

ACTION PLAN FOR
ENDURING PROSPERITY

Summary Report



**Business Council
of Australia**





Contents

Introduction	2	Our starting point	20
Our values	8	Our strategy	24
Vision, aspirations and goals	9	Nine things to get right	25
The case for change: Why do we need a plan?	14	Phasing of recommendations	37
The opportunities and risks that we face	15		



About this publication

The Business Council of Australia (BCA) brings together the chief executives of more than 100 of Australia's leading companies, whose vision is for Australia to be the best place in the world in which to live, learn, work and do business.

This is the summary report of the Business Council of Australia's *Action Plan for Enduring Prosperity*. This and the overview brochure, full report and list of recommendations are available as separate publications and can be downloaded from the BCA website at www.bca.com.au.

Introduction

This discussion paper outlines an economic action plan for Australia's future.

It has been prepared by the Business Council of Australia, which is made up of the CEOs of 100 of Australia's top companies.

This paper addresses the question of whether the future can be prosperous for all Australians and whether things will live up to our expectations.

What is our answer? Australia's future can be prosperous but this will depend on maintaining strong economic growth and an environment that supports businesses to do well. The actions, decisions and choices we make now will either support or inhibit Australia's prospects.

Australia has experienced a very successful growth period and we continue to have many intrinsic strengths, but we are a small economy in a fiercely competitive global environment. We do many things well and lead the world in areas like mining, agriculture and various services industries. However, with a small local market we lack the scale and expertise needed to exploit opportunities in many sectors of our economy, particularly manufacturing.

On a frank assessment, it's clear we've taken our eye off the ball when it comes to Australia's economic challenges and complacency has crept in. This applies to governments and business. The benefits of a terms-of-trade boom have masked emerging cracks.

» We've been fiscally strong in the past (this strength got us through the global financial crisis), but in recent years government has failed to execute a responsible fiscal strategy. As a consequence, our fiscal position is not

as robust as it should be given the economic growth we've continued to record over the past four years.

- » We haven't invested enough in infrastructure and the community and business are suffering the consequences. Infrastructure shortcomings are diminishing our quality of life, reducing our competitiveness and eroding community support for growth.
- » Our system of workplace relations is much less flexible than it needs to be and more heavily regulated than it was in the past. It does not support high-performing, modern workplaces and is reducing our capacity to adapt to competitive pressures and a changing global economy.
- » Regulatory overreach has occurred at all levels of government. Politicians – often at the community's behest – are intent on introducing new laws and regulations as the immediate solution to every problem. For example, overlap between the Commonwealth and the states is slowing development approvals and holding up investment in important major projects.
- » We are not making the most of our comparative advantage in energy – either its delivery domestically or in terms of export opportunities.
- » Our federation is not operating properly, with the Commonwealth and the states in constant conflict on many important policies and a lack of national cohesion. We need to get a better handle on which level of government should be responsible for key policy directions and the delivery of services. We need to make sure there is appropriate funding support and accountability.



» Our education and training system is not providing the right mix and quality of skills when needed to service a changing economy.

The sum of all this is that our competitiveness has declined and our chances of maintaining the rates of economic growth that we need are far less certain. This matters. It matters for what our future will look like, the number and quality of jobs we can create, the wages Australians will earn, the profits businesses will generate and the taxes governments will collect.

We think that a lack of focus on the long-term national interest is making it harder to take the tough, structural reform decisions that will support growth. Politicians are reacting to the community's expectations that governments will provide more and more, and with the growing pressures of an ageing population. But there's little discussion of the need to change other spending priorities or raise taxes to accommodate this.

We are operating in a more complex and challenging global environment that finds Australia more interconnected, but also exposed to greater volatility.

Our own economy is going through a major period of transition. Some sectors have boomed and others are doing it tough. There is uncertainty over how Australia will negotiate a downturn in the resource investment boom, and whether new infrastructure-related construction projects can be rolled out quickly to help fill the gap.

The question is how can we deal with all of this?

We believe it's possible to restore confidence and growth and create more jobs by squaring up to the situation and bringing the community

along. If we are prepared to take a broad-ranging and comprehensive approach – with some 'give and take' all round – there is no reason why Australia can't overcome the challenges and harness the opportunities before us.

The solutions are straightforward but it is less clear *how* we will arrive at where we need to be and how we can achieve consensus.

We are proud of the crucial role that businesses play in creating jobs and wealth, and contributing to community prosperity. We recognise that in a modern market economy there is a significant role for government and the community sector. It is important that the three sectors work together to keep delivering the prosperity Australians have enjoyed in the past.

The Business Council of Australia has prepared this action plan with the overarching vision of securing enduring prosperity for all Australians. We are mindful of the costs to all of us of not getting right Australia's approach to public policy and our economic settings.

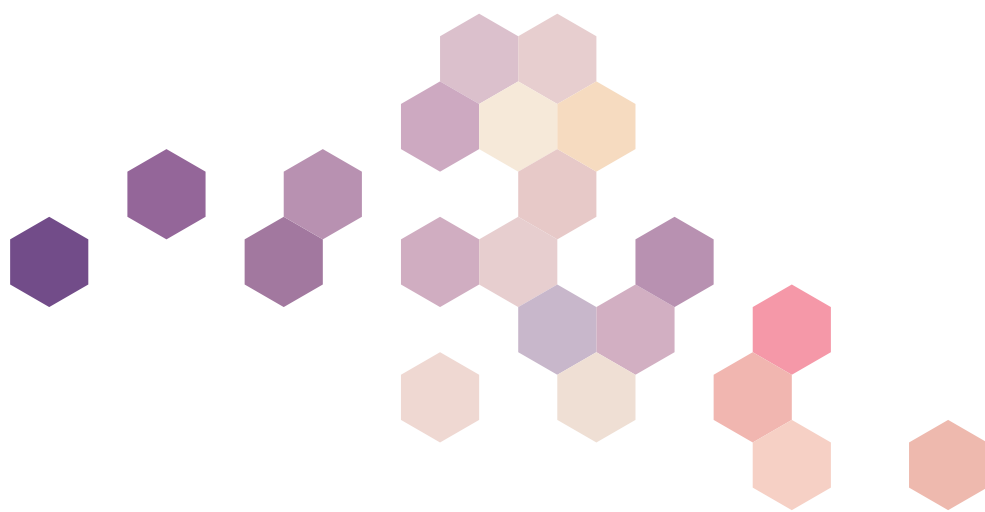
The vision that inspires our action plan encompasses three interconnected goals:

- » a strong, growing economy with full employment
- » a strong society with improving living standards
- » growing our economy efficiently and sustainably.

The plan identifies a set of recommended actions across nine critical areas that, if implemented, will help set Australia on the right track.

These are the nine areas that we believe require action:

- 
- 01.** Australia's fiscal policy settings and long-term budget discipline must be strengthened, we have to adopt a more competitive and sustainable tax system and provide for a fairer sharing of money between the Commonwealth and the states.
 - 02.** We must continue – and continue to plan for – sustainable population growth in our cities and regions.
 - 03.** We must provide the right infrastructure for a modern, liveable and productive economy.
 - 04.** We must equip all Australians with the right skills and education and boost labour-force participation so that we have more productive and innovative workplaces and a better workplace relations system that strengthens the relationship between employer and employee.
 - 05.** We must rethink our approach to regulation and strengthen our institutions and governance arrangements with greater accountability and transparency from our regulators.
 - 06.** We must realise a deeper engagement with the world both economically and politically.
 - 07.** We must preserve a strong and stable financial system and make it more competitive and capable of funding our future growth.
 - 08.** We must adopt a coherent and comprehensive energy policy that enhances Australia's competitive advantage.
 - 09.** We must create the right environment and systems to foster and drive innovation, diversify our economy and play to our strengths.
- Our plan and related actions to achieve enduring prosperity should be viewed as comprehensive and mutually interdependent, with a specific view to restoring competitiveness and lifting productivity.
- We recognise there is a range of important issues in play and it is not feasible to undertake or deliver everything at once. We have identified the crucial areas of policy and suggested the top priorities.



Our approach recommends three phases for action:



Phase One is focused on building the trust and confidence between government, business, non-government organisations and the community that are required for major reform.

» The actions in this phase are designed to get investment flowing across all sectors of the economy. To build confidence, businesses and the community must see a start to the processes of fiscal repair, commencement of comprehensive tax reform, and improved regulation making and a reduction in the regulatory burden. Changes are needed to the current arrangements for workplace relations. The groundwork should also be laid during this phase for future reforms. This phase will also involve the introduction of National Productivity Payments to incentivise the states to take on microeconomic reform.

Phase Two is focused on consolidating and growing the economy by building on the foundational reforms implemented in the first phase.

» Actions include delivering a more competitive tax system, significant reform in skills and education, increasing workforce participation, and rolling out major infrastructure projects. Federal and state approval and planning processes will be enhanced to enable strategic planning for growth and development of liveable cities.

Phase Three is a realisation of our full economic potential and delivery of community aspirations.

» In this phase governments and businesses are able to put in place actions that extract the full economic potential from Australia's natural and community assets. Significant tax reform is under way. There are also major productivity enhancements, particularly in infrastructure, skills and workplaces. The economy is growing strongly and sufficiently to build major surpluses and a recharge capability, and to pay for an ageing population.

Immediate Phase One actions



The following actions should be taken immediately to bolster our fiscal position and restore trust and confidence in order to get investment flowing. These actions build the foundations for most other actions in the plan.

We need to:

- » Stabilise Australia's fiscal position through a comprehensive audit and strengthening of budget rules
- » Identify a rolling program of infrastructure projects and reform approaches to the funding and financing of infrastructure to ensure that we have the infrastructure for a growing community and growing economy
- » Encourage the investment we need to enable growth by removing the worst, unnecessary regulation, starting with the double-handling of environmental approvals
- » Cultivate a more flexible and harmonious workplace culture by improving our workplace relations system to reflect modern Australia
- » Address the decline in foundation skills and improve literacy and numeracy so that our young people have the essential skills to support learning and working
- » Develop an integrated energy policy that balances the need for competitively priced and reliable energy domestically while recognising the importance of energy as an export opportunity
- » Develop a forward work program for long-term tax reform with all options open for consideration
- » Identify Australia's comparative advantages to enable a more diversified economy and a harnessing of innovation to deliver greater value add in more traditional sectors where we are already strong
- » Build on Australia's place in the Asian region and ensure that we can compete on a global stage by placing freer trade and investment at the centre of our actions on global economic engagement, including through our leadership of the G20 and B20

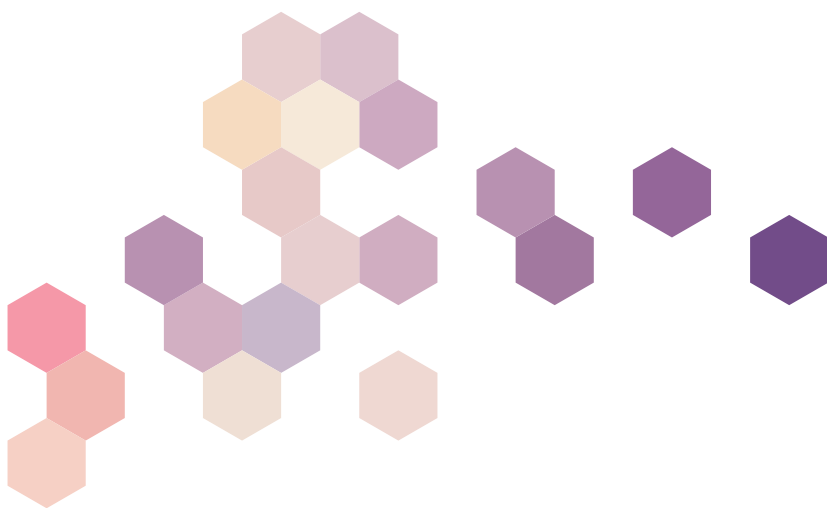


This prioritisation is intended to guide policymakers for the next decade about the things that have to be done now, and the things that we have to get started so that Australia's economy can become more competitive and resilient.

Few would argue against an aspiration to lock in prosperity for all Australians. The issue is how we achieve this vision. With this plan the Business Council of Australia has outlined an approach to help us get there.

The reality is that achieving the vision and goals put forward in our action plan will take leadership by business, governments, the non-government sector and individual Australians all playing a part in what this plan describes as the 'prosperity-inclusiveness compact'.

Australians have done this before and we can do it again. Our plan is intended to help chart the course.



Our values

The Business Council of Australia is guided in all of its activities by a set of core values. We believe that successful organisations and societies are underpinned by well-articulated values.

- » We believe in shared prosperity and that all Australians should benefit from the wealth we create as a nation
- » We advocate reward for effort, innovation, ambition, for risk taking and for enterprise
- » We believe in a society that encourages Australians to aspire to improving their own wealth and quality of life, and those of their children and grandchildren
- » We are committed to equality of opportunity through freedom of choice and fairness as fundamental principles that support Australians to pursue their aspirations
- » We believe in a globally connected world where Australia plays a significant, respected role in the international community, both economically and strategically
- » We are committed to maintaining honesty, trust and integrity in our public and private institutions
- » We want safe, productive and high-quality workplaces that provide social and economic advancement and a sense of identity and belonging
- » We value and respect Australia's unique environment and natural resources, and are committed to their efficient and sustainable use.

Vision, aspirations and goals

The Business Council's vision is for Australia to enjoy enduring prosperity.

We believe this kind of vision is best delivered through three sets of interconnected goals that include:

- » a strong and growing economy and full employment
- » a strong society and improving living standards
- » growing sustainably and using our resources more efficiently.

These goals reflect our belief in a fundamental link between economic growth and social policy and the prosperity of society.

Being as great a country as we can be depends on continued economic growth. It requires us to balance policies that support growth with social policy that ensures the benefits of growth flow through to every Australian.

We believe this must be done in a way that allows Australia to grow sustainably and use its natural resources efficiently.

Aspirations and goals

To achieve enduring prosperity, our plan is built around aspirations with specific goals, which represent the measurable hallmarks of a prosperous society. They define the tangible outcomes of our vision and serve as measures of success.

A strong and growing economy and full employment



Aspiration

For rising productivity to be shared through lower prices, higher wages and higher profits

Goals

- » Australia to be ranked in the top five countries in the world for real GDP per capita – in 2011, Australia was 13th
- » Lift labour productivity by 1.5 to 2 per cent per year on average

Aspiration

For Australian businesses and enterprises to have the opportunity to thrive in a competitive environment

Goals

To achieve this aspiration, Australia needs to set the goals of:

- » Being in the top five countries on the Global Competitiveness Index as measured by the World Economic Forum – currently we are ranked 20th
- » Being in the top five countries in the world for ease of doing business, as measured by the World Bank's Ease of Doing Business Index – currently we are ranked 10th

Aspiration

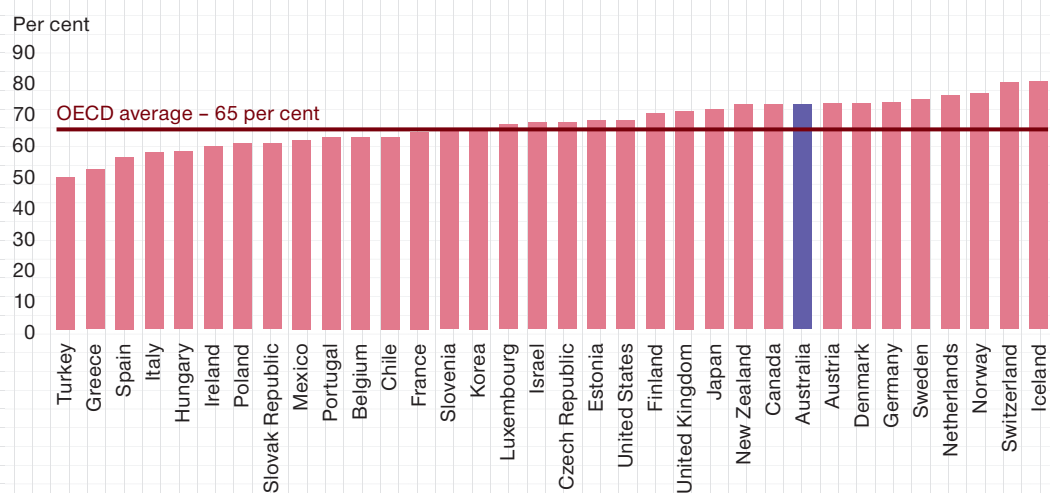
For Australians to have access to decent jobs – that is, work that is productive and delivers a fair income in conditions of freedom, equity and safety

Goals

To achieve this aspiration, Australia needs to set the goals of:

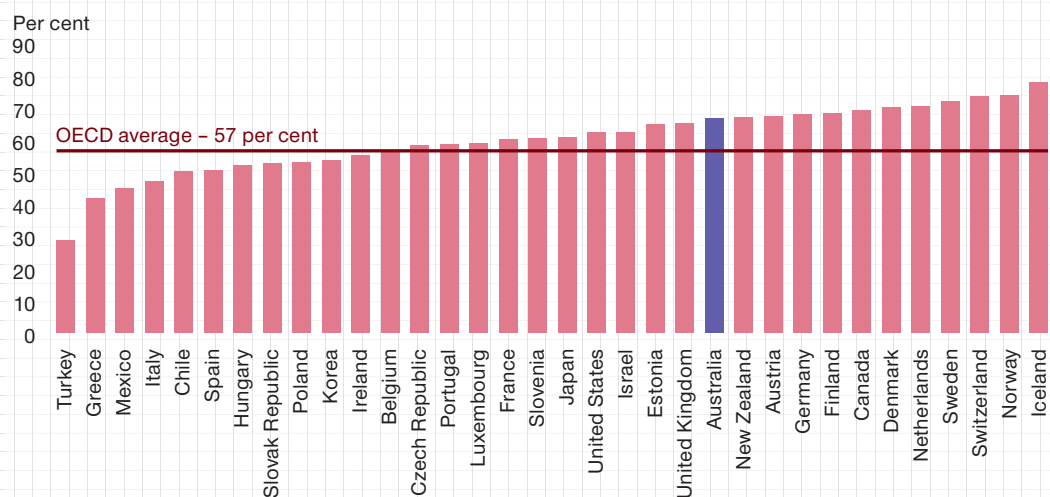
- » Being in the top five countries in the proportion of the working population in jobs (see Figure 1)
- » Being in the top five countries in the world for the proportion of women of working age in jobs (see Figure 2)
- » Being in the top five countries in the world for the proportion of older workers in jobs (see Figure 3)
- » Having 50 per cent of senior positions in BCA companies filled by women

Figure 1: Employment rate, OECD, 2012



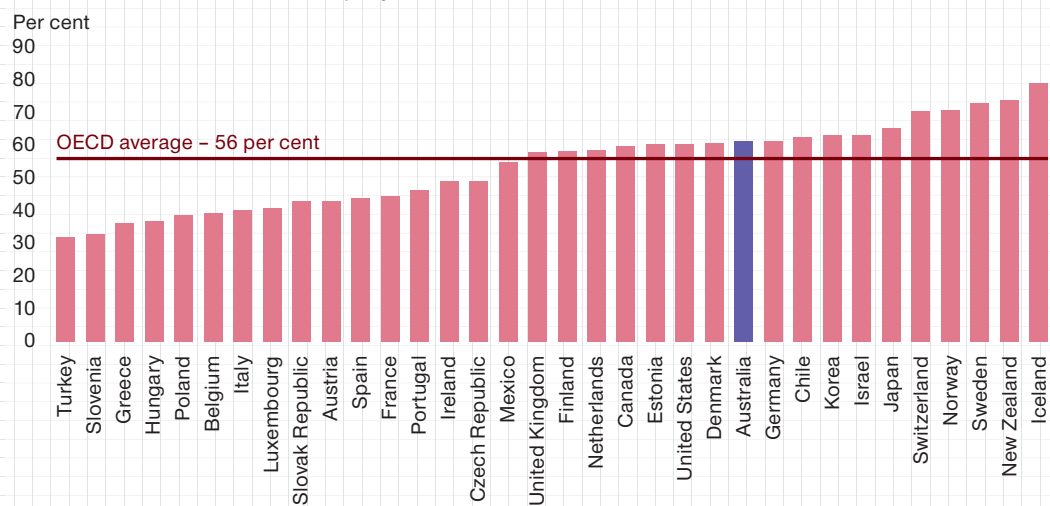
Source: OECD.StatExtracts database

Figure 2: Female employment rate, OECD, 2012



Source: OECD.StatExtracts database

Figure 3: Older workers employment rate, OECD, 2012



Source: OECD.StatExtracts database

A strong society and improving living standards

Aspiration

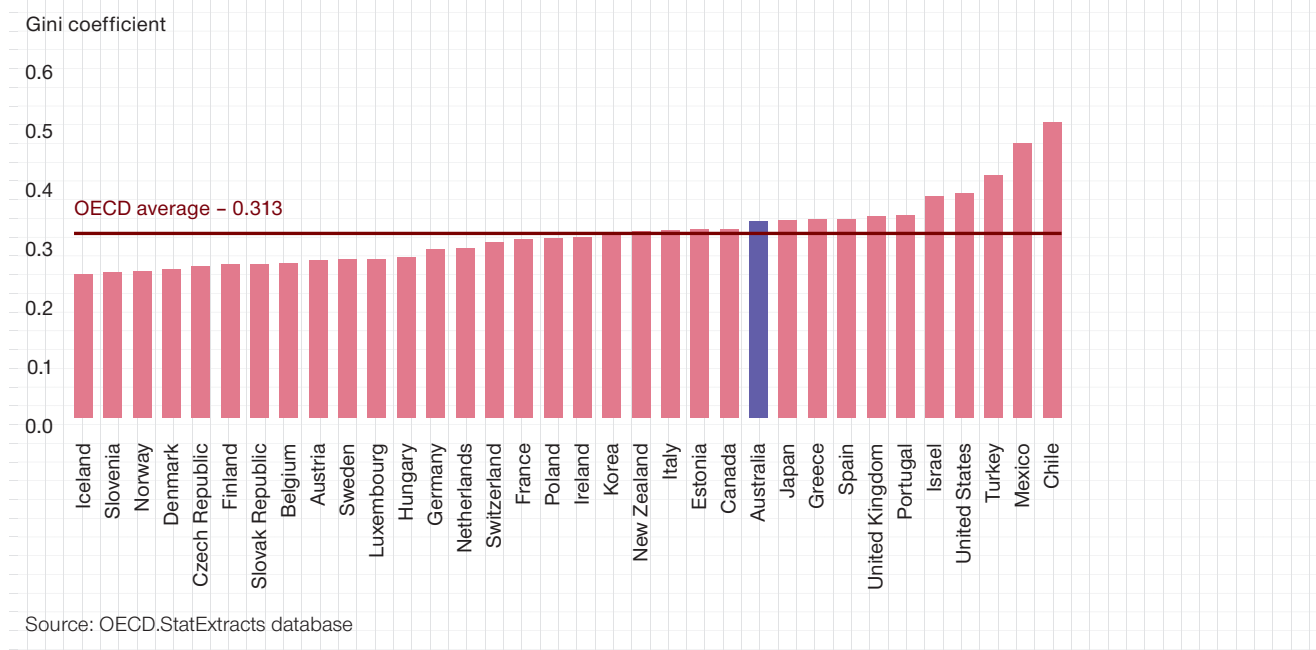
For all Australians to share in economic growth

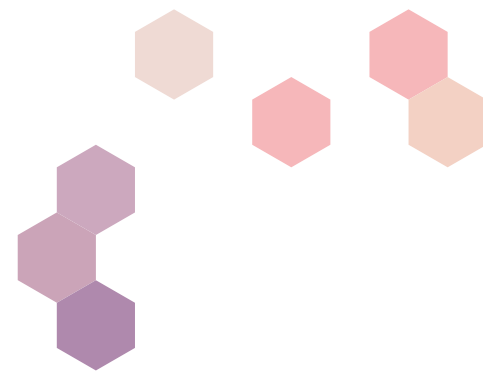
Goals

To achieve the aspiration of having all Australians share in economic growth, Australia needs to set the goals of:

- » Maintaining a reasonable distribution of wealth and income in relative terms globally (as measured by the Gini coefficient – see Figure 4) through fostering greater workforce participation, low unemployment, higher skills and more job opportunities
- » Making significant progress in addressing entrenched disadvantage by improving opportunities for participation in work and retention of a strong and sustainable safety net
- » Improving opportunities for participation in work and in the community to ensure a greater sharing of wealth
- » Closing the gap in opportunities for Indigenous Australians

Figure 4: Income distribution, OECD





A strong society and improving living standards



Aspiration

Australian society should be healthy

Goals

To achieve the aspiration of being a healthy society we think Australia needs to set goals of:

- » Improving life expectancy by 2050 to 85 years and the number of years of 'healthy life' to 78 years – current average life expectancy in Australia is 82 years, with 74 years the 'healthy life' average
- » Providing all people with access to first-class health services with a focus on prevention and health outcomes

Aspiration

Australia should have the most skilled and educated workers in the world

Goals

To achieve the aspiration of being an educated and skilled society, Australia needs to set the goals of:

- » Having 95 per cent of children meet Year 9 literacy and numeracy standards in NAPLAN testing – currently the figures are 91.4 per cent and 93.7 per cent, respectively, in 2012
- » Having 90 per cent of all young people complete Year 12 or equivalent – currently the figure is 84.1 per cent in 2011
- » Increase the number of Australian universities ranked in the top 50 worldwide

Growing sustainably



Aspiration

Develop our economy and society in a way that uses natural resources more efficiently and protects natural and cultural assets that sustain and enrich life

Goals

That the resource intensity of our overall economic activity decreases over time (as measured by the energy resources consumed per unit of GDP). Over the 20 years to 2009–10, composite energy intensity in Australia declined at an average rate of 0.2 per cent per year.

The case for change: Why do we need a plan?

Australia is at a critical stage. The decisions we take over the next five years can set Australia on a path to achieve the vision, aspirations and goals detailed in this plan.

But these decisions need to be made in the context of five profound trends that will shape Australia's economic growth and our society in the coming decades.

These trends are:

- » the rise of emerging economies, particularly China and in the Asia-Pacific region
- » the development of new technologies, including digitisation
- » the efficiency and sustainability of natural resource consumption
- » the ongoing restructuring of the Australian economy
- » the growth and ageing of our population.

A large part of this plan is fashioned to help Australia prepare for and respond to these trends.

If the right decisions are made and followed, Australia can:

- » diversify and grow the economy while supporting strong sectors, including mining, resources and agriculture, to deliver greater value adding and make better use of our current economic strengths
- » tap into the unprecedented opportunities from Asia and around the world
- » harness technological and digital change to make our economy more competitive, create new ways of doing business and new forms of employment, and make government and other services more effective and efficient
- » develop our economy and society in a way that uses natural resources more efficiently and protects natural and cultural assets that sustain and enrich life

- » boost employment by creating workplaces that meet the needs of older workers and primary carers, particularly women, and encourage their participation in the economy

- » secure a budget position to pay for the services that people need, now and in the future.

If we don't start making changes more urgently and coherently, Australia will miss out on opportunities that would set the nation on course for enduring prosperity.

If we continue to fall back on our past good fortune, problems we are starting to see in the economy will get worse. Australian businesses will become less competitive and less attractive to investors, affecting jobs and job opportunities.

Complacency will limit our capacity to strengthen Australian society by boosting workforce participation, improved services and infrastructure, and maintaining an adequate and sustainable social safety net.

The time to act is now while our starting position is relatively strong.

The opportunities and risks that we face

The rise of emerging economies

What is the trend?

The rapid development of emerging economies is changing the balance of economic and strategic power around the world – Figure 5 shows the changing centre of global economic power.

The emerging economies present a tremendous opportunity for Australia to increase exports and develop new markets. For the first time in our history, we have a geographic advantage.

- » Emerging markets are projected to account for as much as 75 per cent of global economic growth by 2025.
- » Consumers in emerging economies will likely account for almost half (\$30 trillion) of global consumption by 2025.
- » Financial assets held by investors in developing nations will grow from 7 per cent to 21 per cent of global financial wealth over the next decade.

Increasing urbanisation and a growing middle class will drive investment in housing and infrastructure. For example, China is forecast to have 13 cities with populations of over 10 million by 2020 and more than 200 cities with populations in excess of one million by 2025. This growing middle class and increased urbanisation in our region will create demand for Australian goods and services.

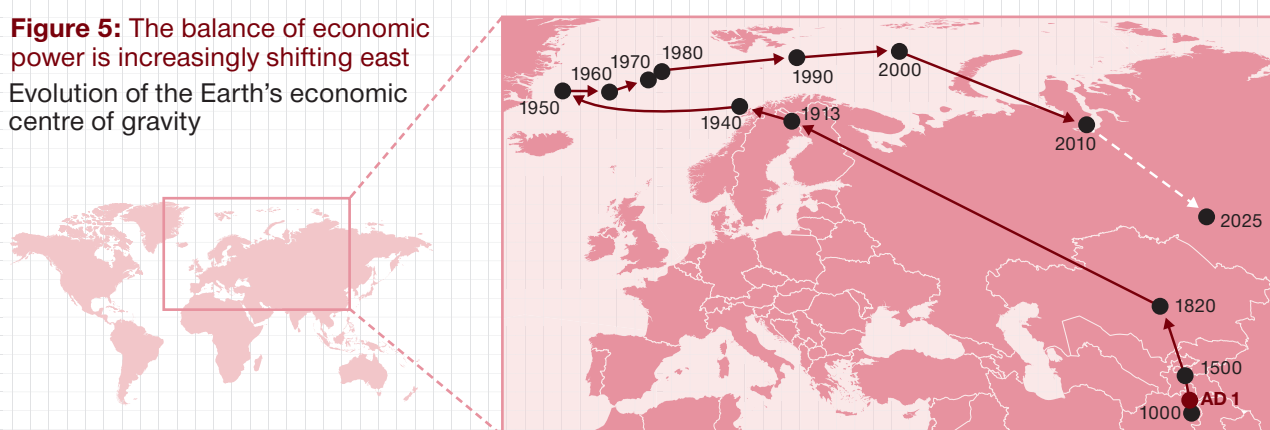
But rapid economic growth will also bring social challenges for developing countries, which could have flow-on implications for greater volatility, including in Australia's export markets.

What does this mean?

To grasp the opportunity that this trend offers, Australia must ensure that:

- » its tax system is competitive, raising sufficient revenue while encouraging domestic and international investment
- » its labour force is flexible, productive and highly skilled in order to become a competitive seller of high-value services to emerging economies
- » it is an attractive and competitive place to invest and do business so that we can draw in the investment needed to grow our economy
- » our businesses integrate with Asia through new alliances, partnerships and business models
- » we continue to export energy, resources and services and maintain these sectors as central to creating wealth and jobs across the economy
- » it is an innovative society that can deliver the best and most competitively priced goods and services at home and abroad
- » it reorientates its competitive landscape so that we measure ourselves against those doing business in Asia, as well as advanced OECD countries.

Figure 5: The balance of economic power is increasingly shifting east
Evolution of the Earth's economic centre of gravity



Source: McKinsey Global Institute

AD 1 to 2025

The rise of technology, including digitisation

What is the trend?

The application of technology, including digitisation, is having a profound effect on the business models in all industries and on the global economy as a whole. This trend, which we see as both an opportunity and a threat, is set to continue and accelerate. The trend is characterised by:

- » increasing use of technologies to value add and improve productivity in established industries (e.g. agriculture)
- » increased penetration of mobile broadband – for example, smartphone penetration – will grow from 58 per cent today to 84 per cent by 2016 (Figure 6 shows the changes in communication patterns)
- » ubiquitous broadband – 99 per cent of businesses today have access to broadband, and household broadband access has grown from 28 per cent in 2005–06 to 73 per cent in 2010–11. The implementation of the National Broadband Network will make access universal
- » increased online transactions – around 40 per cent of all financial transactions will be completely digital by 2017, with another 30 per cent to have a digital element
- » transformative technologies – while it is difficult to project their ultimate impact, more potentially transformative technologies are expected to be

developed, such as 3D printing, autonomous robotics, nanotechnology, biotechnology, gene therapy, and possibly even quantum computing

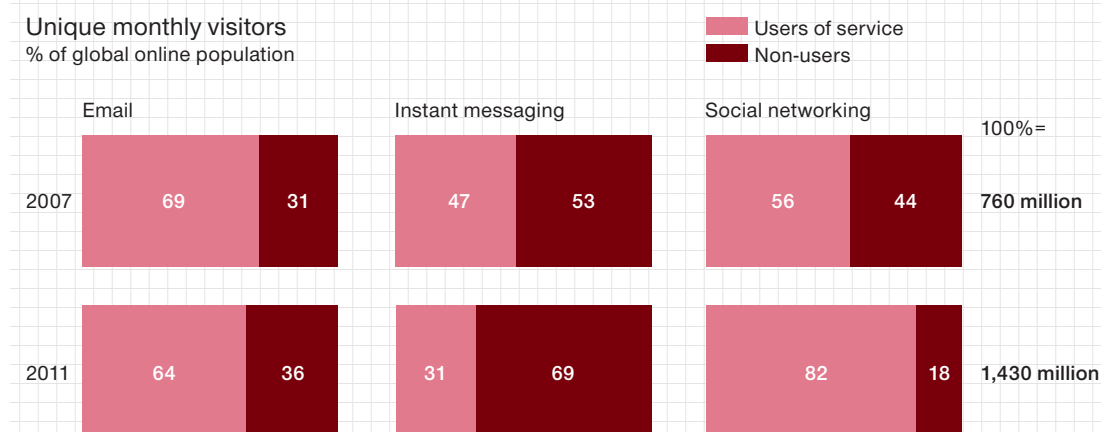
- » consumers having better information, which empowers them to dictate the nature of services provided by governments and businesses
- » increased threats and costs to businesses, governments and consumers from computer hacking, viruses and theft of intellectual property.

What does this mean?

To grasp the opportunity that this trend offers, Australia must ensure that:

- » its innovation, competition and regulatory settings allow businesses to adopt new technologies and change business models quickly and allow governments to use digitisation to offer better and cheaper services
- » there are no barriers to consumers participating in the digital economy
- » our education system equips all Australians with the skills to contribute to and benefit from the digital economy
- » we can capture the benefits of innovation and technology at a workplace level by being more flexible and by encouraging high-performing managers and workplaces.

Figure 6: Shifting communication patterns



Source: McKinsey & Company

The efficiency and sustainability of natural resource consumption

What is the trend?

There are likely to be as many as three billion more middle-class consumers worldwide by 2030, which will see demand for resources escalate rapidly.

Over the next 20 years, the rate at which supply of water and land is added globally would have to increase by 140 per cent and 250 per cent respectively, compared to the past 20 years.

Recognising the difficulties of achieving this supply increase, and the associated environmental consequences (which would require between 140 and 175 million hectares of added deforestation to provide required supply of land – see Figure 7), there is a growing focus on the efficient and sustainable use of natural resources.

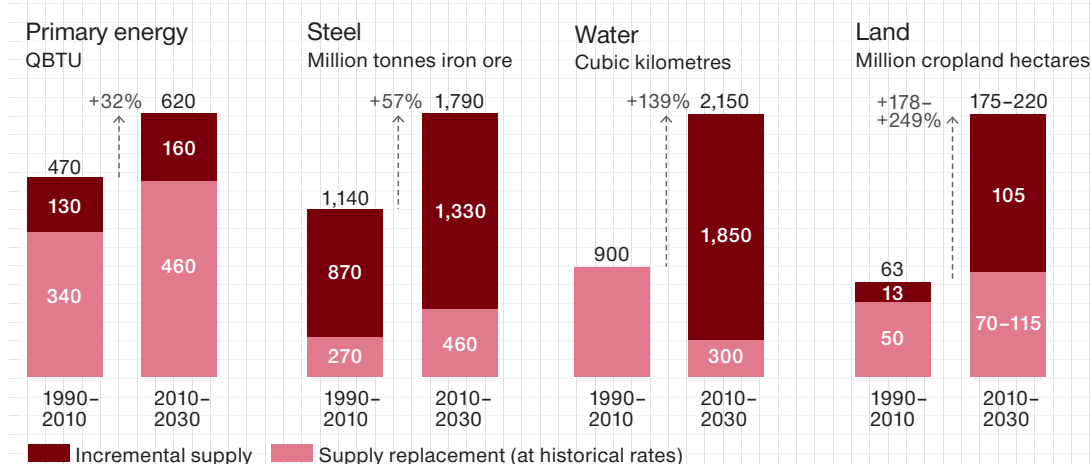
In addition, increased demand for resources may lead to heightened strategic tensions, which will need to be carefully planned for and handled.

What does this mean?

To prosper in an increasingly resource-constrained environment, Australia must ensure that:

- » its population, planning and infrastructure policies deliver efficient, productive and liveable cities and regions
- » its natural assets, including energy, land, water and other resources are valued and put to their most productive use and that our regulatory system protects the environment without impeding efficient development
- » its economy is innovative and competitive so that economic growth is driven by the most efficient consumption of resources possible
- » resources are used efficiently and to their highest value, rather than restricting access
- » to the degree possible, market mechanisms should be extended into areas of natural resource management, including water, so that scarce resources are managed in a way that supports their most efficient use.

Figure 7: Additional supply needed over 20-year timeframe



Source: McKinsey & Company

The restructuring of the Australian economy

What is the trend?

Australia's economy has been subject to great change over the last decade and this change is likely to continue into the foreseeable future.

Driven by the effects of emerging economies, a terms-of-trade boom, increasing use of technology and increasing competition, Australia's economy is in transition.

The resources boom resulted in an unprecedented increase in commodity prices and the terms of trade. It led to a large boost to Australia's national income and has been the primary driver of a strong appreciation of the exchange rate. It has also driven an investment surge (see Figure 8). The investment boom in resources is coming to an end.

Australia's terms of trade have fallen by 15 per cent from their peak in September 2011. Notwithstanding their recent fall, they remain around 50 per cent higher than the historical average.

These structural changes reflect an acceleration of well-established, long-term trends such as the relative decline in manufacturing and growth of services.

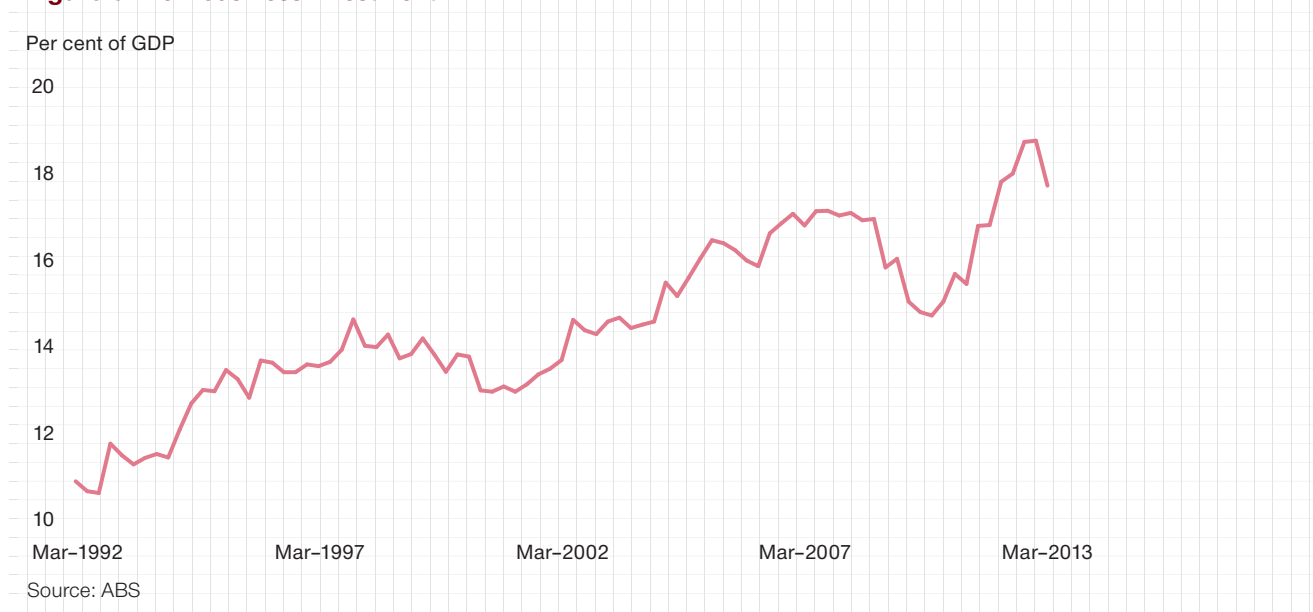
Over the same period, the restructuring of global financial markets following the global financial crisis has seen a reduction in capital flows, repricing of risk, new regulatory regimes and businesses and households paying off their debt.

What does this mean?

To use changes in the economy to drive prosperity, Australia must ensure that:

- » it retains a flexible, open economy that fosters continuing investment into all sectors of the economy
- » it reduces the cost of doing business to drive competitiveness
- » regulatory arrangements allow companies to quickly respond to changing circumstances
- » its fiscal position is sound so that government finances are resilient in the face of continued change and a more volatile economic environment
- » its workers are skilled and well prepared to respond to changes in the economy
- » industry assistance measures should be used sparingly, with any compensation tightly targeted to facilitate genuine adjustment rather than provide passive support.

Figure 8: New business investment



The growth and ageing of our population

What is the trend?

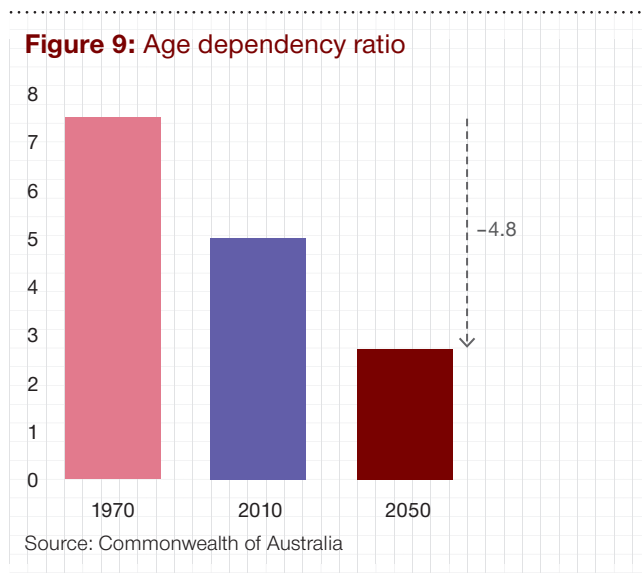
An ageing and growing population is one of the biggest challenges facing the nation and has been the focus of national debates for the last two decades.

An ageing population means that:

- » the number of working-aged people for each person 65 years and over will fall from 5 in 2010 to 2.7 in 2050 (see Figure 9)
- » by 2050 some 20 per cent of the population will be 65 years or older.

The results of Australia's population growth will see:

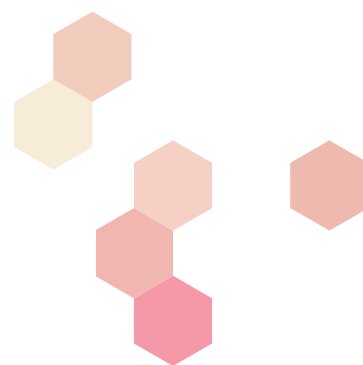
- » instead of 23 million people today, we are expected to have around 35 million in 2050, if current migration settings are maintained
- » the population of Australia's capital cities rising from around 15 million today to 24 million by 2050.



What does this mean?

The demographic and population shifts present challenges and opportunities, for which Australia must ensure that:

- » all governments' fiscal positions are strong and resilient so we can pay for the services that people need
- » it is able to flexibly and productively engage older Australians in the paid workforce
- » its regions and cities can grow and change without reduction in productivity or amenity
- » the population grows so that we get the scale and labour force that the country needs to remain competitive
- » services are delivered innovatively and competitively
- » infrastructure is planned and delivered in a way that maintains or improves the amenity of our growing cities and regions
- » health services are made more efficient by changing their orientation towards prevention and better outcomes.



Our starting point

A plan to achieve our vision, aspirations and goals must take stock of Australia's strengths and weaknesses. This informs what actions need to be taken, and with what priority.

Australia is better prepared than other countries to meet the challenges of economic transition, demographic change, digitisation and the imperative to consume resources sustainably.

However, on many measures – regardless of whether they are current strengths or weaknesses – Australia's

standing relative to other countries is declining. Many of the actions spelt out in this plan are aimed at arresting that decline.

In short, our competitiveness is falling on a broad front. Figures 10 and 11 respectively highlight the trends in our strengths and weaknesses.

Figure 10: Australia's strengths

Good public and private institutions	<ul style="list-style-type: none"> » Australia has a low level of corruption and strong democratic institutions » We have strong corporate governance and private institutions 	But corporate governance is under pressure and governance of the federation is not effective ↓
Natural and intellectual endowments	<ul style="list-style-type: none"> » Australia has very large mineral and energy resources and is able to produce and export these resources » Higher education is a cornerstone of Australian exports, and a driver of innovation 	But educational standing is falling – we are now ranked 7th and 13th for reading and mathematical literacy, respectively, in the OECD ↓
Early adoption of technology	<ul style="list-style-type: none"> » Businesses and individuals adopt new technologies faster and in greater numbers than elsewhere 	Australians continue to be enthusiastic adopters of new technology, but we are slow to bring local innovation to market →
Adjacency to emerging economies	<ul style="list-style-type: none"> » Emerging markets are projected to account for up to 75% of global GDP growth by 2025 » Developing nations' financial assets are projected to grow from 7% to 21% of global financial wealth over the next decade 	But the ease of doing business is declining and our regulatory burden is increasing ↓
Social cohesion	<ul style="list-style-type: none"> » Australia has a long and successful record of integrating new migrants » The rule of law is entrenched in the Australian way of life and business practices 	Rhetoric on skilled migration and refugees, and changes to student and skilled worker visa arrangements, challenge integration ↓
Continued economic growth	<ul style="list-style-type: none"> » Australia has had two decades of uninterrupted economic growth 	But GDP growth is now below trend ↓

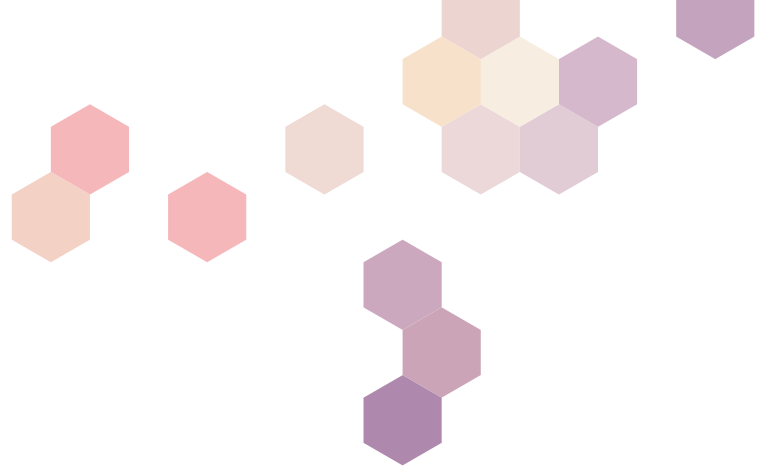
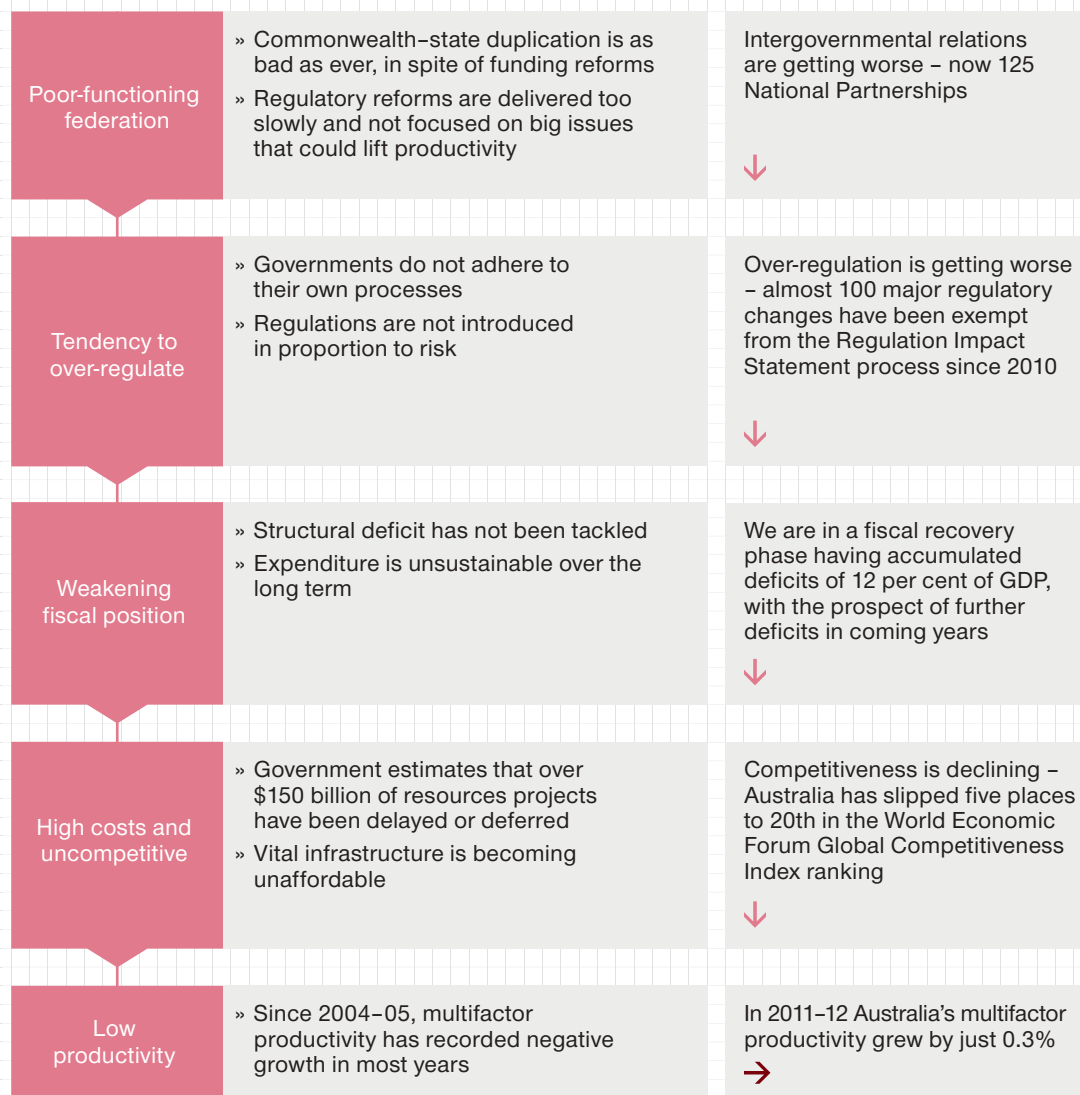


Figure 11: Australia's weaknesses



Taken together, there are clear early-warning signs that Australia must take action to secure opportunities and maintain economic growth and prosperity. To stop the decline in our competitiveness, there are three urgent problems that must be tackled as a priority for any reform agenda:

1. We must bolster our fiscal position so that Australia can be resilient to global volatility and prosper as the size of our workforce relative to our population declines.
2. We must improve consumer and business confidence.
3. We must improve our competitiveness by reducing the cost of doing business, improving our flexibility and speed of adjustment, and removing barriers to getting Australian goods and services into growing markets.

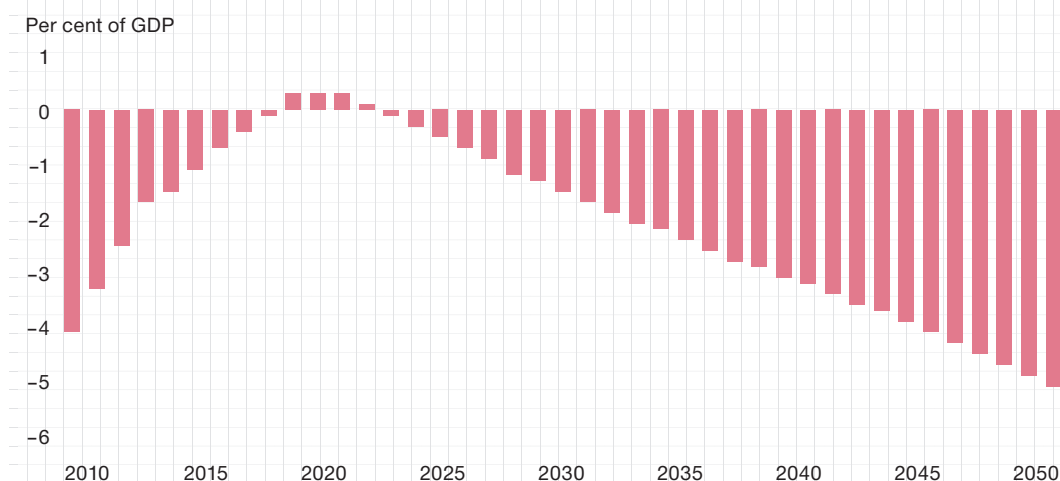
This must be achieved in the face of continued government revenue volatility, fiscal challenges

faced by governments around the world, poor productivity growth, rising costs of services and an elevated exchange rate. We need to recognise that governments in the future will not have the capacity to fund the community's needs alone and there must be a greater role for the private sector to provide some services and infrastructure. It is the quality and cost effectiveness of service delivery that is important. There must be full contestability for the delivery of services unless there is an overwhelming need for delivery by the public sector. The following figure illustrates these three challenges.

By 2050 almost half of all Commonwealth Government spending will be allocated to health and ageing programs while 40 per cent of state and territory budgets will be allocated to these areas.

Figure 12 shows the consequences of the ageing population to all Australian governments' budget positions if no action is taken.

Figure 12: Projected fiscal balance: All governments



Source: Deloitte Access Economics

Figure 13 illustrates the currently very low level of business confidence that shows a compelling need to restore trust and confidence.

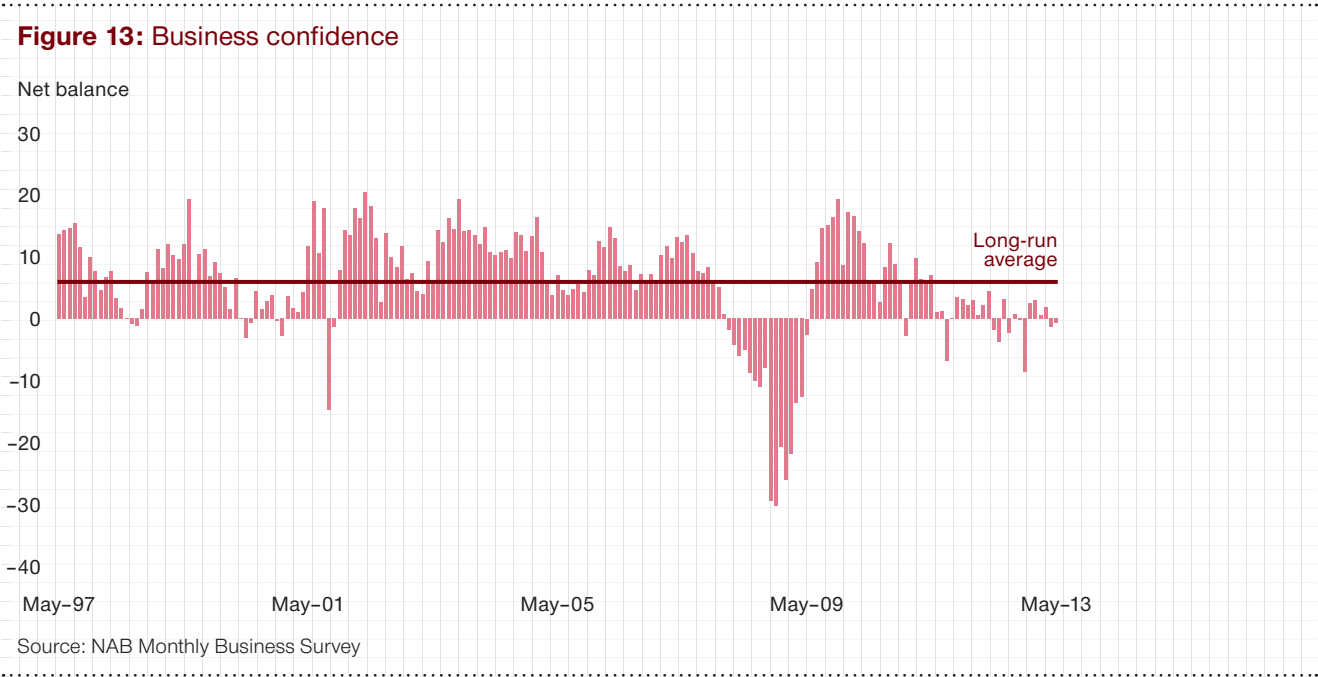
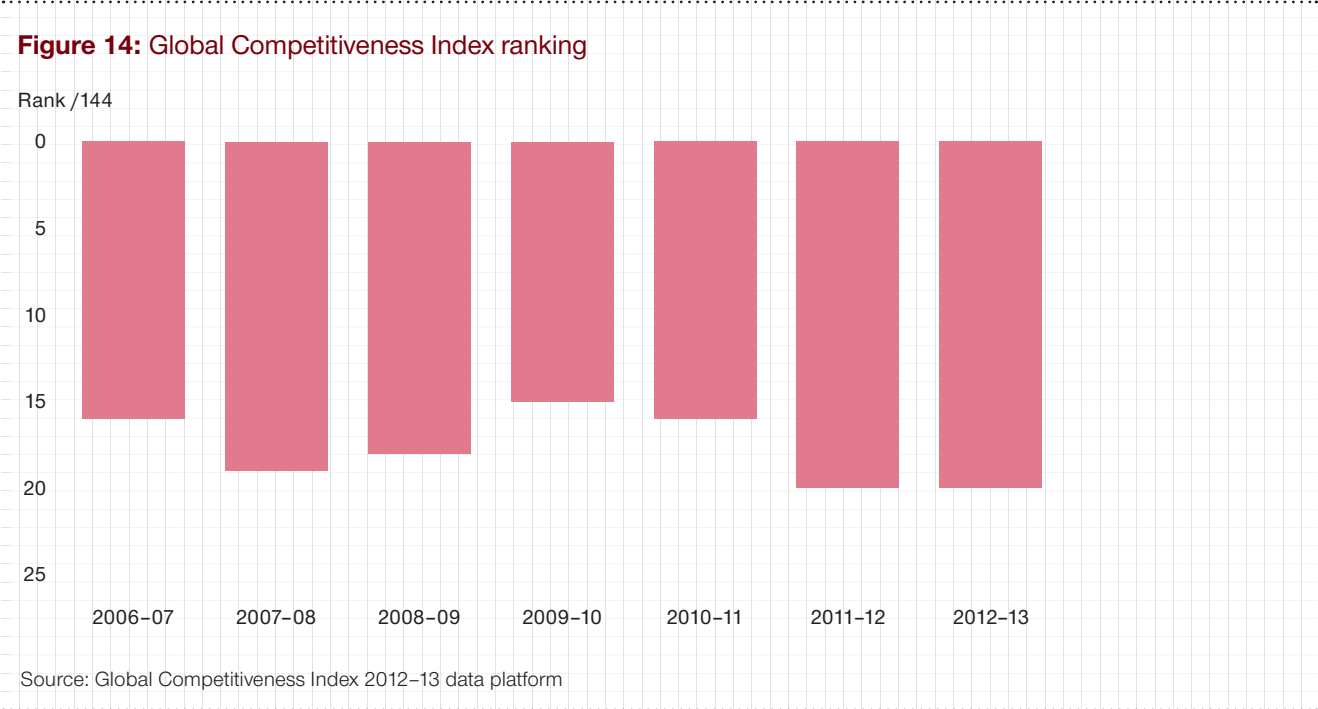


Figure 14 charts Australia's declining competitiveness, which if left unchecked will reduce investment and cost jobs.



Our strategy

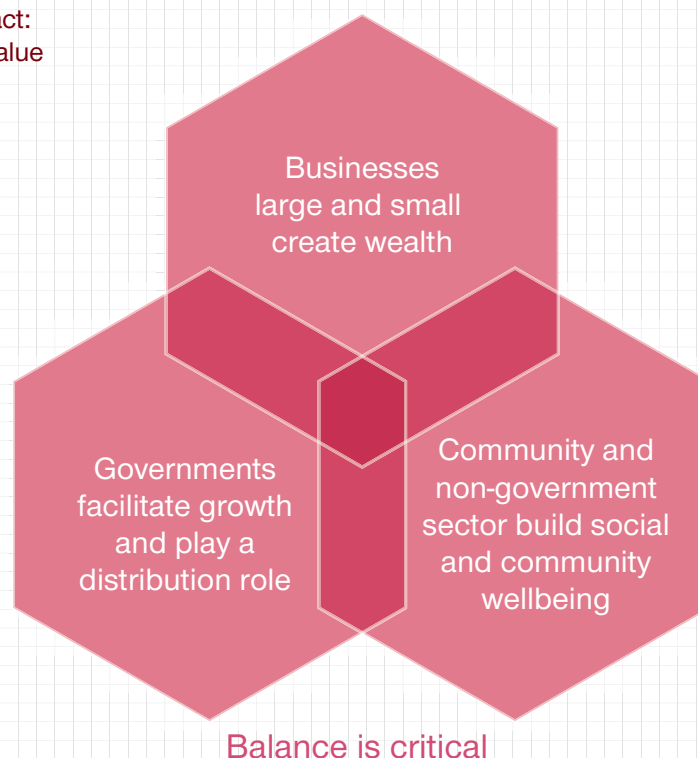
If Australia is to chart the course for enduring prosperity that reflects what it means to be in a globally competitive world, to achieve the goals and aspirations Australians want, and to overcome our weaknesses and maximise our strengths, we need to:

- » recommit to well-managed economic growth – it will be a growing economy that gives us resilience and greater choices
- » recommit to achieving well-managed growth through a prosperity compact between business, governments and the wider community
- » pursue a decade-long structural reform agenda that will deliver that goal across nine key areas and in three prioritised stages.

The prosperity–inclusiveness compact

- » Investment and jobs are created by businesses and enterprises of all sizes. Businesses are a vital part of the community and operate alongside and in conjunction with governments and many not-for-profit organisations. This is the foundation of prosperity.
- » Governments facilitate and enable well-managed growth and redistribute the benefits of growth by making sure the community gets the services and infrastructure it needs and we can afford. Governments are also vital in setting the direction for a country, as well as managing our security and strategic position.
- » All parts of society – individuals, community groups, non-government organisations, businesses and governments – work together to build social capacity and strong and supportive communities.

Figure 15: The prosperity compact:
Virtuous circle to create shared value



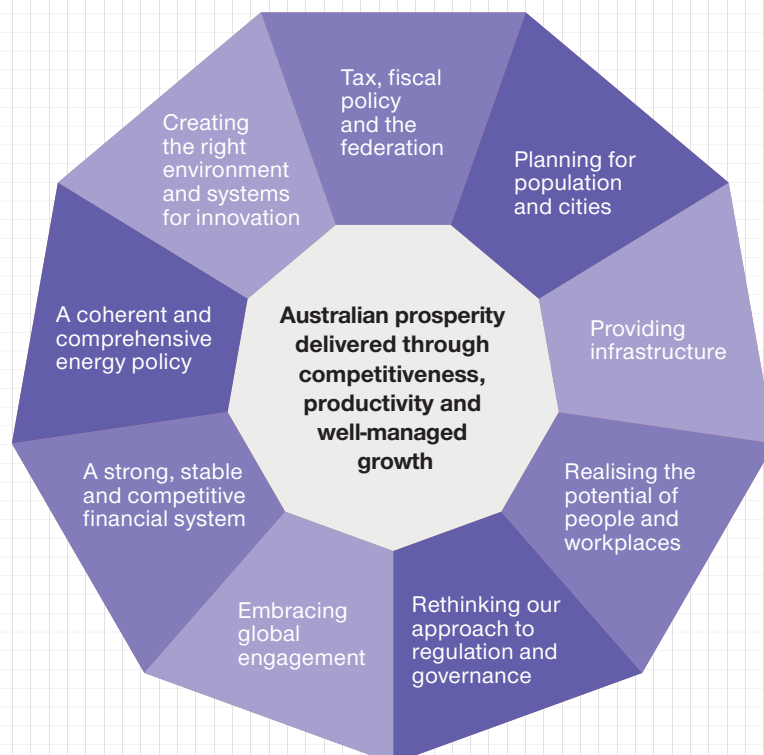
9 things to get right

Throughout our history we have had periods where we have embarked on major structural reform to better equip and strengthen our economy and society – we think that we are entering one of those periods.

There are nine things that Australia must get right to achieve prosperity. Taken together they will drive well-managed growth, foster creative workers, encourage investment and innovation and lift productivity.

Across these nine areas, our plan makes a total of 93 recommendations that should be viewed as mutually interdependent actions to restore Australia’s competitiveness.

Figure 16: Nine things to get right for well-managed growth and prosperity



Tax, fiscal policy and the federation



For full recommendations, see the *Action Plan for Enduring Prosperity: Recommendations Report*, Recommendations 1.1 to 1.11

Fiscal settings

Key issues

Australia's fiscal position has weakened and the fiscal position of most governments around the world is very weak, and looks set to stay that way. We need the budgets of all Australian governments to be strong to give us the resilience to shocks and to pay for the services that Australians need.

Priority actions

» A 'whole-of-nation' Intergenerational Report should be prepared so that we can understand the true costs of Commonwealth and state outlays over the medium to long term. We need to identify what level of skilled migration is needed to ensure that we have

an adequate labour force and tax base to support government services and infrastructure.

- » An independent, whole-of-government audit should be commissioned to examine government spending and program efficiency. This audit must come to terms with the appropriate size of government. A fundamental issue must be the roles and responsibilities of the Commonwealth and the states and territories.
- » New and stronger fiscal rules should be introduced at a Commonwealth and state and territory level. This would include implementing a hard cap on the size of government and giving priority to paying down existing government debt.

Taxation framework

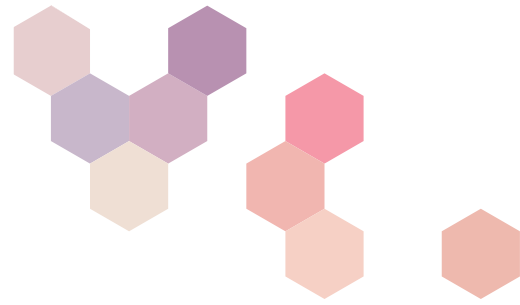
Key issues

Australia's taxation arrangements need comprehensive reform to ensure that Australia remains competitive and attracts investment while raising sufficient revenue to fund services for a growing and ageing population. Any tax reform should consider the role of all taxes and the implications of any reforms on individuals, corporations and the operation of the federation.

Priority actions

» The Australian Government should undertake a comprehensive overhaul of Australia's taxation system, which examines all taxes and prioritises the urgent removal of the most inefficient taxes. The objective is to move to a more competitive tax system by determining the right mix of taxes to raise sufficient revenue while encouraging investment. This should be done through a white paper with extensive consultation with the community, businesses and state governments.

- » The new architecture of a reformed tax system should recognise that a system where the most inefficient state taxes are abolished has the potential to deliver significant increases in productivity. But if these taxes are to be removed, alternative revenue sources will be needed to ensure the states and territories have access to adequate revenue. Consideration needs to be given to raising more revenue from other more efficient tax bases, such as consumption and land tax.
- » The government should commit to lowering the company tax rate to 25 per cent as a priority as and when fiscal circumstances permit.
- » A process should commence immediately to progress administrative simplification of the tax system, including making personal income tax returns optional for the majority of taxpayers.



The federation

Key issues

The functioning of our federation needs to be improved to encourage innovation in the delivery of services and to ensure that our economy is efficient, innovative and competitive. Given the far-reaching nature of reforms to the federation, any changes must be made cooperatively with the states and in full consultation with the community and businesses. The critical challenge for Australia is to make sure the states are sufficiently funded to deliver the health, education and other services for which they are responsible. Currently, around 80 per cent of revenue (including GST) is raised by the Commonwealth Government, while the states are responsible for almost 50 per cent of expenditure.

An immediate change should be to incentivise pro-competitive reforms, including the privatisation of government business enterprises at the state government level by ensuring that they share in the fiscal dividends.

Priority actions

» Australia must urgently introduce a new medium-term strategic agenda for the Council of Australian Governments linked to national competition-style productivity payments to drive reform across the federation. This should give priority to reducing regulatory burden and duplication, and the next wave of health reform.

- » Roles and responsibilities within the federation, COAG and federal fiscal relations should be reviewed and put on a sustainable footing.
- » The Australian Government must introduce a new system of national productivity payments to the states and territories to progress critical reforms across the federation. These payments would be made available as an incentive for the states and territories to progress difficult but nationally significant structural reform, including further competition and regulatory reform.
- » The revenue-sharing arrangements among the states and territories should be changed by moving progressively to an equal per capita distribution of GST (with appropriate transitional assistance to smaller jurisdictions).

Planning for population and cities



For full recommendations, see the *Action Plan for Enduring Prosperity: Recommendations Report*, Recommendations 2.1 to 2.11

Key issues

Australia has a strategic imperative to grow its population to deliver the scale we need to remain competitive and the labour force required to respond to the ageing of the population. But this growth must be well managed. We must make sure we understand the service delivery and infrastructure needs of population growth, and change how we are governed to ensure that those needs will be met.

Priority actions

- » COAG should commit to well-managed population growth as a strategic imperative for Australia.
- » The Commonwealth Government should prepare a new National Population Strategy to complement the updated Intergenerational Report.
- » Australia should maintain current migration policy settings:
 - › The permanent migration program should remain at least at current levels of 190,000 per annum and comprise a composition that has two-thirds of the program filled by skilled migrants. (These may need to be increased following the findings of the next Intergenerational Report and the new National Population Strategy.)
 - › The flexibility of Australia's temporary migration program should be maintained by preserving the demand-driven and uncapped nature of the 457 visa scheme and the present scheme safeguards. Labour market testing should not be introduced.
- » State governments should reform their long-term strategic planning of cities and regions to ensure that they are adequately preparing for population growth by: fully integrating land use, transport and infrastructure planning; developing the major urban and regional infrastructure projects needed to lift amenity and productivity; ensuring efficient resolution of land use and ownership conflicts including around access to natural resources; and inviting participation in the development of long-term strategies by business and the community.
- » COAG should reform development assessment systems by removing duplication between the Commonwealth and states (including through bilateral agreements for states to approve proposals under the Environment Protection and Biodiversity Conservation Act, initially for low-risk, low-impact proposals in environmentally well-understood areas), establish single-approvals authorities and move to deemed approvals for complying developments.
- » The federal government should make productivity payments conditional on states agreeing to reform their development assessment and approval processes to make greater use of zoning and complying development, consistent with long-term integrated strategic plans. It should systematically measure the cost of multiple regulatory approvals processes on individual projects and report publicly.

Providing infrastructure



For full recommendations, see the *Action Plan for Enduring Prosperity: Recommendations Report*, Recommendations 3.1 to 3.15

Key issues

If our cities and regions are to be more liveable, more productive and sustainable in the future, then the provision of infrastructure must keep pace with population growth. Infrastructure is a vital tool to lift productivity; it provides the essential transport, water, energy, communications and social services that determine the quality of life for citizens and the competitiveness of our economy.

A national infrastructure plan will help ensure that the right infrastructure is delivered at the right time in an affordable manner. Dedicated annual funding and a clear policy on the use of debt for infrastructure will ensure that Australia's stock of infrastructure grows in line with our economic development and population growth.

Establishing a national list of infrastructure priorities and a pipeline of projects that are ready to be implemented will also help our stock of infrastructure grow in line with our economic development and population growth.

Priority actions

- » The federal government should produce a new national infrastructure policy that:
 - › clarifies the roles and responsibilities of each level of government (with the federal government continuing to play a substantive role)
 - › prioritises infrastructure market development, private investment in infrastructure and the application of user pays wherever possible.
- » Australia's infrastructure competition regulations should be reviewed and updated to reflect developments since the Hilmer review.
- » Federal infrastructure spending should be allocated to the Building Australia Fund in the first instance and then be allocated only to projects independently assessed as a high priority by Infrastructure Australia.
- » Funding sources for infrastructure should be broadened by: recycled capital from asset sales by governments; user charges; greater application of user pays in the transport sector; allocating a minimum amount of federal expenditures to infrastructure investment annually; and considering federal borrowing within the AAA credit rating that is ring-fenced for high-quality infrastructure projects.
- » State governments should introduce an effective process for considering unsolicited proposals from the private sector, based on the New South Wales model.
- » Governments should dispose of assets when the private sector is able to own and operate them. Other assets should be sold.
- » Restore the previous regulatory environment prior to the abolition of the Australian Building and Construction Commission by:
 - › bringing the Australian Government Implementation Guidelines for the National Code of Practice for the Construction Industry into line with the Victorian Implementation Guidelines for the Victorian Code of Practice for the Building and Construction Industry, including by making any statutory amendments to the Fair Work Act necessary for the guidelines to have their full intended effect
 - › reinstating the Australian Building and Construction Commission and tasking it with implementing and enforcing the guidelines
 - › commissioning an independent inquiry into construction costs.
- » Infrastructure Australia should be asked to form its own view on the infrastructure projects, in discussion with the states, that it considers to be of national significance (in addition to receiving and evaluating project proposals from the states) in order to form a truly comprehensive list of national infrastructure priorities.
- » Commonwealth and state governments should prepare a pipeline of approved infrastructure projects that can be rolled out quickly.

Realising the potential of people and workplaces

For full recommendations, see the *Action Plan for Enduring Prosperity: Recommendations Report*, Recommendations 4.1 to 4.17

Key issues

Education and skills are the foundation for economic growth and prosperity. To compete internationally our education and training systems need to be preparing young people with the competencies, skills and attitudes that make them ready for work. A highly skilled population is a competitive advantage.

We must find ways of encouraging more participation by women and older workers in the workforce.

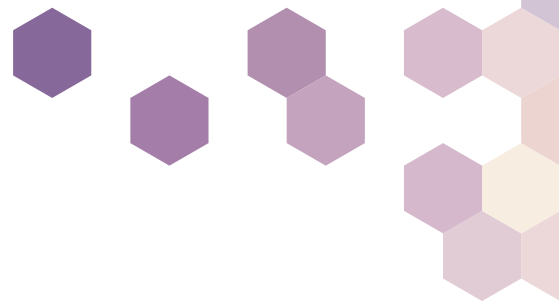
The labour market, and especially workplace relations arrangements, must allow businesses to grow, innovate and manage their workforce and capital effectively. This should be done in a way that allows more direct engagement between employers and employees to drive productivity improvements at the firm level.

Priority actions

Education and skills

We should:

- » ensure that literacy and numeracy deficiencies in school students are addressed early by requiring, as a condition of Commonwealth funding, that state governments make sure primary students meet minimum standards before entering secondary school
- » reform the funding arrangements for all schools to a new 'per-student' funding model that is appropriately weighted to account for the increased costs associated with teaching disadvantaged students; and separate the budget allocation decision from the funding model implementation
- » encourage and support excellence in school teaching, through:
 - › raising the entry requirement for teachers, through a restriction of the Commonwealth tertiary education subsidies for teacher education to those with demonstrated high educational ability
 - › the Commonwealth offering teachers a training guarantee to support ongoing professional development
 - › state governments allowing, as a condition of receiving their Commonwealth funding, that school principals have full autonomy over resource allocation decisions, including hiring and firing, financially rewarding high-performing teachers and those with specialist knowledge and skill; and over school finances and facilities, alongside greater accountability for student outcomes.
- » Build on Australia's strength as an education exporter by implementing the recommendations of the International Education Advisory Council.
- » The Commonwealth and state governments should examine the incentives for education providers to improve the transition of young people into the labour force by:
 - › increased use of work-integrated learning such as internships and cadetships
 - › increased focus on secondary and tertiary education vocationally oriented courses on employability skills, such as teamwork, problem solving and effective communication.
- » The Australian Government should continue to support the VET sector by strengthening its oversight of the system as a whole and subsidising VET students comparably with higher education students.



Encouraging workforce participation

The Commonwealth should encourage older Australians and parents of young children to keep working or re-enter the workforce by improving their financial incentives to do so through the tax and transfer systems.

More productive and innovative workplaces

- » The Treasurer should commission the Productivity Commission to conduct an inquiry into the impact of the workplace relations system on productivity and competitiveness, including examining:
 - › the extent to which the high minimum wage prevents new labour market entrants from gaining initial experience, to inform future wages policy directions
 - › the impact of penalty rates on business competitiveness and employment growth, particularly in the retail and hospitality sectors
 - › workplace arrangements in the market and non-market sectors, and identifying arrangements that increase the take-up of innovative practices that make fuller use of workers' skills and expertise
 - › the issue of individual agreements and their influence on productivity at the firm level.
- » Pursue a number of immediate changes to the Fair Work Act that aim to foster greater flexibility and innovation and constrain business costs. These changes would include:
 - › reducing the range of matters that can be bargained over to ensure that they are directly related to the employment relationship
 - › providing access to employer-only greenfield agreements

- › enhancing the capacity to agree flexibility arrangements with employees including through individual flexibility arrangements
- › reducing the scope of the adverse actions provisions
- › limiting access to protected industrial action where there has been unreasonable or capricious use of such action
- › limiting union entry rights to employer premises
- › making unlawful clauses that exclude the engagement of contractors or labour hire companies
- › modifying the 'better off overall test' to provide for a broadening of matters that may be taken into account in the application of the test
- › modifying provisions relating to majority support determinations
- › amending the transfer of business arrangements to include a sunset clause after 12 months.

Rethinking our approach to regulation and governance

For full recommendations, see the *Action Plan for Enduring Prosperity: Recommendations Report*, Recommendations 5.1 to 5.10

Key issues

We need to rethink our approach to regulation while maintaining and improving the strength and independence of Australia's institutions and governance arrangements in order to make our markets work better. This is essential to effectively pursuing policy reforms in the national interest that foster innovation and to improve the competitiveness of our economy. It will also ensure that Australia attracts the investment needed to grow the economy and secure enduring prosperity.

The first step in reducing the regulatory burden in Australia, and to strengthening our institutions is to restore good governance and regulatory process to government. Steps also need to be taken to reduce the burden of regulation that has built up over the years.

Priority actions

- » The Commonwealth Government should substantially strengthen the quality and transparency of its decision-making processes. This will be achieved by:
 - › reinstating strict adherence to the processes set out in the Cabinet Handbook for a well-functioning Cabinet system. This includes high-quality and timely documentation along with detailed public consultation to ensure well-informed collective decision making

- » making the preparation of Regulation Impact Statements a statutory requirement for all new regulations with a significant impact, with exemptions strictly limited to issues of national security and emergency
- » establishing a new performance and accountability code for major regulators – such as the Australian Taxation Office – which is enshrined in law and supported by the oversight of an Inspector-General of Regulation
- » introducing productivity payments from the Commonwealth to the states and ensuring that priorities for state-led regulatory reform are:
 - › removing duplication in environmental approvals under the Environment Protection and Biodiversity Conservation Act
 - › consolidating small regulators and licensing bodies
 - › streamlining planning and zoning requirements
 - › streamlining retail-sector regulations, including trading-hour restrictions.

Embracing global engagement



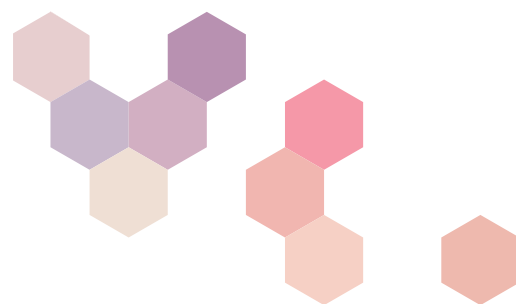
For full recommendations, see the *Action Plan for Enduring Prosperity: Recommendations Report*, Recommendations 6.1 to 6.8

Key issues

Australia needs to engage effectively with other countries in the region and with the rest of the world, recognising that the strength of the economy, and therefore our future prosperity, is underpinned by openness. In this regard, we must foster a stable policy and regulatory environment that gives investors the confidence they need to invest in Australia. Our foreign direct investment rules should be configured to maximise investment, which is essential to our economic growth and prosperity. This should be done by ensuring that all those who wish to invest in Australia are given a fair opportunity to do so and by removing all possible barriers to trade and investment.

Priority actions

- » Australia should intensify efforts to conclude free trade agreements including those under negotiation with countries that represent our top export markets, including China, Japan, Korea and India.
- » Australia should aim to become a world leader in attracting foreign direct investment. We should extend the higher foreign investment screening threshold that applies to investors from the United States and New Zealand – currently set at around \$1.1 billion – to private sector investors from all other countries.
- » Australia should revisit and further clarify the foreign investment policy for investment by sovereign wealth funds and state-owned enterprises.
- » Australia should reduce and remove regulatory impediments in key services industries, including transport services, professional services and international education.



A strong, stable and competitive financial system



For full recommendations, see the *Action Plan for Enduring Prosperity: Recommendations Report*, Recommendations 7.1 to 7.6

Key issues

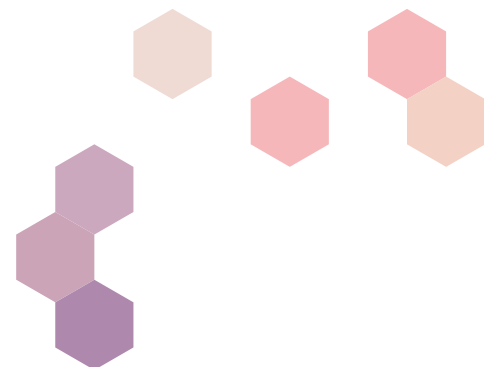
Australia's capital markets have a solid foundation and provide a strong underpinning to our future growth prospects. We need to maintain confidence in the financial markets and find the right balance between stability and system resilience on the one hand, and competition and productivity in the sector on the other. We need to deepen our domestic debt market to ensure that lack of access to competitively priced debt does not act as a barrier to investment, which is critical to economic growth and innovation.

Australia's financial and corporate regulators must ensure that international regulatory reforms are implemented in a way that reflects Australia's circumstances and does not reduce our financial sector's competitiveness.

Priority actions

- » Governments must maintain Australia's AAA sovereign credit rating.
- » We should seek to broaden and deepen Australia's domestic debt market. The government should continue to support the development of a corporate bond market.

- » APRA should proceed cautiously and with some flexibility in how it implements the Basel III liquidity reforms in Australia. High levels of consultation and collaboration should occur between stakeholders when considering further regulatory changes.
- » Commission a review of the financial services sector to follow on from the Wallis review, including an assessment of key structural and technological changes in the financial system and how customers have benefited from them, and the effectiveness of the current regulatory model, including APRA and ASIC and the payments system role of the RBA.



A coherent and comprehensive energy policy



For full recommendations, see the *Action Plan for Enduring Prosperity: Recommendations Report*, Recommendations 8.1 to 8.7

Key issues

Reliable and competitively priced energy is critical to maintaining our standard of living and growing our domestic and export economy. Reliable and affordable energy should remain one of Australia's competitive advantages.

Australia needs to ensure it has a comprehensive and coherent national energy policy that drives the development of Australia's energy resources, enables a strong energy export industry, and provides for the reliable and efficient delivery of competitively priced energy to households and businesses.

Priority actions

- » The Commonwealth Government should develop an integrated energy policy that achieves our greenhouse gas emissions reduction targets while supporting economic growth and Australia's continued global competitiveness.
- » The Commonwealth Government should take immediate steps to reset our policy settings so that we are reducing our greenhouse gas emissions at least cost and commensurate with global efforts to avoid risking Australia's competitiveness. It should:
 - › lower the carbon price so Australia is paying no more than the international price
 - › remove the decay rate on compensation for trade-exposed industries
 - › review the Renewable Energy Target.
- » The Commonwealth and state and territory governments should commit to driving growth in our energy resource sector and ensure it remains globally competitive by streamlining and expediting project planning and environmental approval processes backed by scientific evidence while meeting strong environmental standards.
- » Australian Governments should commission a range of sensitivity analysis to inform the development of an integrated energy policy that looks at potential future changes in electricity demand and the implications for:
 - › the operation of Australia's electricity market
 - › our electricity generation mix
 - › our greenhouse gas emissions.
- » State governments should complete the two key outstanding energy market reforms:
 - › removing retail price regulation where effective competition exists
 - › privatising remaining energy assets and investing the proceeds in critical infrastructure.

Creating the right environment and systems for innovation



For full recommendations, see the *Action Plan for Enduring Prosperity: Recommendations Report*, Recommendations 9.1 to 9.8

Key issues

Innovation is critical to Australia's future competitiveness and our ability to respond to and prosper from the trends that will shape our economy and society in the coming decades.

We need to have the right innovation systems and environment in place to ensure that creative people and businesses in Australia are allowed to thrive and create value from new ways of doing things. A paradigm shift is necessary in the way we construct our approach to innovation. We need to shift away from an approach that is dominated by government programs towards a systematic and incentives-driven approach to innovation that utilises both supply and demand side measures.

Priority actions

- » The government should identify areas of existing or emerging comparative advantage for Australia and determine national innovation priorities.
- » Establish a National Innovation Council. The first task of the council should be to identify these areas of comparative advantage and national priorities. Development of future, and review of existing, innovation policies should be referenced to these.
- » Implement the National Science, Technology, Engineering and Mathematics Strategy called for by the Chief Scientist of Australia, which will prioritise public investment and encourage growth in business investment.
- » The Commonwealth Government needs to put in place settings that facilitate digital commerce and promote confidence in engagement in the digital economy.
- » Through its ongoing development of this economic action plan, the BCA will identify the drivers of competitiveness for all sectors of the Australian economy, including the capacity for business to be more responsive to customer demands and provide greater value add.

Phasing of recommendations

We recognise that our nine areas for structural reform and their related actions represent an ambitious reform agenda – one that clearly cannot be pursued simultaneously. Therefore, we have devised an approach based on three phases. Figure 17 outlines what will be achieved at each phase and the types of actions that need to be implemented.

This prioritisation is intended to guide policymakers for the next decade about the things that have to be done now, and the things that we have to get started (like tax reform) so that we can be more resilient, and indeed thrive.

Figure 17: Phasing of recommended actions



PHASE TWO: 3–6 YEARS

CONSOLIDATING AND GROWING THE ECONOMY

EXAMPLES OF ACTIONS TO BE TAKEN

- » Complete a comprehensive overhaul of the Australian tax system
- » Produce a national infrastructure policy
- » Enhance federal and state governance and planning processes to enable strategic planning for growth and the development of liveable and efficient cities
- » Develop a new Commonwealth–state infrastructure funding agreement
- » Improve educational pathways
- » Increase workforce participation
- » Intensify efforts to conclude free trade agreements
- » Develop a National Gas Strategy

PHASE THREE: 6–10 YEARS

REALISING OUR FULL ECONOMIC POTENTIAL AND REAPING THE BENEFITS

EXAMPLES OF ACTIONS TO BE TAKEN

- » Improve the GST revenue-sharing arrangements among states and territories
- » States to produce regular 15-year infrastructure plans
- » Increase the participation rates of older workers
- » Address tax biases between different savings and investment options

If we can restore Australia's productivity performance and keep the economy growing at around 2¾ per cent per year for the next 20 years ...

... then average GDP per capita in Australia could increase from \$60,000 today to \$80,000 by 2032.

Where to from here?



This action plan draws on the ideas and advice of a broad range of stakeholders, representing different organisations and sectors of the community. It has benefited from input provided by:

- » senior bureaucrats from federal and state governments
- » other business leadership groups representing small, medium and large businesses
- » community and welfare organisations
- » individuals including influential economists, academics and commentators.

Over the three months leading up to its 30th Anniversary Dinner in November 2013, the Business Council of Australia will go back to these groups and individuals, and others, to discuss how the plan might be implemented.

For more information or to obtain the full report of the *Action Plan for Enduring Prosperity*, visit www.bca.com.au or contact WebsiteEnquiries@bca.com.au.



© Copyright July 2013 Business Council of Australia
ISBN 978 1 922058 19 5 ABN 75 008 483 216
All rights reserved. No part of this publication may be
reproduced or used in any way without acknowledgement
to the Business Council of Australia.

Full sources for Figures in this publication are detailed in
the Business Council of Australia *Action Plan for Enduring
Prosperity: Full Report*

.....
Design: erd.net.au Print: Bambra Press

BUSINESS COUNCIL OF AUSTRALIA

42/120 Collins Street Melbourne 3000

T 03 8664 2664 F 03 8664 2666

www.bca.com.au



**Business Council
of Australia**