



BUDGET 2008 - 2009 READY FOR THE FUTURE MEDIA RELEASE

No. 1

2008-09 ACT BUDGET – *READY FOR THE FUTURE*

Chief Minister and Treasurer Jon Stanhope today handed down a Budget that commits to the largest ever capital investment in the Territory since self-government — and does so while delivering Labor's eighth consecutive surplus.

Mr Stanhope said the highlight of the 2008-09 Budget was a billion-dollar infrastructure investment program – *Building the Future* – which would drive the restructuring of the public health system, inject a quarter of a billion dollars into an integrated transport system and increase the capacity of the ACT economy.

"I am particularly pleased that the Government has been able to commit to this historic infrastructure program while delivering a surplus of \$84.9 million — an improvement on the surplus expected a year ago — with further surpluses expected through to 2011-2012," Mr Stanhope said.

"This demonstrates the Labor Government's continued commitment to the principles of prudent and responsible financial management.

The 5-year billion-dollar *Building the Future* program provides for:

- a \$300 million first instalment in the creation of a health system for the future;
- a \$250 million investment in the Territory's transport system;
- \$100 million for improving urban amenities;
- \$100 million for climate change initiatives;
- a \$50 million investment in Information and Communication Technology infrastructure in our Government agencies, schools and hospitals; and
- a \$200 million boost to the existing capital works program.

"Around \$700 million of the investment will be funded from past surpluses, with around \$300 million funded from the current and future budget capacity," Mr Stanhope said.

"Specific capital programs and projects, with a total value of \$713.6 million over four years, will be funded in the Budget, including new construction works of \$532.2 million across the Budget and forward estimates.

"The 2008-09 Budget also makes provision of \$726 million over 5 years for future programs and projects relating to climate change, transport, improving the urban amenity and other capital works to support the economic growth of our city.

"This will give us the capacity to make investments arising from feasibility studies funded in this year's Budget, and plan properly for the future."

Mr Stanhope said all the big challenges had been comprehensively addressed.

“Over \$50 million is committed to a comprehensive response to skills shortages,” he said. “This involves investment in vocational education and training and initiatives to attract and retain skilled workers.”

\$51 million has been set aside over four years to address skill shortages including:

- \$5.5 million to strengthen the ACT’s health workforce;
- \$4.2 million to support demand for vocational education and training through Australian Apprenticeships;
- \$3.4 million to expand careers education and vocational training in Colleges;
- a \$2.5 million boost to vocational education and training at the CIT;
- \$1.2 million to strengthen the Skilled and Business Migration Program, link international students with employees and increase the number of trainees and apprenticeships in the ACT Public Service;
- \$9 million for a new horticulture facility at the CIT’s Bruce Campus; and
- \$500,000 for the feasibility and design of a new CIT Trade Skills Centre at Fyshwick.

Mr Stanhope said the Government was investing massively in climate change initiatives.

With a world-leading feed-in tariff scheme about to be introduced, and a feasibility study into a solar power station nearing completion, the Budget delivers \$100 million through the *Building the Future* infrastructure program for climate change. Added to this, there is also a massive injection of funding into transport, which will deliver significant greenhouse benefits in its own right.

“This will bring the Government’s investment in climate change initiatives between 2007-08 and 2012-13 to over \$242 million.

Mr Stanhope said the Budget also contained a responsive and strategic program of recurrent expenditure initiatives totalling \$403.6 million over four years, across priority areas.

There were targeted and effective tax concessions for pensioners and first homebuyers and a 20 per cent increase in the Payroll Tax threshold to \$1.5 million, directly benefiting many small to medium businesses.

“This truly is a Budget that will leave our community ready for the future, whatever it brings,” Mr Stanhope said.

“It is a Budget that equips us to adapt to some of the challenges of our time — climate change, skill shortages, housing affordability, an ageing population, looming pressures on our health system — and that invests in the place we all call home.”

Statement ends

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Enquiries: Penelope Layland 6205 9777 0438 289 714 penelope.layland@act.gov.au
Jess Wurf 6205 0504 0411 772 700 jess.wurf@act.gov.au