



ACT
Government

Australian Capital Territory

Budget 2021-22

Budget Speech

Presentation speech: 2021-22 ACT Budget

Introduction

The 2021-22 Budget has three clear priorities: to protect the health of the community, deliver on our election commitments, and turbo-charge our economic recovery.

This Budget is the next stage of the Government's plan to support Canberrans through the pandemic and recover from this once-in-a-generation crisis.

It is a Budget guided by the principles that have underpinned our response over the past 18 months:

- Investing in healthcare and essential services;
- Protecting and creating jobs; and
- Protecting our most vulnerable.

The Budget sets out our recovery and rebuilding effort.

This is a full-throttle Budget to get Canberra's economy moving again.

It backs in the public sector, the community sector and the private sector to work together to drive a stronger economy and improve community wellbeing.

Through this Budget, we will continue to build and staff the health system necessary to keep Canberrans healthy and safe. We will create and protect thousands of good, secure, Canberra jobs. And we will continue to drive our transition to a zero-emissions future.

There will be challenging weeks and months ahead, as we deal with the spread of COVID-19 in our community.

It is something that is part of our lives now, and probably will be for a long time to come.

But there is a path to return to the life that we want, where we can visit friends and family, go to the theatre or the footy, or throw a party. A path to rebuild our economy and protect the most vulnerable.

As a city and a community, that path is vaccination.

We hope to get as close to 100 per cent vaccination coverage as we can.

Canberrans have been rolling up their sleeves and getting vaccinated. We are doing it to protect our older loved ones, our vulnerable and valued community members, and those otherwise active, healthy people whose immune systems struggle against this disease.

A highly vaccinated Canberra is a safer and more confident Canberra.

There is very little vaccine hesitancy, complacency, or conspiracy here – we are responding to this virus together.

And the ACT Government's role, through today's Budget and over the coming year, will be to support a return to the life we want for ourselves, our families, and our community.

Impact of COVID-19

The current outbreak of the Delta variant has created one of the toughest periods in our city's history.

After a COVID-free year in the ACT, with no significant public health restrictions and a relatively normal social and economic life, the lockdown – while absolutely necessary – has been extraordinarily difficult for everyone.

It has been a tough couple of months – and taking into account the bushfires and the first wave of the pandemic, a difficult few years.

The ACT Government has stepped up to provide the investments needed.

The 2021-22 Budget invests over \$90 million to continue the COVID-19 public health response. This will get jobs in arms and ensure the Chief Health Officer has the support needed to contain the spread of the virus.

Beyond this, more than \$500 million in additional funding will be provided over four years to boost our public health services.

Over the course of the pandemic, we have invested over \$475 million through direct payments and tax relief measure to support local Canberra businesses.

We have supported our most vulnerable 31,000 households through an increase in the utilities concession to raise the payment from \$700 to \$1,000 for 2021-22.

Budget overview

Our strong economic foundations – achieved through increased and efficient expenditure, regulatory and tax reforms, and continued support for local jobs and vulnerable Canberrans – have placed the Territory in the position to be able to respond and recover from this outbreak.

It is a position from which we can grow strongly again.

As the ACT approaches world-leading vaccination rates, the Government will turbocharge our contribution to support our economic and community recovery.

Today's Budget, and our longer-term fiscal strategy, is designed with a simple purpose: to invest in essential services, to protect and create the maximum number of jobs across our city, and to continue to support Canberrans who need it most.

These jobs are going to be created across our private, community and public sectors. This is what we need to recover as quickly as possible.

We want to see a strong economic recovery leading into the Christmas holiday period, and sustained in the years beyond.

This emphasis on significant fiscal stimulus, support for our vulnerable, job creation, and economic recovery is reflected in our Headline Net Operating Balance over the short term.

In 2021-22, we forecast to be \$951 million in deficit. Across the forward estimates, one-off expenditure will not be needed and the Government is projecting improving revenues, with deficits reducing in each financial year to \$474 million in 2024-25.

We are acting on the principles that:

- By investing today to support the economy, we are avoiding a bigger loss of economic output and jobs which would damage our economy and community for years to come, and place a larger strain on our Budget;
- The Territory balance sheet entering this crisis was in a strong position after decades of good economic and fiscal performance;
- The ACT Government's financing costs have never been lower, with interest rates being the lowest since Australia federated in 1901.

This strategy is a continuation of the fiscal strategy I outlined in August last year, and again in the 2020-21 Budget.

It is important that governments of all levels across Australia continue to drive demand by embracing expansionary fiscal policy and increasing spending and investment.

Our decision to invest in Canberra will give the private sector the confidence to invest and keep employees on.

And our ongoing health response to the pandemic gives every employer, and every worker, the necessary confidence in our steps toward recovery.

Infrastructure Investment Program

This Budget sets out our largest ever infrastructure program at \$5 billion over five years – a program that will make Canberra an even better city to live in and create thousands of good local jobs.

Our capital investment priorities continue to be health, education, public transport, public housing, climate action and urban renewal.

This includes large, medium and small-scale investments across our city, including:

- \$870 million invested in the health infrastructure we need for the future, including the delivery of the Canberra Hospital Expansion;
- more than \$950 million invested in CIT and education infrastructure to maintain and improve existing schools, plan for future school infrastructure needs, and progress the development of new school facilities across the city;
- \$1.4 billion to upgrade and expand our city's sustainable and connected transport network including taking light rail to Woden, undertaking a city-wide package of better bikepaths and footpaths and duplicating William Hovell Drive.
- We'll also be spending \$19 million for local shopping centre upgrades across the city; \$9 million to progress the Throsby home of football; and over \$5 million for new and upgraded play spaces across the city.
- We will continue to invest in community facilities and build more large green spaces, play spaces and dog parks to make our local suburbs even better.

Madam Speaker, we will measure our success not only through economic growth, but by how well we do as individuals, a community, and a place to live – by utilising our *Wellbeing Framework*.

Today's Budget is the first where the wellbeing principles are embedded in budget decision-making.

Record Health investment

In a global pandemic, the strength of a jurisdiction's health response directly contributes to its economic resilience.

The speed of our vaccination rollout; the willingness of our community to get vaccinated; our ability to quickly stand-up mass vaccination hubs; and our extraordinarily efficient 100 per cent utilisation rate; all mean that the factor limiting our 90-per-cent-plus vaccination coverage has been vaccine supply delays.

But our health system's strengths go beyond vaccination.

At its core, our health system is made up of the doctors, nurses and support staff who have been there when we needed them.

This Budget delivers record investments in our health system with over half a billion dollars in new funding to provide better healthcare, where and when Canberrans need it.

Alongside the nation-leading vaccine rollout, we will continue to invest in COVID-19 health initiatives such as the Health Emergency Control Centre, quarantine and compliance activities, hospital and testing services, additional cleaning of public schools and public transport, and Pandemic Response and Public Information teams.

The Budget will help to modernise our Ambulance Service, support our hard-working paramedics, and keep our community safe, by hiring more personnel, upgrading ICT systems, and purchasing five new low-emissions vehicles for the fleet.

Today we fund the hiring of 90 more nurses and midwives as the first stage of a phased introduction of minimum nurse-to-patient ratios at the Canberra Hospital and Calvary Public Hospital.

This \$50 million investment means we will have more nurses on wards, helping those who need them most.

And we are expanding the Canberra Hospital Intensive Care Unit and Emergency Department; establishing an innovative cancer research centre; increasing endoscopy services; delivering more elective surgeries; and planning for a new surgery centre at the University of Canberra.

Investing in Canberrans

Madam Speaker, the 2021-22 Budget will protect the health and welfare of Canberrans, create jobs and reduce every-day cost pressures on households.

Investing in our essential services is vital to ensure our economy and community can recover as quickly as possible.

These investments do not just demonstrate sound economic management; they are key to improving the productivity, opportunity, and quality of life for Canberrans, as our city grows.

And each of these investments will create and protect local jobs so we can reach our target of 250,000 jobs in our labour market by 2025.

It's why, in this Budget, the ACT further increases our highest per capita spending on public housing, through our \$100 million investment in new and refurbished homes right across Canberra.

This is the single largest investment to both increase and improve affordable and public housing in Canberra in the history of self-government.

It's why, in this Budget, we will fund free training places to allow Canberrans to upskill or reskill in a range of fields.

The pandemic has been particularly tough for younger people starting out in their careers and those who have lost employment.

The expansion of *JobTrainer* in the ACT will see up to 2,500 additional training places made available and delivered over the next two years.

Supporting strong communities is more important than ever.

We are delivering over \$75 million in additional funding to support those most in need, including new funding to expand homelessness services, increased community and multicultural sector funding, and more support for Aboriginal and Torres Strait Islander Canberrans.

In one of the toughest periods in our city's history, people must be able to reach out and get help when they need it. Support is available.

Young people in particular are suffering in the face of this global uncertainty, and separation from friends and loved ones.

That's why we are funding integrated face-to-face and digital mental care for young people through an online platform; and supporting active outreach and treatment programs.

Investing in public education

Madam Speaker, the Government is committed to delivering the best possible education for all Canberra students; empowering teachers and learning professionals to thrive; and working with school communities to ensure the best possible outcomes for families.

The 2021-22 Budget provides over \$50 million in additional support for our public education system, with a focus on further improving equity and inclusion. We believe that every child should be given the opportunity to thrive and succeed in ACT public schools.

Real climate action and environment protection

We'll also continue our world-leading climate action agenda, with more than \$70 million in additional investments to deliver on our climate action goals and protect Canberra's unique environment, including an extension of the ACT Healthy Waterways Project.

We've opened the \$150 million Sustainable Household Scheme to all eligible households, so that more Canberrans can share in the benefits of a zero-net emissions future.

Conclusion

Almost one year ago, Canberrans voted overwhelmingly for a progressive agenda for our city.

And over this past year we have delivered: protecting Canberrans' health; rolling out the COVID-19 vaccination program; taking real action on climate change; and creating and protecting local jobs.

We recognise that a good job is about more than money. It provides security, meaning, opportunities and advancement in life.

That's why, over the past 18 months, we have fought to protect every Canberra job, every worker, every business.

And now, it's why we are turbo-charging our economic recovery.

Over the coming months we will re-emerge as a regional economic powerhouse.

We will face challenges. There will be setbacks.

But today's Budget is another step towards coming out of this difficult time stronger, together.

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