b>						
<b>Cash Receipts</b>						
Borrowings	469,810	108,187	102,187	953,343	519,368	237,320
<b>Total Cash Received from Financing Activities</b>	<b>469,810</b>	<b>108,187</b>	<b>102,187</b>	<b>953,343</b>	<b>519,368</b>	<b>237,320</b>
<b>Cash Payments</b>						
Borrowings	-705,252	-536,261	-530,261	-362,270	-175,826	-143,865
<b>Total Cash Paid from Financing Activities</b>	<b>-705,252</b>	<b>-536,261</b>	<b>-530,261</b>	<b>-362,270</b>	<b>-175,826</b>	<b>-143,865</b>
<b>Net Cash Flows from Financing Activities</b>	<b>-235,442</b>	<b>-428,074</b>	<b>-428,074</b>	<b>591,073</b>	<b>343,542</b>	<b>93,455</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>-98,027</b>	<b>23,260</b>	<b>12,838</b>	<b>1,651</b>	<b>3,377</b>	<b>5,297</b>
<b>Cash and Cash Equivalents at the Beginning of Reporting Period</b>	<b>752,022</b>	<b>612,503</b>	<b>653,996</b>	<b>666,833</b>	<b>667,485</b>	<b>670,862</b>
<b>Cash and Cash Equivalents at the End of Reporting Period</b>	<b>653,996</b>	<b>635,763</b>	<b>666,833</b>	<b>667,485</b>	<b>670,862</b>	<b>676,159</b>
<b>Key Fiscal Aggregates</b>						
Net Cash from Operating Activities	523,556	435,667	468,189	378,304	598,032	581,743
Investments in Non-Financial Assets	-401,358	-475,567	-476,640	-785,582	-773,854	-525,830
<b>Cash Surplus (+) / Deficit (-)</b>	<b>122,198</b>	<b>-39,900</b>	<b>-8,451</b>	<b>-407,278</b>	<b>-175,822</b>	<b>55,913</b>

Note: A positive number denotes a cash inflow, while a negative sign denotes a cash outflow.

**Australian Capital Territory  
General Government Sector  
Taxation Revenue**

	2017-18 Actual Outcome \$'000	2018-19 Budget \$'000	2018-19 Revised Estimate \$'000	2019-20 Revised Estimate \$'000	2020-21 Revised Estimate \$'000	2021-22 Revised Estimate \$'000
<b>General Tax</b>						
Payroll Tax	486,050	522,118	532,767	572,451	612,903	656,313
Tax Waivers	-	2,255	2,255	2,317	2,392	2,470
General Rates	491,482	539,262	546,953	589,777	639,147	684,598
Land Tax	133,924	141,112	141,027	147,225	154,237	159,923
<b>Total General Tax</b>	<b>1,111,456</b>	<b>1,204,747</b>	<b>1,223,002</b>	<b>1,311,770</b>	<b>1,408,679</b>	<b>1,503,304</b>
<b>Duties</b>						
Conveyances	224,984	274,566	254,777	282,002	283,009	284,449
Transfer of Motor Vehicle Registration	30,736	31,870	31,870	32,953	34,073	35,232
<b>Total Duties</b>	<b>255,720</b>	<b>306,436</b>	<b>286,647</b>	<b>314,955</b>	<b>317,082</b>	<b>319,681</b>
<b>Gambling Taxes</b>						
Tabcorp Licence Fee	1,050	1,077	1,077	1,104	1,132	1,160
Gaming Tax	33,622	35,236	35,236	37,081	37,932	38,830
Casino Tax	2,685	2,351	2,351	2,410	2,470	2,532
Interstate Lotteries	13,737	15,526	15,526	15,914	16,312	16,720
<b>Total Gambling Taxes</b>	<b>51,094</b>	<b>54,190</b>	<b>54,190</b>	<b>56,509</b>	<b>57,846</b>	<b>59,242</b>
<b>Other Taxes</b>						
Motor Vehicle Registrations	134,119	141,775	141,775	148,155	155,193	162,565
Ambulance Levy	24,090	23,715	23,715	24,637	25,597	26,666
Lease Variation Charge	6,194	21,482	30,321	24,003	25,310	26,691
Utilities (Network Facilities) Tax	36,942	38,667	38,667	41,373	43,066	44,926
Fire and Emergency Service Levy	73,733	82,370	82,370	85,249	88,209	91,277
City Centre Marketing and Improvements Levy	2,051	1,992	2,150	2,225	2,302	2,382
Energy Industry Levy	3,591	3,406	3,955	3,118	2,984	3,030
Lifetime Care and Support Levy	14,293	14,610	14,610	15,192	15,765	16,352
Safer Families Levy	4,991	4,800	4,800	4,900	5,000	5,000
<b>Total Other Taxes</b>	<b>300,004</b>	<b>332,817</b>	<b>342,363</b>	<b>348,852</b>	<b>363,426</b>	<b>378,889</b>
<b>Total Taxation</b>	<b>1,718,274</b>	<b>1,898,190</b>	<b>1,906,202</b>	<b>2,032,086</b>	<b>2,147,033</b>	<b>2,261,116</b>

## APPENDICES

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# APPENDIX A

## RE-PROFILED CAPITAL WORKS PROJECTS





## APPENDIX A: RE-PROFILED CAPITAL WORKS PROJECTS

Project Name <sup>1</sup>	Total Project Value \$'000	Prior Years Financing \$'000	Original Cash Flow			Re-profiled Cash Flow						
			2018-19	2019-20	2020-21	2018-19	2019-20	2020-21	2021-22			
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000			
<b>Canberra Institute of Technology</b>												
More jobs for our growing city – CIT Campus Modernisation – early planning	1,000	0	1,000	0	0	0	800	200	0	0	0	0
<b>Chief Minister, Treasury and Economic Development Directorate</b>												
Building a better city – Civic and Dickson office accommodation	39,544	1,481	3,176	22,616	12,271	0	2,176	23,616	12,271	0	0	0
Building a better city – Dickson office accommodation	26,000	1,251	10,093	14,656	0	0	8,093	16,656	0	0	0	0
iConnect	20,065	17,553	2,062	450	0	0	2,512	0	0	0	0	0
Keeping our growing city moving – Keeping Canberrans safe on our roads	1,400	0	775	625	0	0	0	775	625	0	0	0
More and better jobs – Expanding Belconnen Arts Centre	15,000	324	3,958	8,301	2,417	0	7,000	5,259	2,417	0	0	0
More jobs for our growing city – Better facilities for GIO Stadium	3,331	0	1,300	2,031	0	0	800	2,531	0	0	0	0
More jobs for our growing city – Better infrastructure at the National Arboretum	2,901	0	150	2,751	0	0	150	2,751	0	0	0	0
More jobs for our growing city – Easier registration for local cafes <sup>2</sup>	0	0	1,000	-504	-496	0	0	0	0	0	0	0
More jobs for our growing city – Government facilities upgrade	7,500	0	950	2,700	2,550	1,300	100	3,150	2,950	1,300	1,300	1,300
Public Arts Scheme	7,348	7,246	102	0	0	0	27	75	0	0	0	0

Project Name <sup>1</sup>	Total Project Value	Original Cash Flow					Re-profiled Cash Flow						
		Prior Years Financing	2018-19	2019-20	2020-21	2021-22	2018-19	2019-20	2020-21	2021-22			
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
<b>Cultural Facilities Corporation</b>													
More jobs for our growing city – Conserving and improving Canberra's historic places	680	0	680	0	0	0	0	0	0	380	300	0	0
<b>Education Directorate</b>													
Better schools for our kids – Expanding schools in Gungahlin	24,072	4,249	8,023	8,200	3,600	0	0	0	0	15,400	2,823	1,600	0
More schools, better schools – Delivering Molonglo P-6	41,858	0	4,453	22,265	15,140	0	0	0	0	1,000	18,000	22,858	0
More schools, better schools – More places at Gungahlin schools	19,830	0	4,250	7,580	5,600	2,400	0	0	0	1,750	14,080	4,000	0
More schools, better schools – Upgrading Campbell Primary School Modernisation	20,673	0	4,304	5,050	6,119	5,200	0	0	0	2,304	7,050	6,119	5,200
<b>Environment, Planning and Sustainable Development Directorate</b>													
Caring for our environment – Water Quality Improvement – Contributions to the Basin Priority Project	77,271	57,500	19,771	0	0	0	0	0	0	17,171	1,300	1,300	0
<b>Health Directorate</b>													
Better healthcare for a growing community – Delivering the Weston Creek Walk-in Centre	4,120	0	2,000	2,120	0	0	0	0	0	1,675	2,445	0	0

Project Name <sup>1</sup>	Total Project Value	Original Cash Flow					Re-profiled Cash Flow				
		Prior Years Financing	2018-19	2019-20	2020-21	2021-22	2018-19	2019-20	2020-21	2021-22	
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Transport Canberra and City Services Directorate</b>											
Better Roads for Gungahlin – Gungahlin town centre road network improvements	4,500	1,396	1,792	1,312	0	0	2,906	198	0	0	
Better Services – Improving libraries – self service check out and improved access	2,200	199	2,001	0	0	0	1,601	400	0	0	
Better services in your community – Faster bus travel	1,750	294	956	500	0	0	1,456	0	0	0	
Better services in your community – Essential waste management infrastructure	23,621	4,484	4,838	12,276	2,023	0	7,338	9,776	2,023	0	
Better services in your community – Integrated bus and light rail ticketing	2,100	483	1,617	0	0	0	817	600	200	0	
Building a better city – Canberra Brickworks – Access road and Dudley Street upgrade 2	8,000	643	6,357	1,000	0	0	559	6,798	0	0	
Building a better city – Monaro Highway upgrade	2,000	587	913	500	0	0	300	1,113	0	0	
Building a better city – New Bus Depot at Woden	25,775	816	14,959	10,000	0	0	9,959	15,000	0	0	
Building a better city – Pialligo Avenue duplication	4,000	1,438	1,563	1,000	0	0	700	1,863	0	0	
Building a better city – Upgrading stormwater infrastructure on Flemington Road	1,000	47	953	0	0	0	353	600	0	0	
Caring for our Environment – Lake Tuggeranong Water Quality Improvement – Stage 2 (Isabella Weir)	9,000	4,762	2,474	1,764	0	0	3,999	239	0	0	

Project Name <sup>1</sup>	Total Project Value	Original Cash Flow					Re-profiled Cash Flow				
		Prior Years Financing		2018-19	2019-20	2020-21	2018-19	2019-20	2020-21	2021-22	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Cravens Creek Water Quality Control Pond	9,623	9,445	178	0	0	31	147	0	0		
Expansion of the rapid bus network	45,300	8,496	36,804	0	0	15,804	21,000	0	0		
Improving Our Suburbs – New Molonglo Valley infrastructure	32,970	7,790	10,499	14,681	0	15,054	10,126	0	0		
Keeping our growing city moving – Better infrastructure for active travel	21,650	0	7,200	11,950	2,000	5,330	14,320	2,000	0		
Keeping our growing city moving – Canberra Brickworks Precinct – environmental offsets	1,500	0	1,500	0	0	563	937	0	0		
Keeping our growing city moving – John Gorton Drive and Molonglo River Bridge Crossing – early design	1,250	0	1,250	0	0	280	970	0	0		
Keeping our growing city moving – Monaro Highway upgrade	2,000	0	2,000	0	0	200	1,800	0	0		
Majura Parkway to Majura Road – Link road	15,106	14,917	189	0	0	0	189	0	0		
Molonglo 2 – Water Quality Control Ponds, Sewers and Cycle path (Design)	709	0	709	0	0	0	709	0	0		
Molonglo Infrastructure Investment	15,588	15,456	132	0	0	0	132	0	0		
More jobs for our growing city – Better town centres	4,750	0	750	3,500	500	2,784	1,966	0	0		
More jobs for our growing city – Renewing Higgins Neighbourhood Oval	1,250	0	600	650	0	800	450	0	0		
More services for our suburbs – Replacement Synthetic grass at the Nicholls Neighbourhood oval	1,600	0	50	1,550	0	1,500	100	0	0		
Transport for Canberra – Real Time Passenger Information System	12,500	10,190	2,310	0	0	1,610	350	350	0		

Project Name <sup>1</sup>	Total Project Value	Original Cash Flow				Re-profiled Cash Flow			
		Prior Years	2018-19	2019-20	2020-21	2018-19	2019-20	2020-21	2021-22
		Financing \$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Urban Renewal Program – Molonglo 3 infrastructure	2,970	2,172	798	0	0	714	84	0	0

**Notes:**

1. The above table only contains projects in the 2018-19 Capital Works Program that have changed funding profiles.
2. The associated project grant from the Australian Government was not made available in the *Mid-Year Economic and Fiscal Outlook*.



## **APPENDIX B**

### **STATEMENT OF RISKS**





## APPENDIX B: STATEMENT OF RISKS

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Consistent with Section 11(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. Full details of economic and fiscal risks, contingent liabilities, other commitments, and outstanding claims liabilities were provided in Appendix K to the 2018-19 Budget Papers.

The following risks have been identified at the time of publication of the 2018-19 Budget Review. Unless indicated below, risks identified in the 2018-19 Budget Papers are unchanged.

### Economic risks

Nationally, risks around the housing sector have intensified. Price falls in some segments of the market, combined with falls in building approvals, may lead to a faster than expected reduction in building construction activity. This would place downward pressure on national growth.

Slowing activity is mainly a result of tightening credit availability as banks anticipated the findings of the *Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry*.

In contrast, in the ACT, building approvals and dwelling commencements are still strong. While prices have moderated, they have not seen the significant falls seen in other parts of Australia. The continued positive outcomes for the ACT are due to the very strong underlying fundamentals of the ACT economy.

Should the national housing slowdown flow through to the ACT, it would place downward pressure on land sales and reduce conveyance duty and payroll tax collections, which would in turn impact the ACT's budget outlook. It could also moderate economic growth.

### Fiscal risks

#### Land Release Program

There remains evidence of strong demand for housing over the forward estimates and beyond. The ACT's population is expanding by around 8,500 people per annum, one of the strongest growth rates of any jurisdiction in Australia. Our unemployment rate is also the lowest in Australia. These factors, along with high income levels and low interest rates mean that the demand for new land for housing in the ACT is likely to remain strong over the medium term.

Nevertheless, recent low land sale rates across the Territory have highlighted that there are risks around the short-term outlook. In particular, recent tightening in credit availability is placing downward pressure on the ability of buyers to purchase at recent price levels. In addition, new developments in the nearby region are resulting in increased price competition for land in the free standing house segment of the market.

Other risks to the program include achieving statutory approvals, the capacity of industry to deliver infrastructure and estate works, slippage associated with environmental, commercial or other considerations, and the capacity of the market to absorb the additional supply offered through urban renewal development.

## **Large-scale Generation Certificates**

The 2018-19 Budget Review reflects the expense and revenue components of Large-scale Generation Certificates, which are credits received for the generation of renewable electricity under the Commonwealth Government's large-scale renewable energy target. The ACT receives the certificates from our large-scale feed-in tariff supported renewable electricity generation projects to meet our target of 100 per cent renewable electricity by 2020.

Once created and recognised, Large-scale Generation Certificates can be sold and transferred to other individuals and businesses, with their price being determined through the open market. As such, the value of the Large-scale Generation Certificates held by the ACT Government are subject to price fluctuations arising from supply and demand within the market.

Spot and forward prices for Large-scale Generation Certificates have decreased since the 2018-19 Budget and the 2018-19 Budget Review includes revalued current and estimated future holdings of Large-scale Generation Certificates.

## **GST**

As the GST is a broad-based consumption tax, GST revenue collections are subject to consumer confidence and the state of the economy at the national level. Changes in these factors can lead to variations in the size and growth of the national GST pool, and therefore in funding for the states and territories.

GST revenue grants to the ACT are also subject to annual revisions of state and territory GST relativities by the Commonwealth Grants Commission. The GST relativities are the proportion of the GST that each state and territory receives in accordance with the principle of horizontal fiscal equalisation, relative to what it would receive if the GST were distributed equally per person in Australia. There is potential for change to the ACT's share of the GST pool from Grants Commission updates over the forward estimates.

There may be further changes from Commonwealth Grants Commission processes from 2020-21, as a result of the release of the *2020 Methodology Review of GST Revenue Sharing Relativities*. The Commonwealth Grants Commission conducts such methodology reviews on a five-yearly basis and is next due to report on 28 February 2020.

In response to the Productivity Commission inquiry into the impact on the national economy of Australia's system of horizontal fiscal equalisation, the Commonwealth has passed legislation that will change how GST is distributed among the states and territories, to be implemented over a transition period from 2021-22 to 2026-27. As part of this legislation, the Commonwealth has committed to ensuring that no state or territory will be worse off in nominal terms relative to what their GST revenue would be under the current system. To achieve this the Commonwealth will provide additional funding to ensure that no state or territory is worse off. As such, the risk that the ACT's GST revenue would be subject to significant reductions or volatility due to the Commonwealth's changes to the GST distribution system has been mitigated.

The Commonwealth's extension of the GST Compliance Program will reduce collections risk over the forward estimates period.

### **National Disability Insurance Scheme**

Implementation of the National Disability Insurance Scheme represents a significant financial investment by the Commonwealth and states and territories in improving the independence, quality of life, and outcomes of people with disability. The ACT is working with other jurisdictions and the Commonwealth to negotiate long-term agreements for the National Disability Insurance Scheme, including potential changes to financial arrangements as a result of the findings of the *2017 Productivity Commission Study Report into National Disability Insurance Scheme (NDIS) Costs*. Should agreement be reached to change the ACT's financial contributions for the Scheme, these would be included in future ACT budgets at that time.

### **Commonwealth funding**

The DisabilityCare Australia Fund was established to provide partial reimbursement to the states and territories for costs related to the NDIS. The ACT's allocated full payout for 2018-19 is subject to finalisation of the full scheme bilateral agreement. A delay in the finalisation of this agreement could lead to the deferral of payment to the 2019-20 financial year.

Several recent agreements proposed by the Commonwealth including the Land Transport Infrastructure and the On-Farm Water Infrastructure Rebate Scheme contain input controls, whereby the Commonwealth places restrictions on how the ACT allocates own source funding in the relevant sector. This presents a future risk as it reduces budget flexibility for the ACT to respond to emerging issues unique to the Territory.

### **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 Australian Accounting Standard 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 was incurred.

### ***Sensitivity to discount rate***

The outstanding claims liability is calculated by reference to expected future payments. These payments are discounted to adjust for the time value of money. Australian Accounting Standard 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 2018 was \$231.67 million net of Reinsurance Recoveries. Variations in the discount rate of +/- one percentage point results in an estimated change to the liability of between a \$11.28 million decrease and a \$12.23 million increase, equivalent to a change of between -4.9 per cent and 5.3 per cent.

### **Changes to Australian Accounting Standards**

Amendments to a number of Australian Accounting Standards including AASB 15 *Revenue from Contracts with Customers*, AASB 16 *Leases* and AASB 1058 *Income for Not-for-Profit Entities* will be adopted for the first time in the 2019-20 Budget.

These amendments are expected to have a significant impact on the timing of revenue recognition and the conversion of a number of operating leases to finance leases. These changes will impact key fiscal measures such as the Headline Net Operating Balance, Net Debt and Net Financial Liabilities.

### **Other commitments**

#### ***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 is contingent 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 identified in the ACT Government Consolidated Annual Financial Statements, which are available online.

**Payments on repeal or amendment of the Electricity Feed-in (Large Scale Renewable Energy Generation) Act 2011**

The ACT's large-scale renewable energy projects are supported by Feed-in Tariffs. The Territory has given undertakings to pay compensation to various parties contracted to deliver renewable energy projects, should the Government change the Feed-in Tariffs scheme or particular associated legislation, in certain specified ways that adversely affect the recipient of the entitlement. The undertakings compensate the recipient for direct losses, costs and expenses up to a capped amount. A cap applies each year from commencement.

As at the date of the 2018-19 Budget Review, undertakings have been provided for the renewable energy projects listed in Table B.1. The maximum caps operate from the date the entitlement is granted for these projects until an agreed date. All compensation agreements expire before the end of the 20-year entitlement period. The Territory's potential commitment as a result of these undertakings also declines over the life of the agreements.

**Table B.1: Details of Contracted Renewable Energy Projects**

<b>Renewable energy project</b>	<b>FiT entitlement granted</b>	<b>20 year FiT entitlement begins</b>
Royalla Solar Farm	September 2012	March 2014
Ararat Wind Farm	February 2015	April 2017
Coonooer Bridge Wind Farm	February 2015	February 2016
Hornsedale Wind Farm (Stage 1)	February 2015	February 2017
Hornsedale Wind Farm (Stage 2)	January 2016	December 2018
Sapphire Wind Farm	March 2016	May 2018
Crookwell 2 Wind Farm	August 2016	September 2018
Hornsedale Wind Farm (Stage 3)	August 2016	October 2019
SolarShare Community Solar Farm <sup>1</sup>	To Be Confirmed	To Be Confirmed

**Note:**

1. Agreement to provide a FiT entitlement for the SolarShare Community Solar Farm was announced by the ACT Government in December 2018. However, at the time of finalising the 2018-19 Budget Review, an entitlement for the project had not yet been formally granted.



## **APPENDIX C**

### **PUBLIC TRADING ENTERPRISES FINANCIAL STATEMENTS**





**Australian Capital Territory  
Public Trading Enterprises  
Operating Statement**

	2017-18 Actual Outcome \$'000	2018-19 Budget \$'000	2018-19 Revised Estimate \$'000	2019-20 Revised Estimate \$'000	2020-21 Revised Estimate \$'000	2021-22 Revised Estimate \$'000
<b>Revenue</b>						
Controlled Recurrent Payments	176,899	200,946	196,600	202,866	209,337	212,203
Grants Revenue						
Commonwealth Grants	1,839	1,650	1,650	767	767	767
Gains from Contributed Assets	27,434	21,123	11,309	27,897	24,505	24,894
Sales of Goods and Services						
Revenue						
Revenue from Associates and Joint Ventures	93,372	75,516	73,397	81,982	86,877	95,904
Other Sales of Goods and Services	447,378	429,519	432,653	440,088	450,710	460,483
Interest Income	9,732	4,687	6,260	3,620	2,450	2,435
Land Revenue (Value Add Component)	327,976	527,311	512,740	485,070	599,054	560,089
Other Revenue	19,568	14,313	14,825	14,001	13,960	14,071
<b>Total Revenue</b>	<b>1,104,198</b>	<b>1,275,065</b>	<b>1,249,434</b>	<b>1,256,291</b>	<b>1,387,660</b>	<b>1,370,846</b>
<b>Expenses</b>						
Employee Expenses	179,633	186,527	185,766	193,948	206,229	210,983
Superannuation Expenses	23,618	25,515	25,288	28,206	29,890	30,264
Depreciation and Amortisation	99,187	101,878	104,994	84,257	88,673	94,337
Interest Expenses	80,524	82,260	77,829	83,359	84,720	87,426
Other Property Expenses (Income Tax Equivalents)	116,762	131,370	116,314	108,939	122,068	99,679
Other Operating Expenses						
Supplies and Services	211,987	262,684	259,520	265,505	274,578	282,483
Other Operating Expenses	53,583	161,609	105,079	186,317	243,163	236,341
Grants and Purchased Services	90,208	61,877	61,739	82,353	95,386	130,753
<b>Total Expenses</b>	<b>855,503</b>	<b>1,013,720</b>	<b>936,529</b>	<b>1,032,884</b>	<b>1,144,707</b>	<b>1,172,266</b>
<b>UPF Net Operating Balance</b>	<b>248,694</b>	<b>261,345</b>	<b>312,905</b>	<b>223,407</b>	<b>242,953</b>	<b>198,580</b>
<b>Other Economic Flows - Included in the Operating Result</b>						
Land Revenue (Market Gains on Land Sales)	43,879	126,131	31,158	10,536	20,482	18,133
Net Gain/(Loss) on Sale/(Disposal) of Non-Financial Assets	-77,295	-134,148	-134,601	-21,494	-26,248	-35,899
Net Gain/(Loss) on Financial Assets or Liabilities at Fair Value	527	100	100	100	100	100
Doubtful Debts	-21	-2,392	-2,392	-2,483	-2,494	-2,494
<b>Operating Result</b>	<b>215,784</b>	<b>251,036</b>	<b>207,170</b>	<b>210,066</b>	<b>234,793</b>	<b>178,420</b>

**Australian Capital Territory  
Public Trading Enterprises  
Operating Statement**

	2017-18 Actual Outcome \$'000	2018-19 Budget \$'000	2018-19 Revised Estimate \$'000	2019-20 Revised Estimate \$'000	2020-21 Revised Estimate \$'000	2021-22 Revised Estimate \$'000
<b>Other Economic Flows – Other Comprehensive Income</b>						
<b>Items that will not be Subsequently Reclassified to Profit or Loss</b>						
Other Movements	-27,500	-	-	-	-	-
Increase/(Decrease) in Asset Revaluation Reserve Surpluses due to Revaluations	452,323	170,017	170,017	219,200	228,466	238,918
Increase/(Decrease) in Other Reserves	-9,820	-	-	-	-	-
<b>Total Comprehensive Income/(Loss)</b>	<b>630,788</b>	<b>421,053</b>	<b>377,187</b>	<b>429,266</b>	<b>463,259</b>	<b>417,338</b>
<b>UPF Net Operating Balance</b>	<b>248,694</b>	<b>261,345</b>	<b>312,905</b>	<b>223,407</b>	<b>242,953</b>	<b>198,580</b>
<b>less Net Acquisition of Non-Financial Assets</b>						
Payments for Non-Financial Assets	187,873	220,901	206,438	204,847	146,312	118,157
Sales of Non-Financial Assets	-52,780	-39,396	-39,396	-39,105	-60,630	-64,730
Land Revenue (Net Cash Receipts)	-	-122,131	-	-	-	-
Change in Inventories	13,349	-	90,750	67,460	-84,078	-149,246
Depreciation and Amortisation	-99,187	-101,878	-104,994	-84,257	-88,673	-94,337
Other Movements in Non-Financial Assets	-48,449	-17,212	-26,662	-30,139	-45,707	-80,387
<i>Total Net Acquisition of Non-Financial Assets</i>	<i>805</i>	<i>-59,716</i>	<i>126,136</i>	<i>118,806</i>	<i>-132,776</i>	<i>-270,543</i>
<b>Net Lending/(Borrowing)</b>	<b>247,889</b>	<b>321,061</b>	<b>186,769</b>	<b>104,601</b>	<b>375,729</b>	<b>469,123</b>
<b>UPF Net Operating Balance</b>	<b>248,694</b>	<b>261,345</b>	<b>312,905</b>	<b>223,407</b>	<b>242,953</b>	<b>198,580</b>
<b>HEADLINE NET OPERATING BALANCE</b>	<b>248,694</b>	<b>261,345</b>	<b>312,905</b>	<b>223,407</b>	<b>242,953</b>	<b>198,580</b>

**Australian Capital Territory  
Public Trading Enterprises  
Balance Sheet**

	2017-18 Actual Outcome \$'000	2018-19 Budget \$'000	2018-19 Revised Estimate \$'000	2019-20 Revised Estimate \$'000	2020-21 Revised Estimate \$'000	2021-22 Revised Estimate \$'000
<b>Financial Assets</b>						
Cash and Deposits	171,644	111,898	90,260	53,808	85,515	195,702
Advances Paid	-	25,377	25,710	6,005	333	333
Investments and Loans	55,044	30,000	30,000	30,000	30,000	30,000
Receivables	164,336	151,127	130,066	139,456	144,967	154,037
Investments Accounted for Using the Equity Method	1,002,313	1,023,917	1,025,710	1,040,692	1,059,069	1,077,473
<b>Total Financial Assets</b>	<b>1,393,338</b>	<b>1,342,319</b>	<b>1,301,746</b>	<b>1,269,961</b>	<b>1,319,884</b>	<b>1,457,545</b>
<b>Non-Financial Assets</b>						
<b>Produced Assets</b>						
Property, Plant and Equipment	3,955,954	3,855,333	4,058,504	4,165,567	4,199,846	4,237,541
Investment Properties	7,992	8,703	8,070	7,976	7,964	7,970
Intangibles	25,375	49,196	50,153	52,843	61,701	57,330
Inventories	273,371	371,681	364,121	431,581	347,503	198,257
Assets Held for Sale	126,069	3,075	13,399	13,476	13,555	13,636
Capital Works-in-Progress	182,696	169,177	189,713	211,861	209,358	179,057
<b>Non Produced Assets</b>						
Property, Plant and Equipment	3,821,225	4,093,528	4,086,091	4,287,141	4,486,302	4,693,041
Other Non-Financial Assets						
Deferred Tax Assets	22,225	30,939	22,225	22,225	22,225	22,225
Other Non-Financial Assets	-	134	-	-	-	-
<b>Total Non-Financial Assets</b>	<b>8,414,906</b>	<b>8,581,766</b>	<b>8,792,276</b>	<b>9,192,670</b>	<b>9,348,454</b>	<b>9,409,057</b>
<b>Total Assets</b>	<b>9,808,244</b>	<b>9,924,085</b>	<b>10,094,022</b>	<b>10,462,631</b>	<b>10,668,338</b>	<b>10,866,602</b>
<b>Liabilities</b>						
Advances Received	1,728,875	1,802,686	1,796,686	1,853,302	1,914,737	1,943,749
Employee Benefits	64,250	57,258	65,934	68,950	71,683	74,523
Other Provisions	128,733	122,419	125,956	127,750	125,847	126,566
Payables	236,121	149,696	214,579	214,119	207,269	197,297
Other Liabilities						
Current Tax Liability	32,022	62,233	45,924	19,364	11,887	-7,490
Deferred Tax Liability	506,611	436,703	506,610	509,686	509,686	509,686
Other Liabilities	67,288	148,325	40,294	89,901	40,334	30,232
<b>Total Liabilities</b>	<b>2,763,901</b>	<b>2,779,320</b>	<b>2,795,983</b>	<b>2,883,072</b>	<b>2,881,443</b>	<b>2,874,563</b>
<b>Net Assets</b>	<b>7,044,343</b>	<b>7,144,765</b>	<b>7,298,039</b>	<b>7,579,559</b>	<b>7,786,895</b>	<b>7,992,039</b>
Accumulated Funds	2,670,357	2,654,221	2,646,783	2,731,103	2,731,973	2,720,199
Asset Revaluation Surplus	4,373,986	4,480,724	4,651,256	4,848,456	5,054,922	5,271,840
Other Reserves	-	9,820	-	-	-	-
<b>Net Worth</b>	<b>7,044,343</b>	<b>7,144,765</b>	<b>7,298,039</b>	<b>7,579,559</b>	<b>7,786,895</b>	<b>7,992,039</b>
<b>Net Financial Worth</b>	-1,370,563	-1,437,001	-1,494,237	-1,613,111	-1,561,559	-1,417,018
<b>Net Debt</b>	1,502,187	1,635,411	1,650,716	1,763,489	1,798,889	1,717,714

**Australian Capital Territory  
Public Trading Enterprises  
Statement of Changes in Equity**

	2017-18 Actual Outcome \$'000	2018-19 Budget \$'000	2018-19 Revised Estimate \$'000	2019-20 Revised Estimate \$'000	2020-21 Revised Estimate \$'000	2021-22 Revised Estimate \$'000
<b>Opening Equity</b>						
Opening Accumulated Funds	2,555,893	2,675,501	2,670,357	2,646,783	2,731,103	2,731,973
Opening Asset Revaluation Surplus	3,998,886	4,203,454	4,373,986	4,651,256	4,848,456	5,054,922
Opening Other Reserves	9,820	9,820	-	-	-	-
<b>Opening Balance</b>	<b>6,564,599</b>	<b>6,888,775</b>	<b>7,044,343</b>	<b>7,298,039</b>	<b>7,579,559</b>	<b>7,786,895</b>
<b>Comprehensive Income</b>						
<i>Included in Accumulated Funds:</i>						
Operating Result for the Period	215,784	251,036	207,170	210,066	234,793	178,420
Other Movements	-27,500	-	-	-	-	-
<i>Included in Asset Revaluation Surplus:</i>						
Increase/(Decrease) in Asset Revaluation Reserve Surpluses due to Revaluations	452,323	170,017	170,017	219,200	228,466	238,918
<i>Included in Other Reserves</i>						
Increase/(Decrease) in Other Reserves	-9,820	-	-	-	-	-
<b>Total Comprehensive Income</b>	<b>630,788</b>	<b>421,053</b>	<b>377,187</b>	<b>429,266</b>	<b>463,259</b>	<b>417,338</b>
<b>Other</b>						
Transfer to/(from) Accumulated Funds	77,224	-107,253	-107,253	22,000	22,000	22,000
Movement in the Asset Revaluation Surplus	-77,224	107,253	107,253	-22,000	-22,000	-22,000
<b>Total Other</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Transactions Involving Owners Affecting Accumulated Funds</b>						
Capital Injections	30,845	80,681	56,886	70,451	13,654	5,000
Capital Distributions	-74,969	-122,386	-122,806	-	-	-
Transfer of Assets from the General Government Sector	145,191	170,783	170,783	15,829	-	-
Dividends Approved	-252,112	-294,141	-228,354	-234,026	-269,577	-217,194
<b>Total Transactions Involving Owners Affecting Accumulated Funds</b>	<b>-151,044</b>	<b>-165,063</b>	<b>-123,491</b>	<b>-147,746</b>	<b>-255,923</b>	<b>-212,194</b>
<b>Closing Equity</b>						
Closing Accumulated Funds	2,670,357	2,654,221	2,646,783	2,731,103	2,731,973	2,720,199
Closing Asset Revaluation Surplus	4,373,986	4,480,724	4,651,256	4,848,456	5,054,922	5,271,840
Closing Other Reserves	-	9,820	-	-	-	-
<b>Closing Balance</b>	<b>7,044,343</b>	<b>7,144,765</b>	<b>7,298,039</b>	<b>7,579,559</b>	<b>7,786,895</b>	<b>7,992,039</b>

**Australian Capital Territory  
Public Trading Enterprises  
Cash Flow Statement**

	2017-18 Actual Outcome \$'000	2018-19 Budget \$'000	2018-19 Revised Estimate \$'000	2019-20 Revised Estimate \$'000	2020-21 Revised Estimate \$'000	2021-22 Revised Estimate \$'000
<b>Cash Flows from Operating Activities</b>						
<b>Cash Receipts</b>						
Receipts from Sales of Goods and Services	832,775	1,117,462	1,036,000	964,662	1,112,057	1,083,042
Grants/Subsidies Received	177,658	202,596	198,250	203,633	210,104	212,970
Interest Receipts	9,179	3,517	5,108	2,443	2,422	2,435
Other Receipts	169,491	100,797	117,840	111,508	103,190	113,447
<b>Total Cash Received from Operating Activities</b>	<b>1,189,104</b>	<b>1,424,372</b>	<b>1,357,198</b>	<b>1,282,246</b>	<b>1,427,773</b>	<b>1,411,894</b>
<b>Cash Payments</b>						
Payments for Employees	-194,386	-158,737	-158,204	-165,408	-178,276	-181,643
Payments for Goods and Services	-209,628	-343,470	-349,685	-351,254	-362,684	-368,660
Grants/Subsidies Paid	-22,007	-23,542	-23,768	-24,317	-25,040	-25,338
Interest Paid	-72,375	-83,986	-75,180	-83,687	-84,697	-87,403
Other Payments	-268,322	-326,765	-298,524	-359,369	-284,009	-265,026
<b>Total Cash Paid from Operating Activities</b>	<b>-766,719</b>	<b>-936,500</b>	<b>-905,361</b>	<b>-984,035</b>	<b>-934,706</b>	<b>-928,070</b>
<b>Net Cash Flows from Operating Activities</b>	<b>422,385</b>	<b>487,872</b>	<b>451,837</b>	<b>298,211</b>	<b>493,067</b>	<b>483,824</b>
<b>Cash Flows from Investing Activities</b>						
<b>Cash Flows from Investments in Non-Financial Assets</b>						
Sales of Non-Financial Assets	52,780	39,396	39,396	39,105	60,630	64,730
Payments for Non-Financial Assets	-187,873	-220,901	-206,438	-204,847	-146,312	-118,157
<b>Net Cash Flows from Investments in Non-Financial Assets</b>	<b>-135,093</b>	<b>-181,505</b>	<b>-167,042</b>	<b>-165,742</b>	<b>-85,682</b>	<b>-53,427</b>
<b>Cash Flows from Investments in Financial Assets for Policy Purposes</b>						
<b>Cash Receipts</b>						
Repayment of Loans	-	8,563	2,906	29,646	5,700	-
Capital Receipts from Government Agencies	30,845	80,681	56,886	70,451	13,654	5,000
<b>Total Cash Received from Investments in Financial Assets for Policy Purposes</b>	<b>30,845</b>	<b>89,244</b>	<b>59,792</b>	<b>100,097</b>	<b>19,354</b>	<b>5,000</b>
<b>Cash Payments</b>						
Issue of Loan	-3,522	-18,821	-13,905	-8,764	-	-
Dividends - Market Gains on Land Sales	-28,922	-84,565	-23,500	-7,475	-14,517	-12,579
Distributions to Government	-66,681	-170,179	-145,004	-	-	-
<b>Total Cash Paid from Investments in Financial Assets for Policy Purposes</b>	<b>-99,125</b>	<b>-273,565</b>	<b>-182,409</b>	<b>-16,239</b>	<b>-14,517</b>	<b>-12,579</b>
<b>Net Cash Flows from Investments in Financial Assets for Policy Purposes</b>	<b>-68,279</b>	<b>-184,321</b>	<b>-122,617</b>	<b>83,858</b>	<b>4,837</b>	<b>-7,579</b>

**Australian Capital Territory  
Public Trading Enterprises  
Cash Flow Statement**

	2017-18 Actual Outcome \$'000	2018-19 Budget \$'000	2018-19 Revised Estimate \$'000	2019-20 Revised Estimate \$'000	2020-21 Revised Estimate \$'000	2021-22 Revised Estimate \$'000
<b>Cash Flows from Investments in Financial Assets for Liquidity Purposes</b>						
Sales of Investments	2,565	403	403	248	183	184
<b>Net Cash Flows from Investments in Financial Assets for Liquidity Purposes</b>	<b>2,565</b>	<b>403</b>	<b>403</b>	<b>248</b>	<b>183</b>	<b>184</b>
<b>Net Cash Flows from Investing Activities</b>	<b>-200,807</b>	<b>-365,423</b>	<b>-289,256</b>	<b>-81,636</b>	<b>-80,662</b>	<b>-60,822</b>
<b>Cash Flows from Financing Activities</b>						
<b>Cash Receipts</b>						
Advances Received	546,657	96,300	90,300	296,300	57,300	24,800
<b>Total Cash Received from Financing Activities</b>	<b>546,657</b>	<b>96,300</b>	<b>90,300</b>	<b>296,300</b>	<b>57,300</b>	<b>24,800</b>
<b>Cash Payments</b>						
Advances Paid	-476,523	-23,208	-23,182	-240,859	-5,044	-4,906
Dividends Paid	-259,136	-168,452	-230,692	-172,969	-303,409	-213,654
Other Financing	-112,767	-131,637	-105,391	-135,499	-129,545	-119,055
<b>Total Cash Paid from Financing Activities</b>	<b>-848,426</b>	<b>-323,297</b>	<b>-359,265</b>	<b>-549,327</b>	<b>-437,998</b>	<b>-337,615</b>
<b>Net Cash Flows from Financing Activities</b>	<b>-301,768</b>	<b>-226,997</b>	<b>-268,965</b>	<b>-253,027</b>	<b>-380,698</b>	<b>-312,815</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>-80,191</b>	<b>-104,548</b>	<b>-106,384</b>	<b>-36,452</b>	<b>31,707</b>	<b>110,187</b>
<b>Cash and Cash Equivalents at the Beginning of Reporting Period</b>	<b>306,835</b>	<b>246,446</b>	<b>226,644</b>	<b>120,260</b>	<b>83,808</b>	<b>115,515</b>
<b>Cash and Cash Equivalents at the End of Reporting Period</b>	<b>226,644</b>	<b>141,898</b>	<b>120,260</b>	<b>83,808</b>	<b>115,515</b>	<b>225,702</b>
<b>Key Fiscal Aggregates</b>						
Net Cash from Operating Activities	422,385	487,872	451,837	298,211	493,067	483,824
Net Cash Flows from Investments in Non-Financial Assets	-135,093	-181,505	-167,042	-165,742	-85,682	-53,427
Distributions Paid	-371,903	-300,089	-336,083	-308,468	-432,954	-332,709
<b>Cash Surplus (+) / Deficit (-)</b>	<b>-84,611</b>	<b>6,278</b>	<b>-51,288</b>	<b>-175,999</b>	<b>-25,569</b>	<b>97,688</b>

**Note:** A positive number denotes a cash inflow, a negative sign denotes a cash outflow.

## APPENDIX D

### TOTAL TERRITORY FINANCIAL STATEMENTS





**Australian Capital Territory  
Consolidated Total Territory  
Operating Statement**

	2017-18 Actual Outcome \$'000	2018-19 Budget \$'000	2018-19 Revised Estimate \$'000	2019-20 Revised Estimate \$'000	2020-21 Revised Estimate \$'000	2021-22 Revised Estimate \$'000
<b>Revenue</b>						
Taxation Revenue	1,674,631	1,852,103	1,860,490	1,983,884	2,094,546	2,204,562
Grants Revenue						
Commonwealth Grants	2,282,487	2,312,919	2,339,319	2,374,579	2,500,476	2,644,937
Gains from Contributed Assets	97,183	193,327	128,767	125,926	110,476	110,569
Sales of Goods and Services						
Revenue from Associates and Joint Ventures	93,372	75,516	73,397	81,982	86,877	95,904
Other Sales of Goods and Services	896,465	888,197	887,643	907,059	928,397	947,600
Interest Income	68,594	44,745	45,923	37,727	37,424	36,896
Distributions from Financial Investments	35,426	38,633	31,239	39,169	49,284	52,851
Dividend Income	60,215	56,516	60,244	59,699	61,331	65,770
Other Revenue						
Land Revenue (Value Add Component)	315,838	477,311	512,740	428,070	503,054	493,089
Other Revenue	167,830	137,912	128,002	148,903	137,645	137,312
<b>Total Revenue</b>	<b>5,692,041</b>	<b>6,077,179</b>	<b>6,067,764</b>	<b>6,186,998</b>	<b>6,509,510</b>	<b>6,789,490</b>
<b>Expenses</b>						
Employee Expenses	2,184,468	2,246,559	2,274,195	2,319,780	2,367,388	2,418,391
Superannuation Expenses						
Superannuation Interest Cost	303,750	378,066	305,767	390,317	401,867	412,667
Other Superannuation Expenses	369,788	338,855	415,316	338,842	343,651	343,740
Depreciation and Amortisation	496,163	537,684	530,396	540,532	554,444	562,157
Interest Expense	187,912	203,761	199,797	220,792	231,419	244,256
Other Operating Expenses						
Supplies and Services	1,126,844	1,307,531	1,279,323	1,384,680	1,454,640	1,620,817
Other Operating Expenses	144,350	275,905	233,845	311,266	364,777	370,210
Grants and Purchased Services	921,213	920,190	912,596	941,585	1,068,235	1,009,117
<b>Total Expenses</b>	<b>5,734,488</b>	<b>6,208,551</b>	<b>6,151,235</b>	<b>6,447,794</b>	<b>6,786,421</b>	<b>6,981,355</b>
<b>UPF Net Operating Balance</b>	<b>-42,447</b>	<b>-131,372</b>	<b>-83,471</b>	<b>-260,796</b>	<b>-276,911</b>	<b>-191,865</b>
<b>Other Economic Flows – Included in the Operating Result</b>						
Land Revenue (Market Gains on Land Sales)	43,879	126,131	31,158	10,536	20,482	18,133
Net Land Revenue (Undeveloped Land Value)	90,748	82,090	77,264	39,630	53,556	53,809
Net Gain/(Loss) on Sale/(Disposal) of Non-Financial Assets	-82,152	-148,131	-139,407	-76,841	-58,025	-42,411
Net Gain/(Loss) on Financial Assets or Liabilities at Fair Value	244,789	183,425	-74,414	188,508	200,258	214,719
Doubtful Debts	-7,487	-9,531	-12,959	-13,081	-13,327	-13,392
<b>Operating Result</b>	<b>247,330</b>	<b>102,612</b>	<b>-201,829</b>	<b>-112,044</b>	<b>-73,967</b>	<b>38,993</b>

**Australian Capital Territory  
Consolidated Total Territory  
Operating Statement**

	2017-18 Actual Outcome \$'000	2018-19 Budget \$'000	2018-19 Revised Estimate \$'000	2019-20 Revised Estimate \$'000	2020-21 Revised Estimate \$'000	2021-22 Revised Estimate \$'000
<b>Other Economic Flows – Other Comprehensive Income</b>						
<b>Items that will not be Subsequently Reclassified to Profit or Loss</b>						
Capital Distributions	11,300	-	-	-	-	-
Superannuation Actuarial Gain/(Loss)	-895,977	-	2,198,182	-	-	-
Other Movements	-46,993	-438	75,493	-424	-424	-424
Increase/(Decrease) in the Asset Revaluation Reserve Surpluses due to Revaluations	410,530	205,975	200,098	192,125	259,515	170,915
<b>Items that may be Subsequently Reclassified to Profit or Loss</b>						
Increase/(Decrease) in Other Reserves	-9,820	-	-	-	-	-
<b>Total Comprehensive Income</b>	<b>-283,630</b>	<b>308,149</b>	<b>2,271,944</b>	<b>79,657</b>	<b>185,124</b>	<b>209,484</b>
<b>UPF Net Operating Balance</b>	<b>-42,447</b>	<b>-131,372</b>	<b>-83,471</b>	<b>-260,796</b>	<b>-276,911</b>	<b>-191,865</b>
<b>less Net Acquisition of Non- Financial Assets</b>						
Payments for Non-Financial Assets	884,819	879,787	866,397	1,063,228	975,261	712,107
Sales of Non-Financial Assets	-365,917	-272,715	-272,715	-168,904	-211,725	-199,850
Land Revenue (Net Cash Receipts)	-	-169,335	-	-	-	-
Change in Inventories	-3,711	-	135,444	67,624	-83,914	-149,082
Depreciation and Amortisation	-496,163	-537,684	-530,396	-540,532	-554,444	-562,157
Other Movements in Non-Financial Assets	96,649	192,635	128,109	125,271	8,998	63,893
<i>Total Net Acquisition of Non-Financial Assets</i>	<i>115,677</i>	<i>92,688</i>	<i>326,839</i>	<i>546,687</i>	<i>134,176</i>	<i>-135,089</i>
<b>Net Lending / (Borrowing)</b>	<b>-158,124</b>	<b>-224,060</b>	<b>-410,310</b>	<b>-807,483</b>	<b>-411,087</b>	<b>-56,776</b>
UPF Net Operating Balance	-42,447	-131,372	-83,471	-260,796	-276,911	-191,865
Superannuation Return Adjustment	161,762	183,325	190,010	188,408	200,158	214,619
<b>HEADLINE NET OPERATING BALANCE</b>	<b>119,315</b>	<b>51,953</b>	<b>106,539</b>	<b>-72,388</b>	<b>-76,753</b>	<b>22,754</b>

**Australian Capital Territory  
Consolidated Total Territory  
Balance Sheet**

	2017-18 Actual Outcome \$'000	2018-19 Budget \$'000	2018-19 Revised Estimate \$'000	2019-20 Revised Estimate \$'000	2020-21 Revised Estimate \$'000	2021-22 Revised Estimate \$'000
<b>Financial Assets</b>						
Cash and Deposits	834,152	718,626	726,822	692,021	727,105	842,589
Advances Paid	66,036	89,430	89,173	66,662	58,445	54,945
Investments and Loans	4,826,748	4,628,988	4,432,061	4,743,749	5,113,568	5,485,649
Receivables	480,330	410,244	359,632	349,536	327,283	227,617
Investments Accounted for Using the Equity Method	1,002,313	1,023,917	1,025,710	1,040,692	1,059,069	1,077,473
<b>Total Financial Assets</b>	<b>7,209,579</b>	<b>6,871,205</b>	<b>6,633,398</b>	<b>6,892,660</b>	<b>7,285,470</b>	<b>7,688,273</b>
<b>Non-Financial Assets</b>						
<b>Produced Assets</b>						
Property, Plant and Equipment	15,076,040	16,315,022	16,238,021	16,627,053	17,262,595	17,645,579
Investment Properties	13,402	14,113	13,480	13,386	13,374	13,380
Intangibles	216,287	402,665	475,038	515,766	430,006	400,002
Inventories	248,093	391,226	383,537	451,161	367,247	218,165
Assets Held for Sale	236,687	10,976	36,645	33,933	13,555	13,636
Capital Works-in-Progress	844,369	713,214	759,999	924,135	827,378	727,080
<b>Non Produced Assets</b>						
Property, Plant and Equipment	7,668,347	7,756,009	7,915,177	8,065,387	8,243,133	8,395,604
Loose-Fill Asbestos Insulation Eradication Scheme Land	9,392	1,457	3,757	2,172	-	-
Biological Assets	29,769	29,917	29,769	29,769	29,769	29,769
Other Non-Financial Assets	11,799	15,056	11,818	11,818	11,818	11,818
<b>Total Non-Financial Assets</b>	<b>24,354,186</b>	<b>25,649,655</b>	<b>25,867,241</b>	<b>26,674,580</b>	<b>27,198,875</b>	<b>27,455,033</b>
<b>Total Assets</b>	<b>31,563,764</b>	<b>32,520,860</b>	<b>32,500,639</b>	<b>33,567,240</b>	<b>34,484,345</b>	<b>35,143,306</b>
<b>Liabilities</b>						
Deposits Held	15,618	15,632	15,618	15,618	15,618	15,618
Advances Received	1,073,716	1,017,156	1,017,156	958,327	849,435	740,503
<b>Borrowings</b>						
Finance Leases	1,301	488,040	489,190	478,039	466,425	456,313
Other Borrowings	3,440,607	3,523,614	3,513,488	4,222,376	4,741,112	4,977,387
Superannuation	9,735,968	7,803,907	7,804,505	8,051,932	8,284,867	8,500,794
Employee Benefits	739,520	766,981	772,328	811,729	853,556	896,413
Other Provisions	415,810	479,226	457,839	474,626	490,942	526,239
Payables	294,187	442,415	313,859	359,443	403,386	443,226
Other Liabilities	43,338	38,331	41,012	39,849	38,579	36,904
<b>Total Liabilities</b>	<b>15,760,065</b>	<b>14,575,302</b>	<b>14,424,995</b>	<b>15,411,939</b>	<b>16,143,920</b>	<b>16,593,397</b>
<b>Net Assets</b>						
Accumulated Funds	5,223,575	7,251,201	7,188,168	7,097,700	7,045,309	7,105,878
Asset Revaluation Surplus	10,579,025	10,683,437	10,886,376	11,056,501	11,294,016	11,442,931
Other Reserves	1,100	10,920	1,100	1,100	1,100	1,100
<b>Net Worth</b>	<b>15,803,699</b>	<b>17,945,558</b>	<b>18,075,644</b>	<b>18,155,301</b>	<b>18,340,425</b>	<b>18,549,909</b>
<b>Net Financial Worth</b>						
Net Financial Worth	-8,550,486	-7,704,097	-7,791,597	-8,519,279	-8,858,450	-8,905,124
<b>Net Financial Liabilities</b>	<b>9,552,799</b>	<b>8,728,014</b>	<b>8,817,307</b>	<b>9,559,971</b>	<b>9,917,519</b>	<b>9,982,597</b>

**Australian Capital Territory  
Consolidated Total Territory  
Balance Sheet**

	<b>2017-18 Actual Outcome \$'000</b>	<b>2018-19 Budget \$'000</b>	<b>2018-19 Revised Estimate \$'000</b>	<b>2019-20 Revised Estimate \$'000</b>	<b>2020-21 Revised Estimate \$'000</b>	<b>2021-22 Revised Estimate \$'000</b>
<b>Net Debt (Including Superannuation Related Investments)</b>	-1,195,694	-392,602	-212,604	171,928	173,472	-193,362
<b>Net Debt (Excluding Superannuation Related Investments)</b>	2,804,365	3,743,778	3,730,055	4,399,437	4,706,690	4,667,960

**Australian Capital Territory  
Consolidated Total Territory  
Statement of Changes in Equity**

	2017-18 Actual Outcome \$'000	2018-19 Actual Outcome \$'000	2018-19 Revised Estimate \$'000	2019-20 Revised Estimate \$'000	2020-21 Revised Estimate \$'000	2021-22 Revised Estimate \$'000
<b>Opening Equity</b>						
Opening Accumulated Funds	5,830,691	7,256,280	5,223,575	7,188,168	7,097,700	7,045,309
Opening Asset Revaluation Surplus	10,245,718	10,370,209	10,579,025	10,886,376	11,056,501	11,294,016
Opening Other Reserves	10,920	10,920	1,100	1,100	1,100	1,100
<b>Opening Balance</b>	<b>16,087,329</b>	<b>17,637,409</b>	<b>15,803,699</b>	<b>18,075,644</b>	<b>18,155,301</b>	<b>18,340,425</b>
<b>Comprehensive Income</b>						
<i>Included in Accumulated Funds:</i>						
Operating Result for the Period	247,330	102,612	-201,829	-112,044	-73,967	38,993
Capital Distributions	11,300	-	-	-	-	-
Superannuation Actuarial Gain/(Loss)	-895,977	-	2,198,182	-	-	-
Other Movements	-46,993	-438	75,493	-424	-424	-424
<i>Included in Asset Revaluation Surplus:</i>						
Increase/(Decrease) in the Asset Revaluation Reserve Surpluses due to Revaluations	410,530	205,975	200,098	192,125	259,515	170,915
<i>Included in Other Reserves:</i>						
Increase/(Decrease) in Other Reserves	-9,820	-	-	-	-	-
<b>Total Comprehensive Income</b>	<b>-283,630</b>	<b>308,149</b>	<b>2,271,944</b>	<b>79,657</b>	<b>185,124</b>	<b>209,484</b>
<b>Other</b>						
Transfer to/(from) Accumulated Funds	77,224	-107,253	-107,253	22,000	22,000	22,000
Movement in the Asset Revaluation Surplus	-77,224	107,253	107,253	-22,000	-22,000	-22,000
<b>Total Other</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Closing Equity</b>						
Closing Accumulated Funds	5,223,575	7,251,201	7,188,168	7,097,700	7,045,309	7,105,878
Closing Asset Revaluation Surplus	10,579,025	10,683,437	10,886,376	11,056,501	11,294,016	11,442,931
Closing Other Reserves	1,100	10,920	1,100	1,100	1,100	1,100
<b>Balance at the End of the Reporting Period</b>	<b>15,803,699</b>	<b>17,945,558</b>	<b>18,075,644</b>	<b>18,155,301</b>	<b>18,340,425</b>	<b>18,549,909</b>

**Australian Capital Territory  
Consolidated Total Territory  
Cash Flow Statement**

	2017-18 Actual Outcome \$'000	2018-19 Budget \$'000	2018-19 Revised Estimate \$'000	2019-20 Revised Estimate \$'000	2020-21 Revised Estimate \$'000	2021-22 Revised Estimate \$'000
<b>Cash Flows from Operating Activities</b>						
<b>Cash Receipts</b>						
Taxes Received	1,559,699	1,856,128	1,842,008	1,969,394	2,078,912	2,187,791
Receipts from Sales of Goods and Services	1,378,900	1,530,369	1,447,613	1,364,951	1,484,990	1,494,126
Grants/Subsidies Received	2,284,001	2,318,587	2,338,587	2,373,061	2,499,526	2,643,954
Distributions from Financial Investments	33,432	38,633	31,239	39,169	49,284	52,851
Interest Receipts	69,548	43,527	44,684	36,498	37,345	36,843
Dividends	62,355	56,516	60,244	59,699	61,331	65,770
Other Receipts	571,681	457,607	269,237	289,232	271,344	352,084
<b>Total Cash Received from Operating Activities</b>	<b>5,959,616</b>	<b>6,301,367</b>	<b>6,033,612</b>	<b>6,132,004</b>	<b>6,482,732</b>	<b>6,833,419</b>
<b>Cash Payments</b>						
Payments for Employees	-2,549,336	-2,633,457	-2,670,040	-2,732,643	-2,809,265	-2,886,003
Payments for Goods and Services	-1,136,311	-1,274,746	-1,262,065	-1,377,606	-1,458,894	-1,635,108
Grants/Subsidies Paid	-928,859	-918,216	-912,740	-950,253	-975,957	-971,590
Interest Paid	-179,356	-202,543	-194,204	-219,158	-228,954	-241,689
Other Payments	-609,264	-698,955	-460,620	-541,297	-447,517	-433,171
<b>Total Cash Paid from Operating Activities</b>	<b>-5,403,126</b>	<b>-5,727,917</b>	<b>-5,499,669</b>	<b>-5,820,957</b>	<b>-5,920,587</b>	<b>-6,167,561</b>
<b>Net Cash Flows from Operating Activities</b>	<b>556,490</b>	<b>573,450</b>	<b>533,943</b>	<b>311,047</b>	<b>562,145</b>	<b>665,858</b>
<b>Cash Flows from Investing Activities</b>						
<b>Cash Flows from Investments in Non-Financial Assets</b>						
Sales of Non-Financial Assets	365,917	272,715	272,715	168,904	211,725	199,850
Payments for Non-Financial Assets	-884,819	-879,787	-866,397	-1,063,228	-975,261	-712,107
<b>Net Cash Flows from Investments in Non-Financial Assets</b>	<b>-518,902</b>	<b>-607,072</b>	<b>-593,682</b>	<b>-894,324</b>	<b>-763,536</b>	<b>-512,257</b>
<b>Cash Flows from Investments in Financial Assets for Policy Purposes</b>						
<b>Cash Receipts</b>						
Repayment of Loans	2,782	11,240	5,583	32,323	8,377	3,677
Capital Distributions	11,300	-	-	-	-	-
<b>Total Cash Received from Investments in Financial Assets for Policy Purposes</b>	<b>14,082</b>	<b>11,240</b>	<b>5,583</b>	<b>32,323</b>	<b>8,377</b>	<b>3,677</b>
<b>Cash Payments</b>						
Issue of Loans	-3,522	-18,821	-13,905	-8,764	-	-
<b>Total Cash Paid from Investments in Financial Assets for Policy Purposes</b>	<b>-3,522</b>	<b>-18,821</b>	<b>-13,905</b>	<b>-8,764</b>	<b>0</b>	<b>0</b>
<b>Net Cash Flows from Investments in Financial Assets for Policy Purposes</b>	<b>10,560</b>	<b>-7,581</b>	<b>-8,322</b>	<b>23,559</b>	<b>8,377</b>	<b>3,677</b>

**Australian Capital Territory  
Consolidated Total Territory  
Cash Flow Statement**

	2017-18 Actual Outcome \$'000	2018-19 Budget \$'000	2018-19 Revised Estimate \$'000	2019-20 Revised Estimate \$'000	2020-21 Revised Estimate \$'000	2021-22 Revised Estimate \$'000
<b>Cash Flows from Investments in Financial Assets for Liquidity Purposes</b>						
Sales of Investments	137,098	406,306	470,347	372,304	113,866	137,656
Payments for Investments	-198,155	-91,409	-134,876	-493,901	-281,566	-292,799
<b>Net Cash Flows from Investments in Financial Assets for Liquidity Purposes</b>	<b>-61,056</b>	<b>314,897</b>	<b>335,471</b>	<b>-121,597</b>	<b>-167,700</b>	<b>-155,143</b>
<b>Net Cash Flows from Investing Activities</b>	<b>-569,399</b>	<b>-299,756</b>	<b>-266,533</b>	<b>-992,362</b>	<b>-922,859</b>	<b>-663,723</b>
<b>Cash Flows from Financing Activities</b>						
<b>Cash Receipts</b>						
Borrowings	227	81,320	75,320	709,188	519,035	236,575
<b>Total Cash Received from Financing Activities</b>	<b>227</b>	<b>81,320</b>	<b>75,320</b>	<b>709,188</b>	<b>519,035</b>	<b>236,575</b>
<b>Cash Payments</b>						
Borrowings	-165,535	-436,302	-436,276	-62,674	-123,237	-123,226
<b>Total Cash Paid from Financing Activities</b>	<b>-165,535</b>	<b>-436,302</b>	<b>-436,276</b>	<b>-62,674</b>	<b>-123,237</b>	<b>-123,226</b>
<b>Net Cash Flows from Financing Activities</b>	<b>-165,307</b>	<b>-354,982</b>	<b>-360,956</b>	<b>646,514</b>	<b>395,798</b>	<b>113,349</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>-178,217</b>	<b>-81,288</b>	<b>-93,546</b>	<b>-34,801</b>	<b>35,084</b>	<b>115,484</b>
<b>Cash and Cash Equivalents at the Beginning of Reporting Period</b>	<b>1,058,856</b>	<b>858,949</b>	<b>880,640</b>	<b>787,093</b>	<b>751,293</b>	<b>786,377</b>
<b>Cash and Cash Equivalents at the End of Reporting Period</b>	<b>880,640</b>	<b>777,661</b>	<b>787,093</b>	<b>751,293</b>	<b>786,377</b>	<b>901,861</b>
<b>Key Fiscal Aggregates</b>						
Net Cash from Operating Activities	556,490	573,450	533,943	311,047	562,145	665,858
Investments in Non-Financial Assets	-518,902	-607,072	-593,682	-894,324	-763,536	-512,257
<b>Cash Surplus (+) / Deficit (-)</b>	<b>37,587</b>	<b>-33,622</b>	<b>-59,739</b>	<b>-583,277</b>	<b>-201,391</b>	<b>153,601</b>

**Note:** A positive number denotes a cash inflow, while a negative sign denotes a cash outflow.