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Futureproofing Australia: 2017-18 Pre-Budget Submission

January 2017

Australian
Chamber of Commerce
and Industry

Australian Chamber of Commerce and Industry

WORKING FOR BUSINESS.
WORKING FOR AUSTRALIA

Telephone 02 6270 8000
Email info@acci.asn.au
Website www.acci.asn.au

CANBERRA OFFICE

Commerce House
Level 3, 24 Brisbane Avenue
Barton ACT 2600 PO BOX 6005
Kingston ACT 2604

MELBOURNE OFFICE

Level 2, 150 Collins Street
Melbourne VIC 3000
PO BOX 18008
Collins Street East
Melbourne VIC 8003

SYDNEY OFFICE

Level 15, 140 Arthur Street
North Sydney NSW 2060
Locked Bag 938
North Sydney NSW 2059

ABN 85 008 391 795

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Australian Chamber of Commerce and Industry

Executive summary

A decade after the onset of the Global Financial Crisis, Australia's public finances remain in heavy deficit. Our productivity growth is lagging historical performance, workforce participation remains stagnant and private sector investment is weak. Domestic and international risks are undermining business and consumer confidence. Combined, these factors have put at risk the high living standards that Australians expect. The 2017-18 Budget provides an opportunity to take action.

The Budget should aim to encourage competition, stimulate economic growth and provide certainty. Australia needs to take decisive action to prepare our economy for negative external conditions, including a slowdown in global growth, a retreat from trade or a downturn in commodity prices. We must futureproof Australia for what lies ahead.

More than four in five Australian jobs are in the private sector, but unemployment, particularly among young people, remains unacceptably high. With the right policies from Government, businesses will grow, thereby creating more jobs, better quality jobs and better paid jobs. This will in turn increase government revenue.

The 2017-18 Federal Budget should seek to:

- reduce government spending to less than 25 per cent of GDP;
- support comprehensive structural reform to stimulate economic activity and provide sustainable public revenue; and
- return the budget to surplus as soon as possible, allowing Australia to reduce public debt.

Australia has posted continuous deficits since 2008-09, mainly due to previous decisions to increase spending and political gridlock preventing an unwinding of those commitments. It was arguable that a deficit was necessary to stimulate the economy during the Global Financial Crisis and avoid recession. However, the level of spending, combined with subsequent deficits and debt build-up, has strained resources and is unsustainable.

Recent experience has shown that cross-partisan cooperation in Parliament can help repair the budget. Spending cuts may cause short-term pain but are essential for the long-term sustainability of the budget and the services it funds. Australia needs to live within its means, so any new spending should relate only to initiatives that expand the economy and address high-priority social needs.

Stakeholders need to be involved in the development and implementation of policy decisions. Stakeholders also need to avoid seeking short-term political advantage by undermining good policy. For example, the January 2017 changes to the age pension increased payments to vulnerable people while reducing payments to people with higher non-home assets. But rather than welcoming the change as equitable and sustainable, some stakeholders were politically opportunistic. This includes the union movement, which undertook a cynical fear campaign that spread misleading information through robocalls.

Spending cuts are more likely to attract broad political, business and community support if the impact is spread equitably and changes are phased in over time. This broad support is essential in order to achieve momentum for reform. Support for budget repair needs to be bipartisan so the election cycle does not endanger structural reform.

At present the Productivity Commission is undertaking a review into measures to improve Australia's productivity. The ideas that emerge from this review should be closely considered by the Government in this year's budget and beyond.

The Australian Chamber supports moves to balance the budget and build up a surplus. Australia needs to take practical steps now to reduce the deficit, otherwise we will consign future generations to even more painful adjustments.

The Australian Chamber recommends the following key saving and spending proposals as priorities:

Four key savings recommendations

- Abolish the Energy Supplement
- Phase out Family Tax Benefit B
- Make the age pension more sustainable
- Introduce greater competition in the delivery of government services

Four key spending recommendations

- Boost apprenticeships and maintain Vocational Education and Training (VET) funding
- Build vital infrastructure
- Extend accelerated depreciation for small businesses
- Reduce tariffs to zero over five years

Four key recommendations to stay the course:

The Government should continue to pursue:

- company tax cuts for all businesses
- outstanding budget repair measures
- reforms in family payments and childcare
- red tape reduction

We also offer recommendations in several portfolios.

Portfolio Policy priorities

Employment

- Establish a well-resourced, effective labour market analysis and forecasting unit to underpin decisions in migration, employment and education policy
- Greater flexibility in childcare and target early childhood learning to disadvantaged children
- Review employment services to ensure they are employer-facing and effective
- Improve employer access and employment outcomes for people with disability
- Allocate an additional $10 million over the forward estimates to implement recommendations from the National Career Education Strategy Group

Education & Training

- Incentivise implementation of minimum standards for literacy and numeracy across Australia and adopt policies to advance student STEM proficiency
- Provide $5 million over the forward estimates to support the National Strategy on Work Integrated Learning (WIL) to improve the employment outcomes of university graduates

Migration

- Develop a communications strategy to promote the benefits of migration

Trade& Foreign Investment

- Restore funding for the Export Market Development Grants scheme to $200 million annually
- Restore Tradestart funding to $5 million annually
- Rationalise the Foreign Investment Review Board scrutiny thresholds
- Maintain international aid funding at $3.8 billion, with 20 per cent being deployed as Aid for Trade
- Liberalise air and sea transport within Australia

Workplace health and safety

- Continue funding Safe Work Australia
- Reinstate funding for industry engagement on work health and safety
- Fund the National Industrial Chemicals Notification and Assessment Scheme (NICNAS) regulatory reforms from consolidated revenue

Small Business Priorities

More than 97 per cent of Australian businesses are small businesses, which employ 4.8 million people and contribute more than a third of economic activity. The 2017-18 Budget can help small businesses to grow and employ.

- Cut company tax for businesses of all sizes to stimulate economic activity, starting with small business and extending to larger businesses
- Extend accelerated depreciation for small businesses with turnover up to $10 million for two years
- Boost apprenticeship numbers and maintain funding for VET
- Build vital infrastructure following well-considered decisions
- Restore funding for the Export Market Development Grants scheme to $200 million annually
- Restore Tradestart funding to $5 million annually

Tourism Priorities

A separate budget submission on tourism will be lodged by Australian Chamber – Tourism, part of the Australian Chamber of Commerce and Industry.

- Accelerate visa reform, including rapid rollout of streamlined and online visa processes
- Create Industry Growth Centre for the visitor economy, to be funded within existing resources
- Develop a Visitor Economy Development Fund
- Commit $40 million to a program that develops infrastructure to drive demand
- Implement the recommendations of the Austrade Tourism Labour Force and Skills Roundtable

Australian Chamber of Commerce and Industry

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1. Economic outlook

Australia has experienced almost three decades of continuous annual economic growth. This achievement is remarkable against an international backdrop of slower-than-expected recovery in the global economy following the Global Financial Crisis (GFC). Our economic success story is sometimes lost in the debate in Australia. However, past performance does not guarantee future success.

To support economic growth, Australia must improve productivity and better target government spending and policies towards initiatives that will boost economic activity such as well-considered infrastructure and workplace regulation reform. The Government also needs to signal to the market that it is being a prudent financial manager by implementing fiscal consolidation and address the historically high levels of government debt. Failure to do so will have negative consequences including the downgrade in Australia's coveted AAA credit rating which will damage business confidence and our attractiveness as a place to invest.

We must also address ongoing tension between policies that support short-term priorities and the structural reforms required to promote long-term growth in the economy. Accommodative monetary policy is expected to support economic growth in major advanced economies over the next couple of years. Economic output in Australia's major trading partners has grown at a little below its decade-average rate over the past year. However, and more importantly, Australia's major trading partners are forecast to continue growing at a stronger pace than the rest of the world.

Global price and wage pressures have remained largely muted, but are expected to pick up as spare capacity in labour and product markets gradually declines. However, there is concern about the rising sentiment towards protectionist trade policies in Europe and the US, which may dampen the international economic outlook and create instability.

Despite global volatility and structural adjustment across the domestic economy, Australia's outlook remains relatively positive and is evolving broadly in line with official forecasts. Real GDP is expected to grow by 2% next year followed by 2.75% and 3% in subsequent years. The major contributors to ongoing growth include steady household consumption, strong growth in dwelling construction in major cities and a ramp up in exports. However, there are several downside risks. For instance, while the level of housing investment is expected to remain high, growth is expected to ease as a record number of dwellings reach completion. Also along with other advanced economies, Australia is facing macroeconomic challenges including steep falls in business investment, low inflation, subdued wage growth and rising household debt.

2. Structural reform

Much of Australia's high standard of living is the inheritance of past reforms, record demand for commodities and recent generous government programs. However, this legacy is running out and cannot support the economic growth Australians have become accustomed to. We have banked the benefits of past reforms such that they are now part of everyday business. Successive governments have delivered deficits, adding to the difficulty of repaying debt. Growth expectations are slowing.

The Australian Chamber advocates reform that will increase our productivity and competitiveness. During the 2016 election, the Australian Chamber highlighted 10 priority items for action which is encapsulated in our *Top 10 in 10* publication. Based on this, the Chamber considers the 2017 Budget should be a plan to:

1. Make it easier for employers to take on apprentices and trainees.
2. Ensure government spending is sustainable by reducing it to less than 25% of GDP.
3. Design workplace regulation that better responds to industry need.
4. Reduce government red tape each year.
5. Allow employers and employees to negotiate workplace arrangements that best meet their needs.
6. Cut the company tax rate to 25% across all business within ten years.
7. Build the transport, communications and energy facilities we need by backing the independent plan of Infrastructure Australia.
8. Encourage innovation and value for money by facilitating greater competition in government-funded education, health and aged care services and government delivery of services.
9. Welcome more international visitors by making visas cheaper and easier to obtain.
10. Re-establish the Australian Building and Construction Commission. At the end of 2016, the Government secured passage of legislation to implement this.

Increasing Australia's competitiveness through these initiatives will have positive impacts on the Budget through a reliable revenue base and less dependency on government support.

2.1 Workplace relations reform

A crucial dimension of structural reform must address regulation of work. Australian employers want to grow, invest and create jobs which will assist with budget repair. Workplace relations reform will help the Australian economy, through its businesses, to adapt to new ways of doing business and new forms of work. To do this, the workplace relations system must be practical, navigable, competitive and useable, particularly for smaller employers.

Australia is falling well short of that mark, as both employers and independent inquiries have repeatedly made clear. As a matter of urgency, at a minimum, the Government should implement the recommendations of two independent inquiries – the Productivity Commission (2015) and Labor's Fair Work Review Panel (2012). This will make the Fair Work Act work better for employees and employers. Australia cannot afford to have an area so fundamental as our labour market, and our PAYE tax base, held back by poorly calibrated, inefficient, unnecessary and over-regulated employment laws, that lag behind those in competing economies. As the Chamber will make clear in its advocacy throughout 2017, there is nothing fair to either employers or employees in inefficient, ill-formulated and over-regulated employment laws. Specific information on the Australian Chamber's position regarding workplace relations reform can be found online at: https://www.acci.asn.au/policy/fair-work-laws.

3. Fiscal overview

3.1 Fiscal environment

Treasury has forecast the budget deficit to significantly improve from $36.5 billion in 2016-17 (2.1 per cent of GDP) to $10.0 billion (0.5 per cent of GDP) in 2019-20. However, in the forward estimates beyond 2016-17, the Government forecasts a worsening of the budget position compared to that illustrated at the 2016 PEFO. Achieving a surplus in 2020-21 has become a steeper challenge. The business community's reluctance to invest is in part due to uncertainty about successive Governments' economic and legislative management.

It is positive that Parliament is working to repair the budget as well as the Government taking active steps to reduce recurrent spending, but much more needs to be done to bring the budget under control. Payments by the Government as a share of the economy have fallen from 25.8 per cent to 25.2 per cent. The Government needs to keep moving in this direction to reduce recurrent expenditure and better target its spending on projects that will have long-term economic gains. This will ensure that the private sector has the confidence to invest and grow.

However, the level of public sector expenditure remains a significant pressure on the Government's ability to repay the debts accumulated during and after the GFC. Commonwealth general government sector payments in 2007-08 (before the full onset of the GFC) were $271.8 billion; this year they are estimated at $441.1 billion.

Compared to other OECD countries, Australia has managed its debt-to-GDP ratio well. Nevertheless, the Government needs to create and maintain the budget surpluses necessary to ensure that its debt-to-GDP ratio is stabilised in the long run.[1] Since the GFC, net debt has been rising (see Figure 1). Public sector indebtedness needs to be reduced, otherwise businesses will have less access to capital they need to grow.

Government needs to repay its debts to avoid the painful consequences of higher interest repayments and reduced fiscal stimulus options in the future. Instead of making interest repayments for money borrowed to finance the deficit, the Government could be using its funds to invest in initiatives that enhance productivity and competitiveness.

Without a credible path to budget surplus, the Government is constrained in its options to buffer the economy and provide stimulus during downturns which was evident during the GFC. Many of the fiscal initiatives implemented during the years of surplus have not been wound back despite the continuous deficits and recovery from the GFC. This has created a structural spending issue.

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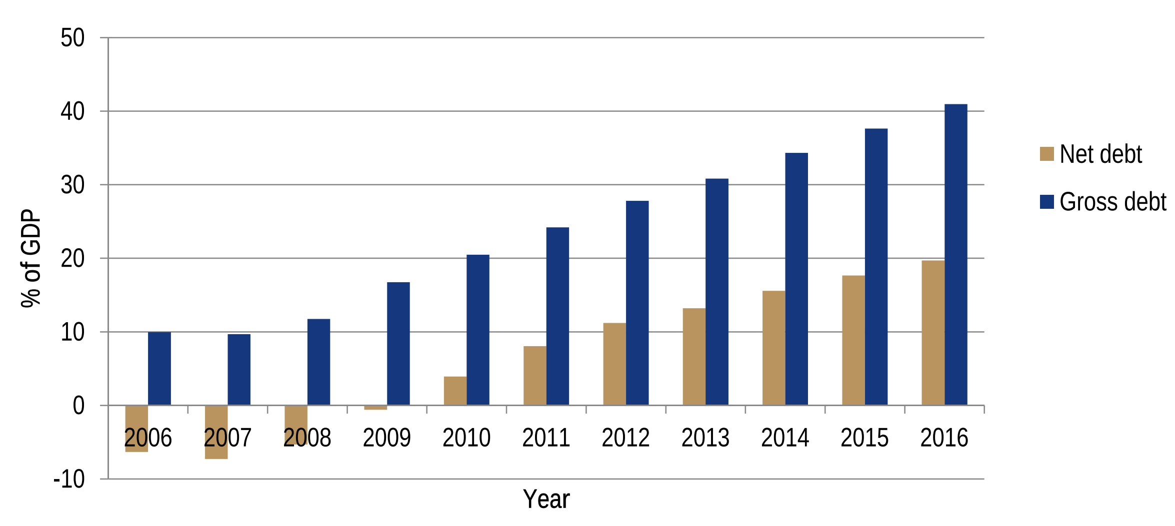
[1] Mikayla Novak, 2015, *Canberra's Debt Problem*, Institute of Public Affairs, Occasional Paper, July. Anthony J. Makin and Julian Pearce, 2014, 'How sustainable is sub-national public debt in Australia?', *Economic Analysis and Policy* 44: 364-375.

The $25.4 billion of savings over the medium term, implemented via the *Omnibus Savings Act 2016*, demonstrates that Parliamentarians can deliver when they recognise the national interest. The Australian Chamber calls for this collaboration to continue so that additional expenditure savings can be implemented to restore sound public finances.

Figure 1: Australia's debt position



Source: International Monetary Fund, World Economic Outlook Database, October 2016

3.2 Fiscal strategy

The Government should have a credible and structured plan to reduce the budget deficit to less than 25% of GDP. Ensuring that the Parliament and community supports this plan means that any adverse impact in the short run can be shared and phased in while maintaining the momentum for economic reform. The Australian Chamber calls for bipartisan support for budget repair because the short election cycle should not risk structural reform.

Business investment is a key driver of sustainable economic growth. The Government needs to create the right conditions to provide certainty and confidence for the market to invest and hire. Proactive, responsible fiscal consolidation that focuses on reducing recurrent expenditure will have the dual impact of shoring up the finances of the Government and giving businesses the confidence to maximise opportunities in the low wage growth and low interest rate conditions. This matters because the private sector, not government, is the major job creator in the economy, providing more than 80% of jobs.

The *2015 Intergenerational Report* highlighted the escalating fiscal pressures driven by age-related spending increases – especially in aged care, disability support, health and pensions – if policy settings do not change. The Government needs to reduce spending and unwind some past decisions, particularly demand-driven programs, that result in higher than expected spending. The Government should avoid fiscal consolidation reliant on discretionary increases in the overall taxation burden. Structural reforms should facilitate stronger growth and, through it, additional revenue without recourse to tax increases. Increasing taxes will act as a brake on economic activity.

The Australian Chamber recommends that the Government consider the strategies for longer-term spending reduction and then prioritise spending areas that will contribute the most to economic growth and productivity.

4. Savings recommendations

It is recognised that although there are a large number of stakeholders calling for the Budget to be returned to surplus, the number of savings ideas put forward that would garner community support appear to be very limited. Within this difficult climate, the 4 key savings that the Australian Chamber recommends are:

- Abolish the Energy Supplement
- Phase out Family Tax Benefit B
- Further reform the age pension to be sustainable and affordable
- Enhance contestability in Government service delivery and funding

Three of these measures relate to the welfare system. This reflects the significant and increasing cost of government welfare payments. The Australian Chamber supports a holistic approach to welfare reform, a process commenced by promising recommendations of McClure Review but not yet completed. These measures are put forward in the interim.

4.1 Abolish the Energy Supplement

An obvious area for a structural saving is to abolish payments that no longer serve their original purpose given the change in economic conditions and Government decisions. A starting point would be to abolish the Energy Supplement.

The Energy Supplement commenced in 2013 to assist social security recipients to manage electricity price increases as a result of the carbon price. There have been piecemeal changes to the policy to make it more affordable. In particular, indexation of the payment was frozen from 1 July 2014 and then the Government grandfathered the payment from 20 March 2017. From the date these changes were implemented, savings were estimated to be almost $480 million over five years and $1.3 billion over five years, respectively.

The Australian Chamber shares the concern of other stakeholders about the future affordability of electricity and gas prices which will impact both businesses and households. However, energy cost increases should be addressed at their source by more effective energy policies that deliver more affordable and reliable energy supply. Rising living costs, of which energy is a component, are captured through CPI indexation of a number of welfare payments. Rising energy prices should not be treated differently to price changes of other goods and services.

Given that the Energy Supplement was introduced for a specific purpose – a purpose which no longer exists because the Carbon Tax was repealed in 2014 – it should be abolished altogether. To reduce the negative impact on household budgets, the Government could signal well in advance its intention to completely abolish the payment and/or to phase out the payment to allow recipients to adjust. If this is not done soon, then the supplement will ultimately be recognised as a baseline inclusion for welfare payments, which was not its original intention.

4.2 Phase out FTB-B

FTB-B payments, which were introduced at the height of budget surplus, amounted to $4.31 billion in 2015-16. With successive deficits, this payment is no longer affordable for the Government. It was introduced to support families where at least one parent stayed home in whole or part to care for children. Families are eligible for FTB-B payments where the income of the primary earner is up to $100,000 per annum. Lower income families already receive direct financial support for each child through Family Tax Benefit A.

It is recognised that adjustments to the FTB-B have been included in previous government proposals and negotiations where savings have been sought. However, the Australian Chamber recommends it should be phased out altogether. To minimise the impact, this phased approach could first lower the payment scales and then tighten the eligibility first to dual households and then to single parents. A phased approach requires a commitment to removal. Children of families not yet born, or not yet eligible, should not attract the FTB-B in the future. The Government needs to manage expectations, as money is much harder to take away than not be received at all.

4.3 Reform the Age Pension to be more sustainable and affordable

The growing cost of the age pension is of significant concern. Although the increase in the pension-access age to 67 at 1 July 2023 has bipartisan support (and is legislated), it is questionable whether this is sufficient to curb the significant costs of the pension both now and in the future. Despite the need for ongoing review, there remains strong resistance to any changes which would better target support and ensure that the Government can repay its debts and continue funding the pension for the most vulnerable.

The most recent example is the campaign opposing the pension changes that were operational from the start of 2017. Like many other stakeholders, the Australian Chamber welcomed these changes because they were good policy – supporting the most vulnerable and making the pension more sustainable.

Increased life expectancy and strong investment in health care is beneficial to quality of life as people are living longer and are healthier. However, this also means that government has to pay more to support an ageing population such as funding aged care services, subsidising medicines and paying pensions. Stakeholders must work together to develop practical policy solutions to address the structural cost pressure in the long term.

The Australian Chamber recommends that reforms to the retirement income system should create certainty for retirement planning, maximise workforce participation (where possible) and be affordable for the Government long into the future. Additional limits should be practical and be equitable such that those who can afford their retirement because of their wealth and income are encouraged to do so.

Paying taxes throughout life does not entitle citizens to a government-funded pension regardless of financial circumstances. Taxes pay for government services in the year they are collected. The age pension is meant for those who need it. Since the introduction of compulsory superannuation in 1992, Australians need to perceive and use superannuation as their primary source of retirement funding.

4.3.1 Regularly review the eligibility age

Life expectancy, healthcare and standards of living have changed significantly since the age pension was first introduced in 1909, but the eligibility age of the pension has not changed during the past century despite massive demographic change and an ageing population. As a result, the age pension moved from being an affordable payment to being a significant cost pressure for the Government. In 1909, the age of eligibility was 65 but male life expectancy (the main breadwinner at the time) was 55 years old. Now people are living and working longer with life expectancy for females and males at 84.4 years old and 80.3 years old, respectively.

The Australian Chamber supported the Government's efforts in the 2014-15 Budget to gradually increase the age pension to 70 by 2035, and continues to support 70 as the age for pension accessibility. The case needs to be made that the pension eligibility age should shift with the change in demographics.

It is recommended that the pension eligibility age should be reviewed every 3 to 5 years based on demographics and related evidence, and an expectation in the community of a regular review should be created. Community attitudes and understanding may change if there was a formal process of review, so consideration should be given to process as well as outcome. Regularly reviewing the eligibility age would relieve long-term cost pressures on the Budget, encourage workforce participation, provide a diverse range of experience and training in the workplace and assist with maintaining cognitive skills and better health.

4.3.2 Using the equity in primary residences to cover pension costs

Around four out of five retirees in Australia rely on either the full or part pension. A similar proportion owns their homes and the equity value of owner-occupied housing for Australians aged over 65 is approaching $1 trillion.

Starting from the premise that government payments should be equitable for Australians and financially sustainable for the Government, the Australian Chamber recommends:

- that the primary residence, where it has been valued as being over a set threshold, be included in the assets test to determine access to the age pension; and
- as an alternative to the pension for those with higher value assets including the primary residence, they should have access to interest-free pension loans for the first five years after the pension eligibility age held against the equity in the assets.

An actuarial analysis and extensive stakeholder consultation is recommended to ensure that appropriate eligibility thresholds are established. This would also account for different relationship status (e.g. single vs couples) and the value of the asset. A threshold for the value of the primary residence will ensure senior citizens in low value homes (which often correlate to low income households) will be unaffected.

By way of illustration, a person who has just turned 65 and who has a home that is debt free and valued above a threshold, say, $450,000 (debt free) would not be eligible for a full or part pension for the first five years. Instead this person would be eligible for a pension loan at an amount up to the full pension. This loan would be held against the value of the primary residence up to a maximum cap for singles or couples of say $150,000 over five years. The pension loan would be repaid on the sale of the property when certain conditions are met such as the death or the shift into aged care facilities.

Other issues to consider are:

- mechanisms to cover transfer of the assets either to surviving spouses or other beneficiaries such that the liability held against the asset remains and is paid back on sale or transfer;
- indexation of caps and thresholds to align with say CPI;
- incentives for people to increase the value of their primary residences to maximise the options available to them in retirement
- disincentives to avoid the early transfer of assets and shifting of liability to other assets; and
- different drawdown caps depending on a value range for primary residences such as:
  - a lower maximum cap for property valued between $450,000 to $1 million; and
  - higher maximum cap for property valued above $1 million.

In summary, the Government should consider including the principal place of residence into the assets test and recovering the age pension cost at a capped amount for the first five years upon reaching the eligibility age. However, this should only be when the principal place of residence is valued over a threshold amount, say net $450,000. This provides retirees with choice so that they can remain in their primary residence, leave a bequest and afford their retirement.

4.4 Enhance contestability in Government service delivery and funding

The Government delivers a range of services and provides funding for projects. Some of these could be more efficiently and effectively delivered through partnerships with the private and the not-for-profit sectors. For example:

- Education
- Health
- Aged care services
- Trade such as promotional services and 'Single Window' development
- Business and tourist visa processing and support
- International border tax (VAT / GST) reimbursement offices

5. Policy priorities

Although the Australian Chamber has placed the highest priority on budget repair, investment in priority areas is important provided the proposals will maximise the opportunities for economic growth. The following policy priorities that meet this test are put forward for consideration.

5.1 Company tax cuts

Non-mining business investment levels are floundering despite low interest rates. Businesses need incentives and certainty to grow and employ more workers, which in turn, will support wage growth.

Company tax is an inefficient tax because it can act as a disincentive to economic activity – rather than using profits to invest back into the business through more capital purchases and hiring workers. US and UK recognise this and have made public commitments to significantly reduce their tax rates, following the path of many countries before them who have much lower company tax rates than Australia.   A more competitive corporate tax rate will increase investment in Australia from both foreigners and local investors, which boosts incomes for local workers, domestic businesses and households. Two-thirds of the benefits are expected to flow to households, according to Treasury modelling.

The Australian Chamber supports the Government's efforts to lower the company tax rate to 25% over a decade through annual reduction. Although the tax cuts will apply to small and medium-sized businesses who will receive the benefit first as part of the Government's Enterprise Tax Plan, the tax cut must be extended to businesses of all sizes to extract maximum benefit. The largest businesses can grow and hire more people and attract significant additional investment under a more competitive company tax regime.

Further, the Australian Chamber supports legislating the tax cuts because certainty (or at least this demonstrable commitment) over future tax cuts will put in place a glide path that will give investors the confidence to make future decisions.

5.2 Small business

To improve efficiency in business and government interactions, the Australian Chamber recommends the Government extend the $10 million threshold in the Enterprise Tax Plan Bill to all small business tax concessions like capital gains tax concessions and the unincorporated small business tax discount which remain available only to businesses with turnover up to $5 million.

Given the delay in implementing the Enterprise Tax Plan Bill, the Australian Chamber recommends that the Government extend the accelerated depreciation policy for small businesses up to $10 million turnover for 2 years from mid-2017 to mid-2019. The success of extending the asset write-off value from $1,000 to $20,000 is testament to a well-targeted targeted policy that can boost business investment and increase the competitiveness of businesses. To ensure that the policy is relevant and effective, the Australian Chamber recommends that a review of the program including its uptake, impact and cost to tax revenue be undertaken around June 2018.

5.3 Infrastructure

In the 2016-17 MYEFO, the Government announced that it was reducing its infrastructure funding by $2.2 billion over four years because of the lack of priority projects. It further decided to not proceed with the establishment of an Asset Recycling Fund (ARF) as announced in the 2014-15 Budget. As a result of these decisions, the Australian Chamber is concerned that productivity-enhancing infrastructure that is critical to Australia's growth will not be built, particularly as the economic growth outlook moderates and interest rates are low.

Infrastructure Australia has highlighted the need to improve the processes surrounding the provision of public infrastructure. The need to limit government spending makes it difficult to fund infrastructure projects. To overcome this, the Government should facilitate increased private involvement in infrastructure through greater use of cost-reflective pricing, structures that appropriately balance risk and reward and more rigorous and objective assessments of major infrastructure projects.

Priority must go to infrastructure that grows Australia's productive capacity. Infrastructure Australia modelling suggests that congestion costs could reach up to $53 billion a year. Infrastructure investment should prioritise road and rail freight, airports and public transport – areas where usage is expected to double.

5.4 Employment, Education and Migration

5.4.1 Improving labour market analysis and forecasting

The Australian Chamber recommends that the Federal Government establish the capacity in a single department for well-resourced, effective labour market analysis and forecasting (most likely in the Department of Employment as an expansion of the existing Unit) to underpin decisions regarding skills needs and training particularly in migration, employment and education policy.

The Productivity Commission's Report on the Migrant Intake (September 2016) places considerable emphasis on the need for a stronger evidence base to inform immigration policy. A well-resourced unit and more effective across-portfolio cooperation in this area will significantly improve the opportunity for evidenced- based decisions in education, training, health, migration and industry. Some areas, such as automotive and tourism, are not well captured by industry data produced by ABS and need ongoing and detailed analysis if Australia is to best identify the skills and labour needs. The operations of automotive industry are dispersed across 8 ANZSIC Industry divisions but for a skills perspective it needs to be examined holistically.

In addition, there are experienced labour force planning units within state governments. The now-disbanded Australian Workforce and Productivity Agency, which previously issued a biannual workforce development strategy, established a working relationship with state experts. It would be useful for the Commonwealth to recommence work with state governments for a truly national approach to labour market and skills planning and forecasting.

5.4.2 Promote better community understanding of the value of skilled migration

Skilled migration enhances opportunities for Australians; it boosts the economy, assists in the training of the Australian workforce, and provides business with short-term fills for needed positions while no suitable worker can be found in Australia.

The Australian Chamber remains concerned that the skilled migration program, in particular the 457 visa program, has been undermined by commentary that suggests jobs can be and are taken by overseas workers. The Federal Government, working with state and territory governments and key stakeholders, should develop and implement a communications strategy that strongly reinforces the benefits of migration and need for a balanced migration program. The strategy should also focus on those areas of contention (skilled migration and working holiday makers) to educate the community.

5.4.3 Greater flexibility in childcare, and targeting early childhood learning to disadvantaged children

Investment in childcare and early childhood learning by the Federal Government has tripled over the last ten years to $7.7 billion in 2015-16.[2] Policies and funding in this area need to better target outcomes that relate to early childhood learning as distinct from childcare, whilst recognising that often (but by no means always) the providers are the same.

The benefit of early childhood learning has long been recognised to have a significant impact on the nation's productivity through preparing children for a lifetime of positive learning, and policies that have seen an increase in the number of children accessing preschool for one year prior to school should be continued. However, the heaviest investment is currently in our wealthiest suburbs. To ensure the highest rate of return on Government expenditure, funding for early childhood learning below the age of four should be targeted to those children who are disadvantaged from not having early learning experiences in the home environment.

The justification and foundation for a publically subsidised childcare system is to improve and support participation in the workforce. To achieve this, the Australian Chamber supports the Government's childcare proposals (stalled in the Senate), including the activity tests contained within. We recognise the Government's efforts to maintain fiscal neutrality, and their efforts to target benefits to lower-income earners returning to work. However, the subsidies are too generous at the upper family income levels, with the threshold for receiving government support set too high. Subsidies for those high-earning households should be replaced by income contingent loans and other options as outlined below.

1. *Expand access to subsidies for nannies:*

   Nannies are an important option to add to the mix of subsidised care. It is disappointing, yet not unexpected (due to the limited parameters set by Government) to see the take-up rate of the Government's Nanny Pilot was lower than planned resulting in a $170 million saving in the program as announced at the 2016-17 MYEFO. However, the Government needs to remain committed to finding a program design (not at the funding expense of other options) that allows families to access subsidies for nannies as part of the childcare system.

2. *Develop a new visa arrangement for au pairs:*

   Pressures on working parents extend beyond the need for childcare into a more general assistance at home. There has been an increase in the number of Australian families

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[2] Productivity Commission Inquiry Report: Childcare and Early Childhood Learning, October 2014

opting to employ au pairs, but at present this is using the working holiday visa which is not entirely fit for this purpose. A special au pair visa should be introduced with regulations that are more appropriate to the engagement of au pairs. As this proposal does not require subsidies, an improved au pair option would deliver budget savings by removing some families using childcare from the subsidised system.

3. *Provide income contingent loans that allow families to spread the costs of childcare.*

Complementary to the recommendation to reduce subsidies to higher income earners, the Government should consider the introduction of income contingent loans for childcare. The scheme would recognise that returning to work is of medium- to long-term benefit for parents and the economy by enabling parents to return to work sooner than they otherwise would due to cost limitations. It would be appropriate for the threshold for the repayment of these loans be determined by household earnings, not just earnings of the individual.

5.4.4 Encourage literacy and numeracy minimum standards

Parents, industry and the wider community have the right to expect that the Australian education system (regardless of state or territory) educates children to achieve a minimum standard of literacy and numeracy which meets the demands of the labour market and everyday life beyond the school gate.

The latest NAPLAN, PISA and TIMMS results demonstrate the decline in Australia's education performance both nationally and internationally in science, maths, reading and writing. Without intervention, this declining performance will result in students being inadequately prepared for the workforce, undermining our nation's ability to improve productivity.

The Australian Chamber supports the Federal Government's literacy and numeracy policy to encourage states and territories to implement minimum standards – following the lead of both Western Australia and New South Wales. The Australian Chamber recommends the Government through the partnership agreement on schools provide incentives to implement minimum standards as well as improve science, technology, engineering and maths (STEM) proficiency.

5.4.5 Maintain funding for VET at the current levels and introduce policies to boost apprenticeship numbers

The Australian Chamber has been increasingly concerned that the investment by all governments in Vocational Education and Training (VET) has decreased over recent years as has the commitment for the system to be industry-driven. The discontinuation of the Industry Skills Fund in the 2016-17 MYEFO has reinforced this impression that VET has fallen to the bottom of the priority list.

This downward trend of investment has serious consequences both in the relevance of the system to industry needs, and in the ability for the system to produce the number of skilled people required. At a bare minimum, current Commonwealth investment in VET (not including VET student loans – which should be accounted for separately from a budgetary perspective) must be maintained. This has budgetary implications as it requires at least the matching of the previous investment of $1.75 billion over five years made by the Commonwealth in the training partnership agreement. The new National Partnership Agreement due for finalisation in 2017 provides a timely opportunity to secure commitment to reform from the jurisdictions and with apprenticeships having dramatically declined, the best return on investment from the partnership agreement would be to focus on achieving a national approach to apprenticeships.

VET pathways, particularly apprenticeships and traineeships, have job-outcome results at around 80-90% at the end of training, compared to around 68% for those graduating from an undergraduate degree. Given these outcomes and the almost immediate productivity dividend from skills development, an increase in investment in apprenticeships and traineeships to boost commencement and completion rates would assist in boosting the nation's productivity.

While we acknowledge that the funding cuts in 2011 and 2012 by the previous Labor Government have had the most severe impact on apprentice and trainee numbers, the Coalition Government has failed to implement any meaningful policy to address the haemorrhaging. Strong investment needs to be returned to the system to ensure the labour market has the skilled workers it needs.

To achieve this, the Government should:

- Establish a national apprenticeship board involving industry and Federal and state governments to oversee a national apprenticeship system and to examine the issues impacting on apprenticeships and facilitate action, with a particular focus on recommending how best to improve the business case for employers offering apprenticeship and traineeship opportunities.

- Boost apprenticeship support funding. Recognising that apprenticeship completion rates will be boosted by a reinvestment in mentoring, the Federal government needs to increase apprenticeship support to recognise that efficiencies promised through the new IT system will not, in the foreseeable future, deliver the expected outcome of reduced administrative costs.

- Promote the value of apprenticeships and traineeships as a high value employment opportunity to school students, existing workers, and unemployed Australians and also as a strong option for employers.

- Fund a targeted number of entry level traineeships for school leavers. The Government should identify a suite of qualifications with high employment outcomes and fund the training (either directly or in combination with the States and Territories) and employer incentives in a program aimed at a minimum of 50,000 unemployed young Australian school-leavers over two years to assist them to gain their first job as an apprentice or trainee.

The Government should also look at replacement options to support business to upskill and retrain employees following the decision to cease the Industry Skills Fund. This support would demonstrate that the Government understands that a workforce that is continually able to retrain and upskill with nationally accredited training allows for a stronger economy. Government supported and subsidised training allows employees to undertake nationally recognised training, leaving them with more transferable skills.

The Government's VET Student Loans program is an appropriate response to replace the controversial VET FEE-HELP program. However, course funding caps for some qualifications do not reflect the amount that is required to effectively deliver to the standard needed to prepare students for the workplace. There is also concern that an overall cap imposed on VET Student Loans, which has been fixed for three years, has been set based neither on evidence of need, nor an analysis of spending on diplomas and advanced diplomas by the States and Territories. More labour market analysis is required to demonstrate this will be sufficient to support essential skills development. There needs to be a proactive policy of reviewing the caps to ensure they are set appropriately to deliver a quality outcome.

The overall picture of VET is that it is seriously underfunded and has dropped off the priority list. This is not good for business, and certainly does not sufficiently develop the skills needed for the future.

5.4.6 Employment Services reform

The Federal Government should begin the process of reviewing employment services, as has already been commenced for the Disability Employment Service. With current Jobactive contracts in place until 2019, 2017 is an ideal time to fund new pilot programs and new job search technology platforms.

The Government should fund the development of an improved technology platform (upgrade to Jobsearch.gov.au) that is designed from the employer perspective. This would enable access to available jobs by service providers, employers and jobseekers. This should be developed ahead of the current contracts expiring, and could be incorporated into piloted programs in the lead-up to 2019 to ensure a smooth transition from the existing program and contracts.

5.4.7 Disability Employment Services – Improving employer access and employment outcomes

The ambition of Government and for the community generally, should be that more people with disability are in work. The ambition should be bold and aim for a significant shift in the workforce participation rates, not marginal improvements. To achieve this, the Australian Chamber put forward a submission to the Discussion Paper on DES reform for 2018, with two key recommendations being:

1. *Return DES to the Department of Employment*

   Disability Employment Service (DES) should be delivered by the same portfolio as the larger Jobactive employment service, offering a single interface to employers.

2. *Implement PaTH for People with Disability*

   The Australian Chamber is a strong supporter of the PaTH youth programme announced in the 2016-17 Budget and due for implementation in April 2017. The program overcomes one of the most important barriers that employers face when considering the recruitment of a disadvantaged or inexperienced job seeker: risk. Once the PaTH program has been implemented and initially evaluated, the Government should consider a PaTH program for people with disability. As with the youth PaTH programme, we would recommend that the training provided be more vocationally focused, with a key pathway from the work experience being into an apprenticeship or traineeship.

5.4.8 Funding for Work Integrated Learning (WIL) in higher education

The Australian Chamber has updated its higher education policy to outline principles that should guide policy and funding decisions relating to higher education.

Connected to this broader policy, encouraging the take-up of Work Integrated Learning (WIL) in higher education institutions will assist in ensuring that the graduate skills match the needs of the labour market.

The Government should support the National Strategy on WIL through better government coordination, communication with business and the provision of useful tools and channels to highlight the benefits, to an amount of $5 million over the forward estimates. This funding would allow for one-off grants to encourage increased implementation of WIL and support the stakeholders in the implementation of the strategy including an effective communications plan.

5.4.9 Programs to develop career skills and an informed jobs market

The Australian Chamber was pleased to see the Government, in line with our 2016 Budget submission, invest in careers education albeit with a modest investment attached. With the National Career Education Strategy Group due to report back to the Government in July 2017, it is recommended that the Government allocate $10 million over the forward estimates to enable the implementation of the Group's recommendations on programs to ensure that students and job seekers are aware of the skills needed for the jobs available.

5.5 Trade

Increasingly global trade is being dominated by "global supply chains". That is, products are "made in the world" not in one country or another and services are delivered through cross border supply and the internet. Australia is a long way from major markets and those we regard as in our neighbourhood are also being targeted by other competitors. Australia cannot rely on reputation alone as our key competitive characteristic. We must continue striving to reduce costs and increase innovation in order to maintain and grow our globally competitive position.

The Treasury has recently established a Trade Policy Unit. The Australian Chamber looks forward to working with the unit, and other key agencies in government particularly DFAT and Austrade, to ensure that Government trade and investment policies are made with full consideration of the impacts on Australian businesses.

The Export Market Development Grants (EMDG) scheme, administered by Austrade, supports export promotion expenses of eligible enterprises in order to boost exports of Australian produced goods and services. The 2015 review of the EMDG found that for every $1 invested, $7 were returned to Australia. In recent years the EMDG scheme was eroded to $125 million (under the previous Labor Government) and partially restored to $137 million in the 2015-16 Budget, which is projected to be maintained over the forward estimates. The scheme's high point came in 2009-10 when $200 million was made available. Given the high return on the investment of public funds, funding for the EMDG scheme should be restored to $200 million annually.

Along similar lines, TradeStart has become an essential frontline delivery program that helps SMEs become export-ready which is important for economic growth, particularly as Australia has a relatively small domestic consumer market. Despite the potential contribution to economic growth, there have been funding cuts to TradeStart which have limited the ability to deliver services to emerging exporters and have seriously diluted the ability to grow our SME export community. The Australian Chamber recommends that the Government consider restoring the $5 million annual budget to the program.

5.5.1 Eliminate Tariffs and variable FIRB thresholds

Over the past 30 years or so, fundamental change occurred in the Australian economy as many sectors were exposed to international competition and a flexible exchange rate. These fundamental reforms led to significant structural adjustment in the Australian economy at the time, and they continue to drive structural change today. That is, the exposure to dramatic economy-shaping forces which are outside the control of the Government means that it must also continue to react to these same forces. We note that the Government has committed to remove all tariffs in the Preferential Trade Agreements (PTAs) they have negotiated to date. The Australian Chamber encourages the Government to do this on a more comprehensive scale.

As we now have a critical mass of agreements covering our major trading partners, there is no need to hold onto remaining tariffs. Australia can take unilateral action to reduce its tariffs outside of the PTAs and in doing so advance the domestic economy through lower costs across all industry and assisting with further productivity gains through competitive stimulus. Recognising the benefit to investment, business growth and therefore jobs, and taking into account the political difficulty of overcoming vested interests that benefit from existing tariff protections, the Government should adopt a target of removing all remaining trade barriers unilaterally in order to reduce costs in Australia and stimulate innovation through competition. The remaining 5% tariff rate that applies to limited industries in Australia should be reduced across 5 years to mitigate the short-term impact to industry and the budget position. The Australian Chamber recommends that the specific promises made to the automotive industry to cover its transition out of manufacturing be honoured.

The 2010 Productivity Commission review on Australian Bilateral and Regional Trade Agreements identified that the gains from unilateral reforms would boost Australia's GDP by over 0.5%. Unilateral trade and investment reform will also create saving opportunities by reducing the cost of international trade negotiations by DFAT.

Table 1 Simulated aggregate effects of reducing tariffs to zero

Simulation	GDP-Australia	Share of potential world gain
	Per cent change	Per cent
T1. Australia-small country*	0.05	5.7
T2. Australia-large country	0.12	12.4
T3. Australia unilateral	0.56	59.5
T4. Stylised APEC	0.86	91.7
T5. World	0.94	100

*Simulations are representations of the effects of the removal of barriers to trade. T1 Represents zero tariffs on all trade between Australia and a small country, T2 on trade between Australia and a large country. T3 simulates unilateral liberalisation as the removal of tariffs on all imports into Australia. T4 simulates zero tariffs on imports into all APEC countries and T5 simulates zero tariffs worldwide.

Source: Simulation results.

Similarly Australia has created a multi-tiered range of thresholds for scrutiny of foreign investments by the Foreign Investment Review Board (FIRB) as a result of various PTA negotiation outcomes. The Australian Chamber contends that there is no obvious reason for such discrimination based on country of origin. However, we do acknowledge the Government's prerogative to consider national security and competition issues which should be dealt with in separate processes that involve relevant authorities. Overall, the Australian Chamber recommends that the Government adopt a clear and consistent approach to foreign investment and that the FIRB scrutiny thresholds should be rationalised and applied at a most-favoured-nation (MFN) level for all investors.

5.5.2 Official Development Assistance (ODA)

An Aid for Trade approach, where aid investments improve trade facilitation and market access for Australian products and services, is supported. The principal means for alleviating poverty is economic development.

Australia had previously committed under the Millennium Development Goals to provide 0.5% of gross national income (GNI) in ODA. While this is a worthy goal, Australia needs to retain a prudent approach to reaching it because of our continuous budget deficits.

Australia has continued to make commitments for climate change financing in the recent international climate change negotiations. All forms of international investment in climate change and aid being considered in a combined package to reach our aspiration of 0.5% of GNI in aid funding.

Aid funding commitments, inclusive of climate change, should be maintained at $3.8 billion as at the 2016-17 Budget, with 20% being deployed as Aid for Trade. Beyond that, Australia should not increase its rate of international aid funding until the Budget provides a stable and ongoing surplus.

5.5.3 Cabotage

The Australian Chamber supports recommendation 5 of the Harper Review which states that cabotage restrictions for coastal shipping and airlines should be removed unless the benefits of the restrictions to the community as a whole outweigh the costs, and the objectives of government policy can only be achieved by restricting competition. The Chamber recommends the Government revisit reforms that will increase our competitiveness and create new business opportunities, jobs and growth.

During the current development of a National Freight and Supply chain strategy, the Government should contemplate international access issues and how goods and tourists can more easily and cost-effectively move to and from Australia, particularly from the growing markets within Asia.

Based on the Singapore model of maximising opportunities that are linked to major transport routes, Australia should consider international shipping access to Northern Australia linked to our abundant resources and other natural advantages. Similarly tourism will be boosted if access to Northern Australia is easier and more cost effective for the growing Asian middle class who want short stay visits and unique experiences. This is more efficient than forcing tourists to travel for almost a day to access gateway cities in Southern Australia.

This will also benefit southern Australia. Tasmania in particular requires access to competitive shipping and air services to engage with mainland Australia and valuable international markets. We need to ensure competitive services that assist to spread prosperity across all of Australia.

Finally, more cost effective shipping and air services provide an immediately available opportunity to reduce transport time and costs for goods movement between our major cities. Road and rail services can be immediately augmented.

5.6 Workplace health and safety

Modest but necessary additional funding is needed to ensure that workplace health and safety is regulated effectively.

Safe Work Australia (SWA) leads the development of policy to improve work health and safety (WHS) and workers' compensation arrangements across Australia. This is pivotal to ensure that our workplaces are fit-for-purpose. The Australian Chamber recommends that the Government continue funding SWA.

The Government should reinstate funding to enable effective industry engagement on work health and safety. SWA relies on industry engagement to function effectively. However, SWA's capacity to gather input from industry was greatly reduced by the June 2014 cessation of funding to the Australian Chamber, ACTU and AiGroup to facilitate consultation with industry on WHS issues.

This funding had been provided since 1984 by the Commonwealth. Following the loss of this Government investment ($375,000 per year over three years, totalling $1,125,000) the Australian Chamber has continued to consult and support a wider consultative forum of non-members. However, the level of consultation with industry has been greatly reduced. Reinstating this investment for WHS consultation and engagement will benefit employees, employers and the broader community.

The current lack of support could result in perverse outcomes, such as rule changes with significant unforeseen and costly consequences. Reinstating funding would demonstrate support for the principles in the ILO Convention 144 (1976) for consultation with the most representative employer group and the Government's own COAG Principles of Best Practice Regulation.

The Government should fund the National Industrial Chemicals Notification and Assessment Scheme (NICNAS) regulatory reforms from consolidated revenue rather than requiring industry to pay for policy costs. Under the Australian Government Cost Recovery Guidelines, the full costs of administering NICNAS are currently recovered from the regulated industry.

However, industry continues to be forced to pay for the *policy* costs of implementing the 2015 NICNAS reforms. These policy costs are quite distinct from the direct costs of regulation, so it is inappropriate to require industry to fund the regulatory reform process.

Australian Chamber of Commerce and Industry

6. About the Australian Chamber

The Australian Chamber of Commerce and Industry speaks on behalf of Australian business at home and abroad.

We are the largest and most representative business advocacy network in Australia.

We represent more than 300,000 businesses of all sizes, across all industries and all parts of the country, employing over four million Australian workers.

Our membership comprises all state and territory chambers of commerce and leading national industry associations. Individual businesses are also members of the Australian Chamber's Business Leaders Council.

The Australian Chamber strives to make Australia a great place to do business in order to improve our standard of living and sustain and create jobs.

We seek to create an environment in which businesspeople, employees and independent contractors can achieve their potential as part of a dynamic private sector. We encourage entrepreneurship and innovation to achieve prosperity, economic growth and jobs.

We focus on issues that impact on business, including economics, industry policy, trade, workplace relations, work health and safety, and employment, education and training.

We advocate for Australian business in public debate and to policy decision-makers, including ministers, shadow ministers, members of parliament, ministerial policy advisors, public servants, regulators and other national agencies. We represent Australian business in international forums.

We represent the broad interests of the private sector rather than individual clients or narrow sectional interests.

Australian Chamber Members

AUSTRALIAN CHAMBER MEMBERS: BUSINESS SA CANBERRA BUSINESS CHAMBER CHAMBER OF COMMERCE NORTHERN TERRITORY CHAMBER OF COMMERCE & INDUSTRY QUEENSLAND CHAMBER OF COMMERCE & INDUSTRY OF WESTERN AUSTRALIA NEW SOUTH WALES BUSINESS CHAMBER TASMANIAN CHAMBER OF COMMERCE & INDUSTRY VICTORIAN CHAMBER OF COMMERCE & INDUSTRY MEMBER NATIONAL INDUSTRY ASSOCIATIONS: ACCORD – HYGIENE, COSMETIC & SPECIALTY PRODUCTS INDUSTRY AGED & COMMUNITY SERVICES AUSTRALIA AIR CONDITIONING & MECHANICAL CONTRACTORS' ASSOCIATION ASSOCIATION OF FINANCIAL ADVISERS ASSOCIATION OF INDEPENDENT SCHOOLS OF NSW AUSTRALASIAN PIZZA ASSOCIATION AUSTRALIA ARAB CHAMBER OF COMMERCE & INDUSTRY AUSTRALIAN BEVERAGES COUNCIL AUSTRALIAN DENTAL ASSOCIATION AUSTRALIAN DENTAL INDUSTRY ASSOCIATION AUSTRALIAN FEDERATION OF EMPLOYERS & INDUSTRIES AUSTRALIAN FEDERATION OF TRAVEL AGENTS AUSTRALIAN GIFT & HOMEWARES ASSOCIATION AUSTRALIAN HOTELS ASSOCIATION AUSTRALIAN INTERNATIONAL AIRLINES OPERATIONS GROUP AUSTRALIAN MADE CAMPAIGN AUSTRALIAN MINES & METALS ASSOCIATION AUSTRALIAN PAINT MANUFACTURERS' FEDERATION AUSTRALIAN RECORDING INDUSTRY ASSOCIATION AUSTRALIAN RETAILERS ASSOCIATION AUSTRALIAN SELF MEDICATION INDUSTRY AUSTRALIAN STEEL INSTITUTE AUSTRALIAN TOURISM INDUSTRY COUNCIL AUSTRALIAN VETERINARY ASSOCIATION BUS INDUSTRY CONFEDERATION BUSINESS COUNCIL OF CO-OPERATIVES & MUTUALS CARAVAN INDUSTRY ASSOCIATION OF AUSTRALIA CEMENT CONCRETE & AGGREGATES AUSTRALIA CHIROPRACTORS' ASSOCIATION OF AUSTRALIA CONSULT AUSTRALIA COUNCIL OF PRIVATE HIGHER EDUCATION CRUISE LINES INTERNATIONAL ASSOCIATION CUSTOMER OWNED BANKING ASSOCIATION DIRECT SELLING AUSTRALIA EXHIBITION & EVENT ASSOCIATION OF AUSTRALASIA FITNESS AUSTRALIA HIRE & RENTAL INDUSTRY ASSOCIATION HOUSING INDUSTRY ASSOCIATION LARGE FORMAT RETAIL ASSOCIATION LIVE PERFORMANCE AUSTRALIA MASTER BUILDERS AUSTRALIA MASTER PLUMBERS' & MECHANICAL SERVICES ASSOCIATION OF AUSTRALIA MEDICAL TECHNOLOGY ASSOCIATION OF AUSTRALIA MEDICINES AUSTRALIA NATIONAL DISABILITY SERVICES NATIONAL ELECTRICAL & COMMUNICATIONS ASSOCIATION NATIONAL EMPLOYMENT SERVICES ASSOCIATION NATIONAL FIRE INDUSTRY ASSOCIATION NATIONAL ONLINE RETAIL ASSOCIATION NATIONAL RETAIL ASSOCIATION NATIONAL ROAD & MOTORISTS' ASSOCIATION NSW TAXI COUNCIL OIL INDUSTRY INDUSTRIAL ASSOCIATION OUTDOOR MEDIA ASSOCIATION PHARMACY GUILD OF AUSTRALIA PHONOGRAPHIC PERFORMANCE COMPANY OF AUSTRALIA PLASTICS & CHEMICALS INDUSTRIES ASSOCIATION PRINTING INDUSTRIES ASSOCIATION OF AUSTRALIA RECRUITMENT & CONSULTING SERVICES ASSOCIATION OF AUSTRALIA & NEW ZEALAND RESTAURANT & CATERING AUSTRALIA SCREEN PRODUCERS AUSTRALIA THE TAX INSTITUTE THINK BRICK AUSTRALIA VICTORIAN AUTOMOBILE CHAMBER OF COMMERCE