

**11 May 2021**

## **BUSINESS FOCUS CONTINUES IN FEDERAL BUDGET**

The Federal Government has delivered a Budget that continues to support a business-led economic recovery from the COVID pandemic, according to Business Hunter.

The budget maintains a focus on driving down unemployment, with a national target of five per cent by mid-2022, while business tax incentives including instant asset write-offs, have been extended through to July 2023.,

"Overall, the budget supports job maintenance and job creation, allowing business owners of all sizes to continue to drive the economic prosperity of the nation," Business Hunter CEO Bob Hawes said.

"The Australian economy is already responding faster than expected to the COVID pandemic, with the deficit \$52.7 billion lower than was predicted just over six months ago, when the Treasurer last delivered a budget.

"Extending the JobTrainer scheme to create 170,000 new apprenticeships and traineeships will encourage business to employ young people and help address the worsening skills shortage in some sectors. Similarly, additional funding to childcare will boost the workforce by allowing parents greater flexibility to return to work.

"Tax cuts for low and middle income workers will also support their local businesses by putting more money in the pockets of workers and encouraging spending."

With the \$66 million Newcastle Airport runway upgrade already announced, there was no further big-ticket infrastructure spending for the Hunter region, although the \$1.6 billion for the M1 extension to Raymond Terrace announced in 2019 is reconfirmed in this year's papers.

A notable omission, given the Treasurer's statements about investing in new energy solutions, was funding for the proposed Kurri Kurri gas-fired power plant.

There was, however, \$1.6 billion to fund development of new energy technology, with hydrogen specifically singled out, which will provide opportunity for players in the Hunter's emerging hydrogen cluster.

Investment in new energy technology development could also receive a boost from a mooted extension of the 'Patent Box' tax incentive system, which has been introduced to encourage innovation in the med-tech sector.

Higher education missed out on a significant capital funding allocations but Mr Hawes welcomed targeted support for the aviation and tourism sectors, as well as increases in Defence spending, which will assist the region's growing Defence supply chain.

"Overall it is a well-balanced budget with economic and social elements that will benefit our communities. As well as supporting jobs and business, it also provides important increased spending on aged care, mental health, the NDIS and for women," Mr Hawes said.

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