



LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

QoN No. 7

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Mr Ed Cocks MLA (Chair), Mr Michael Pettersson MLA (Deputy Chair),
Mr Andrew Braddock MLA

**Inquiry into Appropriation Bill 2023-2024 (No 2) and
Appropriation (Office of the Legislative Assembly) Bill 2023-2024 (No 2)**
ANSWER TO QUESTION ON NOTICE

Asked by Elizabeth Lee MLA:

Ref: Budget Review 2023-24, Page 104

In relation to: Public Trading Enterprises

1. Can the treasurer provide a detailed breakdown of the Public Trading Enterprises line item on page 104 of the Budget Review?
2. Is this where Service Concession Arrangements for Light Rail and the HAAP program can be found? If not, where are these service concession arrangements found in the budget?
3. For all ACT Service Concession Arrangements,
 - a) provide a list of these arrangements.
 - b) The cost per year for these arrangements.
 - c) When the ACT Government started making payments under these arrangements.
 - d) In what year the ACT Government will make their final payments under these arrangements.
4. Can the Treasurer confirm whether Service Concession Arrangements are considered assets on the Territories balance sheet? if so,
 - a) Which Service Concession Arrangements are considered assets and the value of each asset on the balance sheet.
 - b) If they are not considered assets, where are they listed on the balance sheet? And
 - i. What is the value of each service concession arrangement on the balance sheet.

Andrew Barr MLA: The answer to the Member’s question is as follows:–

1. The breakdown of table 3.4.1 Public Trading Enterprises (PTE) row is as below and was published in 2023-24 Budget Outlook, Page 267 and is unchanged in the 2023-24 Budget Review:

	2023-24 Allocation	2024-25 Allocation	2025-26 Allocation	2026-27 Allocation	2027-28 Allocation	Total Investment
Cemeteries and Crematoria Authority	3,920	415	415	415	415	5,580
City Renewal Authority	11,578	600	0	0	0	12,178
Housing ACT	155,093	96,243	18,896	4,302	0	274,534
Icon Water	108,238	140,139	167,072	187,038	258,570	861,057
Suburban Land Agency	177,589	168,448	120,320	106,372	0	572,729
Total PTE	456,418	405,845	306,703	298,127	258,985	1,726,078

2. The PTE row on page 104 of the 2023-24 Budget Review relates to Infrastructure Investment Programs only and not to projects that have been completed including Light Rail Stage 1 (LRS1) and the Housing Asset Assistance Package (HAAP). That row does not include Light Rail Stage 2A as that project is currently held in the General Government Sector during the construction phase (see page 105 and 106 of the 2023-24 Budget Review).

Page 342 of the 2023-24 ACT Budget sets out the accounting for Service Concession Arrangements including both LRS1 and HAAP. Details of the Service Concession Arrangements are provided in the Annual Reports of Transport Canberra and City Services Directorate (Transport Canberra Operations financial statements p. 224-275 for LRS1), and the Community Services Directorate (Housing ACT financial statements p. 340-393 for HAAP).

3. ACT Service Concession Arrangements (SCA):
 - a) Only three SCA are reflected in the 2023-24 Budget Review:
 - i. LRS1
 - ii. HAAP; and
 - iii. Light Rail Stage 2A.
 - b) See table below:

Service Concession Arrangements	Commenced	Payments per year \$'000	Complete	Notes
LRS1	2019	13,350		First payment April 2019
	2020	53,855		
	2021	54,096		
	2022	48,042		
	2023	54,975		
	2024	59,539		
	2025	59,623		
	2026	63,285		
	2027	60,560		
	2028	62,203		
	2029	63,296		
	2030	64,608		
	2031	67,385		
	2032	67,666		
	2033	78,914		
	2034	69,362		
	2035	70,864		
	2036	71,783		
	2037	73,753		
	2038	76,320		
	2039	13,385	2039	Final Payment August 2038
LRS2A	2027-28	Payments are set out on p. 106 Budget Review	2038-39	
HAAP	2019-20	Nil	Ongoing	Housing ACT have 867 unique contracts with service providers each having different arrangements. HACT do not make any payments to providers as the SCA are leased out properties to service providers to provide affordable housing solutions and specialist homelessness services to vulnerable Canberrans over the term of a lease. Under these arrangements HACT may collect some level of rent from the operators although amounts vary and some are nil rent.

4. All SCA are recognised as assets on the balance sheet, see page 342 of the 2023-24 ACT Budget which sets out the accounting for SCA.

Balances for service concession assets are detailed in Note 22 of the 2022-23 ACT Government Consolidated Annual Financial Statements p.43.

- i. Service Concession land assets balance at 30 June 2023 \$381.264 million;
- ii. Service Concession building assets balance at 30 June 2023 \$324.072 million;
- iii. Service Concession plant and equipment assets balance at 30 June 2023 \$219.000 million; and
- iv. Service Concession infrastructure assets balance at 30 June 2023 \$533.472 million.

Approved for circulation to the Standing Committee on Public Accounts

Signature: 
By the Treasurer, Andrew Barr MLA

Date: 15.3.24