



**Legislative Assembly for the  
Australian Capital Territory**

Standing Committee on Public Accounts

# **Inquiry into the Appropriation Bill 2022-2023 (No 2) and Appropriation (Office of the Legislative Assembly) Bill 2022-2023 (No 2)**

Legislative Assembly for the Australian Capital Territory  
Standing Committee on Public Accounts

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Approved for publication

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Report 16  
10th Assembly  
March 2023



# About the committee

## Establishing resolution

The Assembly established the Standing Committee on Public Accounts on 2 December 2020.

The Committee is responsible for the following areas:

- ACT Auditor-General
- Office of the Legislative Assembly
- Accounts of the receipts and expenditure of the ACT and its authorities
- All reports of the Auditor-General which have been presented to the Assembly
- Treasury including taxation and revenue

You can read the full establishing resolution [on our website](#).

## Committee members

Mrs Elizabeth Kikkert MLA, Chair

Mr Michael Pettersson MLA, Deputy Chair

Mr Andrew Braddock MLA

## Secretariat

Ms Sophie Milne, Committee Secretary

Ms Batool Abbas, Administrative Assistant

## Contact us

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## About this inquiry

The Appropriation Bill 2022-2023 (No 2) and Appropriation (Office of the Legislative Assembly) Bill 2022-2023 (No 2) were presented in the Assembly on 9 February 2023. It was then referred to the Standing Committee on Public Accounts as required by clause 5 of the establishing resolution. The Assembly moved a motion that the committee, should it decided to inquire into the Bills, would report by 21 March 2023.<sup>1</sup>

The committee decided to inquire into the bill on 15 February 2023.

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<sup>1</sup> Minutes of Proceedings, No 74, 9 February 2023, p 1039.

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# Recommendations

## Recommendation 1

The Committee recommends that the government publish in its budget review the assumed rates for any bonds expiring in that financial year.

## Recommendation 2

The Committee recommends that the Government publish in its budget review a year-to-date update on the actual infrastructure spend versus budget estimates for that financial year.

## Recommendation 3

The Committee recommends that the Government publish in its budget review a year-to-date update on the actual number of blocks released for single dwelling and multi-unit dwellings under its land release program for that financial year.

## Recommendation 4

The Committee recommends that, given the significant cost of living pressures facing Canberrans, the Government include as part of its budget review process an update to the Cost of Living Statement, which details the measures committed through the budget review to alleviate cost of living pressures on Canberrans.

## Recommendation 5

The Committee recommends that the ACT Government continue to lobby the Commonwealth Government ensure income supplements are adequate for Canberra renters.

# 1. Introduction

- 1.1. The Committee held a public hearing was held on 27 February 2023. (see [Appendix A](#))
- 1.2. The Committee received seven questions taken on notice and 15 questions on notice in this Inquiry. (see [Appendix B](#))

## Budget review

- 1.3. According to section 20A of the *Financial Management Act 1996*, the Treasurer must prepare and table a budget review for each financial year. The purpose of the review is to ‘give updated information to allow the assessment of the government’s financial performance against the financial policy objectives and strategies set out in the financial policy objectives and strategies statement for the Territory budget for the financial year.’<sup>2</sup>
- 1.4. In performing the budget review for 2022-2023, the Government found variations to the original projected budget outcomes:

In the 2022-23 Budget Review, updated forecasts for 2022-23 now show stronger Gross State Product, employment, wages and population growth than expected at the release of the 2022-23 Budget.

However, our economy remains exposed to risks including the weakening outlook for the Australian and global economies, potential further COVID outbreaks and significant cost of living pressures. Increases in the cash rate by the Reserve Bank of Australia are also expected to further constrain demand, resulting in lower economic growth in 2023-24 and 2024-25 than previously forecast.<sup>3</sup>

- 1.5. Subsequent to this variation uncovered by the budget review, the Treasurer presented additional appropriation bills to enable the Government to access additional funding:

The *Appropriation Bill 2022-2023 (No. 2)* and *Appropriation (Office of the Legislative Assembly) Bill 2022-2023 (No. 2)* provide additional funding to agencies in 2022-23 arising from a number of Government policy decisions and technical adjustments, the financial details of which can be found in the impacted agency’s budget chapter in these Budget Papers.<sup>4</sup>

## 2. Recommendations

- 2.1. During the public hearing, it was noted that the bond rollover interest rates were not specified in the budget review papers.<sup>5</sup>

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<sup>2</sup> *Financial Management Act 1996*, s 20A.

<sup>3</sup> ACT Government, *22-23 Budget, Supplementary Budget Papers*, p 9.

<sup>4</sup> ACT Government, *22-23 Budget, Supplementary Budget Papers*, 7

<sup>5</sup> Committee Proof Transcript, 27 February 2023, p 24-25.

- 2.2. The Committee is of the view that it would be helpful for the budget review to include the assumed rates which are used as a budget parameter when calculating forward estimates.

### **Recommendation 1**

The Committee recommends that the government publish in its budget review the assumed rates for any bonds expiring in that financial year.

- 2.3. The Committee is aware that the ACT Government is undertaking a large infrastructure development program.<sup>6</sup> Some of the variables which impact the delivery of these programs include infrastructure partnerships with the Commonwealth,<sup>7</sup> a labour shortage,<sup>8</sup> and competition resulting from high demand from larger jurisdictions.<sup>9</sup> These factors all contribute to a changeable economic context which can result in variations to the Government's forward estimates and spending.
- 2.4. The Committee is of the view that, for the purposes of transparency, the budget review should include contemporaneous details of infrastructure spending as compared to the infrastructure budget.

### **Recommendation 2**

The Committee recommends that the Government publish in its budget review a year-to-date update on the actual infrastructure spend versus budget estimates for that financial year.

- 2.5. A 2020 report by the Auditor-General recommended that the Environment, Planning and Sustainable Development Directorate report on land release and sales information more frequently and with less delay.<sup>10</sup> It also recommended the reporting include details of blocks which had been released but not sold. These recommendations were further endorsed in a subsequent report by this Committee.<sup>11</sup>
- 2.6. The Government has advised that it does not agree to those recommendations, stating in its response to the Auditor-General's report that:

Reporting or commentary on inventory in the ACT Land and Property Report would be retrospective, 'point in time' and would not include details of when the land was released, and not include analysis of how long particular blocks have been in the inventory.

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<sup>6</sup> ACT Government, *22-23 Budget Review*, p 96.

<sup>7</sup> Mr Andrew Barr, Chief Minister, Committee Proof Transcript, 27 February 2023, p 17.

<sup>8</sup> Mr Andrew Barr, Chief Minister, Committee Proof Transcript, 27 February 2023, p 12.

<sup>9</sup> Mr Andrew Barr, Chief Minister, Committee Proof Transcript, 27 February 2023, p 8.

<sup>10</sup> ACT Auditor-General's Report No. 4/2020, *Residential Land Supply and Release*, p 13.

<sup>11</sup> Standing Committee on Public Accounts, Report No 11: *Inquiry into Auditor-General's Report No. 4 of 2020: Residential Land Supply and Release*, 6 October 2022, p vi.

Details of blocks that are available for sale are publicly available on the SLA website and are regularly promoted through digital media platforms.<sup>12</sup>

- 2.7. The Committee does not believe that it would be disadvantageous to have ‘point in time’ land release data; rather, it believes that this would be of particular benefit for oversight of how the land release scheme is meeting its targets.
- 2.8. The Committee notes that although it is possible to access information on available blocks of land on the Suburban Land Agency’s website, it would be more useful if an inventory of released blocks to be collated for ease of access and displayed in such a way that it can be reviewed for trends and comparison.

### Recommendation 3

The Committee recommends that the Government publish in its budget review a year-to-date update on the actual number of blocks released for single dwelling and multi-unit dwellings under its land release program for that financial year.

- 2.9. The Budget Outlook, which is part of the yearly budget papers, contains a ‘Cost of Living Statement’ which reviews current pressures which are affecting the cost of living for Canberrans, and what actions the Government is taking in response.<sup>13</sup>
- 2.10. The Budget Outlook also has a chapter called ‘Investing in the wellbeing of Canberrans’, which discusses the Government’s Wellbeing Framework and how this is applied to the budget.<sup>14</sup> An update on the Wellbeing Framework is included in the budget review.<sup>15</sup>
- 2.11. The Committee believes that, as the Cost of Living Statement is out of date when the budget review is published, it would be useful for an update on cost of living to be included in the budget review, similarly to the update on the Wellbeing Framework.

### Recommendation 4

The Committee recommends that, given the significant cost of living pressures facing Canberrans, the Government include as part of its budget review process an update to the Cost of Living Statement, which details the measures committed through the budget review to alleviate cost of living pressures on Canberrans.

- 2.12. In February 2023, the Government announced the re-establishment of the Rent Relief Fund, which will offer short-term support for low-income households until 30 June 2024.<sup>16</sup>

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<sup>12</sup> ACT Government, *Government Response to the ACT Auditor General’s Report No. 4 of 2020 Residential Land Supply and Release*, p 8.

<sup>13</sup> ACT Government, *22-23 Budget Outlook*, p 203 -213.

<sup>14</sup> ACT Government, *22-23 Budget Outlook*, p 59.

<sup>15</sup> ACT Government, *22-23 Budget Review*, p 41.

<sup>16</sup> ACT Government, *Rent Relief Fund* (<https://www.justice.act.gov.au/renting-and-occupancy-laws/rent-relief-fund>, accessed 7 March 2023).

- 2.13. At the public hearing, the Treasurer explained that this was introduced as a temporary measure to provide urgent rent relief, but that this service is principally a Commonwealth responsibility.<sup>17</sup>

### **Recommendation 5**

The Committee recommends that the ACT Government continue to lobby the Commonwealth Government ensure income supplements are adequate for Canberra renters.

## **3. Conclusion**

- 3.1. The Committee would like to thank the Treasurer and Treasury officials for participating in this Inquiry.
- 3.2. The Committee has made five recommendations in this Inquiry.

Mrs Elizabeth Kikkert MLA  
Chair, Standing Committee on Public Accounts  
March 2023

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<sup>17</sup> Committee Proof Transcript, 27 February 2023, 18-19.

# Appendix A: Witnesses

Monday 27 February 2023

**Mr Andrew Barr MLA**, Chief Minister and Treasurer

**Chief Minister, Treasury and Economic Development Directorate**

- **Mr Stuart Hocking PSM**, Under Treasurer, Treasury
- **Mr Patrick McAuliffe**, Executive Branch Manager, Investments and Borrowings, Budget, Procurement, Infrastructure and Finance, Treasury

## Appendix B: Questions taken on notice and Questions on notice

### Questions taken on notice

No.	Date	Asked of	Subject	Response received
1	27/02/2023	BARR	Payments from the Home Builder Grant	10/03/23
2	27/02/2023	BARR	Transport project costings	10/03/23
3	27/02/2023	BARR	Land sales increase	10/03/23
4	27/02/2023	BARR	Additional demand at Bimberi Youth Justice Centre	16/03/23
5	27/02/2023	BARR	Parkwood development timeframe	10/03/23
6	27/02/2023	BARR	Sustainable housing scheme defaults	10/03/23
7	27/02/2023	BARR	Active travel budget percentage	10/03/23

### Questions on notice

No.	Date	Asked of	Subject	Response received
8	02/03/2023	BARR	Water and recycling	Not received
9	02/03/2023	BARR	Wellbeing and recovery fund	Not received
10	02/03/2023	BARR	Increase in hospital costs	Not received
11	02/03/2023	BARR	Parks and conservation	14/03/23
12	02/03/2023	BARR	Materials Recovery Facility	12/03/23
13	02/03/2023	BARR	Health Portfolio	Not received
14	06/03/2023	BARR	Community Sector Funding	Not received
15	06/03/2023	BARR	Out of home care	Not received
16	06/03/2023	BARR	Kippax Shopping Centre	12/03/23
17	06/03/2023	BARR	Child Development Services	15/03/23
18	06/03/2023	BARR	West Belconnen landfill site	15/03/23
19	06/03/2023	BARR	Aboriginal and Torres Strait Islander Eminent Panel for Community Engagement and Healing	Not received
20	06/03/2023	BARR	Increased operational demand at Bimberi Youth Justice Centre	15/03/23
21	06/03/2023	BARR	Aboriginal and Torres Strait Islander Children and Young People Commissioner	Not received
22	6/03/2023	BARR	Raising the age of criminal responsibility	15/03/23

