

2017-18 ACT Budget

June 2017

Overview

On 6 June 2017 the Australian Capital Territory (ACT) Chief Minister and Treasurer, Andrew Barr MLA, delivered the 2017-18 ACT Budget. The Budget prioritises investment in educational facilities and urban transport.

The Treasurer's Budget speech is available [here](#).

The 2017-18 ACT Budget is available in full [here](#).

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The Budget Outlook

Mr Barr noted his Government's improvement of the Budget outcome by \$400 million since taking office in 2014. The Treasurer announced a net operating deficit of \$83.4 million, with a forecast surplus in the 2018-19 financial year, and over \$100 million worth of surpluses forecast over the forward estimates.

Net debt was forecast to be slightly more than \$2 billion in 2017-18, with this figure rising to \$2.745 billion in the following fiscal period.

The Treasurer forecast a growth rate of 3.25 per cent for the Territory over the fiscal year to June, a full percentage point higher than forecast a year ago. This growth rate is forecast to remain steady at 2.5 per cent over the forward estimates.

An unemployment rate of 3.6 per cent was announced by the Treasurer, noting that 3,200 jobs had been created in the Territory this fiscal year. A strong pipeline of jobs was announced by Mr Barr, with 3,000 new jobs forecast to be created every year to 2020-21.

Mr Barr also noted strong population growth in the Territory, with 5,778 more Territorians than at the same time last year. He also noted the Territory's population is forecast to reach more than 428,000 by 2020-21.

Taxation

The Government's initiative to replace stamp duty with increased land taxes is progressing, with commercial properties worth less than \$1.5 million to not be subject to stamp duty from 1 July, 2018.

The Treasurer announced further reductions in stamp duty payable on a \$500,000 home by \$7,700. Mr Barr flagged that, over the next five years of the ACT's tax reform agenda, his Government will reduce stamp duty levels to the lowest rate in the nation.

From 1 July 2018, land tax will be extended to all houses that are not the owner's principal place of residence, whether they are rented or not. This change will add \$2 million to the Budget bottom line.

It was announced that the Fire and Emergency Services Levy, charged to households annually, will increase by \$42 per year. The \$30 Safer Families Levy introduced in the 2016-17 Budget will also remain in place.

Infrastructure

The Treasurer announced more than \$127.3 million of funding towards transport and infrastructure across Canberra. This figure accounts for \$65 million over 4 years for public transport upgrades, including:

- \$53.5 million for the second stage of light rail between the City and Woden, including the development of a business case, design analysis and procurement activities; and
- \$7 million for free travel on two new Rapid Bus routes, free off-peak buses for seniors and concession card holders and continuation of the Free City Loop, Airport and Route 182 Weston Line services.

The Budget invests \$54 million in upgrades to roads across the Territory, including:

- \$35 million for stage two of the Gundaroo Drive duplication, replacement of the roundabout at Gundaroo Drive/ Mirrabai Drive/ Anthony Rolfe Avenue with traffic lights, a new four-way signalised intersection at the Federal Highway and Old Wells Station Road and stormwater works on Flemington and Morisset Roads; and
- \$8 million to construct an access road to the Canberra Brickworks Precinct.

Education

The 2017-18 Budget provides an additional \$210 million in education funding, building on the existing figure of \$1 billion.

The Treasurer announced \$100 million towards upgrades of schools across the Territory. This funding includes:

- \$85 million in funding for public school upgrades;
- \$26.2 million to expand schools in Gungahlin; and
- \$5.9 million for stage 3 of the Belconnen High School Modernisation.

Mr Barr announced a \$17.2 million provision to deliver technology-enabled learning devices for students, bringing teaching practices into the digital age.

\$16.1 million was also allocated for school assistants to provide better support for teachers, allowing teachers to reduce their administrative workload and enabling them to spend more time focussed on teaching and planning.

Health

The Treasurer announced \$443 million in additional healthcare funding in the 2017-18 Budget, building on the \$1.6 billion the ACT Government invests in healthcare each year. Mr Barr committed to the University of Canberra Public Hospital being open and ready to care for patients from 2018.

Included in this funding is:

- \$236 million over four years to plan, design and commence construction of the \$500 million SPIRE Centre within the Canberra Hospital precinct, increasing the number of operating theatres from 13 to 20;
- Almost \$70 million to expand the Centenary Hospital for Women and Children, adding a new ward with another 40 maternity beds;
- \$36 million to train and support more frontline health staff, including 12 new nurse navigators to support patients and more training scholarships for nurses and midwives; and
- \$17.3 million to renovate the existing acute aged care and cancer facilities at the Canberra Hospital.

Community Services

In his speech, the Treasurer detailed \$100 million in additional funding for community support initiatives.

Included in this funding was \$57.1 million to continue the largest renewal of public housing in the Territory's history – replacing 1,288 public housing units with new homes. This additional investment brings total spending on this project to \$600 million.

Also announced was \$43.8 million over four years to support vulnerable children and young people by providing increased funding for child protection and out of home care services. This includes \$2.1 million over four years to support the continued safety and wellbeing of children and young people in the Bimberi Youth Justice Centre.

Land Management and Urban Renewal

The Government will establish the City Renewal Authority and the Suburban Land Agency to provide a strong governance framework for the sale and development of land.

The City Renewal Authority will focus on encouraging and promoting the delivery of design-led, people-focussed urban renewal, and encouraging and promoting social and environmental sustainability.



The Suburban Land Agency will deliver land releases and focus on urban renewal projects in town centres and suburbs.

Climate Change and the Environment

The 2017-18 Budget concentrates the Government's efforts on the managing of investments for the Territory to transition to 100 per cent renewable electricity by 2020, while preparing for the next stage of emissions reduction in buildings and the transport network towards net zero emissions by 2050 at the latest.

The Treasurer announced \$2 million in funding for climate change adaptation throughout the Territory.

Further Information

For more information, please contact your Hawker Britton consultant [Simon Banks](#) on +61 419 638 587.

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