



Australian Capital Territory

BUDGET

2003—2004

Presented on 6 May 2003

by Ted Quinlan MLA

Treasurer of the

Australian Capital Territory



building our city
building our community
ACT Government

PAPER N° 2

BUDGET AT A GLANCE

Guide to the Budget Papers

Structure and content of the 2003-2004 Budget Papers

The 2003-2004 Budget is presented in four budget papers.

PAPER N° 1

SPEECH

The Treasurer's speech to the Legislative Assembly highlights the Government's Budget strategies and key features of the Budget.

PAPER N° 2

BUDGET AT A GLANCE

A summary of the overall budgetary position together with information on the Government's expenditure in key service delivery areas. It provides cross references to other budget papers to assist readers in locating details of specific budget measures.

PAPER N° 3

BUDGET OVERVIEW

Summarises the 2003-2004 Budget and forward estimates for the general government sector, the public trading enterprise sector and the total Territory Government. Details of the projected 2003-2004 Budget results are provided, as well as background information on the development of the 2003-2004 Budget, including consultations with the community, economic conditions, and intergovernmental financial relations.

The *Appropriation Bill 2003-2004* is appended.

PAPER N° 4

BUDGET ESTIMATES

Information on each department and their respective output classes, including descriptions of functions, roles and responsibilities, together with major strategic highlights. Full accrual financial information is provided for the general government sector as well as details of the Territory's public trading enterprises.

SUPPLEMENTARY PAPER

BUSHFIRE RECOVERY

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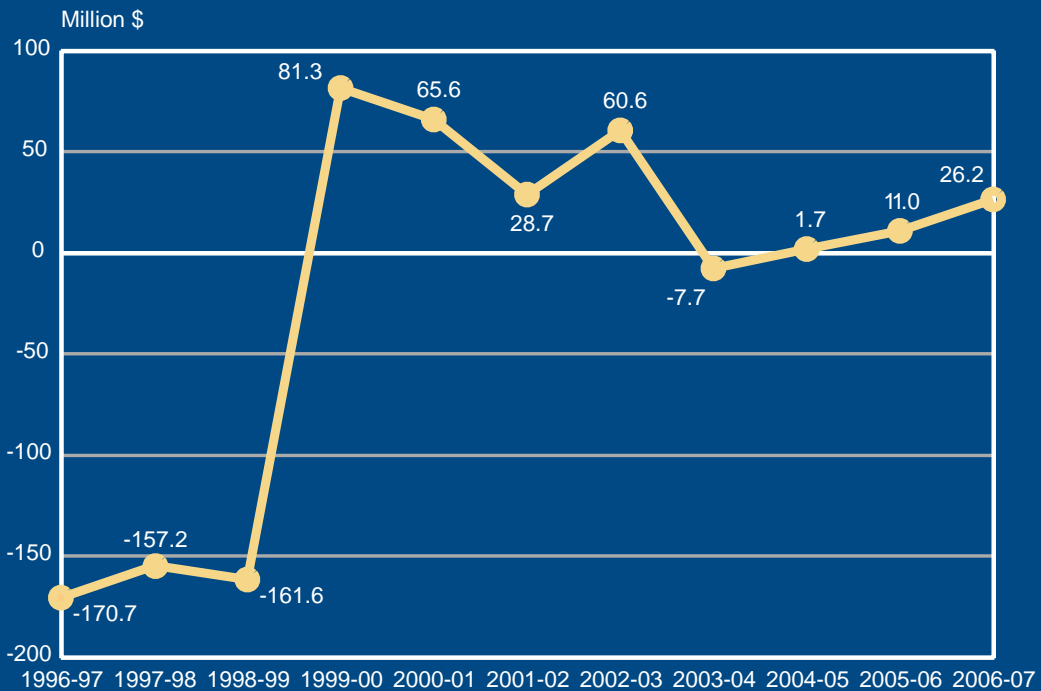
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General Government Sector Operating Result

1996-97	(170.7m)	
1997-98	(157.2m)	
1998-99	(161.6m)	
1999-00	81.3m	
2000-01	65.6m	
2001-02	28.7m	
2002-03	60.6m	Forecast
2003-04	-7.7m	Budget
2004-05	1.7m	Estimate
2005-06	11.0m	Estimate
2006-07	26.2m	Estimate



An Aggregate Surplus Over Four Years

2003-2004 Budget : General Government Sector

Total Expenses: \$2,368m (including extraordinary expense)

Down \$62m (2.8%) on the estimated outcome for 2002-03.

Total Revenue: \$2,360m

Down \$130.3m (5%) on the estimated outcome for 2002-03.

Operating deficit: -\$7.7m

Down \$68.3m on the estimated outcome for 2002-03.

The operating result across the budget and forward estimates is an aggregate \$65.6m. The strategy of a balanced budget across the forward estimates continues and ensures the Territory lives within its means while providing essential community services and investing in both social and physical infrastructure.

The 2003-04 Budget:

- An aggregate surplus of \$66m over four years (from 2002-03 to 2005-06).
- A surplus of \$60.6m in 2002-03.
- A deficit of \$7.7m in 2003-04, an improvement of \$13m from the estimated 2003-04 deficit last budget.
- A responsible budget that will continue the AAA credit rating for the Territory.
- Continuing the budget strategy to achieve a 90% funding level of the superannuation liability by 2039-40.
- An injection of funding into the Superannuation Provision Account of \$367m over the budget and forward estimate period.
- The 2003-04 Budget includes non-capital initiatives totalling \$47.372m.
- Capital funded initiatives of \$12.128m in 2003-04 and in 8.9m 2004-205.
- New capital works commitments of \$104.7m, with \$58.4m cash in 2003-04.
- A \$50m provision to contribute to construct a remand centre in 2004-05.
- A \$40m provision for a convention centre in 2004-05.
- No new major asset sales.
- No new general government borrowings.

Where Our Money Comes From

2003-04 Revenue

Taxes, Fees and Fines: \$723.6m

Revenue from taxes, fees and fines to decrease marginally from the 2002-03 estimated outcome of \$730.031m due to the inclusion of a large one-off waiver in 2002-03.

Commonwealth Grants: \$1,020.9m

An increase of \$4.206m from the 2002-03 estimated outcome of \$1,017m, partly due to a reduction of population estimates.

User Charges: \$187.9m

User Charges to decrease by \$2.4m. User Charges represents revenues generated from the sale of goods and services to customers.

Other Revenue: \$427.9m

Other revenue includes items such as dividends from Territory Owned Corporations, revenue from associates and joint ventures, land sales and investment returns. This revenue is forecast to decrease by \$126m from the 2002-03 estimated outcome, due to the inclusion of bushfire related insurance revenues in 2002-03.

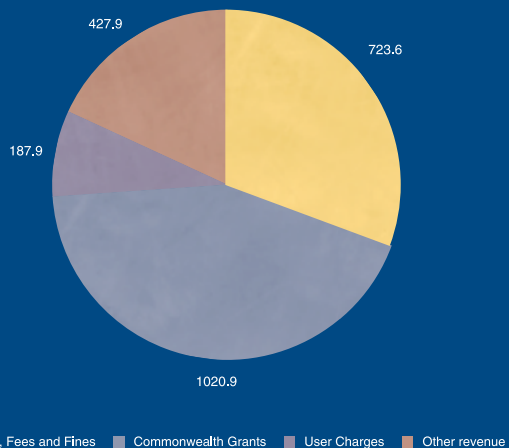
2003-04 Government Revenue

Taxes, Fees and Fines \$723.6m

Commonwealth Grants \$1020.9m

User Charges \$187.9m

Other Revenue \$427.9m



Taxes, Fees and Fines:

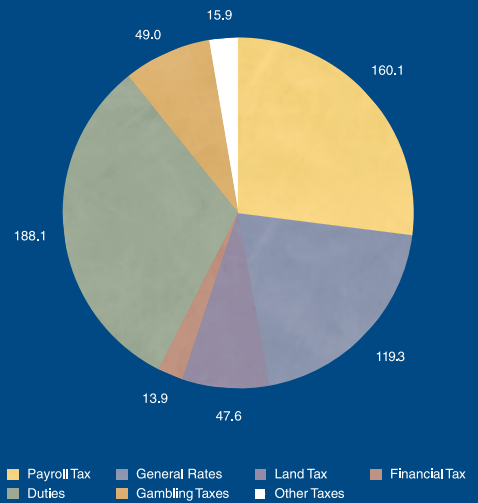
Taxes, fees and fines represent 31% of the Territory's total revenue.

Several revenue initiatives have been introduced in the 2003-04 Budget.

- **Corporate reconstruction concession (\$1.1m)**
A change to the current corporate reconstruction exemption with a 95% concession of the duty payable.
- **Conveyance duty rate on the transfer of business assets of \$1m or more (\$1.7m)**
Application of a rate of duty equal to the conveyance rate on the transfer of business assets where the value of the total transfer is \$1m or more.
- **Loan security duty on commercial loans of \$1m or more (\$0.5m)**
Introduction of a loan security duty for commercial borrowers on loans of \$1m or more.
- **Fire Reconstruction Levy (\$5m for 2003-2004 and 2004-2005)**
Introduction of a Fire Reconstruction Levy on all rateable property based on the Average Unimproved Value.
- **Marginal tax rate for gaming machines (\$2m)**
The top marginal tax rate will increase from 25% to 27% for Gross Gaming Machine Revenue greater than \$50,000 per month.
- **Continuous Registration (\$0.250m)**
Introduction of Continuous Registration in January 2004, as a component of nationally agreed transport reforms.
- **Water Abstraction Charge (\$3.2m)**
Water Abstraction Charge to increase by 10 cents to 20 cents per kilolitre from 1 January 2004 and a further 5 cents in 2005-06. The Water Abstraction Charge is an important part of the overall water management strategy and is consistent with the Council of Australian Government water reform requirements.
- **Introduction of Pay Parking in Barton (\$0.315m)**
To introduce pay parking into the Barton/Forrest office precinct, and relates to on-street (kerbside) parking only.
This initiative is consistent with user pays principles, supports the Government's transport strategy, and will make parking arrangements in Barton consistent with other major centres in the ACT.
- **Parking Space Levy (\$2.5m from 2004-05)**
This levy is proposed for introduction in 2004-05. A levy will be charged on all commercially owned private carparks in Civic, Woden, Belconnen and Tuggeranong. Details of the charge will be finalised during 2003-04.

Taxes: \$593.7m

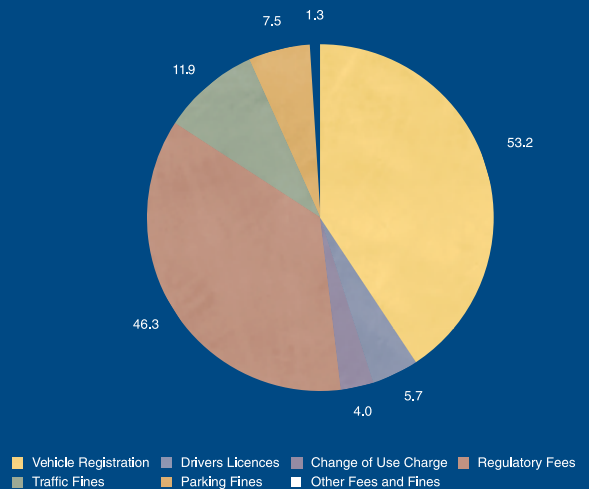
Payroll Tax	\$160.1m
General Rates	\$119.3m
Land Tax	\$47.6m
Financial Taxes	\$13.9m
Duties	\$188.1m
Gambling Taxes	\$49.0m
Other Taxes	\$15.9m



Note: Totals may not add up due to rounding.

Fees and Fines: \$129.9m

Vehicle Registration	\$53.2m
Drivers Licences	\$5.7m
Change of Use Charge	\$4m
Regulatory Fees	\$46.3m
Traffic Fines	\$11.9m
Parking Fines	\$7.5m
Other Fees and Fines	\$1.3m



Note: Totals may not add up due to rounding.

January 2003 Bushfire

The Government's strategy has been to respond to the needs of the bushfire recovery as quickly and comprehensively as possible. The focus of the recovery to date has been on assisting those people directly affected by the bushfire, restoring essential services and infrastructure and ensuring public safety.

Initiatives of \$52.5m will be implemented over five years.

Government Initiatives	2002-03 \$'000	2003-04 \$'000	2004-05 \$'000	2005-06 \$'000	2006-07 \$'000
Supporting People	7 723	3 014	189	189	189
Community Involvement	1 175	927	100	0	0
Clean Up and Rebuilding – Private	5 106	774	100	0	0
Clean Up and Rebuilding – Public	8 938	8 950	2 855	951	0
Learning Lessons and Building a Stronger Future	1 619	3 461	470	440	190
Additional Firefighting / Protection Costs	5 133	0	0	0	0
Total	29 694	17 126	3 714	1 580	379
Total Over Event					52493

The cost to the General Government Sector over the event is \$34.1m.

Impact on the General Government Sector Budget over 2002-03 to 2006-07	\$m
Total cost of initiatives and non insurance related work*	52.5
plus: work funded from "self-insurance" fund**	8.6
less: total estimated return from NDRA	17
Total revenue from Fire Reconstruction Levy	10
Estimated Net cost of event over five years	34.1

*this excludes any reconstruction, clean-up or reinstatement in ACT Forests

**this is the insurance which the Territory provides for within its own insurance provision and is not recoverable from reinsurance.

A supplementary paper accompanies the 2003-04 Budget: "*Bushfire Recovery*".

What Your Money Delivers

Total Expenses	2003-04 Budget
Health and Community Care	554.5
Government Schooling	352.7
Urban Services (excluding Transport and Environment)	261.9
Justice and Community Safety	133.2
Non-Government Schooling	119.2
ACT Housing	106.8
Disability and Community Services	96.1
Policing	81.7
Treasury (including the administration of the GST and FHOG)	80.8
Canberra Institute of Technology	76.0
Chief Minister's (including Business and Employment)	69.2
Transport	68.7
Children's, Youth and Family Services	49.4
Planning	35.2
Environment	28.4
Legislative Assembly	9.5
Executive	4.2
Auditor-General	3.0

CAPITAL – IMPROVING CANBERRA'S FUTURE

The total value of the new capital works program in 2003-04 is **\$104.7m**.

Funding of **\$152.1m** is provided for capital works projects in 2003-04. This comprises **\$58.4m** for new works and **\$93.7m** for works-in-progress.

The Traffic Congestion and Roads Safety Program is a significant ongoing program and is presently midway through the 6-year program. A total of \$24.7m will be spent in 2003-04.

The major projects forecast for completion during 2003-04 are Horsepark Drive (\$10.0m), Morshead Drive (\$4.0m), Athllon Drive (\$11.0m) and William Hovel Drive (\$7.0m).

The Gungahlin Primary School is also forecast for completion in January 2004 at a cost of \$10.4m. It will be open for the 2004 school year.

Construction will commence on 3 major projects in 2003-04 that had received authorisation in prior budgets. These are:

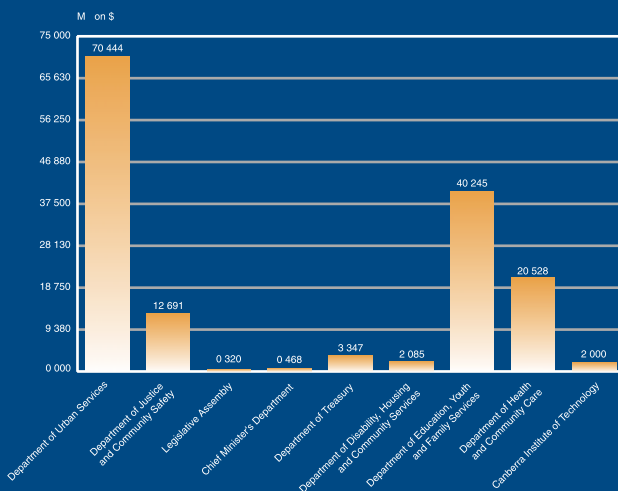
- Gungahlin High School \$24m
- Woden Police Station \$7.3m
- Rural Medical School \$7.5m

The 2003-04 new capital works program provides for:

- **Traffic Congestion and Road Safety**
 - Construction to commence on the Fairburn Avenue Upgrade (\$8m)
- **Community Youth and Family Services**
 - Quamby Youth Detention Centre upgrade (\$13.2m)
- **Education/Schools**
 - Older Schools refurbishment of Turner and Red Hill Primary Schools (\$2.8m)
- **Health and Community Care**
 - Sub and non-acute aged care facility (\$5.2m);
 - Karralika redevelopment Fadden and Isabella Plains (\$5.1m); and
 - TCH – Paediatric refurbishment (\$4.1m).
- **Community Safety**
 - Belconnen Joint Emergency Services Centre (\$8.3m); and
- **Local Centre Precinct Revitalisation**
 - Kippax Library (\$2.5m); and
 - Holder shops refurbishment (\$0.5m).
- **Environment/Waste**
 - Mugga Lane Landfill – new disposal trench stage 2 (\$2.4m).
- **Sport and Recreation**
 - Facilities improvement program (\$1.0m)

Capital Works Expenditure by Department for 2003-04:

Department of Urban Services	\$70.444m
Department of Justice and Community Safety	\$12.691m
Legislative Assembly	\$0.320m
Chief Minister's Department	\$0.468m
Department of Treasury	\$3.347m
Department of Disability, Housing and Community Service	\$2.085m
Department of Education, Youth and Family Services	\$40.245m
Department of Health and Community Care	\$20.528m
Canberra Institute of Technology	\$2.000m



HEALTH AND COMMUNITY CARE

Following the repeal of the Health and Community Care Service Act on 31 December 2002, The Canberra Hospital and ACT Community Care ceased to operate as separate entities and were incorporated into the accounts of the Department of Health and Community Care.

2003-04 Total Expenses: \$554.5m

An increase of \$17.8m from the 2002-03 Estimated Outcome (backcast).

2003-04 Budget Highlights

Elective Surgery (\$2.0m) – increasing access to elective surgery for the people of the ACT.

Increased Throughput (\$1.8m) – meeting a range of demand pressures faced by ACT hospitals.

Emergency Department Growth (\$0.420m) – providing for estimated 7% growth in presentations at the Calvary Public Hospital Emergency Department.

Growth Funds (\$7.963m) – directing of 2003-04 growth funds contained in the forward estimate towards addressing price increases in the acute sector.

IMPROVEMENTS TO MENTAL HEALTH CARE

Mental Health Expenditure (\$1.450m) – providing for the following initiatives:

- Gungahlin Outreach (\$0.4m) – improving outreach services for mental health clients of Gungahlin in their own homes;
- Calvary Link (\$0.080m) – enhancing early assessment for mental health clients at Calvary Hospital;
- Drug and Alcohol/Mental Health Worker (\$0.080m) – reducing the impact of substance use of people with mental illness through dual diagnosis disorder management;
- Forensic – Court Liaison (\$0.080m) – introducing individual psychiatric assessments of those in custody while at court;
- Expanded Community Teams (\$0.4m) – improving community based mental health services for the residents of Tuggeranong and Woden;
- Discharge Planner (\$0.080m) – providing a Discharge Planner at the Psychiatric Services Inpatient Unit;
- Supported Accommodation (\$0.240m) – providing support to clients living in their own accommodation;
- Clinical Data Management (\$0.055m) – introducing a Clinical Data Manager for the mental health clinical database; and
- Support for Carers (\$0.035m) – continuing the program for a further year until June 2004.

Dental Adult Waiting List Reduction (\$0.5m) – reducing dental waiting lists for adults with Health Care Cards through revised dental services.

Implementation of Drug Taskforce Recommendations (\$0.250m) – responding to community need relating to alcohol and other drug use and misuse.

Corrections Health (\$0.310m) – providing health services to detainees accommodated at the temporary remand centre at Symonston.

Cost of Pharmaceutical Growth (\$0.250m) – providing for growth in the cost of pharmaceuticals.

Cost of Surgical Implants (\$0.250m) – meeting growth in the cost of surgical implants.

Counselling Services (\$0.250m) – delivering counselling following the January 2003 bushfire.

Home and Community Care Program (\$0.7m) – increasing funds for the joint Commonwealth/ACT Home and Community Care Program. This funding will be matched by the Commonwealth.

Renal Growth (\$0.3m) – increasing capacity of the renal dialysis, meeting growing demand for the service.

Home Enteral Nutrition (\$0.1m) – supports ACT residents who, for medical or other reasons, may no longer eat or drink food orally.

Additional Registrars (\$0.3m) – improving adherence to the safety standards prescribed by the Royal Australian College of Physicians.

After Hours Ultrasound Service at Calvary (\$0.1m) – enhancing the timeliness and quality of service to people presenting to the Calvary Emergency Department for diagnostic ultra sound.

Price Pressures (\$0.980m) – meeting expected increases in insurance and workers compensation premiums.

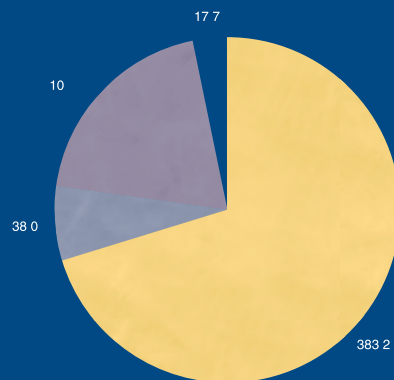
SACS (\$0.660m) – assisting the Community Sector to meet increased costs associated with recent SACS Award decisions by the Australian Industrial Relations Commission.

THE 2003-04 HEALTH AND COMMUNITY CARE BUDGET WILL FUND...

- Hospital treatment for 61,580 inpatients and 220,000 outpatients;
- 91% of one year old children receiving the primary immunisation schedule;
- 175,000 mental health occasions of service;
- 4,054 respite – centre based number of bed nights; and
- breast cancer screening for 12,000 women.

Health and Community Care

Acute Services	383.160m
Mental Health Services	37.966m
Community Health Services	106.667m
Public Health Services	17.654m



■ Acute Services ■ Mental Health Services ■ Community Health Services ■ Public Health Services

EDUCATION

Government Schooling

2003-04 Total Expenses: \$352.7m

An increase of \$14.7m from the 2002-03 Estimated Outcome

2003-04 Budget Highlights

The Government's \$27m Commitment to Education - incorporating the following additional initiatives:

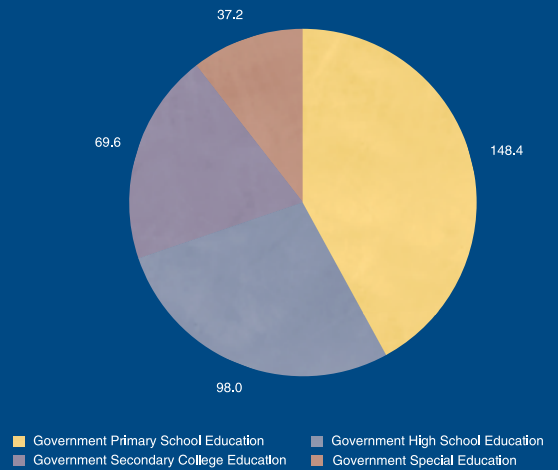
- Counselling Services in ACT Government Schools (\$0.215m) – providing a youth worker for every government high school to complement existing counselling and welfare services.
- Curriculum Renewal Project (\$0.538m) – establishing an integrated curriculum renewal program for ACT preschool to year 10 across eight broad learning areas.
- Career Education Support Service (\$0.384m) – improving guidance to students on school-to-work transitions with enhanced policy development and support services to government and non-government schools.
- Schools Equity Fund (\$0.075m) – supporting government schools with a high concentration of students from low socioeconomic backgrounds and from at risk families.
- School Excellence Initiative (\$0.150m) – rejuvenating and focusing the School Development Program on achieving excellence in all endeavours to build on the current high quality government school education.
- Additional Funding for Preschools (\$0.125m) – contributing to cleaning and consumable costs of preschool parent associations, allowing them to direct fundraising to additional children's activities.

THE 2003-04 EDUCATION BUDGET WILL FUND...

- education places for 35,637 students in 94 government schools;
- special needs education services for 1,555 students including 316 in 4 special schools and 1,239 in mainstream schools;
- classes of 21 for years K-3 by the end of 2004; and
- 5,065,000 annual student curriculum hours provided by the Canberra Institute of Technology and other vocational education training providers.

Government Schooling

Government Primary School Education	148.411m
Government High School Education	97.987m
Government Secondary College Education	69.583m
Government Special Education	37.164m



Non-Government Schooling

2003-04 Total Expenses: \$119.7m

The Government's \$27m Commitment to Education - incorporating the following additional initiatives:

An increase of \$7.8m from the 2002-03 Estimated Outcome

- Additional Funding for Non-Government Schooling Sector (\$0.370m) – increasing per capita funding to non-government schools for Kindergarten and years 1-3, recognising the importance of the early years of schooling.

Canberra Institute of Technology

2003-04 Total Expenses: \$76m

An increase of \$1.4m from the 2002-03 Estimated Outcome

CHILDREN'S, YOUTH AND FAMILY SERVICES

2003-04 Total Expenses: \$49.4m

An increase of \$1.8m from the 2002-03 Estimated Outcome

2003-04 Budget Highlights

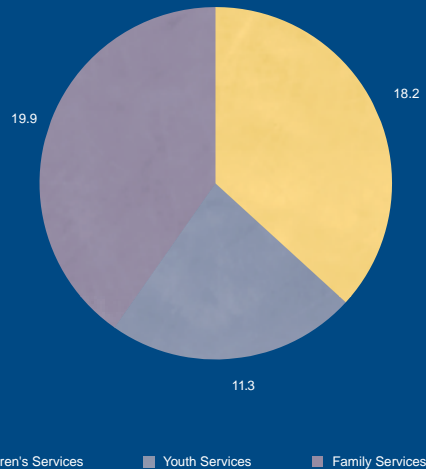
Strengthening Statutory Response to Children and Young People at Risk of Abuse and Neglect (\$0.5m) – introducing a centralised intake system for reports of suspected child abuse and improving the process of assessing risk and keeping children safe to improve outcomes for children and families in need of family services support.

RecLINK Program for at Risk Youth (\$0.231m) – continuing the innovative early intervention program to reduce anti-social behaviours amongst at risk young people through increased participation in recreation and sporting activities.

SACS Award (\$0.360m) – assisting the Community Sector to meet increased costs associated with recent SACS Award decisions by the Australian Industrial Relations Commission.

Children's, Youth and Family Servi

Children's Services	18.165m
Youth Services	11.336m
Family Services	19.896m



DEPARTMENT OF DISABILITY, HOUSING AND COMMUNITY SERVICES

Disability and Community Services

2003-04 Total Expenses: \$96.2m

An increase of \$8.2m from the 2002-03 Estimated Outcome.

2003-04 Budget Highlights

Response to Homelessness (\$2.4m) – increasing short-term supported accommodation for families and single men in crisis, extending outreach services for homeless people and increasing capacity for existing Supported Accommodation Assistance Program services to more effectively respond to issues of homelessness in the ACT.

Building a Single Therapy Service (\$0.460m) – improving allied health services, particularly for adolescent and adult client groups, in support of outcomes sought in the Disability Reform Agenda.

Addressing Individual Support Needs for People with a Disability (\$0.6m) – responds to critical funding requests for those assessed as having high and complex unmet support needs.

Electricity Concessions - Impact of Full Retail Contestability (\$0.245m) – increasing the current electricity concession to eligible concession cardholders, offsetting the impact of projected price increases resulting from the introduction of Full Retail Contestability in Electricity in the ACT.

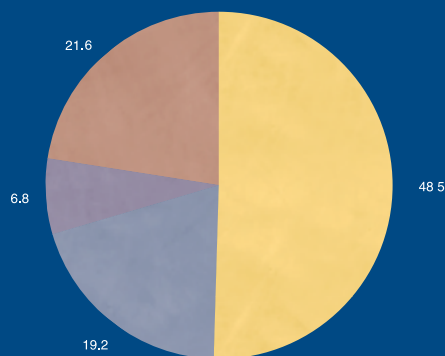
SACS Award (\$0.480m) – assisting to the Community Sector to meet increased costs associated with recent SACS Award decisions by the Australian Industrial Relations Commission.

THE 2003-04 DISABILITY AND COMMUNITY SERVICES BUDGET WILL FUND...

- 23,000 hours of home-based and 8,000 bed nights of centre-based respite care;
- 53,500 hours of multidisciplinary therapy services;
- 39 managed community facilities;
- concessions of \$21.6m to low income earners for core services including public transport, electricity, water and sewerage and rates; and

Disability and Community Services

Disability Services and Policy	48.549m
Community Development Services and Policy	19.212m
Therapy Services	6.775m
Concessions Program	21.646m



■ Disability Services and Policy
 ■ Community Development Services and Policy
 ■ Therapy Services
 ■ Concessions Program

Housing

2003-04 Total Expenses: \$106.8m

An increase of \$13.3m from the 2002-03 Estimated Outcome.

2003-04 Budget Highlights

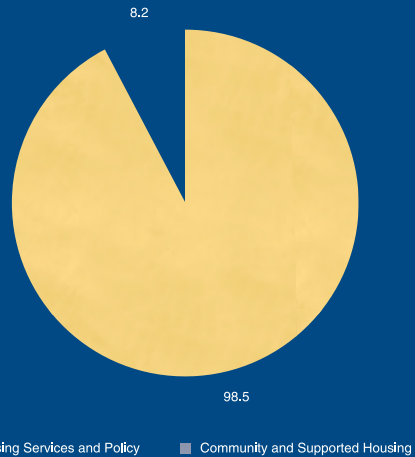
Replacement of Rural Properties (\$4.400m) – replacing in urban areas of rural public housing properties destroyed in the January 2003 bushfire. A further \$4.4m will be provided in 2002-03. Insurance reimbursement will also be used to purchase or build houses.

Community Housing – Affordable Housing (\$3m) - enhancing the community housing sector’s capacity to provide affordable housing to households experiencing stress in the ACT’s private rental market.

Home Buyer Concession Scheme - The Home Buyer Concession Scheme will be updated to reflect current property prices and income levels. This will assist those on low incomes to purchase homes and improve housing affordability in the ACT. The new scheme will provide up to \$4,780 reduction in conveyance duty per property for eligible applicants.

Housing

Public Housing Services and Policy	98.537m
Community and Supported Housing	8.222m



CHIEF MINISTER'S DEPARTMENT

2003-04 Total Expenses: \$69.2m

A decrease of **\$13.4m** from the 2002-03 Estimated Outcome, primarily due to significant bushfire recovery expenditure in 2002-03.

2003-04 Budget Highlights

Bushfire Business Assistance Package – Grant Component (\$0.030m) - providing payments under the Bushfire Business Assistance Package for applications expected late in the 2002-03 financial year.

Bushfire Business Assistance Package – Interest Subsidy (\$0.189m) - providing interest subsidies for various businesses as part of the Bushfire Business Assistance Package.

Bushfire Recovery Taskforce Secretariat (\$1.6m) - providing ongoing services and support for the Bushfire Recovery Taskforce Secretariat to provide a coordinated whole of government response to the January 2003 bushfire.

Recovery Centre (\$2.0m) – continuing the Recovery Centre which provides case management to assist families through the recovery process.

Study into Non-Urban Bushfire Affected Areas (\$0.250m) – continuing the study into non-urban bushfire affected areas.

Inquiry into the Operational Response to the January 2003 Bushfire (\$0.1m) - continuing the McLeod Inquiry including any need to address matters arising from the Government's consideration of the Inquiry report.

Fostering Development of Small and Micro Business (\$0.270m) – extending the suite of Government programs available to develop small and micro businesses in the ACT.

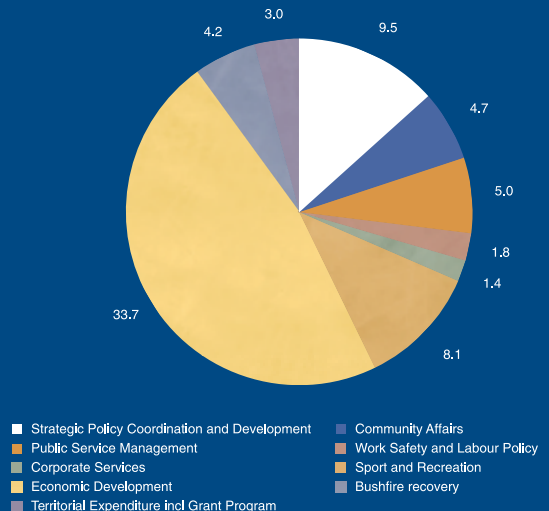
Partners in Canberra (\$0.364m) - improving information to companies and individuals within the Canberra region's economic area.

Council of Education Export (\$0.150m) – supporting the development of the ACT as a university and further education centre.

Australian Football League (\$0.250m) – meeting the additional three-year agreement with the Australian Football League to stage four matches at Manuka Oval each year.

Chief Minister's Department

Strategic Policy Coordination and Development	9.530m
Community Affairs	4.701m
Public Service Management	5.032m
Work Safety and Labour Policy	1.827m
Corporate Services	1.426m
Sport and Recreation	8.055m
Economic Development	33.709m
Bushfire Recovery	4.169m
Territorial Expenditure including Grant program	3.000m



JUSTICE AND COMMUNITY SAFETY

2003-04 Total Expenses: \$133.2m

A decrease of **\$1.9m** from the 2002-03 Estimated Outcome

2003-04 Budget Highlights

Mediation Service in the Administrative Appeals Tribunal (\$0.348m) – providing mediation services to the Administrative Appeals Tribunal for each planning appeal, including the appointment of additional members with planning expertise.

Resources for Proposed Human Rights Legislation (\$0.2m) – implementing the proposed Human Rights Legislation.

New Case Management System (\$0.996m) – building on the success of a pilot case management system in the Court of Appeal and provides for the implementation of a new case management system for ACT Tribunals and the Supreme Court.

Funding the Outcome of the Ambulance Work Value Case (\$0.542m) – meeting the cost of the new paramedic skills allowance from the Australian Industrial Relations Commission's decision in September 2002.

Custodial Resources (\$0.750m) – enhancing the Court Transport Unit and Symonston Temporary Remand Centre.

Computer Aided Dispatch (\$2.1m) – providing for procurement of the computer aided dispatch system.

Upgrade of Emergency Services Communications System (\$23.6m over four years) – upgrading the Emergency Services Bureau communications infrastructure that supports operational delivery of services by the Fire Brigade.

Buyback of Prohibited Handguns (\$0.425m) – implementation of the agreement of the Council of Australian Governments to the prohibition of certain categories of handguns and to a national buyback of those handguns to operate from 1 July 2003 to 1 January 2004.

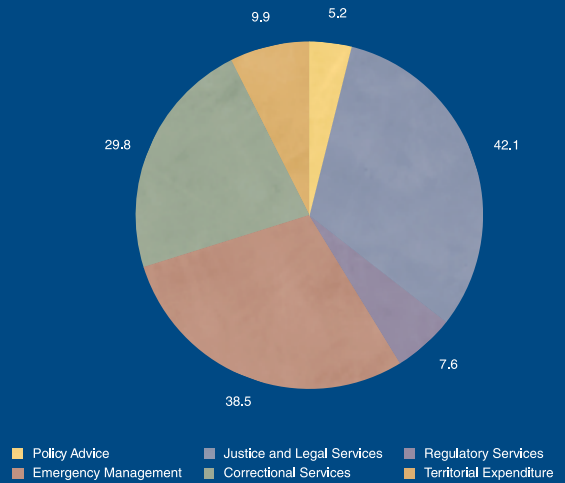
Bushfire Coronial Inquest (\$1.5m) – providing for the ongoing Coronial Inquest into the January 2003 bushfire.

THE 2003-04 JUSTICE AND COMMUNITY SAFETY BUDGET WILL FUND...

- the listing of 91,400 hearings before the Magistrates and Supreme Courts;
- 4,500 clients seeking services from the Human Rights Office;
- emergency services attending 33,200 call outs including 22,800 by the Ambulance Service and 10,000 by the Fire Brigade; and
- the detention of an average of 140 prisoners and 76 remandees per day.

Justice and Community Safety

Policy Advice	5.195m
Justice and Legal Services	42.137m
Regulatory Services	7.601m
Emergency Management	38.514m
Correctional Services	29.827m
Territorial Expenditure	9.918m



POLICING

2003-04 Policing Expenses: \$81.7m

An increase of **\$2m** from the 2002-03 Estimated Outcome

THE 2003-04 POLICE BUDGET WILL FUND...

- more than 750 police personnel;
- 60% of priority one incidents responded within 8 minutes; and
- 90% of priority one incidents responded to within 12 minutes.

URBAN SERVICES

2003-04 Total Expenses: \$261.9m (including \$12.2m for grants)

An increase of \$13.3m from the 2002-03 Estimated Outcome

2003-04 Budget Highlights

Regreening Fire Affected Areas CUPP (\$2.6m) – reinstating urban assets destroyed or damaged in the January 2003 bushfire, which were not covered by insurance.

Removal of Pines and Casuarinas (\$0.6m) – removing burnt pines and casuarinas areas adjacent to Duffy and along the Murrumbidgee River Corridor.

Fire Suppression Trails and Walking Tracks (\$0.7m) – restoring and rehabilitating fire suppression trails cut through land administered by Parks and Conservation, and restoring existing walking trails and fire trails damaged as a result of the fire.

Fire Fuel Management – Accelerated Works (\$0.5m) – addressing the potential fire risks identified in the recently released Bush Fire Fuel Management Plan 2003-2004.

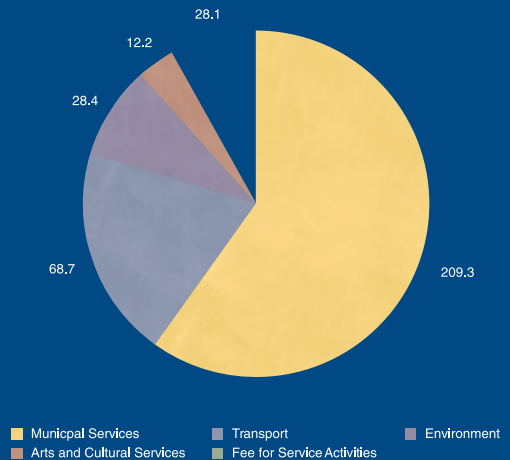
Growth of the City – CUPP (\$0.250m) – delivering horticultural, cleaning and asset maintenance services to meet growth of the City requirements in the new and expanding areas.

THE 2003-04 URBAN SERVICES BUDGET WILL FUND...

- household waste services to 128,000 households;
- maintenance of the City's infrastructure including territorial and municipal roads, national highways and community paths;
- public access to 65 internet terminals in ACT libraries; and
- 750,000 financial transactions through the ACT Shopfronts, Web and Voice based services

Urban Services

Municipal Services*	209.278m
Transport	68.732m
Environment	28.400m
Arts and Cultural Services	12.229m
Fee for Service Activities	28.139m



* Note: Includes \$1.6m for Heritage.

ENVIRONMENT

2003-04 Total Expenses: \$28.4m

An increase of \$4m from the 2002-03 Estimated Outcome

2003-04 Budget Highlights

Stage 2 of the Environmental Protection Authority Review (\$0.3m) – reviewing the Environment Protection Act 1997 by 1 June 2004.

Enhance Management of Endangered Grassy Woodlands and Other Woodlands (\$0.640m) – enhancing areas threatened by urban expansion, fragmented or in poor condition as a result of land management practices. The initiative will allow the grassy woodlands to be incorporated into the Canberra Nature Park, adding large areas in good condition in the Jerrabomberra Valley and East Gungahlin. It will also enhance conservation values of remnant woodlands in rural areas, by enlarging small patches and linking them in a program of landscape reconstruction, and support community partnerships and education for grassy ecosystems.

Weed Suppression (\$0.250m) – ensuring adequate weed suppression following the January 2003 bushfire.

Wood Heater Subsidy Scheme (\$0.100m) - improving air quality by introducing a subsidy scheme to facilitate the replacement of polluting wood heaters with cleaner forms of heating.

THE 2003-04 ENVIRONMENT BUDGET WILL FUND...

- delivery of a helpline, website and environment information centre services;
- delivery of weed control programs;
- delivery of pest plant and animal control programs; and
- delivery of community response services.

TRANSPORT

2003-04 Total Expenses: \$68.7m

An increase of **\$1.1m** from the 2002-03 Estimated Outcome

2003-04 Budget Highlights

Extension of Bus Services in Gungahlin (\$0.737m) – enhancing public transport services in Amaroo and Yerrabi.

THE 2003-04 TRANSPORT BUDGET WILL FUND...

- public bus transport passenger boardings of 16.3 million
- 61,600 vehicles inspected
- 555,000 public bus transport in-service hours

ACTION BUS SERVICES

Government funding of \$49m to ACTION Authority provides for:

- general fare subsidies;
- late night/weekend services;
- concessions and special needs transport;
- school services; and
- subsidy on general operations.

PLANNING

The ACT Planning and Land Authority will be established on 1 July 2003 by the Planning and Land Act 2002. The principal objectives of the Authority are to provide a planning and land system that contributes to the orderly and sustainable development of the ACT.

2003-04 Total Expenses: \$35.2m

An increase of **\$3.4m** from the 2002-03 Estimated Outcome

2003-04 Budget Highlights

Canberra Spatial Plan Implementation (\$0.420m) – providing for major urban planning investigations as part of the Canberra Spatial Plan Implementation, including detailed assessments of urban development sustainability (eg. Stromlo and Bulgar Creek).

Land Estates Planning – Increase Land Release Capacity (\$0.8m) – developing additional concept plans that support the residential component of the land release program in greenfield areas.

THE 2003-04 PLANNING BUDGET WILL FUND...

- establishment of strategic direction for our future urban growth through the Canberra Spatial Plan and commence stage 1 of its implementation;
- preparation of Land Concept Plans, providing for up to 3,120 dwelling sites available for potential development;
- preparation of 29 variations to the Territory Plan;
- undertake over 22,400 building, electrical and hydraulic audits, investigations and assessments; and
- provide 11,200 development, easing and compliance services.

SUPERANNUATION

The budget continues the strategy for meeting the Territory's superannuation liabilities. Key initiatives for the 2003-04 Budget include:

- continuing the budget strategy to achieve a 90% funding level of the superannuation liability by 2039-40;
- injecting additional capital over the budget and forward estimates to compensate for the investment losses experienced in 2001-02 and 2002-03;
- increasing the funding level of superannuation liabilities from 63% at the end of 2002-03 to 67% in 2006-07;
- completing a review of all external fund managers and make new appointments (where required) to complement the review of the investment strategy that commenced in 2002-03; and
- implementing new investment strategies.

ACT Economic Outlook

Looking ahead

The outlook for the Australian economy remains positive, with growth of between 3 and 4 per cent expected over the next few years. Although some global uncertainty will persist in the short term, a large part of the expected growth is likely to come from an increase in demand for Australian exports. This increase in exports should more than offset the expected reductions in domestic demand.

The ACT economy should out perform the national economy in 2002-03, reflecting in part the ACT's relatively small exposure to the direct effects of the drought and sluggish world growth. Looking forward, the ACT will continue to record solid growth as public and private consumption remains strong with continuing low interest rates. Through this period the ACT is expected to lag national growth due to the absence of export oriented agricultural, mining and manufacturing sectors.

Key Indicators

(percentage change on previous year)

	2002-03 Forecast	2003-04 Forecast	3 year planning assumptions 2004-05 to 2006-07
Gross State Product	3.4	3.1	3.0
Employment Growth	2.0	1.4	1.4 to 1.5 *
Consumer Price Index	2.75	2.5	2.5
State Final Demand	3.0	2.9	2.9 to 3.3 **
Population	0.8	0.9	0.9

* employment growth is 1.4% in 2005-06 and 1.5% in 2004-05 and 2006-07

** state final demand is 3.3% in 2004-05, 2.9% in 2005-06 and 3.0% in 2006-07

Further information: Budget Paper 3, Chapter 4.1