



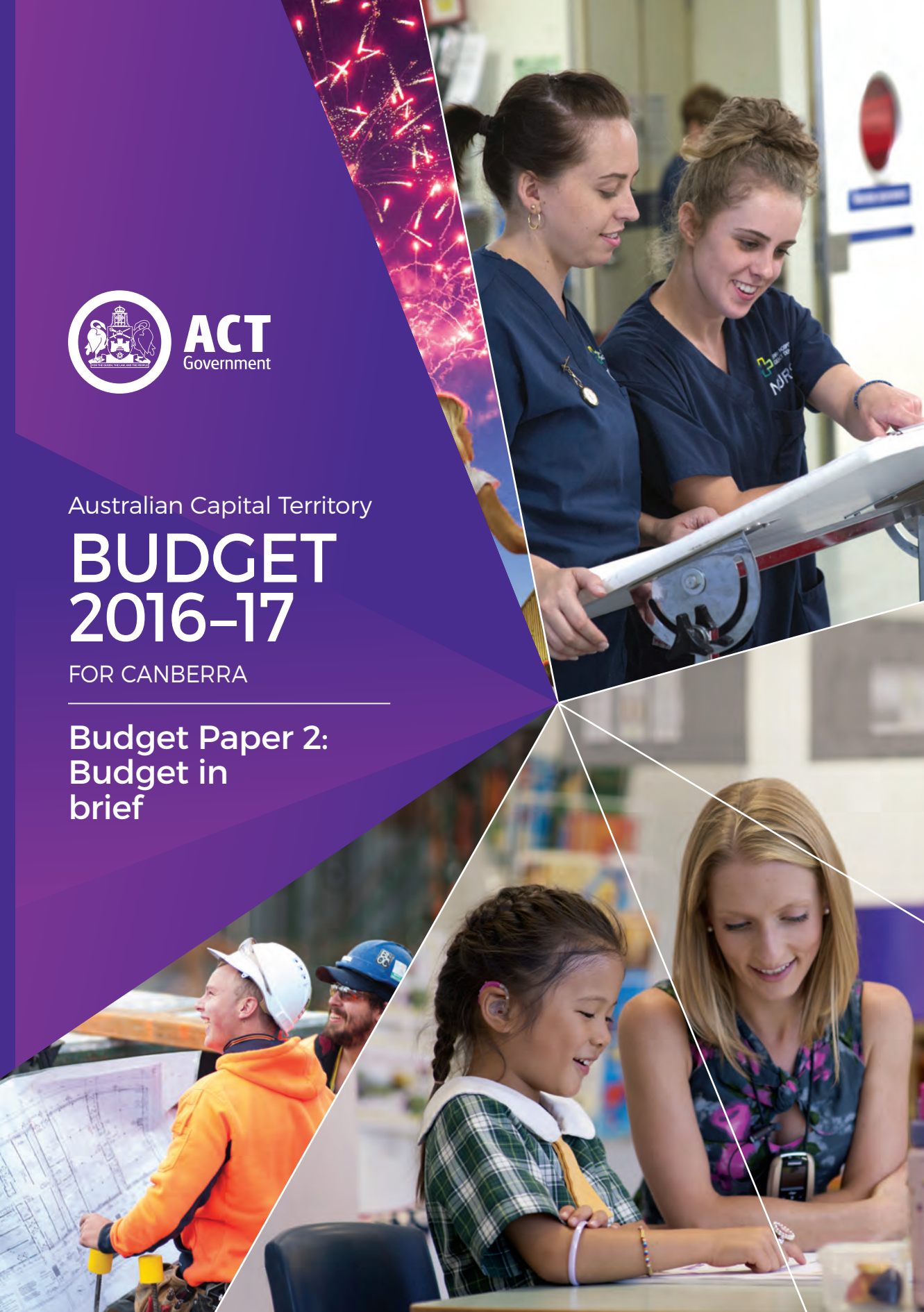
**ACT**  
Government

Australian Capital Territory

# BUDGET 2016-17

FOR CANBERRA

**Budget Paper 2:  
Budget in  
brief**









Australian Capital Territory

# BUDGET 2016-17

FOR CANBERRA

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**Budget Paper 2:  
Budget in  
Brief**

# STRUCTURE AND CONTENT OF THE 2016-17 BUDGET PAPERS

The 2016-17 Budget is presented in three papers and a series of agency Budget Statements.

## Budget Paper 1: Budget Speech

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

## Budget Paper 2: Budget in Brief

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

## Budget Paper 3: Budget Outlook

Budget Paper 3 summarises the 2016-17 Budget and forward estimates for the general government sector, the public trading enterprise sector and the total Territory Government. Details of the projected 2016-17 Budget results are provided, as well as background information on the development of the 2016-17 Budget, including economic conditions and federal financial relations. It also provides an overview of the Territory's infrastructure investment program and details of the 2016-17 expense, infrastructure and capital, and revenue initiatives. Full accrual financial statements and notes are provided for all sectors.

## Budget Statements

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

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# TREASURER'S MESSAGE

## 2016-17 ACT Budget – For Canberra

The 2016-17 ACT Budget is a budget for an even better Canberra.

Canberra is a great place to live, work, study and raise a family. We are the world's most liveable city. We have world-class health and education systems, a thriving and dynamic business sector, and we care for those in need.

This budget – like those before it – delivers more services today and in coming years, and builds on our plan to secure a better future for Canberra.

It does this by balancing the books. This is thanks to careful spending and sensible policies to support our economy. When our largest employer, the Commonwealth Government, cut jobs, we used the ACT budget to stimulate the economy. Our economy has weathered the storm. Now exports are up to all time highs and unemployment is down – the lowest rate in Australia.

This strong economy means revenues are also up, which has put us on a clear and credible budget path. We've put the budget in a \$300 million better position.

This budget builds on everything that is great about Canberra – all the advantages our city has – to create an even stronger, more prosperous, fairer and more liveable city.

That's why this budget continues to put the health and jobs of Canberrans first.

That's why this budget funds more nurses, more doctors and more teachers, more municipal services, more roads and road upgrades, more public transport and more support for vulnerable Canberrans. That's why this budget includes an unprecedented investment in safer families, with the biggest family violence package in the Territory's history.

While delivering these services today, we are creating an even better future.

We are returning to a balanced budget not by slashing jobs and services – but by creating confidence in our economy and supporting growth.

We are listening to Canberrans and delivering the services they want to make their life better and easier, whether it's improved schools, better transport, a green bin for your garden waste or more jobs.

We are continuing to focus on our business sector – helping local firms to grow, innovate and create jobs, encouraging investment in our economy, and diversifying our economy by playing to our strengths in education and research.

We are continuing to make taxes fairer, simpler and more efficient. We've slashed stamp duty, we've cut payroll tax again and we've abolished insurance tax altogether.

We are creating a smart, digital city. Canberra is a city where smart people want to live, where doing business is easy, government transactions are simple and red tape is minimal.

By funding the services and infrastructure Canberrans deserve and expect, by continuing to lay the foundations for the long-term growth of our economy, and by ensuring we have a happy and healthy community – we are delivering for Canberrans today and securing a better future for our city.

**Andrew Barr MLA**

Chief Minister and Treasurer, June 2016

# OUR VISION FOR CANBERRA: FOR AN EVEN BETTER FUTURE

Canberra is the world's most liveable city. We have a well deserved reputation for openness, inclusiveness and tolerance. Canberra is a sought after destination for investment and for people to make their home.

As we look to the future, we must build on our strengths while retaining what makes us such a unique city. At the core of our vision is an inclusive and welcoming society, open to diverse talents and determined to help everyone reach their full potential.

Canberra is open to change, to talent, to business, to diversity and to innovation.

In building a modern, connected Canberra, it is imperative that no one is left behind. To be a progressive city for all, we must be shaped by all. We need to have opportunities for everyone, no matter where they live and where they have come from.

The ACT Government has an integrated program of renewal and growth already underway and a direction mapped out: with the support of our community, businesses and universities, we will build further on what Canberra already offers as a city of choice, of talent and of ambition, open to all.

Together, we are building a confident community and a strong economy, prepared for the opportunities and challenges the future will bring.





# WHERE OUR MONEY GOES

## 53%

HEALTH & EDUCATION 

\$2.8 billion



## 16%

SUBURBAN RENEWAL & BETTER TRANSPORT 

\$817 million



## 20%

ENHANCING LIVEABILITY & SOCIAL INCLUSION 

\$1 billion



## 11%

ECONOMIC GROWTH & DIVERSIFICATION 

\$549 million



# WHERE OUR MONEY GOES

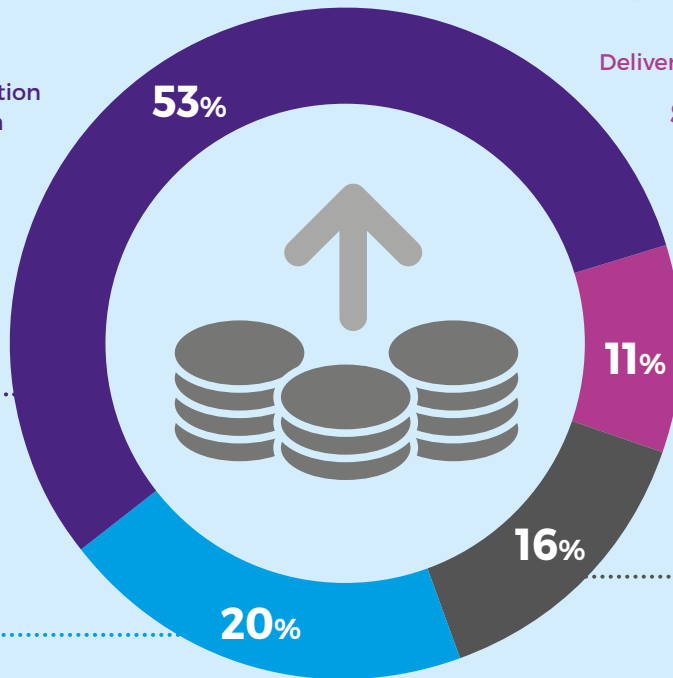
# 53%

## HEALTH & EDUCATION

- Health  
**\$1.6 billion**
- Education  
**\$1.2 billion**
- Sport & Recreation  
**\$48.9 million**

## 11% ECONOMIC GROWTH & DIVERSIFICATION

- Events, Tourism & Facilitating Investment  
**\$102.4 million**
- Planning & Regulation  
**\$179.4 million**
- Delivering Government Services  
**\$267.4 million**



# 20%

## ENHANCING LIVEABILITY & SOCIAL INCLUSION

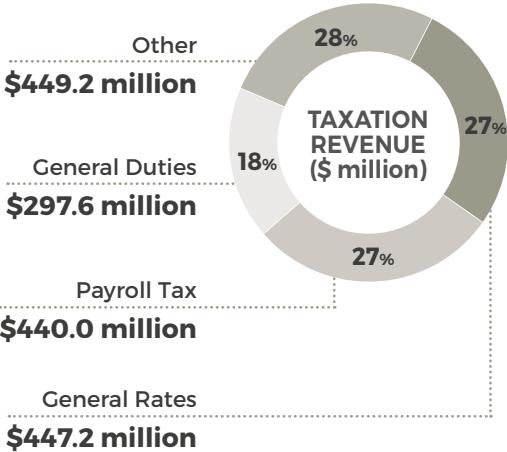
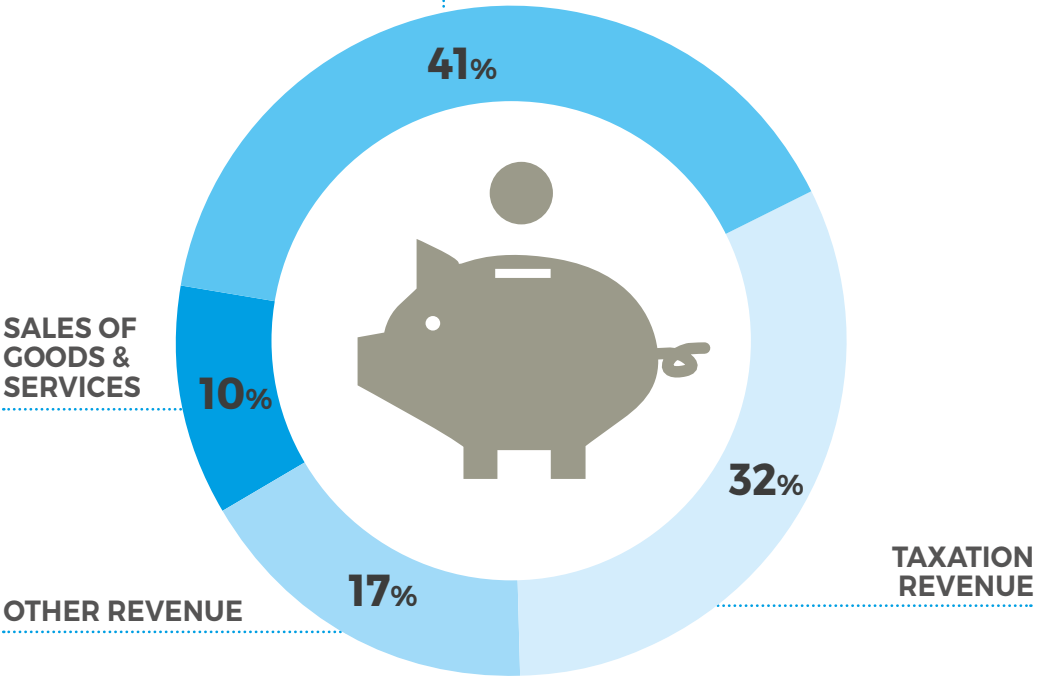
- Justice & Safety  
**\$510.5 million**
- Housing  
**\$184.0 million**
- Disability & Community Services  
**\$326.3 million**

## 16% SUBURBAN RENEWAL & BETTER TRANSPORT

- Territory & Municipal Services  
**\$308.4 million**
- Public Transport  
**\$186.5 million**
- Environment, Sustainability & Land Management  
**\$322.3 million**

# WHERE OUR MONEY COMES FROM

**COMMONWEALTH GRANTS**  
(including GST)





1

# HEALTH & EDUCATION INVESTMENT FOR CANBERRA

**There are no higher priorities for the ACT Government than health and education.** Over half of the ACT Government budget is dedicated to health and education. This budget includes \$237 million in new initiatives for health, and \$70 million in new funding for education.



# HEALTH FOR CANBERRA

We have a high quality health system in the ACT, but we are constantly working to improve. Canberra deserves a world class health system and the initiatives in this year's budget help deliver that.

## Healthy Canberra

Canberra has the healthiest and most active community in the country. But about one in 10 Canberrans were admitted to hospital in the last year, and most of us used the health system in some way.

**91**  **new nurses**      **22**  **new doctors**

The ACT Government has invested significantly in the Canberra Hospital and the Centenary Hospital for Women and Children. Building on this, we are expanding the Canberra Hospital emergency department, and increasing the resources available for intensive care and trauma. The Government is also providing an additional senior specialist physician in the Calvary Hospital emergency department.



Stroke services will improve at the Canberra and Calvary hospitals and we are funding an extra 300 endoscopy procedures. Increased outpatient services will ensure that patients are treated in the most appropriate and timely manner possible.

An expansion of the neo-natal intensive care unit and the special care nursery will care for our newest Canberrans when they need it most.

We are also targeting the needs of vulnerable communities, with an emphasis on sexual health and enhancing drug addiction services.

## Community health care

About one in five Australians will suffer from a mental illness in any given year. This budget will provide \$56 million to support good mental health in the community, including specialised support for children and adolescents, and follow-up assistance for those finishing treatment.

The Government is starting planning work on a new health clinic in Civic, improving services to Canberrans managing acute and chronic conditions.

Construction has started on the University of Canberra Public Hospital, which will be Canberra's third public hospital, providing an environment focused on rehabilitation and support.





## **A world class health system**

The ACT Government is making sure that Canberrans have access to cutting edge medical technology and expertise, with new initiatives such as the deep brain stimulation service, targeting patients with Parkinson's disease, and the establishment of the Canberra Clinical Genomic Service.

## **Preventative health care**

Investing in preventative health measures keeps Canberra healthy. We are building on our existing programs, focusing on healthy weight and active living.

We are continuing work on the ACT Health System Innovation Program, which ensures that Canberrans can access the best health care at the best value.



# EDUCATION FOR ALL

## Smarter schools

Canberrans are choosing our excellent public schools. In 2016, enrolments in public schools have grown to almost 45,000 – which is around 60 per cent of the ACT school student population.

The ACT Government is matching the increase in enrolments with an increase in funding. In 2016-17, the Government will provide ACT schools with an additional \$7 million to reflect increased enrolments.

The ACT Government is further supporting this growth with investments in new schools and in improving our existing schools.

**39,000+**   
**school students**  
 **with access to cloud based learning**

This year has seen the opening of the Charles Weston School in Coombs. Work has commenced on a new primary school in North Gungahlin, scheduled to open for the 2019 school year. The Government is also increasing the capacity of Gungahlin schools and preschools by an additional 680 students.

**1,404**  
**new students**  
**in 2016** 

The Government is developing a strategy to ensure that Canberra's schools are best able to meet the needs of Canberra students, now and into the future. As part of this process, every school will undergo an external panel review every five years and use the National School Improvement Tool for an internal review each year. This new approach will provide a clear picture of how schools are performing.

We are building the skills of our teachers, with a particular focus on STEM subjects – science, technology, engineering and maths – by providing scholarships to allow for professional development and training.

## Meeting the needs of all students

In response to the Report of the Expert Panel on Students with Complex Needs and Challenging Behaviours, the ACT Government is focused on making sure our schools meet the needs of all students. We are strengthening the capacity of schools to support long-term educational outcomes for students with complex and challenging behaviours through teacher training, specialist staff and support services and by making sure our school buildings provide for an inclusive environment.

## Vocational education and training

The ACT Government supports vocational education and training, with the appointment of Meegan Fitzharris as the inaugural Minister for Higher Education, Training and Research in January of this year. Funding for vocational education will reach \$140 million in 2016-17.

Work is underway on a new Tuggeranong CIT campus to provide a modern educational hub in the Tuggeranong town centre.







# 2


## ECONOMIC GROWTH & DIVERSIFICATION FOR CANBERRA

Canberra has a strong and increasingly diverse economy, and a vibrant and well-educated community. We have a collaborative and innovative network of enterprises working in a business-friendly environment.

# GROWING THE ECONOMY

## Confident and business ready

The ACT Government is committed to supporting investment, accelerating innovation and creating and retaining jobs here in Canberra. We are working with business and the university sector to create a city with its own distinct economic identity.

**\$1.3 million**   
**online transactions with Government**

This budget commits an additional \$6.6 million over three years to Confident and Business Ready: Building on Our Strengths – the ACT’s business development strategy. This strategy is helping local businesses to grow, through initiatives such as the establishment of Invest Canberra – which leads the ACT Government’s international promotion and develops international networks and partnerships.

The extra funding will deliver support for ‘Data61’, comprising the Digital Productivity Team of the CSIRO and National ICT Australia. This will position Canberra as a major player in the development of national cyber security capability and assist the ACT Government to deliver on its Smart City and digital transformation goals.



## Making things easy for business

Access Canberra is making it simpler, easier and quicker for businesses in the ACT by cutting red tape, increasing online services and issuing licences faster. This allows individuals to spend more time on what they do best – running their business.

The Simpler Business licensing program streamlines and standardises processes for businesses across more than 70 services, by establishing a single business licensing framework for bulk licences and permits. This includes:

- > Digital applications for real estate agents, requiring no face to face attendance.
- > Publishing public notices on behalf of the applicant, saving them time and money.
- > Non-commercial liquor permits now available online and approved in a matter of minutes, rather than weeks.
- > Online lottery applications, issued almost immediately, with other trade promotion and gaming applications progressively implemented.

Access Canberra has approved 80 liquor licenses and 56 outdoor dining permits in the last 18 months.





## Digital Canberra

The ACT Government is committed to developing a Digital Canberra, establishing Canberra as a city of digital opportunity by creating digital networks and partnerships, accelerating the digital economy, building a city of innovation and connected communities, developing support for an open government, and collaborating to ensure better citizen engagement and services.

Canberra is evolving as a smart city, with the CBRfree WiFi network to be one of Australia's largest free outdoor public WiFi networks. In this budget, \$500,000 of seed funding is being provided to the Chief Digital Officer, to allow for the investigation and implementation of digital initiatives across the ACT Government.





# TOURISM

## The visitor economy

Canberra is a popular tourist destination, with 4.4 million visitors annually. Tourism plays an important role in the ACT economy, employing almost 15,000 people and with visitors spending about \$1.7 billion each year.

The ACT has secured international flights from Canberra Airport, which will commence in September 2016.

**4.4 million**  
visitors to Canberra



Direct international flights will transform tourism in Canberra as well as providing a boost to local businesses and exports. We will invest \$7.2 million in marketing and industry partnerships to promote Canberra as a destination for international visitors.

## Bigger better events

Great schools, excellent transport and fantastic services combine to make Canberra a fantastic place to live.

Canberra has a tradition of great events, with Floriade and the Multicultural Festival joined in recent years by Enlighten.

In this budget, the ACT Government is providing support for a major theatre production to come to Canberra.

There are countless opportunities to see the very best of sport here in Canberra too. We have seen the Asian Cup, the Socceroos World Cup qualifier, one day international cricket, as well as the annual PM's XI cricket match. The ACT Government has now struck an agreement with Cricket Australia to bring international test cricket to Canberra, and an A-League football match will be played in Canberra later this year.

# TAX REFORM

The Government is committed to making the Territory's taxation system fairer, simpler and more efficient.

The 2016-17 Budget completes the first five years of the Territory's tax reform process.

We have reduced our reliance on inefficient taxes on conveyances and insurance premiums, with revenue foregone from cuts to these taxes replaced through general rates, which is a more sustainable and fairer source of revenue. Conveyance and insurance duties have reduced from 24 per cent of own source revenue, to 16 per cent in 2016-17. From 1 July 2016, taxes on insurance premiums will be abolished. And stamp duty has been cut significantly in the residential and commercial sectors. For example, in 2016-17 the buyer of a \$500,000 home will pay \$7,040 less in stamp duty than before tax reform.

This budget announces stage two of the taxation reforms, which will start in 2017-18. Under stage two, residential conveyance duty rates will continue to decrease. For example, by 2021-22, the buyer of a \$500,000 home will pay \$10,500 less in duty than before tax reform.

Duty on commercial transactions of less than \$1.5 million will be abolished by 1 July 2018, which will result in about 70 per cent of all commercial property transactions paying no conveyance duty. A flat rate of 5 per cent will apply for commercial transactions above \$1.5 million.

Reducing the ACT Government's reliance on inefficient taxes will ensure a stable revenue base into the future. These reforms will allow the ACT to continue to deliver the services Canberrans expect, ensuring future generations do not bear the economic costs of an unfair and inefficient tax system.

These reforms mean that the ACT will have Australia's most efficient and stable revenue base.

They will also create significant economic gains in the wider economy through increased productivity.

Overall revenue will not increase as a result of tax reform.

The ACT is a low taxing jurisdiction, with the second lowest level of own source tax revenue as a share of Gross State Product in Australia, and taxation per capita is below the national average and less than NSW, Victoria and Western Australia.

# 3

## SUBURBAN RENEWAL & BETTER TRANSPORT FOR CANBERRA

**Canberra is the world's most liveable city. Our suburbs are great places to live, with local shops, schools and playgrounds, connected by good roads and public transport.**

And our town centres and urban places such as Braddon, New Acton and Kingston Foreshore are thriving. To ensure our city remains a great place to live, this budget invests even more funding in municipal services, roads and public transport.







# SUBURBAN RENEWAL & A BETTER ENVIRONMENT

## Suburban renewal

Renewal of our suburban centres is important to maintain their role as the centres of local communities.

In the past year, the Charnwood, Griffith, Theodore and Chapman shops have all been upgraded, while work on the Torrens, Evatt and Erindale shops is currently underway.

The ACT Government manages 503 playgrounds, an increase of nine since last year, and has allocated \$3.4 million to upgrade and improve them.

Almost \$9 million will be allocated to mowing in 2016-17 and \$7.7 million for cleaning and maintaining Canberra's lakes and public spaces.

## Green bins pilot

Commencing early in 2017, the Government will pilot green waste collection. The pilot will take place in Kambah and Weston Creek and it is expected that approximately 25,000 households will have the opportunity to participate in the 15 month pilot.

Residents will be able to opt in for fortnightly kerbside collection of green garden waste. It is anticipated that the bins will divert more than 1,500 tonnes of waste from landfill annually. This waste will instead be used as mulch.

**650,000+**  
**tonnes**   
**recycled**  
**material collected**





## **A better environment for Canberra**

The ACT Government is committed to renewable energy, with 100 per cent of electricity to be generated from renewables by 2020. This puts the ACT ahead of other states and territories and will reduce our emissions by more than two and a half million tonnes in 2019-20. It will help to safeguard our environment for future generations.

Our Government continues to support volunteer groups such as the Ginninderra Catchment Group, Greening Australia and ParkCare.

We are also tackling weeds, feral deer and rabbits in our reserves and national parks. The non-invasive vaccine trial to reduce kangaroo populations in our reserves will continue in cooperation with the CSIRO and the University of Canberra.

# TRANSPORT

## Better roads for Canberra

The ACT Government will spend **\$117 million this year on road and bridge upgrades, duplications and improvements.**

In this budget, the Government will undertake stage three of the Ashley Drive duplication, funding an additional \$3.5 million making a total of \$35 million over the project.

Aikman Drive will also be duplicated, as will Horse Park Drive and Cotter Road, delivering real improvements for the residents of Belconnen, Gungahlin and Weston Creek.

The Government will undertake bridge strengthening works on the Monaro Highway and Parkes Way, improving access for heavy vehicles.

Intersection upgrades around Woden will improve safety and the flow of traffic.

The ACT Government has made a provision to co-fund duplication of the Pialligo Avenue transport corridor, should the Commonwealth Government provide funding under the National Stronger Regions Fund.

The recently completed Majura Parkway project, at a cost of \$288 million, has reduced travel times from the Federal Highway to Fairbairn Avenue by 13 minutes.

**1 million** **A**  
**m<sup>2</sup> roads**  
**resurfaced**

The Government will invest more than \$28 million in 2016-17 on routine road maintenance.







## Public Transport

The world's best and most liveable cities all have excellent transport systems, designed and planned in tandem with land use to create walkable, people friendly communities with a range of transport options.

Where public transport is an afterthought, designed to fit around existing infrastructure, congestion is the result.

In Canberra, we are seizing this moment in our city's growth to invest for the future, and make sure that Canberra has the public transport needed as it grows.

Construction on Canberra's light rail project will commence this year, marking the beginning of the first stage of a city-wide network linking Canberra.

Our bus network will remain essential and we continue to refine and improve the ACTION network. The 2016-17 Budget includes a trial of electric buses, as well as a new park and ride facility for Wanniasa.

Canberra was the first jurisdiction in Australia to allow ridesharing businesses like Uber to operate legally. We have one of the most comprehensive public Wi-Fi networks in Australia, allowing Canberrans to connect in new ways.

The ACT Government continues to encourage walking and cycling. This budget includes further cycling and walking infrastructure, improved access to public transport and improved safety for pedestrians and cyclists.



# 4

## ENHANCING LIVEABILITY & SOCIAL INCLUSION FOR CANBERRA

**It is the people of Canberra, with their diversity and inclusiveness, who make this city what it is.**

Canberra is a place where we look after our most vulnerable, and the ACT Government is making sure that everyone has the opportunity to fully participate and thrive in the Canberra community.



# SAFER FAMILIES

## Addressing family violence

Family violence is a serious issue facing our community. Perpetrators must be held accountable, but action on violence cannot be limited to a law and order response. We need to support victims in the immediate aftermath of violence and family breakdown. We need to support victims and their families to rebuild, and we need to protect and support children living with family violence.

And it is imperative that we reshape our society to change attitudes to prevent family violence from occurring.

The \$21.4 million Safer Families package in this budget will drive the next phase of improvements in a whole-of-government, community-backed response to family violence.

There will be an increased focus from police and the Director of Public Prosecutions in preventing and responding to violence. Improvements will be made to the way our courts deal with family violence, especially for Aboriginal and Torres Strait Islander Peoples and people from culturally and linguistically diverse backgrounds. Greater support will be given to victims as they work their way through the justice system.

We are improving case management by taking a holistic approach to deliver assistance and support. Case workers will be available to assist victims, whether their first port of call is the hospital, legal aid or the police.

Crisis services will be enhanced, with over \$800,000 in additional funding for the Domestic Violence Crisis Service.

We are making sure that women who have experienced domestic violence have the financial help they need to access accommodation, through establishing a brokerage fund to make small grants and short-term loans to help get them back on their feet.





# INCLUSION & LIVEABILITY

## Supporting Aboriginal and Torres Strait Islander Peoples

The ACT Government recognises that overcoming disadvantage requires a range of interconnected and holistic support services to heal from the past and allow Aboriginal and Torres Strait Islander Peoples to reach their potential.

In 2008, the ACT Government established the ACT Aboriginal and Torres Strait Islander Elected Body, to enable Aboriginal and Torres Strait Islander Peoples in the ACT to have a strong, democratically elected voice.

In keeping with the advice of the Elected Body, this budget includes new initiatives to support Aboriginal and Torres Strait Islander Peoples. It addresses disadvantage in the ACT through strong connections to culture, through supporting people through the justice system, through healthcare and through ensuring career opportunities.





## Public Housing

The ACT Government is undertaking an unprecedented renewal of our public housing stock, which commenced in 2015, investing more than half a billion dollars over four years. New properties will be more energy efficient, comfortable and fit for purpose and will be located all around Canberra.

**1,777**  
**ESA**   
**volunteers**



## Safer communities

We are proud of our volunteers and the ACT Government endeavours to support their excellent work. This budget includes funding for a new SES station in Calwell. We are also upgrading the Fyshwick Fire and Rescue Station and the Guises Creek Rural Fire Station. Work on the Aranda co-located Ambulance and Fire and Rescue Station is well underway.

We are undertaking an upgrade of the ESA website hosting arrangement and emergency warning telephony system.

Ambulance services will be enhanced, with additional resources for the Emergency 000 communications centre and extra staff and an extra vehicle for non-emergency patient transport.

The Government will provide \$2.6 million to enhance aero-medical retrieval services by supporting the operation of a new AgustaWestland AW139 helicopter.

\$3.1 million will be dedicated to enhancing security measures for ACT Policing, including improved personal protective equipment and employing additional Protective Service Officers.

The ACT Government is also embarking on a major upgrade of the ACT Law Courts, delivering significant improvements in safety and usability for the precinct which receives over 200,000 visits each year.













A man in a dark suit and red striped tie walks towards the camera in a modern office lobby. The lobby features wooden bookshelves on both sides, a large window in the background showing a green landscape, and two people sitting at a table in the distance. The ceiling is made of wood with recessed lighting. The overall atmosphere is professional and contemporary.

# ECONOMIC OUTLOOK

**The ACT economy is bouncing back after the difficult years of Commonwealth Government job cuts.** The loss of ACT based Australian Public Service jobs over the past year has been more than offset by increases in private sector jobs.

**Economic growth is expected to be 2¼ per cent in 2016-17 before returning to trend growth of 2½ per cent from 2017-18 onward.**

The improved outlook for economic growth has been accompanied by a pickup in the labour market. Over 2,000 net new jobs are expected to be created in 2015-16 and the unemployment rate is now at 4.1 per cent – the lowest in Australia.

While one third of our economy is still classified as Public Administration, it continues to diversify. The cutbacks in Australian Public Service jobs over the past year have been more than offset by increases in private sector jobs.

Service exports continue to boom, reaching \$1.6 billion in 2015, an increase of 16 per cent from 2014 and an increase of 187 per cent since 2001, the highest rate of growth in Australia. Higher education exports grew by 10 per cent in 2015, to

reach \$450 million. International tourism exports were worth over \$200 million in 2015.

The economic outlook for Canberra will also be complemented by opportunities associated with the establishment of direct flights to Singapore and Wellington.

Historically low interest rates, a weak Australian dollar and an expected smooth transition for the Australian economy away from mining investment led growth toward broader sectoral drivers of growth, should all contribute to the ACT economy’s ongoing recovery.

A significant risk to the outlook, however, is the \$1.9 billion increase in the Commonwealth Government’s efficiency dividend. Around 1,400 Commonwealth Public Service jobs could be lost as a result, with potential flow-on effects to the rest of the ACT economy.

**ECONOMIC FORECASTS**  
(Percentage change)

	Actual 2014-15	Estimate 2015-16	Forecasts 2016-17
<b>ACT</b>			
Gross State Product	1.4	2	2¼
State Final Demand	1.5	2½	2½
Employment	0.0	1	1¼
Wage Price Index	1.9	1¾	2
Consumer Price Index	0.8	¾	1
Population	1.4	1½	1½
<b>Australia</b>			
Gross Domestic Product	2.2	2½	2½



# FISCAL OUTLOOK & STRATEGY

The 2016-17 Budget demonstrates the Government's commitment to a fiscal strategy that achieves an operating balance over time, offsetting temporary deficits with surpluses in other periods. Key to this strategy is the responsible management of the Territory's public finances, balancing sustainable taxation revenues with a high standard of service delivery.

In this budget, the ACT Government is supporting the economy in the short-term, and continuing to deliver appropriate services to the community, while building a strong operating balance over the medium-term. The Headline Net Operating Balance is a deficit of \$94.3 million in 2016-17, moving to a surplus of \$66 million by 2019-20.

With an eye to the long-term, the ACT Government continues its significant investment in infrastructure, be that in transport, schools or the health sector.

This strong fiscal strategy has given Canberra the flexibility required to deal with events as they happen. The Government has been able to support the ACT economy in the face of savage



Commonwealth Government cuts over recent years, and we have been able to deliver a coordinated and compassionate response to the complex issue that is asbestos removal.

But we have not abandoned our fiscal strategy, and we have remained on a consistent path to surplus.

This commitment has meant that the Territory has retained its AAA stable credit rating (as assessed by Standard & Poor’s), one of only three States and Territories in Australia to hold this highest possible rating.

Net debt remains at prudent levels as a share of Gross State Product, and is broadly in line with other AAA rated jurisdictions.

### Budget aggregates (\$millions)

FORECASTS				
ACT	2016-17	2017-18	2018-19	2019-20
Headline net operating balance	-94.3	-35.0	33.3	66.0
Net debt	2,080.2	2,103.8	2,902.7	2,581.3

# ACT GOVERNMENT EXPENDITURE

	\$ millions		\$ millions
<b>Healthy and smart</b>	<b>2,760.1</b>	<b>Urban renewal</b>	<b>817.2</b>
Health and community care	1,553.0	Territory and municipal services	308.4
Government schooling	736.6	Public transport	186.5
Non Government schooling	281.5	Environment, sustainability and land management	322.3
Vocational education and training	140.1		
Sport and recreation	48.9		
<b>Growing the economy</b>	<b>549.2</b>	<b>Liveability and opportunity</b>	<b>1,020.8</b>
Chief Minister, treasury and revenue management	221.0	Disability and community services	326.3
Planning and regulation	179.4	Justice and community safety	208.9
VisitCanberra, venues, events, innovation, trade and investment	68.7	Housing	184.0
Executive, Legislative Assembly, Auditor General and Electoral Commissioner	46.4	Policing	157.7
Arts, culture and heritage	33.8	Emergency services	143.9

