

ACT
Government

Australian Capital Territory

Budget

2015-16

Budget Paper 2

Budget in Brief

For Canberra

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ISSN 1327-581X

© Australian Capital Territory, Canberra June 2015

Publication No 15/0231

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Produced for the Chief Minister, Treasury and Economic Development Directorate by Publishing Services.

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Biggest
health
spend ever

Record urban
renewal package

Investing in our kids

Creating jobs

Treasurer's message



2015-16 ACT Budget – For Canberra

My first budget as Chief Minister will ensure Canberra remains the world's most liveable city and a place all Canberrans can be proud of, with a community and economy in which we can all feel confidence. This is a budget for Canberra.

We are proud of our city's international reputation, proud of our excellent universities and proud of the renewal that is breathing new life into our town centres. We are proud of our world-class schools and hospitals. We are proud of our leafy suburbs and the neighbourhood shops and parks.

The funding in this budget for Canberra goes to the heart of our city and its people – ensuring we have the right services, facilities, and infrastructure that our residents and businesses deserve and expect.

Budgets are about people, as much as they are about fiscal strategies. Since becoming Chief Minister, I've made it my priority to get out and listen to Canberrans, and to provide the services they need. This budget delivers. Canberrans need quality schools, roads, hospitals and community services – which this budget delivers. Most importantly, they need jobs. Our clear vision for supporting the economy and infrastructure investment, which continues in this budget, will deliver job opportunities for Canberra. Through the record funding for municipal services in this budget, we are also ensuring the look of our city will continue to match the pride we feel in it: neatly mown verges, well-maintained roads and footpaths, and well-kept parks and playgrounds.

Budgets are also about values. This budget is a clear statement of the values this Government holds. We stand up for Canberra against the Commonwealth's savage cuts, and we will continue to use the budget to safeguard jobs for Canberra, to support our local businesses and grow our economy. We are proudly continuing to build new infrastructure, and plan for the Canberra of tomorrow through major long-term projects. We are proudly spending more than any government before us on renewing our hospitals, schools, roads and local services.

This budget delivers for Canberra. It delivers a strong economy and growing businesses, quality services and infrastructure, and a vitality to match the pride we feel in our city.

Andrew Barr MLA

Chief Minister and Treasurer

June 2015

Our vision for Canberra

This is a budget for Canberra.

This budget outlines the Territory Government's plan to join with the community and our local businesses to renew the city and bolster our economy in response to the cuts by the Commonwealth Government. This budget builds on the strength of our city and our people to drive diversification, maintain our world-class facilities and services and uphold our title of the most liveable city in the world.

While our economy has weathered the storm of Commonwealth cuts well, it still needs support from the ACT Government.

It is now more important than ever that our Government supports the city, its people and its economy to grow and diversify – building a dynamic capital that attracts talent, creativity and investment.

We are proud of our great city, and confident the priorities that support our vision for Canberra are shared by the community.

This budget builds on the Government's past investments with a focus on health, education, economic growth, diversification, suburban renewal, better transport, liveability and social inclusion.

The Government is inviting private sector investment through programs to showcase Canberra as a great place to do business.

These initiatives to support local business will encourage tourism, attract international events, promote business opportunities and encourage innovation to strengthen our economy.

This budget invests heavily in our city's services and infrastructure, while outlining a clear path to return to surplus.

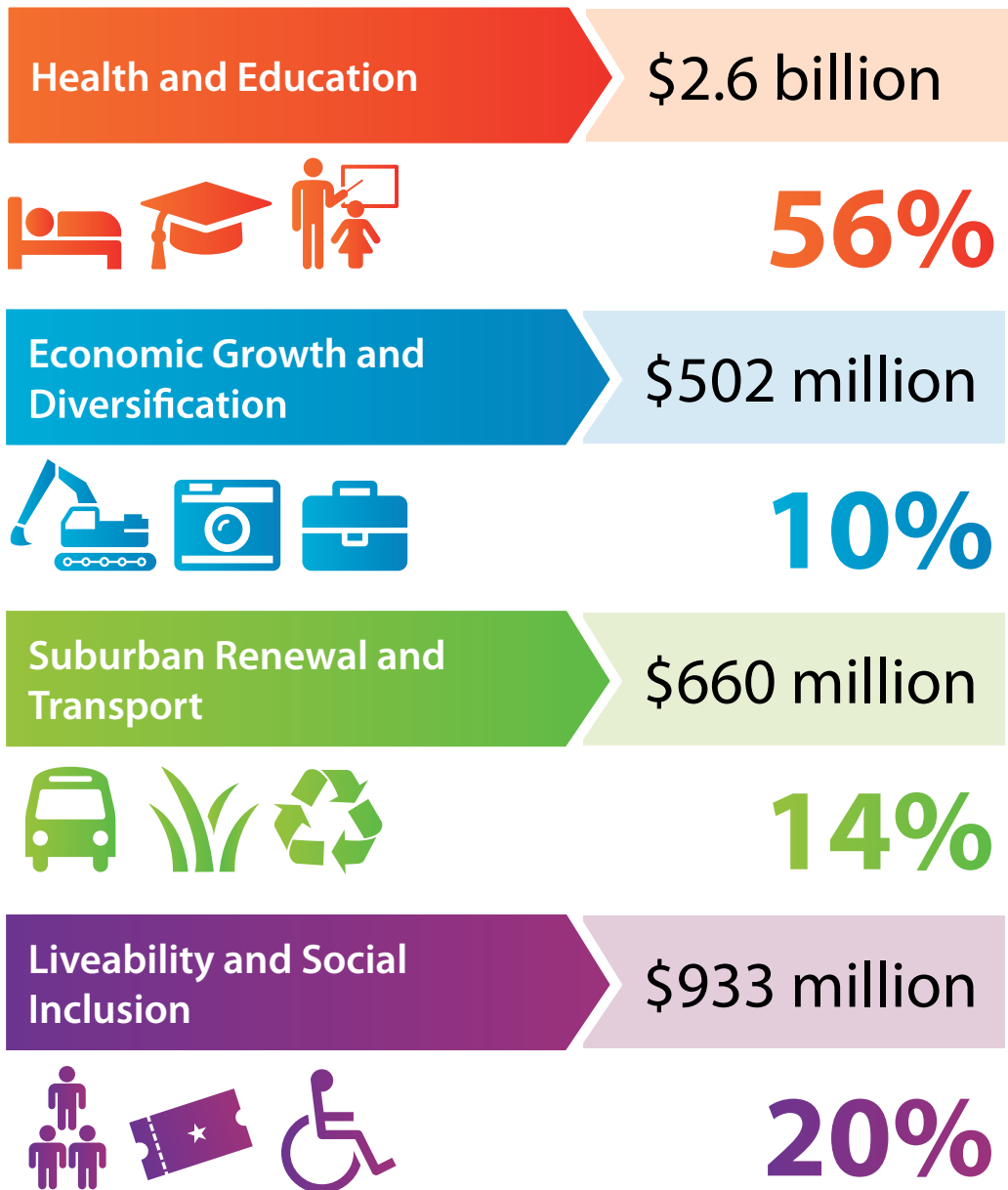




Where our money goes

In 2015-16, the Territory Government will spend \$5.1 billion¹ in the delivery of services to the people of Canberra and a further \$825 million for infrastructure. Total capital funding over the coming four years is \$2.8 billion.

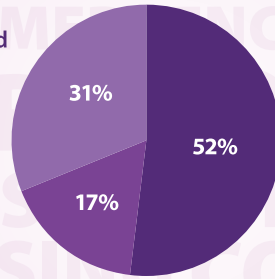
Government Priorities²



1. General Government Sector Expenditure in 2015-16. The expenses by key priority area above do not equal total GGS expenses as they do not include superannuation and other expenses that do not directly correlate to functions
2. Classification of spending to priority areas changes from year to year

Enhancing liveability and social inclusion

Disability and Community Services

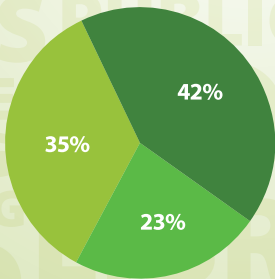


Justice and Safety

Housing

Suburban renewal and better transport

Environment, Sustainability and Land Management



Territory and Municipal Services

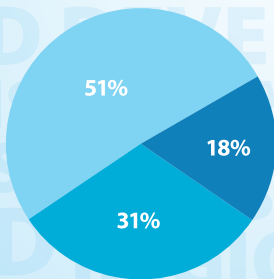
Public Transport

Where does our money go?



Economic growth and diversification

Delivering Government Services

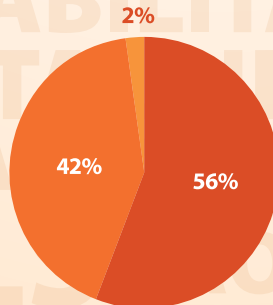


Events, Tourism and Facilitating Investment

Planning and Regulation

Health and education

Sport and Recreation

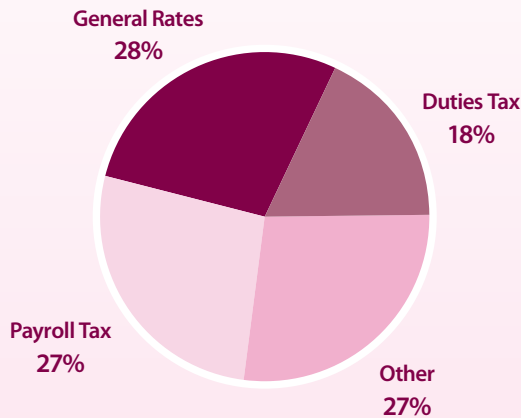
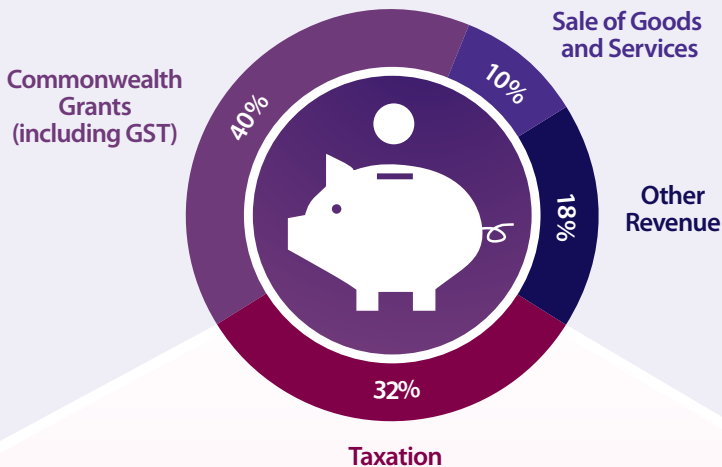


Education


Health

Where our money comes from

Total General Government Sector (GGS) revenue in 2015-16 is expected to be \$4.61 billion. This revenue comes from a range of sources, but primarily from Commonwealth Grants (40 per cent). Rates, taxation and other charges account for a further 32 per cent. Remaining revenue (28 per cent) is derived from fees for service, dividend and interest revenue.







Ours is a healthy
and well educated
community – with the
highest life expectancy
in Australia and many
opportunities to learn



**Health and
education
investment
for Canberra**

A photograph of a female nurse in a light blue uniform, smiling and pushing a metal cart filled with medical equipment. The background is a blurred hospital hallway with another person in a similar uniform. A large white diagonal line cuts across the image from the top left to the bottom right.

Health for Canberra

Budget Highlights

- more acute health services
- more women's and children's health services
- more elective surgery
- improved mental health services
- better integrated hospital and community services
- improved palliative care

The ACT Government continues to provide high quality health and education systems for Canberra.

Each year we spend around half of the Territory's budget on health and education – and we are expanding these services in the coming year, for example through the construction of the Secure Mental Health Unit and the new Coombs Primary School.

Health and education continue to remain the Government's highest priorities. The 2015-16 Budget provides new operating funding of \$174 million and new infrastructure funding of \$97.8 million for health and education.

Healthy communities

In the last 10 years, the Government has prioritised healthcare by investing in projects such as the Centenary Hospital for Women and Children, a new teaching hospital at the University of Canberra and community walk-in centres for the Belconnen and Tuggeranong regions.

During this time, the Government has added more than 350 hospital beds to the ACT Public Health system.

hospitals by providing 16 extra beds and additional medical staff to treat the patients in those beds. We are also funding an additional 500 elective surgeries.



12,500
elective surgeries



We are upgrading the operating theatre and medical imaging equipment at Calvary Hospital and funding a new car park as part of the University of Canberra Public Hospital development.

We recognise the impact of mental health on individuals, families and whole communities. For this reason we are expanding mental health services to provide an early intervention program for primary school children, as well as extending hours for mental health and alcohol and drug consultation services at the Canberra Hospital. We are also providing more specialist drug treatment services to ensure that appropriate medical interventions are available to those who need them.



103,000
hospital admissions

Despite the Commonwealth Government walking away from the National Health Reform Agreement, the ACT Government continues to invest in health services. While it is not sustainable to keep plugging this gap indefinitely, the ACT will continue to meet the health needs of Canberrans.

To achieve this, the Government is increasing acute services at both Canberra and Calvary

We are continuing to invest in active living, healthy weight and smoking cessation initiatives, including targeted Indigenous programs, which build on community health initiatives of previous years.

Combined, these investments will ensure the high quality of care expected by the people of Canberra continues.



Education investment for Canberra

Budget Highlights

- a specialist learning centre at Chisholm
- a new Canberra Institute of Technology (CIT) campus at Tuggeranong
- more new schools
- upgrades to existing schools, including better ICT
- more support for students with disability

A smart city

The 2015-16 education budget is \$1.1 billion, the biggest its ever been. Each year funding is provided to address a wide range of educational priorities, including:

- a high performing public schools system,
- support for students with special education needs, and
- support for young people to undertake Vocational and Educational Training.

The ACT Government will maintain its commitment to ongoing education reforms by continuing investments in the 2015-16 Budget.



A growing city needs more schools. The Government will provide funding to construct a new P-6 school at North Gungahlin, and undertake feasibility studies for a high school in Gungahlin and a P-10 school in Molonglo.

We will also modernise Belconnen High School through construction of a new building and refurbishment of existing buildings.

We will upgrade Melrose High School and Mount Stromlo High School and will provide funding for the construction of a specialist learning centre at Caroline Chisholm School to deliver science, technology, engineering and mathematics. These investments, combined with increased digital and computing systems, will ensure our students learn in a contemporary environment.



This Government will provide additional resources to support increased numbers of students with disability to access and participate in education. This will result in new and innovative programs so that students with learning disabilities have the best opportunity to learn.

The budget will also provide a new CIT campus at Tuggeranong and upgrades to the Bruce and Reid campuses. This will allow for courses to be delivered where they are needed.





Trimble Tri-Max

Our economy is becoming more and more diverse

Canberra is home to more than 25,000 businesses

A photograph of two construction workers on a job site. The worker on the left is wearing a white hard hat and a bright orange high-visibility jacket, looking towards the right. The worker on the right is wearing a blue hard hat with a logo, safety glasses, and a similar orange high-visibility jacket, also looking towards the right. They appear to be reviewing a set of plans or documents. The background is a blurred construction site with various materials and equipment.

Economic growth and diversification for Canberra



Growth in our economy

Budget Highlights

- implementation of Phase 2 of the Business Development Strategy
- single business licensing framework
- one-stop-shop for environmental approvals
- innovation and trade investment funds
- big boost for tourism
- direct international flights
- City to the Lake projects

The ACT Government is supporting the expansion of the business sector. The recent partnership with 12 regional councils in NSW to form the 'Canberra Region' and the agreement with QantasLink to relocate heavy maintenance for its Boeing 717 fleet to Canberra are among a range of ACT Government initiatives that will help grow and diversify the economy.

Delivery of the Business Development Strategy has also underpinned the economy's transition with the establishment of the CBR Innovation Network to increase business innovation, Invest Canberra to attract business, and the CBR Brand to raise our city's profile.

To support continued growth in the private sector, the 2015-16 Budget will provide \$29.1 million in recurrent funding and \$51.7 million in capital funding to encourage business investment, create more jobs in new industries and to increase digital services.

Easier ways to do business

We want to make it easier to do business in Canberra.

Having the right systems in place is vital if the ACT is to compete for business on a national and international level.

The Government has already put in place a range of initiatives to make it easier to do business.

The Government has established 'Access Canberra' to make it easier for businesses, community groups and individuals to access shop-front and regulatory government services in one place.

In line with the creation of Access Canberra, the Government will establish a single business licensing framework which will simplify licensing processes.

The Government will also replace the land titles system which will make property transactions considerably simpler and faster.

Access Canberra will create additional online services to make it easier to interact with Government anywhere, anytime.

In the 2015-16 Budget, the Government will invest in an 'e-Development' system, which will also deliver end-to-end processing of Development and Building Applications.



3,500
dwelling sites
to be released

A one-stop-shop for environmental approvals will be established for quicker approvals and faster land development.

The Government will continue implementation of the Business Development Strategy by establishing a CBR Innovation Fund and a CBR Trade and Investment Fund to increase business innovation, trade development and private investment.



Growth in our visitor economy



\$1.6 billion
value of the visitor
economy

This Government is a strong supporter of tourism and events for the region, most recently demonstrated through support for the National Multicultural Festival and the signing of a revised Memorandum of Understanding with the Canberra Airport which focuses on increasing visitation and export opportunities.

Through the 2015-16 Budget, the Government will continue to support Brand Canberra by joining with the private sector to promote Canberra as a great place to live, work, invest, study or visit.

There will be more marketing campaigns and the Government will seek to attract direct international air services to and from key markets.

The Government will also continue with its City to the Lake project by transforming the West Basin of Lake Burley Griffin with a new park and other infrastructure.



14,700
Canberrans are
employed in the
tourism sector



480,000+
record crowd welcomed
at Floriade 2014

Continued tax reform

The ACT's tax reform program began in 2012-13 to make the Territory's taxation system fairer, simpler and more efficient.

These reforms continue in the 2015-16 Budget with lower conveyance and insurance duties being made up through the collection of general rates.

Over the course of the next four years, revenue from inefficient conveyance and insurance duties will fall from around 16 to 14 per cent of tax revenue. Insurance duties will be abolished by 1 July 2016.

These changes will lessen the impact of taxation on the economy and maintain the sustainable delivery of Government services into the future.





Canberra's suburbs are
vibrant and iconic

A person wearing a high-visibility yellow vest and a dark cap is operating a red utility vehicle, likely a golf cart, on a golf course. The vehicle is moving across a green field with scattered brown leaves. In the background, there is a line of trees with sparse foliage under a bright, slightly overcast sky. The overall scene suggests a maintenance or transport activity in a suburban or recreational setting.

**Suburban
renewal
and better
transport
for Canberra**



Suburban renewal

Budget Highlights

- better connections to better places
- more options for active travel
- more municipal services
- better recreation and arts facilities
- public housing renewal

The Government wants to maintain the suburban environment through ongoing investments in the amenity of the city, suburban renewal and improvements to transport.

Recent initiatives that demonstrate the Government's commitment to suburban renewal and better transport include planned upgrades to over 100 playgrounds, the second stage of upgrades to Weston Park and the start of consultation on a Smart Parking trial.

Renewal must be ongoing to ensure our city is adaptable to the needs of its people. That is why the Government will invest an additional \$88.4 million of operating funding in the 2015-16 Budget as well as a record \$325 million in capital for infrastructure projects.

Suburban renewal for Canberra

Suburban growth and renewal is important to provide for growth in our population and to maintain our beautiful city.



This budget provides for more mowing, cleaning and maintenance to spruce up our suburbs.

The Government will upgrade or plan for improvements to walking and cycling infrastructure, including age friendly improvements, in the following areas:

- Tuggeranong Town Centre
- Woden Town Centre to the Canberra Hospital
- Weston Group Centre
- West Belconnen and the Belconnen Town Centre
- Molonglo to the City Centre
- Oaks Estate
- Kingston Group Centre
- Erindale Shopping Centre
- Kaleen Group Centre
- Kingston Foreshore and Bowen Park
- Sullivans Creek, and
- Kambah Group Centre.



In the 2015-16 Budget, the Government will provide for additional waste collection, street

lighting and the maintenance of public places and assets in new suburbs.

Areas around Civic and Braddon will also be made safer and more appealing through lighting and footpath upgrades.

More funding will be provided for the maintenance of playground equipment and the government will undertake safety upgrades at government-owned arts facilities.

The Government is committed to building, upgrading and maintaining high quality sport and recreation facilities to maximise community participation in sport.

Funding will be provided for a new sports facility at Melrose High School and for upgrades to Phillip Oval.



In the 2015-16 Budget, \$133 million in capital funding has been provided for the redevelopment of Allawah Court, Karuah and Red Hill housing developments and the Owen Flats.

This renewal of public housing is the single biggest infrastructure investment program in the budget and will involve the demolition of units and the sale of land as well as the construction of modern replacement properties.





Transport for Canberra

Great cities are connected and coordinated and this Government is committed to ensuring all members can connect with the people and the places that are important to them.



17.5 million
passenger boardings on
ACTION Buses

The 2015-16 Budget will invest in the first stage of light rail, with funding for the detailed design, procurement and contract management of the construction of Capital Metro.



The Nightrider Service will continue for two years and the Community Transport Coordination Centre will continue for a further year with future funding for these services to be considered as part of the transport reform strategy.

The Government will continue investing in roads for Canberra through:

- stage one duplication of Horse Park Drive
- stage one duplication of Gundaroo Drive
- stage two duplication of Ashley Drive, and
- bridge strengthening along the Monaro Highway.



3,300km
of roads

A range of feasibility studies for future road works will also be undertaken. This will include a study to consider current and future transport requirements on the roads near the airport.

A better environment for Canberra

The Government is committed to maintaining Canberra's pristine natural environment for current and future generations.



700,000
tonnes of recycled
material collected

The Government will provide funding to continue recycling in the City area and bulky waste collection for eligible concession card holders.

Funding will be provided for the Government to implement Version 3 of the Strategic Bushfire Management Plan, which aims to increase fire management to reduce the risk of bushfire.

Our Government will improve the long-term condition and sustainability of endangered species and habitat across the ACT as well as conduct a study into options for the long-term management of Canberra's urban forest. We will also provide additional support for volunteer groups active in the ACT's parks and reserves.



740,000
trees in the urban forest

The combined funding for suburban renewal and transport for Canberra focuses attention on areas and services that will create a vibrant and attractive city.

A photograph of an older man with a full white beard and hair, wearing a blue and red plaid shirt. He is sitting on a swing, holding onto the yellow ropes. The background is dark with some blurred lights, suggesting an outdoor setting at night. A white diagonal line cuts across the image from the top left to the bottom right.

Canberra is
the world's
most liveable
city because of
our lifestyle and our
environment,
but most of all –
because of our people



**Enhancing
liveability
and social
inclusion
for Canberra**



Liveability

Budget Highlights

- more funding for police
- more funding for emergency services
- a better victims of crime financial assistance scheme
- justice reforms
- judicial resourcing
- upgrades for the Canberra Theatre

The Organisation for Economic Cooperation and Development (OECD) recently declared what we already know – that Canberra is the ‘the world’s most liveable city’.

We know this because of our lifestyle and our environment, but most of all because of our people – who reflect the diversity and inclusiveness that make Canberra a fantastic place to live.

The ACT Government is a strong supporter of liveability and social inclusion. This has been demonstrated by initiatives such as the introduction of new human rights laws to strengthen cultural rights for Aboriginal and Torres Strait Islanders – and the launch of the “Say No to Racism” program, designed so that ACT Public School students can promote inclusive multiculturalism in their school communities.

The ACT Government will invest a further \$66.6 million in operating funding and \$12.2 million in capital funding through the budget into initiatives that support liveability and social inclusion.

The Government is always looking for new opportunities to revitalise our city.

This year the ‘Enlighten’ festival was expanded to include the Noodle Markets and a new layout was adopted for the Multicultural Festival.



270,000
people attended the
Multicultural Festival

In the 2015-16 Budget, the Government will continue to develop the Lanyon Heritage Precinct and will undertake improvements to the Canberra Theatre Centre, including the replacement of seating and carpet to enhance amenity.



340,000
patrons enjoy shows at
our cultural facilities

A safe and just community

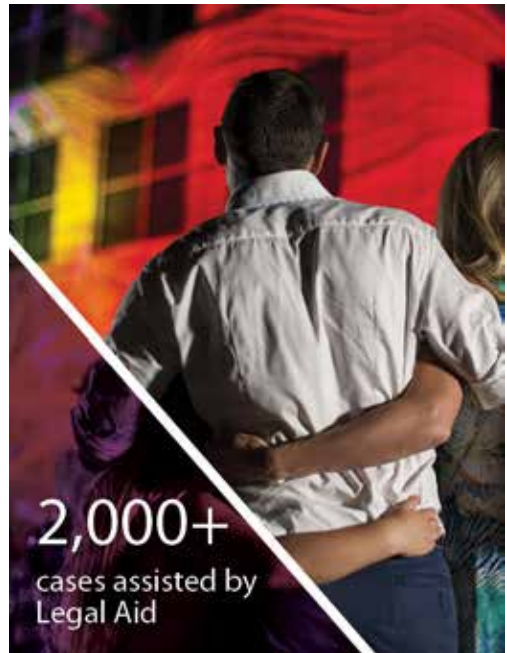
The ACT has amongst the lowest rates of crime in the country.

The emergency services Station Upgrade and Relocation Program will continue with a new ambulance station at Greenway to provide better response times to Canberra’s south.

Additional funding will also be provided for policing services to cover things like the cost of high-tech crime and forensics.

The Government will create an administratively based Victims of Crime Financial Assistance Scheme and an additional judge will create capacity and further reduce the backlog of matters in the courts.

The second phase of the Restorative Justice program will be implemented and funding for Street Law and Legal Aid will be provided.



The Government will strengthen ACT Community Corrections to deliver services and prepare for the anticipated outcomes of the Justice Reform Strategy.

These investments will maintain a fair, safe and peaceful community where people’s rights and interests are respected and protected.

A photograph of a woman and a young girl at night. The woman, on the left, is smiling and wearing a dark jacket and a colorful scarf. The girl, on the right, is wearing a white knit hat with a pom-pom and a dark jacket, and is holding a blue and yellow stuffed animal. They are standing in front of a background of blurred blue and white lights, possibly a festival or a public square. A white diagonal line runs from the top left to the bottom right, separating the image from the text.

Social inclusion

Budget Highlights

- easier access to community services
- support for families in need
- more funding to prevent and respond to domestic violence
- more homelessness services
- special needs transport
- new respite property

Social inclusion for Canberra

The development of greater social inclusion is a key commitment for this Government and our goal is to ensure that everyone has the opportunity to participate in the Canberra community.

As set out in our Social Inclusion Budget Statement, the Government aims to:

- build an inclusive community that enables all ACT residents to have a high quality of life
- improve outcomes for vulnerable ACT residents
- support collaboration to remove barriers to inclusion, and
- reform the service system to provide the right services at the right time for the right duration.



One of our immediate priorities is to consider and address domestic violence in our community.

In 2015-16, the Government will invest in expanding the capacity of three key domestic and sexual violence crisis services.

Funding will also be provided to support ACT public schools to provide social and emotional learning programs; provide additional training for teachers and staff on domestic violence issues; and to provide additional support for children and young people who may be experiencing domestic violence.

The ACT Government will also contribute to the national campaign to reduce violence against women and children.



5,000

Canberrans will take part in the National Disability Insurance Scheme

The Government will provide a new respite property for young people aged between 13 and 18 years old.

The Government will also implement *A Step Up for Our Kids – One Step Can Make a Lifetime of Difference*, which is a strategy to reduce the numbers of children and young people in out-of-home care.

The One Human Services Gateway is a single point where Canberrans can access the help they need for social housing, homelessness services, family support services, supportive tenancy services, employment services, grants programs and disability services.

The Strengthening Families Program provides early intervention and support for families in need.

Funding will be provided in the 2015-16 Budget to extend both the One Human Services Gateway and the Strengthening Families Program.



98%

of new tenancies for public housing are high needs allocations

Homelessness services will be continued and additional support for children with disability in ACT Schools will be provided, both for learning and special needs transport.

Social inclusion is a key platform for the ACT Government. The additional investments made in this area in 2015-16 will assist the Government and the community to ensure all have the potential to participate in community life.

Economic and fiscal outlook

The ACT economy has been significantly impacted by the Commonwealth Government's cuts to jobs and spending. As a result, employment and overall economic growth slowed considerably in 2014-15. The 2015-16 Commonwealth Budget signalled the end of the job cuts in the Australian Public Service, but its spending remains low. It will take some time for our economy to regain strength and for consumer confidence to grow once again.

Jobs have been lost. At the time of the release of the Commonwealth Budget in 2014, our unemployment rate was 3.7 per cent. Since then it has jumped to 4.3 per cent - a direct result of the Commonwealth's decision to reduce the size of the Australian Public Service and the flow on effects to other sectors such as accommodation and food services.

As a result, our economy will only grow by 1¼ per cent in 2014-15. The number of people in a job is expected to have fallen by about a ¼ of a per cent by year end.

However, the situation would have been worse had the ACT Government not invested in jobs and infrastructure in recent years.

As a result, we have much to be hopeful about with business and consumer confidence anticipated to pick up this year.

The ACT has the lowest unemployment rate in the country and the second highest labour participation rate - we have good reason to be confident about our business and job prospects.

The ACT Treasury is projecting modest economic growth in the ACT of 1½ per cent in 2015-16, with year on year employment expected to grow by ¾ of a per cent.

The ACT Government will continue to support the economy with investment in projects that will benefit the community in coming years.

These projects will create job opportunities, improve services and generate long lasting benefits for our city and its people.

The Government's strategy will be assisted by low interest rates that will encourage private sector investment, continued tax reform to create a fairer and more sustainable tax system and reduced red tape.

This budget supports the ACT economy by creating jobs and continuing to deliver quality services.

This means more health and education services, easier ways of doing business, ongoing suburban renewal and better transport for Canberra.

The goal is to secure the ACT's economic future through responsible financial management where temporary deficits are offset by surpluses in other periods.

Continuing to invest in important infrastructure projects will benefit the community in the longer term.

The Government's infrastructure program will modernise our city with capital works boosting employment and aiding in the delivery of quality services for the people of Canberra.

The large capital program will be supported by the sale of surplus assets and while our debt will increase, responsible borrowing will stimulate the economy and create jobs.

In 2015-16, the forecast Headline Net Operating Balance is a deficit of \$407.6 million. This is expected to improve each year until 2018-19 when the budget is forecast to return to surplus.

This is consistent with the Government's fiscal strategy and intention to support the economic wellbeing of the Territory both now and in the future.

Economic Forecasts

(Year-Average Percentage Change)

	ACTUAL		FORECASTS
	2013-14	2014-15	2015-16
ACT			
State Final Demand	1.9	2¼	2¾
Gross State Product	0.7	1¼	1½
Employment	-0.2	-¼	¾
Wage Price Index	2.4	1¾	2¼
Consumer Price Index	2.2	1¼	2
Population	1.2	1¼	1¼
Australia			
Gross Domestic Product	2.5	2½	2¾

Source: ACT 2015-16 Budget, Budget Paper 3, Economic Outlook







