

Herald Sun

Andrew Bolt on Malcolm Turnbull: Time to stand up and invest in Australian businesses

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An hour ago

MALCOLM Turnbull was having a ball with Donald Trump over dinner in New York when an Australian bobbed up to remind him of the trouble we're in back home.

That Australian was billionaire cardboard king Anthony Pratt, who got up at the black-tie dinner marking the 75th anniversary of the Battle of the Coral Sea to give a speech.

Pratt announced he would invest another \$2 billion in the United States to “create an additional 5000 high-paying manufacturing jobs” because Trump had made “America the greatest place in the world to manufacture”.

Trump, the new US President, gave Pratt a standing ovation. Turnbull, the Australian Prime Minister, kept sitting.

It was a brutal reminder to Turnbull — and just before Tuesday's Budget — that Australia is making itself dangerously uncompetitive, leaving investment low and unemployment high.

And if he'd have talked to other guests at the dinner, he'd have got exactly the same message.

Andrew Liveris, the Australian-born head of the huge Dow Chemical company, could have repeated his warning that governments had made business here so tough — particularly by hiking energy prices through the roof — that there was now “no reason to reinvest here and every reason to leave”.

Gina Rinehart, the mining magnate and pastoralist, would have again told him to slash regulations that are now so byzantine that she needed more than 4000 licences and approvals for her Roy Hill mine.

In fact, the number of pages of Commonwealth environmental laws has exploded 80-fold since 1971.

Trump, in contrast, has ordered that for every new regulation passed, two must be scrapped.

Rinehart, a nationalist, is now warning that without reform, she might reluctantly have to join other miners and invest more overseas.

Already, BHP Billiton is reconsidering its own plans to invest \$25 billion here in projects in the Pilbara, South Australia's Olympic Dam and coking coal in Queensland.

Think none of this really affects you? Then have a look at your pay packet. Australians, overall, have had no rise in living standards since 2011. Record low wage rises have only just matched price rises.



President Donald Trump and Australian Prime Minister Malcolm Turnbull shake hands during their meeting.

Picture: Pablo Martinez Monsivais

Not unrelated is the fact that business investment has slumped over the past five years.

To be fair, Turnbull is trying to cut businesses taxes, although cuts for bigger businesses have been blocked by Labor, the Greens and the Xenophon party in the Senate.

But Australia is still being held back by huge debt, low earnings, low productivity, soaring electricity prices, welfarism, high taxes, red tape, mountains of environment regulation, and consumers now too scared to spend much.

From top to bottom, businesses are feeling the pinch of an almost paranoid suspicion of business and a crippling sense of entitlement, mixed with a lot of green dreaming.

At the top, it's businesses such as Adani, which is trying to open a giant new coal mine in Queensland but is being harassed by well-funded green groups suing it for everything from allegedly hurting Aborigines to suffocating the planet with global warming.

In the middle, it's businesses such as the Melbourne food processor, which last week sent me its latest quote for electricity — up from \$331,000 in 2014 to \$998,000, thanks in large part to government policies to drive us off cheap coal-fired power to “stop” global warming.



Anthony Pratt announced he would invest another \$2 billion in the United States. Picture: Nathan Edwards

Then there are the small businesses, such as the farmers who can't find Australians to pick fruit even in areas where plenty of people are on the dole.

Or take the small telecommunications company in Port Augusta, which told me the Turnbull government's new crackdown on visas for foreign workers could put it out of business because only once in 19 years has it managed to find an Australian technician willing to leave the city to take a job out bush. This is not to say tomorrow's Budget will be all bad news.

Not at all. It is expected to show the government spent less and got more in taxes than predicted. Growth is still reasonable, and there will be money for a new airport for Sydney that should make us richer.

But the government will still post the 10th straight deficit — all huge — leaving us with such a massive debt that we're paying more than \$1 billion a month just on interest.

What's more, the Budget's big spending on the new airport, an inland railway, roads and schools is based on a dangerous bet that growth will pick up.

But that growth can't come without investment — and Anthony Pratt sounded the warning in New York that we risk missing out.

The question is whether the rest of us heard that warning, and wake up to the challenge we now face.