



Prime Minister of Australia
The Hon Julia Gillard MP

Speech to Business Council of Australia Dinner

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Prime Minister

Sydney

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Throughout my time in Government, I've been struck by the desire of many businesspeople to see a plan for Australia's future. That's the purpose of our White Paper. And tonight I want to reflect on the projects over the next couple of years which get it done. As a nation we've got a clear choice: to drift into our future or to actively shape it.

When I commissioned the White Paper I took a clear decision that our nation should shape its own future.

Now you can't do that without a view about what the future will look like, and predicting the future has its risks.

But whatever else this century brings, it will bring Asia's rise.

Australia can shape our future from a position of strength.

The White Paper is a plan to make change work for us – not because we face immediate crisis – not because we are standing on a burning platform.

But because we face unprecedented opportunity – because I burn with ambition for our nation's future.

We can shape our future from a position of strong engagement.

We have an ally in Washington, respect in Beijing, an open door in Delhi and Jakarta, Tokyo and Seoul.

We're engaged through the ongoing strength of the APEC forum and the now-developing East Asia Summit where I will take part with President Obama and Premier Wen next week in Cambodia.

As you know, I've also recently been to India, where we revived the relationship between our countries.

And I'm just back from the Asia-Europe Meeting and from co-chairing a really important regional forum, President Yudhyono's Bali Democracy Forum, a unique enterprise in Asian diplomacy.

We can also shape our future with a strong budget and a strong economy.

We stimulated in the downturn, we made the right call, that's clear.

And now we're returning to surplus.

That's keeping inflation contained – and keeping business costs down.

On the latest RBA data for average business interest rates, the net reduction in the last 4 years has been around 240 basis points.

With Australian business sector debt in the order of \$730 billion this now yields a saving for the business sector of around \$18 billion a year.

And we're doing it at the right stage of the cycle and in a targeted, responsible way – while delivering solid growth, continued investment, low unemployment.

And I know there's a few small government advocates in the room: well, you got it.

We've cut badly targeted subsidies, means-tested benefits, reformed the tax and transfer system to lift participation – and now we're sustaining spending below 24 points of GDP for the first time since the oil shocks.

The long-term savings decisions we've already made improve the Budget balance this year by around \$14 billion this year – and they'll be making a \$51 billion difference in a decade.

Take away the politics, look at what the market is saying about us.

Three triple-As and a stable outlook on each. Just six other sovereigns are rated so highly.

Australia's budget is one of the seven economic wonders of the modern world.

That means we're strong at the right time, reinforcing confidence in trying global circumstances.

It means with further structural savings, we will have the opportunity to improve schools and deliver the NDIS on a sustainable budget footing.

That's our track record – major reform in health, aged care, dental, paid parental leave, pensions – alongside smart savings to improve the budget position over the long term.

We've managed fiscal policy well though a challenging economic cycle.

We will maintain the stable macro-economic framework – a floating currency, independent monetary policy and a strong fiscal framework.

We will also maintain the investments in education and skills that spread opportunity to all and that mean all can contribute to wealth creation.

This is what has brought us twenty one years of growth, a generation of economic sunshine, and it is what gives us a moment of strength when we can shape our future.

In structure, what the White Paper does is to weave together the policy approach we have been pursuing in government with long-term policy ambitions for the nation's future.

First, economic strength – building a productive and resilient economy.

Second, strong minds – an education and skills plan to build capabilities.

Third, expanding and integrating regional markets and building the presence of Australian firms in them.

Fourth, deep and broad relationships with the region at all levels – leisure and sport, work and holidays, learning and culture are all being refined and redefined.

And finally, sustaining the security of our diverse region.

This is a set of specific goals to guide us – specific policy measures to start the work – and a call to action to all parts of Australian society – with the business community central to that.

I know that many of you already lead Asia business strategies – and work on the new business models and new ways to engage with these growing regional markets.

Private sector engagement is vital to the success of our plan.

To build on the strength of mining, but also the strength of financial services, of education, of legal and professional services, of architecture and design. And yes, of manufacturing, of transport and logistics.

That's why we're not driving a set of categories of government policy or slicing up the economy into sectors, but instead driving a cohesive, coherent, collaborative approach.

Think about the connections which emerge when we use APEC to drive further deregulation in our region, when we use the Business Advisory Forum and COAG to streamline environmental regulation, when we get rid of single desk wheat marketing, and our firms can sell their sorghum in Korea with a marking saying what field it grew in and charge a premium for that kind of high end service.

Or when we lift school standards, have a rational model for school funding, give our schools the broadband our competitors take for granted and then we revive our relationship with India, agree to uranium sales, identify Hindi as a priority language, and for that matter, give Sachin Tendulkar the AM and make the front and back page in the biggest newspaper market on earth.

These are genuine and clever deployments of all the elements of national power to achieve a national goal: success in Asia.

That's what you can do with a plan for the nation's future and with a nation strong enough to seize it.

This is a national plan and one that calls on genuine national effort.

It's also a very authentic Labor plan.

These five pillars of productivity I speak about – education and skills; innovation; infrastructure, tax reform and deregulation – these aren't laws of nature, they're the policy of a Labor Government.

It's been observed by some that there are controversial Labor policies reflected in the White Paper – like the NBN, like school improvement, like pricing carbon.

Well, yes. First of all, because this Australian Government is an Australian Labor Government.

Second, because this is national plan is a plan to win in Asia – and the policies which get us ready for Asia come from Labor Governments.

There's always national consensus on Labor's *past* achievements in getting into Asia. We'll have a forty year anniversary shortly of the commencement of diplomatic relations with China.

It'll be universally hailed as the right decision and it will be an entirely non-partisan event.

When Gough Whitlam visited China the year before he established diplomatic relations, Australia's conservative Prime Minister of the day said he'd been "played like a trout".

And there was nothing inevitable about the decision to open up our economy in the 1980s.

If Labor lost the 1983 election, those changes wouldn't have happened when they needed to. It's that simple.

So we have a national plan for a moment of strength, policies on the table and ambitious goals for 2025 – and a Labor Government with a vision for Australia: winning in the Asian Century.

I want to leave you with this thought: What I am really focussed on now is a fascinating sequence of work over the next couple of years, the 2014 and 2015 projects that sit in the space between our immediate policy agenda and the generational goals.

This is a time when complacency equals defeat, when political negativity must be met by disdain from thoughtful people.

This is a time when you only win if you do the work, when you only succeed if you shape your own future.

Consider this: in just ten years, Apple's market value has increased from US\$6bn to around US\$500bn. Nokia's market value has declined from US\$70bn to under US\$10bn. I know which path I want us to be on – that's why we have a plan.

While all of you are working through what I think of as the "Kodak moment", what some call the digital disruption, remaking your business models and retooling your workforces for the new economy, we're playing our part to keep you ahead of the game.

Building the NBN and encouraging the use of IT services such as telework and cloud computing across Government. In three years' time, we'll have fibre broadband connected at around 3.5 million premises and two satellites will be up.

The benefits of our reforms to the tax and transfer system and the benefits of our investments in skills will be being felt - in particular what we're doing for women.

Tripling the tax free threshold, delivering paid parental leave, extending gender equality - and I'm looking forward to seeing that flow from the shop floor up to the leadership level, where I'm sure that in a couple of years' time I won't still find myself meeting with boards where the only other woman is serving food.

In 2014, the first stages of our National Plan for School Improvement, including the funding architecture that to its credit the BCA has supported, will be in place – and the real work to put Australian schools in the top 5 globally by 2025 will just be beginning.

With the election season now past in the US, President Obama's immediate task is to keep the US economic recovery on track while solving their fiscal problems; and I'm looking forward to the work that follows, where we'll be working together with other leaders to rebalance the global economy, including when the G20 meets here in Australia in 2014.

And the "other Presidential contest", the Chinese leadership transition is taking place today. In 2015, China should take its pilot emissions trading scheme national.

In total around sixty per cent of the world's GDP is either subject to a carbon price today, or has one legislated or planned for implementation in the two or three years ahead.

International carbon markets will cover billions of consumers this decade. Ask the bankers at your table whether they want Australia to clip that ticket. We're going to help them get their share.

So that's the work of coming years, that's what preoccupies my thoughts as I think through the agenda for this country.

Big opportunities for the future-makers – complacency the greatest risk of all.

I'm looking forward to working with you as we get it done.