

## GROWING THE CANBERRA ECONOMY

**\$2.8 billion**  
in infrastructure  
(over four years)



**\$10.8 million**  
boost for tourism



visitor economy  
worth **\$1.6 billion**  
and supports  
**14,700 jobs**



**Lower Stamp Duty**  
for home buyers



construction industry supports  
**14,000 jobs**



Through the 2015-16 Budget, the ACT Government is continuing to invest in major infrastructure projects and initiatives to grow our economy.

The funding in this Budget for Canberra delivers record investments in infrastructure, with **\$2.8 billion** over four years allocated to capital works. This will generate jobs for Canberrans, stimulate the building and construction industry in the ACT, and provide the facilities and infrastructure our residents and businesses need.

This record infrastructure spend reflects the ACT Government's commitment to delivering high quality, well maintained infrastructure that Canberrans can be proud of, including **\$133 million** over four years for public housing renewal.

This investment in infrastructure also boosts employment in the ACT, reducing our reliance on the Commonwealth public service.

### Major infrastructure projects

This Budget funds a record spend of **\$2.8 billion** on infrastructure over the coming four years, which includes a **\$133 million** renewal of ACT's public housing.

Among the projects are:

- **\$63 million** over four years for better roads in Gungahlin, including stage one of the duplication of Gundaroo Drive, stage one of the duplication of Horse Park Drive including intersection upgrades, and upgrades to the Gungahlin town centre road network;
- **\$24.6 million** to continue the duplication of Ashley Drive;
- **\$28 million** over four years for the construction of a new North Gungahlin P-6 School;
- **\$18 million** to modernise Belconnen High School;
- **\$10.1 million** over four years to begin the transformation and renewal of West Basin, with the construction of a new park and intersections on Commonwealth Avenue to improve access to West Basin; and
- **\$56 million** for the capital upgrades program, upgrading and maintaining existing ACT Government infrastructure across the territory.

## University of Canberra Public Hospital

Construction will begin on the new University of Canberra Public Hospital in early 2016, after completion of the bidding process and consultation about the models of care the hospital will deliver. Physical completion is expected in 2018. This Budget also funds the construction of the hospital car park.

## Boosting tourism

**The 2015-16 ACT Budget will deliver more than \$10.8 million over four years to further boost the tourism sector.**

Tourism continues to be one of the major drivers of growth in Canberra, with visitors to our city generating **\$1.6 billion** into our economy each year. The tourism and hospitality sector employs more than 14,700 Canberrans.

The 2015-16 Budget includes:

- **\$5.3 million** over two years for the refurbishment of the National Convention Centre, including carpets and curtains, painting, upgraded digital signage, and new seats. In addition, the Government has retained a provision of \$8.0 million to bring the Australia Forum project to procurement ready status;
- **\$1.6 million** over two years to continue to support cooperative marketing campaigns that promote Canberra as a key business and leisure destination in domestic and international markets;
- **\$500,000** over two years to promote Canberra as a leisure destination by establishing marketing partnerships with key stakeholders in the tourism industry;
- **\$2 million** over two years to continue to develop major events aimed at attracting significant numbers of visitors to the ACT. Since 2011, the ACT Government has invested **\$2.7 million** in eight completed events under this fund. These events have attracted over 1 million attendees and delivered **\$225 million** in economic return to the ACT; and
- **\$823,000** over the next five years for Christmas celebrations in Canberra CBD. Events play an important role in not only bringing the community together, but also encouraging people into nearby retail spaces.

## Tax reform

The ACT Government is continuing its nation-leading tax reforms, creating a simpler, fairer and more efficient tax system that will bring long-term economic benefit to the Territory.

### Abolishing duty on insurance policies

2015-16 will be the last year that duty will apply on general and life insurance policies, with tax on insurance being fully abolished on 1 July 2016.

From 1 July 2015, an ACT household paying around \$2,500 per year in insurance (home and motor vehicle) will save an additional \$50 in 2015-16 as a result of this reform. The total annual saving from the introduction of these reforms in 2012-13, will be approximately \$200 in 2015-16.

The ACT compares favourably to other jurisdictions. The rate of duty on general insurance in NSW and Queensland is nine per cent, 10 per cent in Victoria and 11 per cent in South Australia.

### Cutting stamp duty

Since 2012-13, the Government has been progressing the abolition of stamp duty. This reform makes buying a home more affordable, thereby boosting construction and jobs in the housing sector.

From 3 June 2015:

- the buyer of a \$300,000 home will save \$2,900 in stamp duty compared to before the introduction of tax reform;
- the buyer of a \$500,000 home will save \$5,900; and
- the buyer of a \$750,000 home will save \$7,775.

In this year's Budget, the Government will further reduce the flat rate to 5.17 per cent in 2015-16 for all properties (residential and commercial) with a sale value above \$1.455 million. For example, for a property valued at \$5 million, the additional saving in 2015-16 is \$4,000 with a total saving of \$60,750 since taxation reform commenced. This will provide a significant boost to the commercial property sector, and encourage investment in this sector.

### Encouraging employment creation

The 2015-16 ACT Budget is continuing the Government's agenda to create more employment opportunities in the ACT. Our significant infrastructure spend will provide jobs in the construction, engineering and design sectors over the coming years. This includes the Capital Metro project, expected to create 3,500 jobs in the capital.

This budget will deliver \$11.8 million in new funding over two years to support a range of initiatives in *Confident and Business Ready – Building on Our Strengths* – the Government's Business Development Strategy. The strategy aims to support our private enterprises, providing more job opportunities for Canberran's outside of the Commonwealth public service. This investment includes:

- **\$6 million** spread across two new programs – the CBR Innovation Development Fund and the CBR Trade and Investment Fund. These programs will support the private sector's expansion in the ACT economy through enterprise focused activities, including commercialisation support, export development, investment attraction and outreach and promotion;
  - This includes **an extra \$300,000** per year for the Canberra Innovation Network, to take total annual funding to \$1.1 million.
- **\$1.4 million** to build on the success of the first phase of *Brand Canberra*, promoting the city as a place to live, work, invest, study or visit; and
- the Government will increase the payroll tax threshold to \$2 million by 2016-17 to provide a tax cut for all local businesses who are liable for this tax, and to exempt even more businesses from the tax.