QON No. 12

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: Treasurer

In relation to: Cash balance surplus

Hearing: 05/03/2026
Transcript provided: 16/03/2026
Answer Due: 23/03/2026

1. The mid-year review estimates net operating cash will move to a surplus in 2026- 27 and a surplus of $795M in 2028-29. Independent adviser, Saul Eslake, says “The 2025-26 Budget Review forward estimates imply an unprecedented degree of spending restraint” and that “Budget forecasts, particularly of spending, have become an increasingly inaccurate guide to eventual outcomes’. Saul Eslake recommends using the cash balance as one of the key reporting measures.

a) When do you estimate the budget will move to a surplus on the cash balance?

b) Can you list which projects, services and public sector jobs the ACT Government will be reducing to meet the results predicted in its mid-year review forward estimates?

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

a) The cash surplus/(deficit) metric includes investments in non-financial assets, largely reflecting payments for the capital works program. Noting the intergenerational benefits delivered, governments will typically borrow to invest in long-lived assets.

   Details of the estimated net operating cash are set out in the 2025-26 Budget Review in Table 4.1.4 ACT General Government Sector – Statement of Cash Flows. Estimates beyond the current forward estimates will be provided in later budgets, consistent with the *Financial Management Act 1996* and incorporating future government decision making that impacts both net cash from operating and investing activities.

b) Directorates in consultation with relevant Ministers are determining how best to constrain expenditure. Current strategies being considered include tighter financial controls, reducing or pausing non-essential discretionary expenditure, rationalisation of back-office functions, streamlining administrative processes, and seeking efficiencies (e.g. by consolidating or centralising certain operations or from better use of technology).

Directorates also continue to undertake assessments of their activities, using an expenditure prioritisation framework, to align them with current government priorities and assist with identifying lower priority areas where resource intensity can be reduced. This will be a multi-year exercise and requires sufficient lead times to fully develop options to constrain expenditure over coming years.

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

Signature: Date: 23/3/26

By the Treasurer, Chris Steel MLA