

Business summit needed – ASAP

“Nev Power’s National COVID-19 Coordination Commission should also include a 1983 style National Economic Summit to bring Australian business, union and environmental leaders together to agree on how to increase the economic pie as we come out of lockdown – rather than just taxing it more,” says Adelaide based financial strategist Theo Marinis.

The cost of COVID-19 to the economy is huge, but it also presents Australia with an opportunity.

The simple (and stupid) approach would be to just increase taxes to pay off the crisis – but I believe businesses, including my own, are ‘unlocking’ efficiencies during this period of lockdown. I also believe that if we share our discoveries on a national basis, we can encourage the implementation of a better way to operate – and in so doing – help to grow the entire nation.

For any such summit to be successful, however, it will be essential that our trade unions and environmentalists are brought ‘into the tent’ and afforded co-ownership.

COVID-19 has exposed the need to bring vital industry and supply chains back home, and therefore as stakeholders, we need to reach agreement on which red (and green) tape to unravel, what will be important to keep, and what we need to bolster. A re-think and reset of our energy policies which recognises the need for clean, reliable energy sources to meet base load power needs with certainty must be part of this equation.

In basic terms, nothing should be left off the table, and no ‘sacred cow’ should be left untouched.

Nor should the taxation system be exempt; this will mean revisiting some politically unpalatable but important economic renovations. It will mean reviewing existing tax rules with a view to:

- Abolishing franking credit refunds
- Limiting negative gearing
- Increasing the GST
- Reducing the top tiers of PAYG taxation
- Reviewing / capping the CGT and Centrelink principal residence exemptions

Unfortunately, it is probably time to tax Account Based Pension income in excess of the minimum payment at 15% on a pro rata monthly basis, at source – with no refundability – and in so doing, eliminate the overly bureaucratic and cumbersome Transfer Balance Cap (TBC) rules.

The Australia Bob Hawke inherited on 5 March 1983 was vastly different to the one John Howard took over on 11 March 1996, due to the Economic Summit and the ensuing coordinated rebuild of the national economy.

Nev Power would be an excellent choice to lead a similar summit, but it will need the engagement of the PM and the Treasurer if it is going to matter. In the same way that our medical profession has served Australia so brilliantly by keeping our deaths from the virus to around 100 (while the UK with three times our population for example, has suffered over 20,000) it is my belief that business should also have the opportunity to inform the direction of our nation.

The National Cabinet demonstrated what can be achieved when we all work together as Australians when petty politics and our biases are left at the door.

Everything should be open for debate, ranging from industrial relations reform, changes to superannuation and taxation, and the role for Australia's vast reserves of uranium, coal and LPG.

As Winston Churchill said, "never let a good crisis go to waste". Now is the time for unpalatable, but important economic reform to occur. But it needs the agreement and understanding of all parties to succeed.

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