

## ACT Jobs and Economic Recovery Plan

August 2020

On Thursday 27 August 2020, the Australian Capital Territory (ACT) Chief Minister and Treasurer, Andrew Barr MLA, delivered the Jobs and Economic Recovery Plan, to counter the economic effects of COVID-19.

The Jobs & Economic Recovery Plan totals \$4.9 billion. It will work in partnership with local businesses and the community sector to protect and create local jobs now. The ACT Government's plan has a target of more than 250,000 jobs in the Territory economy by 2025.

The Treasurers media release is available [here](#).

The key strategies are:

- Invest in the economy and jobs, and deliver essential services.
- Invest \$4 billion in the Infrastructure Investment Program over the next four years.
- Support businesses to start and grow through better regulation, and simplify interactions with government through Access Canberra.
- Invest in skills development and education.
- Engage with industries that will create secure jobs in the future

The Government will continue to invest in the health response and public services. It will target tourism, hospitality, the arts, part-time workers and young people as key to the economic recovery. It will also continue with a progressive tax reform program. The key industries are:

Households and the community –

- \$28.5 million Jobs for Canberrans Fund employing over 400 people.
- Average rates do not increase in 2020-21.
- \$23 million for the community sector.

Local businesses –

- More than \$106 million in relief and investment support for local businesses, community clubs, business tenants, tourism and hospitality sector, entrepreneurs and start-ups.
- Choose Local campaign.
- Established direct business support liaison.

Infrastructure Investment Program –

- \$1 billion transport
- \$900 million health
- \$400 million education
- \$250 to \$300 million CIT Woden.

Health –

- \$200 million responding to COVID-19 and providing mental health supports.

## **Economic foundation**

ACT's economy is resilient, strong and diverse. The ACT's economic growth has been among the fastest in Australia for the past five years, which has supported the creation of over 4,700 new businesses and close to 20,000 additional jobs.

The ACT's \$41 billion economy is one of the most productive in the country. The five-year average for the labour productivity rate is the highest in Australia.

The ACT has consistently had one of the lowest unemployment rates in the country. This is despite years of Commonwealth job freezes and the transfer of hundreds of APS jobs out of Canberra and as the community has been growing by around an average of 7,500 people a year for the past five years

Despite the expansion of private sector expenditure in the ACT in recent years, private sector expenditure is expected to fall as a result of COVID-19. Public sector activity remains a central pillar in the ACT economy.

## **Tax reform**

The ACT Government's tax reform program changes how tax is collected in the ACT. The aim is to create a more reliable revenue source through general rates to fund essential services. Taxes such as stamp-duty will be reduced until they are removed. Stamp duty cuts for new land and off-the-plan unit purchases, with concessions available of up to \$11,400, are significantly supporting the construction and housing sectors.

### Next stage of tax reform

Stage Three of the Tax Reform Program will commence in 2021-22, one year earlier than planned.

- Average general rates will increase by 3.75 per cent per year, a slower rate than previous years.
- Stamp duty will continue to decrease in every budget.
- The next round of reductions will be targeted at affordable owner-occupier purchases and stimulating affordable housing construction.
- Off-the-plan units and land purchases will continue to have significant concessions until 30 July 2021.
- The commercial stamp duty tax-free threshold will increase to reach \$2 million in 2025-26.

Tax Reform in the ACT is broadly revenue neutral

### Business tax settings

- Payroll tax exemption for apprentices and trainees.
- ACT has the highest payroll tax threshold in the country
- 80% of purchases already below commercial stamp duty threshold, removing a barrier for entry for most small businesses.

## **Making it easier to do business in the ACT – Better Regulation Taskforce**

The ACT Better Regulation Taskforce will review the regulatory and process changes made to date, the business settings in the current environment and begin pursuing additional reforms.

The priority areas for the Better Regulation Taskforce are:

- Expand digital services offerings for Canberrans doing business and interacting with government services.

- Improve arrangements to recognise skills across licensed occupations to improve labour mobility.
- Identify areas of regulatory burden and engage directly with businesses to provide advice to Government on areas for reform.
- Review key legislation to:
  - Reduce the need for businesses to contact multiple agencies
  - Ensure the legislation supports new types of business models to grow the digital economy; and
- Remove barriers to investment in the Territory by working with superannuation funds and other large institutional investors such as the build-to-rent sector.

### **Planning reform**

The vision for the ACT Planning Strategy 2018 is for Canberra to be a sustainable, competitive and equitable city. The ACT Planning Review commenced in 2019 with a view to develop a clear and easy to-use planning system that is in line with contemporary best practice. Delivering this agenda is an important opportunity to consider how the planning system can best support sustained growth and recovery from COVID-19.

The Government will:

- Streamline the certificate of occupancy/ unit titling process to reduce the time taken between projects, completion and settlement.
- Reform the Commercial Zones Development Code to remove floor area limits on shops and offices to allow greater diversity of businesses and business models.
- Improve the certainty of development assessments by clarifying and expanding the pre-development application consultation process with stronger engagement between developers and the community.

There is material overlap between the EPBC Act and the National Capital Authority's Works Approval process, particularly in relation to heritage matters in the ACT. More information on how this could be resolved is found in the Jobs and Economic Recovery Plan.

### **Innovation to create businesses of the future**

There are many programs to support and encourage entrepreneurship and innovation business development that the Government will continue to invest in.

- \$1.2 million annually to the Canberra Innovation Network (CBRIN) to develop an integrated local innovation ecosystem that encourages and supports entrepreneurs, start-ups and high growth potential businesses.

In response to COVID-19, the Government has collaborated with CBRIN and the innovation community to implement a range of measures, including:

- 50 scholarships to fully subsidise its Idea to Impact lean business model generation training program for business operators and entrepreneurs.
- Six collaboration Innovation Labs that will focus on economic recovery from COVID-19
- Two COVID-19 specific streams of Innovation Connect:
  - Boosting Innovation grants program provides grants of between \$10,000 and \$30,000 to existing start-ups and innovative businesses to continue their prosperity and access to new customers and markets during COVID-19.
  - \$25,000 grant to participants in the GRIFFIN Accelerator Program.

## **Canberra Economic Recovery Advisory Group**

The ACT Government will establish a Canberra Economic Recovery Advisory Group. The Advisory Group will bring together economists, industry representatives, community sector partners and unions to provide advice on how the ACT Government can continue to protect and create local jobs.

Priorities for the group will be:

- Regulatory reforms to increase the flexibility of business and reduce red tape
- Government measures to attract new investment to the ACT
- Future stages of tax reform to increase productivity.

The Local Business Commissioner will also continue to help local businesses access Government support as well as provide services such as the Commercial Tenancy Mediator.

## **Infrastructure**

The infrastructure plan will support local jobs and confidence in the construction sector, with a clear pipeline of work over the next four years.

This includes:

- \$1 billion in transport and active travel projects, including over \$300 million extending light rail;
- \$900 million on health infrastructure, including the \$624 million Canberra Hospital Expansion;
- \$400 million to build and upgrade schools; and
- \$250 - \$300 million to build the new CIT campus and public transport interchange in Woden.

Following an additional investment of \$61 million, we are also halfway through a 10-year, \$1 billion program to build new public housing across Canberra.

## **Health Infrastructure**

\$900 million in essential health infrastructure so Canberrans continue to have access to quality health care when and where they need it.

Key health infrastructure priorities are:

- Future-proofing the Canberra Hospital
- Centenary Hospital for Women and Children.
- Strengthening community-based care
- Mental health supported accommodation.
- Culturally appropriate care for Aboriginal and Torres Strait Islander Canberrans

## **Education Infrastructure**

More than \$400 million to support 87 public schools across Canberra, as well building new schools in growth areas. This includes:

- Building a new East Gungahlin High School to open in 2023.
- Delivering a new primary school at Throsby.
- Building a P-6 and 7-10 school campus in Molonglo.
- Expanding the Amaroo School Senior Campus.
- Modernising Campbell Primary School.

- Improving ICT to support school system.
- Delivering energy-efficient heating upgrades for ACT public schools.
- Expanding Franklin Early Childhood School.
- A new P to 6 school in Denman Prospect.
- Upgrades and expansions to a range of schools, such as Franklin Early Childhood School and Gold Creek School, Campbell Primary School and Narrabundah College.

The Government will support employment growth in the early childhood sector expanding access to early childhood education for three-year-olds in the ACT.

### **Skills Infrastructure**

The ACT Government will:

- Invest \$8.4 million to provide access to support young people aged 17 to 24, and job seekers, to access free training in areas of current and emerging need.
- Invest \$250-\$300 million in the new state-of-the art CIT in Woden, supporting 6,500 students annually.
- Work with the Academy of Interactive Entertainment (AIE) for a new global headquarters in Watson.
- Support the new UNSW Canberra City campus, attracting up to 6,000 students and creating around 2,000 jobs.

### **Transport Infrastructure**

More than \$1 billion in major transport related projects, including an integrated public transport network.

- \$24 million in 2020-21 and provisioning \$312 million over the next three years for the Light Rail Stage 2 from Gungahlin to Woden.
- Increase investment in footpaths, cycleways and infrastructure, like Park & Ride facilities
- Over \$130 million to duplicate Athllon Drive and William Hovell Drive
- More than \$170 million for the last portion of John Gorton Drive, including a bridge crossing the Molonglo River.
- Around \$820m in construction contracts over the next 12 months to improve the existing road network.

### **Social infrastructure**

More than \$200 million in social, cultural and sporting infrastructure. This will include:

- New and upgraded cultural, sporting and recreational facilities
- Kingston Arts Precinct, and
- Planning for the new Canberra Theatre.

### **Housing infrastructure**

The Government has injected an additional \$61 million into the 10-year \$1 billion public housing renewal program, through a package of investments that will provide additional housing for people in need.

The Government will create and protect jobs in the construction and housing sector through:

- Stamp duty concessions for new land and off-the-plan purchases until 30 June 2021

- 50 percent remission on the Lease Variation Charge, up to \$150 million over the next nine months
- Fast-tracked development applications and unit titling approvals with an additional \$1.5 million provided to hire more staff to speed up development assessment

An additional \$61 million into the 10-year \$1 billion public housing renewal program through a package of investments that will provide additional housing for people in need.

### **Health care**

The ACT Government will continue to increase its health care workforce as the city grows supporting new jobs. Areas for growth include:

- The \$625 million Canberra Hospital expansion will support 500 jobs over the next five years.
- Growing frontline health workforce by around 100 employees over the next 12 months
- Expanding the nurse-led walk-in-centre network, with the opening of the Inner North Walk-in Centre.
- The Centenary Hospital for Women and Children expansion.
- \$4.5 million for mental health

### **ACT Public Service**

The ACT Public Service is the second largest employer in the Territory with around 22,000 employees. Its role to continue delivering essential services for the growing community is now more important than ever.

The Government will continue to provide secure jobs for Canberrans by:

- Growing the frontline health workforce by around 100 employees over the next 12 months
- Growing the education workforce by an extra 85 employees over the next 12 months.
- Funding 30 new positions in the ACT Ambulance Services in 2019-20 and 2020-21.
- An extra 99 firefighters over the next four years.
- 69 extra ACT Policing staff recently funded.

The Government has also accelerated invoice payments to local businesses to provide greater cashflow support.

### **Tourism and hospitality**

Canberra's visitor economy is a central economic pillar of the city's growth, generating \$2.6 billion in visitor expenditure in the year ending September 2019

The Government's future investment to protect local jobs in this sector includes:

- A new domestic tourism marketing campaign.
- A Tourism Cooperative Marketing Fund which provides matched funding to businesses to collaborate on innovative marketing campaigns that drive overnight visitation and increase awareness of Canberra as a leisure travel destination.
- Working with Canberra International Airport and state, federal and national governments to identify opportunities to recommence domestic and international flights.
- Restarting the calendar of quality events and experiences.
- Encouraging Canberrans to experience their own city and support local business, through initiatives like an ACT digital discount scheme.
- Reducing the City Centre Marketing and Improvement Levy by 50 percent.
- A \$1,000 electricity bill rebate for cafés and restaurants.

- Waiving fees, including annual liquor license fees and outdoor dining fees.
- Waiving vehicle registration fees for tourism operators.
- A trial of physical distancing technology pilot for business events in partnership with the Canberra Convention Bureau.
- Delivering ACT Government events in a COVID-safe manner.
- National Infection Control Training to support hospitality workers, and other workers in customer-facing roles, to help them understand how to reduce the risk of COVID-19.

## **Retail**

The ACT Government is encouraging Canberrans to Choose Local as part of a public information campaign. This campaign will be supported by the trial of the ACT digital discount program which will provide \$500,000 in Government-funded vouchers for people to shop locally at COVID-19 affected businesses.

## **Community sector**

The Government will provide the equivalent funding of \$9 million to allow vital community organisations to focus on supporting Canberrans most in need.

The Chief Minister's Charitable Fund (CMCF) joined with Hands Across Canberra, the Snow Foundation and John James Foundation providing \$570,000 to support not-for-profit organisations that work with vulnerable people.

## **Engineering**

The Government will introduce a regulatory scheme and associated framework to increase accountability on engineers, in parallel with the reforms introduced to improve quality in the building and construction sector. The scheme will align with other jurisdictions where possible, and develop a system that provides the best outcome for the community and practitioners in the ACT.

## **Advanced technology and manufacturing**

The Government has invested \$9.7 million through the Priority Investment Program (PIP) over the last three years in the renewable energy, cyber security, space technology and agri-technology sectors including:

- \$ 1.5 million to establish a Distributed Energy Resources Laboratory at the ANU to test new technology in solar panels, batteries, wind generating units and smart meters.
- Funding to ANU to establish the Quantum Optical Ground Station at Mt Stromlo to conduct high speed, encrypted, optical communications with orbiting spacecraft, an Australian first.
- \$ 1 million to commercialise SmallSat capability by Skykraft, a University of New South Wales (UNSW) Canberra spin-off that specialises in developing small satellite constellations to deliver space-based global services.
- \$ 1.3 million to the ANU/CSIRO Centre for Entrepreneurial Agri-Technology to support a collaborative innovation ecosystem dedicated to strengthening, transforming and diversifying Canberra into a regional, national and global agricultural hub.
- \$ 600,000 to the Canberra Node of AustCyber to support the growth, education and export of the Canberra region cyber security sector.
- A new PIP COVID recovery funding round to attract investment and grow established and emerging priority sectors of Canberra's economy.

## **Defence**

In 2018-19, the ACT Government (through the Priority Investment Program) committed \$600,000 over three years to deliver the AustCyber Canberra Cyber Innovation Node. The Established, Capable, Skilled defence industry strategy outlines how the ACT Government will grow Canberra's defence industry.

Under the strategy there are five key priorities:

- Supporting the Canberra region to maximise opportunities from defence procurement.
- Collaborating with other states and territories
- Attracting investment to grow the defence industry in the Canberra region.
- Continuing to build a skilled, innovative and connected workforce.
- Fostering new ideas and growing research and industry partnerships.

## **Space**

Canberra leads Australia in key capabilities needed to drive the national space agenda.

- Construction has commenced on Australia's first Optical Ground Station (OGS) at the ANU facility to be commissioned in June 2021. This OGS is an Australian first and will be the first operational node in a planned Australiawide OGS network.
- CSIRO's Centre for Earth Observation, headquartered in Canberra, will be a catalyst for engagement with Australian businesses, Government agencies and research organisations.
- The Space Tracking Treaty with the USA was recently extended to 2043 and is expected to deliver nearly \$400 million to Canberra's economy.

## **Renewable energy**

The Government will continue to support the growth of the renewable energy sector. Some key initiatives include:

- A \$12 million industry-funded Renewable Energy Innovation Fund
- Innovative renewable energy reverse auctions that continue to provide opportunities for industry to participate in renewables generation and have secured dozens of jobs in the ACT.
- A series of rebates for energy-efficient appliances, increasing jobs in retrofitting private homes and businesses.
- \$365,000 to upgrade solar and improve sustainability on public and community housing as part of the fast-tracked infrastructure projects to support the local economy.

The Government has partnered with Neoen on Australia's first public hydrogen refuelling station. They have also partnered with Neoen, Hyundai and ActewAGL on a hydrogen mobility project, including refuelling infrastructure and integrating 20 hydrogen fuel cell vehicles in the ACT Government fleet.

## **Environmental protection**

Throughout 2020-21, the Government will invest \$1.4 million to address high-risk and priority recovery activities identified in the ACT Bushfire and Flood Recovery Plan, which will support critical environmental, heritage and infrastructure works.

The ACT has secured more than \$500 million of investment from adopting a formal policy of achieving 100% renewable electricity by 2020, generated increased property values, improved



health savings, promoted industry development and innovation, and reduced government expenditure on climate adaptation.

### **Arts and creative industries**

The ACT Government will continue to protect jobs in the arts and creative industries sector through:

- The HOMEFRONT program, providing more than \$950,000 in grants to Canberra's artists
- The ongoing \$5 million investment in the CBR Screen Fund.
- More than \$1 million for COVID-19 Organisation Emergency Support Funding to arts organisations that have experienced a sustained period of lost revenue and opportunities during the pandemic.
- Fast-tracking minor upgrades and maintenance works to key arts facilities as part of the Fast Track infrastructure program.
- New digital initiatives to showcase local artists, such as the highly successful CTC@Home program by the Canberra Theatre Centre and the RISE Canberra calendar
- An additional \$2.5 million for the Cultural Facilities Corporation to continue delivering cultural services for the Canberra community.
- Establishing MADE IN CBR through the \$250,000 Special Purpose Fund under the CBR Screen Fund to provide specific support to ACT Screen professionals to develop new projects that have the potential to connect with markets and reach global audiences.

### **Sport and Recreation**

The Government has worked with the sport and recreation sector to deliver an immediate financial injection of \$700,000 to ACT peak sport and recreation bodies, early access to 2021 Sport and Recreation Grants Program and waive fees such as sportsground and school gymnasium hire. The Government continues to invest in community's sports and recreation infrastructure, through:

- Fast tracking infrastructure projects, including pavilion upgrades in Deakin, Amaroo and Wanniasa.
- Developing a football-focussed facility in Throsby and planning for new district playing fields in Stromlo.
- Working with the private sector to bring a new ice sports facility to Canberra's southside.
- Continue to support elite sporting teams.

### **Budget outline**

An expected net operating deficit of \$909.5 million was announced for 2020-21. This figure is forecast to reduce to a deficit of \$670.2 million in 2021-22.

Gross State Product is forecast to slow to 1½ per cent in 2019-20. This rate is forecast to contract by 1½ per cent in 2020-21 and GSP is expected to grow by 4 per cent in 2021-22.

Employment fell by 0.6 per cent in 2019-20, compared to a 3.9 per cent fall nationally. As restrictions were eased in the ACT, employment improved in July and is now only around 2 per cent below the level in March as the crisis hit.



The Consumer Price Index in the ACT fell by 0.6 per cent in 2019-20 and is forecast to increase by 3 per cent in 2020-21.

### **COVID-19 Helpline**

The ACT Government has established a new helpline to assist Canberrans through the challenges of COVID-19. The COVID-19 Helpline is now live and will operate on 02 6207 7244 between 8am and 8pm daily. It complements the [COVID-19 web page](#).

### **Further information**

The ACT government's Jobs and Economic Recovery Plan is available [here](#).

The ACT government's Economic Survival Package is available [here](#).

The ACT government's Budget is available [here](#).

[Fact sheet, guidance notes & declaration](#)

[Application form for rates rebate](#)

The Business Liaison Team phone line is: (02) 6205 0900

Details of the first stage of the ACT Stimulus Package is available [here](#).

Details of the ACT COVID-19 Relaxation and Path Ahead is available [here](#).

Details of Labor Government Policy can be found [here](#).

Details of Liberal Government Policy can be found [here](#).

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