

Around [this time last year](#), the Coalition government was trying to manage the nation's economy despite political shakeups, we were all watching a country on the verge of leaving the European Union, and some businesses were in the spotlight for behaving badly. Anyone getting déjà vu?

As we look back at what made news in business and economics in 2016, there is certainly a little bit of history repeating, in addition to some being made.

Scandals, insolvency and bad behaving banks

Australia's big four banks are some of the biggest businesses in the country and were also involved in the biggest scandals of the year. This all kicked off with [an exposure of problems](#) in the Commonwealth Bank's insurance arm - Commlnsure.

Then ANZ, the National Australia Bank and Westpac were all [charged with rigging the bank bill swap rate](#) worth some A\$1.7 trillion.

By the time the [Australian Securities and Investments Commission \(ASIC\) released a report](#) saying the big banks were also charging customers for financial advice never given, politicians were baying for blood.

Debate raged as to whether a Royal Commission was needed to bring the banks into line or [not](#)? The government decided to make the heads of the big four banks [answer questions from a senate committee](#) instead.

This is where they were asked just [how much money the banks were making](#) on delaying interest rate cuts.

The banks weren't the only ones in hot water. Woolworths hardware chain, [Masters, went belly up](#) and tech company Dick Smith [went into receivership](#).

The process of compensating 7Eleven workers for underpayments exposed in 2015 [was also dragging out](#), creating more controversy.

Questioning China's influence in Australia

Chinese investors [were getting mixed messages](#) from the Australian government in 2016.

A Chinese consortium bid for Kidman & Co, the largest private land holding in Australia, was [initially knocked back](#) by the treasurer. But [later in the year a joint venture](#) between Outback Beef – led by Gina Rinehart's Hancock with the Chinese-owned Shanghai CRED, passed the Foreign Investment Review Board hurdle.

Another Chinese bid for a piece of NSW electricity infrastructure Ausgrid [wasn't so lucky](#).

It's not just China's influence through investments [that's turning heads](#), but most aspects of [the country's rapid development](#) from [its property market](#) to [its currency](#). No doubt China will also be a focus of 2017.

Changing industries

The [closure of the Ford plants](#) and [Arrium's Whyalla steelworks](#) seemed like a death knell for manufacturing. It raised those all too familiar fears for workers who will now have [to retrain and find new jobs](#)

Dairy farmers were also [pondering whether to stay in the business](#) this year, [as processors Murray Goulburn and Fonterra passed](#) on the cost of falling milk prices, driving some to the wall. All this turmoil is exposing industries [under pressure from external market changes](#), the question now is whether these industries will evolve or die.

Global waves beyond Australia's shores

Millions of leaked documents, dubbed [the Panama Papers](#), from tax haven law firm Mossack Fonseca exposed the legal but dubious tax dealings of well-known businesses and individuals. But as far as [tax avoidance experts were concerned](#) the information only revealed practises that have been allowed to continue for too long.

Later in the year a vote loomed to decide whether the United Kingdom should leave the European Union or to Brexit. The ensuing debate [pitted populism against elite interests](#) and signalled a [strong backlash against globalisation](#)

The UK voted to Brexit, leaving Australians to decide whose side to take. Should we negotiate a new trade deal [with the UK](#)? Or [the EU](#)?

It seems this [dissatisfaction with the economic status quo](#) was catching. A "YUGE" [US Presidential Election result](#) saw wealthy businessman Donald Trump become the leader of the world's biggest economy.

The initial [market reaction was shaky](#). But a ["Trump bump"](#) and [rally in bond yields](#) showed,

for the short term at least, that business confidence is high.

Just in time to round out a year of turmoil in the international economy, Italy [voted no to political and economic reforms](#) leaving the door open to even more uncertainty in Europe.

Backpackers, 457 visa and migrant workers

These international events might have left some people googling where else they could live or work, but it seems Australia might not be a first choice after all.

Conditions for some itinerant workers [leaves a lot to be desired](#) . However a lot of Australian industries, especially horticulture, [rely on these workers](#) to get the job done.

So the political pressure was turned up when the government decided to tax those with a working holiday visa 32.5% in every dollar earned - [the “backpacker tax”](#) . After a lot of flip-flopping between suggested tax rates and horsetrading in the ensuing debate, the government finally did a deal with the Greens [for a 15% tax](#)

Company results

Australian companies were facing a lot of disruption at the start of the year from the usual culprits: changing economic conditions in China and in commodity prices, innovative digital models from competitors and a slowdown in mining. This showed up both in the [mid-year](#) and [end of year results](#)

Company executives are under more pressure to justify their moves and [remuneration packages](#) , especially when [conditions are ripe for shareholders](#) [cond](#)

to push for what they want.

Budget, election, budget update

The Coalition government was squeezed on both sides from [credit rating agencies](#) and [cross benchers](#) this year.

The position of the 2016 [Federal Budget](#) [didn't budge much](#), despite the promise of jobs and growths from a [company tax cut](#) (still yet to pass as 2016 came to close). In fact the stalemate over the reinstatement of the Australian Building and Construction Commission (ABCC) [forced Australians back to the polls once again](#).

Even though the Coalition won the election, and managed [to pass some legislation](#), [including setting up the ABCC](#), our [economists weren't impressed](#). With [wage growth at a 20 year low](#) and [plenty of global uncertainty](#) on the horizon, there are some bad economic signals for 2017.

As in the Trump and Brexit tumult overseas, Australians are also unhappy with inequality in the [property market](#), [superannuation](#) and [household incomes and wealth](#), just to name a few.

But despite all this tension, it should be calm around the Christmas dinner table. As long as no one [mentions smashed avocado](#) ...

2016, the year that was: Business and Economics

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