



ACT Government

Charting a safe passage for the ACT economy

Embargoed until 1 May 2001

The 2001-02 ACT Budget marks a number of significant milestones in Canberra's self-government history, Chief Minister and Treasurer Gary Humphries said today.

"For the first time since 1989, the ACT's Budget has exceeded \$2 billion, representing a further maturing of the ACT economy, a growing population, and a vibrant business sector," Mr Humphries said.

"Importantly though, this is a sustainable Budget, which ensures the ACT continues to live within its means.

"This Budget continues the Liberal Government's strong and prudent financial management, and delivers a **balanced budget**, with a modest \$12.285 million operating surplus.

"At the same time, this is the first Budget since self-government to provide **only tax cuts to the Canberra community**.

"**This is a Budget that charts a safe passage for the ACT economy, in a time of national economic uncertainty. It provides for business and employment growth, to keep the ACT economy buoyant.**"

Mr Humphries said the Budget was engineered to keep Canberra's economy tracking forward, while at the same time, reinvesting a responsible amount back into the community.

"This Budget is significant far beyond the *numbers* it contains – it's an important statement about the Government's priorities and strong focus on supporting growth in the Canberra community.

"People matter – and we've kept that firmly in mind when drafting this Budget.

"This is a Budget which makes a responsible investment into the heart of the Canberra community – in our families, our schools and hospitals, in our young people, in the disadvantaged, those at risk and through the non-government sector.

"It also makes a strong commitment to continually improving the quality of life, including making Canberra a cleaner and safer place to live, and a more competitive place to do business."

Mr Humphries said highlights of the 2001-02 ACT Budget included:

- ✓ The provision of **free school transport** for ACT primary and secondary students (\$18.7m over four years);
- ✓ a **\$214.3m Capital Works program** – the largest new works commitment in the history of self-government – to provide important infrastructure improvements and employment opportunities across Canberra;

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- ✓ **measures to reduce the size of K-2 classes** to a maximum 21 students (\$24.12m over four years, including capital works for new classroom accommodation);
- ✓ **a reduction in car and motorbike registration costs** by an average \$58 cut to each motorist (\$10m each year);
- ✓ **removal of the Insurance Levy**, returning \$10m to Canberra's insurance policy holders;
- ✓ completion of Stage 2 **perioperative works at Canberra Hospital** (\$3.93m);
- ✓ a further \$1.25m for **Information Technology grants to government schools**;
- ✓ an **additional 10 police** for the Gungahlin area (\$1.095m);
- ✓ the provision of **extra ambulance paramedics** (\$1.057m), to maintain Australia's best response times;
- ✓ a further \$1m to improve the **look of the city** – the 'Streetsmart' program;
- ✓ a further \$500,000 to help redress **the 'digital divide'** in Canberra;
- ✓ \$11m to improve community access to government services, through **Canberra Connect**.

The Chief Minister said the 2001-2002 budget affirmed the ACT Government's commitment to progressing *social capital*, with \$4.5 million each year for the next three years to continue this work.

"The ACT Government took a leadership role last year in developing its *social capital framework*. Since then, we have generated broader community interest and debate about social capital principles."

Mr Humphries said a supplementary budget paper on *social capital* forms part of the budget papers for the second year in a row, outlining the Government's progress on its Social Capital Framework, its future priorities in this area and the approach for assessing Canberra's social capital.

"The 2001-02 Budget takes our commitment to strengthening Canberra's social capital a significant step forward.

"The Government has built upon the framework announced in the draft Budget: addressing **poverty**, promoting **innovation**, and providing **early intervention** measures, and the end result is a coordinated package of initiatives that directs government funding where it's most needed in our community.

"We are committed to **helping Canberrans out of the poverty trap**, and this Budget includes funding for further research into disadvantage in the community, as well as broadening public transport concessions, addressing the 'digital divide', and improving educational and health assistance for people in need.

"Of course, having an appropriately-paid job is the best way to prevent people being in poverty, so we have also funded a number of initiatives to further strengthen the ACT's economic base, create a favourable climate for employment growth and to stimulate tourism activity.

"The Budget also places **a significant focus on fostering innovation**. Innovation adds markedly to our quality of life – making people's lives better through better access to high quality goods and services, through achieving better social and environmental outcomes, and through more and higher paid jobs."

Mr Humphries said the budget also offers a wide range of **early intervention measures, to help those at risk and address the social and health problems of our community.**

"A key Budget *early intervention* initiative is the provision of significant new funding to reduce the size of early childhood classes to a maximum 21 students. The Budget also provides for additional support to particular communities, like the Indigenous and multicultural communities, to help them play an even stronger part in the Canberra community.

"This Budget recognises that the Government cannot help Canberra's social capital to grow without the assistance of **community organisations**. The ACT Government provides support to many community organisations that deliver services to the Canberra community, playing a vital role in building social capital.

"In recognition of financial pressures in these non-government organisations, we are providing a funding increase totalling \$1 million across the sector, which will be indexed with inflation each year.

In conclusion, Mr Humphries said the 2001-02 Budget was a 'balanced' package – in far more than the financial sense.

"The Government has the financial parameters right – we have maintained a balanced budgetary position after years of Labor Party mismanagement left us with a \$344m operating loss.

"But, more than that, this Budget strikes a balance in responding to community needs.

"These Budget measures support those who most need it: our families, young people, Canberra's disadvantaged and those in poverty. It offers vital extra support to the community sector.

"At the same time, it offers a solid foundation for economic diversity and business growth through innovation, taxation reform, and employment growth. The Budget provides a vital injection to the business sector.

"This Budget confirms the ACT Government keeps the ACT's finances on an even keel, and ensures we chart a safe passage for the future," Mr Humphries said.

Statement ends

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