



**ACT**  
Government

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Australian Capital Territory

# Budget

Delivering for Canberrans:  
now and into the future

**Budget Speech**

# Structure and Content of the 2022-23 Budget Papers

**The 2022-23 Budget is presented in two papers and a series of agency Budget Statements.**

## Budget Speech

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

## Budget Outlook

The Budget Outlook summarises the 2022-23 Budget and forward estimates for the general government sector, the public trading enterprise sector and the total Territory Government. Details of the projected 2022-23 Budget results are provided, as well as background information on the development of the 2022-23 Budget, including economic conditions and federal financial relations. It also provides an overview of the Territory's infrastructure investment program and details of 2022-23 initiatives. Full accrual financial statements and notes are provided for all sectors.

## Budget Statements

The Budget Statements contain information on each directorate and agency, including descriptions of functions and roles and responsibilities, together with major strategic priorities.

## Acknowledgement



We acknowledge the Traditional Custodians of the ACT, the Ngunnawal people. We acknowledge and respect their continuing culture and the contribution they make to the life of this city and this region

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## BUDGET SPEECH

The Budget comes at a critical time for the Territory.

We are continuing to respond to a rapidly evolving global pandemic; our city is growing, as is demand for public services; and after injecting billions of dollars in emergency assistance and economic stimulus into the Canberra economy over the past two and a half years, we step up the pace of fiscal repair.

We are investing in our rapidly growing city – **delivering for Canberrans now and into the future.**

This Budget creates more jobs than we have ever had before, supporting a city where more people want to live – growing faster than anywhere else in the country.

Our investments will ensure that Canberra remains an attractive place to live, work, and invest.

This Budget, like the last five economic updates I've provided to the Assembly since the start of the pandemic, continues to adapt our response to the evolving health situation, while remaining true to the principles that have guided our successful response so far:

- investing in healthcare and essential services;
- keeping Canberrans employed by supporting businesses and the economy; and
- protecting our most vulnerable.

Like every state and territory around Australia, there are pressures across our hospitals and health facilities.

As we have done throughout the pandemic, the Government is increasing resources across our health system so that our doctors, nurses, midwives and allied health care workers can deliver the high quality free public health care Canberrans need.

We are investing in our education system, promoting new opportunities in the knowledge economy, and creating new jobs through diversification and encouraging skilled migration.

We are protecting our natural environment and funding programs that will further reduce our carbon emissions and reliance on fossil fuels.

We are delivering infrastructure that is built for Canberra.

And we are putting in place the settings to create more jobs in our economy. We are on track to deliver our target of 250,000 jobs in the Territory economy by 2025.

## ECONOMIC OVERVIEW AND STRATEGY

The last two years have not been easy, but the ACT economy has outperformed expectations and demonstrated resilience and flexibility.

The Government's pandemic response has underpinned consumer confidence and contribute to our "V-shaped" recovery.

## **Labour Market**

Part of the reason why our economy has been so resilient over the last few years is the strength of our labour market. We have the strongest labour market and the lowest unemployment rate in the country.

For almost 12 months now, job vacancies have exceeded the number of unemployed people in the ACT.

Weekly ABS payroll jobs data from June indicates payroll jobs are 6.9 per cent higher than their level at the start of the pandemic and we have a high workforce participation rate of over 70 per cent.

The sustained performance of our labour market indicates that we are in an environment at, or very close to, full employment.

This is a good thing. We want secure employment for as many Canberrans as possible. But this creates short-term pressures.

To capitalise on our opportunities for knowledge-based economic growth, we need to ensure our workforce has the right skills for in-demand jobs.

We want to remain in a full employment environment, driving real wages growth for workers, particularly after the current global inflationary peak passes.

To ensure a tight labour market is not a constraint on the capacity of the ACT economy to grow, we will invest in increasing participation, increasing productivity and having the right services and infrastructure in place for our growing population.

In the coming years, jobs and skills demand will be highest in health and the care economy, IT, advanced manufacturing, education and training, and professional services.

This Budget invests in those jobs by directly hiring and investing in skills development and partnerships with industry and education providers.

## **Sustainable Economic Growth**

Through sensible economic management the ACT has avoided a recession during the pandemic. Given the negative impacts elsewhere, it is worth noting that ACT state final demand has grown by 5 per cent since COVID first arrived.

When the national accounts are released later this year, we expect them to show that we have had 32 consecutive years of economic growth in the Territory – continuing to grow through a once-in-a-century pandemic, a global financial crisis, the tech-wreck recession, the election of the Public Service-cutting Abbott and Howard Governments and even recording positive growth in the 1991-92 recession.

Looking forward, we expect growth in our gross state product to remain robust over the next four years, rising at around 3 per cent per annum in real terms across the forward estimates.

However, we face economic challenges, particularly in the short-term, with a softening of the national economic outlook as business and consumer confidence is impacted by the short-term inflation spike and the lifting of the cash rate by the Reserve Bank of Australia – with a further 50 basis points increase announced earlier this afternoon.

Additionally, there is the ongoing uncertainty of the pandemic and continuing shocks from recent geopolitical events.

We expect these to be short-term economic headwinds. Government emergency support will step down as confidence improves, allowing private consumption and investment to make an increasing contribution to growth. We will, of course, continue to support the most vulnerable members of our community.

We understand that for our lowest income households the short-term inflationary pressures will make life hard, which is why we are providing an \$800 concession on energy bills for over 31,000 low-income households.

We are also investing in our labour market, which will ultimately drive-up real wages, supporting improved living standards through 2023 and beyond.

## **Population**

After the recent release of the 2021 Census data, the ABS had to rebase the size of the ACT population by almost 22,000 people – a 5 per cent larger population than previously estimated and not accounted for in the Federal Financial Relations system.

In simple terms, for most of the past five years, the ACT has not been receiving its true population share of national funding. That will now change.

In light of certain commentary over the years about the desirability of living in Canberra, it is worth repeating that we have experienced the fastest population growth of any jurisdiction over the last 10 years, growing from 370,000 to 455,000.

People have voted with their feet. They want to live in Canberra.

And we expect strong population growth to continue with a further 30,000 people expected to be living in Canberra over the forward estimates period.

## **Fiscal Outlook**

When I released the Budget Review in March this year, I expressed cautious optimism about Canberra's economic outlook and the Budget bottom line.

While we are still in an uncertain economic environment and the need for caution remains, the strong economic recovery has also led to an improving fiscal position.

Since the 2021-22 Budget delivered in October 2021, the ACT Budget position has improved by over \$800 million over four years.

The General Government Sector Headline Net Operating Balance continues to improve each year over the forward estimates, demonstrating a steady trajectory of fiscal repair over time.

Now is not the time to embark on austerity budgeting and indulge a failed, ideologically driven, debt and deficit fetish espoused by the right wing of the Liberal Party.

We will stick to our plan: to return the budget back to balance over the medium term, investing in the services and infrastructure a growing city of our size needs.

That is why, through the 2022-23 Budget the Government has focussed on:

- delivering high quality services for a growing population;



- addressing cost of living pressures;
- continuing to invest in Canberra’s people and places, and
- delivering our long-term plan for services and infrastructure.

## INVESTING IN THE WELLBEING OF CANBERRANS

We are the first jurisdiction in Australia, and one of the first in the world, to embed a Wellbeing Framework in our Budget process.

This Budget puts community wellbeing at the centre of its decision-making, and the benefits are obvious.

This is the third ACT Budget since the Wellbeing Framework was released. The embedding of the Wellbeing Framework in the budget process has improved consideration of the types and distribution of impacts that initiatives will have across the community.

The Wellbeing dashboard and indicators are progressively improving our understanding of where further targeted assistance is most needed.

The Wellbeing Framework is also helping the Government measure progress and assisting us in making the best decisions on which investments and programs are going to contribute to our quality of life.

It’s helping to make our city more inclusive and ensure we are prepared for new challenges and can grasp the opportunities that present themselves.

## HEALTH

The Budget includes a boost in services across the health portfolio, with over \$390 million in new investment.

Through this investment, our public hospitals are funded to deliver 60,000 elective surgeries over this term of Government and an additional 900 endoscopies each year for the next two years.

Our significant investment in public healthcare means:

- better mental health and early intervention support with specific initiatives to strengthen community-based and public health responses;
- better equipment and facilities for our healthcare workers;
- strengthened alcohol, drug and suicide prevention programs, and;
- more support for young people, women, and Aboriginal and Torres Strait Islander people.

We will also deliver on our commitment to employ 400 additional health care workers, two years ahead of schedule.

We continue to work with staff and their unions to ensure our health services are positive places to work, so they can do what they do best – delivering high quality care for Canberrans and the region.

Additionally, the Government is investing a further \$30.6 million for the ACT Ambulance Service – hiring 30 new staff, including extended care paramedics and adding two new front-line ambulance vehicles.

Canberrans can trust that we will continue to invest in our healthcare system as our city grows. We did it during the worst of the pandemic, and this Budget demonstrates that will continue.

## EDUCATION

As Canberra grows, the Government will continue to deliver on our election commitments to build more schools and invest in our world-class public education system.

This Budget sees an additional \$240 million invested in education and lifelong learning.

We're investing more to improve safety across our schools, supporting students with additional needs, and strengthening cultural integrity through promoting the integration and understanding of local Ngunnawal language and culture.

Overall, we are investing more than \$985 million in 2022-23 delivering the quality public education Canberra children deserve, and their parents and guardians expect.

We are undertaking the most ambitious school infrastructure program in the history of self-government. We are building new schools and upgrading and expanding existing schools in growing regions of the Territory.

There are nine major school infrastructure projects completed or under construction already in this term, with another five major school builds already scheduled to start in the next four years.

The total program will increase student places in growth areas by over 5,000 – ensuring world class facilities are available across the ACT.

## HOUSING

In this Budget the Government delivers a comprehensive package to tackle housing affordability and supply. From further targeted stamp duty cuts, through to the construction of hundreds of new public housing dwellings – we are taking the steps necessary to ensure more Canberrans have access to affordable, safe and secure homes.

The Government is planning for an increase of around 30,000 dwellings in the ACT over the next five years – from around 180,000 dwellings to 210,000.

Around two-thirds of those 210,000 dwellings will be detached houses on single blocks.

The balance will be a mixture of dual occupancies, duplexes, row houses, terraces, townhouses, villas, walk-up apartment buildings and taller apartment blocks.

A growing Canberra needs a variety of housing choices to meet changing demographic needs.

The ACT Government has been building more affordable homes per capita than the national average.

This Budget invests another \$87 million into the Growing and Renewing public housing program to expand that program by a further 140 dwellings, as well as an additional investment in public housing maintenance and repairs.

We are also supporting more build to rent projects. The Government will be pursuing institutional investment in these projects over the coming years with the recent release of the Build-to-Rent Investment Prospectus.

## INFRASTRUCTURE

This Budget sets out a \$7 billion Infrastructure Program over five years – a balanced and sequenced program of large and small projects to provide for the needs of a growing city and create thousands of jobs.

Now is the time to invest in our city, in infrastructure that is built for Canberra, to ensure that we remain one of the most liveable cities in the world.

Our capital investment priorities continue to be health, education, public transport, public housing, climate action and urban renewal.

We are delivering the biggest program of upgrades to suburban facilities in Canberra's history.

Some of projects in this Budget include the:

- ongoing expansion of the Canberra Hospital in Woden;
- building the new state-of-the-art Woden CIT campus; and
- beginning work on the Canberra Theatre Centre precinct redevelopment.

The Government will also undertake a rolling update of the Territory's long-term Infrastructure Plan.

Recognising our greater-than-forecast population, the impacts of the pandemic and medium-term supply chain and labour constraints, the Government will work with our Commonwealth colleagues and community stakeholders on shared priorities across health, education, transport, city services, climate action as well as arts, entertainment and sports.

## CLIMATE AND ENVIRONMENT

Canberra is the renewable energy capital of Australia. Canberrans are proud of our justified reputation as leading the nation on climate action.

This Budget further strengthens our reputation, with more than \$100 million in new investments as we transition to a zero emissions future.

We are boosting investment in protecting our natural environment and policies that will reduce our carbon emissions and reliance on fossil fuels.

Programs like the Sustainable Household Scheme, one of the most successful schemes in the history of self-government, is allowing more households to participate in the transition, and reap the financial benefits from lower energy and fuel costs – while creating new jobs.



## COMMUNITY SUPPORT

Community sector organisations are crucial in supporting the diverse needs of people across our community – with the pandemic highlighting how challenging times affect some of our community much more than others.

The 2022-23 Budget provides more than \$230 million for new initiatives to improve community support, social inclusion and safety.

This includes \$24 million for new or expanded programs and actions to prevent and respond to sexual assault, and family and domestic violence. I thank the Deputy Chief Minister for the extensive work she has undertaken across Government and with stakeholders to take action to prevent and respond to sexual assault and sexual violence.

We're also funding the establishment of the independent Aboriginal and Torres Strait Islander Children's Commissioner; investing in measures to address the over-representation of Aboriginal and Torres Strait Islander people in the ACT criminal justice system; delivering support for people with variations in sex characteristics; and providing additional indexation funding for community sector organisations.

## JOBS AND SKILLS

Through this Budget, the Government is making longer-term investments to strengthen our labour market.

A record \$126.3 million in funding will be provided in 2022 for apprenticeships, traineeships and other vocational education activities, including through the User Choice and Skilled Capital programs, and total recurrent funding for skills and training in 2022-23 will be more than \$180 million.

These investments will be critical to the long-term security and strength of the ACT labour market.

## WORKING WITH THE FEDERAL GOVERNMENT

This is also an opportunity to welcome the election of the new Labor Federal Government, as providing a renewed way forward for many ACT projects and policies.

If the first two months are any indication, there are significant opportunities for the Territory to productively engage on issues that have been stalled for close to a decade.

With a Federal Government that has an ambitious climate agenda, a return to evidence-based infrastructure investment and a recognition of the shared responsibilities across levels of Government – I am hopeful we can tackle some systemic and structural issues to increase the economic prosperity and opportunities for all Canberrans.

## CONCLUSION

Canberra's future – our recovery from the pandemic, and our growth – presents many exciting opportunities.

The Government recognises these opportunities and through this Budget continues to invest in our city.

**Delivering for Canberrans, now and into the future.**

2 August 2022