QON No. 12

Legislative Assembly for the
Australian Capital Territory
Select Committee on Estimates 2026–2027

Inquiry into Appropriation Bill 2026–2027 and Appropriation (Office of the Legislative Assembly) Bill 2026–2027

Answer to question on notice

Asked by: Mr Andrew Braddock MLA

Addressed to: Treasurer

Reference: Budget Outlook pg. 22-24

Hearing: 21 July 2026
In relation to: Budget Population Growth Forecasts
Question received: 21 July 2026
Answer Due: 5 August 2026

Observation

The Budget assumes population growth of 1.75 percent per year across the forward estimates. Population growth affects demand for services, infrastructure and housing, while also influencing revenue.

The ACT Government's population forecasts exceed Commonwealth Centre for Population projections. By 2029-30, the Territory’s population is projected to be nearly 9,800 people higher than Commonwealth estimates.

Questions

- Why are Territory population forecasts higher than Commonwealth projections?
- What are the main drivers of the population forecasts?
- How would lower population growth affect revenue forecasts?
- What risks arise if population growth is lower than expected?

Mr Chris Steel MLA: The answer to the Member's question is as follows:

ACT population forecasts are higher than Commonwealth projections because the Territory adjusts for the Australian Bureau of Statistics' persistent undercount of the ACT population. The Commonwealth does not make this adjustment and its projections of both net interstate migration (NIM) and net overseas migration (NOM) are lower.

The 2026-27 Budget Outlook (pages 22-24) notes that the ACT Government's projections recognise the persistent undercount in the ACT's population between censuses (see also the 2023-24 Budget Review, the 2024-25 Budget Outlook and the 2024-25 Budget Review). Much of this undercount stems from underestimates of NIM. The ABS has updated its methods to partly address this undercount, which raised the ACT's current estimated population by 4,500. It is expected that the ACT population will be raised further following the 2026 Census.

The main drivers of population forecasts are changes in:

a) natural increase (births less deaths),

b) net overseas migration (arrivals minus departures), and

c) net interstate migration (arrivals minus departures).

Population shares are used to allocate GST revenue and some Commonwealth payments. Lower population growth in the ACT would not, by itself, reduce the Territory's revenue share if population growth also slowed in other jurisdictions. Revenue impacts arise only if the ACT's share of the national population declines, all else being equal. Slower population growth may also affect own-source revenues through lower economic activity.

Approved for circulation to the Select Committee on Estimates 2026–2027

Signature: Date: 6/8/26

By the Treasurer, Mr Chris Steel MLA