



ACT Government
2005-2006 BUDGET

MEDIA RELEASE

**RESPONSIBLE BUDGET AND RESPONSIVE TO THE NEEDS
OF OUR COMMUNITY**

The 2005-06 ACT Budget continues to deliver on the Stanhope Government's commitments. It is both financially responsible and responsive to the needs of our community, Treasurer Ted Quinlan said.

The 2005-06 general government sector deficit is \$91.5 million. However, the general government aggregate result of the Budget and forward estimates is a surplus of \$22 million.

"While this is indeed a substantial change from last year's estimate, it is worth understanding that there have been several quantum shifts in funding pressures since the Stanhope Government came to office," Mr Quinlan said.

Mr Quinlan said three major reports have identified areas that were inadequately resourced, probably since self government - the Gallop Report on Disability Services, the McLeod Report on the response to the 2003 bushfire, and the *The Territory as Parent (Vardon)* Report on Child Protection.

A large increase in the costs of providing health services, cuts in funding from the Commonwealth Government were also among the factors adding to the predicted deficit.

"This Budget continues to address the needs of our Community. Unfortunately, as increased needs are identified, it does involve an increase in General Rates in order to generate an additional \$13.9 million per annum to partially meet emerging needs.

"From 1 July 2005, rates for residential and rural properties will increase beyond CPI on average by \$104 per year, or \$2 a week. The average increase over CPI for commercial properties will be \$312 per year.

"The increase in rates brings average residential bills to around the same as those in most other Australian cities. We have, however, increased the rates rebate cap for pensioners from \$305 to \$365, to ensure that pensioners and people on low incomes are not unduly affected by this increase in rates."

"The amount of revenue collected through land tax on existing properties will also increase by 2.4 per cent, in line with the Consumer Price Index.

Mr Quinlan said the Government had pledged to maximise the amount of revenue spent on services for the community by reducing its own administration costs.

“ACT Government agencies will carry out a range of restructures to ensure their operations are efficient. This will include reducing the workforce of the ACT Public Service by around 260 jobs, through a series of voluntary redundancies,” he said.

“We have continued our strong commitment to investing in our city and infrastructure with \$168 million allocated for new capital works projects. These include \$40 million to replace the Quamby Youth Detention Centre and \$6 million to upgrade the City West Childers Street precinct.

“We have also continued to invest in our community. We have allocated \$8.3 million over four years to cut waiting lists under the Elective Surgery Reform Program. This will see an extra 300 elective surgery allocations in 2005-06, rising to an extra 400 in the following year.

“We have provided funding to strengthen early childhood development programs across health, education and family services, including the extension of the Child and Family Centre program to Tuggeranong.

“Over the next two years, we will invest \$3 million in resources to meet the sharp demand for traineeship and apprenticeship places in the ACT. We have allocated almost \$8 million over four years to meet our election commitment to increase the hours of preschool education for four-year-olds from 10.5 to 12 hours per week.”

Mr Quinlan said the 2005-06 ACT Budget was a responsible one, balancing the needs of the community with the pressures brought on by a challenging year.

“There is a certain degree of unfounded panic about budget deficits in Australia at the moment. Deficits, like surpluses, are just part of the budget cycle,” he said.

“In challenging years like the one that lies ahead, it is often unavoidable that the Budget dips into deficit. But the ACT economy is strong, growth is continuing, and the budget will return to surplus over the next three years.”

Statement ends