

Invigorating Business Representation



## The Rudd Government: overview of business policies



Invigorating Business Representation



## Message from the CEO

Paul Keating once famously said "When you change the government, you change the country".

With the election of a Rudd Labor Government – businesses are asking the question, what does the change mean for my business and how will it impact my workplace?

Over the past year NSW Business Chamber has met with senior members of the Rudd team as they formed their policy framework. Importantly Mr Rudd has committed his Government to being fiscally conservative with continued Budget surpluses, an independent Reserve Bank and expenditure restraint.

This paper brings together all of Labor's business related announcements providing an overview of what is ahead. The full policy documents are also available at our election homepage [www.nswbc.com.au/election07](http://www.nswbc.com.au/election07)

Members of NSW Business Chamber can expect to see a detailed business analysis of the change in Government in upcoming issues of our magazine Business Connect and at [www.nswbc.com.au](http://www.nswbc.com.au).

NSW Business Chamber believes the change of Government provides a once in a generation opportunity for major economic reform in Australia.

There are no State elections on the horizon until 2009 and coupled with "wall to wall" Labor State Governments this offers a once in a generation opportunity to fix some of the vexing issues that are confronting the Federation.

I believe the challenge for the new Government is to move decisively in the same way as the Hawke Government did when it was first elected in 1983.

Prior to the campaign, NSW Business Chamber released "Fixing the Federation" which detailed a reform agenda for the elected Federal Government. This is the reform agenda we will be advocating to the Government over coming months – at its heart is a belief that we can dramatically improve the performance of government across Australia.

It cannot be denied that the relationship with the Federal, State and Territory Governments has become dysfunctional and has become a drain on Australia's capacity to grow and achieve. We hope Mr Rudd will aggressively pursue a new agenda of co-operative federalism as we need an end to the "blame game".

If you have any questions about what the change of Government may mean for your business, please do not hesitate to contact us.

Yours sincerely

**Kevin MacDonald**  
CEO, NSW Business Chamber



## Tax policy

### Labor's Tax Plan

Current		2010-2011		Aspiration (2013-14)	
Taxable Income (\$)	Rate (%)	Taxable Income (\$)	Rate (%)	Taxable Income (\$)	Rate (%)
0-6,000	0	0-6,000	0	0-6,000	0
6,001-30,000	15	6,001-37,000	15	6,001-37,000	15
30,001-75,000	30	37,001-80,000	30	37,001-180,000	30
75,001-150,000	40	80,001-180,000	37	180,001+	40
150,001+	45	180,001+	45		
LITO	750	LITO	1500	LITO	2100
		Education Tax Bonus		Education Tax Bonus	
		Primary Students	375	Primary Students	375
		Secondary Students	750	Secondary Students	750

- > Support tax cuts outlined in the 2007-08 Budget (for financial years 2008-09 and 2009-10) #
- > Defer tax cuts for individuals earning over \$180,000 per year and provide an education tax refund for families receiving Family Tax Benefit A
- > Flatten income tax rate by reducing the number of personal income tax rates from four to three by 2013-14

### Red tape

- > Establish a Small Business Advisory Council to review Regulatory Impact Statements #
- > Simplify BAS for small business by introducing BAS Easy – an easier way for small businesses to calculate their GST obligations, reducing time taken to do GST bookkeeping by up to 85 per cent #
- > Adopt a "one-in, one-out" policy for government regulation – proposals for new business regulations must be accompanied by proposals to remove other regulations #
- > Harmonise business regulations – providing incentives for governments to reduce regulation affecting small business #
- > Cut red-tape in financial services – introduce a standard disclosure form for financial service advisers, reducing the paperwork from as much as 100 pages to just 3 or 4 pages #

### Trade practices

- > Strengthen the Trade Practices Act to protect small business from predatory practices
- > Introduce criminal sanctions for cartel conduct (eg bid rigging, market sharing, output restrictions and price fixing)

### Superannuation

- > Establish a superannuation clearing house – establish a privately contracted clearing house to handle administration of superannuation within business, the clearing house will be free of charge to small businesses with less than 20 employees.
- > Keep superannuation levy at 9 per cent

### Corporate debtors

- > Improve small business cash flow by making sure government and large corporate debtors pay bills on time. Small business will be able to charge debtors interest on bills not paid within 30 days #

“Small business will not meet its full potential unless government limits the regulatory and taxation burden.”

Kevin Rudd

# Policy position publicly advocated or supported by NSW Business Chamber

\* Policy position publicly advocated or supported by Sydney Chamber of Commerce



## Skills

- > Create Skills Australia, an independent statutory body to advise on fixing the nation's skills crisis #
- > Fund an additional 450,000 skilled training places over the next four years #
- > Ensure that 90 per cent of these places lead to a higher qualification
- > Establish a \$2.5 billion dollar program to build new, or upgrade existing, trades facilities in schools – like metal or wood workshops, kitchens, computer labs, ovens, lathes and tools
- > Implement a **National Early Years Workforce Strategy** to improve recruitment and retention in child care services, better align TAFE and university children's services and improve development pathways for child care workers. Invest \$73.5 million in improving the qualifications of child care workers

## Climate change

- > Ratify the Kyoto Protocol
- > Create a national carbon trading scheme by 2010 #
- > Set a carbon emissions reduction target of 60 per cent by 2050
- > Establish \$60 million climate change adaptation plan to help farmers maximise climate change opportunities
- > Provide \$500 million to fund development of clean coal technologies #
- > Support new solar institute and geothermal research and development
- > Establish a \$75 million grants program for Australian manufacturers to help them improve their production processes, reduce their environmental footprint and cut carbon emissions. Grants will be provided between \$10,000 and \$500,000 to small and medium sized companies
- > Create a \$90 million Green Building Fund to help businesses implement cost-saving energy efficiency measures in commercial buildings. This will fund 50 per cent of the cost of retrofitting and retro-commissioning existing commercial office buildings, up to a maximum of \$200,000 per building
- > Provide a Clean Energy Export Strategy to help Australian businesses take a larger slice of the renewable energy market.
- > Establish a Green Car Innovation Fund to develop and build fuel efficient vehicles in Australia.

## Innovation

- > Create Industry Innovation Councils to foster ongoing partnerships across the value chain in key sectors and develop a long-term approach to boosting productivity
- > Establish a \$200 million Enterprise Connect network aimed at connecting businesses to new ideas and technologies
- > Create an Innovative Regions Centre to provide hands-on support to small and medium sized companies, boost local economies and create new jobs in areas that are experiencing adjustment pressures.

“Labor’s priorities start with the one thing that will give us a competitive advantage above everything else – the skills and know-how of our people. We need to invest in our human capital to raise the productivity of our workforce and underpin future growth”

Kevin Rudd

# Policy position publicly advocated or supported by NSW Business Chamber

\* Policy position publicly advocated or supported by Sydney Chamber of Commerce



## Infrastructure

- > Create a new Federal body "Infrastructure Australia" – a Commonwealth authority to coordinate the planning, regulation and development of the nation's infrastructure #
- > Appoint a Federal Minister for Infrastructure #
- > Create a Major Cities Program, to invest in projects to help improve and expand our urban infrastructure, including our water and roads infrastructure \*
- > Provide \$2.4 billion to upgrade the Pacific Highway #
- > Widen the F5 from Ingleburn to Campbelltown (cost \$112 million)
- > Provide \$300 million for approvals and planning for M4 East from North Strathfield to the CBD \*
- > Provide \$150 million for approvals and planning the link from the F3 to the Sydney Orbital \*
- > Provide \$100 million towards the duplication of the Great Western highway from the M4 at Penrith to Katoomba
- > Implement a rail freight program for Sydney – including work on a dedicated freight rail track from North Strathfield to Gosford; the Moorebank intermodal terminal, a third track between Epping and Hornsby, freight refuge at Broadmeadow and freight loops at Woy Woy \*

## High-speed national broadband network

- > Invest up to \$4.7 billion dollars with the private sector, over five years, to connect 98 per cent of all Australians to high speed broadband. Labor's policy will allow small business, particularly in regional areas to:
  - teleworking and remote access enabling a more flexible workplace;
  - online stock ordering and management logistics services;

- cheaper internet based phone calls enabling significant cost savings;
- virtual Private Networks and Wide Area Networks allowing for the centralisation of small business resources improving resources and cutting costs;
- low cost internet based video-conferencing services saving on transport costs; and
- off-site managed backup and recovery services of valuable data for small businesses, providing improved security and piece of mind

## Industrial relations policies

- > Scrap WorkChoices and establish a new national workplace relations system based on co-operation with the States
- > 10 National Employment Standards including hours of work, parental leave, public holidays, long service leave, personal, carers, compassionate leave & annual leave, flexible work for parents, fair work information statements, termination of employment & redundancy #
- > Parental Leave Standard , allowing each parent an entitlement to separate periods of up to 12 months' unpaid parental leave to be taken in conjunction with the birth of their child. Can request an employer provide up to an additional 12 months unpaid leave which the employer is entitled to refuse on reasonable business grounds. No third party will be entitled to determine if the employer has used reasonable business grounds.#
- > Awards will be simplified
- > Workplace Authority, Workplace Ombudsman, Australian Fair Pay Commission, Australian Industrial Relations Commission and Australian Building and Construction Commission will be abolished and replaced with the one stop shop, Fair Work Australia

- > Abolition of Australian Workplace Agreements to be replaced with a focus on collective agreements or common law contracts
- > Maintain existing rules on right of entry for union officials #
- > Maintain existing rules on secondary boycotts and industrial action #

## Unfair Dismissal

- > Currently an unfair dismissal regime only applies to companies with more than 100 workers. Labor will introduce a "fair dismissal" regime
- > Under the "fair dismissal" policy, an employee can only make an unfair dismissal claim when they have worked at least one year in a business with less than 15 employees. For businesses employing more than 15 people, employees will be exempt from unfair dismissal laws for six months

## Workplace health and safety

- > Re-negotiate a Memorandum of Understanding with the States to ensure Comcare and state based authorities work co-operatively to protect all workers regardless of where they work and irrespective of their coverage under State and Federal OH&S jurisdictions
- > Partner with State and territory Governments to harmonise OH&S regulation within five years
- > Seek greater national alignment of workers compensation premium processes and procedures
- > Establish "one stop shops" within each WorkCover Insurance Agent to service multi-state employers

# Policy position publicly advocated or supported by NSW Business Chamber

\* Policy position publicly advocated or supported by Sydney Chamber of Commerce



## Child Care

- > The Child Care Tax Rebate will be increased from 30 per cent to 50 per cent. Cap on the rebate lifted to \$7,500 per child. Rebate to be paid quarterly. Changes to apply from 1 July 2008

## Federal State Relations

- > Appoint a Minister for Federal-State Relations

## Prices

- > Strengthen the role of the Australian Competition and Consumer Commission (ACCC) to monitor supermarket prices
- > ACCC to conduct a National Grocery Pricing Inquiry which will report within six months. Retailers and businesses within the supply chain will be invited to make submissions
- > Appoint a Petrol Commissioner within the ACCC to monitor and investigate price collusion and gouging

## Australia as a financial hub

- > Halve the withholding tax on distributions from Australian managed funds to non-residents from 30 per cent to 15 per cent (from 1 July 2008)

## Procurement

- > Undertake an external audit of Commonwealth procurement policies – seeking to simplify Commonwealth procurement requirements and encouraging greater small business participation in Commonwealth tenders #

## Housing affordability

- > Introduce Low Tax First Home Saver Accounts to assist aspiring first home buyers save a larger deposit. Savers will be eligible for a low tax rate of up to 15 per cent on the first \$5,000 of income they deposit in their account each year. In addition to the first \$5,000 in tax-preferred contributions an additional \$5,000 a year may be contributed towards a First Home Saver Account from after tax income without paying any further tax on that contribution. Withdrawals will only be permitted for the purchase of an eligible first home and will be tax-free \*
- > Create a housing affordability fund which will increase housing supply by providing money for local infrastructure
- > Create a national rental affordability scheme – providing tax incentives to investors to increase the supply of new affordable rental properties \*
- > Increase supply of surplus Commonwealth land to be freed for housing development or community infrastructure \*

“I welcome the fact that the New South Wales Business Chamber has joined a list of other important organisations that recognise that Australia’s Federation is becoming increasingly dysfunctional and that this will impact adversely on Australia, both economically and socially.”

“It is very significant that this important business organisation has recognized the importance of fixing the Federation to the efficiency of our economy in the future and the quality of services to our citizens.”

Bob McMullan MP

# Policy position publicly advocated or supported by NSW Business Chamber

\* Policy position publicly advocated or supported by Sydney Chamber of Commerce





NSW Business Chamber represents over 30,000 businesses in NSW and connects over 100,000 businesses across Australia through the State and Territory Chamber Network.

NSW Business Chamber's purpose is to champion the cause and growth of business. Through research, knowledge and policy achievements, we offer solutions that stimulate business growth nationwide and globally.

## Invigorating Business Representation



[nswbusinesschamber.com.au](http://nswbusinesschamber.com.au)

### NSW Business Chamber Public Affairs

Level 12, 83 Clarence Street  
 Sydney NSW 2000  
 Locked Bag 938  
 North Sydney NSW 2059

t > 02 9350 8112  
 f > 02 9279 1961  
 e > [paul.ritchie@nswbc.com.au](mailto:paul.ritchie@nswbc.com.au)