



# Export Council of Australia

The Voice for Australia's Exporters

## International competitiveness begins at home

### Opinion piece by CEO of Export Council of Australia Lisa McAuley

It was rather disappointing yesterday to find out that Australia has slipped from 17 to 21 in the IMD World Competitiveness Rankings, falling outside the top 20 nations for the first time since 1996.

Over four years ago, as part of the ECA's 2013 Trade Policy Recommendations, the Export Council of Australia (ECA) highlighted the need for government to develop and prioritise policies that will result in a reduction of red and green tape, eliminating duplication and lowering the facilitation costs associated with trade. The goal was to ensure that Government was taking necessary steps to streamline regulation that inhibits the ability of Australian companies to compete internationally.

Over the past several years, many prominent international indices indicated that Australia had a lot to do in terms of improving trade facilitation, as we lag some of our key competitors such as Singapore, the United Kingdom, Canada, Germany and the United States.

I was talking to a beetroot exporter who was shipping beetroot into the Middle East and it costs him \$12,000 per shipment of which \$8,000 is related to domestic costs to facilitate trade. Issues like these are why the ECA advocates for the prioritisation and delivery of a contemporary Single Window for trade. Such as one-stop-shop would support a digital transformation to paperless trade, as well as innovation that could dramatically reduce the time and costs incurred by companies doing business in Australia.

There are numerous factors that affect Australia's export competitiveness, such as the cost of labour, investment in R&D and innovation, the availability and quality of hard and soft infrastructure, and government regulation.

While many of these factors (e.g. infrastructure, innovation) are complex and require long-term planning to improve, reducing the burden of government regulation does not.

Issues such as the corporate tax rate and how to up-skill Australia's workforce to take advantage of digital disruption were areas where Australia performed poorly in the IMD's latest rankings.

Earlier this year, the ECA called for Government to focus on the need to invest in programs that support targeted educational programs linked to industry networks, as well as programs which aim to provide new mid-and-late career opportunities for those Australians whose jobs are being displaced by technology.

We felt that education and skills training were important investments our country could make to address the displacement of employment resulting from technological progress, rather than trade.

The ECA believes that planning ahead for the jobs of the future, while protecting the jobs of today and yesterday, is essential to combat the anti-trade discourse around the world, and to rebuild support for international trade liberalisation.

Over the past few weeks, all I have been hearing from our members has been that Australia is too uncompetitive, forcing them to look offshore to places like Singapore or Hong Kong to continue building their business. Such arguments make sense when you consider issues like our corporate tax rate, which was the measure the IMD ranked us most poorly on.

Australia has achieved a great deal over the past few years in opening new market access for our companies through free trade agreements with most of our biggest trading partners. It would be a shame to let this success go to waste over domestic competitiveness issues.

The ultimate challenge is to provide an environment in Australia that makes it easier, not harder, for business to take advantage of international opportunity.

Lisa McAuley, CEO, Export Council of Australia