

AUSTRALIAN CAPITAL TERRITORY



ACT
Government

Budget

2013–14

Building and transforming Canberra

BUDGET PAPER

2

GUIDE TO THE BUDGET PAPERS

Structure and content of the 2013-2014 Budget Papers

The 2013-2014 Budget is presented in four papers.

Budget Paper No. 1: Speech

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

Budget Paper No. 2: Building and transforming Canberra

A summary of the overall budgetary position together with information on the Government's expenditure priorities in key service delivery areas.

Budget Paper No. 3: Budget Overview

Summarises the 2013-2014 Budget and forward estimates for the general government sector, the public trading enterprise sector and the total Territory Government. Details of the projected 2013-2014 Budget results are provided, as well as background information on the development of the 2013-2014 Budget, including economic conditions and federal financial relations.

Also provides an overview of the Territory's infrastructure investment program and details of the 2013-2014 expenditure, revenue and capital initiatives.

The Appropriation Bill 2013-2014 and the Appropriation (*Office of the Legislative Assembly*) Bill 2013-2014 are appended.

Budget Paper No. 4: Budget Estimates

Information on each directorate and Territory authority and corporation is provided. This includes output classes (where relevant), descriptions of functions, roles and responsibilities, together with major strategic priorities. Full accrual financial statements and notes are provided for the general government sector as well as details of the Territory's public trading enterprises.

ISSN I327-581X

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Produced for the Chief Minister and Treasury Directorate by Publishing Services (Shared Services Centre).

Enquiries about this publication should be directed to the Chief Minister and Treasury Directorate. GPO Box 158, Canberra City 2601.

Publication No I3/0184

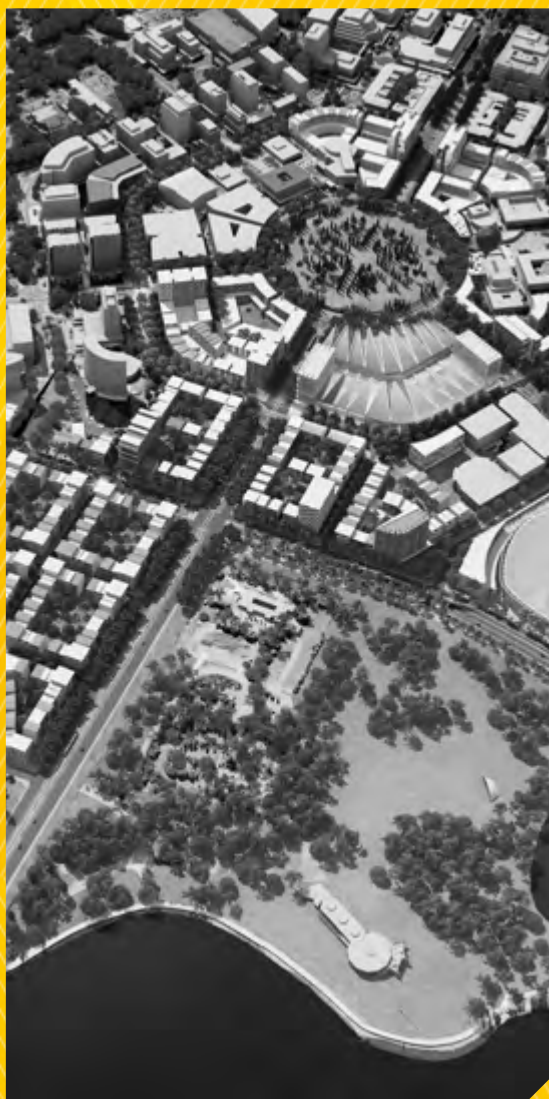
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TREASURER'S MESSAGE

This Budget is about building and transforming Canberra for a prosperous and sustainable second century.

The reforms and funding outlined in this Budget demonstrate the Government's commitment to implementing its plan to build and transform our economy and create opportunity and fairness for all Canberrans.

This plan will deliver important reforms to ensure Canberra remains a great place in which to live, work, study and do business, and to ensure we grow and prosper in the long term.

The Government is taking the action necessary in the short term to restructure our Budget while continuing to deliver quality services. It sets the Territory on the path for growth by ensuring our fiscal position is sustainable and by funding transformative programs – notably DisabilityCare Australia and the National Education Reform Agreement (Gonski) – and new infrastructure such as the University of Canberra Public Hospital, Capital Metro and the City to the Lake project. Together these programs and infrastructure projects will generate thousands of new jobs in Canberra.

The Government continues to put the welfare of Canberrans first.

This Budget will help us become healthier and smarter; improve our city's liveability, grow our economy and employment, and renew the urban environment.

Funding is increased for health, education, emergency and municipal services, public transport, corrections and for those in need. This funding builds on the significant Government support provided to Canberrans through concessions and other targeted assistance measures.

And this Budget – the first of this four-year parliamentary term – commences the delivery of our election commitments and items in the Parliamentary Agreement.

Though in deficit, the Budget is forecast to return to balance in 2015-16.

The Government recognises that in the current constrained economic climate, balancing the budget will take concerted action. This Budget continues work on restructuring our expenditure and revenue bases to make them more sustainable. Improvements are made to service planning, processes and procedures to improve efficiency and effectiveness. Sensible and targeted savings are made across government to support priority services and cost pressures.

Returning the Budget to balance will ensure we can fund the projects that will transform Canberra, and continue providing quality services for the Territory's growing population.

The Budget continues the Government's taxation reforms, which are making taxes fairer, simpler and more efficient. The Budget also supports growth in the private sector and new investment.

In our centenary year, this Budget positions the Territory to meet the financial and social challenges of the future, while caring for our community and creating opportunity today.

Andrew Barr, MLA

Treasurer

June 2013



BUDGET HIGHLIGHTS

The 2013-14 ACT Budget improves liveability, supports a healthier and smarter community, grows our economy and delivers urban renewal. The Budget also ensures fairness and opportunity for all Canberrans.

Funding for key priority areas

The Budget includes expenditure of \$5.7 billion over four years for the Territory's health system and \$3.7 billion for education (excluding Vocational Education and Training) over four years. There is also record funding for community services, policing and emergency services, and municipal services. This ensures that Canberrans continue to receive high quality services and facilities.

Implementing national reforms

The Budget begins the roll-out of DisabilityCare Australia (the National Disability Insurance Scheme). Eligible Canberrans with disabilities will be provided with individual support and assistance to meet their needs and assist them to live fulfilling lives.

The Budget also includes funding for the National Education Reform Agreement (the Gonski reforms). The focus of the reforms in the ACT is on further improving students' learning and strengthening teaching, school leadership, transparency and accountability.

Returning to a balanced budget

The first Budget of this parliamentary term recommitments to the target of returning the Budget to balance in 2015-16. Returning the Budget to balance will allow the Government to meet the growing demand for services and fund key projects and reforms.

As such, this Budget focuses on restructuring the Territory's expenditure and revenue base to ensure we can build and transform our city. A fiscally responsible and measured approach is used to return the Budget to balance.

Targeted, sustainable savings and efficiencies in program delivery are made with capacity identified to fund election commitments and new initiatives. There are no severe adjustments or cuts to government expenditure. Quality services are maintained. Unlike other jurisdiction's recent budgets, there is no reduction in the size of the ACT Public Service.

The Government regularly evaluates services, programs and funding in order to make the operation of government more efficient and cost effective.

There are further investments in the Budget's sustainability and our economy's productive capacity, to build confidence in the future and encourage businesses to invest. Prudent borrowings are supporting strategic projects for the Territory.

Work on tax reform which commenced in the last Budget, continues with further initiatives to make our taxation system fairer, simpler and more efficient. Protecting the Budget from potential fiscal shocks is also a priority.

Delivering on Election Commitments and the Parliamentary Agreement

The Budget commences the delivery of the Government's election commitments and items under the Parliamentary Agreement. This includes funding to progress the Capital Metro light rail and the new University of Canberra Public Hospital. It also funds the Common Ground project for homeless people and the Canberra College Cares program for young parents.

BUDGET HIGHLIGHTS

Infrastructure investment

The Budget allocates \$1.3 billion for infrastructure projects over the coming four years, including \$775.5 million in 2013-14.

This will fund a wide range of new projects, including:

- \$40.8 million for clinical services and inpatient unit design and infrastructure expansion at the Canberra Hospital;
- \$8.3 million for design of the University of Canberra Public Hospital, which will provide improved sub-acute health services and health training opportunities;
- \$28.5 million for Cravens Creek and Horse Park Drive water quality control ponds;
- \$174 million for the ESA Station Upgrade and Relocation in South Tuggeranong to improve fire and emergency services for people in the region; and
- \$14.0 million for Canberra College Cares – A new building at the Phillip campus offering learning spaces and facilities to support young pregnant and parenting students and their children.

Significant capital investments in infrastructure of \$272 million over four years have been made including in:

- new capital works, feasibility and forward design (\$194 million);
- capital upgrades (\$49 million); and
- new Information and Communication Technology projects (\$25 million).

The four year infrastructure program has been revised, with improvements and efficiencies being made to capital works processes and procurement to ensure we deliver value for money to Canberrans.

Budget Initiatives

Net new expenditure initiatives in the 2013-14 Budget total \$127.7 million over four years.

The Budget provides for expenditure initiatives totalling \$103.9 million in 2013-14 and \$331.4 million across the Budget and forward estimates. This includes \$128 million funded by the Health Growth Funding Provision, and \$75.7 million funded by revenue resulting from the new initiatives.

Additionally, \$19.8 million of agency funded initiatives are provided for in 2013-14 and across the forward estimates. These initiatives increase capacity in core services, address the needs of a growing city and position Canberra for the future.

Making savings

The Budget includes savings of around \$143 million over four years, from:

- ceasing initiatives (\$6.1 million);
- reducing input costs and making further efficiencies (\$96.4 million); and
- reprioritisation of government services (\$40.1 million).

Budget indicators

There is a forecast General Government Sector Headline Net Operating Deficit of \$253.6 million in 2013-14.

The General Government Balance Sheet is strong with:

- Net Worth of \$16.5 billion;
- Net Financial Worth of \$1.5 billion;
- Net Financial Liabilities of \$4.1 billion;
- Net Debt of positive \$847 million (excluding superannuation related investments);
- Net increase of \$192 million for general government borrowings over the 2013-14 Budget and forward years for capital expenditure; and
- the ACT rated AAA stable. This is the highest available rating and shared only with Victoria.



WHERE WE ARE NOW

STATE OF PLAY

The ACT economy and the Government's fiscal position are strong. The ACT has low unemployment, strong population and wages growth, and a skilled and productive workforce. The Territory has low net debt, a Triple-A credit rating, and a clear path to return the Budget to balance.

Nevertheless, our economy faces risks in the years ahead and expenditure restraint is required at this time.

Global economic developments have been more positive in recent months, but growth is largely driven by emerging countries.

Domestic economic growth remains uneven across industries and jurisdictions. The resource sector will remain a key driver of economic growth, although the extent to which this is pulling human resources and investment away from the non-mining jurisdictions appears likely to recede.

The Territory's economy is performing relatively well compared with other non-mining states.

However, the outlook remains uncertain and clouded by short-term downside risks including ongoing fiscal restraint by the Commonwealth Government, the prospect of deep public service job cuts, and subdued global growth.

Correspondingly, State Final Demand and Gross State Product growth in 2013-14 are forecast to moderate to $\frac{1}{4}$ per cent and $1\frac{3}{4}$ per cent, respectively. This reflects the impact of Commonwealth fiscal consolidation, combined with moderating investment growth and below-trend household consumption.

The ACT labour market has softened, with an upward trend in the unemployment rate, and moderating employment growth to $\frac{1}{4}$ per cent. Given these prevailing labour market conditions, wage growth is expected to be well below trend in 2013-14 at 3 per cent.

Consumer price inflation is expected to be well contained at $2\frac{1}{4}$ per cent, due to below-average final demand growth, low house price growth, a high Australian dollar and continuing retail discounting.

In the short term, the outlook for taxation revenue remains soft given the continuing economic conditions. Increasing vacancy rates, public services job cuts and softer economic conditions contribute to below average growth in residential and commercial activity and lower own source taxation revenue.

While the Government is charting a return to surplus in 2015-16, the Budget faces medium-term challenges.

The national GST revenue pool has continued to erode. The pool is not likely to recover to previously projected levels and the growth rate has slowed considerably.

Meanwhile, the ageing of the population, continued increases in the demand for services and technological changes all place increased demands on government outlays.

This Budget charts a clear path back to balance, and contains the policies and funding to mitigate the Commonwealth's contraction. The Budget continues the structural changes, begun last year, on the revenue side to reform taxes.

WHAT CANBERRANS GET FOR THEIR MONEY

Healthy Canberra

6 Community Health Centres
2 Public Hospitals
2,602 Nurses 816 Doctors
1,018 Government Allied Health Workers
56 Public Dentists
951 Hospital Beds

Educated Capital

5 Early Childhood Government Schools
50 Primary Government Schools
10 Government High Schools
8 Government College High Schools
9 Combined Government Primary and High Schools
4 Government Special Schools
44 Non Government Schools
44 Preschools
5 Koori Preschools

Public Spaces and Places

5,862 hectares of Open Urban Space
503 Playgrounds
57 Picnic Grounds
362 Neighbourhood Parks
20 District Parks 7 Town Parks

Caring Inclusive Community

11,848 Public Housing Properties
6 Neighbourhood Centres
13 Community Halls
4 Community Hubs
3 Child and Family Centres 13 Community Centres
5 Youth Centres
1 Therapy Centre
40 Premises for Childcare Services
9 Community Houses
189 ACT Government Funded Community Organisations

Active Canberra

6 Government Owned
Swimming Pools
121 Sportsgrounds
Stromlo Forest Park

Data sourced from ACT Directorates and 2011-12 Annual Reports.

Safe Communities

5 Police Stations
702 Sworn Police Officers
9 Fire Stations
336 Fire Service Officers
7 Ambulance Stations
201 Ambulance Service Officers

Transport Network

6,550 kilometres of Roads
403 kilometres of On-Road Cycle Lanes
343 kilometres of Off-Road Cycle Lanes
2,190 kilometres of Footpaths
403 ACTION Buses 3,102 Bus Stops
221 Wheelchair Accessible Buses
326 Buses with Bicycle Racks
926 Bridges

Better Public Services

857,000 Enquiries Responded to by
Canberra Connect
4 Shopfronts

Vibrant City and Town Centres

117 Suburbs
9 Public Libraries
3 Resources Management Centres
751,159 Tonnes of Waste Collected
43 Government Funded Festivals and Events
12 Arts Facilities

Population Snapshot

| | |
|---|----------------|
| Infants (0-4) ¹ | 25,003 |
| Children (5-19) ¹ | 67,324 |
| Adults (20-64) ¹ | 241,219 |
| Seniors (65+) ¹ | 41,112 |
| ACT Population (June 2012)¹ | 374,658 |
| Aboriginal and Torres Strait Islanders ² | 5,185 |
| People Born Overseas ³ | 102,170 |
| School Students ³ | 68,825 |
| Students with Disabilities ⁴ | 2,690 |
| Aboriginal and Torres Strait Islander Students ⁴ | 1,748 |
| Vocational Education and Training Students ⁵ | 23,900 |
| University Students ² | 29,100 |

Source

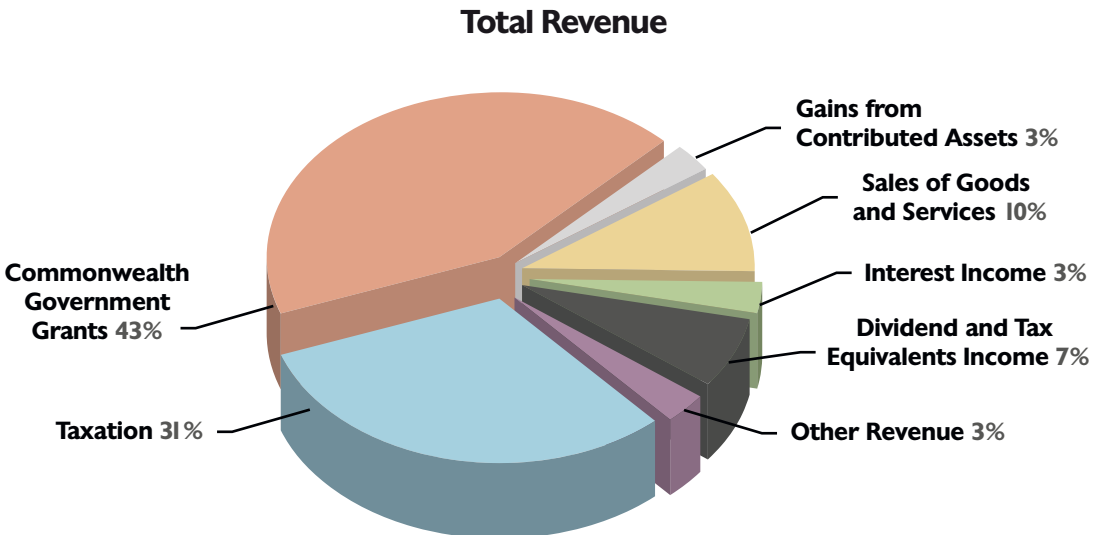
1. Australian Bureau of Statistics, Cat No. 3101.0, Australian Demographic Statistics, September 2012
2. Australian Bureau of Statistics, Cat No. 6227.0, Education and Work, Australia, May 2012
3. 2011 Census of Population and Housing
4. Education and Training Directorate, ACT School Census, February 2013
5. Productivity Commission 2013 Report on Government Services

WHERE OUR MONEY COMES FROM

In 2013-14 the ACT Government will receive total revenue (known as General Government Sector revenue) of \$4,237 million.

Sources of the ACT Government's revenue:

- Aggregate revenue growth for the General Government Sector (GGS) in 2013-14 is expected to increase mainly due to an increase in GST revenue, and additional Commonwealth funding for the Majura Parkway Project.
- The majority of GGS revenue in 2013-14 is from grants from the Commonwealth Government (43 per cent) and ACT own-source taxation (31 per cent).
- The remaining revenue sources include sales of goods and services, dividends and tax equivalents and interest income.



Source: Chief Minister and Treasury Directorate

Breakdown of Revenue

| | | | |
|--|-------------------|---|-----------------|
| Commonwealth Grants | \$1,793.5m | Dividends and Tax Equivalents | \$304.6m |
| <ul style="list-style-type: none"> • GST • Specific Purpose Payments • National Partnership Payments | | <ul style="list-style-type: none"> • ACTEW Dividends • LDA Dividends • Income Tax Equivalents | |
| Taxation | \$1,298.7m | Gains from Contributed Assets | \$135.5m |
| <ul style="list-style-type: none"> • Payroll Tax • General Rates • Land Tax • Conveyances • General Insurance • Life Insurance • Motor Vehicle Registrations and Transfers | | <ul style="list-style-type: none"> • Land development infrastructure assets transferred from developers | |
| Sale of Goods and Services | \$437.8m | Interest Income | \$135.7m |
| <ul style="list-style-type: none"> • Fees for Regulatory Services • Water Abstraction Charge • Parking Fees • Patient Fees • Cross Border Health Receipts • User Charges – ACT Government • Service Receipts – Non ACT Government | | Other Revenue | \$131.4m |
| | | <ul style="list-style-type: none"> • Traffic Infringement Fines • Parking Fines • Court Fines • Rents and Commutation | |

WHAT YOUR MONEY DELIVERS

In 2013-14 the ACT Government will spend \$5,353 million on services and infrastructure.

Areas of ACT Government expenditure:

- Total government expenditure on services: \$4,578 million in 2013-14.
- Approximately 48 per cent relates to overall employee wages and superannuation.
- 51 per cent relates to the Health and Education portfolios (including Vocational Education and Childcare/Early Childhood).

| | | | |
|--|-----------------|---|-----------------|
| Health and Community Care | \$1.3b | Disability and Community Services | \$283.5m |
| <ul style="list-style-type: none"> • Hospitals • Mental Health Services • Rehabilitation, Aged and Community Care Services • Drug and Alcohol Services • Cancer Services • Early Intervention and Prevention | | <ul style="list-style-type: none"> • Disability and Therapy Services • Care and Protection Services • Child and Family Centres and Community Facilities • Aboriginal and Torres Strait Islander Affairs • ACT Concessions Program • Youth Centres | |
| Government schooling | \$657.0m | Non government schooling | \$225.9m |
| <ul style="list-style-type: none"> • Preschools • Primary Schools • High Schools • Colleges | | Justice and Community Safety | \$205.7m |
| Territory and Municipal Services | \$444.5m | <ul style="list-style-type: none"> • Courts and Legal Services • Regulatory Services • Public Prosecutions • Corrective Services • Legal Aid | |
| <ul style="list-style-type: none"> • Municipal Services • Roads, Footpaths and Cycleways • Nature Reserves, Parks and Playgrounds • Waste and Recycling • Canberra Connect • Libraries | | Housing | \$156.7m |
| Policing | \$152.3m | <ul style="list-style-type: none"> • Public Housing • Homelessness Services | |
| Planning and Regulation | \$149.3m | Environment, Sustainability and Land Management | \$147.8m |
| Development Applications and Building Approvals | | <ul style="list-style-type: none"> • Environment and Protection • Commissioner for Sustainability and the Environment • Flora and Fauna Conservation • Arboretum | |

Vocational Education Training (VET) \$144.8 m

- Canberra Institute of Technology
- VET Planning and Coordination

Public Transport \$136.7m

Emergency Services \$122.7m

- Ambulance Services
- Fire Services
- State Emergency Services

Chief Ministers and Treasury \$81.8m

- Inter-Governmental Relations
- Budgets and Financial Advice

Sport and Recreation \$46.2m

- Community sport
- Sportsgrounds, Pools and Ovals
- ACT Academy of Sport

Tourism, Venues and Events \$41.3m

- Canberra Stadium, Manuka Oval and Stromlo Forest Park
- Enlighten and Floriade

Arts, Culture and Heritage \$28.2m

Land and Property Services \$27.1m

Legislative Assembly \$15.5m

Business and Industry Development \$10.6m

Executive \$7.4m

Auditor-General \$6.5m





WHERE WE WANT TO BE

Canberra is a vibrant, liveable city, but we cannot take our future growth and development for granted – the ACT Government must take a proactive role to ensure we continue to prosper and meet the challenges of the future.

In this Budget the Government is implementing its plan to build and transform Canberra, to provide fairness and opportunity for all, enhance liveability, make our city healthier and smarter, grow the economy and renew our urban amenity.

The ACT Government's plan for the future will ensure that Canberra meets the challenges and opportunities of our second century.

Building and Transforming Canberra

At the heart of ensuring our growth and development is implementing the key programs and building the key infrastructure that our city needs. This Budget does just that, by providing funding for DisabilityCare Australia and education reform and commencing work to deliver Capital Metro, the University of Canberra Public Hospital and City to the Lake projects.

Fiscal sustainability

This Budget continues the work begun in the last parliamentary term to make the Territory Budget sustainable for the long term. It restructures the Territory's budget and revenue base to meet the challenges ahead, continues with taxation reforms, and encourages further investment in our economy.

The Government will regularly assess its expenditure and the provision of services and programs, to ensure it meets high priority areas and provides value for money.

FAIRNESS AND OPPORTUNITY FOR ALL

Liveability and Opportunity

Caring, Inclusive Community
Safe Communities
Sustainable Environment
Better Public Service

Healthy and Smart

Healthy Cities
Active Canberra
Living Well
Educated Capital

Growing the Economy

Capital and the Region
Tax Reform
Rebranding Canberra
Digital City

Urban Renewal

Vibrant City and Town Centres
Transport Network and Capital Metro
Public Spaces and Places
Infrastructure Investment

HOW WE ARE GOING TO GET THERE

FISCAL AND ECONOMIC STRATEGY

The 2013-14 Budget is underpinned by a focus on fiscal sustainability and structural reform. A sustainable and balanced budget will help build and transform our economy.

Returning the Budget to balance in 2015-16 requires concerted effort across all areas of government.

In working to meet these objectives, the Government is taking a strategic and measured approach. Expenditure will be reprioritised and prudent savings made. Revenue will be raised in a fair and sustainable manner.

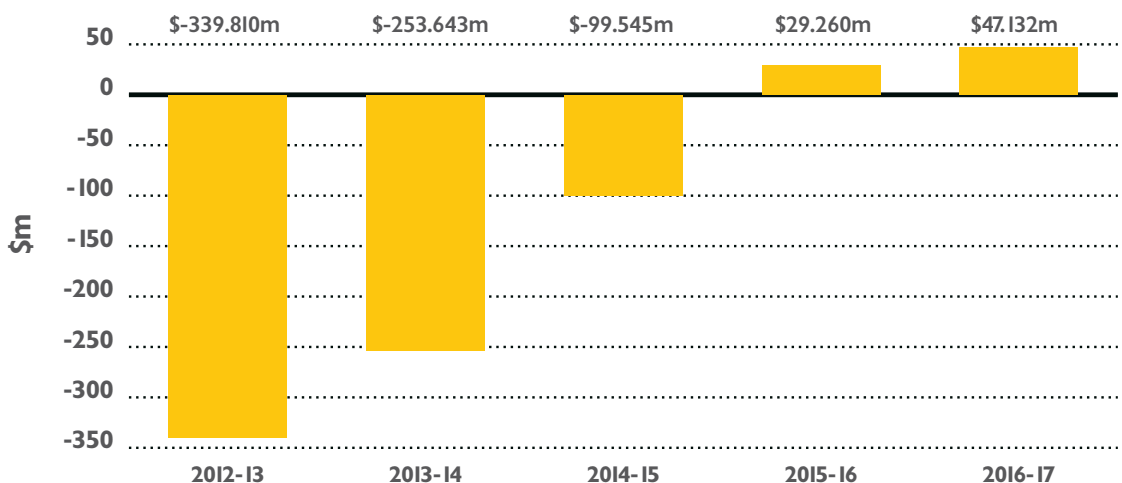
Last year's Budget began the task of reforming revenue, with the commencement of nation leading taxation reform to make taxes fairer, simpler and more efficient. Taxation reform continues in this Budget.

Targeted savings are also being made, with resources redirected to areas of higher priority. New expenditure in this Budget is offset by savings.

The financial objectives of the Government's fiscal strategy are to:

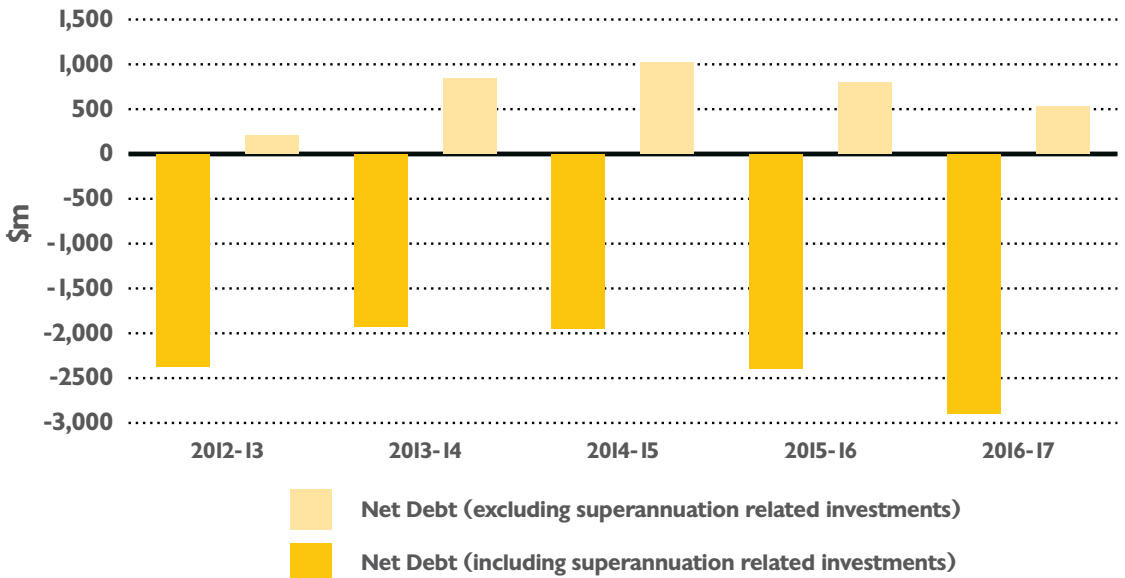
- achieve a General Government Sector Net Operating Surplus;
- maintain operating cash surpluses;
- maintain a AAA credit rating;
- manage debt prudently and maintain net financial liabilities within the range of all AAA rated jurisdictions;
- fully fund the Territory's unfunded superannuation liability by 2030;
- maintain quality services and infrastructure;
- make targeted investments to achieve strategic objectives of economic growth, reducing future costs and addressing chronic disadvantage;
- maintain taxation revenues at sustainable levels;
- deliver more efficient and productive public services, within tight financial constraints; and
- build a more productive and competitive economy.

General Government Sector – Headline Net Operating Balance



Source: Chief Minister and Treasury Directorate

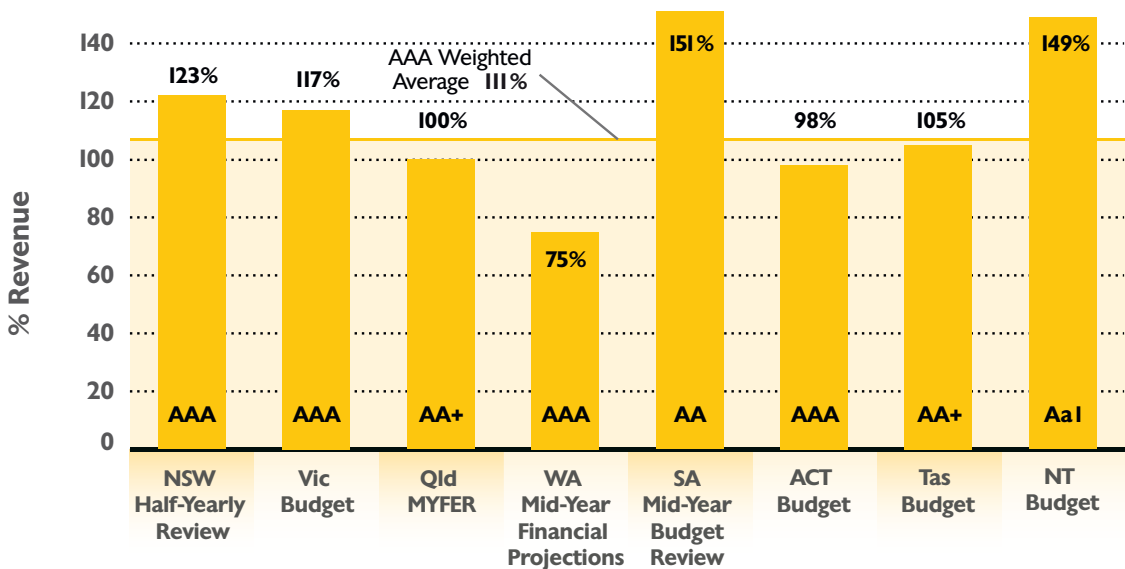
ACT General Government Sector - Net Debt



Source: Chief Minister and Treasury Directorate

Net Debt excluding superannuation is the standard measure used in Government Finance Statistics and can be compared across jurisdictions. Net Debt including Superannuation investments is an indicator of the ACT's strong balance sheet. However, it should be noted that superannuation investments are held solely for the purpose of funding the ACT Public Services' superannuation liabilities.

Net financial liabilities to revenue ratio



Source: Chief Minister and Treasury Directorate

BALANCED BUDGET AND BUDGET PLAN

The Budget Plan was introduced in the 2009-10 Budget in response to the impact of the global financial crisis (GFC) on the Territory's finances. The Plan's objective was to return the Budget to surplus by 2015-16, and provide the flexibility to respond to circumstances as they changed. As a long-term strategy to respond to the fiscal shock of the GFC, the Plan committed to preserving service levels and meeting growth in demand – in order to continue providing the appropriate support for our community.

In this Budget, the Government forecasts a return to balance in 2015-16, with the Territory's expenditure and revenue base restructured to strengthen and prioritise core services and better meet the needs of the Canberra community. Further work is being undertaken on tax reform.

The Budget Plan Objectives

The objectives of the Budget Plan remain unchanged and are to:

- adopt a measured approach to addressing the deficit;
- achieve a balanced Budget by 2015-16;
- identify annual savings over the forward estimates period that help align revenue and expenditure trajectories;
- ensure that in returning to balance government services are maintained to a high standard; and
- plan for adequate growth in expenditure to meet priority services such as health and education and to meet the needs of a growing community.

2013-14 Budget Measures

This Budget continues the savings task, constrains expenditure growth and seeks to make the revenue base more sustainable. Aggregate revenues across the Budget and forward estimates grow at a compound average annual rate of 5.8 per cent. This is above the original planning parameter of 5.25 per cent.

Expenditure growth has been constrained to an average annual rate of 3.5 per cent, which is below the original planning parameter of 4.5 per cent.

In other words, we are planning for slightly more revenue and slightly less expenditure, which will enable a measured return to a balanced budget.

Expenditure on key services is being maintained and, where needed, increased to meet community demand. Supporting the economy and jobs continues to be a priority for the Government, and there is continued strong investment in new infrastructure projects.



INVESTING IN INFRASTRUCTURE

The 2013-14 infrastructure Program is building and transforming Canberra to make it even more of a thriving and liveable city with high quality services.

It creates capacity and starts the preparatory work for transformational projects, including City to the Lake and Capital Metro.

The program responds to the needs of a growing city by providing necessary infrastructure to support essential services being delivered to the community. The total Infrastructure Investment Program over four years is around \$1.3 billion.

The 2013-14 Budget provides for new investments in infrastructure of \$272.2 million over four years. This includes new capital works, feasibility and forward design projects (\$193.5 million) and Plant and Equipment (\$4.7 million) and Information and Communication Technology (ICT) (\$24.9 million). The Capital Upgrades Program (CUP) also provides \$49.1 million to improve and enhance existing assets and infrastructure in the Territory.

This Budget continues the work undertaken by the Government in recent years to improve how infrastructure projects are planned, approved and managed, in order to ensure new projects are delivered on time and on budget, and meet the needs of the Territory. Changes are aimed at improving the up front planning process for capital works. This involves:

- improved service and asset planning, and business case development;
- improved project definition and scope, through:
 - the use of Investment Logic Mapping workshops (a methodology developed by the Victorian Government) for significant projects during early planning;
 - rigorous contingency workshops where risk estimates for capital projects are clearly identified, providing higher budget certainty before project approval;
- earlier consideration of the selection of an appropriate delivery model and contract type.

A policy framework for the delivery of Public Private Partnerships in the Territory is being developed. This will draw on best practice and existing materials from other Australian jurisdictions, and be used as a guide to consider when planning for large infrastructure projects.

Summary of 2013-14 Infrastructure Program¹

| | 2013-14 \$'m | 2014-15 \$'m | 2015-16 \$'m | 2016-17 \$'m | Total Value \$'m |
|---|-----------------|-----------------|-----------------|-----------------|---------------------|
| Capital Works | | | | | |
| Feasibility Studies | 4.3 | 2.6 | ... | ... | 6.8 |
| Forward Design | 25.6 | 4.3 | ... | ... | 29.9 |
| Construction Projects | 78.5 | 65.9 | 8.7 | 3.7 | 156.8 |
| Information and Communications Technology Projects | 172 | 4.5 | 3.2 | ... | 24.9 |
| Plant and Equipment | 2.7 | 2.0 | ... | ... | 4.7 |
| Capital Upgrades Program | 49.1 | ... | ... | ... | 49.1 |
| Sub-Total 2013-14 New Works Program | 177.3 | 79.3 | 11.9 | 3.7 | 272.2 |
| Works in Progress | 598.2 | 306.1 | 75.9 | 18.1 | 998.2 |
| TOTAL 2013-14 BUDGETED WORKS | 775.5 | 385.3 | 87.8 | 21.8 | 1,270.4 |

Note: 1 Table may not add due to rounding.

Source: Chief Minister and Treasury Directorate

GROWTH, DIVERSIFICATION AND JOBS

This Budget continues the Government's support for the ACT economy, to ensure our city prospers in its second century.

With its plan for building and transforming Canberra, the Government is providing the foundations of growth for years to come. Projects such as the University of Canberra Public Hospital, Capital Metro and City to the Lake will not only provide important new facilities for residents, they will boost the local economy by creating jobs.

Canberrans are the best educated people in the country. Our skilled workforce, world-class schools and tertiary education sectors are an important driver for future growth, helping to attract investment to the Territory. Further, the ACT has a thriving private sector, focused on knowledge intensive fields such as education, research, ICT and professional services.

The Government is capitalising on these strengths.

This Budget continues the implementation of the ACT Business Development Strategy: *Growth, Diversification and Jobs*. The Strategy encourages businesses and our economy to grow and diversify, and assists business to create jobs. Placing a high priority on market-based approaches that broaden employment and business growth, the Strategy aims to improve Canberra's competitiveness and economic sustainability. It focuses on small to medium enterprises and broadening the role of the private sector by providing targeted funding and support to local businesses and helping to attract new businesses and investment.

The Government is facilitating a business friendly environment through payroll tax reform, reducing red tape, increasing compliance support, advice and business mentoring and procuring services from local enterprises. It is supporting business investment, better branding of Canberra and assisting in accelerating business innovation.

Support is also being provided to help the ACT remain a leader in research and development, the use of clean technology and urban design. Our universities and vocational education and training facilities lead the country and are being assisted to attract students from around the world.

The Government leads the way in supporting the commercialisation and export of technical and educational services. Strategies are also being implemented to further develop Canberra as a national and global tourist destination.

The Budget also contains specific initiatives to boost the local economy, particularly in higher education, tourism, and the building and construction sectors.

CONTINUING TAX REFORM

This Budget continues the Government's taxation reforms, with further cuts to conveyance duty and the duty on general insurance and life insurance.

In the 2012-13 Budget, the Government issued *A fairer, simpler and more efficient taxation system: 5 year reform plan* – which began significant and long-term reform of the Territory's taxation system.

It has long been acknowledged that state and territory taxes in Australia are unsustainable, and in need of reform in order for governments to continue meeting the demand for services and facilities. The ACT is the only jurisdiction to have begun such reforms.

In 2012-13 several taxes were abolished, and the phase out of other taxes began, notably insurance tax and stamp duty.

Additional Tax Reform Measures in the 2013-14 Budget

Building on these achievements, a number of further changes to the ACT's taxation and transfer system are being introduced in the 2013-14 Budget.

These changes form part of the next step towards achieving the long-term objectives of tax reform, while further supporting Canberra businesses, households and the local economy.

The changes in this Budget are:

- cutting the duty on insurance premiums by a further 20 per cent on 1 July 2013. Tax on general insurance premiums will fall to 6 per cent and the tax on life insurance will fall to 3 per cent;
- home buyers purchasing a property valued at \$500,000 will receive a reduction in stamp duty of \$3,400 or 17 per cent, compared with pre-tax reform;
- further reducing conveyance duty on all property transactions above \$1.65 million;
- increasing the First Home Owners Grant (FHOG) to \$12,500 and retargeting the grant for the purchase of new and substantially renovated properties only;
- further expanding the eligibility and range of the Home Buyer Concession Scheme; and
- introducing a payroll tax concession for the employment of school leavers with disabilities.

EFFICIENT GOVERNMENT

The Government will continue to improve the efficiency and productivity of the Public Service and the facilities and programs it provides.

While remaining focused on delivering quality services, there will be critical examinations of business practices to ensure government services are appropriate, efficient and effective.

ACT Government Directorates will be required to assess and evaluate the breadth, standard, cost and performance of their services.

Further, the Budget provides funding for reviews into the Emergency Services Agency, Corrective Services, Parks and City Services and ACTION, in order to ensure each is efficiently providing high quality services, including addressing demand management, service level provision, or other aspects of service delivery or program management – whilst maintaining frontline services.

We will also identify emerging opportunities and pressures presented by issues such as demographic trends and changing community preferences.

The Government is also developing a more integrated approach to the delivery of ACT Government services. The project aims to re-design service delivery from a citizen-centric rather than a government centred perspective. While retaining all modes of service delivery, the project adopts a philosophy of “digital first” towards achieving integrated and simplified eGovernment services, increased access to on-line payment of government fees and administrative charges, streamlining administrative requirements and reducing red tape remain priorities.

SAVINGS MEASURES

The savings measures in this Budget include:

- ceasing initiatives, for programs that are no longer required, saving \$6.1 million over four years;
- general savings across ACT Government directorates through reducing costs and increasing efficiency, saving \$96.4 million over four years; and
- reprioritisation of government services, generating \$40.1 million over four years, achieved through the redirection of funding for lower priority programs from past budgets, providing opportunities to invest in higher priority activities and service delivery.

General savings initiatives include further improvements to the procurement of goods and services, to ensure better value for money and reduce spending across government agencies, including increasing the number of whole of government contracts and bundling of goods across agencies. This will save \$30 million over the coming four years.

2013-14 Budget Savings¹ Initiatives

| | 2013-14 \$'000 | 2014-15 \$'000 | 2015-16 \$'000 | 2016-17 \$'000 | Total \$'000 |
|--|-------------------|-------------------|-------------------|-------------------|-----------------|
| Ceasing Initiatives | 988 | 1,678 | 1,704 | 1,731 | 6,101 |
| General Savings | 14,993 | 14,695 | 17,102 | 19,586 | 66,376 |
| Service Reprioritising | 5,778 | 8,220 | 12,198 | 13,882 | 40,078 |
| Total Agency Savings | 21,759 | 24,593 | 31,004 | 35,199 | 112,555 |
| Procurement Whole of Government Savings | 0 | 5,000 | 10,000 | 15,000 | 30,000 |
| Total 2013-14 Budget Savings | 21,759 | 29,593 | 41,004 | 50,199 | 142,555 |

¹ Source: Chief Minister and Treasury Directorate

WHAT THE BUDGET DELIVERS

LIVEABILITY AND OPPORTUNITY

Canberra's liveability is enhanced by its community connections and diversity, by its fairness and opportunity, and by its services for those in need. The Territory is recognised for its protection of human rights and as being a safe place to live. The Government is improving Canberra's liveability by further investing in the high quality services that Canberrans need. Concessions, emergency assistance and other programs are provided to people who need extra help or are experiencing cost of living pressures.

Overall, the Budget provides \$89.7 million for infrastructure to support liveability and opportunity.

Caring, Inclusive Community

Canberra is a fair and compassionate community that encourages participation, supports social inclusion and celebrates culture and diversity. The contribution that the traditional custodians of the land have made and continue to make to the life of the city is acknowledged and respected.

Expenditure Initiatives

The 2013-14 Budget delivers:

- funding to prepare for DisabilityCare Australia (the National Disability Insurance Scheme) by strengthening specialist services provided for people with disabilities and assisting the sector transition to the new arrangements – \$5.5 million
- expanded youth engagement and family support services – \$4.9 million
- a new Out of Home Care Strategy – \$200,000
- establishment of a Trauma Recovery and Research Centre to help children recovering from abuse, neglect and other trauma – \$2.9 million
- the operation of the fourth unit at the Bimberi Youth Justice Centre – \$2.0 million
- a micro credit loan program for migrants, Aboriginal and Torres Strait Islanders, young people and women to establish or expand a small business activity – \$420,000
- scholarships for Aboriginal and Torres Strait Islander people to improve their qualifications – \$400,000
- an extension of the National Partnership Agreement on Homelessness including for additional supported accommodation, outreach and assistance to sustain tenancies – \$740,000
- an increase in the number of Official Visitors who support vulnerable people – \$1.5 million
- additional funding for the management and maintenance of community facilities – \$520,000
- additional funding for the Multicultural and Fringe Festivals – \$280,000
- increase support for the Community Language School – \$100,000
- scholarships for community groups to train interpreters and translators – \$50,000
- Older Persons Assemblies – \$100,000

Capital Initiatives

The 2013-14 Budget invests in:

- the design and construction of Common Ground and on-site support, which targets young singles and couples, without children, who are homeless or at risk of becoming homeless – \$7.6 million
- design options for older public housing tenants to relocate to more suitable housing – \$290,000
- upgrades to the Ainslie and Gorman House Arts Centres, and the feasibility for a Kingston's Arts Hub – \$2.8 million
- plans for walking, cycling, footpath and pavement infrastructure – \$1.7 million

Safe Communities

Canberra is recognised as a peaceful, fair and just community, which respects people's diversity and rights. Officers in the police, emergency services, care and protection, courts and corrections help keep our citizens and the community safe.

Expenditure Initiatives

The 2013-14 Budget delivers:

- additional ACT Worksafe Enforcement Staff to help keep Canberrans safe on the job – \$5.7 million
- discounted driver licence fees to reward safe drivers – \$4.4 million
- provision for motorists to pay motor vehicle infringement penalties by instalment – \$3.6 million
- an expanded ACT Policing Road Safety Operations Team – \$5.0 million
- the introduction of alcohol interlocks for ACT drivers convicted of drink driving offences – \$1.5 million
- assists in providing rental accommodation for the new Community Legal Centre Hub – \$1.1 million
- support for the Children and Young People Death Review Committee – \$440,000
- additional resources to enable Corrective Services to meet increases in demand and other expenses – \$7 million
- the continuation of current probation and parole resourcing, to manage offenders either on parole or court ordered sanctions – \$290,000
- funding for expensive criminal cases managed by Legal Aid – \$200,000
- funding to boost the capacity of the Emergency Services Agency – \$7.6 million
- improved capability for the ACT Fire and Rescue Service – \$4.1 million
- provide funding for Remuneration Tribunal increases for the Human Rights Commissioner, the Solicitor General and the Director of Public Prosecution – \$780,000

Capital initiatives

The 2013-14 Budget invests in:

- the construction of a new fire station in Southern Tuggeranong – \$18.0 million
- design and construction work to improve traffic safety across Canberra suburbs – \$1.0 million
- the replacement of fixed red light, speed and mobile cameras – \$1.6 million
- design of an accommodation block at the Alexander Maconochie Centre – \$3.0 million

LIVEABILITY AND OPPORTUNITY

Sustainable Environment

The Canberra Community values its natural environment, is committed to a sustainable future and is adapting effectively to climate change.

Expenditure Initiatives

The 2013-14 Budget delivers:

- additional funding for the Canberra Urban Futures Program, to develop regional services and partnerships, spatial planning and other solutions to climate change – \$500,000
- further support for compliance under the Energy Efficiency Scheme, which requires electricity retailers to undertake household energy savings activities – \$1.6 million
- funding for additional park rangers – \$1.5 million
- funding to clear our waterways, manage our pest plants and vertebrates, and deliver on biodiversity offset commitments – \$1.3 million

Capital Initiatives

The 2013-14 Budget invests in:

- water quality control ponds at Cravens Creek and Horse Park Drive – \$28.5 million
- the removal of contaminated soil at the Canberra Brickworks site – \$2.9 million
- an environmental action plan to manage buried asbestos and further environmental testing at the Red Hill Nature Reserve – \$185,000

Better Public Service

Our city depends on its accessible and responsive Public Service, which delivers core services, reduces red tape and enables Canberrans and businesses to easily connect and do business with the Government.

Expenditure Initiatives

The 2013-14 Budget delivers:

- reviews of the Emergency Services Agency, Corrective Services, Parks and City Services, and ACTION – \$1.7 million

Capital Initiatives

The 2013-14 Budget invests in:

- replacing ageing hardware components that support the ACT Government computer network – \$10.9 million
- replacing crucial end-of-life ACT Government data storage network equipment – \$1.0 million
- an upgrade to the Children and Young People Data System – \$250,000

IMPLEMENTING DISABILITYCARE AUSTRALIA

What is the scheme?

DisabilityCare Australia will provide care and support for eligible people in the ACT. From July 2014 eligible ACT residents will begin to transfer to DisabilityCare Australia (the National Disability Insurance Scheme).

How will people with disabilities benefit?

People with disabilities will be provided with reasonable and necessary care and support to assist with their daily living needs. They will have greater choice and control over the support and services they access under DisabilityCare Australia.

This support will also assist families of people with disabilities, helping those who can work to enter or rejoin the workforce, and help carers maintain their employment and community connections.

Launch in the ACT

The ACT will be the first jurisdiction to accept all eligible residents into the scheme. By July 2016, all ACT residents with significant and permanent disability – around 5,000 people – will be covered by the scheme.

The implementation of DisabilityCare Australia will be phased in over two years, with 2,500 eligible people transitioning from July 2014 to June 2015 and around another 2,500 transitioning to DisabilityCare Australia from July 2015 to June 2016.

Local Area Coordinators will work with people with disabilities, their families/guardians and carers to determine the packages of support needed. Reasonable and necessary supports will be provided under the scheme and include early intervention therapies, home and vehicle modifications, aids and equipment, personal care and assistance, transport and support for carers and families.

DisabilityCare Australia supports will not replace mainstream services or replace their obligations to ensure that services are accessible to people with a disability.

2017-2018 to 2019-2020 will be a transition phase, where all eligible ACT residents will have transitioned to the scheme and the funding continues the same as for the Launch.

The lessons learned from implementing the Launch will inform full scheme arrangements and assist the national agency to meet the needs of people with disabilities.

A NATIONAL DISABILITY INSURANCE SCHEME

Preparing for DisabilityCare Australia

From July 2013, Disability ACT will offer Enhanced Services in the form of grants to individuals with a disability, including psychosocial disability. It is expected that a large number of people with diverse needs will apply.

The Enhanced Service Offer grants will help to reduce the impact of a person's disability and improve independence, and encourage people to think about their life and supports differently.

Work to prepare and develop the capacity of people with disability and families and community sector providers will be fundamental to the success of the scheme in the ACT. This work will occur in the lead up to launch and throughout the transition to DisabilityCare Australia.

The ACT NDIS Expert Panel is an important advisory forum for the ACT Government and assists the ACT NDIS Taskforce to support the policy and implementation challenges presented by this major reform.

How is the scheme being funded?

Both the ACT Government and the Commonwealth are contributing significant resources to the scheme.

Funding for DisabilityCare Australia now has a dedicated funding stream through the increase to the Medicare Levy from 1.5 per cent to 2 per cent. Legislation to increase the Medicare levy was passed in the Federal Parliament on 16 May 2013. The increase in the Medicare Levy of half a per cent from 1 July 2014 will be placed in a dedicated DisabilityCare Australia Fund. This will provide the funding certainty that will underpin the scheme.

Full scheme rollout from 2019-20

The ACT will be officially entering the full scheme in 2019-20.

Under the full scheme, the ACT Government will be funding around 49 per cent of our population's share of the total national cost of the scheme. Total funding of around \$342 million for the scheme is estimated in 2019-20, with the ACT contributing around \$167 million and the Commonwealth \$175 million.

WHAT THE BUDGET DELIVERS

HEALTHY AND SMART

Canberrans are healthy and smart and are supported by world-class health, education and training systems. We all rely on our hospitals, health centres, schools, training centres, universities, research institutions and sporting facilities to maintain healthy and productive lives. The Government is working to make Canberrans healthier and smarter, investing in targeted services that make a difference and foster opportunity.

Overall, the Budget provides \$120.0 million for infrastructure to support a healthy and smart community.

Healthy Cities

Canberra is a healthy city that provides responsive public hospital, mental health, cancer, chronic disease, community and preventative health services.

Expenditure Initiatives

The 2013-14 Budget delivers:

- additional beds at the Canberra and Calvary Public Hospitals – \$45.6 million
- improved access to elective surgery for patients on the public elective surgery waiting list – \$33.0 million
- expanded emergency medicine at the Canberra Hospital and rapid assessment services at the Calvary Public Hospital – \$12.0 million
- increased neonatal, foetal and paediatric bed capacity of the Centenary Hospital for Women and Children – \$6.3 million
- increased mental health services through non government organisations and community health programs – \$4.1 million
- funding for the establishment of a Centenary Chair in Cancer Research at the John Curtin School of Medicine – \$1.5 million
- funding for the Belconnen Community Health and nurse-led Walk in Centres – \$9.0 million
- further health services for women, children and young people, including community based care, outpatient services and paediatric inpatient services at the Canberra Hospital – \$3.2 million

Capital initiatives

The 2013-14 Budget invests in:

- design and construction of facilities which increase bed capacity across the public health system – \$20.4 million
- forward design of the University of Canberra Public Hospital – \$8.3 million
- design of a multi-storey car park at Calvary Hospital – \$1.3 million
- design and construction of Walk in Centres at the Tuggeranong and Belconnen Health Centres – \$951,000
- purchasing and equipping a mobile dental clinic to provide services to community members unable to travel – \$1.7 million

Active Canberra

We are an active and healthy community that values the importance of participating in physical activities and sport.

Expenditure Initiatives

The 2013-14 Budget delivers:

- a University of Canberra Sports Commons and an Indoor Sports Infrastructure Study – \$5.1 million
- a Multicultural Sports Program – \$100,000
- a public obesity management service – \$3.6 million
- increased repairs and maintenance of sportsgrounds and facilities – \$900,000

Capital initiatives

The 2013-14 Budget invests in:

- increasing Manuka Oval's capacity and enhancing its spectator and media infrastructure, and the design of a facility upgrade at the Greenway Oval – \$4.1 million
- the design and upgrades of netball facilities across the Territory, Narrabundah Velodrome and a synthetic football facility at Melrose High School – \$1.1 million
- design of central amenities at the Lyneham Sports Precinct including landscaping, lighting, signage and player facilities – \$500,000
- the first stage development of an enclosed oval in Stromlo Forest Park – \$200,000

WHAT THE BUDGET DELIVERS

HEALTHY AND SMART

Living Well

Opportunities are provided for Canberrans to live well in the community and improve their health and quality of life.

Expenditure Initiatives

The 2013-14 Budget delivers:

- funding to meet growth in demand for outpatient services – \$4.1 million
- a new drug and alcohol outpatient service – \$740,000
- expanded outreach services for patients with cancer – \$4.7 million
- the implementation of the ACT Aboriginal and Torres Strait Islander Smoking Cessation Strategy – \$400,000
- the continuation of the Children and Young People Equipment Loan Service – \$100,000
- increased Advance Care Planning services – \$1.2 million
- increased support for the RSPCA – \$340,000

Capital initiatives

The 2013-14 Budget invests in:

- a feasibility and design study for establishing additional Men's Sheds across Canberra – \$200,000

Educated Capital

Canberra is a smart city, with world ranking educational and research institutions which attract students from across the globe. Our children, young people and tertiary students continue to achieve excellent results, with assistance given to those at risk of not achieving success.

Expenditure Initiatives

The 2013-14 Budget delivers:

- funding to implement national school reforms in government schools – \$21.7 million
- the transition to the national school reforms in government schools – \$4.3 million
- funding to implement national school reforms in non government schools – \$8.6 million
- further support to non government school students, including students with disabilities, students from Aboriginal and Torres Strait Islander background, students from low socio-economic backgrounds, and students with a low level of English language proficiency – \$11.2 million
- further support for non government school students' access to high quality ICT infrastructure – \$2.5 million
- an expanded Parents as Teachers Program, supporting parents for the first three years of a child's life – \$1.3 million
- additional training and professional development for government school teachers – \$3.5 million
- additional funding for transporting students with disabilities to school – \$1.6 million
- further support for students with disabilities – \$1.3 million
- further support to school canteens and promoting healthier food choices for school students – \$200,000
- scholarships for Aboriginal and Torres Strait Islander students – \$100,000
- further assistance for students from low socio economic families with school costs, by increasing the Secondary Bursary payment from \$500 to \$750 per year – \$560,000
- additional scholarships for early childhood educators to undertake a Certificate III in Children Services – \$240,000
- scholarships for early childhood educators to undertake a university degree in early childhood education – \$300,000
- funding for Preschool Matters, which provides parents with young children with information and support on their local preschool – \$320,000
- a loan facility to the University of Canberra for affordable student accommodation – \$24.0 million
- further funding to promote Canberra as a study destination – \$2.1 million

Capital initiatives

The 2013-14 Budget invests in:

- additional digital learning in government schools, including ongoing maintenance and upgrades to infrastructure and hardware – \$10.1 million
- refurbishing and upgrading ACT Government facilities used by community based early learning and childcare centres – \$2.0 million
- a new Introductory English Centre at the Wanniasa Hills Primary School – \$1.8 million
- refurbishing and upgrading Belconnen High School – \$2.0 million
- ongoing upgrades to ACT Government schools – \$3.3 million
- finalisation of the design of a primary school and preschool at Coombs – \$550,000
- the construction of a new purpose built facility for the Canberra College Cares Program for young mothers – \$14.0 million
- improved Vocational Education and Training facilities in South Canberra – \$180,000
- water refill stations in nominated ACT public schools – \$360,000

IMPLEMENTING NATIONAL SCHOOL REFORMS

The ACT Government is strongly committed to educational opportunity. Our schools already rank amongst the top in the country, our students consistently perform well across all years, and we have one of the highest rates of students completing Year 12.

But the Government is always looking for opportunities to improve, which is why it recently agreed to partner with the Commonwealth Government through the National Education Reform Agreement, including agreeing to the National Plan for School Improvement and a commitment to needs-based funding.

This agreement will mean ACT Government funding to local schools will increase by \$103 million over the next six years from \$469 million in 2013, growing to \$572 million in 2019.¹ The Commonwealth's contribution will increase by \$88 million over the next six years from \$223 million in 2013, growing to \$311 million in 2019.² This will provide a combined total increase of \$190 million in Government funding to all ACT Schools, with funding rising from \$692 million in 2013 to \$882 million in 2019.³

The Commonwealth has also announced it will provide \$26 million over six years to establish a Centre for Quality Teaching and Learning at the University of Canberra.

What does national education reform mean for ACT students and schools?

National education reforms (the outcomes of the Gonski Review) will deliver needs-based funding to all Australian school students. In the ACT this means a continued focus on high quality education across the government and non government sectors. The reform also aims to see Australia ranked in the top five countries in the world in reading, mathematics and science by 2025.

The ACT is committed to improving student outcomes through focusing on teacher quality and ensuring students are provided with the support needed to reach their full potential. The national reforms offer growth and improvement, which will be achieved through building on the ACT's current reform agenda of: quality teaching, quality learning, empowered school leadership, meeting student need, and transparency and accountability.

ACT Students' Performance

The reform agenda builds on the results achieved by ACT students in our high performing school system. ACT students perform well nationally and internationally.

While all ACT school students, regardless of their background or circumstances, have access to a high standard of education, there is room for improvement.

Improving our students' school results is important for the Territory's productivity and economic and social wellbeing.

ACT School Funding

All schools will receive growth in existing funding levels from both the ACT and Commonwealth Governments, with at least an annual 3 per cent growth rate.

The Commonwealth has developed a new Schooling Resource Standard (SRS) based on expenditure in high achieving and efficient schools. In addition, funding will also be provided to meet students' individual needs, such as assisting.

¹ Excludes one off transition funding of \$4.3 million in 2013-14 and expenditure which does not fall under the National Education Reform Agreement, such as preschools, early intervention and special needs transport.

² Excludes National Partnership Agreement funding.

³ These figures are in calendar years, and are not directly comparable to 2013-14 Budget's financial year estimates.

Aboriginal and Torres Strait Islander students, those with disabilities, from low socio-economic backgrounds or with limited English proficiency.

To assist ACT schools in the transition to new funding arrangements, the new model will be implemented over a six year period.

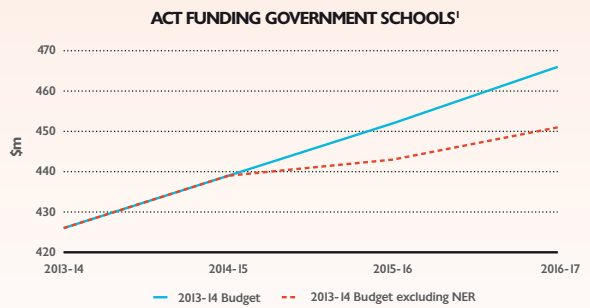
Better Meeting Students' Needs

ACT Funding

The ACT will be increasing funding for both government and non government schools under the National Education reforms.

Government Schools

In general, ACT Government schools are currently resourced above the SRS. To assist government schools transition to a new funding model an additional \$4.3 million has been provided in 2013-14. ACT funding per student will also be maintained at 3 per cent growth per annum. The 2013-14 Budget provides an additional investment of \$21.4 million in government schools over the next four years for this purpose. This is shown in the Graph opposite.

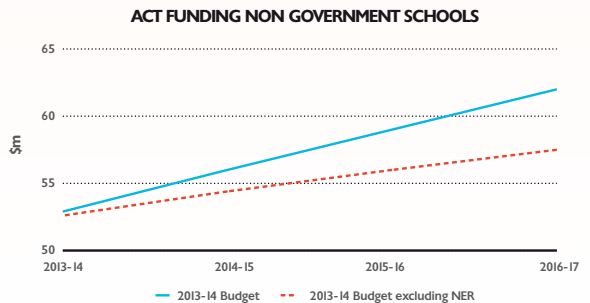


Source: Chief Minister and Treasury Directorate

Non Government Schools

There is a mix of non government schools which are currently assessed as below and above the SRS. Schools assessed as below the SRS are primarily Catholic systemic schools.

The 2013-14 Budget provides an investment of \$8.6 million in non government schools over the next four years. This is shown in the Graph opposite.



Source: Chief Minister and Treasury Directorate

GROWING THE ECONOMY

Canberra has a strong, growing economy, supported by an efficient and sustainable taxation system. Businesses and skilled labour are attracted to the Territory, which drives regional economic growth and creates an environment where investment flourishes. The Government is investing in initiatives that make Canberra a progressive, modern city with a sustainable economy that responds effectively to change.

Overall, the Budget provides \$6.6 million for infrastructure to support growing the economy.

Boosting Important Sectors of the ACT Economy

Initiatives in this Budget specifically target the tourism, education and construction sectors – which are all key drivers of the Territory's economic growth.

Tourism contributes about \$1.3 billion to the ACT economy each year, and bringing more people to Canberra will be a key driver of economic growth in the future. The Budget invests strategically in tourism in order to boost the number of people coming to Canberra for business and leisure, and to encourage visitors to stay longer.

The Budget supports the ACT's higher education sector. After the Commonwealth and ACT public service, the education sector is the Territory's biggest employer. The Budget contains measures to boost research and grant funding, and to bring more students and their families to Canberra. The Government will continue to collaborate with educational institutions and the private sector.

Building and construction is also a vital part of the economy – and the Budget contains initiatives to encourage home buyers to purchase new properties, thereby boosting the sector, namely: the First Home Owner Grant is being raised, stamp duty cut, and the Home Buyer Concession Scheme expanded. Further details are below.

Capital and the Region

Canberra is the service heart of the NSW south-east region, providing business, employment, tourism, housing and lifestyle opportunities.

Expenditure Initiatives

The 2013-14 Budget delivers:

- further assistance to small and medium businesses to develop capacity and export into global markets – \$1.5 million
- support for Horsefest 2014, including horse competitions and demonstrations – \$100,000
- funding to continue and expand the CHANCES Program, which supports Aboriginal and Torres Strait Islander people into employment – \$880,000

Capital initiatives

The 2013-14 Budget invests in:

- planning and infrastructure investigations in greenfield areas to support land release and supply – \$350,000
- the expansion of camping grounds at Exhibition Park in Canberra and additional accessible car park spaces – \$420,000
- forward design of the Majura Parkway Estate Development – \$600,000

Tax Reform

We are placing our taxation system on a sustainable footing, abolishing inefficient taxes through a staged approach that will achieve long-term reform.

Expenditure Initiatives

The 2013-14 Budget delivers:

- funding to encourage more tax compliant behaviour through education and more targeted communication – \$2.3 million
- a payroll tax waiver to encourage businesses to employ school leavers with disabilities – \$740,000

Home Buyers

The Government is helping Canberrans to achieve the dream of living in their own home. The changes to the First Home Owner Grant, reductions in stamp duty, and expansion of the Home Buyer Concession Scheme will make buying a home cheaper. And by encouraging the purchase of new homes, the measures will boost the Territory's building and construction sector.

The First Home Owner Grant

The First Home Owner Grant will rise to \$12,500 from 1 September 2013, and it will be retargeted to new and substantially renovated properties from 1 September 2013. This aligns the ACT with NSW, Queensland, Victoria, South Australia and Tasmania.

The Home Buyer Concession Scheme

The Home Buyer Concession Scheme – which reduces the amount of stamp duty paid on a home purchase for eligible buyers – is being further expanded. From 5 June 2013 the income threshold rises from \$150,000 to \$160,000.

The property threshold up until which a full concession is available will increase to \$425,000, with a partial concession for properties valued up to \$525,000. For those eligible for the full concession, the amount of stamp duty charged is \$20. This is a saving of \$13,705 on a home of \$425,000.

Ongoing Stamp Duty Cuts

As part of the ACT Government's continuing reforms to the taxation system, stamp duty will be further reduced on 1 July 2013.

On 1 July 2013 the buyer of a \$300,000 home will save about \$1,400 in stamp duty compared to before the introduction of tax reform.

- The buyer of a \$500,000 home will save about \$3,400.
- The buyer of a \$750,000 home will save about \$5,275.

Accelerated Stamp Duty Cut

The Budget will cut the top rate of duty so commercial and residential properties over \$1.65 million will receive a substantial cut. This is to ensure the ACT becomes more competitive with the rest of Australia. To offset the cost of this initiative, as with other tax reforms, the Government will progressively replace forgone revenue through commercial rates.

GROWING THE ECONOMY

Rebranding Canberra

We are embarking on transformational changes that will help realise Canberra's economic potential and make the national capital a global tourist destination.

Expenditure Initiatives

The 2013-14 Budget delivers:

- funding to expand the Enlighten Festival – \$3.6 million
- further support for marketing major events and blockbuster exhibitions in our city – \$2.0 million
- additional funding to support events and festivals – \$200,000
- support for more interstate school visits to Canberra – \$300,000
- an expanded international tourism marketing campaign – \$500,000
- further support for the Canberra Convention Bureau, to encourage more business visitors to the ACT – \$400,000

Digital City

As a digital city, Canberra invests in, and optimises the use of information and communication technologies to improve connectivity, efficiency and prosperity.

Capital Initiatives

The 2013-14 Budget invests in:

- critical upgrades to the Integrated Document Management System, which will ensure the Public Service record keeping system is fully compliant with the *Territory Records Act 2002* – \$500,000
- operational support, maintenance and enhancements to the eDevelopment System for development and building applications – \$1.3 million
- redeveloping the ACT Legislation Register and document management systems, to provide improved user services and access to information – \$515,000



WHAT THE BUDGET DELIVERS

URBAN RENEWAL

Canberra's urban landscape is being renewed, with improvements to neighbourhood amenities, public spaces, city and town centres and infrastructure to make it a better place to work, play and live. Further investments are made in our national capital to ensure it meets the needs of a growing population.

The Budget provides \$55.8 million for infrastructure to support urban renewal.

Vibrant City and Town Centres

Our city, suburbs, and town centres are integral to our growth, sustainability, and wellbeing. Canberra is a vibrant city, adapting well to the challenges of climate change and the future.

Expenditure Initiatives

The 2013-14 Budget delivers:

- additional funding for kerbside waste collection – \$2.1 million
- the continuation of the current bulky waste collection service for eligible pensioners – \$235,000
- further support for the delivery of assessment and planning approvals – \$1.5 million
- operating equipment for construction safety inspectors' onsite investigations – \$850,000
- continuing funding for the Government Architect – \$100,000

Capital Initiatives

The 2013-14 Budget invests in:

- the design of local shopping centre upgrades, improving paving, seating, parking and lighting – \$360,000
- the installation of drinking fountains and drinking refill stations at town centres, sporting facilities, park areas and public events – \$450,000
- the design for further rehabilitation of Wentworth Avenue pavements – \$200,000
- the City to Lake project, including feasibility studies on the Australia Forum, potential relocation of existing roads, stormwater, sewers and other services – \$800,000
- further infrastructure in Molonglo, including the design of the East-West Arterial Road from John Gorton Drive to the west of Cravens Creek, water quality control ponds and cycle paths – \$1.5 million
- master planning of Molonglo Stage 3 – \$1.1 million
- the design of floodways for the new suburb of Kenny – \$500,000
- the construction of an entry road to the suburb of Throsby – \$1.0 million
- replacing the Capital Linen Service's heating, ventilation and cooling system – \$2.5 million
- infrastructure studies for greenfield development in West Belconnen – \$675,000

Transport Network and Capital Metro

Canberra's transport networks are integral to its modern economy and future prosperity. Canberrans depend on reliable public transport. The first stage of the Capital Metro light rail project is a critical step in increasing the transport capacity of our city, stimulating the economy through public and private investment and improving liveability along the Gungahlin to the City corridor.

Expenditure Initiatives

The 2013-14 Budget delivers:

- funding for the establishment of the Capital Metro Agency, responsible for the design, procurement and delivery of a light rail service between Gungahlin and the City, which is the first stage of the Territory's light rail network – \$12.3 million
- enhanced ACTION bus services – \$24.0 million
- further support of Real Time Passenger Information for bus patrons – \$2.8 million
- strengthened MyWay services to meet demand, including recharge facilities and access for customers with special needs – \$2.6 million
- funding to increase free bus travel for older Canberrans by reducing the qualifying age of the Seniors Gold Card from 75 to 70 years of age – \$600,000
- funding to continue the free Centenary Bus Loop between the Parliamentary Triangle and Civic until December 2013 – \$400,000
- funding to provide trial discounts on ACTION buses – \$300,000

Capital Initiatives

The 2013-14 Budget invests in:

- preliminary design and delivery of a strategy for Capital Metro light rail route between Gungahlin and City via Flemington Road and Northbourne Avenue – \$5.0 million
- progressing the Light Rail Master Plan for Canberra – \$1.4 million
- the design of Woden Bus Interchange to modernise the facility and improve public safety – \$2.5 million
- the design and construction of upgrades to existing bus stops and shelters to meet disability standards and for the design of passenger information displays – \$2.2 million
- further design works for Ashley Drive, including a four lane, divided carriageway between Erindale Drive and Johnson Drive, intersection upgrades and bus stops – \$1.6 million
- forward design for 'Park and Ride' and 'Bike and Ride' facilities at Erindale, Wanniasa, and Gungahlin – \$120,000

WHAT THE BUDGET DELIVERS

URBAN RENEWAL

Public Spaces and Places

Canberra's parks, playgrounds, recreational areas and nature reserves are valued and well maintained for the community to access and enjoy.

Expenditure Initiatives

The 2013-14 Budget delivers:

- ongoing maintenance of municipal assets in new suburbs, including lighting, parks and reserves, roads and stormwater – \$8.6 million
- funding for continued tree planting programs and cyclical tree maintenance – \$1.0 million
- ongoing land management and regulatory services – \$5.5 million

Capital Initiatives

The 2013-14 Budget invests in:

- the design and construction of irrigation infrastructure at the National Arboretum Canberra – \$4.0 million
- major upgrades of roads at the Lanyon Heritage Precinct – \$400,000
- a community recreation irrigated park in Franklin, including open space, multipurpose sports areas, playground, barbeque and picnic tables – \$754,000

Infrastructure Investment

A prosperous, inclusive and sustainable Canberra depends on high quality infrastructure that meets the needs of its residents. Innovative partnerships will be central to the delivery of infrastructure for the future. The framework for planning and delivering capital infrastructure is being strengthened.

The total Infrastructure Investment Program over four years is \$1.3 billion.

The Budget for works in progress (WIP) flowing from previous years (excluding plant and equipment and ICT) is around \$860 million over four years, with \$538.2 million available for expenditure in 2013-14.

Capital Initiatives

The 2013-14 Budget delivers \$272.2 million in new infrastructure over four years:

- \$193.5 million for capital works, feasibility and forward design
- \$24.9 million for Information and Communication Technology
- \$49.1 million for the Capital Upgrades Program
- \$4.7 million for plant and equipment



SUPPORTING LAND RELEASE

The Government has increased the amount of land it has released for homes, community use and commercial use in recent years. This has provided the land needed to cater for the Territory's growing population and helped reduce pressure on home prices.

The indicative land release program is updated in each Budget, and outlines the amount of land to be released in the coming four years. It balances economic, social, financial and environmental objectives.

The 2013-14 Budget includes a four-year Land Release Program for residential, commercial, industrial, community and non-urban land release.

2013-14 indicative Land Release Programs

The schedule for 2013-14 includes:

- 4,800 residential dwelling sites, of which 1,061 are in Gungahlin, 1,752 in Belconnen, 1,146 in Central Canberra, 350 in Molonglo and 456 in Tuggeranong. Of these, 71 per cent are infill sites and 29 per cent are greenfield sites;
- more than 122,000 square metres of commercial land;
- more than 45,000 square metres of industrial land to be released in Hume; and
- more than 98,000 square metres of community and non-urban land, including aged care sites.

The Land Development Agency will spend about \$120 million in 2013-14 on infrastructure to support the release of this land.

Budget Projects Supporting Developments across the Territory

The 2013-14 Budget includes work on:

- Cravens Creek Pond (\$21 million) – a major part of the stormwater network supporting land development in Molonglo; and
- Horse Park Drive Pond (\$7.5 million) – supporting land development in north Gungahlin.

Indicative Residential Land Release Program

| Location | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|--------------------------|--------------|--------------|--------------|--------------|
| Number of Dwelling Sites | | | | |
| Gungahlin | 1,061 | 1,188 | 1,057 | 1,100 |
| Belconnen | 1,752 | 700 | 950 | 500 |
| Central Canberra | 1,146 | 1,138 | 917 | 1,050 |
| Molonglo | 350 | 520 | 1,278 | 850 |
| Woden and Weston | 0 | 680 | 0 | 150 |
| Tuggeranong | 456 | 446 | 229 | 300 |
| Other | 35 | 28 | 69 | 50 |
| Total | 4,800 | 4,700 | 4,500 | 4,000 |

Indicative Commercial Land Release Program (site area)

| Location | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|------------------|----------------|----------------|----------------|----------------|
| | m ² | m ² | m ² | m ² |
| Gungahlin | 13,961 | 22,183 | 18,049 | 13,741 |
| Belconnen | 32,581 | 0 | 5,263 | 3,800 |
| Central Canberra | 29,627 | 46,272 | 23,153 | 42,171 |
| Molonglo | 8,150 | 0 | 0 | 0 |
| Woden and Weston | 10,391 | 23,780 | 6,547 | 0 |
| Tuggeranong | 27,728 | 17,624 | 15,419 | 10,000 |
| Total | 122,438 | 109,859 | 68,431 | 69,712 |

Indicative Industrial Land Release Program (site area)

| Location | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|--------------|----------------|----------------|----------------|----------------|
| | m ² | m ² | m ² | m ² |
| Fyshwick | 0 | 0 | 10,000 | 10,000 |
| Hume | 45,642 | 63,062 | 47,775 | 45,871 |
| Symonston | 0 | 0 | 10,000 | 7,650 |
| Total | 45,642 | 63,062 | 67,775 | 63,521 |

Indicative Community and Non-Urban Land Release Program (site area)

| Location | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|------------------|----------------|----------------|----------------|----------------|
| | m ² | m ² | m ² | m ² |
| Gungahlin | 62,064 | 10,000 | 5,554 | 10,395 |
| Belconnen | 3,865 | 0 | 45,082 | 3,000 |
| Central Canberra | 3,000 | 15,616 | 6,900 | 0 |
| Molonglo | 0 | 3,500 | 0 | 0 |
| Woden and Weston | 10,000 | 14,937 | 0 | 1,300 |
| Tuggeranong | 20,000 | 45,000 | 5,000 | 45,513 |
| Total | 98,929 | 89,053 | 62,536 | 60,208 |

EASING COST OF LIVING PRESSURES AND SUPPORTING HOUSEHOLDS THAT NEED IT MOST

Through this Budget the ACT Government will continue to deliver high quality services to all Canberrans as it builds and transforms Canberra for its second century. The Government is committed to ensuring these high quality services are delivered efficiently and effectively, providing value for money to the community. It is equally committed to ensuring taxes, fees and charges remain affordable, that important services are available to low income households and that assistance is provided to those who need it.

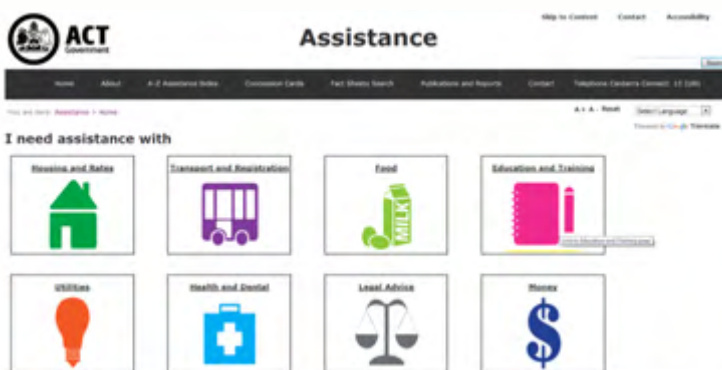
In this Budget the ACT Government also continues taxation reform, providing specific savings in conveyance fees, insurance tax and making the tax system simpler, fairer and more efficient. It also provides additional assistance to households to buy their own home. The Government has increased the First Home Owners Grant and expanded the Home Buyer Concession Scheme.

The Government knows not all households will at all times be able to share equally in the prosperity delivered by a strong economy. With this in mind the Government wants to ensure that when families and individuals find themselves in difficult situations, appropriate support programs, targeted assistance and concessions are available.

In addition to the provision of a wide range of high quality public services, including health and education, public transport and municipal services, and a broad range of community services, concessions are also available. In 2013-14, the ACT Government will continue to provide a significant range of concessions to households, most notably in the areas of General Rates, driver licence and motor vehicle registration fees, public transport fares, and utility charges.

In 2012 the Government developed the Targeted Assistance Strategy in consultation with a wide range of community stakeholders. One outcome of the Targeted Assistance Strategy was to establish the ACT Government Assistance website www.assistance.act.gov.au. Launched in April 2013 the website provides a single portal for government and community assistance. It has been promoted by Government and its community sector partners and has received positive feedback from the community as well as over 76,000 visits in its first year. Other initiatives have included targeted energy efficiency schemes; building financial capacity through the flexible payment of fees and fines; and better access to public dental schemes. The front page of the Assistance website outlines the areas in which eligible households can seek assistance and concessions, as below.

The ACT Government's Assistance website at www.assistance.act.gov.au



HOME OWNERSHIP

The ACT Government continues to help home buyers.

In 2013-14, the First Home Owners Grant is increasing from \$7,000 to \$12,500 for eligible new property purchases.

In addition, for first home owners the Home Buyer Concession Scheme has been extended to cover annual household incomes of up to \$160,000. An ACT family buying a townhouse for \$410,000 could benefit to the extent of \$13,050 through the conveyance duty fee being reduced to \$20.

MORE ASSISTANCE FOR ENERGY BILLS

In this Budget the energy concession will rise another 10 per cent. For eligible households this means that the maximum concession will rise from \$292.82 in 2012-13 to \$322.10 in 2013-14. This will assist up to 27,000 Canberra households to meet their electricity costs.

REWARDS FOR SAFER DRIVING

The ACT Government is promoting safer driving while reducing costs. Eligible drivers will be entitled to a 20 per cent reduction for licence fees. The scheme is available to full licence holders with no demerit points and no traffic infringements for at least the last five years.

TARGETED ASSISTANCE STRATEGY AND CONCESSIONS

The Targeted Assistance Strategy (TAS) was introduced in 2012 and continues in 2013-14. It is aimed at those people and families who sit just above the concessions safety net and are not receiving government income support but are at risk of 'financial shock'. The Government continues to support the TAS and implement its 34 recommendations, including continuing support for the concessions program.

Visit www.assistance.act.gov.au for more information.

INSURANCE TAX CUTS

Duties on general insurance and life insurance will be abolished by 2016-17. From general insurance premiums the duty rate will reduce from 8 per cent to 6 per cent from 1 July 2013. Duty on life insurance contracts (including term, temporary or insurance rider policies) will reduce from 4 per cent to 3 per cent from 1 July 2013. From 1 July 2013 duty on life insurance contracts will reduce from 0.08 per cent to 0.06 per cent of the total sum insured where the sum insured is greater than \$2,000, and \$0.60 for each contract where the sum insured is \$2,000 or less. For example, on annual premium of \$2,000 this will result in a saving of \$80 in 2013-14.

