



LEGISLATIVE ASSEMBLY

FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2022-2023

Mr James Milligan MLA (Chair), Mr Andrew Braddock MLA (Deputy Chair),
Dr Marisa Paterson MLA

ANSWER TO QUESTION ON NOTICE

Elizabeth Lee MLA: To ask the Treasurer

In relation to: GGS Calculations

1. For QTON No. E-4 responded to on 3 March 2021, during the *Inquiries into Annual and Financial Reports 2019–2020 and ACT Budget 2020–2021*, please provide the formula used to calculate:
 - a. The year-on-year GGS increase for the financial years between 2010-11 and 2019-20 (inclusive).
 - b. The average annual GGS increase over four-year periods between 2013-13 and 2019-20 (inclusive).

Andrew Barr MLA: The answer to the Member's question is as follows: –

The formula used to calculate the year-on-year increase in GGS expenses was $\text{year}_n / \text{year}_{n-1} - 1$.

The formula used to calculate average annual GGS expense growth rates over four-year periods between 2010-11 and 2019-20 was $(\text{year}_n / \text{year}_{n-3})^{(1/4)} - 1$. In reviewing the previous response, it has been identified that this formula contained an error. If a comparison between year 1 and year 4 (e.g. 2010-11 to 2013-14) is intended, the formula should be $(\text{year}_n / \text{year}_{n-3})^{(1/3)} - 1$. If a comparison between year 1 and year 5 (e.g. 2010-11 and 2014-15, which is four periods) is intended, the formula should be $(\text{year}_n / \text{year}_{n-4})^{(1/4)} - 1$.

The average annual GGS expense growth rates over four-year periods between 2010-11 and 2019-20 using these formulae are:

	Actual GGS expenses \$ billions	Year on year increase	Average annual increase - year 1 to year 4	Average annual increase - year 1 to year 5
2010-11	3.848	n/a	n/a	n/a
2011-12	4.076	5.93%	n/a	n/a
2012-13	4.464	9.52%	n/a	n/a
2013-14	4.575	2.49%	5.94%	n/a
2014-15	5.143	12.42%	8.06%	7.52%
2015-16	5.107	-0.70%	4.59%	5.80%
2016-17	5.395	5.64%	5.65%	4.85%
2017-18	5.482	1.61%	2.15%	4.63%
2018-19	5.919	7.98%	5.04%	3.58%
2019-20	6.518	10.11%	6.51%	6.29%

Approved for circulation to the Select Committee on Estimates 2022-2023

Signature: 

Date: **7.9.22**

By the Treasurer, Andrew Barr MLA