



BUDGET 2010-2011 A BUDGET FOR OUR GROWING CITY

MEDIA RELEASE

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2010-11 Budget: A Budget for Our Growing City

The 2010-11 ACT Budget responds to the needs of our growing city and continues the Government's investment in essential services and valuable community infrastructure, ACT Treasurer, Katy Gallagher, said today.

"Through this Budget we are investing in the growth of Canberra. We are delivering better schools, better health care, a vision for transport, and valuable community assets that place our city on a sustainable footing for the future," Ms Gallagher said.

"The combined effects of the global financial crisis and the Commonwealth Grants Commission's (CGC) decision to reduce our share of GST revenue has put our Budget under pressure. However, the Government will continue to invest in those services important to our community and deliver a strong and targeted capital investment program to increase the productive capacity of our economy and prepare our growing city for the future," she said.

"Despite the recovery in our economy, the losses sustained by our Budget will take longer to recover. The Government took the right decision last year not to respond hastily by slashing funding and services, and this decision has paid off.

"The economic slowdown has not been as severe as predicted when the 2009-10 Budget was prepared and consequently there has been improvement from previous projections despite the set back of the CGC assessment.

"Our Budget Plan was designed to be flexible to respond to the changing fiscal environment and our 2010-11 Budget Plan now targets a balanced budget by 2013-14 – two years earlier than previously projected.

"To achieve this, we will need to maintain fiscal restraint and our commitment to savings. However, this target does provide for new spending to meet the needs of our growing city as well as modest spending on new policy initiatives."

The Treasurer said the 2010-11 Budget provided a modest net average annual spend of \$19 million for new initiatives, and \$40 million for initiatives to meet the needs of our growing city.

"Health remains a key priority for the Government with an additional \$177 million over four years in recurrent funding to health services to respond to growing demands in areas such as elective surgery, acute and intensive care, cancer services, mental health, and obstetrics and gynaecology," Ms Gallagher said. "We have been able to make this investment in part from the prudent provisions we had made for health growth."

The Budget also provides an additional \$59.4 million for the education of ACT students, bringing the total ACT education budget to a record \$502.1 million, as well as new funding of \$97 million for a comprehensive transport program for Canberra.

Through this Budget the Government is also delivering a strong residential land release program, enhanced municipal services and improved community safety, while continuing our support for the most vulnerable in our community, promoting positive action on climate change and protecting our environment.

The Treasurer said the Budget also provided for a significant new infrastructure investment of more than \$393 million over four years to meet the needs of a growing city and increase the productive capacity of our economy.

In 2009-10, the Budget is expected to deliver a surplus of \$54.2 million largely as a result of an improving national economy. However, the Treasurer noted that the \$158 million of Commonwealth stimulus money still flowing through to the ACT did mask the true state of the Budget which would remain in deficit without the federal stimulus.

The Budget will remain in deficit over the forward estimates, with forecast deficits of \$83.9 million in 2010-11, \$135.8 million in 2011-12, \$95.5 million in 2012-13, and \$50.3 million in 2013-14.

“In this Budget, we have made significant savings and additional savings will be needed in the coming years to return the Budget to surplus. This will continue to involve tough decisions,” Ms Gallagher said.

“This Budget includes around two thirds of the savings required to get back to surplus. Our savings plan over the forward estimates is gradual to ensure no sharp and unnecessary adjustments are made and that priority services are preserved and in fact enhanced where necessary.

“While the Budget does include some limited increases to fees and charges such as parking, the Government is seeking efficiencies where possible to deliver the savings required with minimal impact on the community.

“This is a responsible Budget that continues to invest where our community needs it most. The Government has an excellent record of strong financial management and has today delivered a sustainable budget – financially, socially and environmentally.”

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