UNFINISHED BUSINESS

How the major parties measure up
The NSW Business Chamber’s policy platform for the 2015 New South Wales State election, *Unfinished Business: Towards 2015 and beyond*, was launched 12 months ago to stimulate meaningful policy discussions around key opportunities for reform that have been ignored by successive NSW governments.

Over the past year, we have campaigned strongly on five key priorities business wants addressed by the next NSW Government and engaged with both major parties to advocate in the interests of NSW businesses and the wider community.

The *Unfinished Business* policy scorecard is intended to help you make your decision about the policies that will attract investment in NSW, grow the economy and create jobs to support our growing population.

We will never suggest how you should cast your vote, however we will always argue passionately for ideas and reforms that will help build a better NSW.

The Chamber believes that the recycling of State assets to invest in new productive infrastructure is the smart way to build a better and more prosperous NSW.

We backed previous proposals by Labor Premiers Bob Carr and Morris Iemma to privatise the state’s electricity assets.

Similarly, we have campaigned strongly in support of the Coalition’s proposal to lease 49 per cent of the State’s electricity network to raise $20 billion to fund much-needed infrastructure projects such as roads, railways, hospitals and schools.

Regardless of the party proposing it, this is the right policy to get NSW moving, grow investment and increase productivity and employment in our great state.

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**Five key priorities business wants addressed by the next NSW Government**

1. **Fund and deliver more infrastructure across NSW through public asset swaps;**

2. **Revitalise and reform Local Government;**

3. **Deliver senior schooling more effectively to improve outcomes for young people;**

4. **Improve NSW’s energy security and address pricing challenges; and**

5. **Put NSW on the front foot by creating a more competitive tax system.**

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Stephen Cartwright  
CEO, NSW Business Chamber
Fund and deliver more infrastructure across NSW through public asset swaps

With the State’s infrastructure pipeline for the next five years anticipated to cost around $85 billion, NSW urgently needs new ways to fund essential projects such as roads, railways, hospitals and schools. Falling State revenues means recycling government-owned assets is the most sensible way to accelerate delivery of essential infrastructure across NSW without risking the budget bottom line.

Coalition ✔️

The Coalition’s plan to lease 49 per cent of the State’s electricity assets is a once-in-a-generation opportunity for New South Wales with a $20 billion boost to infrastructure investment. Should the Coalition be re-elected, the State Infrastructure Strategy provides a fully-costed infrastructure pipeline that will provide greater certainty for businesses and help drive employment and economic growth in both regional communities and metropolitan areas, where infrastructure investment is long overdue.

Leasing the State’s electricity assets will also help deliver more affordable electricity for households and businesses. Since 1997 the publicly-run networks in NSW have increased their costs by a staggering 122 per cent. In contrast, since leasing its electricity networks in the 1990s, Victoria has seen network costs decline by 18 per cent.

Labor ✗

Labor opposes privatisation of the State’s electricity assets, instead offering voters a modest $10 billion infrastructure investment plan over ten years funded by existing Restart NSW funds and the deferral of scheduled cuts to business taxes. Although the very point of new infrastructure investment is to help drive employment and economic growth, Labor’s plan to defer the abolition of taxes on buying and selling businesses in NSW will undo the benefit of investing in new infrastructure and make NSW less competitive.

Failing to proceed with the lease of the electricity network will also see NSW miss out on a $2 billion asset recycling incentive payment from the Federal Government.
Revitalise and reform Local Government

With NSW councils facing an infrastructure backlog of more than $7 billion, it is clear that the current governance structures of the State’s 152 local councils are failing to meet the needs of business and the community. Local government needs to be reformed to create stronger local councils that are well resourced, with competitively-paid and well-resourced mayors and councillors.

Coalition

Based on the recommendations of a three-year review by the Independent Local Government Review Panel, the Coalition’s Fit for the Future local government reform package provides financial incentives to encourage voluntary council mergers.

Voluntary mergers will be supported by a significant funding package that includes $258 million to assist in council mergers, $13 million to assist in local transition committees, $5.3 million to establish new joint regional organisations and $4 million to help small councils develop new ways of working.

However, the Coalition is yet to articulate a long-term plan for council amalgamations supported by a strategic analysis of planning, demographic and employment characteristics of each region.

Labor

Labor has committed to introducing popularly elected mayors for Sydney’s local councils and will establish a new Congress of Mayors, led by a Greater Sydney Commission, to focus on regional and metropolitan wide priorities.

Labor has committed to working in partnership with councils that wish to consider voluntary amalgamations, but is yet to put forward a long-term plan for local government reform supported by a strategic analysis of planning, demographic and employment characteristics of each region.
Deliver senior schooling more effectively to improve outcomes for young people

The NSW Business Chamber’s new report in our Thinking Business series, Paving the Pathway, suggests that NSW’s secondary schooling system needs to be more responsive to students not following a university pathway. Wide-ranging reforms to post-Year 10 education and training are needed to better support young people transition from school to further education and work.

Coalition

The Coalition’s Reskilling NSW package includes $27 million to allow 40,000 government school students to undertake structured workplace learning as part of their HSC vocational education courses, and $8 million to provide viable pathways into education, training and employment for young people in regional areas.

The Coalition has also entered into a compact agreement with the NSW Business Chamber and other industry groups to boost apprenticeship numbers in NSW.

However, the Coalition has not yet committed to the other important recommendations included in the Paving the Pathway report such a wide-ranging review of post-Year 10 education and training in NSW.

Labor

Labor’s commitment to a wide-ranging review of post-Year 10 education and training is critical first step in delivering senior schooling more effectively across the state.

However, Labor’s plan to abolish the Smart and Skilled reforms will reduce the ability of private registered training organisations to deliver training and ultimately reduce training options for young people and industry.

A fairer playing field between TAFE and private training providers will encourage better training and qualification outcomes across the sector.
Improve NSW’s energy security and address pricing challenges

Australia’s east coast gas market is undergoing a major period of transition as it opens up and begins to export gas. In all likelihood, projected shortages in gas supply will drive up gas prices and increase cost pressures on energy-using industries such as manufacturing. To ensure sufficient gas supply at an affordable price for households and businesses and protect manufacturing jobs in NSW, the State’s gas reserves must be developed.

**Coalition**

The Coalition’s Gas Plan is an important first step towards addressing gas pricing and supply challenges and ensuring the future competitiveness of NSW industry.

The Coalition has committed to fully adopt the recommendations in NSW Chief Scientist Mary O’Kane’s recent report on Coal Seam Gas (CSG), which makes it clear that a world-class CSG regime can be established in NSW with appropriate regulatory controls.

There is however a need for greater certainty around timing for the implementation of the recommendations, including the development of a timely and transparent assessment mechanism for CSG projects based on scientific evidence, as continued delays will simply increase cost pressures for business.

**Labor**

Labor has proposed a state-wide moratorium until all the recommendations in the Chief Scientist’s CSG report are implemented, and has committed to permanently ban CSG exploration and/or production from the NSW north coast, the Northern Rivers region and the Pilliga Forest.

Given some of the recommendations may take some time to implement, a moratorium adds to uncertainty about when gas supply from current NSW projects will be delivered to NSW consumers.

The proposed ban in the Pilliga Forest will effectively cancel the Narrabri CSG project, which could supply up to half of NSW’s gas needs and be operational from around 2018.

Labor has not yet outlined its plan to address gas pricing and supply challenges.
Put NSW on the front foot by creating a more competitive tax system

Helping businesses maintain and grow employment by reducing red tape and anti-business taxes should be a key priority for the next NSW Government. There is significant opportunity to make NSW’s tax system more competitive by abolishing stamp duty on business mortgages, unlisted marketable securities and the transfer of non-real business assets. With government spending under control and the balance sheet secured, it is time that these substantial opportunities for tax reform be realised.

**Coalition** ✔️

The Coalition has committed to achieving greater tax efficiency in NSW by abolishing Mortgage Duty, Share Transfer Duty and Non-Real Transfer Duty in 2016.

There is still significant work to be done to create a more competitive tax system for NSW. Payroll taxes are still higher in NSW than they are in both Queensland and Victoria, and this disparity places NSW businesses at a competitive disadvantage and creates an impediment to employment.

Payroll tax should be reduced as priority to help businesses maintain and grow employment across NSW.

**Labor** ✗

Labor’s plan to defer the abolition of anti-businesses taxes to fund its infrastructure plan will make the state less competitive, hinder economic growth and cost jobs. These taxes discourage mergers, acquisitions or restructures that can keep a business operating or improve efficiency, and they are a disincentive for start-up businesses to choose NSW.

Labor’s proposal to review the Workers Compensation scheme with a view to winding back the Coalition’s 2012 reforms will create unnecessary red tape and could impose higher premiums on business. After facing a $4.1 billion deficit in 2012, the Workers Compensation scheme is now in a sound financial position with a $2.6 billion surplus that should be used to help businesses foster safer workplaces.

Similarly, Labor’s plan to legislate a new requirement for businesses to accommodate requests for flexible working hours from workers who are pregnant or on parental leave would duplicate existing national provisions in the Fair Work Act and create unnecessary red tape for business.
NSW Business Chamber

Tracing our heritage back to 1825, NSW Business Chamber’s mission is to create a better Australia by helping businesses maximise their potential. The Chamber is a passionate advocate for business in the public arena: whether standing up to government and decision makers when business interests are neglected, or working together to create positive change.

On a one-to-one basis, the Chamber helps all businesses from small enterprises to large corporations. Our commercial services division, Australian Business Solutions Group (ABSG), delivers a range of business services to both member and non-member clients throughout Australia, with the operating surplus going back to supporting Chamber initiatives. In all, we believe it’s important for Australia’s business community to succeed, because prosperity creates new jobs, social wealth, and better communities in which to live.

- Local, regional, state and national coverage
- Public policy and advocacy
- Reducing complexity to manage risk
- Empowering business through connections, knowledge and expertise

Let the NSW Business Chamber team be an extension of your business so you can concentrate on what you do best – growing your business.

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