

Budget 2007-2008

AUSTRALIAN CAPITAL TERRITORY



TAKING THE TERRITORY FORWARD

Guide to the Budget Papers

Structure and content of the 2007-2008 Budget Papers

The 2007-2008 Budget is presented in four budget papers.

PAPER NO.1 SPEECH

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

PAPER NO.2 TAKING THE TERRITORY FORWARD

A summary of the overall budgetary position together with information on the Government's expenditure in key service delivery areas.

PAPER NO.3 BUDGET OVERVIEW

Summarises the 2007-2008 Budget and forward estimates for the general government sector, the public trading enterprise sector and the total Territory Government. Details of the projected 2007-2008 Budget results are provided, as well as background information on the development of the 2007-2008 Budget, including economic conditions and intergovernmental financial relations.

The Appropriation Bill 2007-2008 is appended.

PAPER NO.4 BUDGET ESTIMATES

Information on each department and its respective output classes, including descriptions of functions, roles and responsibilities, together with major strategic priorities. Full accrual financial information is provided for the general government sector as well as details of the Territory's public trading enterprises.

ISSN 1327-581X

© Australian Capital Territory, Canberra June 2007

Material in this publication may be reproduced provided due acknowledgement is made. Produced for the Department of Treasury by Publishing Services (Shared Services Centre).

Enquiries about this publication should be directed to the Department of Treasury
GPO Box 158, Canberra City 2601.

Publication No 07/0455

<http://www.act.gov.au>

Telephone: Canberra 13ACT1 or 132281

Photograph on page 31 courtesy of seventyeight.com.au via DDHCS

Photograph on page 39 courtesy of ACT Policing

Contents

Treasurer's Message – Taking the Territory Forward	1
Fiscal Outlook	4
Net Operating Balance	4
Highlights of the 2007-08 Budget	6
Economic Outlook	7
A Great Place To Live	8
A Great Place to Live	9
Belconnen	13
Canberra Central	14
Gungahlin	16
Tuggeranong	17
Woden, Weston Creek and Molonglo	18
Supporting Land Supply and Release	20
Delivering for the Community	22
An Environment to Protect and Enjoy	23
Growing into the Future	26
Assisting Our Most Vulnerable	31
Excellence in Education	33
A Health System which Delivers	36
A Safe Community	39
Building Public Service Capacity	42
Financial Summary	44
Revenue	44
Expenses	45
Capital	46
Budgeted Financial Statement Presentation - A Comparison	47



Treasurer's Message - Taking the Territory Forward

The Australian Capital Territory is home to a healthy, well-educated and cohesive community. We have excellent infrastructure and our social services are among the best in the country. We enjoy the nation's best health, highest life expectancy, highest student outcomes, highest tertiary education attainment, low unemployment and highest workforce participation rates.

Since Labor came to Government the Territory's economic performance has been exceptionally strong. Private investment has grown to an all-time high and we continue to have unemployment near historic lows.

In such an environment, it would be easy for a government to be idle. Fair societies, however, do not forget about the vulnerable and the disadvantaged. General prosperity does not mean blanket prosperity for every individual, every family.

Since coming to Government, Labor has significantly increased services for people with disabilities, made a major investment in mental health, improved the protection of vulnerable children and boosted support for disadvantaged families.

TREASURER'S MESSAGE

Conscientious governments also ensure that they remain prepared for future challenges and risks, so that coming generations are not burdened with debts accrued today.

And there is more to do. Across Australia, demographic change and an ageing population mean the need for services continues to grow. In addition, the challenge of climate change and the need to secure water supplies have the potential to impact adversely on the economic, social and environmental well-being of the community.

These challenges become more significant for a small jurisdiction such as the ACT, which has a narrow economic base and which, since self-government, has spent more than it has raised, maintaining a way of life that was a legacy of the decades of Commonwealth control and support.

Last year Labor embarked on a program to put the Territory's finances on a sustainable footing. Our aim was to maintain capacity for investment in physical and social infrastructure, preserve our high quality services and the outcomes they deliver in priority areas such as health and education, and create a buffer against possible future risks.

The 2007-08 Budget builds on that disciplined focus and takes the Territory forward. It delivers spending in areas of high need, and in areas that mean the most to Canberrans — in the places where they work, where they live and where they play.

The Budget delivers an operating surplus of \$103 million in 2007-08. Across the forward years, the surplus remain largely as forecast last year.

This enables the Government to make a significant, yet prudent investment in the

infrastructure that supports our growing city, our booming economy and our community in practical ways. The total value of new capital works in this Budget is \$288.7 million, targeted primarily at roads, bridges, public schools, hospitals and recreation facilities.

But the Government is acutely conscious that it is the little things around town that we value as a community, and that make a difference in our lives. Things like playgrounds, bus stops, BBQs, dog exercise parks, street furniture, picnic tables and walking tracks. That is why the Budget earmarks \$44.2 million for a program of capital improvements to such facilities.

Additionally, repairs and maintenance funding of \$5 million will enable many of our community centres, childcare facilities, arts facilities and emergency services facilities to be re-painted, for kitchens to be repaired, for plumbing to be fixed, for floor coverings to be replaced.

The Budget includes modest new recurrent spending of \$91.3 million over four years, targeted at priority areas such as disability services, climate change, housing affordability, ambulance services, skill shortages, business support and municipal services.

The Budget allocates \$66.8 million for growth in health spending — a level prudently built into our forward estimates as part of last year's structural reforms. This new expenditure will deliver new health services for Canberrans — new hospital beds, expanded aged care and rehabilitation services, increased mental health services, expanded youth health services, shorter waiting lists for dental services, chronic disease prevention, support for at-risk children and their families, and more elective surgery procedures.

In the last Budget, we set out a vision for public education backed up by a record investment in public schools. In this budget, we build on that investment to take the Territory's schools forward. Between 2006-07 and 2010-11 the Government will invest more than \$350 million in our public school system. Every government school and every student in our government schools will benefit.

The Government will shortly release a major Climate Change Strategy, setting out the practical steps we can take as a community to reduce our emissions and adapt to a changing climate. This Budget provides more than \$6 million over four years to implement a number of greenhouse initiatives.

Access to appropriate and affordable housing is a basic human need, but for some in our community, this access is becoming more difficult, for a range of reasons. In April this year, the Government released its Affordable Housing Action Plan, setting out strategies for tackling affordability and accessibility not just for homebuyers but for renters, for those in public and community housing, and for those in need of emergency accommodation. This Budget includes funding for the range of initiatives identified in the Plan.

The Territory's financial position is the result of hard work and prudent decisions. It allows us to create an even better city and better services for our children. It allows us to take the Territory forward. I am pleased to present the 2007-08 Budget to the people of the ACT.

Jon Stanhope

Jon Stanhope, MLA
Treasurer
June 2007

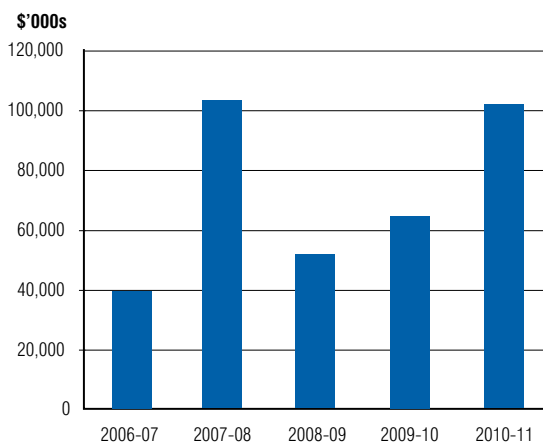


Fiscal Outlook

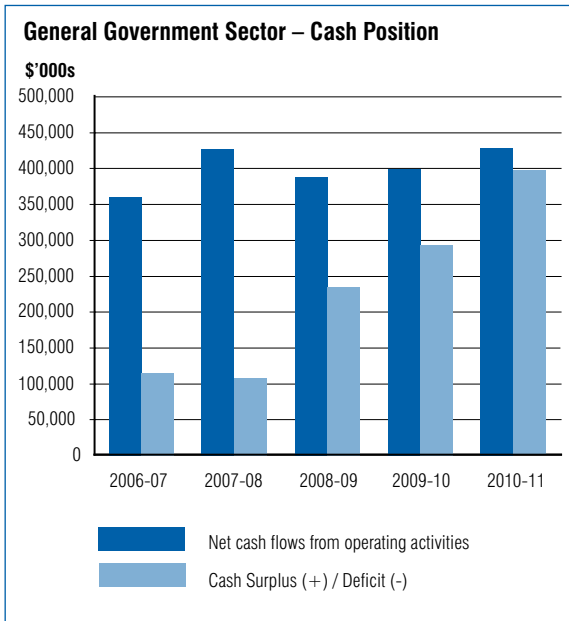
Net Operating Balance

The 2007-08 Budget builds on the disciplined and focused approach to financial management that underpinned the Government's strategy to the previous Budget. It continues the program of putting the Territory's finances on a sustainable footing to maintain capacity for investment in physical and social infrastructure, preserve the high quality services and outcomes they deliver in priority areas, and provide a buffer against fiscal shocks.

General Government Sector – Net Operating Balance*



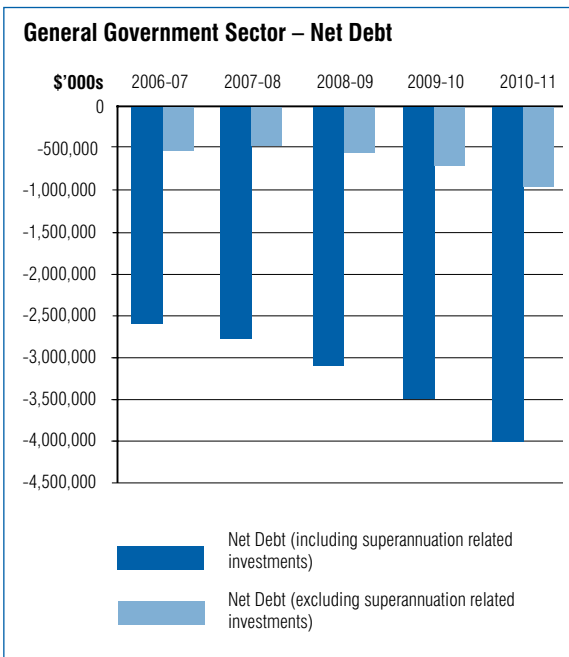
*The budget net operating balance incorporates the impact of long term superannuation investment earnings to place it on a consistent basis with the GFS estimates presented by state governments.



The Budget delivers an operating surplus of \$103 million, one year ahead of predicted.

The budgeted forward estimates broadly maintain the surpluses, as forecast in last year’s Budget.

The 2007-08 surplus has largely been achieved due to the continued strength in the Territory’s property market, the additional activity due to the accelerated land release program – a response to concerns about housing affordability – and returns from some significant one-off commercial developments. These factors have added just over \$90 million to the surplus.



The size of the 2007-08 surplus has allowed for significant, yet prudent investments in infrastructure to support the growth of the city, the residential land release program, and social infrastructure such as schools, roads, parks, paths, and health facilities.

The 2007-08 Budget also provides for a modest program of new spending, aimed at high priority areas of disability services, housing affordability, ambulance services and municipal services.

The Budget also allocates \$66.8 million across four years for growth in health spending. This funding was prudently built into last year’s Budget.

This Budget is underpinned by the significant structural reforms that were started in the 2006-07 Budget. The program of expenditure and revenue reforms continue, providing the basis for the sustainable operating surpluses budgeted this year and across the forward estimates.

Highlights of the 2007-08 Budget

Consistent with the Government's commitment to responsible financial management, the 2007-08 Budget includes targeted and strategic initiatives. The key highlights are:

- The Budget delivers a surplus in 2007-08 of \$103 million, one year ahead of schedule.
- This Budget delivers on the Government's commitment to responsibly manage expenditure to ensure future surpluses with a continued focus on service delivery.
- The 2007-08 Budget delivers a significant capital program, including a focus on the upgrade, improvement, repair and maintenance of the Territory's existing asset base. Features of the Government's Capital Works Program and other capital related expenditure include:
 - new capital infrastructure works with a total value of \$288.7 million, incorporating:
 - new infrastructure expenditure of \$242.2 million across the Budget and forward estimates;
 - capital upgrades expenditure of \$32.050 million in 2007-08;
 - an additional one-off program of capital improvements of \$12.2 million;
 - an additional investment of \$2.3 million in new public art, with a provision for future works of \$0.480 million per annum; and
 - a continuing program of works with expenditure totalling \$281.2 million in 2007-08.
- Combined, the capital improvements and upgrade program (outlined above) provide \$44.250 million to invest in upgrading the Territory's existing asset base, in social infrastructure such as parks, walking trails, bus stops, schools, childcare facilities, and community facilities.
- The Budget delivers targeted new recurrent initiative spending of \$38.5 million in 2007-08 or \$158.1 million across the Budget and forward estimates, including \$66.8 million for health initiatives from the growth funding.
- The Budget and forward estimates provide for the current round of public sector collective agreements including provision for those agreements still under negotiation.
- An additional investment of \$5 million for repairs and maintenance in 2007-08.
- New plant and equipment initiatives with a total value of \$21.4 million.
- New Information and Communication Technology (ICT) initiatives with a total value of \$12.4 million.
- There are no new general government borrowings.
- The General Government Balance Sheet remains strong.
- The Budget continues to provide for significant operating cash surpluses across the Budget and forward estimates.

Economic Outlook

The ACT economy is expected to continue to experience positive conditions throughout the forecast period.

In 2007-08 the economy is forecast to expand on the basis of solid growth in both household consumption expenditure and Australian Government expenditure. The level of private investment in the Territory is forecast to remain high in 2007-08, but a lower rate of growth is expected compared to the record high rate recorded in 2005-06. The ACT unemployment rate is expected to remain around record low levels and employment growth in 2007-08 is forecast to ease. Labour supply constraints are likely to persist into 2007-08.

Economic Forecasts, Year-average percentage change

	Actual	Forecasts			Projections	
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
ACT						
State Final Demand	5.3	4	4	4¾	4¾	4¾
Employment	1.6	3	1½	1½	1½	1½
Population	0.9	1¼	1¼	1	1	1
Consumer Price Index	3.6	2¾	2¾	2½	2½	2½
Wage Price Index	4.1	4	4	4	4	4
Australia						
Gross Domestic Product	2.9	2½	3¾	3	3	3
Memorandum item						
ACT Gross State Product	3.4	2½	2½	2½	2½	2½



A Great Place to Live

A Great Place to Live

The 2007-08 Budget builds on the Government's past investments in infrastructure. The Territory's infrastructure—its roads, schools, hospitals, childcare, community facilities and open spaces— are the stage upon which our community and our economy perform and thrive.

The Budget provides for:

- new capital infrastructure works with a total value of \$288.7 million, incorporating:
 - new infrastructure expenditure of \$242.2 million across the Budget and forward estimates;
 - capital upgrades expenditure of \$32.050 million in 2007-08;
 - additional one-off program of capital improvements of \$12.2 million; and
 - an additional investment of \$2.3 million in new public art, with a provision for future works of \$0.480 million per annum;
- a continuing program of works with expenditure totalling \$281.2 million in 2007-08; and
- an additional \$5 million for agencies to undertake targeted repairs and maintenance.

These substantial investments in infrastructure support the Territory's urban growth, its transport network, and social infrastructure, making the Territory an even greater place to work and live.



Places to Play and Relax

Across the Territory a major program of revitalisation will inject life into places where people play and relax.

The Budget provides:

- \$4 million to refurbish the Lakeside Leisure Centre in Tuggeranong;
- \$0.2 million to look at future long-term options for the Canberra Olympic Pool and a \$2 million contingency for the replacement of the Canberra Olympic Pool air dome;
- Resources for further upgrades, repairs and maintenance at sporting facilities and venues, including the Canberra Stadium, Manuka Oval and Stromlo Forest Park;
- \$3.750 million for new district playing fields at Harrison;
- \$2.972 million over four years in additional operational and capital funding for the Tidbinbilla Nature Reserve to upgrade visitor facilities and improve educational programs and wildlife collection management; and
- \$0.250 million in capital improvement funding to upgrade the carpark at Sheedy's Picnic Area at Tidbinbilla and provide new walking trails.

Improvements at Stromlo Forest Park will help promote the venue as a facility not only for community use but as a destination for world-class sporting events. The investment will provide for additional plantings, road access works, drainage works and trail upgrades in the lead-up to scheduled major events. The Cotter Road will also be upgraded to incorporate improved on-road cycling facilities and

off-road access to the Park for cyclists and pedestrians.

Forthcoming events to be held at Stromlo Forest Park include:

- the inaugural Rob de Castella Invitational Cross Country Event, which will be an annual invitational footrace that will attract a range of elite competitors and promote the centre as a quality multi-purpose venue. New funding of \$0.020 million has been provided for this purpose; and
- the 2009 World Mountain Bike Championships. This event is expected to generate significant interest worldwide and will further enhance the image of Canberra as a destination of choice. Financial assistance of \$1 million will support this world-class event.

The Budget also provides for even better and safer places for Canberra's children to play and be active. It provides resources for playing fields and sporting infrastructure in newly developed suburbs, and will allow for the upgrade and enhancement of existing recreational facilities.

\$2.450 million will be spent on the construction or upgrades of walking and fitness trails, BBQs and picnic tables. Drinking fountains and park upgrades will occur across the Territory. Parks and places across Canberra, including John Knight Park, Eddison Park and Yerrabi Pond District Park will benefit.

\$3.2 million will be provided to upgrade the next section of the Lake Ginninderra Foreshore in the area of Emu Inlet. The investment will incorporate improvements

in water quality and wetland edges, streetscapes and boardwalks, seating and car parking. This project will also include refurbishment of the Belconnen Skate Park, the construction of a small jetty to the foreshore and artwork to complement the precinct.

A Cultural Experience

Public art adds to the richness of life in the national capital. This Budget makes a significant investment of \$2.3 million in public art over four years, through the Percent-for-art Scheme. The first year's dividend from the Scheme is to be invested in a single, iconic artwork that reflects the spirit of Canberra.

It is envisaged that future public artworks will be spread across the Territory and may be integrated into street furniture, paving and street lighting, and into architectural or engineering projects such as building facades, bridges and roads.

A new Arts and Cultural Centre will be constructed in Belconnen, with \$9 million provided for the first stage of the complex. The new facility will support the growth of arts activity in the region. Knowles Place at the Canberra Theatre will be upgraded, with lighting and pavement improvements enhancing the theatre experience for patrons.

Art centres, the Canberra Theatre Centre and many historic places across the Territory will benefit from significant upgrades, improvements and maintenance works as a result of this Budget, further enhancing visitor experiences at these sites.

Floriade will receive additional funding of \$1.568 million over four years in recognition of its status as Australia's premier spring-time event, a major tourism draw card for Canberra and a significant event in the lives of thousands of Canberrans.

Facilities to Educate and Learn

To help our children be successful in the 21st century, the Government has invested strongly in the education system. The 2007-08 Budget continues the \$90 million *Schools Infrastructure Refurbishment* program. Combined with the existing annual capital upgrades program, it will significantly improve the amenity of public schools across the Territory.

Over the next three years every public school student will benefit from this investment, enjoying environments, facilities and technologies that will help each and every one reach their potential.

Healthy Communities

The Government has invested considerably in Health infrastructure in past Budgets. That investment is built on in the 2007-08 Budget.

Funding of \$2.3 million and \$1.2 million respectively is provided for the forward design of adult and high-security mental-health inpatient units. Funding of \$0.8 million is earmarked for the expansion and upgrade of the neonatal intensive care unit at the Canberra Hospital. A further \$3.5 million will be spent on major clinical equipment and infrastructure at

Calvary Public Hospital to support the redevelopment and expansion of critical-care services.

About Town

This Budget invests strongly in the existing road network. In addition to the \$2.6 million provided for road improvements as part of the capital upgrades programs, \$10 million will be spent on the new Tharwa Bridge and \$15 million will allow for the roads adjacent to the airport to be upgraded, benefiting commuters and airport users.

A \$29 million multi-storey car park will be constructed at the Canberra Hospital, which will include a separate helipad elevated above the top deck of the structure. A temporary car park will also be created in Acton and additional car parking infrastructure at Phillip Oval will augment parking at the Woden Town Centre. Together, these and other initiatives will boost available parking by 2,264 spaces.

To ensure that the Territory's road infrastructure meets future needs, \$2.1 million has been provided in 2007-08 for the feasibility and forward design of Tharwa Drive, Majura Road, Kings Highway and Edinburgh Avenue, as well as new major roads in the Molonglo Valley.

A total of \$3.250 million will be invested in local shopping centre and streetscape improvements at Melba, Garran and Ainslie, freshening the look and feel of these local centres. Community notice boards promoting counter-terrorism awareness will be installed at many of the Territory's town centres.

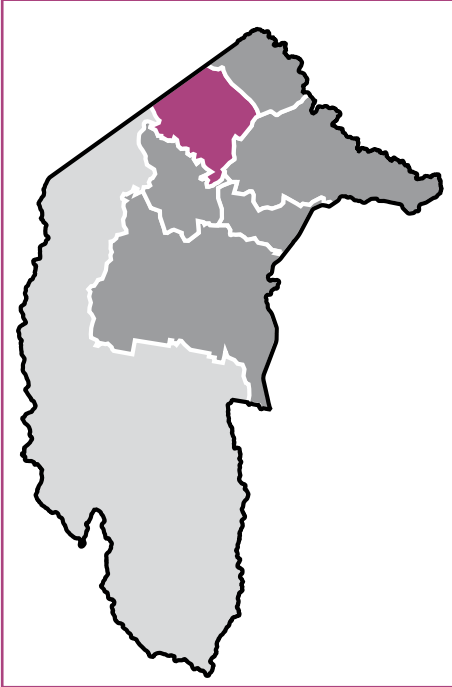
A comprehensive service improvement plan will be developed for ACTION. The needs of customers and efficiency of the network will be the focus.

In recognition of the increasing demand for ACTION services, the 2007-08 Budget provides:

- \$1.250 million for a more accessible and convenient bus service, including a review and design of a new network planned in 2007-08;
- \$8 million for the replacement of 18 buses with new easy-access and compressed natural gas (CNG) buses;
- \$0.750 million for an expanded maintenance program to extend the life of the existing fleet;
- \$0.445 million for additional and improved security measures on buses and in interchanges and the installation of closed circuit television units (CCTV) on all ACTION buses;
- \$8 million for the replacement of the ACTION ticketing system by 2008-09; and
- a significant program of bus-stop improvements, including upgraded seating at bus stops across Canberra.

The Budget will also invest more than \$1.5 million over three years in the watering and safety of Canberra's trees, to maintain young trees during establishment and remove hazardous and dead trees.

Belconnen



Education

- \$0.6 million for Canberra Institute of Technology (CIT Bruce) – capital works for a covered walkway, gym heating, floor covering and \$1 million for feasibility and design works for the relocation of the Horticulture Delivery Unit from CIT Weston campus to CIT Bruce campus
- Refurbishments for local schools and pre-schools
- Belconnen High School Gymnasium

Environment and Lifestyle

- \$9 million for construction of a new Belconnen Arts and Cultural Centre
- \$3.2 million for refurbishment of Lake Ginninderra Foreshore - Emu Inlet
- \$0.7 million for Canberra Stadium to undertake design for upgrades of the

PA system, lighting, West gate entrance and players' facilities

- Townsend Place/John Knight Park– improvements to fitness equipment, BBQ, carpark and playground
- Lighting, pavement, drainage, street furniture and planting beds in Melba
- Construct a dog exercise enclosure at Lake Ginninderra
- Urban Open Space upgrades for various playground safety improvements, landscape upgrade and toilet refurbishments
- Tree replacement program to remove dead trees affected by the drought and replant new trees

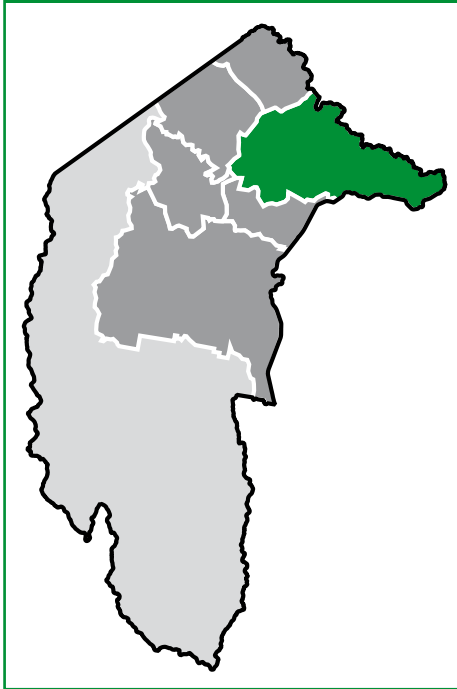
Infrastructure/Land Release

- \$1.2 million for design to establish a new Belconnen Police Station
- Develop a Master Plan for West Belconnen Landfill
- Building upgrades and improvements of local Emergency Service stations
- Neighbourhood improvements of stormwater channels, traffic management and street-lighting
- Refurbishments of a significant number of government community facilities and childcare centres
- Dunlop 5
- Macgregor West 1 and 2

Roads

- \$4 million additional funding to ensure the successful completion of the Gungahlin Drive Extension
- \$1.2 million to extend Southern Cross Drive to the Macgregor West estate

Canberra Central



- Forward design of City West Infrastructure Stage 2, including pavement, street furniture, lighting, public art and trees
- Building additional and upgrading current toilet/shower facilities at Exhibition Park
- Repairs and maintenance at Manuka Oval, including irrigation, a sealed internal road, the replacement of seats and other repairs
- Fencing for Griffith Oval Main Field
- Lighting upgrades across Civic
- Urban Open Space upgrades for various playground safety improvements, landscape upgrade and toilet refurbishments
- Tree replacement program to remove dead trees affected by the drought and replant new trees

Education

- Canberra Institute of Technology (CIT Reid) – upgrades to floor covering, heating and the cooling plant
- Refurbishments for local schools and pre-schools
- Lyneham High School Performing Arts Complex

Environment and Lifestyle

- \$2.2 million contingency to replace the Air Dome at the Canberra Olympic Pool
- \$1.7 million to refurbish and provide artworks in public spaces at the Ainslie Shopping Centre
- A suite of streetscape improvements at City Hill, Garema Place and Bunda Street

Infrastructure/Land Release

- \$3.8 million for Fyshwick stormwater rectification works and augmentation
- \$2 million for roof replacement and upgrade of air-conditioning systems in the Supreme Court
- \$1.9 million to upgrade court security and fit out the Magistrates Court Registry
- \$1.2 million for properties upgrades at Moore St, Dame Pattie Menzies, Canberra Business Centre, Hackett Community Centre and Mitchell Depot
- Upgrade of infrastructure at the Narrabundah Long Stay Caravan Park
- Improve disability access and accommodation at 12 Moore Street, Magistrate Court and Supreme Court
- Upgrade of Mugga Lane landfill as part of ACT No Waste program

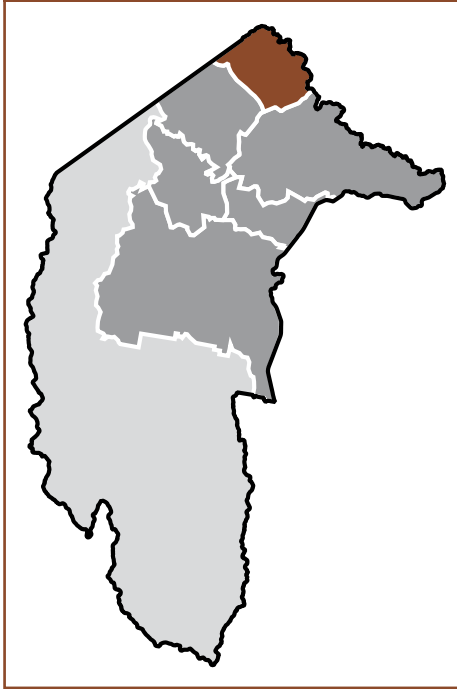
- Refurbishments of a significant number of government community facilities and childcare centres
- Clean-up pest willows in Molonglo River
- Upgrades and repairs at the Aboriginal and Torres Straits Islander Cultural Centre
- Building upgrades and improvements of local Emergency Service stations
- Neighbourhood improvements of stormwater channels, traffic management and street-lighting
- \$0.350 million for Eastlake project to be undertaken in partnership with CSIRO
- Kingston Foreshore

Roads

- \$15 million for duplication and widening of a number of existing roads in the vicinity of Canberra airport to improve traffic capacity
- \$2.5 million for creation of a temporary car park in Acton (near the ferry/boat hire area)
- \$1.1 million for pavement rehabilitation on Northbourne Avenue, between Antill Street and Barton Highway
- Upgrade of Knowles Place South
- Design of a possible extension of Edinburgh Avenue
- Design for upgrades of Kings Highway to improve road safety
- Design future road pavement improvements



Gungahlin



Education

- \$60.7 million to construct a senior secondary college (Years 11-12), incorporating CIT learning facilities
- Refurbishments for local schools and pre-schools

Environment and Lifestyle

- \$3.8 million for construction of Harrison district playing fields
- Improvement of BBQ facilities, installation of swing and a shade structure at junior playground of Yerrabi Pond District Park
- Urban open space programs for various playground safety improvements, landscape upgrade and toilet refurbishments

- Tree replacement program to remove dead trees affected by the drought and replant new trees

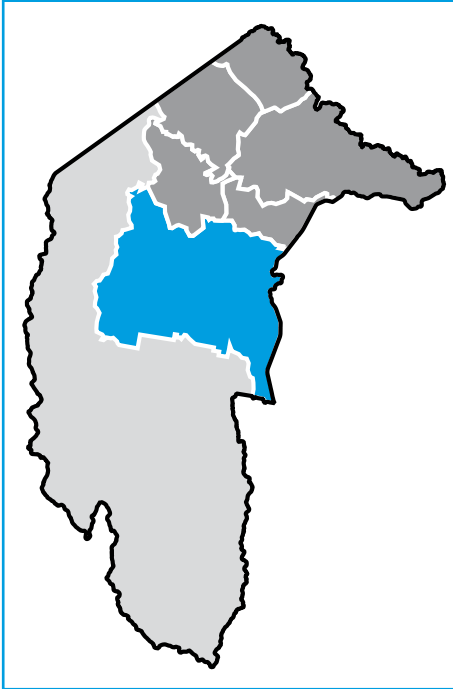
Infrastructure/Land Release

- \$2.5 million for cost escalation of the new Youth Detention Centre
- Gravity trunk sewer for Palmerston
- Building upgrades and improvements of local Emergency Service stations
- Neighbourhood improvements of stormwater channels, traffic management and street-lighting
- Refurbishments of a significant number of government community facilities and childcare centres
- Franklin
- Bonner
- Forde
- Crace
- Gungaherra
- Ngunnawal 2C
- Throsby 1

Roads

- \$6.6 million for a major road link for Franklin – extension of Wells Station Drive
- \$3 million to build 1 intersection and 2 roundabouts at Crace.
- \$1.7 million to build Forde access road and trunk sewer
- Build an access road to the New Youth Detention Centre

Tuggeranong



Education

- \$50 million for the construction of the new Tuggeranong pre-school to Year 10 school on the Kambah High School site
- Refurbishments of local schools and pre-schools

Environment and Lifestyle

- \$4 million for refurbishment of the Lakeside Leisure Centre
- Additional funding for the Tidbinbilla Nature Discovery Centre
- Improvements to Point Hut Pond District Park (picnic tables and BBQ facilities), Fadden Pines (picnic tables), Gowrie (playground net replacement) and Kambah District Park (swing and disability access)

- Construct a dog exercise enclosure at Lake Tuggeranong
- Urban Open Space upgrades for various playground safety improvements, landscape upgrade and toilet refurbishments
- Tree replacement program to remove dead trees affected by the drought and replant new trees

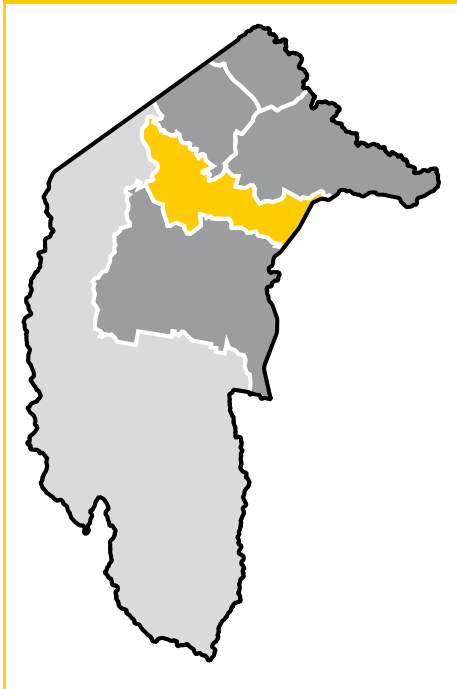
Infrastructure

- Building upgrades and improvements of local Emergency Service stations
- Neighbourhood improvements of stormwater channels, traffic management and street-lighting
- Refurbishments of a significant number of government community facilities and childcare centres

Roads

- \$10 million for construction of a new Tharwa Bridge
- \$3.4 million for duplication of Athllon Drive from Anketell Street South roundabout to the Australian Archives Repository, including the upgrade of two intersections to provide access to the proposed new residential development in Bonython West
- \$1 million for forward design of the duplication of Tharwa Drive from Pockett Avenue to Johnson Drive

Woden, Weston Creek and Molonglo



- Urban Open Space upgrades for various playground safety improvements, landscape upgrade and toilet refurbishments
- Tree replacement program to remove dead trees affected by the drought and replant new trees

Infrastructure/Land Release

- \$29 million to improve car parking at The Canberra Hospital through a new multistorey car park
- \$2.3 million for design of a 40 bed Adult Acute Mental Health Inpatient Unit at The Canberra Hospital
- \$1.2 million for design a 15 bed High Secure Mental Health Inpatient Unit to be articulated with the proposed Adult Acute Mental Health Inpatient Unit at The Canberra Hospital
- \$1.6 million for building refurbishment and upgrades of health facilities (Arcadia House, Mental Health, Discharge Lounge, Pathology, ACR, Surgery, MATU and hospice)
- \$1.2 million for electrical, lift and plant (boiler, compressed air system, condenser water system, air-conditioning) upgrades of various health facilities
- Forward design for the development and upgrade of Neonatal Intensive Care Services to accommodate 6 additional cots in The Canberra Hospital
- Undertake the detailed design of a pond (North Weston Pond) in the area of North Weston and Stage 1 of the Molonglo Valley development
- Establishment of approximately 16km of Molonglo Corridor Tree Planting along key arterial roads peripheral to the Molonglo Valley's future urban development areas

Education

- Canberra Institute of Technology (CIT Southside) will have lift replacement and upgrade of floor coverings
- Refurbishments for local schools and pre-schools
- Stromlo High School Gymnasium

Environment and Lifestyle

- \$1.1 million for refurbishment and artworks in public spaces at the Garran Shopping Centre
- Undertake improvements on fitness equipment, playground, picnic furniture and resizing the pond in Eddison Park

- Upgrades and maintenance for the Holder Community Facility
- Develop a Master Plan for Mugga Lane Resource Management Centre
- Building upgrades and improvements of local Emergency Service stations
- Neighbourhood improvements of stormwater channels, traffic management and street-lighting
- Refurbishments of a significant number of government community facilities and childcare centres
- Molonglo

Roads

- \$3.5 million for Wilbow and Easty Streets (at Woden Town Centre) to be the site for the construction of a bridge over Yarralumla Creek and a roundabout to which the internal roads of the proposed Woden East subdivision will connect
- \$1.5 million for construction of a car park at Phillip Oval and configuration of the existing section 104 Woden Town Centre Car Park to provide an additional 380 car spaces
- Forward design and construction of road pavement and verge improvements on sections of Cotter Road
- Undertake the forward design of key roads to support the land development in Molonglo Valley – Stage 1, encompassing North Weston and the first two suburbs of the Molonglo Valley development



Supporting Land Supply and Release

In order to support its broader economic strategy, and in particular its *Affordable Housing Action Plan*, the Government is establishing a land planning and supply system that is more responsive to changes in market conditions and demand. More effective land planning processes, a bank of planning-ready land along the supply chain, and financing for the necessary infrastructure are the necessary ingredients.

The planning system reform project, which is simplifying the planning system, is close to completion. The legislation is expected to be introduced in the coming months following extensive consultation.

The Budget provides \$1.255 million to the ACT Planning and Land Authority to ensure that at least five years worth of planning-ready land is available, particularly for releases in the Molonglo Valley. This will support the Government's intention to release the first land in Molonglo in 2008-09.

ACTPLA will receive \$1.2 million over four years to establish a bank of land with Estate Development Plans approved. This will allow a more effective response to surges in demand.

The Land Development Agency is budgeting for significant infrastructure works. In addition, the Government is providing \$19.8 million from the Capital Works Program to develop infrastructure for future land releases. As part of its forward planning, the Government is allocating a further \$2.1 million for feasibility studies and forward design of infrastructure in areas of future land releases.

The 2007-08 Budget provides for essential roads and utility infrastructure to support new developments in Franklin, Forde, Crace, Macgregor West and Bonython West.

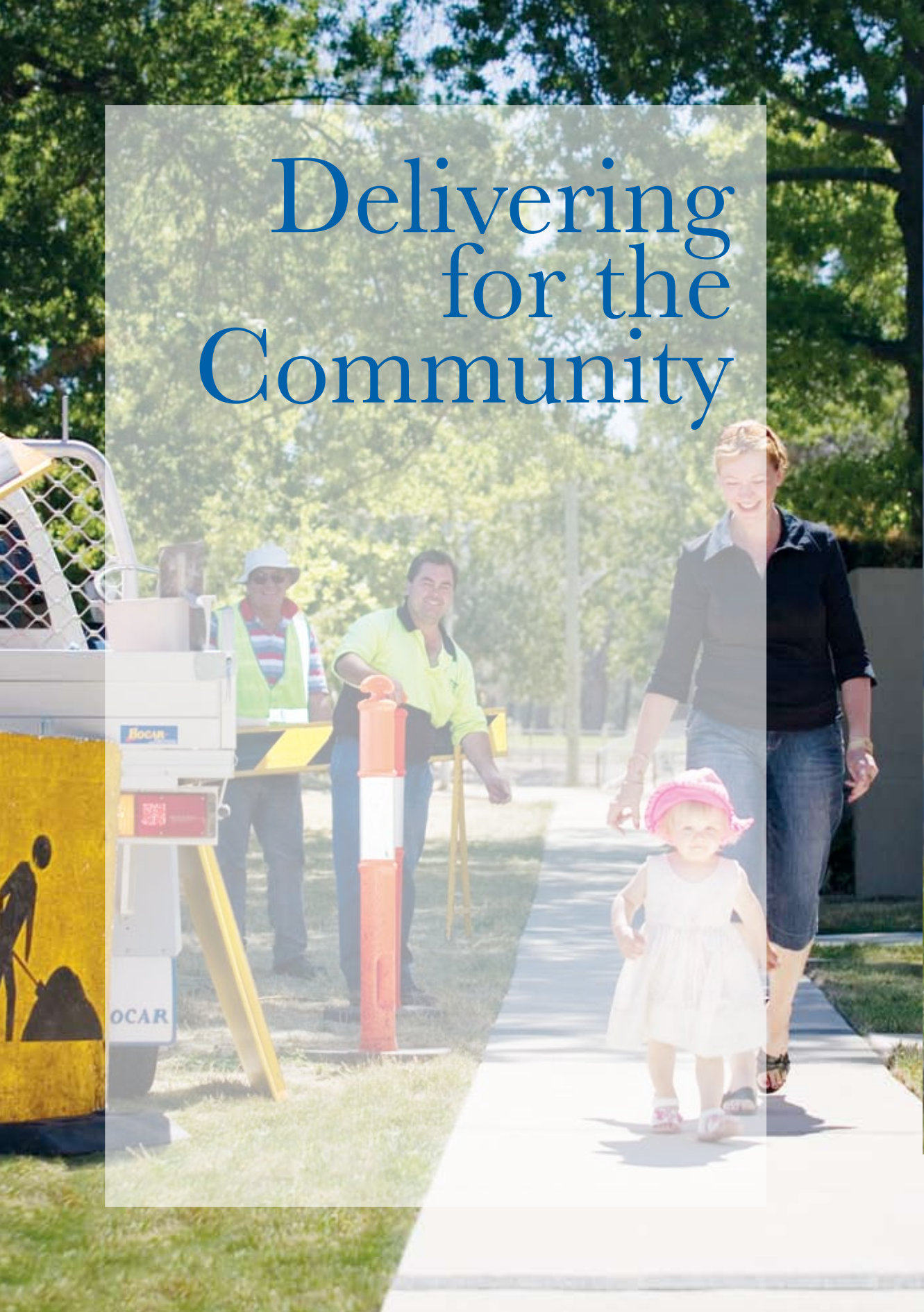
The Land Development Agency's annual greenfields residential land supply is expected to average nearly 2,000 blocks over the planning period to 2010-11. The program comprises:

Location	2006-07	2007-08	2008-09	2009-10	2010-11
Number of dwellings (including multi units)					
Gungahlin	1,259	1,290	1,220	830	650
Belconnen	-	226	-	-	-
South Canberra	32	27	-	-	-
Tuggeranong	225	-	-	-	-
Molonglo	-	-	250	350	520
Sub Total LDA & Joint Venture	1,516	1,543	1,470	1,180	1,170
Private Sector - Englobo	725	700	750	540	550
Total	2,241	2,243	2,220	1,720	1,720

The indicative commercial and industrial land sales program for 2007-08 is outlined below.

Location and Site Area	Estimated Achievement	
	2006-07 m ²	2007-08 m ²
Commercial		
Civic	-	4,618
Central Canberra	5,717	11,348
Woden/Weston	-	2,415
Belconnen	-	17,697
Tuggeranong	24,911	19,346
Sub Total	30,628	55,424
Industrial Estates		
Fyshwick	-	46,470
Hume	36,803	8,750
Mitchell	34,289	23,040
Sub Total	71,092	78,260
Total	101,720	133,684

Delivering for the Community



An Environment to Protect and Enjoy

Responding to Climate Change

Climate change is emerging as one of the main challenges confronting the community. The Government is committed to leading the response to climate change, but every member of the ACT community must participate — businesses, community groups, families and individuals.

Being smarter in how we use resources, making the city more sustainable and increasing capacity to manage and adapt to the changes in climate are all areas for urgent action.

One example of this is our commitment to a national emissions trading scheme to start in 2010. The ACT Government views such a scheme as indispensable in ensuring Australia reduces its greenhouse gas emissions at least cost.

Major climate-change initiatives in this Budget include:

- \$4 million over four years to support implementation of our Climate Change Strategy;
- \$1 million for an Energy Efficiency Fund to improve energy and water sustainability in the public sector; and
- \$1 million for a Renewable Energy Technology Showcase.

The ACT Government will legislate to require, as a minimum, that all electricity retailers source 10 per cent renewable energy by 2010 and 15 per cent by 2020.



This will reduce our annual emissions by some 300,000 tonnes; the equivalent of taking about 70,000 cars off the road.

These initiatives will complement the actions already taken by the Government, including:

- the introduction of legislation to improve monitoring of greenhouse gas emissions;
- the introduction of hybrid vehicles, which offer better fuel economy and lower vehicle emissions, as hire cars in the ACT and in the Government fleet;
- the extension of the Greenhouse Gas Abatement Scheme, requiring retailers of electricity in the ACT to procure an increasing component of their electricity each year from cleaner, greener sources;
- the compulsory disclosure of Energy Efficiency Ratings for homes being sold and the introduction of 5-star energy ratings to building codes; and
- the provision of home energy audits and rebates for domestic energy efficiency improvements.

Water Security for the Territory

The Government has a record as a prudent water manager and continually makes efficiencies in its own water use. That is why the ACT has been an active participant in the National Water Initiative and in water policy reform.

There is no higher priority for the Government than securing Canberra's water supply, drought-proofing the Territory and reducing dependence on unpredictable rainfall.

Our dam levels, at less than 32 per cent, are at their lowest ever. In 2006 inflows into ACT dams were 90 per cent below the long-term average, having declined by over 60% in the last six years. In 2007 our situation has not improved.

It is for these reasons that the ACT Government must consider all options including:

- a commitment through ACTEW of \$250 million of capital expenditure in the next four years to improve the city's water treatment, storage and distribution infrastructure;
- a comprehensive community consultation on water purification and other water options including ACTEW's proposal to introduce purified water into the drinking supply and enlarging the Cotter Dam; and
- investigating the purchase of water from Tantangara Dam in NSW.

The Government through ACTEW has also:

- implemented the innovative Cotter to Googong Bulk Transfer Scheme, with \$15 million already invested, \$22 million in 2007-08, and a total budget of \$40 million;
- installed pumps in the Murrumbidgee River near the Cotter pump station and improved access to Murrumbidgee River water through installation of an ultraviolet treatment plant; and
- collaborated with the Commonwealth on a \$17 million project to harvest storm water from Canberra's urban waterways.

The Government's 2004 *Think water, act water* policy provides long-term guidance for the management of ACT water

resources. A host of initiatives have been pursued to conserve water and reduce demand through:

- the introduction of permanent water conservation measures, in addition to the restrictions regime;
- a review of ground water use, to give community uses a higher priority than residential use, and the use of non-potable water for construction work, road work, horticulture and fountains;
- the introduction of new environmental flow guidelines to better reflect the flows of the waterways and make more water available for urban use. The Googong and Stromlo Treatment Plants have also been upgraded;
- new water-sensitive urban planning guidelines. The subsidy for rainwater tanks connected into homes has seen the installation of an extra 1,144 rainwater tanks; and
- water incentive programs aimed at reducing water consumption have reached 6,800 homes and 2,150 Garden Smart tune-ups have been completed. This has resulted in provision of 10,953 showerhead rebates, 564 single- to dual-flush toilet conversion rebates, saving an estimated 37,000 litres of water a year for every cistern replaced.

The Government is also working with government and non-government schools to improve water efficiency through its Sustainable Schools Program. 32 schools will receive water audits to identify water savings in their school grounds and buildings and water education kits are being developed.





Growing into the Future

A Good City for Businesses

The ACT economy is strong with low unemployment and sound growth prospects. It has excellent infrastructure, a skilled workforce, expertise in public administration and world renowned research institutions. Public and private-sector industries thrive across a range of growth-oriented service sectors, with high levels of business and consumer confidence. The volume of construction work is currently at its highest level yet, reflecting the economy's strength. Canberra's highly skilled and innovative workforce is enjoying sustainable wage growth.

Supporting Business

Through sound economic management and strong fiscal policy, the Government is creating a business environment that makes the Territory a good place for business.

The Government continues to work locally and in collaboration with other jurisdictions to minimise business regulation and red tape, while ensuring that health, safety, environmental and other standards are met. Work with other States and the Northern Territory to make payroll tax rules consistent will reduce business compliance costs.

In the 2007-08 Budget, major business initiatives include:

- \$1.850 million over four years for regional and strategic business

development activities focusing on building critical mass and the internationalisation of ACT and region businesses;

- \$6 million over five years in both grants and tax support to the National ICT Australia to support its continued development as a major player in the Territory's knowledge-based economy;
- \$0.492 over two years to further the work of the ACT Skills Commission; and
- a security of payments scheme, with funding of \$0.405 million, to facilitate regular and timely payments between contractors and sub-contractors in the building and construction industry.

These initiatives will help the Government leverage the Territory's existing competitive advantages. They complement actions to strengthen information and support services to businesses, particularly small and micro businesses. These include the new *Canberra businessPoint* mentoring and advisory service that is being delivered by Deloitte Growth Solutions in partnership with the ACT Government.

Attracting Businesses

Through the Skilled and Business Migration Program and the *Live in Canberra* campaign the Government is working to attract skills and business migrants. It has also undertaken activities to better position the ACT internationally as a centre for business investment, particularly from the United States, India and China.

Canberra's economic ties with India were strengthened through a Government-led trade mission in February 2007 involving ten ACT companies and organisations.

This mission also explored opportunities for education exports and research and commercialisation partnerships with local institutions.

A Government-led trade mission to China in May 2007 involving 13 Canberra companies and organisations explored a range of business opportunities including education exports, ICT, wine and other services. The China mission also reinforced the Beijing-Canberra sister-city relationship. This relationship was instrumental in Canberra being selected as one of the 22 cities in the world that will host the Torch Relay in 2008 — the only Australian city to be chosen.

The Government continues to support the ACT Exporters Network and works in partnership with the business community to maintain office space and trade development services in Shenzhen, Shanghai and Washington.

Addressing Skill Shortages

Significant skill and workforce shortages continue to affect the ACT, in common with other parts of Australia. Tackling skill shortages requires a multi-faceted approach. The Government is addressing shortages through vocational education and training initiatives, migration and marketing strategies such as the *Skilled and Business Migration* Program and the *Live in Canberra* campaign and the establishment of a Skills Commission.

In this Budget, the Government has invested:

- \$6.229 million over four years in additional trainee and apprenticeship places in areas of labour shortage;

- \$0.883 million over four years in helping women on low incomes and from Indigenous and culturally and linguistically diverse backgrounds return to work; and
- \$0.492 million over two years in supporting the work of the Skills Commission.

The Commission, chaired by the Vice Chancellor of the ANU, Professor Ian Chubb, and with members drawn from the business, education and training sectors, is examining strategies to:

- improve the flexibility of education and training pathways;
- increase workforce productivity and participation; and
- address skills shortages to meet the ACT's skill needs now and into the future.

In particular, the Skills Commission is working on:

- developing local talent by maximising the impact of existing ACT skills training and education, developing new and more flexible approaches to apprenticeships and increasing the participation of mature-age workers;
- attracting and retaining people and investment through increasing domestic and international skilled migration and marketing Canberra as a place to work and live;
- promoting ICT as a study or career choice and increasing the number and skill levels of ICT workers; and
- investigating underemployment and assisting those wishing to enter the workforce, including mature-age workers.

It is anticipated that the Skills Commission will provide an interim report to Government on the outcomes of its work, including recommendations, in the second half of 2007. It will use the remainder of its term to implement specific initiatives in partnership with business, training providers, government and the community.

More People Living and Working in Canberra

The Government's *Live in Canberra* campaign was launched in April 2006 and has successfully raised awareness across Australia and internationally of the excellent lifestyle and job opportunities in Canberra.

The campaign is a best-practice example of government, business and community sectors working together to tackle a social issue. It was awarded the prestigious Public Relations Institute National Golden Target Award for government marketing communication campaigns in 2006.

The campaign continues, with the Budget providing additional funding of \$0.4 million over two years.

In addition, \$0.240 million over two years will be spent encouraging people who have moved to Canberra to update their residential address with Medicare. Medicare records are used by the Australian Bureau of Statistics to help estimate the ACT population. Improved Medicare records will give the Government better estimates of the ACT's population as well as giving a more accurate picture of the age profile of the population, helping the Government better plan for essential infrastructure and services.

In the 15 months since the *Live in Canberra* campaign was launched, the campaign website has received more than 45,000 visits. More than 8,000 brochures have been distributed and more than 2,000 information packs sent in response to enquiries. The *Live in Canberra* team is aware of nearly 100 people who have moved to the ACT since making contact.

Targeted campaigns have been conducted in southern Sydney and the Illawarra, with a travelling road show and information seminars. Familiarisation visits to Canberra have been conducted for 30 families who showed a strong interest in Canberra.

With the Skilled and Business Migration Program, the *Live in Canberra* team took the message to the 'Australia Needs Skills' expos in London, Manchester and Dublin. The team distributed more than 3,000 Canberra CD ROMs and returned with more than 350 résumés of highly skilled workers, which were distributed to local employers.

The *Live in Canberra* campaign has made Canberra one of the most welcoming cities in Australia by developing a program of events that have already been attended by more than 500 new Canberrans. *Live in Canberra* presentations have been delivered at the ANU, Canberra Institute of Technology and the University of Canberra to 'sow a seed' of awareness to students about the attractions of remaining in Canberra on completion of their studies.



Affordable Housing

Access to affordable and appropriate housing is one of the Government's highest priorities and a basic need of all in our community. While the ACT performs well on housing affordability surveys, thanks to high average incomes, the Government recognises that some Canberrans are experiencing difficulties. Changes in the housing market over the past five years, driven by increases in demand, have led to steep rises in prices. Greater pressure has also been placed on the private rental market and on public and community housing services. The effect has been that some Canberrans are finding it harder to get access to affordable and appropriate housing. The Government is determined to do what it can to assist.

An Affordable Housing Action Plan

The Government has developed a comprehensive Action Plan to help Canberrans keen to buy a home, as well as those renting in the private market, those in public or community housing and those who need emergency accommodation.

This budget provides recurrent funding of \$3.250 million over four years and revenue foregone of \$6 million over the same period, to implement the measures in the Plan including enhancing the home buyer concession scheme and deferral of conveyance duty on properties.

The Government's Affordable Housing Action Plan:

- will see the release of more land and the choice of a wider range of housing products to cater for changing demand;

- will boost competition in the market to deliver cost efficiencies and includes measures to drive growth in the community and not-for-profit housing sector;
- encourages a range of shared equity arrangements and introduces private rental initiatives that will stabilise rental vacancy rates and prices; and
- will make more effective use of public housing assets.

Initiatives being implemented as part of the Action Plan include:

- new house and land packages priced between \$200,000 to \$300,000;
- regular englobo land sales;
- over-the-counter sales of affordable housing blocks;
- a major expansion of community housing that will deliver an additional 500 affordable housing dwellings over five years;
- an initiative to increase the supply of private rental dwellings by 200 to 400 homes in the first instance;
- land rental and shared equity schemes, including for public and community housing tenants; and
- targeted stamp duty concessions.

Assisting our most Vulnerable

The Government is committed to helping the most vulnerable members of the community and believes the best way to do this is by tackling the causes of poverty and exclusion. Priorities include reducing Indigenous disadvantage, supporting families and ensuring that Canberrans with disabilities have access to services regardless of their economic circumstances.

This budget provides:

- \$15.754 million over four years for increased disability services to meet the demand for accommodation, respite and other services for children, young people and adults with serious intellectual and physical disabilities. This initiative specifically addresses the needs of individuals for whom regular support networks have broken down or who are at the point of leaving school and need post-school arrangements;
- \$4.3 million to expand the public housing portfolio to provide more dwellings to those most in need;
- \$1 million over two years to improve disabled access in non-government schools;



DELIVERING FOR THE COMMUNITY

- \$0.830 million over four years to expand the Secondary Bursary Scheme to better support financially disadvantaged families. The scheme will provide \$500 a year to Year 7 to 10 students from eligible families. The bursary will be paid to parents who hold current Health Care Cards or Pensioner Concession Cards;
- \$0.883 million over four years for low income women returning to the workforce from Indigenous, culturally and linguistically diverse backgrounds; and
- \$1.759 million for additional capacity in the Dental Health Program.



Excellence in Education

The Government is committed to a public education system that gives every Canberra child the opportunity to reach their academic potential, a system that prepares our children for the realities of the 21st century and that turns out mature, self-reliant and adaptable young men and women, ready to respond to whatever life presents.

Such a system needs to respond to the community's changing needs. That is why, last year, the Government injected record amounts of capital investment in our public schools, including:

- a Schools Infrastructure Refurbishment program worth \$90 million over four years;
- a new Gungahlin East Primary School worth \$21 million;
- the Smart Schools, Smart Students ICT program, worth \$20 million over 4 years;
- a new West Belconnen preschool-to-year-10 school worth \$45 million;
- a feasibility study for a Gungahlin Secondary College; and
- a boost to funding for repairs and maintenance worth \$3 million a year from 2008-09.

A Significant Investment in Infrastructure

The 2007-08 Budget builds on this historic commitment, providing:

- \$60.7 million for a secondary college in Gungahlin, to open in 2010; and

- \$50 million for a preschool-to-year-10 school in Tuggeranong, to open in 2011.

Including the capital upgrades program, the Government will have invested more than \$350 million in the infrastructure of our public schools between 2006-07 and 2010-11. The result will be a system that gives every student, whatever their background, whatever their capacity, access to learning environments of the highest possible quality.

Exciting Schools Infrastructure Refurbishment

Improvements to public schools scheduled over the next three years under the \$90 million Schools Infrastructure Refurbishment Program and the ongoing capital upgrade program include:

- upgrades of all schools more than 12 years old (with the exception of Ainslie School, which has just received a \$2.5 million older school upgrade);
- the creation of four P-2 early-childhood schools at Isabella Plains, Narrabundah, Lyons and Southern Cross Primary Schools. These will open in 2009;
- upgrades of all preschools;
- the construction of purpose-built gymnasiums at Belconnen and Stromlo High Schools;
- a new performing arts complex for Lyneham High School, to support the school's renowned performing arts program. The centre will become the premier performing arts complex for schools within the district; and

- support for a range of sustainability initiatives at 10 secondary schools, designed to reduce energy and water use.

The older school upgrades will include elements such as classroom refurbishments, specialist facilities and external painting. Floor coverings will be replaced, and school heating and ventilation systems upgraded. Student and staff amenities and electrical systems, lighting and school security systems will be addressed. Hard-court playing surfaces will be renewed and playgrounds, parking areas and fences upgraded.

Already, the fruits of this investment can be seen at schools such as Chapman and Aranda Primary Schools, Stromlo, Calwell and Belconnen High Schools, and at Cranleigh Special School and Telopea Park School.

A Focus on Sustainability

The construction of new schools and the upgrade programs create an opportunity to make our public schools more environmentally sustainable than ever before.

\$4 million from the School Infrastructure Refurbishment funds will be devoted to improving the environmental efficiency. New schools will incorporate features such as solar passive design, rainwater tanks and solar heating.

State-of-the-art Information Technology

The Government's generational investment in IT infrastructure in our public schools will allow all students to reap the benefits of state-of-the-art internet access and the latest communications technology.

Phase 1 of the *Smart Schools, Smart Students* initiative is providing every school in the system with significantly increased bandwidth. This will deliver reliable, super-fast internet connections and put ACT schools at the head of the bandwidth pack, not just nationally but internationally. Wireless networking will add flexibility.

Once the infrastructure is in place, phase 2 will roll out applications such as video conferencing, podcasting and datacasting, a portal to allow parents to access their child's work and secure online access for senior students to access their Year 12 grades.

Phase 3 of the *Smart Schools, Smart Students* initiative will create an online library system shared by all schools that will give access, anywhere and any time, to school library catalogues. A multimedia and innovation centre will also be developed, accessible by all public schools.





A Health System which Delivers

The Government is proud of the ACT's responsive, efficient and sustainable public health system, and of the investment it has made in re-shaping the system to meet changing community demands.

Since coming to power, the Government has not just significantly expanded health services, it has increased their capacity to respond to the community's needs. It has:

- increased the number of hospital beds, boosted elective surgery, increased the number of health professionals and expanded operating theatre capacity;
- improved the response times in Emergency Departments and the care of critically ill patients who require high levels of support;
- improved access to elective surgery, with record numbers of operations over the past four years, particularly in areas of greatest need such as orthopaedics, urology, gynaecology, ear nose and throat surgery and neurosurgery;
- ensured that cancer patients have access to better diagnostic testing, treatment and care;
- boosted mental health services, employing more specialists and introducing prevention and early-intervention strategies;
- made improvements to drug and alcohol services, to ensure better support for people diagnosed with both mental illness and drug or alcohol addiction;

- improved youth health services, to deliver greater access to mainstream and specialist health services; and
- made improvements to community-based health services, particularly those catering for the elderly and those with chronic diseases. These services now better support timely discharge from ACT hospitals and help reduce unplanned admissions and readmissions.

The Government has tried to minimise the time older Canberrans spend in hospital by:

- boosting out-patient, outreach or community-based aged care and rehabilitation programs and the Home and Community Care Program;
- introducing a Medical Assessment and Planning Unit to fast-track older people presenting at public hospital Emergency Departments; and
- building a 60-bed Sub and Non-Acute Service at Calvary Hospital.

The Government believes that better health outcomes can be achieved if it can engage people in the management of their own health, through better awareness and where possible through self-management programs for people with chronic conditions. It believes that a good health system puts a priority on prevention and early intervention, and that it has in place strategies to prevent unnecessary hospital admissions.

Where admissions are unavoidable, it believes in making hospital stays short and ensuring that there is proper support available to continue care at home or in the community.

And it believes that where possible health dollars should be spent on health, rather than administrative overheads.

A Track Record of Delivering

The Government's track record on health is exemplary.

It has responded to the growth in the need for mental-health, cancer and aged-care services, while improving efficiencies across the system.

The Government has:

- delivered 147 new hospital beds since 2004-05;
- reduced the incidence of unnecessary hospital admissions; and
- reduced costs per separation, to bring them closer to national benchmarks.

The new beds have given our health professionals greater flexibility in treatment options. For example, the additional observation unit beds adjacent to both emergency departments, coupled with the extra sub-acute beds at Calvary Hospital, free up other hospital beds and increase the care options available to clinicians.

Over the five years to 2005-06, the ACT's public hospitals managed a 32 per cent increase in demand for inpatient services. Total inpatient separations (excluding chemotherapy and endoscopy services) rose from 53,931 in 2001-02 to 71,018 in 2005-06. This total is expected to rise by a further 3 per cent during 2006-07 to about 73,150 separations.

Over the past four years the Government has invested almost \$22 million extra in elective surgery, leading to record levels of

activity each year. This investment has paid for almost 5,000 elective surgeries, reducing waiting times for thousands of Canberrans.

Delivering More Services

The need for health services continues to grow. Indeed, of all the areas of government expenditure, health has the greatest potential for unchecked, insatiable growth. In the 2006-07 Budget the Government placed health funding on a long-term sustainable growth path. Health expenditure will continue to grow — just not as fast. Growth will be concentrated in the areas of highest priority for the people of Canberra and the region.

The 2007-08 Budget continues this prudent approach to growth in the sector. It provides:

- \$12.6 million over four years for up to 20 additional acute-care beds at The Canberra Hospital, with at least 10 of these allocated to orthopaedic services. This will help address growth in demand due to the ageing of the population and an increase in emergency, trauma and elective surgery;
- \$10.4 million over four years for aged care and rehabilitation service to provide more acute-level inpatient care. This investment will directly benefit all patients requiring admission to the acute and sub-acute rehabilitation units, including elderly Canberrans;
- \$10.5 million over four years to allow an extra 300 elective surgery procedures a year above the 2006-07 target. The investment will ensure that Canberrans with the greatest clinical need continue to get rapid access to surgery. A tenth operating theatre at The Canberra

Hospital will operate for five days a week to support the increase;

- \$5 million over four years for an additional intensive-care bed;
- \$12.6 million over four years for improved mental-health services, including: community-supported accommodation as alternatives to hospitalisation; enhanced access to community mental-health care; additional qualified and skilled staff; and greater inpatient capacity. This funding will allow for:
 - improved staffing levels at the Older Persons Mental Health Inpatient Unit;
 - recruitment of Emergency Department (ED) Mental Health nurses;
 - a 24-hour “Step up/Step down” and Outreach program as an alternative to hospitalisation;
 - care coordination improvement programs; and
 - additional staff and training.
- \$1.759 million for additional capacity in the Dental Health Program. This will give an extra 415 Canberrans on the restorative waiting list access to care.

As a consequence of the Government’s forward thinking, the growth funding formula for health introduced as part of the 2006-07 Budget will provide additional funding in 2008-09 and subsequent years to Calvary to fund the redevelopment and expansion of the Intensive Care Unit, incorporating a High Dependency Unit and the Coronary Care Unit.

The growth funding will cover the costs associated with design, construction and commissioning of the new unit and the ongoing operating costs of the new unit.



A Safe Community

Canberrans make their homes in one of the safest and most secure cities in the world, and the Government has made comprehensive investments to ensure it stays that way.

There are now more police on the beat, taking a balanced approach to crime reduction and address its causes through such measures as the Property Crime Reduction Strategy. There are now more fire fighters, who are better trained and better equipped than ever before. There are Intensive Care Paramedics trained to higher standards than ever before. The ACT will soon have its own prison, allowing it to abandon the practice of transporting its offenders interstate, and enabling it to offer world-class rehabilitation programs and giving families a better chance of maintaining contact with inmates and keeping family units intact.

The ACT Human Rights Commission leads the nation in addressing legislative and practical compliance and providing accessible and efficient complaints-handling mechanisms for those who feel their rights have been breached.

Strengthening Ambulance Services

The 2007-08 Budget provides a major funding increase for the ACT Ambulance Services (ACTAS), which will pay for 16 extra operational staff and four extra vehicles.

This represents the single largest increase in staffing to ambulance services since 2002 and responds to a growth in demand. It builds on substantial investments in recent budgets, including the purchase of state-of-the-art cardiac monitor defibrillators, patient stretchers and the replacement of eight Intensive Care ambulances.

The ambulance fleet will be boosted by two new Intensive Care Ambulances, one additional non-urgent patient transport vehicle and a specially designed Bariatric Ambulance. The Bariatric Ambulance gives the service the capacity to transport morbidly obese patients. It will also be used to transport specialist Chemical Biological Radiation and Urban Search and Rescue equipment.

Improving Community Safety

The 2007-08 Budget builds on the significant investment the Government has made in community safety. It includes:

- \$0.350 million over two years for a feasibility study into the expansion of CCTV capability in Civic, the extension of the network into suburban centres and the identification of the best methods for operating and monitoring CCTV recordings;
- \$4.7 million over four years to upgrade security arrangements at our Courts and Tribunals. The security of judicial officers and Canberrans visiting the court precinct will be greatly enhanced by the installation of airport-style security machinery for both Court buildings, the upgrading of CCTV and monitoring

facilities, safer seating arrangements in the public waiting area and parking security for court staff; and

- \$0.250 million over four years for a counter-terrorism public information campaign to better inform Canberrans about safety and security measures and better prepare the community for the possibility of a terrorist attack.

As previously announced, our police force will increase by a further 43 officers, building on past investments in ACT Policing. Since coming to office the Government has increased the capacity of the police to fight crime. The result has been greater police visibility, better response times and improved clearance rates. There are now more than 120 more police protecting Canberrans than there were in 2001. Expenditure on policing has increased by 75 per cent since 2001-02 to \$119 million a year.

Since the publication of the McLeod Report, the Government has invested heavily and comprehensively in emergency services. It has increased the number of emergency service personnel, enhanced communications and improved training and equipment. This has not just been in response to local imperatives, such as the 2001 and 2003 bushfires. It has also been in response to national developments such as the heightened risk of terrorism. Expenditure on emergency services has increased by about 120 per cent, reaching \$79 million in 2007-08.

Upgrading Services and Facilities

This budget includes a suite of funding for new and improved facilities and programs in the areas of justice and safety.

\$2.2 million over four years will boost support for victims of crime, making it easier for victims to access services and allowing greater collaboration between government and non-government victim assistance providers. Waiting times for those in need of counselling will be cut, benefiting victims at a time when they may be traumatized by their experiences.

ACT Policing facilities will benefit, with \$1.2 million for planning and forward design for a new, modern police station at Belconnen and a further \$0.226 million for additional repairs and maintenance of ACT Policing facilities.

A proportion of the funding allocated for the upgrade of the Courts will be devoted to improvements at the Magistrates Court, where counter services will be better integrated with the rest of the registry to make the foyer and counter service more user-friendly and to create more conferencing facilities.

Further investment of \$1.2 million over four years will be made in the information management systems at the Human Rights Commission and the Director of Public Prosecutions, as well as the ACT Electoral Commission.

2007-08 Budget initiatives for ACT Fire Brigade again build on massive investments in the recent past and include:

- \$6.5 million over four years for

replacement vehicles and equipment, supplementing the \$7.3 million Emergency Services Vehicle Replacement program announced in the 2005-06;

- \$0.050 million for protective equipment and clothing; and
- \$0.831 million over four years for the upgrade of Emergency Services operational stations and a further \$0.531 million for additional repairs and maintenance works at these front-line facilities.





Building Public Service Capacity

Investing in the Public Service

Canberrans are well-served by a high quality public service, as well as by high-quality infrastructure. Compared with other jurisdictions, the ACT provides higher levels of service in nearly every area. And we have excellent outcomes to show for it. High quality services depend on world-class staff, and since its election the Government has worked hard to strengthen the professionalism, skills and capacity of the ACT Public Service. The result is a service known for its modern management practices and progressive delivery arrangements.

The 2007-08 Budget continues this investment. At a time of great competition for skilled workers, we will invest \$1.6 million over four years to address the challenges the ACT Public Service faces in attracting and retaining, and developing staff. Strategies will focus on workplace culture; investing in staff; training and leadership development opportunities; and recruitment and attraction strategies.

Retaining and attracting staff, particularly in areas in which the ACT is in direct competition with the Commonwealth public sector, is a Government priority. New and competitive wage agreements are provided for in this budget period, and the Government hopes that a major feature of these will be flexibility provisions that will give ACT public servants unrivalled capacity to pursue greater balance between work

and leisure and that it will make it more attractive for mature-age workers to remain actively engaged in the workforce for longer.

The Government wants to attract and keep the best. Creating conditions of service that value employees and respect their diverse life circumstances will help it do that.

Streamlined Public Service Processes - Shared Services Centre

The Government continues to streamline its back office processes to ensure maximum efficiency. The Shared Services Centre, established in 2007, consolidates the corporate service functions of human resources, finance, procurement, information technology, records management and publishing services from across government into a single, central area. Through lower administrative costs, improved service delivery and enabling better purchasing, the Government will save around \$20 million in 2007-08 as a result of this consolidation.

But the benefits accrue to staff too — staff of the Shared Services Centre and staff from the agencies from which they were drawn.

The creation of a consolidated pool of professional, skilled and experienced staff has created new opportunities for career advancement that would not have been possible in smaller, in-house corporate units. It has also enabled opportunities for specialisation, learning and training, thereby improving retention and encouraging innovation.

The establishment of the Centre has freed agencies to focus on their core responsibilities rather than corporate processes. It has permitted greater consistency in the application of internal government policies and procedures. It has given rise to an ACT Government jobs website that consolidates vacancies across the ACT Public Service. A first point of contact telephone and on-line human resources customer service support has been implemented, along with a new Commonwealth bank online payment and enquiry tool called CommBiz.

ACT Safety First Project

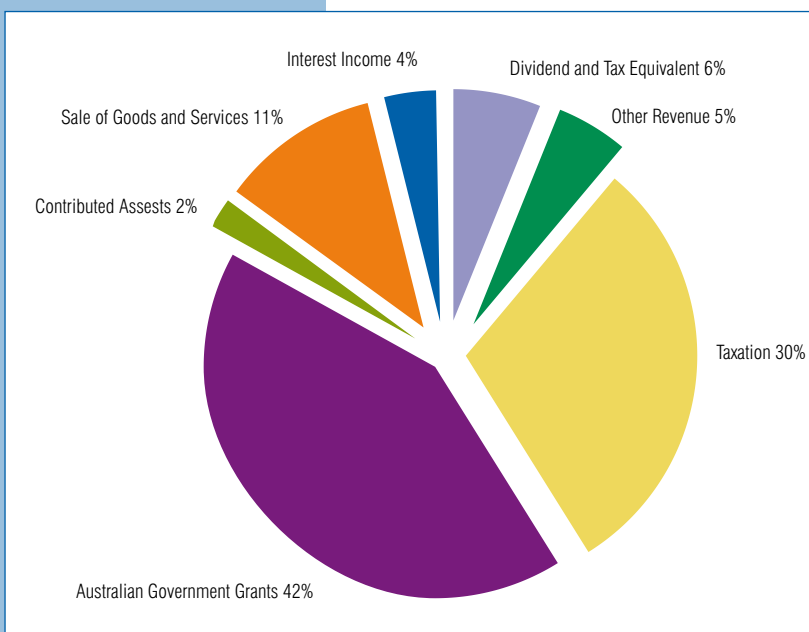
The 2007-08 Budget commits \$0.539 million over two years to a renewal of the ACT Safety First Project. This project aims to minimise the human and financial costs of workplace injuries in the public sector, reducing the human impact of injury on the lives of Canberrans and their families.

Through targeted interventions the project assists the return to work of affected employees and reduces the community impact of high-cost injuries — including psychological injuries. Proposed interventions will include the case conferencing of all workers with significant injuries, involving appropriate medical experts at the earliest stage, the creation of a database to assist better management of rehabilitation and prevention activities and improved training for rehabilitation case managers.

Financial Summary

Revenue

Total Revenue (\$3,033 million): 2007-08



General government revenue is projected to increase by 7 per cent to \$3 billion in 2007-08. Australian Government Funding will increase by 7 per cent to \$1.3 billion in 2007-08, and taxation revenue will increase by 5 per cent to \$924 million.

The Government is introducing two revenue measures aimed at improving housing affordability in the Territory.

- Home Buyer Concession Scheme: the upper property threshold for house and land purchases will be increased to the median price for those properties from 1 July 2007. The sliding scale of the concession will be adjusted to facilitate the upper threshold for the property range equalling the median price of properties based on ACTPLA sales data in the preceding two full quarters.
- Conveyance duty on properties: this may be deferred for up to 5 years for those eligible for the Home Buyer Concession Scheme. The deferral facility will ease the financial burden of entry into the property market during the initial years of home ownership.

A \$10 levy will be introduced on all traffic infringement notices and court-imposed fines. Revenue generated from this levy will assist in the provision of expanded services to victims of crime and improve the overall response to victims in the criminal justice system.

Other revenue changes have been announced in previous budgets, and will take effect from this budget:

- Hiring duty is abolished from 1 July 2007;
- the City Centre Marketing and Improvements Levy commences 1 July 2007; and
- the marginal tax rate of the top two tiers of gaming tax increase effective 1 July 2007.

Expenses

Total Expenses (\$3,019.5 million): 2007-08

Health and Education account for the largest proportion of general government expenses.

Area of Expenditure	2007-08 \$ million
Health and Community Care	802.4
Government Schooling (including Early Childhood and Preschool Education)	449.3
Territory and Municipal Services (excluding Tourism, Environment, Sustainability and Land Management)	305.5
Disability and Community Services	218.2
Non Government Schooling	163.2
Policing	119.0
Vocational Education and Training	115.0
Justice and Community Safety	114.5
Environment, Sustainability and Land Management	110.5
Housing ACT	104.5
Treasury	90.7
Public Transport	86.1
Emergency Services	78.9
Planning	40.2
Chief Minister's Department	35.0
Tourism	24.8
Business and Industry Development	11.0
Legislative Assembly	11.4
Executive	5.6
Auditor-General	5.2

Capital

The 2007-08 Budget provides significant investment in capital across the Territory, including funding for a substantial new infrastructure and upgrades program.

The Budget continues to invest in maintaining and improving the Territory's

existing infrastructure by providing an additional \$12.2 million in 2007-08 for a range of Capital Improvement projects and increased asset maintenance funding of \$5 million. The total value of the New Capital Works Program is \$288.7 million.

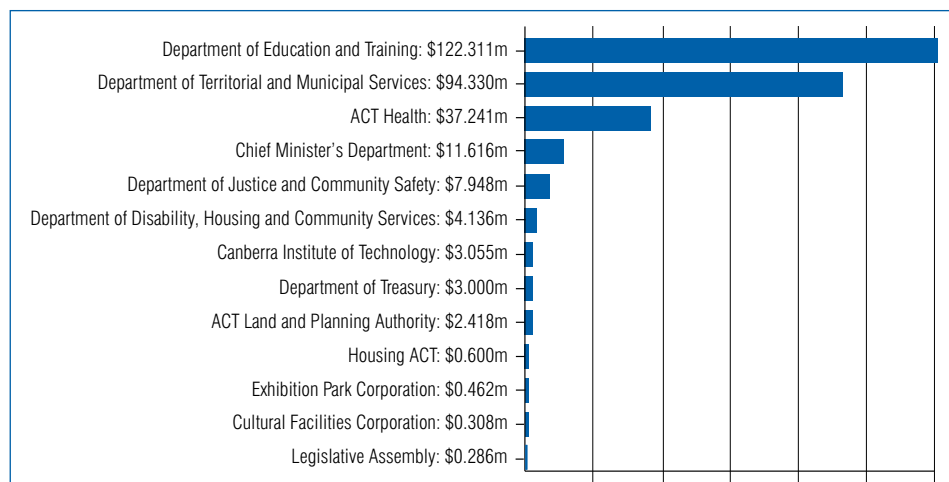
Investments are also made in IT infrastructure, vehicle replacement and other equipment.

Summary 2007-08 Capital Program

	2007-08 \$'000	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000
New Works ¹	94,642	78,568	52,028	18,223
Capital Upgrades	32,050	0	0	0
Capital Improvements (additional)	12,200	0	0	0
Sub-Total – New Works	138,892	78,568	52,028	18,223
Works in Progress	281,154	53,126	26,420	0
Sub-Total – 2007-08 Total Expenditure	420,046	131,694	78,448	18,223
Repairs and Maintenance (additional)	5,000	0	0	0
Plant and Equipment	11,478	6,164	2,763	1,041
Information and Communication Technology	4,744	7,508	100	0
Other Capital Initiatives	5,211	0	0	0
Total	446,479	145,366	81,311	19,264

¹. \$1 million of expenditure for new works was provided in 2006-07 for project expedition

2007-2008 Capital Works Program- New Works by Department



Budgeted Financial Statement Presentation – A Comparison

The presentation of the budgeted consolidated financial statements has changed from previous years. The new presentation moves towards the harmonised accounting standard presentation, which will be necessary from the 2008-09 Budget. The changes included in the 2007-08 Budget Papers remain in line with the current Australian Accounting Standard.

The key changes in the consolidated budgeted financial statements are:

- The Operating Statement classifies transactions as revenue, expenses or other economic flows:
 - Revenue and expenses result from transactions between two parties.
 - The Net Operating Balance is calculated as the difference between revenue and expenses. This is a good indicator of the underlying reality of a government's financial performance. The measure recognises that operating budgets cannot be sustained indefinitely by asset sales and unexpected investment windfalls.
 - Other Economic Flows result from changes in the volume or value of an asset or liability that do not result from transactions. Revaluation movements in assets and gains in financial assets are examples.
- Operating Result is the change in a Government's net worth as a result of both transactions and other economic flows. While the Comprehensive Result, found in the Statement of Changes in Equity, also includes other movements taken directly to equity.
- For the Territory, the key differences between our Net Operating Balance and our Comprehensive Result (or Operating Result) is our significant land sales and gains on financial assets held to fund future superannuation payments.
- The balance sheet is presented on a liquidity basis than the more traditional current / non-current classifications.
- There are several changes to the components of summary line items in the Operating Statement:
 - Fees are now shown within Sales of Goods and Services
 - Fines are now shown within Other Revenue
 - There are three new revenue items which are now shown within Taxation, including the Utilities (Network Facilities) Tax, Motor Vehicle Registration and Change of Use Charge. Income Tax equivalents are now presented in their own summary line with Dividends. For 2007-08, this represents a net increase of \$43.4 million to Taxation from previous presentations.

To maintain comparability with previous budget presentations, the following chart presents the current 2007-08 Budget and forward estimates operating result.

General Government Sector Operating Result

