

1 November, 2019

We stand for business

Presentation to RCCIWA



Our Opportunity



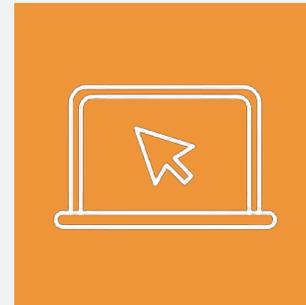
Challenge of economic reform

- Economic conditions remain challenging, global competition intensifies, threat of trade war and global slowdown
- Job security and job creation remain central to Australian political conversation
- National appetite for economic reform is currently weak; widely held view across political class that business community is not influential in the conversation



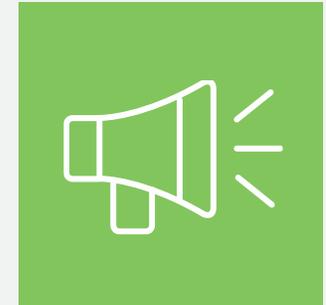
Lack of political stability and trust in our institutions

- Political instability has eroded business and investor confidence
- Perceived and real increases in inequality despite Australia's prolonged period of increasing prosperity
- Globally, trust in our institutions and the benefit they deliver to business and the community is waning
- Emergence of distributed model of trust replacing traditional hierarchical structures



Democratisation of information and rise of Big Data

- Information has been democratised in a digital age. Advice and content available freely online but of varying quality and reliability.
- Digital first has become a major preference. Human interactions and relationships still valued by business owners and employees
- Business owners, employees and the community at large are time poor



The need for a voice for WA businesses

- Business continues to feel increased pressure from rising costs and increased compliance and regulatory requirements
- Federal Government has criticised business community for lack of focus and support on economic issues
- WA is different. There is a need for a voice to advocate and represent WA business across the State and the nation



Our strategy

Clarifying our vision, mission and mantra

Vision

WA is the best place to
live and do business

Mission

Champion for business,
promoting free enterprise

Mantra

We believe in
good business

Strategic priorities

A focused response to the changing face of advocacy and member co-operation



Enhance member offering

- Refresh and better articulate the member value proposition
- Increase member engagement
- Deliver relevant communications / interactions
- Implement a member retention program
- Drive member acquisitions across all segments



Activate new business models

- Deliver the new digital platform including member engagement and communications plan
- Leverage new opportunities to engage, acquire and retain members (e.g. training modules)
- Commercialise the new opportunities such as new membership offerings or white labelling



Optimise and grow commercial offerings

- Increase revenue and profitability from improved promotion, lead management and utilisation
- Drive greater operating efficiencies
- Target profitable tenders or partnerships to diversify CCI's revenue streams and / or deliver greater value to members



Foster WA as a great place to do business

- Activate and engage with CCI's membership base to advocate on policy issues
- Promote WA as a great place to do business
- Foster increased trust in the WA business community
- Increase employee understanding of CCI advocacy positions

Key capabilities

Greater member communication and cooperation

Better use of data and analytics to improve member and commercial outcomes

Increased collaboration and agility

Develop and grow our people's capabilities

Our values



Contemporary

We approach work with optimism and energy, creating an environment which allows people to be themselves.



Curious

We foster curiosity and ideas, challenging each other and collaborating to deliver better outcomes for our members.



Respectful

We are inclusive, supportive and respectful. We work with humility and compassion.



Impactful

We champion change so we can maximize our impact for businesses and the broader community.

How we help members



Business Law



**Employee Relations
Advice Centre**



**Industry Capability
Network of WA**



**Entrepreneurs
Programme**



Events



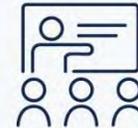
Membership



WA Works



Construction Services



Training



**International Trade
and Investment Centre**



Education Services



**Employee Relations
Consulting**



**Workforce
Development**



**Apprenticeships
Support Australia**



**Occupational Health
and Safety**



We stand for business

By standing together, we amplify the voice of our business community and bring industry concerns directly to key decision-makers

How we can help

We're ready to help you with the core challenges that all businesses face.



Business Toolbox

HOME » MEMBER PORTAL » BUSINESS TOOLBOX

We want your business to succeed

We know what it takes to run a business in WA – because we help our Members do it. And we've seen that when our Members arm themselves with the right advice and tools, they shape our economy, create jobs and realise their dreams. Business Toolbox is that collective business knowledge base and is included in all of our [Membership Packages](#).

Use the filters to see a view based on a stage of business operation. Or search the specific topic you're most interested in.

Q Enter your keyword here to search your toolbox 

All Expansion Growth Maturing New Employer People Management Reference Info Solopreneur Start Up Steady Operation

GROWTH



Introducing mergers and acquisitions
Flip open the business pages of your national newspaper and you'll consistently find articles

START UP



Introduction to competitive intelligence
Competitive intelligence will help you better target

START UP



How should I pay myself and how often?
Many business owners don't pay themselves or

Events & Learning

[HOME](#) » [EVENTS & LEARNING](#)



Events

CCIWA hosts many events, seminars and conferences throughout the year. And our Members enjoy discounts and special offers.

[VIEW OUR EVENTS](#)



Training Courses

Our experienced team conduct a range of safety and employee relations training courses.

[VIEW OUR COURSES](#)



Customised Training

We can customise OHS training for all levels of staff and deliver it all over Western Australia.

[FIND OUT MORE](#)

Policy & Economics



OUTLOOK

BIANNUAL FORECAST FOR THE WA ECONOMY

Western Australia's economy is continuing its slow but steady recovery, with higher investment, moderating unemployment and a gradual increase in wages growth expected over the next three years.



RESOURCES SECTOR TO BOOST BUSINESS INVESTMENT

A ramp up of spending on major new and replacement resources projects is set to turn business investment from negative territory to growth in 2019-20.

6.0% growth in 2019-20
9.0% growth in 2020-21



UNEMPLOYMENT RATE REMAINS A CONCERN FOR JOB SEEKERS

Unemployment remains a significant but slightly easing concern in WA for the foreseeable future, which will restrain wages growth in the medium term.

6.0% growth in 2019-20
5.9% growth in 2020-21



DWELLING INVESTMENT TO HIT POSITIVE TERRITORY

Population growth, interest rate cuts and a relaxation of lending standards will lead growth in dwelling investment beyond 2019-20.

-1.0% growth in 2019-20
2.0% growth in 2020-21



STEADY WAGES GROWTH TO CONTINUE

Wages will gradually increase over the forecast period, improving on 2017-18, which saw wages growth of 1.5%

1.7% growth in 2019-20
1.9% growth in 2020-21



EXPORTS MAINTAIN GROWTH DESPITE PRODUCTION SHUTDOWN

Supply-side issues (largely driven by the Brazilian tailings dam collapse in February) led to higher than expected iron ore prices during the first half of 2019, resulting in an overall rise in West Australian export values. We believe exports will continue to record positive but moderated growth over the next three years.

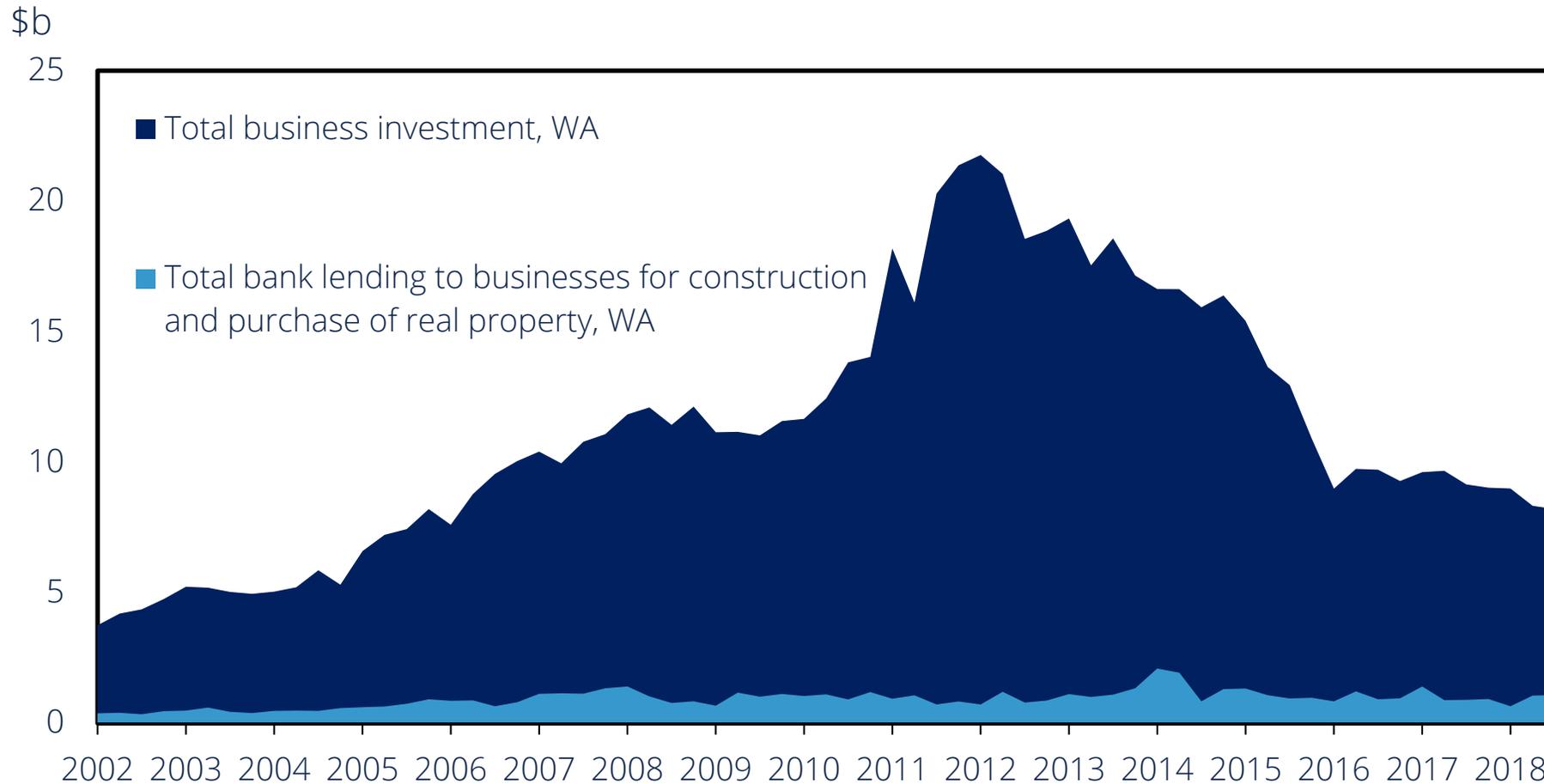


HOUSEHOLD CONSUMPTION GROWTH ON THE RISE

We expect recent RBA interest rate cuts, combined with income tax relief from the Federal Government and increased employment of skilled workers in the resources sector to give West Australians a boost in disposable income over the next three years.

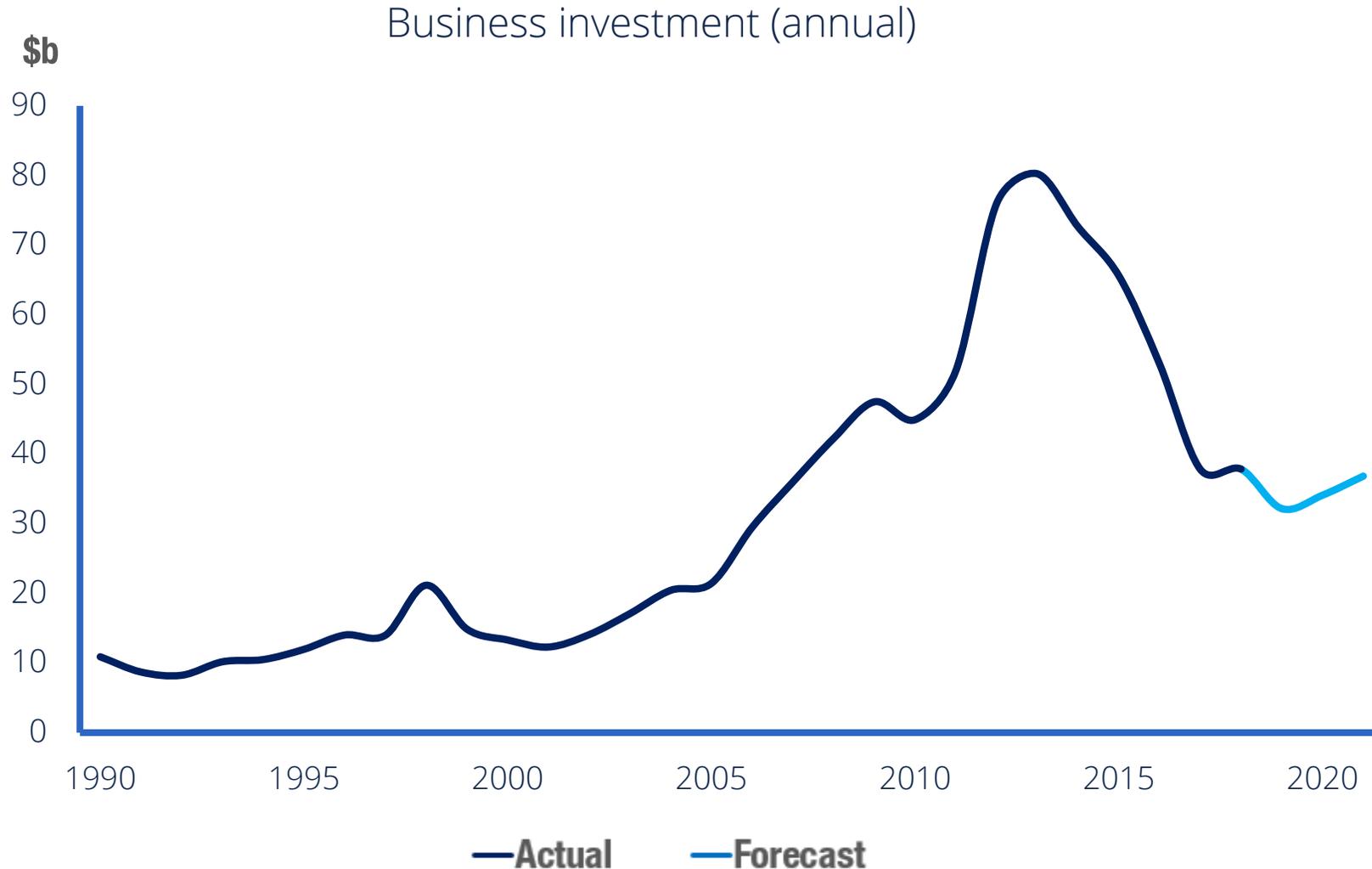
Business investment drives the WA economy

Business investment & bank lending to businesses



Business investment has stabilised

Headline business investment will grow



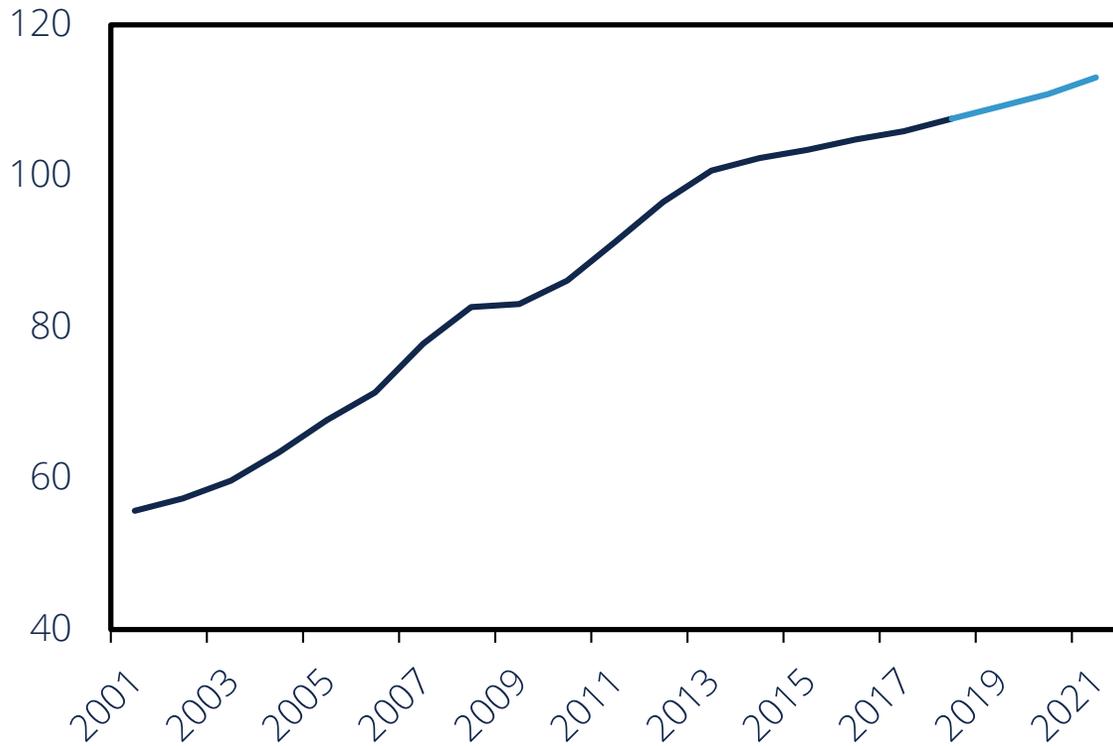
Resources projects will increase headline business investment by 6 per cent in 2019-20 and by 9 per cent in 2020-21.

Source: CCIWA, ABS

Consumption will recover

Household Consumption

\$ billion



— Household consumption — Forecast

Consumption Growth

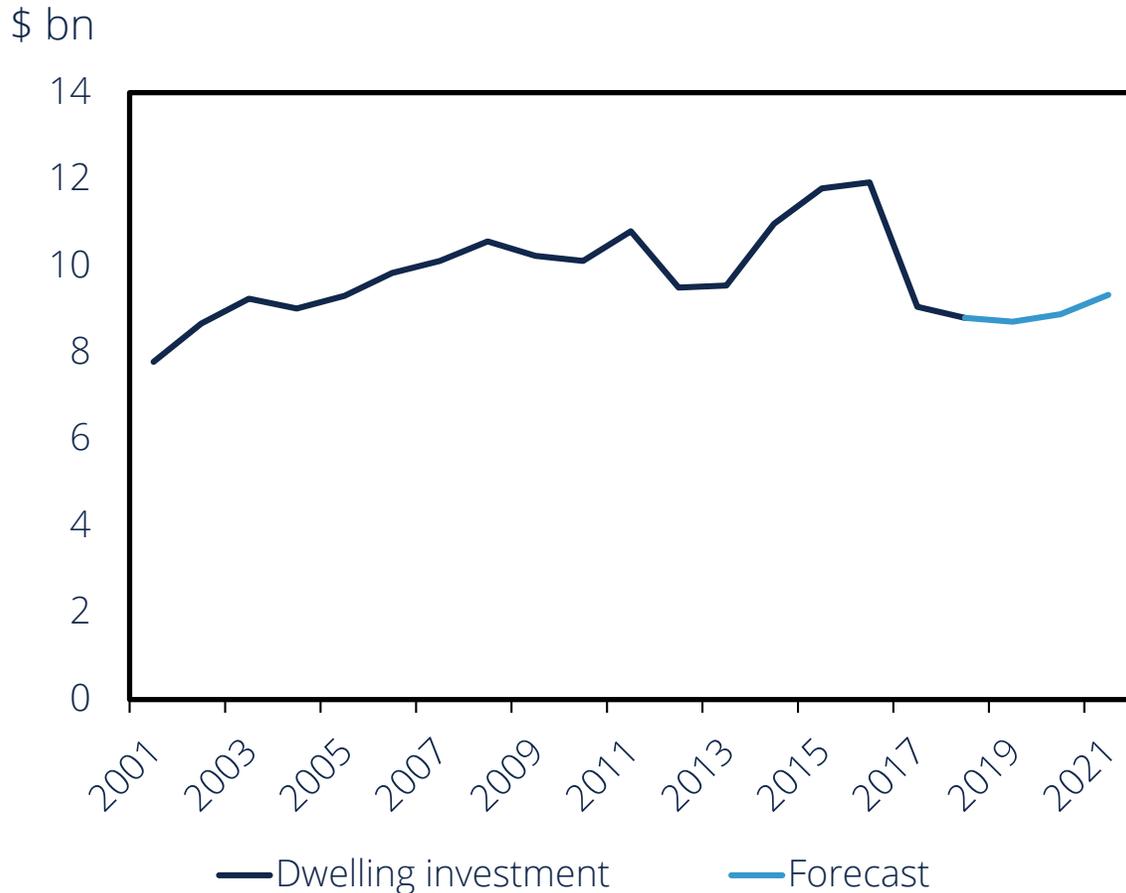
per cent



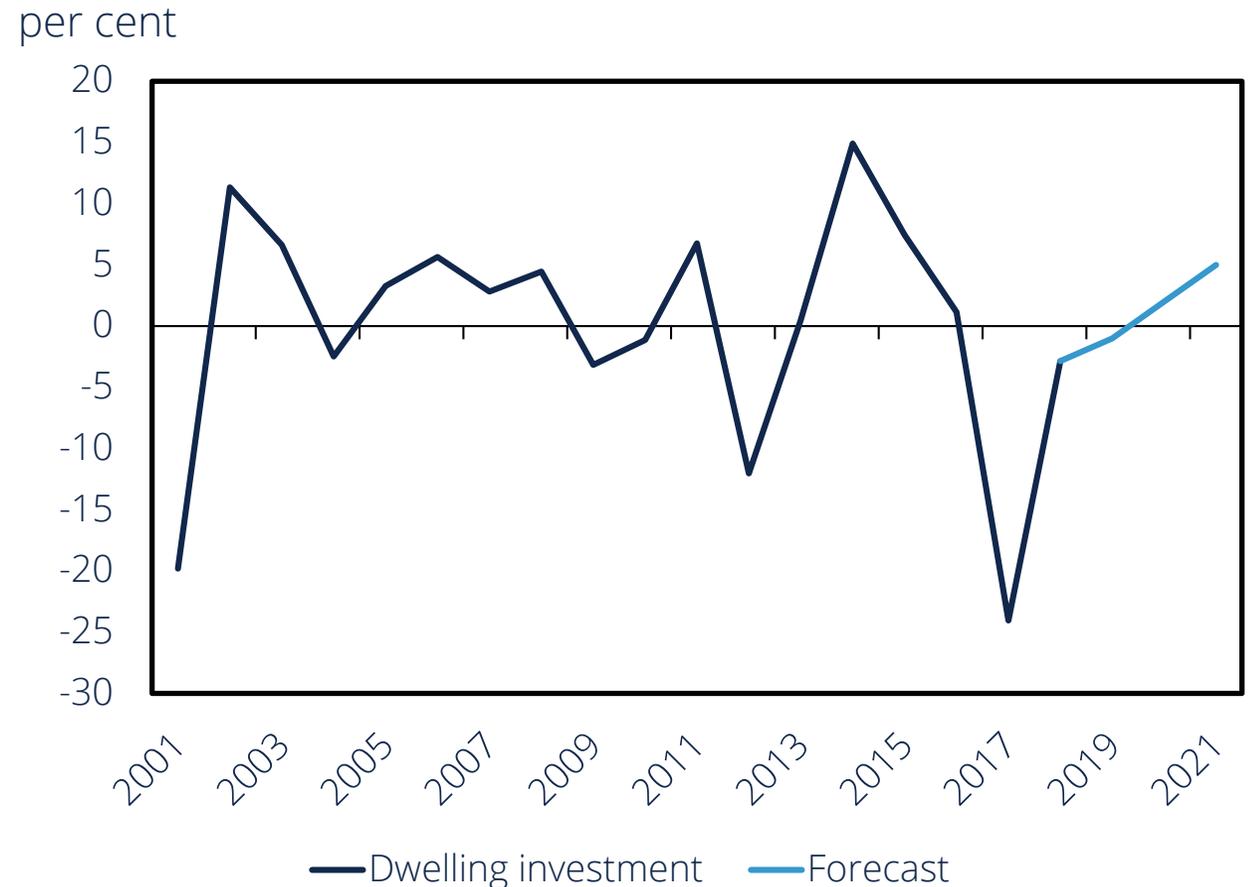
— Household consumption — Forecast

Dwelling investment will respond to population growth

Dwelling investment



Dwelling investment (growth)





Chamber of Commerce
and Industry WA

Consumer Confidence in WA

SEPTEMBER 2019

Source: Chamber of Commerce and Industry WA (2019)

Medium-term confidence experienced

**largest quarterly
fall** in 4 years



Job Prospects Index
up **0.5 points**
since last quarter

Rising global
headwinds have
detracted from confidence



60%

consider
living costs
to have a **negative
influence** on confidence



**6 out of 10
consumers**



are unlikely to make **major
household purchases**
the next quarter



Chamber of Commerce
and Industry WA



wa super

Business Confidence

SEPTEMBER 2019

Source: Chamber of Commerce and Industry WA (2019)

62% expect economic conditions to **improve** or **stay the same** over the next 3 months



Weak demand cited as **largest barrier** to business growth

Mining and **health care** remain **confident** and **upbeat** about economy



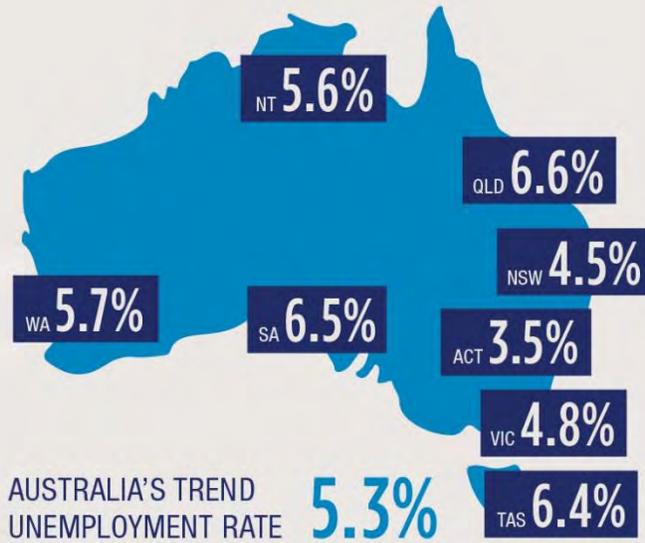
2 out of 5 anticipate **increases in production** next quarter



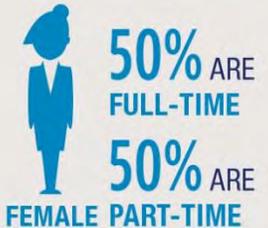
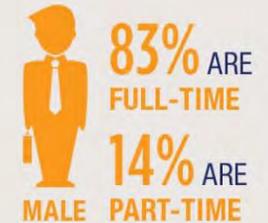
4 out of 5 expect profit levels to **fall** or **remain stable** over the next three months

WA'S LABOUR FORCE

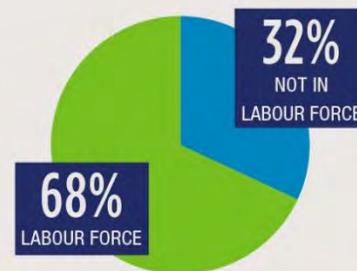
SEPTEMBER 2019



5.7%
WA'S UNEMPLOYMENT RATE



WORKING AGE POPULATION
2.110 million~

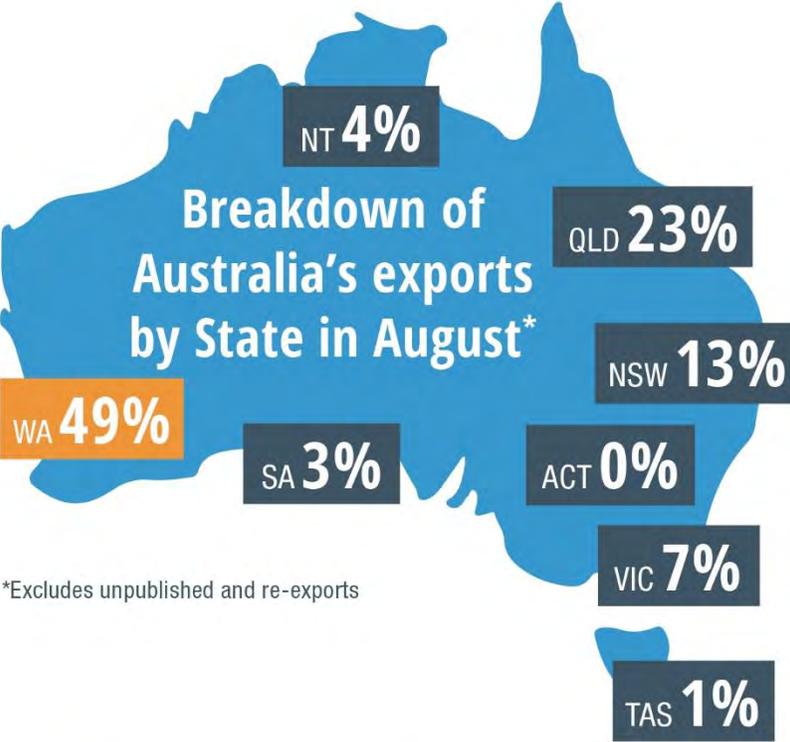


~ Original estimates. The rest of the figures are trend estimates

Source: Australian Bureau of Statistics, Chamber of Commerce and Industry WA (2019)

WA's International Trade at a glance

August 2019



*Excludes unpublished and re-exports



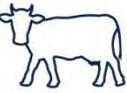
Source: CCIWA, ABS

WA's top three export goods*

Value & monthly % change

- 

Iron ore and concentrates
\$8.5bn ↓ 6.0%
- 

Non-monetary gold excluding gold ores and concentrates
\$1.8bn ↓ 26.6%
- 

Food and live animals
\$405m ↑ 0.2%

WA's exports make up **53%** of the WA economy 

WA's top three import goods*

Value & monthly % change

- 

Machinery and Transport Equipment
\$932m ↑ 4.5%
- 

Non-monetary gold excluding gold ores and concentrates
\$874m ↑ 38.4%
- 

Mineral fuels, lubricants and related materials
\$787m ↑ 22.2%

* Excludes unclassified and confidential items

WA's top three export destinations

Value & monthly % change

- 

China
\$8.3bn ↓ 5.7%
- 

Japan
\$2.3bn ↓ 6.7%
- 

United Kingdom
\$1.3bn ↓ 25.6%

 **54%** of WA's exports went to China in August

WA's top three import destinations

Value & monthly % change

- 

Thailand
\$715m ↑ 56%
- 

USA
\$437m ↑ 74%
- 

China
\$402m ↓ 23.4%

Real impact of US-China Trade War



Donald J. Trump
@realDonaldTrump

Follow

When a country (USA) is losing many billions of dollars on trade with virtually every country it does business with, trade wars are good, and easy to win. Example, when we are down \$100 billion with a certain country and they get cute, don't trade anymore-we win big. It's easy!

2:50 AM - 2 Mar 2018



Donald J. Trump
@realDonaldTrump

China is doing very badly, worst year in 27 - was supposed to start buying our agricultural product now - no signs that they are doing so. That is the problem with China, they just don't come through. Our Economy has become MUCH larger than the Chinese Economy is last 3 years....

93.4K 7:09 PM - Jul 30, 2019



Donald J. Trump @realDonaldTrump · Jul 30, 2019

Replying to @realDonaldTrump

..My team is negotiating with them now, but they always change the deal in the end to their benefit. They should probably wait out our Election to see if we get one of the Democrat stiffs like Sleepy Joe. Then they could make a GREAT deal, like in past 30 years, and continue



Donald J. Trump
@realDonaldTrump

...to ripoff the USA, even bigger and better than ever before. The problem with them waiting, however, is that if & when I win, the deal that they get will be much tougher than what we are negotiating now...or no deal at all. We have all the cards, our past leaders never got it!

78.2K 7:10 PM - Jul 30, 2019



Donald J. Trump
@realDonaldTrump

Follow

Our representatives have just returned from China where they had constructive talks having to do with a future Trade Deal. We thought we had a deal with China three months ago, but sadly, China decided to re-negotiate the deal prior to signing. More recently, China agreed to...

10:26 AM - 1 Aug 2019

16,962 Retweets 80,520 Likes

8.3K 17K 81K



Donald J. Trump @realDonaldTrump · Aug 1

...buy agricultural product from the U.S. in large quantities, but did not do so. Additionally, my friend President Xi said that he would stop the sale of Fentanyl to the United States - this never happened, and many Americans continue to die! Trade talks are continuing, and...

1.8K 6.7K 27K



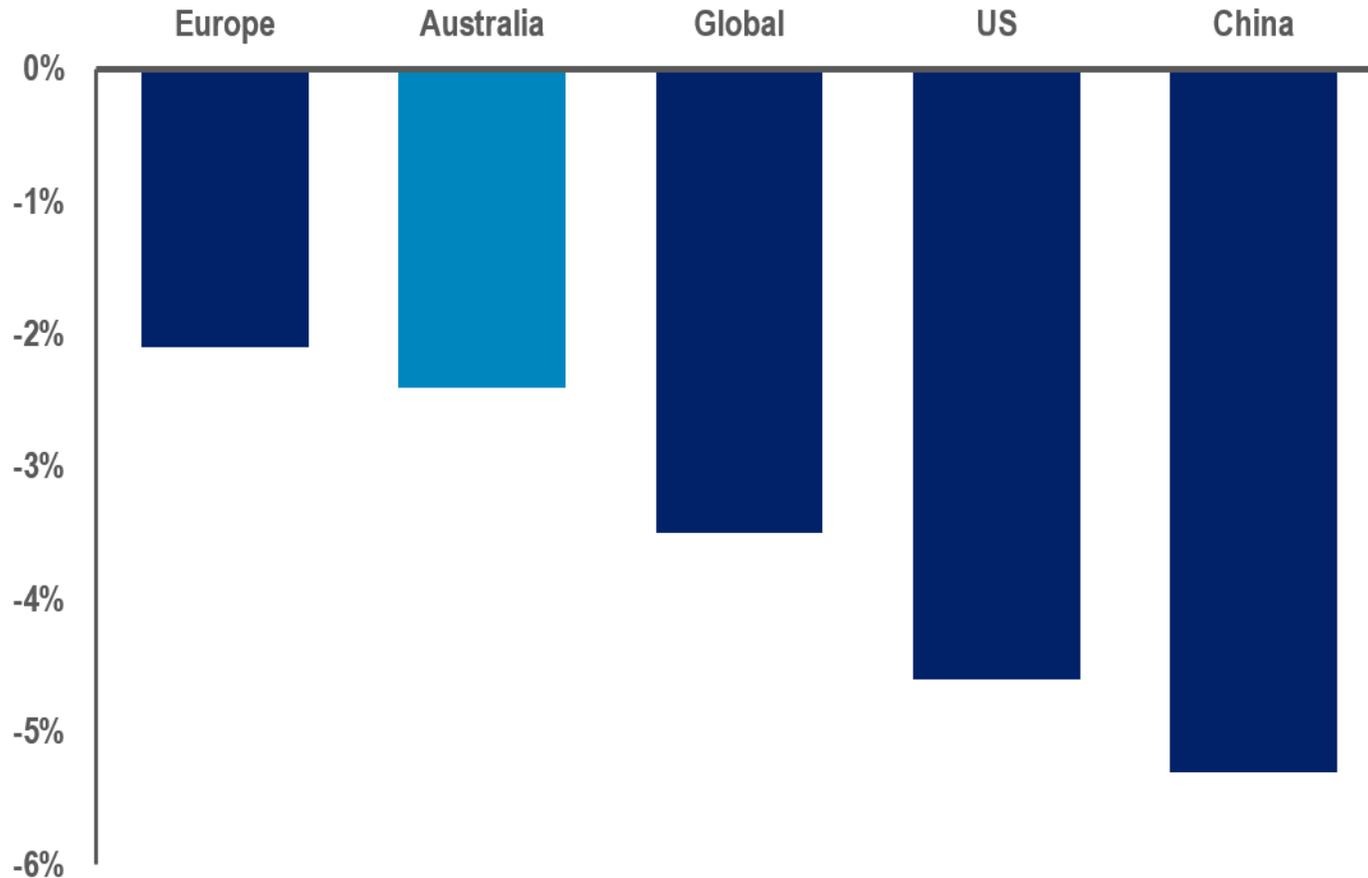
Donald J. Trump @realDonaldTrump · Aug 1

...during the talks the U.S. will start, on September 1st, putting a small additional Tariff of 10% on the remaining 300 Billion Dollars of goods and products coming from China into our Country. This does not include the 250 Billion Dollars already Tariffed at 25%...

5.3K 15K 70K

Worst Case Scenario – All Out Trade War

CUMULATIVE GDP LOSS FROM A US-CHINA TRADE WAR Full Escalation and Full Contagion



After four years, world GDP is estimated to be around 3.5% lower in the event of an all-out trade war.

Source: KPMG [2018]

Australia's approach to trade and investment

Our options for dealing with trade wars, depressed economic conditions and uncertainty

Champion the system

High-level horse whispering

Our close relationship with the US should be utilised to influence its approach on trade

Coalition of countries

Team up with like-minded countries to protect the rules-based order, be engaged around how WTO can better function

Hit the hustings

Ensure Australians understand the benefits of free trade. Responsible for 1 in 5 jobs. Real income increased about \$8,500 per capita from 1986-2016.

Pursue freer trade

Keep growing the pie

Recent spate of agreements including IA-CEPA, HKAFTA, Peru

Prioritise regional agreements

Follow up TPP with securing RCEP (10 of Australia's top 15 trading partners)

Unilateral removal of tariffs

In the 80s the Hawke Government led the way with economic reform through floating the \$A and unilateral removal of tariffs

Go hunting, build capability and remove roadblocks

Animal spirits

Utilise current focus on regulatory reform to support removal of impeding regs and non-tariff barriers for both investment and trade

Grow capability

Build SME capability esp. in food & agribusiness, build people to people links, grow language capability

Hunt new markets

Don't become too blinkered by Asian Century. China, India and ASEAN all important but globalization means exactly that. Invest \$ more wisely.



Policy Overview



Local Jobs Bill

- Aims to support more benefits from major projects to the local economy
- 'Skilled Work Agreements' are proposed to form part of the project approvals process
- Proponents required to report on work packages for suppliers and employment/training opportunities.
- Comments due:
 - Local Jobs Bill **end October**
 - Skilled Work Agreements **end November**



Workplace Relations

- Industrial manslaughter and WHS harmonisation
- Ensuring Integrity and Workers' Benefits Funds Legislation
- 'Life of Project' Agreements
- Penalties for non-compliance with employee entitlements
- Religious freedom legislation



Workforce Skills

- Federal Government response to the Joyce Review of the VET sector
- Migration Occupation List Review.
- National Apprenticeship Skills Needs List Review



Red Tape & Deregulation

- **Streamline WA:**
 - Environmental approvals for the mining sector
 - Barriers to tourism attractions
 - Standardising regulatory practice and culture
- **Federal Deregulation:**
 - Food manufacturing
 - Becoming a first-time employer
 - Commencing major infrastructure projects
 - PC review of mining and resources sector



Policy Overview



Privacy & Responsible Information Sharing

- Affects how information provided to businesses and government is handled
- Implications for commercial-in-confidence and I.P.
- Support more convenient and efficient interactions between government and business
- CCIWA recently held workshop with DPC
- Consultation open until **1 Nov**



Emissions & Climate Change

- **EPA's GHG Emissions Assessment Guidance:**
 - Relates to treatment of emissions for major project approvals
 - Draft due November, final version due early 2020
- **State Climate Change Issues Paper:**
 - Outlines key issues facing WA's transition to low carbon economy
 - Feedback due **end November**



Defence Industry

- State Govt campaigning for full cycle docking of Collins class submarines in WA
- Co-location of sustainment work with operations is best practice, in the national interest
- Substantial economic and employment opportunities
- CCIWA supporting Government campaign
- Federal Government announcement due **late November/early December**



Health & Community Services

- Workforce Project to understand and address challenges:
 - Market-oriented, demand-driven approaches to service delivery
 - Support the industry's effort to deliver via a skilled workforce
- Interactive workshop to be run on **23 October** at CCIWA
 - 34 registrations to date



Infrastructure

Westport:

- Shortlist of options released
- CCIWA has concerns about assumptions, forecasting, long term costs

Roe 8:

- Issue has reached a political impasse
- Congestion around Fremantle expected to worsen
- Strong support for independent evaluation of Roe 8

Our regional members

Services we've delivered

1,373

Calls to ERAC over the past 12 months

16

Workshops, visits or events conducted in regional WA

Feedback on engagement

What's good

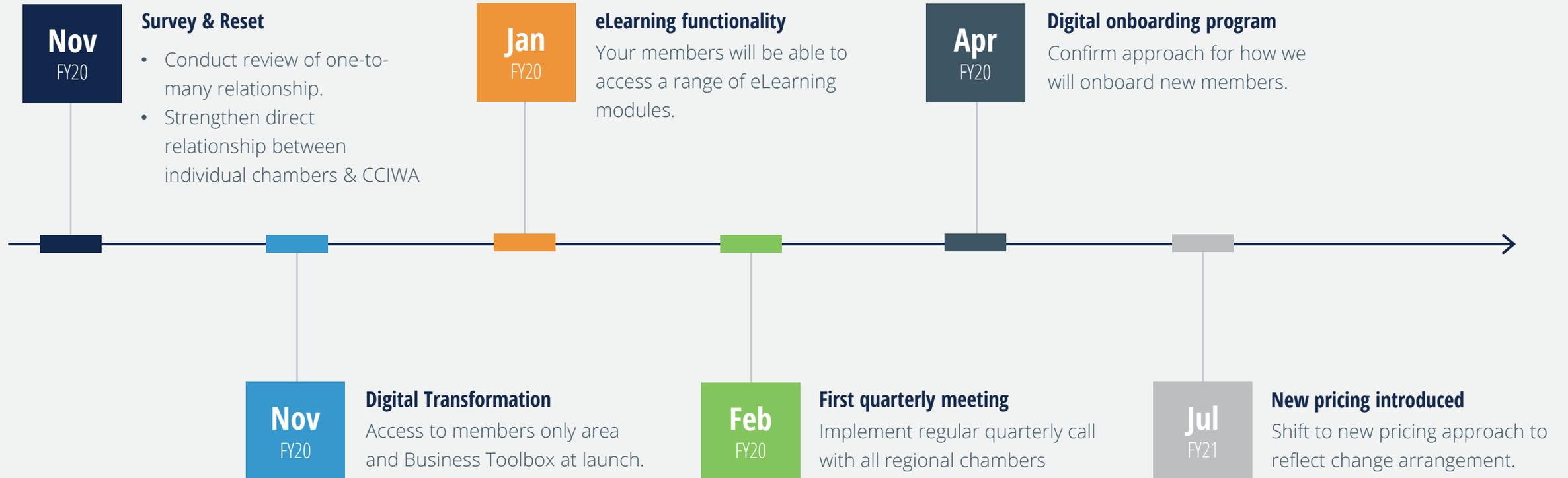
- CCIWA relationship a selling point for businesses to join regional Chambers
- ERAC service offering and access to relevant guides, templates and technical experts
- Access to events and training relevant to regional businesses
- A conduit for information to ensure a regional perspective is considered when setting policy positions
- Access to key economic data and insight - both national and WA specific

Ideas for improvement

- Provide further clarity around pricing and value delivered
- Deliver more consistent and higher quality communications
- Increase service responsiveness levels
- Deliver regular reporting on performance, engagement and areas of concern / opportunity
- Provide marketing materials that promote the CCIWA membership and the benefits / value to regional Chamber members

Where to from here?

Our proposal to strengthen the regional Chamber relationships





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