



FACTSHEET No: 1

Budget at a Glance

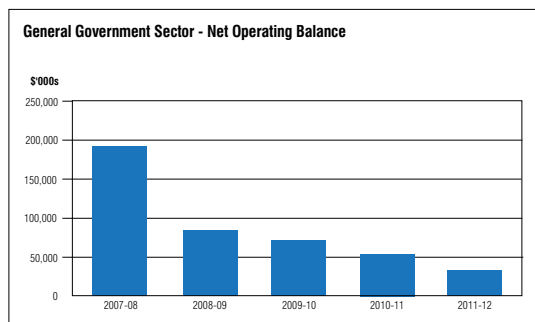
The Budget maintains fiscal restraint while providing for strategic investment in high-priority service areas. The Budget capacity is significantly targeted at infrastructure investment.

The 2008-09 Budget outlook is positive. A strong economy and the structural adjustments of the past have positioned the Budget well to make significant investment in high priority services, and the Territory's infrastructure to expand the productive capacity of the economy, reduce future costs and support growth of the city.

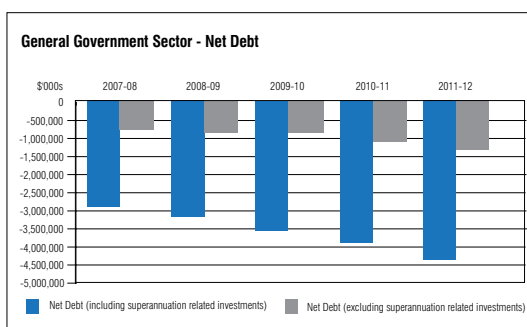
THE BUDGET DELIVERS:

- Net operating surpluses in the order of 1.7 per cent per annum, on average, across the Budget and forward estimate period.
- a responsive and strategic program of recurrent expenditure totalling \$403.6 million over the next four years, including \$105.5 million in 2008-09;
- 'Building the Future', an unprecedented investment of \$1 billion in the Territory's future, which, along with the annual capital works program, provides for a total capital investment program of almost \$1.5 billion.
- Over \$50 million committed in response to skills shortages.

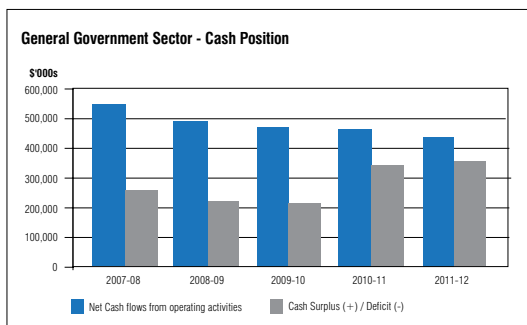
FISCAL OUTLOOK



- Net Operating Surpluses across the Budget and forward estimates.
- A strong Balance Sheet remains strong, with the fixed asset base growing by more than 10 per cent.



- Net Debt remains low.



- Strong cash surpluses across the Budget and forward estimates.

ECONOMIC OUTLOOK

- ACT economic growth is forecast to be a solid 3¼ per cent in 2008-09 on the basis of growth in government consumption and government and private investment.



BUDGET 2008 - 2009



FACTSHEET No: 1

- The ACT labour market remains strong with low levels of unemployment and high levels of participation.
- Interest rate increases and possible reductions in Commonwealth consumption expenditure will cause a moderating effect on growth in the short to medium term. Housing market activity forecast to grow moderately.

TAX CONCESSIONS AND CHANGES

The 2008-09 Budget provides targeted taxation concessions aimed at supporting pensioners, first homebuyers and small to medium businesses, including:

- a pensioner duty exemption scheme: providing duty relief for people on aged or disability support pension, and Veteran's Gold Card holders to assist in moving to more suitable accommodation commensurate with their needs;
- an adjustment to income eligibility threshold for the Homebuyer Concession Scheme from \$100,000 to \$120,000;
- an increase to the Payroll Tax Threshold of 20 per cent to a new upper ceiling of \$1.5 million; and
- abolition of Duty on the Establishment of Trusts.

BUILDING THE FUTURE

The Building the Future program supports the growth of the economy whilst maintaining infrastructure standards to promote productive capacity.

The 5-Year \$1 billion program provides:

- \$300 million for establishing a health system for the future;
- \$250 m for an integrated transport system;
- \$100 million for urban amenities;
- \$100 million for climate change initiatives;

- \$50 million for improvements to public service infrastructure; and
- \$200 m capital works augmentation.

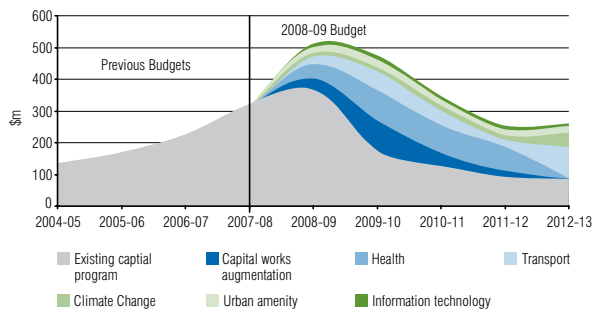
Along with the existing capital provisions, this provides for unprecedented investment in the capital program of almost \$1.5 billion.

Around \$700 million of this investment will be funded from past surpluses, and \$300 million from the current and future budget capacity.

Specific capital programs and projects, with a total value of \$713.6 million over 4 years, are detailed in the Budget, including:

- new construction works of \$532.2 million across the Budget and forward estimates;
- feasibility and forward design projects of \$31.5 million;
- capital upgrades expenditure of \$42.5 million;
- capital grants totalling \$13.1 million;
- \$7 million for the capital improvement program and contingency fund;
- new plant and equipment \$62.6 million; and
- new ICT initiatives of \$24.6 million.

Capital expenditure in 2008-09 will be around \$500 million, which is significantly more than any time since self-government.



BUDGET 2008 - 2009

Further information

Department of Treasury
Finance and Budget Division
GPO Box 158, Canberra City ACT 2601
www.treasury.act.gov.au