



ACTION PLAN FOR
ENDURING PROSPERITY

Overview



**Business Council
of Australia**



VISION:

Enduring prosperity for all Australians

The Business Council of Australia has developed an economic action plan for Australia's future.

The Business Council is made up of the CEOs of 100 of Australia's top companies.

The Business Council wants to see enduring prosperity for all Australians.

Australians have enjoyed over 20 years of uninterrupted economic growth.

Economic growth has created living standards which are among the highest in the world.

That means we have to keep growing the economy in challenging times.

The Business Council wants growth to be inclusive and benefit all Australians.

Supporting businesses and enterprise is vital to achieving that growth.

We will need policies that drive growth and investment and that reflect we are a small economy in an increasingly competitive world.

This is an action plan to achieve it.

Over the past 20 years, economic growth has delivered to Australia:

- » a doubling in the size of our nation's economy
- » a 50 per cent increase in real incomes per person
- » average wage increases of almost 4 per cent each year

The role of business in prosperity is significant. In 2011–12 we:

- » employed 10½ million people
- » provided over \$470 billion in wages and salaries
- » paid almost \$70 billion in company tax

OUR GOALS:

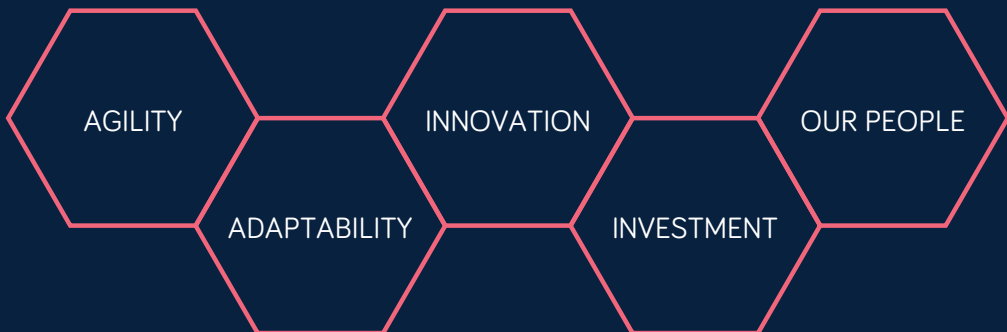
What enduring prosperity means to Australians

GOALS	ACHIEVED BY
A strong and growing economy and full employment	<ul style="list-style-type: none">» Rising productivity shared through higher wages, lower prices and higher profits» Thriving competitive businesses» Australians having access to decent jobs and being rewarded for their effort
A strong society and improving living standards Groups of Australians are not left behind, and people who need support are provided with a social safety net that allows them to live in dignity Equality of opportunity for Aboriginal and Torres Strait Islander Australians	<ul style="list-style-type: none">» All Australians sharing in economic growth» All Australians who can work having access to jobs that give them a sense of dignity and belonging» Australians being the healthiest, most educated and skilled people in the world» Good planning of infrastructure, cities and regions» Recognition of the special place of Australia's First Peoples, and sectors working in partnership to close gaps in living standards
Australia grows sustainably	<ul style="list-style-type: none">» Developing our economy in a way that uses resources more efficiently» Protecting the natural and cultural assets that enrich our lives

The case for change

THE TREND	REQUIRING
Rise of emerging economies	<ul style="list-style-type: none"> » Australian business being more competitive » A more competitive tax system » Australia continuing to attract domestic and foreign investment » Changing our mindset and embracing global engagement
Use of technology and digitisation	<ul style="list-style-type: none"> » Our regulatory settings allowing businesses to adapt and change » All Australians having the skills to benefit from the digital economy
Increasing demand for natural resources	<ul style="list-style-type: none"> » Innovation as the key to using our resources more efficiently » Better planning of our cities and regions
Our economy is changing	<ul style="list-style-type: none"> » Reducing the cost of doing business so we can compete » Giving people the education and skills to find and change jobs » Businesses being able to adapt quickly to changing economic circumstances » Workplaces and ways of doing business being more flexible
Our population is ageing	<ul style="list-style-type: none"> » Strengthening state and federal government budgets to pay for services » Encouraging older people to participate in the workforce » Maintaining our migration program

Our success will depend on:



The nine things we need to get right

Our action plan identifies nine things Australia needs to get right:

01	We need to strengthen our budget discipline, adopt a more competitive tax system, and provide for a fairer sharing of money between the Commonwealth and the states
02	We need to 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, get more people into the workforce, and ensure that we have more productive and innovative workplaces
05	We must rethink our approach to regulation
06	We must realise a deeper engagement with the world
07	We must preserve a strong, stable and competitive financial system
08	We must adopt a coherent energy policy that enhances Australia's competitive advantage
09	We must create the right environment to foster innovation, diversify our economy and play to our strengths

Three phases for action

PHASE ONE: 1-3 YEARS

BUILDING TRUST AND CONFIDENCE

ACTIONS THAT:

- » stabilise Australia's fiscal position
- » encourage investment by lifting competitiveness and removing the worst, unnecessary regulation
- » address the decline in foundation skills and improve literacy and numeracy
- » lay the groundwork for future reform, for example by starting a process for comprehensive reform of the tax system and improving regulation making

PHASE TWO: 3-6 YEARS

CONSOLIDATING AND GROWING THE ECONOMY

ACTIONS THAT:

- » execute comprehensive tax reform
- » fix Commonwealth-state taxation arrangements to better reflect funding responsibilities
- » support the rollout of major, productivity-enhancing infrastructure
- » deliver major reform in skills and education to lift productivity
- » improve assistance to disadvantaged jobseekers

PHASE THREE: 6-10 YEARS

REALISING OUR FULL ECONOMIC POTENTIAL AND REAPING THE BENEFITS

ACTIONS THAT:

- » realise the benefits of economic growth through:
 - › a more diversified economy, while continuing to support the things we are good at
 - › rising productivity, shared through higher wages, lower prices and more successful businesses
 - › energy and resources being used more efficiently
 - › more liveable cities that are better able to accommodate our growing population

We will be successful when

We are sharing in economic growth by:

- » Australians having decent, well-paid jobs and our GDP per capita being in the top five countries in the world
- » Higher workforce participation, low unemployment, better skills and more opportunities ensuring that Australia maintains a reasonable distribution of wealth and income by global standards
- » Making significant progress in breaking through entrenched disadvantage

Our businesses are thriving because we are in the top five countries in the world on the Global Competitiveness Index and the top five countries in the world for the ease of doing business

We are a healthy nation:

- » with improved life expectancy for all
- » better quality of life by being healthy for longer
- » all Australians having access to a world-class health system

Our communities are increasingly liveable because:

- » individuals and businesses are benefiting from infrastructure that meets the needs of a growing population
- » cities and regions are being planned with a view to future needs, not playing catch-up

We are the most skilled and educated people in the world, where:

- » 95% of Year 9 students meet literacy and numeracy standards
- » 90% of people complete Year 12 or equivalent
- » our universities are in the top 50 in the world
- » 60% of people have tertiary qualifications

Resources used by the economy are used efficiently and the resource intensity of our overall economic activity continues to decrease

**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.**



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

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