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ACT EMPLOYMENT AND BUSINESS MUST BE FACTORED INTO FEDERAL BUDGET

While it is essential that the 2011-2012 Federal Budget focus on rebuilding and recovery in areas impacted by recent natural disasters, the Government needs to ensure that savings made to fund this work do not place an unfair burden on the ACT economy, the Canberra Business Council (CBC) warned today.

“The Federal Government has committed \$6bn in support for flood and cyclone affected regions around Australia and two-thirds of this will come from Budget savings,” Canberra Business Council CEO, Chris Faulks said. “In addition, the Government is striving to get the Budget back into surplus”

“The combination of these things means the 2011-2012 Budget is expected to be a tough one.

“For the ACT, this creates a very particular challenge, as one of the first areas governments usually look for savings is in public sector spending.

“Nearly half of the ACT population is employed in the public sector and our private businesses rely heavily on procurement of goods and services by Government clients.

“As a result, the ACT economy and people’s livelihood are directly and disproportionately affected by Federal Government policy. Any reduction in Australian Public Sector workforce impacts more significantly on the ACT and region than on any other city or jurisdiction.

“The Government must consider the affect public sector cuts will have on the Canberra community,” Ms Faulks said.

“Canberra is often seen as the home of politics and bureaucracy but our public service and local businesses are staffed by real people with families to support and mortgages to pay. It would be unfair for our city to excessively bear the brunt of any reduction in employment and spending.

“I respect that the Federal Government will be making some hard decisions in this Budget, but ask them to remember the important role the public sector plays locally as both an employer and purchaser.”

The CBC Pre-Federal Budget submission also calls for investment in national institutions, the Centenary of Canberra, transport and broadband infrastructure, and the Australia Forum.

**A full copy of the CBC Pre-Federal Budget Submission can be found at
www.canberrabusinesscouncil.com.au**

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