



7 June 2016

## **BUDGET BENEFITS BUSINESS**

Canberra Business Chamber commends the Government's focus on business in the 2016–17 Budget and believes the private sector can play a larger role in getting the ACT back in the black.

“The increase in the payroll tax threshold from \$1.85 million to \$2 million is good for all businesses, especially small business,” Canberra Business Chamber CEO, Robyn Hendry said. “This will exempt 40 businesses and reduce costs for many others. Combined with plans to abolish commercial stamp duty for transactions under \$1.5 million and insurance taxes, this will reduce businesses' tax bill.”

“Based on the expenditure and revenue trends in this Budget, we are concerned returning to surplus on schedule will be a challenge. It seems that either spending will need to be maintained at its current level, which is difficult as costs go up, or we need to find better ways to do things.

“The Government is looking for ways to make service delivery more efficient, for example it is focused on digital efficiency. The Chamber believes there are further efficiencies that could be gained by outsourcing service delivery functions to the private sector where it can be demonstrated this would be more cost-effective.”

Canberra Business Chamber welcomed the ongoing funding of the Light Rail Business Link Program. The Program is helping maximise opportunities for local business from the light rail project.

“We are very pleased the Government is willing to work with the private sector to keep light rail investment in our region. The Light Rail Business Link Program assists by acting as a conduit between local businesses and the consortium that will build and operate light rail in the ACT,” Ms Hendry said.

A number of initiatives Canberra Business Chamber called for in its Budget Submission have been funded in the Budget.

“With international flights and the accompanying air freight opportunities only a few months away, we need to focus on facilitating entry into the export fray and removing the barriers to export growth.

“Road connections and other infrastructure investment will be vital. Funding for upgrading Pialligo Avenue is a strategic investment and we look forward to our neighbours investing in this corridor.”

Overall this Budget contained around \$700 million in new infrastructure investment, bringing the total over 4 years to \$2.9 billion.

“While a lot of the investment is in recreational and social infrastructure, rather than infrastructure that will generate economic growth, this is important for the city and region,”



Ms Hendry explained. “It creates construction and jobs and helps us strive towards the livable city the Chamber envisions as part of its Destination 2030.”

Investment in tourism marketing and events will help bring more visitors to the national capital. The additional \$8.8 million in this Budget is a move in the right direction, but Canberra Business Chamber believes this needs to be almost doubled to bring the ACT into line with spending in other jurisdictions – jurisdictions we compete with when it comes to attracting tourists.

“Unfortunately, when visitors do get to Canberra, they will not be greeted by a more vibrant and attractive city centre as the Budget failed to provide substantive investment for rejuvenation of Civic.”

The Chamber is disappointed other measures from its Budget Submission have been overlooked. “We were seeking support for ideas to strengthen relationships between the business, education and training sectors to build our future workforce and to increase trade opportunities,” Ms Hendry said.

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