

BUILDING A STRONG AND DIVERSE ECONOMY FOR CANBERRA



\$2.9 billion for new infrastructure

Payroll tax threshold lift to **\$2 million**

Insurance Tax **abolished**

Further **stamp duty cuts**

ACT Budget **return to surplus** by 2018-19

Building a strong economy that is growing and creating jobs is one of the ACT Government's highest priorities – and the 2016-17 Budget continues to support growth in the Territory.

The ACT Government took proactive and targeted action to support economic growth in the Territory during the deep cuts the Commonwealth made to its jobs and spending. This strategy has worked and our economy is rebounding. Service Exports, retail trade and building approvals are all rising and the unemployment rate is the lowest in the Australia.

The strong economy means our budget position is improving– with a **\$300 million** improvement in the budget and a return to balance in 2017-18 as identified in previous budgets. We are returning to balance not by slashing jobs and services, but by investing in our community and diversifying our economy.

This Budget invests **\$2.9 billion** in a four-year infrastructure program. This will deliver new facilities and services for Canberrans, create jobs and boost activity in our economy.

The Budget also supports local businesses, continues to reform taxes, boosts key areas of the economy such as tourism to bring bigger and better events to Canberra and continues the city's digital transformation.

Growing the Economy

This Budget funds more than \$10.1 million over two years to support local business, innovation and investment.

The ACT Government is committed to diversifying our economy through our support for our growing business community and tertiary education sector.

The funding includes:

- **\$6.6 million** over two years for the continued implementation of the ACT Government's business development strategy, *Confident and Business Ready: Building on Our Strengths*. This includes:
 - **\$5 million** over two years to Data61 to position Canberra as a major player in the development of the national cyber security sector;
 - **\$750,000** to support the development of industries including cyber security, space and spatial economy, sports technology, health innovation, ICT and e-government and the National Agriculture and Environmental Sciences Precinct;
 - **\$600,000** over two years to ensure the continued successful operation of the CBR Innovation Network by supporting its relocation to new premises over the coming 12 months;
 - **\$100,000** to continue to promote the CBR brand; and

- **\$120,000** over two years to work with the Fulbright Commission to sponsor student and professional exchanges between Canberra and the USA with a focus on innovation.
- **\$2.7 million** over two years for The Intelligent Regulator, a pilot project to simplify regulatory approval processes to make it easier for local businesses to do applications and get renewals;
- **\$500,000** to continue the Light Rail Business Link Program that builds the knowledge, skills and capacity of the local industry to respond to opportunities emerging through the city wide light rail project; and
- **\$250,000** for Screen ACT in attracting and supporting the diverse range of television and movie productions in the ACT.

Boosting tourism for Canberra

The 2016-17 ACT Budget includes \$7.3 million over four years to promote Canberra as a tourism destination in key domestic and international markets. Tourism delivers \$1.7 billion in domestic and international overnight visitation expenditure to the ACT economy each year and employs 14,700 Canberrans.

This initiative will support VisitCanberra to promote Canberra as a leisure tourism destination in key domestic and priority international markets through its *One good thing after another* campaign. It also supports direct international flights to Canberra through the development and implementation of co-operative marketing campaigns with Singapore Airlines that target both consumer and trade partners in priority markets.

This funding includes:

- **\$1.5 million** to support significant community events in the Territory such as Enlighten and Canberra Day celebrations;
- **\$410,000** to upgrade security and safety at the Canberra Theatre Centre to ensure it remains the premier performing arts venue for the region; and
- **\$50,000** to promote the staging of a major show in Canberra, building on the success of major shows such as *Le Noir* and *The Illusionists 1903* in recent years.

Fairer, simpler and more efficient taxes

This Budget continues the ACT Government's tax reform agenda, to make the Territory's taxation system fairer, simpler and more efficient.

Insurance tax will be abolished from 1 July 2016 and payroll tax has been cut – with the threshold rising from **\$1.85 million** to **\$2 million** in this Budget. Stamp duty will also be cut in this year's budget, delivering on our promise to reduce this highly inefficient tax. From tomorrow, the buyer of a \$500,000 home will save \$7,040 in stamp duty compared to before tax reform began in 2012.