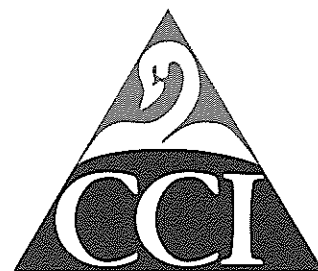


20 September 2012



Business Tax Working Group Secretariat
The Treasury
Langton Crescent
PARKES ACT 2600

To the Business Tax Working Group,

RE: BUSINESS TAX WORKING GROUP: DISCUSSION PAPER

Thank you for the opportunity to provide a submission to the Business Tax Working Group Discussion Paper.

CCI is the leading business association in Western Australia and the second largest organisation of its kind in Australia. CCI has a membership of over 7,500 organisations in all sectors of the economy. About 80 per cent of members are small businesses, and members are located in all geographical regions of WA.

CCI supports the Business Tax Working Group's recommendation that reducing the company tax rate is an important medium term objective.

With the global economy becoming more integrated and capital becoming increasingly mobile, a lower company tax rate will help improve Australia's international competitiveness and ensure the nation can continue to attract investment from overseas. Improving Australia's ability to attract investment will require a reduction in the overall business tax burden, rather than shifting the burden between different sectors of the business community.

In this regard, any cut in the company tax rate should be funded through reductions in recurrent spending by the Federal Government.

CCI is also concerned about the removal of the mining exploration deductions, which would reduce Australia's relative attractiveness as a place for global mining companies to explore and invest their mobile capital. Exploration incentives are necessary to encourage the development of the sector, given the high risk and long term nature of investment in new resources development.

CCI is supportive of a longer term tax reform agenda, such as that which was outlined in the Henry Tax Review to prevent the narrow trade-offs that confront the Working Group's current agenda. A broader return agenda must take a holistic view of the tax system, which includes a root and branch review of spending programs.

Should you require any more information, please contact Ryan Buckland (Economist) on (08) 9365 7693 or ryan.buckland@cciwa.com.

Yours sincerely,



John Nicolaou
Chief Officer, Member Services and Advocacy / Chief Economist

Ref: JN/RB/2-2012

180 Hay Street East Perth
Western Australia 6004

PO Box 6209 East Perth
Western Australia 6892

Ph: (08) 9365 7555
Fax: (08) 9365 7550

info@cciwa.com
www.cciwa.com

ABN 96 929 977 985