

Media Release

2 April 2019

FEDERAL BUDGET RESPONSE FROM NSW BUSINESS CHAMBER

The state's peak business organisation, the NSW Business Chamber, says the return to Budget surplus, the first since 2007-08, shows the benefits of responsible economic management.

Treasurer Josh Frydenberg has announced a Budget surplus of \$7.1 billion for 2019-20 with the surplus forecast to grow to \$11 billion the following year.

"Getting the Budget back in the black is no easy feat, and on that basis alone, the business community will be supportive of this Budget, along with its focus on three key areas of importance to our members – support for small business, skills and infrastructure," said NSW Business Chamber CEO Stephen Cartwright.

"It's pleasing to see the Government take up a number of suggestions put forward by the NSW Business Chamber in our pre Budget submission, including extending the popular instant asset write off scheme to \$30,000, and extending the threshold to include businesses with turnover of up to \$50 million," Mr Cartwright said.

"This program has been hugely successful since it was introduced and is of direct benefit to many small businesses across the country.

"The opportunities for small and medium sized businesses to compete internationally has been increased with \$60 million added to the Export Market Development Grant Program, another key recommendation from the NSW Business Chamber.

"The much talked about personal income tax cuts for our lower paid workers will be greatly appreciated, putting more money in their pockets to spend at local businesses.

"Recent *Business Conditions Surveys* conducted by the NSW Business Chamber highlight skills shortages in key industry sectors as the major impediment to business growth, particularly in regional areas, and the Government has attacked that issue head on.

"More than half a billion dollars has been set aside for a skills package which will see the creation of 80,000 new apprenticeships, doubling the incentive payment for employers to \$8,000 for taking on an apprentice, while the apprentice will also receive a \$2,000 incentive payment.

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“The creation of ten new training hubs connecting schools, local industries and young people in regional communities where there is high youth unemployment is an initiative providing important assistance to young job seekers.

“Careers advice is an area highlighted by the Chamber as needing improvement, and the creation of a National Careers Institute, complete with a dedicated ambassadorial team, will also highlight the benefits of vocational training which is often wrongly seen as the poor relation to a university education.

“A national approach to skills development, including industry designed courses through the establishment of a Skills Commission is something that business has long championed.

“It’s also pleasing to see the Mid North Coast of NSW has been selected as one of two venues across the country to trial a new model for the *jobactive* program, which will create online tools to help job ready employees self-serve, and to provide employers with the capability to search online for candidates, enabling them to fill roles in skill critical industries in a more timely way.

“Finally we are seeing a Government serious about tackling skills shortages, and doing that by involving industry every step of the way.

“There is a key focus on infrastructure in this Budget with the Urban Congestion Fund increased from \$1 billion to \$4 billion to tackle travel times, bottlenecks and congestion in our major cities.

“As we saw in the recent NSW election, the electorate will reward spending on visionary projects that have direct benefits to their daily lives, despite the short term pain often felt during construction phases.

“This was always going to be a Budget seen through the prism of a pending Federal Election, with tax cuts and investment in measures to build future capacity and new opportunity, key components of this Budget.

“We congratulate the Government on returning the Budget to surplus and including a number of important measures that will be welcomed by small businesses across the nation,” Mr Cartwright said.