



STANDING COMMITTEE ON PUBLIC ACCOUNTS

Elizabeth Kikkert MLA (Chair), Michael Pettersson MLA (Deputy Chair),  
Andrew Braddock MLA

**Inquiry into ACT Budget 2021–22**  
**ANSWER TO QUESTION TAKEN ON NOTICE**  
**26 October 2021**

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Asked by ELIZABETH LEE MLA on 26 October 2021: ANDREW BARR MLA took on notice the following question(s):

[Ref: Hansard Transcript 26 October 2021, PAGE 44]

In relation to:

MS LEE: So I think obviously from all the questions that other members have asked, there seems to be a bit of query and question marks about what is in this output class. Chief Minister, are you able to answer in terms of the infrastructure budget generally, why compared to February's budget, the total infrastructure on capital investment expenditure is down by \$153 million for 2021-22?

ANDREW BARR MLA: The answer to the Member's question is as follows:–

The \$153 million quoted in the question appears to be based on the analysis of the 2021-22 Budget prepared by the Centre for International Economics (CIE) for the Standing Committee on Public Accounts.

The CIE analysis considers 2021-22 in isolation and does not take account of movements of capital expenditure across the years. The incorrectly asserted reduction of \$153 million calculated by the CIE reflects the net impact of:

- the reprofiling of funding for projects into the forward years which does not affect total funding over the life of the projects;
- additional investment introduced in the 2021-22 Budget;
- the allocation of central capital provisions set aside in the 2020-21 Budget to projects which are now ready for implementation;
- an increase in investment by Public Trading Enterprises (PTEs); and
- the effect of the 2020-21 capital works reserve and the capital delivery provisions.

The capital works reserve and capital delivery provisions should not be included in the calculations as they do not reduce the amount available for investment in 2021-22 and are budget neutral over the budget cycle. Further, the reprofiling of funding into forward years does not affect total funding over the life of the project, noting also the ability of agencies to access the capital works reserve to accelerate project delivery allows for faster-than-budgeted delivery of projects.

For these reasons, a more appropriate comparison is the change in available funding over the period 2021-22 to 2023-24 (the last forward estimate published in the 2020-21 Budget). Compared to the 2020-21 Budget, the 2021-22 Budget increases funding for public sector infrastructure investment in the ACT by \$489 million for the three years to 2023-24 (see Table 1 below).

**Table 1: ACT Public sector infrastructure investment – Comparison between 2020-21 Budget and 2021-22 Budget**

	<b>2020-21 Budget</b>	<b>2021-22 Budget</b>	<b>Change</b>
	<b>2021-22 to 2023-24 (\$'000)</b>	<b>2021-22 to 2023-24 (\$'000)</b>	<b>2021-22 to 2023-24 (\$'000)</b>
New Works	625,287	632,618	7,331
Better Infrastructure Fund	188,968	250,612	61,644
Works-In-Progress	877,001	2,144,134	1,267,133
Central Capital Provisions	1,698,855	745,533	-953,322
Total GGS Infrastructure Investment Program including Central Capital Provisions	3,390,111	3,772,897	382,786
Public Trading Enterprises (PTE)	1,001,297	1,107,174	105,877
<b>TOTAL GGS and PTE Infrastructure Investment</b>	<b>4,391,408</b>	<b>4,880,071</b>	<b>488,663</b>

Approved for circulation to the Standing Committee on Public Accounts.

Signature: 

Date: 8.11.21

By the Treasurer, Andrew Barr MLA