



Committee for Adelaide

Foreign Policy White Paper Submission 28 February 2017

Thank you for the opportunity to provide a submission into the Government's White Paper on Foreign Policy and to participate in a roundtable discussion in Adelaide on 21 February 2017.

We have focussed our response on a number of key areas:

- National branding
- Foreign investment
- Energy
- Export assistance
- Population growth

National branding

When representing Australia globally, it is essential we have a strong national brand presence. Businesses at international events have expressed concern about how Australia is portrayed internationally, pointing to other countries such as the United States, France, New Zealand and the United Kingdom which they believe present a more united and stronger presence.

A strong national brand identity helps Australia to stand out and gives State and territories a focal point for their own branding initiatives.

Foreign investment

South Australia, like a number of States and territories in Australia with a limited population base, relies heavily on foreign investment to realise major infrastructure projects and to provide employment growth.

It is estimated that there are about 20 businesses in South Australia with turnover of \$1b plus, however, only four of these are privately or family owned and the bulk are foreign owned or publicly listed. In the \$50m to \$1bn category, there are roughly 260 businesses of which about 115 are privately or family owned.

Given this, it is essential that:

- Certainty around foreign investment laws are maintained. Negative headlines about foreign investment can act as a major deterrent against investment and policy certainty is critical.
- A tax environment is developed that allows Australia to compete globally. With changes in the UK corporate tax rate and plans to lower the US tax rate to 15-20%, Australia is already lagging behind.

In addition, it is essential to continue to protect and enhance Australia's reputation for strong corporate governance and transparent systems. This is a point of difference against many other countries and provides businesses with a degree of security when investing in Australia. Anything that could erode this reputation needs to be strongly resisted.

In fact, Australia could become a major exporter of knowledge, processes and systems in this area (along with other services associated activities). This would enhance Australia's reputation overseas and reinforce our image as a trusted place to do business.

Energy

The energy crisis is not just a South Australian issue but a national issue and already problems are being experienced in Victoria and New South Wales. The one-grid system was not designed for its current use and needs a complete overhaul.

Australia's inability to provide reliable electricity is highly damaging to our international reputation and needs to be addressed as a matter of urgency.

Export assistance

Businesses looking to export overseas often find it difficult to get the advice they need. While general advice is available, it is sometimes difficult for them to obtain industry specific advice and sometimes success is based more on luck than strategy.

Businesses, particularly small to medium sized businesses that make up the bulk of companies in South Australia, need more assistance negotiating foreign markets. We support the establishment of more "export ready" programs to better prepare businesses for these growth opportunities.

Population growth

Population growth is critical to the future economic growth of South Australia yet the existing migration system does not meet South Australia's needs.

Specifically, we have businesses particularly in regional areas unable to find the skilled staff they require. Due to wage thresholds and other issues, the current migration system does not provide a solution. In addition, the system is heavily weighted towards professions rather than experience in small business which should be a focal point for South Australia with the SME sector making up the bulk of local businesses.

As well as issues related to the migration program, there also needs to be work conducted on the domestic front to promote the benefits of migration to help change negative attitudes to this. Such attitudes, if allowed to flourish, can once again be highly damaging to Australia's global brand.

While these responses are brief, we are happy to provide more detailed information on any of the issues raised.

Yours faithfully,



Jodie van Deventer
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