

BUSINESS WELCOMES CERTAINTY BUT ENCOURAGES A LONGER VIEW

This year's ACT Budget delivers on existing priorities, with the timing now right for the Government to explore new avenues for investing in economic growth, the Canberra Business Chamber said today.

Canberra Business Chamber CEO Robyn Hendry said:

"This Budget largely delivers what the Government said it would, providing some much needed certainty to business.

"The economic conditions underpinning this Budget are positive, with a strong housing sector and solid population and employment growth. Wages are predicted to grow, with wage growth rising steadily from 1.75 per cent this year to 3.0 per cent in 2019-20.

"We are pleased to see the Government has maintained its aim to return to a balanced budget in 2018-19. This is predicated on optimistic economic forecasts being realised.

"We are broadly supportive of the ongoing transition from transactional taxes to more efficient broad based property taxes. The ACT Government needs to temper the pace of this change in line with the capacity of businesses to absorb increased taxes. We will continue to look for increases in taxes and charges to be balanced by equivalent tax reductions elsewhere.

"We welcome this Budget's phasing out of conveyance duty for commercial properties worth less than \$1.5 million, and would encourage the Government to raise this threshold to reflect current and future commercial property values.

"We are pleased to see the Government has committed long term funding to support tourism and events, including a multi-year Major Events Fund, a cycling tourism strategy, and funding for the Canberra Convention Bureau. These are important initiatives to bring in tourism dollars and support the visitor economy.

"The Government has allocated \$15 million in continued funding for the Confident and Business Ready package to support innovation programs, industry sector development, Canberra brand marketing, trade and investment facilitation, and the Office for International Engagement. A further \$3 million over four years will support education exports.

"This is money well spent. The Government's commitment to diversifying the economy through service exports is paying off and the Chamber welcomes the opportunity to collaborate with Government in this area. Remarkably, ACT services exports have risen by 65 per cent since 2010-11.

"We particularly welcome the Government's announced City Renewal Authority. Our city centre should reflect the best of us, that we are a modern, sophisticated city. We want to see a city centre with a sense of identity and welcome the allocation of \$20 million to commence this task.

"It is important that projects to rejuvenate the city are developed in partnership with residents, building owners and local businesses and we look forward to working with the City Renewal Authority to ensure Canberra business has a voice in the rejuvenation of the city centre. We also welcome the \$8 million investment in the Gunghalin and Tuggeranong town centres and the Kambah group centre.

"This Budget has a strong focus on wellbeing and preventive health. Healthy employees are productive employees, making this an important measure for business. The Canberra Business Chamber supports this agenda, working in partnership with the ACT Government and local business through the Healthy Food and Drink Choices Program.

"This Budget fulfils the Government's election promises. It supports economic growth for today. We urge the Government to now turn its mind to progressing long term projects that will generate additional growth, like the Australia Forum convention centre. While interest rates are low we need to be investing in the future. We hope the ACT Government will continue to work with the Federal Government to attract funding for infrastructure projects that will diversify and build the resilience of the ACT economy."

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