

### **BUDGET BRINGS BACK CONFIDENCE TO CANBERRA**

Overall this Budget has a number of positives for the ACT and will help the local economy start to recover following a number of tough years caused by large public sector cuts.

"Small business tax cuts, slowdown in public sector cuts, financial incentives to employ, along with low interest rates and a lower Australian dollar, have created a positive environment for businesses to invest in capital, equipment, and people and to expand. We expect that in the ACT business confidence will start to improve, jobs will be created and our economy will grow," Canberra Business Chamber CEO, Chris Faulks said.

"Small business is a big winner in this year's Budget. The small business package, particularly the reduction in the tax rate, will improve confidence and stimulate investment and growth."

Canberra Business Chamber also welcomes the fact there will be no more wholesale public service jobs cuts. The Chamber understands the need for an efficient public sector, but feels the program of targeted Functional and Efficiency Reviews of selected portfolios is a better approach than the previous blunt instruments of efficiency dividends and indiscriminate job cuts.

While working towards a smaller, more efficient public sector, the Government needs to be careful not to focus too much of its saving activities in the ACT. Government departments and agencies are major clients of Canberra businesses and reductions in Federal Government procurement and employment spending inevitably have a disproportionate impact in Canberra. However, a number of initiatives in tonight's Budget will create opportunities locally. These include investment in technology and capital works by a number of agencies.

"We support the decision to keep the Department of Immigration in Belconnen and requiring the consideration of local impacts on town centres in deciding its future location," Ms Faulks said.

Strategic moves to increase participation will help drive productivity. An additional \$3.2 billion will be provided over five years to support families with child care so they can move into work, stay in work, train or study. A single wage subsidy pool is being established which, among other things, will allow employers to receive the Restart Subsidy amount of \$10,000 progressively over 12 months instead of 24 months. This will encourage people to stay in the workforce longer. There are also initiatives to help young people get into the labour market.

Canberra Business Chamber is also pleased to see a number of measures designed to level the playing field between Australian and foreign companies.

"The ACT is home to highly innovative companies playing in the digital field. The decision to apply GST to digital products and services imported into Australia will help them compete with foreign businesses," Ms Faulks said.

"Providing \$24.6 million over two years to promote business understanding of the Free Trade Agreements in North Asia will assist businesses to access and maximise the benefits under these agreements. We will be encouraging businesses to utilise this opportunity. It is also good to see investment for Austrade to promote Australia as a tourism destination and trade and investment partner."

A number of national institutions based in the ACT will receive funding. The Australian Institute of Aboriginal and Torres Strait Islander Studies will get an additional \$5 million for preservation of documentary and audio-visual materials and the Australian War Memorial \$8.7 million to document a number of recent Australian operations.

"Canberra Business Chamber is disappointed the Budget did not contain more funding for productive infrastructure in the ACT," Ms Faulks said. "Apart from a small amount of funding for roads projects, there is virtually no funding for infrastructure in the ACT."

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