

This Snapshot

- ACCI represents business in national policy affairs especially in the areas of economics, tax, education, employment, industrial relations and trade policy.
- This snapshot summarises some of the important areas where we have given business a voice over the past 6 months.

Policies to Deal with the Economic Crisis

- ACCI has advocated policy solutions to take cost pressures off business including tax relief, infrastructure spending, skills development, free trade agreements and fair and flexible workplace relations policy.
- ACCI led business advocacy in a high-level federal parliamentary inquiry into ways Australia can lift productivity.
- ACCI has kept pressure on the Reserve Bank to exercise caution before raising interest rates prior to the economic recovery fully taking hold.
- ACCI continued to press the government on developing a plan to rein in the Commonwealth budget deficit.

Small Business Access to Credit

- ACCI put the problems which small business have with accessing affordable credit high up on the national agenda, highlighting the different ways that banks have treated small businesses compared to home owners.

- Recognising the need for retail banks to be more accountable and transparent in lending practices to business, ACCI called for a public inquiry into access to finance. Our call was echoed by Chambers and industry associations around the country, and became influential in proposals submitted to the federal parliament in December 2009 for a Senate Inquiry into Small Business Finance. The inquiry will provide an opportunity to assess the level of competition in the banking sector following the global financial crisis, and the manner in which retail banks are now rating and pricing business risk.

Tax Incentives for New Investment

- A \$3.8 billion tax break for businesses investing in plant and equipment was developed by ACCI and adopted by the Australian Government. It was one of the most successful components of the 2009 economic stimulus package, generating significant capital investment by small and medium enterprises.

Meetings with Senior Economic Officials

- ACCI met with senior Treasury officials and the Governor of the Reserve Bank to provide business feedback on current economic conditions. ACCI's standing as the leading representative of business on economic and monetary policy issues made these meetings invaluable for business people not otherwise able to have their voice heard.

ACCI Flags Tax Reform Priorities

- ACCI made a wide-ranging submission to the Henry Tax Review and set out priorities for tax

reform including aligning the top marginal rate of income tax with the company rate, capital gains tax concessions for small business, abolishing payroll tax to remove disincentives to employ, removing inefficient state-based turnover taxes, and reducing tax system compliance costs.

Keeping a Lid on Minimum Wages

- Against the opposition of the trade union movement, ACCI secured the first freeze in minimum wages in Australia for 25 years. No minimum wage rise occurred in 2009. This protected jobs during the global financial crisis. ACCI and our members saved \$1.7 billion from being added to the annual wages bill of Australian employers at a time when many businesses were under great stress.

Supporting Balanced Workplaces

- ACCI teamed with Tourism Australia to launch the *No Leave, No Life* campaign, which aims to reduce stockpiled annual leave and also stimulate the local tourism sector.
- ACCI directly influenced proposed national OHS laws including fairer legal duties, consultative procedures that better meet the needs of employers and workers, and requiring that workers make themselves available for alternative work after ceasing work on safety grounds.

Influencing Award Modernisation

- ACCI continued to fight against increases to labour costs under the new national industrial relations awards. We persuaded a Full Bench

of the Australian Industrial Relations Commission to phase in cost increases over a five year period. As a result, employers will save around \$882 million each year, or \$4.4 billion over five years.

- ACCI was also successful in convincing the tribunal to exclude from awards employees not traditionally covered such as managers and other professionals. Thousands of employers across Australia have now been spared from having inflexible award rules apply to management and professional staff.

Unfair Contract Terms

- ACCI successfully lobbied the Australian Government to stop laws that would have allowed employees to challenge the fairness of their employment contracts under "consumer law" legislation.

Broader Climate Change Debate

- ACCI invested funds to research the impact of the proposed Carbon Pollution Reduction Scheme (CPRS) on small and medium businesses. The research found that it would generate additional energy and transportation costs, and erode firm employment and profitability.
- ACCI was the only business organisation to do so, and even before the UN's Copenhagen Summit we were also one of the few mainstream business organisations to not support passage of the CPRS in the form proposed by the Government and Opposition.

ACCI is Australia's peak council of business organisations, with 35 organisations coming together under our umbrella.

Our member organisations are the main Chambers of Commerce and Industry in each State or Territory, plus Australia's leading Industry Associations.

STATE & TERRITORY CHAMBERS



NATIONAL INDUSTRY ASSOCIATIONS



- ACCI also convinced the government to delay the CPRS scheme until 2011 with a lower initial fixed carbon price, and also helped to frame subsequent public debate that began to focus on rising electricity and gas prices and their impact, particularly upon SMEs.
- The CPRS Bill was defeated in the Senate in December 2009. This was the right decision, not because pricing carbon emissions is wrong in principle, but because unilateral adoption of an ETS by Australia compromises competitiveness for negligible global environmental gains, and with small business not adequately compensated.
- ACCI's work in calling the CPRS into question has given Australia an opportunity to get the design and timing of a carbon pricing scheme right, whilst maintaining research and investment in new technologies, addressing barriers to energy efficiency, and protecting business competitiveness.

Building and Construction Industry

- Due to continued and co-ordinated pressure from ACCI and our member organisations, ACCI has successfully lobbied the Senate to not pass a Bill to abolish the industrial relations watchdog, the Australian Building and Construction Commission. ACCI's submissions convinced cross-bench Senators to not support the Bill, an important reprieve for the industry.

International Business Leadership

- ACCI's Director of Economics and Taxation, Greg Evans, represented ACCI and mainstream Australian business in Washington in September 2009 at a forum of world business leaders convened by the United States Chamber of Commerce to discuss climate change policies in the lead-up to the UN's December Copenhagen meeting. ACCI's participation achieved prominent media coverage and enhanced our reputation as an influential business voice.
- ACCI welcomed the decision of G20 leaders in Pittsburgh in September to recognise the G20 as the principal global forum for political dialogue amongst leaders on world economic and financial matters. Through involvement with the International Chamber of Commerce, the OECD and International Organisation of Employers, ACCI will continue to have direct input into future business lobbying prior to G20 meetings.

Supporting Trade

- ACCI welcomed the signing of an Australia/New Zealand-ASEAN Free Trade Agreement. ASEAN is a larger Australian trading partner than any other single country and significant trading opportunities exist in a range of sectors. ACCI acts as the secretariat for the Australia-ASEAN Bilateral Business Council and was deeply involved in these discussions.
- The Minister for Trade, Hon. Simon Crean, announced that the Export Finance and

Insurance Corporation would provide greater access to finance for Australian exporters. This followed an August meeting between ACCI and senior EFIC officials, which built on ACCI's submission to the 2008 Mortimer Review of Export Policies and Programs.

- In early October, ACCI signed an agreement with the China Council for the Promotion of International Trade (CCPIT) to promote the development of mutually beneficial trade, economic, scientific and technological opportunities between our two countries.
- As the voice of the International Chamber of Commerce in Australia, ACCI raised with the Australian Prudential Regulation Authority the higher capital requirements that banks must adopt for trade finance products under the Basel II Banking Convention. ACCI is trying to help exporters that are charged higher prices by banks for trade finance products, which have long been regarded as very safe financial instruments.

Business in China

- While a sensitive issue, ACCI worked behind the scenes to express concerns to authorities about the detention of a senior Australian business executive in Shanghai. We noted in selected media that this had the potential to negatively affect important commercial links between Australia and China. ACCI arranged meetings with the Chinese Embassy and Chinese business groups on this issue.

Boosting Workplace Skills

- ACCI, through its involvement on the Skilled Migration Consultative Panel and in the media, raised employer concerns about changes to the 457 Business Long Stay Visa regime, asking the Immigration Department to develop a detailed education campaign for employers and curb more radical changes. Migration policy must avoid contributing to skill shortages as the economy recovers.
- ACCI helped develop the *Working Together for Ability* Memorandum of Understanding between the Australian Government and employers to promote employment for people with disabilities. ACCI also provided significant input into the Government's *National Mental Health and Disability Employment Strategy*.
- ACCI was instrumental in developing a Workplace Mentoring Skills Set, in the new Training and Assessment Training Package currently under development by Innovation and Business Skills Australia. Our aim is to create a mentoring skills set to keep apprentices engaged for the duration of their tenure and ensure an effective transfer of skills from employer to apprentice.
- ACCI and the Federal Minister for Employment Participation Senator Mark Arbib launched an ACCI research study *Worth Their Weight in Gold*. The study examines re-engagement, support, suitability, retention and management strategies for disengaged apprentices and ways to actively encourage them to return to their trade, boosting workforce skills.

STATE & TERRITORY CHAMBERS



NATIONAL INDUSTRY ASSOCIATIONS



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 hundreds of thousands of small and medium businesses.