Chris Steel MLA
Treasurer
Minister for Planning and Sustainable Development
Minister for Heritage
Minister for Transport

Member for Murrumbidgee

RESPONSE TO QUESTION ON NOTICE
Questions on Notice Paper No 4
21 MARCH 2024
Question No. 214

FIONA CARRICK MLA: To ask the Treasurer

In relation to the 2024-25 Budget Review, GGS Headline Net Operating Balance ($m) on page 10, a breakdown of revenue on page 61, and own source revenue on page 62, can the Treasurer (a) provide a breakdown of the expense line, (b) provide a breakdown of the superannuation in the revenues and expense lines and (c) advise why the superannuation return adjustment is not in the revenue line.

CHRIS STEEL MLA - The answer to the Member's question is as follows:

(a) A breakdown of the expense line is set out in **Table 1** below. The Territory's defined benefit (CSS/PSS) employer superannuation expenses have been shaded.

Table 1	2024-25 Budget Review	2025-26 Revised Estimate	2026-27 Revised Estimate	2027-28 Revised Estimate
Expenses				
Employee expenses	3,337,110	3,369,589	3,464,465	3,569,854
Superannuation expenses				
Other Superannuation expense	328,351	351,722	364,177	373,749
Defined Benefit Service Cost	174,769	155,042	146,405	137,989
Defined Benefit Interest Cost	493,924	511,528	521,528	530,393
Depreciation and amortisation	635,343	641,913	647,518	657,721
Interest expenses	506,753	604,230	724,125	863,544
Other operating expenses				
Supplies and services	1,719,007	1,679,179	1,726,896	1,759,523
Other operating expenses	418,794	419,002	422,804	431,898
Grants and purchased services	1,590,535	1,537,186	1,538,740	1,559,234
Total expenses	**9,204,586**	**9,269,391**	**9,556,658**	**9,883,905**

(b) A breakdown of the superannuation in the revenues and expense lines is summarised in **Table 2** below. The following points are highlighted:

- From Table 3.3.1 General Government Sector Revenue the Interest Revenue line is made up of the break down below. The majority of Interest Revenue does not relate to financial investment assets income.
- From Table 3.3.1 General Government Sector Revenue the Investment Revenue line is shown and Table 2 also shows the combined Investment Interest and Investment Revenue that is only related to the financial investment assets.
  - The combined Investment Interest and Investment Revenue relates to all dividends and distributions for the financial investment assets managed through the Territory Banking Account (TBA) on behalf of the Superannuation Provision Account (SPA), ACT Lifetime Care and Support Fund, ACT Insurance Authority and Public Sector Workers' Compensation Fund. Investment earnings from the total assets are paid as distributions to the agency unit holder investors from the TBA. Also refer to the answer to Question Taken on Notice No.33 for the Inquiry into Annual and Financial Reports 2023-24.
- The amount of Investment Interest and Revenue distributed to the SPA is shown in the last row of Table 2. This amount does not include any capital gains which are effectively added back through the Superannuation Return Adjustment.

Table 2	2024-25 Budget Review	2025-26 Revised Estimate	2026-27 Revised Estimate	2027-28 Revised Estimate
Interest revenue break down				
Interest from Bank[1]	83,924	63,137	79,028	145,092
Interest from Loans to Icon Water	81,630	83,601	85,148	95,740
Miscellaneous Interest	28,880	25,990	22,773	21,521
Interest on Financial Investments	76,395	85,457	92,135	99,264
Total interest revenue	**270,829**	**258,185**	**279,084**	**361,617**
Investment Revenue (Dividends and Distributions)	**156,644**	**202,529**	**218,090**	**234,781**
Combined Investment Interest and Revenue				
Interest on Financial Investments	76,395	85,457	92,135	99,264
Financial Investments Revenue	156,644	202,529	218,090	234,781
Total Investment Interest and Revenue related to Financial Investment Assets	**233,039**	**287,986**	**310,225**	**334,045**
Amount of Interest and Revenue distributed to SPA	**179,192**	**249,198**	**267,916**	**288,042**

[1] The SPA also earns some direct interest from its cash at bank holdings, estimate is $2.5 million per year.

(c) The Net Operating Balance includes interest and dividend revenue derived from financial assets, but excludes net gains/losses on financial assets, which are treated as Other Economic Flows and included in the UPF Operating Result. Refer Box 3.1.1 Headline Net Operating Balance (HNOB), page 34 of the 2024-25 Budget Review.

Approved for circulation to the Member and incorporation into Hansard. **Chris Steel MLA** **Treasurer** Date: 30/4/25
This response required 1hr 35mins to complete, at an approximate cost of $248.23.