

ADDRESS TO BUSINESS SA / ACCI GENERAL COUNCIL DINNER

David Michaelis

President

Australian Chamber of Commerce and Industry¹

National Wine Centre

Adelaide

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Ministers, the Leader of State Opposition, Shadow Ministers, Senators,
Members of Parliament, Distinguished Guests,

Thank you, Vince Tremaine Business SA President.

And thank you Peter Vaughan and your team at Business SA for hosting
tonight's national dinner and tomorrow's General Council meeting.

Business SA is a founding member of ACCI, and I congratulate your board
and management on the continuing strong relationship with ACCI and the
strength of your organisation in supporting business in South Australia.

ACCI's ties with South Australia are deep, and go to our people and business
leaders.

¹ The Australian Chamber of Commerce and Industry (ACCI) is Australia's peak business organisation, comprising the nine principal Chambers of Commerce and Industry in each State and Territory, and twenty-six national Industry Associations. The ACCI network represents approximately 350,000 businesses employing four million persons. ACCI speaks on behalf of Australian business at a national and global level.

Earlier this year one of those leaders, and Business SA President, Rob Atkins, passed away. As we gather tonight I would like to acknowledge the contribution Rob made to commerce and industry in South Australia and in Australia generally.

South Australia clearly breeds leaders - our own Chief Executive Peter Anderson is a born and bred Adelaide boy – and another former CEO of ACCI, Mark Paterson, was a South Australian!

The momentous political events in Canberra of the past month, which saw the removal of Prime Minister Kevin Rudd, was a political shockwave not unlike the economic shock of the global financial crisis.

ACCI undertook two critical roles over this period. We acted as a bridge between members and Canberra, and our communications team kept Chambers and Industry Associations up-to-date with what was going on in the Capital.

More importantly, we made sure that business views on the economic policy agenda of the Rudd Government were seamlessly communicated to the Gillard Government and her Ministry.

As we know, these political events occurred in the midst of crucial decisions on tax, the budget, business finance, skills, superannuation and industrial relations.

On each issue, ACCI has been your voice in Canberra and in global business forums.

This being my first presidential address since these events took place, I put on the record our congratulations to Prime Minister Julia Gillard, and commit ACCI and our member network – which is the largest and most representative business network in Australia – to working with her new government in this short period before the next election.

We also communicated with outgoing Prime Minister Kevin Rudd and thanked him for his work especially during the global financial crisis and in agreeing to the \$4 billion investment allowance tax break that ACCI advocated and which helped many of you, and the broader economy, last year.

Many different views have been expressed about these political events. As our CEO, Peter Anderson, wrote at the time in the Australian Financial Review, business-people are pragmatic and forward looking, and have to be if their assets are on the line.

We work with the Government and Opposition of the day and the leadership delivered by the political system. As an organisation, we remain apolitical – we look for good policy from government and opposition. We will support good policy from either side that recognises the role of business, both large and small, in the economy and employment. We will object to, and lobby against, bad policy promoted by either side of the political spectrum.

One observation I would make is that our community and political system has in the past, and must in the future, be prepared to stomach periods of unpopularity experienced by political leaders. The long-term benefits of economic reform often involve unpopular decisions in the short-term.

We must not develop the European malaise where widely recognised economic and fiscal reforms needed over the past generation have been set aside in the wake of political backlash – only to leave today's crop of European leaders with almost insurmountable problems and wishing their predecessors and communities had made those hard decisions.

Tomorrow the General Council of ACCI has important forward-looking business to prosecute in your name and for your benefit.

As election speculation swirls around us, our primary focus is the health and management of our national economy. The private sector is well placed to take part in the global recovery and continue our deep engagement with the

Asian region, so long as we stay optimistic and are supported by Federal and State governments to keep Australia at the financial and employment forefront in the world.

Our economic goals must be to seize these opportunities with a plan for economic prosperity, and to again insulate our economy as best we can from any future global downturn.

We have just completed a pre-election survey of business views on priorities for the next Australian government, and top of the list are tax and the deficit. Armed with that data, we will put the finishing touches to our policy agenda that we will advocate to both Julia Gillard and Tony Abbott.

We will audit our business tax reform agenda following the Henry Tax Review. It is good for investment certainty, and, hopefully, good for the future of projects like Olympic Dam here in South Australia, that two weeks ago a settlement on the resource tax was reached.

Nevertheless that settlement is short of our expectations for broader business tax reform, despite some welcome small business tax breaks and a limited cut in company tax.

On superannuation we now have the Cooper Review. Separately, we also have the government decision to progressively increase the superannuation levy by a third – from 9% to 12% – which puts the funding burden on employers and small business despite the Government continually suggesting that it is they who are paying the bill!

Just as Prime Minister Gillard used her leadership to open the door to consultation with the resource industry on tax, we are tonight calling on the Prime Minister to open her Government's door to good faith consultations with the nation's one million employers on the superannuation levy – which, like the resource tax, was decided by the Rudd Government without consultation and against the recommendations of the Henry Review.

I should not conclude my remarks without recognising, and emphasising to Government, the problem many small and medium employers in South Australia, and in other States, are having this month with the transition to higher wages, penalty rates and loadings in the new industrial awards – costs the Government said would not occur.

Fortunately ACCI, supported by Business SA and Chambers and Industry Associations around the country, were able to have these costs phased in over four years but even that is cold comfort. Whilst the move to fewer national awards is necessary, a fairer deal for employers is needed in this transition.

So too it seems is a fairer deal for young people seeking after-school work, following this week's dreadful ruling that two hours of after-school work in the Australian retail sector will be unlawful from now on. This had not been the case in regional South Australia for many years, where it seems retail unions and employers had been more level-headed in reaching agreement on award rules. That common-sense needs to find its way into the national award.

This too is on our agenda tomorrow, which, as usual, is a very full one.

Ladies and gentlemen, thank you for your support of ACCI and our collective work on behalf of business people and their staff who batted down during the global financial crisis and resisted mass redundancies.

Finally, I would like to especially welcome our special guest, the South Australian Minister for Industry, Trade and Small Business, Tom Koutsantonis. We look forward to the Minister's address and hearing of the very significant role that his government has played, and continues to play, in meeting our nation's economic challenges.

Thank you.