QON No. 17

Legislative Assembly for the Australian Capital Territory

Select Committee on the Fiscal Sustainability of the ACT

Inquiry into the Fiscal Sustainability of the ACT

Answer to question on notice

Asked by: Ms Jo Clay MLA

Addressed to: Chief Minister

Redirected to: Treasury

In relation to: Overall cap on capital works infrastructure expenditure

Hearing: 05/03/2026
Received: 11/03/2026
Answer Due: 24/03/2026

1. Independent adviser Saul Eslake recommended setting a cap on capital works infrastructure. When asked whether ACT Government set an overall cap on infrastructure and then prioritised projects to meet that cap, Andrew Barr said there was already one cap in place - industry's capacity to deliver – and referenced the ways that ACT Government pays for capital works projects including borrowings, asset sales from selling land, Commonwealth funding. operating cash surpluses and public-private partnership concessions.

a. Has ACT Government set an overall cap on capital works infrastructure expenditure?

b. If not, why not?

c. If so, what process does ACT Government go through internally and publicly to determine which capital works projects should be prioritised within that cap?

d. If costs change over the course of the project, how does ACT Government reevaluate the project to determine if it still meets prioritisation and to check if project delivery is on track?

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

I note that this was discussed in the Committee hearing. See pp114 and 115 of the proof transcript, 5 March 2026.

Projects to be funded through the capital works program are determined by the Government through annual budget processes. In doing so, the Government considers potential constraints on contractor delivery, as well as the impact on the Territory's borrowings. In prioritising projects, the Government considers these factors as well as the potential benefits to the Canberra community.

Project funding typically includes contingency funding to deal with issues that may arise during construction. Project costs are rigorously scrutinised and managed by responsible agencies to ensure they remain within agreed budgets. Should unforeseen circumstances require additional funding to be provided to a project, this would require a decision of Government.

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

Signature: Date: 27/3/26

By the Treasurer, Mr Chris Steel MLA