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Budget Investment in Innovation, Infrastructure and Education Welcomed

Responding to the Federal Budget, ASR's President, Kaaren Koomen said: "the increased investment in innovation, infrastructure and education is the right response by Australia to the global recession and the best way forward to a sustainable recovery."

"Investment in smart infrastructure and advanced skills not only creates jobs now, it will raise productivity and help Australia win global business", Ms Koomen said.

"Rekindling Australian productivity growth is especially important for the services sectors which comprise about 80 per cent of the Australian economy and eighty five per cent of jobs," said Andrew McCredie, ASR's Executive Director.

"Particularly welcome is the commitment to addressing Australia's infrastructure bottlenecks and backlogs, such as major city congestion and broadband. Infrastructure Australia has made an excellent start to establishing an evidence-based, coordinated national approach to infrastructure; and, the Government is to be congratulated for its efforts in delivery through the budget."

"Gaps in skills and innovation capabilities also have impeded productivity. Under the difficult prevailing circumstances, the Government is especially to be congratulated for its implementation of the key recommendations of the Cutler and Bradley Reviews of innovation and higher education.

"The introduction of the new R&D tax credit will enhance Australia's competitiveness as a location of global R&D centres, and the Commonwealth Commercialisation Institute addresses an important gap in Australia's innovation system. ASR looks forward to working with the Government to ensure the Commercialisation Institute can address the special issues involved in services innovation. "

"The increased funding for the Australian Bureau of Statistics and for the Export Market Development Scheme should enable Australia's services exports to be better quantified and supported.

"The Government's continued commitment to position Australia as a financial services hub is evidenced by two vital changes to the taxation arrangements of managed investments. These changes will result in increased certainty for foreign investors into Australian managed funds, for Australian investors into global funds and position us well to manage foreign portfolios."

"The Government's investment in nation building, while significant, can be enhanced by industry co-investment. ASR is encouraged by the recognition of this in the Budget papers and looks forward to an emerging productive partnership between services sector businesses and the Government in order to address the impediments to the growth required to rebalance the national budget," Mr McCredie said.

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