



Inquiry into Fiscal Sustainability of the ACT

Answer to question taken on notice

Asked by: Ms Caitlin Tough MLA

Addressed to: Mr Mitch Pirie, Executive Group Manager, Economic and Financial Group, Treasury, CMTEDD

In relation to: Relationship with NSW and GST allocation

Hearing: 2 June 2026

Proof Transcript pp 164-165

Transcript provided: 15 June 2026

Answer Due: 22 June 2026

MS TOUGH: Yes, it is just one more thing. Are there any benefits, then, that the ACT is receiving from being surrounded by New South Wales that might be then taken into account with GST allocation? Whether it is, I guess, infrastructure, roads—things that the ACT is using on a daily basis and the GST is allocated away and is funded by someone else.

Mr Pirie: Nothing comes immediately to mind. We would probably want to take that on notice and come back to you.

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

It is difficult to attribute direct benefits to residents of one state or another from government services and infrastructure, via CGC methods, as most of the CGC's expenditure assessments do not directly measure actual users. This is because user data is unavailable or is not the key driver in determining assessed expenditure needs. Instead, the CGC may use state or territory population data, or other proxy measures, to estimate service use or expenditure need.

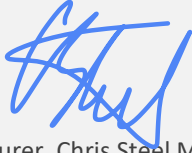
As an example, the CGC uses estimates of urban and rural road length as well as bridges and tunnels in its roads assessment. It also uses estimated vehicle-kilometre travel data on states' roads and national proportion of different type of vehicles to measure the traffic volume and heavy vehicle use of the road network to determine expenditure need.

The CGC's assessment of the expenditure needs of schools across jurisdictions is an outlier, as it relies on actual user data. School enrolments are the user population for school services, regardless of the students' residency. Under this assessment category, any additional student generates GST distribution towards the state providing this service.

OFFICIAL

Approved for circulation to the Select Committee on the Fiscal Sustainability of the ACT

Signature:

A handwritten signature in blue ink, appearing to be 'Chris Steel', written over a light blue grid background.

By the Treasurer, Chris Steel MLA

Date:

23 / 6 / 26