

The Canberra Business Chamber is the ACT's peak private sector organisation. Our membership consists of both local companies, and most of the Territory's key industry and professional associations (our "kindred organisations"), who in turn represent many thousands of other businesses.

We engage with an active network of more than 3,000 businesses. The Chamber has supported local business since 1932 and is one of the founding members of the national peak business body, the Australian Chamber of Commerce & Industry (ACCI).

We represent every industry sector and type of enterprise found in the ACT, from large globally competitive firms, through to micro-businesses, retailers, service sector providers, manufacturers, the professions, and not-for-profit organisations.

OUR VISION IS TO MAKE CANBERRA THE GREATEST PLACE IN AUSTRALIA TO DO BUSINESS.

The private sector is ultimately the driver of good outcomes for the people, the economy and the Government. While the Chamber is passionate about doing business here, we have a long way to go before we are seen as the greatest jurisdiction in Australia to do business. The perception is that it is often harder and more difficult to do business here and, as a small market, we need to work harder to attract and retain businesses. Our goal should be to have many more businesses here, both small and large, employing more people, creating vibrancy and ultimately paying tax.

There are now more than 35,000 private businesses in Canberra. They employ around 164,000 people (62 per cent of all current jobs in the Territory), and 97 per cent are small businesses. We believe that there is significant room for growth in the number and size of businesses over the coming years - but policy settings need to support that.

As local businesses are the drivers of the Territory's economic growth we expect that ACT budget papers and Ministerial statements should explicitly acknowledge the importance of the business community, and fully assess the impacts of 2024-25 Budget commitments on ACT businesses. We invite the ACT Government explicitly to endorse our aspiration to make Canberra the greatest place in Australia to do business.

The Canberra Business Chamber and the ACT Government can work together to achieve what is needed for private enterprise in the ACT. In this submission, we are not proposing a significant wishlist of new spending in the 2024-25 Budget, rather, we propose a series of principles and actions that will deliver better outcomes for business, consumers and, ultimately, the ACT economy as a whole.

We ask that these points be considered as Ministers make decisions on the Territory budget for next year.

We would be pleased to discuss our proposals in more detail and are excited to work with the ACT Government on their implementation.



Recent data shows that the ACT economy is performing relatively well in comparison to other states and territories.

Our gross state product grew 4.3 per cent last year, and both jobs and the number of businesses in the ACT grew. While this is positive, business is not fulfilling its potential, and is being held back by regulatory settings which make it more difficult to do business in the ACT compared to other states.

We are also aware that different regulatory regimes across states and territories create real complexity for businesses operating interstate. There is a risk that we create perverse incentives for businesses to locate themselves out of the ACT, or that larger businesses choose not to operate in the ACT at all.

To address this, we propose a series of measures that we believe will make the ACT more competitive so that we can continue to grow and attract new firms.

A. MAKE THE ACT MORE COMPETITIVE FOR BUSINESS SO WE CAN GROW AND ATTRACT NEW FIRMS BY:

1. Seeking to provide the lowest-cost Government services across Australia.
2. Harmonising rules and regulations with other states and territories wherever possible including recognising interstate licensing and approvals for businesses where appropriate.
3. Halting extensions to “portable long service leave” that create significant complexity and cost, particularly for small businesses.
4. Reduce the payroll tax burden which creates a disincentive to grow. The Payroll Tax rate is currently the highest in Australia meaning that medium and large businesses pay more in Payroll Tax in the ACT. The Payroll Tax threshold should be increased in line with inflation, and the rate should be reduced with the goal of making us the most competitive state for business.
5. Reduce the cost of workers’ compensation by harmonising rules across jurisdictions, increasing the choice of providers, and by focusing strictly on work-related harm.
6. Refocus health and safety rules (and Worksafe ACT) on real and serious risk and rebalance the relationship between Employers and Employees.
7. Tax reform – including stamp duty, land tax and rates. Reduce the impost on consumers and businesses and ensure that these are set at levels that make the ACT competitive compared to other states.



As the Nation’s Capital and the seat of the Federal Government, providing excellent public service is where we can, and should, excel. We would like to see a range of measures put in place to ensure that doing business with the ACT Government is world class.

B. MAKING IT EASIER TO DEAL WITH THE ACT GOVERNMENT.

- 1.** Change the risk-averse compliance and process mindset. Drive cultural change within the ACT Public Service to deliver a “can-do” customer-focused approach. The focus should be on outcomes, not compliance processes, and officials need to be made more accessible by ensuring that phones are answered, calls are returned, and emails are sent from named individuals.
- 2.** Get procurement right by making it easier for ACT businesses to join panels and be able to pitch for business. Ensure that decisions are made transparently against clear criteria, and that feedback is provided. All procurement processes should be avoided during the December/January period.
- 3.** Provide a meaningful response to all enquiries from businesses and individuals within a week of receipt. Set targets, measure performance and report on the outcomes.
- 4.** Measure customer satisfaction on an ongoing basis by introducing a Net Promoter Score methodology for all business and individual dealings with the ACT Government. Report the results publicly and develop plans for improvement.



Getting the books in order and delivering essential infrastructure is fundamental to the ongoing growth of ACT and making Canberra the greatest place in Australia to do business.

C. DELIVER THE FRAMEWORK, INFRASTRUCTURE AND RESOURCES TO SUPPORT GROWTH.

- 1.** Balance the ACT Budget and restore the Territory credit rating to help lower the cost of borrowing for key infrastructure projects. Distinguish between critical services and “nice to haves,” and commit to no new taxes or tax increases over the coming year.
- 2.** Fund a serious marketing campaign to attract workers to address the current skills gaps. The ACT Government should promote the ACT as the best place to do business, and the best place to work. This could be alongside a tourism promotion campaign.
- 3.** Invest in infrastructure based on an agreed long-term infrastructure plan, that generates a return for the community and the economy. Accelerate the new Convention Centre and Stadium, and support temporary expansion of existing facilities as an interim measure.
- 4.** Release more land faster, and remove regulatory and practical barriers so that the private sector can deliver housing to meet the needs of a growing population. The availability of secure, long-term housing will attract workers from every sector. This will include key workers in sectors such as retail and hospitality who struggle to afford accommodation in a tight housing market.



SUMMARY

The key commitments that we are asking for will deliver tangible benefits for the economy and support our aspiration to be the greatest place in Australia to do business.

Business owners know what they need to be successful. We need to ensure private enterprise can flourish in the ACT by freeing it compliance costs and constraints imposed by government. Most of the commitment that we are asking for require minimal or no investment, and our overarching recommendation is the ACT exercises financial constraint.



For more information please contact:

Greg Harford, Chief Executive
ceo@canberrabusiness.com

PO Box 6308, O'Connor ACT 2602
T: 02 6247 4199
E: info@canberrabusiness.com
W: canberrabusiness.com



**Canberra
Business Chamber**