

**2026**

**THE LEGISLATIVE ASSEMBLY FOR THE  
AUSTRALIAN CAPITAL TERRITORY**

**ELEVENTH ASSEMBLY**

**APPROPRIATION BILL 2026-27  
PRESENTATION SPEECH**

**Chris Steel MLA**

**Treasurer**

**10 June 2026**

*This page is deliberately left blank.*

## INTRODUCTION

Mr Speaker, the Budget I hand down today delivers for all Canberrans. It is a Labor budget, and it is both responsible and responsive to the challenges and opportunities facing our community.

It's a budget framed in the context of ongoing economic uncertainty from Donald Trump's war in the Middle East.

A war which has put real pressure on Canberrans, just as it has put pressure on the Territory Budget.

Mr Speaker, in times of economic uncertainty and financial pressures, nothing is more important than secure housing, community and social support and a stable local economy.

The Budget I hand down today is fundamentally about housing, more frontline services and caring for our community.

It continues to deliver on our target of enabling 30,000 new homes for Canberrans.

It provides certainty and security for the most vulnerable Canberrans – locking in funding for our community service providers, supporting them and expanding funding in the areas of most significant need.

And it is a Budget that continues the ACT Labor Government's legacy of investing in health, education, infrastructure and the services that make Canberra one of the best places to live in the world.

Despite uncertain economic conditions, this is also a responsible budget, where we have continued to take measured steps to repair the budget and focus on Government and community priorities.

## HOUSING

Mr Speaker there is nothing more central to economic and social stability and success than housing.

Through the 2026-27 Budget, the Government is making the most significant investment since self-government to supply more homes for Canberrans.

We are doing this because we understand the challenges faced in the housing market and we believe that current and future generations of Canberrans should have the opportunity to own their own home.

The Labor Party does not believe in being the party of renters, or being a party that would advantage landlords over homeowners.

We fundamentally believe that all working Australians should be able to buy a home.

And that those who cannot work, or who have been disenfranchised by society, should be supported by social and affordable housing.

Mr Speaker today we are delivering the most significant Budget for new housing in the Territory's history.

From 1 July, we are completely and permanently eliminating stamp duty for all first home buyers buying to live in their first home.

This complements the tax reforms announced by the Federal Labor Government which also focus on supporting Australians to own their own home.

In this budget we're also cutting stamp duty for every single unit sold off the plan, and turn-key units, including new 'missing middle' homes built under our Government's landmark *Missing Middle Housing Reforms*.

To encourage and support builders to take up the zoning reforms we will halve the codified lease variation charge on missing middle housing projects.

And the Government has funded the establishment of a 'Canberra House' Pattern Book of high quality pre-approved missing middle home designs that can be built without a development application.

So that we can fast-track the construction of low-rise missing middle homes that are well-designed and fit in well with Canberra's streets and climate.

But Mr Speaker at the centre of this budget is a generational investment in new affordable, community and public homes.

Our Government strongly believes that building public and community homes is a priority.

And we are incredibly proud in this budget to announce a new *Public Housing Pipeline* with funding for 450 additional public homes.

We will build these homes and, where we can, we will purchase them off the market in suburbs right across Canberra.

On top of the homes we will add to the Government's stock, we are backing our community housing sector to build over 1000 new affordable and community homes.

Mr Speaker, this is the first stage of a massive investment in public, social and affordable housing.

And after ten years of Commonwealth housing policy vacuum under the Liberals, we're taking full advantage of Federal Labor Government's housing finance.

Partnering with a Commonwealth government that plays an active role in providing housing and wants to work with us to get it done.

At the same time that we're building more homes, we are also funding the largest structural uplift in maintaining and repairing our existing public housing properties for thousands of Canberrans.

We'll bring more properties back into use, and continue insourcing public housing maintenance staff, to deliver better and more responsive services to tenants.

We're investing not just because supplying housing is moral imperative but because housing is the largest cost that households face in the current economy.

## ECONOMY

Mr Speaker, the war in the Middle East has had a significant effect on the ACT economy, as it has around the Country and the World.

The ACT Government has acted in a coordinated, but targeted way, to address this supply-side shock, whilst at the same time incurring significant additional costs associated with rising fuel and other prices.

We've contributed \$8.2 million in revenue to cut fuel excise to 30 June and supported the heavy vehicle sector in response to higher diesel prices.

Despite the challenges of the global oil shock, the ACT economy remains resilient, with a growing economy, lower inflation than the rest of Australia and low unemployment.

In 2024-25, the ACT economy grew by three and a half per cent, marking 29 consecutive years of growth and making the ACT's economy the fastest growing in the country.

Strong economic growth is forecast to continue, though at reduced levels compared to forecasts in the Budget Review, with GSP growth expected to be three and a quarter per cent in 2026-27

Mr Speaker, with inflation driving elevated interest rates, and uncertain conditions resulting from the war, the ACT Government has had to be measured in in steps towards budget repair and providing cost of living relief.

The Government has targeted cost of living relief to Canberrans who need it most, with additional funding for food relief, family school expenses, tertiary student public transport concessions, reducing home energy costs and housing crisis support.

The Government is also supporting the construction sector through our growing pipeline of non-market housing, and our microeconomic reforms to streamline planning and building processes, enhance construction productivity, and enabling more homes to be built for Canberrans sooner.

## FISCAL STRATEGY

Mr Speaker, the 2026-27 Budget continues our responsible approach to managing the Territory's finances and ensuring that they improve on a sustainable path.

Last year, I set out a new fiscal strategy for the Government, including a return to operating cash surpluses followed by a return to Headline Net Operating Balance surpluses over the forward estimates.

The Government is delivering against these targets. This Budget the Government will build on the Fiscal Strategy by including new specific and measurable targets.

Mr Speaker, because of the responsible measures that the Government has taken to manage the budget and control expenditure the Budget deficit has reduced from \$1.131 billion in 2024-25 to \$501.7 million in 2025-26; the single biggest improvement in the fiscal position in the Territory's history.

The Headline Net Operating Balance is forecast to be in deficit by \$323.4 million in 2026-27, which reflects a further year to year improvement of \$178.3 million from the estimated outcome from 2025-26.

The Budget continues to show a return to HNOB surplus over the forward estimates, reaching balance in 2027-28 before surpluses of \$244.2 million in 2028-29 and \$355.7 million in 2029-30.

In last year's Budget, we set out to achieve the target of returning to a cash operating surplus over the forward estimates. Today, I am pleased to say that the net operating cash position is budgeted to be in surplus in 2026-27 by \$109 million, followed by strong surpluses in future years.

Whilst the headline net operating balance is still in deficit, the return to a cash operating balance surplus is an important step. This ensures we can continue to sustainably deliver the services and infrastructure improvements our community needs.

There are no silver bullet solutions to the Territory's fiscal challenges and so we will continue to take responsible steps to ensure that both expenditure and revenue are sustainable.

## REVENUE

Mr Speaker, in the current economy the Government has had to be balanced and measured in our decisions on revenue to support budget repair.

To maintain a stable property tax base, the average residential rates bill will increase by no more than 5 per cent in 2026–27, with commercial general rates rising in line with residential general rates settings.

Our progressive system means some Canberrans see rates increase below average while others who have had significant relative increases in property values will pay more. Thousands of Canberrans will pay less this year in their rates bills than last year.

Overall, our approach supports ongoing tax reform as well as revenue growth while recognising current cost of living pressures.

The Government will ask Canberrans choosing to buy higher polluting vehicles to contribute more through motor vehicle duty.

However, in response to escalating fuel costs, the Government will delay the implementation of additional indexation to motor vehicle registration announced in the 2025-26 Budget.

Mr Speaker, the demand and cost growth in our hospital system over recent years has been significant and required an additional investment of \$1.19 billion in the health care of Canberrans last Budget.

Minister Stephen-Smith has worked tirelessly on the sustainability of the health system and to negotiate better outcomes with the Commonwealth and NSW Governments on health funding in the past year.

And I am pleased to say that the Budget reflects the outcomes of this advocacy, with extra funding from the Commonwealth through a new five year *National Health Reform Agreement* which has provided a fairer level of support for our hospitals, and recognised the extra costs of delivering these acute services in small jurisdictions like the ACT.

With additional Commonwealth funding secured under the National Health Reform Agreement to support ACT health services, the Government will remove the Health Levy at the end of June.

No further payroll tax changes are proposed in the Budget, recognising the challenging economic conditions for small business, and that payroll tax changes announced in last year's budget come into effect from July for affected businesses.

The Budget shows a write down in GST revenue due to reductions in the ACT's relativity in the 2026 Update and the ACT's share of the Australian population.

However, we expect the 2026 Census in August to again show a significant undercount of our population by the ABS. The Government will continue to campaign until the systemic undercount of the ACT's population is fixed so that we receive the fair level of funding for our actual population in-between censuses.

## EXPENDITURE

Mr Speaker, this Budget builds on the tough measures that we took on expenditure in last year's budget, through the Whole of Government Savings measure.

A continued effort is being made by all ACT Government agencies to meet their budgets and focus on Government priorities.

And the Government's new expenditure measures are focused on frontline services to meet the needs of our growing community.

Many of the new measures re-baseline the public service – funding ongoing staff into the future where we know we have essential need.

By taking longer term spending decisions on initiatives, this sees a reduction in the expected improvement over the forward estimates, but also better reflects forward expenditure and service delivery expectations of the community.

However, Mr Speaker, to achieve the savings we have also had to make the tough decision to ensure ACT Government agencies operate within their allocated budgets.

This will be supported through investment in a new Restructure Fund, to allow agencies to right-size and ensure the profile of the service reflects community priorities.

New control measures will also be introduced across the Government to limit the use of external contractors.

And in this Budget, we have introduced broader strict fiscal controls on the growth of the ACT Public Service.

A new fiscal rule will mean that any future growth in the public service is aligned with population growth.

This will still see the ACT Public Service continue to grow in the future, but not faster than our community.

It will allow revenue and expenditure to realign gradually, without the need to resort to deep cuts.

## INFRASTRUCTURE PROGRAM

Mr Speaker, the ACT Government has also made the responsible decision in this Budget to undertake targeted reductions to the Territory's infrastructure program.

The Government will continue to make generational investments in health, education, transport and suburban infrastructure.

However, in the Budget we are transitioning from a historically high level of capital investment to a more sustainable and deliverable long-term baseline.

The average annual capital spend will reduce below \$1 billion per year, following major one-off payments for generational infrastructure in the 2027-28 financial year.

The infrastructure program changes led by the Chief Minister will deliver more than \$700 million in savings to the Budget over four years, while the Government maintains a strong pipeline of investment delivering on election commitments and priorities.

This ensures that we have room to deliver a once-in-a-generation investment in the Territory's healthcare system in Northside Hospital.

## COMMUNITY SECTOR

Mr Speaker, there is no more important partner in meeting the community's needs than our community sector.

This Budget recognises the important role the ACT's community sector plays in supporting the most vulnerable Canberrans and the pressures faced by the organisations that support them.

We have responded to feedback from community sector organisations and the Assembly about ending 'funding cliffs'.

We have provided longer term and ongoing funding for key programs delivered by community sector organisations, including those that had previously only been funded on an annual basis, which have their history as pilot programs.

We recognise that these roles have become essential and continued funding enables the sector to employ staff and plan ongoing services.

Whilst providing longer term funding has a reduced forecast level of surplus in the Budget out years, this is a conscious decision of Government to ensure ongoing responsiveness, certainty and transparency to the sector.

In addition to providing sector longer term funding certainty through the Budget, we have also recognised the need for additional funding for community organisations to meet demand in key areas including responding to homelessness and domestic, family and sexual violence.

And we'll provide additional funding for the community sector to support reform underway to deliver a longer-term model that is focused on meeting the community's changing needs into the future.

## EDUCATION

Mr Speaker, the Budget shows a substantial investment to reform our school education system.

Minister Berry has tabled the expert panel's report into school resourcing, outlining very real funding pressures in our schools and the need for a system-wide response to deliver a high quality education system for our children.

*The Future of Education: One public education system* will create opportunity, strengthen fairness, level the playing field and ensure every child, no matter their background can be supported in their learning.

I commend the work Minister Berry is doing on engaging with school communities, and reform underway to shift from a legacy of autonomous schools to become a single public education system, including centralising functions like other school systems across Australia.

Based on the expert panel's recommendations, the Government is developing a new approach to manage challenging behaviours in our schools.

We will continue to be the only jurisdiction funding our schools above full School Resourcing Standard because our Labor Government values teachers and the education of Canberra's students.

Mr Speaker, the future success of our children is why our Government is so focused on education, at all levels.

And in those education settings, the safety of our children is always a priority.

I'm pleased to announce in this Budget that we are making one of the largest ever expansions to the ACT's Early Childhood regulator to ensure our early childhood services are keeping Canberra children safe and delivering the high-quality early learning that we know gives children the best start.

## INVESTMENT IN LOCAL SERVICES

Mr Speaker, the ACT Government's remit is broader than any other government in Australia, and our community reasonably expects the highest level of service in the country.

In the Budget we continue to make investments in the front-line services our community needs.

This budget responds to the needs in our health system by investing in better health services for Canberrans.

This includes expanding the Canberra Hospital Paediatric Fracture Clinic and establishing a dedicated paediatric orthopaedic service, improving care closer to home for children

And we'll support the operations of the new Acute Palliative Care Unit at the Canberra Hospital, expected to begin next year.

We're meeting growing demand for emergency services with additional firefighters, paramedics and by progressing a new combined City Police Station and Headquarters.

We are investing in our justice system by providing for a structural uplift in funding for the Director of Public Prosecutions, with a focus on ensuring that those who experience family and domestic violence have their day in court and see justice.

We continue to lead the nation on climate change and supporting our environment – with funding in the Budget laying the groundwork for the delivery of key elements of the climate change strategy soon to be handed down by Minister Orr.

We are providing a structural shift in funding for arts organisations, delivering our election commitments and ensuring that our city remains a culturally vibrant place to live.

And from Hall to Hume and Higgins to Hughes we're delivering local infrastructure and services from bike paths to waste management to better roads to improved public spaces and sportsgrounds.

## CONCLUSION

Mr Speaker,

Our Budget delivers for all Canberrans.

Generational investments in homes, health and services for our community.

It is responsible and responsive – and despite the impacts of Donald Trump's war in the middle east, there's no massive tax hikes, no deep cuts to essential services and a continued program of investment in our community.

The changes we have made, and the work we have done, will support the ACT's finances to remain sustainable, and the budget ensures Canberrans continue to enjoy the highest quality of life in the country.

I acknowledge and thank the members of the Assembly that have provided the Government with Supply and note our progress against our agreed agenda.

I ask for the Assembly's support in our task of continuing fiscal repair and funding for the essential services that the community relies on.

I commend the Budget to the Assembly.

**ENDS**