



# BUDGET 2008 - 2009



PAPER NO:

1

SPEECH



Australian Capital Territory

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# Guide to the Budget Papers

## Structure and content of the 2008-2009 Budget Papers

The 2008-2009 Budget is presented in five 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: READY FOR THE FUTURE

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

### PAPER NO.3: BUDGET OVERVIEW

Summarises the 2008-2009 Budget and forward estimates for the general government sector, the public trading enterprise sector and the total Territory Government. Details of the projected 2008-2009 Budget results are provided, as well as background information on the development of the 2008-2009 Budget, including economic conditions and intergovernmental financial relations.

The Appropriation Bill 2008–2009 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.

### PAPER NO.5: INFRASTRUCTURE STATEMENT

Includes the ACT Government Infrastructure Statement.

Provides an overview of the Territory's Infrastructure Investment Program - *Building the Future*. Also provides details of the 2008-09 Capital Initiatives Program, including descriptions of individual initiatives and information on the Territory's Asset Base.

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# ACT Budget presented on 6 May 2008 by the Treasurer Mr Jon Stanhope MLA

## Ready for the Future

Mr Speaker, I take great pleasure in presenting the 2008-09 Budget.

This is a Budget that equips this community for the future – from a Government that is *ready* for that future.

A Government that is experienced, that is equipped to deliver. That has delivered and will continue to do so.

Budgets often deal with the year ahead – at most with the few years of an electoral cycle.

That's not how this Government thinks. It is not how this Government acts.

Mr Speaker, the centrepiece of the Budget I present to the Assembly today is a billion-dollar infrastructure program – an investment in physical nature of our city unmatched in our history.

An investment that will boost our communal asset base by more than 10 per cent.

An investment, *now*, that will ensure that this community is *Ready for the Future*.

Mr Speaker, we have long been a city of high standards and great expectations.

Our investment in services is unparalleled – services that are important to Canberrans of all ages, in this city for all ages.

Expenditure on health has close to doubled since we came to office. And those dollars have delivered results – there are 147 more beds.

We have made an unprecedented investment in the public education system. Again, the dollars have delivered. Every public school in the city is receiving capital and IT upgrades. And over the coming years there will be one new school opening every year – schools that will give students and teachers alike the opportunity to reach their intellectual, creative and social potential.

As a Government we have invested heavily to ensure that the most vulnerable members of our community enjoy that same opportunity.

Since coming to office in 2001, the Government has made substantial investments in the Territory's infrastructure too, with record capital works programs in the past few years. The annual capital works expenditure has increased from around \$100 million in 2001 to a record \$314 million in 2007-08.

The social indicators are clear. Life expectancy has increased by half a year for males and a full one year for females since we came to office, and remains the highest in the country.

The proportion of people with a post-school qualification has increased by 5 percentage points and remains the highest in the country.

Household disposable income has increased by 47 per cent since 2001 and remains the highest in the country.

The proportion of people on low incomes has decreased by around 3.5 per cent and is the lowest in the country.

And all this, while as a Government we have delivered consecutive surpluses.

All this, while maintaining a cash position that is the envy of our neighbours.

All this, against a background of virtually full employment and a labour force participation rate at close to its record high.

Mr Speaker, these are tremendous outcomes. We as a community are better educated, living longer, and more prosperous. Poverty has decreased, but our compassion has not.

The Budget structure today is different from the one we inherited. It is sustainable.

The internal stringencies we have demanded of government operations have delivered about \$100 million a year in efficiencies, for example – year after year.

As I say, we are a community of great expectations, and that is not about to change. We support the highest level of service provision in the nation – at around 122 per cent of the national average.

Yet our taxation levels are middle-of-the-pack.

We do have the strength to withstand some fiscal shocks.

Just as crucially, we have the vision to *employ* that strength to see that we are ready for the future.

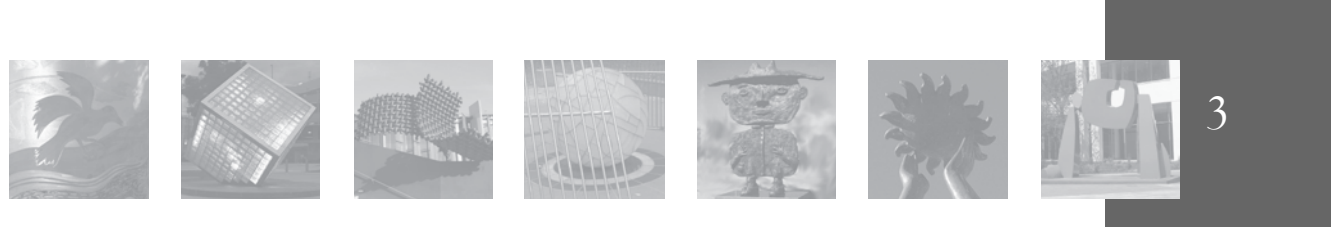
From a position of strength we have been able to prepare and plan proactively, rather than passively accepting what life deals us.

Mr Speaker, the Budget I present today invests – strategically, creatively and boldly – in consolidating that strength.

These are investments that will support economic growth.

They are investments that will allow us to move goods – and people – more swiftly and efficiently around town.

They are investments that will promote scholarly and professional excellence in fields of endeavour that are helping us tackle some of the biggest issues of this century.



Investments made now, for the future.

Initiatives taken now that will deliver social and economic dividends now *and* later.

The priorities we address with this billion-dollar investment are the priorities of today – the immediate things that confront us. But they are also the priorities of tomorrow. And by making these future priorities ours, we are massively increasing our capacity as a community to be ready for whatever the future brings.

As always, the issues of greatest priority to Canberrans are our priorities: health, education, the environment and climate change.

And because we are a compassionate community, breaking the chronic and intergenerational blight of disadvantage is also crucial.

So is finding ways in which we can meet these priorities.

Increasing the capacity of the economy is important. Economic growth is important.

So is finding ways in which we can grow as a city – but do so sustainably.

We do not want to hand a burdensome legacy to those who come after.

Mr Speaker, the 2008-09 Budget provides for targeted and carefully argued new recurrent spending of \$404 million over the next four years — \$105.5 million in 2008-09, \$99.1 million in 2009-10, \$99.8 million in 2010-11, and \$99.2 million in 2011-12.

But the Budget also commits this Government to a billion-dollar, five-year program of infrastructure investment that will ready us for the future.

## Building the Future

Climate change, the ageing of the population, changing models of health care, new technologies and labour supply constraints are converging.

It is time for reconfigured, expanded and new infrastructure, to ensure our continuing prosperity and the sustainability of our services.

*Building the Future* is a billion-dollar investment in the productive capacity of our economy.

It will reduce future costs and provide for growth - in the economy and in our town.

It will give us an edge against other urban centres as we compete for the best people.

And because infrastructure projects themselves have long lead times, and have the capacity to impact on labour supply and create spikes in the economy, they need to be properly planned well in advance, and they need to be properly scheduled.

Our commitment will focus on:

- a health system to serve the needs of the next decade and beyond;
- improvements to the transport system;
- meeting the challenges of climate change;
- improving urban amenities;
- public service infrastructure; and
- providing for the growth of the city and its economy.

*Building the Future* will create a health system for the next decade – starting with a massive \$300 million capital injection.

The investment will start a process of redeveloping and reconfiguring our hospitals and establishing a network of community health facilities.

This first phase of investment will deliver:

- a Women's and Children's Hospital to improve hospital services for women and children, at a cost of \$90 million;
- a suite of mental health facilities including an Adult Acute Inpatient Unit, a Secure Adult Unit, a Mental Health Assessment Unit, and forward design for a Young Person's Unit, at an all-up cost of \$37.6 million;
- a new Community Health Centre for the fast-growing community of Gungahlin, at a cost of \$18 million;
- a new, 16-bed Intensive Care and High Dependency Unit at Calvary Hospital, at a cost of \$9.4 million;
- improved breast cancer screening with a \$5.7 million digital mammography facility;
- a Neurosurgery Suite with the latest in imaging systems, at a cost of \$5.5 million;
- redevelopment of Community Health Centres at a cost of \$5 million;

- a new 16-bed Surgical Assessment and Planning Unit at a cost of \$4.1 million;
- an additional 24 beds at The Canberra Hospital, at a cost of \$2.4 million; and
- a new Skills Development Centre, costing \$1.3 million.

And the planning for this health system for the next decade and beyond will go on, even as we embark on this first phase of delivery. There's \$63.8 million for feasibility work and forward designs.

Mr Speaker, *Building the Future* invests comprehensively in transport, with an unprecedented \$250 million capital injection into integrated transport initiatives, from car parking to cycle paths; arterial roads to new buses.

These are investments that will boost economic productivity by cutting commute times and the cost of doing business, and deliver better social outcomes for all Canberrans – those who use public transport and those who do not.

Major projects committed to in the 2008-09 Budget include:

- the duplication of Athllon Drive and Flemington Road, at a cost of \$22 million;
- upgrades of Tharwa Drive and Airport Roads to improve travel times, at a cost of \$21 million. These upgrades will reduce travel times for 10,000 motorists at peak times, delivering economic benefits of around \$10 million and reducing greenhouse gas emissions by around 3,000 tonnes a year.
- extension of Cohen Street and the construction of a new bus interchange in Belconnen, at a cost of \$16.5 million;
- 100 replacement buses over four years, at a cost of \$49.5 million;
- half a million dollars for bus lanes and other bus priority measures; and
- half a million more for 'Park and Ride' and 'Bike and Ride' Facilities.

*Building the Future* also makes provision for the future — for the projects we will need to schedule to meet the transport demands of Canberrans tomorrow. So there's planning and feasibility work, together with an advance component — \$84 million — for future projects such as Parkes Way, Majura Parkway and the duplication of the Gungahlin Drive Extension.

*Building the Future* represents a historic injection into – and a historic vote of confidence in – our integrated transport systems.

*Building the Future* will see another \$100 million committed to the implementation of the Climate Change Strategy, *Weathering the Change* – taking to \$242 million the funding already pledged to one of the greatest challenges our generation is likely to encounter.

Infrastructure initiatives funded through *Building the Future* go straight to the core of this challenge. They are projects that will let us reduce our greenhouse gas emissions and lock carbon away in tree plantings. They are projects that will help us adapt to climate change, reduce our reliance on precious resources such as water, and develop new solutions and new technologies.

There's a \$2.5 million co-investment in a climate change adaptation centre of excellence at the ANU. The centre will bring together acknowledged world leaders to explore ways in which we can adapt our way of living and doing business.

There's \$3 million for energy-efficient street lighting, which will reduce energy usage by 2.8 million kilowatt hours a year and reduce greenhouse gas emissions by around 3,000 tonnes a year. That's like taking around 1,000 cars off the road.

There's \$1.7 million for the visionary East Lake Urban Renewal sustainable design and planning project.

As a Territory we currently use about 2 billion litres of water a year to keep government sportsgrounds and school facilities green and playable.

Last summer, 23 grounds were closed by drought. In the event of Stage 4 water restrictions, only 47 out of the 229 ACT Government sportsgrounds and school facilities would remain open for use – only about 21 per cent.

The 'Where Will We Play?' initiative, funded in this Budget to the tune of \$16 million, is planting drought-resistant and low-water-use grasses, laying artificial playing surfaces and developing non potable watering solutions for our much-loved sportsgrounds and school ovals. The goal is to wean our sportsgrounds off their reliance on potable water.

Ovals are not the only things to have suffered to a wrenching degree from prolonged drought. Our trees – the trees that distinguish us as a city – have suffered too.

The 2008-09 Budget provides further support to ensure our urban forests are maintained and replaced.

A million trees will be planted over a period of a decade, in our forests and in our suburbs, with benefits for our environment and our city soul. The 'One Million' Trees initiative will result in carbon sequestration of another 3,300 tonnes of greenhouse gases.

Today's Budget allocates more than \$24 million for additional tree plantings across the city and \$10.6 million for the next stage of the 'One Million Trees' initiative, as well as a \$731,000 boost to the urban forest replacement program.

Mr Speaker, *Building the Future* invests \$100 million in our urban amenity – ensuring that the things we love about our home continue to make us a destination of choice for others seeking a better lifestyle.

Quality municipal services and infrastructure have always set Canberra apart from other urban centres.

*Building the Future* will deliver a massive facelift to the look, feel and functionality of the places we love, with \$100 million allocated over five years.

\$53 million of this will dramatically expand the capital upgrades program, targeting community amenities — picnic areas, barbecues, public toilets and parks. There'll be further work on the Belconnen Foreshore, more than \$3 million for the refurbishment of Bunda Street, in Civic, upgraded pathways for the Jerrabomberra Wetlands, and more cycle paths.

There's an extra \$6 million for pavement upgrades, \$6 million for shopping centre upgrades, \$4 million for lighting improvements, \$6 million for playground and park upgrades and another \$6 million for the upkeep and landscaping of our wonderful urban open spaces.

Mr Speaker, the people of Canberra have been fortunate to be served, over two decades of self-government, by a public sector of high calibre. Across our offices, on our streets, in our classrooms and in our hospital wards, our public sector delivers services of exceptional quality to the community.

Today, through *Building the Future*, the Government makes an investment in those men and women, with \$50 million over five years for Information and Communication Technology projects across government. This infrastructure investment will ensure that our public servants have the best possible professional tools at their disposal, ensuring that they can be as effective and efficient as possible.

The investment will not be limited to "back end" systems and infrastructure. A number of initiatives relate directly to service delivery.

Every secondary school is already scheduled for connection to the ACT Government network through the *Smart Schools, Smart Students* Initiative. Today, *Building the Future* sets aside an additional \$7.7 million to enable 95 per cent of ACT primary schools to also be connected to the fibre network.

A number of ICT initiatives relating to patient care, monitoring and diagnostics are also included in the health system investment program.

Mr Speaker, our city is growing. Net interstate migration is at its highest level since 1993. And as a Government and a community we are actively courting greater numbers to choose Canberra as a home, to combat the skill shortages that are constraining our businesses.

Just last week I announced a massive boost to the number of residential blocks to be released over the next five years, to meet pent-up demand and address supply-side factors affecting housing affordability. The land release program also provides for significant releases of commercial and industrial land.

To support this significant schedule, *Building the Future* provides for a major augmentation of capital works funding, totalling \$200 million. This investment will primarily be used to support the growth of the city that will take place as new areas are opened up.

Significant projects to be funded this year include:

- \$11 million for the Molonglo Arterial Road to support planned land releases;
- \$12 million for the North Weston Pond and Bridge; and
- \$5 million for the Horse Park Drive Extension to Burrumarra Avenue.

Mr Speaker it goes without saying that the more than 10 per cent boost to our physical assets that will be delivered to the community through this massive investment will need to be maintained and supported. The Budget supports recurrent costs in the order of \$90 million over four years relating to the *Building the Future* Program.

Mr Speaker, combined with the regular capital works program, the massive capital injection of *Building the Future* takes the total forecast capital expenditure included in this Budget to around \$1.5 billion.

The current year's forecast expenditure on the capital works program is \$314 million – the largest ever expenditure on capital works and about three times the investment being made when we came to office.

And the planning for the future goes on.

The Budget allocates no less than \$31.5 million for feasibility studies or design of infrastructure projects for the future.

A pool for Gungahlin.

An enclosed oval for Gungahlin.

A Child and Family Centre for Belconnen.

A Trade Skills Centre for Fyshwick.

A chairlift at Stromlo Forest Park.

A masterplan for the Reid Campus of CIT.

A scoping of possible new camping and caravan parks.

This Government has the vision to make such an investment in the Territory's future. And it has the capacity to plan for it, and deliver on it.

Yet, importantly, the Budget remains in surplus, this year and in each of the out years.

This represents surpluses of around \$61 million a year on average - around 1.7 per cent of the annual budget over the forward estimates period.

Modest surpluses, and necessarily so, if we are to invest now in the infrastructure that will boost our economic capacity and help secure our future.

## A Strong, Skilled Economy

Mr Speaker, a strong economy is fundamental to maintaining our standard of living, our high levels of employment, our business confidence, our government services and the social cohesion of our community.

A strong economy gives us the capacity to invest in services and facilities for the community. It lets us protect and maintain our cultural, heritage and natural assets as they ought to be protected.

The Territory's economy has been one of the strongest performing in the country in the recent years. In 2006-07, the real increase in Gross State Product per capita, at 3.2 per cent, was almost double the national growth of 1.7 per cent.

In the same year, non-dwelling investment reached a record level.

But Everest has a summit. The sky has a limit. While investment has eased from that unsustainable level, it remains robust.

Investment in dwellings also remains solid, supported by the Government's accelerated land supply program.

The annual rate of growth in residential building approvals is more than 10 per cent - well above the national rate.

Other indicators are equally robust.

Our labour market remains particularly strong. Unemployment is around the lowest ever recorded for any State or Territory. With virtually full employment, the Territory's economy has been attracting record net interstate migration.

State Final Demand grew by 5.7 per cent in 2006-07. Of course we cannot hope to sustain growth at such levels, and this indicator has eased over the current year, in line with reasonable expectations.

Significantly, however, economic activity has remained at a high level, and is forecast to remain there. This Budget forecasts solid growth in 2008-09 and the forward years.

Mr Speaker, uncertainty and apprehension are natural responses to change. Economies are not immune from apprehension when they witness – or even just *anticipate* - a change in the activity level of the town's 'big factory', the city's major employer.

The Government is mindful of some legitimate anxiety around the impending fiscal measures contained in the upcoming Federal Budget.

In formulating our own Budget, we have taken into account not just the potential for a tougher than average Commonwealth Budget, but also the effects on our local economy of the burden of recent interest rate rises.

The Budget I hand down today will see us ready for *whatever* the future brings, ready to adapt quickly, ready to seize opportunity, ready to maximise our strengths.

The 2008-09 Budget creates the conditions for truly sustainable economic growth.

It supports business.

It supports innovation and research.

It promotes greater productivity, particularly in areas that have the potential to yield substantial returns.

Mr Speaker, this Budget contains much beside a billion-dollar physical legacy.

It includes targeted tax concessions for business, pensioners and first homebuyers. A minor, nuisance tax is being abolished. Together, these initiatives will cost around \$61 million over four years in revenue foregone.

This Budget provides support for business, private-sector development, innovation and research totalling \$16.5 million over four years.

Small to medium businesses will benefit from a 20 per cent increase in the payroll tax threshold – from the current \$1.25 million to \$1.5 million.

This measure alone will cost around \$28.7 million over four years in forgone revenue and will provide support for many businesses in town.

In the area of innovation, the Budget responds to the independent stocktaking and scoping work in the recent *Innovation, Creativity and Leadership* report.


The Budget supports early-stage innovation with a \$3.1 million incubation program. It co-invests \$1.1 million in a plant phenomics centre at the CSIRO and supports the creation of a climate change adaptation centre of excellence at the ANU.

We are investing \$2.5 million to build and sustain capacity and leadership in our public service.

There's a million dollars in venture capital for the Canberra Business Development Fund and another million for targeted marketing to promote the ACT's investment and business profile.

Above all, however, this is a Budget that responds comprehensively and creatively to one of the greatest constraints on our economic growth – skill shortages.

Skill shortages are a reality – nationally and internationally. The equation is of the simplest kind. The national capital needs more workers. And it needs more workers adept in specific areas.



In response to the recommendations of the Skills Commission, the Government today announces a suite of measures to tackle skill shortages. These are measures that will help us attract quality workers, increase productivity, heighten participation, and create more opportunities for education and training.

The Budget provides \$36.6 million over four years in recurrent funding, and \$14.3 million in capital funding for skills, a total of almost \$51 million over four years.

This substantial strategic investment will support initiatives ranging from enhanced career guidance in schools, to greater vocational training opportunities, measures to attract skilled workers, and investments in the workers who are already here.

There's \$2.5 million for additional places at CIT and an extra \$1 million for the CIT Vocational College.

There's \$1.2 million to strengthen the Skilled and Business Migration Program, link final-year and graduating international students with potential employers and increase traineeships and apprenticeships in the ACT Public Service.

There's \$4.2 million to strengthen our existing health workforce and a boost for the "Live in Canberra" campaign.

We will carry out a feasibility study into a new trades training centre in Fyshwick.

Accelerated apprenticeships in areas of skill shortage are helping to shorten the qualification pipeline for young men and women, as well as those retraining for a new profession.

Now we are looking at alternative methods of trades instruction, including self-paced e-learning options.

## A Health System for the Future

Mr Speaker, Canberrans have access to a modern, well equipped and effective public health system and the Government is determined that this high standard of health and health care will continue into the future.

I have already spoken about the \$300 million first phase of a massive reconfiguration of our public health facilities.

The 2008-09 Budget makes a major recurrent commitment to public health too, bringing the total allocation to health services to around \$889 million. This is almost double the expenditure at the time we came to office.

Building on the 60 additional beds we have created over the past three years, we will open another 20 beds next year, with \$16.8 million over four years allocated to growth in acute-care capacity. A further \$10.5 million over four years will be used to boost intensive-care capacity.

Mental health services will be enhanced with an extra \$8.5 million over four years.

\$4.2 million will be spent to boost services to older Canberrans, with the establishment of an Older Person's Dietetic Service, expansion of the Rapid Assessment of the Deteriorating and At-Risk (RADAR) service, physiotherapy, clinical psychology and occupational therapy services as well as the ACT Equipment Loan Service.

Cancer services are boosted, with \$4.2 million for an additional three inpatient beds, better genetic testing for predisposition for cancer and greater social supports for those dealing with diagnosis.

Chronic disease management gets an extra \$4.2 million over four years, to improve referrals to appropriate prevention and support services.

\$4.1 million in recurrent funding and \$1.8 million in capital will be allocated for a second Cardiac Catheter Laboratory, and \$0.4 million in recurrent and \$0.5 million in capital for a sleep studies laboratory. These initiatives will have massive flow-on benefits, reducing the duration of hospital stays, reducing Intensive Care admissions and reducing demand for interstate patient transport.

Since 2003-04, our public hospitals have achieved record levels of elective surgery. This Budget provides a further \$12.6 million over four years to increase elective surgery capacity.

Mr Speaker, these investments, combined with the infrastructure investment through *Building the Future*, are about building a health system for the next decade.

We can't leave the task to future decision-makers. We cannot abrogate our responsibility. It must be done now and it must be done by us. We must be ready for the future. And we will be.

## Excellent Education, Quality Teaching

Mr Speaker, education is perhaps *the* iconic investment in the future. It gives us the means to offer opportunities for all members of our society to reach their potential, and a means for those experiencing disadvantage to improve their lives.

Education – freely given, not begrudged, not quarantined – strengthens a community, and fuels the engine of a modern economy – its labour force.

Ensuring that our schools prepare our students to be active, engaged men and women, equipped to live fulfilling lives and make a positive contribution to the community, is a priority of this Government.

The quality of a learning environment has been shown to have a positive impact on student performance. We have upgraded educational facilities, with record investments in previous years. In fact, in 2006 the ACT Government began the largest investment in public education since self-government, with a \$350 million investment in quality facilities.

That program of work continues.

Four new schools are scheduled to be opened in Belconnen, Gungahlin and Tuggeranong, in addition to the Harrison School that welcomed its first students this year.

Four new early-childhood schools will be opened in 2009, providing integrated services for children from birth to 8 years – and, importantly, their families. These schools will incorporate child care, family support services and other children's services.

Mr Speaker, the quality of our teachers is already exceptional. The evidence lies in our student outcomes.

The 2008-09 Budget invests \$2.4 million over four years to further enhance the quality of teaching in our schools and \$0.4 million for developing leadership qualities in our best teachers.

Overall, this Budget supports new recurrent initiatives totalling \$19 million over four years, and capital initiatives totalling \$39 million for both government and non-government schools.

Once again, and in line with our determination to wrap services around those most at risk, the initiatives in the education portfolio are part of an integrated package that draws in other portfolio areas and that extends beyond the child to the family.

For example, early childhood schools provide education, childcare and family support services, while \$2.5 million is being invested in targeted, intensive family support services to at-risk Aboriginal and Torres Strait Islander families. The initiative will be jointly developed by the Department of Disability, Housing and Community Services, the Department of Education and Training and the Department of Health.

The aim is to divert at-risk Indigenous youngsters away from the statutory care and protection system, improve access to services and improve family and child wellbeing.

The educational package also helps deliver on the commitments of the Government's Climate Change Strategy, with a further \$1.6 million committed to making our schools carbon-neutral.

And of course the education portfolio is a crucial player in the Government's skills agenda.

This Budget provides \$4.2 million over four years for additional apprenticeships, and it devotes \$3.4 million over four years for additional staff in every secondary college to improve students' access to careers programs and vocational learning.

## A Vibrant City and Great Neighbourhoods

Mr Speaker, as a planned city the national capital has expectations to live up to – expectations that are passed from generation to generation.

The high quality of local and suburban amenities are, in a sense, the birthright of all who call this city home.

But this birthright comes at a cost.

I have already spoken about the \$100 million investment in our urban amenities funded through the billion-dollar *Building the Future* program, and the even bigger \$250 million investment in the transport system that will make it easier to engage in and enjoy the opportunities afforded by membership of our community.

And of course many of the initiatives contained in the \$100 million worth of initiatives to implement *Weathering the Change*, our Climate Change Strategy, will indirectly or directly enhance the amenity of our city too.

All of these investments are on top of the regular capital works program.

But it is what we do in our city — how we come together, how we celebrate — that makes us a true community.

This Budget provides \$16.5 million over four years for the city's festivals, tourism promotion, sporting events and the arts.

There's:

- \$2.4 million to promote Canberra as a great place to visit;
- \$6.1 million for community events and our much-loved festivals;
- \$4.4 million to enhance library collections;
- \$10.8 million for arts activities; and
- \$0.8 million for significant community events, including the hosting of a Rugby World Cup match, the International Mountain Bike Championships and the Festival of Running.

New visitor attractions in the pipeline include a tree-top walk, an enhanced Aboriginal Learning and Presentation area and other new features at the Sanctuary, in Tidbinbilla, at a cost of \$2.2 million.

There's a \$1 million upgrade for the Belconnen Community Centre and \$2.7 million for Exhibition Park.

There's money for a Gungahlin community library.

There's \$2.7 million to restore the Albert Hall to its former glory.

There are major upgrades to shopping centres, including Deakin and Lyons.

## A Caring Community

Mr Speaker, a caring community supports its marginalised members and tries to understand and then respond to the root causes of their economic and social exclusion.

We grieve when we do not succeed in every instance.

We search our hearts when our efforts founder.

But our response – the response of *this* Government – is to redouble our effort.

That's why we have invested so heavily in services for vulnerable individuals and families in our community. Protecting children at risk of abuse and neglect and strengthening services for people with disabilities and mental health problems have been high priorities from the start of our period in office.

Mr Speaker, this Budget meets the future head-on.

It allocates \$12.4 million for programs for people with disabilities, older members of our community, pensioners, and disadvantaged groups and individuals. There's:

- \$0.8 million for a West Belconnen Children and Family Support Service;
- \$0.6 million to help disadvantaged Canberrans access the arts and culture;
- \$0.6 million to get older Canberrans and those with disabilities involved in physical activity; and
- \$8.5 million to help those living with mental illness.

And we've extended water supply concessions to all Centrelink Health Care cardholders, Temporary Protection Visa (TPV) holders and asylum seekers.

Mr Speaker, our Child and Family Centres are regarded nationally as a model of service delivery.

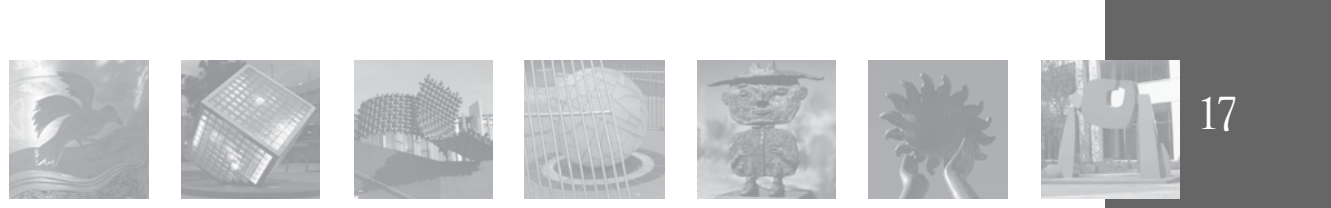
Through this Budget the Government will do forward design work on a third Child and Family Centre – this one to be located in Belconnen.

And many older Canberrans who can no longer drive will benefit from free bus travel under the ACTION Gold Pass funded in this Budget as part of the Surrender Your Licence Program.

The community sector in this town works in genuine and passionate partnership with the Government to deliver services to people in need.

This Budget provides a further \$3.6 million to increase the capacity of the community sector.

I am also pleased to be able to provide seed funding in this Budget to establish a portable long-service scheme for the community sector.



Mr Speaker, after intensive consultation with the community, the Government is upgrading a number of surplus school buildings into community facilities. The Budget contains capital funding of \$24.6 million and recurrent funding of \$4.4 million over four years for this transformation.

An Arts Hub will be established at Cook, a Health and Wellbeing Hub at Melrose and a community services hub at Weston. Neighbourhood Halls will be created in these and 6 other locations, opening up valuable community spaces and helping revitalise local precincts.

Mr Speaker, housing affordability is a concern and a challenge for all jurisdictions.

While relatively high wages have shielded many in our community from the worst effects of the affordability challenge, the Government is acutely conscious that some in our community are experiencing housing stress or having difficulty getting a foothold in the housing market.

The comprehensive *Affordable Housing Action Plan* the Government released last year has been a model for others to follow.

Last Budget, it was backed up with significant funding for implementation, and a staggering amount has been achieved in a short period.

Land releases have been significantly boosted. A requirement that developments comprise 15 per cent affordable house and land packages is delivering greater choice for buyers. House-and-land packages priced between \$200,000 and \$300,000 are appearing on the market.

Just last week I announced a land release program that would see more than 15,000 dwelling sites released over the next five years to conquer pent-up demand.

This Budget contains \$33.5 million for the servicing and preparation of new housing developments.

In this sitting of the Assembly, we introduce a land rent scheme that will create even greater choice and help households with quite modest incomes enter the market with less trepidation and less anxiety.

I am also extremely pleased to announce today a one-off and complete exemption from stamp duty for pensioners who want to downsize and move to accommodation more suited to their needs.

This exemption will be available to Disability Support cardholders, Veteran Affairs Gold cardholders and recipients of the age pension, on the purchase of a dwelling up to the median price.

This exemption will start on 1 July and will be available for three years.

The 2008-09 Budget also increases the threshold for eligibility for the Home Buyer Concession Scheme. Currently it supports households with an income up to \$100,000. From today, this will rise to \$120,000 – a 20 per cent increase.

## A Fairer, Safer Canberra

Mr Speaker, a fair and safe society protects its residents and ensures their human rights are respected.

It maintains a justice system which is accessible and responsive and the services that provide support in an emergency.

Mr Speaker, Canberra is a safe community. And community perceptions of safety remain above the national average too.

The Government is proud of the investments it has made in a safe and secure community.

In previous Budgets, the Government has funded significant increases in police numbers. The result is that there are now greater numbers of police on our streets – and visible on our streets.

In the 2008-09 Budget the Government has earmarked \$17 million for the construction of a new Belconnen Police Station.

Closed circuit television networks in Civic, and at Canberra Stadium, Manuka Oval, EPIC and other gathering places are being upgraded at a cost of \$5 million, with another \$3 million to operate the networks.

Our fire fighters and ambulance officers are among the best-trained in the country. The 2008-09 Budget provides additional funding of \$14.6 million over four years to improve response times and efficiency.

Mr Speaker, a fair society gives people opportunities to succeed — including a second chance when they have broken the law.

We will soon have a world-class correctional facility, in the Alexander Maconochie Centre. The Centre is the first prison in Australia which has been designed and will function according to human rights principles, with an emphasis on rehabilitation.

The 2008-09 Budget allocates \$31 million over four years for the Alexander Maconochie Centre for transitional costs, health services, and prisoner education and rehabilitation.

Effective liquor regulation contributes to the safety of our community. The Government pledges an extra \$1 million over four years to better enforcement of liquor licensing laws – one way among many of discouraging anti-social behaviour caused by intoxication.

## A Sustainable Future

Mr Speaker, a philosophy of sustainability informs all we do as a Government. For us to be truly ready for the future, that philosophy must dominate our thinking even more profoundly.

Today, we take further steps in preparing for our future.

No effort is too small.

Incremental change, added to incremental change, finally becomes noticeable change. Soon, it becomes impossible to ignore.

Mr Speaker, between 2007-08 and 2012-13 the Government will have injected \$242 million into climate change initiatives.

This includes the \$100 million for *Weathering the Change* announced in today's *Building the Future* package, but of course it doesn't include investments such as the \$250 million for transport initiatives funded as part of the same package.

These are historic investments in sustainability for a jurisdiction of this size.

But these are not the only ones. We have also invested \$142 million in climate change and sustainability initiatives beyond these. We are about to embark on a world-leading feed-in-tariff scheme that will drive cultural change at the individual level, and the Government and the ActewAGL are jointly exploring the feasibility of a large-scale solar power plant, possibly capable of powering 10,000 homes. That's driving cultural change at the level of government.

There are recurrent spendings too – notably the \$12.95 million over four years to implement the new bus network, which will start rolling out from next month.

There's \$3.9 million over four years for water, energy and waste programs to educate Canberrans about steps they can take to reduce their waste and their reliance on water and electricity.

And there's \$11.3 million to cover increased water costs for maintaining town and district parks, trees and shrubs, urban open spaces and sportsgrounds.

This will see that Canberra's town and district parks, trees and shrubs, urban open spaces and sportsgrounds are sustainably protected from the worst effects of drought.

There's \$1.6 million for carbon-neutral schools and \$476,000 for energy-efficient housing.

There's \$1.9 million for Caring for our Country activities with the Commonwealth.

\$900,000 will be invested to bring Kinleyside, Jerrabomberra East, Kama South and Jedbinbilla together into a nature reserve system, using best-practice conservation management to ensure the natural and cultural values of these sites are protected as a community asset.

Mr Speaker, a large chunk of climate-change funding – about \$41 million – remains unallocated, pending the results of feasibility studies and further scoping of priorities. It may be, for example, that this will be used to co-invest in a solar power station for the ACT, subject to the feasibility study now under way.

The crucial thing is that the resources are there, when they are needed.

## Commonwealth-State Financial Relations

Mr Speaker, in recent years Commonwealth-State financial relations have been conducted in an atmosphere of rivalry and something akin to paternalism. They have been characterised by blame shifting, rather than shared accountability to the community, cost transfers rather than joint responsibility, and competition rather than cooperation.

Serious attempts are being made to modify these relations and see them mature – particularly in relation to financial transfers from the Commonwealth to the States and Territories.

The reform agenda set by the Council of Australian Governments is genuinely significant. It will simplify and reduce the current list of more than 90 Specific Purpose Payments (SPPs) to 5 broad-banded SPPs, with new performance measures. This work will be completed by December 2008.

There will be some necessary changes to our budget paper presentation in the coming years, as a consequence. But the more visible change, to the community, will be greater transparency, simplicity and accountability.

## Conclusion

Mr Speaker, one measure of a good government is how it chooses to leverage the benefits flowing from a period of strong economic growth.

What investments does it make? Are they investments that directly boost the capacity of the economy to strengthen even further?

Are they investments in the future?

Are they prudent, affordable and strategic?

Is there a track record of delivery?

The 2008-09 ACT Budget I present today is a Budget that will ensure that our community and our city are ready for the future.

There's a billion-dollar investment in the infrastructure that supports our economy and our communal life – a more than 10% boost in our physical infrastructure over the next half-decade.

There are targeted tax concessions of \$61 million and an investment of \$404 million in the services the people of Canberra themselves say are priorities.

Crucially, it is a balanced Budget – in every sense of the word. It balances revenues and expenses. It balances current needs and future demands.

It balances recurrent expenditure and capital investments. It balances the imperatives that press upon us today, and the challenges of the future.

The recurrent Budget does not rely on asset sales. Those go towards investments for growth and expansion of productive capacity.

Mr Speaker, the investments I announce today are possible because of our robust economic activity. But they are also possible because of the efficiencies now embedded in the way the Government does business.

This Budget will leave us ready for the future – a future over which we have control, rather than a future we passively let wash over us.

A future we will seize with confidence, rather than simply coping with as best we can.

Mr Speaker, the Government is ready for the future.

I commend this Budget to the Assembly and to the community.

