



ACT Government

BUDGET 2007-2008

Taking the Territory forward

MEDIA RELEASE

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BUDGET 2007-08 – TAKING THE TERRITORY FORWARD

Chief Minister and Treasurer Jon Stanhope today delivered the ACT Labor Government's sixth consecutive surplus as part of the 2007-08 Budget, which takes the Territory forward by investing in areas of greatest need and importance.

"In last year's Budget we took the tough decisions to put the Territory's finances on a sustainable footing, to ensure our city no longer lived beyond its means, and to ensure future generations of Canberrans are not saddled with paying for the services we are using now," Mr Stanhope said.

"That short-term pain is already paying dividends. The 2007-08 Budget delivers an operating surplus of \$103 million with further surpluses through to 2010-11.

"The tough decisions taken last year mean this Budget delivers \$288.7 million to invest in building and improving the infrastructure Canberrans rely on every day, such as roads, bridges, schools, health facilities and public housing.

"This Budget also addresses other pressing issues such as housing affordability, the local impact of the national skills shortage, global warming and water security, as well as providing additional support for business and tourism and delivering an even higher level of important municipal services.

"Labor's record investment in ACT Schools will continue with more than \$350 million to be invested in school infrastructure between 2006-07 and 2010-11. This includes investing more than \$60 million in the construction of a secondary college in Gungahlin and an additional \$50 million to build a new P-10 school in Tuggeranong."

Mr Stanhope said the 2007-08 Budget provides investment in training and skills, which includes \$7.6 million in recurrent funding over four years and \$1 million in capital funding for vocational education, training and skill shortages.

"This is in addition to the successful programs already operating to bring skilled workers to the ACT, including the Skilled Business Migration program, the Live in Canberra program and the ACT Skills Commission.

"In the area of healthcare we are committing almost \$16 million over the next four years to increase support for young people and adults with serious intellectual and physical disabilities. In addition there will be \$12.6 million over four years for improved mental health services, \$12.6 million for 20 additional acute-care beds at the Canberra Hospital and \$3.5 million to design dedicated mental health facilities at the Canberra Hospital.

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“This Budget also continues to invest record amounts in police and emergency services. Since the 2001 election, the ACT Labor Government has increased expenditure on emergency services by 116 per cent and 75 per cent for policing. Our investment in emergency services is now at \$79 million a year and \$119 million for police, which means there are now an extra 120 police officers in the ACT compared with when we came to office.”

To help tackle climate change and water shortages the 2007-08 Budget provides more than \$7.4 million to improve the water efficiency of Government buildings, support implementation of the soon-to-be-released ACT Climate Change Strategy, install green power sources on ACT Government buildings and to establish a perpetual ‘Green Bank’ to reduce energy use by ACT Government departments.

“And we remain determined to find the best method to secure a safe and sustainable water supply for our city’s long-term future. We owe it future generations of Canberrans to get this decision right. Any solution must be based on sound environmental and economic analysis and must not put the health of Canberrans at risk.”

Mr Stanhope said that despite the drought and the skills shortage the outlook for the ACT economy remains very positive, with continued expansion forecast in 2007-08 on the basis of solid growth in household consumption expenditure and Commonwealth expenditure.

“Private investment in the ACT is at its strongest since self-government, businesses are optimistic and, our labour market is one of the strongest in the country creating 6,600 jobs last year. The ACT recorded the strongest growth in building approvals in the country in March 2007 and growth in retail turnover outstripped the national average for the year to March 2007.

“Without doubt, the ACT economy is strong and demand is expected to remain buoyant. The budget forecast for State Final Demand is an increase of 4 per cent in 2007-08, reflecting solid growth in Commonwealth outlays, private consumption and housing investment. Across the forward estimates period, projections for State Final Demand are 4.75 per cent per year.”

Mr Stanhope warned the drought poses significant risks to the economy and the Budget.

“While the ACT Government is acting on the expert advice that the drought will break, we would remiss if we did not plan and prepare for future worsening of the current conditions,” he said. “In line with the approach taken by the Commonwealth drought impacts have not been incorporated into the ACT Budget. However, the risk exists that the ACT will suffer the impacts of long-term drought and while we cannot, at this stage, quantify the possible financial impact, this budget delivers surpluses to 2010-11 to take the impact of the drought if necessary.”

Mr Stanhope said he was proud of this year’s Budget, saying that it was fiscally responsible while returning dividends to the community and preparing for the future.

“Today’s Budget is good for the community, good for the environment and good for business and good for the future of the Territory,” Mr Stanhope said.