

ACT Budget

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Deputy Chief Minister, Treasurer,
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Department of Justice and Community Safety**

Mr Speaker

It gives me great pleasure today to present the 2000-01 Budget for the Australian Capital Territory – the first ever balanced Budget which, as a result, allows us to invest heavily in building the social capital of our city.

This is a Budget which contains no new taxes, no new centralised redundancies and no major asset sales.

This Budget delivers an accrued surplus of \$4.2 million, and projections of rises in that surplus in future years.

It does that while making significant investments in areas of need in our community. These investments are only possible because we have achieved a solid budget position – something which this Government has worked hard to achieve since being elected in 1995.

This responsible approach to our budget remains a critical difference between those on this side of the Chamber and Labor. We accept that spending more than we earn is a principle of budget management which is fundamentally wrong.

Today sees the dividend of five years of responsible financial management by this Government – a dividend which allows us to foster a community which builds, and uses, its social capital.

This is a Budget which has already undergone significant public scrutiny, following our decision to release a draft in January. Since that time, more work has gone into preparing the final Budget today, which includes analysis of comments offered by Assembly Committees and the community.

Mandate

This Government was elected in 1995 on a platform of responsible financial management. We immediately introduced accrual budgeting to the ACT public service. This gives us a true picture of the state of our budget. Agencies, and the Assembly, could see and understand the importance of responsible financial management.

We inherited an operating loss of \$344 million from Labor. Constantly spending more than we earned without any regard for the long-term consequences was setting the ACT on a slippery path which would end in long-term financial ruin, much like that experienced in Victoria.

Our mandate was confirmed in 1998, when the ACT community again rejected the approach of Labor to again spend far more than was in the Budget.

When the Chief Minister presented the 1999 Budget, she said that the strategy adopted by the Government would see the ACT's operating loss eliminated within two years.

Today, it is therefore with great pride that I tell the people of Canberra that we have honoured our commitments, and this Budget, for the first time, delivers a modest surplus for the first time.

But just as importantly, it allows us to make a real and substantial contribution to further improve the quality of life in our city – that's what I mean when I talk about social capital.

Moving the ACT into a long-term, secure financial future means we won't spend our time battling debt. And when Government achieves that secure financial future, it can best turn its attention to building a high quality of life for our local community.

Today, this Budget achieves a *responsible* surplus. It does not quarantine lots of money in a surplus to impress the economists. It balances our books, invests in the very important services we provide to our community and, importantly, begins responsibly planning for the future liabilities of our community.

That remains the difference between the Carnell Government and Labor.

Economic Outlook

The ACT economy remains vibrant and enjoys strong growth. The outlook for business remains good.

The strength of our economy is an endorsement of the approach taken by this Government to diversify our base following significant Federal budget cuts in 1996-97. It is also a testament to Canberra's business community, which has got behind the Government's strategy to diversify the economy.

Unemployment is at an all-time low. Employment is high. Population growth is expected to continue its steady increase, but will still remain below national levels.

Some world factors are likely to be felt in Canberra in the next year. Consistently higher petrol prices caused by a slow-down in production by world oil producers is having an effect on the Consumer Price Index across Australia – Canberra will be no exception to that trend. And higher global interest rates will be a challenge for some Canberra families and businesses in the coming year as well.

Despite those factors, the Government remains confident about the outlook for the ACT economy. We are in a sustainable position, and our responsible approach to the budget ensures that there are sufficient funds to meet the needs of the community. But the Government is, once again, being conservative in its forecasts for growth in the economy.

We forecast growth in the ACT economy of 3.8% in the next year, and an underlying CPI of 2.5%.

GST

Mr Speaker, this Budget is the first which will feature the full effect of the new Goods and Services Tax.

The major change in Commonwealth funding arrangements arising from tax reform is that all of the GST revenue will be passed to the States and Territories, replacing Financial Assistance Grants as the major component of Commonwealth grants.

Not since World War 2 have the States and Territories had access to a tax base which grows in line with growth in the economy. This is a result of the nature of the GST being a growth tax.

However, in the early years of the GST, the total pool of GST revenue to be distributed to the States and Territories will not be enough to compensate for the abolished Financial Assistance Grants and taxes plus the additional costs imposed on the States and Territories.

The Commonwealth will need to make additional payments to abide by the principle that States and Territories will be no worse off.

The ACT is well-prepared for the commencement of the new tax on 1 July.

Mr Speaker, it is a matter of record that the Carnell Government has argued persuasively to end the ten years of funding cuts since self-government. In 1999-2000, General Revenue Assistance rose by 18 per cent or \$57.5 million.

As members know, I attended the first meeting of the Ministerial Council for Commonwealth-State Financial Relations on 17 March 2000. I have already reported to the Assembly the successful outcome which saw the ACT gain a further funding allocation for General Revenue Assistance of \$30 million in the current budget year.

Importantly Mr Speaker, this outcome represents an increase of \$21.3 million in the current budget over that foreshadowed in the draft Budget.

In the most part, this increase was due to adoption of the Commonwealth Grants Commission's 2000 GST relativities which reflect the ACT's higher costs of service provision and revenue-raising capacity relative to the Australian average.

This result emanates from the hard work put in by this Government demonstrating to the Commonwealth Grants Commission that, amongst other things, the ACT's national capital factors warranted an assessment more reflective of the Territory's circumstances.

On top of CPI, GST will also add 10% to most non-exempt Government fees and charges. As the Commonwealth Government is reclaiming the embedded wholesale sales tax savings from the ACT, and states, there is little ability for the Government to pass these savings on to consumers as there would be for business.

Individual Ministers will be issuing statements about the impact of GST on fees and charges soon.

But GST also raises a number of issues for our local community which are not isolated to Government. GST will have a real impact on some groups which deliver important services to people in need in this community.

The Government will help those groups, and I am pleased to confirm that we will top up grants for service provision by the community sector by 10%, at a cost of \$517,000 in the first year.

It is necessary for all of these groups to be GST registered and have an ABN number in order to gain any benefit from this top-up.

And I am also pleased to advise that the ACT club industry has agreed to larger clubs accepting a discount of the GST credit equal to the refundable credit amount payable to the smaller clubs to support the ongoing viability of the smaller clubs.

This will help maintain the viability for some smaller clubs and maintain the current ACT concessional tax treatment introduced last year.

In addition, the Government will provide \$110,000 in funding to insulate foster carers from any effects of the GST on the costs of them providing care services, including rent or board and other consumables.

Apart from these changes, Mr Speaker, the GST has made essentially no difference to the budgetary position presented in the Draft Budget.

The Draft Budget

On 17 January, I released a Draft of the ACT's 2000-01 Budget. It contained a range of initiatives aimed at improving services in health, education, police, public transport and the appearance of our city. And, it was a draft of a Budget which achieved a \$2.193 million surplus.

Assembly Committees and the community have had the best part of four months now to examine those estimates, and during that time, made recommendations to the Government on how to improve the Budget.

It is a matter of great regret that the Labor Party set out to oppose the draft Budget process at every opportunity and would not accept the challenge which falls to Government every year to not spend money they didn't have. Labor squandered an opportunity to prove they had changed from the fiscally irresponsible times of the past.

Despite this approach, the Government has not given up on a mechanism to consult the community, in advance, about budget priorities and directions.

Mr Speaker, some genuinely good ideas arose during the Budget consultation processes, and I will indicate that the Government has accepted a number of them.

The Budget Overview

As I have already said, this Budget is a balanced Budget. A healthy bottom line is good, but so are the underlying principles upon which the Budget is based.

Expenditure is up 2% on the current year's forecast outcome, to \$1.892 billion. Revenue is up 2% on the current year, primarily as a result of Commonwealth grant increases and good performance in land sales, to \$1.901 billion.

When this Government commenced its plan for Canberra as a clever, caring community, we did so knowing we had to achieve a balance between catering for our city's basic needs and developing our city as one of the future.

This Budget continues that approach.

Moving the Budget into surplus while ensuring higher levels of funding for essential community services means the community can receive the dividend from the Government's five years of hard work.

A stable and responsible budget and a real investment in a clever caring community building its social capital is this Budget *real* bottom line, Mr Speaker.

Building Social Capital

Social Capital is not a new concept for our community, Mr Speaker, but the extent to which Government is involved in it, fosters it and continues to build it is very much a theme of this Budget.

In a first for an Australian Government, we have included a supplementary Budget Paper on Building Social Capital, which defines what we mean when we talk about partnerships in our community, interdependence, trust and values.

Social capital is considered the fourth dimension of a functioning economy. It adds to the market concept of financial capital which covers property and equipment; environmental capital such as land, farming and mining; and, human capital that includes the skills and education of the workforce.

Social capital exists in the reciprocal relationships between people who know and trust each other, and who have shared interests and beliefs. These relationships operate for the benefit of all involved. They are generated when people come together in families, at work, neighbourhoods, sporting, social, religious, local organisations and formal as well as informal meeting places.

A community with high social capital supports and includes its disadvantaged members, enabling them to participate in valued social and economic roles. Strong social capital underpins high quality of life. Family and community support enriches peoples' lives and provides them with a stock of resources to maximise their potential.

The ACT Government is taking the lead in Australia by building on the unique aspects of the Canberra community to strengthen social capital.

In this Budget, Mr Speaker, we've had a critical look at ways we, as a Government, can help the community to help itself.

Fundamentally, that makes this Budget a liberal Budget – not a Conservative Budget, but a liberal budget.

The Government is today announcing \$3.5 million in new expenditure in the coming year, rising to \$4.5 million in future years, to build social capital in areas of our community which need it most. This money will fund 19 specific initiatives, which are described in detail in the supplementary budget paper entitled “Canberra: Building Social Capital”.

The programs are innovative, well-targeted and especially designed to support young people – particularly those at risk – and families. I am pleased to tell the Assembly today that the initiatives funded from this program include:

For our young people:

- \$700,000 to strengthen links between schools and their local communities, linking schools, children and families in targeted before- and after-school programs, particularly for those at risk.
- \$120,000 to provide continuing support for programs aimed at reducing the risk of youth suicide.
- \$305,000 for two projects to provide support to young indigenous people, particularly those at risk of substance abuse and those who come into contact with the justice system.
- \$330,000 for two projects to support young offenders’ addressing their offending behaviour, particularly young sex offenders.

For Families:

- \$90,000 for the Well Babies Project: a program to promote health and well-being for mothers from the time of conception, especially to reduce alcohol and cigarette consumption during pregnancy.
- \$325,000 for a program to support early intervention for families with problematic substance abuse, and to provide community support for mothers and babies with special or complex needs.
- \$70,000 for a program to provide professional support and counselling to mothers suffering post-natal depression, and their families.
- \$80,000 for the Good Beginnings Project – a way of providing volunteer home visits to families who need social support.

Mr Speaker, I am also pleased to confirm that the proposed funding of \$636,000 per year, contained in the Draft Budget, for substantial funding boosts for the Child and Adolescent Mental Health Service for early intervention services, is in addition to the Building Social Capital initiatives, and is funded in this Budget.

Crime and Community Safety

Mr Speaker, in the Draft Budget, the Government announced two major initiatives aimed at fighting crime.

The first was an increase of \$4 million to the AFP Budget to ensure the ACT community could take advantage of the productivity improvements in the AFP's certified agreement endorsed by the AFP's workforce. That equates to around 40 extra police.

Secondly, the Government proposed committing \$500,000 for safety cameras in Civic.

I am pleased today to confirm both those amounts remain in the Budget. Indeed, Mr Speaker, I hope to call for tenders for the camera project in Civic within weeks.

But the Government is aware of the problems being caused to the community by significant rises in burglaries and car thefts across Canberra.

There are those who think that they can profit from crime, and today, I send the strongest possible signal to those people that a key feature of this budget is a multi-pronged approach to property crime.

On top of the \$4.5 million we committed in the Draft Budget, I am today announcing a further \$5.5 million for spending on crime initiatives during the coming year. Those initiatives will principally centre on reducing crime in the key categories of burglaries and car thefts.

Mr Speaker, this Budget commits \$10 million of new money to crime fighting and prevention initiatives.

In recent weeks, I announced that the AFP would move to civilianise its communications centre, replacing trained police officers with civilian call-takers. The AFP's Communications Centre will now be staffed by specially trained civilian officers, and those police positions which are freed by the civilianisation will be transferred to operational duties.

The Government has also announced that the AFP will create two special strike teams, independently resourced and accountable for their activities, which will target the high-profile activities of burglaries and car thefts respectively.

These teams will be mirrored on two concepts, but differing slightly from each. The first is the highly successful National Avian Strike Teams which target high-level drug trafficking offences. The second is the outstandingly successful Police Operation Chronicle, which targeted burglaries and car thefts in late 1999.

This new strategy will feature an intelligence-driven approach to solving crime problems.

Mr Speaker, the commitment to civilianise communications will provide 29 police positions, **all of which** will be transferred into these new strike teams.

But today, I am announcing that the Government will supplement a further 15 new police positions during the next financial year – **all of them** being used to combat rises in burglaries and car thefts through the new strike team approach.

And, adopting a recommendation from the Standing Committee on Justice and Community Safety in its report on the Draft Budget, the Government will provide funding for the creation of six community beat police officers, starting from 1 January 2001. These officers will work in local communities, with a crime prevention focus, developing intelligence for investigations to combat serious crime.

I have asked the Australian Federal Police to develop comprehensive operational plans for these community beat police officers, including areas which will be targeted.

These initiatives represent a commitment of 50 new operational police officers to the ACT in the next financial year – the largest ever boost to police resources.

In addition, Mr Speaker, the Government is establishing a \$1.2 million crime prevention fund, which will be used to establish partnerships with insurance companies and other industry groups to allow the community to access new initiatives to prevent crime, particularly property crime.

Some of the concepts being explored by the Government include subsidies to access vehicle immobilisers, along the lines under trial in Western Australia, and subsidies for deadlocks or alarms in homes in high-crime suburbs.

And a further \$92,000 will be made available each year for police to purchase special equipment, or trial new technology, to aid the strike teams in their crime prevention work.

I should add, Mr Speaker, that this investment in crime fighting is the largest ever by an ACT Government and can only happen because we got the fundamentals of the Budget right in the first place.

Five years of responsible financial management gives us the ability to commit these resources knowing that we're not going into debt to fight property crime as one of the ACT's growing social problems.

Contrast all of these initiatives with Labor's approach to police when in office. Every year, the police budget was cut, even when crime was increasing dramatically.

Following the dramatic change in driver behaviour after the introduction of speed cameras late last year, the Government has allocated \$305,000 for the purchase and operation of another two cameras and the coverage area will be widened.

Tax Changes

Mr Speaker, the substantial increases in Commonwealth payments to the Territory are again the major items on the revenue side of the Budget this year.

This Budget forecasts a 2% increase in revenue during 2000-01. But except for Government fees and charges which will attract GST, this growth comes about with no increases above CPI in the general area of government taxes, fees and charges.

The Government will accept a recommendation of the Standing Committee on Justice and Community Safety to increase the Victims Assistance Levy on offenders from \$30 to \$50, raising \$30,000 in a full year.

Mr Speaker, in particularly good news for ACT business and others, there are a number of specific tax reduction initiatives that will begin to occur during this Budget, and more that will occur in the next Budget.

In 1998, the Government introduced the Insurance Levy, which raises \$10 million per year. Labor made its view known that the levy should be placed on rates, not insurance. That levy was introduced to offset the call on the Budget for emergency services, which cost this community in excess of \$35 million per year.

Mr Speaker, in recognition of the fact that the Government no longer has to sustain an operating loss of the magnitude that we inherited from Labor, the Insurance Levy will cease to apply after 30 June 2001.

To ensure that the full flow-on of the abolition of the levy reaches consumers, in the same way as it was passed on by way of price increases following its introduction in 1998, I will be asking the ACT Office of Fair Trading and the ACT Revenue Office to ensure a compliance program is developed for insurance companies, and the Government will consider legislation to ensure consumer protection, if that is necessary, during the course of the next year.

We justified the introduction of the levy on the basis of the Territory's operating loss. Now that we've eliminated that loss, we abolish the levy.

No loss – No levy!

Contrast that practice with Labor's form on petrol tax – Labor breached their commitment to withdraw a special, limited 3 cent per litre tax on petrol in 1992. When they left office in 1995, that tax was still in place.

Mr Speaker, the ACT Government has sought to attract new businesses to Canberra in recent years to diversify our private sector and employment base. That strategy was a very successful answer to the significant public service cuts this city has had to wear from Federal Governments of both persuasions since self-government.

A number of initiatives contained in this Budget will further add to that strategy.

As I announced in the Draft Budget, the payroll tax threshold will rise from \$800,000 to \$900,000 on 1 January 2001, meaning around 60 more businesses will no longer pay payroll tax.

But Mr Speaker, in an effort to continue the attraction of business to Canberra, and as a comprehensive measure to support growth for businesses already here, the payroll tax threshold will rise further in forward years.

The threshold will rise to \$1.25 million on 1 July 2001, and to \$1.5 million on 1 July 2002. By the time the graduated scheme is in force, 230 businesses which currently pay payroll tax will not pay any.

And the impost on every business which will still pay the tax will reduce significantly.

Let's look at an ACT business with a wages bill of \$1.45 million. Under Labor, that business was paying \$63,000.

Since the election of the Carnell Government, that tax bill has been cut by \$18,475 and, from 1 July 2002, that business will pay no payroll tax whatsoever.

That equates to jobs for two young people, Mr Speaker.

This payroll tax regime will now be the most attractive in Australia for small and medium sized businesses, and will be a major feature in supporting not just new business, but sustainable growth from business already in the Territory.

Part of building a clever, caring city is to diversify our employment base and provide real job opportunities, not just for our young people but also for those seeking to change their career directions.

While payroll tax raises over \$130 million a year, it is a tax on employment. This future strategy for payroll tax ensures that impost is reduced and that government takes another small step in getting out of business' pockets.

The gain this creates for business allows them to invest in our city's social capital: jobs, sponsorship, our sporting teams and other forms of community support which involve businesses more and more.

Employment, Business, Arts and Tourism

The good news for business and employment growth in this Budget does not end with tax cuts.

The Government announced, earlier this year, our intention to support Impulse Airlines establishing its jet heavy engineering base, a call centre and other facilities in Canberra. As members of this Assembly know, that arrangement comes at a cost of \$8 million in funding and some further tax breaks.

This Budget delivers the \$8 million payment to Impulse.

This new business coming to Canberra will create up to 400 new jobs in this community. It represents one of the most exciting new business ventures to come to Canberra, and on top of the massive benefits the establishment brings to Canberra, the growth in tourist numbers will provide new and significant opportunities for local and regional businesses.

Over 1000 jobs have been created through the highly successful Business Incentive scheme since its inception in 1996.

As announced in the Draft Budget, this Budget provides \$675,000 to fund Business Incentive Scheme applications to Telstra, Ansett and Raytheon Systems in ventures which will create 700 new jobs.

\$464,000 is provided to allow for the completion of site works for the BRL Hardy Wine Tourism Complex, representing the completion of the ACT Government's commitment to this exciting new venture to promote the region's wine industry.

\$510,000 is being allocated to create a further 330 apprenticeship places in the user choice program, providing real entry-level employment opportunities for young Canberrans.

More than \$1 million has been allocated to market Canberra interstate and overseas as a business, investment and tourist destination. Campaigns will target Asia and Africa, as well as traditional markets like the United States.

Canberra's major festivals and tourism activities will also be highlighted in an effort to increase their value to local operators and the community.

The magnificent Australian Science Festival, which contributes almost \$5 million to our local economy each year, will receive funding in this Budget for the 2001 Festival, and beyond.

Other festivals will also continue to enjoy tangible support from this Government. \$200,000 will be provided to enable Floriade's fees to be reduced in line with the decision taken by the Canberra Tourism and Events Corporation. \$250,000 extra will be provided in 2000-01 for the National Multicultural Festival, and \$150,000 will be made available each year to support new and emerging young artists.

I am also pleased to announce \$100,000 over the next two years to support Volunteering ACT, for several initiatives during the International Year of Volunteering, which recognises the significance of volunteer work to our economy.

Health

No Government has done more to improve the health system in Canberra than this one, Mr Speaker.

A strategy, Mr Speaker – something Labor could never deliver.

This Budget continues the provision of high quality health care services for the people of Canberra.

In the next four years, \$62.8 million is being made available for growth in needs. This is the largest injection of funding into our health care system ever, and will enable the provision of additional services to ensure growth in demand can be met.

Some of this funding has already been committed. The Government is particularly pleased to direct \$100,000 of the growth funds to improve the access to health services for indigenous people.

An additional 100 places will be funded in the methadone program, at a cost of \$125,000 next year.

\$80,000 will be allocated to provide financial assistance to pensioners who need portable oxygen equipment. Individuals, previously housebound, will be given a chance to get out into the community again through this important service.

And \$200,000 will fund a long-term accommodation support options for disabled people who also have mental health needs.

Today's Budget features other initiatives in health which reflect this Government's attention to innovations in health technology.

\$414,000 will fund the provision of genetics services to help individuals and families come to terms with and manage genetic conditions and to help those affected make informed decisions about their own health, lifestyle and reproductive options.

The major goal of genetics services is to reduce the impact of genetic disorders and birth defects on affected individuals, at risk individuals and their family. In addition, understanding the risks of inherited conditions later in life is particularly important for those in high-risk groups.

\$190,000 will allow the Blood Transfusion Service to implement Nucleic Acid Testing of blood products to guard against the spread of blood-borne disease.

Health care in the home is also being strongly supported in this Budget, Mr Speaker. Smaller initiatives which really matter to clients are being funded:

\$22,000 to fund the first breast prosthesis for public and partially-insured patients following a mastectomy, meaning up to \$420 for a woman undergoing a bilateral mastectomy. Currently, these patients receive no support unless they are pensioners, to whom support is limited to \$130.

This Budget also continues the Government's commitment to disability services. I know the commitment of Mr Moore, and the former Health Minister, Mrs Carnell, to this area of the Budget is strong.

In recognition of the demands on older Canberrans who play the role of carers for people with disabilities, \$845,000 is provided in 2000-01, rising to almost \$6 million over 4 years, to fund respite services for these people.

The primary help group here will be people aged over 65 who have cared for their children for 30 years or more – and that there are so many of those in this community, Mr Speaker, is another sign of that social capital about which I spoke earlier.

\$250,000 will be provided for clinical and community services for young people, particularly those with autism and cerebral palsy. That money will also be used to fund therapy services for children in special schools.

These areas are particularly demanding on carers, Mr Speaker. Strategies to promote self-management and independence will be developed, but the provision of services in this area will aim to decrease the necessity for crisis intervention.

Education and Sport

Like health, education is one of this Government's top priorities, and a program of new initiatives centred on education and family services is another key feature of this Budget.

For the sixth consecutive year, the Government fulfills its commitment to the maintenance of real terms funding for schools.

The Government was delighted to conclude an enterprise bargaining agreement with the ACT's public school teachers two weeks ago which will lead to significant changes to the way the profession develops and works in the ACT.

The EBA will guarantee a continually improving standard of teaching quality in the Territory, with staff to be subject to annual performance appraisals, and given much greater access to professional development than ever before.

Mr Speaker, that's because we care about a quality education system, and quality teachers are an integral part of a quality system.

The Budget forecasts lower teacher numbers during the next financial year, but that is entirely linked to lower projected enrolments. This reduction of 10 teachers will be met through natural attrition.

Funding will be made available for major improvements at schools around Canberra:

- \$1.6 million for a 2-year project to upgrade technology teaching facilities at Wanniasa High School and Hawker College.
- \$1.1 million for improvements to science teaching and learning facilities at Canberra College (Woden) and Belconnen High School.
- \$2 million over 2 years to fund important improvements at Forrest and North Ainslie Primary Schools.

Mr Speaker, I am also pleased to announce a funding boost of \$1.1 million for non-government schools in Canberra, on top of the \$2.2 million announced in the Federal Budget.

This increase takes the funding of non-government schools, in 2000-01, to a record \$86.5 million.

Mr Speaker, the Government's support for young people and their development does not end when they walk out the school door. A number of new initiatives, particularly supporting children at risk, will be developed during this Budget period.

To complement the autism carers program I announced earlier, \$50,000 will extend services for primary-school age children with autism, to facilitate their integration into school communities.

\$200,000 will be made available each year to enable the Department of Education and Community Services to meet the rising costs of providing the special needs transportation service, so that there is no additional call on parents and carers to continue that service.

And the Community Services Grants Program will be boosted by \$200,000 per year to allow for the provision of greater levels of support in this necessary area.

The Lanyon Youth Centre is scheduled for completion early in 2001, and \$332,000 over four years will be made available to operate it through the Youth Services Grants Scheme. It will particularly target outreach, support and social services for young people in the Lanyon Valley area.

On top of these initiatives, the portfolio will also manage a number of initiatives in the "*Canberra: Building Social Capital*" program.

Mr Speaker, the budget also includes some important initiatives designed to strengthen Canberra's national and international reputation as Australia's sporting capital.

Perhaps most exciting is the inclusion of a \$1.7 million capital grant to Tennis ACT, for the construction of a new 20 court international-standard claycourt and rebound ace tennis facility at the National Sports Club, Lyneham.

As a direct result, Tennis Australia has announced that Canberra has been chosen to host three new international tennis tournaments – 2 of them on the proposed new clay court facilities, the other on a world-class rebound ace surface.

This budget also confirms our commitment to community and local sports, with \$2.8 million to construct a new playing field and pavilion at Amaroo, and a further \$900,000 for a sportsground improvement program for the Territory.

Urban Services

The people of Gungahlin will be pleased with the news that the Federal Government is to bring forward the \$12.3 million duplication of the Barton Highway between Bellenden Street and the Federal Highway.

But, Mr Speaker, they will also be happy for another reason.

This decision has enabled the ACT Government to develop the largest road management plan which caters for the emerging transport needs of Gungahlin residents.

My colleague, the Minister for Urban Services, is today announcing a five year, \$130 million program of improvements and extensions of transport links in Canberra to address traffic congestion and improve road safety. Many of those works will centre on access into and out of Gungahlin.

Design work will be funded in this Budget for the duplication of Gungahlin Drive between Wells Station Road and the Barton Highway, the extension of Flemington Road and the extension of Gungahlin Drive. Construction of the Gungahlin Drive duplication and Flemington Road projects is expected in 2001.

Subject to the outcome of planning considerations, construction will begin on the extension of Gungahlin Drive in 2001-02. This project will take three years and cost \$32 million and the road will be complete by 2004-05.

Residents of Tuggeranong who battle peak-hour traffic on the two-lane section of Drakeford Drive between Taverner Street and Erindale Drive will be pleased to know that design work will begin on the duplication of this section of road, with construction complete during 2001. The second section of Drakeford Drive will be duplicated after that.

As part of the plan being announced by the Minister for Urban Services today, design and construction of other major projects will also be undertaken, including:

- Horse Park Drive, from Gundaroo Drive to the Federal Highway, at a cost of \$7 million; and
- Morshead Drive and Pialligo Avenue duplication between Russell Drive and Canberra International Airport, costing \$4 million and meaning dual carriageway from the City to the Airport;

Mr Speaker, this plan represents the most concerted effort to plan for Canberra's future traffic needs since self-government. It also responds effectively to the very valid concerns expressed by the Federal Government that Canberra must plan its future road requirements.

Of course, I expect Labor to oppose some of these works, but contrast this plan with what they did in Government: no planning, no strategy and no decisions.

Mr Speaker, the Government's commitment to transport does not end with building roads.

The Government will provide an additional \$8.2 million in this Budget for ACTION buses to meet revenue shortfalls and increased operating costs associated with a new bus network.

This funding boost also recognises operational problems caused by high fuel prices.

Increases in government funding for public transport will not stop the government directing ACTION to increase its performance while reducing its costs, nor release any pressure on management and the union from achieving productivity savings.

But this funding decision confirms the importance to the Government of an effective and efficient public transport system.

I am also pleased to announce \$460,000 in 2000-01 to improve the ACT's cycleway infrastructure. The money will fund projects in the Tuggeranong Town Centre, Lyneham, Belconnen Way, Ginninderra Drive, the Monaro Highway and Gordon. In total, the Government proposes to spend \$5.3 million on cycleways over 4 years.

One of the key features of this Budget is a heavy investment in the appearance of our city. \$4.5 million will be set aside for the 'Our City' program to revitalise the Civic area, including \$1.5 million on the new Northbourne Plaza; another \$1.5 million for pedestrian improvements in City Walk, and \$700,000 to improve pedestrian lighting in City Walk.

\$500,000 will fund the upgrade of the Woden Town Centre, and another \$255,000 will fund precinct works at group centres in Kambah, Jamison and Mawson, and in the Griffith area.

\$500,000 will fund minor works at local and group centres around Canberra, including lighting improvements at Watson and Kippax.

Mr Speaker, as I announced in the Draft Budget, the Government is also funding two programs aimed at improving the general appearance of our city in this Budget.

The Streetsmart program will allow for extra streetsweeping, litter collection, grass mowing, weed spraying and tree pruning, as well as the more frequent replacement of street and traffic signs. \$750,000 will be provided to extend that program.

On top of that, \$250,000 will fund a new Lakesmart program, which will aim to improve the quality and appearance of our lakes and surrounding parklands.

All in all, the Government is spending nearly \$7 million more this year on the appearance of our city and works to modernise areas which are becoming tired.

As members know, I was proud to attend the 1997 Local Government Leaders' Summit on Environmental Change in Kyoto, Japan. At that meeting, the Carnell Government became the first Australian Government to commit to greenhouse gas emission reduction targets.

This Budget provides \$160,000 to implement gas emission reduction targets set down in the ACT Greenhouse Strategy.

In addition, ACT Housing will spend \$1 million on upgrading the energy performance of public housing to increase energy efficiency, which translates into the reduction of greenhouse gas emissions.

My colleague, the Minister for Urban Services, is also today announcing that ACT Housing will spend \$60 million over the next ten years upgrading its major flat complexes.

The program will start immediately with preventative maintenance for safety and security reasons at Bega Court, Reid; Allawah Court, Braddon; and Jerilderie Court, Reid.

The first two complexes to receive major upgrades over the next 18-months will be Gowrie Court, Narrabundah, and Stuart Flats, Griffith.

Work on the other complexes will be staggered over the following eight and a half years.

This is the biggest refurbishment program in the history of public housing in the ACT. Over the next decade, massive improvements will be made to most of the 25 complexes of flats.

Information Technology and Knowledge

Mr Speaker, this Government's vision of turning Canberra into a clever, caring city is being realised, and this Budget again takes more steps in that direction.

In the Draft Budget, the Government announced a proposal to establish a Research and Development Grants Scheme, to encourage and support small and medium sized businesses in research and the development of new technology which has commercial application.

The support for this proposal from the business sector has been magnificent, and I am pleased to announce today that, not only is the proposal going ahead, but that funding for it will double in its first year. The Grants Scheme will now receive \$11 million over the next three years, up from the \$9 million proposed.

\$18 million is being allocated for electronic service delivery, improving access by Canberrans to government services on-line. In coming months, the Government will make announcements about projects which will be funded from this injection.

But I can indicate now that every Canberran will see a dramatic improvement in Government service delivery as a result of this funding.

Moving Government accounts on-line for payment and billing, enhancing access to technology in the health and education sector and providing improved access to

Government information across agencies will be the key focus of expenditure on this exciting program.

Mr Speaker, I also want to foreshadow that one of the areas to which the Government will be applying funding from this program will be integrated health care.

The storage and transmission of secure health care data between providers about their patients will make a substantial contribution to improving the provision of services to those patients and will allow a more integrated approach to delivery of services to people who access more than one provider.

When TransACT rolls out its cable system across the ACT, beginning next year, the ACT will become the hi-tech city of the world.

The Government wants to ensure as many Canberrans benefit from accessing that technology – both in a business and community sense.

To achieve that, \$130,000 will be provided to fund two new programs aimed at improving access to the internet for the ACT community.

The first program will provide a site which links all ACT community information, enabling access directly to individual groups' websites and resources.

But that's not much good for groups not on the Internet, so the second part of the program provides assistance to peak community groups to get onto the Net: to establish a presence there so they can share in the benefits of the new knowledge-based economy.

And Mr Speaker, for those of us – like you and I – who acquire our knowledge in different ways to computers, I am pleased to announce an extension of the ACT Library Service. \$152,000 will be provided in 2000-01, rising to \$220,000 in 2001-02, to open the new Gungahlin Library early next year.

Superannuation

Mr Speaker, when I became Treasurer, I said the most significant long-term challenge confronting this community is the unfunded superannuation liability, which, unchecked, has the potential to ruin any benefits of responsible financial management.

No Government has done more to address the ACT's unfunded superannuation liability than this one, Mr Speaker. Years of neglect by Labor, just like their counterparts in other states, left the ACT with an emerging financial catastrophe.

In a significant difference to the Draft Budget, Mr Speaker, the Government has formulated an eight-year plan to fully fund our superannuation liabilities. Up until now,

governments have only really been interested in funding the accruing liability – not the liability that already exists.

As members know, the Government repatriated \$300 million from ACTEW earlier this year, which was put into our superannuation account. And any equalisation payment as a result of the proposed ACTEW-AGL Joint Venture partnership will also fund that liability.

The Government is beginning payments, in this Budget with \$5 million, totaling \$120 million across the forward years, as the first stages in this plan.

Under this plan, within eight years, the ACT will self-fund its superannuation liabilities.

That will be sixteen years ahead of forecast, and will save this community hundreds of millions of dollars over that extended period.

Mr Speaker, when our superannuation liability hits \$2.3 billion in 2017, the ability for the Government of the day to continue to provide essential community services will be the result of decisions taken in this budget.

On 29 February 2000, I announced the establishment of the Finance and Investment Advisory Board, which will allow the ACT to take account of the expertise available from outside the Government in the management of this building asset base.

The plan I am announcing today will see 63% of the ACT's superannuation liability funded by 2004 – up from 29% in 1999.

Conclusion

Mr Speaker, this Government has spent the last five years bringing the ACT's budget under control.

Containing our expenditure, meeting the cost of essential community services, and keeping our revenue effort at approximately the levels of New South Wales, have been difficult challenges.

Every spending reduction, every extra dollar raised in new revenue, came at some political cost to this Government.

But today, we see the result of five years of hard work – that result translates into a dividend to be returned to the Canberra community.

It is a dividend which comes in several forms:

- A secure financial future, with a budget in surplus;
- Effective, efficient and expanding community services;
- Reductions in taxation; and
- A plan to manage our long-term superannuation liabilities

Contrast these achievements with the record of Labor in Government.

- A \$344 million operating loss;
- A crisis in our health and education systems;
- Ineffective budget strategies; and
- An ideological approach to the provision of services, no matter how inefficient they were.

Mr Speaker, the 2000-01 ACT Budget is one which builds and cultivates our social capital. Indeed, it invests heavily in our social capital, because this Government believes that a strong sense of social capital underpins and enriches our community, and all the members of it.

Only through responsible financial management can we return a dividend to the Canberra community like the one we deliver today. Only through responsible financial management can we set about improving the quality of life for everyone in this city.

Mr Speaker, that's what this Budget does, and for that reason, I commend it to the Assembly.