



ACT
Government

AUSTRALIAN CAPITAL TERRITORY

BUDGET

2014-15

INVESTING **IN** CANBERRA

BUDGET IN BRIEF

BUDGET PAPER

2

GUIDE TO THE BUDGET PAPERS

STRUCTURE AND CONTENT OF THE 2014-15 BUDGET PAPERS

The 2014-15 Budget is presented in three papers and a series of agency Budget Statements.

BUDGET PAPER 1: BUDGET SPEECH

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

BUDGET PAPER 2: BUDGET IN BRIEF

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

BUDGET PAPER 3: BUDGET OUTLOOK

Summarises the 2014-15 Budget and forward estimates for the general government sector, the public trading enterprise sector and the total Territory Government. Details of the projected 2014-15 Budget results are provided, as well as background information on the development of the 2014-15 Budget, including economic conditions and federal financial relations.

Also provides an overview of the Territory's infrastructure investment program and details of the 2014-15 expense, infrastructure and capital, and revenue initiatives.

Full accrual financial statements and notes are provided for all sectors.

BUDGET STATEMENTS

Information on each directorate and Territory authority and corporation is broken up into several smaller documents. This includes output classes (where relevant), descriptions of functions, roles and responsibilities, together with major strategic priorities.

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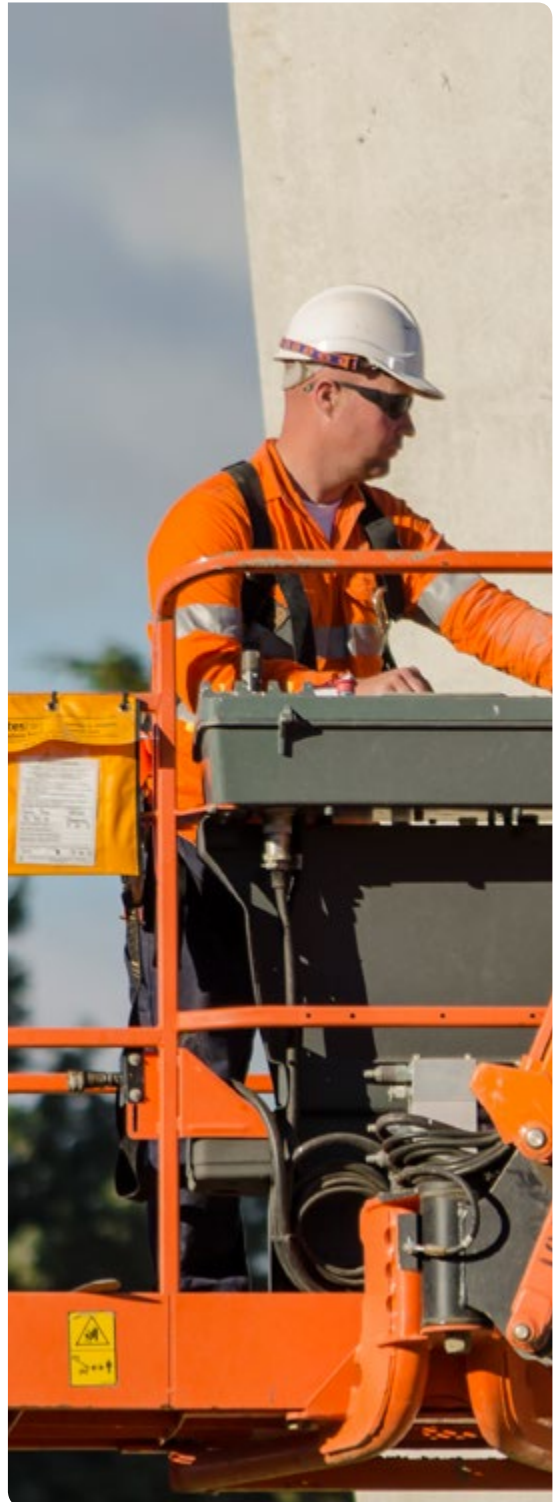
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TREASURER'S MESSAGE

This Budget invests in Canberra's future.

The ACT Government is delivering the services and infrastructure needed to support our city through this challenging period and encourage growth in the future.

This will help our community, particularly the most vulnerable, our businesses and our households. And it will create and protect jobs.

There's no doubt the Territory faces a big economic challenge because of the Commonwealth's budget cuts. These cuts will hit our economy and the budget.

In response, the Government has chosen to invest in Canberra and support our community.

There has seldom been a more important time for the ACT Government to step up and take this approach.

Not doing so would cause unnecessary and heartless pain – for households, businesses and workers.

The Government's investment in Canberra will help maintain growth in our economy and support jobs, provide vital services and facilities, and deliver the transformative infrastructure needed for the long term.

The Budget provides a record amount of funding for health. Although the Commonwealth has slashed health funding to the ACT, the Territory Government is sustaining services to provide the level of care needed by Canberrans. Funding is increased for other priority areas, notably education, community and justice services, emergency services, municipal services, and roads and transport.

Growing the economy is also a priority.

Over the four years of this Budget, \$2.5 billion has been allocated for infrastructure projects. This will boost job growth across the city and support new projects such as a new University of Canberra Public Hospital, the new Coombs school, a new CIT Campus in Tuggeranong, new road and light rail infrastructure, new cycling and walking paths, renewal of the Woden Town Centre, new public buildings like the Court Facilities project and Australia Forum Convention Centre, and the City to the Lake Project.

In addition, there is further support to help local businesses grow and create jobs.

The Budget continues to deliver important taxation reforms. Stamp duty, payroll tax and insurance duty are again being cut, to make taxes fairer, simpler and more efficient. And work continues to make our expenditure and revenue bases more sustainable.

The Government aims to balance the Budget over the economic cycle. While acknowledging the budget is in deficit this year, the Government has taken a specific policy decision to support the economy and our community ahead of returning to balance sooner by imposing harsh austerity policies.

In tough times, governments need to do what's right for their community. By investing in Canberra, this Budget provides the support our city needs, to meet the current challenges and to grow and prosper in the long term.



Andrew Barr MLA

Deputy Chief Minister and Treasurer
June 2014

OUR VISION FOR CANBERRA



THIS BUDGET INVESTS IN CANBERRA

It is part of the Government's continuing plan to build and transform our city for a prosperous and sustainable second century. This budget tackles new challenges and creates new opportunities, and builds on so much that the Government has already put in place to make Canberra a better place to live, work and do business.

The ACT Government puts sound economic management at the forefront of our responsibilities. We ran surpluses when the economy was at its strongest, to be able to provide for the times when the circumstances were more challenging.

Those challenging times are now.

Massive cuts in general Commonwealth Government spending, and in payments to the ACT, will cause job losses and challenging economic circumstances for us. We have decided in this Budget to invest in our economy and jobs rather than add to the challenges at this difficult time.

Investing in Canberra to support the economy and jobs means that the budget will be in deficit for the next two years. Our plan is to return the budget to balance over the forward estimates. To get there, we will be prudent in our spending and make sure that services are delivered as efficiently as possible, but we will not undertake cuts and impose further pain on our community. We will not risk the growth of our economy or the standard of living of our community for a budget bottom line.

In this way, we will continue to invest in our vision for Canberra becoming a reality, while supporting government services and economic activity. In this Budget, we again invest in the four areas that underpin our vision:

Making Canberra healthy and smart

Growing the economy

Enhancing liveability and opportunity

Investing in urban renewal.

HEALTHY AND SMART

This Budget continues our investment in health and education. Half of our annual expenditure funds world class hospitals, health centres, schools, child care centres and other educational institutions.

Our vision is for a health system that delivers quality care to those who need it. A system that can grow with the needs of our population; and that is founded on highly trained health professionals, state of the art technology and quality infrastructure.

The Commonwealth Government's abandonment of the National Health Reform Agreement has cut \$248 million from what we expected to receive for our hospitals over the next four years. In this Budget we have chosen not to pass on this Commonwealth cut and send our hospitals into chaos. We have instead met the funding gap left by the Commonwealth by increasing our budget deficit. We believe Canberrans should not suffer inferior health services because the Commonwealth Government has abandoned its responsibilities to our community. We will continue

to campaign for the restoration of our share of the national growth in public hospital funding.

The Government believes in the importance of quality education as a foundation for future success in life. This Budget continues our investment in providing quality education for all students no matter where they live or their financial circumstances.

GROWING THE ECONOMY

Our vision is for a strong and diverse economy; one that provides jobs, attracts investment and underpins the wellbeing of our community.

A strong economy is fundamental to everything we want to achieve. The Government has pursued a strategy to build Canberra's economic resilience and diversify our economic base and we have been successful. Over the last decade, we have seen employment grow by an average of almost 10 jobs a day and our economy is placed better than ever to deal with the contraction in Commonwealth Government spending.

And in this Budget, our investment in the economy is more important than ever.

This Budget delivers programs and projects that will help the ACT economy through this difficult time.

We are boosting our infrastructure program. Major projects such as the University of Canberra Public Hospital, a new school at Coombs, Capital Metro, the Civic to Gungahlin Corridor, the Australia Forum, City to the Lake, an expanded prison, and numerous road projects are funded in this Budget.

We are also fostering local industries, including ICT, tourism, and higher education for both national and international students. And we have some important new initiatives to help Canberra residents who have lost their jobs from the Commonwealth Government, to stay here and build a new future.

URBAN RENEWAL

This Budget invests in our built environment like never before. This investment provides essential infrastructure that will serve us now and into the future and also support economic growth and jobs.

The Government is committed to building and transforming Canberra and this Budget continues our investment in this vision.

We are funding a wide range of projects across Canberra to improve our urban areas.

We have continued to promote active transport, for our health and for our environment. We are also creating vibrant urban areas that lend themselves to new business opportunities, new ways of working, socialising and relaxing.

Importantly, we are also investing in our natural environment.

LIVEABILITY AND OPPORTUNITY

Canberra has been named the most liveable city in Australia¹ and we want to ensure our community continues to have a high standard of living.

Our vision is for a vibrant city, a caring community and place where people of all ages have every opportunity for success in life.

This Budget invests in our quality of life. It invests in our community, in supporting our most vulnerable people and in providing Canberrans with opportunities to prosper.

Part of this vision is ensuring Canberrans feel safe and secure. In this Budget, we are boosting resourcing of our emergency services; investing in preventive justice measures and improving essential justice infrastructure, including expanding the prison.

1 *My City: The People's Verdict*, annual survey by Property Council of Australia, March 2014.

The foundations of the ACT economy are strong and we compare well with other states and territories. According to the latest data from the Australian Bureau of Statistics, our economic growth was on par with the rest of Australia in 2013.

Our labour market is strong. We had the lowest unemployment rate in the country, 3.6% at April 2014, compared to the national average of 5.9%. This low unemployment rate has been achieved by the 35,500 jobs that have been created in Canberra over the past decade—almost 10 new jobs a day on average.

Canberrans have also shown confidence in our economy with the second highest labour participation rate in the country. Canberrans are confident they will find a job.

But the ACT economy is facing a major challenge right now with the compounding effects of the Commonwealth Government's reduction in spending and jobs. The direct impact of this reduction we calculate at \$375 million over the next four years, largely from cuts to health and reduced land sales.

We anticipate over the next year alone that 2,000 Canberrans could lose their jobs with the Australian Public Service and this will have flow-on effects in other areas such as retail and hospitality.

The Territory's economic growth in 2014–15 is expected to be significantly constrained by the slowing in the level of Commonwealth Government spending.

Treasury is projecting economic growth in the ACT (measured by Gross State Product in the table below) to grow by just 1¼% next financial year. This would be growth below the national average.

And year on year employment is expected to moderate to just ½% in 2014–15. These figures are down on previous years, and well below our normal growth rates.

On the positive side, low interest rates support continued private sector investment. Investment in the ACT will also be helped by our continued taxation reform and economic stimulus initiatives, including the ACT Government's own infrastructure program.

Economic Forecasts

(Year-Average Percentage Change)

ACT	FORECASTS	
	2013-14	2014-15
Gross State Product	2¼	1¾
Employment	¾	½
Population	1½	1½
National Gross Domestic Product	2¾	2½

Source: ACT 2014–15 Budget, Budget Paper 3, Budget Outlook

2014-15 BUDGET STRATEGY

The ACT Government manages the ACT's finances prudently and responsibly. We have delivered 10 surplus budgets and invested in future growth.

This means we are in a good position now to manage the impact of the reduction in Commonwealth Government spending, although this is a difficult time for the ACT economy.

Our strategy with this Budget is threefold.

First, we will maintain a balanced budget over the medium term.

Second, we will leverage our strong balance sheet to invest in infrastructure, to transform our city and stimulate economic activity and create jobs when we need them most.

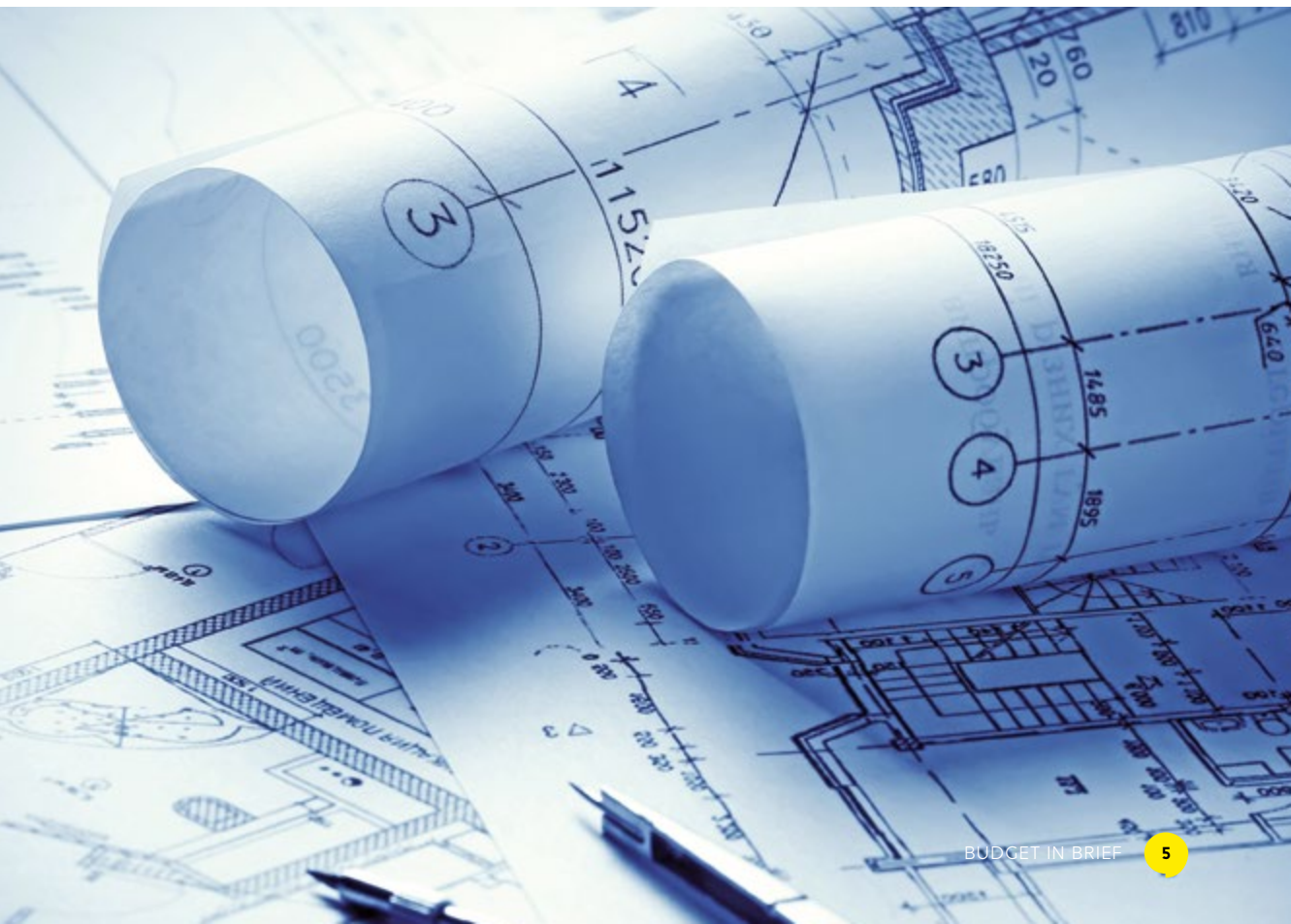
Third, we will support our economy in the short term, to help counter the impact of job cuts by the Commonwealth Government.

The Government will not cut spending or implement austerity measures at this time but will instead invest in growing our economy, creating jobs and supporting our community.

We will not sacrifice Canberra's quality of life or the strength of our economy for a budget bottom line.

That means in this Budget we are raising responsible levels of borrowings to invest in infrastructure and job creation.

This investment in transformative infrastructure projects will not only help create jobs but will provide the Canberra community with quality facilities now and into the future.

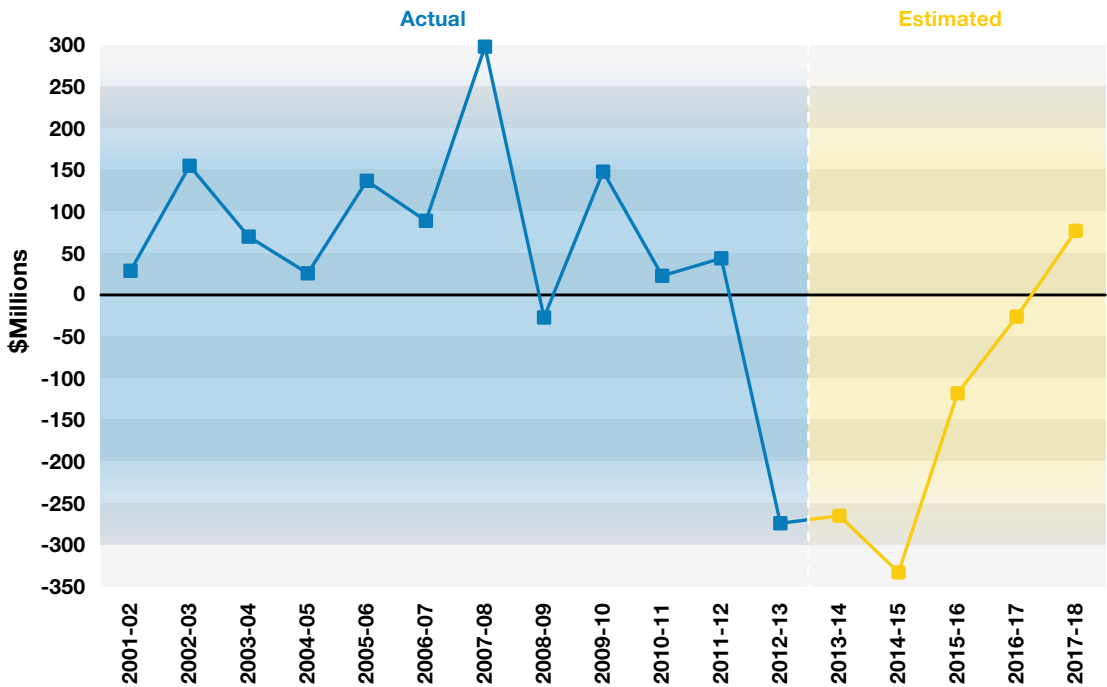


2014-15 BUDGET OUTLOOK

In 2014-15, we have forecast our Headline Net Operating Balance—budget bottom line— to be \$332.8 million in deficit. Our current projections see these deficits falling through 2015-16, with the budget returning to balance in 2016-17 and surplus in 2017-18.

We have a plan to bring the budget back to balance by investing in economic growth; prudently managing ACT taxpayers dollars, including targeted spending and smart savings; and continuing our tax reform program.

General Government Sector Net Operating Balance



Note: The Net Operating Balance is presented on an Australian Accounting Standards (AAS) basis up until 2005-06. From 2006-07, the Net Operating Balance is presented on a Headline basis, the ACT's key fiscal indicator. The Headline Net Operating Balance is not available prior to 2006-07.

Our debt level will increase as we borrow to invest in transformational and productive infrastructure. But it will remain at an affordable level that is among the lowest of all Australian states and territories. And by returning our budget to balance from 2016-17, and divesting ourselves of ageing assets, we have a plan to bring down debt.

What this means is that we are in a sound position to invest in our economy and in our vision for Canberra at a time when investment is most needed.

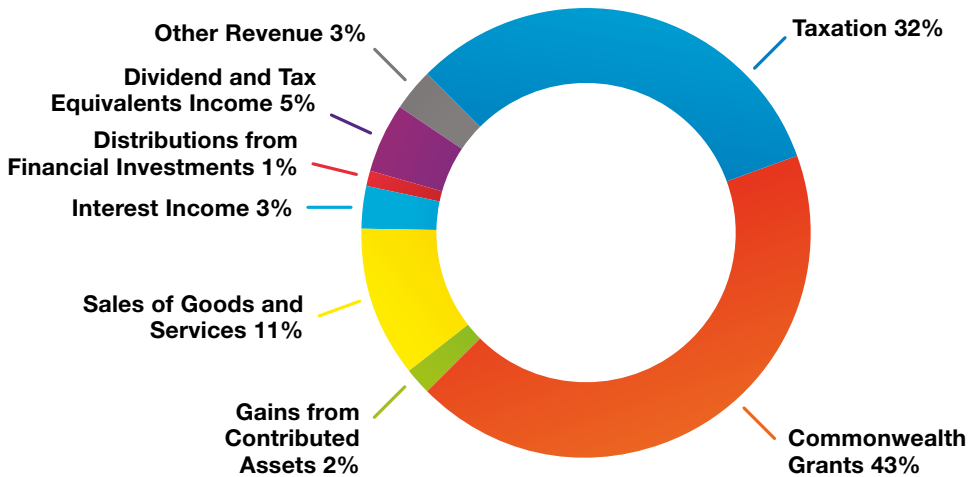
REVENUE AND EXPENDITURE

WHERE OUR MONEY COMES FROM

In 2014–15, the ACT Government will receive total revenue (known as General Government Sector (GGS) revenue) of \$4.4 billion.

This money comes mainly from Commonwealth Government grants (43%). A further 32% we raise through rates, taxes and charges.

The remaining 25% of the Government's GGS revenue in 2014–15 mainly comprises receipts from the sales of goods and services (for example, payments from other states for interstate patients treated in our hospitals); dividend and income tax equivalent payments from Territory-Owned Corporations and Authorities (like ACTEW); and interest received on money that we have invested.



TAX REFORM

Two years ago we set out to make our taxation system fairer, simpler and more efficient for the future. This Budget continues that work.

We are continuing to abolish inefficient taxes, including stamp and insurance duties. General rates will rise gradually over this period to replace the revenue lost.

These reforms will support growth in the wider economy as we remove the burden of inefficient taxes.

This Budget delivers further stamp duty cuts as part of an ongoing tax cutting program, with the release of reduced rates for 2017–18. We are also introducing a new, lower flat rate of 5.25% for transactions of greater than \$1.455 million.

Insurance taxes will be fully abolished by 1 July 2016. Rates on general insurance will reduce by a third from 6% to 4%, from 1 July 2014. And duty on life insurance will also be cut by a third from 3% to 2%.

In this Budget, we are making land tax fairer by introducing a system of fixed and marginal rate charges for the land tax system. This will share the land tax burden more fairly between units and houses.

We will increase the payroll tax threshold to \$1.85 million to support private sector jobs.

Businesses will pay less and around 40 businesses will be removed from the payroll tax system altogether. This will help local businesses keep staff and employ new people at this time of economic difficulty. Combined with the 2012 payroll tax cuts, this means each Canberra business, on average, is paying \$25,000 less payroll tax annually than before the reforms.

We are also harmonising the calculation of payroll tax for employment agents, raising a further \$10 million a year. This will clarify the exemptions that are available and standardise the treatment of contractors placed through employment agents.

And to plug the hole left by the Commonwealth Government reducing its payments to us for fire services, we are raising the Fire and Emergency Services Levy by \$4.8 million per annum.





WHERE OUR MONEY GOES

In 2014–15, the Government will spend \$4.9 billion¹ in delivering services to Canberra. This does not include our investment in capital infrastructure—\$735 million in 2014–15 and \$2.5 billion over the next four years.

Health and education are our biggest expenditures. Together they amount to around \$2.5 billion a year—50% of our budget.

In 2014–15, we will spend \$693 million on our territory and municipal functions and \$968 million on measures to further liveability and opportunity, such as community and justice initiatives.



¹ General Government Sector Expenditure in 2014–15. The expenses by key priority area do not equal total GGS expenses as they do not include superannuation and other expenses that do not directly correlate to functions.

Healthy and Smart	\$m	Urban Renewal	\$m
	2,504.3		692.7
Health and Community Care	1389.4	Territory and Municipal Services	363.5
Government Schooling	675	Public Transport	166.5
Non Government Schooling	237.2	Environment, Sustainability and Land Management	162.7
Vocational Education and Training	148.8		
Sport and Recreation	53.9		
	\$m		\$m
Growing the Economy	328.0	Liveability and Opportunity	967.7
Chief Minister and Treasury and Revenue Management	104.4	Disability and Community Services	288.7
Planning and Regulation	90.1	Justice and Community Safety	217.1
VisitCanberra, Venues and Events and Innovation, Trade and Investment	49.3	Housing	176.3
Executive, Legislative Assembly, Auditor-General and Electoral Commissioner	34.1	Policing	154.6
Arts, Culture and Heritage	30.3	Emergency Services	131
Land and Property Services	19.8		



HEALTHY AND SMART



The Government is committed to providing state of the art health and education services for the people of Canberra. As with previous budgets, these important areas of government service delivery are the two areas of highest funding and are continuing to grow. Health and education will always be our highest priorities and this Budget invests more than \$350 million in new initiatives over the next four years. This brings health and education spending to around \$2.5 billion in 2014–15—a record investment.

INVESTING IN HEALTH

Commonwealth Government budget cuts have hit our health funding hard. In 2011, we, along with other the states, signed the National Health Reform Agreement in good faith. On 13 May 2014, the Commonwealth unilaterally walked away from that agreement, taking with it its guarantees of the ACT being no worse off and minimum funding for growth.

While the Commonwealth Government has provided growth in funding for public hospitals, at a national level, of an average 9% per annum over the next four years, it has actually foreshadowed cuts to funding for ACT hospitals in 2014–15. The Commonwealth Government's abandonment of the National Health Reform Agreement has cut \$248 million from what we expected to receive for our hospitals over the next four years.

We cannot turn our hospital services on and off like a tap. To sustain the level of care needed by our community, and to grow services in keeping with our population, we have taken the gap in funding left by the Commonwealth onto the ACT Budget's bottom line. We have done this because of our fundamental belief that the people of Canberra should not suffer reduced health services because the Commonwealth Government has walked away from its commitments.

In this Budget, initiatives that invest in the health of our community are worth more than \$285 million.

Budget highlights

MORE FOR OUR HOSPITALS

This Budget expands the capacity for hospital based services in many areas. We will refurbish sections of the Canberra Hospital and Calvary Public Hospital to add over 30 new general inpatient beds. The number of intensive care unit beds at both these hospitals will also be increased.

New beds will also be opened at the Centenary Hospital for Women and Children in several units,

including neonatal intensive care, paediatrics and the birthing centre.

People with cancer will receive additional care with more medical and other health professional staff for the Canberra Region Cancer Centre.

We will fund an additional 500 elective surgery procedures per year and expand our emergency department capacity, to meet growing demand and reduce waiting times.

We are also adding infrastructure to the health sector, including a new, sub-acute hospital at the University of Canberra campus; a multi-storey carpark at Calvary hospital, to ease congestion on that site and improve access for patients and visitors; and a secure mental health unit.

MORE FOR COMMUNITY HEALTH

We have expanded our community based health services in this Budget. In recent years, we have built new community health centres at Belconnen and Gungahlin, and refurbished and expanded the centre in Tuggeranong. These were visionary projects, to provide the capacity that we will need into the future to match our growing population.

This Budget, we are putting extra staff into the Belconnen and Tuggeranong Community Health Centres, and the new Walk-in-Centre at Belconnen. We will start to deliver the additional services envisaged for those centres. These services include breast screening, pathology collection, rehabilitation, mental health services and some medical outpatient type services.

We will also hire more community nurses to expand services through the centres and in people's homes.

MORE TO HELP IN MENTAL HEALTH

This Budget recognises the importance of treatment and support for Canberrans living with mental illness. We have expanded the services of the Child and Adolescent Mental Health Service, with an emphasis on perinatal and infant consultation services. We have also expanded the Eating Disorders Program.

Additional and improved approaches to suicide prevention also feature in this Budget. We will provide the resources needed for ACT Health to implement changes to the Mental Health Act, which are currently before the Legislative Assembly. These amendments will, among other things, update the law to take account of international advances in human rights, including the UN Convention on the Rights of People with Disabilities.

The Government is also turning soil on construction of the new Secure Mental Health Unit at Symonston. This will be a 25 bed facility for the appropriate accommodation of people with severe mental illness.

INVESTING IN HEALTH

In 2014–15:

OVER 4,500 BABIES WILL BE BORN IN PUBLIC HOSPITALS

15,500 WOMEN WILL RECEIVE BREAST CANCER SCREENS

THERE WILL BE MORE THAN 99,000 ADMISSIONS TO HOSPITAL AND MORE THAN 675,000 SERVICES PROVIDED THROUGH OUTPATIENTS AND EMERGENCY



INVESTING IN HEALTHY LIFESTYLES

The Government embraces the importance of lifestyle for health and has again invested in preventive health measures in this Budget. This is another area where the Commonwealth Government has walked away from its commitments by terminating its funding contribution under the National Partnership Agreement on Preventive Health. While this hurts us to the tune of around \$7 million over the four year period, we are still making preventive measures a priority.

Budget highlights

The ACT Government will have a strong focus on a whole of government effort to deliver these initiatives, driven by the Healthy Weight Action Plan.

Our efforts in this Budget lead with investment in a new Healthy Weight Initiative. This is a whole-of-government initiative to up the fight against obesity. It will include community programs and education activities; physical education for students; online resources for doctors and nutritional information for supermarkets and shopping centres. An important part of this initiative will be the forming of partnerships with businesses to improve food choices on offer and educate people about healthy diets.

Our Healthy Weight Initiative goes hand in hand with additional walking and cycling infrastructure, and with funding in this Budget for many of our sporting facilities.

More than \$10 million goes to sport and recreation, including;

- Funding to run the new Gungahlin Leisure Centre

- A Water Play Park at the Tuggeranong Lakeside Leisure Centre
- Upgrading of tennis facilities at the Lyneham Sports Precinct (bringing the Government's investment in this precinct since 2008-09 to \$30 million)
- Design of the Narrabundah Ballpark Stage 2
- Continuation of the Active Kids Challenge
- \$4.8 million for walking and cycling projects to promote exercise as a daily habit.

The Government has previously invested \$11.7 million since 2011–12 in walking and cycling infrastructure—on top of what has been provided as part of new estates and new roads.

We have previously invested \$71 million, since 2011–12, in facilities such as the construction of the Gungahlin Leisure Centre and Enclosed Oval, Narrabundah Velodrome, and various oval restorations. This funding is in addition to the existing sports and recreation grants, which provide over \$2 million annually.

INVESTING IN HEALTHY LIFESTYLES

In 2014–15:

OVER 77% OF CHILDREN WILL PARTICIPATE IN ORGANISED SPORT OUTSIDE OF SCHOOL AND OVER 80% OF ADULTS WILL PARTICIPATE IN SPORT AND RECREATION ACTIVITIES

OVER 410 KM OF ON-ROAD CYCLING PATHS WILL BE MAINTAINED AND 25 KM OF NEW PATHS CONSTRUCTED



INVESTING IN EDUCATION

The Government believes a quality education is the foundation for future success in life. We believe all students in Canberra have the right to a quality education, no matter where they live or what their financial circumstances. We also believe that our community having access to quality education is the foundation for future economic growth and prosperity.

This Budget invests a record \$1.1 billion to support our children's education and training, from early childhood education through to vocational and higher education.

Budget highlights

This Budget contains funding of nearly \$90 million to improve our education and training system and to cater for growing student numbers.

EARLY CHILDHOOD EDUCATION

This Budget invests in our youngest learners. We are continuing the Childcare Centre Upgrades program.

We are also improving teacher training, with Early Childhood Scholarships – Certificate III in Children's Services.

PRIMARY AND SECONDARY EDUCATION

Supporting our children to excel in primary and secondary education sets them up for life. This Budget continues our investment in modern and adaptive facilities, qualified and talented teachers and a state of the art curriculum.

Major projects over recent years have included new schools in Bonner, Franklin, Harrison, Kambah (Namadgi) and Gungahlin College, and major upgrades to Taylor and Duffy Primary Schools.

We are building a new school at Coombs and will also be doing the planning to modernise schools in the Belconnen Region.

This Budget also continues the investment in Smart Schools, which will upgrade ICT infrastructure and expand wireless access points in our schools.

VOCATIONAL, HIGHER EDUCATION AND RESEARCH

Canberra has world class educational institutions and research bodies. We continue to invest in Canberra as an educational destination of choice.

This Budget funds the University of Canberra Public Hospital, which will not only result in better health outcomes for the community, but will also put Canberra at the forefront of health training and research.

Our funding for Study Canberra continues, to promote Canberra as an education destination. Canberra Institute of Technology (CIT) will receive around \$69 million from the ACT Budget in 2014–15.

This Budget also makes provision for a new CIT campus in Tuggeranong, providing greater educational choice for the people of Tuggeranong. A CIT campus modernisation strategy will be developed in 2014–15 to plan for the campus.

INVESTING IN EDUCATION

In 2014–15:

46,000 CHILDREN WILL BE EDUCATED IN PUBLIC PRESCHOOLS AND SCHOOLS

28,000 CHILDREN WILL BE SUPPORTED FOR EDUCATION IN NON-GOVERNMENT SCHOOLS

30,100 STUDENTS WILL UNDERTAKE VOCATIONAL QUALIFICATIONS



GROWING THE ECONOMY



This Budget invests in our economy at a time when it is needed most. A major part of our investment is our infrastructure program, amounting to a record \$2.5 billion over the next four years. In addition to that, we have initiatives dedicated to stimulating business worth close to \$70 million. In 2014–15, we will spend around \$325 million on activities to manage our economy and facilitate growth.

INVESTING IN TRANSFORMATIVE INFRASTRUCTURE

The 2014–15 Budget invests a record \$2.5 billion in infrastructure over the next four years.

This will create jobs when they are needed most and stimulate economic growth to help lessen the impact of recent Commonwealth Budget cuts. It will also see us well prepared to meet the economic, social, and environmental challenges of Canberra's second century.

Budget highlights

HEALTH INFRASTRUCTURE

The University of Canberra Public Hospital will provide care to sub-acute patients, (such as day services and rehabilitation). The construction of the new hospital will boost jobs.

When it is operational, the hospital will add services for our growing population. Located on the UC campus, the hospital will also provide training and research opportunities. The UC is already predicting that the hospital will be a magnet for other health providers and institutions wishing to take advantage of co-location and collaboration.

A new Secure Mental Health Unit to be built at Symonston will ensure appropriate accommodation for people with severe mental illness.

A multi-story car park at Calvary Hospital will ease congestion on that site, enabling people easier access to the hospital for services and for visiting. It will also enable continued expansion of facilities at Calvary.

And the broader Health Infrastructure Program, which began in 2008-09, continues redevelopment at both the Canberra Hospital and Calvary to add more beds.

Our investment in new and current health infrastructure projects over the next four years will total \$250 million. This does not include funding for the UCPH, which is not disclosed at this time due to commercial considerations.

TRANSFORMING OUR CITY

Developing Canberra's City Centre is one of the Government's major priorities, incorporating landmark projects such as Capital Metro, the City Plan and City to the Lake, the Australia Forum and redevelopment of the ACT Court Facilities. These are large, multi-year projects and this Budget continues the investment begun in prior budgets.

- A further \$21.3 million will go to the development of Capital Metro.

- We will begin the design of arterial roads for the City to the Lake project. Total investment to date for City to the Lake works will rise to almost \$7 million.
- We have put aside funding to progress the Australia Forum—a new national convention centre—to 'investment-ready' stage. This will be a new convention centre of a size and standard worthy of a nation's capital, that will bring economic activity to our city.
- Our Court Facilities need to grow to meet the size of our city. They will be redeveloped through a Public Private Partnership, with works financed, built and maintained by a private partner. This Budget provides funding for the design and the development of this procurement model — a first for Canberra.
- We are investing \$20 million worth of improvements along the Civic to Gungahlin corridor.

Sophisticated procurement—The Capital Framework and the Partnerships Framework

In the last 12 months, we have introduced major reforms to the way we partner with business to build our infrastructure and deliver some of our services. The introduction of The Capital Framework in October 2013, and The Partnerships Framework in December 2013, has brought our procurement models up to date with national and international best practice.

The Capital Framework is leading improved risk allocation between the public and private sector, with better value-for-money outcomes in the design and construction of major infrastructure.

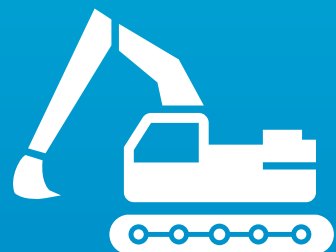
The Partnerships Framework has given the ACT the capacity to move into the world of sophisticated methods of procurement, including Public Private Partnerships (PPPs) and Design Construct Maintain Operate (DCMO). These forms of procurement can secure whole of life benefits for government and business; making the most of the innovation that business can bring to design, construction, operations, and financing under a measurable performance driven contractual model.

INVESTING IN TRANSFORMATIVE INFRASTRUCTURE

THE 2014–15 BUDGET INCLUDES \$2.5 BILLION OVER FOUR YEARS FOR INFRASTRUCTURE AND CAPITAL PROJECTS

THE GOVERNMENT'S INFRASTRUCTURE AND CAPITAL PROGRAM WILL GENERATE THOUSANDS OF JOBS EACH YEAR

\$250 MILLION WILL BE SPENT ON HEALTH INFRASTRUCTURE PROJECTS OVER THE NEXT FOUR YEARS



INVESTING IN DIGITAL CANBERRA

This Budget recognises the importance of the digital age and the opportunities this creates for the government to better interact with our community. The initiatives in this Budget will make it easier and cheaper to do business with government, and continue to open up our public services. They will also help grow our economy and diversify our economic base.

In this Budget, our investment in new, transformational ICT projects will be \$75 million over the next four years, building on the \$25 million investment progressing from last year's Budget.

The ACT Government will have a strong focus on a whole of government effort to deliver this digital investment, driven by the Digital Canberra strategy.

Budget highlights

Building on the strong digital foundations of Canberra, in partnership with industry and the community, the Government has developed and released a Digital Canberra Action Plan. Digital Canberra sets out Canberra's digital aspirations and the principles and actions that will guide us to become a leading digital city.

This Budget has a number of initiatives aimed at making it easier for citizens and business to interact with government.

This Budget commences funding for iConnect, which will transform and simplify the way individuals and business interact with the Government. When fully developed, iConnect will give access to many government services and payment transactions through a single sign on.

We are transforming revenue collection and automating invoicing. These initiatives will make payments to and from Government faster, easier and more secure. We are also introducing electronic tendering. This will modernise processes for businesses seeking to work with the Government and reduce the administrative burden on small business.

There will be further investment in Smart Parking, replacing nearly 1,000 on-street parking meters in our major town centres with 150 solar powered machines that can take credit cards.

And we will be upgrading many of our internal government ICT systems to yield further efficiencies.

This Budget also takes the digital investment to our schools. Our Smart Schools initiative will upgrade school ICT infrastructure and expand wireless access points.

INVESTING IN DIGITAL CANBERRA

In 2014–15:

OVER 84% OF ALL CANBERRA CONNECT TRANSACTIONS WILL BE DONE ONLINE

\$75 MILLION OVER FOUR YEARS WILL GO TO ICT PROJECTS AND PROGRAMS AS PART OF THE INFRASTRUCTURE AND CAPITAL PROGRAM

THE LARGEST FREE PUBLIC WI-FI PROGRAM IN AUSTRALIA WILL BE LAUNCHED, STARTING WITH FREE WI-FI IN CIVIC AND A TRIAL ON ACTION BUSES



INVESTING IN THE ECONOMY

The Government knows a strong economy requires a strong business sector. This Budget invests in growing local businesses and in bringing business to Canberra as a part of our priority to grow the economy.

Budget highlights

Businesses in Canberra continue to benefit from our tax reform agenda. Stamp duty continues to come down and insurance taxes will be fully abolished in 2016.

We have also raised the threshold for payroll tax, meaning businesses will pay less, with around 40 businesses removed from the system altogether.

Combined with the 2012 payroll tax cuts, this means each Canberra business, on average, is paying \$25,000 less payroll tax annually than before the reforms.

GROWING LOCAL BUSINESSES

We want to help those affected by Commonwealth Government job cuts to stay in Canberra and build new futures. This Budget includes a specially tailored initiative to help ex-government employees to start their own businesses here in Canberra.

The CBR Innovation Network will also receive extra funding to help start up businesses; and we will help young entrepreneurs through our Young Business Connect program.

Gungahlin is also set to receive a significant boost in this Budget from the establishment of an ACT Government office and Canberra Connect shopfront. Due to open in 2015, it will house over 600 workers and include a childcare facility. This Budget provides for fit-out and relocation expenses of \$18.5 million.

BRINGING BUSINESS TO CANBERRA

This Budget provides continuing support for Brand Canberra – our city brand. CBR Canberra provides an opportunity for us to change the way we talk about our city, how we promote our city and how we attract business, tourism and investment to Canberra. It gives us the tools to communicate the brilliant possibilities in our city and to build confidence in our community and our economy at a time when it is sorely needed.

We are also investing in tourism, with a program of promotions supporting the Tourism 2020 strategy. The Cooperative Airline Stimulus Fund will support cooperative marketing campaigns targeted at the New Zealand and Singapore markets.

The National Arboretum Canberra also receives a boost with funding of \$2.8 million to finalise the Event Terrace and Precinct Facilities and for the maintenance of existing infrastructure. This is one of the most successful facilities developed in Canberra in the recent past. A phoenix born of the 2001 and 2003 bushfires, it has become a landmark and a major tourist attraction.

More will be added to direct business services including Invest Canberra, providing help for businesses wanting to invest in Canberra to navigate the necessary regulatory infrastructure to do so.

Additional funding will support major events, to bring visitors to our city and to showcase Canberra nationally and internationally. Highlights include \$2.3 million for the International Cricket World Cup.

The importance of local events is also not forgotten, with \$300,000 in this Budget for Canberra Day; and funding for both an upgrade of the Canberra Theatre Centre and a feasibility study for a new theatre.

REDUCING RED TAPE

The Government recognises the burden government regulation imposes on business and community organisations. This Budget brings red tape reduction to the fore, with specific actions right across government.

During 2014–15, we will set up a new forum to give business a direct voice in regulatory reform prioritisation and we will also be reviewing the Building Act. In an effort to reduce the burden on our community organisations, we will be amending the Food Act to reduce regulations for selling food in certain circumstances; and reviewing various forms of regulation affecting community organisations that deliver services for the Government.

We will also be making our own internal operations of government work more efficiently, by reducing red tape both between, and within, government directorates. This will allow more resources to be dedicated to front-line services.

URBAN RENEWAL

Our investment in urban renewal is about more than just making Canberra look good. It is about a city that functions well too. This Budget invests more in our built environment, in our neighbourhoods and in our natural environment to continue our urban renewal. The investments in this Budget amount to more than \$125 million, in addition to what we are investing in our major transformative infrastructure projects. This brings the total expenditure for urban renewal activities to over \$690 million in 2014–15.

INVESTING IN ROADS AND TRANSPORT

The major infrastructure projects mentioned earlier—Capital Metro, City to the Lake, redevelopment of the Courts, the Australia Forum—will all renew the look and functionality of Canberra.

These projects are substantial works. But this Budget invests even more in urban renewal. Roads and public transport underpin a well functioning, and prosperous, city. This Budget puts more into both these areas.

Budget highlights

TRANSPORT FOR CANBERRA AND ACTION

The Government recognises the importance of investing in public transport. Quality public transport services ease traffic congestion and reduce transport times (and cost); provide a community service to those unable to afford personal transport; and reduce carbon emissions and help our environment.

Since 2011–12, we have previously invested, \$172 million for ACTION and other Transport for

Canberra initiatives. This has included bus transit ways, park and ride facilities, bus fleet and service expansions.

In this Budget we provide a further \$20.1 million for Transport for Canberra and ACTION initiatives, including additional weekend services to new suburbs (including Wright, Casey, Harrison and West Macgregor); and a new, improved booking system for Community Transport Coordination. This will help older Canberrans and those with special needs.

INVESTING IN ROADS AND TRANSPORT

In 2014–15:

THERE WILL BE 18.5 MILLION ACTION PASSENGER BOARDINGS

THE ROAD NETWORK WILL INCLUDE OVER 6,700 LANE KILOMETRES

600,000M² OF ROADS WILL BE RESURFACED



This Budget funds:

- Stage 1 of the redevelopment of Woden bus interchange
- Upgrade of the Erindale bus station
- More walking and cycling infrastructure across Canberra.

And drivers will benefit too from major roads projects including:

- Traffic lights on the William Slim-Barton Highway intersection
- Majura Parkway to Majura Road link
- Upgrades to intersections at Dickson
- Arterial and other road links for the residential development at Denman Prospect in Molonglo
- Access into the new residential development at Throsby in Gungahlin.

INVESTING IN OUR SUBURBS

The quality and amenity of our built environment directly impacts on our quality of life. For this reason, we are continuing to invest in upgrading, remediating and maintaining our local centres and urban areas. And in keeping them clean.

Budget highlights

We are expanding the Local Shopping Centre Upgrades Program with a further \$2 million investment. We are also investing in Group Centre Parking project in Weston Creek.

We are allocating an additional \$12.8 million over four years to maintain our assets and provide enhanced municipal services for our growing city.

We are also investing \$11.4 million in safe, environmentally responsible and modern management of waste. Waste project highlights include:

- Continuation of the trial program helping concession card holders with the removal of bulky waste

- Remediation of the Mugga 2 Quarry and replacement of the Mugga Lane Asbestos Disposal Site
- Upgrade of recycling services at Mugga Lane, the Materials Recovery facility at Hume and Regional drop off centres.

We have invested substantially in waste management over recent years, with \$41.6 million previously provided since 2011–12 for activities such as the Mugga Lane – Land Fill Extension Stage 5 and new waste bins.

INVESTING IN OUR SUBURBS

In 2014–15:

800,000 TONNES OF RECYCLABLE MATERIAL, I.E. 75% OF ALL WASTE MANAGED, WILL BE DIVERTED FROM LANDFILL

OVER 2,700 KILOMETRES OF COMMUNITY PATHS WILL BE MAINTAINED AND 35 KILOMETRES OF NEW PATHS CONSTRUCTED



INVESTING IN SUSTAINABLE PARKS AND ENVIRONMENT

Canberra as the Bush Capital has become part of our character. It is one of our great drawcards and it makes Canberra a great place to live.

The Government recognises the importance of maintaining and improving our natural environment and this Budget continues our investment in this area.

Budget highlights

This Budget includes initiatives of around \$26 million to care for our natural environment.

Around \$15 million more will go to Parks and City Services to ensure our rangers can manage our parks and reserves and maintain the amenity of our city areas.

As part of an enhanced biodiversity stewardship program, we will invest in more rabbit and weed control activities.

We will research non-lethal means to control our kangaroo population. This will help care for our native grasslands.

The Gungaharra Grasslands and Mulanggari Nature Reserves will be extended and the Molonglo Valley Plan for the Protection of Matters of National Environmental Significance will also be further progressed.

These priorities build on more than \$35 million previously provided for environment related initiatives since the 2011–12 Budget.

INVESTING IN SUSTAINABLE PARKS AND ENVIRONMENT

In 2014–15:

THERE WILL BE OVER 700,000 TREES IN THE URBAN FOREST

THERE WILL BE OVER 6,000 HECTARES OF URBAN OPEN SPACE

OVER 8,600 TONNES OF GREENHOUSE GAS EMISSIONS WILL BE REDUCED AS A RESULT OF THE CARBON NEUTRAL FUND





LIVEABILITY AND OPPORTUNITY

While this Budget's main focus has been about our economy and jobs, we are a government that cares holistically about our people. Our vision is for our people to prosper in our city. But it is also for our people to grow and live full lives; and to live as a supportive community. Even in this difficult economic period, we have made a priority of investing in aspects of liveability and opportunity through this Budget. Initiatives in this Budget amount to more than \$220 million. This takes expenditure in 2014–15 in this area to more than \$960 million.

INVESTING IN THE COMMUNITY

People with disability, vulnerable families, and those experiencing homelessness all receive support from this Budget.

Last year we launched the National Disability Insurance Scheme. We are proud to be leaders in bringing this landmark program into being to support vulnerable Canberrans.

Despite the Commonwealth Government's recent hesitation over the implementation of the scheme, we are continuing to make it a high priority.

Budget highlights

The ACT Government will have a strong focus on a whole-of-government effort to invest in the community through a new approach that helps people access the right service at the right time for the right duration.

We are proud in this Budget to launch a groundbreaking trial of improved access and care for people needing housing support, and family and disability services. We have put \$2.1 million towards the trial. It will include a Local Services Network

Launch in West Belconnen; close to \$0.5 million to provide tailored support to up to 50 vulnerable families; and funding for an information gateway to make it easier for people to find the support they need.

In this Budget we invest \$8.4 million for people with disability, including:

- \$1.6 million for more school based therapy for children with developmental delays or disability

INVESTING IN THE COMMUNITY

In 2014–15:

2,000 FAMILIES WILL ACCESS CHILD AND FAMILY CENTRE SERVICES

OVER 4,400 PEOPLE WITH DISABILITY NEEDS WILL ACCESS THE SERVICES THEY NEED

WE WILL PROVIDE HOUSING FOR CANBERRANS IN NEED THROUGH MORE THAN 11,600 PUBLIC HOUSING PROPERTIES



- \$2.2 million for disability care providers to continue to deliver services
- \$2.8 million to provide emergency response to clients of Disability ACT.

Out of Home Care services receive a boost in funding of \$4.1 million, to meet growing demand for placements of vulnerable children and young people who are placed in the care of Community Services. We will also develop a new Out of Home Care Strategy in 2015-16.

We match the Commonwealth's renewal of shared funding to combat homelessness and care for its victims in 2014-15. Our share of funding reaches \$1.5 million.

Support for Common Ground continues. This is a unique initiative to house chronically homeless people and give them access to community and other services.

We are also very proud in this Budget to introduce fairer and easier access to our concessions program, expanding support to those who need it.

Changes include:

- People over 60 years will now be able to apply for concessions on stamp duty for house and land purchases. We want to help people, if they wish, to downsize their houses at the time of life that suits, and free larger houses for families.
- Low Income Health Care Card holders will now have access to a rebate for sewerage bills, as well as for water.
- An increase in the Taxi Subsidy Scheme of 9%, to \$24 for ordinary taxis and to \$37 for wheelchair accessible vehicles.

Another great change that we have made for people managing tight budgets is to reduce the administration fee for people paying their motor vehicle registration quarterly or half yearly. The charge will now be \$15 per transaction instead of \$25. Motorists who pay annually will receive a 2% discount.

INVESTING IN EMERGENCY SERVICES

Emergency services play a vital role in keeping us safe when we require it the most. Ensuring that our emergency services have the capacity and capability required in times of need is an important focus of Government. This Budget includes funding to protect our community by ensuring our emergency services are adaptive and appropriate for our future needs.

Budget highlights

We are building a new, co-located ambulance and fire station at Aranda, replacing the existing Belconnen Fire and Ambulance Stations. \$19 million will go towards this project.

\$8.8 million will go towards Bushfire Management Capacity.

And we will put \$2 million into implementation of the Bushfire Management Plan for Stromlo Forest Park to protect the facility into the future. This will also provide fire protection for the new suburb of Denman Prospect.

INVESTING IN EMERGENCY SERVICES

In 2014-15:

FIRE AND RESCUE SERVICES WILL RESPOND TO 90% OF STRUCTURE FIRES WITHIN 10 MINUTES

AMBULANCE SERVICES WILL RESPOND TO 90% OF PRIORITY 1 INCIDENTS WITHIN 15 MINUTES



INVESTING IN PREVENTIVE JUSTICE

The Government is also committed to establishing a safer and more productive community through a range of justice and corrections initiatives, which include preventive, corrective and rehabilitative measures.

Budget highlights

We are adding to our basic justice sector infrastructure, which needs to grow to match demand. We are redeveloping our Court facilities and expanding the Alexander Maconochie Centre. A new 30 cell Special Care Centre and a new 56 cell flexible accommodation block will be built so that the prison can accommodate growing numbers of detainees.

At the same time, this Budget focuses on reforms including restorative justice, sentencing reforms and ways to help reduce recidivism. Our Justice Reform Strategy will develop sentencing alternatives for ACT Courts as a result of the Government's decision to repeal periodic detention as a sentencing option

from 2016–17. There are potential benefits from this in terms of social and cost outcomes.

We will research ways of reducing serious crime and recidivism, particularly for Aboriginal and Torres Strait Islander people.

And we will extend the reach of Throughcare, which provides support beyond the end of an offender's custodial sentence to assist their transition to the community and help reduce recidivism.

INVESTING IN PREVENTATIVE JUSTICE

In 2014–15:

OVER 60,000 INFORMATION AND REFERRAL SERVICES WILL BE PROVIDED BY LEGAL AID

OVER 1,950 CASES WILL BE LEGALLY ASSISTED BY LEGAL AID





