QON No. 1

Legislative Assembly for the **Australian Capital Territory**
Select Committee on the Fiscal Sustainability of the ACT

Inquiry into the Fiscal Sustainability of the ACT

Answer to question on notice

Asked by: Mr Ed Cocks MLA

Addressed to: Treasurer

Redirected to: NA

In relation to: Financial Management Act s 38(1)(e)

Hearing: 5/3/2026
Transcript provided: 16/03/2026
Answer Due: 17/03/2026

From 2015 to now, has any the Government invested in any infrastructure under section 38(1)(e) of the Financial Management Act 1996? If so, please provide a list of investments, including the infrastructure invested in, the amount of the investment, and the date the investment was made.

MR CHRIS STEEL MLA: The answer to the Member's question is as follows:

Section 38(1)(e) of the *Financial Management Act 1996* allows for investment of certain public monies in any investment prescribed under the financial management guidelines.

The Government's financial investments are implemented and managed through the Territory Banking Account investment platform. The Territory Banking Account undertakes the external financial investment activities in the name of the Australian Capital Territory.

The purpose and role of the financial investment assets managed by Treasury is to derive competitive financial returns, based on prudent financial and portfolio management principles, with an investment structure that is low cost, efficient to manage, and effective in deriving market-based returns.

The financial investment assets are diversified across several different asset classes.

Section 5(g) of the *Financial Management Investment Guidelines 2015* includes infrastructure as a prescribed investment and Section 5(l) allows for investment in listed or unlisted trusts that invest in one or more, or combination, of the prescribed investments.

Australian unlisted infrastructure investment allocations are implemented through a multi-manager, managed fund approach, with investment in actively managed unlisted, open-ended infrastructure funds with broad exposure to Australian infrastructure assets to provide for: stable income and capital growth; attractive returns relative to bonds; a level of inflation protection with contracted and/or regulated cashflows; and portfolio diversification benefits, particularly during volatile equity markets.

Since 2015 Treasury has made ongoing capital investments in three wholesale infrastructure Managed Funds, including the Palisade Diversified Infrastructure Fund (initial investment in August 2019), the IFM Australian Infrastructure Fund (initial investment in August 2022) and the Octopus Australia Sustainable Investments Fund (initial investment in March 2025), with a total current investment value of $716 million, or approximately 8.9 per cent of total investment assets.

Benefits of investing in infrastructure Managed Funds include asset, sector and geographic diversification, access to high-quality, large scale assets, professional management and operational expertise, lower minimum investment capital requirements, risk sharing across investors, improved investment liquidity, improved investment governance and cost efficiencies through economies of scale.

Investment in each Managed Fund provides for multiple asset exposures across numerous core infrastructure asset sectors including Australian transport infrastructure, such as airports, seaports, logistics terminals and toll roads, Australian energy infrastructure, such as electricity transmission and distribution networks, digital and communications infrastructure and Australian renewable and sustainable infrastructure, including wind farms, solar farms and battery energy storage systems.

Approved for circulation to the Select Committee on the Fiscal Sustainability of the ACT

Signature: Date: 23/3/26

By the Treasurer, Chris Steel MLA