2025

THE LEGISLATIVE ASSEMBLY FOR THE

AUSTRALIAN CAPITAL TERRITORY

ELEVENTH ASSEMBLY

Estimates 2025-2026 – Select Committee – Establishment

Assembly Resolution of 15 May 2025

Government Response

Presented by
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Treasurer
21 October 2025

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Introduction

On 15 May 2025, the Legislative Assembly passed a resolution to establish the Select Committee on Estimates to inquire into the 2025-2026 Appropriation Bills. In addition to establishing the Select Committee, the resolution called for the provision of additional information.

Parts 1 to 6 of the resolution covered the establishment of the Select Committee on Estimates, including the appointment of members, chairing of the committee, procurement of an expert report, and the provision of the report to the Assembly.

Part 7 of the resolution called for specific information to be provided by no later than 5 pm on 24 June 2025, specifically:

- the structural position of the ACT Government;
- scenario analysis for a range of headline budget items – including the key economic parameters and General Government Headline Net Operating Balance; and
- statements regarding the Government's policies on debt consolidation and management, the superannuation liability, and progress towards the 2012 tax reform plan.

Part 8 of the resolution called for specific items and actions to be taken by the 17 October 2025, and for a statement to be made to the assembly on 21 October 2025 updating the Assembly on the progress of these items. Issues to be undertaken and reported on in this statement include:

- publishing 10-year forecasts of specific budget metrics;
- providing notes in the Budget Papers outlining accounting policies, assumptions, technical adjustments and key financial statement items consistent with the approach of the Commonwealth and other states;
- work with the Community sector to publish tables showing community sector support by program and organisation, for each of the current financial, Budget and forward estimates years; and
- publish all future Budget data in a machine readable (CSV or XLSX) format.

In addition to the matters included above, Part 8 of the resolution also called for the Treasurer to:

- provide the alignment of expenses by function under the General Government Sector expenses with other reporting methods across the Budget, including the 'How we spend our money' ring;
- provide the reporting of Commonwealth funding categories with expenses by function; and
- provide further information on total territory borrowing and interest payments, particularly the leases/other category.

The Government is transparent in its budget papers and related documents. This ensures we are fully accountable for the management of the Territory's public finances. The information we provide is comprehensive and we work to ensure our papers are clear and accessible. Many of the actions included in the Assembly resolution have historically been included in the Budget Papers as a matter of course.

The items under Part 7 of the resolution were included in the 2025-26 Budget Outlook.

- The structural position of the ACT Budget was outlined on page 33.
- Consistent with past practice, scenario analysis is provided in relation to: employment and population estimates on pages 25 to 27; payroll tax on page 171; and GST on page 190. The Statement of Sensitivity (Appendix J on page 313) also includes sensitivity analysis for a range of economic and financial parameters.
- Scenario analysis for the Headline Net Operating Balance is included on page 39.
- Statements regarding policies on debt consolidation and management were included on page 31. Consistent with previous practice, information on the superannuation liability is provided on pages 223 to 228.
- Statements on progress towards the 2012 Tax Reform program are provided in Chapter 3.5 – Revenue.

In addition, the Government has addressed parts 8(b), 8(f) and 8(h) in the 2025-26 Budget Outlook.

Part 8(b) of the resolution required notes to be provided describing the accounting policies, and assumptions, and major technical adjustments, and providing a breakdown of key financial statement items, consistent with the approach of the Commonwealth and state governments. Accounting policies and breakdowns of key financial statements items are provided on pages 239 to 246. Disclosures are consistent with those provided in the 2023-24 Annual Consolidated Financial Statements. Information on technical adjustments is provided on pages 41 and 42.

Part 8(f) sought information on the alignment of expenses by function and other reporting methods including where our money goes. An explanation of the key differences in functional expense reporting and where our money goes is provided on pages 163 to 164.

Part 8(h) sought further information on total territory borrowing and interest payments, particularly the leases/other category. This information is provided on pages 229 and 230 of the 2025-26 Budget Outlook.

Information not already published

This statement is being provided to satisfy the requirements of the Assembly resolution, specifically Part 8e of the resolution, to make a statement to the assembly on 21 October 2025 on the feasibility, cost, and the Government's plan for reporting the information in Parts (8)(a) to (d) where that information has not already been published.

Part 8a

Part 8a of the Assembly resolution called for the publication of a medium-term (10-year) forecast of revenue, expenses, the net operating balance (excluding the Superannuation Return Adjustment), and total Government debt.

The Government has carefully explored options and will provide additional information on key fiscal measures beyond the forward estimates period in the 2026-27 Budget.

However, the Government cautions that any such measures would need to be carefully interpreted and do not provide a meaningful basis for assessing future fiscal outcomes. The appropriate basis for assessing fiscal performance is the Budget. Decisions made through the Budget will have immediate, and potentially longer-term, fiscal impacts. The forward estimates transparently provide currently agreed government decisions on spending.

Through subsequent Budget processes, these decisions are also subject to amendment, or reversal, rendering projections made on the basis of earlier, and now obsolete, policy decisions inaccurate.

The ACT Government reviews year-to-date information, the current economic and financial environment in making decisions through its biannual budget cycle.

Medium-term projections can only be based on information available at the time, the current economic and financial environment, and government decisions taken at that point in time.

Projections beyond the forward estimates period would need to extrapolate from estimates of fiscal measures such as the Headline Net Operating Balance or the Net Operating Cash Balance. Consistent with the Government's fiscal strategy, these measures are forecast to return to surplus within the current forward estimates period. Any extrapolation beyond this point would see continued improvements in these key fiscal measures on a no-policy-change basis. The Government's existing commitment to extinguish the Territory's unfunded defined benefit superannuation liability over the next decade, also articulated in the Government's fiscal strategy, would also result in projected improvements in these measures.

By their nature, it would not be appropriate to use these medium-term projections to assess future fiscal performance, where there would be an absence of updated government decisions beyond the current forward estimates period. Additionally, to hold any government to such a position in these longer-term projections may unfairly prejudice any future government decisions or budget processes that may seek to revisit key policies that the projections are based on.

Part 8c

Part 8c of the Assembly resolution called on the Government to work closely with the community sector to publish tables showing community sector support by program and organisation, for each of the current financial, budget and forward estimates years.

Through the 2025-26 Budget, the Government allocated approximately $252 million in funding in 2025-26 to Directorates for contracts with not-for-profit community sector organisations subject to Community Sector Indexation (CSI), with the majority of this funding administered through the Health and Community Services Directorate (HCSD).

At present, contracts with the community sector are reported on Tenders ACT, with grant funding reported in each directorates annual reports.

The establishment of the Community Sector Unit within the HCSD is an important piece of work currently underway to improve funding coordination capability and will allow for improved reporting and build on the greater transparency provided in 2025-26 Budget, which saw the introduction of the community sector budget factsheet that included increased reporting on Government funding to the sector. Through this mechanism, government will continue to engage with the community sector to better understand the level of reporting the sector seeks and endorses for publishing.

In the 2024-25 financial year, the ACT Government provided funding to its community sector partners for a range of community services including but not limited to:

- $43.6 million to Barnardos Australia - for Out of Home Care and Case Management Services;
- $26.3 million to Mackillop Family Services Limited - for Out of Home Care and Therapeutic Residential Care Services;
- $8.2 million to the Domestic Violence Crisis Service - for Case Management, Advocacy, and Education Services and Crisis Support for people experiencing Domestic or Family Violence;
- $7.3 million to the St Vincent De Paul Society - for Tenancy Support, Crisis Accommodation, Homelessness Supports, and Food Services; and
- $5.7 million to the Woden Community Service Inc - for Youth Engagement, Network Coordination, and Advocacy Services.

Across these providers, Government currently has contracts of over $200 million, with contract timeframes ranging across past and future years, as reflected on Tenders ACT.

The ACT Government is strengthening its approach to delivering and funding the community services that Canberrans need now and in the future and is committed to continuing to provide the community services that support people within our community. Although there is not currently a centralised system in place that allows for the collection of information at a contract, program or organisational level for community sector funding, the Government is committed to driving improvements that will allow for improved reporting on funding with the community sector.

Part 8d

Part 8d of the Assembly resolution called for all future budget data to be provided in a machine readable (CSV or XLSX) format.

Effective from the 2025-26 Budget Review, Budget Outlook will be enhanced with the inclusion of machine-readable datasets for large and complex tables, similar to those provided by other Australian jurisdictions. This will build on the work already undertaken to ensure our Budget papers are accessible to the public and continuing our endeavour to provide open and transparent access to our Budget information.

Conclusion

The Government is committed to providing comprehensive and transparent budget papers that clearly articulate its fiscal strategy and the financial impacts of its decisions.

We look forward to continuing to improve the presentation of our Budget Papers to ensure they are even more accessible and continue to provide transparent financial information on the ACT's Budget.