

# Big Issues survey 2016 comments

## General comments from respondents

### Automation and future jobs

'I think the major challenge for Australian society going forward will be identifying employment opportunities for less well skilled workers.'

'Policy change needs to be managed holistically. For example, effective regulation helps lessen the shocks of digital disruption and protects the rights of workers and employers, and at the same time ensures fair taxation of income/profits. Uber is a good example of bad regulation that means taxation is minimal on profits that are "offshored", and a class of digital serfs is created with few rights and unstable employment.'

### Education and skills

'Our education system at the secondary level has high degrees of inequity; this needs to be addressed as it feeds the entire tertiary education system and is the basis of a productive workforce.'

'Tertiary education is still a major export product for Australia but it is slowly being choked to death by short-term measures and lack of investment. Asian countries are playing catch-up and soon will be overtaking Australia in quality of education and attractiveness. It will not be the rich parents from Asian countries sending their children to Australia for a good education, but the other way around. Ten years down the line we will be asking ourselves how we could have overlooked this.'

'Australian schools no longer prepare students for jobs, and the economy is being pushed to be more competitive through practices like automation, which reduces jobs. We urgently need to address secondary and tertiary education processes that no longer serve the needs of the nation. Some specific reforms:

- > Tertiary courses must demonstrate industry relevance.
- > Funding for research must be linked to local industry for at least 80 per cent of the funding. We currently are last in the world for publicly funded research commercialisation.
- > Teaching professionals at tertiary level must also have industry roles (same requirement as highly competitive nations like Germany).
- > Primary and secondary schools should teach digital capability subjects (design, coding, web services, Apps, etc).
- > Secondary schools should teach business and entrepreneurial skills, and these should not be based on the Silicon Valley model, which does not work here, and it is no longer working there either.
- > We need to establish an Australian entrepreneurial culture and put in the legal, design, technical, business and finance skills needed to ensure start-ups can succeed.'

## **Energy and resources**

‘The sector with the most potential is low-carbon generation and storage. One of my clients was almost put out of business by policies in this area.’

‘Abandon subsidies to large-scale, unstored renewable solar and wind energy projects, and adapt a much more holistic approach to the introduction of renewable energy. Consider renewable energy a priority in order to place downward pressure on high energy pricing, which is preventing regional growth.’

‘More focus should be on climate change and the alternate sources of energy that could create jobs. Productivity will rely on automation and innovation.’

‘Mining tax in WA – this is the biggest corporate rip-off in history. BHP will get a return on investment (ROI) of 70 per cent in one year, when at the same time they have cut the workforce by 50 per cent and increased production by 400 per cent. Where is the return to the people who own the resource? We are in a massive transition of sovereign assets to private enterprises and the politicians refuse to see it.’

‘Encourage the transformation of the electricity supply and distribution system to a leaner, greener, cleaner integrated energy system, meaning that both fuel and power production are market driven.’

‘There is powerful justification for pursuing renewable energy/energy transition.’

‘I don’t want the Government spending billions on climate change and making commitments to Paris we can’t afford.’

‘In some areas (e.g. energy) the regulatory framework is behind technology. We need to be courageous in enabling new ideas and innovation to be implemented that ultimately benefit the consumer.’

‘Revenue collected from mining taxation or related industries should be reinvested in projects that increase efficiencies for the sector, such as roads, rail, ports, etc.’

‘Get rid of the Renewable Energy Target (RET) and reduce electricity costs by reducing green regulation.’

## **Inequality (gender, wealth, income) and disadvantage**

‘Sort out affordable daycare and schooling so costs don’t force women to be stay-at-home mums. We need an equal workforce, but it won’t happen if we do not sort this out. Copy Sweden’s model of this (except remove quotas and have targets instead).’

‘Equitable distribution of wealth is our greatest priority. The gap between the wealthiest and the poorest should be decreasing, not increasing.’

'The drift/rush to populism as a result of marginalising the low income cohort threatens our nation. We must do something about improving equity.'

'The rising inequality in Australia is a result of past policies and preferential political settings that advantage the relatively few who have been in positions to take advantage of those instruments. This has enabled the rich and influential to become even wealthier while increasing their level of influence. The impact of negative gearing is a classic example of this, which needs to be addressed. These benefits to the few have accelerated the gap between rich and poor.'

'There is a need to address the growing inequity in incomes, starting with the big bonuses paid to bank sector employees, etc.'

'Focus on removing Aboriginal disadvantage by reducing welfare and increasing early childhood program and support programs that reduce the causes of disadvantage.'

## **Governance and government efficiency**

'Cut out all duplication between the states and the Commonwealth such as education and health.'

'Sell the electorate the benefit of inclusive growth and ensure that there is a safety net and ongoing assistance with structural adjustment.'

'We need political courage rather than populism and better behaviour of parliament.'

'Fix the inefficiencies arising from the federation – NZ does not need state governments.'

'Appoint ministers on the basis of capability rather than party/factional allegiance.'

'The Government should create policy that does not require Government to implement it to any great degree, as this is where they fall down. They make it too hard and complex to work and take no accountability for failed outcomes.'

'We need medium- to long-term fixes, not short-term "top-ups". We need to create a future economy and this needs a government with both vision and the gumption to invest in the future (not just playing with taxes to appease voters).'

'Here in SA the government is internalising work rather than outsourcing to the private sector. We want to see more outsourcing.'

'Effective Senate reform and/or establishing a path that enables consensus/action. Political inability to get things done combined with stale ideologies significantly impacts our ability to adapt our economy for the future.'

'The cost of "doing business" with Government and the courts is too high. Over regulation restricts innovation, access to capital and market development. Try exporting and see how many layers you need

to deal with, try raising capital and dealing with regulatory risk. Even at local government level the delays and waste are staggering.'

'State Government agencies do not operate commercially and are stifling private enterprise with red-tape and extending times for approvals and process. This is a massive cost to business and business confidence.'

## **Housing**

'The greatest hindrance to productivity in 2016 is a lack of housing affordability. If Australia's workforce cannot find a place to live, they can't participate in the national economy.'

'Biggest issue to us is housing affordability. Need to grandfather decreases in tax incentives for property investors, and to encourage investment in other more productive asset classes (e.g. businesses that make things, and create further economic benefit).'

'Stop the housing catastrophe. There will only be tears when the housing disaster unravels, and it will.'

'Regarding welfare, an examination of the assets test and exemption for housing is necessary. An examination of housing is necessary, full stop – including a review of the distortions that mean Australians overinvest in housing.'

'Although negative gearing is dead in the political water, it remains a blight on the taxation landscape.'

'States should gradually replace stamp duty with land tax or higher rates.'

'The high price of real estate is the biggest challenge to Australia's competitiveness, both as an overhead cost to business and a high baseline living cost to the population. This means that wages need to be higher just so people can satisfy the basic human need of shelter. Additionally, it means there is less money left over after paying rent/a mortgage to spend on consumption (although rising prices can improve consumption among those who already own real estate, as they improve their equity stake). There are tax reforms and government policy areas that can address this.'

## **Infrastructure**

'Ensure that the Western Sydney Airport is not built as it will impact the productivity and lives of millions of Western Sydney residents through sleep deprivation as it will be a 24/7 airport. Also the tourism industry will be impacted through the loss of World Heritage Listing of the Greater Blue Mountains and the noise/pollution it will bring to this area. The jobs growth figure is grossly misrepresented.'

## **Innovation**

‘Government policies to support industry clustering is a way to boost the competitiveness of our industries. International evidence shows that clustering results in more collaboration, profitability and higher wages of people employed by industries that participate in clusters.’

‘Our climate change response and R&D investment should be strongly linked.’

‘The Federal Government’s Innovation Agenda is a fraud – they don’t know what innovation is. We need a Donald Trump in Australia to make Australia great again.’

‘Innovation is key in establishing new methods that promote productivity but not at the expense of the environment and health of people. Each sector needs to look longer term and change the way shareholders and the markets look at short-term profit gains at the expense of much longer term impacts.’

‘As a country we need to go back to basics of investing – education, R&D, new technology – and bring the next generations through with these developments.’

## **Manufacturing**

‘Selective government subsidies for manufacturing industries. The Productivity Commission says it will be money well spent.’

‘Payroll tax and land tax are a burden on Australian manufacturers. As import and export competing businesses, we should be treated like farmers. GST reform and general tax reform should eliminate taxes on input costs that make domestic manufacturers and suppliers less competitive.’

## **Productivity**

‘Drive for efficiencies/productivity: ensure the Government gets out of the way and allows the natural advantages of Australia to shine.’

‘It all comes down to productivity and genuine competitiveness. If we create unreliable and expensive power regimes, our most competitive industries will suffer, operationally and investment-wise. We need the old and the new sectors.’

## **Regional development**

‘Two areas are key to reforming and developing Australia. The first is planning and the second is regional growth in areas such as Newcastle, Wollongong, Ballarat, Geelong, the Gold Coast, etc. These areas all need to be invested in as secondary cities, taking some of the population burden away from major cities. Capital cities should all be ring-fenced – no more expansion into greenfield sites. Additionally, planning should encourage small enterprises, not just the development of more housing.’

## Tax reform and the Budget

‘The sooner the Federal Government addresses structural taxation imbalances, the better. If not, a correction will come and do the hard work for them, albeit in a much more catastrophic way.’

‘As a lifelong Liberal voter, I cannot believe the current Government seems so determined to do nothing on addressing structural taxation imbalances. We need to address excessive negative gearing and capital gains tax concessions (across all assets, not in the least housing), GST (broaden the base and increase the rate), among other things.’

‘Cracking down on massive corporate tax avoidance is essential for the business sector to maintain its social licence.’

‘The Government needs a genuine strategy, priority and focus on budget recovery.’

‘Companies need to pay fair share of tax. Wealth distribution via employment needs to happen to the “forgotten people”.’

‘A mix of increasing GST and broadening the GST base, and reducing the marginal tax rate and corporate tax rate.’

‘Regarding tax reform, a key focus should be on removing distortions. An examination of the relative tax burden on income against wealth is also necessary.’

‘An examination of anti-money laundering is necessary.’

‘Government should simplify the tax system redirecting it to release resources from development of tax minimisation structures/schemes to production of goods and services.’

‘Increasing company tax, particularly rent resource taxes and carbon taxes, should be back on the table.’

‘GST distribution between the states is the most pressing issue.’

‘It should be made easier for business to do business, which includes better trained people, so that government doesn’t have to get involved in the bureaucratic way that it does. In return, business should make its responsible tax payments.’

‘Australia is dominated by many soft oligopolies; I don’t see that these businesses should be given further tax cuts – it’s a race to the bottom. Inequality is the biggest threat to the global economy.’

‘Lower tax on personal income. With three tiers of government, my total tax on marginal \$1 is > 60c.’

‘A key aim of tax reform should be to contribute to budget repair. Tax reform should include simplification to reduce compliance costs, which would also increase Australia’s international competitiveness.’

‘The Australian Government needs to take a serious look at NZ in regards to taxation and Industrial Relations reform. For a country as small as NZ, to be able to change its dependence on a single commodity/industry and lead the world in terms of fiscal performance serves as a case study. Inaction by this current government will be to the detriment of Australia.’

‘I counter the assumption that tax rates for businesses should be lowered. Getting businesses to pay their taxes in the first instance is a challenge, let alone looking at a lower company tax rate.’

‘Politicians at federal and state level have now seen BREXIT and Trump. They need to take action to invest and rectify budget deficits so money is in the pot for generations to come.’

### **International: trade, migration, international forces**

‘An analysis of Trump’s election win will need to be carefully monitored and the impact on our exports and imports detailed. This should tie into an analysis on how this may raise the cost of living for Australians and how Australia should plan ahead.’

‘High immigration leads to housing unaffordability, environmental stress and excessive congestion and crowding.’

‘The top policy priority this coming year for the Federal Government is the need to facilitate a much larger, effective humanitarian refugee intake, to end off-shore processing, and to stop punishing refugees for wanting to flee persecution.’

‘Australia has benefitted greatly from globalisation and must now accommodate lower future international growth.’

‘(1) Encouraging small-medium size industry, production of goods and services for export. (2) Educate businesses about the platforms that can assist them, being aware of the global competition and maintain quality delivery is key to improving the Australian economy. Seek major industries globally that appealed to the Australians and encourage those industries to set up factories here to increase more jobs.’

‘Trade issues will be increasingly challenging in 2017 and important for the economy.’

### **Other reforms and comments**

‘Microeconomic reform should be a priority.’

‘Continued privatisation at state (utilities) and federal level e.g., Australia Post.’

‘Reducing the public service and curbing unions’ militancy and the high (and often poorly explained) remuneration of senior executives are also priorities.’

‘Additional areas I consider important include: promoting Australia branding campaigns, Government procurement (Government being the largest purchaser of goods and services), and Government incentive programs to consumers.’

‘The elephant in the room is the lack of data/intelligence on key drivers for a successful economy, the skills to interpret that intelligence and the authentic and strong leadership to implement it.’

‘The devil is the detail of any proposed actions. Reforming industrial relations can’t be code for job losses and wage reductions. Cutting income tax without linking it to desired outcomes e.g. reinvestment and re-engineering is just a tax cut. Additional areas that could be looked at include: total government debt and how that needs to be reduced; the lack of competitive finance options available to Australian business; outrageous executive remuneration; and the age of the Australian director pool and their lack of relevant experience for this century. Finally, any policy or response cannot be piecemeal and ad hoc - there’s little point in putting air in only two of the four tyres.’

‘Rather than policies sitting in isolation, economic, welfare and tax reform should reinforce a transition to a low-carbon, well-educated, and highly competitive economy.’

‘The biggest economic issues are provision of adequate base level health, education and housing across the board.’

‘Tax more from those that can afford to pay. Encourage education and welfare programs to ensure high participation in the workforce.’