



**AUSTRALIAN CHAMBER OF COMMERCE  
AND INDUSTRY (ACCI)**

**Concluding Remarks by  
ACCI Acting Chief Executive Greg Evans  
at a Business Luncheon with the  
Prime Minister and the  
Minister for Small Business**

**Brisbane Convention and Exhibition Centre,  
12 June 2009**



On behalf of the Australian Chamber of Commerce and Industry, the Chamber of Commerce and Industry Queensland, and all business attendees here today I would like to thank the Prime Minister and Minister Emerson for addressing this forum and especially the Prime Minister for fielding questions from business.

I also want to acknowledge the role our member CCIQ played in ensuring a strong business representation was able to be here.

The Prime Minister has canvassed the domestic and global economic challenges before us and outlined the ongoing responses of government.

I think we have also had some very indicative feedback from business operators.

Almost without exception, businesses across Australia have been affected to some extent by the global financial crisis and over the next 12 months trading conditions will continue to be difficult – sadly businesses will fail and people will lose jobs.

But from the onset of the global economic deterioration the response from both government and business has been positive.

We knew we could not insulate ourselves from the entire impact of global contraction, but we have fared better than just about every other comparable advanced nation.

ACCI supported the action of government to sustain activity in the domestic economy, including:

- the phased stimulus arrangements;
- dealing with consumer demand;
- building schools and community infrastructures; and
- finally the roll out of economic infrastructure.

We also supported strongly the business investment allowance providing a tax break amounting to 50% for small business and 30% for larger business.

We join with government and encourage all businesses to consider what benefit it may provide their operations. We have also indicated government should consider extending the deadline for the 30% tax break from June 30 to December 31, 2009.

Along with government, business is playing a leading role in dealing with the economic downturn.

Resilience in the labour market in large part can be explained by the reluctance of business to lay off valuable staff and we hope this can continue.

Business is however under pressure – lower demand is impacting upon balance sheets and lower retained earnings are available for investment or expansion.

While business has an array of concerns in the current environment, difficulty in accessing credit remains paramount.

We are particularly concerned about diminished competition amongst lenders as a result of rationalisation in the financial sector.

This could delay or weaken economic recovery. We also share the concerns of the Prime Minister of pre-emptive rate increases which were announced today.

With respect to business lending we believe there is a case for margin reductions and certainly not rate increases.

We look forward to discussing with government any possible policy responses in this area to encourage greater competition in the financial sector.

Prime Minister we thank you for the straightforward manner in which you have dealt with our current economic challenges, your willingness to engage, and as you have shown again today, your accessibility.

Thank you.

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