



**WELCOMING ADDRESS RICHARD HOLYMAN PRESIDENT AUSTRALIAN
CHAMBER OF COMMERCE AND INDUSTRY**

GENERAL COUNCIL DINNER Pan Pacific, Perth 22nd

March 2012

State Treasurer Christian Porter and Ministers Leader of the Opposition Mark McGowan and Shadow Ministers Distinguished guests Members and visiting colleagues from the British Chambers of Commerce Ladies and gentlemen

Tonight's General Council dinner brings ACCI and our members in touch with the Western Australian business community and the engine room of Australia's current economic prosperity. It is a great pleasure to be hosted by the Chamber of Commerce of Western Australia, led by President John Atkins and Chief Executive James Pearson. CCI WA is a not only a major contributor to ACCI's work, but has outstanding credentials

and presence as the voice of Western Australian business. It is undoubtedly one of the leading lights of the Australian Chamber movement.

We should be proud of our representativeness and the mandate it gives us. We don't lightly say ACCI is Australia's largest and most representative business network, but we are. When we speak we indeed speak for business. We are truly a reflection of the economy in all its diversity and dimensions, large and small, regional and urban.

We say this because it should mean something to governments, parliaments and the community. ACCI doesn't bring mere opinions to the table; we bring a complete cross section of the economy and the people who are doing the employing and wealth creation.

For example, no-one needs to rush off elsewhere to find a small business voice. The Chambers and Industry Associations as represented by ACCI are the most representative small business voice in the country. Look at CCI WA and you'll see what I mean.

Our Chamber movement alone penetrates deep into national and global business affairs. Worldwide, there are 12,000 Chambers of Commerce representing more than 40 million businesses. In Australia, there are 180 Chambers, mostly represented through the principal State and Territory Chamber, like CCI WA. There are over 90 national chapters of the International Chamber of Commerce worldwide. ACCI is the ICC's Australian voice, led currently by another Western Australian, past ACCI President Tony Howarth.

And of course ACCI is much more than a Chamber movement. ACCI's 28 national Industry Associations give us the extra representative standing that allows our network be in touch with more than 300,000 Australian businesses.

It is also this representativeness that gives us our international standing, recognised by the UN style International Labour Organisation, the International Organisation of Employers, the ICC and the OECD's Business Advisory Committee.

I mention these matters tonight because in national and even global politics the views of Australian business people need to be better respected.

In the past fortnight in Canberra we've seen the best and the worst of how our national government and parliament interact with the business community.

The Prime Minister's announcement of a Business Advisory Forum to align with the Council of Australian Governments is no political ploy. It's a response to a concept developed by business – by the Chamber movement, by ACCI and the Business Council. It's a response to a real need – to reduce the red tape that burdens industry in our federation. The announcement on 6th March was a breakthrough moment in business advocacy and ACCI's work.

If this concept comes off, it will be the first in our lifetime that business leaders have sat around the same table as the collectively assembled Prime Minister, Premiers and Chief Ministers of the day in a dedicated environment to discuss business regulation. It may indeed be the first in the nation's federated history.

That ACCI is instrumental in bringing this about and shares a stage with the prime Minister in announcing the initiative is a testament to our institutional and representative standing.

This week's support by the Australian government to ACCI's launch of a strategy to increase workforce participation, the 'Employ Outside the Box' initiative, was another good sign, as is the WA Chamber's commitment to take that initiative into West Australian workplaces.

Yet this week two solid black marks sit against the government and its minority parliament.

Monday night's passage of the mining tax (MRRT) wasn't just about the resource industry. A hidden sting in the tail was a law which will increase the employer superannuation levy from 9% of payroll to 12%, in seven stages over the next eight years. There is no funding basis for this -it won't be funded out of the mining tax despite the impression the government has given for the past eighteen months. Nor do the tax concessions to industry, which haven't even been legislated, compensate for anywhere near the cost. The upside-down nature of Canberra politics hit a new low this week when government Ministers tried to simultaneously argue that workers won't get wages because of the superannuation rise and yet employers somehow won't be paying it either. The tortuous interview Minister Bill Shorten had with Neil Mitchell on Melbourne radio on Wednesday morning was a case in point. Let's be clear. Parliament on Monday passed a law saying the employer must pay. The last time I checked, complying with the law was non-

negotiable. I think that now means, the employer pays. No union in their right mind will be trading off future wage claims for super now that parliament has said the boss must pay. The ACTU said as much in the past 48 hours. It's one thing for politicians to think industry is a bottomless pit of money; it's another altogether for government to be confused about who actually has to pay the bill.

To compound the problem, politics is being played over the company tax changes. Of course we want the federal Opposition to support company tax reductions, including these and not support unfunded superannuation levy rises. But the MRRT is actually not about Opposition tax policy. It is about whether the government is able to deliver on its promise that the MRRT is accompanied by offsetting tax concessions, limited as they are. The government created this problem by not making its vote and the Greens vote on the MRRT conditional on voting up tax concessions. In contrast, the government found it easy to make the superannuation levy part of the MRRT package. Right now, the government has an obligation to explain to industry why it can compel an increase to a superannuation levy as part of the MRRT but not compel a reduction in company tax.

I am proud that ACCI and our members carried the heavy lifting in this debate and exposed these facts. I am horrified that our parliament gave only lip service to due process, and locked in these changes without even a proper economic analysis by Treasury.

Tonight I call on the government to defer the commencement of the mining tax and the superannuation levy rise until the promised tax concessions to industry are also locked in and until a funding base, including a wage-superannuation trade off, is found and legislated.

Another bitter blow delivered by the parliament this week was the abolition of the Australian Building and Construction Commission, the regulator that kept big construction companies and big construction unions in check so that smaller contractors, clients and consumers couldn't be stood over. This body was set up by a Royal Commission in the mid 2000's. It was modelled in part on the ground breaking taskforce the Court government set up here in the early 1990's under Minister Graham Kierath. That a Royal Commission's recommendations can be so lightly set aside is a cause for alarm. Let me say it plainly, the Greens in the Senate might have a moment of power, but they do not know better than a Royal Commission. And the fact that they have dumbed down the powers of the

replacement regulator so that its prosecution powers have to submit to the very industrial relations settlements that it was established to watch over is a serious matter for the rule of law. No wonder some State Attorney Generals, including here in Western Australia have spoken out.

There's one further serious matter to mention. We all have read of the three year saga of the inquiry into the Health Services Union by Australia's industrial relations regulator, Fair Work Australia. ACCI has no view on that matter. But we are a key stakeholder in ensuring that industrial relations institutions like Fair Work Australia which make the law and apply it are respected. Without business and community confidence, the system that requires employers to accept for better or worse its wage decisions, its awards and its unfair dismissal rulings could not operate.

One only has to read the papers, the letters pages and listen to radio talk-back to hear the almost daily erosion of the standing of Fair Work Australia because of the debate around its handling of the HSU inquiry.

This is not good for industrial relations or respect for the rule of industrial law. We rightly debate the role of industrial tribunals, knowing that this body and its forebears has been resilient and well led over many years. The task of the new President, Justice Iain Ross, whose appointment ACCI will warmly welcome at proceedings in Melbourne tomorrow morning, is made unnecessarily more difficult. So is the task of our own ACCI Director of Workplace Policy David Gregory, who in a fortnight leaves our secretariat and takes up an appointment by the Gillard government to the tribunal. Congratulations, David.

On behalf of not just its members but also the employers who are forced to abide by the arbitral rulings of this body, I can only appeal to the authorities to urgently do what is required to restore public confidence in the nation's principal industrial relations tribunal.

Tomorrow our General Council will look more deeply into these and other issues, including the case for and against a sovereign wealth fund in Australia, and the Australia / Asia and the Australia / Indonesia relationship – something close to the heart of the Western Australian business community.

On that note I congratulate former ACCI Trade Manager Nathan Backhouse who this month was appointed by Premier Colin Barnett as Regional Director for China at the Western Australian government's Trade Office in Shanghai.

It seems working in the ACCI secretariat does have its rewards, if Nathan and David's careers are any guide!

Finally, like you, I look forward to hearing from Andrew Forrest not just because of his leadership of Fortescue but also because of his support for the broader work of the Australian business community.

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