



ACT Government

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FREEDING THE A.C.T. FROM DEPENDENCE ON LAND REVENUE

Revenues from land sales and volatile share-market earnings can no longer be relied upon to prop up the Territory's bottom line, Treasurer Jon Stanhope said today. It is time for a more realistic match between what the Territory charged for its services, and what those services actually cost to provide.

"For too long, ACT Governments have depended for their running expenses on selling off our finite land assets," Mr Stanhope said.

"And, historically speaking, it has been a logical option. Unlike the States and the Northern Territory we do not have a large manufacturing base or resource sector. What's more, we cannot collect payroll tax or rates from the Australian Government - by far the ACT's largest employer.

"But this is no recipe for sustainability. Land sales are becoming a diminishing proportion of revenue over time, and no government wants to be hostage to volatility. To maintain its excellent financial management record, the ACT Government is responding."

To better reflect the costs to government of service provision and to bring charges into line with other jurisdictions, the Government will:

- increase general rates by 6% in 2006-07 and index future rates at the Wage Price Index;
- introduce a fire levy to help cover the cost of fire protection services. Such levies constitute the primary source of funding for these services in all jurisdictions except the ACT and the Northern Territory. The levy will be set at \$84 a year. People on low incomes will be eligible for a 50% discount;
- adjust eligibility criteria for the Home Buyer Concession Scheme to better target those in need;
- introduce a false alarm call-out fee of \$200 for residential and community properties and \$500 for commercial buildings for third and subsequent calls to the ACT Fire Brigade;
- increase the ambulance levy, which is the second lowest in the country and does not cover the cost of ambulance transport. People on a pension will not be charged;
- introduce full cost recovery for services to the community by ACT WorkCover and for incident investigations following successful prosecutions;
- introduce a Utility Land Use Permit for sewerage, electricity gas, water and telecommunication utilities infrastructure;
- adjust development application fees to bring them into line with adjoining local councils; and
- introduce a water fee through an increase of 30 cents per kilolitre in the water abstraction charge.

These revenue decisions will make the Territory less vulnerable to cyclical change and volatility and put ACT Governments on a more secure and realistic footing.

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