



Presidents Message

20 May 2015

Redland City Chamber of Commerce members welcome the small business incentives included in the Federal Budget and the acknowledgement of the important role of SME's in delivering growth and employment.

We have the lowest interest rates in history and a buoyant property sector however there is no confidence.

The low interest rates are not providing the stimulus needed to increase spending.

Government revenues are down due to subdued business activity and the low terms of trade.

However should energy and commodity prices rise so will the \$AU. This in turn makes the Australian economy less competitive

Similar countries such as NZ and UK are outperforming Australia – enjoying better budgetary positions and increasing economic activity.

Australia's issues stem from not what is in the budget but anxiety over the ability to deliver it. Our political system seems unable to achieve real reform.

The 1980's is recognised as a period of reform which delivered increases in productivity and living standards. Floating the \$AU, reduction of tariffs, privatisation of the Commonwealth Bank - major reforms all supported by the then opposition.

It remains to be seen if the budget measures pass through the Senate.

Even if it does, Australia is still to tackle the real problems – tax reform, declining productivity and decreasing competitiveness.

Garry Hargrave

President