QTON No. 18

**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: Ms Fiona Carrick MLA

Addressed to: Treasurer
Redirected to:

In relation to: Treasurer and net gain on financial assets on liabilities

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

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**MS CARRICK**: Thank you. And talking about that change between the budget of 24- 25 and the actual of 24-25 and the trends, so the revenue was 2 per cent less than forecast and the expenses were more. So have you had a look at the trends of that sort of optimism bias for revenue and expenses to see if, from budget to actuals, revenue is actually less and expenses are more? Because that impacts on the bottom line, your surplus or deficit. So have you had a look at the recent years, the last five years? Or could you provide us the last five years of the budget income and expenses and the actuals from the consolidated financial statements to see what trend there is?

**Mr Campbell**: That would be available right now and it would be published on the website.

**MS CARRICK**: As a trend?

**Mr Campbell**: For every year.

**MS CARRICK**: Where would I find that then?

**Mr Campbell**: So what we might do at the end of this, I think, is we will come back with the link, but it is on the Treasury website. It will be under Publications. Sorry, just to really simplify it just so I am not giving you an incorrect steer. I am not sure if someone else can give me a hand. I think basically if we go to Publications, and then there should be a set of items, one of which will be annual reports. If you scroll further down, it will be consolidated financial statements.

**MS CARRICK**: I go there all the time. I have got the consolidated financial statements so—

**Mr Campbell**: Yes, so they should have historical data there as well.

**MS CARRICK**: Well, no, there is different—

**Ms Bourke**: Not in a separate sheet as a trend, but the statements are published with

the prior year actual comparative next to them each year. So they will be in separate

documents …(indistinct)… [1.29.40] statements.

**MS CARRICK**: So I can go and do that, but have you guys done that? Like, seeing the trend to see what optimism bias there is in your forecasts?

**Mr Campbell**: We would have it in our data system when we look at this. Every time we update the budget we look at that. But in terms of publicly available material available to the committee, that would be the best source, yes.

**MS CARRICK**: So can you provide us what you look at then to check the trends in —how do you moderate it? Like, if there is a constant over forecasting or under forecasting of the revenue—sorry, over forecasting of the revenue and under forecasting of the expenses, that impacts on the bottom line. What advice then do you provide to the minister about the trends and whether they should be moderated or not?

**Mr Austin**: Thanks, Ms Carrick. I think year on year there are always different circumstances, specific circumstances. So this year for example we had the issues around expenses for CHS and schools as well. So if you read the management discussion and analysis that Mr Campbell referred to a big story around expenses is that growth in service delivery so that does not necessarily occur every year so they will be extenuating circumstances in each year that we would take into account.

**MS CARRICK**: Yes, fair enough.

**Mr Austin**: So I am not sure if looking at the trends would help me predict some of those challenges.

**MS CARRICK**: All right. Well, I mean, if there is a trend of this happening then it would be handy to know what you are advising and whether you are moderate it or not because—

**Mr Austin**: Yes, I mean, Ms Carrick, I—

**MS CARRICK**: Because the change is quite significant, as Mr Rattenbury pointed out.

**Mr Steel**: I think that the change in relation to expenditure has well-articulated and ventilated around the 24-25 financial year and the national trend that we have seen across hospitals in increasing demand in costs that needed to be met in terms of additional expenditure in a health care system which was, you know, we are talking about 11 per cent increase that was not anticipated—

**MS CARRICK**: I know but isn't this just—

**Mr Steel**: —and so that could not have been—I appreciate what you are saying around trends. In relation to the revenue—

**MS CARRICK**: Is this not just due diligence, really? Due diligence, transparency around our due diligence process?

**Mr Steel**: Well, I am saying there was an exceptional set of circumstances in relation to health funding which obviously makes up a large part of the budget that needed to be considered in that financial year. Then in relation to revenue, I get updated on from time to time from Treasury around how revenue lines are tracking, some more volatile than others, its variation charge being a particularly volatile measure, stamp duty often depends on if there has been a large transaction during—particularly commercial standards at a particular point in time.

**MS CARRICK**: I appreciate that.

**Mr Steel**: So some of that is hard to forecast but I have a lot of confidence that Treasury will make best efforts in making those forecasts.

**MS CARRICK**: Do you know—

**Mr Steel**: But at the end of the day they are at forecasts, and they are not going to be absolutely correct in every—at every point in time—

**MS CARRICK**: I know. Do you know what I expect? That you do a forecast that it will not be correct because you cannot forecast properly and that you can explain every single variance.

**Mr Steel**: Yes, yes.

**MS CARRICK**: That is what I expect.

**Mr Steel**: Yes.

**MS CARRICK**: And I expect then that if you have a trend of overestimating your income and underestimating your expenses that you would know that that trend exist and you would be able to have a look at that trend and what you might do about it.

**Mr Steel**: Yes.

**MS CARRICK**: Because, by doing that, you are giving us, you are saying that your prudent financial management will return you back to surplus every time, but it does not happen.

**Mr Steel**: Well, those forecasts are updated in budget review and budget.

**MS CARRICK**: That is true.

**Mr Steel**: That is that is done.

**MS CARRICK**: But do you know what, you were 64 per cent out on your budget deficit and your actual. 64 per cent out is a lot and if that is sort of a trend is a trend of being that far out at budget—

**Mr Steel**: I do not think we are suggesting—

**MS CARRICK**: —and you are telling us that you have got a—coming back to surplus but you are 64 per cent out, then, you know, like, maybe we should know about that.

**Mr Steel**: I do not think we are saying it is a trend. This is the point, I think there was an exceptional circumstance in that year. I do not think it would be characterised as a trend.

**MS CARRICK**: Well, you do not know though, you do not think. Like, let us be a bit more specific about this. Let us know what we are doing in our $22 billion borrowing.

**Mr Steel**: Well, it is one financial year. I do not think it could be considered a trend. I am not—

**MS CARRICK**: Well, as Mr Cocks pointed out, that from the consolidated financial statements, you have not had a surplus since around 2011-12.

**Mr Steel**: Yes, and there has been extenuating circumstances. There has been a global pandemic during that period.

**MS CARRICK**: Okay. We are just talking about how you are going to manage that going forward.

**Mr Steel**: There has been the response to Mr Fluffy, which was not anticipated over a range of different years. And there are—

**Mr Austin**: There has been...(indistinct)...[1.34.49] on health ...(indistinct)...

**Mr Steel**: Yes, the health pressures, which are, of course, have been—were not anticipated to be as high. And of course, there have been a range of measures that the ACT government has put in place to address each of those issues, including through expenditure measures, but also revenue measures as well.

**MS CARRICK**: Well, we know all this. You are not telling us anything, so do not tell us how to suck eggs.

**Mr Steel**: Well, no, I am saying that the government can—the government reacts—

**MS CARRICK**: Just tell us what the evidence is, what the trends are, what the data is.

**Mr Steel**: Yes, what I am saying is that the government reacts to the circumstances that we face and makes active decisions which then affect future budgets. So that is why simply suggesting that there is going to be an ongoing trend to something where there are decisions—intervening decisions that are made that affect the future budget outcomes.

**MS CARRICK**: I am suggesting it but I want you to rebut it and tell me there is not.

All right. Well, if you would rebut my suggestion then that would be good. But with a net gain on financial assets or liabilities at fair value that is the one where the superannuation returns adjustments. Would you be able to split the superannuation return adjustment out of that particular—those numbers?

**Ms Bourke**: For the 24-25 outcome?

**MS CARRICK**: For all of them going back as far as you can go back, so we can see what you are reporting, and we can see what impact it has on the net operating result.

**Mr Campbell**: We will take that on notice.

**THE CHAIR**: Yes, is that something you can take on notice and maybe if you can come back after our break if you have time?

**Mr Campbell**: No, it will not be able to be done at that time frame.

**THE CHAIR**: Will not be able—

**Mr Campbell**: Yes, we will need to go back to our databases to pull it out.

**THE CHAIR**: And come back. Okay. No worries. Well, we might go to—

**Ms Bourke**: It is published in the budget review if that is helpful.

**MS CARRICK**: Sorry, say again.

**Ms Bourke**: It is published in the budget review each year as part of the actual final audited outcomes, and we will present that UPF(?)[1.36.38] net operating balance, and we will also present the super return adjustment as a comparator for those budget review estimates as well, so in each budget review you will see that actual outcome.

**MS CARRICK**: We have got the budget review here.

**Ms Bourke**: You will not see the 24-25 one until we do the 25-26 budget review, that is when the works get published...(indistinct)...[1.36.56]

**THE CHAIR**: Just come back to us with something.

**MS CARRICK**: All right. But not a forecast like the actual outcome, that is the—

**Ms Bourke**: That is the actual outcome, correct. Yes, but we can come back with that in one historical.

**MS CARRICK**: Yes, that would be terrific. Thank you.

**CHRIS STEEL MLA**: The answer to the Member's question is as follows:

| General Government Sector $m | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|---|---|---|---|---|---|---|---|---|---|
| Super Return Adjustment | 55.1 | 46.6 | 37.4 | 63.4 | -4.5 | 1.1 | 72.5 | 45.5 | 109.6 |
| Net Gain/(Loss) on Financial Assets/Liabilities at Fair Value | 220 | -276.1 | -340 | 151.1 | 67.6 | -132.9 | 270.7 | 260.5 | 246.6 |

| General Government Sector $m | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 |
|---|---|---|---|---|---|---|---|---|---|---|
| Super Return Adjustment | 148 | 150.2 | 161.8 | 192.6 | 231.5 | 123.5 | 218.5 | 169.9 | 245.1 | 267.2 |
| Net Gain/(Loss) on Financial Assets/Liabilities at Fair Value | -5.4 | 239.4 | 244.2 | 217.3 | -9.2 | 692.2 | -405.6 | 419 | 500.7 | 621.8 |

The Net Gain/(Loss) on Financial Assets/Liabilities at Fair Value include capital gains and losses on financial investments of the Territory, inclusive of the Superannuation Provision Account.

The Superannuation Return Adjustment together with transactional earnings included in the Uniform Presentation Framework (UPF) Net Operating Balance reflects the long-term target annual return on superannuation investment assets, which is currently 7.54 per cent per annum.

Over the time period above, the Superannuation Return Adjustment totals $2,335 million and Net Gain/(Loss) on Financial Assets/Liabilities at Fair Value total $2,981.9 million.

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

Signature: Date: 19/12/25

By the Treasurer, Chris Steel MLA