

## AUSTRALIA FROM A BUSINESS PERSPECTIVE

### Tony Shepherd AO

In introducing Tony Shepherd AO, Geoff McWilliam reflected on the challenges and opportunities inherent in the expression “**We live in interesting times**” and, given the breadth and depth of his career, commented on how well qualified Tony Shepherd is to speak to us about Australia’s current situation from a business perspective.

The key points Tony made included:

- Business is the backbone of our economy and society, so its welfare and success are very important. Apart from the resources sector, Australian business could currently be summarised as uncertain and nervous, exacerbated by overseas events and the fiscal situation of NSW and Victoria.
- Our productivity is a key statistic. It is falling away in recent years and needs serious attention.
- Commonwealth employee numbers are growing faster than the country’s population, with wages and salaries increasing by 7.6% in the past year. Having said that, a well-paid, well-educated, honest and obedient public service is fundamentally important in the Westminster system of government.
- But our Commonwealth public service is not meeting the high standards that are expected.
- In addition, we are being subjected at both the Federal and State levels to a massive increase in “red tape”. With major potential investors walking away from investing here, Premier Minns is showing the way with a real plan to tackle and fix the problem.
- Tony describes the governments climate change policy as a “fiasco” that has resulted in electricity costs increasing by 38% in 4 years, along with reduction in supply reliability. These factors are putting smelter businesses at risk and impeding industry growth.
- While hydrogen has not succeeded as an alternative energy source, and Tony is not sure that nuclear energy is the answer, he thinks we should at least take a look at the nuclear option. He added, for interest, that Canada is now exporting nuclear generated electricity to some of the US’s northern states!
- With the decline in manufacturing as a proportion of our economy, we are extremely vulnerable to inherently risky, long supply chains.
- Recent changes to our industrial relations laws will make us less competitive and more reliant on imports.
- Alarming a 4 day/week idea is now being addressed by a Senate enquiry which if accepted will be inflationary and reduce productivity.

- We should appreciate the importance of the resources industry which is saving our economy and be keen to support it.
- We have a serious shortage of skilled workers. Education is part of the answer (including mathematics), skilled migration is another possible source as it was in Australia Post WW 2.

The questions and comments that followed covered:

The impact of red tape on housing approvals and supply; the benefits of modular housing; the challenge of achieving productivity improvements in a service industry economy; the need for long term export contracts to underwrite major capital investments in gas projects; the need for the business community to be more vocal with government; the shortage of first class political leadership (of the Hawke and Howard kind) at both the state and federal levels; the Business Council is strengthening its sensible and fact based Government and public lobbying; the outsourcing to consultants of public service roles has been a failure in the downgrading the expertise in the public service which we rely on; concerns about environmental damage from proposed gas projects in northern NSW are not well founded, "wokeness" is being encouraged by our education system; the idea of the Business Council identifying and encouraging candidates who understand business issues to stand for parliament has merit; the Metro has been a remarkable success and the Government should be praised; the light rail is popular and contributes but it's not the answer to dealing with the peaks as it is slow, particularly when loading and unloading.

At the conclusion of the meeting Keith Hartman thanked Tony Shepherd (his neighbour) on our behalf.

***Alan Locke***