



ACT
Government

Australian Capital Territory

Budget 2023–24

Budget Speech

**THE LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

**APPROPRIATION BILL
2023-2024**

PRESENTATION SPEECH

**Presented by
Mr Andrew Barr MLA
Treasurer**

Introduction

The 2023-24 Budget delivers better healthcare, more housing, and cost of living relief to the Canberra community.

Over the past decade, the ACT has been the fastest growing jurisdiction in the nation.

This population growth is contributing to our economic growth.

The Territory is at full employment, with unemployment regularly under 3 per cent – the lowest in the nation.

We have achieved our 250,000 jobs target two years early; and are on our way to 300,000 jobs by 2030.

But in the year ahead we face some challenges.

Many Canberrans are doing it tough due to inflation, and the interest rate increases designed to fight that inflation.

Inflation is a national and international problem, but through this Budget we are delivering local solutions.

It starts with one of the biggest investments in housing in the Territory's history.

Our \$345 million housing package will deliver new social and affordable homes for Canberrans; and accelerate major repairs and maintenance across thousands of our existing public housing properties.

It is a comprehensive response that delivers the housing that Canberrans need now and will need in the future.

This Budget delivers targeted cost of living support for the households who need our support the most.

One of the most direct forms of financial support will see more than 43,000 Canberra households receive an \$800 Territory Utilities Concession every year.

In contrast to the one that came before us, this is an ACT Government that builds hospitals.

Through this Budget we will complete and open the major expansion of the Canberra Hospital and take significant steps to commence construction on the New Northside Hospital.

Economic overview and strategy

Employment

The Budget comes at a time of higher inflation and global economic uncertainty.

Just as last year's Budget focussed on the task of economic reconstruction from COVID-19, the 2023 Budget continues our targeted, strategic public investment to keep our economy stable and strong.

Public investment will grow in 2023-24, supported by the ACT Government's Infrastructure Investment Program.

It is infrastructure that will serve the Canberra community for multiple generations, across health, housing, education and transport. These investments have immediate and long-term payoffs, boosting our productivity, creating jobs and building a better and healthier society.

Delivery of more social and affordable housing, the final stages of the Canberra Hospital Expansion, Light Rail Stage 2A, the new Canberra Theatre Centre and the Woden CIT campus are key projects that will contribute to our ongoing wellbeing and economic growth.

The labour market continues to perform strongly, with an unemployment rate of 2.9 per cent. Our participation rate of 72.1 per cent was the second highest in the country, and well above the national average.

Employment is forecast to grow by 2 per cent in 2023-24 and across the forward years, bringing us closer to 300,000 jobs in our economy by 2030.

This employment growth is forecast to be partnered by real wage growth.

Real wage increases are part of the *deliberate* economic architecture of the ACT.

The latest job vacancies data showed there were 11,500 vacancies in Canberra during the first quarter of 2023, and around 9,300 unemployed people.

We have more job vacancies than people looking for work. That is full employment. It is a good economic outcome, but we understand the impact this has on business.

It is the Government's intent, through our education and training policies, to assist Canberrans to obtain the skills to fill those jobs.

We will also work with the Commonwealth Government and business to attract more skilled migrants to our city.

Population

The ACT's population is estimated to grow by 2¼ per cent in 2022-23, ½ a percentage point higher than estimated in the 2022-23 Budget Review. Growth will stay at or above 2 per cent across the forward estimates.

People are voting with their feet. They want to live in Canberra.

Overseas and interstate migration, along with natural increases, are all forecast to continue increasing as our city continues to grow.

The Government's task is to manage the growth of a modern city, by providing the housing, health and other essential services and facilities that make Canberra such an attractive place to live.

Fiscal outlook and strategy

In this Budget, the Government has made a choice.

We have decided to invest now in health, housing and cost of living support, to retain our world leading living standards, boosting the capacity of our economy to grow and support those most in need.

It's a choice to invest in a sustainable future while strengthening our fiscal position over time.

When I released last year's Budget, the fiscal position had improved by over \$800 million over four years.

In the Budget I deliver today, our fiscal position continues to strengthen by a further \$403 million.

The Government now projects headline operating balance surpluses, of \$142 million in 2025-26 and \$212 million in 2026-27.

Operating cash surpluses are forecast to reach \$712m in 2026-27.

In 2023-24, the operating balance deficit is reflective of three key factors:

- Continuing to invest in services and infrastructure needs now;
- Delaying the commencement of new revenue initiatives whilst inflation is high; and
- External impacts on the ACT economy as part of the current tightening of monetary policy.

Key balance sheet metrics for 2023-24 – net debt, net financial liabilities and net worth – are all broadly comparable with the recent Budget Review.

The Government has a clear fiscal strategy for the short, medium and long-term.

In the short to medium term – operating cash surpluses will help to pay for our transport, health and school infrastructure projects.

In the early 2030s – once the Government has fully funded the Territory’s superannuation liability – it will no longer be required to make a large annual Budget appropriation equivalent to benefit payments.

This means the Territory will be able to direct those payments to other purposes, including paying down debt.

In this Budget, over four years, that Budget appropriation is forecast to be \$1.7 billion.

Investing in the wellbeing of Canberrans

This Budget is the fourth since the Wellbeing framework was released. We continue to strengthen the linkages between the framework, our policy development and the Budget process – highlighted by the investments included in this Budget.

Investing in Health Services and Infrastructure

This Budget invests in our health workforce, in better healthcare in our community, and planning and delivering public healthcare infrastructure for the future.

The Budget provides over \$540 million in new funding for healthcare.

This includes commencement of work on the New Northside Hospital, with construction to commence mid-decade, and recruiting 80 more healthcare professionals across our facilities.

Alongside our major hospital builds for the South and North of Canberra, we are expanding and improving access to services.

We are boosting paediatric care with the establishment of the Paediatric Hospital in the Home program. This will mean children and young people who are acutely unwell can spend more time at home, surrounded by the love and care of their family, while still receiving the highest quality care from Canberra Hospital's specialist paediatric team.

Budget funding will also help train paediatric and emergency department staff in preparation for the opening of the Critical Services Building.

The Government is working to improve mental health services and support for Canberrans.

The last three years have been perhaps the hardest time in many people's lives. More investment is needed in services, outreach programs, preventive mental healthcare and facilities to strengthen the options available.

That is why we are delivering \$28 million in additional funding over the next four years to support programs targeted at eating disorders, early intervention, and child and youth mental health.

Increasing Housing Choice, Access and Affordability

This Budget delivers more affordable homes and housing options for Canberrans.

With a record \$345 million investment in this Budget and the ongoing planning reforms, the Government is increasing housing stock across

the board with a range of new initiatives designed to increase choice, access and affordability.

We will fund more build-to-rent projects; grow, renew and repair public housing; and drive a significant expansion of the community housing sector.

We are establishing a \$60 million Affordable Housing Project Fund, the first of its kind in the Territory, to significantly grow the number of long-term affordable rental homes – with four projects already identified to be delivered out of the Fund.

We are investing \$233 million in public housing growth, repairs and renewal.

We are also delivering a second large-scale Build-to-Rent project in Gungahlin, following the release of land in Turner for a pilot Build-to-Rent project, with both projects including at least 15 per cent affordable long-term rental requirements.

These specific programs will contribute to the Government's delivery of 600 additional affordable rentals and 400 additional public housing dwellings, as outlined in the Parliamentary and Governing Agreement.

We are also dedicating an additional \$20 million to meet increased demand for homelessness services, to continue specialist Covid-related support programs, and to provide essential food services to those in need.

The Government will also continue to cut stamp duty as part of our ongoing tax reform program – reducing a significant barrier to home ownership in the ACT.

The delivery of more, affordable and well-located housing will continue to be our key goal as we finalise the planning reforms through the new Territory Plan and District Strategies.

This Budget commits \$11 million to accelerate further land release, alongside continued planning reform to enable the private market to deliver more new housing.

Delivering cost of living support

All Australians are facing a financial hit from rising prices, rising rents and rising mortgage costs.

Currently, wages are struggling to keep pace with the rising cost of goods and services. The Reserve Bank's decisions on interest rates are hitting businesses and some households particularly hard.

Some Canberrans, particularly those on low incomes, are struggling.

We understand this. That is why the Budget's cost of living support package goes to where it's needed most.

The Budget provides \$37.8 million to provide cost of living support for low-income households.

This maintains last year's increase of \$50 in the Utilities Concession for a further year to address rising gas and water prices.

The Utilities Concession eligibility will also be extended to include Commonwealth Health Care Card holders – expanding the scheme to cover an additional 12,000 households.

The Government's decision to source 100 per cent of its electricity needs from renewable energy providers will assist Canberrans to receive lower electricity bills in 2023-24.

Without the ACT's large scale Renewable Energy contracts, the average household on the regulated standing offer would have faced electricity bills around \$225 higher.

The Government is also addressing the impacts of inflation as an employer for over 27,000 Canberrans – with a pay offer that prioritises increases for lower paid classifications and providing a one-off upfront cost of living payment to all workers.

We will also provide a one off \$250 booster payment to households on the Housing ACT priority housing waitlist, while the Vulnerable Household Energy Support Scheme will also be extended to deliver improved thermal comfort and reduced energy hardship for vulnerable renters.

Investing in lifelong learning

The Budget strengthens our education system to give Canberra children the best possible opportunities in life.

A centrepiece of the Budget is more than \$50 million to ensure all three-year-olds in the ACT are able to access one day per week of free quality early childhood education from January 2024.

This nation-leading initiative, championed, developed and now implemented by Deputy Chief Minister Berry, will give every Canberra child an essential head-start in their schooling.

Funding will also be continued for the Safe ACT Public Schools program, ensuring our schools have processes and policies in place to address bullying, harassment, violence and other behaviours of concern.

This Budget commits funding for a second college in Gungahlin. The new school will be best-practice design and cutting-edger facilities, to cater to one of the fastest-growing population centres in the nation.

This project adds to the major school-building program undertaken by the Government over this term, with four new schools completed or under construction across the city.

A Safe and welcoming community

Canberra is one of the safest, most welcoming and inclusive cities in the world. As we grow, we want to keep it that way.

As foreshadowed, the Budget contains a large investment in ACT policing.

It funds the recruitment of an additional 126 ACT Policing personnel by 2027-28, expanding upon the additional 60 personnel funded through the 2019-20 Budget.

The additional Police will be deployed in suburban growth and urban renewal areas. They will be targeting dangerous driving and other anti-social and destructive behaviour so everyone can feel safe on our roads, in our businesses and public areas, and at home.

A new Emergency Services Station in the Molonglo Valley, to be completed in 2025-26, will also bring ambulance and fire and rescue services closer to residents in the fast-growing region.

\$66 million is allocated to construct a modern facility to support our first responders in their service to the community, to ensure speedy emergency response times and serve the future growth of the Valley.

But the Government recognises that a safe and welcoming city is much more than emergency personnel numbers and stations – it requires a supportive, inclusive community culture.

Perhaps the best example of this is through our National Multicultural Festival, which attracts people from around the world, and is the highlight of the Canberra events season for many.

Minister Cheyne advocated for an expanded National Multicultural Festival for the belated 25th anniversary and in this Budget, the Government continues to support the Festival so that it can continue to showcase our multicultural community.

Continuing to ensure a cleaner, neater city

The Budget will help Canberra be a cleaner, neater, and even more beautiful city.

The Government will invest an additional \$177 million to make sure Canberra has well-maintained community infrastructure and services. This will support more tree maintenance and planting new trees. Our rapid response mowing and weeding teams will be boosted.

New investments in stormwater infrastructure will improve the capacity of our stormwater network.

The Budget will deliver improvements to the amenities and recreational opportunities at popular parks and open spaces to ensure Canberrans can enjoy more time outdoors.

In Belconnen, Hawker Playing Fields will be upgraded, including additional parking, upgraded LED sportsground lighting at all three ovals to support night-time training, and new toilet facilities and female-friendly change-rooms.

In Gungahlin, Yerrabi Pond District Park will receive significant upgrades, with new toilet facilities to be built on both sides of the Pond, as well as new picnic facilities and lighting.

One of Canberra's oldest inner south parks, Telopea Park, will see improvements in new formalised paths, lighting and landscaping.

The Government is also building the next stage of the Acton Waterfront Park on the shores of Lake Burley Griffin.

We will also upgrade some of our oldest suburban infrastructure through the City Precinct Renewal Program, with \$25.5 million to ensure that the City Centre, Acton, Braddon and Dickson remain attractive destinations for locals, visitors and businesses.

Nation-leading climate action

The ACT remains a leader in taking climate action.

We are the first jurisdiction to be powered by 100% renewable electricity – which has already delivered significant dividends for the community shielding the ACT from much of the electricity price shocks across the National Electricity Market.

We are encouraging electric vehicle take-up and have legislated to ensure new suburbs are all-electric and zero emission. Our major Government infrastructure, such as the Canberra Hospital expansion, are fully electric-powered and heated – an Australian first.

This Budget also establishes a further step in our path to electrification with a rolling program of funding established to commence electrifying Government owned properties.

And we are taking action in a way that brings the community with us with a further \$80 million for the award-winning Sustainable Household

Scheme to continue to support households to improve their energy efficiency, reduce their emissions and lower their cost of living.

Working with the Commonwealth Labor Government

After almost a decade of neglect and underfunding, we now have a Federal Labor government that recognises Canberra as a growing city in its own right. A Federal Government that respects our self-determination and agency as a self-governing jurisdiction.

We are working closely with the Federal Government to ensure Canberra gets its fair share of funding across housing, health, skills, environment, climate change, the NDIS and transport infrastructure.

This budget demonstrates the start of this work, we look forward to building on this in the years ahead.

Conclusion

The Budget I hand down today on behalf of the Government delivers healthcare, housing and cost of living support that Canberrans need now.

It builds the hospitals and schools that maintain our standard of living.

It supports our economy to create thousands more secure local jobs.

But beyond the dollars and cents contained in the Budget papers, this document reflects the priorities and aspirations of our growing community.

It is a Budget that builds for the future and puts forward our vision for a city that is modern, liveable and inclusive.

I commend the Budget to the Assembly.

[ENDS]