Australian Capital Territory

Budget 2019-20
Building for the future

Budget Paper 1: Budget Speech
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The 2019-20 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 2019-20 Budget and forward estimates for the general government sector, the public trading enterprise sector and the total Territory Government.

Details of the projected 2019-20 Budget results are provided, as well as background information on the development of the 2019-20 Budget, including economic conditions and federal financial relations. It also provides an overview of the Territory’s infrastructure investment program and details of the 2019-20 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.
Building for the future

Canberra’s direction through the 2020s depends on the decisions and investments we make as a community today.

We see a city with its own distinct character – economically diverse, environmentally sustainable, lively, progressive and inclusive.

A city where good jobs and housing are available no matter what your background.

Where the best free public healthcare is available where and when you need it, and there’s a great local school not far from home.

Where we take care of each other, and of our heritage, environment and neighbourhoods.

Canberra today is a great place to live, work, start a business and raise your family. We want to make sure it keeps getting even better into the coming decade.

That’s why we are building for Canberra’s future with this Budget.

We are investing today to grow services and infrastructure that can meet our community’s needs in the years ahead. Canberra is one of the fastest growing communities in Australia, so we have to invest now to make sure our hospitals and healthcare centres, our schools, social infrastructure and transport networks are ready in the new decade.

If we don’t invest now, Canberrans will pay the price with traffic that just keeps building up, longer hospital waits and more crowded classrooms. If we put this off for another day, Canberra risks going the way of every other city that failed to plan for growth – eroding our great liveability and the things that make this place special.

For these reasons, we are building for Canberra’s future and using the ACT Budget to do it.

We know a strong community and a liveable city are what matter most.

Consolidating steady and sustainable growth – the ACT economy on track

The ACT’s economy is strong, growing and more diverse than ever.

Our economic growth has been among the fastest in Australia for the past four years, which has supported the creation of over 3,200 new businesses and more than 16,000 jobs. Our unemployment rate is consistently one of the lowest in the country, even as our community has been growing by around 8,000 people a year.

The ACT’s $40 billion economy is significantly larger than that of Tasmania or the Northern Territory. We have become Australia’s per capita leader on services exports thanks to the strength of our higher education and tourism sectors. More than 60 per cent of Canberrans now work outside the public service, in a wide range of local industries from construction and health care to professional services and innovation.
The 2019-20 Budget forecasts economic growth to steady at an average of 3.3 per cent a year over the next four years, consolidating our recent rapid growth at a more sustainable level.

We expect to see continued jobs growth and a stable housing market as ongoing population growth, low interest rates and an accommodative Australian dollar support ongoing growth in our local industries.

Our tax reform program is nearing the halfway mark. So far we have fully phased out insurance duty, cut stamp duty to zero for around 70 per cent of commercial transactions and raised the payroll tax threshold so that about 90 per cent of Canberra’s small and medium businesses do not have to pay it.

From 1 July this year we will go further by fully abolishing stamp duty for eligible first home buyers – making it easier for young people and those on low incomes to own their own home.

We understand that some households are feeling the impact of tax reform through their rates bills, which is why I want to reassure Canberrans that the heaviest lifting of this reform has been achieved.

Over these forward estimates, the rate of growth in rates will slow as we move towards the next five-year phase of the tax reform program.

This year’s Budget also limits growth in government fees and charges for households to no more than the Wage Price Index because we understand cost of living pressures are a concern for some Canberra families.

The indicators all suggest Canberra’s economic outlook remains positive. But Canberra is more than an economy – it’s a community where we aim for everyone to share in the benefits of a good life.

There is a lot more to a good life than what’s in your bank account. Our wellbeing is also determined by things like our environment, our connections to place and others, the quality of our services and institutions, how inclusive we are towards others, and how prepared we are to contend with future challenges and grasp opportunities.

That’s why the Government has started work on developing a broader set of indicators that can also track this community’s wellbeing over time.

From next year’s Budget we will report against both economic metrics and a set of wellbeing indicators that will be developed with the Canberra community to track how we’re doing in other important areas – like improving access to housing, strengthening family cohesion and growing the social inclusion of older people.

Economic growth is one tool for improving wellbeing across our community, but there are many others.
Having a set of wellbeing indicators will help us zero in on where we need to invest more of our time, energy and creativity to make a real difference for those Canberrans who currently aren’t sharing in the benefits of our prosperity.

**Building today to keep delivering for Canberrans in the years ahead**

Madam Speaker, the 2019-20 Budget delivers Canberra’s biggest program of infrastructure investment ever.

Over the next four years we will invest more than $3 billion to future-proof our hospitals, build new schools for our growing regions, continue making our transport networks faster, safer and cleaner, and grow and renew public housing.

We will deliver the new SPIRE Centre, expand the Centenary Hospital for Women and Children and invest in Calvary Public Hospital’s Emergency Department and surgical theatres, to meet our region’s healthcare needs into the coming decade.

The SPIRE Centre was one of our most significant commitments at the 2016 election, and will be the single largest investment in our healthcare system since self-government. We are getting on with delivering it because we understand how important it is to be building now to meet Canberra’s healthcare needs into the future.

At the same time as we get these major new builds underway, we will continue expanding our network of Walk in Centres with a new clinic at Dickson, and significantly boost specialist healthcare in areas like rheumatology, urology, dermatology and childhood and gestational diabetes to help cut waiting lists and reduce out of pocket costs for people with chronic health conditions.

This Budget maps out the next major phase of investment in local schools for Canberra’s growth areas. We will start work on a new primary school at Throsby, a new high school for Kenny, and significant expansions for the Franklin Early Childhood School and Gungahlin College.

We will also add capacity at Hawker Primary School and Lyneham High, as well as undertaking detailed planning for future school needs in the city and gateway region so we are ready as more people move into our renewed city centre.

To ensure that all Canberra school students are well supported by active and engaged teachers, we will hire the equivalent of 92 teachers and learning support assistants to respond to growth in student numbers for 2019-20 and beyond. This will also see a boost to the supports available for students with diverse needs, including those with a disability.

With Stage 1 of light rail to Gungahlin successfully up and running, we are turning our focus to delivering Stage 2 to Woden. Canberra needs a clean, fast and accessible public transport network to help keep our city moving as we grow, and Stage 2 will provide the southern spine for our integrated network.

About 270,000 people will live, work or study within 800 metres of the City to Woden corridor by 2036. So this is an important investment we need to get on with now to deliver faster and better public transport in the future.
Through this year’s Budget we will progress detailed design, planning and enabling works for Stage 2 of light rail from the City to Woden.

This will include starting work on a new Woden Bus Interchange to integrate with light rail, to ensure the project keeps moving ahead while we continue to engage with the Commonwealth Government and the Australian Parliament on the detailed route and approvals.

We will also progressively deliver 84 modern and fuel-efficient buses to improve accessibility and passenger comfort on Canberra’s new bus network.

And we will make it easier and safer to move around in the suburbs by upgrading key intersections across Canberra, duplicating the major arterial road between Belconnen and Gungahlin, upgrading the Monaro Highway and continuing planning to complete the duplication of Athllon Drive.

We are delivering our promised investment in a second Common Ground community housing complex in Dickson, building on the success of Canberra’s first Common Ground in Gungahlin.

The Dickson project will provide 40 housing units as well as communal facilities and space for social enterprises. The Common Ground model provides intensive support to people who are experiencing, or at risk of, homelessness, as well as providing affordable rental housing for Canberrans on low incomes.

In the coming year we will also commence the next stage of investment in public housing across Canberra – investing $100 million over five years to deliver at least 200 more homes and renew another 1,000 properties.

This investment will commence following completion of our major public housing renewal program in mid-2019, which has seen 1,288 ageing public housing properties replaced with modern and energy efficient homes that better meet the diverse needs of our tenants.

We are investing in a new cultural hub for Canberra, with the creation of the Kingston Arts Precinct. The precinct will add to the vibrancy of the Kingston Foreshore, with many of Canberra’s leading visual arts organisations to be based there in facilities that are purpose-built for creating, exhibiting, teaching and running community events.

Our creative industries are a key source of Canberra’s vibrancy and one of our strong suits in attracting more people to visit this great city. So we are investing in a new hub to showcase our arts and cultural scene and make it more accessible.

**Investing in people for a brighter future**

Investing in our people is just as important as investing in Canberra’s infrastructure and services. This is a prosperous city, but some people are still falling behind.

That’s why we are also stepping up investment in early intervention to improve social connectedness, strengthen families and help end the stubborn disadvantage that persists through generations.
We will continue to grow our investment in support for Canberrans with disability with the full scheme arrangements for the National Disability Insurance Scheme in place from 1 July 2019.

Over 6,800 Canberrans are now accessing tailored support through the NDIS, and our shared investment with the Commonwealth Government is projected to see another 500 Canberrans join the scheme over the next four years.

At the same time as we are growing our contribution to the NDIS, we will maintain existing disability services that are not eligible to be considered as in-kind contributions to the scheme from 2019 on.

This will ensure services like the Child Development Service, the Integrated Service Response Program and Rehabilitation, Aged and Community Care supports remain free and accessible for Canberrans with disability who are not currently receiving an individual support package through the NDIS.

The Safer Families Levy was introduced in 2016 as part of our community-wide effort to tackle family and domestic violence. As the initial four-year programs reach completion we are updating our approach to continue the focus on frontline services while providing start-up funding for government agencies to test and demonstrate the practical potential of innovative new services.

New initiatives to be funded under this pilot approach in 2019 will focus on delivering family-centred responses for Aboriginal and Torres Strait Islander families impacted by family violence; reducing the risk of deaths from family violence; supporting pregnant women at risk of domestic and family violence; extending the Room4Change program which works with men who want to stop their use of violence and build healthy relationships; and training ACT Government frontline workers to respond to family violence.

The ACT Government has responded strongly to the Royal Commission into Institutional Responses to Child Sex Abuse by creating laws that make it the responsibility of every adult to make a report to authorities if they believe a child is being subject to abuse.

Through this year’s Budget we will now introduce an intermediary scheme which will help vulnerable witnesses including children and people with a disability to overcome the challenges they face being heard by the criminal justice system.

We are also working to reduce recidivism by providing real alternatives to prison and helping more detainees onto a better path for themselves, their family and the community, after leaving a custodial sentence.

This year’s Budget invests in a Justice Housing Service that will provide accommodation for women and Aboriginal and Torres Strait Islander Canberrans to support them to live free of crime. At the same time, we are making a major investment in more police and a new approach to policing that will focus on crime prevention and disruption, helping to deliver on our goal of reducing recidivism by 25 per cent by 2025.

And we are strengthening our emergency services by recruiting 36 new firefighters, and starting work on new combined fire and ambulance stations in the City and Molonglo Valley.
These investments will help keep the ACT’s emergency response times to some of the best in the country as our city continues to grow.

**Investing in our environment and neighbourhoods**

The ACT is Australia’s leader on tackling climate change and transitioning to a zero emissions future.

We are on track to be powered by 100 per cent renewable electricity within the next 12 months and we have set the ambitious target of achieving zero net emissions by 2045.

Through investments in the 2019 Budget we will continue to support the achievement of our renewable electricity and emissions reductions targets, and increase Canberra’s resilience to the impacts of climate change.

In the coming months we will release new Climate Change and Living Infrastructure plans, mapping out the next phase of action to 2025.

Our first tranche of investment through these plans focuses on transport, reducing natural gas use, and mitigating the heat island effect by increasing tree canopy and other living infrastructure.

In particular, we are getting work underway to plant over 17,000 more trees over the next four years, renewing Canberra’s urban forest and boosting our green canopy.

The decisions we make now about Canberra’s development, energy supply and how people move around the city will make a big difference to our sustainability in the decades to come. So we understand the urgency of working with the community today to drive change.

Our parks, playgrounds and local community centres are hubs for Canberrans to come together, spend time with family and friends, or just enjoy being outdoors with their pets. As our city grows, we want to make sure that people in new suburbs and urban renewal areas have access to this kind of great community infrastructure, while also ensuring the facilities in more established suburbs are maintained to a high standard.

We will deliver a dedicated Home of Football at Throsby which will include football pitches and an indoor futsal facility. The ovals will also be available for informal community use.

We are also undertaking early design and planning for the Stromlo Forest Park District Playing Fields, as part of our efforts to ensure local infrastructure grows alongside new communities in the Molonglo valley.

And we will start work on delivering a new community centre in the Woden Town Centre. The centre will provide a new home for Woden Community Service to deliver a range of integrated services, as well as space for community use.

Buying a house or apartment is a big commitment, and Canberrans want to know their new home is going to last. Good quality building is important to ensure new homes are liveable, safe and don’t end up with expensive defects.
In response to feedback from the community, we will continue working to improve building quality across our suburbs and town centres by boosting resources for the ACT’s building regulator.

We will hire 16 more staff for Access Canberra to undertake more monitoring and compliance activity, as well as provide more information to industry and homebuyers about their rights and obligations when carrying out building work. These staff will also deliver more examinations for builders’ licences, ensuring local builders have the right knowledge and skills to do quality work.

Through the 2019-20 Budget we are investing in Canberra’s infrastructure, people, environment and neighbourhoods, to make sure this place – our home and our community – keeps getting even better in the years to come.

**Making smart and sustainable use of our balance sheet**

Building for the future means investing today.

The investments we are making through this Budget will benefit Canberrans for years to come. So we aren’t going to ask the community to pay for these upfront through higher taxes or more fees and charges.

Instead, we will use the budget to get on with this important work because it needs to happen now.

Under the federal Coalition Government, we have had to do the heavy lifting of delivering infrastructure and services for Canberrans for the past six years.

Despite the ACT’s steady and ongoing growth, we have received far less than our fair share of national infrastructure investment. Public service job cuts, decentralisation and unequal funding deals in key areas like health and education have underlined the Coalition’s disregard for Canberra.

We used the Territory Budget to offset the effects of the Mr Fluffy crisis and keep our economy growing in the face of cuts in Commonwealth spending from 2014-15 to 2016-17. We have since delivered consecutive surpluses.

Following the re-election of the Coalition Government federally, we are again stepping up our investment in Canberra to ensure services and infrastructure do not fall behind as our city continues to grow.

Our fiscal strategy remains consistent: a balanced fiscal position across the forward estimates.

Including our estimated outcome for 2018-19, over the last three years we have seen a cumulative surplus of around $100 million.

Over the coming four years from 2019-20, we are projecting a cumulative surplus of around $400 million.
We would, of course, welcome a further contribution from the Commonwealth towards the important initiatives delivered through this Budget. But we cannot afford to wait and see if any new investment will be forthcoming.

Canberrans need their government to be delivering today and building for tomorrow, and that’s exactly what we’re doing.

**Conclusion**

This Budget takes us into a new decade. We are building today for Canberra’s future.

Canberra in the 2020s can be a place that is even more liveable, sustainable and inclusive than it is today.

It can be a city that gets growth right, and a community that leads the way on balancing care for our environment with caring for people’s futures.

It can be a place where our wellbeing matches our prosperity, and everybody shares in that.

That’s the Canberra we see in the 2020s, and that’s what this Budget invests to deliver.