



AUSTRALIAN CHAMBER OF  
COMMERCE AND INDUSTRY

# MEDIA RELEASE

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## BUSINESS SUPPORTS RESPONSIBLE STIMULUS AND DEFICIT MANAGEMENT

Statement by Mr Peter Anderson, Chief Executive

Appearing before a Senate Economics Committee hearing in Sydney today, the Australian Chamber of Commerce and Industry (ACCI), Australia's largest and most representative business organisation, has reiterated its support for the maintenance of a responsible fiscal stimulus as the Australian economy seeks to recover from the global financial downturn.

ACCI's Director of Economics and Industry Policy, Greg Evans, told the inquiry into the government's economic stimulus initiatives that there was no doubt that the support provided in the stimulus plan helped many businesses stay in operation and continue to employ.

This was notwithstanding ACCI's preference for some different targeting of the mix of stimulus measures, particularly the need for investment geared towards longer term economic infrastructure.

Mr. Evans told the Committee that the economic support provided by the stimulus was particularly evident in the retail and hospitality sectors.

The housing and non-housing construction sectors have also benefited from the specific arrangements in those industries.

The general investment allowance, advocated for and secured by ACCI, has particularly bolstered motor vehicle sales and plant and equipment upgrades.

Despite these initiatives, and the continued stance of monetary policy, the economy is still in a vulnerable position. For that reason, and given the in-built phasing out of spending measures, ACCI's evidence today has been that it would be inappropriate to immediately withdraw the stimulus or react with a pre-emptive rate rise.

Beyond this, ACCI considers it essential that an effective plan be developed to return the budget to surplus without recourse to increasing taxes. Our evidence today was that this will need to involve a comprehensive review of government expenditure and the size of government, given that the revenues flowing from recovery may not return the budget to surplus in their own right over the cycle.

For further information:

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*ACCI represents over 350,000 businesses in every State and Territory and all industries. Our network employs around 4 million employees, ranging from the top 100 companies to tens of thousands of small and medium businesses.*

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