



AUSTRALIAN CAPITAL TERRITORY

BUDGET 2012-13

BUDGET PAPER NO 2:
SUPPORTING THE ECONOMY.
SUPPORTING JOBS.

GUIDE TO THE BUDGET PAPERS

Structure and content of the 2012-2013 Budget Papers

The 2012-2013 Budget is presented in four papers plus a reader's guide.

BUDGET PAPER NO. 1: SPEECH

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

BUDGET PAPER NO. 2: SUPPORTING THE ECONOMY. SUPPORTING JOBS.

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

BUDGET PAPER NO. 3: BUDGET OVERVIEW

Summarises the 2012-2013 Budget and forward estimates for the general government sector, the public trading enterprise sector and the total Territory Government. Details of the projected 2012-2013 Budget results are provided, as well as background information on the development of the 2012-2013 Budget, including economic conditions and federal financial relations.

Also provides an overview of the Territory's infrastructure investment program and details of the 2012-2013 expenditure, revenue and capital initiatives.

The Appropriation Bill 2012-2013 and the Appropriation (*Office of the Legislative Assembly*) Bill 2012-2013 are appended.

BUDGET PAPER NO. 4: BUDGET ESTIMATES

Information on each directorate and Territory authority and corporation is provided. This includes output classes (where relevant), descriptions of functions, roles and responsibilities, together with major strategic priorities. Full accrual financial statements and notes are provided for the general government sector as well as details of the Territory's public trading enterprises.

READER'S GUIDE TO THE BUDGET

The guide provides readers of the Budget Papers with useful information to assist in understanding and interpreting the Budget.

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TREASURER'S MESSAGE

The 2012-13 Budget is about supporting the ACT economy and ensuring our community continues to enjoy the frontline services it expects and deserves.

This Budget is economically and socially responsible.

The Government is continuing its prudent fiscal management, with the Budget forecast to return to surplus in 2015-16, in line with the original Budget Plan developed in response to the global financial crisis.

The ACT's economy and fiscal fundamentals are strong. However, we are facing contracting Commonwealth expenditure, a moderating economy, softening revenues, and increasing cost pressures.

As a consequence there has been a deterioration in the budget bottom line.

However, we will not respond in a knee-jerk manner by slash and burn budgeting.

There is greater need at this time to support the economy, employment and frontline services for the community.

This Budget boosts funding in priority areas, namely health, education, emergency services, community safety, and support for vulnerable households.

New recurrent initiatives are fully offset by savings over the forward estimates, and the Government is making responsible savings and driving public sector efficiency.

In this Budget the Government is starting a long-term reform of the Territory's taxation system, to make taxes fairer, simpler and more efficient.

The first five-year plan included in this Budget abolishes and reforms a number of inefficient taxes in favour of more efficient, simpler and more progressive taxes.

The plan includes targeted assistance measures to support households.

The taxation reform plan is broadly revenue neutral – it's not about raising the overall amount of tax the Government receives.

The Budget signals the confidence we have in our economy and our labour force. It helps create the right conditions for the private sector to grow, innovate and create jobs.

The Budget commits to further major investment in the Territory's infrastructure. The more than \$900 million of capital spending in 2012-13 will support confidence and growth in our economy.

With its investment in frontline services and support for the private sector, this Budget will ensure the ACT community is well placed to prosper into our city's second century.

Andrew Barr, MLA

A handwritten signature in black ink that reads "Andrew Barr". The signature is written in a cursive, flowing style.

Treasurer
June 2012



BUDGET OVERVIEW

The 2012-13 Budget returns the Territory to surplus in 2015-16, in line with the original Budget Plan.

In the context of contracting Commonwealth consumption, a moderating economy and softening revenue base, the focus of the 2012-13 Budget is to support the economy and support jobs.

The Government has accepted the further deterioration in the Budget Net Operating Balance.

The forecast Budget Net Operating Balance in 2012-13 is a deficit of \$318 million.

The principles and objectives of the Budget Plan continue to be followed. The Plan provides for a balanced response to economic and fiscal circumstances. It also incorporates flexibility for adjustments should circumstances change.

The Territory's economy is forecast to continue to moderate. Own source revenues are forecast to soften, due to the moderation of the housing market and commercial activities mainly related to land supply and development.

The financial markets remain volatile due to the European debt crisis. This has impacted on returns on the Territory's investments.

Superannuation liabilities have increased largely due to more PSS and CSS members taking pensions rather than lump sum payments, due to the volatility of the financial markets, and members also living longer.

The Budget provides for growth in capacity to deliver priority services, through improvements in efficiency. New expenditure initiatives are fully offset by savings over the budget period.

A major long term reform of the Territory's taxation system is also outlined in the Budget.

Transaction taxes will be phased out over a period of 5 to 20 years. A number of nuisance taxes are removed. General Rates are adopted as a broad and efficient revenue replacement base, with improved progressivity.

The Budget includes borrowings of \$790 million \$490 million more than previously forecast. The Budget also forecasts the new additional borrowings of \$490 million being repaid by the end of 2015-16.

NET OPERATING BALANCE

General Government Sector – Headline Net Operating Balance

	2012-13 \$'m	2013-14 \$'m	2014-15 \$'m	2015-16 \$'m
Headline Net Operating Balance	-318.3	-130.2	-51.3	25.2
Less: Net Impact of Majura Parkway Commonwealth Funding	0.0	50.0	64.5	20.0
Underlying Net Operating Balance	-318.3	-180.2	-115.8	5.2

The 2012-13 Budget returns the Territory to surplus in 2015-16, in line with the original Budget Plan.

The principles and objectives of the Budget Plan continue to be followed. The Plan provides for a balanced response to economic and fiscal circumstances. It also incorporates flexibility for adjustments should circumstances change.

The gradual and sustained adjustment continues to be a key feature of the Government's Plan, which ensures that no sharp and unnecessary adjustments are made, infrastructure investment continues to support the economy and jobs and priority services to the community are preserved, and in fact, enhanced where necessary.

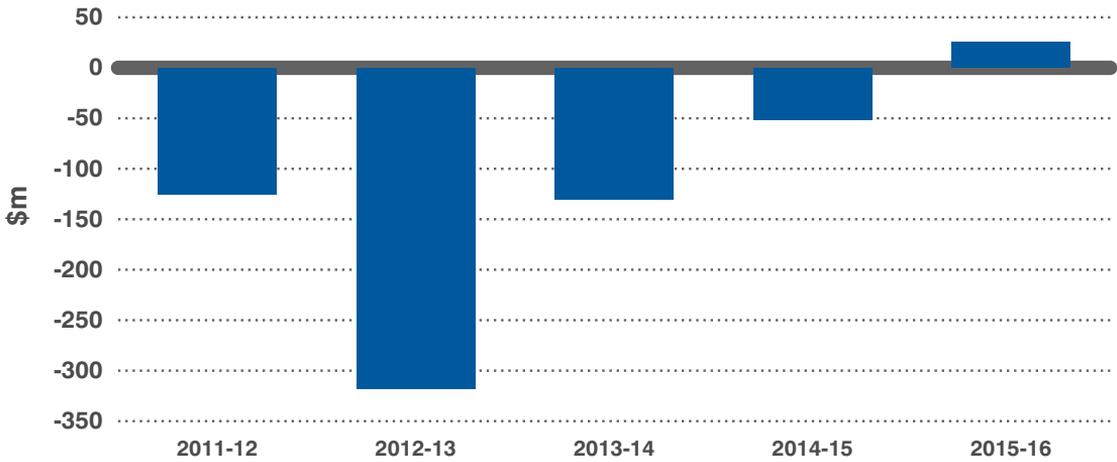


BUDGET HIGHLIGHTS

The 2012-13 Budget includes:

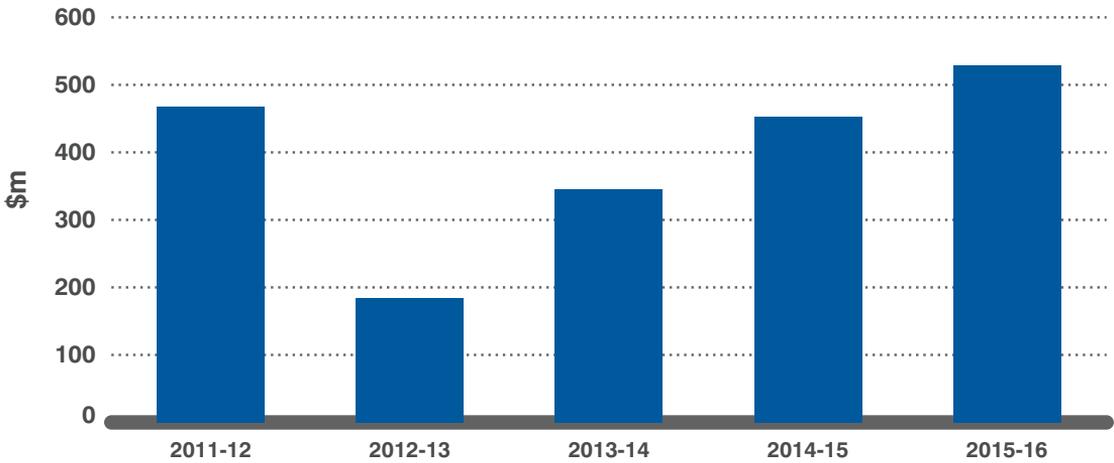
- A forecast General Government Sector Headline Net Operating Deficit of \$318.3 million in 2012-13.
- A forecast return to surplus in 2015-16, returning to the original target set in the 2009-10 Budget, due to the change in economic and financial circumstances.
- Savings of around \$180.5 million over four years, namely:
 - savings in administrative costs of \$37.3 million, through continuing to improve the efficiency of back office functions and reducing input costs such as travel, accommodation, fleet, printing, stationery, advertising and marketing expenditure;
 - savings in employee costs of \$73.9 million, through the redirection of resources to higher areas of need and new priority initiatives;
 - savings from extending the operating life of ICT Equipment \$4.8 million;
 - future agency savings of \$45.9 million; and
 - reprioritisation of program expenditures of \$18.6 million, achieved through the cessation of lower priority programs and initiatives from past budgets.
- A strong General Government Balance Sheet, with:
 - Net Worth of \$15.9 billion;
 - Net Financial Worth of \$1.9 billion;
 - Net Financial Liabilities of \$3.8 billion; and
 - Net Debt of *positive* \$417.2 million (excluding superannuation related investments).
- Maintenance of Operating Cash Surpluses across all years.
- New policy initiatives with a net impact of \$155 million across 2012-13 and the forward estimates.
- Significant capital investments to support the economy and jobs across the Territory, with a new infrastructure program of \$429.5 million over four years. Specifically, the new capital works program includes:
 - new construction works of \$253.1 million;
 - feasibility and forward design projects of \$14.4 million; and
 - capital upgrades and urban improvements of \$88.7 million.
- New information and communication technology (ICT) projects totalling \$22.5 million.
- New plant and equipment of \$50.8 million.
- An estimated \$577.3 million of capital works achieved in 2011-12.

GENERAL GOVERNMENT SECTOR - NET OPERATING BALANCE



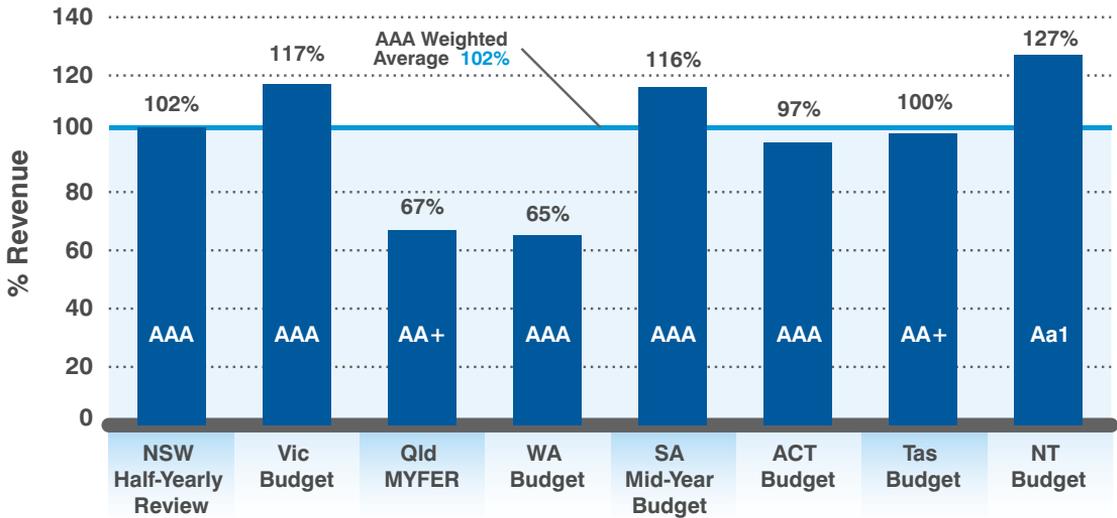
Net Operating Balance returning to surplus in 2015-16

GENERAL GOVERNMENT SECTOR - CASH POSITION



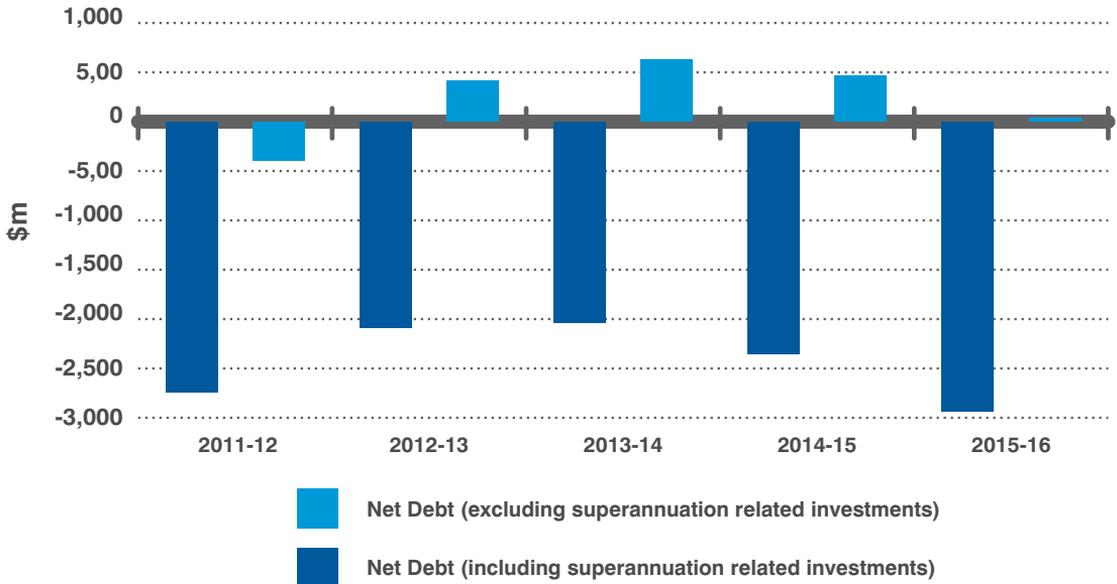
Operating Cash Surpluses increasing across the Budget and forward estimates

NET FINANCIAL LIABILITIES TO REVENUE RATIO



Net Financial Liabilities to Revenue Ratio remains below the average of other AAA rated jurisdictions

GENERAL GOVERNMENT SECTOR - NET DEBT



Balance Sheet remains strong with low Net Debt Levels

ECONOMIC OUTLOOK

Economic growth in the Territory has continued to moderate since 2010-11, reflecting planned withdrawal of fiscal stimulus by the Commonwealth in the current year, and further fiscal consolidation in 2012-13.

The level of economic activity, however, remains high. The ACT economy is expected to continue to grow in 2012-13, but at a slower rate.

The ACT economy is likely to face a challenging economic environment in the short term due to Commonwealth Government fiscal consolidation and softening investment activity.

Growth in output as measured by Gross State Product (GSP) will moderate further from the forecast 2½ per cent in 2011-12 to 2 per cent in 2012-13.

State Final Demand (SFD) is forecast to grow at ½ per cent, reflecting contraction in Commonwealth Government expenditure. The nominal growth in SFD is supported by household consumption and the ACT Government's investment in infrastructure.

Employment growth is forecast to ease further to zero in 2012-13 due to the slowdown in economic growth as well as consumer and business caution.

The unemployment rate is expected to remain well below the national average. Due to the strong fundamentals of the labour market and an environment of low interest rates, residential property market activity is expected to remain at relatively high levels.

Economic Forecasts, Year Average Percentage Change

	Actual	Forecasts	
	2010-11	2011-12	2012-13
ACT			
Gross State Product	2.8	2½	2
Employment	2.2	½	0
State Final Demand	4.3	2	½
Consumer Price Index	2.7	2½	2¼
Wage Price Index	3.6	3½	3½
Population	1.9	1½	1½
Australia			
Gross Domestic Product	1.9	3	3¼



FISCAL STRATEGY

The Government remains committed to the principles of responsible financial management.

In the 2012-13 Budget, the Government has reverted to its original target of returning to surplus in 2015-16.

The Government has accepted a temporary deterioration in the operating position in order to maintain reasonable levels of expenditure and investment, with the focus on supporting the economy, jobs and services to the community.

The Government continues to maintain its fiscal strategy, which has been successful in ensuring that priority services are sustainable.

The financial objectives and key measures of this strategy are:

- › to achieve a General Government Sector Net Operating Surplus;
- › to maintain operating cash surpluses;
- › to maintain a AAA credit rating;
- › to manage debt prudently and maintain net financial liabilities within the range of all AAA rated jurisdictions;
- › to fully fund the Territory's unfunded superannuation liability by 2030;
- › to maintain quality services and infrastructure;
- › to make targeted investments to achieve strategic objectives of economic growth, reducing future costs and addressing chronic disadvantage; and
- › to maintain taxation revenues at sustainable levels.

With the assistance of savings measures incorporated in this and past Budgets, the underlying expenditure trajectory has been lowered, with the compound annual average growth rate over the Budget and forward estimates period being reduced by around 1 per cent per annum.

New expenditure initiatives in this Budget are fully offset by savings.

THE BUDGET PLAN

In the 2009-10 Budget, the Government developed its Budget Plan in response to the impact of the global financial crisis on the Territory's finances. The objective of the Budget Plan was to return the budget to surplus over a longer time frame, with flexibility to respond to changing circumstances.

The 2009-10 Budget Plan foreshadowed savings commencing in 2010-11 to return the Budget to surplus in 2015-16. This target was advanced by two years.

Since the 2011-12 Budget, the Territory's economy has moderated further due to the Commonwealth Government's need for fiscal consolidation. Revenues are forecast to soften, and expenses increase over the previous forecasts.

This Budget reverts to the original target of a return to surplus in 2015-16.

The Government's Plan seeks to ensure that no sharp and unnecessary adjustments are made, and that priority services to the community are preserved and in fact enhanced where necessary.

The Budget adheres to the principles and objectives of the Budget Plan. It continues to adopt a measured approach to return to surplus.

The Budget Plan Objectives

The objectives of the Budget Plan are to:

- › adopt a measured approach to addressing the deficit;
- › achieve a balanced budget by the target year of 2015-16;
- › identify annual saving targets over the forward estimates period that set the aggregate revenue and expenditure trajectories to meet over the planning period;
- › ensure that in restoring the surplus, core services, community safety, and risk mitigation and protection are maintained to the high standard the community expects; and
- › plan for adequate growth in expenditures to meet the needs of a growing population, and in particular, in the priority service areas such as health and education.

2012-13 Budget Measures

Under the Plan, the savings task was to be progressively undertaken, and the expenditure and revenue trajectories were projected to converge through expenditure growth being constrained below the revenue growth rate.

Aggregate revenues across the budget and forward estimates period grow at a compound annual average rate of 4¾ per cent. This is below the original planning parameter of 5¼ per annum.

Commensurately, expenditure growth has been constrained to 4 per cent, again ½ per cent below the original planning parameter. The savings incorporated in the Budget lower the expenditure trajectory by around 1 per cent.



2012-13 SAVINGS MEASURES

Savings Measures implemented since the 2009-10 Budget include:

	2012-13 \$m	2013-14 \$m	2014-15 \$m	2015-16 \$m
2009-10 Budget				
Wages Policy	35	35	35	35
Efficiency Dividend (commencing 1 July 2010)	19	19	19	19
2010 11-Budget				
Efficiency Dividend ¹ (commencing 1 July 2011)	14	22	22	22
Treasurer's Advance Reduction	8	8	8	8
Deferral of Tree Planting	4	0	0	0
2011-12 Budget				
Savings Initiatives	38	38	40	40
2012-13 Budget				
Savings Initiatives	25	37	46	54
Ceasing Initiatives	2	4	5	7
Total Savings	145	163	175	185

Tables may not add due to rounding.

The savings in this Budget (totalling \$180.5 million over four years) broadly involve:

- savings in administrative costs of \$37.3 million, through continuing to improve the efficiency of back office functions and reducing input costs such as travel, accommodation, fleet, printing, stationery, advertising and marketing expenditure;
- savings in employee costs of \$73.9 million, through the redirection of resources to higher areas of need and new priority initiatives;
- savings from extending the operating life of ICT Equipment \$4.8 million;
- future agency savings of \$45.9 million; and
- reprioritisation of program expenditures of \$18.6 million, achieved through the cessation of lower priority program and initiatives from past budgets, to invest in higher priority activities and service delivery.

The savings task will be supported by the formation of a Better Service – Better Practice Advisory Group to develop advice and assist the Government in making decisions on Public Sector reform that will ensure government services are effective and affordable.

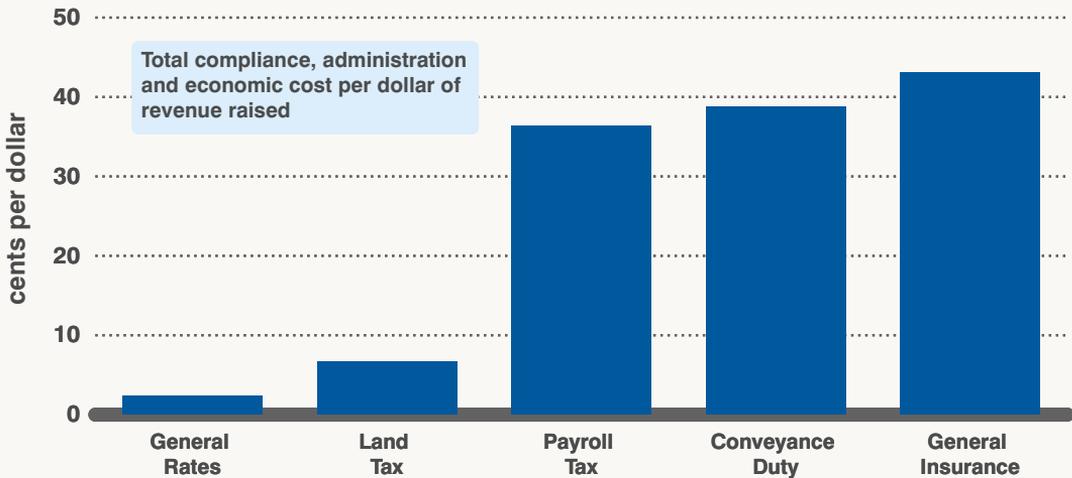
1: Revised in the 2011-12 Budget

TAXATION REFORM

The need to reform State and Territory taxes was highlighted in the Commonwealth's *Australia Future Tax System* report, and confirmed by the ACT's own review into the Territory's taxation.

A number of major taxes are unfair, highly volatile, economically inefficient, and therefore unsustainable in the long term. The ACT has a unique opportunity to commence structural reform.

ECONOMIC COST OF MAJOR TAXES



The Need For:

A Fairer System

- › Transaction taxes such as duty on conveyance are unfair
 - A small number of households contribute disproportionately to the funding of services
 - Around 9 per cent of the people raise 25 per cent of taxation revenue as a result of conveyance duty

A Simpler System

- › Businesses currently pay commercial land tax and general rates separately meaning
 - higher administration costs and time lost
- › Commercial land tax and general rates both
 - apply to the same property
 - reflect land used for commercial purposes

A More Efficient System

- › Inefficient taxes distort behaviour. For example, households and businesses pay a tax on insurance premiums this may
 - increase insurance costs
 - result in under insurance
 - create a disincentive to insure



A FIVE YEAR REFORM PLAN

The annual adjustment measures in the Plan are kept small by design so as not to distort markets or decisions by households or businesses.

The Government's Reform Plan is Fiscally Responsible:

- › No additional revenue is generated for the Government
- › Important community services continue to be delivered
- › Concessions and targeted assistance measures are provided for more households
- › Competitiveness with surrounding regions is improved

	2012-13 \$'m	2013-14 \$'m	2014-15 \$'m	2015-16 \$'m
Revenue Foregone				
Abolish Duty on General Insurance	-9.29	-19.33	-30.17	-41.84
Abolish Duty on Life Insurance	-0.43	-0.90	-1.40	-1.94
Phase Out Duty on Conveyances				
Residential Sector	-5.20	-6.54	-12.12	-18.15
Commercial Sector	-2.46	-2.98	-4.86	-6.49
Extend Payroll Tax Threshold	-6.81	-7.27	-7.75	-8.27
Abolish Commercial Land Tax	-54.58	-56.66	-58.78	-60.95
Total Revenue Foregone	-78.77	-93.67	-115.07	-137.65
Revenue Replacement				
Adjust Utilities Network Facilities Tax Rate	3.16	3.32	3.49	3.67
Increase General Rates	75.62	90.35	111.58	133.98
Total Revenue Replacement	78.77	93.67	115.07	137.65
Net Budget Impact	0.00	0.00	0.00	0.00

TOWARDS A FAIRER, SIMPLER AND MORE EFFICIENT TAXATION SYSTEM

The Territory's taxation system will become fairer, simpler and more efficient.

Over time, a number of unfair and inefficient taxes will be abolished. The sustainability of services into the future will be secured by transitioning to stable revenue sources. The reform will also make the taxation system simpler, and reduce red tape for business.

To make the Taxation System more efficient:

- › taxes that distort behaviour are phased out and replaced with more efficient taxes; and
- › administrative requirements for business are reduced.

The excess economic burden is estimated to reduce by around \$169 million cumulatively over the next five years.

The Government has committed to reform working with the community to continue improving the taxation system in the future.

To improve fairness:

- › the share of transaction taxes will reduce from 29 per cent of total taxation to 23 per cent over the next four years; and
- › land tax and general rates become more progressive.

General Rates were identified by the Commonwealth and ACT Taxation Reviews as an efficient taxation base.

To make the Taxation System simpler:

- › taxes will be abolished or combined with the General Rates system.

The Taxation Reform Plan improves:

- › the overall fairness of the taxation system
- › social equity
- › housing affordability
- › minimises economic distortions



TAXATION REFORM MEASURES

Payroll Tax

- › The payroll tax threshold will increase to \$1.75 million in 2012-13 reducing costs for ACT businesses.
- › The payroll tax rate will remain unchanged at 6.85 per cent.

Duty on Insurance

- › Duties on life and general insurance will be abolished over five years with a 20 per cent reduction annually.
- › Average savings for households in 2012-13 will be around \$34.

Conveyance Duty

- › Home buyers will pay less conveyance duty on properties valued up to \$1.2 million.
- › Home buyers purchasing a new property worth up to \$385,000 and earning \$150,000 or less will be exempt from conveyance duty.

General Rates

- › Properties with an Average Unimproved value (AUV) at below \$200,000, around a quarter of residences, will incur lower rates.
- › Residential General Rates will increase by \$104 per dwelling on average to replace inefficient taxes.
- › On average General Rates on a commercial property will increase by \$1,211.
- › The increase is between \$11 and \$299 for around 50 per cent of commercial properties.

Land Tax

- › Commercial Land Tax will be transferred to General Rates to simplify the system and reduce red tape for businesses
- › Residential Land Tax will be reduced on properties with an Average Unimproved Value between \$75,000 and \$390,000.

Utilities (Network Facilities) Tax

- › The rate will increase to reflect growth in the unimproved value of land which network facilities are on.

Reform Directions

› Duty on Insurance

- Abolished over five years

› Payroll Tax

- Threshold increased, reducing costs for businesses

› Land Tax

- Commercial land tax is transferred to General Rates reducing red tape for businesses
- Residential Land Tax reduced for 74 per cent of rental properties

› Conveyance Duty

- reduced by up to 45 per cent over the next five years
- abolished over 20 years

› General Rates

- Revenue replacement for inefficient taxes
- progressivity improved

› Utilities (Network Facilities) Tax

- Rebased to reflect growth in land values

› Targeted Assistance Measures

- More home buyers eligible for concessions on the purchase of a new home or land
- Reduced costs for pensioners to move to accommodation more suited to their needs
- More assistance for pensioners with an 18 per cent increase to the General Rates Rebate

BENEFITS OF THE REFORM

The taxation reforms commenced in this Budget will have flow on benefits for households and businesses now and into the future. As part of this new direction, economic development and jobs are supported, funding for important community services is better secured, assistance and concessions are better targeted.

Supporting a Strong Economy and Jobs

- › ACT businesses will benefit from decreases in payroll tax, insurance costs, and conveyance duty. 115 businesses exempt from payroll tax.
- › Commercial property owners will benefit from reduced red tape with the consolidation of commercial rates and land tax.
- › Treatment of wholesale unit trusts is aligned with NSW, to improve the attractiveness of the ACT as a place to invest.

Providing High Quality Services

- › Increases to taxes and fees are made in the context of funding priority services such as health, education, emergency services, child protection, and services to the disabled and aged.
- › A fairer and more efficient taxation system will deliver stable revenue and sustainable services.

Targeted Assistance for Low Income Households

- › A range of targeted measures designed to assist households are part of the reforms
 - The income threshold for Home Buyer's Concession Scheme is increased by 25 per cent to \$150,000, for the purchase of a new home or land.
 - Under the Pensioner Duty Concession Scheme eligible older Canberrans purchasing a residence below \$570,250 will only pay conveyance duty of \$20.
 - The Rates Deferral Scheme's eligibility is extended to Canberrans over 65, for properties with an AUV above \$390,000.
 - The General Rates Rebate available to eligible recipients increases by 18 per cent to \$565.

Concessions

- › Concessions and welfare assistance programs continue to be delivered assisting with cost of living pressures for low income households.

Five Year Reform Plan

› ACT Businesses will benefit from:

- reduced payroll tax
- the abolition of insurance taxes
- removal of duty on transfers of subleases with a term less than 30 years
- alignment of wholesale unit trust schemes to improve investment competitiveness

› Households will benefit from:

- more affordable life and general insurance
- the phasing-out of conveyance duty lowering the costs of purchasing a property

› Renters will benefit from:

- lower land tax on affordable stand alone rental accommodation
- lower transaction taxes

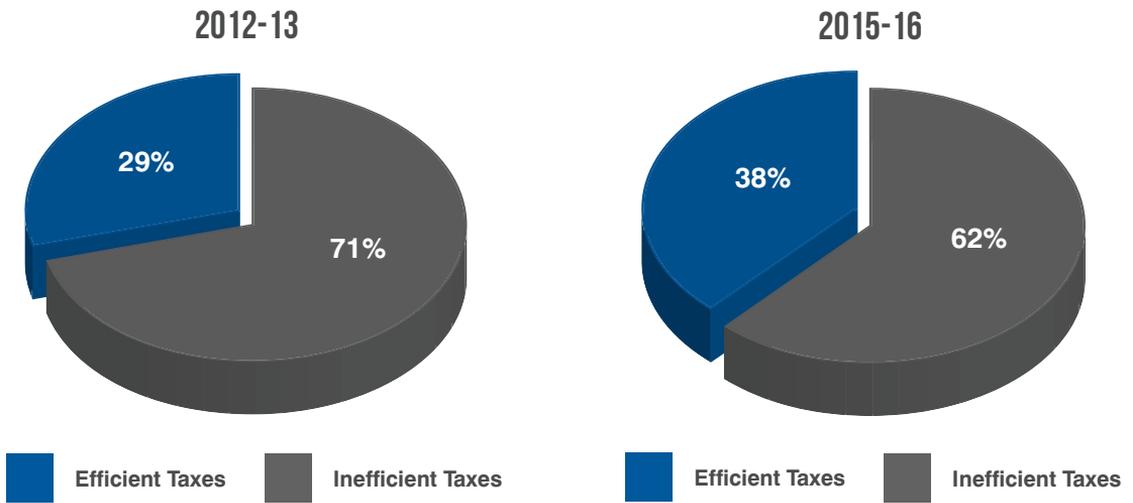
› Older Canberrans will benefit from targeted assistance measures to support Ageing in Place including:

- the Pensioner Duty Concession Scheme
- General Rates rebate
- General Rates deferral
- Duty deferral



A More Efficient Taxation System

- › Reforms will increase the overall economic efficiency of the ACT's taxation system by an estimated \$14.5 million in the first year of reform, increasing to \$57 million in 2016-17.



SUPPORTING HOUSEHOLDS

EXPERIENCING COST OF LIVING PRESSURES

On average, the ACT has the highest standard of living in Australia, with a relatively younger, well educated and productive population. The average household income is around 20 per cent higher than nationally. There are, however, some in our community who do not necessarily share in the ACT's high standard of living and struggle to meet increases in the cost of living or may need support at certain times in their lives.

Tax Reform Targeted Assistance Measures

- › The Homebuyer Concession Scheme's income eligibility increases and is targeted at the purchase of a new home or land for residential purposes.
- › The Pensioner Duty Concession Scheme's property value thresholds are increased.
- › The Rates Deferral Schemes' eligibility criteria is expanded.
- › The General Rates Rebate available to eligible recipients increases.
- › Residential Land Tax, applied to all tenanted properties, is more progressive.

2012-13 Budget Initiatives to Assist Households

- › The No Interest Loan Scheme assists people experiencing financial hardship - \$0.7 million over four years.
- › The Street Law outreach program for homeless people is continued - \$0.9 million over three years.
- › The Women's Legal Centre is being relocated which will allow for the expansion of other Community Legal Centre at Havelock House - \$0.7 million over three years.

The Targeted Assistance Strategy

An Expert Panel developed a Targeted Assistance Strategy to respond to emerging financial pressures on low and moderate income households and those facing temporary financial hardship. These include those households with an income that is just above the concessions' safety net and are not receiving direct financial assistance.

The Panel made 34 recommendations for the government, business and community sectors to consider in the short, medium and long term including:

- › increasing flexibility in the payment of all ACT Government fees, rates and fines
- › improving access to information on government and non-government assistance
- › supporting the availability of low-interest loan schemes for those experiencing temporary financial hardship
- › making earlier payments to families of secondary students to assist with back to school costs
- › supporting households with the purchase of energy-efficient white goods, and making minor energy-efficiency upgrades to houses.

In developing its recommendations, the Panel considered the emergency assistance programs and concessions already available for these people.

Taking into account the Panel's advice, the Government is now working with the business and community sectors to better target assistance to Canberrans in need.



Emergency Assistance and Concessions

Concessions

ACT Government concessions helped offset cost of living pressures for eligible households last year.

- › **General Rates** - 16,686 pensioners received a general rates rebate.
- › **Electricity** - around 24,600 residents received a rebate on their electricity account.
- › **Water and Sewerage Charges** - 14,306 residents received a rebate on water and sewerage charges.
- › **Motor Vehicle Registration and Drivers Licences** - 48,295 people received a concession on motor vehicle registration and 6,628 on drivers' licences.
- › **Public Transport** - 6.8 million journeys were made on concessional fares.
- › **Student Transport** - around 2,000 students were provided with free transport to school.
- › **Secondary Bursary Scheme** - over 700 students were assisted with educational expenses.
- › **Taxi Subsidy Scheme** - 3,300 people with disabilities received a subsidy on the cost of taxi fares.

Emergency Assistance

Emergency assistance was provided for individuals and households experiencing financial hardship through 27 community organisations and directly to 7,000 people, with funding of around \$7.3 million.

ACT Government Housing Assistance

Social Housing

Rental rebates are provided to tenants on low incomes with rent capped at 25 per cent of their assessable income. Over 90 per cent of tenants were in receipt of a rebate.

- › Over 24,751 Canberrans were provided with public housing in 11,862 properties.
- › Rebates to the value of \$132.6 million were provided for public housing tenants.

Affordable Housing

Key Government measures to support people on low to moderate incomes with housing costs.

- › Community Housing Canberra is providing affordable properties for rental and sale, funded through a \$70 million ACT Government loan.
- › The Rental Bonds Scheme provided 230 interest free loans to people on low incomes to help pay their rental bonds at a cost of \$257,000.
- › The Home Buyer Concession Scheme provided 1,770 home buyers with a concession on duty.
- › The Pensioner Duty Concession Scheme provided 72 households with a concession on duty.
- › The Deferred Duty Scheme enabled 764 first home owners and Home Buyer Concession Scheme applicants to defer the duty on their property.
- › The First Home Owners Grant provided assistance to 2,699 first home buyers at a cost of \$18.9 million.

SUPPORTING THE ECONOMY

The Government's priorities are to support private sector development, and work with business to drive economic activity, employment growth and investment.

Canberra's leading education, research and cultural institutions, highly skilled and educated workforce, connected and collaborative business community and clean economy provide a solid foundation for progressing the Government's agenda.

Creating a Vibrant Northbourne Avenue

The renewal of the corridor will deliver significant social, economic and environmental benefits. This is a significant urban development project for Canberra.

› infrastructure investment and transport solutions will be developed through:

- the creation of a Gungahlin to City Project Office to coordinate the development and delivery of rapid transport and the redevelopment along the corridor
- development of financing and procurement options, including private sector investment and Commonwealth Government Support
- investigation of light rail vehicle options
- community and business engagement

› introduce taxation incentives through:

- a Lease Variation Charge remission for developments with high environmental performance
- conveyance duty waivers

Growth, Diversification and Jobs

A Business Development Strategy for the ACT

The Government places a high priority on market based policies and actions that broaden employment, and encourage business performance. These are integral to Canberra's competitiveness and economic sustainability.

The Business Development Strategy focuses on small to medium enterprises and broadening the role of the private sector in the Territory.

The Strategy will achieve the Government's strategic imperatives by:

› facilitating the right business environment through:

- payroll tax reform;
- a red tape reduction panel;
- better compliance support;
- advice and business mentoring;
- procuring services from local small; and medium enterprises.

› supporting business investment through:

- branding of Canberra;
- investment in facilitation; and
- Indigenous enterprise development.

› accelerating business innovation through:

- investing in National ICT Australia;
- export support through Global Connect;
- expanding Innovation Connect;
- linking technology development; and
- the My Digital City innovation prize.



Land Release to Support Economic Growth

Land release and supply are central to the Government's economic strategy, supporting growth in the economy and the population.

A development ready inventory of serviced land provides timely access to affordable housing for the Territory's workforce.

Over the next four years, the Land Release Program delivers:

- 19,500 dwelling sites, with 5,000 programmed for release in each of the first three years and 4,500 in 2015-16. Delivery of these targets will help meet housing demand.
- 400,000 square metres of both commercial and industrial land.

The 2012-13 Budget makes significant infrastructure investments to support land release.

Land release in Gungahlin and Molonglo is supported with \$119 million for essential infrastructure including:

- \$11.5 million to extend Horse Park Drive from Burrumarra Avenue to Mirabei Drive;
- \$17 million for upgrades to Uriarra Road, as part of Molonglo Stage 2; and
- \$15.9 million for sewer connections in Molonglo Stage 2, along with a pedestrian bridge.

The Affordable Housing Action Plan Phase III, continuing to address the need for more affordable housing for Canberrans with \$0.6 million over two years.

Investing in Infrastructure for a growing city, and supporting jobs

The Government's infrastructure investments will support a growing city, support jobs, and assist in maintaining Canberra's competitive edge over other urban centres.

The Budget invests around \$1.7 billion in infrastructure.

This investment complements the \$1.3 billion that the Government has provided over the past four years.

Key infrastructure projects in 2012-13 include:

- \$43.6 million for new and enhanced hospital facilities
- \$24.6 million for the Emergency Services Agency's Station Relocation and Upgrade program
- \$19.9 million to extend the Mugga Lane Landfill
- \$12.9 million to rectify and upgrade Taylor Primary School
- \$10.5 million to reconstruct the North Weston Road Intersections
- \$6.5 million to construct a grandstand at the Gungahlin enclosed oval
- \$5.3 million to upgrade lighting at Manuka Oval
- \$7.9 million for additional social housing including for people with complex disabilities to help them maintain their independence
- \$5 million to reduce greenhouse gas emissions from government operations
- \$3.5 million for carbon neutral schools
- \$3.1 million to upgrade the Canberra Theatre Centre

LEADING THE WAY TO A SUSTAINABLE FUTURE

Through this Budget the Government continues with its strong commitment to address climate change and meet its ambitious greenhouse gas emissions reduction targets.

The Government is leading by example.

The ACT Government produces around 4 per cent of the ACT's greenhouse gas emissions. The Government is working towards its own objective of carbon neutrality by 2020 with the development of a comprehensive ACT Government Carbon Neutral Framework. The framework will adopt best practice in energy efficiency, behavioural change, waste recovery and sustainable procurement for the Government's operations.

The 2012-13 Budget assists agencies in preparing for the opportunities and challenges posed by the rising cost of energy, with funding to support a range of energy efficiency measures. Building on existing investments in energy efficiency and climate change abatement measures, this Budget provides additional funding of \$8.8 million comprising:

- \$5 million in 2012-13 for a new Carbon Neutral Government Fund, providing a loan facility for agencies to access to undertake carbon neutrality initiatives and support targeted action to reduce emissions by government agencies; and
- \$3.5 million over four years for the ongoing investment in environmentally sustainable measures in public schools as part of the Carbon Neutral Schools by 2017 initiative.

In addition, of the capital upgrades funding provided in this budget, around \$5 million is specifically directed towards energy efficiency improvements and resource management measures across agencies.

Using less energy will help the Government reduce its energy costs and the Territory meet its greenhouse gas reduction targets.

NEW ENERGY EFFICIENCY INITIATIVES

New Initiatives	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	Total \$'000
Carbon Neutral Government Fund	5,000	-	-	-	5,000
Carbon Neutral Schools - Stage 1	500	1,000	1,000	1,000	3,500
Energy Efficiency Scheme Administration	200	200	200	200	800



2012-13 Capital Upgrades	2012-13 \$'000
Office of the Legislative Assembly	
Window Treatment Works to Improve Energy Efficiency	29
Territory and Municipal Services Directorate	
Energy Efficient Lighting - Replacement of Street Lights with Energy Efficient Lights at Chapman, Scullin, Melba and Various Other Suburbs	1,875
Grant Cameron Community Centre - Upgrades to Improve Lighting, Energy Efficiency and Electrical Supply	300
ACT NoWaste	
- Power and Sewer Upgrades – Hume Resource Recovery Estate	345
- Water Supply Pipe Upgrade – Mugga Lane Resource Management Centre	100
Yarralumla Nursery	
- Completion of a Water Recycling System and Internal Road Upgrades	200
- Upgrade of Nursery Irrigation System	250
Health Directorate	
Calvary Hospital	
- Installation of a Primary–Secondary Loop for the Environmental Cooling System to meet the needs of a Growing Hospital and Reduce Energy Costs	200
Justice and Community Safety Directorate	
Energy Efficiency, Office Accommodation and OH&S Related Upgrades	397
Education and Training Directorate	
<i>Environmentally Sustainable Design Initiatives:</i>	1,060
- Solar Panels – Various Public Schools	
- Pulse Meters – All Public Schools	
- Solar Tubes/LED Lighting – Trial Sites	
- PC Power Management – All ACT Public Schools	
- Water Refill Station Trial – Ngunnawal Primary School, Hawker College, Namadji School, Alfred Deakin and Campbell High Schools	
- Urban Waterways Program – Dickson College, Lyneham High School and Lyneham Primary School	
Canberra Institute of Technology	
Energy Management / Educational Improvements - Installation of Cogeneration Plant Fyshwick Campus New cogeneration plant to reduce peak electrical energy demand.	300
Roof Water Collection System Upgrade – Bruce Campus	100

ADDITIONAL FUNDING FOR POLICY ACTIONS

This year's Budget continues funding for a range of actions agreed by the Government over previous years including:

- › approximately \$9.8 million per annum to increase the proportion of green energy purchased by the Government to 37.5%;
- › \$6 million to improve the energy efficiency of public housing;
- › \$22.6 million for the ACTSmart program which provides rebates and assistance to households and businesses to save energy and water, reduce waste and cut greenhouse gas emissions;
- › \$3.9 million for improving energy and water efficiency for low income and disadvantaged households;
- › \$1.4 million for the community partnerships for sustainability and the environment program which supports local environmental groups;
- › \$4 million for materials recycling at Mugga Lane Transfer Station;
- › \$1.8 million for progressing actions on climate change, including the development of the Carbon Neutral Framework;
- › \$0.6 million to implement the electricity feed-in tariff; and
- › \$0.6 million for solar schools.

Energy Efficiency (Cost of Living) Scheme

The 2012-13 Budget provides \$800,000 over four years to support the ACT Energy Efficiency (Cost of Living) Scheme which will promote energy efficiency opportunities for households and business.

The ACT's Energy Efficiency (Cost of Living) Scheme will benefit over 70,000 Canberra households to boost energy efficiency in their homes and in turn save up to \$300 off their energy bills by the year 2015. The Scheme requires electricity retailers in the Territory to undertake energy savings measures across the Territory. The Scheme will commence on 1 January 2013 and will be available to all ACT households and businesses. A 25 per cent priority household target will ensure that low-income households will benefit from energy efficiency measures.



ENCOURAGING PRIVATE INVESTMENT

The Government is providing major incentives to improve the environmental performance of used building stock and new buildings.

To support industry investment in high environmental performance projects, a remission of up to 75 per cent of the Lease Variation Charge (LVC) will be available for conversions of existing office stock to residential accommodation from 1 July 2012. Eligible projects are also able to apply for a conveyance duty waiver on the first 'financial vehicle' for the development.

The Government considers the redevelopment of Northbourne Avenue Corridor as a priority project. LVC remissions will be also available to support high quality developments that achieve improved environmental performance above the current standards. To be eligible, the developers would be required to achieve carbon savings which exceed the current minimum practice by at least 30 per cent.

Planning for Sustainability

The ACT Government is taking a broad and strategic approach to addressing climate change with a range of frameworks and planning to support actions and initiatives.

- › The development of the *Weathering the Change Action Plan II* continues, with five different pathways under consideration to reduce the Territory's emissions by 40 per cent of 1990 levels by 2020.
- › The Government is working towards its carbon neutrality objective with the development of an ACT Government Carbon Neutral Framework to include best practice in energy management for its own operations.
- › The *ACT Planning Strategy* will set the direction for future development of our city to ensure it remains an attractive liveable and sustainable place. Strategic land use planning systems have a role in both adaptation and mitigation strategies; helping the community to live responsibly by consuming fewer natural resources.
- › The *Sustainable Energy Policy* provides an integrated policy framework for managing social, economic and environment challenges faced by in the ACT in relation to energy production and use – including the facilitation of large-scale solar power generation in the ACT.
- › The *Transport for Canberra Plan* encourages a move away from the reliance on private passenger vehicles towards sustainable transport modes, supported by new strategies for public transport, active transport (walking and cycling), roads, freight, parking and fleet.
- › The *Strategic Plan for ICT 2011-15* will contribute to the achievement of environmental targets by improving the energy efficiency of the Government's ICT infrastructure and promoting the use of ICT to assist other sustainability initiatives.
- › The *ACT Waste Management Strategy 2011–2025* has a goal of carbon neutrality by 2020 with waste management and energy-from-waste contributing to greenhouse gas reduction.

A FAIRER CANBERRA

A SUPPORTIVE, CONNECTED AND DIVERSE COMMUNITY

The 2012-13 Budget invests in community services and social housing, assisting children, young people and families at risk, supporting women, people with disabilities, those from culturally diverse backgrounds, Aboriginal and Torres Strait Islanders, and older persons.

The 2012-13 Budget will deliver or achieve:

Disability and Therapy Services

- › 500 accommodation support places
- › 1,000 people accessing community support
- › 8,100 nights of respite care
- › 66,500 hours of therapy services

Early Intervention

- › 550 group sessions through the Child and Family Centre Program
- › 1,720 families accessing services
- › 504 visits to licensed education and care services

Community Services and Affairs

- › 80% satisfaction with the management of community facilities
- › 370 groups participate in the Multicultural Festival

Youth Services

- › 116 young people receive targeted intervention services

Care and Protection Services

- › 580 children and young people in the care of the Director-General
- › 70% of children exiting care experience no more than two placements in care

Housing

- › 96% of allocations for public housing will be to tenants in the priority and high needs categories
- › 91% of public housing tenants assisted to live in affordable housing and sustain their tenancy through receipt of a rental subsidy

New Expenditure Initiatives

The 2012-13 Budget includes:

\$0.5
MILLION

over three years for a Community Visitor Scheme which will provide an independent and informal service for identifying and addressing the concerns of people with disabilities;

\$1.6
MILLION

over two years for the further implementation of reforms under the National Quality Agenda for Early Childhood Education and Care;

\$1.0
MILLION

over two years to support therapy in schools for students with disabilities;

\$0.3
MILLION

for job ready training for Aboriginal and Torres Strait Islanders at risk and those studying for a Certificate in Children's Services;

\$1.4
MILLION

over three years for the implementation of the Equal Remuneration Case outcomes and related community sector reforms;

\$0.7
MILLION

over four years to expand the No Interest Loan Scheme, which assists people experiencing financial hardship;

\$0.6
MILLION

over four years to support the ACT Ombudsman and to implement the Integrity Package to improve the external accountability of government services; and

\$0.2
MILLION

over three years to support Vietnam Veterans and the Veterans Federation ACT Inc.



NEW INFRASTRUCTURE FOR A SUPPORTIVE, CONNECTED AND DIVERSE COMMUNITY

The 2012-13 Budget invests in early learning and care centres, community facilities and hubs, homes for people with disabilities and public housing.

New Capital Initiatives

- \$2.5 million to upgrade community facilities and childcare centres.
- \$0.6 million for design work on a community hub at Woden/Weston Creek.
- \$1.2 million for Stage 2 of the Flynn Regional Community Hub.
- \$0.7 million for design options for a new Canberra Seniors Club.
- \$2.9 million for purpose built, dual occupancy properties allowing people with complex disabilities to access appropriate care and accommodation support and maintain their independence.
- \$5.0 million to increase social housing dwellings across the city.
- \$1.5 million to improve the safety and security of older Canberrans living in public housing.

Supporting Children and Young People at Risk

The Government continues to invest in improving the care and protection of children and young people and address the needs of those at risk of entering the justice system or in Bimberi Youth Justice Centre.

- The care and protection needs of an increasing number of children and young people in out of home care, including those in residential, kinship and foster care are addressed – \$15.4 million.
- Additional frontline care and protection staff will be employed and retained to better support children and young people at risk of child abuse and neglect – \$5.3 million.
- Care and Protection services are being strengthened through professional and system development and practice improvements to better support children and young people in the Territory's care – \$0.6 million.
- Additional staffing is provided to support youth justice services, including at the Bimberi Youth Justice Centre, and for specialist, therapeutic services for young people who are at risk of entering the justice system and those who have already entered – \$5.5 million.

A FAIRER CANBERRA

A SAFE, JUST AND PEACEFUL COMMUNITY

The 2012-13 Budget invests in maintaining a fair, safe and peaceful community which respects peoples rights and interests. Initiatives funded in this Budget make our streets and neighbourhoods safer and more inclusive, our courts more accessible, expands emergency services, and supports police.

The 2012-13 Budget will deliver or achieve:

Accessible Justice System

- › 15.9% reduction in the backlog of civil cases in the Magistrates Court
- › 38% reduction in the backlog of civil cases in the Supreme Court

Safe Community

- › 92.6% of people feel 'safe' or 'very safe' at home
- › 60.9% of people feel 'safe' or 'very safe' in public places

Emergency Services

- › No lives lost in fires
- › 100% of bushfires kept below five hectares of damage, within bushfire abatement zones and built up areas
- › 100% of storm damage incidents responded to within ESA time standards

Effective Regulation and Enforcement

- › 80% of workplaces comply with workers' compensation policy
- › 95% of the Registrar General's data is accurate
- › 100% of new government laws are compatible with human rights legislation at the time of introduction

New Expenditure Initiatives

The 2012-13 Budget includes:

\$9.5
MILLION

over four years for additional ACT Ambulance Service frontline staff and two ambulance vehicles to enhance responsiveness;

\$3.7
MILLION

to maintain the quality and effectiveness of the services provided by Emergency Services Agency;

\$2.9
MILLION

to support the operational capacity of Corrective Services;

\$2.6
MILLION

over four years to implement election campaign reforms, including new online reporting and agency support;

\$2.2
MILLION

over two years to improve the Road Transport Authority information technology systems;

\$1.1
MILLION

over two years to extend the throughcare model to support offenders returning to the community and to assist them not to reoffend; and

\$0.5
MILLION

over four years to enhance regulation of R18+ video games in the Territory.



NEW INFRASTRUCTURE FOR A FAIR, SAFE, JUST AND PEACEFUL COMMUNITY

The 2012-13 Budget invests in justice and community safety infrastructure including emergency services, corrections and ACT Policing facilities.

New Capital Initiatives

- › \$24.6 million for a new fire station at Charnwood, due diligence and concept design for additional future sites and Emergency Services' facilities upgrades.
- › \$3.8 million over four years to replace cardiac monitoring and defibrillator equipment across the ACT Ambulance Service.
- › \$0.8 million over 4 years to upgrade the Emergency Service Agency's phone systems and communications infrastructure that support the 000 response capability.
- › \$0.4 million to upgrade ACT Police stations and the Winchester Centre.
- › \$0.6 million for the Crisis Support Unit at the Alexander Maconochie Centre (AMC) to provide a safer environment for detainees and staff.

Safe Community – Effective Justice

An effective justice system underpins the safety of the community. The Government is improving the operation and timeliness of the ACT Law Courts.

- › The Supreme Court will run a second stage of a blitz on case backlog and implement a docket system to achieve ongoing improvements – \$0.5 million.
- › A new courts and tribunal case management system developed to improve the efficient operation of the courts – \$9.5 million over 4 years.
- › The Street Law Outreach Program, providing legal services to Canberra's homeless, is being continued – \$0.9 million over three years.
- › The future relocation of the Women's Legal Centre is supported, which will also allow the expansion of the other Community Legal Centres at Havelock House – \$0.7 million over three years.
- › The Government is also ensuring fair and consistent outcomes from our justice system.
- › Additional funding is provided to the Legal Aid Commission for expensive criminal cases – \$0.2 million.
- › An ACT sentencing database is being developed to assist the judiciary and to improve transparency and consistency in sentencing – \$2.2 million over four years.
- › Older Corrective Service facilities and planned Alexander Maconochie Centre upgrades are being implemented, as well as an electronic document system for the Sentence Administration Board - \$0.3 million.

STRONG DIVERSE ECONOMY

The 2012-13 Budget strengthens our economy and builds on Canberra's comparative advantages in government services, education, research and development, and tourism. The Budget includes measures to support technology based industries, business development, affordable housing and marketing the city.

The 2012-13 Budget will deliver or achieve:

Economic Development Policy

- › Implementation of the Affordable Housing Action Plan – including Phase III
- › An update to the ACT Government Infrastructure Plan and two Construction Snapshots

Business Development

- › Implementation of the Business Development Strategy
- › 720 employer sponsored migrants certified
- › 20 Innovation Connect successful grant applications
- › 550 Canberra BusinessPoint one to many advisory services

Land Release

- › 19,500 residential land releases over four years including 5,000 in 2012-13
- › 20% of residential dwellings in greenfield estates are affordable releases
- › 400,000 square metres of commercial land released over four years

Tourism

- › Increased awareness of the Capital Region as a tourist destination
- › 800,000 visits to the 'visitcanberra' website

Venues and Events

- › 23 major events at Canberra Stadium, 4 at Manuka Oval and 6 at Stromlo Forest Park

New Expenditure Initiatives

The 2012-13 Budget includes:

\$10
MILLION

grant and \$2 million in payroll tax waivers over next four years to National ICT Australia for information and communications technology research and the commercialisation of business products;

\$2.6
MILLION

over two years for developing a city brand to market Canberra nationally and internationally in a consistent and creative way;

\$0.1
MILLION

over two years to the Canberra Convention Bureau for marketing activities, including the G20 and attracting sporting tournaments and events;

\$0.6
MILLION

over two years to implement the Affordable Housing Action Plan Phase III to continue the Government's commitment to delivering more affordable housing to Canberrans;

\$0.2
MILLION

to assist small licensed clubs, with the planning costs associated with the potential redevelopment of their sites; and

\$0.3
MILLION

over two years for the Medicare Change of Address campaign which encourages people who have moved from interstate to change their Medicare address to the ACT.



NEW INFRASTRUCTURE FOR A STRONG ECONOMY

The 2012-13 Budget invests in infrastructure to support jobs and the economy.

New Capital Initiatives

- › \$0.5 million for design of stormwater infrastructure to enable land release.
- › \$75.6 million for further infrastructure in Molonglo, including the John Gorton Drive extension and, the first stage of the Riverside Park, the Uriarra Road upgrade, trunk sewer and stormwater, a pedestrian bridge, and paths.
- › \$11.5 million for extending Horse Park Drive from Burrumarra Avenue to Mirrabai Drive to improve traffic flows and provide access to Moncreiff and the future suburb of Taylor.
- › \$10.5 million for the construction of three signalised intersections in North Weston to support expected traffic associated with new development in Molonglo and North Weston.
- › \$1.0 million for design of the Cotter Road Duplication Stage 2 - Yarralumla Creek Bridge to Tuggeranong Parkway.
- › \$1.5 million for the design of the duplication of Gundaroo Drive between Mirrabai Drive and the Barton Highway to provide safer and more efficient traffic movement for local residents.
- › \$1.0 million for the design to duplicate William Slim Drive between the Barton Highway and Ginninderra Drive. This duplication will improve traffic flows and road safety and decrease travel time for motorists.

Supporting Business

The ACT Government will continue to be responsive to new economic challenges and support business. The Government remains focused on sound business policy and prudent fiscal management to drive business opportunities, growth and jobs. Taxation reforms will make the ACT a better place in which to conduct business.

- › *Growth, Diversification and Jobs - A Business Development Strategy for the ACT*, which supports small to medium enterprises and seeks to broaden the role of the private sector in the Territory economy, is being implemented. The Strategy focuses on creating an environment that supports business, innovation, investment and employment growth - \$5 million.
- › The payroll tax threshold will increase from \$1.5 million to \$1.75 million from July 2012. The current rate of 6.85 per cent is being maintained. This will ensure that the ACT has one of the most competitive payroll tax rates in the country.
- › The commercial component of land tax is being abolished and transferred to commercial rates. These changes will reduce administration costs for business.

A MORE LIVEABLE CITY

The 2012-13 Budget invests in municipal services that make Canberra a more liveable and sustainable city. New roads, neighbourhood amenities, parklands, playgrounds and pavements are funded to support the city's growing urban footprint. Further improvements are made to public transport, waste collection and recycling. The Government is meeting the challenges of climate change and continuing to progress energy reforms, and investing in protecting local biodiversity.

The 2012-13 Budget will deliver or achieve:

Municipal Services

- › 0.88 tonnes of waste to landfill per head of population
- › 75% of material recovered from the total waste stream
- › 90% customer satisfaction with the management of town and district parks
- › 90% satisfaction with library services

Road Services

- › 5% of Territorial roads resurfaced
- › Over 86% of Territorial roads in good condition
- › Over 70% of customers satisfied with the public road network

ACTION

- › 85% customer satisfaction with ACTION services
- › 85% of services operating on scheduled time

Sustainable Planning

- › An average of 40 days processing time for development applications
- › 8,000 greenfield residential sites ready for Estate Development Plan preparation equivalent to five years demand
- › 80% customer satisfaction with regulation and services

Environment Protection and Water

- › 100% of Environment Protection Authorisations are administered according to statutory timeframes

New Expenditure Initiatives

The 2012-13 Budget includes:

\$7.7
MILLION

over four years for municipal assets in new suburbs including parks and reserves, roads and stormwater facilities and lighting;

\$25
MILLION

over four years for improved bus services, including MyWay, Nightrider, real time passenger information, and driver injury prevention and management;

\$0.7
MILLION

over three years for kerbside waste and recycling collection in new suburbs and continuation of the city centre recycling contract;

\$2.3
MILLION

over four years to improve the responsiveness of the Canberra Connect Call Centre;

\$1.4
MILLION

to support the street lighting network;

\$1.3
MILLION

over two years to clear our waterways, manage our pest vertebrates, and deliver on biodiversity offset commitments;

\$0.9
MILLION

over four years for a second ambient air quality monitoring station;

\$0.3
MILLION

over four years to support the threatened Corroboree Frog Captive Breeding Program and research and monitoring of the Kangaroo population; and

\$0.2
MILLION

to increase support for the RSPCA.



NEW INFRASTRUCTURE FOR A LIVEABLE CITY

The 2012-13 Budget invests in infrastructure that improves the city's function and amenity.

New Capital Initiatives

- › \$58.2 million for new buses, upgrades to bus stops including a new station at Barton, continuing work on the Belconnen to City Transitway, design of a terminus at Erindale and West Belconnen and additional MyWay recharge agent facilities.
- › \$21.0 million for improvements to waste and recycling collections, extension of Mugga Lane Land Fill, investigating the suitability of the Mugga Quarry 2 site as a clean fill disposal facility and the rehabilitation of the disused waste disposal site at Red Hill Nature Reserve.
- › \$15.0 million in additional funding for the North Weston Ponds, a feature in the landscape setting of Molonglo and Weston Creek.
- › \$7.3 million for walking, cycling, footpath and pavement infrastructure.
- › \$4.7 million to upgrade playgrounds, parks and facilities in neighbourhoods and town centres, establishment of an Inner North off-leash dog park and upgrades to the Belconnen Dog Park.
- › \$1.9 million for the water demand management program and stormwater augmentation at Fyshwick and Duffy.
- › \$2.0 million to increase floor space and improve functionality of the Tuggeranong Arts Centre.
- › \$0.3 million for feasibility and design for the construction of Stage 2 of the Belconnen Arts Centre.
- › \$3.1 million over three years to upgrade the Canberra Theatre.
- › \$0.8 million for revitalising the amenity of Civic and Braddon.
- › \$0.6 million for refurbishing conference facilities at the Exhibition Park in Canberra, allowing for the hosting of more events.

A Sustainable City

The Government has set an ambitious target of being carbon neutral by 2060. It recognises that this milestone can only be achieved in partnership with business, the community and the Commonwealth Government.

- › Targeted actions are being taken by government agencies to help the Territory decrease greenhouse gas emissions – \$5.0 million.
- › The Government is continuing to progress energy reforms by implementing a National Energy Customer Framework which creates a single, efficient electricity and gas market to deliver long term customer benefits. Further support is also provided to the Australian Energy Market Commission and the Standing Council on Energy and Resources – \$0.7 million.
- › The ACT Energy Efficiency (Cost of Living) Scheme, which requires electricity retailers to undertake energy saving measures across the Territory, is being implemented – \$0.8 million.
- › Energy efficiencies continue to be made to public housing properties – \$2.0 million.
- › Stage One of the Carbon Neutral Schools initiative is being implemented – \$3.5 million.

EDUCATED AND SKILLED COMMUNITY

The 2012-13 Budget invests in students, teachers, schools and learning and training programs to sustain leading education and vocational outcomes. The Government continues to focus on improving students' learning experiences and results, particularly for those who do not achieve as well as expected.

The 2012-13 Budget will deliver or achieve:

Education and Training

- › Literacy and numeracy results among the best in the nation
- › 95% of young people attain Year 12 Certificate or equivalent

The School Environment

- › 93% school attendance in public schools
- › 88% overall parents' and carers' satisfaction with the education provided in public schools
- › 82.5% overall student satisfaction with education at their public school

Secondary Schools

- › 85% of Year 10 students proceed to secondary college
- › 50% of Year 12 students receive a Tertiary Entrance Statement
- › 89% of Year 12 students receive a Year 12 Certificate

Student Pathways and Transitions

- › 92.8% of Year 12 public school graduates employed or studying six months after completing Year 12

Students with Disabilities

- › 100% of students with disabilities have Individual Learning Plans

Vocational Education and Training

- › 1.8 million total hours of training programs
- › 6,800 training commencements
- › 434 enrolments of existing workers in training

New Expenditure Initiatives

The 2012-13 Budget includes:

\$5.9
MILLION

over four years to support the operation of the newly built Franklin Early Childhood School;

\$5.9
MILLION

over four years to support the operation of the new Bonner Primary School for preschool to year 6 students in 2013;

\$1.5
MILLION

to maintain transport services for students with disabilities in public schools;

\$0.4
MILLION

over four years to support the increased number of students completing the ACT Scaling Test which measures individual aptitude for tertiary study and is integral to determining university entrance scores;

\$0.5
MILLION

to coordinate and deliver further maintenance and repair work in government schools; and

\$0.1
MILLION

over four years to support implementation of the Excellence and Enterprise Framework including the continued development of a Virtual Learning Academy.

\$1.9
MILLION

over four years for the Teacher Quality Institute to develop a business system associated with regulation and support of the teaching profession.



NEW INFRASTRUCTURE FOR SCHOOLS

The 2012-13 Budget invests in new schools and quality learning environments, upgrades existing facilities and implements measures that will help make schools carbon neutral.

New Capital Initiatives

- › \$2.8 million to accommodate additional enrolments at Duffy Primary and Preschool.
- › \$12.9 million to remove asbestos, rectify and upgrade Taylor Primary School.
- › \$1.0 million for information technology infrastructure at the Teacher Quality Institute, which manages the certification of teachers.
- › \$3.5 million over two years for Stage One of the Carbon Neutral Schools initiative.

Skills Reform

The ACT Government continues to invest in improvements to the quality, accessibility, transparency, efficiency and equity of vocational education and training, helping more Canberrans to improve their skills. Increasing the capacity of training providers, the quality of skills programs and information available to consumers and facilitating more interconnected school, training and tertiary sectors are priorities.

- › Under the National Partnership on Skills Reform, \$28 million over five years is allocated for training initiatives that meet the needs of industry and students.
- › A Training Entitlement is introduced which guarantees people who do not have a Certificate III access to a government subsidised place.
- › Increased training activity is supported with an additional 4,007 qualification completions being delivered over the next five years.
- › Students at risk of not achieving a Year 12 Certificate and those with disabilities enrolled at the CIT receive further support – \$3.2 million.

HEALTHIER AND MORE ACTIVE COMMUNITY

The 2012-13 Budget invests in maintaining the high standard of health care currently enjoyed by Canberrans, meeting the growth in demand for acute care, critical services, cancer treatment, mental health, chronic disease management and community health services. Funding is also provided to support healthy lifestyles and sport and recreation initiatives.

The 2012-13 Budget will deliver or achieve:

Hospital Services

- › Over 100,000 inpatient services at the Canberra Hospital and the Calvary Public Hospital
- › Over 97% of most urgent patients receive surgery within 30 days of being placed on the Elective Surgery Waiting List

Mental Health Services Delivered in Hospitals, Community Health Centres and Community Settings

- › 185,000 mental health services delivered to adults
- › 52,000 mental health services delivered to children and young people

Public Health

- › 7,600 samples of materials that may pose a risk to the public's health analysed

Cancer Services

- › 55,637 occasions of service provided for people with cancer in outpatient settings
- › 100 per cent of women receive results of breast screen within 28 days

Aged and Community Care and Rehabilitation Services

- › 102,000 occasions of service for clients in community settings in clinics and homes

Early Intervention and Prevention

- › 92% of one year olds immunised

Sport and Recreation

- › 77.1 % of adults participate in sport and physical recreation
- › 71.3% of children participate in organised sport
- › 92% of clients satisfied with the management of sports grounds

New Expenditure Initiatives

The 2012-13 Budget includes:

\$7.8
MILLION

in growth funding for health services;

\$4.2
MILLION

over four years to expand outreach services for patients with cancer;

\$4.2
MILLION

over four years to further address chronic disease management;

\$6.6
MILLION

over four years for the Gungahlin Health Centre to provide counselling, screening, treatment, therapy, community support and health education programs;

\$4.2
MILLION

over four years to develop post traumatic stress prevention programs and expand mental health services for migrants and refugees and community mental health services;

\$1.8
MILLION

to address increased costs associated with the supply of blood and blood products;

\$0.3
MILLION

over three years for the Healthy Weight Action Plan which supports activities to reduce obesity;

\$0.2
MILLION

over three years for enhanced consultancy and volunteer services provided by A Gender Agenda;

\$0.5
MILLION

over three years for the Heart Foundation to promote and build upon active living principles;

\$1.5
MILLION

over three years for the Canberra Capitals basketball team and Centenary of Canberra cricket matches; and

\$0.4
MILLION

over four years to increase participation and volunteering in sport and reduce discrimination.



NEW INFRASTRUCTURE FOR A HEALTHIER AND MORE ACTIVE COMMUNITY

The 2012-13 Budget invests in new health and sport and recreation infrastructure to meet growing demand and the need to maintain facilities to a high standard.

New Capital Initiatives

- › \$19.3 million for the project management of the Health Infrastructure Program.
- › \$2.0 million to undertake further forward design for the New Adult Secure Mental Health Unit.
- › \$3.5 million to provide additional backup power services at the Belconnen and Tuggeranong Community Health Services.
- › \$2.9 million for the purchase of a new Computerised Tomography unit and support services.
- › \$5.3 million for the replacement of major building plant and equipment.
- › \$14.9 million for sporting venues including for Manuka Oval lighting upgrade, construction of the grandstand at the Gungahlin enclosed oval and asbestos removal at the Lyneham Sporting Precinct.
- › \$4.0 million to restore sports grounds at Bonython, Weetangera and Watson.
- › \$1.0 million for improving the quality of ACT sportsgrounds to reduce irrigation requirements and expand the use of drought tolerant grass species.
- › \$1.2 million for infrastructure improvements at sportsgrounds including pavilions, canteens, toilet blocks, lighting systems and turf.

State Of The Art Hospitals

The Government has made record investments in hospitals and other health services, building world class facilities for a sustainable, responsive and modern health system. Our health system can now respond better to growing demand and deliver new models of care.

- › To meet demand for hospital services, 13 additional acute beds, 10 Hospital in the Home beds and 8 beds at the Medi-hotel at the Canberra Hospital are funded, along with 7 acute beds and 5 Hospital in the Home beds at the Calvary Public Hospital – \$31.6 million.
- › To increase critical care capacity, two paediatric, high dependency beds and two additional intensive care unit beds are provided at the Canberra Hospital – \$10.5 million.
- › Surgical services are expanded at the Canberra Hospital to include an additional 300 endoscopy procedures, an elective surgery liaison nurse and a neuro interventional coiling service. Three inpatient beds at Calvary Hospital are also provided – \$12.6 million.
- › The Canberra Hospital Emergency Department is expanded, with 6 new Emergency Department cubicles, four cardiac assessment beds and four new nurse led treatment spaces – \$12.6 million.
- › Neonatal intensive care services at the Women and Children's Hospital are expanded – \$12.1 million.
- › The implementation of the comprehensive Health Infrastructure Program continues with the relocation of services to enable health care programs to continue operation – \$22.3 million.

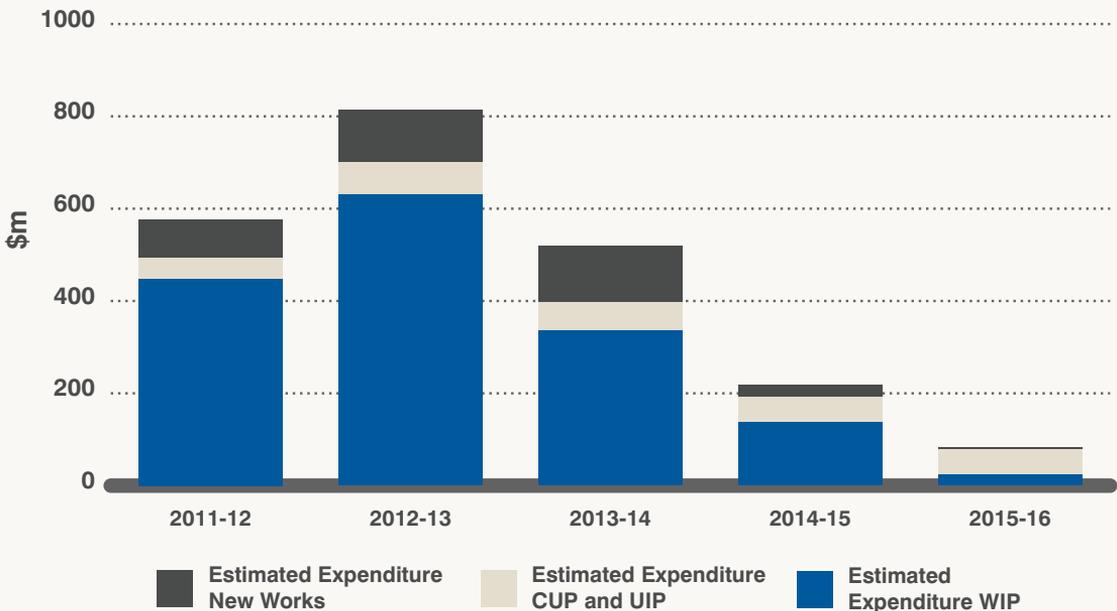
INVESTING IN INFRASTRUCTURE

The 2012-13 Infrastructure Investment Program supports economic activity and jobs. It responds to the needs of a growing city and provides the necessary infrastructure required to support the increasing level of essential services delivered to the community. The total infrastructure program over four years is \$1.7 billion.

Key areas of investment include:

- › \$119 million for projects to facilitate the continued land release in Gungahlin and Molonglo.
- › \$96 million for the new Urban Improvement Program across the Budget and Forward Estimates (\$22 million in 2012-13) to improve recreational facilities, upgrade parks and shopping centres, including investments in roads, paths and cycling infrastructure.
- › \$63.7 million is provided for Transport for Canberra. This will modernise our bus fleet, improve accessibility at bus stops, improve walking and cycling infrastructure.
- › \$55.3 million of new health initiatives. Enhancing health infrastructure to meet the growing demands placed on the ACT Health system.
- › \$36.3 million has been provided to progress the construction of a new joint fire and ambulance station at Charnwood, improve Courts and Tribunal ICT Case Management Systems and other upgrades to Emergency Services, Policing and Corrective Services infrastructure assets.
- › The corridor between Gungahlin and the City presents not only an opportunity for rapid transit options but also for compatible redevelopment along much of its length down Northbourne Avenue. The renewal of the corridor is the Government's major redevelopment focus and will drive significant investment and deliver enormous economic, social and environmental benefits. The redevelopment will be overseen by the new Gungahlin to City Project Office.

NEW CAPITAL WORKS





CAPITAL INFRASTRUCTURE INVESTMENT AT A GLANCE

The Budget makes a total cash allocation of almost \$1.7 billion over the next four years.

Summary of 2012-13 Infrastructure Program ¹					
	2012-13 \$'m	2013-14 \$'m	2014-15 \$'m	2015-16 \$'m	Total Value \$'m
Capital Works					
Feasibility Studies	3.9	1.6	0	0	5.5
Forward Design	6.9	1.9	0	0	8.9
Construction Projects	103.4	118.9	26.2	4.7	253.1
Urban Improvement Program	22	12.1	4.1	2.5	40.7
Capital Upgrades	48	0	0	0	48
Plant and Equipment ²	18.3	12.4	10.1	10.1	50.8
Information and Communication Technology	9.8	7.6	5.2	0	22.5
Sub-Total – 2012-13 New Works Program	212.3	154.4	45.5	17.3	429.5
Works in Progress	714.9	364	157	29.4	1,265.1
TOTAL 2012-13 BUDGETED WORKS	927.1	518.4	202.4	46.7	1,694.6

Notes:

1: Table may not add due to rounding.

2: An additional \$10.079 million allocated for ACTION Bus Replacement Program in 2016-17.

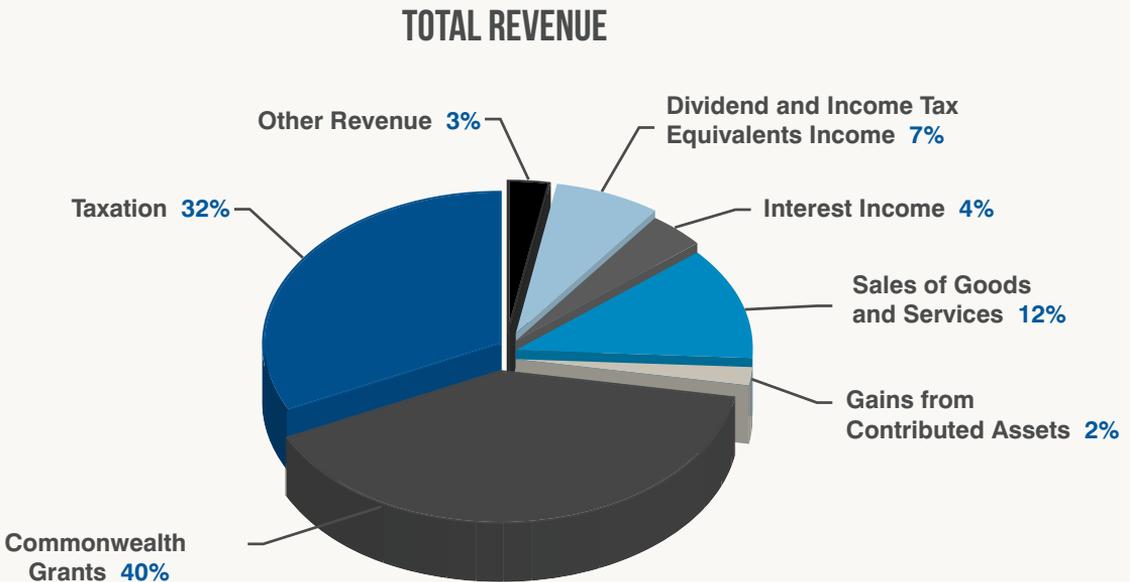
WHERE OUR MONEY COMES FROM

TOTAL GGS REVENUE (\$3,951.7 million): 2012-13

- Aggregate revenues for the General Government Sector are flat, mainly due to the softening of commercial activities relation to land development supply, and decreases in returns from the financial market.
- The majority of General Government Sector (GGS) revenue in 2012-13 is from grants from the Commonwealth Government (40 per cent) and own source taxation revenue (32 per cent).
- Taxation revenue in 2012-13 will increase by 4.9 per cent to \$1.278 billion, reflecting annual indexation (at the Wage Price or Consumer Price Index) and the growth in the base, i.e., dwellings for general rates and wages for payroll tax.
- Commonwealth Government grant revenue will decrease by 0.8 per cent, due to the bringing forward of payments from 2012-13 into 2011-12.

There are no new taxes in this budget. However, following the release of the ACT Taxation Review, major structural reform is commenced to building a fairer, simpler and more efficient taxation system in the long term.

These reforms are designed to have no impact on overall revenue. However, they will reduce the share of inefficient taxes and progressively increase the share of efficient taxes as a proportion of own-source revenue.





WHAT YOUR MONEY DELIVERS

TOTAL GGS EXPENSES: (\$4,347.4 million): 2012-13

Approximately 47 per cent of the 2012-13 expenditure relates to employee wages and superannuation.

Functionally, 51 per cent of total expenditure relates to the health and education portfolios (including vocational education).

Area of Expenditure	2012-13 \$ million
Health and Community Care	1,237.0
Government Schooling (including Early Childhood and Preschool Education)	619.0
Territory and Municipal Services	433.0
Disability and Community Services	273.2
Non Government Schooling	215.6
Justice and Community Safety	198.3
Housing	156.0
Policing	148.2
Vocational Education and Training	144.8
Environment, Sustainability and Land Management	137.8
Public Transport	123.3
Emergency Services	115.9
Treasury	81.0
Planning and Regulation	67.8
Sport and Recreation	41.1
Tourism, Venues and Events	39.5
Chief Minister's and Cabinet	38.3
Arts, Culture and Heritage	27.3
Land and Property Services	19.6
Legislative Assembly	15.6
Business and Industry Development	12.1
Executive	6.9
Auditor-General	6.5

Note: This table does not include the expenditure related to the nominal interest cost of the Defined Benefit Superannuation Schemes.

SUPPORTING LAND RELEASE

The 2012-13 Budget includes four-year indicative programs for residential, commercial, industrial and community and non-urban land release. These programs support the Government's economic and social strategy, the needs of a growing population, changing households and an expanding economy.

Highlights of the indicative 2012-13 Land Release Programs are:

- 5,000 residential dwelling sites to be released;
- Over 100,000 square metres of commercial land to be released;
- Over 100,000 square metres of industrial land to be released;
- Over 85,000 square metres of community and non-urban land to be released;
- The Land Development Agency is budgeting for significant infrastructure works in 2012-13 valued at \$81.1 million; and
- An additional \$119 million over the next four years for a range of planning and infrastructure studies and new works.

Projects supporting developments across the Territory include:

- Uriarra Road Upgrade (\$17 million);
- Molonglo 2 – Sewer and Pedestrian Bridge over Molonglo River (\$12.4 million); and
- Horse Park Drive Extension from Burrumarra Avenue to Mirrabai Drive (\$11.5 million).

Land Development with a Commitment to Supporting the Economy, Supporting Jobs

The Government's commitment to supporting the economy and supporting jobs within the Territory has been demonstrated by the new infrastructure and associated works funded in the 2012-13 Budget which facilitates the land release program (\$119 million over four years). This is in addition to infrastructure work (\$81.1 million) being undertaken by the Land Development Agency in 2012-13.

This commitment builds on the significant capital works in progress investment already underway by the Government. The \$115.5 million that was provided in previous budgets for land release over the next two years will provide support for the local economy, and allow industry to maintain capacity and provide job certainty for the local workforce.

Residential	Commercial	Community and Non Urban
Watson	Dickson	Ngunnawal
Dickson	Campbell	Lyneham
Campbell	City	Yarralumla
Woden East	Phillip	Macarthur
Greenway	Banks	Oxley
Lawson	Belconnen	
Belconnen	Macquarie	
Kingston Foreshore	Gungahlin	
Coombs	Franklin	
Molonglo 3		
Flemington Road		
Crace		



Indicative Residential Land Release Program

Location	2012-13	2013-14	2014-15	2015-16
Number of Dwelling Sites				
Gungahlin	497	1,670	1,350	1,400
Belconnen	1,850	290	500	450
Central Canberra	853	548	560	1,050
Molonglo	950	1,325	1,540	500
Woden and Weston	300	750	500	600
Tuggeranong	200	210	200	100
Other	350	207	350	400
Total	5,000	5,000	5,000	4,500

Indicative Community and Non-Urban Land Release Program (site area)

Location	2012-13 m ²	2013-14 m ²	2014-15 m ²	2015-16 m ²
Gungahlin	63,115	13,953	16,750	5,554
Belconnen	0	0	0	5,000
Central Canberra	16,180	0	0	14,522
Molonglo	0	0	3,500	0
Woden and Weston	0	0	14,938	0
Tuggeranong	7,744	41,897	5,000	5,000
Total	87,039	55,850	40,188	30,076

Indicative Commercial Land Release Program (site area)

Location	2012-13 m ²	2013-14 m ²	2014-15 m ²	2015-16 m ²
Gungahlin	23,775	5,000	10,000	0
Belconnen	25,412	12,375	11,131	16,910
Central Canberra	35,849	43,522	16,724	56,400
Molonglo	0	8,150	0	0
Woden and Weston	2,500	22,937	30,000	17,859
Tuggeranong	12,500	9,000	32,600	10,450
Total	100,036	100,984	100,455	101,619

Indicative Industrial Land Release (site area)

Location	2012-13 m ²	2013-14 m ²	2014-15 m ²	2015-16 m ²
Fyshwick	0	0	30,000	38,000
Hume	102,110	91,099	60,371	36,420
Symonston	0	12,000	10,000	20,000
Total	102,110	103,099	100,371	94,420