

Chamber of Commerce Northern Territory

RE: Presidents Page, Jan 09
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Chamber of
Commerce
NORTHERN TERRITORY

Dear Valued Chamber Member and Friend,

I wish you success in your business endeavours in 2009, and health to you and your family.

The financial crisis, and whether, and to what extent, it may impact on our local economy, here in the Northern Territory, is topical.

We have experienced a couple of economic tremors; however, I believe it is likely we will escape anything more substantial.

At the time of writing, the ANZ monthly survey of job ads found nationally, job advertisements are 29.9 per cent lower than 12 months ago. It was reported “only the Northern Territory enjoyed a rise in newspaper job ads, with December's 7.5 per cent jump partially unwinding November's 17.4 per cent slump.”

The Northern Territory Government is taking steps to instill confidence in our business community. Fellow Chamber Director Bruce Fadelli and I met with Chief Minister Paul Henderson on 6 January 2009, during which the Chief Minister briefed us, on behalf of the Chamber, regarding the Chief Ministers visit to China, Japan and the United States in January 2009 to speak with investors, including Inpex. We support the Chief Minister in this endeavour and encourage the Government pursuing the Territory's interests abroad.

Via its networks through the Australian Chamber Alliance and the Australian Chamber of Commerce and Industry (ACCI), your Chamber is ensuring it remains across developments in the National and International economies, particularly how those changes may impact our economy here in the Northern Territory.

Locally, your Chamber will keep you advised regarding Award Modernisation, the Forward with Fairness legislation, OHS harmonization and the Carbon Pollution Reduction Scheme. All of these could impact your business considerably.

For example, the Forward with Fairness Bill, at 575 pages, is a complex piece of legislation. In its editorial of 5 – 7 December, the Wall Street Journal contended that the Fair Work Bill is “by any measure, a massive boost for unions”.

This week, ACCI made a submission to the Senate recommending about 200 changes to the Forward with Fairness Bill. ACCI wants the Government to retain unfair dismissal exemptions for small business and restrict union access to workplaces.

The Voice of Territory Business

Regarding Award Modernisation, Australia has over 4,000 industrial awards, and 100,000 minimum wages. The Modernisation program is aimed at aggregating as much as possible, so we are left with a smaller number, but updated and modern, awards.

Particularly from research done at a National level, the changes to hours of work, wages, classifications and allowances, could increase employer costs.

Aside from industries such as the Pharmacy Industry and Retail Industry, in the Hospitality Industry there is anticipation in some states of increased costs eg: increase of the casual loading from 20% to 25% in South Australia and from 23% to 25% in South East Queensland; and addition of an extra 25% in Sunday penalties in New South Wales, South East Queensland and Western Australia.

All of these matters are, of course, independent of the financial crisis. However, the timing and implementation of these initiatives is a relevant consideration.

If there is a positive to come out of the financial crisis, it is that talented graduates of all fields, particularly in the sciences and engineering, will see them prefer a career in industry, to a job in investment banking or finance.

As Nouriel Roubini, professor of economics says, what we need are “more people who are going to be entrepreneurs, more people in manufacturing, more people going into sectors that are going to lead to long-run economic growth. When the best minds of the country are all going to Wall Street, there is a distortion in the allocation of human capital to some activities that become excessive and eventually inefficient.”

George Roussos
President