

RBA Governor, Glenn Stevens Welcome Speech

**James Pearson
Chief Executive
Chamber of Commerce & Industry of WA**

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Distinguished guests, Ladies and Gentleman.

Before I ask you to join me in welcoming the Governor of the Reserve Bank, Glenn Stevens, on behalf of the CCI and the CME, I'd like to reflect on the onerous nature of his responsibilities and that of the Reserve Bank Board, who met in Perth this week.

The Governor and Board are expected to ensure that the Bank's monetary and banking policy contribute to:

1. The stability of our currency
2. The maintenance of full employment; and
3. The economic prosperity and welfare of Australia

No pressure!

On behalf of WA business, I would like to encourage the Board members and staff of the Reserve to make visits like these to WA a regular and frequent occurrence.

They are opportunities to see at first hand the mighty engines of growth that are driving so much of this state's and our nation's prosperity.

But as we know, the current story of our economy is not consistent, nor is it easily understood.

Overall confidence is down in WA, both for consumers and for businesses.

This is despite record investment in the resources industry, which has helped insulate WA and Australian economy from harsh economic conditions internationally.

While industries and business linked to the resources and energy industries grow, other businesses are struggling to escape from the shadows cast by the GFC.

International uncertainty is matched by domestic political uncertainty.

In Canberra, the Federal government is trying to reconcile the narrow, yet politically compelling, demands of a handful of politicians who hold the balance of power; with the obvious need to facilitate increased productivity and national competitiveness.

And, in WA, a shortage of labour, coupled with record investment flows in some sectors, are causing significant problems as labour supply falls short of increasing demand.

That's why we need urgently to reform the regulatory environment in which businessmen and women operate.

With WA having the highest business costs in the nation, something got to give.

CCI's members are telling us about the impediments that they struggle with, and giving us ideas on how to free up their businesses.

We will throw the spotlight on these problems, and promote practical solutions, in the next few weeks.

Business is telling us there are four main areas that are impeding growth: tax, excessive red-tape, labour shortages and Industrial Relations inflexibility.

The economic levers available to the RBA are powerful but few, compared to the range of instruments available to government.

There is much the government can do to address the high costs and remove the obstacles facing the private sector.

We look forward to continuing to encourage reform and to work with state and federal governments to make it a reality.

Ladies and Gentlemen:

Glenn Stevens was appointed Governor of the Reserve Bank in 2006.

His stewardship of one of Australia's most important economic institutions, our central bank, traverses some of the most challenging economic times in living memory.

Ladies and Gentlemen:

Please join me in welcoming Mr Stevens.