

# Federal Government cutbacks impact disproportionately on Canberra



Canberra Business Council welcomes its newest Kindred Organisation – the Chamber of Women in Business and looks forward to working with the Chamber to ensure that the issues of particular concern to women in business remain high on the agenda of decision-makers, – Chris Faulks, Chief Executive Officer.

In the Current economic environment the new Australian Government has committed itself to tackling inflation head-on – starting with its own spending. The application of an additional 2% efficiency dividend has resulted in significant cuts to departmental budgets. Many of Canberra’s cultural institutions have had their funding cut (National Museum \$823,000 in 2008-09; National Gallery \$853,000 in 2008-09; the National Library \$1.186m in 2008-09). In addition there have been substantial cuts to the National Capital Authority and the Griffin Legacy, particularly the Constitution Ave development, has been cancelled. These cuts will inevitably lead to reductions in staffing such as the 2000 reduction in CentreLink staffing announced recently.

The problem for Canberra is that, as justified as they may be on a national basis, Federal Government cutbacks impact disproportionately on business and people in Canberra because there is a concentration of Federal Government-funded activity in Canberra – departments and agencies, national institutions – all reliant on federal funding and private sector firms providing services to government. Canberra experienced this only too painfully in 1996.

The Canberra Business Council has been highlighting for some time the need for the ACT to diversify its revenue base. The recently announced ACT budget surplus of almost \$200m has come about primarily because of windfall gains from the property boom (land sales and stamp duty) which in turn has relied in large part on the significant increase in the Federal Public Service under the Howard Government. This is unsustainable in the long-term.

The Council believes that the ACT Government should use the \$200m Budget surplus to reinvest in infrastructure and programs that lead to long-term sustainability.

Beyond the ACT Government, the private sector and the community need to support economic activity that will add to the diversification of the ACT economy and lessen the reliance, directly and indirectly, on the Federal Government.

## Canberra international airport master plan

It is for this reason that the Canberra Business Council has supported many aspects of the Canberra International Airport Preliminary Draft 2008 Master Plan including no curfew, in the public consultation phase of the 2008 Master Plan.

Not only is the Canberra International Airport (CIA) the gateway to Australia’s National Capital, but the economic development and growth of Canberra and the Capital Region is inextricably linked to the aeronautical growth and capacity of the airport.

The longer-term potential for future airport terminal facilities to be integrated with a terminal for a Very High Speed Train (VHST) would further open up opportunities for Canberra – as a regional hub and international airport and even as a second airport for Sydney.

## Taxis

In an attempt to find solutions to Canberra’s Taxi problems, Canberra Business Council co-hosted, with the ACT Government, a Taxi Forum on Friday 22 February 2008. The Forum brought together all of the key stakeholders involved in or affected by the taxi service in Canberra.

At the end of the Forum, Minister Hargreaves announced an additional 50 taxi licences to be delivered in two ballots in May and August 2008. The Minister also announced a Taxi Industry Consultative Group, coordinated by the Canberra Business Council, which will make recommendations to the ACT Government on a range of other issues that affect the taxi industry.

These announcements were welcome but are only a first step in finding a solution to the problem with the taxi service in Canberra because it is many-faceted and complex. The Canberra Business Council will start work immediately on ensuring that the Taxi Industry Consultative Group presents the ACT Government with a raft of recommendations as a matter of urgency.



## EARTH HOUR 2008

Canberra Business Council is a proud supporter of Earth Hour when Canberrans, along with people from 24 cities around the world, will turn off their lights as part of an initiative to raise awareness of climate change. The Council encourages all businesses and their staff to turn off lights and appliances for one hour from 8pm on Saturday 29 March 2008. This is a simple but symbolic step to cut greenhouse gas emissions.



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