QTON No. 25

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

Inquiry into annual and financial reports 2024–2025

Answer to question taken on notice

Asked by: Mr Ed Cocks MLA

Addressed to: Treasurer

Redirected to:

In relation to: Treasurer and Infrastructure underspend

Hearing: 21/11/2025
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Answer Due: 09/12/2025

UPT 64-65

THE CHAIR: Excellent, no worries. Well, we will go back up to the end of the table and I will pass my substantive down to Mr Cocks.

MR COCKS: Thank you, Chair. I am looking at the management discussion and analysis on page 6, just so everyone can find the right page. Now, that has a discussion in here of the infrastructure spend for the territory. And there is a paragraph that says, the outcome of the 2024-25 program was a total infrastructure spend for the territory of $1,264.3 million, or 92 per cent of the total funds available within the program.

Firstly, congratulations to whoever thought of flipping the numbers so that instead of reporting an 8 per cent underspend, you report a 92 per cent spend. But more importantly, that 8 per cent is still a fairly significant amount below what was forecast to be spent. Could you tell me how much of that unspent $116 million will now be spent in forward years?

Mr Austin: I suspect we will have to take that on notice, Mr Cocks, because it may have been that the projects were delivered with payment forwards into the current financial year, rather than the previous financial year, but we will have to take that on notice, I think, so I do not have the information in front of me.

MR COCKS: And that is what I am interested in. So maybe alongside that, if you can tell me how much of that $116 million is actually under contract, committed under contract? I am also very keen to understand what were the main reasons for the 8 per cent underspend there.

Mr Austin: It will vary across a lot of projects Mr Cocks so we will—

MR COCKS: So what proportion are, as you described, those projects where payment just landed in—

Mr Austin: The Treasury may not have that information at the moment because this is the time of year where agencies will then seek to roll that funding across, so we will see what we can provide.

Chris Steel MLA: The answer to the Member's question is as follows:

Approximately $95 million of the capital underspend for the 2024-25 financial year was reprofiled to future years as part of the 2025-26 Budget process. Further reprofiling is expected to be rolled over to 2025-26 in accordance with *Financial Management Act 1996*. It is therefore expected that the entire underspend will be spent in 2025-26 and future years.

The $116 million relates to the net impact of reprofiling and expected rollovers for over 150 individual projects within the Territory's Capital Works Program, which are at various stages of procurement, contract execution and overall completion. All funds form part of project budgets approved by Cabinet. Contractual commitments are a matter for delivery agencies, consistent with the project scope and timelines agreed by Cabinet.

As part of each annual budget cycle, project and expenditure assumptions for infrastructure projects are reviewed, and where necessary, revised to ensure accuracy in the Government's forecasts. In addition to economic, market-driven and commercial factors, this review takes into account a range of other circumstances that may impact the timing and sequencing of project funding. Common drivers necessitating the movement of project funding include, but are not limited to:

- Longer than anticipated planning and procurement processes;
- Supply chain delays and labour shortages;
- Adverse weather or environmental conditions; and
- the timing and sequencing of contractual payments, particularly around financial year end.

The Government uses accrual-based accounting in the preparation of its budget and financial statements consistent with all other Australian jurisdictions. It is common that the timing of cash payments will differ to the recognition of expenses associated with a project.

Approved for circulation to the Standing Committee on Public Accounts and Administration

Signature: Date: 16/12/25

By the Treasurer, Chris Steel MLA