



Australian Capital Territory

Budget

2025–26

Budget Review



Structure and Content of the 2025-26 Budget Papers

Budget Review

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



Acknowledgement

The Chief Minister, Treasury and Economic Development Directorate acknowledges the Ngunnawal people as traditional custodians of the ACT and recognises any other people or families with connection to the lands of the ACT and region.

We respect the Aboriginal and Torres Strait Islander people, particularly our Aboriginal and Torres Strait Islander staff, and their continuing culture and contribution they make to the Canberra region and the life of our city.

ISSN 1327-581X ©

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ACKNOWLEDGEMENT OF COUNTRY

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

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

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

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

CHAPTER 1 2025-26 BUDGET REVIEW OVERVIEW

1.1 OVERVIEW

2025-26 Budget Review – purpose and objectives

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

The 2025-26 Budget Review provides updated information to allow an assessment of the Government's financial performance against its financial policy objectives and strategies as set out in the 2025-26 Budget.

The 2025-26 Budget Review:

- provides an update to the financial forecast projections for the current financial year and the next three financial years;
- updates financial and economic parameters, and incorporates the consequential changes to the estimated outcome and the forward years' forecasts;
- identifies the impact of policy initiatives that have been decided since the 2025-26 Budget;
- identifies the impact of revised cash expenditure forecasts associated with the Territory's Infrastructure Investment Program;
- identifies events that have emerged since the 2025-26 Budget and incorporates them where they are certain and quantifiable; and
- presents a view of the Territory's financial position and risks to that position.

This update reflects the impact of policy decisions up to 28 January 2026. The estimates have been updated to reflect the financial impact of the Commonwealth Government's 2025-26 Mid-Year Economic and Fiscal Outlook (2025-26 MYEFO) released on 17 December 2025.

Key financial metric references and financial statements in relation to the 2025-26 Budget throughout this document reflect estimates contained in the 2025-26 Budget Addendum.

This report also contains statements that are consistent with the requirements of the Uniform Presentation Framework. Where significant issues have been identified but are not certain, or are unable to be quantified with reasonable certainty, they have been identified as potential risks to the estimates (consistent with previous Budget Reviews, risks that remain unchanged from publication of the 2025-26 Budget have not been reproduced in this update). These risks may have either positive or negative budgetary implications.

2025-26 Budget Review context

The Government's fiscal strategy shapes a clear pathway to returning the Budget to surplus and maintaining the Territory's strong fiscal position. This strategy, set out in the 2025-26 Budget, and our ongoing commitment to the principles of responsible fiscal management, will ensure the continuing strength of the Territory's balance sheet. Importantly, decisions taken to return to surplus will not undermine the Government's economic objectives.

The fiscal strategy has enabled us to deliver a record investment in public health and provide further funding to our public education system, while putting the Budget on a path to surplus over the forward estimates. We continue to prioritise reforms to advance housing choice and affordability and provide targeted support to those who need it most.

The Government's approach to responsible fiscal management has also supported a large and well-targeted infrastructure investment program, delivering investments in transport, health and other city-shaping projects to support the future needs of our city and the wellbeing of Canberrans.

The Territory has a robust and strong economy with continued wage growth, high workforce participation and a low unemployment rate. Together with the fiscal strategy, the ongoing strength of the local economy provides the foundation to ensure the Budget is on a sustainable footing.

The ACT Economy

The ACT economy remains strong and continues to perform soundly, despite headwinds. Gross State Product (GSP) increased by 3.5 per cent in 2024-25, the fastest of all states and territories and well above growth in the national economy. Strong public demand, growth in real wages, and high labour force participation is supporting the local economy.

The outlook for the economy remains positive, with the forecasts for economic growth unchanged from the 2025-26 Budget. Growth is expected to be broad based supported by ongoing strength in public demand and a resilient household sector. The ACT housing market continues to remain resilient and is expected to be supported by increased capacity for private investment.

Employment growth is forecast to accelerate in 2025-26, following a moderation in growth in 2024-25 and a slight uptick in unemployment from the very low levels following the COVID-19 pandemic. Labour force participation is expected to remain at historically high levels and employment is forecast to continue growing strongly from 2026-27, broadly in line with population growth and ongoing economic strength.

Table 1.1.1: Economic parameters, 2025-26 Budget Review, baseline forecasts, percentage change

	2024-25 Estimate	2025-26 Budget	2026-27 Forecast	2027-28 Projection	2028-29 Projection
ACT					
Gross State Product ^{1,2}	3.5	3¼	3½	3¾	3¾
State Final Demand ^{1,2}	4.1 (2¾)	2½	2¾	3	3
Employment ³	0.7 (2)	1½ (1¾)	1¾	2	2
Wage Price Index ^{3,4}	3.6 (3½)	3½ (3¾)	3¾	3¾	3
Consumer Price Index ^{3,5}	1.6 (2¾)	3¼ (2¾)	2¾ (2½)	2½	2¼
Population ³	1.3 (2)	1½ (1¾)	1¾	1¾	1¾
Australia					
Gross Domestic Product ^{1,2,6}	1.4 (1½)	2¼	2¼ (2½)	2½ (2¾)	2¾

Sources: Australian Bureau of Statistics (ABS) Australian National Accounts: National Income, Expenditure and Product; Australian National Accounts: State Accounts; Labour Force, Australia; Wage Price Index, Australia; Consumer Price Index, Australia; National, State and Territory Population; CMTEDD estimates; 2025-26 Mid-Year Economic and Fiscal Outlook.

Notes: Forecasts and projections are rounded to a ¼ of a percentage point. Numbers in brackets are the estimates published in the 2025-26 Budget. No bracket indicates that the forecast is unchanged from the 2025-26 Budget.

1. Real values.
2. Growth over the preceding year.
3. Through the year to the June quarter growth.
4. Total hourly rates of pay, excluding bonuses.
5. Forecasts for CPI finalised before the release on 28 January 2026.
6. 2025-26 Mid-Year Economic and Fiscal Outlook.

The 2025-26 Budget Review fiscal position

The General Government Sector (GGS) Headline Net Operating Balance (HNOB) deficit is expected to fall from \$1.1 billion in 2024-25 to \$499.1 million in 2025-26. This improvement continues across the forward estimates period with the forecast HNOB deficit declining further to \$79.7 million in 2026-27 before surpluses of \$63.3 million in 2027-28 and \$280.3 million in 2028-29.

Reflecting these trends, net operating cash is expected to move from a deficit of \$430 million in 2024-25 to a surplus of \$794.6 million in 2028-29, a cumulative improvement of over \$1 billion. Progressive increases in operating cash surpluses will provide the capacity to reduce borrowings and fund a greater proportion of the Territory's ongoing capital investment requirements.

Net debt of the GGS is forecast to be \$11.048 billion in 2025-26, similar to the estimate provided in the 2025-26 Budget. Net debt is forecast to increase to \$13.817 billion in 2028-29.

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

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

	2024-25 Actual	2025-26 Budget	2025-26 Budget Review	2026-27 Revised Estimate	2027-28 Revised Estimate	2028-29 Revised Estimate
Revenue	7,971.3	8,926.6	8,906.1	9,579.4	9,914.6	10,318.5
Expenses	9,369.6	9,608.9	9,688.3	9,945.1	10,158.9	10,369.0
Superannuation Return Adjustment	267.2	255.9	283.0	286.1	307.6	330.8
HEADLINE NET OPERATING BALANCE	(1,131.1)	(426.4)	(499.1)	(79.7)	63.3	280.3
Net cash from operating activities	(430.0)	(129.6)	(157.7)	171.7	431.8	794.6
Net debt (excluding superannuation related investments)	9,150.7	11,068.4	11,047.6	12,786.8	13,410.8	13,816.5
Net financial liabilities	15,135.9	16,476.5	16,228.3	17,411.3	17,708.1	17,797.9

Note: Numbers may not add due to rounding.

CHAPTER 2 ECONOMIC OUTLOOK

2.1 ECONOMIC OVERVIEW

The ACT economy continues its very strong performance, growing faster than all states and territories. The ACT has now experienced 29 years of continuous economic growth, following an increase in Gross State Product (GSP) of 3.5 per cent in 2024-25. This reflects growth well above the national economy, supported by strong public demand, growth in real wages and high labour force participation.

The outlook for the economy remains positive, with forecasts for economic growth unchanged from the 2025-26 Budget. Growth is expected to be broad-based supported by ongoing strength in public demand, a resilient household sector and a gradual pick up in private investment.

Employment growth is forecast to accelerate in 2025-26, following a moderation in growth in 2024-25. A slight uptick in unemployment is expected after an extended period of very low unemployment following the pandemic. Labour force participation is expected to remain at historically high levels. Employment is forecast to continue growing strongly from 2026-27, broadly in line with population growth and ongoing economic strength.

Inflation in Canberra remains low, with lower-than-expected growth of 1.6 per cent in 2024-25. This is well below the peak of 7.1 per cent reached in 2022. The Consumer Price Index (CPI) is expected to grow by 3¼ per cent in 2025-26, largely reflecting the unwinding of national energy rebates and ongoing pricing volatility in items such as fuel. Inflation pressures will then continue to moderate over the medium term.

Wage growth in the ACT remains robust with continued positive real wage growth. The Wage Price Index (WPI) increased 3.6 per cent in 2024-25. WPI growth is now forecast to be slightly stronger in 2025-26, before easing to around 3¼ per cent in 2026-27 and 2027-28. Real wage growth is expected to remain positive and support growth in household consumption.

The ACT's estimated resident population increased by 1.3 per cent through the year to the June quarter 2025, supported by strong net overseas migration, which was lower than the 2025-26 Budget estimate. The population is now forecast to grow by 1½ per cent in 2025-26 before increasing to 1¾ per cent from 2026-27 onwards, in line with the strengthening local economy.

The economic outlook faces ongoing risks, largely from uncertainty around the near-term path for inflation and interest rates. These may have potential implications for the labour market and aggregate demand. On the upside, housing market activity may rebound stronger than forecast stemming from higher household disposable income and the recent moderation in construction costs, with flow-on effects for the broader ACT economy.

2.2 ACT ECONOMIC OUTLOOK

The ACT economy performed strongly in 2024-25. Gross State Product (GSP) grew 3.5 per cent, driven by robust public consumption and investment, alongside solid household consumption.

As in previous years, the ACT economic outlook is exposed to risks including uncertainty around inflation, interest rates, and geopolitical events. Table 2.2.1 presents the economic forecasts for the ACT.

Table 2.2.1: Economic parameters, 2025-26 Budget Review, baseline forecasts, percentage change

	2024-25 Actual	2025-26 Forecast	2026-27 Projection	2027-28 Projection	2028-29 Projection
ACT					
Gross State Product ^{1,2}	3.5	3¼	3½	3¾	3¾
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Sources: Australian Bureau of Statistics (ABS) Australian National Accounts: National Income, Expenditure and Product; Australian National Accounts: State Accounts; Labour Force, Australia; Wage Price Index, Australia; Consumer Price Index, Australia; National, State and Territory Population; CMTEDD estimates; 2025-26 Mid-Year Economic and Fiscal Outlook.

Notes: Forecasts and projections are rounded to a ¼ of a percentage point. Numbers in brackets are the estimates published in the 2025-26 Budget. No bracket indicates that the forecast is unchanged from the 2025-26 Budget.

1. Real values.
2. Growth over the preceding year.
3. Through the year to the June quarter growth.
4. Total hourly rates of pay, excluding bonuses.
5. Forecasts for CPI finalised before the release on 28 January 2026.
6. 2025-26 Mid-Year Economic and Fiscal Outlook.

Assumptions

Box 2.2.1: Key assumptions

The economic forecasts are underpinned by several key assumptions, and outcomes could diverge from baseline forecasts depending on the extent to which these assumptions hold:

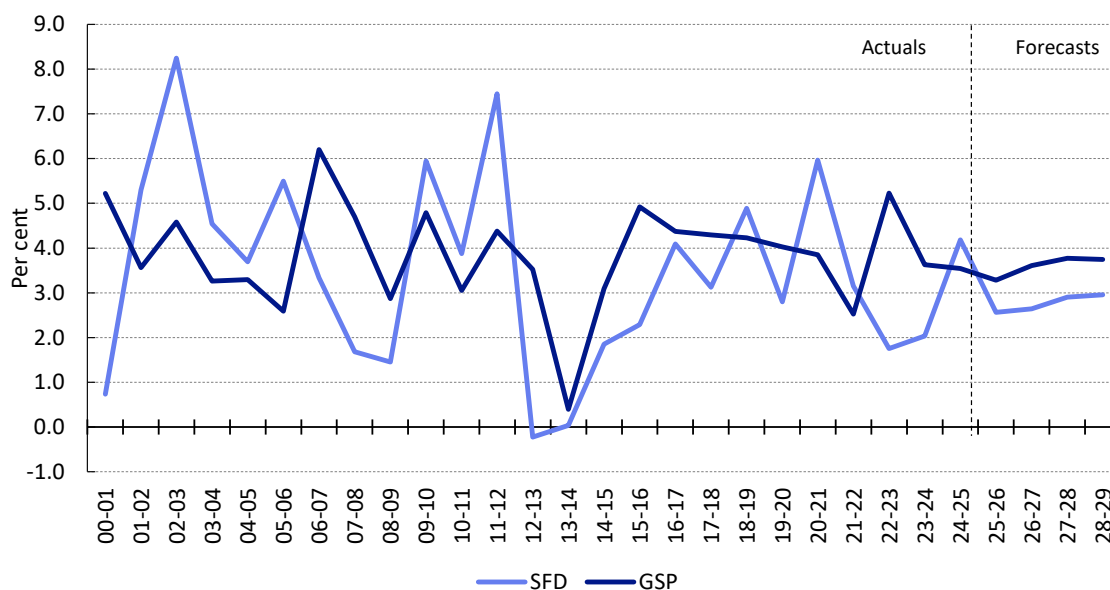
- **Inflation:** The ACT inflation outlook is informed by the November 2025 Statement on Monetary Policy (SMP) from the Reserve Bank of Australia (RBA) and the Commonwealth's 2025-26 Mid-Year Economic and Fiscal Outlook (MYEFO).
- **Interest Rates:** Interest rates in the latest SMP are informed by market expectations, which as at 29 October 2025, have priced in a 30 basis points fall over the year to December 2026.
 - Recent monthly inflation outcomes suggest a low probability of interest rate cuts, with market expectations instead shifting toward interest rate increases in 2026, which could dampen the forecast recovery in private demand.
- The domestic and international outlooks are informed by the November SMP, the 2025-26 MYEFO, and the International Monetary Fund's (IMF) World Economic Outlook.
- MYEFO notes that the Australian economy is now expected to have a slower recovery path with GDP growth revised from 2½ per cent to 2¼ per cent in 2026-27. Real GDP growth is forecast to be 2¼ per cent in both 2025-26 and 2026-27.
- In its SMP, the RBA forecasts GDP growth of 1.9 per cent for 2025-26 and 2.0 per cent for 2026-27.
- According to the IMF's January 2026 World Economic Outlook, the global economy is forecast to grow by 3.3 per cent in 2026, the same as that estimated for 2025.

Gross State Product (GSP)

The ACT economy outperformed expectations in 2024-25, with GSP expanding by 3.5 per cent, driven by robust public consumption and investment, alongside solid household consumption. State Final Demand (SFD) rose by 4.1 per cent, significantly above the 2025-26 Budget forecasts. In the September 2025 quarter, SFD increased by 0.9 per cent, bringing through-the-year growth to 2.8 per cent, supported by strong public and private consumption, as well as robust public investment.

The outlook for the local economy is positive, with GSP and SFD forecast to grow strongly in 2025-26, unchanged from the 2025-26 Budget. Public demand and net exports are expected to continue supporting the ACT economy in 2025-26. The forecast for growth in household consumption is unchanged from Budget with risks balanced around growth in real wages and interest rates. Recent income tax cuts are expected to support growth in household consumption. Private investment is anticipated to maintain a gradual recovery.

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

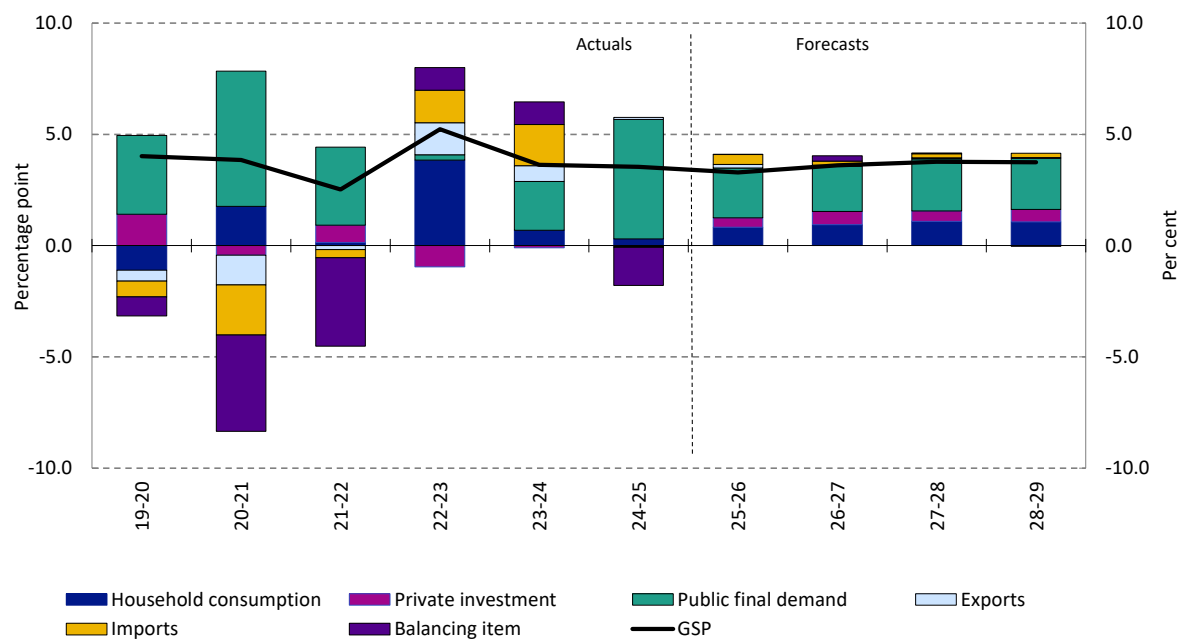


Sources: ABS Australian National Accounts, State Accounts and CMTEDD estimates.

Over the forward estimates, while GSP growth forecasts remain unchanged from Budget, the underlying drivers have been slightly revised. Household consumption is still expected to recover gradually, supported by gains in real disposable income. Dwelling investment is projected to strengthen from 2025-26 as input cost pressures moderate, and demand normalises towards historical levels, albeit at a slower pace than expected at Budget. Public consumption and investment are broadly unchanged from Budget with the former slightly revised upwards and the latter downwards. Exports, driven by education exports, are rebounding stronger than expected with a positive contribution to GSP growth.

Figure 2.2.1 shows the SFD and GSP forecasts for the ACT economy to 2028-29, and figure 2.2.2 shows GSP growth and the contribution of various components for the 10-year period from 2019-20 to 2028-29.

Figure 2.2.2: Contribution to GSP growth, ACT



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

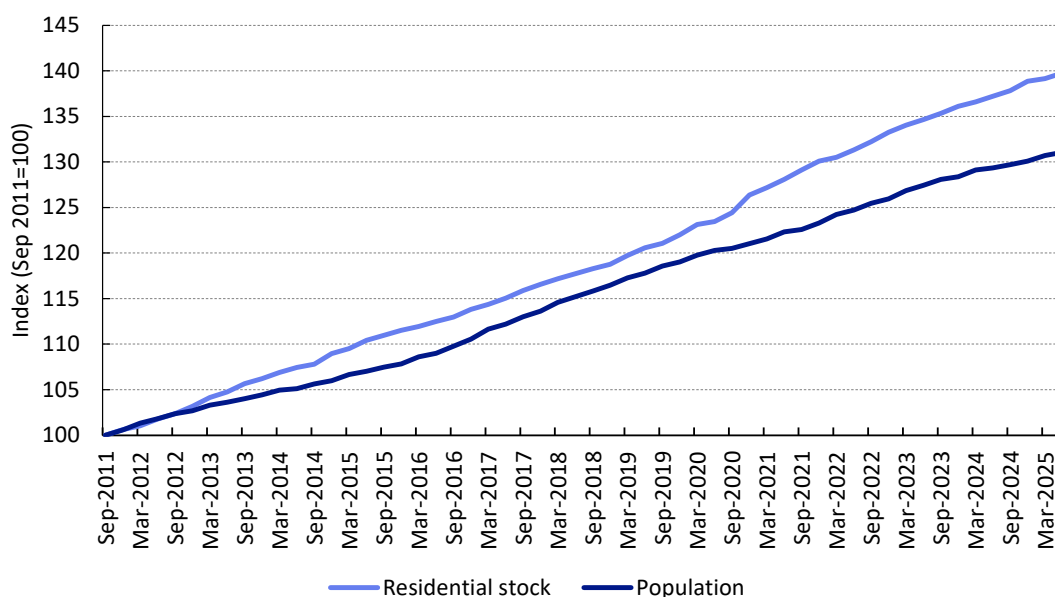
Housing Market

Activity in the established housing market has remained strong, with the total volume of dwelling transfers increasing by 12.3 per cent in 2024-25. This reflects the impact of interest rate cuts in 2025, a buoyant labour market, and strong wage growth. While there are some risks associated with interest rates being higher for longer, housing market activity is expected to remain resilient, underpinned by anticipated gains in household disposable income and federal policy measures, including the Help to Buy Scheme.

Since mid-2022, building activity in the ACT has remained subdued, reflecting the impact of higher interest rates and elevated material costs. However, building approvals have picked up in recent months. As a result, dwelling investment is still expected to grow, albeit at a slower rate than previously forecast, by 1.5 per cent in 2025-26. Growth is forecast to accelerate in 2026-27, reflecting the lagged effect of interest rate cuts in 2025 and a moderation in input cost pressures.

Despite the recent softening in new dwellings investment, supply has been keeping pace with demand (Figure 2.2.3). The number of residential dwellings across the ACT’s housing stock increased 2.1 per cent through the year to the September quarter 2025, while population increased by 1.3 per cent through the year to the June quarter 2025.

Figure 2.2.3: Residential Dwelling Stock and Population Growth, September 2011 to June 2025, ACT



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

Labour Market

The ACT’s labour market continues to perform soundly, with low levels of unemployment and the highest labour force participation rate in the country. While employment growth slowed in 2024-25, forecast levels of employment remain broadly unchanged. This is the result of the ABS’ re-benchmarking of the labour force data in its June 2025 release, which revised up employment levels in history, leading to lower growth rates over recent quarters.

The labour market is expected to remain strong over the period ahead, although employment is now forecast to grow by 1½ per cent in 2025-26, below the estimate in the 2025-26 Budget. The downward revision largely reflects the flow-on effects of the ABS’ re-benchmarking of the labour force data, along with slightly slower growth in the non-market sector in the near term.

Employment growth is projected to accelerate to 1¾ per cent in 2026-27, before rising further to 2 per cent in 2027-28. These forecasts are unchanged from the 2025-26 Budget and are in line with the gradual pick-up in private sector activity.

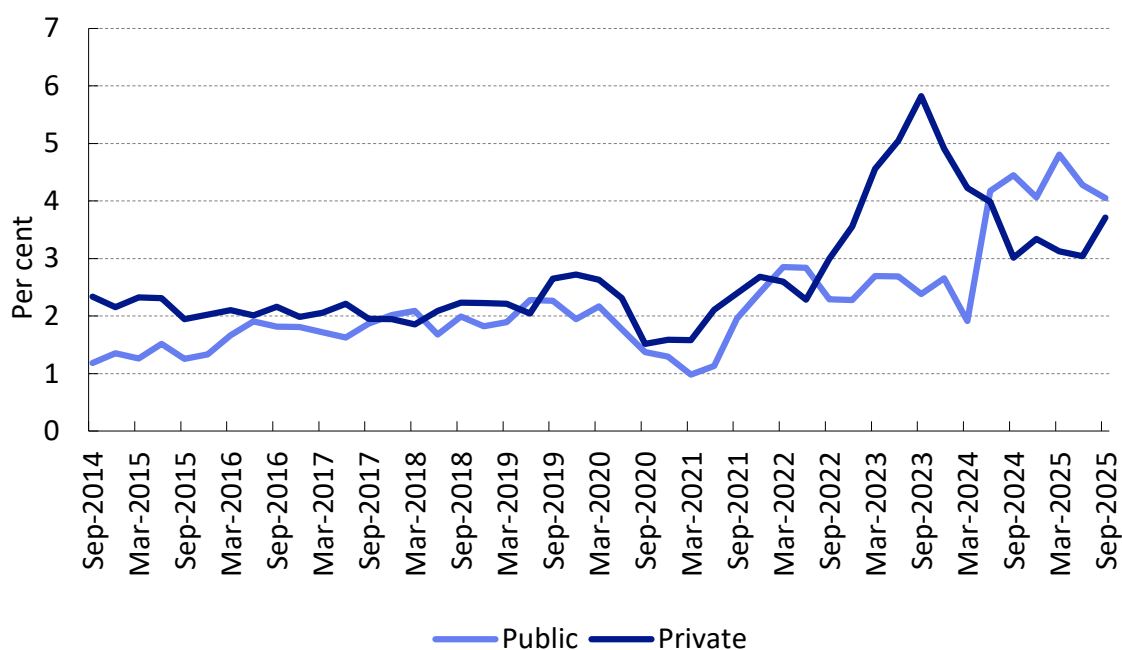
There is some risk that slower employment growth in the non-market sector could weigh on private sector hiring, reflecting weaker employment outcomes in the Public Administration and Safety industry.

Wage Price Index (WPI)

Wage growth in the ACT remained strong in 2024-25, driven primarily by developments in the public sector, and consistent with the strength of the local labour market. The Wage Price Index (WPI) rose by 3.6 per cent, in line with the estimate of 3 ½ per cent in the Budget. Continued strength through the September 2025 quarter has resulted in a modest upward revision to the 2025-26 forecast, now at 3½ per cent - ¼ percentage point higher than the forecast in the Budget.

WPI growth is expected to moderate gradually, holding at 3¼ per cent in 2026-27 and 2027-28 before easing further to 3 per cent in 2028-29. These projections remain unchanged from the 2025-26 Budget and reflect a normalisation toward long-run wage growth amid moderating inflationary pressures. Real wage growth is expected to remain positive.

Figure 2.2.4: WPI by sector excluding bonuses, ACT



Sources: ABS Wage Price Index, Australia.

Consumer Price Index (CPI)

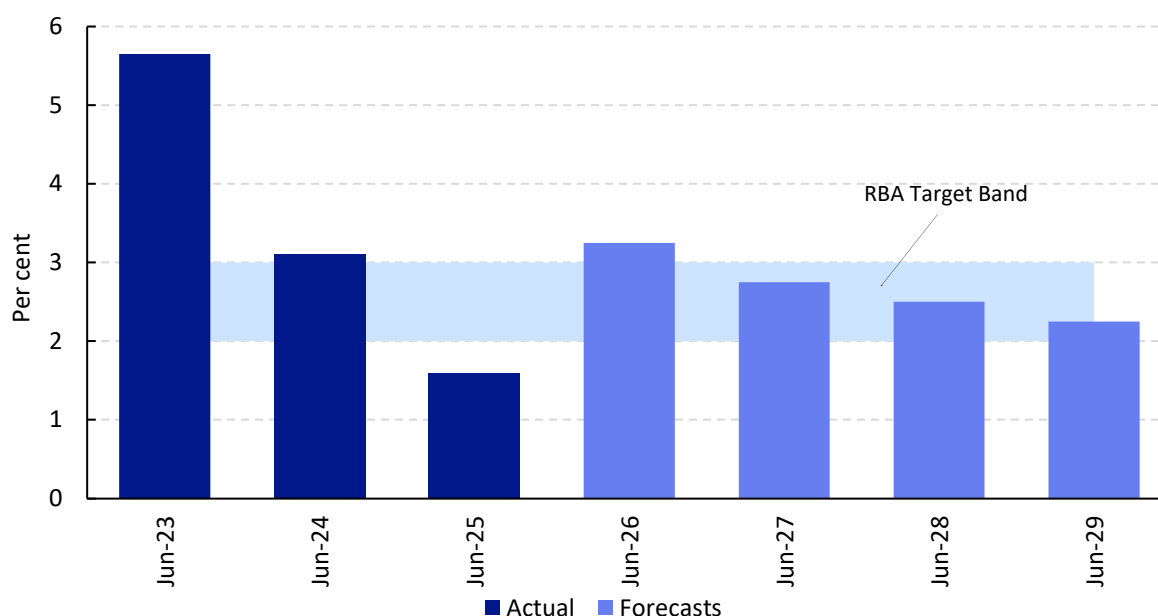
Inflation in Canberra eased significantly in 2024-25, with the Consumer Price Index (CPI) rising by 1.6 per cent, compared to the Budget estimate of 2¼ per cent. Softer price increases for transport, food and non-alcoholic beverages, recreation and culture, and housing were the main contributors to the weaker-than-expected outcome.

Inflation through the year to December 2025 was 3.3 per cent, with a significant portion of the recent increase being temporary factors, such as the unwinding of the Commonwealth Government’s energy rebates. Fuel, domestic travel and accommodation, food, and public transport fares have also contributed to the recent increases.

CPI growth for 2025-26 has been revised upward by ½ percentage point to 3¼ per cent, reflecting the unwinding of Commonwealth energy bill rebates, as well as higher prices in fuel and motor vehicles. However, inflation pressures are still expected to continue moderating, with the CPI forecast to grow by 2¾ per cent in 2026-27 (Figure 2.2.5) – ¼ percentage point higher than the forecast in the 2025-26 Budget. This trajectory reflects the rebalancing of supply and demand in the national economy, including the labour market, and is broadly aligned with the Reserve Bank of Australia’s latest forecasts in its November 2025 Statement on Monetary Policy.

Inflation in Canberra is expected to remain below the national average over the forward estimates, partly due to slower rent growth in the ACT relative to other jurisdictions.

Figure 2.2.5: Annual CPI growth forecasts, ACT



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

Population

The ACT’s estimated resident population increased by 1.3 per cent through the year to the June quarter 2025, supported by continued strength in net overseas migration. However, this was 0.7 of a percentage point lower than the 2025-26 Budget estimate. The ABS’ estimates of ACT population for the June quarter 2025 continue to show a negative contribution from Net Interstate Migration (NIM).

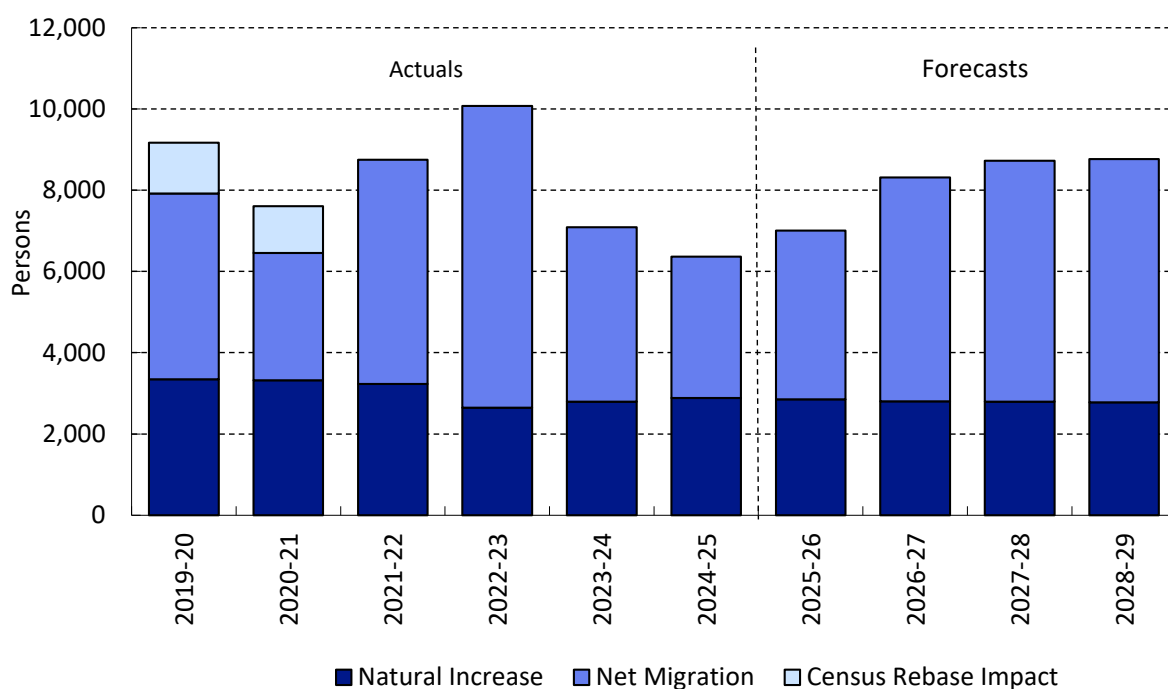
This is the twelfth consecutive quarter where the ACT’s Estimated Resident Population (ERP) has a negative contribution from NIM since the last census – where a significant undercount of the ACT population from NIM was corrected. It is likely that the ERP is underestimating the ACT population, with potential impacts on Commonwealth funding, especially on the ACT’s share of Goods and Services Tax (GST) revenue grants as seen in Chapter 3.3 Revenue.

The ACT population is expected to grow 1½ per cent in 2025-26, revised down by ¼ of a percentage point in comparison to the 2025-26 Budget. This downgrade reflects anticipated lower net interstate migration and a lower base level for the forecast, driven by a downward revision in net overseas migration for the first three quarters of 2024-25 in the ABS' ERP for the June quarter 2025 release.

Supported by continued strength in the ACT's economy and labour market, as well as a higher share of international student relative to its share of the national population, the ACT's population growth is expected to stabilise at around 1¾ per cent over the forward estimates, unchanged from the Budget. Natural increase and net migration, which consists of both overseas and interstate migration, are expected to contribute positively to population growth.

Figure 2.2.6 shows the contribution of the two components to the ACT's population over the ten-year period from 2019-20 to 2028-29. Impacts from the Census 2021 rebase are also included.

Figure 2.2.6: Population growth by component, ACT



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

CHAPTER 3 BUDGET OUTLOOK

3.1 FISCAL STRATEGY AND OUTLOOK

Strong public finances delivering for all Canberrans

The Government's fiscal strategy supports the delivery of quality services for the community while shaping a clear pathway to returning the Budget to surplus and maintaining the Territory's strong fiscal position. This strategy, outlined in the 2025-26 Budget, and our ongoing commitment to the principles of responsible fiscal management, will ensure the continuing strength of the Territory's balance sheet. Importantly, decisions taken to return to surplus will not undermine the Government's economic objectives.

This fiscal strategy has enabled us to deliver a record investment in public health services and provide further funding to support our public education system. We continue to prioritise reforms to advance housing choice and affordability for all Canberrans. We do this while continuing to provide targeted support to those who need it most.

The Government's approach to responsible fiscal management enables a significant targeted Infrastructure Investment Program including public health infrastructure, transport, education, and other city-shaping projects, as well as maintaining our existing infrastructure. This investment ensures that Canberrans now and into the future will have access to the infrastructure that a growing city needs.

Maintaining quality and efficient public services

Alongside efforts to continue economic growth and support employment, the Government's fiscal strategy supports the continued delivery of high-quality services to improve the wellbeing of all Canberrans. Like all jurisdictions, the Territory has experienced structural funding pressures in core service delivery due to increasing costs and rising demand.

Substantial increases in activity and costs in the public health system have created ongoing funding pressures. To ensure Canberrans can continue to access high quality and timely care, the Government made a record investment of an additional \$1.196 billion in the 2025-26 Budget.

Increasing costs in the delivery of public health services have occurred against a backdrop of a declining contribution rate to our public health system from the Commonwealth in recent years. At the time of the 2025-26 Budget, the Commonwealth's contribution towards the ACT's public health funding was estimated to be 34 per cent in 2025-26, well below the agreed target of 45 per cent by 2035.

On 30 January 2026, the Commonwealth and state and territory governments agreed to a new five-year National Health Reform Agreement which will have a significant impact for the ACT. Under the new deal, the ACT is forecast to receive \$4.1 billion over five years to 2030-31, including an additional \$557 million in public hospital funding. This will increase the Commonwealth's contribution to public hospital funding to an estimated 37 per cent in 2026-27. The ACT will also receive additional funding to address the challenges that smaller jurisdictions face in delivering health services compared to larger jurisdictions while more permanent arrangements to address this issue are implemented. Changes to budget estimates from this agreement will be reflected in the 2026-27 Budget.

Other key areas of government service are also experiencing cost pressures. This is consistent across all states and territories. The ACT has seen these pressures materialise most acutely in the public school system. To meet these challenges, the Government is providing additional support for public schools while further work to understand the resourcing needs and cost drivers in public schools is undertaken through the independent ACT Public School System Resourcing Review.

The expenditure reforms outlined in the 2025-26 Budget will enable the Government to prioritise funding for services that matter most to the community. These reforms are estimated to generate savings of \$29.5 million in 2025-26 and \$282.2 million over the forward estimates. Savings will be achieved by constraining the rate of growth in expenditure across a range of agencies and directorates, supported by whole of government principles for reprioritising expenditure and enhancing budget control mechanisms.

Constraining the expenditure growth rate will be a multi-year exercise to enable budget repair over the medium term while better aligning expenditure with Government priorities. There will still necessarily be increases in some areas of government spending to accommodate our growing population and the demands of our community, particularly in our public hospitals and schools.

Sustainable economic growth

The ACT economy remains strong and continues to perform well despite numerous headwinds. The outlook for economic activity is positive, with moderate real Gross State Product (GSP) growth forecast in 2025-26, before increasing from 2026-27 onwards. GSP is forecast to grow by 3¼ per cent in 2025-26.

Employment growth is forecast to accelerate in 2025-26, following a moderation in growth in 2024-25 and a slight uptick in unemployment from the very low levels following the COVID-19 pandemic. Very high labour force participation continues in the ACT and is expected to remain at historically high levels. Employment is forecast to continue growing strongly from 2026-27.

With the generational investments being made by the Government through its Infrastructure Investment Program, public investment is expected to grow strongly in 2025-26. The ACT housing market continues to remain resilient and is expected to be supported by increased capacity for private investment.

By supporting the development of transformative infrastructure and investing in quality services for our community, the Government will continue to support our economic growth record and contribute to Canberra's well-deserved reputation as one of the most liveable cities in the world.

Box 3.1.1: Fiscal Strategy

Our fiscal strategy outlines the Government's plan to support economic growth and employment as well as:

- return the Budget to operating cash surpluses over the forward estimates period;
- return the Headline Net Operating Balance (HNOB) to surplus over the forward estimates period;
- ensure net debt is at sustainable levels over time, while delivering once in a generation infrastructure projects in health and transport;
- extinguish the Territory's unfunded defined benefit superannuation liability over the next decade; and
- deliver sustainable public finances through efficient expenditure alongside revenue measures supporting critical services and the needs of our community.

This is complemented by the Wellbeing Framework, which measures what matters to Canberrans and our quality of life, so that we can focus on what the community cares about in our decision making.

The Territory's fiscal position is strong

Improvements in the Territory's fiscal position are forecast, with a return to budget and operating cash surpluses by the end of the forward estimates period.

As a result of the Government's fiscal strategy, there will be a significant improvement of more than \$500 million in the HNOB from a deficit of \$1.1 billion in 2024-25 to a forecast deficit of \$499.1 million in 2025-26. This improvement continues across the forward estimates period with the forecast HNOB deficit reducing further to \$79.7 million in 2026-27 before surpluses of \$63.3 million in 2027-28 and \$280.3 million in 2028-29.

This profile ensures the continued strength of the Territory's balance sheet, which enables investment in city-shaping infrastructure and support for the future growth of our city. It also allows us the flexibility to continue to respond to any challenges that might arise and address the impact of any unforeseen economic challenges or fiscal shocks.

The Government will progressively improve the operating cash surpluses to provide the capacity to reduce borrowings and fund a greater proportion of the ongoing capital investment requirements from these cash surpluses. Net operating cash is expected to move from a deficit of \$430 million in 2024-25 to a surplus of \$794.6 million in 2028-29, a cumulative improvement of over \$1 billion.

The Territory maintains levels of net debt and net financial liabilities around the average of Australian states and territories (Figures 3.1.4 and 3.1.5). Forecast net debt remains broadly in line with the 2025-26 Budget estimates, with net financial liabilities and net worth showing an improvement.

To provide further information on future trends, and a basis for assessing the impact of the fiscal strategy, the Government will provide information on key fiscal metrics beyond the forward estimates period in the 2026-27 Budget.

Consistent with our responsible management of the Territory's balance sheet, the Government is also prudently managing our defined benefit superannuation liability we have with the Commonwealth, and we are on track to extinguish this liability over the next decade. This will provide the Government with capacity to invest in other priorities and further strengthen our balance sheet.

Debt management and consolidation

Our fiscal strategy supports the consolidation of the Territory's debt. Progressive improvements in the operating cash surpluses will provide the capacity to reduce borrowings and fund a greater proportion of the ongoing capital investment requirements from these cash surpluses.

The primary focus of debt management is to meet the ongoing financing needs of the Territory while achieving the most favorable debt profile and having regard to the Territory's overall macroeconomic position and fiscal strategies and policies.

The debt management objectives include:

- managing the Government's liquidity and financial payment obligations;
- the raising of funds to meet the ongoing capital needs of the Government;
- raising capital at a competitive cost in line with Australian semi-government peers, having regard to the Territory's credit rating and outstanding issued bonds;
- minimising debt retirement or refinancing risks by managing issuance tenors, volumes and liquidity;
- minimising interest payment volatility; and
- maximising investor participation and diversification.

Prudent application of debt management principles and practices assist in making the Territory less susceptible to macroeconomic, market and financial risks.

The Territory's credit rating

On 5 September 2025, S&P Global Ratings (S&P) lowered the ACT's long-term issuer credit rating from AA+ to AA. The long-term rating has a stable outlook.

This reflects a delay in ACT's return to a cash operating surplus and a further deterioration in deficits after capital accounts. However, an AA credit rating, and long-term rating with a stable outlook, signifies a very strong capacity to meet financial commitments and a very low risk of default. S&P also notes that the AA rating benefits from the ACT's strong financial management by global standards; very high-income economy, which is closely linked to the stable public sector; and exceptional liquidity.

The Government recognises it is necessary to make difficult decisions and balance a broad range of priorities. The Canberra community expects a high level of government service provision, infrastructure investment and support through crises.

The Government's fiscal strategy, as set out in the 2025-26 Budget and reflected in this Budget Review, outlines a pathway back to a positive cash operating balance and a surplus over the forward estimates. S&P has recognised this alongside the savings measures in the Budget. The strategy sets out a clear pathway to surpluses within the forward estimates period. The Government's expenditure prioritisation reforms will address structural budget pressures (Box 3.1.2) while providing the capacity to ensure quality service delivery. In addition to the institutional strengths acknowledged by S&P, the fiscal strategy provides the basis for stabilising the credit rating and for future improvements.

Box 3.1.2: Structural Budget Position

A structural assessment of the Budget at the state and territory level differs significantly from Commonwealth measures¹. At the state-level, expenditures are largely demographic driven (structural), while revenues depend on a variety of factors, only some of which are linked to the performance of the local economy. At the Commonwealth level, both expenditures and revenues are much more closely linked to the performance of the Australian economy.

In the ACT for example, cyclical components from private demand can affect revenue lines such as conveyancing duties, while payroll tax can be strongly influenced by a combination of cyclical factors (such as employment and wages) and structural features such as employment decisions and insourcing made in relation to the Commonwealth public sector. Macroeconomic factors can also have an indirect impact on ACT finances through GST distributions.

Many of our expense lines have a persistent structural component with drivers such as demography heavily affecting demands on our health services and education spending, which require matching revenue lines (both own-source and through Commonwealth collected revenue lines such as GST) to ensure public finances remain sustainable. The ACT's tax reform program seeks to improve the stability and predictability of the ACT's revenue base by shifting from transaction-based taxes like conveyance duty to broad-based land taxes like general rates.

The 2025-26 Budget made several important structural changes to strengthen public finances. This includes new expenditure reduction initiatives paired with ongoing work within government to focus on priorities and implementing machinery of government changes that ensure our agencies operate effectively and focus on the highest priority needs of the community.

Our significant investment in the health system in the 2025-26 Budget represents the largest structural change factor underlying the updated Budget estimates. The net new structural impact from this element alone, in the absence of revenue measures, would represent a structural deterioration in the order of \$250 million per annum. It is for this reason that the Government has taken steps to address this structural component through both a health levy and by negotiating a better outcome with the Commonwealth on its share of health funding.

The return to cash surplus and HNOB surplus over the forward estimates reflects strengthening operational outcomes and while some initiatives are time-limited, that also provides important flexibility to ensure annual budgeting processes can address any emerging pressures to ensure they do not become unplanned structural features of the Budget.

¹ A Structural Budget Balance adjusts for the impacts of the economic cycle, separating movements in the budget position between cyclical and structural components. It is fraught with measurement challenges, including the need to make significant assumptions around the length and persistence of cyclical drivers of revenue and expense lines. It is also impacted by major temporary interventions.

Sustainable taxation and revenue

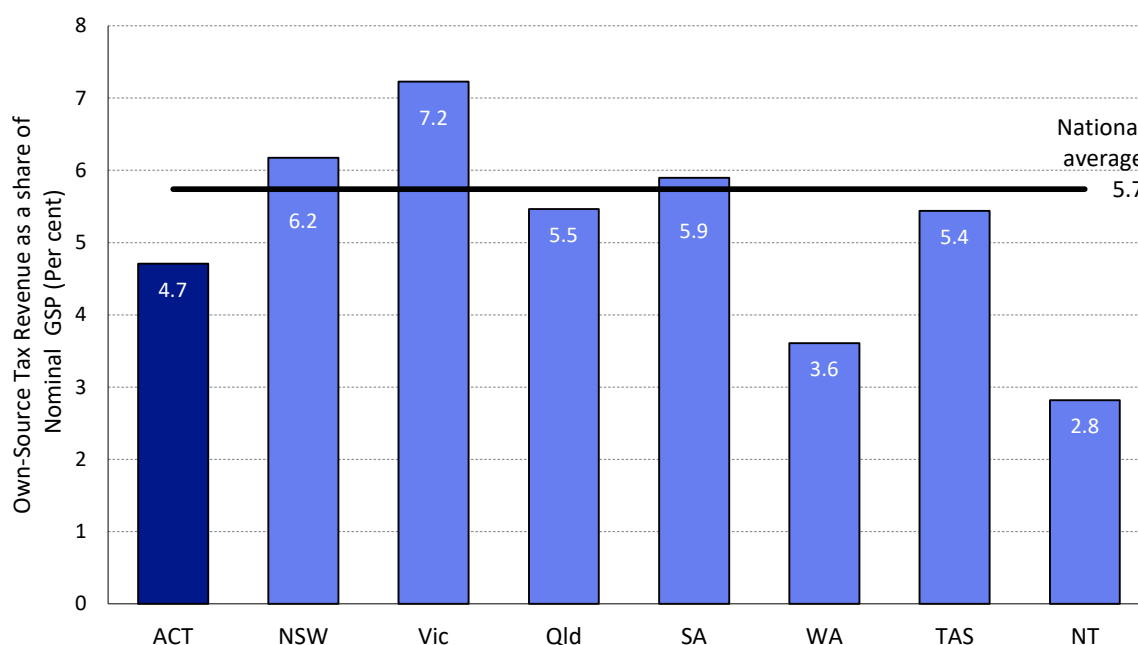
The ACT remains a relatively low-taxing jurisdiction and the tax burden per capita is one of the lowest in the country relative to median household income. As shown in Figure 3.1.1, the ACT’s own-source revenue as a share of Gross State Product was the third lowest among all Australian states and territories in 2023-24, at 4.7 per cent – a decrease from the previous financial year and in-line with the ACT ten-year average.

The Government aims to raise revenue efficiently, equitably and sustainably, forming a unified approach to own-source taxation, government fees and charges, and other revenue sources.

Since 2012, the ACT has led the nation in own-source taxation reform. The Territory is the only jurisdiction to abolish insurance duty and continues to decrease stamp duty tax rates. This has increased the efficiency, fairness and stability of our tax system. General rates revenue has been progressively increased to offset the revenue forgone from reducing conveyance duty and abolishing insurance duty. The general rates system is now more progressive with lower income and wealth households paying a lower proportion of total general rates revenue. Eighty per cent of households in Canberra are, on average, paying a lower proportion of total general rates revenue than they would have in the absence of tax reform.

Recent budgets have included targeted own-source taxation revenue measures to ensure longer-term sustainability of the tax system and the expenditure it supports.

Figure 3.1.1: Comparison of own-source tax revenue as a share of Gross State Product, total state and local government, 2023-24



Sources: ABS Taxation Revenue, Australia; Australian National Accounts: State Accounts.

Notes:

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

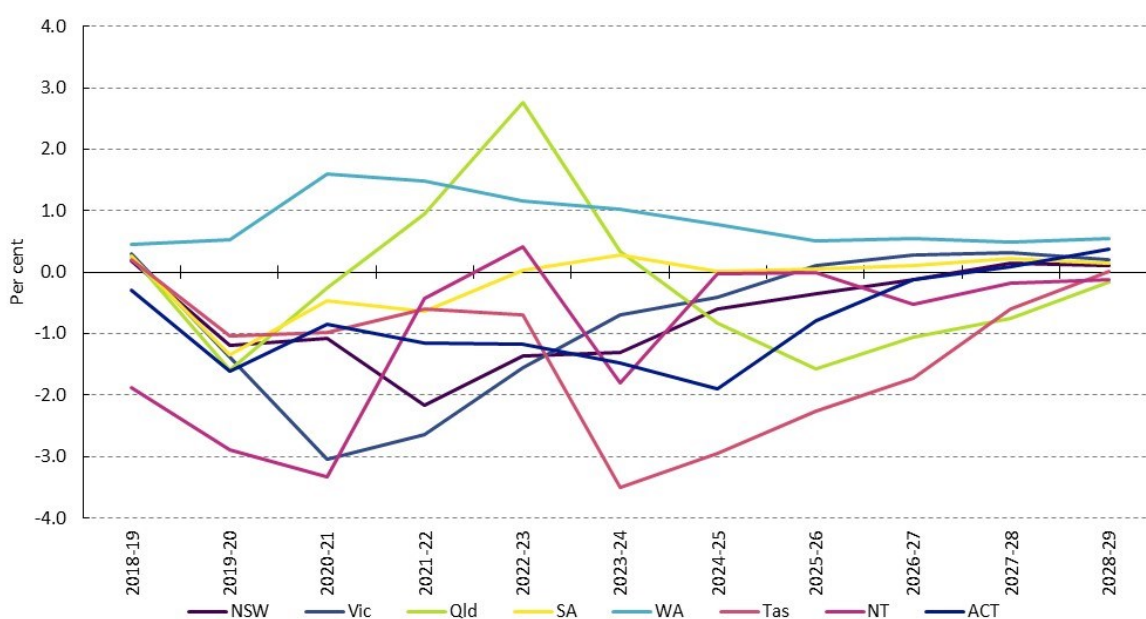
Budget outlook

Headline Net Operating Balance

The General Government Sector (GGS) Headline Net Operating Balance (HNOB) is forecast to be in deficit by \$499.1 million in 2025-26. This is \$72.7 million higher than the 2025-26 Budget forecast deficit of \$426.4 million representing around $\frac{3}{4}$ of a percentage point impact on expenses. This profile will return the HNOB to surplus of \$63.3 million by 2027-28 with the net operating cash balance in surplus one year earlier in 2026-27.

The ACT's HNOB to GSP ratio is forecast to be similar to most other states and territories across the forward estimates.

Figure 3.1.2: HNOB/Net Operating Balance to Gross State Product



Note: This chart uses the Net Operating Balance for all jurisdictions except for the ACT which uses the Headline Net Operating Balance.

Further details are provided in Chapter 3.3 – Revenue and the associated sections of this chapter.

Table 3.1.1 provides a summary of total revenue and expenses across the budget and forward estimates, as well as the HNOB. This includes the Superannuation Return Adjustment, which accounts for the Territory's unique public sector superannuation arrangements. Further details are provided in Box 3.1.3.

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

	2024-25 Actual	2025-26 Budget	2025-26 Budget Review	2026-27 Revised Estimate	2027-28 Revised Estimate	2028-29 Revised Estimate
Revenue	7,971.3	8,926.6	8,906.1	9,579.4	9,914.6	10,318.5
Expenses	9,369.6	9,608.9	9,688.3	9,945.1	10,158.9	10,369.0
Superannuation Return Adjustment	267.2	255.9	283.0	286.1	307.6	330.8
HEADLINE NET OPERATING BALANCE	(1,131.1)	(426.4)	(499.1)	(79.7)	63.3	280.3
Net cash from operating activities	(430.0)	(129.6)	(157.7)	171.7	431.8	794.6
Net debt (excluding superannuation related investments)	9,150.7	11,068.4	11,047.6	12,786.8	13,410.8	13,816.5
Net financial liabilities	15,135.9	16,476.5	16,228.3	17,411.3	17,708.1	17,797.9

Note: Numbers may not add due to rounding.

Box 3.1.3: Headline Net Operating Balance (HNOB)

The ACT Budget is based on the principles of accrual accounting, which recognises expenses and revenue when an economic transaction occurs that results in a change of resources for the Government, irrespective of the timing of related cash movements. It ensures the full cost of providing government services is identified, indicating the capacity of government to deliver services into the future.

One measure of the budget position is the Uniform Presentation Framework (UPF) Net Operating Balance (NOB), measured as transactional revenue minus expenses. The NOB includes interest and dividend revenue derived from financial assets, but excludes net gains/losses on financial assets, which are treated as Other Economic Flows and included in the UPF Operating Result.

However, this treatment of net gains on financial assets does not account for the unique nature of public sector superannuation arrangements in the ACT, being the defined benefit employer superannuation liability obligation to the Commonwealth Government for current and former ACT employees who are members of Commonwealth defined benefit superannuation schemes and the significant financial assets being set aside in the Superannuation Provision Account to extinguish this obligation.

The superannuation expense associated with these arrangements is captured in the NOB, as are the interest and dividend income derived from the Superannuation Provision Account's (SPA's) financial investment assets. However, the net gains on the financial assets held in the SPA are treated as Other Economic Flows and included below the Net Operating Balance in the Operating Result.

Exclusion of the net gains on financial assets as revenue in the NOB understates the Government's capacity to meet these liabilities as the capital gains on investments provide a source of funding for the long-term superannuation liabilities.

The Superannuation Return Adjustment (SRA) includes these net gains on financial assets in the Headline Net Operating Balance (HNOB). By accounting for the net gains on financial assets derived by the SPA, the HNOB provides a more accurate assessment of the longer-term sustainability of the budget position.

Inclusion of the SRA is a significant matter for the ACT. The HNOB has been included in the ACT Budget since 2006-07. To ensure transparency, the Budget publishes both the HNOB and NOB, as well as Statements of Cash Flows.

Summary of movements

Table 3.1.2 shows the variation in the GGS HNOB between the 2025-26 Budget and Budget Review, disaggregated between policy decisions and technical adjustments. Further details of technical adjustments are shown in Table 3.1.4.

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

	2025-26 Estimated Outcome	2026-27 Estimate	2027-28 Estimate	2028-29 Estimate
2025-26 Budget	(426,440)	(103,584)	48,866	331,516
Revenue¹				
Policy decisions	(10,095)	16,032	12,010	17,265
Technical adjustments	(10,410)	128,763	114,672	26,838
Expenses²				
Policy decisions	(63,622)	(20,210)	(13,931)	(12,346)
Technical adjustments	(15,728)	(111,666)	(110,269)	(95,805)
Superannuation Return Adjustment	27,181	11,004	11,907	12,879
2025-26 Budget Review	(499,114)	(79,661)	63,255	280,347

Notes: Numbers may not add due to rounding.

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

Table 3.1.3: Summary of major technical adjustments since the 2025-26 Budget (\$'000)

	2025-26 Estimated Outcome	2026-27 Estimate	2027-28 Estimate	2028-29 Estimate
Revenue¹				
NSW cross border revenue	68,575	70,289	72,152	74,064
Interest and investment earnings	41,566	41,060	58,336	49,699
Commonwealth grants	40,376	58,551	49,390	9,518
Kingston Arts Precinct	0	0	0	(41,700)
Big Canberra Battery	(23,330)	(7,736)	(6,221)	(5,449)
City Renewal Authority and Icon Water returns	(24,523)	19,099	(6,098)	(307)
GST revenue	(42,421)	0	0	0
Own source taxation revenue	(35,302)	(30,142)	(33,024)	(36,037)
Other parameter and technical adjustments	(35,351)	(22,358)	(19,863)	(22,950)
Total revenue – technical adjustments	(10,410)	128,763	114,672	26,838
Expenses²				
Big Canberra Battery	13,370	4,487	(15)	550
Commonwealth grants	(12,357)	(24,095)	(17,737)	(7,952)
Provision adjustments	(12,504)	(43,905)	5,357	(7,206)
Interest expenses	(18,332)	(24,831)	(69,776)	(63,888)
Other parameter and technical adjustments	14,095	(23,322)	(28,098)	(17,309)
Total expenses – technical adjustments	(15,728)	(111,666)	(110,269)	(95,805)

Notes: Numbers may not add due to rounding.

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

Technical revenue and expense variations

Total revenue is expected to be \$20.5 million lower in 2025-26 and \$295.1 million higher over four years from 2025-26 to 2028-29, than forecast in the 2025-26 Budget. Significant movements in forecast revenue in 2025-26 and over the forward estimates include:

- a decrease in revenue of \$10.1 million in 2025-26 and an increase of \$35.2 million over four years to 2028-29 as a result of new initiatives. Further information on these initiatives can be found in Chapter 3.2 Investing in the Wellbeing of Canberrans;
- an increase in NSW cross border health revenue of \$68.6 million in 2025-26 (\$285.1 million over four years to 2028-29) reflecting growing activity, and an increase in the national efficient price;
- higher interest and investment earnings of \$41.6 million in 2025-26 (\$190.7 million over four years to 2028-29) due to higher cash balances for cash liquidity purposes and an estimated growth in the value of investment assets; and
- higher forecast Commonwealth grants of \$40.4 million in 2025-26 (\$157.8 million over four years to 2028-29) reflecting information contained in the Commonwealth Government's 2025-26 Mid-Year Economic and Fiscal Outlook. Further information can be found in Chapter 3.3 Revenue.

These increases are partially offset by:

- lower forecast revenue from the Big Canberra Battery project of \$23.3 million in 2025-26 (\$42.7 million over four years to 2028-29) arising from a combination of a delay to the commencement of commercial operation and revised forward energy price forecasts. This lower revenue is partially offset by a decrease in expenses (see below for details);
- lower returns from the City Renewal Authority (CRA) and Icon Water totalling \$24.5 million in 2025-26 (\$11.8 million over four years to 2028-29) reflecting a delay in the forecast timing of land settlements for CRA and lower forecast revenue from the ActewAGL joint venture for Icon Water;
- lower than anticipated GST revenue of \$42.4 million in 2025-26, primarily reflecting a decrease in the ACT's share of the Australian population and partly offset by an increase in the GST entitlement pool; and
- lower own-source taxation revenue of \$35.3 million in 2025-26 (\$134.5 million over four years to 2028-29) largely reflecting lower payroll tax from a weaker than expected outcome in 2024-25 and a one-off refund of lease variation charges.

Total expenditure is forecast to be \$79.4 million higher in 2025-26 and \$443.6 million over four years from 2025-26 to 2028-29, compared to the 2025-26 Budget. Significant movements in forecast expense in 2025-26 and over the forward estimates include:

- an increase in funding of \$63.6 million (\$110.1 million over four years to 2028-29) for new initiatives. Further information on these initiatives can be found in Chapter 3.2 Investing in the Wellbeing of Canberrans;
- additional expenses of \$12.4 million in 2025-26 (\$62.1 million over four years to 2028-29) reflecting the on-passing of Commonwealth grants; and

- higher interest expenses of \$18.3 million in 2025-26 (\$176.8 million over four years to 2028-29) primarily reflecting changes to the profile of borrowings, a change in interest rates and the impact of cash variations in the 2025-26 Budget Review.

This is partially offset by a decrease in Big Canberra Battery expenses of \$13.4 million in 2025-26 (\$18.4 million over four years to 2028-29) reflective of the changes in revenue above.

Infrastructure

The \$8.3 billion ACT Infrastructure Program includes \$6 billion investment in the General Government Sector (GGS) and \$2.3 billion of self-funded works by Public Trading Enterprises (PTEs) over the five years to 2029-30.

Major infrastructure projects underway including: a new Northside Hospital; the construction and modernisation of public schools; Light Rail Stage 2A; improvements to Canberra's road and active travel networks and supporting the construction of social; community and affordable housing; continue to improve our city's liveability; support population growth and enhance community wellbeing.

The ACT Government will also continue to work with the Commonwealth Government to deliver major new community infrastructure including a new Aquatic Centre in Commonwealth Park as well as planning for a new Convention and Entertainment centre and further road upgrades as part of the Monaro Highway project.

Additional investment in the ACT Infrastructure Program will be supported by the centralised delivery of key projects within Infrastructure Canberra and align with industry delivery capability, our target of zero net greenhouse emissions by 2045 and responsible fiscal management.

Further information on new capital initiatives, and the Infrastructure Investment Program can be found in Chapter 3.2 Investing in the Wellbeing of Canberrans, Chapter 3.7 Infrastructure and Capital, and the online Infrastructure Investment Program searchable database.

Net operating cash balance

Net Operating Cash (Table 3.1.5) is the cash counterpart to the accrual Net Operating Balance. It measures all operating cash receipts for a financial year – for example, taxes, fees and fines, and operating grants from the Commonwealth Government – less all operating cash payments – including wages and salaries, cash superannuation payments and payments for goods and services.

The revised cash net operating position for the GGS in the 2025-26 Budget Review is a deficit of \$157.7 million, compared to a deficit of \$129.6 million at the time of the 2025-26 Budget. The \$28.1 million difference in the net operating cash position is mainly due to the impact of government policy decisions.

Table 3.1.4: Net Operating Cash (\$m)

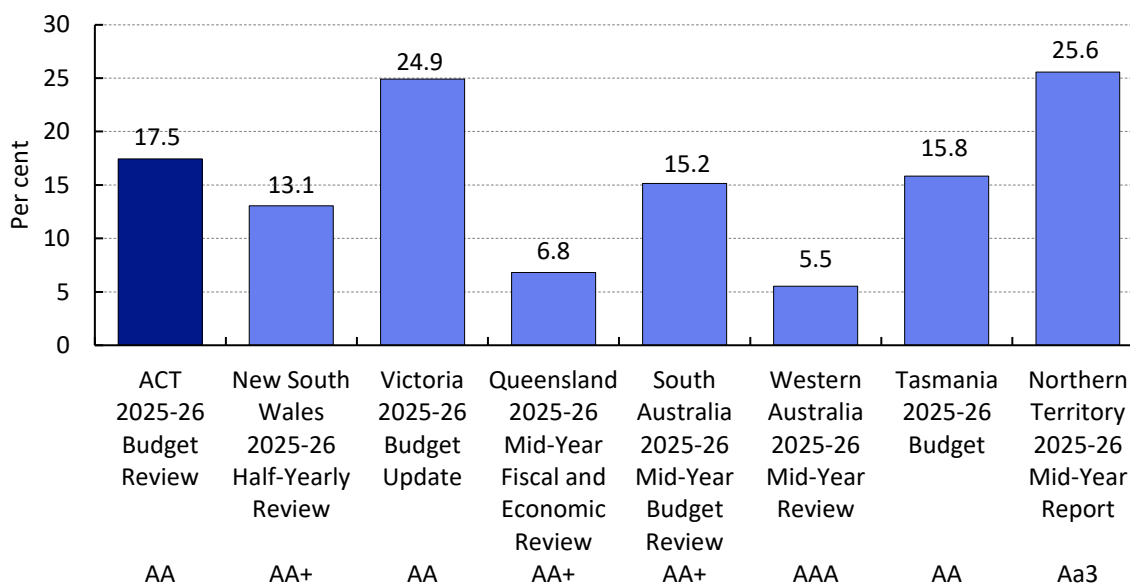
General Government Sector	2025-26	2026-27	2027-28	2028-29
2025-26 Budget	(129.6)	190.3	383.0	821.3
2025-26 Budget Review	(157.7)	171.7	431.8	794.6

Net debt

Net debt is a key balance sheet measure in the Government Finance Statistics. It includes gross debt liabilities as well as financial assets such as cash reserves and investments. GGS net debt as a percentage of GSP is expected to be 17.5 per cent at 30 June 2026, consistent with the 2025-26 Budget estimate of 17.7 per cent.

The ACT's net debt to GSP ratio is around the average for state and territories, noting this average can be significantly impacted by the circumstances of individual jurisdictions (such as Queensland and Western Australia, which benefit considerably from natural resource revenue).

Figure 3.1.4: Net debt to Gross State Product



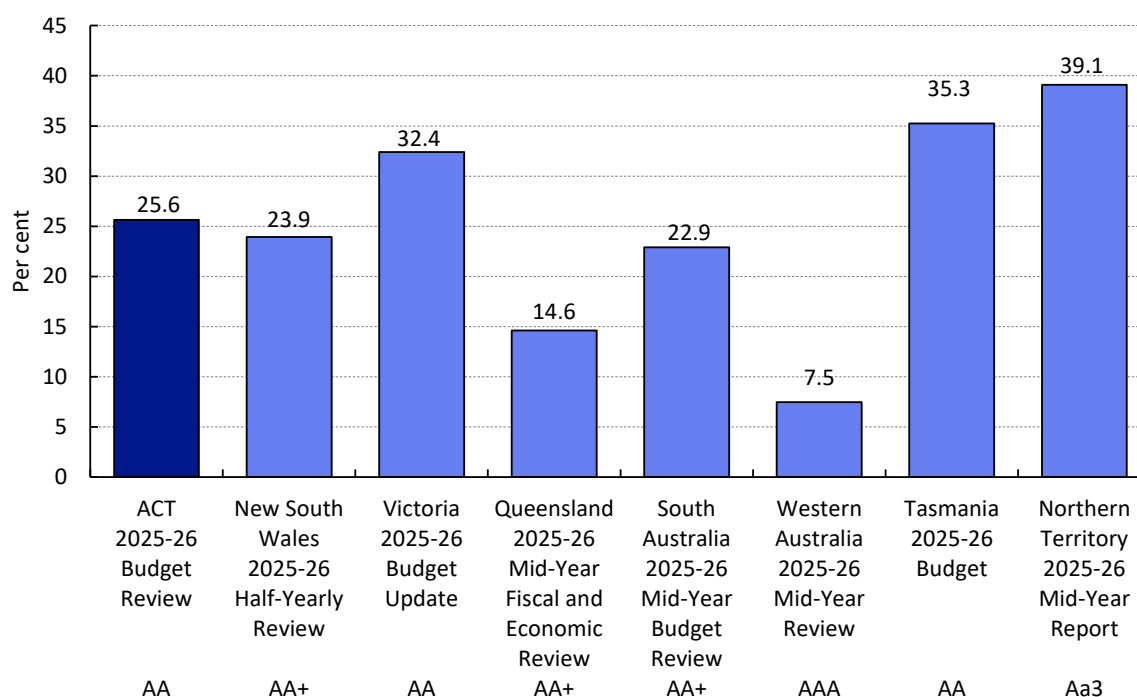
Further details can be found in Chapter 3.5 Key Balance Sheet Metrics.

Net financial liabilities

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

GGS net financial liabilities as a percentage of GSP are expected to be 25.6 per cent in 2025-26, slightly lower than the 2025-26 Budget estimate of 26.5 per cent. This movement is associated with an estimated growth in investment assets.

Figure 3.1.5: Net financial liabilities to Gross State Product



Net worth

The broadest measure of a jurisdiction's balance sheet is net worth, which measures the total value of all assets less the value of all liabilities. The ACT has positive net worth in 2025-26 equivalent to 31.7 per cent of GSP, consistent with the 2025-26 Budget estimate of 31.5 per cent.

3.2 INVESTING IN THE WELLBEING OF CANBERRANS

Continuing to focus on Canberra's wellbeing

The Government continues to prioritise the wellbeing of our community with a focus on lifting the quality of life for all Canberrans. Embedding the ACT Wellbeing Framework in the Budget process enables us to focus our attention and investment to areas that will achieve long-term change, support equity and deliver higher standards of living both now and into the future.

Canberra is recognised for our high levels of community wellbeing, including being ranked first in the world for quality of life in the Oxford Economics Global Cities Index 2025¹ and a recent Remitly study ranking Canberra as the third least stressed city to live in worldwide².

Our wellbeing informed approach to budgeting ensures investment decisions are based on continuing to positively impact the lives of all Canberrans with a focus on those who face barriers to a better quality of life.

While the current fiscal environment creates challenges for governments across Australia and internationally, we remain committed to continuing to deliver high quality services. Through this Budget Review we have invested in our public schools, healthcare systems, social and affordable housing, policing, emergency and judicial systems, to ensure our structures are in place to support the health, safety and wellbeing of Canberrans.

¹ Oxford Economics – Global Cities Index 2025: [Oxford Economics Global Cities Index](#).

² Remitly - The World's Most and Least Stressed Cities: <https://www.remitly.com/gb/en/landing/worlds-most-stressed-cities>.

New policy decisions

The following pages contain detailed information on new policy decisions announced as part of the 2025-26 Budget Review. Table 3.2.1 – Financial impacts of new policy decisions below, contains the total financial impacts of these decisions, and Table 3.2.2 – Detailed initiatives by lead agency contains the net costs of each initiative by agency. Detailed descriptions of each initiative are found later in the chapter.

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

	2025-26	2026-27	2027-28	2028-29	Total
Expenses					
Expenses ¹	87,275	42,841	37,233	36,347	203,696
Revenue Forgone	31,500	34,600	40,100	38,100	144,300
Total expenses	118,775	77,441	77,333	74,447	347,996
offset by					
Expense offsets ¹	-23,653	-22,631	-23,302	-24,001	-93,587
Revenue	-21,405	-50,632	-52,110	-55,365	-179,512
Total offsets	-45,058	-73,263	-75,412	-79,366	-273,099
Net Cost of services	73,717	4,178	1,921	-4,919	74,897
Capital					
Capital ¹	104,806	205,925	143,308	32,592	486,631
Total capital	104,806	205,925	143,308	32,592	486,631
offset by					
Capital offsets ¹	-78,668	-114,692	-115,900	-105,700	-414,960
Total capital offsets	-78,668	-114,692	-115,900	-105,700	-414,960
Net capital	26,138	91,233	27,408	-73,108	71,671

Note:

1. Includes provisioned funding

Updated Administrative Arrangements

The Government has announced updated Administrative Arrangements, effective from 1 January 2026. These changes are designed to support an efficient ACT Public Service by ensuring resources are directed to where they are most needed and continue to deliver on the Government's priorities.

As a result of these changes, Affordable and community housing policy, Housing strategy and policy, Suburban land development and the Suburban Land Agency have been transferred from Chief Minister, Treasury and Economic Development Directorate (CMTEDD) to the City and Environment Directorate (CED).

New initiatives

The following section contains descriptions for each initiative funded through the 2025-26 Budget Review, grouped by agency. If an initiative has financial impacts across multiple agencies, the description is included in the lead agency section and outlines the financial impacts for supporting agencies.

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

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

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

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

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

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

Initiative title (by agency)	Net capital/Net cost	2025-26	2026-27	2027-28	2028-29	Total
Chief Minister, Treasury and Economic Development Directorate						
Sustainable revenue – Amended revenue measures	Net Cost	12,000	-14,000	-16,700	-20,400	-39,100
City and Environment Directorate						
<i>30,000 homes by 2030</i>						
– Continuation of Affordable Home Purchase Scheme support	Net cost	247	0	0	0	247
– Facilitating more social and affordable housing	Net cost	2,500	5,000	10,000	7,500	25,000
Expanding the Container Deposit Scheme	Net cost	0	0	0	0	0
Fare Free Evenings	Net cost	606	0	0	0	606
Education Directorate						
Continued support for three-year-old preschool	Net cost	0	0	0	0	0
Management of Contaminated Sand Products in Public Schools	Net cost	2,000	0	0	0	2,000
Supporting public schools	Net cost	43,345	0	0	0	43,345
Whitlam Primary School Early Learning Centre ¹	Net capital	NFP	NFP	NFP	0	NFP
Whitlam Primary School Early Learning Centre ¹	Net cost	-5,000	-4,000	-1,000	0	-10,000
Health and Community Services Directorate						
Continued support for the Aboriginal and Torres Strait Islander Elected Body	Net cost	259	519	0	0	778
More support for out of home care	Net cost	14,057	0	0	0	14,057
Housing ACT						
Continuing support for Cafe Stepping Stone	Net cost	0	250	150	100	500
Cost of living – Financial support for private renters	Net cost	0	NFP	0	0	NFP
More support for Housing ACT	Net cost	2,226	0	0	0	2,226
Infrastructure Canberra						
Better facilities for ACT Policing	Net capital	0	0	0	0	0
Better facilities for ACT Policing	Net cost	0	0	0	0	0
Canberra Theatre Redevelopment – Delivering a new Lyric Theatre ²	Net capital	NFP	NFP	NFP	NFP	NFP

Initiative title (by agency)	Net capital/Net cost	2025-26	2026-27	2027-28	2028-29	Total
<i>New and expanded schools</i>						
– Modernisation of Majura Primary School	Net capital	NFP	NFP	NFP	NFP	NFP
– Modernisation of Telopea Park School	Net capital	NFP	NFP	NFP	NFP	NFP
Justice and Community Safety Directorate						
<i>Board of Inquiry</i>						
– Aboriginal and Torres Strait Islander detainees at the Alexander Maconachie Centre	Net cost	0	4,300	0	0	4,300
<i>Justice reform</i>						
– Continued support for the ACT Intermediary Program ¹	Net cost	1,477	3,398	3,453	3,510	11,838
Replacement of ACT Courts jury and case management systems	Net capital	0	0	0	0	0
Victims Services and Assistance Sustainability ²	Net cost	0	6,761	6,018	4,371	17,150
<i>Well prepared emergency services</i>						
– Molonglo Station	Net cost	0	0	0	0	0

Notes:

1. This initiative is delivered by multiple agencies.
2. This initiative has financial impacts beyond the forward estimates.

Sustainable revenue – Amended revenue measures



	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	Total \$'000
Revenue	-17,000	-43,600	-46,800	-51,000	-158,400
Revenue forgone	29,000	29,600	30,100	30,600	119,300
Net cost of services	12,000	-14,000	-16,700	-20,400	-39,100

The Government made amendments to revenue measures from the 2025-26 Budget, including reducing the Health Levy for rateable residential and rural properties from \$250 to \$100 a year. The Government also introduced a fixed 8.75 per cent payroll tax rate to apply to firms with national wages above \$150 million, except for universities with an ACT campus, from 1 January 2026.

The following payroll tax rates will apply from 1 July 2026, for firms with annual Australia-wide wages:

- More than \$1.75 million but not more than \$20 million, 6.75 per cent;
- More than \$20 million but not more than \$50 million, 6.85 per cent;
- More than \$50 million but not more than \$100 million, 7.35 per cent;
- More than \$100 million but not more than \$150 million, 7.85 per cent; and
- More than \$150 million, 8.75 per cent.

This initiative contributes to the wellbeing domain of Economy.

30,000 homes by 2030 – Continuation of Affordable Home Purchase Scheme support



	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	Total \$'000
Expenses	213	0	0	0	213
Revenue forgone	34	0	0	0	34
Net cost of services	247	0	0	0	247

The Government will extend financial support to low-income homebuyers experiencing delays in the construction of their house and land packages purchased under the Affordable Home Purchase Scheme.

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

30,000 homes by 2030 – Facilitating more social and affordable housing



	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	Total \$'000
Revenue forgone	2,500	5,000	10,000	7,500	25,000
Net cost of services	2,500	5,000	10,000	7,500	25,000

The Government will provide a reduction of Lease Variation Charges (LVC) for registered Community Housing Providers (CHPs) and developers who build eligible social and affordable rental housing. This initiative will help to enable 30,000 new homes and 5,000 public, community and affordable rental homes by the end of 2030.

The LVC reduction will be allocated based on the number of eligible social and/or affordable rental dwellings in a development. The reduction is \$250,000 per eligible dwelling in developments owned and managed by a CHP and \$100,000 per eligible social or affordable dwelling in developments not owned by a CHP. The total reduction is capped at the lower of a project’s total LVC liability or \$10 million per project.

This initiative builds on existing government policies to increase the supply of affordable rental housing, including the Affordable Housing Land Tax Exemption Scheme and the Affordable Housing Project Fund.

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

Expanding the Container Deposit Scheme



	2025-26	2026-27	2027-28	2028-29	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	45	183	139	0	367
Own Source Revenue	-45	-183	-139	0	-367
Net cost of services	0	0	0	0	0

The Government will expand the Container Deposit Scheme to include more eligible containers which will align with similar expansions planned in other jurisdictions across Australia. The expanded scheme will include most wine, spirits, juice, water, satchels, larger flavoured milk, and cordial containers.

This initiative builds on previous actions, including the Government's 2017-18 Budget initiative *Better services in your community – Container Deposit Scheme*.

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

Fare Free Evenings



	2025-26	2026-27	2027-28	2028-29	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue forgone	606	0	0	0	606
Net cost of services	606	0	0	0	606

The Government introduced fare free period on public transport services for travel after 6pm on Friday and Saturday evenings over the 2025-26 summer until 28 February 2026. This includes the provision of fare free travel on public transport all day on New Year's Eve.

This initiative follows on recent Government actions in this area through the 2024-25 Budget Review initiative *Fare Free Friday* trial, which concluded on 12 December 2025.

Public transport concession benefits for part-time students were considered through the 2025-26 Budget Review. As expanding concessions for part-time students permanently would come at a significant cost, and there is no additional appropriation to City and Environment Directorate in 2025-26, the Government will further consider the expansion of concession benefits and fare free travel initiatives in the 2026-27 Budget.

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

Education Directorate

Continued support for three-year-old preschool



	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	Total \$'000
Expenses	21,919	22,631	23,302	24,001	91,853
Offset – Expenses	-21,919	-22,631	-23,302	-24,001	-91,853
Net cost of services	0	0	0	0	0

The Government will implement a new funding model from 2026 for its two three-year-old preschool programs. The new funding model will increase the amount paid to early childhood education and care providers to deliver free, quality childcare in the ACT.

The initiative will support the delivery of the universal program providing one day a week of free childhood education and the targeted program providing two days a week of free childhood education for priority three-year old children, including those experiencing disadvantage and vulnerability.

This initiative builds on the Government's commitment to early childhood education in the ACT, including the 2023-24 Budget initiative *Universal access to preschool for three-year-olds*.

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

Management of Contaminated Sand Products in Public Schools



	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	Total \$'000
Expenses	2,000	0	0	0	2,000
Net cost of services	2,000	0	0	0	2,000

The Government will provide funding in 2025-26 for the removal and remediation of asbestos contamination in coloured sand products used in ACT public schools.

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

Supporting public schools



	2025-26	2026-27	2027-28	2028-29	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	43,345	0	0	0	43,345
Net cost of services	43,345	0	0	0	43,345

The Government will provide additional funding for ACT public schools in 2025-26 to meet the learning needs of students.

The Government has also established the ACT Public School System Resourcing Review to provide independent advice to inform future Government consideration of the resourcing needs and financial sustainability of the ACT public education system.

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

Whitlam Primary School Early Learning Centre



	2025-26	2026-27	2027-28	2028-29	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital – Infrastructure Canberra	NFP	NFP	NFP	0	NFP
Offset – Capital	0	-1,000	-2,000	0	3,000
Net capital	NFP	NFP	NFP	0	NFP
Offset – Revenue – Commonwealth contribution	-5,000	-4,000	-1,000	0	-10,000
Net cost of services	-5,000	-4,000	-1,000	0	-10,000

The Government signed the Building Early Education Fund Federated Funding Agreement under which the Australian Government will contribute \$10 million towards an Early Childhood Education and Care Centre (ECEC) at the new public primary school in Whitlam.

The initiative will be partially offset from savings from existing capital projects with detailed costs and delivery arrangements subject to further consideration by the ACT Government.

This initiative builds on recent Government actions in school infrastructure in the Molonglo Valley region, including the 2022-23 and 2025-26 Budget initiatives - *New and expanded schools – Whitlam Primary School and Early Childhood Education Centre*.

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

Health and Community Services Directorate

Continued support for the Aboriginal and Torres Strait Islander Elected Body



	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	Total \$'000
Expenses	259	519	0	0	778
Net cost of services	259	519	0	0	778

The Government will continue to strengthen the independence and self-determination of the Aboriginal and Torres Strait Islander Elected Body through additional funding to maintain its capacity to provide policy advice and maintain engagement and accountability to the community.

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

More support for out of home care



	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	Total \$'000
Expenses	15,068	0	0	0	15,068
Offset – Expenses	-1,011	0	0	0	-1,011
Net cost of services	14,057	0	0	0	14,057

The Government will continue supporting vulnerable children, young people, their families and kinship and foster carers across the ACT. Additional funding will be provided for short-term care arrangements, including emergency supports and crisis accommodation for children and young people, early intervention services, support for placements and intensive therapy orders.

This initiative builds on significant Government funding in successive budgets, including most recently through the 2025-26 Budget initiative *More Support for Out of Home Care*.

This initiative contributes to the wellbeing domain of Safety.

Housing ACT

Continuing support for Café Stepping Stone



	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	Total \$'000
Expenses	0	250	150	100	500
Net cost of services	0	250	150	100	500

The Government will provide funding to Café Stepping Stone in Dickson to continue supporting employment pathways for vulnerable Canberrans.

Café Stepping Stone is a social enterprise that employs migrant and refugee women from culturally and linguistically diverse backgrounds, as well as women who identify as Aboriginal and Torres Strait Islander, who otherwise face significant barriers to employment.

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

Cost of living – Financial support for private renters



	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	Total \$'000
Expenses – Provision	0	NFP	0	0	NFP
Net cost of services	0	NFP	0	0	NFP

The Government will provide financial support to private renters experiencing rental stress or those experiencing financial hardship from 1 July 2026. This measure will replace the previous Rent Relief Fund that ceased in July 2025.

This initiative builds on recent Government actions in this area including *Rent Relief Fund Extension* initiative funded in the 2024-25 Budget.

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

More support for Housing ACT



	2025-26	2026-27	2027-28	2028-29	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	2,226	0	0	0	2,226
Net cost of services	2,226	0	0	0	2,226

The Government will support Housing ACT (HACT) operations through additional funding to assist with costs associated with management of the HACT property portfolio. This initiative also provides funding to maintain existing homelessness service capacity building on the significant Government investment in the 2025-26 Budget initiative *Investing in frontline homelessness services*.

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

Infrastructure Canberra

Better facilities for ACT Policing



	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	Total \$'000
Capital	3,383	0	0	0	3,383
Offset – Capital – Savings	-3,383	0	0	0	-3,383
Net capital	0	0	0	0	0
Expenses	98	0	0	0	98
Offset – Capital – Savings	-98	0	0	0	-98
Net cost of services	0	0	0	0	0

The Government will commence a Request for Proposal procurement process for a new ACT Police Headquarters and City Police Station. This work will build upon a recent Request for Expression of Interest. This initiative will be offset through savings from the existing Capital Works Program.

This initiative builds on recent Government actions in this area including the 2023-24 Budget initiative *Well-prepared emergency services – Better facilities for ACT Policing*.

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

Canberra Theatre Redevelopment – Delivering a new Lyric Theatre



	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	Total \$'000
Capital	NFP	NFP	NFP	NFP	NFP
Capital – Provision	0	NFP	NFP	NFP	NFP
Offset – Capital – Existing Appropriation	-42,175	0	0	0	-42,175
Net capital	NFP	NFP	NFP	NFP	NFP

The Government has entered into a Design and Construct agreement with a delivery partner to build a new 2,000 seat capacity Lyric Theatre at the Canberra Theatre Centre.

This initiative builds on recent Government investments, including the 2024-25 Budget initiative *Canberra Theatre Precinct Redevelopment* and the 2025-26 Budget initiative *Canberra Theatre Redevelopment Project* which undertook substantial value engineering activities in the design of the new facility.

The Canberra Theatre Redevelopment Project is fully offset through existing capital appropriation and provisioned funding. The funding profile of the project will be adjusted as required based on delivery against project milestones in the contract.

This initiative includes funding for the remainder of the Early Contractor Involvement contract (\$15 million) and for the recently agreed Design and Construct contract (\$317 million) as well as funding for Infrastructure Canberra to deliver the project.

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

New and expanded schools – Modernisation of Majura Primary School



	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	Total \$'000
Capital	NFP	NFP	NFP	NFP	NFP
Offset – Capital	NFP	NFP	NFP	NFP	NFP
Net capital	NFP	NFP	NFP	NFP	NFP

The Government will modernise Majura Primary School, with the scope of works to include improved flexibility of learning spaces, a new larger library with a new learning space, refurbishment of the existing library to support staff and administration needs, additional fencing, disability access and building code improvements, and heating, ventilation and cooling upgrades.

The procurement process is planned to commence in the first half of 2026 with the initiative to be fully offset through existing funding from the 2022-23 Budget initiative *New and expanded schools - Majura Primary School modernisation* and the 2024-25 Budget initiative *New and expanded schools – Additional Construction Funding for Majura Primary School*.

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

New and expanded schools – Modernisation of Telopea Park School



	2025-26	2026-27	2027-28	2028-29	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	NFP	NFP	NFP	NFP	NFP
Offset – Existing Capital	NFP	NFP	NFP	NFP	NFP
Offset – Capital Provision	NFP	NFP	NFP	NFP	NFP
Net capital	NFP	NFP	NFP	NFP	NFP

The Government will provide funding to modernise and expand Telopea Park School, with an updated scope of works to support increasing the school's capacity by 150 additional places, construction of a new flexible learning environment at the high school campus, a new multipurpose hall and double gymnasium for community use, specialist learning spaces for drama and music, additional car parks and the development of a school masterplan.

The procurement process is planned to commence in the first half of 2026 with the initiative to be fully offset through existing funding and builds on previous Government investment in the 2023-24 Budget initiative *New and expanded schools – Telopea Park High School modernisation*.

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

Justice and Community Safety Directorate

Board of Inquiry – Aboriginal and Torres Strait Islander detainees at the Alexander Maconachie Centre



	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	Total \$'000
Expenses – Provision	0	4,300	0	0	4,300
Net cost of services	0	4,300	0	0	4,300

The Government has provisioned funding to support the future establishment of a Board of Inquiry into the deaths in custody of Aboriginal and Torres Strait Islander detainees.

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

Justice reform – Continued support for the ACT Intermediary Program



	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	Total \$'000
Expenses – Human Rights Commission	1,421	3,285	3,337	3,392	11,435
Expenses – Legal Aid	56	113	116	118	403
Net cost of services	1,477	3,398	3,453	3,510	11,838

The Government will provide ongoing funding to continue the Intermediary Program in the Human Rights Commission, which provides communication assistance to vulnerable complainants, witnesses and accused persons in the criminal justice system. The Government will also provide ongoing funding to Legal Aid to support its engagement with the Intermediary Program.

This initiative builds on the 2025-26 Budget initiative *More support for the ACT Intermediary Program*.

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

Replacement of ACT Courts jury and case management systems



	2025-26	2026-27	2027-28	2028-29	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital	2,451	0	0	0	2,451
Capital – Provision	0	-710	0	0	-710
Offset – Capital– Provision	-2,451	710	0	0	-1,741
Net capital	0	0	0	0	0

The Government will progress work on the urgent replacement of both the Jury Management system and the Coroner’s Local Case Management system to ensure that the public can continue to engage with the courts on matters of jury selection and the coronial process.

This initiative will be offset through the release of an existing provision and underspends from other capital works projects in the Justice and Community Directorate, and Digital Canberra and builds upon the 2025-26 Budget initiative *Replacement of ACT Courts jury and case management systems*.

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

Victims Services and Assistance Sustainability



	2025-26	2026-27	2027-28	2028-29	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	0	9,610	10,189	8,736	28,535
Revenue	0	-2,849	-4,171	-4,365	-11,385
Net cost of services	0	6,761	6,018	4,371	17,150

The Government will provide additional ongoing funding to continue administering the Financial Assistance Scheme and additional temporary funding for administering the Victims’ Services Scheme to meet demand, pending a review of the program to inform future needs.

The initiative will be partially offset from revenue generated through changes to the three victims levies which apply to relevant court and traffic fines.

This initiative builds on the 2024-25 initiative *Supporting the implementation of the Project Assisting Victims Experience and Recovery Review (PAVER Review)* and the 2025-26 initiative *Justice reform – Supporting ACT Victims of Crime*.

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



Well prepared emergency services – Molonglo Station

	2025-26	2026-27	2027-28	2028-29	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	625	0	0	0	625
Offset – Expense – Provision	-625	0	0	0	-625
Net cost of services	0	0	0	0	0

The Government will commence recruitment of staff for the new Joint Emergency Station in Molonglo, which is due to open in 2026.

The immediate costs of this initiative in 2025-26 will be offset through existing provisioned funding.

This initiative builds on recent Government actions supporting the provision of efficient emergency services in the ACT, including the 2023-24 Budget initiative *Well-prepared emergency services – Modernised and Sustainable Service Plan* and the 2023-24 Budget Review initiative *Well-prepared emergency services – More frontline paramedics*.

This initiative contributes to the wellbeing domain of Safety.

3.3 REVENUE

Revenue overview

General Government Sector (GGS) revenue is now estimated to be \$8.9 billion in 2025-26, \$20.5 million lower than forecast in the 2025-26 Budget, equivalent to a difference of 0.2 per cent.

Sales of goods and services are forecast to increase over four years to 2028-29 by \$248.8 million largely due to an increase in NSW cross border health revenue.

Over the four years to 2028-29, own-source taxation revenue and GST revenue are forecast to be \$145.6 million lower than expected at the time of the 2025-26 Budget. Own-source taxation revenue is anticipated to be \$103.2 million lower and GST revenue is expected to be \$42.4 million lower.

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

	2024-25 Actual Outcome	2025-26 Budget	2025-26 Budget Review	2026-27 Revised Estimate	2027-28 Revised Estimate	2028-29 Revised Estimate
Revenue						
Own-source taxation	2,710,709	3,056,249	3,008,613	3,301,589	3,468,652	3,677,926
Goods and Services Tax	1,978,276	2,198,877	2,156,456	2,251,862	2,389,068	2,528,103
Commonwealth grants	1,504,914	1,715,391	1,765,693	1,714,669	1,636,549	1,603,194
Sales of goods and services	762,969	701,721	760,093	781,629	801,108	822,699
Investment revenue	141,502	198,475	177,843	222,150	239,082	257,240
Interest revenue	315,452	269,337	307,617	315,894	406,101	429,128
Dividend and income tax equivalents income	157,407	263,794	239,271	397,720	220,700	335,767
Other revenue	261,405	385,267	353,020	388,447	464,814	485,529
Gains from contributed assets	138,619	137,535	137,535	205,435	288,502	178,926
Total revenue	7,971,253	8,926,646	8,906,141	9,579,395	9,914,576	10,318,512

Own-source taxation revenue

Total own-source taxation revenue is estimated to be \$3 billion in 2025-26, which is \$47.6 million lower than the 2025-26 Budget estimate. The downward revision largely reflects lower general rates revenue due to a reduction in the Health Levy, lower payroll tax from a lower-than-expected outcome in 2024-25 and a one-off refund on lease variation charge (LVC). This is partly offset by additional revenue from the introduction of a new payroll tax rate for firms with high national wages.

Over the four years to 2028-29, own-source revenue is expected to be \$103.2 million lower than the 2025-26 Budget forecasts, mostly due to changes made to the Health Levy.

Table 3.3.2: Own-source Taxation Revenue (\$'000)

	2024-25 Actual Outcome	2025-26 Budget	2025-26 Budget Review	2026-27 Revised Estimate	2027-28 Revised Estimate	2028-29 Revised Estimate
General tax						
Payroll tax	798,667	917,330	905,379	1,060,398	1,149,972	1,244,608
Tax waivers	0	2,572	2,572	2,636	2,702	2,770
General rates	811,819	910,310	881,036	938,375	999,476	1,062,069
Land tax	231,570	236,683	236,683	250,028	257,282	271,261
Total general tax	1,842,056	2,066,895	2,025,670	2,251,437	2,409,432	2,580,708
Duties						
Commercial conveyances	59,680	77,243	77,243	80,267	75,862	75,720
Residential conveyances	269,969	287,020	287,020	299,719	282,966	289,881
Motor vehicle registrations and transfers	36,840	57,434	57,434	64,346	67,474	70,503
Total duties	366,489	421,697	421,697	444,332	426,302	436,104
Gambling taxes						
Tabcorp licence fee	1,302	1,252	1,252	1,283	1,315	1,348
Gaming tax	40,632	39,441	42,441	41,502	40,589	39,701
Casino tax	4,504	4,191	4,191	4,296	4,403	4,514
Interstate lotteries	15,767	16,433	16,433	16,844	17,265	17,697
Betting Operations Tax	21,900	23,704	23,704	25,605	27,564	29,631
Total gambling taxes	84,105	85,021	88,021	89,530	91,136	92,891
Other taxes						
Motor vehicle registration	191,871	200,208	200,208	218,193	234,007	250,335
Ambulance Levy	31,881	37,154	37,154	40,549	42,391	44,196
Lease Variation Charge	12,914	38,463	29,052	32,140	26,716	24,453
Utilities (Network Facilities) Tax	51,129	55,670	55,670	59,520	62,085	64,700
Police, Fire and Emergency Service Levy	113,405	128,430	128,430	140,660	150,710	158,010
City Centre Marketing and Improvements Levy	2,424	2,640	2,640	2,640	2,650	2,650
Energy Industry Levy	4,987	4,532	4,532	4,745	4,958	5,176
Short-Term Rental Accommodation Levy	0	3,819	3,819	3,993	4,175	4,363
Safer Families Levy	9,448	11,720	11,720	13,850	14,090	14,340
Total other taxes	418,059	482,636	473,225	516,290	541,782	568,223
Total taxation	2,710,709	3,056,249	3,008,613	3,301,589	3,468,652	3,677,926

Note: Numbers may not add due to rounding.

Payroll tax

Payroll tax revenue in 2025-26 is forecast to be \$905.4 million, or \$11.9 million lower compared to the 2025-26 Budget estimate. This reflects the impacts of a slightly lower outcome in 2024-25 and lower year-to-date collections, mostly arising from changes in Commonwealth Government employment practices and reductions in employment in the university sector. This is expected to be partly offset by the additional revenue from the introduction of a fixed 8.75 per cent payroll tax rate to apply to firms with national wages above \$150 million, except for universities with an ACT campus, from 1 January 2026¹. This new fixed rate was announced following the release of the 2025-26 Budget (see Chapter 3.2 Investing in the Wellbeing of Canberrans).

Over the four years to 2028-29, payroll tax revenue is expected to be \$21.5 million higher than the 2025-26 Budget estimates, with the additional revenue from the new payroll tax rate more than offsetting the base effect from downward revisions to revenue in 2025-26.

Continued growth in wages and private sector employment, combined with changes in payroll tax settings, will continue to underpin growth in payroll tax revenue.

General rates

General rates revenue forecasts for the 2025-26 Budget Review have been revised down by \$29.3 million in 2025-26 and by a total of \$121.9 million over the four years to 2028-29. This is primarily due to the reduction in the Health Levy (which is applied through general rates) from \$250 to \$100 for residential and rural properties, announced after the release of the 2025-26 Budget².

As a result, General Rates revenue is expected to be \$881 million in 2025-26 and \$3.9 billion over the four years to 2028-29.

Conveyance duty

Residential conveyance duty

Residential conveyance duty forecasts in 2025-26 and over the forward estimates remain unchanged from the 2025-26 Budget estimates. This reflects the ACT residential property market performing as anticipated with the year-to-date outcomes for 2025-26 consistent with expectations.

Commercial conveyance duty

Commercial conveyance duty forecasts in 2025-26 and over the forward estimates are unchanged from the 2025-26 Budget estimates. Activity in the commercial property market remains consistent with that expected at the time of 2025-26 Budget. However, anticipated very large commercial property transactions may not proceed in any given year due to deal flow, posing downside risks to the forecasts.

¹ [Submission-003-Treasurer-to-Chair-Supplementary-information.pdf](#) (Attachment A re Health Levy, Page 2).

² *Ibid.*

Gambling taxes

Gambling tax revenue in 2025-26 has been revised up by \$3 million reflecting stronger year-to-date collections in gaming tax. Over the four years to 2028-29, gambling tax revenue is expected to be \$11.6 million higher than the 2025-26 Budget estimates. The pick-up in gaming tax is expected to continue over the forward years while other gambling taxes remain consistent with that expected at the time of 2025-26 Budget.

Other own-source taxation revenue

Over the four years to 2028-29, other own-source taxation revenue is estimated to be \$14.4 million lower than the 2025-26 Budget estimates. The downgrade reflects a \$9.4 million one-off refund for LVC in 2025-26 and \$5 million in LVC revenue forgone for assistance for social and affordable housing (see Chapter 3.2 Investing in the Wellbeing of Canberrans). The estimates for other own-source taxation revenue lines are unchanged from the 2025-26 Budget.

Commonwealth Government grants

Estimated payments to the ACT for General Revenue Assistance, Specific Purpose Payments (SPPs) and National Partnership Payments (NPPs) total \$16 billion over the four years to 2028-29, around \$173.2 million higher than the estimates published in the 2025-26 Budget. This increase reflects information contained in the Commonwealth Government's 2025-26 Mid-Year Economic and Fiscal Outlook (2025-26 MYEFO).

General Revenue Assistance

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

GST Revenue

Overall, GST revenue grants to the ACT are anticipated to be \$42.4 million lower than expected in 2025-26 and remain unchanged from 2026-27 to 2028-29 in comparison to the 2025-26 Budget estimates. The downward revision reflects a decrease in the ACT's share of the Australian population, partly offset by an increase in the GST entitlement pool.

For this Budget Review, the ACT has continued to apply an 'adjusted share of national population' approach, using Treasury's own projections of the ACT's share of national population to forecast GST revenue grants. As a result of the downgraded population estimates, the ACT's share of national population is expected to be 0.03 and 0.05 percentage points lower than the estimates in the 2025-26 Budget for the period 2025-26 to 2028-29.

The ACT has adopted the Commonwealth Government's forecasts of the GST pool from the 2025-26 MYEFO. The 2025-26 MYEFO forecasts the GST pool for 2025-26 and the forward estimates years to increase by \$8.8 billion (inclusive of a \$1.4 billion upgrade for 2025-26), relative to the 2025-26 Commonwealth Budget. This reflects higher than anticipated current year GST collections, and an improved outlook for nominal consumption subject to GST across the forward estimates.

A one-off budget balancing adjustment for underpayment of GST in 2024-25 is included in the estimates for 2025-26, increasing revenue by \$38.1 million. Combined with the downgrade in the ACT's population share and the upgrade in the national GST pool, it is expected that these changes will reduce the ACT's GST revenue grants by \$42.4 million in 2025-26.

There is some downside risk to the GST revenue forecasts from falls in the ACT's GST relativities to be determined in the Commonwealth Grants Commission's (CGC) 2026 Update and ACT population outcomes being lower than forecast. However, a larger national GST pool as a result of more resilient nominal household consumption at the national level would pose an upside risk to the ACT's GST revenue.

Table 3.3.3 below shows the GST revenue grant forecasts for the ACT and how they have changed since the 2025-26 Budget.

Table 3.3.3: GST revenue grant forecasts for the ACT (\$m)

	2025-26	2026-27	2027-28	2028-29	Total
2025-26 Budget Review	2,156	2,252	2,389	2,528	9,325
Change from the 2025-26 Budget	-42	0	0	0	-42

Note: Numbers may not add due to rounding.

Sensitivity of ACT GST estimates

The estimates of GST revenue are sensitive to changes in the GST pool, the estimated resident population for the ACT and the ACT's GST relativity. A one per cent reduction in the GST pool in any year would reduce the ACT's GST share by between \$21.3 million and \$25.3 million, depending on the year affected, or in total \$92.9 million over the forward estimates period.

If the ACT's share of the Australian population was 0.01 percentage points lower than the assumed in the baseline scenario, the ACT's GST revenue share would decline by between \$12.1 million and \$14.3 million, depending on the year affected, or in total \$52.7 million over the four-year forecast period.

This assumes that the ACT's GST relativity from the Commonwealth Grants Commission (CGC) 2025 Methodology Review is held constant. Any change in the ACT's GST relativity would influence these outcomes.

ACT Municipal Services

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

The ACT is expected to receive \$46.3 million in 2025-26 and \$191.9 million over the four years to 2028-29.

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

Since the 2025-26 ACT Budget, there have been significant Commonwealth funding increases to the ACT including:

- \$81.1 million under the National Capital Investment Framework related to the Canberra Convention Centre and Entertainment Precinct and the Canberra Aquatic Centre;
- an additional \$41.6 million over four years from 2025-26 to 2028-29 for Government and non-government schools under the *Better and Fairer Schools Agreement*;
- \$32.2 million over four years from 2025-26 for road and light rail projects under the Schedule for Land Transport Infrastructure Projects under the *Federation Funding Agreement – Infrastructure*, mainly related to the timing of Commonwealth payments;
- an additional \$19.3 million over three years from 2025-26 to 2027-28 to extend the *Preschool Reform Agreement*;
- \$12.9 million over three years from 2026-27 for an expansion of the Household Energy Upgrades Fund (Social Housing);
- an additional \$10.3 million over three years for Medicare urgent care clinics;
- \$10 million over three years from 2025-26 from the Building Early Education Fund;
- an additional \$9 million over four years from 2025-26 under the *National Skills Agreement*;
- \$8 million over three years from 2025-26 for the agreement *Food Waste for Healthy Soils* related to revenue previously estimated to be received in 2024-25;
- \$4.2 million over three years from 2025-26 for the Living Safe Together Intervention Program;
- \$3.9 million in 2025-26 for Round 3 of the Disaster Ready Fund;
- \$3 million over two years from 2025-26 for the Recycling Infrastructure NPP related to the payment of revenue previously estimated to be received in prior financial years;
- an additional \$3 million in National Partnership payments for skills and workforce development, including funding for TAFE Centres of Excellence, mobile TAFE and Turbocharging the VET workforce;
- \$2.8 million in 2025-26 under the Urban Precincts and Partnerships Program;
- \$2.5 million over three years from 2025-26 from the Clean Energy Capital Investment Fund;
- \$2 million over three years from 2025-26 to 2027-28 to continue the *Family Law Information Sharing* agreement; and
- \$2 million in 2025-26 for the Community, Health and Hospitals Program related to the payment of revenue previously estimated to be received in prior financial years.

These increases were partially offset by significant decreases compared to the 2025-26 Budget of:

- \$35.5 million in 2025-26 for Financial Assistance Grants, primarily due to a prepayment of revenue in 2024-25; and
- \$4 million in 2025-26 for the Local Roads and Infrastructure Program due to the payment of revenue in 2024-25 rather than 2025-26 as previously estimated.

3.4 INFRASTRUCTURE AND CAPITAL

Infrastructure investment

The total Infrastructure Investment Program is forecast to be \$8.3 billion over the five years to 2029-30.

This comprises a General Government Sector Capital Works Program of \$6.0 billion and investment by Public Trading Enterprises of \$2.3 billion (Table 3.4.1).

Infrastructure investment in the 2025-26 Budget Review includes:

- continuing works to deliver a new Canberra Lyric Theatre;
- an Early Childhood Education and Care Centre (ECEC) at the Whitlam ECEC - Year 6 primary school with co-contribution from the Commonwealth Government;
- modernisation and expansion of Telopea Park School;
- modernisation of Majura Primary School;
- replacement of the Jury Management system and the Coroner's Local Case Management system; and
- planning for a new ACT Police Headquarters and City Police Station.

The financial impact of these initiatives has been partially offset by savings, previously provisioned funding and Commonwealth Government contributions.

Further information on 2025-26 Budget Review initiatives can be found in Chapter 3.2 Investing in the Wellbeing of Canberrans.

Investing for growth and future generations

Infrastructure investment is guided by the community needs of Canberrans and Government priorities as articulated in the ACT Infrastructure Plan¹.

The Infrastructure Investment Program is designed to enhance community wellbeing through economic growth, community participation and social resilience while ensuring fiscal sustainability. A key element of the program is long-term investment in once-in-a-generation infrastructure projects that will support the growth of our city and future generations. Many of these projects are delivered with support from the Commonwealth Government.

¹ Built for CBR - Infrastructure plan: <https://www.act.gov.au/open/built-for-cbr-infrastructure-plan>.

As outlined in the 2025-26 Budget, the Government continues to progress projects to enhance and improve Canberra's regional infrastructure alongside major programs of work including the new Northside Hospital, the construction and modernisation of public schools, Light Rail Stage 2A, improvements to Canberra's road networks and supporting the construction of social, community and affordable housing.

Revised 2025-26 Infrastructure Investment Program

In addition to new initiatives, the 2025-26 Budget Review includes technical program adjustments and reprofiling. This reflects updated information about project delivery and the impacts on the construction sector of market constraints and adverse weather conditions. The revised Infrastructure Investment Program is outlined in Table 3.4.1 below.

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

	2025-26 Allocation	2026-27 Allocation	2027-28 Allocation	2028-29 Allocation	2029-30 Allocation	Total Investment
New capital works						
Early Planning	1,250	1,250	0	0	0	2,500
Design	6,207	4,824	0	0	0	11,031
Construction	93,621	144,244	37,249	6,461	26,000	307,575
ICT	19,322	6,683	0	0	0	26,005
PP+E	29,480	38,004	343	0	0	67,827
Capital grants	0	0	0	0	0	0
Total new works	149,880	195,005	37,592	6,461	26,000	414,938
Asset Renewal Program						
Asset Renewal Program – Allocated	128,049	108,598	109,097	113,358	112,557	571,659
Asset Renewal Program – Provision ¹	0	11,391	14,874	15,569	18,792	60,626
Total Asset Renewal Program	128,049	119,989	123,971	128,927	131,349	632,285
Works-in-progress						
Early Planning	2,259	0	0	0	0	2,259
Design	45,001	29,386	0	0	0	74,387
Construction	949,453	1,012,852	1,023,546	117,142	251,804	3,354,797
ICT	57,797	28,416	12,618	13,143	14,826	126,800
PP+E	58,941	41,598	15,418	6,351	6,466	128,774
Capital grants	2,214	562	0	0	0	2,776
Total work-in-progress	1,115,665	1,112,814	1,051,582	136,636	273,096	3,689,793
Central capital provisions	39,753	243,673	270,451	353,749	340,936	1,248,562
Total GGS Capital Works Program (including provisions)	1,433,347	1,671,481	1,483,596	625,773	771,381	5,985,578
Capital delivery provision²	-100,000	-150,000	-150,000	200,000	150,000	-50,000
Total Capital Works program forecast (including provisions)	1,333,347	1,521,481	1,333,596	825,773	921,381	5,935,578
Public Trading Enterprises (PTE)	466,143	511,817	531,533	494,879	342,150	2,346,522

	2025-26 Allocation	2026-27 Allocation	2027-28 Allocation	2028-29 Allocation	2029-30 Allocation	Total Investment
Total GGS and PTE Infrastructure Investment Program forecast	1,799,490	2,033,298	1,865,129	1,320,652	1,263,531	8,282,100
Capital works reserve (GGS) and offsetting provision	265,000	-265,000	0	0	0	0

Notes:

1. Asset Renewal Program (ARP) – Provision is centrally provisioned unallocated funding, available to invest in improvements to existing infrastructure that has been reported as part of ARP instead of Central Capital Provisions.
2. Capital Delivery Provision is \$50 million in 2030-31 resulting in a net zero impact over six years.

3.5 KEY BALANCE SHEET METRICS

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

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

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

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

	2024-25 Actual Outcome	2025-26 Budget Review	2026-27 Estimate	2027-28 Estimate	2028-29 Estimate
2025-26 Budget	9,278.0	11,068.4	12,603.9	13,206.4	13,613.4
2025-26 Budget Review	9,150.7	11,047.6	12,786.8	13,410.8	13,816.5
Net debt to GSP (%)	15.4	17.5	19.0	18.8	18.2

Compared with the 2025-26 Budget, net debt is forecast to be broadly consistent in 2025-26. Across the forward estimates, net debt is forecast to increase reflecting the impact of new policy decisions and recognition of the service concession arrangement for the New Recycling Facility.

Table 3.5.2: Net financial liabilities (\$m)

	2024-25 Actual Outcome	2025-26 Budget Review	2026-27 Estimate	2027-28 Estimate	2028-29 Estimate
2025-26 Budget	15,164.3	16,476.5	17,537.7	17,808.6	17,904.2
2025-26 Budget Review	15,135.9	16,228.3	17,411.3	17,708.1	17,797.9
Net financial liabilities to GSP (%)	25.5	25.6	25.9	24.8	23.4

Net financial liabilities are forecast to decrease in 2025-26 by \$248.2 million compared to the 2025-26 Budget and are also forecast to decrease over the forward estimates, attributable mainly to the estimated growth in the value of investment assets.

Table 3.5.3: Net worth (\$m)

	2024-25 Actual Outcome	2025-26 Budget Review	2026-27 Estimate	2027-28 Estimate	2028-29 Estimate
2025-26 Budget	19,990.8	19,555.7	19,349.5	19,301.1	19,490.8
2025-26 Budget Review	20,190.6	20,027.6	19,917.9	19,869.2	19,996.3
Net worth to GSP (%)	34.0	31.7	29.6	27.8	26.3

Net worth is forecast to increase in 2025-26 by \$471.9 million compared to the 2025-26 Budget, largely due to the higher value of investments, including in other public sector enterprises attributable to a revaluation of the water network.

Unfunded superannuation liability

Defined Benefit Superannuation Liability

The Government recognises a defined benefit employer superannuation liability on behalf of over 6,000 current employees and almost 29,000 past employees with membership in the Commonwealth’s closed defined benefit superannuation schemes, including the Commonwealth Superannuation Scheme and the Public Sector Superannuation Scheme. Both superannuation schemes are administered by the Commonwealth Superannuation Corporation.

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

Defined Benefit Superannuation Liability Valuation Estimates

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

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

Table 3.5.4: Defined Benefit Superannuation Liability (\$m)

	2024-25 Actual Outcome	2025-26 Budget Review	2026-27 Estimate	2027-28 Estimate	2028-29 Estimate
2025-26 Budget	10,462.8	10,678.4	10,873.7	11,047.0	11,195.5
2025-26 Budget Review	10,697.3	10,678.4	10,873.7	11,047.0	11,195.5

Defined Benefit Superannuation Liability Funding

The Government maintains a funding plan to extinguish the Territory’s unfunded defined benefit superannuation liability over time through the investment and accumulation of assets in the Superannuation Provision Account.

The Superannuation Provision Account receives budget appropriation and makes ongoing payments to the Commonwealth to extinguish the Territory’s employer superannuation liability.

Territory borrowings

Total Territory borrowings comprise short and long-term debt securities, such as bonds; historical Commonwealth Government loans; and leases, which include public private partnership contracts and service concession liabilities.

The Government's capital funding requirements are primarily met through issuing debt securities in the Australian capital markets.

Territory debt management objectives

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

Territory credit rating

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

Total Territory borrowings

The level of outstanding borrowings is influenced by:

- the investment required in infrastructure and assets to generate economic growth; and
- cash liquidity provisions to meet day-to-day and medium-term financial obligations.

A summary of the current borrowing estimates is set out below in Tables 3.5.5 and 3.5.6.

Table 3.5.5: Total Territory borrowings – Principal outstanding (\$'000)

	2024-25 Actual Outcome	2025-26 Budget Review	2026-27 Estimate	2027-28 Estimate	2028-29 Estimate
Market borrowings	13,413,669	15,310,780	19,206,817	20,865,565	21,217,769
Commonwealth loans	64,946	56,764	48,621	41,246	35,160
Finance leases	885,744	852,579	817,594	775,818	736,504
Public private partnership – Courts facilities	150,877	147,565	143,975	140,102	135,858
Service concession arrangement – Light rail stage 1	258,896	245,609	231,497	216,548	200,634
Service concession arrangement – Light rail stage 2A	198,334	422,513	564,844	79,037	73,649
Service concession arrangement – New recycling facility	17,454	37,961	85,247	82,146	77,933
Total	14,989,920	17,073,771	21,098,595	22,200,462	22,477,507

Note: Numbers may not add due to rounding.

Table 3.5.6: Total Territory borrowings – Interest expense (\$'000)

	2024-25 Actual Outcome	2025-26 Budget Review	2026-27 Estimate	2027-28 Estimate	2028-29 Estimate
Market borrowings	454,403	583,386	729,067	918,991	1,013,417
Commonwealth loans	3,303	2,929	2,559	2,193	1,861
Concessional loans	782	13,431	3,475	2,246	2,152
Finance leases	19,823	17,674	16,572	15,670	15,313
Public private partnership – Courts facilities	11,216	10,922	10,605	10,262	9,892
Service concession arrangement – Light rail stage 1	19,607	15,259	14,435	13,598	12,632
Service concession arrangement – Light rail stage 2A	9,564	19,885	34,270	25,162	5,148
Service concession arrangement – New recycling facility	53	238	516	796	711
Total	518,751	663,724	811,499	988,918	1,061,126

Notes:

- Estimates of the interest payments and expense of ACT bonds on issue include the cost of bonds already on issue and future estimated bond issuance.
 - The estimated cost of future bond issuance is based on the Australia Sovereign forward curve (10-year term) plus an estimated ACT issuance margin at the time of a budget estimates update.
- The average cost of borrowing assumed for future issuance of ACT bonds for the budget and forward years is estimated to be 5.60 per cent (compared to 5.45 per cent for the original 2025-26 Budget).

The Territory's projected gross borrowing program by issuing debt securities in the Australian capital markets is set out below in Table 3.5.7.

Table 3.5.7: Territory borrowing program (\$'000)

Face Value	2024-25 Actual Outcome	2025-26 Budget Review	2026-27 Estimate	2027-28 Estimate	2028-29 Estimate
New Borrowings ³	2,475,000	2,965,000	1,855,000	1,540,000	840,000
Debt Refinancing ⁴	525,000	0	2,000,000	2,000,000	1,420,000
Total Borrowing Task^{1,2}	3,000,000	2,965,000	3,855,000	3,540,000	2,260,000

Notes:

- Estimated borrowing requirements will be sourced by issuing debt securities in accordance with the Territory's Australian Dollar Debt Issuance Program.
- Projections are the total estimated borrowing requirements (face value) for the Territory comprising the General Government Sector and the Public Trading Enterprise Sector (Icon Water) and will vary with changes to assumptions and actual requirements.
- Comprises new borrowings to meet budget funding requirements and cash liquidity provisioning.
- Comprises debt issuance undertaken in advance of scheduled debt principal repayments to be made in the following financial year. This aligns with our debt management strategy and objectives of prudently managing our liquidity provisioning to ensure the financial payment obligations and ongoing capital funding requirements for the Territory can be met.

CHAPTER 4 GGS HARMONISED FINANCIAL STATEMENTS

4.1 GFS/GAAP FINANCIAL STATEMENTS

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

	2024-25 Actual outcome	2025-26 Budget	2025-26 Revised Budget	2026-27 Revised Estimate	2027-28 Revised Estimate	2028-29 Revised Estimate
Revenue						
Taxation revenue	2,710,709	3,056,249	3,008,613	3,301,589	3,468,652	3,677,926
Commonwealth grants revenue	3,483,190	3,914,268	3,922,149	3,966,531	4,025,617	4,131,297
Sales of goods and services	762,969	701,721	760,093	781,629	801,108	822,699
Investment revenue	141,502	198,475	177,843	222,150	239,082	257,240
Interest revenue	315,452	269,337	307,617	315,894	406,101	429,128
Dividend and income tax equivalents income	157,407	263,794	239,271	397,720	220,700	335,767
Other revenue						
Other revenue	261,405	385,267	353,020	388,447	464,814	485,529
Gains from contributed assets	138,619	137,535	137,535	205,435	288,502	178,926
Total revenue	7,971,253	8,926,646	8,906,141	9,579,395	9,914,576	10,318,512
Expenses						
Employee expenses	3,588,384	3,541,292	3,653,913	3,572,024	3,659,090	3,769,264
Superannuation expenses						
Superannuation interest cost	493,924	511,342	501,989	522,810	533,149	542,084
Other superannuation expenses	524,495	521,973	539,844	540,972	542,158	543,121
Depreciation and amortisation	657,230	620,618	623,595	630,290	637,079	635,562
Interest expenses	493,628	629,414	647,978	791,767	973,038	1,039,017
Other operating expenses						
Supplies and services	1,638,650	1,709,659	1,653,151	1,891,715	1,818,446	1,808,198
Other operating expenses	457,442	413,745	426,188	398,862	408,461	422,290
Grants and purchased services	1,515,814	1,660,894	1,641,629	1,596,676	1,587,512	1,609,414
Total expenses	9,369,567	9,608,937	9,688,287	9,945,116	10,158,933	10,368,950
UPF net operating balance	(1,398,314)	(682,291)	(782,146)	(365,721)	(244,357)	(50,438)
Other economic flows – included in the Operating Statement						
Dividends (market gains on land sales)	97	61,980	31,957	43,973	4,135	0
Net land revenue (undeveloped land value)	2,426	4,583	4,583	7,003	2,273	2,930
Net gain/(loss) on sale/(disposal) of non-financial assets	(73,577)	3,622	15,848	2,081	(18,389)	(19,994)

	2024-25 Actual outcome	2025-26 Budget	2025-26 Revised Budget	2026-27 Revised Estimate	2027-28 Revised Estimate	2028-29 Revised Estimate
Net gain on financial assets or liabilities at fair value	621,818	264,021	421,145	295,760	318,212	342,338
Doubtful and bad debts	(33,377)	(15,178)	(15,168)	(15,437)	(15,694)	(15,902)
Operating result	(880,927)	(363,263)	(323,781)	(32,341)	46,180	258,934
Items that will not be subsequently reclassified to the operating result						
Capital payments to ACT government agencies	(189,667)	(246,203)	(246,203)	(193,849)	(101,874)	(66,627)
Transfer of assets to the Public Trading Enterprises (PTE) sector	(57,525)	(54,167)	(54,167)	(13,383)	(660,285)	(136)
Superannuation actuarial gain	27,388	0	232,362	0	0	0
Other movements	(6,712)	1	1	1	1	1
Increase in the asset revaluation surplus	67,427	27,446	27,446	40,794	28,518	4,782
(Decrease) in other reserves	(348)	0	0	0	0	0
Items that may be subsequently reclassified to the operating result						
Increase/(decrease) in net assets of PTE sector	353,745	201,062	201,401	88,996	638,789	(69,855)
Total comprehensive result	(686,619)	(435,124)	(162,941)	(109,782)	(48,671)	127,099
Key fiscal aggregates						
UPF net operating balance	(1,398,314)	(682,291)	(782,146)	(365,721)	(244,357)	(50,438)
less net acquisition of non-financial assets						
Payments for non-financial assets	1,107,468	1,050,700	1,095,499	1,324,100	742,777	842,695
Sales of non-financial assets	(18,084)	(56,771)	(37,771)	(51,065)	(26,774)	(23,332)
Change in inventories	5,422	733	(10,947)	(3,142)	426	(1,794)
Depreciation and amortisation	(657,230)	(620,618)	(623,595)	(630,290)	(637,079)	(635,562)
Other movements in non-financial assets	73,301	83,554	72,357	112,155	209,857	100,281
<i>Total net acquisition of non-financial assets</i>	<i>510,877</i>	<i>457,598</i>	<i>495,543</i>	<i>751,758</i>	<i>289,207</i>	<i>282,288</i>
Net borrowing	(1,909,191)	(1,139,889)	(1,277,689)	(1,117,479)	(533,564)	(332,726)

	2024-25 Actual outcome	2025-26 Budget	2025-26 Revised Budget	2026-27 Revised Estimate	2027-28 Revised Estimate	2028-29 Revised Estimate
GOVERNMENT FISCAL						
MEASURE – BUDGET						
OPERATING						
SURPLUS/(DEFICIT)						
UPF net operating balance	(1,398,314)	(682,291)	(782,146)	(365,721)	(244,357)	(50,438)
Superannuation return adjustment	267,215	255,851	283,032	286,060	307,612	330,785
HEADLINE NET	(1,131,099)	(426,440)	(499,114)	(79,661)	63,255	280,347
OPERATING BALANCE						

Note: The 2025-26 Budget amounts reflect estimates contained in the 2025-26 Budget Addendum.

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

	2024-25 Actual outcome	2025-26 Budget	2025-26 Revised Budget	2026-27 Revised Estimate	2027-28 Revised Estimate	2028-29 Revised Estimate
Assets						
Financial assets						
Cash and deposits	2,668,928	2,127,624	2,433,612	4,460,070	4,505,536	4,074,833
Advances paid	2,115,584	2,302,582	2,308,404	2,514,009	2,722,775	2,890,223
Investments	7,552,342	8,084,845	8,430,508	9,058,416	9,745,753	10,482,628
Receivables	966,271	1,214,529	1,299,239	1,532,588	1,565,901	1,534,099
Equity investments						
Investments in other public trading enterprises sector	11,345,147	11,298,785	11,546,528	11,635,524	12,274,313	12,204,458
Total financial assets	24,648,272	25,028,365	26,018,291	29,200,607	30,814,278	31,186,241
Non-financial assets						
Produced assets						
Property, plant and equipment	16,908,675	19,229,348	19,300,846	20,313,018	19,978,531	20,278,287
Investment properties	5,020	5,020	5,020	5,020	5,020	5,020
Intangibles	162,359	264,074	147,029	134,225	100,627	66,137
Inventories	45,766	31,548	34,819	31,677	32,103	30,309
Assets held for sale	11,647	7,476	14,865	11,694	10,139	7,389
Capital works-in-progress ^(a)	1,614,002	0	0	0	0	0
Non-produced assets						
Property, plant and equipment	5,183,449	5,140,593	5,153,012	5,144,230	5,122,734	5,148,705
Biological assets	48,649	48,830	48,649	48,649	48,649	48,649
Other non-financial assets	1,765	6,466	5,138	5,138	5,138	5,268
Total non-financial assets	23,981,332	24,733,355	24,709,378	25,693,651	25,302,941	25,589,764
Total assets	48,629,604	49,761,720	50,727,669	54,894,258	56,117,219	56,776,005
Liabilities						
Advances received	36,172	31,295	31,296	26,173	21,410	17,529
Borrowings						
Lease liabilities	1,010,684	959,568	976,613	940,228	901,159	861,801
Other borrowings	13,587,149	15,458,632	15,746,504	19,832,158	20,844,910	21,125,901
Superannuation	10,699,327	10,680,674	10,680,650	10,876,078	11,049,609	11,198,321
Employee benefits	1,329,421	1,243,888	1,354,088	1,260,250	1,325,467	1,382,025
Other provisions	1,217,070	1,212,802	1,255,593	1,305,547	1,365,876	1,430,311
Payables	414,834	563,477	575,456	655,852	659,202	683,147
Contract liabilities	64,448	42,360	64,424	64,705	64,986	65,267
Other liabilities	79,918	13,356	15,405	15,409	15,413	15,417
Total liabilities	28,439,023	30,206,052	30,700,029	34,976,400	36,248,032	36,779,719
Net assets	20,190,581	19,555,668	20,027,640	19,917,858	19,869,187	19,996,286
Equity in public trading enterprises sector	11,345,127	11,298,785	11,546,528	11,635,524	12,274,313	12,204,458
Accumulated funds	(1,596,849)	(2,207,295)	(1,976,486)	(2,205,642)	(2,823,281)	(2,623,395)
Asset revaluation surplus	10,441,421	10,462,948	10,456,716	10,487,094	10,417,273	10,414,341
Other reserves	882	1,230	882	882	882	882
Net worth	20,190,581	19,555,668	20,027,640	19,917,858	19,869,187	19,996,286

	2024-25 Actual outcome	2025-26 Budget	2025-26 Revised Budget	2026-27 Revised Estimate	2027-28 Revised Estimate	2028-29 Revised Estimate
Net financial worth	(3,790,751)	(5,177,687)	(4,681,738)	(5,775,793)	(5,433,754)	(5,593,478)
Net financial liabilities	15,135,878	16,476,472	16,228,266	17,411,317	17,708,067	17,797,936
Net debt (excluding superannuation related investments)	9,150,694	11,068,407	11,047,635	12,786,755	13,410,780	13,816,459

Notes:

1. From 2025-26 Capital works-in-progress is aggregated in the Property, plant and equipment line item.
2. The 2025-26 Budget amounts reflect estimates contained in the 2025-26 Budget Addendum.

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

	2024-25 Actual outcome	2025-26 Budget	2025-26 Revised Budget	2026-27 Revised Estimate	2027-28 Revised Estimate	2028-29 Revised Estimate
Opening equity						
Opening equity in Public Trading Enterprises (PTE) sector	10,991,382	11,097,723	11,345,127	11,546,528	11,635,524	12,274,313
Opening accumulated funds	(551,889)	(1,555,814)	(1,596,849)	(1,976,486)	(2,205,642)	(2,823,281)
Opening asset revaluation surplus	10,436,477	10,447,653	10,441,421	10,456,716	10,487,094	10,417,273
Opening other reserves	1,230	1,230	882	882	882	882
Opening balance	20,877,200	19,990,792	20,190,581	20,027,640	19,917,858	19,869,187
Comprehensive income						
<i>Included in accumulated funds:</i>						
Operating result for the period	(880,927)	(363,263)	(323,781)	(32,341)	46,180	258,934
Capital payments to ACT government agencies	(189,667)	(246,203)	(246,203)	(193,849)	(101,874)	(66,627)
Transfer of assets (to) the PTE sector	(57,525)	(54,167)	(54,167)	(13,383)	(660,285)	(136)
Superannuation actuarial gain	27,388	0	232,362	0	0	0
Other movements	(6,712)	1	1	1	1	1
<i>Included in equity in PTE sector:</i>						
Increase/(decrease) in net assets of PTE sector	353,745	201,062	201,401	88,996	638,789	(69,855)
<i>Included in the asset revaluation surplus:</i>						
Increase in the asset revaluation surplus	67,427	27,446	27,446	40,794	28,518	4,782
(Decrease) in other reserves	(348)	0	0	0	0	0
Total comprehensive result	(686,619)	(435,124)	(162,941)	(109,782)	(48,671)	127,099
Other						
Transfer to accumulated funds	62,483	12,151	12,151	10,416	98,339	7,714
Transfer (from) the asset revaluation surplus	(62,483)	(12,151)	(12,151)	(10,416)	(98,339)	(7,714)
Total other	0	0	0	0	0	0
Closing equity						
Closing equity in PTE sector	11,345,127	11,298,785	11,546,528	11,635,524	12,274,313	12,204,458
Closing accumulated funds	(1,596,849)	(2,207,295)	(1,976,486)	(2,205,642)	(2,823,281)	(2,623,395)
Closing asset revaluation surplus	10,441,421	10,462,948	10,456,716	10,487,094	10,417,273	10,414,341
Closing other reserves	882	1,230	882	882	882	882
Closing balance	20,190,581	19,555,668	20,027,640	19,917,858	19,869,187	19,996,286

Note: The 2025-26 Budget amounts reflect estimates contained in the 2025-26 Budget Addendum.

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

	2024-25 Actual outcome	2025-26 Budget	2025-26 Revised Budget	2026-27 Revised Estimate	2027-28 Revised Estimate	2028-29 Revised Estimate
Cash flows from operating activities						
Cash receipts						
Taxes received	2,635,929	3,016,162	2,966,756	3,282,745	3,449,288	3,659,001
Receipts from sales of goods and services	712,815	701,427	759,322	782,577	799,556	820,087
Grants received	3,487,577	3,968,878	3,928,813	3,973,393	4,032,479	4,138,135
Investment receipts	142,278	187,668	170,759	213,130	235,091	252,967
Interest receipts	293,896	236,623	272,497	281,688	377,504	401,609
Dividends and income tax equivalents	248,847	118,437	113,976	248,869	210,952	418,234
Other receipts	448,675	587,623	614,302	644,200	694,527	717,359
Total receipts from operating activities	7,970,017	8,816,818	8,826,425	9,426,602	9,799,397	10,407,392
Cash payments						
Employee payments	(4,297,941)	(4,378,309)	(4,493,202)	(4,575,309)	(4,533,198)	(4,675,809)
Supplies and services	(1,708,204)	(1,853,603)	(1,797,476)	(1,945,175)	(1,866,758)	(1,847,965)
Grants and purchased services	(1,414,716)	(1,606,120)	(1,573,958)	(1,502,384)	(1,509,168)	(1,534,631)
Borrowing costs	(439,768)	(574,503)	(568,660)	(710,457)	(927,122)	(1,008,128)
Other payments	(539,372)	(533,871)	(550,848)	(521,558)	(531,370)	(546,284)
Total payments from operating activities	(8,400,001)	(8,946,406)	(8,984,144)	(9,254,883)	(9,367,616)	(9,612,817)
Net cash inflows/(outflows) from operating activities	(429,984)	(129,588)	(157,719)	171,719	431,781	794,575
Cash flows from investing activities						
Cash flows from investments in non-financial assets						
Proceeds from sales of non-financial assets	18,084	56,771	37,771	51,065	26,774	23,332
Purchase of non-financial assets	(1,107,468)	(1,050,700)	(1,095,499)	(1,324,100)	(742,777)	(842,695)
Net cash (outflows) from investments in non-financial assets	(1,089,384)	(993,929)	(1,057,728)	(1,273,035)	(716,003)	(819,363)
Cash flows from investments in financial assets for policy purposes						
Cash receipts						
Loans receivable repayment received	34,987	30,389	30,389	36,032	38,786	39,926
Dividends (market gains on land sales)	97	61,980	31,957	43,973	4,135	0

	2024-25 Actual outcome	2025-26 Budget	2025-26 Revised Budget	2026-27 Revised Estimate	2027-28 Revised Estimate	2028-29 Revised Estimate
Total receipts from investments in financial assets for policy purposes	35,084	92,369	62,346	80,005	42,921	39,926
Cash payments						
Loans receivable provided	(61,788)	(80,481)	(80,481)	(43,000)	(21,000)	0
Capital payments to ACT government agencies	(189,668)	(246,203)	(246,203)	(193,849)	(101,874)	(66,627)
Total payments from investments in financial assets for policy purposes	(251,456)	(326,684)	(326,684)	(236,849)	(122,874)	(66,627)
Net cash (outflows) from investments in financial assets for policy purposes	(216,372)	(234,315)	(264,338)	(156,844)	(79,953)	(26,701)
Cash flows from investments in financial assets for liquidity purposes						
Proceeds from sales of investments	15,314	61,922	61,922	87,074	77,535	83,471
Payments for investments	(31)	(373,605)	(523,076)	(421,084)	(442,682)	(474,128)
Net cash inflows/(outflows) from investments in financial assets for liquidity purposes	15,283	(311,683)	(461,154)	(334,010)	(365,147)	(390,657)
Net cash (outflows) from investing activities	(1,290,473)	(1,539,927)	(1,783,220)	(1,763,889)	(1,161,103)	(1,236,721)
Cash flows from financing activities						
Cash receipts						
Proceeds from borrowings	1,966,909	1,662,859	1,886,056	3,861,224	1,545,353	420,000
Total receipts from financing activities	1,966,909	1,662,859	1,886,056	3,861,224	1,545,353	420,000
Cash payments						
Repayment of borrowings	(4,871)	(132,319)	(134,952)	(192,501)	(718,168)	(355,867)
Repayments of lease liabilities – principal	(63,634)	(46,752)	(46,702)	(47,937)	(50,269)	(50,611)
Total payments from financing activities	(68,505)	(179,071)	(181,654)	(240,438)	(768,437)	(406,478)
Net cash inflows/(outflows) from financing activities	1,898,404	1,483,788	1,704,402	3,620,786	776,916	13,522

	2024-25 Actual outcome	2025-26 Budget	2025-26 Revised Budget	2026-27 Revised Estimate	2027-28 Revised Estimate	2028-29 Revised Estimate
Net increase/ (decrease) in cash and cash equivalents	177,947	(185,727)	(236,537)	2,028,616	47,594	(428,624)
Cash and cash equivalents at the beginning of the reporting period	2,507,722	2,315,407	2,685,669	2,449,132	4,477,748	4,525,342
Cash and cash equivalents at the end of reporting period	2,685,669	2,129,680	2,449,132	4,477,748	4,525,342	4,096,718
Key fiscal aggregates						
Net cash from operating activities	(429,984)	(129,588)	(157,719)	171,719	431,781	794,575
Investments in non-financial assets	(1,089,384)	(993,929)	(1,057,728)	(1,273,035)	(716,003)	(819,363)
Cash (deficit)	(1,519,368)	(1,123,517)	(1,215,447)	(1,101,316)	(284,222)	(24,788)

Note: The 2025-26 Budget amounts reflect estimates contained in the 2025-26 Budget Addendum.

APPENDICES

APPENDIX A STATEMENT OF RISKS

Consistent with section 11(1)(d) of the *Financial Management Act 1996*, each budget update is required to provide a statement describing the risks – quantified if possible – that could impact the budget estimates. Risk items identified at the time of publication of the 2025-26 Budget Review are detailed below. Risks that remain unchanged from publication of the 2025-26 Budget have not been reproduced in this update.

Economic risks

Key risks to economic growth come from uncertainty around the near-term path for inflation and interest rates, with potential implications for the labour market and aggregate demand. While inflationary pressures in Canberra were lower than expected in 2024-25, economic headwinds persist with inflationary pressures forecast to continue, with implications for interest rate movements.

There are some risks to the public consumption forecast flowing from potential prioritisation activities of the Commonwealth Government, although the magnitude and timing of any adjustment is unclear.

On the upside, housing market activity may rebound more strongly than forecast stemming from higher household disposable income and the recent moderation in construction costs, with flow-on effects for the broader ACT economy.

The risks around household consumption are balanced and dependent on how domestic and global events are likely to impact consumer sentiment.

There is some risk that slower employment growth in the non-market sector could weigh on private sector hiring, reflecting weaker employment outcomes in the Public Administration and Safety industry.

Fiscal risks

The fiscal risks facing the Territory are broadly consistent with the economic risks detailed above. Increased interest rates may have implications for the Territory's fiscal position, including interest costs on borrowing, investment returns, valuation of liabilities, and possible impacts on own-source revenues and GST grants from the Commonwealth. Similarly, if the cost of living rises, this may require the Government to provide further investment to support vulnerable households.

Substantial increases in activity and costs in the public health system also continue to put pressure on the Government to close the funding gap in the ACT public health system. The new National Health Reform Agreement announced on 30 January 2026 will alleviate some, but not all, of the risk associated with cost pressures in the public health system.

Revenue risks

Inflation and the impact of interest rates remain key sources of uncertainty and risk to revenue estimates. This uncertainty could influence housing and commercial property market dynamics, with associated risks for residential conveyance duty, commercial conveyance duty, land tax and lease variation charge revenue. There is some downside risk to payroll tax if businesses are adversely impacted by the changes to payroll tax, albeit this would only be minimal.

On the upside, risks include higher growth in payroll tax from a stronger private sector labour market. Upside risks for GST include a larger national GST pool due to more resilient household consumption, supported by strong wages and employment growth nationally. Additionally, there is some upside risk to improvements in the ACT's GST relativities from the Commonwealth Grants Commission's (CGC) 2026 Update.

ACT Insurance Authority

Change to relevant accounting standard for ACT Insurance Authority Core Scheme

Based on a comprehensive assessment performed by the Authority, the Authority's Core Scheme (consisting of multiple classes of insurance coverage for the ACT Government directorates and agencies such as Medical Negligence, Public Liability, Professional Indemnity and Property and Motor), Physical and Sexual Abuse and Builders Warranty Insurance Schemes meets the definition of an insurance contract, as defined by *AASB 17 Insurance Contracts* (AASB 17). The Authority is currently assessing the impact of this amendment on its financial statements effective from 1 July 2026, with no intention for early adoption. The impact of AASB 17 on other agencies which may be captured by this standard, and the consolidated financial statements, is also currently being assessed.

Other items

Enterprise agreement bargaining

Employee expenses are the largest expense incurred by the Territory and the majority of ACT Public Sector enterprise agreements are due to expire on 31 March 2026. On 9 December 2025, the Government made a formal pay offer as part of the ACT Public Sector Enterprise Agreement bargaining process. The resolution of bargaining process to replace expiring agreements may present a risk to the fiscal outlook.

Housing Supply and Land Release Program

The ACT Government's Housing Supply and Land Release Program provides revenue for the Territory through dividends from the Suburban Land Agency and the City Renewal Authority. The program is susceptible to risk, most notably where actual demand, supply and prices for released land differ from those forecasts in this Budget Review. While the Territory's property market and supply have broadly kept pace with demand, project-specific variations may affect the timing of revenue realisation.

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

The ACT housing market continues to be underpinned by strong underlying demand. While the RBA cut interest rates through 2025, further easing seems unlikely. The 2025-26 Budget Review reflects lower market activity compared to the 2022 peak due to tighter monetary policy in recent years, which affects land sales and revenues. Despite this, the ACT housing market has shown modest and steady growth since the 2025-26 Budget and annual dividends from land sales are forecast to remain consistent over the forward estimates, with the ACT's strong labour market, attractive rental yields and population growth expected to sustain medium to long-term demand.

Large-Scale Generation Certificates

The 2025-26 Budget Review reflects the expense and revenue components of Large-Scale Generation Certificates (LGCs), which are credits received for the generation of renewable electricity under the Commonwealth Government's large-scale renewable energy target. The ACT Government receives certificates from large-scale renewable electricity generation projects (revenue) and current policy is to surrender them to meet the ACT's 100 per cent renewable electricity target (expense).

Once created and recognised, LGCs can be sold, with the price determined by the market. As such, the value of certificates, and accordingly the revenue when created and expense when surrendered, is subject to price fluctuations arising from supply and demand. Spot prices for LGCs have continued to decline due to the success of the Renewable Energy Target incentivising investment in large-scale renewables. However, buyers may take advantage of the lower prices through spot trades, with industry intelligence suggesting there is an uptick in interest from energy retailers.

Accounting for the recognition and eventual receipt, and then surrender, of certificates, involves some price risk, given the typical three-month delay between the right to the certificates arising, and when they are physically received and therefore able to be surrendered.

North Canberra Hospital acquisition

Following the publication of the 2025-26 Budget, the Government and Calvary Health Care ACT entered a deed of settlement and release, concluding the determination of Just Terms, as required under the *Health Infrastructure Enabling Act 2023* (the Act). This has materially addressed the risk to the Territory as published in the 2025-26 Budget, with some residual risk remaining due to the provision for further claims under the Act.

School Costs

The ACT has experienced an increase in the cost of meeting demands within ACT Public Schools. The Government has provided funding in 2025-26 to better meet the changing needs of students, technology and curriculums. In 2025, the Government established an ACT Public School System Resourcing Review to provide independent advice on the resourcing needs of the ACT public school system. The final report will inform future Government consideration of the resourcing needs and financial sustainability of public schools in the ACT. Further review of the drivers of the material increase in school costs in 2025-26, may require a level of additional funding in future years or for changes in service levels.

APPENDIX B PUBLIC TRADING ENTERPRISES FINANCIAL STATEMENTS

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

	2024-25 Actual outcome	2025-26 Budget	2025-26 Revised Budget	2026-27 Revised Estimate	2027-28 Revised Estimate	2028-29 Revised Estimate
Revenue						
Grants and subsidies	338,465	335,347	337,573	322,747	336,582	347,642
Commonwealth grants	7,123	10,664	10,664	10,664	10,767	10,767
Sales of goods and services						
From associates and joint ventures	91,810	89,251	80,251	97,315	94,349	89,053
Other sales of goods and services	496,231	546,740	546,134	586,190	637,890	651,410
Interest revenue	17,142	7,810	7,616	9,485	6,893	6,494
Other revenue						
Land revenue (value add component)	212,675	392,548	408,877	527,733	301,994	474,035
Other revenue	26,273	11,167	11,167	11,522	10,430	12,423
Gains from contributed assets	74,635	7,398	5,531	42,003	45,064	53,304
Total revenue	1,264,354	1,400,925	1,407,813	1,607,659	1,443,969	1,645,128
Expenses						
Employee expenses	258,336	247,204	246,497	244,950	248,513	253,249
Superannuation expenses	37,750	38,528	38,234	42,439	43,065	43,735
Depreciation and amortisation	199,386	215,961	217,161	227,793	240,586	257,856
Interest expenses	104,804	106,721	107,548	113,264	126,702	150,064
Other property expenses (income tax equivalents)	38,253	117,436	101,116	157,879	101,085	122,883
Other operating expenses						
Supplies and services	381,768	387,152	390,604	335,911	351,460	370,515
Other operating expenses	176,139	194,426	209,102	255,036	87,182	262,827
Grants and purchased services expenses	64,258	90,440	79,955	103,158	201,339	102,924
Total expenses	1,260,694	1,397,868	1,390,217	1,480,430	1,399,932	1,564,053
UPF net operating balance	3,660	3,057	17,596	127,229	44,037	81,075
Other economic flows – included in the Operating Statement						
Land revenue (market gains on land sales)	141	93,285	48,350	65,140	8,695	0
Net land revenue (undeveloped land value)	1,860	0	0	0	0	0
Net gain/(loss) on sale/(disposal) of non-financial assets	(2,403)	1,848	2,881	5,000	4,913	5,000

	2024-25 Actual outcome	2025-26 Budget	2025-26 Revised Budget	2026-27 Revised Estimate	2027-28 Revised Estimate	2028-29 Revised Estimate
Net gain on financial assets or liabilities at fair value	1	100	100	100	100	100
Doubtful and bad debts	348	(6,440)	(6,440)	(6,601)	(6,766)	(6,935)
Operating result	3,607	91,850	62,487	190,868	50,979	79,240
Other economic flows – other comprehensive income						
Items that will not be subsequently reclassified to the operating result						
Other movements	(26,505)	0	0	0	0	0
Increase in the asset revaluation surplus	240,773	49,650	41,125	7,291	0	10,728
Total comprehensive result	217,875	141,500	103,612	198,159	50,979	89,968
Key fiscal aggregates						
UPF net operating balance	3,660	3,057	17,596	127,229	44,037	81,075
less net acquisition of non-financial assets						
Payments for non-financial assets	314,648	491,698	460,490	459,414	384,229	322,875
Sales of non-financial assets	(48,632)	(41,625)	(41,625)	0	0	0
Change in inventories	37,427	98,575	99,126	83,009	134,588	162,174
Depreciation and amortisation	(199,386)	(215,961)	(217,161)	(227,793)	(240,586)	(257,856)
Other movements in non-financial assets	38,694	(52,161)	(43,764)	(28,614)	(123,022)	(15,086)
<i>Total net acquisition of non-financial assets</i>	<i>142,751</i>	<i>280,526</i>	<i>257,066</i>	<i>286,016</i>	<i>155,209</i>	<i>212,107</i>
Net (borrowing)	(139,091)	(277,469)	(239,470)	(158,787)	(111,172)	(131,032)
UPF net operating balance	3,660	3,057	17,596	127,229	44,037	81,075
HEADLINE NET OPERATING BALANCE	3,660	3,057	17,596	127,229	44,037	81,075

Note: The 2025-26 Budget amounts reflect estimates contained in the 2025-26 Budget Addendum.

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

	2024-25 Actual outcome	2025-26 Budget	2025-26 Revised Budget	2026-27 Revised Estimate	2027-28 Revised Estimate	2028-29 Revised Estimate
Assets						
Financial assets						
Cash and deposits	212,754	90,535	128,625	158,744	138,724	27,829
Investments	72,000	96,000	146,145	146,145	146,145	146,145
Receivables	62,802	76,473	55,528	55,358	45,069	43,302
Equity investments	1,106,385	1,061,986	1,129,136	1,128,451	1,131,300	1,131,853
Total financial assets	1,453,941	1,324,994	1,459,434	1,488,698	1,461,238	1,349,129
Non-financial assets						
Produced assets						
Property, plant and equipment	7,135,847	7,452,321	7,713,740	7,960,465	8,848,850	8,926,270
Investment properties	26,252	23,890	26,194	26,181	26,168	26,155
Intangibles	16,567	22,412	18,649	15,242	19,246	14,257
Inventories	571,114	661,376	670,240	753,249	887,837	1,050,011
Assets held for sale	8,728	0	2,484	2,484	2,484	2,484
Capital works-in-progress ^(a)	321,567	0	0	0	0	0
Non-produced assets						
Property, plant and equipment	5,695,559	5,777,767	5,742,499	5,760,960	5,776,048	5,775,420
Other non-financial assets						
Deferred tax assets	28,689	25,864	28,689	28,689	28,689	28,689
Total non-financial assets	13,804,323	13,963,630	14,202,495	14,547,270	15,589,322	15,823,286
Total assets	15,258,264	15,288,624	15,661,929	16,035,968	17,050,560	17,172,415
Liabilities						
Advances received	1,996,536	2,117,639	2,123,243	2,308,031	2,522,404	2,715,599
Borrowings						
Lease liabilities	25,937	26,490	23,531	21,341	14,761	10,561
Other borrowings	301,204	263,584	270,359	256,247	398,386	444,084
Employee benefits	94,089	87,874	94,273	91,048	93,484	96,061
Other provisions	348,926	285,437	313,588	264,342	230,841	256,218
Payables	151,871	157,405	147,651	149,337	152,642	153,951
Contract liabilities	58,606	53,944	56,766	56,391	56,016	55,641
Current tax liability	19,883	43,305	47,750	61,886	(851)	54,460
Deferred tax liability	846,124	790,724	872,671	899,327	944,001	951,779
Other liabilities	69,961	163,437	165,569	292,494	364,563	229,603
Total liabilities	3,913,137	3,989,839	4,115,401	4,400,444	4,776,247	4,967,957
Net assets	11,345,127	11,298,785	11,546,528	11,635,524	12,274,313	12,204,458
Accumulated funds	4,049,830	4,186,054	4,236,584	4,347,473	5,008,262	4,960,407
Asset revaluation surplus	7,295,297	7,112,731	7,309,944	7,288,051	7,266,051	7,244,051
Net worth	11,345,127	11,298,785	11,546,528	11,635,524	12,274,313	12,204,458
Key fiscal aggregates						
Net financial worth	(2,459,196)	(2,664,845)	(2,655,967)	(2,911,746)	(3,315,009)	(3,618,828)
Net debt	2,038,923	2,221,178	2,142,363	2,280,730	2,650,682	2,996,270

Notes:

1. From 2025-26 Capital works-in-progress is aggregated in the Property, plant and equipment line item.
2. The 2025-26 Budget amounts reflect estimates contained in the 2025-26 Budget Addendum.

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

	2024-25 Actual outcome	2025-26 Budget	2025-26 Revised Budget	2026-27 Revised Estimate	2027-28 Revised Estimate	2028-29 Revised Estimate
Opening equity						
Opening accumulated funds	3,873,063	3,999,746	4,049,830	4,236,584	4,347,473	5,008,262
Opening asset revaluation surplus	7,118,319	7,097,977	7,295,297	7,309,944	7,288,051	7,266,051
Opening balance	10,991,382	11,097,723	11,345,127	11,546,528	11,635,524	12,274,313
Comprehensive income						
<i>Included in accumulated funds:</i>						
Operating result for the period	3,607	91,850	62,487	190,868	50,979	79,240
Other movements	(26,505)	0	0	0	0	0
<i>Included in the asset revaluation surplus:</i>						
Increase in asset revaluation reserve surplus	240,773	49,650	41,125	7,291	0	10,728
Total comprehensive result	217,875	141,500	103,612	198,159	50,979	89,968
Other						
Transfer to accumulated funds	63,795	34,896	26,478	29,184	22,000	32,728
Transfer (from) the asset revaluation surplus	(63,795)	(34,896)	(26,478)	(29,184)	(22,000)	(32,728)
Total other	0	0	0	0	0	0
Transactions involving owners affecting accumulated funds						
Capital injections	189,667	246,203	246,203	193,849	101,874	66,627
Transfer of assets from the General Government Sector	57,525	54,208	54,208	13,423	660,325	176
Dividends approved	(111,322)	(240,849)	(202,622)	(316,435)	(174,389)	(226,626)
Total transactions involving owners affecting accumulated funds	135,870	59,562	97,789	(109,163)	587,810	(159,823)
Closing equity						
Closing accumulated funds	4,049,830	4,186,054	4,236,584	4,347,473	5,008,262	4,960,407
Closing asset revaluation surplus	7,295,297	7,112,731	7,309,944	7,288,051	7,266,051	7,244,051
Closing balance	11,345,127	11,298,785	11,546,528	11,635,524	12,274,313	12,204,458

Note: The 2025-26 Budget amounts reflect estimates contained in the 2025-26 Budget Addendum.

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

	2024-25 Actual outcome	2025-26 Budget	2025-26 Revised Budget	2026-27 Revised Estimate	2027-28 Revised Estimate	2028-29 Revised Estimate
Cash flows from operating activities						
Cash receipts						
Receipts from sales of goods and services	729,400	1,014,152	960,911	1,169,343	934,567	1,112,757
Grants received	340,304	346,828	348,237	333,411	347,349	358,409
Interest received	15,972	7,810	7,617	9,484	6,893	6,495
Other receipts	150,139	110,412	110,412	145,112	148,649	145,214
Total receipts from operating activities	1,235,815	1,479,202	1,427,177	1,657,350	1,437,458	1,622,875
Cash payments						
Employee payments	(293,787)	(278,880)	(277,879)	(285,783)	(284,320)	(289,550)
Supplies and services	(363,232)	(329,234)	(336,854)	(274,343)	(286,295)	(301,689)
Grants and purchased services	(39,613)	(39,819)	(39,430)	(41,370)	(41,861)	(42,522)
Borrowing costs	(88,801)	(91,342)	(89,006)	(89,399)	(110,576)	(134,165)
Other payments	(304,351)	(462,754)	(459,913)	(518,957)	(485,172)	(505,365)
Total payments from operating activities	(1,089,784)	(1,202,029)	(1,203,082)	(1,209,852)	(1,208,224)	(1,273,291)
Net cash inflows from operating activities	146,031	277,173	224,095	447,498	229,234	349,584
Cash flows from investing activities						
Cash flows from investments in non-financial assets						
Proceeds from sales of non-financial assets	48,632	41,625	41,625	0	0	0
Purchase of non-financial assets	(314,648)	(491,698)	(460,490)	(459,414)	(384,229)	(322,875)
Net cash (outflows) from investments in non-financial assets	(266,016)	(450,073)	(418,865)	(459,414)	(384,229)	(322,875)
Cash receipts						
Loans receivable repayment received	10,983	0	0	0	0	0
Capital injections	189,668	246,203	246,203	193,849	101,874	66,627
Total receipts from investments in financial assets for policy purposes	200,651	246,203	246,203	193,849	101,874	66,627
Cash payments						
Dividends (market gains on land sales)	(97)	(61,980)	(31,957)	(43,973)	(4,135)	0
Total payments from investments in financial assets for policy purposes	(97)	(61,980)	(31,957)	(43,973)	(4,135)	0

	2024-25 Actual outcome	2025-26 Budget	2025-26 Revised Budget	2026-27 Revised Estimate	2027-28 Revised Estimate	2028-29 Revised Estimate
Net cash inflows from investments in financial assets for policy purposes	200,554	184,223	214,246	149,876	97,739	66,627
Cash flows from investments in financial assets for liquidity purposes						
Proceeds from sales of investments	363	2,736	2,738	2,742	2,752	5,297
Payments for investments	0	(2,538)	(2,538)	(2,538)	(2,548)	(5,093)
Net cash inflows from investments in financial assets for liquidity purposes	363	198	200	204	204	204
Net cash (outflows) from investing activities	(65,099)	(265,652)	(204,419)	(309,334)	(286,286)	(256,044)
Cash flows from financing activities						
Cash receipts						
Advances received	30,317	309,836	309,836	226,857	836,857	269,857
Total receipts from financing activities	30,317	309,836	309,836	226,857	836,857	269,857
Cash payments						
Advances paid	(26,608)	(212,363)	(215,805)	(76,789)	(575,304)	(45,119)
Dividends paid	(194,501)	(73,826)	(73,237)	(137,747)	(97,769)	(364,404)
Repayment of lease liabilities – principal	(7,556)	(9,713)	(9,713)	(9,244)	(13,569)	(10,939)
Other financing payments	(54,088)	(44,611)	(40,739)	(111,122)	(113,183)	(53,830)
Total payments from financing activities	(282,753)	(340,513)	(339,494)	(334,902)	(799,825)	(474,292)
Net cash (outflows) from financing activities	(252,436)	(30,677)	(29,658)	(108,045)	37,032	(204,435)
Net increase/(decrease) in cash and cash equivalents	(171,504)	(19,156)	(9,982)	30,119	(20,020)	(110,895)
Cash and cash equivalents at the beginning of the reporting period	456,256	205,689	284,752	274,770	304,889	284,869
Cash and cash equivalents at the end of the reporting period	284,752	186,533	274,770	304,889	284,869	173,974

	2024-25 Actual outcome	2025-26 Budget	2025-26 Revised Budget	2026-27 Revised Estimate	2027-28 Revised Estimate	2028-29 Revised Estimate
Key fiscal aggregates						
Net cash from operating activities	146,031	277,173	224,095	447,498	229,234	349,584
Net cash from investments in non-financial assets	(266,016)	(450,073)	(418,865)	(459,414)	(384,229)	(322,875)
Distributions paid	(248,589)	(118,437)	(113,976)	(248,869)	(210,952)	(418,234)
Cash (deficit)	(368,574)	(291,337)	(308,746)	(260,785)	(365,947)	(391,525)

Note: The 2025-26 Budget amounts reflect estimates contained in the 2025-26 Budget Addendum.

APPENDIX C TOTAL TERRITORY FINANCIAL STATEMENTS

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

	2024-25 Actual outcome	2025-26 Budget	2025-26 Revised Budget	2026-27 Revised Estimate	2027-28 Revised Estimate	2028-29 Revised Estimate
Revenue						
Taxation revenue	2,652,484	2,999,355	2,951,729	3,243,213	3,408,828	3,616,442
Commonwealth grants revenue	3,485,315	3,914,268	3,922,149	3,966,531	4,025,617	4,131,297
Sales of goods and services						
From associates and joint ventures	91,810	89,251	80,291	97,355	94,389	89,093
Other sales of goods and services	1,152,469	1,164,152	1,223,185	1,283,275	1,350,351	1,382,896
Investment revenue	141,502	198,475	177,843	222,150	239,082	257,240
Interest revenue	252,913	185,231	223,431	231,847	302,172	307,667
Other revenue						
Land revenue (value add component)	212,675	375,290	391,619	519,933	301,994	428,355
Other revenue	251,801	367,809	335,667	370,749	428,524	466,742
Gains from contributed assets	124,945	94,603	94,603	176,821	165,480	174,337
Total revenue	8,365,914	9,388,434	9,400,517	10,111,874	10,316,437	10,854,069
Expenses						
Employee expenses	3,842,731	3,784,621	3,896,535	3,813,006	3,903,407	4,018,073
Superannuation expenses						
Superannuation interest cost	493,924	511,342	501,989	522,810	533,149	542,084
Other superannuation expenses	550,184	552,066	569,742	573,916	575,816	577,518
Depreciation and amortisation	856,616	836,579	840,756	858,083	877,665	893,418
Interest expenses	518,751	644,219	663,724	811,499	988,918	1,061,126
Other operating expenses						
Supplies and services	1,944,164	2,039,145	1,987,570	2,170,556	2,110,960	2,119,828
Other operating expenses	520,478	476,101	503,230	522,706	345,539	535,143
Grants and purchased services	1,170,472	1,382,723	1,352,446	1,323,928	1,301,390	1,323,358
Total expenses	9,897,320	10,226,796	10,315,992	10,596,504	10,636,844	11,070,548
UPF net operating balance	(1,531,406)	(838,362)	(915,475)	(484,630)	(320,407)	(216,479)
Other economic flows – included in the Operating Statement						
Land revenue (market gains on land sales)	141	93,285	48,350	65,140	8,695	0

	2024-25 Actual outcome	2025-26 Budget	2025-26 Revised Budget	2026-27 Revised Estimate	2027-28 Revised Estimate	2028-29 Revised Estimate
Net land revenue (undeveloped land value)	2,780	4,755	4,755	7,606	2,745	3,816
Net gain/(loss) on sale/(disposal) of non-financial assets	(75,980)	5,470	18,729	7,081	(13,476)	(14,994)
Net gain on financial assets or liabilities at fair value	621,819	264,121	421,245	295,860	318,312	342,438
Doubtful and bad debts	(33,029)	(21,618)	(21,608)	(22,038)	(22,460)	(22,837)
Operating result	(1,015,675)	(492,349)	(444,004)	(130,981)	(26,591)	91,944
Items that will not be subsequently reclassified to the operating result						
Superannuation actuarial gain	27,388	0	232,362	0	0	0
Other movements	(33,217)	42	42	41	41	41
Increase/(decrease) in the asset revaluation surplus	372,631	64,756	(170,482)	30,500	6,914	42,324
(Decrease) in other reserves	(348)	0	0	0	0	0
Total comprehensive result	(649,221)	(427,551)	(382,082)	(100,440)	(19,636)	134,309
Key fiscal aggregates						
UPF net operating balance	(1,531,406)	(838,362)	(915,475)	(484,630)	(320,407)	(216,479)
less net acquisition of non-financial assets						
Payments for non-financial assets	1,402,588	1,536,898	1,550,489	1,783,514	1,127,006	1,119,890
Sales of non-financial assets	(66,244)	(98,396)	(79,396)	(51,065)	(26,774)	(23,332)
Change in inventories	42,849	99,308	88,179	79,867	135,014	160,380
Depreciation and amortisation	(856,616)	(836,579)	(840,756)	(858,083)	(877,665)	(893,418)
Other movements in non-financial assets	111,995	31,393	28,593	83,541	86,835	85,195
<i>Total net acquisition of non-financial assets</i>	<i>634,572</i>	<i>732,624</i>	<i>747,109</i>	<i>1,037,774</i>	<i>444,416</i>	<i>448,715</i>
Net (borrowing)	(2,165,978)	(1,570,986)	(1,662,584)	(1,522,404)	(764,823)	(665,194)

	2024-25 Actual outcome	2025-26 Budget	2025-26 Revised Budget	2026-27 Revised Estimate	2027-28 Revised Estimate	2028-29 Revised Estimate
GOVERNMENT FISCAL MEASURE – BUDGET OPERATING SURPLUS/(DEFICIT)						
UPF net operating balance	(1,531,406)	(838,362)	(915,475)	(484,630)	(320,407)	(216,479)
Superannuation return adjustment	267,215	255,851	283,032	286,060	307,612	330,785
HEADLINE NET OPERATING BALANCE	(1,264,191)	(582,511)	(632,443)	(198,570)	(12,795)	114,306

Note: The 2025-26 Budget amounts reflect estimates contained in the 2025-26 Budget Addendum.

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

	2024-25 Actual outcome	2025-26 Budget	2025-26 Revised Budget	2026-27 Revised Estimate	2027-28 Revised Estimate	2028-29 Revised Estimate
Assets						
Financial assets						
Cash and deposits	2,881,682	2,218,159	2,562,237	4,618,814	4,644,260	4,102,662
Advances paid	147,822	210,411	210,629	228,426	220,207	192,255
Investments	7,624,342	8,180,845	8,576,653	9,204,561	9,891,898	10,628,773
Receivables	848,115	832,981	800,689	867,325	866,745	914,480
Equity investments	1,106,385	1,061,986	1,129,136	1,128,451	1,131,300	1,131,853
Total financial assets	12,608,346	12,504,382	13,279,344	16,047,577	16,754,410	16,970,023
Non-financial assets						
Produced assets						
Property, plant and equipment	24,044,522	26,681,669	27,014,586	28,273,483	28,827,381	29,204,557
Investment properties	31,272	28,910	31,214	31,201	31,188	31,175
Intangibles	178,926	286,486	165,678	149,467	119,873	80,394
Inventories	616,880	692,924	705,059	784,926	919,940	1,080,320
Assets held for sale	20,375	7,476	17,349	14,178	12,623	9,873
Capital works-in-progress ^(a)	1,935,569	0	0	0	0	0
Non-produced assets						
Property, plant and equipment	10,879,008	10,918,360	10,895,511	10,905,190	10,898,782	10,924,125
Biological assets	48,649	48,830	48,649	48,649	48,649	48,649
Other non-financial assets	1,765	6,464	5,138	5,138	5,138	5,268
Total non-financial assets	37,756,966	38,671,119	38,883,184	40,212,232	40,863,574	41,384,361
Total assets	50,365,312	51,175,501	52,162,528	56,259,809	57,617,984	58,354,384
Liabilities						
Advances received	64,946	56,763	56,764	48,621	41,246	35,160
Borrowings						
Lease liabilities	1,036,621	986,058	1,000,144	961,569	915,920	872,362
Other borrowings	13,888,353	15,722,216	16,016,863	20,088,405	21,243,296	21,569,985
Superannuation	10,699,327	10,680,674	10,680,650	10,876,078	11,049,609	11,198,321
Employee benefits	1,423,358	1,331,690	1,448,209	1,351,146	1,418,799	1,477,934
Other provisions	1,533,878	1,467,019	1,533,195	1,527,266	1,555,862	1,648,492
Payables	511,280	687,433	668,174	748,725	754,979	779,638
Contract liabilities	108,355	79,508	106,491	106,397	106,303	106,209
Other liabilities	87,222	20,084	22,148	22,152	22,156	22,160
Total liabilities	29,353,340	31,031,445	31,532,638	35,730,359	37,108,170	37,710,261
Net assets	21,011,972	20,144,056	20,629,890	20,529,450	20,509,814	20,644,123
Accumulated funds	2,467,000	2,052,003	2,294,029	2,202,689	2,296,478	2,428,905
Asset revaluation surplus	18,544,090	18,090,823	18,334,979	18,325,879	18,212,454	18,214,336
Other reserves	882	1,230	882	882	882	882
Net worth	21,011,972	20,144,056	20,629,890	20,529,450	20,509,814	20,644,123

	2024-25 Actual outcome	2025-26 Budget	2025-26 Revised Budget	2026-27 Revised Estimate	2027-28 Revised Estimate	2028-29 Revised Estimate
Key fiscal aggregates						
Net financial worth	(16,744,994)	(18,527,063)	(18,253,294)	(19,682,782)	(20,353,760)	(20,740,238)
Net financial liabilities	17,851,379	19,589,049	19,382,430	20,811,233	21,485,060	21,872,091
Net debt (excluding superannuation related investments)	11,189,617	13,289,585	13,189,998	15,067,485	16,061,462	16,812,729

Notes:

1. From 2025-26 Capital works-in-progress is aggregated in the Property, plant and equipment line item.
2. The 2025-26 Budget amounts reflect estimates contained in the 2025-26 Budget Addendum.

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

	2024-25 Actual outcome	2025-26 Budget	2025-26 Revised Budget	2026-27 Revised Estimate	2027-28 Revised Estimate	2028-29 Revised Estimate
Opening equity						
Opening accumulated funds	3,362,22	2,497,263	2,467,000	2,294,029	2,202,689	2,296,478
Opening asset revaluation surplus	18,297,737	18,073,114	18,544,090	18,334,979	18,325,879	18,212,454
Opening other reserves	1,230	1,230	882	882	882	882
Opening balance	21,661,193	20,571,607	21,011,972	20,629,890	20,529,450	20,509,814
Comprehensive income						
<i>Included in accumulated funds:</i>						
Operating result for the period	(1,015,675)	(492,349)	(444,004)	(130,981)	(26,591)	91,944
Superannuation actuarial gain/(loss)	27,388	0	232,362	0	0	0
Other movements	(33,217)	42	42	41	41	41
<i>Included in the asset revaluation surplus:</i>						
Increase/(decrease) in the asset revaluation reserve surplus	372,631	64,756	(170,482)	30,500	6,914	42,324
(Decrease) in other reserves	(348)	0	0	0	0	0
Total comprehensive result	(649,221)	(427,551)	(382,082)	(100,440)	(19,636)	134,309
Other						
Transfer to accumulated funds	126,278	47,047	38,629	39,600	120,339	40,442
Transfer (from) the asset revaluation surplus	(126,278)	(47,047)	(38,629)	(39,600)	(120,339)	(40,442)
Total other	0	0	0	0	0	0
Closing equity						
Closing accumulated funds	2,467,000	2,052,003	2,294,029	2,202,689	2,296,478	2,428,905
Closing asset revaluation surplus	18,544,090	18,090,823	18,334,979	18,325,879	18,212,454	18,214,336
Closing other reserves	882	1,230	882	882	882	882
Closing balance	21,011,972	20,144,056	20,629,890	20,529,450	20,509,814	20,644,123

Note: The 2025-26 Budget amounts reflect estimates contained in the 2025-26 Budget Addendum.

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

	2024-25 Actual outcome	2025-26 Budget	2025-26 Revised Budget	2026-27 Revised Estimate	2027-28 Revised Estimate	2028-29 Revised Estimate
Cash flows from operating activities						
Cash receipts						
Taxes received	2,589,748	2,959,265	2,909,869	3,224,372	3,389,467	3,597,520
Receipts from sales of goods and services	1,323,312	1,615,448	1,621,111	1,859,594	1,638,487	1,788,312
Grants received	3,489,718	3,968,878	3,928,813	3,973,393	4,032,479	4,138,135
Investment receipts	142,278	187,668	170,759	213,130	235,091	252,967
Interest received	241,768	165,325	203,342	209,451	285,458	291,439
Other receipts	564,127	667,135	693,959	758,055	794,379	829,250
Total receipts from operating activities	8,350,951	9,563,719	9,527,853	10,237,995	10,375,361	10,897,623
Cash payments						
Employee payments	(4,575,743)	(4,644,879)	(4,758,870)	(4,847,628)	(4,803,914)	(4,951,580)
Supplies and services	(1,998,304)	(2,106,566)	(2,059,114)	(2,144,506)	(2,075,153)	(2,070,485)
Grants and purchased services	(1,121,255)	(1,318,486)	(1,283,709)	(1,229,400)	(1,222,807)	(1,237,836)
Borrowing costs	(460,635)	(586,737)	(580,894)	(718,135)	(938,759)	(1,025,628)
Other payments	(746,612)	(884,220)	(898,366)	(927,978)	(884,665)	(931,849)
Total payments from operating activities	(8,902,549)	(9,540,888)	(9,580,953)	(9,867,647)	(9,925,298)	(10,217,378)
Net cash inflows/(outflows) from operating activities	(551,598)	22,831	(53,100)	370,348	450,063	680,245
Cash flows from investing activities						
Cash flows from investments in non-financial assets						
Proceeds from sales of non-financial assets	66,244	98,396	79,396	51,065	26,774	23,332
Purchase of non-financial assets	(1,402,588)	(1,536,898)	(1,550,489)	(1,783,514)	(1,127,006)	(1,119,890)
Net cash inflows/(outflows) from investments in non-financial assets	(1,336,344)	(1,438,502)	(1,471,093)	(1,732,449)	(1,100,232)	(1,096,558)
Cash flows from investments in financial assets for policy purposes						
Cash receipts						
Loans receivable repayment received	45,896	30,389	30,389	36,032	38,786	39,926
Total receipts from investments in financial assets for policy purposes	45,896	30,389	30,389	36,032	38,786	39,926
Cash payments						

	2024-25 Actual outcome	2025-26 Budget	2025-26 Revised Budget	2026-27 Revised Estimate	2027-28 Revised Estimate	2028-29 Revised Estimate
Loans receivable provided	(61,788)	(80,481)	(80,481)	(43,000)	(21,000)	0
Total payments from investments in financial assets for policy purposes	(61,788)	(80,481)	(80,481)	(43,000)	(21,000)	0
Net cash inflows/(outflows) from investments in financial assets for policy purposes	(15,892)	(50,092)	(50,092)	(6,968)	17,786	39,926
Cash flows from investments in financial assets for liquidity purposes						
Proceeds from sales of investments	15,677	67,975	67,977	93,162	108,283	143,912
Payments for investments	(31)	(378,643)	(528,931)	(426,968)	(473,226)	(534,362)
Net cash inflows/(outflows) from investments in financial assets for liquidity purposes	15,646	(310,668)	(460,954)	(333,806)	(364,943)	(390,450)
Net cash inflows/(outflows) from investing activities	(1,336,590)	(1,799,262)	(1,982,139)	(2,073,223)	(1,447,389)	(1,447,082)
Cash flows from financing activities						
Cash receipts						
Proceeds from borrowings	1,990,513	1,732,695	1,955,892	3,908,081	1,692,210	499,857
Total receipts from financing activities	1,990,513	1,732,695	1,955,892	3,908,081	1,692,210	499,857
Cash payments						
Repayment of borrowings	(24,692)	(104,682)	(110,757)	(89,290)	(603,472)	(210,989)
Repayments of lease liabilities – principal	(71,190)	(56,465)	(56,415)	(57,181)	(63,838)	(61,550)
Total payments from financing activities	(95,882)	(161,147)	(167,172)	(146,471)	(667,310)	(272,539)
Net cash inflows/(outflows) from financing activities	1,894,631	1,571,548	1,788,720	3,761,610	1,024,900	227,318
Net increase/ (decrease) in cash and cash equivalents	6,443	(204,883)	(246,519)	2,058,735	27,574	(539,519)

	2024-25 Actual outcome	2025-26 Budget	2025-26 Revised Budget	2026-27 Revised Estimate	2027-28 Revised Estimate	2028-29 Revised Estimate
Cash and cash equivalents at the beginning of reporting period	2,963,978	2,521,096	2,970,421	2,723,902	4,782,637	4,810,211
Cash and cash equivalents at the end of reporting period	2,970,421	2,316,213	2,723,902	4,782,637	4,810,211	4,270,692
Key fiscal aggregates						
Net cash from operating activities	(551,598)	22,831	(53,100)	370,348	450,063	680,245
Investments in non-financial assets	(1,336,344)	(1,438,502)	(1,471,093)	(1,732,449)	(1,100,232)	(1,096,558)
Cash (deficit)	(1,887,942)	(1,415,671)	(1,524,193)	(1,362,101)	(650,169)	(416,313)

Note: The 2025-26 Budget amounts reflect estimates contained in the 2025-26 Budget Addendum