

19

BUSINESS

John Wanna

For the first time in many federal elections, business did not play a major or prominent role in the 2019 campaign. Business groups had been comparatively active in many previous federal elections, in 2004, 2007, 2013 and 2016, asserting their values and priorities while combatting government policies they resented—notably, the mining rental resource tax in May 2010. In 2010, business remained on the sidelines, seemingly perplexed over the sudden ‘leadership coup’ against Kevin Rudd, while generally positive towards the fiscal stimulus that Labor had engineered to combat the Global Financial Crisis.

In 2019—again, following much leadership turmoil, this time in the Coalition Government—business once more largely opted to leave the election result up to the voters and not run a vigorous campaign to influence the outcome. Somewhat paradoxically, the Opposition Labor leadership later blamed big business and sections of the corporate media for their election loss.

Nevertheless, business did try to change the tenor of debate away from short-term and local considerations to longer-term positive and proactive agendas. Mostly, business stressed the need for stability and certainty in governance, a clear sense of direction and confidence-building for the economy. It repeatedly called for further economic and structural reform, fewer impediments to business and for the next government to push ahead with much needed reforms including on climate change. Business Council of Australia (BCA) Chief Executive Officer (CEO) Jennifer Westacott said:

For the last few elections, it has been a race to the bottom to take things off the agenda and limit options and choices ... a blame game and an anti-business agenda and anti-growth agenda are not going to solve the issues that Australia confronts. (Quoted in Uren 2019)

Perhaps what was less expected was that business stressed the need for cooperation for better outcomes overall and implicitly criticised the heightening of the politics of envy in the 'class war' against the 'top end of town'.

Business also wanted a clear winner, not a hung parliament, giving the next government a clear mandate (see Garvey and Gluyas 2019). A less rabble-like Senate was also preferred, with many executives hoping for a smaller crossbench of 'maverick' senators. Sections of business had generally been pleased with the Coalition's Budget for 2019–20 (which promised a surplus of \$7 billion and economic growth rates of 2.75 per cent, later reduced to 2.5 per cent), which was delivered in the final sitting days of parliament and on the eve of the election being called, but they were sceptical about whether such an economic plan on its own could turn things around.

'Meek and mild' so 'business hardly played a role'

Business groups and senior CEOs widely expected a Labor victory, especially after more than 50 consecutive Newspolls showed Labor holding a commanding lead in the two-party-preferred vote. The National Retail Association (2019), for instance, informed its members to expect a Labor win because 'Labor has led in every major opinion poll for the past two and a half years and is still the favourite'. In many ways, business lapsed into a fatalistic 'groupthink' and became resigned to the polls and the fact that a change of government was imminent. It also appeared to believe what the polls were saying, and it is worth recalling that a Newspoll in mid-March 2019 had the Labor Party ahead by a margin of 54–46 per cent—an eight-point lead eight weeks out from the election. In such circumstances, business apparently adopted a series of tactical strategies: battening down while awaiting Labor's victory, not antagonising Labor in the lead-up to the campaign proper and not running advertisements attacking Labor or boosting the Coalition. Many CEOs also began

overtly currying favour with Labor leaders, hoping to prosper or retain influence under their rule. Interestingly (and as discussed in Chapter 11, this volume), the re-election of a Liberal–National Government in New South Wales under Gladys Berejiklian was not seen by either business or the media as a harbinger of better prospects for the Coalition, even though its regional focus certainly was a fillip to Scott Morrison.

Business commentators reported that ‘big business was bracing for Bill Shorten and bracing for more class war’ (Fullerton 2019), and that it may regret not having a fuller strategy or may revert to behind-the-scenes lobbying (Uren 2019). Conservative columnists such as Chris Kenny (2019) noted once the election was over:

Big business hardly played a role. In fact, many on the Coalition side have long been frustrated about the way corporate Australia had become meek and mild on major economic debates, seemingly to align itself with a prospective Labor government in Canberra.

Columnists in the business pages of News Corp newspapers claimed: ‘Some people close to PM [Prime Minister] Scott Morrison had grumbled ... about the business lobby’s poor contribution during the campaign’ (Glasgow and Lacy 2019d). Glasgow and Lacy (2019c) reported:

It is the view of many in Team Morrison that the BCA was missing in action during the election campaign ... [and] the BCA’s board ... like most of corporate Australia had been bracing for life in Bill Shorten’s Australia.

At one political panel event held for business in the final week of the campaign, only one businessman, Alastair Kinloch from AMP Limited (Glasgow and Lacy 2019b: 17), said he felt the tide had turned and that the Coalition could scrape back in; the other people present were apparently incredulous.

As a former economist with the Australian Chamber of Commerce and Industry (ACCI), Greg Evans (2019), wrote in the aftermath of the election:

Today the business sector is not a policy influencer and is mostly missing in action. A centrepiece of the government’s third term agenda is to deliver income tax cuts to middle Australia, yet business provided no impetus for this. There was always a strong economic case to return bracket creep to individuals, especially

when other factors were weighing on wages growth. Surprisingly, this was overlooked by industry. Instead, business had a one-dimensional tax approach and, after failing to secure company tax reductions, had nothing left to say ... the business voice was virtually silent. It did not contribute a reform agenda or highlight and oppose those policies detrimental to its interests and to the economy.

It must be said that many business commentators were uniformly hostile to Labor's proposed policies, but not many actively endorsed the Coalition, perhaps seeing it as the least-worst alternative. These included Robert Gottlieb, Terry McCrann, Chris Kenny, Allan Wood, Don Stammer, Matthew Cranston and Michael Stutchbury. *The Australian's* David Uren and the *Australian Financial Review's* Phillip Coorey, Jennifer Hewett and Adele Ferguson were notable exceptions to this apparent hostility. Moreover, many conservative economic columnists regularly attacked Labor's tax plans, including Henry Ergas, Jonathan Pincus, Tony Shepherd, Judith Sloane, Niki Savva, Adam Creighton and Nick Cater. Many of these journalists and commentators had close personal connections to the Coalition or larger business associations.

The semi-retired financial journalist (and *Sky News* commentator) Alan Wood wrote a rabid weekly column in *The Weekend Australian* throughout the lead-up to the election, predicting the 'end of Australia' if Labor won. In an article entitled 'Labor lays out 165 steps to economic destruction', Wood (2019) ventured:

Before the campaign started, I noted that Bill Shorten and Chris Bowen had made it official and public: they had formalised a two-stage strategy to destroy Australia. That was far too gentle; back then we were yet to know the half of it. If you want to be afraid, really afraid, go to the Labor Party's policies website. All the promises are listed, one by one, and linked to the semi-specific policy detail. As of Friday night, one week out from the election, they added to 165. Just let that number sink in. I doubt that we've ever seen anything remotely, *remotely*, approaching that sort of promised utterly pervasive government intrusion into our lives both in broad societal but very directly in individual terms.

He then went on to castigate as many of Labor's policies as he could squeeze into his 1,200-word column, before ending with: 'A Shorten-Bowen government won't just change the country, it will destroy it.'

Thus, many sectors of business remained relatively silent; business was, in effect, ‘sitting out’ the election. It was also reticent to be seen as a very active player because Bill Shorten was making the ‘big end of town’ and ‘fat-cat employers’ a major part of his campaign rhetoric. Shorten’s comment about business leaders being sent to the ‘naughty corner’ if he won may have further discouraged some business leaders from speaking out on issues about which they normally would have in the course of events.

Others called for a more collaborative approach—for instance, the CEO of the Property Council of Australia (PCA), Stephen Conry, said:

There are too many instances where political leaders or ministers respond to industry groups by saying ‘but of course you’d say that, because it’s relevant to your industry’. We need more industry groups or industry associations collaborating to argue why both sides of politics should get together [on] issues such as tax reform ... business wanted overall tax reform, but this would need bipartisan support. (Quoted in Condon 2019)

This begs the question: *should* business have played a more significant role? Certainly, some leading Coalition ministers thought so, and were later critical of the benign role adopted across the sector (Frydenberg 2019). Other commentators argued that ‘business failed to explain their views’ in the months leading up to and during the campaign (M. Kenny 2019). But business generally took the view that to take on a more strident profile in the campaign would prove counterproductive, and might only encourage more radical oppositional groups such as the ACTU and GetUp! to spend even more than they were already investing in a Labor win (reputedly \$3.2 million by the ACTU and \$4.7 million by GetUp!), in addition to the millions coming from individual unions such as the Australian Education Union and the National Tertiary Education Union, which were spending \$1.6 million to support school education and universities (see also Scott, Chapter 20, this volume). In addition, the consistency of the opinion polls predicting a comfortable Labor victory possibly also silenced the larger business associations, although some smaller sectional associations were more vociferous.

There was much media speculation that the Coalition would see its election funding from business sources dry up, but in the event, funding seemed to materialise, although the Coalition allocated these funds very prudently towards sandbagging the seats it needed to hold, while targeting a small number of Labor seats as vulnerable in Queensland and Tasmania.

This funding stream may have been motivated by the desire to ensure that the Coalition would remain a viable political force in the event it was consigned to Opposition.

Business association advocacy

Business associations speaking for their members largely focused and spoke out on problems or issues close to their constituencies' interests. Most associations did not address issues across a wide canvas, in contrast with the pattern in recent decades. Some groups produced an explicit policy priorities statement of variable length—for example, the Australian Industry Group (Ai Group) produced a seven-page list, while the National Farmers' Federation (NFF) produced a glossy eight-page agenda (NFF 2018; see also NFF 2019)—but many simply put forward industry-specific or sectoral policies through news releases. The most prominent issues were policies to stimulate economic and regional growth; policies on energy and carbon emissions reduction; pro-coal and anti-coal sentiments, especially over the emblematic Adani coalmine in Queensland; and issues such as the severe drought and water restrictions in rural Australia, banking reform and credit availability and increased funding for cultural industries. Interestingly, many firms talked of Aboriginal engagement, constitutional reconciliation and 'working together' to seek meaningful change and reducing gaps—for example, the accounting firm PricewaterhouseCoopers' (2019) 'Parity' campaign to end 'disparity'. Table 19.1 collates the election priorities for Australia's main business associations.

Table 19.1 Business associations: Summary of key concerns, 2019 federal election

Association	Economy	Labour market & industrial relations	Fiscal, taxation, credit	Climate, energy, environment	Social, community	Technology, digital literacy	Good government
Business Council of Australia	<ul style="list-style-type: none"> • Plan for a <i>Stronger Australia</i> • Accelerate growth • Restore business confidence • Drive competition • Better infrastructure • Stronger regions • Population and migrant increases 	<ul style="list-style-type: none"> • Increase real wages in line with productivity • More agile labour market • Wage safety nets and enterprise-based agreements • Job creation • Skills and training • Retain ABCC¹ and ROC² 	<ul style="list-style-type: none"> • Lower tax burden, especially reduce company tax burden • Stronger Budget and return to surplus • Government to impose spending and tax caps • Preserve AAA credit rating • Increase credit availability 	<ul style="list-style-type: none"> • Deal with climate change • Support Paris Agreement • Business needs long-term investment certainty • Integrate energy and climate change policies • Lower energy prices • Remove coal seam gas moratoriums • Limit vehicle and agricultural emissions 	<ul style="list-style-type: none"> • Higher living standards, ameliorate entrenched disadvantage • Newstart is inadequate • Indigenous engagement and constitutional recognition • Better intergovernmental relations on health, mental health and vocational education and training 	<ul style="list-style-type: none"> • Improve digital literacy • Government to review future skills and literacy levels 	<ul style="list-style-type: none"> • Voters want clear directions • Parliament should work constructively • Better services/ better value • Remove red tape and regulations

Association	Economy	Labour market & industrial relations	Fiscal, taxation, credit	Climate, energy, environment	Social, community	Technology, digital literacy	Good government
Minerals Council of Australia	<ul style="list-style-type: none"> Global competitiveness is essential, structural reforms still needed Investment and productivity Trade liberalisation 	<ul style="list-style-type: none"> Increase skilled and flexible workforce Workplace safety is crucial Regional jobs strategy 	<ul style="list-style-type: none"> Reduce Australia's internationally uncompetitive tax levels Lower corporate tax Support mining and coal exports and exploration Po-uranium Fuel tax credits Need for Budget repair 	<ul style="list-style-type: none"> Sustainable development goals Reliable energy at least cost Reduce risks of climate change Long-term market mechanisms Support for nuclear power, but also for carbon price and capture Support for Adani coalmine 	<ul style="list-style-type: none"> Revitalise regional communities Respect human rights Gender equity targets Partnership with Indigenous organisations 	<ul style="list-style-type: none"> Support technological innovation Data-driven industries New digital skills Focus on STEMMS 	<ul style="list-style-type: none"> Government to deliver policy certainty for investment Streamline approval processes
Australian Industry Group	<ul style="list-style-type: none"> Clear policy directions (<i>Building on Success</i>) Reboot policies for prosperity and growth Promote investment Lift productivity performance Business costs too high Youth unemployment too high 	<ul style="list-style-type: none"> Need for improved skills, education and training Greater flexibility in sclerotic industrial relations system Low wage growth a problem Wage increases linked to productivity Focus on job creation and apprenticeships Fair workplace relations 	<ul style="list-style-type: none"> Real action on tax reform Return to Henry Tax Review to reopen debate Support for government's tax cuts plan Research and development capabilities Defence procurement to support opportunities for Australian companies 	<ul style="list-style-type: none"> Develop credible climate change policy Durable and well-integrated climate and energy policies Reduce carbon emissions Address crisis facing Australia's waste disposal 	<ul style="list-style-type: none"> Greater social cohesion needed Broader community prosperity needed 	<ul style="list-style-type: none"> Digital skills needed Improve digital literacy STEMM shortage acute 	<ul style="list-style-type: none"> Growing public dissatisfaction and distrust with government Need for national leadership Avoid poorly conceived and populist proposals

Association	Economy	Labour market & industrial relations	Fiscal, taxation, credit	Climate, energy, environment	Social, community	Technology, digital literacy	Good government
<p>National Farmers' Federation/ AgForce</p>	<ul style="list-style-type: none"> • Need for national agriculture strategy • Sectoral investment target of \$100 billion by 2030 • Export strategies • Northern Australia plan • Extend agricultural starter loans • Develop emerging trade sectors (e.g. horticulture) • Bilateral trade agreements (e.g. with Indonesia) • Encourage regional entrepreneurship 	<ul style="list-style-type: none"> • Agricultural workforce strategy needed • Recruitment program needed to attract youth to work in agriculture • Decentralisation and resettlement • Increase migrant intake/visa workforce • Stop abuse of bonded labour • Caution against wage breakout 	<ul style="list-style-type: none"> • Competitive tax system required • Reduce taxes • Tax geared towards internationally competitive sectors • Provide critical infrastructure • Fuel-tax credits • Supportive regulatory environment • Treatment of farm trusts • 150% tax deductions for farm insurance 	<ul style="list-style-type: none"> • Support NEG • Rewards for emission offsets from emission reduction fund • \$1 billion for environmental stewardship fund • Sustain Murray-Darling Basin Plan agenda • The new Federal Environment Protection Authority not to include water compliance issues • Drought management 	<ul style="list-style-type: none"> • Farm safety initiatives • Country road black spots program • Stress on social effects of water buy-back schemes • Mental health in rural and regional Australia 	<ul style="list-style-type: none"> • Improve regional telecommunications • Regional connectivity • Digital literacy important to remote communities 	<ul style="list-style-type: none"> • Government to work cooperatively with industry • Reduce non-tariff barriers in markets • Bipartisan support for Murray-Darling Basin Plan • Animal welfare partnerships

Association	Economy	Labour market & industrial relations	Fiscal, taxation, credit	Climate, energy, environment	Social, community	Technology, digital literacy	Good government
<p>Australian Chamber of Commerce and Industry</p>	<ul style="list-style-type: none"> • Highlight importance of small business to the economy • Governments to encourage economic growth • Lower inflation needed • Develop tourism infrastructure 	<ul style="list-style-type: none"> • Better workforce relations • Increased flexibility in industrial relations • Investment in skills and employment services • Retain safety net of employment conditions • Enterprise bargaining • Less complex industrial relations regulations 	<ul style="list-style-type: none"> • Restrain public spending and lower debt • Budget surpluses • Lower taxes • Fast-track small to medium enterprise company tax reductions • Facilitate competitiveness • Maintain equity focus • Government action to provide credit and asset write-downs 	<ul style="list-style-type: none"> • Cut energy prices • Need energy reliability • To ensure affordability of energy, include coal and natural gas supplies • Clear policy needed to reduce emissions 	<ul style="list-style-type: none"> • Higher living standards • Mutual obligation necessary in social welfare system • Aboriginal reconciliation • More affordable child care 	<ul style="list-style-type: none"> • Support new technologies for industrial competitiveness 	<ul style="list-style-type: none"> • Parliament to work in national interest, governing for all Australians • Greater collaboration between governments; streamline regulations
<p>National Retail Association</p>	<ul style="list-style-type: none"> • Stronger growth agenda needed • Focus on economic management • Job creation • Problem of low wage growth • Opposed to 'top end of town' rhetoric as too divisive 	<ul style="list-style-type: none"> • Support for small business job growth • Opposed to reversal of penalty rate cuts 	<ul style="list-style-type: none"> • Support income tax cuts for individuals • Lower interest rates • Stronger Budget • Reduce debt • Support moves to restore trust in banking sector 	<ul style="list-style-type: none"> • Importance of environmental sustainability • Reduce use of plastic • e-waste bans or plans for proper disposal needed 	<ul style="list-style-type: none"> • Policies to promote financial security for women • Encourage disability employment • Increased crime reporting 	<ul style="list-style-type: none"> • Promotion of take-up of new technologies for retail sector 	

Association	Economy	Labour market & industrial relations	Fiscal, taxation, credit	Climate, energy, environment	Social, community	Technology, digital literacy	Good government
Australian Banking Association/ Financial Planning Association	<ul style="list-style-type: none"> Relax lending policies Create an incentivised investment fund for business Opposed to further banking reforms or regulations Productivity orientation Improve customer protection policies 	<ul style="list-style-type: none"> Reduce the complicated regulatory environment Commit to overhaul of banking staff pay to eliminate bonuses tied to sales volumes 	<ul style="list-style-type: none"> Support for fair and efficient tax system, but opposed to Labor's franking credit gearing changes and increases in capital gains tax on properties Opposed to new bipartisan levy of \$554–640 million to restore trust in banking 		<ul style="list-style-type: none"> Pledges to commit assistance for natural disasters to assist recovery measures 		
Real estate and building sectors (REIA, MBA, HIA, PCA) ³	<ul style="list-style-type: none"> Promotion of investment Business-friendly economic policies Infrastructural investment needed More investment in housing, offices and community facilities 	<ul style="list-style-type: none"> Flexible skilled workforce Up-skilling vocational education programs Apprenticeships Higher skilled migrant intake levels Safety concerns on worksites Opposed to abolition of ABCC¹ and wants greater accountability for unions on sites 	<ul style="list-style-type: none"> Opposed to Labor's 'retiree' tax increases Warned of higher rents Need for Budget repair Overhaul tax system Lower taxes and stamp duty concessions Opposed to the cumulative GST costs 				<ul style="list-style-type: none"> Government should eliminate waste in public sector MBA targeted 10 'building seats', opposing Labor's housing policies

Association	Economy	Labour market & industrial relations	Fiscal, taxation, credit	Climate, energy, environment	Social, community	Technology, digital literacy	Good government
<p>Insurance Council of Australia</p>	<ul style="list-style-type: none"> • Improve business efficiencies • Invest in nation-building infrastructure • National regulation of building and construction sector 	<ul style="list-style-type: none"> • Regional growth strategies needed to spread job opportunities 	<ul style="list-style-type: none"> • Renew tax reform agenda • Stronger Budget • Banking reform • Remove inefficient and unfair State taxes and levies • Remove duties on insurance products 	<ul style="list-style-type: none"> • Call for environmental sustainability and positive steps towards climate change to reduce incidence of catastrophic weather events 			<ul style="list-style-type: none"> • Government to reduce regulatory burden on business • Better government-industry cooperation
<p>Medical associations (AMA, RACGP, PGA)[†]</p>	<ul style="list-style-type: none"> • Distribution of medical workforce • Regional disadvantage • Too much reliance on overseas-trained doctors in rural and remote areas 	<ul style="list-style-type: none"> • National strategy for health and climate change needed • Link environmental sustainability to health care 	<ul style="list-style-type: none"> • Health is the core social issue • Sought a further \$1 billion spending on Medicare with prominent full-page ads across sector • More investment across sector • Regional health plans • Aboriginal health issues • Aged care • Full funding of National Disability Insurance Scheme • Pharmaceutical Benefits Scheme under pressure • Support for community pharmacies • Care of refugees 	<ul style="list-style-type: none"> • e-health and telehealth initiatives welcomed • Better access to National Broadband Network for regional Australia 			<ul style="list-style-type: none"> • Improve intergovernmental relations on health delivery

Association	Economy	Labour market & industrial relations	Fiscal, taxation, credit	Climate, energy, environment	Social, community	Technology, digital literacy	Good government
Climate Change Council			<ul style="list-style-type: none"> Support Labor's \$200 million infrastructure plan to create electric vehicle charging network across Australia 	<ul style="list-style-type: none"> Clean energy policies needed Long-term strategies Lower prices for energy Zero emissions policy Mandate for solar Anti-Adani mine Great Barrier Reef deterioration an issue 	<ul style="list-style-type: none"> Support Labor's target of 50% of government vehicles being electric by 2025 and 50 per cent of all vehicle sales to be electric by 2030 		<ul style="list-style-type: none"> Opposed to 'misleading debates' from politicians on climate change Rebuild capacities of Climate Change Authority
Shareholders Association, Financial Services Council, Self-Managed Superannuation Fund Association	<ul style="list-style-type: none"> Importance of shareholders and the self-managed super fund sector to economy and growth Promote export of financial services to rest of world Protection of superannuation investments 		<ul style="list-style-type: none"> Ran campaign against ALP's 'misleading franking credits proposal' Urged vote no to ALP's 'retiree taxes' Increase incentives for savings Increase concessional and non-concessional caps for super Lower compliance costs 			<ul style="list-style-type: none"> More investment in technology and innovation 	<ul style="list-style-type: none"> Government to provide better regulatory environment

¹ ABCC = Australian Building and Construction Commission
² ROG = Registered Organisations Commission
³ REIA = Real Estate Institute of Australia; MBA = Master Builders Australia;
HIA = Housing Industry Association; PCA = Property Council of Australia

⁴ AMA = Australian Medical Association; RACGP = Royal Australian College of General Practitioners; PGA = Pharmaceutical Guild of Australia
⁵ STEMIM = science, technology, engineering, mathematics and medicine
Source: Compiled by the author from business associations' electoral manifestos on their websites 2019.

Business collectively was racked by worry about the nation's economic future, slackening economic growth and global trade wars. It generally thought no major party had an appetite for dealing with the difficult policy issues facing Australia—and it was accusing most politicians of 'kicking the can down the road'. Almost all businesses strongly supported Budget repair measures and pleaded for lower taxation for both companies and individuals. Some issues on which one might have expected business to find a voice were relatively overlooked or ignored, including a crackdown on multinational tax avoidance, lower interest rates and a looming interest rate cut by the Reserve Bank of Australia, immigration levels, asylum seeker issues and the 'Medevac' Bill allowing the relocation of offshore detainees whose medical conditions were thought significant by doctors (discussed in Simms, Chapter 2, this volume). Business in general did not seek to inflame the proposed Indian-owned Adani coalmining project, which was contentiously granted federal environmental approval on the eve of the caretaker period, but still awaited State government approvals (see Williams, Chapter 11, this volume).

Big business and the BCA were quoted as 'sounding the alarm that yet another election will pass without any serious commitment to economic reform' while warning about 'the rise of an anti-business agenda' (Uren 2019). The BCA's Westacott argued that 'the idea that we can go for another 10 to 15 years without [a] major economic downturn is fanciful and naive' (Uren 2019). The BCA highlighted the political shortcomings of the present adversarial approach to politics and the lack of progress on tax reform and developing a sustainable energy policy. The association's priorities were growth policies, increased productivity, increased real wage growth in alignment with productivity and no return to the industry-based award determinations sought by the ACTU (see Scott, Chapter 20, this volume). Like many business groups, the BCA urged consistent action against climate change while calling for removal of the moratorium on coal seam gas production in eastern Australia. This relaxation was also advocated by the Minerals Council of Australia (MCA), which also endorsed nuclear power as a way of guaranteeing reliable energy at competitive prices. The miners supported continued coal production but were largely quiet on Adani until after the election and insisted on greater measures to reduce emissions.

The Ai Group, representing Australian manufacturers, stressed the importance of lifting the levels of skills, training and education in the workforce and 'urged all parties to support' these opportunities,

including greater investment in the science, technology, engineering, mathematics and medicine (STEMM) capabilities of the workforce. The Ai Group stressed the need for prosperity and growth along with social cohesion, and it called on the next government to reopen debate on the tax reform agenda and re-examine many of the proposals put forward in the comprehensive but not influential *Australia's Future Tax System* report, known as the Henry Review (Henry et al. 2009). It also argued that climate change and energy policies had to be durable and well integrated to safeguard Australia's economic future.

The NFF and AgForce Queensland were (along with bankers and doctors) the most self-interested in their concerns. They called for a 'national agricultural strategy' and an 'agricultural workforce strategy', better trade access and bilateral agreements and government delivery of greater international competitiveness for the sector. They called for reduced taxes, support for farming families, including agricultural starter loans, and increased temporary migrant intakes. Water management was a huge concern, especially with large parts of the continent in drought. The NFF (2019) did not support 'pausing' the Murray–Darling Basin Plan (as some high-profile Independent candidates were advocating) but called for greater attention to the 'devastating effects on rural communities from the removal of consumptive water'. It also advocated that, if Labor's proposed Federal Environmental Protection Authority (FEPA) were established, water should not be included in its remit, and it was 'not convinced that the inclusion of the compliance arm of the Murray–Darling Basin Authority (MDBA) should be part of a new FEPA'. As in previous elections, the NFF and AgForce had an extensive set of environmental demands, including rewards for emission offsets, carbon farming, drought management, dedicated government funds to support environmental sustainability involving land management and the exclusion of farming from restrictive environmental policies, including restrictions on land clearing. Like other business groups, they advocated a national energy policy.

The ACCI and Small Business Association of Australia advocated tax relief, opposed what they and the Coalition termed Labor's 'retiree taxes' and supported greater flexibility for small businesses, better workplace relations and reduced energy costs. The National Retail Association also advocated tax cuts and lower interest rates, opposed restoring penalty rates and called for a stronger economic growth agenda from government. The Insurance Council of Australia prioritised national infrastructure and business efficiency, regional growth and for government to renew the tax reform

agenda. The Australian Medical Association (AMA), the Royal Australian College of General Practitioners (RACGP) and the Pharmaceutical Guild of Australia (PGA) wanted an extra \$1 billion spent on Medicare payments to doctors and greater investment across the health sector and community pharmacies, and took out full-page advertisements stressing health as a core issue for government. These health lobbyists insisted on more resources going to their sector but did not publicly endorse one side of politics over another. The AMA also urged better care for asylum seekers and refugees, while the RACGP urged greater attention to primary care in health funding. RACGP advertisements that portrayed sick people complaining 'I can't afford to see a doctor' were rejected publicly by other groups of doctors, who claimed the advertisements were misleading.

A few associations were more political in their messages and seemed to endorse Chris Bowen's off-the-cuff remark to retirees that 'if you don't like our policies, don't vote for us' (paraphrased) (Chapman 2019). Master Builders Australia (MBA) targeted 10 'building seats' where levels of housing construction were highest, claiming house prices would fall and rents rise under Labor, and ran press and TV advertisements opposing Labor's taxation policies. The Self-Managed Superannuation Funds Association warned Labor that 1 million self-managed superannuation funds in Australia were not happy with what they called Chris Bowen's retiree taxes and, along with other retirement income bodies, it claimed the entire debate was 'misleading'. The Australian Banking Association opposed further reforms imposed on the banking sector and especially resented proposed levies on the major banks (a \$640 million levy over four years by Labor and a \$554 million budgetary measure from the Coalition funded by an industry levy) and attacked the proposed changes to franking credits, negative gearing and capital gains. The various housing associations—for example, the Real Estate Institute of Australia (REIA), the MBA and the Housing Industry Association (HIA)—strongly opposed any increased financial burdens on the fragile housing market, warning of declining rental availability and increased rents, but also put in a demand for reduced stamp duties, despite this being a State government matter. The PCA endorsed estimates that Labor's property taxes would cost the housing and real estate sector \$32.4 billion over 10 years (Kelly and Roddan 2019).

Interestingly, increases to the Newstart and youth allowances were advocated by two associations (the BCA and the MCA), but not, as might have been expected, the National Retail Association.

A few CEOs spoke out

Mining tycoon Clive Palmer played the most activist role in the campaign as a leading business identity and through his party, the UAP (see Kefford, Chapter 17, this volume). Other CEOs were vocal only episodically about issues of concern to them in the months leading up to the election, and most eschewed making comments that could be construed as partisan. The most salient issues about which they spoke personally were energy reliability, climate change, emissions reduction, economic growth prospects, the importance of investment certainty, tax cuts and Budget repair.

With the heavy emphasis on the rival tax plans offered by the major parties, some business leaders debated the relative virtues of tax cuts versus interest rate stimulus. The Commonwealth Bank's CEO, Matt Comyn, came down firmly on the side of tax cuts, claiming they 'were the best to stimulate the economy, and stimulate speedily, better than further cuts to interest rates' (Moullakis 2019). Business generally favoured the tax cut proposals of both major parties but believed the Coalition's policies were preferable and more reform oriented. Occasionally, suggestions to increase the GST or broaden its base were made, although builders opposed the cumulative effects of the GST in the housing and building sectors.

Perhaps having a 'bob each way', business leaders did try to make overtures to a potential incoming Labor government, attending political events and holding lavish parties as fundraising ventures and occasions to meet and greet. More than 500 well-wishers and party-goers attended Shorten's post-Budget Reply celebration at the National Convention Centre Canberra, which featured influential CEOs, business association leaders and 'half-billionaires', including business tycoon Marcus Blackmore and many other celebrity guests (Glasgow and Lacy 2019a). A host of private business functions were also designed to court the politicians who business collectively thought would be running the country. Visy boss Anthony Pratt held two of the most lavish parties, first for Morrison (at \$10,000 per head) and then for Shorten and his team, on 27 March in his Melbourne mansion, Raheem. Presumably expecting a Labor win, Pratt also attended Labor's election night party (which soon turned into a wake), as did Ian Silk, CEO of AustralianSuper.

The tax pushback from financial advisers

Although the real estate and building associations routinely opposed Labor's policies cutting concessionary payments to landlords and retirees, a prominent group of media-savvy financial advisers was very animated in their hostility to Labor's so-called retiree taxes. These advisers, with access to regular media as well as the more specialist digital investor newsletters and advisory platforms, included Robert Gottliebsen, Terry McCrann, Don Stammer, Tony Shepherd and Chris Kenny. A particularly public stoush took place between Labor's shadow treasurer Chris Bowen and columnist Gottliebsen over the latter's relentless criticisms of Labor's tax proposals (which he called unfair, inequitable, unreasonable, non-consultative, retrospective, and so on) and the former's aggrieved resentment of the persistent attacks. Labor proposed ending the cash reimbursement of company taxes paid on behalf of individuals under the dividend imputation scheme (franking credits) to individuals and other associates who were not required to pay income tax. Gottliebsen forensically attacked Labor's franking credits policy and warned of its likely impact on many retirees and small businesses, who he claimed were 'white hot' over the proposals. He also claimed presciently as early as February 2019 that the issue could result in the Coalition winning the campaign (Gottliebsen 2019).

The Financial Planning Association, which represented 14,000 financial advisers, also campaigned against Labor's proposed changes. Many observers suggested the campaign waged by financial advisers on complicated topics that were relatively abstruse to most voters was one of the reasons for a shift in voting preferences, labelling it an intergenerational struggle over 'tax versus benefits' between cashed-up baby boomers and millennials wanting instantaneous gratification. Some financial journalists argued that Labor's proposed industrial relations policies (the resumption of penalty rates, industrial-based bargaining, government wage subsidies, more union rights at work) would disproportionately affect companies with substantial employee expense ratios (Kirby 2019).

Substantive campaign issues affecting business

Other issues of concern to business that emerged during the campaign were the slowing rate of economic growth and what further structural reforms were necessary to stimulate growth. This debate had many dimensions. There were divisions within the electorate over whether to maintain the status quo or push for more structural reform to deliver international competitiveness. A further salient issue was the extent to which Labor's redistributive policies were desirable versus the smaller-government pitch adopted by the Coalition, with business largely favouring the latter. Towards the end of the campaign, Morrison began warning that now was not the right time to elect Labor and that he wanted 'this election to be a choice about aspiration and continuing to support aspiration or surrender aspiration to government in the form of higher taxation and bigger spending' (Benson 2019). He had earlier stressed to business leaders that 'the Australian economy will be weaker under Labor' (Remeikis 2019). He subsequently argued that elections were usually fought over about 2 per cent of the federal Budget, while this one was being fought over a substantial 6 per cent of budget outlays. While sections of the business community highlighted poor wages growth and a lack of consumer spending as problems for the domestic economy, others saw the big versus smaller government debate as the hip-pocket politics of envy pitting Australians against each other.

Three other divisive issues percolated throughout the campaign: the Adani coalmine, and climate change reform linked to energy and water.

Passionate rifts over the controversial Adani Carmichael coalmine in the Galilee Basin in Queensland saw it become the most talked about economic and environmental policy of the election (see Simms, Chapter 2, and Economou et al., Chapter 11, this volume). Media reports cited much reputational damage to the Queensland mining sector, especially coal, with surveys claiming voters believed miners were motivated only by 'self-interest, power and influence' (Long 2019). Attitudes to the Adani mine reflected the fractured values across the Australian federation, with southern States largely opposed and the northern mining States supportive of the project. The issue also highlighted regional opportunities—contrasting rural areas with limited or declining job prospects with the bigger cities where employment growth was more certain. Adani also placed Labor on

the horns of a dilemma: facing a choice between losing environmental (and young) votes in the cities and losing working-class regional voters—and consequently the party placed a moratorium on its MPs speaking out on the mine (Owens 2019). However, the Adani proposal also became an emblematic cause célèbre, and the various hold-ups to its final approval guaranteed that it remained the most controversial mining project in the country. While Adani had been working through the approvals process for nearly nine years, other mining projects were approved close to the election and yet others, such as Palmer's Waratah coal project, were quietly awaiting developmental approval.

Adani was also linked to broader climate change issues and the preparedness of governments to take coordinated and coherent action. Business was strongly in favour of environmental action to reduce emissions, not least to provide clarity for future investment decisions. It should also be noted that many larger businesses were already preparing to report on their climate change mitigation actions under the requirements of Australian Accounting Standards Board financial reporting. Such businesses were therefore accepting of the need to undertake emissions reform and frustrated by the lack of decision-making from the political class. The lack of direction in sustainable energy policy was also an issue, with disappointment at the failure of government to guarantee energy supplies and wield 'big stick' penalties against power companies.

Finally, the nationwide drought and resulting water shortages were a massive problem affecting four states (New South Wales, Victoria, Queensland and South Australia). Many farmers faced close to zero water allocations and many country towns were on drastic water restrictions. The effectiveness and value for money of the Murray–Darling Basin Plan with its \$13 billion price tag and associated water buybacks were widely disputed. Much more obvious were the impacts of severe water restrictions on towns, farms, families, livestock and crops. Those affected by the plan were more resigned than hopeful but were critical that further amendments were policy on the run (as with Labor's water policy announced on 6 May, which was opposed by the NSW division of the NFF).

The wash-up: ‘There is a God!’ — Collective reactions from business

On the first Monday after polling day, business writer Ticky Fullerton (2019) wrote that the collective reaction of business to the unexpected election result was: ‘There is a God after all.’ The sigh of relief among investors on the same day was manifested in a \$33 billion rebound in the stock market. Adani received fast-tracked approvals from the Queensland Government for the remaining groundwater issues within three weeks of the election. The media reported heightened business and consumer confidence, first homebuyers re-entering the housing market, retirees resuming their lust for ocean cruising and spectacular increases in small business loans. The MBA (2019) also reported a ‘post-election bounce in housing’. However, there were signs of economic malaise, with the Reserve Bank of Australia confirming in early June that economic growth had fallen to just 1.8 per cent (down from the 3 per cent predicted in December and 2.75 per cent in the April Budget), causing the bank to cut interest rates by 0.25 per cent on 2 June. There was much nervousness about a looming international trade war and increased tariff barrier protectionism.

Many business leaders acknowledged that the Coalition had campaigned virtually alone (especially Scott Morrison, who conducted an almost solo campaign effort), certainly without much business involvement. On the other hand, they also believed they had not been prepared for or consulted on Labor’s ambitious array of policies, which Labor’s frontbenchers had largely disseminated to interested constituencies rather than consulting with them.

The Treasurer and Deputy Liberal Leader, Josh Frydenberg, addressed a BCA dinner event post election and singled out its CEO Westacott, claiming she was ‘a rare voice of business not to vacate the field’ (Glasgow and Lacy 2019d). But he later admitted that Alan Joyce, CEO of Qantas, had been courageous for ‘taking a stand on the front page of his masthead ... against Labor’s industrial relations policy’. A cartoon depicting this Frydenberg event showed business leaders receiving their nametags and a begging bowl before entering the venue to take their seats.

Bill Shorten, in his first address to the reassembled ALP Caucus on 30 May, blamed ‘powerful vested interests’, ‘corporate Leviathans’ and a ‘financial behemoth’ (Palmer) for Labor’s loss, as well as sections of the corporate media (principally, News Limited) who he claimed abhorred Labor. Anthony Albanese, Shorten’s successor as Labor leader, announced Labor would be reviewing all the policies it took to the election and quickly downplayed the ‘class warfare’ rhetoric of his predecessor. He promised Labor would be ‘pro-business’ under his leadership and, in his initial critique of the Shorten-led campaign, he said the party’s policy proposals had ‘alienated small business-people’ (Bramston 2019).

The 2019 federal election results confounded almost everyone. Labor ardently believed it would be the next government and the election was but a final coronation. The Coalition probably believed it would spend time in Opposition—attested by the large number of Coalition politicians opting to retire prior to the election. The Greens thought they would be in some form of coalition with Labor in a power-sharing arrangement or holding the balance of power in the Senate. Palmer and Pauline Hanson thought they would be the future kingmakers in any government formation. The union movement thought—wrongly—it would orchestrate leaders and groups who were expecting a change of government. However, business may come to regret not advocating for a more comprehensive policy agenda or may revert to exerting behind-the-scenes influence to shape policy directions.

References

- Benson, Simon. 2019. ‘PM’s final pitch: It’s not time’. *The Australian*, 16 May: 1.
- Bramston, Troy. 2019. ‘Shorten blames media, “corporate Leviathans” for loss’. *The Australian*, 31 May: 6.
- Chapman, Ken. 2019. ‘The result: Chris Bowen’s “advice” sealed it for this voter’. [Letter to the Editor], *The Age*, [Melbourne], 20 May. www.theage.com.au/national/the-result-chris-bowens-advice-sealed-it-for-this-voter-20190519-h1ekli.html.
- Condon, Trudy. 2019. ‘Property council chief urges sector co-operation’. *The Australian*, 16 May: 23.
- Evans, Greg. 2019. ‘Business missing in policy fight’. *The Australian*, 17 June: 12.

- Frydenberg, Josh. 2019. 'Impromptu address to the BCA's "Tower of Power" dinner event'. Melbourne, 23 May.
- Fullerton, Ticky. 2019. 'Prayers answered but economic risks remain'. *The Australian*, 20 May: 25.
- Garvey, Paul and Richard Gluyas. 2019. 'CEO's call for reform: "Chance to end a decade of chaos"'. *The Australian*, 12 April: 19.
- Glasgow, Will and Christine Lacy. 2019a. 'Vitamin King Marcus Blackmore's tonic for Bill Shorten'. [Margin Call], *The Australian*, 5 April: 17.
- Glasgow, Will and Christine Lacy. 2019b. 'The man who tipped the Coalition'. [Margin Call], *The Australian*, 21 May: 17.
- Glasgow, Will and Christine Lacy. 2019c. 'BCA quick to rebuild Coalition ties'. [Margin Call], *The Australian*, 24 May: 17.
- Glasgow, Will and Christine Lacy. 2019d. 'BCA lovefest'. [Margin Call], *The Weekend Australian*, 25–26 May: 16.
- Gottliebsen, Robert. 2019. 'Small business a poll sleeper as anger builds'. *The Australian*, 20 February: 29.
- Henry, Ken, Jeff Harmer, John Piggott, Heather Ridout and Greg Smith. 2009. *Australia's Future Tax System: Report to the Treasurer*. Canberra: Commonwealth of Australia. www.treasury.gov.au/review/the-australias-future-tax-system-review.
- Kelly, Joe and Greg Brown. 2019. 'It's not me, it's them, Bill tilts at windmills'. *The Australian*, 31 May: 1, 6.
- Kelly, Joe and Michael Roddan. 2019. 'Labor takes fight to PM on economy'. *The Weekend Australian*, 11–12 May: 1, 10.
- Kelly, Katrina. 2019. 'Politics of grievance condemns millennials to taxing times'. *The Weekend Australian*, 11–12 May: 22.
- Kenny, Chris. 2019. 'Sore loser's last tone-deaf blow'. *The Australian*, 31 May: 6.
- Kenny, Mark. 2019. Commentary as panellist. *The Drum*, [ABC TV], 6 June. www.abc.net.au/news/2019-06-06/the-drum-thursday-june-6/11188040.
- Kirby, James. 2019. 'The shares likely to be pressured by ALP win'. *The Australian*, 15 February: 26.

- Long, Stephen. 2019. 'Queensland mining's reputation is in the pits due to coal according to industry survey'. *ABC News*, 15 May. www.abc.net.au/news/2019-05-15/queensland-mining-reputational-crisis-due-to-coal-survey-finds/11112234.
- Master Builders Australia (MBA). 2019. *More evidence of post-election bounce in housing market*. News release, 3 July. Canberra: MBA. www.masterbuilders.com.au/Newsroom/More-Evidence-Of-Post-Election-Bounce-In-Housing-M.
- Moullakis, Joyce. 2019. 'CBA chief lays out blueprint to win back trust'. *The Australian*, 29 May: 17, 20.
- National Farmers' Federation (NFF). 2018. *2030 Roadmap: Australian Agriculture's Plan for a \$100 Billion Industry*. Canberra: NFF.
- National Farmers' Federation (NFF). 2019. 'The NFF's federal election priorities'. *2019 Federal Election Campaign*. Canberra: NFF. nff.org.au/media-release/2019-federal-election-campaign/.
- National Retail Association. 2019. 'Election 2019: What is [sic] means for businesses and retail'. *Policy and Advocacy News*, 14 May. Brisbane: National Retail Association.
- Owens, Jared. 2019. 'Labor MPs silent on union Adani row'. *The Australian*, 19 February: 2.
- PricewaterhouseCoopers. 2019. 'Advertisement'. *The Australian*, 17 May: 13.
- Remeikis, Amy. 2019. 'Scott Morrison again links Labor with recession after previously ruling it out'. *The Guardian*, 5 March. www.theguardian.com/business/2019/mar/05/scott-morrison-revives-claims-of-recession-under-labor-government.
- Savva, Niki. 2019. *Plots and Prayers: Malcolm Turnbull's Demise and Scott Morrison's Ascension*. Melbourne: Scribe Press.
- Uren, David. 2019. 'Economic reform urgent, says business council'. *The Australian*, 11 April: 4.
- Wood, Alan. 2019. 'Labor lays out 165 steps to economic destruction'. *The Weekend Australian*, 11–12 May: 38.

This text is taken from *Morrison's Miracle: The 2019 Australian Federal Election*, edited by Anika Gauja, Marian Sawyer and Marian Simms, published 2020 by ANU Press, The Australian National University, Canberra, Australia.

doi.org/10.22459/MM.2020.19