

SOCIAL REFORM TRUMPS INVESTMENT IN PRODUCTIVITY

Consult Australia CEO, Megan Motto says the focus of the 2012 Federal Budget is light on major reforms aimed at driving productivity and economic growth over the longer term.

"In the race to surplus, the Federal government has produced a beige budget which concentrates more on welfare and short term stimulus than on using our relatively strong economic position to drive fundamental reform which will build the productivity of the nation.

This budget fails to continue the Government's previous investment in the infrastructure backlog.

Additional potential funding for the Pacific Highway is important, but further investment in the second tier of projects in the pipeline is critical if we are to build the infrastructure now that will support future growth.

Whilst changes to the tax treatment of small business with regards to tax write-backs and asset write-offs is welcome, there is little else in the budget to ease the pain on business of unfavourable terms of trade and high labour costs.

The continued assertion that increases in the superannuation levy are somehow funded from the mining tax is laughable.

The reality is that this cost will be primarily born by Australian business, which is already challenged by increasing labour costs

This is particularly true of service industry businesses, which now represent more than 85% of the Australian economy.

Professional services firms with significant labour costs will be particularly hard hit, and will lose competitiveness if these increases are not offset by productivity gains.

The \$54 million investment in education funding aimed at increasing Australia's engineering, maths and science graduates is applauded by Consult Australia.

Investment in the technical capability of our nation is crucial to embedding regional and global competitive advantage into our services based economy.

Consult Australia is disappointed that our common sense recommendation to phase in the reform to the living-away-from-home allowances was not has been picked up by the Government. Without a phasing-in period for such a major taxation reform, employment costs are set to skyrocket as the talented skilled migrants we need either leave Australia or require increases to salaries to fill the void left by LAFHA.

The decision to abandon the Tax Breaks for Green Buildings initiative is short sighted and completely fails to realise the significant opportunity to reduce emissions through energy efficiency gains in the buildings sector.

MEDIA RELEASE



Driving Business Success for Consulting Firms in the Built and Natural Environment

This is a sector that contributes nearly a quarter of Australia's emissions, so this is a failure to seize some low hanging fruit.

Ends

8 May 2012

For further information or to arrange an interview, please contact CEO, Megan Motto on 0411 104 458 or via email at megan@consultaustralia.com.au.

ABOUT CONSULT AUSTRALIA

Consult Australia is the association for professional services firms within the built and natural environment; influencing policy, creating value and promoting excellence.

As an association, Consult Australia's primary focus is on improving the commercial environment for its members and raising standards across the industry.

Consult Australia's member firms services include, but are not limited to: design; architecture; technology; engineering; planning; landscape architecture; surveying; cost consulting (quantity surveyors); project management; and management solutions. The Association represent some of the industry's biggest players in this space with its member firms collectively employing more than 50,000 staff.