



## 2007 Pre-Election Surveys No. 1

# AUSTRALIAN BUSINESS RATES ECONOMIC MANAGEMENT AS MOST IMPORTANT PRIORITY

In 2007, ACCI, Australia's largest and most representative business organisation, has once again undertaken to conduct a series of Pre-Election Surveys of Australian businesses, to assess business priorities in the lead-up to this year's Federal Election.

The surveys ask some 101 questions overall and responses are weighted to ensure the data reflects the sectoral composition of the Australian economy. The surveys cover a diverse range of business issues from complying with the tax system and the level of tax through to skills development, government regulation, workplace relations, infrastructure and economic management and provide a robust assessment of business concerns.

In many areas, ACCI asked the same questions in 2007 as in 2004 to allow an accurate comparison of business priorities.

In 2007, 1331 small, medium and large companies have been polled and the results will be released in coming months.

### Economic Management the Most Important Business Priority

The first 2007 Pre-Election Survey has revealed that *Economic Management* is the single most important policy priority for business in the lead-up to the 2007 Federal Election.

Over the past two decades, business has supported and benefited from the ongoing economic reform agenda of successive governments.

The results of this survey confirm the importance of continuing sound economic stewardship.

#### Question:

Please indicate how important improvement in each of these areas would be to the successful operation of your own business. Please indicate how important each area is to you by ticking the appropriate box on a scale of 1 'Major Importance' to 4 'Of No Importance'. Also please tick just one box in the final column indicating which is the single most important set of issues you would like to see the next government focus on.

#### Findings

*Economic Management* (see Figure 1 for full results table) is now the single most important issue for business, compared

to the 2004 results when the *Level of Taxation* was the major issue of the day.

*Workplace Relations* has increased dramatically in importance over the past three years and now 18.4% of businesses consider *Workplace Relations* to be the single most important issue that government should be focusing on in 2007. The findings suggest that business is concerned by further possible changes to legislation in this area.

*Skills Development* has also increased considerably in importance and highlights just how critical the skill shortages issue has become and how quickly the issue has emerged. Only three years ago, *Skills Development* was rated as the leading concern in the least number of businesses.

Infrastructure is also an important area for attention with cost and access issues remaining key considerations for the proper functioning of the strong economy.

Concerns with *Complying With the Tax System*, *Level of Taxation* and *Government Regulation* were both down on 2004 results. Businesses primarily concerned with the *Level of Taxation* was significantly down from 32.1% to 13.0%, suggesting that tax reduction measures in recent Federal Budgets have made some difference. Nevertheless, there remain acute problems within each of these two categories that need to be addressed.

**Figure 1**  
Single Most Important Factor for All Business

Single Most Important	2007 Weighted Results	2004 Weighted Results
Economic Management	27.5%	26.1%
Workplace Relations	18.4%	9.6%
Skills Development	15.3%	5.9%
Level of Taxation	13.0%	32.1%
Infrastructure	12.8%	6.6%
Government Regulation	6.9%	8.4%
Complying with Tax System	6.0%	11.3%

Source: ACCI Pre-Election Surveys 2007 and ACCI Pre-Election Survey 2004.

## Findings By Firm Size

Dissecting the survey results into Firm Size, while *Economic Management* remained the single most important issue through small, medium and large firms, there was significant diversity in several of the other areas.

Figure 2 shows the single most important considerations based on small, medium and large firm responses. Small firms are those with 19 or fewer employees, medium businesses comprise those with 20 to 99 employees, and

large firms are deemed to be those with a hundred or more employees.

From Figure 2, several important conclusions may be drawn. Firstly the *Level of Taxation* is particularly critical for small and medium sized businesses. Larger firms instead have more difficulties with *Workplace Relations*, *Skills Development* and *Infrastructure* issues.

However *Government Regulation* was equally concerning across all business sizes.

**Figure 2**  
Single Most Important Factor by Size of Business

Single Most Important	Small Business	Medium Business	Large Business
Economic Management	26.2	23.6	24.8
Complying with Tax System	9.2	4.8	5.7
Level of Taxation	20.5	21.0	7.8
Workplace Relations	14.1	17.3	20.6
Skills Development	12.9	12.5	18.4
Government Regulation	8.6	8.8	8.5
Infrastructure	8.6	11.9	14.2

Source: ACCI Pre-Election Surveys 2007.

### Notes Regarding the Survey

The data from respondents is generally reflective of Australia's industry composition. However, some variation in the number of responses by industry and size of firms within these industries can occur and therefore the data is weighted by the size and industry sector of firms. This post-stratification ensures that no one industry or size classification within an industry can skew the results away from what would result if all firms were covered. The weighting data is provided by the ABS and breaks down industry value added by broad industry classification and by our size classifications. This assures that the survey data reflects the relative importance of particular industries and sizes of firms within these industries to the national economy.