



Canberra  
Business Chamber

ABN 33 600 390 538

Level 3, 243  
Northbourne Avenue,  
Lyneham, ACT 2602

T: 02 6247 4199

E: [info@canberrabusiness.com](mailto:info@canberrabusiness.com)

W: [canberrabusiness.com](http://canberrabusiness.com)

Mr Andrew Barr MLA  
Chief Minister and Treasurer  
Legislative Assembly for the ACT  
CIVIC ACT 2600  
By email: [BudgetConsultation@act.gov.au](mailto:BudgetConsultation@act.gov.au)

15<sup>th</sup> June 2021

Dear Treasurer

**2021-22 ACT Budget Submission:**  
**A Business Agenda to Support Economic Recovery and Jobs**

On behalf of our members, 30,800 ACT businesses, and the 145,000 people they employ, the Canberra Business Chamber urges your government to consider the following issues as you prepare for the next financial year budget.

We have chosen to focus on some central themes which we believe the government can and should act on, rather than providing a detailed submission. Many of these are framed on a principles-based approach. However, we would be pleased to discuss this or any other related matters in more detail if your government requires further information.

***1. The ACT Now Needs A Business Goal, As Well As A Jobs Goal***

The government has made it clear that this and future ACT budgets will continue to support the economic recovery of Canberra, through the implementation of its [Jobs & Economic Recovery Plan](#). A key part of this plan is to create and protect more than 250,000 local jobs by 2025. The ACT government has, we believe, also clearly acknowledged that it is the private sector that will provide most of this jobs growth. We support this policy direction rather than a reliance on more public spending.

The government needs to articulate a public goal for the number and types of businesses the territory requires. We currently have more than 30,000 active companies, but is this enough to generate the requisite 250,000 jobs? Should we aim for more, and if so in which sectors? Our recent analysis showed that around 98% of Territory companies are small- or micro-sized businesses. Should we be actively working to reshape this distribution, and which strategies would be effective? Given the high exit rate of ACT businesses compared to other states, should this be an area of focus?

We believe Canberra must be ambitious and actively grow the size of the local business population. Only in this way will we develop the economic diversity, growth and local champions needed to have a sustainable economy.



There is a paucity of good data available about how the local business community operates, the issues that affect it, and what policy tools will assist the growth of our private sector.

We therefore ask the government to fund a regular survey of the local business community and of economic conditions, akin to the work previously done in the UK by the Open University<sup>1</sup> and others. Research is also needed into the nature of our business sector, barriers to entry, reasons for our high local business failure rates, and strategies that will support growth in line with the 2020 *ACT Jobs and Economic Recovery Plan* and 2016 *Statement of Ambition*.

The Chamber stands ready to assist in this important work, in conjunction with local tertiary institutions and your government.

## **2. Embracing Private Sector Growth by Developing a Skills & Workforce Plan**

We need a long-term skills and workforce plan to ensure that the ACT produces sufficient skilled workers for the “new normal” of the post-Covid era and is prepared for the massive global shifts in the nature of work and education that will occur over the next decade.

Identifying and addressing future skills demand and shortages is critical to business growth. Growth areas within our economy, and many key capability areas (including tourism, cybersecurity, education, and renewable energy), are highly vulnerable to workforce shortages. Similarly, the movement of commerce into an online environment means most of our workforce now need better digital skills.

The importance of understanding and planning now for future workforce needs cannot be overstated. This must incorporate clear targets for growth across industry sectors, the development of suitable educational and training facilities within the ACT, and strategies to attract skilled migrants to meet these. The levers available to increase skills, participation and workforce numbers must be appropriately resourced.

We urge the ACT government to resource this project as a matter of urgency, and to work with the business community and the education and training sectors to develop a workforce plan and skills strategy for the ACT and surrounding capital region.

## **3. Better Regulation & Better Understanding of ACT Businesses**

We strongly support and encourage the continuation of the better regulation taskforce established by government in the last budget. Identifying and removing redundant or ineffective business regulations and laws is important in maintaining a vibrant entrepreneurial business community.

The taskforce is still far from concluding its work, and we believe it should be funded to see this project through to conclusion. We also believe that ensuring there is “better regulation” for business should be an ongoing process and suggest that the taskforce should propose a model that supports a dialogue between business and government and a culture of continuous improvement in addressing regulatory issues that impact business.

---

<sup>1</sup> Open University (1984-2014) *Quarterly Survey of Small Business in Britain*, Milton Keynes: Open University Business School.



#### ***4. Support for Business Growth Through International Trade***

In recent years, the ACT government has invested resources in the development of a local export- and trade-based business community. This has included the appointment of a Commissioner for International Engagement, an active program of work and visits internationally by the Chief Minister, and provision of resources to both government and industry bodies working in this area.

This investment supports the development of businesses in key capability areas. It has secured several high-profile successes, and helped leverage our singular advantage as the home to the nation's embassies and foreign missions. In 2021, more than ever, it is essential to maintain support for the identification of emerging exporters, education on how access overseas markets, connections between embassies and local business, and the ongoing development of our exporter community.

We urge the government to maintain and, consider investing further in the development of the ACT exporting community through the trade support programs delivered by the Chamber. We also ask that the government place this funding on a more secure long-term footing, ideally over several years, as is the case for similar programs in other Australian states.

#### ***5. Ensuring Local Business Gets Maximum Benefit from Infrastructure Spends***

The February 2021 ACT budget outlined proposed expenditure of \$100 million on the creation of the "Big Canberra Battery", and the Light Rail Stage 2A project, which we anticipate will be maintained in the upcoming budget.

While the Chamber welcomes these and other major infrastructure projects, we would like to see supporting policies to ensure that local businesses are the beneficiaries of this investment. We would be missing an important opportunity if the government funds out-of-town businesses to do this work but does not mandate any local procurement component.

#### ***6. Extending Zero Emissions Incentives from Household to Small Business***

Today, many of the ACT's micro-businesses are operating from home, a trend which has been exacerbated by Covid-19. Many of these are effectively self-employed individuals on low turnover figures, yet they are often denied the same financial benefits as households with waged employees.

In the last ACT budget, the government introduced zero-interest loans for private households to instal solar and buy-zero emission vehicles, but home-based micro-businesses were not part of the scheme. This is inequitable – why should a person on a secure wage employment arrangement be able to receive concessional loans, yet an entrepreneur who has taken on risk and has no income security not have the same access?

We ask that the development of initiatives and incentives includes extension to home based businesses in addition to wage-earner households.

#### ***7. Futureproofing the Local Economy by Building A Long-term Fiscal Roadmap***

Fiscal discipline is fundamental to the long-term economic prosperity of the Territory. The business community has actively advocated for stimulus through investment, but also is acutely aware that government debt must ultimately be repaid.



A clear long-term plan for a return to a balanced ACT budget will support business confidence that the ACT is placed to deal financially with any future external shocks or disasters.

**8. Educating the Business Community: Better Communication Of Budget Decisions**

In recent years, ACT budget information has not included a dedicated section for the business community, even though government makes considerable effort to provide information for many other portfolio areas, which it collates together for easy access by the community and advocacy

groups. It is important that the same approach is applied for business and economic development issues. This allows local businesses to easily understand how they are being impacted, and communicates the government's commitment to the business community.

On a related note, we also ask that business and community groups have access to a budget briefing in the form of a budget lockup or similar, prior to the public release of the budget. This was previously the process in previous years, and should be re-instated.

**Conclusion**

This budget will set the path for recovery and the long economic growth of the ACT, and Canberra businesses have a critical role to play in that process. We urge your government do everything possible to support the start-up, growth, and scale of business.

Thank you for the opportunity to provide this input, and please don't hesitate to contact me if you wish to discuss any aspect of this submission.

Regards

Graham Catt  
Chief Executive Officer