

Centre at the heart of it

A MAJOR health industry conference to be held in Adelaide next year is expected to attract more than 1000 delegates.

The Adelaide Convention Centre and the South Australian Health and Medical Research Institute (SAHMRI) have partnered to bring the 2014 Annual Scientific Congress of the International Society of Cardiovascular Pharmacotherapy to Adelaide.

The event from September 15-16 is likely to inject \$1.7 million into the South Australian economy, the partners said.

This is the first time the congress has been held in Australia.

SAHMRI will be the host and develop the scientific program for the congress, while the centre will look after all the event logistics, services and physical hosting requirements.

SAHMRI Heart Foundation heart health theme leader Professor Stephen Nicholls will chair the congress.

East-Enders recognised

MARAS Group chairman Theo Maras has been recognised for a 20-year contribution to the East End after being presented with one of three individual contribution accolades at the inaugural East End Adelaide awards.

Garden East apartments developer Max Lieberman and East End Coordination Group chairman Max Williams were the other two individual award recipients.

The awards were presented at the East End Coordination Group's AGM last week.

"It has been a wonderful journey and a very rewarding experience and the East End would not be what it is today without all the magnificent businesses and residents who make up this treasured East End community," Mr Maras said.

Frank Gents Harddresser, Grundy's Shoes and Smokelovers – all in operation for more than 50 years – were recognised for their long-term presence in the area.

Free program for tech firms

ADELAIDE'S technology-focused small and medium enterprises are encouraged to take part in a free one-day event on July 24.

Funded by the Federal Government's Enterprise Connect scheme, the Profit Imperatives program will feature expert speakers and workshops.

Among the speakers will be Mihal & Lycos managing director Kimon Lycos, who will talk about improving the marketability of your business.

Other topics of discussion will be optimising productivity and engaging people to generate ideas for you.

"This event will give local technology companies the ability to make informed decision on actual projects to enable them to be more profitable," Mr Lycos said.

The event will be held at the Australian Industry Group, in Wayville, between 9.15am and 3.15pm. To register, visit www.mihallandlycos.com.au/profit.php

Tuesday, July 9, 2013

Allert calls for richer rewards

COMPANY directors deserve to be paid more because of the increasing burden of regulations and red tape, one of South Australia's most respected business leaders says.

There is little prospect of regulation being cut and would-be directors should be aware of the time demands that burden puts on a board job, businessman Rick Allert says.

Named last month as the inaugural distinguished fellow in the SA branch of the Australian Institute of Company Directors, Mr Allert said it would be preferable for new directors to hold fewer – but better paid – board seats.

"I don't think it's practical to ask for less regulation," he said.

"Certainly state and federal governments – or any Western-economy government – are not ready for less compliance or less risk assessment in the current environment.

"That means, as a director, you must be prepared to put in the time to deal with those issues and that might require taking on fewer directorships."

Mr Allert, who is on the board of AMP and Genesee & Wyoming and is a former chairman of Coles Group and Southcorp, said all the directors he worked with were putting in the required extra time.

"But is there room to increase fees for non-executive directors? In my view, yes," he said.

"That would be an encouragement to take on fewer directorships."

Increasing regulation on audit controls, compliance and risk have been imposed on boardrooms in reaction to events which have caused public concern.

"Every time there's a major failure or lack of confidence in the business sector, particularly by public company investors, governments are asked what they're doing about it – and as a result regulatory supervision increases," Mr Allert said.

"Accordingly, you have to spend more time as a director on these matters and that can mean less time on the greater business issues," he said.

"However, you have to accept there is risk in any business. If there wasn't risk, there wouldn't be any business." So everyone associated with a busi-



CHRISTOPHER RUSSELL
Governance

ness – whether it be the directors, management, investors, employees or suppliers – takes a risk and expects a reward.

Mr Allert said another phenomenon of concern to directors was the growth in litigation-funders and class-action lawyers.

"Everybody's getting on a bandwagon that when a company fails or doesn't live up to expectations in delivering results then legal action will ensue," he said.

"Then class action lawyers will risk using their time or get backed by litigation-funders.

"Quite frankly, law suits are being launched for all sorts of reasons.

"They can be vexatious or designed to irritate.

"So you assess the consumption of management time it will take defending the suit and might eventually decide to come to a deal."

Mr Allert said the increased demand on boards was causing eligible people – such as retiring chief executives – to shy away from taking up positions.

"However, there still are many people prepared to take it on after appropriate due diligence," he said.

While regulatory standards would not and should not be cut, there was plenty of room to make business processes more efficient, he said.

"I was amused to read about the Federal Government saying how many hundreds of pieces of legislation they'd passed," he said.

"They shouldn't be proud of how much they've passed; they should be proud of how much they've eliminated. For years, state and federal governments have had ministers for deregulation.

"Everybody always promises they're going to cut all this red tape and get rid of regulation, but I don't

DEPTH OF EXPERIENCE

- » Public company directorships: AMP, Genesee & Wyoming Inc, Genesee & Wyoming Australia, Ikara Wilpena Enterprises (chairman), Western Desert Resources (chairman).
- » Private companies: Cavill Power Products (deputy chairman), Wirra Wirra Wines.
- » Government: Australian Forces Entertainment Board.
- » Other: Aboriginal Foundation of SA (chairman), Adelaide Football Club Investment Committee, Mary Potter Foundation (patron).
- » Former positions include: Chairman – AXA Asia Pacific, Coles Group, Southcorp, Voyages Hotels and Resorts, Tourism Australia, AustraliaAsia Railways Corporation, Australia Council Major Performing Arts Board; Education Adelaide, National Wine Centre.
- » Director or member – FH Faulding, Kinhill Holdings, Ralph Business Tax Review, Abaf, Pembroke School, Duke of Edinburgh Award scheme, National Heart Foundation, Bedford Industries.
- » Other: Officer of Order of Australia, Honorary doctorate UniSA, EY entrepreneur champion.

ON SOUTH AUSTRALIA

We are a small and medium enterprise state," Rick Allert said.

"We don't have the booms and busts, which is good. We are nimble, we are pretty efficient."

"However, we do have margin pressures, we do have growth pressures, wages and productivity pressures."

"They're all hurting."

Mr Allert believes the services sector and agriculture in SA retain excellent prospects, especially if innovative methods are applied to the value-adding chain.

ON COLES

I'm not surprised they're having success

they are," he said. "I'm glad because was always possible. I think Richard Goyder and Ian McLeod have done outstanding job

see any. So I'd like to see a scorecard published every six months saying what they've eliminated.

"We do need regulation to be easier. If business was easier to do, it would reduce costs."

Mr Allert cited environmental approvals as an example. While everyone supported the goal of sustainability, environmental approvals were taking considerable resources and time.

"It's a real deterrent from doing business in Australia, we just have to streamline that process," he said.

"We've got to set the rules, which must be practical, and we've got to streamline the appeals process.

"So that you can have confidence that if you embark on a project – understand the rules and comply with them – then you can get the whole deal done in six months, not two or three years.

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“So that you can have confidence that if you embark on a project – understand the rules and comply with them – then you can get the whole deal done in six months, not two or three years.

“Because, as a board, you stand wonder 'should we really do this? There are choices on where to capital. If you're an international company, you'll go where you can get your capital working faster and more certainly than where you're bogged down in green tape.”

This issue was holding back investment in resources, construction manufacturing, he said.

Mr Allert said he fully supports the need for environmental approval and public consultation but the process had to be clearer and quicker.

“If that means more resources to be put into appeals courts and on, then so be it,” he said.

Asked about concerns of too many red tape relating to safety, Mr Allert said there should be common sense but no compromise.

“The safety of your employees absolutely your number one priority,” he said.

“Without going to ridiculous lengths, safety should not be a date for deregulation.”