

2018-19 ACT Budget June 2018

Overview

On Tuesday 5 June 2018 the Australian Capital Territory (ACT) Chief Minister and Treasurer, Andrew Barr MLA, delivered the 2018-19 ACT Budget.

The Budget prioritises investment in essential services and alleviating the issue of housing affordability.

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

The 2018-19 ACT Budget is available in full [here](#).

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The Budget outlook

An expected net operating surplus of \$36.5 million was announced for 2018-19. This figure is forecast to increase to \$52.5 million in 2021-22.

Gross State Product is forecast to grow at 4.5 per cent in the year to June 2018. This rate is forecast to remain steady at 3.5 per cent over the forward estimates.

Employment growth is forecast to be 3 per cent this financial year, with this forecast to moderate to a 1.5 per cent rate of growth over the forward estimates. 10,000 new jobs were created in the last year in the ACT.

The Consumer Price Index is forecast to remain within the target band of 2-3 per cent over the forward estimates, while wages are forecast to increase by 2 per cent this year and at an average of 3 per cent over the forward estimates.

Taxation

- From 1 July 2019 stamp duty will be abolished for first-home buyers with a household income below \$160,00, regardless of whether they are buying a new or existing home. Stamp duty for commercial properties worth \$1.5 million or less will also be abolished from 1 July 2018. This policy continues the Government's agenda of phasing out stamp duty and replacing the revenue with a broad-based land tax levied through general rates.
- Removing the \$7,000 first-home buyer grant, saving \$8.7 million this Budget.

- Point of Consumption wagering tax will commence on 1 January 2019, at a rate of 15 per cent of net wagering revenue on all bets placed in the act or by act residents.

Infrastructure

- \$40 million towards the Monaro Highway Upgrade.
- \$12.5 million to progress detailed design for Light Rail Stage 2 through to Woden.
- \$1.75 million this year to upgrade Canberra Stadium, including replacing turf.
- \$1.5 million to upgrade the Canberra Theatre.
- \$1.25 million to plan for the John Gorton Drive and Molonglo River Bridge Crossing.
- \$1.2 million to plan for a new theatre complex.
- \$250,000 for planning to duplicate William Slim Drive from Ginninderra Drive to the Barton Highway.
- New wetlands for the Molonglo Valley suburbs.
- Upgrades and precinct activations for Braddon, Haig Park and the Sydney and Melbourne buildings.

Education

The Budget allocates \$5 billion over four years towards the Territory's education system, including:

- \$5.3 million over the forward estimates towards the Future Skills Academy.
- 500 new student places at Amaroo, Gold Creek and Neville Bonner Schools.
- Opening the Molonglo Primary School, providing places for 600 students from kindergarten to year six as well as 44 pre-schoolers. The school will be ready to accept students from the start of the 2021 school year.
- 15 more psychologists in Territory schools.
- Expanding the Franklin Early Childhood School past year two.

Health

The 2018-19 Budget allocates \$7.8 billion over four years towards the ACT healthcare system, including:

- \$646 million over four years towards mental health services.
- \$15 million towards upgrading the Calvary Public Hospital.
- \$12 million for more mental-health accommodation.
- An additional 4,000 elective surgeries.
- An additional 3,000 Emergency Department staff.
- A scoping study for new hospital in north Canberra.

Housing

The 2018-19 Budget allocates \$760 million towards housing and services over the next four years, including:

- \$23.4 million in funding to specialist homelessness services and community housing providers this year.
- Design work for a Second Common Ground at Dickson.
- Energy efficient upgrades reducing power bills in public housing.
- Continuing the Housing Innovation Fund.

Business

- \$9.75 million towards the Priority Investment Program, supporting innovation in future industries.
- \$2 million to grow the Major Event Fund to attract more visitors to Canberra.
- \$1.6 million towards the Project Facilitation Unit to encourage new investment.

- Improving government procurement so that contracts are only awarded to businesses that meet high ethical and labour standards.
- Supporting Access Canberra to provide a one-stop-shop for regulatory and licensing matters.

Community services

The 2018-19 Budget provides \$2 billion over four years towards public housing, support for families and people with a disability. This includes \$650 million towards the National Disability Insurance Scheme, as well as:

- \$23.2 million to support students with disability.
- \$5 million to establish the Chief Minister's Charitable Fund.
- \$3.5 million to improve the adoption and permanency process for vulnerable children.
- \$469,000 for Self-Help Organisations United Together (SHOUT).

Land management and urban renewal

The 2018-19 Budget provides for 17,000 more homes to be released throughout Canberra over the next four years, while delivering the first blocks in Canberra's newest suburb, Whitlam.

The Budget included another four school sites for new suburbs, as well as the commencement of development on the Macarthur Urban Village.

227,604 sqm of industrial and commercial land will be released to support economic growth.

A new National Capital Design Review Panel will be established to improve quality of buildings, landscapes and public spaces.

Climate change and the environment

The 2018-19 Budget affirmed the ACT Government's commitment to source 100 per cent of Canberra's electricity needs from renewable sources by 2020.

The Budget allocates \$348 million over four years to meet environmental commitments, including:

- Helping households and small- to medium-sized businesses to reduce their electricity consumption through the Energy Efficiency Improvement Scheme.
- 50 new electric vehicle charging stations.

Other

- \$85 million over four years towards supporting Aboriginal and Torres Strait Islander Canberrans through increased housing developments; reviewing the over-representation of Aboriginal and Torres Strait Islander children involved with the child protection system; and establishing an Aboriginal and Torres Strait Islander Arts Officer.
- \$18.7 million over four years supporting multicultural organisations and activities.
- \$2.6 million towards programs supporting the LGBTIQ community over four years.
- \$1.7 million to support the CBR NightCrew.
- \$1.1 million towards the Problem Gambling Assistance Fund.
- \$1 million to start early planning work and design for a new teaching and learning complex on the Reid CIT campus.
- \$700,000 over two years to support the expansion of the Belconnen Arts Centre.
- \$696,000 towards delivering the ACT Women's Plan 2016-26.
- Canberra will host its first Test Cricket match in February 2019 when Australia plays Sri Lanka.



Further information

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

Hawker Britton's Occasional Paper on the 2017-18 ACT Budget is available in full [here](#).