Inquiry into Fiscal Sustainability of the ACT – Interim Report

ACT Government – Government Response

July 2026

ACT Government

Acknowledgement of Country

The Chief Minister, Treasury and Economic Development Directorate acknowledges the Ngunnawal people as traditional custodians of the ACT and recognise any other people or families with connection to the lands of the ACT and region.

We respect the Aboriginal and Torres Strait Islander people, particularly our Aboriginal and Torres Strait Islander staff, and their continuing culture and contribution they make to the Canberra region and the life of our city.

Produced by the Chief Minister, Treasury and Economic Development Directorate. Enquiries about this publication should be directed to the Chief Minister, Treasury and Economic Development Directorate.

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Introduction

The ACT Government provides this Government Response in response to the Select Committee on the Fiscal Sustainability of the ACT – Interim Report that was released in March 2026.

On 10 June 2026, the Treasurer handed down the 2026-27 Budget which included an enhanced fiscal strategy. The Budget can be viewed https://www.treasury.act.gov.au/budget.

Recommendation 1

Select Committee Interim Report – Recommendation 1

> The Committee recommends that the ACT Government respond in detail and directly to the Terms of Reference 4(b) to 4(h) addressing Mr Eslake's interim report dated 27 February 2026 and the S&P Global Ratings report of September 2025, via an additional submission provided by 29 May 2026.

Agreed.

The ACT Government submitted an additional Government Submission to the Select Committee on the Fiscal Sustainability in late May 2026.

Recommendation 2

Select Committee Interim Report – Recommendation 2

The Committee recommends that the ACT Government adopt the cash surplus/deficit (as outlined in the statement of cash flows) as a key measure of fiscal sustainability and given equal prominence to the Government's measure of net operating balance.

Noted.

The ACT Government updated its Fiscal Strategy as part of the 2026-27 ACT Budget.

This update includes explicit date and quantum targets for both the Headline Net Operating Balance and the operating cash balance as well as a date and quantum cap for the capital program for the General Government Sector (GGS).

Taken together these provide high-level prominence to Budget outcomes on a total cash/deficit basis for the GGS. These are new prominent features of the fiscal strategy, alongside the publication of existing detail already provided on both a GGS and Total Territory cash/deficit basis.

Recommendation 3

Select Committee Interim Report – Recommendation 3

The Committee recommends that the ACT Government develop a more specific fiscal strategy in its budget documents, which sets clear numerical targets and the years by which targets will be met.

Existing Government Policy.

The ACT Government updated its Fiscal Strategy as part of the 2026-27 ACT Budget.

Further details are contained in the 2026-27 ACT Budget Outlook and can be accessed via https://www.treasury.act.gov.au/budget.