



Inquiry into the Fiscal Sustainability of the ACT

Answer to question on notice

Asked by: Ms Jo Clay MLA

Addressed to: Treasurer

In relation to: Mid-year budget improvement

Hearing: 05 March 2026

Received: 13 March 2026

Answer Due: 20 March 2026

(1) The mid-year budget shows a 50% improvement in the operating balance from 24-25 actual results. In hearings, the Auditor-General noted that “over the past decade or so, where the territory has been making operating deficits, there has been significant increase in expenses and not so much increase in revenue. We can clearly see that the expenses was outpacing revenue. So this is contrary to that trend. Can you confirm details of the improvement in the mid-year budget?

- a) How much is from increased ACT taxation revenue and where is that coming from specifically?
- b) How much is from increased Commonwealth revenue and where is that coming from specifically?
- c) How much is from changes to growth in expenses and where is that coming from specifically?

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

- (a) There is an increase of \$297.9 million in taxation revenue from 2024-25 to the 2025-26 Budget Review. Details can be found in *Table 3.3.2: Own-source Taxation Revenue* on page 58 of the 2025-26 Budget Review.
- (b) A breakdown of the changes in Commonwealth revenue is provided below:

Movement in Commonwealth Revenue 2024-25 to 2025-26 Budget Review	\$'000
Infrastructure Grants	200,001
GST Revenue	178,180
Education National Partnerships and Specific Purpose Payments	32,644
Skills Specific Purpose Payments	13,383
Other	14,751
Total	438,959

- (c) Expenses for 2024-25 and estimates for 2025-26 are provided in *Table 3.1.1: General Government Headline Net Operating Balance (\$m)* on page 29 of the 2025-26 Budget

Review. Information on expenses is also provided in the Operating Statement for the General Government Sector on page 73.

A breakdown of the main expense drivers is provided below:

Movement in Expenses 2024-25 to 2025-26 Budget Review (includes reprofiling)	\$'000
Interest on Market Borrowings	135,271
Employee Expenses	65,529
National Skills Agreement	39,607
Health and Community Services Grants	32,736
Education Grants	21,503
ACT Policing Grants	15,975
Service Concession Interest - Light Rail Stage 2A	10,268
Other Changes	-2,169
Total	318,720

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

Signature:



By the Treasurer, Chris Steel MLA

Date:

23 / 3 / 26