

## **ACT OVERLOOKED IN INFRASTRUCTURE INVESTMENT**

Canberra Business Chamber welcomes the Budget's focus on stimulating the economy, driving business competitiveness, and addressing skills shortages, but condemns its lack of infrastructure investment in the ACT compared to other jurisdictions.

"Last year, the Coalition Government committed to tax cuts for small and medium businesses. We are pleased to see these and the \$20,000 instant asset write-off continuing.

"The Chamber has continued to argue that Australia must have a more internationally competitive company tax rate, and tonight the Federal Government indicated it has heeded that call," Canberra Business Chamber CEO, Robyn Hendry praised.

Business will also be pleased by moves to reduce red tape and increase traineeship and apprenticeship numbers. Moves to improve housing affordability, if effective, will play a role in the ACT keeping and attracting essential workers.

"Unfortunately, when it comes to increasing the pool of skilled workers in Australia, the Budget seems to give with one hand and take with the other when it comes to the ACT," Ms Hendry said. "While we agree it is important to skill Australians, in the short-term businesses in the ACT will take a financial hit and potentially find it more difficult to fill skills gaps. To sponsor a skilled migrant ACT businesses will be up for \$1200 to \$3000, compared to the current cost of less than \$500.

"The ACT's growth industries, such as education, ICT, cyber-security, astronomy, may now find it more difficult to compete with other countries when it comes to attracting talent from around the world. Canberra is a new-industries, knowledge economy and that means we have a greater reliance on workers with skills often in short supply.

"Canberra Business Chamber is also concerned that initiatives being pursued by the Federal Government will damage some of our key industries, particularly education. A broad sweep efficiency dividend of 2.5 per cent over two years that does not take into account any individual factors, combined with higher fees for students may limit tertiary course offerings and subsequently specialist skills development."

The biggest shortcoming of this Budget for the ACT is the fact that it almost completely ignores the Territory when allocating \$75 billion in infrastructure funding.

"Comparable jurisdictions, like Tasmania and the Northern Territory, are getting significant new funds for infrastructure projects. In the ACT, we are getting a paltry \$3 million to plan two road upgrades," Ms Hendry said.

“This lack of support for our key infrastructure projects indicates the ACT has failed to capture the imagination of the Coalition and secure a piece of this huge infrastructure spend.”

The Chamber hopes the chosen fast rail business cases will recognise the need for improved rail connectivity between Canberra, Sydney and Melbourne.

The Chamber commends the Commonwealth Government on its commitment to innovation, but warns that decentralisation of public service departments away from Canberra would be in direct conflict with that policy.

“Clustering of Commonwealth policy departments, combined with the co-location of professional bodies, has created an environment which leads to a free-flowing and effective sharing of ideas and has delivered record uninterrupted economic growth and social fairness envied around the world,” Ms Hendry explained.

“The Budget suggests small cuts will be made in public sector employment in specific departments, while others may increase staff numbers. Reductions in consultant and contractor engagement by Defence, could be felt in Canberra. The Chamber will be closely watching to see the overall impact of this on employee numbers in the ACT.”

It is disappointing additional funding for our national institutions only extends to maintenance and shared service development. While these are necessary, they will not allow our institutions to flourish.

Opportunities may be created for ACT’s world class knowledge industries and research institutions through investment in advanced manufacturing and defence innovation.

“The decrease in funding for Tourism Australia is short-sighted and could hurt the Territory’s tourism sector. This means we will have to be more reliant on the ACT Government to support promotion of ACT as a tourist destination and grow our international market and flight services,” Ms Hendry said.