

INVESTING IN THE ECONOMY

The ACT Government will invest more than \$34 million through the 2014-15 ACT Budget to grow our economy.

Minister for Economic Development Andrew Barr said that growing Canberra's economy is vital to maintaining our way of life and supporting our community - by creating jobs and allowing the government to invest in important services and transformative infrastructure.

Local businesses are the heart of our economy and community. This package of measures aims to invest in our city and our economy in partnership with the business community.

Supporting local business

Canberra has a confident and innovative business sector, and the ACT Government will allocate \$4.4 million to directly support a range of new business initiatives including:

- **CBR Innovation Network (\$2.8 million over four years)**

ACT Government support for innovation will continue with \$700,000 provided annually for four years to help the CBR Innovation Network assist new, existing and start-up businesses.

- **Brand Canberra**

\$800,000 will help promote Canberra both interstate and internationally, continue development and roll-out of the CBR brand and forge partnerships with local Canberra businesses.

- **Young Business Connect**

Funding of \$300,000 will help young people develop ideas for establishing local businesses and will include planning and market development advice and assistance in attracting capital investment.

- **A Supporting Local Business Fund**

\$150,000 will extend and target advisory services to small local businesses in areas such as human resources, business model realignment, change management and new opportunity development.

- **A private Sector Transition Fund**

A further \$150,000 will provide advisory services and support to assist public sector employees to transition to the private sector and assist them to create new local businesses.

- **Business Development Strategy**

A further \$100,000 will be provided to give assistance to the business community to actively explore co-marketing and promotional opportunities to showcase Canberra as a great place to live, work and invest.

- **Invest Canberra**

This fund will also receive \$100,000 to target initiatives to promote their investment facilitation services both nationally and internationally.

Boosting the Gungahlin economy

Over \$21.7 million has been allocated for the building fit-out and relocation of more than 650 staff to a new Gungahlin ACT Government office building. This relocation will bring more people and economic activity to the town centre, deliver a Canberra Connect Shopfront and provide 90 new childcare places for the residents of Gungahlin.

Tourism given a boost

Tourism continues to be one of the major drivers of Canberra's economy and the investment of more than \$8.5 million will further stimulate this important growth sector, including:

- **Cricket World Cup 2015**

\$2.5 million will be invested to host three matches at Manuka Oval featuring teams from the West Indies, South Africa, Ireland, Zimbabwe, Bangladesh and Afghanistan.

- **Cooperative Airline Stimulus Fund**

\$600,000 will encourage and support international and domestic marketing campaigns, and also support direct international air services from both New Zealand and Singapore, bringing the funds total to \$1.1 million.

- **VisitCanberra**

An additional \$750,000 will also be invested to support the Tourism 2020 strategy through targeted investments and promotions.

- **Canberra Theatre Centre Upgrade - Stage 2**

\$1.85 million over two years will be spent on additional lighting and amenity upgrades to the Canberra Theatre Centre, maintaining its reputation as the region's premier performing arts centre.

- **National Arboretum Canberra**

\$1.48 million over the next two years will see upgrades to the National Arboretum to transform it into a premier events venue, including development of the events terrace, new car park and toilet facilities, development of the 'Gallery of Gardens' lawn area, more tree plantings, outdoor furniture and signage. An additional \$1.33 million over the next four years has been provided for ongoing infrastructure maintenance.

Tax reform

The ACT Government is continuing its nation-leading tax reforms that will create jobs, and boost local business and our construction sector.

Cuts to payroll tax

Local businesses will benefit from an acceleration of payroll tax reform. The threshold rises from \$1.75 million to \$1.85 million in 2014-15; the 6.85 per cent rate remains. Businesses with a payroll of \$2 million will save \$6,850 per year, and about 39 businesses will no longer pay this tax.

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Reduced stamp duty

Since 2012-13 the government has been progressing the abolition of stamp duty. Since the commencement of this tax reform, savings to the householder have been considerable. These reforms make home ownership more affordable, boost construction and create jobs.

From 4 June 2014:

- The buyer of a \$300,000 home will save about \$2,000 in stamp duty compared to before the introduction of tax reform;
- The buyer of a \$500,000 home will save about \$4,700; and
- The buyer of a \$750,000 home will save about \$6,575.

A flat rate of stamp duty continues, at the new lower level of 5.25 percent for properties valued at over \$1.455 million, resulting in significant savings on commercial sector properties. For example, for a property valued at \$5 million, the additional saving in 2014-15 is \$12,500 with a total saving of \$56,750 since taxation reform commenced.

Over 60s home bonus

The 2014-15 ACT Budget sees the provisions of the current *Pensioner Duty Concession Scheme* opened to non-pensioners over 60 years old, who were previously unable to access the scheme. This new *Over 60s Home Bonus Scheme* provides concessions for people over the age of 60 who may find stamp duty an impediment to downsizing and moving to accommodation more suited to their needs. Canberrans eligible for full concession will only pay \$20 in stamp duty.

From June 4 2014:

- The buyer of a \$350,000 home will save \$9,555 in stamp duty compared to before the Budget.
- The buyer of a \$500,000 home will save \$15,780; and
- The buyer of a \$650,000 home will save \$13,840.