QUESTION TIME

OF THE

LEGISLATIVE ASSEMBLY

FOR THE

AUSTRALIAN CAPITAL TERRITORY

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Wednesday, 25 June 2025

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Ministerial arrangements

MR BARR (Kurrajong—Chief Minister, Minister for Economic Development and Minister for Tourism and Trade) (2.02): Mr Speaker, just very quickly to reiterate the same ministerial acting arrangements for Minister Pettersson's absence today. That will be the case tomorrow, so I will not do this again tomorrow.

Questions without notice
Seniors—taxation

MS CASTLEY: My question is to the Chief Minister. I have heard from retired Canberrans who have been struggling with the cost of living crisis for years and learned yesterday that they would be stung with higher rates, a new health levy, a higher emergency services levy, higher vehicle registration fees and much more. Chief Minister, why have you made life harder for struggling seniors in our community?

MR BARR: Well, I have not. What the government is intending to do is invest very significantly in health care, of which the greatest consumers of health care in this city are seniors.

MS CASTLEY: Chief Minister, why are seniors bearing the brunt of your budget mismanagement?

MR BARR: Firstly, there is not budget mismanagement, and secondly, they are not.

MR HANSON: Chief Minister, why were you not upfront about your plans to tax seniors so much more at last year's election?

MR BARR: We were very upfront at last year's election about both the long-term fiscal challenges and that we would adopt an approach of continuing to invest in public services. The Liberal party has a different philosophical position. That is well understood. You are for smaller government. You are for cuts and for—

Mr Hanson: Point of order on relevance. The question was not about whether they had outlined plans for services that were going to grow. The question was about whether he had been upfront about his plans to tax seniors so much more, and I would ask him to be directly relevant. He said that he did say that at the last election. Could he please be clear where he announced his plans to tax seniors much more?

MR SPEAKER: I think the Chief Minister is being relevant to the question. I do not know if you have more to add?

MR BARR: Thank you, Mr Speaker. We were clear during the election campaign both that we were not going to be promising the world—we were not going to be promising things that we would not deliver or could not deliver—and that we would look to bring the budget back to balance. That is exactly what the government is doing.

Mr Hanson interjecting—

Budget—taxation

MS CASTLEY: My question is to the Treasurer. Treasurer, the cost of your tax increases on all Canberrans means that it will cost the average household at least an extra $5,500. Treasurer, what do you suggest that Canberrans cut from their household budget for your tax hikes?

MR STEEL: I thank the Leader of the Opposition for her question. I refer her to the revenue chapter of the budget. It outlines a range of cameos, because the impact of the budget will be different on different Canberrans. It depends largely on their circumstances. There is more information in there, but we have been very clear that we are asking the community to help contribute to the large investment that we are making in the public healthcare system.

We are a party that invests in public health care—and free public health care, which helps to take pressure and cost-of-living pressure off households. It is critical that we invest in that. The community expects us to, and we have rejected the cuts that were proposed by the Liberal Party to the public service and public services.

Mr Hanson interjecting—

MS CASTLEY: Treasurer, with all of your new taxes and with you increasing existing taxes by around 12 per cent, how will this make it easier for Canberrans struggling to pay their household grocery and fuel bills?

MR STEEL: I thank the member for her question. We stepped in during the pandemic, during natural disasters and during the inflationary period that followed to support the community, households, businesses and the economy. But the ACT government has also been facing inflationary pressure, so now is the time to undertake and adjust our fiscal strategy to put the budget on a more sustainable footing. With interest rates coming down, inflation coming down and the commonwealth providing tax cuts, we are now asking the community to make a contribution, particularly through the $250 health levy. That will partially offset the very significant increase that we are making to support critical services that Canberrans expect us to deliver.

Mr Hanson interjecting—

MR STEEL: The alternative choice in the budget was to make massive cuts to the health system. That would not reflect the values of Canberrans, and that was rejected at the election last month.

MR COCKS: Treasurer, with payroll tax increases making it more expensive for businesses to operate in the ACT, what do you say to those businesses—and their staff—with staff that will be forced to let staff go, because it is simply too expensive to keep them?

MR STEEL: I thank the member for his question. I do not necessarily agree with the premise of the question. We are broadening the base of payroll tax because the ACT has had the highest payroll tax-free threshold in the country, at $2 million, for years and years. So we are reducing that slightly, down to $1.75 million, but, at the same time, reducing the rate of payroll tax paid by businesses with a payroll under $20 million.

So how much extra businesses will contribute will really depend on the business. But we are asking businesses to help contribute to the task of making sure that we can continue to deliver critical healthcare services to the community—and not cuts.

Budget—deficit

MS CASTLEY: My question is to the Chief Minister. What is your government’s plan to consolidate the territory’s debt, given this budget forecasts it will increase by 40 per cent over the forwards, and that interest costs will rise from $500 million to more than $1 billion?

MR BARR: We are focused on investing in the infrastructure that our community needs. We recognise that the cost of borrowing will continue to decline over the coming period as interest rates are reduced to a more neutral level. But we also recognise that we need to make investments now, and that, just as households make investments—for example, in taking out a mortgage for a home; they often contribute 30 or 40 per cent of their income towards their mortgage—the government, which never retires but continues on, can and should make intergenerational investments in order to support the infrastructure that a growing community needs. The ACT’s debt levels are comparable to—in fact, less than—many other Australian states. We have now had the full round of state and territory budgets this year and we do see that the ACT’s approach is consistent with other jurisdictions and, in many instances, is in fact in a better position than other states and territories.

MS CASTLEY: Chief Minister, given that the growth in debt and interest is unsustainable, why doesn’t the government have a plan to get this under control for Canberrans?

MR BARR: The government’s plan is to fully fund our superannuation liability in the early 2030s. That then frees up more than half a billion dollars a year to be applied to debt reduction in the future. We also have a plan for an operating cash surplus that is outlined in the Treasurer’s budget. It is a combination of an operating cash surplus fully funding the superannuation liability and continued land release, which does generate revenue, provides a pathway both for debt stabilisation and, in the long term, reduction in debt.

Another factor that those opposite perhaps need to grasp is the time value of money. Inflation erodes debt value over time.

MS BARRY: Chief Minister, will the $1 billion annual interest bill affect service delivery?

MR BARR: No. What we are focusing on is investing in infrastructure that improves the efficiency of our city and improves the capacity to deliver services. In fact, the programs and projects that we are investing in will grow our economy and will support a larger Canberra. The larger our city gets, the diseconomies of scale will reduce over time, and it is important that we make investments now. I note that on every morning that this place sits we have petitions calling the government to invest in infrastructure—

to spend money.

Ms Castley: I have a point of order on relevance: we asked the Chief Minister about service delivery.

MR SPEAKER: I think he is being relevant to the question; I am sorry, Ms Castley.

MR BARR: The point is that this place regularly calls on the government to fund services and infrastructure. If we want to deliver them now or in the near term then that will require some borrowing. But when we are borrowing for assets that will last 50 to 100 years, we can either wait, save up for 50 years and then pay for it, or we can borrow money now and deliver those pieces of infrastructure that both grow our economy and improve the liveability of our city. The analogy that Ms Castley might relate to—given that she raised it this morning on the radio—

Mr Hanson interjecting—

MR BARR: is that it is a bit like saying that until you have saved up the total cost of buying a house or a car you cannot buy it. That is the logical conclusion of the point that she is making.

Mr Hanson: You are making shit up.

MR BARR: That is surely unparliamentary.

Mr Hanson: I withdraw.

MR SPEAKER: Can we not have any more of that here? Thank you.

ACT public service—hiring freeze

MS CASTLEY: My question is to the Treasurer. This morning, the revenue minister told ABC radio that, in reference to the public service, “We are not asking people to do more with less.” But the budget papers include a $282 million initiative called “whole-of-government expenditure reform”. Treasurer, does this initiative mean that agencies will be asked to do more with less?

MR STEEL: No, it is reducing the rate of growth in employee expenses and non-employee expenses. The public service will still grow. Those areas of government will still grow, and there are carve-outs specifically, as well, for schools, because we will provide schooling to every child, every student, as the city grows. We will also need to provide health care on demand, as necessary. That is the decision that we have made. But there are things that we can do to prioritise existing resources to engage in genuine workload reduction, and we will be working closely with unions on that. We will be working through the machinery of government changes that we made and that will start from 1 July, which bring agencies together to work more efficiently on areas of priority for the government and the community.

MS CASTLEY: Treasurer, did the revenue minister mislead the ABC when she claimed that the government was not asking agencies “to do more with less”?

MR STEEL: No, and she should be referred to by her proper title—finance minister.

MR COCKS: Treasurer, how many roles will be affected by this initiative?

MR STEEL: This is not about cutting FTE. That was rejected by the public at the federal election, comprehensively—75 to 25. There will be no deep cuts to the public service. The public service will continue to grow, but we will be making sure that the level of growth in employee expenses is lower than what was forecast in previous budgets.

Budget—public housing

MR RATTENBURY: My question is to the Minister for Homes and New Suburbs. Minister, in 1989, 12.2 per cent of all housing stock in the ACT was government owned. By the start of this term, that figure dropped to 5.9 per cent. Labor’s election commitments will see that drop to 5.7 per cent by 2030. There are currently more than 3,000 people on the ACT’s public housing waitlist. How many public homes will be built through the budget?

MS BERRY: I thank Mr Rattenbury for the question. I note his time in the housing portfolio during the initial Growing and Renewing program, before I took over the housing portfolio. He is right to point out that the Housing ACT numbers have lowered over the years. They have lowered across different governments. However, there has been a significant increase in the number of community housing properties that have been provided over the years, with significant growth and priority placed on community housing, which is able to provide both social and affordable rentals. It is about making sure that all housing types are available for both government housing and community housing providers, and also, more recently, for Aboriginal and Torres Strait Islander community housing providers. In the government, we have committed to build 5,000 homes for public housing, community housing and affordable housing between now and 2030. We are absolutely committed to seeing that number increase. We are continuing our Growing and Renewing program, which will see an increase of 400 homes by 2026-27, and we are looking at expanding on that even more.

Mr Rattenbury: A point of order, Mr Speaker. I appreciate the history lesson, but the minister did not answer my question: how many public homes will be built through the budget?

MR SPEAKER: You would be right. It goes to relevance. I do not know whether Ms Berry has anything more to add. I do not reckon she does, so let’s go with a supplementary, Mr Rattenbury.

MR RATTENBURY: It was in yesterday’s budget papers, but there you go!

Mr Hanson: That’s a preamble, Mr Speaker?

MR RATTENBURY: That was just a free comment.

Minister, how many of the public homes you have announced—and you might be able to fill us in with this answer—will be run by community housing providers? And will these homes be rented at 25 per cent of a person's income?

MS BERRY: Actually, 150 homes will be built through the Growing and Renewing program, to answer Mr Rattenbury's first question. On the number of homes that will be run by community housing providers and whether rent will be set at 25 per cent of income, I might not have that information, but I will see what is available. Community housing providers rent their homes at their rates, whether it is for affordable or social housing. I will see if that information is available and will provide it if it is.

MR SPEAKER: That has been taken on notice, as far as I am concerned.

MS CLAY: Minister, by 2030, under Labor's public housing plan, how many people will remain on the public housing waitlist?

MS BERRY: That is a hypothetical question, Mr Speaker. I could not possibly know.

MR SPEAKER: I think she is correct, Ms Clay. It is pretty tough to answer that one.

Budget—economy

MR WERNER-GIBBINGS: Treasurer, what does the 2025-26 budget tell us about the state of the local ACT economy?

MR STEEL: I thank Mr Werner-Gibbings for his question. The 2025-26 ACT budget is strong and continues to grow above the rest of the country. This will mean that the ACT has had 28 years of consecutive growth. The territory has a tight labour market. Employment grows faster than population. Importantly, the economy shows that real wages are growing, inflation has come down and unemployment remains low—and the lowest of all states and territories.

And as inflation comes down and interest rates continue to come down, the government expects more private investment across many areas of the economy. This will support continued economic growth after many years of significant public investment made by the ACT government and the federal government.

Mr Speaker, the ACT continues to have the highest rate of business growth in the country on a net basis, with far more new businesses opening each year than those that are closing.

Our economy is strong, supported by a more diversified economy, and the investments our government is making to support the growing city will ensure that this is the case in the future.

MR WERNER-GIBBINGS: Treasurer, what initiatives in the budget will support economic growth and are investing in Canberra's future?

MR STEEL: The budget continues to support our growing economy through investments in jobs and infrastructure. The budget confirms a strong, well-designed infrastructure investment program of $8.1 billion over the next five years, including the public trading enterprises. This includes progressing on several pieces of generational infrastructure, like progressing the next steps for the new north side hospital and the new Canberra Theatre redevelopment. It builds on key projects under construction like light rail stage 2A, the new bridge over the Molonglo River, and major road projects on the Monaro Highway as well. It includes working with the Australian government on a new Canberra aquatic centre at Commonwealth Park, and planning and designing for a new convention centre.

Importantly, the budget delivers significant investment to support the delivery of more housing—including affordable and community housing—and to deliver the reforms that will deliver a more productive and adaptive construction industry.

Mr Speaker, the budget also continues to invest in our growing visitor economy, our arts and creative sector, and in innovation and economic diversification as we progress on our ambitions to support more well-paying jobs in the territory's economy.

MS TOUGH: Treasurer, why is it so important that we invest in local infrastructure?

MR STEEL: Investing in infrastructure drives economic growth and sets up our city for the future, particularly as our population grows. That is why the government has a robust pipeline of infrastructure: from those big city-shaping projects that bring more jobs to Canberra, supporting further economic development, to the local infrastructure projects across our city in each region, including local shopping centre upgrades, playground and school upgrades, and more. Each of these projects support investment and renewal in every part of Canberra. These are projects that create jobs, support business, and renew the aging parts of our city. We will not be cancelling. We will be getting on with them. Canberra will grow to 500,000 in the next couple of years, and 700,000 by 2050. So we need to invest now in the growing needs of our community by making generational investments in infrastructure like light rail and the new hospital. The alternative of cutting these major projects, and indeed local projects, would see fewer jobs, less economic growth, and less investment in the future of our great city.

Budget—taxation

MS CLAY: My question is for the Treasurer. Minister, yesterday you said that Labor's 2025-26 budget was based on Labor values. A message from the Australian Labor Party president on the website says:

> … the heart and soul of the Labor Party is the shared ethical principle of economic justice…

The ACT Greens put forward a tax proposal which would see big corporations pay more in tax and generate over $100 million in revenue for the ACT each year. This type of tax ensures those at the big end of town who can afford to pay more do, but instead, you decreased payroll tax for big business, increased the number of small local businesses who will have to pay and announced a $250 health levy on every-day Canberrans that will generate only $50 million in revenue.

Did the Treasury do any modelling of the Greens' big corporations tax proposal and its impact on revenue generation?

MR STEEL: No. It was five seconds to midnight before the budget was about to be finalised and going to print when you raised that particular issue. We had already met with you across our own-source revenue lines to make sure we had a sustainable revenue base to be able to support continued critical services in our hospitals and health system. We had looked at payroll tax and I reject the premise of the question because big business will be paying tax on a greater share of wages than they were previously. We had already made the decision in previous budgets to add a surcharge that will be paid by businesses for payroll with a national payroll of over $100 million. That will be applied over the next year. There is a delayed implementation for the further payroll tax changes that we have announced in the budget to allow business time to adapt, plan and budget for the increase to payroll tax, which will come in in 2026-27.

MS CLAY: Treasurer, has the government carried out modelling to understand the impact of the $250 health levy on each household income quintile?

MR STEEL: We certainly took this into account when considering the budget. It is one of the reasons why we have increased the utilities concession for electricity, gas and water. This is the main mechanism that the ACT government has used to provide cost-of-living relief to low-income households. We have now permanently increased that to $800 and it builds on the extended eligibility as well. This will support over 40,000 low income households—those with a Services Australia health care card—with cost of living. It is just one of the cost-of-living measures we have made in the budget in a targeted way to make sure that those who are doing it tough are supported. At the same time, we are also making sure we deliver things like free public health care.

MR RATTENBURY: Treasurer, will this $250 levy be charged to ACT Housing, concession card holders, health care card holders and low-income earners?

MR STEEL: It will be paid by rateable properties. Some people will not necessarily be a lessee of a property, so they may not be paying the levy directly. We know that many families and households need support, and that is why we have made the targeted cost of living measures that we have in the budget, as well as making substantial investment in affordable housing. We know that one of the biggest costs for the household budget is housing costs, whether you are renting or paying a mortgage. That is why we have also taken into account the macroeconomic settings across Australia and here in the territory.

We are making these decisions. We are seeing inflation coming down generally and in the ACT. We are seeing interest rates coming down, which is helping to take pressure off households. The commonwealth government will be making further tax cuts, which will support households as well. But we need to fund the critical healthcare services that the same Canberrans are relying on. That is why we are asking the community to contribute to that task, because when you show up at an emergency department, you expect to be treated. The alternative choice that we had in the budget was to cut back on health care, and that would be out of step with the values of Canberrans.

Budget—health

MR COCKS: My question is to the Treasurer. Treasurer, the budget outlook suggests the new $250 health tax is a direct result of the declining Commonwealth Contribution Rate for public hospitals, which is expected to fall further in the next financial year. Furthermore, the Minister for Health was on the radio this morning saying that the $250 levy would not be enough to keep the health system afloat. What specific actions have you undertaken since being appointed as Treasurer to push back on the commonwealth's retreat from hospital funding, and why should ACT households bear the cost of this shortfall?

MR STEEL: I thank the member for his question. I reject the premise of the question. That is not what the finance minister said. Effectively, what she said on radio this morning was that the health levy will raise just over $200 million over the forward estimates, but the increasing demand and growth in the healthcare system is costing the budget about $717 million. So the levy is not going to fully offset the cost of this significant pressure that we are experiencing and that every other state and territory is experiencing around the country.

All those states and territories have been advocating to the commonwealth for a new five-year national health agreement, to make sure that there is a better Commonwealth Contribution Rate to our public hospital systems that are experiencing this pressure.

At national cabinet level, there has been agreement to a 45 per cent Commonwealth Contribution Rate. At the moment, because of the growth in demand in the system, and the methodology under the current NHR arrangements, which has a 6.5 per cent cap, the level of growth has been above that cap. Therefore, the commonwealth contribution has dropped. This is a key area of negotiation that we will be continuing to engage with the commonwealth on.

MR SPEAKER: Mr Steel, there is a point of order. Can we stop the clock there.

Mr Cocks: The point of order is on relevance, and I have waited until a fair way through the answer. The question was very specifically on the Treasurer's personal actions in this respect, not on what is being done, overall, in other jurisdictions.

MR SPEAKER: I think he is having a genuine crack at answering the question, and I think he has more to add.

MR STEEL: I am happy to add the specific instances in which I have engaged in advocacy on behalf on the territory for a better health funding deal from the commonwealth. One is through the Council on Federal Financial Relations, where all sat around the table with the states and territories and engaged with the commonwealth on the question of the NHR Agreement. The Chief Minister has done that at the national cabinet level and has continued to advocate directly with our colleagues. Cabinet members sat down with the federal finance minister over the last week or so, and we raised this issue and the need to start negotiations quickly on a new NHR deal, given the budget situation in the territory.

MR COCKS: Treasurer, given that the health minister has claimed—and you have confirmed—that the levy will not be enough to deal with the funding shortfall for health, can Canberrans expect it to be increased in the future?

MR STEEL: That is not what we are proposing in the budget. We are proposing a temporary levy that will be paid over the next four years, whilst we negotiate with the commonwealth on a National Health Reform Agreement.

We needed to take action now to make sure that we put the budget on a sustainable path, because of the expenses and costs that are being incurred in our healthcare system. We are asking the community to contribute to that task. It was a difficult decision that we have made in this budget, but it has also been coupled with targeted cost-of-living measures to support low-income households.

MS CASTLEY: Treasurer, why, decades after Labor promised to end the blame games, is there still a fight over health funding between the ACT and federal Labor governments?

MR STEEL: To be fair to the commonwealth government, they have been grappling—and we have been grappling—with a decade of neglect to primary health care in this country that has put additional pressure on acute health and hospital systems. That is not going to change overnight. It is not going to change over one term of a federal Labor government, but it is something that they are tackling—through bulk-billing incentives, by strengthening Medicare—and we have put in place, through this budget, complementary measures to support GPs, particularly around the workforce and with some of the payroll tax incentives as well. A big focus on primary health care is needed, but it is not going to turn things around in the acute healthcare system overnight.

We have seen, particularly over the past year, that the level of growth has been unexpected. We have always had pressure in the healthcare system, but the level of growth has been unexpected. Every other state and territory is grappling with the same task. Have a look at their budgets. Have a look at yesterday's Queensland budget—a very similar level of investment is being made to support the growth and costs in the healthcare system. We have made a somewhat similar choice: to not take austerity measures and to not make the deep cuts that were proposed by the Liberal Party at the federal election.

Environment—wood heaters and wood stoves

MISS NUTTALL: My question is to the minister for the environment. Minister, yet again the onset of Canberra's freezing winter means some huge spikes from wood heater pollutants, meaning poor air quality for our community. Last budget included funding for a regulatory impact statement to progress the government's planning to reach its commitment to phase-out wood heaters by 2045. Has this regulatory impact statement been completed?

MS ORR: I am not aware of its being completed, but I will take the question on notice and make sure that that is the most up-to-date advice.

MISS NUTTALL: Minister, when will the government release a draft wood heater phase-out plan?

MS ORR: I refer the member to my first question. We certainly will not be releasing a plan without having done the consideration beforehand.

MR BRADDOCK: Minister, will the government commence prioritising a phase-out of the heaters this year, given that there was no funding on progress of this work in yesterday's budget?

MS ORR: I think that would be akin to asking me to announce new policy in question time, which I will not be doing.

Gambling—inquiry into the future of ACT clubs industry

MR EMERSON: My question is to the Minister for Gaming Reform. Minister, who, other than ClubsACT, had input into the terms of reference for the inquiry into the clubs industry?

DR PATERSON: The terms of reference were developed from an Assembly resolution in the last term of government. ClubsACT and the Canberra Gambling Reform Alliance were both advised and asked for feedback on the terms of reference for the inquiry.

MR EMERSON: Minister, why didn't the government consult members of the Assembly on the exact terms of reference, given the obvious multi-partisan interest in this issue?

DR PATERSON: There was a motion in the last Assembly which asked the government to conduct an inquiry and to list the terms of reference. We took that and developed the terms of reference as quickly as we could so that we could get on with the inquiry.

MR RATTENBURY: Minister, what specific evidence regarding gambling harm reduction was used to inform the terms of reference for the inquiry?

DR PATERSON: The inquiry is not based around gambling harm. The inquiry is around the transition of the clubs sector. It is premised on the reduction in machines to 1,000 by 2045. The inquiry is a really unique and specific look at how we will create a sustainable clubs sector in the ACT through the reduction in gaming machines.

Roads—speed limits

MR BRADDOCK: My question is to the minister for road safety. The Centre for Automotive Safety Research released a report, *Vehicle speeds through school zones in the Australian Capital Territory*, that stated that reducing everyone's speed was crucial and that 30 kilometres per hour was the tipping point. Dr James Thompson, an author, stated that, if you are a pedestrian hit by a vehicle at 30 kilometres per hour or greater, you are at a very high risk of being seriously or fatally injured, but, if you are hit at under 30 kilometres per hour, you have a pretty good chance of surviving.

Minister, why does the government continue to have 40-kilometre-per-hour speed limits in school zones when academic research demonstrates the danger this presents to Canberra's children?

MS CHEYNE: That is not quite one of my named ministries, but I am responsible for road safety. I thank Mr Braddock for the question. I would note, and I think this is reflected in the research as well—certainly in the commentary that has come out since it was published—that a speed limit is just one method of keeping people, especially vulnerable people, including children, safe. We have a 40-kilometre-per-hour speed limit on streets in designated school zones, and that applies from 8 am until 4 pm. That ensures that there is a low-speed environment over the eight-hour period and not just set at a defined time. We also have the benefit of a well-designed road hierarchy. Most schools are not located on or near major roads. Of course, we also have enforcement that occurs, particularly with our mobile speed vans, as well as our parking inspectors. Often one of the major risks in crossing a road is visibility. That is particularly a concern when there is low visibility due to cars being parked illegally.

In terms of the recommendations regarding 30 kilometres an hour, we are certainly happy to look at that. I would expect that would occur as we work towards the next Road Safety Action Plan, which is due for updating. I think that work is beginning at the start of next year.

MR BRADDOCK: Minister, will the budget's announced additional revenue allocated to the Road Safety Fund Grants program fund further work to make ACT school zones safer?

MS CHEYNE: I cannot answer that because the grants are determined by the Road Safety Advisory Board. They consider the applications that are received by them. The terms the Road Safety Advisory Board is looking for or focusing on are publicly available.

MS CLAY: Minister, are you waiting for serious incidents to occur before you consider further road safety measures like reducing the school speed limit to 30 kilometres per hour, as was the case when you announced the pedestrian crossing following a serious accident in front of St Edmund's College?

MS CHEYNE: No, and that is insulting. What occurred at Canberra Avenue, as everybody knows, was not due to the arterial road speed limit; it was due to an incredibly reckless incident where someone was driving at extremely high speeds. However, it did renew broader calls about the mid-block crossing, the investment that the government had already made into footpaths in that area, and whether some further measures could be employed to assist students to cross the road safely. A study had been undertaken that suggested that the Hume Circle improvements perhaps needed to occur at the same time, but, following the incident and the renewed representations from families and children, we were able to look at that again and determine that we can go ahead with that pedestrian crossing, subject to NCA approvals.

Budget—housing

MS TOUGH: My question is to the Treasurer.

Treasurer, how does the 2025-26 budget deliver on our government's commitment to enable 30,000 new homes by 2030?

MR STEEL: I thank Ms Tough for her question. The importance of having a home cannot be understated. I said that yesterday. It provides the foundations for so many aspects of a person's life. Our government believes that there is a moral and economic imperative to supply a pipeline of homes to ensure that all Canberrans can afford housing in our city, whether it is to buy or rent. And it is why the 2025-26 territory budget is investing more than $145 million towards enabling 30,000 new homes over the next five years: delivering on our government's commitment and our share—greater than our share, in fact—of Australia's housing target under the National Housing Accord.

And this budget invests in measures which tackle housing supply from all sides. We are releasing land to support 26,000 new homes across both new and existing suburbs over the next five years—complemented by land releases for commercial, community and industrial use across our districts to provide the services and important opportunities that our growing population will need.

We are also delivering on the next stages of planning reforms to enable thousands of more new homes in well-located areas around shopping centres, for example, public transport corridors providing people with a more diverse range of housing options within our existing urban footprint, consistent with the planning strategy.

Starting with missing middle housing reforms currently out for public exhibition and comment, further reforms have been funded in the budget to unlock more housing choice in the places that people want to live.

Hand-in-hand with providing these opportunities, the government recognises that building a home has many steps and we are committed to supporting private-sector development through changes to renovating and building regulations; improving the planning assessment processes; and investing in supporting infrastructure. We have got a bill before the Assembly about that at the moment, related to territory priority projects and I encourage the Assembly to support it. But we expect— *(Time expired.)*

MS TOUGH: Treasurer, what steps is the government taking to support more affordable and community homes?

MR STEEL: Thank you, minister. Our investment in housing through the territory budget is to make it easier for all Canberrans to find the home they need—whether they are buying their first home, raising a family, aging in place, or in need of supported housing.

Alongside increasing housing supply, the ACT government is delivering on our commitment to provide 5000 additional public, community and affordable homes by the end of 2030. The budget includes direct investment in new social and affordable homes to provide for a more equitable and livable city. We will deliver 85 new public housing dwellings through the community housing providers, under the Housing Australia Future Fund. We are also continuing investment in the Growing and Renewing Public Housing program to expand Canberra's public housing portfolio and, of course, a commitment which Ms Berry is leading to support 1000 new homes over the next five years.

We will also continue to dedicate at least 15 per cent of suitable land releases each year to public, community and affordable housing. And in the next year we have exceeded that target by dedicating 20 per cent of land release for that purpose, which will enable 58 new public dwellings, 239 new community dwellings, and 55 new affordable dwellings.

The ACT government is also supporting the delivery of build-to-rent projects with an affordable rental component. We are releasing land in Gungahlin and Molonglo in coming years for these projects.

Furthermore, the budget provides $20 million in additional funding for the Affordable Housing Project Fund, increasing the total to $100 million. This fund provides targeted land tax exemptions to landlords who rent their properties at a discount, to market affordable rent to eligible tenants through community housing providers. This additional investment means that the property cap has been increased—quadrupled, in fact—to 1000 properties, enabling even more property owners and tenants to benefit from the scheme.

MR WERNER-GIBBINGS: Treasurer, how is the government preparing for a future skilled workforce to support this goal?

MR STEEL: I thank Mr Werner-Gibbings for his question and his interest in skills. In the budget, we are investing heavily in skills because it is critical to supporting the delivery of more homes. The investment in the development of our future construction workforce will be supported as part of a $138.1 million investment over four years towards education and skills. To support the future workforce, we are increasing training subsidies to 90 per cent of the efficient price for key construction trades, including carpentry, plumbing, tiling, bricklaying and other key areas.

We will also be implementing the Try-a-Trade program, doubling the number of public high schools that are participating in the program to support more young women and other students to enter the construction industry.

And for our new apprentices, we will be providing a $250 cost-of-living payment. And in their first year we will give them another $250 to support them in paying for the tools that they need for their apprenticeship. This builds on the federal government’s investment of $10,000 in completion incentives for housing construction apprentices.

We have been making investments in this budget which complement the commonwealth, and will deliver the skills we need to deliver on our housing commitments.

Budget—land release

MS CARRICK: My question is to the Treasurer. It is about the mismatch between the government’s housing plans and population projections.

The government’s Housing Supply and Land Release Program 2025-26 to 2029-30 sets out the proposed residential releases and projected population increases in each district over the next five years. According to this document, Woden and Weston Creek have a combined population of over 65,000 as at June last year and we will have well over

70,000 people within five years. Why does the government forecast population growth in Weston Creek of only 123 people over the next five years when it is proposing 800 new multi-unit dwellings? Similarly, why does Woden's population increase by only 1,197 people over the next five years when 3,420 multi-unit dwellings are proposed?

MR STEEL: I thank the member for her question. She makes a good point. The population projections that are made by the territory are in the process at the moment of being updated. I am looking forward to making further announcements about that. Yes, they will be affected by policy settings relating to planning, particularly to enable more homes through zoning reform. So we will be providing updates. I have established a new form of the old Indicative Land Release Program which looks at broader housing supply issues, not just land release, but also the other levers that support housing supply. So that will include a wider ranging view of housing in the territory and what we need to do to support more housing in the territory as our population grows to 700,000 by 2050.

So I will be making some further announcements about updated population projections, but what we have set out in the HSLRP is what we plan to release in the next five years in the territory, which is 26,000. We expect 3,420 dwellings in the Woden Valley alone, and indeed then in other districts as well. Molonglo will see the largest growth in the territory as a growing greenfields area, but we will see growth in all parts of the territory.

MS CARRICK: Treasurer, why did you reduce the size of Woden's 50-metre pool when your policy is to undertake densification? The Woden strategy includes over 20,000 new dwellings and your response to my motion about the Phillip pool stated:

> Numerous planning studies, undertaken by specialist aquatic/leisure consultants, detail indoor 50 metre pools are generally only feasible and/or financially viable where there is a dedicated population catchment of 70,000 to 100,000 people.

MR STEEL: As the Chief Minister mentioned yesterday, we are continuing to invest in the needs of the territory, including the Woden Valley District as it relates to community and recreational facilities as this area grows. We have, of course, commitments there around building a new community centre, which will be important for the community and provide some recreational benefit as well. We have invested in the past in infrastructure like Phillip oval upgrades. We have just invested in the new pavilion at the Phillip district oval. We will continue to invest in needs. We are doing some work on needs assessment and of course, the government has committed to undertake further planning reforms noted in the HSLRP around the Southern Gateway Planning and Design Framework. This does not only look for more housing opportunities along the key transport corridor in the Woden Valley and in the Inner South but looking at the opportunities for other facilities as well that support the liveability of those homes into the future. So that is a piece of work that is only just getting underway at the moment. I look forward to further engaging with the community and Ms Carrick on that matter.

MR COCKS: Treasurer, how can you have confidence in decisions based on outdated population forecasts? Will your updated population forecasts fully incorporate the government's urban intensification policy?

MR STEEL: Yes, it will obviously reflect the planning strategy, which has long set out, since 2018, that 70 per cent of new dwellings are expected to be delivered in the existing urban footprint and then sets out a range of actions which include transport oriented development, which include more housing close to services and amenities and also exploring more low rise medium density housing as well. We are getting on with the planning reforms to deliver on the actions in the planning strategy and the population forecast will help us to plan for a range of other facilities as well. Those population figures will be in part be driven by the planning reforms as well, so there is a symbiotic relationship between the two. Our Treasury continues to update the methodology of the population projections, which will provide us with, I think a much clearer picture when I announce those in the future.

Economy—credit rating

MR COCKS: My question is to the Treasurer.

Treasurer, the budget outlook outlines a negative cash operating balance for both the current financial year and the upcoming one. Ratings agencies have previously warned that continued cash operating deficits would likely result in a further credit downgrade. That would mean higher borrowing costs, less flexibility to fund essential services and long-term damage to the territory's fiscal credibility.

Treasurer, given the territory is running operating deficits and cannot fund the day-to-day costs of government from its own revenue, are Labor's election commitments now at risk, or will you guarantee that every promise made will be delivered this term?

MR STEEL: No, and, as the Chief Minister said earlier, the budget is showing that we will be returning to operating cash surpluses over the forward estimates—in fact, from 2026-27. This will enable us to be in a strong financial position to continue to deliver the services that Canberrans expect and to continue to invest in infrastructure.

I have been very clear in my budget speech that we have adjusted our fiscal strategy in this budget. That fiscal strategy is outlined in the budget, and it charts a course to make sure that we have sound public finances. That has included making difficult decisions about sustainable revenue and also taking further steps to make sure that the growth in employee expenses comes down.

I pointed out a similarity earlier with the Queensland government. Now I will point out a difference. The difference is that we have taken action to address the financial sustainability of the budget in the ACT, whilst also investing in the critical services in our health and hospital systems. The Queensland government did not do that; they just funded the additional expenditure in their public healthcare systems, and they have deficits over the forward estimates. They are not returning to surplus over the forward estimates. We are, and we are returning to a cash surplus as well. That puts us in a stronger financial position. So when the credit agencies meet with us, which they will following each budget, we will certainly be putting the case to them that we have adjusted our fiscal strategy to address the sustainability of the budget.

MR COCKS: Treasurer, have you or the government received any recent communication or warnings from credit rating agencies or your own directorate in light of the projected deficits?

MR STEEL: I refer the member to the previous question taken on notice, which I have responded to, in relation to the credit ratings agencies. They have made public commentary, and I believe they will be making public commentary—potentially today—on the budgets released yesterday, including ours. So that will be there for the member to have a look at, if he wishes to see that.

I am not going to comment for the agencies themselves, but what I would point members to is the fiscal strategy outlined on page 31 of the budget outlook. It outlines the adjusted fiscal strategy that we have made in this budget, which has included difficult decisions to put the budget on a sustainable footing.

MS MORRIS: Treasurer, how can Canberrans trust this government to manage the territory's finances responsibly, when the government has failed to deliver a balanced budget?

MR STEEL: Because we will not slash and burn the public service or the public services that they deliver. That was roundly and comprehensively rejected at the federal election in May. We have taken a responsible approach of continuing to deliver those services, whilst at the same time making difficult decisions—responsible decisions—about expenditure growth in the public service and also in relation to revenue measures.

We are also continuing to deliver on the commitments that we made to the community. We are not going to break that trust; we are going to deliver on the election commitments that we made to the community last year, despite the changed fiscal circumstances and pressures that we are facing.

We are also going to work with the federal Labor government to address the challenges that we have. That is a very different proposition to what we would have had if the opposition—the coalition, the Liberal Party—had come into power at the federal election and we had had 15 per cent of our workforce cut.

Budget—central reserve fund

MR COCKS: My question is to the Treasurer. Treasurer, earlier this year your government pushed through the creation of a $20 million central reserve fund—a new slush fund in addition to the existing $80 million Treasurer's advance. Not only was the Treasurer's advance used twice since then, but, according to the budget papers, nearly the entire central reserve has also been spent. Yet, there is no clear public breakdown of where that money went. Treasurer, what exactly was the $19.9 million from the central reserve fund spent on?

MR STEEL: I am happy to take the member's question on notice.

MR COCKS: Treasurer, why was the public not informed at the time the central reserve fund was drawn down, and will you commit to releasing the spending details of all discretionary funds?

MR STEEL: I thank the member for his question. He will have the opportunity, of course, to ask questions in the estimates hearings. There will be opportunities to ask about specific items—this was not a specific question—and expenditure in the budget through the estimates process. There will be that opportunity, but I will come back to the Assembly on the first question.

MR HANSON: Treasurer, is the growing use of the Treasurer’s advance and now the central reserve, a sign that your government has lost control of the budget process?

MR STEEL: No, and I reject the premise of the question. The Treasurer’s advance has always been used as a contingency for unexpected or emergency expenditure that needs to be make between budgets. It is there as a responsible element of financial management, under the Financial Management Act to make sure that we can continue to deliver services and pay public servants. You would be criticising me if we did not do that. We use it sparingly because it is there only for unexpected expenses, and we try to make sure that we budget appropriately.

We forecast that budgeting as best we can, but sometimes there are differences that need to be managed throughout the year. That is the purpose of the contingency that has been there for that purpose for years and decades.

Budget—taxation

MR COCKS: My question is to the Treasurer. Treasurer, federal Labor promised a $268 tax cut for Australians earning over $45,000 from 2026–27, but here in the ACT your government is taking that back, and more. This budget hits Canberrans with over 20 new or increased taxes, charges and levies, including a $250 health tax. Over the forward estimates, your total tax take rises by more than $1 billion, over $5,500 per household. At the same time debt servicing is ballooning. How can you justify making Canberrans’ cost of living worse by hitting households with dozens of new taxes and taking more than you give?

MR STEEL: I reject the premise of the question. Policy decisions in the 2025-26 budget are estimated to raise $722 million, including $521.3 million in new tax measures and initiatives incorporating fees and charges. That is in the revenue chapter of the budget.

We have made difficult decisions in this budget to make sure that we can continue the critical services that Canberrans rely on, and that has meant that we also have to reflect the inflation that the government has experienced in the cost of delivering services. We have had to adjust a range of fees and charges accordingly, to make sure that we can continue to deliver the services that Canberrans expect. But we are doing so in an environment where inflation is coming down generally, where interest rates are coming down, and where there are tax cuts being made by the federal government. So now is the time to adjust our fiscal strategy.

The alternative, it seems, coming from the opposition is that we should not have taken that approach. We either should have made deep cuts and had austerity measures in the public service or an alternative—

Mr Cocks: A point of order.

MR SPEAKER: A point of order. Stop the clock, please. Mr Cocks?

Mr Cocks: The Treasurer has moved into debating the question.

MR SPEAKER: Yes, I think he probably has. I think that is a fair call.

Mr Steel: On the point of order, I am talking about the considerations that we had to make in order to make decisions on the budget, which is about choice. I think you said that as well. I am explaining the choices that we have. I think it is reasonable.

MR SPEAKER: He is explaining why he has gone to it, and I think he has some latitude to mention it. He did not base his entire answer on it. I think he had a good go at answering the question early, and had a little whack on the way through at the end.

MR STEEL: I will finish my answer, if I can.

MR SPEAKER: Restart the clock.

MR STEEL: The other alternative, of course, is to run the budget into massive deficit. We have not done that. We have put it on a sustainable footing, with surpluses from 2027-28 and in 2028-29.

Mr Barr interjecting—

MR SPEAKER: Mr Barr, have you got a supplementary!

MR COCKS: Treasurer, do you deny that these increases completely wipe out the benefit of the federal tax cut for most ACT residents, and that families are going backwards under this government?

MR STEEL: Our consideration was about the full economic context, including the macroeconomic context, with monetary policy easing, with inflation coming down, with interest rates coming down, and with pressure being taken off households in that respect. It is also about acknowledging that some households are still under pressure and there is a need to provide further concessions for those, as well as maintaining the range of other concessions that we have, such as the concessions on rates, which are already the highest in the country.

MS CASTLEY: Treasurer, how much longer can your government keep taxing more, borrowing more and delivering less, without putting the territory's fiscal future at serious risk?

MR STEEL: I reject the premise of the question. We are delivering more services. Whilst we are managing the growth in demand, in costs in our healthcare system, we are delivering 70,000 elective surgeries, delivering on our commitments to support thousands of Canberrans with chronic illness. We are delivering better services and more infrastructure. The alternative that the opposition has been putting forward is to cancel those infrastructure projects and slash the services. That would not be in line with the values of Canberrans.

Mr Barr: Further questions can be placed on the notice paper.