



**ACT**  
Government

Australian  
Capital Territory  
**BUDGET**  
**2017-18**

For a better Canberra



Budget Paper 1: Budget Speech



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# STRUCTURE AND CONTENT OF THE 2017-18 BUDGET PAPERS

The 2017-18 Budget is presented in three papers and a series of agency Budget Statements.

## Budget Paper 1: Budget Speech

The Treasurer's speech to the Legislative Assembly highlights the Government's Budget strategies and key features of the Budget.

## Budget Paper 2: Budget in Brief

Budget Paper 2 presents a summary of the overall budgetary position together with information on the Government's expenditure priorities in key service delivery areas.

## Budget Paper 3: Budget Outlook

Budget Paper 3 summarises the 2017-18 Budget and forward estimates for the general government sector, the public trading enterprise sector and the total Territory Government.

Details of the projected 2017-18 Budget results are provided, as well as background information on the development of the 2017-18 Budget, including economic conditions and federal financial relations. It also provides an overview of the Territory's infrastructure investment program and details of the 2017-18 expense, infrastructure and capital, and revenue initiatives. Full accrual financial statements and notes are provided for all sectors.

## Budget Statements

The Budget Statements contain information on each directorate and agency, including descriptions of functions and roles and responsibilities, together with major strategic priorities.

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# 2017-18 BUDGET SPEECH

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## Delivering for a better Canberra

The Government went to the last election with a positive plan for renewal right across our city and suburbs.

This Budget starts delivering it.

We are making Canberra's schools better by delivering classroom and facilities upgrades across the Territory, expanding four Gungahlin schools, and getting work underway for a new school in the Molonglo Valley.

We are renewing our city's health services by delivering and planning for new Walk in Centres at Gungahlin, Weston Creek and the Inner North, the significant new Surgical Procedures, Interventional Radiology and Emergency Centre, or 'SPIRE', in Woden, a future northside hospital, and upgrading cancer and aged care facilities at the Canberra Hospital.

We are overhauling our transport system to keep Canberra moving by expanding the light rail network, with new investment to design the route for Stage 2 to Woden, better linking that town centre with the Parliamentary Triangle and our city's heart.

And at the same time as the City Renewal Authority delivers the CBD Australia's capital city deserves, we are investing right across the Territory to revitalise our town centres and clean up our suburbs. This includes delivering the next stage of the West Basin boardwalk, expanding the Belconnen Arts Centre precinct, as we promised before the election, and investing more to clean up graffiti, reduce litter, and keep our ovals green.

By delivering the renewal we promised, the Government is working every day to ensure our city keeps getting better for all Canberrans.

Canberra has made huge strides in the past two decades, from the growth of Gungahlin and the maturing of Tuggeranong, to the creation and renewal of New Acton, Kingston Foreshore and Braddon. Economically, we've grown from a one company town to a confident and diversified city.

But there is plenty more we can do to make the city we love even better. We will keep building on Canberra's potential.

## Economic and fiscal outlook

When I stood here last year to deliver the Budget speech, I noted that our Territory had weathered some tough times in recent years – mostly because of the decisions taken by the Federal Government.

But I also sounded a note of optimism – that we were starting to turn a corner with jobs growth picking up and a strengthening local economy. A year on, those green shoots have spread, making the Territory's economy consistently among Australia's strongest.

Economic growth for 2016-17 is expected to hit three and a quarter per cent – fully one percentage point higher than projected a year ago. This is a much stronger result than has been seen across the national economy, where growth is expected to be a sluggish one and three quarter per cent in 2016-17.

The Territory's unemployment rate is the second lowest in the country at 3.6 per cent, and has now been below four per cent for over 12 months. That's because in the last year our economy added over 3,200 new jobs, while our participation rate remains among the highest in the country.

One of the Government's proudest achievements is that we have got unemployment down and kept it there.

Between self government and Labor coming to office in 2001, the Territory's unemployment rate averaged 6.4 per cent. During our time in office, it has been significantly lower, averaging just 3.7 per cent.

Before 2001, unemployment rates of six, seven or even eight per cent were not uncommon. By comparison, the unemployment rate has been above five per cent for *just one month* in Labor's entire term in office.

Importantly, unemployment has fallen, even as Canberra's population has grown significantly: an extra 5,778 people now call Canberra home compared with a year ago.

By 2020-21, our population is expected to be growing by over 6,000 people a year, and our total population will reach over 428,000. That's why it is so important we invest now in the extra infrastructure this city will need.

We're well on track to build the new homes that will accommodate this growth: over the course of 2016, dwelling commencements rose over 100 per cent – the strongest supply increase in the country.

A growing population is also helping boost retail trade for Canberra's small businesses and local industries. At 3.1 per cent, our growth in retail trade over the past 12 months is among the strongest in the country, and has now been a rolling positive across a 33-month period.

The diversification of our economy continues to gather pace, which is fortunate considering the Commonwealth Government has maintained its wage freeze on the Australian Public Service in the latest federal Budget.

The ACT's service exports have grown by more than 65 per cent since 2010-11, to reach \$1.7 billion a year. Our education sector has been the standout success, bringing in \$508 million last year or 30 per cent of our total service exports. Our local industries are thriving, which means more good jobs for Canberrans – the higher education sector alone now supports about 16,000 jobs across the Territory.

This Government has never lost sight of the importance of creating and maintaining good jobs for Canberrans, and this will continue to be at the centre of everything we do in the years to come.

A strong balance sheet goes hand-in-hand with a strong economy to keep our city growing. That is why this Budget continues our clear and steady path back to balance from the depths of the combined Commonwealth and Mr Fluffy effect on our books some years ago.

It's been a long climb – a deficit of \$479 million in 2014-15 has shrunk to just \$73.9 million in 2016-17, a further improvement on the \$119 million projected deficit at the 2016-17 Budget Review.

As we have been forecasting since the 2015-16 Budget, the Territory is on track to return to balance in 2018-19. Stronger surpluses in the years beyond allow us to make further investments in this city.

I've said it before but it bears repeating: the ACT Government does not believe in delivering surpluses for their own sake. Instead, we are strengthening the Territory's finances so that we can meet the community's needs today while investing more for tomorrow.

That's our fiscal plan: making the right investments to renew our city, while sticking to a clear path back to balance. That's how the Government will deliver a stronger budget and an even better Canberra.

## **Getting the basics right**

Adding about another eight suburbs' worth of people to Canberra – the equivalent of Weston Creek – over the next four years means we've got a lot of work to do.

That is why this Government went to the last election with clear plans to invest in the services that make this city such a great place to live: great local schools; modern and accessible hospitals and healthcare; and a transport system that gets you where you need to go quickly and conveniently.

We understand the importance of renewing and boosting these essential services now so we're ready as more people call Canberra home.

Under the ACT Labor Government's plan, we can keep getting better as we grow.

There should be absolutely no trade-off between being an engaging, diverse and growing city, while retaining what makes our city so special, and one where high-quality services are available close to home, when you need them. That is what we are delivering in this Budget.

## **Better schools for our kids**

Madam Speaker, a great education depends on two things: excellent teachers who can bring learning to life, and well-equipped classrooms where this learning can happen.

With this Budget, our Government is investing in both, to deliver better schools for our kids.

As we promised in the election, we are funding 25 scholarships a year to help Territory teachers gain post-graduate qualifications in science, technology, engineering or maths (STEM), as well as those who want to gain qualifications in another language. We know STEM learning is increasingly important in preparing our kids for the jobs that await them when they leave school, so we will ensure that ACT schools have more skilled teachers who can confidently and engagingly deliver these subjects.

At the same time, our funding of 66 school assistants across Canberra is taking the pressure off our teachers, freeing them up to spend more time on lesson planning, and directly addressing the individual learning needs of our students.

The impact of good teachers is strengthened by great classrooms and school facilities. That's why we are refurbishing schools across the Territory.

Through capital investments and grants driven by school needs, we will extend existing classrooms, build new ones, refurbish toilets and change rooms, install heating or air-conditioning, and improve school grounds. We recognise that, with the average Territory school being 42 years old, we need to keep investing in improving our learning spaces so our kids get the most out of their time at school.

But a good learning environment is about more than classrooms and facilities. Students can't learn effectively if they are struggling with their mental health or bullying. We will ensure that Canberra schools are Safe Schools by continuing to fund this important program after the Commonwealth gutted it.

We will also hire an additional five school psychologists to better support student wellbeing and provide early intervention mental health services for young Canberrans.

Better teachers, better classrooms and better support for students who are struggling. That's what this Budget will deliver.

### **Better care when you need it**

Health has always been a priority for Labor, and Canberrans deserve to be confident that good quality care will be available when they need it – whether that's for a routine check-up, a sudden broken bone, a much-anticipated birth, or a chronic illness.

That's why the Government went to the last election with a 10-Year Health Plan to renew our local hospitals and health facilities so they can deliver care in ways that are easy for everyone to access.

This Budget kicks off that plan with new health investment across community, primary and specialist care, delivering better care when, and where, you need it.

The new SPIRE Centre will bring more and better tertiary health services to the Canberra Hospital. SPIRE will boost the number of operating theatres from 13 to 20, providing more capacity and allowing for concurrent management of emergency and elective surgeries, avoiding delays and rescheduling.

This Budget funds the first stage of planning, and provides for design and construction commencement so we can treat patients there early in the next decade.

This Budget also starts delivering on our commitment to expand the Centenary Hospital for Women and Children. The expansion will include a new child and adolescent mental health unit, an adolescent gynaecology service, a new paediatric high-dependency unit, and paediatric intensive care beds. The first phase of funding includes feasibility and planning work to inform construction commencement in 2018-19.

Of course, the primary goal is to keep Canberrans healthy through better preventative, primary and community care. That's why we are also boosting access to bulk billing GPs in Canberra's south, funding two new mobile dental vans, increasing the capacity of Hospital in the Home, and providing more free vaccinations and health checks in schools.

Our 10-Year Health Plan will ensure local health care delivery not only keeps up as Canberra grows, but keeps getting even better.

## **Building a better city**

Madam Speaker, if you commute to work from the south to Civic, take Gundaroo Drive, or are part of the Molonglo Valley's growing community, you already know there's a growing need for new and better transport infrastructure.

We aren't waiting for Sydney-style traffic jams to bank up – we are starting work today to build the roads and rail that will keep Canberra moving.

The construction of Canberra's light rail network is the most significant infrastructure and transport project this city has ever embarked upon. With construction of Stage 1 from Gungahlin to the city now well on track for completion in late 2018, we are moving ahead with Stage 2 to Woden as we promised we would.

This Budget delivers the funding needed to carry out detailed scoping and route planning on the city to Woden corridor. Almost 210,000 Canberrans will live, work or study within one kilometre of this corridor by 2041. Planning for this growth now is critical for reducing congestion and giving southside commuters a quick, practical and low polluting alternative to their cars.

Light rail is at the heart of this Government's plans to build a better city, but these plans include much more.

Our roads package upgrades, builds and plans for eight important roads, including Stage 2 of the Gundaroo Drive duplication, the Canberra Brickworks access road, Molonglo East-West arterial roads, and the Federal Highway and Old Well Station Road intersection.

The creation of the City Renewal Authority gives our community the opportunity to reshape central Canberra and the lake precinct for the better, including through the completion of Stage 2 of the West Basin Boardwalk and more infrastructure to open up this land, the activation of Haig Park, and more links between our CBD business precincts.

And the upgrades we committed to for local centres in Tuggeranong, Kambah and Gungahlin make sure better shopping and community facilities are available close to home wherever you are across Canberra.

## **Better services in your community**

Canberrans are proud of how our city looks and feels. We have a distinctive natural environment and we have long invested more in public spaces and places than many other cities do.

Just as we promised last October, this Budget continues that investment by delivering better services in the community.

That's why we are increasing the frequency of mowing and weeding around major arterial roads and throughout our suburbs.

Better sportsground irrigation will ensure these facilities support our active population, and we're stepping up graffiti cleaning and the removal of unused assets like old toilet blocks and signage.

For the first time, the ACT will have a container deposit scheme to reduce litter and encourage more Canberrans to do their bit on recycling. We are also designing a kerbside bulky waste collection for all Canberra households which aims to reduce illegal dumping and stop furniture and whitegoods being left in front yards or on verges. And we are continuing the roll out of green bins to more suburbs following the current pilot program in Weston Creek and Kambah. To date, over 7,000 households have chosen to get a green bin. We will continue rolling out green bins to all suburbs by 2020.

Canberrans have been calling for better municipal services, and this Budget shows we are listening and delivering.

The Government is committed to achieving zero net emissions by 2050. As the risks of climate change become increasingly clear, it's important our community works together to reduce our carbon production, and ensure Canberra becomes a more sustainable city as we grow.

That's why this Budget will deliver a new Zero Emissions Grants Program to support community initiatives that contribute to achieving the ACT's zero net emissions target. We will also deliver more resources to implement the ACT Climate Change Adaptation Strategy, and continue our popular Actsmart programs that help Canberrans make their homes and offices more environmentally sustainable.

## **More and better jobs**

For the six years that I've been fortunate enough to serve as the Territory's Treasurer, I've made growing and diversifying our economy a top priority.

That's because I believe this city can – and should – invest in its own economic development.

From expanding Study Canberra to attract more international students, and supporting the development of innovative new industries like autonomous vehicles, to attracting major sports matches and more blockbuster events, this Budget keeps pushing ahead with economic diversification to create more and better jobs.

Our significant investments in transport, infrastructure, education and health will also create and support thousands more jobs over the next four years, including in construction, nursing and our schools.

## **Better support when it matters**

Madam Speaker, I've said before in this place that every member of the Labor Government is working to make Canberra Australia's most inclusive city.

To the gay, lesbian, bisexual, trans and intersex kids at school discovering who they are, to Aboriginal and Torres Strait Islander people in our community, to refugees finding a haven from trouble overseas, to families and individuals living in our public housing throughout Canberra, and to those people looking for a way back from the justice system, we say: you are part of our community. You belong here.

But we don't just say it. We are backing that attitude with new investment to deliver better support when it matters.

We are delivering new resources to identify at-risk Canberra kids and protect them from violent or unsafe home environments. Too many of Canberra's children and young people are struggling just to stay safe.

This builds on our commitment to keep families safe and the major investment in tackling family violence outlined in last year's Budget. We are also strengthening that work with the delivery of Canberra's first Family Safety Hub, providing wrap-around services that can reach more Canberrans experiencing family violence.

We are providing more resources for government and community sector organisations to better support and include people with disability. We recognise that the inclusion of people with a disability in the Canberra community goes well beyond specialised disability support.

We are also delivering more culturally-specific initiatives to improve outcomes for Aboriginal and Torres Strait Islander Canberrans, including a new health centre in the inner south to be delivered in partnership with the Winnunga Nimmityjah Aboriginal Health Service; continued support for the *Growing Healthy Families Program*, which provides health, early childhood development and parenting services; and seed funding to support new and emerging Aboriginal and Torres Strait Islander controlled organisations, boosting this community's representation and public voice.

And we are supporting new migrants and asylum seekers with more help to find a job, as well as expanded English language programs. It's not enough just to welcome new arrivals, we also need to make sure they can thrive socially and economically once they're here.

I am proud we are delivering the Office of LGBTIQ Affairs. Gay, lesbian and intersex Canberrans continue to face discrimination and challenges unique to this community, and this Government is determined to tackle these wherever we can. I know the vast majority of Canberrans support our efforts.

## **Conclusion**

Madam Speaker, with this Budget, this Government is laying down an ambitious agenda for renewing Canberra over the next four years. And we are doing it by delivering on the clear, positive commitments we made to the Canberra community at the last election.

By working together, we can achieve this ambitious program to renew our schools, hospitals and healthcare, transport network, jobs, city, and community services.

An even better Canberra is within our reach. I know this because I've already seen how far we've come.

We know Canberra has so much more potential to be realised, and we are making that happen.

I commend this Budget to the Assembly.