2025

THE LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

ELEVENTH ASSEMBLY

INFRASTRUCTURE CANBERRA ANNUAL REPORT 2024-25 - CORRIGENDUM

Presented by

Mr Andrew Barr MLA

Chief Minister

December 2025

Management Discussion and Analysis

Financial management analysis

General overview

Objectives and Principal Activities

Infrastructure Canberra (iCBR), formerly Major Projects Canberra (MPC), is a not for profit ACT Government Agency and was established on 1 July 2019 as the ACT Government's specialist infrastructure delivery directorate. iCBR's strategic objectives (and purpose) are stated in the iCBR Strategic Plan: 2025-27.

iCBR's vision is to enrich and connect our communities through sustainable and transformative infrastructure, places and spaces. This is done by efficiently developing, delivering and maintaining infrastructure, places and spaces, with our partners, for our community.

iCBR brings together key development, procurement, delivery, management, leasing and maintenance functions, positioning iCBR as the Territory's leading expert for ACT Government and industry on capital infrastructure. This includes investment in and implementation of the ACT Government infrastructure program and ACT Government property portfolio.

iCBR's core functions include:

- Supporting the planning, and leading the procurement and delivery, of government infrastructure projects in partnership with ACT Government directorates.
- Leading leasing and associated property management, upgrades and maintenance services across the ACT Government portfolio.
- Leading the development, procurement and delivery of all Tier 1 and 2 infrastructure programs or projects, as well as delivering many Tier 3 infrastructure projects.
- Coordinating and shaping the ACT Infrastructure Plan and Pipeline, and developing a portfolio and program management framework to support infrastructure initiatives.
- Providing strategic advice, expertise, and assurance to ACT Government decision-makers, industry and stakeholders on infrastructure policy, investment, planning, delivery and management.
- The functions include contractor pre-qualification, project and program management systems and reporting, superintendency of works, Work Health and Safety Active Certification and developing the ACT Government's engineering workforce.

iCBR is led by the Director-General who reports to the Head of Service and is accountable directly to the Treasurer and relevant Ministers.

Risk Management

Risk Management is a central pillar of effective governance and essential to iCBR's performance, integrity and transparency. Risks are identified and managed at three levels – Strategic, Enterprise and Operational. The iCBR Executive Leadership Group, Audit Committee, Performance Subcommittee, project governance boards and assigned risk officers manage Strategic and Enterprise risks, while the relevant project or business unit executives manage operational risks.

iCBR implements a Delegations framework to ensure that financial, human resources and other legislative delegations are handled accurately and consistently in accordance with relevant legislation. This framework serves as an internal control to safeguard our people and assets.

The iCBR Risk Management Framework sets the approach and expectations for managing risk in line with the ACT Government's Risk Management Policy 2021 and AS ISO 31000:2018 - Risk Management Guidelines. This ensures that risk management activities at all levels are aligned with iCBR's strategic priorities, enabling their effective and efficient achievement.

Administrative Arrangement

On 8 November 2024, a restructuring of administrative arrangements occurred between ACT Health Directorate (ACTHD), Transport Canberra and City Services Directorate (TCCSD), Chief Minister, Treasury and Economic Development Directorate (CMTEDD), Education Directorate (EDU), Justice and Community Safety Directorate (JACS), Environment, Planning and Sustainable Development Directorate (EPSDD) and iCBR (Notifiable Instrument NI2024-627). The *Administrative Arrangement 2024 (No 1)* included all existing and new Tier 1 and Tier 2 capital works projects to be transferred to iCBR, as well as iCBR being responsible for government office accommodation and Arts ACT facilities.

The ACT Government issued the *Administrative Arrangements 2024 (No 1)* on 8 November 2024. This administrative arrangement resulted in a restructure within the ACT Government, leading to the movement of projects and functions between multiple Directorates. In accordance with the *Financial Management Act 1996 (FMA)*, and to mitigate the risk of material misstatement, ensure faithful representation, and maintain comparability across the ACT Government, a transfer date of 31 December 2024 was adopted. This date was selected to comply with the reporting requirements under the FMA and relevant Accounting.

Financial Sustainability of iCBR

As at 30 June 2025, iCBR's current liabilities ($151.4 million) exceed its current assets ($59.8 million) by $91.6 million. However, this is not considered a liquidity risk as its cash needs are funded through own source revenue and/or appropriation by the ACT Government on a cash-needs basis. This is consistent with the whole-of-Government cash management regime, which requires excess cash balances to be held centrally rather than within individual agency bank accounts.

The 2024-25 financial statements have been prepared on a going concern basis as iCBR has been funded, under section 7 of the FMA, in the ACT Government 2025-26 Budget and the Budget Papers include forward estimates for iCBR.

Infrastructure Canberra Financial Performance

The following financial information is based on audited Financial Statements for 2023-24, 2024-25 Actuals, the 2024-25 Original Budget and the forward estimates contained in the 2025-26 Budget Statements.

Table 60: *Total Net Cost of Services*

	Actual	Actual	Original Budget	Forward Estimates	Forward Estimates	Forward Estimates	Forward Estimates
	2023-24 $m	2024-25 $m	2024-25 $m	2025-26 $m	2026-27 $m	2027-28 $m	2028-29 $m
Expenditure	167.4	263.9	247.6	310.4	280.2	273.0	261.5
Own Source Revenue	75.8	159.0	140.8	85.8	87.4	84.7	89.2
Net Cost of Services	**91.6**	**104.9**	**106.8**	**224.6**	**192.8**	**188.3**	**172.3**

Comparison to Original Budget

2024–25 Net Cost of Services of $104.9 million was $1.9 million or 1.8 per cent less than the 2024–25 Original Budget. The variance was due to higher own source revenue of $18.2 million or 12.9 per cent as outlined at Own Source Revenue, partially offset by higher expenditure of $16.3 million or 6.6 per cent as outlined at Expenditure – Comparison to Budget.

The increase in own source revenue is mainly due to higher revenue generated from property rental and project management services from Property Services, which transferred to iCBR on 12 December 2023 as a result of *Administrative Arrangement 2023 (No 1)*. This revenue stream has now been included in iCBR operations for a full 12 months in the financial year. This is partially offset by higher expenses, primarily associated with repairs and maintenance on properties, along with depreciation on iCBR's assets, for a full year following the *Administrative Arrangements 2023 (No 1)* on 12 December 2023.

Comparison to 2023-24 Actual

2024–25 Net Cost of Services of $104.9 million was $13.3 million or 14.5 per cent higher than 2023–24 due to higher own source revenue of $83.1 million or 109.6 per cent, as outlined at *Own Source Revenue – Comparison to 2023*–24, partially offset by higher expenditure of $96.5 million or 57.6 per cent, as outlined at *Expenditure – Comparison to 2023–24*.

The increase is mainly due to higher sales of goods and services from contracts with customers mainly associated with property rental and project management services from Property Services, which transferred to iCBR on 12 December 2023 as a result of *Administrative Arrangement 2023 (No 1)*, now being included in iCBR operations for a full 12 months in the financial year. This is partially offset by higher employee expenses, depreciation & amortisation and supplies & supplies expense, as a result of the transfer of Property Services to iCBR following the *Administrative Arrangements 2023 (No 1)* on 12 December 2023, now being included in iCBR operations for a full 12 months in the financial year.

Future Trends

iCBR's Net Cost of Services is estimated to increase by $119.7 million in 2025–26. The increase is mainly due to iCBR being directly appropriated for rental payments for ACT Government accommodation from 2025–26, compared to the previous approach of invoicing ACT Government agencies for their accommodation.

The Net Cost of Services is budgeted to remain relatively consistent in 2026–27 and following years. However, the movement of this trend is subject to future government decisions and business requirements.

Operating Statement

In 2024–25, the operating result for iCBR was a deficit of $54.0 million, which is $1.5 million lower than the 2024–25 Original Budget deficit of $52.5 million set out in the 2024–25 Budget Statment.

Table 61: *Line Item explanation of significant variances from the 2024-25 Original Budget – Operating Statement*

	Actual 2024-25 $'m[1]	Original Budget 2024-25 $'m[1]	Variance $'m[1]
Income			
REVENUE			
Controlled Recurrent Payments[2]	50.9	54.3	(3.4)
Sales of Goods and Services from Contracts with Customers[3]	139.0	134.3	4.7
Grants and Contributions Income	1.8	1.2	0.6
Interest Revenue	1.4	5.2	(3.8)
Other Income[4]	16.7	0.1	16.6
Gains from Disposals, Derecognition and Remeasurement	-	-	-
Total Income	**209.8**	**195.1**	**14.7**

	Actual 2024-25 $'m[1]	Original Budget 2024-25 $'m[1]	Variance $'m[1]
EXPENSES			
Employee Expenses[5]	56.7	47.8	8.9
Supplies and Services[6]	78.6	84.9	(6.3)
Depreciation and Amortisation	78.9	77.0	1.9
Grants and Purchased Services[7]	13.6	2.3	11.3
Borrowing Costs[8]	25.6	35.1	(9.5)
Other Expenses[9]	10.4	0.5	9.9
Total Expenses	**263.8**	**247.6**	**16.2**
Operating Result	**(54.0)**	**(52.5)**	**(1.5)**
Other Comprehensive Income			
Increase in Asset Revaluation Surplus[10]	30.6	-	30.6
Total Other Comprehensive Income	**30.6**	**-**	**30.6**
Total Comprehensive Result[9]	**(23.4)**	**(52.5)**	**29.1**

Notes:

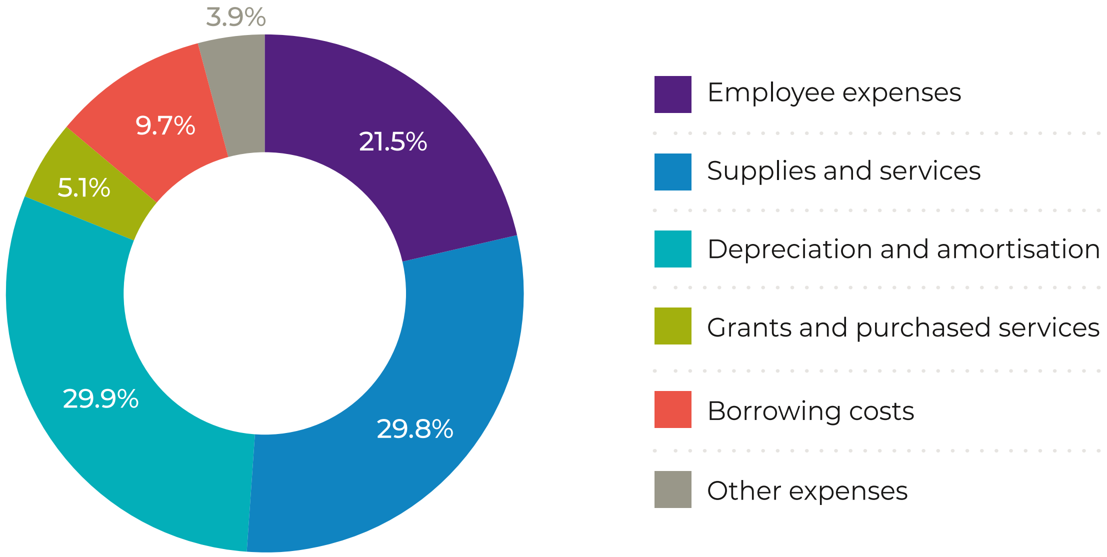
1. Figures may not add due to rounding.
2. The lower than budget Controlled Recurrent Payments is mainly due to the reclassification of $10 million from Controlled Recurrent Payments to Capital Injection to cover Infrastructure Canberra's procurement and contract management service charge (iCBR management fee). This follows the transfer of Tier 1, Tier 2, and some Tier 3 capital projects to iCBR under the *Administrative Arrangements 2024 (No. 1)*. This decrease is partially offset by the section 14 instruments that reclassifies $7.5 million from Capital Injection back to Controlled Recurrent Payments to meet operational requirements.
3. The higher than budgeted amount for Sales of Goods and Services from Contracts with Customers relates to property rental income and project management services from Property Services which transferred to iCBR on 12 December 2023 as a result of *Administrative Arrangement 2023 (No 1)*, now being included in iCBR operations for a full 12 months in the financial year.
4. The higher than budgeted Other Income primarily relates to;
   - Iinsurance recoveries for the New Recycling Facility, transferred to iCBR from Transport Canberra and City Services (TCCS) as a result of the *Administrative Arrangement 2024 (No 1)* on 8 November 2024,
   - asset transfers from TCCS for Dragon Boat land and the City Renewal Authority (CRA) for Salthouse Community Centre.
5. The higher than budget employee expenses is mainly due to 2024-25 Original Budget not including recurrent full time equivalent (FTEs) funded through corporate contribution associated with iCBR's capital works program, as well as additional FTEs to build iCBR's insourcing capability 107.8 FTE (in 2024-25 536.2 FTE from 2023-24 428.4 FTE), mainly related to staff transfers because of the *Administrative Arrangements 2024 (No 1)*.
6. The lower than budgeted Supplies and Services mainly relates to lower than anticipated repairs and maintenance expenditure, primarily due to less than anticipated repairs and maintenance undertaken on behalf of other ACT Government directorates.
7. The higher than budgeted Grants and Purchased Services mainly relates to the additional loans accessed by Owners' Corporations for the Private Building Cladding Concessional Loan Scheme.
8. The lower than budgeted Borrowing Costs is due to less than anticipated costs associated with the Private Building Cladding Concessional Loan Scheme.
9. The higher than budgeted Other Expenses is mainly due to unbudgeted project expenditure delivered on behalf of CIT.
10. Total Comprehensive Result includes surplus related to the revaluation of iCBR's assets during 2024-25.

Expenditure

Components of Expenditure

Components of Expenditure indicates the components of full year actual expenditure for 2024-25. Total expenditure was $263.9 million, comprising of employee and superannuation expenses of $56.7 million, supplies and services of $78.7million, depreciation and amortisation of $78.9 million, grants and purchased services of $13.6 million, borrowing costs of $25.6 million and other expenses of $10.4 million.

Figure 5: *Components of Expenditure*



Comparison to Original Budget

Total expenditure in 2024-25 was $263.9 million, which was $16.3 million or 6.6 per cent higher than the 2024-25 Original Budget of $247.6 million. This is primarily due to an increase in employee expenses associated with the 2024-25 Original Budget not including recurrent expenses for employees funded through iCBR's capital works program contributions, as well as additional FTEs to build iCBR's insourcing capability 107.8 FTE (in 2024-25 536.2 FTE from 2023-24 428.4 FTE), mainly related to staff transfers as a result of *Administrative Arrangement 2024 (No 1)*. Grants and Purchased Services were also higher than anticipated mainly due to additional loans accessed by Owners' Corporations for the Private Building Cladding Concessional Loan Scheme and Other Expenses is mainly due to unbudgeted project expenditure delivered on behalf of CIT, which has been reimbursed by CIT. This is partially offset by lower repairs and maintenance expenditure due to less than anticipated repairs and maintenance undertaken on behalf of other ACT Government directorates.

Comparison to 2023-24 Actual

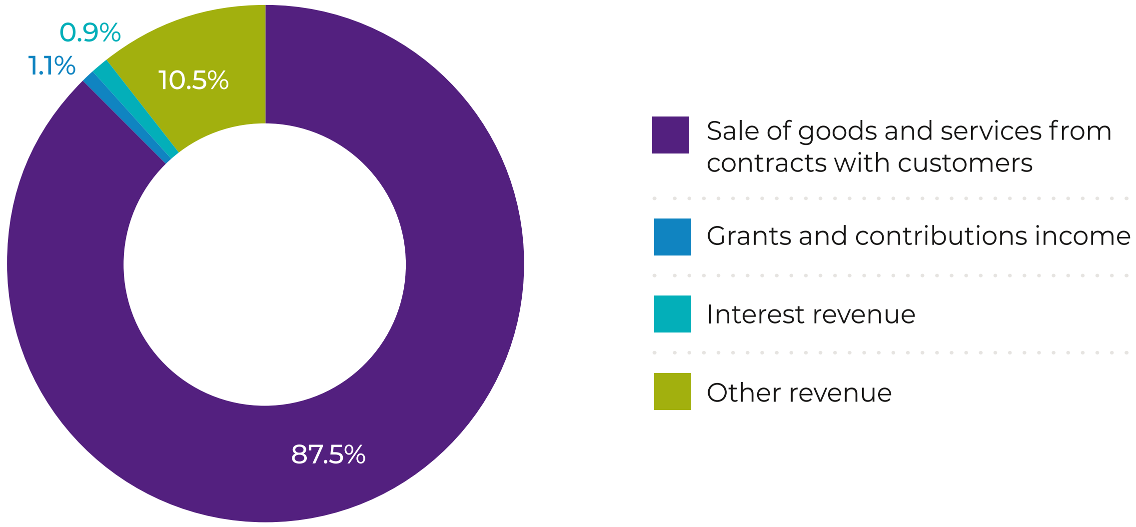
Total 2024-25 expenditure of $263.9 million was $96.5 million, or 57.6 per cent higher than 2023-24. The increase is mainly due to higher employee expenses, depreciation & amortisation and supplies & supplies expense, as a result of the transfer of Property Services to iCBR following the *Administrative Arrangements 2023 (No 1)* on 12 December 2023, now being included in iCBR operations for a full 12 months in the financial year.

Own Source Revenue

Components of Own Source Revenue

Components of Own Source Revenue indicates the components of full year actual revenue excluding the Controlled Recurrent Payments for 2024–25. Total own source revenue in 2024–25 was $159.0 million, comprising primarily of sales of goods and services from contracts with customers of $139.0 million, grants and contributions income of $1.8 million, interest revenue of $1.4 million and other revenue of $16.7 million.

Figure 6: *Components of Own Source Revenue*



Comparison to Original Budget

Total Own Source Revenue of $159.0 million was $18.3 million, or 13.0 per cent higher than the 2024–25 Original Budget of $140.7 million. The variance mainly relates to insurance recoveries for the New Recycling Facility, transferred to iCBR from TCCS as a result of the *Administrative Arrangement 2024 (No 1)* on 8 November 2024, and asset transfers from TCCS for Dragon Boat land and the City Renewal Authority (CRA) for Salthouse Community Centre.

Comparison to 2023-24 Actual

Total 2024–25 Own Source Revenue of $159.0 million was $83.2 million, or 109.8 per cent higher than 2023–24 actual of $75.8 million. The variance is primarily due to higher sales of goods and services from contracts with customers mainly associated with property rental and project management services from Property Services, which transferred to iCBR on 12 December 2023 as a result of *Administrative Arrangement 2023 (No 1)*, now being included in iCBR operations for a full 12 months in the financial year.

Infrastructure Canberra Financial Position Total Assets

***Table 62:** Variance from the 2024-25 Original Budget – Net Assets*

	Actual 2024-25 $'m[1]	Original Budget 2024-25 $'m[1]	Variance $'m[1]
Total Assets	2,912.2	2,562.3	349.9
Total Liabilities	1,116.7	1,086.9	29.8
Net Assets	**1,795.5**	**1,475.4**	**320.1**

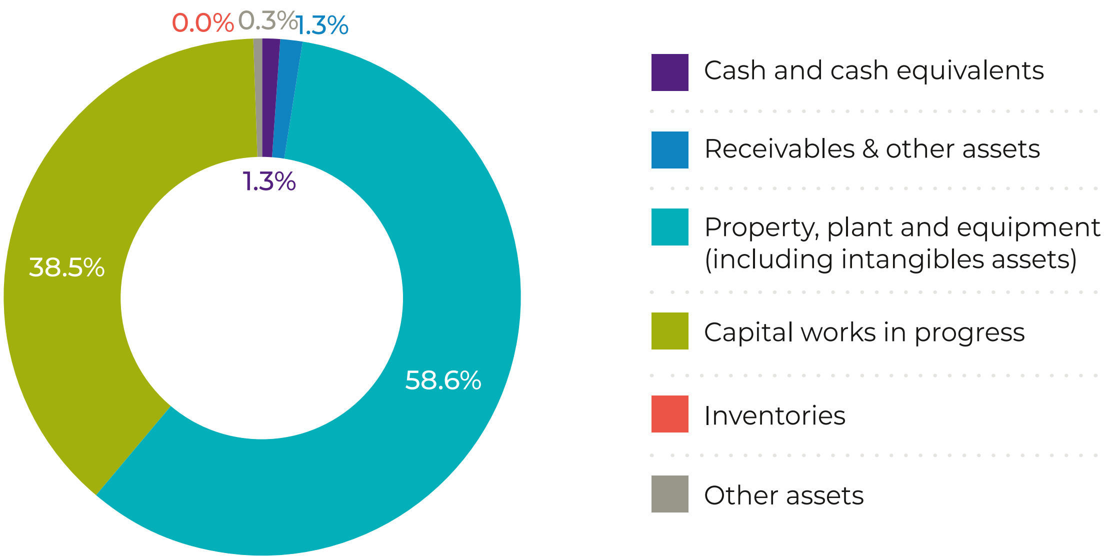
Note:

1. Figures may not add due to rounding.

Components of Total Assets

Total Assets as at 30 June 2025 identifies the categories of assets held by iCBR. Total assets held were $2,912.2 million, comprising property, plant and equipment (including intangible assets) of $1,707 million, capital works in progress of $1,121.3 million, receivables and contract assets of $36.6 million, cash and cash equivalents of $39.3 million, inventories of $0.1 million, intangible assets $0.3 million and other assets of $7.7 million.

***Figure 7:** Total Assets as at 30 June 2025*



Comparison to Original Budget

Total assets as at 30 June 2025 of $2,912.2 million were $349.9 million, or 13.7 per cent higher than the 2024–25 Original Budget of $2,562.3 million. This is mainly due to higher than budgeted capital works in progress and property, plant and equipment, following the transfer of Tier 1, Tier 2, and some Tier 3 capital projects and facilities such as Arts ACT properties to iCBR under the *Administrative Arrangements 2024 (No. 1)*.

Comparison to 2023-24 Actual

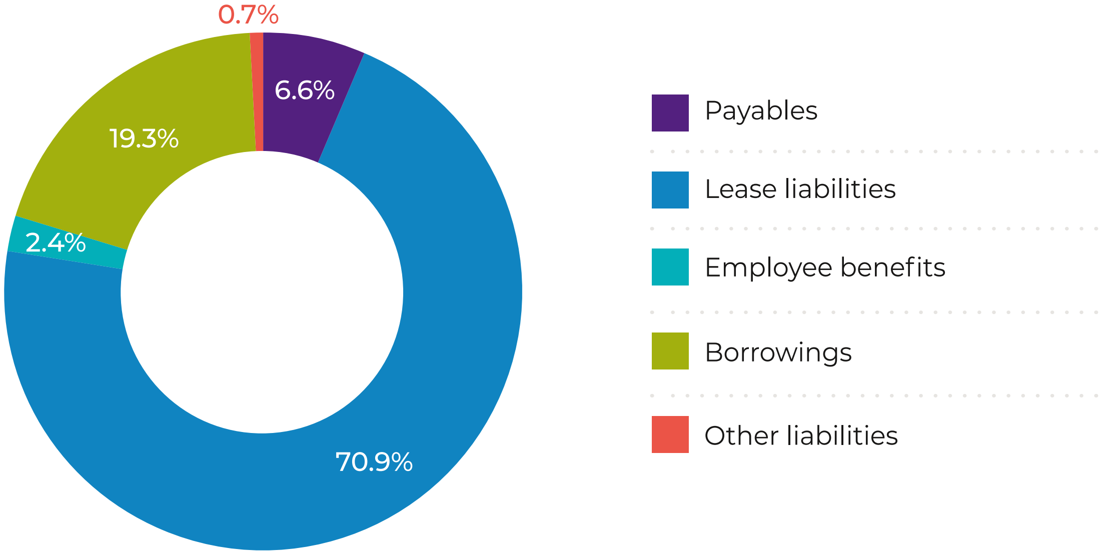
Total 2024–25 assets of $2,912.2 million were $564.5 million, or 24 per cent higher than 2023–24 actual of $2,353.9 million. This was mainly due to higher than budgeted capital works in progress and property, plant and equipment, following the transfer of Tier 1, Tier 2, and some Tier 3 capital projects and facilities such as Arts ACT properties to iCBR under the *Administrative Arrangements 2024 (No. 1)*.

Total Liabilities

Components of Total Liabilities

Total Liabilities as at 30 June 2025 identifies the categories of liabilities held by iCBR. Total liabilities were $1,116.7 million, comprising lease liabilities of $791.5 million, payables of $74.1 million, employee benefits of $26.7 million, borrowings of $216.1 million and other liabilities of $8.2 million.

Figure 8: *Total Liabilities as at 30 June 2025*



Comparison to Original Budget

Total liabilities as at 30 June 2025 of $1,116.7 million were $29.8 million or 2.7 per cent higher than the 2024-25 Original Budget of $1,086.9 million mainly due an increased Service Concession Financial Liability following the transfer of the New Recycling Facility, to iCBR from TCCS as a result of the *Administrative Arrangement 2024 (No 1)*. This was partially offset by a decrease in lease liabilities associated with less than anticipated leases held as finance leases, due to repayment of existing lease liabilities.

Comparison to 2023-24 Actual

Total 2024-25 liabilities of $1,116.7 million were $95.8 million, or 9.4 per cent higher than 2023-24 actual of $1,020.9 million. The variance is primarily due to Service Concession Financial Liability in relation to the Light Rail Stage 2A project and the New Recycling Facility, transferred to iCBR from TCCS as a result of *Administrative Arrangement 2024 (No 1)*. This is partially offset by a decrease in lease liabilities associated with less than anticipated leases held as finance leases, due to repayment of existing lease liabilities.