

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.5****Friday, 11 April 2025****Question No. 329****ED COCKS MLA:** To ask the Treasurer

1. Given that around \$100 million of the Budget Review's 55.7 percent increase in the ACT deficit stems from the ACT Government's risky assumption that NSW and Victoria would not spend their full allocation of Commonwealth funding, how does the Government justify gambling with the ACT's finances by relying on Commonwealth funding that was allocated to other jurisdictions.
2. What contingency plans, if any, did the Government put in place before the election to ensure financial stability if the funding allocated to other jurisdictions did not become available to the ACT.
3. Do the forward estimates in the Treasurer's Budget Update continue to assume the ACT will have access to funding notionally allocated to other jurisdictions.

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

1. The 2024-25 Budget assumed a level of revenue under the National Health Reform Agreement (NHRA) that was consistent with Quarter 1 activity results (the latest available at the time) provided by the National Health Funding Body.

The Statement of Risks in the 2024-25 Budget (Budget Outlook, page 348) identified that the growth in public hospital activity from 2023-24 and commensurate increase in Commonwealth revenue would exceed the ACT's soft cap under the NHRA – and that the estimated uplift in the Commonwealth revenue may not be received in full if other jurisdictions are able to achieve their respective soft-cap targets under the NHRA.

- 2 and 3. A range of mechanisms are available to the Government to manage unanticipated cost pressures. This may involve the reprioritisation of other expenditure and revenue, including

in relation to the timing of particular programs and grants and capital expenditure. It may also involve the Treasurer’s Advance and the potential for additional appropriation acts. In relation to the underlying health estimates, I would refer to the comments made by the Minister for Health at the Inquiry into the Appropriation Bill 2024-25 (No.2) on 7 March 2025 regarding NHRA revenue and price and activity drivers. These estimates will also be subject to the future negotiations with the Commonwealth on a new 5-year health funding agreement.

Approved for circulation to the Member and incorporation into Hansard.



Chris Steel MLA
Treasurer

Date:.....8/5/25.....

This response required 1hr 40 mins to complete, at an approximate cost of \$266.82.