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A BUDGET WHICH BUILDS SOCIAL CAPITAL

Today's ACT Budget builds the ACT's social capital with a range of initiatives to help those in our community who need it most, Treasurer, Gary Humphries, said today.

Mr Humphries confirmed that the 2000-01 ACT Budget delivers a surplus, after provisions, of \$4.171 million, and for the first time, provision is made to fund the ACT's superannuation liabilities from the recurrent Budget.

Revenue rises 2% on the forecast outcome for 1999-2000 to \$1.901 billion, while expenditure also increases by 2% on the forecast outcome for 1999-2000 to \$1.892 billion. The Budget makes provision for \$5 million to be paid into the ACT's superannuation account during 2000-01, rising to a total of \$120 million across the forward years.

Mr Humphries also confirmed that there will be no new taxes in the Budget: indeed the Budget features a program of tax cuts to assist business, starting in this Budget and continuing into forward years.

The centrepiece of the Budget is a series of initiatives aimed to further develop Canberra's sense of social capital, with \$3.5 million in this Budget, rising to \$4.5 million in the forward years, to strengthen families, support young people and improve links within the community.

Other major initiatives include:

- ✓ **An extra \$10 million per year for police, crime prevention and public safety, including 50 new police, and funding to improve productivity with the equivalent of 40 extra positions created by improved work practices, with significant resources being used to target growth in property crime;**
- ✓ **A \$130 million, 5 year program to improve transport links, addressing traffic congestion and road safety, which includes funding for the extension to Gungahlin Drive and other major road works;**
- ✓ **\$8 million in funding for Impulse Airlines to develop its southern hub in Canberra, creating around 400 new jobs;**

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- ✓ **\$62.8 million over four years to fund growth in needs in the ACT's health system, and a range of other initiatives to improve community-based health care and disability services;**
- ✓ **Maintenance of real terms funding for schools for the sixth consecutive year, including funding for teachers' productivity enhancements;**
- ✓ **\$8.2 million this year for ACTION to ensure service delivery and to compensate for higher fuel prices;**
- ✓ **Almost \$7 million for works to improve the appearance of our city, including \$4.5 million for continuing works to revitalise the city centre and \$750,000 for the highly successful Streetsmart Program;**
- ✓ **\$11 million over three years for a Research and Development Grants Scheme to aid in the development of new technology;**
- ✓ **\$18 million in this Budget for the development of electronic service delivery by Government agencies;**
- ✓ **A plan for the ACT to self-fund its superannuation commitments within eight years, with a provision of \$120 million over the forward years, generating hundreds of millions in savings over the next 20 years;**
- ✓ **Big payroll tax reductions brought about through a number of increases in the threshold over the next two years; and**
- ✓ **Abolition of the Insurance Levy from July 2001.**

"The investment in the needs of this community is a product of five years of hard work by the Carnell Government to reign in Labor's operating loss.

"When we came to office, Labor was spending \$344 million more than they earned. In five years, we've turned that position around to a modest operating surplus.

"Doing that has meant containing our expenditure and improving our revenue performance. Because we took a responsible approach to financial management, we now have the ability to implement a range of initiatives which further improve the quality of life in Canberra.

"As a government, we recognise that Canberra is changing, and so are the needs of the community. That's why a series of strategically targeted initiatives are funded to support those in our community who are at risk, particularly in areas such as health, education and crime.

"Our approach is to provide earlier intervention services, so that the community isn't left to pick up the pieces. Addressing social problems before they cause family breakdowns, school drop-outs or anti-social behaviour is at the core of our *Canberra: Building Social Capital* initiatives.

"Recognising increases in property crime has led to the development of a multi-pronged approach to these problems. Dedicated burglary and car theft strike

teams will be established and resourced to tackle the problem head-on. This is not just a new approach – it's a long-term one.

“Burglars who go to ground when the heat is on will have to stay there, because they heat won't be turned off until the problem is solved. This Budget sends a clear signal: there will be fifty new police targeting criminals who think property crime pays. You steal cars or break into people's homes – you will get caught.

“The Government is funding our health system to cater for the growth in demand for services. But that doesn't excuse the system from efforts to target inefficiency.

“As well as growth in needs funding, more money will be provided for community-based health services, especially rehabilitation and disability support. The Government continues its support for carers of disabled people in our community with a new range of respite services.

“Education of our children remains a top priority, with the Government again meeting its election commitment to maintain funding for schools in real terms. In addition, the recent enterprise agreement with teachers will provide significant enhancements to service delivery and ensure our children always get the highest quality education.

“The Budget also provides support to the community sector service providers and foster carers, by topping up their funding by 10% to offset the GST. We will not be asking those groups to return embedded tax savings to the Government.

“The growth of Canberra as a city places additional pressure on our transport infrastructure. This year, we commence the ACT's largest plan to upgrade arterial road links, especially in areas where congestion is causing significant delays.

“Duplications of major roads, the extension of Gungahlin Drive and improving access to Gungahlin, South Tuggeranong and the Airport are major planks in this plan.

“This Budget is a responsible one. For the first time, we start spending less than we actually earn. This means we can start making provision for our long-term liabilities such as superannuation.

“But it also builds our social capital by investing in areas of great need in our community.

“The last five years of responsible financial management today pays a dividend for all Canberrans – one which will improve the quality of life in our city now and into the future,” Mr Humphries said.

Statement Ends