

Do you think the saving and spending initiatives will have an impact on business and consumer confidence?

I think basically what you had is a pretty neutral outcome in the sense that, yes some expenditure, but also offset savings. In terms of consumer sentiment, I think there's no real nasties there, and so therefore, consumer sentiment shouldn't really deteriorate. Some improvement in the small business area because of the sort of incentives there, but overall I think business confidence is going to be the same. Personally I would have like to have seen the government try to stimulate the economy a little more.

How will Small Business benefit from this Budget?

Well basically what they've done is they've given a tax cut down to 28.5% rather than 30% but most Micro Business, really Small Business, don't actually pay much tax, so they've come in with a series of other initiatives. The first one is essentially that you can pay, if you like, part of your income tax, rather than your corporate tax, so there's a benefit there up to \$1,000. You can write off essentially an asset associated with your business up to \$20,000 straight away. And there's crowd funding and also when you're buying tablets and laptops, Fringe Benefits Tax doesn't apply from now on. It's basically \$5.5 b of extra spending into that part of the economy, so yes, it has to help a bit.

Was there a difference between NAB and Treasury's economic outlooks?

I think basically no. You know, they're a professional operation, hopefully we're a professional operation. We use the same sort of models, and so, you know, if you get big differences, then that's really a concern. Just because we got the same outcome, however, doesn't mean we're going to be right. And one of the things that worries me is that the Government is relying very heavily on faster growth generating more revenue and, you know, bracket creep, and that's how you close the deficit. It could well be that the domestic part of the economy stays very weak, income flows are very low, there's not a lot of wage growth out there, terms of trade could fall further, so you might not get the recovery you think.

What are the key outcomes for Agribusiness?

The Budget is basically trying to recognise that farming, in particular, is a good potential long-term operation for Australia, particularly in Asia. So they've put a series of packages together, all up around \$330m so that's quite a large amount of investment into the farming sector and so I think that's really useful.

