

17 May 2022

Andrew McKellar, CEO
Australian Chamber of Commerce and Industry

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Dear Mr McKellar,

Thank you for the jobs you create and the opportunities you generate around Australia. And thank you for the opportunity to respond to the range of issues that are important for your members as we move towards Election Day.

A better future relies on a stronger, broader, more inclusive and more sustainable economy – powered by cleaner and cheaper energy, a better-trained workforce with higher participation and key investments in the care economy, digital economy and a future made in Australia.

This will give Australians the best chance to earn a decent living, keep up with the skyrocketing costs of living, make ends meet, secure more of the opportunities of a recovering economy and get ahead.

As we emerge from the pandemic, Australia has been left unprepared by the Morrison Government for the most pressing economic challenges, such as rising inflation, falling real wages and not having enough economic benefit to show for a trillion dollars in public debt.

Our plan for recovery is calibrated to reduce the costs of living; drive productivity growth and expand the capacity of the economy to alleviate supply side pressures. We will shape an economy in which Australians aren't held back or left behind, and we will invest public money in a way that delivers genuine economic value for Australians.

We know this needs to be a private sector-led recovery, and we know that our economic plans will only be successful through genuine partnerships and collaboration with business.

An Albanese Labor Government will look forward to working closely with Australia's chambers of commerce, national industry associations and business leaders to build a better future for Australian businesses and their workers.

Yours sincerely

Labor CHQ 2022

NB. A set of responses to the table of questions you provided is attached with this letter.

QUESTION	ANSWER
<p>Investing in apprenticeships and training</p> <p>1. The cost of taking on an apprentice with no experience is an expense many employers can't afford. The success of the 50% wage subsidy in increasing apprentice commencements has shown that if we reduce the cost barrier, we can raise the opportunity for increasing jobs and skills. Incentive levels scheduled to start on 1 July 2022 will not be sufficient to maintain apprentice growth and will see the number of trainees fall significantly. Is Labor willing to commit to apprenticeship growth with a wage subsidy of 30% for 12 months for long-term trade apprentices and 6 months for 1-year traineeships?</p>	<p>Labor recognises the important role of employer incentives or wages subsidies have in the training of apprentices and trainees. Wage subsidies will be in place for apprenticeships and traineeships if an Albanese Labor Government is elected.</p> <p>Sustained higher levels of spending on these incentives under the previous Labor government saw a million apprentices and trainees completing training – the Liberals and Nationals delivered just 500,000 apprentices and trainees over the same period.</p>
<p>More skilled workers for job vacancies</p> <p>2. There are plenty of jobs in Australia but not enough workers with the skills to match. We believe that Australia will need an additional 400,000 funded students per annum to get us close to the numbers that were being funded previously. Will a Labor government ensure that VET is sufficiently funded to deliver the skills needed without putting limitations on what providers will be funded to deliver?</p>	<p>Labor will establish Jobs and Skills Australia as a national partnership to drive VET education and strengthen workforce planning by working together with employers, unions and the training and education sector.</p> <p>Hundreds of thousands of Australians will be able to earn a qualification or upskill with Labor's fee-free TAFE plan. Labor's 465,000 fee-free TAFE places – including 45,000 new places – will help people find decent jobs and help businesses find employees, by making fee free places available to students studying for industries with skills shortages.</p>
<p>Skilled Migration</p> <p>3. With such acute workforce shortages and skills gaps, we need to urgently restore Australia's migration</p>	<p>Under Labor, the size and composition of Australia's migration intake will take into account net overseas migration, its effects on employment and training</p>

<p>program by improving its accessibility and responsiveness. ACCI advocates for a removal of the complexity of lists and a return to the ability for employers to access all skilled occupations for employers nominating workers under the employer sponsored temporary and permanent skilled streams. Is this something Labor would commit to so that migration can again be an effective and accessible tool to address our skills shortages? Will Labor also reconsider the current permanent cap of 160,000 and commit to a cap of 200,000 permanent skilled migrants for each of the next two years?</p>	<p>opportunities for Australian residents, demographic trends and other factors, while responding to current and longer-term economic and social needs.</p> <p>Naturally there will always be a place for immigration, but our first priority will be to address Australia's skills crisis by ensuring businesses have access to the properly trained workforce they need.</p>
<p>Jobs and Labour Force Participation</p>	
<p>Getting aged pensioners into the workforce</p> <p>4. Aged pensioners want to get back into the workforce and certainly employers need experienced workers, but many are prevented due the impact it has on their pension. What does Labor plan to do to increase participation of aged pensioners? Will Labor commit to raising the income-free threshold and work bonus to allow older Australians to keep more of their pension while simultaneously earning income?</p>	<p>We understand that older Australians have a great deal to bring to the workforce, and that some pensioners may choose to keep working, whether for financial reasons or because they enjoy being productive.</p> <p>It is important to pensioners and the country that there is flexibility for pensioners to contribute to the workforce.</p> <p>Currently, that flexibility is provided through the Work Bonus and the Work Bonus Income Bank, which allow pensioners to earn extra income up to a threshold without it counting to their income test.</p>
<p>Getting more unemployed young people into traineeships</p> <p>5. The current Youth Jobs PaTH program, which is meant to help job seekers undertake training, work trial and secure a job, is not working as intended. ACCI has</p>	<p>The Youth Jobs PaTH program failed because of the Liberal government's failure to engage with young Australians on the policies which are targeted to them. Young Australians should have a voice on the issues which impact them and that is something we will do differently in Government through our Youth Engagement model.</p>

<p>proposed this be replaced with Training to Work, where the training and work happen concurrently, which is far more likely to lead to a job outcome including a traineeship than the current program. Is replacing PaTH with Training to Work something Labor would be willing to explore to help get unemployed young people into the workforce?</p>	<p>Labor has a comprehensive plan to create jobs, boost vital skills by investing in education and training, bring industry expertise back onshore and supercharge national productivity.</p> <p>To help more young Australians get into the workforce. Labor's fee-free TAFE will target skills gaps in critical workforces and help students get qualifications in trades and professions that will have jobs. There will be 465,000 fee-free TAFE places for Australian students studying in industries with a skills shortage, including 45,000 new places.</p> <p>Labor will train thousands of workers by ensuring one in ten workers on major government projects is an apprentice, trainee or cadet.</p> <p>Labor will also deliver up to 20,000 extra university places over 2022 and 2023, making it easier for Australians to find a spot at university and get a job. Labor will prioritise places at universities which are able to offer additional courses in national priority areas like clean energy, advanced manufacturing, health and education, or where there are skills shortages.</p>
<p>More job vacancies filled through publicly funded employment services</p> <p>6. Does Labor intend to implement the new employment services system, Workforce Australia, in the manner already announced by the current Government? If so, how does Labor propose to build confidence in the new system to connect unemployed Australians with employers effectively? Would Labor consider reintegrating the employment service for people with disabilities back into the core employment system once the new system is up and running?</p>	<p>Employment services have an important role to play in supporting jobseekers to find work. The Morrison Government has missed an opportunity to reform Australia's employment services system, with a rushed and mismanaged model.</p> <p>Labor will set out a blueprint for employment supports that better balance flexibility and security and give more Australians a chance to get a job.</p>

<p>Getting parents back into the workforce</p> <p>7. Will Labor consider investing more in the childcare subsidy to ensure childcare remains accessible, particularly for lower-income earners as well as providing further options for others through subsidies for nannies and/or the development of new visa arrangements for au pairs to further make it easier for mums, children and working families to get ahead, and increase workforce participation?</p>	<p>An Albanese Labor Government will reduce the cost of child care and make it easier for mums, children and working families to get ahead.</p> <p>Labor will:</p> <ul style="list-style-type: none"> • Lift the maximum child care subsidy rate to 90 per cent for families for the first child in care. • Increase child care subsidy rates for every family with one child in care earning less than \$530,000 in household income. • Keep higher child care subsidy rates for the second and additional children in care. • Extend the increased subsidy to outside school hours care. <p>96 per cent of Australian families will be better off under Labor's child care reforms – 1.26 million families.</p> <p>We'll also get the ACCC to design a price regulation mechanism to drive out of pocket costs down for good.</p>
<p>SMALL BUSINESS</p> <p>Investment in digital technology and people</p> <p>8. Increasing the digital capability and productivity capacity of staff in small businesses is essential if we are going to see them grow and compete. Will Labor commit to not just continue the 20 per cent tax deduction bonus announced in Budget 2022 to allow small businesses to improve their digital capability and upskill their workforce, but to extend it beyond 2023?</p>	<p>Labor supported a range of measures in the 2022-23 Budget and ensured prompt passage of legislation to give effect to these measures in the week the Budget was delivered.</p> <p>We will consider sensible measures that get economic bang for buck in every budget. Labor knows that the best way to fix the Budget and pay down debt is to lift growth and boost incomes, and the best way to improve the economy and lift growth is to make smart and responsible investments to expand productive capacity, so the economy can grow faster than debt. Our economic plan is carefully calibrated to deliver this.</p>

<p>Stimulate small business investment in assets</p> <p>9. Will Labor extend the Temporary Full Expensing (TFE) measure beyond June 2023, for another two years to continue to encourage small businesses to invest in productive assets?</p>	<p>Labor supported the Temporary Full Expensing measure after the Liberals abolished the instant asset write-off when they came to Government.</p> <p>As mentioned in relation to question 8, we will consider sensible measures that get economic bang for buck in every budget. The best way to fix the Budget and pay down debt is to lift growth and boost incomes, and the best way to improve the economy and lift growth is to make smart and responsible investments to expand productive capacity, so the economy can grow faster than debt. Our economic plan is carefully calibrated to deliver this.</p>
<p>Reduce business insurance costs</p> <p>10. The past few years has seen the cost of insurance for small businesses rise significantly to an unsustainable level. Will Labor undertake a formal review of the costs of business insurance and consider a range of government interventions aimed at making business insurance more affordable?</p>	<p>The COVID-19 pandemic, in addition to serious bushfires and floods across large parts of Australia, have had a significant impact on Australia's small businesses. The ballooning cost of insurance for small businesses is prohibitive for many.</p> <p>International factors notwithstanding, more needs to be done to understand the impact on specific small business industries and occupations.</p>
<p>Better use of tech to reduce regulatory burden</p> <p>11. Government regulations for small businesses are currently time-consuming and complex. Investment in digital technologies (RegTech) can provide better ways of regulating for small business owners. Will Labor commit to the effective use of RegTech to simplify regulatory compliance and reduce the administrative burden on small businesses?</p>	<p>Labor supports a modern regulatory agenda, and we have been disappointed with the current government's progress on key initiatives. In particular, the extremely slow progress on the modernisation of business registers is a black mark on the Morrison government's record.</p> <p>Eight out of 10 small businesses find government regulation overly complex. Labor will drive a genuine collaboration with small businesses and government to reduce the time small businesses spend doing taxes, cut paperwork and target support.</p>

<p>Reduce cross-agency duplication in workplace regulation</p> <p>12. Our current regulatory environment is complicated and costs small businesses too much time and money without improved outcomes. Labor recently announced it will drive collaboration to reduce the time small business spend on taxes, paperwork and will target support. Specifically in the area of workplace regulation, including work health and safety where the overlay of federal and state laws is impactful, what will Labor do to address cross-agency and regulatory duplication burden?</p>	<p>You may be aware of Labor's recent commitment to fix charitable fundraising laws that were designed in a pre-internet age. These laws currently create a paperwork burden that costs Australian charities more than a million dollars a month.</p> <p>The guiding principle in our commitment to fix charitable fundraising laws has been the unnecessary burden created by duplicated regulatory requirements.</p> <p>A Labor Government would follow the same principle in other instances where information sharing and recognition agreements could facilitate similar cost saving and efficiencies.</p>
<p>Improve access to risk capital</p> <p>13. Small business owners are having difficulty securing funding for larger long-term investments and are paying high interest rates. They need improved access to risk capital through methods such as a private-public partnership model. What measures will Labor introduce to create additional avenues to secure funding?</p>	<p>The National Reconstruction Fund provides a financing vehicle to specifically drive investment in projects that will build prosperity across the country, broadening our industrial base and boosting regional economic development.</p> <p>The \$15 billion Fund will provide loans, guarantees and equity to support projects that create secure well-paid jobs, drive regional development, and invest in our national sovereign capability, broadening and diversifying Australia's economy.</p> <p>The Fund will lower the cost of capital for small businesses providing investment over the longer for projects that generate a return on investment across the period.</p> <p>For example, as a part of this work, our tech investment policy will make \$1 billion available for investment in innovative Australian technologies. This will boost our domestic tech entrepreneurs and provide investment streams for existing businesses in critical technologies. It will ensure that our innovative industries can grow, create new jobs and keep talented tech workers and successful tech businesses based in Australia.</p>

<p>Help small business to reduce emissions</p> <p>14. Small businesses are often very environmentally conscious; however, their achievements can be overlooked by the government. Labor's Powering Australia plan mentions a range of measures to reduce emissions, which of those will support small business owners to reduce their energy consumption and emissions from other activities?</p>	<p>Labor's Powering Australia plan will provide direct financial support for measures that improve energy efficiency within existing industries.</p> <p>Labor's Powering Australia Plan recognises the efforts of small businesses to reduce their energy consumption. The plan will see electricity costs for businesses fall, providing a shot in the arm for electricity intensive industries.</p>
<p>Government support in a crisis</p> <p>15. The past few years of COVID-19, bushfires and floods has highlighted the important role government support plays for businesses to minimise economic and social costs. However, in times of uncertainty the level of support can be unclear. Labor has announced it will consider the specific needs of small businesses for government support in times of crisis. Will Labor create a new framework for business disaster/pandemic support to provide more certainty?</p>	<p>An Albanese Labor Government will consider the specific challenges that face small businesses in times of crisis, so that they can plan and grow with greater certainty about the impact of disruptions.</p> <p>Labor will work closely with States, Territories, industry groups and communities to end the uncertainty about support that small businesses are able to access in a crisis.</p>
<p>GROWTH</p>	
<p>Getting more investment in machinery, plant and equipment</p> <p>16. The TFE measure has been successful in stimulating smaller-scale business investments in plant and equipment. There also needs to be an avenue for businesses of all sizes to make larger-scale investments like heavy industrial machinery and large-scale</p>	<p>Labor supported the Temporary Full Expensing measure after the Liberals abolished the instant asset write-off when they came to Government.</p> <p>We will consider sensible measures that get economic bang for buck in every budget. Labor knows that the best way to fix the Budget and pay down debt is to lift growth and boost incomes, and the best way to improve the economy and lift growth is to make smart and responsible investments to expand productive</p>

<p>equipment. Would Labor consider offering an investment allowance of 20% of the value of depreciable assets over \$500,000 to give businesses of all sizes the confidence to make these bigger investments in heavy industrial machinery and large-scale equipment?</p>	<p>capacity, so the economy can grow faster than debt. Our economic plan is carefully calibrated to deliver this.</p>
<p>Getting more investment in R&D and innovation</p> <p>17. Australia's investment in research and development (R&D) at 1.8% of GDP has fallen well behind that of other comparable countries. The patent box reforms, with lower tax rates to encourage businesses to commercialise their R&D and innovation in Australia, were a step in the right direction, but their scope was limited to a very small number of sectors - medical, biotechnology, agricultural and emissions technologies. Will Labor retain the patent box reforms? Is Labor open to expanding the scope of the patent box incentives to all industry sectors, particularly traditional manufacturing sectors, energy and information and communications technology? Would Labor consider other additional forms of support, such as grants and other financial assistance, to further assist businesses to commercialise R&D and innovations on our shores?</p>	<p>Labor believes Australia can be a global STEM superpower. Our national platform notes that Labor will work with business, industry, universities and research institutes to boost Australia's investment in research and development as a percentage of GDP, getting it closer to 3 per cent of GDP achieved in other countries.</p> <p>To embolden science and research, Labor will introduce a requirement that, where possible, government agencies worth over \$50 million will source at least 4 per cent of R&D from local small businesses.</p> <p>Labor's National Reconstruction Fund will also assist businesses to commercialise R&D and innovations in Australia.</p>
<p>Making business tax more competitive to attract foreign investment</p> <p>18. The current company tax rate for medium to large businesses, at 30%, is one of the highest in the developed world. This is inhibiting the growth of more</p>	<p>Labor's only plans for tax reform are the plans that we have announced to address multinational tax avoidance. Labor's Plan to Ensure Multinationals Pay Their Fair Share of Tax Policies Australian Labor Party (alp.org.au)</p>

<p>than just larger businesses, as SMEs rely on larger businesses as both suppliers and customers. Would Labor consider extending the 25% corporate tax rate to all businesses as a means of encouraging growth and attracting foreign investment? If not, would Labor at least consider increasing the base rate entity eligibility criteria for the 25% small business corporate tax rate to SMEs with an aggregate turnover of less than \$250 million, up from the current \$50 million?</p>	
<p>Greenfields Enterprise Agreements</p> <p>19. As Labor recognised prior to the 2019 Election, agreements that expire mid-project can cause significant disruption, cost blowouts and uncertainty both for businesses constructing vital infrastructure, and for crucial global investors. Will Labor commit to a balanced set of changes to greenfields agreements including (a) a maximum agreement term to six years, (b) a \$500 million floor to ensure that only genuinely major projects are covered, and (c) guaranteed annual wage in each year a major project greenfields agreement is in operation equivalent to the percentage increase awarded by the Expert Panel of Fair Work Commission in the Annual Wage Review?</p>	<p>Labor's industrial relations policies will deliver more secure jobs, better pay and a fairer system. The initiatives that Labor has committed to at the coming election are described in our Secure Australian Jobs Plan. Labor's Secure Australian Jobs Plan Policies Australian Labor Party (alp.org.au)</p> <p>Labor's approach, should it be elected on 21 May, will be consultative. In that context it is important to refer to Labor Leader Anthony Albanese's speech to the Australian Chamber of Commerce and Industry (ACCI) in Sydney in May, where he said:</p> <p style="padding-left: 40px;"><i>"A Labor government I lead will reinvigorate Australia's enterprise bargaining system to promote productivity. We must rediscover the spirit of consensus that Bob Hawke used to bring together governments, trade unions, businesses and civil society around their shared aims of growth and job creation.</i></p> <p style="padding-left: 40px;"><i>If I am successful at this election, one of my first acts will be to convene an Employment Summit to bring employers and unions together to collaborate on secure work and to ensure enterprise bargaining works effectively".</i></p>
<p>SUSTAINABILITY</p>	

<p>Achieving net-zero by 2050</p> <p>20. If Australia is to do its part in slowing down climate change, we need to remain committed to the net-zero by 2050 carbon emission reduction target and ACCI acknowledges to commitment in Powering Australia to achieve this including an ambitious 2030 target. Will Labor put in place a roadmap inclusive of targets along the way from now to 2050 to ensure Australia stays on track?</p>	<p>In contrast to the uncertainty created by fractures in the Morrison Government on energy and climate policy, Labor's Powering Australia plan will put government policy in line with Australia's leading industry, business and agricultural groups. Labor will create jobs, cut power bills and reduce emissions by upgrading the nation's electricity infrastructure and boosting renewable energy:</p> <ul style="list-style-type: none"> • Creating 604,000 jobs, 5 out of 6 of them in regional areas. • Spurring \$76 billion of investment. • Cutting household electricity bills by \$275 a year by 2025. • Reducing Australia's emissions by 43 per cent below 2005 levels by 2030. <p>We'll also adopt the BCA's recommendation for facilities already covered by the Government's Safeguard Mechanism that emissions be reduced gradually and predictably over time, to support international competitiveness and economic growth – consistent with industry's own commitment to net zero by 2050. We'll help businesses plan by working with them to provide greater transparency on their climate related risks and opportunities.</p>
<p>Integrating the long-term emissions reduction plan with energy policy, which includes a technology-neutral approach to domestic energy generation and exports</p> <p>21. In setting a roadmap to achieve net-zero by 2050, while ensuring Australia has a future with sustainable, secure, reliable and affordable domestic supplies of energy and maintains our position as a leading global energy exporter, our long-term emissions reduction plan must be fully aligned with our energy policy. To achieve this, we also need to consider all technology</p>	<p>Labor recognises and supports the critical role that gas plays in the Australian economy. Labor also recognises that gas has an important role to play in achieving Labor's target of net zero emissions by 2050. Labor's policies will support Australian workers in the gas extraction industry, building on Labor's legacy of supporting sufficient and affordable gas supply for Australian industry and consumers. This includes support for new gas projects and associated infrastructure, subject to independent approval processes to ensure legitimate community concerns are heard and addressed. Labor will ensure the industry assesses and manages environmental and other impacts, including on</p>

<p>options available to lower emissions at least cost to energy prices, jobs and the economy. Will Labor commit to integrating its long-term emissions reduction plan with energy policy? Will Labor adopt a technology-neutral approach to domestic energy generation and exports, even if it requires transitioning to lower emissions technology such as gas-power generation as an interim measure until technologies such as battery storage and green hydrogen become efficient and cost effective?</p>	<p>water reserves and co-existence with other agricultural activities, and engages constructively with landholders.</p> <p>Labor clearly understands the role of coal and gas in electricity generation, as a feedstock for industry and as an export to international markets. But unlike the Liberals, we also understand those roles will change over time as other technologies mature and global demand shifts. Over 70% of our trading partners are committed to net zero, we want Australia's regions to not only survive but thrive in a changing global economy.</p>
<p>Adopting a least-cost emissions abatement scheme</p> <p>22. Australian businesses should be able to determine how much of their emissions they intend to abate and how much they're prepared to pay for carbon offsets. Will Labor adopt a least-cost voluntary emissions abatement scheme using a market-based approach?</p>	<p>Labor believes the most effective and economically beneficial way to address climate change and deliver least cost abatement is to partner with industry, workers and communities to develop and implement plans and policies that cut pollution, modernise the economy, reduce energy prices, deliver social and economic justice, and grow the jobs and industries of the future.</p> <p>This means incentivising and supporting abatement of pollution in the industrial, mining and agricultural sectors, utilising the land sector to sequester carbon, supporting the adoption of new transport technologies and delivering a clean, affordable and modern energy system, including providing a supportive regulatory framework for the development of offshore renewable energy.</p>
<p>Resisting trade protectionism</p> <p>23. Carbon taxes on imports, such as the carbon border adjustment mechanism proposed by the European Union, encourage protectionism under the cover of environmental benefit. Will Labor oppose the EU's carbon border adjustment mechanism and other forms</p>	<p>Our approach to trade considerations is guided by some core principles. Trade agreements must be consistent with Australia's social and economic values, be based on widespread consultation, provide for appropriate minimum and enforceable labour and environmental standards, take account of social and economic impacts and allow sovereign governments to make decisions and implement policies in the interests of their citizens.</p>

of trade protectionism to preserve the free trade agenda in the international arena?

Trade agreements must not inhibit the right of Australian governments to regulate in the national interest.