

25 October 2022

## **BUDGET: BUSINESS CONCERNS ADDRESSED AMID BELT-TIGHTENING**

The region's peak business organisation, Business Illawarra, has said that tonight's Federal Budget contains welcome measures to address concerns for business and boost their productivity, including addressing the housing shortage crisis, investments in skills, education and the workforce and funding to assist with rising energy prices.

Executive Director of Business Illawarra, Adam Zarth said the region's economy was in a strong position currently with a myriad of opportunities and investments coming its way and noted that consumers are continuing to spend due to record low unemployment and an ongoing post-pandemic surge of disposable income.

"The government has produced a budget that provides a degree of short-term confidence and stability through a reduction in the forecast deficit for 2022-23 to \$36.9 billion, an improvement of \$41.1 billion, and continued solid GDP growth of 3.25 percent. This certainty and strength in the economy is crucial for a continued drive for productive enterprise."

"This budget does however recognise that some global economic headwinds approach and if inflation is not abated quickly conditions will deteriorate, so the long-term plans for a stronger and more resilient economy and job creation outlined tonight by the Treasurer are also critical elements for the region."

"A number of front-of-mind issues for local businesses have been addressed in this budget, and we welcome the much-needed boost to jobs in the form of increased migration, and an affordable housing accord to address the lack of accommodation for key workers which is particularly acute in the Illawarra and the Shoalhaven."

"Other welcome measures to grow our workforce include a temporary measure to support pensioners back into the workforce, widening eligibility for paid parental leave and cheaper child care."

"We need to educate and skill our future workers to capitalise on the opportunities coming our way, and so we also welcome the announcement of 936 additional tertiary student places at the University of Wollongong in key areas, and a national boost to vocational education and training."

"For too long, Illawarra businesses have been battling rising energy prices, and the Budget contains major investments in transmission infrastructure and support for the transition to renewables which will benefit regions like the Illawarra with strong ambitions in that sector."

"Business Illawarra looks forward to continuing to work with the federal government to address challenges facing local businesses – and to capitalise on the many opportunities facing our region," Mr Zarth said.

Business Illawarra has specifically welcomed the following measures that have the biggest impact supporting local businesses in the current and increasingly challenging environment:

- **Investments and support for affordable housing:** As Business Illawarra prepares its Illawarra Shoalhaven Key Worker Affordable Housing Strategy, the announced new Housing Accord sets an aspirational target of providing 1 million new affordable homes for Australians over 5 years from 2024.
- **Energy costs to business:** The Government is responding to rising energy costs by investing in transmission infrastructure and also committing \$62.6 million to support small and

medium-sized businesses in improving their energy efficiency and reducing energy use. These grants will empower small and medium-sized businesses to invest in cost-saving, energy efficient upgrades that will put downward pressure on power bills.

- More tertiary student places: The University of Wollongong has been allocated \$29 million to provide an additional 936 places for students to undertake degrees in industries facing skills shortages like nursing, education and targeted professional services most in need.

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**About Business Illawarra**

Formerly the Illawarra Business Chamber, *Business Illawarra* is the region's peak business organisation; a not-for-profit advocacy group dedicated to the economic development of the Illawarra.