

The Hon Scott Morrison MP  
Treasurer



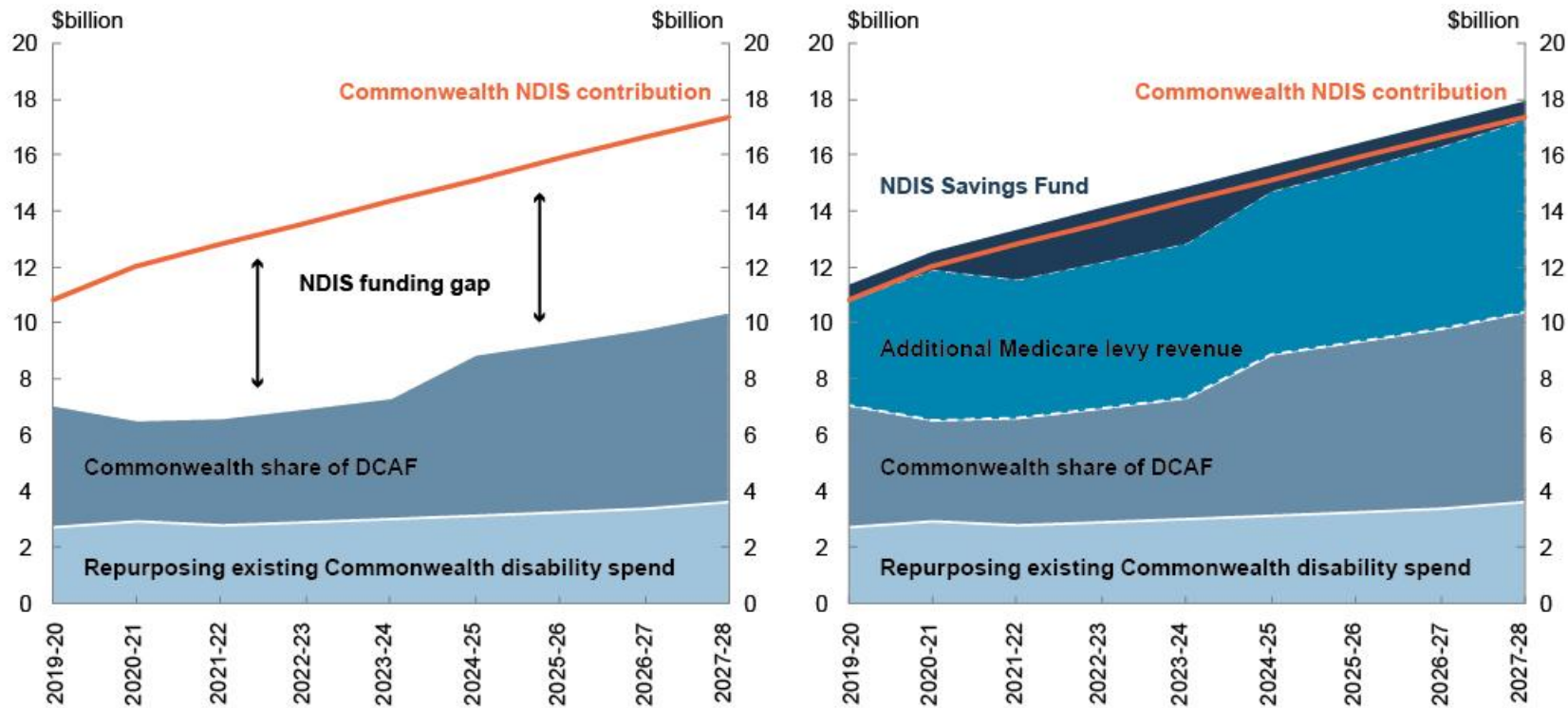
**THE RIGHT  
CHOICES**

SECURING BETTER DAYS AHEAD

# Budget 2017

Fairness · Security · Opportunity

# Fully funding the NDIS



Note: The NDIS Savings Fund includes one-fifth of the Medicare levy from 1 July 2019, underspends and realised saves redirected to the NDIS Savings Fund, and uncommitted funds from the Building Australia Fund and Education Investment Fund.

# A comprehensive housing affordability plan for all Australians

The Government has a comprehensive and targeted plan that will improve outcomes across the housing spectrum.

## Unlocking supply



- A new National Housing and Homelessness Agreement linked to outcomes including aggregate housing supply targets
- Encouraging planning and zoning reforms
- Establishing the \$1 billion National Housing Infrastructure Facility

- Investing in cities through City Deals, including in Western Sydney
- Releasing suitable Commonwealth land, starting with 127 hectares of surplus Defence land in Melbourne
- Developing a public and online Commonwealth land registry



As at 30 June 2016, there were almost 200,000 households on social housing waiting lists



The number of low income households experiencing rental stress has increased from 43 to 54 percent in Greater Sydney and 37 to 45 per cent in Greater Melbourne, between 2007-08 and 2013-14



### Crisis

### Social

### Affordable Rental

### Private Rental

### Assisted Home Ownership

### Home Ownership

In 2015-16, over a quarter of a million people were assisted by specialist homelessness agencies



The most recent figures show that there is a shortage of 271,000 affordable and available homes for low income households



The average number of years to save for a deposit on a house has increased from 5 to 8 years in Sydney, and from 4 to 6 years in Melbourne over the last decade.



## Improving outcomes for those most in need

A new \$4.6 billion National Housing and Homelessness Agreement including \$375 million of new funding for homelessness

### Funding Social Impact Investing



- Establishing the National Housing Finance and Investment Corporation
- Increasing the capital gains tax discount to 60 per cent for individual investors in affordable housing
- Encouraging investment in affordable housing by Managed Investment Trusts
- Strengthening the regulation of community housing providers nationally
- Supporting The Big Issue's Homes for Homes Initiative

## Creating the right incentives

- Developing standard long-term leases
- Introducing an annual tax on foreign owners of vacant residential properties

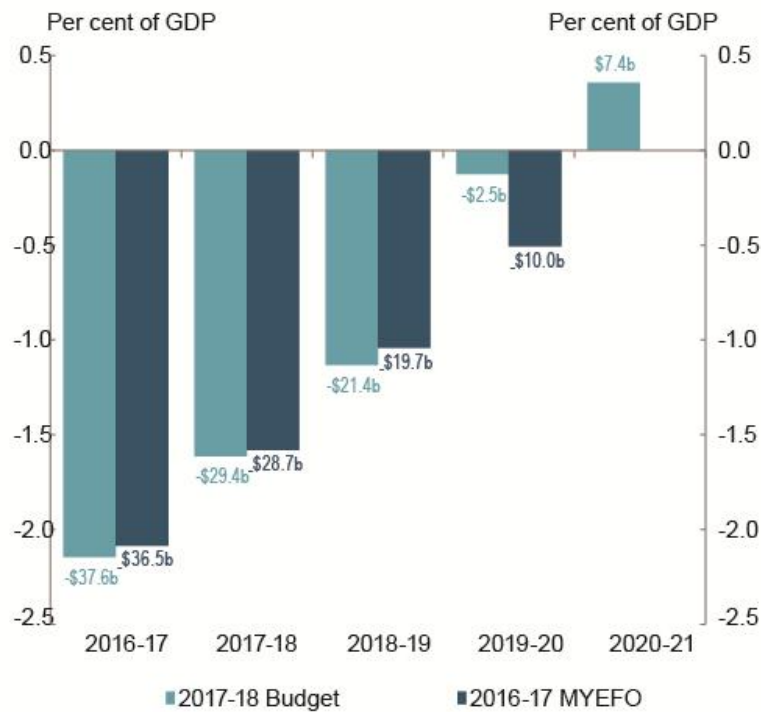
### Promoting rent-to-buy and shared equity schemes

- Allowing first home buyers to build deposits within superannuation through voluntary contributions
- Reducing barriers to downsizing to free up larger homes for families
- Improving the integrity of capital gains tax rules for foreign investors
- Limiting foreign investment approvals in new developments
- Encouraging new housing that is offered exclusively to first home buyers

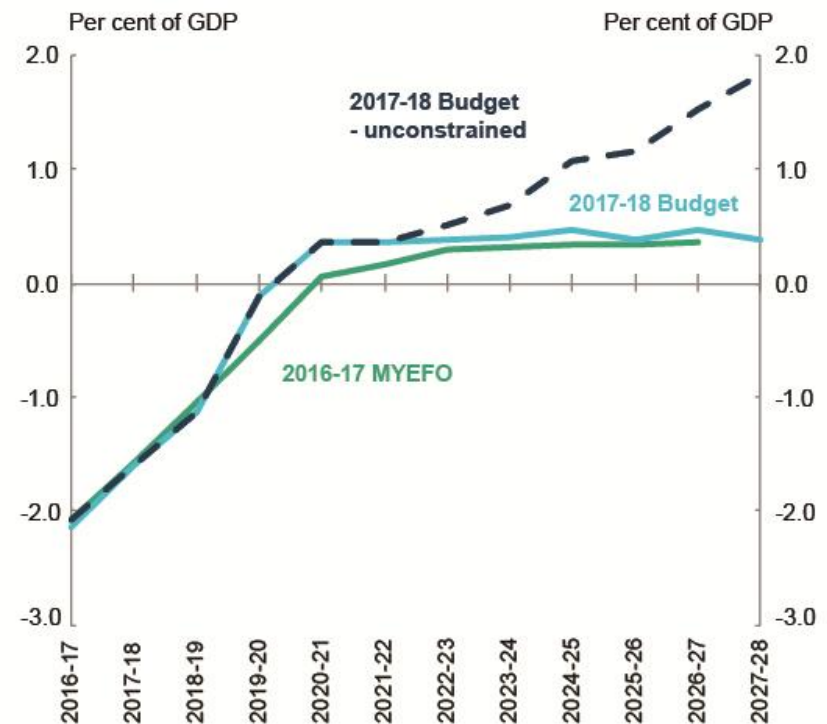


# A responsible and fair return to a balanced budget

Deficits are diminishing



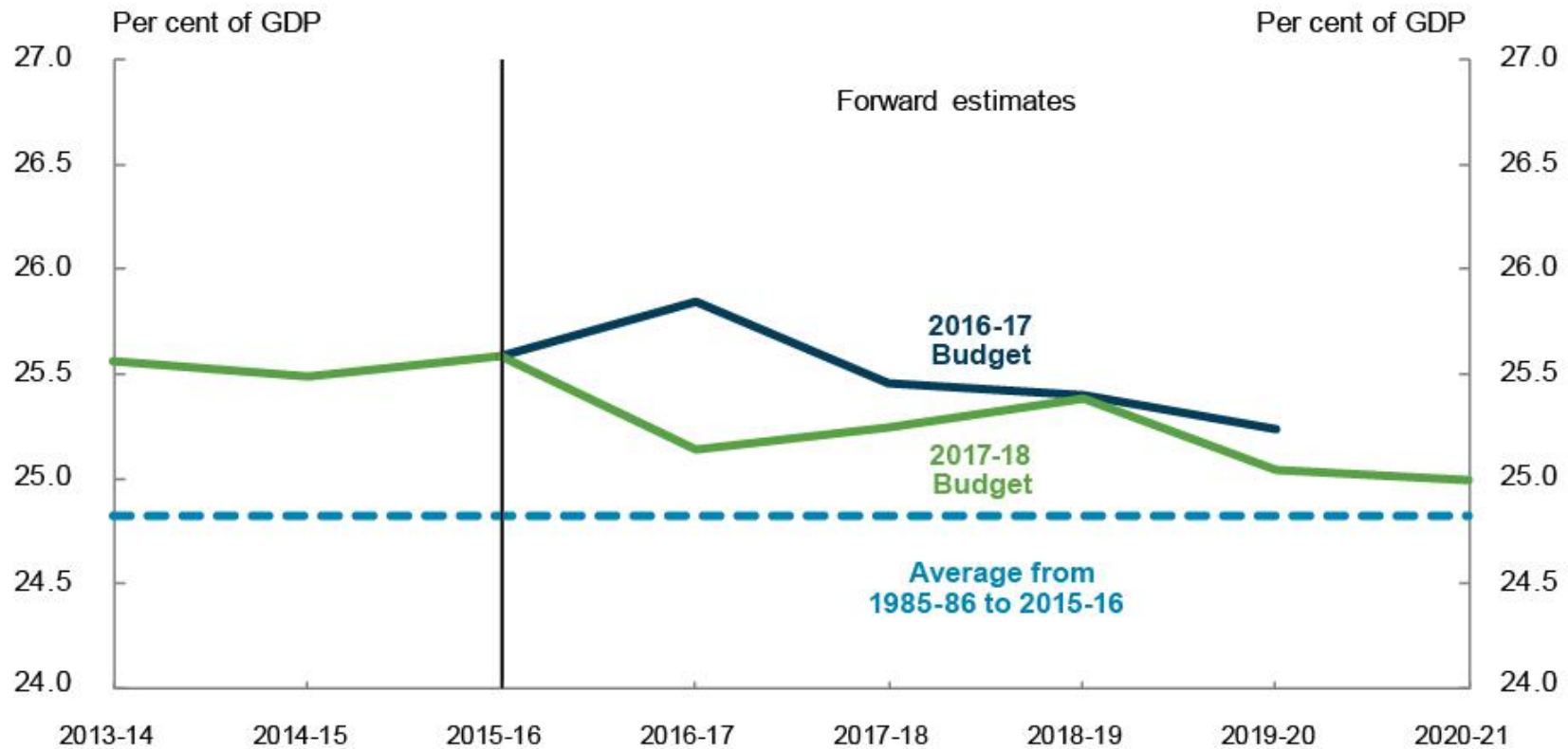
Medium term underlying cash balance



Note: A tax-to-GDP 'cap' of 23.9 per cent is applied to these projections from 2022-23. Net Future Fund earnings are included in projections of the underlying cash balance from 2020-21.

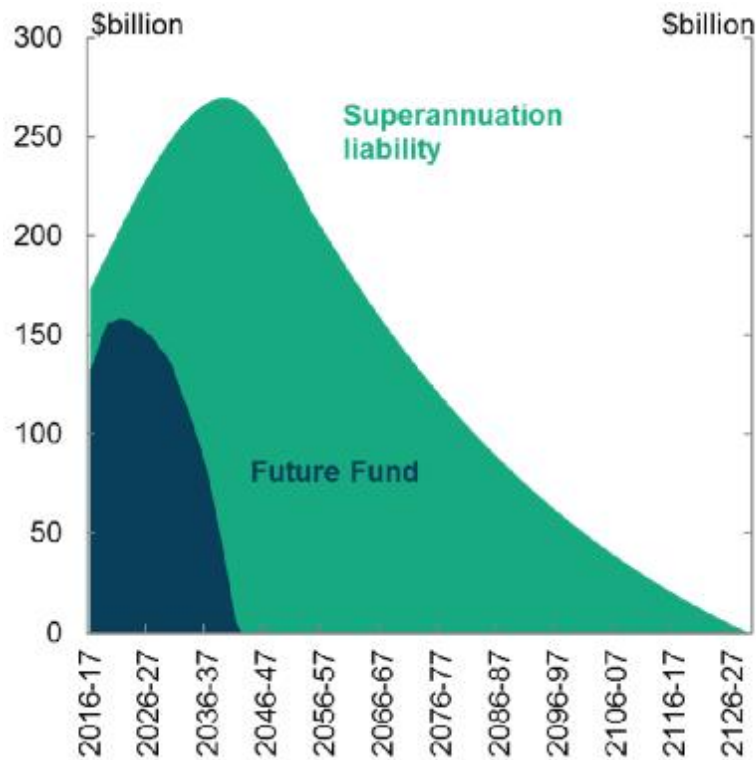
# Payments as a share of the economy

Government payments, as a per cent of GDP, are lower than at the 2016-17 Budget

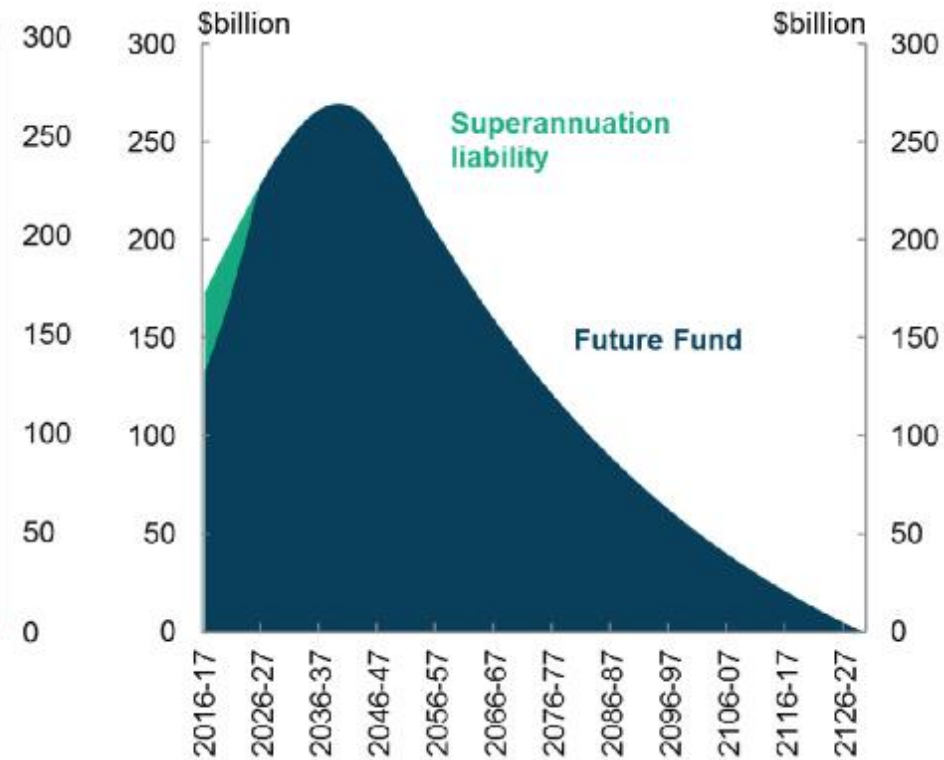


# Future Fund

## 100 per cent drawdown



## Liability matching



Note: The liability matching chart assumes calibration of drawdowns to match asset and liabilities once the Target Asset Level has been reached. Source: Treasury and Australian Government Actuary projections.

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## A plan for more and better paying jobs

- Lower and more competitive taxes for Australian businesses
- Extending the \$20,000 instant asset write-off for businesses with annual turnover less than \$10 million
- Cutting red tape for small businesses
- Investing in skilling Australians for Australian jobs
- Investing in nation building infrastructure
- Investing in growing our regions



## Guaranteeing essential services

- Establishing the Medicare Guarantee Fund
- Providing affordable access to medicines
- Ensuring the National Disability Insurance Scheme is fully funded
- Ensuring fairer funding for students
- Valuing higher education
- Defending Australia
- Keeping Australians safe
- Protecting our tax base to help sustainably fund essential services



## Downward pressure on cost of living

- Improving Australians' access to secure and affordable housing across the housing spectrum
- Helping first home buyers save for a deposit
- Reducing barriers to downsizing
- Delivering more affordable, accessible and flexible child care
- Ensuring the reliability, affordability and sustainability of our energy supply
- A fairer and more accountable banking system



## Living within our means

- Keeping Australia on track for a return to budget balance by 2020-21
- Cracking down on multinationals
- Exposing the black economy
- Improving tax integrity
- Improving welfare integrity
- Reducing welfare dependency
- Extending income management



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