



**TONY HOWARTH AO, PRESIDENT
AUSTRALIAN CHAMBER OF COMMERCE
AND INDUSTRY**

**President's Address
ACCI General Council Dinner**

**Thursday 16 July 2009
Skycity, Darwin**



LEADING AUSTRALIAN BUSINESS

Treasurer of the Northern Territory, the Hon Delia Lawrie MLA, Chamber of Commerce & Industry Northern Territory President George Roussos, Chamber of Commerce & Industry Northern Territory Chief Executive Chris Young,

Members and Board Members of ACCI, and our host, Chamber of Commerce & Industry Northern Territory.

It is a pleasure to visit the Territory at this time of the year and we sincerely thank the Chamber for facilitating arrangements for ACCI's July General Council meeting.

I would also like to pay special tribute to proud Territorian and ACCI Board Member Bruce Fadelli for his efforts and the hospitality he has extended to all of us this week.

It is always a motivating experience visiting Darwin and the Territory especially witnessing first hand the strong signs of confidence and ever increasing examples of major capital expansion.

Unfortunately as we meet over the next day it is against the backdrop of difficult economic conditions for business in wider Australia. The economy is slowing, credit is tight, jobs are being lost and many small businesses are struggling to remain viable.

In addition the Government is in the process of planning and introducing new industrial relations laws and an emissions trading scheme, which will place even greater pressure on business.

ACCI has been particularly active over the last three months addressing these challenges, representing business views to policy makers and advocating measures to assist industry. We have worked hard and earned significant victories, especially in economic policy and workplace relations.

As the nation comes to terms with the effects of the economic slowdown, and businesses face difficulty raising capital, the investment allowance advocated by ACCI was increased in the Federal Budget to 50 per cent for small business and extended until December this year.

Members should be aware that when they see advertisements from vehicle, truck or equipment sellers advocating the Government investment allowance that this only came into reality as a result of the direct work of ACCI, which has delivered a benefit in excess of \$4 billion to business.

ACCI supported the Government's stimulus arrangements but urged it to consider long-term solutions to the economic crisis such as infrastructure spending, tax cuts and a considered and measured approach to an emissions trading scheme to ensure it would not adversely impact upon the viability of Australian industry.

ACCI was pleased that the Government accepted many of these principles.

The Federal Budget saw heavy investment in infrastructure; income tax cuts scheduled for July 2009 were delivered despite some calls for their deferral; and the Government announced a year's delay to the implementation of the Carbon Pollution Reduction Scheme.

ACCI has been particularly active in this policy area, establishing a Carbon Pollution Reduction Scheme business taskforce and commissioning research into the impact of a CPRS on small and medium sized businesses. ACCI will now be able to draw on this quantitative data in our advocacy to Government.

ACCI has also continued to be a leading voice on industrial relations matters of concern to business.

Only last week the Australian Fair Pay Commission announced that it would not increase the minimum wage, in line with our recommendation. It is worth remembering ACCI and its members were the lone voice amongst the business groups to hold the line on this position and it was ACCI that provided the detailed economic case to support this position.

The decision of the Australian Fair Pay Commission was the responsible approach and good for both employers and employees seeking job security. There appears to be widespread community support and also amongst low paid workers that preserving jobs rather than unsustainable wage increases is the number one priority.

In May the Government accepted our view that employers should not be obliged to directly fund eighteen months' maternity leave or pay superannuation during the leave period.

ACCI also convinced the ATO to change a ruling that would have required employers to pay 9 per cent superannuation on all regularly worked overtime.

We have publicly highlighted the elements of the new industrial relations laws that will make it more difficult for business to operate. ACCI met with all political parties and contributed to some of 215 amendments made to the Fair Work Bill.

ACCI supported our member Restaurant and Catering Australia in its advocacy for a specific award to apply to restaurants, cafes and catering businesses. The Deputy Prime Minister agreed to this request in May after months of lobbying, representing a major victory for the restaurant and catering industries.

ACCI has also been very active in education and employment spheres. The publication A Systematic Approach to the Retention of Apprentices released last month addresses ways in which employers can systematically maximise apprenticeship retention.

This follows on from the success of ACCI efforts earlier this year which led to a Government announcement in March that employers would be provided with additional financial incentives to take on apprentices and also employ apprentices once their apprenticeship is complete. ACCI sees the increase of Australia's skills base as an important step towards productivity growth and economic recovery.

This has been only a quick snapshot of the representation and advocacy work undertaken by ACCI in the past three months. A critical aspect of this work continues to be in the active engagement in the economic debate.

This has included using our large range of economic surveys – one of which is Australia's longest running business survey – to help inform the government and important policy makers such as the Reserve Bank of the real business conditions faced by our diverse membership.

The economic times ahead will be difficult with almost certain increases in the unemployment level and continued weakness in business investment.

Our discussions tomorrow will consider the outlook and prospects for improved economic conditions and also consider the policy shifts that may be required to help address returning the Federal Budget to balance in the years ahead.

There is no doubt that deliberate and decisive Government responses have helped cushion the economy from the worst of the economic downturn – however it is only: business; entrepreneurship; risk taking; and providing the correct incentive structures that will deliver sustainable economic growth and job opportunities into the future.

It is the role of organisations such as ACCI to be a strong advocate of this approach and to ensure the right circumstances exist which encourage and support the important contribution of the private sector. I consider that our achievements so far in 2009 indicate we are up to that task.

In closing I would like to thank the ACCI secretariat for their work over the past quarter under the leadership of CEO Peter Anderson and Acting CEO Greg Evans, and the entire membership for their valuable support.

I would also like to once again acknowledge the Northern Territory Chamber of Commerce & Industry and thank you for your hospitality and the preparation that has gone into this week's gathering.

Thank you all.

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