



The Hon Anthony Byrne MP

**Address to the Australian Chamber of
Commerce and Industry General Council**

Adelaide

Friday 16th July 2010



LEADING AUSTRALIAN BUSINESS



ABN 85 008 391 795

Canberra Office

24 Brisbane Avenue
BARTON ACT 2600

PO Box 6005
KINGSTON ACT 2604

Telephone: (02) 6273 2311
Facsimile: (02) 6273 3286
Email: info@acci.asn.au

Melbourne Office

Level 3
486 Albert Street
EAST MELBOURNE VIC 3002

PO Box 18008
Collins Street East
MELBOURNE VIC 8003

Telephone: (03) 9668 9950
Facsimile: (03) 9668 9958
Email: melb@acci.asn.au

Web: www.acci.asn.au

© Australian Chamber of Commerce and Industry 2010.

This work is copyright. Reproduction is permitted, with direct attribution and notification to the Australian Chamber of Commerce and Industry.

Thank you very much for that warm introduction, Nick.

May I start by acknowledging ACCI's President David Michaelis, Chief Executive Peter Anderson, everyone at Business SA, who's hosting today's General Council meeting and all our other distinguished guests.

Thank you all very much for the opportunity to address the ACCI General Council today.

It's great to be back in my home town of Adelaide and the great state of South Australia, which continues to grow and go from strength to strength.

I'm sure as another former Adelaidian Peter will agree with me on this.

Make no mistake, what's so important to our strength as a state and as a nation, to our future prosperity as a country is trade.

Making things, providing services, producing the commodities that make the world go round. Trade is our future, it's as simple as that.

Before I explore that in detail, on behalf of the Prime Minister Julia Gillard, I want to personally recognise and express gratitude for the vital work the Chamber does in promoting Australian business here and around the world.

If the Chamber didn't exist, didn't play its role, no doubt we'd have to spend many millions of dollars on an inquiry or a taskforce trying to figure out how to invent you all.

Your role is vital in the promotion of Australian prosperity. And it is noticed, and very much appreciated, at the highest levels of government.

It's been interesting this week to reflect on the reforms that started under the Prime Minister Bob Hawke that were continued on by Paul Keating and John Howard.

These reforms were all about opening up Australia to the world.

It's amazing to look back at just how isolated and sclerotic the Australian economy was before South Australia's favourite son Bob Hawke emerged as Australia's bridge to this century of opportunity.

I passionately believe that Government can do more to work hand in hand with business and organisations like ACCI to contribute to the ongoing prosperity for Australia and Australians, and do more in promoting Australia as a place to invest and do business.

ACCI is an extremely effective voice in Canberra and from the outset I would like to acknowledge the good working relationship which ACCI has with the Prime Minister's Department, Department of Foreign Affairs and Trade and of course with Austrade, especially through the annual Australian Export Awards.

As the peak council of Australian business associations, ACCI operates as a pulse point for businesses in Australia and is an important advocacy group for businesses both domestically and overseas.

I recognise that global economic uncertainty remains, particularly emanating from Europe.

Australia though is well placed to benefit from the post-GFC recovery, especially because of our engagement with the Asian region, where as a country we have worked hard to build strong relationships over many decades.

In relation to Australia's relationship with the Asian region, and in particular China, I am reliably informed that Peter Anderson and ACCI Director of Trade, Nathan Backhouse, have been making a significant contribution towards Australian businesses' engagement with Asia, and in particular their work in relation to doing business with China.

In 2009, China was Australia's largest trading partner, with two-way trade valued at around A\$85 billion, as well as our largest export market and largest market for education services.

I would like to re-iterate Minister Smith's comment that Australia is committed to a comprehensive, high-quality, balanced and mutually beneficial Free Trade Agreement, which we are working hard to conclude.

The fact is Australia is already kicking goals we just need to make sure the crowd is there to cheer on our trade full-forwards.

Recently, I was speaking with an American visitor to Australia who remarked that we as Australians don't do a particularly good job of selling ourselves as a country.

She commented that Americans know Australia for its magnificent beaches, wide open spaces and abundance of flora and fauna, but went on to say that most Americans don't know much more than this about Australia, and what a real shame that is.

In this job, I see the reality. I see the reality of the awesome extent of Australian innovation.

I'm constantly amazed by it, by the innovation of Australian businesses, and our resilience during the Global Financial Crisis reflects not just on the government's willingness to take dramatic action very quickly but also on how well Australian businesses are run, for the most part.

I recently visited a brilliant Adelaide technology company that employs around 130 people in South Australia, as well as several others across Australia and in other countries.

It is one of only four major companies in the world building simulators for the transport industry, and amongst the four it undoubtedly ranks highest.

I wonder how many people who work in the same building know what the company does, let alone those who walk past on the street.

We need to celebrate these champions more, not just to make ourselves feel better but to encourage them and encourage more innovators, more excellence.

This business, I know, is not alone in operating like this.

As a country we have so much to offer and so much that domestically and internationally goes unrecognised.

As a nation we have made our mark in technology and industry, and in science and medicine, and our creative sector has notched up many significant achievements.

But again, these successes have not always been widely known.

Our national reputation — our national brand — needed to go beyond tourism and be updated to reflect the reality of what we are today.

We need a visual brand to show what our society, our culture, our economy, and what our businesses have to offer.

So we have updated our brand, with a four-year \$20 million dollar program to sell Australia to the world.

Australia's new brand — Australia Unlimited — was unveiled recently in Sydney and in Shanghai at the World Expo.

This is a brand which will position Australia for the 21st century and show Australia for what it is — a country of innovation, and one which can produce excellent goods and services and export them to the world.

One in five Australians, over 2.5 million people, are directly employed because of exports or imports, and 1.4 million jobs are specifically export-related.

And last year, our exports of goods and services was \$249.3 billion.

International trade is vital for our nation's prosperity.

There can be no question that the GFC had an enormous impact on trade.

WTO Director-General Pascal Lamy emphasised that international trade was a casualty of this economic crisis and that we run the risk that this engine of growth — an especially important economic driver for many developing countries — could stall.

As many developed economies experienced recessions during the GFC, there was significant pressure for a retreat back to protectionism, and the imposition of new trade barriers.

The Global Trade Alert (GTA) report found nearly 650 protectionist measures had been implemented since the first crisis-related G20 summit in November 2008.

On balance, the protectionist push stemming from the GFC has been contained.

Australia was able to assert its place in the world through the G20 and prevent this retreat back to protectionism.

The Australian Government believes in the power of trade to create growth and jobs, and supports Australian business in getting that trade.

We recognise how important trade is and how central it is to the global economy.

One of the most important ways Government helps exporters — whether they are selling professional services, automotive parts, or chilled lobsters — is by negotiating favourable trade agreements with other nations.

To this end, Australia is committed to the finalisation of the WTO Doha Round, and to seeing these negotiations concluded successfully.

At the multilateral level, it is surely in every nation's interest to have Doha concluded and this remains our top trade priority.

Multilateral agreements such as the Doha Round are really the pinnacle of trade agreements.

There is little else that can match the sheer benefits of completing such negotiations.

The US-based Peterson Institute has estimated that the world's GDP would get an annual boost of between US\$300 billion and US\$700 billion from a Doha outcome.

It is clear that the economic stimulus benefits in concluding the Doha Round would be unparalleled, and that a successful outcome would also offer great gains to Australian businesses.

Put simply, Doha would offer nations the possibility of boosting their economies through greater export sales while allowing them room to consolidate their budgets.

Our work with multilateral trade agreements is only part of the story.

As many of you would be aware, Australia has also worked hard to complete and put in place a number of trade agreements at the bilateral level.

Our latest FTA, which came into effect on January 1 this year, between the ASEAN nations, Australia and New Zealand, is an historic FTA, which opens up a market of staggering size for Australia.

ASEAN is in one of the fastest growing economic regions in the world — a region with a combined population of 600 million people and an estimated GDP of A\$3.2 trillion.

In 2009, Australian businesses exported \$19.5 billion worth of goods and services to the ASEAN countries

Clearly, the new trade opportunities afforded by this FTA are significant, enabling Australian businesses to tap into regional supply chains and easing access into the massive opportunity which China represents.

But we are not stopping there. In addition to the FTAs already in operation, Australia is negotiating FTAs with several other countries such as Japan, Korea, Malaysia and China and is considering FTAs with India and Indonesia.

So you can see that there is a lot being done in this regard.

Before I conclude, I'd like to touch on one aspect of government policy that I know is very pertinent to business and I'm sure will come up in our discussion after my address.

A very large number of Australian exporters have accessed the Export Market Development Grant Scheme to great success, which is why as a government we are committed to the Scheme and committed to ensuring that businesses have ongoing access to it.

I'm equally aware that business has some concerns about the Scheme in its present form. ACCI has been in communication with the new Minister for Trade Stephen Smith just this week and we are receptive to this.

As you would know, and as was reiterated yesterday in Prime Minister Gillard's address to the National Press Club, the Government is committed to getting the Budget back into surplus by 2012-13, three years ahead of schedule and ahead of any of the world's other advanced economies.

As the Treasurer announced earlier this week, we are now on track for a surplus of more than 3 billion dollars in 2012-13.

This means Australia will be in surplus before every single major advanced economy in the world.

In conclusion, I would like to mention again the value of ACCI's work in advancing Australia's trade, and the constructive manner in which you have engaged with the Government through the trade portfolio generally, and also with Austrade and Austrade's new CEO, Peter Grey.

We have done well during the global financial crisis, particularly when compared to other advanced economies, to come together as a country to protect our economy from the worst effects of the GFC.

But in the aftermath of the recent upheavals, the global economy is still quite volatile, and fragile.

For Australia, that means we must continue to help our export industries add to domestic growth and the broader national prosperity.

Thank you.

ACCI MEMBERS

Chamber of Commerce and Industry

ACT and Region Chamber of Commerce & Industry
Australian Federation of Employers & Industries
Business SA
Chamber of Commerce & Industry Queensland
Chamber of Commerce & Industry of Western Australia (Inc)
Chamber of Commerce Northern Territory
NSW Business Chamber
Tasmanian Chamber of Commerce & Industry Ltd
Victorian Employers' Chamber of Commerce & Industry

National Industry Associations

ACCORD
Agribusiness Employers' Federation
Air Conditioning and Mechanical Contractors' Association
Australian Beverages Council Ltd
Australian Food and Grocery Council
Australian International Airlines Operations Group
Australian Made, Australian Grown Campaign
Australian Mines and Metals Association
Australian Paint Manufacturers' Federation Inc.
Australian Retailers Association
Bus Industry Confederation
Consult Australia
Live Performance Australia
Master Builders Australia Ltd.
Master Plumbers' and Mechanical Services Association of Australia (The)
National Baking Industry Association
National Electrical and Communications Association
National Fire Industry Association
National Retail Association Ltd
Oil Industry Industrial Association
Pharmacy Guild of Australia
Plastics and Chemicals Industries Association Inc.
Printing Industries Association of Australia
Restaurant & Catering Australia
Standards Australia
Victorian Automobile Chamber of Commerce