

Wednesday 13 May 2009

Nation Building for every corner of Australia - except the Nation's Capital!

Infrastructure

Canberra Business Council supports the Federal Government's decision in the 2009-10 Federal Budget to invest in Australia's infrastructure through the \$22b Nation Building package. However the Council is disappointed that none of this funding will be spent on improving infrastructure in the ACT.

"The Treasurer's Budget speech claimed that the \$22b Nation Building package was "Nation building for every corner of Australia" - but apparently this does not include the ACT", Chris Faulks CEO of Canberra Business Council said today. "We can only hope that ACT infrastructure projects will be included in future rounds of infrastructure funding."

Debt

As with the ACT Budget 2009-10, the Council expresses concern over the magnitude and duration of the forecast Federal Budget deficits. The assumptions underlying the growth forecasts in the Budget, such as a return to 4.5% growth by 2011-12, may be overly optimistic. In reality, given net debt is projected to reach 13.8% of GDP in 2013-14, returning to a surplus may require much tougher measures in future Budgets. Revisions have already had to be made to the ACT Budget deficit due to a larger than expected cut in Federal revenue stemming from the Federal Budget. Beyond 2009-10, the combination of the escalating ACT and Federal Budget deficits and subsequent measures to reign them in, has the potential to have a significant negative impact on the ACT.

Public Sector Employment

Canberra Business Council is positive about the fact that there are no net cuts in Public Service staff numbers in the Budget. The Council believes this is a responsible approach given the disproportionately large negative impact any cuts would have on the ACT economy.

Education and Innovation

The Council also supports moves to strengthen education and innovation.

"We welcome the \$150m capital funding boost for the Australian National University for Stage 2 of its chemical sciences hub and to upgrade its computer facilities, potentially creating up to 5,000 local jobs", Chris Faulks said. "The Council also welcomes the \$185.5 million over four years to extend funding for National ICT Australia Limited (NICTA) – some of which will come to the ACT; \$196 million to establish a Commonwealth Commercialisation Institute and \$46 million to build Australia's capacity in future technologies through a national enabling technologies strategy."

"The ACT renewable energy industry is well positioned to capitalize on the new commercial-scale Solar Flagships projects under the \$4.5 billion Clean Energy Initiative", Ms Faulks said. "There are also opportunities under the Renewables Australia initiative to promote new and existing renewable technologies developed in the ACT."

Small Business

"Over 90% of the 25,000 businesses in the ACT employ less than 20 people", Ms Faulks said. "This small business sector is the engine room of the economy and employment across Australia and in the ACT, yet there is not a lot of support for small business in the Federal Budget".

- A new R&D Tax Credit, replacing the existing R&D Tax Concession.
- \$10 million to establish a Small Business Support Line and referral service.
- \$10 million to establish a Small Business Online program to help small business go online and engage in e-business
- An additional \$50 million in 2008-09 for the Export Market Development Grants scheme.

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ACT-specific funding

The Council welcomes funding in the Budget for a small number of projects of specific interest to ACT residents including:

- \$60 million to the Eccles Institute at the John Curtin School of Medical Research in Canberra to fund translational medical research infrastructure.
- \$3.7 million in 2009-10 to enable Questacon to carry out urgent maintenance and repair works on the National Science and Technology Centre in Canberra.
- \$13.2 million in 2009-10 to fit out the offices of the Department of Climate Change at 2 Constitution Avenue, Canberra.
- \$500,000 in 2009-10 for the restoration of the Albert Hall to assist the ACT Government in this \$2.7 million project.
- \$0.1 million in 2009-10 to the Australia Council to continue support for the Canberra Symphony Orchestra

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