



# Budget 2017-18

Stronger growth

to create more and  
better paying jobs

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Manager  
Media Unit  
The Treasury  
Langton Crescent Parkes ACT 2600

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# Delivering on our plan for jobs

This Budget builds on a significant record of achievement

Legislated tax cuts for small and medium Australian businesses with turnover less than \$50 million per annum, as announced as part of the Ten Year Enterprise Tax Plan and promised for this term of Government in the last Budget.

Incorporated small businesses with turnover less than \$10 million will have their tax rate cut to 27.5 per cent in 2016–17, the lowest level in 50 years. This lower corporate tax rate will extend to other companies with annual turnover less than \$50 million by 2018–19.

These changes, together with related increases in the unincorporated tax discount rate and greater access to the small business tax concessions, will benefit around 3.2 million businesses employing 6.7 million workers.

The Government has some of the strongest multinational tax laws in the world. The Government is building on the success of the Multinational Anti-Avoidance Law and the new Diverted Profits Tax, to prevent large multinationals from artificially shifting profits overseas. We have also established a new Tax Avoidance Taskforce which will raise \$3.7 billion in revenue from 2016–17 to 2019–20. This financial year, the ATO has already raised \$2.9 billion in tax liabilities from several large multinational companies.

Having secured tax cuts for small and medium businesses, the Government is committed to extending the tax cuts to cover all companies in Australia. A more internationally competitive company tax rate will attract investment that creates higher paying jobs and grows the economy.

The Government's defence industry plan and the continuous ship building program will create advanced manufacturing jobs for Australians for decades to come. The plan includes creating 5,200 direct jobs in naval ship building and thousands more across the supply chain. The establishment of the Maritime Technical College in Adelaide will support the significant workforce expansion and skilling needs for naval ship building. In addition, the F-35 Joint Strike Fighter program will support about 5,000 jobs.

The Government is delivering on its commitment to help up to 120,000 young Australians to get into work. The Youth Jobs PaTH program assists young Australians to get a job by providing them with practical pre-employment training, and with real work experience through internships. Businesses are being encouraged to hire young job seekers through wage subsidies.

Our export trade deals with China, Japan and South Korea are bearing fruit, with increased access also secured in the past year with Singapore and Indonesia, particularly for the agricultural and services sectors.





# and growth

The Government is delivering on its commitments to grow the economy

Delivering the \$1.1 billion National Innovation and Science Agenda to position Australia as a world leader in innovation so Australians can take full advantage of new economic opportunities. The Government has implemented measures to encourage individuals and businesses to innovate through collaboration, building talent and skills, supporting entrepreneurship and access to capital.

To encourage innovation and grow our FinTech industry the Government has legislated to open up crowd-sourced equity funding for start-ups and innovative public companies, and has introduced a tax concession for start-ups and angel investors. The Australian Securities and Investments Commission has introduced a regulatory sandbox allowing eligible businesses to test new financial and credit services.

The Government's Building Better Regions Fund is investing \$298 million in infrastructure and community projects to back our communities' plans to adapt and thrive in changing economic circumstances.

The Government has also invested \$220 million in a Regional Jobs and Investment Package to support a resilient and productive regional workforce.

The Government has implemented superannuation tax reforms to make superannuation fairer and target concessions to support self sufficiency in retirement. These changes support our superannuation system becoming more sustainable and flexible, with greater integrity.



# Delivering for small businesses

The Government is creating the right environment for over three million small businesses across Australia to grow

The results secured by a Government which champions small business:

**Delivered** Cutting small business taxes from 1 July 2016 by reducing the corporate tax rate to its lowest level in 50 years and increasing the unincorporated tax discount rate.

**Delivered** Supporting small businesses through introducing the instant write-off for eligible assets costing less than \$20,000 from 12 May 2015 to 30 June 2017, helping these businesses purchase assets and grow (this is being extended for an additional 12 months in this Budget).

**Delivered** Increasing the number of businesses eligible for a range of small business tax concessions with the small business turnover threshold being increased from \$2 million to \$10 million per annum.

**Delivered** Abolishing \$5.8 billion in red tape, saving business owners time to focus on growing their business.

**Delivered** Amending section 46 of the *Competition and Consumer Act 2010* to better prevent the misuse of market power and help level the playing field for small business.

**Delivered** From 12 November 2016 small businesses will have the unfair contract term protections previously only available to individuals.

**Delivered** As part of the National Innovation and Science Agenda, creating the Digital Marketplace to make it easier for smaller businesses to compete for the Government's \$9 billion information and communication technology (ICT) contracts.

**Delivered** Requiring government agencies to pay invoices for contracts valued up to \$1 million within 30 days or else interest must be paid.

**Delivered** Opening up new forms of financing for small business by legislating the crowd-sourced equity funding framework for public companies.

**Delivered** Signing export trade deals with China, Japan and South Korea, which is giving Australian businesses greater access to Asian markets and an expanded consumer base.

**Delivered** Establishing the Small Business and Family Enterprise Ombudsman to provide a strong voice for small businesses.

# Backing small business

A strong small business sector means more jobs for Australians and more opportunities to build vibrant local communities across the country

Small business is the engine room of our economy, making up 99 per cent of all businesses and contributing \$380 billion to the economy. This Budget continues the Government's strong record of backing small business to grow and deliver more and better paying jobs.

## Easing the tax burden

The Government is committed to reducing the tax burden on small businesses and helping them invest and grow.

Small businesses are reaping the benefits of lower taxation after the Government recently secured tax cuts for around 3.2 million small and medium Australian businesses employing 6.7 million workers as part of its Ten Year Enterprise Tax Plan in the 2016–17 Budget.

These tax cuts begin in 2016–17 for businesses with annual turnover less than \$10 million, with the tax rate for companies cut to 27.5 per cent – the lowest level in 50 years. Unincorporated businesses with annual turnover of less than \$5 million also benefit from an increase in the rate of the unincorporated tax discount to 8 per cent.

**This delivers on tax cuts for small and medium businesses with annual turnover less than \$50 million promised for this term of Government in the last Budget.**

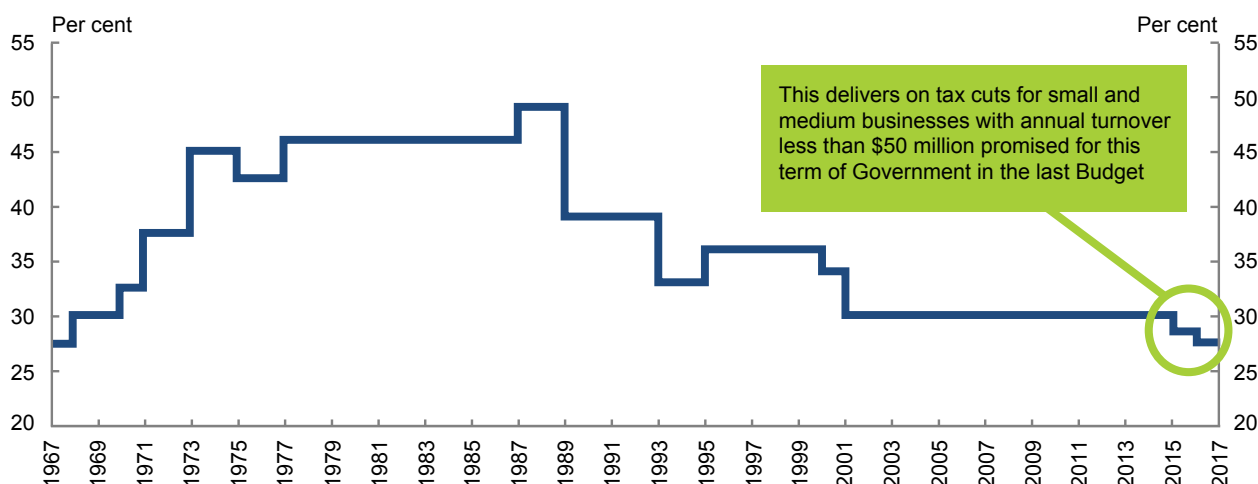
Over 90,000 additional businesses will gain access to the small business tax concessions as a result of the small business turnover threshold being increased to \$10 million per annum.

**Further expanding on these small business initiatives, in this Budget the Government will extend the \$20,000 instant asset write-off for a further 12 months to 30 June 2018. The turnover threshold will also be lifted to \$10 million, five times higher than was originally available.**

This measure will improve cash flow for small business, providing a boost to small business activity for another year, helping them to reinvest in their business and replace or upgrade their assets.

Improved cash flow will also give businesses the flexibility to hire more employees and pay staff more.

**Lowest company tax rate in 50 years**



Represents the lowest headline tax rate applicable to small companies in each year. Where a progressive rate scale applied (1967-1972), the lowest marginal rate is shown.



## How tax reform helps small business

Justin owns and operates a carpentry company from three premises employing 10 people. His business has an annual turnover of \$7 million and taxable income of \$400,000 (excluding deductions for asset purchases). On 1 June 2017, Justin's company purchases a panel saw costing \$7,000, an edge bander for \$10,000 and a belt sander for \$14,000 (all exclusive of GST) for one of his three premises. On 1 January 2018, his company purchases another panel saw, edge bander and belt sander (at the same prices) for each of his remaining two premises.

Prior to the Ten Year Enterprise Tax Plan, Justin's company paid tax at the 30 per cent company tax rate and was not able to access a range of small business tax concessions.

### After passage of tax cuts as part of the Ten Year Enterprise Tax Plan

As a result of the Ten Year Enterprise Tax Plan announced in the 2016–17 Budget, Justin's company pays tax at the lower 27.5 per cent tax rate. Justin's company is now also an eligible small business as it has annual turnover below the increased \$10 million turnover threshold and his company can now access a range of small business tax concessions, including the instant asset write-off for assets costing less than \$20,000.

### 2017–18 Budget – Extended \$20,000 instant asset write-off

With the \$20,000 instant asset write-off being extended for a further 12 months in the 2017–18 Budget, Justin's company can continue to immediately deduct assets for his carpentry business that are each valued at less than \$20,000 until 30 June 2018.

### Impact of the Government's changes

Justin's company will receive an additional cash flow benefit of around \$18,300 in 2016–17 as a result of the lower company tax rate and access to the instant asset write-off. As a result of the 2017–18 Budget measure to extend the \$20,000 instant asset write-off, his company will also be around \$14,500 better off in 2017–18.

Justin can use the additional cash flow benefit in each of these years to reinvest in and grow his company.



# Cutting small business red tape

## Removing barriers to businesses creating jobs and growing the economy

Having already reduced the Commonwealth regulatory burden on businesses and the community by more than \$5.8 billion, the Government is now strengthening its regulatory reform agenda through reforms that increase competition, productivity and growth.

Cutting red tape will create more and better paying jobs for Australians.

However, States and Territories continue to impose a wide range of regulatory restrictions that prevent small businesses from growing and innovating. These State regulations impede job growth and entrepreneurship.

For example, many small trucking businesses struggle to master all the different regimes they must comply with when they cross State borders. And it can take up to 18 months to set up a café because of local council regulations.

Through its National Partnership on Regulatory Reform, the Government will therefore provide up to \$300 million to States and Territories that remove unnecessary regulatory barriers.

For example, the Government could reward a State or Territory for reducing unnecessary land-use planning restrictions on how a small business owner must fit out their shop. The Government would also reward those States and Territories that remove restrictions on competition as recommended in the 2015 Competition Policy Review.

***These incentive payments will cut red tape, boost economic growth and help create more and better paying jobs.***

The Government's efforts will build on the National Competition Policy reforms that helped Australia transform its economy and sustain 26 years of continuous economic growth.





# Building Australia

Over \$70 billion committed to infrastructure across Australia

The Government's significant infrastructure investments are a critical part of our national economic plan for jobs and growth.

The Government is committing over \$70 billion from 2013-14 to 2020-21 to transport infrastructure across Australia, using a combination of grant funding, loans and equity investments. The Government is establishing a 10-year allocation for funding road and rail investments, recognising that many transformational projects are planned and built over many years. This will deliver \$75 billion in infrastructure funding and financing from 2017-18 to 2026-27.

To ensure each dollar of infrastructure funding goes further so we can build more projects, the Government is identifying and pursuing ways to deliver infrastructure through more innovative financing methods, rather than signing cheques to the States and Territories.

## New infrastructure commitments

Building on the Government's existing record infrastructure spend, new investments in this Budget include:

- in Western Australia, \$1.6 billion in new projects, including \$100 million towards better road access to the Fiona Stanley Hospital Precinct and \$700 million towards the METRONET rail project;
- a \$1 billion infrastructure package for Victoria, including \$500 million for regional passenger rail, with \$100 million for Geelong Rail Line upgrades, a further \$20.2 million for Murray Basin Rail and \$30 million towards a rail link to Tullamarine Airport; and
- in Queensland, \$844 million for additional projects on the Bruce Highway, including upgrades to the Pine River to Caloundra section.





## Western Sydney Airport

The Government will commit up to \$5.3 billion in equity to establish WSA Co to build a new airport for Western Sydney at Badgerys Creek with works to commence in late 2018. When it opens in 2026, the airport will have capacity for 10 million passengers a year and a 3.7 kilometre runway. The runway will be built to accommodate the largest passenger aircraft in operation today, including the Airbus A380.

The new airport will form the core of a new city deal for Western Sydney to capitalise on the opportunities the new airport will bring to the region. This builds on the \$3.6 billion joint Australian Government and New South Wales Government Western Sydney Infrastructure Plan.

The Australian and New South Wales Governments are also conducting a joint scoping study to identify the rail needs of Western Sydney and Western Sydney Airport. The study is investigating route and service options, as well as timing, funding and financing for future rail investment in the region.

## Investing in rail

The Government is establishing a \$10 billion transformational National Rail Program. This program will fund rail projects across the nation that improve urban and regional rail services to better connect our communities.

Building on our current work with State governments on the Urban Rail Plans for the five largest capital cities and their surrounding regions, the Program will allow the Australian Government to partner with States and Territories to plan and deliver key rail infrastructure projects.

The Government will also contribute \$20 million to partner with proponents of fast rail projects to develop business cases for up to three projects that better connect our cities with major regional centres. These projects will ease pressure on our larger cities, grow our regional cities, and unlock land for more housing.

## Inland Rail

In a massive win for regional Australia, the Government will fully deliver the Melbourne to Brisbane Inland Rail project, using an additional \$8.4 billion equity investment in the Australian Rail Track Corporation and a Public Private Partnership.

Inland Rail will have enduring benefits for regional communities, such as Toowoomba, Parkes and Northern Victoria, and create approximately 16,000 direct and indirect full-time equivalent jobs at its peak of construction. For the national economy it will improve access to markets and provide greater export opportunities for agricultural and other commodities.

## Regional Growth Fund

To ensure that all Australians share in our economic growth, the Government will provide \$472 million in regional investments to support a Regional Growth Fund for local infrastructure projects that can make a real difference to regional economies, including \$200 million to support a second round of the Building Better Regions Fund.

This infrastructure investment package will support regions and towns and back the choices they make to take control of their own economic future and adapt to the changes taking place in our economy.

## Infrastructure and Project Financing Agency

The Government will establish the Infrastructure and Project Financing Agency, modelled on a similar body in the United Kingdom, to help the Government identify new financing solutions and provide advice on implementation.

The Agency will help expand the Government's current program of innovative financing. The Government is already providing \$370 million in equity funding (plus land) towards the Moorebank intermodal freight precinct in NSW, a \$2 billion concessional loan for Stage 2 of the WestConnex project in Sydney and the \$5 billion Northern Australia Infrastructure Facility. The Government is in this Budget providing an additional \$8.4 billion equity investment in the ARTC to deliver Inland Rail and up to \$5.3 billion in equity to establish a new company to deliver Western Sydney Airport.



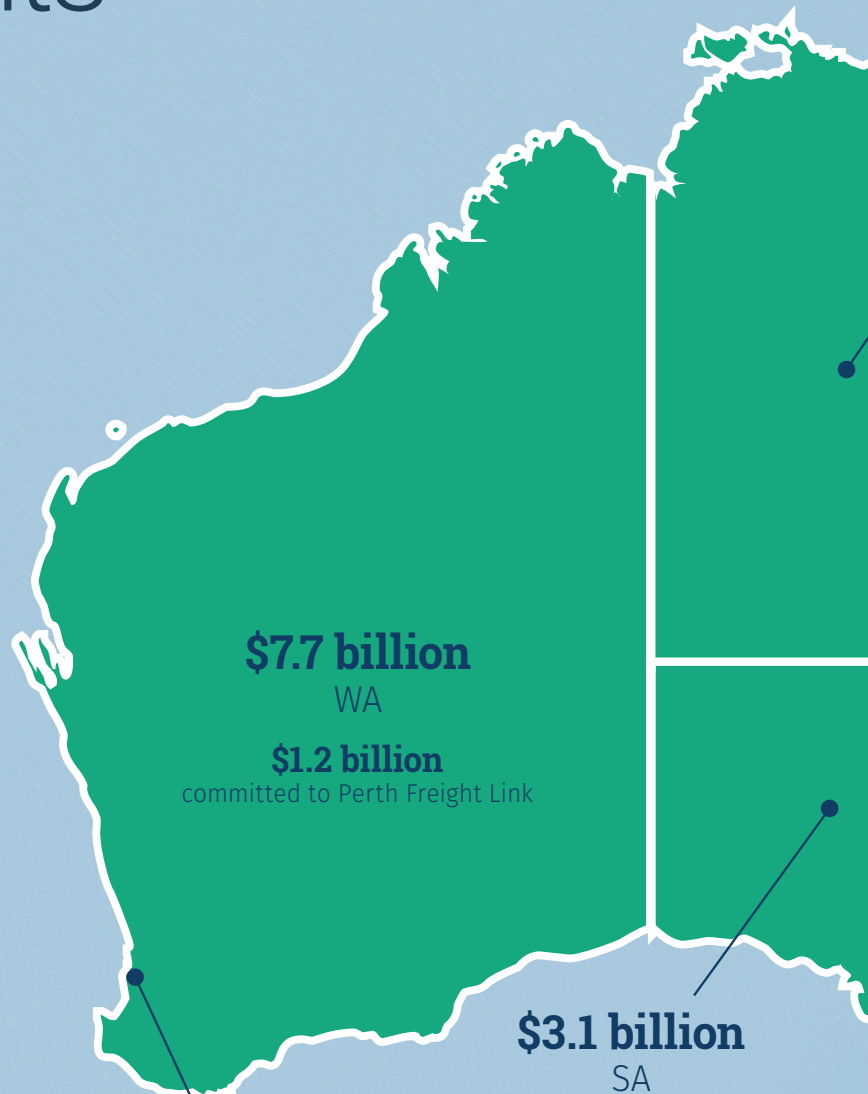
# \$70 billion in infrastructure commitments

## Major projects underway

- \$3.6 billion for the joint Australian Government and NSW Western Sydney Infrastructure Plan
- \$1.6 billion to North-South Corridor in Adelaide
- \$1.5 billion of funding and a \$2.0 billion concessional loan for the WestConnex project in Sydney
- \$500 million towards the \$1 billion Monash Freeway upgrade
- \$500 million for the M80 Ring Road in Melbourne
- \$412 million for NorthConnex in Sydney
- \$914 million for the Gateway Upgrade North in Queensland
- \$833 million for NorthLink in Western Australia

## New initiatives

- \$1.6 billion towards a \$2.3 billion Federal-State WA package. The package includes \$1.2 billion for the METRONET rail project and \$237 million for the Kwinana Freeway
- \$1 billion infrastructure package for Victoria, including:
  - \$500 million for regional passenger rail
  - \$20.2 million for Murray Basin Rail
  - \$30 million towards a Melbourne Airport Rail Link business case
- \$844 million Bruce Highway upgrades, including Pine River to Caloundra



**\$1.6 billion**

towards a \$2.3 billion Federal-State WA package. The package includes:

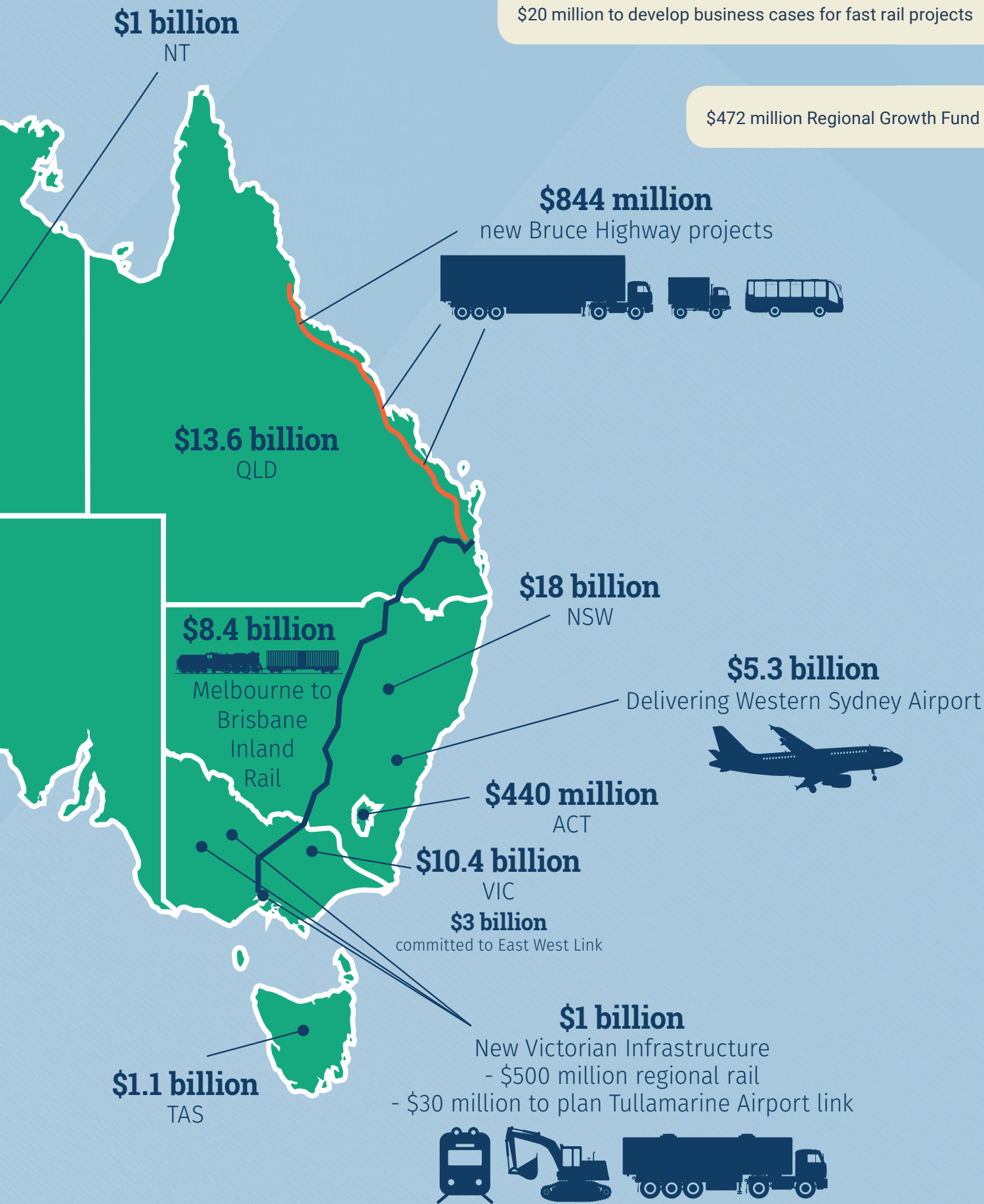
- \$1.2 billion towards the METRONET rail project
- \$237 million for the Kwinana Freeway



\$10 billion National Rail Program

\$20 million to develop business cases for fast rail projects

\$472 million Regional Growth Fund





# Backing regional communities

## Supporting regional communities to take control of their economic futures

The Government is delivering on its commitment to ensure the benefits of Australia's economic growth are shared broadly across the country with further investment in infrastructure across our regions.

The Productivity Commission's initial report on *Transitioning Regional Economies* has highlighted the economic differences across regional Australia. While there has been jobs growth in 80 per cent of regions, others are at risk of being left behind.

To help make our regions more resilient the Government is investing in modern infrastructure that can make a real difference to local regional economies.

The Regional Investment Corporation will be established to streamline the delivery of \$4 billion in concessional loans, including the \$2 billion National Water Infrastructure Loan Facility. These loans will help secure growth, investment and resilience in rural and regional communities.

The Regional Growth Fund will invest \$472 million in regional infrastructure projects that back our communities' plans to grow their local economies and adapt to the changes taking place through globalisation and technological change.

One of the largest investments ever seen in regional Australia, Melbourne to Brisbane Inland Rail, will commence in 2017–18. The Government will provide an extra \$8.4 billion to the Australian Rail Track Corporation to deliver Inland Rail.

The Government's new commitments to regional growth extend the success of existing programs following the \$298 million investment in the Building Better Regions Fund and the \$220 million investment in the Regional Jobs and Investment Package. These initiatives will complement the Government's City Deals with recently signed deals for Launceston and Townsville.

Broadening the range of skills and delivering job opportunities will ensure our regions grow and prosper. The Government is investing more than \$33 million in a series of measures to ensure workers can access the skills training and services they need. These include \$24 million for Rural and Regional Enterprise Scholarships and \$9.1 million for access to telehealth psychological services.

As a direct employer, the Government will promote confidence in regional Australia by exploring opportunities to decentralise suitable Commonwealth agencies over the course of 2017.



**Large-scale infrastructure**



**Empowering communities**



**Resilient and productive workforce**



# Investing in our cities

## Creating jobs and growing local economies

Our Smart Cities Plan sets out a vision for our cities, which is not just about jobs and getting goods to markets but is also about improving amenity, removing congestion and improving quality of life.

City Deals are transforming the way we plan and invest in cities. They provide a new way for all levels of government to listen to the local community, identify priorities, and develop a joint plan of action.



### Townsville

The signed Townsville City Deal is a roadmap for the city's future. In addition to commitments to expand industry, trade and investment to drive long term employment, the jointly funded \$250 million North Queensland Stadium will create 750 design and construction jobs and support Indigenous employment and local procurement. More than 2,000 people from the Townsville region are expected to be involved in contracts related to the build of the stadium, with local subcontractors and suppliers engaged for at least 80 per cent of the value of the project.



### Launceston

The signed Launceston City Deal is an historic plan to create jobs, boost wages and drive a strong economic future for the north of Tasmania. The centrepiece of the deal is the jointly funded \$260 million relocation of the University of Tasmania's main campus into the city centre. This is combined with \$19.4 million in support for Launceston's City Heart project, which will rejuvenate the historic CBD. These projects will deliver more than 480 local jobs and apprenticeships, 225 university positions and allow for 10,000 more student places.



### Western Sydney

The Western Sydney City Deal is the most ambitious to date. It brings the Commonwealth, New South Wales and eight local governments together in partnership to make Western Sydney a better place to live and do business. The city deal will focus on local job opportunities, connectivity and liveability. Under the city deal, the Government will offer incentive payments for ambitious planning and zoning reform and deliver more homes in Western Sydney. The City Deal will catalyse development in the area surrounding the new Western Sydney Airport, stimulate local job growth and improve transport options with the rest of Sydney.



# Powering Australia's economy

Australian households and businesses, large and small, need affordable and reliable energy

The Government is committed to delivering affordable and reliable energy, using whichever technology can best deliver it.

The first phase of the Government's energy security plan comprises practical steps to promote reliable and affordable energy for businesses and households.

## Snowy Mountains Scheme 2.0

We have started work on an electricity game changer: a plan for the Snowy Mountains Scheme 2.0. This would provide a 50 per cent increase in its generation capacity delivering 2,000 megawatts of additional reliable renewable energy, enough to power half a million homes. The Government has commenced discussions with NSW and Victoria to acquire a larger share or outright ownership of Snowy Hydro to facilitate the effective and efficient expansion of Snowy Hydro 2.0.

## Energy infrastructure

The Government is also supporting Tasmania in planning for expanded pumped hydro storage schemes to provide further electricity generating capacity.

## Tackling the gas crisis

State and Territory government restrictions and moratoriums on onshore gas development are hindering new supply to consumers. The Government is working with State and Territory governments to improve the operation of domestic gas markets and is spending around \$90 million to address potential short term supply issues.

The Government has also secured a commitment from the gas industry to guarantee supply during critical peak electricity demand periods and make more gas available for domestic users. This is backed up by the commitment to introduce export controls.

Since 2013, the Government has invested over \$220 million in electricity storage, as well as new forms of renewable energy such as concentrated solar thermal to address the challenges posed by increasing levels of intermittent renewable energy sources like solar and wind. This will provide more back-up in times of peak demand and will help bring stability to prices.

The second phase of the energy security plan will be informed by the findings of the Review by Australia's Chief Scientist, Dr Alan Finkel AO.

Through these practical steps, the Government is carefully and responsibly leading the energy system through a period of unprecedented change. We are ensuring that Australia has secure, reliable and affordable energy now and into the future.





# Delivering Western Sydney Airport

Investing up to \$5.3 billion to build the Western Sydney Airport, creating 20,000 jobs



The Government is getting on with the job of delivering Western Sydney Airport, establishing WSA Co to develop the project and providing an equity investment of up to \$5.3 billion in WSA Co to fund the first stage of airport development, due to commence operations by 2026.

Construction will start with earth moving works by late 2018. When it opens the airport will have capacity for 10 million passengers per year and a 3.7 km runway.

Western Sydney Airport will connect Western Sydney to the world, meet expected demand growth for aviation services and provide 20,000 direct and indirect jobs.

WSA Co will be established early in the new financial year. The Government will be appointing an independent board to WSA Co with extensive private sector experience to deliver the airport.

## Western Sydney Infrastructure Plan

Western Sydney is currently home to more than two million people – almost half of Sydney's population. Its population is predicted to grow by a further one million by the early 2030s.

Through the Western Sydney Infrastructure Plan, the New South Wales and Australian Governments are investing \$3.6 billion on major infrastructure upgrades in Western Sydney to connect Western Sydney Airport and support the growing population.

The Plan involves major road and transport linkages that will capitalise on the economic gains from the Western Sydney Airport whilst boosting the local economy and liveability of Western Sydney, making it an even greater place to live and do business.

The Australian and New South Wales Governments are also conducting a joint scoping study to identify the rail needs of Western Sydney and the Western Sydney Airport.

The Western Sydney Airport will sit at the centre of a city deal for the Western Sydney Region. Through the Western Sydney City Deal all three levels of government are working together to capitalise on the opportunities the airport will bring to establish Western Sydney as an economic powerhouse, driving jobs growth across the region.

# Delivering Inland Rail

Work will commence on the Melbourne to Brisbane Inland Rail project in 2017-18



The Government is investing an additional \$8.4 billion into the Australian Rail Track Corporation to deliver Inland Rail.

Inland Rail will provide a new 1,700 km freight corridor between Brisbane and Melbourne via Toowoomba, Parkes and Albury, and will link to other mainland state capitals through the existing ARTC network.

Inland Rail involves approximately 500 km of new track and approximately 1,200 km in upgraded existing rail corridors.

It will offer a transit time of less than 24 hours between Brisbane and Melbourne, saving an estimated 10 hours on the existing route. It will also provide double-stacking capacity on the north-south corridor for the first time, approximately doubling the freight capacity of current trains and will be a competitive offering to road freight along this corridor.

Inland Rail is expected to reduce the number of trucks travelling the entire length of the corridor by the equivalent of over 200,000 truck movements each year.

Work on Inland Rail will commence in 2017-18 on sections along the existing ARTC network. This includes the Parkes to Narromine and Narrabri to North Star corridors in New South Wales.

At the peak of construction, Inland Rail will support around 16,000 direct and indirect full-time equivalent jobs.

It will also encourage investment in intermodal terminal developments along the route and in Melbourne and Brisbane, directly benefitting those cities.

## Benefits for regional communities

Inland Rail will have enduring benefits for the national economy and for regional communities, such as Toowoomba and Parkes and northern Victoria along the Inland Rail catchment. It will improve access to markets, increasing export opportunities for manufactured products, agricultural commodities and mineral resources.

It will also improve the productivity of the national land freight network, reducing transport costs for regional agricultural producers and consumers.

During construction and operation Inland Rail will provide significant employment in regional Australia, including for manufacture of inputs such as steel.

## In partnership with the private sector

Inland Rail will be financed by a combination of \$8.4 billion in government equity investment and a Public Private Partnership. The PPP will be used to deliver the most complex elements of the project, including the construction of 8.9 km of tunnels, through the Toowoomba range in southern Queensland.



# National rail plan

## Transformational rail investments will better connect our nation

A comprehensive rail transport system is an important link in the Australian transport chain that joins communities, connects homes and jobs and strengthens industry.

The Government is investing in freight and passenger rail, including:

- establishing a \$10 billion transformational National Rail Program;
- \$500 million for regional passenger rail projects in Victoria;
- contributing \$8.4 billion towards the construction of the Inland Rail freight corridor between Melbourne and Brisbane;
- \$700 million towards the METRONET rail project in Perth; and
- providing \$20 million to support business cases for rail projects that deliver faster connections between major cities and major regional centres.

### \$10 billion National Rail Program

The Government is investing \$10 billion in a new National Rail Program. Rail lines have the potential to be true city-shaping pieces of infrastructure. The transformational impact of these projects demonstrates the need to look beyond the electoral cycle and take a longer view of infrastructure investment.

### Investing in Regional Victoria

The Government is providing \$500 million over three years from 2017–18 for Victorian regional passenger rail to improve transport connections between regional centres and Melbourne.

The Budget provides for a \$20.2 million commitment in 2017–18 for Murray Basin Rail, which will improve the capacity of freight rail in Victoria's north-west, and \$10 million for a Shepparton Line passenger and freight upgrade planning study.

The Government is also providing \$30 million for business case development for a rail link between Melbourne's Tullamarine Airport and the city.

### Faster rail

The Government will provide \$20 million to partner with proponents to develop business cases for three projects that would deliver faster rail connections between major cities and major regional centres. These faster rail connections will ease congestion in our cities, grow our regions, and unlock land for more housing.



# Completing the NBN rollout

## Fast, affordable broadband and increased mobile coverage

The National Broadband Network is delivering fast, affordable broadband to all Australians.

The network is being built using the technology best matched to each area of Australia to ensure it is delivered as soon as possible and at least cost to taxpayers.

When the rollout of the network is complete, it will enable all Australians to participate in the digital economy and enjoy the full economic and social benefits made available by improved connectivity.

By mid-2017, the network will be available to half of all Australian premises. The network will further expand to around 9 million premises by mid 2018, and is on track to be completed by 2020.

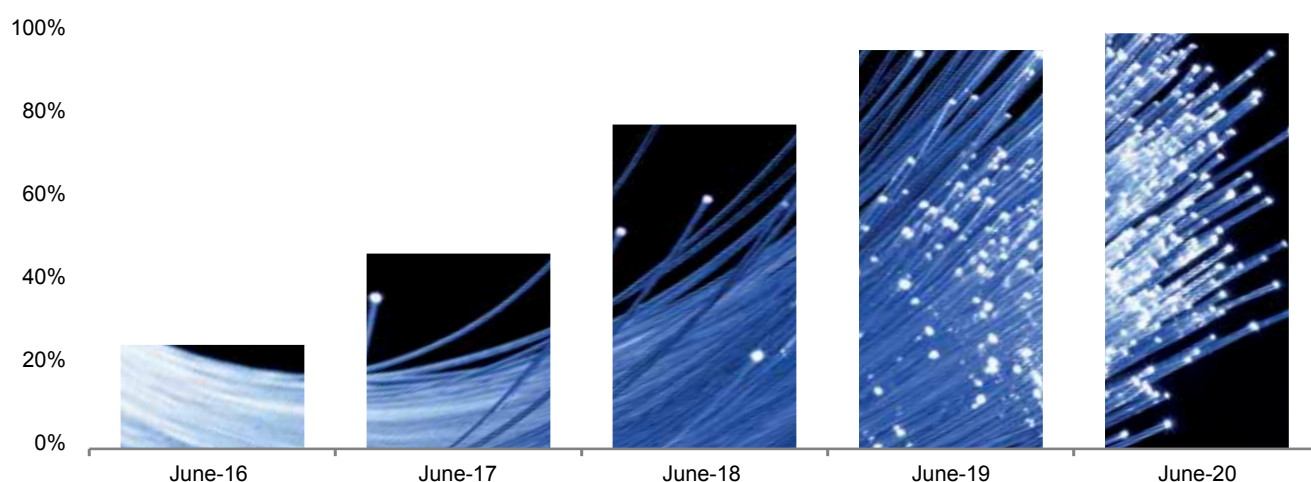
The Government is providing \$7 million to the ACCC to implement a new Broadband Performance Monitoring and Reporting program. The program will provide consumers with access to more information on the speeds and experience they can expect from fixed-line broadband services delivered over the nbn.

This will help consumers choose a plan that is right for them and encourage retailers to compete on the quality of their broadband plans.

The Government recognises that mobile coverage is an issue of central importance for regional Australia. The Government committed \$60 million towards specific mobile black spot locations announced in 2016, as part of the \$220 million Mobile Black Spot Program.

The program is delivering almost \$600 million in new mobile infrastructure, and providing 765 new and improved base stations that will improve the coverage for regional Australians.

**Premises ready for service**



# Investing in innovation

Supporting innovation to build a better future



The Government's ongoing investment in innovation, science and research will help drive future productivity growth and ensure that Australia is able to take full advantage of new economic opportunities.

Significant progress has been made in implementing the Government's \$1.1 billion National Innovation and Science Agenda. The Budget builds on this progress through investment in critical infrastructure for optical astronomy.

The Government's investment in astronomy will allow Australia to become a strategic partner of the European Southern Observatory, providing Australian researchers with new opportunities for international collaboration and greater access to world leading astronomy infrastructure.

The Government has commissioned a 2030 Strategic Plan and a Research Infrastructure Investment Plan to guide future investment in innovation, science and research. The 2030 Strategic Plan will be developed by Innovation and Science Australia and the Research Infrastructure Investment Plan will be developed by Government in collaboration with Innovation and Science Australia, the Commonwealth Science Council and the broader community.

Since the last Budget, the Government has implemented a range of initiatives to encourage innovation. These include measures to improve access to capital, make it easier to do business and support collaboration.

The crowd-sourced equity funding framework for public companies will commence in September 2017. The Government will also legislate to extend the framework to unlock this new source of funding for proprietary companies.

Tax incentives available from 1 July 2016 encourage investment in start-ups and venture capital, providing support and encouraging investment in Australian start-ups and businesses.

The Government will legislate to enhance the regulatory sandbox established by the Australian Securities and Investments Commission in December 2016, by allowing more businesses to test a wider range of financial and credit services without a licence. The timeframe will also be extended to 24 months.

Reforms to employee share schemes will protect commercially sensitive information to assist start-ups to more easily attract and retain skilled employees. These changes came into effect on 4 April 2017.

The Government established the \$500 million Biomedical Translation Fund to support the commercialisation of bio-medical research in Australia. The first investments in this partnership between the Government and the private sector will be announced shortly.

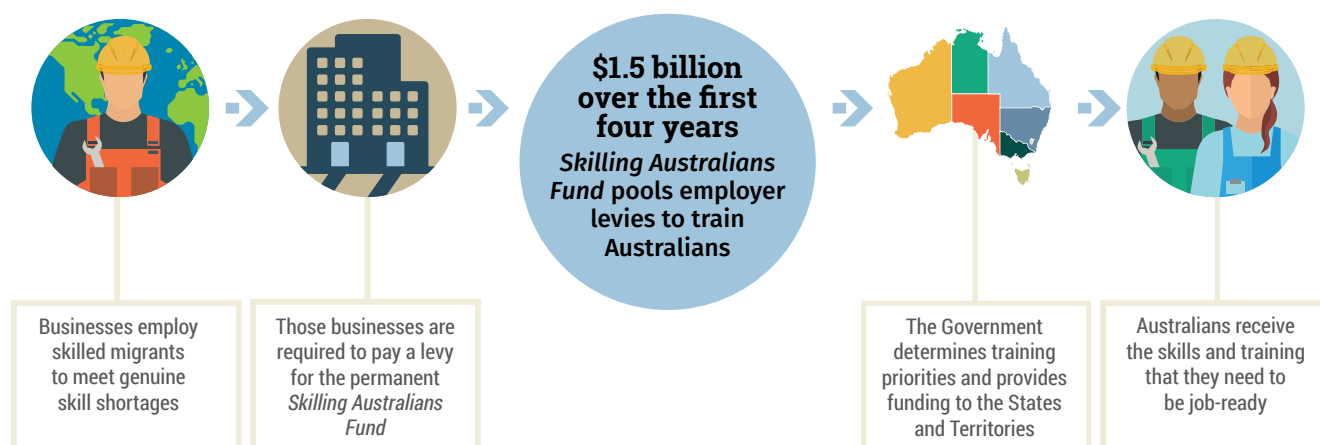
The Government has made unprecedented commitments to support critical research infrastructure, including a decade of funding to support the National Collaborative Research Infrastructure Strategy, and is investing \$13 million to encourage more women to choose and stay in STEM research, related careers, start-ups and entrepreneurial firms.



# Australian jobs, Australian skills

Ensuring Australia's migration program safeguards  
Australian jobs and the development of Australian skills

## Skilling Australians Fund



Migration is integral to our nation. Australia is one of the world's most successful multicultural countries. But migration must be in the national interest and the Australian community must have confidence that skilled migrants come to Australia to meet genuine skills shortages.

Subclass 457 visas will be abolished and replaced with a new temporary skill shortage visa with tighter conditions and stricter safeguards. This will ensure that foreign workers are only brought into Australia to meet genuine skill shortages. Some permanent skilled visas are also being enhanced.

Requirements are being strengthened for English language attainment, work experience, visa renewals, eligibility for permanent residency, and criminal history checks.

Businesses will only be able to hire foreign workers where there is a genuine need, with stricter market testing to safeguard Australian jobs.

## Skilling Australians Fund

The Government will establish a new *Skilling Australians Fund* to ensure that businesses that benefit from employing skilled migrants are also equipping Australians with the skills they need.

Employers that sponsor migrants under the new temporary skill shortage visa and certain permanent skilled visas will be required to pay a levy which will provide revenue to the Fund.

Through the *Skilling Australians Fund*, an estimated \$1.5 billion will be provided over the first four years to underpin a new partnership with State and Territory Governments to train Australians, with spending prioritised towards apprenticeships and traineeships. The Fund, when matched with State and Territory funding, will support up to 300,000 apprentices, trainees, pre-apprentices and higher level skilled Australians.

These changes will give Australian job seekers the skills they need to find work, while ensuring Australia can attract the best and brightest from around the world.

# Supporting Australians to work

Ensuring all Australians have opportunities to work by providing the training and support they need

All Australians have the opportunity to work and contribute to our economy.

The Government will spend \$263 million to expand ParentsNext services nationally, to provide parents of young children with tailored support to improve their work readiness. The expanded ParentsNext will be delivered in two streams:

- nationally, to the most disadvantaged parents; and
- a more intensive service in 30 locations, focused on Indigenous parents.

ParentsNext participants will receive personalised assistance, including advice on relevant education and qualifications, and training to improve numeracy and financial literacy.

Workforce participation and self-reliance are central to improving long-term wellbeing. The Government is strengthening participation requirements for welfare recipients and introducing a new compliance framework with stronger penalties for persistent non-compliance by welfare recipients. This will ensure those who are able to work do so.

The recently legislated *Jobs for Families* Child Care Package will encourage workforce participation and place downward pressure on child care fees, while supporting early learning opportunities for children. The Government will invest \$37.3 billion over four years to deliver more affordable child care, including before and after school care, for around one million families.

From 2 July 2018, a single simplified, means tested Child Care Subsidy will replace the Child Care Benefit, Child Care Rebate and Jobs, Education and Training Child Care Fee Assistance Programme.

The Government will introduce a Child Care Safety Net that will ensure that vulnerable families receive the support they need. The Child Care Safety Net will deliver early childhood education and care services for children in rural and regional areas and those from disadvantaged backgrounds or with additional needs.

These reforms build on the Government's support for young Australians under the Youth Jobs PaTH program, which will help equip up to 120,000 young Australians with the skills and experience they need to get a job.



Supporting parents to work



Preparing young Australians for work



Making child care more accessible







